Allied Bank

RISING WITH PURPOSE

ANNUAL REPORT 2025

Allied Bank

DIGITAL TRANSFORMATION JOURNEY



OUR **VISION**

- To become a dynamic and efficient Bank providing integrated solutions in order to be the first choice bank for the customers

OUR **MISSION**

- To provide value added services to our customers
- To provide high tech innovative solutions to meet customers' requirements
- To create sustainable value through growth, efficiency and diversity for all stakeholders
- To provide a challenging work environment and reward dedicated team members according to their abilities and performance
- To play a proactive role in contributing towards the society

CORE **VALUES**

- Integrity
- High Performance
- Excellence in Service
- Innovation and Growth

RISING WITH PURPOSE: A JOURNEY OF TRANSFORMATION

This year's Annual Report, Rising with Purpose draws inspiration from our recent expedition "Allied Karavan". It has been extension of structured Corporate Social Responsibility (CSR) initiatives taken by Allied Bank Limited for environmental stewardship and community development.

K2 Base Camp trek expedition in 2024 led by male staff motivated and induced to design an expedition led by female team members to promote inclusiveness and diversity. Accordingly, Allied Karavan expedition led by women employees of the bank was conducted in 2025 reinforcing the urgency of sustained environmental responsibility.

Allied Karavan, a convoy of 35 members, gathered for environmental conservation activities, community engagement, financial awareness and employee volunteerism under the Bank's broader ESG (Environmental, Social & Governance) framework. The team travelled through northern landscapes of Pakistan covering areas of Abbottabad, Naran, Lake Saif-ul-Maluk, Babusar Top, Hunza, Attabad Lake and Khunjerab Pass for dedicated cleanliness drives, awareness sessions, tree plantation and community participation/meetings. The team collected around 1,300 kilograms of waste and safely disposed as per waste management standards.

Allied Karavan team conducted awareness sessions on responsible tourism and the environmental impact of climate change, encouraging visitors to become active contributors to the ecosystem. Meaningful engagement sessions were also held with students highlighting Allied Bank's contribution to academic and professional growth of youth ensuring educational support and youth development. In addition, dedicated Plantation Drive was also conducted symbolizing a shared commitment to environmental sustainability and inclusive development witnessing extensive participation from students, faculty and the local community.

Dedicated yoga sessions were also conducted, reflecting the initiative's emphasis on mindfulness, resilience and inner balance amid one of the world's most extreme and inspiring natural environments. This wellness activity complemented the environmental message, reinforcing the connection between personal discipline and collective responsibility toward sustainability.

Allied Karavan 2025 expedition demonstrated that banking is not limited to deposits and lending; it is rooted in trust, stewardship and long-term value creation. By combining environmental preservation, women empowerment, financial literacy and community outreach, the initiative reflected Allied Bank's commitment to sustainable growth and responsible leadership.

Allied Bank remains committed to embedding green practices, ethical leadership and social responsibility into the foundation of its institutional strategy. Just like financial capital is invested for future returns, sustainability investments are made for future generations.

Commemorating more than two decades of journey of transformation, this Annual Report showcases the achievements we have attained, the obstacles we have navigated and the future we are determined to build. Over these two decades, we have reached remarkable milestones in financial innovation, customer-focused solutions, and sustainable initiatives while staying firmly dedicated to the societies we are part of.

21 YEARS
OF TRUST & GROWTH

Year 2025 marks twenty-one years since the landmark recapitalization of Allied Bank Limited by the Ibrahim Group in 2004. Since its recapitalization this is a journey of over two decades reflected by transformation of a loss-making entity into one of premier financial institution of the country delivering consistent performance, fostering customer trust and driving sustainable growth underscored by resilience, innovation and leadership.

The year 2004 marked a pivotal moment in the history of Allied Bank. Confronted with financial challenges, the State Bank of Pakistan, under the guidance of the Privatisation Commission of Pakistan, initiated the recapitalization of the Bank. This strategic move led to the Ibrahim Group assuming control, stabilizing the Bank's financial position and ushering in a new era of ownership and management. In 2005, the institution was formally renamed Allied Bank Limited, symbolizing the beginning of a transformative journey. Guided by its Vision "To become a dynamic and efficient Bank providing integrated solutions in order to be the first-choice Bank for customers", Allied Bank embarked on a path of growth, innovation and enduring success.

Under the stewardship of the new Board and Management, Allied Bank embarked on a journey of rapid expansion and technological advancement. The Bank invested heavily in modernizing its infrastructure, introducing state-of-the-art banking technologies and expanding its branch network. The Bank's focus on digital transformation not only enhanced customer experience but also improved operational efficiency.

Building on strong foundations, Allied Bank has steadily reinforced its position in the market with outstanding financial results. Year after year, the Bank has shown impressive growth in deposits, lending and profitability. The Bank's prudent risk management practices, combined with a diversified product portfolio, contributed to its robust performance.

Allied Bank places a strong emphasis on sustainability and corporate social responsibility (CSR), embedding these principles into its core strategy. The Bank has launched numerous initiatives to promote financial inclusion, support education and contributing to environmental sustainability.

The Bank's commitment to CSR is reflected in its various programs, including scholarships for underprivileged students, support for healthcare initiatives and efforts to reduce its carbon footprint. Allied Bank's focus on sustainability is not only aligned with global best practices but also resonates with the Bank's vision of creating long-term value for its stakeholders.

Today, Allied Bank stands as a financially robust institution, with a deposit base exceeding Rs. 2.3 trillion, total assets surpassing Rs. 3.3 trillion and a diverse portfolio of advances supported by the industry's lowest NPL and highest Capital Adequacy Ratio. With a nationwide network of over 1,500 branches, the Bank continues to deliver a wide range of products and services tailored to the evolving needs of its customers.

The Bank's unwavering commitment to providing digitally-led integrated solutions, supporting the growth of digital ecosystem in the financial sector and promoting environmentally friendly green banking practices as a socially responsible corporate citizen has received global recognition. The Bank has been honoured multiple times on international platforms by world-renowned organizations, including The Banker (Financial Times Group, U.K.), FinanceAsia and Euromoney – a true testament to Allied Bank's achievements.

Allied Bank celebrated its rich history and transformation journey through events held in Lahore, Karachi, Islamabad and Multan. These celebrations highlighted the dedication and hard work of employees, whose contributions have been pivotal to the Bank's success over the past two decades. They also provided an opportunity to reflect on achievements and envision the future with renewed energy and purpose.

Allied Bank stands as a symbol of resilience, innovation and growth. The transformation from a financially distressed entity to a market leader underscores the power of strategic vision, effective management and unwavering commitment to excellence. With a strong foundation and a clear vision for the future and strategy of Rising with Purpose, Allied Bank is well-positioned to continue its legacy of growth and contribute meaningfully to Pakistan's economic development.



ABOUT
THIS REPORT

This Annual Report is prepared in accordance with the following regulations, frameworks and guidelines:

- The International Integrated Reporting <IR> Framework issued in December 2014 by the International Integrated Reporting Council.
- The Banking Companies Ordinance, 1962
- The Companies Act, 2017.
- The Listed Companies (Code of Corporate Governance) Regulations, 2019 issued by the Securities and Exchange Commission of Pakistan.
- International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.
- Islamic Financial Accounting Standards issued by the Institute of Chartered Accountants of Pakistan.
- Directives issued by the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan.

This report is published within three months of the date of the Statement of Financial Position and is available in two mediums to cater the need of our various readers.

- A limited number of printed reports have been produced to be dispatched to those who have requested for the same.
- Readers can view and download our report through following weblink / QR Code:

  https://www.abl.com/investor-relations/financials/financial-reports/

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ADOPTION OF INTERNATIONAL INTEGRATED REPORTING FRAMEWORK

Scope
Adoption of International Integrated Reporting Framework assists our readers in assessing our business by providing information about the state of affairs, connection between its financial and non-financial information, overall performance and outlook of the Bank in the form of a detailed qualitative and quantitative analysis. It fairly addresses the material matters pertaining to sustainability of the Bank and its integrated performance and describes the value creation process concisely including the business model, strategies, governance, processes, risks and opportunities. Integrated report benefits all stakeholders interested in the Bank's ability to create value over time, including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy makers. The report provides an overview of the Bank's philosophy and value creation business model which enhances the user's understanding as to how the Bank is working to improve its performance keeping in view the stakeholders' interest.

The Bank has fully adopted the International Integrated Reporting Framework and is providing the information in annual report based on the fundamental concepts and guiding principles of the framework.

There are three fundamental concepts underpinning Integrated Reporting;
- Value creation, preservation or erosion for the Bank and for others.
- The capitals, which are identified in the Framework as financial, manufactured, intellectual, human, social and relationship and natural capital.
- Process through which value is created, preserved or eroded.

Contents
The Bank has disclosed following key categories of information as required to be included in the Integrated Report under the Framework;
- Organizational overview and external environment
- Strategy and Resource Allocation
- Risks and Opportunities
- Business Model
- Governance
- Performance
- Outlook
- Basis of Preparation and Presentation

In addition, the Bank has also disclosed regulatory information which includes Directors' Report, Chairman's Message, Statement of Compliance with Code of Corporate Governance, Report of Shariah Board and External auditors' reports.

The Bank has followed the guiding principles of the Integrated Reporting Framework which strengthen the preparation of an Integrated Report, information content of the report and how this information is presented. These guiding principles include;
- Strategic focus and future orientation
- Connectivity of information
- Stakeholder relationships
- Materiality
- Conciseness
- Reliability and completeness
- Consistency and comparability

Boundaries
The Annual Report is made for the general public to assess and analyze the Bank's business and performance. The readers of this report can refer to different sections depending upon their requirements.

The Bank's Annual Report covers the period from January 01, 2025 to December 31, 2025 and is consistent with our annual reporting cycle for financial and integrated reporting. Subsequent events up to the issuance of this report have also been explained in various sections of the Annual Report.

The report also includes the financial statements of the Bank which have been prepared under the Corporate Reporting Framework comprising of International Financial Reporting Standards (IFRS), Islamic Financial Accounting Standards (IFAS), Companies Act 2017, Banking Companies Ordinance 1962, and the directives issued by the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan.

Independent External Auditors, M/s KPMG Taseer Hadi & Co. Chartered Accountants have provided assurance on the Bank's financial statements and their report is included in the Annual Report.

ABOUT ALLIED BANK

The Bank started its operations in Lahore by the name Australasia Bank before independence in 1942; upon nationalization in 1974, it was merged with 3 other banks and the name was changed to Allied Bank of Pakistan Limited. In August 2004, SBP under Scheme of Reconstruction transferred its ownership to a consortium led by Ibrahim Group; consequently, the new management renamed the entity as Allied Bank Limited in 2005.

The Bank offers full suite of banking products and services through a large network of 1,535 (Conventional: 1,231; Islamic: 302; Overseas: 1; EPZ: 1) online branches in over 601 cities and towns. The Bank also have vast network of 1,674 ATMs across Pakistan.

While holding on its rich legacy, the Bank embarked on a transformation journey, with a focus on digitization to improve productivity and customer convenience.

The Bank is forging new frontiers in creating sustainable value through high standards of corporate governance, digitization and superior asset quality, consequently, maintaining robust financial position with stable profitability.

Credit Rating
The Bank is among the league of selected few, which have been awarded highest long-term and short-term entity credit ratings of AAA (Triple A) and A1+ (A One Plus) respectively by PACRA.

Corporate Governance Rating
VIS Credit Rating Company Limited (VIS) has reaffirmed Corporate Governance Rating of Allied Bank Limited (ABL) at "CGR-9++" out of maximum scale of 10. This Corporate Governance Rating of CGR-9++ signifies very high level of Corporate Governance and indicates strong commitment of the Bank towards Governance Framework.

Parent Company
Ibrahim Holdings (Private) Limited is the parent company of the Bank and its registered office is in Pakistan.

Subsidiary Companies
The Bank holds 100% shareholding of ABL Asset Management Company Limited (ABL-AMC) and ABL Exchange (Private) Limited.

Pakistan's Widest **Network** with coverage in 133 Districts & 601 Cities/Town

Province	Branches	ATMs
Punjab	835	958
Sindh	273	310
KPK	211	186
Islamabad	77	110
Azad Kashmir	73	51
Balochistan	51	45
Gilgit-Baltistan	13	14
Overseas*	2	-
Total	**1,535**	**1,674**

**including branch in Expert Processing Zone*

CORPORATE INFORMATION

Board of Directors

Mohammad Naeem Mukhtar (Chairman)
Muhammad Waseem Mukhtar (Vice Chairman)
Sarah Naeem (Executive Director)
Zafar Iqbal
Nazrat Bashir
Muhammad Kamran Shehzad
Mian Ikram Ul Haq
Aizid Razzaq Gill (Chief Executive Officer)

Shariah Board

Mufti Tayyab Amin (Chairperson)
Mufti Mahmood Ahmad
Mufti Muhammad Awais Masood

Chief Financial Officer

Muhammad Atif Mirza

Company Secretary

Adeel Javaid

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisor

Mandviwalla & Zafar Advocates

Share Registrar

CDC Share Registrar Services Limited
(CDCSRSL)

Registered and Head Office

3 Tipu Block, New Garden Town,
Lahore 54000
Pakistan

www.abl.com
info@abl.com

(+92-42) 35880043
UAN: 111-225-225

ablpk
Allied Bank Limited
Allied Bank Limited
ABLpk
ablpk
alliedbankltd

NETWORK OUTREACH

1231 Domestic Branches (Conventional)

302 Domestic Branches (Islamic)

02 Overseas Branches

323 Rural Branches

1212 Urban Branches

1445 Banked Branches

90 Un-Banked Branches

02 Overseas Representative Offices

04 Management Development Centers

396 Islamic Banking Windows

11 Warehouses

37 Theme Branches

1428 Onsite ATMs

240 Offsite ATMs

06 Mobile Banking Units

27 Digital Touchpoints

21 Digital Self Service Branches

02 Exclusive Branches

JOURNEY
THROUGH TIME

1942
Establishment of Australasia Bank at Lahore (First Bank in Subcontinent Owned by a Muslim Family), with Rs. 0.12 million Share Capital

1943-46
Branch network and Deposits grew steadily over time

1947
Independence of Pakistan (Branches in areas partitioned to India closed down)

1948-70
Branch network grew to over 100 branches in East and West Pakistan by the end of 1970

1971
Separation of East Pakistan (now Bangladesh) resulted in loss of 51 branches

1972-73
Branch network grew to 186 branches by the end of 1973

1974
Australasia Bank Limited merged with Sarhad Bank Limited, Lahore Commercial Bank Limited and Pak Bank Limited by the Government of Pakistan and was nationalized and renamed as Allied Bank of Pakistan Limited, with a network of 353 branches

1975-89
The Bank commenced operation in UK and opened 4 branches in 1980s

1990-99
26% shares of the Bank disinvested by the Government

Management, control and administration transferred to employees backed Allied Management Group (AMG) in 1991

Share of AMG increased to 51% by the end of 1993

2000-03
State Bank of Pakistan took over the management of the Bank in 2000 and initiated the restructuring in 2003

2004
Recapitalization of Allied Bank of Pakistan Limited and handing over of Management to Ibrahim Group

2005
Organizational re-structuring and re-branding to "Allied Bank Limited"

Listing on all 3 Stock Exchanges

First Dividend payout after recapitalization at Rs. 2.5/share

2006
Bank of the year - Pakistan Award by "The Banker"

Implementation of Oracle Financials Enterprise General Ledger

Agreement with Temenos for acquisition of T-24 Core Banking solution

Launched "Allied Direct" Internet Banking

Merger of First Allied Bank Modaraba with Allied Bank Limited

2007
Established Asset Management Company Limited – wholly owned subsidiary of Allied Bank Limited

2008
ATM Network surpassed 500 ATM (Largest ATM Network)

1st Offsite ATM installed in Karachi

2009
Installation of 5 Cash and Cheque Deposit Machines

2010
Implementation of Loan Origination System

Launch of Pay Anyone domestic remittance service

2011
Bank of the year - Pakistan Award by "The Banker"

Established Representative Office in Dubai, UAE

Obtained License from Central Bank of Bahrain for "Wholesale Bank Branch"

2012
Established Islamic Banking Group

Debit Cards issuance surpassed 1 million cards in circulation

Launched Bank controlled and operated warehouse for Pledge Financing

2013
Upgradation of Oracle Financials Enterprise (Version R-12)

2014
Achieved milestone of opening 1000th branch

Launched Islamic Banking

Launched Smartphone enabled "Allied Direct" application

Successfully migrated all branches to Temenos T-24 core banking application

2015
Achieved milestone of installing 1000th ATM

2016
Total Assets surpassed Rs.1 trillion

Deployed EMV capability on chip-based cards

2017
Bank of the year - Pakistan Award by "The Banker"

Established Representative Office in China

Rebranded internet banking platform from "Allied Direct" to "myABL"

2018
Achieved highest credit rating of "AAA" by PACRA

Core banking application Temenos T-24 upgraded to R-16

Digital Lockers

Interactive Teller Machines

Mobile ATMs

Point of Sales (POS) machines

2019
Implementation of Robotics Process Automation

Implementation of IBM Big Data Appliance

Launched Pakistan's first ever co-badged debit card

Achieved milestone of installing 1500th ATM

Deployed Electronic Que Management Systems

2020
Creation of Data Lake to store information

Implementation of IBM Business Process Manager for internal process optimization

Deployed Self Service KIOSKs

2021
Bank of the year - Pakistan Award by "The Banker"

Assets Base of the Bank surpassed Rs. 2 Trillion

Achieved milestone of 2 million debit cards in circulation

Implementation of Oracle Human Resource Management System

Launched myABL WhatsApp Banking

Online Account Opening Facility "my Pakistan Digital Account"

2022
Bank of the year - Pakistan Award by "The Banker"

Deposits of the Bank surpassed Rs. 1.5 Trillion

1 million subscribers of myABL

Pakistan's 1st Bank Branch in Metaverse

2023
Bank of the Year - Pakistan 3rd year in a row by "The Banker"

WhatsApp banking surpassed 1 million users

1.5 million accounts opened

Crossed milestone of 3 million plus debit cards

Website revamped with multilingual support

Launched Merchant Acquiring Business

2024
Achieved milestone of opening 1500th branch

Honored with 5 prestigious awards by FinanceAsia

Awarded Best Digital Bank and Best Domestic Islamic Bank by Euromoney

Deposits surpassed Rs. 2 Trillion milestone

Gross Advances of the Bank surpassed Rs. 1 Trillion

myABL crossed 2million subscribers

Launched Generative AI based Virtual Assistant

2025
E-Commerce Payment Gateway

myABL subscribers reached 2.6 million

Honored with 6 prestigious awards by Finance Asia

Total Assets surpassed Rs. 3 Trillion

250% year-on-year increase in Digital Accounts opening

Deployment of 265 Cash Deposit Machines

AWARDS AND RECOGNITION

FinanceAsia

Best Domestic Bank

Best Bank for Financial Inclusion

Best Sustainable Bank

Best Bank in Most DEI Progressive Bank

Best Bank in Most Innovative Use of Technology

Best Commercial Bank - SMEs

Best Investment Bank – Highly Commendable

Euromoney Islamic Finance Awards

Pakistan's Best Islamic Digital Bank

Euromoney Awards for Excellence

Pakistan's Best Digital Bank for Large Corporations

Global Diversity & Inclusion Benchmarks (GDIB) Awards

Vision, Strategy and Business Impact

Leadership and Accountability

Recruitment

Job Design, Classification and Compensation

DEI Learning and Development

Asian Technology Excellence Awards

Virtualisation Banking

State Bank of Pakistan

NFLP Performance Recognition Award Most Compliant Bank - FY'24-25

Asian Technology Excellence Awards

Digital Banking















AWARDS AND RECOGNITION

Pakistan Digital Awards

App & Web Enabled Market Award

Employers' Federation of Pakistan

Women Empowerment and Gender Equality Awards - Diamond Recognition Award 2025

Pakistan Digital Awards

Best CRM Technology Award



FinanceAsia

- Best Domestic Bank
- Best Bank for Financial Inclusion
- Best Sustainable Bank
- Best Bank in Most DEI Progressive Bank
- Best Bank in Most Innovative Use of Technology
- Best Commercial Bank - SMEs
- Best Investment Bank – Highly Commendable

Euromoney Awards for Excellence

Pakistan's Best Digital Bank for Large Corporations

Euromoney Islamic Finance Awards

Pakistan's Best Islamic Digital Bank

The Asset Triple A Awards for Sustainable Finance 2025

Best Syndicated Loan of the Year

Asian Technology Excellence Awards

Digital – Banking

Virtualisation – Banking

Pakistan Digital Awards

Best CRM Technology Award

App & Web Enabled Market Award

CFA Society Pakistan

Best Bank of the Year - Large Sized Bank – Runner up

ICAP & ICMA*

Best Corporate and Sustainability Report 2024 Award - 3rd Position

South Asian Federation of Accountants

SAFA Best Corporate and Sustainability Award 2024 - Certificate of Merit

Global Diversity & Inclusion Benchmarks (GDIB) Awards

Best Practice Award in:

- Vision, Strategy and Business Impact
- Leadership and Accountability
- Recruitment
- Job Design, Classification and Compensation
- DEI Learning and Development

Employers' Federation of Pakistan

Women Empowerment and Gender Equality Awards - Diamond Recognition Award 2025

State Bank of Pakistan

NFLP Performance Recognition Award
Most Compliant Bank - FY'24-25

National Forum for Environment & Health (NFEH)

- CSR Report Research and Publications
- Green Energy Initiatives
- Inclusivity
- Women Welfare, Empowerment and Development

* The Institue of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan

BOARD OF DIRECTORS



Mohammad Naeem Mukhtar



Muhammad Waseem Mukhtar



Sarah Naeem



Zafar Iqbal



Nazrat Bashir



Muhammad Kamran Shehzad



Mian Ikram Ul Haq



Aizid Razzaq Gill



Mohammad Naeem Mukhtar

Chairman / Non-Executive Sponsor Director

Mr. Mohammad Naeem Mukhtar is the Chairman of Board of Directors of the Bank since 2004. He has a Master of Business Administration degree from Cardiff Business School United Kingdom, Post Graduate diploma in Textiles from United Kingdom and Chartered Textile Engineer (CText ATI) certification from The Textile Institute in Manchester, United Kingdom.

He has over forty years of experience of Finance and Industrial Manufacturing. He is Chairman of Ibrahim Fibres Limited and Chief Executive Officer of Ibrahim Holdings (Private) Limited, Ibrahim Welfare Foundation and Ibrahim Agencies (Private) Limited. In addition, he is also on the Board of Directors of ABL Asset Management Company Limited, Karachi Education Initiative and Pakistan German Business Forum.

He is Member of the Board of Governors of National Management Foundation, the parent body of Lahore University of Management Sciences (LUMS). He is also representing the Bank at Pakistan Business Council and is Industry Co-Chair Banking Sector of National University of Sciences and Technology (NUST) Corporate Advisory Council as well as Senior Fellow at Global Think Tank Network (GTTN).



Muhammad Waseem Mukhtar

Vice Chairman / Non-Executive Sponsor Director

Mr. Muhammad Waseem Mukhtar is a strategic business leader whose career reflects a sustained commitment to institutional excellence, innovation and long-term value creation. As Vice Chairman of Board of Directors of the Bank and a member of its Board since 2004, he has been instrumental in shaping the Bank's long-term strategic direction. His leadership has supported the Bank's evolution into a technology-driven, future-ready financial institution, grounded in strong governance and disciplined risk management.

He is the Chief Executive Officer of Ibrahim Fibres Limited, one of Pakistan's leading textile manufacturers and the country's largest producer of polyester staple fibre and high-quality yarns. Under his leadership, the company has maintained its position as a key player in the textile sector through operational excellence, technological advancement and strong governance standards.

He also serves as Chairman of ABL Asset Management Company Limited, one of the largest asset management companies in Pakistan and is also on the Board of Ibrahim Holdings (Private) Limited, Ibrahim Agencies (Private) Limited and Ibrahim Welfare Foundation.

He holds an MBA (Finance & Strategy) from The University of Chicago Booth School of Business, Chicago Illinois, USA and a Master's degree in Total Quality Management from University of Glamorgan, Wales, UK. He is also a Certified Director from the Pakistan Institute of Corporate Governance.

With over twenty eight years of cross-sector leadership experience spanning finance, information technology, and industrial enterprise, he has consistently demonstrated the ability to transform institutions into resilient, future-ready organizations. His career reflects a strong focus on building robust governance frameworks, embedding innovation into core strategy, reinforcing the Group's mission to deliver enduring economic and societal impact.



Sarah Naeem

Executive Director

Ms. Sarah Naeem is an Executive Director and Board Member of the Bank. She is part of the next generation of leadership within the Ibrahim Group and is actively involved across banking, industrial manufacturing, and strategic transformation initiatives.

She also serves as a Director at Ibrahim Fibres Limited, a leading polyester fibre and yarn manufacturer with integrated power generation and advanced automation capabilities. Within the Group, she works closely on strategy, branding, sustainability, and long-term institutional positioning across both industrial and financial services businesses.

Ms. Naeem holds a Graduate Diploma in Global Business from Saïd Business School, University of Oxford, and a Master's degree in Digital Management from Teesside University, United Kingdom. Her academic background also includes a Bachelor's degree in Communication from the State University of New York, Buffalo, and a Diploma in Design Communication from LASALLE College of the Arts, Singapore.

She has completed advanced executive and scenario planning programs through the University of Oxford, with a focus on strategic foresight, risk, and decision-making under uncertainty.

At Allied Bank, Ms. Naeem contributes to initiatives spanning marketing strategy, brand and customer experience, sustainability, and financial inclusion, with a particular interest in women's leadership and purpose-driven growth.

Ms. Naeem brings an internationally informed, cross-sectoral perspective to the Board, with a focus on long-term value creation, institutional resilience, and responsible governance.



Zafar Iqbal

Non-Executive Director

Mr. Zafar Iqbal is a Fellow member of Institute of Chartered Accountants in England & Wales (ICAEW) and the Institute of Chartered Accountants of Pakistan (ICAP). He has forty years of experience in senior management positions in financial and power generation sectors.

He has served as the Managing Director and Chief Executive Officer of Pak Oman Investment Company Limited, a Development Finance Institution owned jointly by the Governments of Pakistan and Sultanate of Oman.

During his eight years stay at Pak Oman Investment Company Limited, he led the company in becoming the leading Development Financial Institution in its peer group.

Over the past twenty-four years, he has served as member of the Board of Directors of various listed and non-listed companies and financial institutions. He is a "Certified Director" from Pakistan Institute of Corporate Governance.

He specializes in Investment Banking, Corporate Finance, Capital Markets, Leasing, Aircraft Financing and Energy and Power Generation. He is the member of the Board of Directors of the Bank since August 2015.



Nazrat Bashir

Independent Director

Ms. Nazrat Bashir belongs to Pakistan Administrative Service. She retired in BPS-22 from the Government service. Her academic qualifications are Master's in Economics from New York University, United States of America and Master's in Psychology from University of Peshawar. She is a "Certified Director" from the Pakistan Institute of Corporate Governance.

She has over thirty-six years of diversified civil service experience to her credit. During her career in different ministries, she served as Additional Finance Secretary, Finance Division, Government of Pakistan; Managing Director, Public Procurement Regulatory Authority and Senior Advisor, Wafaqi Mohtasib Secretariat.

She also held directorship in various Government and Semi Government Organizations and has attended numerous conferences, workshops, seminars in Pakistan and abroad.

Presently, she is a member of Certification Panel of Pakistan Centre for Philanthropy. She is on the Board of Directors of the Bank since August 2018.



Muhammad Kamran Shehzad

Independent Director

Mr. Muhammad Kamran Shehzad has over fifty years of diverse experience in banking, finance, and accounting. He possesses more than thirty-six years of experience in senior leadership roles within both commercial banks and the State Bank of Pakistan (SBP), where he notably served as a Deputy Governor and Managing Director of the SBP Banking Services Corporation.

He also served as Banking Mohtasib Pakistan, where he was instrumental in resolving complex banking disputes. His academic qualifications include an MBA degree with specialization in Finance.

As an Independent Director, Mr. Kamran chairs the Audit Committee of the Board. He is a "Certified Director" from Pakistan Institute of Corporate Governance.



Mian Ikram Ul Haq

Independent Director

Mian Ikram Ul Haq career spans over five decades in banking and finance. His extensive experience includes important roles across major financial institutions in Pakistan and abroad. He has served on the Board of Ibrahim Fibres Limited and Industrial Development Bank of Pakistan. A strong academic background complements his professional expertise, with an MBA degree in International Business and Finance from the University of Hartford, United States of America, Bachelor of Laws from Punjab University and specialized training programs from prestigious institutions worldwide.

He is a "Certified Director" from The Institute of Chartered Accountants of Pakistan and completed Banking for Professional Certification from American Institute of Banking, New York.



Aizid Razzaq Gill

Chief Executive Officer

Mr. Aizid Razzaq Gill is a seasoned banker with twenty-nine years of experience in Financial Management, Risk Analysis & Research and Portfolio Management in Corporate and Commercial Banking. Since joining the Bank in 2005 as Regional Corporate Head, he has held senior roles, including Head-Commercial Assets, Head of Commercial & Retail Risk, Group Head Corporate & Financial Institutions Risk and Group Head Liabilities. Before becoming CEO, he served as Chief Risk Officer of the Bank.

He holds a Bachelor's degree from the University of Engineering and Technology Lahore, an MBA from California State University, Fullerton, USA, and a Master's in Business Economics from the University of Manchester Institute of Science and Technology, UK as a Chevening Scholar.

He has studied executive education courses at Massachusetts Institute of Technology, Columbia University and London Business School.

Mr. Gill serves as a Director at ABL Asset Management Company and represents the Bank at Management Association of Pakistan and also as a Member in Executive Committee of Pakistan Banks Association (PBA). He is a Certified Director from the Pakistan Institute of Corporate Governance.



CHAIRMAN'S MESSAGE

Mohammad Naeem Mukhtar

Chairman Board of Directors

Global and Domestic Growth Landscape

During 2025, the global economy demonstrated remarkable adaptability, sustaining steady momentum despite persistent geopolitical tensions and fiscal pressures. This stability was supported by selective tariff relaxations, restrained trade countermeasures, supportive financial conditions and strong capital flows into advanced technologies, particularly artificial intelligence (AI). Easing inflationary pressures, softer energy prices and a weaker US dollar further facilitated a gradual revival in global trade. Reflecting these developments, the International Monetary Fund (IMF), in its January 2026 World Economic Outlook (WEO), has projected global GDP growth at 3.3% for 2026.

Economic conditions at the domestic level showed gradual improvement, with growth remaining stable accompanied by strengthening macroeconomic fundamentals. A notable rise in foreign exchange reserves of the State Bank of Pakistan (SBP), better performance in key industrial segments and a revival in consumer and corporate confidence provided meaningful support to overall economic activity. The inflation trajectory softened considerably compared to last year's elevated levels, supported by exchange rate consistency and calibrated policy measures. The IMF forecasts Pakistan's 2026 GDP growth at 3.2%, while the SBP expects a stronger expansion of 3.75–4.75%.

In the context of these economic conditions and in a declining interest rate environment, Pakistan's banking industry delivered a year of solid progress in 2025, marked by a meaningful expansion of its balance sheet size. The sector recorded healthy growth in asset base, driven by higher investment volumes and a steady accumulation of deposits.

The Digital Evolution of Banking

The banking industry is undergoing a structural transformation driven by a fundamental redefinition of value creation and delivery. Evolving customer expectations, heightened regulatory scrutiny and the rising presence of non-traditional financial players are compelling financial institutions to transition toward digitalization from legacy operating frameworks. In response, banks are integrating advanced digital capabilities including artificial intelligence (AI) and generative AI solutions, distributed ledger technologies and cloud-based platforms; directly into their core business and operational processes.

These capabilities are providing the pivotal support for more intelligent operating models, enhancing personalized customer interactions, strengthening enterprise-wide data security frameworks and expanding access to regulated financial services and reinforcing the banking sector's long-term sustainability.

The following emerging digital advancements are expected to play a transformative role in 2026 and beyond:

- **Agentic and Autonomous AI Systems:** These AI platforms are capable of independently executing complex, multi-step banking workflows, including credit assessments, transaction reconciliations and compliance monitoring. By automating routine decision-making, banks can accelerate lending approvals, reduce operational errors and allocate human resources to strategic tasks.
- **Tokenization of Assets and Securities:** Financial and real-world assets can be represented digitally as tokens on blockchain platforms. This innovation improves liquidity, enables fractional ownership and accelerates settlement cycles while enhancing transparency and security.
- **Implications of Stablecoin Adoption for the Financial System:** The launch of stablecoins is influencing how value is transferred and settled within the financial system by introducing faster, more transparent and cost-efficient digital payment mechanisms. This adoption, particularly in cross-border transactions is prompting financial institutions to reassess traditional processes, strengthen regulatory alignment and explore tokenized and blockchain-based alternatives within the regulated banking framework.
- **Cybersecurity with Zero-Trust Architecture:** Zero-Trust frameworks continuously authenticate users, devices, and transactions to mitigate cybersecurity risks. AI-driven threat detection further strengthens resilience and protects sensitive financial information.
- **Hyper automation and Intelligent Process Automation:** By combining robotic process automation, AI and advanced analytics, banks can automate end-to-end operations, from document processing and reconciliation to exception handling and compliance workflows.

Digital Advancements at Domestic Level

Pakistan's payment landscape has undergone rapid modernization in recent years, propelled by a strategic shift towards technology-enabled platforms that enhance efficiency, security and financial inclusion.

Raast emerged as the primary stimulus fueling domestic digital payments transformation, serving as the backbone of a faster, more inclusive and interconnected financial ecosystem. The launch of Raast Person-to-Merchant (P2M) services marked another milestone, minimizing reliance on card infrastructure, enabling instant fund settlements and fostering transparency.

The SBP has introduced a range of initiatives aimed at fast-tracking the digitalization of the economy, including:

- PRISM+ is Pakistan's state-of-the-art payment infrastructure that integrates a Real-Time Gross Settlement (RTGS) system with a Central Securities Depository (CSD) to modernize high-value payments and the management of government securities.
- Integrating Raast Bulk Payments into Corporate Portals.
- SBP in collaboration with commercial banks, successfully conducted the second consecutive year of its Digital Acceptance Initiative in cattle markets for Eid-ul-Azha 2025.
- SBP has introduced a Regulatory Sandbox (RSB) as part of its Vision 2028 strategy, marking a significant step toward strengthening fintech innovation and modernizing the digital finance ecosystem in Pakistan.

All these developments are contributing to expanded access to formal financial services and accelerating Pakistan's progress toward a digitally empowered and more financially inclusive economy.

Allied Bank's Digital Innovations

Allied Bank is advancing its digital transformation agenda through the deployment of Agentic AI and intelligent automation, reinforced by enterprise grade large language model (LLM) capabilities built on OpenAI's ChatGPT with Retrieval Augmented Generation (RAG), trained on internal policies, procedures, and product knowledge.

Following the implementation of AI enabled HR and Compliance solutions, the Bank has introduced "Pepper," Pakistan's first humanoid robot in the banking sector, marking a significant step in the Bank's digital evolution. Integrated with the Bank's proprietary AI-based LLM, Pepper is designed to provide interactive guidance on products, services and digital platforms, enhancing customer engagement within a secure environment.

The Bank, as part of the enterprise Data Strategy, has implemented foundational capabilities to modernize data access, governance and decision support. A key initiative was the deployment of Denodo Data Virtualization platform as a logical data access layer, enabling real time, governed and unified access to data across heterogeneous source systems without physical data duplication.

The Bank has implemented the Big Data Disaster Recovery (DR) environment which is designed to ensure high availability, data protection, and business continuity for critical analytics platforms in the event of a disaster impacting the primary data centre. This setup minimizes data loss and downtime while enabling seamless recovery of data and analytics services.

An advanced Payment Hub system was implemented at ABL to streamline and digitize cash management operations. The solution enables rapid onboarding of cash management clients for collections related to vouchers, invoices and fees, significantly reducing turnaround time and operational efforts. The Payment Hub is seamlessly integrated across multiple customer and service channels, including branches, myABL, ATMs, and WhatsApp, providing a unified and consistent payment experience. Going forward, the platform is being further enhanced to enable bill payment services through QR codes, POS machines, and Cash Deposit Machines, expanding accessibility and convenience for ABL customers.

Enhancing the myABL WhatsApp channel is crucial for the Bank as it offers a comprehensive range of financial and non-financial services. During the year, the Bank has introduced a series of new features, including:

- Bill Payment and Fund Transfers;
- Allied Banker's Cheque Verification;
- Letter of Guarantee Verification;
- Dormant Account Activation; and
- Urdu Language Support.

The Bank's flagship digital platform, myABL continued to demonstrate strong growth, reaching 2.6 million registered users, reflecting sustained customer confidence and increasing adoption of digital banking services. During the year, approximately 122 million financial transactions were processed, with an aggregate value exceeding Rs. 3.9 trillion.

The Merchant Acquiring and POS business also recorded significant expansion, with nearly 10,000 POS machines deployed to date, facilitating 12.5 million transactions amounting to over Rs. 72 billion. This growth substantially strengthened digital payment acceptance across retail and commercial segments, supporting the transition toward a cashless economy.

The Bank further reinforced its digital payments leadership through the expansion of RAAST services, including P2M QR merchant onboarding, surpassing 20,000 QR merchants nationwide and enabling seamless digital payment acceptance across business locations.

Operational efficiency remained a strategic priority, with the installation of 265 Cash Deposit Machines (CDMs) and 180 Cash Recycler Machines (CRMs) across the network, enhancing cash-handling efficiency, reducing branch dependency and improving customer accessibility.

These initiatives collectively strengthened the Bank's Digital-to-Counter Transaction count mix, maintaining an impressive ratio of 90:10 as of December 31, 2025.

Financial Strength and Recognition

The Bank has demonstrated sound and prudent stewardship of its capital position by consistently strengthening low and no-cost deposit mobilization while optimizing the overall funding mix through a measured reduction in higher-cost deposits over the years. The Bank's low infection and strong coverage ratio, including the resilient Capital Adequacy Ratio, in aggregate, underscore the robustness and effectiveness of its risk management framework.

The Pakistan Credit Rating Agency (PACRA) has reaffirmed Allied Bank's Long-Term and Short-Term entity ratings at the highest tiers of "AAA" (Triple A) and "A1+" (A One Plus), respectively. This reaffirmation positions the Bank among a select group of financial institutions that have consistently sustained the highest level of creditworthiness.

VIS Credit Rating Company Limited has reaffirmed the Bank's Corporate Governance Rating at 'CGR-9++', underscoring the Board and management's continued commitment to upholding robust, transparent and effective governance frameworks.

Corporate Social Responsibility

At Allied Bank, we remain steadfast in our dedication to creating meaningful societal impact through a wide range of Corporate Social Responsibility (CSR) initiatives. We foster a dynamic and professionally rewarding workplace that champions gender diversity and ensures equal opportunities for all.

Our commitment to environmental sustainability is reflected in eco-conscious operational practices and large-scale tree plantation drives. Beyond this, we actively engage with communities by conducting customer awareness programs, organizing public cleanliness campaigns, marathons and supporting education through academic partnerships and sponsorships.

Allied Bank has designed an exclusive first of its kind program for next generation of business leaders in Pakistan – "Allied Bank NextGen Leaders Program". Through this unique initiative, Allied Bank aims to engage and support selected individuals in their business journey towards prosperity while understanding their national responsibility and potential. This carefully curated program which was initiated in 2025, is designed to connect these dynamic future leaders to subject matter experts and academia having both global and local exposures. Such engagement is also aimed at strengthening collaboration among these business leaders and deepen long-term relationship with Allied Bank.

Through these efforts, Allied Bank continues to uphold its responsibility as a socially conscious institution, striving to build a greener, more inclusive and empowered society.

FUTURE OUTLOOK

According to the latest World Economic Outlook (January 2026), the IMF projects global real GDP growth of 3.2% in 2027, representing a slight moderation from the 3.3% forecast for 2026. For Pakistan, the IMF's updated outlook anticipates an improvement in economic activity in FY'27, with growth expected to rise to around 4.1%, reflecting a recovery from the more modest 3.2% estimate for FY'26.

The evolution of the banking industry is being shaped by a shift toward intelligent, platform-centric operating models that tightly integrate emerging digital technologies with core banking systems. The adoption of API-led ecosystems, supported by cloud-native infrastructure, advanced data platforms and next-generation capabilities such as Agentic AI, real-time analytics and automated decision engines, will be central to the industry's technological advancement in the years ahead.

Concurrently, Allied Bank will continue to uphold a comprehensive and forward-looking risk management framework to ensure prudent risk-taking within clearly articulated thresholds, while proactively strengthening resilience against evolving cyber and technology-related risks.

The Bank remains committed to the disciplined execution of its strategic agenda, focused on delivering sustainable long-term value through profitable growth, enhanced operational effectiveness and diversification of income streams. These priorities are reinforced through the development of a digitally enabled financial ecosystem that emphasizes financial inclusion, the mobilization of stable low-cost deposits, and the prudent expansion of high-quality credit to support economic growth and institutional resilience.

Acknowledgments

On behalf of the Board of Directors, I wish to express sincere appreciation to the regulatory authorities; namely the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and the Federal Board of Revenue for their continued direction and support. Their constructive engagement plays a vital role in upholding the highest standards of governance and regulatory compliance.

I also extend heartfelt gratitude to our esteemed shareholders for their sustained trust and steadfast confidence in the Bank's long-term vision and strategic direction.

In closing, I commend the leadership of Allied Bank's management and recognize the dedication of our over 13,000 Allied Bankers. Their professionalism, resolve and collective contributions have been central to reinforcing the Bank's resilience and further advancing its position as a progressive financial institution strengthened by advanced digital infrastructure.

Mohammad Naeem Mukhtar
Chairman Board of Directors

February 17, 2026

BUILDING BONDS BEYOND THE BOARDROOM





















SCAN TO WATCH

CEO'S REVIEW

Aizid Razzaq Gill

Chief Executive Officer

Economy Review

In 2025, the global economy sustained a moderate growth trajectory despite ongoing geopolitical tensions and fiscal pressures. International Monetary Fund (IMF) in its latest World Economic Outlook (WEO) projected global growth of around 3.3% in 2026, supported by easing inflation and stable economic activity across major regions. Globally, price pressures continued to ease as demand softened and energy costs moderated, contributing to a projected inflation rate of 3.8% for 2026.

Pakistan's economy maintained moderate momentum in 2025, underpinned by improved macroeconomic stability, softening inflationary pressures, and strengthening external buffers. Domestic price trends remained contained, with CPI is reported to be within the medium-term target range, while the SBP's in its recent monetary policy meeting signaled supportive conditions for growth. The combination of global stabilization and domestic policy adjustments has contributed to a cautiously optimistic economic landscape for Pakistan into 2026.

The IMF has projected Pakistan's GDP growth at 3.2% for 2026, whereas, the State Bank of Pakistan anticipates stronger momentum, forecasting growth in the range of 3.75% to 4.75% in its recent Monetary Policy Statement.

In 2025, Pakistan's banking sector demonstrated notable resilience and balance sheet expansion despite a sharp decline in the policy rate from 22% in June 2024 to 10.5% by December 2025. The industry's total assets crossed Rs. 60 trillion, reaching Rs. 60,315 billion, while investments grew by 29% to Rs. 37,893 billion, indicating active capital deployment. Overall, the sector preserved strong liquidity and financial soundness, effectively adapting to a declining interest rate environment while sustaining growth momentum.

Allied Bank's Financial Performance

The year 2025 represented another year of solid performance for Allied Bank, underscoring its resilience, measured expansion, and prudent risk oversight.

- Total assets grew by 20% to Rs. 3,370 billion, reflecting disciplined capital deployment and operational efficiency.
- Gross advances stood at Rs. 802 billion, with a low infection ratio of 1.42%, highlighting strong asset quality.
- Net markup and interest income reached Rs. 105 billion, supported by prudent fund management amid a lower policy rate environment.
- Non-markup income remained resilient at Rs. 28.6 billion, driven by 17% growth in fee income.
- Operating expenses stood at Rs. 66.99 billion with growth contained at 16%.
- Profit after tax amounted to Rs. 35.2 billion, supported by 16% deposit growth to Rs. 2,346 billion and an 89% rise in investments to Rs. 2,137 billion.
- Return on Assets and Return on Equity Tier 1 stood at 1.1% and 18.7%, respectively, with the Capital Adequacy Ratio strengthening to 27.74%, well above regulatory requirements.

Digital and Technological Development

To harness the full benefits of emerging technological advancements, Allied Bank is strategically integrating advanced digital capabilities across its operational landscape. The Bank has deployed agentic AI and intelligent automation, underpinned by enterprise-grade large language model infrastructure built on OpenAI's ChatGPT with Retrieval Augmented Generation (RAG), calibrated to the Bank's internal frameworks, policies, and product architecture. Building on AI-driven implementations within HR and Compliance functions, the Bank has further elevated its innovation agenda through the introduction of "Pepper," Pakistan's first humanoid robot in the banking sector. Seamlessly connected to the Bank's proprietary AI ecosystem, Pepper enhances the customer interface by providing structured, real-time guidance on products and digital services within a secure and governed environment.

During 2025, the Bank recorded substantial progress across its digital platforms, reflecting accelerated adoption and expanded technological outreach.

- myABL digital banking App registrations surpassed 2.6 million, reflecting a 25% year-on-year increase.
- WhatsApp banking services expanded by 29%, reaching 2.1 million users with enhanced functionalities.
- The Bank's social media presence has exceeded the 7.5 million followers, strengthening digital engagement, across the various media channels.
- Merchant Acquiring Business grew significantly, with 9,800+ POS machines processing over 12.5 million transactions.
- ATM and Branch connectivity uptime recorded at 96% and 99%+, respectively.
- To strengthen its digital banking ecosystem, the Bank deployed 265 Cash Deposit Machines and 180 Cash Recycler Machines, enhancing ATMs for seamless e-banking, instant deposits, and automated cash management.

Service Excellence

Allied Bank is committed to elevating customer experience by continuously strengthening service standards and fostering a culture focused on responsiveness and care. Its Service Quality and Complaint Management (SQ&CM) framework supports this objective by ensuring structured, timely, and transparent resolution mechanisms. Guided by principles of integrity, performance excellence and innovation, the Bank delivers every interaction with professionalism and respect. To provide exceptional service at all touchpoints, ABL have implemented several key initiatives including:

- **Efficient Service Delivery:** Technology-driven processes enable swift and seamless transaction handling.
- **Dedicated Support Presence:** Customer Support Officers deployed at high-traffic branches for consistent service quality.
- **Queue Management System:** Structured and comfortable service flow implemented across major branches.
- **Self-Service Kiosks:** Enable account services, card activation, updates, and e-statement enrolment conveniently.
- **myABL Digital Banking:** Comprehensive anytime-anywhere banking platform for seamless daily transactions.
- **WhatsApp Banking:** Convenient access to key services including transfers, certificates, and account support.
- **Skilled Workforce:** Well-trained staff with strong product knowledge ensure prompt and effective customer support and branches foster a welcoming atmosphere to enhance overall service experience.

As a result of these focused initiatives, the Bank attained an overall complaint resolution rate of 98%, underscoring robust service responsiveness and effective governance controls. The average turnaround time improved to 8.0 working days, highlighting strengthened operational efficiency within the complaint management framework.

Financial Literacy and Inclusion

The Bank continues to extend its value proposition beyond conventional banking by offering advisory and non-financial support services, including financial planning guidance, economic insights and business intelligence to more than 5,000 customers, facilitating the onboarding of over 650 new borrowers. The Bank also organized 480+ SME finance awareness sessions, benefiting more than 4,000 participants and strengthening entrepreneurial capacity.

Furthermore, as the Lead Bank under the National Financial Literacy Program across 41 districts, Allied Bank delivered structured financial literacy sessions to over 130,000 individuals, reinforcing its commitment to inclusive and informed financial participation.

Human Resources and Workplace Excellence

In 2025, Allied Bank's Human Resources function continued to drive organizational growth, digital transformation, and workforce development, supporting a total workforce of over 13,000 employees (permanent and contractual) as of December 31, 2025. Training initiatives covered 95% of employees, with more than 12,300 staff participating through classroom, digital, and blended learning programs, leveraging in-house faculty, strategic partnerships, and cost-effective delivery models.

Employee development was further reinforced with 11,000+ employees completing Islamic Banking training, enhancing institutional readiness for this strategic transformation. The Bank also advanced its diversity and inclusion agenda, with female representation rising to 25.16% of the workforce.

Corporate Social Responsibility

Allied Bank embeds Corporate Social Responsibility into its long-term strategy, championing merit, inclusion, and a progressive workplace while delivering sustainable, environmentally responsible, high-impact initiatives.

Strengthening its environmental commitment, the Bank undertook a cleanliness expedition at Khunjerab Pass - Pakistan's highest border alongside awareness sessions and community outreach across key northern destinations, led by a dedicated women team. A preservation drive was also carried out at Mohenjo-daro to promote heritage conservation and responsible tourism. Further advancing its sustainability agenda, the Allied Bank Marathon 2025, "Run for a Greener Tomorrow," was hosted in Lahore, Islamabad, and Multan, reflecting the Bank's steadfast focus on environmental responsibility and community engagement.

The Bank reaffirms its commitment to fostering sustainable growth in Pakistan's trade and exports by extending an additional relief of 3% on markup/profit rates for borrowers and exporters utilizing the export finance schemes. Consequently, the effective interest rate on these facilities has been revised down from 7.5% to 4.5%.

Risk Management

ABL Risk Management function continues to reinforce the Bank's resilience through a robust governance framework, advanced risk models, and technology-enabled monitoring systems designed to safeguard capital strength and optimize stakeholder value.

Key highlights during 2025 include:

- Strengthening of the indigenously developed Risk Assessment and Management System (RAMS), enhancing credit evaluation and contributing to one of the lowest infection ratios in the industry.
- The Bank launched the "Allied Bank NextGen Leaders Program" in 2025, Pakistan's first of its kind initiative for emerging business leaders to equip next-generation obligors with advanced business, financial, and technical insights. The program emphasized governance excellence, ESG integration, human capital evolution and digital transformation to foster agile, responsible leadership for sustainable growth.
- Advanced security assessments encompassing Vulnerability Assessment (VA) and Penetration Testing (PT), alongside achieving PCI DSS certification for the 7th consecutive year and compliance with the SWIFT Customer Security Program.
- Expansion and technological uplift of the Security Operations Center (SOC), integrating SIEM, Threat Intelligence, SOAR, EDR, and Data Loss Prevention capabilities for proactive cyber defense.
- Engagement of a globally reputed cybersecurity firm for 24/7 Managed Detection and Response services to reinforce cyber resilience.
- Attainment of ISO 27001:2022 certification and continued enhancement of the Information Security Risk Management Program aligned with international standards and best practices.

Subsidiaries' Performance

ABL Asset Management Company Limited (ABL Funds) continued to rank among the fastest-growing asset management companies in Pakistan, maintaining the highest Asset Manager Rating of AM1, reaffirmed by Pakistan Credit Rating Agency. As of December 31, 2025, ABL Funds reported Assets Under Management of Rs. 349 billion, reflecting sustained growth and strong investor confidence.

ABL Exchange (Private) Limited, a wholly owned subsidiary of Allied Bank, was incorporated in Pakistan on December 15, 2023, with a paid-up capital of Rs. 1 billion and

commenced commercial operations on May 24, 2024, undertaking foreign currency exchange business. During 2025, Allied Bank further strengthened the subsidiary's operational capacity through an additional capital injection of Rs. 500 million, facilitating the expansion of its exchange booth network from 21 to 51 locations nationwide.

Awards and Recognition

Allied Bank has earned recognition at both international and domestic platforms for its unwavering commitment to delivering uninterrupted services with ease and convenience. Throughout the reporting period, the Bank was honored with several prestigious awards and distinctions, reflecting its continued excellence in customer service and operational innovation.

- FinanceAsia awards the Bank in following categories:
  - ◊ Best Domestic Bank
  - ◊ Best Bank for Financial Inclusion
  - ◊ Best Sustainable Bank
  - ◊ Best Bank in Most DEI Progressive Bank
  - ◊ Best Bank in Most Innovative Use of Technology
  - ◊ Best Commercial Bank – SMEs
- Euromoney Awards for Excellence recognized the Bank as "Pakistan's Best Digital Bank for Large Corporations.
- Euromoney Islamic Finance Awards honored Allied Bank as "Pakistan's Best Islamic Digital Bank"
- Employers' Federation of Pakistan awards the Bank "Women Empowerment and Gender Equality Awards - Diamond Recognition Award 2025"
- State Bank of Pakistan honored the Bank "NFLP Performance Recognition Award - Most Compliant Bank - FY'24-25"
- National Forum for Environment & Health (NFEH) recognized the ABL in following categories:
  - ◊ CSR Report Research and Publications
  - ◊ Green Energy Initiatives
  - ◊ Inclusivity
  - ◊ Women Welfare, Empowerment and Development

Credit Ratings

Allied Bank continues to demonstrate a strong and resilient financial profile, enabling it to effectively navigate economic cycles and absorb external shocks while maintaining stable performance. In recognition of this strength, the Pakistan Credit Rating Agency reaffirmed the Bank's highest long-term and short-term entity ratings of AAA and A1+, reflecting exceptional credit quality and sound financial fundamentals.

To reinforce governance excellence, the Bank undergoes an annual independent assessment of its corporate governance framework, with VIS Credit Rating Company Limited reaffirming its Corporate Governance Rating at 'CGR-9++,' indicating a high standard of oversight and board effectiveness.

Furthermore, Moody's Investors Service upgraded Allied Bank's deposit ratings from Caa2 to Caa1 (domestic and foreign) with a stable outlook aligned to the sovereign, acknowledging the Bank's stable funding base, strong liquidity position, and resilient earnings capacity.

FUTURE OUTLOOK

The IMF projects the global economy to grow by 3.2 % in 2027, slightly lower than the 3.3 % expected in 2026, as moderate expansion continues amid a mix of technological progress, resilient private sector activity, and persistent geopolitical and policy challenges.

Pakistan's economy is expected to strengthen, with GDP growth projected at 4.1 % in FY'27, up from 3.2 % in FY'26, This anticipated improvement reflects a recovery in domestic demand, relative macroeconomic stabilization, and the positive impact of ongoing structural and policy adjustment.

As the Bank moves forward, Allied Bank remains firmly committed to strengthening its core franchise, enhancing financial resilience, and advancing its technology-led transformation in line with shifting market realities. Anchored in disciplined risk practices, continuous innovation, and a strong customer focus, the Bank aims to expand its footprint while maintaining rigorous standards of performance and governance. By leveraging strategic partnerships and next-generation digital capabilities, Allied Bank is positioned to capture emerging opportunities and create enduring value for all stakeholders.

Acknowledgment

I extend my sincere appreciation to the Board of Directors for their prudent guidance and strategic direction. The commitment, expertise, and professionalism of our employees continue to be the foundation of our progress and achievements. I am equally grateful to our valued customers for their enduring trust and confidence, and to the State Bank of Pakistan, Securities and Exchange Commission of Pakistan, and other regulatory institutions for their continued support and constructive oversight.

Aizid Razzaq Gill
Chief Executive Officer

Lahore
February 17, 2026

HONORING THE ROOTS

















REACHING FOR THE STARS

RECOGNIZING HARD WORK &

CELEBRATING ACHIEVEMENTS















SCAN TO WATCH





DIRECTORS' REPORT

Dear Shareholders,
The Board of Directors expresses its deepest sorrow at the passing of Sheikh Mukhtar Ahmad, our esteemed Sponsor Director, whose visionary leadership and patronage played a pivotal role in transforming Allied Bank into one of the leading financial institutions in the Country.

The Board places on record its sincere appreciation for his invaluable contributions, guidance and unwavering commitment to the growth and success of the Bank. His extraordinary dedication to social responsibility significantly benefitted the communities the Bank serves.
The Board extends its deepest gratitude for his lifelong contributions and offers its heartfelt condolences to the bereaved family. His legacy will continue to inspire ABL in the years to come.

On behalf of the Board of Directors, we present the Annual Report of Allied Bank for the year ended December 31, 2025. The operating results and appropriations, as recommended by the Board of Directors are included in the appended table

	Year ended December 31,		
	2025	2024	Change
	Rs. In Million		%
Profit after tax for the year	35,175	43,116	(18)
Accumulated profits brought forward	123,361	100,767	22
Transferred from surplus on revaluation of non-banking assets to un-appropriated profit – net of tax	501	3	159.7T
Transferred from surplus on revaluation of fixed assets to un-appropriated profit – net of tax	348	174	100
Transfer of surplus on account of disposal of equity investment - net of tax	2,845	1,330	1.1T
Re-measurement on defined benefit obligation - net of tax	222	604	(63)
Profit available for appropriation	162,453	145,994	11
Final cash dividend for the year ended December 31, 2024: Rs. 4.00 per share (2024: Year ended December 31, 2023: Rs. 4.00 per share)	(4,580)	(4,580)	0
First interim cash dividend for the year ending at December 31, 2025: Rs. 4.00 per share (2024: Year ended December 31, 2024: Rs. 4.00 per share)	(4,580)	(4,580)	0
Second interim cash dividend for the year ending at December 31, 2025: Rs. 4.00 per share (2024: Year ended December 31, 2024: Rs. 4.00 per share)	(4,580)	(4,580)	0
Third interim cash dividend for the year ended December 31, 2025: Rs. 4.00 per share (2024: Year ended December 31, 2024: Rs. 4.00 per share)	(4,580)	(4,580)	0
Transfer to Statutory Reserves	(3,518)	(4,312)	(18)
Accumulated profits carried forward	140,614	123,361	14
Earnings Per Share (EPS) (Rs.)	30.72	37.65	(18)

The Board of Directors has proposed a final cash dividend of Rs. 4 per share (aggregate cash dividend of Rs.16 per share including interim dividends). This, together with the interim cash dividends declared during 2025, will be approved in the forthcoming Annual General Meeting.

Macroeconomic Developments

In 2025, global growth remained resilient despite geopolitical and fiscal headwinds, supported by targeted tariff relief, limited trade retaliation, accommodative financial conditions and strong investment in technology, particularly Artificial Intelligence (AI). Easing inflation, lower energy prices, and a weaker US dollar have aided a gradual recovery in trade. Reflecting these developments, the International Monetary Fund (IMF) has raised its global Gross Domestic Product (GDP) forecast to 3.3% for 2026 which is up by 0.2% point compared with that in the October 2025 World Economic Outlook (WEO) and similar to 2025 in its recent January edition of WEO.

Global inflation has been easing in 2025 due to softening demand and lower energy prices. The IMF has projected global inflation at 3.8% for 2026, down from an estimated 4.1% in 2025.
At domestic front, GDP remained moderate, mainly driven by increasing foreign exchange reserves at State Bank of Pakistan (SBP), stronger industrial performance, improved consumer and business confidence and favorable commodity prices. Subdued inflation, partly reflecting a high base effect from the previous year, along with exchange rate stability and prudent macroeconomic management also contributed to the recovery observed in FY'25. However, rising unemployment, uncertainty over global trade tariffs, and the recent floods would pose challenge to the growth prospects in FY'26.

The IMF has forecasted the domestic GDP at 3.2% for 2026 in its recent WEO which is 0.4% less than estimated in October, whereas, SBP has projected improved real GDP Growth in the range of 3.75% to 4.75% in its recent Monetary Policy Statement (MPS).

In agricultural sector, supporting measures were taken to meet the wheat production target which include timely provision of key inputs like agricultural credit, certified seeds, fertilizers and mechanization support. Agricultural credit disbursement increased by 11.4% to reach at Rs. 1,411.6 billion during Jul-Dec FY'26, compared to Rs. 1,266.7 billion during Jul-Dec FY'25. Furthermore, the imports of agricultural machinery & implements grew by 21.6% to reach at US$ 65.8 million during Jul-Dec FY'26 as against US$ 54.1 million during the same period last year.

Large Scale Manufacturing (LSM) recorded a growth of 6.01% during Jul-Nov FY'26. During the period, main contributors towards overall growth include textiles, wearing apparel, non-metallic mineral products, food, beverages, coke & petroleum products, electrical equipment, automobile and tobacco. Auto industry performance remained encouraging during Jul-Dec FY'26, a significant increase observed in production of cars by 56.1%, truck & busses by 89.4%, and jeeps & pick-ups by 36.9%.

On external front, during Jul-Dec FY'26, exports of Goods and Services reached US$ 20,272 million, compared to US$ 20,410 million during Jul-Dec FY'25, declining by 0.7%. According to PBS data, gains in exports were observed in Knitwear (4.1%), garments (4.9%), and bedwear (1.9%). Imports on the other hand increased by 12.8% to reach US$ 37,828 million during Jul-Dec FY'26 in comparison with US$ 33,523 million during Jul-Dec FY'25. Significant increase in imports was observed in petroleum crude (11.2%), petroleum products (5.1%) and palm oil (28.8%). Thus, trade balance, increased by 33.9%, posted a deficit of US$ 17,556 million during Jul-Dec FY'26 as compared to US$ 13,113 million during Jul-Dec FY'25.

Remittances grew by 10.6% during Jul–Dec FY'26, reaching US$ 19,733 million, up from US$ 17,847 million in the corresponding period last year. Accordingly, Current Account posted a deficit of US$ 1,174 million during Jul-Dec FY'26 in comparison with surplus of US$ 957 million in Jul-Dec FY'25.

Total Liquid Foreign Exchange Reserves and Net Reserves with SBP stood at US$ 20,742 million and US$ 16,054 million respectively as of December 31, 2025 as compared to US$ 15,927 million and US$ 11,732 million as of December 31, 2024. The Federal Board of Revenue recorded tax collection of Rs. 6,160.8 billion during Jul-Dec FY'26, reflecting a 9.5% increase compared to Rs. 5,624.9 billion in the same period last year.

The Pakistan Stock Exchange (PSX) witnessed improved investor confidence and renewed buying interest throughout the year. On December 31, 2025, the index closed at 174,054 points. Similarly, market capitalization of PSX rose to Rs. 19.7 trillion, reflecting an increase of Rs. 5.1 trillion in December 2025.

Domestic inflation maintained its downward trajectory during 2025. This disinflationary trend was supported by decline in food prices amid better agricultural output and contained energy prices. CPI inflation General, increased by 5.6% on YoY basis in December 2025 as compared to an increase of 6.1% in the previous month and 4.1% in December 2024. Inflation dynamics remained aligned with stabilization objectives of State Bank of Pakistan, however risks stemming from global commodity prices, exchange rate volatility and fiscal adjustments continue to impact its pace.

The Monetary Policy Committee (MPC) decided to cut the policy rate by 50 basis points in its December 2025 meeting, bringing the policy rate to 10.5%.

The IMF projects that global growth will maintain its moderate and resilient pace, though it is not expected to reach high levels. In its January 2026 edition of the WEO, global growth for 2027 is estimated at 3.2 %, unchanged from the forecast in the October 2025 WEO.

The IMF also projects that global inflation will continue to ease. In its January 2026 WEO, global inflation is forecasted at 3.4 % for 2027, unchanged from the forecast in the October 2025 WEO.

The MPC noted that headline inflation has remained within the medium-term target, supported by prudent monetary and fiscal policies. Inflation is expected to remain within the range of medium-term target of 5–7%. Risks attached to inflation include global commodity prices, energy adjustments, fiscal slippages, and food price volatility.

Financial Performance

Pakistan's banking industry demonstrated resilience during the year, with total assets surpassing Rs. 60 trillion. As of December 31, 2025, industry assets stood at Rs. 60,315 billion, reflecting a significant increase from Rs. 51,792 billion recorded in the previous year. Growth of 29% was witnessed in investments to reach Rs. 37,893 billion as of December 31, 2025, compared to Rs. 29,316 billion as of December 31, 2024. Gross and net advances declined by 9% and 10% respectively and reached at Rs. 14,145 billion and Rs. 13,265 billion respectively as of December 31, 2025.

Allied Bank continues to strengthen its competitive position through prudent risk management, strategic capital allocation, and diversification across investment and lending portfolios. Its steadfast commitment to operational excellence and digital transformation has not only elevated the customer experience but also reinforced the foundation for sustainable, long term growth.

Net markup and interest income reached Rs. 105,000 million during the year ended December 31, 2025 as compared to Rs. 115,223 million during last year, decreasing by Rs. 10,223 million or 9%. The Bank recorded markup up / interest income of Rs. 297,228 million for the year ended December 31, 2025, compared to Rs. 376,760 million in 2024, reflecting a year-on-year decrease of 21%. This decline primarily stems from lower average policy rate of 11.39 % in 2025 as compared to 19.67% in 2024. Conversely, Markup or interest expense of the Bank has decreased by Rs. 69,309 million or 27% to reach Rs. 192,228 million for the year ended December 31, 2025 as compared to Rs. 261,537 million for the year ended December 31, 2024. This decrease is on account of lower cost of deposits and borrowing expense, partially offset by higher interest expense on right of use asset.

Fee income stood at Rs. 16,516 million for the year ended December 31, 2025, compared to Rs. 14,081 million for the corresponding year; registering increase of Rs. 2,434 million or 17%, mainly on account of higher card related fee, card acquiring business, investment banking fee, branch banking customer fee, partially offset by lower commission on remittances.

Dividend income of the Bank stood at Rs. 2,903 million for the year ended December 31, 2025 as compared to Rs. 3,018 million for the year ended December 31, 2024, lower by 4%.

Capital gain of the Bank for the year under review was Rs. 2,920 million, lower by 15%, compared to Rs. 3,444 million for the year ended December 31, 2024 mainly due to lower gain on sale of Federal government securities, partially offset by higher gain on Euro Bonds.

Foreign Exchange income of ABL stood at Rs. 5,145 million for the year ended December 31, 2025, against Rs. 6,679 million for last year, lower by 23%. The Bank's other income amounted to Rs. 1,073 million in 2025, compared to Rs. 758 million in 2024, representing a 42% year on year increase.

Cumulatively, non-markup or non-interest income of the Bank stood at Rs. 28,556 million for the year ended December 31, 2025, reflecting a 2% growth from Rs. 27,980 million in the corresponding year.

Allied Bank's continued focus on expanding its branch network and strengthening technological capabilities led to an increase in total operating expenses during the year. However, through effective use of technology, process automation, and operational improvements, the Bank successfully contained the growth in operating expenses to 16%. Total operating expenses amounted to Rs. 66,988 million for the year ended December 31, 2025, compared to Rs. 57,985 million for the year ended December 31, 2024.

For the year ending December 31, 2025, profit before taxation stood at Rs. 74,209 million, reflecting a 16% decrease from Rs. 87,928 million in the corresponding year ended December 31, 2024.

The effective income tax rate for the year ended December 31, 2025, was 52.60%, compared to 50.96% for the previous year. The tax charge for 2025 stood at Rs. 39,034 million, lower than Rs. 44,812 million in 2024, reflecting a 13% decrease.

The Bank's profit after tax stood at Rs. 35,175 million for the year ended December 31, 2025, down from Rs. 43,116 million in the corresponding year of 2024.

Total deposits were Rs. 2,345,859 million as of December 31, 2025, compared to Rs. 2,018,395 million as of December 31, 2024, reflecting a growth of 16%. The Bank's continued focus on enhancing low cost or no cost deposits resulted in an increase of 21% growth in current account deposits.

Gross advances of the Bank were recorded at Rs. 802,076 million as of December 31, 2025, compared to Rs. 1,066,348 million as of December 31, 2024. Similarly, Net advances of ABL were Rs. 789,677 million as of December 31, 2025, compared to Rs. 1,051,314 million as of December 31, 2024; thereby, declining by 25%.

Allied Bank continues to maintain a consistently low infection ratio, reflecting the strong quality and resilience of its credit portfolio. As of December 31, 2025, the Bank's infection ratio stood at 1.42%, as compared to 1.22% in the previous year. The overall coverage ratio was recorded at 109.1% as of December 31, 2025, compared to 115.7% as of December 31, 2024.

Bank's total investments stood at Rs. 2,137,087 million as of December 31, 2025, compared to Rs. 1,129,874 million for the year ended December 31, 2024, depicting a robust growth of 89%.

Allied Bank achieved a significant milestone by surpassing an asset base of Rs. 3 trillion. The Bank's total assets stood at Rs. 3,370,395 million as of December 31, 2025, reflecting a robust growth of 20% from Rs. 2,816,969 million at the end of previous year. The Bank's net assets increased by 13%, reaching Rs. 263,376 million as of December 31, 2025, compared to Rs. 233,901 million in 2024.

The Return on Assets (ROA) and Return on Equity (ROE) Tier 1 of the Bank recorded at 1.1% and 18.7%, respectively, as of December 31, 2025, compared to 1.7% and 26.0% in the previous year. The Capital Adequacy Ratio (CAR) stood at 27.74% as of December 31, 2025, up from 26.71% in 2024, remaining well above the minimum regularity threshold of 11.5%.

The Bank's wide-reaching branch network across the country remains a key strategic strength and has been further enhanced through the expansion of digital and smart branches, along with the refurbishment of existing locations to elevate the overall customer experience. The Bank now operates a total of 1,535 branches, comprising 1,212 conventional branches, 302 Islamic branches and 21 digital branches, effectively catering to a diverse range of customer needs. This outreach is further strengthened by a well distributed network of 1,674 Automated Teller Machines (ATMs), comprising 1,428 on-site ATMs, 240 off-site ATMs and 6 Mobile Banking Units (MBUs), complemented by 265 Cash Deposit Machines (CDMs).

In its pursuit of growth, Allied Bank remains focused on delivering innovative, customer-centric digital solutions while creating long-term sustainable value for stakeholders. Through disciplined operations, strong financial management, and sustainable practices, supported by robust corporate governance and effective risk management, the Bank ensures resilience, operational excellence, and strategic growth across all markets.

Risk Management Group

Risk Management Group (RMG) is continuously striving towards management of risk through an augmented framework of sound risk principles, reinforced by optimum organizational structure, robust risk assessment models and effective monitoring systems in an automated environment to safeguard the strength of the capital base of the Bank while achieving maximum value for the stakeholders.

Dedicated functions in Risk Management include:

- Corporate and Financial Institutions Risk;
- Commercial, SME and Consumer Risk;
- Credit Administration and Monitoring;
- Technical Appraisal;
- Information Security & Governance; and
- Enterprise Risk

These functions operate cohesively to continuously augment the risk monitoring and assessment architecture, ensuring superior quality of asset portfolio while keeping the aggregate risks well within the Bank's overall risk acceptance criteria.

During 2025, Risk Management continued to refine and innovate Risk Management practices using latest technology and took following key initiatives to further strengthen risk monitoring and assessment processes:

- The Bank has in place an indigenously developed state of the art Risk Assessment and Management System (RAMS) for loans processing and monitoring. The system has enabled effective management of Credit Risk, also reflected by one of the lowest infection ratios in the industry. The Bank follows a continuous process for upgradation in RAMS to enhance its effectiveness.

- In its continued commitment to nurturing future-ready stakeholders, the Bank hosted an interactive training event designed to immerse the next generation of obligors in cutting-edge business, financial, and technical insights. The program featured esteemed speakers including leading academics, industry practitioners, and researchers. The session centered on key themes shaping modern enterprise: robust governance frameworks, the strategic integration of environmental, social, and governance (ESG) principles, next-generation human capital strategies, and the transformative application of artificial intelligence and digital platforms in business operations. This initiative underscores the Bank's dedication to cultivating informed, agile, and ethically grounded leadership capable of driving sustainable value in an evolving global landscape.

- As part of its CSR efforts, the Bank continued engaging with its borrowers during 2025 by organizing seminars in Larkana, Gujranwala, and Sheikhupura for Commercial and SME obligors. The aim was to support business sustainability and long-term growth. Dr. Ishrat Husain, former Governor of State Bank of Pakistan, delivered the keynote address and shared practical insights on economic reforms and institutional development. The sessions covered key topics i.e. Transition from Family-Owned Structure to Corporate Structure, Towards Building Gujranwala an Industrial Cluster, and Cluster Synergies: Unlocking Growth and Expansion Opportunities. Through these initiatives, the Bank strengthened its position as not only a lender but also a partner in knowledge sharing and regional business development.

The Bank has conducted various security assessment exercises in 2025 on Information assets of the Bank which included Vulnerability Assessment (VA) and Penetration Testing (PT) activities.

Payment Card Industry Data Security Standard (PCI DSS) Certification has also been achieved for the 7th year in 2025 along with compliance to Swift Customer Security Program (CSP) as mandated by SWIFT International. Various Information Security Awareness campaigns including Fraud awareness have been conducted for our valued customers. A Cloud based E-Learning platform is also in place for training of team members to educate and enhance awareness about latest Cyber security threats and trends.

Major focus of the Bank remained on the Capacity Building and Enhancement of SOC (Security Operations Center) where significant investment was made on the Technology Upgrades, Improvement of Processes and development of Skillset of Human Resources. Major highlights included a dedicated SOC Facility enabled through advanced technologies for Security Information and Event Management system, Threat Intelligence and Digital Risk Protection Platform, Security Orchestration Automation and Response System, End Point Protection & End Point Detection & Response Solution and Data Loss Prevention System. Through use of these systems, the Bank has capacity not only to analyze logs, identify the security incidents, and automate the process of orchestration & escalation for timely countermeasures but has also enriched Threat Intelligence for protection of our Information Assets and prevention of loss of sensitive data.

The Bank has engaged world renowned security company for 24/7 Managed Detection and Response services to ensure cyber resilience.

The Bank has also in place Information Security Risk Management Program for aligning its Governance structure with International Standards and Industry best practices. In this regard, Information Security Strategy and development of Policies, Procedures and Frameworks were the major highlights.

The Bank also achieved certification of ISO 27001: 2022 standard to further strengthen its Information Security Management System.

Risk Management aims to continue the pace of major initiatives in 2025 such as effective utilization of the implemented Modules of Oracle Financial Services Analytical Applications (OFSAA) and Operational Risk Management Module of Risk Nucleus, process design assessments and control testing, automation of workflows in Risk Assessment and Management System, information security awareness campaigns, augmentation of the Bank maintained warehouses for pledge financing.

Emphasis on further strengthening the Bank's Information Security Posture shall continue along with investments in technology and human resource development to maintain an effective risk management framework across the Bank.

Being cognizant of disruption through digital banking, Risk Management has planned to enhance the scope of existing digital lending platform from consumers to Small Enterprises, Medium Enterprises and commercial businesses by innovating credit scoring models and processes for credit risk assessment, disbursement and monitoring.

Collaboration with leading FinTech and Data Analytics companies shall be evaluated to leverage the developments taken place with regards to Artificial Intelligence and Machine Learning techniques.

Risk Management recognizes the challenges to the economy and shall continue to take pragmatic measures to ensure effective risk management of assets of the Bank.

Chief Executive Officer's Review

The Board of Directors fully endorse the Chief Executive Officer's review on the Bank's operational performance for the year ended December 31, 2025.

Statement of Internal Control

The Board of Directors is pleased to endorse the statement made by management relating to internal controls including management's evaluation of Internal Control over Financial Reporting. The Management's Statement on Internal Control is included in the Annual Report.

Corporate Sustainability and Diversity, Equity & Inclusion (DE&I)

The Board of Directors is pleased to endorse Allied Bank's Corporate Sustainability initiatives, as outlined in the Annual Report.

The Board Risk Management Committee (BRMC), functioning as the Bank's Sustainability Committee, oversees sustainability related risks, initiatives, strategies, and opportunities. The Board has formally approved the Bank's Sustainability Framework and Strategic Plan, which serve as guiding instruments for embedding sustainability into policies, procedures, processes, products, and services.

The Framework underscores the Bank's commitment to sustainable development and corporate responsibility, with particular emphasis on its impact on local communities and alignment with Environmental, Social, and Governance (ESG) principles. Specific ESG goals and targets have been identified, including Diversity, Equity, and Inclusion (DEI) objectives, reaffirming the Bank's resolve to evolve into a fully sustainable financial institution.

Entity Rating

During the year, the Pakistan Credit Rating Agency (PACRA) reaffirmed the Bank's long-term and short-term credit ratings at the highest levels of 'AAA' (Triple A) and 'A1+' (A One Plus), respectively. These ratings reflect the Bank's superior credit quality and its exceptionally strong capacity to meet financial commitments.

Corporate Governance Rating

VIS Credit Rating Company Limited has acknowledged the Bank's well-established Corporate Governance Framework, which is supported by its Board and Management Committees. Consequently, the Corporate Governance Rating (CGR) for 2025 has been maintained at CGR 9++, signifying a very high standard of corporate governance.

Board of Directors

The profile of all members of the Board of Directors is disclosed separately in overview section of the Annual Report. Composition of the Board and Board Committees is specified in "Statement of Compliance with Code of Corporate Governance".

Non-Executive Directors are paid a reasonable and appropriate remuneration for attending the Board of Directors and its committees' meetings, which is disclosed in the Financial Statements note 39.

This remuneration is not at a level that could be perceived to compromise independence and is within the prescribed threshold defined by SBP. No fee is paid to the Directors who do not attend a meeting. Similarly, fee is not paid for the proposals considered through circulation.

Performance Evaluation Mechanism for the Board

Board composition is a significant contributing factor to the performance of Board of Directors. An appropriate experience, skill-mix and competencies are crucial for the effective functioning of the Bank.

Performance evaluation of Board of Directors, Committees, Chairman Board, Individual Members and CEO is imperative to determine their strengths and weaknesses in order to increase their overall effectiveness and to ensure the compliance with the responsibilities under The Companies Act 2017, Banking Companies Ordinance 1962, SBP's Prudential Regulations, Corporate Governance Regulatory Framework, SECP's Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Code) and other laws and regulations.

In order to comply with the requirement of the Code, the Board of Directors, in the year 2014, put in place an effective mechanism for the evaluation of Board of Directors. Subsequently, SBP issued detailed guidelines on performance evaluation of the Board of Directors.

As per these guidelines, Board decided to opt for in-house approach with quantitative techniques and evaluation by an external independent evaluator every three years. Last independent external-evaluation was conducted for the year 2024 and next such independent evaluation will be carried out for the year 2027.

For the year 2025, as per approved mechanism, performance evaluation of following categories was conducted:

I. Overall Board of Directors
II. Chairman of Board of Directors
III. Sponsor Directors
IV. Independent Directors
V. Other Non-Executive Directors
VI. Board Committees
VII. Chief Executive Officer

The responses and feedback from the Directors on each of the above-mentioned categories (except Chairman Board of Directors) was compiled and submitted to the Chairman Board of Directors enabling him to discuss the results and findings with each individual member of the Board of Directors, if needed.
The authorized independent director communicated the feedback in respect of the Chairman Board of Directors to the Company Secretary for incorporation in the consolidated performance report.

Consolidated results of Board Evaluation along with Performance Report and actionable plan was placed before Board of Directors for review and consideration in its 279th meeting held on February 17, 2026. The Board of Directors noted the contents of Board of Directors Annual Evaluation for the year 2025 and expressed its satisfaction on the results.

External Auditors

The present auditor, KPMG Taseer Hadi & Co. Chartered Accountants retire and being eligible offer themselves for re-appointment. The Board of Directors, on recommendation of the Audit Committee, has recommended KPMG Taseer Hadi & Co. Chartered Accountants against professional fee of Rs. 38.096 million (excluding taxes), as statutory auditors for the next term.

Pattern of Shareholding

Pattern of Shareholding is annexed.

Acknowledgment

On behalf of the Board of Directors and Management, we extend our sincere gratitude to our esteemed shareholders and valued customers for their continued trust and confidence in Allied Bank. We also acknowledge with appreciation the guidance and oversight provided by the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and other regulatory authorities.

Moreover, we place on record our deep appreciation for the dedication and commitment of our colleagues, whose diligent efforts have been instrumental in meeting customer expectations and advancing the Bank's strategic objectives. Their unwavering focus on excellence continues to drive Allied Bank's progress and success.

For and on behalf of the Board of Directors.

Aizid Razzaq Gill
Chief Executive Officer

Lahore
Date: February 17, 2026

Mohammad Naeem Mukhtar
Chairman Board of Directors

ڈائریکٹرز رپورٹ

محترم حصص مالکان :

بورڈ آف ڈائریکٹرز اپنے نہایت قابل احترام، اسپانسر ڈائریکٹر، جناب شیخ علی راحمہ کے انتقال پر گہرے رنج وغم اور افسوس کا اظہار کرتے ہیں۔ جن کی دُوراندیش قیادت اور سرپرستی نے الائیڈ بینک کو ملک کے ایک سرکردہ مالیاتی ادارے میں تبدیل کرنے میں کلیدی کردار ادا کیا۔

بورڈ، بینک کو ترقی اور کامیابی کی راہ پر گامزن رکھنے کے لیے ان کے لازوال تعاون، رہنمائی اور غیر متزلزل عزم کا دلی طور پر اعتراف اور تحسین کرتا ہے۔ سماجی ذمہ داریوں کی ادائیگی کے حوالے سے ان کی غیر معمولی خدمات ان افراد اور حلقوں کے لئے، جن کو بینک اپنی خدمات فراہم کرتا ہے، نہایت مفید ثابت ہوئیں۔

بورڈ، انکی جانب سے زندگی بھر تعاون کی فراہمی کی دل سے قدر کرتا ہے اور شکریے کا اظہار کرتا ہے۔ نیز سوگوار خاندان سے بھی دلی تعزیت کا اظہار کرتا ہے۔ ان کا ورثہ الائیڈ بینک کے لیے آنے والے سالوں میں بھی رہنمائی کا باعث رہے گا۔

بورڈ آف ڈائریکٹرز کی جانب سے ہم آپ کے بینک کے 31 دسمبر 2025ء کو اختتام پذیر ہونے والے سال کی سالانہ رپورٹ پیش کر رہے ہیں۔ بورڈ کی طرف سے سفارش کردہ کاروباری نتائج اور تخصیص مندرجہ ذیل ہیں۔

سال بہ اختتام 31 دسمبر			
2025	2024	تبدیلی	
ملین روپے		فی صد / Times (T)	
35,175	43,116	(18)	سال کا منافع بعد از ٹیکس
123,361	100,767	22	گزشتہ جمع شدہ منافع
501	3	159.7 T	غیر بینکنگ اثاثہ جات کی قدر و پیمائش سے غیر تخصیص شدہ کو منتقلی۔ نیٹ آف ٹیکس
348	174	100	پائیدار اثاثہ جات کی قدر و پیمائش سے منتقلی ۔ نیٹ آف ٹیکس
2,845	1,330	1.1 T	ایکویٹی انویسٹمنٹ کی فروخت سے سرپلس کی منتقلی ۔ نیٹ آف ٹیکس
222	604	(63)	معین شدہ مفید منصوبوں کی تشخیص جانچ کے اثرات۔ نیٹ آف ٹیکس
162,453	145,994	11	تخصیص کے لیے دستیاب منافع
(4,580)	(4,580)	-	حتمی کیش ڈیویڈینڈ برائے سال مختتمہ 31 دسمبر 2024 @ 4.00 روپے فی عام حصص (2024: سال مختتمہ 31 دسمبر 2023 - 4.00 @ روپے فی عام حصص)
(4,580)	(4,580)	-	پہلا عبوری کیش ڈیویڈینڈ برائے سال مختتمہ 31 دسمبر 2025 @ 4.00 روپے فی عام حصص (2024: سال مختتمہ 31 دسمبر 2024 -4.00 روپے فی عام حصص)
(4,580)	(4,580)	-	دوسرا عبوری کیش ڈیویڈینڈ برائے سال مختتمہ 31 دسمبر 2025 @ 4.00 روپے فی عام حصص (2024: سال مختتمہ 31 دسمبر 2024 - 4.00 روپے فی عام حصص)
(4,580)	(4,580)	-	تیسرا عبوری کیش ڈیویڈینڈ برائے سال مختتمہ 31 دسمبر 2025 @ 4.00 روپے فی عام حصص (2024: سال مختتمہ 31 دسمبر 2024 -4.00 روپے فی عام حصص)
(3,518)	(4,312)	(18)	ضوابطی ریزرو میں منتقلی
140,614	123,361	14	آگے منتقل کیا گیا جمع شدہ منافع
30.72	37.65	(18)	فی حصص آمدنی (EPS) روپے

اضافے کے اندراج کے ساتھ مالی سال 2026ء کے جولائی تا دسمبر کی مدت میں 17,556 ملین امریکی ڈالرز کے خسارے پر درج ہوا۔

مالی سال 2026ء کے جولائی تا دسمبر کی مدت کے دوران، ترسیلاتِ زر 10.6 فیصد کا اضافہ ظاہر کرتے 19,733 ملین امریکی ڈالرز پر جا پہنچیں۔ جبکہ، گذشتہ سال کی تقابلی مدت میں ان کا شمار 17,847 ملین امریکی ڈالرز پر کیا گیا تھا۔ چنانچہ، کرنٹ اکاؤنٹ مالی سال 2025ء کے جولائی تا دسمبر میں درج شدہ 957 ملین امریکی ڈالرز کے سرپلس کے تناسب میں مالی سال 2026ء کے جولائی تا دسمبر کے عرصے میں 1,174 ملین امریکی ڈالرز کے خسارے پر رپورٹ ہوا۔

کل دستیاب غیرملکی زرمبادلہ کے ذخائر اور اسٹیٹ بینک آف پاکستان کے خالص ذخائر 31 دسمبر 2024ء کی بالترتیب 15,927 ملین امریکی ڈالرز اور 11,732 ملین امریکی ڈالرز کی سطح کے مقابلے میں 31 دسمبر 2025ء تک بالترتیب 20,742 ملین امریکی ڈالرز اور 16,054 ملین امریکی ڈالرز پر ریکارڈ ہوئے۔ فیڈرل بورڈ آف ریونیو نے مالی سال 2026ء کے جولائی تا دسمبر کے عرصے میں گزشتہ سال کی تقابلی مدت کی 5,624.9 بلین روپے کی وصولیوں کے مقابلے میں 9.5 فیصد کا اضافہ ظاہر کرتے ہوئے 6,160.8 بلین روپے کی ٹیکس وصولیاں ریکارڈ کیں۔

پاکستان کی اسٹاک ایکسچینج میں پورے سال کے دوران سرمایہ کاروں کے اعتماد میں بہتری اور خریداری میں دلچسپی میں اضافے کا مشاہدہ کیا گیا۔ اور دسمبر 2025ء تک انڈیکس 174,054 پوائنٹس پر بند ہوا۔ اسی مماثلت میں پاکستان اسٹاک ایکسچینج میں کنیکٹڈ موبائزیشن دسمبر 2025ء میں 5.1 ٹریلین روپے کا اضافہ ظاہر کرتے ہوئے، 19.7 ٹریلین روپے پر درج ہوئی۔

سال 2025ء کے دوران، داخلی افراط زر تنزلی کی راہ پر گامزن رہا۔ زرعی پیداوار میں بہتری کی بدولت اشیاءِ خورد و نوش کی قیمتوں میں کمی اور توانائی کی قیمتوں کو محدود رکھنے کے سبب، افراطِ زر کے تعطیری رجحان کو تقویت حاصل ہوئی۔ سی پی آئی کے عمومی افراطِ زر میں گزشتہ ماہ کے 6.1 فیصد کے اضافے اور دسمبر 2024ء میں 4.1 فیصد کی شرح کے تناسب میں دسمبر 2025ء میں، سال بہ سال کی بنیاد پر، 5.6 فیصد کا اضافہ ریکارڈ ہوا۔ افراطِ زر کے محرکات، اسٹیٹ بینک آف پاکستان کے استحکام کے فروغ کے مقاصد کے ساتھ ہم آہنگ ہیں۔ تاہم، عالمی اجناس کی قیمتوں، شرحِ تبادلہ کے اتار و چڑھاؤ اور ضوابطی مطابقت سے جڑے خدشات اس کی رفتار پر مسلسل اثرانداز ہوتے رہیں گے۔

مانیٹری پالیسی کمیٹی نے اپنے دسمبر 2025ء میں منعقد کردہ اجلاس میں پالیسی ریٹ میں 50 بیسز پوائنٹس کی کمی کا فیصلہ کرتے ہوئے اسکی شرح کو 10.5 فیصد پر مقرر کیا۔

آئی ایم ایف کی پیش بینی کے مطابق، عالمی ترقی اپنی معتدل اور مضبوط رفتار کو برقرار رکھے گی اگرچہ اسکی رفتار کی سطح کے بلند ہونے کے امکانات نہیں ہیں۔ اپنی عالمی معاشی پیش بینی کے جنوری 2026ء میں شائع کردہ اعداد و شمار میں سال 2027ء کے لیے عالمی نمو کی شرح 3.2 فیصد تک رہنے کی توقع ظاہر کی گئی ہے جو اکتوبر 2025ء میں شائع کردہ عالمی پیش بینی میں تخمینہ کی گئی شرح کے عین مطابق ہے۔

آئی ایم ایف نے عالمی افراطِ زر میں کمی و آسانی کے تسلسل کے برقرار رہنے کی پیش گوئی بھی کی ہے۔ جنوری 2026ء میں شائع کردہ عالمی پیش بینی کے مطابق سال 2027ء کے لیے عالمی افراطِ زر کی شرح 3.4 فیصد تک رہنے کی توقع ہے جو اکتوبر 2025ء میں شائع کردہ عالمی پیش بینی میں درج شرح سے کسی تبدیلی کے بغیر کا اندازہ ہے۔

مانیٹری پالیسی کمیٹی نے اس امر کا جائزہ لیا ہے کہ دانشمندانہ مالیاتی اور انضباطی پالیسیوں کی معاونت سے سرخیلی افراطِ زر درمیانی مدت کے اہداف کے مطابق ہے۔ افراطِ زر متوقع طور پر درمیانی مدت میں 5 تا 7 فیصد کے اہداف کے مابین رہے گا۔ افراطِ زر کو جو خطرات درپیش ہیں اُن میں عالمی اجناس کی قیمتیں، توانائی کی قیمتوں کی مطابقت، مالیاتی کمی و بیشی اور اشیاء خورونوش کی قیمتوں میں اتار و چڑھاؤ شامل ہیں۔

مالیاتی کارکردگی :

سال کے دوران، پاکستان کی بینکاری کی صنعت نے مضبوط کارکردگی کا مظاہرہ کیا جس کے ساتھ اس کے کل اثاثہ جات 60 ٹریلین روپے سے تجاوز کر گئے۔ 31 دسمبر 2025ء تک صنعت کے اثاثہ جات گزشتہ سال کے 51,792 بلین روپے سے نمایاں اضافے کے ساتھ 60,315 بلین روپے پر جا پہنچے۔ سرمایہ کاری، 31 دسمبر کی 2024ء کی 29,316 بلین روپے کی سطح سے 29 فیصد کا اضافہ ظاہر کرتے ہوئے 37,893 بلین روپے پر درج ہوئی۔ کل اور خالص قرضہ جات 31 دسمبر 2025ء تک بالترتیب 9 فیصد اور 10 فیصد کی کمی کے اندراج کے ساتھ بالترتیب 14,145 بلین روپے اور 13,265 بلین روپے پر شمار ہوئے۔

بورڈ آف ڈائریکٹرز 4.00 روپے فی شیئر کا حتمی کیش ڈیویڈنڈ تجویز کی ہے۔) مجموعی کیش ڈیویڈنڈ 16.00 روپے فی شیئر بشمول عبوری ڈیویڈنڈز) اس تجویز کردہ اور سال 2025ء کے دیگر مجوزہ ڈیویڈنڈز کی منظوری آنے والی سالانہ جنرل میٹنگ (عام اجلاس) میں کی جائے گی۔

میکرو اکنامک پیش رفت :

سال 2025ء میں عالمی نمو جغرافیائی و سیاسی مشکلات کے باوجود مضبوط رہی جس کو ہدف شدہ ٹیرف میں آسانی، تجارتی مسابقت کے محدود ہونے، موافق مالیاتی صورتحال اور ٹیکنالوجی ,خاص طور پر مصنوعی ذہانت (AI) میں توانا سرمایہ کاری کی حمایت بھی حاصل رہی۔ افراطِ زر میں آسانی، توانائی کی کم قیمتوں اور امریکی ڈالر کی قدر میں کمی کی بدولت تجارت میں بتدریج بہالی دیکھی گئی۔ ان پیش رفتوں کے تناظر میں عالمی مالیاتی فنڈ (آئی ایم ایف) نے عالمی جی ڈی پی کی شرح کو سال 2026ء کے لیے 3.3 فیصد پر تخمینہ کیا ہے جو کہ اکتوبر 2025ء میں شائع کردہ عالمی معاشی پیش بینی میں تعین شدہ شرح سے 0.2 فیصد پوائنٹس زیادہ ہے اور عالمی معاشی پیش بینی کے حالیہ جنوری کے ایڈیشن میں سال 2025ء سے مماثل ہے۔

طلب میں پیدا ہونے والی نرمی اور توانائی کی کم قیمتوں کے باعث سال 2025ء میں عالمی افراطِ زر میں کمی واقع ہوئی۔ آئی ایم ایف نے سال 2026ء کے لیے عالمی افراطِ زر کی شرح سال 2025ء کے 4.1 فیصد کے اندازے سے کم کرتے ہوئے کی 3.8 فیصد پر تجویز کی ہے۔

داخلی محاذ پر، اسٹیٹ بینک آف پاکستان کے بڑھتے غیرملکی زرمبادلہ کے ذخائر، مضبوط صنعتی کارکردگی، صارفین اور کاروبار کے بہتر اعتماد اور اجناس کی موافق قیمتوں کی بدولت جی ڈی پی میں اعتدال برقرار رہا۔ افراطِ زر میں تنزلی، جو پچھلے سال کے مقابلے میں جزوی طور پر زیادہ بنیادی اثر کو ظاہر کرتا ہے، اور اس کے ساتھ ساتھ شرحِ تبادلہ میں استحکام اور دانشمندانہ میکرو اکنامک انتظام کی مالی سال 2025ء کے دوران دیکھی گئی بحالی میں نمایاں شمولیت رہی۔ تاہم، بیروزگاری میں اضافے، عالمی تجارتی ٹیرف سے متعلق غیر یقینی کی صورتحال اور حالیہ سیلاب نے مالی سال 2026ء کی نمو کی توقعات کو متاثر کیا ہے۔

آئی ایم ایف نے اپنی حالیہ شائع کردہ عالمی معاشی پیش بینی میں سال 2026ء کے لیے داخلی جی ڈی پی کی شرح 3.2 فیصد پر اندازہ کی ہے، جو اکتوبر میں شائع کردہ تخمینے سے 0.4 فیصد کم ہے۔ جبکہ، اسٹیٹ بینک آف پاکستان نے اپنے حالیہ مانیٹری پالیسی بیانیے میں حقیقی جی ڈی پی کی نمو قدرے بہتری کے ساتھ 3.75 فیصد تا 4.75 فیصد کی شرحوں مابین رہنے کی توقع ظاہر کی ہے۔

زراعت کے شعبے میں، گندم کی پیداوار کے ہدف کو پورا کرنے کے لیے کئی مثبت اقدامات کیے گئے ہیں جن میں اہم ذرائع (ان پٹ) کی بروقت دستیابی جیسا کہ زرعی قرضہ جات، تصدیق شدہ بیج کی فراہمی، کھاد کی دستیابی اور آلاتی و میکنائزیشن سپورٹ کو یقینی بنانا ہے۔ زرعی قرضہ جات کی تقسیم مالی سال 2025ء کے جولائی تا دسمبر کے عرصے میں درج شدہ 1,266.7 بلین روپے کے حجم کی نسبت 11.4 فیصد کے اضافے کے ساتھ مالی سال 2026ء کی جولائی تا دسمبر کی مدت میں 1,411.6 بلین روپے پر جا پہنچی۔ علاوہ ازیں، زرعی مشینری اور آلات کی درآمد گزشتہ سال کی مماثل مدت کے 54.1 ملین امریکی ڈالرز کے مقابل میں مالی سال 2026ء کے جولائی تا دسمبر کے عرصے میں 21.6 فیصد کے اضافے کے ساتھ 65.8 ملین امریکی ڈالرز پر درج ہوئی۔

بڑے پیمانے کی پیداواری صنعت میں مالی سال 2026ء کی جولائی تا نومبر کی مدت میں 6.01 فیصد کی نمو واقع ہوئی۔ اس عرصے میں اس مجموعی ترقی میں ٹیکسٹائل، ملبوسات، غیر دھاتی معدنی اشیاء، اشیاخورونوش، مشروبات، کوئلے و پٹرولیم پراڈکٹس، بجلی کے آلات، آٹوموبائل اور تمباکو کی صنعتوں کی نمایاں شمولیت رہی۔ مالی سال 2026ء کے جولائی تا دسمبر کی مدت کے دوران، آٹو انڈسٹری کی کارکردگی مسلسل حوصلہ افزاء رہی جس میں کاروں کی پیداوار میں 56.1 فیصد، ٹرک و بسوں میں 89.4 فیصد اور جیپ و پک اپس میں 36.9 فیصد کی بڑھوتی دیکھی گئی۔

بیرونی محاذ پر، مالی سال 2026ء کے جولائی تا دسمبر کے عرصے میں اشیاء و خدمات کی برآمدات مالی سال 2025ء کی جولائی تا دسمبر مدت کی 20,410 ملین امریکی ڈالرز کی سطح کے مقابلے میں 0.7 فیصد کی کمی کے ساتھ 20,272 ملین امریکی ڈالرز پر رپورٹ ہوئیں۔ ادارہ شماریات کے اعداد و شمار کے مطابق ٹیکسٹائل (4.1 فیصد)، کپڑوں (4.9 فیصد)، اور ہیڈ ویئر (1.9 فیصد) کی برآمدات میں اضافہ دیکھا گیا۔ دوسری جانب، درآمدات مالی سال 2025ء کے جولائی تا دسمبر کے 33,523 ملین امریکی ڈالرز کے حجم کی نسبت مالی سال 2026ء کے جولائی تا دسمبر کے عرصے کے دوران، 12.8 فیصد کے اضافے کے ساتھ 37,828 ملین امریکی ڈالرز پر ریکارڈ ہوئیں۔ اس مد میں خام تیل (11.2 فیصد)، پٹرولیم مصنوعات (5.1 فیصد) اور پام آئل (28.8 فیصد) کی درآمدات میں نمایاں اضافہ دیکھا گیا۔ یوں، تجارتی توازن مالی سال 2025ء کے جولائی تا دسمبر کی مدت کے 13,113 ملین امریکی ڈالرز کے خسارے کے مقابلے میں 33.9 فیصد کے

43,116 ملین روپے کی نسبت 31 دسمبر 2025ء کو اختتام پذیر سال میں کم ہوتے ہوئے 35,175 ملین روپے پر درج ہوا۔

کل ڈیپازٹ 31 دسمبر 2024ء کو اختتام پذیر سال کے 2,018,395 ملین روپے کے حجم سے 16 فیصد کی نمو کے ساتھ 31 دسمبر 2025ء کو اختتام پذیر سال کے دوران 2,345,859 ملین روپے کے حجم پر جا پہنچے۔ بینک نے کم یا بغیر لاگت کے ڈیپازٹس کے حصول پر مسلسل مرکوز توجہ کی بدولت کرنٹ اکاؤنٹ ڈیپازٹس کی مد میں 21 فیصد کی نمو درج کی۔

کل قرضہ جات ، 31 دسمبر 2024ء کو اختتام پذیر سال کی 1,066,348 ملین روپے کی سطح کے تناسب میں 31 دسمبر 2025ء کو اختتام پذیر سال میں 802,076 ملین روپے پر شمار ہوئے۔ اسی مماثلت میں خالص قرضہ جات 31 دسمبر 2024ء کو اختتام پذیر سال کے 1,051,314 ملین روپے سے 25 فیصد کی کمی کے ساتھ 31 دسمبر 2025ء کو اختتام پذیر سال میں تک 789,677 ملین روپے پر رپورٹ ہوئے۔

الائیڈ بینک، کم انفیکشن کی شرح کے تسلسل کو برقرار رکھے ہوئے ہے۔ جو اسکے کریڈٹ پورٹ فولیو کے مضبوط معیار اور پک کی غمازی کرتا ہے۔ 31 دسمبر 2025ء تک بینک کی انفیکشن کی شرح گزشتہ سال کی 1.22 فیصد کی نسبت 1.42 فیصد پر شمار ہوئی۔ 31 دسمبر 2024ء تک کی 115.7 فیصد کی شرح کے تناسب میں مجموعی کوریج کی شرح 31 دسمبر 2025ء تک 109.1 فیصد پر ریکارڈ ہوئی۔

بینک کی کل سرمایہ کاری 31 دسمبر 2024ء کو اختتام پذیر سال کے 1,129,874 ملین روپے کے حجم سے 89 فیصد کی توانا نمو کا اندراج کرتے ہوئے 31 دسمبر 2025ء کو اختتام پذیر سال تک 2,137,087 ملین روپے پر درج ہوئی۔

الائیڈ بینک نے اپنے اثاثہ جات کی اساس کے حوالے سے 3 ٹریلین روپے کے حجم کے نمایاں سنگ میل کو عبور کرلیا ہے۔ بینک کے کل اثاثہ جات پچھلے سال کے اختتام تک 2,816,969 ملین روپے کے حجم سے 20 فیصد کے مضبوط اضافے کو ظاہر کرتے ہوئے 31 دسمبر 2025ء تک 3,370,395 ملین روپے پر رپورٹ ہوئے۔ بینک کے خالص اثاثہ جات سال 2024ء کی 233,901 ملین روپے کی سطح کے تناسب میں 31 دسمبر 2025ء تک 263,376 ملین روپے پر پہنچ گئے۔

بینک کے اثاثہ جات کی آمدنی اور سرمائے پر آمدنی معیار-1 کی شرحیں گزشتہ سال کی 1.7 فیصد اور 26.0 فیصد کی بالترتیب سطح کے مقابلے میں 31 دسمبر 2025ء تک بالترتیب 1.1 فیصد اور 18.7 فیصد پر ریکارڈ کی گئیں۔ سرمائے کی مقبولیت کی شرح سال 2024ء کی 26.71 فیصد کی نسبت 31 دسمبر 2025ء تک 27.74 فیصد پر رپورٹ ہوئی جو کہ 11.5 فیصد کی کم از کم ضوابطی شرح سے نمایاں طور پر بلند ہے۔

ملک بھر میں بینک کی برانچوں کا وسیع نیٹ ورک، اس کی کلیدی اسٹریٹیجک طاقت کی حیثیت کے طور پر برقرار ہے۔ اور جس میں ڈیجیٹل اور اسمارٹ برانچوں کے ذریعے مزید اضافہ کیا جا رہا ہے۔ اس کے ساتھ موجودہ مقامات کی تزئین وآرائش کا عمل بھی جاری ہے تاکہ صارفین کے مجموعی تجربے اور سہولت میں اضافہ کیا جاسکے۔ بینک، اب 1,535 برانچوں کے ساتھ کاروبار کررہا ہے۔ جس میں 1,212 روایتی برانچیں، 302 اسلامک برانچیں اور 21 ڈیجیٹل برانچیں شامل ہیں۔ جو صارفین کی متنوع ضروریات کو موثر طریقے سے پورا کر رہی ہیں۔ اس رسائی کو 1,674 آٹو مینٹڈ ٹیلر مشینز (اے ٹی ایمز) کی معاونت بھی حاصل ہے جس میں 1,428 آن سائٹ اے ٹی ایمز، 240 آف سائٹ اے ٹی ایمز اور 6 موبائل بینکنگ یونٹس اور اس کے ساتھ 265 کیش ڈیپازٹ مشینیں بھی شامل ہیں۔

ترقی کے اس سے سفر پر گامزن رہتے ہوئے الائیڈ بینک اپنے اسٹیک ہولڈر کے لیے طویل المدت پائیدار قدر پیدا کرتے ہوئے، جدید اور صارفین کی ضروریات پر مختصر ڈیجیٹل سولوشنز (سہولتیں) مہیا کرنے پر اپنی توجہ مرکوز کیئے ہوئے ہے۔ کارکردگی میں نظم و ضبط، مضبوط مالیاتی انتظام اور مضبوط و پائیدار طریقوں، موزوں کارپوریٹ گورننس اور موثر رسک مینجمنٹ کی وجہ سے بینک تمام مارکیٹوں میں لچک، کاروباری استعداد کار اور اسٹریٹیجک ترقی کو یقینی بناتا ہے

رسک مینجمنٹ :

رسک مینجمنٹ گروپ (آر ایم جی)، مضبوط اصولوں پر مبنی ایک وسیع فریم ورک، موزوں ادارتی ڈھانچے کی مدد، خدشات کے تعین کے مضبوط نمونوں اور ایک خودکار ماحول میں نظام کی موثر نگرانی کے ذریعے خدشات کے تدارک کے لیے کوشاں ہے تاکہ تمام متعلقہ لوگوں کے لیے حتی الامکان قدر کے حصول کے

الائیڈ بینک خدشات کے دانشمندانہ انتظام، سرمائے کی تقسیم و ترکیب کی حکمت عملی اور سرمایہ کاری و قرضہ جات کے متنوع پورٹ فولیو کی بناء پر اپنی مسابقتی پوزیشن کو مسلسل مضبوط بنا رہا ہے۔ اپنی کارکردگی کے اعلیٰ معیار اور ڈیجیٹل ہیئت سازی کے پختہ عزم سے نا صرف صارفین کے تجربے اور سہولتوں میں بہتری آئی ہے بلکہ طویل المدت پائیداری اور نمو کی بنیاد کو بھی مضبوطی حاصل ہوئی ہے۔

31 دسمبر 2025ء کو اختتام پذیر سال کے دوران، خالص مارک اپ اور انٹرسٹ آمدنی گزشتہ سال کی 115,223 ملین روپے کی سطح سے 10,223 ملین روپے یا 9 فیصد کی کمی کے ساتھ 105,000 ملین روپے پر جا پہنچی۔ بینک نے سال 2024ء میں درج شدہ 376,760 ملین روپے کی مارک اپ/انٹرسٹ آمدنی کے مقابلے میں 31 دسمبر 2025ء کو اختتام پذیر سال میں 297,228 ملین روپے کی آمدنی کا اندراج کیا جو، سال بہ سال کی بنیاد پر، 21 فیصد کی کمی کی عکاسی کرتی ہے۔ اس میں اوسط پالیسی ریٹ میں کمی کا بنیادی کردار تھا جس کی شرح سال 2024ء کی 19.67 فیصد کی سطح کے تناسب میں 2025ء میں 11.39 فیصد پر شمار ہوئی۔ اس کے برعکس، بینک کے مارک اپ/انٹرسٹ اخراجات 31 دسمبر 2024ء کے 261,537 ملین روپے کے مقابلے میں 69,309 ملین یا 27 فیصد کی کمی کے ساتھ 31 دسمبر 2025ء تک 192,220 ملین روپے پر رپورٹ ہوئے۔ یہ کمی ڈیپازٹس کی لاگت اور حاصل کردہ قرضوں کے اخراجات میں تنزلی کی بدولت واقع ہوئی جس کو اثاثہ جات کے حق استعمال سے متعلقہ بلند انٹرسٹ اخراجات نے جزوی طور پر زائل کیا۔

کارڈ سے متعلقہ فیس، کارڈ ایکوائرنگ کے کاروبار، انویسٹمنٹ بینکنگ فیس اور برانچ بینکنگ کسٹمر فیس، کے بنیادی کردار کی بدولت فیس آمدنی اپنے تقابلی سال کے 14,081 ملین روپے کے حجم کے مقابلے میں 2,434 ملین روپے یا 17 فیصد کی نمو رجسٹر کرتے ہوئے، 31 دسمبر 2025ء تک 16,516 ملین روپے رہی جس کو ترسیلات کی مد میں حاصل کردہ کمیشن میں ہونے والی کمی نے جزوی طور پر زائل کیا۔

بینک کی ڈیویڈینڈ آمدنی 31 دسمبر 2024 کی 3,018 ملین روپے کی سطح سے 4 فیصد کی کمی کے ساتھ 31 دسمبر 2025ء تک 2,903 ملین روپے پر درج ہوئی۔

اس زیر تجزیہ سال میں بینک کے کیپٹل گین 31 دسمبر 2024ء کو اختتام پذیر سال کے لیے درج شدہ 3,444 ملین کی سطح سے 15 فیصد کی کے ساتھ 2,920 ملین روپے پر ریکارڈ ہوا۔ جس کی بنیادی وجہ وفاقی حکومت کے تمسکات کی فروخت پر گین میں کمی تھی جس کو یورو بانڈز سے حاصل کردہ بلند گین نے جزوی طور پر زائل کیا۔

اے پی ایل کی غیر مالی کرنسی کی شرح تبادلہ کی آمدنی گزشتہ سال 6,679 ملین روپے کے حجم سے 23 فیصد کی تنزلی کے ساتھ 31 دسمبر 2025ء کو اختتام پذیر سال کے لیے 5,145 ملین روپے پر رپورٹ ہوئی۔ سال 2025ء میں بینک کی دیگر آمدنی سال 2024ء کی 758 ملین روپے کی سطح سے 42 فیصد کے، سال بہ سال کی بنیاد پر، اضافے کے ساتھ 1,073 ملین روپے پر جا پہنچی۔

مجموعی طور پر، نان مارک اپ یا نان انٹرسٹ آمدنی گزشتہ تقابلی سال کے 27,980 ملین روپے کی نسبت 2 فیصد کی نمو کے اظہار کے ساتھ 31 دسمبر 2025ء کو اختتام پذیر سال کے لیے 28,556 میں روپے پر درج ہوئی۔

الائیڈ بینک کے اپنے برانچ نیٹ ورک کی وسعت اور ٹیکنالوجیکل صلاحیتوں کو مضبوطی فراہم کرنے کے تسلسل کی بدولت سال کے دوران کل کاروباری اخراجات میں اضافہ دیکھا گیا۔ تاہم، ٹیکنالوجی میں کے موثر استعمال، طریقہ کار، کی آٹومیشن اور کاروباری استعداد کار میں بہتری کے ذریعے، بینک، کاروباری اخراجات میں اضافے کو 16 فیصد کی شرح تک محدود رکھنے میں کامیاب رہا۔ کل کاروباری اخراجات 31 دسمبر 2024ء کو اختتام پذیر سال کے لیے شمار کردہ 57,985 ملین روپے کے حجم کے مقابلے میں 31 دسمبر 2025ء کو اختتام پذیر سال کے لیے 66,988 ملین روپے پر رپورٹ ہوئے۔

31 دسمبر 2025ء کو اختتام پذیر سال کے لیے منافع قبل از ٹیکس 31 دسمبر 2024ء کو اختتام پذیر پچھلے تقابلی سال کی 87,928 ملین روپے کی سطح سے 16 فیصد کی کمی کے اندراج کے ساتھ 74,209 ملین روپے پر ریکارڈ ہوا۔

گزشتہ سال کی 50.96 فیصد کی شرح کے تقابل میں 31 دسمبر 2025ء کو اختتام پذیر سال کے لیے موثر ٹیکس ریٹ 52.60 فیصد پر شمار ہوا۔ سال 2025ء کے لیے ٹیکس اخراجات (چارج) کا حجم 39,034 ملین رہا جو کہ سال 2024ء کے 44,812 ملین روپے کے ٹیکس اخراجات سے 13 فیصد کی کمی کو ظاہر کرتا ہے۔

بینک کا منافع بعد از ٹیکس 31 دسمبر 2024ء کو اختتام پذیر سال میں درج شدہ

آپریشن سینٹرز کی وسعت پذیری اور ٹیکنالوجی کے درجات، طریقہ کار میں بہتری اور افرادی وسائل کی صلاحیتوں کی ترقی میں نمایاں سرمایہ کاری کی گئی۔ ان اقدامات کی اہم جھلکیوں میں سیکیورٹی انفارمیشن اور ایونٹ مینجمنٹ سسٹم کے لیے جدید ٹیکنالوجی سے مزین اور ایک مخصوص ایس او سی (SOC) کی سہولت، تھریٹ انٹیلیجنس اینڈ ڈیجیٹل رسک پلیٹ فارم (Threat Intelligence and Digital Risk Plateform) کا قیام، سیکیورٹی آرکیسٹیریشن آٹومیشن اینڈ رسپانس سسٹم (Security Orchestration Automation and Response System) اور اینڈ پوائنٹ پروٹیکشن اور اینڈ پوائنٹ ڈیٹیکشن اینڈ رسپانس سسٹم (End Point Protection & End Point Deduction & Response System)، سولوشنز اینڈ ڈیٹا لاس پریونشن سسٹم (Solutions & Data Loss Prevention System) شامل ہیں۔ ان سسٹمز کے ذریعے، بینک کو نا صرف اپنی لاگز (LOGS) کے جائزے، سیکیورٹی سے متعلقہ واقعات کی نشاندہی اور آرکسٹیریشن کے عمل کی خودکاریت اور بروقت تدارک کے لیے اس میں اضافہ کرنے کی صلاحیت پیدا ہوگی بلکہ خطرات کی بروقت اور بھرپور نشاندہی کے ذریعے، بینک کے معلوماتی اثاثہ جات کو تحفظ فراہم کیا جاسکے گا اور حساس ڈیٹا کو ضائع ہونے سے بچایا جاسکے۔

- بینک نے سائبر لچک کو یقینی بناتے ہوئے 24/7 مینیجڈ ڈیٹیکشن اور رسپانس سروسز (Managed, Detection& Response) کے لیے ایک عالمی شہرت یافتہ سیکیورٹی کمپنی کی خدمات حاصل کی ہیں۔

- بینک میں اپنی گورننس کے ڈھانچے کو انٹرنیشنل اسٹینڈرڈز اور صنعت کی بہترین پریکٹسز سے ہم آہنگ کرنے کے لیے انفارمیشن سیکیورٹی رسک مینجمنٹ پروگرام کے ایک پروجیکٹ کام کر رہا ہے۔ انفارمیشن سیکیورٹی کی حکمتِ عملی اور پالیسیوں، طریقہ کار اور فریم ورکس کی تشکیل اس پروجیکٹ کے نمایاں عنصر ہیں۔

- بینک نے اپنے انفارمیشن سیکیورٹی مینجمنٹ سسٹم کو مضبوط کرنے کے لیے آئی ایس او (ISO) 27001:2022 اسٹینڈرڈ کی سرٹیفکیشن کو بھی حاصل کیا۔

رسک مینجمنٹ اپنے اہم اقدامات جیسا کہ اوریکل فنانشل سروسز اینالیٹیکل ایپلیکیشن - Oracle Financial Services Analytical -OFSAA) (Application کے نافذ شدہ موڈیولز کے موزوں ترین استعمال اور بینچ میٹرکس پراسس ڈیزائن (Bench Matrix Process Design) کی جانچ اور کنٹرول ٹیسٹنگ، خدشات کی تشخیص اور مینجمنٹ سسٹم کے ورک فلوز (کام کے طریقہ کار) کی خودکاریت، انفارمیشن سیکیورٹی کی آگاہی سے متعلقہ مہم، بینک کے زیر انتظام رہن اور گروی قرضہ جات کے لیے گوداموں کو مضبوط بنانے کے اقدامات وغیرہ کو سال 2025ء میں بھی جاری رکھنے کا ارادہ رکھتا ہے۔

- بینک اپنی معلوماتی محافظت (انفارمیشن سیکیورٹی) کے نظام کو مزید مضبوط بنانے اور اس کے ساتھ ٹیکنالوجی اور افرادی وسائل کے فروغ میں سرمایہ کاری پر خصوصی توجہ مرکوز کیے ہوئے ہے تاکہ پورے بینک میں خدشات کے انتظام کا ایک موثر نظام قائم کیا جاسکے۔

- ڈیجیٹل بینکنگ کے ذریعے، پیدا ہونے والی رکاوٹوں کا ادراک رکھتے ہوئے، رسک مینجمنٹ نے قرضوں کے مروجہ ڈیجیٹل پلیٹ فارم کے دائرہ کار کو جدید کریڈٹ سکورنگ ماڈلز اور کریڈٹ رسک کی تشخیص کے طریقہ کار، انکی تقسیم اور نگرانی کے عمل کے ذریعے صارفین سے چھوٹے اور درمیانی کاروباروں اور کمرشل کاروباروں تک وسعت دینے کی منصوبہ بندی کی ہے۔

- معروف فن ٹیک اور ڈیٹا کا تجزیہ کرنے والے اداروں کے تعاون سے مصنوعی ذہانت (آرٹیفشل انٹیلیجنس - Artificial Intelligence) اور مشین لرننگ (Machine Learning) میں ہونے والی جدید اور تازہ ترین تکنیکی عوامل کا جائزہ لیا جائے گا۔

- رسک مینجمنٹ معیشت کو درپیش چیلنجز سے مکمل طور پر آگاہ ہے اور بینک کے اثاثہ جات کے خدشات کے موثر انتظام کو یقینی بنانے کے لیے تمام عملی اور ضروری اقدامات جاری رکھے گا۔

چیف ایگزیکٹو آفیسر کا تجزیہ :

بورڈ آف ڈائریکٹرز، چیف ایگزیکٹو آفیسر کے 31 دسمبر 2025ء کو اختتام پذیر سال میں بینک کی کاروباری کارکردگی کے بارے میں تجزیہ کی مکمل تصدیق کرتے ہیں۔

اندرونی انضباط کا بیانیہ :

بورڈ انتظامیہ کے اندرونی انضباط کے بارے میں بیانیہ بشمول انتظامیہ کی ICFR کی قدر دہیائی کی بخوشی تصدیق کرتا ہے۔ اندرونی انضباط کے بارے میں انتظامیہ کا بیانیہ سالانہ رپورٹ میں شامل ہے۔

ساتھ بینک کے سرمائے کی اساس کی قوت کا تحفظ کیا جاسکے۔

رسک مینجمنٹ کے مختص افعال میں مندرجہ ذیل شامل ہیں:

- کارپوریٹ اور مالیاتی اداروں کے خدشات
- کمرشل، ایس ایم ای (SME) اور صارفین کے خدشات
- قرضوں کے انتظام اور نگرانی
- تکنیکی تشخیص
- انفارمیشن سیکیورٹی اور گورننس؛ اور
- انٹرپرائز خدشات

یہ افعال، اثاثہ جات کے بلند معیار کو یقینی بناتے اور کل خدشات کو بینک کی مجموعی قابل قبول سطح میں رکھتے ہوئے نگرانی اور جانچنے کے نظام میں مسلسل وسعت کے لیے ہم آہنگی کے ساتھ کام کرتے ہیں۔

سال 2025ء میں رسک مینجمنٹ جدید ٹیکنالوجی کے استعمال اور خدشات کی نگرانی اور تعین کے نظام کو مزید تقویت دینے کے لیے مندرجہ ذیل اہم اقدامات کے ذریعے، اپنے خدشات کے تدارک کے عمل کو مضبوط اور جدید بنانے کے لیے کوشاں ہے:

- بینک نے مقامی طور پر تیار کردہ ایک جدید ترین رسک ایسسمنٹ سسٹم (آر اے ایز-RAMS) قائم کیا ہے تاکہ قرضہ جات کی پروسیسنگ اور نگرانی کی جاسکے۔ اس نظام نے کریڈٹ خدشات کے موثر انتظام کو یقینی بنایا ہے جس کا اظہار صنعت میں سب سے کم الگیشن کی شرح سے بھی ہوتا ہے۔ بینک اس نظام کی افادیت میں مزید اضافے کے لیے اس کی مسلسل اپ گریڈیشن کے عمل کو جاری رکھے ہوئے ہے۔

- مستقبل کے تقاضوں اور چیلنجز کے لیے تیار اسٹیک ہولڈرز کی حوصلہ افزائی کے اپنے عزم کو جاری رکھتے ہوئے بینک نے ایک تعاملی (انٹریکٹو) تربیتی نشست کا اہتمام کیا جس کو اگلی نسل کے اویلیگرز کے لیے جدید کاروباری، مالیاتی اور تکنیکی بصیرتوں کی فراہمی کے نقطہ نظر سے ترتیب دیا گیا تھا۔ اس پروگرام میں کئی جید مقررین نے شرکت جن میں معروف ماہرین تعلیم، ماہرین صنعت اور محققین شامل تھے۔ اس سیشن میں جدید ادارے کی تشکیل کے لیے کئی اہم موضوعات پر روشنی ڈالی گئی جن میں مضبوط گورننس فریم ورک، ماحولیاتی، سماجی اور گورننس (ESG) اصولوں کا اسٹریٹیجک انضمام، اگلی نسل کے انسانی سرمائے سے متعلق حکمت عملیاں اور کاروباری آپریشنز میں مصنوعی ذہانت اور ڈیجیٹل پلیٹ فارمز کے ہیئت ساز استعمال جیسے موضوعات سرفہرست تھے۔ یہ اقدامات ایک ابھرتے ہوئے عالمی منظرنامے میں پائیدار قدر کے حصول کے لیے باخبر، چست اور اخلاقی طور پر معاونت یافتہ قیادت کی صلاحیت پیدا کرنے کے بینک کے عزم اعادہ کرتے ہیں۔

- اپنی کارپوریٹ سماجی ذمہ داری (سی ایس آر) کی کوششوں کے تحت، بینک نے اپنے قرض یافتگان کے ساتھ رابطوں کے تسلسل کو برقرار رکھتے ہوئے، کمرشل اور ایس ایم ای (SME) صارفین کی آگاہی کے لیے لاڑکانہ، گوجرانوالہ اور شیخوپورہ میں سیمینارز کا انعقاد کیا۔ جس کا مقصد کاروبار میں پائیداری اور طویل المدتی نمو کو سپورٹ کرنا تھا۔ ڈاکٹر عشرت حسین، سابق گورنر اسٹیٹ بینک آف پاکستان نے ان میں کلیدی خطاب کیا اور اقتصادی اصلاحات اور ادارہ جاتی ترقی پر اپنی علمی بصیرت سے روشناس کیا۔ ان سیمینار میں کئی اہم موضوعات جیسا کہ خاندانی ملکیتی ڈھانچے سے کارپوریٹ سیکٹر جانب منتقلی، گوجرانوالہ کو صنعت کا مرکز بنانے۔ کلسٹر ہم آہنگی ترقی اور توسیع کے مواقع، شامل تھے۔ ان اقدامات کی بدولت بینک نے قرض فراہم کرنے کی اپنی حیثیت کو نا صرف مضبوط کیا ہے بلکہ علم کے تبادلے اور علاقائی کاروباری ترقی میں ایک شراکت دار کے طور پر بھی اپنا کردار نبھایا ہے۔

- بینک نے سال 2024ء کے دوران بینک کے معلوماتی اثاثوں کے تحفظ کے لیے بہت سی حفاظتی جانچ کی تدابیر اختیار کی ہیں اس میں وائٹرا ببلیٹی ایسسمنٹ (VA) اینڈ پینیٹریشن ٹیسٹنگ (Vulnerability Assessment and Panetration Testing) (PT)، کی سرگرمیاں شامل ہیں۔

- پیمنٹ کارڈ انڈسٹری ڈیٹا سیکیورٹی اسٹینڈرڈ (Payment Card Industry Data Security Standared - PCI-DSS) سرٹیفکیشن جس کو سال 2025ء میں مسلسل ساتویں مرتبہ حاصل کیا ہے، اور اس کے ساتھ سوئفٹ (SWIFT) انٹرنیشنل سے تفویض شدہ سوئفٹ کسٹمر سیکیورٹی پروگرام کی تعمیل بھی کی گئی۔ اپنے معزز صارفین کی معلومات کے لیے انفارمیشن سیکیورٹی بشمول فراڈ سے آگہی کی مختلف تھاریک کا انعقاد کیا ہے۔ اپنے ٹیم ممبران کو سائبر سیکیورٹی سے متعلقہ تازہ ترین خطرات اور رجحانات سے آگاہ اور انکی تربیت کرنے کے لیے کلاؤڈ (cloud) پر مبنی ایک ای۔لرننگ پلیٹ فارم (e-learning platform) بھی دستیاب ہے

- بینک کی زیادہ تر توجہ اپنی صلاحیت کی تعمیر اور سیکیورٹی

اقسام کی کارکردگی کو جانچا گیا:

1۔ مجموعی طور پر بورڈ آف ڈائریکٹرز
2۔ بورڈ آف ڈائریکٹرز کے چیئرمین
3۔ اسپانسر ڈائریکٹرز
4۔ آزاد ڈائریکٹرز
5۔ دیگر نان ایگزیکٹو ڈائریکٹرز
6۔ بورڈ کی کمیٹیوں
7۔ چیف ایگزیکٹو آفیسر

مندرجہ بالا بیان کردہ ہر زمرے سے متعلق ڈائریکٹرز (سوائے چیئرمین بورڈ آف ڈائریکٹرز کے) کے جوابات اور ردعمل (فیڈ بیک) کو جمع کر کے چیئرمین بورڈ کو ارسال کیا گیا تاکہ وہ، حسبِ ضرورت، بورڈ آف ڈائریکٹرز کے ہر رکن کے ساتھ نتائج اور انکے مشاہدے پر تبادلہ خیال کر سکیں۔

مجاز ڈائریکٹرز نے چیئرمین بورڈ آف ڈائریکٹرز کے حوالے سے اپنی رائے کمپنی سیکرٹری کو مشترکہ کارکردگی کی رپورٹ میں شامل کرنے کے لیے ارسال کی ہے

تسلیم و تحسین :

بورڈ آف ڈائریکٹرز اور انتظامیہ کی جانب سے، ہم، اپنے قابل قدر صارفین اور معزز شیئر ہولڈرز کا الائیڈ بینک پر انکے جاری اعتماد اور بھروسے پر تہہ دل سے مشکور ہیں۔ ہم، اسٹیٹ بینک آف پاکستان، سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر انتظامی اداروں کا ان کی مسلسل رہنمائی اور نگرانی کو بھی سراہتے ہیں۔

مزید براں، ہم اپنے تمام ساتھیوں کے عزم، حوصلے، لگن اور وابستگی کی مخلصانہ اور گہری قدردانی کرتے ہیں جن کی انتھک کاوشوں نے صارفین کی توقعات پر پورا اترنے اور بینک کے اسٹریٹجک اہداف کو آگے بڑھانے میں کلیدی کردار ادا کیا ہے۔ اپنے معیار کی عمدگی پر اس غیر متزلزل توجہ کی بدولت الائیڈ بینک ترقی اور کامیابی کی راہ پر رواں دواں ہے۔

منجانب و برائے بورڈ آف ڈائریکٹرز

ایزد رزاق بگل
چیف ایگزیکٹو آفیسر

محمد نعیم مختار
چیئرمین بورڈ آف ڈائریکٹرز

بورڈ کے جائزے کے مجموعی نتائج اور اسکے ساتھ کارکردگی کی رپورٹ اور قابل عمل نکات کا بیان

17 فروری 2026ء کو منعقدہ 279ویں اجلاس میں بورڈ آف ڈائریکٹرز کے تھوروخوش کے لیے پیش کیا گیا۔ بورڈ آف ڈائریکٹرز نے سال 2025ء کے لیے بورڈ آف ڈائریکٹرز کی سالانہ تشخیص کے مندرجات کے ساتھ ساتھ بیرونی تشخیص کار کی سفارشات کا جائزہ لیا اور نتائج پر اطمینان کا اظہار کیا۔

بیرونی آڈیٹرز:

موجودہ آڈیٹرز میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر اور اہلیت کی بناء پر دوبارہ تعیناتی کی پیشکش کرتے ہیں۔ بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی کی سفارش پر میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 38.096 ملین روپے کی پیشہ ورانہ فیس کے عوض، اگلی مدت کے لیے، بینک کا قانونی آڈیٹرز مقرر کرنے کی تجویز دیتے ہیں۔

حصص کی ملکیت کا نمونہ :

حصص کی ملکیت کا نمونہ حصص کی ملکیت کا نمونہ ساتھ منسلک ہے۔

لاہور
17 فروری 2026ء

کارپوریٹ پائیداری اور تنوع، ایکویٹی اور شمولیت :

بورڈ آف ڈائریکٹرز الائیڈ بینک کے کارپوریٹ پائیداری کے اقدامات کی بخوشی توثیق کرتے ہیں۔ جیسا کہ سالانہ رپورٹ میں واضح کیا گیا ہے۔

بورڈ کی رسک مینجمنٹ کمیٹی (بی آر ایم سی) بینک کی کارپوریٹ سسٹین ایبلٹی (Corporate Sustainablity) کمیٹی کے طور پر کام کرتی ہے اور مختلف امور کی پائیداری کا جائزہ لیتی ہے جن میں خدشات، اقدامات، اسٹریٹجی اور مواقع شامل ہیں۔ بورڈ نے بینک کے سسٹین ایبلٹی فریم ورک اور اسٹرٹیجک پلان کی باقاعدہ منظوری دی ہے۔ جو سسٹین ایبلٹی، پالیسیوں، طریقہ کار، عمل اور مصنوعات و خدمات کے لیے رہنما اصول مرتب کرتا ہے۔

یہ فریم ورک بینک کے پائیدار ترقی اور کارپوریٹ ذمہ داریوں کو پورا کرنے کے عزم کو تقویت فراہم کرتا ہے، خاص طور پر مقامی لوگوں پر اس کے اثرات اور ماحولیاتی، سماجی اور گورننس (ESG) کے اصولوں کے ساتھ انکی ہم آہنگی کی طرف توجہ دلاتا ہے۔ ESG کے مخصوص مقاصد کے اہداف کی نشاندہی کی جا چکی ہے۔ جس میں تنوع، ایکویٹی اور شمولیت کے مقاصد شامل ہیں۔ جو بینک کے ایک مکمل طور پر پائیدار مالیاتی ادارے بننے کے عزم کی تصدیق کرتے ہیں۔

ایسٹلی ریٹنگ :

وی پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے اس سال کا دوران، الائیڈ بینک کی طویل اور قلیل المدتی ریٹنگز کو بالترتیب AAA (ٹرپل اے) اور A1+ (اے ون پلس) کی بلند ترین سطحوں پر برقرار رکھا ہے یہ درجہ بندیاں بینک کے اعلیٰ کریڈٹ معیار اور مالی ذمہ داریوں کو پورا کرنے کی غیر معمولی مضبوط صلاحیت کا مظہر ہیں۔

کارپوریٹ گورننس ریٹنگ :

وی آئی ایس (VIS) کریڈٹ ریٹنگ کمپنی لمیٹڈ نے بینک کے بہترین تشکیل کردہ کارپوریٹ گورننس فریم ورک کا بورڈ اور مینجمنٹ کمیٹیوں کی جانب سے موثر استعمال کا اعتراف کیا ہے۔ جس کے نتیجے میں سال 2025ء کے لیے کارپوریٹ گورننس کی ریٹنگ کو سی جی آر-++ 9(CGR-9++) کی سطح پر برقرار رکھا ہے۔ جو کارپوریٹ گورننس کے اعلیٰ ترین معیار کی عکاس ہے۔

بورڈ آف ڈائریکٹرز :

بورڈ آف ڈائریکٹرز کے تمام ممبران کے پروفائل کو سالانہ ریویو کے کارپوریٹ پروفائل کے سیکشن میں علیحدہ طور پر درج کیا گیا ہے۔ بورڈ کی تشکیل کو کوڈ آف کارپوریٹ گورننس کی تعمیل کے بیانیہ میں درج کیا گیا ہے۔ غیر انتظامی ڈائریکٹرز کو بورڈ یا اور انکی کمیٹی کے اجلاس میں شریک ہونے کے لیے ایک مناسب اور موزوں معاوضہ دیا جاتا ہے۔ جسکا ذکر مالیاتی گوشواروں کے نوٹ نمبر 39 میں کیا گیا ہے۔

معاوضے کا معیار ایسا نہیں ہے کہ جس سے یہ تاثر بھی ملے کہ کسی آزاد حیثیت پر کوئی سمجھوتا ممکن ہے۔ جو ڈائریکٹر اجلاس میں شریک نہیں ہوا اسکو کوئی معاوضہ ادا نہیں کیا جاتا ہے۔ اسی طرح ایسی سفارشات جن پر سرکولیشن کے ذریعہ غور اور جانچا جاتا ہے ان کا بھی کوئی معاوضہ نہیں دیا جاتا۔

بورڈ کی کارکردگی کا جائزہ لینے کا طریقہ کار :

بورڈ کی تشکیل، بورڈ آف ڈائریکٹرز کی کارکردگی میں ایک اہم کردار کی حامل ہے۔ مناسب تجربہ، صلاحیت اور مہارت بینک کی موثر کارکردگی کے لیے ناگزیر ہے۔

بورڈ آف ڈائریکٹرز، چیئرمین بورڈ، انفرادی ممبران اور سی ای او کی کارکردگی کا جائزہ لینا نہایت ضروری ہے۔ تاکہ، مجموعی موثریت میں اضافہ کرنے کی خاطر انکی خوبیوں یا خامیوں کا تعین کیا جاسکے اور اس امر کو یقینی بنایا جاسکے کہ وہ اپنی ذمہ داریاں کمپنیز ایکٹ 2017ء، بینکنگ کمپنیز آرڈیننس 1962ء، اسٹیٹ بینک آف پاکستان کے پروڈینشل ریگولیشنز، کارپوریٹ گورننس ریگولیٹری فریم ورک، ایس ای سی پی (SECP) کے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019ء اور دیگر قوانین اور ریگولیشنز کے تحت ادا کر رہے ہیں۔

اسی کوڈ کے تحت بورڈ نے سال 2014ء میں بورڈ آف ڈائریکٹرز کی کارکردگی کو موثر انداز میں جانچنے کے لیے ایک نظام رائج کیا ہے۔ دریں اثناء، اسٹیٹ بینک آف پاکستان نے بورڈ آف ڈائریکٹرز کی کارکردگی کے جائزے کے لیے رہنمائی کی تفصیلی گائیڈ لائنز بھی جاری کی ہیں۔

ان گائیڈ لائنز کی روشنی میں بورڈ نے مقداری تکنیک کے ساتھ بینک کے اندرونی نقطہ نظر اور ہر تین سال بعد ایک آزاد تجمینہ ساز سے اس کی جانچ کو اختیار کرنے کا فیصلہ کیا ہے۔ چنانچہ، سال 2024ء کے لیے ایک آخری آزادانہ تشخیص کی گئی تھی۔ اس نوعیت کا اگلا جائزہ سال 2027ء میں کیا جائے گا۔

سال 2025ء کے لیے، ایک منظور شدہ نظام پر کاربند رہتے ہوئے مندرجہ ذیل

OF NATURAL WONDERS AND TIMELESS GRANDEUR





















SCAN TO WATCH

PRODUCTS & SERVICES

COMMERCIAL AND RETAIL BANKING

Commercial and Retail Banking is providing enriched and comprehensive product suite, supported by digital platforms and an extensive network of customer touch points.

Deposit Products

A comprehensive range of deposit products is offered to our customers with various services ranging from structured saving products to term deposits, foreign currency products and basic current accounts giving customers the choice which best suits their banking requirements.

Current Deposit Products	Saving Deposit Products	Term Deposit Products
• Allied Khanum Current Account (Regular & Asaan)	• Allied Khanum Saving Account (Regular & Asaan)	• Allied Term Plus Deposits
• Allied Easy Current Account	• Platinum Rewarding Profit Account	• Allied Express Plus 1 Term Deposit
• Basic Banking Account	• PLS Saving Account	• Behtar Munafa Term Deposit
• Current Account	• Allied High Premium Account	• Allied Advance Profit Plus Payment
• Allied Asaan Current Account	• Allied Asaan Saving Account	• Foreign Currency Term Deposits
• Allied Youth Current Account (Regular & Asaan)	• Allied Rising Star Account	
• Allied Express Account	• Allied Pensioner Saving Account	
• Allied Business Account	• Allied Roshan Digital Saving Account (RDA)	
• Allied Roshan Digital Current Account (RDA)	• Allied Asaan Digital Saving Account	
• Special Technology Zones Account	• Asaan Digital Remittance Saving Account (ADRA)	
• Allied Asaan Digital Current Account	• Freelancer Digital Saving Account	
• Asaan Digital Remittance Current Account (ADRA)	• Allied Freelancer Saving Account	
• Freelancer Digital Current Account	• Allied Senior Citizen Saving Account (Regular & Asaan)	
• Allied Freelancer Current Account	• Allied Asaan Remittance Saving Account	
• Allied Senior Citizen Current Account (Regular & Asaan)	• Allied Salary Management Saving Account (Regular & Asaan)	
• Allied Asaan Remittance Current Account	• Allied Saving NRP Account	
• Allied Salary Management Current Account (Regular & Asaan)	• Low Income/Simplified Roshan Digital Account	
• Low Income/simplified Roshan Digital Account		
• Allied Pensioner Current Account		
• Allied Current NRP (Non-Resident Pakistanis) Account.		

Asset Products

Consumer banking offers a full range of consumer lending products which enhance the overall experience of our customers and provide them with state-of-the-art value-added services to ensure that the Bank operates in the best interest of its customers.

Consumer Products	Agri based Products	SME based Products
• Allied VISA Credit Card	• Hari Bhari Agriculture Revolving Credit Scheme	• Allied Business Finance.
• Allied Personal Finance	• Agriculture Financing for Dairy Farming	• Allied Easy Finance
• Allied Car Finance	• Agriculture Financing for Poultry Farming and Allied Activities	• ABL Fast Finance
• Allied Home Finance	• Allied Kashtkar (Tractor Financing)	• ABL Warehouse Financing
• Allied Solar System Finance	• Allied Aabayari (Irrigation Solution)	• Prime Minister Youth Business & Agri Loan Scheme
• Allied Roshan Apna Ghar	• Allied Farm Mechanization	• Other Working Capital Financing Facilities including Trade Based Financing
• Allied Roshan Apni Car	• Electronic Warehouse Receipt Financing	• Other Long Term Financing Facility
• Allied Electric Bike Finance		
• Allied Scooty Finance		
• Mera Ghar Mera Ashiana		
• Electric Bike Finance under GoP's Cost Sharing Scheme for Electric Bikes and Rickshaws /Loaders		
• Laptop Financing & Financing to Prospective Overseas Workers under PMYB&ALS.		

Other Allied Products and Services

Branch Banking Services	Bancassurance Products
• Safe Deposit Lockers	• ALSURANCE (EFU General)
• Allied Pay Anyone	• EFU Savings and Retirement Plan
• Allied Banker Cheque / Call Deposit Receipt	• EFU Accelerated Savings Plan
• Real Time Gross Settlement / SBP and NBP cheques	• EFU ILM & Anmol Rishtey
• Inter Branch Online Transactions	• JLI Asaan Zindagi Plan
• Inland Letter of Credit including Bills Discounting	• JLI Virasat Plan
• Guarantees	• IGI Invest Max Plan with Vitality
• Allied Contact Center	• IGI Smart Future Plan with Vitality
	• IGI Suhana Mustaqbil Plan

DIGITAL BANKING

Digital Banking is supporting the strategic focus on broad based digitization to augment its service and products suite by offering personalized and innovative solutions catering to the evolving needs of different customer segments.

Debit Cards	Apps and Internet Banking	Other Digital Touchpoints
Allied UPI PayPak co-badged Debit Cards	• myABL Personal Internet Banking	• Self Service Branch
• Basic Debit Card	• myABL Business Internet Banking	• Hybrid Digital Branch
• Classic Debit Card	• myABL WhatsApp Banking	• Digital Locker
• Classic Plus Debit Card	• Voice-Assisted Banking	• Cash Recycler ATM
• Gold Debit Card	• myABL Wallet	• ATMs and CCDMs (Cash and Cheque Deposit Machines)
• Allied Rising Star- Minor Debit Card	• myABL Asaan Mobile Account (AMA) Wallet	• Mobile Banking Unit
	• myPakistan Digital Account (myPDA)	• Digital Lounges
Allied Visa Debit Cards	• Roshan Digital Account (RDA)	• Allied Bank Metaverse Branch
• Classic Debit Card	• E-Commerce transactions on VISA Debit Card	• Point of Sale (POS) Acquiring Business
• Platinum Debit Card & Visa Sapphire 200	• QR Codes on myABL	
• Premium Debit Card	• Allied Payday Finance	
• Virtual Debit Card	• Allied Pay	
• ABL VISA Infinite Debit Card	• Voice Assisted Banking	
Visa Debit Card Foreign Currency	• ABL's WhatsApp channel	
• Visa Classic Debit Card	• myABL Coins	
• Visa Platinum Debit Card		
• Visa Premium Debit Card		

PRODUCTS & SERVICES

ISLAMIC BANKING

Islamic Banking endeavors to attract and retain the faith driven customers by offering a complete range of Shariah' compliant products and services. Thereby, ensuring operational efficiency and superior customer service through promoting the Islamic banking and contributing toward achieving the financial inclusion.

Deposit Products

Current Deposit Products	Savings Deposit Products	Term Deposit Products	Digital Products
• Allied Islamic Current Account	• Allied Islamic Saving Account	• Allied Islamic Investment Certificates	• Allied Aitebar Roshan Digital Account
• Allied Islamic Basic Banking Account	• Allied Aitebar Khanum Account (Regular & Asaan)	• Allied Islamic Notice Period Certificate	• Simplified Low income Islamic RDA
• Allied Islamic Asaan Current Account	• Allied Aitebar Salary Management Account (Regular & Asaan)	• Allied Islamic Express Plus1 AIIC	• Allied Islamic Asaan Digital Account
• Allied Islamic Special Foreign Currency (STZ) Account	• Allied Aitebar Senior Citizen Account (Regular & Asaan)	• Allied Aitebar Behtar Munafa Certificate	• Allied Aitebar Asaan Digital Remittance Account
• Allied Aitebar Foreign Currency Value Account (FCVA)	• Allied Islamic Youth Account (Regular & Asaan)		• Allied Aitebar Freelancer Digital Account-PKR
• Allied Aitebar Freelancer Account	• Allied Aitebar Institutions Account		
• Allied Islamic Business Plus Account	• Allied Aitebar Premium Account		
• Allied Aitebar Express Account	• Allied Islamic Anmol Plus Account		
	• Allied Aitebar Anmol Professional Account		
	• Allied Islamic Khalis Munafa Account		
	• Allied Aitebar Express Account		
	• Allied Islamic Business Plus Account		
	• Allied Islamic Asaan Saving Account		
	• Allied Aitebar Waseela e Hajj & Umrah Account		
	• Allied Islamic Special Foreign Currency (STZ) Account		
	• Allied Aitebar Foreign Currency Value Account (FCVA)		
	• Allied Aitebar Asaan Remittance Account		
	• Allied Aitebar Rising Star Account		

Asset Products

Corporate / Commercial / SME	Consumer Finance	Agriculture Finance	Trade / Treasury
• Murabaha Finance	• Allied Aitebar Car Ijarah	• Allied Aitebar Tractor Financing	• Forward Cover
• Musawamah Finance	• Allied Aitebar Home Musharakah/ MPMG	• Allied Aitebar Hari Bhari Agriculture Financing	• Bai-Muajjal
• Salam Finance	• Allied Aitebar Solar System Finance	• Allied Aitebar Agriculture Finance for Dairy Farming	• Currency Salam
• Istisna Finance	• Roshan Apna Ghar/ MPMG	• Islamic Financing Facility for Storage of Agricultural Produce (IFFSAP)	• Letter of Guarantee
• Ijarah Finance	• Roshan Apni Car	• Allied Aitebar Aabayari	• Letter of Credit
• Diminishing Musharakah Finance	• Islamic Financing Facility for Low-Cost Housing for Special Segments		• Islamic Export Refinance Scheme (IERS)
• Business Musharakah Finance	• Allied Aitebar Scooty & Electric Bike Finance		
• Islamic Refinance Scheme for Working Capital Financing of Small Enterprises and Low-End Medium Enterprises (IWCF)	• Mere Ghar Mera Ashiana Scheme		
• Islamic Long Term Financing Facility (ILTFF)	• Electric Bike Finance under GoP's Cost Sharing Scheme for Electric Bikes and Rickshaws /Loaders		
• Islamic Refinance Facility for Modernization of SMEs (IRFMS)			
• Islamic Financing Facility for Renewable Energy (IFRE)			
• Islamic SME Asaan Finance (I-SAAF)			
• Allied Aetbar Prime Minister's Youth Business & Agriculture Finance Scheme			
• Allied Aitebar Business Finance			

CORPORATE AND INVESTMENT BANKING

Corporate Banking aims to foster long term customers relationships with the primary objective of meeting all business requirements of corporate and institutional obligors while offering tailored and cost-effective banking solutions with highly personalized services. Corporate Banking array of services are augmented with investment banking solutions catering complex business needs, global institutional banking relationships to support trade, treasury, home remittance and foreign exchange payments, and fully customizable and highly scalable Cash Management services offered through online branch network.

Investment Banking

Investment banking strives to meet complex financial needs of its clientele by providing a full suite of financing solutions to corporate clients including debt syndications, capital markets, project financing and advisory services.

Corporate Banking

Corporate Banking remains dedicated to building and nurturing strong relationships with top-tier corporate and institutional clients. It provides a comprehensive suite of wholesale banking services, addressing the diverse financing needs of corporate customers. These services include tailored lending solutions such as working capital finance, term loans, and trade finance facilities.

Emerging Corporates

Emerging corporates caters to all business requirements of our top tier commercial obligors with wide range of products including Working Capital Facilities, Term Loans, Trade Financing, Letters of Guarantee, Letters of Credit and Export Financing.

Home Remittances

Home remittances provide seamless inflow of foreign remittance credited in the beneficiary accounts and over the counter payments.

Financial Institutions

Financial Institutions & International Division aims to strengthen ABL's global institutional banking relationship base with reputed financial institutions spread across USA, Europe, Asia and Africa to support Bank's trade, treasury and foreign exchange payments. With over 500 international correspondents in 75 countries, ABL ensures broad global coverage and widespread acceptability.

Cash Management

Cash management is a state-of-the-art real-time service providing customers with efficient liquidity management solutions across the robust ABL network.

Allied Share Financing

ASF is specifically designed for business entities and individuals for immediate availability of medium-term financing to bridge liquidity needs.

STRATEGY
& RESOURCE ALLOCATION

STRATEGIC OBJECTIVES

Short Term	• Reinforce the Bank's competitive advantage by deploying emerging technologies i.e. artificial intelligence (AI) including Agentic AI. These initiatives are designed to streamline operations, enhance efficiency and drive a sustainable reduction in the cost-to-income ratio. • Builds a robust portfolio of quality assets. • Deposit mobilization by enhanced focus on low or no cost deposits. • Augment diversified revenue streams to reduce the impact of decreasing interest rate environment and optimize the operating expenses. • Deliver customer centric solutions and develop innovative products to cater wide array of customer segments.
Medium Term	• Maintain a strong and consistent profitability trend. • Continuously enhance operational efficiencies. • Foster a sustainable culture of integrity, transparency and ethics. • Augment a resilient capital and asset base
Long Term	• Enhance a brand image and create shareholders' value. • Champion the financial inclusion. • Top value generator for stakeholders while remaining a socio environmentally conscious citizen. • Aspire to be the preferred employer for top professionals by becoming the "Employer of Choice".

EFFECT OF OPERATING ENVIRONMENT ON THE BANK'S STRATEGY

Allied Bank believes in transformative capabilities of digital technologies, considering it a top priority to provide digitally led innovative financial solutions. The Bank continuously improves its operating processes and systems to enhance the customers' experience. Artificial Intelligence (AI), encompassing the deployment of autonomous agent-based systems (Agentic AI), Robotic Process Automation and Workflow Automation are contributing factors in providing the cost-effective seamless services to the customers.

The Bank recognizes the importance of professional development aligned with the latest technological advancements to enhance the digital proficiency of its employees. The Bank strives to build and retain an agile and dynamic workforce by providing appropriate trainings, revising renumeration structure, awarding performance led incentives and assigning the career path and development through its Leadership Talent Pipeline programs.

The Bank continued to invest in energy conservation initiatives and environment friendly projects during the year under review. Through continuous focus on automation of processes, the Bank has been able to reduce paper-based processes; reducing the paper consumption and lowering the carbon footprint as well as enhancing the efficiency in customer services. In order to promote Green Banking, the Bank advocated the Green Business Practices, participated in green campaigns and collaborated in tree plantation drives.

STRATEGIES TO ACHIEVE STRATEGIC OBJECTIVES

Strategic Objective	Strategies for Meeting Objectives	Key Operational Milestones

Augmenting Financial Inclusion	• Expand the functionality of digital, and real-time transaction capabilities.
	• Accelerate the deployment of POS machines to broaden the digital payment acceptance.
	• Optimize the ATM network through data-driven identification of high-demand areas.
	• Facilitate faster and more convenient account opening through fully digital onboarding
		• Enhanced Pakistan's first myABL WhatsApp Banking service, serving to around 2.1 million users, by adding new features including:
		  • Bill payment and fund transfers;
		  • Verification of Allied Banker's cheque;
		  • Verification of Letter of Guarantee;
		  • Activation of dormant account; and
		  • Introduction of Urdu language option in myABL WhatsApp banking.
		• Deployed 9,868 POS machines; having more than 12 million+ successful transactions count in 2025.
		• Introduced Transactional PIN and Push Notifications on myABL in place of OTPs for transaction authentication.
		• Green Banking has been integrated into myABL, enabling customers to quantify their carbon savings in terms of trees preserved by shifting from cash to digital transactions.
		• Payday loan feature (Advance Salary) has been extended to over 160 companies.
		• Opened 25 Branches and 88 Islamic Banking Windows (Total Branches 1,535 and Islamic Banking Windows 396).
		• 70 new Automated Teller Machines (ATMs) added (Total: 1,674) and 265 Cash Deposit Machines (CDMs).
		• Total Mobile Banking Units are 06.

Enhancing Brand Image & Shareholders' Value	• Implemented robust deposit-mobilization strategies and diversified funding channels to achieve sustained growth in deposits.
	• Strengthened credit risk assessment frameworks and portfolio monitoring to maintain one of the lowest infection ratios.
	• Enhanced capital planning, stress-testing and regulatory compliance mechanisms to uphold a strong capital adequacy position.
	• Accelerated digital transformation and technology-driven service innovation to secure multiple national and international banking excellence awards.
	• Institutionalized diversity, equity, inclusion and talent-development programs to achieve recognition as an employer of choice and industry best practice leader.
		• Total deposits surpassed Rs. 2.3 trillion.
		• Stable dividend stream and increasing equity.
		• Lowest infection ratio.
		• Highest capital adequacy ratio.
		• FinanceAsia awards the Bank:
		  • Best Domestic Bank
		  • Best Bank for Financial Inclusion
		  • Best Sustainable Bank
		  • Best Bank in Most DEI Progressive Bank
		  • Best Bank in Most Innovative Use of Technology
		  • Best Commercial Bank - SMEs
		• The Bank won Pakistan's Best Digital Bank for Large Corporations by Euromoney Awards for Excellence.
		• The Bank won Pakistan's Best Islamic Digital Bank by Euromoney Islamic Finance Awards.
		• Best Corporate and Sustainability Report 2024 Award - 3rd Position awarded by ICAP & ICMA.
		• SAFA Best Corporate and Sustainability Award 2024 - Certificate of Merit awarded to Bank by South Asian Federation of Accountants.

Employer of Choice for top Professionals	• Implement a structured, bank-wide learning and development framework. • Execute a comprehensive talent acquisition and manpower planning process. • Strengthened internal career progression mechanisms to ensure transparent cadre elevations and sustained growth opportunities for junior management. • Expanded strategic partnerships with global academic and professional institutions. • Developed and upgraded training infrastructure and outreach programs.	• During the year, training coverage reached 95%, with over 12,300 employees participating in a wide range of learning interventions delivered through classroom, digital, and blended learning modes. Through optimal use of in-house faculty, strategic partnerships, digital platforms, and cost-efficient delivery models. • To fulfill the human resource requirement of different functions of the Bank, 5,095 offers for appointment have been issued to eligible candidates during the year 2025 against both permanent and contractual positions. • In line with approved Manpower Plan 2025, batch of Management Trainee Officers (MTOs) was inducted, consisting of 570 candidates. Moreover, two (02) batches of Tellers, consisting of total 1195 candidates have been inducted during the year 2025. • Along with the batch hiring, 853 offers have been issued for lateral hiring positions as replacement hiring as well as against approved hiring budget for the year. Career growth opportunities were offered at all hierarchal levels through merit-based elevations of the Bank's existing resources to provide cross functional exposures at Group Head, Divisional Head, Regional Head and Unit Head positions. Through effective career progression at junior management levels, 329 cadre change elevations were made during the year 2025 to provide adequate growth opportunities within the organization. • As part of the diversity & inclusion drive hiring of female employees was focused this year, therefore our female population stands at 25.16% at December 2025.

Strategic Objective	Strategies for Meeting Objectives	Key Operational Milestones
		• A key strategic priority during the year remained capacity building for the Bank's planned transition towards full Islamic Banking. In this regard, the Bank leveraged its in-house capacity with nominations in NIBAF Islamic Banking courses. Mandatory Islamic Banking training programs were also developed in-house, duly approved by the Shariah Board, and delivered through both classroom and online platforms. By the end of the reporting period, 11,149 employees had successfully completed Islamic Banking training, significantly strengthening institutional readiness for this major transformation. • Compliance training continued to receive significant attention, with extensive learning interventions delivered across AML/CFT, Green Banking, Fair Treatment of Customers, and other regulatory domains. Allied Bank also continued its role as the Lead Bank for the National Financial Literacy Program (NFLP) across 41 districts, through which financial literacy sessions reached over 131,358 participants, resulting in the opening of more than 103,234 accounts. • Diversity, Equity, and Inclusion (DEI) remained central to HRG's strategic vision, with over 11,651 participants receiving targeted training in these critical areas. This sustained commitment to fostering an inclusive and equitable workplace was formally recognized at the national level. • In line with emerging learning trends, Artificial Intelligence (AI) was increasingly embedded within the learning ecosystem to support content development, learner engagement, research, analytics, and personalized learning support. The integration of AI-enabled tools enhanced learning efficiency and reinforced HRG's focus on innovation and digital enablement. • 'ABL HR Connect' Mobile Application - Elevating Employee Experience was launched across the Bank. It a significant step towards digital HR transformation and operational excellence. This initiative reflects the Bank's continuous efforts to innovate and deliver seamless experiences. It underscores HRG commitment to enhancing employee convenience, reducing turnaround time, and strengthening our digital presence across the Bank in the industry.

Strategic Objective	Strategies for Meeting Objectives	Key Operational Milestones
		• Breast Cancer Awareness Seminars have been organized across major cities (Lahore, Karachi, Islamabad and Multan) as part of the Pinktober campaign. These sessions aimed to empower employees with knowledge on early detection and prevention of breast cancer. • Employees' wellbeing and mental health is of paramount significance to us. Mindfulness Hour Sessions are regularly held at Management Developments Centers. These sessions focus on breathing techniques and Yoga stretches to reduce stress, promote mental alertness and enhance overall well-being. The mindfulness hour initiative demonstrates the Banks dedication towards the physical and mental health of its employees. • DEI-related training sessions were conducted through classroom and online platforms as part of the Bank's broader capacity-building agenda, contributing to the overall training coverage achieved during the year. The learning content reinforced inclusive service delivery practices, fair treatment of customers, and respectful workplace interactions, while emphasizing the importance of accessibility and dignity for Persons with Different Abilities. 4,961 employees were trained specifically on PWD-related inclusion topics in 2025 and specific modules were covered (e.g., sign language, assistance for visually impaired customers, priority service protocols). • Continuous employee development and sustainable organizational growth are integral components of the Human Resource Group's (HRG) strategic framework. To achieve these objectives, HRG consistently strives to transform its workforce into agile, high-performing teams with multidisciplinary expertise through structured succession planning and development programs.
Operating Effectiveness	• Deployed structured digital-infrastructure expansion initiatives to enhance self-service channels. • Implemented automation-driven process optimization through RPA to reduce turnaround times and strengthen operational efficiency. • Introduced system-based customer servicing enhancements. • Strengthened digital security and risk-management frameworks. • Execute a comprehensive digital-experience improvement program focused on design and continuous enhancement of the myABL mobile platform.	• Completed installation / replacement of 575 Digital Signage Machines (Total DSMs: 1,494). • One of the highest ATM transactions as acquirer; ATM uptime 96%. • Deployed 6,749 POS machines in 2025 (Total 9,868) having more than 12 million successful transactions count. • Implemented robotic emails issuances to enhance operational efficiency for branches and field offices. • Verification of a Letter of Guarantee through WhatsApp banking to facilitate customers. • Introduced system generated account maintenance certificate replaces manual issuance to customers from branch end. • Automation of SWIFT Inward Remittance which enabled instant Remittance processing with minimal manual intervention and enhanced operational control.

Strategic Objective	Strategies for Meeting Objectives	Key Operational Milestones
Enhanced Focus on Digitization	• Expand digital banking infrastructure. • Strengthen customer-centric digital services. • Implement enterprise-level technology solutions such as Oracle CRM and advanced storage systems to improve service delivery and operational efficiency. • Enhance digital security and transaction enablement by enabling contactless payments and supporting seamless eCommerce and mobile-based transactions. • Promote innovation and ecosystem engagement through collaboration and accelerate digital transformation.	• Established 21 Digital Branches. • Biometrically enabled ATM network of 1,674 ATMs. • Enhancement in transaction limits of myABL and debit cards to cater customer needs. • New Services on myABL WhatsApp Banking introduced. • Deployed 9,868 POS machines having more than 12 million successful transactions count. • 4th Hackathon for engagement of FinTech's, startups conducted attracting over 2,600 applications from startups and fintech. • Deployment of 265 Cash Deposit Machines & 180 Cash Recycle Machines. • E-commerce-based customers and platforms can now be onboarded as ABL merchants, enabling acceptance of online payments via Visa, MasterCard, and UPI debit and credit cards. • ABL debit cards can be used with Google Pay, facilitating faster, smarter and fully contactless payment experiences. • myABL Temporary Limit Enhancement allows customers to temporarily increase transaction limits across digital channels • Biometric Debit Card Activation through myABL enables customers to securely activate their Allied Bank debit cards directly within the app.

KPIs AND THEIR FUTURE RELEVANCE

1) KPIs for Augmenting Financial Inclusion:

- Innovative digital products and services to increase in outreach
- Simplified customer onboarding process
- Customer acquisition
- Enhance customer experience
- Increased market share

2) KPIs for Enhancing Brand Image & Shareholders' Value:

- Profitability
- Stakeholders' trust
- Sustainability
- Marketing and sponsorships

3) KPIs for Employer of Choice for top Professionals

- Enhanced employee satisfaction
- High employee retention ratio
- Reduced employee turnover
- Operational efficiency

4) KPIs for Operating Effectiveness

- Operational efficiency
- Profitability
- Reduced cost to income ratio

5) KPIs for Enhanced Focus on Digitization

- Customer Onboarding
- Increase in fee income market share
- Operational efficiency
- Increase in Digital Vs. Counter Transaction Mix

FUTURE RELEVANCE

Allied Bank continuously tracks its performance against defined KPIs. The Management, under the oversight of the Board, remains focused on achieving targets in line with the Bank's strategic direction. The relevance of short, medium, and long-term KPIs is regularly reviewed, and the Bank periodically adjusts its short to medium-term priorities in light of progress made against these indicators.

LINKAGE OF STRATEGIC OBJECTIVES WITH BANK'S MISSION, VISION AND OBJECTIVES

The Bank's strategic objectives are closely aligned with its mission, vision and goals. Through various Board and Management committees, the Bank systematically assesses the outcomes of its strategic initiatives. This enables the effective monitoring of long-term initiatives and performance against desired outcomes.

RESOURCE ALLOCATION PLAN

Nature of Capital	Composition	Resource Allocation Plan
Manufactured Capital	Manufactured capital comprises the physical and technological infrastructure that enables the Bank to deliver efficient, reliable, and scalable financial services.	• Expand branch and ATM network by smart branch strategy, • Featuring improved layouts • Enhanced technological infrastructure.
Natural Capital	Natural capital reflects the environmental resources and ecological systems that the Bank relies on to operate responsibly and sustainably. It encompasses energy consumption, water usage, waste management, carbon emissions, and other environmental impacts.	• Commitment towards financing renewable energy projects to promote green banking. • Expand paperless environment and augment the number of branches and offices using energy efficient solutions
Financial Capital	Financial capital represents the pool of funds available to the Bank for supporting its operations, growth initiatives and value-creation activities.	• Investment on infrastructure including buildings and equipment. • Capitalize on process automation and emerging technologies including Agentic AI. • Enhance high quality asset base with sustainable yield.
Human Capital	Human capital represents the collective skills, experience, capabilities and commitment of the Bank's workforce that drive organizational performance and long-term value creation.	• Human capital development and agile team building • Focus on targeted trainings, talent management and right talent acquisition & retention.
Intellectual Capital	Intellectual capital comprises the knowledge assets, proprietary systems, institutional processes, and technological capabilities that strengthen the Bank's competitive advantage.	• Continuous improvement in governance culture by utilizing strong institutionalized knowledge • Formulate new products focusing diverse range of customer base.
Social and Relationship Capital	Social and Relationship capital focuses on the value an organization creates through its relationships and its role in society. It's broader than just "networking"—it covers trust, collaboration, reputation, and the social systems that support long-term success.	• Strengthen brand visibility through targeted public awareness initiatives. • Maintain continuous engagement with customers to build trust and loyalty. • Promote transparent communication to enhance stakeholder relationships. • Reinforce the Bank's reputation by fostering long-term community and customer connections.

STRATEGIC DECISIONS FORMULATION

The Bank assesses its operational and macroeconomic conditions to prudently design strategic initiatives. The Bank meticulously follows the below drafted methodologies:

- Formulate a 10-Year Rolling Strategic Plan incorporating both short and long-term strategies, reviewed annually to adapt to changes in the operating landscape.
- Perform SWOT analysis to evaluate the Bank's competitive positioning in short to medium term and assists in capitalizing on emerging opportunities while mitigating potential risks.
- Conduct Peer Bank analysis to understand the Bank's position in the industry.
- Implement and update the Business Continuity Plan for effective disaster management.
- Oversight and monitoring of overall objectives, strategic goals, business plans, risk acceptance criteria, control frameworks and culture of the Bank through Board of Directors, Board and Management Committees.

KEY RESOURCES AND CAPABILITIES

The Bank is committed to surpass the expectations of its valued customers while maintaining the credit quality within the defined risk appetite. To accomplish the strategic objectives, the Bank has following key resources and capabilities.

Key resources and capabilities	Descriptions	Competitive Advantage
Brand Recognition	• The Bank strong brand image; serving the customers for 8 decades. • Strongest possible long-term and short-term entity credit ratings of "AAA" and "A1+" respectively by Pakistan Credit Rating Agency. • Ranks among top banks in term of total assets footing.	Allied Bank's long-established presence of over eight decades, coupled with its top-tier credit ratings of "AAA" and "A1+", reinforces strong stakeholder confidence and positions the Bank as a highly trusted financial institution.
Technological Infrastructure.	• State of the art technological platform – Temenos T24 core banking software, Oracle based ERP and Analytical Applications. • Use of AI tools, Data Lake, Business Intelligence Dashboards and Robotic Process Automation.	ABL's advanced technological ecosystem, built on Temenos T24, Oracle-based ERP and robust analytical platforms—enables highly efficient, secure, and scalable banking operations. The integration of AI tools, Data Lake architecture, Business Intelligence dashboards, and robotic process automation strengthens decision-making, enhances service speed, and reduces operational costs.
Robust Risk Management Framework	• Robust risk management and capital positioning. • Strong capital adequacy ratio. • Low infection ratio and high coverage ratio.	Disciplined risk framework, supported by strong capital buffers, ensures exceptional financial stability. Low infection ratio and high coverage levels safeguard asset quality, enabling the Bank to operate with resilience and maintain superior credit strength.
Country-wide out reach	• Vast branch network. • 1,670+ ATMs with continuous enrichment via digitization. • One of the leading ATM & Branch uptime in the industry.	Extensive branch network and digitally enhanced ATMs provide unmatched accessibility across the country. Industry-leading branch and ATM uptime ensures consistent service availability.
Low-cost deposit base	• Total deposit base surpassed Rs. 2.3 trillion. • Current deposit to stand at Rs. 933 billion. • CASA mix stood at 83%.	Strong deposit franchise; reflected in its over Rs. 2 trillion deposit base, substantial current deposits with healthy CASA mix. This cost-efficient liquidity enables the Bank to maintain healthy margins, price competitively, and support sustainable balance-sheet growth, giving it a clear advantage over peers with higher funding costs.

VALUE CREATION

The Bank optimally allocates its resources to deliver maximize value to its stakeholders. This value is achieved through strategic initiatives and their persistent applications by implementing policies, procedures and business models. By utilizing key resources to transform inputs into business activities, the Bank generates value for its various stakeholders. As a result, the Bank maintains a stable payout ratio, significant contributor to the national exchequer and maximizes the shareholders' return.

BANK'S SUSTAINABILITY STRATEGY WITH MEASURABLES TARGETS

ABL has embedded its sustainability strategy into the core objectives of the Bank. This strategic approach has enabled the Bank to effectively manage the Bank's impact on environmental, economic and social systems. These initiatives are fundamental to the Bank's success and have a potential to drive profitability and enhance stakeholder satisfaction.

The Bank has established a set of green targets to assess its progress towards achieving its sustainable goals. These targets include initiatives such as promoting financial inclusion, continued guidance to obligors for better practices, green financing, undertaking tree plantations campaigns, sponsorships and donations, solar financing including the installation of solar panels at the Bank's premises and own impact reduction with respect to use of energy and consumables.

STRATEGY ON MARKET DEVELOPMENT, PRODUCT AND SERVICE DEVELOPMENT

The Bank focuses on expanding its market reach through digital banking and Fintech collaborations to tap into new customer segments. Innovation in products and services, including Shariah-compliant and AI-driven solutions to cater the evolving needs of the consumer. Enhancing customer experience through seamless omnichannel banking with an emphasis on speed, security and personalization is essential.

SIGNIFICANT CHANGES IN OBJECTIVES AND STRATEGIES

The Bank's objectives and strategies are closely aligned with its vision. These strategies are executed through well-defined policies, procedures and processes to ensure achievement of the objectives.

No significant change occurred during the year that would impact the Bank's objectives.

STRATEGY TO OVERCOME LIQUIDITY PROBLEM

Asset-liability management (ALM) plays a critical role in managing liquidity and the balance sheet while ensuring viability of the financial institution. The Bank maintains strong liquidity position. Asset Liability Committee is responsible for monitoring and maintaining liquidity of the Bank. The liquidity ratios together with high Coverage Ratio and lowest Non-Performing Loan ratio indicate strong liquidity position of the Bank.

ABL's Board strategy to overcome liquidity problems is built on robust capital management, diversified funding, regulatory compliance and proactive risk frameworks.

- **Asset & Liability Committee:** Oversees liquidity planning, ensuring sufficient capital buffers to meet regulatory requirements and operational needs.
- **Diversified funding base:** Reliance on stable deposits, supplemented by interbank borrowings and capital market instruments to reduce concentration risk.
- **Liquidity coverage ratio (LCR) & net stable funding ratio (NSFR):** Maintained above regulatory thresholds to ensure short-term and long-term liquidity stability.
- **Stress testing & contingency planning:** Regular simulations of adverse scenarios (e.g., deposit withdrawals, market shocks) to prepare liquidity buffers.
- **Investment optimization:** Balancing between government securities and lending portfolios to ensure liquidity availability while maximizing returns.
- **Structured repayment schedules:** Debt maturities are staggered to avoid refinancing risk, with proactive rollover strategies for short-term obligations.
- **Capital adequacy focus:** Maintaining AAA long-term and A1+ short-term ratings from PACRA ensures access to low-cost funding.

SIGNIFICANT PLANS AND DECISIONS

The Bank's objectives and strategies are well calibrated with its vision and are implemented through policies, procedures and processes. No significant change occurred during the year to affect the objectives and business strategies.

PESTEL ANALYSIS

PESTEL

Political **Economic** **Social** **Technological** **Environmental** **Legal**

The Bank manages emerging challenges and risks by leveraging strategic business planning, implementing a systematic framework of procedures and through exercising a prudent decision-making process.

The Bank diligently monitors developments across the Political (P), Economic (E), Social (S), Technological (T), Environmental (E), and Legal (L) domains, as these factors significantly shape its strategic direction. A detailed description of each is provided below.

Political

The uncertain political environment remained a key determinant influencing the country's economic activities, creating volatility and challenging business confidence. Thereby; impacting a range of fiscal and monetary policies and macroeconomic indicators.

Impact	Response
Impact on Net Interest Income due to change in policy rate.	The Bank has repricing strategy is in place to closely align the maturity and repricing cycles of assets and liabilities. Effective duration management practices to adjust balance sheet more efficiently to protect the net interest margin.
Low credit demand and its impact on bottom-line.	Expand the fee-based income initiatives, focusing on trade services and value-added offerings to offset slower lending activity. Diversification of non-funded income sources to stabilize earnings and reduce reliance on traditional interest income during periods of subdued credit growth.

Economic

In 2025, global growth remained steady despite geopolitical and fiscal pressures, supported by improved financial conditions, easing inflation and continued technology-led investment. The International Monetary Fund projects global GDP growth at 3.3% for 2026, with inflation moderating to 3.8%.

Domestically, economic activity improved on the back of higher foreign exchange reserves, industrial recovery, exchange rate stability and softer inflation. However, unemployment, trade uncertainties and flood-related disruptions present downside risks for FY'26. For 2026, the IMF forecasts Pakistan's GDP growth at 3.2%, while the State Bank of Pakistan anticipates stronger growth in the range of 3.75% to 4.75%.

Impact	Response
Volatility of exchange rate.	Foreign-currency hedging strategy to reduce the earnings volatility caused by exchange-rate fluctuations. Enhance alignment of foreign-currency assets and liabilities helped the Bank to maintain a balanced position, protecting capital and liquidity from adverse exchange-rate shifts.
Potential escalated impairments caused by economic uncertainty.	Prudent risk management framework applied to closely monitor the asset quality and tightened credit evaluation standards to limit the likelihood of impairments during periods of economic uncertainty. Robust portfolio oversight and early-warning mechanisms to identify emerging risks promptly, ensuring timely corrective actions and maintaining resilience against potential increases in loan losses.

Social

Securing and retaining the right talent equipped with proficient knowledge of emerging technologies given the onboarding of digital adept and younger customers which prefers convenience of enhanced digital banking services.

Impact	Response
Bank's strong reputation for good employer practices.	The Bank continue to implement an agile workplace environment by promoting flexible work practices, collaborative culture and quick decision-making; helping employees stay engaged and productive. Continuous skill development and empowerment initiatives, enabling the staff to adapt quickly to changing business needs and reinforcing the Bank's reputation as a preferred employer.
Anticipated rise in human capital and recurrent spending on training and development in short to medium term.	Investment in targeted training interventions to equip employees with the skills needed to support its growth trajectory and evolving digital agenda. Ongoing development programs to build a workforce that can effectively drive operational excellence and innovation, helping the Bank manage rising training-related costs while maximizing employee productivity.

Technology

Technology is transforming the entire banking landscape; implementation of cutting-edge technologies like Agentic AI and Robotic Process Automation (RPA) have become pivotal; contributing towards a sustainable decline in cost-to-income ratios.

Impact	Response
Enhanced risk of breach in cyber security; leading to reputational risk.	Application of Information-security framework and emerging controls including the advanced monitoring tools to reduce the likelihood of cyber-security breaches and protect sensitive data. Continuous enhancements were made to align with leading industry practices, ensuring that security protocols, systems, and response capabilities remain current and effective in safeguarding the Bank's reputation.
Leveraging advanced digital solutions to strategically cater to the needs of a digitally proficient customer base, enhancing service delivery and operational efficiency	Leverage in-house innovation lab to accelerate the development and rollout of digital solutions tailored to the needs of a diverse and increasingly tech-savvy customer base. The introduction of self-service branches further enhanced operational efficiency, transforming the traditional branch model by enabling customers to perform key transactions independently, improving convenience and reducing reliance on conventional counter-based services.

Environment

Environmental risks remain among the most critical challenges, with factors such as extreme weather events, global warming, scarce resources and ozone layer depletion, continuing to impact the environment in most hazardous ways

Banks, by adopting responsible lending practices and sustainable policies can conserve the environment for future generations. Moreover, banks have more powerful means of influencing customers towards more environment friendly solutions.

Impact	Response
Climate change and sustainable environment.	Introduction of green policy framework by promoting green financing, supporting environmentally responsible business activities. Operational processes are increasingly automated to reduce paper consumption and minimize the Bank's direct environmental footprint. Tree-plantation and environmental awareness initiatives are actively pursued.

Legal

Potential adverse impacts on earnings and reputational integrity arising from non-compliance with laws and regulations.

Impact	Response
Increased penalties, fines and litigations	The Bank's comprehensive procedures, policies and guidelines to ensure timely alignment with evolving regulatory requirements, reducing the likelihood of penalties and legal exposure. Zero-tolerance approach toward non-compliance; emphasizing adherence to all legal and regulatory obligations Regular compliance monitoring and staff awareness initiatives.

THE EFFECT OF SEASONALITY ON BUSINESS OF THE BANK

Seasonality affects the banking operations by influencing credit demand, deposit flows and financial products. Sectors like agriculture and tourism exhibit seasonal cash flow variations, necessitating proactive liquidity management by the Bank. Consumer spending surges during festive periods, driving increased credit card utilization and short-term financing needs. ABL employs strategic financial planning to navigate these fluctuations, ensuring optimal liquidity and sustained profitability.



LEGISLATIVE AND REGULATORY ENVIRONMENT OF THE BANK

The banking industry is subject to stringent regulation worldwide, given its vital role in implementing governments' monetary policy, driving economic growth, and managing significant financial flows. Regulation ensures the protection of customer deposits, stability of the financial system, and prevention of financial crimes. Allied Bank Limited, as a scheduled bank engaged in commercial banking and related services, and listed on the Pakistan Stock Exchange, operates under the primary supervision of the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

The State Bank of Pakistan derives its authority mainly from the State Bank of Pakistan Act, 1956, the Banking Companies Ordinance, 1962, and the Foreign Exchange Regulation Act, 1947, empowering it to regulate and supervise the banking sector. Meanwhile, the Securities and Exchange Commission of Pakistan exercises oversight primarily through the Companies Act, 2017, ensuring protection of stakeholders' interests and promoting sound principles of corporate governance.
The regulatory framework of State Bank of Pakistan comprises of a set of policies, guidelines, prudential standards and allied processes & procedures covering the following key areas:

- Licensing Regime
- Prudential Regulations
- Corporate Governance Regime
- Capital Adequacy Regime
- Anti-money laundering and Counter Financing of Terrorism (AML/CFT) Regime
- Policy Environment and Market Discipline
- Consumer Protection Framework
- Foreign Exchange Management
- Islamic Banking Regulations
- Digital Banking, Payments and Settlement Systems
- Liquidity Risk Management
- Risk Management and Internal Control
- Financial Reporting and Disclosures

GEOPOLITICAL ENVIRONMENT AFFECTING THE BANKING INDUSTRY

Pakistan's unique geographic position continues to shape the operating environment for the banking sector. Situated at the crossroads of South Asia, Central Asia and the Middle East, the country holds significant potential to serve as a transit economy, offering direct and shorter trade routes between China, Central Asian states, Afghanistan and global markets in Europe and Africa.

Despite this strategic advantage, regional challenges remain. Political tensions with India, trade restrictions on Iran and instability in Afghanistan have constrained economic integration. Progress in regional stability and diplomatic relations could unlock new opportunities for cross-border trade, formal banking channels and digital payment systems, thereby accelerating regional economic growth.

Pakistan's financial sector has also been influenced by global regulatory frameworks. The country's inclusion in the Financial Action Task Force (FATF) grey list in 2018 necessitated extensive reforms, including the adoption of stringent Anti Money Laundering, Combating the Financing of Terrorism and Counter Proliferation Financing (AML/CFT/CPF) measures aligned with State Bank of Pakistan directives. The removal of Pakistan from the grey list in 2022 restored confidence, improved access to global financial institutions, and provided much-needed relief to the economy.

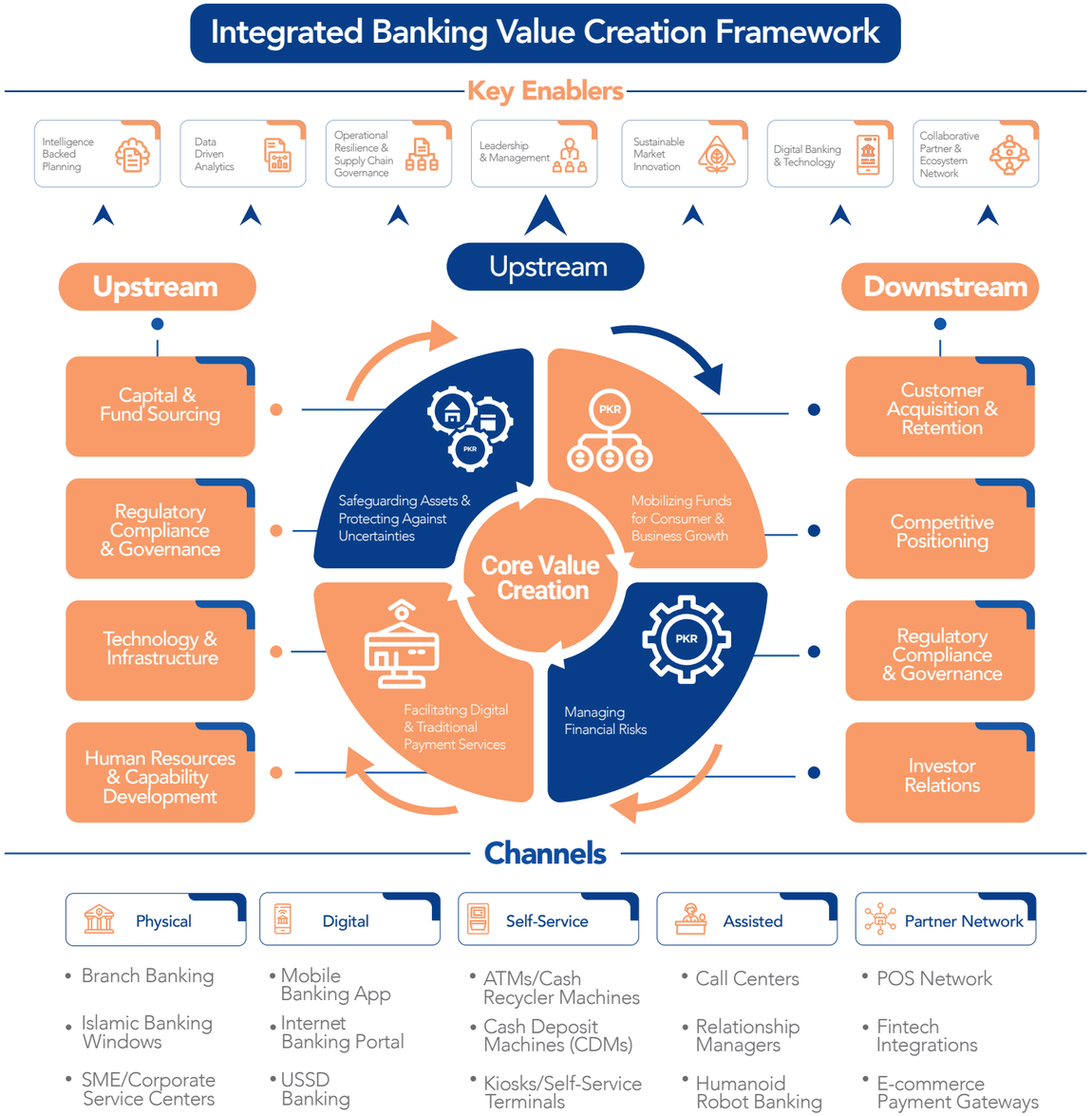
In this evolving environment, the Bank continues to realign its strategies by:

- Strengthening compliance with international regulatory standards.
- Accelerating digital transformation to enhance customer experience and operational efficiency.
- Monitoring geopolitical and economic developments to safeguard shareholder value.

The Bank remains committed to resilience and adaptability, ensuring that it is well-positioned to capture opportunities arising from regional integration and global financial cooperation.

ROLE OF BANK IN VALUE CHAIN

Allied Bank Limited continued to strengthen its role as a trusted financial partner by integrating resources, capabilities, and customer centric services into a cohesive value creation framework. At the upstream level, the Bank drew on diverse sources of capital, ensured rigorous regulatory compliance, invested in advanced technology and infrastructure, and nurtured human talent while innovating products with robust risk management. These inputs were transformed through the Bank's core values into secure payment solutions, financing for individuals and businesses, comprehensive risk management, advisory support, and strong asset protection. Downstream, this value was delivered through effective customer acquisition, seamless onboarding, reliable banking operations, and relationship management that fostered trust and enabled cross selling opportunities. Ultimately, customers remained at the center of this framework, benefiting from financial security, growth opportunities, and personalized guidance, while their satisfaction reinforced Allied Bank's reputation and sustained innovation across the integrated banking value chain.



OUR VALUE CREATION
BUSINESS MODEL

INPUTS

Financial Capital

• Common Equity	Rs. 198,406 million
• Total Equity	Rs. 263,376 million
• Deposits	Rs. 2,345,859 million
• Borrowings	Rs. 643,733 million

Manufactured Capital

• Domestic & Foreign Branches	1,535
• ATM Network	1,674
• Digital Touch points	27

Human Capital

• Engaged and capable employees	
• Female Employees	3,288
• Male Employees	9,778
• Total Number of Employees	13,066
• State of the Art Management Development Centers	4
• Culture of Empathy	

Social and Relationship Capital

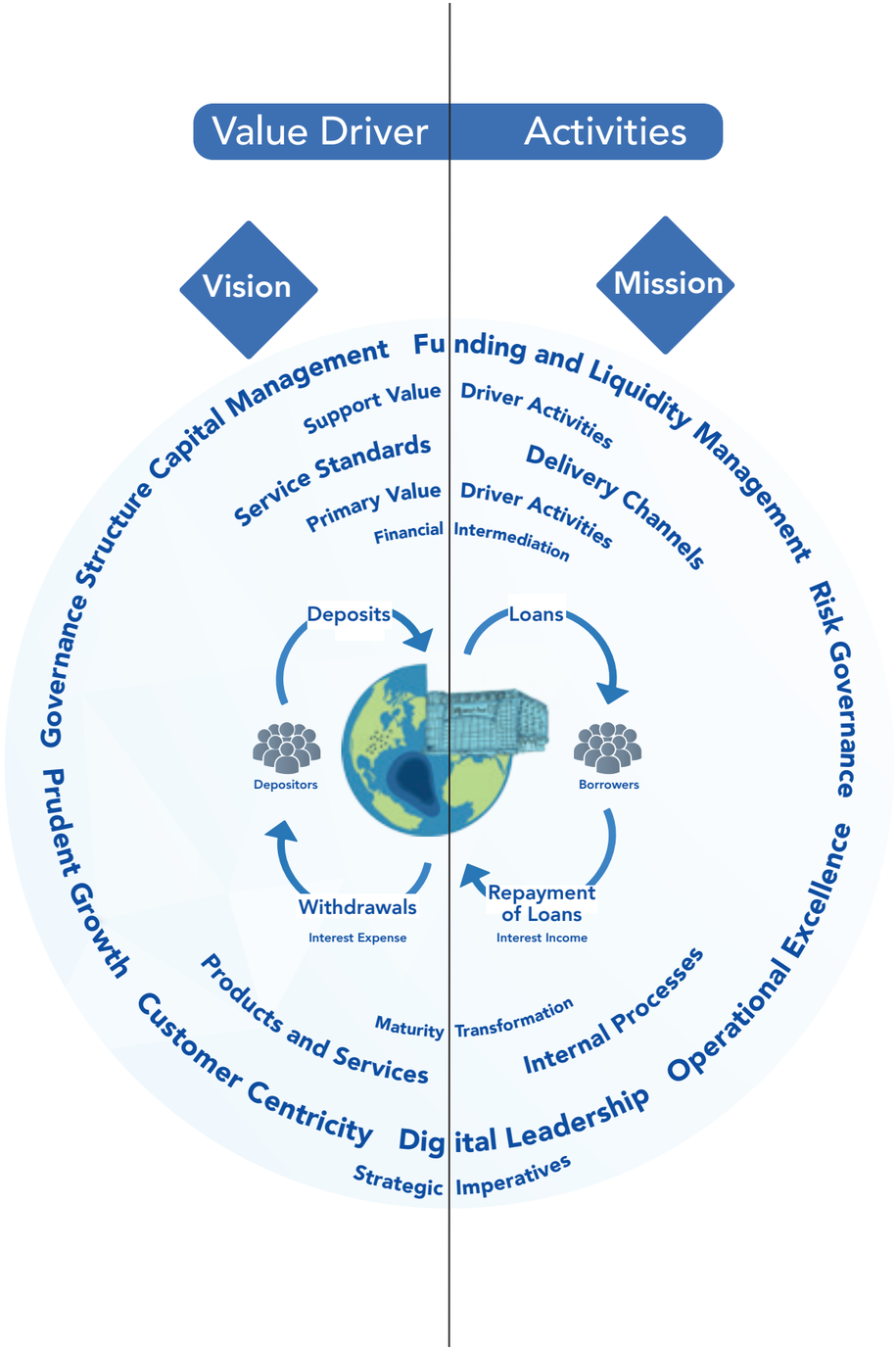
• Depositors	10.3 million+
• Obligors	23,000+
• Regulators, Pakistan Business Council, PBA, Chambers of Commerce and Industry	
• Community Service (CSR)	
• Strong Social Media Presence	
• Robust Complaint Handling Mechanism	

Intellectual Capital

- 10 Year Rolling Strategic Plan
- Strong IT Infrastructure
- Robust Risk Management
- Comprehensive Compliance Management
- Detailed Policies & Procedures
- Strong Management Structure - Leadership Teams

Natural Capital

• Solar Locations	265
• No. of Inverters Installed	1,968
• Green Banking Initiatives and Products	
• Compliance to Environmental Laws	



OUTPUTS

Loans & advances, investments, deposits, remittance services, fee based services, Trade related products & services, unfunded facilities, REPO transactions, advisory services.

OUTCOMES

Shareholders

• Profit Before Tax	Rs. 74,209 million
• Profit After Tax	Rs. 35,175 million
• Earning per Share	Rs. 30.72
• Full-year dividend per share	Rs. 16
• Return on Equity	18.73%
• Return on Assets	1.14%
• Capital Adequacy Ratio (CAR)	27.74%

Customer

• Assets Growth	20%
• Deposits Growth	16%
• Decrease in Non Performing Loans	12%
• CASA Mix	83%
• Customer Onboarding	1 million+
• Customer Complaint Resolutions	98%
• myABL Registered Users	2.6 million+
• myABL amount of transactions handled	Rs. 3,937,412 million
• No. of Debit Cards issued	799,000+
• Digital / Counter Transactions mix	90:10
• Corporate Website Visits	9 million+
• Social Media Subscribers	7.5 million+

Employees

• Salaries and Benefits	Rs. 23,870 million
• Employee Retention Ratio	83%
• Employees Trained in Service	12,300
• Total Investment in Employee Trainings	Rs. 274 million
• Team building events	
• Amount spent on employee healthcare	Rs. 346 million

Regulators

• Long Term Entity Credit Rating	AAA
• Short Term Entity Credit Rating	A1+
• Corporate Governance Rating	CGR 9++
• Compliance with all Regulatory requirements	

Society

• Contribution to National Exchequer	Rs. 92,330 million
• Customer Deposit Protection	Rs. 2,150 million
• Improving Workplace Environment	Rs. 939 million
• Environmental Sustainability	Rs. 1,013 million
• Plantation of Trees	150,000+
• Community Services	Rs. 391 million

CONNECTING WITH HERITAGE: A JOURNEY INTO THE CITY OF SAINTS



















SCAN TO WATCH

STAKEHOLDERS **ENGAGEMENT**

IDENTIFICATION OF STAKEHOLDERS

The Bank places paramount importance on preserving stakeholder confidence and ensuring their interests are consistently upheld. Its direction is anchored in disciplined growth and sustained performance that sets it apart within the sector. Stakeholder insights actively inform strategic priorities, guiding governance structures and operational frameworks to foster lasting and meaningful value creation.

Stakeholder Group	Description	Identification of Stakeholders
Customers	The Bank is committed to strengthen its long-term relationships with customers offering tailored financial services grounded in responsibility and long-term viability.	• Individuals • Institutions • Corporates • Entrepreneurs
Shareholders / Institutional Investors	The Bank upholds transparent relations with its investors by delivering consistent and sustainable investment returns and providing accessible information on financial and non-financial performance.	• Sponsors • Minority Shareholders • Individual Investors • Institutional Investors
Regulators	The Bank complies with all legal and regulatory requirements with aim to maintain transparent relationships with regulators and other supervisory bodies on an ongoing basis.	• State Bank of Pakistan • Federal Board of Revenue • Provincial Revenue Authorities • Securities & Exchange Commission of Pakistan • Pakistan Stock Exchange • Credit Rating Agencies • Other public offices and regulatory bodies
Employees	The Bank actively promotes towards investing in personal and professional development of its employees. It fosters an inclusive workplace built on respect, where individuality is appreciated and equal opportunities are extended to all, free from bias or discrimination.	• Permanent Employees • Contractual Employees • Outsourced Personnel • Employees' Union
Society and Environment	The Bank plays a vital role in addressing the environmental and social issues in the communities by being a responsible corporate citizen	• Non-Profit Organizations • Non-Government Organizations • Media • Society at large

SUMMARY OF THE ANALYST BRIEFINGS

Briefing sessions serve as a dynamic platform to connect with stakeholders and keep them informed about the Bank's initiatives, performance, and strategic direction:

- major economic indicators and their probable impact on the Bank's financial position;
- competitive environment in which the Bank operates;
- the business performances and achievements of the Bank;
- business outlook.

Analyst briefings and investors conference calls were conducted, following the announcements of annual, quarterly and half yearly financial results in February, April, August and October 2025 respectively. These were attended by various research organizations, local and foreign investor services, bankers, asset management companies and brokerage houses. Detailed investor presentations were uploaded at the Bank's website before briefings and were also discussed in detail during the conference calls. After the presentation, participants' queries were duly discussed and explained in connection to the Bank's performance.

Investor presentations are available at Bank's website

https://www.abl.com/investor-relations/financials/financial-presentations/

Corporate Briefing Session is conducted once a year to enlighten the shareholders and analysts with the Bank's strategic, operational and financial developments. This session was conducted in December 2025 and was attended by over 60 participants including shareholders, investors and brokers.

REDRESSAL OF INVESTORS' COMPLAINTS

Investors can approach at investor.relations@abl.com for the redressal of their grievances and complaints. The Bank ensures resolution of any grievances within statutory timelines.

INVESTORS' RELATIONS SECTION ON THE CORPORATE WEBSITE

The Bank regularly updates all information on its corporate website regarding financial performance, important information, elections of directors and upcoming events etc. The investor relation section is being maintained on corporate website which can be accessed through the link; https://www.abl.com/investor-relations/

MAPPING OF BEST CORPORATE REPORT CRITERIA

This Annual Report is prepared under the guidelines of International Integrated Reporting Framework as outlined in Best Corporate Report criteria developed by joint evaluation committee of Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountants of Pakistan (ICMAP). The mapping of the Best Corporate Report criteria cross referred with page numbers of this Annual Report are available on the Investor Relations section of the corporate website of the Bank.

STEPS TO ENCOURAGE MINORITY SHAREHOLDERS PARTICIPATION IN GENERAL MEETINGS

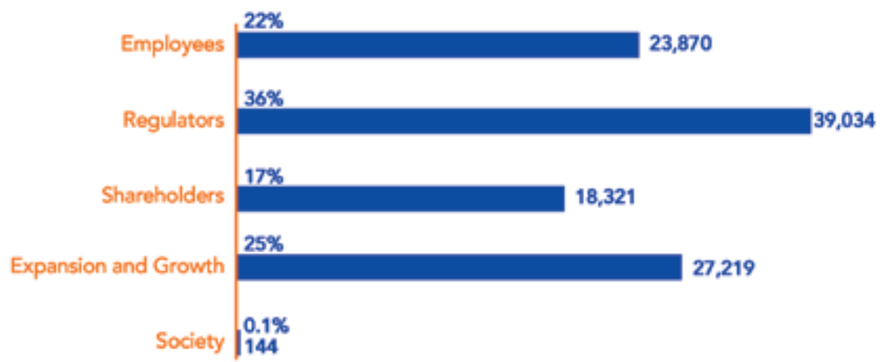
The Bank ensures equitable treatment of all shareholders including minority shareholders to attend, contribute and vote at the General Meetings. The Bank takes following measures to ensure maximum participation of minority shareholders in Annual General Meeting and in election of Board of Directors;

- Notice of General Meetings is sent to every member of the Bank at least 21 days before the meeting. The notice is also disseminated through Pakistan Stock Exchange (PSX) as well as published in newspapers (both English & Urdu) having nationwide circulation.
- The Bank timely updates its website with respect to all notices of general meetings.
- Annual Report is also sent to each member of the Bank 21 days before Annual General Meeting (AGM) through QR-enabled Code and Weblink.
- For enhancing participation of minority shareholders, members are entitled to appoint proxy to attend, speak and vote at the meeting on their behalf.
- Members are entitled with right to vote through electronic voting facility and voting by post on all businesses classified as special business.
- Members who are willing to attend the meeting virtually, are also facilitated to participate in the AGM /EOGM through video-link.
- The shareholders are encouraged to raise queries and give suggestions relating to the Bank's operations.

STATEMENT OF VALUE ADDED

VALUE ADDED	Rs. In Million
Net interest income	105,000
Non interest Income	28,556
Operating cost excluding staff costs, depreciation and amortization	(32,606)
Provision charge against non-performing assets	7,641
Total Value Added	108,591

VALUE ALLOCATED



STAKEHOLDERS ENGAGEMENT

Your Bank believes in connecting with its various stakeholder groups to create a better understanding of stakeholder perspectives on key issues and consequently realize business value through informed decision making. Your Bank maintains formal mechanisms to engage with each group of stakeholders and the responsibility for such engagement is shared across the organization at every stakeholder touch point. The key stakeholder groups and their related engagements as a means of creating value are noted below:

	Stakeholder Group	Methods of Engagement	Frequency of Engagement				Needs & Expectations	Why do they Matter	How We Create Value for Stakeholders	Activities
			Occasionally	Regularly	Periodically	Continuously				
Customers	Individuals Institutions Corporates Entrepreneurs	• Video Mystery Shopping • Customer Access Points • Corporate website • SMS & Email Alerts • CSR activities • Customer Awareness Seminars • Road Shows • Promotional campaigns • Print and electronic media • Social Media • WhatsApp	●	●		●	Excellent customer service, convenient access across the country, less complexity and improved flexibility, innovative financial services & solutions, value for money banking, responsible banking services, confidentiality, integrity and accountability, security for customers investments and ambience in touch points.	Customers are at the centre of our business strategy and customer focused products and services provide the basis to win and maintain customers and achieve a sustainable business model.	Understanding evolving customer needs to roll out more efficient channels thereby delivering competitive, convenient, technology driven, artificial intelligence based and innovative banking solutions.	• Video mystery shopping and Customer Satisfaction Surveys are regularly conducted to assess service delivery standards and to gain insights into the customers' experiences and level of satisfaction when using banking services and service channels. • Launched various innovative solutions to make banking more convenient and to meet the clients' need. • Expansion in Bank's footprint; branch network added 25 new branches during the year to reach at 1,535; ATM network reached to 1,674 (including On-site and Off-site ATMs), while providing Internet banking. • Deposits increased significantly by Rs. 327,464 million. • ABL is also actively participating in various schemes by Government of Pakisatn namely Mera Ghar – Mera Ashiana Affordable Housing Finance Scheme, Cost Sharing and Markup Subsidy Scheme for Electric Bikes and Rickshaws/Loaders and Prime Minister's Youth Business & Agriculture Loans Scheme (PMYB&ALS) which will benefit first time home-owners, students, freelancers, young entrepreneurs and prospective overseas worker respectively in meeting their financing needs. • The Bank executed various campaigns throughout the year on social media on products and services like WhatsApp Banking & WhatsApp Channel, myPakistan Digital Account, Premium & Platinum Debit Cards, POS Acquiring Business, RAAST through myABL, myABL Coins, Metaverse Launch, Infinite Card Launch, Self-service banking services on Kiosks as well as on different dining & lifestyle discounts posts to raise maximum awareness & promote products which ensure customer convenience
				●					Safeguarding deposits and investments while growing returns.	• The Bank paid Rs. 127,127 million, interest / profit to its depositors. • Continued investment in technological infrastructure to improve data security and maintain customer privacy. • Conducted Vulnerability Assessment, Penetration Testing and Comprehensive Security Risk Assessments to ensure controlled environment for customer related information. • The Bank has deployed next-generation Oracle Exadata, CISCO UCS X7/ X8, and IBM Power10 servers to strengthen its core banking systems. These platforms deliver advanced CPUs, high-speed networking, and optimized storage, supported by refined software. • Additionally, the Bank has upgraded its Tier-II SAN with All Flash storage, ensuring all application tiers now run on All Flash systems. This milestone brings significant performance improvements—lower latency, higher throughput, and faster, more responsive applications. • SMS Alerts/Push Notification of all digital banking transactions to customers.
				●		●			Timely communication of relevant information on products and services.	• Undertook marketing communications through various advertising activities and social media channels to extend outreach to customers and public at large. • Your Bank arranged awareness seminars and road shows to engage customers and disseminate information regarding Banks' services portfolio. • The Bank is expanding beyond traditional and mobile channels with the launch of its Metaverse Virtual Branch—an interactive digital environment where customers can explore products such as cards, accounts, and digital lockers through VR headsets or web applications. Featuring immersive experiences and interactive VR games, the platform enhances engagement while positioning the Bank at the forefront of digital innovation, bridging conventional banking with cutting-edge virtual experiences. • The Bank has become the pioneering bank in Pakistan to adopt Sprinklr for all its digital communication channels, including Facebook, Instagram, X, YouTube, LinkedIn, and App Stores. This integration establishes a cohesive approach to customer interaction, engagement, and feedback, especially with Sprinklr's Modern Research, Modern Care, and Modern Engagement modules being implemented company-wide. • Allied Bank is introducing an AI-powered Intelligent Virtual Assistant (IVA), built on its enterprise Large Language Model (LLM) foundation, to handle high volumes of customer interactions. • myABL app upgraded with a new feature of carbon savings calculator, displaying the estimated number of trees saved through the adoption of digital payment channels. In addition, myABL was continuously updated with key features such as RAAST expansion, integration with websites to enable customers for booking of tickets, Temporary Limit Enchancement, Authorization of financial transaction through transactional pin instead of SMS based OTP etc.
						●			Upholding highest standards of service quality across the Bank.	• Efficiently and effectively achieved 98% resolution of customers' complaints. • High ATM uptime at 96%.

STAKEHOLDERS ENGAGEMENT

	Stakeholder Group	Methods of Engagement	Frequency of Engagement				Needs & Expectations	Why do they Matter	How We Create Value for Stakeholders	Activities
			Occasionally	Regularly	Periodically	Continuously				
Shareholders / Institutional Investors	Sponsors Minority Shareholders Individual Investors Institutional Investors Analysts	• Annual Report • Interim Financial statements • Corporate website • Annual General Meeting • Extra Ordinary General Meetings • Analyst Briefings • Corporate Briefing Sessions • Press releases / Media Announcements	●	●	● ● ● ● ● ●	●	Sustainable performance, dividend payout, return on equity, return on assets, earning per share, future growth strategy, corporate governance, risk management and compliance with laws and regulations.	To ensure long term shareholder value and uphold the rights of shareholders to ensure their wealth maximization.	Generating sustainable financial returns, enabled by growing revenues and dividends. Managing and reducing risks while optimizing our cost base.	• Generated a sustainable ROE, ROA and Dividend Yield ratio of 18.7%, 1.1% and 8.75% respectively.
									Maintaining a strong balance sheet and safeguarding asset quality which contribute towards sustainable performance.	• Financial position improved by 20% to Rs. 3,370,395 million; Your Bank's Equity base stood at the robust level of Rs. 263,376 million; • Infection ratio of 1.52% which is significantly lower than industry ratio of 6.6%.
									Delivering existing and potential shareholders relevant and timely information.	• Annual Audited Financial statements together with the Auditors' and Directors' report were circulated to all shareholders along with the Notice of AGM. • Abridged Annual Audited Financial Statements along with Auditors' and • Directors' Report were published in the newspaper. • Analyst briefings and investors conference calls were conducted, following the announcements of quarterly, half yearly and annual financial results. • Corporate Briefing Session is conducted at least once a year to enlighten the shareholders and analysts with the Bank's strategic, operational and financial developments. CBS conducted in December 2025, was attended by 64 shareholders, investors, and brokers. • Quarterly, Half Yearly and Annual Financial Statements, Investors' Presentations and Major financial information are disclosed under a separate section of "Investors Relations" on Corporate Website of the Bank.
									Ensuring equitable treatment of all shareholders including minority shareholders to attend, contribute and vote at the General Meetings.	• All required support is being provided to minority shareholders for participation in election of Directors.
Regulators	State Bank of Pakistan (SBP) Federal Board of Revenue (FBR) Securities and Exchange Commission of Pakistan Pakistan Stock Exchange (PSX) Credit Rating Agencies Other Public Offices and Regulatory Bodies	• Directives and Circulars • Financial Statements • Statutory Examination • Regulatory Reporting • Filing of Income Tax Federal Excise and Sales Tax Returns • Filing of Corporate Return • Interviews and Meetings with Representatives of Regulators, Pakistan Banking Association, Business Council	●	● ● ● ●	● ● ●		Compliance with all legal and regulatory requirements, remain responsible tax payer, corporate governance practices, adherence to reporting requirements, risk management, sustainable business practices, timely withholding taxes and deposit, income tax, FED & sales tax payment including advance tax.	To ensure meticulous compliance with legal and regulatory directives.	Embracing prudent banking practices and regulatory compliance that enables a safe and stable banking system.	• Maintained highest credit ratings from Pakistan Credit Rating Agency Limited: • Long-term rating "AAA" • Short-term rating "A1+"
									Ensuring regulator confidence in the Bank and reducing potential for reputational risk.	• Maintained Corporate Governance rating of CGR-9++.This rating indicates a high level of corporate governance ; thus, depicting a very high level commitment towards corporate governance.
									Providing timely and detailed regulatory updates and reporting disclosures.	• On-time submission of statutory returns and statutory payments. • Adherence to PSX requirements for disclosure of key information.
									Record Management	• The Bank has a record management program that ensures maintenance, protection, retention and disposal of records in accordance with applicable regulations, operations, fiscal and legal requirements. • Availability and integrity of record data at all times is ensured through Data Backup and Recovery Policy.

STAKEHOLDERS ENGAGEMENT

			Occasionally	Regularly	Periodically	Continuously		Why do they Matter	How We Create Value for Stakeholders	Activities
Employees	Permanent employees Contractual employees Outsourced personnel Employee union	• Formal Meetings • Informal & Ad Hoc Meetings • Performance Appraisals • Internal Newsletter • Informational and Instructional Circulars • Training Programs • Employee Satisfaction Surveys • Intranet / Employee Self Service Portal • Team Building Events • Annual Family Festival • Welfare Events and Activities • Disaster Recovery and Emergency Response Drills • Medical Benefits • Retirement Benefits		● ●	● ●	● ● ● ●	Competitive remuneration, career development and advancement, effective performance management, equal opportunity along with safe, positive and inspiring work environment, work life balance, recognition and reward, grievance handling mechanism, culture of empathy, continuous training opportunities to grow as a person and professional, job security, succession planning.	Skills, experience, and activities that our employees carry out during day to day operations of the bank resulting in achievement of strategic goals and objectives. How our staff think and feel about work are directly connected with customer satisfaction levels.	Retaining "Employer of Choice" status by providing a safe, inspiring and challenging work environment.	• Total permanent and contractual workforce of 13,066 employees with female representation increased to 25%.
									Inducting and retaining quality human resource in all functions of the Bank.	• 2,612 recruitments for permanent and contractual positions.
									Offering competitive remuneration and rewarding performance. Motivating and inspiring our work force.	• Rs. 23,870 million in terms of salaries, allowance and other benefits to employees. • Rewarded performance through 1,379 grade promotions.
									Skills training and development initiatives to align workforce with strategic objectives of the Bank.	• Invested Rs. 274 million on staff training and development programs. • Training coverage of 12,300 employees during the year achieving an impressive 95% overall coverage. • Average training and development hours per employee are 85.97 hours during the year. • Wide range of learning interventions delivered to staff through classroom, digital and blended learning modes.

									Understanding and responding to the needs and concerns of Bank's staff along with equal opportunity and culture of empathy.	• Won the Women Empowerment and Gender Equality – Diamond Recognition Award from the Employers' Federation of Pakistan.
										• Won the Best Practice Bank Award from the Global Diversity & Inclusion Benchmarks (GDIB) in following categories:
										  • Vision, Strategy and Business Impact;
										  • Leadership and Accountability;
										  • Recruitment, Job Design, Classification and Compensation;
										  • DEI Learning and Development.

Society and Environment	Non-Profit Organization Non-Government Organization Media Society at large	• Service Channels • Corporate Website • Donations and Sponsorships • Press Releases, Conferences and Media Campaigns • Public Relation Activities		● ● ●		● ●	Social responsibility activities, employment opportunities, financial resilience, community development and ethical business practices.	Working in tandem with global and local mandates which safeguard the environment and promote community enpowerment.	Community capacity building and empowerment. Social welfare of community.	• Your Bank plays a proactive role in contributing towards the society.Detailed CSR report is included in the Annual Report

BUSINESS AT LAST
ANNUAL GENERAL MEETING

79th Annual General Meeting

The 79th Annual General Meeting of the shareholders of Allied Bank Limited was held on Monday, March 24, 2025 at 11:00 A.M at Palace Hall, Pearl Continental Hotel, Lahore, physically as well as virtually through Zoom facility.

Mr. Mohammad Naeem Mukhtar, Chairman Board of Directors of the Bank, chaired the Meeting via Zoom, other directors and Chief Executive Officer also attended the Meeting virtually from remote locations. Leave of absence was granted to Mr. Sheikh Mukhtar Ahmad and Mr. Muhammad Waseem Mukhtar who could not attend the meeting due to pressing engagements.

The Company Secretary and Chief Financial Officer were present in person at the venue of the Meeting.

Engagement Partner of the statutory Auditors, Mr. Omer Chughtai, M/s. EY Ford Rhodes Chartered Accountants attended the meeting via Zoom. Mr. Asad Masood and Ms. Ramila Anwar, representatives of Bank's Shares Registrar M/s. CDC Share Registrar Services Limited (CDCSRSL) were present in person at the venue to record the attendance of the Shareholders.

Following agenda items were approved by the Shareholders:

1. Confirmation of the minutes of Extraordinary General Meeting of Allied Bank Limited held on August 27, 2024.

2. Receive, consider and adopt Annual Audited Financial Statements of the Bank (consolidated and unconsolidated) for the year ended December 31, 2024 together with the Auditors' Report, Directors' Report and Chairman's Review Report thereon.

3. Approval of Final Cash Dividend @ 40% (i.e., Rs. 4.00 per share) as recommended by the Board of Directors. This Final Cash Dividend was in addition to 120% Interim Cash Dividends (i.e., Rs.12.00 per share) already paid to the shareholders for the year ended December 31, 2024.

4. Appointment of statutory auditors of the Bank M/s. KPMG Taseer Hadi & Co., Chartered Accountants for the year ending December 31, 2025 and fixation of their remuneration.

FINANCIAL
CALENDAR 2025

• 1st Quarter results issued on	April 24, 2025
• 2nd Quarter results issued on	August 21, 2025
• 3rd Quarter results issued on	October 23, 2025
• Recommendation of Annual Results by the Board of Directors	February 17, 2026
• 80th Annual General Meeting scheduled for approval of Annual Results	March 30, 2026



RISK MANAGEMENT

RISK MANAGEMENT FRAMEWORK

Risk Management Framework is the collection of fundamental elements like Risk Governance, Risk Architecture and Risk Organization that are implemented in the Bank to identify and manage material risks. Further, Board of Directors ensure that necessary steps are taken to foster a bank-wide risk management culture including appropriate risk awareness and mitigation at all levels of the organization.

Risk Governance Structure

The Board of Directors is responsible for the overall effective risk management of the Bank. The Bank has in place a comprehensive risk management and governance framework. Risk Governance includes risk strategy, risk culture, risk structures, risk acceptance criteria, risk policies & procedures, and roles and responsibilities of different stakeholders. The Board of Directors is responsible for approval of risk strategy, risk management policies, providing guidance for sound and informed decision-making and effective allocation of resources. The Board of Directors also oversees appointment of senior management personnel capable of managing the risk activities conducted by the Bank.

Board Committee Responsibilities

- Board Risk Management Committee (BRMC)
  The Board Risk Management Committee (BRMC) is responsible for ensuring that the overall risk strategy and risk acceptance criteria of the Bank is appropriately defined in the Strategic Plan and recommends the same to the Board of Directors for approval. The Committee monitors the quality of asset portfolio and suggests measures to keep the infected portfolio at minimum level.
- Strategic Planning & Monitoring Committee(SPMC)
  Evaluates strategic initiatives through a risk lens to ensure long-term sustainability and resilience of the Bank's business model. Monitors execution of strategic plans, identifying deviations and associated risks to enable timely corrective actions.
- Human Resource & Remuneration Committee
  Manages people-related risks by overseeing talent strategy, succession planning and performance frameworks to maintain organizational stability. Ensures HR policies promote a compliant, ethical and risk-conscious culture throughout the Bank.
- E-Vision Committee
  Drives technology-related risk governance by evaluating digital transformation initiatives, cybersecurity posture and system resilience. Ensures that technology adoption supports secure, efficient and risk-aware operations across the Bank.
- Audit Committee
  Provides independent oversight of financial reporting, internal controls and compliance systems to ensure risks are identified and addressed effectively.

Senior Management Committees for Risk Oversight

The Chief Executive Officer and Group Chiefs are responsible for collective risk management through their membership of various Management Committees i.e., Management Committee (MANCO), Asset and Liability Committee (ALCO), Compliance Committee (CC) and Risk Management Committee (RMC).

- Management Committee (MANCO) Ensures effective implementation of the Bank's strategic objectives while reviewing performance, emerging trends and internal control gaps to support timely corrective actions across all functions.
- Asset and Liability Committee (ALCO) Manages balance-sheet risks by monitoring liquidity, interest rate, market and funding exposures in line with the Bank's risk acceptance criteria. Reviews capital adequacy, stress-testing outcomes and market conditions to ensure financial stability and prudent resource allocation.
- Compliance Committee (CC) Oversees compliance risks by ensuring adherence to regulatory requirements, internal policies and AML/CFT frameworks. Monitors compliance breaches, control weaknesses and remediation plans to strengthen the Bank's overall compliance posture.
- Risk Management Committee (RMC) Oversees the Bank's risk management framework by evaluating key risk exposures related to credit, operational, reputational and Shari'ah non-compliance risks. Ensures effective implementation of risk mitigation strategies, policies and systems to maintain a robust risk culture and control environment.

Structural Elements of the Risk Management Framework

- Risk Architecture: Processes, Systems, and Methodologies
  Risk architecture of the Bank includes risk processes, systems, tools and methodologies for identifying, assessing and monitoring risks. The risk policies and procedures developed are consistent with the Bank's Risk Management Strategy and Risk Acceptance Criteria and are reviewed on a periodic basis to reflect changes in internal and external environment.

- Risk Organization and Functional Structure
  Risk organization includes the set-up for an independent, resourceful and effective risk management group. Risk Management Functions at the Bank include Corporate & Financial Institution Risk, Commercial, Small & Medium Enterprises & Consumer Risk, Enterprise Risk, Credit Administration, Information Security & Governance and Technical Appraisal.

- Risk Management Policies and Risk Acceptance Criteria
  The Board of Directors have put in place an effective and robust risk management system to identify, evaluate and mitigate all risks undertaken in the achievement of long-term strategic objectives of the Bank. The Board of Directors monitors the implementation of risk strategy and approves the risk policies and risk acceptance criteria to ensure that risks are managed within tolerance level. The Bank's comprehensive and integrated risk management framework is focused on monitoring and governance over various categories of risk. The Bank has in place Risk Policies for all material risks faced by the Bank, which includes:
  - Credit Policy
  - Market & Liquidity Risk Policy
  - Operational Risk Management Policy
  - Strategic Risk Management Policy
  - Information Security Policy
  - Green Banking Policy
  - Country Risk Management Framework and Reputational Risk Management Framework

  The Risk Acceptance Criteria Statement (RACS) is part of the Risk Management Strategy and is used to quantify the aggregate risk the Bank is prepared to carry across the key risk types i.e., Credit Risk, Market & Liquidity Risk, Operational Risk, Strategic Risk, Regulatory Risk, Legal Risk, Reputational Risk, etc.

- Assessment and Monitoring of Principal Risks
  Assessment of the principal risks being faced by the Bank is undertaken in view of political and economic changes and rapidly evolving technologies which are transforming the competitive industry landscape. These trends are continuously monitored and assessed by the Board of Directors vis-à-vis their impact on the long-term strategic plans of the Bank for sustainable value creation. Bank's strategy, risk management policies and procedures are updated on a proactive basis in sync with the evolving business environment. Further, Board of Directors ensure that necessary steps are taken to foster a bank-wide risk management culture including appropriate risk awareness and mitigation at all levels of the organization.

Approaches for Identifying, Measuring, and Managing Risk

The Board of Directors ensure that in-depth assessment of principal risks faced by the Bank is undertaken through effective operation of following processes.

Risk Identification, Assessment and Monitoring	Identification of the principal risks, their probability of occurrence and their potential impact to formulate appropriate risk mitigation strategy.
Risk Acceptance Criteria	Implementation of risk acceptance criteria framework and monitoring of Bank's exposure on a continuous basis for optimized returns. Clearly defined risk acceptance criteria of the Bank with appropriate and quantified thresholds.
Residual risk	Understanding the nature and quantum of residual risk which remains after efforts to identify and mitigate all key risk types. Ongoing monitoring and management of net residual risk to bring it within the Bank's risk tolerance threshold.
Stress Testing and its Integration into Business Planning	Continuous assessment of the Bank's resilience to severe plausible stress scenarios. Results of stress testing exercises are analyzed to make necessary changes in Risk Strategy and Business Planning. Integrated Risk Management along with strategic planning decision making processes to respond to existing as well as emerging risks.

RISK MANAGEMENT PROCESS



RISK EVALUATION & MANAGEMENT STRATEGIES

Risk	Source	Materiality	Likelihood	Key Source of Risk	Mitigating Strategy	Impact Area
Credit Risk - Govt. Sector	External	Low	Low	Sovereign credit risk on exposure to Public sector Enterprises (PSE)	1.)Oversight is kept through Board of Directors and its sub-committee "Board Risk Management Committee" as well as through management committee – "Risk Management Committee (RMC)". 2.) Public sector advances are generally secured by sovereign guarantee or the equivalent from the Government of Pakistan (GoP). 3.) Certain PSEs have a well-defined cash flow stream and appropriate business model, based on which the lending may be secured through collaterals other than GoP guarantee.	Financial Capital **Capital Availability** Sovereign credit risk deterioration in PSE exposures can reduce capital availability as higher provisioning and write-offs absorb financial resources that would otherwise support lending and growth. **Capital Quality** A rise in credit impairment weakens capital quality by increasing non-performing assets and reducing the reliability of earnings that support core capital. **Capital Affordability** Heightened credit risk raises the Bank's funding costs and may trigger stricter regulatory capital requirements, making capital more expensive to maintain and raise.
Credit Risk - Private Sector	External	High	High	Counterparty credit risk on exposure to Private sector advances and Interbank limits	1.) Board of Directors approved Credit Risk Policy and Credit Procedural Manual provide guidelines in line with internal policy, State Bank of Pakistan's Prudential Regulations and industry best practices. 2.) Bank's Risk Assessment and Management System (RAMS) uses risk rating models, based on qualitative and quantitative factors, to assign credit risk ratings to various categories of borrowers. 3.) Credit worthiness of borrowers is analyzed, with focus towards balanced assessment of credit risk and identification of related proper mitigates. 4.) In respect of interbank borrowers, Your Bank maintains eligibility criteria that links exposure limits to counterparty credit ratings (minimum credit rating of 'A'). 5.) Concentration risk is monitored with respect to obligor, group and sector exposure limits and risk profile benchmarks 6.) Automated 'Watch-List' categorization system facilitates to identify deterioration in quality of loans. 7.) Country risk exposure limits are in place that broadly capture direct exposure on sovereigns and foreign domiciled counter parties; limits linked to the sovereign ratings. 8.) Specialized team comprising of engineers and industry experts' conducts technology assessments of obligors' plant and machinery and reviews the technical feasibility of projects and valuation reports.	
Market Risk	External	Low	Low	Risk associated with fluctuations in interest rates, foreign currency rates, credit spreads, equity prices and commodity prices.	1.) Oversight is kept through Board and its subcommittee "Board Risk Management Committee" as well as through management committee – "Asset & Liability Committee (ALCO)". 2.) Comprehensive structure is in place aimed at ensuring that Your Bank does not exceed its qualitative and quantitative tolerance for market risk. 3.) Balanced approach towards risk taking in the market risk area while keeping exposures within the defined risk acceptance criteria. 4.) Tools like Value at Risk methodologies, sensitivity measures, intraday exposure limits, notional limits and loss triggers are monitored at a detailed portfolio level. 5.) Periodic repricing gap analysis to re-profile the earning asset mix in accordance with interest rate expectations. 6.) Extensive stress testing is performed to capture and report the multi-dimensional aspects of market risk using automated solutions.	Financial Capital **Capital Availability** Volatility in interest rates, FX rates, credit spreads, equity prices, and commodities can reduce capital availability as valuation losses and higher market-risk charges consume financial resources that would otherwise support lending and growth. **Capital Quality** Adverse market movements weaken capital quality by eroding earnings, increasing unrealized losses, and reducing the stability of capital buffers that rely on market-sensitive asset valuations. **Capital Affordability** Heightened market risk raises the Bank's cost of capital as investors demand higher returns for increased volatility, while regulators may impose additional capital buffers, making capital more expensive to maintain and raise.
Operational Risk	Internal and External	Low to Medium	Low to Medium	Risk of inadequate or failed internal processes and losses caused by external events.	1.) Oversight kept through Board and its subcommittee "Board Risk Management Committee" as well as through management committee – "Risk Management Committee (RMC)" . 2.) Board of Directors approved Operational Risk Management (ORM) Policy. 3.) Detailed Operational Risk Management (ORM) Procedures approved by Risk Management Committee. 4.) Adequate system of internal controls designed to keep operational risk at appropriate levels. 5.) Risk assessment of each operational risk incident. 6.) Monitoring of risk through Key Risk Indicators (KRIs).. 7.) Assessment of risk through Risk and Control SelfAssessment (RCSA) for material processes of the Bank 8.) Business Continuity Policy and Plan driven towards ensuring provision of un-interrupted banking services in case of any unforeseen emergency and/or natural calamities. 9.) Disaster recovery and evacuation plans testing. 10.) IT disaster recovery plans testing on ongoing basis. 11.)_Insurance coverages are in place for theft and damage to physical assets	Financial Capital **Capital Availability** Failures in internal processes or losses from external events can reduce capital availability as unexpected operational losses, fraud events, or system breakdowns consume financial resources that would otherwise support business growth. **Capital Quality** Operational disruptions weaken capital quality by creating volatile earnings, increasing loss volatility, and reducing the reliability of capital buffers that depend on stable operational performance. **Capital Affordability** Higher operational risk elevates the Bank's cost of capital as regulators may impose additional capital charges and investors demand higher returns to compensate for increased operational uncertainty.

RISK EVALUATION & MANAGEMENT STRATEGIES

Risk	Source	Materiality	Likelihood	Key Source of Risk	Mitigating Strategy	Impact Area
Policy and Conduct non - Compliance Risk	Internal and External	Low	Low	Risk arising due to the unauthorized or inappropriate employee activity and failure to adhere to staff policies	1.) Board of Directors' oversight along with its sub committees "Human Resource and Remuneration Committee" as well as through management committees of "Human Resource Committee" and "Central Administrative Action Committee". 2.) Recruitment, pre-employment screening, employer feedback and exit interviews. - Proactive staff engagement. 3.) Strong staff development programs in place combining e-learning, in-house and external trainings programs. 4.) Insurance coverages are held for fraud and fidelity incidents. 5.) Whistle blowing mechanism is in place.	Human and Intellectual Capital **Capital Availability** Unauthorized or inappropriate employee actions reduce the availability of human and intellectual capital by causing loss of skilled staff, disrupting workflow continuity, and diverting resources toward investigations, remediation, and retraining. **Capital Quality** Non-compliance incidents weaken the quality of human and intellectual capital by eroding institutional knowledge, damaging professional integrity, and undermining the reliability of internal expertise and decision-making capabilities. **Capital Affordability** Higher conduct-related risk increases the affordability burden on human and intellectual capital as the Bank must invest more in training, monitoring, and control systems, raising the overall cost of maintaining a competent and compliant workforce.
Regulatory Compliance Risk	Internal and External	Medium	Medium	Risk arising from non-compliance with statutory or regulatory provisions applicable to the Bank.	1.) Independent Compliance Group to ensure compliance with specific regulatory, statutory and internal requirements. 2.) Compliance Policies and procedures are in place	Financial Capital **Capital Availability** Regulatory breaches can reduce capital availability as penalties, fines, and higher provisioning requirements directly consume financial resources that would otherwise support lending, investment, and balance-sheet growth. **Capital Quality** Non-compliance weakens capital quality by creating volatile earnings, increasing regulatory deductions, and undermining the stability of capital buffers through heightened supervisory scrutiny and corrective actions. **Capital Affordability** Regulatory violations raise the cost of capital as the Bank may face higher funding spreads, stricter capital buffer requirements, and increased investor risk premiums, making capital more expensive to maintain and raise.

RISK EVALUATION & MANAGEMENT STRATEGIES

Risk	Source	Materiality	Likelihood	Key Source of Risk	Mitigating Strategy	Impact Area
Liquidity and Business Risk	Internal and External	Medium	Medium	Risks emanating from nature of the Banking business, from the macro factors exogenous to the Bank as well as from internal financing and operational policies	1.) Oversight kept through Board and its subcommittee "Board Risk Management Committee" as well as through management committee – "Asset & Liability Committee (ALCO)". 2.) ALCO oversees the activities of treasury, which operates in terms of an approved ALM policy. 3.) Exposures are monitored by ALCO against well defined ALM triggers and limits. 4.) Detailed Recovery Plan is in place which highlights the strategy and critical tools for effective monitoring, escalation, planning, and execution of recovery actions in the event of a financial crisis situation. 5.) Your Bank regularly performs liquidity stress tests as part of its liquidity monitoring activities. 6.) Periodic maturity gap analysis is performed to keep asset and liability mismatch within acceptable limits. 7.) Maintenance of appropriate marketable securities portfolio that can be realized in the event of a liquidity stress.	Financial Capital **Capital Availability** Adverse macroeconomic conditions and weaknesses in internal financing or operational policies can reduce capital availability as earnings decline, credit losses rise, and the Bank must allocate more capital to absorb heightened business-environment volatility. **Capital Quality** Unfavourable shifts in the banking environment weaken capital quality by increasing risk-weighted assets, reducing the stability of income streams, and creating greater uncertainty around the resilience of existing capital buffers. **Capital Affordability** Higher business-environment risk raises the cost of capital as investors demand greater returns for increased uncertainty, while regulators may impose additional capital requirements, making capital more expensive to maintain and raise.

Risk	Source	Materiality	Likelihood	Key Source of Risk	Mitigating Strategy	Impact Area
Capital Adequacy Risk	Internal and External	Medium to High	Medium to High	Undertaking higher risks in view of more volatile and competitive financial markets.	1.) Oversight kept through Board and its subcommittee "Board Risk Management Committee" (BRMC) as well as through management committees – "Risk Management Committee" (RMC) and "Asset & Liability Committee (ALCO)". 2.) Bank assesses capital adequacy on a quarterly basis, including historical and future capital positioning review. 3.) Stress tests on capital adequacy in line with SBP requirements are performed on a regular basis and resulted are reported to BRMC / BoD. 4.) The Internal Capital Adequacy Assessment Process (ICAAP) Framework is updated and reviewed annually. - Focus on sufficient profit retention	Financial Capital **Capital Availability** Failure to maintain adequate capital ratios reduces capital availability as the Bank may be restricted from expanding its balance sheet or taking on new lending opportunities due to regulatory 'caps' on asset growth relative to equity. **Capital Quality** Capital adequacy pressure weakens capital quality by forcing a reliance on lower-tier, more expensive capital instruments (like Subordinated Debt/ Tier 2) to meet total CAR requirements when organic Common Equity Tier 1 (CET1) generation is insufficient. **Capital Affordability** If your Capital Adequacy Ratio (CAR) is close to the regulatory minimum, the market perceives the bank as "thinly capitalized." This leads to higher yields on any bonds the bank issues and a higher cost of equity.

RISK EVALUATION & MANAGEMENT STRATEGIES

Risk	Source	Materiality	Likelihood	Key Source of Risk	Mitigating Strategy	Impact Area
Strategic Risk	Internal and External	Medium	Medium	Improper implementation of decisions, or lack of responsiveness to evolving industry, economic or technological changes	1.) Oversight kept through Board and its subcommittee "Strategic Planning & Monitoring Committee" as well as through Management Committees – "Management Committee" (MANCO), "Risk Management Committee" (RMC), "Compliance Committee" (CC) and "Asset & Liability Committee" (ALCO). 2.) 10-year's Rolling strategic plan is reviewed on annual basis along with operational plan to account for the evolving economic and business dynamics; duly in consideration of the peer banks. 3.) The impact of events on the future direction of the business and forecasted results are constantly monitored and quantified.	Financial Capital **Capital Availability** Improper implementation of decisions or slow response to industry, economic, or technological changes can reduce capital availability as inefficiencies, missed opportunities, and strategic missteps erode earnings and limit the Bank's ability to generate surplus capital. **Capital Quality** Weak execution and delayed adaptation weaken capital quality by creating unstable earnings, increasing operational and strategic losses, and reducing the reliability of capital buffers that depend on consistent financial performance. **Capital Affordability** Strategic and operational lag increases the cost of capital as investors demand higher returns for perceived management and execution risk, while regulators may impose additional capital expectations due to weakened strategic resilience.

Risk	Source	Materiality	Likelihood	Key Source of Risk	Mitigating Strategy	Impact Area
Technological Risk	Internal and External	High	High	Risk arising from non-availability of IT systems, and disruptions due to Cyber threats.	1.) Oversight kept through Board and its subcommittees "E-Vision Committee" and "IT Steering Committee" (ITSC). 2.) IT and Information Security planning is conducted as part of Bank's strategic and operational planning process. 3.) Systems audits, IT Security & Risk Assessments are performed for systems before and after the deployment into production environment. 4.) Significant ongoing investments in Technology and Processes to protect customer data as part of the information security posture. 5.) Security Operation Center (SOC) utilizes a combination of People, Process and Technology to proactively monitor and respond to cyber threats. 6.) Countermeasures against cyber threats included regular Penetration Testing and Vulnerability Assessment exercises. 7.) Continuous awareness programs for Customers and Staff about cyber threats.	Financial Capital **Capital Availability** Non-availability of IT systems and cyber disruptions can reduce capital availability as the Bank may incur direct financial losses, business interruption costs, and emergency spending on system restoration and cybersecurity measures. **Capital Quality** Technology failures and cyber incidents weaken capital quality by creating volatile earnings, increasing operational loss events, and undermining the stability of capital buffers that rely on consistent and secure system performance. **Capital Affordability** Heightened cyber and IT-system risk raises the cost of capital as the Bank must invest more in cybersecurity, redundancy, and resilience infrastructure, while investors may demand higher returns due to elevated operational and cyber-security concerns.

RISK EVALUATION & MANAGEMENT STRATEGIES

Risk	Source	Materiality	Likelihood	Key Source of Risk	Mitigating Strategy	Impact Area
Reputational Risk	Internal and External	Low	Low	Risk arising from any action or inaction perceived by any stakeholders to be inappropriate, unethical or inconsistent with the Bank's values and beliefs.	1.) Oversight kept through Board and its subcommittee "Board Risk Management Committee" as well as through management committee – "Risk Management Committee" (RMC). 2.) Formal customer grievance redressal policy, including policy and procedures on receiving customer complaints and resolution mechanism. - Timely and efficient communications among all stakeholders. 3.) Policies and procedures in place for securing digital payments including protection of customers' data.	Social & Relationship Capital **Capital Availability** Perceived unethical or inappropriate behaviour reduces the availability of Social & Relationship Capital as customer loyalty declines, investor confidence weakens, and regulatory goodwill diminishes, limiting the Bank's ability to rely on strong external relationships for business continuity and growth. **Capital Quality:** Negative public perception weakens the quality of Social & Relationship Capital by transforming stable, long-term partnerships into volatile associations, eroding the brand's "trust premium," and reducing the resilience of the Bank's network against market rumors or competitive pressures. **Capital Affordability** Reputational concerns increase the affordability burden on Social & Relationship Capital as the Bank must invest more in stakeholder engagement, brand repair, compliance strengthening, and trust-building initiatives, raising the overall cost of maintaining credible and resilient external relationships.

Risk	Source	Materiality	Likelihood	Key Source of Risk	Mitigating Strategy	Impact Area
Shariah Non Compliance Risk	Internal	Low	Low	Risk arising from the failure to comply with Shariah rules and principles determined by Shariah Board of the Bank and the Regulator.	1.) Oversight kept through Board and its subcommittee "Board Risk Management Committee" as well as through management committees –"Management Committee" (MANCO) and "Risk Management Committee" (RMC). 2.) Policies and procedures in place duly reviewed by Shariah Board. 3.) Review of transactions by Shariah Compliance. 4.) Periodic External Shariah Audit.	Financial Capital **Capital Availability** Shariah non-compliance can reduce capital availability as income from non-compliant transactions must be purified or written off, regulatory penalties may be imposed, and business volumes may decline due to loss of Shariah-sensitive customers. **Capital Quality** Non-compliance weakens capital quality by creating volatile earnings, increasing operational and regulatory risk charges, and reducing the reliability of capital buffers that depend on stable, compliant income streams. **Capital Affordability** Shariah breaches increase the cost of capital as the Bank may face higher funding spreads, reduced investor confidence—especially from Islamic investors—and additional capital requirements to strengthen Shariah governance, making capital more expensive to maintain and raise.

RISK EVALUATION & MANAGEMENT STRATEGIES

Risk	Source	Materiality	Likelihood	Key Source of Risk	Mitigating Strategy	Impact Area
Climate-Related Physical Risk	External	Medium	Medium	Exposure to borrowers, assets, or operations located in areas vulnerable to floods, heatwaves, storms, and other climate-driven physical disruptions.	1.) Strengthen climate-risk assessment in credit underwriting, 2.) Integrate geospatial climate data, diversify collateral locations 3.) Enhance business-continuity planning. 4.) Adopt climate-resilient operational infrastructure.	Financial Capital **Capital Availability** as loan losses rise, collateral values fall, and the Bank must allocate higher provisions for climate-exposed portfolios. **Capital Quality** Increased climate-related impairments weaken capital quality by creating volatile earnings and elevating risk-weighted assets tied to vulnerable sectors and geographies. **Capital Affordability** Higher climate-risk exposure raises the cost of capital as investors demand stronger buffers and regulators impose climate-risk capital expectations, making capital more expensive to maintain and raise.
Risk of supply chain disruptions as a result of ESG related factors	Internal	Medium	Medium	Actual or potential threats of adverse effects on the Banks' supply chain arising from ESG related factors such as ef-uents, emissions, wastes, chemical releases, and resource depletion	1.) Effective vendor management is maintained to minimise supply chain disruptions, ensuring timely delivery of goods and services that meet the Bank's required quality standards. 2.) Allied Bank's approved procurement policy embeds Sustainable/Green Procurement principles, emphasising ESG-focused vendor selection, including preference for suppliers with strong environmental commitments and reputable, eco-friendly practices. 3.) The Bank consistently uses sustainably sourced materials, such as FSC- and PEFC-certified paper, and ensures that both primary and alternate vendors comply with these sustainability requirements.	Social & Relationship Capital **Capital Availability** ESG non-compliance reduces the availability of Social & Relationship Capital as customer trust declines, investor confidence weakens, and access to ESG-linked funding becomes constrained. **Capital Quality** Weak sustainability governance undermines capital quality by damaging the Bank's reputation, reducing stakeholder engagement, and weakening long-term relationship stability. **Capital Affordability** Non-compliance increases the affordability burden as the Bank must invest more in corrective reporting, governance upgrades, and stakeholder reassurance, raising the cost of maintaining strong external relationships

OPPORTUNITIES

Risk	Source	Materiality	Likelihood	Key Source of Opportunity	Strategies in Place	Impact Area
Digital Customer Acquisition & Cross - Sell Acceleration Opportunity	Internal	Medium to High	High	Transforming New Customer Onboarding and Driving Digital Cross-Sell for Existing Clients	1.) Deploy self-service kiosks and cash deposit machines to enable 24/7 banking and improve operational efficiency. 2.) Establish self-service branches equipped with digital tools to provide quick, paperless, and queue-free customer experiences. 3.) Strengthen branchless banking channels to reach underserved and remote areas, supporting financial inclusion. 4.) Integrate all digital touchpoints into a unified omni-channel ecosystem to ensure seamless customer journeys and consistent service quality.	Intellectual Capital **Impact on Quality** Enhanced through advanced analytics capabilities, improved customer segmentation models, and smarter digital tools that refine how the bank understands and serves customers. **Impact on Availability** Increased as digital platforms and customer data become more accessible across business units, enabling faster decision-making and broader use of insights for cross-sell strategies. **Impact on Affordability** Improved because scalable digital systems reduce the marginal cost of acquiring each new customer, lowering long-term operational expenses and making customer growth more cost-efficient.
Emerging Technologies & Digital Innovation	External	Medium to High	High	Technological advancements including Big Data, Artificial Intelligence, Machine Learning, Integrated Ledgers, Virtual Currencies and Blockchains	1.) Invest consistently in modernizing core IT infrastructure to support scalable and secure banking operations. 2.) Adopt emerging technologies such as cloud computing, AI, and advanced analytics to strengthen digital capabilities. 3.) Upgrade the existing technological base to improve system performance, resilience, and operational efficiency. 4.) Enhance cybersecurity frameworks to safeguard digital channels and protect customer data as technology adoption grows. 5.) Build a future-ready technology roadmap to ensure continuous innovation and alignment with evolving digital banking trends	Intellectual Capital **Impact on Quality** Improved through advanced digital tools, stronger analytics engines, and enhanced innovation frameworks that elevate the Bank's ability to design smarter, faster, and more customer-centric solutions. **Impact on Availability** Expanded as new technologies, platforms, and digital capabilities become accessible across the organisation, enabling wider use of automation, AI, and data-driven decision-making. **Impact on Affordability** Enhanced because digital innovation reduces long-term operational costs, increases process efficiency, and lowers the cost of delivering services at scale.

OPPORTUNITIES

Risk	Source	Materiality	Likelihood	Key Source of Opportunity	Strategies in Place	Impact Area
Remittance Market Expansion	External	Medium	High	Augment remittance business from untapped markets.	1.) Align banking processes with Government and SBP initiatives to simplify account opening for non-resident Pakistanis. 2.) Introduce reduced documentation and streamlined digital onboarding to make banking more accessible for overseas customers. 3.) Enhance digital channels and remote verification tools to support seamless cross-border account management. 4.) Strengthen partnerships with government platforms such as Roshan Digital Accounts to expand outreach and improve service convenience.	Social & Relationship Capital **Impact on Quality** Improved through stronger trust and engagement with overseas Pakistanis and remittance senders. Enhanced customer experience due to faster, safer, and more transparent remittance services. **Impact on Availability** Expanded as more remittance channels, partnerships, and digital corridors become accessible to customers. **Impact on Affordability** Improved as efficient digital remittance solutions lower the cost-to-serve, allowing for more competitive pricing that strengthens customer loyalty while reducing the bank's operational spend on relationship management.
Economic Revival Support Initiatives	External	Medium	Medium	Government of Pakistan and State Bank of Pakistan initiatives for economic revival	1.) Develop innovative and customer-centric products aligned with evolving market needs and competitive trends. 2.) Strengthen collaboration with business and distribution teams to design offerings that attract new customer segments. 3.) Enhance customer retention by continuously refining products based on feedback, usage patterns, and digital behavior insights.	Financial Capital **Impact on Quality** Strengthened through healthier loan portfolios, as economic revival reduces default risk and enhances borrower repayment capacity **Impact on Availability** Higher liquidity circulation in the economy improves the Bank's ability to mobilize deposits and extend credit. **Impact on Affordability** Improved because reduced credit risk lowers the cost of capital, enabling the Bank to offer more competitive pricing
Financial Inclusion Expansion	External	Medium	High	Over 75% unbanked population in the country; opportunity to enhance financial inclusion.	1.) Implement a targeted branch expansion plan in high-potential and underserved areas to capture new customer segments. 2.) Conduct roadshows, seminars, and community engagement events to build brand visibility and attract untapped markets. 3.) Develop and promote digital-first products tailored for unserved and emerging customer groups. 4.) Strengthen social media outreach to enhance customer engagement, drive product awareness, and expand digital acquisition channels.	Social & Relationship Capital **Impact on Quality** Strengthened through greater trust and credibility as the Bank becomes more accessible and supportive of financially underserved segments. **Impact on Availability** Expanded as more people gain access to formal banking, digital wallets, microfinance, and branchless banking channels. **Impact on Affordability** Improved as low-cost digital channels reduce service delivery expenses, making banking more affordable for customers.
Digital Deposit Innovation	Internal	High	High	Developing a new stream of deposit products to strengthen the product portfolio and targeting branchless and digital banking opportunities.	1.) Develop segment-specific financial products tailored to the needs of youth, salaried individuals, SMEs, and underserved communities. 2.)Enhance automation across product workflows to reduce processing time and improve customer experience. 3.)Accelerate digitalization of banking solutions to offer seamless, paperless, and self-service options for customers. 4.)Use data-driven insights to continuously refine products and ensure they remain relevant to evolving customer expectations	Intellectual Capital **Impact on Quality** Better analytics and automation elevate the precision of deposit management and customer insights. **Impact on Availability** Increased reach through mobile apps, online banking, and API-based integrations that broaden customer access. **Impact on Affordability** Improved because digital processes reduce operational costs, lowering the cost of acquiring and servicing deposits.

OPPORTUNITIES

Risk	Source	Materiality	Likelihood	Key Source of Opportunity	Key Source of Opportunity	Impact Area
E-Commerce & Digital Services Expansion	External	High	High	Increasing the digital footprint by expanding the e-commerce facilities to provide state of the art digital financial services to the customers	1.)Enhance myABL platform features to ensure seamless card activation, deactivation, and real-time controls for customers. 2.)Enable secure e-commerce and international debit card usage through improved authentication and risk-management tools. 3.)Continuously upgrade the user interface and experience to provide faster, simpler, and more intuitive digital journeys. 4.)Strengthen platform reliability and backend automation to ensure hassle-free access to essential card services at all times.	Intellectual Capital **Impact on Quality** Elevated through more advanced digital platforms, improved user interfaces, and stronger cybersecurity frameworks that enhance customer experience. **Impact on Availability** Wider reach enables customers to transact anytime, increasing the Bank's digital footprint. **Impact on Affordability** Improved because digital channels reduce operational costs, lowering the cost of serving customers at scale.
Digital Credit Expansion	External	High	High	Augment Financial Inclusion through Digital Lending Platform	1.)Develop AI-driven digital lending products tailored to the unique needs of consumers and SMEs. 2.)Use machine learning models to enhance credit scoring, risk assessment, and loan approval accuracy. 3.)Introduce segment-specific lending solutions with flexible terms, faster processing, and fully digital workflows. 4.)Strengthen end-to-end automation in loan origination, underwriting, and disbursement to deliver seamless digital credit access.	Intellectual Capital **Impact on Quality** Strengthened through more accurate digital credit models, improved risk assessment tools, and enhanced automation that reduces human error. **Impact on Availability** Expanded as digital lending platforms make credit accessible across branches, mobile apps, and online channels. **Impact on Affordability** Improved because automation lowers processing costs, making small-ticket and mass-market lending economically viable.

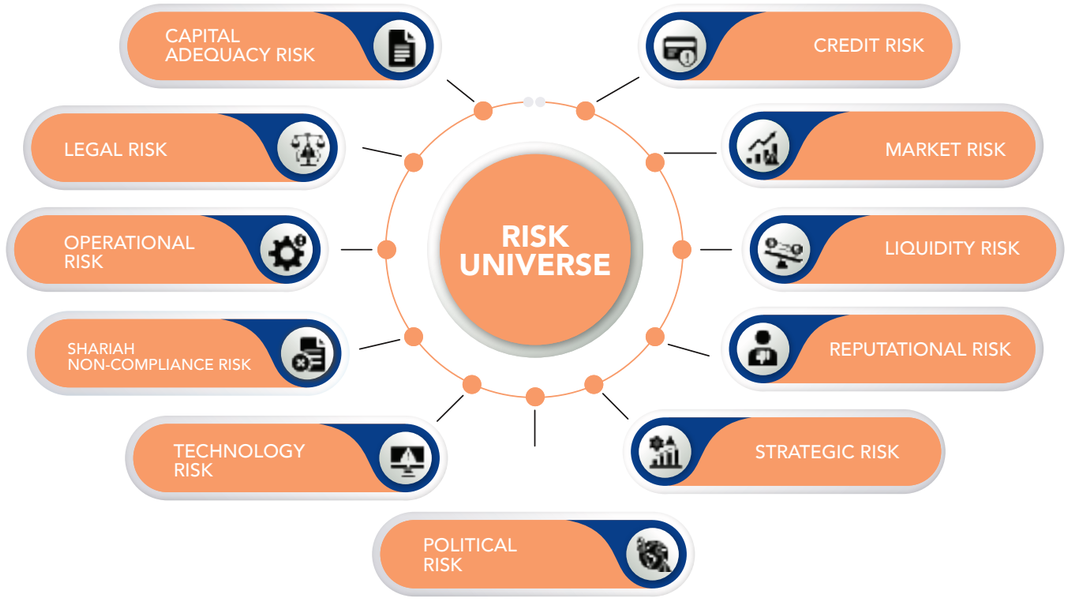
Opportunity	Source	Materiality	Likelihood	Key Source of Opportunity	Strategies in Place	Capital Affected
Digital Customer Acquisition & Cross Sell Acceleration Opportunity	Internal	Medium to High	High	New to Bank customer onboarding transformation and cross sell to existing customers in the digital era.	1.) Deploy self service kiosks and cash deposit machines to enable 24/7 banking and improve operational efficiency. 2.) Establish self service branches equipped with digital tools to provide quick, paperless, and queue free customer experiences. 3.) Strengthen branchless banking channels to reach underserved and remote areas, supporting financial inclusion. 4.) Integrate all digital touchpoints into a unified omni channel ecosystem to ensure seamless customer journeys and consistent service quality.	Intellectual Capital **Impact on Quality** Enhanced through advanced analytics capabilities, improved customer segmentation models, and smarter digital tools that refine how the bank understands and serves customers. **Impact on Availability** Increased as digital platforms and customer data become more accessible across business units, enabling faster decision making and broader use of insights for cross sell strategies. **Impact on Affordability:** Improved because scalable digital systems reduce the marginal cost of acquiring each new customer, lowering long term operational expenses and making customer growth more cost efficient.
Emerging Technologies & Digital Innovation	External	Medium to High	High	Technological advancements including Big Data, Artificial Intelligence, Machine Learning, Integrated Ledgers, Virtual Currencies and Blockchains	1.) Invest consistently in modernizing core IT infrastructure to support scalable and secure banking operations. 2.) Adopt emerging technologies such as cloud computing, AI, and advanced analytics to strengthen digital capabilities. 3.) Upgrade the existing technological base to improve system performance, resilience, and operational efficiency. 4.) Enhance cybersecurity frameworks to safeguard digital channels and protect customer data as technology adoption grows. 5.) Build a future ready technology roadmap to ensure continuous innovation and alignment with evolving digital banking trends.	Intellectual Capital **Impact on Quality** Improved through advanced digital tools, stronger analytics engines, and enhanced innovation frameworks that elevate the Bank's ability to design smarter, faster, and more customer centric solutions. Impact on Availability Expanded as new technologies, platforms, and digital capabilities become accessible across the organisation, enabling wider use of automation, AI, and data driven decision making. Impact on Affordability Enhanced because digital innovation reduces long term operational costs, increases process efficiency, and lowers the cost of delivering services at scale.

OPPORTUNITIES

Opportunity	Source	Materiality	Likelihood	Key Source of Risk	Strategies in Place	Capital Affected
Remittance Market Expansion	External	Medium	Augment remittance business from untapped markets.	New to Bank customer onboarding transformation and cross sell to existing customers in the digital era.		Social & Relationship Capital Impact on Quality Improved through stronger trust and engagement with overseas Pakistanis and remittance senders. Enhanced customer experience due to faster, safer, and more transparent remittance services. Impact on Availability Expanded as more remittance channels, partnerships, and digital corridors become accessible to customers. Impact on Affordability Improved as efficient digital remittance solutions reduce transaction costs for customers.
Economic Revival Support Initiatives	External	Medium	Medium	Government of Pakistan and State Bank of Pakistan initiatives for economic revival	1.) Develop innovative and customer centric products aligned with evolving market needs and competitive trends. 2.) Strengthen collaboration with business and distribution teams to design offerings that attract new customer segments. 3.) Enhance customer retention by continuously refining products based on feedback, usage patterns, and digital behavior insights.	Financial Capital Impact on Quality Strengthened through healthier loan portfolios, as economic revival reduces default risk and enhances borrower repayment capacity Impact on Availability Higher liquidity circulation in the economy improves the Bank's ability to mobilize deposits and extend credit. Impact on Affordability Improved because reduced credit risk lowers the cost of capital, enabling the Bank to offer more competitive pricing

ALLIED BANK'S RISK UNIVERSE

Following risks collectively pose material challenges to Allied Bank's business model, future relevance, and solvency, as operational and IT vulnerabilities can disrupt service delivery and digital transformation efforts, while regulatory and legal risks may lead to compliance breaches, penalties, and constraints on business expansion. Political instability can weaken economic conditions and impair customer confidence, and strategic misalignment may reduce the Bank's competitiveness in a rapidly evolving financial landscape. Additionally, heightened credit risk driven by borrower stress or sector-specific downturns can erode asset quality and profitability. Together, these threats can pressure the Bank's ability to sustain a resilient business model, maintain long term relevance in a dynamic market, and preserve strong solvency ratios essential for financial stability.



Risk Category	Description
Credit Risk	Losses from obligor or counterparty default.
Market Risk	Adverse changes in market prices and rates.
Liquidity Risk	Inability to meet financial liabilities.
Operational Risk	Failures in internal processes or systems.
Reputational Risk	Damage from negative public perception.
Strategic Risk	Misalignment with strategic goals.
Political Risk	Impact of instability or policy shifts.
Technology Risk	IT system failures and cyber threats.
Shariah Non-Compliance Risk	Failure to adhere to Shariah principles.
Capital Adequacy Risk	Insufficient capital to support growth.
Legal Risk	Lawsuits or compliance failures.

RISK MANAGEMENT METHODOLOGY

Allied Bank implements its risk strategy through a disciplined and well-structured risk management framework that supports prudent and controlled risk-taking. The Bank's risk management methodology encompasses identifying, assessing, mitigating, monitoring and reporting risks in line with its long-term objective of safeguarding stakeholder interests, maximizing shareholder value and ensuring sustainable business growth. ABL follows an integrated and robust approach, supported by sound policies, strong governance, advanced systems and skilled human capital, enabling the Bank to evaluate and manage the full spectrum of risks inherent in its operations.

The methodology encompasses the following key activities:

- Developing and maintaining a comprehensive enterprise-wide risk management framework to identify, measure and monitor risks to ensure exposures remain within the Bank's approved risk appetite and tolerance levels.
- Optimizing capital, liquidity and other resources to enhance value creation for shareholders while maintaining financial resilience.
- Establishing and periodically reviewing risk acceptance criteria and risk tolerance limits in alignment with strategic objectives.
- Ensuring the availability of adequate capital buffers to absorb potential losses, supported by internal risk assessments and regulatory requirements.
- Aligning the Bank's risk management practices with evolving regulatory expectations, market dynamics and future business needs.

Risk Mitigation

Allied Bank recognizes that risk management practices must remain dynamic and responsive to an evolving business environment. Effective communication across the Bank, together with well-defined policies, procedures and actionable plans, forms the foundation for managing business risks proactively. ABL has developed these practices in line with international standards, regulatory directives and the strategic guidance of the Board.

Risk Acceptance Criteria

Risk Acceptance Criteria (RAC) represents the maximum level of risk that Allied Bank is prepared to assume in pursuit of its strategic and business objectives as approved by the Board of Directors. In defining RAC along with associated tolerance levels and limits the Bank ensures optimal allocation of resources, including capital, and establishes risk boundaries that remain aligned with its overall risk management framework. ABL's RAC framework balances strategic goals, growth plans, operational capacity, capital strength and the material risks relevant to the Bank's operating environment and regulatory expectations.

Each year, the management reviews the Risk Acceptance Criteria Statement, and proposes changes for consideration and approval by the Board in line with business plans and prevailing macroeconomic conditions. The RAC is reassessed taking into account historical performance trends, regulatory developments, stress-testing outcomes and senior management's assessment of economic conditions relative to business objectives.

Risk Monitoring and Reporting

Meetings of the Board and the BRMC are held at least quarterly, where comprehensive risk analyses and decisions are reviewed in light of business requirements, emerging risk trends and the prevailing macroeconomic environment. These forums ensure that risk-related matters receive timely oversight and strategic direction from the highest governance levels.

Risk Monitoring Tools

Stress Testing Allied Bank conducts comprehensive Stress Testing exercises in accordance with regulatory expectations and internal risk governance standards. These assessments are submitted to the State Bank of Pakistan (SBP) and are also reviewed by Senior Management and the Board. The stress testing framework incorporates statistical models driven by macroeconomic variables, including tools such as VAR, SVAR and Reverse Stress Testing. ABL's Multilayered Stress Testing (MST) Framework outlines a structured approach for model development, validation, approval and implementation, while clearly defining stakeholder roles for oversight and control. The results of these exercises are used to refine the Bank's RAC and support business, capital and contingency planning.

Internal Capital Adequacy Assessment Process (ICAAP)
The ICAAP is a core component of Allied Bank's risk and capital management framework. It represents the Bank's internal evaluation of the adequacy of its capital in relation to its risk profile, strategic objectives and regulatory expectations. ICAAP ensures that ABL maintains sufficient capital buffers to absorb potential losses under both normal and stressed conditions, thereby safeguarding financial stability and supporting sustainable growth.

The ICAAP report encompasses a wide range of risk areas, including documentation gaps, concentration risks, liquidity, reputational, environmental, settlement and other core risks, and is ultimately presented to the Board for review and approval.

ICAAP reporting is based on the Bank's internal assessment of material risks and the determination of the level of capital required to adequately cover those risks.

The purpose of ICAAP is to apprise the Board of the Bank's ongoing risk profile, the mitigation strategies in place and the level of current and future capital needed after considering relevant mitigating factors.

The ICAAP exercise focuses on risk-based capital assessment rather than solely regulatory capital, recognizing that regulatory capital may not fully capture embedded risks, particularly Pillar II risks and additional capital requirements arising from stress testing of Pillar I risks.

Standards and Limits
Allied Bank adheres to Basel regulatory standards for capital adequacy assessment and complies with all relevant SBP circulars and guidelines. The Bank ensures strict observance of internal and regulatory limits, maintaining a disciplined approach to capital, liquidity and risk exposure management.

Business Resilience and Contingency Funding Plan
Allied Bank's Business Resilience and Continuity Plan outlines the strategies and procedures required to ensure uninterrupted operations during disruptions. The framework covers business continuity, recovery mechanisms and resilience measures to safeguard critical functions. Further details on the framework are provided in the Governance section of this Annual Report. ABL prepares an annual Contingency Funding Plan that outlines the Bank's strategy for securing liquidity in the event of stress or triggering events. The plan supports the Bank's broader liquidity management framework and ensures preparedness for adverse market conditions. Additional details are available in the Liquidity Management subsection of this report.

Recovery Plan
Allied Bank has developed a comprehensive Recovery Plan in line with the enhanced supervisory expectations under the Domestic Systemically Important Bank (D-SIB) framework issued by SBP. The plan identifies the Bank's critical systems, core business lines and essential functions as defined in the approved Business Resilience Plan. It outlines key trigger events and available funding resources aligned with the ALCO approved Contingency Funding Plan to address severe liquidity or capital stress scenarios.

INADEQUACY IN THE CAPITAL STRUCTURE

The Bank has in place adequate capital which is well above the regulatory limits set under the Basel Capital Adequacy Framework. Bank's Capital Adequacy Ratio stood at 27.74% against regulatory requirement of 12.5% (currently reduced by SBP under COVID-19 relief measures to 11.5% including capital conservation buffer of 1.5%). Common Equity Tier 1 Capital Adequacy Ratio is 20.55% against regulatory requirement of 6%. Leverage ratio of the Bank is 5.21% as compared to regulatory limit of 3%.

INITIATIVES TAKEN BY THE BANK IN PROMOTING AND ENABLING INNOVATION

The Bank continued to strengthen its digital banking ecosystem in 2025 through a series of strategic initiatives aimed at enhancing customer convenience, expanding digital acceptance, promoting sustainability, and fostering innovation.

During the year, the Bank successfully launched Google Pay on ABL Debit Cards, enabling customers to make fast, secure, and contactless payments using their mobile devices. In parallel, the VISA Infinite Debit Card was introduced for high net worth customers, offering premium privileges, exclusive discounts, and enhanced lifestyle benefits. Furthermore, in line with its sustainability agenda, the Bank introduced Visa Premium Debit Cards manufactured using recycled PVC (rPVC) material, reinforcing its commitment towards environmental responsibility and green banking practices.

To expand digital payments acceptance, the Bank rolled out Raast Person-to-Merchant (P2M) QR Acquiring, allowing merchants to be onboarded as QR-based digital payment acceptors at their business locations. Additionally, E-Commerce Acquiring and Internet Payment Gateway services were launched, enabling online merchants and platforms to accept payments via Visa, Mastercard, and UPI debit and credit cards.

The Bank also strengthened its self-service infrastructure through the deployment of 265 Cash Deposit Machines (CDMs) and 180 Cash Recyclers, enhancing accessibility and convenience for customers nationwide.

Significant enhancements were made to the myABL WhatsApp Banking platform, with the introduction of new financial and non-financial services including fund transfers, bill payments, cheque book requests, myABL Coins balance inquiry, card management and e-statement subscription. The platform was further localized with the addition of Urdu language support, improving accessibility for a wider customer base.

As part of its green banking initiatives, the Bank implemented Green Banking features within myABL, including a carbon savings calculator that reflects the environmental impact of digital transactions. Customers can also view a comparative breakdown of cash versus digital transactions, enabling them to track and enhance their contribution towards a greener future.

To simplify account onboarding, the Bank launched myPDA Asaan Account Opening with instant activation through myABL, allowing customers to open and activate accounts digitally by completing biometric verification within the mobile application. The myABL ecosystem was further enriched through integrations with leading platforms, including bookme.com, enabling customers to purchase a wide range of tickets and services. Additionally, integration with beFiler allows customers to obtain their NTN and prepare and file tax returns directly through myABL. Further empowering customers, the Bank introduced digital card limit management through myABL, enabling users to manage transaction limits across various digital channels in a secure and convenient manner.

In a landmark step towards immersive digital banking, the Bank launched a new Metaverse Branch, offering an interactive virtual environment where visitors can explore banking products and services. The platform also features entertainment zones, a virtual café, an awards wall, a corporate history timeline, and an integrated feedback mechanism.

In addition, the Bank hosted a FinTech Hackathon in collaboration with LUMS, which witnessed strong participation from the innovation ecosystem, attracting over 2,600 applications from startups and fintech. This initiative reflects the Bank's commitment to open innovation, collaboration, and digital ecosystem development.

Collectively, these initiatives underscore the Bank's continued focus on digital transformation, customer-centric innovation, sustainability, and the advancement of Pakistan's digital financial landscape.

COMPETITIVE LANDSCAPE & MARKET POSITIONING

The Bank functions within a highly competitive and rapidly transforming environment, shaped by evolving customer expectations, technological progress, regulatory reforms and ever-changing economic conditions. The Bank anticipates that rising competition within the financial services sector will continue to adjust its business performance, operational outcomes, financial positions and long-term growth prospects.

Threat of New Competition & Substitutes

Capital requirements and strict regulatory frameworks continue to shape the banking landscape. Meanwhile, FinTech and digital banks are disrupting the market with innovative, transaction-focused solutions. Together, these forces are redefining competition and customer expectations in the financial sector.

Bank's Strategy

- The Bank continues to strengthen long-term relationships by consistently delivering superior service quality, ensuring trust, satisfaction and reliability across all customer touchpoints.
- A robust suite of digital channels, including mobile and online banking, provides customers with seamless, round-the-clock access to financial services, enhancing convenience and efficiency.
- Tailored financial solutions are designed to meet the evolving requirements of individuals, businesses, and communities, reflecting the Bank's commitment to inclusivity and innovation.
- Strategic collaborations with FinTech companies enable the Bank to integrate cutting-edge technologies, expand service offerings and deliver agile, transaction-focused solutions to customers.

Customers expectations against price sensitivity

Deposit holders exercise medium to high bargaining power due to low differentiation and ease of switching. High-net-worth and corporate clients hold influence given their price sensitivity and large transaction volumes. Together, these dynamics drive the banks to innovate, customize solutions and maintain competitive offerings to retain loyalty.

Bank's Response

- The Bank designs customized products and solutions including the deployment of CRM and Big Data analysis to meet the unique needs of retail, corporate and high-net-worth clients, ensuring relevance and value.
- By investing in digital platforms, service excellence and personalized engagement, the Bank strengthens customer satisfaction and loyalty.
- Robust cybersecurity measures and secure transaction frameworks safeguard customer trust and confidence in the Bank's services.

STRONG MARKET POSITIONING

Financial Performance

The Bank has consistently demonstrated its ability to deliver strong financial results, with total assets surpassing the Rs. 3.37 trillion mark; supported by deposits of Rs. 2.34 trillion. This reflects sustained balance sheet growth and resilience.

Leveraging state-of-the-art digital technology and dynamic offerings such as the myABL App and WhatsApp Banking, the Bank continues to enhance customer convenience. With one of the lowest infection ratios, a high coverage ratio, and robust capital adequacy, the Bank is firmly positioned as a market leader.

Risk Management

The Bank strengthened its risk framework with the RAMS system for advanced credit evaluation supplemented by lowest infection ratio and robust capital buffer. Cybersecurity was enhanced through Security Operations Center upgrades, PCI DSS compliance, and ISO 27001:2022 standards. Fraud prevention measures included behavior-based threat detection and vulnerability assessments.

Service Excellence

Customer centricity remained at the core of operations, with a skilled workforce ensuring efficient transaction processing, queue management and self-service kiosks. The Bank reinforced its digital leadership through myABL Digital Banking and WhatsApp Banking, offering customers 24/7 accessibility. Continuous feedback mechanisms, including mystery shopping, surveys and the SQ&CM framework, drove service improvements.

Human Resources & Workplace Excellence

The Bank invested in people development, with 979 employees elevated through employee career path development and 95% training coverage. Over 12,300 employees participating in a wide range of learning interventions delivered through classroom, digital, and blended learning modes, while diversity initiatives raised female representation to 25.16%. Employee welfare was prioritized through loan rate reductions, gym facilities and day-care centers.

Corporate Social Responsibility

Commitment to sustainability was demonstrated through tree plantation campaigns and awareness drives including marathons. The Bank actively promoted financial inclusion through farmer and SME sessions, educating thousands nationwide. Advisory services supported customers and generated new borrowers. Under the National Financial Literacy Program, the Bank impacted 131,000+ individuals across 41 districts, strengthening awareness and access.

Awards & Recognition

The Bank's excellence was recognized globally:

- FinanceAsia Awards:
  - Best Domestic Bank
  - Best Bank for Financial Inclusion
  - Best Sustainable Bank
  - Best Bank in Most DEI Progressive Bank
  - Best Bank in Most Innovative Use of Technology
  - Best Commercial Bank - SMEs
- Euromoney Awards for Excellence awarded ABL "Pakistan's Best Digital Bank for Large Corporations"
- Euromoney Islamic Finance Awards recognised the ABL as "Pakistan's Best Islamic Digital Bank"

SWOT ANALYSIS

The Bank performs SWOT analysis to navigate the complexities of an evolving operational landscape. The Bank employs a comprehensive strategy to capitalize its inherent strengths including robust risk management to cultivate a competitive advantage. This disciplined approach enables the Bank to seize the emerging opportunities and effectively addressing potential threats.

Identifying existing strengths (where we are now)

The Bank has developed a diverse range of skills, which serves as a key strength in achieving its strategic objectives. Major strengths of the Bank include:

- Strong brand image – Serving customers for more than 8 decades.
- Total assets exceeding Rs. 3.3 trillion; large number of branches with country-wide outreach.
- Strongest possible long-term and short-term entity credit ratings of "AAA" and "A1+" respectively by Pakistan Credit Rating Agency.
- Strong capital positioning – among the highest Capital Adequacy Ratio in the industry.
- Lowest infection ratio and high coverage ratio.
- Extensive network of Branches, Automated Teller Machines (ATMs) and cash deposit machines (CDMs) with continuous enrichment by digitalization.
- One of the leading ATM / Branch Up-time in the industry.
- One of the highest ATM transactions as acquirer.
- State of the art technological platform – T24. Supported by Oracle Financials, Oracle Human Resource Management System, Oracle Financial Services Analytical Applications, use of Data Lake, Business Intelligence Dashboards & AI tools.
- Robust Risk Management framework in place, industry innovation leaders in terms of obligor assessment & technical understanding along with Environmental & Social Risk Assessment, resulting in solid asset quality.
- Growing digital banking platform catering from Corporate Business Internet Banking to Personal banking needs (myABL).
- Human capital geared towards e-banking era.
- Maintained top level of Corporate Governance rating of CGR-9++; depicting a strong commitment towards governance framework by the Board and management of the Bank.

Realizing potential opportunities (where we want to be)

The Bank highlights the potential opportunities which can be capitalized to achieve sustainable growth. Major opportunities include:

- Large number of unbanked populations; opportunity to enhance financial inclusion.
- Build and enhance market share in retail banking, remittance and trade business in untapped markets.
- Exploit opportunities to increase private sector credit; diversify interest income mix.
- Conversion in Islamic Banking niche market segment especially for low-cost funding.
- Use of Agentic AI and Artificial Intelligence (AI) to augment operational efficiency and enhance decision making process.
- Focus on low-cost deposits and enhancing deposit market share.
- Cross sell opportunities with the Bank's existing customers – deepening of relationships.
- Expansion in digital financial solution and collaboration with emerging FinTech.
- Explore new avenues to increase fee-based income including acquiring business and innovative financial products.
- Enhance green banking practices.

Assessing possible threats

The Bank conducts a thorough analysis of its internal and external operating environment to pinpoint the areas that may impact the Bank's ability to achieve its strategic objectives. Notable threats having potential impact are as under:

- Data governance, standardization and information security challenges and threats – Cyber risks.
- Rising compliance related cost amidst anti money laundering and combating financing of terrorism requirements.
- Economic challenges leading to possible adverse impact on credit off take and loan repayments
- US$-PKR parity – prospects of devaluation, higher tax regime and increasing cost of doing the business.
- Growing competition from emerging Digital Banks and non-banking entities such as FinTech may disrupt traditional brick and mortar banking system due to convenience and efficiency.

Addressing areas of improvement

The SWOT analysis serves as a strategic planning framework that enables the Bank to identify and prioritize key areas for improvement, including cost optimization, efficient deployment of earning assets, and expansion of market share. By addressing these dimensions, the Bank strengthens its competitiveness and resilience in pursuing its strategic objectives. These focus areas are systematically integrated and monitored across all levels of the organization, forming an essential component of the Bank's Rolling Strategic Plan.

SENSITIVITY ANALYSIS

The Pak Rupee remained relatively stable during the year and, on year-on-year basis, it depreciated by around 0.56% against US Dollar in the Inter Bank Exchange Market.

Foreign Exchange Risk exposes the Bank to changes in the value of exposure denominated in foreign currencies due to the exchange rate fluctuations and volatility. The types of the instruments exposed to this risk are mainly investments in foreign branches, advances and deposits denominated in foreign currency, cash flows in foreign currencies arising from foreign exchange transactions, etc.

The Bank monitors different limits like Foreign Exchange Exposure Limit (FEEL), Currency-Wise Limits, NOSTRO Limits and intra-day Net Open Position for effective risk management.The Bank also conducts stress testing of the foreign exchange, equity and fixed income portfolio which is reviewed by the Bank's senior management and Board Risk Management Committee (BRMC).

The Bank's Foreign Exchange Risk is largely mitigated by following a matched funding policy, whereas, for any mismatched exposures, the Bank utilizes appropriate derivative instruments such as Forwards and Swaps. The Bank maintains adequate regulatory capital to cover against foreign exchange risk.

ALLIED WAREHOUSE FINANCING









ENABLING PROSPERITY



Long Term Credit Rating

AAA

Short Term Credit Rating

A1+

(By Pakistan Credit Rating Agency)

Corporate Governance Rating

CGR 9++

(By VIS Credit Rating Company)

CORPORATE GOVERNANCE

MANAGEMENT TEAM



Aizid Razzaq Gill
Chief Executive Officer



Sarah Naeem
Executive Director



Owais Shahid
Chief Corporate & Investment Banking



Ahmad Faheem Khan
Chief Treasury



Abid Anwar
Chief Commercial & Retail Banking (North)



Jamil Khan
Chief Commercial & Retail Banking (South)



Mujahid Ali
Chief Technology & Digital Transformation



Shahid Amir
Chief Islamic Banking



Khurram Ali Syed
Chief Human Resources



Zubair Sharif
Chief Banking Services



Mohsin Mithani
Chief Digital Banking



Nauman-ul-Haq Qureshi
Chief Information Technology



Moin Khalid
Chief Risk Management



Muhammad Atif Mirza
Chief Financial Officer



Asif Bashir
Chief Special Assets Management



Tariq Mehmood Shahid
Chief Compliance



Imran Maqsood
Chief General Services & Real Estate



Adeel Javaid
Chief Corporate
Affairs / Company Secretary



Shaffa Hussain
Chief Audit & Risk Review

MANAGEMENT TEAM

Sarah Naeem

Executive Director

Ms. Sarah Naeem is an Executive Director and Board Member of the Bank. She is part of the next generation of leadership within the Ibrahim Group and is actively involved across banking, industrial manufacturing, and strategic transformation initiatives.

She also serves as a Director at Ibrahim Fibres Limited, a leading polyester fibre and yarn manufacturer with integrated power generation and advanced automation capabilities. Within the Group, she works closely on strategy, branding, sustainability, and long-term institutional positioning across both industrial and financial services businesses.

Owais Shahid

Chief Corporate & Investment Banking

He is a seasoned banker and joined ABL in 2005 and also served on various Boards as nominee Director. His portfolio includes Financial Institutions & International Banking, Corporate & Investment Banking, Capital Markets, Emerging Corporates and Home Remittances. His qualifications include BBA (Hons) & MBA from IBA, Karachi and Chartered Financial Analyst from CFA Institute, USA.

Ahmad Faheem Khan

Chief Treasury

He has been with ABL since January 2008 and has over 29 years of experience in the banking sector. He holds a Master's Degree in Commerce, qualified from CIMA (U.K.) and is member of Institute of Cost & Management Accountants of Pakistan. His pragmatic approach coupled with a strong commitment to prudent risk management has transformed ABL treasury into an active and effective team in the banking industry.

Abid Anwar

Chief Commercial & Retail Banking (North)

A seasoned professional with over 33 years experience in Commercial and Corporate Banking with diversified portfolio of Deposits, SME/Corporate Finance and Trade. He started his career in 1992 and served Bank of Punjab, MCB and Faysal Bank before joining Allied Bank in 2007. He has an MBA degree with major in Finance. He has also attended various International and Domestic professional trainings/ certifications programs.

Jamil Khan

Chief Commercial & Retail Banking (South)

A seasoned banker with banking experience of more than 30 years. Mr. Jamil after completion of his MBA – Finance from Peshawar University started his career in 1995 and served in MCB bank and Habib Bank before joining Allied Bank in 2008. During his professional career at the Bank, he has attended various international and domestic trainings.

Mujahid Ali

Chief Technology and Digital Transformation

A seasoned professional with over three decades of diverse experience in Business Process Reengineering, IT Planning and Development, Project Management, and Systems Implementation. Joining Allied Bank in 2008 as Chief Information Technology, he brought a deep understanding of banking processes and exceptional problem-solving skills.

Under his leadership, the Bank successfully transitioned from traditional banking systems to robust, cutting-edge IT solutions. Currently spearheading the Bank's digital transformation journey, he is leveraging Big Data, Artificial Intelligence, and Blockchain technologies to redefine customer experiences and drive the organization into the digital era.

Shahid Amir

Chief Islamic Banking

He is a seasoned banker with over 37 years of experience in Business and Banking Operations. He holds an MBA, along with diplomas in Islamic Banking and Total Quality Management, and has completed various professional training programs from prestigious domestic and international institutions. He began his career in 1989 with BCCI and spent 16 years at Askari Bank, focusing on branch banking business and operational management. Since joining Allied Bank in 2008, he has taken on key responsibilities, contributing to various areas of banking and operations.

Khurram Ali Syed

Chief Human Resources

He brings extensive cross-functional leadership expertise spanning over 24 years in areas of human resources, audit, banking operations, and enterprise transformation. Blending financial acumen with a people-centric leadership approach, he strengthens operational discipline, enhances organizational alignment, and supports sustainable business growth. He is fellow member of Institute of Chartered Accountants of Pakistan (ICAP) and is associated with the Bank since 2008.

Zubair Sharif

Chief Banking Services

A seasoned banker with banking experience of more than 30 Years. After completion of his M.Sc. Statistics from University of the Punjab, he started his career in 1996. He joined Allied Bank in 2006 and has multi-dimensional banking experience in areas like Corporate Banking, Consumer Banking, Trade Finance, Branch Banking / Operations, Policy / Procedures, Digital Transformation, Customer Experience & Customer Journey mapping during his stay at various banks.

Mohsin Mithani

Chief Digital Banking

He is an accomplished digital banking expert with a rich experience of over 25 years. He possesses expertise in digital transformation, payment ecosystems, data monetization, big data insights, and artificial intelligence, all contributing to enhanced customer experience.He holds Bachelor degree in Computer Science from FAST - Karachi, MBA in Finance & Marketing and distinguished certifications from the University of Virginia, USA and Amazon.

Nauman-ul-Haq Qureshi

Chief Information Technology

With over 25 years of extensive experience in software development, IT implementation, and digital transformation, the Chief Information Officer of Allied Bank has been a driving force behind the bank's technological evolution. Since joining the bank in 2006, he has played a pivotal role in transitioning from legacy systems to a modern, centralized Core Banking System, ensuring scalability, security, and operational efficiency. He holds an MS in Computer Science and an MS in Software Project Management from renowned institutions, reflecting his strong technical acumen and strategic leadership in the IT domain.

Moin Khalid

Chief Risk Management

He has over 25 years of multifaceted experience in the field of risk, credit analysis, finance, strategic planning, consultancy and assurance services. Prior to joining Allied Bank in 2009, he has worked at a senior position at The Pakistan Credit Rating Agency – PACRA. He is a fellow member of the Institute of Chartered Accountant of Pakistan. He has played an integral role in implementation and enhancement of various automated systems for oversight of the Bank's spectrum of risk-taking and control activities.

Muhammad Atif Mirza

Chief Financial Officer

He is a seasoned professional and carries diverse experience of more than 26 years at leadership positions in industry, profession and banking. His areas of expertise include financial and strategic planning, fiscal reporting, taxation, budget monitoring, audit, and structural transformation. He is fellow member of the Institute of Chartered Accountants of Pakistan and has attended various domestic and international conferences and leadership trainings.

Asif Bashir

Chief Special Assets Management

He is a seasoned banker with over 35 years of diversified experience in the banking industry. Holding an MBA in Finance, he has attended various banking and management programs at both local and international institutions. His areas of expertise include Public Sector Lending, Corporate Banking, Trade Finance, Special Assets Management, International Remittances, and Retail & Commercial Banking. He began his banking career with HBL in 1990, where he last served as Head of Public Sector, CIBG, before joining Allied Bank Limited in 2005. He has also served as Nominee Director on the Boards of various organizations.

Tariq Mehmood Shahid

Chief Compliance

He carries more than 25 years of diversified Commercial Banking and Central Bank experience. He has been associated with Allied Bank for more than 19 years and his professional journey encompasses key roles in Audit, Investigations, Compliance, Anti-Money Laundering and Counter Financing of Terrorism. He is a member of Institute of Cost & Management Accountants Pakistan and also holds certifications from AAOIFI, Oracle and Microsoft.

Imran Maqsood

Chief General Services & Real Estate

He has a diverse experience of more than 33 years within banking sector. He has done his MBA and is also an Associate Member of the Institute of Bankers of Pakistan (IBP). He also holds international certifications from Institute of Internal Auditors and Information Systems Audit & Control Association USA. He possesses expertise in the areas of banking operations, regulatory oversight, audit, compliance and general banking services. He started his professional career in 1993 from State Bank of Pakistan and is associated with Allied Bank since 2005.

Adeel Javaid

Chief Corporate Affairs / Company Secretary

He is a Fellow member of Institute of Chartered Accountants of Pakistan (ICAP) with more than 19 years of diverse experience in the fields of Financial and Industrial Management. He started his professional career from industrial manufacturing sector in 2007 before joining Allied Bank in 2016. He represents Bank at the Management Association of Pakistan and also serves as a Director on the Board of ABL Exchange (Private) Limited.

Shaffa Hussain

Chief Audit & Risk Review

He is an experienced professional having more than 25 years of banking experience. He has worked with State Bank of Pakistan, Habib Bank Limited and Bank Al-Habib. He is associated with Allied Bank Limited since 2008. He holds a Master's degree in Banking & Finance from Monash University, Australia and MBA from University of Peshawar. His professional qualifications include Certified Internal Auditor from Institute of Internal Auditors, USA and DAIBP from Institute of Bankers, Pakistan.

GROUP STRUCTURE

Ibrahim Holdings (Private) Limited

Ibrahim Holdings owns **90% shares** of Allied Bank Limited

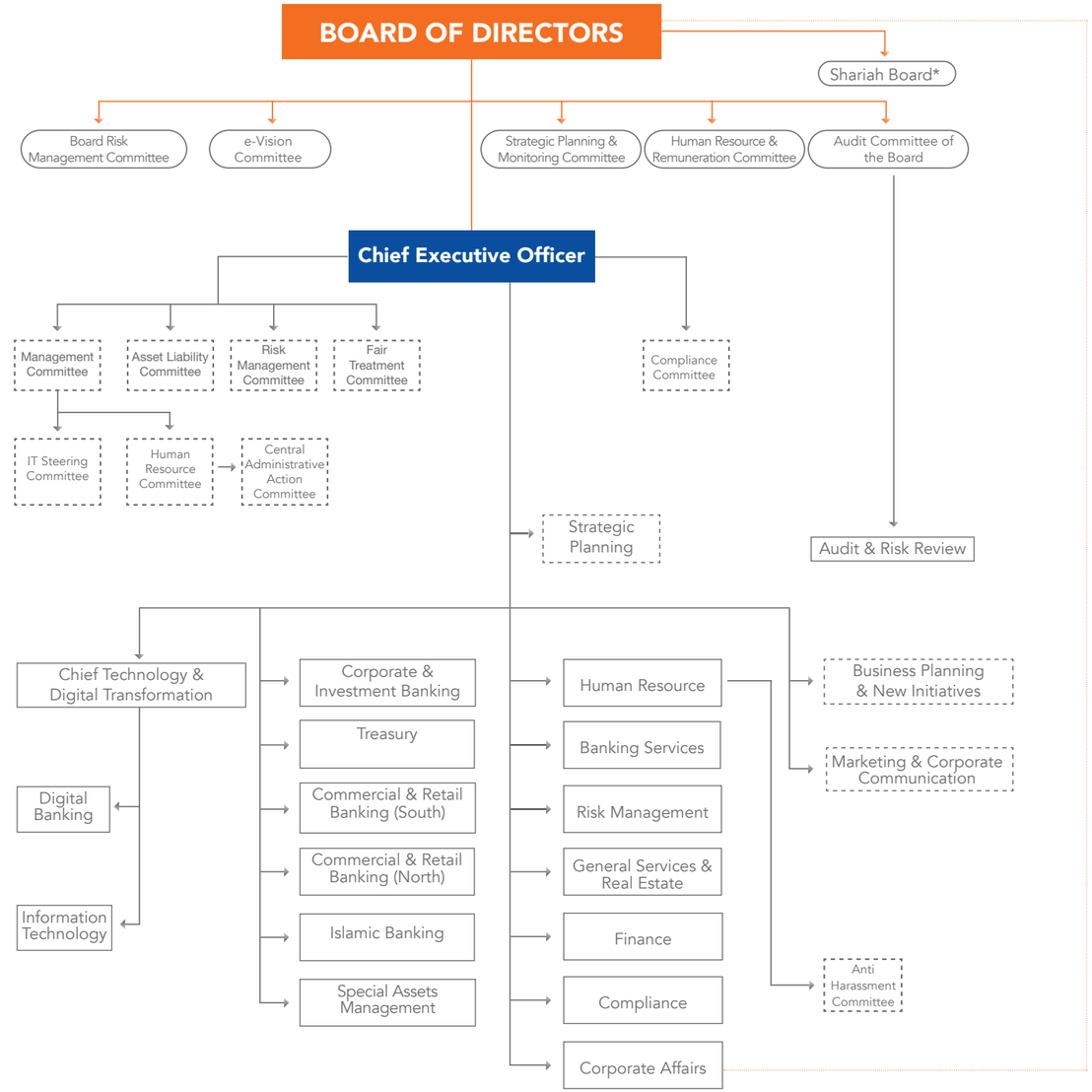
Allied Bank Limited (ABL)

ABL Holds **100% beneficial** ownership of ABL Asset Management Company Limited (ABL-AMC) and ABL Exchange (Private) Limited

ABL Asset Management Company Limited (ABL-AMC)

ABL Exchange (Private) Limited

CORPORATE STRUCTURE



* Independent Shariah Board oversees Islamic banking operations

BOARD COMMITTEES

Audit Committee of the Board

Constitution:

Muhammad Kamran Shehzad - Chairman - **Nazrat Bashir** - Member - **Mian Ikram Ul Haq** - Member

Terms of Reference

The Audit Committee of the Board (ACOB) is responsible for assessing the adequacy of measures taken by management to safeguard the Bank's assets. It reviews financial statements, focusing on key judgmental areas, significant adjustments, the going concern assumption, changes in accounting policies, and compliance with statutory and regulatory requirements, including related party transactions.

The Committee recommends the appointment of external auditors and coordinates with them to fulfill statutory obligations and the requirements of the Code of Corporate Governance. It is responsible for evaluating the effectiveness of the internal control system, including financial and operational controls, and ensuring an adequate reporting structure.

The Committee supports the Board of Directors in establishing a clear 'tone at the top' by promoting strong ethical practices, a robust control environment, and effective policies, procedures, and technological systems. It regularly reviews the status of Internal Controls over Financial Reporting (ICFR), the State Bank of Pakistan (SBP) Inspection Report, external auditors' management letters, and weaknesses identified through internal audit.

Additionally, it ensures that an independent and effective internal audit function is in place.

Board Risk Management Committee

Constitution:

Nazrat Bashir* - Chairperson - **Zafar Iqbal** - Member - **Sarah Naeem**** - Member - **Aizid Razzaq Gill** - Member

* **Ms. Nazrat Bashir appointed as Chairperson w.e.f. 05.01.2026 in place of late Sheikh Mukhtar Ahmad.**

** **Ms. Sarah Naeem appointed as member w.e.f. 05.01.2026.**

Terms of Reference

The Board Risk Management Committee (BRMC) is responsible for monitoring management's adherence to risk policies, frameworks, and asset product programs, and for evaluating the Bank's changing risk profile. It defines the Bank's Risk Acceptance Criteria (RAC) and oversees the development of risk management principles that enhance stakeholder confidence.

The Committee reviews the quality of the asset portfolio, recommends strategies to reduce infected assets, and approves risk limits for credit, market, and operational risks. It also approves the credit approval matrix, write-offs, and the acquisition and resale of properties in settlement of Non-Performing Loans (NPLs).

It reviews and approves the acquisition, development, and upgrading of Risk Management Systems, excluding Information Security (InfoSec) Systems. The Committee oversees various risk-related functions, including the Asset Liability Committee, Risk Management Committee, Compliance Committee, Risk Management, Special Asset Management and Compliance Group.

BRMC reviews multiple risk reports such as loss events, interest rate risk reports, stress testing results, and updates on NPLs and provisions. It also monitors compliance with Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT), and Countering Proliferation Financing (CPF) requirements, including risks identified through the National Risk Assessment.

As the Bank's Sustainability Committee, it oversees sustainability-related risks, strategies, and initiatives. BRMC also reviews and recommends the Internal Capital Adequacy Assessment Report (ICAAP), Financial Stability Recovery Plan (FSRP), and the Business Continuity Planning (BCP) Activity Report to the Board on an annual basis.

e-Vision Committee

Constitution:

Mohammad Naeem Mukhtar - Chairman - **Muhammad Waseem Mukhtar** - Member - **Muhammad Kamran Shehzad** - Member - **Aizid Razzaq Gill** - Member

Terms of Reference

The e-Vision Committee reviews and recommends Information Technology (IT), Information Security, and Digital Banking policies, frameworks, and product programs to the Board of Directors. It provides strategic direction for digital transformation to improve customer experience and strengthen internal controls.

The Committee evaluates and recommends strategic plans related to IT, Information Security, and Digital Banking, including the automation of processes and alternate digital channels. It offers insights on international digital banking trends relevant to the Bank's goals.

It oversees the IT Steering Committee, the IT Group, and the Digital Banking Group. The Committee monitors cybersecurity risk assessments, resilience strategies, and recovery planning against disruptions such as cyberattacks.

It also approves the acquisition, replacement, or upgrading of core technologies and outsourcing arrangements related to IT, Digital Banking, and cloud-based services. Furthermore, the Committee reviews Service Level Agreements (SLAs), information security awareness programs, and the Cybersecurity Action Plan, in accordance with the Bank's Information Security Policy.

Strategic Planning & Monitoring Committee

Constitution:

Muhammad Waseem Mukhtar - Chairman - **Zafar Iqbal** - Member - **Nazrat Bashir** - Member - **Aizid Razzaq Gill** - Member

Terms of Reference

The Strategic Planning & Monitoring Committee (SPMC) reviews the Bank's medium to long-term strategic plans, operational plans, and budgets prior to submission to the Board of Directors.

It monitors progress against approved plans and authorizes capital expenditures exceeding Rs. 30 million and donations from Rs. 1 million and upto Rs. 5 million. It approves the disposal and write-off of fixed assets as per the Expenditure Policy, and write-offs for other non-loan assets from Rs. 1.5 million and upto Rs. 5 million.

The Committee assists the Board in corporate development activities and strategic initiatives, including mergers, acquisitions, alliances, joint ventures, and divestitures. It also reviews Customer Service Standards and Service Quality, and oversees the Management Committee, the Fair Treatment of Customers Committee, and all business groups of the Bank.

Additionally, the Committee reviews and recommends policies, product programs, and frameworks that do not fall under the Terms of Reference of any other Board Committee.

Human Resource & Remuneration Committee

Constitution:

Mian Ikram Ul Haq - Chairman - **Muhammad Waseem Mukhtar** - Member - **Zafar Iqbal** - Member - **Aizid Razzaq Gill** - (Permanent Invitee)

Terms of Reference

The Human Resource & Remuneration Committee (HR&RC) defines the organizational structure and functional responsibilities across the Bank. It approves staff strength, key appointments, salary adjustments, bonuses, and special allowances.

It recommends to the Board of Directors matters relating to the appointment, compensation, and performance evaluation of key officers, including the Chief Financial Officer and Company Secretary. The Committee oversees training and development budget utilization and policy implementation.

It nominates Bank's Directors and executives to the boards of subsidiaries and any other companies, and recommends remuneration and HR policies for both employees and directors. It monitors the Human Resource function and HR Committee performance and ensures a fair and transparent remuneration system that supports a pay-for-performance culture.

It is also responsible for recommending the appointment and contract renewal of Shariah Board Members to the Board.

BOARD OF DIRECTORS' AND BOARD COMMITTEES' ATTENDANCE FOR THE YEAR 2025

Name	Board of Directors	Audit Committee of the Board	Board Risk Management Committee	Strategic Planning & Monitoring Committee	e-Vision Committee	Human Resource & Remuneration Committee
Mohammad Naeem Mukhtar	5/5	x	x	x	4/4	x
Sheikh Mukhtar Ahmad*	1/3	x	0/3	x	x	x
Muhammad Waseem Mukhtar	5/5	x	x	12/12	2/4	4/4
Zafar Iqbal	5/5	x	4/4	12/12	x	4/4
Nazrat Bashir	5/5	5/5	4/4	12/12	x	x
Muhammad Kamran Shehzad	5/5	5/5	x	x	4/4	x
Mian Ikram Ul Haq	5/5	5/5	x	x	x	4/4
Aizid Razzaq Gill (CEO)	5/5	x	4/4	11/12	4/4	x
Total number of Meetings held as on December 31, 2025	**5**	**5**	**4**	**12**	**4**	**4**

**Late Sheikh Mukhtar Ahmad passed away on 10.10.2025.*

BOARD MEETINGS HELD OUTSIDE PAKISTAN

None of the Board meeting was held outside Pakistan during the year.

OUR GOVERNANCE PHILOSOPHY

BOARD COMPOSITION

The Board of the Bank comprises of 8 directors which includes 3 Non-Executive Directors, 3 Independent Directors and 2 Executive Directors. The composition of the Board of Directors is as follows:

Category	Names
Non-Executive Directors	Mohammad Naeem Mukhtar
	Muhammad Waseem Mukhtar
	Zafar Iqbal
Independent Directors	Nazrat Bashir
	Muhammad Kamran Shehzad
	Mian Ikram Ul Haq
Female Director	Nazrat Bashir
Executive Directors	Sarah Naeem*
	Aizid Razzaq Gill (Chief Executive Officer)

* Co-opted with effect from January 05, 2026 in place of Late Sheikh Mukhtar Ahmad.

The profile of each Director including engagement in other entities is given in the Board of Directors area under Overview section.

The Board of Directors has formed five Committees of the Board to assist the Board in discharging its fiduciary responsibilities. The detail of Committees of the Board including the Members and Terms of References are disclosed in Board Committees section.

Independent Directors and their Independence

The Board has three (03) Independent Directors who meet the criteria of Independence under the Companies Act, 2017 and directives issued by the State Bank of Pakistan (SBP).

Casual Vacancy on the Board of Directors:

Ms. Sarah Naeem has been appointed as an Executive Director from January 05, 2026 in place of Late Sheikh Mukhtar Ahmad, Non-Executive Sponsor Director.

Modus Operandi of the Board of Directors

The Board of Directors of the Bank carry out its fiduciary duties in compliance with the regulatory requirements and Articles of Association of the Bank, with a sense of objective judgment and independence in the best interests of the Bank and its stakeholders. The Board takes decisions for good governance, financial performance and sustainability of the Bank.

The Board approves policies and ensures their implementation as required under laws and regulations. The Board also approves and monitors the objectives, strategies and overall business plans on long term and yearly basis and oversees that the affairs of the Bank are carried out prudently within the framework of laws, regulations and business ethics.

The Board focuses in achieving the Bank's vision through holistic, integrated, consultative and coordinated approach. For this and to strengthen governance mechanism and oversight, the Board has formed following specialized Committees with well-defined objectives, responsibilities and tenure. These Committees support the Board in various important areas with a focus on strategic planning, risk & compliance management, technology, human resource, audit and internal control:

i. Strategic Planning and Monitoring Committee
ii. Board Risk Management Committee
iii. e-Vision Committee
iv. Human Resource and Remuneration Committee
v. Audit Committee of the Board

As part of the overall stewardship responsibility, the Board and its Committees do not take part in the Bank's day-to-day affairs which is mandate of the Management.

Chief Executive Officer performs a key role in managing the day-to-day affairs of the Bank and ensures that the policies approved by the Board of Directors are effectively implemented.

Chief Executive Officer is responsible for all matters affecting the operations, performance and strategy of the Bank not otherwise expressly reserved to the Board of Directors. He is also responsible for the leadership of the business and for managing overall affairs within the responsibilities delegated by the Board of Directors.

Review report by the Chairman on overall performance of the Board

The Bank has formalized an in-house approach with quantitative techniques and evaluation by an external independent evaluator every three years for reviewing the Board of Directors' overall performance including performance of Chairman of the Board, individual Directors including Chief Executive Officer and Board Committees as per the requirements set out in the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulation, 2019, SBP Corporate Governance Regulatory Framework and SBP guidelines on performance evaluation of Board of Directors.

Board of Directors is committed to enhance shareholders' value while continuing to transform the Bank to cater the evolving needs of the Bank's valued customers. The Bank's Board of Directors is also committed in carrying out its duties diligently and professionally while maintaining focus on sustainable growth of the Bank.

Annual Evaluation of Board, Committees and Individual Directors' Performance

Board composition is a significant contributing factor to the performance of Board of Directors. An appropriate experience, skill-mix and competencies are crucial for the effective functioning of the Bank. The Board of Allied Bank Limited comprises of 8 Directors including 3 Non-Executive Directors, 3 Independent Directors and 2 Executive Directors, thus bringing vast experience in diverse fields, appropriate skillset, independence and diversity. The Board of Directors is assisted by five Board Committees. The rationale of Board Committees is to enhance the efficiency and share the workload of the Board.

Performance evaluation of Board of Directors, Committees, Chairman Board, Individual Members and CEO is imperative to determine their strengths and weaknesses in order to increase their overall effectiveness and to ensure the compliance with the responsibilities under The Companies Act 2017, Banking Companies Ordinance 1962, SBP's Prudential Regulations, Corporate Governance Regulatory Framework, Listed Companies (Code of Corporate Governance) Regulations, 2019 and other laws and regulations.

In order to comply with the requirement of the Code of Corporate Governance Regulations, the Board of Directors, in the year 2014, put in place an effective mechanism for the evaluation of Board of Directors. Subsequently, SBP issued detailed Guidelines on Performance Evaluation of Board of Directors.

As per these Guidelines, Board decided to opt for in-house approach with quantitative techniques and evaluation by an external independent evaluator every three years.

As per approved mechanism, performance evaluation of following categories is conducted:

I. Overall Board of Directors
II. Chairman of Board of Directors
III. Sponsor Directors
IV. Independent Directors
V. Other Non-Executive Directors
VI. Board Committees
VII. Chief Executive Officer

Criteria for Annual Evaluation of Performance

The Bank uses SBP criteria for in house annual performance evaluation of Overall Board of Directors, Chairman, Members of the Board, Board Committees and CEO. Following are the main attributes of the performance evaluation criteria:

Category	Particulars
Overall Board of Directors	• Responsibilities • Composition • Structure and Committees • Working Procedures • Duties and Liabilities
Chairman	• Effective Leadership • Relationship with other Members, Management and shareholders • Conflict Resolution • Promoting constructive debate and effective participation in decision making • Shareholders' confidence in Board
Members of the Board	• Attendance at the Meetings • Contribution at Board / Committee Meetings • Commitment to the Bank • Relationship with other Members and Management • Integrity and Confidentiality
Board Committees	• Size, Structure and Skillset of Committees • Performance against Terms of Reference • Frequency of Committee Meetings • Open communication and meaningful participation of Members
CEO	• Performance against Financial / Business Targets set by the Board • Leadership Qualities • Communication with Stakeholders

The responses and feedback from the directors on each of the above-mentioned categories (except Chairman) was compiled and submitted to the Chairman enabling him to discuss the results and findings with each individual member of the Board of Directors, if needed.

The authorized independent director communicates the feedback in respect of the Chairman Board of Directors to the Company Secretary for incorporation in the consolidated performance report.

Consolidated results of Board Evaluation along with Performance Report and actionable plan was placed before Board of Directors for review and consideration in its 279th meeting held on February 17, 2026. The Board of Directors noted the contents of Board of Directors Annual Evaluation for the year 2025 and expressed its satisfaction on the results.

Board of Directors' Performance Evaluation Carried Out by External Consultant

An external evaluation is being carried out once in every three years to further augment the process with evaluation findings through independent source for continuous improvement and refinement. An independent external evaluation was arranged for the year 2024 and next such independent evaluation will be carried out for the year 2027.

Directors' Training Program

All the Members of the Board of Directors are required to attend Directors Training Program as provided in Securities and Exchange Commission of Pakistan's Listed Companies (Code of Corporate Governance) Regulations, 2019, and Corporate Governance Regulatory Framework 2021 issued by the State Bank of Pakistan.

OUR GOVERNANCE PHILOSOPHY

The Board of Directors is fully adhered to the Directors training arrangements under the regulations.

The following Directors have attended Directors Training Program from Securities and Exchange Commission of Pakistan's approved institutions:

1. Mr. Muhammad Waseem Mukhtar
2. Mr. Zafar Iqbal
3. Ms. Nazrat Bashir
4. Mr. Mian Ikram Ul Haq
5. Mr. Muhammad Kamran Shehzad
6. Ms. Sarah Naeem
7. Mr. Aizid Razzaq Gill

Mr. Mohammad Naeem Mukhtar is exempted from Directors' training Certification requirement due to his educational qualification and experience.

Directors' Orientation Program

The Bank has put in place a formal procedure to make appropriate arrangements to carry out orientation of the Directors to acquaint them with the Code of Corporate Governance Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the Bank. Members of the Board of Directors were regularly updated on changes in law and regulations and important news relating to financial sector and economic environment of the Country.

Board's Remuneration Policy

The Bank's Board Remuneration Policy, formulated in accordance with SBP's guidelines, was approved by Bank's Shareholders. The scale of remuneration to be paid to Chairman of the Board of Directors and Non-Executive Directors including Independent Directors (excluding CEO and Executive Directors) for attending the Board and its Committees meetings is determined keeping in view the responsibilities, governance structure and expertise, in accordance with the approved policy.

Appointment, terms & condition and remunerations of CEO and any other Executive Director(s), being employee(s) of the Bank, is determined as per Human Resource Policy of the Bank.

Full scope review of policy is on the agenda of 80th AGM of the Bank to be held on March 30, 2026.

The salient features of the Board's Remuneration Policy are, as under:

- No Director is involved in deciding his/her own remuneration.
- No fee is paid if any of the Directors does not attend a meeting. Similarly, fee is not paid for the proposals considered through circulation.
- The administrative expenses pertaining to the office and staff allocated to the Chairman of the Board of Directors are determined rationally.
- Directors may be provided with certain facilities incidental to the performance of their role as Members of the Board of Directors depending on the need and as approved by the Board of Directors.

Policy for Nomination on the Board of Directors of other Companies

Board's Human Resource and Remuneration Committee approves nomination of the Bank's Executives and Directors on the Board of other Companies on behalf of the Bank. Nominee Directors are advised to surrender the fee paid by the said companies for attending the Board and Board Committee meetings to the Bank.

Security Clearance of Foreign Directors

Foreign Directors, if any, elected on the Board of Directors requires security clearance from the Ministry of Interior Affairs through Securities and Exchange Commission of Pakistan. Currently, there is no foreign Director elected on the Board of the Bank.

Executive Directors and their Directorship

Ms. Sarah Naeem, Executive Director is also Board Member of Ibrahim Fibres Limited.

Mr. Aizid Razzaq Gill, being CEO, is serving as a Non-Executive Director on the Board of ABL Asset Management Company Limited. He is also the Bank's Representative on the following forums:

1. Management Association of Pakistan (MAP) – Representative.
2. Pakistan Business Council (PBC) – Alternate Representative
3. Pakistan Banks Association – Member Executive Committee

Roles and Responsibilities of the Chairman of the Board of Directors and the Chief Executive Officer

The respective roles and responsibilities of the Chairman of the Board of Directors and Chief Executive Officer are defined by the Board of the Directors in accordance with the guidelines of the Companies Act, 2017, Code of Corporate Governance and laws and regulations presently in vogue. The Bank being rated with very high Corporate Governance Rating 9++ has ensured that respective roles and responsibilities are clearly defined, communicated and practiced. However, for the purpose of information to the stakeholders these are summarized hereunder:

Roles and Responsibilities of the Chairman of the Board of Directors

The Chairman of the Board of Directors is responsible for leadership of the Board and ensures that the Board plays an effective role in fulfilling its responsibilities. The Chairman plays a leading role in defining the "Vision" and "Mission" statements of the Bank and ensuring the implementation of the same by developing strategies through the Board of the Directors. The roles and responsibilities of the Chairman of the Board of Directors encompasses:

Strategic Direction of the Bank

Ensuring that the Board of Directors plays its role in setting the Bank's strategies and policies and monitoring that these strategies and polices are implemented by the Chief Executive Officer and the Management team.

Responsibility towards members of the Board of Directors

The Chairman of the Board of Directors shall, at the beginning of term of the Board, issues letter to each director setting out their role, obligations and responsibilities in accordance with the Companies Act, 2017 and the Bank's Articles of Association including their remuneration and entitlement

Meeting of the Board of Directors and General Meeting

Convening and setting the agenda of the meetings of the Board of Directors and ensuring that all the significant issues are placed before the Board of Directors in a timely and accurate manner, presiding over the Board of Directors and General meetings and ensuring that adequate time is given to the agenda items and proper minutes of the meetings are kept in record in accordance with the requirements of the Companies Act, 2017.

Meeting the Regulatory and Legal Requirements

Promoting the best corporate governance practices particularly at Board of Directors level and ensuring that the Board of Directors is functioning effectively in accordance with the applicable laws, regulations and rules.

Roles and Responsibilities of the Chief Executive Officer

Chief Executive Officer plays a pivotal role in implementing the Board of Directors vision, strategic and business plans. Chief Executive Officer leads the management in day-to-day operations of the Bank in accordance with the roles and responsibilities vested by the Board of Directors. The roles and responsibilities of Chief Executive Officer encompasses:

- Implement the strategies and policies approved by the Board of Directors in pursuit of the Bank's vision.
- Place all significant issues in a timely and accurate manner before the Board of Directors for information, consideration and decision.
- Conduct day-to-day affairs of the Bank in accordance with the business norms and approved procedures, promote highest standards of corporate governance and compliance with applicable laws, regulations and rules.
- Maintain effective communication with all the stakeholders including Board of Directors, Shareholders, Employees, Customers and Regulatory bodies.
- Develop performance standards both quantitative and qualitative for the management and monitoring performance there against.

Board's commitment to establish high level of ethics and compliance:

In line with the Bank's commitment to strong corporate governance and a robust compliance culture, it is ensured that all applicable laws, regulations, and banking industry standards are strictly adhered to, with a focus on regulatory compliance, risk management, and ethical business practices.

The Bank is fully devoted to nurturing a culture of integrity, transparency and accountability. All policies that constantly strengthen internal controls and compliance mechanisms/ systems are in place to ensure that Bank's operations meet the highest ethical standards and risks are managed effectively. The Board regularly review the policies and procedures to align with evolving regulatory requirements and best governance practices.

A comprehensive Code of Conduct has been established to serve as the cornerstone of Bank's ethics and compliance framework. This Code defines ethical expectations for directors, senior management, and employees. It promotes Environmental Social & Governance - ESG practices, ethical decision-making, and compliance with integrity and respect.

The Board aims to create an environment where ethical decision-making and compliance are deeply ingrained in its culture, ensuring sustainable long-term trust and stability for its stakeholders and employees.

Board of Directors Statement on Review of Adequacy of System of Internal Control

The Board of Directors fully endorses the adequacy of system of internal controls as detailed in Statement of Internal Control duly signed by Chief Executive Officer.

Chairman's Significant Commitments

The significant commitments of the Chairman are mentioned in Directors' Profile section of the annual report.

External Oversight of Functions

Banks need to have robust governance arrangements to ensure sound and effective decision making and functioning. Oversight is a critical governance function and is being performed by the Board of Directors, Committees and also through External Specialists.

Oversight refers to the action taken to review and monitor public interest companies and their policies, plans, functions and procedures to ensure that they:

- are achieving expected results
- represent good value for money
- are in compliance with applicable policies, laws, regulations and ethical standards

External Oversight at the Bank

The Bank regularly undertakes external oversight assignments of its systems and various functions through external specialists as per regulatory requirements and otherwise, to assess the efficacy of their operations and security of the IT assets. Notable oversight assignments carried out during recent years are as under;

- Development of Information Security Risk Management Program aligned with SBP regulations & guidelines and global best practices
- Review and Validation of ECL Model under IFRS 9
- External Assessment of the Bank's Internal Audit Function to review compliance with the requirements of SBP guidelines and International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA)
- Validation and Back Testing Process of Obligors' Risk Rating Models
- Assessment of e-CIB Data Reporting Mechanism
- External Penetration Testing exercise
- PCI DSS (Payment Card Industry Data Security Standard) compliance assessment

The results of these oversight assignments are shared with management for calibrations of existing processes and systems to address any associated operational, technological or reputational risk

Authorization of Financial Statements

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the financial statements were duly endorsed by the Chief Financial Officer and Chief Executive Officer before circulating these for consideration and approval of the Board of the Directors.

These annual financial statements were authorized for issue on February 17, 2026 by the Board of Directors of the Bank.

Presence of the Chairman of Audit Committee of the Board at Annual General Meeting

Chairman of Audit Committee of the Board attended 79th Annual General Meeting held on March 24, 2025 to answer questions on the activities and matters within the scope of Audit Committee of the Board's responsibilities.

Appointment of Non-Executive Directors through an External Search Consultancy

The selection of independent directors as members of the Bank's Board of Directors is carried out from a list maintained by the Pakistan Institute of Corporate Governance (PICG) under the Companies (Manner and Selection of Independent Directors) Regulations, 2018. Non-Executive Directors are elected through election of Directors at the General Meeting. The last election took place in the year 2024. No external search consultancy services were obtained for appointment of the Non-Executive Directors, at the time of election.

Key Governance Practices

- The Board of Directors comprises of an appropriate mix of Directors in terms of experience, competence and financial acumen.
- Seven members of the Board of Directors are certified directors, whereas, one director is exempted from the requirement based on his qualification and experience.
- Three members of the Board of Directors are independent directors.

- Board of Directors has constituted five Board committees to assist in the governance of the Bank i.e., Audit Committee, e-Vision Committee, Board Risk Management Committee, Strategic Planning & Monitoring Committee and Human Resource & Remuneration Committee.
- Corporate Governance rating of the Bank also depicts a strong commitment towards governance framework by the Board of Directors and management of the Bank.

Governance Practices exceeding Legal Requirements

The Bank is fully committed in inculcating the best Corporate Governance practices throughout the organization and accordingly has been awarded with Corporate Governance Rating of 9++ (out of maximum scale of 10) by the VIS Credit Rating Company Limited. This rating signifies a very high level of Corporate Governance.

Shares held by Sponsors, Directors and Executives

Shares held by Sponsors, Directors and Executives and respective percentage Shareholding as on December 31, 2025 is disclosed in detail under Pattern of Shareholding section of the Annual Report.

Impact of Government's Polices on Banking Sector

The impact of Government's policies on the performance of the Banking industry is discussed in detail under the Macroeconomic Development and Financial Performance section of the Directors' Report.

Dividend

The Bank aims to optimize shareholders' returns by maintaining adequate dividend payouts that are reflective of its financial performance and future outlook.

STATEMENT ON INTERNAL CONTROL

The Bank's management is responsible for establishing the Internal Control System with the main objectives of ensuring effectiveness and efficiency of operations, reliability of financial reporting, safeguarding of assets and compliance with applicable laws and regulations.

The Bank's Compliance policy and procedures further strengthened by a comprehensive Control Review and Testing Framework (CRTF), approved by the Board of Directors, outline the Bank's overall control objectives and approach towards implementation and testing of the Bank's Internal Control System.

Under the aforementioned CRTF, the Bank's Internal Control System is being evolved, reviewed and improved on an ongoing basis to minimize risks which are inherent in banking business and operations; with continuous monitoring by the Compliance Group and independent review by Audit and Risk Review Group (A&RRG).

A&RRG works under direct supervision of Audit Committee of the Board of Directors (hereafter referred as the Committee). The Committee is chaired by an Independent Director and comprises entirely of Independent Directors.

A&RRG assists the Committee and the Board of Directors in discharge of their responsibility in respect of Internal Control System. A&RRG reviews, assesses adequacy and monitors the effectiveness of control systems on an ongoing basis.

All significant and material findings are reported to the Committee; which actively monitors that the identified risks and observations are properly mitigated to safeguard the interests of the Bank. The Board of Directors, acting through the Committee, provides supervision and overall guidance in improving the effectiveness of the Internal Control System.

The Compliance Group is entrusted with the responsibility to minimize compliance risk with reference to regulatory framework; internal, external & regulatory audit compliance; control self-assessment, compliance review of material/high risk processes, monitoring completeness and maintaining up to date inventory of the Bank's policies, procedures and controls. The Bank has implemented an effective document life cycle management mechanism necessitating timely review and updating of documentation to incorporate material internal & regulatory requirements and enhance control environment. In order to prevent and detect control lapses, concerted efforts are made, in coordination with all functions of the Bank to improve the control environment through continuous review and streamlining of policy and procedures.

In order to further strengthen the control environment, the Bank has automated the related compliance processes through state of the art & internationally recognized Transaction Monitoring System and Name Screening utility to mitigate the risks associated with Anti Money Laundering and Combatting the Financing of Terrorism and to ensure compliance with the local and international regulations. The management has also established Compliance Committee to strengthen oversight role on the compliance environment.

Risk Management Group is entrusted with implementation of effective operational risk management framework. Risk Control Self-Assessment (RCSA) is carried out to identify Operational Risk against material processes and assess design of controls and to evaluate the operational effectiveness of controls. Incidents of loss data are gathered for analysis, reporting and suggesting improvements in existing control structure. Further, Key Risk Indicators on bank-wide basis are defined in coordination with the stakeholders for effective monitoring of potential risks and taking proactive measures for mitigating these risks.

Furthermore, compliance status of all irregularities identified during various audits and inspections is reported to the Committee, while other significant compliance risk related matters are reported to the Board Risk Management Committee as per approved Terms of Reference.

Allied Bank operates a robust IT internal-control environment anchored in a Board-approved IT Governance Policy that aligns technology investments with the Bank's strategic objectives. Controls include clearly defined IT roles and approval workflows for acquisitions in line with the Bank's procurement policy, ensuring cost-risk-benefit balance. Oversight is provided by the Board's e-Vision Committee and the MANCO through IT Steering Committee through, which review IT strategy, prioritize projects, assess vulnerabilities, and verify mitigation measures.

The Information Technology Group implements annual strategic and operational plans and is organized into specialist functions—Core Banking and Systems Development & Implementation, Digital Solutions, Analytics & AI, IT Infrastructure, IT Operations, and Technology Governance, Risk & Compliance—each accountable for secure delivery.

Information Security and Governance, reporting through Risk Management Group, maintains security frameworks, monitors threats, conduct periodic security risk assessments, and run awareness campaigns. Technology Compliance validates adherence to SBP guidelines and audit recommendations.

Further, A&RRG through its Information Systems Audit function provides independent testing of system integrity and control effectiveness. Together, these layered controls ensure regulatory compliance, operational resilience, and continuous improvement of the Bank's IT posture.

The Bank's Internal Control System is designed to provide reasonable assurance to the Bank's Management and Board of the Directors about the aforementioned objectives.

While the Internal Control System is effectively implemented and monitored, there are inherent limitations in the effectiveness of any system, including the possibility of human error or system failure and circumvention or overriding of controls.

Control activities are an ongoing process that includes continuous identification, evaluation and management of significant risks faced by the Bank.

As part of CRTF relating to financial reporting, the Bank has documented and mapped As-Is processes and controls, identified gaps and requisite recommendations, developed remediation initiatives and management testing plans.

The Bank has completed all the stages of Internal Control over Financial Reporting as specified by the SBP which has granted exemption from the requirement of preparation of Long Form Report by the External Auditors. As a result, A&RRG is preparing "Annual Assessment Report on Efficacy of Bank's Internal Controls over Financial Reporting (ICFR)" under ICFR framework which is approved by the Committee.

The Bank's management considers that the existing Internal Control System is adequate and has been effectively implemented and monitored, based upon the results derived through ongoing testing of financial reporting controls and internal audits carried out during the year. However, the management, adopting a prudent approach, would be continuously evaluating procedures and processes to further augment the Internal Control System.

Based on the above, the Board of Directors has duly endorsed the Management's evaluation of internal controls including ICFR in the attached Director's report.

Aizid Razzaq Gill
Chief Executive Officer
Lahore.
Dated: February 17, 2026

REPORT OF AUDIT COMMITTEE

Composition of Audit Committee

The Audit Committee of the Board of Directors (hereinafter referred to as the Committee) comprises of three non-executive independent directors. The members of the Committee bring years of diversified rich experience at senior management/ administrative positions and strategic roles in banking, finance, civil service, and other sectors. Detailed profile of the respective members is included in the Annual Report.

Role of Audit Committee

During the year under review, the Committee diligently performed its duties and responsibilities in accordance with its Charter approved by the Board of Directors while remaining compliant with the requirements of the Listed Companies (Code of Corporate Governance), Regulations issued by SECP and other relevant regulatory instructions issued by the State Bank of Pakistan (SBP).

The Chief Audit and Risk Review Group (A&RRG) reports directly to the Committee. A&RRG assists the Committee and the Board of Directors in discharging their responsibility in respect of Internal Control System.

The Committee oversees the functions of A&RRG and ensures independence of A&RRG in the organizational structure, independence and objectivity of internal auditors, optimal utilization of audit resources, effectiveness of A&RRG in the Bank's overall governance and internal control framework and constructive engagement of A&RRG with the senior management and auditee units.

The Committee ensures that A&RRG has adequate financial, technological and operational resources along with appropriate human resources having required skill-sets, expertise and trainings necessary to perform A&RRG's responsibilities independently, effectively and objectively.

The Committee reviews and recommends to Board of Directors the Internal Audit policy and Whistle Blowing policy for approval, periodically or as and when any amendment is required.

The Committee reviews the annual and interim financial statements of the Bank and recommends for the approval of the Board of Directors.

The Committee recommends to the Board of Directors appointment and retention of the external auditors of the Bank (including overseas operations), their removal, audit fees, the provision of any service permissible to be rendered to the Bank by the external auditors in addition to audit of its financial statements taking into account the applicable regulatory requirements, measures for redressal and rectification of non-compliances with the regulations.

Audit Committee Meetings

The meetings of the Committee are designed to facilitate and encourage communication between the Committee, A&RRG, the Bank's senior management and the external auditors. During the year 2025, five meetings of the Committee were held and among others following agenda items were deliberated in the meetings:

- Review of the Bank's annual and interim financial statements prior to their approval by the Board of Directors. That included detailed discussions with the Banks' senior management, external auditors and A&RRG by focusing on major judgmental areas, significant adjustments and issues resulting from audit, going concern assumption, any changes in accounting policies and practices, compliance with applicable accounting standards, listing regulations and other statutory and regulatory requirements and related party transactions.
- Review of quarterly Consolidated Reports on Testing of Financial Reporting Controls.
- Review of significant issues highlighted by A&RRG during audits and reviews of branches and other functions of the Bank, external auditors and SBP's inspection teams and status of compliance including regular updates on the rectification actions taken by the management.
- Review of A&RRG's assessment on overall internal controls of the Bank for the year 2024.
- Approval of Annual Assessment Report on Efficacy of Internal Controls over Financial Reporting (ICFR) 2024.
- Monitoring of compliance status of observations highlighted in SBP's inspection reports.
- Review of Annual report on Periodic Self-Assessments conducted by A&RRG under Quality Assurance & Improvement Program.
- Review and approval of Strategic Plan of A&RRG (2026-2035) for inclusion in the overall Strategic Plan of the Bank.
- Review and approval of Framework for Assessment of Internal Controls over Financial Reporting.
- Review and approval of Appointment of Independent Professional Firm/Consultant for External Assessment of Audit & Risk Review Group (A&RRG).
- Review of analysis related to frauds, forgeries and dacoities incidents in the Bank; with specific focus on nature and reasons along with management action(s) thereof.
- Review and approval of risk based annual audit plan 2026, related enablers and budget along with resource requirements of A&RRG.
- Review of status of complaints lodged under the Bank's Whistle Blowing Policy.
- Review of periodic activity review reports of A&RRG.
- In addition to above, the Committee also reviewed and recommended the following to the Board of Directors:

1. Statement of Internal Controls, prior to endorsement by the Board of Directors;
2. Activity review report of the Committee for the year 2024;
3. Appointment of Statutory Auditors of the Bank, Bahrain Branch and China Office for the year ending December 31, 2025 along with fixation of their remuneration;
4. Annual Compliance Review for the year 2024-2025 of ABL wholesale Banking Branch, Bahrain;
5. Management Letter by external auditors along with the Action Plan submitted by the Management;
6. Revised Whistle Blowing Policy of the Bank;
7. Revised Charter of the Audit Committee of the Board (ACOB);
8. Islamic Banking Group (IBG) & External Shari'ah Audit Report and compliance status;
9. Accounting, Disclosure and Related Party Transaction policy of the Bank, accounting policies for Islamic Banking and Bahrain Branch.

The Committee in accordance with the requirements of Code of Corporate Governance met with the external auditors with and without presence of management to discuss the results of auditors' examination and evaluation of internal controls and the overall quality of the Bank's financial reporting. Furthermore, the Committee ensured efficient supervision of the internal control system by steering separate meetings with Chief A&RRG and internal audit staff.

The Committee also recommends the scope and appointment of external auditors, including finalization of audit and other fees. The Committee evaluates the qualifications, performance and independence of the external auditors. In doing so, the Committee considers the quality and efficiency of the services provided by the external auditors, the external auditors' capabilities, technical expertise and knowledge of the Bank's operations and industry. The Committee ensures compliance with relevant regulations with regard to tenure of external auditors and provisions of non audit services by external auditors to ensure independence and objectivity of external auditors.

The Committee recommended to the Board of Directors appointment of M/s KPMG Chartered Accountants, as statutory auditors of the Bank for the year ending December 31, 2026, subject to approval of the Bank's shareholders in the forthcoming Annual General Meeting.

Performance Evaluation of the Committee

The Committee evaluates its own performance on annual basis thereby assessing the targets achieved, performance initiatives and whistle blowing actions (if any) taken and submits the report to the Board of Directors.

Internal Controls Framework and Role of A&RRG

The Bank's internal control structure comprises of the Board of Directors, the Committee, Management including Compliance Group, Risk Management Group and Audit & Risk Review Group. Roles of all the functionaries have been defined in the Management's Statement of Internal Controls, as part of the Annual Report which is duly endorsed by the Board of Directors.

Muhammad Kamran Shehzad
Chairman Audit Committee of the Board
Lahore
Date: February 16, 2026

STATEMENT
OF COMPLIANCE

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019
Allied Bank Limited for the year ended December 31, 2025

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

1. The total number of directors are (07) including the Chief Executive Officer (Deemed Director) as per the following:

   a. Male: Six (06)
   b. Female: One (01)

2. The Composition of the Board of Directors is as follows:

Category	Names
Independent Directors	Nazrat Bashir
	Muhammad Kamran Shehzad
	Mian Ikram Ul Haq
Non-Executive Directors	Mohammad Naeem Mukhtar
	Muhammad Waseem Mukhtar
	Zafar Iqbal
Executive Director	Aizid Razzaq Gill (Chief Executive Officer)
Female Director	Nazrat Bashir

**During the year, casual vacancy was arisen on October 10, 2025 due to sad demise of Mr. Sheikh Mukhtar Ahmad, Non-Executive Sponsor Director.*

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies including Allied Bank Limited.

4. The Bank has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures.

5. The Board of Directors has developed a vision and mission statement, overall corporate strategy and significant policies of the Bank. The Board of Directors has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Bank.

6. All the responsibilities of the Board of Directors have been duly exercised and decisions on relevant matters have been taken by the Board of Directors or shareholders as empowered by the relevant provisions of the Companies Act 2017 and these Regulations.

7. The meetings of the Board of Directors were presided over by the Chairman of the Board of Directors and, in his absence, by a Director elected by the Board of Directors for this purpose. The Board of Directors has complied with the requirements of Companies Act 2017, and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board of Director.

8. The Board of Directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Companies Act 2017, State Bank of Pakistan's Corporate Governance Regulatory Framework and these Regulations.

9. Appropriate arrangements were made for orientation of Directors on their election with a view to acquaint them with their duties and responsibilities. Six members of the Board of Directors (including the Chief Executive Officer) are Certified Directors from SECP approved institutions. One Director is exempted from this requirement on account of his experience and qualification.

10. The Board has approved appointment of the Chief Financial Officer and Company Secretary including their remuneration and terms and conditions of employment and complied with the relevant requirements of the Regulations.

. The Audit Committee of the Board has approved appointment of Head Internal Audit, including his remuneration and terms and conditions of employment and complied with the relevant SBP Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board of Directors.

12. The Board of Directors has formed five Committees. The names and composition of the Committees along with the details of its Members, as at December 31, 2025 are as follows:

A) Audit Committee of the Board

a. Muhammad Kamran Shehzad, Chairman
b. Nazrat Bashir, Member
c. Mian Ikram Ul Haq, Member

B) Board Risk Management Committee**

a. Zafar Iqbal, Member
b. Nazrat Bashir, Member
c. Aizid Razzaq Gill, Member

***During the year, Mr. Sheikh Mukhtar Ahmad, Chairman - Board Risk Management Committee passed away on October 10, 2025.*

C) e-Vision Committee

a. Mohammad Naeem Mukhtar, Chairman
b. Muhammad Waseem Mukhtar, Member
c. Muhammad Kamran Shehzad, Member
d. Aizid Razzaq Gill, Member

D) Strategic Planning & Monitoring Committee

a. Muhammad Waseem Mukhtar, Chairman
b. Zafar Iqbal, Member
c. Nazrat Bashir, Member
d. Aizid Razzaq Gill, Member

E) Human Resource & Remuneration Committee

a. Mian Ikram Ul Haq, Chairman
b. Muhammad Waseem Mukhtar, Member
c. Zafar Iqbal, Member
d. Aizid Razzaq Gill, Permanent Invitee

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

14. The frequency of meetings of each Committee is given below:

Name of the Committee	No. of Meetings held during 2025
Audit Committee of the Board	Five
Board Risk Management Committee	Four
e-Vision Committee	Four
Strategic Planning & Monitoring Committee	Twelve
Human Resource & Remuneration Committee	Four

15. The Board of Directors has set up an effective internal audit function, which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Bank.

16. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and are registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Bank.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act 2017, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed International Federation of Accountants guidelines in this regard.

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Mohammad Naeem Mukhtar
Chairman

Lahore
February 17, 2026

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Allied Bank Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Allied Bank Limited ("the Bank") for the year ended 31 December 2025 in accordance with the requirements of regulation 36 of the Regulations.

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

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Bank's corporate governance procedures and risks.

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

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

KPMG Taseer Hadi & Co.
Chartered Accountants

Place: Lahore
Date: 7 March 2026

UDIN: CR202510089QSvPwoGJU

SHARIAH BOARD

Terms of Reference

The primary function of Shariah Board is to supervise and advise the management of the Bank on all Shariah related matters, develop comprehensive Shariah compliance framework and is responsible for all Shariah related decision. The Shariah Board approves all Islamic Banking related policies, procedures, services and related agreements and contracts in conformity with the rules and principles of Shariah. The Shariah Board is responsible to review Internal Shariah Audit review report, external Shariah Audit, State Bank of Pakistan Shariah Inspection and Shariah compliance reviews and prescribes appropriate remedial measures. Shariah Board meetings are held at least quarterly and it also meets with Board of Directors at least on half yearly basis.

Process of Appointment and Nomination

The appointment of members of the Shariah Board is approved by the Board of Directors, of the Bank, upon recommendation of the Human Resource and Remuneration Committee. The appointment is subject to prior clearance of State Bank of Pakistan and pursuant to Fit and Proper Criteria (FAPC) and regulation of State Bank of Pakistan.

Profile of Shariah Board

Mufti Tayyab Amin

Chairperson Shariah Board

Mufti Tayyab Amin is serving as Chairperson Shariah Board of Allied Bank Limited. He has done his Shahada-tul-Almiah (a degree recognized by the HEC Pakistan as a Master in Arabic & Islamic Studies) and specialization in Islamic Jurisprudence from Jamia Darul-Uloom Karachi, which is the most reputed and prestigious religious institution.

Additionally, he has done his Masters from the University of the Punjab Lahore and completed his M. Phil in Islamic studies from the University of Sargodha. He has also completed the Certified Shariah Advisor and Auditor course (CSAA) from the Accounting and Auditing Organization for Islamic Financial Institution (AAOIFI) Bahrain.

He has served First Elite Capital Mudarabah as Shariah Advisor for six years and First Punjab Mudarabah for three years. He also has experience in Alfalah Insurance (Window Takaful Operation) as a Shariah Compliance Officer for three years. He is also conducting Islamic banking and finance sessions for banking staff, the Chamber of Commerce & Industries, and Ulma e Kiram.He has overall experience of more than thirteen years as a Shariah consultant for various business sectors including Islamic Micro-Finance.

Mufti Mahmood Ahmad

Shariah Board Member

Mufti Mahmood Ahmad currently serves as a Member of the Shariah Board at Allied Bank Ltd. (Islamic Banking). He holds Shahada-tul-Almiah (Masters in Arabic and Islamic Studies) from Wifaq-ul-Madaris Al-Arabia, and Master's degree in Arabic from the University of the Punjab, Lahore, and a Takhassus fi al-Ifta (specialization in Islamic Fiqh and Fatwa) from Jamia Dar-ul-Uloom, Karachi.

Additionally, Mufti Mahmood Ahmad has completed an M.Phil. and Ph.D. in Islamic Banking and Finance. With over nine years of experience as a Member of the Shariah Board at Allied Bank Limited, he also holds more than ten years of experience as a Shariah consultant for Islamic Microfinance and other organizations.

He is a Mufti and Ustaz-ul-Hadith at the renowned Islamic university, Al-Jamia Al-Ashrafia, Lahore, and serves as a visiting faculty member at the College of Accountancy and Finance, University of Lahore.

Mufti Muhammad Awais Masood

Resident Shariah Board Member

Mufti Muhammad Awais Masood is currently serving as the Resident Shariah Board Member at Allied Bank Limited, where he provides Shariah-related guidance based on the rulings and fatawa issued by the Shariah Board. He is associated with Allied Bank Limited since October 2021. He has experience in training, research, and Shariah compliance. He completed the Dars-e-Nizami at Jamia Darul Uloom Karachi, followed by specialization in Ifta at Jamia Ashrafiah Lahore. He is also an MBA in Finance from the Institute of Business Administration, University of the Punjab, receiving various academic and leadership acknowledgements. He is a certified Shariah Advisor and Auditor (CSAA) from AAOIFI-Bahrain and also holds multiple certifications in Islamic Finance from prestigious institutions.

He has specialization in Islamic Economics and Islamic Banking & Finance, conducting numerous training sessions and awareness seminars on Islamic Banking. His combined expertise in Islamic studies and modern finance enables him to contribute effectively for Shariah-compliant financial practices.

None of the members of Shariah Board of the Bank are member of Shariah Board of any other financial institution.

Number of meetings attended: Four Shariah Board meetings were held last year and all Members attended all the meetings.

Remuneration Framework for Shariah Board Members

Fixed remuneration is paid to Chairperson Shariah Board as well as Non-resident Shariah Board Member in line with employment contracts including monthly salary, medical benefit and fuel reimbursement.

No variable remuneration (performance bonus) is paid to Chairperson Shariah Board and Non-resident Shariah Board Member.

Resident Shariah Board Members are paid fixed remuneration which includes monthly salary and allowances as per terms of contract and post-employment benefits. Variable remuneration (performance bonus) is paid on the basis of performance assessment carried out annually through performance appraisal process.

REPORT OF SHARIAH BOARD

For the year ended December 31, 2025

In the name of Allah, the Beneficent, the Merciful

By the grace of Almighty Allah, the year under review was the 14th year of Islamic Banking Operations of Allied Bank Limited (ABL-Aitebar Islamic Banking). The scope of this report is to cover the affairs of ABL-Aitebar Islamic Banking, from a Shariah perspective as stipulated under para 3 (b) of the revised Shariah Governance Framework issued by the State Bank of Pakistan vide its IBD Circular No. 01 of 7th June, 2018.

Shariah Board is pleased to submit its report on the overall Shariah compliance environment of ABL-Aitebar Islamic Banking.

The Board of Directors and Executive Management are solely responsible for ensuring that the operations of ABL-Aitebar Islamic Banking are conducted in compliance with Shariah principles at all times. Shariah Board asserts that it has performed its duties independently with the courteous relationship among the Shariah Board members and management of the Bank.

To form the basis of our opinion as expressed in this report, Internal Shariah Audit reports, on a test check basis, of each class of transactions, the relevant documentation, and process flows on a sample basis were carried out. Besides, we have also reviewed the reports of the Shariah compliance review and external Shariah Audit of ABL-Aitebar Islamic Banking operations conducted during the year.

Based on the above, we are of the view that:

The business affairs of ABL-Aitebar Islamic Banking, especially about transactions, relevant documentation, and procedures, performed during the year 2025 conform with the principles and guidelines of Shariah issued by Shariah Board and State Bank of Pakistan.

The Bank primarily used Diminishing Musharakah and Business Musharakah for its financing activities during the year.

ABL-Aitebar Islamic Banking has put a mechanism in place in the form of Internal Shariah Audit and Shariah Compliance reviews to ensure Shariah compliance in its overall operations that will keep its focus on continuous improvement for catering to the large branches/windows network over the coming years. The system within the Bank is sound enough to ensure that amounts realized from prohibited sources, if any, are not made a part of the income. During the Shariah Review and audit of the financing portfolio, no Shariah non-compliant transaction was observed. The Bank received an amount of Rs. 0.358 million from the customers and obligors in respect of charity on delays in payments in various financial transactions and credited these payments to the Charity Account.

Since the charity funds are kept under the Mudarabah base account, the accrued Mudarabah profit of Rs. 0.195 million was also credited to the charity account. An amount of Rs. 1.800 million was granted to approved charitable institutions.

The Internal Shariah Audit Function (ISAF) plays a vital role in achieving the objective of ensuring Shariah compliance by evaluating the adherence to Shariah guidelines prescribed by Shariah Board, Resident Shariah Board Member (RSBM), and Shariah guidelines of Islamic Finance Policy Department of SBP, in every activity undertaken by the ABL-Aitebar Islamic Banking, on a sample basis. ISAF submits periodical reports to RSBM /Shariah Board for information, review, and determination of appropriate corrective actions.

The Shariah Compliance Department of the Bank is working under the guidance of Shariah Board. The main objective of this department is to facilitate and ensure Shariah compliance in all the new research/Product development, conducting Shariah-compliance review of each class of transactions, relevant documentation and process flows, facilitating in Islamic banking training, carrying out review of applicable banking manuals, Islamic banking Product's programs, policies and procedures, marketing and advertisement material.

During the year 2025, Shariah Compliance Department has conducted the review of branches on a sample basis to evaluate the Shariah knowledge of staff and also conducted the review of other units/ departments.

Review and Development:

ABL-Aitebar Islamic Banking has completed yet another successful year. Upon achieving a branch network of 302 dedicated Islamic branches and 396 Islamic Banking windows, a significant growth in assets, Investments and deposits have been registered.

Asset Review: During the year, the financing portfolio has registered a significant growth of more than 207% and reached to Rs. 98,524 million from Rs. 32,129 million. The investment portfolio has risen by 118 % to Rs. 229,372 million as compared to Rs. 105,193 million last year, which mainly constituting Government Ijarah Sukuk, bank's placement under Islamic modes, and Islamic Naya Pakistan Certificates.

Deposit Review: The total deposits of ABL-Aitebar Islamic Banking have increased by 94% during the year reaching Rs. 212,557 million by December 31, 2025 as compared to Rs. 109,842 million as of last year.

Other Key Activities:

Review of Policies and Procedure manuals: Shariah Board also reviewed and approved different products programs, policies and procedure manuals during the year.

Profit Distribution Policy: Shariah Compliance Department also conducted a review of the process of profit distribution on a monthly basis and ensured that the distribution is in line with the instructions of Shariah Board and SBP. Moreover, an internal Shariah audit of pool management has been conducted on a quarterly basis, which has further improved the process of pool management, profit, and loss distribution and strengthened compliance with Shariah guidelines.

Shariah Board Meetings: During the year 2025, four Shariah Board meetings were held wherein multiple issues were discussed and resolved. Shariah Compliance Department remained in close coordination with the Shariah Board and management to implement Shariah Board decisions. The ongoing involvement of Shariah Board ensured that it constantly remained on board with all the Shariah affairs of the Bank and also approve different matters by way of circulation.

Capacity Building

To enhance Islamic banking knowledge and expertise, training on Islamic Banking concepts as well as on Islamic banking products was imparted to the staff of the Islamic Banking Group. Management Development Centers of ABL with the assistance of Shariah Compliance Department, arranged various mandatory and refresher training sessions. During the year, 8,222 employees have attended these sessions. It also includes employees who have attended training sessions conducted by NIBAF and other reputed Islamic banking training institutes. The Bank with the participations of Shariah Board has also organized numerous sessions on conversions of conventional banking into Islamic Banking operations. Moreover, special Ramzan sessions on Zakat were also continued this year like previous years practice.

BOD, Executive Management, and Shariah Board Training/ Orientation

To enhance Islamic banking knowledge and acumen, an orientation session for BOD was conducted by the Shariah Board. Further, various orientation sessions were also arranged for Executive management on Islamic Banking Fundamentals and Products. Moreover, different trainings sessions were attended by the members of the Shariah Board on Banking and Finance.

Awareness Session

To create awareness of Islamic banking among the general public, the Bank conducted different seminars for the general public.

Engagements in Conversion Activities:

During current year, 120 more conventional branches were converted to Islamic branches. The Shariah Board has played a significant role in conducting special trainings and awareness sessions on conversions of conventional banking into Islamic Banking operations for Banking Staff/ Executives Management as well as for business community on Industries platform. During the year under review, various meetings were chaired to provide tailormade solutions to structure existing products in line with the requirement of customers including small farmers, traders and business entrepreneurs.

Recommendations:

Following are some areas, which require continuous focus:

1. The Bank's proactive efforts to raise awareness about Islamic banking through seminars and programs are highly commendable. However, it is recommended that such programs should also be continued in the future at the mass level.
2. The Bank's policy of recruiting new staff who demonstrate a strong commitment to the principles of Islamic banking should be encouraged. Additionally, for smooth conversion process specialized training should also be continued.
3. It is recommended that the Bank should establish a dedicated team of specialized Islamic banking trainers to meet the increasing demand for capacity building of staff and ensure consistent expertise across the organization.
4. Conventional insurance is not permissible from a Shariah perspective. Therefore, it is recommended to convert IBG's assets to Takaful as soon as possible.

We pray to almighty ALLAH to provide us guidance to adhere to the Shariah principles in day-to-day operations, to absolve our mistakes, and for the success of Islamic banking in Pakistan.

Mufti Muhammad Awais Masood
Resident Shariah Board Member

Mufti Mahmood Ahmad
Member Shariah Board

Mufti Tayyab Amin
Chairperson Shariah Board

Date of Report: February 17, 2026

ROWING REGATTA 2025

















THE RHYTHM OF RESILIENCE

شریعہ بورڈ کی رپورٹ برائے اختتام سال 31 دسمبر 2025

شروع اللہ کے نام سے جو بڑا مہربان اور نہایت رحم کرنے والا ہے۔

اللہ سبحانہ وتعالی کے فضل وکرم سے، الائیڈ بینک لمیٹڈ کے اسلامی بینکاری کے کاروبار (اے بی ایل ۔ اعتبار اسلامک بینکنگ) نے اس زیر تجزیہ مدت کے ساتھ اپنے 14 سال مکمل کر لیے ہیں۔ اس رپورٹ کا مقصد اے بی ایل (اعتبار اسلامک بینکنگ) میں، اسٹیٹ بینک آف پاکستان کی طرف سے جاری کردہ سرکلر نمبر 01 بتاریخ 07 جون 2018، میں نظرِ ثانی شدہ شریعہ گورننس فریم ورک کے پیراگراف (b) کے تحت، اسلامی بینکاری کے معاملات کا شرعی نقطہ نظر سے جائزہ لینا ہے۔

شریعہ بورڈ کے لیے یہ امر باعثِ مسرت ہے کہ وہ اے بی ایل (اعتبار اسلامک بینکنگ) کے کاروبار کی شریعہ کمپلائنس کے حوالے سے وضع کردہ مجموعی نظام پر اپنی رپورٹ پیش کر رہا ہے۔

بورڈ آف ڈائریکٹرز اور ایگزیکٹو مینجمنٹ پر یہ ذمہ داری عائد ہوتی ہے کہ اے بی ایل (اعتبار اسلامک بینکنگ) کا کاروبار ہمہ وقت شرعی اصولوں کے تابع رہے۔ شریعہ بورڈ اس امر کا اعادہ کرتا ہے کہ اس نے اپنی تمام تر ذمہ داریاں، شریعہ بورڈ کے ممبران اور بینک کی انتظامیہ کے مابین مکمل ہم آہنگی اور تعاون کے ساتھ، آزادانہ طور پر ادا کی ہیں۔

ہم نے اپنی مذکورہ رائے کو قائم کرنے کے لیے، جیسا کہ اس رپورٹ میں اظہار کیا گیا ہے، ہر قسم کے لین دین اور اس سے متعلقہ دستاویزات اور انکی انجام دہی کے طریقہ کار کا نمونوں کی بنیاد پر تجزیہ کیا ہے۔ علاوہ ازیں، ہم نے انٹرنل شریعہ آڈٹ اور اس سال کے دوران ہونے والے اے بی ایل ۔ اعتبار اسلامک بینکنگ کے کاروبار کی شریعہ کمپلائنس رپورٹ اور ایکسٹرنل آڈٹ رپورٹوں کا بھی جائزہ لیا ہے۔

مندرجہ بالا امور کی بنیاد پر ہماری رائے یہ ہے کہ:

اے بی ایل (اعتبار اسلامک بینکنگ) کے سال 2025ء کے دوران کاروباری معاملات، خصوصا لین دین اور اس سے متعلقہ دستاویزات اور طریقہ کار، شریعہ بورڈ اور اسٹیٹ بینک لمیٹڈ کے فراہم کردہ شرعی اصولوں اور ضوابط سے مکمل مطابقت رکھتے ہیں۔

بینک نے اس سال کے دوران زیادہ تر شرکت متناقصہ اور کاروباری مشارکہ کی مصنوعات کو تمویلی سرگرمیوں کے لیے استعمال کیا۔

اے بی ایل (اعتبار اسلامک بینکنگ) نے اپنے مجموعی کاروبار کی شریعہ کمپلائنس کو یقینی بنانے کے لیے انٹرنل شریعہ آڈٹ اور شریعہ کمپلائنس کے تجزیے کی شکل میں ایک نظام تشکیل دیا ہے۔ اور آنے والے سالوں میں ایک وسیع برانچ/ ونڈو زنیٹ ورک کی ضروریات کو پورا کرنے کے لیے اس نظام میں مسلسل بہتری کے عمل پر اپنی توجہ مرکوز رکھے گا۔ بینک کے موجودہ نظام میں اس بات کو یقینی بنانے کی صلاحیت ہے کہ کسی بھی ممنوع ذرائع سے حاصل ہونے والی رقم (بالفرض، اگر ہوں) کو آمدنی کا حصہ بننے سے روک سکے۔ تمویلات کے پورٹ فولیو کے شرعی جائزے اور آڈٹ میں کوئی غیر شرعی لین دین نہیں پایا گیا۔ بینک نے مختلف مالی لین دین کی تاخیری ادائیگیوں کی وجہ سے چیرٹی (خیراتی) کی مد میں 0.358 ملین روپے وصول کیے اور اس رقم کو چیرٹی کے اکاؤنٹ میں جمع کروایا۔

چونکہ، چیرٹی کی رقم مضاربہ اکاؤنٹ کے تحت رکھی جاتی ہے، لہذا، 0.195 ملین روپے کا جمع شدہ مضاربہ منافع بھی چیرٹی کے اکاؤنٹ میں کریڈٹ کیا گیا۔ منظور شدہ فلاحی اداروں کو 1.8 ملین روپے کی گرانٹ دی گئی۔

انٹرنل شریعہ آڈٹ (آئی ایس اے ایف) (Internal Shariah Audit Function - ISAF)، اے بی ایل (اعتبار اسلامک بینکنگ) کی جانب سے اختیار کی گئی ہر سرگرمی میں سے منتخب شدہ مثالوں کی بنیاد پر شریعہ بورڈ، ریذیڈنٹ شریعہ بورڈ ممبر (RSBM) اور اسٹیٹ بینک آف پاکستان کے اسلامک فنانس پالیسی ڈیپارٹمنٹ کی طرف سے جاری کردہ شرعی ضوابط و ہدایات کی مکمل پاسداری کے ساتھ شریعہ کمپلائنس کو یقینی بنانے کا اہم کردار ادا کرتا ہے۔ آئی ایس اے ایف (ISAF)، آر ایس بی ایم (RSBM) / شریعہ بورڈ کو اسکی معلومات،

اداروں کی فراہم کردہ تربیتی نشستوں میں حصہ لیا۔ بینک نے شریعہ بورڈ کی شراکت سے روایتی بینکاری کی اسلامی بینکاری آپریشنز میں منتقلی کے بارے میں کئی نشستوں کا اہتمام بھی کیا۔ مزید براں، زکوۃ کے حوالے سے رمضان کی خصوصی نشستوں کا انعقاد گزشتہ برسوں کی طرح، اس سال بھی جاری رہا۔

بورڈ آف ڈائریکٹرز، ایگزیکٹو مینیجمنٹ اور شریعہ بورڈ کی ٹریننگ/تعارفی پروگرام :

شریعہ بورڈ نے بورڈ آف ڈائریکٹرز کی اسلامک بینکاری کی فہم اور معلومات میں اضافہ کے لیے ایک تربیتی نشست کا اہتمام کیا گیا۔ علاوہ ازیں، ایگزیکٹو مینیجمنٹ کے لیے اسلامی بینکاری کے بنیادی اصولوں اور تمویلی سہولیات سے آگاہی کی کئی تعارفی پروگراموں کا انعقاد کیا گیا۔ مزید براں، شریعہ بورڈ کے ممبران نے بینکنگ اور فنانس پر مشتمل مختلف تربیتی نشستوں میں شرکت کی۔

آگاہی کی نشستیں :

عام لوگوں میں اسلامک بینکنگ کی واقفیت کو بڑھانے کے لیے بینک نے متعدد سیمینارز کا بھی انعقاد کیا۔

منتقلی کی سرگرمیوں میں مشغولیت :

رواں سال کے دوران، مزید 120 روایتی برانچوں کو اسلامک برانچوں میں منتقل کیا گیا۔ شریعہ بورڈ نے روایتی بینکاری کی اسلامی بینکاری آپریشنز میں منتقلی کے بارے میں بینکنگ اسٹاف، ایگزیکٹو مینیجمنٹ اور اس کے ساتھ ساتھ کاروباری افراد کے لیے صنعتی پلیٹ فارمز پر کئی تربیتی اور آگاہی کی خصوصی نشستوں کا اہتمام کرنے میں ایک نمایاں کردار ادا کیا۔ اس زیرِ تجزیہ سال میں ایسے کئی اجلاسوں کی صدارت کی گئی جو موجودہ تمویلی سہولیات کو صارفین بشمول چھوٹے کسانوں، تاجروں اور کاروباری افراد کی ضروریات اور توقعات کے مطابق ڈھالنے کے لیے منعقد کیے گئے۔

تجاویز / سفارشات :

مندرجہ ذیل چند عوامل مستقل توجہ چاہتے ہیں۔

1- اسلامک بینکنگ سے واقفیت پیدا کرنے کے لیے سیمیناروں، پروگراموں اور آگاہی کی نشستوں کے انعقاد پر بینک کی بڑھتی توجہ قابل ستائش ہے۔ مستقبل میں، ایسے پروگراموں کو بڑے پیمانے پر جاری رکھنے کی تجویز دی جاتی ہے۔

2- اسلامی بینکنگ کی برانچوں میں اسلامی بینکنگ کے اصولوں سے پختہ ہم آہنگی کے حامل افراد کی بھرتی کی بینک کی پالیسی کی حوصلہ افزائی کی جانی چاہیے۔ مزید براں، منتقلی کے عمل کو آسان بنانے کے لیے مخصوص تربیت کی فراہمی کے عمل کو بھی جاری رہنا چاہیے۔

3- اس امر کی سفارش کی جاتی ہے کہ بینک اپنے عملے کی صلاحیت کی بڑھتی طلب اور اپنے ادارے میں مہارت و استعداد کار میں مسلسل بہتری کے لیے اسلامک بینکنگ ٹریننز (ماہرین) کی ایک ٹیم کو مختص کرے۔

4- شرعی نقطہ نظر سے روایتی انشورنس جائز نہیں ہے لہذا آئی بی جی (IBG) کے اثاثوں کو جلد از جلد تکافل (Takaful) پر منتقل کرنے کی تجویز کی جاتی ہے۔

ہم اللہ رب العزت سے دعا گو ہیں کہ وہ ہمیں روزمرہ معاملات میں شرعی اصولوں پر عمل پیرا ہونے کی توفیق عطا فرمائے، ہماری لغزشوں سے درگزر فرمائے اور پاکستان میں اسلامی بینکنگ کو کامیابی عطا فرمائے (آمین)

مفتی محمد اویس مسعود
ریزیڈنٹ شریعہ بورڈ ممبر

مفتی محمود احمد
ممبر شریعہ بورڈ

مفتی طیب امین
چیئرپرسن شریعہ بورڈ

رپورٹ کی تاریخ:
17 فروری 2026ء

تجزیے اور اصلاحات کے تعین کے لیے وقتاً فوقتاً رپورٹس فراہم کرتا ہے۔

بینک کا شریعہ کمپلائنس کا شعبہ شریعہ بورڈ کی زیرنگرانی کام کرتا ہے۔ اس شعبے کا بنیادی مقصد جدید تحقیقات/مصنوعات کی تشکیل میں معاونت اور شریعہ کمپلائنس کو یقینی بنانا اور ہر طرح کے لین دین، دستاویزات اور انکی انجام دہی کے طریقہ کار میں شریعہ کمپلائنس کا جائزہ، اسلامک بینکاری سے متعلقہ ٹریننگ میں سہولیات کی فراہمی، بینکاری کے نافذ العمل مینوئلز، اسلامک بینکاری کے پروگرامز، پالیسیوں کے طریقہ کار، مارکیٹنگ اور اشتہاری مواد کا جائزہ لینا شامل ہے۔

سال 2025ء کے دوران، شریعہ کمپلائنس کے شعبے نے سٹاف کی شرعی معلومات کا جائزہ لینے کے لیے منتخب شدہ برانچز کا دورہ بھی کیا ہے اور دیگر یونٹس اور ڈیپارٹمنٹس کا جائزہ بھی لیا ہے۔

ریویو اینڈ ڈیولپمنٹ :

302 مستقل بنیادوں پر کام کرنے والی برانچوں کے نیٹ ورک اور 396 اسلامک بینکنگ ونڈوز کے حصول کے بعد اے بی ایل (اعتبار اسلامک بینکنگ) نے ایک اور کامیاب سال مکمل کر لیا ہے۔ اسی مماثلت میں اثاثہ جات، سرمایہ کاری اور ڈیپازٹس میں بھی نمایاں بہتری حاصل کی گئی ہے۔

اثاثہ جات کا تجزیہ :

اس سال کے دوران تمویل کا مجموعی حجم 32,129 ملین روپے کی سطح سے 207 فیصد کے قابل قدر اضافے کے ساتھ 98,524 ملین روپے کی سطح پر جا پہنچا۔ علاوہ ازیں، سرمایہ کاری کا مجموعی حجم حکومتی اجارہ صکوک، بینک کی اسلامک مصنوعات میں سرمایہ کاری اور اسلامک نیا پاکستان سرٹیفکیٹ کی وجہ سے، گزشتہ سال کے 105,193 ملین روپے کی سطح سے 118 فیصد کے اضافے کے ساتھ 229,372 ملین روپے تک بڑھ گیا۔

ڈیپازٹ کا تجزیہ :

اے بی ایل (اعتبار اسلامک بینکنگ) کے مجموعی ڈیپازٹس گزشتہ سال کی 109,842 ملین روپے کی سطح کی نسبت 94 فیصد کے اضافے کے ساتھ 31 دسمبر 2025ء تک 212,557 ملین روپے تک جا پہنچے۔

دیگر کلیدی سرگرمیاں :

سال کے دوران، شریعہ بورڈ نے مختلف پالیسیوں اور مینوئلز (Manuals) کے جائزے اور منظوری کے عمل کو جاری رکھا۔

منافع کی تقسیم کی پالیسی :

شریعہ کمپلائنس کے شعبے نے منافع کی ماہانہ بنیاد پر تقسیم کے عمل کا بھی جائزہ لیا اور اس امر کو یقینی بنایا کہ یہ تقسیم شریعہ بورڈ اور اسٹیٹ بینک آف پاکستان کی ہدایات کے عین مطابق ہو۔ مزید یہ کہ، پول مینجمنٹ کا سہ ماہی بنیاد پر انٹرنل شریعہ آڈٹ کیا گیا جس سے پول مینجمنٹ، نفع و نقصان کی تقسیم کے طریقہ کار میں بہتری اور شرعی نگرانی کا نظام مزید مضبوط ہوا ہے۔

شریعہ بورڈ کے اجلاس (میٹنگز) :

سال 2025ء کے دوران، شریعہ بورڈ کے چار اجلاس منعقد ہوئے جن میں مختلف معاملات پر بحث اور انکی منظوری دی گئی۔ شریعہ کمپلائنس کا ڈیپارٹمنٹ، شریعہ بورڈ اور انتظامیہ کے ساتھ مسلسل رابطے میں رہتا ہے تاکہ شریعہ بورڈ کے فیصلوں پر عمل درآمد کروایا جا سکے۔ شریعہ بورڈ کی مسلسل شمولیت اس امر کو یقینی بناتی ہے کہ یہ بینک کے تمام شرعی معاملات سے آگاہ رہے اور دیگر معاملات میں بھی، سرکولیشن کے ذریعے، اسکی شرکت اور فیصلہ سازی میں مدد ملتی رہے۔

عملہ کی استعداد کار (ٹریننگ) :

اسلامک بینکنگ کی معلومات اور مہارت میں اضافہ کے پیش نظر، اسلامک بینکنگ گروپ کے سٹاف کی اسلامک بینکنگ کے نظریات اور اس کی پراڈکٹس کے بارے اسلامک بینکنگ کے تمام عملے کو تربیت فراہم کی گئی۔ اے بی ایل کے مینجمنٹ ڈیولپمنٹ سینٹرز نے شریعہ کمپلائنس ڈیپارٹمنٹ کے تعاون سے ٹریننگ کی متعدد لازمی اور تجدیدی نشستوں کا انعقاد کیا۔ سال کے دوران، 8,222 ملازمین نے اِن میں شرکت کی۔ اس میں وہ ملازمین بھی شامل ہیں جنہوں نے NIBAF اور دیگر مستند اسلامک بینکنگ کی تربیت کے







ALLIED BANK **WOMEN'S FUTSAL CUP**











BREAKING BARRIERS, **RAISING THE GAME**



SCAN TO WATCH

INFORMATION TECHNOLOGY (IT) GOVERNANCE



IT Governance of the Bank is regulated by the IT Governance Policy approved by the Board of Directors, which focuses on following principles:

- To maintain clear understanding of ITG roles and responsibilities.
- Plan ITG to best support the Bank ensuring that IT Strategic plan fit the current and ongoing needs.
- All ITG acquisitions will follow the necessary approvals as per GSG procurement policy ensuring that there is an appropriate balance between costs, risks, long-term and short-term benefits.
- Ensure that ITG performs (meet the Business Requirements where technology permits) well, whenever services are required.
- Ensure ITG conforms to statutory and regulatory requirements and also complies with all the Bank's policies and procedures.
- Ensure ITG will design, specify and maintain systems by keeping users in mind and will ensure that IT is a service to the Bank and to its staff.
- Identify resources gap related to IT (people, process & technology) and take appropriate steps to fill the gaps.

IT Governance of the Bank comprises monitoring by ITSC.

IT Steering Committee (ITSC) assists MANCO in implementing IT and Digital strategies approved by the Board of Directors and also plays an advisory role to MANCO in all technology-related matters. ITSC is entrusted to review and recommend technology initiatives and prioritize projects for their implementation along with recommendation for required infrastructure to MANCO. The Committee ensures an efficient IT operating environment that supports the institution's goals and objectives. ITSC also reviews the result of vulnerability and IT risk assessment exercises and ascertains measures taken to mitigate identified risks.

Information Technology Group (ITG) is headed by Chief ITG, reporting to CEO through Chief Technology and Digital Transformation of the Bank. ITG is responsible for development and delivery of technology driven services in line with the Board of Directors and its committees under the strategic guidance of ITSC. Chief ITG is responsible to:

- Formulate an annual Strategic and Operational technology plan on the basis of business needs in consultation with Bank's other stakeholders.
- Implement the formulated plan, including as appropriate any special tasks or projects assigned by the CEO and the various Management & Board level committees.
- Keep the Management & Board level committee's informed about emerging trends and developments in Information Technologies and give recommendations for necessary revisions in Bank's Information Technology roadmap.
- Ensure that the Group complies with sound Information Technology principles, industry best practices and regulatory guidelines.
- To keep ITG abreast with the emerging Information Security Technologies

INFORMATION TECHNOLOGY (IT) GOVERNANCE

ITG of the Bank is strengthened by the following functions which are headed by committed professionals, providing innovative and efficient solutions to achieve organizational objectives.

- Core Banking and System Development & Implementation
- Digital Solutions
- Analytics & AI
- IT Infrastructure
- IT Operations
- Technology Governance, Risk & Compliance

Information Security and Governance functioning under the umbrella of Risk Management Group, is primarily responsible to develop and implement information security guidelines through a set of policies, procedures and frameworks and conduct Technical Risk Assessment as per policy guidelines. The function is also mandated to develop information security policies in line with regulatory requirements and based on best industry practices. This function also manages the information security awareness campaigns across the Bank.

Technology Compliance under Compliance Group performs technology compliance review of Information Security Policies and Procedures to ensure that they are compliant with the State Bank of Pakistan (SBP) guidelines and regulations. Furthermore, it also ensures compliance against the recommendations of SBP inspection report, external auditors' management letter and internal audit reports of Audit and Risk Review (A&RR).

Information System Audit function under A&RR is entrusted to perform systems audit across the Bank; testing desired functionality and integrity while providing recommendations where necessary.



WHISTLE BLOWING POLICY (WBP)

Preamble

The purpose of WBP is to create an environment at Allied Bank Limited (the Bank) whereby the employees / vendors / service providers / concerned are encouraged to reveal and report, without any fear of retaliation, subsequent discrimination and of being disadvantaged in any way, about any fraudulent, immoral, unethical or any malicious activity or conduct, which in their opinion may cause financial or reputational loss to the Bank. Bank's WBP provides assurance to the Whistleblowers about secrecy and protection of their legitimate personal interests besides offering incentives for the Whistleblowers on reporting of suspicious activities.

Objectives

The intended objectives of this policy are:

- To strengthen culture of transparency and trust in the Bank by encouraging all employees, vendors, service providers and concerned to blow whistle where they may genuinely know or suspect any immoral, unethical, fraudulent act of any current or former employees, vendors, contractors, service providers and customers which may have potential to cause financial or reputational risk or loss to the Bank;
- To create awareness amongst employees and stakeholders regarding the Whistle Blowing Function;
- To enable Management to be informed at an early stage about fraudulent, immoral, unethical or malicious activities or misconduct and take appropriate actions; and
- Provide a swift and confidential process for rectifying malfeasance wherever and whenever it occurs in the Bank.

Scope

The scope of this policy includes, without limitation all types of unlawful acts / orders, fraud, corruption/bribery, misconduct, collusive practices, falsification of books of accounts/related documents, endangerment of health or safety, or any other activity which undermines the Bank's operations, reputation and mission.

Independence of Whistle Blowing Function

An operationally independent Whistle Blowing function has been established under supervision of Audit Committee of the Board (ACOB), for handling and monitoring allegations, complaints and concerns raised by the complainant /whistleblower under the WBP.

Protection of Whistleblowers

All matters are dealt with confidentiality and the identification of the Whistleblower is not disclosed except for inevitable situations, where disclosure of identity of the Whistleblower is essential.

The Bank stands committed to protect Whistleblowers for Whistle Blowing and any subsequent harassment or victimization of the Whistleblower is not tolerated. Indemnity from disciplinary action is provided to the Whistleblower employee, against actions/ involvement in the activity against which whistle is blown, based on the merits of each case.

Incentives for Whistle Blowing

On the recommendation of the ACOB, the Whistleblower may be suitably awarded according to the significance of the information he / she had provided and impact of losses averted as a result.

Process of Whistle Blowing

The Bank has established the following communication channels for whistle blowing complaints:

- A dedicated e-mail address for whistle blowing (whistle.blowing@abl.com) accessible by the Chairman ACOB.
- Whistle blowing form available on the Bank's corporate website.
- Post / courier addressed to Chairman ACOB, Allied Bank Limited, Head Office, 3 Tipu Block, New Garden Town, Lahore.

Number of instances reported to ACOB

Number of Whistle Blowing incidences reported to ACOB in year 2025: Eight (08).

INVESTOR GRIEVANCE

Your Bank has put in place comprehensive guidelines for Investors / Shareholders to address their grievances. The guidelines conform to the Bank's internal policy to address the Investor grievances as well as statutory requirements stipulated under SECP's SRO # 1196(I)/2019 dated 03.10.2019.

- For all shares related issues, shareholders are advised to contact Share Registrar of the Bank with contact details available on Bank's corporate website.
- In order to facilitate the shareholders who intend to register a complaint, the contact details of the focal person of ABL Shares Department are given on the Bank's corporate website for this purpose.
- In addition, if Shareholder's grievances are not resolved by the Share Registrar of the Bank, as well as Bank's Shares Department, they may escalate their complaints to the Company Secretary of the Bank.
- If any complainant still remains unsatisfied, the same can be forwarded to Securities and Exchange Commission of Pakistan (SECP), using the link of SECP website which is available in "Investor Complaints and Grievances" section of Bank's corporate website.
- Furthermore, queries with respect to financial results of the Bank can be directed to 'Investor Relations' department, which is headed by Chief Financial Officer, at the email address **investor.relations@abl.com** (which is available on corporate website as well).

MANAGING CONFLICT OF INTEREST

Overview

A Director owes certain fiduciary duties, including the duties of loyalty, diligence, and confidentiality to the Bank, which require that a director must act in good faith and exercise his or her powers for shareholders' interests and not for his / her own or others' interest. The Board of Directors and the Management of the Bank are committed towards transparent disclosure, management and constant monitoring of potential conflicts of interest to ensure that no undue benefit is passed on. The Board of Director recognizes the responsibility to adhere to the defined policies and procedures and avoid perceived conflicts of interest that may arise during the course of business. Directors of the Board shall immediately report to the Chairman of the Board about any conflict of interest or potential conflict of interest that may arise and shall provide all relevant information in this regard.

Disclosure of Interest by Director:

- Every Director (including parents, spouse and minor children) of the Bank who is in any way, whether directly or indirectly, concerned or interested in any contract or arrangement entered into, or to be entered into, by or on behalf of the Bank shall disclose the nature of his concern or interest at a meeting of the Directors.
- For the purpose of consideration and decision by the Board of Directors on any agenda item, or in respect of any other matter, if any Director has an existing or perceived conflict of interest or concern, he/she shall disclose the nature of his concern or potential interest at a meeting of the Board and the Board would take appropriate steps in accordance with the regulatory requirements in this regard and the details should be recorded in the minutes.
- Where any Director or his or her spouse sells, buys or takes any beneficial position, whether directly or indirectly, in the shares of the Bank, he or she shall immediately notify to the Company Secretary in writing. Further, no Director shall, directly or indirectly, deal in the shares of the Bank, in any manner, during the closed period as determined by the Board of Directors.

Abidance of Laws and Rules:

- Conform to and abide by all the legal and standing requirements while performing their duties and obey all lawful orders and directives. All Board Members shall comply with and observe all applicable laws, rules, regulations, related statutory requirements, regulatory directives and the Bank's policies.
- Shall not bring or attempt to bring political or other pressure or influence directly or indirectly on the Bank.
- Bring to the notice of the Board, any non-compliance or violation of law or policy.
- Comply with applicable guidelines / principles mentioned in SBP Corporate Governance Regulatory Framework, SECP Code of Corporate Governance Regulations and SECP Code of Conduct for the Board of Directors.

Integrity:

- Conduct themselves with the highest standards of ethics, professional integrity and dignity in all dealings with all stakeholders and not engage in acts discreditable to the Bank, their profession and the nation. If they become aware of any irregularity that might affect the interests of the Bank, they shall inform the Board of Directors immediately.
- Maximum utilization of their abilities, experience and expertise for achieving set goals, maintain high standards of professional conduct, protect the Bank's assets and respect interest of all the stakeholders. Practice transparency in all acts and deeds related to the business of the Bank.
- Reject corruption in all forms - direct, indirect, public or private and do not directly or indirectly engage in bribery, kick-backs, payoffs, or any other corrupt practices.
- Remain loyal to the Bank, keeping its interest above own personal interests at all times.

Confidentiality:

- Maintain the privacy and confidentiality of all the information acquired being Member of the Board of Directors of the Bank or come into their knowledge and refrain from disclosing the same unless otherwise required by statutory authorities/ law and Bank's own policies. All such information will remain with them as a trust and will only be used for the purpose for which it is intended and will not be used for personal benefits. Inside information about the Bank's affairs shall not be used for their own gains or for that of others either directly or indirectly.
- The Directors of the Bank are strictly prohibited to disclose the fact (comes into their knowledge) to the customer or any other quarter that a suspicious transaction or related information is being or has been reported to any authority, except if required under the law.

Professionalism:

- Discharge their obligations honestly and faithfully and shall strictly serve Bank's affairs keeping interest of the Bank above all. They shall promote the interest and goodwill of the Bank and shall show courtesy and attention in all transactions/ correspondence with officers of Government, State Bank of Pakistan, other Banks, Financial Institutions, other establishments dealing with the Bank, its constituents and the public.
- Treat everyone with equality and exhibit high standards of personal conduct.
- Exercise due diligence, objectivity, sound and independent judgement while performing the duties.

Business/Work Ethics:

- As a Board Member respect views of fellow Board Members and endeavor to arrive at unanimous decisions on matters considered in their fiduciary capacity. They shall at all times be courteous and not let any personal differences to affect their work. However, in case they feel that they have opinion not commensurate with the majority of the board members they should get recorded their note of dissent.
- Shall not use Bank assets for their personal benefits except where permitted by the Bank and they will not involve in any un-ethical practices. They shall not do any act prohibited under the law and rules and regulations and policies of the Bank.
- Not give any interview in the print/electronic media or have their photograph displayed or act in television / stage plays or in cinema as Director or on behalf of the Bank without having permission from the Chairman Board.

Conflict of Interest:

- All appointments in the Board as well as President/CEO and Key Executives in the Bank shall not create any conflict-of-interest situation.
- Directors, President/CEO and Sponsor Shareholders shall avoid conflict of interest in their activities with the Bank, and commitments to other organizations.
- All Directors shall not involve in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Bank.
- The Directors shall not achieve or attempt to achieve any

undue gain or advantage either to themselves or to their relatives, partners, or associates and if any Director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Bank.

- Any Director shall not assign his office and any assignment so made shall be void.
- Directors shall avoid all such circumstances in which there is personal interest conflict, or may appear to be in conflict with any of the stakeholder as prescribed by the statutes and in probable case their interest conflicts with any of the stakeholder, they would immediately declare such interest before the Board of Directors.
- No Director shall exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board of Directors of the Bank and the Board allow him to avail such opportunity.
- Interested Directors shall not participate in the discussion or vote in the Board's proceedings or participate in any other manner in the conduct or supervision of such dealings.
- Directors shall avoid any dealing with a Contractors or Suppliers of the bank that compromises the ability to transact business on professional, impartial and competitive basis or that may influence discretionary decision to be made by the Board Members / Bank.
- No Director shall hold any position or job or engage in outside business or other interest that is prejudicial to the interests of the Bank.
- Directors shall not make any statement which has the effect of adverse criticism of any policy or action of the Bank or which is capable of embarrassing the relations between the Bank and the public including all the stakeholders. Provided that nothing in this clause shall apply to any statement made or views expressed by a Board Member, which are purely factual in nature and are not considered as confidential, in his/her official capacity or in due performance of the duties assigned to him.
- Directors shall refrain from accepting gifts, personal favors or preferential treatment, that could, in any way, influence or appear to influence, business decisions in favor of any person or organization with whom or with which the Bank has or is likely to have business dealings.
- No person can become a Director/CEO of the Bank if he/she is:

i. A Director of any other Bank / DFI;
ii. Holding substantial interest or is working as Chairman, Director, CEO, CFO, Chief Internal Auditor, Financial Advisor, Research Analyst, Trader or member (by whatever name/ designation called) of a:
   a. Exchange Company except as a director of exchange company wholly owned by that bank.
   b. Stock Exchange.
   c. Corporate Brokerage Firm/ Entity.
   d. Credit Information Bureau.
   e. Any company/entity owned and controlled by the person mentioned at (a) to (d) above.

   However, an independent Director of Pakistan Stock Exchange (PSX) can become Board Member of the Bank if he /she does not have any association with other categories mentioned above.

iii. Acting, either in personal capacity and/or through firm/ company where he has substantial interest, as consultant / advisor to Bank.
iv. Member of Senate, National/ Provincial Assembly or Local bodies.
v. Office bearer of any political party.

- No sponsor shareholder shall be appointed in the Bank in any capacity except as Director, CEO and/or Executive Director of the Bank, subject to compliance with FPT Criteria and other regulatory requirements.
- For the purpose of consideration and decision by the Board of Directors on any agenda item, or in respect of any other matter, if any Director has an existing or perceived conflict of interest or concern, he/she shall disclose the nature of his concern or potential interest at a meeting of the Board and the Board would take appropriate steps in accordance with the regulatory requirements in this regard and the details should be recorded in the minutes.

Insider Trading:

- No director shall trade, directly or indirectly in shares/ securities of the Bank considering the 'price sensitive information' which they may have direct access / influence and exposure by virtue of their fiduciary position or office of profit.
- Ensure compliance with all relevant laws, regulations and Bank's policies/ framework, on prohibition of insider trading.

Role towards Shareholders and Other Stakeholders

- Treat all shareholders/members and other stakeholders of the Bank in a fair and respectable way.
- Act in the best interests of the Bank and fulfill their fiduciary responsibilities.
- Consider the interests of all stakeholders in the success of Bank.

OTHER POLICIES AND GUIDELINES

RELATED PARTY TRANSACTIONS POLICY

The Board of Directors of the Bank has approved Related Party Transaction Policy which aims to set-up a framework, in line with the applicable laws and regulations, that not only addresses approval requirements, limitations, potential risks and pricing policy but also ensures proper and timely identification, monitoring, record maintenance, reporting and disclosure of transactions by the Bank with those persons deemed "Related Party" under the policy. The governance framework for Related Party Transaction Policy is derived from;

- The Companies Act, 2017;
- The Banking Companies Ordinance, 1962;
- Related Party Transactions and Maintenance of Related Records (RPT) Regulations – 2018;
- Listed Companies (Code of Corporate Governance) Regulations – 2019;
- State Bank of Pakistan (SBP) Prudential Regulations for Corporate and Commercial Banking;
- SBP Corporate Governance Regulatory Framework for Banks / DFIs
- SBP Prudential Returns Regarding Details of Related Parties Exposures and Transactions;
- International Financial Reporting Standards (IFRS); International Accounting Standard (IAS) 24 'Related Party Disclosures'; and
- Any other applicable law and regulations issued by SBP, Securities and Exchange Commission of Pakistan (SECP) or other authorities from time to time.

Disclosure of Interest by Directors

Every Director who is in any way, whether directly or indirectly, concerned or interested in any contract or arrangement entered into, or to be entered into, by or on behalf of the Bank shall disclose the nature of his/her concern or interest at a meeting of the Board of Directors:
Provided that a Director shall also be deemed to be interested or concerned if any of his spouse, children and parents, are so interested or concerned.

List of Related Parties

List of related parties and the nature of their relationships with the Bank as identified under the Related Party Transactions Policy are as under;

- All Directors of the Bank.
- Group Companies including Parent, Subsidiary and Associate Companies as disclosed under Group Structure.
- Key Executives of the Bank as disclosed under the Management Team section.
- Close family members including spouse, children, dependents, siblings and lineal ascendants and descendants of Directors and Key Executives of the Bank.
- All funds managed by the ABL Asset Management Company Limited as disclosed under the Status and Nature disclosure of the consolidated financial statements and employee funds maintained by the Bank.
- Organizations controlled or jointly controlled or under significant influence of the Directors or Key Executives of the Bank or their close family members including those mentioned under the Directors' Profile section.

Related Party Transactions

The details of the related party transactions of the Bank are disclosed under relevant sections of the Financial Statements. The reference to these transactions is as under;

- Note 30.3 of the Financial Statements presenting the Donations made during the year 2025 to the related parties.
- Note - 42 of the Financial Statements presenting the related party transactions during the year 2025.
- Annexure III of the Financial Statements presenting the details of the fixed assets disposed of during the year 2025 to the related parties.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

OUR PHILOSOPHY

CSR vision of Your Bank "To be a socially responsible corporate citizen" delineated in its CSR policy outlines Corporate Social Responsibility objectives of Your Bank. The Policy stipulates that CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.

POLICY OBJECTIVES

Objective of the policy is to provide guidelines to align business objectives and entity's roles as responsible corporate citizen. Your Bank recognizes its obligations as responsible corporate citizen and aims to achieve following broader objectives:

- Establish a "WORKPLACE" environment to maintain balanced work life with healthcare facilities along with high ethical standards, equal employment opportunities, aided social interaction among employees and encouraged employment of persons with different abilities.
- Our working style should have positive impact on "ENVIRONMENT" promoting green banking, use of renewable energy sources, reducing carbon omissions, promoting tree plantation and change of working style, on best effort basis, from paper based to computer based and promoting green culture.
- Make our "COMMUNITY" feel our presence not only by our business interactions but also by sharing and caring, especially during the times of adversities and natural calamities and pandemics as well as expansion of the Bank's branch network to rural areas, which will help in rural development and ensuring financial inclusion.
- Strengthen "CUSTOMER RELATIONS" by ensuring satisfaction and privacy.
- Protecting Human rights, ensuring transparency, taking anti-corruption measures & curtailing money laundering, terrorist financing and proliferation financing, adopting best business practices and improving stakeholder relations through "GOVERNANCE".
- Our "BRAND" and slogans such as, "Aap kai dil main hamara account" should be known as community caring organization and not just for the profit.

The Bank's contributions towards these areas are mentioned in Corporate Sustainability Report.

RECORDS MANAGEMENT AND SAFETY POLICY

The Bank has a comprehensive records management program that ensures maintenance, protection, retention and disposal of records in accordance with applicable regulations, operational needs and fiscal/legal requirements.

Record management is an organizational function to control the maintenance and disposition of organization's record. Record management ensures the valuable record evidence of an organization's activities that have legal, financial, administrative or historical value are protected and accessible while expired record is systematically destroyed. Record archiving is integral to Business Continuity Plan (BCP), including its role in data preservation,

compliance and recovery.
The Bank's records are maintained in soft form as well as hard copies. The Data Backup and Recovery policy is in place for all applications and databases processing transactions and maintaining records to ensure the availability and integrity of data at all times.

Physical records are currently maintained both in-house and at specialized external warehousing facilities. The in-house record storage capacity has been further enhanced by developing storage facilities at Pakpatan and Kamoke. Operationalization of these facilities has been initiated in the branches of North-1 and South-2. Outsourced record archiving services will continue to remain in place to support the Bank's current and future needs. In line with the Clean-up Policy for rented godowns, majority of the rented godowns have been vacated and shall be replaced with cost-effective storage solution, free up branch space, and contribute to improved management.

Furthermore, Software for Archiving Record Management is under development to streamline both in-house and outsourced archiving processes through system. The software will enable systematic management of archived records in accordance with the approved procedures, improve data security.

HUMAN RESOURCE MANAGEMENT POLICIES

SUCCESSION PLANNING

Continuous employee development and sustainable organizational growth are integral components of the Human Resource function strategic framework. To achieve these objectives, the Bank consistently strives to transform its workforce into agile, high-performing teams with multidisciplinary expertise through structured succession planning and development programs.

As part of strategic planning and after the success of RISE-1 program, Human Resource function has successfully planned and executed psychometric personality profiling for middle management employees by approved selection criteria based on multiple parameters, under the Recognition and Investment in Sustaining Employees (RISE-II) Program. In line with these insights, customized and need-based training and development plans have been designed for execution in the subsequent years. RISE-II is a strong reflection of Allied Bank's leadership vision and commitment to succession planning, talent investment, and long-term organizational sustainability. Furthermore, under the direction of management, Allied Leadership Talent Pipeline (ALTP-III) Program is also developed for and is scheduled for execution in 2026.

HUMAN RESOURCE DIVERSITY

Allied Bank recognises its responsibility towards sustainable economic and social development and role of a diverse human resource in achieving these goals which is also reflected in the Mission statement of the Bank.

Gender Equality

Gender Equality has always been the corner stone of Allied Bank from the time of the Banks inception it was the torch bearer on being an equal opportunity employer to help women achieve their goals. The Bank has always been at the fore front to promote the female employee inclusion and supporting new initiatives that support them in general areas of life as well. The Bank has taken multiple initiatives, to narrow down the gender gap and establish a conducive, harmonized gender sensitive work environment.
As part of our diversity & inclusion drive hiring of female employees was focused this year, therefore our female population stands at 25.16% at December 2025.

The commitment towards bringing diversity is further augmented by the following statistics

Differently Abled Persons

Allied Bank Limited remains committed to maintaining an inclusive workplace culture that promotes equal opportunity and prohibits discrimination on the basis of gender, race, or physical ability, in line with the Bank's policies and values. The Bank continues to support the professional growth and integration of Persons with Different Abilities (PWDs) by providing a respectful, accessible, and supportive work environment.

Diversity, Equity & Inclusion (DE&I)

ABL has strengthened its commitment through structured Diversity, Equity and Inclusion (DEI) learning interventions delivered across the Bank. These initiatives aimed to enhance employee awareness, sensitivity, and practical capability in engaging with individuals with different abilities—both as colleagues and customers.

DEI-related training sessions were conducted through classroom and online platforms as part of the Bank's broader capacity-building agenda, contributing to the overall training coverage achieved during the year. The learning content reinforced inclusive service delivery practices, fair treatment of customers, and respectful workplace interactions, while emphasizing the importance of accessibility and dignity for Persons with Different Abilities. 4,961 employees were trained specifically on PWD-related inclusion topics in 2025 and specific modules were covered (e.g., sign language, assistance for visually impaired customers, priority service protocols).

These initiatives collectively reflect Allied Bank's continued focus on embedding inclusion within its organizational culture and ensuring that employees are equipped to serve a diverse customer base in a fair, professional, and empathetic manner.

Learning and Development

Allied Bank is dedicated to creating a learning environment where every employee is given the opportunity to thrive, grow, and achieve their professional goals. By investing in the continuous development of our people, we ensure that our bank remains competitive, innovative, and able to meet the challenges of a dynamic financial landscape.

Through our Learning and Development Policy, we aim to create a workforce that is not only highly skilled but also motivated, engaged, and aligned with the bank's vision for the future. We believe that the continuous growth and development of our employees are integral to the success of our organization. As a dynamic and forward-thinking institution, we are committed to providing an environment where our employees are empowered to learn, grow, and reach their full potential. Our Learning and Development Policy is designed to support this vision by offering opportunities for skill enhancement, leadership development, and career progression.



Merit-Based Recruitment and Equal Opportunity Policy:

Allied Bank Limited (ABL) maintains a structured and merit-based recruitment framework to ensure that talent acquisition is conducted with integrity, transparency, and objectivity. Recruitment decisions are based on clearly defined eligibility criteria, competencies, qualifications, experience, and demonstrated potential.

The Bank's recruitment practices are governed by the following principles:

- **Transparency and Procedural Fairness**
All stages of the recruitment process including job advertisement, shortlisting, assessment, and final selection are conducted in a transparent manner, ensuring fairness, consistency, and absence of bias or favoritism.

- **Job-Specific Eligibility and Competency Criteria**
Selection decisions are strictly aligned with the predefined job description, required competencies, and qualification benchmarks. Candidates are evaluated based on their capability to contribute effectively toward the Bank's strategic and operational objectives.

- **Equal Employment Opportunity**
ABL provides equal employment opportunity to all applicants irrespective of gender, ethnicity, religion, or other personal characteristics.

- **Commitment to Diversity and Inclusion**
ABL recognizes diversity as a source of institutional strength and innovation. The Bank remains committed to fostering an inclusive workplace environment where employees can perform and grow without discrimination.

Performance Management Framework

ABL has established a comprehensive Performance Management Framework to foster accountability, drive performance excellence, and ensure alignment with its overall corporate strategy. This formalized system is designed to cascade the Bank's strategic objectives down to individual performance goals, thereby creating a clear line of sight between organizational priorities and employee contributions.

The framework incorporates a balanced evaluation approach that assesses both financial and non-financial parameters, recognizing not only measurable business outcomes but also behavioral competencies, compliance standards, and service quality. Performance assessments are conducted through a structured, transparent, and well-documented appraisal process to ensure fairness, consistency, and objectivity across the organization. Furthermore, performance outcomes are systematically utilized to form reward decisions, identify development needs, and support succession planning initiatives. Through this disciplined and integrated approach, ABL reinforces a culture of high performance, accountability, and continuous improvement throughout the institution.

Employee Engagement and Communication Framework

The Bank promotes a culture of open communication, employee participation, and constructive feedback as part of its human resource governance practices.

- **Structured Feedback Mechanisms**
ABL has institutionalized multiple formal mechanisms to obtain employee feedback and monitor engagement levels. Regular meetings between employees and reporting managers to review performance and development objectives. Periodic surveys are conducted to assess workforce satisfaction, engagement levels, and organizational climate. Multi-source performance feedback is sourced incorporating input from supervisors, peers, and subordinates.

- **Recognition and Reward Practices**
The Bank maintains structured recognition programs to acknowledge individual and team achievements. These include formal annual recognition events as well as ongoing performance-based acknowledgments.

- **Feedback Implementation and Transparency**
Employee feedback is reviewed at management level, and actionable measures are implemented where appropriate. Communication of implemented changes reinforces transparency and strengthens employee trust.

- **Employee Participation in Organizational Development**
Employees are encouraged to participate in consultative forums, focus groups, and cross-functional initiatives to enhance engagement and institutional alignment.

Employee Healthcare, Safety and Well-being

Employees' wellbeing and mental health is of paramount significance. Mindfulness Hour Sessions are regularly held at Management Developments Centers. These sessions focus on breathing techniques and Yoga stretches to reduce stress, promote mental alertness and enhance overall well-being. The mindfulness hour initiative demonstrates the Banks dedication towards the physical and mental health of its employees.

In addition, ABL has established state-of-the-art gym facilities for its employees, featuring separate gyms for males and females. These gyms are equipped with top-quality workout equipment and amenities, designed to meet diverse physical fitness needs. They provide employees with a convenient and accessible space to engage in physical activities, promoting a culture of health and wellness within the workplace.

Further, ABL has started Day-care facility for its employees to help focus on their work by reducing stress and distractions when parents are confident that their children are in safe and nurturing environment. Staffed by qualified and caring professionals, these daycare centers ensure that children receive attentive care in a secure and supporting environment. Providing such a facility will greatly benefit employees with young children by ensuring a safe and convenient childcare solution within the workplace.

Anti - Harassment Policy

In order to continue with the 'best practices in Human Resource Management', an Anti-Harassment Policy is in existence which gives protection to all employees of Allied Bank Limited irrespective of their gender. The objectives of Anti-Harassment Policy are:

a. To promote a harmonized gender sensitive work environment;
b. To create a culture based on social, moral and ethical values, and;
c. Making Workplace a dignified environment for both men and women by handling inappropriate behaviours.

A designated email address has been circulated throughout the organization to file complaints in a confidential manner. An Anti-Harassment Committee is formulated under the policy to entertain and investigate the complaints of Harassment. Allied Bank Limited exhibits zero tolerance policy against any kind of harassment. Harasser may face strict administrative actions if the action of harassment is proved against him/her.

Gender Pay Gap Statement Under SECP Circular 10 of 2024

Following is gender pay gap calculated for the year ended December 31, 2025.

I. Mean Gender Pay Gap: -4%
II. Median Gender Pay Gap: -3%

(Signed by CEO on behalf of Board of Directors of the Bank)

The negative variance indicates that, on average, female employees earned marginally higher than male employees during the reporting period. These outcomes demonstrate the Bank's commitment to equitable compensation practices and its continued focus on maintaining fairness, objectivity, and merit-based pay structures across the workforce.

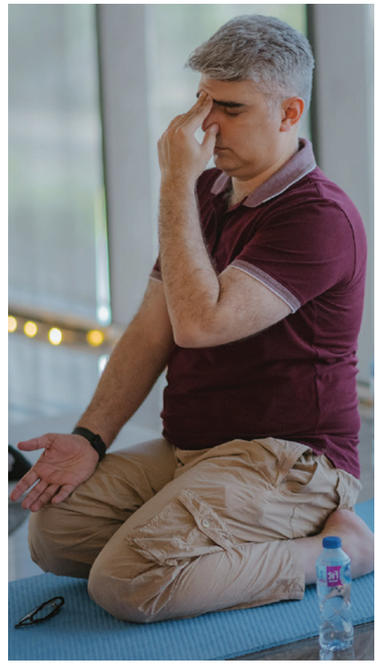
YOGA & MINDFULNESS HOUR



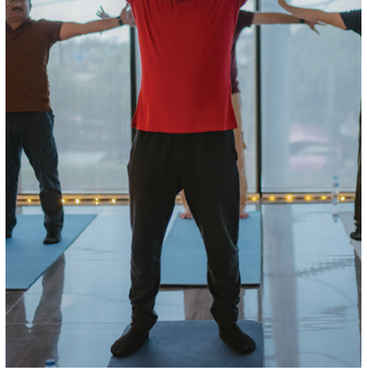


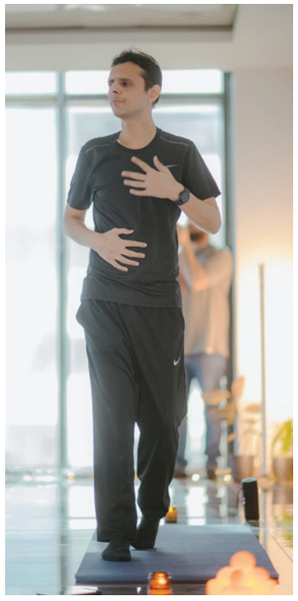














THE BALANCING ACT - MIND & BODY

REMUNERATION REPORT

Oversight of Remuneration Policy

The Bank's remuneration framework is strategically structured to advance its long-term objectives while embedding principles of prudent risk management and strict regulatory compliance within its compensation practices. Governance and oversight of this framework are entrusted to the Human Resource and Remuneration Committee (HR&RC) of the Board of Directors, which is mandated to oversee the formulation, implementation, and periodic review of the remuneration policy, along with the broader governance of compensation across the organization.

The Committee plays a critical role in ensuring that remuneration structures are performance-driven and aligned with the Bank's defined risk appetite, thereby promoting accountability, balanced risk-taking, and sustainable value creation. It also ensures full compliance with the Corporate Governance and remuneration guidelines prescribed by the State Bank of Pakistan (SBP), reinforcing transparency, fairness, and ethical standards in compensation practices. To maintain ongoing relevance and effectiveness, the remuneration policy is reviewed periodically to reflect changes in regulatory requirements, evolving market conditions, and the Bank's strategic priorities, ensuring that the framework remains robust and responsive within a dynamic operating environment.

Remuneration Structure and Components

ABL adopts a comprehensive Total Remuneration approach designed to attract, motivate, and retain high-performing talent while aligning employee rewards with the Bank's strategic objectives and long-term sustainability. The framework comprises three key components: fixed remuneration, variable remuneration, and employee benefits. Fixed remuneration is structured to remain market-competitive and includes base salary along with contractual allowances, thereby providing employees with stable and predictable compensation reflective of their roles, responsibilities, and experience.

Variable remuneration is performance-driven and closely linked to both financial and non-financial performance indicators that support the Bank's medium- to long-term strategic goals. Awards are determined based on formal performance evaluation outcomes and are subject to management discretion to ensure alignment with overall institutional performance and risk considerations. This component may include annual performance bonuses, incentives for professional qualifications, and target-based awards. To promote sustainable performance and prudent risk-taking, a defined portion of annual incentives may be deferred for up to three years and remains subject to malus provisions, enabling adjustments in the event of adverse outcomes.

In addition to direct compensation, ABL provides a range of employee benefits structured in line with prevailing market practices. These benefits are designed to support employees' financial well-being and work-life balance and includes but not limited to Car Lease/Ijara facilities, House Building Finance, Personal Finance, comprehensive medical coverage, education assistance, and post-employment benefits. Collectively, this Total Remuneration framework reinforces a performance-oriented culture while ensuring fairness, competitiveness, and long-term value creation for both employees and the Bank.

Employee Grading and Management Structure

The Bank maintains a structured grading system comprising twelve salary grades (MG1–MG12), where MG1 represents the most senior level.

Management is categorized as follows:

Management level	Salary Grades
Executive Management	MG1 to MG3
Senior Management	MG4 to MG6
Middle Management	MG7 to MG9
Junior Management	MG10 to MG12

Identification of Material Risk Takers (MRTs) and Material Risk Controllers (MRCs)

MRTs and MRCs are identified based on their authority, decision-making powers, and potential impact on the Bank's risk profile. MRCs operate under clearly defined independent reporting lines to ensure segregation between business operations and risk oversight functions.

Remuneration of MRTs and MRCs

Fixed Pay is determined in accordance with the Bank's standard remuneration framework

Risk-Adjusted Variable Remuneration

Variable remuneration is determined based on predefined Key Performance Indicators (KPIs), performance ratings, and competency assessments duly adjusted against scores achieved against Key Risk Indicators (KRIs). For MRTs, variable pay is further adjusted to reflect underlying and forward-looking risk exposures.

Deferral Framework

In accordance with risk-based remuneration principles, a portion of variable remuneration of MRTs is deferred for a period of three years based on assessed risk levels:

Category	High Risk	Medium Risk	Low Risk
CEO, Chiefs & Executive Management	25%	20%	15%
Senior Management	20%	15%	12.5%
Middle Management	15%	12.5%	10%

Deferred variable remuneration remains subject to malus provisions and continued risk assessment.

Risk Assessment and Deferral Determination Methodology

The Bank utilizes Risk Matrices incorporating Key Risk Indicators (KRIs) to assess the magnitude of risks undertaken by identified MRTs. The proportion of deferred variable remuneration is determined based on both current and anticipated risk exposures, ensuring alignment with prudent risk management practices and SBP remuneration guidelines.

ERP ENVIRONMENT OF THE BANK

Allied Bank Limited has always been at the forefront in innovations and deploying digital technologies to increase organizational efficiency and enhance the customers' experience.

In 2006, the Bank signed an agreement with Temenos for implementation of core banking software solution to provide integrated banking solutions to the valued customers. The implementation and phased-wise rollover of T24 core banking software was initiated in 2009 and completed in 2014 after successful migration of all branches.

With branch network over 1,530 branches and over 10.3 million+ accounts across Pakistan, T24 implementation has enabled the Bank to improve the transaction time with efficiency and transparency while maintaining the security and confidentiality requirements intact.

The Bank started implementation of Oracle Enterprise Business Suite in 2006 which is an integrated set of business applications for automating Customer Relationship Management (CRM), Enterprise Resource Planning (ERP) and Supply Chain Management (SCM) processes within the Bank.

Oracle E-Business Suite is being utilized to optimize internal processes by providing streamlined and effective workflows for various procurement and payment processes, fixed assets and inventory management, and the general ledger function to generate the financial statements of the Bank. Oracle Human Resource Management System is managing Human Resource activities along with access control in T24 core banking application through integration based on employee's assignment.

Regulatory controls are observed through applications like Oracle Financial Crime and Compliance Management and C-Link, and customer relationships are being managed through Oracle Customer Relationship Management.

Oracle Financials and Oracle Business Intelligence implemented over Data Lake and Central Database assist in integrated reporting and decision making.

Continuous Updation of ERP Applications

Regularly updating the ERP systems in rapidly changing technologies is an important tool in ensuring that the software is adding value to the business and the objectives of bringing efficiency in the business processes are being achieved.

Cognizant to this fact, the Bank has always adopted a robust approach to keep all applications upgraded to latest versions.

IT Steering Committee (ITSC) of the management is entrusted to review and recommend technology upgradation initiatives and prioritize projects for their implementation along with the required infrastructure. The capital expenditure outlay is incorporated in the annual capital expenditure budget of the Bank.

Major upgradation of the ERP applications includes upgrade of Temenos T-24 core banking software to Release 16 and Oracle E-Business Suite Applications to Release 12.

User Trainings of ERP Applications

Training and development of employees is of utmost importance to realize the maximum benefits of investments in ERP applications.

Management Development Centers (MDC) equipped with latest technologies and qualified & experienced trainers have been established to facilitate continuous training and development of the team members.

In order to facilitate the new employees in getting familiar with the Bank's technological environment including major ERP applications, tailor-made "on-boarding" programs have been designed to ensure the development of required skillset.

After placement at respective positions, the Bank provides various learning opportunities to new and existing team members through the following channels:

- Internal trainings at MDCs
- External trainings by local or foreign training providers
- E-Learning resources through Bank's Portal and Mobile App

Management of Risk factors on ERP Projects

Enterprise Resource Planning (ERP) projects are strategic and capital intensive, so failure can be costly and may result in the waste of valuable resources including time. Because ERP is interdisciplinary (involving change management, project management and information technology management), it warrants a customized approach to enable managing the risks throughout the life cycle of implementation and operation.

In order to mitigate these risks, the Bank has established a dedicated Technology Governance, Risk and Compliance Division under Information Technology Group, responsible for overseeing the implementation of approved project management methodology during delivery of major technology-related projects.

Technology Governance, Risk and Compliance Division works in liaison with all functions/groups initiating the request for any major technology project and assists in evaluation, approval and completion of the project ensuring compliance with timelines.

The project management methodology implemented by the Bank specifies processes to be adopted for acquisition and implementation of IT Systems covering the processes required for successful delivery of major technology-related projects throughout its lifecycle.

This methodology covers the detailed guidelines for following broad phases of project management:

- Project Initiation
- Project Planning
- Project Execution
- Project Monitoring & Control
- Project Closure

Project Steering Committee (PSC) is also formed for larger projects comprising of Senior Officials of the concerned Groups to monitor Project Progress and Deliverables Status at periodic intervals.

Control over ERP projects is further exercised through periodic monitoring of all major technology-related projects by the IT Steering Committee of the management which is responsible to ensure an efficient IT operating environment that supports the institution's goals and objectives.

Assessment of System Security

The Bank has developed and implemented detailed policies and procedure guidelines for Information Assets Security Risk Management with an objective to provide an effective and efficient process for conducting Information Asset Risk Assessments and mitigating risks identified for Information Assets of the Bank as per Information Security Policy.

The Information Security Policy approved by the Board of Directors and Information Asset Risk Management Procedure Manual approved by the Risk Management Committee of the management clearly outline the scope of Information Technology resources covered and roles and responsibilities of each of the functions of the Bank.

The Information Security Policy of the Bank provides detailed guidance on secure use of Information Assets, passwords, high privilege user IDs, access control, data backup and retention, network and system security, log review and other related matters on Information Security Management.

In order to ensure that related controls as outlined by the approved policies and procedure manuals are working effectively as per design, continuous monitoring and periodical assignments are carried out by internal functions and external consultants.

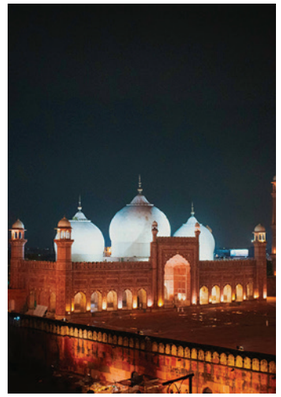
List of Major Activities

- Continuous monitoring of application logs and reporting of information security incidents through dedicated Security Operations Center (SOC)
- Periodically performing vulnerability scanning and penetration testing both internally and externally
- Conducting comprehensive security risk assessment exercise and maintaining risk register of all information assets held by the Bank
- Information systems audit by Internal Audit Function



SCAN TO WATCH

















SHAPING THE FUTURE THROUGH **SCENARIO PLANNING**

A TWO-DAY WORKSHOP WITH **NORMANN PARTNERS UK**

IT GOVERNANCE
& CYBERSECURITY

IT GOVERNANCE AND CYBERSECURITY

Board of Directors' Policy Statement on IT Governance and Information Security

The responsibility for the IT Governance and Information Security at the Bank rests with the Board of Directors. The E-Vision Committee of the Board assists the Board of Directors to discharge its responsibilities related to addressing Cybersecurity Risks and overall Information Technology Governance. The Board of Directors sets the tone and direction for the Bank's use of technology. Board of Directors are responsible for the following;

- Review and approve an IT governance framework to ensure that the Banks's IT supports and enables the achievement of the corporate strategies and objectives.
- Review and approve "IT Strategy", "Cyber Security Strategy" and "Digital Strategy" in line with the business strategy of the Bank and monitor & update the same on regular basis keeping in view potential opportunities and threats.
- Establish an efficient and effective IT organization structure in line with the IT governance framework.
- Ensure that technology risks are integrated with the enterprise risk management function to achieve security, reliability, resiliency, interoperability and recoverability of data/ information and information assets.
- Approve all technology-related policies and review the same periodically in light of major technological/regulatory developments at least after every three (03) years.
- Ensure maintenance of an independent and effective technology audit function commensurate with the complexity of the Bank's technology risk profile.
- Ensure that resource gaps (people, process & technology) identified by the management are adequately and timely fulfilled.
- Ensure that the skills required for technology governance, service delivery, information security and risk management are sufficient and up-to-date.
- Approve and receive periodic updates on major technology-related projects that may have significant impact on the Bank's operations, earnings or capital. Further, the Board of Directors also defines the criteria for major projects.

Cybersecurity Best Practices



IT Governance and Cybersecurity Programs and Policies

Information Technology governance is an integral part of the Bank's Corporate Governance Framework consisting of the leadership and organizational structures to ensure the alignment of IT strategy with business strategy, optimization of resources, value delivery and performance measurement to achieve business objectives. The purpose of the IT Governance is to ensure the safety of the Banks's information assets and technological infrastructure from internal and external threats including the cybersecurity risks. The technology framework of the Bank is governed by the SBP guidelines contained in the Enterprise Technology Governance & Risk Management Framework for Financial Institutions issued vide BPRD Circular No. 05 dated May 30, 2017. The Bank has formulated Information Technology Governance Policy and Information Security Policy which are reviewed and updated at-least after every three (03) years and Business Continuity Plan which is reviewed and updated at-least annually. These policies and plans cover the following areas:

- Information / Cybersecurity
- Services delivery & operations management
- Project management, acquisition, development & implementation of technology solutions/systems
- Business Continuity and Disaster RecoveryThe Bank's Information Security Policy has laid down detailed guidelines on use of various technology mediums and covers the following;

- Information/cyber security awareness and training
- Audit and accountability
- System configuration management
- Identification, authentication, access management
- Information security incident management / incident response
- System maintenance
- Information and data protection
- Risk management
- Security assessment
- Information systems and communications security
- Cryptographic controls
- Information integrity
- IT asset management
- System acquisition development & maintenance
- Information security policy for outsourcing
- Business continuity and disaster recovery

Risk Oversight Function on Cybersecurity

Cybersecurity and cyber risks have become a corporate governance issue as financial institutions have come under scrutiny of regulators on the backdrop of increased threat to data, processes and systems. Apart from the financial cost of cybercrime, a cyber incident can damage corporate reputation, brands and market value. Therefore, cybersecurity is an integral component of the Bank's broader enterprise-wide risk management structure. The Board of Directors is charged with overseeing the Bank's cybersecurity risk.

The Board of Directors plays an active oversight role to understand emerging and constantly changing legal and regulatory environments. The Board of Directors has put in place an appropriate Management Information System (MIS) to oversee the management's effort for implementation of IT strategy and business plan, exception from board-approved IT policies and progress on major IT projects. The Management's IT Steering Committee has been tasked to periodically report to the Board of Directors on the latest developments on cyber security action plan, its implementation status, a summary report on major threats, attacks faced by the Bank and their estimated impact on its operations. IT Steering Committee also reports Information / Cybersecurity related matter to the E-Vision Committee of the Board for their review. Information Security Function of Risk Management Group is responsible to record and document all security breach incidents and report these to the Management and the Board of Directors.

Administration of IT Governance and Cybersecurity matters

E-Vision Committee of the Board assists the Board of Directors to discharge their responsibilities related to oversight of IT Governance and Cyber Security matters. The committee's terms of reference include;

- To ensure that Risk Management strategies are designed and implemented to achieve resilience, respond to wide-scale disruptions, including cyber-attacks and attacks on multiple critical infrastructure.
- To periodically review the information security governance initiatives and risk assessments.

The role of Board of Directors in IT Governance not only involves providing leadership direction for IT in the Bank but also ensuring that given directions are being followed in true spirit. In order to ensure good IT Governance, the Board performs the following:

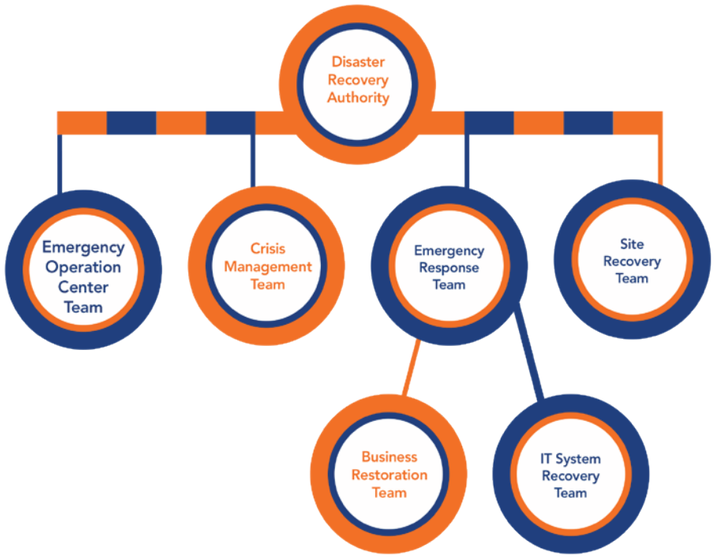
- Review and approve "IT Strategy", "Cyber Security Strategy" and "Digital Strategy" in line with the business strategy of the bank and monitor and update the same on regular basis keeping in view potential opportunities and threats.
- Ensure that technology risks are integrated with the enterprise risk management function to achieve security, reliability, resilience, interoperability and recoverability of data/ information and information assets.
- Approve all technology-related policies and review the same periodically in light of major technological/regulatory developments at least after every three (03) years.
- Ensure maintenance of an independent and effective technology audit function commensurate with the complexity of Bank's technology risk profile.
- Ensure that resource gaps (people, process & technology) identified by the management are adequately and timely fulfilled.
- Ensure that skills required for technology governance, service delivery, information security and risk management are sufficient and up-to-date.
- Define criteria for major projects and approve and receive periodic updates on major technology-related projects that may have significant impact on the Bank's operations, earnings or capital.

Management of Cybersecurity Risks and Incidents

As the potential for cyber-attacks against the banking sector grows, the importance of an Early Warning System, as part of overall Information Security Control environment, that enables to prevent cyber issues such as security breaches before they happen, has grown manifold over recent years. The early warning system of Allied Bank comprises of;

- Development of cyber security action plan to proactively address the likely cyber-attacks in order to anticipate, withstand, detect, and respond to cyber-attacks in line with international standards and best practices.
- Implementation of automated solutions to monitor and proactively track cyber-attacks.
- Log reviews comprising reviews of actions of privileged users, invalid logical access attempts and changes to identification and authentication mechanisms.
- Penetration testing (inhouse and external) periodically and upon any significant change in infrastructure.
- Vulnerability assessments (inhouse and external) periodically and upon any significant change in infrastructure.
- Change detection mechanism for Cardholder Data Environment and other critical systems to alert personnel to unauthorized modification of critical system files, configuration files.
- Collaboration with industry for the purpose of collecting and exchanging timely information that may facilitate in detection, response, resumption and recovery of systems.
- Establishment of Security Operations Center which works round the clock to monitor and detect any threats or breaches on the Information Assets of the Bank.

Employees are made responsible to report Security Incidents to their line management, Information Technology function, and Information Security function as soon as they know about the incident. Security breach incidents are monitored, documented and reported to the Board of Directors, senior management and to the regulator as per regulatory requirement on prescribed reporting template.



Independent Comprehensive Security Assessment

The Bank undertakes independent third-party cybersecurity risk assessment to protect its information and information systems from cyber threats. The purpose of an independent cybersecurity risk assessment is to identify, assess, and prioritize security risks to information and information systems by engaging external consultants having sufficient experience in Information Security Assessment and Penetration Testing. The Bank's policy on independent security assessments is;

- For Cardholder data environment, quarterly external network vulnerability scans shall be performed by an Approved Scanning Vendor (ASV) qualified by Payment Card Industry (PCI) Data Security Standard (DSS).
- Bank shall arrange 3rd party penetration testing once in a year on biannual basis or upon any significant change in infrastructure.

Contingency and Disaster Recovery Plan

Businesses across the globe cannot deny the importance of having an effective well tested business continuity and disaster recovery plan in order to recover from severe disruptions either manmade or natural, and ensure the recovery of critical business processes to safeguard its infrastructure and its customers interests. Cognizant to this fact, the Bank has prepared a Business Continuity and Disaster Recovery Plan for its business-critical systems including;

- Core Banking Systems
- Digital Banking Channels
- Hardware Security Module, Communications and other necessary infrastructure including system and storages.

The Business Continuity and Disaster Recovery Plan outlines specific preparation prior to the disaster and response procedures immediately after the disaster. The Bank has formed a Disaster Recovery Authority responsible for allocating resources for recovery planning, supervising the recovery initiative and recovery procedure after the activation of Disaster Recovery Plan. The Disaster Recovery Authority is organized in a manner to coordinate the recovery efforts with clearly defined roles and responsibilities.

The Bank has also established its Disaster Recovery / Alternate site for providing Information Technology related services. To review the efficacy of its disaster recovery procedure, the Bank annually conducts one-week long DR exercise to assess the strength, availability and monitor the robustness of Disaster Recovery site.

During this tenure all operations are served from alternate site which acts as a primary site.

Augmentation of Technological Advances

The Bank has continued to make significant advancement in fulfilling the requirements of its stakeholders using state of the art technology and by enhancing its digital footprint so that stakeholders are provided with all "digital and networked banking services" in transparent and secure way.

In order to support data driven business decisions for customers, the Bank by using Big Data technologies has created Data Lake comprising of structured and unstructured data. The Bank is also working with multiple Data Science companies to capitalize on the investment of Big Data for implementing multiple use cases through machine learning models, and in turn, improve and personalize customer experiences.

The Bank has already implemented multiple use cases on "Robotic Process Automation Solution" and is exploring further use cases for automation to for improve operational efficiency, control and cost saving.

Allied Bank is among the first 3 banks who have volunteered for Pakistan Banking Association initiative in implementing blockchain based e-KYC, which is customer information sharing platform among the member banks. In the first phase, shared information will be transparently viewed and updated by the banks to perform customer KYC.

Education and Training on Cybersecurity Risks

Cybersecurity risks are continuously evolving as the constant focus on digitalization of the financial sector has resulted in shift of financial transaction from conventional means to digital channels. These ever-evolving cyber risks requires continuous education and training of relevant stakeholders specially employees and customers to address these risks. Major initiatives taken during the year for training of employees, customers and general public, are;

- Issuance of monthly "Security News Bulletin" for education of employees
- Training programs for employees on Information Security Awareness
- SMS Alerts to customers on security of Confidential Information
- Social Media campaigns for general public on Security

Awareness

















BEYOND TRANSACTIONS AT LOCATE BAZAAR



PERFORMANCE
& POSITION

HIGHLIGHTS
OF 2025

Best Digital Bank- Islamic & Large Corporations **"Euromoney 2025"**	Credit Rating Maintained **Long Term AAA Short Term A1+**	CGR Rating Maintained at CGR9++	Addition in Islamic Branches Including Converted 142	Addition in Branch Network 25

Total Assets **Rs. 3,370.40 bn** Up by **20%**	Profit after Tax **Rs. 35.18 bn**	Profit before Tax **Rs. 74.21 bn**	Return on Equity **18.73%**

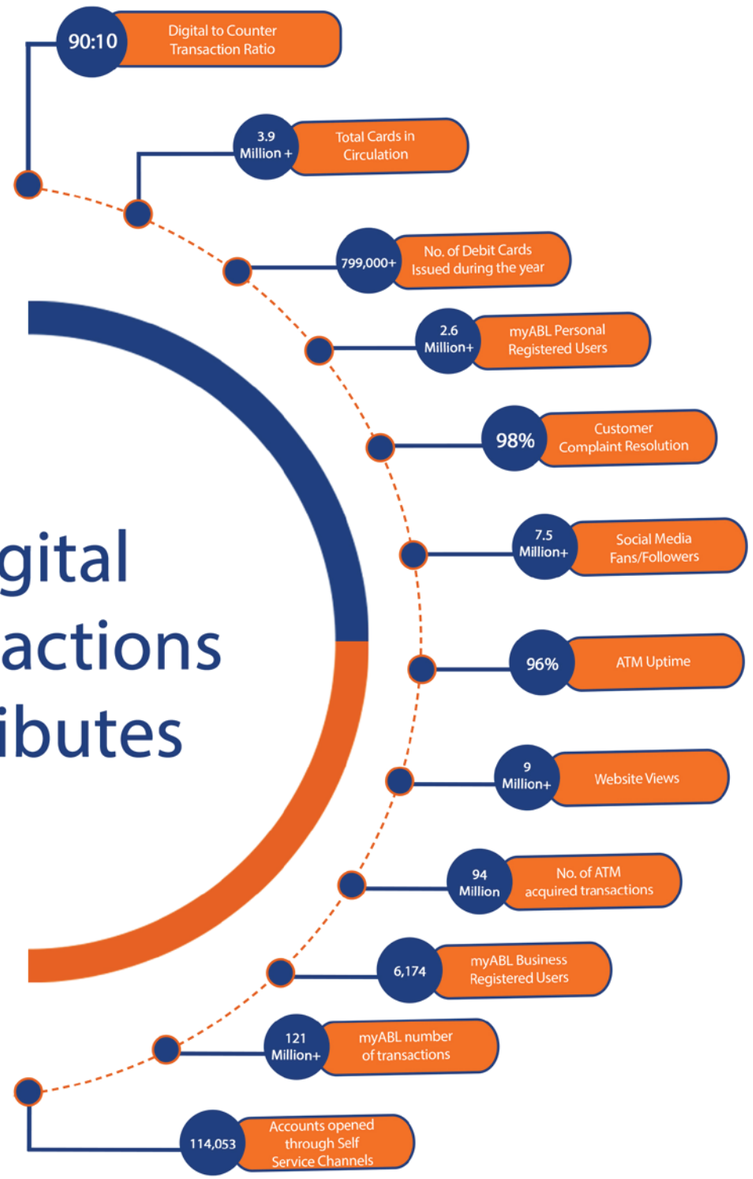
Equity **Rs. 263.38 bn Up by 12.6%**	Deposits **Rs. 2,345.90 bn** Up by **16.22%**	Earning per Share **Rs. 30.72**	Increase in **POS Transactions 46%**	Increase in **E-Commerce** Transactions **41%**

Digital to Counter Transaction **90:10**	New Accounts Opened **1 Million +**	Capital Adequacy Ratio **27.74%**	Dormant Accounts Revived **530,000 +**

NON-FINANCIAL INFORMATION
HUMAN RESOURCE ATTRIBUTES

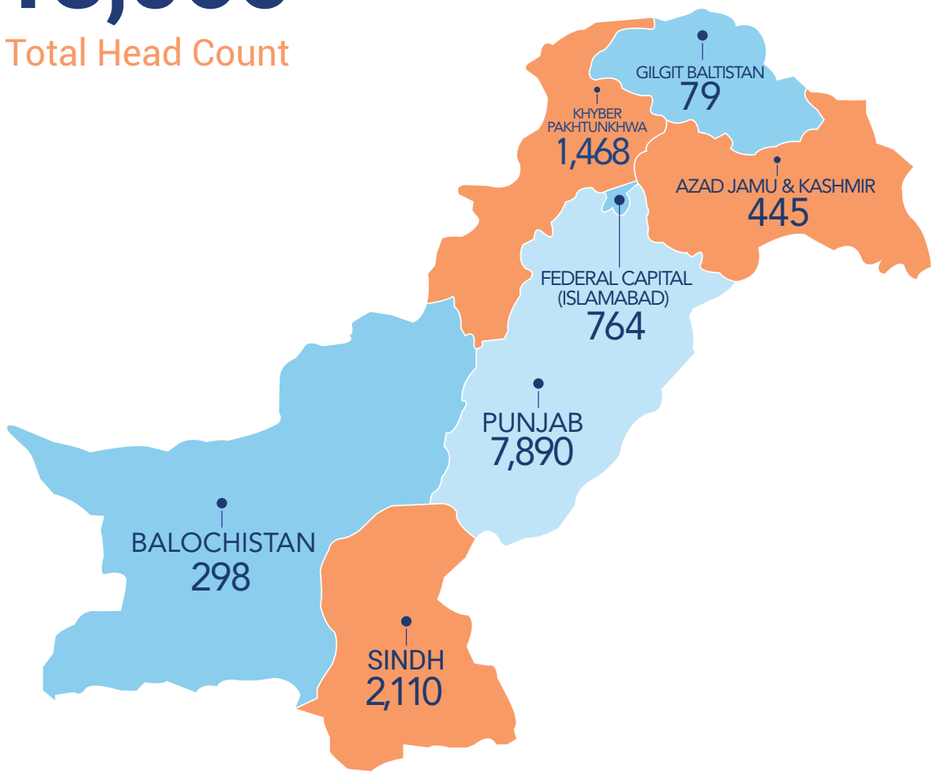
13,066	Total Staff
Male & Female Ratio	75:25
9%	Female Employees Ratio at Senior Management Position
Employee Retention Ratio	83%
52	Differently Abled Persons Employed
Employees Trained	12,300
Rs. **274 Mn**	Amount Spent on Training & Development
Average Training Hours Served/Employee	85.97
2,612	New Recruitment

NON-FINANCIAL INFORMATION
DIGITAL TRANSACTION ATTRIBUTES



NON-FINANCIAL INFORMATION
GEOGRAPHICAL POSITIONING OF HUMAN RESOURCE CAPITAL

13,066
Total Head Count



OVERSEAS
12

ANALYSIS OF NON-FINANCIAL PERFORMANCE

Human Capital

Human resource capital remains the key asset to our success. Human resource management continues to be the top priority for the Bank and is designed in such a way to motivate our employees to pursue goals that will enable the Bank to achieve its strategic goals. Key statistics of our human resource as compared to last year are as under:

	2025	2024
Staff Strength	13,066	13,275
New Recruitment	2,612	2,838
Number of Employees Trained	12,300	12,132
Investment in Training & Development	274.15 Million	Rs. 254.84 million
Promotions	1,379	1,306
Number of Female Staff	3,288	3,264
Female Staff to Total Staff Ratio	25%	25%

Intellectual Capital

8 decades of banking services	Strong Governance	Trustworthy Brand Name

Intangibles associated with the Bank – culture, ethics, values, organizational knowledge, systems, procedures and brand value. These intangibles, while not reflected in the balance sheet, are indeed the real assets of the Bank.

	2025	2024
Governance Rating	CGR 9++	CGR 9++
Technology Infrastructure	• Launched Google Pay on ABL Debit Cards for contactless payments. • Launched Infinite Debit Cards. • Introduced Visa Premium Debit Cards manufactured from recycled PVC material. • Rolled out Raast P2M QR Acquiring for digital merchant onboarding. • Deployed 265 Cash Deposit Machines and 180 Cash Recycler Machines.	• New corporate website has been launched with new advanced features. • Commercial launch of POS Merchant Acquiring Business to step into Digital Payment Acceptance space and drive Financial Inclusion. • Allied Bank partnered with Haball, a leading digital supply chain solutions provider.

Manufactured Capital

Capital Expenditure	Branches including sub-branches	ATMs
21,280 million	1,535	1,674

Manufactured capital consists of our physical branch network and other tangible and intangible items that support our operations outreach such as equipment, IT systems and network.

During the year, the Bank has expanded its network by 25 branches.

The banking model is in gradual transformation from traditional banking to digital era. Hence, to cater to the growing segment of millennials among our customers, the Bank has been continuously investing in the digital banking platforms. We are increasing our digital touch points at a steady pace, providing our customers transactional convenience while ensuring financial security.

	2025	2024
Branches	1,535	1,510
ATMs – Onsite	1,428	1,356
ATMs – Offsite	240	243
Mobile ATMs	6	5

Social and Relationship Capital

No. of Customers	Dividend to Sharehold-ers (Rs. in million)	CSR Funds (Rs. in million)
10.3 million+	18,321	186

Bank values its stakeholders and remained cognizant of its responsibilities towards the society. Analysis of social and relationship capital as compared to last year is as follows:

	2025	2024
No. of Customers	10.3 million+	9.2 million+
Complaint Resolution	98%	97%
Website Visits	9 million+	9.3 million+
Social Media Fan Following/Sub-scribers	7.5 million+	3.6 million+
Internet Banking Customers	2.6 million+	2.1 million+
Tree Plantation	150,000+	100,000+

SIX YEARS VERTICAL ANALYSIS

Statement of Financial Position

	2025		2024		2023		2022		2021		2020	
	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%
ASSETS												
Cash & Balances with Treasury & Other Banks	184,861	5%	156,732	6%	158,592	7%	91,353	4%	125,310	6%	135,628	9%
Lending to financial institutions	-	0%	243,541	9%	9,418	1%	28,222	1%	45,453	3%	17,996	1%
Investments- Net	2,137,087	63%	1,129,874	40%	1,150,318	49%	1,123,117	50%	1,064,495	53%	829,621	52%
Advances - Net	789,677	23%	1,051,314	37%	781,597	33%	845,640	38%	652,890	32%	496,432	31%
Operating Fixed assets	151,365	4%	138,681	5%	125,475	5%	84,442	4%	80,871	4%	76,246	5%
Other assets	107,405	3%	96,826	3%	103,916	5%	78,198	3%	41,138	2%	34,535	2%
Total Assets	3,370,395	100%	2,816,968	100%	2,329,316	100%	2,250,972	100%	2,010,157	100%	1,590,458	100%
LIABILITIES												
Bills payable	13,860	1%	14,502	1%	9,322	1%	14,160	1%	10,060	1%	9,622	1%
Borrowings	643,733	19%	462,023	16%	373,674	16%	530,414	24%	420,006	21%	193,928	12%
Deposits	2,345,859	69%	2,018,395	72%	1,676,623	72%	1,522,297	68%	1,413,295	70%	1,216,678	76%
Other liabilities	103,567	3%	88,147	3%	75,443	3%	56,290	3%	39,551	2%	38,670	2%
Total Liabilities	3,107,019	92%	2,583,067	92%	2,135,062	92%	2,123,161	94%	1,882,912	94%	1,458,898	92%
NET ASSETS	263,376	8%	233,901	8%	194,254	8%	127,811	6%	127,245	6%	131,560	8%
EQUITY												
Share capital	11,451	0%	11,451	1%	11,451	1%	11,451	1%	11,451	1%	11,451	1%
Reserves	46,341	1%	42,461	1%	37,961	1%	31,435	1%	26,784	1%	24,277	1%
Un - appropriated profit	140,614	4%	123,361	4%	104,802	4%	79,653	4%	69,471	3%	66,995	4%
Surplus on revaluation of assets	64,970	2%	56,628	2%	40,040	2%	5,272	0%	19,539	1%	28,837	2%
	263,376	8%	233,901	8%	194,254	8%	127,811	6%	127,245	6%	131,560	8%

Profit and Loss Account

Interest / Return / Non Interest Income earned												
Markup / Return / Interest earned	297,228	91%	376,760	93%	357,307	94%	215,469	91%	118,649	88%	110,547	90%
Fee, Commission & Brokerage	16,515	5%	14,081	3%	10,641	3%	8,147	3%	6,811	5%	5,441	4%
Foreign Exchange Income	5,145	2%	6,679	2%	9,167	2%	7,948	3%	1,973	2%	1,664	2%
Gain on securities and Dividend income	5,823	2%	6,462	2%	4,388	1%	4,487	2%	6,485	5%	5,076	4%
Other income	1,073	0%	758	0%	231	0%	93	0%	669	0%	362	0%
Non-markup Income	28,556	9%	27,980	7%	24,427	6%	20,675	9%	15,938	12%	12,543	10%
Total Income	325,784	100%	404,740	100%	381,734	100%	236,144	100%	134,587	100%	123,090	100%
Markup / Return / Interest and Non Interest Expense												
Markup / Return / Interest expensed	(192,228)	-59%	(261,537)	-65%	(244,028)	-64%	(148,750)	-63%	(73,062)	-54%	(62,126)	-50%
Operating expenses	(66,844)	-21%	(57,880)	-14%	(48,888)	-13%	(40,923)	-17%	(33,886)	-25%	(30,472)	-26%
Donations	(144)	0%	(105)	0%	(84)	0%	(107)	0%	(60)	0%	(133)	0%
Non-markup Expense	(66,988)	-21%	(57,985)	-14%	(48,972)	-13%	(41,030)	-17%	(33,946)	-25%	(30,605)	-25%
Reversals / (Provisions)	7,641	2%	2,710	1%	(2,977)	-1%	262	0%	812	1%	(844)	-1%
Taxation	(39,034)	-12%	(44,812)	-11%	(45,074)	-11%	(25,433)	-11%	(11,077)	-8%	(11,486)	-9%
Total expense - percentage of total income	(290,609)	-89%	(361,624)	-89%	(341,051)	-89%	(214,950)	-91%	(117,274)	-87%	(105,061)	-85%
Profit / (Loss) after taxation	35,175	11%	43,116	11%	40,683	11%	21,194	9%	17,313	13%	18,029	15%

SIX YEARS HORIZONTAL ANALYSIS

Statement of Financial Position

	2025	25 vs 24	2024	24 vs 23	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19
	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%	Rs. In Million	%
ASSETS												
Cash & Balances with Treasury & Other Banks	184,861	18%	156,732	-1%	158,592	74%	91,353	-27%	125,310	-8%	135,628	13%
Lendings to financial institutions	-	-100%	243,541	2486%	9,418	-67%	28,222	-38%	45,453	153%	17,996	32%
Investments- Net	2,137,087	89%	1,129,874	-2%	1,150,318	2%	1,123,117	6%	1,064,495	28%	829,621	9%
Advances - Net	789,677	-25%	1,051,314	35%	781,597	-8%	845,640	30%	652,890	32%	496,432	2%
Operating Fixed assets	151,365	9%	138,681	11%	125,475	49%	84,442	4%	80,871	6%	76,246	19%
Other assets	107,405	11%	96,826	-7%	103,916	33%	78,198	90%	41,138	19%	34,535	-13%
Total Assets	**3,370,395**	**20%**	**2,816,968**	**21%**	**2,329,316**	**3%**	**2,250,972**	**12%**	**2,010,157**	**26%**	**1,590,458**	**7%**
LIABILITIES												
Bills payable	13,860	-4%	14,502	56%	9,322	-34%	14,160	41%	10,060	5%	9,622	22%
Borrowings	643,733	39%	462,023	24%	373,674	-30%	530,414	26%	420,006	117%	193,928	-27%
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Other liabilities	103,567	17%	88,147	17%	75,443	34%	56,290	42%	39,551	2%	38,670	-9%
Total Liabilities	3,107,019	20%	2,583,067	21%	2,135,062	1%	2,123,161	13%	1,882,912	29%	1,458,898	7%
NET ASSETS	**263,376**	**13%**	**233,901**	**20%**	**194,254**	**52%**	**127,811**	**0%**	**127,245**	**-3%**	**131,560**	**14%**
EQUITY												
Share capital	11,451	0%	11,451	0%	11,451	0%	11,451	0%	11,451	0%	11,451	0%
Reserves	46,341	9%	42,461	12%	37,961	21%	31,435	17%	26,784	10%	24,277	9%
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Surplus on revaluation of assets	64,970	15%	56,628	41%	40,040	659%	5,272	-73%	19,539	-32%	28,837	12%
	263,376	**13%**	**233,901**	**20%**	**194,254**	**52%**	**127,811**	**0%**	**127,245**	**-3%**	**131,560**	**14%**
Profit and Loss Account												
Interest / Return / Non Interest Income earned												
Markup / Return / Interest earned	297,228	-21%	376,760	5%	357,307	66%	215,469	82%	118,649	7%	110,547	-10%
Fee, Commission & Brokerage	16,515	17%	14,081	32%	10,641	31%	8,147	20%	6,811	25%	5,441	7%
Foreign Exchange Income	5,145	-23%	6,679	-27%	9,167	15%	7,948	303%	1,973	19%	1,664	-16%
Gain on securities and Dividend income	5,823	-10%	6,462	47%	4,388	-2%	4,487	-31%	6,485	28%	5,076	49%
Other income	1,073	42%	758	228%	231	148%	93	-86%	669	85%	362	-10%
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Markup / Return / Interest and Non Interest Expense												
Markup / Return / Interest expensed	(192,228)	-27%	(261,537)	7%	(244,028)	64%	(148,750)	104%	(73,062)	18%	(62,126)	-23%
Operating expenses	(66,844)	15%	(57,880)	18%	(48,888)	19%	(40,923)	21%	(33,886)	11%	(30,472)	11%
Donations	(144)	37%	(105)	25%	(84)	-21%	(107)	78%	(60)	-55%	(133)	142%
Non-markup Expense	(66,988)	16%	(57,985)	18%	(48,972)	19%	(41,030)	21%	(33,946)	11%	(30,605)	11%
Reversals / (Provisions)	7,641	182%	2,710	-191%	(2,977)	-1236%	262	-68%	812	-196%	(844)	54%
Taxation	(39,034)	-13%	(44,812)	-1%	(45,074)	77%	(25,433)	130%	(11,077)	-4%	(11,486)	13%
Total expense - percentage of total income	(290,609)	-20%	(361,624)	6%	(341,051)	59%	(214,950)	83%	(117,274)	12%	(105,061)	-12%
Profit / (Loss) after taxation	**35,175**	**-18%**	**43,116**	**6%**	**40,683**	**92%**	**21,194**	**22%**	**17,313**	**-4%**	**18,029**	**28%**

STATEMENT OF FINANCIAL POSITION

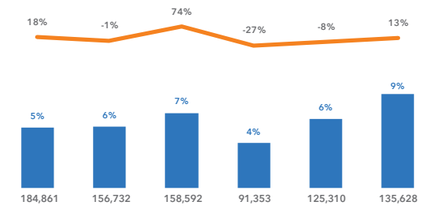
SIX YEARS HORIZONTAL & VERTICAL PERFORMANCE HIGHLIGHTS

2025 | 2024 | 2023 | 2022 | 2021 | 2020

Rs. in Million

ASSETS

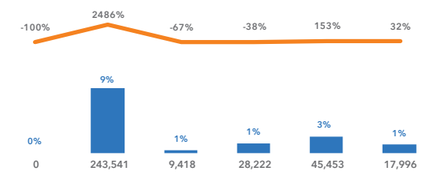
Cash & Balances with Treasury & Other Banks



CAGR for the last six years-annualized is 7%

Cash and balances with Treasury banks increased by Rs. 28,129 million, mainly on account of higher Current account balances maintained with State Bank of Pakistan and National Bank of Pakistan by Rs. 16,817 million and Rs. 6,398 million respectively.

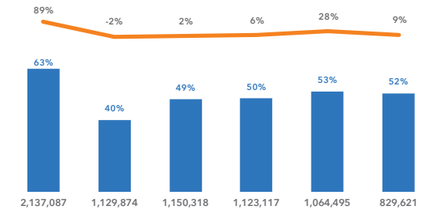
Lendings to Financial Institutions



CAGR for the last six years-annualized is -100%

Lendings to financial institutions decreased by Rs. 243,541 million from December 31, 2024 mainly due to decrease in Repo lendings by Rs. 235,941 million.

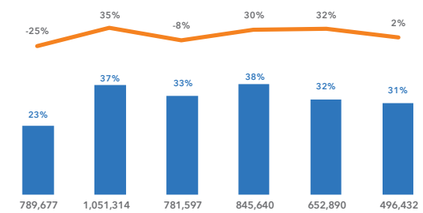
Investments - Net



CAGR for the last six years-annualized is 19%

Increase in investments by Rs. 1,007,213 million mainly pertains to increase in Pakistan investments bonds by Rs. 600,381 million and Treasury bills by Rs. 272,253 million.

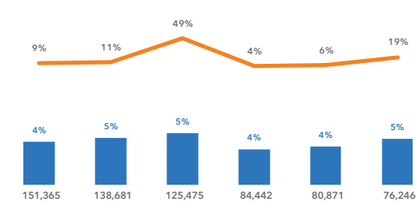
Advances - Net



CAGR for the last six years-annualized is 8%

Decrease in net Advances by Rs. 261,637 mainly pertains to lower Demand finance by Rs. 409,046 million, partially offset by higher Commodity operations finance and Working capital finance by Rs. 69,428 million and Rs. 39,749 million respectively.

Operating fixed assets (including right-of-use Assets)

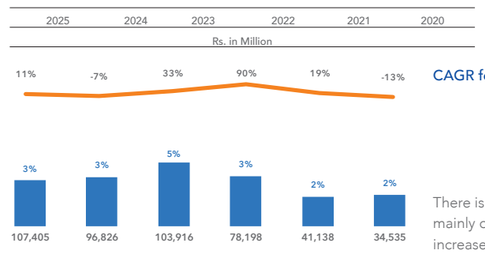


CAGR for the last six years-annualized is 15%

Fixed Assets, including intangibles and Right-of-Use asset, increased by Rs. 12,684 million mainly due to increase in Electrical, office and computer equipment by Rs. 5,386 million and Building on freehold land by Rs. 4,858 million.

STATEMENT OF
FINANCIAL POSITION

SIX YEARS HORIZONTAL & VERTICAL PERFORMANCE HIGHLIGHTS

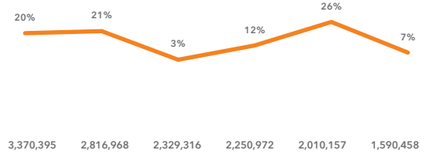


Other Assets
(Including Deferred Tax Assets)

CAGR for the last six years-annualized is 18%

There is 11% increase in the Other Assets mainly on account of Markup accrued which increased by Rs.4,823 million.

Total Assets

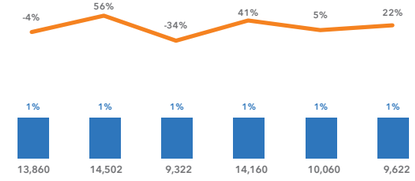


CAGR for the last six years-annualized is 15%

Total Assets of the Bank have increased by Rs. 553,426 million from December 31, 2024 position. Main increase is witnessed in Investments, Cash & balances with treasury banks, Operating fixed assets (including Right of use assets and Intangible assets), Other Assets and Balances with other banks which are higher by Rs. 1,007,213 million, Rs. 25,014 million, Rs. 12,684 million, Rs. 10,579 million and Rs. 3,115 million respectively, partially offset by decrease in Advances and Lendings to financial institutions by Rs. 261,637 million and Rs. 243,541 million respectively.

LIABILITIES

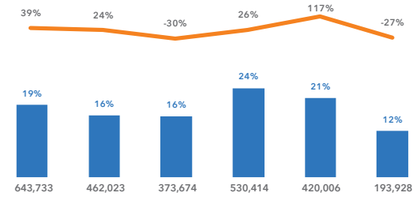
Bills Payable



CAGR for the last six years-annualized is 10%

There is 4% Decrease in Bills Payable

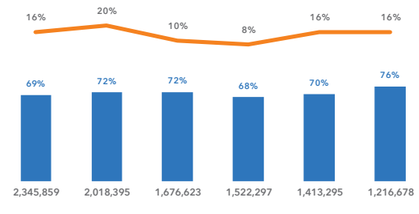
Borrowings



CAGR for the last six years-annualized is 16%

Bank Borrowings have increased by Rs. 181,710 million or 39% from Rs. 462,023 million as at December 31, 2024 to Rs. 643,733 million as at December 31, 2025 mainly due to increase in Repo borrowing by Rs. 148,354 million.

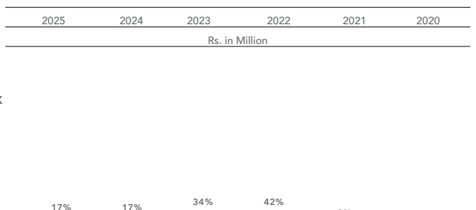
Deposits and other accounts



CAGR for the last six years-annualized is 14%

Outstanding deposits as at December 31, 2025 were higher than December 31, 2024 by Rs. 327,464 million i.e., 16% mainly driven by increase in Current Deposit by 21%. CASA percentage on outstanding basis is 66% as compared to 70% in December 31, 2024. High-cost Corporate deposits is 23% of total deposits as compared to 15% in December 31, 2024.

SIX YEARS HORIZONTAL & VERTICAL PERFORMANCE HIGHLIGHTS



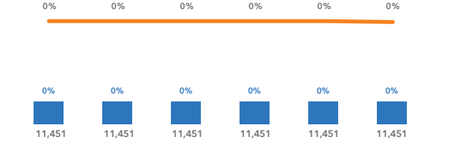
Other Liabilities
(Including Deferred Tax Liabilities)

CAGR for the last six years-annualized is 16%

YOY increase is of Rs. 15,420 million or 17% which is primarily due to increase in Deferred Tax Liability and acceptances which increased by Rs. 11,902 million and 1,706 million respectively. Deferred Tax Liability (DTL) increased by Rs. 11,902 million from December 31, 2024; mainly attributable to increase in DTL arising on Surplus on revaluation of Available-for-Sale Investments by Rs.10,358 million and Accelerated tax depreciation by Rs. 1,045 million, partially offset by decrease in Surplus on revaluation of fixed assets and Non-Banking Assets by Rs.239 million and Rs.59 million, respectively. Deferred Tax Asset (DTA) decreased on account of decrease in DTA on Credit Loss against Advances, Investments and other assets by Rs.2,957 million, partially offset by, higher IFRS-16 impact of Rs. 1,738 million and higher DTA on Workers' Welfare Fund by Rs. 772 million. Resulting, into net DTL of Rs.21,733 million as at December 31, 2025 against DTL of Rs.9,831 million as on 31 December 2024.

EQUITY

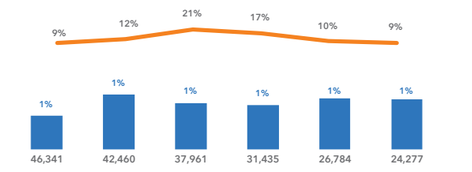
Share Capital



CAGR for the last six years-annualized is 0%

Compliant with the regulatory requirement.

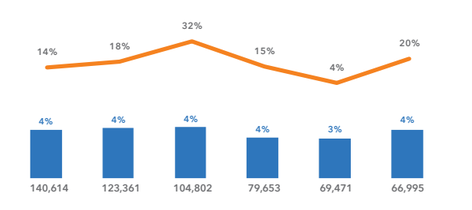
Reserves



CAGR for the last six years-annualized is 13%

9% YOY growth on reserves.

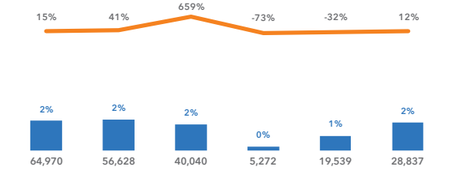
Unappropriated Profits



CAGR for the last six years-annualized is 17%

14% YOY growth is on account of current year's profit after payment of last year cumulative dividend.

Surplus on revaluation of assets - net



CAGR for the last six years-annualized is 17%

YOY increase of Rs. 8,342 million is due to Surplus in revaluation of fixed assets and securities.

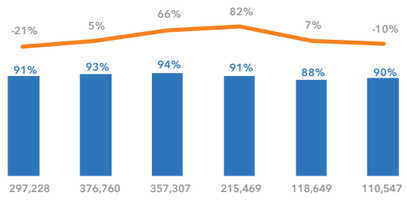
PROFIT AND LOSS ACCOUNT

Six Years Horizontal & Vertical Performance Highlights



INCOME

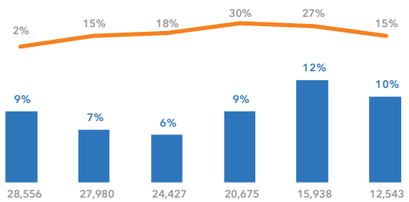
Markup Income



CAGR for the last six years-annualized is 16%

Mark-up income has decreased by Rs. 79,532 million or 21% to reach at Rs. 297,228 million for the year ended December 31, 2025 as compared to Rs. 376,760 million for the corresponding year ended December 31, 2024.

Non-Markup Income



CAGR for the last six years annualized is 17%

Non-mark-up and interest income increased by Rs. 576 million or 2% and amounted to Rs. 28,556 million for the year ended December 31, 2025 as compared to Rs. 27,980 million in corresponding year ended December 31, 2024.

The increase is mainly attributable to higher Fee Income and Other income by Rs. 2,434 million and Rs. 315 million respectively, partially offset by lower Foreign exchange income, Capital gain on disposal of investments and Dividend by Rs. 1,533 million, Rs. 525 million and Rs. 115 million respectively.

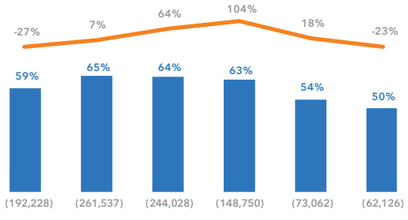
Total Income



CAGR for the last six years annualized is 25%

EXPENSES

Markup Expense

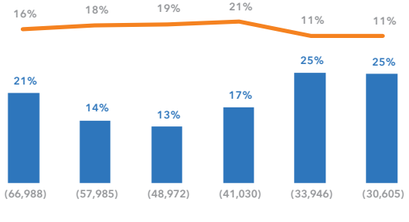


CAGR for the last six years annualized is 15%

Markup, Interest expense for the year ended December 31, 2025 has decreased to Rs. 192,228 million as compared to Rs. 261,537 million in corresponding year ended December 31, 2024, showing decrease of Rs. 69,309 million or 27%.

The decrease is on account of lower cost of deposits (including swap cost) by Rs. 67,555 million and borrowing expense by Rs. 1,835 million, partially offset by higher interest expense on Right of use Asset by Rs. 81 million.

Non-Markup Expense



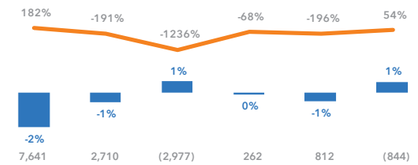
CAGR for the last six years annualized is 16%

Overall administrative expenses have increased by Rs. 9,003 million or 16% compared to corresponding year ended December 31, 2024; mainly due to higher Salaries and Benefits by Rs. 3,647 million, Depreciation and amortization by Rs. 1,316 million, Card Related Expenses by Rs. 1,068 million, IT expense by Rs. 968 million and Advertisement and Publicity expense by Rs. 690 million.

Six Years Horizontal & Vertical Performance Highlights



(Provisions) / Reversals

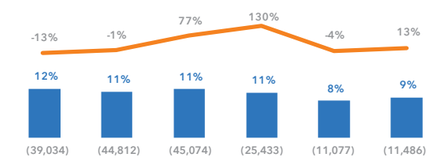


Credit loss reversals amounted to Rs. 7,641 million for the year ended December 31, 2025 as compared to Credit loss reversals of Rs. 2,710 million during the corresponding year ended December 31, 2024; mainly in advances, investments and cash and bank balances by Rs. 2,595 million, Rs. 1,647 million and Rs. 3,165 million respectively.

Infection ratio (NPLs to Gross advances) has increased to 1.42% at December 31, 2025 as compared to 1.22% at December 31, 2024 mainly due lower advances.

Loan loss coverage as at December 31, 2025 has decreased to 109.1% as compared to 115.7% at December 31, 2024.

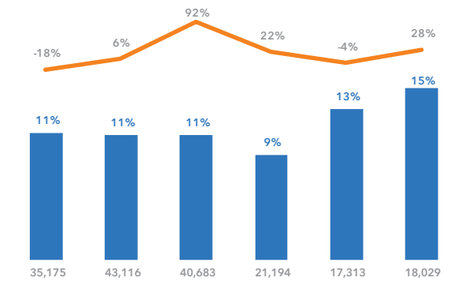
Taxation



CAGR for the last six years annualized is 25%

Taxation decreased by 13% as compared to 2024. Effective Income Tax rate for the year ended December 31, 2025 is 52.60%, as compared to 50.96% for the corresponding year December 31, 2024. Vide Finance Act 2025, allowance of depreciation and interest cost recognized under IFRS-16 have been replaced with actual rent expense w.e.f. Income Year 2019, resulting in recognition of prior year tax charge for six years of Rs. 1,346 million.

Profit after Taxation



CAGR for the last six years annualized is 16%

Profit after taxation for the year ended December 31, 2025 amounted to Rs. 35,175 million, lower by Rs. 7,941 million as compared to the corresponding year ended December 31, 2024.

Earnings Per Share (EPS) of the Bank has decreased to Rs. 30.72 per share for the year ended December 31, 2025 as compared to Rs. 37.65 per share for the corresponding year ended December 31, 2024.

FINANCIAL RATIOS

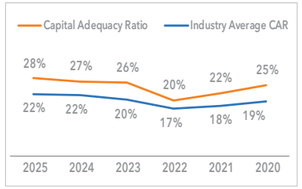
A Strong Balance Sheet Enabled An Attractive Dividend Payout

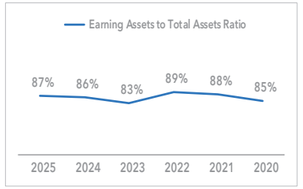
Our CET1 or Tier 1 and Capital Adequacy ratios of 20.55 % and 27.74% respectively, Liquidity Coverage Ratio of 222.67% and Net Stable Funding Ratio of 158.12 % on a pro forma basis, are all Basel III-compliant and are a reflection of a strong balance sheet. On the back of solid earnings growth in operations and a strong capital position, a final dividend of Rs. 4.00 was declared. Our full-year dividend cover was 1.92 times.

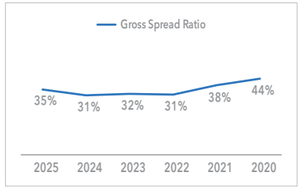
Financial Ratios

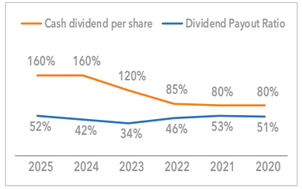
For the year ended		2025	2024	2023	2022	2021	2020
Profitability Ratios							
Profit before tax ratio	%	22.78%	21.72%	22.46%	19.74%	21.09%	23.98%
Gross Yield on Earning Assets	%	10.16%	15.54%	18.41%	10.79%	6.73%	8.22%
Gross spread ratio	%	35.33%	30.58%	31.70%	30.96%	38.42%	43.80%
Cost to Income ratio	%	50.05%	40.42%	35.50%	46.83%	55.08%	49.98%
Return on equity	%	18.73%	26.01%	29.40%	18.41%	16.46%	18.75%
Return on Capital employed	%	2.20%	3.11%	3.65%	2.18%	1.95%	2.27%
Shareholders' Fund	Rs. Mn	263,376	233,901	194,254	127,811	127,245	131,560
Return on Shareholders' Fund	%	13.36%	18.43%	20.94%	16.58%	13.61%	13.70%
Return on investments	%	1.65%	3.82%	3.54%	1.89%	1.63%	2.17%
Total Shareholder Return	%	44.17%	85.39%	48.51%	-11.94%	5.74%	-2.30%
Liquidity Ratios							
Advances to deposits ratio	%	34.19%	52.83%	47.37%	56.33%	47.11%	41.93%
Current, Quick or Acid test ratio	Times	0.65	1.14	0.68	0.59	0.80	1.06
Cash to current liabilities	%	10.89%	12.16%	14.64%	7.22%	11.96%	17.54%
Coverage Ratio (Stage 3 ECL /NPLs)		96.22%	93.83%	94.61%	89.58%	93.75%	96.27%
Coverage Ratio (Total ECL /NPLs)	%	109.07%	115.69%	96.18%	90.42%	94.49%	97.04%
Net interest income as a percentage of working funds	%	3.51%	4.65%	5.53%	2.36%	2.49%	3.43%
Credit Deposit Ratio	%	34.19%	64.90%	47.93%	58.18%	50.32%	43.41%
Cost of Funds Ratio	%	9.72%	14.58%	16.90%	10.38%	6.21%	5.41%
Non interest income as a percentage of working funds	%	0.96%	1.13%	1.19%	1.01%	0.87%	5.41%
Cashflow Coverage ratio	%	161.38%	-0.26%	23.29%	12%	61.71%	63.63%
Operating cost - Efficiency ratio							
Liquidity Coverage ratio - LCR	%	222.67%	199.06%	181.56%	167.46%	186.17%	179.27%
Gross Non-Performing assets to gross advances	%	1.46%	3.39%	4.13%	3.30%	2.24%	3.64%
Non-Performing loans to gross loan	%	1.42%	1.22%	1.64%	1.53%	2.04%	2.78%
Investment Ratios							
Earnings per share	Rs.	30.72	37.65	35.53	18.51	15.12	15.75
Price earnings ratio	Times	5.95	3.66	2.34	3.46	5.44	5.42
Price to book ratio	Times	0.79	0.67	0.49	0.57	0.74	0.74
Dividend yield ratio	%	8.75%	11.61%	14.46%	13.29%	9.72%	9.37%
Dividend payout ratio	%	52.09%	42.49%	33.78%	45.92%	52.91%	50.81%
Cash dividend per share	%	160.00%	160.00%	120.00%	85.00%	80.00%	80.00%
Market value per share at the end of year	Rs.	182.77	137.87	82.99	63.97	82.27	85.37
Break-up value per share without surplus	Rs.	173.27	154.81	134.68	107.01	94.06	89.71
Break-up value per share with surplus	Rs.	230.01	204.27	169.64	111.62	111.12	114.89
Breakup value per share including investment in related party at fair value with surplus	Rs.	231.79	205.61	170.11	112.08	111.58	115.35
Capital Structure							
Capital Adequacy ratio	%	27.74%	26.71%	26.21%	19.74%	22.32%	25.20%
Earnings assets to total assets	%	86.84%	86.08%	83.34%	88.72%	87.70%	84.51%
Cost of deposit	%	5.42%	9.56%	10.10%	6.55%	3.07%	4.02%
Net asset per share	Rs.	230.02	204.28	169.64	111.62	111.12	114.89
Liquidity Reserve Ratio	%	4.78%	4.72%	5.44%	3.73%	5.24%	6.35%
Retention Ratio	%	47.91%	57.51%	66.22%	54.08%	47.09%	49.19%
Debt to Equity Ratio	Times	2.44	1.98	1.92	4.15	3.30	1.47
Non-Financial Ratios							
Staff turnover ratio	%	17%	14%	12%	14%	10%	10%
Counter Transactions Productivity per day (No. of Transactions)	No.	75	78	76	77	78	67
Customer Satisfaction Index	%	-	75%	-	80%	-	78%
Customer Retention Ratio	%	96.30	97.08	96.67	96	92.04	93.42
Revenue Per Employee	Rs.	24.94	30.49	30.47	19.8	11.6	10.7

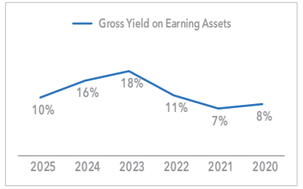
GRAPHICAL PRESENTATION OF FINANCIAL RATIOS

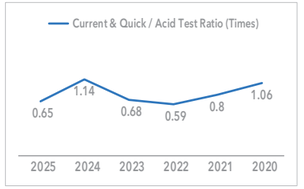


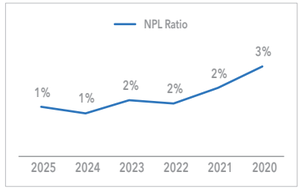


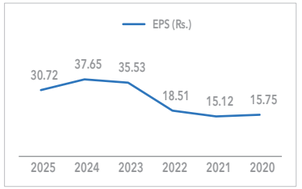


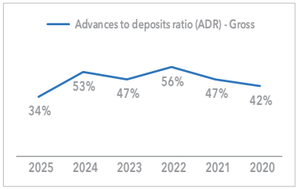


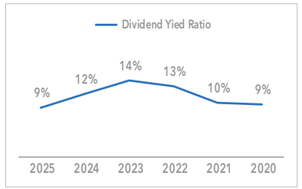


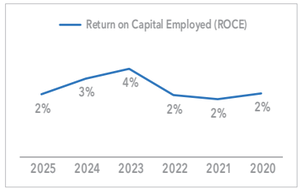




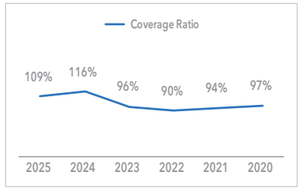


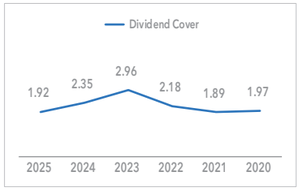


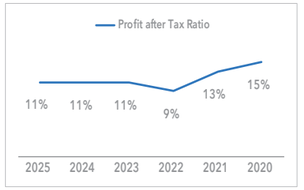


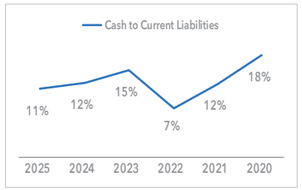


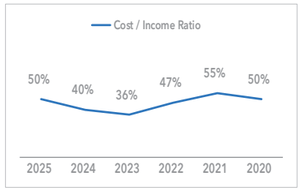










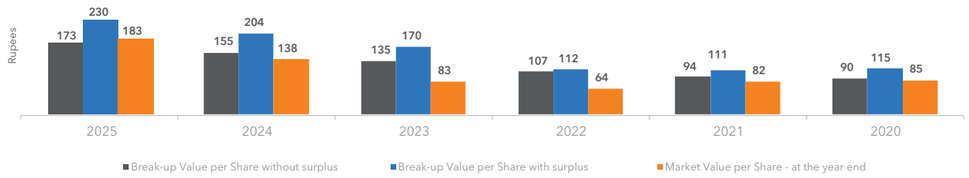




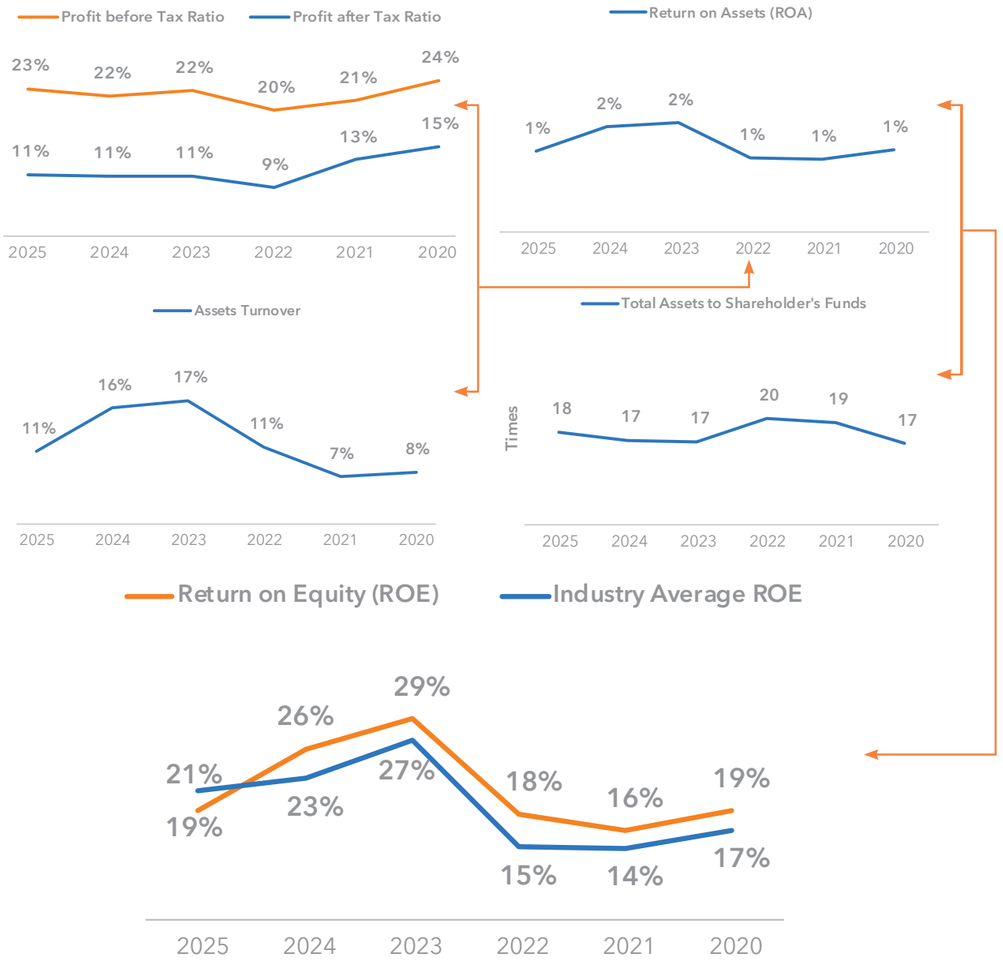
VALUE CREATION FOR SHAREHOLDERS

Through our financial performance we demonstrate our commitment to delivering long-term value for our shareholders.
Over the last six years the bank increased it's break-up value per share without surplus at a Compounded Annual Growth Rate of 14%.
Growing "Total assets to shareholder's funds" coupled with Return on Assets also contributed in achieving higher Return on Equity from respective average ratio of the industry .

Breakup Value vs Market Price



Dupont Analysis



SENSITIVITY ANALYSIS

	High	Low	Closing	Market Capitalization	
		Rupees		Capital (Rs. in Million)	Value (Rs. in Million)
December 31, 2025	184.00	180.00	182.77	11,451	209,290
September 30, 2025	177.50	170.00	171.93	11,451	196,877
June 30, 2025	143.42	139.05	141.00	11,451	161,459
March 31, 2025	134.84	133.01	134.10	11,451	153,558



Sensitivity Analysis is the process of quantifying the impact of changes in key financial and economic variables on the Bank's earnings, capital, and risk profile. It enables credit analysts to determine the extent to which the Bank's performance is dependent on specific assumptions, thereby supporting informed decision-making and risk management.

Factors Affecting the Share Price of the Bank

The share price of a bank is influenced by a combination of internal performance indicators and external macroeconomic conditions. Understanding these factors is critical for evaluating investor sentiment and the Bank's market valuation.

1. Financial Performance

Net interest margins, fee-based income, and treasury gains directly impact earnings per share (EPS). Non-performing loans (NPLs) and provisioning levels affect investor confidence in the sustainability of profits. Strong capital buffers reassure investors about resilience against shocks. Consistent and attractive dividend payouts support share price stability.

2. Macroeconomic Environment

Changes in policy rates influence lending margins and treasury income, thereby affecting profitability. Rising inflation increases operating costs and impacts consumer demand for credit. Currency depreciation affects foreign liabilities and remittance flows, influencing earnings. Strong GDP growth supports loan demand and banking activity, positively impacting share prices.

3. Regulatory & Policy Factors

Central bank decisions on rates and liquidity directly affect banking spreads. Requirements on capital adequacy, liquidity coverage, and provisioning influence investor perception. Changes in corporate tax rates or banking sector levies can alter profitability.

4. Market Sentiment & Investor Behavior

Overall market performance and sector sentiment drive investor appetite for the bank's shares. Relative performance against competitors impacts valuation multiples. Foreign portfolio inflows/outflows affect liquidity and share price volatility.

5. Strategic & Operational Factors

Investments in technology and customer experience enhance competitiveness and long-term valuation. Growth in Shariah-compliant products attracts new customer segments. Effective expense management improves profitability and supports higher valuations. Transparency, compliance, and strong management practices build investor trust.

Market Share of the Bank

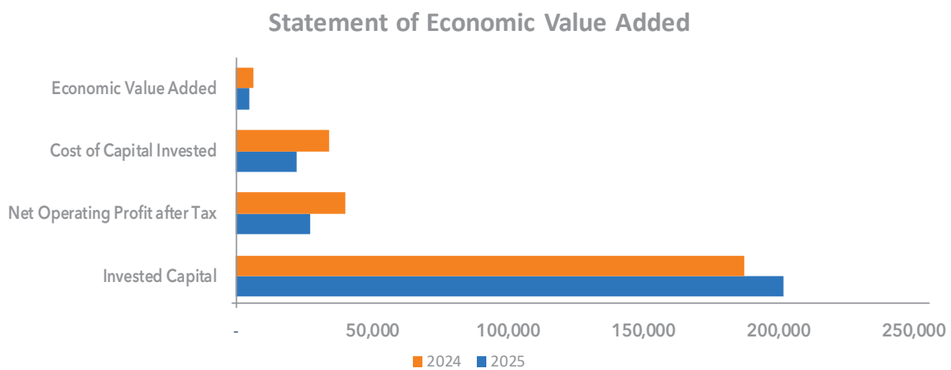
As of December 31, 2025, Allied Bank Limited (ABL) held a deposit market share of approximately 6.49% and a gross advances market share of approximately 5.67% in the Pakistan's banking sector, reflecting its established competitive position among commercial banks in Pakistan.

Bank has one of the largest branch network of 1,535 branches and 1,674 ATMs.

ABL is among the major participants in the financial sector, reflecting its sustained market presence and competitive strength.

ECONOMIC VALUE ADDED STATEMENT

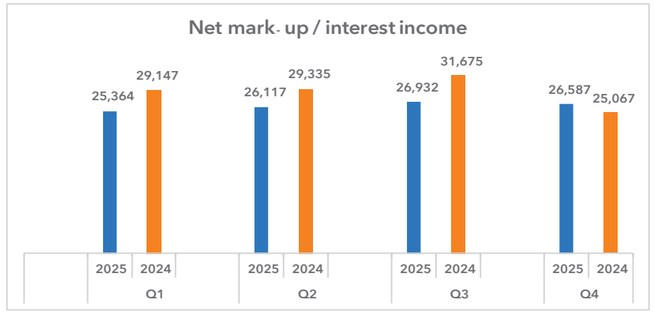
	December 31, 2025	December 31, 2024
	Rupees in Million	
Invested Capital		
Average Shareholders Equity	187,839	165,744
Provisions against assets:		
- Investments	1,072	2,714
- Advances	12,400	15,034
- Other Assets	1,075	4,391
Invested Capital - A	202,386	187,883
Net Operating Profit after Tax		
Profit after tax	35,175	43,116
(reversals) / Provisions for the year	(7,641)	(2,710)
Net Operating Profit after Tax - B	27,534	40,406
Economic Cost - C	11.13%	18.21%
Cost of Capital Invested - D - (A x C)	22,534	34,213
Economic Value Added (B - D)	5,000	6,193

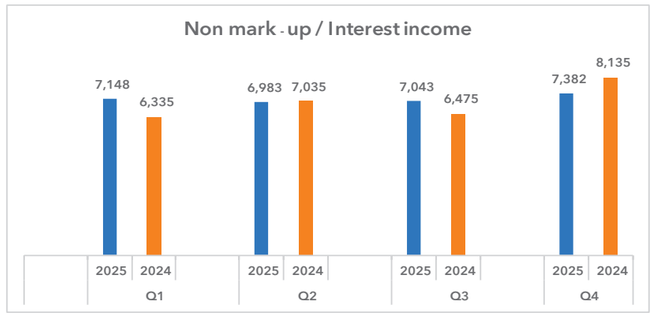


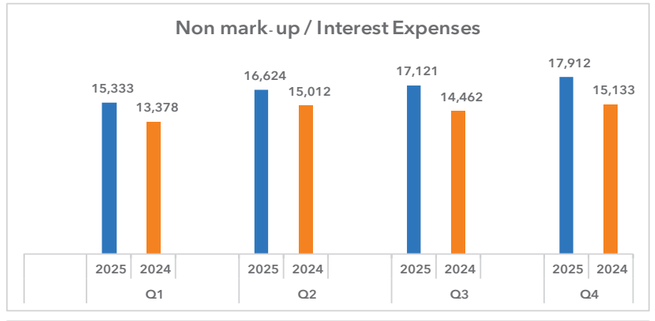
QUARTERYLY PERFORMANCE - 2025 & 2024

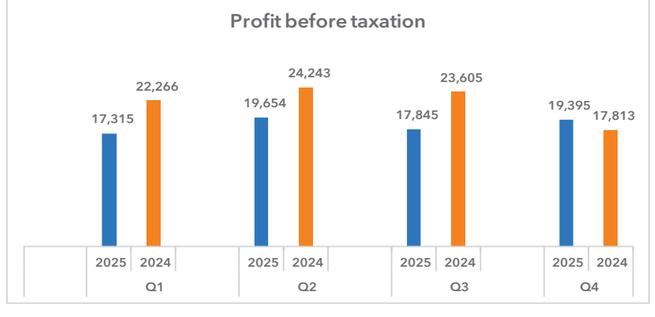
	2025				2024			
	Rupees in '000							
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Profit and Loss Account								
Mark-up / return / interest earned	75,650,744	78,163,877	71,766,254	71,646,920	85,545,271	98,863,021	98,040,419	94,311,559
Mark-up / return / interest expensed	49,064,211	51,231,655	45,649,361	46,282,508	60,478,767	67,187,656	68,705,787	65,164,933
Net mark-up / interest income	26,586,533	26,932,222	26,116,893	25,364,412	25,066,504	31,675,365	29,334,632	29,146,626
Non mark-up / Interest income	7,382,112	7,043,086	6,982,911	7,148,360	8,135,273	6,474,739	7,034,984	6,335,110
Total Income	33,968,645	33,975,308	33,099,804	32,512,772	33,201,777	38,150,104	36,369,616	35,481,736
Non mark-up / Interest Expenses	17,911,621	17,120,779	16,623,550	15,332,512	15,132,916	14,462,328	15,011,667	13,378,299
Profit before provisions	16,057,024	16,854,529	16,476,254	17,180,260	18,068,861	23,687,776	21,357,949	22,103,437
(Reversals) / provisions and write offs - net	-3,337,749	-990,671	-3,178,211	-134,788	255,481	82,609	(2,885,474)	(162,755)
Profit before taxation	19,394,773	17,845,200	19,654,465	17,315,048	17,813,380	23,605,167	24,243,423	22,266,192
Taxation	10,093,788	9,427,718	10,387,397	9,125,304	10,388,288	11,555,076	11,966,270	10,902,624
Profit after taxation	9,300,985	8,417,482	9,267,068	8,189,744	7,425,092	12,050,091	12,277,153	11,363,568
Statement of financial position								
Assets								
Cash and balances with treasury banks	171,781,831	168,667,839	166,389,049	142,698,511	146,768,168	173,140,143	187,678,299	164,469,748
Balances with other banks	13,079,040	12,205,870	3,266,007	7,461,623	9,964,224	1,699,980	6,365,541	12,890,747
Lendings to financial institutions - net	-	51,168,560	23,140,215	14,135,309	243,541,081	11,461,542	28,094,416	44,591,363
Investments - net	2,137,087,228	2,036,874,168	2,080,158,186	1,495,565,152	1,129,873,956	1,333,148,852	1,283,419,689	1,165,709,779
Advances - net	789,676,548	657,798,509	736,074,146	812,455,495	1,051,313,893	847,636,989	772,967,403	703,443,812
Fixed assets	146,882,760	142,601,697	139,702,848	137,518,822	135,048,603	131,843,271	129,103,366	127,180,949
Intangible assets	4,482,620	4,278,334	4,298,104	3,622,359	3,632,624	3,666,004	3,389,457	3,469,984
Deferred tax assets - net		-	-		-	-	-	-
Other assets - net	107,404,712	111,074,446	98,346,589	124,519,745	96,826,140	121,224,752	106,853,786	115,588,471
	3,370,394,739	3,184,669,423	3,251,375,144	2,737,977,016	2,816,968,689	2,623,821,533	2,517,871,957	2,337,344,853
Liabilities								
Bills payable	13,860,534	10,816,280	12,109,548	11,332,480	14,502,237	8,527,430	9,504,311	8,752,234
Borrowings	643,733,028	595,268,288	668,762,742	348,860,250	462,023,558	342,018,723	331,251,823	332,461,651
Deposits and other accounts	2,345,858,850	2,230,081,877	2,246,666,253	2,051,873,634	2,018,395,067	1,926,439,908	1,877,472,514	1,698,876,259
Lease Liabilities	11,553,450	11,125,695	10,813,160	10,458,307	10,360,968	10,278,950	10,382,751	10,708,442
Deferred tax liabilities - net	21,732,571	13,231,772	12,384,914	8,146,860	9,830,548	8,604,216	5,148,676	3,550,846
Other liabilities	70,280,585	71,504,325	53,421,172	69,793,545	67,955,110	97,865,558	65,584,076	73,963,364
	3,107,019,018	2,932,028,237	3,004,157,789	2,500,465,076	2,583,067,488	2,393,734,785	2,299,344,151	2,128,312,796
Net Assets	263,375,721	252,641,186	247,217,355	237,511,940	233,901,201	230,086,748	218,527,806	209,032,057
Represented by:								
Share capital	11,450,739	11,450,739	11,450,739	11,450,739	11,450,739	11,450,739	11,450,739	11,450,739
Reserves	46,341,119	45,417,937	44,396,042	43,267,870	42,460,536	41,226,026	40,094,463	38,869,886
Surplus on revaluation of assets - net of tax	64,969,900	59,388,677	59,202,493	55,435,854	56,628,460	55,383,298	51,693,586	50,936,977
Unappropriated profit	140,613,963	136,383,833	132,168,081	127,357,477	123,361,466	122,026,685	115,289,018	107,774,455
	263,375,721	252,641,186	247,217,355	237,511,940	233,901,201	230,086,748	218,527,806	209,032,057

QUARTERLY PERFORMANCE
GRAPHICAL PRESENTATION 2025 & 2024



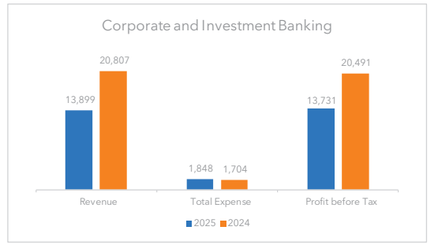


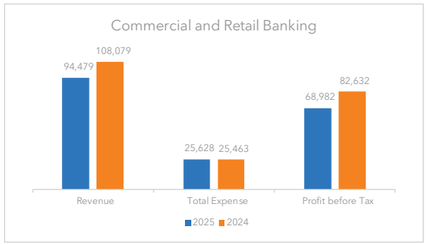


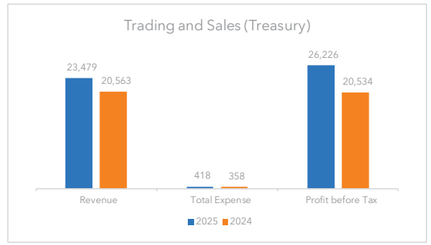


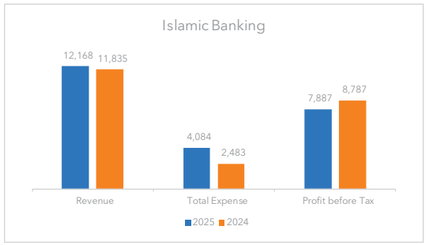
SEGMENT
ANALYSIS

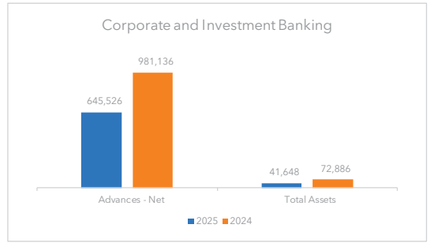
	Corporate and Investment Banking		Commercial and Retail Banking		Trading and Sales (Treasury)		Islamic Banking	
	2025	2024	2025	2024	2025	2024	2025	2024
	Rs. in million							
Revenue	13,899	20,807	94,479	108,079	23,479	20,563	12,168	11,835
Total expenses	1,848	1,704	25,628	25,463	418	358	4,084	2,483
Profit before tax	13,731	20,491	68,982	82,632	26,226	20,534	7,887	8,787
Advances - net	645,526	981,136	38,417	30,263	-	-	98,524	32,130
Total Assets	41,648	72,886	2,165,797	1,936,224	537,397	387,745	341,447	148,024

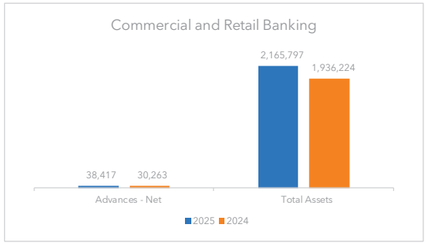


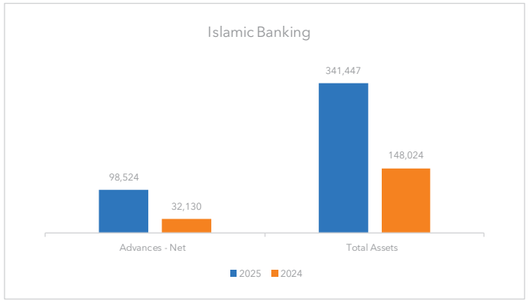












CASH FLOW STATEMENT

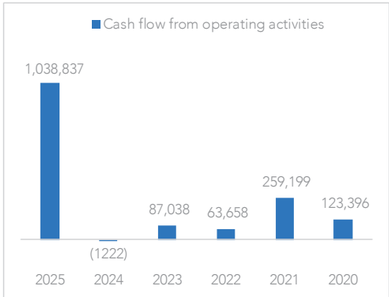
Direct Method

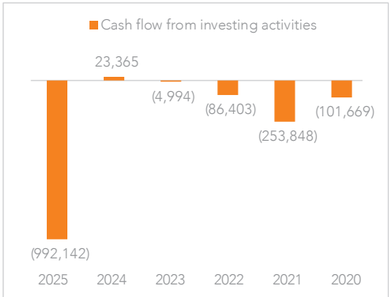
	2025	2024
	Rs. In Million	
STATEMENT FOR THE YEAR		
CASH FLOW FROM OPERATING ACTIVITIES		
Mark-up / return / interest and commission receipts	320,498	411,703
Mark-up / return / interest payments	(193,238)	(259,008)
Cash payments to employees, suppliers and others	(156,018)	(174,491)
	(28,758)	(21,796)
(Increase) / decrease in operating assets		
Lendings to financial institutions	243,541	(234,123)
Securities classified as FVTPL	(9,025)	17,115
Advances	264,233	(269,974)
Other assets (excluding advance taxation)	294,201	389,394
	792,951	(97,589)
Increase / (decrease) in operating liabilities		
Bills payable	(642)	5,180
Borrowings	182,131	88,116
Deposits	327,464	341,772
Other liabilities (excluding current taxation)	(187,531)	(260,672)
	321,422	174,396
Cash flow from operating activities before tax	1,085,615	55,011
Income tax paid	(46,041)	(55,509)
Defined benefits paid	(737)	(725)
Net cash flow generated from / (used in) operating activities	1,038,837	(1,222)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in FVOCI securities	(1,002,311)	100,915
Investment in subsidiary	(500)	(1,000)
Net investments in amortised cost securities	26,264	(59,518)
Dividend income received	2,876	3,079
Investments in operating fixed assets	(20,663)	(22,864)
Proceeds from sale of fixed assets	1,829	2,566
Effect of translation of net investment in foreign branch	363	187
Net cash flow (used in) / generated from investing activities	(992,142)	23,365
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(3,044)	(2,808)
Payment of lease liability against right of use assets	(18,266)	(18,255)
Net cash used in financing activities	(21,311)	(21,064)
Increase in cash and cash equivalents during the year	25,384	1,079
Cash and cash equivalents at beginning of the year	159,647	158,131
Effect of exchange rate changes on opening cash and cash equivalents	(168)	269
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	184,863	159,479

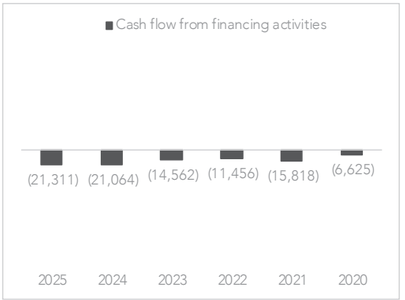
Summary of Cash Flow Statement

	2025	2024	2023	2022	2021	2020
	Rs. In Million					
Cash flows from operating activities	1,038,837	(1,222)	87,038	63,658	259,199	123,396
Cash flows used in investing activities	(992,142)	23,365	(4,994)	(86,403)	(253,848)	(101,669)
Cash flows used in financing activities	(21,311)	(21,064)	(14,562)	(11,456)	(15,818)	(6,625)
Cash and cash equivalents at the beginning of the year	159,479	158,400	90,918	125,118	135,585	120,482
Cash and cash equivalents at the end of the year	184,863	159,479	158,400	90,918	125,118	135,585

SIX YEARS CASH FLOW ANALYSIS







Free Cash Flow Statement

	2025	2024	2023	2022	2021	2020
	Rupees in Million					
Profit before taxation	74,209	87,928	85,757	46,626	28,391	29,515
Adjustment for non-cash items	(102,967)	(109,724)	(103,559)	5,466	4,371	6,109
Operating assets/ liabilities changes	1,067,595	20,574	104,840	11,567	226,437	88,084
Net cash generated from operating activities	1,038,837	(1,222)	87,038	63,658	259,198	123,708
Capital expenditure	(20,663)	(22,864)	(19,946)	(8,126)	(8,857)	(8,116)
Free cash flows	1,018,174	(24,087)	67,093	55,532	250,341	115,592

OTHER INFORMATION

Defaults in payment of any debts and reason thereof

There is no default by the Bank in payments of any debts during the year.

History of major events

- Recognized by FinanceAsia across six award categories, including the honor of Pakistan's Best Domestic Bank 2025.
- Achieved a major milestone with deposits exceeding Rs. 2.3 trillion.
- Average deposit growth crossed Rs. 100 billion for the first time.
- Reached a digital milestone with over 2 million WhatsApp Banking registrations.

Method and Assumptions in Compiling Indicators

The Bank identifies its indicators which correctly reflect the Bank's performance and analyses its market standing, competitors and overall market conditions while compiling its indicators. The Bank considers deposits, advances, capital adequacy ratios, profit after tax and EPS on a regular basis to measure its performance. These are the basic indicators of Bank's financial performance and profitability. Market price is a measure of Bank's sensitivity in the market. The Bank regularly analyses its cash flows and strives to keep it on positive side.

Dividend Payout and Future Prospects of Dividend

The Board of Directors declared a final cash dividend of Rs. 4.00 per share for the year ended December 31, 2025, which is in addition to Rs. 12.00 per share interim dividend already paid to the shareholders for the quarter ended March 31, 2025, June 30, 2025 and September 30, 2025 taking the dividend payout ratio to 50.09%.

Dividend payout is also expected to be streamlined for the year 2026 as the Bank manages its profitability while ensuring that sufficient capital buffers are available to meet regulatory requirements.

Management's Assessment of Sufficiency of Tax

The Bank maintains sufficient provision for taxation as required under the accounting standards and the relevant regulations. Contingencies with respect to the direct or indirect taxation have been disclosed in Note 23 to these financial statements. It is our assessment that tax provision recognized in the financial statements is satisfactory.

Performance versus Budget

During 2025, the Bank performed well and surpassed its deposits and profitability budgeted targets.

Capital Expenditures Rationale

During the year ended December 31, 2025; Your Bank invested Rs. 21,280 million for business expansion and Information Technology infrastructure to ensure seamless services across the geographical diversity of the country.

Your Bank is committed to continue its focus on prudent investments in business expansion and technological infrastructure; keeping itself aligned with developing business needs and updated information technology enhancements for digital transformation.

Performance of the Bank and its Subsidiaries

Allied Bank continued to post the stable consolidated earning amid the declined interest rate environment complemented by total assets to reach at Rs.3,376 million. Reinforce by total deposit Rs.2,345 million. ABL Asset Management Company Limited (ABL-AMC) showed consistent performance in managing mutual funds and investment portfolios and posted profit after tax of Rs. 1,222 million. Despite broader economic challenges in Pakistan, ABL Exchange sustained its role as a trusted provider of forex and remittance solutions, supporting both individual customers and businesses.

Performance of the Activities of the Bank and its Group Entities

Major highlights are disclosed at page 172 of this annual report and brief overview of the Bank's subsidiaries is disclosed in the CEO's Review.

Country of Origin

Country of origin of all group companies is Pakistan.

CEO's Review

The CEO's video message on the Banks business performance and strategy is available at: https://www.abl.com/investor-relations/financials/financial-presentations

GROUP REVIEWS

CORPORATE AND INVESTMENT BANKING

Allied Bank's Corporate and Investment Banking Group (CIBG) has maintained its stature among Pakistan's premier wholesale banking institutions, distinguished by its long-term client partnerships and a comprehensive, forward-looking and market-responsive approach. The CIBG client-centric focus enables it to leverage strategic insights, comprehensive analysis and forward-looking evaluations to strengthen its relationships and uphold service standards, while offering a diverse range of tailored financing solutions.

CIBG offers a comprehensive suite of financial solutions, encompassing a wide array of funding options, trade services, cash management, home remittances, and bespoke investment banking offerings. The CIBG's capital markets portfolio is anchored in high-quality, premium equity investments, delivering a stable and resilient stream of dividends. In addition to managing relationships with both local and international financial institutions, the group oversees operations in Bahrain, Dubai and China, maintaining a strong global presence. The group actively maintains collaboration across the Bank's business divisions, leveraging synergies to deliver enhanced value to clients and stakeholders.

In this evolving economic landscape, CIBG pursued a measured and disciplined credit deployment approach while sustaining lending momentum in selective sectors, mainly manufacturing. Credit decisions continued to prioritize clients with proven track records and the capacity to navigate market and economic volatility. The CIBG continued to maintain rigorous portfolio monitoring, reinforcing prudent risk management and safeguarding against unexpected delinquencies.

The Corporate Banking (CB) operates with the objective of serving corporate and institutional clients, providing a broad spectrum of financing options, trade solutions and liquidity / cash management services. CB's focus remains on large corporates, business conglomerates / groups, commodity financing and NBFIs. Our lending products range from short term (working capital financing) to long term (project financing), including Islamic and trade financing solutions – tailored to meet a variety of customer needs. CB also focuses on generating fee / commission-based income through maximizing cross-sell across our lending portfolio.

The Emerging Corporate (EC) segment focusses on mid-tier clients including fast growing commercial businesses. EC aims to meet the specific financing needs of this client segment through customized solutions while also guiding them through growth challenges and evolving governance structures. In view of the business challenges facing this segment, EC continued to adopt a selective lending stance during the year. ABL's 'Allied Share Financing' product continued to be actively marketed to support portfolio expansion and adding new-to-bank relationships in this segment.

Financial Institutions & International Division continued to strengthen ABL's global institutional banking relationships with reputable financial institutions across Europe, Asia, and Africa, supporting trade finance, treasury operations, and foreign exchange settlements. With a correspondent banking network comprising over 500 institutions across 75 countries, the Bank maintained extensive global coverage and broad international acceptability. Strategic partnerships with multilateral agencies and global banks remained instrumental in meeting the increasingly diverse international banking requirements of clients.

The Bahrain Wholesale Banking Branch and the Dubai Representative Office remained focused on exploring growth opportunities across the Gulf region. Despite a challenging operating environment, the Bahrain Branch continued to mobilize USD deposits for the Bank. Meanwhile, the Representative Office in Beijing, People's Republic of China, remained engaged in developing relationships with leading Chinese banks and corporates to facilitate potential trade and investment flows between China and Pakistan. Through vigilant oversight and prudent risk management, the Bank remained fully compliant with both home and host country regulatory requirements.

During 2025, the Home Remittance Business (HRB) prioritized strategic network expansion, securing key partnerships across the USA, UK, and the GCC—specifically the UAE—to capture increased remittance volumes. To elevate the customer journey, HRB introduced a real-time remittance tracker across Allied Bank's digital touchpoints, offering users essential transparency into their transaction status. The Bank further strengthened its international presence by participating in the Pakistan Remittance Summit in London. In collaboration with the State Bank of Pakistan-PRI, HRB engaged the Pakistani diaspora to advocate for legal remittance channels. These initiatives were reinforced by promotional campaigns in core source markets, ensuring the continued market prominence of ABL as a mainstream remittance partner.

The Cash Management Division (CMD) continued to deepen its presence in the transactional banking space by leveraging a state-of-the-art core banking system and enhanced digital solutions to address the evolving collection and payment requirements of corporate clients. In parallel with expanding the business footprint, focused efforts were undertaken to acquire new relationships within large corporate segments, while further strengthening existing client engagements. Targeted support was extended to a diversified cash management clientele to facilitate the upgrade of transactional platforms through low-cost, digitally enabled solutions aimed at improving efficiency and customer convenience, without compromising service excellence. The Division also capitalized on emerging opportunities by proactively monitoring developments in the payments and transaction ecosystem and aligning clients' needs with ongoing digital and process-driven transformation initiatives.

Allied Bank's Investment Banking division maintained strong momentum during 2025 by consolidating relationships with clients and financing partners and proactively identifying strategic opportunities across sectors. The division provides tailored advisory solutions across debt syndication and advisory, project finance, and debt capital markets, supporting transactions such as IPOs, mergers and acquisitions, debt syndications, restructurings, project financing, divestments, and underwriting. Supported by an extensive nationwide presence and deep sectoral expertise, the division enabled clients to achieve their strategic financing objectives. Building on its core principles, the team also advanced green financing initiatives for large industrial units through structured project financing, while continuing to originate and execute transactions across renewable energy, telecommunications, FMCG, textiles, oil and gas, chemicals, and non-banking financial institutions. This commitment to excellence was recognized through a prestigious industry award, with the 'Best Syndicated Loan' accolade received at The Asset Triple A Sustainable Finance Awards in 2025.

The KSE-100 Index advanced during 2025 as declining interest rates and ample domestic liquidity prompted a shift of investments from fixed income and real estate into equities. Against this backdrop, the Bank's Capital Markets division focused on generating strong risk-adjusted returns by investing in fundamentally sound companies with proven performance and consistent dividend history. This strategy continued to generate stable dividend income, while selective portfolio repositioning amid market volatility enabled the realization of meaningful capital gains. A strong liquidity position and prudent risk appetite continued to provide flexibility to capitalize on attractive valuation opportunities.

FUTURE OUTLOOK

Looking forward, CIBG is well-positioned to navigate a dynamic banking environment shaped by regulatory changes and evolving market conditions, while continuing to drive sustainable growth and deliver long-term value. The Group will uphold a well-diversified

portfolio, balancing top-tier corporate exposures with targeted opportunities in emerging businesses, guided by prudent credit practices and a continued focus on asset quality. CIBG will continue to strengthen engagement with corporate clients, fostering deeper partnerships and unlocking new growth opportunities across its portfolio. At the same time, the Group is advancing green banking initiatives, selectively evaluating new industries and obligors, and reinforcing strategic international partnerships and remittance channels to support global business flows. Through these measures, CIBG seeks to strengthen profitability, support sustainability objectives, and contribute meaningfully to the Bank's long-term strategic priorities, reflecting a commitment to sustained growth and value creation for stakeholders.

TREASURY

Macroeconomic conditions improved steadily as pressures from elevated inflation, external imbalances and volatile energy markets eased materially. Globally, moderating inflation and a controlled slowdown in growth encouraged major central banks to pivot toward more accommodative policy. This shift was supported by a meaningful decline in energy prices, with oil falling from around USD 77 per barrel in January 2025 to approximately USD 61 by December. At the same time, the global environment remained shaped by geopolitical tensions, selective tariff measures, and ongoing trade realignments among major economies, which tempered global trade growth but also contributed to softer commodity demand. Reflecting these developments, the US Federal Reserve reduced its policy rate from 4.50% to 3.75%, helping stabilize financial conditions and improving funding and valuation dynamics across global balance sheets.

Domestically, the Consumer Price Inflation (CPI) declined sharply to 4.6% in FY'25 (against SBP target range of 5-7%) supported by fiscal discipline, improved external accounts, and resilient remittance inflows. Improved macro-economic landscape and investor confidence enabled the State Bank of Pakistan to further ease the policy rate from 13% to 10.5% by December 2025. The declining rate environment enhanced demand for government securities, particularly in longer tenors as markets priced in further easing. As a result, the yield curve remained relatively flat with select maturities trading below the policy rate, while SBP liquidity injections through Open Market Operations (OMOs) remained supportive of system liquidity.

From a balance-sheet perspective, lower yields improved asset valuations and funding margins wherein banks locked in attractive spreads through duration positioning. We had correctly anticipated a continued easing stance by the SBP in 2025, and in line with this view, the balance sheet was positioned toward longer-tenor instruments, supporting both stable accrual income and capital appreciation. This positioning enhanced risk-adjusted returns and supported net interest income (NII) while remaining within internal risk parameters. Looking ahead, there remains scope for further easing into 2026 into single digits, supported by a stable USD/PKR outlook, softer commodity prices, and contained external financing risks. Accordingly, we shall continue to evaluate opportunities to add fixed-rate exposure where carry, liquidity, and capital usage remain appropriately balanced.

Despite not being a primary dealer, ABL remained active in the secondary market for government securities and continued to support clients with fixed-income investment solutions. These activities contributed positively to trading income and capital gains, while also improving balance-sheet flexibility by allowing timely rebalancing of duration and liquidity positions in response to market movements.

On the foreign exchange front, contained domestic demand, improved external inflows, and resilient remittance flows kept the USD/PKR exchange rate largely stable through 2025. This in turn compressed transactional spreads and moderated spot FX income. This was largely mitigated by active participating in the FX swap market, optimizing funding and liquidity deployment.

FUTURE OUTLOOK

Looking ahead, ABL Treasury shall continue to monitor evolving domestic and global conditions such as inflation trends, capital flows, geopolitical developments, tariff policies, and global trade fragmentation. With single digit rate expectations being largely priced in, any decision to extend duration will be guided by yield-curve dynamics, liquidity conditions, capital consumption, and whether expected returns adequately compensate for carry and repricing risk. In FX, USD/PKR is expected to remain broadly stable, and the Bank will continue leveraging the swap market to enhance balance-sheet returns while managing liquidity and funding mismatches. We will also deepen collaboration with internal and external stakeholders to expand trade volumes and support remittance flows, thereby strengthening fee income and balance-sheet utilization.

Beyond performance, strict adherence to internal risk limits and regulatory requirements remains paramount. Throughout the year, full compliance with all standards was maintained, and this commitment to strong governance, capital discipline, and prudent risk management will continue to guide balance-sheet deployment.

Treasury Group offers a full range of products to meet client needs in foreign exchange and fixed income. Our fixed-income treasury products provide attractive returns for institutional and retail clients, and we help clients manage their FX and trade exposures. ABL Treasury also remains an active market maker in the interbank securities and FX markets, offering competitive pricing to other banks and our customers.

COMMERCIAL AND RETAIL BANKING

The Commercial and Retail Banking Group (CRBG) sustained its tradition of delivering a diverse and value-driven product portfolio, strengthened by robust digital capabilities and a widespread network of customer touchpoints. Through a comprehensive range of asset and liability solutions, the Group enhanced financial accessibility, ensuring services were available to customers seamlessly and at their convenience. Aligned with the Bank's digital roadmap, CRBG effectively maintained uninterrupted services for account holders and borrowers alike, safeguarding financial access and supporting operational continuity.

Additionally, marking a key milestone, the Bank successfully exceeded total deposit level to Rs. 2.3 trillion in year ended December 31, 2025 complemented by impressive Zero Cost Current Account Deposits mix of 40%. Moreover, 16% growth in total deposits was witnessed in outstanding deposits. The Bank continued to expand its footprint; resulting in the overall branch network to reach at 1,535 including 302 Islamic branches to support business expansion in new demographics. While fostering New to Bank relationship, the Bank kept the momentum by adding approximately 1.5 million accounts to existing account base during the year.

In line with the objectives of National Financial Inclusion strategy of State Bank of Pakistan (SBP), the Bank continued to play a pivotal role. Furthermore, in line with digital on boarding framework of SBP; customers can open account through website / mobile app without visiting the branch.

The Bank has continued its support to SMEs by extending financing facilities and has exhibited growth in this segment. Allied Bank is also playing its part by providing consulting and non-financial advisory services by way of imparting knowledge through Financial Planning Advice, Economic Insight & Business Intelligence to more than 5,000 customers thereby generating more than 651 borrowers in the process. CRBG has also conducted more than 485 SME Finance awareness sessions educating more than 4,000 individuals.

As part of our efforts to promote ABL's exclusive product of warehouse financing, a Warehouse Financing Campaign was launched featuring 7 awareness sessions engaging over 3,000 participants. The initiative not only enhanced understanding of warehouse-based lending but also resulted in new-to-bank obligors. This achievement reflects our commitment to promoting financial inclusion and empowering

Allied Bank Limited is also offering a robust Consumer Products Suite including the Allied Scooty Finance is specifically designed to empower women in middle and low income segments of the society with regards to their transportation needs; whereas Allied Solar System Finance and Allied Electric Bike Finance are explicitly developed as green banking initiatives enabling the population to switch to renewable energy sources and contribute in lowering carbon emissions for a healthy environment.

In addition, ABL is also actively participating in GoP's schemes namely Mera Ghar – Mera Ashiana Affordable Housing Finance Scheme, Cost Sharing and Markup Subsidy Scheme for Electric Bikes and Rickshaws/Loaders and Prime Minister's Youth Business & Agriculture Loans Scheme (PMYB&ALS) which will benefit first time home-owners, students, freelancers, young entrepreneurs and prospective overseas worker respectively in meeting their financing needs.

Allied Bank recognizes the importance of staying ahead in the rapidly evolving digital landscape. As a result, bank has implemented a series of strategic measures to provide customers with cutting-edge digital banking services such as ABL enhanced the scope of a digital variant of personal loan "Allied Payday Finance" by adding more corporates and institutions and their employees maintaining salary accounts with the Bank, providing instant access to financing round the clock.

Allied bank continued the program to recognize and reward their customers who have demonstrated exceptional engagement and performance on ABL digital platforms. Through this initiative, ABL has celebrated the achievements of those customers who have embraced the convenience and efficiency of ABL digital banking services, performing the highest number of transactions.

Throughout 2025, roadshows and product awareness programs were conducted by ABL across Pakistan for imparting awareness on different products of the Bank among general public. Additionally, country wide Farmer Financial Literacy/awareness Programs were conducted during the year. The objective is to create awareness among the farmers and educate them regarding the availability and usage of financial services.

ABL reinforced its commitment to a healthier future by organizing Allied Bank Lahore Marathon 2025, themed "Run for a Greener Tomorrow. The exciting event that was held during the year 2025, at Lahore, brought together employees, professional athletes and fitness enthusiasts. The enthusiasm and team spirit demonstrated during the marathon truly symbolize ABL mission to foster a culture of health and wellness within the bank and beyond.

ABL continued its Cleanliness Drive under the banner of "Green Initiatives" as raised awareness campaigns regarding importance of cleanliness across Pakistan through the motto "Mil Kay Lagaen Gay Jaan – To Hoga Saaf Pakistan".

This year, Team ABL succeeded to accomplish the task of cleanliness drive at Khunjrab Pass in coordination with Forest, Wildlife & Environment Department Gilgit-Baltistan. It was a women lead expedition as female staff from different parts of the country from Quetta/ Karachi to KPK/Azad Kashmir joined together on a mission for cleanliness of beautiful Northern Areas of Pakistan and creating awareness among general public and to tourists. Team ABL started their mission from cleanliness of Lake Saif-ul-Malook (Khaghan Valley), then passing through Babusar Pass reached Hunza Valley. Different awareness sessions on cleanliness, global warming as well on financial literacy were conducted in Hunza Valley. Cleanliness drive at highest border crossing "Khunjrab Pass" was conducted despite freezing cold weather with dropping temperature to below zero Celsius.

Allied Bank Karakoram Winterlude transforms Gilgit-Baltistan into Pakistan biggest winter sports battleground. Being main sponsor, ABL has been promoting winter sports, cultural events and community festivities in coordination with local organization in Hunza. A large number of local people, players, fans and tourists participated in the colorful event and enjoyed the colorful activities.

Allied Bank proudly led a remarkable cleanliness initiative at Mohenjo-Daro, a city that stands as a testament to ancient ingenuity, dating back to the 3rd millennium BCE. Recognizing the significance of this UNESCO World Heritage Site, the event aimed to raise awareness about preserving our rich cultural legacy. Volunteers passionately participated, chanting slogans and spreading the message of collective responsibility towards safeguarding this historic marvel.

In coordination with local organization, Allied Bank successfully sponsored ABL Independence Day Women Futsal Cup 2025 in Karachi. With the participation of ten women's teams, including two from Allied Bank, the tournament highlighted our continued commitment to women's empowerment and promotion of sports in Pakistan.

FUTURE OUTLOOK

CRBG aim to play a key role in servicing the SMEs and commercial enterprises in multiple sectors, products and services through Bank's operational facilities thereby facilitating financial inclusion, effective utilization of outreach, technological infrastructure, digital lending platform driving innovation and sustainability in SME Financing.

ABL is committed and focusing to expand lending base in coming years with a vision to capitalize on the Bank's countrywide footprint, long-standing customer loyalty to become a preferred cum prudent provider of financial solution. In line with proposed strategy for growth in SME/ commercial financing, ABL offers a wide range of products & services to meet the financing needs. Specialized lending products are developed to meet financing needs of SME/ commercial entities, which includes Allied Business Finance, Allied Fast Finance, working capital financing, Warehouse Financing, Term Finance, Trade Finance, Lease Finance, Allied Digital Finance and Supply Chain Finance. Alongside specialized lending products, the Bank has also adopted SBP SME financing schemes in true letter and spirit, ensuring that SMEs benefit directly from concessional financing, risk-sharing mechanisms, and tailored credit products.

The Bank aspires to continuously focus on volumetric deposit growth through augmentation of account opening run-rates and low costs deposit mobilization. Optimization of the network in light of the Bank's long-term strategic plan and gradual transformation towards digital era shall be further focused upon. Moreover, the Bank aims to focus at banking on equality and enhancing the scope of women empowerment. with overall sustainable development in all segments of products and services.

ISLAMIC BANKING GROUP

ABL Aitebar Islamic Banking further strengthened its footprint in the Islamic banking landscape, reflecting steady operational performance and delivering a stable and resilient financial performance. Islamic Banking total assets rose to Rs. 360,925 million, driven by a strong 94% growth in deposits, which increased from Rs. 109,842 million to Rs. 212,557 million during the year. The advances portfolio stood at Rs. 98,524 million, while investments reached Rs. 229,372 million, underscoring continued balance sheet expansion and strengthening financial depth.

With the establishment of new branches nationwide and the continued rollout of Islamic Banking Windows (IBWs) within conventional branches, the Islamic Banking Group further expanded its footprint during the year. The network grew to 396 IBWs and 302 dedicated Islamic branches, supported by the conversion of 120 conventional branches to Islamic Banking in 2025.

Transition to Islamic Banking

During the year, ABL achieved a significant milestone in its Islamic Banking transformation journey with the successful conversion of 120 branches across Pakistan to Islamic Banking. This conversion drive was strategically focused on key geographic and business centers to maximize impact and outreach.

Notably, ABL has accomplished an achievement by converting eight districts of Khyber Pakhtunkhwa (KP) to 100% Islamic Banking, thereby ensuring complete Shariah-compliant banking operations across these regions.

In parallel with the physical conversion of branches, the Bank has undertaken extensive capacity-building initiatives across all management grades to ensure a smooth and sustainable transition to Islamic Banking. A comprehensive and structured training framework has been implemented to equip staff with the required knowledge, mindset, and operational understanding necessary for the paradigm shift from conventional to Islamic Banking.

Under the banner of Allied Aitebar Islamic Banking seventeen focused interactive awareness seminar were arranged for guidance and financial inclusion of faith sensitive clientele.

The Chairman Shariah Board / Resident Shariah Board Member (RSBM) delivered comprehensive presentations on the importance of Islamic Banking in our day-to-day life & economy, products & transactions involved, the difference between Conventional & Islamic Banking and various myths & misconceptions surrounding the subject of Islamic Banking. Existing and potential customers i.e., Business community, Traders, Students attended this session.

FUTURE OUTLOOK

ABL Aitebar Islamic Banking aims to deliver a comprehensive range of Shariah-compliant products and services, excelling in the competitive Islamic banking sector by ensuring operational efficiency and exceptional customer service to drive significant growth. Emphasis will remain on conducting customer awareness workshops and promoting Islamic banking as a key tool for enhancing financial inclusion in Pakistan. The Bank also prioritizes expanding its network while leveraging automation and digitization to support the continued growth and evolution of Islamic banking.

DIGITAL BANKING GROUP

The year 2025 represented a phase of accelerated scale, maturity and execution for Allied Bank's Digital Banking Group (DBG), as the Bank continued to strengthen its position as a leader in Pakistan's digital financial services ecosystem. Building on the strong foundation laid in previous years, the Group focused on expanding digital adoption, deepening customer engagement, enhancing operational efficiency, and driving sustainable, data-led growth across all digital channels.

The Bank's flagship digital platform, myABL, sustained strong momentum, reaching 2.6 million registered users, reflecting continued customer trust and adoption of digital banking services. Approximately 122 million financial transactions successfully processed during the year, with a total value of PKR 3.9 trillion.

Digital account acquisition recorded a remarkable 20% year-on-year growth, with over 110,211 new accounts opened, compared to 92,061 accounts last year, with average deposits totaling PKR 2,029 million. Continuous enhancements to the platform—including improved performance, security controls, and customer-centric features reinforced myABL's position as a primary banking channel for retail customers.

Allied Bank further strengthened its digital payments leadership through the expansion of RAAST services, including P2M QR merchant onboarding, with over 20,000 QR merchants onboarded nationwide, enabling seamless acceptance of digital payments at business locations. RAAST transactions continued to scale significantly, underscoring the Bank's pivotal role in advancing Pakistan's real-time payments infrastructure and promoting financial inclusion.

The Merchant Acquiring and POS business achieved strong growth, with about 10,000 POS machines deployed, processing 12.5 million successful transactions with a total transaction volume of PKR 73 billion. This expansion significantly enhanced digital payment acceptance across retail and commercial segments, reinforcing Allied Bank's contribution toward a cashless economy.

Card business performance remained a key revenue driver during the year. Debit and credit card usage continued to grow across both physical and digital channels, supported by customer-focused campaigns and innovative offerings. The Payday "Advance Salary" Loan product delivered via myABL also demonstrated solid performance, with loan disbursements to employees of over 160 companies.

The myABL Coins Loyalty Program continued to gain traction, enabling customers to earn and redeem rewards through debit and credit card usage, further strengthening engagement and transaction frequency. In parallel, WhatsApp Banking maintained strong growth, emerging as a critical assisted-digital channel by offering services such as bill payments, fund transfers, cheque-related inquiries, and account services through an enhanced, user-friendly interface.

The Bank's Digital CRM transformation delivered measurable operational and service improvements during the year. With Oracle Siebel CRM fully embedded across contact centers and branches, complaint management, sales lead tracking, and service request handling were further streamlined. The implementation of Customer 360 views and advanced segmentation covering over 1,000 customer segments enabled data-driven engagement, personalized offerings, and improved frontline effectiveness. These initiatives significantly improved turnaround times, service quality, and cross-functional collaboration.

Operational excellence remained a key focus area. Allied Bank expanded its self-service infrastructure through the installation of 265 Cash Deposit Machines (CDMs) and 180 Cash Recycler Machines (CRMs) across its network. These deployments enhanced cash-handling efficiency, reduced branch dependency, and improved customer accessibility by enabling faster, more convenient cash deposit and recycling services. The expanded CDM and CRM footprint also supported third-party cash deposit functionality, allowing non-Allied Bank customers to deposit cash into Allied Bank accounts, further reinforcing the Bank's commitment to inclusive and technology-driven banking services.

The Allied Contact Center sustained exceptional service standards, achieving a 94.3% service level, while also contributing meaningfully to revenue through structured sales campaigns for premium debit card products. The introduction of callback facilities across multiple channels further enhanced customer convenience and accessibility.

To support informed decision-making and performance monitoring, the Digital Banking Group continued to strengthen its enterprise analytics and reporting capabilities. Live Power BI dashboards provided real-time insights across key digital touchpoints, including myABL, POS, cards, e-commerce, RAAST, ATMs, and acquiring machines. This analytics-driven approach enabled faster identification of trends, proactive issue resolution, and continuous optimization of customer journeys.

Sustainability and responsible banking also remained integral to the Bank's digital strategy. Initiatives such as reduced reliance on physical touchpoints, promotion of digital payments, and environmentally conscious product design continued to align digital growth with Allied Bank's broader sustainability objectives.

FUTURE OUTLOOK

Looking ahead, DBG will continue to pursue a structured and agile growth strategy focused on scaling digital adoption, deepening customer engagement, and strengthening ecosystem partnerships.

The Bank will prioritize further enhancement of the myABL and WhatsApp Banking platforms through advanced self-service capabilities, intelligent automation, and personalized customer journeys. Continued investment in artificial intelligence, data analytics, and process automation will support faster decision-making, improved service turnaround times, and enhanced risk and fraud controls.

The Bank also aims to expand its digital payments footprint through increased penetration of POS, QR, and RAAST-based solutions, while introducing innovative card and lending products tailored to evolving customer needs. With a strong emphasis on sustainability, operational efficiency, and financial inclusion, Allied Bank remains committed to delivering long-term value to customers, shareholders, and the broader economy, while reinforcing its position as a leading digital bank in Pakistan.

INFORMATION TECHNOLOGY

In an era where artificial intelligence is rapidly reshaping financial services, ABL has moved decisively beyond conventional automation and conversational chatbots toward the adoption of Agentic AI, systems capable of autonomous decision-making, orchestration, and execution.

ABL is accelerating its transformation by moving beyond "chatbots" to Agentic AI—AI systems that can plan, coordinate, and execute multi-step work across applications under controlled governance. This reduces manual handoffs, improves consistency, and frees staff capacity for exceptions and higher-value customer engagement. By combining LLM/RAG, workflow orchestration, and RPA, ABL is moving from "digital enablement" to digital execution, where routine work is handled end-to-end and staff focus shifts to higher-value activities and exception handling.

ABL has also expanded automation at scale through RPA in key operational scenarios, including trade finance price benchmarking, customer account statement generation, and secure core banking password reset. Ongoing initiatives include centralization of cheque clearing and automated identification of inactive application IDs—further streamlining operations and strengthening governance. These automations are being extended with agentic orchestration to enable straight-through processing and faster exception management.

As part of the enterprise Data Strategy, the organization implemented foundational capabilities to modernize data access, governance, and decision support. A key initiative was the deployment of Denodo Data Virtualization as a logical data access layer, enabling real time, governed, and unified access to data across heterogeneous source systems without physical data duplication. Denodo provides a standardized semantic layer, performance optimization and built in security, lineage and audit controls, ensuring consistent business definitions, reduced integration complexity, and strong alignment with technology and compliance roadmaps.

The Big Data Disaster Recovery (DR) environment is designed to ensure high availability, data protection, and business continuity for critical analytics platforms in the event of a disaster impacting the primary data center. This setup minimizes data loss and downtime while enabling seamless recovery of data and analytics services.

In parallel, management reporting was transformed from individual Excel based models into an enterprise, near real time dashboarding solution powered by automated pipelines from the Big Data Data Lake. This transition eliminated manual data consolidation, inconsistent metrics, and time lagged insights, replacing them with a single source of truth, standardized KPIs, and up to date executive visibility. Management now benefits from timely, trusted, and consistent information, enabling faster data driven decisions, stronger internal controls, and improved transparency, while significantly reducing operational risk and dependency on spreadsheet-based reporting.

To further enhance customer experience, an AI-powered Intelligent Virtual Assistant (IVA)—integrated with the Bank's enterprise Large Language Model (LLM) foundation—is being introduced to manage high volumes of customer interactions. The solution is designed to improve first-contact resolution, reduce routine workload on branch and call center staff, and deliver faster, consistent, and policy-aligned customer support. In the first phase, the IVA will be integrated with the Bank's website and other ABL digital portals. Subsequently, this capability will be extended to ABL WhatsApp Banking and social media platforms, enabling a unified and scalable omnichannel engagement experience.

As part of ABL's ongoing AI journey, an AI-driven use case has been implemented in 2025 to enable comprehensive 360-degree analysis of alerts generated by the Financial Crime and Compliance Management (FCCM) system. The solution enriches FCCM alerts with contextual data and advanced analytics, equipping human investigators with deeper insights and a holistic view of each case. This initiative has significantly improved the quality and efficiency of alert evaluation, supported more informed decision-making while strengthening ABL's overall financial crime risk management framework.

An advanced Payment Hub system was implemented at ABL to streamline and digitize cash management operations. The solution enables rapid onboarding of cash management clients for collections related to vouchers, invoices, and fees, significantly reducing turnaround time and operational effort. The Payment Hub is seamlessly integrated across multiple customer and service channels, including branches, myABL, ATMs, and WhatsApp, providing a unified and consistent payment experience. Going forward, the platform is being further enhanced to enable bill payment services through QR codes, POS machines, and Cash Deposit Machines, expanding accessibility and convenience for ABL customers.

Leveraging the Genesys platform to enhance customer experience for Pakistan's diverse population, ABL has enabled customers to select their preferred regional language during interactions. Based on the customer's selection, calls are intelligently routed to agents proficient in the chosen regional language, enabling more empathetic engagement and delivering a truly inclusive, customer-centric service experience. The first phase of this initiative is live with Sindhi and Pashto language support, with ongoing efforts underway to extend this capability to additional regional languages.

In the CRM domain, a data-driven and intuitive UI/UX has been implemented for retail customers, delivering a unified and analytics-rich view of each customer's complete relationship with the organization across products and services. The solution consolidates transactional data, behavioral trends, complemented by customer personas and contextual meta tags. In parallel with strengthening core platforms and enterprise capabilities, Allied Bank continued to expand and enrich its customer-facing digital channels.

Enhancing the WhatsApp channel is crucial for Allied Bank as it offers a comprehensive range of financial and non-financial services that significantly improve customer experiences and provide a highly convenient platform for banking transactions. Bank has introduced a series of new features in recent years, including Pay Order Verification, Letter of Guarantee Verification, and Dormant Account Activation. To better serve customers across different segments and enhance the reach of this digital touchpoint, WhatsApp Banking has been provisioned enabled with Urdu language support. Furthermore, WhatsApp Banking has been extended to support customers using international mobile numbers, thereby advancing financial inclusion.

As digital adoption accelerated, the Bank placed equal emphasis on strengthening application security, fraud prevention, and customer trust — ensuring that innovation remained resilient, secure, and regulator-aligned. To strengthen the security of the myABL digital banking application against social engineering and phishing-related threats, we have implemented application shielding using a reputable market-leading Real-Time Application Self-Protection (RASP) solution, Verimatrix.

This implementation provides comprehensive application protection, including:

Advanced code obfuscation and anti-tampering controls
Detection of emulators, rooted, and jailbroken devices
Protection against reverse engineering and runtime manipulation
Defense against credential, PIN, and sensitive data harvesting

These measures collectively enhance the resilience of the myABL application against emerging threats and unauthorized exploitation.

On our digital lending platform, SME financing has been launched following a comprehensive risk assessment of various SMEs. The selection criteria for retail customers have also been streamlined to facilitate broader lending through the platform. Additionally, robust reporting mechanisms have been implemented to monitor customer engagement and to identify and resolve any challenges encountered by customers during the instant loan application process. The journey of enhancing the feature set of the myABL digital banking application has continued with the introduction of several new and innovative functionalities. These include BookMe for convenient appointment and booking management, BeFiler to facilitate streamlined tax-related processes, and Go Green initiatives promoting environmentally responsible banking.
In addition, the platform has been enhanced with improved limit management capabilities, providing customers with greater control and flexibility over their transactions, while also incorporating a consent capture mechanism to facilitate Islamic branch account conversions in line with the regulator's vision of expanding Shariah-compliant banking nationwide.

Allied Bank has further enhanced its customer loyalty and digital engagement offerings by optimizing the utilization of loyalty points and myABL Coins across multiple channels. Customers can now conveniently redeem accumulated loyalty points at Allied Bank POS terminals for retail purchases, settle utility bills via the myABL

platform, and seamlessly transfer points to other customers. In addition, myABL Coins can be used for utility bill payments, mobile top-ups, donations, and peer-to-peer transfers. Collectively, these enhancements are designed to enrich the overall customer experience, maximize the value of loyalty rewards, and drive deeper engagement and adoption of the myABL digital ecosystem.

For the first time, we have introduced the capability to open accounts for our sister concern, Allied Asset Management Company (AMC), through the myABL mobile application. This initiative is expected to expand the footprint of AMC by facilitating seamless account openings via digital channels.

To strengthen the security of the Bank's funds, we have introduced push notifications and implemented a financial PIN system in place of OTPs for transaction authentication. This measure has not only significantly enhanced transaction security but has also substantially reduced operational costs and minimized the outflow of funds from Pakistan. In parallel, a strategic optimization has been undertaken by shifting operations from resellers "Covalent" to the parent seller "Unikrew" for contactless biometric solution, resulting in a reduction in annual expenses while streamlining the overall process. These initiatives collectively reinforce financial control, cost efficiency, and operational resilience

Beyond traditional and mobile banking channels, Allied Bank also explored emerging digital frontiers to redefine customer engagement and future-ready banking experiences. The launch of the Metaverse Virtual Branch represents a significant milestone in the expansion of our digital touchpoints. This innovative platform offers an interactive and persistent digital environment where prospective customers can explore a wide range of products and services, including various card and account offerings as well as digital lockers, through immersive technologies such as VR headsets (MetaQuests) and web-based applications.

In addition to product exploration, the virtual branch provides an engaging experience through interactive VR games, making the platform both informative and enjoyable. This initiative not only enhances customer engagement but also positions the Bank at the forefront of digital innovation, bridging the gap between traditional banking and cutting-edge virtual experiences.

Simultaneously, ABL continued to scale its digital payments ecosystem — strengthening merchant acquiring, cashless transactions, and interoperable payment rails in line with national and global payment trends. Google Wallet is a globally recognized digital wallet by Google that enables secure, contactless payments using NFC enabled mobile devices. Allied Bank has successfully implemented Google Wallet, allowing customers to link their VISA debit cards to Android smartphones and perform tap-to-pay transactions at NFC-enabled POS terminals. The solution uses industry-standard tokenization to protect customer card data. This initiative enhances customer convenience, promotes cashless transactions. It also strengthens ABL's position as a technologically progressive bank.

The Dexxis system is used for card personalization in compliance with EMV standards. An upgrade activity has been carried out during 2025 to ensure compatibility with the latest database version and to establish a DR setup. This enhancement improves system resilience, security, and operational continuity.

Allied Bank has also launched eCommerce Acquiring System in September 2025, enabling merchants to securely accept online payments via debit and credit cards. This solution supports tokenization and other industry-standard security measures, ensuring safe and seamless digital transactions for customers. By offering eCommerce Acquiring, ABL enhances merchant capabilities, promotes cashless commerce, and strengthens its position in the growing digital payments ecosystem.

Allied Bank has successfully performed API Connect upgraded to version 10 which is a complete API management platform for designing, securing, and managing APIs. It provides full lifecycle management, allowing banks to create, test, deploy, and retire APIs efficiently. The intuitive interface improves productivity and speeds up API onboarding. Robust security features like OAuth, TLS, and rate-limiting protect sensitive financial data. Centralized governance ensures consistent policies across all APIs, reducing operational risks. Built-in analytics provide insights into usage, performance, and trends for informed decision-making. Overall, API Connect enables banks to deliver secure, efficient, and innovative digital services.

Allied Bank has implemented Advanced SSK that offer Asaan Account Opening for NTB (New-to-Bank) customers and Instant Debit Card Issuance for ETB (Existing-to-Bank) customers at various public locations through Allied Digital Lounges to facilitate customers after banking hours also.

To further strengthen Allied Bank's digital enablement and brand governance, ITG initiated the implementation of a cloud-based Digital Asset Management (DAM) solution for the Marketing Division. This initiative addresses longstanding challenges arising from the decentralized storage of digital assets—such as logos, images, videos, campaign creatives, and branding material—across local systems, shared folders, tape backups, and external agencies. Following a structured evaluation of modern, subscription-based cloud DAM platforms, the Bank is progressing toward a centralized solution that will provide secure access, robust version control, and consistent brand governance while enabling seamless collaboration with internal teams and external agencies. The DAM initiative is expected to significantly enhance marketing agility, optimize asset reuse, improve campaign turnaround time, and ensure brand consistency, fully aligning with the Bank's broader digital transformation and modernization objectives.

The Core Banking System serves as the central hub within a bank's software infrastructure, overseeing both customer financial and non-financial/historical data. This centralization complements all front-end applications and channels, facilitating swift transaction processing. To ensure uninterrupted service, the Bank has implemented various measures, leveraged state-of-the-art infrastructure and optimized system development techniques in line with global best practices, maintaining a 100% up-time for the Core Banking System. During the year 2025, several major initiatives were successfully completed, including the implementation of Data Lifecycle Management, deployment of Open Connect (RTGS component) for the SBP PRISM+ upgrade, adoption of SWIFT CBPR+, and multiple other strategic initiatives aimed at achieving enhanced technical and operational efficiency. The bank has also initiated an upgrade to the latest release of its Core Banking System, poised to benefit from technological enhancements made over time, ultimately leading to improved customer services and an enhanced user experience.

The Bank annually conducts one-week long DR exercise to assess the strength, availability and monitor the robustness of Disaster Recovery site, during this tenure all operations served from alternate site and act as primary site.

FUTURE OUTLOOK

Collectively, these initiatives reflect Allied Bank's disciplined yet forward-looking approach to digital transformation—where innovation is underpinned by strong governance, resilient infrastructure, and a clear focus on value creation. By seamlessly integrating advanced analytics, agentic automation, secure digital channels, and scalable payment ecosystems, the Bank has strengthened its ability to respond to evolving customer needs and regulatory expectations. As ABL continues to align its technology roadmap with national priorities and SBP Vision 2028, it remains well-positioned to lead the next phase of intelligent, inclusive, and sustainable banking in Pakistan.

RISK MANAGEMENT GROUP

Risk Management Group (RMG) is continuously striving towards management of risk through an augmented framework of sound risk principles, reinforced by optimum organizational structure, robust risk assessment models and effective monitoring systems in an automated environment to safeguard the strength of the capital base of the Bank while achieving maximum value for the stakeholders.

Dedicated functions in Risk Management include:

- Corporate and Financial Institutions Risk;
- Commercial, SME and Consumer Risk;
- Credit Administration and Monitoring;
- Technical Appraisal;
- Information Security & Governance; and
- Enterprise Risk.

These functions operate cohesively to continuously augment the risk monitoring and assessment architecture, ensuring superior quality of asset portfolio while keeping the aggregate risks well within the Bank's overall risk acceptance criteria.
During 2025, Risk Management continued to refine and innovate Risk Management practices using latest technology and took following key initiatives to further strengthen risk monitoring and assessment processes:

- The Bank has in place an indigenously developed state of the art Risk Assessment and Management System (RAMS) for loans processing and monitoring. The system has enabled effective management of Credit Risk, also reflected by one of the lowest infection ratios in the industry. The Bank follows a continuous process for upgradation in RAMS to enhance its effectiveness.
- In its continued commitment to nurturing future-ready stakeholders, the Bank hosted an interactive training event designed to immerse the next generation of obligors in cutting-edge business, financial, and technical insights. The program featured esteemed speakers including leading academics, industry practitioners, and researchers. The session centered on key themes shaping modern enterprise: robust governance frameworks, the strategic integration of environmental, social, and governance (ESG) principles, next-generation human capital strategies, and the transformative application of artificial intelligence and digital platforms in business operations. This initiative underscores the Bank's dedication to cultivating informed, agile, and ethically grounded leadership capable of driving sustainable value in an evolving global landscape.
- As part of its CSR efforts, the Bank continued engaging with its borrowers during 2025 by organizing seminars in Larkana, Gujranwala, and Sheikhupura for Commercial and SME obligors. The aim was to support business sustainability and long-term growth. Dr. Ishrat Husain, former Governor of State Bank of Pakistan, delivered the keynote address and shared practical insights on economic reforms and institutional development. The sessions covered key topics i.e. Transition from Family-Owned Structure to Corporate Structure, Towards Building Gujranwala an Industrial Cluster, and Cluster Synergies: Unlocking Growth and Expansion Opportunities. Through these initiatives, the Bank strengthened its position as not only a lender but also a partner in knowledge sharing and regional business development.

The Bank has conducted various security assessment exercises in 2025 on Information assets of the Bank which included Vulnerability Assessment (VA) and Penetration Testing (PT) activities.

Payment Card Industry Data Security Standard (PCI DSS) Certification has also been achieved for the 7th year in 2025 along with compliance to Swift Customer Security Program (CSP) as mandated by SWIFT International. Various Information Security Awareness campaigns including Fraud awareness have been conducted for our valued customers. A Cloud based E-Learning platform is also in place for training of team members to educate and enhance awareness about latest Cyber security threats and trends.

Major focus of the Bank remained on the Capacity Building and Enhancement of SOC (Security Operations Center) where significant investment was made on the Technology Upgrades, Improvement of Processes and development of Skillset of Human Resources. Major highlights included a dedicated SOC Facility enabled through advanced technologies for Security Information and Event Management system, Threat Intelligence and Digital Risk Protection Platform, Security Orchestration Automation and Response System, End Point Protection & End Point Detection & Response Solution and Data Loss Prevention System. Through use of these systems, the Bank has capacity not only to analyze logs, identify the security incidents, and automate the process of orchestration & escalation for timely countermeasures but has also enriched Threat Intelligence for protection of our Information Assets and prevention of loss of sensitive data.

The Bank has engaged world renowned security company for 24/7 Managed Detection and Response services to ensure cyber resilience.

The Bank has also in place Information Security Risk Management Program for aligning its Governance structure with International Standards and Industry best practices. In this regard, Information Security Strategy and development of Policies, Procedures and Frameworks were the major highlights.

The Bank also achieved certification of ISO 27001: 2022 standard to further strengthen its Information Security Management System.

FUTURE OUTLOOK

Risk Management aims to continue the pace of major initiatives in 2025 such as effective utilization of the implemented Modules of Oracle Financial Services Analytical Applications (OFSAA) and Operational Risk Management Module of Risk Nucleus, process design assessments and control testing, automation of workflows in Risk Assessment and Management System, information security awareness campaigns, augmentation of the Bank maintained warehouses for pledge financing.

Emphasis on further strengthening the Bank's Information Security Posture shall continue along with investments in technology and human resource development to maintain an effective risk management framework across the Bank.
Being cognizant of disruption through digital banking, Risk Management has planned to enhance the scope of existing digital lending platform from consumers to Small Enterprises, Medium Enterprises and commercial businesses by innovating credit scoring models and processes for credit risk assessment, disbursement and monitoring.

Collaboration with leading FinTech and Data Analytics companies shall be evaluated to leverage the developments taken place with regards to Artificial Intelligence and Machine Learning techniques. Risk Management recognizes the challenges to the economy and shall continue to take pragmatic measures to ensure effective risk management of assets of the Bank.

HUMAN RESOURCE

In 2025, the Human Resource Group (HRG) reaffirmed its commitment to innovation, agility, and strategic excellence, playing a critical role in fostering a positive work culture while effectively responding to the evolving landscape of talent management and operational priorities. As a trusted strategic business partner and a driver of organizational transformation, HRG delivered impactful outcomes across all sectors of the Bank.

With a strong emphasis on cultivating a positive organizational mindset and reinforcing clarity of purpose, HRG remained focused on creating an enabling work environment that supports performance and long-term success. By building on prior achievements and aligning operational initiatives with the Bank's future objectives, HRG positioned itself to effectively support sustained growth amid an increasingly dynamic workplace environment.

Furthermore, HRG prioritized the enhancement of the overall employee experience by transitioning from traditional operating models to more agile, technology-enabled, and forward-looking approaches. The strategic adoption of digital solutions strengthened workforce planning, talent development, and decision-making processes, ensuring the delivery of meaningful outcomes while equipping the Bank to navigate the complexities of a rapidly evolving work environment.

Talent Acquisition

As per Bank's policy and to meet the human resource requirements of the Bank, career opportunities have been offered to external candidates and to our existing employees at all hierarchal levels through approved talent acquisition procedures of the Bank.

To fulfill the human resource requirement of different functions of the Bank, 5,095 offers for appointment have been issued to eligible candidates during the year 2025 against both permanent and contractual positions.

In line with approved Manpower Plan 2025, batch of Management Trainee Officers (MTOs) was inducted, consisting of 570 candidates. Moreover, two (02) batches of Tellers, consisting of total 1,195 candidates have been inducted during the year 2025.

This year the Bank had special focus on enhancing Liability Sales Business and to support this business initiative, the Talent Acquisition team of HR made all-out-effort to on board multiple batches of BDOs. In total, 2,333 offer letters were issued to candidates for the position of Business Development Officers and 144 offer letters were issued for the position of RMs / ARMs Liability.

Along with the batch hiring, 853 offers have been issued for lateral hiring positions as replacement hiring as well as against approved hiring budget for the year.

As per approved career path of Management Trainees, 1,164 Management Trainees from various batches were awarded biannual salary increments during the year 2025.

Employee Career Path Development

Career growth opportunities were offered at all hierarchal levels through merit-based elevations of the Bank's existing resources to provide cross functional exposures at Group Head, Divisional Head, Regional Head and Unit Head positions. Through effective career progression at junior management levels, 329 cadre change elevations were made during the year 2025 to provide adequate growth opportunities within the organization.

Functional Title	Employee Count
Group Head	06
Divisional Head / Regional Head	25
Unit Head	26
Senior Manager / Manager	72
Branch Manager / Banking Services Manager	299
Associate Manager	95
Senior Officer	127
Cadre Change - Banking Services Officer	329
Grand Total	**979**

Learning & Development

During 2025, HRG continued to strengthen organizational capability through a structured, strategically aligned, and future-focused Learning & Development (T&D) framework. The Training & Development (T&D) function remained focused on building technical, behavioural, digital, leadership, and sustainability-oriented competencies across the Bank, while ensuring regulatory compliance, operational efficiency, and readiness for long-term transformation.

During the year, training coverage reached 95%, with over 12,300 employees participating in a wide range of learning interventions delivered through classroom, digital, and blended learning modes. Through optimal use of in-house faculty, strategic partnerships, digital platforms, and cost-efficient delivery models.

A key strategic priority during the year remained capacity building for the Bank's planned transition towards full Islamic Banking. In this regard, the Bank leveraged its in-house capacity with nominations in NIBAF Islamic Banking courses. Mandatory Islamic Banking training programs were also developed in-house, duly approved by the Shariah Board, and delivered through both classroom and online platforms. By the end of the reporting period, 11,149 employees had successfully completed Islamic Banking training, significantly strengthening institutional readiness for this major transformation.

Sustainability and responsible banking continued to gain prominence within the T&D agenda. Targeted training programs on Green Banking, ESG awareness, environmental risk management, and sustainable finance practices were conducted in line with SBP and SECP guidelines. These initiatives reinforced the Bank's commitment to responsible growth, climate consciousness, and long-term value creation, while embedding sustainability considerations into day-to-day banking operations.

Digital learning further expanded during the year through enhanced utilization of the Bank's learning portal, mLearning application, and automated learning streams. The digital assessment system supported large-scale in-house assessments covering induction, promotions, cadre changes, certification programs, and learning evaluations. These systems enabled standardized assessments, real-time feedback, and consolidated reporting, thereby strengthening training governance and decision-making.

In line with emerging learning trends, Artificial Intelligence (AI) was increasingly embedded within the learning ecosystem to support content development, learner engagement, research, analytics, and personalized learning support. The integration of AI-enabled tools enhanced learning efficiency and reinforced HRG's focus on innovation and digital enablement.

Customer service excellence remained a key focus area. Targeted initiatives such as Legendary Service, Customer Service Boot Camps, and reinforcement programs in communication and problem-solving skills were conducted for frontline and managerial staff. These interventions contributed to improved service quality, customer handling, and complaint management across the branch network.

HRG also continued its emphasis on leadership development, digital transformation, and specialized skills training to support business growth and succession planning. Development programs, certification initiatives, and cadre-change trainings were conducted to strengthen internal talent pipelines and enhance functional expertise across critical areas of the Bank. Several of these initiatives were delivered in collaboration with renowned institutions and partners, including NIBAF, LUMS, and Blanchard, ensuring global best practices, contextual relevance, and high instructional quality.

In parallel, employee well-being initiatives focusing on mental and physical health were introduced, reflecting the Bank's commitment to fostering a supportive, resilient, and balanced work environment.

Compliance training continued to receive significant attention, with extensive learning interventions delivered across AML/CFT, Green Banking, Fair Treatment of Customers, and other regulatory domains. Allied Bank also continued its role as the Lead Bank for the National Financial Literacy Program (NFLP) across 41 districts, through which financial literacy sessions reached over 131,358 participants, resulting in the opening of more than 103,234 accounts.

Training effectiveness was evaluated using the Kirkpatrick Model, covering learner feedback, knowledge enhancement, behavioural change, and business impact. Evaluation results reflected strong participant satisfaction, meaningful learning gains, and positive application of acquired skills at the workplace, contributing to improved operational efficiency and service outcomes.

Overall, HRG's Learning & Development initiatives during 2025 significantly strengthened the Bank's human capital, supported strategic transformation objectives, and reinforced Allied Bank's commitment to continuous learning, regulatory compliance, sustainability, and long-term organizational resilience.

Diversity, Equity, and Inclusion (DEI) remained central to HRG's strategic vision, with over 11,651 participants receiving targeted training in these critical areas. This sustained commitment to fostering an inclusive and equitable workplace was formally recognized at the national level.

HR Services:

In 2025, HRG played a pivotal role in upholding ABL purpose and values through innovative initiatives aimed at enhancing employee experience, well-being, and financial stability.

KEY INITIATIVES:

1. **Digitization and Technology:** 'ABL HR Connect' Mobile Application – Elevating Employee Experience was launched across the Bank. It a significant step towards digital HR transformation and operational excellence. This initiative reflects the Bank's continuous efforts to innovate and deliver seamless experiences. It underscores HRG commitment to enhancing employee convenience, reducing turnaround time, and strengthening our digital presence across the bank in the industry.

   Key Features:
   - Functionality: Manage leaves, salary slips, tax certificates, loan balances and official communications.
   - Approval: Automated leave workflows ensuring quicker approvals.

2. **Healthcare and Well-being:**
   - In alignment with our corporate commitment to employee welfare, a special medical financial assistance provision of PKR 33 million has been prioritized within the approved Medical Budget for FY-2025. This strategic allocation is designated to address the urgent and critical healthcare requirements of our employees and their dependents during unforeseen or untoward situations. The bank ensures a robust fiscal safety net that facilitates immediate intervention and high-quality care. This initiative reflects our governance focus on enhancing human capital resilience and maintaining a proactive approach to emergency medical contingencies.
   - Expansion in bank's panel Hospitals for improved medical geographical accessibility for providing best medical facilities to our employees in a convenient manner, and reputable hospital Aga Khan University Hospital network has been added to our existing county- wide panel of hospitals.
   - Blood Donation Drive in collaboration with Shaukat Khanum Memorial Hospital was organized at ABHOL. The event was a testament to the bank's commitment to corporate social responsibility and giving back to the community. A large number of employees participated in the drive, donating blood to help save lives.
   - Breast Cancer Awareness Seminars have been organized across major cities (Lahore, Karachi, Islamabad and Multan) as part of the Pinktober campaign. These sessions aimed to empower employees with knowledge on early detection and prevention of breast cancer.

3. **Compensation and Financial Relief:**
   - One Time Special Award equivalent to one-month gross salary for all management grades employees.
   - Special Allowance to offset higher taxation impacts, this allowance was intended to ease the income tax burden on affected employees, ensuring financial stability.
   - Winter Allowance revised from PKR 500 to PKR 3,000 for the employees posted in branches which are operating in challenging geographical terrains posing challenges of long travel distances and harsh weather. Bank has facilitated employees posted at these branches through 'Severe Winter Allowance'.
   - Banking Service Managers (BSMs), allowance has been revised and benchmarked with branch deposit size.

These initiatives reaffirm ABL's commitment to fostering a supportive, inclusive, and innovative work environment, ensuring employee well-being, engagement, and growth.

Employee Well-Being and Mental Health

Employees' wellbeing and mental health is of paramount significance to us. Mindfulness Hour Sessions are regularly held at Management Developments Centers. These sessions focus on breathing techniques and Yoga stretches to reduce stress, promote mental alertness and enhance overall well-being. The mindfulness hour initiative demonstrates the Banks dedication towards the physical and mental health of its employees.

Gym Facilities

ABL has established state-of-the-art gym facility for its employees, featuring separate gyms for males and females. These gyms are equipped with top-quality workout equipment and amenities, designed to meet diverse physical fitness needs. They provide employees with a convenient and accessible space to engage in physical activities, promoting a culture of health and wellness within the workplace.

Day Care Facilities

Launch of 'Allied Rising Star Day-care Centre (s)' at MDC Lahore and MDC Multan is a testament to our commitment to support working parents within the bank. Day-care helps employees to focus on their work by reducing stress and distractions when parents are confident that their children are in safe and nurturing environment.

Staffed by qualified and caring professionals, these daycare centers ensure that children receive attentive care in a secure and supporting environment. Providing such a facility will greatly benefit employees with young children by ensuring a safe and convenient childcare solution within the workplace. Consequently, ABL propose the inclusion of Daycare Center into ABL's upcoming building projects in Islamabad and Karachi.

Sustainable Development Goals – Gender Equality

Gender Equality has always been the corner stone of Allied Bank from the time of the Banks inception it was the torch bearer on being an equal opportunity employer to help women achieve their goals. HR has always been at the fore front to promote the female employee inclusion and supporting new initiatives that support them in general areas of life as well. HR has taken multiple initiatives, to narrow down the gender gap and establish a conducive, harmonized gender sensitive work environment.

As part of our diversity & inclusion drive hiring of female employees was focused this year, therefore our female population stands at 25.16% at December 2025.

The commitment towards bringing diversity is further augmented by the following statistics:

Female Directors As of 05.01.2026	2	Total Female Employee Ratio	25.16%
Female Employees – Reporting directly to Head of Departments	3	Female Chief Anti-Harassment Officer	1
Female Employee Ratio at Senior Management	8.97%		

Differently Abled Persons

Allied Bank Limited remains committed to maintaining an inclusive workplace culture that promotes equal opportunity and prohibits discrimination on the basis of gender, race, or physical ability, in line with the Bank's policies and values. The Bank continues to support the professional growth and integration of Persons with Different Abilities (PWDs) by providing a respectful, accessible, and supportive work environment.
During 2025, the Human Resource Group (HRG) further strengthened this commitment through structured Diversity, Equity and Inclusion (DEI) learning interventions delivered across the Bank. These initiatives aimed to enhance employee awareness, sensitivity,

and practical capability in engaging with individuals with different abilities—both as colleagues and customers.

DEI-related training sessions were conducted through classroom and online platforms as part of the Bank's broader capacity-building agenda, contributing to the overall training coverage achieved during the year. The learning content reinforced inclusive service delivery practices, fair treatment of customers, and respectful workplace interactions, while emphasizing the importance of accessibility and dignity for Persons with Different Abilities. 4,961 employees were trained specifically on PWD-related inclusion topics in 2025 and specific modules were covered (e.g., sign language, assistance for visually impaired customers, priority service protocols)

These initiatives collectively reflect Allied Bank's continued focus on embedding inclusion within its organizational culture and ensuring that employees are equipped to serve a diverse customer base in a fair, professional, and empathetic manner.

Stakeholder Engagement Process

Due to the economic conditions and rising inflation rate of the country, Year 2025, has been very challenging where Talent Acquisition and employee retention were major points of concern. Despite these challenging circumstances, our commitment to attract and recruit top tier resources remained un wavered.

In the year 2025, the Bank continued with robust talent acquisition strategy through collaboration with reputable educational institutions, to provide employment opportunities to Pakistani youth with special emphasis on specialized filed such as FinTech, Data Sciences, Data Analytics and Artificial Intelligence (AI) to augment bank's digitization strategy & related initiatives. Under our Recruitment Strategy, the Bank participated in Job Fairs, Campus recruitment drives and number of related collaborates through partnering with esteemed academic institutions based in the major cities as well as far flung areas, such as Lahore University of Management Sciences (LUMS), Lahore School of Economics (LSE), Ghulam Ishaq Khan University (GIKI), Sawabi, GC University Lahore, FC College Lahore, IBA Karachi, IBA Sukkur, FAST (NUCES), NUST Islamabad, University of Lahore, COMSATS, University Of Central Punjab (UCP), University of Management & Technology (UMT), Pakistan Hindu Council, Connect Hear, University of Punjab, Hailey College of Commerce and ACCA Pakistan.

The Bank aims to bridge the gap between academia and industry, providing platforms for graduates to access real-world data relevant to their respective fields.

Succession Planning

Continuous employee development and sustainable organizational growth are integral components of the Human Resource Group's (HRG) strategic framework. To achieve these objectives, HRG consistently strives to transform its workforce into agile, high-performing teams with multidisciplinary expertise through structured succession planning and development programs.

Center for Assessment Research and Employees' Evaluation (CARE) has conducted the assessment of overall 7189 participants FTY - 2025. As part of strategic planning and after the success of RISE-1 program, CARE has successfully planned and executed psychometric personality profiling for middle management employees by approved selection criteria based on multiple parameters, under the Recognition and Investment in Sustaining Employees (RISE-II) Program. A total of 1,108 middle management employees, ranging from grade MG9 to MG7, were assessed through the Centre for Assessment Research and Employees' Evaluation (CARE).

Based on the derived outcomes of assessment, this talent pool was segmented into three tiers, aligned with individual personality traits, capabilities, and leadership potential. In line with these insights, customized and need-based training and development plans have been designed for execution in the subsequent years. RISE-II is a strong reflection of Allied Bank's leadership vision and commitment to succession planning, talent investment, and long-term organizational sustainability.

Furthermore, in 2025, under the direction of management, the CARE Department also developed the Allied Leadership Talent Pipeline (ALTP-III) Program, which is scheduled for execution in 2026. This program will focus on senior management employees from grades MG6 to MG4. Participants will undergo comprehensive personality profiling and assessment based on board-approved criteria. The consequent outcomes of the assessment, an extensive and structured development program will be launched to prepare high-potential leaders for future strategic roles within the organization.

In addition, as part of HRG's broader strategic initiatives, the CARE Department developed and conducted the Allied Bank Phone Banking Agents Assessment for 64 employees. This initiative was aimed at providing a structured career path and facilitating their transition to the bank's payroll.

Alongside the successful execution of the above-mentioned strategic initiatives, CARE has also conducted several activities related to ongoing and newly launched projects, details of which are outlined below:

1. Regional Head Assessment of 179 participants.
2. MTA's Recruitment Assessment of 281 candidates
3. Tellers Induction Assessment of 423 candidates
4. Periodic Evaluation of MTIT's of 16 employees
5. MTO Recruitment Test for Batch-27 of 1479 candidates
6. RISE-II-2025 (Recognition and Investment in Sustaining Employee) Assessment of 1108 employees.
7. Allied Phone Banking Agents Assessment Level-1 of 44 candidates.
8. Allied Phone Banking Agents Assessment Level-2 of 20 candidates.
9. Capacity Building Program OTPsyMax of 87 participants.
10. Change of Cadre (COC) Assessment of 1604 participants.
11. Senior Grade Promotion (SGP-2025) MG-7 to Mg-6 Psychometric Assessment of 157 participants.
12. MTO Learnability Assessment of 1791 employees.

Anti - Harassment Policy

In order to continue with the 'best practices in Human Resource Management', an Anti-Harassment Policy is in existence which gives protection to all employees of Allied Bank Limited irrespective of their gender. The objectives of Anti-Harassment Policy are:

- To promote a harmonized gender sensitive work environment;
- To create a culture based on social, moral and ethical values, and;
- Making Workplace a dignified environment for both men and women by handling inappropriate behaviours.

A designated email address has been circulated throughout the organization to file complaints in a confidential manner. An Anti-Harassment Committee is formulated under the policy to entertain and investigate the complaints of Harassment. Allied Bank Limited exhibits zero tolerance policy against any kind of harassment. Harasser may face strict administrative actions if the action of harassment is proved against him/her.

BANKING SERVICES GROUP

The Banking Services Group (BSG) remained focused on strengthening service delivery, operational discipline and customer experience through technology-enabled transformation and process standardization. During the year, emphasis on automation, digitization, and optimized resource deployment improved turnaround times, enhanced service reliability, and reinforced control and compliance frameworks across the network.

Business Growth

The BSG played a pivotal role in driving business growth and enhancing customer engagement through collaborative efforts with other business groups. The Bank achieved several milestones in 2025:

- Customer Base: The Bank achieved an account base of 10.3+ million by opening 1.5+ million additional accounts during the year.
- Growth in Card Operations: ABL issued around 800,000 new debit cards, crossing the 3.9 million mark.
- Digital Banking Expansion: The myABL platform expanded its user base to 2.6 million, reflecting a growth of 25%. Similarly, WhatsApp banking surpassed 2.1 million users with a 29% increase, demonstrating the Bank's commitment to seamless digital experiences.
- Trade Business: Facilitated $2.9 billion in Trade business, demonstrating significant contribution to country's economic landscape.
- SMS Alert Activations: 459,390 customers onboarded for SMS Alerts during the year crossing the milestone of 1.6 M Subscribers.
- Reviving In-operative/ Dormant Accounts: Revived 530,520 dormant accounts, fostering customer re-engagement.
- Enhanced Investment Portfolio: Customer investment portfolios transactions worth over Rs. 2.1 trillion were settled across 1,600+ IPS accounts having investment size of Rs. 341 Billion.

Enhanced Customer Experience

ABL continued to prioritize customer satisfaction and inclusivity by launching several impactful initiatives:

- Enhancement of Biometric facilitation of Branch transactions: The scope of biometric based transactions without cheque has been further expanded to Issuance of Payment instruments, Utility bills / Fees collection & Cash management Collection.
- Enhancing the Cheque Book Request and Activation Process: Introduced functionality that allows customers to request, receive and activate cheque books from any branch. This initiative will simplify processes, reduce turnaround time, and enhance overall customer satisfaction.
- Flood-Affected Communities: Continued extending dedicated efforts to open accounts for flood-affected communities, ensuring access to essential financial services in their time of need.
- Women Financial Inclusion: Opened 379,495 new female accounts, reinforcing the Bank's commitment to empowering women and promoting gender equity in financial services.
- Facilitation for senior citizens: Further, improvements are in testing with NADRA for implementation that would create enhanced convenience for pensioners to submit proof of their lives with the banks.
- Revamped KPIs for Customer Service Excellence: Revamped Key Performance Indicators (KPIs) for Customer Support Officers (CSOs) to emphasize enhanced customer service, digital transformation, CRM utilization, and swift complaint resolution. Comprehensive training programs were rolled out to further strengthen their skills. Improved KPI performance was reflected during the year. This initiative ensures a stronger alignment between service excellence and organizational goals.
- LG Verification through WhatsApp banking: Verification of a Letter of Guarantee (LG) through WhatsApp banking facilitate customers with speed, convenience, security, and enhanced trust in the authenticity. This digital approach eliminates traditional physical or time-consuming verification methods.
- Digital Locker Enhancement: Further strengthened digital service infrastructure via successful installation of the fourth Digital Locker facility at Lahore, enhancing secure, self-service access for customers.
- Digital Signage Machines (DSM) Upgradation: During the 2025, Bank upgraded its customer communication ecosystem by replacing 575 Digital Signage Machines with the latest technology.

Sustainability Initiatives

- The Bank integrated environmentally responsible practices to reduce its carbon footprint:
- Energy Efficiency: Upgraded branch infrastructure by adding 118 new solar-powered locations, increasing the total to 265 solar-enabled locations enhancing total installed capacity of 6.4 megawatts. This initiative significantly reduced energy consumption and carbon emissions.
- e-Statement of accounts: The shift of 596,731 customers to e-Statements of Account (e-SOA) brought the total to over 3.5 million users, enhancing cost efficiency and supporting the Bank's sustainability drive.
- Remote Training via DSMs: Continued remote awareness sessions across 1,500+ branches and regional offices using Digital Signage Machines (DSMs). This initiative not only enhanced training efficiency but also aligned with sustainability goals.
- NIFT Scrolls Elimination: Hard copies of NIFT's Scrolls (1st Copy) is completely eliminated & shared in soft form with branches. Resultantly, substantial paper utilization & NIFT specific cost is saved beside step towards "Green Banking" as well.
- SWIFT-Based Guarantees: Promoted SWIFT-based guarantee issuance, achieving a 100% adoption rate for non-government entities. This shift from paper-based to SWIFT-based guarantees aligns with sustainability principles by reducing resource consumption, improving efficiency, and minimizing environmental impact.
- Redesign of Forms to reduce paper usage – Redesigning various Forms including Account category change; Dormant Activation; Account closure which yields reduction of over 100K papers.
- Discontinuation of Obtaining Identity Document Copies from Existing ABL Customers.
- Enhancement of account opening system whereby soft files can now also be uploaded, eliminating need to print documents.
- Different processes have been identified and being revamped whereby printing of papers shall be discontinued which shall save Millions annually

BSG enhanced operational efficiency and reduced costs through strategic use of technology:

Cash Efficiency & Cost Discipline

- The Bank maintained strong discipline in cash operations, delivering sustained cost efficiency while preserving service resilience. Cash in Transit expenses were effectively contained, improving from prior years and demonstrating a structurally declining cost trend despite inflationary pressures and higher industry average. Through active balance optimization, average cash holdings were maintained at PKR 35 billion, significantly below industry norms, releasing approximately PKR 25 billion of surplus liquidity for deployment into income-generating treasury assets without compromising service continuity.
- Key trade and regulatory functions were transitioned from branches to centralized office and automated through system-generated reporting, strengthening efficiency, control, and compliance. Regulatory submissions including trade over dues, pre-adjudication, EXIM refinance, LTFF processing etc. were centralized and digitized, eliminating manual handling, reducing operational dependency on branches, ensuring timely and accurate regulatory reporting, and enhancing end-to-end governance without additional staffing.
- US Dollars ($) Inward Clearing has been centralized, with all such cheques now processed exclusively by the Centralized Clearing Unit (CCU) Karachi. Key benefits: Improved turnaround time (TAT); Central handling lowers risk of cheque misrouting, duplication, or loss; Reduces courier and logistics expenses.

Automation of operational processes:

- Technology remained central to driving efficiency and risk mitigation. Automated workflows and system-based dashboards replaced manual and email-driven processes across trade messaging and clearing operations. Real-time visibility through the ABL Portal enhanced transparency, reduced operational dependency on specialized resources, and supported faster, more informed decision-making across the Bank.
- AI and Machine Learning technology-based Model ABL Muawin - Branches are now able to seek policy/ operation related guidance by writing their queries / prompts and AI model promptly provide guidance.
- CNIC Digitization – Demanding physical copy of CNIC of walk-in-customers replaced with digital copies for branch counter transactions.
- Procedural amendments have been made for Dormant Ac activation by utilizing MOFA (Ministry of Foreign Affairs) QR code verification, Email for Joint Ac holders, Call Back Confirmation (CBC) shifted to branch, strengthens internal controls and empowers branch staff to handle requests more efficiently & timely.
- Automating payment of utility bills of branches – Discontinuation of manual booking of utility expenses. These

will be auto booked upon processing payment of Utility bills. This shall also eliminate frequent Excess over budget approvals thus saving time of branches and approving authorities.

- System Functionality of Bulk Payment of Form-7: Operations simplified by which, T24 System has been enhanced to permit bulk processing of refunds of security amounts against Form-7 via a secure bulk file upload. Branches can now process multiple refunds simultaneously, thereby streamlining the process, reducing manual workload, and strengthening operational efficiency.
- System Generated Account Maintenance Certificate replaces manual issuance to customers from branch end.
- Automation of branch raised issues regarding outsourced service providers including cash authentication and sorting machines, ensuring timely resolution of issues, seamless branch operations and provide means to quantify performance of such service providers.
- Robotic Emails Issuances; To enhance operational efficiency and strengthen internal controls, implemented robotic email notifications for branches and field offices. These automated alerts highlight unsettled operational and financial matters, facilitating timely resolution, improving financial discipline, and safeguarding the Bank's interests through proactive follow-ups.
- Data Cleansing of Legacy Portfolio; Achieved enhanced milestones on account of strengthening data integrity and regulatory compliance through comprehensive data cleansing of the legacy individual customer portfolio. The customer account records were updated in line with evolving AML/CFT regulatory requirements, reinforcing the Bank's commitment to robust compliance, risk management, and data governance.
- Enabled faster and seamless credit of freelancer remittances through automated, branch-level processing.
- Automation of SWIFT Inward Remittance: Enhanced automation in Home Remittance System (HRS) which enabled instant Remittance processing with minimal manual intervention and enhanced operational control.
- E-PRCs Issuance: Developed systematic process for ePRC issuance where branches can independently issue PRCs on customers request reducing TAT significantly and adding to enhanced customer experience.
- Home Remittance via IBAN: Enhanced system capabilities to process Home Remittance transactions using complete IBANs reducing transaction rejection and TAT.
- RTGS Revamp: Successfully implemented regulator-mandated migration from MT102 (Swift message for payments) to MX messaging for both inflow and outflow Home Remittance transactions.
- Allied Remittance Portal: Enhanced portal functionality for API partners, enabling them to upload, amend, and cancel transactions independently.
- Remittance Tracker: Enhanced remittance tracking service on the ABL corporate website, allowing customers to view the latest status of their payments.

FUTURE OUTLOOK

BSG envisions a future shaped by simplified, customer-centric processes and the responsible use of advanced technologies, including generative AI, intelligent automation, analytics, and emerging blockchain solutions. These capabilities will be leveraged to enhance service responsiveness, strengthen controls, and deliver secure, seamless, and intuitive customer experiences.

The Group remains focused on evolving its operating model around customer needs through digitization, centralization, and system-driven enablement of frontline teams. Gen-AI–based tools will further support decision-making, policy guidance, and operational consistency, while technology-led controls will reinforce governance and compliance.

Sustainability will remain integral through paperless initiatives, energy efficiency, and responsible resource utilization, aligning operational excellence with the Bank's broader ESG objectives and long-term value creation.

Through strong collaboration with business units and a steadfast focus on exceeding customer expectations, BSG will continue to drive sustainable growth, operational agility, and long-term value creation for customers and stakeholders.

SPECIAL ASSET MANAGEMENT

Special Assets Management Group (SAMG) is one of vibrant constituent of Bank's risk management committee. Group is responsible for providing specialized services in (03) core functional areas of the bank that includes the recovery and management of non-performing assets, handling and applying of available measures/tools for controlling, minimizing and remedying the damage(s)/losses occasioning on account of undesirable acts of fraud, forgery and dacoity; and providing of legal support across the Bank.
SAMG exhibited consistent growth in recovery from classified portfolio through coordinated team efforts and by taking timely remedial measures.

SAMG by adopting multipronged strategies with special emphasis on negotiated settlements including cash settlements, debt property swap arrangements, restructuring/rescheduling of complex non-performing loans was able to post significant recovery in 2025.

Bank's infection ratio has been recorded at 1.42% and loan loss coverage (including general provision) was recorded at 109% as on December 31, 2025.
During 2025, legal affairs has successfully maintained its track of professional support to all functions of Bank timely and efficiently. From the desk of FRM&RR, multiple system controls were recommended to further strengthen control mechanism and mitigate digital banking frauds and scams, particularly across myABL and e-commerce channels. In parallel, staff awareness was enhanced through training sessions for field offices to ensure effective handling of fraud/ Scam related customer complaints.
Additionally, as part of its social responsibility, FRMU in coordination with the Marketing team launched event-based customer awareness campaigns aligned with key social and cultural occasions to maximize outreach and engagement.

FUTURE OUTLOOK

Aligned with the Bank's vision, FRMU has engaged ITG following a detailed evaluation of processes for AI/ML-based automation. The processes have been shared and development has commenced, aiming to optimize operational costs while strengthening regulatory compliance.

COMPLIANCE

The Compliance Group (CG), functions as a key element of Allied Bank Limited's second line of defense. It is responsible for overseeing regulatory compliance and managing Anti-Money Laundering (AML), Combating the Financing of Terrorism (CFT), Countering Proliferation Financing (CPF), and Trade-Based Money Laundering (TBML) risks with primary role to ensure that the Bank operates and adheres to all applicable laws and regulations by building necessary controls within Internal Policies & Procedures. The management of the Bank is committed to fostering a strong compliance culture in collaboration with all stakeholders through the effective adoption of regulatory guidance and continuously striving for an integrated and robust risk mitigation framework.

CG ensures a sound compliance environment through:

- Structured oversight of Management Committees as well as Board in line with regulatory requirements
- Performing compliance reviews;
- Ensuring timely compliance of internal and external audit observations;
- Enhancing stakeholder awareness;
- Continuous skill enhancement of the compliance staff;
- Ensuring technology driven controls to manage risks of Money Laundering, Financing of Terrorism, Proliferation Financing, Trade Based Money Laundering within the Bank; and
- Keeping policies & procedures for both domestic and overseas operations updated in line with revisions in Regulations and applicable laws.

SBP has promulgated major revisions in frameworks regarding Onboarding of Customers, Managing Risks of Trade Based Money Laundering as well as Business Conduct and Fair Treatment of Consumers. CG has not only ensured that all regulatory requirements are timely communicated and implemented on bank-wide basis but has also played a key role in instilling a compliance culture within the Bank via continuous monitoring, training, learning and automation. In addition to carrying out various "Compliance Risk" mitigation tasks, the following remained the key areas for effective management and oversight of Compliance Risk:

- Augmenting Entity and Process level controls to avoid Money Laundering (ML), Terrorism Financing (TF), Proliferation Financing (PF) and Trade Based Money Laundering (TBML);
- Continuous and consistent adherence to regulatory promulgations and frameworks ensuring documentation development and implementation, where required;
- Maintaining and updating bank-wide documentation and process flow charts inventory;
- Carrying out regulatory compliance reviews of the Bank's critical and high-risk areas to assess compliance with regulations and the effectiveness of implementation;
- Implementation of Block Chain driven eKYC project in the Bank which is an industry level initiative to help in improvement of quality of KYC and reducing compliance risk.
- Roll-out of KPIs Monitoring Dashboard to facilitate timely monitoring and ease of access. The dashboard has been configured with role-based access controls, ensuring visibility in line with users assigned jurisdiction and functional responsibilities.
- Strengthening of KYC and customer risk profiling frameworks through Optimization of KYC turnover slabs with end-to-end correlation to intact harmonization of customers' information in the Bank's database.
- Branch Risk Categorization with evolving associated risk factors.
- Focused oversight of trade finance activities through strengthened TBML controls, red-flag indicators, and transaction-level reviews.
- Onboarded artificial intelligence-based solutions for streamlining transactions monitoring workload in conjunction with ensuring effectiveness of these systems
- Coordination with the regulator along with ensuring accurate and timely regulatory reporting;
- Enhanced and Effective Organization wide outreach by Recurring and Significant Training & Education through online tools;
- Effective technology utilization and upgradation to monitor out-of-pattern transactions to detect possible Money Laundering, Terrorism Financing and Proliferation Financing activities; and
- Resolution of internal and external reviews and audits observations by conducting root cause analysis and emphasis on the process improvement.

The Bank enhanced the effective monitoring of Trade-Based Money Laundering (TBML) and Harmonized e-KYC (Know Your Customer) mechanisms with the integration of critical trade due diligence parameters, as well as development of Liability Customer Risk and Trade Customer Risk Profiling Models, to assess the customer risk. Bank has also enhanced the Sanction Screening to include identification of dual use of goods and vessel tracking. The Bank has also reorganized the e-KYC functionality, which has been harmonized with the core banking System. In order to access, identify and evaluate the inherent AML, CFT, CPF and TBML risks at the entity level, the Bank regularly updates its Entity Level Internal Risk Assessment (IRA) in accordance with regulatory requirements and the National Risk Assessment (NRA) of Pakistan.

Further, to comply with SBP TBML framework, Compliance Function through its risk-based approach has deployed and implemented Entity wide Risk Profiling Model to gauge the Trade-Based Money Laundering related risks across bank.

The Compliance Group also carried out various regulatory compliance reviews of high-risk processes to test compliance with the applicable laws & Regulations and also conducted Gap Analysis of significant regulatory changes, amendments and updates viz a viz existing banks documentations and implementations to ensure effective regulatory compliance.

FUTURE OUTLOOK

Compliance function will continue its concerted efforts in strengthening compliance culture and enhancement of skills through trainings, certifications and awareness sessions on key areas like AML, KYC, CFT, CPF, TBML and latest regulatory requirements for both Staff and Customers.

As part of our ongoing commitment to strengthen compliance and risk management, the Bank plans to leverage agentic AI technologies to enhance the efficiency and effectiveness of AML alerts management. Roll out of artificial intelligence-based solutions will streamline transaction monitoring and rationalize sanction screening workload in conjunction with ensuring effectiveness of these systems. Collaboration with trade operations and business units will further enhance to embed risk awareness at transaction level.

The Compliance function of the Bank remains at the center of implementing the blockchain driven eKYC project. After its successful rollout for new to bank customer onboarding, the next milestones include integration of legacy customer data and deployment of e-KYC over the digital onboarding of customers. This industry level initiative continues to enhance the quality of KYC and reduce compliance risk

Our investment in state-of-the-art systems and ongoing upgradations reflects our dedication towards maintaining a robust and compliant banking environment. We assure our customers and stakeholders that Allied Bank Limited will continue to prioritize ethical banking practices while supporting sustainable business growth in compliance of rapidly evolving regulations including Environmental, Social, and Governance standards.

ISLAMABAD MARATHON













SCAN TO WATCH







GOING THE EXTRA MILE
COMMITTED TO A GREENER FUTURE

OUTLOOK

FORWARD LOOKING STATEMENT

Narrative Outlook

Pakistan's economy is expected to sustain a gradual recovery, underpinned by continued fiscal consolidation, a stable monetary policy trajectory, and ongoing adherence to the IMF stabilization framework. With inflation projected to remain contained and policy rates anticipated to stabilize at more sustainable levels, the improving macroeconomic environment is likely to provide the necessary impetus to business confidence and investment activity.

Allied Bank will continue to strengthen its technological competitiveness within an evolving financial landscape. The Bank plans to expand smart branches, enhance mobile and internet banking platforms, and leverage Artificial Intelligence (AI), Generative AI, Agentic AI, robotic process automation, and Open Banking capabilities. These initiatives are expected to enhance operational efficiency, reinforce data-driven decision-making, and deliver a seamless and differentiated customer experience.

The banking sector is poised for structural transformation, particularly in view of regulatory directives mandating the phased transition of conventional banks toward Islamic banking by 2027. This evolution is expected to redefine competitive dynamics, encouraging innovation, product diversification, and enhanced customer-centric solutions. Simultaneously, accelerated digital adoption is likely to reshape service delivery models, as customers increasingly demand secure and technology-enabled financial services.

ABL will further streamline its digital onboarding processes to broaden its customer base and enhance accessibility to financial services. Through innovative business models and a hybrid acquisition strategy, the Bank aims to extend outreach to underserved and unbanked segments, promoting inclusive growth and supporting economic empowerment across diverse communities.

The Bank intends to reinforce its liability franchise by focusing on mobilizing low-cost, stable current deposits while deepening long-term customer relationships. Optimizing the cost of funds across the both conventional and Islamic portfolios will remain a strategic priority to support sustainable profitability and long-term financial resilience.

On the asset side, ABL aims to pursue prudent expansion into quality lending segments while maintaining a low infection ratio and strong coverage levels, supplemented by adequate capital buffers. The Bank will also explore opportunities in green finance, cross-border business, and advisory services to diversify income streams and enhance long-term value creation. Concurrently, recognizing that digital transformation is talent-driven, ABL will continue investing in technology-oriented recruitment, structured training programs, and advanced e-learning platforms to align workforce capabilities with strategic priorities.

In an increasingly digital ecosystem, ABL will further strengthen its cybersecurity posture by adopting industry best practices and deploying advanced control mechanisms. Maintaining a resilient and proactive information security framework will remain critical to safeguarding customer data, digital infrastructure, and overall operational integrity.

Quantitative Projections

ABL delivered a stable financial performance in 2025, achieving sustainable growth while further strengthening the resilience of its business model. Looking ahead, Net Interest Income is expected to remain broadly stable on a year-on-year basis, as volumetric growth in earning assets is likely to provide the necessary support to earnings, underpinned by deposit-led balance sheet expansion. Fee-based income is projected to witness steady growth, driven by continued momentum in digital banking, trade finance, and remittance flows.

On the balance sheet side, deposits are anticipated to register double-digit growth, primarily supported by expansion in current accounts and ongoing optimization of the deposit mix. Advances and investments are expected to record stable growth, benefiting from improved system liquidity and a relatively lower interest rate environment. Opportunities for capital gains in 2026 are likely to remain limited compared to the preceding year, reflecting reduced volatility in policy rates, money markets, and capital markets.

The Bank's cost-to-income ratio may face near-term pressure due to continued investments in branch expansion, ATM deployment, and digital infrastructure; however, these strategic investments are expected to generate operational efficiencies and revenue scale benefits over the medium term. Concurrently, ABL will maintain the progressive reallocation of resources toward Islamic banking operations in line with regulatory directives, ensuring alignment with the evolving industry framework.

Uncertainties Affecting Resources, Revenues and Operations

ABL recognizes that forward-looking statements are inherently subject to various risks and uncertainties, many of which remain beyond the direct control of management. While the Bank endeavours to proactively manage these risks through robust governance and risk management frameworks, actual outcomes may differ materially due to the following factors:

- Fiscal and monetary policy decisions affecting interest rates, liquidity conditions, and overall macroeconomic stability.
- Exchange rate volatility and inflationary pressures that may impact funding costs, operating expenses and margins.
- Geopolitical developments and political stability within Pakistan and across regional markets influencing business confidence and investment flows.
- Regulatory changes, taxation measures and evolving supervisory priorities of the State Bank of Pakistan.
- Cybersecurity threats and technology-related vulnerabilities in an increasingly digital operating environment.

ABL remains committed to continuously strengthening its risk assessment and mitigation practices to safeguard financial stability and ensure sustainable long-term growth.

PERFORMANCE MEETING THE FORWARD-LOOKING DISCLOSURES

Strategic Objective	Key Operational Milestones
Enhance operational effectiveness to provide customer centric experience.	• Completed installation / replacement of 575 Digital Signage Machines (Total DSMs: 1,494). • One of the highest ATM transactions as acquirer; ATM uptime 96%. • Deployed 6,749 POS machines in 2025 (Total 9,868) having more than 12 million successful transactions count. • Implemented robotic emails issuances to enhance operational efficiency for branches and field offices. • Verification of a Letter of Guarantee through WhatsApp banking to facilitate customers. • Introduced system generated account maintenance certificate replaces manual issuance to customers from branch end. • Automation of SWIFT Inward Remittance which enabled instant Remittance processing with minimal manual intervention and enhanced operational control.
Augmenting financial inclusion	• Enhanced Pakistan's first myABL WhatsApp Banking service, serving to around 2.1 million users, by adding new features including: ◊ Bill payment and fund transfers; ◊ Verification of Allied Banker's cheque; ◊ Verification of Letter of Guarantee; ◊ Activation of dormant account; and ◊ Introduction of Urdu language option in myABL WhatsApp banking. • Deployed 9,868 POS machines; having more than 12 million+ successful transactions count in 2025. • Introduced Transactional PIN and Push Notifications on myABL in place of OTPs for transaction authentication. • Green Banking has been integrated into myABL, enabling customers to quantify their carbon savings in terms of trees preserved by shifting from cash to digital transactions. • Payday loan feature (Advance Salary) has been extended to over 160 companies. • Opened 25 Branches and 88 Islamic Banking Windows (Total Branches 1,535 and Islamic Banking Windows 396). • 70 new Automated Teller Machines (ATMs) added (Total: 1,674) and 265 CDMs. • Total Mobile Banking Units are 06. • Opened 1,500,000+ new accounts during the period to reach the total at 10,300,000+ as on December 31, 2025.

Strategic Objective	Key Operational Milestones
Enhancing brand image & shareholders' value	• Total deposits surpassed Rs. 2.3 trillion. • Stable dividend stream and increasing equity. • Lowest infection ratio. • Highest capital adequacy ratio. • FinanceAsia awards the Bank: ◊ Best Domestic Bank ◊ Best Bank for Financial Inclusion ◊ Best Sustainable Bank ◊ Best Bank in Most DEI Progressive Bank ◊ Best Bank in Most Innovative Use of Technology ◊ Best Commercial Bank - SMEs • The Bank won Pakistan's Best Digital Bank for Large Corporations by Euromoney Awards for Excellence. • The Bank won Pakistan's Best Islamic Digital Bank by Euromoney Islamic Finance Awards. • Best Corporate and Sustainability Report 2024 Award - 3rd Position awarded by ICAP & ICMA. • SAFA Best Corporate and Sustainability Award 2024 - Certificate of Merit awarded to Bank by South Asian Federation of Accountants.
Employer of choice for top professionals	• During the year, training coverage reached 95%, with over 12,300 employees participating in a wide range of learning interventions delivered through classroom, digital, and blended learning modes. Through optimal use of in-house faculty, strategic partnerships, digital platforms, and cost-efficient delivery models. • To fulfill the human resource requirement of different functions of the Bank, 5,095 offers for appointment have been issued to eligible candidates during the year 2025 against both permanent and contractual positions. • In line with approved Manpower Plan 2025, batch of Management Trainee Officers (MTOs) was inducted, consisting of 570 candidates. Moreover, two (02) batches of Tellers, consisting of total 1195 candidates have been inducted during the year 2025. • Along with the batch hiring, 853 offers have been issued for lateral hiring positions as replacement hiring as well as against approved hiring budget for the year. Career growth opportunities were offered at all hierarchal levels through merit-based elevations of the Bank's existing resources to provide cross functional exposures at Group Head, Divisional Head, Regional Head and Unit Head positions. Through effective career progression at junior management levels, 329 cadre change elevations were made during the year 2025 to provide adequate growth opportunities within the organization. • A key strategic priority during the year remained capacity building for the Bank's planned transition towards full Islamic Banking. In this regard, the Bank leveraged its in-house capacity with nominations in NIBAF Islamic Banking courses. Mandatory Islamic Banking training programs were also developed in-house, duly approved by the Shariah Board, and delivered through both classroom and online platforms. By the end of the reporting period, 11,149 employees had successfully completed Islamic Banking training, significantly strengthening institutional readiness for this major transformation. • Compliance training continued to receive significant attention, with extensive learning interventions delivered across AML/CFT, Green Banking, Fair Treatment of Customers, and other regulatory domains. Allied Bank also continued its role as the Lead Bank for the National Financial Literacy Program (NFLP) across 41 districts, through which financial literacy sessions reached over 131,358 participants, resulting in the opening of more than 103,234 accounts. • Employees' wellbeing and mental health is of paramount significance to us. Mindfulness Hour Sessions are regularly held at Management Developments Centers. These sessions focus on breathing techniques and Yoga stretches to reduce stress, promote mental alertness and enhance overall well-being. The mindfulness hour initiative demonstrates the Banks dedication towards the physical and mental health of its employees. • As part of the diversity & inclusion drive hiring of female employees was focused this year, therefore our female population stands at 25.16% at December 2025.

Strategic Objective	Key Operational Milestones
	• Diversity, Equity, and Inclusion (DEI)-related training sessions were conducted through classroom and online platforms as part of the Bank's broader capacity-building agenda, contributing to the overall training coverage achieved during the year. The learning content reinforced inclusive service delivery practices, fair treatment of customers, and respectful workplace interactions, while emphasizing the importance of accessibility and dignity for Persons with Different Abilities. 4,961 employees were trained specifically on PWD-related inclusion topics in 2025 and specific modules were covered (e.g., sign language, assistance for visually impaired customers, priority service protocols). • Continuous employee development and sustainable organizational growth are integral components of the Human Resource Group's (HRG) strategic framework. To achieve these objectives, HRG consistently strives to transform its workforce into agile, high-performing teams with multidisciplinary expertise through structured succession planning and development programs. • DEI remained central to HRG's strategic vision, with over 11,651 participants receiving targeted training in these critical areas. This sustained commitment to fostering an inclusive and equitable workplace was formally recognized at the national level. • In line with emerging learning trends, Artificial Intelligence (AI) was increasingly embedded within the learning ecosystem to support content development, learner engagement, research, analytics, and personalized learning support. The integration of AI-enabled tools enhanced learning efficiency and reinforced HRG's focus on innovation and digital enablement. • 'ABL HR Connect' Mobile Application – Elevating Employee Experience was launched across the Bank. It a significant step towards digital HR transformation and operational excellence. This initiative reflects the Bank's continuous efforts to innovate and deliver seamless experiences. It underscores HRG commitment to enhancing employee convenience, reducing turnaround time, and strengthening our digital presence across the bank in the industry. • Breast Cancer Awareness Seminars have been organized across major cities (Lahore, Karachi, Islamabad and Multan) as part of the Pinktober campaign. These sessions aimed to empower employees with knowledge on early detection and prevention of breast cancer.
Enhanced focus on digitization	• Established 21 Digital Branches. • Biometrically enabled ATM network of 1,674 ATMs. • Enhancement in transaction limits of myABL and debit cards to cater customer needs. • New Services on myABL WhatsApp Banking introduced. • Deployed 9,868 POS machines having more than 12 million successful transactions count. • 4th Hackathon for engagement of FinTech's, startups conducted attracting over 2,600 applications from startups and fintech. • Deployment of 265 Cash Deposit Machines & 180 Cash Recycle Machines. • E-commerce-based customers and platforms can now be onboarded as ABL merchants, enabling acceptance of online payments via Visa, MasterCard, and UPI debit and credit cards. • ABL debit cards can be used with Google Pay, facilitating faster, smarter and fully contactless payment experiences. • myABL Temporary Limit Enhancement allows customers to temporarily increase transaction limits across digital channels • Biometric Debit Card Activation through myABL enables customers to securely activate their Allied Bank debit cards directly within the app.

STATUS OF MAJOR PROJECTS

The Bank initiated several projects throughout the year to improve customer services, regulatory compliance and to expand information technology infrastructure, which are listed below.

Projects	Status
Implemented Big Data Disaster Recovery which is a strategic process of restoring data systems after disruptions, focusing on minimizing downtime for critical and real-time workloads.	Completed
Deployed the Enterprise Application Monitoring Solution to monitor the performance, availability and health of business-critical applications which provides the real-time insights into application performance, tracks errors and exceptions and ensures seamless user experiences.	Completed
Deployed the Denodo Data Virtualization platform as a a single, unified view of data across multiple, disparate data sources without physically moving or duplicating the data; making reporting and analysis faster and more efficient.	Completed
Introduced the Transactional PIN and Push Notifications on myABL to enhance customer experience by making the process robust and cost efficient.	Completed
Enhanced the myABL Temporary transactional Limit for different digital channels to address higher transactional needs with the limit reverts back after 24 hours to manage the associated risks.	Completed
Implemented the debit card activation via biometric verification directly through myABL to facilitate the customers.	Completed
The Enterprise Loyalty Program, "myABL Coin," has been enhanced to enable bill payments, mobile top-ups, and donations using myABL Coins, along with person-to-person transfers of myABL Coins. Additionally, redemption via POS has been successfully implemented across all ABL POS terminals	Completed
Launch of Google Pay for ABL Debit Cards. ABL customers can now link their ABL debit cards to Google Pay, allowing for faster, smarter, and seamless contactless payments.	Completed
Temenos DLM (Data Lifecycle Management) Implementation. This enables effective segmentation, archiving, and management of historical data within Temenos Transact (T24), improving overall database efficiency and performance.	Completed
Installed and increased the number of Cash Deposit Machines and Cash Recycler Machine to 265 and 180 respectively.	Completed
Deployed and increased the total number of POS machines to 9,868.	Completed

FUTURE PLANS FOR AI ADOPTION AND ITS POTENTIAL IMPACT ON THE BANK'S LONG-TERM STRATEGY

ABL considers artificial intelligence a strategic pillar of its long-term digital transformation roadmap. The Bank is leveraging AI to enhance customer experience, improve operational agility and reinforce its competitive position within Pakistan's evolving financial landscape. This vision aligns with ABL's broader objective of becoming a leading innovation-driven and customer-centric institution, embedding intelligent technologies across its service and operational architecture.

ABL has already implemented multiple AI-led initiatives across customer-facing and internal domains. In collaboration with Kore.ai, the Bank launched Pakistan's first AI-powered Intelligent Virtual Assistant (IVA), enabling 24/7 customer engagement through natural, human-like interaction. The introduction of "Pepper," a humanoid robot deployed at selected locations, further enhances interactive product guidance and digital awareness. Internally, the Bank has rolled out an AI Assistant to support employees with policy interpretation and operational queries, alongside a Compliance AI model to strengthen regulatory oversight and risk monitoring. Generative AI capabilities are also being embedded into digital banking platforms to enable real-time query handling, personalization, and process automation.

Over the longer term, AI adoption is expected to drive hyper-personalized customer experiences, improve cost efficiencies through automation, and strengthen data-driven decision-making. AI-powered analytics will support prudent risk management, enhance forecasting capabilities and expand financial inclusion by improving credit assessment for SMEs, agriculture and underserved segments; consistent with the inclusive finance agenda promoted by the State Bank of Pakistan. While integration, regulatory compliance and cybersecurity considerations remain critical focus areas, ABL's structured and phased AI deployment underscores its commitment to sustainable innovation and long-term value creation.

FUTURE RESEARCH & DEVELOPMENT INITIATIVES

The Bank will continue to advance its digital banking capabilities by leveraging Artificial Intelligence (AI), blockchain technologies and advanced data analytics to enhance customer experience and drive operational efficiency. ABL intends to further strengthen its value proposition through the development of Shariah-compliant financial solutions, expansion of strategic fintech partnerships, and the introduction of sustainable and environmentally responsible banking products.

Simultaneously, the Bank is making targeted investments in cybersecurity infrastructure to reinforce risk management frameworks, safeguard digital assets, and ensure ongoing regulatory compliance. Through these strategic initiatives, ABL aims to sustain its leadership in financial innovation, support long-term growth, and maintain a strong competitive position in an increasingly technology-driven banking landscape.

SOURCES OF INFORMATION AND ASSUMPTIONS USED FOR PROJECTIONS / FORECASTS IN THE FORWARD-LOOKING STATEMENT AND ANY ASSISTANCE TAKEN BY ANY EXTERNAL CONSULTANT

Projection Framework

Allied Bank develops its financial projections through a structured and prudent assessment of both external and internal variables. External considerations include movements in the policy rate, inflation trends, external account dynamics, GDP growth, industry developments and broader macroeconomic indicators. Internal inputs comprise of the Bank's strategic priorities, historical performance, capital strength and competitive positioning. These elements, together with defined assumptions for the forecast horizon, are embedded into quantitative forecasting models to generate growth estimates aligned with the Bank's long-term strategic direction.

Macroeconomic Assumptions

Pakistan's successful negotiation with the International Monetary Fund has contributed to improved macroeconomic stability and strengthened external credibility. Support from bilateral and multilateral partners, alongside positive current account balances, supported foreign exchange reserve accumulation despite ongoing debt servicing obligations. The State Bank of Pakistan actively built reserves through interbank market purchases. Looking ahead, sustained remittance inflows, disciplined import management, and relatively stable international oil prices are expected to support continued external account stability.

In response to moderating inflationary pressures, the SBP implemented a cumulative reduction in the policy rate from elevated levels, reflecting improved price stability. The Bank anticipates the policy rate to remain within a moderate range during 2026, providing support to credit expansion and investment activity. CPI inflation has declined significantly from prior peaks, with projections indicating stabilization within the central bank's medium-term target range, thereby fostering a conducive environment for sustainable economic growth.

Overall Outlook

Following the implementation of stringent monetary and fiscal adjustments in 2023, Pakistan's economy entered a stabilization phase in 2025, characterized by improved external balances and easing inflationary pressures. It is expected, this stabilization would gradually translate into moderate economic expansion, subject to continued coordination between monetary and fiscal authorities to mitigate overheating risks.

Source and assistance by External Consultant

The Bank's projections are informed by both external and internal sources, including publications of the State Bank of Pakistan, reports issued by the International Monetary Fund and the World Bank, independent analyst research, regulatory releases as well as Allied Bank's internal business plans and forecasting models. Relevant departments rigorously evaluate and integrate these inputs to formulate assumptions and generate forecasts. To enhance objectivity and analytical rigor, the Bank may engage external consultants where appropriate, while continuous internal monitoring ensures that projections remain responsive to evolving economic conditions.

LAHORE MARATHON















CELEBRATING ENDURANCE, UNITY **& THE SPIRIT OF LAHORE**







SCAN TO WATCH

SUSTAINABILITY **& CORPORATE SOCIAL RESPONSIBILITY**

CORPORATE SUSTAINABILITY

Board's statement on CSR and Sustainable Practices

Sustainability is a rapidly growing field that connects environmental, social, and governance (ESG) issues with economic impacts across various industries, including banking. At Allied Bank Limited (ABL), we recognize the importance of ESG and are committed to driving meaningful change by leveraging our financial expertise and resources. Our goal is to extend our positive influence beyond our immediate operations and contribute to a more sustainable future.

The State Bank of Pakistan regulates sustainable development practices in the banking sector, prompting a shift towards more responsible and environmentally friendly business models. In response, ABL has adopted green banking strategies, integrating corporate social responsibility (CSR) into its operations. We are actively developing green products and services to promote sustainable business practices.

In the past, businesses viewed ESG initiatives as an added cost. However, today, sustainable practices are seen as a valuable investment that drives innovation, opens new market opportunities, and enhances value for all stakeholders.

Our sustainability report provides detailed insights and statistics on ABL's sustainable initiatives in an organized and transparent manner, helping stakeholders better understand our progress. By embracing innovative environmental solutions, promoting social equity, and maintaining strong governance standards, ABL aims not only to improve financial performance but also to make a meaningful contribution to a more sustainable world.

The Corporate Social Responsibility (CSR) Vision of the Bank is 'To be a Socially Responsible Corporate Citizen'. The vision is in line with the Mission statement of the Bank 'To play a proactive role in contributing towards the society'.

Allied Bank, being a responsible corporate citizen, strives towards continuous adoption of CSR best practices within its culture and operations for meaningful and positive contribution to the environment in which it operates. The Board of the Directors is fully committed in developing and implementing the CSR strategy and aligning it with the Bank's values and objectives. Through CSR, the Bank participates in resolving the community issues related to the social and environmental concerns, on a voluntary basis.

The Board of Directors has approved following policies for implementation of CSR practices which ensure that these become a fundamental part of the Bank's culture and guide its operations and stakeholders' engagement.

- Corporate Social Responsibility Policy
- Donations Policy

The CSR activities of the Bank are governed through a CSR policy having objective to provide guidelines, so that business objectives and Bank's role as Socially Responsible Corporate citizen are aligned.

The Bank adopted globally recognized ecological and social practices through its endorsed CSR policy. The key CSR objectives of the policy are aligned with the rolling strategic plan of the Bank; ensuring close adherence to the global Sustainable Development Goals (SDGs).

The Bank has assigned specific short-term and long-term performance targets under the guidelines of above referred policies and frameworks and regular performance updates against assigned targets is submitted to the Board of the Directors for monitoring purposes. Annual CSR plan of the Bank for upcoming year is approved by the Board of Directors and performance against plan is reviewed accordingly.

Board's Role in Sustainability Risks and Opportunities

The Board of Directors (BoD) is at the forefront of ESG governance, serving as the highest forum overseeing all matters related to environmental, social, and governance (ESG) sustainability. Its responsibilities include oobserving governance and oversight sustainability risks and opportunities and integrating ESG and DE&I principles into corporate strategy and business decision. The BoD also promotes gender equality and diversity across all organizational levels and ensures active female participation across the Board, Management and workforce. Additionally, it regularly reviews sustainability and DE&I strategies, monitors performance against targets, and evaluates annual reports on embedding sustainability into the Bank's strategy and operations.

The Role of Board Risk Management Committee (BRMC) in Sustainability

The BoD has assigned the Board Risk Management Committee (BRMC) with the responsibility to oversee as the Sustainability Committee of the Board for governance and oversight of sustainability related risks/ initiatives/ strategy and opportunities of the Bank. The BRMC is headed by a female director, Ms. Nazrat Bashir, as Chairman.

BRMC reviews and recommends to the Board of Directors annual report on embedding sustainability principles into the Bank's strategy and operations to increase corporate value. BRMC apprises the Board of its activities and achievements by submitting the minutes of their meetings regularly; as well as its performance reports annually.

Impact of Sustainability-related Risks and Opportunities on the Financial Performance in the Short, Medium and Long Term

Impact of Sustainability

ABL is proactively refining its sustainability strategy to align with regional and international standards and is enhancing the impact of various ESG related material risks that potentially have an impact on its cash flows, access to finance or cost of capital over the short, medium or long term.

ABL is committed to prioritize sustainable financing into its lending strategy to support financial inclusion and responsible banking. Focusing on SMEs, women entrepreneurs, and underserved communities, the Bank promotes economic participation, financial stability, and long-term profitability. The credit approval procedure assesses sustainability-related risks and opportunities by evaluating the potential environmental and social impacts of financing decisions in addition to the financial returns to ensure that the Bank does not contribute in harming the environment, society or economy.

The Bank will continue to strengthen its policies, systems and controls to embed sustainability into its culture and operations, inculcating responsible banking practices that balances financial performance with prospering environment, society and economy.

During the year, ESG factors did not materially impact financial performance or cash flows; however, ABL will continue to monitor potential future impacts closely.

Impact of Climate-related Risks and Opportunities

The Bank acknowledges the potential financial impact of climate-related risks and opportunities. The Bank's planned assessments aim to identify risks affecting credit exposure, asset valuation, and operational stability.

The Bank aims to integrate climate risk into its broader risk management framework, with oversight from the Board. Climate-related financial impacts are intended to be incorporated into accounting judgments, provisioning, and loan pricing strategies to ensure a more comprehensive understanding of financial risks.

Four Pillars of Sustainability Reporting

Governance

Sustainability governance of the Bank is driven by the Board of Directors (BoD) which has assigned the Board Risk Management Committee (BRMC) the responsibility of acting as the Board-level Sustainability Committee. The BRMC provides governance and oversight of sustainability-related risks, initiatives, strategies, and opportunities of the Bank. The Management Committee (MANCO) oversees the implementation of the Bank's sustainability activities. A dedicated Sustainability Committee under MANCO is tasked to oversee and ensure that all the activities related to sustainability are being implemented. In addition, the Risk Management Committee regularly updates the Chief Executive Officer (CEO) and the BRMC on all risk-related matters, including environmental and social risks associated with the Bank's credit portfolio. At the departmental level, the Sustainability Department, headed by the Chief Sustainability Officer (CSO) is responsible for managing various aspects of sustainability. The department plays a critical role in institutionalizing the sustainability agenda and integrating sustainability considerations across the Bank.

A key element of the sustainability and climate risk governance framework is the Three Lines of Defense risk management approach where Business Groups, Risk Management and Compliance Groups, and Audit Risk and Review Group act as the 1st, 2nd and 3rd lines of defense respectively. This approach ensures implementing the sustainability and climate risk lifecycle, strengthening governance, accountability, and effective assessment of sustainability and climate-related risks and opportunities.

Strategy

Allied Bank Limited (ABL) recognizes that a sustainable and prosperous future requires collective action across all the segments of the country. ABL has integrated sustainability into its core strategic objectives. This strategic approach has allowed the Bank to effectively manage its impact on the environment, economy, and society. These initiatives are essential to the Bank's success and have the potential to facilitate growth, enhance stakeholder satisfaction and increase profitability.

The sustainability policy, strategies and activities of the Bank are focused on following key areas:

- Long Term Stability and Growth
- Sustainable Banking
- Carbon Neutrality
- Responsible Employer
- Creating Lasting Impact
- Contribution to Community
- Capacity Building
- Disclosure Management
- Validation and Rating
- Partnership and Alliances

ABL integrates Environmental, social and governance (ESG) considerations into strategic decision-making across its organizational structure. In a rapidly evolving global landscape marked by greater scrutiny of ESG practices and changing stakeholder expectations.

The Bank's sustainability strategy is integrated throughout its value chain. ESG considerations are central to the Bank's approach whether its managing internal operations or engaging with customers or the community. The Bank strives to mitigate sustainability-related risks while delivering outcomes that create a positive impact for customers, suppliers, and employees.

The Bank's current climate change strategy focuses on:

- Effectively managing climate-related risks and opportunities
- Developing a culture of climate awareness and response
- Reducing operational GHG emissions
- Supporting emissions reduction in value chain
- Supporting key ecosystem partners with resources to combat critical threats and maximize opportunities jointly

Through this strategic planning, ABL seeks to:

- Establish a program to conduct climate sector analysis to identify, measure and quantify material climate risk exposure in the portfolio
- Identify key climate risk drivers for the Bank across different time horizons, and the rationale underpinning the selection of these drivers
- Define detailed plans on mitigation and establish key targets and interim milestones for risk management and portfolio decarbonization efforts
- Enhance the Bank's governance structure and approach to Net Zero activities

ABL aims to assess climate-sensitive credit exposures across short, medium, and long-term horizons to better understand and manage transition risks. The findings, including stress testing results, will guide its Risk Appetite Statement and support climate-resilient financing decisions. ABL also aims to strengthen GHG tracking by enhancing full-scope data collection and incorporating financed emissions across select sectors.

Risk Management

The Bank recognizes that its relationship with obligors in terms of financing decisions may have an adverse impact on the natural as well as social environment. In order to mitigate this risk, Environmental and Social Risk Management (ESRM) has been made an integral part of our credit approval process. The financing function of the Bank strives to remain aware of environmental and social risks faced by its obligors. The Bank assists its obligors to understand their responsibilities with regards to the protection of natural environment and their responsibilities to the society as a whole. All new loan proposals and credit renewals for the applicable categories are screened against required standards.

The Bank has developed a comprehensive Environmental and Social Management System (ESMS) comprising of set of policies, procedures, tools, and internal capacity to identify and manage the Bank's exposure to the Environmental and Social (E&S) risks of its borrower and customers. The ESMS states the Bank's commitment to the E&S management, explains its procedures for identifying, assessing, and managing the E&S risks of financial transactions, defines the decision-making process, describes the roles, responsibilities, and capacity needs of staff for doing so, as well as states the documentation and record keeping requirements. It also provides guidance on how to screen and categorize transactions based on E&S risks, conduct E&S due diligence, and monitor the borrower and customer's E&S performance. It is implemented through a set of procedures for:

- Screening transactions
- Categorizing transaction
- Conducting Environmental and Social Due Diligence (ESDD)
- Decision making process
- Escalation
- Monitoring borrower's/customer's environmental and social performance
- Managing a borrower's/customer's non-compliance with the Bank's environmental and social standards
- Incorporating environmental and social requirements, such as corrective action plan, as clauses in legal agreements with the borrower and customer
- Reporting

Allied Bank is integrating climate-change-related risks into its existing risk management frameworks to address both transition and physical risks. The Board receives regular updates to guide strategic decisions and ensure adaptability. The Bank is developing a Climate Risk Policy (CRP) to identify, assess, and manage material climate risks from counterparties and vendors through a formal materiality assessment. Additionally, Allied Bank will conduct scenario analysis and stress testing on top credit exposures in high-emission sectors to evaluate potential impacts of climate risks on its operations and financial performance.

Metrics and Targets

Metric	2024	2025
Board Independence	37.5% (three of eight Directors on the Board are independent directors)	37.5% (three of eight Directors on the Board are independent directors)
Gender Diversity at Board Level	Male Directors: 7 (87.5%) Female Directors: 1 (12.5%)	Male Directors: 6 (75%) Female Directors: 2 (25%) As of 05.01.2026
Data Security	In 2024, no complaints were reported concerning breaches of customer privacy and losses of customer data.	In 2025, no complaints were reported concerning breaches of customer privacy and losses of customer data.
Percentage of Spending on Local Suppliers	99%	96%
Diversity and Inclusion	Total enterprise headcount: Women: 24.59 % Men 75.41% Senior and executive level positions: Women 23.83 % Men 76.17 % Entry and mid-level positions: Women 24.66 % Men 75.34 %	Total enterprise headcount: Women: 25.16 % Men 74.831% Senior and executive level positions: Women 23.67 % Men 76.33 % Entry and mid-level positions: Women 25 .33% Men 74.67%
Gender Diversity in Leadership Roles	23.83%	23.67%
Share of Women in Total Workforce	24.59%	25.16%
New Recruitments	2838	2612
Employee Turnover Rate	14%	16.84%
Senior management from local community	100%	100%
People of Determination hired (number of total employees)	55	52
Gender Pay Ratio	• Median male compensation to median female compensation ratio 1.1:1 • Gender Pay Gap for the year ended December 31, 2024: i. Mean Gender Pay Gap: -3% ii.Median Gender Pay Gap: -2%	• Median male compensation to median female compensation ratio 0.96 : 1 • Gender Pay Gap as of December 31, 2025: i. Mean Gender Pay Gap: -4% ii.Median Gender Pay Gap: -3%
Employee Incentives & Risk-taking Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or claw back provisions were applied	MRTs / High Risk / Medium Risk / Low Risk CEO, Chiefs & Executive: 25% / 20% / 15% Senior Management: 20% / 15% / 12% Middle Management: 15% / 12.5% / 10%	MRTs / High Risk / Medium Risk / Low Risk CEO, Chiefs & Executive: 25% / 20% / 15% Senior Management: 20% / 15% / 12% Middle Management: 15% / 12.5% / 10%
Employee Incentives & Risk-taking	Percentage of total remuneration that is variable for Material Risk Takers (MRTs) is 17%	Percentage of total remuneration that is variable for Material Risk Takers (MRTs) is 17%
Minimum wage	Ratio of entry level wage by gender to minimum wage at significant locations of operation is 122%.	Ratio of entry level wage by gender to minimum wage at significant locations of operation is 122%.
Injury Rate	Nil	Nil
Total Training Hours Delivered	Average Training Hours Served per Employee: 47.5 hours	Average Training Hours Served per Employee: 85.97 hours
Amount spent on Local Communities	Education - Rs.72 million General Welfare - Rs.56 million Health - Rs.43 million Sports - Rs.15 million	Education – Rs. 128 Million General Welfare – Rs. 170 Million Health Sector – Rs. 38 Million Sports – Rs. 55 Million Green CSR - Rs. 105 Million

Metric	2024	2025
Number of participants in financial literacy initiatives	Under National Financial Literacy Program (NLFP) • More than 3,996 sessions • 41 districts • Over 122,201 participants	Under National Financial Literacy Program (NLFP) • Overall more than 4,581 sessions • 41 districts • Over 131,358 participants
(1) Number and (2) amount of loans outstanding that qualify for programs designed to promote small business and community development	Segment / Outstanding Financing (As on 31.12.2024) — No. of Borrower / Rs. in Million Agriculture Financing: 2,673 / 2,074 Consumer Financing: 1,990 / 4,243 Small Enterprises Financing: 1,370 / 5,593	Segment / Outstanding Financing (As on 31.12.2025) — No. of Borrower / Rs. in Million Agriculture Financing: 2,534 / 2,299 Consumer Financing: 1,851 / 3,599 Small Enterprises Financing: 1,200 / 7,655
Number of no-cost retail checking accounts provided to previously un-banked or underbanked customers	855,341 new Asaan Accounts	976,797 new Asaan Accounts
GHG Emissions	Scope 1: 13,944 (MT CO2e) Scope 2: 23,643 (MT CO2e) Scope 3: 15,846 (MT CO2e)	Scope 1: 16,247 (MT CO2e) Scope 2: 22,568 (MT CO2e) Scope 3: 17,161 (MT CO2e)
Emissions Intensity	0.3731 (MT CO2e)	0.4191 (MT CO2e)
Energy Usage	Energy consumed: Grid: 138,001 GJ Non-renewable sources: 65,027 GJ Renewable sources:1,832 GJ Business Vehicles: 51,895 GJ Energy (Natural Gas) Consumed: 3,134 GJ	Energy consumed: Grid: 131,727 GJ Non-renewable sources: 60,917 GJ Renewable sources: 10,611 GJ Business Vehicles: 53,924 GJ Energy (Natural Gas) Consumed: 4,578 GJ
Energy Intensity	1.815 (GJ)	1.96 (GJ)
Energy Mix	Import from Public Utilities: 67% Internal Generation on Fuel: 32% Internal Generation on Solar: 1%	Import from Public Utilities: 65% Internal Generation on Fuel: 30% Internal Generation on Solar: 5%
Water consumption	Drinking water consumption: 2.85778 Megaliters	Drinking water consumption 3.147914 Megaliters

Diversity Equity and Inclusion

ABL recognizes role of diverse human resource in achieving its long-term goals The hiring of female employees is encouraged in fresh as well as lateral hirings. ABL has created direct and indirect employment which is currently around 22,000 employees, who represent diverse geographical areas of Pakistan; thereby positively impacting the broad- based economy and society at large.

ABL is an equal opportunity employer, and has always ensured that there is no room for discrimination against any Gender, Race or Person with Different abilities in line with its approved policy. Currently, 52 such persons are honourably earning their livelihood while serving ABL with pride.

The Bank launched a dedicated Apprenticeship Program for People with Different Abilities (PWD), leading to permanent employment, and conducted two sessions in 2025 in line with its targets.

In 2025, 4,961 employees completed comprehensive training on engaging with PWDs, covering awareness, service guidelines, priority support, basic sign language, and assisting visually impaired customers. Additionally, more than 11,500 employees participated in specialized Diversity, Equity, and Inclusion (DEI) trainings.

ABL promotes gender inclusion through dedicated female recruitment, a structured Female Inclusion Program, and specialized "Khanum Tellers" batches. A dedicated team of Women Champions and targeted training programs further strengthen support for female employees. In 2025, the Bank achieved 25.16% gender diversity, surpassing its 24% target, with women representing 23.67% of senior and executive-level positions.

SECP's ESG Disclosure Guidelines

The Bank has adopted SECP's ESG Disclosure Guidelines and detailed report regarding the Key Parameters is available in Bank's Sustainability Report.

Initiatives relating to the various aspects of sustainability

1. Environmental initiatives

Switching to Alternative Energy

- Installed solar systems at 118 new sites in FY2025.
- Upgraded 48 existing sites, adding 4.14 MW capacity.
- Operating solar plant at 265 bank locations with 6.402 MW total capacity.

Green Financing

ABL supports green projects and sustainable energy transitions through SBP refinancing and bilateral facilities, including solar, wind,

hydro, biomass, waste heat recovery, air improvement, and effluent treatment projects. The Bank provided green financing facilities of Rs. 1,540 million in 2025. The total outstanding as of December 2025 was Rs. 9,225 million.

Responsible Waste Management

ABL is committed to environmentally safe disposal practices, ensuring that operations generate no hazardous wastewater, with utility and domestic liquid waste responsibly discharged into municipal systems. Domestic solid waste is managed by third-party contractors and disposed or recycled at government-designated sites, while e-waste is donated to educational and welfare institutions through CSR initiatives for safe reuse.

Water management

Water management has minimal direct impact, with drinking water sourced from vendors and utility water extracted and stored in tanks. In 2025, drinking water consumption was 3.147914 megaliters. The Bank is developing systems to track utility water usage, designing new buildings for low water consumption, pursuing EDGE and LEED certifications, and promoting employee awareness on water conservation.

Paper Reduction & Sustainable Practices

ABL acknowledges the environmental impact of virgin pulp in paper use and has automated internal processes while promoting low- or no-paper alternatives. When printing is necessary, the Bank uses FSC-approved or recycled paper. By December 2025, the Bank has achieved 100% conversion of all achievable stationary item to recyclable/agri based paper.

2. Social Initiatives

Financial Inclusion

The Bank has played a key role in financial inclusion to introduce the general population of the country to Banking products and services for inclusive economic growth. The efforts included financial awareness and new account opening. A total of 976,797 new Asaan Accounts were added in 2025.

Job Creation

The Bank has been creating new jobs in the country and providing not only a respectable job to people but also helps in decreasing the unemployment in the country. In 2025, the Bank employed 2,612 new people. In addition, thousands of people secure employment opportunities in various organizations as a result of the Bank's overall operations.

Capacity Building

ABL believes that the service quality of the Bank is dependent on the quality of the staff. The capacity building of the staff not only enhances the quality of work of the Bank but also improves their skills and expertise. In 2025, ABL provided training to more than 12,300 participants for upskilling the capacity of the staff and spent an amount of PKR 274 Million on training. The average training was 85.79 Hours Served per Employee.

Health and Safety of employees

ABL prioritizes the safety of its employees and customers through comprehensive measures, including providing fire detection and emergency equipment, conducting regular safety drills, and deploying professional firefighters at major buildings. A dedicated Health, Safety, and Environment (HSE) department with experienced staff manages occupational health and safety. In 2025, the Bank conducted 36 safety drills across key cities, ensured the availability of emergency systems, and maintained continuous monitoring to create a secure workplace environment.

3. Technological innovation

Energy-Efficient Infrastructure

All new ABL buildings are equipped with LED lighting and inverter AC units to reduce energy consumption. In 2025, 21 sites were upgraded, bringing the cumulative total to 76 sites, including the Head Office. Total number of inverters installed by the Bank are 1,968. The Bank is implementing a SCADA system for centralized energy monitoring and an IoT-enabled genset fuel monitoring system at 207 sites to optimize fuel usage and achieve further energy savings.

Sustainable IT Operations

ABL is building a Greenfield Tier-III data center with LEED certification goals and has installed energy-efficient cooling systems, including hot/cold aisle containment. The Bank uses Energy Star/ EPEAT-certified servers, storage, and networking equipment, reduces physical servers through virtualization and cloud computing, and implements intelligent power management systems. Regular energy audits optimize usage, older PCs have been replaced with Energy Star-compliant hardware, and data centers have been consolidated to reduce physical footprint. Employee awareness programs promote energy-efficient practices across operations.

Digital Products for Carbon Reduction

The Bank promotes carbon reduction through digital products, including mobile and internet banking enhancements, digital transactions and statements, online account opening and onboarding, and digitized ATM and branch receipts. Digital lending solutions also contribute to reducing the carbon footprint.

4. Reduced Paper Consumption through IT and Digital Banking Initiatives

ABL has implemented numerous digital initiatives to minimize paper usage, including Bit-by-Bit Electronic Journals on ATMs, account e-statements, Issue Logging Systems (ILS), and BPM systems. The Green Banking feature on myABL calculates trees saved through digital payments. myABL integrates with bookme.com for travel bookings and beFiler for tax filing. Other initiatives include recycled PVC Visa Premium Debit Cards, QR acquiring via Raast P2M for merchants, Google Pay-enabled debit cards, RAAST Bulk Transfers (B2P) for businesses, and WhatsApp Banking for fund transfers and bill payments. Instant account opening is available for Sahulat Sarmayakari and myPDA Asaan Accounts, supported by 265 cash deposit machines (CDMs) and 180 cash recyclers, totaling 445 facilities. SME digital finance is enhanced through Fauree for supply chain finance and Techlogix for one-click SME loans.

CORPORATE SOCIAL RESPONSIBILITY

FOR THE YEAR ENDED DECEMBER 31, 2025

Allied Bank Limited (the Bank), as a responsible corporate citizen, remains firmly committed to Corporate Social Responsibility (CSR), which constitutes an integral component of its long-term strategic vision. The Bank consistently endeavors to create a positive and sustainable impact on society through responsible initiatives, while upholding the trust and confidence of the customers and communities it serves.

OUR PHILOSOPHY OF CSR

Allied Bank adopted globally recognized environmental and social practices through its endorsed CSR policy. The key CSR objectives of the policy are aligned with the rolling strategic plan of the Bank; ensuring close adherence to the global Sustainable Development Goals (SDGs).

Under the CSR Policy, the Bank focuses on following key areas to achieve following objectives:

Customer Relations: To Become First Choice Bank for the Customers.
Workplace: Establish a workplace environment to maintain balanced work life, healthcare facilities for employees, resource efficient Green culture, along with an emphasis on achieving an equitable gender employment ratio.
Environment: Imparting positive impact on environment including the promotion of green banking, use of renewable energy sources, reduction in carbon emissions, tree plantation and cleanliness drives.
Community: Contribute towards wider social development including health, education and general community welfare, especially during times of natural calamities so that Allied Bank is regarded as community caring organization.
Governance: Becoming Corporate Responsible Citizen by ensuring transparency, adopting best business practices, improving stakeholder relations and ensuring compliance with applicable laws and regulations.

REGULATORY COMPLIANCE OF CSR POLICY

The Bank's CSR policy ensures compliance of all regulatory requirements including the adoption of Corporate Social Responsibility (Voluntary) Guidelines, 2013 issued by Securities and Exchange Commission of Pakistan as well as Corporate Regulatory Framework issued by State Bank of Pakistan.

SUSTAINABILITY FRAMEWORK AND STRATEGIC PLAN

Allied Bank's commitment to sustainable and responsible banking remained a cornerstone of our strategy. The Bank's Management recognizes that our success is deeply intertwined with the well-being of the communities we serve, the environment we operate in, and the integrity of our business practices. Our dedication to sustainability and its pillars, Environmental, Social, and Governance (ESG), is integral to our daily operations. As an organization, we are integrating sustainability principles into our business processes, ensuring that our operations reflect to our dedication towards a sustainable and equitable future.

The Bank has developed a comprehensive Sustainability Framework and Strategic Plan which provides guidelines for Bank's approach towards sustainability and integration of ESG factors in its policies, procedures, processes, products and services. It highlights the Bank's commitments for sustainable development and corporate responsibility in the scope of its management practices and impacts on local communities. This plan also defines the roles and responsibilities of the Board of Directors (BoD) and the management with regard to sustainability. Under this framework, the Bank has set specific short-term and long-term targets in key sustainability focus areas.

The Bank established Sustainability Committee under Management Committee (MANCO) of the Bank, to oversee the implementation of the sustainability activities of the Bank.

The Bank issued its annual Sustainability Report which outlined the Bank's policies, procedures, activities and initiatives aimed at achieving sustainability for the Bank, society, and the community at large. The publication of Sustainability Report, crafted on recycled paper with eco-friendly vegetable-based inks, highlights our dedication to resource conservation.

CSR HIGHLIGHTS

In line with the aforementioned CSR objectives, the Bank's contributions towards these key areas are as follows:

Customer Services

- Deposit Protection – Rs. 2,150 million

- - Awareness Seminars – Rs. 155 million
- - Customer Complaints Resolution: 98%
- - ATM Uptime – 96%
- - Electronic Queue Management Systems – 625 Branches
- - National Financial Literacy Program (NFLP) Sessions – 261

Employee Empowerment

- - Management Trainee Officers Graduation - 411
- - Gender Diversity – 25% Females
- - Trainings – 12,300 Employees
- - Medical Facility – 2,101 Employees
- - Post Retirement Medical Facility – 447 ex-Employees
- - Benevolent Grants – 30 Employees

Contribution to National Exchequer

- - Income & Super Tax – Rs. 46,041 million
- - Withholding Tax as Agent – Rs. 43,100 million
- - Federal Excise Duty and Sales Tax – Rs. 2,810 million
- - Zakat Collection – Rs. 379 million

Digital Services

- - Automated Teller Machines – 1,668
- - Mobile ATMs - 6
- - Cash Deposit Machines – 265
- - Digital Touchpoints – 27
- - Point of Sale Machines – 9,868
- - Self Service Kiosk – 116 Branches
- - Digital Self Service Branch/ Lounge – 21

Green Banking

- - Tree/ Sapling Plantation – 150,000+
- - Solar Energy Locations – 265
- - Total Solar Power Installed – 6,402 KW
- - Green Financing – Rs. 9,225 million
- - Marathon – Rs. 60 million
- - Cleanliness Drives – Rs. 35 million
- - Tree Plantation – Rs. 10 million

Community Services

- - Education – Rs. 128 million
- - General Welfare – Rs. 170 million
- - Health Sector – Rs. 38 million
- - Sports – Rs. 55 million

CUSTOMER RELATIONS

Allied Bank remains committed to delivering excellence in customer service by consistently striving to exceed customer expectations, understanding their evolving needs, and continuously enhancing service delivery in alignment with its organizational objectives. A strong service culture is actively nurtured across the institution to ensure responsiveness, reliability, and customer-centricity at every touchpoint. Recognizing customer service as a key driver of trust and sustainable growth, the Bank engages with customers through multiple channels, including Allied Phone Banking, social media platforms, live chat on its corporate website, and WhatsApp. By ensuring timely and comprehensive resolution of customer feedback and queries, the Bank enhances service efficiency, promotes customer empowerment, and strengthens long-term relationships with its stakeholders.

Allied Bank continues to expand its digital footprint to complement and enhance the traditional branch banking experience through the introduction of innovative and customer-centric digital solutions. With a clear vision to emerge as a reliable and forward-looking leader in the payments domain, the Bank is focused on delivering secure, efficient, and user-friendly payment services that address the evolving needs of customers and businesses alike. These efforts reflect the Bank's commitment to innovation, accessibility, and responsible digital advancement in support of inclusive and sustainable banking.

Allied Bank's continued focus on innovation and digital transformation was recognized through several prestigious accolades during the year. At the Euromoney Awards for Excellence 2025, the Bank was named Pakistan's Best Digital Bank for Large Corporations and Best Islamic Digital Bank. Additionally, Allied Bank received the "Most Innovative Use of Technology" award at FinanceAsia 2025 and was further acknowledged at the Asian Technology Excellence Awards for its achievements in Digital Banking and Virtualization Banking. These recognitions underscore Allied Bank's commitment to leveraging technology and innovation to enhance service delivery, promote financial inclusion, and support sustainable and responsible banking practices.

Digital Lounge

The Digital Lounge at Packages Mall, Lahore represents a forward-looking initiative aimed at enhancing accessibility, convenience, and technology-driven banking services. Strategically located at a high-footfall lifestyle destination, the lounge extends the Bank's outreach beyond conventional branches by integrating banking into customers' everyday environments. Equipped with advanced self-service technologies, including self-service kiosks, cash recycler, and cash deposit machines, the facility enables a wide range of paperless services such as instant account opening, card issuance and replacement, bill payments, fund transfers, and cash transactions, thereby promoting efficient and seamless banking. To further strengthen customer engagement and digital awareness, the lounge also offers an immersive digital experience through interactive and virtual demonstrations of banking products and services, helping customers better understand and adopt digital channels. This initiative aligns with the Bank's CSR and sustainability objectives by fostering financial inclusion, enhancing digital literacy, and encouraging paperless banking practices. By promoting self-service models and efficient resource utilization, these Digital Lounge supports the Bank's commitment to responsible innovation, environmental sustainability, and customer-centric service delivery.

Redefining Banking with AI

Allied Bank is actively leveraging Artificial Intelligence, particularly Generative and Agentic AI, to enhance operational efficiency and transform the overall banking experience. With a strategic focus on technology-driven innovation, the Bank is streamlining internal processes, improving service personalization, and enabling smarter and more efficient customer interactions. During the year, an Agentic AI–based solution was successfully implemented for the automated handling of false-positive alerts within the Oracle FCCM (Anti-Money Laundering and Trade-Based Money Laundering) framework. This "Analyst Agent" supports intelligent automation in alert management, strengthening operational effectiveness while ensuring adherence to regulatory and governance standards.

In addition, several AI-driven business use cases are currently under development and at the User Acceptance Testing stage, with plans for phased deployment in the coming periods. By integrating advanced AI technologies into its core operations, the Bank continues to advance its digital transformation agenda while reinforcing its commitment to responsible innovation, operational excellence, and enhanced customer experience in line with its broader sustainability and governance objectives.

Social Humanoid Robot – Pepper

Allied Bank has introduced Pakistan's first social humanoid robot in Banking sector, capable of recognizing faces and basic human emotions to enhance in-branch engagement and digital awareness. Deployed at digital lobbies, Pepper serves as an interactive touchpoint for customers and visitors. The initiative is designed to particularly engage Gen Z and Alpha through gamified interactions and intuitive assistance. By blending technology with human-centric design, Pepper strengthens the Bank's digital-first and innovation-driven image. Going forward, the roadmap includes integration of generative AI and expansion of multilingual capabilities to further enrich customer experience.

Digital CRM Transformation

The Bank's Digital CRM transformation delivered measurable operational and service improvements during the year. With Oracle Siebel CRM fully embedded across contact centers and branches, complaint management, sales lead tracking, and service request handling were further streamlined. The implementation of Customer 360 views and advanced segmentation -covering over 1,000 customer segments - enabled data-driven engagement, personalized offerings, and improved frontline effectiveness. These initiatives significantly improved turnaround times, service quality, and cross-functional collaboration.

myABL Digital Banking

Allied Bank constantly strives to provide innovative solutions to its customers through its digital platforms. A carbon savings calculator has been introduced in myABL, displaying the estimated number of trees saved through the adoption of digital payment channels. Customers can now view a breakdown of cash versus digital transactions in myABL, enabling them to monitor and enhance their contribution toward environmental sustainability.

For ease of customers, myPDA Asaan Account can be opened through myABL with instant activation via biometric verification within the app. Customers can now authorize financial transactions in myABL using a Transactional PIN instead of SMS-based OTP, enhancing user experience while significantly reducing SMS-related costs. myABL is now integrated with Befiler digital app allowing customers to obtain NTN registration and prepare and file tax returns directly through the myABL app.

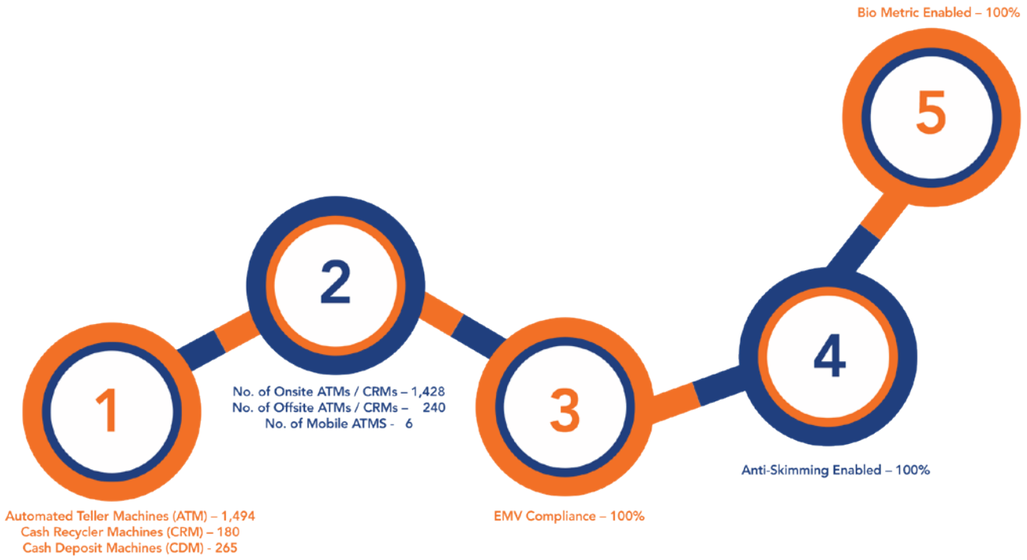
myABL Whatsapp Banking

Recognizing the growing trend of customer interaction shifting towards messaging platforms, the Bank has proactively adopted WhatsApp as a key communication channel. This strategic move aligns with the evolving digital landscape and allows us to better serve our customers through a familiar and convenient platform. myABL WhatsApp Banking now supports Urdu language, improving accessibility and customer convenience. The WhatsApp Banking service menu was expanded to include dormant account activation, bill payment, funds transfer and verification of Allied Banker's Cheque and Letter of Guarantees.

ATM / CDM Network and Uptime

In line with its commitment to enhancing customer convenience and promoting efficient, technology-enabled banking, the Bank deployed 265 Cash Deposit Machines (CDMs) across branches experiencing high volumes of cash transactions. This strategic initiative has significantly streamlined over-the-counter operations by enabling customers to conveniently deposit cash directly into accounts through secure self-service channels. By strengthening its self-service infrastructure, the Bank continues to foster digital adoption, operational effectiveness, and improved customer experience in alignment with its sustainability and customer-centric objectives, with plans for further expansion of CDM deployment in additional locations in the coming years.

Allied Bank has one of the largest networks of 1,474 ATMs and 180 Cash Recycler Machines (CRMs) deployed across the country to fulfill the needs of the Customers round the clock throughout the year. The Bank continued its legacy of un-interrupted 99%+ ATM uptime during the occasions of Eid-ul-Fitr and Eid-ul-Adha holidays; processing around 2.29 million transactions involving Cash Withdrawals of approximately Rs. 36.62 billion.



Electronic Queue Management System and Self-Service Kiosk

Allied Bank installed Electronic Queue Management Systems in 625 branches with total cost Rs. 341.18 million, facilitating the customers to conduct transactions conveniently. In continuation of the Bank's journey towards digitalization, 116 Self Service Kiosks worth Rs. 75.7 million are installed to improve customer experience at branches. These Kiosks enable customers to perform banking services including account opening of Allied Asaan Accounts, dormant account activation, debit card activation, performing balance inquiry, mini statement of account, cheque book requests and subscribing to alerts and e-statement of account. All these services are biometrically authenticated and can be performed in a completely secure environment at customer's convenience.

Customer Awareness and Financial Literacy Seminars

Allied Bank remained focused in arranging seminars to create financial literacy and awareness among the customers and general public.

The Bank organized various awareness Seminars on subjects including "Transition from Family Owned Structure to Corporate Structure" at Larkana, "Building Gujranwala an Industrial Cluster" at Gujranwala and "Cluster Synergies: Unlocking Growth and Expansion Opportunities" at Sheikhupura. These events featured Dr. Ishrat Husain, an esteemed economist and former Governor of the State Bank of Pakistan, as the keynote speaker. The primary objective of these events was to enlighten participants about the significance of Corporate Governance, effective management of family businesses, fostering collaborations, devising innovative solutions through automation, and use of technology including robots. The seminars also included session on Sustainability.

The Bank also organized Agri awareness sessions in different rural areas of Punjab, KPK, AJK and Gilgit Baltistan to create the awareness among the farmers about Agri finance products offered.

Allied Bank's Human Resource function arranged 261 National Financial Literacy Program (NFLP) sessions in the rural districts with an aim of financial inclusion of unbanked segments of the society. These sessions, attended by 8,000+ citizens (74% Females), improved the financial awareness levels, which was appreciated by all the participants.

Allied Bank has been recognized as the "Most Compliant Bank" by the State Bank of Pakistan under the National Financial Literacy Program (2024–2025). This prestigious recognition reflects the Bank's unwavering commitment to transparency and the advancement of financial education across Pakistan.

ABL NextGen Leaders Program

Allied Bank initiated one of its kind ABL NextGen Leaders Program as an effort to prepare the second generation of leaders of business community. The three-day conference, brought together participants from a structured learning experience focusing on leadership, development and strategic thinking. The programme featured lectures by industry experts during the day, followed by evening networking sessions and dinners that encouraged dialogue, connection, and shared learning. This initiative reflects the Bank's continued emphasis on knowledge-sharing, collaboration and building leadership capability for the future.

CUSTOMER PROTECTION AND QUALITY ASSURANCE

Deposit Protection Insurance

Allied Bank spent Rs. 2,150 million towards deposit protection insurance, complying with SBP initiative to provide protection to small depositors across the banking industry.

Customer Data Protection

In this Digital era, customer information is more vulnerable than ever before. Cognizant to this fact, the Bank continued to safeguard Data and Information Technology assets including compliance of PCI DSS and Customer Security Program (CSP) by SWIFT.

Allied Bank conducted assessment exercises including Vulnerability Assessment (VA) and Penetration Testing (PT); ensuring a controlled environment for customers' related information.

Information Security Awareness Campaigns

Information Security Awareness campaigns were conducted for valued Customers, general public and Staff via Short Messaging Service (SMS), emails and social and mainstream media, to educate and enhance awareness about latest Cyber Security threats.

Social Media Presence

Social Media followers increased significantly during the year, enabling the Bank to keep our customers updated on products and stay connected. Allied Bank maintains profiles on LinkedIn, Facebook, Twitter, Instagram, Tiktok and YouTube and actively interacts with the customers on a variety of topics. This engagement is providing significant enhancement to the Bank's presence on the social media platforms, especially with the millennial segment of the society.

Facebook	2,163,042
X (Twitter)	17,498
Instagram	105,470
YouTube	4,040,000
LinkedIn	508,641
TikTok	675,056
Whatsapp Channel	100,212

Contribution towards Financial Inclusion

During the year under review, the Bank continued to work towards financial inclusion in rural areas and providing quality financial services at grass root level by expanding the Rural Branch network to 321.

Agricultural Financing

In order to play an operative role in the development of agricultural economy of the country, Allied Bank is extending agricultural financing across the country and offers vast range of agricultural finance products through 277 Agri designated branches.

WORKPLACE

Allied Bank, acting as Responsible Organization, places special significance in employee empowerment by building an engaged, healthy and inclusive team to accomplish the business strategies while meeting the ever-evolving external challenges of the 'Digital Era'. The Bank is continually employing the skilled staff while at the same time tapping resources into appropriate trainings to improve their ability and giving the best culture to thrive.

Awards & Accolades

In recognition of Allied Bank's efforts towards nurturing the best human capital and creating an inclusive environment, multiple awards were won during the year 2025.

Global Diversity Equality & Inclusion Benchmarks (GDEIB) Award

Allied Bank has won Best Practice award by HR Global Diversity, Equality & Inclusion Benchmarks (GDEIB) award organized by Diversity Hub HR Metrics in following categories:

- Recruitment
- DEI Learning & Development
- Vision, Strategy and Business Impact
- Leadership and Accountability
- Job Design, Classification and Compensation

Women Empowerment and Gender Equality

Allied Bank won Diamond Recognition award 2025 in "Women Empowerment and Gender Equality" category by Employers' Federation of Pakistan recognizing the Banks strong commitment to creating gender-inclusive workplaces, promoting equal opportunities for women and fostering an environment of diversity and inclusion within the organization.

These awards are manifestation and recognition of the Bank's unwavering professional resolve and progress towards inducting, retaining and nurturing the best human capital as well as successfully managing all functions of human resource management in line with the core values, mission and vision of Allied Bank.

Equal opportunity employer and employment of Differently Abled Persons

Allied Bank has created direct and indirect employment which is currently exceeding 19,000 employees, who represent diverse geographical areas of Pakistan; thereby positively impacting the broad-based economy and society at large.

The Bank being an equal opportunity employer, encourages employment of differently abled persons and currently 52 such persons are honorably earning their livelihood while serving the Bank with pride.

Diversity

Simultaneously 3,288 - females, representing 25% of total staff members, are diligently performing their duties. Among the leadership roles, the Bank's Gender diversity ratio is 24%.

Fostering An Inclusive Future: MDCs Championed Gender Diversity

A total of 15 sessions were conducted across the three MDCs, engaging 348 participants. The aim was to cultivate a culture of respect, understanding, and equal opportunity for all employees. By empowering our workforce with knowledge and awareness, Allied Bank is not only strengthening organizational values but also aligning with the core values of Diversity and Inclusion. This initiative marks a significant step forward and Allied Bank remains dedicated to fostering an environment where every individual has the opportunity to thrive.

Training & Development

The gender-based training data for the Bank encompasses a diverse range of learning modalities, including onsite sessions, e-learning modules, and external training programs. The Human Resource Group's comprehensive Training and Development programs have strategically built a future-ready workforce. Through functional training, core banking expertise are enhanced in areas like Customer Service Excellence and Product Knowledge, while Behavioural Training fostered professional growth in Legendary Service and Critical Thinking. A strong emphasis on Compliance & Regulatory standards was reinforced via dedicated modules on AML and Diversity, Equity & Inclusion (DEI). Furthermore, specialized Islamic Banking Reskilling Program has equipped teams with expert knowledge in Shariah-compliant finance. This holistic approach ensures employees are empowered to excel in a dynamic, digitally driven environment and are fully aligned with the Bank's transformation vision.

Allied Bank has established four (04) dedicated state of the art Management Development Centers at Lahore, Karachi, Islamabad and Multan to cater the professional development needs of staff. During the year 2025, 411 Management Trainee Officers (MTO) graduated successfully by completing rigorous training program.

The Bank spent Rs. 274 million on trainings to 12,300 employees and Rs. 34 million towards employee's education.

Strengthening Leadership Commitment to ESG & Sustainability

Allied Bank is fully aligned with SBP and SECP ESG guidelines and continues to proactively embed these principles across its governance and operations. Driven by a strong top-down commitment from the Board and senior management, Allied Bank is taking a leadership role in promoting responsible, sustainable, and ethical banking as a conscientious corporate citizen. In this regard, the Bank conducted a session on Sustainability for senior management to equip them with latest trends and regulations.

Allied Elevate Program

The Bank conducted a two-day workshop titled "Introduction to Scenario Planning" under its flagship Allied Elevate Program. The initiative was organized in collaboration with Normann Partners, renowned for their global expertise in strategic foresight and innovation-led transformation. Designed to be interactive and forward-thinking, the sessions encouraged the Bank's senior and mid-level leaders to think beyond traditional planning models. Through a combination of group discussions, hands-on exercises, and real-world case studies, participants explored how scenario planning can enhance long-term strategic decision-making and foster organizational agility. Through the Allied Elevate Program, the Bank remains dedicated to creating leaders who are prepared to shape the future of banking – with clarity, confidence, and purpose.

Training sessions on Legendary Service

In a significant stride towards service excellence, the Bank organized training sessions on 'Legendary Service'. These sessions engaged 109 employees from diverse segments within the Bank. The Legendary Service Program equips participants with the mindset and skillset to consistently deliver exceptional service, enhancing support for colleagues, fostering customer loyalty, and creating a competitive edge for the Bank.

Medical Benefits

During the year; 2,101 employees availed medical facility worth Rs. 325 million under the approved medical expense policy. Adhering to responsibility towards eligible ex-employees, the Bank paid Rs. 150 million during the year, towards the health of 447 ex-employees, from the platform of "Post-retirement Medical Fund".

Benevolent Grants

During the year, the Bank through its platform of "Staff Welfare Fund" spent Rs. 13.67 million to assist 30 employees by financially enabling them in important social events like marriage ceremony of their daughters, special medical financial assistance and to meet the burial expense of their departed loved ones.

Occupational Health and Safety

Allied Bank continued its endeavor towards safe work environment, exhibiting commitment for occupational health and safety. The Bank ensures that necessary security standards are met at all premises. For training and awareness of the employees on how to act during any emergency, 36 safety drills were conducted at major buildings in Lahore, Karachi, Islamabad, Rawalpindi, Faisalabad, Gujranwala, Abbottabad, Peshawar, Quetta and Multan.

The Bank ensured availability of emergency lights, fire and smoke detection equipment, alarm systems, portable fire extinguishers, periodic evacuation, safety drills in order to enhance staff security at the workplace. Additionally, experienced firefighters have been deputed in major offices for continuous monitoring and eradicating fire hazards and to deal fires timely to safe guard employees and premises.

Training Session on Mindfulness

The Bank arranged Mindfulness Hour Sessions to promote awareness among employees about mental health and wellness. These wellness sessions entail breathing techniques and Yoga to reduce stress, bring mental alertness, awareness and clarity. This initiative was undertaken to equip the employees with tools to deal with everyday pressures of professional and personal lives. A desktop yoga activity taught employees simple stretching and breathing techniques to practice at their workstations for mental refreshment. These sessions not only contribute to the physical and mental well-being of the employees but also enhance productivity and foster a positive work environment.

Staff Wellbeing and Health

To promote a healthy work environment and support a balanced work–life culture, the Bank further expanded its gymnasium facilities to an additional major location, bringing the total number of offices equipped with gym facilities to three. These Gyms are equipped with state-of-the-art infrastructure for resistance training and endurance under the supervision of trained staff and personal trainers who provide expert guidance and support. These initiatives are a testament of Allied Bank's commitment towards fostering a thriving workplace environment as well as encouraging its employees to maintain a healthy work life balance.

Breast Cancer Awareness Sessions

As a part of ongoing commitment to fostering a culture of well-being and excellence, the Bank arranged 'Breast Cancer Awareness Sessions' for female employees in collaboration with medical specialists. This program (Pinktober) is part of 'Employee Well Being Campaign', and is aimed at creating awareness on methods and techniques for early detection of this dreaded disease to fight against breast cancer, to spread awareness and basic information regarding treatment methods, prevention, and early detection techniques.

HR Connect

Allied Bank launched the HR Connect mobile app for its employees to digitize their HR experience. With this app, employees can easily manage leave requests, access pay slips, download tax certificates, view personal and employment details, and stay updated with important HR announcements anytime, anywhere. The app ensures greater transparency, quicker turnaround times, and a smoother HR experience.

Hajj Assistance

Keeping in view the religious sentiments of our employees, the Bank is fully committed to sponsor its staff to perform Hajj. An amount of Rs. 42.57 million was spent during the year, on sponsoring the Hajj of 35 employees (15 employees from Management Grades and 20 employees from Clerical and Non - Clerical) selected through balloting.

Employee Code of Ethics

Code of Ethics and Conduct signed by all employees acts as a guide for them in discharging their duties and sets out the standards of good practice. Management's Central Administration Action Committee (CAAC) takes action on any violation of policies and procedures, act of fraud and forgery, breach of discipline, code of conduct, ethics and business practices. Appeal of the staff against whom CAAC has already taken disciplinary action is reviewed by Human Resource Committee of the Bank.

ENVIRONMENT

Global warming and Climate change are the most complicated issues that the world is facing today. Relentless efforts are being made across the globe, to measure and mitigate this climate change risks. Pakistan is one of the several nations to have made a commitment to controlling such threats. To supplement the Government efforts, the Bank has taken strides forward in setting out a series of targets to assist in the global transition to a low-carbon economy.

Green Banking / Sustainability

Sustainability Department / Green Banking Office (GBO)

ABL's Green Banking Office (GBO) was established in 2018 to oversee the implementation of the Green Banking initiatives.
In 2025, the Bank has established a Sustainability Department, a dedicated team, headed by the Chief Sustainability Officer (CSO), for managing various aspects of sustainability including the environmental. The department is responsible for initiating and supporting various Green CSR initiatives of the Bank which decrease the own impact of the Bank on environment and provide lasting impact on society. The department is also responsible for collection, monitoring and tracking of the Bank's environmental-related targets and metrics, including Scope 1, Scope 2 and Scope 3 emissions.

Green Advisory Services Desk

A Green Advisory Services Desk is established within GBO to facilitate prospective/existing obligors for their enquiry(s) relating to Green Technology/Investments and various alternatives for efficient resource planning.

Environment and Social Risk Management System

Allied Bank is committed to enhance the impact of Green Financing in the overall environment safety and has developed an Environment and Social Risk Management System. The Environmental Risk Management System ensures that financing of the Bank is directed towards environment friendly projects / activities in the country.
The ESRM is designed to identify, assess, mitigate, and monitor environmental and social risks associated with the borrowers' business operations.

The obligors with potential environmental risks are required to provide Environmental Improvement Plan (EIP) and / or Environment and Social Action Plan (ESAP) with specific timelines.

Low Carbon Footprints

As a part to reduce carbon emission by direct operational impact, the Bank has been investing in installation of solar panels. Resultantly, total internal solar power generation capacity of the Bank has increased to 6,402 KW installed at 265 locations.

As part of Allied Bank's commitment towards reducing carbon emissions, IOT Based Fuel Management System was installed in selected locations to monitor and manage fuel consumption in real-time by collecting data from sensors placed on fuel tanks in Generators placed at various branches and other locations. Through use of this monitoring system the fuel consumption continuously optimized to reduce fuel cost and carbon emissions.

Paperless Banking

Allied Bank remains committed to promoting environmentally responsible operations by actively advancing paperless banking initiatives across its network. Through the adoption of e-statements, paperless account opening, digitization of customer documents, and automation of internal processes, The Bank has significantly reduced its reliance on paper-based documentation. These efforts not only enhance operational efficiency and customer convenience but also contribute to environmental sustainability by minimizing paper consumption and supporting the Bank's broader commitment to green and responsible banking practices.

Tree Plantation

Allied Bank is firmly committed to enhance tree plantation efforts, in line with national target for "Clean and Green Pakistan". During the year, the Bank conducted a tree plantation campaign, wherein over 150,000+ trees/sapling were planted at various locations across the country. The main tree plantation activity of the year was Mangrove Tree Plantation Drive at Coastal area of Sindh in collaboration with World Wide Fund (WWF) Pakistan. The mangrove trees are known for their excellent impacts on environment specially the marine eco system.

Green Financing

In year 2025, Allied Bank has financed Rs. 1,540 million to its obligors for installation of Green projects.

Total outstanding Green Financing of the Bank stood at Rs. 9,225 million at the end of FY-2025.

Cleanliness Drive at Khunjerab Pass

Cleanliness is very important for maintaining ecosystem and healthy environment. In view of its significance, Allied Bank under the banner of its "Green Initiatives" has conducted awareness campaigns on the importance of cleanliness with the theme "Scaling New Heights—20 Years of Transformation."
This year, the Cleanliness Drive campaigns of the Bank undertook another step by performing this activity at the Khunjerab Pass - Pakistan's highest border. A women led dedicated team of the Bank ventured from Lahore to Naran, then Hunza to Sost Dry Port and finally reaching Khunjerab Pass. Along the way, team ABL carried out cleanliness drives, awareness sessions, tree plantation and community engagements at key tourist sites. The campaign is aligned with the Bank's ongoing commitment to corporate social responsibility, environmental sustainability, and community engagement.

Cleanliness Drive at Moen Jo Daro

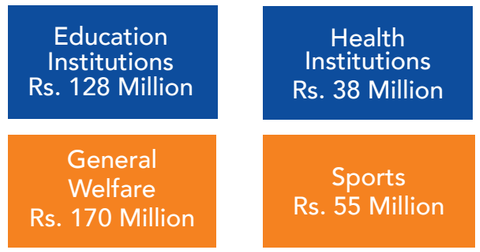
Allied Bank, being responsible corporate citizen has taken the initiative for cleanliness and awareness drives across the country. With the objective of raising awareness about environmental conservation, reducing litter and promoting responsible tourism, cleanliness drive at Moenjodaro, a UNESCO World Heritage site, was executed.
The activity aimed to ensure that Moenjodaro remained well-maintained for future generations while fostering a sense of responsibility for cultural heritage through preserving a historical landmark by ensuring cleanliness and maintenance, promoting heritage conservation and environmental sustainability.

Marathon 2025: Run For a Greener Tomorrow

Allied Bank, with the aim to foster a healthier future, organized the Allied Bank Marathon 2025 with the theme "Run for a Greener Tomorrow". These Marathons were held at three major cities i.e., Lahore, Islamabad and Multan, and brought together employees of the Bank and professional athletes. More than a celebration of fitness and solidarity, these marathons reflected the Bank's commitment to empowering communities, inspiring progress, and building a more sustainable future for generations to come. The enthusiasm and team spirit demonstrated during these marathons symbolize the Bank's mission to foster a culture of health and wellness within the Bank and beyond.

COMMUNITY

The Bank as a trusted member of the community is playing an active role in following CSR activities and community engagements.



Flood Relief Activities

In response to the devastating floods that affected several regions of Pakistan in 2025, particularly Gilgit-Baltistan, Khyber Pakhtunkhwa, and parts of Punjab due to intense monsoon rains and rising river flows, the Bank remained steadfast in its commitment to supporting affected communities in line with its CSR Policy. Recognizing the widespread human and economic impact, including loss of lives, displacement of families, damage to homes, and loss of livelihoods, the Bank promptly mobilized relief efforts to assist those in need. Staff members actively participated in the distribution of ration packs, cooked food, and essential household supplies in severely affected areas, including Sialkot (Punjab) and Buner (Khyber Pakhtunkhwa), through dedicated on-ground teams. In addition to direct relief, the Bank extended financial support to reputable partner organizations, including the Pakistan Poverty Alleviation Fund (PPAF) and the Association for Gender Awareness & Human Empowerment (AGAHE), to facilitate the provision of food, medicines, non-food items, and livelihood support in flood-affected communities. These collective efforts reflect the Bank's continued commitment to humanitarian assistance and community resilience during times of national crisis.

Faiz Festival

The Faiz Festival is an annual cultural festival held in Lahore to honor the life and literary work of renowned Urdu poet Faiz Ahmed Faiz. The festival showcases a diverse array of cultural expressions, including literary dialogues, mesmerizing music performances, captivating theatre, insightful book launches, thought-provoking documentaries, engaging workshops, open mic sessions, and stimulating discussions. By sponsoring these thoughtful engagements, Allied Bank reinforced its commitment to preserving cultural heritage and inspiring meaningful dialogue.

Lahore Children's Festival

As part of its commitment to social development and community engagement, Allied Bank extended its support as a sponsor of the Lahore Children Festival, a prominent platform dedicated to nurturing creativity, learning, and cultural awareness among children. The sponsorship reflects the Bank's focus on promoting education, arts, and youth development by enabling young minds to participate in diverse educational and recreational activities in a safe and inspiring environment. Through such initiatives, Allied Bank continues to contribute to the holistic development of future generations and the promotion of positive societal values.

School of Tomorrow

As part of its commitment to cultural preservation and intellectual engagement, the Bank partnered with SOT Events by hosting a storytelling session titled "Dastan Lahore Ki" under the theme "A City Told in Stories." Since 2000, SOT Events have convened over 500 global thought leaders, fostering dialogue that transcends borders and, in recent years, expanding into virtual platforms to reach a wider international audience. By supporting this session, which highlighted Lahore's rich cultural heritage and enduring narratives, the Bank reinforced its dedication to promoting local culture, encouraging meaningful discourse, and contributing to platforms that connect history, community, and contemporary thought.

Locate Bazar

As part of its commitment to supporting local enterprise and community engagement, the Bank sponsored The Locate Bazaar, a lifestyle and shopping event that provides a vibrant platform for small businesses, entrepreneurs, and artisans. The sponsorship aimed to promote economic inclusion and encourage the growth of local brands by facilitating greater visibility and market access. Through its support of such community-focused initiatives, the Bank continues to contribute to the development of the local economy while fostering entrepreneurship and sustainable livelihoods.

Differently Abled Persons

Allied Bank have established 29 model branches to make banking easy and convenient for Differently Abled Persons through supportive physical infrastructure, accessible products and services, assistive technologies and supportive staff interactions. These branches are equipped with customized stationery forms/ documents in Braille Script, accessible branch entrance, toilets, ATM cabins and counters.

International Disability Day

In observance of International Day of Persons with Disabilities on December 3 and in line with its commitment to fostering an inclusive workplace culture, the Bank collaborated with Network of Organizations Working for People with Disabilities (NOWPDP), to conduct an awareness session during Disability Awareness Month. The session underscored the importance of accessibility, inclusion, and social responsibility within the workplace and the broader community, reinforcing the Bank's ongoing efforts to promote diversity, equal opportunity, and a more inclusive environment for all.

Community Welfare

Allied Bank continued its efforts in serving the community through contribution to well-reputed welfare organizations including Jamia Ashrafia, Anjuman Himayat-e-Islam and Edhi Foundation; which worked for provision of food to deserving segments of the society.

During the year, Allied Bank funded a food meal program which aimed to provide nutrition to the underprivileged children in schools through Fortify Education Foundation. In addition, Allied Bank joined hands with SOS Children Village to provide orphan children with a memorable and joyful Ramzan experience by offering them meals, Eid dresses and other supplies for celebrating this occasion.

The Bank contributed Rs 3.5 million to Tamir Welfare Organization for healthcare, rehabilitation services and educational support for disabled children in Faisalabad.

Sports

As part of its commitment to promoting sports development and healthy lifestyles, the Bank actively sponsored a range of national sporting events and federations during the year. The Bank supported the Karakoram Winterlude Ice Hockey Tournament

in Hunza, Gilgit-Baltistan, contributed to the Pakistan Volleyball Federation through team sponsorship and cash awards for the Men's U-16 team following their achievement at the 2nd Asian Men's U-16 Championship, and sponsored the Karachi Boat Club Annual Indoor Rowing Regatta 2025. Additionally, the Bank sponsored its team's participation in the SBP Governor Cup Inter-Bank Cricket Tournament, where Team ABL emerged as winners of the 21st edition. Furthermore, Allied Bank sponsored Karachi United's Women Futsal Cup tournament, championing a future where women can thrive, compete, and lead both on the field and beyond. Through these initiatives, the Bank continues to encourage youth engagement, gender inclusion in sports, and the overall promotion of sporting excellence across the country.

Health

The Bank recognizes the challenges faced by society-at-large in health sector and always focuses for uplift of health infrastructure through contribution towards renowned health providers.

Allied Bank contributed Rs. 38 million to healthcare facilities across various cities of the country, focusing on treatment of cancer, down syndrome, autism blood transfusion, impaired vision and mental health of the under-privileged.

Shaukat Khanum Memorial Trust provides advanced cancer treatment in Lahore and Peshawar with over 75% of its patients receiving free care over the past 29 years. The Bank provided financial support to Shaukat Khanum Memorial Trust for construction of cancer Hospital in Karachi for provision of free and advanced cancer treatment to deserving patients.

Allied Bank provided financial support to Fatimid Foundation for safe blood transfusions to deserving and underprivileged patients with Blood and Bleeding Disorders on free of cost basis. Additionally, the Bank contributed to Pakistan Down Syndrome Association to support children grappling with Intellectual Disabilities including conditions such as with Down Syndrome, Autism, ADHD, Cerebral Palsy and Dyslexia. Further, Allied Bank contributed to Behbud Association of Pakistan for equipping and operationalizing key healthcare units including operation theatres, delivery rooms, the Neonatal Intensive Care Unit (NICU) and recovery rooms as part of Phase-I of the Behbud Maternal & Children Hospital (BMCH) project.

Education

Contribution to Educational Institutes

Allied Bank recognizes the significance of power of education to transform lives for which it has sponsored operations of two schools located in the under privileged areas; The Citizens Foundation – Allied Bank Campus school located in Quetta and Million Smiles Foundation – Allied Bank Campus school located in Mardan. The Bank's dedicated and continued support has enabled hundreds of children to receive quality education at these Allied Bank Campuses.

Furthermore, Rs. 30 million was contributed to The Lahore University of Management Sciences (LUMS) towards the construction of Hostel.

Additionally, the Bank contributed Rs. 10 million to TNF Akhuwat Boarding School Faisalabad for the construction of school to support the under privileged in the outskirts of Faisalabad city.

In addition, Rs. 10 million contribution was made into Aitchison College Endowment Fund to provide financial support to meritorious and deserving students of Aitchison College from across Pakistan, by offering a full or partial scholarship.

Furthering its commitment, the Bank contributed Rs 5 million for funding operational expenses of Campus XI, Sikandarabad, Kemari, Karachi to branded as ABL Campus for the socio-economic uplift of the society with special focus on education, health and cleanliness. It will serve the less privileged communities of Sindh with a vision of eradicating illiteracy.

Perceiving the significance of information technology, the Bank proceeded with its arrangement to donate personal computers to educational institutions; particularly supporting under privileged sections of the general public. Moreover, Allied Bank contributed Rs. 2.5 million to Progressive Education Network for development of Digital Learning Platform to revolutionize classroom teaching by integrating digital tools into traditional education for primary years.

Innovation and Digitalization

Fintech Hackathon

Continuing its legacy, Allied Bank conducted 4th Fintech Hackathon under the theme of "Engineering The Future Of Digital Banking". This year Fintech Hackathon was a launchpad for innovation. Students, developers, startups, and innovators came together to solve real banking challenges through digital solutions focused on financial inclusion, AI-driven banking, digital onboarding and sustainability. With expert mentorship and hands-on guidance, participants transformed ideas into impactful solutions and presented them to industry professionals. The hackathon empowered talent, encouraged collaboration, and inspired innovations that are shaping the future of smarter, more inclusive banking.

Contribution to National Exchequer

Allied Bank is one of the leading institutions in its contribution towards the national exchequer. During the year, the Bank paid Rs. 46,041 million as Income Tax (inclusive of Super Tax), deposited Rs. 43,100 million as withholding tax agent and contributed Rs. 2,810 million on account of Federal Excise Duty and Sales Tax to the national exchequer. Further, the Bank collected Rs. 379 million Zakat from account holders and deposited to the national exchequer.

GOVERNANCE

Business Ethics and Anti-Corruption Measures

Allied Bank nurtures a culture of excellence, good governance, transparency, integrity and accountability. Controls and Compliance being an integral function; the Bank encourages high business ethics while promoting positive compliance culture.

The Bank is committed to the best industry practices for compliance with all regulatory frameworks including anti-money laundering practices, so that the interests of all stakeholders are protected.

Allied Bank's commitment to highest level of Governance standards is also reflected in its Corporate Governance Rating of "CGR 9++" (out of maximum scale of 10) given by VIS Credit Rating Company Limited.



STANDING WITH THE NATION













REBUILDING LIVES, RESTORING HOPE

ADOPTION OF INTERNATIONAL STANDARDS **FOR CORPORATE SOCIAL RESPONSIBILITY**

International Finance Corporation (IFC), a member of the World Bank Group

The Bank achieved the EDGE Certification, an innovation of IFC, for its newly built Management Development Centre Lahore Building, which exemplifies the achievements in reducing energy use, water use and embodied carbon in materials in the building. These strategies that are integrated into the building design were verified by an EDGE Auditor and certified by Green Business Certification Inc.

Performance against Sustainable Development Goals

Your Bank is committed towards achieving the Sustainable Development Goals of United Nations. Key contributions are presented below against respective Goals:

Goals	Bank's Contribution Areas
1 NO POVERTY	• **Job Creation** In 2025, the Bank directly hired 2,612 people and indirectly supported thousands more through its operations. • **Financial Inclusion** The Bank has provided financial awareness to more than 131,358 participants in 41 districts through more than 4,581 awareness sessions. • **Remittance Services** The Bank's remittance services strengthen foreign exchange and financial stability while supporting low-income families through savings, education, and income-generating activities. • **Microfinance and Microcredit** The Bank offers credit facilities to low-income individuals and entrepreneurs. • **Social Impact Financing** The Bank invests in projects with a social impact, such as affordable housing, education, and healthcare.
2 ZERO HUNGER	• **Financing Agriculture** The Bank provides financing to support sustainable agriculture, including smallholder farmers. • **Microfinance and Rural Banking** By extending financial services to rural areas, the Bank empowers small-scale farmers and enhances food security. • **Promoting Food Security** Bank's financing in Commodity sector plays a pivotal role in ensuring food security. • **Sustainable Supply Chains** Bank encourages businesses to adopt sustainable practices within their supply chains. • **Financing in Research and Innovation** The Bank provides Financing for technologies such as precision farming, crop diversification, and climate-smart solutions which can enhance the agriculture produce. • **Alignment with National Development Agendas** Active participation in National Subsistence Farmers Support Scheme (NSFSS).
3 GOOD HEALTH AND WELL-BEIN	• **Financing Health Initiatives** The Bank provides financing for healthcare infrastructure, medical research, Pharmaceuticals and Biotechnology sector and public health programs. • **Promoting Sustainable Practices** The Bank influences corporate behavior by encouraging sustainable practices within the healthcare sector. • **Supporting Global Health Initiatives** The Bank contributes to emergency response efforts during pandemics and natural disasters. • **Financial Inclusion** The Bank plays a role in ensuring financial inclusion, which directly impacts health outcomes. • **Health Awareness** The Bank conducted awareness session on Breast Cancer for women employees and Mindfulness Hour Sessions to promote mental health and wellness. • **Medical Facilities to Employees** The Bank provided Comprehensive Medical facilities to cater the medical needs of current and ex-employees by incurring Rs. 475 million. • **Donations** The Bank funds charity based organization to support healthcare initiatives for underprivileged communities. • **Community Welfare** The Bank also supports various organizations to provide meals healthcare, rehabilitation services and educational support for the community.
4 QUALITY EDUCATION	• **Promoting Financial Literacy** The Bank provides financing for educational institutions. • **Promoting EdTech** Bank organizes Fintech Hackathons regularly which significantly impacting Pakistan's entrepreneurial landscape. • **Student Loans** The Bank is part of the 'Student Loan Scheme (SLS)' for Education which was launched by the Government of Pakistan in collaboration with major commercial banks of Pakistan. • **Partnerships with Educational Institutions** The Bank collaborates with universities, colleges, and schools to create joint programs, workshops, and research initiatives. • **Donations** The Bank provided contributions to various educational institutions for education of under privileged students. • **Education Infrastructure** The Bank contributed Rs. 30 million towards construction of Hostel at Lahore University of Management Sciences. • **Science & Educational Events** The Bank sponsored Science & Educational Events at various educational institutions. • **Internship Programs** The Bank offers internship programs to students of educational institutions.
5 GENDER EQUALITY	• **Women-Owned Businesses** The Bank provides loans and financial support to women entrepreneurs. • **Promoting Financial Inclusion** The Bank works toward ensuring that women have equal access to financial services. • **Gender Diversity** The Bank ensures the Gender diversity through its Diversity, Equity and Inclusion (DEI) policies. • **Gender Mainstreaming Policy** Bank has developed a Gender Mainstreaming Policy with the aim to reduce the Gender Gap in Financial Inclusion, with a female population of 25% in 2025. • **Supporting Maternity Rights** The Bank implements policies that protect maternity rights, such as paid parental leave and flexible work arrangements. • **Advocacy and Awareness** The Bank uses its influence to raise awareness about gender equality. • **Gender Sensitivity Training** The Bank provides Gender Sensitivity Training to its employees to foster an inclusive and respectful workplace. • **Women Empowerment** The Bank supports initiatives to empower women.
6 CLEAN WATER AND SANITATION	• **Financing** The Bank provides financing to water and sanitation projects. • **Partnerships and Collaboration** The Bank collaborates with governments, NGOs, and other stakeholders to address water challenges. • **Capacity Building and Education** The Bank supports capacity-building programs related to water management and sanitation. • **Water Saving Initiatives** ABL is establishing all its new building on sustainable principles which include the low water consumption.
7 AFFORDABLE AND CLEAN ENERGY	• **Decreasing Carbon Foot print of Internal operations** 265 ABL locations were powered by Solar Energy at the end of 2025. • **Financing Renewable Energy Projects** The Bank's contribution towards Green Financing was worth Rs. 9,225 million at the end of 2025. • **Promoting Energy Efficiency** The Bank supports energy-efficient initiatives by financing energy- saving technologies and promoting sustainable practices. • **Capacity Building** The Bank provides technical assistance and knowledge sharing through dedicated Green Advisory Desk.
8 DECENT WORK AND ECONOMIC GROWTH	• **Financing Economic Growth** The Bank provides capital for businesses, infrastructure, and innovation. • **Promoting Financial Inclusion** The Bank works to ensure that more people have access to financial services. • **Financing in Sustainable Projects** The Bank provides financing to sustainable initiatives, such as renewable energy, education, and healthcare. • **Supporting Small and Medium Enterprises (SMEs)** The Bank plays a crucial role in economic growth by providing financing facilities, mentorship, and resources to help small and medium businesses thrive. • **Advocacy for Equitable Pay and Decent Work** The Bank leads by example in ensuring fair wages, equal opportunities, and safe working conditions within the organization. • **Capacity Building and Skill Development** The Bank collaborates with educational institutions and vocational programs to enhance workforce skills, spending approximately 86 hours of training per employee. • **MTO and Internship Program** Management Trainee Officers (MTO) Development Program is offered to the fresh graduates recruited by the Bank. • **Employment opportunities for PWDs** Employment of Persons with Different Abilities (PWDs), enabling them to honorably earn their livelihood. • **Educational support to employees** The Bank provides educational support to staff, clerical and non-clerical employees.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- **Financing Infrastructure Projects**
  The Bank provides financing for infrastructure development.
- **Supporting Industrialization**
  The Bank offers financing for innovative industrial projects of manufacturing, technology, and research.
- **Promoting Innovation**
  The Bank promotes research and development (R&D) and supports innovative startups.
- **Collaborating with Other Banks**
  The Bank works with other Banks to meet increased demand for financing.
- **Awareness**
  The Bank organizes seminars for the business community.
- **Digital touch points**
  Continuous growth in Digital Touchpoints, reaching to a total of 27 at the end of 2025.
- **Branches for PWDs**
  29 Model branches for Persons with Different Abilities (PWDs).
- **Rural and Agri Branches**
  Expansion in Rural and Agri designated Branches, expending the rural branch network to 323 in 2025.

10 REDUCED INEQUALITIES

- **Financial Inclusion**
  The Bank promotes access to financial services for marginalized population.
- **Responsible Lending Practices**
  The Bank ensures fair lending practices, avoiding discrimination based on race, gender, or socioeconomic status.
- **Support for Vulnerable Groups**
  The Bank collaborates with NGOs and government to address social inequalities.
- **Corporate Social Responsibility (CSR)**
  CSR activities and initiatives in Health, Education and other community development projects, promote equality, by incurring more than Rs. 496 million in 2025.
- **Transparency and Reporting**
  Transparent reporting demonstrates commitment and accountability.

11 SUSTAINABLE CITIES AND COMMUNITIES

- **Financing Urban Infrastructure**
  The Bank supports initiatives that enhance urban resilience.
- **Promoting Sustainable Housing**
  The Bank offers loans and mortgages for housing.
- **Promoting Inclusive Finance**
  The Bank works towards financial inclusion by providing services to urban population.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- **Financing Sustainable Initiatives**
  The Bank invests in projects that promote sustainable consumption and production patterns.
- **Limiting Fossil Fuel Subsidies**
  Prioritizing the sustainable production, the Bank finances the projects related to renewable resources.
- **Digital Channels**
  The Bank has launched various Digital channels for Banking services.

13 CLIMATE ACTION

- **Financing Climate Initiatives**
  The Bank invests in projects related to renewable energy, energy efficiency, and climate resilience.
- **Promoting Sustainable Practices**
  The Bank encourages clients to adopt sustainable practices.
- **Risk Assessment and Disclosure**
  The Bank assesses climate related risks in its portfolio and discloses this information to stakeholder.
- **Decreasing Carbon Foot print of internal operation**
  The Bank is rigorously working to decrease its own impact on environment.
- **Tree Plantation**
  The Bank conducts annual Tree Plantation Campaigns. In 2025, 150,450 trees/ saplings were planted.

14 LIFE BELOW WATER

- **Investing in Sustainable Ocean Projects**
  The Bank is committed to financing for initiatives related to marine conservation, sustainable fisheries, and ocean.
- **Mangrove Plantation at Coastal Area**
  The Bank Conducted Mangrove Tree Plantation Drive at Coastal area of Sindh in collaboration with WWF Pakistan.

15 LIFE ON LAND

- **Supporting Forest Conservation**
  The Bank is committed to invest in projects that protect and restore forests.
- **Promoting Sustainable Agriculture**
  Bank provides financing to farmers and agricultural enterprises for sustainable practices.
- **Tree Plantation**
  The Bank conducts annual Tree Plantation Campaigns. In 2025, 150,450 trees/ saplings.
- **Cleanliness Activities**
  The Bank conducted cleanliness activities at Moen Jo Daro and Khunjerab Pass.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

- **Promoting Financial Inclusion**
  The Bank works to ensure that marginalized population has access to financial services.
- **Combating Corruption**
  The Bank implements robust anti-corruption measures within its operations and financing policies.
- **Supporting Rule of Law**
  The Bank collaborates with legal institutions to strengthen the rule of law.
- **Promoting Good Governance**
  The Bank engages in responsible lending practices and corporate governance.

17 PARTNERSHIPS FOR THE GOALS

- **Promoting Partnerships**
  The Bank facilitates public private partnership.
- **Enhancing Resource Mobilization**
  The Bank promotes investment, economic growth, and financial stability.
- **Strengthening Statistical Capacity**
  The Bank contributes to informed decision-making and progress tracking.
- **Tax Collection**
  The Bank acts as Withholding Tax Collection Agent to facilitate tax and other revenue collections on behalf of tax authorities.

LAHORE CHILDREN'S FESTIVAL



















SCAN TO WATCH



CELEBRATING CHILDHOOD THROUGH **CREATIVITY & INNOVATION**

UNCONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED DECEMBER 31, 2025**

Independent Auditor's Report
To the members of Allied Bank Limited
Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Allied Bank Limited ("the Bank"), which comprise the unconsolidated statement of financial position as at 31 December 2025 and the unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows for the year then ended, along with unaudited certified returns received from the branches except for 30 branches which have been audited by us and notes to the unconsolidated financial statements, including a summary of material accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

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

Basis for Opinion

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

Key Audit Matter

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

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1.	**Credit loss allowance against advances**	
	Refer to note 9, and the accounting policy in note 4.16.5 to the unconsolidated financial statements. As of 31 December 2025, the Bank's credit loss allowance against advances stands at Rs. 12,399 million. The measurement of Expected Credit Loss (ECL) over advances involves evaluating a range of possible outcomes, considering the time value of money, and incorporating reasonable and supportable information available at the reporting date about past events, current conditions, and forecasts of future economic conditions. The estimation of expected credit losses involves significant management judgment in the development and application of credit risk models, including the determination of probability of default (PD), loss given default (LGD), and exposure at default (EAD). These inputs require judgment in reflecting the credit risk characteristics of the Bank's loan portfolio which contribute to estimation uncertainty in the measurement of ECL. In addition, the Bank measures ECL on a forward-looking basis that incorporates a range of possible future economic conditions. Management judgment is applied in selecting appropriate forward-looking economic scenarios, identifying the key economic variables relevant to the portfolio, and determining the probability weightings assigned to each scenario. The use of forward-looking information increases the degree of judgment involved and has a significant impact on ECL.	Our audit procedures included, among others: • Obtaining an understanding of the Bank's expected credit loss (ECL) methodology developed under the requirements of IFRS 9 Application Instructions issued by SBP, including the methodologies and key assumptions applied in estimating PD, LGD and EAD, as well as the incorporation of forward-looking information. • Obtaining an understanding of and evaluating the design and implementation of controls over estimation and recognition of ECL. • Involving our own specialists to assess the consistency of the Bank's methodology with SBP IFRS-9 application instruction and models for determining the economic scenarios used and the probability weightings applied to them by independently challenging and validating reasonableness of assumption, methodologies, and outputs of the models used in ECL computation. • Assessing the relevance and reliability of key data inputs used in the ECL computation through reconciliation to the Bank's accounting records and information systems as well as the related external sources, on a sample basis.

S. No.	Key Audit Matter	How the matter was addressed in our audit
1.	Credit loss allowance against advances	
	The assessment of credit loss allowance also requires management to exercise judgment in evaluating borrower-specific factors, prevailing economic and business conditions, particularly for non-performing impaired advances, required under the Prudential Regulations (PR) issued by State Bank of Pakistan (SBP). Accordingly, due to the complexity of the estimation process and the degree of judgment involved, we considered the credit loss allowance against advances to be a key audit matter.	• Evaluating the reasonableness of judgement used by the management for determining provisions under PR issued by SBP for non-performing advances, by evaluating borrower-specific factors such as repayment behavior, financial condition and recoverability. • Assessing the adequacy and appropriateness of disclosures related to credit risk and ECL in the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan.

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

Management is responsible for the other information. The other information comprises the information included in the Bank's Annual Report but does not include the unconsolidated and consolidated financial statements and our auditors' report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan, the requirements of Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

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

a) proper books of account have been kept by the Bank as required by the Companies Act, 2017 (XIX of 2017) and the returns referred above from the branches have been found adequate for the purpose of our audit;

b) the unconsolidated statement of financial position, the unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 and the Companies Act, 2017(XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were in accordance with the objects and powers of the Bank and the transactions of the Bank which have come to our notice have been within the powers of the Bank; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

We confirm that for the purpose of our audit we have covered more than sixty per cent of the total loans and advances of the Bank.

Other Matter:

The unconsolidated financial statements of the Bank as at and for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on 03 March 2025.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Fahad Bin Waheed.

KPMG Taseer Hadi & Co.
Chartered Accountants

Place: Lahore
Date: 7 March 2026

UDIN: AR202510089T0gmU7piG

Unconsolidated Statement of Financial Position
as at December 31, 2025

December 31, 2025	December 31, 2024		Note	December 31, 2025	December 31, 2024
US $ in '000				Rupees in '000	
		ASSETS			
613,237	523,942	Cash and balances with treasury banks	5	171,781,831	146,768,168
46,690	35,571	Balances with other banks	6	13,079,040	9,964,224
-	869,407	Lendings to financial institutions	7	-	243,541,081
7,629,101	4,033,492	Investments	8	2,137,087,228	1,129,873,956
2,819,034	3,753,042	Advances	9	789,676,548	1,051,313,893
493,003	454,303	Property and equipment	10	138,101,470	127,260,862
31,348	27,801	Right-of-use assets	11	8,781,290	7,787,741
16,002	12,968	Intangible assets	12	4,482,620	3,632,624
-	-	Deferred tax assets		-	-
383,420	345,654	Other assets	13	107,404,712	96,826,140
12,031,835	10,056,180	TOTAL ASSETS		3,370,394,739	2,816,968,689
		LIABILITIES			
49,480	51,771	Bills payable	15	13,860,534	14,502,237
2,298,036	1,649,359	Borrowings	16	643,733,028	462,023,558
8,374,386	7,205,385	Deposits and other accounts	17	2,345,858,850	2,018,395,067
41,244	36,987	Lease liabilities	18	11,553,450	10,360,968
-	-	Sub-ordinated debt		-	-
77,582	35,094	Deferred tax liabilities	19	21,732,571	9,830,548
250,890	242,590	Other liabilities	20	70,280,585	67,955,110
11,091,618	9,221,186	TOTAL LIABILITIES		3,107,019,018	2,583,067,488
940,217	834,994	NET ASSETS		263,375,721	233,901,201
		REPRESENTED BY			
40,878	40,878	Share capital	21	11,450,739	11,450,739
165,431	151,578	Reserves		46,341,119	42,460,536
231,935	202,156	Surplus on revaluation of assets	22	64,969,900	56,628,460
501,973	440,382	Unappropriated profit		140,613,963	123,361,466
940,217	834,994			263,375,721	233,901,201
		CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzaq Gill
President and Chief Executive

Mian Ikram Ul Haq
Director

Muhammad Kamran Shehzad
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Profit and Loss Account
for the year ended December 31, 2025

December 31, 2025	December 31, 2024		Note	December 31, 2025	December 31, 2024
US $ in '000				Rupees in '000	
1,061,061	1,344,981	Mark-up / return / interest earned	25	297,227,795	376,760,270
686,225	933,651	Mark-up / return / interest expensed	26	192,227,735	261,537,143
374,836	411,330	Net mark-up / interest income		105,000,060	115,223,127
		NON MARK–UP / INTEREST INCOME			
58,959	50,269	Fee and commission income	27	16,515,666	14,081,463
10,364	10,773	Dividend income		2,903,165	3,017,787
18,369	23,842	Foreign exchange income		5,145,456	6,678,630
-	-	Income from derivatives		-	-
10,422	12,296	Gain on securities - net	28	2,919,566	3,444,359
-	-	Net gain / (loss) on derecognition of financial assets measured at amortised cost		-	-
3,829	2,705	Other income	29	1,072,616	757,867
101,943	99,885	Total non-markup / interest income		28,556,469	27,980,106
476,779	511,215	Total income		133,556,529	143,203,233
		NON MARK–UP / INTEREST EXPENSES			
232,578	200,815	Operating expenses	30	65,150,331	56,252,909
5,298	5,045	Workers welfare fund - net		1,484,190	1,413,187
1,264	1,139	Other charges	31	353,941	319,114
239,140	206,999	Total non-markup / interest expenses		66,988,462	57,985,210
237,639	304,216	Profit before credit loss allowance		66,568,067	85,218,023
27,279	9,675	Credit loss allowance / Provisions and write offs - net reversal	32	7,641,419	2,710,139
264,918	313,891	PROFIT BEFORE TAXATION		74,209,486	87,928,162
139,347	159,973	Taxation	33	39,034,207	44,812,258
125,571	153,918	PROFIT AFTER TAXATION		35,175,279	43,115,904
In US $				In Rupees	
0.11	0.13	Basic and diluted earnings per share	34	30.72	37.65

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzaq Gill
President and Chief Executive

Mian Ikram Ul Haq
Director

Muhammad Kamran Shehzad
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Statement of Comprehensive Income
for the year ended December 31, 2025

December 31, 2025	December 31, 2024		December 31, 2025	December 31, 2024
US $ in '000			Rupees in '000	
125,571	153,918	Profit after taxation for the year	35,175,279	43,115,904
		Other comprehensive income		
		Items that may be reclassified to profit and loss account in subsequent periods:		
1,296	669	Effect of translation of net investment in foreign branches	363,055	187,310
24,896	13,197	Movement in surplus on revaluation of debt investments through FVOCI - net of tax	6,974,064	3,696,661
26,192	13,866		7,337,119	3,883,971
		Items that will not be reclassified to profit and loss account in subsequent periods:		
792	2,155	Remeasurement gain on defined benefit obligations - net of tax	221,888	603,732
(194)	(918)	Movement in deficit / effect of change in tax rate on revaluation of fixed assets - net of tax	(54,444)	(257,155)
(1,127)	835	Movement in (deficit) / surplus on revaluation of non-banking assets - net of tax	(315,807)	233,956
15,718	18,536	Movement in surplus on revaluation of equity investments through FVOCI - net of tax	4,403,016	5,192,320
15,189	20,608		4,254,653	5,772,853
166,952	188,392	Total Comprehensive Income	46,767,051	52,772,728

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzaq Gill
President and Chief Executive

Mian Ikram Ul Haq
Director

Muhammad Kamran Shehzad
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Statement of Changes in Equity
for the year ended December 31, 2025

	Issued, subscribed and paid-up capital	Capital reserve: Exchange translation	Revenue reserve: Statutory reserve	Revenue reserve: General	Surplus / (deficit) on revaluation of: Investments	Surplus / (deficit) on revaluation of: Fixed assets	Surplus / (deficit) on revaluation of: Non-banking assets	Un-appropriated profit	Total
	Rupees in '000								
Balance as at December 31, 2023	11,450,739	7,791,124	30,164,512	6,000	(6,877,748)	45,940,129	977,251	104,802,457	194,254,464
Effect of adoption of IFRS 9	-	-	-	-	9,230,428	-	-	(4,035,239)	5,195,189
Balance as at January 01, 2024 (as restated)	11,450,739	7,791,124	30,164,512	6,000	2,352,680	45,940,129	977,251	100,767,218	199,449,653
Profit after taxation for the year ended December 31, 2024	-	-	-	-	-	-	-	43,115,904	43,115,904
Other Comprehensive Income - net of tax									
Movement in surplus on revaluation of debt investments - net of tax	-	-	-	-	3,696,661	-	-	-	3,696,661
Movement in surplus on revaluation of equity investments - net of tax	-	-	-	-	5,192,320	-	-	-	5,192,320
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	233,956	-	233,956
Remeasurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	603,732	603,732
Effect of change in tax rate on revaluation surplus of fixed assets- net of tax	-	-	-	-	-	(257,155)	-	-	(257,155)
Effect of translation of net investment in foreign branches	-	187,310	-	-	-	-	-	-	187,310
	-	187,310	-	-	8,888,981	(257,155)	233,956	603,732	9,656,824
Transfer to statutory reserve	-	-	4,311,590	-	-	-	-	(4,311,590)	-
Transfer of revaluation surplus on change in use- net of tax	-	-	-	-	-	16,030	(16,030)	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit - net of tax	-	-	-	-	-	(168,008)	-	168,008	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(3,119)	3,119	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(6,198)	-	6,198	-
Transfer of surplus on account of disposal of equity investments - net of tax	-	-	-	-	(1,330,057)	-	-	1,330,057	-
Transactions with owners recognized directly in equity									
Final cash dividend for the year ended									
December 31, 2023 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
First interim cash dividend for the year ended									
December 31, 2024 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
Second interim cash dividend for the year ended									
December 31, 2024 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
Third interim cash dividend for the year ended									
December 31, 2024 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
	-	-	-	-	-	-	-	(18,321,180)	(18,321,180)
Balance as at December 31, 2024	11,450,739	7,978,434	34,476,102	6,000	9,911,604	45,524,798	1,192,058	123,361,466	233,901,201
Effect of adoption of IFRS 9 - Note 4.2	-	-	-	-	1,028,649	-	-	-	1,028,649
Balance as at January 01, 2025 - as restated	11,450,739	7,978,434	34,476,102	6,000	10,940,253	45,524,798	1,192,058	123,361,466	234,929,850
Profit after taxation for the year ended December 31, 2025	-	-	-	-	-	-	-	35,175,279	35,175,279
Other Comprehensive Income – net of tax									
Movement in surplus on revaluation of debt investments - net of tax	-	-	-	-	6,974,064	-	-	-	6,974,064
Movement in surplus on revaluation of equity investments - net of tax	-	-	-	-	4,403,016	-	-	-	4,403,016
Movement in deficit on revaluation of property and equipment - net of tax	-	-	-	-	-	(54,444)	-	-	(54,444)
Movement in deficit on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(315,807)	-	(315,807)
Remeasurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	221,888	221,888
Effect of translation of net investment in foreign branch	-	363,055	-	-	-	-	-	-	363,055
	-	363,055	-	-	11,377,080	(54,444)	(315,807)	221,888	11,591,772
Transfer to statutory reserve	-	-	3,517,528	-	-	-	-	(3,517,528)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit - net of tax	-	-	-	-	-	(165,930)	-	165,930	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(182,120)	-	182,120	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(3,340)	3,340	-
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(497,988)	497,988	-
Transfer of surplus on account of disposal of equity investments - net of tax	-	-	-	-	(2,844,660)	-	-	2,844,660	-
Transactions with owners recorded directly in equity									
Final cash dividend for the year ended									
December 31, 2024 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
First interim cash dividend for the year ended									
December 31, 2025 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
Second interim cash dividend for the year ended									
December 31, 2025 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
Third interim cash dividend for the year ended									
December 31, 2025 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
	-	-	-	-	-	-	-	(18,321,180)	(18,321,180)
Balance as at December 31, 2025	11,450,739	8,341,489	37,993,630	6,000	19,472,673	45,122,304	374,923	140,613,963	263,375,721

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzaq Gill
President and Chief Executive

Mian Ikram Ul Haq
Director

Muhammad Kamran Shehzad
Director

Mohammad Naeem Mukhtar
Chairman

Unconsolidated Cash Flow Statement
for the year ended December 31, 2025

December 31, 2025	December 31, 2024		Note	December 31, 2025	December 31, 2024
US $ in '000				Rupees in '000	
		CASH FLOW FROM OPERATING ACTIVITIES			
264,917	313,892	Profit before taxation		74,209,486	87,928,162
(10,364)	(10,773)	Less: Dividend income		(2,903,165)	(3,017,787)
254,553	303,119			71,306,321	84,910,375
		Adjustments:			
(374,835)	(411,330)	Net mark-up / interest income		(105,000,060)	(115,223,127)
28,029	23,588	Depreciation - Operating Fixed Asset	10.2	7,851,590	6,607,532
79	85	Depreciation - Non Banking Assets		22,194	23,921
7,018	6,672	Depreciation on right of use assets		1,965,949	1,869,048
2,478	2,222	Amortization		694,224	622,393
(27,202)	(9,648)	Credit loss allowance / Provisions and write offs	32	(7,620,024)	(2,702,596)
(215)	(87)	Unrealized gain on revaluation of securities measured at FVTPL		(60,262)	(24,397)
5,298	5,045	Provision for workers' welfare fund - net		1,484,190	1,413,187
64	(31)	Charge / (Reversal) for defined benefit plans		18,013	(8,632)
(2,491)	(1,615)	Gain on sale of property and equipment and non-banking assets		(697,677)	(452,372)
(544)	(644)	Gain on derecognition of right-of-use assets		(152,468)	(180,297)
5,105	4,817	Finance charges on leased assets		1,430,084	1,349,257
(357,216)	(380,926)			(100,064,247)	(106,706,083)
(102,663)	(77,807)			(28,757,926)	(21,795,708)
		Decrease / (increase) in operating assets			
869,407	(835,786)	Lendings to financial institutions		243,541,081	(234,123,078)
(32,216)	61,098	Securities classified as FVTPL		(9,024,530)	17,115,050
943,274	(963,770)	Advances		264,232,776	(269,974,117)
4,238	17,758	Other assets (excluding advance taxation)		1,187,173	4,974,529
1,784,703	(1,720,700)			499,936,500	(482,007,616)
		Increase / (decrease) in operating liabilities			
(2,291)	18,491	Bills payable		(641,703)	5,179,832
650,182	314,560	Borrowings		182,130,972	88,115,553
1,169,000	1,220,078	Deposits and other accounts		327,463,783	341,771,992
20,373	(5,939)	Other liabilities (excluding current taxation)		5,706,972	(1,663,573)
1,837,264	1,547,190			514,660,024	433,403,804
3,519,304	(251,317)			985,838,598	(70,399,520)
1,046,020	1,372,322	Interest received		293,014,315	384,419,056
(689,833)	(924,623)	Interest paid		(193,238,293)	(259,008,212)
(164,360)	(198,158)	Income tax paid		(46,041,070)	(55,508,732)
(2,630)	(2,587)	Defined benefits paid		(736,615)	(724,695)
3,708,501	(4,363)	Net cash flow generated from / (used in) operating activities		1,038,836,935	(1,222,103)
		CASH FLOW FROM INVESTING ACTIVITIES			
93,758	(212,472)	Net investments in amortised cost securities		26,263,711	(59,518,362)
(3,578,109)	360,252	Net (investments) / realizations in securities classified as FVOCI		(1,002,310,913)	100,914,991
(1,785)	(3,570)	Investment in subsidiary		(500,000)	(1,000,000)
10,265	10,993	Dividend received		2,875,590	3,079,404
(73,764)	(81,623)	Investments in property and equipment and intangible assets		(20,662,906)	(22,864,456)
1,296	669	Effect of translation of net investment in foreign branch		363,055	187,310
2,965	9,161	Disposals of property and equipment		830,686	2,566,248
3,565	-	Disposals of non-banking assets		998,530	-
(3,541,809)	83,410	Net cash flow (used in) / generated from investing activities		(992,142,247)	23,365,135
		CASH FLOW FROM FINANCING ACTIVITIES			
(10,868)	(10,025)	Payment of lease obligations against right of use assets		(3,044,380)	(2,808,266)
(65,208)	(65,169)	Dividend paid		(18,266,327)	(18,255,239)
(76,076)	(75,194)	Net cash flow used in financing activities		(21,310,707)	(21,063,505)
90,616	3,853	Increase in cash and cash equivalents during the year		25,383,981	1,079,527
569,918	564,504	Cash and cash equivalents at beginning of the year		159,647,418	158,130,761
(601)	960	Effect of exchange rate changes on opening cash and cash equivalents		(168,337)	268,793
569,317	565,464			159,479,081	158,399,554
659,933	569,317	CASH AND CASH EQUIVALENTS AT END OF THE YEAR	35	184,863,062	159,479,081

The annexed notes 1 to 47 and annexures I to III form an integral part of these unconsolidated financial statements.

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzaq Gill
President and Chief Executive

Mian Ikram Ul Haq
Director

Muhammad Kamran Shehzad
Director

Mohammad Naeem Mukhtar
Chairman

Notes to the Unconsolidated Financial Statements
for the year ended December 31, 2025

1 STATUS AND NATURE OF BUSINESS

Allied Bank Limited ("the Bank"), incorporated in Pakistan, is a scheduled bank, engaged in commercial banking and related services. The Bank is listed on Pakistan Stock Exchange Limited. The Bank operates a total of 1,533 (2024: 1,508) branches in Pakistan including 302 (2024: 160) Islamic banking branches, 1 branch (2024: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (2024: 1) in Bahrain. The long term credit rating of the Bank assigned by the Pakistan Credit Rating Agency Limited (PACRA) is 'AAA'. Short term rating of the Bank is 'A1+'.

Ibrahim Holdings (Private) Limited is the parent company of the Bank and it's registered office is in Pakistan.

The Bank is the holding company of ABL Asset Management Company Limited and ABL Exchange Company (Pvt.) Limited.

The registered office of the Bank is situated at 3 - Tipu Block, New Garden Town, Lahore.

2 BASIS OF PRESENTATION

These unconsolidated financial statements represent separate financial statements of the Bank and have been prepared in the format prescribed for banking companies by the SBP vide BPRD Circular No. 02 dated February 09, 2023, and BPRD Circular Letter No. 13 of 2024 dated July 01, 2024, and in accordance with the accounting and reporting standards as applicable in Pakistan.

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate profit in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these unconsolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon.

Key financial figures of the Islamic banking branches are disclosed in Annexure II to these financial statements.

These unconsolidated financial statements have been presented in Pakistan Rupees (PKR), which is the currency of the primary economic environment in which the Bank operates. The amounts are rounded to nearest thousand of rupees unless otherwise stated.

The US$ Dollar amounts presented in the Statement of Financial Position, Statement of Profit and Loss Account, Statement of Comprehensive Income and Cash Flow Statement are stated as additional information, solely for the convenience of the users of financial statements. For the purpose of translation to US$, spot rate of Rs. 280.1231 per US$ has been used for 2025 and 2024, as it was the prevalent rate on reporting date.

US$ is the convenience currency and PKR is the functional currency, therefore, the information in the convenience translation is supplementary and need not comply with the translation method set out under IAS 21 – The Effects of Changes in Foreign Exchange Rates.

2.1 Statement of Compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

2.1.1 Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives and notifications issued by the SBP and the SECP differ with the requirements of IFRS Accounting Standards or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives and notifications, shall prevail.

These unconsolidated financial statements have been prepared in the format prescribed for banking companies by the SBP vide BPRD Circular No. 02 dated February 09, 2023, and BPRD Circular Letter No. 13 of 2024 dated July 01, 2024, and in accordance with the accounting and reporting standards as applicable in Pakistan.

2.1.2 The SBP, vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 40 'Investment Property' (IAS 40) for banking companies till further instructions. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements.

2.1.3 The Securities and Exchange Commission of Pakistan (SECP) vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of International Financial Reporting Standard 10 'Consolidated Financial Statements' (IFRS 10) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.

2.1.4 The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard 3 'Profit & Loss Sharing on Deposits' (IFAS-3) issued by the Institute of Chartered Accountants of Pakistan and notified by the Securities & Exchange Commission of Pakistan (SECP), vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). The standard will result in certain new disclosures in the financial statements of the Bank.

2.1.5 The State Bank of Pakistan granted an extension to the Bank until December 31, 2025, for the application of the effective interest rate (EIR) method, in general, to all financial assets and financial liabilities. However, prior to obtaining the extension, financial liabilities and financial assets other than advances (excluding subsidized loans) were already being accounted for using the EIR method.

Further, SBP through BPRD Circular Letter No. 01 of 2025 dated January 22, 2025 has clarified the followings:

- Revenue Recognition from Islamic Operations: Islamic Banking Institutions (IBIs) are allowed to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue the existing accounting methodology on other Islamic products until issuance of further instruction in this regard.

- Charity on Islamic Products: IBD Circular No. 02 of 2008 clearly states that the "Charity Fund shall not constitute income of the IBI". Hence, the treatment of charity should be in line with the existing practices as defined in SBP instructions and should not be recognized as income.

2.1.6 The Bank has applied the IFRS 9 Application Instructions issued by SBP through BPRD Circular No. 03 of 2022, which state the following:

i Credit exposure (in local currency) guaranteed by the Government and Government Securities are exempted from the application of ECL Framework.

ii Until implementation of IFRS 9 has stabilized, Stage 3's provision to be made higher of IFRS 9 ECL or Prudential Regulation's requirement.

iii The FIs are advised to recognize income on impaired assets (loans classified under PRs i.e. OAEM and Stage 3 loans) on a receipt basis in accordance with the requirements of Prudential Regulations issued by SBP.

2.1.7 All Islamic products are governed by the product manual approved by the Shariah Board of the Bank. The related accounting and revenue recognition policies are outlined in note 4.19(c) of these unconsolidated financial statements, respectively. In case of Ijarah and Murhaba, the Bank's accounting and revenue recognition policies are in line with the requirements of IFAS 1 and IFAS 2.

2.2 Standards, interpretations and amendments to accounting standards that are effective in the current year

As directed by SBP vide BPRD Circular Letter No. 16 of 2024, unlisted equity securities which were carried at the lower of cost or breakup value till December 31, 2024, are required to be carried at fair value with effect from January 01, 2025.

Except for the changes mentioned in notes 4.1 and 4.2, the Bank expects that amendments to existing accounting and reporting standards will not affect its financial statements in the period of initial application.

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

A number of new accounting standards and amendments to existing standards have been issued but are not yet effective. The Bank will adopt the applicable standards and amendments when they become effective.

Classification and measurement of financial instruments (Amendments to IFRS 9)

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognized and derecognized and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognize their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the company to derecognize its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

The above amendment apply for reporting periods beginning on or after January 01, 2026.
SBP through its letter BPRD/RPD/822456/25 dated January 22, 2025, has granted an extension to the Bank for the implementation of the EIR method under IFRS 9 until December 31, 2025. Accordingly, this requirement will become effective for accounting periods beginning on or after January 01, 2026.

Adoption of IFRS 18

The Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 2444(I)/2025 dated December 12, 2025, has notified that "IAS-1, Presentation of Financial Statements", as referred to in the earlier notification S.R.O. No. 633(I)/2014, shall be replaced with "IFRS-18, Presentation and Disclosure in Financial Statements" and shall be followed for the preparation of financial statements for annual reporting periods beginning on or after January 01, 2027. SECP vide S.R.O. 742 (I)/2025 (dated April 16, 2025) notified that International Financial Reporting Standard (IFRS)-7, 'Financial Instruments: Disclosures' shall be followed by Banks, for the preparation of financial statements, from the annual reporting periods beginning on or after January 1, 2026 (earlier application is permitted).

The management is in the process of assessing the impact of these standards and amendments on the unconsolidated financial statements of the Bank. Other amendments to accounting standards that have been issued but are not yet effective are not expected to have a significant impact on the Bank's financial statements.

2.4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires the management to exercise its judgment in the process of applying the Bank's accounting policies. Estimates, underlying assumptions and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Bank's financial statements or where judgment was exercised in application of accounting policies are as follows:

		Note
-	Impairment of financial instruments	4.16.5
-	Classification of financial assets	4.16.2
-	Fair value measurement of financial instruments	37
-	Valuation of defined benefit plan	37.12

3 BASIS OF MEASUREMENT

These unconsolidated financial statements have been prepared under the historical cost convention except for the following which are stated at revalued amounts or fair values or present values:

		Note
-	Debt and equity securities at FVOCI	4.5
-	Certain operating fixed assets	4.7
-	Derivative financial instruments	4.18
-	Non-banking assets acquired in satisfaction of claims	4.11
-	Staff retirement and other benefits	4.10

4 MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated financial statements have been applied consistently to all periods, except as disclosed in notes 4.1 and 4.2.

4.1 Fair valuation of unlisted equity securities

With effect from January 01, 2025, unlisted equity investments are valued at fair value, which represents the price at which the investment could be sold in an orderly transaction between market participants at the measurement date. Previously, unlisted equity investments were measured at the lower of cost and breakup value derived on the basis of their latest available audited financial statements.

The measurement of fair value of unlisted equity investments involves the use of valuation techniques incorporating assumptions that are not evidenced by the prices from observable market data. These may involve the analysis of the investee's financial position and results, risk profile and other judgemental factors. The chosen valuation techniques depend on the availability of market data and the profile of the investee and incorporates all the factors that market participants would consider in pricing a transaction and are aimed at maximizing the use of relevant observable inputs and limiting the use of unobservable data.

4.2 Transitional Impact

To account for the transition, the Bank has elected to follow the modified retrospective approach for restatement as allowed under IFRS 9. The cumulative impact has been recorded as an adjustment to equity as of January 01, 2025. Accordingly, the information presented as of December 31, 2024 has not been restated.

The transition resulted in an increase of Rs. 2,143 million in the carrying amount of unlisted equity securities measured at FVOCI and an increase of Rs. 1,114 million in deferred tax liability, resulting in a net increase of Rs. 1,028 million in the net assets of the Bank as at January 01, 2025.

The impact of the transition to IFRS 9 on equity as at January 01, 2025 is as follows:	Rupees in '000
Surplus on revaluation of investments	
Closing balance as at December 31, 2024 - as reported	9,911,604
Increase in the fair valuation of unlisted equity securities carried at FVOCI	2,143,019
Less: related deferred tax	(1,114,370)
	1,028,649
Opening balance as at January 01, 2025 - as restated	10,940,253

Retained earnings

There is no impact of transition to IFRS 9 on the opening retained earnings as at January 01, 2025.

4.3 Cash and cash equivalents

Cash and cash equivalents as referred to in the unconsolidated cash flow statement comprise cash balances with treasury and other banks less overdrawn nostros accounts which are repayable on demand and form an integral part of an entity's cash management.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

4.4 Lendings to or borrowings from financial institutions

The Bank enters into transactions of borrowing (re-purchase) from and lending (reverse re-purchase) to financial institutions, at contracted rates for a specified period of time. These are recorded as under:

a. Sale under re-purchase agreements

Securities sold subject to a re-purchase agreement are retained in the financial statements as investments and the counter party liability is included in borrowings from financial institutions. The differential in sale and re-purchase value is accrued on a pro rata basis and recorded as mark-up expense.

b. Purchase under resale agreements

Securities purchased under agreement to resell (reverse re-purchase) are included in lendings to financial institutions. The differential between the contracted price and resale price is accrued on pro rata basis over the period of the contract and recorded as mark-up income.

Securities held as collateral are not recognized in the financial statements, unless these are sold to third parties, in which case the obligation to return them is recorded at fair value as a trading liability under borrowings from financial institutions.

In Bai Muajjal, the Bank purchases and sells Shariah Compliant instruments including sukuks on credit to other financial institutions. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period. Expected profit / expense is recognized on accrual basis.

In Musharaka and Mudaraba, the Bank invests in the Shariah compliant business pools of the financial institutions at the agreed profit and loss sharing ratio. Expected profit is recognized on accrual basis.

Other borrowings including borrowings from SBP are recorded at the proceeds received. Mark-up on such borrowings is charged to the profit and loss account on a time proportion basis.

Borrowings under Temporary Economic Refinance Facility (TERF) from the SBP have been recorded at fair value on initial recognition. Unwinding of expense on fair value adjustment is recognized in the profit and loss account.

Lendings are stated net of provision. Return on such lending is accrued to the profit and loss account on a time proportion basis except mark-up on impaired or delinquent lendings, which is recognized on receipt basis.

4.5 Investments

Investments comprise debt and equity instruments and equity interests in subsidiaries. The classification and measurement of investments, other than equity interests in subsidiaries, are detailed in notes 4.16.2 and 4.16.3.

Investments in subsidiary is carried at cost less accumulated impairment losses, if any.

4.6 Advances

a) Loans and advances

Loans and advances are stated at cost less expected credit loss allowances except for subsidized loans i.e., staff loans and Temporary Economic Refinance Facility (TERF) loans which are stated at amortized cost less expected credit loss allowances.

Subsidized loans are initially recognized at fair value at the date of disbursement. Fair value is determined by discounting the expected future cash flows using prevailing market interest rates for instruments at the time of origination. For loans granted to employees at subsidized rates, the difference between the amount disbursed and the calculated fair value is recognized as an employee benefit that is conditional upon continued employment. The deferred employee benefit is then expensed over the term of the related loan.

Advances are written off when there are no realistic prospects of recovery. The write offs does not, in any way, prejudice the Bank's right of recovery from these obligors.

b) Net investment in finance lease

Leases, where the Bank transfers substantially all the risks and rewards incidental to the ownership of an asset to the lessee are classified as finance leases. A receivable is recognized at an amount equal to the present value of the minimum lease payments, including un-guaranteed residual value, if any. Finance lease receivables are included in advances to the obligors. Provision against Net Investment in Finance Lease is maintained in accordance with requirements of prudential regulations. Net investment in Finance Lease is written off when there are no realistic prospects of recovery in accordance with requirement of Prudential Regulations issued by SBP.

4.7 Fixed assets and depreciation

a) Tangible assets

Property and equipment owned by the Bank, other than land and building, are stated at cost less accumulated depreciation and impairment losses, if any. Land is carried at revalued amount less any subsequent impairment losses if any, and is not depreciated while buildings are stated at initial purchase price or revalued amount less accumulated depreciation and any subsequent impairment losses, if any.

Depreciation is calculated using the straight line method, except buildings which are depreciated using the reducing balance method, to write down the cost of property and equipment to their residual values over their estimated useful lives. The rates at which the fixed assets are depreciated are disclosed in note 10.2. The residual values, useful lives and depreciation methods are reviewed and adjusted, if required. Adjustments in residual values, useful lives and depreciation methods are treated as change in accounting estimates.

Depreciation on additions is charged when the asset is available for use and continues until the asset is derecognized in the books of the Bank.

When an asset or class of assets is revalued, any increase in the carrying amount arising on revaluation is recorded through other comprehensive income and credited to the revaluation reserve in equity. However, the increase shall be recognized in the Profit and Loss Account to the extent it reverses previously recognised revaluation decrease/ impairment loss of the same asset in the Profit and Loss Account, net of amortization or depreciation had no revaluation decrease/impairment been required for the asset in prior years. A decrease resulting from a revaluation is initially charged directly against any related revaluation surplus held in respect of that asset and the remaining portion being charged as an expense.

The surplus on revaluation of fixed assets to the extent of incremental depreciation (net of deferred tax) charged on the related assets is transferred directly to un-appropriated profit.

Revaluation of entire class of assets is carried out by independent professionally qualified valuers with sufficient regularity (every third year) to ensure that the carrying amount of the entire class of assets does not differ materially from their fair value.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in the Profit and Loss Account in the year the asset is derecognized, except that the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to unappropriated profit.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Profit and Loss Account.

b) Intangible assets

Intangible assets are carried at cost less any accumulated amortization and impairment losses, if any. The cost of intangible assets is amortized over their estimated useful lives, using the straight line method. Amortization is charged from the month the assets are available for use at the rate stated in note 11.2. The useful lives are reviewed and adjusted, if appropriate, at each reporting date.

c) Capital work-in-progress

Capital work-in-progress is stated at cost less impairment losses, if any.

4.8 Lease liability and right of use asset

The lease liability is initially measured at the present value of lease payments to be made over the term of the lease, discounted using the Banks's incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest rate method. The carrying amount is remeasured/adjusted if there are changes in the future cash flows or the lease term.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date. On subsequent measurement, right-of-use assets are stated at cost less any accumulated depreciation and accumulated impairment losses and are adjusted for any remeasurement of the lease liability.

Right-of-use assets are depreciated on a straight line basis over the lease term as this method closely reflects the expected pattern of consumption of future economic benefits. Carrying amount of the lease liability is derecognised upon termination of the lease contract with corresponding adjustment to right-of-use asset. Gain or loss on termination of lease contract is recognised in the Profit and Loss Account.

The Bank has elected not to recognize a right-of-use asset and the corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Payments associated with these leases are recognized as an expense in the Profit or Loss Account on a straight-line basis.

4.9 Taxation

a) Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws for taxation. The charge for current tax is calculated using the prevailing tax rates or tax rates expected to apply to the profits for the year.

b) Prior

The taxation charge for prior years represents adjustments to the tax charge relating to prior years, arising from assessments or changes in laws and changes in estimates made during the current year.

c) Deferred

Deferred tax is recognized using the balance sheet liability method on all temporary differences, at the reporting date between the amounts attributed to assets and liabilities for financial reporting purpose and amounts used for taxation purposes. Deferred tax is calculated at the rates that are expected to apply to the periods when the difference will reverse, based on tax rates that have been enacted or substantially enacted at the reporting date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Bank also recognizes a deferred tax asset or liability on deficit or surplus on revaluation of fixed assets, non-banking assets and investments which is adjusted against the related deficit or surplus in accordance with the requirements of IAS-12 'Income Taxes'.

4.10 Staff retirement and other benefits

4.10.1 Staff retirement schemes

a) For employees who opted for the 2002 scheme introduced by the management

An approved pension scheme (defined benefit scheme) under which the benefits on the basis of frozen basic salary, service length and age as on June 30, 2002 are payable to all employees whose date of joining the Bank is on or before July 01, 1992, i.e., who have completed ten years of continuous service as on June 30, 2002.

An approved gratuity scheme (defined benefit scheme) under which the benefits are payable as under:

i. For members whose date of joining the Bank is on or before July 01, 1992, their services would be calculated starting from July 01, 2002 for gratuity benefit purposes.

ii. For members whose date of joining the Bank is after July 01, 1992 their services would be taken at actual for the purpose of calculating the gratuity benefit. This rule will be applicable upon retirement or in service death only, in case of resignation gratuity will be payable from July 01, 2002, even if he or she had joined the Bank before July 01, 2002.

A contributory provident fund scheme to which equal contributions are made by the bank and the employees (defined contribution scheme).

b) For employees who did not opt for 2002 scheme

An approved pension scheme (defined benefit scheme) under which the benefits on the basis of frozen basic salary as on June 30, 2002 are payable to all employees opting continuation of the previous scheme and whose date of joining the Bank is on or before July 01, 1992, i.e., who had completed ten years of continuous service as on June 30, 2002.

In the light of decision of Honorable Supreme Court of Pakistan in SMC No. 20/2016 dated 13th February 2018 read with Order dated 3rd April 2018 passed in CRP No.72/2018 and Order dated 7th August 2018 in Crl.O.No. 98 and 99 of 2018 and after consultation with Bank's legal counsel, the monthly pension of eligible pensioners has been fixed with indexation levels for eligible pensioners effective from February 13, 2018.

c) Post-retirement medical benefits

The Bank provides post-retirement medical benefits to eligible retired employees. Provision is made annually to meet the cost of such medical benefits on the basis of actuarial valuation carried out using the Projected Unit Credit Method.

Annual contributions towards the defined benefit schemes are made on the basis of actuarial valuation carried out using the Projected Unit Credit Method. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in Other Comprehensive Income in the period of occurrence.

4.10.2 Other long term benefit

a) Employees' compensated absences

Employees' entitlement to annual leave is recognized when they accrue to employees, upto a maximum of 60 days. A provision is made for estimated liability for annual leaves as a result of services rendered by the employee against un-availed leaves, as per terms of service contract, up to the reporting date, based on actuarial valuation using Projected Unit Credit Method. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in Profit and Loss Account in the period of occurrence.

b) Compensation to certain class of employees

Bank has revised its retirement policy by reducing the retirement age to 58 years for class of employees effective January 01, 2018. Consequent to the revision, these employees shall be compensated with gross salary along with employer's contribution on provident fund and gratuity for the remaining period up to 60 years in addition to already defined post-employment benefits, payable at the time of retirement, if any.

4.11 Non-banking assets acquired in satisfaction of claims

Non-banking assets (NBA) acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation (excluding land). Revaluation by independent professionally qualified valuers, is carried out with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. Surplus arising on revaluation of NBA is credited to the 'surplus on revaluation of assets' account through statement of comprehensive income and any deficit arising on revaluation is taken to Profit and Loss Account directly. Legal fees, transfer costs and direct costs of acquiring title to property are charged to Profit and Loss Account and not capitalised.

4.12 Deposits

Deposits are initially recorded at the amount of proceeds received. Mark-up accrued on deposits is recognized separately as part of other liabilities and is accrued to the Profit and Loss Account on time proportion basis. Deposits mobilized under Islamic Banking operations are generated under two modes i.e. 'Qard' and 'Mudaraba'. Deposits taken on Qard basis are classified as 'Current accounts' and Deposits generated on Mudaraba basis are classified as 'Saving deposits or Fixed deposits'.

4.13 Impairment of non-financial assets

The carrying amount of the Bank's assets (other than deferred tax 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 recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the Profit and Loss Account except for an impairment loss on revalued assets which is adjusted against the related revaluation surplus to the extent that the impairment loss does not the exceed the revaluation surplus for that same asset. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

4.14 Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provision against identified losses on non-funded exposure is recognized when intimated and reasonable certainty exists for the Bank to settle the obligation. The loss is charged to the Profit and Loss Account net of expected recovery and is classified under other liabilities.

4.15 Acceptances

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

4.16 Financial assets and financial liabilities

4.16.1 Recognition and initial measurement

Debt securities issued are initially recorded when they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Bank becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial asset on initial recognition is generally its transaction price. If the Bank determines that the fair value on initial recognition differs from the transaction price then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit and loss account on an appropriate basis over the life of the asset but no later than when the valuation is wholly supported by observable market data, or the transaction is closed out. Advances (excluding subsidized loans) are initially measured at transaction price.

4.16.2 Classification

Financial assets

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

Advances (excluding subsidized loans) subject to the regulatory EIR extension, as referred to in note 2.1.5, are classified based on the Bank's business model and contractual cash flow characteristics. During the extension period, the application of the EIR method is deferred. Such advances that would otherwise be classified at amortised cost are measured at cost net of expected credit loss allowances.

Financial liabilities

Financial liabilities are either classified at fair value through profit and loss account (FVTPL), when they are held for trading purposes, or at amortized cost. Financial liabilities classified at FVTPL are measured at fair value and all the fair value changes are recognized in the unconsolidated statement of profit and loss account. Financial liabilities that are not classified as at fair value through profit or loss (FVTPL) are initially measured at fair value minus transaction cost and subsequently at amortized cost. These include bills payable, borrowings, deposits and certain items within other liabilities. Markup expense and foreign exchange gain and losses, if any, are recognised in the profit and loss account. Any gain or loss on derecognition is also recognised in profit and loss account.

Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's Board/ Board Committees.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

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

As a second step of its classification process the Bank assesses the contractual terms of financial asset to identify whether they meet the SPPI test. The assessment of SPPI aims to identify whether the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding'.

Principal' for the purpose of this assessment is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of 'interest' within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies

judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

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

4.16.3 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any markup or dividend income, are recognised in unconsolidated statement of profit and loss account.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost in case of lendings to financial institutions, cash and balances with treasury banks, balances with other banks, Temporary Economic Refinance Facility (TERF), staff loans and other financial assets. The amortised cost is reduced by expected credit loss allowances. Markup, foreign exchange gains and losses and impairment are recognised in the profit and loss account.

Debt investments at FVOCI

These assets are subsequently measured at fair value and assessed for impairment under the ECL framework. Markup income is recognised in the profit and loss account, including the amortisation of premiums and discounts, if any. Foreign exchange gains and losses and impairment are recognised in the profit and loss account, while other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to the profit and loss account.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit and loss account unless the dividend clearly represents a recovery of part of the cost of the investment, in which case they are adjusted from the carrying value of investment. Other net gains and losses are recognised in OCI and are never reclassified to profit and loss account.

Advances at cost

Advances (excluding subsidized loans) are measured at cost due to the regulatory EIR extension, as referred to in note 2.1.5, markup income is recognised using the contractual markup rate, and repayments are applied to reduce their carrying amount.

4.16.4 Derecognition

The Bank derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:

i) substantially all of the risks and rewards of ownership of the financial asset are transferred; or
ii) the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized), and the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognized in OCI is recognized in the profit and loss account, except that in case of the derecognition of equity securities held at FVOCI, cumulative gains or losses are transferred to unappropriated profit.

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

4.16.5 Impairment

The impairment requirements apply to all loans, debt instruments, loan commitments issued and financial guarantee contracts issued, except for those measured at FVTPL. No impairment loss is recognised on equity investments. Under SBP's IFRS 9 Application instructions, the Bank is not required to compute ECL on Government Securities and on Government guaranteed credit exposure in local currency.

Measurement of ECL

The Bank measures loss allowances at an amount equal to lifetime ECL (LTECL), except for financial instruments for which credit risk has not increased significantly since initial recognition, in which case loss allowances are measured at 12-month ECL (12mECL). LTECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. 12mECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Based on the above, the Bank groups its financial assets into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1 (Performing assets)

Financial instruments for which 12mECL are recognised are referred to as 'Stage 1 financial instruments'. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2.

Stage 2 (Underperforming assets)

Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3.

Stage 3 (Non performing assets)

Financial instruments that are considered credit-impaired are classified in Stage 3. The Bank records LTECL with the probability of default (PD) set at 100%. Under SBP's IFRS 9 Application Instructions, the Bank is required to calculate ECL on it's non-performing financial assets as higher of provision under Prudential Regulations (PR) and ECL under IFRS 9.

Undrawn financing commitments

When estimating LTECLs for undrawn financings commitments, the Bank estimates the expected portion of the financings commitment that will be drawn down over its expected life. The ECL is then based on the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive. Where advances include both a drawn and an undrawn component, the Bank does not identify the ECL on the loan commitment component separately from those on the drawn component and instead presents a combined loss allowance for both components. The combined amount is presented as a provision against the gross carrying amount of the drawn component.

Financial guarantee contracts

The ECL is calculated as the present value of the difference between the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

Based on the requirements of IFRS 9 Application Instructions, the Bank has performed an ECL assessment considering the following key elements:

- The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD is estimated based on transitioning among credit states. Credit states are defined by rating classes and are based on the Bank's internal risk ratings (i.e. from 1 to 12). Through the yearly review of the non-consumer portfolio, the Bank has drawn a yearly transition matrix of ratings to compute a count based PD over the one year horizon for the last 10 years. PDs for Non rated portfolios are calculated based on Days Past Due (DPD) bucket level for each segment separately. Where practical, they also build on information from External Rating Agencies. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information.

- The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and profit, whether scheduled by contract or otherwise, expected drawdowns on committed facilities. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has a legal right to call it earlier.

  However, for revolving facilities, the Bank measures ECLs over a period longer than the maximum contractual period if the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Bank can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Bank becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the historical experience and the credit risk management actions that the Bank expects to take.

- The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables,

inventories and other non-financial assets. For the purposes of LGD calculation, the Bank considers only those collaterals as eligible collaterals that meet the following characteristics:

- a history of legal certainty and enforceability; and
- a history of recovery.

Based on these criteria, the Bank's management has considered only cash, liquid securities, and guarantees issued by the Government of Pakistan as eligible collaterals in the LGD calculation.

The ECL is determined by projecting the PD, LGD, and exposure at default (EAD) for each future repayment date and for each individual exposure. ECL for exposures classified in Stage 1 is calculated by multiplying the 12-month PD by the LGD and the EAD. Lifetime ECL is calculated by multiplying the lifetime PD by the LGD and the EAD for exposures classified in Stages 2 and 3.

The discount rate used to discount the ECLs for financial assets is based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities. Where an extension has been obtained and applied with regard to EIR application, the Bank uses the contractual rate applicable at the reporting date.

Significant increase in credit risk (SICR)

A SICR is assessed in the context of an increase in the risk of a default occurring over the life of the financial instrument when compared to that expected at the time of initial recognition. It is not assessed in the context of an increase in the ECL. The Bank has established a policy to perform an assessment, at the end of each reporting period, the Bank considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade for subject borrower. The Bank also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a obligor/facility to the watch list, or the account becoming forborne.The Bank considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade for subject borrower. The Bank also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a obligor/facility to the watch list, or the account becoming forborne.

IFRS 9 includes a rebuttable presumption that a significant increase in credit risk has occurred when contractual payments are more than 30 days past due. In order to ensure consistency in application, the SBP has provided a regulatory backstop to this rebuttable presumption for days past due of credit exposures, as set out in Annexure-C of BPRD Circular No. 3 of 2022. Banks are, however, permitted to apply more stringent days past due criteria.

The Bank has aligned its policy with Annexure-C of BPRD Circular No. 3 of 2022 and, accordingly, considers that SICR has occurred when a credit exposure exceeds 60 days past due.

Definition of default

The definition of default is aligned with Annexure C of BPRD Circular No. 3 of 2022 issued by the SBP. A facility is considered to be in default when the related credit exposure is overdue for 90 days or more.

Forward looking information

The Bank incorporates forward-looking information in measuring expected credit losses (ECL) by formulating three probability-weighted scenarios, comprising a base case, a best case, and a worst case with assigned scenario probability weightings of 70%, 15% and 15% respectively. The Bank has identified and documented key economic variables relevant to credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated the relationships between macroeconomic variables and credit risk and credit losses.

The key drivers for credit risk include Gross Domestic Product (GDP), Export of goods and services, Consumer Price Index (CPI), Government Expenditure and Revenue. These variables are fetched from the International Monetary Fund (IMF) database.

Each of these scenarios is associated with different macroeconomic forecasts and, accordingly, with different PDs and LGDs.

4.17 Financial guarantees

Financial guarantees' are contracts that require the Bank to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the expected credit loss allowances determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in the Profit and Loss Account.

4.18 Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value using appropriate valuation techniques. All derivative financial instruments are

carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative financial instruments is taken to the Profit and Loss Account.

4.19 Revenue recognition

Revenue is recognized to the extent that the economic benefits will flow to the Bank and the revenue can be reliably measured. These are recognised as follows:

a) Advances and investments

Mark-up, return on regular loans and advances and investments is recognized on a time proportion basis. Where debt securities are purchased at premium or discount, the same is amortized through the Profit and Loss Account.

Interest or mark-up recoverable on classified loans, advances and investments is recognized on receipt basis. Interest, return or mark-up on classified, rescheduled or restructured loans and advances and investments is recognized as permitted by the regulations of the SBP.

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

Gain and losses on sale of debt investments and equity investments classified as FVTPL are recognized in the Profit and Loss Account. Gain and losses on sale of equity investments classified as FVOCI are reclassified from equity to unappropriated profit.

b) Lease financing

Financing method is used in accounting for income from lease financing. Under this method, the unearned lease income (excess of the sum of total lease rentals and estimated residual value over the cost of leased assets) is deferred and taken to income over the term of the lease period so as to produce a constant periodic rate of return on the outstanding net investment in lease. Unrealised income on classified leases is recognized on receipt basis.

Gains or losses on termination of lease contracts and other lease income are recognized when realized.

c) Islamic financing and related assets

Profit on Business Musharakah financing is booked on accrual basis and is adjusted upon declaration of profit by Musharakah partners.

Ijarah and Diminishing Musharakah income is recognised on an accrual basis as and when the rental becomes due.

Murabaha, Musawamah and Salam income is recognised on deferred income basis.

Profit on Istisna financing is recognized on an accrual basis commencing from time of sale of goods till the realization of sale proceeds by the Bank.

d) Fees, brokerage and commission

The Bank earns fee and commission income from various banking services provided to retail and corporate customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the relevant services.

The recognition of fee and commission income depends on the nature of the underlying service and the timing of satisfaction of the related performance obligations. Fees, brokerage and commission income are generally recognised at a point in time when the Bank has provided the service to the customer, except for revenue from account services and other recurring servicing arrangements, which is recognised over time as the related services are provided. Over-time revenue includes annual debit and credit card service fees. Unearned fee and commission income relating to services to be rendered in future periods is included under other liabilities.

4.20 Business Segment reporting

A segment is a distinguishable component of the Bank that is subject to risks and rewards that are different from those of other segments. A business segment is one that is engaged either in providing certain products or services, whereas a geographical segment is one engaged in providing certain products or services within a particular economic environment. Segment information is presented as per the Bank's functional and management reporting structure. The Bank's primary segment reporting is based on following business segments:

a) Corporate & investment banking

This segment offers a wide range of financial services to medium and large sized public and private sector entities and also covers overseas operation of the Bank. These services include, providing and arranging tenured financing, corporate advisory, underwriting, cash management, trade products, corporate finance products and customer services on all bank related matters.

b) Trading and sales (Treasury)
This segment undertakes the Bank's treasury and money market activities.

c) Commercial & retail banking
Commercial and retail banking provides services to commercial and retail customers including agriculture sector. It includes loans, deposits and other transactions with commercial and retail (conventional and Islamic) customers.

d) Islamic Banking
Islamic banking provides Shariah compliant services to customers including loans, deposits and other transactions.

e) Others
Others includes functions which cannot be classified in any of the above segments.

4.21 Geographical Segment Reporting
Geographically the Bank operates in Pakistan, Middle East and China.

4.22 Dividend distribution
Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Bank's shareholders. Interim dividends are deducted from equity when they are declared by the Board of Directors.

4.23 Statutory / special reserve
Every Bank incorporated in Pakistan is required to transfer 20% of its profit to a statutory reserve until the reserve equals share capital, thereafter 10% of the profit of the Bank is to be transferred to this reserve.

4.24 Earnings per share
The Bank presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing profit after tax for the year attributable to equity holders of the Bank by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is not calculated separately, as the Bank does not have any convertible instruments in issue.

4.25 Foreign currency

4.25.1 Foreign currency transactions
Transactions in foreign currencies are translated into rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into rupees at the rates of exchange prevailing on the date of the statement of financial position.

4.25.2 Foreign operations
The assets and liabilities of foreign operations are translated to Pakistani rupees at exchange rates prevailing on the date of the statement of financial position. The income and expenses of foreign operations are translated to Pakistani Rupees at average rates of exchange prevailing during the year.

4.25.3 Translation gains and losses
Gains and losses arising from foreign currency translations are taken to the profit and loss account, except those arising from the translation of the operations in foreign wholesale Bahrain branch, which are recognized through the statement of other comprehensive income as an Exchange Translation Reserve (ETR). Balances in the ETR are only taken to the profit and loss account on disposal of the investment.

4.25.4 Contingencies and Commitments
Commitments for outstanding forward foreign exchange contracts are disclosed in the financial statements at contracted rates. Contingent liabilities / commitments denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing on the date of the statement of financial position.

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
5 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		37,689,746	37,733,118
Foreign currencies		2,108,964	3,244,559
		39,798,710	40,977,677
With State Bank of Pakistan (SBP) in			
Local currency current accounts	5.1	90,933,638	77,335,586
Foreign currency current account	5.2	218,685	107,534
Foreign currency deposit accounts (non-remunerative)	5.1	7,029,689	6,105,893
Foreign currency deposit accounts (remunerative)	5.3	13,927,327	11,743,494
		112,109,339	95,292,507
With National Bank of Pakistan in			
Local currency current accounts		19,385,580	12,987,328
Prize Bonds		489,821	677,568
		171,783,450	149,935,080
Less: Credit loss allowance held against cash and balances with treasury banks	5.4	(1,619)	(3,166,912)
Cash and balances with treasury banks - net of credit loss allowance		171,781,831	146,768,168

5.1 Deposits with the State Bank of Pakistan (SBP) are maintained to comply with the cash reserve requirement, under section 22 of the Banking Companies Ordinance, 1962 and State Bank of Pakistan statutory requirements issued from time to time.

5.2 This represents US$ settlement account maintained with the State Bank of Pakistan (SBP).

5.3 This represents special cash reserve maintained with the State Bank of Pakistan (SBP). The return on this account is declared by SBP on a monthly basis and carries mark-up at the rate of 2.86% to 3.35% (2024: 3.53% to 4.35%) per annum.

5.4 Cash and balances with treasury banks are all classified as Stage 1.

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
6 BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		-	-
Outside Pakistan			
In current accounts		11,901,094	9,026,773
In deposit accounts	6.1	1,183,336	943,546
		13,084,430	9,970,319
Less: Credit loss allowance held against balances with other banks	6.2	(5,390)	(6,095)
Balances with other banks - net of credit loss allowance		13,079,040	9,964,224

6.1 Balances with other banks outside Pakistan in deposit account carry interest rates of 2.89% to 3.39% (2024: 0.01% to 0.25%) per annum.

6.2 Balances with other banks are all classified as Stage 1.

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
7 LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings - local currency		-	7,600,000
Repurchase agreement lendings (Reverse Repo)		-	235,941,105
Certificates of investment	7.1	70,000	70,000
		70,000	243,611,105
Less: Credit loss allowance held against lending to financial institutions	7.1 & 7.4	(70,000)	(70,024)
Lendings to financial institutions - net of credit loss allowance		-	243,541,081

7.1 This represents local currency classified certificates of investment and related provisioning, amounting to Rs. 70 million (2024: Rs. 70 million).

	December 31, 2025	December 31, 2024
	Rupees in '000	
7.2 Particulars of lending		
In local currency	70,000	243,611,105
In foreign currencies	-	-
	70,000	243,611,105

	December 31, 2025			December 31, 2024		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	Rupees in '000					
7.3 Securities held as collateral against lending to financial institutions						
Pakistan Investment Bonds	-	-	-	161,175,991	-	161,175,991
Market Treasury Bills	-	-	-	74,765,114	-	74,765,114
	-	-	-	235,941,105	-	235,941,105

	December 31, 2025		December 31, 2024	
	Lending	Credit loss allowance held	Lending	Credit loss allowance held
	Rupees in '000			
7.4 Category of classification				
Domestic				
Performing - Stage 1	-	-	243,541,105	24
Under performing - Stage 2	-	-	-	-
Non-performing - Stage 3	-	-	-	-
Substandard			-	-
Doubtful			-	-
Loss	70,000	70,000	70,000	70,000
	70,000	70,000	243,611,105	70,024

	December 31, 2025				December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000							
7.5 Lending to FIs - Particulars of credit loss allowance								
Balance at the start of the year	24	-	70,000	70,024	-	-	70,000	70,000
Impact of adoption of IFRS 9	-	-	-	-	2	-	-	2
Financial assets that have been derecognised	(24)	-	-	(24)	(2)	-	-	(2)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Net remeasurement of credit loss allowance	-	-	70,000	70,000	-	-	70,000	70,000
New financial assets originated or purchased	-	-	-	-	24	-	-	24
Financial assets that have been derecognised	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
Unwind of discount	-	-	-	-	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	-	-	-	-	-	-	-	-
Balance at the end of the year	-	-	-	-	24	-	70,000	70,024

	Note	December 31,2025 Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	December 31,2024 Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
		Rupees in '000							
8 INVESTMENTS									
8.1 Investments by type:									
Debt Instruments									
FVTPL									
Federal Government Securities		12,023,927	-	53,071	12,076,998	2,999,397	-	14,420	3,013,817
		12,023,927	-	53,071	12,076,998	2,999,397	-	14,420	3,013,817
Classified / Measured at FVOCI									
Federal Government Securities*	8.5	1,966,807,561	(153,230)	20,724,549	1,987,378,880	956,549,845	(1,964,317)	6,287,853	960,873,381
Non Government Debt Securities		10,589,752	(663,573)	597,883	10,524,062	20,880,734	(465,121)	505,278	20,920,891
		1,977,397,313	(816,803)	21,322,432	1,997,902,942	977,430,579	(2,429,438)	6,793,131	981,794,272
Classified / Measured at Amortized Cost									
Federal Government Securities	8.6	93,146,974	-	-	93,146,974	119,351,607	-	-	119,351,607
Non Government Debt Securities		255,520	(255,520)	-	-	285,059	(285,059)	-	-
		93,402,494	(255,520)	-	93,146,974	119,636,666	(285,059)	-	119,351,607
Instruments mandatorily classified / measured at FVTPL									
Open Ended Mutual Funds		25,000	-	17,168	42,168	25,000	-	9,977	34,977
		25,000	-	17,168	42,168	25,000	-	9,977	34,977
Equity instruments									
FVOCI									
Shares									
Listed companies	8.5	12,341,461	-	16,837,382	29,178,843	9,949,076	-	13,886,091	23,835,167
Unlisted companies		329,277	-	2,408,256	2,737,533	372,394	-	(30,048)	342,346
Unlisted foreign securities		1,770	-	-	1,770	1,770	-	-	1,770
		12,672,508	-	19,245,638	31,918,146	10,323,240	-	13,856,043	24,179,283
Subsidiaries									
ABL Asset Management Company Limited		500,000	-	-	500,000	500,000	-	-	500,000
ABL Exchange Company Private Limited		1,500,000	-	-	1,500,000	1,000,000	-	-	1,000,000
		2,000,000	-	-	2,000,000	1,500,000	-	-	1,500,000
Total Investments		2,097,521,242	(1,072,323)	40,638,309	2,137,087,228	1,111,914,882	(2,714,497)	20,673,571	1,129,873,956
8.2 Investments by segments:									
Federal Government Securities*									
Market Treasury Bills		413,554,944	-	560,301	414,115,245	141,302,377	-	871,599	142,173,976
Pakistan Investment Bonds		1,423,278,250	-	18,858,175	1,442,136,425	822,897,378	-	1,700,172	824,597,550
GOP Ijarah Sukuks		212,491,144	-	920,598	213,411,742	88,721,700	-	1,639,880	90,361,580
GOP Ijarah Sukuks - Bai Muajjal Placement		12,990,876	-	-	12,990,876	2,380,562	-	-	2,380,562
Naya Pakistan Certificate		707,267	(11,278)	11,278	707,267	1,086,092	(31,880)	31,880	1,086,092
Foreign Currency Bonds (US$)		8,955,981	(141,951)	427,267	9,241,297	22,512,740	(1,932,437)	2,058,742	22,639,045
		2,071,978,462	(153,229)	20,777,619	2,092,602,852	1,078,900,849	(1,964,317)	6,302,273	1,083,238,805
Shares:									
Listed Companies		12,341,461	-	16,837,382	29,178,843	9,949,076	-	13,886,091	23,835,167
Unlisted Companies		329,277	-	2,408,256	2,737,533	372,394	-	(30,048)	342,346
		12,670,738	-	19,245,638	31,916,376	10,321,470	-	13,856,043	24,177,513
Non Government Debt Securities									
Listed		3,741,458	(15,714)	(59,151)	3,666,593	13,291,518	(50,815)	82,075	13,322,778
Unlisted		7,103,814	(903,380)	657,035	6,857,469	7,874,275	(699,365)	423,203	7,598,113
		10,845,272	(919,094)	597,884	10,524,062	21,165,793	(750,180)	505,278	20,920,891
Foreign Securities									
Equity securities		1,770	-	-	1,770	1,770	-	-	1,770
		1,770	-	-	1,770	1,770	-	-	1,770
Units of open-ended mutual funds		25,000	-	17,168	42,168	25,000	-	9,977	34,977
		25,000	-	17,168	42,168	25,000	-	9,977	34,977
Subsidiaries									
ABL Asset Management Company Limited		500,000	-	-	500,000	500,000	-	-	500,000
ABL Exchange Private Limited		1,500,000	-	-	1,500,000	1,000,000	-	-	1,000,000
		2,000,000	-	-	2,000,000	1,500,000	-	-	1,500,000
Total Investments		2,097,521,242	(1,072,323)	40,638,309	2,137,087,228	1,111,914,882	(2,714,497)	20,673,571	1,129,873,956

	December 31, 2025	December 31, 2024
	Rupees in '000	
8.3 Investments given as collateral		
Market Treasury Bills	172,738,067	27,425,460
Pakistan Investment Bonds	361,244,737	360,585,621
Euro Bonds	-	-
Government of Pakistan Foreign Currency Bonds (US$)	-	-
Total Investments given as collateral	533,982,804	388,011,081

8.4 Credit loss allowance for diminution in value of investments

	December 31, 2025	December 31, 2024
Opening balance	2,714,497	3,537,272
Impact of adoption of IFRS 9	-	1,996,619
Exchange adjustments	5,089	(18,659)
Charge and reversals		
Charge for the year	180,742	417,194
Reversals for the year	(1,059,586)	(2,356,291)
Reversal on disposals	(768,419)	(861,638)
	(1,647,263)	(2,800,735)
Closing Balance	1,072,323	2,714,497

8.4.1 Particulars of credit loss allowance

8.4.2 Investments - exposure

	December 31, 2025 Stage 1	Stage 2	Stage 3	Others*	Total	December 31, 2024 Stage 1	Stage 2	Stage 3	Others*	Total
	Rupees in '000									
Opening balance	111,594,013	23,326,405	946,469	961,200,358	1,097,067,245	50,181,120	30,151,782	323,991	1,052,778,328	1,133,435,221
New investments	157,501,253	83,774	-	1,286,262,281	1,443,847,308	142,997,828	-	-	-	142,997,828
Investments derecognised or repaid	(33,875,074)	(13,556,760)	(29,540)	(422,653,371)	(470,114,745)	(81,244,935)	(6,439,227)	(103,672)	(91,577,970)	(179,365,804)
Transfer to stage 1	499,296	(499,296)	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	(340,000)	(386,150)	726,150	-	-
	124,125,475	(13,972,282)	(29,540)	863,608,910	973,732,563	61,412,893	(6,825,377)	622,478	(91,577,970)	(36,367,976)
Amounts written off / charged Off	-	-	-	-	-	-	-	-	-	-
Other changes (to be specific)	-	-	-	-	-	-	-	-	-	-
Closing balance	235,719,488	9,354,123	916,929	1,824,809,268	2,070,799,808	111,594,013	23,326,405	946,469	961,200,358	1,097,067,245

*Under the IFRS 9 Application instructions, the Bank is not required to compute ECL on Government Securities and on Government guaranteed credit exposure in local currency.

		December 31,2025				December 31,2024			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
		Rupees in '000							
8.4.3	Investments - Credit loss allowance								
	Gross carrying amount - Current year	4,079	1,969,233	741,185	2,714,497	7,008	5,202,100	323,991	5,533,099
	New investments	83	-	-	83	-	-	-	-
	Investments derecognised or repaid	(284)	(1,790,486)	-	(1,790,770)	(1,552)	-	-	(1,552)
	Transfer to stage 1	4,915	(4,915)	-	-	-	-	-	-
	Transfer to stage 2	-	-	-	-	-	-	-	-
	Transfer to stage 3	-	-	-	-	(839)	(97,220)	98,059	-
		4,714	(1,795,401)	-	(1,790,687)	(2,391)	(97,220)	98,059	(1,552)
	Amounts written off / charged off	-	-	-	-	-	-	-	-
	Changes in risk parameters (PDs/LGDs/EADs)	(6,630)	(20,601)	175,744	148,513	(538)	(3,135,648)	319,136	(2,817,050)
	Closing balance - Current year	2,163	153,231	916,929	1,072,323	4,079	1,969,233	741,185	2,714,497

		December 31, 2025			December 31, 2024		
		Outstanding amount	Credit loss allowance held	Total	Outstanding amount	Credit loss allowance held	Total
		Rupees in '000					
8.4.4	Particulars of credit loss allowance against debt securities						
	Domestic						
	Performing Stage 1	2,060,528,755	2,163	2,060,530,918	1,072,794,371	4,080	1,072,798,451
	Underperforming Stage 2	398,143	11,279	409,422	10,566,765	978,650	11,545,415
	Non-Performing Stage 3	916,929	916,929	1,833,858	946,469	741,185	1,687,654
	Substandard	-	-	-	-	-	-
	Doubtful	-	-	-	640,339	435,055	1,075,394
	Loss	916,929	916,929	1,833,858	306,130	306,130	612,260
	Total	2,061,843,827	930,371	2,062,774,198	1,084,307,605	1,723,915	1,086,031,520
	Overseas						
	Performing Stage 1	-	-		-	-	-
	Underperforming Stage 2	8,955,981	141,952	9,097,933	12,759,640	990,582	13,750,222
	Non-Performing Stage 3	-	-		-	-	-
	Substandard	-	-		-	-	-
	Doubtful	-	-		-	-	-
	Loss	-	-		-	-	-
	Total	8,955,981	141,952	9,097,933	12,759,640	990,582	13,750,222

8.5 Quality of Securities

Details regarding quality of securities held under 'Hold to Collect and Sell' model are as under:

	December 31, 2025	December 31, 2024
	Cost	
	Rupees in '000	
Federal Government Securities – Government guaranteed		
Market Treasury Bills	407,735,775	140,617,265
Pakistan Investment Bonds	1,336,917,394	703,612,047
Naya Pakistan Certificate	707,267	1,086,093
Foreign Currency Bonds (US$)	8,955,981	22,512,740
GOP Ijarah Sukuks	212,491,144	88,721,700
	1,966,807,561	956,549,845
Shares		
Listed Companies		
Power Generation and Distribution	75,870	947,545
Oil & Gas Exploration Companies	3,473,585	2,222,233
Fertilizer	1,390,396	2,298,657
Commercial Banks	6,185,487	3,147,311
Oil & Gas Marketing Companies	561,076	561,076
Real Estate Investment Trust	497,589	614,796
Chemical	55,218	55,218
Close-end Mutual Funds	51,603	51,603
Investment Banks	50,000	50,000
Cement	637	637
	12,341,461	9,949,076

	December 31, 2025		December 31, 2024	
	Cost	Fair value	Cost	Breakup value
	Rupees in '000			
Unlisted Companies				
Pakistan Mortgage Refinance Co. Limited	200,000	324,563	200,000	604,131
1 Link Private Limited	50,000	2,274,934	50,000	1,182,150
Central Depository Company of Pakistan Limited.	40,300	62,371	40,300	74,445
First Women Bank Limited	21,200	21,200	21,200	59,696
SME Bank Limited	5,250	-	5,250	-
Arabian Sea Country Club Limited	5,000	-	5,000	-
Eastern Capital Limited	5,000	-	5,000	-
NIFT	1,527	53,464	1,526	62,037
PASSCO	1,000	1,000	1,000	651,802
Pakistan Corporate Restructuring Company	-	-	43,118	28,320
	329,277	2,737,532	372,394	2,662,581

	December 31, 2025	December 31, 2024
	Cost	
	Rupees in '000	
Non Government Debt Securities		
Listed		
- AAA	-	799,360
- AA+, AA, AA-	2,927,503	3,947,715
- A+, A, A-	-	-
- Unrated	340,000	8,500,000
	3,267,503	13,247,075
Unlisted		
- AAA	5,007,840	2,877,250
- AA+, AA, AA-	650,000	1,445,000
- A+, A, A-	595,000	150,000
- B+, B, B-	-	300,339
- CCC and below	321,409	361,070
- Unrated	748,000	2,500,000
	7,322,249	7,633,659
Foreign Securities		
Equity Securities - Unlisted		
SWIFT	1,770	1,770
	1,770	1,770

8.6 Particulars relating to securities classified Under "Held to Collect" model' are as follows:

Federal Government Securities - Government guaranteed		
Pakistan Investment Bonds	80,156,098	116,971,045
GOP Ijarah Sukuks - Bai Muajjal Placement	12,990,876	2,380,562
	93,146,974	119,351,607
Non Government Debt Securities		
Listed		
- Unrated	14,915	44,442
Unlisted		
- Unrated	240,605	240,617

8.6.1 The market value of securities classified as amortised cost as at December 31, 2025 amounted to Rs. 79,423 million (December 31, 2024: Rs. 111,470 million). This represents the market value of Pakistan Investment Bonds.

	December 31, 2025		December 31, 2024	
	ABL Asset Management Company	ABL Exchange Company	ABL Asset Management Company	ABL Exchange Company
	Rupees in '000			
8.7 Summary of financial position and performance of subsidiaries				
Country of incorporation	Pakistan	Pakistan	Pakistan	Pakistan
Percentage holding	100%	100%	100%	100%
Assets	7,128,815	1,686,628	5,948,499	1,228,446
Liabilities	1,084,941	251,252	1,141,045	203,596
Revenue	3,250,810	152,171	3,042,125	176,423
Profit / (Loss) after taxation	1,238,520	(84,398)	1,163,346	19,747
Total comprehensive income / (Loss)	1,236,400	(89,473)	1,160,743	24,849

	Note	Performing		Non Performing		Total	
		December 31,2025	December 31,2024	December 31,2025	December 31,2024	December 31,2025	December 31,2024
		Rupees in '000					
9 ADVANCES							
Loans, cash credits, running finances, etc.		690,208,494	1,020,419,211	10,059,756	11,685,811	700,268,250	1,032,105,022
Islamic financing and related assets	A-II.3	98,529,754	32,101,884	295,246	295,246	98,825,000	32,397,130
Bills discounted and purchased		1,969,122	831,885	1,013,913	1,013,913	2,983,035	1,845,798
Advances – gross	9.2	790,707,370	1,053,352,980	11,368,915	12,994,970	802,076,285	1,066,347,950
Credit loss allowance Against advances							
Stage 1	9.4	(359,028)	(529,283)	-	-	(359,028)	(529,283)
Stage 2	9.4	(1,101,574)	(2,311,052)	-	-	(1,101,574)	(2,311,052)
Stage 3	9.3 & 9.4	-	-	(10,939,135)	(12,193,722)	(10,939,135)	(12,193,722)
		(1,460,602)	(2,840,335)	(10,939,135)	(12,193,722)	(12,399,737)	(15,034,057)
Advances – net of credit loss allowance		789,246,768	1,050,512,645	429,780	801,248	789,676,548	1,051,313,893

	December 31, 2025				December 31, 2024			
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
	Rupees in '000							
9.1 Includes net investment in right-of-use assets / finance lease as disclosed below:								
Lease rentals receivable	1,714,966	1,866,959	14,584	3,596,508	2,772,954	1,462,028	18,027	4,253,009
Residual value	417,274	690,862	30,848	1,138,984	413,129	564,508	26,128	1,003,765
Minimum lease payments	2,132,240	2,557,820	45,432	4,735,492	3,186,083	2,026,536	44,155	5,256,774
Financial charges for future periods	(315,451)	(309,552)	(1,906)	(626,908)	(514,234)	(159,232)	(1,952)	(675,418)
Present value of minimum lease payments	1,816,789	2,248,269	43,525	4,108,584	2,671,849	1,867,304	42,203	4,581,356

		December 31, 2025	December 31, 2024
		Rupees in '000	
9.2	Particulars of advances (Gross)		
	In local currency	773,831,421	1,031,303,046
	In foreign currencies	28,244,864	35,044,904
		802,076,285	1,066,347,950
9.2.1	Advances to women, women -owned and Managed Enterprises		
	Women	2,783,736	7,576,152
	Women Owned and Managed Enterprises	477,721	50,339,523
		3,261,457	57,915,675

9.3 Advances include Rs. 11,368.915 million (2024: Rs. 12,994.970 million) which have been placed under non-performing / Stage 3 status as detailed below:

	December 31, 2025		December 31, 2024	
	Non Performing Loans	Credit loss allowance	Non Performing Loans	Credit loss allowance
Category of Classification	Rupees in '000			
Domestic				
Other Assets Especially Mentioned	24,996	13,294	59,594	28,684
Substandard - Stage 3	51,025	25,156	189,271	101,492
Doubtful - Stage 3	26,136	13,068	871,895	566,361
Loss - Stage 3	10,627,933	10,248,792	11,238,973	10,861,948
	10,730,090	10,300,310	12,359,733	11,558,485
Overseas				
Loss	638,825	638,825	635,237	635,237
Total	11,368,915	10,939,135	12,994,970	12,193,722

		Note	December 31, 2025 Stage 3	Stage 2	Stage 1	Total	December 31, 2024 Stage 3	Stage 2	Stage 1	Total
			Rupees in '000							
9.4	Particulars of credit loss allowance against advances									
	Opening balance		12,193,722	2,311,052	529,283	15,034,057	12,335,688	144,558	60,461	12,540,707
	Impact of adoption of IFRS 9		-	-	-	-	183,043	1,409,256	645,472	2,237,771
	Exchange adjustments		-	2,625	-	2,625	-	(1,875)	-	(1,875)
	Charge for the year		577,609	544,080	294,940	1,416,629	684,079	1,176,397	352,351	2,212,827
	Reversals for the year		(1,790,682)	(1,756,183)	(465,195)	(4,012,060)	(1,009,088)	(417,284)	(529,001)	(1,955,373)
			(1,213,073)	(1,212,103)	(170,255)	(2,595,431)	(325,009)	759,113	(176,650)	257,454
	Amounts written off	9.6.1	(41,514)	-	-	(41,514)	-	-	-	-
	Closing balance		10,939,135	1,101,574	359,028	12,399,737	12,193,722	2,311,052	529,283	15,034,057
9.4.1	In local currency		10,300,310	891,833	340,661	11,532,804	11,558,485	2,054,427	524,207	14,137,119
	In foreign currencies		638,825	209,741	18,367	866,933	635,237	256,625	5,076	896,938
			10,939,135	1,101,574	359,028	12,399,737	12,193,722	2,311,052	529,283	15,034,057

9.4.2 No benefit of forced sale value of the collaterals held by the Bank is taken while determining the provision against non-performing loans as allowed under BSD Circular No. 01 dated October 21, 2011.

		Note	December 31, 2025 Stage 1	Stage 2	Stage 3	Total	December 31, 2024 Stage 1	Stage 2	Stage 3	Total
			Rupees in '000							
9.5	Particulars of credit loss allowance									
9.5.1	Advances - Exposure									
	Gross carrying amount - Current year		976,740,768	76,612,212	12,994,970	1,066,347,950	734,059,561	47,038,140	13,040,236	794,137,937
	New advances		463,016,733	15,701,337	352,433	479,070,503	681,625,337	22,028,894	367,319	704,021,550
	Advances derecognised or repaid		(713,852,096)	(27,384,110)	(2,105,962)	(743,342,168)	(407,113,919)	(23,423,739)	(1,273,879)	(431,811,537)
	Transfer to stage 1		8,065,044	(8,064,957)	(87)	-	6,032,844	(6,032,624)	(220)	-
	Transfer to stage 2		(12,011,900)	12,396,821	(384,921)	-	(37,366,579)	37,621,143	(254,564)	-
	Transfer to stage 3		(23,043)	(489,439)	512,482	-	(496,476)	(619,602)	1,116,078	-
			(254,805,262)	(7,840,348)	(1,626,055)	(264,271,665)	242,681,207	29,574,072	(45,266)	272,210,013
	Amounts written off / charged off	9.6	-	-	-	-	-	-	-	-
	Closing balance - Current year		721,935,506	68,771,864	11,368,915	802,076,285	976,740,768	76,612,212	12,994,970	1,066,347,950
9.5.2	Advances - Credit loss allowance									
	Opening balance		529,283	2,311,052	12,193,722	15,034,057	705,933	1,553,814	12,518,731	14,778,478
	New Advances		127,710	107,016	340,774	575,500	244,775	440,787	314,143	999,705
	Advances derecognised or repaid		(165,549)	(404,582)	(1,447,740)	(2,017,871)	(252,135)	(276,646)	(754,769)	(1,283,550)
	Transfer to stage 1		167,230	(167,176)	(54)	-	107,576	(107,427)	(149)	-
	Transfer to stage 2		(55,287)	439,689	(384,402)	-	(98,687)	352,857	(254,170)	-
	Transfer to stage 3		(148)	(95,215)	95,363	-	(1,849)	(33,211)	35,060	-
			73,956	(120,268)	(1,396,059)	(1,442,371)	(320)	376,360	(659,885)	(283,845)
	Amounts written off / charged off	9.6	-	-	-	-	-	-	-	-
	Changes in risk parameters (PDs/LGDs/EADs)		(244,211)	(1,089,210)	141,472	(1,191,949)	(176,330)	380,878	334,876	539,424
	Closing balance		359,028	1,101,574	10,939,135	12,399,737	529,283	2,311,052	12,193,722	15,034,057

	Note	December 31, 2025 Stage 1	Stage 2	Stage 3	Total	December 31, 2024 Stage 1	Stage 2	Stage 3	Total
		Rupees in '000							
9.5.3	Advances - Credit loss allowance details								
	Internal / External rating / stage classification								
	Outstanding gross exposure								
	Performing - Stage 1	721,935,505	-	-	721,935,505	976,740,767	-	-	976,740,767
	Under Performing - Stage 2	-	68,771,865	-	68,771,865	-	76,612,213	-	76,612,213
	Non-performing - Stage 3								
	OAEM	-	-	24,996	24,996	-	-	59,594	59,594
	Substandard	-	-	51,025	51,025	-	-	189,271	189,271
	Doubtful	-	-	26,136	26,136	-	-	871,895	871,895
	Loss	-	-	11,266,758	11,266,758	-	-	11,874,210	11,874,210
		-	-	11,368,915	11,368,915	-	-	12,994,970	12,994,970
	Total	721,935,505	68,771,865	11,368,915	802,076,285	976,740,767	76,612,213	12,994,970	1,066,347,950
	Corresponding ECL								
	Stage 1 and stage 2	359,028	1,101,574		1,460,602	529,283	2,311,052	-	2,840,335
	Stage 3	-	-	10,939,135	10,939,135	-	-	12,193,722	12,193,722
		359,028	1,101,574	10,939,135	12,399,737	529,283	2,311,052	12,193,722	15,034,057

9.5.4 The table below shows the amortised cost of the Bank's gross advances, based on the Bank's internal credit rating system and year-end stage classification.

	December 31, 2025 Stage 1	Stage 2	Stage 3	Total	December 31, 2024 Stage 1	Stage 2	Stage 3	Total
	Rupees in '000							
Internal rating grade								
Performing								
Corporate								
High grade	537,274,377	1,232,059	-	538,506,436	661,676,903	4,230,153	-	665,907,056
Medium grade	167,155,976	39,113,270	-	206,269,246	305,541,954	32,188,918	-	337,730,872
Low grade	-	28,167,928	-	28,167,928	-	39,855,021	-	39,855,021
Past due but not impaired	-	-	-	-	-	-	-	-
Consumer								
Not yet due	17,505,153	258,607	-	17,763,760	9,521,911	338,120	-	9,860,031
Past due but not impaired	-	-	1,792	1,792	-	-	2,601	2,601
Non-performing (Corporate and Retail)								
OAEM	-	-	23,204	23,204	-	-	56,993	56,993
Substandard	-	-	51,025	51,025	-	-	189,271	189,271
Doubtful	-	-	26,136	26,136	-	-	871,895	871,895
Loss	-	-	11,266,758	11,266,758	-	-	11,874,210	11,874,210
	721,935,506	68,771,864	11,368,915	802,076,285	976,740,768	76,612,212	12,994,970	1,066,347,950
An analysis of the corresponding ECLs is, as follows:								
Performing	359,028	1,101,574	-	1,460,602	529,283	2,311,052	-	2,840,335
Non-performing (Only specific)	-	-	10,939,135	10,939,135	-	-	12,193,722	12,193,722
	359,028	1,101,574	10,939,135	12,399,737	529,283	2,311,052	12,193,722	15,034,057

9.6 There were no principal amounts written off during the year against provisions.

9.6.1 Details of loan write-off of Rs. 500,000/- and above

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962, the Statement in respect of written-off loans or any other financial relief of five hundred thousand rupees and above allowed to a person(s) during the year ended December 31, 2025 is given in Annexure-'I'. However, these write-offs do not affect the Bank's right to recover debts from these customers.

Disclosure for Charged-off Loan / Advances / Finances	December 31, 2025 No. of Borrowers	Amount (Rupees in '000)	December 31, 2024 No. of Borrowers	Amount (Rupees in '000)
Particulars				
Opening Balance of Charged-off loans/ Advances/ Finances	-	-	-	-
Charge-off during the year	3	41,514	-	-
Sub-total	3	41,514	-	-
Recoveries made during the year against already charged-off cases	-	-	-	-
Amount written off from already charged-off loans	-	-	-	-
Closing Balance of Charged-off Loans	3	41,514	-	-

		Note	December 31, 2025	December 31, 2024
			Rupees in '000	
10	PROPERTY AND EQUIPMENT			
	Capital work-in-progress	10.1	9,439,734	10,324,434
	Property and equipment	10.2	128,661,736	116,936,428
			138,101,470	127,260,862
10.1	Capital work-in-progress			
	Civil works		6,683,649	9,192,690
	Equipment		-	-
	Advances to suppliers		2,756,085	1,131,744
			9,439,734	10,324,434

	December 31,2025								
	Freehold Land	Leasehold Land	Building on Freehold Land	Building on Leasehold Land	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Building Improvements (Leased Premises)	Total
	Rupees in '000								
10.2 Property and Equipment									
At January 1, 2025									
Cost or Revalued amount	47,330,954	25,494,317	19,051,450	7,636,658	3,882,671	32,217,693	2,906,375	10,029,502	148,549,620
Accumulated depreciation	-	-	(987,313)	(520,525)	(2,294,273)	(19,327,360)	(1,572,705)	(6,911,016)	(31,613,192)
Net book value	47,330,954	25,494,317	18,064,137	7,116,133	1,588,398	12,890,333	1,333,670	3,118,486	116,936,428
Year ended December 31, 2025									
Opening net book value	47,330,954	25,494,317	18,064,137	7,116,133	1,588,398	12,890,333	1,333,670	3,118,486	116,936,428
Additions	710,052	79,434	5,906,709	1,029,979	782,079	9,944,880	382,512	1,154,089	19,989,734
Movement in surplus on assets revalued during the year	-	-	(1,678)	(111,746)	-	-	-	-	(113,424)
Disposals cost	(240,623)	-	-	(23,486)	(61,577)	(849,059)	(234,368)	(26,020)	(1,435,133)
Disposals accumulated depreciation	-	-	-	3,337	59,028	822,186	211,498	26,020	1,122,069
Net disposal (book value)	(240,623)	-	-	(20,149)	(2,549)	(26,873)	(22,870)	-	(313,064)
Depreciation charge	-	-	(1,047,290)	(379,596)	(321,048)	(4,531,920)	(465,650)	(1,106,086)	(7,851,590)
Exchange rate adjustments	-	-	-	-	504	36	952	12,160	13,652
Closing net book value	47,800,383	25,573,751	22,921,878	7,634,621	2,047,384	18,276,456	1,228,614	3,178,649	128,661,736
At December 31, 2025									
Cost or Revalued amount	47,800,383	25,573,751	24,956,481	8,531,404	4,605,532	41,318,190	3,059,578	11,178,445	167,023,764
Accumulated depreciation	-	-	(2,034,603)	(896,783)	(2,558,148)	(23,041,734)	(1,830,964)	(7,999,796)	(38,362,028)
Net book value	47,800,383	25,573,751	22,921,878	7,634,621	2,047,384	18,276,456	1,228,614	3,178,649	128,661,736
Rate of depreciation (percentage)	-	-	5%	5%	10%	14.28% -50%	20%	20%	

	December 31,2024								
	Freehold Land	Leasehold Land	Building on Freehold Land	Building on Leasehold Land	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Building Improvements (Leased Premises)	Total
	Rupees in '000								
At January 1, 2024									
Cost or Revalued amount	47,519,246	20,973,582	14,851,259	7,277,734	3,364,511	25,170,822	2,323,290	8,095,171	129,575,615
Accumulated depreciation	-	-	(124,331)	(143,423)	(1,984,973)	(16,033,005)	(1,335,389)	(5,955,570)	(25,576,691)
Net book value	47,519,246	20,973,582	14,726,928	7,134,311	1,379,538	9,137,817	987,901	2,139,601	103,998,924
Year ended December 31, 2024									
Opening net book value	47,519,246	20,973,582	14,726,928	7,134,311	1,379,538	9,137,817	987,901	2,139,601	103,998,924
Additions	1,482,751	4,875,347	4,224,568	363,705	554,112	7,436,291	770,077	1,939,839	21,646,690
Net disposal (book value)	(1,670,225)	(354,614)	(21,923)	(3,979)	(3,289)	(37,868)	(2,065)	-	(2,093,963)
Depreciation charge	-	-	(859,000)	(377,903)	(341,962)	(3,645,454)	(422,243)	(960,970)	(6,607,532)
Exchange rate adjustments	-	-	-	-	-	(454)	(1)	17	(438)
Other adjustments	(818)	2	(6,436)	(1)	(1)	1	1	(1)	(7,253)
Closing net book value	47,330,954	25,494,317	18,064,137	7,116,133	1,588,398	12,890,333	1,333,670	3,118,486	116,936,428
At December 31, 2024									
Cost or Revalued amount	47,330,954	25,494,317	19,051,450	7,636,658	3,882,671	32,217,693	2,906,375	10,029,502	148,549,620
Accumulated depreciation	-	-	(987,313)	(520,525)	(2,294,273)	(19,327,360)	(1,572,705)	(6,911,016)	(31,613,192)
Net book value	47,330,954	25,494,317	18,064,137	7,116,133	1,588,398	12,890,333	1,333,670	3,118,486	116,936,428
Rate of depreciation (percentage)	-	-	5%	5%	10%	14.28% -50%	20%	20%	

10.3 Bank arranged for valuation of all Land and Buildings as at December 31, 2023 from six independent valuers {Sadruddin Associates (Private) Limited, Hamid Mukhtar & Co (Private) Limited, Indus Surveyors (Private) Limited, A1 Warda Engineering Services, Tristar International Consultant (Private) Limited and Harvester Services (Private) Limited}. The revalued amounts of properties have been determined on the basis of market value. Had there been no revaluation, the carrying amount of revalued assets would have been as follows:

	December 31, 2025	December 31, 2024
	Rupees in '000	
– Land (Freehold and leasehold)	31,992,445	31,264,621
– Building	22,763,551	16,925,052

10.4 Fair value of property and equipment excluding land and buildings is not expected to be materially different from their carrying amount.

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
10.5 Incremental depreciation charged during the year transferred to unappropriated profit	22.1	345,690	350,020
10.6 Restriction or discrepancy in the title of property having a net book value of		197,863	208,982
10.7 The cost of fully depreciated assets that are still in use:			
Furniture and fixtures		1,314,852	1,198,892
Electrical, office and computer equipments		13,129,985	10,956,622
Vehicles		745,450	775,734
Leasehold Improvements		5,602,574	4,850,720
10.8 The carrying amount of property and equipment that have retired from active use and held for disposal		1,293,975	1,293,975

10.9 The sale of fixed assets (otherwise than a regular auction) to related parties are disclosed in Annexure III.

		December 31, 2025		December 31, 2024	
		Buildings	Total	Buildings	Total
		Rupees in '000			
11	RIGHT-OF-USE ASSETS				
	At January 01, 2025				
	Cost	17,201,971	17,201,971	15,832,237	15,832,237
	Accumulated Depreciation	(9,414,230)	(9,414,230)	(7,545,182)	(7,545,182)
	Net carrying amount at January 01, 2025	7,787,741	7,787,741	8,287,055	8,287,055
	Additions during the year	3,302,888	3,302,888	1,894,202	1,894,202
	Deletions during the year	(343,528)	(343,528)	(525,919)	(525,919)
	Depreciation charge during the year	(1,965,949)	(1,965,949)	(1,869,048)	(1,869,048)
	Exchange difference	138	138	1,451	1,451
	Net carrying amount at December 31, 2025	8,781,290	8,781,290	7,787,741	7,787,741

		Note	December 31, 2025	December 31, 2024
			Rupees in '000	
12	INTANGIBLE ASSETS			
	Capital work in progress	12.1	1,137,381	1,009,355
	Intangible Assets	12.2	3,345,239	2,623,269
			4,482,620	3,632,624
12.1	Capital work in progress			
	Softwares		1,134,507	1,006,481
	Advances for softwares to suppliers		2,874	2,874
			1,137,381	1,009,355

		December 31, 2025		
		Computer software	Others	Total
		Rupees in '000		
12.2	Intangible Assets			
	At January 01, 2025			
	Cost	7,015,382	-	7,015,382
	Accumulated amortisation and impairment	(4,392,113)	-	(4,392,113)
	Net book value	2,623,269	-	2,623,269
	Year ended December 31, 2025			
	Opening net book value	2,623,269	-	2,623,269
	Additions:			
	Directly purchased / transfers	1,416,241	-	1,416,241
	Amortisation charge	(694,224)	-	(694,224)
	Exchange rate adjustments	(47)	-	(47)
	Closing net book value	3,345,239	-	3,345,239
	At December 31, 2025			
	Cost	8,431,623	-	8,431,623
	Accumulated amortisation and impairment	(5,086,384)	-	(5,086,384)
	Net book value	3,345,239	-	3,345,239
	Rate of amortisation (percentage)	5% to 14.28%		
	Useful life	7 to 20 Years		

	December 31, 2024		
	Computer software	Others	Total
	Rupees in '000		
At January 1, 2024			
Cost	6,400,141	-	6,400,141
Accumulated amortisation and impairment	(3,769,721)	-	(3,769,721)
Net book value	2,630,420	-	2,630,420
Year ended December 31, 2024			
Opening net book value	2,630,420	-	2,630,420
Additions:			
directly purchased / transfers	615,246	-	615,246
Amortisation charge	(622,393)	-	(622,393)
Closing net book value	2,623,273	-	2,623,273
At December 31, 2024			
Cost	7,015,382	-	7,015,382
Accumulated amortisation and impairment	(4,392,113)	-	(4,392,113)
Net book value	2,623,269	-	2,623,269
Rate of amortisation (percentage)		5% to 14.28%	
Useful life		7 to 20 Years	

		December 31, 2025	December 31, 2024
		Rupees in '000	
12.3	The cost of fully amortized assets that are still in use:		
	Intangible assets – software	1,467,420	1,467,420

		Note	December 31, 2025	December 31, 2024
			Rupees in '000	
13	OTHER ASSETS			
	Income / Mark-up accrued in local currency	13.1	59,838,240	55,015,063
	Income / Mark-up accrued in foreign currency		492,057	532,316
	Deferred cost on subsidized loans	13.2	6,718,237	7,287,676
	Advances, deposits, advance rent and other prepayments		5,462,975	5,702,613
	Advance taxation (payments less provisions)		7,541,574	2,328,096
	Non-banking assets acquired in satisfaction of claims	13.3	1,534,303	682,237
	Mark to market gain on forward government securities transactions		-	967,333
	Acceptances		9,269,379	7,563,743
	Due from the employees' retirement benefit schemes			
	- Pension fund	37.4	9,215,841	7,772,440
	Fraud and forgeries		497,935	527,738
	Stationery and stamps in hand		1,526,304	1,205,896
	Home Remittance Cell agent receivable		-	2,784
	Receivable from State Bank of Pakistan		8,280	71
	Charges receivable		14,291	29,924
	ATM / Point of Sale settlement account		5,166,223	6,451,615
	Suspense account		22	-
	Others		727,636	639,010
			108,013,297	96,708,555
	Less: Credit loss allowance / provisions held against other assets	13.4	(998,107)	(1,147,776)
	Other assets (net of credit loss allowance)		107,015,190	95,560,779
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims		389,522	1,265,361
	Other assets - net		107,404,712	96,826,140

13.1 This includes income / mark-up accrued on financial assets measured at amortised cost. Such income / mark-up accrued is included in the amortised cost of the respective instruments for the purposes of IFRS 9, however presented separately in line with local regulatory requirements. Of the accrued markup balance, Rs. 58,862 million (2024: Rs. 52,634 million) relates to financial assets classified as Stage 1, with the balance relating to Stage 2.

13.2 This refers to notional deferred cost on fair valuation of subsidized loans.

		December 31, 2025	December 31, 2024
		Rupees in '000	
13.3	Market value of non-banking assets acquired in satisfaction of claims	1,923,825	1,947,598

Full-scope revaluation was carried out at December 31, 2025 through five independent valuers approved by Pakistan Banks' Association (Hamid Mukhtar & Co Private Limited, Indus Surveyors Private Limited, Engineering Pakistan International Private Limited, Tristar International Consultant Private Limited, and Harvester Services Private Limited). The revalued amounts of properties have been determined on the basis of market rates depending upon physical verification and general appearance of the site.

		December 31, 2025	December 31, 2024
		Rupees in '000	
13.3.1	Non banking assets acquired in satisfaction of claims		
	Opening balance	1,947,598	2,081,772
	Additions	-	-
	Constructions	1,184,327	3,744
	Revaluation	(367,431)	261,756
	Disposals	(818,475)	-
	Transfers	-	(375,753)
	Depreciation	(22,194)	(23,921)
	Closing balance	1,923,825	1,947,598

		Note	December 31, 2025	December 31, 2024
			Rupees in '000	
13.4	Credit loss allowance / provisions held against other assets			
	Advances, deposits, advance rent and other prepayments		262,445	286,371
	Provision against fraud and forgeries		397,393	427,195
	Charges receivable		13,420	29,764
	Credit loss allowance against acceptances - Stage 2		26,087	109,875
	Others		298,762	294,571
			998,107	1,147,776
13.4.1	Movement in Credit loss allowance / Provision held against other assets			
	Opening balance		1,147,776	996,020
	Impact of adoption of IFRS 9		-	37,823
	Charge for the year		60,000	241,906
	Reversals		(183,788)	(119,745)
	Net charge		(123,788)	122,161
	Amounts written off		(25,881)	(8,228)
	Closing balance		998,107	1,147,776

14 CONTINGENT ASSETS

There were no contingent assets of the Bank as at December 31, 2025 and December 31, 2024.

15 BILLS PAYABLE

In Pakistan		13,834,259	14,477,225
Outside Pakistan		26,275	25,012
		13,860,534	14,502,237

16 BORROWINGS

Secured			
Borrowings from State Bank of Pakistan			
Repurchase agreement borrowings	16.1	503,422,306	355,072,900
Under export refinance scheme	16.2	12,466,594	23,682,355
Under long term financing facility	16.3	19,450,998	22,806,443
Under financing scheme for renewable energy	16.4	4,351,345	7,871,360
Under Temporary Economic Refinance Scheme	16.5	7,583,283	7,490,465
Under refinance scheme for modernization of SMEs	16.6	10,110	13,222
Under Mudarabah Islamic finance facility		9,911,845	-
Under refinance scheme for SME Asaan Finance (SAAF)		9,843	172,807
Refinance and credit guarantee scheme for women entrepreneurs		17,740	19,310
Under refinance scheme for combating COVID-19	16.7	28,706	81,016
		557,252,770	417,209,878
Repurchase agreement borrowings from financial institutions	16.8	29,263,440	29,259,260
		586,516,210	446,469,138

		Note	December 31, 2025	December 31, 2024
			Rupees in '000	
	Unsecured			
	Call borrowings	16.9	-	7,628,102
	Overdrawn nostro accounts		4,818	426,318
	Musharaka borrowing	16.10	57,100,000	7,500,000
	Other borrowings		112,000	-
			57,216,818	15,554,420
			643,733,028	462,023,558

16.1 This represents local currency borrowing from the State Bank of Pakistan against government securities, carrying mark-up at the rate of 10.57% to 11.50% (2024: 13.07% to 14.00%) per annum, maturing on various dates latest by January 02, 2025.

16.2 The Bank has entered into various agreements for financing with the State Bank of Pakistan for extending export finance to customers. As per agreements, the Bank has granted to State Bank of Pakistan the right to recover the outstanding amount from the Bank at the date of maturity of the finance by directly debiting the current account maintained by the Bank with the SBP. The borrowing carries mark-up at the rate of 5.50% to 7.00% (2024: 1.00% to 2.00%) per annum. These borrowings are repayable within six months from the deal date.

16.3 This represents Long Term Financing facility availed by the Bank for further extending the same to exporters for adoption of new technologies and modernization of their plant and machinery, for a maximum period of 10 years. These borrowing carries mark-up at the rate of 2.00% to 7.00% (2024: 1.50% to 3.00%) per annum.

16.4 These represent borrowings from the State Bank of Pakistan availed by the Bank for financing power projects and facilities using alternative and renewable energy (solar, wind, hydro, biogas, bio-fuels, bagasse cogeneration, and geothermal as fuel) for a maximum period of 12 years. These borrowing carries mark-up at the rate of 2.00% to 7.00% (2024: 2.00% to 3.00%) per annum.

16.5 These borrowings have been obtained from the State Bank of Pakistan for providing concessionary refinancing facility to the industry for purchase of new imported and locally manufactured plant & machinery to set up new projects. These borrowings are repayable within a period of ten years including a grace period of upto 2 years. These borrowing carries mark-up at the rate of 1.00% to 5.00% (2024: 1.00%) per annum.

16.6 These borrowings have been obtained from the State Bank of Pakistan for providing refinancing facility to wide range of SME clusters / sectors for purchase of new and imported / local plant and machinery for BMR of existing units and setting up new SME units. These borrowings are repayable for a maximum period of 10 years. These carry mark up rate ranging from 2% (2024: 6%) per annum.

16.7 These borrowings have been obtained from the State Bank of Pakistan for providing financing facilities to help businesses in payment of wages and salaries to their workers and employees for supporting continued employment. These borrowing are repayable in 8 equal quarterly installments beginning from January 2021. These carry mark up rates ranging from 0% to 2% per annum.

16.8 These represent borrowings in local currency from local interbank markets against government securities, carrying mark-up at the rate of 10.55% (2024: 12.10% to 12.90%) per annum, maturing on January 02, 2026.

16.9 These represent unsecured borrowings in foreign and local currency from foreign and local interbank markets, carrying mark-up at the rate (2024: 6.53% to 18.60%) per annum.

16.10 This represents unsecured local currency borrowings by Islamic banking business under Musharaka agreement at profit of 10.00% to 10.50% (2024: 12.25%) per annum, maturing on various dates, latest by January 07, 2025.

16.11 Note 8.3 includes the carrying amount of investments given as collateral against re-purchase agreement borrowings.

		December 31, 2025	December 31, 2024
		Rupees in '000	
16.12	Particulars of borrowings with respect to currencies		
	In local currency	643,733,028	455,895,458
	In foreign currencies	-	6,128,100
		643,733,028	462,023,558

		December 31, 2025			December 31, 2024		
		In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
		Rupees in '000					
17	DEPOSITS AND OTHER ACCOUNTS						
	Customers						
	Current deposits	808,890,068	54,579,291	863,469,359	683,016,032	35,622,173	718,638,205
	Savings deposits	892,087,321	16,246,941	908,334,262	851,899,892	18,177,737	870,077,629
	Term deposits	321,158,960	71,263,180	392,422,140	201,669,126	80,524,496	282,193,622
	Others	51,408,574	132,619	51,541,193	37,063,834	78,257	37,142,091
		2,073,544,923	142,222,031	2,215,766,954	1,773,648,884	134,402,663	1,908,051,547
	Financial Institutions						
	Current deposits	17,038,954	808,147	17,847,101	15,659,282	1,218,988	16,878,270
	Savings deposits	111,410,410	-	111,410,410	88,035,841	-	88,035,841
	Term deposits	772,300	38,610	810,910	641,050	4,775,259	5,416,309
	Others	23,475	-	23,475	13,100	-	13,100
		129,245,139	846,757	130,091,896	104,349,273	5,994,247	110,343,520
		2,202,790,062	143,068,788	2,345,858,850	1,877,998,157	140,396,910	2,018,395,067

		December 31, 2025	December 31, 2024
		Rupees in '000	
17.1	Composition of deposits		
	Individuals	1,417,817,085	1,197,996,052
	Private Sector	203,768,103	276,463,498
	Government (Federal and Provincial)	296,641,403	236,687,637
	Public Sector Entities	297,540,363	196,904,360
	Non–Banking Financial Institutions	115,252,680	96,993,779
	Banking Companies	14,839,216	13,349,741
		2,345,858,850	2,018,395,067

17.2 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 1,486,315 million (2024: 1,343,523 million).

17.3 Net outstanding value against prepaid cards is Rs. 85.022 million as at reporting date (2024: 21.604 million).

		Note	December 31, 2025	December 31, 2024
			Rupees in '000	
18	LEASE LIABILITIES			
	Outstanding amount at the start of the year		10,360,968	10,632,854
	Additions during the period		3,302,888	1,894,202
	Deletions during the period		(495,996)	(706,216)
	Lease payments including interest		(3,044,380)	(2,808,266)
	Interest expense		1,430,084	1,349,257
	Exchange difference		(114)	(863)
	Outstanding amount at the end of the year		11,553,450	10,360,968
18.1	Contractual maturity of lease liabilities			
	Not later than one year		388,964	301,451
	Later than one year and upto five years		4,193,878	3,834,226
	Five to ten years		5,098,602	4,608,287
	Over ten years		1,872,006	1,617,004
	Total lease liabilities		11,553,450	10,360,968

		December 31, 2025			
		At January 1, 2025	Recognised in profit and loss account	Recognised in other comprehensive Income	At December 31, 2025
		Rupees in '000			
19	DEFERRED TAX LIABILITIES				
	Deductible Temporary Differences on				
	- Tax losses carried forward	-	-	-	-
	- Workers welfare fund	3,555,006	771,778	-	4,326,784
	- Credit loss allowance against advances,	4,521,261	(2,957,244)	-	1,564,017
	off balance sheet etc.	-	1,738,020	-	1,738,020
	- Right-of-use assets and related lease liabilities	102,650	-	-	102,650
	- Others	8,178,917	(447,446)	-	7,731,471
	Taxable Temporary Differences on				
	- Surplus on revaluation of property and equipment	(4,291,070)	179,759	58,981	(4,052,330)
	- Surplus on revaluation of investments	(10,737,570)	-	(10,357,827)	(21,095,397)
	- Surplus on revaluation of non-banking assets	(73,305)	7,082	51,624	(14,599)
	- Accelerated tax depreciation	(2,281,392)	(1,044,815)	-	(3,326,207)
	- Actuarial gain on retirement benefits	(626,128)	-	(349,381)	(975,509)
					-
		(18,009,465)	(857,974)	(10,596,603)	(29,464,042)
		(9,830,548)	(1,305,420)	(10,596,603)	(21,732,571)

	December 31, 2024			
	At January 1, 2024	Recognised in profit and loss account	Recognised in other comprehensive Income	At December 31, 2024
	Rupees in '000			
Deductible Temporary Differences on				
- Tax losses carried forward				
- Workers welfare fund	-	-	-	-
- Credit loss allowance against advances,	2,657,448	897,558	-	3,555,006
-Others	492,469	121,647	3,907,145	4,521,261
	102,650	-	-	102,650
	3,252,567	1,019,205	3,907,145	8,178,917
Taxable Temporary Differences on				
- Surplus on revaluation of property and equipment	(4,200,202)	183,652	(274,520)	(4,291,070)
-Surplus on revaluation of investments	6,608,032	-	(17,345,602)	(10,737,570)
- Surplus on revaluation of non-banking assets	(66,251)	20,744	(27,798)	(73,305)
- Accelerated tax depreciation	(1,696,139)	(585,253)	-	(2,281,392)
- Actuarial gain on retirement benefits	(76,413)	-	(549,715)	(626,128)
	569,027	(380,857)	(18,197,635)	(18,009,465)
	3,821,594	638,348	(14,290,490)	(9,830,548)

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
20 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency	20.1	18,349,602	17,523,889
Mark-up / return / interest payable in foreign currencies		494,162	910,978
Deferred grant on subsidized loans		2,352,630	3,772,085
Accrued expenses		3,441,905	2,994,731
Provision for taxation (provisions less payments)		-	-
Retention money payable		1,237,130	1,153,757
Deferred income		1,138,558	1,345,950
Unearned commission and income on bills discounted		604,692	1,032,336
Acceptances		9,269,379	7,563,743
Unclaimed dividends		552,231	496,711
Dividend payable		36,955	37,622
Branch adjustment account		10,420,374	2,106,829
Unrealized loss on forward foreign exchange contracts		211,930	944,207
Unrealized loss on forward foreign exchange swaps		988,141	669,651
Unrealized loss on forward government securities transactions		14,621	-
Provision for:			
Gratuity	37.4	401,073	252,662
Employees' medical benefits	37.4	1,615,684	1,575,050
Employees' compensated absences	37.4	1,333,408	1,248,767
Payable to defined contribution plan		89,516	114,216
Credit loss allowance / provisions against off-balance sheet obligations	20.2	406,977	493,983
Security deposits against lease		1,130,124	1,004,808
Charity fund balance		170	1,417
Home Remittance Cell overdraft		115,252	206,321
With-holding tax payable		1,022,272	8,083,663
Sundry deposits		4,609,398	4,879,335
Workers welfare fund payable	20.3	8,320,740	6,836,550
Others		2,123,661	2,705,849
		70,280,585	67,955,110

20.1 This includes mark-up / return / interest payable on financial liabilities measured at amortised cost. Such mark-up / return / interest payable is included in the amortised cost of the respective instruments for the purposes of IFRS 9, however presented separately in line with local regulatory requirements.

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
20.2 Credit loss allowance / provisions against off-balance sheet obligations			
Opening balance		493,983	298,904
Impact of adoption of IFRS 9		-	153,374
Charge for the year		-	41,705
Reversals		(87,006)	-
Net reversal		(87,006)	41,705
Closing balance		406,977	493,983
20.2.1 Particulars of credit loss allowance against off-balance sheet obligations			
Stage 1		25,833	153,896
Stage 2		94,559	44,497
Stage 3		78,013	87,018
		198,405	285,411

20.2.2 Credit loss allowance against off-balance sheet obligations include ECL in respect of letter of credit and letter of guarantees.

20.3 Workers Welfare Fund

Supreme Court of Pakistan vide order dated November 10, 2016 held that the amendments made in the law through Finance Act 2008, introduced by the Federal Government for the levy of Worker Welfare Fund (WWF) were unlawful. Federal Board of Revenue filed review petition against the subject order, which is currently pending for adjudication.

WWF provision from 2014 has been maintained conservatively based on tax advisor's opinion in view of provincial levy of WWF by the provinces with effect from 2014, including levy by Sindh which is under litigation.

Punjab Government promulgated Punjab Workers Welfare Fund Act 2019 (PWWF) with effect from December 13, 2019, therefore, provision related to Punjab and pertaining to the period from 2014 till the date of promulgation of PWWF was reversed.

21 SHARE CAPITAL

21.1 Authorized capital

December 31, 2025	December 31, 2024		December 31, 2025	December 31, 2024
No. of shares			Rupees in '000	
1,500,000,000	1,500,000,000	Ordinary shares of Rs.10/– each	15,000,000	15,000,000

21.2 Issued, subscribed and paid–up capital

Fully paid–up Ordinary shares of Rs. 10/– each

December 31, 2025	December 31, 2024		December 31, 2025	December 31, 2024
No. of shares			Rupees in '000	
406,780,094	406,780,094	Fully paid in cash	4,067,801	4,067,801
720,745,186	720,745,186	Issued as bonus shares	7,207,452	7,207,452
1,127,525,280	1,127,525,280		11,275,253	11,275,253
		18,348,550 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation in accordance with the swap ratio stipulated therein less 9,200,000 ordinary shares of Rs. 10 each, held by Ibrahim Leasing Limited on the cut-off date (September 30, 2004)		
9,148,550	9,148,550		91,486	91,486
		8,400,000 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation of First Allied Bank Mudaraba with Allied Bank Limited in accordance with the share swap ratio stipulated therein.		
8,400,000	8,400,000	with the share swap ratio stipulated therein.	84,000	84,000
1,145,073,830	1,145,073,830		11,450,739	11,450,739

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 1,030,566,368 (90.00%) [2024: 1,030,566,368 (90.00%] ordinary shares of Rs. 10 each respectively, as at reporting date.

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
22 SURPLUS ON REVALUATION OF ASSETS – NET OF TAX			
Surplus / (deficit) arising on revaluation of:			
Property and equipment	22.1	49,174,634	49,815,868
Non-banking assets acquired in satisfaction of claims	22.2	389,522	1,265,363
Securities measured at FVOCI - Debt		21,322,432	6,793,131
Securities measured at FVOCI - Equity		19,245,638	13,856,043
		90,132,226	71,730,405
Deferred tax on surplus / (deficit) on revaluation of:			
Property and equipment	22.1	(4,052,330)	(4,291,070)
Non-banking assets acquired in satisfaction of claims	22.2	(14,599)	(73,305)
Securities measured at FVOCI - Debt		(11,087,665)	(3,532,428)
Securities measured at FVOCI - Equity		(10,007,732)	(7,205,142)
		(25,162,326)	(15,101,945)
		64,969,900	56,628,460

22.1 Surplus on revaluation of fixed assets

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
Surplus as at January 1, 2025		49,815,868	50,140,331
Surplus on revaluation during the year		(113,424)	-
Surplus related to transfer or adjustments		-	33,397
Surplus realised on disposal during the year		(182,120)	(7,840)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(165,930)	(168,008)
Related deferred tax liability		(179,760)	(182,012)
	10.5	(345,690)	(350,020)
Surplus on revaluation as at December 31, 2025		49,174,634	49,815,868
Less: Related deferred tax liability on :			
Revaluation surplus as at January 01, 2025		(4,291,070)	(4,200,202)
Deferred tax asset / (liability) on revaluation surplus / change in tax rate		58,980	(257,155)
Deferred tax liability related to transfer or adjustments		-	(17,367)
Deferred tax on surplus on disposal during the year		-	1,642
Deferred tax on incremental depreciation transferred to unappropriated profit		179,760	182,012
		(4,052,330)	(4,291,070)
		45,122,304	45,524,798

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
22.2 Surplus on revaluation of non–banking assets acquired in satisfaction of claims			
Surplus as at January 01, 2025		1,265,363	1,043,502
(Deficit) / Surplus on revaluation during the year		(367,431)	261,756
Surplus related to transfer or adjustments		-	(33,397)
Surplus realised on disposal during the year		(501,451)	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(3,340)	(3,119)
Related deferred tax liability		(3,619)	(3,379)
		(6,959)	(6,498)
Surplus on revaluation as at December 31, 2025		389,522	1,265,363
Less: Related deferred tax liability on :			
Revaluation surplus as at January 01, 2025		(73,305)	(66,251)
Deferred tax asset / (liability) on revaluation surplus / change in tax rate		51,626	(27,800)
Deferred tax liability related to transfer or adjustments		-	17,367
Deferred tax on surplus on disposal during the year		3,461	-
Deferred tax on incremental depreciation transferred to unappropriated profit		3,619	3,379
		(14,599)	(73,305)
		374,923	1,192,058

23 CONTINGENCIES AND COMMITMENTS

Guarantees	23.1	73,189,471	64,704,701
Commitments	23.2	484,404,646	611,889,822
Other contingent liabilities	23.3	6,567,068	6,994,409
		564,161,185	683,588,932

23.1 Guarantees

Financial guarantees	10,034,456	6,049,698
Performance guarantees	16,557,967	14,299,840
Other guarantees	46,597,048	44,355,163
	73,189,471	64,704,701

23.2 Commitments

Documentary credits and short term trade related transactions:			
letters of credit		131,880,085	130,961,089
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	77,936,002	75,584,870
- foreign exchange swaps	23.2.2	262,504,698	212,698,713
- forward government securities transactions	23.2.3	1,119,704	182,141,150
- operating leases	23.2.4	225,366	211,271
Commitments for acquisition of:			
- fixed assets		8,984,545	9,362,516
- intangible assets		1,754,246	930,213
		484,404,646	611,889,822

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
23.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		51,405,793	45,127,772
Sale		26,530,209	30,457,098
		77,936,002	75,584,870

All forward foreign exchange contracts mature within twelve months from the reporting date.

23.2.2 Commitments in respect of foreign exchange swaps			
Purchase		164,254,653	136,045,577
Sale		98,250,045	76,653,136
		262,504,698	212,698,713
23.2.3 Commitments in respect of forward government securities transactions			
Purchase		58,017	182,141,150
Sale		1,061,687	-
		1,119,704	182,141,150
23.2.4 Commitments in respect of operating leases			
Not later than one year		74,926	105,165
Later than one year and not later than five years		144,803	89,799
Later than five years		5,637	16,307
		225,366	211,271
23.3 Other contingent liabilities			
23.3.1 Claims against the Bank not acknowledged as debt	23.3.1.1	6,567,068	6,994,409

23.3.1.1 This represent certain claims by third parties against the Bank, which are being contested in Courts of law. The management is of the view that these relate to the normal course of the business and the possibility of an outflow of economic resource is remote.

23.4 The income tax assessments of the Bank have been finalized upto and including tax year 2024 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2024 income tax authorities made certain add backs with aggregate tax impact of Rs. 39,712 million (2024: 38,524 million). As a result of appeals filed by the Bank before appellate authorities, most of the add backs have been deleted. However, the Bank and Tax Department are in appeals/ references before higher forums against unfavorable decisions. Pending finalization of appeals/references no provision has been made by the Bank on aggregate sum of Rs. 39,712 million (2024: 38,524 million). The management is confident that the outcome of these appeals/references will be in favor of the Bank.

Tax Authorities have conducted proceedings of withholding tax audit under section 161/205 of Income Tax Ordinance, 2001 for tax year 2003 to 2006 and tax year 2008 to 2019 and tax year 2022 created an arbitrary demand of Rs. 2,029 million (2024: 2,029 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Bank; therefore, no provision has been made against the said demand of Rs. 2,029 million (2024: 2,029 million).

Tax authorities have also issued orders under Federal Excise Act, 2005/Sales Tax Act/Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 1,144 million (2024: 1,144 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that aforesaid demand will be deleted by appellate authorities and therefore no provision has been made against the said demand of Rs. 1,144 million (2024: 1,144 million).

23.5 While adjudicating foreign exchange repatriation cases of exporter namely: Fateh Textile Mills Limited, the Foreign Exchange Adjudicating Court (FEAC) of the State Bank of Pakistan (SBP) has arbitrarily adjudicated penalties against various banks including Rs.2,173 million in aggregate against Allied Bank Limited (the Bank). Against the said judgments, the Bank had filed appeals before the Appellate Board and Constitutional Petitions (CP) in the High Court of Sindh, Karachi. The Honorable High Court granted relief to the Bank by way of interim orders. Meanwhile, alongwith other banks, Bank filed a further CP whereby vires of section 23C of the FE Regulations Act, 1947 was sought to be declared ultra vires. On November 8, 2018, the Honorable Court was pleased to Order that the Appellate Board shall not finally decide the appeals. Subsequently, the earlier CP was disposed of vide order dated 15.01.2019 with a direction to the Appellate Board to first decide the stay application of the Bank and till then, the Foreign Exchange Regulation Department has been restrained from taking any coercive action against the Bank. Moreover, on 04.01.2023, the Appellate Board has ordered that ABL's appeals now stand adjourned sine die till the final disposal of ABL's constitutional petitions which are pending before the Sindh High Court. Based on merits of the appeals, the management is confident that these appeals shall be decided in favor of the Bank and therefore no provision has been made against the impugned penalty.

24 DERIVATIVE INSTRUMENTS

The Bank at present does not offer structured derivative products such as Interest Rate Swaps, Forward Rate Agreements or FX Options. However, the Bank buys and sells derivative instruments such as:

- Forward Exchange Contracts
- Foreign Exchange Swaps
- Equity Futures
- Forward Contracts for Government Securities

Forward Exchange Contracts

Forward Exchange Contract (FEC) is a product which is offered to the obligor who transact internationally. These obligor use this product to hedge themselves from unfavorable movements in a foreign currency, however, by agreeing to fix the exchange rate, they do not benefit from favorable movements in that currency.

An FEC is a contract between the Obligor and the Bank in which both agree to exchange an amount of one currency for another currency at an agreed forward exchange rate for settlement over more than two business days after the FEC is entered into (the day on which settlement occurs is called the value date). FEC is entered with those Obligors whose credit worthiness has already been assessed, and they have underlined trade transactions.

If the relevant exchange rate moves un-favorably, Obligor will benefit from that movement because the Bank must exchange currencies at the FEC rate. In order to mitigate this risk of adverse exchange rate movement, the Bank hedges its exposure by taking opposite forward position in inter-bank FX.

Foreign Exchange Swaps

A Foreign Exchange Swap (FX Swap) is used by the Bank if it has a need to exchange one currency for another currency on one day and then re-exchange those currencies at a later date. Exchange rates and forward margins are determined in the "inter-bank" market and fluctuate according to supply and demand.

An FX Swap prevents the Bank from gaining any benefit resulting from a favorable exchange rate movement in the relevant currency pair between the time Bank enters into the transaction deal and when settlement occurs. Cancellation of the swap may also result in exposure to market movements. The key advantage of an FX swap is that it provides the Bank with protection against unfavorable currency movements between the time it enters into the transaction and settlement. The term and amounts for FX Swap can also be tailored to suit the Bank's particular needs.

Equity Futures

An equity futures contract is a standardized contract, traded on a futures counter of the stock exchange, to buy or sell a certain underlying script at a certain date in the future, at a specified price.

The Bank may use equity futures as a hedging instrument to hedge its equity portfolio, in both 'held-for-trading' and 'available-for-sale', against equity price risk. Only selected shares are allowed to be traded on futures exchange. Equity futures give flexibility to the Bank either to take delivery on the future settlement date or to settle it by adjusting the notional value of the contract based on the current market rates. Maximum exposure limit to the equity futures is 10% of Tier I Capital of the Bank, based on prevailing SBP regulations.

The accounting policies used to recognize and disclose derivatives are given in Note 4.16.2. The risk management framework of derivative instruments is given in note 44.

		Note	December 31, 2025	December 31, 2024
			Rupees in '000	
25	MARK–UP / RETURN / INTEREST EARNED			
	On:			
	Loans and advances		82,434,598	137,937,472
	Investments		210,480,080	233,917,187
	Lendings to financial institutions		3,466,356	3,889,625
	Balances with banks		846,761	1,015,986
			297,227,795	376,760,270
25.1	Interest income recognised on:			
	Financial assets measured at amortised cost		17,973,995	16,984,942
	Financial assets measured at FVOCI		191,804,329	215,313,211
	Financial assets measured at FVTPL		1,514,447	2,430,388
	Financial assets measured at cost		85,935,024	142,031,729
			297,227,795	376,760,270
26	MARK–UP / RETURN / INTEREST EXPENSED			
	On:			
	Deposits		127,126,746	192,995,854
	Borrowings		59,576,233	61,411,203
	Cost of foreign currency swaps against foreign currency deposits		4,094,672	5,780,829
	Interest expense on lease liability		1,430,084	1,349,257
			192,227,735	261,537,143
27	FEE AND COMMISSION INCOME			
	On:			
	Branch banking customer fees		2,756,783	2,542,095
	Consumer finance related fees		31,155	24,156
	Card related fees (debit and credit cards)		10,216,815	7,480,665
	Credit related fees		27,185	24,354
	Investment banking fees		888,821	597,744
	Commission on trade		571,484	706,640
	Commission on guarantees		179,823	176,508
	Commission on cash management		368,013	373,782
	Commission on remittances including home remittances		1,466,878	2,141,375
	Commission on bancassurance		8,709	14,144
			16,515,666	14,081,463

		Note	December 31, 2025	December 31, 2024
			Rupees in '000	
28	GAIN ON SECURITIES			
	Realised - net	28.1	2,877,135	2,448,270
	Unrealised - measured at FVTPL		60,262	14,944
	Unrealised - forward government securities		(17,831)	981,145
			2,919,566	3,444,359
28.1	Realised gain / (loss) on:			
	Federal government securities		2,877,135	2,448,270
	Shares		-	-
	Non Government debt securities		-	-
			2,877,135	2,448,270
28.1.1	Composition of gain / (loss) on securities - realized			
	Net gain on securities measured at FVTPL		267,459	201,888
	Net gain on securities measured at FVOCI		2,609,676	2,246,382
			2,877,135	2,448,270
29	OTHER INCOME			
	Recovery of written off mark-up and charges		29,855	68
	Gain on sale of property and equipment - net		697,677	452,372
	Gain on derecognition of right-of-use assets		152,468	180,297
	Other assets disposal		92,818	51,983
	Rent on property		64,487	41,181
	Fee for attending Board meetings		1,271	1,172
	Income from data center hosting service		17,716	17,716
	Gain on disposal of Islamic financing and related assets		16,324	13,078
			1,072,616	757,867

		Note	December 31, 2025	December 31, 2024
			Rupees in '000	
30	OPERATING EXPENSES			
	Total compensation expense	30.1	23,870,315	20,136,042
	Property expense:			
	Rent & taxes		572,769	435,599
	Insurance		140,437	144,854
	Utilities cost		2,724,378	3,105,050
	Security (including guards)		2,085,410	1,941,530
	Repair & maintenance (including janitorial charges)		2,193,233	1,910,147
	Depreciation		7,354,223	6,402,810
			15,070,450	13,939,990
	Information technology expenses:			
	Software maintenance		2,957,607	2,278,841
	Hardware maintenance		682,579	480,419
	Depreciation		1,997,667	1,651,527
	Amortisation		694,224	622,393
	Network charges		1,040,826	942,216
	Others		4,844	9,531
			7,377,747	5,984,927
	Other operating expenses:			
	Directors' fees and allowances		94,686	83,202
	Fees and allowances to Shariah Board		10,159	12,224
	Legal & professional charges		322,270	310,623
	Outsourced service cost	30.1.2	1,876,585	1,714,874
	Travelling & conveyance		490,326	478,317
	NIFT clearing charges		268,165	219,657
	Depreciation		465,650	422,243
	Training and development		274,147	254,837
	Postage & courier charges		288,210	221,097
	Communication		1,803,919	1,703,606
	Stationery & printing		800,902	805,858
	Marketing, advertisement & publicity		4,106,018	3,316,500
	Auditors Remuneration	30.2	40,071	31,249
	Donations	30.3	144,144	105,251
	Brokerage expenses		152,938	135,040
	Card related expenses		3,625,214	2,635,978
	CNIC verification		322,038	246,608
	Entertainment		469,126	496,195
	Clearing and settlement		182,476	278,942
	Insurance		2,367,213	2,072,772
	Cash In Transit Service Charge		495,076	471,071
	Others		232,486	175,806
			18,831,819	16,191,950
			65,150,331	56,252,909

		December 31, 2025	December 31, 2024
		Rupees in '000	
30.1	**Total compensation expense**		
	Salaries	14,381,858	12,913,220
	Fees and allowances etc.	3,770,499	2,755,403
	Bonus and awards		
	Variable	1,762,905	831,437
	Fixed	910,746	832,755
	Charge / (Reversal) for defined benefit plan	18,013	(8,632)
	Contribution to defined contribution plan	788,407	687,013
	Staff loans - Special fair value grant	624,069	583,348
	Conveyance expense	969,976	934,134
	Medical expense	325,393	289,688
	Insurance	135,153	84,928
	Education subsidy	34,156	28,002
	Hajj Expenses	42,572	45,206
	Staff uniform	10,563	10,566
	Executive club membership	43,860	20,361
	Verification charges educational documents	2,862	11,758
	Recruitment charges	12,445	2,616
	Social Security Contribution - China	3,402	3,646
	Sub-Total	23,836,879	20,025,449
	Voluntary retirement scheme	33,436	110,593
	Grand Total	23,870,315	20,136,042

30.1.1 The Bank announced the Voluntary Retirement Scheme (VRS) for its employees. Twelve (12) employees (2024: 16) of the Bank opted for retirement under this scheme.

30.1.2 Total cost for the year included in Other Operating Expenses relating to outsourced activities is Rs. 2,209.382 million (2024: Rs.2,002.191 million). This includes payments other than outsourced services costs, which are disclosed above. Total cost of outsourced activities for the year given to related parties is nil.

30.1.3 The material outsourcing arrangements along with the nature of services provided by them are as follows:

Name of Party	Nature of Service	December 31, 2025	December 31, 2024
		Rupees in '000	
First Data Global Service / FISERV	Management and Hosting of Credit Cards	53,356	69,079
M/s. Moon House KeeperJ8:P16	House Keeping	850,538	850,538
M/s. Qaisar & Brothers	House Keeping	79,061	79,061
M/s. Khan & Sons	House Keeping	52,013	52,013
M/s. Hamza Enterprises	House Keeping	157,254	157,254
M/s. Broom Services	House Keeping	420,379	420,379
M/s.Khokhar Brothers	House Keeping	107,928	107,928
M/s.Buttar Commercial Enterprises	House Keeping	88,742	88,742
M/s.Indus Excel Services Pvt Ltd	House Keeping	130,106	130,106
M/s.Shah Traders	House Keeping	42,880	42,880
M/s.Ikram Enterprises	House Keeping	35,222	35,222
		2,017,479	2,033,202

		December 31, 2025	December 31, 2024
		Rupees in '000	
30.2	**Auditors' remuneration**		
	Audit fee	16,900	12,350
	Fee for other statutory certifications	7,340	5,520
	Annual audit overseas business unit*	3,859	3,820
	Half year review	6,500	4,860
	Special certifications and miscellaneous services	466	294
	Sales tax	2,055	1,776
	Out-of-pocket expenses	2,951	2,629
		40,071	31,249

*This includes audit fee amounting to Bahraini Dinar 5,000 (2024: 5,000) & Chinese Yuan 3,000 (2024: 3,000) relating to Wholesale Bahrain Branch & China Representative Office respectively.

30.3 None of the directors, executives and their spouses had any interest in the donees, except Mr. Mohammad Naeem Mukhtar (Chairman and Non-Executive Sponsor Director) is director in National Management Foundation (LUMS).

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
Saleem Memorial Trust Hospital		2,000	10,000
Anjuman Himayat-i-Islam	30.3.1	772	442
Tamir Welfare Organization		3,500	3,500
Food Security Fund 18 Wing		-	500
Aziz Jehan Begum Trust For The Blind		2,500	2,500
Saylani Welfare International Trust	30.3.1	-	476
The Citizens Foundation		6,000	3,960
National Management Foundation (LUMS)		30,000	30,000
Jamia Ashrafia Lahore	30.3.1	1,870	1,948
Liver Foundation Trust		-	5,000
Abdul Sattar Edhi Foundation		9,400	3,272
Fatimid Foundation		1,000	1,000
Fortify Education Foundation		500	500
Million Smiles Foundation (MSF)		5,700	6,336
SOS Children's Village		600	-
Al Shifa Trust		-	500
Shaukat Khanum Memorial Trust		15,000	10,000
Almarah Foundation		-	162
Fountain House MHA		-	2,500
Umpire Aleem Dar Foundation Society		-	2,000
Sundas Foundation		-	2,000
Namal Education Foundation		-	5,000
Idar Al Khair Welfare Society		-	1,000
The I-Care Foundation		-	1,000
Sarhad Rural Support Programme (SRSP)		-	1,000
The Noorani Foundation Trust		10,000	10,655
Dawood Global Foundaion		5,000	-
Pakistan Kidney Centre		600	-
Progressive Education Network (PEN)		2,500	-
Behbud Association of Pakistan		5,000	-
Pakistan Down Syndrome Association (PDSA)		1,000	-
Al Furqan Welfare Organization		5,000	-
Aitchison College Endowment Fund Lahore		10,000	-
Zaman Foundation		1,900	-
Ahsaas Trust		1,000	-
Network of Organization Working with Persons with Disabilities NOWPDP		2,500	-
Bright Rays Foundation		624	-
Banu Begum Foundation		574	-
Food Supplies to Flood Affected Areas in District Sialkot/KPK		9,604	-
Pakistan Poverty Alleviation Fund		4,000	-
Alkhidmat Foundation Pakistan		3,000	-
Association For Gender Awareness & Human Empowerment		3,000	-
		144,144	105,251

30.3.1 This represents charitable contributions on account of sadqa & feeding to under privileged.

		December 31, 2025	December 31, 2024
		Rupees in '000	
31 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		102,341	93,136
Education cess		228,394	201,668
Depreciation - non-banking assets		22,194	23,921
Other assets written off		9	135
Others		1,003	254
		353,941	319,114
32 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
Credit loss allowance against lendings to financial institutions		(24)	22
Credit loss allowance against cash and bank balances		(3,165,293)	(328,439)
Credit loss allowance against nostro accounts		(1,219)	5,236
Credit loss allowance for diminution in the value of investments	8.4	(1,647,263)	(2,800,735)
Credit loss allowance against loans and advances	9.4	(2,595,431)	257,454
Credit loss allowance against other assets	13.4.1	(123,788)	122,161
Credit loss allowance against off balance sheet obligations	20.2	(87,006)	41,705
Bad debts written off directly		-	-
		(7,620,024)	(2,702,596)
Recovery of written off bad debts		(21,395)	(7,543)
		(7,641,419)	(2,710,139)
33 TAXATION			
Current – for the year including super tax		36,383,172	47,894,422
– for prior year		1,345,614	(2,443,812)
		37,728,786	45,450,610
Deferred – current		1,305,421	(638,352)
		39,034,207	44,812,258
33.1 Relationship between tax expense and accounting profit			
Accounting profit for the year		74,209,486	87,928,162
Tax on income @ 43% (2024: 44%)		31,910,079	38,688,391
Super Tax @ 10%		6,864,749	8,869,337
Impact of tax rate change		(742,095)	169,500
Prior year		1,345,614	(2,443,812)
Others		(344,140)	(471,158)
Tax charge for the year		39,034,207	44,812,258

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
34 EARNINGS PER SHARE – BASIC AND DILUTED			
Profit after taxation		35,175,279	43,115,904
		Number of Shares	
Weighted average number of ordinary shares outstanding during the year		1,145,073,830	1,145,073,830
		Rupees	
Earnings per share – basic and diluted		30.72	37.65

There is no dilution effect on basic earnings per share.

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
35 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	35.1	171,783,450	149,935,080
Balances with other banks		13,084,430	9,970,319
Overdrawn nostro accounts		(4,818)	(426,318)
		184,863,062	159,479,081

35.1 This includes balances with SBP amounting to Rs.10,285.41 million (2024: Rs. 7,653.525 million) related to statutory cash reserve to comply with SBP requirements.

35.2 Reconciliation of movement of liabilities and equity to cash flows arising from financing activities

	December 31, 2025				December 31, 2024			
	Liabilities	Equity			Liabilities	Equity		
	Lease Liabilities	Dividend payable	Unappropriated Profit	Total	Lease Liabilities	Dividend payable	Unappropriated Profit	Total
	Rupees in '000							
Balance as at January 01	10,360,968	534,333	123,361,466	134,256,767	10,632,854	468,392	104,802,457	115,903,703
Changes from Financing cash flows								
Payment of lease liability against								
right-of-use-assets	(3,044,380)	-	-	(3,044,380)	(2,808,266)	-	-	(2,808,266)
Dividend Paid	-	(18,266,327)	-	(18,266,327)	-	(18,255,239)	-	(18,255,239)
Total changes from financing cash flows	(3,044,380)	(18,266,327)	-	(21,310,707)	(2,808,266)	(18,255,239)	-	(21,063,505)
Liability related								
Changes in Other liabilities								
- Dividend announced	-	18,321,180	(18,321,180)	-	-	18,321,180	(18,321,180)	-
- Lease liability recognised	4,236,862	-	-	4,236,862	2,536,380	-	-	2,536,380
Total liability related other changes	4,236,862	18,321,180	(18,321,180)	4,236,862	2,536,380	18,321,180	(18,321,180)	2,536,380
Total equity related other changes	-	-	35,573,677	35,573,677	-	-	36,880,189	36,880,189
Balance as at December 31	11,553,450	589,186	140,613,963	152,756,599	10,360,968	534,333	123,361,466	134,256,767

35.3 Markup receipts and markup payments during the year amounted to Rs. 293,014.315 million and Rs. 193,238.293 million respectively. (2024: Rs. 384,419.056 million and Rs. 259,008.212 million respectively).

		Numbers	
36 STAFF STRENGTH			
Permanent		11,988	12,058
Temporary / on contractual basis / trainee		1,078	1,217
Bank's own staff strength at the end of the year		13,066	13,275
Average number of employees		13,171	12,902

37 DEFINED BENEFIT PLANS

37.1 General description

The Bank operates a funded gratuity scheme for all employees who opted for the staff retirement benefit scheme introduced by the management with effect from July 1, 2002. For those employees who did not opt for the new scheme, the Bank continues to operate a funded pension scheme.

The Bank also provides post retirement medical benefits (unfunded scheme) to eligible retired employees.

37.2 Number of employees and beneficiaries under the schemes

The number of employees covered under the following defined benefit scheme or plans are:

	December 31, 2025	December 31, 2024
	Numbers	
– Pension fund	57	92
– Gratuity fund	12,075	12,145
– Post retirement medical benefits	13,066	13,275
– Employees' compensated absences	13,066	13,275
In addition, the number of beneficiaries covered under the following defined benefit scheme / plans are:		
– Pension fund	1,816	1,971
– Post retirement medical benefits	1,610	1,610

37.3 Principal actuarial assumptions

The actuarial valuations were carried out for December 31, 2025 based on the Projected Unit Credit Method, using the following significant assumptions:

	Sources of estimation	December 31, 2025	December 31, 2024
Withdrawal rate			
Pension fund		Age Based	Age Based
Gratuity fund		Moderate	Moderate
Post retirement medical benefits		Age Based	Age Based
Employees' compensated absences		Age Based	Age Based
Mortality rate		Adjusted SLIC 2001–2005	Adjusted SLIC 2001–2005
	Yield on investments in Government Bonds		
Discount rate		11.00%	12.25%
Expected rate of return on plan assets			
Pension fund	Yield on investments in Government Bonds	11.00%	12.25%
Gratuity fund	Yield on investments in Government Bonds	11.00%	12.25%
Expected rate of salary increase	Rate of salary increase	9.00%	10.25%

The expected return on plan assets is based on the market expectations and depends on the asset portfolio of the Bank, at the beginning of the period, for returns over the entire life of the related obligation.

37.4 Reconciliation of (receivable from) / payable to defined benefit plans.

	Note	December 31,2025				December 31,2024			
		Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
		Rupees in '000				Rupees in '000			
Present value of defined benefit obligations	37.6	1,127,560	5,922,612	1,615,684	1,333,408	1,049,460	5,213,085	1,575,050	1,248,767
Fair value of plan's and scheme's assets	37.7	(10,343,401)	(5,521,539)	-	-	(8,821,900)	(4,960,423)	-	-
Net (asset) / liability		(9,215,841)	401,073	1,615,684	1,333,408	(7,772,440)	252,662	1,575,050	1,248,767
Net (asset) / liability		(9,215,841)	401,073	1,615,684	1,333,408	(7,772,440)	252,662	1,575,050	1,248,767

37.5 Movement in (receivable from) / payable to defined benefit plans.

	Note	December 31,2025				December 31,2024			
		Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
		Rupees in '000				Rupees in '000			
Opening balance		(7,772,440)	252,662	1,575,050	1,248,767	(6,185,041)	806,365	1,473,496	1,200,318
(Reversal) / charge for the year	37.9	(945,677)	505,799	270,114	198,928	(877,579)	555,014	239,477	158,703
Other comprehensive (income) / losses	37.10	(497,724)	114,403	(78,943)	-	(709,820)	(568,376)	20,425	-
Contribution to the fund and benefits paid		-	(471,791)	(150,537)	(114,287)	-	(540,341)	(158,348)	(110,254)
Closing balance		(9,215,841)	401,073	1,615,684	1,333,408	(7,772,440)	252,662	1,575,050	1,248,767

37.6 Movement in defined benefit obligations

	December 31, 2025			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Opening balance	1,049,460	5,213,085	1,575,050	1,248,767
Current service cost	-	500,349	36,602	73,985
Interest cost	118,806	597,029	232,466	184,702
Benefits paid	(159,228)	(678,764)	(150,537)	(174,308)
VRS settlement loss / (gain)	6,447	3,396	1,046	262
Re-measurement loss / (gain)	112,075	287,517	(78,943)	-
Closing balance	1,127,560	5,922,612	1,615,684	1,333,408

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Opening balance	879,630	4,868,996	1,473,496	1,200,318
Current service cost	-	470,104	22,411	71,369
Interest cost	116,085	703,070	216,120	177,505
Benefits paid	(261,383)	(666,120)	(158,348)	(110,254)
VRS settlement loss / (gain)	81,103	1,800	946	399
Re-measurement loss / (gain)	234,025	(164,765)	20,425	(90,570)
Closing balance	1,049,460	5,213,085	1,575,050	1,248,767

37.6.1 During the year, the active pensioners and in-service pensionable employees were given a voluntary option to settle their monthly pension with a lump sum payment. Those who will not opt for the lump sum option, will continue to receive monthly pension (defined benefit scheme).

37.7 Movement in fair value of plan assets

	December 31, 2025			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Opening balance	8,821,900	4,960,423	-	-
Expected return on plan assets	1,070,930	594,975	-	-
Bank's contribution	-	471,791	-	-
Benefits paid	(159,229)	(678,764)	-	-
Re-measurement loss	609,799	173,114	-	-
Closing balance	10,343,400	5,521,539	-	-

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Opening balance	7,064,671	4,062,631	-	-
Expected return on plan assets	1,074,767	619,960	-	-
Bank's contribution	-	540,341	-	-
Benefits paid	(261,384)	(666,120)	-	-
Re-measurement loss	943,846	403,611	-	-
Closing balance	8,821,900	4,960,423	-	-

37.8 Composition of plan assets

	December 31, 2025			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Equity securities	3,345,487	-	-	-
Government securities	6,092,188	5,440,212	-	-
Cash and cash equivalents	905,726	81,327	-	-
CDC Advance Deposit	-	-	-	-
	10,343,401	5,521,539	-	-

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Equity securities	2,702,889	-	-	-
Government securities	5,558,258	4,821,570	-	-
Cash and cash equivalents	560,630	138,853	-	-
CDC Advance Deposits	123	-	-	
	8,821,900	4,960,423	-	-

37.8.1 Fair value of Bank's financial instruments included in plan assets

	December 31, 2025			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Shares of ABL	3,345,487	-	-	-
Term deposit receipts	-	-	-	-
Government securities	6,092,188	5,440,212	-	-
Bank balances with ABL	905,726	81,327	-	-
	10,343,401	5,521,539	-	-

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Government securities	5,558,258	4,821,570		
Bank balances with ABL	560,630	138,853	-	-
	6,118,888	4,960,423	-	-

37.8.2 Investment in term deposit receipts are subject to credit risk and interest rate risks, while equity securities are subject to price risk. These risks are regularly monitored by Trustees of the employee funds.

37.9 Charge for defined benefit plan

	December 31, 2025			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Current service cost	-	500,349	36,602	73,986
Interest cost	-	-	-	-
Net interest	(952,124)	2,054	232,466	184,702
VRS loss	6,447	3,396	1,046	262
Re-measurement loss recognised	-	-	-	(60,021)
	(945,677)	505,799	270,114	198,929

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Current service cost	-	470,104	22,411	71,370
Interest cost	-	-	-	-
Net interest	(958,682)	83,110	216,120	177,505
VRS loss	81,103	1,800	946	399
Re-measurement loss recognised	-	-	-	(90,570)
	(877,579)	555,014	239,477	158,704

37.10 Re–measurements recognized in other comprehensive income

	December 31, 2025			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Re-measurement (loss) / gain on obligations				
- Demographic assumptions	-	(250,127)	-	-
- Financial assumptions	(81,092)	35,176	-	-
- Experience adjustments	(30,983)	(72,565)	78,943	-
Re-measurement loss on assets	609,799	173,113	-	-
Re-measurement (loss) or gain in OCI	497,724	(114,403)	78,943	-

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Re-measurement (loss) / gain on obligations				
- Demographic assumptions	-	-	-	-
- Financial assumptions	(31,391)	(1,054,373)	-	-
- Experience adjustments	(202,634)	1,219,138	(20,425)	
Re-measurement loss on assets	943,846	403,611	-	-
Re-measurement (loss) or gain in OCI	709,821	568,376	(20,425)	-

	December 31, 2025	December 31, 2024
	Rupees in '000	
37.11 Actual return on plan assets		
- Pension fund	1,680,729	2,018,613
- Gratuity fund	768,089	1,023,571

37.12 Five year data of defined benefit plan and experience adjustments

	Pension fund				
	2025	2024	2023	2022	2021
	Rupees in '000				
Present value of defined benefit obligation	1,127,560	1,049,460	879,630	1,067,361	1,389,295
Fair value of plan assets	(10,343,401)	(8,821,900)	(7,064,671)	(6,010,391)	(5,769,269)
	(9,215,841)	(7,772,440)	(6,185,041)	(4,943,030)	(4,379,974)
Experience adjustments on plan obligations and assets					
Re-measurement (loss) / gain on obligation	(112,075)	(234,025)	39,889	24,380	259,608
Re-measurement (loss) / gain on assets	(609,799)	(943,846)	662,605	95,859	(35,118)

	Gratuity fund				
	2025	2024	2023	2022	2021
	Rupees in '000				
Present value of defined benefit obligation	5,922,612	5,213,085	4,868,996	4,421,505	4,083,960
Fair value of plan assets	(5,521,539)	(4,960,423)	(4,062,631)	(3,617,311)	(3,367,829)
	401,073	252,662	806,365	804,194	716,131
Experience adjustments on plan obligations and assets					
Re-measurement gain and (loss) on obligation	(287,517)	164,765	40,731	85,320	(76,096)
Re-measurement (loss) and gain on assets	(173,114)	(403,611)	(19,779)	(159,818)	(21,713)

	Post retirement medical				
	2025	2024	2023	2022	2021
	Rupees in '000				
Present value of defined benefit obligation	1,615,684	1,575,050	1,473,496	1,508,820	1,515,000
Fair value of plan assets	-	-	-	-	-
	1,615,684	1,575,050	1,473,496	1,508,820	1,515,000
Experience adjustments on plan obligations					
Re-measurement (loss) and gain on obligation	78,943	(20,425)	148,845	99,452	52,599

	Employees' compensated absences				
	2025	2024	2023	2022	2021
	Rupees in '000				
Present value of defined benefit obligation	1,333,408	1,248,767	1,200,318	1,124,542	923,138
Fair value of plan assets	-	-	-	-	-
	1,333,408	1,248,767	1,200,318	1,124,542	923,138
Experience adjustments on plan obligations					
Re-measurement (loss) and gain on obligation	60,021	90,570	53,056	(118,350)	(131,808)

37.13 Expected contributions to be paid to the funds in the next financial year

The Bank contributes to the gratuity fund as per actuarial expected charge for the next financial year. No contributions are being made to pension due to surplus of fair value of plan's assets over present value of defined obligation. Based on actuarial advice, the management estimates that the charge or (reversal) in respect of defined benefit plans for the year ending December 31, 2026 would be as follows:

	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Expected (reversal) and charge for the next year	(1,013,798)	542,075	207,663	216,180

37.14 Sensitivity Analysis

Description	+1% Discount Rate	-1% Discount Rate	+1% Salary Increase Rate	-1% Salary Increase Rate	+10% Withdrawal Rate	-10% Withdrawal Rate	1Year Mortality age set back	1Year Mortality age set forward
	Rupees in '000							
Pension fund	1,061,787	1,201,423	-	-	-	-	-	-
Gratuity fund	5,606,114	6,277,857	6,308,971	5,573,148	5,948,153	5,895,099	5,920,787	5,924,428
Post retirement medical	1,513,904	1,731,164	1,639,410	1,590,028	1,611,548	1,619,930	1,612,855	1,618,487
Leave compensated absences	1,255,963	1,420,952	1,421,799	1,253,941	1,325,876	1,341,135	1,331,259	1,335,548

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit obligation recognized within the statement of financial position.

37.15 Maturity Profile

	December 31, 2025			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
The weighted average duration of the obligation (in years)	6.19	5.67	Under 10 Years	Under 10 Years

37.16 Funding Policy

The Bank endeavors to ensure that liabilities under the various employee benefit schemes are covered by the Fund on any valuation date having regards to the various actuarial assumptions such as projected future salary increase, expected future contributions to the fund, projected increase in liability associated with future service and the projected investment income of the Fund.

37.17 Risk associated with defined benefit plans

The defined benefit plans may expose the bank to actuarial risks such as longevity risk, investment risk, salary increase risk and withdrawal rate risk as described below;

Longevity risks:
The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Investment risks:
The risk arises when the actual performance level of investment levels is lower than expectation and thus creating a shortfall in the funding objectives.

Salary increase risk:
The most common type of retirement benefit is one where the final benefit is linked with final salary. The risk arises when the actual increases are higher than expectations and impact the liability accordingly.

Withdrawal Rate:
The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

38 DEFINED CONTRIBUTION PLAN

The Bank operates an approved contributory provident fund for 10,963 (2024: 10,760) employees where contributions are made by the Bank at 8.33% per annum (2024: 8.33% per annum), whereas employees have the option to contribute at 8.33%, 12% or 15% per annum (2024: 8.33%, 12% or 15% per annum) of the basic salary every month.

39 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

39.1 Total compensation expense

	December 31, 2025						
	Directors						
	Chairman	Executive (other than CEO)*	Non-Executives	Members Shariah Board	President / CEO*	Key Management Personnel	Other Material Risk Takers / Controllers
	Rupees in '000						
Fees and allowances etc.	7,200	-	80,600	-	-	-	-
Managerial remuneration							
- Fixed (including Eid bonus)	-	-	-	3,622	90,000	213,475	249,650
- Total variable	-	-	-	650	60,000	203,100	106,429
of which							
a. Cash bonus and awards	-	-	-	650	60,000	203,100	106,429
b. Bonus and awards in shares	-	-	-	-	-	-	-
Charge for defined benefit plans	-	-	-	-	-	-	-
Contribution to defined contribution plan	-	-	-	274	7,497	15,642	20,357
Rent and house maintenance	-	-	-	1,969	54,000	128,086	144,759
Utilities	-	-	-	656	18,000	42,695	48,252
Medical	-	-	-	656	18,000	43,489	51,541
Conveyance	-	-	-	1,022	5,400	91,800	84,970
Special Out of Range Allowance (SORA)	-	-	-	-	-	-	2,550
Others	-	-	-	1,310	25,095	89,248	150,483
Total	7,200	-	80,600	10,159	277,992	827,535	858,991
Number of persons	1	-	6	3	1	17	66

	December 31, 2024						
	Directors						
	Chairman	Executive (other than CEO)*	Non-Executives	Members Shariah Board	President / CEO*	Key Management Personnel	Other Material Risk Takers / Controllers
	Rupees in '000						
Fees and allowances etc.	7,200	-	73,200	-	-	-	-
Managerial remuneration							
- Fixed (including Eid bonus)	-	-	-	4,237	60,000	167,419	203,397
- Total Variable	-	-	-	600	50,000	167,850	103,867
of which							
a. Cash Bonus / awards	-	-	-	600	50,000	167,850	103,867
b. Bonus and awards in Shares	-	-	-	-	-	-	-
Charge for defined benefit plans	-	-	-	-	-	-	-
Contribution to defined contribution plan	-	-	-	327	4,998	12,731	16,341
Rent and house maintenance	-	-	-	2,556	36,000	100,452	117,708
Utilities	-	-	-	786	12,000	33,484	39,236
Medical	-	-	-	786	12,000	34,406	39,236
Conveyance	-	-	-	1,354	5,400	91,450	77,436
Others	-	-	-	1,578	15,485	65,731	107,154
Total	7,200	-	73,200	12,224	195,883	673,523	704,375
Number of persons	1	-	8	3	1	17	65

* CEO stands for Chief Executive Officer

39.2 Remuneration paid to Directors for participation in Board and Committee Meetings

Sr. No.	Name of Director	December 31, 2025						
		Board Committees						
		Board Meetings	Audit Committee of Board	Human Resource and Remuneration Committee	Board Risk Management Committee	E-Vision	Strategic Planning and Monitoring Committee	Total Amount Paid
		Rupees in '000						
1	Mohammad Naeem Mukhtar	4,000	-	-	-	3,200	-	7,200
2	Sheikh Mukhtar Ahmad	800	-	-	-	-	-	800
3	Muhammad Waseem Mukhtar	4,000	-	3,000	-	1,600	9,400	18,000
4	Zafar Iqbal	4,000	-	3,000	3,200	-	9,400	19,600
5	Nazrat Bashir	4,000	3,800	-	3,200	-	9,400	20,400
6	Mian Ikram Ul Haq	4,000	3,800	3,000	-	-	-	10,800
7	Muhammad Kamran Shehzad	4,000	3,800	-	-	3,200	-	11,000
		24,800	11,400	9,000	6,400	8,000	28,200	87,800

Sr. No.	Name of Director	December 31, 2024						
		Board Committees						
		Board Meetings	Audit Committee of Board	Human Resource Remuneration Committee	Board Risk Management Committee	E-Vision	Strategic Planning and Monitoring Committee	Total Amount Paid
		Rupees in '000						
1	Mohammad Naeem Mukhtar	4,200	-	-	-	3,000	-	7,200
2	Sheikh Mukhtar Ahmad	4,200	-	-	1,800	-	-	6,000
3	Muhammad Waseem Mukhtar	4,200	-	2,400	-	3,000	7,200	16,800
4	Zafar Iqbal	4,200	1,800	1,200	600	1,800	2,400	12,000
5	Nazrat Bashir	4,200	3,000	-	2,400	-	7,200	16,800
6	Mian Ikram Ul Haq	1,200	1,200	600	-	-	-	3,000
7	Muhammad Kamran Shehzad	1,200	1,200	-	-	600	-	3,000
8	Mubashir A. Akhtar (Retired)	2,400	1,800	1,200	-	-	-	5,400
9	Abdul Aziz Khan (Retired)	2,400	-	1,200	1,800	-	4,800	10,200
		28,200	9,000	6,600	6,600	8,400	21,600	80,400

39.3 Remuneration paid to Shariah Board Members

Items	December 31, 2025			December 31, 2024		
	Chairman	Resident Member	Non-Resident Member(s)	Chairman	Resident Member	Non-Resident Member(s)
	Rupees in '000					
Salaries and allowances	5,416	1,220	3,523	6,597	2,895	2,732
Total Number of Persons	1	1	1	1	1	1

39.4 Deferred cash bonus and remuneration for MRTs for the year 2025 is Rs. 32,688,050 (2024: Rs. 25,827,600).

40 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of quoted securities other than those classified as amortized cost, is based on quoted market price. Quoted debt securities classified as amortized cost are carried at cost. Fair value of unquoted equity investments, other than investments in associates and subsidiaries, is determined on the basis of appropriate methodologies.

Fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

In the opinion of the management, the fair value of the remaining financial assets and financial liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

40.1 Fair value of financial assets

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities. Financial instruments included in level 1 comprise of investments in Listed Ordinary Shares.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Financial instruments included in level 2 comprise of Sukuk Bonds, Units of Mutual Funds, Pakistan Investment Bonds, Market Treasury Bills, Term Finance certificates and Forward Government & Exchange Contracts.

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs). Financial instruments included in level 3 comprise of Investments in Unlisted shares.

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

Valuation Techniques used in determination of Fair Valuation of Financial Instruments within Level 2 and Level 3

Item	Valuation approach and input used
Federal Government Securities	The fair values of Treasury Bills and fixed rate Pakistan Investments Bonds are determined using the PKRV rates while floating rate Pakistan Investments Bonds are revalued using PKFRV rates. The fair values of foreign currency denominated GoP Eurobonds are determined on the basis of rates taken from Bloomberg.
Non-Government Debt Securities	The fair value of non-government debt securities is determined using the prices / rates from MUFAP.
Unquoted equity investments	The value of unquoted equity investments are determined on the basis of discounted cashflow method. The significant unobservable input is discount factor ranges from 16.50% - 20.63%.
Foreign exchange contracts	The valuation has been determined by interpolating the mark-to-market currency rates announced by the State Bank of Pakistan.
Open ended mutual funds	Units of Open ended mutual funds are valued using the Net Asset Value (NAV) announced by the Mutual Funds Association of Pakistan (MUFAP).
Property and equipment (land & building) & NBA	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The market approach use prices and other relevant information generated by market transactions involving identical, comparable or similar properties. These values are adjusted to reflect the current condition of the properties.

40.2 Level 3 fair valuation of unlisted equity securities

The valuations are based on latest available financial statements of the investee company. A 1% change in the discount factor actually applied would change the total fair value by Rs. 169 million. Any change to the valuation is reflected in other comprehensive income, since all investments for which this method is used are classified as FVOCI.

On–Balance sheet Financial Instruments	Carrying Value / Notional Value	December 31, 2025 Level 1	Level 2	Level 3	Total
	Rupees in '000				
Financial assets – measured at fair value					
Investments					
Federal Government Securities	1,998,748,612	-	1,998,748,612	-	1,998,748,612
Shares - Listed	29,178,844	29,178,844	-	-	29,178,844
Shares - Unlisted	2,739,302	-	-	2,739,302	2,739,302
Non-Government Debt Securities	6,604,821	-	6,604,821	-	6,604,821
Financial assets - disclosed but not measured at fair value					
Investments	99,815,649	-	-	-	-
Cash and balances with treasury banks	171,781,831	-	-	-	-
Balances with other banks	13,079,040	-	-	-	-
Lendings	-	-	-	-	-
Advances	789,676,548	-	-	-	-
Other assets	81,996,638	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	103,930,633	-	103,930,633	-	103,930,633
Non-banking assets	1,923,825	-	1,923,825	-	1,923,825
Off–balance sheet financial instruments – measured at fair value					
Forward foreign exchange contracts	77,936,002	-	77,936,002	-	77,936,002
Forward foreign exchange swaps	262,504,698	-	262,504,698	-	262,504,698
Forward government securities transactions	1,119,704	-	1,119,704	-	1,119,704

On–Balance sheet Financial Instruments	Carrying Value / Notional Value	December 31, 2024 Level 1	Level 2	Level 3	Total
	Rupees in '000				
Financial assets – measured at fair value					
Investments					
Federal Government Securities	962,801,106	-	962,801,106	-	962,801,106
Shares	23,870,143	23,835,166	34,977	-	23,870,143
Non-Government Debt Securities	13,322,779	-	13,322,779	-	13,322,779
Financial assets - disclosed but not measured at fair value					
Investments	129,879,928	-	-	-	-
Cash and balances with treasury banks	146,768,168	-	-	-	-
Balances with other banks	9,964,224	-	-	-	-
Lendings	243,541,081	-	-	-	-
Advances	1,051,313,893	-	-	-	-
Other assets	78,184,645	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	98,005,541	-	98,005,541	-	98,005,541
Non-banking assets	1,947,598	-	1,947,598	-	1,947,598
Off–balance sheet financial instruments – measured at fair value					
Forward foreign exchange contracts	75,584,870	-	75,584,870	-	75,584,870
Forward foreign exchange swaps	212,698,713	-	212,698,713	-	212,698,713
Forward government securities transactions	182,141,150	-	182,141,150	-	182,141,150

40.3 Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balance for the level 3 fair values:

	Rupees in '000
Balance as at December 31, 2024	344,116
Impact of adoption of IFRS 9	2,143,019
Balance as at January 01, 2025	2,487,135
Sales during the year	(28,320)
Purchase during the year	2,756
Net Changes in Fair Value- included in OCI	277,731
Balance as at December 31, 2025	2,739,302

41 SEGMENT INFORMATION

41.1 Segment Details with respect to Business Activities

	December 31, 2025					
	Corporate and Investment Banking	Commercial and Retail Banking	Trading and Sale (Treasury)	Islamic Banking	Other	Total
	Rupees in '000					
Profit & Loss Account						
Net mark-up, return, profit	74,731,467	(118,294,711)	136,248,161	10,933,082	1,382,061	105,000,060
Inter segment revenue - net	(66,802,735)	201,152,517	(120,403,077)	-	(13,946,705)	-
Non mark-up / return / interest income	5,970,103	11,620,928	7,633,808	1,234,565	2,097,065	28,556,469
Total income	13,898,835	94,478,734	23,478,892	12,167,647	(10,467,579)	133,556,529
Segment direct expenses	1,847,795	25,628,175	417,844	4,083,975	35,010,673	66,988,462
Total expenses	1,847,795	25,628,175	417,844	4,083,975	35,010,673	66,988,462
Credit loss allowance	(1,679,739)	(131,291)	(3,165,335)	196,786	(2,861,840)	(7,641,419)
Profit before tax	13,730,779	68,981,850	26,226,383	7,886,886	(42,616,412)	74,209,486
Statement of Financial Position						
Cash & Bank balances	10,791,595	45,900,258	102,839,174	16,576,590	8,753,254	184,860,871
Investments	49,441,721	-	1,856,251,670	229,372,766	2,021,071	2,137,087,228
Net inter segment lending	(660,124,302)	1,995,148,829	(1,489,870,449)	(19,478,461)	174,324,383	-
Lendings to financial institutions	-	-	21,700,000	-	(21,700,000)	-
Advances - performing	646,804,348	38,737,612	-	98,539,700	6,625,710	790,707,370
Advances - non-performing	674,654	148,937	-	285,300	10,260,024	11,368,915
Provision against advances	(1,952,523)	(469,285)	-	(300,603)	(9,677,326)	(12,399,737)
Advances - net	645,526,479	38,417,264	-	98,524,397	7,208,408	789,676,548
Operating fixed assets	243,160	83,192,742	65,085	10,314,565	57,549,828	151,365,380
Others	(4,230,468)	3,138,028	46,411,486	6,136,813	55,948,853	107,404,712
Total assets	41,648,185	2,165,797,121	537,396,966	341,446,670	284,105,797	3,370,394,739
Borrowings	40,954,236	2,130,890	532,690,561	89,545,341	(21,588,000)	643,733,028
Deposits & other accounts	2,170	2,127,364,542	-	212,557,025	5,935,113	2,345,858,850
Others	691,779	36,301,689	4,706,405	6,542,675	69,184,592	117,427,140
Total liabilities	41,648,185	2,165,797,121	537,396,966	308,645,041	53,531,705	3,107,019,018
Equity and Reserves	-	-	-	32,801,629	230,574,092	263,375,721
Total equity and liabilities	41,648,185	2,165,797,121	537,396,966	341,446,670	284,105,797	3,370,394,739
Contingencies and commitments	164,088,716	22,345,113	341,560,404	18,586,046	17,580,906	564,161,185

	December 31, 2024					
	Corporate and Investment Banking	Commercial and Retail Banking	Trading and Sale (Treasury)	Islamic Banking	Other	Total
	Rupees in '000					
Profit & Loss						
Net mark-up, return, profit	119,655,553	(180,319,079)	164,541,966	11,124,092	220,595	115,223,127
Inter segment revenue - net	(105,553,765)	278,855,473	(153,841,091)	-	(19,460,617)	-
Non mark-up / return / interest income	6,705,023	9,542,864	9,862,566	710,592	1,159,061	27,980,106
Total income	20,806,811	108,079,258	20,563,441	11,834,684	(18,080,961)	143,203,233
Segment direct expenses	1,704,162	25,463,491	357,935	2,482,619	27,977,003	57,985,210
Total expenses	1,704,162	25,463,491	357,935	2,482,619	27,977,003	57,985,210
Credit loss allowance	(1,388,174)	(15,862)	(328,420)	564,660	(1,542,343)	(2,710,139)
Profit before tax	20,490,823	82,631,629	20,533,926	8,787,405	(44,515,621)	87,928,162
Statement of Financial Position						
Cash & bank balances	53,670	45,352,478	98,379,423	10,642,246	2,304,575	156,732,392
Investments	56,408,623	-	966,771,524	105,193,809	1,500,000	1,129,873,956
Net inter segment lending	(978,378,560)	1,774,976,738	(944,636,797)	(7,565,690)	155,604,309	-
Lendings to financial institutions	883,004	-	243,541,105	-	(883,028)	243,541,081
Advances - performing	983,462,886	30,483,881	-	32,101,884	7,304,329	1,053,352,980
Advances - non-performing	706,739	378,129	-	295,246	11,614,856	12,994,970
Credit loss allowance against advances	(3,033,458)	(600,576)	-	(267,440)	(11,132,583)	(15,034,057)
Advances - net	981,136,167	30,261,434	-	32,129,690	7,786,602	1,051,313,893
Property and equipment, right of use and intangible assets	166,367	84,402,623	62,838	3,119,284	50,930,115	138,681,227
Others	12,616,671	1,231,131	23,626,779	4,504,888	54,846,671	96,826,140
Total assets	72,885,942	1,936,224,404	387,744,872	148,024,227	272,089,244	2,816,968,689
Borrowings	64,136,867	2,624,973	386,815,578	9,329,144	(883,004)	462,023,558
Deposits & other accounts	3,209,902	1,901,632,001	-	109,842,436	3,710,728	2,018,395,067
Others	5,539,173	31,967,430	929,294	3,340,340	60,872,626	102,648,863
Total liabilities	72,885,942	1,936,224,404	387,744,872	122,511,920	63,700,350	2,583,067,488
Equity and Reserves	-	-	-	25,512,307	208,388,894	233,901,201
Total Equity and Liabilities	72,885,942	1,936,224,404	387,744,872	148,024,227	272,089,244	2,816,968,689
Contingencies & Commitments	168,695,593	19,108,538	470,424,733	7,811,978	17,548,090	683,588,932

41.2 GEOGRAPHICAL SEGMENT ANALYSIS

	December 31, 2025			
	Domestic Operations	Middle East	China	Total
	Rupees in '000			
Profit and Loss Account				
Net mark-up, return, profit	103,929,318	1,070,742	-	105,000,060
Inter segment revenue - net	-	-	-	-
Non mark-up / return / interest income	28,208,881	347,588	-	28,556,469
Total Income	132,138,199	1,418,330	-	133,556,529
Segment direct expenses	(66,791,490)	(161,279)	(35,693)	(66,988,462)
Total expenses	(66,791,490)	(161,279)	(35,693)	(66,988,462)
Credit loss allowance	8,757,645	(1,116,226)	-	7,641,419
Profit / (loss) before tax	74,104,354	140,825	(35,693)	74,209,486
Statement of Financial Position				
Cash & Bank balances	184,263,403	597,468	-	184,860,871
Investments	2,127,845,932	9,241,296	-	2,137,087,228
Net inter segment lendings	-	-	-	-
Lendings to financial institutions	-	-	-	-
Advances - performing	790,707,370	-	-	790,707,370
Advances - non-performing	11,368,915	-	-	11,368,915
Provision against advances	(12,399,737)	-	-	(12,399,737)
Advances - net	789,676,548	-	-	789,676,548
Operating fixed assets	151,328,363	37,017	-	151,365,380
Others	107,285,273	119,439	-	107,404,712
Total Assets	3,360,399,519	9,995,220	-	3,370,394,739
Borrowings	643,733,028	-	-	643,733,028
Subordinated debt	-	-	-	-
Deposits & other accounts	2,345,856,680	2,170	-	2,345,858,850
Net inter segment borrowing	-	-	-	-
Lease liabilities	11,540,442	13,008	-	11,553,450
Others	105,854,195	19,495	-	105,873,690
Total liabilities	3,106,984,345	34,673	-	3,107,019,018
Equity	253,402,166	9,973,555	-	263,375,721
Total Equity and liabilities	3,360,386,511	10,008,228	-	3,370,394,739
Contingencies and commitments	564,161,185	-	-	564,161,185

	December 31, 2024			
	Domestic Operations	Middle East	China	Total
	Rupees in '000			
Profit and Loss Account				
Net mark-up, return, profit	113,706,783	1,516,344	-	115,223,127
Inter segment revenue - net	102,703	(102,703)	-	-
Non mark-up, return, interest income	27,792,396	187,710	-	27,980,106
Total Income	141,601,882	1,601,351	-	143,203,233
Segment direct expenses	(57,800,247)	(150,669)	(34,294)	(57,985,210)
Total expenses	(57,800,247)	(150,669)	(34,294)	(57,985,210)
Credit loss allowance	2,145,457	564,682	-	2,710,139
Profit or (loss) before tax	85,947,092	2,015,364	(34,294)	87,928,162
Statement of Financial Position				
Cash & Bank balances	156,728,318	4,074	-	156,732,392
Investments	1,116,813,547	13,060,409	-	1,129,873,956
Net inter segment lendings	325,900	-	-	325,900
Lendings to financial institutions	243,215,181	-	-	243,215,181
Advances - performing	1,047,781,980	5,571,000	-	1,053,352,980
Advances - non-performing	12,994,970	-	-	12,994,970
Credit loss allowance against advances	(14,777,727)	(256,330)	-	(15,034,057)
Advances - net	1,045,999,223	5,314,670	-	1,051,313,893
Property and equipment, right of use and intangible assets	138,644,226	37,001	-	138,681,227
Others	96,053,288	772,852	-	96,826,140
Total Assets	2,797,779,683	19,189,006	-	2,816,968,689
Borrowings	455,569,558	6,128,100	-	461,697,658
Subordinated debt	-	-	-	-
Deposits & other accounts	2,015,185,164	3,209,903	-	2,018,395,067
Net inter segment borrowing	-	325,900	-	325,900
Lease Liability	10,360,968	-	-	10,360,968
Others	92,212,322	75,573	-	92,287,895
Total liabilities	2,573,328,012	9,739,476	-	2,583,067,488
Equity	224,451,671	9,449,530	-	233,901,201
Total Equity and liabilities	2,797,779,683	19,189,006	-	2,816,968,689
Contingencies and commitments	683,588,932	-	-	683,588,932

42 RELATED PARTY TRANSACTIONS

The Bank has related party relationships with its parent, subsidiary, companies with common directorship, directors, employee benefit plans and key management personnel including their associates.

Contributions to the accounts in respect of staff retirement benefits are made in accordance with actuarial valuation and terms of the contribution plan. Remuneration of the key management personnel are in accordance with the terms of their employment. Other transactions are at agreed terms.

	December 31, 2025							December 31, 2024						
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Joint venture	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Joint venture	Other related parties
	Rupees in '000													
Balances with other banks														
In current accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
In deposit accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions														
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repaid during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in and (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments														
Opening balance	-	-	-	1,500,000	-	-	25,000	-	-	-	500,000	-	-	25,000
Investment made during the year	-	-	-	500,000	-	-	-	-	-	-	1,000,000	-	-	-
Investment redeemed and disposed off during the year	-	-	-	-		-	-	-	-	-	-	-	-	-
Transfer in and (out) - net	-	-	-	-	-	-	17,168	-	-	-	-	-	-	-
Closing balance	-	-	-	2,000,000	-	-	42,168	-	-	-	1,500,000	-	-	25,000
Credit loss allowance for diminution in value of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances														
Opening balance	-	144,372	337,985	-	22,288	-	76,741	-	116,784	336,098	1,500,000	-	-	1,125
Addition during the year	-	140,130	225,668	-	76,979,301	-	1,178,390	-	177,896	107,214	1,500,000	90,095,479	-	238,752
Repaid during the year	-	(114,632)	(177,850)	-	(74,303,994)	-	(87,775)	-	(150,308)	(105,327)	(3,000,000)	(90,073,191)	-	(163,136)
Transfer in and (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	169,870	385,803	-	2,697,595	-	1,167,356	-	144,372	337,985	-	22,288	-	76,741
Credit loss allowance held against advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	December 31, 2025							December 31, 2024						
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Joint venture	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Joint venture	Othe related parties
	Rupees in '000													
Other Assets														
Interest or mark-up accrued	-	30,649	99,055	-	88,022	-	30,097	-	26,631	104,117	-	9,869	-	-
Receivable from staff retirement fund	-	-	-	-	-	-	8,698,174	-	-	-	-	-	-	7,114,833
Other receivable	-	-	-	243,222	-	-	-	-	-	-	330,388	-	-	-
Credit loss allowance against other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings														
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in and (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt														
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issued or Purchased during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Redemption and Sold during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts														
Opening balance	2,417	73,275	57,179	329,811	2,090	-	34,629,097	12,963	46,894	35,100	33,398	37,125	-	7,839,463
Received during the year	30,728,478	4,664,165	1,782,169	47,222,886	8,584,508	-	978,647,617	18,118,441	2,359,496	1,704,479	33,813,057	13,091,224	-	618,177,846
Withdrawn during the year	(30,728,425)	(4,681,013)	(1,711,450)	(46,555,917)	(8,561,846)	-	(962,855,483)	(18,128,987)	(2,333,115)	(1,682,401)	(33,516,644)	(13,126,259)	-	(591,388,212)
Transfer in and (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	2,470	56,427	127,898	996,780	24,752	-	50,421,231	2,417	73,275	57,178	329,811	2,090	-	34,629,097
Other Liabilities														
Interest or mark-up payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payable to staff retirement fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingencies and Commitments														
Other contingencies	-	-	-	-	29,476	-	-	-	-	-	-	292,162	-	-

42.1 RELATED PARTY TRANSACTIONS

	December 31, 2024									
	Parent	Directors	Key management personnel	Subsidiaries	Associates*	Joint venture	Other related parties	Parent	Directors	Key management personnel
	Rupees in '000									
Income										
Mark-up, return, interest earned	-	10,454	18,558	-	91,003	-	49,432	-	13,167	16,979
Fee and commission income	-	365	144	40,369	431	-	1,885	-	133	277
Dividend income	-	-	-	-	-	-	190,495	-	-	-
Net gain / (loss) on sale of securities	-	-	67	10	-	-	6,401	-	-	250
Rental Income	-	-	-	63,561	-	-	-	-	-	-
Other Income**	-	17	27	18,980	-	-	906	1	11	35
Expense										
Mark-up, return, interest paid	732	4,928	7,454	40,567	422	-	1,215,524	1,291	6,656	5,319
Directors meeting fee	-	87,800	-	-	-	-	-	-	80,400	-
Remuneration	-	270,495	811,892	-	-	-	-	-	195,883	673,523
Charge for defined benefit plans	-	14,167	46,194	-	-	-	-	-	5,442	25,802
Contribution to defined contribution plan	-	7,497	15,643	-	-	-	-	-	4,998	12,731
Other expenses***	-	2,843	6,267	200	32,000	-	-	-	1,987	-
Rent expense****	-	-	-	-	24,727	-	-	-	-	-
Charge in respect of staff retirement benefit funds	-	-	-	-	-	-	63,502	-	-	-
Insurance premium paid	-	424	1,182	-	-	-	-	-	412	2,646
Others Transaction										
Purchase of Government securities	-	-	375,483	49,992	-	-	50,881	-	-	559,861
Sale of Government securities	-	-	260,022	699,759	-	-	4,673,992	-	-	634,626
Purchase of foreign currencies	-	-	1,035	-	-	-	75	-	-	86,824
Sale of foreign currencies	-	60,992	73,427	-	-	-	202,641	-	-	-
Insurance claims settled	-	-	-	-	-	-	-	-	-	-

	December 31, 2024						
	Subsidiaries	Associates*	Joint venture	Other related parties	Parent	Directors	Key management personnel
	Rupees in '000						
Income							
Mark-up, return, interest earned	7,387	219,659	-	5,333	-	13,167	16,979
Fee and commission income	27,497	829	-	1,103	-	133	277
Dividend income	-	-	-	19,077	-	-	-
Net gain / (loss) on sale of securities	(51)	-	-	5,399	-	-	250
Rental Income	39,321	-	-	-	-	-	-
Other Income**	20,062	-	-	15	-	-	35
Expense							
Mark-up, return, interest paid	42,648	270	-	1,394,225	1,291	6,656	5,319
Directors meeting fee	-	-	-	-	-	80,400	-
Remuneration	673,523	-	-	-	-	195,883	673,523
Charge for defined benefit plans	25,802	-	-	-	-	5,442	25,802
Contribution to defined contribution plan	-	-	-	-	-	4,998	12,731
Other expenses***	-	38,749	-	-	-	1,987	-
Rent expense****	-	22,989	-	-	-	-	-
Charge in respect of staff retirement benefit funds	-	-	-	51,090	-	-	-
Insurance premium paid	-	-	-	-	-	412	2,646
Others Transaction							
Purchase of Government securities	-	-	-	2,239,656	-	-	559,861
Sale of Government securities	1,937,577	-	-	66,077	-	-	634,626
Purchase of foreign currencies	1,498,034	-	-	-	-	-	86,824
Sale of foreign currencies	981,477	-	-	-	-	-	-
Insurance claims settled	-	-	-	-	-	-	-

Shares held by the holding company, outstanding at the end of year are included in note 21 to these unconsolidated financial statements.

* Associated companies are as per IAS 24 'Related Party Disclosures'.
**Other income includes income from data hosting services provided to ABL AMC at agreed terms.
***Other expenses mainly include donation of Rs. 30 million to National Management Foundation for construction of hostel building and technology and product development lab.
****Rent expense of ABL Branch with associated companies (Ibrahim Fibres Limited & Ibrahim Agencies Pvt. Limited) was carried out on agreed terms with prior permission of State Bank of Pakistan.

During the year ended December 31, 2025; certain moveable assets which have been fully depreciated were disposed off for Rs. 2,461,875 to the Key Management Personnel of the Bank.

43 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	December 31, 2025	December 31, 2024
	Rupees in '000	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	11,450,739	11,450,739
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	181,310,240	165,125,973
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	181,310,240	165,125,973
Eligible Tier 2 Capital	63,378,254	56,168,881
Total Eligible Capital (Tier 1 + Tier 2)	244,688,494	221,294,854
Risk Weighted Assets (RWAs):		
Credit Risk	501,237,354	536,062,246
Market Risk	125,948,126	65,492,988
Operational Risk	254,982,558	226,944,614
Total	882,168,038	828,499,848
Common Equity Tier 1 Capital Adequacy ratio	20.55%	19.93%
Tier 1 Capital Adequacy Ratio	20.55%	19.93%
Total Capital Adequacy Ratio	27.74%	26.71%

The SBP through its BSD Circular No. 07 dated April 15, 2009 prescribed the minimum paid up capital (net of losses) for all locally incorporated banks of Rs. 10 billion. The paid up capital of the Bank stood at Rs. 11.451 billion as at 31 December, 2025 and is in compliance with the SBP requirements.

Further, SBP vide its BPRD Circular # 6 of 2013 dated August 15, 2013 required the Banks to maintain the minimum Capital Adequacy Ratio (CAR) of 12.5% inclusive of Capital Conservation Buffer (CCB) of 2.5% on standalone as well as on consolidated basis. To support the banking sector in extending financing or credit facilities to their customers during COVID-19, SBP vide BPRD Circular # 12 of 2020 relaxed the CAR requirement to 11.5% by reducing the Capital Conservation Buffer (CCB) from 2.5% to 1.5% till further instructions.

Bank's CAR as at December 31, 2025 stood at 27.74% of its total risk weighted assets and complied with all externally imposed capital requirements. Standardized Approach is used for calculating the Credit and Market risk, whereas, Basic Indicator Approach is used for Operational Risk in the Capital Adequacy calculation.

	December 31, 2025	December 31, 2024
	Rupees in '000	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	181,310,240	165,125,973
Total Exposures	3,481,767,460	2,921,466,553
Leverage Ratio	5.21%	5.65%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	1,181,290,121	861,351,877
Total Net Cash Outflow	530,501,164	432,705,987
Liquidity Coverage Ratio	222.67%	199.06%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	2,037,551,994	1,745,069,468
Total Required Stable Funding	1,288,644,924	1,121,401,014
Net Stable Funding Ratio	158.12%	155.62%

43.1 The link to the full disclosure is available at https://www.abl.com/investor-relations/

44 RISK MANAGEMENT

The principal risks associated with the Bank's business are Credit Risk, Market Risk, Liquidity Risk, Reputational Risk, Operational Risk, Information Security & Governance Risk and Shariah Non-Compliance Risk. The Risk Management Framework (henceforth to be referred to as 'The Framework') provides principles for identifying, assessing, and monitoring risk within the Bank. The Framework specifies the key elements of the risk management process in order to maximize opportunities, minimize adversities and to achieve improved outputs based on informed decision making.

The Bank performs risk measurement, monitoring and control functions through use of various risk procedures and models. To give it a formal structure, all the policies and guidelines are approved by the Board and relevant management committees.

Categories of Risk

Credit Risk — This risk is defined as the possibility of loss due to unexpected default or a deterioration of credit worthiness of a business partner.

Credit Risk includes Country Risk i.e., the risks that counterparty is unable to meet its foreign currency obligations as a result of adverse economic conditions or actions taken by governments in the relevant country.

Market Risk — The risk that the value of on and off-balance sheet positions of the Bank will be adversely affected by movements in market rates or prices such as interest rates / rate of returns, foreign exchange rates, equity prices, credit spreads and / or commodity prices, resulting in a loss to earnings and capital.

Liquidity Risk — The risk that the Bank is unable to meet its payment obligations when they fall due and to replace funds when they are withdrawn without incurring unacceptable cost or losses.

Operational Risk — Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, systems or from external events. The definition includes legal risk but excludes strategic risk and reputational risk.

Reputational Risk — The Reputational risk arises from the negative perception on the part of stakeholders that can adversely affect a bank's ability to maintain existing, or establish new, business relationships and continued access to sources of funding.

Information Security & Governance Risk — Information Security and Governance Risk Management involves the identification of an organization's information assets and the development, documentation, and implementation of policies, standards, procedures and controls that ensure confidentiality, integrity and availability of the information.

Strategic Risk — Risk of an adverse impact on strategic goals. Strategic risk mainly arises from strategic decisions, improper implementation of those decisions, or lack of responsiveness of Bank to industry, economic or technological changes.

Shariah Non-Compliance Risk — Shariah Non Compliance Risk arises from the failure to comply with shariah rules and principles determined by the Shariah Board of the Bank and the Regulator.

Risk Responsibilities

- The Board of Directors shall oversee the risk management process. The Board of Directors is responsible for determining the manner in which risk authorities are set, as well as the approval of all risk policies and ensuring that these are properly implemented. Further, the Board of Directors shall also seek appointment of senior management personnel capable of managing the risk activities conducted by the Bank.
- The Board Risk Management Committee (BRMC) is responsible for ensuring that the overall risk strategy and risk acceptance criteria of the Bank is appropriately defined in the Strategic Plan and recommend the same to the Board of Directors.

- The Chief Executive Officer and Group Chiefs shall be responsible for the management of risk collectively through their membership of various committees i.e. Management Committee (MANCO), Asset & Liability Committee (ALCO), Compliance Committee (CC) and Risk Management Committee (RMC). Independent supervision of risk management activities is provided by the Audit Committee of the Board.
- The Risk Management Group is headed by a Group Chief responsible for set-up and implementation of the Risk Management Strategy of the Bank.

Risk Management Group Organization

Risk management functions have been segregated by business specialization, i.e., Credit Risk, Credit Administration, Technical Appraisal, Information Security and Enterprise Risk which interalia includes Policy and Procedures, Risk Architecture, Operational Risk and Market & Liquidity Risk. All these functions are operating in tandem to monitor the health of assets and liabilities, while ensuring risk mitigants against cyber and information system threats.

44.1 Credit Risk

Credit risk, the potential default of one or more debtors, is a major source of risk for the Bank. The Bank is exposed to credit risk through its lending and investment activities. The Bank's credit risk function is divided into Corporate and Financial Institutions and Risk Shariah and Commercial, SME and Consumer Risk. The functions operate within an integrated framework of credit policies, guidelines and processes. The credit risk management activities are governed by the Credit Policy of the Bank that defines the respective roles and responsibilities, the credit risk management principles and the Bank's credit risk strategy. The policy is supported by a comprehensive Credit Procedures Manual.

The Bank manages three principal sources of credit risk:

i) Sovereign credit risk on its public sector advances
ii) Counterparty credit risk on its private sector advances
iii) Counterparty credit risk on interbank limits

Sovereign Credit Risk

When the Bank lends to public sector borrowers, it prefers obtaining a full sovereign guarantee or the equivalent from the Government of Pakistan (GOP). However, certain public sector enterprises have a well defined cash flow stream and appropriate business model, based on which the lending is secured through collaterals other than GOP guarantee.

Counterparty credit risk on its private sector advances

Each borrower's credit worthiness is analyzed on the Credit Application Package that incorporates a formalized and structured approach for credit analysis and directs the focus of evaluation towards a balanced assessment of credit risk with identification of proper mitigants. These risks include Industry Risk, Business Risk, Financial Risk, Security Risk and Account Performance Risk.

Financial analysis is further strengthened through use of separate financial spread sheet templates that have been designed for manufacturing / trading concerns, financial institutions and insurance companies.

Counter Party Credit Risk on Interbank Limits

In the normal course of its business, the Bank's Treasury utilizes products such as Reverse Repo and Call Lending to meet the needs of interbank borrowers and manage its exposure to fluctuations in market, interest and currency rates. Further, these products are also used to temporarily invest Bank's liquidity prior to disbursement.

All of these financial instruments involve, to varying degrees, the risk that the counterparty in the transaction may be unable to meet its obligation to the Bank. Reflecting a preference for minimizing exposure to counterparty credit risk, the Bank maintains eligibility criteria that link the exposure limits to counterparty credit ratings by external rating agencies.

A. Country Risk

The Bank has in place a Country Risk Management Framework which has been approved by the Board. This framework focuses on providing detailed roles and responsibilities with respect to country risk assessment as well as limit setting, exposure management and reporting of cross border exposure undertaken by the Bank. The Bank utilizes S&P, Fitch and Moody's country ratings as well as other macroeconomic and external risk factors in assigning a country risk limit. The Financial Institutions Division is responsible for monitoring of country exposure limits.

Credit Administration

The Credit Administration department plays a crucial role in minimizing, reducing and mitigating potential losses that could result from inadequacies in security and documentation. This department consistently evaluates the risks associated with security and documentation within the current credit portfolio, operating through four regional credit administration offices in major metropolitan cities. Moreover, the Credit Monitoring Division ensures that all post-disbursement activities are

carried out in accordance with bank policies, thereby safeguarding the Bank's interests through its three specialized units: Classification & Monitoring, Vigilance, and Warehouse Management.

An internal credit rating system is in place which is capable of quantifying counterparty risk in accordance with best practices. The risk rating system takes into consideration qualitative and quantitative factors of the counterparty, transaction structure, and security, and generates internal ratings for obligors. The system is regularly reviewed for improvements in line with the SBP's guidelines for Internal Credit Rating and Risk Management.

The risk rating system incorporates comprehensive obligor risk rating models.These models are designed using a diverse range of qualitative and quantitative variables, each assigned specific weights or scores. The aggregate score of these variables is mapped to determine the final obligor risk rating. Additionally, the scorecard-based models include a provision for management-level overrides, enabling the incorporation of any critical information or risk factors into the final assessment.

Furthermore, the Bank validates its internal ratings using statistical tests for all portfolios. These validation procedures cover both discrimination and calibration tests in accordance with best practices

Provisions for the credit portfolio are determined in accordance with IFRS 9 and SBP Prudential Regulations. Details of credit loss allowance against advances are provided in note 9.5.

The Bank is using Standardised Approach of the SBP's Basel accord for the purpose of estimating credit risk weighted assets. Under this approach, banks are allowed to take into consideration external rating(s) of counter-parties for the purpose of calculating risk weighted assets. A detailed procedural manual specifying processes for deriving Credit Risk Weighted Assets in accordance with the SBP Basel Standardised Approach is in place and firmly adhered to by the Bank.

Stress testing for credit risk is carried out regularly to estimate the impact of increase in non–performing loans and downward shift in these categories

Notes to the Unconsolidated Financial Statements
for the year ended December 31, 2025

	Gross lendings		Non–performing lendings		Credit loss allowance held	
	December 31,2025	December 31,2024	December 31,2025	December 31,2024	December 31,2025	December 31,2024
	Rupees in '000					
44.1.1 Lendings to financial institutions						
Credit risk by public and private sector						
Public and Government	-	44,059,437	-	-	-	-
Private	70,000	199,551,668	70,000	70,000	70,000	70,024
	70,000	243,611,105	70,000	70,000	70,000	70,024

	Gross Investments		Non–performing Investments		Credit loss allowance held	
	December 31,2025	December 31,2024	December 31,2025	December 31,2024	December 31,2025	December 31,2024
	Rupees in '000					
44.1.2 Investment in debt securities						
Credit risk by industry sector						
Basic metals (iron, steel)	340,000	340,000	-	-	340,000	231,001
Financial	9,508,344	10,759,324	-	-	2,130	8,821
Hotel, restaurant and clubs	300,339	300,339	-	-	300,339	204,054
Power, gas, water and sanitary	210,000	330,000	-	-	35	174
Sugar	10,331	10,343	10,331	10,343	10,331	10,343
Textile - Spinning	51,345	51,345	51,345	51,345	51,345	51,345
Textile - Weaving	200,000	200,000	200,000	200,000	200,000	200,000
Government	2,072,188,463	1,088,030,849	-	-	153,230	1,964,317
Others	14,914	44,442	14,914	44,442	14,914	44,442
	2,082,823,736	1,100,066,642	276,590	306,130	1,072,324	2,714,497
Credit risk by public and private sector						
Public and Government	2,072,188,463	1,088,030,849	-	-	153,230	1,964,317
Private	10,635,273	12,035,793	276,590	306,130	919,094	750,180
	2,082,823,736	1,100,066,642	276,590	306,130	1,072,324	2,714,497

	Gross advances		Non–performing advances		Credit loss allowance held	
	December 31,2025	December 31,2024	December 31,2025	December 31,2024	December 31,2025	December 31,2024
	Rupees in '000					
44.1.3 Advances						
Credit risk by industry sector						
Agriculture, Forestry and Hunting	108,094,068	38,260,358	220,385	501,112	344,959	616,875
Basic metals (iron, steel)	4,419,810	2,812,035	1,038,861	837,627	664,373	460,601
Cement, clay and ceramics	38,540,077	44,426,206	117,872	124,933	127,758	142,521
Chemical and pharmaceutical	35,194,384	26,677,434	267,963	336,741	290,969	372,610
Construction	8,990,305	11,739,046	185,812	144,338	206,746	186,942
Education	387,912	128,191	123	123	249	636
Financial	189,600,129	447,600,543	-	5,554	25,821	306,536
Footwear and leather garments	4,623,965	4,795,725	20,950	25,450	118,448	80,213
Furniture and sports goods	732,691	947,383	39,025	114,747	41,908	137,589
Grains, food and beverages	22,744,297	48,270,093	1,446,288	1,553,326	1,475,747	1,614,353
Health and social welfare	30,219	129,238	4,913	2,975	4,970	5,236
Hotel, restaurant and clubs	29,063	9,986	-	6,686	4	6,689
Individuals	15,638,729	42,731,778	555,846	586,208	617,449	744,344
Machinery and equipment	3,694,598	1,628,100	53,048	45,659	62,190	52,191
Manufacture of transport equipment	8,794,843	2,072,845	124,485	126,162	126,057	130,489
Paper and paper boards	32,297,319	27,684,642	2,559	16,552	233,889	437,499
Petroleum products	36,829,433	25,442,623	8,159	7,465	12,579	8,997
Power, gas, water and sanitary	115,012,664	108,035,860	10,999	-	17,489	28,995
Printing, publishing and allied	84,994	74,083	20	198	209	666
Real estate, renting, and business activities	9,039,035	7,126,752	370,830	456,535	376,837	473,569
Rubber and plastic	870,344	836,374	5,462	164,927	6,133	165,226
Sugar	4,627,931	5,414,589	-	-	42,402	97,843
Mining and quarrying	8,403,420	8,062,839	2,439	3,039	3,919	3,926
Textile –Manufacture of made up & ready made garments	41,041,906	74,368,360	3,751,087	4,380,540	3,825,617	4,501,264
Textile - Finishing	23,486,355	25,048,510	910,289	652,993	956,706	755,304
Textile - Spinning	26,003,032	23,796,664	254,682	569,604	355,302	716,505
Textile - Weaving	2,420,262	2,715,365	994,847	1,002,716	1,001,383	1,009,222
Transport, storage and communication	43,630,892	50,650,222	42,296	46,642	511,929	682,665
Wholesale and retail trade	10,514,658	5,329,543	844,093	997,795	847,355	1,008,240
Others - Services	3,993,303	27,953,895	115	3,638	1,900	5,132
Others	2,305,647	1,578,668	95,467	280,685	98,440	281,179
	802,076,285	1,066,347,950	11,368,915	12,994,970	12,399,737	15,034,057
Credit risk by public and private sector						
Public and Government	394,023,439	515,886,522	377,026	377,026	208,052	36,656
Private	408,052,846	550,461,428	10,991,889	12,617,944	12,191,685	14,997,401
	802,076,285	1,066,347,950	11,368,915	12,994,970	12,399,737	15,034,057

	December 31, 2025	December 31, 2024
	Rupees in '000	
44.1.4 Contingencies and Commitments		
Credit risk by industry sector		
Agribusiness	4,277,900	2,565,068
Automobile & transportation equipment	55,955,584	45,782,880
Cement	14,882,399	4,128,004
Chemical & Pharmaceuticals	19,896,434	16,660,526
Construction	5,817,931	6,099,908
Electronic & electrical appliances	479,948	807,309
Exports/Imports	282,661	167,267
Financial	360,714,743	493,510,707
Gas, water, sanitary	1,851,866	857,042
Individuals	9,647,026	7,521,497
Insurance	25,819	25,819
Mining and quarrying	193,209	444,136
Other Leather Garments	19,652	2,118,205
Production & transmission of energy	28,792,941	43,116,769
Services	27,555,261	25,075,378
Shoes & leather garments	126,139	250,649
Sugar	404,653	1,019,618
Textile - Others	1,078,446	1,105,142
Textile - weaving	2,757,744	2,019,724
Textile -composite	3,828,702	4,264,186
Textile -spinning	79,298	446,634
Transport, storage and communication	4,770,955	5,260,825
Wholesale and retail trade	14,279,739	14,471,074
Others	6,442,135	5,870,565
	564,161,185	683,588,932
Credit risk by public and private sector		
Public and Government	133,152,817	313,171,790
Private	431,008,368	370,417,142
	564,161,185	683,588,932

44.1.5 Concentration of Advances

The Bank's top 10 exposures on the basis of total (funded and non-funded) exposures aggregating to Rs. 496,682.452 million (December 31, 2024: Rs. 558,066.095 million) are as following:

	December 31, 2025	December 31, 2024
	Rupees in '000	
Funded	388,175,576	524,470,248
Non Funded	108,506,876	33,595,847
Total Exposure	496,682,452	558,066,095

The sanctioned limits against these top 10 exposures aggregated to Rs. 503,145 million (December 31, 2024: Rs. 678,578 million).

44.1.6 Advances – Province/Region–wise Disbursement and Utilization

	During the year ended December 31, 2025						
	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit–Baltistan
	Rupees in '000						
Province and Region							
Punjab	1,101,980,960	882,632,774	208,499,638	4,429,034	1,586	6,409,381	8,547
Sindh	1,568,459,035	27,381,289	1,540,807,746	270,000	-	-	-
KPK including FATA	3,771,098	-	-	3,771,098	-	-	-
Balochistan	1,394,288	-	-	-	1,394,288	-	-
Islamabad	477,909,564	186,097,447	13,859,983	-	-	277,952,134	-
AJK including Gilgit-Baltistan	658,087	-	-	-	-	-	658,087
Total	3,154,173,032	1,096,111,510	1,763,167,367	8,470,132	1,395,874	284,361,515	666,634

	During the year ended December 31, 2024						
	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit–Baltistan
	Rupees in '000						
Province and Region							
Punjab	1,365,984,656	1,034,443,275	326,048,307	4,274,850	7,656	1,200,894	9,674
Sindh	2,069,021,978	32,818,628	2,036,203,350	-	-	-	-
KPK including FATA	2,782,810	-	-	2,782,810	-	-	-
Balochistan	1,564,711	-	-	-	1,564,711	-	-
Islamabad	702,270,994	169,018,345	17,664,050	-	-	515,588,599	-
AJK including Gilgit-Baltistan	435,344	-	-	-	-	-	435,344
Total	4,142,060,493	1,236,280,248	2,379,915,707	7,057,660	1,572,367	516,789,493	445,018

44.1.7 Sensitivity of ECL to Future Economic Conditions

The Bank performs sensitivity analysis on the ECL recognized on each of its segments. The following table outline the impact of ECL from applying a 100% weighting to each scenario.

	December 31,2025						
Description	Agriculture	Corporate / Commercial	Medium Enterprise	Small Enterprise	Others	Overseas	Total
	Rupees in '000						
Total ECL	353,926	9,926,012	1,385,289	1,299,924	666,381	142,026	13,773,558
ECL (Upside)	318,079	8,954,388	1,377,513	1,278,147	631,363	66,193	12,625,683
ECL (Central)	353,064	9,711,147	1,383,513	1,296,613	662,816	135,818	13,542,971
ECL (Downside)	393,795	11,900,338	1,401,353	1,337,157	718,035	246,831	15,997,509
	ECL % Inc. / (Dec.)						
ECL (Upside)	-10.13%	-9.79%	-0.56%	-1.68%	-5.25%	-53.39%	-7.86%
ECL (Central)	-0.24%	-2.16%	-0.13%	-0.25%	-0.53%	-4.37%	-1.65%
ECL (Downside)	11.26%	19.89%	1.16%	2.86%	7.75%	73.79%	15.55%

	December 31,2024						
Description	Agriculture	Corporate / Commercial	Medium Enterprise	Small Enterprise	Others	Overseas	Total
	Rupees in '000						
Total ECL	220,638	11,340,022	1,290,222	1,187,645	739,199	256,330	15,034,056
ECL (Upside)	213,915	9,773,404	1,270,537	1,150,943	697,619	230,697	13,337,116
ECL (Central)	220,500	11,073,056	1,283,916	1,176,929	733,913	256,330	14,744,644
ECL (Downside)	228,006	14,152,478	1,339,336	1,274,352	805,446	281,963	18,081,581
	ECL % Inc. / (Dec.)						
ECL (Upside)	-3.05%	-13.81%	-1.53%	-3.09%	-5.63%	-10.00%	-11.29%
ECL (Central)	-0.06%	-2.35%	-0.49%	-0.90%	-0.72%	0.00%	-1.93%
ECL (Downside)	3.34%.	24.80%	3.81%	7.30%	8.96%	10.00%	20.27%

44.2 Market Risk

Market Risk is the risk of loss in earnings and capital due to adverse changes in interest rates / rate of return, foreign exchange rates, equity prices and market conditions. Thus market risk can be further described into Interest Rate Risk / Rate of Return Risk, Foreign Exchange Risk and Equity Position. Risk.

Market Risk performs risk measurement, monitoring and control functions through the use of various risk procedures and models. To give it a formal structure, all the policies and guidelines are approved by the Board of Directors and the relevant management committees.

The Bank uses various types of risk management tools to measure the Bank's Market Risk: Value-at Risk (VaR), Expected Shortfall (ES) and Stress Testing. In addition, control limits are utilized to maintain the risks within acceptable levels.

The Bank maintains adequate regulatory capital to cover all interest rate risks falling under the "Trading Book" as well as "Banking Book", as defined by Basel capital accord. The Bank uses Standardized Approach in determining credit risk, market risk and operational risk exposures in the capital adequacy calculation. In Market risk exposures, Maturity method is used to calculate charge on Interest rate risk and FX risk.

In its pursuit of automation, the Bank has successfully implemented Oracle Financial Services Analytical Application (OFSAA) Market Risk Module to automate the risk monitoring and reporting activities pertaining to Market Risk, which allows for more efficient risk monitoring and increased focus on risk analysis to help in making more informed decisions.

44.2.1 Market Risk Pertaining to the Trading Book

Trading Book

The Trading Book of the Bank consists of positions in financial instruments held either with trading intent or in order to hedge other elements of the trading book. To be eligible for trading book, financial instruments must be held with the intent of trading and free of any restrictive covenants on their tradability. In addition, positions need to be frequently and accurately valued and the portfolio should be actively monitored and managed accordingly.

The Bank's trading book includes securities classified as `Fair Value Through Profit and Loss (FVTPL)', 'Open Ended Mutual Fund' and non-strategic listed equity placed in 'Fair Value Through Other Comprehensive Income (FVOCI)' category. These positions are exposed to all forms of market risk and are managed actively. Moreover, Government Securities and Investment in Bonds, Debentures etc. classified under FVOCI are considered under Trading book while adhering to regulatory instructions through letter no. BPRD/BA&CP/881411/2025 dated May 16, 2025.

Risk Pertaining to Banking Book Investment Portfolio

All investments excluding trading book are considered as part of banking book. Banking book includes:

i) Fair Value Through Other Comprehensive Income (FVOCI) - (strategic listed equity and unlisted equity investments)
ii) At Amortised Cost
iii) Real estate investments

Treasury investments parked in the banking book include:

i) Government securities
ii) Capital market investments
iii) Investments in bonds, debentures, etc.

Due to the diversified nature of investments in banking book, it is subject to interest rate risk, equity price risk and FX risk.

Stress Testing

The Bank also conducts Stress Testing of the Bank's investment portfolio to ascertain the impact of various scenarios on the capital adequacy and sustainability of the Bank. The exercise assumes various stress conditions, with respect to Interest Rate Risk, Equity Price Risk, FX Risk and Liquidity Risk. Stress testing is also conducted on various macro-economic scenarios to test the resilience of the Bank.

44.2.2 Balance sheet split by trading and banking books

	December 31, 2025			December 31, 2024		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	Rupees in '000					
Cash and balances with treasury banks	171,781,831	-	171,781,831	146,768,168	-	146,768,168
Balances with other banks	13,079,040	-	13,079,040	9,964,224	-	9,964,224
Lendings to financial institutions	-	-	-	243,541,081	-	243,541,081
Investments	102,150,960	2,034,936,268	2,137,087,228	1,106,845,843	23,028,113	1,129,873,956
Advances	789,676,548	-	789,676,548	1,051,313,893	-	1,051,313,893
Fixed assets	146,882,760	-	146,882,760	135,048,603	-	135,048,603
Intangible assets	4,482,620	-	4,482,620	3,632,624	-	3,632,624
Deferred tax assets	-	-	-	-	-	-
Other assets	107,404,712	-	107,404,712	96,826,140	-	96,826,140
	1,335,458,471	2,034,936,268	3,370,394,739	2,793,940,576	23,028,113	2,816,968,689

44.2.3 Foreign Exchange Risk

Foreign exchange risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates.

The majority of the Bank's net foreign currency exposure is in US$ and the Bank uses system-based monitoring of it's intra-day Net Open Position for effective risk management.

The Bank's FX Risk is largely mitigated by following a matched funding policy, whereas, for any mismatched exposures, the Bank utilizes appropriate derivative instruments such as Forwards and Swaps. The Bank maintains adequate regulatory capital to cover against foreign exchange risk.

	December 31, 2025				December 31, 2024			
	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure
	Rupees in '000				Rupees in '000			
Pakistani Rupee	3,292,310,000	2,963,358,018	(90,567,912)	238,384,070	2,724,781,786	2,434,233,065	(73,610,985)	216,937,736
United States Dollar	75,039,410	130,125,706	79,980,045	24,893,749	89,115,771	135,748,117	63,475,958	16,843,612
Great Britain Pound Sterling	1,579,362	7,785,016	6,206,282	628	1,419,851	7,404,011	5,987,650	3,490
Japanese Yen	50,206	685	(50,098)	(577)	56,410	402,773	345,980	(383)
Euro	1,195,454	5,744,777	4,553,468	4,145	1,305,042	5,279,522	3,974,097	(383)
Other currencies	220,307	4,816	(121,785)	93,706	289,829	-	(172,700)	117,129
	78,084,739	143,661,000	90,567,912	24,991,651	92,186,903	148,834,423	73,610,985	16,963,465
	3,370,394,739	3,107,019,018	-	263,375,721	2,816,968,689	2,583,067,488	-	233,901,201

	December 31, 2025		December 31, 2024	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of 1% change in foreign exchange rates on:				
- Profit and loss account	-	-	-	-
- Other comprehensive income	-	(249,917)	-	(167,308)
	-	(249,917)	-	(167,308)

44.2.4 Equity position Risk

Equity Price Risk is risk to earnings or capital that results from adverse changes in stock prices (single stocks, or a basket of stocks, or overall stock market). ABL holds a diversified portfolio of equity investments in order to minimize non-systematic risk while retaining acceptable systematic risk. ALCO ensures that equity price risk is mitigated through prudent portfolio management.

The Bank maintains adequate regulatory capital to cover against equity price risk. Equity investments classified as "Held-for-Trading" as well as listed non-strategic equity investments classified as "Available-for-Sale" are part of the "Trading Book" and are subject to market risk change as specified by the Basel Framework. Un-listed and listed strategic equity investment are part of the "Banking Book" and are subject to credit risk charge as specified by the Basel Framework.

	December 31, 2025		December 31, 2024	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of 5% change in equity prices on				
- Profit and loss account	-	-	-	-
- Other comprehensive income	(450,199)	(1,247,816)	(192,550)	(1,000,715)

44.2.5 Yield and Interest Rate Risk in the Banking Book (IRRBB)-Basel II Specific

Interest rate and Rate of return risk is the current or prospective risk of losses, to both the Bank's capital and earnings, arising from movements in interest rates and rates of return. The Bank has a robust system in place to monitor Interest rate risk and ALCO regularly analyses the interest rate scenario and devises strategies to minimize adverse impact of interest rate risk on the Bank's equity and profits.

Interest rate risk is measured through "duration" of an instrument. To assess the interest rate risk at Balance Sheet and Income Statement level, gap analysis on "re-pricing schedule" is utilized. Re-pricing schedule is a distribution of interest-sensitive assets, liabilities, and Off-Balance Sheet positions into a number of predefined time bands according to their maturity (if fixed-rate) or time remaining to their next re-pricing (if floating-rate), and is calculated in compliance with SBP instructions. For non-contractual assets and liabilities, an ALCO approved methodology is utilized to place these assets and liabilities in the re-pricing schedule. This methodology is based on the results of a behavioural analysis which statistically models the historical trends of the last 5 years.

Government securities (PIBs & T-Bills, Sukuks), Bonds, Debentures, etc. and other money market investments are subject to interest rate / rate of return risk. To capture the risk associated with these securities, extensive modeling is being done with respect to duration analysis. Stress testing and scenario-based models are also in place to capture the sensitivity of the portfolio to adverse movement in interest rates. For prudent risk management, all money market investments are marked to market to assess changes in the market value of investments due to interest rate movements. Yield/ Interest rate sensitivity position for on-balance sheet instruments is based on the earlier of contractual re-pricing or maturity date and for off-balance sheet instruments is based on settlement date.

In accordance with BSD Circular No.03 of 2011, issued by the SBP, Bank is required to report interest rate sensitivity gap of assets and liabilities on the basis of an objective and systematic behavioural study which is approved by ALCO.

	December 31, 2025		December 31, 2024	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of change in interest rates by 1%				
- Profit and loss account	8,561,550	396,761	(4,653,067)	-
- Other comprehensive income	-	(17,486,825)	3,368,766	36,391

44.2.6 Mismatch of Interest Rate Sensitive Assets and Liabilities

December 31, 2025	Effective Yield/ Interest rate	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 Years	Non-interest bearing financial instruments
Exposed to Yield/ Interest risk												
Rupees in '000												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		171,781,831	13,922,327	-	-	-	-	-	-	-	-	157,854,504
Balances with other banks		13,079,040	13,079,040	-	-	-	-	-	-	-	-	-
Lending to financial institutions	10.75%	-	-	-	-	-	-	-	-	-	-	-
Investments	12.29%	2,137,087,228	32,003,876	204,907,763	1,091,502,540	159,554,618	57,505,714	328,455,408	227,696,995	1,500,000	-	33,960,314
Advances	11.07%	789,676,548	443,753,663	191,085,975	38,055,393	52,406,944	4,558,628	4,868,353	14,173,931	20,663,808	3,149,326	16,960,527
Other assets		99,489,714	-	-	-	-	-	-	-	-	-	99,489,714
		3,211,114,361	502,763,906	395,993,738	1,129,557,933	211,961,562	62,064,342	333,323,761	241,870,926	22,163,808	3,149,326	308,265,059
Liabilities												
Bills payable		13,860,534	-	-	-	-	-	-	6,281,116	15,702,790	-	13,860,534
Borrowings	10.70%	643,733,028	600,076,122	523,426	13,269,473	1,598,985	3,140,558	3,140,558	385,507	92,710	-	618,645,786
Deposits and other accounts	6.39%	2,345,858,850	388,622,931	371,557,991	740,157,649	131,832,945	58,180,940	36,382,391	-	-	-	11,553,450
Lease liabilities		11,553,450	-	-	-	-	-	-	-	-	-	-
Subordinated debt		-	-	-	-	-	-	-	-	-	-	-
Other liabilities		59,453,235	-	-	-	-	-	-	-	-	-	59,453,235
On-balance sheet gap		3,074,459,097	988,699,053	372,081,417	753,427,122	133,431,930	61,321,498	39,522,949	6,666,623	15,795,500	-	703,513,005
		136,655,264	(485,935,147)	23,912,321	376,130,811	78,529,632	742,844	293,800,812	235,204,303	6,368,308	3,149,326	(395,247,946)
Off-balance sheet financial instruments												
Documentary credits and short-term trade-related transactions		131,880,085	2,627,082	33,839,915	64,334,639	13,511,518	8,607,069	8,948,261	11,602	-	-	-
Commitments in respect of purchase of:												
- forward foreign exchange contracts		215,660,446	115,301,246	70,210,655	28,040,102	2,108,443	-	-	-	-	-	-
- forward government securities transactions		58,017	58,017	-	-	-	-	-	-	-	-	-
- derivatives		-	-	-	-	-	-	-	-	-	-	-
- forward lending		-	-	-	-	-	-	-	-	-	-	-
		215,718,463	115,359,263	70,210,655	28,040,102	2,108,443	-	-	-	-	-	-
Commitments in respect of sale of:												
- forward foreign exchange contracts		124,780,254	62,923,481	36,928,693	24,928,080	-	-	-	-	-	-	-
- forward government securities transactions		1,061,488	1,061,488	-	-	-	-	-	-	-	-	-
- derivatives		-	-	-	-	-	-	-	-	-	-	-
- forward lending		-	-	-	-	-	-	-	-	-	-	-
		125,841,742	63,984,969	36,928,693	24,928,080	-	-	-	-	-	-	-
Other commitments		17,531,225	1,460,935	2,921,871	4,382,806	8,765,613	-	-	-	-	-	-
Off-balance sheet gap		239,288,032	55,462,311	70,043,748	71,829,468	24,385,573	8,607,069	8,948,261	11,602	-	-	-
Total Yield and Interest Risk Sensitivity Gap		375,943,296	(430,472,835)	93,956,070	447,960,279	102,915,205	9,349,913	302,749,073	235,215,904	6,368,309	3,149,326	(395,247,946)
Cumulative Yield and Interest Risk Sensitivity Gap		375,943,296	(430,472,835)	(336,516,766)	111,443,513	214,358,718	223,708,631	526,457,704	761,673,608	768,041,917	771,191,242	375,943,296

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	Effective Yield/ Interest rate	Total	Exposed to Yield/ Interest risk						Non-interest bearing financial instruments
			Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 Years
		Rupees in '000									
On-balance sheet financial instruments											
Assets											
Cash and balances with treasury banks		146,768,168	11,743,494	-	-	-	-	-	-	-	135,024,674
Balances with other banks		9,964,224	9,964,224	-	-	-	-	-	-	-	-
Lending to financial institutions	16.26%	243,541,081	243,441,089	99,992	-	-	-	-	-	-	-
Investments	19.61%	1,129,873,956	168,217,765	233,029,454	397,615,624	197,192,458	23,274,264	25,802,970	31,759,988	27,267,173	25,714,260
Advances	17.32%	1,051,313,893	354,310,268	335,485,134	151,394,722	149,904,872	3,646,034	2,826,660	17,245,970	27,245,764	5,906,871
Other assets		89,117,808	-	-	-	-	-	-	-	-	89,117,808
		2,670,579,130	787,676,840	568,614,580	549,010,346	347,097,330	26,920,298	28,629,630	49,005,958	54,512,937	255,763,613
Liabilities											
Bills payable		14,502,237	-	-	-	-	-	-	-	-	14,502,237
Borrowings	17.79%	462,023,558	394,403,406	3,872,294	27,198,211	4,249,028	7,451,086	6,678,589	10,688,368	7,453,385	29,191
Deposits and other accounts	11.26%	2,018,395,067	213,433,248	398,955,753	757,451,651	65,392,669	21,251,798	142,137	445,531	94,497	561,227,783
Liabilities against assets subject to finance lease		10,360,968	-	-	-	-	-	-	-	-	10,360,968
Subordinated debt		-	-	-	-	-	-	-	-	-	-
Other liabilities		64,309,182	-	-	-	-	-	-	-	-	64,309,182
		2,569,591,012	607,836,654	402,828,047	784,649,862	69,641,697	28,702,884	6,820,726	11,133,899	7,547,882	650,400,170
On-balance sheet gap		100,988,118	179,840,186	165,786,533	(235,639,516)	277,455,633	(1,782,586)	21,808,904	37,872,059	46,965,055	3,318,407 (394,636,557)
Off-balance sheet financial instruments											
Documentary credits and short-term trade-related transactions		195,665,790	25,037,779	20,163,929	87,325,334	17,457,572	32,271,542	4,508,503	97,925	110	8,803,096 -
Commitments in respect of purchase of:											
– forward foreign exchange contracts		181,173,349	97,470,661	70,780,564	12,679,189	242,935	-	-	-	-	- -
– forward government securities transactions		182,141,150	151,291,229	30,849,921	-	-	-	-	-	-	- -
– derivatives		-	-	-	-	-	-	-	-	-	- -
– forward lending		-	-	-	-	-	-	-	-	-	- -
		363,314,499	248,761,890	101,630,485	12,679,189	242,935	-	-	-	-	- -
Commitments in respect of sale of:											
– forward foreign exchange contracts		107,110,234	79,910,233	22,935,549	4,264,452	-	-	-	-	-	- -
– forward government securities transactions		-	-	-	-	-	-	-	-	-	- -
– derivatives		-	-	-	-	-	-	-	-	-	- -
– forward lending		-	-	-	-	-	-	-	-	-	- -
		107,110,234	79,910,233	22,935,549	4,264,452	-	-	-	-	-	- -
Other commitments		17,498,410	1,458,201	2,916,402	4,374,602	8,749,205	-	-	-	-	- -
Off-balance sheet gap		469,368,465	195,347,637	101,775,267	100,114,673	26,449,712	32,271,542	4,508,503	97,925	110	8,803,096 -
Total Yield and Interest Risk Sensitivity Gap		570,356,583	375,187,823	267,561,800	(135,524,843)	303,905,345	30,488,956	26,317,407	37,969,984	46,965,165	12,121,503 (394,636,557)
Cumulative Yield and nterest Risk Sensitivity Gap		570,356,583	375,187,823	642,749,623	507,224,780	811,130,125	841,619,081	867,936,488	905,906,472	952,871,637	964,993,140 570,356,583

Reconciliation to total assets	December 31, 2025	December 31, 2024	Reconciliation to total liabilities	December 31, 2025	December 31, 2024
	(Rupees in '000)	(Rupees in '000)		(Rupees in '000)	(Rupees in '000)
Balance as per balance sheet	3,370,394,739	2,816,968,689	Balance as per balance sheet	3,107,019,018	2,583,067,488
Less: Non financial assets			Less: Non financial liabilities		
Fixed assets	151,365,380	138,681,227	Deferred tax liabilities	21,732,571	9,830,548
Deferred Tax Assets	-	-	Other liabilities	10,827,350	3,645,928
Other assets	7,914,998	7,708,332		32,559,921	13,476,476
	159,280,378	146,389,559			
Total financial assets	3,211,114,361	2,670,579,130	Total financial liabilities	3,074,459,097	2,569,591,012

44.3 Operational Risk

The Bank, like all financial institutions, is exposed to different types of operational risks, including the potential losses arising from internal activities or external events caused by breakdowns in information, communication, physical safeguards, business continuity, supervision, transaction processing, settlement systems and the execution of legal, fiduciary and agency responsibilities.

In accordance with the BoD approved Operational Risk Management Policy (ORM), Bank maintains a system of internal controls designed to keep operational risk at appropriate levels, in view of the bank's financial strength and the characteristics of the activities and market in which it operates. These internal controls are periodically updated to conform to industry best practices.

The Bank has implemented workflow based system "Risk Nucleus" for Operational Risk Loss Data collection, analysis and reporting, Risk Control & Self Assessment (RCSA) and Key Risk Indicators (KRIs) monitoring. Further, major Operational Risk events are also analyzed from the control breaches perspective and mitigating controls are assessed on design and operating effectiveness. Quarterly updates on Operational Risk events are presented to senior management and Board's Risk Management Committee & BoD.

The Bank has a BoD approved BCP policy and Business Continuity Plan applicable to all its functional areas. The Bank updates functional BCPs on annual basis or at any process change.

The Bank is also implementing internationally accepted Integrated Framework on Internal Control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), with a view to consolidate and enhance the existing internal control processes.

The Bank is reporting Operational Risk Capital Charge on Basic Indicator Approach. Also calculating impact under Alternate Standardized Approach (ASA) of Basel II. The Bank shall adopt "The Standardized Approach" under Basel-III once implemented by the Regulator.

44.4 Liquidity Risk

Liquidity Risk is the risk that the Bank is unable to fund its current obligations and operations in the most cost efficient manner. The Bank's Board of Directors has delegated the responsibility to Asset and Liability Committee (ALCO) for ensuring that Bank's policy for liquidity management is adhered to on a continual basis. ALCO uses gap analysis based on "maturity schedule" to assess the Bank's liquidity risk and devise strategy accordingly. The Bank has various limits and triggers in place to monitor liquidity risk on a periodic basis, while it also utilizes stress testing to assess adequacy of Bank's liquid assets. The Bank complies with State Bank of Pakistan's instructions on Liquidity Standards as prescribed under the Basel III Framework.

Liquidity Management Framework

Daily liquidity management is carried out centrally by the Asset and Liability Management (ALM) Desk in Treasury Group which manages the day to day liquidity needs of the Bank. Funding and liquidity management strategies are regularly discussed during Asset and Liability Committee (ALCO) meetings. The discussions include analysis on composition of deposits and tenure, funding gaps and concentration, monitoring of short and long-term liquidity ratios (including Liquidity Coverage Ratio and Net Stable Funding Ratio). The Bank utilizes internal Management Action Triggers and Limits which act as early warning indicators and safeguards to ensure sufficient liquidity buffers at all times. Additionally, stress tests are performed to evaluate available liquidity under a range of adverse scenarios and to identify potential vulnerabilities in portfolios. The Bank also has in place contingency funding plan that identifies specific management actions that can be invoked in times of liquidity crisis.

Liquidity Risk Management

The Bank has in place a robust Recovery Plan in place to deal with any liquidity crisis in the most efficient and effective manner. SBP initiatives such as deferral of principal and rescheduling and restructuring of loans may have an adverse effect on liquidity and maturity profile of the Bank, however the Bank holds sufficient liquidity buffer to absorb any unforeseen shocks during the prevailing situation. Moreover, the Asset and Liability Committee (ALCO) of the Bank continues to regularly monitor the liquidity position of the Bank in view of emerging risks.

Liquidity Risk Mitigation Techniques

The Bank uses the following tools to identify and mitigate Liquidity Risk:

- Gap Analysis
- Liquidity Ratio
- Liquidity Stress Testing
- Contingency Funding Plan
- Risk Control Limits (RCLs)

44.4.1 Maturities of Assets and Liabilities – based on contractual maturity of the assets and liabilities of the Bank

	December 31, 2025													
	Total	Upto 1 Day	Upto 7 Days	Upto 14 Days	Upto 1 Month	Upto 2 Months	Upto 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Up to 1 year	Upto 2 years	Upto 3 years	Over 3 to 5 years	Over 5 years
	Rupees in '000													
Assets														
Cash and balances with treasury banks	171,781,831	171,781,831	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	13,079,040	13,079,040	-	-	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments - net	2,137,087,228	1,132,010	6,792,063	8,298,883	18,118,251	22,817,014	74,761,592	433,507,275	164,967,310	10,752,495	112,659,695	594,891,136	670,432,573	17,956,931
Advances - net	789,676,548	9,299,264	48,046,196	41,182,453	189,749,261	116,036,759	9,678,629	43,870,386	31,926,339	51,750,306	57,713,948	55,987,051	46,960,690	87,475,266
Fixed assets	146,882,760	49,242	295,455	344,697	837,122	1,526,516	1,526,516	4,579,548	4,579,548	4,579,548	8,878,460	8,878,460	16,000,530	94,807,118
Intangible assets	4,482,620	1,721	10,329	12,050	29,264	53,365	53,365	160,094	160,094	160,094	640,374	640,374	1,280,748	1,280,748
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets - net	107,404,712	939,941	5,639,644	6,579,584	15,039,050	12,286,746	12,286,746	36,860,237	3,453,964	3,453,964	274,832	274,832	3,621,611	6,693,561
	3,370,394,739	196,283,049	60,783,687	56,417,667	223,772,948	152,720,400	98,306,848	518,977,540	205,087,255	70,696,407	180,167,309	660,671,853	738,296,152	208,213,624
Liabilities														
Bills payable	13,860,534	13,860,534	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	643,733,028	125,542	563,549,933	23,061,066	13,339,580	261,713	261,713	13,269,473	785,139	813,846	3,140,558	3,140,558	6,281,116	15,702,791
Deposits and other accounts	2,345,858,850	1,955,292,089	15,997,738	18,664,028	42,660,634	27,100,435	87,196,975	88,209,813	35,815,115	37,949,153	112,263	36,382,391	385,507	92,709
Liabilities against assets subject to finance lease	11,553,450	3,209	19,256	22,465	51,349	96,279	96,279	288,836	288,836	288,836	1,155,345	1,155,345	2,310,690	5,776,725
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities - net	21,732,571	13,491	80,947	94,438	229,348	(315,417)	409,368	3,265,804	668,112	(890,729)	1,289,847	6,053,441	7,021,585	3,812,336
Other liabilities	70,280,585	1,202,484	7,565,831	8,377,820	19,070,875	8,538,986	8,289,787	1,659,257	1,548,854	1,538,596	6,159,462	1,179,990	1,471,041	3,677,602
	3,107,019,018	1,970,497,349	587,213,705	50,219,817	75,351,786	35,681,996	96,254,122	106,693,183	39,106,056	39,699,702	11,857,475	47,911,725	17,469,939	29,062,163
Net assets	263,375,721	(1,774,214,300)	(526,430,018)	6,197,850	148,421,162	117,038,404	2,052,726	412,284,357	165,981,199	30,996,705	168,309,834	612,760,128	720,826,213	179,151,461
Share capital	11,450,739													
Reserves	46,341,119													
Surplus on revaluation of assets – net of tax	64,969,900													
Unappropriated profit	140,613,963													
	263,375,721													

	December 31, 2024													
	Total	Upto 1 Day	Upto 7 Days	Upto 14 Days	Upto 1 Month	Upto 2 Months	Upto 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Upto 1 year	Upto 2 years	Upto 3 years	Over 3 to 5 years	Over 5 years
	Rupees in '000													
Assets														
Cash and balances with treasury banks	146,768,168	146,768,168	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	9,964,224	321,446	1,928,675	2,250,121	5,463,982	-	-	-	-	-	-	-	-	-
Lending to financial institutions	243,541,081	-	222,741,097	699,992	20,000,000	-	99,992	-	-	-	-	-	-	-
Investments - net	1,129,873,956	-	-	44,264	58,607	296,285	6,082,455	144,305,046	124,821,405	179,353,964	226,573,852	91,332,994	283,434,480	73,570,604
Advances - net	1,051,313,893	105,769,036	539,831	7,831,947	192,217,916	144,098,550	83,065,395	105,494,139	24,270,833	146,591,585	69,128,582	59,280,921	58,858,653	54,166,505
Property and equipment	127,260,862	45,096	270,575	315,671	766,630	1,397,973	1,397,973	4,193,918	4,193,918	4,193,918	6,388,287	6,328,483	4,664,937	93,103,483
Right of use asset	7,787,741	4,187	25,122	29,309	71,178	129,796	129,796	389,387	389,387	389,387	1,557,548	1,557,548	3,115,096	-
Intangible assets	3,632,624	1,394	8,367	9,761	23,706	43,228	43,228	129,685	129,685	129,685	518,739	518,739	1,037,477	1,038,930
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets - net	96,826,140	1,190,305	7,141,828	8,332,132	21,038,671	5,163,375	16,258,102	21,054,504	3,043,337	2,484,678	798,353	364,102	4,027,693	5,929,060
	2,816,968,689	254,099,632	232,655,495	19,513,197	239,640,690	151,129,207	107,076,941	275,566,679	156,848,565	333,143,217	304,965,361	159,382,787	355,138,336	227,808,582
Liabilities														
Bills payable	14,502,237	14,502,237	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	462,023,558	426,320	15,230,600	195,000	378,551,485	1,402,733	2,469,561	27,198,211	2,145,416	2,103,612	7,451,086	6,678,589	10,688,368	7,482,577
Deposits and other accounts	2,018,395,067	1,730,793,035	3,753,133	17,234,275	22,904,776	22,615,548	70,732,641	104,891,382	39,025,454	5,439,037	323,621	142,137	445,531	94,497
Lease liabilities	10,360,968	2,785	16,711	19,496	47,349	86,341	86,341	259,024	259,024	259,024	1,036,097	1,036,097	2,072,194	5,180,485
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities - net	9,830,548	(16,806)	(117,643)	(235,287)	(151,256)	(835,310)	(523,454)	207,520	425,103	376,231	2,144,367	900,554	2,748,609	4,907,920
Other liabilities	67,955,110	1,594,226	9,565,354	11,159,580	27,101,836	1,515,336	1,322,373	1,388,314	1,320,577	1,320,245	5,283,659	1,162,175	1,491,839	3,729,596
	2,583,067,488	1,747,301,797	28,448,155	28,373,064	428,454,190	24,784,648	74,087,462	133,944,451	43,175,574	9,498,149	16,238,830	9,919,552	17,446,541	21,395,075
Net assets	233,901,201	(1,493,202,165)	204,207,340	(8,859,867)	(188,813,500)	126,344,559	32,989,479	141,622,228	113,672,991	323,645,068	288,726,531	149,463,235	337,691,795	206,413,507
Share capital	11,450,739													
Reserves	42,460,536													
Surplus on revaluation of assets – net of tax	56,628,460													
Unappropriated profit	123,361,466													
	233,901,201													

44.4.2 Maturities of assets and liabilities – based on expected maturities of the assets and liabilities of the Bank

	December 31, 2025									
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
	Rupees in '000									
Assets										
Cash and balances with treasury banks	171,781,831	97,644,621	5,462,231	4,215,514	3,525,167	5,365	1,738,701	18,423	4,431	59,167,378
Balances with other banks	13,079,040	13,079,040	-	-	-	-	-	-	-	-
Lending to financial institutions	-	-	-	-	-	-	-	-	-	-
Investments - net	2,137,087,228	380,893	97,578,605	433,507,275	175,719,805	112,659,695	621,488,211	670,432,573	20,860,291	4,459,880
Advances - net	789,676,548	51,950,871	125,747,254	47,512,525	86,609,871	134,286,971	132,560,074	123,533,714	80,703,136	6,772,132
Fixed assets	146,882,760	1,526,516	3,053,032	4,579,548	9,159,097	8,878,460	8,878,460	16,000,530	9,969,817	84,837,300
Intangible assets	4,482,620	53,365	106,729	160,094	320,187	640,374	640,374	1,280,748	1,280,749	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets - net	107,404,712	28,198,219	24,573,492	36,860,237	6,907,929	274,832	274,832	3,621,611	6,693,560	-
	3,370,394,739	192,833,525	256,521,343	526,835,193	282,242,056	256,745,697	765,580,652	814,887,599	119,511,984	155,236,690
Liabilities										
Bills payable	13,860,534	13,860,534	-	-	-	-	-	-	-	-
Borrowings	643,733,028	600,076,122	523,426	13,269,473	1,598,985	3,140,558	3,140,558	6,281,116	15,702,790	-
Deposits and other accounts	2,345,858,850	324,509,273	257,620,472	229,526,857	215,081,312	141,429,306	200,225,254	385,507	92,710	976,988,159
Liabilities against assets subject to Finance lease	11,553,450	96,279	192,558	288,836	577,673	1,155,345	1,155,345	2,310,690	5,776,724	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities - net	21,732,571	418,224	93,951	3,265,805	(222,617)	1,289,848	6,053,442	7,021,586	3,812,332	-
Other liabilities	70,280,585	36,217,011	16,828,772	1,659,257	3,087,450	6,159,462	1,179,990	1,471,041	3,677,602	-
	3,107,019,018	975,177,443	275,259,179	248,010,228	220,122,803	153,174,519	211,754,589	17,469,940	29,062,158	976,988,159
Net assets	263,375,721	(782,343,918)	(18,737,836)	278,824,965	62,119,253	103,571,178	553,826,063	797,417,659	90,449,826	(821,751,469)
Share capital	11,450,739									
Reserves	46,341,119									
Surplus on revaluation of assets net of tax	64,969,900									
Unappropriated profit	140,613,963									
	263,375,721									

	December 31, 2024									
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
	Rupees in '000									
Assets										
Cash and balances with treasury banks	146,768,168	42,753,657	9,007,454	10,197,199	7,413,262	5,389,517	8,531,397	-	-	63,475,682
Balances with other banks	9,964,224	9,964,224	-	-	-	-	-	-	-	-
Lending to financial institutions	243,541,081	243,441,089	99,992	-	-	-	-	-	-	-
Investments - net	1,129,873,956	102,872	6,378,740	144,305,046	304,175,368	226,573,852	91,332,994	283,434,480	69,842,166	3,728,438
Advances - net	1,051,313,893	209,877,278	226,339,073	114,172,392	179,224,270	95,883,988	86,036,328	85,614,060	49,589,199	4,577,305
Property and equipment	127,260,862	1,397,973	2,795,945	4,193,918	8,387,836	6,388,287	6,328,483	4,664,937	5,201,855	87,901,628
Right of Use Asset	7,787,741	129,796	259,591	389,387	778,774	1,557,548	1,557,548	3,115,097	-	-
Intangible assets	3,632,624	43,228	86,456	129,685	259,369	518,739	518,739	1,037,477	1,038,931	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets - net	96,826,140	37,702,936	21,421,477	21,054,504	5,528,015	798,353	364,102	4,027,693	5,929,060	-
	2,816,968,689	545,413,053	266,388,728	294,442,131	505,766,894	337,110,284	194,669,591	381,893,744	131,601,211	159,683,053
Liabilities										
Bills payable	14,502,237	14,502,237	-	-	-	-	-	-	-	-
Borrowings	462,023,558	394,403,406	3,872,294	27,198,211	4,249,028	7,451,086	6,678,589	10,688,368	7,453,385	29,191
Deposits and other accounts	2,018,395,067	213,433,248	197,906,304	224,046,661	162,879,679	118,738,808	187,588,812	445,531	94,497	913,261,527
Lease Liabilties	10,360,968	86,341	172,683	259,024	518,048	1,036,097	1,036,097	2,072,194	5,180,484	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities - net	9,830,548	(520,992)	(1,358,763)	207,520	801,334	2,144,367	900,554	2,748,609	739,568	4,168,351
Other liabilities	67,955,110	49,420,996	2,837,709	1,388,314	2,640,822	5,283,659	1,162,175	1,491,839	3,729,596	-
	2,583,067,488	671,325,236	203,430,227	253,099,730	171,088,911	134,654,017	197,366,227	17,446,541	17,197,530	917,459,069
Net assets	233,901,201	(125,912,183)	62,958,501	41,342,401	334,677,983	202,456,267	(2,696,636)	364,447,203	114,403,681	(757,776,016)
Share capital	11,450,739									
Reserves	42,460,536									
Surplus on revaluation of assets net of tax	56,628,460									
Unappropriated profit	123,361,466									
	233,901,201									

44.5 Derivative Risk

Market & Liquidity Risk Division under Risk Management Group is responsible for assessing and monitoring the derivative risk emanating from Bank's exposures.

The Bank's Risk Management Group, Asset and Liability Committee (ALCO) and Board Risk Management Committee monitor the derivative risk and utilize Off-Balance Sheet gap analysis to implement prudent asset liability management of the Bank's derivative exposures..

45 NON ADJUSTING EVENT AFTER THE REPORTING DATE

45.1 The Board of Directors of the Bank in its meeting held on February 17, 2026 has proposed a final cash dividend in respect of 2025 of Rs. 4.00 per share (2024: cash dividend Rs. 4.00 per share). This appropriation will be approved in the forthcoming Annual General Meeting. The unconsolidated financial statements of the Bank for the year ended December 31, 2025 do not include the effect of these appropriations which will be accounted for subsequent to the year end.

46 GENERAL

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

46.2 Corresponding figures have been rearranged or reclassified where considered necessary, for the purpose of better presentation. However, no material restatement have been made.

47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on February 17, 2026 by the Board of Directors of the Bank.

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzaq Gill
President and Chief Executive

Mian Ikram Ul Haq
Director

Muhammad Kamran Shehzad
Director

Mohammad Naeem Mukhtar
Chairman

STATEMENT SHOWING WRITTEN OFF LOANS OR ANY OTHER FINANCIAL RELIEF OF FIVE HUNDRED THOUSAND OR ABOVE FROM (JANUARY 1, 2025 TO DECEMBER 31, 2025)

Amount in Million

Sr. No.	NAME AND ADDRESS OF BORROWER	NAME OF INDIVIDUALS/PARTNERS/DIRECTORS		FATHER'S NAME	OUTSTANDING LIABILITIES AT THE BEGINNING OF THE PERIOD				PRINCIPAL WRITTEN-OFF	INTEREST/ MARK-UP WRITTEN-OFF	OTHER FINANCIAL RELIEF PROVIDED	TOTAL 9+10+11
		NAME OF DIRECTORS	NIC NOS.		PRINCIPAL	INTEREST/ MARK-UP	OTHER	TOTAL				
1	2	3		4	5	6	7	8	9	10	11	12
1	SAEED BATTERY CENTER. ST-18/C, F.B AREA, KDA SCHEME NO.16, KARACHI	SAEED UD DIN KHAN	42101-7478542-1	JAMEEL UDDIN KHAN	0.788	-	0.759	1.547	-	-	0.759	0.759
2	KHAN BROTHERS PETROLEUM SERVICES. 22-A, MODEL TOWN-B, BAHAWALPUR.	MUHAMMAD ARIF KHAN	31202-0216601-9	MUHAMMAD SIDDIQUE	2.495	-	2.796	5.291	-	-	2.304	2.304
3	MUHAMMAD USMAN ASGHAR. HS E477 ST 2 4 BADIYAN RD LAHORE	MUHAMMAD USMAN ASGHAR	35201-4861415-3	MUHAMMAD ASGHAR	2.977	0.583	0.359	3.919	-	0.508	0.050	0.558
4	SYED MUHAMMAD ALI ZAIDI. QADIR TOWN, MIRPURK KHAS DEH 120, TALUKA HUSSAIN BUX MARI, DISTRITCT MIRPUR KHAS	SYED MUHAMMAD ALI ZAIDI	44103-3352639-1	SYED MASIH AHMED	1.032	0.209	0.275	1.516	-	0.208	0.325	0.533
5	KHURSHEED TRADERS. BALAWAL PUR P.O KHAS, KABIRWALA	RAO ALI HASSAN	36102-1897012-5	KHURSHEED AHMED	1.455	0.736	1.529	3.720	-	-	1.154	1.154
6	AL MAJEED TRADERS. HOUSE NO.02 HAMEED TOWN HARRAPA DISTT: SAHIWAL	1- TAHIR IQBAL AMJAD 2 - GHULAM DASTGIR	36502-670996-9 36502-3061515-3	1) CH. M YOUSAF ABDUL MAJEED 2) ABDUL MAJEED	19.993	2.876	4.632	27.501	-	-	3.501	3.501
7	FARHAN MALIK. HOUSE NO G24 TANDO AGHA QALILI HYDERABAD	FARHAN MALIK	41303-1545486-1	FAROOQUE AHMED	0.879	-	1.151	2.030	-	-	1.151	1.151
8	ABDUL JABBAR MEMON. HOUSE NO.10, ANSARI MOHALLAH KANDIARO DISTRICT NOUSHERO FEROZ	ABDUL JABBAR MEMON	45302-3027678-5	MUHAMMAD ARBAB	0.359	0.017	0.530	0.906	-	0.017	0.530	0.547
9	KHALID ELECTRONICS. DAR MARKET ALI PUR CHATHA GUJRANWALA	MUHAMMAD KHALID	34101-2350811-7	MUHAMMAD ALI	0.500	0.022	0.668	1.190	-	-	0.640	0.640
10	ZIA ULLAH AND CO. CIVIL LINES MIANWALI	ZIA ULLAH KHAN	38302-1249781-7	ATTA ULLAH KHAN	6.353	2.093	5.505	13.950	-	-	5.504	5.504
11	SARFRAZ & CO. GHALLA MANDI GHAKHAR TEHSIL WAZIRABAD DISTRICT GUJRANWALA	SARFRAZ AHMED	34104-6634988-3	MUHAMMAD IQBAL	1.399	0.404	1.578	3.381	-	0.350	1.430	1.781
12	ZEESHAN ENTERPRISES. 14 LIAQUAT ALI PARK BEADON ROAD LAHORE	ZEESHAN JAVED CH	35202-8755573-1	MUHAMMAD JAVED	5.294	1.407	4.181	10.882	-	-	4.175	4.175
13	TAUQEER HAYAT BUTT. GODOWN NO 963 BAKSH MARKET MISRI SHAH LAHORE	TAUQEER HAYYAT BUTT	35202-9082488-9	MUHAMMAD HAYAT BUTT	3.999	0.208	2.087	6.294	-	-	1.835	1.835
14	SUPER PACKAGES. VILLAGE BHAGOWAL DIST SIALKOT	MUHAMMAD AKRAM VIRK	34603-2300707-5	KHAIR DIN	1.399	0.316	0.710	2.425	-	0.014	0.693	0.706
15	DIN COTTON INDUSTRIES & OIL MILLS. MULTAN ROAD, D.G. KHAN	1- SAADAT ALI ARSHAD 2 - HAJI NAZIR AHMED 3 - KHURSHEED ALI SHAH 4 - SYED JAMSHEED ALI SHAH 5 - FAZAL AHMAD 6 - GHULAM RASOOL	1) 32102-1946809-1 2) 32102-5099309-9 3) 32102-6375181-3 4) 32102-0892627-1 5) 32102-8536376-9 6)32102-1998862-9	1- HAJI DIN MUHAMMAD 2 - HAJI DIN MUHAMMAD 3 - HAJI DIN MUHAMMAD 4 - HAJI DIN MUHAMMAD 5 - HAJI DIN MUHAMMAD 6 - GHULAM MUHAMMAD	7.983	2.355	11.700	22.038	-	1.538	11.700	13.238
16	MIAN IFTIKHAR ALI & BRO. MAIN ROAD UBARO DEHARKI	MIAN IFTIKHAR ALI	413-58-118814	ABDUL RASHEED	1.819	0.280	2.705	4.804	-	0.279	2.705	2.984
17	PAKISTAN PLY WOOD. MOHALLAH SARDAR NOOR MUHAMMAD ELLAH ABAD	MUHAMMAD YASIN	35101-3789195-1	MUHAMMAD ESSA	4.997	0.418	4.305	9.721	-	-	2.552	2.552
18	HUSSAIN BROTHERS. HOUSE NO. 167/A, USMAN BLOCK, ABBASIA TOWN, RAHIM YAR KHAN.	MUHAMMAD KHALID	31303-6945941-5	KAMAL DIN CHOUDHARY	5.994	0.547	3.117	9.657	-	-	1.817	1.817

Amount in Million

Sr. No.	NAME AND ADDRESS OF BORROWER	NAME OF INDIVIDUALS/PARTNERS/DIRECTORS		FATHER'S NAME	OUTSTANDING LIABILITIES AT THE BEGINNING OF THE PERIOD				PRINCIPAL WRITTEN-OFF	INTEREST/ MARK-UP WRITTEN-OFF	OTHER FINANCIAL RELIEF PROVIDED	TOTAL 9+10+11
		NAME OF DIRECTORS	NIC NOS.		PRINCIPAL	INTEREST/ MARK-UP	OTHER	TOTAL				
1	2	3		4	5	6	7	8	9	10	11	12
19	AINZ PACKAGES PVT LTD. 36/3, AIRPORT ROAD, MULTAN CANTT.	1- HAFEEZ AHMAD 2- SHAHIDA HAFEEZ 3- GHAZNA HAFEEZ 4- SAAD HAFEEZ	1) 32304-615292-3 2) 32304-1479544-6 3) 32304-9580666-0 4) 32304-4969467-9	1- ALLAH BAKSH 2- HAFEEZ AHMAD 3- HAFEEZ AHMAD 4- 3- HAFEEZ AHMAD	9.994	0.200	9.096	19.291	-	0.200	9.096	9.297
20	RANA AUTO INDUSTRIES (PVT). 185 KM MULTAN ROAD NEAR SHABAB STUDIO LAHORE	1- RANA ABDUL QADEER 2- RANA GHULAM JILLANI 3- RANA MANSOOR QADIR 4- SAJIDA QADIR	1) 35202-910055-1 2) 35201-1450467-9 3) 35200-1474392-3 4) 35200-1419822-8	1- RANA ATAA MUHAMMAD 2- RANA ATAA MUHAMMAD 3- RANA ABDUL QADEER 4- RANA ABDUL QADEER	-	-	-	-	-	0.225	0.501	0.726
21	YASIN ORIENTAL CARPETS. 17 RB HABIBULLAH ROAD LAHORE	1- AHMED ALI 2- MUHAMMAD YASIN 3- MUHAMMAD MUNIR AHMAD	1) 275-91-351220 2) 275-88-057652 3) 275-49-120957	1- MUHAMMAD YASIN 2- TAJ DIN 3- TAJ DIN	5.700	1.298	9.557	16.555	-	-	8.451	8.451
22	S. G. POLYPROPYLENE. 45/5 AURANGZEB ROAD, MULTAN CANTT.	1- HAFEEZ AHMAD 2- SHAHIDA HAFEEZ	1) 32304-615292-3 2) 32304-1479544-6	1- ALLAH BAKSH 2- HAFEEZ AHMAD	159.465	23.309	139.634	322.408	-	2.189	140.352	142.541
23	SAJID PETROLIUM. BURJI ATARI TEHSIL FEROZEWALA DISTRICT SHEIKHUPURA	CH. MUHAMMAD SAJID	35401-3019745-5	CH ABDUL HAMEED	0.991	-	1.350	2.341	-	-	1.191	1.191
24	IQRA RICE MILLS. HABIB ABAD ROAD CHUNIAN	MUBARIK ALI	35101-2496036-3	MUHAMMAD IBRAHIM	2.279	0.406	2.204	4.890	-	-	0.884	0.884
25	AL LAZIZ INTERNATIONAL. M1 30C, RAHAT COMMERCIAL LANE 1, PHASE6 DHA, KARACHI.	1-MUHAMMAD WALEED MAJEED 2- SAFDAR SHERWANI 3-ALI AUSAT NAQVI	1) 33105-09255214-9 2) 42101-1744840-7 3) 42101-5514071-1	1-ABDUL MAJEED 2-GUIZAR AHMED SHERWANI 3-MIR MUHAMMAD ALI NAQVI	6.000	7.774	6.831	20.605	-	1.185	6.396	7.581
26	RIAZ HUSSAIN. PLOT NO.4, MEASURING 4400 SQ.FT IN DEH KANDRI TAPU, KANDHRA TALUKA ROHRI, DISTRICT SUKKUR	RIAZ HUSSAIN	411-92-129797	TALIB HUSSAIN	0.300	0.115	0.478	0.893	-	0.115	0.478	0.593
27	S.RAZA HUSSAIN SHAH. DADDAR TEHSIL MANSEHRA	S.RAZA HUSSAIN SHAH	13503-0486114-1	S.WALAYT SHAH	0.165	0.238	1.881	2.284	-	-	0.924	0.924
28	RAO TAUSEEF IQBAL. HOUSE NO B-2 KHAWJA FAREED COLONY, MUZAFFARGARH	RAO TAUSEEF IQBAL	32304-4817645-9	MUHAMMAD IQBAL	2.302	0.155	1.224	3.681	-	-	1.006	1.006
29	SYED MUHAMMAD AQEEL. HOUSE NO E456 JEHAGIR ROAD NEW TOWN KARACHI	SYED MUHAMMAD AQEEL	42201-0467604-1	SYED MUHAMMAD MUJTABA	0.770	0.154	1.010	1.934	-	-	1.009	1.009
30	NEW WARRAICH COMMISSION SHOP. MOH PIRAN MANDI MURIDKE	MUHAMMAD NAEEM AKHTER	35401-1833280-3	HASSAN AKHTER WARRAICH	1.895	0.283	1.604	3.782	-	-	1.599	1.599
31	HAMMAD NASARULLAH. H NO 111 STREET NO 2 MOHALLAH HAFEEZ PARK TOBA TEK SINGH	HAMMAD NASARULLAH	33301-6891294-1	NASRULLAH KHAN	5.388	1.617	1.274	8.278	-	1.604	-	1.604
32	SHEIKH AHSAN TRADERS. MOUZA MIGHIANA CHAK ABADI JHANG.	MUHAMMAD MOHSIN	33202-5368490-3	MUHAMMAD TUFAIL	0.500	0.104	1.820	2.424	-	-	1.424	1.424
33	MUDASSIR HASSAN. MOUZA NOOR PUR P/O MAKHDOOM PUR, TEHSIL KABIRWALA AND DISTRICT KHANEWAL.	MUDDASIR HASSAN	36102-1530889-5	AHMAD HASSAN	1.200	0.648	0.942	2.790	-	-	0.646	0.646
34	RASIM INDUSTRY. 1100 GARDEN BLOCK GARDEN TOWN LAHORE	MUSSARAT BEGUM	35202-4525845-8	SYED ZAHOOR ALI	1.841	0.818	7.100	9.759	-	-	6.200	6.200
35	RIFAT MAHMOOD. HOUSE NO.698, NO.9/WB OLD LARI ADDA,GULSHAN TOWN, VEHARI.	RIFAT MAHMOOD	36603-7995648-3	MALIK KHURSHEED AHMED	0.710	0.204	1.111	2.025	-	-	0.965	0.965
36	UME FARWA. PLOT NO.127-C, NOORIABAD TOWN, MIRPUR KHAS	UME FARWA	42301-7935054-6	AGHA TAHSEEN HAIDER	0.559	0.105	0.869	1.533	-	0.004	0.869	0.873
37	KHALID & COMPANY. SHOP NO 41-G G.M BUREWALA	1- JAVED IQBAL 2- KHALID FAROOQ	1) 36601-4324281-7 2) 36601-7180480-5	1) MUHAMMAD SHAFI 2) MUHAMMAD SHAFI	0.392	-	0.867	1.259	-	-	0.608	0.608
38	NEW SIDDIQUE GLASS HOUSE. HOUSE NO.350/B-II REHMAT ULLAH ROAD, SAHIWAL.	MUHAMMAD ATEEQ	36502-4049436-7	MUHAMMAD SIDDIQUE	0.800	-	0.706	1.506	-	-	0.522	0.522
39	SHAH KAMAL COTTON GINNER AND OIL MILL. HOUSE NO.5/A, SHAH KAMAL COLONY, MUSLIM TOWN LAHORE.	MUHAMMAD AKRAM SHAD	35200-1464852-5	CH. SARDAR ALI	1.999	0.470	1.330	3.799	-	-	1.330	1.330
40	ADIL STEEL FURNACE KOHLO WALA ROAD, BACKSIDE S.I.E. # 2, KHIALI BYPASS, GUJRANWALA	1-Chouhdry Muhammad Rafique 2-Chouhdry Muhammad Ashiq	1) 34101-2429397-9 2) 34101-2429382-3	1-Chouhdry Nawab Din 2-Chouhdry Nawab Din	-	2.419	-	2.419	-	2.419	-	2.419
					272.965	52.788	239.475	565.228	-	10.855	227.277	238.132

ISLAMIC BANKING BUSINESS

The Bank is operating with 302 (December 31, 2024: 160) Islamic Banking Branches and 396 (December 31, 2024: 308) Islamic Banking Windows at the end of the year.

Statement of Financial Position

As at December 31, 2025

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks		15,988,087	10,380,917
Balances with other banks		588,503	261,329
Due from financial institutions	1	-	-
Investments	2	229,372,766	105,193,809
Islamic financing and related assets - net	3	98,524,397	32,129,690
Property and equipment		8,935,105	2,034,377
Right-of-use assets'		1,379,460	1,084,789
Intangible assets		-	118
Due from Head Office	4	-	-
Other assets		6,136,813	4,504,888
Total Assets		360,925,131	155,589,917
LIABILITIES			
Bills payable		1,051,500	525,569
Due to financial institutions		89,545,341	9,329,144
Deposits and other accounts	5	212,557,025	109,842,436
Due to Head Office	4	19,478,461	7,565,690
Lease liabilities		2,413,892	1,393,192
Subordinated debt		-	-
Other liabilities		3,077,283	1,421,579
		328,123,502	130,077,610
NET ASSETS		32,801,629	25,512,307
REPRESENTED BY			
Islamic Banking Fund		4,100,000	4,100,000
Reserves		-	-
Surplus on revaluation of assets		1,649,309	2,246,873
Unappropriated profit	7	27,052,320	19,165,434
		32,801,629	25,512,307
CONTINGENCIES AND COMMITMENTS	8		

Profit and Loss Account

for the year ended December 31, 2025

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
Profit / return earned	9	21,046,615	23,681,640
Profit / return expensed	10	10,113,533	12,557,548
Net Profit / return		10,933,082	11,124,092
OTHER INCOME			
Fee and commission income		1,136,750	616,308
Dividend Income		-	-
Foreign exchange income		82,540	77,944
(Loss) / gain on securities		(1,050)	4,472
Other income		16,325	11,868
Total other income		1,234,565	710,592
TOTAL INCOME		12,167,647	11,834,684
OTHER EXPENSES			
Operating expenses		4,082,956	2,482,260
Workers welfare fund		-	-
Other charges		1,019	359
Total other expenses		4,083,975	2,482,619
PROFIT BEFORE CREDIT LOSS ALLOWANCE HELD		8,083,672	9,352,065
Credit loss allowance and write offs - net		196,786	564,660
PROFIT BEFORE TAXATION		7,886,886	8,787,405
Taxation		-	-
PROFIT AFTER TAXATION		7,886,886	8,787,405

	December 31, 2025			December 31, 2024		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	Rupees in '000					
1 DUE FROM FINANCIAL INSTITUTIONS						
Secured	-	-	-	-	-	-
Unsecured	-	-	-	-	-	-
Bai Muajjal Receivable from other Financial Institutions	-	-	-	-	-	-
Bai Mujjal Receivable from State Bank of Pakistan	-	-	-	-	-	-
Musharaka Lending	-	-	-	-	-	-
	-	-	-	-	-	-
Less: Credit loss allowance						
Stage 1	-	-	-	-	-	-
Stage 2	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-
	-	-	-	-	-	-
Due from financial institutions - net of credit loss allowance	-	-	-	-	-	-

	December 31, 2025				December 31, 2024			
	Cost/ Amortised cost	Credit loss allowance for diminution	Surplus / (Deficit)	Carrying Value	Cost/ Amortised cost	Credit loss allowance for diminution	Surplus / (Deficit)	Carrying Value
	Rupees in '000							
2 INVESTMENTS BY SEGMENTS								
Debt Instruments								
Classified at FVOCI								
Federal Government Securities:								
-Ijarah Sukuks	225,482,020	-	920,598	226,402,618	91,102,262	-	1,639,880	92,742,142
-Islamic Naya Pakistan Certificate	707,267	(11,279)	11,278	707,266	1,086,092	(31,880)	31,880	1,086,092
Non Government Debt Securities	2,255,338	(640,545)	648,089	2,262,882	11,295,339	(435,534)	505,770	11,365,575
Total Investments	228,444,625	(651,824)	1,579,965	229,372,766	103,483,693	(467,414)	2,177,530	105,193,809

	December 31, 2024				December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Particulars of credit loss allowance								
Federal Government securities	-	11,278	-	11,278	-	31,880	-	31,880
Non Government debt securities	207	-	640,339	640,546	479	-	435,055	435,534
	207	11,278	640,339	651,824	479	31,880	435,055	467,414

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
3 ISLAMIC FINANCING AND RELATED ASSETS			
Ijarah Financing	3.1	28,047,852	234,787
Advance Against Ijarah		94,606	26,130
Murabaha Financing	3.2	326,377	262,826
Advance Against Murabaha	3.2	8,000	-
Diminishing Musharakah		13,887,956	13,924,597
Diminishing Musharakah - Islamic Re-Finance Against Renewable Energy		-	938,123
Advance Against Diminishing Musharakah		8,779,601	1,495,272
Business Musharakah Financing		6,522,520	8,939,893
Business Musharakah - Islamic Export Re-Finance		1,950,000	1,388,000
Istisna Inventory		-	70,000
Advance Against Istisna		1,069,000	2,999,858
Advance Against Istisna - Financing Under Islamic Export Re-Finance		-	930,000
Musawamah Financing		29,873	25,768
Inventory Against Musawamah		14,991	-
Salam Financing		-	86,869
Advance Against Salam		4,750	32,827
Bai Muajjal Financing		36,715,965	-
Ijarah Financing - Staff		937,776	704,990
Diminishing Musharakah Financing - Staff		308,996	174,904
Advance Against Ijarah - Staff		48,225	97,731
Advance Against Diminishing Musharakah - Staff		78,512	64,555
		98,825,000	32,397,130
Gross Islamic financing and related assets			
Less: credit loss allowance against Islamic financings			
- Stage 1		20,511	55,644
- Stage 2		2,829	10,048
- Stage 3		277,263	201,748
		300,603	267,440
Islamic financing and related assets - net of credit loss allowance		98,524,397	32,129,690

		December 31, 2025						
		Cost			Accumulated Depreciation			
		As at Jan 01, 2025	Additions / (deletions)	As at Dec 31, 2025	As at Jan 01, 2025	Charge for the year / Adjustment	As at Dec 31, 2025	Book Value as at 31 Dec 2025
		Rupees in '000						
3.1	Ijarah							
	Vehicles	234,786	664,207	898,993	202,992	(20,827)	182,165	716,828
	Equipment	-	27,547,835	27,547,835	-	216,811	216,811	27,331,024
	Total	234,786	28,212,042	28,446,828	202,992	195,984	398,976	28,047,852

		December 31, 2024						
		Cost			Accumulated Depreciation			
		As at Jan 01, 2024	Additions / (deletions)	As at Dec 31, 2024	As at Jan 01, 2024	Charge for the year	As at Dec 31, 2024	Book Value as at 31 Dec 2024
		Rupees in '000						
	Vehicles	541,094	(103,316)	437,778	196,582	6,410	202,992	234,786
	Equipment	22,230	(22,230)	-	22,230	(22,230)	-	-
	Total	563,324	(125,546)	437,778	218,812	(15,820)	202,992	234,786

		December 31, 2025				December 31, 2024			
		Not later than 1 year	Later than 1 year& less than 5 years	Over Five years	Total	Not later than 1 year	Later than 1 year& less than 5 years	Over Five years	Total
		Rupees in '000							
3.1.1	Future Ijarah payments receivable								
	Ijarah rental receivables	4,600,673	18,470,280	4,976,899	28,047,852	96,893	137,135	759	234,787

		Note	December 31, 2025	December 31, 2024
			Rupees in '000	
3.2	Murabaha			
	Murabaha financing	3.2.1	328,026	262,826
	Inventory for Murabaha		-	-
	Advances for Murabaha		8,000	-
			336,026	262,826
3.2.1	Murabaha receivable - gross	3.2.2	328,026	262,826
	Less: Deferred murabaha income	3.2.4	(1,649)	-
	Profit receivable shown in other assets		-	-
	Murabaha financings		326,377	262,826
3.2.2	The movement in Murabaha financing during the year is as follows:			
	Opening balance		262,826	158,542
	Sales during the year		214,271	104,284
	Adjusted during the year		(149,071)	-
	Closing balance		328,026	262,826
3.2.3	Murabaha sale price		214,271	104,284
	Murabaha purchase price		(205,000)	(97,158)
			9,271	7,126

			December 31, 2025	December 31, 2024
			Rupees in '000	
3.2.4	Deferred Murabaha income			
	Opening balance		-	2,935
	Arising during the year	3.2.3	9,271	7,126
	Less: Recognised during the year		(7,622)	(10,061)
	Closing balance		1,649	-
4	DUE FROM AND (DUE TO) HEAD OFFICE			
	Pak Account Daily settlement with Head Office		19,478,461	7,565,690

		December 31, 2025			December 31, 2024		
		In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
		Rupees in '000					
5	DEPOSITS						
	Customers						
	Current deposits	84,521,511	4,467,377	88,988,888	30,616,945	980,018	31,596,963
	Savings deposits	58,684,982	504,567	59,189,549	32,663,041	367,990	33,031,031
	Term deposits	2,141,339	28,012	2,169,351	5,123,154	28,186	5,151,340
	Others	3,954,523	-	3,954,523	3,104,793	-	3,104,793
		149,302,355	4,999,956	154,302,311	71,507,933	1,376,194	72,884,127
	Financial Institutions						
	Current deposits	360,079	-	360,079	279,843	-	279,843
	Savings deposits	57,894,635	-	57,894,635	36,678,466	-	36,678,466
	Term deposits	-	-	-	-	-	-
	Others	-	-	-	-	-	-
		58,254,714	-	58,254,714	36,958,309	-	36,958,309
		207,557,069	4,999,956	212,557,025	108,466,242	1,376,194	109,842,436

		December 31, 2025	December 31, 2024
		Rupees in '000	
5.1	Composition of deposits		
	- Individuals	98,357,669	41,467,684
	- Government	6,038,520	3,522,537
	- Public Sector Entities	509,213	29,653
	- Banking Companies	286,024	88,460
	- Non-Banking Financial Institutions	57,968,690	36,874,818
	- Private Sector	49,396,909	27,859,284
		212,557,025	109,842,436

5.2 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 135,296 million. (2024: 59,471 million)

		December 31, 2025	December 31, 2024
		Rupees in '000	
6	CHARITY FUND		
	Opening Balance	1,417	1,000
	Additions during the period:		
	Received from customers on account of delayed payment	358	3,037
	Dividend purification amount	-	-
	Other Non-Shariah compliant income	-	-
	Profit on charity saving account	195	580
	Others	-	-
		553	3,617
	Payments and utilization during the period:		
	Education	-	-
	Health	500	2,200
	Others	1,300	1,000
		1,800	3,200
	Closing Balance	170	1,417
6.1	During the year charity exceeding Rs 0.1 million		
	Akhuwat Islamic Microfinance	800	1,000
	Sundas Foundation	-	800
	Shaukat Khanum Memorial Cancer Hospital	-	700
	Indus Hospital & Health Network	500	700
		1,800	3,200

6.2 During the year charity to related party is Nil. (2024: Nil)

7	ISLAMIC BANKING BUSINESS UNAPPROPRIATED PROFIT		
	Opening Balance	19,165,434	10,582,171
	ECL Adjustment as per IFRS-9	-	(204,142)
	Add: Islamic Banking profit for the period	7,886,886	8,787,405
	Less: Taxation	-	-
	Less: Reserves	-	-
	Less: Transferred / Remitted to Head Office	-	-
	Closing Balance	27,052,320	19,165,434
8	CONTINGENCIES AND COMMITMENTS		
	-Guarantees	5,817,227	2,524,208
	-Commitments	9,905,137	1,731,139
	-Other contingent liabilities	2,863,682	3,556,631
		18,586,046	7,811,978
9	PROFIT/RETURN EARNED ON FINANCING, INVESTMENTS AND PLACEMENTS		
	Profit earned on:		
	Financings	3,888,991	13,755,517
	Investments	16,790,182	9,731,320
	Placements	367,442	194,803
		21,046,615	23,681,640

9.1 Profit / return has been calculated as per Islamic Financial Accounting Standards (IFAS). However, profit / return would be increased by Rs. 195 million if it would have been calculated under IFRS 9 requirements.

		December 31, 2025	December 31, 2024
		Rupees in '000	
10	PROFIT ON DEPOSITS AND OTHER DUES EXPENSED		
	Deposits and other accounts	6,843,587	9,627,355
	Due to Financial Institutions	2,992,694	2,741,149
	Other Expenses (IFRS-16)	277,252	189,044
		10,113,533	12,557,548

11 POOL MANAGEMENT

Allied Bank Limited – Islamic Banking is maintaining general and specific pools for depositors on Mudarabah basis, and Financial Institution pools are maintained for interbank funds on Musharakah / Mudarabah basis.

1- General Pool for Local Currency Depositors (Mudarabah)
2- General Pool for Foreign Currency (US$, Great Britain Pound and EURO) depositors (Mudarabah)
3- Specific Pools (Mudarabah)
4- Treasury related FI Pools (Mudarabah, Musharakah)
5- Islamic Export Refinance Pool (Musharakah)
6- Equity Pool (Mudarabah)
7- Charity Pool (Mudarabah)

1- General Pool for Local Currency Depositors (Mudarabah)

Funds generated from the general depositors are invested in different assets under this pool category. The Bank acts as Manager (Mudarib) and accepts funds in local currency from general depositors (Rab-ul-Maal) on the principals of Mudarabah and invests the same in Shariah compliant modes of financings, investments and placements. Bank as a manager of this pool, can add amend and transfer an asset to any other pool in the interest of the depositors. As required under regulatory instructions, SBP funds obtained under it's various schemes are also made part of the general pool. Further, the Bank may also commingle its own equity in this pool.

The profit of General Pool is calculated after deducting the directly incurred expenses, if any, from the income earned on all the remunerative assets managed by the pool. No provision against any non-performing asset of the pool are passed on to the pool except on the actual loss / write-off of such non-performing asset as per SBP guidelines. The profit of the pool is shared between equity and other members of the pool at gross level (before charging of mudarib fee) as per the investment ratios. After charging of agreed mudarib fee, The profit of the pool is shared among the members of the pool on profit weightages i.e. announced before start of profit calculation period.

2- General Pool for Foreign Currency (US$, Great Britain Pound and EURO) depositors (Mudarabah)

ABL Islamic is maintaining foreign currency pools for customers maintaining Mudarabah based deposit in US$, Great Britian Pound and EURO currencies. The objective of these pools are to effectively manage the FCY deposits of customers to earn and distribute returns, generally from FCY denominated assets. However, in case FCY denominated assets are not available, the Bank may invest these funds in local currency assets by converting the funds to local currency assets.

3- Specific Pools (Mudarabah)

Specific pool(s) are created where the customers desire to invest in high yielding assets. Profit rates of these pool(s) are usually different from the general pool depending on the assets. In case of loss in special pool, the loss will be borne by the Special pool members. The distributable profit is calculated as direct costs from the gross return earned on the pool. From the net return, profit is paid to the Mudarib in the ratio of the Mudarib's equity in the pool to the total pool. Specific pool deposits are invested in assets yielding relatively higher rate of return, as relative high risk investments are involved in these pools, hence bearing relative more risk than the general pool depositors.

4- Treasury related FI Pools (Mudarabah, Musharakah)

Treasury Pools are generally created, to meet the liquidity requirements of the Bank, on the basis of Musharakah, Mudarabah, wherein Allied Bank Limited-Islamic Banking Group and Financial Institutions share actual return earned by the pool according to pre-defined profit sharing ratio. The FI pool assets generally comprise of sukuks and financings under business Musharakah and diminishing Musharakah modes.

5- Islamic Export Refinance Pool (Musharkah)

Islamic Export Refinance Pool is created with SBP, to manage export refinance customers, on the basis of Musharakah, IERS Pool generally comprises of blue chip companies and exporters as allowed under the applicable rules and regulations of the scheme.

6- Equity Pool

Funds from banks own sources and current deposit (Qard basis) from customers are tagged to this pool, all fixed assets, subsidized financing to the Bank's employees are part of the equity pool. further, all admin costs and cost of assets such as land, building, furniture, fixtures, computers and Information Technology system are born by bank through equity pool.

7- Charity Pool (Mudarabah)

Funds from charity collection on delayed payments from customers etc. are tagged to this pool. Gross Income, after deducting Bank's equity share, is distributed to charity account without charging any mudarib fee.

Parameters associated with risk and rewards:
The risk & reward characteristics of each pool mainly depends on the assets and liability profile of each pool.

Following are the considerations attached with risk & reward of pools:

RISK:
- Period, rate of return, security and liquidity of investment.
- Risk annexed to investments and financings tagged to pools
- Market volatility risk relates to the current and future volatility of market values of specific assets and of foreign exchange rates.
- Change in deposit base due to early withdrawals of deposits
- Maturity mismatch of assets and deposits
- Limited avenues for Liquidity deployment, may decline profit earning rates
- SBP rules, guidelines
- Sharia Non compliance risk

REWARDS:
The deposits and funds accepted under the above mentioned pools are invested in diversified sectors and avenues of the economy and business along with investment in Government of Pakistan backed Ijarah Sukuks and other Shariah Compliant assets.

	December 31, 2025	December 31, 2024
	Rupees in '000	
11.1 Avenues and sectors where Mudarabah/Musharakah based funds have been deployed;		
Production & Transmission of Energy	73,048,341	9,859,864
Manufacturing of Miscellaneous Plastic Products	-	70,000
Chemicals & Allied Products	12,891,102	10,368,070
Petroleum and Gas	-	390,625
Financial Institutions	234,939	387,173
Agriculture & Food Products	504,864	2,026,224
Transportation & Logistics	202,667	319,768
Metal products - Steel Foundries	262,826	262,825
Cement	1,000,000	1,000,000
Textile - Knitting	-	212,500
Textile - Ginning	1,432,273	1,390,782
Textile - Spinning	-	19,036
Communication	6,210,586	3,267,487
Construction & real estate	2,907	4,715
Rice Processing	1,000,000	930,000
Shipping Companies	321,438	505,115
Others	1,713,057	1,382,946
Total Gross Financing and Related Assets	98,825,000	32,397,130
GOP Ijarah Sukuks	226,402,618	92,742,143
GOP - Islamic Naya Pakistan Certificates	707,267	1,086,093
Power and Energy Generation	434,572	9,560,259
Financial Institutions	1,187,971	1,179,889
Hotel Business	300,338	293,344
Steel Processing	340,000	332,081
Total Investments and Placements	229,372,766	105,193,809
Total Invested Funds	328,197,766	137,590,939

11.2 Profit and (loss) distribution to mudaraba based depositor's pool

Remunerative Depositor's Pool	No of Pools maintained during 2025	Profit rate and weightage announcement period	Mudarib share Percentage of Distributable income	Mudarib share Amount	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib Share transferred through Hiba	Profit rate return earned on earning assets	Profit rate return distributed to remunerative deposits
			Rupees in '000'					
General Pool	1	Monthly	50.00%	3,410,567	31.46%	1,073,036	11.83%	7.42%
Foreign Currency Pool - USD	1	Monthly	99.00%	39,170	0.08%	32.65	10.76%	0.11%
Foreign Currency Pool - GBP	1	Monthly	99.00%	632	1.21%	7.64	5.26%	0.11%
Foreign Currency Pool - EUR	1	Monthly	99.00%	1,738	0.04%	0.77	11.70%	0.12%
Charity Pool	1	Monthly	0.00%	-	0.00%	-	20.01%	20.01%
Special Pools - Open Market Operations (OMO)	16	Monthly	1.29%	6,956	27.81%	1,934.59	11.08%	10.98%
Specific pools for interbank, Investment certificates and remunerative accounts	1	Monthly	23.15%	616,668	52.09%	321,233	11.57%	9.67%

11.3 Profit and (loss) distribution to Musharkah Based pools

Pools	Profit rate and weightage announcement period	Average rate of return earned	Average PSR to Musharkah Partner	Average rate of return distributed to fund provider
Islamic Export Refinance (IERS) Musharka Pool	1 Monthly	9.66%	20.66%	7.48%
InterBank Musharka Pools	593 As required	11.46%	94.53%	10.94%

*Profit sharing ratios varies from month on month and case to case basis

Details of Disposal of Fixed Assets to Related Parties

for the year ended December 31, 2025

Annexure III

The particulars of disposal of fixed assets to related parties are given below:

Description	Original Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of Disposal	Particulars of purchaser
			Rupees in '000			
Electrical and Computer Equipments						
	480	480	-	48	As Per Bank Policy	Abid Anwar
	170	170	-	17	As Per Bank Policy	Adeel Javaid
	0	0	-	8	As Per Bank Policy	Adeel Javaid
	605	605	-	61	As Per Bank Policy	Adeel Javaid
	30	30	-	3	As Per Bank Policy	Adeel Javaid
	413	413	-	41	As Per Bank Policy	Ahmad Faheem Khan
	4,851	3,962	889	889	As Per Bank Policy	Aizid Razzaq Gill
	617	617	-	62	As Per Bank Policy	Aizid Razzaq Gill
	403	403	-	40	As Per Bank Policy	Asif Bashir
	699	699	-	70	As Per Bank Policy	Asif Bashir
	96	96	-	10	As Per Bank Policy	Asif Bashir
	63	63	-	6	As Per Bank Policy	Asif Bashir
	355	355	-	36	As Per Bank Policy	Atif Mirza
	714	714	-	71	As Per Bank Policy	Atif Mirza
	885	885	-	89	As Per Bank Policy	Atif Mirza
	397	397	-	40	As Per Bank Policy	Imran Maqsood
	618	618	-	62	As Per Bank Policy	Imran Maqsood
	475	475	-	48	As Per Bank Policy	Imran Maqsood
	209	209	-	21	As Per Bank Policy	Imran Maqsood
	355	355	-	36	As Per Bank Policy	Jamil Khan
	665	665	-	67	As Per Bank Policy	Jamil Khan
	170	170	-	17	As Per Bank Policy	Khurram Ali Syed
	665	665	-	67	As Per Bank Policy	Moin Khalid
	475	475	-	48	As Per Bank Policy	Mujahid Ali
	538	538	-	54	As Per Bank Policy	Mujahid Ali
	50	50	-	5	As Per Bank Policy	Mujahid Ali
	618	618	-	62	As Per Bank Policy	Mujahid Ali
	699	699	-	70	As Per Bank Policy	Nauman ul Haq Qureshi
	665	665	-	67	As Per Bank Policy	Owais Shahid
	830	830	-	83	As Per Bank Policy	Owais Shahid
	641	641	-	64	As Per Bank Policy	Shahid Amir
	699	699	-	70	As Per Bank Policy	Tariq Mehmood shahid
	620	620	-	62	As Per Bank Policy	Tariq Mehmood shahid
	730	730	-	73	As Per Bank Policy	Zubair Sharif
	20,501	19,612	889	2,462		

*They are Key Management Personnel of the Bank.



CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED DECEMBER 31, 2025**

Directors' Report on Consolidated Financial Statements
For the year ended December 31, 2025

On behalf of the Board of Directors, we are pleased to present the consolidated Annual Report of Allied Bank Limited (holding company), ABL Asset Management Company Limited (subsidiary company) and ABL Exchange Private Limited (subsidiary company) for the year ended December 31, 2025.

The operating results and appropriations, as recommended by the Board of Directors are included in the appended table:

	Year ended December 31,		
	2025	2024	Change
	Rs. In Million		%
Profit after tax for the year	36,329	44,389	(18)
Accumulated profits brought forward	127,704	103,792	23
Transferred from surplus on revaluation of non-banking assets to un-appropriated profit – net of tax	501	3	159.7T
Transferred from surplus on revaluation of fixed assets to un-appropriated profit – net of tax	348	221	58
Transfer of surplus on account of disposal of equity investments - net of tax	2,846	1,330	1.1T
Re-measurement on defined benefit obligation – net of tax	222	601	(63)
Profit available for appropriation	167,950	150,337	12
Final cash dividend for the year ended December 31, 2024: Rs. 4.00 per share (2024: Year ended December 31, 2023: Rs. 4.00 per share)	(4,580)	(4,580)	0
First interim cash dividend for the year ending at December 31, 2025: Rs. 4.00 per share (2024: Year ended December 31, 2024: Rs. 4.00 per share)	(4,580)	(4,580)	0
Second interim cash dividend for the year ending at December 31, 2025: Rs. 4.00 per share (2024: Year ended December 31, 2024: Rs. 4.00 per share)	(4,580)	(4,580)	0
Third interim cash dividend for the year ended December 31, 2025: Rs. 4.00 per share (2024: Year ended December 31, 2024: Rs. 4.00 per share)	(4,580)	(4,580)	0
Transfer to Statutory Reserves	(3,518)	(4,312)	(18)
Accumulated profits carried forward	146,111	127,704	14
Earnings Per Share (EPS) (Rs.)	31.73	38.77	(18)

Pattern of shareholding

Pattern of Shareholding as at December 31, 2025 is included in the Annual Report

For and on behalf of the board

Aizid Razzaq Gill
Chief Executive Officer

Mohammad Naeem Mukhtar
Chairman Board of Directors

Lahore
Dated: February 17, 2026

Independent Auditor's Report
To the members of Allied Bank Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Allied Bank Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025 and the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matter

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

Following are the Key Audit Matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1.	**Credit loss against advances**	
	Refer to note 9, and the accounting policy in note 4.16.5 to the consolidated financial statements. As of 31 December 2025, the Group's credit loss allowance against advances stands at Rs. 12,399 million. The measurement of Expected Credit Loss (ECL) over advances involves evaluating a range of possible outcomes, considering the time value of money, and incorporating reasonable and supportable information available at the reporting date about past events, current conditions, and forecasts of future economic conditions. The estimation of expected credit losses involves significant management judgment in the development and application of credit risk models, including the determination of probability of default (PD), loss given default (LGD), and exposure at default (EAD). These inputs require judgment in reflecting the credit risk characteristics of the Group's loan portfolio which contribute to estimation uncertainty in the measurement of ECL. In addition, the Group measures ECL on a forward-looking basis that incorporates a range of possible future economic conditions. Management judgment is applied in selecting appropriate forward-looking economic scenarios, identifying the key economic variables relevant to the portfolio, and determining the probability weightings assigned to each scenario. The use of forward-looking information increases the degree of judgment involved and has a significant impact on ECL.	Our audit procedures included, among others: • Obtaining an understanding of the Group's expected credit loss (ECL) methodology developed under the requirements of IFRS 9 Application Instructions issued by SBP, including the methodologies and key assumptions applied in estimating PD, LGD and EAD, as well as the incorporation of forward-looking information. • Obtaining an understanding of and evaluating the design and implementation of controls over estimation and recognition of ECL. • Involving our own specialists to assess the consistency of the Group's methodology with SBP IFRS-9 application instruction and models for determining the economic scenarios used and the probability weightings applied to them by independently challenging and validating reasonableness of assumption, methodologies, and outputs of the models used in ECL computation. • Assessing the relevance and reliability of key data inputs used in the ECL computation through reconciliation to the Group's accounting records and information systems as well as the related external sources, on a sample basis. • Evaluating the reasonableness of judgement used by the management for determining provisions under PR issued by SBP for non-performing advances, by evaluating borrower-specific factors such as repayment behavior, financial condition and recoverability.

Independent Auditor's Report
To the members of Allied Bank Limited
Report on the Audit of the Consolidated Financial Statements

S. No.	Key Audit Matter	How the matter was addressed in our audit
	The assessment of credit loss allowance also requires management to exercise judgment in evaluating borrower-specific factors, prevailing economic and business conditions, particularly for non-performing advances, required under the Prudential Regulations (PR) issued by State Bank of Pakistan (SBP). Accordingly, due to the complexity of the estimation process and the degree of judgment involved, we considered the credit loss allowance against advances to be a key audit matter.	• Assessing the adequacy and appropriateness of disclosures related to credit risk and ECL in the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan.

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

Management is responsible for the other information. The other information comprises the information included in the Group's Annual Report but does not include the unconsolidated and consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan, the requirements of Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's Report
To the members of Allied Bank Limited
Report on the Audit of the Consolidated Financial Statements

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter:

The consolidated financial statements of the Group as at and for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on 03 March 2025.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Fahad Bin Waheed.

KPMG Taseer Hadi & Co.
Chartered Accountants

Place: Lahore
Date: 7 March 2026

UDIN: AR20251008919Q4r8gFK

Consolidated Statement of Financial Position
as at December 31, 2025

December 31, 2025	December 31, 2024		Note	December 31, 2025	December 31, 2024
US $ in '000				Rupees in '000	
		ASSETS			
613,960	524,101	Cash and balances with treasury banks	5	171,984,462	146,812,714
46,690	35,571	Balances with other banks	6	13,079,040	9,964,224
-	869,407	Lendings to financial institutions	7	-	243,541,081
7,640,625	4,044,234	Investments	8	2,140,315,413	1,132,883,403
2,820,010	3,753,869	Advances	9	789,950,032	1,051,545,347
497,911	457,957	Property and equipment	10	139,476,421	128,284,200
31,348	27,801	Right-of-use assets	11	8,781,290	7,787,741
16,103	13,031	Intangible assets	12	4,510,724	3,650,196
-	-	Deferred tax assets		-	-
383,820	347,108	Other assets	13	107,516,727	97,233,559
12,050,467	10,073,079	TOTAL ASSETS		3,375,614,109	2,821,702,465
		LIABILITIES			
49,480	51,771	Bills payable	15	13,860,534	14,502,237
2,298,036	1,649,359	Borrowings	16	643,733,028	462,023,558
8,370,827	7,204,224	Deposits and other accounts	17	2,344,862,071	2,018,069,645
41,244	36,987	Lease liabilities	18	11,553,450	10,360,968
-	-	Sub-ordinated debt		-	-
77,440	35,201	Deferred tax liabilities	19	21,692,682	9,860,520
253,598	245,024	Other liabilities	20	71,039,153	68,636,946
11,090,625	9,222,566	TOTAL LIABILITIES		3,106,740,918	2,583,453,874
959,842	850,513	NET ASSETS		268,873,191	238,248,591
		REPRESENTED BY			
40,878	40,878	Share capital	21	11,450,739	11,450,739
165,431	151,578	Reserves		46,341,119	42,460,536
231,935	202,174	Surplus on revaluation of assets	22	64,969,928	56,633,562
521,598	455,883	Unappropriated profit		146,111,405	127,703,754
959,842	850,513			268,873,191	238,248,591
		CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzaq Gill
President and Chief Executive

Muhammad Kamran Shehzad
Director

Mian Ikram Ul Haq
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Profit and Loss Account
for the year ended December 31, 2025

December 31, 2025	December 31, 2024		Note	December 31, 2025	December 31, 2024
US $ in '000				Rupees in '000	
1,061,396	1,345,506	Mark-up / return / interest earned	25	297,321,532	376,907,387
686,190	933,673	Mark-up / return / interest expensed	26	192,217,802	261,543,253
375,206	411,833	Net mark-up and interest income		105,103,730	115,364,134
		NON MARK–UP / INTEREST INCOME			
68,016	57,752	Fee and commission income	27	19,052,839	16,177,781
10,364	10,773	Dividend income		2,903,165	3,017,787
18,539	23,881	Foreign exchange income		5,193,320	6,689,514
-	-	Income from derivatives		-	-
10,425	12,296	Gain on securities - net	28	2,920,345	3,444,359
-	-	Net gain / (loss) on derecognition of financial assets measured at amortised cost		-	-
3,576	3,589	Other income	29	1,001,679	1,005,291
110,920	108,291	Total non-markup / interest income		31,071,348	30,334,732
486,126	520,124	Total income		136,175,078	145,698,866
		NON MARK–UP / INTEREST EXPENSES			
238,548	206,175	Operating expenses	30	66,822,701	57,754,498
5,422	5,166	Workers welfare fund - net		1,518,916	1,447,221
1,264	1,139	Other charges	31	353,941	319,114
245,234	212,480	Total non-markup / interest expenses		68,695,558	59,520,833
2,396	2,948	Share of profit of associates		671,258	825,699
243,288	310,592	Profit before credit loss allowance		68,150,778	87,003,732
27,279	9,675	Credit loss allowance / Provisions and write offs - net reversal	32	7,641,419	2,710,139
270,567	320,267	PROFIT BEFORE TAXATION		75,792,197	89,713,871
140,877	161,803	Taxation	33	39,462,796	45,324,650
129,690	158,464	PROFIT AFTER TAXATION		36,329,401	44,389,221
In US $				In Rupees	
0.11	0.14	Basic and diluted earnings per share	34	31.73	38.77

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzaq Gill
President and Chief Executive

Muhammad Kamran Shehzad
Director

Mian Ikram Ul Haq
Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Statement of Comprehensive Income
for the year ended December 31, 2025

December 31, 2025	December 31, 2024		December 31, 2025	December 31, 2024
US $ in '000			Rupees in '000	
129,690	158,464	Profit after taxation for the year	36,329,401	44,389,221
		Other comprehensive income		
		Items that may be reclassified to profit and loss account in subsequent periods:		
1,296	669	Effect of translation of net investment in foreign branches	363,055	187,310
		Movement in surplus on revaluation of debt investments		
24,878	13,215	through FVOCI - net of tax	6,968,990	3,701,762
26,174	13,884		7,332,045	3,889,072
		Items that will not be reclassified to profit and loss account in subsequent periods:		
		Remeasurement gain on defined benefit		
791	2,146	obligations - net of tax	221,555	601,130
		Movement in deficit / effect of change in tax rate on		
(194)	(918)	revaluation of fixed assets - net of tax	(54,444)	(257,155)
		Movement in (deficit) / surplus on revaluation of		
(1,127)	835	non-banking assets - net of tax	(315,807)	233,956
		Movement in surplus on revaluation of equity		
15,723	18,536	investments through FVOCI - net of tax	4,404,381	5,192,320
15,193	20,599		4,255,685	5,770,251
171,057	192,947	Total Comprehensive Income	47,917,131	54,048,544

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

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Director

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Director

Mohammad Naeem Mukhtar
Chairman

Consolidated Statement of Changes in Equity
for the year ended December 31, 2025

	Issued, subscribed and paid-up capital	Capital reserve		Revenue reserve	Surplus / (deficit) on revaluation of			Un-appropriated profit	Total
		Exchange translation	Statutory reserve	General	Investments	Fixed assets	Non-banking assets		
	Rupees in '000								
Balance as at December 31, 2023	11,450,739	7,791,124	30,164,512	6,000	(6,877,748)	45,986,866	977,251	107,827,294	197,326,038
Effect of adoption of IFRS 9	-	-	-	-	9,230,428	-	-	(4,035,239)	5,195,189
Balance as at January 01, 2024 (as restated)	11,450,739	7,791,124	30,164,512	6,000	2,352,680	45,986,866	977,251	103,792,055	202,521,227
Profit after taxation for the year ended December 31, 2024	-	-	-	-	-	-	-	44,389,221	44,389,221
Other Comprehensive Income - net of tax									
Surplus on revaluation of debt investments - net of tax	-	-	-	-	3,701,762	-	-	-	3,701,762
Surplus on revaluation of equity investments - net of tax	-	-	-	-	5,192,320		-	-	5,192,320
Surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	233,956		233,956
Remeasurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	601,130	601,130
Effect of change in tax rate on revaluation surplus of fixed assets- net of tax	-	-	-	-	-	(257,155)	-	-	(257,155)
Effect of translation of net investment in foreign branches	-	187,310	-	-	-	-	-	-	187,310
	-	187,310	-	-	8,894,082	(257,155)	233,956	601,130	9,659,323
Transfer to statutory reserve	-	-	4,311,590	-	-	-	-	(4,311,590)	-
Transfer of revaluation surplus on change in use- net of tax	-	-	-	-	-	16,030	(16,030)	-	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit - net of tax	-	-	-	-	-	(168,008)	-	168,008	-
Surplus realised on disposal of revalued fixed assets - net of tax									
Transferred from surplus in respect of incremental	-	-	-	-	-	(52,934)	-	52,934	-
depreciation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(3,119)	3,119	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	-	-	-	-
Transfer of surplus on account of disposal of equity investments - net of tax	-	-	-	-	(1,330,057)	-	-	1,330,057	-
Transactions with owners recognized directly in equity									
Final cash dividend for the year ended December 31, 2023 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
First interim cash dividend for the year ended December 31, 2024 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
Second interim cash dividend for the year ended December 31, 2024 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
Third interim cash dividend for the year ended December 31, 2024 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
	-	-	-	-	-	-	-	(18,321,180)	(18,321,180)
Balance as at December 31, 2024	11,450,739	7,978,434	34,476,102	6,000	9,916,705	45,524,799	1,192,058	127,703,754	238,248,591
Effect of adoption of IFRS 9 - Note 4.2	-	-	-	-	1,028,649	-	-	-	1,028,649
Balance as at January 01, 2025 - as restated	11,450,739	7,978,434	34,476,102	6,000	10,945,354	45,524,799	1,192,058	127,703,754	239,277,240
Profit after taxation for the year ended December 31, 2025	-	-	-	-	-	-	-	36,329,401	36,329,401
Other Comprehensive Income – net of tax									
Movement in surplus on revaluation of debt investments - net of tax	-	-	-	-	6,968,990	-	-	-	6,968,990
Movement in surplus on revaluation of equity investments - net of tax	-	-	-	-	4,404,381	-	-	-	4,404,381
Movement in deficit on revaluation of property and equipment - net of tax	-	-	-	-	-	(54,444)	-	-	(54,444)
Movement in deficit on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(315,807)	-	(315,807)
Remeasurement gain on defined benefit obligation - net of tax	-	-	-	-	-	-	-	221,555	221,555
Effect of translation of net investment in foreign branch	-	363,055	-	-	-	-	-	-	363,055
	-	363,055	-	-	11,373,371	(54,444)	(315,807)	221,555	11,587,730
Transfer to statutory reserve	-	-	3,517,528	-	-	-	-	(3,517,528)	-
Transferred from surplus in respect of incremental depreciation of fixed assets to un-appropriated profit - net of tax	-	-	-	-	-	(165,930)	-	165,930	-
Surplus realised on disposal of revalued fixed assets - net of tax	-	-	-	-	-	(182,120)	-	182,120	-
Transferred from surplus in respect of incremental depreciation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	-	-	(3,340)	3,340	-
Surplus realised on disposal of revalued non-banking assets - net of tax	-	-	-	-	-	-	(497,988)	497,988	-
Transfer of surplus on account of disposal of equity investments - net of tax	-	-	-	-	(2,846,025)	-	-	2,846,025	-
Transactions with owners recognized directly in equity									
Final cash dividend for the year ended December 31, 2024 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
First interim cash dividend for the year ended December 31, 2025 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
Second interim cash dividend for the year ended December 31, 2025 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
Third interim cash dividend for the year ended December 31, 2025 (Rs. 4 per ordinary share)	-	-	-	-	-	-	-	(4,580,295)	(4,580,295)
	-	-	-	-	-	-	-	(18,321,180)	(18,321,180)
Balance as at December 31, 2025	11,450,739	8,341,489	37,993,630	6,000	19,472,700	45,122,305	374,923	146,111,405	268,873,191

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

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Chief Financial Officer

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Director

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Chairman

Consolidated Cash Flow Statement
for the year ended December 31, 2025

December 31, 2025	December 31, 2024		Note	December 31, 2025	December 31, 2024
US $ in '000				Rupees in '000	
		CASH FLOW FROM OPERATING ACTIVITIES			
270,567	320,266	Profit before taxation		75,792,197	89,713,871
(12,760)	(13,721)	Less: Dividend income and share of profit of associates		(3,574,423)	(3,843,486)
257,807	306,545			72,217,774	85,870,385
		Adjustments:			
(375,206)	(411,834)	Net mark-up / interest income		(105,103,730)	(115,364,134)
28,558	23,823	Depreciation - Operating Fixed Asset	10.2	7,999,771	6,673,434
79	85	Depreciation - Non Banking Assets		22,194	23,921
7,018	6,672	Depreciation on right of use assets		1,965,949	1,869,048
2,494	2,235	Amortization		698,670	626,004
(27,202)	(9,648)	Credit loss allowance / Provisions and write offs	32	(7,620,024)	(2,702,596)
(215)	(87)	Unrealized gain on revaluation of securities measured at FVTPL		(60,262)	(24,397)
5,422	5,166	Provision for workers' welfare fund - net		1,518,916	1,447,221
64	(31)	Charge / (Reversal) for defined benefit plans		18,013	(8,632)
(2,528)	(2,708)	Gain on sale of property and equipment and non-banking assets		(708,017)	(758,613)
(544)	(644)	Gain on derecognition of right-of-use assets		(152,468)	(180,297)
5,215	4,991	Finance charges on leased assets		1,460,718	1,398,015
(356,845)	(381,980)			(99,960,270)	(107,001,026)
(99,038)	(75,435)			(27,742,496)	(21,130,641)
		Decrease / (increase) in operating assets			
869,407	(835,786)	Lendings to financial institutions		243,541,081	(234,123,078)
(32,216)	61,098	Securities classified as FVTPL		(9,024,530)	17,115,049
943,124	(969,239)	Advances		264,190,746	(271,506,346)
5,829	20,505	Other assets (excluding advance taxation)		1,632,880	5,744,022
1,786,144	(1,723,422)			500,340,177	(482,770,353)
		Increase / (decrease) in operating liabilities			
(2,291)	18,491	Bills payable		(641,703)	5,179,832
650,182	314,560	Borrowings		182,130,972	88,115,553
1,166,603	1,219,035	Deposits and other accounts		326,792,426	341,479,968
9,962	(3,490)	Other liabilities (excluding current taxation)		2,790,510	(977,586)
1,824,456	1,548,596			511,072,205	433,797,767
3,511,562	(250,261)			983,669,886	(70,103,227)
1,046,359	1,372,827	Interest Received		293,109,379	384,560,564
(689,798)	(924,645)	Interest Paid		(193,228,360)	(259,014,322)
(166,431)	(197,649)	Income tax paid		(46,621,289)	(55,366,136)
(2,630)	(3,053)	Defined benefits paid		(736,615)	(855,333)
3,699,062	(2,781)	Net cash flow generated from / (used in) operating activities		1,036,193,001	(778,454)
		CASH FLOW FROM INVESTING ACTIVITIES			
93,753	(213,144)	Net realizations / (investments) in amortised cost securities		26,262,390	(59,706,590)
(3,570,389)	357,813	Net (investments) / realizations in securities classified as FVOCI		(1,000,148,403)	100,231,647
12,662	10,993	Dividend received		3,546,848	3,079,404
(75,548)	(83,289)	Investments in property and equipment and intangible assets		(21,162,700)	(23,331,273)
1,296	669	Effect of translation of net investment in foreign branch		363,055	187,310
2,965	9,161	Disposals of property and equipment		830,686	2,566,248
3,565	-	Disposals of non-banking assets		998,530	-
(3,531,696)	82,203	Net cash flow (used in) / generated from investing activities		(989,309,594)	23,026,746
		CASH FLOW FROM FINANCING ACTIVITIES			
(10,977)	(10,199)	Payment of lease obligations against right of use assets		(3,075,014)	(2,857,024)
(65,208)	(65,169)	Dividend paid		(18,266,327)	(18,255,239)
(76,185)	(75,368)	Net cash flow used in financing activities		(21,341,341)	(21,112,263)
91,181	4,054	Increase in cash and cash equivalents during the year		25,542,066	1,136,029
570,077	564,461	Cash and cash equivalents at beginning of the year		159,691,964	158,118,805
(601)	960	Effect of exchange rate changes on opening cash and cash equivalents		(168,337)	268,793
569,476	565,421			159,523,627	158,387,598
660,657	569,475	CASH AND CASH EQUIVALENTS AT END OF THE YEAR	35	185,065,693	159,523,627

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

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Chief Financial Officer

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Director

Mian Ikram Ul Haq
Director

Mohammad Naeem Mukhtar
Chairman

Notes to the Consolidated Financial Statements
for the year ended December 31, 2025

1 STATUS AND NATURE OF BUSINESS

The "Group" consists of:

1.1 Holding company

Allied Bank Limited (the Bank)

Allied Bank Limited ("the Bank"), incorporated in Pakistan, is a scheduled bank, engaged in commercial banking and related services. The Bank is listed on Pakistan Stock Exchange Limited. The Bank operates a total of 1,533 (2024: 1,508) branches in Pakistan including 302 (2024: 160) Islamic banking branches, 1 branch (2024: 1) in Karachi Export Processing Zone and 1 Wholesale banking branch (2024: 1) in Bahrain. The long term credit rating of the Bank assigned by the Pakistan Credit Rating Agency Limited (PACRA) is 'AAA'. Short term rating of the Bank is 'A1+'.

Ibrahim Holdings (Private) Limited is the parent company of the Bank and it's registered office is in Pakistan.

The Bank is the holding company of ABL Asset Management Company Limited and ABL Exchange Company (Pvt.) Limited.

The registered office of the Bank is situated at 3 - Tipu Block, New Garden Town, Lahore.

1.2 Subsidiary companies

-ABL Asset Management Company Limited

ABL Asset Management Company Limited ("the Company") is a public unlisted company, incorporated in Pakistan as a limited liability company on 12 October 2007 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company has obtained licenses from the Securities and Exchange Commission of Pakistan (SECP) to carry on Asset Management Services and Investment Advisory Services as a Non-Banking Finance Company (NBFC) under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 as amended through S.R.O.1131[I] 2007 ("the NBFC Rules") S.R.O 1233(I) / 2019. The Company received certificate of commencement of business on 31 December 2007. The Company has also obtained license to carry out business as Pension Fund Manager, under the Voluntary Pension System Rules, 2005. The registered office of the Company is situated at Plot no. 14, Main Boulevard, DHA Phase VI, Lahore. The Company is a wholly owned subsidiary of Allied Bank Limited ("the holding Company").

The Company has been assigned an Asset Manager rating of 'AM1' by Pakistan Credit Rating Agency Limited dated October 24, 2025 (2024: 'AM1 dated October 25, 2024).

The Company's licenses to carry out asset management and investment advisory services have been renewed by SECP on September 29, 2025 for a further period of three years.

ABL Asset Management Company is managing the following funds:

- ABL Income Fund — Launched on September 20, 2008
- ABL Stock Fund — Launched on June 28, 2009
- ABL Cash Fund — Launched on July 30, 2010
- ABL Islamic Income Fund — Launched on July 30, 2010
- ABL Government Securities Fund — Launched on November 30, 2011
- ABL Islamic Stock Fund — Launched on June 12, 2013
- ABL Pension Fund — Launched on August 20, 2014
- ABL Islamic Pension Fund — Launched on August 20, 2014
- ABL Islamic Financial Planning Fund — Launched on December 22, 2015
- ABL Financial Planning Fund — Launched on December 31, 2015
- ABL Islamic Dedicated stock fund — Launched on December 19, 2016
- ABL Islamic Asset Allocation Fund — Launched on May 31, 2018
- Allied Finergy Fund — Launched on November 30, 2018
- ABL Special Saving Fund — Launched on September 19, 2019
- ABL Islamic Cash Fund — Launched on February 10, 2020
- ABL Financial Sector Fund — Launched on August 01, 2023

– ABL Fixed Rate Fund	Launched on October 20, 2023
– ABL Money Market Fund	Launched on November 16, 2023
– ABL Islamic Money Market Fund	Launched on December 23, 2023
– ABL GOKP Pension Fund	Launched on April 23, 2024
– ABL GOKP Islamic Pension Fund	Launched on April 23, 2024
– ABL Islamic Soverign Fund	Launched on July 22, 2024
– ABL Optimal Asset Allocation Fund	Launched on September 04, 2025
– ABL Islamic Fixed Term Fund	Launched on September 19, 2025
– ABL GOPB Pension Fund	Launched on November 26, 2025
– ABL GOPB Islamic Pension Fund	Launched on November 26, 2025

- ABL Exchange Private Limited

ABL Exchange (Private) Limited (the "Company" or "ABL Exchange") is a wholly owned subsidiary of Allied Bank Limited.and incorporated on December 15, 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 20, 2024. The Company was formed under section 3AA of the Foreign Exchange Regulation Act, 1947. The registered office of the Company is situated at 3 - Tipu Block, New Garden Town, Lahore and its head office is situated at 21-Z, DHA Phase 3, Lahore. Currently the Company is operating 51 payment booths across the country.

2 BASIS OF PRESENTATION

These consolidated financial statements consists of holding comnpany and its subsidiary companies. These consolidated financial statements have been prepared in the format prescribed for banking companies by the SBP vide BPRD Circular No. 02 dated February 09, 2023, and BPRD Circular Letter No. 13 of 2024 dated July 01, 2024, and in accordance with the accounting and reporting standards as applicable in Pakistan.

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate profit in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these consolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon.

Key financial figures of the Islamic banking branches are disclosed in Annexure II to the unconsolidated financial statements.

These consolidated financial statements have been presented in Pakistan Rupees (PKR), which is the currency of the primary economic environment in which the Group operates. The amounts are rounded to nearest thousand of rupees unless otherwise stated.

The US$ Dollar amounts presented in the Statement of Financial Position, Statement of Profit and Loss Account, Statement of Comprehensive Income and Cash Flow Statement are stated as additional information, solely for the convenience of the users of financial statements. For the purpose of translation to US$, spot rate of Rs. 280.1231 per US$ has been used for 2025 and 2024, as it was the prevalent rate on reporting date.

US$ is the convenience currency and PKR is the functional currency, therefore, the information in the convenience translation is supplementary and need not comply with the translation method set out under IAS 21 – The Effects of Changes in Foreign Exchange Rates.

2.1 Statement of Compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;

- Provisions of, directives and notifications issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

2.1.1 Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives and notifications issued by the SBP and the SECP differ with the requirements of IFRS Accounting Standards or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives and notifications, shall prevail.

2.1.2 The SBP, vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 40 'Investment Property' (IAS 40) for banking companies till further instructions. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements.

2.1.3 The Securities and Exchange Commission of Pakistan (SECP) vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of International Financial Reporting Standard 10 'Consolidated Financial Statements' (IFRS 10) and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under Trust structure.

2.1.4 The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard 3 'Profit & Loss Sharing on Deposits' (IFAS-3) issued by the Institute of Chartered Accountants of Pakistan and notified by the Securities & Exchange Commission of Pakistan (SECP), vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). The standard will result in certain new disclosures in the financial statements of the Group.

2.1.5 The State Bank of Pakistan granted an extension to the Group until December 31, 2025, for the application of the effective interest rate (EIR) method, in general, to all financial assets and financial liabilities. However, prior to obtaining the extension, financial liabilities and financial assets other than advances (excluding subsidized loans) were already being accounted for using the EIR method.

Further, SBP through BPRD Circular Letter No. 01 of 2025 dated January 22, 2025 has clarified the followings:

- Revenue Recognition from Islamic Operations: Islamic Banking Institutions (IBIs) are allowed to follow Islamic Financial Accounting Standards (IFAS) 1 & 2 where applicable and continue the existing accounting methodology on other Islamic products until issuance of further instruction in this regard.
- Charity on Islamic Products: IBD Circular No. 02 of 2008 clearly states that the "Charity Fund shall not constitute income of the IBI". Hence, the treatment of charity should be in line with the existing practices as defined in SBP instructions and should not be recognized as income.

2.1.6 The Group has applied the IFRS 9 Application Instructions issued by SBP through BPRD Circular No. 03 of 2022, which state the following:

i Credit exposure (in local currency) guaranteed by the Government and Government Securities are exempted from the application of ECL Framework.

ii Until implementation of IFRS 9 has stabilized, Stage 3's provision to be made higher of IFRS 9 ECL or Prudential Regulation's requirement.

iii The FIs are advised to recognize income on impaired assets (loans classified under PRs i.e. OAEM and Stage 3 loans) on a receipt basis in accordance with the requirements of Prudential Regulations issued by SBP.

2.1.7 All Islamic products are governed by the product manual approved by the Shariah Board of the Bank. The related accounting and revenue recognition policies are outlined in note 4.19(c) of these consolidated financial statements, respectively. In case of Ijarah and Murhaba, the Bank's accounting and revenue recognition policies are in line with the requirements of IFAS 1 and IFAS 2.

2.2 Standards, interpretations and amendments to accounting standards that are effective in the current year

As directed by SBP vide BPRD Circular Letter No. 16 of 2024, unlisted equity securities which were carried at the lower of cost or breakup value till December 31, 2024, are required to be carried at fair value with effect from January 01, 2025.

Except for the changes mentioned in notes 4.1 and 4.2, the Bank expects that amendments to existing accounting and reporting standards will not affect its financial statements in the period of initial application.

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

A number of new accounting standards and amendments to existing standards have been issued but are not yet effective. The Group will adopt the applicable standards and amendments when they become effective.

Classification and measurement of financial instruments (Amendments to IFRS 9)

'The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognized and derecognized and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognize their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the company to derecognize its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

The above amendment apply for reporting periods beginning on or after January 01, 2026.

SBP through its letter BPRD/RPD/822456/25 dated January 22, 2025, has granted an extension to the Group for the implementation of the EIR method under IFRS 9 until December 31, 2025. Accordingly, this requirement will become effective for accounting periods beginning on or after January 01, 2026.

Adoption of IFRS 18

'The Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 2444(I)/2025 dated December 12, 2025, has notified that "IAS-1, Presentation of Financial Statements", as referred to in the earlier notification S.R.O. No. 633(I)/2014, shall be replaced with "IFRS-18, Presentation and Disclosure in Financial Statements" and shall be followed for the preparation of financial statements for annual reporting periods beginning on or after January 01, 2027.

SECP vide S.R.O. 742 (I)/2025 (dated April 16, 2025) notified that International Financial Reporting Standard (IFRS)-7, 'Financial Instruments: Disclosures' shall be followed by Banks, for the preparation of financial statements, from the annual reporting periods beginning on or after January 1, 2026 (earlier application is permitted).

The management is in the process of assessing the impact of these standards and amendments on the consolidated financial statements of the Bank. Other amendments to accounting standards that have been issued but are not yet effective are not expected to have a significant impact on the Bank's financial statements.

2.4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates, underlying assumptions and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Group's financial statements or where judgment was exercised in application of accounting policies are as follows:

		Note
-	Impairment of financial instruments	4.16.5
-	Classification of financial assets	4.16.2
-	Fair value measurement of financial instruments	37
-	Valuation of defined benefit plan	37.12

3 BASIS OF MEASUREMENT

These consolidated financial statements have been prepared under the historical cost convention except for the following which are stated at revalued amounts or fair values or present values:

		Note
-	Debt and equity securities at FVOCI	4.5
-	Certain operating fixed assets	4.7
-	Derivative financial instruments	4.18
-	Non-banking assets acquired in satisfaction of claims	4.11
-	Staff retirement and other benefits	4.10

4 MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated financial statements have been applied consistently to all periods, except as disclosed in notes 4.1 and 4.2.

4.1 Fair valuation of unlisted equity securities

With effect from January 01, 2025, unlisted equity investments are valued at fair value, which represents the price at which the investment could be sold in an orderly transaction between market participants at the measurement date. Previously, unlisted equity investments were measured at the lower of cost and breakup value derived on the basis of their latest available audited financial statements.

The measurement of fair value of unlisted equity investments involves the use of valuation techniques incorporating assumptions that are not evidenced by the prices from observable market data. These may involve the analysis of the investee's financial position and results, risk profile and other judgemental factors. The chosen valuation techniques depend on the availability of market data and the profile of the investee and incorporates all the factors that market participants would consider in pricing a transaction and are aimed at maximizing the use of relevant observable inputs and limiting the use of unobservable data.

4.2 Transitional Impact

To account for the transition, the Group has elected to follow the modified retrospective approach for restatement as allowed under IFRS 9. The cumulative impact has been recorded as an adjustment to equity as of January 01, 2025. Accordingly, the information presented as of December 31, 2024 has not been restated.

The transition resulted in an increase of Rs. 2,143 million in the carrying amount of unlisted equity securities measured at FVOCI and an increase of Rs. 1,114 million in deferred tax liability, resulting in a net increase of Rs. 1,028 million in the net assets of the Bank as at January 01, 2025.

The impact of the transition to IFRS 9 on equity as at January 01, 2025 is as follows:	Rupees in '000
Surplus on revaluation of investments	
Closing balance as at December 31, 2024 - as reported	9,911,604
Increase in the fair valuation of unlisted equity securities carried at FVOCI	2,143,019
Less: related deferred tax	(1,114,370)
	1,028,649
Opening balance as at January 01, 2025 - as restated	10,940,253

Retained earnings

There is no impact of transition to IFRS 9 on the opening retained earnings as at January 01, 2025.

4.3 Cash and cash equivalents

Cash and cash equivalents as referred to in the consolidated cash flow statement comprise cash balances with treasury and other banks less overdrawn nostros accounts which are repayable on demand and form an integral part of an entity's cash management.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

4.4 Lendings to or borrowings from financial institutions

The Group enters into transactions of borrowing (re-purchase) from and lending (reverse re-purchase) to financial institutions, at contracted rates for a specified period of time. These are recorded as under:

a. Sale under re-purchase agreements

Securities sold subject to a re-purchase agreement are retained in the financial statements as investments and the counter party liability is included in borrowings from financial institutions. The differential in sale and re-purchase value is accrued on a pro rata basis and recorded as mark-up expense.

b. Purchase under resale agreements

Securities purchased under agreement to resell (reverse re-purchase) are included in lendings to financial institutions. The differential between the contracted price and resale price is accrued on pro rata basis over the period of the contract and recorded as mark-up income.

Securities held as collateral are not recognized in the financial statements, unless these are sold to third parties, in which case the obligation to return them is recorded at fair value as a trading liability under borrowings from financial institutions.

In Bai Muajjal, the Group purchases and sells Shariah Compliant instruments including sukuks on credit to other financial institutions. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period. Expected profit / expense is recognized on accrual basis.

In Musharaka and Mudaraba, the Group invests in the Shariah compliant business pools of the financial institutions at the agreed profit and loss sharing ratio. Expected profit is recognized on accrual basis.

Other borrowings including borrowings from SBP are recorded at the proceeds received. Mark-up on such borrowings is charged to the profit and loss account on a time proportion basis.

Borrowings under Temporary Economic Refinance Facility (TERF) from the SBP have been recorded at fair value on initial recognition. Unwinding of expense on fair value adjustment is recognized in the profit and loss account.

Lendings are stated net of provision. Return on such lending is accrued to the profit and loss account on a time proportion basis except mark-up on impaired or delinquent lendings, which is recognized on receipt basis.

4.5 Basis of consolidation

a) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements.

b) Investment in associates

Associates are all entities over which the Group has significant influence but not control because Group does not have the ability to affect returns through its power over the investee under the legal trust structure of open-ended mutual funds whereby the trusteeship is seperate from the management, and independent trustees play a key role in overseeing the activites of AMC.

Associates are accounted for using equity method in these consolidated financial statements.

Mutual funds are managed by ABL Asset Management Company (ABL AMC) , the subsidiary company of the Holding Company. As stipulated under Regulation 38 of Non-Banking Finance Regulation, 2008, the Asset Management Company (AMC) is entrusted with fiduciary duties towards the unit holders of the funds. This fiduciary obligation requires AMC to act in the best interests of its unit holders, refraining from exploiting opportunities for its own benefit or that of its related parties, group companies, or employees, to the detriment of the unit holders.

The Group has significant influence over all mutual funds even where it has holding percentage of more than 50% and less than 20% due to power to participate in the investee's policy-making processes via the the ABL AMC and investment in such mutual funds is considered as investment in associates.

c) Transactions eliminated on consolidation

Intra-group balances and transactions arising from intra-group transactions are eliminated.

4.6 Advances

a) Loans and advances

Loans and advances are stated at cost less expected credit loss allowances except for subsidized loans i.e., staff loans and Temporary Economic Refinance Facility (TERF) loans which are stated at amortized cost less expected credit loss allowances.

Subsidized loans are initially recognized at fair value at the date of disbursement. Fair value is determined by discounting the expected future cash flows using prevailing market interest rates for instruments at the time of origination. For loans granted to employees at subsidized rates, the difference between the amount disbursed and the calculated fair value is recognized as an employee benefit that is conditional upon continued employment. The deferred employee benefit is then expensed over the term of the related loan.

Advances are written off when there are no realistic prospects of recovery. The write offs does not, in any way, prejudice the Group's right of recovery from these obligors.

b) Net investment in finance lease

Leases, where the Group transfers substantially all the risks and rewards incidental to the ownership of an asset to the lessee are classified as finance leases. A receivable is recognized at an amount equal to the present value of the minimum lease payments, including un-guaranteed residual value, if any. Finance lease receivables are included in advances to the obligors. Provision against Net Investment in Finance Lease is maintained in accordance with requirements of prudential regulations. Net investment in Finance Lease is written off when there are no realistic prospects of recovery in accordance with requirement of Prudential Regulations issued by SBP.

4.7 Fixed assets and depreciation

a) Tangible assets

Property and equipment owned by the Group, other than land and building, are stated at cost less accumulated depreciation and impairment losses, if any. Land is carried at revalued amount less any subsequent impairment losses if any, and is not depreciated while buildings are stated at initial purchase price or revalued amount less accumulated depreciation and any subsequent impairment losses, if any.

Depreciation is calculated using the straight line method, except buildings which are depreciated using the reducing balance method, to write down the cost of property and equipment to their residual values over their estimated useful lives. The rates at which the fixed assets are depreciated are disclosed in note 10.2. The residual values, useful lives and depreciation methods are reviewed and adjusted, if required. Adjustments in residual values, useful lives and depreciation methods are treated as change in accounting estimates.

Depreciation on additions is charged when the asset is available for use and continues until the asset is derecognized in the books of the Group.

When an asset or class of assets is revalued, any increase in the carrying amount arising on revaluation is recorded through other comprehensive income and credited to the revaluation reserve in equity. However, the increase shall be recognized in the Profit and Loss Account to the extent it reverses previously recognised revaluation decrease/ impairment loss of the same asset in the Profit and Loss Account, net of amortization or depreciation had no revaluation decrease/impairment been required for the asset in prior years. A decrease resulting from a revaluation is initially charged directly against any related revaluation surplus held in respect of that asset and the remaining portion being charged as an expense.

The surplus on revaluation of fixed assets to the extent of incremental depreciation (net of deferred tax) charged on the related assets is transferred directly to un-appropriated profit.

Revaluation of entire class of assets is carried out by independent professionally qualified valuers with sufficient regularity (every third year) to ensure that the carrying amount of the entire class of assets does not differ materially from their fair value.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in the Profit and Loss Account in the year the asset is derecognized, except that the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to unappropriated profit.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Profit and Loss Account.

b) Intangible assets

Intangible assets are carried at cost less any accumulated amortization and impairment losses, if any. The cost of intangible assets is amortized over their estimated useful lives, using the straight line method. Amortization is charged from the month the assets are available for use at the rate stated in note 11.2. The useful lives are reviewed and adjusted, if appropriate, at each reporting date.

c) Capital work-in-progress

Capital work-in-progress is stated at cost less impairment losses, if any.

4.8 Lease liability and right of use asset

The lease liability is initially measured at the present value of lease payments to be made over the term of the lease, discounted using the Banks's incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest rate method. The carrying amount is remeasured/adjusted if there are changes in the future cash flows or the lease term.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date. On subsequent measurement, right-of-use assets are stated at cost less any accumulated depreciation and accumulated impairment losses and are adjusted for any remeasurement of the lease liability.

Right-of-use assets are depreciated on a straight line basis over the lease term as this method closely reflects the expected pattern of consumption of future economic benefits. Carrying amount of the lease liability is derecognised upon termination of the lease contract with corresponding adjustment to right-of-use asset. Gain or loss on termination of lease contract is recognised in the Profit and Loss Account.

The Group has elected not to recognize a right-of-use asset and the corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Payments associated with these leases are recognized as an expense in the Profit or Loss Account on a straight-line basis .

4.9 Taxation

a) Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws for taxation. The charge for current tax is calculated using the prevailing tax rates or tax rates expected to apply to the profits for the year.

b) Prior

The taxation charge for prior years represents adjustments to the tax charge relating to prior years, arising from assessments or changes in laws and changes in estimates made during the current year.

c) Deferred

Deferred tax is recognized using the balance sheet liability method on all temporary differences, at the reporting date between the amounts attributed to assets and liabilities for financial reporting purpose and amounts used for taxation purposes. Deferred tax is calculated at the rates that are expected to apply to the periods when the difference will reverse, based on tax rates that have been enacted or substantially enacted at the reporting date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Group also recognizes a deferred tax asset or liability on deficit or surplus on revaluation of fixed assets, non-banking assets and investments which is adjusted against the related deficit or surplus in accordance with the requirements of IAS-12 'Income Taxes'.

4.10 Staff retirement and other benefits

4.10.1 Staff retirement schemes

a) For employees who opted for the 2002 scheme introduced by the management

An approved pension scheme (defined benefit scheme) under which the benefits on the basis of frozen basic salary, service length and age as on June 30, 2002 are payable to all employees whose date of joining the Group is on or before July 01, 1992, i.e., who have completed ten years of continuous service as on June 30, 2002.

An approved gratuity scheme (defined benefit scheme) under which the benefits are payable as under:

i. For members whose date of joining the Group is on or before July 01, 1992, their services would be calculated starting from July 01, 2002 for gratuity benefit purposes.

ii. For members whose date of joining the Group is after July 01, 1992 their services would be taken at actual for the purpose of calculating the gratuity benefit. This rule will be applicable upon retirement or in service death only, in case of resignation gratuity will be payable from July 01, 2002, even if he or she had joined the Bank before July 01, 2002.

A contributory provident fund scheme to which equal contributions are made by the Group and the employees (defined contribution scheme).

b) For employees who did not opt for 2002 scheme

An approved pension scheme (defined benefit scheme) under which the benefits on the basis of frozen basic salary as on June 30, 2002 are payable to all employees opting continuation of the previous scheme and whose date of joining the Group is on or before July 01, 1992, i.e., who had completed ten years of continuous service as on June 30, 2002.

In the light of decision of Honorable Supreme Court of Pakistan in SMC No. 20/2016 dated 13th February 2018 read with Order dated 3rd April 2018 passed in CRP No.72/2018 and Order dated 7th August 2018 in Crl.O.No. 98 and 99 of 2018 and after consultation with Group's legal counsel, the monthly pension of eligible pensioners has been fixed with indexation levels for eligible pensioners effective from February 13, 2018.

c) Post-retirement medical benefits

The Group provides post-retirement medical benefits to eligible retired employees. Provision is made annually to meet the cost of such medical benefits on the basis of actuarial valuation carried out using the Projected Unit Credit Method.

Annual contributions towards the defined benefit schemes are made on the basis of actuarial valuation carried out using the Projected Unit Credit Method. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in Other Comprehensive Income in the period of occurrence.

4.10.2 Other long term benefit

a) Employees' compensated absences

Employees' entitlement to annual leave is recognized when they accrue to employees, upto a maximum of 60 days. A provision is made for estimated liability for annual leaves as a result of services rendered by the employee against un-availed leaves, as per terms of service contract, up to the reporting date, based on actuarial valuation using Projected Unit Credit Method. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized in Profit and Loss Account in the period of occurrence.

b) Compensation to certain class of employees

Group has revised its retirement policy by reducing the retirement age to 58 years for class of employees effective January 01, 2018. Consequent to the revision, these employees shall be compensated with gross salary along with employer's contribution on provident fund and gratuity for the remaining period up to 60 years in addition to already defined post-employment benefits, payable at the time of retirement, if any.

4.11 Non-banking assets acquired in satisfaction of claims

Non-banking assets (NBA) acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation (excluding land). Revaluation by independent professionally qualified valuers, is carried out with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. Surplus arising on revaluation of NBA is credited to the 'surplus on revaluation of assets' account through statement of comprehensive income and any deficit arising on revaluation is taken to Profit and Loss Account directly. Legal fees, transfer costs and direct costs of acquiring title to property are charged to Profit and Loss Account and not capitalised.

4.12 Deposits

Deposits are initially recorded at the amount of proceeds received. Mark-up accrued on deposits is recognized separately as part of other liabilities and is accrued to the Profit and Loss Account on time proportion basis. Deposits mobilized under Islamic Banking operations are generated under two modes i.e. 'Qard' and 'Mudaraba'. Deposits taken on Qard basis are classified as 'Current accounts' and Deposits generated on Mudaraba basis are classified as 'Saving deposits or Fixed deposits'.

4.13 Impairment of non-financial assets

The carrying amount of the Group's assets (other than deferred tax 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 recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the Profit and Loss Account except for an impairment loss on revalued assets which is adjusted against the related revaluation surplus to the extent that the impairment loss does not the exceed the revaluation surplus for that same asset. An impairment loss is reversed if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

4.14 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provision against identified losses on non-funded exposure is recognized when intimated and reasonable certainty exists for the Group to settle the obligation. The loss is charged to the Profit and Loss Account net of expected recovery and is classified under other liabilities.

4.15 Acceptances

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

4.16 Financial assets and financial liabilities

4.16.1 Recognition and initial measurement

Debt securities issued are initially recorded when they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial asset on initial recognition is generally its transaction price. If the Group determines that the fair value on initial recognition differs from the transaction price then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit and loss account on an appropriate basis over the life of the asset but no later than when the valuation is wholly supported by observable market data, or the transaction is closed out. Advances (excluding subsidized loans) are initially measured at transaction price.

4.16.2 Classification

Financial assets

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

Advances (excluding subsidized loans) subject to the regulatory EIR extension, as referred to in note 2.1.5, are classified based on the Group's business model and contractual cash flow characteristics. During the extension period, the application of the EIR method is deferred. Such advances that would otherwise be classified at amortised cost are measured at cost net of expected credit loss allowances.

Financial liabilities

Financial liabilities are either classified at fair value through profit and loss account (FVTPL), when they are held for trading purposes, or at amortized cost. Financial liabilities classified at FVTPL are measured at fair value and all the fair value changes are recognized in the consolidated statement of profit and loss account. Financial liabilities that are not classified as at fair value through profit or loss (FVTPL) are initially measured at fair value minus transaction cost and subsequently at amortized cost. These include bills payable, borrowings, deposits and certain items within other liabilities. Markup expense and foreign exchange gain and losses, if any, are recognised in the profit and loss account. Any gain or loss on derecognition is also recognised in profit and loss account.

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's Board/ Board Committees.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

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

As a second step of its classification process the Group assesses the contractual terms of financial asset to identify whether they meet the SPPI test. The assessment of SPPI aims to identify whether the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding'.

Principal' for the purpose of this assessment is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of 'interest' within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

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

4.16.3 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any markup or dividend income, are recognised in consolidated statement of profit and loss account.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost in case of lendings to financial institutions, cash and balances with treasury banks, balances with other banks, Temporary Economic Refinance Facility (TERF), staff loans and other financial assets. The amortised cost is reduced by expected credit loss allowances. Markup, foreign exchange gains and losses and impairment are recognised in the profit and loss account.

Debt investments at FVOCI

These assets are subsequently measured at fair value and assessed for impairment under the ECL framework. Markup income is recognised in the profit and loss account, including the amortisation of premiums and discounts, if any. Foreign exchange gains and losses and impairment are recognised in the profit and loss account, while other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to the profit and loss account.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit and loss account unless the dividend clearly represents a recovery of part of the cost of the investment, in which case they are adjusted from the carrying value of investment. Other net gains and losses are recognised in OCI and are never reclassified to profit and loss account.

Advances at cost
Advances (excluding subsidized loans) are measured at cost due to the regulatory EIR extension, as referred to in note 2.1.5, markup income is recognised using the contractual markup rate, and repayments are applied to reduce their carrying amount.

4.16.4 Derecognition
The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or

- it transfers the rights to receive the contractual cash flows in a transaction in which either:

i) substantially all of the risks and rewards of ownership of the financial asset are transferred; or
ii) the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized), and the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognized in OCI is recognized in the profit and loss account, except that in case of the derecognition of equity securities held at FVOCI, cumulative gains or losses are transferred to unappropriated profit.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

4.16.5 Impairment
The impairment requirements apply to all loans, debt instruments, loan commitments issued and financial guarantee contracts issued, except for those measured at FVTPL. No impairment loss is recognised on equity investments. Under SBP's IFRS 9 Application instructions, the Group is not required to compute ECL on Government Securities and on Government guaranteed credit exposure in local currency.

Measurement of ECL
The Group measures loss allowances at an amount equal to lifetime ECL (LTECL), except for financial instruments for which credit risk has not increased significantly since initial recognition, in which case loss allowances are measured at 12-month ECL (12mECL). LTECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. 12mECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Based on the above, the Bank groups its financial assets into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1 (Performing assets)
Financial instruments for which 12mECL are recognised are referred to as 'Stage 1 financial instruments'. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2.

Stage 2 (Underperforming assets)
Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3.

Stage 3 (Non performing assets)
Financial instruments that are considered credit-impaired are classified in Stage 3. The Group records LTECL with the probability of default (PD) set at 100%. Under SBP's IFRS 9 Application Instructions, the Group is required to calculate ECL on it's non-performing financial assets as higher of provision under Prudential Regulations (PR) and ECL under IFRS 9.

Undrawn financing commitments
When estimating LTECLs for undrawn financings commitments, the Group estimates the expected portion of the financings commitment that will be drawn down over its expected life. The ECL is then based on the present value of the difference

between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive. Where advances include both a drawn and an undrawn component, the Group does not identify the ECL on the loan commitment component separately from those on the drawn component and instead presents a combined loss allowance for both components. The combined amount is presented as a provision against the gross carrying amount of the drawn component.

Financial guarantee contracts
The ECL is calculated as the present value of the difference between the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Based on the requirements of IFRS 9 Application Instructions, the Group has performed an ECL assessment considering the following key elements:

- The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD is estimated based on transitioning among credit states. Credit states are defined by rating classes and are based on the Group's internal risk ratings (i.e. from 1 to 12). Through the yearly review of the non-consumer portfolio, the Group has drawn a yearly transition matrix of ratings to compute a count based PD over the one year horizon for the last 10 years. PDs for Non rated portfolios are calculated based on Days Past Due (DPD) bucket level for each segment separately. Where practical, they also build on information from External Rating Agencies. PDs are then adjusted for IFRS 9 ECL calculations to incorporate forward looking information.

- The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and profit, whether scheduled by contract or otherwise, expected drawdowns on committed facilities. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Group has a legal right to call it earlier.
  However, for revolving facilities, the Group measures ECLs over a period longer than the maximum contractual period if the Group's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Group can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Group becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the historical experience and the credit risk management actions that the Group expects to take.

- The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories and other non-financial assets. For the purposes of LGD calculation, the Group considers only those collaterals as eligible collaterals that meet the following characteristics:

- a history of legal certainty and enforceability; and
- a history of recovery.

Based on these criteria, the Group's management has considered only cash, liquid securities, and guarantees issued by the Government of Pakistan as eligible collaterals in the LGD calculation.

The ECL is determined by projecting the PD, LGD, and exposure at default (EAD) for each future repayment date and for each individual exposure. ECL for exposures classified in Stage 1 is calculated by multiplying the 12-month PD by the LGD and the EAD. Lifetime ECL is calculated by multiplying the lifetime PD by the LGD and the EAD for exposures classified in Stages 2 and 3.

The discount rate used to discount the ECLs for financial assets is based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities. Where an extension has been obtained and applied with regard to EIR application, the Group uses the contractual rate applicable at the reporting date.

Significant increase in credit risk (SICR)
A SICR is assessed in the context of an increase in the risk of a default occurring over the life of the financial instrument when compared to that expected at the time of initial recognition. It is not assessed in the context of an increase in the ECL. The Group has established a policy to perform an assessment, at the end of each reporting period, the Group considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade

for subject borrower. The Group also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a obligor/facility to the watch list, or the account becoming forborne.The Group considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade for subject borrower. The Group also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a obligor/facility to the watch list, or the account becoming forborne.

IFRS 9 includes a rebuttable presumption that a significant increase in credit risk has occurred when contractual payments are more than 30 days past due. In order to ensure consistency in application, the SBP has provided a regulatory backstop to this rebuttable presumption for days past due of credit exposures, as set out in Annexure-C of BPRD Circular No. 3 of 2022. Banks are, however, permitted to apply more stringent days past due criteria.

The Group has aligned its policy with Annexure-C of BPRD Circular No. 3 of 2022 and, accordingly, considers that SICR has occurred when a credit exposure exceeds 60 days past due.

Definition of default
The definition of default is aligned with Annexure C of BPRD Circular No. 3 of 2022 issued by the SBP. A facility is considered to be in default when the related credit exposure is overdue for 90 days or more.

Forward looking information
The Group incorporates forward-looking information in measuring expected credit losses (ECL) by formulating three probability-weighted scenarios, comprising a base case, a best case, and a worst case with assigned scenario probability weightings of 70%, 15% and 15% respectively. The Group has identified and documented key economic variables relevant to credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated the relationships between macroeconomic variables and credit risk and credit losses.

The key drivers for credit risk include Gross Domestic Product (GDP), Export of goods and services, Consumer Price Index (CPI), Government Expenditure and Revenue. These variables are fetched from the International Monetary Fund (IMF) database.

Each of these scenarios is associated with different macroeconomic forecasts and, accordingly, with different PDs and LGDs.

4.17 Financial guarantees
Financial guarantees' are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the expected credit loss allowances determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in the Profit and Loss Account.

4.18 Derivative financial instruments
Derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value using appropriate valuation techniques. All derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative financial instruments is taken to the Profit and Loss Account.

4.19 Revenue recognition
Revenue is recognized to the extent that the economic benefits will flow to the Group and the revenue can be reliably measured. These are recognised as follows:

a) Advances and investments
Mark-up, return on regular loans and advances and investments is recognized on a time proportion basis. Where debt securities are purchased at premium or discount, the same is amortized through the Profit and Loss Account.

Interest or mark-up recoverable on classified loans, advances and investments is recognized on receipt basis. Interest, return or mark-up on classified, rescheduled or restructured loans and advances and investments is recognized as permitted by the regulations of the SBP.

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

Gain and losses on sale of debt investments and equity investments classified as FVTPL are recognized in the Profit and Loss Account. Gain and losses on sale of equity investments classified as FVOCI are reclassified from equity to unappropriated profit.

b) Lease financing
Financing method is used in accounting for income from lease financing. Under this method, the unearned lease income (excess of the sum of total lease rentals and estimated residual value over the cost of leased assets) is deferred and taken to income over the term of the lease period so as to produce a constant periodic rate of return on the outstanding net investment in lease. Unrealised income on classified leases is recognized on receipt basis.

Gains or losses on termination of lease contracts and other lease income are recognized when realized.

c) Islamic financing and related assets
Profit on Business Musharakah financing is booked on accrual basis and is adjusted upon declaration of profit by Musharakah partners.

Ijarah and Diminishing Musharakah income is recognised on an accrual basis as and when the rental becomes due.

Murabaha, Musawamah and Salam income is recognised on deferred income basis.

Profit on Istisna financing is recognized on an accrual basis commencing from time of sale of goods till the realization of sale proceeds by the Group.

d) Fees, brokerage and commission
The Group earns fee and commission income from various banking services provided to retail and corporate customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for providing the relevant services.

The recognition of fee and commission income depends on the nature of the underlying service and the timing of satisfaction of the related performance obligations. Fees, brokerage and commission income are generally recognised at a point in time when the Group has provided the service to the customer, except for revenue from account services and other recurring servicing arrangements, which is recognised over time as the related services are provided. Over-time revenue includes annual debit and credit card service fees. Unearned fee and commission income relating to services to be rendered in future periods is included under other liabilities.

4.20 Business Segment reporting
A segment is a distinguishable component of the Group that is subject to risks and rewards that are different from those of other segments. A business segment is one that is engaged either in providing certain products or services, whereas a geographical segment is one engaged in providing certain products or services within a particular economic environment. Segment information is presented as per the Group's functional and management reporting structure. The Group's primary segment reporting is based on following business segments:

a) Corporate & investment banking
This segment offers a wide range of financial services to medium and large sized public and private sector entities and also covers overseas operation of the Group. These services include, providing and arranging tenured financing, corporate advisory, underwriting, cash management, trade products, corporate finance products and customer services on all Group related matters.

b) Trading and sales (Treasury)
This segment undertakes the Group's treasury and money market activities.

c) Commercial & retail banking
Commercial and retail banking provides services to commercial and retail customers including agriculture sector. It includes loans, deposits and other transactions with commercial and retail (conventional and Islamic) customers.

d) Islamic Banking
Islamic banking provides Shariah compliant services to customers including loans, deposits and other transactions.

e) Others
Others includes functions which cannot be classified in any of the above segments.

4.21 Geographical Segment Reporting
Geographically the Group operates in Pakistan, Middle East and China.

4.22 Dividend distribution
Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Group's shareholders. Interim dividends are deducted from equity when they are declared by the Board of Directors.

4.23 Statutory / special reserve
Every Group incorporated in Pakistan is required to transfer 20% of its profit to a statutory reserve until the reserve equals share capital, thereafter 10% of the profit of the Group is to be transferred to this reserve.

Special reserve was created to meet regulatory requirements.

4.24 Earnings per share

The Group presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing profit after tax for the year attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is not calculated separately, as the Group does not have any convertible instruments in issue.

4.25 Foreign currency

4.25.1 Foreign currency transactions

Transactions in foreign currencies are translated into rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into rupees at the rates of exchange prevailing on the date of the statement of financial position.

4.25.2 Foreign operations

The assets and liabilities of foreign operations are translated to Pakistani rupees at exchange rates prevailing on the date of the statement of financial position. The income and expenses of foreign operations are translated to Pakistani Rupees at average rates of exchange prevailing during the year.

Goodwill arising on the acquisition of an entity by an overseas subsidiary is treated as an asset of the overseas subsidiary and is translated at foreign exchange rates prevailing on the date of the statement of financial position.

4.25.3 Translation gains and losses

Gains and losses arising from foreign currency translations are taken to the profit and loss account, except those arising from the translation of the operations in foreign wholesale Bahrain branch, which are recognized through the statement of other comprehensive income as an Exchange Translation Reserve (ETR). Balances in the ETR are only taken to the profit and loss account on disposal of the investment.

4.25.4 Contingencies and Commitments

Commitments for outstanding forward foreign exchange contracts are disclosed in the financial statements at contracted rates. Contingent liabilities / commitments denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing on the date of the statement of financial position.

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
5 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		37,694,335	37,733,223
Foreign currencies		2,307,006	3,289,000
		40,001,341	41,022,223
With State Bank of Pakistan (SBP) in			
Local currency current accounts	5.1	90,933,638	77,335,586
Foreign currency current account	5.2	218,685	107,534
Foreign currency deposit accounts (non-remunerative)	5.1	7,029,689	6,105,893
Foreign currency deposit accounts (remunerative)	5.3	13,927,327	11,743,494
		112,109,339	95,292,507
With National Bank of Pakistan in			
Local currency current accounts		19,385,580	12,987,328
Prize Bonds		489,821	677,568
		171,986,081	149,979,626
Less: Credit loss allowance held against cash and balances with treasury banks	5.4	(1,619)	(3,166,912)
Cash and balances with treasury banks - net of credit loss allowance		171,984,462	146,812,714

5.1 Deposits with the State Bank of Pakistan (SBP) are maintained to comply with the cash reserve requirement, under section 22 of the Banking Companies Ordinance, 1962 and State Bank of Pakistan statutory requirements issued from time to time.

5.2 This represents US$ settlement account maintained with the State Bank of Pakistan (SBP).

5.3 This represents special cash reserve maintained with the State Bank of Pakistan (SBP). The return on this account is declared by SBP on a monthly basis and carries mark-up at the rate of 2.86% to 3.35% (2024: 3.53% to 4.35%) per annum.

5.4 Cash and balances with treasury banks are all classified as Stage 1.

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
6 BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		-	-
Outside Pakistan			
In current accounts		11,901,094	9,026,773
In deposit accounts	6.1	1,183,336	943,546
		13,084,430	9,970,319
Less: Credit loss allowance held against balances with other banks	6.2	(5,390)	(6,095)
Balances with other banks - net of credit loss allowance		13,079,040	9,964,224

6.1 Balances with other banks outside Pakistan in deposit account carry interest rates of 2.89% to 3.39% (2024: 0.01% to 0.25%) per annum.

6.2 Balances with other banks are all classified as Stage 1.

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
7 LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings - local currency		-	7,600,000
Repurchase agreement lendings (Reverse Repo)		-	235,941,105
Certificates of investment	7.1	70,000	70,000
		70,000	243,611,105
Less: Credit loss allowance held against lending to financial institutions	7.1 & 7.4	(70,000)	(70,024)
Lendings to financial institutions - net of credit loss allowance		-	243,541,081

7.1 This represents local currency classified certificates of investment and related provisioning, amounting to Rs. 70 million (2024: Rs. 70 million).

	December 31, 2025	December 31, 2024
	Rupees in '000	
7.2 Particulars of lending		
In local currency	70,000	243,611,105
In foreign currencies	-	-
	70,000	243,611,105

	December 31, 2025			December 31, 2024		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	Rupees in '000					
7.3 Securities held as collateral against lending to financial institutions						
Pakistan Investment Bonds	-	-	-	161,175,991	-	161,175,991
Market Treasury Bills	-	-	-	74,765,114	-	74,765,114
	-	-	-	235,941,105	-	235,941,105

	December 31, 2025		December 31, 2024	
	Lending	Credit loss allowance held	Lending	Credit loss allowance held
	Rupees in '000			
7.4 Category of classification				
Domestic				
Performing - Stage 1	-	-	243,541,105	24
Under performing - Stage 2	-	-	-	-
Non-performing - Stage 3	-	-	-	-
Substandard			-	-
Doubtful			-	-
Loss	70,000	70,000	70,000	70,000
	70,000	70,000	243,611,105	70,024

	December 31, 2025				December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Rupees in '000							
7.5 Lending to FIs - Particulars of credit loss allowance								
Balance at the start of the year	24	-	70,000	70,024	-	-	70,000	70,000
Impact of adoption of IFRS 9	-	-	-	-	2	-	-	2
Financial assets that have been derecognised	(24)	-	-	(24)	(2)	-	-	(2)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Net remeasurement of credit loss allowance	-	-	70,000	70,000	-	-	70,000	70,000
New financial assets originated or purchased	-	-	-	-	24	-	-	24
Financial assets that have been derecognised	-	-	-	-	-	-	-	-
Write offs	-	-	-	-	-	-	-	-
Unwind of discount	-	-	-	-	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	-	-	-	-	-	-	-	-
Balance at the end of the year	-	-	-	-	24	-	70,000	70,024

	Note	December 31,2025 Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	December 31,2024 Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
		Rupees in '000							
8 INVESTMENTS									
8.1 Investments by type:									
Debt Instruments									
FVTPL									
Federal Government Securities		12,023,927	-	53,071	12,076,998	2,999,397	-	14,420	3,013,817
		12,023,927	-	53,071	12,076,998	2,999,397	-	14,420	3,013,817
Classified / Measured at FVOCI									
Federal Government Securities*	8.5	1,966,908,625	(153,230)	20,724,548	1,987,479,943	957,200,784	(1,964,317)	6,295,256	961,531,723
Non Government Debt Securities		10,589,752	(663,573)	597,883	10,524,062	20,880,734	(465,121)	505,278	20,920,891
		1,977,498,377	(816,803)	21,322,431	1,998,004,005	978,081,518	(2,429,438)	6,800,534	982,452,614
Classified / Measured at Amortized Cost									
Federal Government Securities	8.6	93,336,523	-	-	93,336,523	119,539,835	-	-	119,539,835
Non Government Debt Securities		255,520	(255,520)	-	-	285,059	(285,059)	-	-
		93,592,043	(255,520)	-	93,336,523	119,824,894	(285,059)	-	119,539,835
Equity instruments									
FVOCI									
Shares									
Listed companies		12,341,461	-	16,837,382	29,178,843	9,949,076	-	13,886,091	23,835,167
Unlisted companies		329,277	-	2,408,256	2,737,533	372,394	-	(30,048)	342,346
foreign securities		1,770	-	-	1,770	1,770	-	-	1,770
	8.5	12,672,508	-	19,245,638	31,918,146	10,323,240	-	13,856,043	24,179,283
Associates									
ABL Income Fund		1,417,656	-	-	1,417,656	2,018,305	-	-	2,018,305
ABL Stock Fund		28,983	-	-	28,983	4,280	-	-	4,280
ABL Cash Fund		141,150	-	-	141,150	-	-	-	-
ABL Islamic Income Fund		2,258	-	-	2,258	242,783	-	-	242,783
ABL Government Securities Fund		482	-	-	482	-	-	-	-
ABL Islamic Stock Fund		62,471	-	-	62,471	3,131	-	-	3,131
ABL Islamic Financial Planning Fund		54,324	-	-	54,324	48,661	-	-	48,661
ABL Financial Planning Fund		288,834	-	-	288,834	251,663	-	-	251,663
Allied Finergy Fund		90,700	-	17,168	107,868	97,244	-	9,977	107,221
ABL Special Savings Fund		1,430,554	-	-	1,430,554	48,669	-	-	48,669
ABL Money Market Fund		234,768	-	-	234,768	-	-	-	-
ABL Financial Sector Fund		434	-	-	434	16,146	-	-	16,146
ABL Islamic Sovereign Fund		70,085	-	-	70,085	55,656	-	-	55,656
ABL Fixed Rate Fund		254,006	-	-	254,006	-	-	-	-
ABL Optimal Asset Allocation Fund		105,722	-	-	105,722	-	-	-	-
ABL Pension Fund		388,823	-	-	388,823	305,750	-	-	305,750
ABL Islamic Pension Fund		316,828	-	-	316,828	256,382	-	-	256,382
ABL KPK Pension Fund		37,679	-	-	37,679	33,781	-	-	33,781
ABL KPK Islamic Pension Fund		35,808	-	-	35,808	32,566	-	-	32,566
ABL GOPB Pension Fund		505	-	-	505	-	-	-	-
ABL GOPB Islamic Pension Fund		503	-	-	503	-	-	-	-
ABL Government Securities Fund		-	-	-	-	272,859	-	-	272,859
	8.8	4,962,573	-	17,168	4,979,741	3,687,877	-	9,977	3,697,854
Total Investments		2,100,749,428	(1,072,323)	40,638,308	2,140,315,413	1,114,916,926	(2,714,497)	20,680,974	1,132,883,403

	Note	December 31,2025 Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	December 31,2024 Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
		Rupees in '000							
8.2 Investments by segments:									
Federal Government Securities									
Market Treasury Bills		413,656,007	-	560,301	414,216,308	141,953,316	-	879,002	142,832,318
Pakistan Investment Bonds		1,423,467,800	-	18,858,174	1,442,325,974	823,085,606	-	1,700,172	824,785,778
GOP Ijarah Sukuks		212,491,144	-	920,598	213,411,742	88,721,700	-	1,639,880	90,361,580
GOP Ijarah Sukuks - Bai Muajjal Placement		12,990,876	-	-	12,990,876	2,380,562	-	-	2,380,562
Naya Pakistan Certificate		707,267	(11,278)	11,278	707,267	1,086,092	(31,880)	31,880	1,086,092
Foreign Currency Bonds (US$)		8,955,981	(141,951)	427,267	9,241,297	22,512,740	(1,932,437)	2,058,742	22,639,045
		2,072,269,075	(153,229)	20,777,618	2,092,893,464	1,079,740,016	(1,964,317)	6,309,676	1,084,085,375
Shares									
Listed Companies		12,341,461	-	16,837,382	29,178,843	9,949,076	-	13,886,091	23,835,167
Unlisted Companies		329,277	-	2,408,256	2,737,533	372,394	-	(30,048)	342,346
		12,670,738	-	19,245,638	31,916,376	10,321,470	-	13,856,043	24,177,513
Non Government Debt Securities									
Listed		3,741,458	(15,714)	(59,151)	3,666,593	13,291,518	(50,815)	82,075	13,322,778
Unlisted		7,103,814	(903,380)	657,035	6,857,469	7,874,275	(699,365)	423,203	7,598,113
		10,845,272	(919,094)	597,884	10,524,062	21,165,793	(750,180)	505,278	20,920,891
Foreign Securities									
Equity securities		1,770	-	-	1,770	1,770	-	-	1,770
		1,770	-	-	1,770	1,770	-	-	1,770
Associates									
Units of open-ended mutual funds									
ABL Income Fund		1,417,656	-	-	1,417,656	2,018,305	-	-	2,018,305
ABL Stock Fund		28,983	-	-	28,983	4,280	-	-	4,280
ABL Cash Fund		141,150	-	-	141,150	-	-	-	-
ABL Islamic Income Fund		2,258	-	-	2,258	242,783	-	-	242,783
ABL Government Securities Fund		482	-	-	482	-	-	-	-
ABL Islamic Stock Fund		62,471	-	-	62,471	3,131	-	-	3,131
ABL Islamic Financial Planning Fund		54,324	-	-	54,324	48,661	-	-	48,661
ABL Financial Planning Fund		288,834	-	-	288,834	251,663	-	-	251,663
Allied Finergy Fund		90,700	-	17,168	107,868	97,244	-	9,977	107,221
ABL Special Savings Fund		1,430,554	-	-	1,430,554	48,669	-	-	48,669
ABL Money Market Fund		234,768	-	-	234,768	-	-	-	-
ABL Financial Sector Fund		434	-	-	434	16,146	-	-	16,146
ABL Islamic Sovereign Fund		70,085	-	-	70,085	55,656	-	-	55,656
ABL Fixed Rate Fund		254,006	-	-	254,006	-	-	-	-
ABL Optimal Asset Allocation Fund		105,722	-	-	105,722	-	-	-	-
ABL Pension Fund		388,823	-	-	388,823	305,750	-	-	305,750
ABL Islamic Pension Fund		316,828	-	-	316,828	256,382	-	-	256,382
ABL KPK Pension Fund		37,679	-	-	37,679	33,781	-	-	33,781
ABL KPK Islamic Pension Fund		35,808	-	-	35,808	32,566	-	-	32,566
ABL GOPB Pension Fund		505	-	-	505	-	-	-	-
ABL GOPB Islamic Pension Fund		503	-	-	503	-	-	-	-
ABL Government Securities Fund		-	-	-	-	272,859	-	-	272,859
	8.8	4,962,573	-	17,168	4,979,741	3,687,877	-	9,977	3,697,854
Total Investments		2,100,749,428	(1,072,323)	40,638,308	2,140,315,413	1,114,916,926	(2,714,497)	20,680,974	1,132,883,403

		December 31, 2025	December 31, 2024
		Rupees in '000	
8.3	Investments given as collateral		
	Market Treasury Bills	172,738,067	27,425,460
	Pakistan Investment Bonds	361,244,737	360,585,621
	Euro Bonds	-	-
	Government of Pakistan Foreign Currency Bonds (US$)	-	-
	Total Investments given as collateral	533,982,804	388,011,081
8.4	Credit loss allowance for diminution in value of investments		
	Opening balance	2,714,497	3,537,272
	Impact of adoption of IFRS 9	-	1,996,619
	Exchange adjustments	5,089	(18,659)
	Charge / reversals		
	Charge for the year	180,742	417,194
	Reversals for the year	(1,059,586)	(2,356,291)
	Reversal on disposals	(768,419)	(861,638)
		(1,647,263)	(2,800,735)
	Closing Balance	1,072,323	2,714,497

		December 31, 2025					December 31, 2024				
		Stage 1	Stage 2	Stage 3	Others*	Total	Stage 1	Stage 2	Stage 3	Others*	Total
		Rupees in '000									
8.4.1	Particulars of credit loss allowance										
8.4.2	Investments - exposure										
	Opening balance	112,433,180	23,326,405	946,469	961,200,358	1,097,906,412	50,181,121	30,151,782	323,991	1,052,778,328	1,133,435,222
	New investments	157,501,253	83,774	-	1,286,262,281	1,443,847,308	143,836,994	-	-	-	143,836,994
	Investments derecognised or repaid	(33,875,074)	(13,556,760)	(29,540)	(422,653,371)	(470,114,745)	(81,244,935)	(6,439,227)	(103,672)	(91,577,970)	(179,365,804)
	Transfer to stage 1	499,296	(499,296)	-	-	-	-	-	-	-	-
	Transfer to stage 2	-	-	-	-	-	-	-	-	-	-
	Transfer to stage 3	-	-	-	-	-	(340,000)	(386,150)	726,150	-	-
		124,125,475	(13,972,282)	(29,540)	863,608,910	973,732,563	62,252,059	(6,825,377)	622,478	(91,577,970)	(35,528,810)
	Amounts written off / charged Off	-	-	-	-	-	-	-	-	-	-
	Other changes (to be specific)	-	-	-	-	-	-	-	-	-	-
	Closing balance	236,558,655	9,354,123	916,929	1,824,809,268	2,071,638,975	112,433,180	23,326,405	946,469	961,200,358	1,097,906,412

*Under the IFRS 9 Application instructions, the Bank is not required to compute ECL on Government Securities and on Government guaranteed credit exposure in local currency.

		December 31,2025				December 31,2024			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
		Rupees in '000							
8.4.3	Investments - Credit loss allowance								
	Gross carrying amount - Current year	4,079	1,969,232	741,186	2,714,497	7,008	5,202,100	323,991	5,533,099
	New investments	83	-	-	83	-	-	-	-
	Investments derecognised or repaid	(284)	(1,790,486)	-	(1,790,770)	(1,552)	-	-	(1,552)
	Transfer to stage 1	4,915	(4,915)	-	-	-	-	-	-
	Transfer to stage 2	-	-	-	-	-	-	-	-
	Transfer to stage 3	-	-	-	-	(839)	(97,220)	98,059	-
		4,714	(1,795,401)	-	(1,790,687)	(2,391)	(97,220)	98,059	(1,552)
	Amounts written off / charged off	-	-	-	-	-	-	-	-
	Changes in risk parameters (PDs/LGDs/EADs)	(6,630)	(20,601)	175,744	148,513	(538)	(3,135,648)	319,136	(2,817,050)
	Changes (to be specific)	-	-	-	-	-	-	-	-
	Closing balance - Current year	2,163	153,230	916,930	1,072,323	4,079	1,969,232	741,186	2,714,497

		December 31, 2025			December 31, 2024		
		Outstanding amount	Credit loss allowance held	Total	Outstanding amount	Credit loss allowance held	Total
		Rupees in '000					
8.4.4	Particulars of credit loss allowance against debt securities						
	Domestic						
	Performing Stage 1	2,060,528,755	2,163	2,060,530,918	1,073,633,535	4,080	1,073,637,615
	Underperforming Stage 2	398,143	11,279	409,422	10,566,765	978,650	11,545,415
	Non-Performing Stage 3	916,929	916,929	1,833,858	946,469	741,185	1,687,654
	Substandard	-	-	-	-	-	-
	Doubtful	-	-	-	640,339	435,055	1,075,394
	Loss	916,929	916,929	1,833,858	306,130	306,130	612,260
	Total	2,061,843,827	930,371	2,062,774,198	1,085,146,769	1,723,915	1,086,870,684
	Overseas						
	Performing Stage 1	-	-	-	-	-	-
	Underperforming Stage 2	8,955,981	141,952	9,097,933	12,759,640	990,582	13,750,222
	Non-Performing Stage 3	-	-	-	-	-	-
	Substandard	-	-	-	-	-	-
	Doubtful	-	-	-	-	-	-
	Loss	-	-	-	-	-	-
	Total	8,955,981	141,952	9,097,933	12,759,640	990,582	13,750,222

8.5 Quality of Securities

Details regarding quality of securities held under 'Hold to Collect and Sell' model are as under:

	December 31, 2025	December 31, 2024
	Cost	
	Rupees in '000	
Federal Government Securities – Government guaranteed		
Market Treasury Bills	407,836,838	141,268,204
Pakistan Investment Bonds	1,336,917,395	703,612,047
Naya Pakistan Certificate	707,267	1,086,093
Foreign Currency Bonds (US$)	8,955,981	22,512,740
GOP Ijarah Sukuks	212,491,144	88,721,700
	1,966,908,625	957,200,784
Shares		
Listed Companies		
Power Generation and Distribution	75,870	947,545
Oil & Gas Exploration Companies	3,473,585	2,222,233
Fertilizer	1,390,396	2,298,657
Commercial Banks	6,185,487	3,147,311
Oil & Gas Marketing Companies	561,076	561,076
Real Estate Investment Trust	497,589	614,796
Chemical	55,218	55,218
Close-end Mutual Funds	51,603	51,603
Investment Banks	50,000	50,000
Cement	637	637
	12,341,461	9,949,076

	December 31, 2025		December 31, 2024	
	Cost	Fair value	Cost	Breakup value
	Rupees in '000			
Unlisted Companies				
Pakistan Mortgage Refinance Co. Limited	200,000	324,563	200,000	604,131
1 Link Private Limited	50,000	2,274,934	50,000	1,182,150
Central Depository Company of Pakistan Limited.	40,300	62,371	40,300	74,445
First Women Bank Limited	21,200	21,200	21,200	59,696
SME Bank Limited	5,250	-	5,250	-
Arabian Sea Country Club Limited	5,000	-	5,000	-
Eastern Capital Limited	5,000	-	5,000	-
NIFT	1,527	53,464	1,526	62,037
PASSCO	1,000	1,000	1,000	651,802
Pakistan Corporate Restructuring Company	-	-	43,118	28,320
	329,277	2,737,532	372,394	2,662,581

	December 31, 2025	December 31, 2024
	Cost	
	Rupees in '000	
Non Government Debt Securities		
Listed		
- AAA	-	799,360
- AA+, AA, AA-	2,927,503	3,947,715
- A+, A, A-	-	-
- Unrated	340,000	8,500,000
	3,267,503	13,247,075
Unlisted		
- AAA	5,007,840	2,877,250
- AA+, AA, AA-	650,000	1,445,000
- A+, A, A-	595,000	150,000
- B+, B, B-	-	300,339
- CCC and below	321,409	361,070
- Unrated	748,000	2,500,000
	7,322,249	7,633,659
Open Ended Mutual Funds		
Allied Finergy Fund		25,000
	-	25,000
Foreign Securities		
Equity Securities - Unlisted		
SWIFT	1,770	1,770
	1,770	1,770

8.6 Particulars relating to securities classified Under "Held to Collect" model' are as follows:

Federal Government Securities - Government guaranteed		
Pakistan Investment Bonds	80,345,647	117,159,273
GOP Ijarah Sukuks - Bai Muajjal Placement	12,990,876	2,380,562
	93,336,523	119,539,835
Non Government Debt Securities		
Listed		
- Unrated	14,915	44,442
Unlisted		
- Unrated	240,605	240,617

8.6.1 The market value of securities classified as amortised cost as at December 31, 2025 amounted to Rs. 79,423 million (December 31, 2024: Rs. 111,659 million). This represents the market value of Pakistan Investment Bonds.

		December 31, 2025		December 31, 2024	
		ABL Asset Management Company	ABL Exchange Company	ABL Asset Management Company	ABL Exchange Company
		Rupees in '000			
8.7	Summary of financial position and performance of subsidiaries				
	Country of incorporation	Pakistan	Pakistan	Pakistan	Pakistan
	Percentage holding	100%	100%	100%	100%
	Assets	7,128,795	1,686,628	5,948,499	1,228,446
	Liabilities	1,084,941	251,252	1,141,045	203,596
	Revenue	3,250,810	152,171	3,042,125	176,423
	Profit / (Loss) after taxation	1,238,520	(84,398)	1,163,346	19,747
	Total comprehensive income / (Loss)	1,236,400	(89,473)	1,160,743	24,849

8.8 Investment in associates

8.8.1 These are investments in open ended mutual funds by ABL Asset Management Company Limited of Rs. 4,938 million (2024: Rs 3,663 million). Allied Bank Limited have invetment in Allied Finergy Fund of Rs. 25 million (2024: Rs 25 million).

8.8.2 Movement of Investment in associates

December 31, 2025								
Name of Main investee Fund	Name of sub investee Fund	Country of incorporation	Percentage holding	Investment at the beginning of the year	Investment/ (redemptions) during the year	Share of profit	Dividend income	As at December 31, 2025
		Rupees in '000						
ABL Income Fund	ABL Income Fund	Pakistan	43.31%	2,018,305	(746,477)	182,373	(36,545)	1,417,656
ABL Stock Fund	ABL Stock Fund	Pakistan	0.28%	4,280	(50,217)	76,094	(1,174)	28,983
ABL Cash Fund	ABL Cash Fund	Pakistan	0.21%	-	133,869	7,333	(52)	141,150
ABL Islamic Income Fund	ABL Islamic Income Fund	Pakistan	0.14%	242,783	(240,572)	11,977	(11,930)	2,258
ABL Government Securities Fund	ABL Government Securities Fund	Pakistan	0.01%	272,859	(262,381)	17,335	(27,331)	482
ABL Islamic Stock Fund	ABL Islamic Stock Fund	Pakistan	1.49%	3,131	45,268	14,110	(38)	62,471
ABL Islamic Financial Planning Fund	ABL Islamic Financial Planning Fund	Pakistan	40.72%	48,637	7,192	8,085	(9,590)	54,324
ABL Financial Planning Fund	ABL FPF Conservation Allocation Plan	Pakistan	91.49%	193,125	28,940	28,490	(38,586)	211,969
ABL Financial Planning Fund	ABL FPF Strategic Allocation Plan	Pakistan	88.38%	58,476	18,722	21,693	(22,026)	76,865
Allied Finergy Fund	Allied Finergy Fund	Pakistan	40.09%	97,244	(18,908)	15,127	(2,763)	90,700
ABL Special Savings Fund	ABL Special Savings Plan -I	Pakistan	1.95%	48,617	373,703	20,306	(4,352)	438,274
ABL Special Savings Fund	ABL Special Savings Plan -III	Pakistan	5.80%	16	55,430	7,112	-	62,558
ABL Special Savings Fund	ABL Special Savings Plan -IV	Pakistan	1.06%	35	95,544	2,333	-	97,912
ABL Special Savings Fund	ABL Special Savings PLAN - V	Pakistan	35.30%	-	784,738	47,072	-	831,810
ABL Money Market Fund	ABL Money Market Fund	Pakistan	2.84%	-	217,999	18,226	(1,457)	234,768
ABL Financial Sector Fund	ABL Financial Sector Fund	Pakistan	0.00%	16,146	(15,377)	14,695	(15,030)	434
ABL Islamic Sovereign Fund	ABL Islamic Sovereign Fund	Pakistan	9.09%	55,656	2,956	15,189	(3,716)	70,085
ABL Fixed Rate Fund	ABL Fixed Rate Plan - XX	Pakistan	1.41%	-	198,669	4,611	-	203,280
ABL Fixed Rate Fund	ABL Fixed Rate Plan - XXI	Pakistan	0.22%	-	50,000	726	-	50,726
ABL Islamic Fixed Term Fund	ABL Islamic Fixed Term Plan - II	Pakistan	0.00%	-	(1,984)	1,984	-	-
ABL Optimal Asset Allocation Fund	ABL Optimal Asset Allocation Fund	Pakistan	21.15%	-	100,000	5,722	-	105,722
ABL Pension Fund	ABL Pension Fund Equity Sub Fund	Pakistan	58.41%	133,982	-	64,594	-	198,576
ABL Pension Fund	ABL Pension Fund Debt Sub Fund	Pakistan	28.53%	97,042	-	10,841	-	107,883
ABL Pension Fund	ABL Pension Fund Money Market Sub Fund	Pakistan	12.57%	74,726	-	7,638	-	82,364
ABL Islamic Pension Fund	ABL Islamic Pension Fund Equity Sub Fund	Pakistan	76.12%	134,642	-	48,772	-	183,414
ABL Islamic Pension Fund	ABL Islamic Pension Fund Debt Sub Fund	Pakistan	41.14%	60,598	-	5,700	-	66,298
ABL Islamic Pension Fund	ABL Islamic Pension Fund Money Market Sub Fund	Pakistan	11.33%	61,142	-	5,974	-	67,116
ABL KPK Pension Fund	ABL KPK Pension Fund Money Market Sub Fund	Pakistan	74.33%	33,781	-	3,898	-	37,679
ABL KPK Islamic Pension Fund	ABL KPK Islamic Pension Money Market Sub Fund	Pakistan	56.23%	32,566	-	3,242	-	35,808
ABL GOPB Pension Fund	ABL GOPB Pension Fund Money Market Sub Fund	Pakistan	100.00%	-	500	5	-	505
ABL GOPB Islamic Pension Fund	ABL GOPB Islamic Pension Money Market Sub Fund	Pakistan	100.00%	-	500	3	-	503
				3,687,790	778,114	671,260	(174,590)	4,962,573

December 31, 2024								
Name of Main investee Fund	Name of sub investee Fund	Country of incorporation	% holding	Investment at the beginning of the year	Investment/ (redemptions) during the year	Share of profit	Dividend income	As at December 31, 2024
		Rupees in '000						
ABL Income Fund	ABL Income Fund	Pakistan	52.59%	1,845,339	(23,796)	383,921	(187,159)	2,018,305
ABL Stock Fund	ABL Stock Fund	Pakistan	0.06%	-	4,125	5,007	(4,852)	4,280
ABL Cash Fund	ABL Cash Fund	Pakistan	-	-	(2,028)	2,953	(925)	-
ABL Islamic Income Fund	ABL Islamic Income Fund	Pakistan	12.74%	-	232,300	11,020	(537)	242,783
ABL Government Securities Fund	ABL Government Securities Fund	Pakistan	2.76%	-	258,689	14,170	-	272,859
ABL Islamic Stock Fund	ABL Islamic Stock Fund	Pakistan	0.11%	-	(19)	3,406	(256)	3,131
ABL Islamic Financial Planning Fund	ABL Islamic FPF Capital Preservation plan 1	Pakistan	19.90%	38,166	7,608	11,814	(8,951)	48,637
ABL Islamic Financial Planning Fund	ABL Islamic FPF Active Allocation Plan	Pakistan	0.01%	-	11	14	(14)	11
ABL Islamic Financial Planning Fund	ABL Islamic FPF Conservation Allocation Plan	Pakistan	0.00%	-	13	17	(17)	13
ABL Financial Planning Fund	ABL Islamic FPF Conservation Allocation Plan	Pakistan	20.88%	192,369	(6,278)	46,716	(39,682)	193,125
ABL Financial Planning Fund	ABL FPF Active Allocation Plan	Pakistan	0.58%	-	56	73	(67)	62
ABL Financial Planning Fund	ABL FPF Strategic Allocation Plan	Pakistan	87.36%	169,044	(121,589)	66,799	(55,778)	58,476
Allied Finergy Fund	Allied Finergy Fund	Pakistan	65.56%	405,123	(351,372)	81,861	(38,368)	97,244
ABL Special Savings Fund	ABL Special Savings Fund Plan -I	Pakistan	0.19%	-	48,120	992	(495)	48,617
ABL Special Savings Fund	ABL Special Savings Fund Plan -II	Pakistan	0.00%	1,502,752	(1,505,368)	3,118	(501)	1
ABL Special Savings Fund	ABL Special Savings Fund Plan -III	Pakistan	0.00%	-	16	21	(21)	16
ABL Special Savings Fund	ABL Special Savings Fund Plan -IV	Pakistan	0.00%	-	35	47	(47)	35
ABL Money Market Fund	ABL Money Market Fund	Pakistan	-	152,037	(156,335)	4,298	-	-
ABL Islamic Money Market Fund	ABL Islamic Money Market Fund	Pakistan	-	109,808	(111,512)	1,704	-	-
ABL Financial Sector Fund	ABL Financial Sector Fund	Pakistan	0.10%	-	10,081	8,088	(2,023)	16,146
ABL Islamic Sovereign Fund	ABL Islamic Sovereign Fund	Pakistan	0.80%	-	55,000	656	-	55,656
ABL Pension Fund	ABL Pension Fund Equity Sub Fund	Pakistan	61.94%	68,839	-	65,143	-	133,982
ABL Pension Fund	ABL Pension Fund Debt Sub Fund	Pakistan	34.17%	79,874	-	17,168	-	97,042
ABL Pension Fund	ABL Pension Fund Money Market Sub Fund	Pakistan	16.52%	62,225	-	12,501	-	74,726
ABL Islamic Pension Fund	ABL Islamic Pension Fund Equity Sub Fund	Pakistan	76.97%	73,720	-	60,922	-	134,642
ABL Islamic Pension Fund	ABL Islamic Pension Fund Debt Sub Fund	Pakistan	63.62%	52,563	-	8,035	-	60,598
ABL Islamic Pension Fund	ABL Islamic Pension Fund Money Market Sub Fund	Pakistan	32.49%	52,254	-	8,888	-	61,142
ABL KPK Pension Fund	ABL KPK Pension Money Market Sub Fund	Pakistan	86.42%	-	30,000	3,781	-	33,781
ABL KPK Islamic Pension Fund	ABL KPK Islamic Pension Money Market Sub Fund	Pakistan	86.15%	-	30,000	2,566	-	32,566
				4,804,113	(1,602,243)	825,699	(339,693)	3,687,877

8.8.2 Movement of Investment in associates

Name of the investee fund	Country of incorporation	As at December 31, 2025			For the year ended December 31, 2025		Total comprehensive income
		Percentage Holding	Assets	Liabilities	Revenue	Net Income	
			Rupees in '000				
ABL Income Fund	Pakistan	43.31%	3,306,046	33,000	503,711	433,453	433,453
ABL Stock Fund	Pakistan	0.28%	10,583,843	91,239	3,633,830	3,286,327	3,286,327
ABL Cash Fund	Pakistan	0.21%	68,373,923	1,875,928	8,016,685	7,158,384	7,158,384
ABL Islamic Income Fund	Pakistan	0.14%	1,617,615	25,161	211,861	182,420	182,420
ABL Government Securities Fund	Pakistan	0.01%	6,041,769	61,588	929,695	805,976	805,976
ABL Islamic Stock Fund	Pakistan	1.49%	4,404,212	214,907	1,112,906	960,604	960,604
ABL IFPF - Capital Preservation Plan I	Pakistan	40.72%	135,452	2,049	26,994	25,990	25,990
ABL FPF - Conservative Allocation Plan	Pakistan	91.49%	232,025	335	52,846	50,355	50,355
ABL FPF - Strategic Allocation Plan	Pakistan	88.38%	87,081	106	25,034	24,573	24,573
Allied Finergy Fund	Pakistan	40.09%	228,889	2,656	47,891	40,591	40,591
ABL Special Savings Fund - Plan - I	Pakistan	1.95%	22,493,880	31,224	3,804,704	3,421,893	3,421,893
ABL Special Savings Fund - Plan - III	Pakistan	5.80%	1,080,853	2,520	357,460	320,564	320,564
ABL Special Savings Fund - Plan - IV	Pakistan	1.06%	9,209,979	13,151	1,591,130	1,472,323	1,472,323
ABL Special Savings Fund - Plan - V	Pakistan	35.30%	2,360,550	3,849	528,041	471,141	471,141
ABL Money Market Fund	Pakistan	2.84%	8,590,239	315,163	1,067,168	913,793	913,793
ABL Financial Sector Fund	Pakistan	0.001%	50,951,704	333,022	3,289,476	2,877,074	2,877,074
ABL Islamic Sovereign Fund	Pakistan	9.09%	772,713	1,784	222,463	197,379	197,379
ABL Fixed Rate Plan - XX	Pakistan	1.41%	14,406,724	4,615	333,855	326,682	326,682
ABL Fixed Rate Plan - XXI	Pakistan	0.22%	23,301,652	6,942	343,336	335,234	335,234
ABL Otimal Asset Allocation Fund	Pakistan	21.15%	504,277	4,331	40,615	35,408	35,408
ABL Pension Fund - ESF	Pakistan	58.41%	341,089	1,141	23,564	19,711	19,711
ABL Pension Fund - DSF	Pakistan	28.53%	379,044	902	39,959	35,517	35,517
ABL Pension Fund - MMSF	Pakistan	12.57%	656,400	1,404	52,854	46,067	46,067
ABL Islamic Pension Fund - ESF	Pakistan	76.12%	242,272	1,331	10,636	7,721	7,721
ABL Islamic Pension Fund - DSF	Pakistan	41.14%	161,784	643	6,048	4,891	4,891
ABL Islamic Pension Fund - MMSF	Pakistan	11.33%	593,355	946	12,504	10,427	10,427
ABL KPK Pension Fund - MMSF	Pakistan	74.33%	50,712	17	2,357	2,299	2,299
ABL KPK Islamic Pension Fund - MMSF	Pakistan	56.23%	63,702	20	1,915	1,864	1,864
ABL GOPB Pension Fund - MMSF	Pakistan	100.00%	565	60	5	5	5
ABL GOPB Islamic Pension Fund - MMSF	Pakistan	100.00%	543	40	3	3	3
			231,172,892	3,030,074	26,289,546	23,468,669	23,468,669

Name of the investee fund	Country of incorporation	As at December 31, 2024			For the year ended December 31, 2024		Total comprehensive income
		Percentage Holding	Assets	Liabilities	Revenue	Net Income	
			Rupees in '000				
ABL Income Fund	Pakistan	52.59%	3,880,422	42,958	567,561	526,383	526,383
ABL Stock Fund	Pakistan	0.06%	7,241,372	146,953	3,058,631	2,868,010	2,868,010
ABL Islamic Income Fund	Pakistan	12.74%	1,924,459	19,391	242,328	229,349	229,349
ABL Government Securities Fund	Pakistan	2.76%	10,312,267	433,270	1,081,446	986,053	986,053
ABL Islamic Stock Fund	Pakistan	0.11%	2,936,876	136,646	1,200,818	1,124,887	1,124,887
ABL IFPF - CPP -1	Pakistan	19.90%	246,378	1,985	63,039	62,299	62,299
ABL IFPF - Active	Pakistan	0.01%	89,482	92	36,142	35,913	35,913
ABL IFPF - Conservative	Pakistan	0.00%	1,035,305	5,844	338,489	333,068	333,068
ABL FPF - Conservative	Pakistan	20.88%	926,775	1,724	53,696	52,050	52,050
ABL FPF - Active	Pakistan	0.58%	10,764	10	3,793	3,760	3,760
ABL FPF - Strategic Allocation	Pakistan	87.36%	70,452	3,513	71,353	70,565	70,565
Allied Finergy Fund	Pakistan	65.56%	152,691	4,371	121,800	113,452	113,452
ABL Special Savings Fund - Plan - I	Pakistan	0.19%	25,193,246	61,340	4,248,083	4,017,775	4,017,775
ABL Special Savings Fund - Plan - III	Pakistan	0.00%	6,528,110	12,762	2,127,162	2,035,789	2,035,789
ABL Special Savings Fund - Plan - IV	Pakistan	0.00%	11,868,325	14,617	1,951,350	1,807,006	1,807,006
ABL Financial Sector Fund	Pakistan	0.00%	17,058,431	86,204	2,208,550	2,044,052	2,044,052
ABL Islamic Sovereign Fund	Pakistan	1.00%	7,009,902	36,139	270,749	258,233	258,233
ABL Pension Fund - ESF	Pakistan	61.94%	217,106	782	107,677	103,474	103,474
ABL Pension Fund - DSF	Pakistan	34.17%	284,816	820	14,655	47,109	47,109
ABL Pension Fund - MMSF	Pakistan	16.52%	453,706	1,387	80,652	72,223	72,223
ABL Islamic Pension Fund - ESF	Pakistan	76.97%	175,923	989	83,720	79,717	79,717
ABL Islamic Pension Fund - DSF	Pakistan	63.62%	95,686	431	14,738	12,450	12,450
ABL Islamic Pension Fund - MMSF	Pakistan	32.49%	188,779	597	31,277	27,562	27,562
ABL KPK Pension Fund - MMSF	Pakistan	96.39%	39,140	48	4,137	4,075	4,075
ABL KPK Islamic Pension Fund - MMSF	Pakistan	94.73%	37,848	47	2,842	2,789	2,789
			97,978,261	1,012,920	17,984,688	16,918,043	16,918,043

	Note	Performing		Non Performing		Total	
		December 31,2025	December 31,2024	December 31,2025	December 31,2024	December 31,2025	December 31,2024
		Rupees in '000					
9 ADVANCES							
Loans, cash credits, running finances, etc.		690,481,978	1,020,650,665	10,059,756	11,685,811	700,541,734	1,032,336,476
Islamic financing and related assets		98,529,754	32,101,884	295,246	295,246	98,825,000	32,397,130
Bills discounted and purchased		1,969,122	831,885	1,013,913	1,013,913	2,983,035	1,845,798
Advances – gross	9.2	790,980,854	1,053,584,434	11,368,915	12,994,970	802,349,769	1,066,579,404
Credit loss allowance / Provision Against advances							
Stage 1	9.4	(359,028)	(529,283)	-	-	(359,028)	(529,283)
Stage 2	9.4	(1,101,574)	(2,311,052)	-	-	(1,101,574)	(2,311,052)
Stage 3	9.3 & 9.4	-	-	(10,939,135)	(12,193,722)	(10,939,135)	(12,193,722)
		(1,460,602)	(2,840,335)	(10,939,135)	(12,193,722)	(12,399,737)	(15,034,057)
Advances – net of credit loss allowance		789,520,252	1,050,744,099	429,780	801,248	789,950,032	1,051,545,347

	December 31, 2025				December 31, 2024			
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
	Rupees in '000							
Lease rentals receivable	1,714,966	1,866,959	14,584	3,596,509	2,772,954	1,462,028	18,027	4,253,009
Residual value	417,274	690,862	30,848	1,138,984	413,129	564,508	26,128	1,003,765
Minimum lease payments	2,132,240	2,557,821	45,432	4,735,493	3,186,083	2,026,536	44,155	5,256,774
Financial charges for future periods	(315,451)	(309,552)	(1,906)	(626,909)	(514,234)	(159,232)	(1,952)	(675,418)
Present value of minimum lease payments	1,816,789	2,248,269	43,526	4,108,584	2,671,849	1,867,304	42,203	4,581,356

9.1 Includes net investment in right-of-use assets / finance lease as disclosed below:

		December 31, 2025	December 31, 2024
		Rupees in '000	
9.2	Particulars of advances (Gross)		
	In local currency	774,104,905	1,031,534,500
	In foreign currencies	28,244,864	35,044,904
		802,349,769	1,066,579,404
9.2.1	Advances to women, women -owned and Managed Enterprises		
	Women	2,783,736	17,576,152
	Women Owned and Managed Enterprises	477,721	460,049
		3,261,457	18,036,201

9.3 Advances include Rs. 11,368,915 million (2024: Rs. 12,994.970 million) which have been placed under non-performing / Stage 3 status as detailed below:

	December 31, 2025		December 31, 2024	
	Non Performing Loans	Credit loss allowance	Non Performing Loans	Specific provision
	Rupees in '000			
Category of Classification				
Domestic				
Other Assets Especially Mentioned	24,996	13,294	59,594	28,684
Substandard - Stage 3	51,025	25,156	189,271	101,492
Doubtful - Stage 3	26,136	13,068	871,895	566,361
Loss - Stage 3	10,627,933	10,248,792	11,238,973	10,861,948
	10,730,090	10,300,310	12,359,733	11,558,485
Overseas				
Loss	638,825	638,825	635,237	635,237
	11,368,915	10,939,135	12,994,970	12,193,722

		Note	December 31, 2025 Stage 3	Stage 2	Stage 1	Total	December 31, 2024 Stage 3	Stage 2	Stage 1	Total
			Rupees in '000							
9.4	Particulars of credit loss allowance against advances									
	Opening balance		12,193,722	2,311,052	529,283	15,034,057	12,335,688	144,558	60,461	12,540,707
	Impact of adoption of IFRS 9		-	-	-	-	183,043	1,409,256	645,472	2,237,771
	Exchange adjustments		-	2,625	-	2,625	-	(1,875)	-	(1,875)
	Charge for the year		577,609	544,080	294,940	1,416,629	684,079	1,176,397	352,351	2,212,827
	Reversals for the year		(1,790,682)	(1,756,183)	(465,195)	(4,012,060)	(1,009,088)	(417,284)	(529,001)	(1,955,373)
			(1,213,073)	(1,212,103)	(170,255)	(2,595,431)	(325,009)	759,113	(176,650)	257,454
	Amounts written off	9.6.1	(41,514)	-	-	(41,514)	-	-	-	-
	Closing balance		10,939,135	1,101,574	359,028	12,399,737	12,193,722	2,311,052	529,283	15,034,057
9.4.1	In local currency		10,300,310	891,833	340,661	11,532,804	11,558,485	2,054,427	524,207	14,137,119
	In foreign currencies		638,825	209,741	18,367	866,933	635,237	256,625	5,076	896,938
			10,939,135	1,101,574	359,028	12,399,737	12,193,722	2,311,052	529,283	15,034,057

9.4.2 No benefit of forced sale value of the collaterals held by the Bank is taken while determining the provision against non-performing loans as allowed under BSD Circular No. 01 dated October 21, 2011.

		Note	December 31, 2025 Stage 1	Stage 2	Stage 3	Total	December 31, 2024 Stage 1	Stage 2	Stage 3	Total
			Rupees in '000							
9.5	Particulars of credit loss allowance									
9.5.1	Advances - Exposure									
	Gross carrying amount - Current year		976,972,222	76,612,212	12,994,970	1,066,579,404	734,258,786	47,038,140	13,040,236	794,337,162
	New advances		463,058,763	15,701,337	352,433	479,112,533	681,677,912	22,028,894	367,319	704,074,125
	Advances derecognised or repaid		(713,852,096)	(27,384,110)	(2,105,962)	(743,342,168)	(407,134,265)	(23,423,739)	(1,273,879)	(431,831,883)
	Transfer to stage 1		8,065,044	(8,064,957)	(87)	-	6,032,844	(6,032,624)	(220)	-
	Transfer to stage 2		(12,011,900)	12,396,821	(384,921)	-	(37,366,579)	37,621,143	(254,564)	-
	Transfer to stage 3		(23,043)	(489,439)	512,482	-	(496,476)	(619,602)	1,116,078	-
			(254,763,232)	(7,840,348)	(1,626,055)	(264,229,635)	242,713,436	29,574,072	(45,266)	272,242,242
	Amounts written off / charged off	9.6	-	-	-	-	-	-	-	-
	Closing balance - Current year		722,208,990	68,771,864	11,368,915	802,349,769	976,972,222	76,612,212	12,994,970	1,066,579,404
9.5.2	Advances - Credit loss allowance									
	Opening balance		529,283	2,311,052	12,193,722	15,034,057	705,933	1,553,814	12,518,731	14,778,478
	New Advances		127,710	107,016	340,774	575,500	244,775	440,787	314,143	999,705
	Advances derecognised or repaid		(165,549)	(404,582)	(1,447,740)	(2,017,871)	(252,135)	(276,646)	(754,769)	(1,283,550)
	Transfer to stage 1		167,230	(167,176)	(54)	-	107,576	(107,427)	(149)	-
	Transfer to stage 2		(55,287)	439,689	(384,402)	-	(98,687)	352,857	(254,170)	-
	Transfer to stage 3		(148)	(95,215)	95,363	-	(1,849)	(33,211)	35,060	-
			73,956	(120,268)	(1,396,059)	(1,442,371)	(320)	376,360	(659,885)	(283,845)
	Amounts written off / charged off	9.6	-	-	-	-	-	-	-	-
	Changes in risk parameters (PDs/LGDs/EADs)		(244,211)	(1,089,210)	141,472	(1,191,949)	(176,330)	380,878	334,876	539,424
	Closing balance		359,028	1,101,574	10,939,135	12,399,737	529,283	2,311,052	12,193,722	15,034,057

		Note	December 31, 2025 Stage 1	Stage 2	Stage 3	Total	December 31, 2024 Stage 1	Stage 2	Stage 3	Total
			Rupees in '000							
9.5.3	Advances - Credit loss allowance details									
	Internal / External rating / stage classification									
	Outstanding gross exposure									
	Performing - Stage 1		722,208,989	-	-	722,208,989	976,972,221	-	-	976,972,221
	Under Performing - Stage 2		-	68,771,865	-	68,771,865	-	76,612,213	-	76,612,213
	Non-perfroming - Stage 3									
	OAEM		-	-	24,996	24,996	-	-	59,594	59,594
	Substandard		-	-	51,025	51,025	-	-	189,271	189,271
	Doubtful		-	-	26,136	26,136	-	-	871,895	871,895
	Loss		-	-	11,266,758	11,266,758	-	-	11,874,210	11,874,210
			-	-	11,368,915	11,368,915	-	-	12,994,970	12,994,970
	Total		722,208,989	68,771,865	11,368,915	802,349,769	976,972,221	76,612,213	12,994,970	1,066,579,404
	Corresponding ECL									
	Stage 1 and stage 2		359,028	1,101,574		1,460,602	529,283	2,311,052	-	2,840,335
	Stage 3		-	-	10,939,135	10,939,135	-	-	12,193,722	12,193,722
			359,028	1,101,574	10,939,135	12,399,737	529,283	2,311,052	12,193,722	15,034,057

9.5.4 The table below shows the amortized cost of the Bank's gross advances, based on the Bank's internal credit rating system and year-end stage classification.

	December 31, 2025 Stage 1	Stage 2	Stage 3	Total	December 31, 2024 Stage 1	Stage 2	Stage 3	Total
	Rupees in '000							
Internal rating grade								
Performing								
Corporate								
High grade	537,274,377	1,232,059	-	538,506,436	661,676,903	4,230,153	-	665,907,056
Medium grade	167,429,460	39,113,270	-	206,542,730	305,541,954	32,188,918	-	337,730,872
Low grade	-	28,167,928	-	28,167,928	-	39,855,021	-	39,855,021
Past due but not impaired	-	-	-	-	-	-	-	-
Consumer								
Not yet due	17,505,153	258,607	-	17,763,760	9,753,365	338,120	-	10,091,485
Past due but not impaired	-	-	1,792	1,792	-	-	2,601	2,601
Non-performing (Corporate and Retail)								
OAEM	-	-	23,204	23,204	-	-	56,993	56,993
Substandard	-	-	51,025	51,025	-	-	189,271	189,271
Loss	-	-	26,136	26,136	-	-	871,895	871,895
	-	-	11,266,758	11,266,758	-	-	11,874,210	11,874,210
	722,208,990	68,771,864	11,368,915	802,349,769	976,972,222	76,612,212	12,994,970	1,066,579,404
An analysis of the corresponding ECLs is, as follows:								
Performing	359,028	1,101,574	-	1,460,602	529,283	2,311,052	-	2,840,335
Non-performing (Only specific)	-	-	10,939,135	10,939,135	-	-	12,193,722	12,193,722
	359,028	1,101,574	10,939,135	12,399,737	529,283	2,311,052	12,193,722	15,034,057

9.6 There were no principal amounts written off during the year against provisions.

9.6.1 Details of loan write-off of Rs. 500,000/- and above

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962, the Statement in respect of written-off loans or any other financial relief of five hundred thousand rupees and above allowed to a person(s) during the year ended December 31, 2025 is given in Annexure-'I'. However, these write-offs do not affect the Bank's right to recover debts from these customers.

Disclosure for Charged-off Loan / Advances / Finances	December 31, 2025 No. of Borrowers	Amount (Rupees in '000)	December 31, 2024 No. of Borrowers	Amount (Rupees in '000)
Particulars				
A. Opening Balance of Charged-off loans/ Advances/ Finances	-	-	-	-
B. Charge-off during the year	3	41,514	-	-
C. Sub-total (A+B)	3	41,514	-	-
D. Recoveries made during the year against already charged-off cases	-	-	-	-
E. Amount written off from already charged-off loans	-	-	-	-
F. Closing Balance of Charged-off Loans (C-D-E)	3	41,514	-	-

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
10 PROPERTY AND EQUIPMENT			
Capital work-in-progress	10.1	10,397,348	10,927,109
Property and equipment	10.2	129,079,073	117,357,091
		139,476,421	128,284,200

10.1 Capital work-in-progress

Civil works	6,683,649	9,795,365
Equipment	-	-
Advances to suppliers	3,713,699	1,131,744
	10,397,348	10,927,109

10.2 Property and Equipment

	December 31,2025								
	Freehold Land	Leasehold Land	Building on Freehold Land	Building on Leasehold Land	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Building Improvements (Leased Premises)	Total
	Rupees in '000								
At January 1, 2025									
Cost or Revalued amount	47,330,953	25,494,317	19,045,017	7,636,658	3,899,401	32,627,374	3,046,633	10,061,383	149,141,736
Accumulated depreciation	-	-	(980,880)	(520,525)	(2,302,711)	(19,465,383)	(1,601,941)	(6,913,205)	(31,784,645)
Net book value	47,330,953	25,494,317	18,064,137	7,116,133	1,596,690	13,161,991	1,444,692	3,148,178	117,357,091
Year ended December 31, 2025									
Opening net book value	47,330,953	25,494,317	18,064,137	7,116,133	1,596,690	13,161,991	1,444,692	3,148,178	117,357,091
Additions	710,051	79,434	5,906,709	1,069,773	794,772	9,901,567	518,192	1,154,091	20,134,589
Movement in surplus on assets revalued during the year	-	-	(1,678)	(111,746)	-	-	-	-	(113,424)
Acquisitions through business combinations	-	-	-	-	-	-	-	-	-
Impairment loss recognised in the profit and loss account - net	-	-	-	-	-	-	-	-	-
Disposals cost	(240,623)	-	-	(23,486)	(61,577)	(849,059)	(234,368)	(26,020)	(1,435,133)
Disposals accumulated depreciation	-	-	-	3,337	59,028	822,186	211,498	26,020	1,122,069
Net disposal (book value)	(240,623)	-	-	(20,149)	(2,549)	(26,873)	(22,870)	-	(313,064)
Depreciation charge	-	-	(1,047,290)	(379,596)	(321,048)	(4,651,382)	(494,368)	(1,106,087)	(7,999,771)
Exchange rate adjustments	-	-	-	-	504	36	952	12,160	13,652
Other adjustments	-	-	-	-	-	-	-	-	-
Closing net book value	47,800,381	25,573,751	22,921,878	7,674,415	2,068,369	18,385,339	1,446,598	3,208,342	129,079,073
At December 31, 2025									
Cost or Revalued amount	47,800,383	25,573,751	24,956,481	8,571,199	4,618,226	41,695,536	3,195,260	11,178,445	167,589,281
Accumulated depreciation	-	-	(2,034,603)	(896,783)	(2,558,148)	(23,161,196)	(1,859,682)	(7,999,796)	(38,510,208)
Net book value	47,800,383	25,573,751	22,921,878	7,674,416	2,060,078	18,534,340	1,335,578	3,178,649	129,079,073
Rate of depreciation (percentage)	-	-	5%	5%	10%	14.28% -50%	20%	20%	

	December 31,2024								
	Freehold Land	Leasehold Land	Building on Freehold Land	Building on Leasehold Land	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Building Improvements (Leased Premises)	Total
	Rupees in '000								
At January 1, 2024									
Cost or Revalued amount	47,782,583	20,973,582	14,851,259	7,277,734	3,375,452	25,295,671	2,329,458	8,095,171	129,980,910
Accumulated depreciation	-	-	(124,331)	(143,423)	(1,992,371)	(16,138,206)	(1,340,973)	(5,955,570)	(25,694,874)
Net book value	47,782,583	20,973,582	14,726,928	7,134,311	1,383,081	9,157,465	988,485	2,139,601	104,286,036
Year ended December 31, 2024									
Opening net book value	47,782,583	20,973,582	14,726,928	7,134,311	1,383,081	9,157,465	988,485	2,139,601	104,286,036
Additions	1,482,751	4,875,347	4,224,568	363,705	559,901	7,721,619	904,147	1,971,699	22,103,737
Net disposal (book value)	(1,933,563)	(354,614)	(21,923)	(3,979)	(3,289)	(37,901)	(2,065)	-	(2,357,334)
Depreciation charge	-	-	(859,000)	(377,903)	(343,002)	(3,678,739)	(445,875)	(963,138)	(6,667,657)
Exchange rate adjustments	-	-	-	-	-	(454)	(1)	17	(438)
Other adjustments	(818)	2	(6,436)	(1)	(1)	1	1	(1)	(7,253)
Closing net book value	47,330,953	25,494,317	18,064,137	7,116,133	1,596,690	13,161,991	1,444,692	3,148,178	117,357,091
At December 31, 2024									
Cost or Revalued amount	47,330,953	25,494,317	19,045,017	7,636,658	3,899,401	32,627,374	3,046,633	10,061,383	149,141,736
Accumulated depreciation	-	-	(980,880)	(520,525)	(2,302,711)	(19,465,383)	(1,601,941)	(6,913,205)	(31,784,645)
Net book value	47,330,953	25,494,317	18,064,137	7,116,133	1,596,690	13,161,991	1,444,692	3,148,178	117,357,091
Rate of depreciation (percentage)	-	-	5%	5%	10%	10% -50%	20%	20%	

10.3 Group arranged for valuation of all Land and Buildings as at December 31, 2023 from six independent valuers {Sadruddin Associates (Private) Limited, Hamid Mukhtar & Co (Private) Limited, Indus Surveyors (Private) Limited, A1 Warda Engineering Services, Tristar International Consultant (Private) Limited and Harvester Services (Private) Limited}. The revalued amounts of properties have been determined on the basis of market value. Had there been no revaluation, the carrying amount of revalued assets would have been as follows:

	December 31, 2025	December 31, 2024
	Rupees in '000	
– Land (Freehold and leasehold)	31,992,445	31,264,621
– Building	22,763,551	16,925,052

10.4 Fair value of property and equipment excluding land and buildings is not expected to be materially different from their carrying amount.

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
10.5 Incremental depreciation charged during the year transferred to unappropriated profit	22.1	345,690	350,020
10.6 Restriction or discrepancy in the title of property having a net book value of		197,863	208,982
10.7 The cost of fully depreciated assets that are still in use:			
Furniture and fixtures		1,314,852	1,203,124
Electrical, office and computer equipments		13,129,985	11,047,792
Vehicles		745,450	781,902
Leasehold Improvements		5,602,574	4,850,720
10.8 The carrying amount of property and equipment that have retired from active use and held for disposal		1,293,975	1,293,975

10.9 The sale of fixed assets (otherwise than a regular auction) to related parties are disclosed in Annexure III of the unconsolidated financial statements.

		December 31, 2025		December 31, 2024	
		Buildings	Total	Buildings	Total
		Rupees in '000			
11	RIGHT-OF-USE ASSETS				
	At January 01, 2025				
	Cost	17,201,971	17,201,971	15,930,691	15,930,691
	Accumulated Depreciation	(9,414,230)	(9,414,230)	(7,601,229)	(7,601,229)
	Net carrying amount at January 01, 2025	7,787,741	7,787,741	8,329,462	8,329,462
	Additions during the year	3,302,888	3,302,888	1,894,202	1,894,202
	Deletions during the year	(343,528)	(343,528)	(568,326)	(568,326)
	Depreciation charge during the year	(1,965,949)	(1,965,949)	(1,869,048)	(1,869,048)
	Exchange difference	138	138	1,451	1,451
	Net carrying amount at December 31, 2025	8,781,290	8,781,290	7,787,741	7,787,741

		Note	December 31, 2025	December 31, 2024
			Rupees in '000	
12	INTANGIBLE ASSETS			
	Capital work in progress	12.1	1,137,381	1,010,773
	Intangible Assets	12.2	3,373,343	2,639,423
			4,510,724	3,650,196
12.1	Capital work in progress			
	Softwares		1,134,507	1,007,899
	Advances for softwares to suppliers		2,874	2,874
			1,137,381	1,010,773

		December 31, 2025		
		Computer software	Others	Total
		Rupees in '000		
12.2	Intangible Assets			
	At January 01, 2025			
	Cost	7,037,028	-	7,037,028
	Accumulated amortisation and impairment	(4,397,605)	-	(4,397,605)
	Net book value	2,639,423	-	2,639,423
	Year ended December 31, 2025			
	Opening net book value	2,639,423	-	2,639,423
	Additions:			
	Directly purchased / transfers	1,448,744	-	1,448,744
	Amortisation charge	(698,670)	-	(698,670)
	Closing net book value	3,389,497	-	3,389,497
	At December 31, 2025			
	Cost	8,459,727	-	8,459,727
	Accumulated amortisation and impairment	(5,086,384)	-	(5,086,384)
	Net book value	3,373,343	-	3,373,343
	Rate of amortisation (percentage)	5% to 14.28%		
	Useful life	7 to 20 Years		

	December 31, 2024		
	Computer software	Others	Total
	Rupees in '000		
At January 1, 2024			
Cost	6,409,382	-	6,409,382
Accumulated amortisation and impairment	(3,771,601)	-	(3,771,601)
Net book value	2,637,781	-	2,637,781
Year ended December 31, 2024			
Opening net book value	2,637,781	-	2,637,781
Additions:			
directly purchased / transfers	627,646	-	627,646
Amortisation charge	(626,004)	-	(626,004)
Closing net book value	2,639,423	-	2,639,423
At December 31, 2024			
Cost	7,037,028	-	7,037,028
Accumulated amortisation and impairment	(4,397,605)	-	(4,397,605)
Net book value	2,639,423	-	2,639,423
Rate of amortisation (percentage)		5% to 33.33%	
Useful life		3 to 20 Years	

		December 31, 2025	December 31, 2024
		Rupees in '000	
12.3	The cost of fully amortized assets that are still in use:		
	Intangible assets – software	1,467,420	1,493,600

		Note	December 31, 2025	December 31, 2024
			Rupees in '000	
13	**OTHER ASSETS**			
	Income / Mark-up accrued in local currency	13.1	59,842,523	55,020,672
	Income / Mark-up accrued in foreign currency		492,057	532,316
	Deferred cost on subsidized loans	13.4	6,718,237	7,287,676
	Advances, deposits, advance rent and other prepayments		5,694,482	6,379,828
	Advance taxation (payments less provisions)		7,417,799	2,052,691
	Non-banking assets acquired in satisfaction of claims	13.2	1,534,303	682,237
	Mark to market gain on forward government securities transactions		-	967,333
	Acceptances		9,269,379	7,563,743
	Due from the employees' retirement benefit schemes			
	- Pension fund	37.4	9,215,841	7,772,440
	Fraud and forgeries		497,935	527,738
	Stationery and stamps in hand		1,526,304	1,205,896
	Home Remittance Cell agent receivable		-	2,784
	Receivable from State Bank of Pakistan		8,280	71
	Charges receivable		14,291	29,924
	ATM / Point of Sale settlement account		5,166,223	6,451,615
	Suspense account		22	-
	Others		727,636	639,010
			108,125,312	97,115,974
	Less: Credit loss allowance / provisions held against other assets	13.3	(998,107)	(1,147,776)
	Other assets (net of credit loss allowance)		107,127,205	95,968,198
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims		389,522	1,265,361
	Other assets - net		107,516,727	97,233,559

13.1 This includes income / mark-up accrued on financial assets measured at amortised cost. Such income / mark-up accrued is included in the amortised cost of the respective instruments for the purposes of IFRS 9, however presented separately in line with local regulatory requirements. Of the accrued markup balance, Rs. 58,862 million (2024: Rs. 52,634 million) relates to financial assets classified as Stage 1, with the balance relating to Stage 2.

		December 31, 2025	December 31, 2024
		Rupees in '000	
13.2	Market value of non-banking assets acquired in satisfaction of claims	1,923,825	1,947,598

Full-scope revaluation was carried out at December 31, 2025 through Five independent valuers approved by Pakistan Banks' Association (Hamid Mukhtar & Co Private Limited, Indus Surveyors Private Limited, Engineering Pakistan International Private Limited, Tristar International Consultant Private Limited, and Harvester Services Private Limited). The revalued amounts of properties have been determined on the basis of market rates depending upon physical verification and general appearance of the site.

		December 31, 2025	December 31, 2024
		Rupees in '000	
13.2.1	Non banking assets acquired in satisfaction of claims		
	Opening balance	1,947,598	2,081,772
	Additions	-	-
	Constructions	1,184,327	3,745
	Revaluation	(367,431)	261,755
	Disposals	(818,475)	-
	Transfers	-	(375,753)
	Depreciation	(22,194)	(23,921)
	Closing balance	1,923,825	1,947,598

13.2.2 There are no disposals of non banking assets acquired in satisfaction of claim.

		Note	December 31, 2025	December 31, 2024
			Rupees in '000	
13.3	Credit loss allowance / provisions held against other assets			
	Advances, deposits, advance rent and other prepayments		262,445	286,371
	Provision against fraud and forgeries		397,393	427,195
	Charges receivable		13,420	29,764
	Credit loss allowance against acceptances - Stage 2		26,087	109,875
	Others		298,762	294,571
			998,107	1,147,776
13.3.1	Movement in Credit loss allowance / Provision held against other assets			
	Opening balance		1,147,776	996,020
	Impact of adoption of IFRS 9		-	37,823
	Charge for the year		60,000	241,906
	Reversals		(183,788)	(119,745)
	Net charge		(123,788)	122,161
	Amounts written off		(25,881)	(8,228)
	Closing balance		998,107	1,147,776

13.4 This refers to notional deferred cost on fair valuation of subsidized loans.

14 CONTINGENT ASSETS

There were no contingent assets of the Bank as at December 31, 2025 and December 31, 2024.

		Note	December 31, 2025	December 31, 2024
			Rupees in '000	
15	BILLS PAYABLE			
	In Pakistan		13,834,259	14,477,225
	Outside Pakistan		26,275	25,012
			13,860,534	14,502,237
16	BORROWINGS			
	Secured			
	Borrowings from State Bank of Pakistan			
	Repurchase agreement borrowings	16.1	503,422,306	355,072,900
	Under export refinance scheme	16.2	12,466,594	23,682,355
	Under long term financing facility	16.3	19,450,998	22,806,443
	Under financing scheme for renewable energy	16.4	4,351,345	7,871,360
	Under Temporary Economic Refinance Scheme	16.5	7,583,283	7,490,465
	Under refinance scheme for modernization of SMEs	16.6	10,110	13,222
	Under Mudarabah Islamic finance facility		9,911,845	-
	Under refinance scheme for SME Asaan Finance (SAAF)		9,843	172,807
	Refinance and credit guarantee scheme for women entrepreneurs		17,740	19,310
	Under refinance scheme for combating COVID-19	16.7	28,706	81,016
			557,252,770	417,209,878
	Repurchase agreement borrowings from financial institutions	16.8	29,263,440	29,259,260
			586,516,210	446,469,138

		Note	December 31, 2025	December 31, 2024
			Rupees in '000	
	Unsecured			
	Call borrowings	16.9	-	7,628,102
	Overdrawn nostro accounts		4,818	426,318
	Musharaka borrowing	16.10	57,100,000	7,500,000
	Other borrowings		112,000	-
			57,216,818	15,554,420
			643,733,028	462,023,558

16.1 This represents local currency borrowing from the State Bank of Pakistan against government securities, carrying mark-up at the rate of 10.57% to 11.50% (2024: 13.07% to 14.00%) per annum, maturing on various dates latest by January 02, 2025.

16.2 The Bank has entered into various agreements for financing with the State Bank of Pakistan for extending export finance to customers. As per agreements, the Bank has granted to State Bank of Pakistan the right to recover the outstanding amount from the Bank at the date of maturity of the finance by directly debiting the current account maintained by the Bank with the SBP. The borrowing carries mark-up at the rate of 5.50% to 7.00% (2024: 1.00% to 2.00%) per annum. These borrowings are repayable within six months from the deal date.

16.3 This represents Long Term Financing facility availed by the Bank for further extending the same to exporters for adoption of new technologies and modernization of their plant and machinery, for a maximum period of 10 years. These borrowing carries mark-up at the rate of 2.00% to 7.00% (2024: 1.50%, 2.50% and 3.00%) per annum.

16.4 These represent borrowings from the State Bank of Pakistan availed by the Bank for financing power projects and facilities using alternative and renewable energy (solar, wind, hydro, biogas, bio-fuels, bagasse cogeneration, and geothermal as fuel) for a maximum period of 12 years. These borrowing carries mark-up at the rate of 2.00% to 7.00% (2024: 2.00% to 7.00%) per annum.

16.5 These borrowings have been obtained from the State Bank of Pakistan for providing concessionary refinancing facility to the industry for purchase of new imported and locally manufactured plant & machinery to set up new projects. These borrowings are repayable within a period of ten years including a grace period of upto 2 years. These borrowing carries mark-up at the rate of 1.00% to 5.00% (2024: 1.00%) per annum.

16.6 These borrowings have been obtained from the State Bank of Pakistan for providing refinancing facility to wide range of SME clusters / sectors for purchase of new and imported / local plant and machinery for BMR of existing units and setting up new SME units. These borrowings are repayable for a maximum period of 10 years. These carry mark up rate ranging from 2% per annum.

16.7 These borrowings have been obtained from the State Bank of Pakistan for providing financing facilities to help businesses in payment of wages and salaries to their workers and employees for supporting continued employment. These borrowing are repayable in 8 equal quarterly installments beginning from January 2021. These carry mark up rates ranging from 0% to 2% per annum.

16.8 These represent borrowings in local currency from local interbank markets against government securities, carrying mark-up at the rate of 10.55% (2024: 12.10% to 12.90%) per annum, maturing on January 02, 2026.

16.9 These represent unsecured borrowings in foreign and local currency from foreign and local interbank markets, carrying mark-up at the rate (2024: 6.53% to 18.60%) per annum.

16.10 This represents unsecured local currency borrowings by Islamic banking business under Musharaka agreement at profit of 10.00% to 10.50% (2024: 12.25%) per annum, maturing on various dates, latest by January 07, 2025.

16.11 Note 8.3 includes the carrying amount of investments given as collateral against re-purchase agreement borrowings.

		December 31, 2025	December 31, 2024
		Rupees in '000	
16.12	Particulars of borrowings with respect to currencies		
	In local currency	643,733,028	455,895,458
	In foreign currencies	-	6,128,100
		643,733,028	462,023,558

		December 31, 2025			December 31, 2024		
		In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
		Rupees in '000					
17	DEPOSITS AND OTHER ACCOUNTS						
	Customers						
	Current deposits	808,890,068	54,579,291	863,469,359	683,016,032	35,622,173	718,638,205
	Savings deposits	891,090,542	16,246,941	907,337,483	851,574,470	18,177,737	869,752,207
	Term deposits	321,158,960	71,263,180	392,422,140	201,669,126	80,524,496	282,193,622
	Others	51,408,574	132,619	51,541,193	37,063,834	78,257	37,142,091
		2,072,548,144	142,222,031	2,214,770,175	1,773,323,462	134,402,663	1,907,726,125
	Financial Institutions						
	Current deposits	17,038,954	808,147	17,847,101	15,659,282	1,218,988	16,878,270
	Savings deposits	111,410,410	-	111,410,410	88,035,841	-	88,035,841
	Term deposits	772,300	38,610	810,910	641,050	4,775,259	5,416,309
	Others	23,475	-	23,475	13,100	-	13,100
		129,245,139	846,757	130,091,896	104,349,273	5,994,247	110,343,520
		2,201,793,283	143,068,788	2,344,862,071	1,877,672,735	140,396,910	2,018,069,645

		December 31, 2025	December 31, 2024
		Rupees in '000	
17.1	Composition of deposits		
	Individuals	1,417,817,085	1,197,996,052
	Private Sector	202,771,324	276,251,448
	Government (Federal and Provincial)	296,641,403	236,687,637
	Public Sector Entities	297,540,363	196,904,360
	Non–Banking Financial Institutions	115,252,680	96,880,407
	Banking Companies	14,839,216	13,349,741
		2,344,862,071	2,018,069,645

17.2 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 1,486,315 million (2024: 1,343,523 million).

17.3 Net outstanding value against prepaid cards is Rs. 85.022 million as at reporting date (2024: 21.604 million).

		Note	December 31, 2025	December 31, 2024
			Rupees in '000	
18	LEASE LIABILITIES			
	Outstanding amount at the start of the year		10,360,968	10,632,854
	Additions during the period		3,302,888	1,894,202
	Deletions during the period		(495,996)	(706,216)
	Lease payments including interest		(3,044,380)	(2,808,266)
	Interest expense		1,430,084	1,349,257
	Exchange difference		(114)	(863)
	Outstanding amount at the end of the year		11,553,450	10,360,968
18.1	Contractual maturity of lease liabilities			
	Not later than one year		388,964	301,451
	Later than one year and upto five years		4,193,878	3,834,226
	Five to ten years		5,098,602	4,608,287
	Over ten years		1,872,006	1,617,004
	Total lease liabilities		11,553,450	10,360,968

		December 31, 2025			
		At January 1, 2025	Recognised in profit and loss account	Recognised in other comprehensive Income	At December 31, 2025
		Rupees in '000			
19	DEFERRED TAX LIABILITIES				
	Deductible Temporary Differences on				
	- Tax losses carried forward	-	-	-	-
	- Workers welfare fund	3,555,006	771,778	-	4,326,784
	- Credit loss allowance against advances,	4,521,261	(2,957,244)	-	1,564,017
	off balance sheet etc.	-	1,738,020	-	1,738,020
	- Right-of-use assets and related lease liabilities	132,164	37,370	-	169,534
	- Others	8,208,431	(410,076)	-	7,798,355
	Taxable temporary differences on				
	- Surplus on revaluation of property and equipment	(4,291,070)	179,759	58,981	(4,052,330)
	- Surplus on revaluation of investments	(10,735,423)	-	(10,357,827)	(21,093,250)
	- Surplus on revaluation of non-banking assets	(73,305)	7,082	51,624	(14,599)
	- Accelerated tax depreciation	(2,291,791)	(1,044,815)	-	(3,336,606)
	- Investment in associated undertakings	(51,249)	32,491		(18,758)
	- Actuarial gain on retirement benefits	(626,113)	-	(349,381)	(975,494)
					-
		(18,068,951)	(825,483)	(10,596,603)	(29,491,037)
		(9,860,520)	(1,235,559)	(10,596,603)	(21,692,682)

	December 31, 2024			
	At January 1, 2024	Recognised in profit and loss account	Recognised in other comprehensive Income	At December 31, 2024
	Rupees in '000			
Deductible Temporary Differences on				
- Tax losses carried forward	-	-	-	-
- Workers welfare fund	2,657,448	897,558	-	3,555,006
- Credit loss allowance against advances,	492,469	121,647	3,907,145	4,521,261
-Others	112,896	19,268	-	132,164
	3,262,813	1,038,473	3,907,145	8,208,431
Taxable Temporary Differences on				
- Surplus on revaluation of property and equipment	(4,200,202)	183,652	(274,520)	(4,291,070)
-Surplus on revaluation of investments	6,608,032	-	(17,343,455)	(10,735,423)
- Surplus on revaluation of non-banking assets	(66,251)	20,744	(27,798)	(73,305)
- Accelerated tax depreciation	(1,689,137)	(602,654)	-	(2,291,791)
- Investment in associated undertakings	(59,763)	8,514	-	(51,249)
- Actuarial gain on retirement benefits	(73,611)	-	(552,502)	(626,113)
	519,068	(389,744)	(18,198,275)	(18,068,951)
	3,781,881	648,729	(14,291,130)	(9,860,520)

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
20 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency	20.1	18,349,602	17,523,889
Mark-up / return / interest payable in foreign currencies		494,162	910,978
Deferred grant on subsidized loans		2,352,630	3,772,085
Accrued expenses		4,016,151	3,288,469
Provision for taxation (provisions less payments)		-	-
Retention money payable		1,237,130	1,153,757
Deferred income		1,138,558	1,345,950
Unearned commission and income on bills discounted		604,692	1,032,336
Acceptances		9,269,379	7,563,743
Unclaimed dividends		552,231	496,711
Dividend payable		36,955	37,622
Branch adjustment account		10,420,374	2,106,829
Unrealized loss on forward foreign exchange contracts		211,930	944,207
Unrealized loss on forward foreign exchange swaps		988,141	669,651
Unrealized loss on forward government securities transactions		14,621	-
Provision for:			
Gratuity	37.4	507,062	331,645
Employees' medical benefits	37.4	1,615,684	1,575,050
Employees' compensated absences	37.4	1,333,409	1,248,767
Payable to defined contribution plan		89,516	114,216
Credit loss allowance / provisions against off-balance sheet obligations	20.2	406,977	493,983
Security deposits against lease		1,130,124	1,004,808
Charity fund balance		170	1,417
Home Remittance Cell overdraft		115,252	206,321
With-holding tax payable		1,022,272	8,091,953
Sundry deposits		4,609,398	4,879,335
Workers welfare fund payable	20.3	8,388,971	6,904,089
Others		2,133,762	2,939,135
		71,039,153	68,636,946

20.1 This includes mark-up / return / interest payable on financial liabilities measured at amortised cost. Such mark-up / return / interest payable is included in the amortised cost of the respective instruments for the purposes of IFRS 9, however presented separately in line with local regulatory requirements.

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
20.2 Credit loss allowance / provisions against off-balance sheet obligations			
Opening balance		493,983	298,904
Impact of adoption of IFRS 9		-	153,374
Charge for the year		-	41,705
Reversals		(87,006)	-
Net reversal		(87,006)	41,705
Closing balance		406,977	493,983
20.2.1 Particulars of credit loss allowance against off-balance sheet obligations			
Stage 1		25,833	153,896
Stage 2		94,559	44,497
Stage 3		78,013	87,018
		198,405	285,411

20.2.2 Credit loss allowance against off-balance sheet obligations include ECL in respect of letter of credit and letter of guarantees.

20.3 Workers Welfare Fund

Supreme Court of Pakistan vide order dated November 10, 2016 held that the amendments made in the law through Finance Act 2008, introduced by the Federal Government for the levy of Worker Welfare Fund (WWF) were unlawful. Federal Board of Revenue filed review petition against the subject order, which is currently pending for adjudication.

WWF provision from 2014 has been maintained conservatively based on tax advisor's opinion in view of provincial levy of WWF by the provinces with effect from 2014, including levy by Sindh which is under litigation.

Punjab Government promulgated Punjab Workers Welfare Fund Act 2019 (PWWF) with effect from December 13, 2019, therefore, provision related to Punjab and pertaining to the period from 2014 till the date of promulgation of PWWF was reversed.

21 SHARE CAPITAL

21.1 Authorized capital

December 31, 2025	December 31, 2024		December 31, 2025	December 31, 2024
No. of shares			Rupees in '000	
1,500,000,000	1,500,000,000	Ordinary shares of Rs.10/– each	15,000,000	15,000,000

21.2 Issued, subscribed and paid–up capital

December 31, 2025	December 31, 2024		December 31, 2025	December 31, 2024
No. of shares			Rupees in '000	
		Fully paid–up Ordinary shares of Rs. 10/– each		
406,780,094	406,780,094	Fully paid in cash	4,067,801	4,067,801
720,745,186	720,745,186	Issued as bonus shares	7,207,452	7,207,452
1,127,525,280	1,127,525,280		11,275,253	11,275,253
		18,348,550 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation in accordance with the swap ratio stipulated therein less 9,200,000 ordinary shares of Rs. 10 each, held by Ibrahim Leasing Limited on the cut-off date (September 30, 2004)		
9,148,550	9,148,550		91,486	91,486
		8,400,000 Ordinary shares of Rs. 10 each, determined pursuant to the Scheme of Amalgamation of First Allied Bank Mudaraba with Allied Bank Limited in accordance with the share swap ratio stipulated therein.		
8,400,000	8,400,000	with the share swap ratio stipulated therein.	84,000	84,000
1,145,073,830	1,145,073,830		11,450,739	11,450,739

Ibrahim Holdings (Private) Limited (holding company of the Bank), holds 1,030,566,368 (90.00%) [2024: 1,030,566,368 (90.00%] ordinary shares of Rs. 10 each respectively, as at reporting date.

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
22 SURPLUS ON REVALUATION OF ASSETS – NET OF TAX			
Surplus / (deficit) arising on revaluation of:			
Property and equipment	22.1	49,171,762	49,812,996
Non-banking assets acquired in satisfaction of claims	22.2	389,522	1,265,363
Securities measured at FVOCI - Debt		21,322,486	6,803,758
Securities measured at FVOCI - Equity		19,245,638	13,856,043
		90,129,408	71,738,160
Deferred tax on surplus / (deficit) on revaluation of:			
Property and equipment	22.1	(4,049,457)	(4,288,197)
Non-banking assets acquired in satisfaction of claims	22.2	(14,599)	(73,305)
Securities measured at FVOCI - Debt		(11,087,692)	(3,537,954)
Securities measured at FVOCI - Equity		(10,007,732)	(7,205,142)
		(25,159,480)	(15,104,598)
		64,969,928	56,633,562

22.1 Surplus on revaluation of fixed assets

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
Surplus as at January 1, 2025		49,812,996	50,187,068
Surplus on revaluation during the year		(113,424)	-
Surplus related to transfer or adjustments		-	33,397
Surplus realised on disposal during the year		(182,120)	(57,449)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(165,930)	(168,008)
Related deferred tax liability		(179,760)	(182,012)
	10.5	(345,690)	(350,020)
Surplus on revaluation as at December 31, 2025		49,171,762	49,812,996
Less: Related deferred tax liability on :			
Revaluation surplus as at January 01, 2025		(4,288,197)	(4,200,202)
Deferred tax asset / (liability) on revaluation surplus / change in tax rate		58,980	(257,155)
Deferred tax liability related to transfer or adjustments		-	(17,367)
Deferred tax on surplus on disposal during the year		-	4,515
Deferred tax on incremental depreciation transferred to unappropriated profit		179,760	182,012
		(4,049,457)	(4,288,197)
		45,122,305	45,524,799

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
22.2 Surplus on revaluation of non–banking assets acquired in satisfaction of claims			
Surplus as at January 01, 2025		1,265,363	1,043,502
(Deficit) / Surplus on revaluation during the year		(367,431)	261,756
Surplus related to transfer or adjustments		-	(33,397)
Surplus realised on disposal during the year		(501,451)	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(3,340)	(3,119)
Related deferred tax liability		(3,619)	(3,379)
		(6,959)	(6,498)
Surplus on revaluation as at December 31, 2025		389,522	1,265,363
Less: Related deferred tax liability on :			
Revaluation surplus as at January 01, 2025		(73,305)	(66,251)
Deferred tax asset / (liability) on revaluation surplus / change in tax rate		51,626	(27,800)
Deferred tax liability related to transfer or adjustments		-	17,367
Deferred tax on surplus on disposal during the year		3,461	-
Deferred tax on incremental depreciation transferred to unappropriated profit		3,619	3,379
		(14,599)	(73,305)
		374,923	1,192,058

23 CONTINGENCIES AND COMMITMENTS

Guarantees	23.1	73,189,471	64,704,701
Commitments	23.2	484,569,889	612,265,251
Other contingent liabilities	23.3	6,567,068	6,994,409
		564,326,428	683,964,361

23.1 Guarantees

Financial guarantees	10,034,456	6,049,698
Performance guarantees	16,557,967	14,299,840
Other guarantees	46,597,048	44,355,163
	73,189,471	64,704,701

23.2 Commitments

Documentary credits and short term trade related transactions:			
letters of credit		131,880,085	130,961,089
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	77,936,002	75,584,870
- foreign exchange swaps	23.2.2	262,504,698	212,698,713
- forward government securities transactions	23.2.3	1,119,704	182,141,150
- operating leases	23.2.4	225,366	211,271
Commitments for acquisition of:			
- fixed assets		9,149,788	9,737,945
- intangible assets		1,754,246	930,213
		484,569,889	612,265,251

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
23.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		51,405,793	45,127,772
Sale		26,530,209	30,457,098
		77,936,002	75,584,870
All forward foreign exchannge contracts mature within twelve months from the reporting date.			
23.2.2 Commitments in respect of foreign exchange swaps			
Purchase		164,254,653	136,045,577
Sale		98,250,045	76,653,136
		262,504,698	212,698,713
23.2.3 Commitments in respect of forward government securities transactions			
Purchase		58,017	182,141,150
Sale		1,061,687	-
		1,119,704	182,141,150
23.2.4 Commitments in respect of operating leases			
Not later than one year		74,926	105,165
Later than one year and not later than five years		144,803	89,799
Later than five years		5,637	16,307
		225,366	211,271
23.3 Other contingent liabilities			
23.3.1 Claims against the Bank not acknowledged as debt	23.3.1.1	6,567,068	6,994,409

23.3.1.1 This represent certain claims by third parties against the Bank, which are being contested in Courts of law. The management is of the view that these relate to the normal course of the business and the possibility of an outflow of economic resource is remote.

23.4 The income tax assessments of the Group have been finalized upto and including tax year 2024 for local, Azad Kashmir and Gilgit Baltistan operations. While finalizing income tax assessments upto tax year 2024, income tax authorities made certain add backs with aggregate tax impact of Rs. 39,737 million (2024: Rs.38,549 million). As a result of appeals filed by the Group before appellate authorities, most of the add backs have been deleted. However, the Group and Tax Department are in appeals / references before higher forums against unfavorable decisions. Pending finalization of appeals / references no provision has been made by the Group on aggregate sum of Rs.39,737 million (2024: Rs.38,549 million). The management is confident that the outcome of these appeals / references will be in favor of the Group.

Tax Authorities have conducted proceedings of withholding tax audit under section 161/205 of Income Tax Ordinance, 2001 for tax year 2003 to 2006 and tax year 2008 to 2019 and tax year 2022 created an arbitrary demand of Rs. 2,031 million (2024: 2,039 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that these appeals will be decided in favor of the Bank; therefore, no provision has been made against the said demand of Rs. 2,031 million (2024: 2,039 million).

Tax authorities have also issued orders under Federal Excise Act, 2005/Sales Tax Act/Sindh Sales Tax on Services Act, 2011 for the year 2008 to 2017 thereby creating arbitrary aggregate demand of Rs. 1,144 million (2024: 1,144 million). The Bank's appeals before CIR(A)/Appellate Tribunal Inland Revenue (ATIR) are pending for adjudication. The management is confident that aforesaid demand will be deleted by appellate authorities and therefore no provision has been made against the said demand of Rs. 1,144 million (2024: 1,144 million).

23.5 While adjudicating foreign exchange repatriation cases of exporter namely: Fateh Textile Mills Limited, the Foreign Exchange Adjudicating Court (FEAC) of the State Bank of Pakistan (SBP) has arbitrarily adjudicated penalties against various banks including Rs.2,173 million in aggregate against Allied Bank Limited (the Bank). Against the said judgments, the Bank had filed appeals before the Appellate Board and Constitutional Petitions (CP) in the High Court of Sindh, Karachi. The Honorable High Court granted relief to the Bank by way of interim orders. Meanwhile, alongwith other banks, Bank filed a further CP whereby vires of section 23C of the FE Regulations Act, 1947 was sought to be declared ultra vires. On November 8, 2018, the Honorable Court was pleased to Order that the Appellate Board shall not finally decide the appeals. Subsequently, the earlier CP was disposed of vide order dated 15.01.2019 with a direction to the Appellate Board to first decide the stay application of the Bank and till then, the Foreign Exchange Regulation Department has been restrained from taking any coercive action against the Bank. Moreover, on 04.01.2023, the Appellate Board has ordered that ABL's appeals now stand adjourned sine die till the final disposal of ABL's constitutional petitions which are pending before the Sindh High Court. Based on merits of the appeals, the management is confident that these appeals shall be decided in favor of the Bank and therefore no provision has been made against the impugned penalty.

24 DERIVATIVE INSTRUMENTS

The Bank at present does not offer structured derivative products such as Interest Rate Swaps, Forward Rate Agreements or FX Options. However, the Bank buys and sells derivative instruments such as:

- Forward Exchange Contracts
- Foreign Exchange Swaps
- Equity Futures
- Forward Contracts for Government Securities

Forward Exchange Contracts

Forward Exchange Contract (FEC) is a product which is offered to the obligor who transact internationally. These obligor use this product to hedge themselves from unfavorable movements in a foreign currency, however, by agreeing to fix the exchange rate, they do not benefit from favorable movements in that currency.

An FEC is a contract between the Obligor and the Bank in which both agree to exchange an amount of one currency for another currency at an agreed forward exchange rate for settlement over more than two business days after the FEC is entered into (the day on which settlement occurs is called the value date). FEC is entered with those Obligors whose credit worthiness has already been assessed, and they have underlined trade transactions.

If the relevant exchange rate moves un-favorably, Obligor will benefit from that movement because the Bank must exchange currencies at the FEC rate. In order to mitigate this risk of adverse exchange rate movement, the Bank hedges its exposure by taking opposite forward position in inter-bank FX.

Foreign Exchange Swaps

A Foreign Exchange Swap (FX Swap) is used by the Bank if it has a need to exchange one currency for another currency on one day and then re-exchange those currencies at a later date. Exchange rates and forward margins are determined in the "inter-bank" market and fluctuate according to supply and demand.

An FX Swap prevents the Bank from gaining any benefit resulting from a favorable exchange rate movement in the relevant currency pair between the time Bank enters into the transaction deal and when settlement occurs. Cancellation of the swap may also result in exposure to market movements. The key advantage of an FX swap is that it provides the Bank with protection against unfavorable currency movements between the time it enters into the transaction and settlement. The term and amounts for FX Swap can also be tailored to suit the Bank's particular needs.

Equity Futures

An equity futures contract is a standardized contract, traded on a futures counter of the stock exchange, to buy or sell a certain underlying script at a certain date in the future, at a specified price.

The Bank may use equity futures as a hedging instrument to hedge its equity portfolio, in both 'held-for-trading' and 'available-for-sale', against equity price risk. Only selected shares are allowed to be traded on futures exchange. Equity futures give flexibility to the Bank either to take delivery on the future settlement date or to settle it by adjusting the notional value of the contract based on the current market rates. Maximum exposure limit to the equity futures is 10% of Tier I Capital of the Bank, based on prevailing SBP regulations.

The accounting policies used to recognize and disclose derivatives are given in Note 4.16.2. The risk management framework of derivative instruments is given in note 44.

		Note	December 31, 2025	December 31, 2024
			Rupees in '000	
25	**MARK–UP / RETURN / INTEREST EARNED**			
	On:			
	Loans and advances		82,452,958	137,945,552
	Investments		210,555,457	234,056,224
	Lendings to financial institutions		3,466,356	3,889,625
	Balances with banks		846,761	1,015,986
			297,321,532	376,907,387
25.1	**Interest income recognised on:**			
	Financial assets measured at amortised cost		18,017,707	17,132,059
	Financial assets measured at FVOCI		191,854,354	215,313,211
	Financial assets measured at FVTPL		1,514,447	2,430,388
	Financial assets measured at cost		85,935,024	142,031,729
			297,321,532	376,907,387
26	**MARK–UP / RETURN / INTEREST EXPENSED**			
	On:			
	Deposits		127,086,179	193,001,964
	Borrowings		59,576,233	61,411,203
	Cost of foreign currency swaps against foreign currency deposits		4,094,672	5,780,829
	Interest expense on lease liability		1,460,718	1,349,257
			192,217,802	261,543,253
27	**FEE AND COMMISSION INCOME**			
	On:			
	Branch banking customer fees		2,756,783	2,542,095
	Consumer finance related fees		2,537,173	2,096,318
	Card related fees (debit and credit cards)		31,155	24,156
	Credit related fees		10,216,815	7,480,665
	Investment banking fees		27,185	24,354
	Commission on trade		888,821	597,744
	Commission on guarantees		571,484	706,640
	Commission on cash management		179,823	176,508
	Commission on remittances including home remittances		368,013	373,782
	Commission on bancassurance		1,466,878	2,141,375
			8,709	14,144
			19,052,839	16,177,781

		Note	December 31, 2025	December 31, 2024
			Rupees in '000	
28	GAIN ON SECURITIES			
	Realised - net	28.1	2,877,914	2,448,270
	Unrealised - measured at FVTPL		60,262	14,944
	Unrealised - forward government securities		(17,831)	981,145
			2,920,345	3,444,359
28.1	Realised gain / (loss) on:			
	Federal government securities		2,877,914	2,448,270
	Shares		-	-
	Non Government debt securities		-	-
			2,877,914	2,448,270
28.1.1	Composition of gain / (loss) on securities - realized			
	Net gain on securities measured at FVTPL		267,459	201,888
	Net gain on securities measured at FVOCI		2,609,676	2,246,382
			2,877,135	2,448,270
29	OTHER INCOME			
	Recovery of written off mark-up and charges		29,855	68
	Gain on sale of property and equipment - net		708,017	938,910
	Gain on derecognition of right-of-use assets		152,468	-
	Other assets disposal		92,818	52,063
	Rent on property		926	-
	Fee for attending Board meetings		1,271	1,172
	Gain on disposal of Islamic financing and related assets		16,324	13,078
			1,001,679	1,005,291

		Note	December 31, 2025	December 31, 2024
			Rupees in '000	
30	OPERATING EXPENSES			
	Total compensation expense	30.1	24,957,364	20,958,387
	Property expense:			
	Rent & taxes		538,430	406,797
	Insurance		163,584	160,552
	Utilities cost		2,742,086	3,123,477
	Security (including guards)		2,085,410	1,941,530
	Repair & maintenance (including janitorial charges)		2,195,550	1,911,339
	Depreciation		7,458,779	6,439,303
			15,183,839	13,982,998
	Information technology expenses:			
	Software maintenance		3,011,977	2,329,288
	Hardware maintenance		682,579	480,419
	Depreciation		1,997,667	1,651,527
	Amortisation		698,670	626,004
	Network charges		1,040,826	942,216
	Others		4,844	9,531
			7,436,563	6,038,985
	Other operating expenses:			
	Directors' fees and allowances		101,086	88,602
	Fees and allowances to Shariah Board		10,159	12,224
	Legal & professional charges		361,438	316,074
	Outsourced service cost	30.1.2	1,876,585	1,714,874
	Travelling & conveyance		500,355	488,508
	NIFT clearing charges		268,165	219,657
	Depreciation		509,275	445,875
	Training and development		274,147	254,837
	Postage & courier charges		288,210	221,097
	Communication		1,815,053	1,713,244
	Stationery & printing		810,186	810,778
	Marketing, advertisement & publicity		4,149,547	3,348,090
	Auditors Remuneration	30.2	49,023	38,049
	Donations	30.3	144,144	105,251
	Brokerage expenses		152,938	135,040
	Card related expenses		3,625,214	2,635,978
	CNIC verification		322,038	246,608
	Entertainment		481,396	506,778
	Clearing and settlement		182,476	278,942
	Insurance		2,367,213	2,072,772
	Cash In Transit Service Charge		495,076	471,071
	Others		461,211	649,779
			19,244,935	16,774,128
			66,822,701	57,754,498

		December 31, 2025	December 31, 2024
		Rupees in '000	
30.1	**Total compensation expense**		
	Salaries	15,411,733	13,565,261
	Fees and allowances etc.	3,772,498	3,338,751
	Bonus and awards		
	Variable	1,762,905	952,642
	Fixed	910,746	832,755
	(Reversal) / Charge for defined benefit plan	18,013	(8,632)
	Contribution to defined contribution plan	788,407	687,013
	Staff loans - Special fair value grant	624,069	
	Conveyance expense	1,025,151	983,233
	Medical expense	325,393	289,688
	Insurance	135,153	84,928
	Education subsidy	34,156	28,002
	Hajj Expenses	42,572	45,206
	Staff uniform	10,563	10,566
	Executive club membership	43,860	20,361
	Verification charges educational documents	2,862	11,758
	Recruitment charges	12,445	2,616
	Social Security Contribution - China	3,402	3,646
	Sub-Total	24,923,928	20,847,794
	Voluntary retirement scheme	33,436	110,593
	Grand Total	24,957,364	20,958,387

30.1.1 The Group announced the Voluntary Retirement Scheme (VRS) for its employees. Twelve (12) employees (2024: 16) of the Bank opted for retirement under this scheme.

30.1.2 Total cost for the year included in Other Operating Expenses relating to outsourced activities is Rs. 2,209.382 million (2024: Rs.2,002.191 million). This includes payments other than outsourced services costs, which are disclosed above. Total cost of outsourced activities for the year given to related parties is nil.

30.1.3 The material outsourcing arrangements along with the nature of services provided by them are as follow:

Name of Party	Nature of Service	December 31, 2025	December 31, 2024
		Rupees in '000	
First Data Global Service / FISERV	Management and Hosting of Credit Cards	53,356	69,079
M/s. Moon House KeeperJ8:P16	House Keeping	850,538	850,538
M/s. Qaisar & Brothers	House Keeping	79,061	79,061
M/s. Khan & Sons	House Keeping	52,013	52,013
M/s. Hamza Enterprises	House Keeping	157,254	157,254
M/s. Broom Services	House Keeping	420,379	420,379
M/s.Khokhar Brothers	House Keeping	107,928	107,928
M/s.Buttar Commercial Enterprises	House Keeping	88,742	88,742
M/s.Indus Excel Services Pvt Ltd	House Keeping	130,106	130,106
M/s.Shah Traders	House Keeping	42,880	42,880
M/s.Ikram Enterprises	House Keeping	35,222	35,222
		2,017,479	2,033,202

		December 31, 2025	December 31, 2024
		Rupees in '000	
30.2	**Auditors' remuneration**		
	Audit fee	25,852	17,230
	Fee for other statutory certifications	7,340	6,330
	Annual audit overseas business unit*	3,859	3,820
	Half year review	6,500	5,184
	Special certifications and miscellaneous services	466	494
	Sales tax	2,055	1,854
	Out-of-pocket expenses	2,951	3,137
		49,023	38,049

*This includes audit fee amounting to Bahraini Dinar 5,000 (2024: 5,000) & Chinese Yuan 3,000 (2024: 3,000) relating to Wholesale Bahrain Branch & China Representative Office respectively.

30.3 None of the directors, executives and their spouses had any interest in the donees, except Mr. Mohammad Naeem Mukhtar (Chairman and Non-Executive Sponsor Director) is director in National Management Foundation (LUMS).

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
Saleem Memorial Trust Hospital		2,000	10,000
Anjuman Himayat-i-Islam	30.3.1	772	442
Tamir Welfare Organization		3,500	3,500
Food Security Fund 18 Wing		-	500
Aziz Jehan Begum Trust For The Blind		2,500	2,500
Saylani Welfare International Trust	30.3.1	-	476
The Citizens Foundation		6,000	3,960
National Management Foundation (LUMS)		30,000	30,000
Jamia Ashrafia Lahore	30.3.1	1,870	1,948
Liver Foundation Trust		-	5,000
Abdul Sattar Edhi Foundation		9,400	3,272
Fatimid Foundation		1,000	1,000
Fortify Education Foundation		500	500
Million Smiles Foundation (MSF)		5,700	6,336
SOS Children's Village		600	-
Al Shifa Trust		-	500
Shaukat Khanum Memorial Trust		15,000	10,000
Almarah Foundation		-	162
Fountain House MHA		-	2,500
Umpire Aleem Dar Foundation Society		-	2,000
Sundas Foundation		-	2,000
Namal Education Foundation		-	5,000
Idar Al Khair Welfare Society		-	1,000
The I-Care Foundation		-	1,000
Sarhad Rural Support Programme (SRSP)		-	1,000
The Noorani Foundation Trust		10,000	10,655
Dawood Global Foundaion		5,000	-
Pakistan Kidney Centre		600	-
Progressive Education Network (PEN)		2,500	-
Behbud Association of Pakistan		5,000	-
Pakistan Down Syndrome Association (PDSA)		1,000	-
Al Furqan Welfare Organization		5,000	-
Aitchison College Endowment Fund Lahore		10,000	-
Zaman Foundation		1,900	-
Ahsaas Trust		1,000	-
Network of Organization Working with Persons with Disabilities NOWPDP		2,500	-
Bright Rays Foundation		624	-
Banu Begum Foundation		574	-
Food Supplies to Flood Affected Areas in District Sialkot/KPK		9,604	-
Pakistan Poverty Alleviation Fund		4,000	-
Alkhidmat Foundation Pakistan		3,000	-
Association For Gender Awareness & Human Empowerment		3,000	-
		144,144	105,251

30.3.1 This represents charitable contributions on account of sadqa & feeding to under privileged.

		December 31, 2025	December 31, 2024
		Rupees in '000	
31 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		102,341	93,136
Education cess		228,394	201,668
Depreciation - non-banking assets		22,194	23,921
Other assets written off		9	135
Others		1,003	254
		353,941	319,114
32 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
Credit loss allowance against lendings to financial institutions		(24)	22
Credit loss allowance against cash and bank balances		(3,165,293)	(328,439)
Credit loss allowance against nostro accounts		(1,219)	5,236
Credit loss allowance for diminution in the value of investments	8.4	(1,647,263)	(2,800,735)
Credit loss allowance against loans and advances	9.4	(2,595,431)	257,454
Credit loss allowance against other assets	13.3.1	(123,788)	122,161
Credit loss allowance against off balance sheet obligations	20.2	(87,006)	41,705
Bad debts written off directly		-	-
		(7,620,024)	(2,702,596)
Recovery of written off bad debts		(21,395)	(7,543)
		(7,641,419)	(2,710,139)
33 TAXATION			
Current – for the year including super tax		36,811,761	48,417,191
– for prior year		1,345,614	(2,443,812)
		38,157,375	45,973,379
Deferred – current		1,305,421	(648,729)
		39,462,796	45,324,650
33.1 Relationship between tax expense and accounting profit			
Accounting profit for the year		75,792,197	89,713,871
Tax on income @ 43% (2024: 44%)		32,590,645	39,474,103
Super Tax @ 10%		6,864,749	9,020,698
Impact of tax rate change		(742,095)	169,500
Prior year		1,345,614	(2,443,812)
Others		(595,782)	(895,839)
Tax charge for the year		39,463,131	45,324,650

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
34 EARNINGS PER SHARE – BASIC AND DILUTED			
Profit after taxation		36,329,401	44,389,221
		Number of Shares	
Weighted average number of ordinary shares outstanding during the year		1,145,073,830	1,145,073,830
		Rupees	
Earnings per share – basic and diluted		31.73	38.77

There is no dilution effect on basic earnings per share.

	Note	December 31, 2025	December 31, 2024
		Rupees in '000	
35 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	35.1	171,986,081	149,979,626
Balances with other banks		13,084,430	9,970,319
Overdrawn nostro accounts		(4,818)	(426,318)
		185,065,693	159,523,627

35.1 This includes balances with SBP amounting to Rs.10,285.41 million (2024: Rs. 7,653.525 million) related to statutory cash reserve to comply with SBP requirements.

35.2 Reconciliation of movement of liabilities and equity to cash flows arising from financing activities

	December 31, 2025				December 31, 2024			
	Liabilities	Equity			Liabilities	Equity		
	Lease Liabilities	Dividend payable	Unappropriated Profit	Total	Lease Liabilities	Dividend payable	Unappropriated Profit	Total
	Rupees in '000							
Balance as at January 01	10,360,968	564,534	127,703,754	138,629,256	10,899,950	498,593	107,827,294	119,225,837
Changes from Financing cash flows								
Payment of lease liability against								
right-of-use-assets	(3,075,014)	-	-	(3,075,014)	(2,857,024)	-	-	(2,857,024)
Dividend Paid	-	(18,266,327)	-	(18,266,327)	-	(18,255,239)	-	(18,255,239)
Total changes from financing cash flows	(3,075,014)	(18,266,327)	-	(21,341,341)	(2,857,024)	(18,255,239)	-	(21,112,263)
Liability related								
Changes in Other liabilities								
- Dividend announced	-	18,321,180	(18,321,180)	-	-	18,321,180	(18,321,180)	-
- Lease liability recognised	4,236,862	-	-	4,236,862	2,318,042	-	-	2,318,042
Total liability related other changes	4,236,862	18,321,180	(18,321,180)	4,236,862	2,318,042	18,321,180	(18,321,180)	2,318,042
Total equity related other changes	-	-	36,728,831	36,728,831	-	-	38,197,640	38,197,640
Balance as at December 31	11,522,816	619,387	146,111,405	158,253,608	10,360,968	564,534	127,703,754	138,629,256

35.3 Markup receipts and markup payments during the year amounted to Rs. 293,041.89 million and Rs. 191,818.838 million respectively. (2024: Rs. 391,706.732 million and Rs. 258,977.960 million respectively).

		Numbers	
36 STAFF STRENGTH			
Permanent		12,448	12,453
Temporary / on contractual basis / trainee		1,078	1,217
Group's own staff strength at the end of the year		13,526	13,670
Average number of employees		13,598	13,218

37 DEFINED BENEFIT PLANS

37.1 General description

The Group operates a funded gratuity scheme for all employees who opted for the staff retirement benefit scheme introduced by the management with effect from July 1, 2002. For those employees who did not opt for the new scheme, the Bank continues to operate a funded pension scheme.

The Group also provides post retirement medical benefits (unfunded scheme) to eligible retired employees.

37.2 Number of employees and beneficiaries under the schemes

The number of employees covered under the following defined benefit scheme or plans are:

	December 31, 2025	December 31, 2024
	Numbers	
– Pension fund	57	92
– Gratuity fund	12,075	12,448
– Post retirement medical benefits	13,066	13,275
– Employees' compensated absences	13,066	13,275
In addition, the number of beneficiaries covered under the following defined benefit scheme / plans are:		
– Pension fund	1,816	1,971
– Post retirement medical benefits	1,610	1,610

37.3 Principal actuarial assumptions

The actuarial valuations were carried out for December 31, 2025 based on the Projected Unit Credit Method, using the following significant assumptions:

	Sources of estimation	December 31, 2025	December 31, 2024
Withdrawal rate			
Pension fund		Age Based	Age Based
Gratuity fund		Moderate	Moderate
Post retirement medical benefits		Age Based	Age Based
Employees' compensated absences		Age Based	Age Based
Mortality rate		Adjusted SLIC 2001–2005	Adjusted SLIC 2001–2005
Discount rate	Yield on investments in Government Bonds	11.00%	12.25%
Expected rate of return on plan assets			
Pension fund	Yield on investments in Government Bonds	11.00%	12.25%
Gratuity fund	Yield on investments in Government Bonds	11.00%	12.25%
Expected rate of salary increase	Rate of salary increase	9.00%	10.25%

The expected return on plan assets is based on the market expectations and depends on the asset portfolio of the Bank, at the beginning of the period, for returns over the entire life of the related obligation.

37.4 Reconciliation of (receivable from) / payable to defined benefit plans.

	Note	December 31,2025				December 31,2024			
		Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
		Rupees in '000				Rupees in '000			
Present value of defined benefit obligations	37.6	1,127,560	6,028,601	1,615,684	1,333,408	1,049,460	5,292,068	1,575,050	1,248,767
Fair value of plan's and scheme's assets	37.7	(10,343,401)	(5,521,539)	-	-	(8,821,900)	(4,960,423)	-	-
Net (asset) / liability		(9,215,841)	507,062	1,615,684	1,333,408	(7,772,440)	331,645	1,575,050	1,248,767
Net (asset) / liability		(9,215,841)	507,062	1,615,684	1,333,408	(7,772,440)	331,645	1,575,050	1,248,767

37.5 Movement in (receivable from) / payable to defined benefit plans.

	Note	December 31,2025				December 31,2024			
		Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
		Rupees in '000				Rupees in '000			
Opening balance		(7,772,440)	331,645	1,575,050	1,248,767	(6,185,041)	833,841	1,473,496	1,200,318
(Reversal) / charge for the year	37.9	(945,677)	505,799	270,114	198,928	(877,579)	605,370	239,477	158,703
Other comprehensive (income) / losses	37.10	(497,724)	114,403	(78,943)	-	(709,820)	(564,111)	20,425	-
Contribution to the fund and benefits paid		-	(444,785)	(150,537)	(114,287)	-	(543,455)	(158,348)	(110,254)
Closing balance		(9,215,841)	507,062	1,615,684	1,333,408	(7,772,440)	331,645	1,575,050	1,248,767

37.6 Movement in defined benefit obligations

	December 31, 2025			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Opening balance	1,049,460	5,292,068	1,575,050	1,248,767
Current service cost	-	500,349	36,602	73,985
Interest cost	118,806	597,029	232,466	184,702
Benefits paid	(159,228)	(678,764)	(150,537)	(174,308)
VRS settlement loss / (gain)	6,447	3,396	1,046	262
Re-measurement loss / (gain)	112,075	314,523	(78,943)	-
Closing balance	1,127,560	6,028,601	1,615,684	1,333,408

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Opening balance	879,630	4,896,472	1,473,496	1,200,318
Current service cost	-	476,951	22,411	71,369
Interest cost	116,085	707,087	216,120	177,505
Past service cost		39,492		
Benefits paid	(261,383)	(669,234)	(158,348)	(110,254)
Past Service Cost- Supreme Court	-	-	-	-
Past Service Cost- Change in retirement age	-	-	-	-
VRS settlement loss / (gain)	81,103	1,800	946	399
Re-measurement loss / (gain)	234,025	(160,500)	20,425	(90,570)
Closing balance	1,049,460	5,292,068	1,575,050	1,248,767

37.6.1 During the year, the active pensioners and in-service pensionable employees were given a voluntary option to settle their monthly pension with a lump sum payment. Those who will not opt for the lump sum option, will continue to receive monthly pension (defined benefit scheme).

37.7 Movement in fair value of plan assets

	December 31, 2025			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Opening balance	8,821,900	4,960,423	-	-
Expected return on plan assets	1,070,930	594,975	-	-
Bank's contribution	-	471,791	-	-
Benefits paid	(159,229)	(678,764)	-	-
Re-measurement loss	609,799	173,114	-	-
Closing balance	10,343,400	5,521,539	-	-

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Opening balance	7,064,671	4,062,631	-	-
Expected return on plan assets	1,074,767	619,960	-	-
Bank's contribution	-	540,341	-	-
Benefits paid	(261,384)	(666,120)	-	-
Re-measurement loss	943,846	403,611	-	-
Closing balance	8,821,900	4,960,423	-	-

37.8 Composition of plan assets

	December 31, 2025			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Equity securities	3,345,487	-	-	-
Government securities	6,092,188	5,440,212	-	-
Cash and cash equivalents	905,726	81,327	-	-
CDC Advance Deposit	-	-	-	-
	10,343,401	5,521,539	-	-

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Equity securities	2,702,888	-	-	-
Government securities	5,558,258	4,821,570	-	-
Cash and cash equivalents	560,630	138,853	-	-
CDC Advance Deposits	123	-	-	
	8,821,899	4,960,423	-	-

	December 31, 2025			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			

37.8.1 Fair value of Bank's financial instruments included in plan assets

Shares of ABL	3,345,487	-	-	-
Term deposit receipts	-	-	-	-
Government securities	6,092,188	5,440,212	-	-
Bank balances with ABL	905,726	81,327	-	-
	10,343,401	5,521,539	-	-

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Government securities	5,558,258	4,821,570		
Bank balances with ABL	560,630	138,853	-	-
	6,118,888	4,960,423	-	-

37.8.2 Investment in term deposit receipts are subject to credit risk and interest rate risks, while equity securities are subject to price risk. These risks are regularly monitored by Trustees of the employee funds.

37.9 Charge for defined benefit plan

	December 31, 2025			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Current service cost	-	500,349	36,602	73,985
Interest cost	-	-	-	-
Net interest	(952,124)	2,054	232,466	184,702
VRS loss	6,447	3,396	1,046	262
Re-measurement loss recognised	-		-	(60,021)
	(945,677)	505,799	270,114	198,928

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Current service cost	-	476,951	22,411	71,370
Interest cost	-	-	-	-
Net interest	(958,682)	87,127	216,120	177,505
Past Service Cost- Supreme Court				
Past Service Cost- Change in retirement age		39,492		
VRS loss	81,103	1,800	946	399
Re-measurement loss recognised	-	-	-	(90,570)
	(877,579)	605,370	239,477	158,704

37.10 Re–measurements recognized in other comprehensive income

	December 31, 2025			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Re-measurement (loss) / gain on obligations				
- Demographic assumptions	-	(250,127)	-	-
- Financial assumptions	(81,092)	35,176	-	-
- Experience adjustments	(30,983)	(72,565)	78,943	-
Re-measurement loss on assets	609,799	173,113	-	-
Re-measurement (loss) or gain in OCI	497,724	(114,403)	78,943	-

	December 31, 2024			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Re-measurement (loss) / gain on obligations				
- Demographic assumptions	-	-	-	-
- Financial assumptions	(31,391)	(1,058,638)	-	-
- Experience adjustments	(202,634)	1,219,138	(20,425)	
Re-measurement loss on assets	943,845	403,611	-	-
Re-measurement (loss) or gain in OCI	709,820	564,111	(20,425)	-

	December 31, 2025	December 31, 2024
	Rupees in '000	
37.11 Actual return on plan assets		
- Pension fund	1,680,729	2,018,613
- Gratuity fund	768,089	1,023,571

37.12 Five year data of defined benefit plan and experience adjustments

	Pension fund				
	2025	2024	2023	2022	2021
	Rupees in '000				
Present value of defined benefit obligation	1,127,560	1,049,460	879,630	1,067,361	1,389,295
Fair value of plan assets	(10,343,401)	(8,821,900)	(7,064,671)	(6,010,391)	(5,769,269)
	(9,215,841)	(7,772,440)	(6,185,041)	(4,943,030)	(4,379,974)
Experience adjustments on plan obligations and assets					
Re-measurement (loss) / gain on obligation	(112,075)	(234,025)	39,889	24,380	259,608
Re-measurement (loss) / gain on assets	(609,799)	(943,846)	662,605	95,859	(35,118)

	Gratuity fund				
	2025	2024	2023	2022	2021
	Rupees in '000				
Present value of defined benefit obligation	6,028,601	5,292,068	4,868,996	4,421,505	4,083,960
Fair value of plan assets	(5,521,539)	(4,960,423)	(4,062,631)	(3,617,311)	(3,367,829)
	507,062	331,645	806,365	804,194	716,131
Experience adjustments on plan obligations and assets					
Re-measurement gain and (loss) on obligation	(314,523)	164,765	40,731	85,320	(76,096)
Re-measurement (loss) and gain on assets	(173,114)	(403,611)	(19,779)	(159,818)	(21,713)

	Post retirement medical				
	2025	2024	2023	2022	2021
	Rupees in '000				
Present value of defined benefit obligation	1,615,684	1,575,050	1,473,496	1,508,820	1,515,000
Fair value of plan assets	-	-	-	-	-
	1,615,684	1,575,050	1,473,496	1,508,820	1,515,000
Experience adjustments on plan obligations					
Re-measurement (loss) and gain on obligation	78,943	(20,425)	148,845	99,452	52,599

	Employees' compensated absences				
	2025	2024	2023	2022	2021
	Rupees in '000				
Present value of defined benefit obligation	1,333,409	1,248,767	1,200,318	1,124,542	923,138
Fair value of plan assets	-	-	-	-	-
	1,333,409	1,248,767	1,200,318	1,124,542	923,138
Experience adjustments on plan obligations					
Re-measurement (loss) and gain on obligation	-	90,570	53,056	(118,350)	(131,808)

37.13 Expected contributions to be paid to the funds in the next financial year

The Group contributes to the gratuity fund as per actuarial expected charge for the next financial year. No contributions are being made to pension due to surplus of fair value of plan's assets over present value of defined obligation. Based on actuarial advice, the management estimates that the charge or (reversal) in respect of defined benefit plans for the year ending December 31, 2026 would be as follows:

	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
Expected (reversal) and charge for the next year	(1,013,798)	542,075	207,663	216,180

37.14 Sensitivity analysis

Description	+1% Discount Rate	-1% Discount Rate	+1% Salary Increase Rate	-1% Salary Increase Rate	+10% Withdrawal Rate	-10% Withdrawal Rate	1Year Mortality age set back	1Year Mortality age set forward
	Rupees in '000							
Pension fund	992,869	1,112,638	-	-	1,049,463	1,049,457	1,056,724	1,042,774
Gratuity fund	4,911,323	5,727,680	5,747,426	4,889,795	5,199,592	5,226,108	5,210,371	5,215,785
Post retirement medical	1,479,411	1,683,008	1,599,240	1,550,038	1,571,939	1,578,237	1,572,484	1,577,594
Leave compensated absences	1,175,626	1,331,357	1,332,148	1,173,737	1,241,584	1,256,131	1,246,720	1,250,806

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit obligation recognized within the statement of financial position.

37.15 Maturity Profile

	December 31, 2025			
	Pension fund	Gratuity fund	Post retirement medical	Employees' compensated absences
	Rupees in '000			
The weighted average duration of the obligation (in years)	6.19	5.67	Under 10 Years	Under 10 Years

37.16 Funding Policy

The Group endeavors to ensure that liabilities under the various employee benefit schemes are covered by the Fund on any valuation date having regards to the various actuarial assumptions such as projected future salary increase, expected future contributions to the fund, projected increase in liability associated with future service and the projected investment income of the Fund.

37.17 Risk associated with defined benefit plans

The defined benefit plans may expose the bank to actuarial risks such as longevity risk, investment risk, salary increase risk and withdrawal rate risk as described below;

Longevity risks:
The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Investment risks:
The risk arises when the actual performance level of investment levels is lower than expectation and thus creating a shortfall in the funding objectives.

Salary increase risk:
The most common type of retirement benefit is one where the final benefit is linked with final salary. The risk arises when the actual increases are higher than expectations and impact the liability accordingly.

Withdrawal Rate:
The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

38 DEFINED CONTRIBUTION PLAN

The Group operates an approved contributory provident fund for 10,963 (2024: 10,760) employees where contributions are made by the Bank at 8.33% per annum (2024: 8.33% per annum), whereas employees have the option to contribute at 8.33%, 12% or 15% per annum (2024: 8.33%, 12% or 15% per annum) of the basic salary every month.

39 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

39.1 Total compensation expense

	December 31, 2025						
	Directors						
	Chairman	Executive (other than CEO)*	Non-Executives	Members Shariah Board	President / CEO*	Key Management Personnel	Other Material Risk Takers / Controllers
	Rupees in '000						
Fees and allowances etc.	7,200	-	87,000	-	-	-	-
Managerial remuneration							
- Fixed (including Eid bonus)	-	-	-	3,622	90,000	228,475	249,650
- Total variable	-	-	-	650	60,000	215,600	106,429
of which							
a. Cash bonus and awards	-	-	-	650	60,000	215,600	106,429
b. Bonus and awards in shares	-	-	-	-	-	-	-
Charge for defined benefit plans	-	-	-	-	-	-	-
Contribution to defined contribution plan	-	-	-	274	7,497	17,142	20,357
Rent and house maintenance	-	-	-	1,969	54,000	128,086	144,759
Utilities	-	-	-	656	18,000	42,695	48,252
Medical	-	-	-	656	18,000	43,489	51,541
Conveyance	-	-	-	1,022	5,400	92,806	84,970
Special Out of Range Allowance (SORA)	-	-	-	-	-	-	2,550
Others	-	-	-	1,310	25,095	111,989	150,483
Total	7,200	-	87,000	10,159	277,992	880,282	858,991
Number of persons	1	-	8	3	1	18	66

	December 31, 2024						
	Directors						
	Chairman	Executive (other than CEO)*	Non-Executives	Members Shariah Board	President / CEO*	Key Management Personnel	Other Material Risk Takers / Controllers
	Rupees in '000						
Fees and allowances etc.	7,200	-	78,600	-	-	-	-
Managerial remuneration							
- Fixed (including Eid bonus)	-	-	-	4,237	60,000	183,419	203,397
- Total Variable	-	-	-	600	50,000	182,395	103,867
of which							
a. Cash Bonus / awards	-	-	-	600	50,000	182,395	103,867
b. Bonus and awards in Shares	-	-	-	-	-	-	-
Charge for defined benefit plans	-	-	-	-	-	-	-
Contribution to defined contribution plan	-	-	-	327	4,998	14,629	16,341
Rent and house maintenance	-	-	-	2,556	36,000	104,052	117,708
Utilities	-	-	-	786	12,000	34,684	39,236
Medical	-	-	-	786	12,000	35,006	39,236
Conveyance	-	-	-	1,354	5,400	93,070	77,436
Others	-	-	-	1,578	15,485	84,788	107,154
Total	7,200	-	78,600	12,224	195,883	732,043	704,375
Number of persons	1	-	10	3	1	19	65

* CEO stands for Chief Executive Officer

39.2 Remuneration paid to Directors for participation in Board and Committee Meetings

Sr. No.	Name of Director	December 31, 2025						
		Board Committees						
		Board Meetings	Audit Committee of Board	Human Resource and Remuneration Committee	Board Risk Management Committee	E-Vision	Strategic Planning and Monitoring Committee	Total Amount Paid
		Rupees in '000						
1	Mohammad Naeem Mukhtar	4,000	-	-	-	3,200	-	7,200
2	Sheikh Mukhtar Ahmad	800	-	-	-	-	-	800
3	Muhammad Waseem Mukhtar	4,000	-	3,000	-	1,600	9,400	18,000
4	Zafar Iqbal	4,000	-	3,000	3,200	-	9,400	19,600
5	Nazrat Bashir	4,000	3,800	-	3,200	-	9,400	20,400
6	Mian Ikram Ul Haq	4,000	3,800	3,000	-	-	-	10,800
7	Muhammad Kamran Shehzad	4,000	3,800	-	-	3,200	-	11,000
8	Pervaiz Iqbal Butt	3,200	-	-	-	-	-	3,200
9	Kamran Nishat	3,200	-	-	-	-	-	3,200
		31,200	11,400	9,000	6,400	8,000	28,200	94,200

Sr. No.	Name of Director	December 31, 2024						
		Board Committees						
		Board Meetings	Audit Committee of Board	Human Resource Remuneration Committee	Board Risk Management Committee	E-Vision	Strategic Planning and Monitoring Committee	Total Amount Paid
		Rupees in '000						
1	Mohammad Naeem Mukhtar	4,200	-	-	-	3,000	-	7,200
2	Sheikh Mukhtar Ahmad	4,200	-	-	1,800	-	-	6,000
3	Muhammad Waseem Mukhtar	4,200	-	2,400	-	3,000	7,200	16,800
4	Zafar Iqbal	4,200	1,800	1,200	600	1,800	2,400	12,000
5	Nazrat Bashir	4,200	3,000	-	2,400	-	7,200	16,800
6	Mian Ikram Ul Haq	1,200	1,200	600	-	-	-	3,000
7	Muhammad Kamran Shehzad	1,200	1,200	-	-	600	-	3,000
8	Mubashir A. Akhtar (Retired)	2,400	1,800	1,200	-	-	-	5,400
9	Abdul Aziz Khan (Retired)	2,400	-	1,200	1,800	-	4,800	10,200
10	Pervaiz Iqbal Butt	2,800	-	-	-	-	-	2,800
11	Kamran Nishat	2,600	-	-	-	-	-	2,600
		33,600	9,000	6,600	6,600	8,400	21,600	85,800

39.3 Remuneration paid to Shariah Board Members

Items	December 31, 2025			December 31, 2024		
	Chairman	Resident Member	Non-Resident Member(s)	Chairman	Resident Member	Non-Resident Member(s)
	Rupees in '000					
Salaries and allowances	5,416	1,220	3,523	6,597	2,895	2,732
Total Number of Persons	1	1	1	1	1	1

39.4 Deferred cash bonus and remuneration for MRTs for the year 2025 is Rs. 32,688,050 (2024: 25,827,600).

40 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of quoted securities other than those classified as amortized cost, is based on quoted market price. Quoted debt securities classified as amortized cost are carried at cost. Fair value of unquoted equity investments, other than investments in associates and subsidiaries, is determined on the basis of appropriate methodologies.

Fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

In the opinion of the management, the fair value of the remaining financial assets and financial liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

40.1 Fair value of financial assets

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities. Financial instruments included in level 1 comprise of investments in Listed Ordinary Shares.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Financial instruments included in level 2 comprise of Sukuk Bonds, Units of Mutual Funds, Pakistan Investment Bonds, Market Treasury Bills, Term Finance certificates and Forward Government & Exchange Contracts.

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs). Financial instruments included in level 3 comprise of Investments in Unlisted shares.

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

Valuation Techniques used in determination of Fair Valuation of Financial Instruments within Level 2 and Level 3

Item	Valuation approach and input used
Federal Government Securities	The fair values of Treasury Bills and fixed rate Pakistan Investments Bonds are determined using the PKRV rates while floating rate Pakistan Investments Bonds are revalued using PKFRV rates. The fair values of foreign currency denominated GoP Eurobonds are determined on the basis of rates taken from Bloomberg.
Non-Government Debt Securities	The fair value of non-government debt securities is determined using the prices / rates from MUFAP.
Unquoted equity investments	The value of unquoted equity investments are determined on the basis of discounted cashflow method. The significant unobservable input is discount factor ranges from 15.50% - 20.13%.
Foreign exchange contracts	The valuation has been determined by interpolating the mark-to-market currency rates announced by the State Bank of Pakistan.
Open ended mutual funds	Units of Open ended mutual funds are valued using the Net Asset Value (NAV) announced by the Mutual Funds Association of Pakistan (MUFAP).
Property and equipment (land & building) & NBA	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The market approach use prices and other relevant information generated by market transactions involving identical, comparable or similar properties. These values are adjusted to reflect the current condition of the properties.

40.2 Level 3 fair valuation of unlisted equity securities

The valuations are based on latest available financial statements of the investee company. A 1% change in the discount factor actually applied would change the total fair value by Rs. 169 million. Any change to the valuation is reflected in other comprehensive income, since all investments for which this method is used are classified as FVOCI.

On–Balance sheet Financial Instruments	Carrying Value / Notional Valuew	December 31, 2025 Level 1	Level 2	Level 3	Total
		Rupees in '000			
Financial assets – measured at fair value					
Investments					
Federal Government Securities	1,999,039,224	-	1,999,039,224	-	1,999,039,224
Shares - Listed	34,116,417	29,178,844	4,937,573	-	34,116,417
Shares - Unlisted	2,739,302	-	-	2,739,302	2,739,302
Non-Government Debt Securities	6,604,821	-	6,604,821	-	6,604,821
Financial assets - disclosed but not measured at fair value					
Investments	97,815,649	-	-	-	-
Cash and balances with treasury banks	171,984,462	-	-	-	-
Balances with other banks	13,079,040	-	-	-	-
Lendings	-	-	-	-	-
Advances	789,950,032	-	-	-	-
Other assets	82,000,921	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	103,970,425	-	103,970,425	-	103,970,425
Non-banking assets	1,923,825	-	1,923,825	-	1,923,825
Off–balance sheet financial instruments – measured at fair value					
Forward foreign exchange contracts	77,936,002	-	77,936,002	-	77,936,002
Forward foreign exchange swaps	262,504,698	-	262,504,698	-	262,504,698
Forward government securities transactions	1,119,704	-	1,119,704	-	1,119,704

On–Balance sheet Financial Instruments	Carrying Value / Notional Valuew	December 31, 2024 Level 1	Level 2	Level 3	Total
		Rupees in '000			
Financial assets – measured at fair value					
Investments					
Federal Government Securities	963,647,675	-	963,647,675	-	963,647,675
Shares	27,533,021	23,835,166	3,697,855	-	27,533,021
Non-Government Debt Securities	13,322,779	-	13,322,779	-	13,322,779
Financial assets - disclosed but not measured at fair value					
Investments	128,379,928	-	-	-	-
Cash and balances with treasury banks	146,812,714	-	-	-	-
Balances with other banks	9,964,224	-	-	-	-
Lendings	243,541,081	-	-	-	-
Advances	1,051,545,347	-	-	-	-
Other assets	78,161,477	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets	98,005,540	-	98,005,540	-	98,005,540
Non-banking assets	1,947,598	-	1,947,598	-	1,947,598
Off–balance sheet financial instruments – measured at fair value					
Forward foreign exchange contracts	75,584,870	-	75,584,870	-	75,584,870
Forward foreign exchange swaps	212,698,713	-	212,698,713	-	212,698,713
Forward government securities transactions	182,141,150	-	182,141,150	-	182,141,150

40.3 Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balance for the level 3 fair values:

	Rupees in '000
Balance as at December 31, 2024	344,116
Impact of adoption of IFRS 9	2,143,019
Balance as at January 01, 2025	2,487,135
Sales during the year	(28,320)
Purchase during the year	2,756
Net Changes in Fair Value- included in OCI	277,731
Balance as at December 31, 2025	2,739,302

41 SEGMENT INFORMATION

41.1 Segment Details with respect to Business Activities

	December 31, 2025							
	Corporate and Investment Banking	Commercial and Retail Banking	Trading and Sales (Treasury)	Islamic Banking	Asset Management Company	ABL Exchange Company	Others	Total
	Rupees in '000							
Profit & Loss Account								
Net mark-up, return, profit	74,731,467	(118,294,711)	136,248,161	10,933,082	(1,102)	103,508	1,383,325	105,103,730
Inter segment revenue - net	(66,802,735)	201,152,517	(120,403,077)	-	-	-	(13,946,705)	-
Non mark-up / return / interest income	5,970,103	11,620,928	7,633,808	1,234,565	3,220,014	48,663	2,014,525	31,742,606
Total income	13,898,835	94,478,734	23,478,892	12,167,647	3,218,912	152,171	(10,548,855)	136,846,336
Segment direct expenses	1,847,795	25,628,175	417,844	4,083,975	1,517,331	271,042	34,929,396	68,695,558
Total expenses	1,847,795	25,628,175	417,844	4,083,975	1,517,331	271,042	34,929,396	68,695,558
Provisions	(1,679,739)	(131,291)	(3,165,335)	196,786			(2,861,840)	(7,641,419)
Profit before tax	13,730,779	68,981,850	26,226,383	7,886,886	1,701,581	(118,871)	(42,616,411)	75,792,197
Statement of Financial Position								
Cash & Bank balances	10,791,595	45,900,258	102,839,174	16,576,590	23,209	1,176,201	7,756,475	185,063,502
Investments	49,441,721	-	1,856,251,670	229,372,766	4,937,573	290,612	21,071	2,140,315,413
Net inter segment lending	(660,124,302)	1,995,148,829	(1,489,870,449)	(19,478,461)			174,324,383	-
Lendings to financial institutions	-	-	21,700,000	-			(21,700,000)	-
Advances - performing	646,804,348	38,737,612	-	98,539,700	273,484	-	6,625,710	790,980,854
Advances - non-performing	674,654	148,937	-	285,300		-	10,260,024	11,368,915
Provision against advances	(1,952,523)	(469,285)	-	(300,603)		-	(9,677,326)	(12,399,737)
Advances - net	645,526,479	38,417,264	-	98,524,397	273,484	-	7,208,408	789,950,032
Operating fixed assets	243,160	83,192,742	65,085	10,314,565	1,425,096	141,644	57,386,143	152,768,435
Others	(4,230,468)	3,138,028	46,411,486	6,136,813	469,433	78,172	55,513,263	107,516,727
Total assets	41,648,185	2,165,797,121	537,396,966	341,446,670	7,128,795	1,686,629	280,509,743	3,375,614,109
		-					-	
Borrowings	40,954,236	2,130,890	532,690,561	89,545,341	-	-	(21,588,000)	643,733,028
Deposits & other accounts	2,170	2,127,364,542	-	212,557,025	-	-	4,938,334	2,344,862,071
Others	691,779	36,301,689	4,706,405	6,542,675	1,084,941	251,252	68,567,078	118,145,819
Total liabilities	41,648,185	2,165,797,121	537,396,966	308,645,041	1,084,941	251,252	51,917,412	3,106,740,918
Equity and Reserves	-	-	-	32,801,629	6,043,854	1,435,377	228,592,331	268,873,191
Total equity and liabilities	41,648,185	2,165,797,121	537,396,966	341,446,670	7,128,795	1,686,629	280,509,743	3,375,614,109
Contingencies and commitments	164,088,716	22,345,113	341,560,404	18,586,046	165,243	-	17,580,906	564,326,428

	December 31, 2024							
	Corporate and Investment Banking	Commercial and Retail Banking	Trading and Sales (Treasury)	Islamic Banking	Asset Management Company	ABL Exchange Company	Others	Total
	Rupees in '000							
Profit & Loss Account								
Net mark-up, return, profit	119,655,553	(180,319,079)	164,541,966	11,124,092	(24,532)	165,539	220,595	115,364,134
Inter segment revenue - net	(105,553,765)	278,855,473	(153,841,091)	-	-	-	(19,460,617)	-
Non mark-up / return / interest income	6,705,023	9,542,864	9,862,566	710,592	3,182,355	10,884	1,146,147	31,160,431
Total income	20,806,811	108,079,258	20,563,441	11,834,684	3,157,823	176,423	(18,093,875)	146,524,565
Segment direct expenses	1,704,162	25,463,491	357,935	2,482,619	1,490,150	148,610	27,873,866	59,520,833
Total expenses	1,704,162	25,463,491	357,935	2,482,619	1,490,150	148,610	27,873,866	59,520,833
Provisions	(1,388,174)	(15,862)	(328,420)	564,660	-	-	(1,542,343)	(2,710,139)
Profit before tax	20,490,823	82,631,629	20,533,926	8,787,405	1,667,673	27,813	(44,425,398)	89,713,871
Statement of Financial Position								
Cash & Bank balances	53,670	45,352,478	98,379,423	10,642,246	101,484	268,484	1,979,153	156,776,938
Investments	56,408,623	-	966,771,524	105,193,809	3,662,878	846,569	-	1,132,883,403
Net inter segment lending	(978,378,560)	1,774,976,738	(944,636,797)	(7,565,690)			155,604,309	-
Lendings to financial institutions	883,004	-	243,541,105	-			(883,028)	243,541,081
Advances - performing	983,462,886	30,483,881	-	32,101,884	231,454	-	7,939,566	1,054,219,671
Advances - non-performing	706,739	378,129	-	295,246			10,979,619	12,359,733
Credit loss allowance against advances	(3,033,458)	(600,576)	-	(267,440)			(11,132,583)	(15,034,057)
Advances - net	981,136,167	30,261,434	-	32,129,690	231,454	-	7,786,602	1,051,545,347
Property and equipment, right of use and intangible assets	166,367	84,402,623	62,838	3,119,284	1,023,614	90,777	50,856,634	139,722,137
Others	12,616,671	1,231,131	23,626,779	4,504,888	929,070	22,616	54,302,404	97,233,559
Total Assets	72,885,942	1,936,224,404	387,744,872	148,024,227	5,948,500	1,228,446	269,646,074	2,821,702,465
Borrowings	64,136,867	2,624,973	386,815,578	9,329,144	-	-	(883,004)	462,023,558
Subordinated debt	-	-	-	-			-	-
Deposits & other accounts	3,209,902	1,901,632,001	-	109,842,436	-	-	3,385,306	2,018,069,645
Net inter segment borrowing	-	-	-	-			-	-
Others	5,539,173	31,967,430	929,294	3,340,340	1,141,045	208,698	60,234,691	103,360,671
Total liabilities	72,885,942	1,936,224,404	387,744,872	122,511,920	1,141,045	208,698	62,736,993	2,583,453,874
Equity and Reserves	-	-	`	25,512,307	4,807,455	1,019,748	206,909,081	238,248,591
Total Equity and Liabilities	72,885,942	1,936,224,404	387,744,872	148,024,227	5,948,500	1,228,446	269,646,074	2,821,702,465
Contingencies and commitments	168,695,593	19,108,538	470,424,733	7,811,978	375,429	-	17,548,090	683,964,361

41.2 GEOGRAPHICAL SEGMENT ANALYSIS

	December 31, 2025			
	Domestic Operations	Middle East	China	Total
	Rupees in '000			
Profit and Loss Account				
Net mark-up, return, profit	104,032,988	1,070,742	-	105,103,730
Inter segment revenue - net	-	-	-	-
Non mark-up / return / interest income	31,395,018	347,588	-	31,742,606
Total Income	135,428,006	1,418,330	-	136,846,336
Segment direct expenses	(68,498,586)	(161,279)	(35,693)	(68,695,558)
Total expenses	(68,498,586)	(161,279)	(35,693)	(68,695,558)
Provisions	8,757,645	(1,116,226)	-	7,641,419
Profit / (loss) before tax	75,687,065	140,825	(35,693)	75,792,197
Statement of Financial Position				
Cash & Bank balances	184,466,034	597,468	-	185,063,502
Investments	2,131,074,117	9,241,296	-	2,140,315,413
Net inter segment lendings	-	-	-	-
Lendings to financial institutions	-	-	-	-
Advances - performing	790,980,854	-	-	790,980,854
Advances - non-performing	11,368,915	-	-	11,368,915
Provision against advances	(12,399,737)	-	-	(12,399,737)
Advances - net	789,950,032	-	-	789,950,032
Operating fixed assets	152,731,418	37,017	-	152,768,435
Others	107,397,288	119,439	-	107,516,727
Total Assets	3,365,618,889	9,995,220	-	3,375,614,109
Borrowings	643,733,028	-	-	643,733,028
Subordinated debt	-	-	-	-
Deposits & other accounts	2,344,859,901	2,170	-	2,344,862,071
Net inter segment borrowing	-	-	-	-
Lease liabilities	11,540,442	13,008	-	11,553,450
Others	106,572,874	19,495	-	106,592,369
Total liabilities	3,106,706,245	34,673	-	3,106,740,918
Equity	258,899,636	9,973,555	-	268,873,191
Total Equity and liabilities	3,365,605,881	10,008,228	-	3,375,614,109
Contingencies and commitments	564,326,428	-	-	564,326,428

	December 31, 2024			
	Domestic Operations	Middle East	China	Total
	Rupees in '000			
Profit and Loss Account				
Net mark-up, return, profit	113,950,057	1,414,077	-	115,364,134
Inter segment revenue - net	102,703	(102,703)	-	-
Non mark-up, return, interest income	30,334,527	205	-	30,334,732
Total Income	144,387,287	1,311,579	-	145,698,866
Segment direct expenses	(58,446,665)	(214,175)	(34,294)	(58,695,134)
Total expenses	(58,446,665)	(214,175)	(34,294)	(58,695,134)
Credit loss allowance	2,145,457	564,682	-	2,710,139
Profit or (loss) before tax	88,086,079	1,662,086	(34,294)	89,713,871
Statement of Financial Position				
Cash & Bank balances	156,772,864	4,074	-	156,776,938
Investments	1,119,822,994	13,060,409	-	1,132,883,403
Net inter segment lendings	6,716,740	-	-	6,716,740
Lendings to financial institutions	236,824,341	-	-	236,824,341
Advances - performing	1,048,013,434	5,571,000	-	1,053,584,434
Advances - non-performing	12,994,970	-	-	12,994,970
Credit loss allowance against advances	(14,777,727)	(256,330)	-	(15,034,057)
Advances - net	1,046,230,677	5,314,670	-	1,051,545,347
Property and equipment, right of use and intangible assets	139,685,136	37,001	-	139,722,137
Others	96,523,199	710,360	-	97,233,559
Total Assets	2,802,575,951	19,126,514	-	2,821,702,465
Borrowings	455,569,554	6,128,100	-	461,697,654
Subordinated debt	-	-	-	-
Deposits & other accounts	2,014,859,742	3,209,903	-	2,018,069,645
Net inter segment borrowing	-	325,904	-	325,904
Lease Liability	10,360,968	-	-	10,360,968
Others	92,924,130	75,573	-	92,999,703
Total liabilities	2,573,714,394	9,739,480	-	2,583,453,874
Equity	228,799,080	9,449,511	-	238,248,591
Total Equity and liabilities	2,802,513,474	19,188,991	-	2,821,702,465
Contingencies and commitments	683,964,361	-	-	683,964,361

42 RELATED PARTY TRANSACTIONS

The Bank has related party relationships with its parent, subsidiary, companies with common directorship, directors, employee benefit plans and key management personnel including their associates.

Contributions to the accounts in respect of staff retirement benefits are made in accordance with actuarial valuation and terms of the contribution plan. Remuneration of the key management personnel are in accordance with the terms of their employment. Other transactions are at agreed terms.

	December 31, 2025						December 31, 2024					
	Parent	Directors	Key management personnel	Associates*	Joint venture	Other related parties	Parent	Directors	Key management personnel	Associates*	Joint venture	Other related parties
	Rupees in '000											
Balances with other banks												
In current accounts	-	-	-	-	-	-	-	-	-	-	-	-
In deposit accounts	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Lendings to financial institutions												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	-	-	-	-	-	-	-
Repaid during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in and (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
Investments												
Opening balance	-	-	-	3,662,877	-	-	-	-	-	4,779,114	-	-
Investment made during the year	-	-	-	8,737,471	-	-	-	-	-	4,302,729	-	-
Investment redeemed and disposed off during the year	-	-	-	(7,959,446)	-	-	-	-	-	(5,904,972)	-	-
Share of profit/(loss) from Associate	-	-	-	671,258	-	-	-	-	-	825,699	-	-
Dividend income	-	-	-	(174,589)	-	-	-	-	-	(339,693)	-	-
Transfer in and (out) - net	-	-	-	-	-	42,168	-	-	-	-	-	-
Closing balance	-	-	-	4,937,571	-	42,168	-	-	-	3,662,877	-	-
Provision for diminution in value of investments	-	-	-	-	-	-	-	-	-	-	-	-
Advances												
Opening balance	-	144,372	396,383	22,289	-	76,741	-	116,784	394,496	1	-	1,125
Addition during the year	-	140,130	225,333	76,979,301	-	1,178,390	-	177,896	107,214	90,095,479	-	238,752
Repaid during the year	-	(114,632)	(177,515)	(74,303,994)	-	(87,775)	-	(150,308)	(105,327)	(90,073,191)	-	(163,136)
Transfer in and (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	169,870	444,201	2,697,596	-	1,167,356	-	144,372	396,383	22,289	-	76,741
Provision held against advances												

	December 31, 2025						December 31, 2024					
	Parent	Directors	Key management personnel	Associates*	Joint venture	Other related parties	Parent	Directors	Key management personnel	Associates*	Joint venture	Other related parties
	Rupees in '000											
Other Assets												
Interest or mark-up accrued	-	30,649	99,055	88,022	-	30,097	-	26,631	104,117	9,869	-	-
Receivable from staff retirement fund	-	-	-	-	-	8,698,174	-	-	-	-	-	7,114,833
Other receivable	-	-	-	-	-	37,542	-	-	-	-	-	40,702
Provision against other assets	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings during the year	-	-	-	-	-	-	-	-	-	-	-	-
Settled during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in and (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Issued or Purchased during the year	-	-	-	-	-	-	-	-	-	-	-	-
Redemption and Sold during the year	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts												
Opening balance	2,417	73,275	57,178	2,090	-	34,629,097	12,963	46,894	35,100	37,125	-	7,839,463
Received during the year	30,728,478	4,664,165	1,782,169	8,584,508	-	978,647,617	18,118,441	2,359,496	1,704,479	13,091,224	-	618,177,846
Withdrawn during the year	(30,728,425)	(4,681,013)	(1,711,449)	(8,561,846)	-	(962,855,482)	(18,128,987)	(2,333,115)	(1,682,401)	(13,126,259)	-	(591,388,212)
Transfer in and (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	2,470	56,427	127,898	24,752	-	50,421,232	2,417	73,275	57,178	2,090	-	34,629,097
Other Liabilities												
Interest or mark-up payable	-	-	-	-	-	-	-	-	-	-	-	-
Payable to staff retirement fund	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-						
Contingencies and Commitments												
Other contingencies	-	-	-	29,476	-	-	-	-	-	292,162	-	-

42.1 RELATED PARTY TRANSACTIONS

	December 31, 2024							December 31, 2025						
	Parent	Directors	Key management personnel	Associates*	Joint venture	Other related parties		Parent	Directors	Key management personnel	Associates*	Joint venture	Other related parties	
	Rupees in '000							Rupees in '000						
Income														
Mark-up, return, interest earned	-	13,167	16,979	219,659	-	5,333		-	10,454	18,558	91,003	-	4,432	
Sales commision						106,127							55,841	
Fee and commission income	-	133	277	829	-	1,835,805		-	365	144	431	-	2,478,266	
Dividend income	-	-	-	-				-	-	-	-	-	190,495	
Share of profit from associate				825,699							671,258			
Net gain / (loss) on sale of securities	-	-	250	(51)	-	5,399		-	-	67	10	-	6,401	
Rental Income	-	-	-	-	-	-		-	-	-	-	-	-	
Other Income**	-	11	35	-	-	-		-	17	27	-	-	906	
Mark-up, return, interest paid	1,291	6,656	5,319	270	-	1,394,225		732	4,928	7,454	422	-	1,215,524	
Directors meeting fee	-	80,400	-	-	-	-		-	87,800	-	-	-	-	
Remuneration	-	195,883	673,523	-	-	-		-	270,495	811,892	-	-	-	
Charge for defined benefit plans	-	5,442	25,802	-	-	-		-	14,167	46,194	-	-	-	
Contribution to defined contribution plan	-	4,998	12,731	-	-	-		-	7,497	15,643	-	-	-	
Other expenses***	-	1,987	-	38,749	-	5,400		-	2,843	6,267	32,000	-	-	
Rent expense****	-	-	-	22,989	-	-		-	-	-	24,727	-	-	
Charge in respect of staff retirement benefit funds	-	-	-	-	-	51,090		-	-	-	-	-	63,502	
Insurance premium paid	-	412	2,646	-	-	-		-	424	1,182	-	-	-	
Others Transaction														
Purchase of Government securities	-	-	559,861	-	-	-		-	-	375,483	-	-	50,881	
Sale of Government securities	-	-	634,626	1,937,577	-	66,077		-	-	260,022	-	-	4,673,992	
Purchase of foreign currencies	-	-	86,824	1,498,034	-	-		-	-	1,035	-	-	75	
Sale of foreign currencies	-	-	-	-	-	-		-	60,992	73,427	-	-	202,641	
Insurance claims settled	-	-	-	-	-	-		-	-	-	-	-	-	

Shares held by the holding company, outstanding at the end of year are included in note 21 to these Consolidated financial statements.

* Associated companies are as per IAS 24 'Related Party Disclosures'.
**Other income includes income from data hosting services provided to ABL AMC at agreed terms.
***Other expenses mainly include donation of Rs. 30 million to National Management Foundation for construction of hostel building and technology and product development lab.
****Rent expense of ABL Branch with associated companies (Ibrahim Fibres Limited & Ibrahim Agencies Pvt. Limited) was carried out on agreed terms with prior permission of State Bank of Pakistan.

During the year ended December 31, 2025, certain moveable assets which have been fully depreciated were disposed off for Rs. 2,461,875 to the Key Management Personnel of the Bank.

		December 31, 2025	December 31, 2024
		Rupees in '000	
43	CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
	Minimum Capital Requirement (MCR):		
	Paid-up capital (net of losses)	11,450,739	11,450,739
	Capital Adequacy Ratio (CAR):		
	Eligible Common Equity Tier 1 (CET 1) Capital	186,778,440	168,294,347
	Eligible Additional Tier 1 (ADT 1) Capital	-	-
	Total Eligible Tier 1 Capital	186,778,440	168,294,347
	Eligible Tier 2 Capital	63,485,518	56,173,983
	Total Eligible Capital (Tier 1 + Tier 2)	250,263,958	224,468,330
	Risk Weighted Assets (RWAs):		
	Credit Risk	498,166,805	533,916,593
	Market Risk	129,888,789	67,657,552
	Operational Risk	260,217,832	230,573,031
	Total	888,273,426	832,147,176
	Common Equity Tier 1 Capital Adequacy ratio	21.03%	20.22%
	Tier 1 Capital Adequacy Ratio	21.03%	20.22%
	Total Capital Adequacy Ratio	28.17%	26.97%

The SBP through its BSD Circular No. 07 dated April 15, 2009 prescribed the minimum paid up capital (net of losses) for all locally incorporated banks of Rs. 10 billion. The paid up capital of the Bank stood at Rs. 11.451 billion as at 31 December, 2025 and is in compliance with the SBP requirements.

Further, SBP vide its BPRD Circular # 6 of 2013 dated August 15, 2013 required the Banks to maintain the minimum Capital Adequacy Ratio (CAR) of 12.5% inclusive of Capital Conservation Buffer (CCB) of 2.5% on standalone as well as on consolidated basis. To support the banking sector in extending financing or credit facilities to their customers during COVID-19, SBP vide BPRD Circular # 12 of 2020 relaxed the CAR requirement to 11.5% by reducing the Capital Conservation Buffer (CCB) from 2.5% to 1.5% till further instructions.

Group's CAR as at December 31, 2025 stood at 28.17% of its total risk weighted assets and complied with all externally imposed capital requirements. Standardized Approach is used for calculating the Credit and Market risk, whereas, Basic Indicator Approach is used for Operational Risk in the Capital Adequacy calculation.

	December 31, 2025	December 31, 2024
	Rupees in '000	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	186,778,440	168,294,347
Total Exposures	3,487,527,822	2,926,044,749
Leverage Ratio	5.36%	5.75%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	1,240,225,706	859,692,417
Total Net Cash Outflow	600,523,592	412,690,392
Liquidity Coverage Ratio	206.52%	208.31%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	2,039,641,984	1,749,536,478
Total Required Stable Funding	1,288,644,924	1,124,598,870
Net Stable Funding Ratio	158.28%	155.57%

43.1 The link to the full disclosure is available at https://www.abl.com/investor-relations/

44 RISK MANAGEMENT

The principal risks associated with the Group's business are Credit Risk, Market Risk, Liquidity Risk, Reputational Risk, Operational Risk, Information Security & Governance Risk and Shariah Non-Compliance Risk. The Risk Management Framework (henceforth to be referred to as 'The Framework') provides principles for identifying, assessing, and monitoring risk within the Group. The Framework specifies the key elements of the risk management process in order to maximize opportunities, minimize adversities and to achieve improved outputs based on informed decision making.

The Group performs risk measurement, monitoring and control functions through use of various risk procedures and models. To give it a formal structure, all the policies and guidelines are approved by the Board and relevant management committees.

Categories of Risk

Credit Risk — This risk is defined as the possibility of loss due to unexpected default or a deterioration of credit worthiness of a business partner.

Credit Risk includes Country Risk i.e., the risks that counterparty is unable to meet its foreign currency obligations as a result of adverse economic conditions or actions taken by governments in the relevant country.

Market Risk — The risk that the value of on and off-balance sheet positions of the Group will be adversely affected by movements in market rates or prices such as interest rates / rate of returns, foreign exchange rates, equity prices, credit spreads and / or commodity prices, resulting in a loss to earnings and capital.

Liquidity Risk — The risk that the Group is unable to meet its payment obligations when they fall due and to replace funds when they are withdrawn without incurring unacceptable cost or losses.

Operational Risk — Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people, systems or from external events. The definition includes legal risk but excludes strategic risk and reputational risk.

Reputational Risk — The Reputational risk arises from the negative perception on the part of stakeholders that can adversely affect a Group's ability to maintain existing, or establish new, business relationships and continued access to sources of funding.

Information Security & Governance Risk — Information Security and Governance Risk Management involves the identification of an organization's information assets and the development, documentation, and implementation of policies, standards, procedures and controls that ensure confidentiality, integrity and availability of the information.

Strategic Risk — Risk of an adverse impact on strategic goals. Strategic risk mainly arises from strategic decisions, improper implementation of those decisions, or lack of responsiveness of Group to industry, economic or technological changes.

Shariah Non-Compliance Risk — Shariah Non Compliance Risk arises from the failure to comply with shariah rules and principles determined by the Shariah Board of the Group and the Regulator.

Risk Responsibilities

- The Board of Directors shall oversee the risk management process. The Board of Directors is responsible for determining the manner in which risk authorities are set, as well as the approval of all risk policies and ensuring that these are properly implemented. Further, the Board of Directors shall also seek appointment of senior management personnel capable of managing the risk activities conducted by the Group.
- The Board Risk Management Committee (BRMC) is responsible for ensuring that the overall risk strategy and risk acceptance criteria of the Group is appropriately defined in the Strategic Plan and recommend the same to the Board of Directors.

- The Chief Executive Officer and Group Chiefs shall be responsible for the management of risk collectively through their membership of various committees i.e. Management Committee (MANCO), Asset & Liability Committee (ALCO), Compliance Committee (CC) and Risk Management Committee (RMC). Independent supervision of risk management activities is provided by the Audit Committee of the Board.
- The Risk Management Group is headed by a Group Chief responsible for set-up and implementation of the Risk Management Strategy of the Group.

Risk Management Group Organization

Risk management functions have been segregated by business specialization, i.e., Credit Risk, Credit Administration, Technical Appraisal, Information Security and Enterprise Risk which interalia includes Policy and Procedures, Risk Architecture, Operational Risk and Market & Liquidity Risk. All these functions are operating in tandem to monitor the health of assets and liabilities, while ensuring risk mitigants against cyber and information system threats.

44.1 Credit Risk

Credit risk, the potential default of one or more debtors, is a major source of risk for the Group. The Group is exposed to credit risk through its lending and investment activities. The Group's credit risk function is divided into Corporate and Financial Institutions and Risk Shariah and Commercial, SME and Consumer Risk. The functions operate within an integrated framework of credit policies, guidelines and processes. The credit risk management activities are governed by the Credit Policy of the Group that defines the respective roles and responsibilities, the credit risk management principles and the Group's credit risk strategy. The policy is supported by a comprehensive Credit Procedures Manual.

The Group manages three principal sources of credit risk:

i) Sovereign credit risk on its public sector advances
ii) Counterparty credit risk on its private sector advances
iii) Counterparty credit risk on interGroup limits

Sovereign Credit Risk

When the Group lends to public sector borrowers, it prefers obtaining a full sovereign guarantee or the equivalent from the Government of Pakistan (GOP). However, certain public sector enterprises have a well defined cash flow stream and appropriate business model, based on which the lending is secured through collaterals other than GOP guarantee.

Counterparty credit risk on its private sector advances

Each borrower's credit worthiness is analyzed on the Credit Application Package that incorporates a formalized and structured approach for credit analysis and directs the focus of evaluation towards a balanced assessment of credit risk with identification of proper mitigants. These risks include Industry Risk, Business Risk, Financial Risk, Security Risk and Account Performance Risk.

Financial analysis is further strengthened through use of separate financial spread sheet templates that have been designed for manufacturing / trading concerns, financial institutions and insurance companies.

Counter Party Credit Risk on Interbank Limits

In the normal course of its business, the Group's Treasury utilizes products such as Reverse Repo and Call Lending to meet the needs of interGroup borrowers and manage its exposure to fluctuations in market, interest and currency rates. Further, these products are also used to temporarily invest Group's liquidity prior to disbursement.

All of these financial instruments involve, to varying degrees, the risk that the counterparty in the transaction may be unable to meet its obligation to the Group. Reflecting a preference for minimizing exposure to counterparty credit risk, the Group maintains eligibility criteria that link the exposure limits to counterparty credit ratings by external rating agencies.

A. Country Risk

The Group has in place a Country Risk Management Framework which has been approved by the Board. This framework focuses on providing detailed roles and responsibilities with respect to country risk assessment as well as limit setting, exposure management and reporting of cross border exposure undertaken by the Group. The Group utilizes S&P, Fitch and Moody's country ratings as well as other macroeconomic and external risk factors in assigning a country risk limit. The Financial Institutions Division is responsible for monitoring of country exposure limits.

Credit Administration

The Credit Administration department plays a crucial role in minimizing, reducing and mitigating potential losses that could result from inadequacies in security and documentation. This department consistently evaluates the risks associated with security and documentation within the current credit portfolio, operating through four regional credit administration offices in major metropolitan cities. Moreover, the Credit Monitoring Division ensures that all post-disbursement activities are

carried out in accordance with Group policies, thereby safeguarding the Group's interests through its three specialized units: Classification & Monitoring, Vigilance, and Warehouse Management.

An internal credit rating system is in place which is capable of quantifying counterparty risk in accordance with best practices. The risk rating system takes into consideration qualitative and quantitative factors of the counterparty, transaction structure, and security, and generates internal ratings for obligors. The system is regularly reviewed for improvements in line with the SBP's guidelines for Internal Credit Rating and Risk Management.

The risk rating system incorporates comprehensive obligor risk rating models.These models are designed using a diverse range of qualitative and quantitative variables, each assigned specific weights or scores. The aggregate score of these variables is mapped to determine the final obligor risk rating. Additionally, the scorecard-based models include a provision for management-level overrides, enabling the incorporation of any critical information or risk factors into the final assessment.

Furthermore, the Group validates its internal ratings using statistical tests for all portfolios. These validation procedures cover both discrimination and calibration tests in accordance with best practices

Provisions for the credit portfolio are determined in accordance with IFRS 9 and SBP Prudential Regulations. Details of credit loss allowance against advances are provided in note 9.5.

The Group is using Standardised Approach of the SBP's Basel accord for the purpose of estimating credit risk weighted assets. Under this approach, Groups are allowed to take into consideration external rating(s) of counter-parties for the purpose of calculating risk weighted assets. A detailed procedural manual specifying processes for deriving Credit Risk Weighted Assets in accordance with the SBP Basel Standardised Approach is in place and firmly adhered to by the Group.

Stress testing for credit risk is carried out regularly to estimate the impact of increase in non–performing loans and downward shift in these categories

Notes to the Consolidated Financial Statements
for the year ended December 31, 2025

	Gross lendings		Non–performing lendings		Credit loss allowance held	
	December 31,2025	December 31,2024	December 31,2025	December 31,2024	December 31,2025	December 31,2024
	Rupees in '000					
44.1.1 Lendings to financial institutions						
Credit risk by public and private sector						
Public and Government	-	44,059,437	-	-	-	-
Private	70,000	199,551,668	70,000	70,000	70,000	70,013
	70,000	243,611,105	70,000	70,000	70,000	70,013

	Gross Investments		Non–performing Investments		Credit loss allowance held	
	December 31,2025	December 31,2024	December 31,2025	December 31,2024	December 31,2025	December 31,2024
	Rupees in '000					
44.1.2 Investment in debt securities						
Credit risk by industry sector						
Basic metals (iron, steel)	340,000	340,000	-	-	340,000	223,083
Financial	9,508,344	10,759,326	-	-	2,130	138
Hotel, restaurant and clubs	300,339	300,339	-	-	300,339	197,060
Power, gas, water and sanitary	210,000	330,000	-	-	35	94
Sugar	10,331	10,343	10,331	10,487	10,331	10,343
Textile - Spinning	51,345	51,345	51,345	51,345	51,345	51,345
Textile - Weaving	200,000	200,000	200,000	200,000	200,000	200,000
Government	2,072,188,463	1,088,030,850	-	22,827,109	153,230	1,956,777
Others	14,914	44,442	14,914	44,442	14,914	44,442
	2,082,823,736	1,100,066,645	276,590	23,133,383	1,072,324	2,683,282
Credit risk by public and private sector						
Public and Government	2,072,188,463	1,088,030,850	-	22,827,109	153,230	1,956,777
Private	10,635,273	12,035,795	276,590	306,274	919,094	726,505
	2,082,823,736	1,100,066,645	276,590	23,133,383	1,072,324	2,683,282

	Gross advances		Non–performing advances		Credit loss allowance held	
	December 31,2025	December 31,2024	December 31,2025	December 31,2024	December 31,2025	December 31,2024
	Rupees in '000					

44.1.3 Advances

Credit risk by industry sector

Agriculture, Forestry and Hunting	108,094,068	38,260,358	220,385	501,112	344,959	616,875
Basic metals (iron, steel)	4,419,810	2,812,035	1,038,861	837,627	664,373	460,601
Cement, clay and ceramics	38,540,077	44,426,206	117,872	124,933	127,758	142,521
Chemical and pharmaceutical	35,194,384	26,677,434	267,963	336,741	290,969	372,610
Construction	8,990,305	11,739,046	185,812	144,338	206,746	186,942
Education	387,912	128,191	123	123	249	636
Financial	189,600,129	447,600,543	-	5,554	25,821	306,536
Footwear and leather garments	4,623,965	4,795,725	20,950	25,450	118,448	80,213
Furniture and sports goods	732,691	947,383	39,025	114,747	41,908	137,589
Grains, food and beverages	22,744,297	48,270,093	1,446,288	1,553,326	1,475,747	1,614,353
Health and social welfare	30,219	129,238	4,913	2,975	4,970	5,236
Hotel, restaurant and clubs	29,063	9,986	-	6,686	4	6,689
Individuals	15,638,729	42,731,778	555,846	586,208	617,449	744,344
Machinery and equipment	3,694,598	1,628,100	53,048	45,659	62,190	52,191
Manufacture of transport equipment	8,794,843	2,072,845	124,485	126,162	126,057	130,489
Paper and paper boards	32,297,319	27,684,642	2,559	16,552	233,889	437,499
Petroleum products	36,829,433	25,442,623	8,159	7,465	12,579	8,997
Power, gas, water and sanitary	115,012,664	108,035,860	10,999	-	17,489	28,995
Printing, publishing and allied	84,994	74,083	20	198	209	666
Real estate, renting, and business activities	9,039,035	7,126,752	370,830	456,535	376,837	473,569
Rubber and plastic	870,344	836,374	5,462	164,927	6,133	165,226
Sugar	4,627,931	5,414,589	-	-	42,402	97,843
Mining and quarrying	8,403,420	8,062,839	2,439	3,039	3,919	3,926
Textile –Manufacture of made up & ready made garments	41,041,906	74,368,360	3,751,087	4,380,540	3,825,617	4,501,264
Textile - Finishing	23,486,355	25,048,510	910,289	652,993	956,706	755,304
Textile - Spinning	26,003,032	23,796,664	254,682	569,604	355,302	716,505
Textile - Weaving	2,420,262	2,715,365	994,847	1,002,716	1,001,383	1,009,222
Transport, storage and communication	43,630,892	50,650,222	42,296	46,642	511,929	682,665
Wholesale and retail trade	10,514,658	5,329,543	844,093	997,795	847,355	1,008,240
Others - Services	3,993,303	27,953,895	115	3,638	1,900	5,132
Others	2,579,131	1,810,122	95,467	280,685	98,440	281,179
	802,349,769	1,066,579,404	11,368,915	12,994,970	12,399,737	15,034,057
Credit risk by public and private sector						
Public and Government	394,023,439	515,886,522	377,026	377,026	208,052	36,656
Private	408,326,330	550,692,882	10,991,889	12,617,944	12,191,685	14,997,401
	802,349,769	1,066,579,404	11,368,915	12,994,970	12,399,737	15,034,057

	December 31, 2025	December 31, 2024
	Rupees in '000	

44.1.4 Contingencies and Commitments

Credit risk by industry sector

Agribusiness	4,277,900	2,565,068
Automobile & transportation equipment	55,955,584	45,782,880
Cement	14,882,399	4,128,004
Chemical & Pharmaceuticals	19,896,434	16,660,526
Construction	5,817,931	6,099,908
Electronic & electrical appliances	479,948	807,309
Exports/Imports	282,661	167,267
Financial	360,714,743	493,510,707
Gas, water, sanitary	1,851,866	857,042
Individuals	9,647,026	7,521,497
Insurance	25,819	25,819
Mining and quarrying	193,209	444,136
Other Leather Garments	19,652	2,118,205
Production & transmission of energy	28,792,941	43,116,769
Services	27,555,261	25,075,378
Shoes & leather garments	126,139	250,649
Sugar	404,653	1,019,618
Textile - Others	1,078,446	1,105,142
Textile - weaving	2,757,744	2,019,724
Textile -composite	3,828,702	4,264,186
Textile -spinning	79,298	446,634
Transport, storage and communication	4,770,955	5,260,825
Wholesale and retail trade	14,279,739	14,471,074
Others	6,607,378	6,245,994
	564,326,428	683,964,361
Credit risk by public and private sector		
Public and Government	133,152,817	313,171,790
Private	431,173,611	370,792,571
	564,326,428	683,964,361

44.1.5 Concentration of Advances

The Bank's top 10 exposures on the basis of total (funded and non-funded) exposures aggregating to Rs. 496,682.452 million (December 31, 2024: Rs. 558,066.095 million) are as following:

	December 31, 2025	December 31, 2024
	Rupees in '000	
Funded	388,175,576	524,470,248
Non Funded	108,506,876	33,595,847
Total Exposure	496,682,452	558,066,095

The sanctioned limits against these top 10 exposures aggregated to Rs. 503,145 million (December 31, 2024: Rs. 678,578 million).

44.1.6 Advances – Province/Region–wise Disbursement and Utilization

	During the year ended December 31, 2025						
	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit–Baltistan
	Rupees in '000						
Province and Region							
Punjab	1,101,980,960	882,632,774	208,499,638	4,429,034	1,586	6,409,381	8,547
Sindh	1,568,459,035	27,381,289	1,540,807,746	270,000	-	-	-
KPK including FATA	3,771,098	-	-	3,771,098	-	-	-
Balochistan	1,394,288	-	-	-	1,394,288	-	-
Islamabad	477,909,564	186,097,447	13,859,983	-	-	277,952,134	-
AJK including Gilgit-Baltistan	658,087	-	-	-	-	-	658,087
Total	3,154,173,032	1,096,111,510	1,763,167,367	8,470,132	1,395,874	284,361,515	666,634

	During the year ended December 31, 2024						
	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit–Baltistan
	Rupees in '000						
Province and Region							
Punjab	1,365,984,656	1,034,443,275	326,048,307	4,274,850	7,656	1,200,894	9,674
Sindh	2,069,021,978	32,818,628	2,036,203,350	-	-	-	-
KPK including FATA	2,782,810	-	-	2,782,810	-	-	-
Balochistan	1,564,711	-	-	-	1,564,711	-	-
Islamabad	702,270,994	169,018,345	17,664,050	-	-	515,588,599	-
AJK including Gilgit-Baltistan	435,344	-	-	-	-	-	435,344
Total	4,142,060,493	1,236,280,248	2,379,915,707	7,057,660	1,572,367	516,789,493	445,018

44.1.7 Sensitivity of ECL to Future Economic Conditions

The Group performs sensitivity analysis on the ECL recognized on each of its segments. The following table outline the impact of ECL from applying a 100% weighting to each scenario.

	December 31,2025						
Description	Agriculture	Corporate / Commercial	Medium Enterprise	Small Enterprise	Others	Overseas	Total
	Rupees in '000						
Total ECL	353,926	9,926,012	1,385,289	1,299,924	666,381	142,026	13,773,558
ECL (Upside)	318,079	8,954,388	1,377,513	1,278,147	631,363	66,193	12,625,683
ECL (Central)	353,064	9,711,147	1,383,513	1,296,613	662,816	135,818	13,542,971
ECL (Downside)	393,795	11,900,338	1,401,353	1,337,157	718,035	246,831	15,997,509
	ECL % Inc. / (Dec.)						
ECL (Upside)	-10.13%	-9.79%	-0.56%	-1.68%	-5.25%	-53.39%	-7.86%
ECL (Central)	-0.24%	-2.16%	-0.13%	-0.25%	-0.53%	-4.37%	-1.65%
ECL (Downside)	11.26%	19.89%	1.16%	2.86%	7.75%	73.79%	15.55%

	December 31,2024						
Description	Agriculture	Corporate / Commercial	Medium Enterprise	Small Enterprise	Others	Overseas	Total
	Rupees in '000						
Total ECL	220,638	11,340,022	1,290,222	1,187,645	739,199	256,330	15,034,056
ECL (Upside)	213,915	9,773,404	1,270,537	1,150,943	697,619	230,697	13,337,115
ECL (Central)	220,500	11,073,056	1,283,916	1,176,929	733,913	256,330	14,744,644
ECL (Downside)	228,006	14,152,478	1,339,336	1,274,352	805,446	281,963	18,081,581
	ECL % Inc. / (Dec.)						
ECL (Upside)	-3.05%	-13.81%	-1.53%	-3.09%	-5.63%	-10.00%	-11.29%
ECL (Central)	-0.06%	-2.35%	-0.49%	-0.90%	-0.72%	0.00%	-1.93%
ECL (Downside)	3.34%.	24.80%	3.81%	7.30%	8.96%	10.00%	20.27%

44.2 Market Risk

Market Risk is the risk of loss in earnings and capital due to adverse changes in interest rates / rate of return, foreign exchange rates, equity prices and market conditions. Thus market risk can be further described into Interest Rate Risk / Rate of Return Risk, Foreign Exchange Risk and Equity Position. Risk.

Market Risk performs risk measurement, monitoring and control functions through the use of various risk procedures and models. To give it a formal structure, all the policies and guidelines are approved by the Board of Directors and the relevant management committees.

The Group uses various types of risk management tools to measure the Group's Market Risk: Value-at Risk (VaR), Expected Shortfall (ES) and Stress Testing. In addition, control limits are utilized to maintain the risks within acceptable levels.

The Group maintains adequate regulatory capital to cover all interest rate risks falling under the "Trading Book" as well as "Grouping Book", as defined by Basel capital accord. The Group uses Standardized Approach in determining credit risk, market risk and operational risk exposures in the capital adequacy calculation. In Market risk exposures, Maturity method is used to calculate charge on Interest rate risk and FX risk.

In its pursuit of automation, the Group has successfully implemented Oracle Financial Services Analytical Application (OFSAA) Market Risk Module to automate the risk monitoring and reporting activities pertaining to Market Risk, which allows for more efficient risk monitoring and increased focus on risk analysis to help in making more informed decisions.

44.2.1 Market Risk Pertaining to the Trading Book

Trading Book

The Trading Book of the Group consists of positions in financial instruments held either with trading intent or in order to hedge other elements of the trading book. To be eligible for trading book, financial instruments must be held with the intent of trading and free of any restrictive covenants on their tradability. In addition, positions need to be frequently and accurately valued and the portfolio should be actively monitored and managed accordingly.

The Group's trading book includes securities classified as `Fair Value Through Profit and Loss (FVTPL)', 'Open Ended Mutual Fund' and non-strategic listed equity placed in 'Fair Value Through Other Comprehensive Income (FVOCI)' category. These positions are exposed to all forms of market risk and are managed actively. Moreover, Government Securirities and Investment in Bonds, Debenttures etc. classified under FVOCI are considered under Trading book while adhering regulatory's instruction through letter no. BPRD/BA&CP/881411/2025 dated May 16, 2025.

Risk Pertaining to Banking Book Investment Portfolio

All investments excluding trading book are considered as part of Grouping book. Grouping book includes:

i) Fair Value Through Other Comprehensive Income (FVOCI) - (strategic listed equity and unlisted equity investments).
ii) At Amortised Cost
iii) Real estate investments

Treasury investments parked in the banking book include:

i) Government securities
ii) Capital market investments
iii) Investments in bonds, debentures, etc.

Due to the diversified nature of investments in Grouping book, it is subject to interest rate risk, equity price risk and FX risk.

Stress Testing

The Group also conducts Stress Testing of the Group's investment portfolio to ascertain the impact of various scenarios on the capital adequacy and sustainability of the Group. The exercise assumes various stress conditions, with respect to Interest Rate Risk, Equity Price Risk, FX Risk and Liquidity Risk. Stress testing is also conducted on various macro-economic scenarios to test the resilience of the Group.

44.2.2 Balance sheet split by trading and banking books

	December 31, 2025			December 31, 2024		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	Rupees in '000					
Cash and balances with treasury banks	171,984,462	-	171,984,462	146,812,714	-	146,812,714
Balances with other banks	13,079,040	-	13,079,040	9,964,224	-	9,964,224
Lendings to financial institutions	-	-	-	243,541,081	-	243,541,081
Investments	105,379,145	2,034,936,268	2,140,315,413	1,106,192,412	26,690,991	1,132,883,403
Advances	789,950,032	-	789,950,032	1,051,545,347	-	1,051,545,347
Fixed assets	148,257,711	-	148,257,711	136,071,941	-	136,071,941
Intangible assets	4,510,724	-	4,510,724	3,650,196	-	3,650,196
Deferred tax assets	-	-	-	-	-	-
Other assets	107,516,727	-	107,516,727	97,233,559	-	97,233,559
	1,340,677,841	2,034,936,268	3,375,614,109	2,795,011,474	26,690,991	2,821,702,465

44.2.3 Foreign Exchange Risk

Foreign exchange risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates.

The majority of the Bank's net foreign currency exposure is in US$ and the Bank uses system-based monitoring of it's intra-day Net Open Position for effective risk management.

The Bank's FX Risk is largely mitigated by following a matched funding policy, whereas, for any mismatched exposures, the Bank utilizes appropriate derivative instruments such as Forwards and Swaps. The Bank maintains adequate regulatory capital to cover against foreign exchange risk.

	December 31, 2025				December 31, 2024			
	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure
	Rupees in '000				Rupees in '000			
Pakistani Rupee	3,297,529,370	2,963,079,918	(90,567,912)	243,881,540	2,729,515,562	2,434,619,451	(73,610,985)	221,285,126
United States Dollar	75,039,410	130,125,706	79,980,045	24,893,749	89,115,771	135,748,117	63,475,958	16,843,612
Great Britain Pound Sterling	1,579,362	7,785,016	6,206,282	628	1,419,851	7,404,011	5,987,650	3,490
Japanese Yen	50,206	685	(50,098)	(577)	56,410	402,773	345,980	(383)
Euro	1,195,454	5,744,777	4,553,468	4,145	1,305,042	5,279,522	3,974,097	(383)
Other currencies	220,307	4,816	(121,785)	93,706	289,829	-	(172,700)	117,129
	78,084,739	143,661,000	90,567,912	24,991,651	92,186,903	148,834,423	73,610,985	16,963,465
	3,375,614,109	3,106,740,918	-	268,873,191	2,821,702,465	2,583,453,874	-	238,248,591

	December 31, 2025		December 31, 2024	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of 1% change in foreign exchange rates on:				
- Profit and loss account	-	-	-	-
- Other comprehensive income	-	(249,917)	-	(167,308)
	-	(249,917)	-	(167,308)

44.2.4 Equity position Risk

Equity Price Risk is risk to earnings or capital that results from adverse changes in stock prices (single stocks, or a basket of stocks, or overall stock market). ABL holds a diversified portfolio of equity investments in order to minimize non-systematic risk while retaining acceptable systematic risk. ALCO ensures that equity price risk is mitigated through prudent portfolio management.

The Group maintains adequate regulatory capital to cover against equity price risk. Equity investments classified as "Held-for-Trading" as well as listed non-strategic equity investments classified as "Available-for-Sale" are part of the "Trading Book" and are subject to market risk change as specified by the Basel Framework. Un-listed and listed strategic equity investment are part of the "Banking Book" and are subject to credit risk charge as specified by the Basel Framework.

	December 31, 2025		December 31, 2024	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of 5% change in equity prices on				
- Profit and loss account	-	-	-	-
- Other comprehensive income	(350,199)	(702,507)	(192,550)	(1,004,327)

44.2.5 Yield and Interest Rate Risk in the Banking Book (IRRBB)-Basel II Specific

Interest rate and Rate of return risk is the current or prospective risk of losses, to both the Group's capital and earnings, arising from movements in interest rates and rates of return. The Bank has a robust system in place to monitor Interest rate risk and ALCO regularly analyses the interest rate scenario and devises strategies to minimize adverse impact of interest rate risk on the Bank's equity and profits.

Interest rate risk is measured through "duration" of an instrument. To assess the interest rate risk at Balance Sheet and Income Statement level, gap analysis on "re-pricing schedule" is utilized. Re-pricing schedule is a distribution of interest-sensitive assets, liabilities, and Off-Balance Sheet positions into a number of predefined time bands according to their maturity (if fixed-rate) or time remaining to their next re-pricing (if floating-rate), and is calculated in compliance with SBP instructions. For non-contractual assets and liabilities, an ALCO approved methodology is utilized to place these assets and liabilities in the re-pricing schedule. This methodology is based on the results of a behavioural analysis which statistically models the historical trends of the last 5 years.

Government securities (PIBs & T-Bills, Sukuks), Bonds, Debentures, etc. and other money market investments are subject to interest rate / rate of return risk. To capture the risk associated with these securities, extensive modeling is being done with respect to duration analysis. Stress testing and scenario-based models are also in place to capture the sensitivity of the portfolio to adverse movement in interest rates. For prudent risk management, all money market investments are marked to market to assess changes in the market value of investments due to interest rate movements. Yield/ Interest rate sensitivity position for on-balance sheet instruments is based on the earlier of contractual re-pricing or maturity date and for off-balance sheet instruments is based on settlement date.

In accordance with BSD Circular No.03 of 2011, issued by the SBP, Group is required to report interest rate sensitivity gap of assets and liabilities on the basis of an objective and systematic behavioural study which is approved by ALCO.

	December 31, 2025		December 31, 2024	
	Banking book	Trading book	Banking book	Trading book
	Rupees in '000			
Impact of change in interest rates by 1%				
- Profit and loss account	8,560,819	397,515	(4,835,348)	-
- Other comprehensive income		(17,487,705)	3,370,010	36,391

44.2.6 Mismatch of Interest Rate Sensitive Assets and Liabilities

December 31, 2025

	Effective Yield/ Interest rate	Total	Exposed to Yield/ Interest risk							Non-interest bearing financial instruments
			Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 Years	
Rupees in '000												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		171,984,461	13,927,327	-	-	-	-	-	-	-	-	158,057,134
Balances with other banks		13,079,040	13,079,040	-	-	-	-	-	-	-	-	-
Lending to financial institutions	10.75%	-	-	-	-	-	-	-	-	-	-	-
Investments	12.29%	2,140,315,412	32,003,876	205,008,826	1,091,692,089	159,554,618	57,505,714	328,455,408	227,696,994	1,500,000	-	36,897,887
Advances	11.07%	789,950,033	443,815,187	191,107,746	38,149,730	52,502,696	4,558,729	4,868,353	14,173,931	20,663,808	3,149,326	16,960,527
Other assets		99,370,221	-	-	-	-	-	-	-	-	-	99,370,221
		3,214,699,167	502,825,430	396,116,572	1,129,841,819	212,057,314	62,064,443	333,323,761	241,870,925	22,163,808	3,149,326	311,285,769
Liabilities												
Bills payable		13,860,534	-	-	-	-	-	-	-	-	-	13,860,534
Borrowings	10.70%	643,733,028	600,076,122	523,426	13,269,473	1,598,985	3,140,558	3,140,558	6,281,116	15,702,790	-	-
Deposits and other accounts	6.39%	2,344,862,071	388,622,931	371,556,991	740,157,649	131,832,945	58,180,940	36,382,391	385,507	92,710	-	617,650,007
Liabilities against assets subject to finance lease		11,553,450	-	-	-	-	-	-	-	-	-	11,553,450
Subordinated debt		-	-	-	-	-	-	-	-	-	-	-
Other liabilities		60,211,803	-	-	-	-	-	-	-	-	-	60,211,803
On-balance sheet gap		3,074,220,886	988,699,053	372,080,417	753,427,122	133,431,930	61,321,498	39,522,949	6,666,623	15,795,500	-	703,275,794
		140,478,281	(485,873,623)	24,036,155	376,414,697	78,625,384	742,945	293,800,812	235,204,302	6,368,308	3,149,326	(391,990,025)
Off-balance sheet financial instruments												
Documentary credits and short-term trade-related transactions		131,880,086	2,627,082	33,839,915	64,334,639	13,511,518	8,607,069	8,948,261	11,602	-	-	-
Commitments in respect of purchase of:												
- forward foreign exchange contracts		215,660,446	115,301,246	70,210,655	28,040,102	2,108,443	-	-	-	-	-	-
- forward government securities transactions		58,017	58,017	-	-	-	-	-	-	-	-	-
- derivatives		-	-	-	-	-	-	-	-	-	-	-
- forward lending		-	-	-	-	-	-	-	-	-	-	-
		215,718,463	115,359,263	70,210,655	28,040,102	2,108,443	-	-	-	-	-	-
Commitments in respect of sale of:												
- forward foreign exchange contracts		124,780,254	62,923,481	36,928,693	24,928,080	-	-	-	-	-	-	-
- forward government securities transactions		1,061,488	1,061,488	-	-	-	-	-	-	-	-	-
- derivatives		-	-	-	-	-	-	-	-	-	-	-
- forward lending		-	-	-	-	-	-	-	-	-	-	-
		125,841,742	63,984,969	36,928,693	24,928,080	-	-	-	-	-	-	-
Other commitments		17,696,468	1,474,706	2,949,411	4,424,117	8,848,234	-	-	-	-	-	-
Off-balance sheet gap		239,453,275	55,476,082	70,071,289	71,870,778	24,468,195	8,607,069	8,948,261	11,602	-	-	-
Total Yield and Interest Risk Sensitivity Gap		379,931,556	(430,397,541)	94,107,444	448,285,474	103,093,578	9,350,014	302,749,073	235,215,904	6,368,309	3,149,326	(391,990,025)
Cumulative Yield and Interest Risk Sensitivity Gap		379,931,556	(430,397,541)	(336,290,097)	111,995,377	215,088,955	224,438,970	527,188,043	762,403,946	768,772,255	771,921,581	379,931,556

December 31, 2024

	Effective Yield/ Interest rate	Total	Exposed to Yield/ Interest risk							Non-interest bearing financial instruments
			Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 Years	
		Rupees in '000										
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		145,812,714	11,743,494	-	-	-	-	-	-	-	-	134,069,220
Balances with other banks		9,964,224	9,964,224	-	-	-	-	-	-	-	-	-
Lending to financial institutions	16.26%	243,541,081	243,441,089	99,992	-	-	-	-	-	-	-	-
Investments	19.61%	1,132,883,403	168,348,705	233,204,776	398,155,932	197,192,458	23,274,264	25,802,970	31,759,988	27,267,173	-	27,877,137
Advances	17.32%	1,051,545,347	354,311,109	335,486,818	151,397,224	149,909,857	3,656,117	2,837,027	17,261,422	27,281,108	3,497,794	5,906,871
Other assets		88,848,012	787,808,621	568,791,586	549,553,156	347,102,315	26,930,381	28,639,997	49,021,410	54,548,281	3,497,794	257,701,240
		2,673,594,781										14,502,237
Liabilities												
Bills payable		14,502,237	-	-	-	-	-	-	-	-	-	-
Borrowings	17.79%	462,023,558	394,403,406	3,872,294	27,198,211	4,249,028	7,451,086	6,678,589	10,688,368	7,453,385	29,191	-
Deposits and other accounts	11.26%	2,018,069,645	213,433,248	398,955,753	757,126,229	65,392,669	21,251,798	142,137	445,531	94,497	-	561,227,783
Lease liabilities		10,360,968	-	-	-	-	-	-	-	-	-	10,360,968
Subordinated debt		-	-	-	-	-	-	-	-	-	-	-
Other liabilities		64,991,018	-	-	-	-	-	-	-	-	-	64,991,018
		2,569,947,426	607,836,654	402,828,047	784,324,440	69,641,697	28,702,884	6,820,726	11,133,899	7,547,882	29,191	651,082,006
On-balance sheet gap		103,647,355	179,971,967	165,963,539	(234,771,284)	277,460,618	(1,772,503)	21,819,271	37,887,511	47,000,399	3,468,603	(393,380,766)
Off-balance sheet financial instruments												
Documentary credits and short-term trade-related transactions		195,665,790	25,037,779	20,163,929	87,325,334	17,457,572	32,271,542	4,508,503	97,925	110	8,803,096	-
Commitments in respect of purchase of:												
– forward foreign exchange contracts		181,173,349	97,470,661	70,780,564	12,679,189	242,935	-	-	-	-	-	-
– forward government securities transactions		182,141,150	151,291,229	30,849,921	-	-	-	-	-	-	-	-
– derivatives		-	-	-	-	-	-	-	-	-	-	-
– forward lending		-	-	-	-	-	-	-	-	-	-	-
		363,314,499	248,761,890	101,630,485	12,679,189	242,935	-	-	-	-	-	-
Commitments in respect of sale of:												
– forward foreign exchange contracts		107,110,234	79,910,233	22,935,549	4,264,452	-	-	-	-	-	-	-
– forward government securities transactions		-	-	-	-	-	-	-	-	-	-	-
– derivatives		-	-	-	-	-	-	-	-	-	-	-
– forward lending		-	-	-	-	-	-	-	-	-	-	-
		107,110,234	79,910,233	22,935,549	4,264,452	-	-	-	-	-	-	-
Other commitments		17,498,410	1,458,201	2,916,402	4,374,602	8,749,205	-	-	-	-	-	-
Off-balance sheet gap		469,368,465	195,347,637	101,775,267	100,114,673	26,449,712	32,271,542	4,508,503	97,925	110	8,803,096	-
Total Yield and Interest Risk Sensitivity Gap		573,015,820	375,319,604	267,738,806	(134,656,611)	303,910,330	30,499,039	26,327,774	37,985,436	47,000,509	12,271,699	(393,380,766)
Cumulative Yield and nterest Risk Sensitivity Gap		573,015,820	375,319,604	643,058,410	508,401,799	812,312,129	842,811,168	869,138,942	907,124,378	954,124,887	966,396,586	573,015,820

Reconciliation to total assets	December 31, 2025	December 31, 2024	Reconciliation to total liabilities	December 31, 2025	December 31, 2024
	(Rupees in '000)	(Rupees in '000)		(Rupees in '000)	(Rupees in '000)
Balance as per balance sheet	3,375,614,109	2,821,702,465	Balance as per balance sheet	3,106,740,918	2,583,453,874
Less: Non financial assets			Less: Non financial liabilities		
Less: Non financial assets	152,768,435	128,284,200	Deferred tax liabilities	21,692,682	9,860,520
Fixed assets		7,787,741			
Right of use Asset		3,650,196	Other liabilities	10,827,350	3,645,928
Intangible asset	-	-		32,520,032	13,506,448
Deferred Tax Assets	8,146,504	8,385,547			
Other assets	160,914,939	148,107,684	Total financial liabilities	3,074,220,886	2,569,947,426
Total financial assets	3,214,699,170	2,673,594,781			

44.3 Operational Risk

The Bank, like all financial institutions, is exposed to different types of operational risks, including the potential losses arising from internal activities or external events caused by breakdowns in information, communication, physical safeguards, business continuity, supervision, transaction processing, settlement systems and the execution of legal, fiduciary and agency responsibilities.

In accordance with the BoD approved Operational Risk Management Policy (ORM), Group maintains a system of internal controls designed to keep operational risk at appropriate levels, in view of the bank's financial strength and the characteristics of the activities and market in which it operates. These internal controls are periodically updated to conform to industry best practices.

The Group has implemented workflow based system "Risk Nucleus" for Operational Risk Loss Data Collection, analysis & Reporting, Risk Control & Self Assessment (RCSA) and Key Risk Indicators (KRIs) monitoring. Further, major Operational Risk events are also analyzed from the control breaches perspective and mitigating controls are assessed on design and operating effectiveness. Quarterly updates on Operational Risk events are presented to senior management and Board's Risk Management Committee & BoD.

The Group has a BoD approved BCP policy and Business Continuity Plan applicable to all its functional areas. The Bank updates functional BCPs on annual basis or at any process change.

The Group is also implementing internationally accepted Integrated Framework on Internal Control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), with a view to consolidate and enhance the existing internal control processes.

The Group is reporting Operational Risk Capital Charge on Basic Indicator Approach. Also calculating impact under Alternate Standardized Approach (ASA) of Basel II. The Group shall adopt "The Standardized Approach" under Basel-III once implemented by the Regulator.

44.4 Liquidity Risk

Liquidity Risk is the risk that the Bank is unable to fund its current obligations and operations in the most cost efficient manner. The Bank's Board of Directors has delegated the responsibility to Asset and Liability Committee (ALCO) for ensuring that Bank's policy for liquidity management is adhered to on a continual basis. ALCO uses gap analysis based on "maturity schedule" to assess the Bank's liquidity risk and devise strategy accordingly. The Bank has various limits and triggers in place to monitor liquidity risk on a periodic basis, while it also utilizes stress testing to assess adequacy of Bank's liquid assets. The Bank complies with State Bank of Pakistan's instructions on Liquidity Standards as prescribed under the Basel III Framework.

Liquidity Management Framework

Daily liquidity management is carried out centrally by the Asset and Liability Management (ALM) Desk in Treasury Group which manages the day to day liquidity needs of the Bank. Funding and liquidity management strategies are regularly discussed during Asset and Liability Committee (ALCO) meetings. The discussions include analysis on composition of deposits and tenure, funding gaps and concentration, monitoring of short and long-term liquidity ratios (including Liquidity Coverage Ratio and Net Stable Funding Ratio). The Bank utilizes internal Management Action Triggers and Limits which act as early warning indicators and safeguards to ensure sufficient liquidity buffers at all times. Additionally, stress tests are performed to evaluate available liquidity under a range of adverse scenarios and to identify potential vulnerabilities in portfolios. The Bank also has in place contingency funding plan that identifies specific management actions that can be invoked in times of liquidity crisis.

Liquidity Risk Management

The Group has in place a robust Recovery Plan in place to deal with any liquidity crisis in the most efficient and effective manner. SBP initiatives such as deferral of principal and rescheduling and restructuring of loans may have an adverse effect on liquidity and maturity profile of the Bank, however the Bank holds sufficient liquidity buffer to absorb any unforeseen shocks during the prevailing situation. Moreover, the Asset and Liability Committee (ALCO) of the Bank continues to regularly monitor the liquidity position of the Bank in view of emerging risks.

Liquidity Risk Mitigation Techniques

The Bank uses the following tools to identify and mitigate Liquidity Risk:

- Gap Analysis
- Liquidity Ratio
- Liquidity Stress Testing
- Contingency Funding Plan
- Risk Control Limits (RCLs)

Notes to the Consolidated Financial Statements
for the year ended December 31, 2025

44.4.1 Maturities of Assets and Liabilities – based on contractual maturity of the assets and liabilities of the Group

	December 31, 2025											
	Total	Upto 1 Day	Upto 7 Days	Upto 14 Days	Upto 1 Month	Upto 2 Months	Upto 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Up to 1 year	Upto 2 years	Upto 3 years	Over 3 to 5 years	Over 5 years
	Rupees in '000													
Assets														
Cash and balances with treasury banks	171,984,462	171,984,462	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	13,079,040	13,079,040	-	-	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments - net	2,140,315,413	1,122,167	6,732,996	8,230,547	17,960,748	22,953,301	74,876,499	434,173,567	165,220,861	10,769,021	112,832,850	595,995,311	671,463,014	17,984,531
Advances - net	789,950,032	9,301,227	48,056,341	41,191,150	189,789,329	116,046,204	9,690,912	43,964,764	31,932,260	51,840,238	57,713,948	55,987,051	46,961,340	87,475,268
Fixed assets	148,257,711	52,031	312,189	364,221	884,537	1,612,979	1,612,979	4,838,936	4,838,936	4,838,936	8,958,398	8,958,398	16,114,559	94,870,612
Intangible assets	4,510,724	1,733	10,394	12,126	29,448	53,699	53,699	161,097	161,097	161,097	644,389	644,389	1,288,778	1,288,778
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets - net	107,516,727	940,266	5,641,582	6,581,846	15,044,219	12,296,438	12,296,437	36,889,312	3,480,897	3,480,897	274,832	274,832	3,621,611	6,693,558
	3,375,614,109	196,480,926	60,753,502	56,379,890	223,708,281	152,962,621	98,530,526	520,027,676	205,634,051	71,090,189	180,424,417	661,859,981	739,449,302	208,312,747
Liabilities														
Bills payable	13,860,534	13,860,534	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	643,733,028	125,542	563,549,934	23,061,066	13,339,580	261,713	261,713	13,269,473	785,139	813,846	3,140,558	3,140,558	6,281,116	15,702,790
Deposits and other accounts	2,344,862,071	1,954,296,310	15,997,737	18,664,028	42,660,634	27,100,435	87,195,975	88,209,813	35,815,115	37,949,153	112,263	36,382,391	385,507	92,710
Liabilities against assets subject to finance lease	11,553,450	3,209	19,256	22,465	51,349	96,279	96,279	288,836	288,836	288,836	1,155,345	1,155,345	2,310,690	5,776,725
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities - net	21,692,682	12,948	77,692	90,641	220,127	(317,202)	405,084	3,250,868	695,544	(884,785)	1,290,031	6,055,116	7,017,030	3,779,588
Other liabilities	71,039,153	1,209,325	7,606,880	8,425,710	19,180,338	8,734,127	8,484,928	1,670,436	1,540,033	1,549,775	6,204,176	1,190,589	1,492,239	3,730,597
	3,106,740,918	1,969,507,868	587,251,499	50,263,910	75,452,028	35,875,352	96,443,979	106,689,426	39,144,667	39,716,825	11,902,373	47,923,999	17,486,582	29,082,410
Net assets	268,873,191	(1,773,026,942)	(526,497,997)	6,115,980	148,256,253	117,087,269	2,086,547	413,338,250	166,489,384	31,373,364	168,522,044	613,935,982	721,962,720	179,230,337
Share capital	11,450,739													
Reserves	46,341,119													
Surplus on revaluation of assets – net of tax	64,969,928													
Unappropriated profit	146,111,405													
	268,873,191													

	December 31, 2024									
	Total	Upto 1 Day	Upto 7 Days	Upto 14 Days	Upto 1 Month	Upto 2 Months	Upto 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 Months to 1 year
	Rupees in '000									
Assets										
Cash and balances with treasury banks	146,812,714	146,812,714	-	-	-	-	-	-	-	-
Balances with other banks	9,964,224	321,446	1,928,675	2,250,121	5,463,982	-	-	-	-	-
Lending to financial institutions	243,541,081	-	222,741,097	699,992	20,000,000	-	99,992	-	-	-
Investments - net	1,132,883,403	-	-	44,264	189,547	471,606	6,082,455	144,657,126	124,821,405	179,353,964
Advances - net	1,051,545,347	1,463,162	3,918,697	7,832,136	198,086,215	144,830,372	83,092,474	114,744,086	25,019,284	150,636,600
Property and equipment	128,284,200	46,993	281,957	328,950	798,878	1,456,777	1,456,777	4,370,331	4,370,331	4,370,331
Right of use asset	7,787,741	4,187	25,122	29,309	71,178	129,796	129,796	389,387	389,387	389,387
Intangible assets	3,650,196	1,401	8,407	9,808	23,820	43,437	43,437	130,312	130,312	130,312
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets - net	97,233,559	1,191,566	7,149,394	8,340,960	21,060,109	5,196,860	16,291,586	21,154,957	3,143,790	2,585,131
	2,821,702,465	149,841,469	236,053,349	19,535,540	245,693,729	152,128,848	107,196,517	285,446,199	157,874,509	337,465,725
Liabilities										
Bills payable	14,502,237	14,502,237	-	-	-	-	-	-	-	-
Borrowings	462,023,558	426,320	15,230,600	195,000	378,551,485	1,402,733	2,469,561	27,198,211	2,145,416	2,103,612
Deposits and other accounts	2,018,069,645	1,730,467,613	3,753,133	17,234,275	22,904,776	22,615,548	70,732,641	104,891,382	39,025,454	5,439,037
Lease liabilities	10,360,968	2,785	16,711	19,496	47,349	86,341	86,341	259,024	259,024	259,024
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities - net	9,860,520	(16,755)	(100,530)	(117,285)	(284,835)	(830,961)	(519,554)	224,635	414,385	388,305
Other liabilities	68,636,946	1,599,766	9,598,596	11,198,342	27,196,022	1,702,326	1,509,244	1,398,730	1,330,994	1,330,662
	2,583,453,874	1,746,981,966	28,498,510	28,529,848	428,414,797	24,975,987	74,278,353	133,971,982	43,175,273	9,520,640
Net assets	238,248,591	(1,597,140,497)	207,554,839	(8,994,308)	(182,721,068)	127,152,861	32,918,164	151,474,217	114,699,236	327,945,085
Share capital	11,450,739									
Reserves	42,460,536									
Surplus on revaluation of assets – net of tax	56,633,562									
Unappropriated profit	127,703,754									
	238,248,591									

	December 31, 2024									
	Over 1 Year to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year
	Rupees in '000									
Assets										
Cash and balances with treasury banks	-	-	-	-	-	-	-	-	-	-
Balances with other banks	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	-	-	-	-	-	-	-	-	-	-
Investments - net	112,659,695	621,677,760	670,432,573	25,797,864	2,459,878	2,140,315,413	380,893	97,679,669	433,507,276	175,719,805
Advances - net	134,286,971	132,560,074	123,534,363	80,703,136	6,772,131	789,950,032	52,011,745	125,768,983	47,606,904	86,705,725
Fixed assets	8,958,398	8,958,398	16,114,559	10,033,312	84,837,301	148,257,711	1,612,978	3,225,957	4,838,935	9,677,873
Intangible assets	644,389	644,389	1,288,778	1,288,778	-	4,510,724	53,699	107,399	161,097	322,195
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets - net	274,832	274,832	3,621,611	6,693,558	-	107,516,727	28,207,910	24,592,874	36,889,314	6,961,796
	256,829,650	765,854,154	815,010,307	124,521,079	153,439,319	3,375,614,109	192,990,886	256,837,113	527,219,040	282,912,561
Liabilities										
Bills payable	-	-	-	-	-	13,860,534	13,860,534	-	-	-
Borrowings	3,140,558	3,140,558	6,281,116	15,702,790	-	643,733,028	600,076,122	523,426	13,269,473	1,598,985
Deposits and other accounts	141,429,306	200,225,254	385,507	92,710	975,992,381	2,344,862,071	324,509,272	257,619,472	229,526,857	215,081,312
Liabilities against assets subject to Finance lease	1,155,345	1,155,345	2,310,690	5,776,725	-	11,553,450	96,278	192,558	288,836	577,673
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities - net	1,290,031	6,055,116	7,017,030	(333,854)	4,113,442	21,692,682	401,408	87,882	3,250,868	(189,241)
Other liabilities	1,557,548	1,190,589	1,492,239	3,730,597	-	71,039,153	36,422,252	17,219,056	1,670,436	3,109,808
	153,219,416	211,766,862	17,486,582	24,968,968	980,105,823	3,106,740,918	975,365,866	275,642,394	248,006,470	220,178,537
Net assets	103,610,234	554,087,292	797,523,725	99,552,111	(826,666,504)	268,873,191	(782,374,980)	(18,805,281)	279,212,570	62,734,024
Share capital						11,450,739				
Reserves						46,341,119				
Surplus on revaluation of assets net of tax						64,969,928				
Unappropriated profit						146,111,405				
						268,873,191				

44.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Group

	December 31, 2025									
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
	Rupees in '000									
Assets										
Cash and balances with treasury banks	171,984,462	97,644,621	5,462,231	4,215,514	3,525,167	5,365	1,738,701	18,423	4,431	59,370,009
Balances with other banks	13,079,040	13,079,040	-	-	-	-	-	-	-	-
Lending to financial institutions	-	-	-	-	-	-	-	-	-	-
Investments - net	2,140,315,413	380,893	97,679,669	433,507,276	175,719,805	112,659,695	621,677,760	670,432,573	25,797,864	2,459,878
Advances - net	789,950,032	52,011,745	125,768,983	47,606,904	86,705,725	134,286,971	132,560,074	123,534,363	80,703,136	6,772,131
Fixed assets	148,257,711	1,612,978	3,225,957	4,838,935	9,677,873	8,958,398	8,958,398	16,114,559	10,033,312	84,837,301
Intangible assets	4,510,724	53,699	107,399	161,097	322,195	644,389	644,389	1,288,778	1,288,778	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets - net	107,516,727	28,207,910	24,592,874	36,889,314	6,961,796	274,832	274,832	3,621,611	6,693,558	-
	3,375,614,109	192,990,886	256,837,113	527,219,040	282,912,561	256,829,650	765,854,154	815,010,307	124,521,079	153,439,319
Liabilities										
Bills payable	13,860,534	13,860,534	-	-	-	-	-	-	-	-
Borrowings	643,733,028	600,076,122	523,426	13,269,473	1,598,985	3,140,558	3,140,558	6,281,116	15,702,790	-
Deposits and other accounts	2,344,862,071	324,509,272	257,619,472	229,526,857	215,081,312	141,429,306	200,225,254	385,507	92,710	975,992,381
Liabilities against assets subject to Finance lease	11,553,450	96,278	192,558	288,836	577,673	1,155,345	1,155,345	2,310,690	5,776,725	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities - net	21,692,682	401,408	87,882	3,250,868	(189,241)	1,290,031	6,055,116	7,017,030	(333,854)	4,113,442
Other liabilities	71,039,153	36,422,252	17,219,056	1,670,436	3,109,808	6,204,176	1,190,589	1,492,239	3,730,597	-
	3,106,740,918	975,365,866	275,642,394	248,006,470	220,178,537	153,219,416	211,766,862	17,486,582	24,968,968	980,105,823
Net assets	268,873,191	(782,374,980)	(18,805,281)	279,212,570	62,734,024	103,610,234	554,087,292	797,523,725	99,552,111	(826,666,504)
Share capital	11,450,739									
Reserves	46,341,119									
Surplus on revaluation of assets net of tax	64,969,928									
Unappropriated profit	146,111,405									
	268,873,191									

	December 31, 2024									
	Total	Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
	Rupees in '000									
Assets										
Cash and balances with treasury banks	146,812,714	42,753,657	9,007,454	10,197,199	7,413,262	5,389,517	8,531,397	-	-	63,520,228
Balances with other banks	9,964,224	9,964,224	-	-	-	-	-	-	-	-
Lending to financial institutions	243,541,081	243,441,089	99,992	-	-	-	-	-	-	-
Investments - net	1,132,883,403	233,812	6,554,061	144,657,126	304,175,368	226,609,974	91,369,116	283,622,708	73,432,799	2,228,439
Advances - net	1,051,545,347	209,878,119	226,340,757	114,174,894	179,229,255	95,894,072	86,046,694	85,629,512	49,624,543	4,727,501
Property and equipment	128,284,200	1,456,777	2,913,554	4,370,331	8,740,662	6,491,265	6,431,462	4,734,332	5,244,187	87,901,630
Right of Use Asset	7,787,741	129,796	259,591	389,387	778,774	1,557,548	1,557,548	3,115,097	-	-
Intangible assets	3,650,196	43,437	86,875	130,312	260,624	521,248	521,248	1,042,496	1,043,956	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Other assets - net	97,233,559	37,742,028	21,488,446	21,154,957	5,728,920	798,353	364,102	4,027,693	5,929,060	-
	2,821,702,465	545,642,939	266,750,730	295,074,206	506,326,865	337,261,977	194,821,567	382,171,838	135,274,545	158,377,798
Liabilities										
Bills payable	14,502,237	14,502,237	-	-	-	-	-	-	-	-
Borrowings	462,023,558	394,403,406	3,872,294	27,198,211	4,249,028	7,451,086	6,678,589	10,688,368	7,453,385	29,191
Deposits and other accounts	2,018,069,645	213,433,248	197,906,304	224,046,661	162,879,679	118,738,808	187,588,812	445,531	94,497	912,936,105
Lease Liabilities	10,360,968	86,341	172,683	259,024	518,048	1,036,097	1,036,097	2,072,194	5,180,484	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities - net	9,860,520	(519,405)	(1,350,515)	224,635	802,690	2,143,183	901,849	2,747,376	775,076	4,135,631
Other liabilities	68,636,946	49,592,745	3,211,690	1,398,730	2,661,656	5,325,327	1,170,073	1,507,635	3,769,090	-
	2,583,453,874	671,498,572	203,812,456	253,127,261	171,111,101	134,694,501	197,375,420	17,461,104	17,272,532	917,100,927
Net assets	238,248,591	(125,855,633)	62,938,274	41,946,945	335,215,764	202,567,476	(2,553,853)	364,710,734	118,002,013	(758,723,129)
Share capital	11,450,739									
Reserves	42,460,536									
Surplus on revaluation of assets net of tax	56,633,562									
Unappropriated profit	127,703,754									
	238,248,591									

44.5 Derivative Risk

Market & Liquidity Risk Division under Risk Management Group is responsible for assessing and monitoring the derivative risk emanating from Bank's exposures.

The Bank's Risk Management Group, Asset and Liability Committee (ALCO) and Board Risk Management Committee monitor the derivative risk and utilize Off-Balance Sheet gap analysis to implement prudent asset liability management of the Bank's derivative exposures.

45 NON ADJUSTING EVENT AFTER THE REPORTING DATE

45.1 The Board of Directors of the Bank in its meeting held on February 17, 2026 has proposed a final cash dividend in respect of 2025 of Rs. 4.00 per share (2024: cash dividend Rs. 4.00 per share). This appropriation will be approved in the forthcoming Annual General Meeting. The consolidated financial statements of the Bank for the year ended December 31, 2025 do not include the effect of these appropriations which will be accounted for subsequent to the year end.

46 GENERAL

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

46.2 Corresponding figures have been rearranged or reclassified where considered necessary, for the purpose of better presentation. However, no material restatement have been made.

47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on February 17, 2026 by the Board of Directors of the Bank.

Muhammad Atif Mirza
Chief Financial Officer

Aizid Razzaq Gill
President and Chief Executive

Muhammad Kamran Shehzad
Director

Mian Ikram Ul Haq
Director

Mohammad Naeem Mukhtar
Chairman

Pattern of Shareholding
As at December 31, 2025

1 Issued, Subscribed and Paid-up Capital

Ordinary Shares	As on December 31, 2025		As on December 31, 2024	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Fully paid in Cash	406,780,094	4,067,800,940	406,780,094	4,067,800,940
Increase in Share Capital	-	-	-	-
Issued as Bonus Shares	720,745,186	7,207,451,860	720,745,186	7,207,451,860
Issued for consideration other than cash	17,548,550	175,485,500	17,548,550	175,485,500
	1,145,073,830	11,450,738,300	1,145,073,830	11,450,738,300

2 Major Shareholding

Holding more than 5% of the total paid-up capital

Name of Shareholder	No. of Shares	Percentage
Ibrahim Holdings (Private) Limited	1,030,566,368	90.0000
Total	1,030,566,368	90.0000

3 Pattern of Shareholding

No. of Shareholders	Shareholdings' Slab				Total Shares
	From		To		
7,303	1	to	100		266,625
9,334	101	to	500		2,593,247
1,274	501	to	1,000		949,157
2,127	1,001	to	5,000		4,541,312
344	5,001	to	10,000		2,549,658
275	10,001	to	25,000		4,418,836
96	25,001	to	50,000		3,457,394
38	50,001	to	100,000		2,705,934
21	100,001	to	200,000		3,080,183
13	200,001	to	500,000		4,510,277
3	500,001	to	1,000,000		2,370,025
7	1,000,001	to	3,000,000		10,160,429
2	3,000,001	to	5,000,000		8,684,011
3	5,000,001	to	10,000,000		22,473,804
2	10,000,001	to	50,000,000		41,746,570
1	50,000,001	&	Above		1,030,566,368
20,843					1,145,073,830

Categories of Shareholders
As at December 31, 2025

CATEGORIES OF SHAREHOLDERS	NO. OF SHAREHOLDERS	SHARES	PERCENTAGE
DIRECTORS AND THEIR SPOUSE(S) AND MINOR CHILDREN			
MOHAMMAD NAEEM MUKHTAR	1	2,500	0.0002
MUHAMMAD WASEEM MUKHTAR	1	2,500	0.0002
MIAN IKRAM UL HAQ	1	2,500	0.0002
MUHAMMAD KAMRAN SHEHZAD	1	500	0.0000
ZAFAR IQBAL	1	2,500	0.0002
NAZRAT BASHIR	1	100	0.0000
SUB-TOTAL	6	10,600	0.0009
PARENT, ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES			
IBRAHIM HOLDINGS (PRIVATE) LIMITED	1	1,030,566,368	90.0000
TRUSTEES OF ABL EMPLOYEES SUPERANNUATION (PENSION) FUND A/C	1	10,746,570	0.9385
SUB-TOTAL	2	1,041,312,938	90.9385
EXECUTIVES*	1	10,035	0.0009
EMPLOYEES	232	291,401	0.0254
SUB-TOTAL	233	301,436	0.0263
NIT AND ICP	3	12,776	0.0011
BANKS DEVELOPMENT FINANCIAL INSTITUTIONS, NON-BANKING FINANCIAL INSTITUTIONS	12	6,824,773	0.5960
INSURANCE COMPANIES	5	7,896,014	0.6896
MODARABAS AND MUTUAL FUNDS			
M/S. FIRST TAWAKKAL MODARABA	1	347	0.0000
M/S. MODARABA AL MALI	1	116	0.0000
CDC - TRUSTEE HBL INVESTMENT FUND	1	30,000	0.0026
CDC - TRUSTEE HBL GROWTH FUND	1	61,021	0.0053
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	41,534	0.0036
CDC - TRUSTEE NBP STOCK FUND	1	3,684,011	0.3217
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	1,067,614	0.0932
CDC - TRUSTEE NBP FINANCIAL SECTOR FUND	1	156,315	0.0137
CDC - TRUSTEE ALFALAH FINANCIAL VALUE FUND-II	1	12,000	0.0010
SUB-TOTAL	9	5,052,958	0.4413
GENERAL PUBLIC			
LOCAL	20,369	41,438,266	3.6188
FOREIGN	63	103,323	0.0090
SUB-TOTAL	20,432	41,541,589	3.6279
FOREIGN COMPANIES	1	1	0.0000
OTHERS	140	42,120,745	3.6784
GRAND TOTAL	20,843	1,145,073,830	100.0000

*CEO, all Chiefs and Group Heads are termed as Executives

All the trades in shares carried out by the Sponsors, Directors, Executives, their spouses and minor children reported during the year 2025 are as under:

S. NO.	NAME	DESIGNATION	PURCHASE	SALE
1.	Aamir Arshad	Executive	2,500	2,500

NOTICE OF 80th ANNUAL GENERAL MEETING

Notice is hereby given that 80th Annual General Meeting ("AGM") of Allied Bank Limited ("ABL" or the "Bank") will be held physically as well virtually (through Zoom) on Monday, March 30, 2026 at 11:00 a.m. at Palace Hall, Pearl Continental Hotel, Lahore, Pakistan to transact the following business:

Ordinary Business:

1. To confirm the minutes of Annual General Meeting of Allied Bank Limited held on March 24, 2025

2. To receive, consider and adopt Annual Audited Financial Statements of the Bank (consolidated and unconsolidated) for the year ended December 31, 2025 together with the Auditors' Report, Directors' Report and Chairman's Review Report thereon.

   Financial Statements of ABL are uploaded on corporate website of the Bank and can be downloaded from the following Weblink / QR Code:

   https://www.abl.com/investor-relations/financials/financial-reports/?consumernumber=

3. To consider and approve Final Cash Dividend @ 40% (i.e., Rs. 4.00 per share) as recommended by the Board of Directors. This Final Cash Dividend would be in addition to 120% Interim Cash Dividend (i.e., Rs. 12.00 per share) already paid to the shareholders for the year ended December 31, 2025.

4. To appoint Statutory Auditors of the Bank for the year ending December 31, 2026 and fix their remuneration. The retiring Auditors, M/s. KPMG Taseer Hadi & Co., Chartered Accountants, being eligible has offered themselves for reappointment. The audit firm appointed will hold office till conclusion of the next Annual General Meeting to be held in the year 2027.

Special Business:

5. To consider and approve the Full Scope Review of "Board Remuneration Policy" as recommended by the Board of Directors by passing an Ordinary Resolution.

6. To consider and approve amendments in the Articles of Association of the Bank as recommended by the Board of Directors by passing Special Resolution(s).

   Statement of Material Facts under section 134(3) of the Companies Act, 2017 along with draft resolutions pertaining to the above-mentioned Special Business is annexed to this Notice.

Other Business:

7. To transact any other business with the permission of the Chair.

Date: March 09, 2026
(Lahore)

By Order of the Board
Adeel Javaid
Company Secretary

NOTES:

1. Minutes of Annual General Meeting held on March 24, 2025 can be downloaded from following Weblink / QR Code. The minutes are also available for inspection at registered office of the Bank.

   https://www.abl.com/wp-content/uploads/2026/01/Minutes-of-79th-AGM.pdf

2. Share Transfer Books of the Bank will remain closed from Wednesday, March 18, 2026 to Monday, March 30, 2026 (both days inclusive). Share transfer requests received at Bank's Share Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi before the close of business on Tuesday, March 17, 2026 will be treated in time for the purpose of transfer of shares, for determining entitlement of the dividend, and to attend & vote in the AGM.

3. All members are entitled to attend and vote at the Meeting.

4. A member entitled to attend and vote at the Meeting may appoint another member as a proxy to attend, speak and vote on his/her behalf and the proxy appointed should be a member of Allied Bank Limited.

   A corporate entity, being a member, may authorize through resolution of its Board / Power of Attorney or other governing body, an individual to act as its representative and the individual so authorized shall be entitled to exercise the same powers on behalf of the corporate entity which he represents.

5. CDC Account Holders will follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan ("SECP").

6. Requirements for attending AGM are as below:

   i) In case of individuals, the Account Holder or Sub-account Holder and / or the person whose securities are in group account and their registration details are uploaded as per Central Depository Company of Pakistan Limited ("CDC") Regulations, shall authenticate their identity by showing original valid Computerized National Identity Card ("CNIC") or original Passport at the time of attending the Meeting.

   ii) In case of corporate entity, the resolution of Board of Directors / Power of Attorney with specimen signature of the nominee shall be produced (if not provided earlier) at the time of attending the Meeting.

7. Requirements for appointing proxies are as below:

   i) In case of individuals, the Account Holder or Sub-account Holder and / or the person whose securities are in group account and their registration details are uploaded as per CDC's Regulations, shall submit proxy form.

   ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

NOTICE OF 80th ANNUAL GENERAL MEETING

   iii) Attested copies of valid CNIC or the Passport of the beneficial owners and the proxy shall be furnished with the proxy form.

   iv) The proxy shall produce his / her original CNIC or original Passport at the time of the Meeting.

   v) In case of corporate entity, the resolution of Board of Directors / Power of Attorney with specimen signature shall be produced along with the proxy form of the Company.

8. Proxy Form is being sent to the Members along with Notice of AGM. The form of proxy can also be downloaded from the following weblink / QR Code on Bank's website:

   https://www.abl.com/wp-content/uploads/2026/02/80th-AGM-English-Proxy-Form.pdf

9. The instrument of proxy duly completed and signed as per above mentioned requirements must be deposited at the Registered Office of the Bank i.e., Allied Bank Limited, 3-Tipu Block, New Garden Town, Lahore not less than 48 hours before the start time of the Meeting. In calculating the 48 hours, no account shall be taken of any part of the day that is not a working day.

10. If a member appoints more than one proxy, all such instruments of proxy shall be rendered invalid.

11. Members are requested to immediately notify changes in their registered addresses, if any, to the Bank's Share Registrar before start of the book closure period.

12. As per guidelines issued by SECP, arrangements have also been made by the Bank to facilitate maximum participation of the shareholders in the Meeting through online platform/ facility (i.e., zoom). Those shareholders who are interested to participate in the meeting virtually are requested to forward their following particulars along with snapshot of their valid CNIC (both sides) by March 25, 2026 at WhatsApp # +92 321 9472547 / +92 300 0458140 or email at *Shahbaz.ahmed@abl.com / Farhan.ali2@abl.com:*

Name	CNIC Number (Please attach snapshot of valid CNIC)	Folio Number / CDC Account Number	Cell Number	Email Address

   On receipt of the request, link/credentials to join the meeting through zoom will be sent to the said shareholders on the given email address or through WhatsApp messages.

13. In accordance with the Companies (Postal Ballot) Regulations, 2018, ("Regulations"), the right to vote through electronic voting facility ("e-Voting") and voting by Post ("Postal Ballot") shall be provided to members of the Bank for "Special Business" in the manner and subject to the conditions contained in the Regulations.

As Agenda Item No. 5 & 6 are special business, therefore, facility of e-Voting and Postal Ballot is arranged for the members through Bank's Share Registrar, M/s. CDC Share Registrar Services Limited as per following procedures:

For e-Voting:

i) Detail of e-voting facility will be shared through e-mail with those members of the Bank who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the Register of Members of the Bank by the close of business on March 17, 2026.

ii) The web address, login details, and password, will be communicated to members via email

iii) The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being e-Voting Service Provider).

iv) Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.

v) Members shall cast their vote online at any time from March 27, 2026, 9:00 a.m. to March 29, 2026 at 5:00 p.m.

vi) Once the vote on the resolution is casted by a Member, he/ she shall not be allowed to change it subsequently.

For Voting through Postal Ballot

i) Members may alternatively opt for voting through postal ballot, which has been made available; (a) as attachment to this Notice and (b) on Bank's website link/ QR Code:

   https://www.abl.com/wp-content/uploads/2026/02/Postal-Ballot-Final-for-80th-AGM-2026-scaled.jpg

ii) The members shall ensure that the duly filled and signed ballot paper, along with a copy of legible Computerized National Identity Card (CNIC) and / or Board Resolution should reach the Chairman of the meeting through post at the Bank's registered address i.e., The Chairman, Allied Bank Limited, Mezzanine Floor, 3-Tipu Block, New Garden Town, Lahore, Pakistan, one working day before the date of AGM i.e., Friday, March 27, 2026, during working hours.

iii) The members may also email the scanned copy of duly filled and signed ballot paper along with legible copy of CNIC and / or Board Resolution at *ChairmanAGM@abl.com* as per timeline given above.

iv) The signature on the Ballot Paper should match with signature on the CNIC.

v) In case of foreign members and representatives of a body corporate, corporation and Federal Government, acceptability of other identification documents in lieu of CNIC should be approved by the board of that body corporate /company.

vi) Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot papers will be rejected.

   Please note that in case of any dispute in voting including the casting of more than one vote, the Chairman shall be the deciding authority.

NOTICE OF 80th ANNUAL GENERAL MEETING

FOR SHAREHOLDERS' ATTENTION:

Transmission of Annual Report 2025:

In compliance with the Section 223(6) of Companies Act, 2017 (the "Act") the Bank has transmitted the Annual Report 2025 through email to those shareholders whose email addresses are available with the Bank's Share Registrar. Besides, in accordance with the shareholders' approval accorded in 78th Annual General Meeting held on March 28, 2024, shareholders may scan above mentioned QR Code or click on Weblink for downloading/ reviewing Annual Report 2025 of the Bank. However, the Bank would provide hard copies of the Annual Report to the shareholders on their demand at their registered addresses, free of cost, within one week of such request received. In this regard, a standard request form has been placed on the Bank's website which can be downloaded directly from the link/ QR Code:

https://www.abl.com/wp-content/uploads/2023/04/Request-for-Hard-Copy-of-Annual-Report.pdf

Deposit/Conversion of Physical Shares into Book-Entry Form:

SECP through its letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised listed companies to adhere with the provisions of the Section 72 of the Act, requiring all companies to replace shares issued by them in Physical Form with shares into Book-Entry Form from the date notified by SECP but not exceeding four years from the date of the promulgation of the Act. Therefore, the Shareholders having physical shareholding are requested to open Investor Account directly with CDC or CDC Sub-account with any of the brokers to place their physical shares into book-entry form. It would facilitate the shareholders in many ways including safe custody of shares, no loss of shares, and avoidance of formalities required for the issuance of duplicate shares and readily availability for sale / purchase in stock market at better rates. The Shareholders may contact the Share Registrar and Transfer Agent of the Bank, i.e., CDC Share Registrar Services Limited (address given above) for the conversion of Physical shares into Book-Entry Form.

Mandatory Requirement for Provision of Registration details, IBAN and CNIC (Withholding of Dividend):

In accordance with Section 119 of the Act and Regulation 47 of the Companies Regulations 2024, all physical shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact details (Mobile/ telephone numbers), International Bank Account Number ("IBAN") etc., to our Share Registrar at the above given address immediately to avoid any inconvenience in future.

Further, in compliance with the requirements of the Act and Companies (Distribution of Dividends) Regulations, 2017, the Bank has withheld dividend(s) of those shareholders who have not yet provided their CNIC(s) along with correct and complete bank account details including valid IBAN of their own bank accounts.

In order to receive cash dividend(s) withheld by the Bank, shareholders are requested to contact the Bank's Share Registrar at the below given address or Participant/ Investor Account Services of CDC (as the case may be) along with a legible copy of their respective valid CNIC(s) and provide their complete and correct bank account details including valid IBAN by filling the form available at the Bank's website link/ QR Code:

https://www.abl.com/wp-content/uploads/2026/02/Bank-Mandate-Form.pdf

M/s. CDC Share Registrar Services Limited
CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi
Customer Support Service 0800-23275 (Toll Free) Fax: +92-21-34326053

Deduction of Withholding Tax:

Please note that withholding tax will be deducted on the basis of latest "Active Taxpayers List" (ATL) available at FBR website as per following rates:

1. Persons appearing in Active Taxpayers List (ATL): 15%
2. Persons not appearing in Active Taxpayers List (ATL): 30%

Further, in respect of joint shareholders tax will be deducted as per their respective ratio / share (if any) intimated by the shareholder to the Bank's Share Registrar, otherwise their shareholding will be treated as equal.

Requirement of Valid Tax Exemption Certificate for Claim of Exemption U/S 150 of the Income Tax Ordinance, 2001:

If the entity is available with valid exemption certificate issued u/s 159 of the Income Tax Ordinance, 2001 or has filed a petition against the FBR for acquiring exemption certificate, in any relevant court, a copy of valid exemption certificate or certified true copy of the Stay Order of Honorable Court along with latest court proceedings (if any) would be required latest by Tuesday, March 17, 2026 in lieu of valid exemption certificate for non-deduction of withholding tax. In case of non-availability of valid tax exemption certificate or relevant court order, tax under the relevant sections shall be deducted accordingly.

Zakat Declaration (CZ-50):

Zakat will be deducted from the dividends at source under the Zakat & Usher Laws and will be deposited within the prescribed period with the relevant authority. Please submit your Zakat declarations under the Zakat and Usher Ordinance, 1980 & Rule 4 of the Zakat (Collection and Refund) Rules, 1981, in case you want to claim exemption, with your brokers or the Central Depository Company of Pakistan Limited (in case the shares are held in Book-Entry Form) or to Bank's Share Registrar and Transfer Agent (in case the shares are held in Physical Form) at above mentioned address.

Claiming of Unclaimed / Unpaid Dividends and Share Certificates:

In compliance of Section 244 of the Act, the Bank has already requested through individual letters to shareholders who have not yet claimed their outstanding cash dividends, right and bonus shares. Detail available at following link on Bank's website / QR Code:

https://www.abl.com/investor-relations/shareholder-information/unclaimed-shares-dividends-and-tfcs/

Shareholders are once again requested to lodge their claims for cash dividends, right / bonus shares kept with the Share Registrar and Transfer Agent of the Bank, on the address given above.

Merger of Different Folios into one Folio:

As per Member's Register, some of the shareholders are maintaining more than one folio under the same particulars. Carrying two or more different folios may be hassle for the shareholders to reconcile and receiving different benefits in the shape of dividends / bonus etc. In order to provide better services and convenience such shareholders are requested to send requests to the Bank's Share Registrar to merge their folios into one folio.

Consent for Video Conference Facility:

In accordance with Section 132(2) of the Act, video-link facility for the meeting shall be provided to those members in their residing city, on their request, who hold at least 10% of the total paid up capital of the Bank. To avail this facility, please provide following information and submit to the Share Registrar office (address mentioned above) at least 7 days before meeting date:

I/We _____ of _____ being member of Allied Bank Limited, holder of _____ ordinary share(s) as per Registered Folio / CDC Investor / Participant Account No. _____ hereby opt for video conference facility at _____ (please specify name of the city).

Date _____ Signature of Member _____

Prohibition on Distribution of Gifts

Pursuant to SECP directives issued vide S.R.O. 452(I)/2025 dated March 17, 2025 read with Section 185 of the Companies Act, 2017, shareholders are hereby informed that no gifts, in any form, shall be distributed at or in connection with the general meeting. Shareholders are also advised to observe decorum and meeting etiquette as prescribed in SECP's Guidelines for Professional Conduct in General Meetings.

Statement of Material Facts under Section 134(3) of the Companies Act, 2017

This statement sets out the material facts pertaining to the special businesses to be transacted at the Annual General Meeting of Allied Bank Limited:

Agenda Item 5:

To consider and approve the Full Scope Review of "Board Remuneration Policy" as recommended by the Board of Directors by passing an ordinary resolution.

In line with the requirements of the Corporate Governance Regulatory Framework issued by the State Bank of Pakistan, Board of Directors has recommended full scope review of "Board Remuneration Policy" to shareholders for approval.

Revised version of Board Remuneration Policy of the Bank along with summary of major changes will be available to the members at Company Secretary Office, located at Bank's Registered / Head Office, 3-Tipu Block, New Garden Town, Lahore from March 09, 2026 to March 30, 2026 between 9:30 a.m. to 5:30 p.m. during working days. The documents will also be available for inspection of the members at the time of Annual General Meeting. Summary / Key Highlights of the Policy is also available at the following link on Bank's website/ QR Code:

https://www.abl.com/investor-relations/shareholder-information/shareholder-notices/

In this respect, following Ordinary Resolution is proposed to be adopted by the Shareholders:

"**RESOLVED** that the revised "Board Remuneration Policy" as recommended by the Board of Directors of the Bank be and is hereby approved."

Agenda Item 6:

To consider and approve amendments in the Articles of Association of the Bank as recommended by the Board of Directors by passing Special Resolution(s).

The existing Articles of Association (AOA) of Allied Bank Limited are proposed to be amended that reflects the various legislative changes and requirements brought about by the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations 2019, Companies (Postal Ballot) Regulations 2018 and other applicable rules and regulations.

The amended AOA are being presented to the members for their approval. The comparative table, showing amendments along with updated AOA, is available on Bank's website at the below given link / QR code and physical copy thereof are open for inspection by the members at Company Secretary Office, located at Bank's Registered / Head Office, 3-Tipu Block, New Garden Town, Lahore from March 09, 2026 to March 30, 2026 between 9:30 a.m. to 5:30 p.m. during working days.

https://www.abl.com/wp-content/uploads/2026/02/Comparative-table-along-with-updated-Articles-of-Association-of-the-Bank.pdf

If approved by the members, following Special Resolution(s), with or without modifications, will be adopted to approve the revised Articles of Association of the Bank:

"**RESOLVED** that pursuant to the provisions of Section 38 of the Companies Act 2017, amendments in existing Articles of Association as recommended by the Board of Directors of the Bank be and are hereby approved.

ALSO RESOLVED that existing Articles of Association of the Bank be and are hereby substituted with the new set of updated Articles of Association as laid before the meeting.

FURTHER RESOLVED that Company Secretary be and is hereby authorized to fulfill all requisite legal, regulatory, corporate and procedural formalities for formalizing the amendments in Articles of Association of the Bank."

None of the directors of the Bank have any personal interest in above special business(es), except in their capacity as Shareholder or Directors of the Bank.

This Notice along-with Proxy Form has been sent to all members of the Bank in accordance with Section 134(1) of the Companies Act, 2017.

Allied Bank

Postal Ballot Paper

Ballot Paper for voting through Post for Poll to be held on Monday, March 30, 2026
At 11:00 a.m. at Palace Hall, Pearl Continental Hotel, Lahore, Pakistan

Postal Address: 3-Tipu Block, New Garden Town, Lahore, Pakistan (www.abl.com)
Designated email address of the Chairman at which the duly filled in ballot paper may be sent: **ChairmanAGM@abl.com**

Name of shareholder/joint shareholders	
Registered Address	
Number of shares held and Folio Number	
CNIC Number (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolutions by placing tick (√) mark in the appropriate box below:

Sr. No.	Nature and Description of Resolution	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1	Agenda Item No. 5 Ordinary Resolution: "**RESOLVED** that the revised "Board Remuneration Policy" as recommended by the Board of Directors of the Bank be and is hereby approved."			
2	Agenda Item No. 6 Special Resolution: "**RESOLVED** that pursuant to the provisions of Section 38 of the Companies Act 2017, amendments in existing Articles of Association as recommended by the Board of Directors of the Bank be and are hereby approved. **ALSO RESOLVED** that existing Article of Association of the Bank be and are hereby substituted with the new set of updated Articles of Association as laid before the meeting. **FURTHER RESOLVED** that Company Secretary be and is hereby authorized to fulfill all requisite legal, regulatory, corporate and procedural formalities for formalizing the amendments in Articles of Association of the Bank."			

_____

Signature of shareholder(s) / Proxy Holder / Authorized Signatory

Place: _____

Date: _____

NOTES:

1. Duly filled postal ballot should be sent to Chairman at "The Chairman, Allied Bank Limited, Mezzanine Floor, 3-Tipu Block, New Garden Town, Lahore, Pakistan" or email scan copy of the postal ballot at ChairmanAGM@abl.com
2. Copy of CNIC should be enclosed with the postal ballot form.
3. Postal ballot forms should reach Chairman of the meeting on or before **March 27, 2026** during working hours. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC.
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

Glossary of Financial & Banking Terms

Accrual Basis
Recognizing the effects of transactions and other events when they occur without waiting for receipt or payment of cash or its equivalent.

Automated Teller Machine (ATM)
ATM is an e-banking delivery channel that enables the customers to perform financial transactions 24/7.

Alternate Delivery Channels (ADCs)
ADCs are those access points that expand the reach of banking services beyond the traditional over the counter banking and traditional over the counter banking and includes internet banking, mobile banking, Point of Sale (POS) transactions, ATM, SMS and Phone banking.

Basis point
One hundredth of a per cent i.e. 0.01 percent. 100 basis points is 1 per cent. Used when quoting movements in interest rates or yields on securities.

Bonus Issue (Scrip Issue)
The issue of new shares to existing shareholders in proportion to their shareholdings. It is a process for converting a company's reserves (in whole or part) into issued capital and hence does not involve an infusion of cash.

Cash Equivalents
Short–term highly liquid investments that are readily convertible to known amounts of cash.

Capital Adequacy Ratio
The relationship between capital and risk weighted assets as defined in the framework developed by the State Bank of Pakistan and Basel Committee.

Call Money Rate
Interbank clean (without collateral) lending and borrowing rates are called Call Money Rates.

Common Equity Tier (CET)
Capital CET capital is sum of fully paid share capital, reserves and un-appropriated profit adjusted by regulatory adjustments as specified in Basel III.

Consumer Price Index (CPI)
The CPI measure changes in the cost of buying a representative fixed basket of goods and generally indicates inflation rate in the country. (Source: Pakistan Bureau of Statistics)

Coupon Rate
Coupon rate is interest rate payable on bond's par value at specific regular periods. In PIBs they are paid on bi-annual basis.

Call Deposits
These include short notice and special notice deposits

Current Deposits
Non-remunerative Chequing account deposits wherein withdrawals and deposit of funds can be made frequently by the account holders.

Contingencies
A condition or situation existing at date of Statement of Financial Position where the outcome will be confirmed only by occurrence of one or more future events.

CAGR
An abbreviation for Compound Annual Growth Rate.

Corporate Governance
It is "the system by which companies are directed and controlled" by the Securities and Exchange Commission of Pakistan. It involves regulatory and market mechanisms, which govern the roles and relationships between a company's management, its board, its shareholders and other stakeholders.

Defined Contribution
A post-employment benefit plan under which entity and employee pays fixed contribution into a separate entity (a fund) and will have no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to pay all the employee benefits relating to employee service in the current and prior periods.

Derivatives
A financial instrument or a contract where;

- Its value is dependent upon or derived from one or more underlying assets.
- Requires no or very little initial net investment
- It is settled at a future date.

Defined Benefits
In a defined benefit plan, an employer typically guarantees a worker a specific lifetime annual retirement benefit, based on years of service, final rate of pay, age and other factors. The risks of paying for the plan rest entirely with the plan.

Deferred Taxation
Sum set aside for tax in financial statements that will become payable or receivable in a financial year other than current financial year due to differences in accounting policies and applicable taxation legislations.

Discount rate
Discount is the rate at which SBP provides three-day Repo facility to banks, acting as the lender of last resort.

Effective Tax Rate
Provision for taxation excluding deferred tax divided by the profit before taxation.

Euro-pay, Master-card and Visa (EMV)
EMV is a global standard for cards equipped with computer chips and the technology used to authenticate chip-card transactions.

Finance Lease
Finance lease is the one in which risk and rewards incidental to the ownership of the leased asset is transferred to lessee but not the actual ownership.

Financial Capital
Financial Capital represent shareholder's equity.

Fixed Deposits
Deposits having fixed maturity dates and a rate of return.

Forced Sale Value (FSV)
Forced Sale Value means the value which fully reflects the possibility of price fluctuations and can currently be obtained by selling the mortgaged or pledged assets in a forced or distressed sale conditions.

Forward Exchange Contract
Forward contracts are agreements between two parties to exchange two designated currencies at a specific time in the future.

Gross Domestic Product (GDP)
GDP is a monetary value of all the finished goods and services produced in a country in a specified time period. GDP includes all private and public consumption, government outlays, investments and exports minus imports that occur within a country.

Guarantees
A promise to answer for the payment of some debt, or the performance of some duty, in case of the failure of another person, who is, in the first instance, liable to such payment or performance.

Historical Cost Convention
Recording transactions at the actual value received or paid.

Human Capital
The collective skills, knowledge, and other intangible assets of individuals that can be used to create economic value for our customers.

Impairment
Impairment of an asset is an abrupt decrease of its fair value and measured in accordance with applicable regulations.

Intellectual Capital
Brand value, research and development, innovation capacity, reputation and strategic partnerships.

Interest Rate Swap (IRS)
An Interest Rate Swap (the swap) is a financial contract between two parties exchanging or swapping a stream of interest

Glossary of Financial & Banking Terms

payments for a `Notional Principal' amount on multiple occasions during a specified period. The swap is usually "fixed to floating" or "floating to floating" exchanges of interest rate. As per the contract, on each payment date during the swap period, the cash payments based on difference in fixed or floating or floating and floating rates are exchanged by the parties from one another. The party incurring a negative interest. The party incurring a negative interest rate differential for that leg pays the other counter-party.

Interest Spread
Represents the difference between the average interest rate earned and the average interest rate paid on funds.

Interest in Suspense
Interest suspended on non–performing loans and advances.

KIBOR – (Karachi Interbank Offered Rate)
KIBOR is the interbank lending rate between banks in Pakistan and is used as a benchmark for lending.

LIBOR (London Interbank Offered Rate)
An interest rate at which banks can borrow funds, in marketable size, from other banks in the London interbank market. The LIBOR is fixed on a daily basis by the British Bankers' Association.

Liquid Assets
An asset that can be converted into cash quickly and with minimal impact to the price received.

Market Capitalization
Number of ordinary shares in issue multiplied by the market value of share as at any cutoff date.

Market Treasury bills (MTBs)
MTBs are negotiable debt instrument issued by State Bank of Pakistan on behalf of Government of Pakistan with tenors available in 3 months, 6 months and one year maturities.

Manufactured Capital
It includes business structure and operational processes, including physical, digital and IT Infrastructure, Product and Services that provides the framework and mechanics of how the bank does business and create values.

Materiality
The relative significance of a transaction or an event the omission or misstatement of which could influence the economic decisions of users of financial statements.

Natural Capital
Impact on natural resources through operations and business activities.

Non-Performing Loan
A non-performing loan is a loan that is in default or close to being in default. Loans become non-performing in accordance with provision of prudential regulations issued by SBP.

Non-Performing Loan Substandard Category
Where markupor interest or principal is overdue by 90 days or more from the due date. Non-Performing Loan-Doubtful Category Where markup or interest or principal is overdue by 180 days or more from the due date.

Non-Performing Loan-Loss Category
Where mark-upor interest or principal is overdue by one year or more from the due date and Trade Bill (Import or Export or Inland Bills) are not paid or adjusted within 180 days of the due date.

Nostro Account
An account held with a bank outside Pakistan.

Net Interest Income
The difference between what a bank earns on interest bearing assets such as loans and securities and what it pays on interest bearing liabilities such as deposits, refinance funds and inter–bank borrowings.

Off Balance Sheet Transactions
Transactions that are not recognized as assets or liabilities in the statement of financial position but which give rise to contingencies and commitments.

Organization of the Petroleum Exporting Countries (OPEC)
OPEC is a permanent intergovernmental Organization whose objective is to coordinate and unify petroleum policies among member Countries.

Pakistan Investment Bonds (PIBs)
They are the long term coupon yielding instruments of the Government of Pakistan with tenors available in 3, 5, 10, 15 and 20 years.

Prudence
Inclusion of degree of caution in the exercise of judgment needed in making the estimates required under conditions of uncertainty, so that assets or income are not overstated and liabilities or expenses are not understated.

Risk Weighted Assets
On Balance Sheet assets and the credit equivalent of off Balance Sheet assets multiplied by the relevant risk weighting factors.

Repurchase Agreement
Contract to sell and subsequently repurchase securities at a specified date and price.

Reverse Repurchase Agreement
Transaction involving the purchase of securities by a bank or dealer and resale back to the seller at a future date and specified price.

Related Parties
where one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Revenue Reserve
Reserves set aside for future distribution and investment.

Subsidiary Company
A company is a subsidiary of another company if the parent company holds more than 50% of the nominal value of its equity capital or holds some share in it and controls the composition of its Board of Directors.

Shareholders' Funds
Total of Issued and fully paid share capital and revenue reserves.

Statutory Reserve Funds
A capital reserve created as per the provisions of the Banking Companies Ordinance, 1962.

Social & Relationship Capital
Strong stakeholder relationships, including the communities in which we operate. Building a strong and thriving society as well as financial and digital ecosystem.

YOY
Year on Year (2024 vs 2023)

Glossary – Acronyms

AGM	Annual General Meeting
BCP	Business Continuity Planning
BOD	Board of Directors
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
ERP	Enterprise Resource Planning
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
AFS	Available for Sale
HFT	Held for Trading
HTM	Held to Maturity
FVTPL	Fair Value Through Profit and Loss
FVOCI	Fair Value Through Other Comprehensive Income
FBR	Federal Board of Revenue
KYC	Know Your Customer
MTM	Mark to Market
PACRA	Pakistan Credit Rating Agency

Financial Ratios Formulas

Profit before Tax Ratio	=	Profit before Tax / Interest Income + Non-Interest Income
Gross Spread Ratio	=	Net markup Income / Gross Markup Income
Cost / Income Ratio	=	Operating expenses / Gross Income
Return on Equity	=	Net Income / Shareholder's Equity-CET1
Profit Margin	=	Net Profit / Markup + Non Markup Income
Advances to Deposits Ratio (Net)	=	Loans & Advances (Net) / Deposits
Total Asset to Shareholder Fund (Tier 1)	=	Total Assets / Shareholder's Equity-CET1
NPL Ratio	=	Non-Performing Loans / Gross Advances
Net Infection Ratio	=	Non-performing Loans - Provision on NPL's / Net Advances
Earnings Per Share (EPS)	=	Profit after Tax / Weighted Average Number of Ordinary Shares
Price Earnings Ratio	=	Market value of share at Year End / EPS
Dividend Yield Ratio	=	Annual Dividends per Ordinary Share / Market Price of Share at Year End
Dividend Payout Ratio	=	Dividend per Share / EPS
Dividend Cover Ratio	=	Basic EPS / Annual Total Dividend per Share
Break-up Value per share without Surplus	=	Total Equity - Revaluation Surplus / Total Ordinary Shares Outstanding
Break-up Value per share including Surplus	=	Total Shareholders' Equity / Total Ordinary Shares Outstanding
Capital Adequacy Ratio	=	Tier One Capital + Tier Two Capital / Risk Weighted Assets
Earning Assets to Total Assets Ratio	=	Earning Assets / Total Assets
Net Assets per Share	=	Net Assets / Number of Shares outstanding
Assets Turnover	=	Mark-up Income + Non mark-up Income / Total Assets
Price to Book Ratio	=	Market value of share at Year End Net Assets / No of Shares
NPL Coverage Ratio	=	Provision against NPL's / Non-performing Loans

Form of Proxy

80th Annual General Meeting
Allied Bank Limited

I/We _____ S/o, D/o, W/o _____

resident of _____ being a member of **Allied Bank Limited** and holder of _____

ordinary shares as per Folio/CDC Account No. _____ do hereby appoint Mr./Ms. _____

Folio No./ CDC Account No. _____ having CNIC _____ failing him/her, Mr./Ms. _____

Folio No./ CDC Account No. _____ having CNIC _____ of _____ as my / our proxy and to attend, act and vote on my / our behalf at the 80th Annual General Meeting of the Bank to be held on **Monday**, the **March 30, 2026,** at 11:00 a.m. at **Palace Hall, Pearl Continental Hotel, Lahore, Pakistan** and at any adjournment thereof.

Signed this _____ day of _____ 2026.

AFFIX
Revenue Stamp
of Rs. 50/-

Witness

1. Signature _____
   Name _____
   CNIC# _____
   Address _____

Signature of Member (s) _____
[The signature should agree with the specimen registered with the Company]

Witness

2. Signature _____
   Name _____
   CNIC# _____
   Address _____

NOTES:

1. A member entitled to attend and vote at the Meeting may appoint another member as a proxy to attend, speak and vote on his/her behalf; and the proxy appointed should be a member of Allied Bank Limited.

2. A corporate entity, being a member, may authorize through resolution of its Board / Power of Attorney or other governing body, an individual to act as its representative and the individual so authorized shall be entitled to exercise the same powers on behalf of the corporate entity which he represents.

3. Requirements for appointing proxies are as below:
   i) In case of individuals, the Account Holder or Sub-account Holder and / or the person whose securities are in group account and their registration details are uploaded as per CDC's Regulations, shall submit proxy form.
   ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
   iii) Attested copies of valid CNIC or the Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
   iv) The proxy shall produce his / her original CNIC or original Passport at the time of the Meeting.
   v) In case of corporate entity, the resolution of Board of Directors / Power of Attorney with specimen signature shall be produced along with the proxy form of the Company.

4. The instrument of proxy duly completed and signed as per above mentioned requirements must be deposited at the Registered Office of the Bank i.e., **Allied Bank Limited, 3-Tipu Block, New Garden Town, Lahore** not less than 48 hours before the start time of the Meeting. In calculating the 48 hours, no account shall be taken of any part of the day that is not a working day.

5. If a member appoints more than one proxy, all such instruments of proxy shall be rendered invalid.

6. Members are requested to immediately notify changes in their registered addresses, if any, to the Bank's Share Registrar M/s. CDC Share Registrar Services Limited at **CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi** before start of the book closure period.

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Company Secretary
Allied Bank Limited

Head Office / Registered Office
3 Tipu Block, Main Boulevard
New Garden Town
Lahore – Pakistan.
Postal Code: 54000
Phone: +92 42 35880043
Website: www.abl.com

Allied Bank

پراکسی فارم

80واں سالانہ اجلاسِ عام

الائیڈ بینک لمیٹڈ

میں/ہم _____ ولد/زوجہ _____ ساکن _____

بحیثیت ممبر الائیڈ بینک لمیٹڈ اور ملکیتی _____ عام حصص بمطابق فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر _____ محترم/محترمہ _____

فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر _____ اور قومی شناختی کارڈ نمبر _____ عدم دستیابی کی صورت میں محترم/محترمہ _____

فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر _____ اور قومی شناختی کارڈ نمبر _____ ساکن _____ کو پراکسی مقرر کرتا/کرتی/کرتے ہیں

تا کہ وہ میری/ہماری جگہ میری/ہماری طرف سے بینک کے 80 ویں سالانہ اجلاسِ عام جو مورخہ 30 مارچ، 2026ء بروز پیر، بوقت 11 بجے صبح، بمقام پیلس ہال، پرل کانٹینینٹل ہوٹل، لاہور، پاکستان منعقد ہو رہا ہے میں اور/یا اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے، بات کرے اور رائے دہی استعمال کرے۔

گواہ نمبر 1

دستخط _____

نام _____

کمپیوٹرائزڈ شناختی کارڈ نمبر _____

پتہ _____

میرے دستخط بتاریخ _____ 2026ء

پچاس روپے کا ریونیو سٹیمپ

دستخط نمبر _____

دستخط بینک میں رجسٹرڈ نمونے سے مطابقت رکھنے چاہئیں۔

گواہ نمبر 2

دستخط _____

نام _____

کمپیوٹرائزڈ شناختی کارڈ نمبر _____

پتہ _____

اہم نوٹ:۔

1) اجلاس میں شرکت کرنے، ووٹ دینے کا اہل رکن کسی اور کو اپنی جگہ پراکسی مقرر کرسکتا ہے، جس کو شرکت کرنے، بولنے اور ووٹ دینے کا حق حاصل ہوگا۔ مقرر پراکسی کو الائیڈ بینک لمیٹڈ کا ممبر ہونا چاہیے۔

2) ایک کارپوریٹ ادارہ، رکن ہونے کے ناطے، اپنے بورڈ/پاور آف اٹارنی یا دیگر گورننگ باڈی کی قرارداد کے ذریعے کسی ایک فرد کو اختیار دے سکتا ہے کہ وہ اس کے نمائندے کے طور پر کام کرے اور مجاز فرد کارپوریٹ ادارے کی جانب سے وہی اختیارات استعمال کرنے کا حقدار ہوگا، جس کی وہ نمائندگی کرتا ہے۔

3) پراکسی کے تقرر کے لئے تقاضے درج ذیل ہیں:

۱۔ ایسا فرد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا ایسے شخص کو، جس کے حصص گروپ اکاؤنٹ کی شکل میں ہوں اور ان کی رجسٹریشن کی تفصیلات، CDC کے ضوابط کے مطابق جمع کروائی گئی ہوں، اجلاس میں شرکت کے لئے پراکسی فارم جمع کرانا ہوگا۔

۲۔ پراکسی فارم پر دو گواہوں کے دستخط بمع نام، پتہ اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر ثبت ہونا چاہیے۔

۳۔ پراکسی فارم کے ساتھ نیٹیفیشل آنرز اور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی منسلک ہونا چاہئیں۔

۴۔ اجلاس کے وقت پراکسی کو اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

۵۔ کارپوریٹ ادارے کی صورت میں کمپنی کے پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی بمع اس کے دستخط کے نمونے (Specimen) بھی منسلک ہونا چاہئیں۔

4) مذکورہ بالا تقاضوں کے مطابق مکمل اور دستخط شدہ پراکسی لازمی طور پر بینک کے رجسٹرڈ آفس **الائیڈ بینک لمیٹڈ، 3 ٹیپو بلاک، نیو گارڈن ٹاؤن، لاہور** میں میٹنگ کے آغاز کے وقت سے کم از کم 48 گھنٹے پہلے جمع کرایا جائے۔ واضح رہے کہ 48 گھنٹوں میں چھٹی کا دن شامل نہیں ہوگا۔

5) اگر ایک رکن ایک سے زیادہ پراکسی مقرر کرتا ہے تو پراکسی کی ایسی تمام دستاویزات کالعدم تصور ہوگی۔

6) ممبران سے درخواست ہے کہ وہ اپنے رجسٹرڈ پتہ میں تبدیلی سے متعلق بینک کے شیئر رجسٹرار، میسرز CDC شیئر رجسٹرار سروسز لمیٹڈ، CDC ہاؤس، B-99، بلاک-B، S.M.C.H.S مین شاہراہ فیصل، کراچی، کو فوری طور پر کتب کی بندش سے قبل مطلع کریں۔

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