



THE GROUND BENEATH US

SUSTAINABILITY REPORT 2025



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SUSTAINABILITY JOURNEY

- 2008** Introduction of Environment and Social Risk Assessment (ESRA) in Credit Policy
- 2009** First CSR Policy of the Bank Launched
- 2018** Establishment of the Green Banking Office (GBO) of the Bank
- 2018** Launch of ABL's First Green Banking Policy
- 2023** Establishment of the Sustainability Forum under MANCO
- 2023** Launch of the First Standalone Sustainability Report of the Bank
- 2024** Integration of Environmental and Social Risk Management (ESRM) in Credit Policy and Procedure
- 2024** Approval of the 'Sustainability Framework and Strategic Plan' of the Bank
- 2025** Establishment of Sustainability Committee under the Management Committee
- 2025** Establishment of Sustainability Department headed by Chief Sustainability Officer (CSO)



ABOUT THE REPORT

The Sustainability Report 2025 of Allied Bank Limited (Allied Bank or the Bank or ABL) demonstrates the Bank's commitment to continued transparent reporting of the sustainability-related disclosures of Environmental, Social and Governance (ESG) in accordance with the international and national sustainability reporting standards.

Like the sustainability report of the previous year, the Sustainability Report 2025 of the Bank is aligned with the International Financial Reporting Standards (IFRS) S1 & S2 of the International Sustainability Standards Board (ISSB), Sustainability Accounting Standards Board (SASB) requirements of ISSB, the Global Reporting Initiative (GRI) standards and the ESG Disclosure Guidelines for Listed Companies issued by Securities and Exchange Commission of Pakistan (SECP). The report also describes

ABL's contributions related to the United Nations Sustainable Development Goals (SDGs).

The Bank has adopted the Green Banking Guidelines and Environmental and Social Risk Management (ESRM) Implementation Manual issued by the State Bank of Pakistan (SBP) and the Performance Standards of the International Finance Corporation (IFC) incorporated in ESRM.

In this report, the Bank is reporting its greenhouse gas emissions across Scope 1, Scope 2 and Scope 3 (Business Travel-Air and Employee Commute categories) and a comparison with the benchmark emissions reported in 2024. The emissions are calculated using the Greenhouse Gas Protocol.

This report is structured in accordance with the IFRS

S1 and S2 reporting requirements and is organised into the sections covering General Requirements, Governance, Strategy, Risk Management, and Metrics and Targets, along with separate sections on Environmental and Social topics. Additionally, the report has been mapped to GRI, SECP ESG Disclosure Guidelines, relevant SASB Topic Standards, and the UN Sustainable Development Goals ensuring holistic alignment with global sustainability and disclosure frameworks.

The report reflects the Bank's sustainability related initiatives, impacts and disclosures for the reporting period covering January 01, 2025 to December 31, 2025. A comparison with reporting period 2024 has also been made, where necessary. The report is limited to ABL only and does not include its subsidiaries. To ensure consistency across different

reports, this report is aligned with the information provided in the Bank's annual financial report. This report should be read in conjunction with the Bank's Financial Report for FY 2025 for a full view of performance. The financial and sustainability reports of the Bank are updated and published annually and are available on the Bank's website (www.abl.com). For any queries, contact info@abl.com or call (+92 42) 35880043.

MESSAGE FROM THE CHAIRMAN

Sustainability is not a peripheral concern for Allied Bank - it is woven into the very fabric of our strategic vision. Our commitment to Environmental, Social, and Governance (ESG) principles shapes how we plan, execute, and evaluate every strategy, policy, and activity we undertake. Through our Sustainability Framework and Strategic Plan, we have embedded ESG considerations across our policies, procedures, products, services, and operations - ensuring that value creation for our employees, customers, and society remains central to everything we do.

By embracing ESG practices, Allied Bank has positioned itself at the forefront of environmental stewardship, economic growth, and social progress. We view sustainable practices not as a compliance obligation, but as a long-term investment - one that unlocks opportunity while building lasting value.

We are firmly committed to upholding national and international sustainability standards. This commitment is integral to our broader ambition: to become a dynamic, efficient bank that delivers integrated solutions and stands as the first choice for our customers.

Our robust governance framework has been a cornerstone of the long-term value we create for our stakeholders. We hold ourselves to the highest standards of transparency, accountability, integrity, resilience, and risk management - because we believe that ethical governance is not just good practice; it is the foundation of our sustained success and competitive strength.

Environmental stewardship remains a priority we take seriously. Pakistan has faced the harsh realities of climate change with increasing severity in recent years, and Allied Bank is determined to be part of the solution. We are committed to reducing our own carbon footprint and actively encouraging our customers, borrowers, and partners to join us in building a greener Pakistan. Our ambition to contribute to Net Zero targets - aligned with the Paris Agreement and Pakistan's Nationally Determined Contributions (NDC) - reflects our conviction that financial institutions must lead by example in protecting our planet.

As a responsible corporate citizen, Allied Bank recognises the profound role it plays in the lives of its people and communities. Our policies, products, and initiatives are designed to elevate the social standing of our employees, customers, and the communities we serve. We pursue this through a steadfast commitment to Diversity, Equity and

Inclusion (DEI), women's empowerment, financial literacy, and technological access. Our Corporate Social Responsibility (CSR) program extends this impact further - supporting sports, education, health, general welfare, and green initiatives across the country.

Looking ahead, Allied Bank will continue to pursue sustainable, responsible growth that benefits both people and the planet. We will deepen our focus on climate-friendly energy solutions, circular economy principles, sustainable financing, financial inclusion, and digital transformation. Through strong corporate governance, standardised reporting, and a culture of continuous improvement, we remain resolute in our mission to leave a lasting positive impact — for this generation and those to come.

Mohammad Naeem Mukhtar
Chairman, Board of Directors

MESSAGE FROM THE CEO

The Board's sustainability vision — to embed Environmental, Social, and Governance (ESG) principles as a core strategic imperative rather than a compliance obligation — has been the defining mandate for Allied Bank's management throughout 2025. Translating that vision into measurable, verifiable action has been the central theme of the year: one marked by deliberate focus, institutional discipline, and results we are proud to stand behind. I am pleased to report that all major sustainability targets set for 2025 have been achieved.

Our Sustainability Framework and Strategic Plan continued to serve as the operational blueprint, providing management with a Board-approved structure of goals, focus areas, and short-, medium-, and long-term ESG targets. This report builds on the foundation established in Allied Bank's Sustainability Report 2024 and remains aligned with internationally recognised and nationally mandated frameworks — including IFRS S1 & S2, the Sustainability Accounting Standards Board (SASB), the Global Reporting Initiative (GRI), Securities and Exchange Commission of Pakistan (SECP) guidelines, and the United Nations Sustainable Development Goals (SDGs). This continuity in standardised reporting reflects our commitment to transparency, consistency, and stakeholder accountability — ensuring that our ESG strategies, policies, and performance are communicated with clarity and credibility.

Pakistan's sustained vulnerability to climate-related shocks — from catastrophic flooding to accelerating desertification — makes institutional action on environmental stewardship not a choice, but a responsibility. In 2025, we added 4.16 MW of solar generation capacity, bringing our total installed solar capacity to 6.402 MW across 265 locations nationwide. All newly constructed branches and offices have been equipped with LED lighting and inverter-based air conditioning, while a phased upgrade program is extending energy-efficient infrastructure to older facilities.

We have also deployed an integrated Supervisory Control and Data Acquisition (SCADA) system to monitor and optimize energy consumption in real time, complemented by an IoT-enabled generator fuel monitoring solution that has meaningfully reduced both fuel consumption and associated emissions. Our IT infrastructure has been upgraded to international benchmarks — including a Greenfield Tier-III data center, Energy Star-rated and EPEAT-compliant servers, and energy-efficient cooling and networking equipment — substantially reducing the environmental footprint of our technology operations.

Green financing remains one of the most powerful levers through which Allied Bank supports the broader economy's transition to sustainability. In 2025, we extended Rs. 1,540 million in new green financing for the installation of green projects, bringing total outstanding green financing to Rs. 9,225 million at year-end. These flows directly support Pakistan's alignment with its Nationally Determined Contributions (NDCs) and the global Net Zero trajectory.

Our social agenda is anchored in three interdependent priorities: employee wellbeing, customer service excellence, and community development. Diversity, Equity, and Inclusion (DEI) remain central to our people strategy, with ongoing improvements to policies governing gender equality, fair recruitment, and equitable career development. On the customer front, enhancements to our Customer Relationship Management (CRM) infrastructure have enabled more responsive and seamless service delivery — reflected in a customer complaint resolution rate of 98% in 2025, a testament to the operational maturity of our service quality mechanisms.

Our Corporate Social Responsibility (CSR) program continued to deliver meaningful impact across education, health, sports, science and technology, cultural preservation, and environmental advocacy. Total CSR expenditure in 2025 amounted to Rs. 496 million, of which Rs. 105 million was directed toward Green CSR initiatives. A standout moment of the year was our nationwide tree plantation drive, during which over 150,000 trees and saplings were planted — including a dedicated Mangrove Tree Plantation Drive along the Sindh coastline, carried out in collaboration with WWF Pakistan.

The Allied Karavan — a women-led expedition traversing Abbottabad, Naran, Hunza, Attabad Lake, and Khunjerab Pass — conducted cleanliness drives, climate awareness sessions, and community engagement activities throughout its journey, powerfully embodying our commitment to inclusion, environmental consciousness, and women's leadership. Further activations included a cleanliness drive at Moenjodaro (UNESCO World Heritage Site) and marathon events held in Lahore, Multan, and Islamabad under the theme "Run for a Greener Tomorrow."

Sound governance underpins every dimension of our sustainability agenda. Our governance philosophy is rooted in honesty, integrity, transparency, accountability, and a strong culture of compliance and risk management. In 2025, we completed major policy reviews aligned with our sustainability vision — including the Compliance Policy, CSR Policy, Procurement Policy, and Supplier Code of Conduct — ensuring that governance standards are embedded not only within the institution, but across our extended value chain.

As we move into 2026, our sustainability program will grow in both scope and rigour. We will expand our green financing capacity, accelerate digital transformation to further reduce our operational footprint, strengthen financial inclusion initiatives, and enhance the quality and depth of our ESG disclosures in line with evolving international standards. We remain accountable — to the Board's vision, to our stakeholders' expectations, and to the communities and environment we are privileged to serve.

Aizid Razzaq Gill
Chief Executive Officer



GENERAL REQUIREMENTS

THE BANK

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

The Bank is listed on the Pakistan Stock Exchange Limited. The Bank offers a full suite of banking products and services through a large network of more than 1,500 branches in over 600 cities and towns. The Bank has a vast network of more than 1,600 ATMs across Pakistan. The long-term credit rating of the Bank, assigned by the Pakistan Credit Rating Agency Limited (PACRA), is 'AAA' while the short-term rating of the Bank is 'A1+'. The Corporate Governance Rating of ABL is CGR9++, as assessed by VIS Credit Rating Company Limited.

The Bank is forging new frontiers in creating sustainable value through high standards of corporate governance, digitalisation and superior asset quality, thereby maintaining a robust financial position with stable profitability. The Bank serves its customers (individuals, businesses, governments and institutions) and facilitates their financial objectives through a range of banking products and services. The journey, from its recapitalisation in 2004 to becoming one of the leading banks in Pakistan, is a story of strategic vision, robust management and consistent performance. 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 unwavering commitment to providing digitally led, integrated solutions, supporting the growth of the 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 organisations, including The Banker (Financial Times Group, U.K.), FinanceAsia and Euromoney – a true testament to Allied Bank's achievements.

With a strong foundation and a clear vision for the future, Allied Bank is well-positioned to continue its legacy of excellence and contribute to Pakistan's economic development.

BUSINESS ACTIVITIES, PRODUCTS AND SERVICES

ABL offers a range of Asset and Liability products for the Retail, Commercial, SME and Corporate sectors through its Commercial and Retail Banking, Islamic Banking, Corporate and Investment Banking and Digital Banking groups. The products and services of the Bank are both conventional and Shariah-compliant Islamic Banking. The product range also includes environmentally friendly products, Agri, consumer and specialised products for women, children and senior citizens. ABL also offers home remittance and cash management services.

A tribute to the
Built heritage
of Lahore from
Allied Bank Limited
with utmost
affection



Our Vision

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



Core Values

Integrity

High Performance

Excellence in Service

Innovation and Growth

Memberships and Associations

- Pakistan Banks Association
- Pakistan Business Council
- Management Association of Pakistan
- Pakistan Institute of Corporate Governance – Membership
- Lahore Chamber of Commerce – Custodian of Membership certificate
- Karachi Chamber of Commerce – Custodian of Membership certificate

Ratings

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)

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

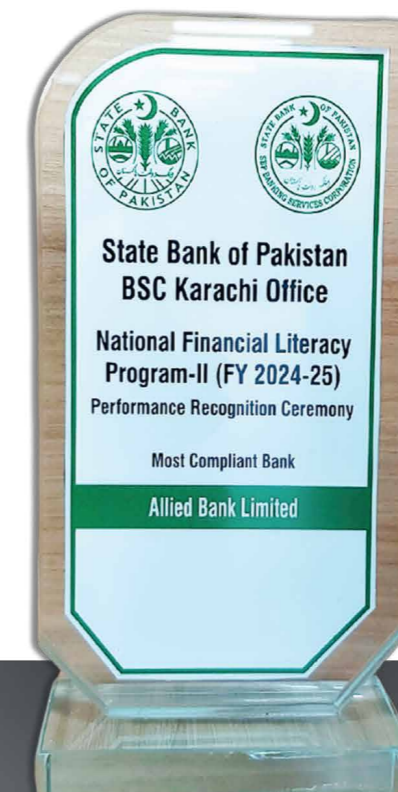
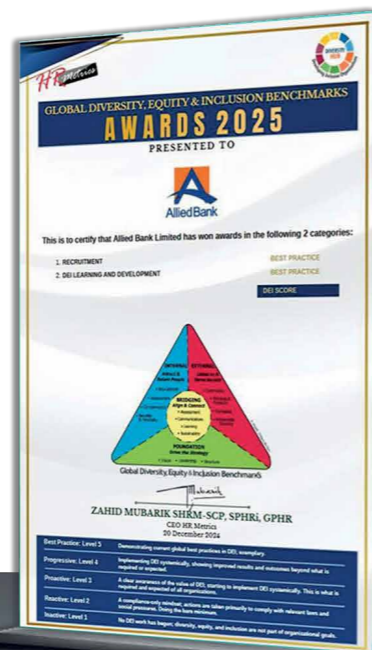
Virtualisation Banking

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

Pakistan Digital Awards

Best CRM Technology Award

Employers' Federation of Pakistan

Women Empowerment and Gender Equality Awards - Diamond Recognition Award 2025



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

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

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

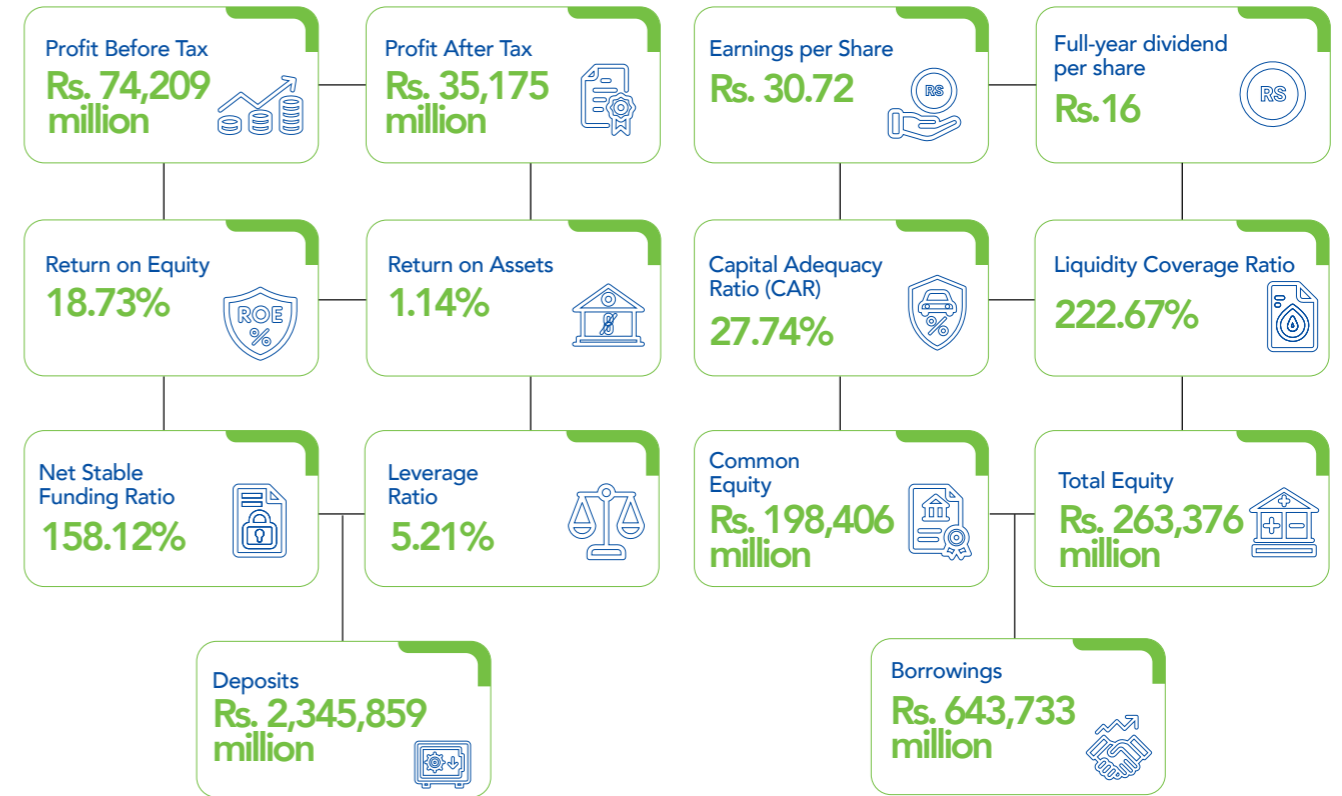
National Forum for Environment & Health (NFEH)

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

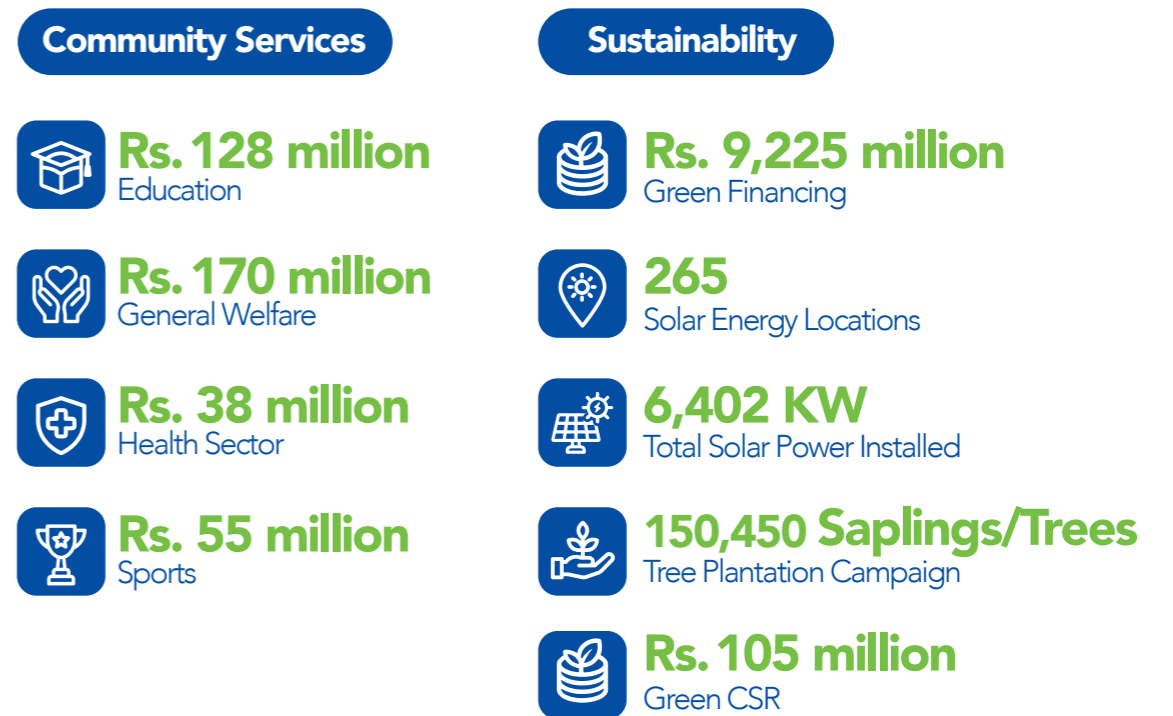
Network Outreach



Key Financial Numbers 2025



Key CSR/Sustainability Numbers 2025



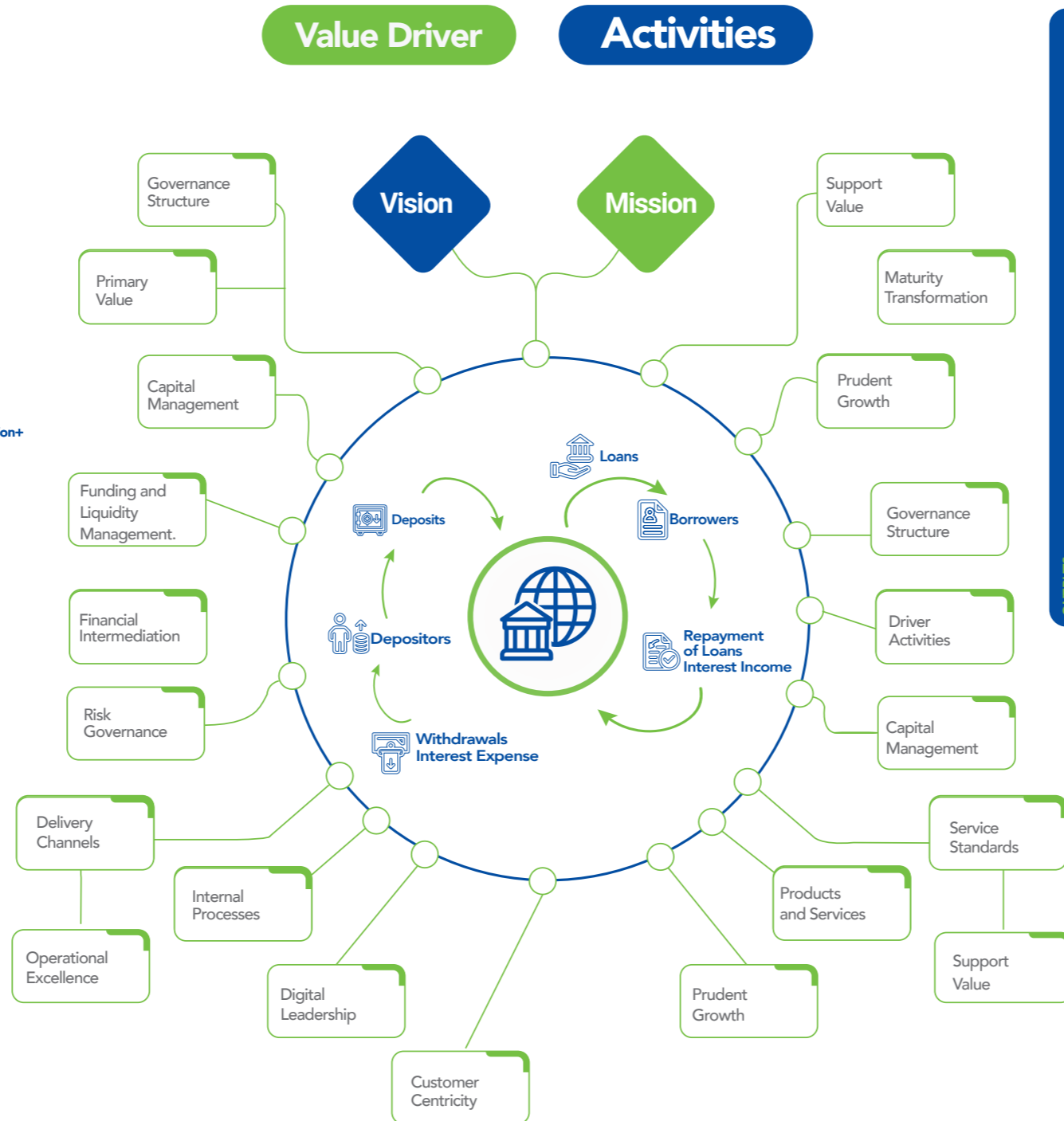
Value Creation Business Model

INPUTS

Financial Capital	<ul style="list-style-type: none"> Common Equity Total Equity Deposits Borrowings 	<ul style="list-style-type: none"> Rs. 198,406 million Rs. 263,376 million Rs. 2,345,859 million Rs. 643.733 million
Manufactured Capital	<ul style="list-style-type: none"> Domestic & Foreign Branches ATM Network Digital Touch points 	<ul style="list-style-type: none"> 1,535 1,674 27
Human Capital	<ul style="list-style-type: none"> Female Employees Male Employees Total Number of Employees State of the Art Management Development Centers Culture of Empathy 	<ul style="list-style-type: none"> 3,288 9,778 13,066 4
Social and Relationship Capital	<ul style="list-style-type: none"> Depositors Obligors Regulators, Pakistan Business Council, PBA, Chambers of Commerce and Industry Community Service (CSR) Strong Social Media Presence Robust Complaint Handling Mechanism 	<ul style="list-style-type: none"> 10.3 million+ 23,000+
Intellectual Capital	<ul style="list-style-type: none"> 10 Year Rolling Strategic Plan Strong IT Infrastructure Robust Risk Management Comprehensive Compliance Management Detailed Policies & Procedures Strong Management Structure-Leadership Teams 	
Natural Capital	<ul style="list-style-type: none"> Solar Locations No. of Inverters Installed Green Banking Initiatives and Products Compliance with Environmental Laws 	<ul style="list-style-type: none"> 265 1,968

OUTCOMES

<ul style="list-style-type: none"> Profit Before Tax Profit After Tax Earnings per Share Full-Year Dividend per Share Return on Equity Return on Assets Capital Adequacy Ratio (CAR) 	<ul style="list-style-type: none"> Rs. 74,209 million Rs. 35,175 million Rs. 30.72 Rs. 16 18.73% 1.14% 27.74% 	Shareholders
<ul style="list-style-type: none"> Asset Growth Deposits Growth Decrease in Non-Performing Loans CASA Mix Customer Onboarding Customer Complaint Resolutions myABL Registered Users myABL amount of transactions No. of Debit Cards issued Digital / Counter Transactions mix Corporate Website Visits Social Media Subscribers 	<ul style="list-style-type: none"> 20% 16% 12.5% 83% 1.5 million 98 % 2.6 million+ Rs. 3.9 million+ 799,805 90:10 9 million+ 7.5 million+ 	Customers
<ul style="list-style-type: none"> Salaries and Benefits Employee Retention Ratio Employees Trained in Service Total Investment in Employee Trainings Team Building Events Amount Spent on Employee Healthcare 	<ul style="list-style-type: none"> Rs. 23,870 million 83% 12,300 Rs. 274 Million 	Employees
<ul style="list-style-type: none"> Long-Term Entity Credit Rating Short-Term Entity Credit Rating Corporate Governance Rating Compliance with All Regulatory Requirements 	<ul style="list-style-type: none"> AAA A1+ CGR 9++ 	Regulators
<ul style="list-style-type: none"> Contribution to National Exchequer Customer Deposit Protection Improving Workplace Environment Environmental Sustainability Tree Plantation Community Services Green CSR 	<ul style="list-style-type: none"> Rs. 92,330 million Rs. 2,150 million Rs. 939 million Rs. 1,013 million 150,450 Rs. 391 million Rs.105 million 	Society



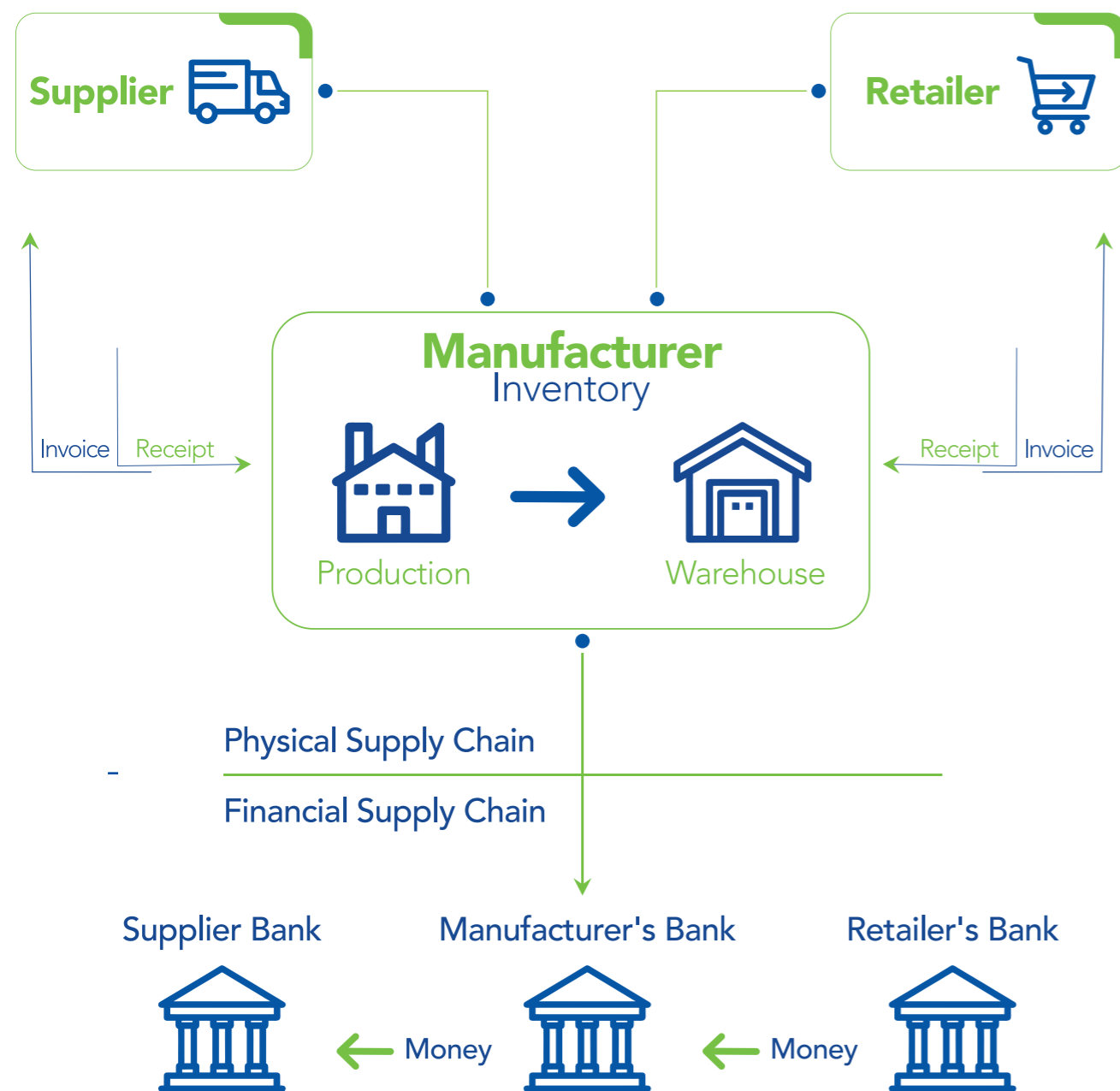
Financial Supply Chain

Allied Bank Limited, being a financial institution, manages money flows in partner supply chain organisations, by developing innovative methods for streamlining their financial distribution networks. The role of the Bank in the value chain is to improve inter-organisational money flows. The Bank provides a set of financial and technological tools to help companies improve working capital management and free up cash trapped in supply chain processes and transactions. Furthermore, the Bank's role as

an intermediary between suppliers and buyers facilitates the strengthening of their ties.

- Suppliers prefer to get money for delivered products or services sooner, while buyers prefer to extend payment terms.

The Bank offers services to improve the financial health of the supply chain by reducing both buyer and seller working capital.



Economic Impact

Allied Bank has been a continuous source of contribution to the overall economic progress of the country. The direct and indirect economic impacts of the Bank include:

- **Economic Growth and Development/ Contribution to GDP:** Facilitated economic growth by channelling funds from depositors to productive sectors for economic development, which is directly linked to the country's GDP, contributing to overall economic output. The Bank's total deposits at the end of the year 2025 were Rs. 2,345,859 million whereas advances were Rs. 789,677 million.
- **Financial Inclusion:** The Bank has played a key role in promoting financial inclusion by introducing the general population of the country to banking products and services for inclusive economic growth. The efforts included financial awareness and new account opening. The Bank has added more than 1.5 million new accounts in 2025. A total of 976,797 new Asaan Accounts were added in 2025.
- **Remittance Services:** The Bank has been instrumental in providing easy and competitive remittance services which play a vital role in improving the economy of the country by providing foreign exchange, improving the balance of payments and reducing the reliance on external borrowing. These services also contribute to financial stability by bringing more funds into the formal banking sector and enabling investments in savings, education, and income-generating assets. For individuals, especially low-income families, remittances serve as a lifeline, supporting their livelihoods, alleviating poverty, and improving per capita income, with formal channels offering a greater multiplier income impact.
- **ESG Implementation:** The Bank is not only relentlessly working for the implementation of Environmental, Social and Governance (ESG) in its internal operations but also striving for improving the ESG of borrower companies so that the country achieves a sustainable economy.
- **Contribution to UN Sustainable Development Goals (SDGs):** The Bank is committed towards achieving the targets assigned under Sustainable Development Goals (SDGs) of the United Nations. 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).
- **Improving the Governance Structure:** The

Bank is adopting the best industry practices to improve the overall governance practices in the country. The Bank adopts a stringent Corporate Governance Framework, robust Risk Management and Compliance structure and other ethical banking practices to meet the national as well as international governance standards.

- **Job Creation:** The Bank has been creating new jobs in the country and providing not only a respectable job to people but also helping to decrease unemployment in the country. In 2025, the Bank employed 2,612 new people. In addition, thousands of people secure employment opportunities in various organisations 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 to upskill staff and spent an amount of PKR 274 million on training. The average training was 85.97 hours served per employee.
- **Contribution to the National Exchequer:** The Bank's contribution to National Exchequer in 2025 includes:
 1. Income & Super Tax Rs. 46,041 million
 2. Withholding Tax as Agent Rs. 43,100 million
 3. Federal Excise Duty and Sales Tax Rs. 2,810 million
 4. Zakat Collection Rs. 379 million
- **Digital Transformation:** Digital transformation is crucial for expanding access to banking services for underserved populations while strengthening business resilience during disruptions and supporting sustainability goals by reducing the carbon footprint. The banking industry has undergone a profound transformation with the adoption of digital technologies driven by customer demand for convenience, speed, and personalised experiences. The Bank has strategically integrated technological advancements including Artificial Intelligence (AI), Generative AI and Blockchain to enhance operational efficiency, improve customer experience, strengthen information security, optimize decision-making, and promote financial inclusion.

Direct Economic Value Generated and Distributed

Revenues (Total income net of markup expenses)	133,556.529 (Rs. in million)
Operating Costs (Operating cost less HR cost, donations, SBP penalty)	42,600.508 (Rs. in million)
Employee Wages & Benefits (HR cost)	23,872.314 (Rs. in million)
Payments to Providers of Capital (Dividend as per Statement of Changes in Equity)	18,321.180 (Rs. in million)
Payments to Government (Taxes, etc.)	39,136.548 (Rs. in million)
Community Investments (Donations, Sponsorships and Green Banking payments)	413.299 (Rs. in million)
Economic Value Distributed (Total of Operating cost, HR cost, Dividend, Govt. and community investments)	124,343.849 (Rs. in million)
Economic Value Retained (Revenue less economic value distributed)	9,212.680 (Rs. in million)

ABL's Approach towards Implementing the IFRS S1 and S2 Requirements

The IFRS sustainability disclosure standards: IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, were issued by the ISSB (International Sustainability Standards Board) in June 2023. The IFRS S1 and S2 standards have evolved from the base work completed by the Task Force on Climate-related Financial Disclosures (TCFD), which was established by the Financial Stability Board (FSB) in 2015 as a strategic response to the growing recognition of climate change as a critical financial risk. The purpose of TCFD was to provide a structured framework for companies and financial institutions to disclose climate-related financial information transparently. The TCFD succeeded in driving the following significant improvements in corporate climate disclosure practices globally:

- Its recommendations set the foundation for standardised, comparable climate-related reporting, paving the way for the development of the ISSB framework, which now incorporates all the TCFD's principles.
- Additionally, the TCFD's influence is evident in the European Union's Corporate Sustainability Reporting Directive (CSRD), which mandates detailed sustainability disclosures for in-scope companies. Together, these frameworks reflect a unified push toward greater transparency and accountability in corporate sustainability reporting, ensuring consistency across jurisdictions and sectors.

The TCFD has officially concluded its work, following the successful integration of its recommendations into the ISSB framework. The principles of TCFD have now been fully incorporated into the IFRS S2 Climate-related Disclosures Standard, ensuring that its legacy continues through a unified global framework. This marked the end of the TCFD as an active task force but solidified its legacy as the foundation for global climate-related financial disclosures. The TCFD was disbanded to streamline and simplify sustainability reporting standards for companies and investors. This transition ensures a single, unified framework for climate-related financial disclosures, reducing complexity and enhancing comparability across jurisdictions and industries. The IFRS S1 and S2 have effectively replaced the TCFD framework.

The IFRS S1 and S2 standards have yet to be fully endorsed by various jurisdictions worldwide. However, owing to SECP's directive on the adoption of IFRS S1 and S2, Allied Bank Limited adheres to the IFRS S1 and S2 standard disclosure requirements. The Bank believes that these

measures will promote more comprehensive, transparent and consistent reporting of sustainability-related financial information, while also enhancing governance and management of sustainability practices.

IFRS S1 outlines the essential requirements for a comprehensive set of sustainability-related financial disclosures that an entity must provide regarding sustainability-related risks and opportunities. It emphasizes the importance of governance, strategy, risk management, metrics and targets related to these risks and opportunities. Such information is deemed essential to enable existing and potential investors, lenders, and other creditors to understand and assess not only the impacts of the reporting entity, but also to estimate the enterprise value of the organisation as well.

Additionally, IFRS S1 is intended to be used in conjunction with IFRS S2, which focuses specifically on climate-related disclosures. According to IFRS S2, companies must disclose information about climate-related risks and opportunities that could reasonably impact their future, including effects on cash flows, access to financing, and the cost of capital in the short, medium, and long term.

Given that the standard is a first-of-its-kind initiative, the Bank has aimed to implement the IFRS S1 and S2 as much as possible in its fundamental structure for the financial year ending 2024 and to integrate them in the best way possible in its strategy and approach towards the management of sustainability-related risks and opportunities, to inform its future strategy and reporting.

The current Sustainability Report 2025 is a continuation of the IFRS disclosure reporting of the Bank and comprises the ESG-related financial disclosures for Allied Bank.

Fair Presentation

The information disclosed within this report corresponds to the Financial Year 2025. While preparing this report, the Bank aimed for:

- A complete depiction of a sustainability-related risk or opportunity is provided, which includes all material information necessary for primary users to understand that risk or opportunity
- A level of clarity appropriate to the nature of the information, with a focus on presenting as clearly as possible, rather than excluding any complex assumptions
- Presented information is free from material error with precise corresponding descriptions
- Reasonable assertions and inputs are used in

developing estimates, based on information of sufficient quality and quantity

- Information on judgements about the future transparently reflects both those judgements and the information on which they are based
- Information is presented to explain the context and the connections between the related items
- In case of commercially sensitive information, which may be related to sustainability-related opportunities, ABL has assessed whether the disclosure of such information may potentially impact its advantage in pursuing the said opportunity

Connected Information

To ensure consistency across different reports published by Allied Bank, the Bank has relied on the same data and assumptions in preparing the sustainability-related financial disclosures as per the reporting boundaries of its financial report for the Financial Year 2025. This includes referencing the same accounting policies, methods, and estimates used in the preparation of the financial statements, as well as the same presentation currency, i.e., Pakistani Rupees (PKR).

Comparative Information

The sustainability-related financial disclosures presented in this report correspond to the same reporting entities and boundaries as those in the corresponding financial statements. Allied Bank is in the process of further enhancing its internal policies and controls in alignment with IFRS S1 and S2 requirements to ensure comparable information across all identified sustainability-related risks and opportunities in the coming years, as well as to cover relevant performance metrics.

Timing and location of Disclosure

The IFRS S1 and S2 disclosures are intended to be read alongside the general-purpose financial statements.

This report is the second voluntary disclosure of the requirements of IFRS S1 and S2. The information presented in this report corresponds to the period covering January 01, 2025 to December 31, 2025. No material sustainability related transactions, other events and conditions occurred after the end of the reporting period, but before the date on which the sustainability related financial disclosures are authorised for issue. The disclosures have been integrated alongside annual financial statements for the Financial Year 2025 in alignment with guidance provided by the IFRS Sustainability Disclosure Standards.

Sources of Reporting Guidance

This report follows the IFRS S1 and S2 requirements for disclosing sustainability-related financial information. As a complementary reference guide, the ISSB has published several industry-specific sections or chapters within the IFRS S2 reporting framework on Climate-Related Disclosures.

Accordingly, Allied Bank has identified the following IFRS S2 volumes that apply to its operations. These are:

- Volume 16 – Commercial Banking
- Volume 18 – Investment Banking and Brokerage

Further, the report aligns with the Global Reporting Initiative (GRI) 2021 Universal Standards and the Sustainability Accounting Standards Board (SASB) standards, as well as the SECP ESG Reporting Guidelines and applicable guidelines from the State Bank of Pakistan (SBP).

Restatements of Information

The Bank reports the following restatements for the Sustainability Report 2024:

1. Scope-3 GHG emissions: The emissions were 15,846 MT CO₂e instead of 10,044 MT CO₂e. This resulted in an increase in total GHG emissions from 47,631 MT CO₂e to 53,433 MT CO₂e and Emission Intensity from 0.3326 to 0.3731 (MT CO₂e) per million rupees net revenue. In the 2024 reporting period, ABL calculated its Scope 3 GHG emissions (under Category 7: Employee Commute) in accordance with the Greenhouse Gas Protocol, applying the distance-based calculation method. During this process, employee residential addresses identified as invalid or resulting in unusually high commuting distances were, as a simplifying assumption, assigned a commuting distance of zero kilometres. For the 2025 reporting period, ABL enhanced its methodology to improve the accuracy and representativeness of reported emissions. A commuting distance threshold of 20 kilometres has been introduced. Commuting distances exceeding this threshold—primarily attributable to previously identified invalid or outlier address data—are no longer assigned a zero value. Instead, such distances are normalised using an average commuting distance derived from valid employee data. This refinement aims to better reflect actual commuting patterns and to strengthen the reliability and consistency of Scope 3 GHG emissions reporting. The same refinement has also been applied to the 2024 GHG emissions data.

2. Defined Benefit Plan Obligations and Other Retirement Plans: The number of employees who participated in the Pension Fund was 1,971 which was erroneously reported as 1,981. ABL ascertains that this change has no material impact on the decision making of the user of this report.

Statement of Compliance

The Bank is aligning its sustainability report with the IFRS Sustainability Disclosure Standards (S1 and S2) as they evolve. The accounting policies have been consistently applied throughout the financial year and in comparative figures. The data is presented in accordance with the same principles used for the Bank's financial statements.

ABL aims to continuously improve its approach to financial materiality and the implementation of IFRS S1 and S2, as well as enhance related disclosures in the years to come.

Materiality Assessment

The Bank conducted a comprehensive update of its double materiality assessment to reflect evolving stakeholder expectations, regulatory developments, and sustainability priorities. The process was designed to identify ESG issues that are material from both impact and financial perspectives, specifically those aligned with the principles of double materiality.

In doing so, the Bank conducted the following activities:

- Assessing the Bank's ESG-related impacts on the environment and society, taking into account both internal operations and external influences.
- Evaluating how ESG factors affect the Bank's business model and value chain, covering financial and non-financial implications.
- Identifying ESG risks and opportunities that could influence the Bank's ability to create enterprise value over the short, medium, and long term, especially those aligned with double materiality.

The process was conducted in accordance with GRI 2: General Requirements, as well as the IFRS S1, and S2 standards, ensuring that the outcomes reflect both stakeholder interests and the Bank's strategic priorities.

ESG Stakeholder Engagement

The Bank's process for engaging with its identified stakeholders involved several key steps; primarily leveraging guidance issued by the GRI, as well as through an evaluation of internationally benchmarked and sectoral best practices, the Bank's relevant stakeholder groups were identified, and then further prioritised on the basis of influence via an internal assessment of each group's perceived economic, social, and environmental impact.

This engagement process has been central and pivotal to the ABL's overall assessment of the materiality mechanism, and has been informed by:

- Evolving regulatory landscapes and disclosure requirements, including those from the ISSB (IFRS S1 and S2), GRI, and other global frameworks.
- Any sector-specific and regional best practices, along with peer benchmarking across the financial services industry.
- The need to integrate emerging ESG themes, including climate-related disclosures, in line with ISSB guidance.

The assessment was conducted through a

2025

survey, which enabled stakeholders to provide valuable input and highlight the significant ESG issues according to their priorities. The Bank's stakeholders were divided into internal and external categories, and outreach was maximised to capture representative feedback, and optimize the engagement activity.

Internal Stakeholders	External Stakeholders
Allied Bank's Board Members	Customers and Consumers (Depositors)
Allied Bank's Shariah Board Members	Customers and Consumers (Borrowers)
Allied Bank's Employees	Government and Regulators

This allowed for a diverse and representative range of perspectives, both internal and external, on ESG risks, opportunities, and strategic relevance.

Material Topics

Based on the stakeholder survey and internal evaluations, the Bank identified the most critical ESG topics for 2025. These reflect both financial materiality (influencing enterprise value) and impact materiality (influencing society and the environment), in line with the principles of double materiality.

Based on this stakeholder engagement, the Bank's internal assessment, as well as in alignment with regulatory expectations and international best practices, these topics have been defined as follows:

ABL's Material Topics	GRI 2021 Material Topics	SECP ESG Disclosure Metrics
ENVIRONMENTAL		
Climate Change	GRI 302: Energy GRI 305: Emissions	<ul style="list-style-type: none"> GHG Emissions Emissions Intensity Energy Usage Energy Intensity Energy Mix Climate Risk Mitigation and Adaptation
Nature and Biodiversity	GRI 304: Biodiversity	----
Water and Effluents	GRI 303: Water and Effluents	<ul style="list-style-type: none"> Water Usage
Waste	GRI 306: Waste	<ul style="list-style-type: none"> Environmental Operations
GOVERNANCE & ECONOMICS		
Sustainable Procurement	GRI 407: Freedom of Association and Collective Bargaining GRI 408: Child Labour GRI 409: Forced or Compulsory Labour GRI 204: Procurement Practices	<ul style="list-style-type: none"> Sustainable Sourcing and Procurement Supplier Code of Conduct
Governance and Oversight	GRI 2: General Requirements	<ul style="list-style-type: none"> Environmental Oversight Environmental Operations Board Diversity Board Independence Board Competence Incentivized Pay External Assurance Sustainability Reporting Disclosure Practices
Financial Health and Inclusion	GRI 201: Economic Performance GRI 203: Indirect Economic Impacts GRI 202: Market Presence	----
Economic Impacts	GRI 201: Economic Performance	----
Prevention of Corruption and Financial Crime	GRI 205: Anti-Corruption	<ul style="list-style-type: none"> Ethics and Anti Corruption
Anti-Competitive Behaviour	GRI 206: Anti-Competitive Behaviour	----
Tax	GRI 207: Tax	----

ABL's Material Topics	GRI 2021 Material Topics	SECP ESG Disclosure Metrics
SOCIAL		
Human Rights	----	<ul style="list-style-type: none"> Human Rights Non - Discrimination
Customer Privacy and Data Security	GRI 418: Customer Privacy	<ul style="list-style-type: none"> Data Privacy
Marketing and Labelling	GRI 417: Marketing and Labelling	<ul style="list-style-type: none"> Marketing
Local Communities/Rights of Indigenous Peoples	GRI 413: Local Communities GRI 411: Rights of Indigenous Peoples	<ul style="list-style-type: none"> Corporate Social Responsibility
Conflict-Affected and High-Risk Areas		----
Non-Discrimination and Equal Opportunity	GRI 405: Diversity and Equal Opportunity GRI 406: Non-Discrimination	<ul style="list-style-type: none"> Gender Diversity Gender Pay Ratio Non - Discrimination
Forced or Compulsory Labour	GRI 409: Forced or Compulsory Labour	<ul style="list-style-type: none"> Child & Forced Labour
Child Labour	GRI 408: Child Labour	<ul style="list-style-type: none"> Child & Forced Labour
Freedom of Association and Collective Bargaining	GRI 407: Freedom of Association and Collective Bargaining	<ul style="list-style-type: none"> Collective Bargaining
Occupational Health and Safety	GRI 403: Occupational Health and Safety	<ul style="list-style-type: none"> Global Health & Safety Injury Rate
Employment	GRI 401: Employment GRI 402: Labour/Management Relations GRI 404: Training and Education	<ul style="list-style-type: none"> Working Conditions Employee Turnover Temporary Worker Ratio Employee Training and Succession Planning
Remuneration and Working Time		
Significant Changes for Workers		
Public Policy	GRI 415: Public Policy	----



GOVERNANCE

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Corporate Governance

At the core of Allied Bank's governance framework is its diverse and inclusive board composition.

The Board of Directors (BoD), comprising eight members, including the Chief Executive Officer, brings together a balanced mix of expertise and perspectives, with female representation ensuring diversity and balance. The inclusion of independent directors highlights the Board's commitment to objectivity and ethical decision-making, while the combination of non-executive and executive directors enhances collaboration and strategic oversight.

The Board is dedicated to achieving the Bank's vision and goals through a holistic, integrated, consultative, and coordinated approach. To enhance governance and oversight, the Board has established five specialised committees, each with well-defined objectives, responsibilities, and tenure. These committees support the Board in key areas, including strategic planning, risk and compliance management, technology, human resources, audit, and internal control.

Transparency and accountability are cornerstones of Allied Bank's governance philosophy. The ABL Board strictly adheres to regulatory requirements, ensuring directors comply with limits on directorships and uphold a comprehensive code of conduct across the organisation. Additionally, the Board proactively communicates its vision, mission, and corporate strategy to ensure alignment and clarity throughout the Bank.

The Board facilitates a robust decision-making process, ensuring that significant policies and strategic initiatives are thoroughly deliberated and aligned with the interests of stakeholders. The Board's commitment to transparency is evident in its remuneration policy, which is based on principles of fairness, equity, and regulatory compliance.

The Board not only approves policies but also ensures their implementation in accordance with laws and regulations. Additionally, the Board and its Committees approve and monitor the Bank's long-term and annual objectives, strategies, and business plans, overseeing that operations are conducted prudently within the framework of laws, regulations, and business ethics.

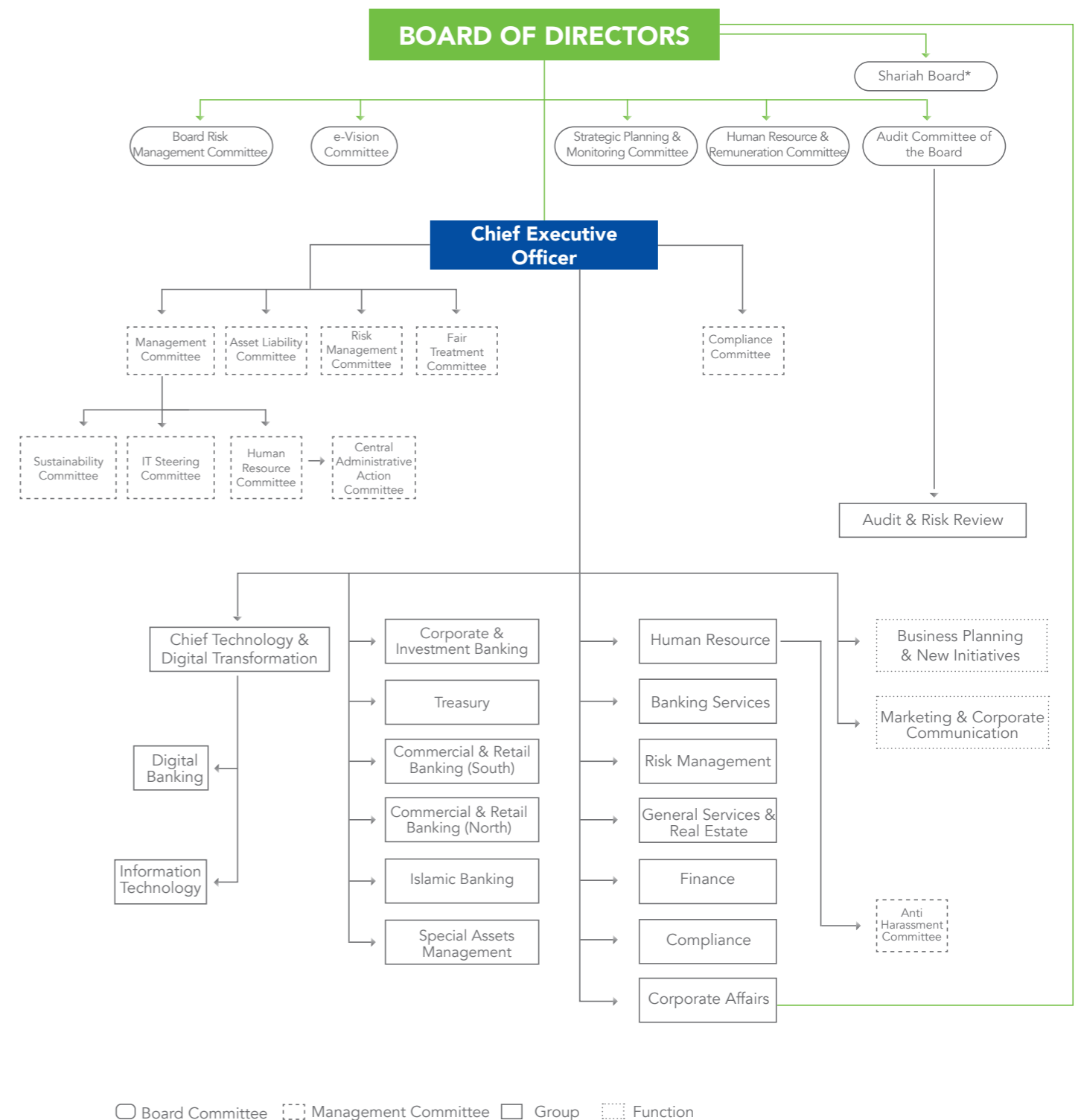
As part of their overarching stewardship responsibility, the Board and its Committees refrain from involvement in the Bank's day-to-day operations, which are the responsibility of management.

The Chief Executive Officer (CEO) plays a crucial role in managing the Bank's day-to-day operations, ensuring that the Board-approved policies are effectively implemented and monitored. The CEO is responsible for all operational, performance, and strategic matters not expressly reserved for the Board. Additionally, the CEO provides leadership to the business and manages overall affairs within the scope of responsibilities delegated by the Board.

The Bank has established a robust internal audit function staffed by qualified and experienced professionals. These individuals possess a deep understanding of the Bank's policies and procedures, ensuring adherence to best governance practices.

The Corporate Governance Section of ABL Annual Report 2025 along with this Sustainability Report 2025, collectively demonstrate the entirety of the Bank's governance structure.

Corporate Structure



* Independent Shariah Board oversees Islamic Banking operations

Board Independence, Diversity and Tenure

- The Board comprises 8 members (6 Male, 2 Female).
- The Board members are elected for 3 years' tenure.
- 3 out of the total 8 Board seats are occupied by independents.
- Out of 5 committees, 3 committees (Audit Committee of the Board, Human Resource & Remuneration Committee and Board Risk Management Committee) are headed by independent directors.
- Each Board committee has representation from Independent Directors.
- All members of the Audit Committee of the Board (ACOB) are Independent Directors.
- The Board has no intervention in management decisions.
- The Chairman of the Board is from among the non-executive members and does not have any role in the day-to-day operations/ business of the Bank.

Casual Vacancy on the Board of Directors: During the year, Mr. Sheikh Mukhtar Ahmad, Non-Executive Director, passed away. To fill the casual vacancy, the Board of Directors appointed Ms. Sarah Naeem as an Executive Director.

The Role of the Board of Directors

The Board of Directors plays a pivotal role in guiding Allied Bank's strategic direction and ensuring adherence to sound governance principles. Through diligent oversight and careful decision-making, the Board is committed to enhancing the Bank's financial performance and fostering its long-term sustainability. By prioritizing ethical conduct and efficiency, the Board safeguards the trust of stakeholders and maintains the Bank's reputation in the financial industry.

All members of the board have a reasonable understanding of local, regional, and global economic and market forces, as well as the legal and regulatory environment. To make informed decisions, board members are aware of all relevant laws, rules, and regulations regarding their powers, duties, and responsibilities.

The Board exercises its powers and carries out its fiduciary duties in compliance with the regulatory requirements and the Articles of Association of

the Bank, exercising objective judgment and independence in the best interests of the Bank and its stakeholders, without becoming involved in the day-to-day management affairs of the Bank. The Board is responsible for implementing and monitoring the effectiveness of corporate governance practices within the Bank. The members of the Board ensure that they maintain high ethical standards in the performance of their responsibilities.

While complying with Corporate Governance practices, it is also the responsibility of the Board to use the "Comply or Explain" approach, except for the requirements explicitly stated as "mandatory", enabling investors to assess different banks' approaches thoughtfully. In particular, it ensures that:

1. A vision and/or mission statement, governance practices and overall corporate strategy for the Bank are developed and adopted. The Vision and/or Mission Statement, as well as the overall strategy for the Bank, would also be reviewed as deemed appropriate by the Board.
2. Significant policies are approved, implemented, reviewed and updated periodically or on a need basis.
3. A formal code of conduct/ethics is in place that promotes ethical culture in the Bank and prevents conflict of interest in their capacity as members of the Board, senior management and other employees.
4. Appropriate steps are taken to disseminate the code of conduct/ethics throughout the Bank, along with supporting policies and procedures.
5. Adequate systems and controls are in place for identification and redressal of grievances arising from unethical practices.
6. A system of sound internal control is established, which is effectively implemented and maintained at all levels within the Bank.
7. A mechanism is put in place for an annual evaluation of the Board, Board Committees and Board Members, including the CEO.
8. To ensure that strategic plans are implemented and business processes are run in accordance with the policies approved by them.
9. Responsibilities of senior management (President/CEO and Key Executives) are clearly defined. They shall ensure that the management

is in the hands of qualified and eligible personnel.

10. A culture of integrity is created throughout the Bank by satisfying itself as to the integrity of the CEO and other senior management position holders.
11. An adequate, reliable, and periodic management information system for ensuring effective oversight, monitoring, and accountability related to adequate AML/CFT/CPF controls are in place.

The Board has a proper monitoring mechanism in place to oversee the implementation of the overall governance framework, with an enhanced emphasis on effective risk oversight. For this purpose, risk management policies are established to ensure effective management of risks. Also, the Board undertakes overall review of business risks to ensure that the management maintains a sound system of risk identification, risk management and related systemic and internal controls to safeguard assets, resources, reputation and interest of the Bank and shareholders, along with transparent disclosure of information to relevant stakeholders.

In addition to the above, the salient features of Board responsibilities are as follows:

Governance

- Observing corporate governance principles and guidelines.
- Establishing appropriate structures and procedures to ensure that the Board functions are independent of the management.
- Ensuring that all new directors receive orientation to understand the role of the Board and its committees.
- Establishing Board Committees and defining their mandates to assist the Board in carrying out its roles and responsibilities.
- Defining the respective roles and responsibilities of the Chairman and the CEO.
- Ensuring the presence of an independent internal audit function.
- Ensuring compliance with reporting and disclosure requirements as well as maintenance of records / statutory registers.
- Ensuring that corporate social responsibility, Green Banking / environmental sustainability initiatives, and other philanthropic activities, including donations, and charities are established and monitored.

Strategic Planning

The Board approves and periodically monitors the objectives, strategies and overall business plans

of the Bank on a long-term and yearly basis and observes that the affairs of the Bank are carried out prudently within the framework of existing laws, regulations and business ethics.

Approval of Financial Statements and Related Party Transactions

- Reviewing and approving the financial statements of the Bank and directors' review/report thereon, on a quarterly, half-yearly, and annual basis. The financial statements shall be laid before the Board after the review and recommendation of ACOB.
- Ensuring that the financial statements of the Bank are prepared in accordance with the applicable accounting standards and regulatory requirements.
- Approving all related party transactions in accordance with the Bank's Accounting, Disclosure & Related Party Transactions Policy, duly approved by the Board of Directors. Interested director(s) not to participate or vote in proceedings of the board for such agenda item(s), and/or their presence shall not be counted for the purpose of forming a quorum at the time of any such discussion or vote.

Policy Framework

- Approving policies and ensuring their implementation as required under the law & regulations. These policies include but not limited to the areas of Governance, Risk Management, Compliance, Credit, Treasury & Investment, Internal Control System and Audit, IT Security, Human Resource/remuneration, Communication (within & outside the Bank), Expenditure, Accounting & Disclosure, Succession Planning and any other operational / emerging areas which the Board and/or the senior management may deem appropriate from time to time.

Internal Controls

- Ensuring that a system of sound internal control exists, which is effectively implemented and maintained at all levels within the Bank.
- Ensuring independence of internal and external auditors such that the internal audit directly reports to the Audit Committee of the Board, which reports to the Board, and that the external auditor interacts with the Audit committee.

Appointment, Evaluation of Management Performance & Succession Planning

- Appointing / removing the CEO in accordance with applicable laws and regulations and deciding his remuneration and other terms of employment.
- Approving the appointment, compensation package (including retirement benefits), promotion/demotion, and renewal of key

executives or delegating the same to HR&RC / ACOB, while remaining under the relevant regulations.

ESG and Sustainability Oversight

- Observing governance and oversight of sustainability risks & opportunities and integration of environmental, social & governance (ESG) principles and Diversity, Equity and Inclusion (DE&I) practices into corporate strategies.
- Ensuring that sustainability and DE&I-related strategies, priorities and targets, as well as performance against these targets, are periodically reviewed and monitored.

Management Information System

- Ensuring the existence of an effective Management Information System to remain fully informed of all key areas/functions and the associated risks.

Others

- Appointing and coordinating with the Shariah Board on Shariah-related matters and strengthen the Shariah compliance framework for Islamic Banking Operations.
- Reviewing the status and implications of any lawsuits, proceedings or any notices received from revenue or regulatory authorities of a material nature.

The Role of Board Committees

To discharge its oversight responsibilities and other roles, the Board has established committees to perform specific tasks as determined by the Board. The Board remains collectively responsible for the decisions and actions taken by any committee. Furthermore, a committee shall not exceed the responsibilities delegated to it by the Board. The Board shall not delegate responsibility to the Committees, which are to be discharged by the Board itself in accordance with the law.

These committees, comprising at least one non-executive director or independent director, shall oversee various areas as determined by the Board.

Each committee has well-defined objectives, responsibilities and tenure. The summarized Terms of Reference (TORs) of each committee are defined as below:

Board Risk Management Committee (BRMC)

The Board Risk Management Committee (BRMC) is responsible for monitoring management's adherence to risk policies, frameworks, and asset product programs, as well as 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, Compliance Committee, Risk Management, and Special Asset Management.

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.

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.

As the Board's Sustainability Committee, it oversees sustainability-related risks, strategies, and initiatives.

Human Resource & Remuneration Committee (HR&RC)

The Human Resource & Remuneration Committee (HR&RC) defines the organisational 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 the Chief Financial Officer and Company Secretary. The Committee oversees training and development budget utilisation and policy implementation.

It nominates executives to the boards of subsidiaries and affiliated 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.

Audit Committee of the Board (ACOB)

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 fulfil 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.

Strategic Planning & Monitoring Committee (SPMC)

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 authorises capital expenditures exceeding Rs. 30 million and donations between Rs. 1 million and 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 between Rs. 1.5 million and 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.

e-Vision Committee

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.

Appointment of Board Members

ABL's Board members have an appropriate mix of core competencies, diversity, requisite skills, knowledge, experience, maturity and gender diversification relevant to the Bank's operations. To promote gender diversification, the Board filled the casual vacancy by inducting a female director which represents the presence of women in leadership and enhanced social responsibility. The Board has nominated a female director, Ms. Nazrat Bashir, as Chairman of Board Risk Management Committee (BRMC). The Board is cognizant of all relevant laws, rules and regulations regarding their powers, duties and responsibilities.

Directors are elected by the shareholders in the general meeting of the Bank, for a period of three years, as per the applicable laws and regulations. Any casual vacancies arising on the Board are filled by the Board of Directors in line with the Bank's Articles of Association and in compliance with applicable laws and regulations. New directors have to clear the Fit and Proper Test (FPT) of SBP before taking charge of office.

An internal prior-assessment of existing as well as potential candidates is conducted by the Bank. Further, candidates who have declared themselves as independent directors, comply with the regulatory requirements and are also part of the database for

independent directors established by any institution body or association authorised by the Securities and Exchange Commission of Pakistan (SECP) for this purpose.

Board Remuneration

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/Executive Director) 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.

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, no fee is paid for the proposals considered through circulation.
- 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.

Remuneration of CEO and Executive Director(s), being employee(s) of the Bank, is determined as per the Human Resource Policy of the Bank.

Performance Evaluation of the Board

Performance evaluation of Board of Directors, Committees, 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 the Board of Directors. Subsequently, SBP, issued detailed Guidelines on Performance Evaluation of the Board of Directors. According to these Guidelines, the Board decided to adopt an in-house approach with quantitative techniques and evaluation by an external independent evaluator every three years.

The Bank uses the SBP criteria for in-house annual performance evaluations of the Overall Board of Directors, the Chairman, Board Members, Board Committees and the CEO.

The following are the main attributes of the performance evaluation criteria:

Category	Particular
Overall Board of Directors	<ul style="list-style-type: none"> • Responsibilities • Composition • Structure and Committees • Working Procedures • Duties and Liabilities
Chairman	<ul style="list-style-type: none"> • Effective Leadership • Relationship with other Members, Management, and shareholders • Conflict Resolution • Promoting constructive debate and effective participation in decision making • Shareholders' confidence in the Board
Members of the Board	<ul style="list-style-type: none"> • Attendance at the Meetings • Contribution at Board / Committee Meetings • Commitment to the Bank • Relationship with other Members and Management • Integrity and Confidentiality
Board Committees	<ul style="list-style-type: none"> • Size, Structure and Skillset of Committees • Performance against Terms of Reference • Frequency of Committee Meetings • Open communication and meaningful participation of Members
CEO	<ul style="list-style-type: none"> • Performance against Financial / Business Targets set by the Board • Leadership Qualities • Communication with Stakeholders

According to the SBP Corporate Governance Regulatory Framework (G-13) and guidelines on performance evaluation of the Board of Directors, the Bank carries out an external independent evaluation once every three years. In 2025, the in-house approach with quantitative techniques was

adopted. Consolidated results of Board Evaluation Process along with Performance Report and an actionable plan were placed before the Board of Directors for review and consideration in its 279th meeting held on February 17, 2026.

An external evaluation is being carried out once 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.

Board Skills and Training

The Bank arranges training for its directors to ensure ongoing professional growth and development.

Directors' Orientation Program

The Bank has put in place a formal procedure to make appropriate arrangements to orient incoming 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 the financial sector and economic environment of the country.

Directors' Training Program of SECP

All the Members of the Board of Directors are required to attend the 'Directors' Training Program as provided in the 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. The Board of Directors is fully compliant with the Directors' training requirements as outlined in the regulations.

Other Trainings

In 2025, a special session was arranged for the Board Members on Environmental, Social, and Governance (ESG) Framework and the transition

Communication of Critical Concerns

The critical concerns are reported to the highest governing body (BoD) through its committees. The following critical concerns and the corrective actions taken were reported to the BoD in 2025.

Critical Concerns	Corrective Actions
<ul style="list-style-type: none"> • Forgery (Payment through Duplicate Instruments) • Misappropriation of assets /Funds, Pocketing, Parallel Banking 	<ul style="list-style-type: none"> • Referred to the concerned investigation agencies. • Instructions issued for Mandatory Call Back Confirmation Against Payment of Allied Banker's Cheque through Circular No. P/INST-2025/254 September 16, 2025 and Fake and Fabricated Instruments Circular No. P/INST-2025/322 December 03, 2025. • Took appropriate actions against the identified responsible officials in accordance with the Bank's rules and regulations.

of ABL into a low-carbon, climate-resilient bank in collaboration with stakeholders along with understanding of the regulatory, environmental and social impact of ESG activities.

Managing Conflict of Interest

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 to transparent disclosure, management and constant monitoring of potential conflicts of interest to ensure that no undue benefit is passed on. The Board of Directors recognises 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. Following key areas are catered to avoid conflict of interest:

- Disclosure of Interest by Director
- Abidance of Laws and Rules
- Integrity
- Confidentiality
- Professionalism
- Business/Work Ethics
- Conflict of Interest
- Insider Trading
- Role towards Shareholders and Other Stakeholders

Sustainability Governance

The Bank upholds the highest standards of governance while championing sustainability and ESG principles. By cultivating a culture of transparency, accountability, and stakeholder engagement, the Bank not only complies with regulatory requirements but also drives long-term value creation for shareholders and society.

Sustainability is embedded in the Bank's business ethos. Its approach to sustainability is reflected in how capital is raised, internal operations are managed, financial products are deployed, and the Bank's engagement with the economies and societies in which it operates. The Bank adapts to evolving market conditions within sustainability, while remaining true to its core principles.

As the custodian of corporate stewardship, the Board sets a notable example for the financial industry and beyond, demonstrating that governance and sustainability are inherently linked with pillars of organisational success. The commitment to sustainability is made possible through a governance model that creates a positive impact while generating value for shareholders.

The overall sustainability governance structure highlights the roles of the Board and Management and their contribution to the Bank's sustainability-related decision-making and control process.

The Bank's governance structure ensures adequate oversight across a diverse range of sustainability considerations in the value chain and ensures accountability for implementing strategies to manage emerging sustainability-related risks and opportunities.

Integration of Three Lines of Defense for Sustainability

A vital element of the governance framework for sustainability and climate-related risks is the Three Lines of Defense risk management model, which oversees the sustainability and climate risk lifecycle, reinforcing governance and critical assessment of sustainability and climate-related risks and opportunities.

First Line of Defense

The business groups serve as the first line of defense in managing sustainability and climate-related risks and opportunities. The business groups consist of the primary client contacts who lead transactions and manage client relationships. They are responsible for ensuring compliance with relevant

policies and guidelines, which include obtaining necessary approvals, conducting appropriate analysis, maintaining documentation and following all applicable processes for transactions and clients covered by the ESRM and climate risk frameworks.

Second Line of Defense

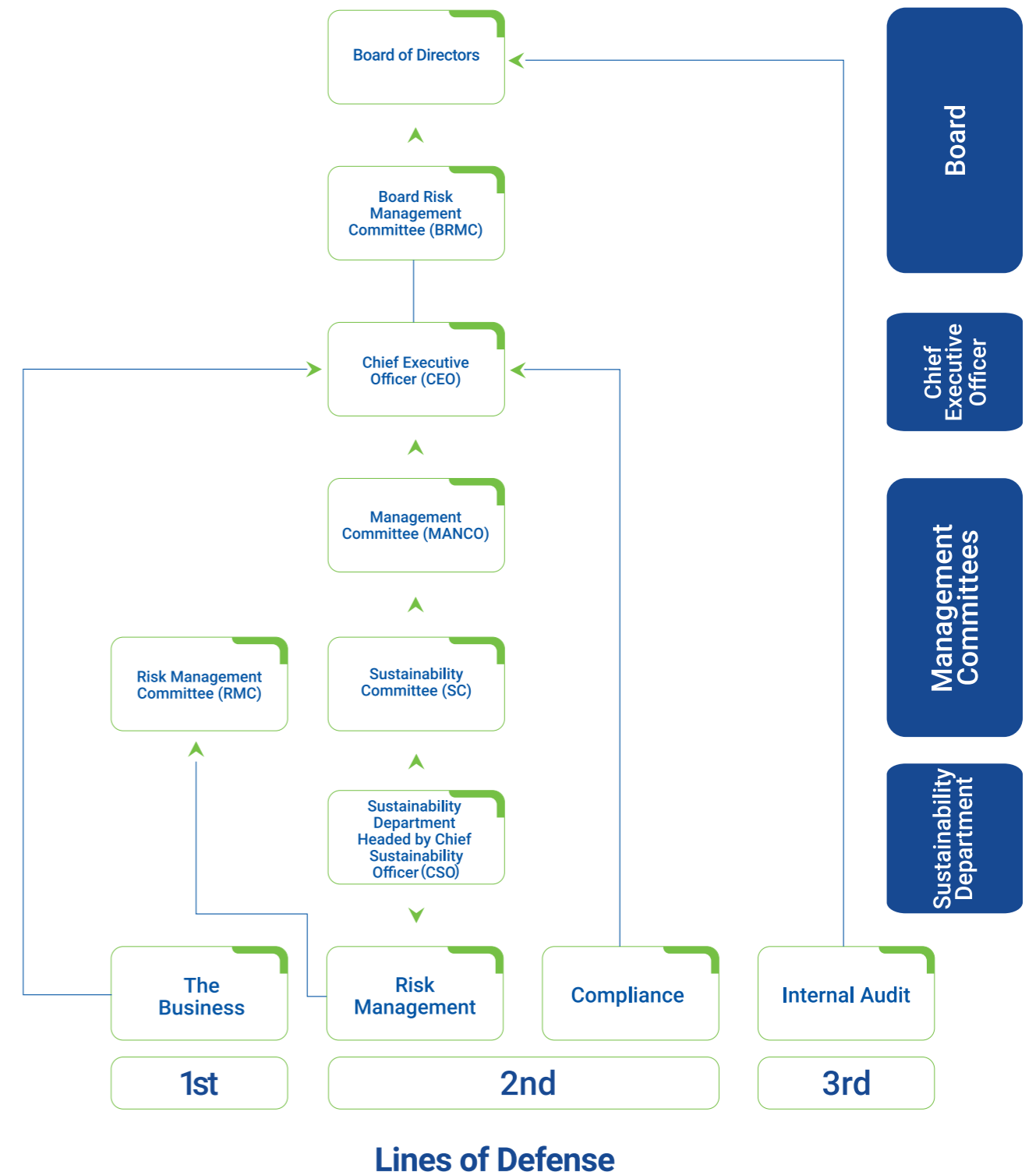
The Bank's Risk Management function oversees various aspects of risk across the Bank's diverse fields of banking. The Risk Management team collaborates with the Sustainability Department to ensure the timely monitoring and evaluation of climate-related risks and opportunities across the Bank's credit activities. The Sustainability Department provides inputs to the Chief Risk Officer. The risk team conducts climate-related stress testing and calculates financed emissions while also supporting the Bank's ESG agenda.

The Compliance function of the Bank ensures that the Bank's practices, policies, and disclosures meet ethical standards and adhere to the sustainability requirements. The Compliance Policy of the Bank provides clear and consistent compliance directives to all the stakeholders. The Compliance Policy promotes the safety and soundness of the Bank, through management of compliance risk and to integrate sustainability principles into the Bank's operations and business activities. The Bank ensures compliance with all applicable laws, rules, regulations and standards pertaining to prevention of Money Laundering, Financing of Terrorism and Proliferation Financing including adherence of Customer Due Diligence (CDD) procedures, SBP AML/CFT/CPF Regulations, relevant SECP regulations, Code of Corporate Governance, Sanctions imposed by United Nations Security Council (UNSC), other applicable local and international regulatory directives, and ethical standards for code of conduct.

Third Line of Defense

The Audit & Risk Review group (A&RRG) is responsible for providing independent assurance on the quality, effectiveness and adequacy of the Bank's governance, risk management and control environment including the working of 1st & 2nd lines of defense to achieve risk management and control objectives. The A&RRG is responsible for conducting independent reviews of the implementation of all the policies, procedures, strategies and guidelines of the Bank including related to sustainability matters.

Sustainability Governance



The Role of Board of Directors (BoD) in Sustainability

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. The following sustainability related matters are part of the overall responsibilities of the BoD:

- Observing governance and oversight of sustainability risks & opportunities and integration of environmental, social & governance (ESG) principles and Diversity, Equity and Inclusion (DE&I) practices into corporate strategies.
- Ensuring compliance with relevant laws about sustainability, ESG, DE&I and its appropriate disclosures.
- Defining and implementing long-term sustainability strategies and targets to increase corporate value.
- Ensuring execution of policies that encourage gender equality, diversity and active female participation across the Board, Management and workforce.
- Addressing sustainability-related risks and opportunities, including climate change, in business decisions.
- Establishing a dedicated Committee or assigning responsibilities to an existing Committee having at least one female director to focus on sustainability risks & opportunities and encourage diversity.
- Ensuring that sustainability and DE&I-related strategies, priorities and targets, as well as performance against these targets, are periodically reviewed and monitored.
- Reviewing the report, at least once a year, on embedding sustainability principles into the Bank's strategy and operations to increase corporate value.

The Role of Board Risk Management Committee (BRMC)

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. Moreover, BRMC reviews and recommends to the Board of Directors the 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 its meetings regularly, as well as its performance reports annually.

The Role of Bank's Management Committees

Management Committee (MANCO)

The Management Committee (MANCO) oversees the implementation of the sustainability activities of the Bank.

MANCO is a committee consisting of ABL's Chiefs of all the functions and headed by the CEO. MANCO is mandated to provide strategic direction, prioritise, and monitor key initiatives and major projects and declare any project as a Major Project within policy. In addition, MANCO makes recommendations to the Board of Directors and/or Board Committees on infrastructure and resource requirements for key initiatives, major projects and on the Bank-wide cybersecurity strategy. The Committee reviews the Bank's Corporate Social Responsibility (CSR) Policy and its Budgeted Plan and activities periodically and submits its annual report to the Board of Directors. MANCO is also tasked with creating gender perspective in the Bank through the inclusion of this gender perspective in relevant documentation and overseeing its implementation on a Bank-wide basis, and reviewing and monitoring the Sustainability (Environmental, Social, and Governance- ESG) related initiatives of the Bank through the Sustainability Committee.

Sustainability Committee

A Sustainability Committee has been established by the Management Committee (MANCO) of ABL. The Sustainability Committee, a cross-functional team, comprises ABL's Chiefs of Risk Management, Human Resource, Corporate and Investment Banking, General Services & Real Estate, Finance, Banking Services, and Corporate Affairs groups. The Chief Sustainability Officer (CSO) of the Bank is also a member of the committee. The Sustainability Committee is tasked to:

1. Oversee and ensure that all the activities related to sustainability as per the Bank's Environmental, Social and Governance (ESG) framework are being implemented.
2. Monitor and guide the Sustainability Department of the Bank for implementing the Bank's Sustainability Framework and Strategic Plan (SF&SP) and make recommendations to MANCO and BRMC on improving the SF&SP to achieve overall sustainability of the Bank.
3. Monitor and ensure compliance of sustainability related regulations, standards and applicable laws.
4. Ensure coordination of various functions/ departments of the Bank for collection of information and data and form need-based cross functional working groups to implement

ESG-related initiatives in the Bank and monitor progress of the same.

5. Ensure training for updating the skills of the Bank's personnel and awareness of its stakeholders in understanding the latest trends in sustainability.
6. Oversee and recommend the sustainability reports and disclosures, ensuring accuracy, materiality, and alignment with regulatory frameworks.

Risk Management Committee (RMC)

The RMC, a management committee chaired by the Chief Risk Officer (CRO), provides comprehensive oversight of risk across the Bank's activities, ensuring that risk exposures for all types of risks remain within the overall risk acceptance criteria. The committee also oversees and monitors the performance of the Bank's credit portfolio, offering guidance through modified credit strategies. The RMC reviews and recommends the approval of risk-related policy documents to the Board Risk Management Committee, including the Risk Scorecard and methodology. It acts on any escalations related to breaches or exceptions to the risks, ensuring that risk management remains a priority in the Bank's operations. RMC also reviews and monitors the Environmental and Social Risk of the Bank's credit portfolio.

The RMC keeps the CEO and Board informed with regular updates on all risk-related issues, including both financial and non-financial risks. Additionally, the RMC ensures that risks are transparently and accurately reported to stakeholders through continuous monitoring and reporting.

Role of the Sustainability Department

ABL's Green Banking Office (GBO) was established in 2018 to oversee the implementation of the Green Banking Policy. A dedicated Green Banking Team was appointed within the GBO. This dedicated team is part of the Technical Appraisal Group at the Bank, which holds a unique position in Pakistan's banking industry. The Technical Appraisal Group is a team of industry experts and engineers from various fields, including environmental specialists. The team regularly conducts site visits to the facilities of borrowers in the Bank's portfolio to evaluate their environmental and social risks.

The Bank has established a Sustainability Department, a dedicated team, headed by the Chief Sustainability Officer (CSO), for managing various aspects of sustainability. The GBO has been made part of the Sustainability Department. The sustainability department plays a crucial role in institutionalising the sustainability agenda and integrating sustainability across the Bank. The

Sustainability Department is responsible for outlining the ESG strategies and policies, ensuring effective governance through monitoring of the regulations and providing periodic updates to the management and the Board. Updates and developments to the sustainability-related strategies and policies are proposed by the Sustainability Department, in collaboration with other departments, and are submitted by the CSO to management and ultimately approved by the Board.

The sustainability department is responsible for implementing the ESG strategy, monitoring sustainability and climate-related risks and opportunities that affect the Bank, including regulatory changes. Management of the Environmental and Social (E&S) risk of Bank's credit portfolio is among the responsibilities of the department. The department is also responsible for the day-to-day collation, monitoring and tracking of the Bank's sustainability-related targets and metrics, including Scope 1, Scope 2 and Scope 3 emissions. The department ensures that reporting requirements are met in line with global frameworks, while adhering to local reporting guidelines, and relevant updates are shared with rating agencies.



LAHORE MARATHON

Lahore's Spirit, Proven on the Pavement

Beyond Corporate Governance

Compliance

ABL is committed to following regulatory requirements, codes of conduct, and best practices to promote sustainability. The Bank ensures compliance with all laws, rules, regulations, and standards pertaining to the prevention of Money Laundering, Financing of Terrorism & Proliferation Financing, including adherence to Customer Due Diligence (CDD) procedures, Prudential Regulations of the State Bank of Pakistan, relevant SECP regulations, the Code of Corporate Governance, sanctions imposed by the United Nations Security Council (UNSC), and other applicable local and international regulatory directives, as well as ethical standards for the code of conduct.

The Compliance Policy of the Bank provides broad guidelines regarding the Bank's overall approach to Compliance Risk (including Shariah non-compliance), Customer Due Diligence/Anti-Money Laundering/Countering the Financing of Terrorism/Countering Proliferation Financing/Trade-Based Money Laundering (CDD/AML/CFT/CPF/TBML), Internal Controls, and international compliance. The policy defines the roles and responsibilities of the Board of Directors (BoD) and management pertaining to compliance risk management.

The Bank's compliance risk strategy is to identify, assess, monitor, and mitigate compliance risks. The risk appetite for non-compliance with legal and regulatory requirements is zero.

Policy Commitments

The Bank has established well-defined procedures for the development, review, and approval of its policies and procedures related to responsible business conduct.

These documents are formally reviewed and approved by relevant management committees and, where required, by the Board of Directors. Once approved, the dissemination and implementation responsibilities are clearly assigned across the organisation.

The Bank integrates its responsible business conduct commitments into its strategic planning processes and operational frameworks. This includes embedding ethical conduct, compliance with applicable laws, human rights, anti-corruption, environmental sustainability, and social responsibility into key policy documents. The Bank's policies/documents regarding sustainable conduct, approved by the BoD, include Green Banking Policy, Whistleblowing Policy, Compliance Policy, Human Resource Policy, Anti-Harassment Policy, Gender Mainstreaming Policy, Corporate Governance

Framework, Policy for Persons with different abilities (PWDs), Corporate Social Responsibility (CSR) Policy, Information Security Policy, Procurement Policy, Service Quality Policy, Policy on Sale/Distribution of third-party Products, Financial Consumer Protection Framework, etc.

Operational procedures and day-to-day business processes are aligned to reflect these commitments. Responsibility for implementing policy commitments is allocated according to the structure and nature of the respective departments. Senior management ensures strategic alignment, while middle management is responsible for operationalising these commitments within their functions. Specific roles and responsibilities are defined in internal documents to ensure accountability at each level. Relevant groups have well-defined responsibilities for monitoring and enforcing these commitments.

To promote responsible business conduct throughout its value chain, the Bank includes relevant clauses in agreements with external parties. Service providers, vendors, and third-party partners are informed of the Bank's policy commitments through contractual obligations, including within Service Level Agreements (SLAs). These clauses require adherence to ethical standards, regulatory compliance, and respect for human rights, ensuring that third parties align with the Bank's expectations and values.

The Bank provides regular training to its employees to promote awareness and understanding of its commitments to responsible business conduct.

These training programs are tailored to various roles and responsibilities and include onboarding sessions, refresher courses, and targeted training on specific topics such as (CDD/AML/CFT/CPF/TBML), data privacy, sustainability (Environmental, Social, and Governance) principles, and ethical conduct. Additional guidance is also provided to relevant stakeholders, including vendors and service providers, where necessary.

International Compliance

The Bank strongly believes in playing its role in international commitments for transparent financial transactions through compliance with Financial Action Task Force (FATF) recommendations, Correspondent banking guidelines, the Foreign Account Tax Compliance Act (FATCA), Combating Financing of Terrorism (CFT), the Common Reporting Standards (CRS) Rules and Trade Based Money

Laundering (TBML).

The AML/CFT/CPF policy is a part of the overall Compliance Policy of the Bank to meet the requirements of the AML Act, as well as SBP's AML/CFT/CPF Regulations and AML/CFT Risk-Based Approach Guidelines. The Bank is required to adopt a risk-based approach to prevent the possible use of the Bank as a conduit for money laundering or terrorist financing activities. The policy includes, among other things, CDD measures, record retention, correspondent banking, handling wire transfers/fund transfers, detection of unusual/suspicious transactions, and regulatory reporting.

While establishing a relationship with a customer, the Bank has implemented an appropriate identification method for verifying the customer's identity, the existence of the entity, and its beneficial owner(s).

The Bank does not provide any banking services to any proscribed/designated individual/entity or its associates, such as their beneficial owners, directors, members, trustees, and authorised signatories, or entities owned/controlled directly or indirectly by them.

The Bank has developed and implemented effective systems and controls to prevent the use of its products and services for Money Laundering and Financing of Terrorism/ Proliferation Financing. Monitoring procedures have also been established to mitigate the risk of being exploited as a channel for illegal transactions arising from money laundering, terrorist/proliferation financing, and any other predicate crime activity. The Bank has also implemented automated solutions for name screening against global as well as local sanctions lists including but not limited to the Office of Foreign Assets Control (OFAC) sanction list, United Nations Security Council (UNSC) & National Counter Terrorism Authority (NACTA) lists, European Union (EU) lists, and the US Commerce Department Bureau of Industry & Security (BIS) list, and to comply with Targeted Financial Sanctions under UNSC/ATA Act's requirements updated from time to time. The Bank has deployed an automated transactional monitoring system (Financial Crime and Compliance Management-FCCM) to detect and mitigate the risk of money laundering and terrorist financing.

The Bank applies Enhanced Due Diligence (EDD) in circumstances where risks are higher, such as business relationships and transactions involving natural and legal persons from countries listed in the Counter Measures for high-risk Jurisdictions Rules, 2020 (updated as per the Bank's list), Politically Exposed Persons (PEPs), and their close associates and family members. EDD measures, including necessary approvals from senior management as prescribed by regulatory guidelines, are implemented for these types of transactions. For

high-risk transactions, the same EDD approach is adopted, and such transactions require approval from senior management.

The Bank conducts thorough due diligence to verify the legitimate purpose of Clubs, Societies, NGOs/NPOs, Charities, and Trust accounts. This includes identifying and verifying their constitutional documents. The Bank also takes reasonable precautions to verify the identity of trustees, sponsors, beneficial owners (including those settling assets into the trust), guarantors, protectors, and signatories.

To identify beneficial owners, the Bank conducts due diligence to unwrap both natural and unnatural persons.

Internal Control Policy

The Bank has a well-defined "Internal Controls Policy", which forms part of the overall Compliance Policy and is derived from the Internal Controls Framework adopted by the Bank. This policy covers all requirements of the regulators with respect to establishment of an effective & efficient control environment within the Bank.

Process to remediate negative impacts (Grievance/ Complaint Handling)

The Bank is committed to addressing any negative impacts it may have caused or contributed to by providing or cooperating in appropriate remediation processes.

The Bank takes responsibility seriously and ensures timely action to remediate adverse impacts, whether they arise internally or through its business relationships. These commitments are clearly documented in the Bank's responsible conduct related policies.

The Bank has established multiple grievance mechanisms to identify and address concerns effectively. These include:

- Employee Grievance Mechanism: A formal process allowing employees to raise workplace-related issues confidentially and without fear of retaliation.
- Whistleblowing Mechanism: A secure and anonymous channel for employees and stakeholders to report unethical behaviour, fraud, or misconduct.

<https://www.abl.com/the-Bank/corporate-whistleblowing-policy/>

- Customer Complaint and Grievance Handling Mechanism: Dedicated channels for customers to raise concerns related to products or services, ensuring prompt investigation and resolution.

<https://www.abl.com/help-and-support/complaint-feedback-lodgement-process/>

These mechanisms are designed to be accessible, transparent, and fair, ensuring that grievances are managed efficiently and constructively.

In addition to formal grievance mechanisms, the Bank engages in proactive monitoring and assessment processes to identify potential negative impacts early. When such impacts are identified, the Bank collaborates with affected stakeholders to implement corrective actions. This may include revising internal controls, providing compensation or support to affected parties, and enhancing operational practices to prevent recurrence.

The Bank actively involves relevant stakeholders in the design, periodic review, and improvement of grievance mechanisms. Feedback is gathered through surveys, stakeholder consultations, to ensure these mechanisms remain effective, accessible, and responsive to users' needs. This participatory approach strengthens trust and continuous improvement.

The Bank monitors the performance of its grievance and remediation processes through key indicators such as the number of grievances received, resolution times, and recurrence of issues to assess effectiveness and drive improvements.

Compliance with Laws and Regulations

The Bank is committed to full compliance with all applicable laws and regulations and maintains robust internal controls and governance frameworks to prevent and address any instances of non-compliance. However, detailed information regarding specific instances of non-compliance, including the number of occurrences, fines, sanctions, and related monetary values, is treated as confidential and sensitive. The Bank regularly reports compliance matters to relevant regulatory authorities as required and ensures appropriate corrective actions are taken internally. The Bank remains committed to transparency with stakeholders within the bounds of confidentiality and applicable regulations, and continuously strives to uphold the highest standards of legal and ethical conduct. General Penalty disclosures are included in the Bank's Annual Report (www.abl.com/investor-relations/financials/financial-reports/).

Whistleblowing Policy

Whistleblowing is a powerful modern management tool for preventing and detecting potential fraud and other unethical practices by employees, customers, or third parties. It encourages employees to report their suspicions and reasonable concerns about malicious activities to management without fear of retaliation or prejudice.

ABL has developed a Corporate Whistleblowing Policy of the Bank which is available on ABL's Corporate Website. The main objectives of the policy are to strengthen the culture of transparency and trust in the Bank by encouraging all the employees, vendors, service providers and others concerned to blow the 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 who could cause financial or reputational risk or loss to the Bank.

The Corporate Whistleblowing Policy of ABL is designed to provide a secure platform for whistleblowers to voice their concerns to a designated authority about any suspicious or undesirable activities that violate ABL's policies or could negatively impact the Bank's business, reputation, or broader society. The policy ensures that whistleblowers can report such cases without fear of retribution, including concerns about job loss, discrimination, victimization, or harassment.

Multiple channels for whistleblowing are available:

1. A dedicated e-mail address for Whistleblowing (whistle.blowing@abl.com) accessible by the Chairman-Audit Committee of the Board (ACOB).
2. The Whistleblowing form is available on the Bank's corporate website at:

<https://www.abl.com/the-Bank/corporate-whistle-blowing-policy/blow-the-whistle>

3. Complaints/concerns through Post / Courier, addressed to Chairman ACOB, Allied Bank Limited, Head Office, 3-4 Tipu Block, New Garden Town, Lahore, Pakistan.

Code of Ethics

ABL's Code of Ethics outlines the behavioural standards expected of all employees in fulfilling their professional obligations and duties. The Code is designed to promote conduct aligned with the Bank's Core Values: Integrity, Excellence in Service, High Performance, and Innovation and Growth. It covers various aspects of employee conduct, including adherence to the law and compliance, addressing fraud, theft, or illegal activities, whistleblowing, fair dealing, fiduciary duty, acceptance of gifts and other benefits, insider trading, anti-money laundering (AML) and combating the financing of terrorism (CFT), as well as prohibitions on gambling and betting among market participants.

Digital Transformation

In 2025, Allied Bank Limited continued to advance its sustainability agenda by building on the strong

digital and green banking foundations established in previous years. The Bank further reduced its environmental footprint by deepening the adoption of digital channels, paperless services, and self-service infrastructure across its network. Initiatives launched in prior years, such as e-statements, digital complaints management, online certificates, QR-based payments, and image-based clearing continued to scale in 2025, significantly lowering paper consumption, physical branch visits, and associated carbon emissions. These efforts reinforced the Bank's long-term commitment to environmentally responsible banking and resource efficiency.

Redefining Banking with AI

The Bank is leveraging Artificial Intelligence, particularly Generative AI, to transform the banking experience. With a strategic focus on AI-driven solutions, the Bank is streamlining operations, enhancing service personalisation, and delivering smarter, more efficient customer interactions. By integrating cutting-edge AI technologies into its core offerings, Allied Bank is not only embracing digital transformation but actively shaping the future of financial services. This proactive adoption of AI reflects the Bank's commitment to innovation, operational excellence, and customer satisfaction, setting new industry benchmarks in intelligent banking.

The Bank is driving next-generation digital customer engagement by introducing an Intelligent Virtual Assistant (IVA), enabled by advanced AI and large language model (LLM) technologies. This IVA is designed to provide seamless support across all digital and social media channels, automating a range of customer interactions for enhanced efficiency. It will answer general inquiries by quickly retrieving information from internal databases and AI models, including details on products, branch locations, account services, and current offers.

The Bank employs AI-driven anomaly detection, computer vision, and deep learning for 24/7 ATM monitoring, ensuring proactive security. By analysing human behaviour patterns, the system detects suspicious activities like loitering, forced transactions, and skimming attempts, triggering real-time alerts to security teams before threats escalate. Unlike traditional passive surveillance, this AI-powered solution actively mitigates risks by identifying unauthorised access, ATM tampering, and abnormal transaction patterns, allowing swift intervention to prevent fraud and financial losses.

By automating security monitoring, the system reduces dependency on manual surveillance, enhances operational efficiency, and minimises false alarms, allowing security teams to focus on real threats. Its proactive fraud prevention significantly

cuts losses while optimizing resource allocation, making ATM security more sustainable and cost-effective. This innovative approach sets a new industry benchmark, reinforcing customer trust, brand reputation, and service reliability, keeping the Bank ahead of evolving security threats.

myABL

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. More than 122 million financial transactions were successfully processed during the year, with a total value of PKR 3.9 billion.

The myABL Coins Loyalty Program continued to gain traction, enabling customers to earn and redeem rewards through debit and credit card usage. This further strengthened 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 for customer convenience. The myPDA Asaan Account can be opened through myABL with instant activation via biometric verification within the app. Customers can now authorise financial transactions in myABL using a Transactional PIN instead of SMS-based OTP, enhancing user experience while significantly reducing SMS-related costs. myABL is integrated with beFiler, allowing customers to obtain NTN registration and prepare and file tax returns directly through the myABL app. A major advancement during the year was the continued implementation and scaling of Green Banking features on the myABL platform, enabling customers to actively participate in sustainability efforts. The carbon savings calculator on myABL allows customers to view the estimated number of trees saved through the use of digital payment modes, while transaction insights provide visibility into cash versus digital usage patterns. By empowering customers with measurable environmental impact data, the Bank encouraged a behavioural shift toward digital transactions and reinforced awareness of sustainable banking practices. Customers can now manage financial transaction limits on different digital channels through myABL.

Customers can now activate their Allied Bank Debit Card through biometric verification directly inside myABL.

The Bank has introduced a convenient and secure touchless biometric verification service through the myABL app. This streamlined registration process eliminates the need for physical touch and enhances security, providing customers with a seamless banking experience.

WhatsApp Banking

In keeping with current trends, the Bank launched its official WhatsApp channel to provide customers with a more convenient and accessible communication platform. This innovative step allows customers to easily inquire about banking services, receive quick assistance, and stay connected with the Bank. myABL WhatsApp Banking now supports the Urdu language, improving accessibility and customer convenience.

Recognising 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 the Bank to better serve its customers through a familiar and convenient platform.

The Bank achieved a major milestone of 2 million active users, reinforcing the Bank's position as a pioneer in conversational banking. The WhatsApp Banking service menu was expanded to include Cheque Book Request, myABL Coins Balance Inquiry and Statement, Card Management via WhatsApp Banking and subscription to six-month e-statements.

Digital Accounts

Digital account acquisition recorded a remarkable 250% year-on-year growth, with over 112,000 new accounts opened, compared to 31,979 accounts last year, mobilising 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.

RAAST Payment System

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.

Point-of-Sale (POS) Acquiring Business

The Merchant Acquiring and POS business achieved strong growth, with around 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.

Merchant Discount Fee

Merchant Discount Fee (MDF) revenue reached PKR 640 million in 2025, recording an exceptional 347% YoY growth, driven by strategic acquiring expansion.

POS & E-commerce

PKR 127 billion in international and domestic card spend was processed through POS & e-commerce during 2025, marking a healthy 36% growth.

Card business

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. Non-Fund and Fund-based Card Income concluded at PKR 9.85 billion, reflecting strong transactional growth and effective monetization.

Payday

The Payday "Advance Salary" Loan product delivered via myABL also demonstrated solid performance, with loan disbursements to employees of over 132 companies, totalling 29,286 loans amounting to PKR 587 million, while income from Payday loans increased from PKR 13 million to PKR 20 million, reflecting 60% growth.

Enterprise CRM (Customer 360)

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, personalised offerings, and improved frontline effectiveness. These initiatives significantly improved turnaround times, service quality, and cross-functional collaboration.

ABL CRM Phase II

- UI/UX revamped for Retail Customer 360 Module with more focus on customer/transaction analytics.
- Sale Lead Module revamped to incorporate requirement of business groups.
- New UI/UX developed for Analytics Module with branch level access to monitor valued customers.

Allied Contact Center

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.

Digital Branches

ABL has successfully established 20 digital branches by 2025 and has ambitious plans to launch Digital Lounges in major shopping malls across Lahore, Karachi, and Islamabad. These innovative branches and lounges are equipped with state-of-the-art digital facilities, including Cash Recycling Machines, Cash and Cheque Deposit Machines, Self-Service Kiosks, Metaverse experiences, and Instant Debit Card Printers. By offering customers efficient, queue-free transactions and 24/7 access to technology, these digital touchpoints demonstrate ABL's commitment to modernizing banking services and providing a seamless customer experience.

Launch of Digital Lounge at Packages Mall

Digital Lounge at Packages Mall, Lahore is another futuristic initiative aimed at delivering accessible, customer-centric, and technology-enabled banking services. Strategically located within one of Lahore's highest-footfall lifestyle destinations, the Digital Lounge extends the Bank's presence beyond conventional branches by seamlessly integrating banking services into customers' everyday environments and routines.

Designed to accelerate digital adoption and enhance convenience, the lounge is equipped with advanced self-service technologies. Self-Service Kiosks enable a wide range of paperless services, including instant new account opening, immediate card issuance, card replacement and upgrades. Customers' core transactional needs are supported through Cash Recycler and Cash Deposit units, allowing cash deposits into any bank account, as well as withdrawals, bill payments, fund transfers, and other standard transactions efficiently.

To further strengthen customer engagement and improve digital literacy, the lounge also features a Metaverse banking experience, offering Virtual Reality-based walkthroughs of banking journeys, interactive product demonstrations, and financial education. This helps customers become more confident in using digital channels while enhancing their overall service experience.

These initiatives directly support the Bank's social sustainability objectives by promoting financial awareness, enabling self-service banking models, and providing guided digital journeys for customers across segments. In addition, the Digital Lounge aligns with Allied Bank's environmental priorities by encouraging paperless processes and more efficient resource utilisation. Overall, it delivers a scalable, future-ready digital banking framework that supports Allied Bank's long-term strategic growth and innovation agenda.

Launch of New Metaverse Branch

Visitors can now customise avatars, explore digital banking services, view product details, experience virtual ITM/ATM/Kiosk interactions, engage through live chats, gestures and an interactive map.

The platform includes Islamic and conventional product displays, an entertainment zone with games and a virtual café, an awards wall, a corporate history timeline, and an integrated feedback tool for user ratings and suggestions.

Social Humanoid Robot – Pepper

Allied Bank has introduced Pakistan's first humanoid robot in the banking sector, capable of recognising faces and basic human emotions to enhance in-branch engagement and digital awareness. Deployed at digital lounges, Pepper serves as an interactive touchpoint for customers and visitors. The initiative is designed to particularly engage Gen Z and Gen Alpha through intuitive assistance. By blending technology with human-centric design, Pepper strengthens the Bank's digital-first and innovation-driven image. Pepper is integrated with generative AI. Going forward, the roadmap includes expansion of multilingual capabilities to further enrich customer experience.

Cash Recycler and Cash Deposit Machines

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



MULTAN MARATHON

The City of Saints, Swept by Speed

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.

Digital Freelancer Account

ABL introduced the "Digital Freelancer Account" and "Foreign Currency Debit Card" for Export Retention Accounts at a session organised by the Ministry of Information Technology (MoIT), Pakistan Software Houses Association (P@SHA), the State Bank of Pakistan (SBP), and the Pakistan Software Export Board (PSEB).

ABL Foreign Currency Visa Debit Card

Allied Bank has launched the ABL Foreign Currency Visa Debit Card for Roshan Digital Account (RDA) and Foreign Currency (GBP & Euro) Account holders, empowering them to make global transactions, including fund withdrawals, bill payments, and online shopping.

The Bank has also introduced a dedicated Foreign Currency Debit Card specifically designed for IT Exporters and Freelancers, demonstrating its commitment to supporting policies and initiatives that drive the growth and success of Pakistan's IT industry. These innovative products provide Bank's customers with convenient and flexible options for managing their foreign currency transactions.

Image-Based Clearing

ABL has successfully implemented the State Bank of Pakistan's Image-Based Clearing System (IBCS), which streamlines payment processing by using images provided by the National Institutional Facilitation Technologies (NIFT) instead of physical articles. This innovative approach enables more efficient and timely transaction handling while maintaining accurate records.

To optimize operations, the Bank has centralized the Inward Clearing of all NIFT-dealing branches, replacing the second hard copy of NIFT scrolls with a digital copy. Additionally, the Bank has implemented SMS and email notifications to inform customers about returned cheques.

By adopting IBCS services, ABL is contributing to a more sustainable banking environment by minimizing paper usage, reducing the need for physical documents, and helping to conserve trees.

Electronic Queue Management System and Self-Service Kiosk

The Bank installed Electronic Queue Management Systems in 625 branches with a total cost of Rs. 341.18 million, enabling customers to conduct transactions conveniently. In continuation of the Bank's journey towards digitalization, 116 Self

Service Kiosks worth Rs. 75.7 million were installed to improve customer experience at branches. These Kiosks enable customers to perform banking services including account opening of Allied Asaan Accounts, performing balance inquiry, mini statement of account, cheque book requests, and subscription to alerts and e-statements of account. All these services are biometrically authenticated and can be performed in a completely secure environment 'at customers' convenience'. Customers now can activate a Dormant Account through Self Service Kiosks without the assistance of branch staff.

UV Cured Graphic Printing Technology

ABL has invested in state-of-the-art Card Production Machines equipped with UV Cured Graphic Printing Technology, further modernizing its existing equipment. This advanced technology offers numerous benefits, including a longer print life of 5-7 years, a wider range of personalisation colors, flexible card design options, expanded branding space, and a 30% faster printing speed compared to traditional embossing methods.

In 2025, the Bank achieved a significant milestone by producing and dispatching over 799,805 Debit Cards, demonstrating its commitment to efficient card production and meeting the growing demand for its products.

Advanced ATM Monitoring Solution

The Bank has implemented the advanced Dynamic View ATM Monitoring Solution for its Diebold Nixdorf (DN) ATMs. This solution offers customizable dashboards, detailed component-level monitoring, comprehensive inventory management, real-time Electronic Journal (EJ) access, enhanced command and log tracking, efficient incident management, and robust alert management capabilities.

The Bank took another step towards paperless banking by replacing the use of paper-based journal rolls in the selected ATMs with Electronic Journals which has eliminated the usage of these rolls. This reflects the Bank's unwavering commitment and continuous efforts towards inculcating a green culture.

Talking ATM

The Bank has achieved a significant milestone in fostering inclusivity by successfully implementing the Talking ATM feature in selected ATMs, specifically designed to assist visually impaired customers.

ATM Biometric Facility

ABL has introduced a Biometric ATM service, enabling customers to perform ATM transactions without the need for a debit card. By using biometric authentication, customers can conveniently access the full range of services offered through Bank's ATM

network.

ATM Uptime

ABL places a high priority on ensuring the uptime of its ATM network. To enhance ATM service availability and increase customer footfall, the Bank implemented 24/7 ATM Monitoring Unit shift operations.

Through these efforts, Allied Bank has consistently maintained an average ATM uptime exceeding 96% over the past five years, solidifying its position as a leading acquirer in the ATM industry.

By providing reliable ATM services, the Bank encourages customers to adopt digital transactions, reducing their reliance on physical branches and minimizing paper-based transactions. This contributes to Bank's sustainability goals and reduces its environmental impact.

The Bank has one of the largest networks of 1,674 ATMs deployed across the country to fulfil customers' needs around 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.

Sprinklr

Allied Bank has pioneered the use of Sprinklr in Pakistan, becoming the first bank to adopt this comprehensive social media management platform. By unifying its digital communication channels, including Facebook, Instagram, Twitter, YouTube, and LinkedIn, the Bank has enhanced its ability to interact with customers, engage in meaningful conversations, and gather valuable feedback.

Sprinklr's sophisticated AI-driven software empowers the Bank to transform its social media and digital customer interactions, providing valuable insights into customer behaviours and preferences. This technology enables the Bank to deliver more personalised and effective experiences, strengthening Bank's relationship with customers in the digital age.

dEngage

To execute a cohesive campaign management strategy, ABL has integrated dEngage, a powerful customer-driven solution. This tool enables the Bank to effectively manage diverse communication channels, including email, SMS, web push, and app push.

By leveraging data-driven insights into customer behaviour, dEngage empowers the Bank to create personalised and targeted campaigns, enhancing customer engagement and identifying opportunities

for cross-selling and up-selling. This technology plays a crucial role in optimizing Bank's marketing efforts and driving customer satisfaction.

Through dEngage integration with Mobile Push Notifications, enriched notifications (with images and visuals) are being sent to the customers.

Robo Call

ABL's Automated Robocall Facility is a convenient and efficient communication tool that allows ABL to promptly disseminate important information to its customers. By streamlining communication, the Bank enhances banking efficiency while prioritizing customer privacy and regulatory compliance.

Hackathon for Engagement of FinTechs startups

Continuing its legacy, the Bank, in collaboration with LUMS, conducted a Fintech Hackathon, which drew significant interest from the fintech community, evidenced by over 2,600 applications. The theme of the Hackathon was "Engineering the Future of Digital Banking". This year's 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.

HR Connect

The Bank has digitised the HR experience for its employees. The new mobile app puts essential services from leave management and pay slips to tax certificates right at employees' fingertips, making everything simpler, faster, and seamless for everyone. With HR Connect, 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 at their fingertips. To get started, simply scan the QR code below to download the app directly to your phone and experience a smarter way to stay connected with HR.

Digital Transaction Attributes

ATM Uptime	96%
Digital to Counter Transaction Ratio	90:10
Number of ATM acquired transactions	95.2 million
myABL Business Registered Users	6,174
myABL number of Transactions	121.8 million
myABL amount of transactions handled	3.9 billion
Accounts Opened through Self Service Channels	212,494
Number of Debit Cards Issued during the year	799,805
Total Cards in Circulation	3.9 million+
myABL Personal Registered Users	2,647,674
Customer Complaint Resolution	98%
Website Visits	9 million+
Social Media Fan/Followers	7.6 million+

IT Governance, Data Privacy & Protection and Cybersecurity

The purpose of IT Governance is to ensure the safety of the Bank's information assets and technological infrastructure from internal and external threats, including cybersecurity risks. Information Security (InfoSec) is the practice of preventing unauthorised access, use, disclosure, disruption, modification, inspection, recording, or destruction of information.

The technology framework of the Bank is governed by the SBP guidelines contained in the Enterprise Technology Governance & Risk Management Framework for Financial Institutions.

Information Security programs are built around three objectives: Confidentiality, Integrity, and Availability of Information (known as CIA). The Bank undertook the Information Security Risk Management Program to revamp its Information Security Governance structure with international standards and industry best practices.

The Bank's Information Security Policy provides detailed guidelines on the use of various technology mediums and covers:

- Cybersecurity awareness and training
- Audit and accountability
- System configuration management
- Identification, authentication, and access management
- Information security incident management & incident response
- System maintenance
- Information and data protection
- Risk Management

- Security Assessment
- Information Systems and Communications
- Cryptographic controls
- Information integrity
- IT asset management
- System acquisition development & maintenance
- Information security policy for outsourcing
- Business Continuity and Disaster

Consumer Data Protection

Consumer Data Protection serves as a vital pillar of the Bank's commitment to ethical business practices.

The Bank recognises the profound responsibility of safeguarding consumer data, not only as a legal obligation but also as a fundamental aspect of maintaining trust and integrity.

Through strong data protection measures, including encryption, access controls, and regular audits, the Bank ensures the confidentiality, integrity, and availability of consumer information. In this digital era, customer information is more vulnerable than ever before. Cognizant of this fact, the Bank has continued its efforts to safeguard data and information technology assets, including compliance with the Payment Card Industry Data Security Standard (PCI DSS) and the Customer Security Program (CSP) by SWIFT.

The Bank conducts assessment exercises, including Vulnerability Assessment (VA) and Penetration Testing (PT), to ensure a controlled environment for customers' related information.

In 2025, no complaints were reported concerning breaches of customer privacy and losses of customer data.

Information Security Awareness Campaign

Cybersecurity risks are continuously evolving due to the financial sector's constant focus on digitalization. The ever-evolving cyber risks require continuous education and training of relevant stakeholders, especially employees and customers, to address these risks. Initiatives of the Bank include:

- Monthly "Security News Bulletin" for employees
- Training programs for employees
- Email alerts to customers on the security of confidential information
- Social media campaigns for the general public on security awareness

Independent Comprehensive Security Assessment

The Bank undertakes independent third-party cybersecurity risk assessments to protect its information and information systems from cyber threats. The purpose of these assessments is to identify, assess, and prioritise risks by engaging external consultants with substantial experience in Information Security Assessment and Penetration Testing. The Bank's policy on independent security assessments is as follows:

- For the cardholder data environment, quarterly external network vulnerability scans are performed by an Approved Scanning Vendor (ASV) qualified by the Payment Card Industry (PCI) Data Security Standard (DSS)
- The Bank arranges third-party penetration testing once a year or upon any significant change in infrastructure.

Shariah Governance

Acknowledging the significance of Shariah Governance, the Bank has established a Shariah Board (SB) composed of three esteemed Shariah scholars. The SB is entrusted with the authority to deliberate on, decide, and oversee all Shariah-related matters within the Bank. The decisions and rulings of the SB are binding on ABL.

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 by the State Bank of Pakistan and pursuant to Fit and Proper Criteria (FAPC) and regulation of State Bank of Pakistan.

The primary function of the Shariah Board (SB) is to supervise and advise the Bank's management on all Shariah-related matters and to develop a comprehensive Shariah compliance framework. The SB is responsible for approving all Islamic Banking policies, procedures, products, services, and related agreements and contracts, ensuring they align with

Shariah rules and principles.

The Shariah Board (SB) is responsible for reviewing internal Shariah audit reports, external Shariah audits, State Bank of Pakistan Shariah inspections, and Shariah compliance reviews, and for prescribing appropriate remedial measures. The SB meets at least quarterly and also convenes with the Board of Directors at least semi-annually. To ensure an independent and objective assessment of ABL's Shariah governance and compliance with Shariah rules and principles, an external review/audit is also conducted.

Based on the findings from internal and external Shariah audits and compliance reviews, the SB prepares a comprehensive report on ABL's Shariah compliance environment. This report is presented at the BoD meeting for discussion and is subsequently published in the Bank's annual report.

Pool Management

Allied Bank Limited – Islamic Banking manages general and specific pools for depositors on a Mudarabah basis, while maintaining Financial Institution pools for interbank funds on a Musharakah or Mudarabah basis.

- General Pool for Local Currency Depositors (Mudarabah)
- General Pool for Foreign Currency Depositors (USD, GBP, EUR) (Mudarabah)
- Specific Pools (Mudarabah)
- Treasury-Related FI Pools (Mudarabah, Musharakah)
- Islamic Export Reliance Pool (Musharakah)
- Equity Pool (Mudarabah)
- Charity Pool (Mudarabah)

Parameters associated with Risk and Rewards

The risk and reward characteristics of each pool primarily depend on the asset and liability profile of that specific pool.

Risks

- 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
- Shariah Non-compliance risk

Rewards

- Halal profit earnings that are fully Shariah-compliant
- Profit distribution based on predetermined weightages or Profit Sharing Ratios (PSR)
- Gross profit is shared after deducting direct pool-related expenses, with the Bank covering administrative costs
- Investment risk is mitigated through effective portfolio management
- Transparency is ensured through regulatory oversight and regular audits
- Profit Equalization Reserve (PER) and Investment Risk Reserve (IRR) are utilized to stabilize profits
- Shariah non-compliance risk is mitigated through regular Shariah reviews and audits.

Disclosure of Conflicts of Interest

Employees are required to promptly identify and declare any conflicts of interest, whether actual or potential. This includes any situation that may interfere with an employee's duty to the Bank or affect their ability to make unbiased and objective recommendations, especially when personal interests could be placed above those of the Bank.

Tax Governance

The Bank's tax approach is embedded across operations through clear policies, timely regulatory updates, and integration of tax considerations into decision-making. Coordinated efforts with regulators, industry bodies, and advisors ensure responsible tax practices remain central to governance, strategy, and sustainable growth.

The Bank is fully committed to implementing all possible measures to prevent tax evasion within its operations. To support this commitment, the Bank has developed a "Taxation Procedure Manual" aimed at fostering a sustainable tax system. The Bank's Tax Management Strategy is designed to fulfil the following core objectives, delivered through timely communication of legal changes and diligent monitoring of daily activities:

- Strict adherence to tax laws and reporting requirements
- Effectively manage a wide range of tax-related risks

- Enhance value by optimizing the Bank's tax liabilities

The Bank's tax planning activities are focused on complying with tax laws, managing associated risks, and optimizing tax outcomes, both in day-to-day operations and strategic transactions. For international operations, taxation matters are managed in accordance with the applicable local and international laws, ensuring that all general procedures are consistently applied on a global scale. The Bank's tax strategy is presented to, and approved by, the Management Committee (MANCO) and it is reviewed every three years.

The Bank is committed to cultivating positive and professional relationships with tax authorities and departments, external tax advisors, and relevant counterparts from other banks. The Bank also actively engages with the Pakistan Banks Association (PBA) to secure industry-wide support for its position, enabling the amicable resolution of issues and the timely settlement of pending matters with tax authorities.

These engagements are driven by the overarching objective of ensuring complete adherence to applicable tax laws while prudently optimizing the Bank's tax liabilities.

The Bank's approach to regulatory compliance in taxation is closely integrated with its business and sustainable development strategies, ensuring that transparent and responsible tax practices align with Environmental, Social, and Governance (ESG) standards. By fostering trust among stakeholders and reducing reputational risk, the Bank enhances its corporate governance framework while enabling strategic tax planning to inform investment decisions, strengthen market presence, and drive long-term value creation. This integrated approach ensures compliance with applicable laws while supporting sustainable growth and the Bank's broader strategic objectives.

Tax Risks

The Bank identifies, manages, and monitors tax risks through a structured approach that emphasizes timely and accurate tax filings, adherence to ethical tax planning practices, and the implementation of robust internal controls and documentation. Regular collaboration with experienced tax professionals further strengthens the Bank's ability to proactively address potential issues, ensuring compliance and safeguarding its reputation.

Compliance with the Tax Governance and Control Framework

Compliance with the Bank's tax governance and control framework is assessed through structured processes that ensure tax risks are effectively

managed and aligned with corporate governance standards. Robust internal audit procedures and rigorous control checks reinforce adherence to the framework.

Mechanisms to Raise Concerns About the Organisation's Business Conduct and Integrity in Relation to Tax

The Bank has established clear mechanisms for raising concerns regarding its business conduct and integrity in relation to taxation. Employees and stakeholders can report suspected breaches of tax laws, policies, or ethical standards through confidential and secure channels, in line with the Bank's whistleblowing and compliance procedures. All reports are promptly reviewed, investigated, and addressed in accordance with the Bank's governance framework, ensuring transparency, accountability, and adherence to applicable laws and ethical practices.

Assurance Process for Tax Disclosures

The assurance process for tax disclosures combines multiple layers of oversight. Internal audits assess the accuracy and completeness of information, while external reviews by independent auditors provide objective validation. Regulatory programs further strengthen assurance through real-time compliance checks, and leadership oversight ensures transparency, accountability, and alignment with the Bank's governance standards.

The Bank's published financial statements include all external audit reports and assurance statements, providing stakeholders with independently verified

information in accordance with applicable regulatory and reporting standards.

Approach to engagement with Tax authorities

The Bank's approach to dealing with tax authorities is founded on full compliance with applicable laws, timely return submissions, prompt responses to notices, and open, constructive engagement with the authorities. Tax risks are proactively managed by a dedicated team through strong internal controls and strict adherence to ethical practices, fostering transparency, accountability, and a cooperative relationship with tax authorities.

Approach to Public Policy Advocacy on Tax

The Bank approaches public policy advocacy on tax with transparency, integrity, and strict adherence to laws. It engages constructively with policymakers, regulators, and industry bodies such as the Pakistan Banks' Association (PBA) to promote fair, sustainable tax policies that balance revenue generation with business growth, ensuring all advocacy efforts are ethical and aligned with its governance framework.

Processes for Collecting and Considering the Views and Concerns of Stakeholders including External Stakeholders

The Bank gathers and considers stakeholder views through regular meetings, industry forums, consultations, and feedback channels. Engagement with external stakeholders, including regulators, industry bodies, and tax advisors, ensures that diverse perspectives are incorporated into decision-making, supporting informed policies and strengthening trust and transparency.

Country-by-Country Tax Reporting

Component	2024	2025
Tax Jurisdictions	Pakistan	Pakistan
Entity Names	Allied Bank Limited	Allied Bank Limited
Main Activities	Banking Services	Banking Services
Number of Employees	13,275	13,066
Revenue (Third-Party)	N/A	N/A
Revenue (Intra-group)	N/A	N/A
Profit or Loss Before Tax	Rs. 87,928,162,000	Rs. 74,209,486,000
Tangible Assets	Rs. 127,260,862,000	Rs. 138,155,132,000
Corporate Income Tax Paid	Rs. 55,508,732,000	Rs. 46,041,071,000
Corporate Income Tax Accrued	Rs. 45,450,610,000	Rs. 37,756,690,000
Reconciliation Explanation	N/A	N/A
Time Period	31-Dec-24	31-Dec-25
Reconciliation Confirmation	N/A	N/A
Accrued Tax Note	Note 33 (page 264) of Annual Report 2024	Note 33 (page 303) of Annual Report 2025
Stateless Entity Disclosure	N/A	NA

Ethical Sourcing and Procurement

The objective of the Procurement Policy is to ensure that all goods, general services, IT-related hardware, software, and professional services are procured effectively, efficiently, and transparently, with a focus on cost-effectiveness. This approach considers regulatory requirements and aligns with the Bank's strategic objectives to optimize the use of resources.

The procurement process is designed to be open, fair, and non-discriminatory, providing equal opportunities and treatment for all bidders, consultants, vendors, and suppliers. It establishes clear rights and obligations between the Bank and its suppliers, contractors, and consultants.

Procurement activities are conducted with the utmost transparency and merit, ensuring that all relevant information is made available to interested parties for appropriate scrutiny. Transparency is a key element in achieving successful procurement outcomes.

De-Listing and Blacklisting

Suppliers, consultants, contractors, or vendors may be de-listed or blacklisted for various reasons, including:

- Being blacklisted by any relevant business area registration authority
- Involvement in immoral or unethical practices.
- Engagement in fraudulent activities or corrupt practices during the execution of orders.
- Being identified as a proscribed entity during the regular screening process

The Bank avoids engaging with suppliers, consultants, contractors, or vendors who are found to be non-compliant with legal, tax, employment, environmental, health and safety, or human rights obligations. The Bank's suppliers are not at risk for Child Labour and forced/compulsory labour as Child labour and forced/compulsory labour is not allowed by the Bank in any capacity.

The Bank encourages diversification of business among local, national, and international consultants, contractors, vendors, and suppliers. This supports balanced wealth generation and equal opportunities while safeguarding the Bank's interests. New suppliers are regularly added after fulfilling all required formalities, including compliance with AML/CFT/CPF regulations, policies on proscribed entities, and outsourcing policies where applicable. Local procurement ratio in 2025 was 96% compared to 99% in 2024.

Allied Bank Limited has developed a comprehensive procurement policy embedding sustainable sourcing guidelines and a Code of Conduct for vendors,

approved by the BOD, reflecting Bank's commitment to adopting sustainable practices that positively impact the environment, society and economy. The Code of Conduct shall be acknowledged by the vendors while entering into the agreement with the Bank ensuring fair labour standards—including the strict prohibition of child labour and forced labour.

This policy will also ensure that health and safety measures for all workers are upheld. Additionally, ABL is committed to advancing environmental stewardship and social responsibility across its supply chain, ensuring that all vendor relationships align with the Bank's values of integrity, transparency, and sustainability.

Sustainable Construction Initiatives

ABL is committed to sustainable construction practices in developing its infrastructure. By integrating green building standards and eco-friendly materials, the Bank aims to minimise its environmental impact, enhance energy efficiency, and create healthier spaces for its employees and customers. The Bank's commitment to sustainable design reflects its dedication to corporate social responsibility and long-term sustainability.

ABL is proud to announce the construction of a new state-of-the-art high-rise building in Upper Mall, Lahore. This landmark project exemplifies Bank's commitment to sustainable development and features cutting-edge green technologies and eco-friendly materials. Designed to achieve Leadership in Energy and Environmental Design (LEED) certification, the building will set a new standard for energy efficiency and environmental performance in Pakistan. Upon completion, this structure will serve as a testament to ABL's dedication to innovation, sustainability, and providing a world-class banking environment for its clients and employees.

The Bank achieved the EDGE Certification, an initiative of the International Finance Corporation (a member of the World Bank Group), for its newly built Management Development Center Lahore Building, which exemplifies the achievements in reducing energy use, water use and embodied carbon in materials in the building. These sustainability strategies that are integrated into the building design were verified by an EDGE Auditor and certified by Green Business Certification Inc. Currently MDC Multan is in process of achieving EDGE certification to be completed in 2026.

Sustainable Marketing Practices

All media and public communication activities uphold Allied Bank's commitment to the ESG principles, including sustainability, inclusion, and transparency. The Bank has developed a robust Media Policy with an objective to establish best practices within the Bank for media and investor

relations while minimizing reputational risk associated with the Bank's interactions with the media and other stakeholders. This policy outlines the protocols for communication through print, electronic, and social media channels.

Allied Bank's marketing and corporate communication is guided by the responsible media policy that complies with all applicable regulations and the State Bank of Pakistan (SBP) standards. The policy clearly defines the roles and responsibilities of each position involved in managing marketing and corporate communication. A robust approval process ensures that marketing and corporate communication reflects the Bank's values, maintains content quality, and protects data privacy.

The Bank has implemented a comprehensive crisis management plan and maintains strict oversight of the following aspects of media content:

- Defamatory, malicious, obscene, intimidating, discriminatory, harassing or threatening comments or hate propaganda
- Calls to violence of any kind Activity that violates any law or regulation
- Attempts to target the Bank or the Bank's services, policies and procedures
- Content deemed to constitute an unapproved use of any of the Bank's products or is otherwise false or misleading
- Any potential infringement upon any intellectual property rights, including but not limited to brand names, trade names, logos, copyrights or trade secrets of any person, business or place
- Spreading content posted by fake or anonymous users

Product and Service Information and Labelling

Allied Bank maintains comprehensive policies and procedures for product and service information and labelling to ensure transparency, accuracy, and compliance with applicable regulations and voluntary codes. The Bank acts responsibly during development, preparation, review, and dissemination of marketing communications.

Marketing, product, and service communication materials are developed by the Marketing and Corporate Communication department of the Bank and subsequently approved by the relevant stakeholders, as outlined in the Media Procedural Manual, prior to release to ensure alignment with approved information and applicable guidelines.

In the reporting period (2025):

- There were no incidents of non-compliance in relation to product or service information and

labelling.

- There were no incidents of non-compliance with regulations and/or voluntary codes concerning products.
- There were no incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.

Anti-Corruption Risk Assessment

The Bank continuously conducts operational risks analysis across the various activities of the Bank. During 2025, the number of operations assessed for risks related to corruption (Internal Fraud) was 27 out of 153 total operations. Total 27 significant risks related to corruption were identified and they were categorized as follows:

- Cheque book may be stolen and misused by the branch staff.
- Cash in the main vault / cash counter is stolen by the branch staff.
- Embezzlement involving unsettled amount in "Cash in Transit" account by branch staff.
- Transaction is fraudulently entered without proper authorisation or in excess of limits to gain personal advantage through collusion or otherwise.
- Transaction is fraudulently entered in system to gain personal advantage through collusion.
- Payment may be released against invalid charge and suspicious transaction.
- Funds credited to personal account instead of company account.
- Cheque may be deposited in other than beneficiary account.
- Unauthorised/ fake branch expense payment may be processed.
- Foreign remittance may not be credited into customer's account.
- Unauthorised amount may be obtained from customer as charges for AMC investment.
- Un-posted deposit slip may be provided by the staff to customer.
- Deposit slip may be signed by the staff on behalf of customer.
- Post dated/ used/ stale/ altered/ stop payment cheque is honoured. Customer signatures may not be verified from the SS Card before payment.
- Designated branch officer misappropriates/

pockets cash deposited by customer and not entering the deposit in the system.

Anti-Competitive Behaviour

The Bank discourages any type of Anti-Competitive Behaviour, Anti-Trust, and Monopoly Practices.

In 2025, no legal actions were filed or completed regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which the Bank has been identified as a participant.

Business Continuity Plan (BCP)

The Business Continuity Plan (BCP) is designed to ensure minimal or no interruption of operations before, during, and after unexpected events such as natural disasters (floods, storms, cyclones), fires, power outages, IT failures, supply chain disruptions, staff shortages, pandemics, and more.

ABL's BCP Policy provides comprehensive guidelines for developing and implementing the Bank's Business Continuity Plans. The policy outlines specific scenarios and conditions that may trigger the activation of the BCP, along with detailed mitigation strategies, processes, and steps to be followed during disruptions. It also addresses unforeseen or uncontrollable circumstances that could lead to operational disruptions.

The Bank conducts regular Business Continuity Plan (BCP) mock testing to ensure the resilience of critical functions. This involves physically relocating Functional Recovery Teams (FRTs) or shifting workloads to designated alternate locations.

Bad Debt Recovery and Fraud Prevention Policies

The Bank has implemented robust "Bad Debt Recovery" and "Fraud Prevention" policies, (as per guidelines of the regulator) which provide strategic direction and standards for the effective management and resolution of classified loans and investments, as well as the early detection and prevention of fraud. The Bank has established an efficient and transparent approval process for recovering from defaulters through legal foreclosure and Alternative Dispute Resolution (ADR) mechanisms, including negotiated settlements, restructuring/rescheduling, equity acquisition, and debt-to-property swaps.

These measures enable the Bank to maximize the recovery and regularization of Non-Performing Loans (NPLs), while also mitigating the impact of distressed assets and preventing undesirable activities.

By adhering to applicable laws, regulations, and best industry practices, the Bank recovered the highest-ever Rs. 2,607 million in Non-Performing Loans (NPLs) in 2025. Allied Bank's recovery ratio is among the highest in the industry, while also maintaining one of the lowest NPL rates.





STRATEGY

Overview

Sustainability is about ensuring long-term business success while contributing towards economic and social development, a healthy environment, and a stable society. The banking industry holds a crucial position in achieving a sustainable and prosperous future by adopting the Environmental, Social, and Governance (ESG) practices. Sustainable banking can play a vital role in transitioning the economy towards a sustainable, low-carbon, climate-resilient, socially responsible, and well-governed future.

Allied Bank Limited (ABL) recognises that a sustainable and prosperous future requires collective action across all 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.

Allied Bank's ESG initiatives focus on introducing banking products, services, and operations that positively impact the environment and society while fostering a sustainable governance framework. These efforts have significant implications for strategic direction, financing and investment, portfolio evaluation, the development of financial instruments and products, and the adoption of environmentally friendly practices within the Bank's internal operations.

Sustainability is embedded in the Bank's culture, operations, and strategic planning. The Bank ensures strategic decision-making and drives long-term value creation for stakeholders.

The Bank's sustainability strategy incorporates ESG priorities to support sustainable growth, manage risks, and deliver measurable outcomes.

A key objective of the strategy is to deliver responsible, inclusive, and innovative financial services that foster sustainable economic growth. ABL focuses on enhancing customer experience, creating value, and promoting financial inclusion, ensuring that all banking services are conducted responsibly and sustainably.

Alignment with National and International Frameworks

ABL is committed to adhering to the Guidelines on ESG Disclosures for Listed Companies issued by the Securities and Exchange Commission of Pakistan (SECP), the Green Banking Guidelines and Environmental and Social Risk Management (ESRM) Implementation Manual issued by the State Bank of Pakistan (SBP), and the Performance Standards of the International Finance Corporation (IFC) incorporated in ESRM. The strategy aligns with key global and national frameworks, including Global Reporting Initiative (GRI), IFRS S1 & S2 of

International Sustainability Standards Board (ISSB), Sustainability Accounting Standards Board (SASB), UN Sustainable Development Goals (UN SDGs), etc. The Bank is also committed to adopt the Pakistan Green Taxonomy to classify and prioritise green financing, ensuring transparency in reporting.

Enabling Actions for Sustainable Business Growth

The Bank is committed to taking various steps to achieve sustainable business growth, including:

- Expand capacity building with annual training on ESG topics for employees and clients.
- Innovate green financial products, including Green, Social, and Sustainability (GSS) Bonds, climate bonds, green sukuks, and impact funds.
- Strengthen partnerships with government bodies and international climate finance institutions.
- Leverage digital transformation, including AI and automation, to reduce carbon footprint and improve ESG data management.
- Institutionalize stakeholder engagement to integrate feedback from customers, employees, regulators, and communities into ESG strategy updates.

Areas for Pragmatic Expansion in ABL Context

- Development of climate scenario analysis and portfolio stress testing tailored to Pakistan's climate vulnerability.
- Enhanced client advisory services to manage environmental and social risks in lending portfolios.
- Innovation in digital green banking services (virtual branches, mobile green loans).
- Deployment of IoT and innovative energy management technologies across branches to optimize resource usage.

Monitoring, Reporting, and Continuous Improvement

The Bank is committed to achieving its sustainability goals by continuously improving its monitoring and reporting system through:

- Issuing Annual Sustainability Report; publicly disclosing progress on targets, governance, financial impact, and societal contributions.
- ESG performance review at the Board level; incorporating strategic refinements.
- Development and Implementation of internal audit and assurance mechanisms for ESG data quality and compliance.

- Use stakeholder feedback and the evolving regulatory landscape to update the sustainability strategy regularly.

Time Horizons

- Short-Term (Up to 2030): Focused on immediate sustainability actions and the integration of ESG criteria into Bank's near-term operations and decision-making processes.
- Medium-Term (2030 to 2040): Dedicated to deepening the Bank's initiatives, with an emphasis on transformative projects that will shape its progress in the next decade.
- Long-Term (2040 to 2050): Envisioning a fully realized sustainability agenda, with long-lasting impacts that align with global sustainability targets.

Sustainability Focus Areas

The sustainability strategies and activities of the Bank are focused on the following key areas:

Focus Area	Broad Strategy	Time Horizon
Long Term Stability and Growth	Support the Bank's long-term stability and growth	Continuous
Responsible Employer	Provide a safe, healthy and sustainable work environment to enable Bank's employees to develop their potential	Continuous
Creating Lasting Impact	Creating a long-lasting positive impact on local economy, communities and future generations	Continuous
Contribution to Community	Playing a proactive role in contributing to society through Corporate Social Responsibility (CSR) initiatives	Continuous
Sustainable Banking	Develop responsible products and services that create value for the clients/obligors whilst supporting the global ecological and social transition	Short Term
Capacity Building	Bank-wide Capacity Building related to sustainability matters	Short Term
Disclosure Management	Adopting a sustainability reporting and disclosure framework in line with the international standards, e.g., Global Reporting Initiative (GRI), IFRS S1&S2 of International Sustainability Standards Board (ISSB), Sustainability Accounting Standards Board (SASB), etc.	Short Term
Validation and Rating	Validation and Rating of Bank's Sustainability Standards, Reporting and Disclosure Framework from international/ national rating agency	Short Term
Partnerships and Alliances	Membership, partnership, alliance and association with international and national sustainability forums	Medium Term
Carbon Neutrality	Gradual reduction of Greenhouse Gas (GHG) emissions to achieve Net Zero status of the Bank	Long Term

KHUNJERAB PASS CLEANING DRIVE

Peak Purity at 4,693 Metres



Sustainability Goals

The sustainability strategies and activities of the Bank are in line with the following broader sustainability goals:

Area	Broader Goals
Environmental	To become an environmentally responsible organisation having a positive impact on the natural world including its ecosystem, climate, and natural resources.
Social	To become a socially responsible organisation, having a positive impact on its employees, customers, communities, and society as a whole.
Governance	To become a responsible organisation, believing in corporate governance and a sustainable economy.
Capacity Building	Updating the skills of the Bank's personnel and its stakeholders in understanding the latest trends in sustainability.

Sustainability Targets

Status of implementation of Sustainability Targets for 2025

Task	Target	Status
Policy & Procedures	Development of Sustainability Policy	Sustainability Framework and Strategic Plan approved in 2024
	Development of Internal Health, Safety, Environment (HSE) and Housekeeping Policy/Guidelines	In process
	Alignment of other ABL policies with Sustainability:	
	1. Compliance Policy	Completed
	2. Marketing and Media Policy	In process
	3. Procurement Policy/Guidelines	Completed
	4. Building/ Construction Policy and Guidelines	In process
	5. Supplier Code of Conduct	Completed
Solar Power Locations of the Bank	150 New Locations	Completed, 118 New locations, Capacity upgraded of 48 locations (making it a total of 165 locations against planned 150 locations)
Budget for Net Zero Initiatives	PKR 250 million	Completed
Recycle Paper Usage	80% of the total paper utilisation	Completed (100% of all achievable items)

Task	Target	Status
Reduction of Paper and Electricity use from Banking Operations	1. Implement biometric verification for walk-in customers	In Process
	2. Scanning ID documents at the transaction level	In Process
	3. Discontinue the practice of obtaining copies of ID documents from existing customers.	Completed
	4. Develop a paperless account opening process	Closed/Dropped
Female Employee Ratio	24%	Completed, (Achieved 25.16%)
Apprenticeship program for 'Persons with Different Abilities (PWDs)'	02 Sessions	Completed
Special Training Session on Sustainability for BoD	01 Session	Completed
Training Courses on Sustainability for Senior Management	02 Sessions	Completed
Training Courses on Sustainability for Sustainability Department staff	At least 01 course for all staff of Sustainability Department	Completed
Specially designed online Training Course on Sustainability	01 Program (for all employees of the Bank)	Completed
Public Awareness Sessions on Sustainability	02 Sessions	Completed (Larkana, Gujranwala, Sheikhpura)
Assessment of Credit Portfolio on Environmental and Social Risk Management System (ESRM)	80%	Completed, (99% achieved)
Countrywide Tree Plantation	150,000 Trees/Saplings	Completed, (150,450 planted)
Reporting & Disclosures	Selection of Reporting and Disclosures Framework	Completed
	Reporting based on selected Disclosures Framework	Completed
Sustainability Targets (Environmental)	Development of Targets for Environmental Sustainability for the years 2030, 2040, 2050	Completed
	Rolling yearly targets	Completed
Sustainability Targets (Social and Governance)	Development of 10 Years Targets for Social and Governance Sustainability along with rolling yearly targets	Completed
	Rolling yearly targets	Completed

Sustainability Targets

Sustainability Targets for 2026

Area	Target
Reporting & Disclosures	External Services for Assurance of Sustainability Report 2025
	Assurance of Sustainability Report 2025
	Issuance of Sustainability Report 2025
Emission Calculation	Scope-1&2 Scope-3 <ul style="list-style-type: none"> Category- 6 (Air Travel) Category-7 Addition of Category-6 (All Travel Modes)
Assessment of Credit Portfolio on Environmental and Social Risk Management System (ESRM)	100%
Climate-Related Risk Management	<ul style="list-style-type: none"> Materiality Assessment Transition Risk Scenario Analysis Portfolio Stress Testing
Policy & Procedures	Development of ABL policies on Sustainability: <ul style="list-style-type: none"> Climate Risk Policy Decarbonisation Pathway Incorporation of Climate Risks in Credit Policy and Procedure Manual
Public/Borrowers Awareness Sessions on Sustainability and Corporate Governance	02 Sessions
Financial Literacy	273 Agri Awareness Sessions
Countrywide Tree Plantation	150,000 Trees/Saplings
Sustainable Financing	Green Financing Targets of PKR 2,400 million
	200 Electric Bikes /Three Wheelers (As per Government Scheme PAVE)
Solar Power Locations of the Bank*	150 New Locations
Budget for Resource (Energy, Water) Conservation Initiatives	PKR 200 million
Energy Audit	Energy Audit of Bath Island Building Karachi
Sustainable Construction	EDGE/LEED Certification of MDC Multan
Sustainable Procurement	Compliance with Vendors' Code of Conduct
Female Employee Ratio	25.5%
Online Training Course on Sustainability/Green Banking/ ESRM	For all employees of the Bank
Apprenticeship program for 'Persons with Different Abilities (PWDs)'	02 Sessions
Training Courses on Sustainability	For Senior Management

*Subject to policy approval for installation of solar systems on leased/rented premises. All other technically feasible owned sites will be installed with solar systems

Sustainability Targets for 2030, 2040 and 2050

Area	Target	By 2030	By 2040	By 2050
Reporting & Disclosures	Assurance and Issuance of Sustainability Report	Continuous Annual Activity		
	Sustainability Rating from recognised Rating Agency	01 Rating	Continuous Activity	
Membership of Sustainability Forums	Membership of recognised sustainability forums	At least 02 memberships	Continuous Activity	
Emission Calculation	Scope-1, 2 & 3	100%	Continuous Annual Activity	
Emission Reduction	Reduction of Emission Intensity against Base Year 2024	20%	50%	Achieving Net Zero Status
Climate-Related Risk Management	Materiality Assessment Transition Risk Scenario Analysis Portfolio Stress Testing	Continuous Annual Activity		
Assessment of Credit Portfolio on Environmental and Social Risk Management System (ESRM)	100%	Continuous Annual Activity		
Policy & Procedures	Development and Improvement of ABL policies on Sustainability as per Regulatory and Internal requirement	Continuous Activity		
Public Awareness on Sustainability	Public/Borrowers Awareness Sessions on Sustainability and Corporate Governance	Continuous Annual Activity		
Tree Plantation	Countrywide Tree Plantation Targets	Continuous Annual Activity		
Sustainability Targets (Environmental, Social and Governance)	Development of Annual Sustainability Targets Annual Review of Short/ Medium/ Long Term Targets	Continuous Annual Activity		
Sustainable Financing	Green Financing Targets	Continuous Annual Activity		
	Development of Sustainable Financing Products	Products to be developed as per market demand		
Solar Power Addition*	New Locations	400	400	400
Sustainable Fleet Management**	EV/Hybrid Vehicles in the Bank Fleet	5%	10%	15%
Resource (Energy, Water) Conservation Initiatives	Budget Allocation	PKR 800 million	PKR 1600 million	PKR 2000 million
Energy Audit	ABL Buildings	05 Buildings	10 Buildings	25 Buildings
Sustainable Construction	EDGE, LEED Certifications	01 Building	01 Building	02 Buildings
Waste Recycling	Waste Recycling of the Bank	5%	10%	15%
IMS Certifications	ISO 14001/50001/ 45001	Head Office Lahore	New Buildings will be added	

Area	Target	By 2030	By 2040	By 2050
Diversity, Equity and Inclusion	Female Employee Ratio	30%	35%	40%
Capacity Building	Sessions for BoD on New Trends in Sustainability	Continuous Activity		
	Training Courses on Sustainability for Senior Management	Continuous Annual Activity		
	Online Training Courses on Sustainability, Green Banking, ESRM for all the Employees of the Bank	Continuous Annual Activity		
	Apprenticeship program for 'Persons with Different Abilities (PWDs)'	Continuous Annual Activity		

* Subject to policy approval for installation of solar systems on leased/rented premises. All other technically feasible owned sites will be installed with solar systems

** Subject to prevailing Bank Policy and substantial installation of EV Charging Stations across Pakistan

Strategic Management of Sustainability Related Risks and Opportunities Across the Value Chain

The Bank's sustainability strategy is integrated throughout its value chain. ESG considerations are central to the Bank's approach whether it's 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.

This section outlines the analysis of sustainability-related risks and opportunities across the value chain, with a focus on their potential impact on access to finance and the cost of capital over the short, medium and long term.

Assessment and Management of Upstream Risks & Opportunities

Upstream risks refer to potential disruptions in the Bank's ability to access capital (Deposits). Allied Bank employs robust strategies to diversify access to capital, complemented by internal processes that foster investor confidence and ensure continued access to finance.

Upstream activities refer to the Bank's engagements with depositors and other stakeholders to raise capital. There is a relatively low concentration of sustainability-related risks upstream in the Bank's value chain, given the policies and best practices in place, with increasing opportunities.

The Bank has developed robust mechanisms that help in mitigating the emerging corporate governance risks that could undermine stakeholder trust, minimizing vulnerabilities in the upstream segment of the value chain. By embedding these mechanisms, ABL continues to build trust and credibility with upstream stakeholders.

Assessment and Management of Risks & Opportunities in Internal Operations

Operational risks in the internal part of the value chain refer to risks that can impact the smooth functioning of everyday business. The Bank's internal operations include the activities and processes essential for delivering products and services to clients. This core part of the value chain involves key stakeholders such as employees, suppliers, and service providers. Managing risks and opportunities in this area requires adaptive strategies to ensure efficiency and effectiveness.

Sustainability-related operational risk can significantly impact ABL's ability to function effectively. The approach towards managing these risks involves following:

- Ensuring all-round employee satisfaction, leading to enhanced workplace environment, productivity gains and lowering of attrition
- Robust Corporate Governance and Ethics
- Clear framework for scrutiny and approvals across departments, ensuring that decisions are made in a timely, accurate and ethical manner.
- Comprehensive strategy to mitigate data security and privacy risks
- Responsible Sourcing and Procurement Policies

Assessing and Managing Downstream Risks & Opportunities

Downstream risks in the Bank's value chain refer to the potential risks of the Bank's products and the impact they have on the Bank's balance sheet and society at large.

The mobilization of capital in the economy through its products and services is the core business of the Bank. The Bank recognises that the most significant sustainability-related risks and opportunities are inherently linked to its core business activities.

The Bank's products and services across all key business activities are aligned with its overarching sustainability strategy, aiming to have a positive impact on the markets and economies in which ABL operates, as well as on society at large.

By integrating sustainability into the funding strategies, the Bank can play a role in advancing sustainable development. This creates an opportunity for the Bank to leverage its influence to engage borrowers in discussions about their sustainability performance.

ABL is committed to promoting sustainable finance and environmental best practices in Pakistan, through several key contributions. These contributions facilitate funding for projects with positive ecological and social impacts, underlining ABL's commitment to sustainable development and responsible investment practices.

Effects of Sustainability Related Risks and Opportunities on Strategic Decision Making and Financial Performance

ABL integrates environmental, social and governance considerations into strategic decision-making across its organisational structure in a rapidly evolving global landscape marked by greater scrutiny of ESG practices and changing stakeholder expectations.

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's sustainability strategy demonstrates a strong recognition of the role sustainability plays in effective risk management and long-term value creation. By embedding sustainability into its core operations, ABL strengthens cash flows, reduces risk, and builds customer trust, positioning itself as a responsible and future-focused financial institution.

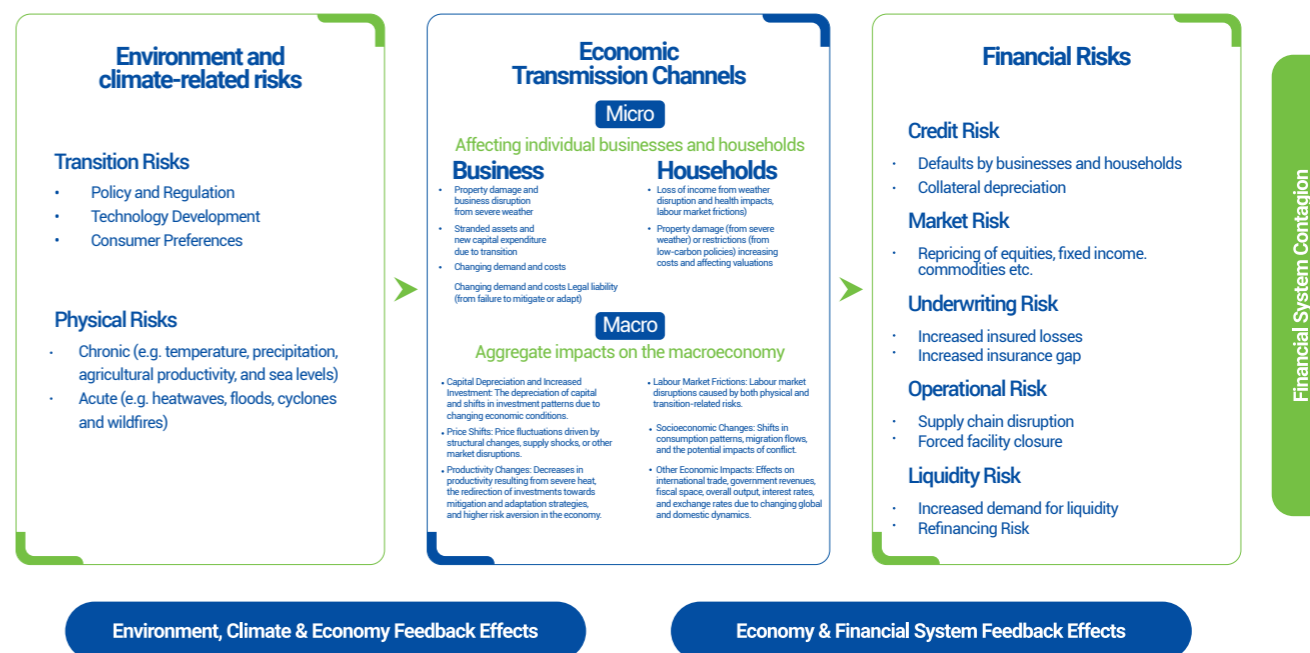
ABL is committed to prioritising sustainable financing into its lending strategy to support financial inclusion and responsible banking. Focusing on SMEs, women entrepreneurs, and underserved communities, the Bank promotes economic participation, financial stability, and long-term profitability. The 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 to 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 balance financial performance with a thriving 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.

ABL Approach Towards Climate Change

Climate-induced changes which are pervasive, are expected to aggravate financial impacts. The below illustration describes the transmission channel of climate risks identified by Network For Greening the Financial System (NGFS).



Physical Risks

Physical risks result from climate change and environmental factors that are either event-driven (acute) or longer-term shifts (chronic), and may increase further due to the trajectory of the current policies, including stranded assets, decreased valuations, lack of insurance coverage and damage to production facilities, and supply chain disruptions.

This region is particularly vulnerable to the physical risks associated with climate change. The primary hazards, to which the Bank's assets in Pakistan are exposed, are:

- Rising temperatures and humidity in Pakistan are leading to more frequent and intense heatwaves, exacerbating heat stress, posing health risks for outdoor workers and vulnerable members of the population. The extreme heat also increases energy demand for cooling, straining power grids and leading to further increased greenhouse gas emissions.
- Rising sea levels threaten coastal cities and infrastructure in South Asia, leading to increased flooding, coastal erosion, and salinization of freshwater resources. This phenomenon is particularly concerning for low-lying areas in Asia, where valuable real estate and critical infrastructure are at risk.
- Severe rainfall and changing weather patterns are leading to more intense and unpredictable flooding events, causing significant damage to homes, infrastructure, and agricultural lands. These floods also disrupt daily life, displace communities, and pose serious public health risks due to waterborne diseases.
- The increasing frequency and intensity of forest fires in regions like South Asia are significantly damaging biodiversity, disrupting ecosystems, and posing a serious threat to human settlements. These fires not only destroy large areas of forest, leading to the loss of crucial carbon sinks, but also release massive amounts of particulate matter and greenhouse gases into the atmosphere, exacerbating global warming. The smoke from these fires poses significant health risks, particularly for vulnerable populations, and the fires often result in displacement of communities, loss of livelihoods, and long-term environmental degradation.
- Rising temperatures combined with high levels of air pollution are creating severe smog conditions in many urban areas. The dense layers of smog trap heat, resulting in even higher temperatures and further deteriorating the air quality. This dangerous combination increases respiratory and cardiovascular health risks, particularly for children, the elderly, and people with pre-existing health conditions. Additionally, the prolonged exposure to heat and smog strains healthcare systems, reduces worker productivity, and forces cities to invest heavily in air quality management and cooling

infrastructure.

- Heavy rainfall and altered river flow patterns are increasing the frequency and severity of riverine floods in many parts of South Asia. These floods lead to widespread damage to homes, infrastructure, and agricultural lands, displacing thousands of people and causing significant economic losses. Riverbanks, often weakened by deforestation and poor land management practices, are unable to contain the rising water levels, exacerbating the extent of the flooding. Beyond the immediate destruction, riverine floods also disrupt food and water supplies, increase the spread of waterborne diseases, and require substantial resources for recovery and rebuilding efforts.
- Prolonged droughts are becoming more common in Pakistan, severely impacting water availability for drinking, agriculture, and industry. Drought conditions are leading to reduced crop yields, increased food prices, and heightened competition for scarce water resources, which can exacerbate social and political tensions.

The interaction between hazard, vulnerability, and exposure produces the overall effect of physical climate risk. The Bank intends to measure the following physical risks in the coming years:

1. An assessment of climate data projections consistent with current and future data for different time horizons.
2. Operational site impacts to evaluate the physical risks posed by climate change to physical assets.
3. Safety, cost, and productivity impacts across the Bank to ensure physical climate change factors are added to business resilience planning.
4. Financial impacts modelling, to understand the physical asset value at risk and potential value at risk.

Transition Risks

Transition Risks refer to the financial and operational risks that arise as economies shift from fossil fuel-based systems to low-carbon and sustainable practices. This transition can be driven by regulatory changes, technological advancements, market shifts, and changing consumer preferences aimed at mitigating climate change. In Pakistan, climate-induced transition risk could involve:

- Regulatory changes such as the introduction of Carbon Pricing: The Government of Pakistan is considering the adoption of carbon pricing strategies to encourage the reduction of emissions. For example, the introduction of a carbon tax on specific industries could lead to higher operational costs for businesses heavily dependent on fossil fuels, affecting their profit margins and market position.
- Diversification efforts in the energy sector and investment in Renewable Energy: Authorities

in Pakistan are focusing on broadening their economic base beyond petroleum. Companies that fail to align with this transition risk losing their competitive edge. Traditional energy firms, for instance, may experience a decline in revenue if they fail to adopt renewable energy technologies, as demand for cleaner energy solutions grows.

- Changing consumer preferences and growing demand for sustainable products: The growing consciousness about environmental issues is leading consumers to prefer eco-friendly products and services. If a significant portion of the Pakistani population starts favoring electric vehicles over conventional gasoline-powered cars, manufacturers who do not adapt their offerings accordingly could witness a decline in sales.
- Stranded assets and fossil fuel investments: In Pakistan, substantial investments in fossil fuel reserves might become obsolete if the global energy demand pivots to renewable sources. The potential devaluation of these assets, triggered by market shifts or new regulatory measures, could lead to significant economic losses.

ABL aims to develop and implement its Climate Risk Policy (CRP) across the Bank to address material climate risks and potential impacts from credit facility counterparties and vendors.

As part of the CRP's requirements, a materiality assessment of climate risks will be established to evaluate the exposure and severity of transition risks. The assessment will ensure proactive monitoring and management of these identified risks within the Bank.

Impact Across Business and Value Chain

Transition Risks Stress Testing

The Bank intends to assess its credit exposures in sensitive sectors that could be heavily impacted by climate change effects. This assessment aims to understand the Bank's exposure to transition risks. The analysis will encompass short, medium and long-term time horizons.

Following this analysis, ABL will establish its Risk Acceptance Criteria Statement to reflect an approach to transition risks. The results from stress testing will also be considered when making financing decisions, ensuring that the company can maintain cash flow under climate-related regulations.

Emissions Tracking

The Bank intends to accelerate its efforts to track total GHG emissions in the coming years, building upon the GHG emissions tracking initiative launched in the current year reporting. This will lead to more accurate and comprehensive emissions data collection for all scopes. The Bank will begin including financed emissions in its emissions tracking, providing an estimate of the absolute

emissions associated with investments in selected sectors.

Impact of Climate Risks on Strategy and Decision-Making

ABL recognises that the global effects of climate change are undeniable. Historical emissions will cause the majority of climate change over the next few decades, resulting in transition risks that will have a more direct and immediate financial impact.

Pakistan has understood the need to transition and has updated its Nationally Determined Contributions (NDCs) in 2025, committing to reduce its greenhouse gas (GHG) emissions by 50% in 2035 compared to a business-as-usual scenario (BAU). Of this 50% reduction, 17% is unconditional and the remaining 33% reduction is conditional, depending on US\$565.7bn in international financing, technology access and commensurate ambition and action at the global level. ABL intends to align its strategy with the Pakistan NDCs for achieving the Net Zero ambition of the country.

Clear and consistent climate actions are imperative for the banking sector to develop and frame its response to climate change, as well as demonstrating to stakeholders and the broader economy that it fully understands and takes account of climate change in business decisions. 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 and across different time horizons, and the rationale underpinning the selection of these
- Define detailed plans on mitigation and establish key targets and interim milestones for risk management and portfolio decarbonisation efforts
- Enhance the Bank's governance structure and approach to Net Zero activities.

The Bank has adopted a strategic approach to embed climate risks within its core strategy and decision-making processes. Further updates on progress will be shared in subsequent disclosures. As the climate-related disclosure landscape continues

to evolve, it is recognised that standard-setters have made significant efforts to achieve alignment. However, it is anticipated that the landscape will continue to consolidate and become more specific. The Bank continues to monitor developments in this space and use them as signals to enhance its strategy further.

During the year, climate-related factors did not have a material impact on credit losses or capital adequacy. However, exposure to sectors sensitive to transition risk (e.g., energy and manufacturing) is being closely monitored.

Financial Effects of Climate-Related Risks and Opportunities

The Bank acknowledges the potential financial impacts of the climate-related risks and opportunities. The Bank's planned assessments aim to identify risks affecting credit exposure, asset valuation, and operational stability.

ABL 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.

Resilience

The Bank recognises that its commitment to sustainability offers far-reaching benefits for both the communities and economies in which it operates, as well as for the organisation itself. The Bank's sustainability strategy aligns with its core values, driving commercial opportunities and positively contributing to the balance sheet, while enhancing resilience. The Bank's governance framework promotes diversity, ethical business conduct and skills development, laying the foundation for strong growth.

Internal policies that embed inclusivity and diversity, foster adaptability and broaden perspectives, ensuring effective management of change. The code of conduct upholds integrity and professionalism within the organisation, while supplier engagement policies ensure alignment with these values. These measures safeguard the Bank's reputation and long-term stakeholder interests.

ABL's sustainability strategy remains central to its operations, enabling continued support for the Pakistan economy, the region, and society, establishing ABL as a financial institution integral to the economic and social fabric for years to come.

ABL aims to provide quantitative reports on the financial impact of climate-related risks and opportunities in the coming years.

Subsequently, the resilience of the Bank's business strategy, considering the climate-related risks and opportunities, will also be presented.



PROTECTING Coasts Through Mangroves



RISK MANAGEMENT

Overview

As a financial institution, ABL is susceptible to a broad range of financial and non-financial risks across its value chain, including ESG and climate-related risks. These risks vary in concentration, degree, and intensity, and can have differentiated impacts on ABL's business and operations.

ABL has implemented a Risk Management Framework to effectively identify and manage material risks. This framework encompasses key elements including Risk Governance, Risk Architecture, and Risk Organisation. The Board of Directors oversees the overall effectiveness of risk management practices, ensuring that the Bank is well-positioned to navigate potential challenges and safeguard its operations. Additionally, the Board is responsible for appointing senior management personnel with the necessary expertise to manage the Bank's risk activities.

The Board Risk Management Committee plays a crucial role in overseeing ABL's Risk Management Framework. The BRMC ensures that the overall risk strategy and acceptance criteria are appropriately defined in the Strategic Plan and recommends these guidelines to the Board of Directors for approval.

To maintain a healthy asset portfolio, the BRMC monitors its quality and suggests measures to minimise problem loans. Additionally, the Committee is responsible for approving risk limits, ensuring that the Bank's exposure to risk remains within acceptable levels. The Chief Executive Officer and Group Chiefs play a pivotal role in managing risks through their membership on various Management Committees, including the Management Committee (MANCO), the Asset and Liability Committee (ALCO), the Compliance Committee (CC), and the Risk Management Committee (RMC).

To ensure independent oversight of risk management activities, the Bank has established an Audit Committee of the Board and an Audit & Risk Review Group. This provides additional layers of scrutiny and helps to maintain the Bank's Risk Management Framework.

The Bank has also established an independent, resourceful, and effective risk management group to oversee the Bank's risk management activities. The Bank's risk management functions encompass Corporate & Financial Institution Risk, Commercial, Small & Medium Enterprises & Consumer Risk, Enterprise Risk, Credit Administration, Information Security & Governance, and Technical Appraisal.

The Bank's robust risk management practices have achieved one of the lowest Non-Performing

Loan (NPL) ratios in the industry at 1.42%. This demonstrates the Bank's commitment to responsible lending and ensures the sustainability of its loan portfolio.

Risk Management Process

- Risk Identification: Adequate and timely risk identification to ensure that risks are appropriately categorized.
- Risk Evaluation Measurement: Risks are evaluated in terms of their qualitative and quantitative impact.
- Risk Management & Response: Mitigation plans are deployed and tracked against predetermined timelines with the necessary escalation processes in place.
- Monitoring & Reporting: Streamlined risk reporting requirements allow management and the BoD to make effective and timely decisions.

The Bank has implemented robust risk policies for all material risks faced by the Bank, including:

- Credit Policy
- Market & Liquidity Risk Policy
- Operational Risk Management Policy
- Strategic Risk Management Policy
- Information Security Policy
- Green Banking Policy
- Country Risk Management Framework
- Reputational Risk Management Framework

The Risk Acceptance Criteria Statement (RACS) is a fundamental component of Bank's Risk Management Strategy. It quantifies the aggregate risk that the Bank is willing to accept across key risk types, including Credit Risk, Market and Liquidity Risk, Operational Risk, Strategic Risk, Regulatory Risk, Legal Risk, Reputational Risk and Shariah Non-Compliance Risk.

Assessment of Principal Risks

The following are the principal risks being faced by the Bank:

- Credit Risk
- Market Risk
- Operational Risk
- Liquidity Risk

- Capital Adequacy Risk
- Strategic Risk
- Compliance Risk
- Technology Risk
- Reputational Risk
- Information Security Risk
- Shariah Non-Compliance Risk

Risk Acceptance Criteria

The Bank has established clear and quantified thresholds to optimize returns while minimizing potential losses. This proactive approach allows the Bank to make informed decisions and effectively manage its risk profile.

Risk Identification, Assessment and Monitoring

Identifying and assessing principal risks, considering their likelihood of occurrence and potential impact, to develop effective risk mitigation strategies.

Residual Risk

Understanding the nature and quantum of residual risk, which remains after efforts to identify and mitigate all key risk types, including 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 but plausible stress scenarios. The results of stress-testing exercises are analysed to make necessary changes in Risk Strategy and Business Planning. Integrated Risk Management, along with strategic planning decision-making processes, responds to existing as well as emerging risks.

Initiatives for Risk Management

Risk Management Practices

Risk Management is a continuous process of improvement in all the risk assessment practices. The use of the latest technology, the in-house developed Risk Management System (RAMS), provides a holistic view of risk management at the Bank level and offers detailed tools for analysis, decision-making, and monitoring. RAMS includes the Loan Origination System (LOS), an automated online credit approval system that provides a one-click solution to all necessary information requirements. Credit proposal processing in LOS provides various benefits, including a paperless environment, cost-effectiveness, transparency, time-stamping, remote accessibility, and enhanced efficiency. RAMS is

continuously updated and upgraded by the in-house team based on stakeholder feedback.

As part of its social responsibility, the Bank has developed specific Corporate Governance benchmarks for its borrowers. The thresholds are driven by borrowers' size/sales levels, which trigger alerts when a business should graduate to an improved legal entity status, induct a minimum number of directors based on the defined sales threshold range, and improve board composition with diversity and independence. Accordingly, with this feedback, businesses are encouraged to enhance their corporate governance practices wherever deviations from the standards are identified.

Technical Appraisal Group

Allied Bank is the only bank in the country that has established an in-house Technical Appraisal Group, consisting of industry experts and engineers from various sectors, including environment specialists.

It conducts visits to borrowers' plants to perform technology assessments of plant and machinery and complements the loan assessment process by reviewing the technical performance of borrowers and project feasibility.

The Bank shares with borrowers the latest technology trends and best industry practices for governance, as well as the positive impact of adopting green environmental practices at plants.

The Bank has internally developed the Obligor Technical Risk Rating (TRR) model. The TRR model addresses various technical aspects of the obligor's plants, including machinery (technology era, manufacturer ranking, non-reliance on second-hand equipment), maintenance status, BMR activities, automation status, supply chain system, ERP status, use of digital technologies, power sources assessment, plant management, quality control system, firefighting system, health, safety & environment, sustainability, and employees' capacity building.

Warehouse Facility

Effective warehouse management for agricultural commodities plays a critical role in advancing sustainability, strengthening governance, and safeguarding livelihoods across the agricultural value chain. Allied Bank Limited (ABL) pioneered the establishment of commodity warehouses in key trading hubs, ensuring proximity to major commodity-producing regions while enabling Small and Medium Enterprises (SMEs) to enhance their access to formal financing sources.

Currently, the Bank operates nine strategically located warehouses at Kamoke, Ghakhar Mandi, Jahangirabad (Multan), Munirabad (Multan), Athara

Hazari (Jhang), Toba Road (Jhang), Sahiwal, Bucheki, and Mandi Faizabad. This initiative reflects ABL's commitment to sustainable agriculture, financial inclusion, and prudent risk management.

In the absence of proper warehousing infrastructure, a significant proportion of agricultural commodities in Pakistan continues to suffer deterioration due to inadequate storage facilities, leading to millions of dollars' worth of losses annually. These losses have a cascading impact on the national economy and the livelihoods of countless farming households.

Against this backdrop, ABL's warehouse initiative transforms structural challenges into meaningful opportunities by providing secure, well-managed storage solutions that preserve crop quality, stabilize supply chains, and protect farmer incomes. Beyond mitigating credit risk, the Bank's warehousing strategy contributes positively to multiple dimensions of environmental, economic, and social sustainability, including:

- Reduction in agricultural commodity waste
- Efficient utilisation of resources
- Development of robust storage infrastructure
- Minimization of carbon footprint through optimized logistics
- Enhancement of market stability and price discovery
- Improvement in financial security for farmers and SMEs
- Leveraging technology for inventory control and monitoring
- Promotion of collaborative efforts and community development
- Reduction in rural-to-urban migration by strengthening rural economies

Through this integrated approach, ABL continues to play a pivotal role in reinforcing sustainable agricultural practices, strengthening food security, and supporting inclusive economic growth.

Awareness Seminars

Under its Corporate Social Responsibility (CSR), the Bank organises interactive seminars to engage with borrowers as stakeholders and create awareness about topics beneficial to business sustainability and growth. These seminars cover a wide range of topics, including the importance of Corporate Governance, Succession Planning, use of the latest technologies, and economic opportunities. In FY2025, the Bank arranged the following seminars:

Next Generation Leadership Program (NGLP)

In order to equip the next generation of the Bank's obligors with the latest business, financial and technical processes, ideas and theories, an

interactive training event was conducted. The event featured prominent scholars, industry specialists and researchers from JP Morgan, KPMG, LUMS and FC University. The primary objective of the event was to share with participants, the modern governance principles and techniques, social and environmental (ESG) policy adaptation, new age Human Resource Management practices, the adoption of AI and Digital platforms in business process, strategic thinking within Pakistan's cultural and regional settings.

Borrowers' Seminars

During the year, the Bank arranged a series of seminars in Larkana, Gujranwala, and Sheikhpura. Dr. Ishrat Husain, a renowned economist and former Governor of the State Bank of Pakistan, delivered the keynote address, sharing valuable perspectives on economic reform and institutional development. These seminars were attended by a diverse group of borrowers and industry representatives from the Commercial and SME sectors across the respective regions. Through these initiatives, the Bank strengthened its role as both a financial partner and a platform for knowledge sharing and industrial growth.

A seminar was organised in Larkana on 'Transition from Family-Owned Structure to Corporate Structure' to guide family-owned businesses in transitioning toward more formal corporate governance structures. The session highlighted the importance of professional management, clear decision-making processes, succession planning, and long-term institutional sustainability. Participants were encouraged to adopt governance practices that improve transparency and credibility with financial institutions, investors, and business partners, enabling sustainable growth and better risk management.

Recognising the strong industrial base of the region, the Bank hosted a focused session in Gujranwala on 'Towards Building Gujranwala as an Industrial Cluster' for developing the city as an integrated industrial cluster. The discussion emphasized how the geographic concentration of related industries can enhance productivity, improve supply chain efficiency, and create access to skilled labour and shared infrastructure. Participants explored practical approaches for collective growth, export expansion, and improved competitiveness through coordinated regional development.

Continuing the theme of cluster development, another session was convened in Sheikhpura on 'Cluster Synergies: Unlocking Growth and Expansion Opportunities', highlighting the benefits of collaboration within industrial ecosystems. The discussion focused on how businesses within clusters can benefit from shared services, joint marketing

initiatives, technology adoption, and knowledge sharing. Participants gained a clearer understanding of how strategic partnerships can reduce costs, drive innovation, and create new opportunities for expansion and market access.

In all three seminars, the participants were given a detailed presentation on 'Sustainable Growth (SME Sector)' in which details of Environmental, Social and Governance (ESG) pillars were highlighted.

Sustainability and Climate-related Risk Management

The Sustainability and climate risks (as discussed in the Strategy section of this report) are integrated into the existing risk processes across the Bank. This section of the report focuses on ESG and sustainability-related risks, along with the policies and procedures that form the basis of the sustainability risk management approach. Furthermore, within this context of sustainability risks, the Bank has specifically detailed its approach to climate-related risks. These climate-related risks are pervasive across every aspect of the value chain and can have a direct effect on multiple portfolios and business activities of the Bank. Given the specific interest in disclosures surrounding climate risk management for users of general-purpose financial statements, including investors, lenders and other creditors, a dedicated section on climate-related risk management has been developed, in line with the requirements of the IFRS S2 standards.

Green Banking Policy

Environmental Pollution and Climate Change are two of the most pressing global challenges of current time. Like organisations worldwide, ABL is committed to leading the charge towards a more sustainable future. The Bank is actively transforming the practices to minimise its environmental footprint and contribute positively to society, which is demonstrated by its Green Banking Policy. The following are the primary areas covered in the Bank's Green Banking Policy:

Green Facilitations/Financing

- Gradual allocation of funding resources to green initiatives
- Development of Green Products
- Green Advisory services

Own Impact Reduction

- Reducing the Bank's environmental footprint by adopting cost-effective and sustainable renewable energy sources for its operations

- Ensuring that the branches, offices, and ATMs operate using low-carbon energy
- Promoting awareness and understanding of environmental and social issues through training, campaigns, and employee education initiatives

Environmental and Social Risk Management (ESRM)

ABL has long been committed to monitoring the environmental and social risks associated with its borrowers. To strengthen the risk management practices, the Bank, in 2008, developed an Environmental and Social Risk Assessment (ESRA) framework. In 2018, aligning with the State Bank of Pakistan's Green Banking Guidelines, the Bank further advanced its approach by implementing Environment Due Diligence (EnvDD), Environment Risk Rating (ERR), and Social Risk Rating (SRR) models. Additionally, the Bank upgraded its Environmental and Social Risk Management (ESRM) system to ensure compliance with the SBP's "Environmental and Social Risk Management Implementation Manual."

The Environmental and Social Risk Management (ESRM) system is designed to identify, assess, mitigate, and monitor environmental and social risks associated with the borrowers' business operations. The ESRM Framework includes a comprehensive set of policies, procedures, tools, and internal capacities to effectively manage the Bank's exposure to Environmental and Social (E&S) risks associated with its borrowers and customers. This system is applicable across various segments, including retail, trade, microfinance, SME, corporate finance, and project finance.

The major procedures developed in ESRM include:

- Screening transactions
- Categorising transactions
- Conducting Environmental and Social Due Diligence (ESDD)
- Assessing risk categories as High, Medium, or Low
- Monitoring Borrowers' or customers' environmental and social performance
- Managing non-compliance with the Bank's environmental and social standards
- Incorporating environmental and social requirements, such as corrective action plans

All national and provincial regulations related to Environmental and Social governance are strictly adhered to when performing Environmental and Social Due Diligence for a transaction. The ESDD process evaluates various E&S risks associated

with financing, such as water, air, waste, and noise pollution, climate change impacts (floods, droughts, cyclones, etc.), greenhouse gas (GHG) emissions, ecological sensitivity, occupational health and safety, labour and working conditions, and grievance mechanisms. It also examines the Environmental and Social Management Systems, community health, safety, and security, as well as corporate social responsibility practices.

All relevant permits, no-objection certificates, consents, licences, and monitoring of E&S parameters, in accordance with national and provincial regulations, are mandatory compliance requirements for loan application evaluations. Key laws and regulations include Environmental and Social Impact Assessments (ESIAs), Environment Quality Standards, Occupational Safety and Health, Labour Laws, Protection against Harassment of Women at the Workplace, Protection against Child Labour, Factories Act, and other pertinent legislation issued by national and provincial governments.

Additionally, International Finance Corporation (IFC) Performance Standards are applicable for project finance and long-term corporate finance. These standards thoroughly assess various E&S aspects, including environmental and social risks and impacts, labour and working conditions, resource efficiency and pollution prevention, community health, safety, and security, land acquisition and involuntary resettlement, biodiversity conservation, sustainable management of living natural resources, indigenous peoples, and cultural heritage.

Green Advisory Service Desk

The Bank has established a Green Advisory Service Desk within the Sustainability Department at its Head Office in Lahore. The Desk facilitates both prospective and existing borrowers with inquiries related to green investments and various options for efficient resource planning.

Sustainability/Green Banking Capacity Building

The Bank is continuously building the capacity of its staff in Green Banking. A total of 16,962 participants received training and awareness on green banking, ESRM, Climate Finance in FY 2025.

Climate Risk Management

The integration of climate-change-related risks into Allied Bank's existing risk management frameworks reflects a structured approach to addressing both transition and physical risks, which are evolving in nature.

These risks will be addressed in the Bank's existing risk frameworks in the following manner:

Governance and Processes

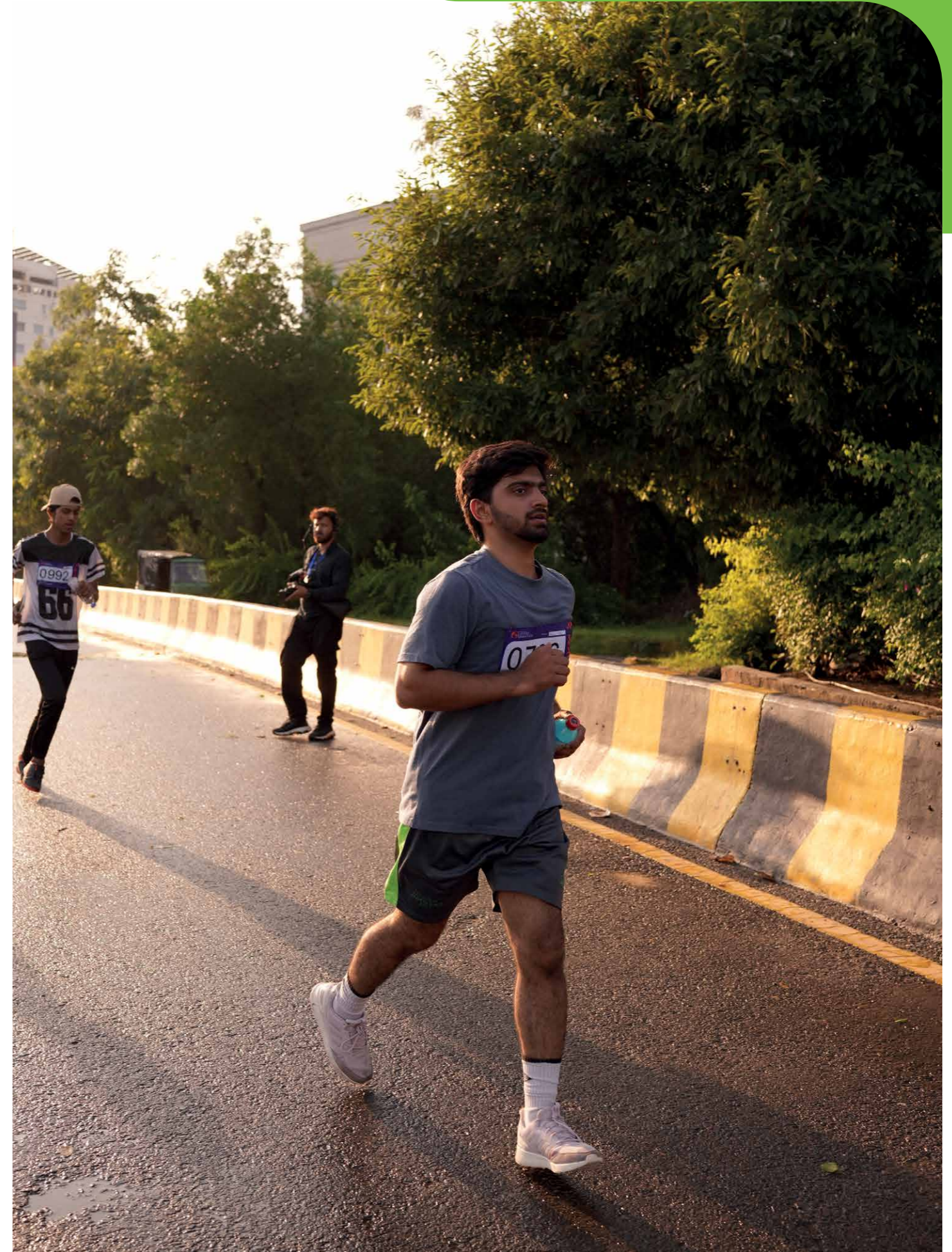
At the highest level, the Board receives regular updates on climate risk management and associated activities. These updates support informed decision-making and strategic adjustments, ensuring that climate risk management practices stay effective and adaptable to evolving conditions. By incorporating climate-related risks into its risk management framework, Allied Bank aims to effectively manage and mitigate the potential impacts of climate change on its operations and financial stability.

Climate Risk Policy (CRP)

ABL aims to develop and implement its Climate Risk Policy (CRP) across the Bank to address material climate risks and potential impacts from credit facility counterparties and vendors. As part of the CRP's requirements, a materiality assessment of climate risks will be established to evaluate the exposure and severity of transition risks. The assessment will ensure proactive monitoring and management of these identified risks within the Bank.

Scenario Analysis/Stress Testing

The Bank plans to perform a transition risk scenario analysis on its top credit exposures within high-emission sectors. This analysis will evaluate the potential impacts of transition-related climate risks of counterparties and will assess how these risks could affect the Bank's performance.



آل انجمن
طبرستان

**METRICS
& TARGETS**

Overview

In accordance with the IFRS S1 and S2 standards, the Bank provides disclosures on sustainability and climate-related factors, detailing its governance, strategy, risk management and metrics & targets. These disclosures are designed to offer stakeholders a transparent view of the Bank's preparedness and commitment to addressing sustainability challenges and leveraging climate-related opportunities.

To ensure these disclosures are both meaningful and compliant, the Bank selects metrics that are directly relevant to its operational impact on the environment and society. Based on these metrics, the Bank then establishes ambitious but realistic targets, demonstrating a commitment to accountability, measurable progress, and positive outcomes.

Sustainability-related Metrics and Targets

Adherence to the IFRS S1 standard necessitates the disclosure of Metrics and Targets, which are fundamental for stakeholders to evaluate an entity's sustainability performance. The standard mandates that these quantitative metrics be relevant, reliable, and comparable, providing a clear picture of outcomes across environmental, social, and governance domains. This includes both short-term and long-term targets, supported by contextual information on the methodologies and assumptions used in their calculation.

To ensure its disclosures are credible and consistent, the Bank aligns its reporting with globally recognised frameworks such as the GRI standards and has incorporated SASB guidelines in this

report to provide an industry-specific viewpoint. Consequently, the Bank publishes a suite of metrics that capture its most material impacts, supported by measurable targets and accounts of its performance, strategies, and actions for improvement. The Bank also explains its data collection processes and notes any changes in reporting practices.

Looking forward, the Bank is actively gathering data to better understand how sustainability and climate-related factors influence its business decisions and results across all operations. The Bank intends to disclose more quantitative information on these elements in future reports aligned with IFRS S1 and S2.

Metrics and Targets

The data presented in the following tables is current as of 31 December 2025

Metric	Metric Definition	2024 Value	2025 Value	Source	Source ABL	Mapping to Report Section
Board independence	As required by law, no less than one-third of the Board members shall be deemed independent	37.5% (three of eight Directors on the Board are independent directors)	37.5% (three of eight Directors on the Board are independent directors)	SECP ESG Disclosure Guidelines/ Regulation/ GRI 2021	Annual Report/ Sustainability Report	Governance
Data Security	Description of approach to identifying and addressing data security risks	<ul style="list-style-type: none"> Consumer data protection is central to the Bank's ethics and long-term sustainability The technology framework of the Bank is governed by the SBP guidelines contained in the Enterprise Technology Governance & Risk Management Framework for Financial Institutions The Bank's Information Security Policy provides detailed guidelines on the use of various technology mediums Information Security programs are built around three objectives - Confidentiality, Integrity, and Availability of Information Encryption, access controls, and regular audits safe- guard the confidentiality, integrity, and availability of consumer data 	<ul style="list-style-type: none"> Consumer data protection is central to the Bank's ethics and long-term sustainability The technology framework of the Bank is governed by the SBP guidelines contained in the Enterprise Technology Governance & Risk Management Framework for Financial Institutions The Bank's Information Security Policy provides detailed guidelines on the use of various technology mediums Information Security programs are built around three objectives - Confidentiality, Integrity, and Availability of Information Encryption, access controls, and regular audits safe- guard the confidentiality, integrity, and availability of consumer data 	SECP ESG Disclosure Guidelines/ SASB	Sustainability Report	Governance
Data Security	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected	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.	SASB/GRI 2021/ SECP ESG Disclosure Guidelines	Sustainability Report	Governance

Metric	Metric Definition	2024 Value	2025 Value	Source	Source ABL	Mapping to Report Section
Whistle Blower Policy	Description of whistle blower policies and procedures	The objectives of the Whistleblowing Policy of the Bank are to strengthen the culture of transparency and trust in the Bank by encouraging all the employees, vendors, service providers and concerned to blow the 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. Multiple channels for whistleblowing are available.	The objectives of the Whistleblowing Policy of the Bank are to strengthen the culture of transparency and trust in the Bank by encouraging all the employees, vendors, service providers and concerned to blow the 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. Multiple channels for whistleblowing are available.	SASB	Sustainability Report	Governance
Monetary Losses	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations, or associated with professional integrity, including duty of care	No monetary loss has been reported related to this.	No monetary loss has been reported related to this.	SASB	Sustainability Report	Metrics and Targets

Metric	Metric Definition	2024 Value	2025 Value	Source	Source ABL	Mapping to Report Section
Credit Analysis	Description of approach to incorporation of ESG factors in credit analysis	The credit proposals are reviewed through the internally designed automated Loan Origination System (LOS) in Risk Assessment and Management System (RAMS). The review process involves assessing multiple factors including global/local economic outlook, the specific sector trends and projections and the obligors' performance involving the financial, operational and non-financial parameters. The financial analysis also encompasses the projections based on prevailing and expected macroeconomic changes. Non-financial parameters' assessment includes the experience and involvement of sponsors and availability of their successors, and competence of key management personnel. Simultaneously, for review of a manufacturing concern's credit proposal; the Technical Appraisal Department of Risk Management reviews the technical aspects of the plant(s) of the company; and provides feedback on the operational handling and improvements / needs. The obligor/proposal is also assessed on Environmental and Social Risk Management (ESRM) system. Based on the detailed analysis mentioned above, the credit proposals are approved by the competent authority.	The credit proposals are reviewed through the internally designed automated Loan Origination System (LOS) in Risk Assessment and Management System (RAMS). The review process involves assessing multiple factors including global/local economic outlook, the specific sector trends and projections and the obligors' performance involving the financial, operational and non-financial parameters. The financial analysis also encompasses the projections based on prevailing and expected macroeconomic changes. Non-financial parameters' assessment includes the experience and involvement of sponsors and availability of their successors, and competence of key management personnel. Simultaneously, for review of a manufacturing concern's credit proposal; the Technical Appraisal Department of Risk Management reviews the technical aspects of the plant(s) of the company; and provides feedback on the operational handling and improvements / needs. The obligor/proposal is also assessed on Environmental and Social Risk Management (ESRM) system. Based on the detailed analysis mentioned above, the credit proposals are approved by the competent authority.	SASB/GRI 2021	Sustainability Report	Metrics and Targets

Metric	Metric Definition	2024 Value	2025 Value	Source	Source ABL	Mapping to Report Section																												
Stress Tests	Description of approach to integrate results of mandatory and voluntary stress tests into long-term capital adequacy planning, corporate strategy, and other business activities	The Bank conducts Stress Testing to ascertain the impact of various scenarios on the capital adequacy and sustainability of the Bank. The exercise incorporates various advance stress tools including sensitivity and scenario analysis covering macro-economic scenarios and reverse stress tests to evaluate the resilience of the Bank. Results of stress testing exercises are analysed to make necessary changes in long-term Capital Adequacy, Risk Strategy and Business Planning. Integrated Risk Management, along with strategic planning decision-making processes, responds to existing as well as emerging risks.	The Bank conducts Stress Testing to ascertain the impact of various scenarios on the capital adequacy and sustainability of the Bank. The exercise incorporates various advance stress tools including sensitivity and scenario analysis covering macro-economic scenarios and reverse stress tests to evaluate the resilience of the Bank. Results of stress testing exercises are analysed to make necessary changes in long-term Capital Adequacy, Risk Strategy and Business Planning. Integrated Risk Management, along with strategic planning decision-making processes, responds to existing as well as emerging risks.	SASB	Sustainability Report	Strategy/ Risk Management																												
Financial inclusion and capacity building	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	855,341 new Asaan Accounts	976,797 new Asaan Accounts	SASB	Sustainability Report	General Requirement																												
Financial inclusion and capacity building	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	As of December 31st, 2024: Under National Financial Literacy Program (NFLP), there were more than 3,996 sessions conducted in 41 districts with participants over 122,201	As of December 31st, 2025: Under National Financial Literacy Program (NFLP), overall there were more than 4,581 sessions conducted in 41 districts with over 131,358 participants	SASB	Sustainability Report	Social																												
Financial inclusion and capacity building	1) Number and (2) amount of loans outstanding that qualify for programs designed to promote small business and community development	<table border="1"> <thead> <tr> <th rowspan="2">Segment</th> <th colspan="2">Outstanding Financing (As on 31.12.2024)</th> </tr> <tr> <th>No. of Borrowers</th> <th>Rs in million</th> </tr> </thead> <tbody> <tr> <td>Agriculture Financing</td> <td>2,673</td> <td>2,074</td> </tr> <tr> <td>Consumer Financing</td> <td>1,990</td> <td>4,243</td> </tr> <tr> <td>Small Enterprises Financing</td> <td>1,370</td> <td>5,593</td> </tr> </tbody> </table>	Segment	Outstanding Financing (As on 31.12.2024)		No. of Borrowers	Rs in million	Agriculture Financing	2,673	2,074	Consumer Financing	1,990	4,243	Small Enterprises Financing	1,370	5,593	<table border="1"> <thead> <tr> <th rowspan="2">Segment</th> <th colspan="2">Outstanding Financing (As on 31.12.2025)</th> </tr> <tr> <th>No. of Borrowers</th> <th>Rs in million</th> </tr> </thead> <tbody> <tr> <td>Agriculture Financing</td> <td>2,534</td> <td>2,299</td> </tr> <tr> <td>Consumer Financing</td> <td>1,851</td> <td>3,599</td> </tr> <tr> <td>Small Enterprises Financing</td> <td>1,200</td> <td>7,655</td> </tr> </tbody> </table>	Segment	Outstanding Financing (As on 31.12.2025)		No. of Borrowers	Rs in million	Agriculture Financing	2,534	2,299	Consumer Financing	1,851	3,599	Small Enterprises Financing	1,200	7,655	SASB	Sustainability Report	Metrics and Targets
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Small Enterprises Financing	1,200	7,655																																

Metric	Metric Definition	2024 Value	2025 Value	Source	Source ABL	Mapping to Report Section
Total Training Hours Delivered	The cumulative number of hours of training provided to all employees within the Bank over a specific period	Average Training Hours Served per Employee: 47.5 hours	Average Training Hours Served per Employee: 85.97 hours	SECP ESG Disclosure Guidelines/ GRI 2021	Sustainability Report	Social
Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Activities	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment banking and brokerage activities	The Bank has developed an Environmental and Social Risk Management (ESRM) system, designed to identify, assess, mitigate, and monitor environmental and social risks stemming from the operations of borrowers' businesses. The ESRM framework includes a comprehensive set of policies, procedures, tools, and internal capacities to effectively manage the Bank's exposure to Environmental and Social (E&S) risks associated with its borrowers and customers. This system applies across various segments, including retail, trade, microfinance, SME, corporate finance, and project finance.	The Bank has developed an Environmental and Social Risk Management (ESRM) system, designed to identify, assess, mitigate, and monitor environmental and social risks stemming from the operations of borrowers' businesses. The ESRM framework includes a comprehensive set of policies, procedures, tools, and internal capacities to effectively manage the Bank's exposure to Environmental and Social (E&S) risks associated with its borrowers and customers. This system applies across various segments, including retail, trade, microfinance, SME, corporate finance, and project finance.	SASB	Sustainability Report	Risk Management
Gender Pay Ratio	Ratio: Median male compensation to median female compensation	<ul style="list-style-type: none"> Median male compensation to median female compensation ratio 1.1:1 Gender Pay Gap for the year ended December 31, 2024. <ul style="list-style-type: none"> 1. Mean Gender pay Gap: -3% 2. Median Gender Pay Gap: -2% 	<ul style="list-style-type: none"> Median male compensation to median female compensation ratio 0.96 : 1 Gender Pay Gap as of December 31, 2025 <ul style="list-style-type: none"> 1. Mean Gender Pay Gap: -4% 2. Median Gender Pay Gap: -3% 	SECP ESG Disclosure Guidelines/ GRI 2021	Sustainability Report	Social
People of Determination hired (number of total employees)	This metric measures the number of employees with disabilities within the total workforce	55	52	SECP ESG Disclosure Guidelines	Sustainability Report	Social

Metric	Metric Definition	2024 Value	2025 Value	Source	Source ABL	Mapping to Report Section
Percentage of Spending on Local Suppliers	Percentage of spending on local suppliers	99%	96%	GRI 2021	Sustainability Report	Governance
Diversity and Inclusion	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management (c) professionals and (d) all other employees	<ul style="list-style-type: none"> 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% 	<ul style="list-style-type: none"> Total enterprise headcount: Women: 25.16%; Men 74.83% Senior and executive level positions: Women 23.67%; Men 76.33% Entry and mid-level positions: Women 25.33%; Men 74.67% 	SASB/ SECP ESG Disclosure Guidelines	Sustainability Report	Social
Gender Diversity at Board Level	As per regulation, the Board shall have at least one female Director	Male Directors: 7 (87.5%) Female Directors: 1 (12.5%)	Male Directors: 6 (75%) Female Directors: 2 (25%)	Regulation/ SECP ESG Disclosure Guidelines /GRI 2021	Annual Report	Governance
Gender Diversity in Leadership Roles	Women positions in Executive and Senior Management	23.83%	23.67%	SASB/ SECP ESG Disclosure Guidelines/ GRI 2021	Annual Report	Social
Share of Women in Total Workforce	Percentage of female employees relative to total workforce	24.59%	25.16%	SASB/ SECP ESG Disclosure Guidelines/GRI 2021	Sustainability Report	Social

Metric	Metric Definition	2024 Value	2025 Value	Source	Source ABL	Mapping to Report Section
Injury Rate	Percentage: Frequency of injury events relative to total workforce time Number of lost production hours as a result of safety related incidents Disclose the percentage of employees/ workers covered with Health and Safety Insurance?	Nil	Nil	SECP ESG Disclosure Guidelines/ GRI 2021	Sustainability Report	Social
Employee Turnover Rate	Employee turnover rate quantifies the proportion of employees who departed the Bank during a specified time frame	14%	16.84%	SASB/ SECP ESG Disclosure Guidelines/ GRI 2021	Sustainability Report	Social
Human Rights and Safe Employment Practices	Bank's policy commitments to prevent the risk child/ forced/ bonded labour throughout the supply chain	Allied Bank strictly follows and respects all applicable laws on Child Labour and Forced Labour. Minors are not hired in Allied Bank Limited in any capacity whatsoever. The Bank ensures that Child/Forced labour is not employed throughout its supply chain.	Allied Bank strictly follows and respects all applicable laws on Child Labour and Forced Labour. Minors are not hired in Allied Bank Limited in any capacity whatsoever. The Bank ensures that Child/Forced labour is not employed throughout its supply chain.	SECP ESG Disclosure Guidelines/ GRI 2021	Sustainability Report	Social
Local Communities	A list of CSR activities undertaken along with total time spent on these and amounts (PKR) allocated	Education - Rs.72 million General Welfare - Rs.56 million Health - Rs.43 million Sports - Rs.15 million Total - Rs.186 million	Education - Rs. 128 million General Welfare - Rs.170 million Health Sector - Rs. 38 million Sports - Rs. 55 million Green CSR - Rs. 105 million Total - Rs. 496 million	SECP ESG Disclosure Guidelines/ GRI 2021	Annual Report/ Sustainability	Social



SAIF-UL-MALOOK CLEANING DRIVE

Cleaned, Cleared, Conserved

Metric	Metric Definition	2024 Value	2025 Value	Source	Source ABL	Mapping to Report Section
GHG Emissions	Total Amount of Carbon and Greenhouse Gas Emissions in Metric Tons Total Amount, in CO2 equivalent, for Scope 1 Scope 2 and Scope 3 (if Applicable)	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)	SECP ESG Disclosure Guidelines/GRI 2021	Sustainability Report	Environment
Emissions Intensity	Emissions per million rupees net revenue	0.3731 (MT CO2e)	0.4191 (MT CO2e)	SECP ESG Disclosure Guidelines	Sustainability Report	Environment
Energy Usage	Total Amount of Energy directly consumed	Energy consumed: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> Grid: 131,727 GJ Non-renewable sources: 60,917 GJ Renewable sources: 10,611 GJ Business Vehicles: 53,924 GJ Energy (Natural Gas) Consumed: 4,577 GJ 	SECP ESG Disclosure Guidelines/GRI 2021	Sustainability Report	Environment
Energy Usage	Total Amount of Energy indirectly consumed	N/A	N/A	SECP ESG Disclosure Guidelines/GRI 2021	Sustainability Report	Environment
Energy Intensity	Energy consumption per million rupees net revenue	1.815 (GJ)	1.96 (GJ)	SECP ESG Disclosure Guidelines	Sustainability Report	Environment
Energy Mix	Percentage: Electrical Energy usage by generation type Disclose the energy consumption from renewable energy sources as a percent- age of total energy consumption	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%	SECP ESG Disclosure Guidelines	Sustainability Report	Environment
Minimum wage	Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation	122% (Irrespective of Gender). Note: Against minimum wages prescribed by the Federal Government of Pakistan.	122% (Irrespective of Gender). Note: Against minimum wages prescribed by the Federal Government of Pakistan.	GRI 2021	Sustainability Report	Social

Metric	Metric Definition	2024 Value	2025 Value	Source	Source ABL	Mapping to Report Section
Nature and Biodiversity	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high bio- diversity value outside protected areas and associated activities, products, and services on biodiversity. Habitats protected or restored as per IUCN Red List species and national conservation list species with habitats in areas affected by operations	ABL screens projects for biodiversity related impacts through the Environmental and Social Risk Management (ESRM) system of SBP. The ESRM system includes the screening of obligors/ projects for the excluded activities as per the exclusion list that may harm the biodiversity and natural habitat. As part of the Environmental and Social Due Diligence (ESDD), the Bank evaluates ecological sensitivity of the obligor/ project location. This includes assessing potential impacts on natural habitats, endangered species, and ecosystem services that may be caused due to the close proximity of the project with ecologically sensitive sites. For project finance and long- term corporate finance, ABL applies the International Finance Corporation (IFC) Performance Standards, which mandate thorough evaluation of biodiversity conservation and sustainable management of living natural resources through its Performance Standard 6, "Biodiversity Conservation and Sustainable Management of Living Natural Resources". The Bank also ensures that all relevant permits, consents, and environmental assessments such as Environmental and Social Impact Assessments (ESIA) are obtained in compliance with national and provincial regulations. Through this multi-layered approach, ABL effectively identifies, categorizes, and mitigates biodiversity related risks, ensuring responsible financing aligned with environmental stewardship.	ABL screens projects for biodiversity related impacts through the Environmental and Social Risk Management (ESRM) system of SBP. The ESRM system includes the screening of obligors/ projects for the excluded activities as per the exclusion list that may harm the biodiversity and natural habitat. As part of the Environmental and Social Due Diligence (ESDD), the Bank evaluates ecological sensitivity of the obligor/ project location. This includes assessing potential impacts on natural habitats, endangered species, and ecosystem services that may be caused due to the close proximity of the project with ecologically sensitive sites. For project finance and long- term corporate finance, ABL applies the International Finance Corporation (IFC) Performance Standards, which mandate thorough evaluation of biodiversity conservation and sustainable management of living natural resources through its Performance Standard 6, "Biodiversity Conservation and Sustainable Management of Living Natural Resources". The Bank also ensures that all relevant permits, consents, and environmental assessments such as Environmental and Social Impact Assessments (ESIA) are obtained in compliance with national and provincial regulations. Through this multi-layered approach, ABL effectively identifies, categorizes, and mitigates biodiversity related risks, ensuring responsible financing aligned with environmental stewardship.	GRI 2021	Sustainability Report	Environment
Water and Waste Management	Water withdrawal, consumption, and usage across all operations of the Bank.	Drinking water consumption: 2.85778 Megaliters	Drinking water consumption: 3.147914 Megaliters	SECP ESG Disclosure Guidelines/ GRI 2021	Sustainability Report	Environment

Metric	Metric Definition	2024 Value	2025 Value	Source	Source ABL	Mapping to Report Section
Water and Waste Management	Waste recycling initiatives. Water saving initiatives	<p>Waste Recycling initiatives: ABL operations do not generate any hazardous wastewater whereas utility water and domestic liquid waste is discharged in municipal wastewater system of local governments where the same is recycled or disposed of responsibly. General domestic solid waste disposal is managed through third-party contractors who dispose it of at dedicated places designated by local governments where the same is recycled or disposed of responsibly E-waste is responsibly donated to educational and welfare institutions through CSR initiatives, ensuring safe and beneficial reuse.</p> <p>Water Saving Initiatives: ABL is establishing all its new buildings on sustainable principles which include the low water consumption. The Bank is obtaining EDGE and LEED certifications for this purpose. Also, efforts are being made to get such certifications for existing ABL buildings. Awareness and stakeholder engagement efforts are ongoing to improve water management.</p>	<p>Waste Recycling initiatives: ABL operations do not generate any hazardous wastewater whereas utility water and domestic liquid waste is discharged in municipal wastewater system of local governments where the same is recycled or disposed of responsibly. General domestic solid waste disposal is managed through third-party contractors who dispose it of at dedicated places designated by local governments where the same is recycled or disposed of responsibly E-waste is responsibly donated to educational and welfare institutions through CSR initiatives, ensuring safe and beneficial reuse.</p> <p>Water Saving Initiatives: ABL is establishing all its new buildings on sustainable principles which include the low water consumption. The Bank is obtaining EDGE and LEED certifications for this purpose. Also, efforts are being made to get such certifications for existing ABL buildings. Awareness and stakeholder engagement efforts are ongoing to improve water management.</p>	SECP ESG Disclosure Guidelines/ GRI 2021	Sustainability Report	Environment
Professional Integrity	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	No case has been reported related to this.	No case has been reported related to this.	SASB	Sustainability Report	Metrics and Targets
Professional Integrity	Description of approach to ensuring professional integrity, including duty of care	The Bank's Code of Ethics provides clear guidelines that employee shall act with the highest degree of integrity, honesty, proprietary and loyalty, towards the interest of the Bank, its customers and regulators. All employees must act with integrity and within the scope of his/her employment duties and delegated authorities.	The Bank's Code of Ethics provides clear guidelines that employee shall act with the highest degree of integrity, honesty, proprietary and loyalty, towards the interest of the Bank, its customers and regulators. All employees must act with integrity and within the scope of his/her employment duties and delegated authorities.	SASB	Sustainability Report	Metrics and Targets

Metric	Metric Definition	2024 Value	2025 Value	Source	Source ABL	Mapping to Report Section																																								
Professional Integrity	(1) Number and (2) percentage of licenced employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	15 staff members are holding a licence to practice law.	20 staff members are holding a licence to practice law.	SASB	Sustainability Report	Metrics and Targets																																								
Professional Integrity	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	No monetary loss has been reported related to this.	No monetary loss has been reported related to this.	SASB	Sustainability Report	Metrics and Targets																																								
Employee Incentives & Risk-taking	Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or claw back provisions were applied	<table border="1"> <thead> <tr> <th></th> <th>MRTs</th> <th>High Risk</th> <th>Medium Risk</th> <th>Low Risk</th> </tr> </thead> <tbody> <tr> <td>CEO, Chiefs & Executive</td> <td>25%</td> <td>20%</td> <td>15%</td> <td></td> </tr> <tr> <td>Senior Management</td> <td>25%</td> <td>15%</td> <td>12.5%</td> <td></td> </tr> <tr> <td>Middle Management</td> <td>15%</td> <td>12.5%</td> <td>10%</td> <td></td> </tr> </tbody> </table>		MRTs	High Risk	Medium Risk	Low Risk	CEO, Chiefs & Executive	25%	20%	15%		Senior Management	25%	15%	12.5%		Middle Management	15%	12.5%	10%		<table border="1"> <thead> <tr> <th></th> <th>MRTs</th> <th>High Risk</th> <th>Medium Risk</th> <th>Low Risk</th> </tr> </thead> <tbody> <tr> <td>CEO, Chiefs & Executive</td> <td>25%</td> <td>20%</td> <td>15%</td> <td></td> </tr> <tr> <td>Senior Management</td> <td>20%</td> <td>15%</td> <td>12.5%</td> <td></td> </tr> <tr> <td>Middle Management</td> <td>15%</td> <td>12.5%</td> <td>10%</td> <td></td> </tr> </tbody> </table>		MRTs	High Risk	Medium Risk	Low Risk	CEO, Chiefs & Executive	25%	20%	15%		Senior Management	20%	15%	12.5%		Middle Management	15%	12.5%	10%		SASB	Sustainability Report	Metrics and Targets
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Employee Incentives & Risk-taking	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	17%	17%	SASB	Sustainability Report	Metrics and Targets																																								
New Recruitments	Total number and rate of new employee hires during the reporting period	2838	2612	GRI 2021	Sustainability Report	Social																																								
Senior management from local community	Proportion of senior management hired from the local community	100%	100%	GRI 2021	Sustainability Report	Social																																								

ENVIRONMENT



Resource Efficiency

Energy

Combustion of fossil fuels is a leading cause of human-driven climate change. Bank's energy transformation journey aligns with its goal to significantly reduce emissions and transition to green energy. The Bank aims to be an industry leader in energy efficiency and a benchmark for sustainable operations powered by green energy, which supports its commitment to innovation and energy security.

The energy consumption data includes the Bank's offices and branches across Pakistan. The data is based on availability and applicability for the respective branches and offices.

Energy Consumption

	2024	2025
Electrical Energy consumed from the Grid (GJ)	138,001	131,727
Electrical Energy consumed from Non-renewable sources (GJ)	65,027	60,917
Electrical Energy generated from renewable sources (GJ)	1,832	10,611
Energy (Natural Gas) Consumed for Chiller Plants (GJ)	3,134	4,577
Energy consumed for Business Vehicles (GJ)	51,895	53,924
Total Energy (GJ)	259,889	261,756

Electrical Energy Mix

	2024	2025
Import from Public Utilities	67%	65%
Internal Generation on Fuel	32%	30%
Internal Generation on Solar	1%	5%

Energy Intensity

	2024	2025
Energy consumption per million rupees net revenue	1.815 (GJ)	1.96 (GJ)

Water

Bank's direct impact on water resources is very minimal due to the nature of its operations. The Bank requires water for drinking and for utility purposes such as washrooms and cleaning.

The drinking water is sourced from third-party vendors whereas utility water is mainly extracted from underground water sources through boring, which is stored in overhead and underground tanks.

ABL currently does not collect information on water usage for utilities. However, the Bank is actively working on developing and implementing data gathering mechanisms to capture said data.

The drinking water consumption of the Bank is as follows:

	2024	2025
Drinking water consumption	2.85778 Megaliters	3.147914 Megaliters

For minimizing the water usage, the Bank is establishing all its new buildings on sustainable principles which include low water consumption. The Bank is obtaining EDGE and LEED certifications for this purpose.

Also, efforts are being made to get such certifications for existing ABL buildings. In addition, internal awareness is fostered regarding the importance of water conservation.

Paper

The paper manufacturing process often involves the use of virgin pulp, which contributes to environmental degradation. Recognising the significant role of paper in its operations, particularly due to regulatory requirements, ABL has implemented various initiatives to reduce paper consumption. The Bank has automated numerous internal processes, introduced low or no-paper alternatives, and developed shorter versions of essential forms. ABL makes every effort to minimise paper usage. When printing is unavoidable, Forest Stewardship Council (FSC) approved/ recycled paper is used. By December 2025, ABL had achieved 100% conversion of all achievable stationery items to recyclable/Agri-based paper items. These items include registers, forms, envelopes, cards, file binders, cartons, deposit slip bank copy, printing paper, etc. The Bank aims to maintain this performance in the forthcoming years as well, demonstrating its commitment to environmental stewardship and sustainable practices.

Reduced paper consumption through IT initiatives

ABL has implemented various strategies to reduce paper consumption across the organisation.

The Bank has automated processes, such as implementing Bit-by-Bit Electronic Journals on ATMs to eliminate the need for paper stationery. Additionally, initiatives such as Account e-statements, Issue Logging Systems (ILS), and Business Process Management (BPM) systems have further contributed to reducing Bank's carbon footprint by minimizing paper usage.

Reduced Paper Consumption through Digital Banking Initiatives

Additionally, following digital/ automation solutions have been adopted in Banks to reduce paper consumption during 2025

Implementation of Green Banking on myABL

A carbon savings calculator shows the trees saved by adopting digital payment mode.

Customers can view a breakdown of their cash vs. digital transactions, helping them track and improve their contribution to a greener future.

myABL Integration With bookme.com

Customers can now purchase a wide range of tickets through myABL including movie tickets, bus tickets, train tickets, flight tickets, event tickets, hotel booking and car rents etc.

myABL Integration With beFiler

Customers can now prepare and file their tax returns through myABL using this feature. Customers can

obtain their NTN using this service

Recycled PVC for Premium Debit Card

The Bank has introduced Visa Premium Debit Cards on RPVC material, aligning with its commitment to a greener environment.

QR Acquiring Raast Person to Merchant

Customers can be onboarded as Raast P2M QR merchants with ABL enabling acceptance of digital payments at their business locations.

Launch of Google Pay on ABL Debit Cards

ABL Customers can now use ABL debit cards with Google Pay, enabling faster, smarter, and contactless payments.

RAAST Bulk Transfer (B2P) on myABL Business

myABL Business customers now have functionality to bulk transact through RAAST by uploading beneficiary details in files as per prevailing practice for other bulk transactions.

Financial Transactions Through myABL WhatsApp Banking

Customers can now transfer funds and pay bills using myABL WhatsApp Banking.

ABL Funds Account Opening – Sahulat Sarmayakari Account Through myABL

Customers can now instantly open a Sahulat Sarmayakari Account (investment account with ABL Asset Management) through the myABL.

myPDA Asaan Account Opening With Instant Activation Through myABL

Customers can now open myPDA Asaan account through myABL with instant activation by performing biometric activation within the myABL app.

Deployment of Cash Recyclers and Cash Deposit Machines

75 Cash Deposit Machines and 130 Cash Recyclers were deployed.

Total number of deposit facilities available are 249.

SME Digital Supply Chain Finance - Fauree

SME customer can get digital loans through Fauree digital platform on the basis of anchor guarantee for upstream.

SME Digital Finance - Techlogix

ABL SME customers can get easy business loans through one click from myABL app.

Climate Action

GHG Emissions

Climate change is a global threat to livelihoods and well-being with rising temperatures rapidly changing the future reality of every person on the planet. ABL is dedicated to lowering its carbon footprint in the fight against global warming.

ABL is committed to supporting Pakistan’s vision of decreasing the overall carbon footprint by actively implementing sustainable alternatives in its operations.

Scope 1

ABL’s Scope 1 emissions are from sources it controls directly, including on-site diesel and petrol power generators, as well as Bank’s fleet of vehicles and refrigeration gases used in refrigerators and air conditioning systems. Categories include Stationary Combustion, Mobile Combustion, and Refrigerants.

Scope 2

Bank’s Scope 2 emissions encompass the electricity it purchases from the national grid to power its operations, including lights, air-conditioning systems, computers and other electronic equipment.

Scope 3

It is widely acknowledged that Scope 3 emissions data is the most difficult to gather, since it relies on an extensive evaluation of, and engagement with, third parties, both upstream and downstream in the value chain. Nevertheless, the Bank is committed to reporting on these emissions as extensively and accurately as possible for all relevant Scope 3 categories. For the first year of reporting on its carbon emissions, the Bank has included Scope 3 Category 6: Business Travel-Air and Category 7: Employee Commute in calculations. The emissions are calculated using the Greenhouse Gas Protocol. To achieve its ambitious commitment, the Bank will incorporate additional categories (specially focusing on Category-15: Financed Emissions using the PCAF standards) in future years of reporting.

	2024	2025
Scope 1 (MT CO2e)	13,944	16,247
Scope 2 (MT CO2e)	23,643	22,568
Scope 3 (MT CO2e)	15,846	17,161
Total Emissions (MT CO2e)	53,433	55,976

Emission Intensity

	2024	2025
Emissions per million rupees net revenue	0.3731 (MT CO2e)	0.4191 (MT CO2e)

Reduction in Energy Consumption and Emissions

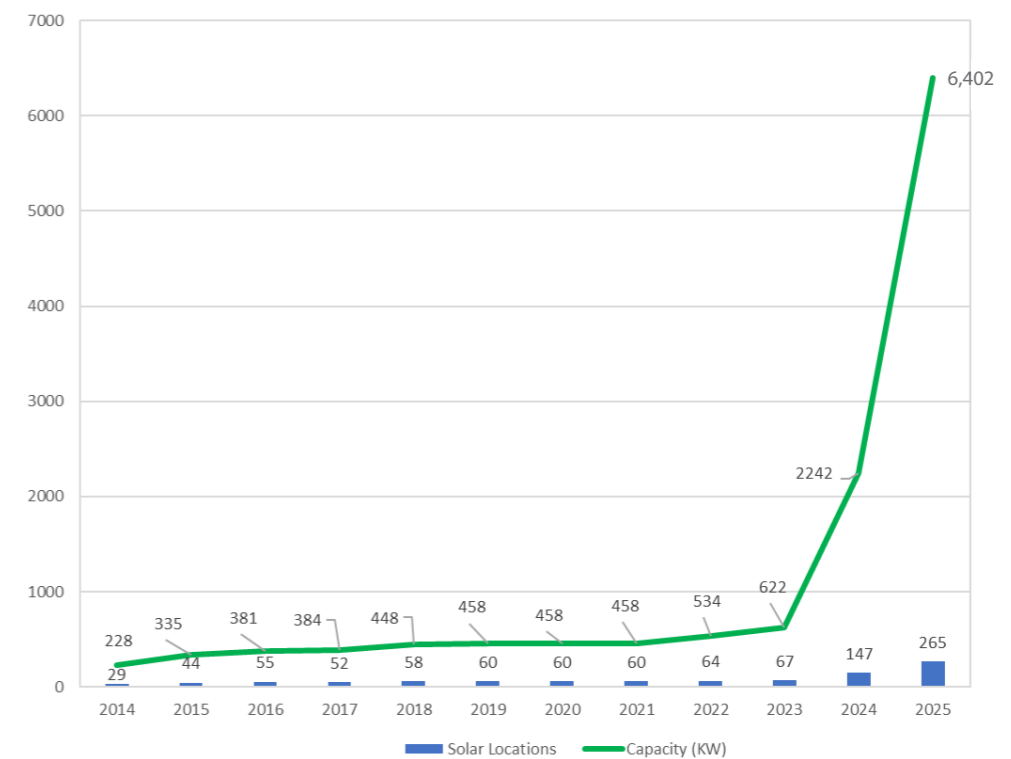
ABL is committed to promoting sustainable development by reducing its carbon footprint. As part of its commitment to environmental stewardship, the Bank recognises the urgency of addressing climate change and is taking proactive measures to minimise its carbon footprint across all operations.

Switching to Alternative Energy

The Bank successfully installed solar power systems at 118 new sites in FY2025 and upgraded the capacity of 48 existing sites, resulting in an additional 4.16 MW of solar capacity during the year. As of FY2025, the Bank operates solar installations at a total of 265 locations across Pakistan, with a combined installed capacity of 6.402 MW.

The Bank will continue to expand its solar energy portfolio and plans to install solar systems at 150 more locations in FY2026.

The Bank’s investment in solar energy not only contributes to a cleaner and healthier environment but also provides economic benefits through reduced energy costs and increased operational efficiency. Solar power installations have generated approximately 2,947,578 units of clean energy in FY2025, resulting in the avoidance of Carbon Dioxide equivalent (CO2e) emissions of 1,817.98 metric tons compared to 240.72 metric tons in 2024, representing an increase of approximately 655% year-on-year.



Energy Conservation Measures

To identify and implement energy-saving measures, ABL conducts regular energy audits of its branches and offices. These audits have led to initiatives such as upgrading to energy-efficient lighting, optimizing heating and cooling systems, and promoting energy conservation practices among employees. These efforts contribute to reducing Bank’s overall energy consumption and minimizing its environmental impact.

technology in all new buildings. All of Bank’s recently constructed branches and offices are equipped with LED lights and inverter air conditioning units. Additionally, the Bank is gradually upgrading older buildings to utilize more energy-efficient equipment. In 2025, a total of 21 sites were converted, bringing the cumulative number of converted sites to 76, including the Head Office in Lahore, as of 2025. In addition, approximately 1,968 inverters have been installed in the Bank.

The Bank has incorporated energy-efficient

capabilities, the Bank is implementing an integrated

Supervisory Control and Data Acquisition (SCADA) system at head office in Lahore and the Management Development Center (MDC). This system will enable effective monitoring and control of building energy needs, helping optimize energy consumption and reduce Bank's environmental impact. The SCADA system will be extended to all major buildings of the Bank which will allow monitoring and control from a central location.

The Bank has implemented an innovative Internet of Things (IoT) enabled genset fuel monitoring system across Pakistan. This system allows the Bank to remotely monitor the operation and fuel consumption of gensets installed at various Bank locations. By leveraging an online dashboard at a central location, the Bank has achieved better monitoring and control, leading to significant fuel savings. To date, the Bank has successfully installed this system at 207 sites. Lastly, to promote energy conservation, the Bank regularly issues guidelines to its employees at branches and controlling offices.

Sustainable IT Operations

The Bank has implemented several measures to reduce emissions from its IT operations. These efforts resulted in substantial reductions in energy consumption, operational costs, and carbon footprint, thereby contributing to a more sustainable and environmentally friendly planet.

Greenfield Tier-III Data Center

The Bank is building a Greenfield Tier-III data center after choosing a suitable location considering factors such as climate, natural disaster risks, accessibility, and proximity to energy sources. In designing this data center, the Bank prioritises energy efficiency by incorporating efficient cooling systems, and energy-efficient hardware. By implementing green building practices in the data center building, the Bank is contributing to minimizing its environmental impact.

Energy-efficient Infrastructure

To enhance energy efficiency in its data centers and IT infrastructure, Allied Bank has implemented several initiatives. The Bank has installed energy-efficient cooling systems, including hot/cold aisle containment and advanced air conditioning units.

Additionally, the Bank has utilized energy-efficient servers, storage devices, and networking equipment that meet or exceed industry standards such as Energy Star or EPEAT.

By consolidating servers and storage through virtualization and cloud computing, the Bank has reduced the number of physical servers and associated energy consumption. These measures contribute to Bank's overall goal of minimizing its environmental impact and optimizing operational efficiency.

Improved Utilisation and Virtualization

To optimize the efficiency and utilisation of its IT systems, ABL has implemented a strategic approach. Data center consolidation, which involves virtualization and more efficient use of physical servers and storage resources, is a key component of this strategy. Virtualization enables multiple workloads to run concurrently on a single physical server, reducing the overall number of servers required and improving resource utilisation.

By increasing the utilisation rates of its servers and storage systems, the Bank can reduce the number of resources required to handle the same workload, leading to lower energy consumption and reduced carbon emissions.

Efficient Power Management

To further optimize energy efficiency, the Bank has implemented intelligent power management systems that dynamically adjust power consumption based on workload requirements. Additionally, the Bank has established server decommissioning processes to retire and replace outdated, inefficient equipment. By enabling power management features and sleep modes on PCs and workstations, the Bank has reduced energy consumption and minimised its carbon footprint.

Monitoring and Optimization

To ensure ongoing energy efficiency and identify opportunities for improvement, ABL conducts regular energy audits and assessments. These evaluations help the Bank identify areas where it can optimize energy consumption and reduce its environmental impact.

Energy-efficient Hardware

To further reduce its energy consumption, the Bank has replaced older PCs and workstations with newer models that meet Energy Star standards. These modern devices incorporate lower-power components, more efficient power supplies, and advanced power management features, resulting in reduced energy consumption and carbon emissions. This upgrade has contributed to Bank's overall efforts to minimise its environmental impact and optimize operational efficiency.

Employee Awareness

Educating employees about energy-efficient practices, such as turning off devices when not in use, has significantly reduced energy consumption and carbon emissions.

Reduced Physical Footprint

By consolidating multiple data centers into fewer facilities, the Bank has reduced its overall physical footprint, which resulted in lower energy

consumption for lighting, HVAC (heating, ventilation, and air conditioning), and other facility-related systems.

Digital Products

Following digital/ automation solutions have been adopted in the Bank to reduce the overall carbon footprint in the country by utilizing less fuel to access the Bank's physical premises.

- Mobile and Internet Banking Enhancements
- Digital Transactions & Digital Statements
- Online Account Opening and Onboarding

- ATM and Branch Receipts
- Digital Lending Solutions

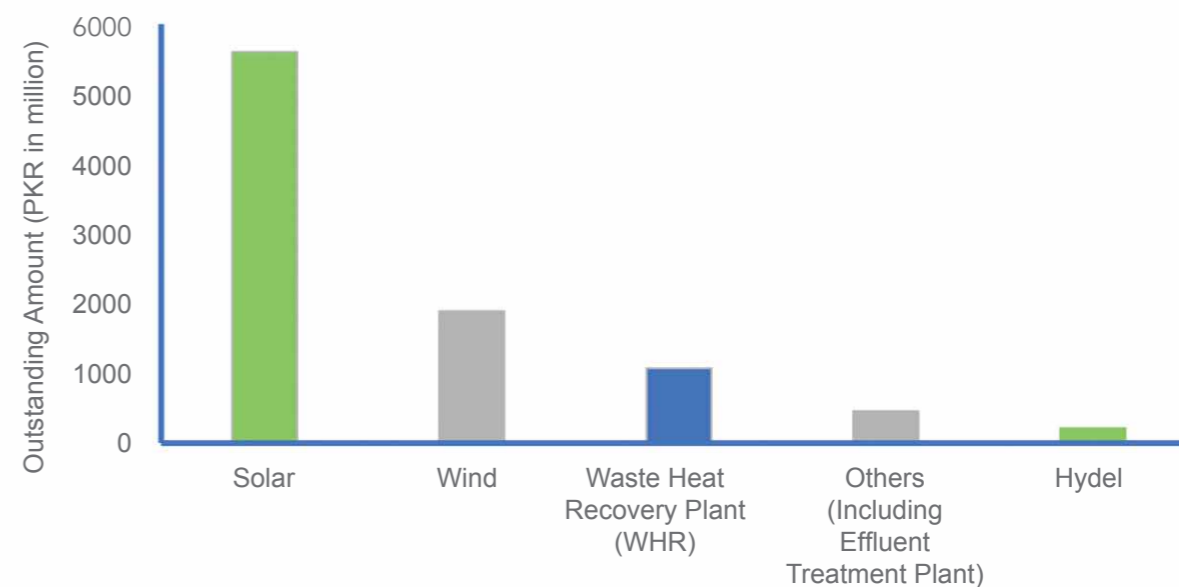
Green Financing

Aligned with the growing emphasis on environmental sustainability, ABL has been actively directing its financing towards green projects that address environmental hazards. The Bank's green financing solutions have facilitated borrowers in their transition to sustainable energy sources.

ABL's green credit portfolio encompasses both SBP refinancing and ABL bilateral facilities for a variety of sustainable projects, including solar, wind, hydro, biomass, waste heat recovery, air improvement equipment, and effluent treatment plants. To further promote renewable energy adoption, the Bank has developed specialised financing products such as Allied Solar System Finance (Conventional mode) and Allied Aitebar Solar System Finance (Islamic mode).

The Bank does not knowingly engage in activities that may result in adverse impacts on local communities or stakeholders. All potential impacts associated with financed activities are vetted and assessed through ABL's due diligence and screening processes, in full compliance with the Environmental and Social Risk Management (ESRM) framework mandated by the State Bank of Pakistan.

In 2025, the Bank extended Rs. 1,540 million in financing to its obligors for green projects. Total outstanding Green Financing stood at Rs. 9,225 million at the end of year 2025.



Waste Management

ABL is committed to responsible waste management and promotes environmentally safe disposal practices.

- ABL operations do not generate any hazardous wastewater whereas utility water and domestic liquid waste is discharged in the municipal wastewater system of local governments where the same is recycled or disposed of responsibly.
- General domestic solid waste disposal is managed through third-party contractors who dispose it of at dedicated places designated by local governments where the same is recycled or disposed of responsibly.
- E-waste is responsibly donated to educational and welfare institutions through CSR initiatives, ensuring safe and beneficial reuse.

Biodiversity

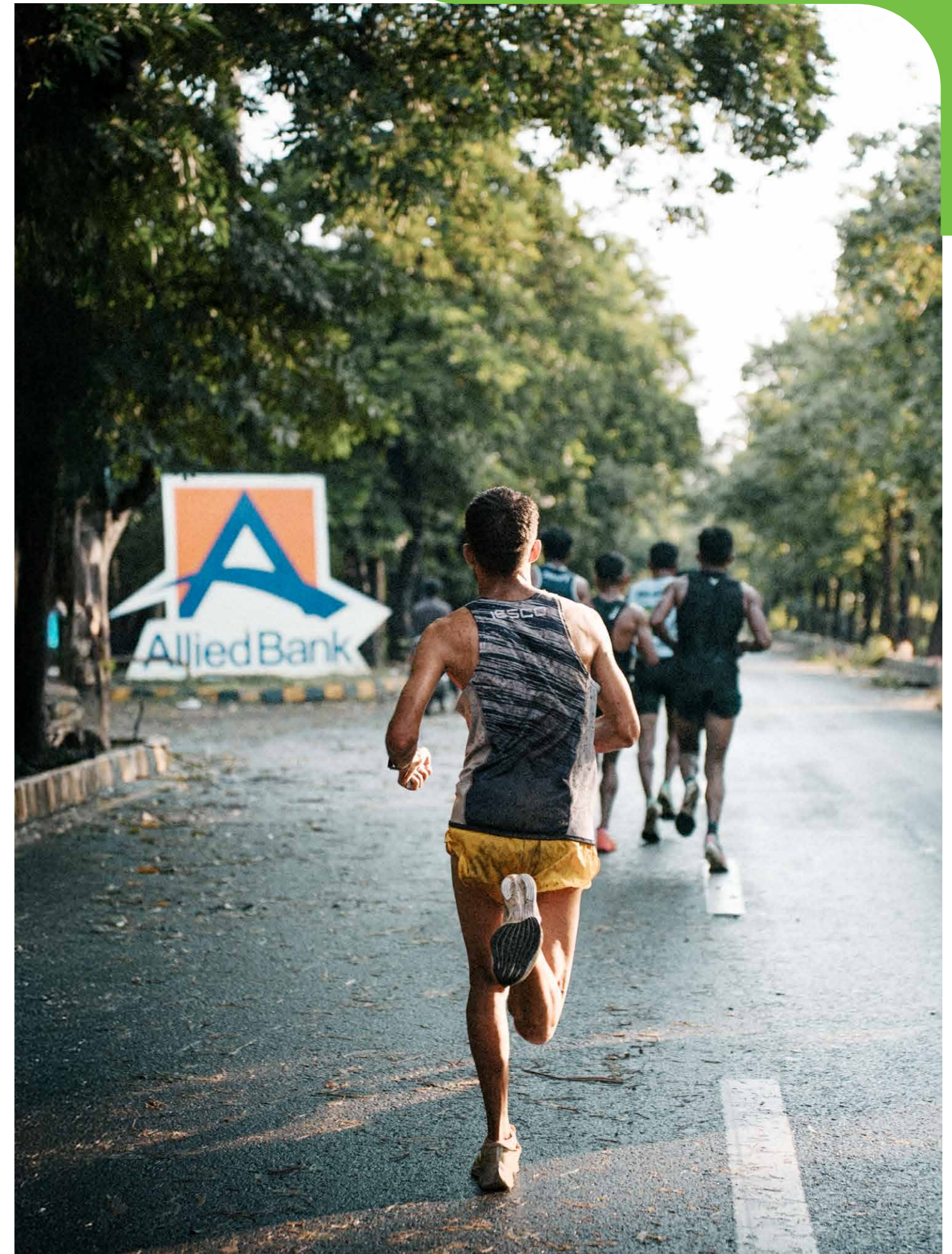
Biodiversity is the fabric of life. Ecosystem services provided by healthy, biodiverse ecosystems are the foundation of human well-being, economic prosperity, and development. The global decline in biodiversity and the vital ecosystem services threaten livelihoods, water supply, food security, and thus can jeopardize hard-won development gains. Biodiversity and ecosystem services loss is also interconnected with climate change—the two crises reinforce each other and can push the planet toward dangerous tipping points.

ABL screens projects for biodiversity-related impacts through the Environmental and Social Risk Management (ESRM) system of SBP. ESRM system includes the screening of obligors/projects for the excluded activities as per exclusion list that may harm the biodiversity and natural habitat. As part of the Environmental and Social Due Diligence (ESDD), the Bank evaluates ecological sensitivity of the obligor/project location. This includes assessing potential impacts on natural habitats, endangered species, and ecosystem services that may be caused due to the close proximity of the project with ecologically sensitive sites.

For project finance and long-term corporate finance, ABL applies the International Finance Corporation (IFC) Performance Standards, which mandate thorough evaluation of biodiversity conservation and sustainable management of living natural resources through its Performance Standard 6, "Biodiversity Conservation and Sustainable Management of Living

Natural Resources".

The Bank also ensures that all relevant permits, consents, and environmental assessments—such as Environmental and Social Impact Assessments (ESIA)—are obtained in compliance with national and provincial regulations. Through this multi-layered approach, ABL effectively identifies, categorizes, and mitigates biodiversity-related risks, ensuring responsible financing aligned with environmental stewardship.



SOCIAL



Empowering the Workforce

Human Resource Governance

Human Rights Policy

Human Rights are the rights that are inherent to all human beings, regardless of gender, race, nationality, ethnicity, language, religion or any other status. Allied Bank is an equal opportunity employer and recognises all Human Rights envisaged by local as well as international forums.

Allied Bank supports minorities, persons with different abilities and has always positively contributed to the well-being of and supported the economic, social and cultural rights of all its employees. Being an equal opportunity employer, the Bank has a strong stance against discrimination with proper checks and balances.

Human Resource Policy

ABL is an Equal Opportunity Employer and believes in equal treatment in a non-discriminatory manner.

Human resource policies of the Bank are designed and implemented in line with the Bank's mission to provide a challenging work environment and reward dedicated team members according to their abilities and performance.

Anti-Harassment Policy

- To promote a harmonized gender sensitive work environment
- To create a culture based on social, moral, and ethical values
- Making the workplace a dignified environment for both men and women
- For prompt handling of inappropriate behaviour, a dedicated Anti-Harassment Committee to entertain and investigate the complaints of harassment

Zero Tolerance for Workplace Violence

- Making threats, exhibiting threatening behaviour, displaying arms or ammunition, using abusive language, or engaging in violent acts is strictly prohibited
- Ensuring that the work environment is free from violence
- Provide a safe and healthy workplace to employees
- Create an atmosphere of mutual respect and understanding

- Maintaining high standards of professionalism and corporate culture

Child Labour and Forced or Compulsory Labour Policy

Allied Bank strictly follows and respects all applicable laws on Child Labour and Forced Labour. Minors are not hired in Allied Bank Limited in any capacity whatsoever. The Bank respects professional and personal lives of all its employees and therefore all employees are expected to perform their assigned duties for defined working hours with commensurate remuneration.

ABL maintains a stringent stance against all forms of exploitative labour, affirming that its direct, office-based operations and its supply chain are not considered at significant risk for incidents of child labour, forced labour, or compulsory labour.

Persons with Different Abilities (PWDs)

Allied Bank is an equal opportunity employer and has always ensured that there is no room for discrimination against any Gender, Race or Persons with Different abilities in line with its approved policy. A specially designed internship program, leading to permanent employment, was initiated by the Bank to enhance employment experience for individuals with different abilities.

The 8-week long internship program for PWDs has the following features:

1. Work Experience and Skill Development.
2. Exposure to banking operations, customer service, legal affairs, and digital banking
3. Mentorship from experienced Bank employees
4. Certificate and performance feedback upon completion
5. Opportunity of permanent employment for high-performing interns

Furthermore, the Bank has conducted comprehensive training for all employees to interact with Persons with Different Abilities (PWDs). The curriculum is designed to explain the meaning and reasons of PWDs, general guidelines to serve PWDs, priority services to PWDs, sign language communication with deaf persons and guidelines to deal with visually impaired/blind persons.

Internship Program

- 6-8 weeks of a structured internship program for

students across Pakistan

Collective Bargaining

The majority of employees at ABL are part of the Management Grade (MG) structure, and under applicable labour laws, do not have representation by any Collective Bargaining Agent (CBA). The CBA is legally designated to represent only the workmen cadre within the Bank. As of the end of 2025, a total of 220 employees fell under the CBA category and all were covered under collective bargaining agreements facilitated by the CBA.

For employees not covered by collective bargaining agreements, their working conditions and terms of employment are covered under Human Resource Policy of the Bank, approved by the relevant committee of the Board.

ABL operations and its suppliers are not at risk of violating the right to freedom of association and collective bargaining.

Recruitment Strategy

- Transparency, meritocracy, fairness, diversity,

Career Path Development

- Specialised career paths for Management Trainees, Tellers, CSOs and BDOs
- Structured framework for growth within the organisation
- Long-term talent development through continuous training and development
- Enhanced employee satisfaction and retention
- Regular performance and career development review for the year 2025 was as follows:

Employee Category	Number (%)		Gender
	2024	2025	
Permanent/Full-Time	8,387 (100% of eligible employees)	8,528 (100% of eligible employees)	Male
	2,513 (100% of eligible employees)	2,686(100% of eligible employees)	Female
Contractual	85 (100% of eligible employees)	116 (100% of eligible employees)	Male
	3 (100% of eligible employees)	20 (100% of eligible employees)	Female

Remuneration policy

Compensation Governance

Employee compensation plays an integral role in the successful delivery of the Bank's strategic objectives. Attracting and retaining capable employees is key to the Bank's compensation strategy. The cornerstone is the concept of paying for performance within a sound risk management and governance framework

inclusion, and equal opportunities

- Hiring of ethical, highly professional candidates
- Evaluation based on integrity, skills, qualifications, potential contribution, and diligence

Batch Recruitment

- Management Trainee Officers (MTOs) – General Banking
- Management Trainee Auditors (MTAs)
- Management Trainee Information Technology Specialists (MTITs)
- Risk Management Trainee Associates (RMTA)
- Management Trainee Officers – Compliance
- Female Tellers

Proportion of Senior Management Hired from the Local Community

All the senior management of the Bank are hired from the local community.

and with due consideration of market factors and social values. The Bank regularly reviews and aligns human resource policies encompassing all aspects of the remuneration to the ever-evolving internal and external dynamics.

The Human Resource and Remuneration Committee of the Board is entrusted with the overall governance of all areas of the Human Resource including remuneration.

Total Remuneration Structure

As part of the compensation strategy, the Bank employs a total compensation philosophy, which comprises fixed pay, variable compensation and benefits.

Element	Purpose
Fixed Pay	<ul style="list-style-type: none"> Attract and retain employees by paying market-competitive pay for the role, skills and experience required. This includes base pay and allowances as part of the monthly salary as per terms of employment.
Variable Compensation	<ul style="list-style-type: none"> Drive and reward performance based on annual financial and non-financial measures consistent with the medium to long-term strategy, stakeholder interests and adherence to the Bank's values. Awards vary with performance achievement and the Bank has the discretion to assess the extent to which performance has been achieved. Awards are in monetary terms. A portion of the annual incentive award may be deferred and vests over a period of three years. All deferred awards are subject to malus. This includes an annual performance award, cash award on passing Institute of Bankers Pakistan.
Benefits	<ul style="list-style-type: none"> Ensure market competitiveness and provide benefits in accordance with market practice. This includes, but not limited to medical benefits, education assistance and post-employment benefits.

The Bank employees are categorized into 12 salary grades, from MG1 to MG12, with MG1 being the senior-most and MG12 being the junior-most. The management of the Bank is further classified in the following four levels, according to salary grades:

Management level	Salary Grades
Executive Management	MG1 to MG3
Senior Management	MG4 to MG6
Middle Management	MG7 to MG9
Junior Management	MG10 to MG12

The above categories may include, from time to time, Material Risk Takers (MRTs) and Material Risk Controllers (MRCs). The remuneration of employees categorized as such is based on a risk-based pay structure which is referred to as 'risk-based employee's remuneration pool'. The remuneration of employees other than such categories has a pay structure which is referred to as the 'general employee's remuneration pool'.

Minimum Wage

	2024	2025
Ratio of Bank's entry level wage by gender to minimum wage at significant locations of operation	122% (Irrespective of Gender). Note: Against minimum wages prescribed by the Federal Government of Pakistan.	122% (Irrespective of Gender). Note: Against minimum wages prescribed by the Federal Government of Pakistan.

Stakeholder Engagement Process

- A robust talent acquisition strategy
- Collaboration with reputable educational institutions
- Participation in job fairs and campus recruitment drives
- Bridging the gap between academia and the banking industry
- Providing platforms for graduates to be prepared for the work environment

Succession Planning

- Existence of the Bank's Internal Center for Assessment, Research and Employees' Evaluation (CARE) department. In 2025, in total 46 participants under Allied Leadership Talent Pipeline (ALTP) and Recognition and Investment in Sustaining Employees (RISE) programs, advancing strategic goals in recruitment, leadership, and employee evaluation
- Transparency, meritocracy, and objectivity in recruitment, succession planning, leadership planning, and recognition of employees
- Cross functional exposures at all mid and senior level positions

Diversity, Equity and Inclusion (DEI)

Human Resource Diversity

- ABL recognises 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 exceeding 22,000 employees, who represent diverse geographical areas of Pakistan; thereby positively impacting the broad-based economy and society at large
- ABL being an equal opportunity employer, encourages employment of Persons with Different Abilities (PWDs) and currently 52 such persons are honorably earning their livelihood while serving ABL with pride

Dedicated Female Recruitment

- Female Inclusion Program
- Dedicated 'Khanum Tellers' batches

Creating a Gender Balanced Organisation

- Dedicated team of "Women Champions"
- Groomed to assist and support female customers
- Special training programs to improve customer awareness

Gender Equality

- ABL is an equal opportunity employer to help women achieve their goals
- ABL promotes the female employee inclusion
- Efforts to narrow down the gender gap
- Efforts to establish a conducive and harmonized gender sensitive work environment

Gender Pay Ratio

	December 31, 2024	December 31, 2025
Median male compensation to median female compensation ratio	1.1:1	0.96: 1
Gender Pay Gap	Mean Gender Pay Gap: -3% Median Gender Pay Gap: -2%	Mean Gender Pay Gap: -4% Median Gender Pay Gap: -3%

Employee Diversity

	2024	2025
Gender/Age Group	Regular/Full Time (Total)	Regular/Full Time (Total)
Male	10,011	9,778
Female	3,264	3,288
Total	13,275	13,066
Female ratio	24.59%	25.16%
Permanent/Full-Time		
Under 30	4,739	4,591
30-50	5,885	5,979
Over 50	1,434	1,418
Male	9,227	9,118
Female	2,831	2,870
Contractual/Full-Time		
Under 30	853	724
30-50	326	314
Over 50	38	40
Male	784	660
Female	433	418

Note: Employment at ABL is not offered on a Temporary or part-time basis.



**MEDICAL
CAMP FLOOD
RELIEF AREAS**
Hope Restored

Third-Party Employees

ABL engages third-party vendors for its support services including Security Services, Janitorial Services, Building Maintenance Services, Administrative Support Services, Phone Banking Services, Technical Support Services, Firefighters, Messengers, Drivers, etc. The total number of third-party employees engaged in 2025 was 8,920 (Males: 8,801, Females: 119) compared to 8,681 (Males: 8,563, Females: 118) in 2024.

Management Diversity

Management Diversity	2024			2025		
	Male	Female	Female Ratio	Male	Female	Female Ratio
Entry and middle level positions held by men and women	9,164	2,999	24.66%	8,827	2,993	25.33%
Senior and executive level positions held by men and women	847	265	23.83%	951	295	23.67%
Women and men promoted during the year	1,014	292	22.36%	958	313	24.63%

New Employees in 2025 (Hiring/Turnover)

New Employee Hiring	2024		2025	
	Male	Female	Male	Female
Region	Pakistan		Pakistan	
Age	Male	Female	Male	Female
<30 years	1,358	910	1,349	678
30 - 50 years	448	115	452	122
> 50 years	7	0	11	0
Total Hiring	1,813	1,025	1,812	800
Year on Year Change in Full Time Employees	Increase of 5.64%		Decrease of 1.57%	

Employee Turnover	2024		2025	
	Male	Female	Male	Female
Region	Pakistan		Pakistan	
Age	Male	Female	Male	Female
<30 years	18.06%	19.1%	27.09%	24.67%
30 - 50 years	14.0%	10.6%	12.06%	12.78%
> 50 years	0.9%	1.2%	0.56%	2.55%
Total Attrition (Gender Wise)	13.7%	15.1%	15.91%	19.66%
Total Attrition	14.03%		16.84%	

Gender Mainstreaming Policy

Women Centric Services

- Liability products (Khanum Saving Account, Khanum Current Account, Khanum Asaan Current Account, Khanum Asaan Savings Account)
- Allied Scooty Finance
- SME Financing

- Digital Accounts
- Special Discounts on locker facility
- Exclusive Debit Cards with up to 50% shopping discounts on various merchants across the country
- Preferred and Discounted Consumer Financing Facilities
- 24/7 free internet banking

	2024	2025
Female accounts	2,242,586 (24.65% of total accounts)	2,683,210 (25.70% of total accounts)

Financial Literacy Awareness Sessions

2024		2025	
No. of Awareness Sessions	No. of Female Participants	No. of Awareness Sessions	No. of Female Participants
411	9,100+	261	6,531

SME Financing Awareness Sessions

2024		2025	
No. of Awareness Sessions	No. of Female Participants	No. of Awareness Sessions	No. of Female Participants
554	2,351	617	928

Financing to Females

Segment	2024		2025	
	No. of Customers	Outstanding Amount (PKR million)	No. of Customers	Outstanding Amount (PKR million)
SE & ME	59	432	138	936.65
Consumer	749	601	745	576.00
Agriculture	40	31	35	29.98
AFF consumer	49	193	69	299.11
Total	897	1,257	987	1,841.74

Simplified Loan Procedure for Women

On-line system for processing of loan application: ABL has implemented automation for loan processing named RAMs – Loan Origination System (LOS). This facilitates efficient TAT for loan approvals without using hard copies of documents.

Specialised products (PPMs) named: Allied Fast Finance (AFF), Allied Business Finance (ABF), PMYB&ALS, Allied SME Finance, Hari Bhari Agriculture Revolving Credit Scheme/ Tractor Financing/ Farm Mechanisation Agriculture Financing for Dairy and Poultry Farming etc. are available for financing to women with the dissemination of approval powers.

Provision of Non-Financial Advisory Services (NFAS)

ABL provides NFAS services including Business Coaching & Mentoring, Accountancy and Financial Planning Advice, Economic Insights, and Business Intelligence to women through meetings and regular interactions. Multiple awareness and interactive sessions and meetings were conducted during the year.

- Allied Bank celebrated Women Entrepreneurship Day 2025 by conducting 20 sessions with approximately 640 participants at various Regional Headquarters.
- An awareness session as per SBP directives to promote financial inclusion and acknowledge women entrepreneurs' achievements with a

special focus on SME financing, was held at APWA (All Pakistan Women Association) Multan along with representatives from Multan WCCI & APWA. Session was attended by approximately 50 participants.

- An awareness session on Banking on Equality (BOE), with a special focus on women entrepreneurs and SME financing, was held at Vocational Training Institute, Arif Wala, Pakpattan with almost 60 faculty members and students of the institute highlighting that access to finance for women is essential for economic development.
- Awareness session on SME finance was held in Women Chamber of Commerce, Peshawar, with more than 40 female participants, highlighting that access to finance for women is essential for economic development.
- Awareness session on SME finance was held in University of Sialkot along with more than 50

faculty and students, highlighting that access to finance for women is essential for economic development.

Initiation of Digital Access:

ABL has implemented automation for loan processing named RAMs – Loan Origination System (LOS). This facilitates efficient TAT for loan approvals without engaging hard copies of documents.

Appointing Women Champions

Under the gender mainstreaming policy ABL had deputed 1,156 women champions Bank-wide i.e., over 75% branches (touch points) were covered.

Women Exclusive Branches

ABL has introduced women exclusive branches (07 Branches in operation), which are primarily aimed at:

- Fostering home-grown talents
- Empowering female entrepreneurs to take advantage of tailor-made proposition for their personal and business banking needs.
- They are managed by female staff only.

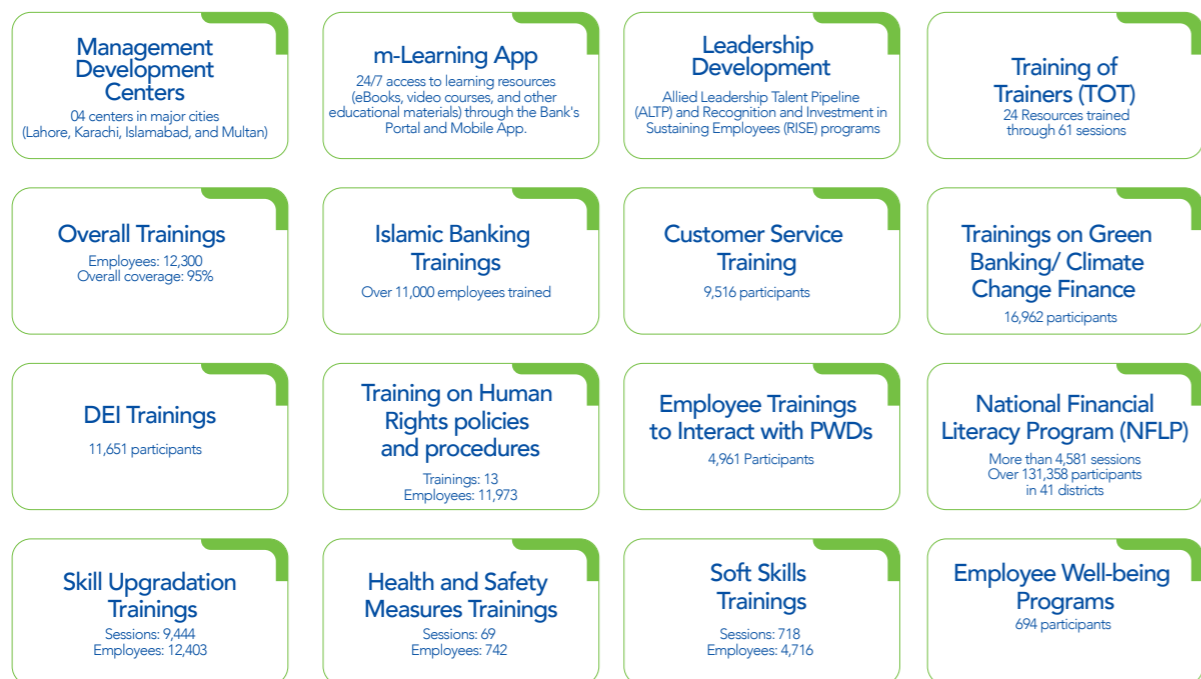
Training and Capacity Building of Female Employees

	2024	2025
Number of Female Participants in Trainings	42,128	63,055

Training and Development

ABL firmly believes in the educational well-being of the staff, empowering them to excel in their current roles and thrive in the future. The Bank has launched a mobile application “m-Learning” providing access to learning resources around the clock, further bolstering its aim of educational wellbeing of staff. In addition, the Bank has established four dedicated state-of-the-art Management Development Centers at Lahore, Karachi, Islamabad, and Multan to cater for the professional development needs of staff. During the year 2025, a total of 411 Management Trainee Officers (MTOs) graduated successfully by completing a rigorous training program. The Bank spent Rs. 274 million on training for 12,300 employees and Rs. 34 million on employees’ education.

Key Facts and Figures 2025



Training Hours

Employee Category	Average Training Hours		Gender
	2024	2025	
Permanent/Full-Time	46.78	83.55	Male
	54.01	102.58	Female
Contractual	27.13	51.69	Male
	29.51	58.62	Female
TOTAL	45.24	81.79	Male
	50.76	98.00	Female
	47.6	85.97	Male and Female

Training Programs

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 the Bank's workforce with knowledge and awareness, ABL is not only strengthening organisational fabric but also aligning with the core values of Diversity and Inclusion that define the Bank. This initiative marks a significant step forward and the Bank remains dedicated to fostering an environment where every individual has the opportunity to thrive.

The Inclusivity Canvas for 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 Bank's comprehensive Training and Development programs have strategically built a future-ready workforce. Through functional training, core banking expertise is 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 and Inclusion (DEI). Furthermore, ABL's specialised Islamic Banking Reskilling Program has equipped teams with expert knowledge in Shariah-compliant finance. This holistic approach ensures the Bank employees are empowered to excel in a dynamic, digitally driven environment and are fully aligned with ABL's transformation vision, reskilling program in Islamic Banking equipped professionals with specialised expertise in Shariah-compliant financial services.

Allied Elevate Program

ABL conducted a two-day workshop titled “Introduction to Scenario Planning” under its

flagship Allied Elevate Program. The initiative was organised 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 organisational agility.

The collaboration reflects the Bank's proactive approach to preparing its leaders for the complexities of a rapidly changing financial environment. By emphasizing foresight, innovation, and adaptability, the workshop helped participants strengthen their ability to guide teams and make strategic choices that align with the Bank's vision for sustainable growth and digital transformation. 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 organised 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.

Strengthening Leadership Commitment to ESG & Sustainability

ABL 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, the 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 all Chiefs and Group Heads.

Islamic Banking Conversion Plan

The Bank is proactively working on building the necessary capacity to achieve full Islamic Banking conversion by 2027. A thorough training plan has been established to provide all employees with a solid understanding of Islamic Banking principles and practices. Mandatory training, created in-house by the T&D team and approved by the Shariah Board, guarantees adherence to Shariah standards. Additionally, online training modules with assessments have been made available, ensuring convenient learning access for all staff. Over 11,000 employees have successfully completed the mandatory Islamic Banking training, underscoring the Bank's strong commitment to building a workforce well-versed in Shariah-compliant banking practices as a key pillar of its transformation strategy.

Customer Service Training Programs

Throughout the year, the Bank maintained a strong focus on enhancing customer service capabilities across its branch network through targeted and structured training interventions. Key initiatives included the Legendary Service program for Branch Managers, aimed at embedding a service-driven leadership mindset at the branch level. In addition, a focused Customer Service Bootcamp was conducted for branches with higher customer complaint volumes to address service gaps and improve customer experience. To sustain and reinforce service excellence, specialised training on Problem Solving and Communication Skills was delivered to employees who had previously completed the Customer Service Bootcamp, ensuring continuous improvement and consistency in service delivery across the network.

Compliance Training

In 2025, the Bank continued to strengthen its compliance culture through various training programs conducted in-house, externally, and online platforms. Major focus areas included AML, Green Banking, FTC and DEI, ensuring broad-based capacity building in key regulatory domains.

Targeted programs on Compliance Issues, Currency Management, SME, FE operations, and Consumer Financing further supported operational readiness across the network.

ABL also facilitated select international programs in Manama, Dubai, and Beijing, enabling global regulatory exposure. Overall, these initiatives reflect the Bank's strong commitment to compliance





BABUSAR TOP CLEANING DRIVE

Restoring the View,
One Bag at a Time

excellence, regulatory alignment, and continuous employee development.

Training on Human Rights Policies or Procedures

- During the year 2025, a total of 148,323 training hours were devoted to programs covering human rights-related policies, procedures, and practices relevant to the Bank's operations, with 39,141 participants recorded.
- 92% employees were trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.
- Key training programs conducted included, but not limited to:
 - ABL Code of Ethics
 - Banking Conduct and the Fair Treatment of Consumers
 - Fair Treatment of Customers
 - Gender Sensitivity and Gender Sensitivity Training
 - DEI (Diversity, Equity & Inclusion)
 - Ethical Working Environment
 - Environmental and Social Risk Management
 - Workplace Harassment
 - Anti-Fraud Awareness Training
 - Awareness Session on Persons with Disabilities (PWDs)
 - Digital Fraud Awareness
 - ESG Governance for Financial Institutions
 - Green Banking

These sessions collectively contributed to strengthening employee awareness of human rights principles and embedding them into daily operations and decision-making processes.

Training on Anti-Corruption Related Policies and Procedures

Around 11,078 employees have been trained on anti-corruption and relevant topics i.e. Code of Conduct, AML, TBML, Anti-Fraud Training, Compliance Risk awareness session, etc.

Industry-Level Engagement

During the year, the Bank actively engaged in and hosted multiple industry-level learning activities to support knowledge sharing and the adoption of best practices across the banking sector. Key highlights include:

Symposium on Conversion to Islamic Banking

A symposium was organised to provide insights on the transition to Islamic Banking, covering regulatory requirements and operational considerations for industry participants.

Industry Seminar on AML & FATF Compliance

A highly interactive seminar on "Anti-Money Laundering (AML) & FATF Compliance" was held at ABL MDC Multan. The session was attended by Regional heads, Area heads, Area managers, as well as officials from the State Bank of Pakistan and the Federal Investigation Agency.

Green Banking Understanding and Implementing Own Impact

The Bank hosted an impactful session on Green Banking at its Islamabad Management Development Center. The event reinforced the Bank's commitment to promoting sustainable finance in Pakistan. Banking professionals from across the industry attended the session, which focused on integrating environmental responsibility into financial operations. Dr. Shakeel Hayat from IM Sciences presented global trends and practical strategies, while the Chief Manager of the State Bank of Pakistan (SBP), Islamabad provided key regulatory insights. This initiative demonstrated the Bank's ongoing leadership in advancing a resilient and sustainable future for Pakistan's financial sector.

The Future of Money – Discover Global Trends and Local Realities

Allied Bank in collaboration with the State Bank of Pakistan, hosted an insightful seminar on "The Future of Money" in 2025 at Management Development Center Karachi. The event gathered banking professionals, regulators, and industry experts to explore cybersecurity, blockchain, global financial trends, and the roadmap for Central Bank Digital Currency (CBDC).

These initiatives showcase the Bank's role in fostering collaborative learning, expanding professional knowledge, and advancing best practices across the industry.

Training and Development Collaborations

The collaboration with Ken Blanchard (Through a corporate agreement for special discount) is the key highlight of HRG's efforts to provide best opportunities of learning to its employees. Whereas, collaboration with other organisations including Cambridge, Pakistan Engineering Congress (PEC), National Institute of Banking & Finance (NIBAF), Institute of Bankers (IBP), SBP, Lahore University of Management Sciences (LUMS), Coursera and NUS continued in the wake of capacity building initiatives and development trainings.

Employee Recognition Program

To foster a culture of recognition and reward, ABL has implemented an Employee Recognition Program. This initiative aims to acknowledge and honor employees who contribute significantly to the organisation's growth and success. Through this program, employees from all departments are eligible to receive the prestigious titles of "Employee of the Year" and "Employee of the Quarter."

Allied Bank being a caring and concerned employer has been focusing on team building and placing its staff at top priority. With the intention of team building and appreciating the Top Performing staff, ABL has been organizing Annual Award ceremony at the start of each year.

In recognition of outstanding achievements, Allied Bank hosted its Annual Performance Awards for the year 2025 in January 2026. This prestigious event acknowledged the tireless efforts and dedication of ABL staff members, who played a pivotal role in driving the Bank's growth and contributing to the national economy. To honor the exceptional performance and commitment of the winners, the Bank organised a four-day excursion to the historic destinations including Qila Kohna Qasim Bagh Multan and Bahawalpur. ABL staff was treated to a guided tour of the places' iconic landmarks, immersing themselves in the local culture and history.

On the first day, guests and winners, including management, travelled to the Buch Villas Multan for the movie screening of AI-based movie "ATLAS" followed by visit to MGM where the history of Multan was displayed.

On the second day, a day trip to Qila Kohna Qasim Bagh Multan was arranged through dedicated coasters. The convoy travelled to Qila Kohna Qasim Bagh Multan to visit the iconic shrines of Bahauddin Zakariya and Shah Rukn-e-Alam. A visit to DAMDAMA and a tree plantation drive were carried out followed by a sports activity of golf and tombola.

On the third day staff travelled to Lala Sohanra National Park Bahawalpur, at ROHI DHA Bahawalpur guests were welcomed with traditional folk dance, camel and horse dances and introduction of history of Bahawalpur through a movie, and lastly visited the Noor Mahal Bahawalpur.

On the fourth and final day, an award-distribution ceremony was organised for the high achievers in dozens of different categories. The winners were overwhelmed by the appreciation received from top management.

Employees' Facilities/Benefits

Subsidized House Building and Vehicle Finance

- Increasing the buying power
- Bringing convenience in the life

- Catering basic needs of living and transportation

Electric Bike and Scooty Loan Facility

- Promote eco-friendly commuting for employees
- Sustainable, cost-effective commuting option
- Helping in the reduction of carbon footprint

Reduced Markup Rate on Employee Personal Loan

- Reduced employee personal loan markup rate from KIBOR + 1 (22.71%) to fixed 6%
- Made loans significantly more affordable for staff
- Promoted a more inclusive and financially secure workplace

Education Assistance

- Extensive learning and development opportunities
- Internal and external training courses
- Up skilling the knowledge
- Financial support through the Education Assistance

Insurance

Group Insurance (Life) Coverage is applicable only in case of, in-service death of an employee. The insurance arrangements made by the Bank for its employees, provide coverage against loss of their life, house building finance (if any) as well as double coverage for loss of life, in the eventuality of accidental death of the employee.

Hajj Facilitation

- The Bank honoured employees' religious sentiments by sponsoring Hajj for staff across all levels
- 35 employees selected through balloting: 15 from Management Grades, 20 from Clerical and Non-Clerical staff
- Rs. 43 million spent during the year to support this initiative
- This facility reflects the Bank's commitment to employee welfare and spiritual fulfilment

Defined Benefit Plan Obligations and Other Retirement Plans

Allied Bank Limited maintains a fully-funded retirement benefits system, demonstrating its strong commitment to long-term employee security and welfare. The liabilities for the Funds are as follows:

	2024 (Rupees in million)	2025 (Rupees in million)
Gratuity Fund	252.662	401.073
Employee Medical Benefits	1,575.050	1,615.684
Employee Compensated absences	1,248.767	1,333.408
Pension Fund	8,821.9	10,343.4

The Bank provides 100% coverage for liabilities. These valuations, determined in accordance with IAS 19 standards using the Projected Unit Credit Actuarial Cost Method, reflect the Bank's prudent financial management. ABL contributes 8.33% of the basic salary while employees can contribute between 8.33%, 12% or 15% towards the provident fund. The employee participation in various funds related to the retirement program is as follows:

	2024 (Rupees in million)	2025 (Rupees in million)
Gratuity Fund	12,145	12,075
Pension Fund	1,971	1,816
Staff Provident Fund	10,760	10,963
Employee Medical Benefits	13,275	13,066
Employee Compensated absences	13,275	13,066

Transition Assistance Programs

Employees who have successfully completed their regular employment tenure may be offered re-employment. The Bank values the diligent and experienced senior team resources, who have been an integral part of its successful journey. The Bank may rehire certain employees based on specialised skill set, specific nature of assignment, job scope being handled and requirements in relation to emerging initiatives of the Bank.

Employee Pay Continuity Plan

ABL has introduced 'Employee Pay Continuity Plan'. Under this scheme, a fixed monthly benefit based upon Management Grade, shall be provided to declared nominee(s) of deceased employee on a monthly basis. The monthly payment shall continue for a period of five (05) years from the date of employee's death or until the employee's normal retirement age (58 years for MG6 and above, and 60 years for MG7 and below), whichever comes earlier.

Parental leaves

The Bank provides employees with parental leave. The parental leave information for the year 2025 is as follows:

Gender	Number of employees entitled to parental leave		Number of employees who took parental leave		Number of employees who returned after parental leave		Return to Work Rate		Retention Rate	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Male	10,011	9,778	266	233	266	233	100%	100%	100%	100%
Female	3,264	3,288	272	267	272	267	100%	100%	100%	100%

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 expenses of their departed loved ones.

Medical Benefits

Promotion of Employees' Health

The Bank strives to provide employees with access to comprehensive medical and healthcare services that extend beyond occupational needs. ABL believes in enhancing employees' well-being with vital healthcare resources. ABL continued its endeavor, exhibiting commitment for occupational health and safety. 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. 128 million during the year, towards the health of 477 ex-employees, from the platform of "Post-retirement Medical Fund". ABL ensures that necessary security standards are met at all the premises.

ABL is committed to supporting the overall well-being of employees, beyond workplace-related health and safety requirements. ABL offers a range of voluntary health promotion services and programs that address common non-work-related health risks, including:

- Chronic disease prevention including awareness and early detection of conditions such as breast cancer awareness, diabetes, hypertension, and cardiovascular issues.
- Preventive health care such as blood drives (twice in a year), annual health screenings, and awareness campaigns.
- Services are made available on-site through health camps, awareness sessions, and wellness workshops.
- Partnerships with external health providers give employees access to discounted consultations, diagnostic tests, and fitness programs.
- A dedicated internal communication channel (email, circulars and the newly launched HR Mobile App) provides information on upcoming health initiatives and resources.
- Participation is voluntary and confidential, ensuring employees can engage in these programs comfortably.
- Through these initiatives, the organisation aims to promote healthier lifestyles, encourage

preventive care, and provide easy access to resources that improve both physical and mental well-being.

- Employees' wellbeing and mental health is of paramount significance to us. Training sessions and wellness programs on 'Yoga for Self-Care' arranged for employees.

ABL Panel Hospitals

To expand Bank's Hospital Panel for improved medical coverage and geographical accessibility for providing best medical facilities to employees in a convenient manner, six (6) reputable hospitals including Aga Khan University Hospital have been added to the existing countrywide panel of hospitals during the year 2025.

Collaboration with Laboratories

ABL is dedicated to providing its employees and their families with access to premier healthcare services. The Bank has partnered with renowned healthcare institutions including Chughtai Lab and Islamabad Diagnostic Center (IDC), to offer personalised care and the latest diagnostic and treatment facilities. These collaborations provide Bank's employees with discounted rates for a wide range of diagnostic services, including blood tests, screenings, and other medical examinations. By making essential healthcare more accessible and affordable, ABL aims to contribute to the overall health and well-being of its employees and their families.

Other Benefits

- Medical coverage facility
- Privilege leaves 30 days each year
- Casual leaves 10 days each year
- Maternity Leaves (for female staff) 90 days
- Paternity Leaves maximum 10 days
- Hajj Leave 45 days once in the entire length of service not deducted from his / her leave balance
- Iddat Leave (for female staff) 130 days on the death of husband.
- Bereavement Leave (for male staff) 15 days on the death of spouse.
- Mandatory Leaves once in each calendar year for minimum 15 consecutive days
- Car Maintenance
- Mobile Bills Reimbursements
- Club Memberships and Monthly Club Subscription fees

- Fuel
- Travelling Allowance
- Daily Allowance
- Overtime Allowance
- Severe Winter Allowance
- Special Duty Allowance
- Burial Expenses
- Marriage Grant
- Transfer Grants
- Staff Uniform (Jersey)

Occupational Health, Safety and Environment (OHSE)

The Bank has consistently placed the safety of its employees and customers at the forefront of its priorities. ABL has not only provided the necessary safety equipment for fire detection and emergency response but also invested in comprehensive staff training and deployed professional firefighters at its main buildings. This commitment to safety ensures a secure and protected environment for all.

A dedicated Health, Safety, and Environment (HSE) Unit has been established in the Bank. The HSE staff is competent enough to address the matters related to OHSE. The staff have relevant HSE experience.

ABL mitigates significant occupational health and safety impacts related to its operations by implementing basic safety measures such as drills, training, and safety equipment, while monitoring risks through the HSE department and business continuity plans.

All the regular employees are covered under the OHS system (audited internally and externally) whereas procedure for third-party workers and contractors is under development. A Crisis Management Team (CMT) is in place, which reviews Bank-wide HSE matters for improvement. The Crisis Management Team is responsible for reviewing health, safety, and environmental (HSE) matters across the Bank, identifying areas for improvement, and guiding related initiatives. The team meets once annually.

Staff participation in OHSE occurs through feedback during training sessions, safety drills, and communication with the HSE department to facilitate ongoing improvements. ABL communicates occupational health and safety information to workers through training sessions, fire drills, circulars, and regular updates from the HSE department.

Occupational Health, Safety and Environment (OHSE) Standards

The comprehensive OHSE policy is under development; however, the Bank has developed its own procedures with respect to OHS under the applicable legal standards of Environmental Protection Agency (EPA) and Fire Safety Provisions-2016 as well as the guidelines of NFPA (National Fire Protection Association) standard.

Hazard Identification, Risk Assessment, and Incident Investigation

At ABL, the risk identification and assessment are integral components of its Business Continuity Plan (BCP). The processes are designed to proactively recognise potential threats and vulnerabilities that could impact operations, employee safety, or service delivery. Once risks are identified, the Health, Safety, and Environment (HSE) department takes the lead in implementing appropriate controls to mitigate them. These controls are communicated through formal circulars, guidelines, and safety instructions, ensuring that all employees are well informed and equipped effectively to manage or eliminate hazards.

The outcomes of risk assessments and the effectiveness of safety measures are periodically reviewed under the BCP framework. This review process helps identify gaps or areas for improvement, which in turn updates the training programs, operational procedures, and safety protocols. Through this cyclical approach, ABL ensures ongoing enhancement of its risk management and safety systems, reinforcing a culture of resilience, preparedness, and continuous improvement.

Training Session on Healthcare and First Aid

The Bank staff receive basic occupational health and safety training, including:

- Fire and Evacuation Drills
- First Aid
- HSE awareness
- Incident reporting sessions

Evacuation and Firefighting Drills

In total, 36 safety drills were conducted at major buildings in Lahore, Karachi, Islamabad, Rawalpindi, Faisalabad, Gujranwala, Abbottabad, Peshawar, Quetta and Multan in 2025. The Bank ensured the availability of emergency lights, fire and smoke detection systems, portable fire extinguishers, periodic evacuation & safety drills to enhance staff safety & security at the workplace. During the fire drills, employees learned valuable safety techniques such as:

- Evacuating the building safely during an emergency, without panicking.
- To make everyone familiar with the exit routes of buildings so that they are able to evacuate in the least possible time.
- To inform employees of their responsibilities in times of emergency.
- Check the status of emergency equipment so that they are ready to use in times of need.
- To evaluate and determine the efficiency of emergency response teams (Wardens, firefighters, and first aiders) in ABL buildings.
- To be able to identify and rectify grey areas that cause hindrance during an emergency.
- Update and improve the defined procedures and equipment.

Additionally, for continuous monitoring of major ABL buildings, third-party Service Level Agreements (SLAs) have been made for validating the operational status of all emergency equipment.

Work-related Injuries/Fatalities and Work-related ill Health

Due to its proactive approach towards occupational health and safety, ABL has successfully achieved a zero work-related injury, fatality and ill health record in 2025. This accomplishment is a result of ongoing efforts, including regular in-house safety training conducted by the Bank at major buildings and the issuance of safety guidelines and actions taken to eliminate work-related hazards and minimise risks by conducting risk assessments (RAs) as part of the Business Continuity Plan (BCP). Bank's commitment to employee safety has created a secure and healthy work environment.

Employees' Wellness

The Bank has introduced holistic wellness programs that include regular seminars and sessions conducted by renowned experts. These programs cover a wide range of health topics, empowering the workforce to perform at its best. These initiatives are designed to improve the overall well-being of the employees.

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 has been 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.

Employees Wellbeing and Healthy Life Style

To promote employee well-being and support a healthier, more balanced work environment, mindfulness and yoga training sessions were organised for staff across the Bank. These wellness activities received an encouraging response, with more than 670 employees participating. The sessions contributed to improved focus, reduced stress levels, and enhanced overall workplace wellness, reflecting the Bank's continued commitment to supporting its employees' mental and physical health.

Self Learning/ Reading Culture

Allied Bank Limited fosters a dynamic self-learning culture, empowering employees to actively pursue their professional growth. Through a comprehensive m-Learning application and a dedicated Learning portal, employees have access to a wide range of self-paced courses and resources. The Bank also encourages peer-to-peer knowledge sharing, enabling team members to benefit from each other's experiences. This commitment to continuous learning not only strengthens individual skill sets but also enhances the Bank's overall competitiveness in the fast-changing financial sector.

Breast Cancer Awareness Sessions

As a part of ABL ongoing commitment to fostering a culture of well-being and excellence, the Bank arranged 'Breast Cancer Awareness Sessions' for female employees across major cities (Lahore, Karachi, Islamabad and Multan) in collaboration with the Bank's panel hospital. This program (Pinktober) is part of ABL's '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.

Daycare Centers

The launch of 'Allied Rising Star Daycare Centers at MDC Lahore and MDC Multan is a testament to ABL's commitment to support working parents within the Bank. Daycare helps employees to focus on their work by reducing stress and distractions when parents are confident that their children are in a 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.

Bank's daycare centers are dedicated to providing a safe, warm, and loving environment where children can thrive and develop physically, emotionally, creatively, intellectually, and socially. The Bank believes in treating each child as a unique individual, fostering their self-confidence and self-esteem by encouraging self-expression in various ways.

Consequently, ABL proposes the inclusion of daycare center into ABL's upcoming building projects in Islamabad and Karachi.

Fitness Center/Gymnasium

With an aim to provide healthy work environment and balanced work life to its employees, the Bank has established gymnasiums in Head Office, Kot Lakhpat, Lahore and Management Development Center Lahore. 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. Gymnasiums offer a variety of equipment and classes, making it convenient for members to try new things and stay engaged. These initiatives are a testament of the Bank's commitment towards fostering a thriving workplace environment as well as encouraging its employees to maintain a healthy work life balance.

The benefits of this gymnasium facilities include:

- **Improved Health and Wellness:** Regular exercise has proven to enhance physical health, mental well-being, and overall productivity. By utilizing the gymnasium, employees can prioritise their health and effectively manage stress.
- **Team Building Opportunities:** The gymnasium serves as a platform for fostering relationships and teamwork among colleagues. Employees can participate in group workouts and motivate and support one another in achieving their fitness goals
- **Enhanced Employee Engagement and Retention:** Investing in employee wellness initiatives demonstrates ABL's commitment to their holistic development, leading to increased job satisfaction, motivation, and retention.
- **Positive Organisational Culture:** By promoting a culture of wellness, the Bank reinforces its values of care and support for the employees, which in turn contributes to a positive work environment and organisational reputation.

Housekeeping

ABL is committed to maintaining a clean and healthy working environment for the employees. The Bank invests in the best janitorial services across its network to ensure a hygienic and well-maintained workplace.

Recognising the significant impact of waste on employee health and organisational aesthetics, the Bank prioritises waste reduction, reuse, and recycling.

These initiatives are crucial for environmental improvement and contribute to a more productive workplace. The Bank ensures that the complaints regarding working conditions are resolved promptly. In 2025, a total of 431 such complaints were reported and all were addressed.

Customer Management

The Bank is committed to delivering exceptional customer service that exceeds expectations. The Bank strives to understand its customers' needs, innovate within the industry, and continually improve the service delivery. By setting high standards, the Bank aims to differentiate itself and achieve excellence in customer service, aligning with its organisational goals.

Customer service is one of the Bank's most crucial tools for enhancing market share. It involves promptly and thoroughly responding to customer needs and addressing their feedback through various communication channels.

Promoting Equality

ABL ensures compliance with the following in the delivery of its products and services:

- Commitment to providing banking services without discrimination in terms of access, quality, or terms and conditions. The Bank ensures that all customers are treated fairly and equitably.
- If the Bank is unable to provide a particular product or service to a customer, the Bank will provide clear and reasonable explanations, including eligibility criteria or other relevant factors. This transparency enables customers to understand the reasons behind any limitations and supports Bank's commitment to fair and inclusive banking practices.

Customer Relationship Management (CRM)

By leveraging advanced CRM solutions, ABL continually strengthens its customer relationships, gains deeper insights into their needs, and provides tailored solutions that exceed expectations. The state-of-the-art CRM technology, equipped with robust modules and cutting-edge functionalities, provides key features such as Retail & Corporate Customer 360, Leads & Opportunity Management, Campaign Management, Service Request & Analytics, and capturing of Additional Customer Information, including personal preferences and family details, have transformed Bank's customer engagement approach and enabled the Bank to deliver personalised experiences, streamline sales processes, and make data-driven decisions, ultimately enhancing customer satisfaction and loyalty.

Pakistan's First Cash Recycler

In an innovative endeavor to meet the evolving demands of the digital era and substantially enhance

2025

its digital footprint, the Bank launched the country's first-ever Cash Recycler facility. This initiative marked a transformative leap in the provisioning of banking services, closely aligning with Bank's dedication to fostering a digital-first banking environment. Currently, 180 Cash Recyclers are deployed across ABL's network.

Enterprise Loyalty Program

The Bank introduced Enterprise Loyalty Program, "myABL Coins," which allows cardholders to earn points (coins) while spending with ABL's Debit or Credit Card. This program also offers exclusive access to a diverse marketplace featuring globally renowned brands across various merchant segments.

Financial Consumer Protection Framework

The Bank has developed a comprehensive Financial Consumer Protection Framework that aligns with evolving regulatory requirements. ABL ensures that all communications, whether through the corporate website, Allied Contact Center, social media, SMS, notice boards, branches, or Key Fact Statements (KFS), are clear, simple, accurate, and free from misleading information. These communications include details of any potential risks to consumers, as outlined in relevant SBP circulars and guidelines.

Bank's framework clearly outlines the rights and responsibilities of both the Bank and its customers, including provisions for terminating the banking relationship. Additionally, the Bank provides transparent information regarding fees, pricing, and potential penalties that customers may incur.

This framework includes detailed guidelines for promoting consumer awareness and financial literacy. The Bank is committed to treating all customers in a non-discriminatory manner and ensuring that its compliance program is grounded in strong ethical principles. These principles are fully embraced and endorsed by the Board and the senior management, in alignment with regulatory guidelines.

By implementing these measures, ABL demonstrates its unwavering dedication to protecting consumer rights, promoting financial literacy, and maintaining a high standard of ethical conduct.

Confidentiality & Privacy of Consumer Information

ABL takes necessary measures to maintain secrecy and not to disclose financial information, except in the following circumstances:

- The Bank is obligated to disclose customer information when required by law
- Upon receipt of a notice from regulatory authorities, the Bank may be required to disclose specific customer account information
- In certain cases, disclosing information may be necessary to protect the Bank's interests
- The Bank may disclose customer information if authorised by the customer
- Information may be shared with vendors, service providers, and third parties under specific arrangements approved by the Bank

Deposit Protection Insurance

The Bank has implemented the Deposit Protection Mechanism introduced by the SBP under the Deposit Protection Corporation (DPC). The Bank has spent Rs.2,150 million towards deposit protection insurance, complying with the SBP initiative to provide protection to small depositors across the banking industry.

Complaint Management System

Complaint Management System (CMS) underscores ABL's commitment to continuous improvement and customer satisfaction. By providing a structured framework for addressing and resolving customer concerns, the Bank demonstrates its dedication to transparency, accountability, and customer-centricity. In compliance with regulatory guidelines, the Bank has established detailed complaint handling procedures and grievance resolution mechanisms which are strictly adhered to.

A dedicated Centralized Complaint Management Department (CMD) allows the Bank to effectively receive, investigate, and resolve complaints and inquiries from both ABL customers and non-customers. The CMD's primary objective is to enhance customer experience and confidence by providing prompt responses, high-quality resolutions, and greater overall satisfaction.

Sources / Channels of Customer Complaints

Customers can approach the Complaint Management Division through the following mediums:

- Allied Contact Center
- Directly E-mail at: complaint@abl.com or cm@abl.com
- Web based complaint form: <https://www.abl.com/help-and-support/complaints>
- Through letters to the Complaint Management Department
- ABL Branches, Branch Drop Boxes State Bank of Pakistan

- Banking Mohtasib Pakistan
- SBP Sunwai Portal
- Other Stakeholders e.g., Govt. Offices/ Agencies/ Institutions, etc.
- Digital Signage

The Bank also informs its customers about their right to approach the Banking Mohtasib Pakistan (BMP) and SBP Sunwai Portal for external dispute resolution and provide the necessary contact information.

In 2025, ABL successfully resolved 98% of customer complaints, demonstrating its strong dedication to customer care and operational excellence.

Senior Citizens, Women and Persons with Different Abilities

ABL is committed to providing special assistance and care to vulnerable customer segments, including pensioners, senior citizens, persons with different abilities (PWDs), and women, wherever possible. This may include out-of-queue assistance or ramps for wheelchair users at branch entrances. By prioritizing the needs of these groups, the Bank aims to create a more inclusive and accessible banking experience.

Consumer Awareness and Financial Literacy

To enhance consumer awareness of its products, the Bank employs the following strategies:

- Consumers are informed about the specific nature of contracts, agreements, products, and services, including associated benefits, risks, and financial terms.
- For foreign exchange transactions, consumers are provided with clear information on exchange rates and commission charges.
- Credit cardholders are informed about their credit limits, markup rates, minimum monthly repayments, fees, charges, and insurance coverage.
- Consumers are educated on their responsibilities regarding the loss, theft, or misuse of payment instruments and how to report such incidents.
- For Islamic Banking products, consumers are informed about Shariah compliance considerations.
- When dealing with third-party products, the Bank clarifies its role as a distributor and informs consumers about the product's nature, expected returns, cooling-off periods, premature encashment procedures, and complaint handling processes.
- The Bank ensures that its business with third-party products complies with applicable SBP regulations and the Bank's Fair-Trade

Commission (FTC) objectives.

- Consumers can easily search for products and services that meet their needs through various channels, including branch staff and the Bank's website.
- The Bank has implemented mechanisms to inform individuals with disabilities about the availability of nearby branches with ramps and maintains an updated list of accessible branch locations on its website.
- The Bank actively promotes awareness of its accessibility initiatives through various channels, including notice boards, print and electronic media, and websites.

Product Information, Literature and Forms

ABL takes necessary steps to ensure that the Bank's literature is always clear, comprehensive, and understandable. The following measures are taken to ensure Bank's customers are provided with accurate information:

- Customers have access to all relevant product information at any time, both at branches (conventional and Islamic) and on website.
- Customers have sufficient time to review, understand, and ask questions about product information and forms before making a decision.
- The Bank makes every effort to inform all customers of any changes or amendments to its products and services.

Sources for Product / Service Information

- Corporate website
- Allied Phone Banking (Help Line)
- Print and electronic media advertisements
- Social media
- ATM screens
- SMS / text message
- Notice boards or digital signage at branches
- Staff at branches
- Key Fact Statement for Deposit and Consumer Products

Sustainable Consumer Products

The Bank is offering specialised sustainable financing products for both conventional and Islamic customers, catering to the needs of low- and middle-income groups as well.

- 'Allied Electric Bike Finance', a green banking

initiative to provide an environmentally friendly option to commute and promote and support the vital causes of shifting to alternative sources of energy, reducing pollution caused by fossil fuel consumption and environmental sustainability.

The product is reasonably priced, making it an affordable option for lower- and middle-income segments of the society.

- 'Allied Scooty Finance', a women-centric and gender inclusive product specifically designed to empower women and reduce their dependence on others, with regards to their transportation needs, by providing flexible scooty financing facility at a low mark-up rate. The target market for Allied Scooty Finance is salaried and self-employed females; moreover, males can also avail the facility for the females of their families as beneficiaries of the product.

- 'Allied Solar System Finance' is strengthening green banking initiatives of the Bank by offering financing for installation of solar energy systems at residential property to shift from conventional energy to sustainable solar energy.

Strategy for Agri Sector Growth

- Continued product innovation tailored to sector-specific needs.
- Concentration on Demographic-driven & Customer-centric sales targeting.

Alignment with National Development Agenda

Active participation in the National Subsistence Farmers Support Scheme (NSFSS), a federal initiative aimed at empowering smallholder farmers by providing uncollateralized, tech-enabled access to credit and Agri-advisory services.

Agri Awareness Sessions

Conducted 335 Agri awareness/training sessions, against the target of 287 sessions, with attendance of 6,912 participants against target of 5,740 participants.

SME Finance Awareness Sessions

Conducted 617 SME Finance Awareness Sessions with attendance of 5,199 participants

Warehouse Finance Awareness Sessions

Conducted 7 Warehouse Finance Awareness Sessions with attendance of 3,000 participants.

Non Financial Advisory Services (NFAS)

Provide 5,986 NFAS to 1,655 customers including 732 new customers

Province-wise Agri Branches

Province	No. of Agri Branches			
	2024		2025	
	Conventional	Islamic	Conventional	Islamic
Punjab	155	13	155	13
Sindh	57	1	57	1
Khyber Pakhtunkhwa	31	-	31	-
Baluchistan	6	-	6	-
Azad Jammu & Kashmir	12	-	12	-
Gilgit Baltistan	2	-	2	-
Total	263	14	263	14
Grand Total	277		277	

Agriculture, Small Business and Community Development Financing

Segment	Outstanding Financing			
	As on 31.12.2024		As on 31.12.2025	
	No. of Borrower	Rs. in million	No. of Borrower	Rs. in million
Agriculture Financing	2,673	2,074	2,534	2,299
Consumer Financing	1,990	4,243	1,851	3,599
Small Enterprises Financing	1,370	5,593	1,200	7,655





ISLAMABAD MARATHON

Running the Roads of
Power and Purpose

Community Engagement- Corporate Social Responsibility (CSR)

Overview

The Bank's Corporate Social Responsibility (CSR) vision is "To be a socially responsible corporate citizen," aligning with the Bank's mission "To play a proactive role in contributing to society." Through its CSR initiatives, the Bank voluntarily engages in addressing community issues related to social and environmental concerns.

CSR Policy

The Bank's CSR activities are guided by a comprehensive policy that aligns its business objectives with a role as a responsible corporate citizen. By adopting globally recognised ecological and social practices, the Bank ensures that its CSR initiatives are aligned with the Bank's strategic plan and contribute to achieving the Sustainable Development Goals (SDGs).

CSR Plan Objectives

Workplace	Establish a workplace environment to maintain balanced work life, have health care facilities, maintain high ethical standards, improving the skills of employees through trainings, have equal employment opportunities including the minority groups, employment through Talent Hunt programs, aid social interaction among and encourage employment of persons with different abilities.
Environment	Making a positive impact on environment by promoting green banking, use of renewable energy sources, reducing carbon emissions, promoting tree plantation, no or low paper consumption, enhancing focus on energy conservation, and promoting green culture through trainings and awareness sessions.
Community	Promoting the uplift of underprivileged communities by actively contributing to various health, education, sports and cultural initiatives. Make the community feel ABL's presence by sharing and caring, especially during the times of adversities, natural calamities, and pandemics.
Customer Relations	Strengthen customer relations by providing access to state-of-the-art processes and services to ensure customer convenience in branches and on Alternate Delivery Channels ensuring satisfaction and privacy all the times with honesty and integrity as core values in Business operations.
Governance	Protecting Human rights, ensuring transparency, taking measure for anti-corruption & curtailing money laundering, terrorist financing and proliferation financing, adopting best business practices, improving stakeholder relations through responsible marketing.

CSR Activities

Community service is a cornerstone of ABL's Corporate Social Responsibility (CSR) initiatives. The CSR of the Bank primarily focuses on Health, Education, Sports, General Welfare and Art & Culture. The Bank prioritises the education and health sectors as key areas for its philanthropic contributions. Through regular donations and support, the Bank aims to make a positive impact on these essential sectors and improve the well-being of the communities.

As part of its ongoing stakeholder engagement initiatives, ABL actively seeks feedback from both internal and external stakeholders, with a particular focus on the Bank's activities designed to generate positive social and environmental outcomes for the broader community.

In 2025, ABL contributed Rs. 496 million to support development initiatives in health, education, sports, general welfare and Green CSR, with a particular focus on serving underprivileged communities.

Education

In 2025, Allied Bank contributed Rs.128 million to support educational initiatives, focusing on underprivileged communities. Significant contributions included:

- During the year, Rs. 30 million was contributed to The Lahore University of Management Sciences (LUMS) towards the construction of a hostel.
- The Bank contributed Rs. 10 million to TNF Akhuwat Boarding School Faisalabad for the construction of school to support the underprivileged in the outskirts of Faisalabad city.
- Aitchison College is one of the most remarkable schools in Pakistan that has provided the educational foundation and social network upon which countless students built successful lives and careers. The Bank contributed Rs. 10 million to Aitchison College for endowment fund to provide financial resources to support meritorious and deserving students from across Pakistan by offering a full or partial scholarship to attend Aitchison.
- Recognising the significance of information technology, the Bank proceeded with its arrangement to donate personal computers to educational institutions, particularly supporting underprivileged sections of the general public. Moreover, the Bank contributed Rs. 2.5 million to Progressive Education Network for the development of a Digital Learning Platform to revolutionize classroom teaching by integrating digital tools into traditional education for

primary years.

Contribution to Educational Institutes in Rural Areas

The Bank recognises the significance of education in transforming lives, for which it has sponsored operations of two schools located in the underprivileged 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.

Furthering its commitment, the Bank contributed Rs. 5 million for funding operational expenses of Campus XI, Sikandarabad, Kemari, Karachi to be 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.

Next Generation Leadership Program (NGLP)

The Bank initiated the NGLP Programme as an effort to prepare the second generation of leaders. The three-day conference, brought together participants for a structured learning experience centered on leadership, development and strategic thinking. The programme featured lectures by industry experts and researchers from JP Morgan, KPMG, LUMS & FC University and networking sessions that encouraged dialogue, connection, and shared learning. This initiative reflects ABL's continued emphasis on knowledge-sharing, collaboration and leadership capability for the future.

Health

The Bank recognises the challenges faced by society-at-large in health sector and always focuses on the uplift of health infrastructure through contribution towards renowned health providers.

The Bank contributed Rs. 38 million to healthcare facilities across various cities of the country, focusing on the treatment of cancer, Down syndrome, autism, blood transfusions, impaired vision and mental health of the underprivileged.

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 the construction of a cancer hospital in Karachi for provision of free and advanced cancer treatment to deserving patients.

The Bank provided financial support to Fatimid Foundation for safe blood transfusions to deserving and underprivileged patients with Blood and

Bleeding Disorders on a 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, the Bank contributed to Behbud Association of Pakistan for equipping and operationalising 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.

Sports

The Bank collaborated with Pakistan Volleyball Federation to enhance Pakistan's global image through sports and support the development of volleyball in Pakistan, which is one of the most popular and widely played sports in the country. Further, the Bank sponsored HTR National Ranking Tennis Tournament at Gymkhana Lahore. Additionally, the Bank sponsored Cricket Tri-Nation series to serve as a primary source of entertainment and a significant contributor to the country's image.

KBC Indoor Open Rowing Regatta

The 15th Annual KBC Indoor Open Rowing Regatta 2025 brought together determination, discipline, and the community spirit under one roof. The Bank's presence reflected a shared belief in perseverance and collective progress, as athletes pushed their limits in an arena charged with energy and encouragement. Each race embodied grit and teamwork, while moments of support reinforced the idea that growth flourishes within strong communities. The regatta served as a reminder that excellence is never achieved alone, it is built together, stroke by stroke, through belief, effort, and shared purpose.

Women's Futsal Cup: Her Game. Her Ground

Women's futsal took centre stage as the Bank, in collaboration with Karachi United, hosted an exciting tournament celebrating Pakistan's spirit of determination and unity. The event brought together talented female athletes who showcased not only their skills on the field but also the power of teamwork, confidence, and inclusion. Through initiatives like this, the Bank continues to champion women's empowerment, creating spaces where passion meets opportunity.

These events are a manifestation of the Bank's commitment to promote sports and general well-being. Such events transcend cultural, ethnic and socioeconomic divides, promoting unity and understanding.

Community Welfare

The Bank continued its efforts in serving the

community through contributions to well-reputed welfare organisations 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, the Bank funded a meal program which aimed to provide nutrition to the underprivileged children in schools through Fortify Education Foundation. In addition, the 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 Organisation for healthcare, rehabilitation services and educational support for disabled children in Faisalabad.

Flood Relief Activities

The Bank, in line with its delineated CSR Policy, remained cognizant of national challenge towards fellow citizens arising as a result of the floods in 2025. The country has witnessed major flooding in Gilgit-Baltistan, KPK and Punjab on account of aggressive monsoon rains and release of water by India recently into the Ravi, Sutlej and Chenab rivers. As per current estimates, this has led to a calamity-like situation in many parts of the country with over 800 deaths with 1,000 plus injuries of varying nature, livestock loss approaching 6,000 and over 12,000 damaged houses of varying degrees (partial to full). Additionally, around 750,000 people have been displaced and 8.1 million impacted nationwide.

In this hour of need, staff of the Bank also stepped forward and arranged direct distribution of ration and food supplies to Flood Affected Areas through Bank's staff in Sialkot, Punjab and Buner, KPK. Extensive relief activities were conducted by the Bank's staff through visit of dedicated teams in flood-affected areas; distributing food and household items among fellow citizens to facilitate them for resumption of normal life.

Further, the Bank donated to Pakistan Poverty Alleviation Fund (PPAF) and Association for Gender Awareness & Human Empowerment (AGAHE) to support relief efforts in flood affected areas including provision of food, medicines, non-food items, livestock etc., in partnership with the PPAF and AGAHE.

Contribution to National Exchequer

The 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 it to the national exchequer.

Art Festivals

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 Ahmad Faiz. A recreated hut offered visitors an intimate glimpse into Faiz's world, his journey and his life's work through historical archives – showcasing not just the poet, but the humanist behind the verses. A striking installation invited attendees to pen personal messages to Faiz, hanging them on a symbolic tree – a testament to how his words continue to resonate across generations. Nearby, a master calligrapher crafted bespoke nameplates, giving guests a lasting memento of the experience. Sheher-e-Faiz audio labyrinth enveloped visitors in Faiz's verses with recorded recitations echoing through the space – a sensory tribute to the timeless power of his poetry. Through these thoughtful engagements, The Bank reinforced its commitment to preserving cultural heritage and inspiring meaningful dialogue. The installations didn't just honour Faiz's past; they ignited fresh connections to his vision of hope and humanity.

Lahore Literary Festival

The Bank also sponsored Lahore Literary Festival 2025 held at the Alhambra Arts Center, Lahore. The Bank carved out a unique space for connection and reflection with "Allied Saraye" – a serene retreat amid the festival's vibrant energy. The festival is an annual gathering of some of the most prominent writers, poets, artists, and scholars from both Pakistan and abroad, fostering engaging, stimulating, and thought-provoking conversations and panel discussions. A communal wall invited visitors to pin their personal financial goals – a symbolic gesture of collective ambition and shared growth. Allied Saraye fostered connections, curiosity, and a deeper appreciation for stories, both financial and literary. The Bank's support underscores its commitment to fostering creativity, dialogue, and cultural enrichment within the community.

Lahore Children's Festival

The Lahore Children's Festival unfolded as a joyful celebration of childhood, where laughter echoed freely, imagination took flight, and every corner was alive with colour and curiosity. Designed as a day entirely for children and their families, the festival brought together moments of wonder, play, and shared happiness. From delightful puppet shows and enchanting magic acts to a host of interactive experiences, the festival created lasting memories for young attendees and their families alike. Adding

to the experience, the Bank made payments easy and supported a platform that celebrates creativity, learning, and togetherness for the next generation.

A City Told in Stories: SOT's Badar Storytelling Session-Dastan Lahore Ki

Since 2000, SOT Events have brought together more than 500 thought-leaders and trailblazers from around the world, including heads of state and prime ministers, creating a platform for dialogue that transcends borders. What began as in-person gatherings in Pakistan has steadily evolved into fully virtual conferences, enabling the event to engage a truly global audience while continuing its tradition of meaningful and diverse discourse. This year, the Bank became part of the SOT Event by hosting a storytelling session titled "Dastan Lahore Ki." The session celebrated Lahore's rich cultural heritage and timeless narratives, reflecting the Bank's commitment to preserving local stories while contributing to global conversations that connect history, community, and contemporary thought.

Locate Bazaar

The Bank was in the thick of it all at the Locate Bazaar, held on 13th and 14th September at Andalusian Banquets, DHA Phase 8, Karachi. The event brought together a vibrant mix of shopping, networking, and digital engagement. From Scan-to-Pay convenience and POS machines at every stall to an on-site Mobile Banking Unit, the Bank ensured that visitors enjoyed effortless transactions and easy access to banking services throughout the event.

At Locate Bazaar 2025, the Bank's presence also focused on interactive and emotionally resonant experiences, inspiring visitors to explore their financial potential while strengthening their connection with the brand. The journey began with a series of interactive digital games that challenged participants to reflect on their financial habits and aspirations.

At "Dear Wallet" station, the clatter of typewriters invited visitors to pause and type an intimate letter to their wallets - expressing gratitude, sharing concerns, or making promises for the future. The act of sealing these letters in envelopes and posting them in physical mailboxes created a nostalgic and emotionally resonant moment, turning abstract finance into a heartfelt conversation. Adorned with cross-stitch patterns in the Bank's signature colours, the photo booth was the perfect backdrop to capture the moment. Attendees flocked in front of the booth, capturing memories in polaroid pictures. Through these layered experiences, the Bank successfully strengthened its bond with the community, proving that banking is not just about numbers, but about enabling dreams.

Persons with Different Abilities (PWDs)

The Bank established 29 model branches to make banking easy and convenient for PWDs through supportive physical infrastructure, accessible products and services, assistive technologies and supportive staff interactions. These branches are equipped with customised stationery forms/ documents in Braille Script, accessible branch entrances, washrooms, ATM cabins and counters.

International Disability Day

In recognition of International Disability Day on December 3rd and in alignment with the Bank's commitment to foster culture of inclusion, the Bank collaborated with NOWPDP to host an awareness session in line with Disability Awareness Month. The session provided an opportunity to emphasize the importance of accessibility, inclusion and social responsibility within workplaces and the wider community.

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 the grassroots level by expanding the Rural Branch network to 323.

Training ICAP Students

ABL is an approved Training Organisation outside Practice (TOoP) by the Institute of Chartered Accountants of Pakistan (ICAP). As part of ABL's Corporate Social Responsibility (CSR) initiatives, the Bank provides training to CA students in accordance with ICAP's training regulations.

Bank's commitment to developing future chartered accountants has resulted in a high success rate among the trainees. In recognition of ABL's efforts, ICAP has awarded Allied Bank for training and qualifying a significant number of CA professionals. Additionally, the Bank has offered permanent employment to numerous ICAP trainees upon successful completion of their internships and meeting the required job criteria.

Blood Donation Drive

A Blood Donation Drive in collaboration with Shaukat Khanum Memorial Hospital was organised at ABL Head Office, Lahore. 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.

Green CSR Activities

Tree Plantation Campaign

Aligned with the national campaign for "Clean and

Green Pakistan," ABL is dedicated to enhancing tree plantation efforts. As an annual activity, ABL branches across the country actively participate in tree planting campaigns at schools, universities, and public spaces. These initiatives contribute to environmental restoration and create a healthier, greener Pakistan. In FY2025, a pan Pakistan Tree Plantation Campaign was carried out in which more than 150,450 trees/saplings were planted.

Cleanliness Drive at Moenjodaro

The Bank has always remained at the forefront for environmental health, sustainability of ecosystem and supported the noble cause through various channels. The Bank, being a 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 was executed.

Moenjodaro is a UNESCO World Heritage site and one of the oldest planned cities in the world, dating back to the 3rd millennium BC. As a major centre of the Indus Valley Civilization, it featured an advanced urban layout, drainage system, and baked brick structures, reflecting remarkable engineering and civic planning. Located in Sindh, Pakistan, its well-preserved ruins provide valuable insight into ancient urbanization.

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.

Allied Karavan: Rising with Purpose-A Journey of Transformation

"Allied Karavan" is the extension of structured Corporate Social Responsibility (CSR) initiatives taken by Allied Bank Limited for environmental stewardship and community development.

To promote inclusiveness and diversity, 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 who 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-Malook, 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 of it 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 Tree 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.

The 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.

Marathon 2025: Run For a Greener Tomorrow

Multan Marathon

The ancient city of Multan, steeped in centuries of history, recently thrummed with a new rhythm: the spirited footsteps of the Bank's employees and their families. Far more than a race, the marathon became a vibrant celebration of unity, weaving modern energy into the city's timeless streets.

Employees and their families came together to champion health, teamwork and community engagement. Witnessing colleagues from all levels – seasoned leaders to new hires – running side by side underscored the Bank's values of inclusivity and collaboration. This wasn't just a run; it was a testament to the Bank's belief that progress begins when individuals move forward together.

Islamabad Marathon

The Bank hosted an inspiring marathon in capital's tree-lined avenues of Islamabad, employees carried saplings along the route – symbols of Allied Bank's dedication to sustainability reinforcing a shared commitment to wellness and community.

More than just gestures, these young saplings represented tangible pledges for a greener future, soon to take root as living testaments to growth and environmental action. The event was a powerful reminder: at Allied Bank, progress isn't just measured in miles, but in moments that bring us closer to each other and to a healthier, more sustainable world.

Lahore Marathon

The Lahore Marathon 2025 brought the entire city together with a common purpose: running for a Greener Tomorrow. Open to the public, the marathon welcomed young athletes, families, professionals, seniors, and the specially-abled, all sharing the same track in a powerful display of unity and inclusion. Participants could choose between two race categories 10KM and 21KM making the event accessible to both aspiring and seasoned runners. More than a celebration of fitness and solidarity, the marathon reflected the Bank's commitment to empowering communities, inspiring progress, and building a more sustainable future for generations to come.

CSR Highlights 2025

<p>Community Services</p>	<ul style="list-style-type: none"> • Education: Rs.128 million • General Welfare: Rs. 170 million • Health Sector: Rs.38 million • Sports: Rs.55 million
<p>Green Banking</p>	<ul style="list-style-type: none"> • Tree Plantation Campaign: 150,450 trees/saplings • Total Solar Power Locations: 265 • Solar Power added in 2025: 4,160 KW • Total Solar Power Installed: 6,402 KW • Green Financing Outstanding: Rs. 9,225 million • Green CSR: Rs.105 million
<p>Employee Empowerment</p>	<ul style="list-style-type: none"> • Management Trainee Officers Graduation: 411 • Gender Diversity: 25% Females • Trainings: 12,300 Employees • Medical Facility: 2,101 Employees • Post-Retirement Medical Facility: 477 • Employees Benevolent Grants: 30 Employees
<p>Customer Services</p>	<ul style="list-style-type: none"> • Deposit Protection: Rs.2,150 million • Customer Complaints Resolution: 98% • ATM Uptime: 96% • Awareness Seminars: Rs. 155 million • Electronic Queue Management Systems: 625 Branches • National Financial Literacy Program (NFLP) Sessions: 4,581 sessions
<p>Contribution to National Exchequer</p>	<ul style="list-style-type: none"> • 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
<p>Digital Services</p>	<ul style="list-style-type: none"> • Automated Teller Machines: 1,674 • Mobile ATMs: 06 • Point of Sale Machines: 9,868 • Cash Deposit Machines: 265 • Digital Touchpoints: 27 • Self Service Kiosk: 116 Branches • Digital Self Service Branches/Lounges: 20





MEETING THE
SUSTAINABILITY
STANDARDS

IFRS S1 Standards

Topic	IFRS Index	Response/Page Number
General Requirements	IFRS S1 – 54	30
	IFRS S1 – 55	30
	IFRS S1 – 56	30
	IFRS S1 – 57	30
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	IFRS S1 - 60	30
	IFRS S1 – 61	30
	IFRS S1 – 62	30
	IFRS S1 – 63	30
	IFRS S1 – 64	30
	IFRS S1 – 65	30
	IFRS S1 – 66	Not Applicable
	IFRS S1 – 67	30
	IFRS S1 – 68	Not Applicable
	IFRS S1 – 69	30
	IFRS S1 – 70	30
	IFRS S1 – 71	30
	IFRS S1 – 72	30
	IFRS S1 – 73	30
Governance	IFRS S1 - 26	44-47
	IFRS S1 - 27	44-47

Topic	IFRS index	Response/Page Number
Strategy	IFRS S1 - 28	70-82
	IFRS S1 - 29	70–79
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	IFRS S1 – 31	Not Applicable
	IFRS S1 – 32	78-79
	IFRS S1 – 33	94-107
	IFRS S1 – 34	78-79
	IFRS S1 – 35	78-79
	IFRS S1 – 36	78-79
	IFRS S1 – 37	29
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	IFRS S1 – 39	29
	IFRS S1 – 40	78-79
	IFRS S1 – 41	84
	IFRS S1 – 42	29,84
	Risk Management	IFRS S1 – 43
IFRS S1 – 44		86-90
Metrics and targets	IFRS S1 – 45	74-78, 94-107
	IFRS S1 – 46	94-107
	IFRS S1 – 47	Not Applicable
	IFRS S1 – 48	94-107
	IFRS S1 - 49	29
	IFRS S1 - 50	29
	IFRS S1 - 51	74-78, 94-107
	IFRS S1 - 52	94-107
	IFRS S1 - 53	94-107

IFRS S2 Standards

Topic	IFRS index	Response/Page Number
Governance	IFRS S2 - 5	44-47
	IFRS S2 - 6	44-47
	IFRS S2 - 7	Integrated Report
Strategy	IFRS S2 - 8	79-82
	IFRS S2 - 9	44, 79-82
	IFRS S2 - 10	79-82
	IFRS S2 - 11	79-82
	IFRS S2 - 12	29
	IFRS S2 - 13	79-82
	IFRS S2 - 14	81-82
	IFRS S2 - 15	81-82
	IFRS S2 - 16	81-82
	IFRS S2 - 17	81-82
	IFRS S2 - 18	29
	IFRS S2 - 19	Not Applicable

Topic	IFRS index	Response/Page Number
	IFRS S2 - 20	Not Applicable
	IFRS S2 - 21	81-82
	IFRS S2 - 22	82
	IFRS S2 - 23	29
Risk Management	IFRS S2 - 24	86-90
	IFRS S2 - 25	86-90
	IFRS S2 - 26	Integrated Report
Metrics and targets	IFRS S2 - 27	6
	IFRS S2 - 28	Not Applicable
	IFRS S2 - 29	104, 112
	IFRS S2 - 30	29
	IFRS S2 - 31	29
	IFRS S2 - 32	29
	IFRS S2 - 33	81-82
	IFRS S2 - 34	113-115
	IFRS S2 - 35	94-107
	IFRS S2 - 36	94-107
	IFRS S2 - 37	29

SASB Standards

Sr. No.	Topic	Metric	Category	Unit of Measure	Code	Response/ Page Number
1	Data Security	1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected	Quantitative	Number, Percentage (%)	FN-CB-230a.1	95
		Description of approach to identifying and addressing data security risks	Discussion and Analysis	N/A	FN-CB-230a.2	95
2	Financial Inclusion & Capacity Building	1) Number and (2) amount of loans outstanding that qualify for programs designed to promote small business and community development	Quantitative	Number, Presentation currency	FN-CB-240a.1	98

Sr. No.	Topic	Metric	Category	Unit of Measure	Code	Response/ Page Number
		Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Quantitative	Number	FN-CB-240a.3	98
		Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Quantitative	Number	FN-CB-240a.4	98
3	Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	Discussion and Analysis	N/A	FN-CB-410a.2	97
4	Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2, and (3) Scope 3	Quantitative	Metric tons (t) CO ₂ -e	FN-CB-410b.1	Will be included in future Reports
		Gross exposure for each industry by asset class	Quantitative	Presentation currency	FN-CB-410b.2	
		Percentage of gross exposure included in the financed emissions calculation	Quantitative	Percentage (%)	FN-CB-410b.3	

Sr. No.	Topic	Metric	Category	Unit of Measure	Code	Response/ Page Number
		Description of the methodology used to calculate financed emissions	Discussion and Analysis	N/A	FN-CB-410b.4	
5	Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	Presentation currency	FN-CB-510a.1 FN-IB-510a.1	96
		Description of whistleblower policies and procedures	Discussion and Analysis	N/A		96
6	Systemic Risk Management	Global Systemically Important Bank (GSIB) score, by category	Quantitative	Basis points (bps)	FN-CB-550a.1 FN-IB-550a.1	ABL is not a part of GSIB
		Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long term corporate strategy, and other business activities	Discussion and Analysis	N/A	FN-CB-550a.2 FN-IB-550a.2	98

Sr. No.	Topic	Metric	Category	Unit of Measure	Code	Response/ Page Number
7	Employee Diversity & Inclusion	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	Quantitative	Percentage	FN-IB-330a.1	100
8	Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Activities	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment Banking and brokerage activities	Discussion and Analysis	N/A	FN-IB-410a.3	99

Sr. No.	Topic	Metric	Category	Unit of Measure	Code	Response/ Page Number
9	Professional Integrity	(1) Number and (2) percentage of licenced employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Quantitative	Number, Percentage (%)	FN-IB-510b.1	107
		Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	Quantitative	Number	FN-IB-510b.2	106
		Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	Quantitative	Presentation currency	FN-IB-510b.3	107
		Description of approach to ensuring professional integrity, including duty of care	Discussion and Analysis	N/A	FN-IB-510b.4	106

Sr. No.	Topic	Metric	Category	Unit of Measure	Code	Response/ Page Number
10	Employee Incentives & Risk-taking	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	Quantitative	Percentage (%)	FN-IB-550b.1	
		Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or claw back provisions were applied	Quantitative	Percentage (%)	FN-IB-550b.2	107
		Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities	Discussion and Analysis	N/A	FN-IB-550b.3	No financial instruments are classified in level 3 as of reporting period

GRI Standards

Disclosure	Description	Response/Page Number
2	General Disclosures	
2-1	Organisational Details	12-23
2-2	Entities included in the organisation's sustainability reporting	4-7
2-3	The reporting period, frequency and contact point	6-7
2-4	Restatements of information	30
2-5	External Assurance	ABL is set to achieve assurance on its future Sustainability Reports
2-6	Activities, value chain and other business relationships	13,24-26
2-7	Employees	123,126
2-8	Workers who are not employees	126
2-9	Governance structure and composition	36-43
2-10	Nomination and selection of the highest governance body	41
2-11	Chair of the highest governance body	38
2-12	Role of the highest governance body in overseeing the management of impacts	38-40
2-13	Delegation of responsibility for managing impacts	40-41
2-14	Role of the highest governance body in sustainability reporting	38-40
2-15	Conflicts of Interest	43

Disclosure	Description	Response/Page Number
2-16	Communication of critical concerns	43
2-17	Collective knowledge of the highest governance body	43
2-18	Evaluation of the performance of the highest governance body	42
2-19	Remuneration policies	42,121-122
2-20	Process to determine remuneration	121-122
2-22	Statement on sustainable development strategy	8
2-23	Policy Commitments	50
2-24	Embedding Policy Commitments	50
2-25	Processes to remediate negative impacts	51-52
2-26	Mechanisms for seeking advice and raising concerns	51-52
2-27	Compliance with laws and regulations	52
2-28	Membership associations	16
2-29	Approach to Stakeholder Engagement	31
2-30	Collective Bargaining Agreements	121
201	Economic Performance	
201-1	Direct economic value generated and distributed	28
201-2	Financial implications and other risks and opportunities due to climate change	80-81
201-3	Defined benefit plan obligations and other retirement plans	135-136

Disclosure	Description	Response/Page Number
201-4	Financial assistance received from government	ABL did not receive any financial assistance from any government during the period
202	Market Presence	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	122
202-2	Proportion of senior management hired from the local community	121
203	Indirect Economic Impacts	
203-1	Infrastructure investments and services supported	27
203-2	Significant indirect economic impacts	27
204	Procurement Practices	
204-1	Proportion of spending on local suppliers	64
205	Anti-corruption	
205-1	Operations assessed for risks related to corruption	65
205-2	Communication and training about anti-corruption policies and procedures	43, 134
206	Anti-competitive Behaviour	
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	66
207	Tax	
207-1	Approach to tax	62
207-2	Tax governance, control, and risk management	62-63
207-3	Stakeholder engagement and management of concerns related to tax	63
207-4	Country-by-country reporting	63

Disclosure	Description	Response/Page Number
302	Energy	
302-1	Energy consumption within the organisation	110
302-2	Energy consumption outside the organisation	Not applicable
302-3	Energy intensity	110
302-4	Reduction of energy consumption	113-115
302-5	Reductions in energy requirements (Products/ services)	113-115
303	Water and Effluents	
303-1	Interactions with water as a shared resource	110
303-2	Management of water discharge-related impacts	110
303-3	Water withdrawal	110
303-4	Water discharge	116
303-5	Water consumption	110
304	Biodiversity	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	116
304-2	Significant impacts of activities, products, and services on biodiversity	116
305	Emissions	
305-1	Direct (Scope 1) GHG Emissions	112
305-2	Energy indirect (Scope 2) GHG Emissions	112
305-3	Other indirect (Scope 3) GHG Emissions	112
305-4	GHG Emissions Intensity	112
305-5	Reduction of GHG Emissions	113-115

Disclosure	Description	Response/Page Number
305-6	Emissions of ozone-depleting substances (ODS)	Nil
305-7	Nitrogen oxide (NOx), Sulfur oxides (SOx), and other significant air emissions	Nil
306	Waste	
306-1	Waste generation and significant waste-related impacts	116
306-2	Management of significant waste-related impacts	116
306-3	Waste generated	ABL does not calculate its total waste generated, diverted from disposal, and directed to disposal as yet. However, the Bank is actively incorporating systems to capture such information
306-4	Waste diverted from disposal	
306-5	Waste directed to disposal	
401	Employment	
401-1	New Employee hires and employee turnover	126
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	135-138
401-3	Parental leave	136
402	Labour/Management Relations	
402-1	Minimum notice periods regarding operational changes	No significant operational changes observed during the reporting period where workers were laid off and required a suitable notice period
403	Occupational Health and Safety	
403-1	Occupational health and safety management system	138

Disclosure	Description	Response/Page Number
403-2	Hazard Identification, Risk Assessment, and Incident Investigation	138
403-3	Occupational health services	138
403-4	Worker participation, consultation, and communication on occupational health and safety	138
403-5	Worker training on occupational health and safety	138
403-6	Promotion of worker health	137
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	64
403-8	Workers covered by an occupational health and safety management system	138
403-9	Work-related injuries	139
403-10	Work-related ill health	139
404	Training and Education	
404-1	Average hours of training per year per employee	129
404-2	Programs for upgrading employee skills and transition assistance programs	129-135
404-3	Percentage of employees receiving regular performance and career development reviews	121
405	Diversity and Equal Opportunity	
405-1	Diversity of governance bodies and employees	38,123
405-2	Ratio of basic salary and remuneration of women to men	123
406	Non-discrimination	
406-1	Incidents of discrimination and corrective actions taken	There were no incidents of discrimination during the reporting period

Disclosure	Description	Response/Page Number
407	Freedom of Association and Collective Bargaining	
407-1	Operations and Suppliers in which the right to freedom of association and collective bargaining may be at risk	121
408	Child Labour	
408-1	Operations and Suppliers at Significant Risk for Incidents of Child Labour	64, 120
409	Forced or Compulsory Labour	
409-1	Operations and Suppliers at significant risk for incidents of forced or compulsory labour	121-122
411	Rights of Indigenous Peoples	
411-1	Incidents of Violations Involving Rights of Indigenous People	There were no identified incidents of violations involving the rights of indigenous peoples during the reporting period
413	Local Communities	
413-1	Operations with local community engagement, impact assessments, and development programs	115
413-2	Operations with significant actual and potential negative impacts on local communities -	148-154
415	Public Policy	
415-1	Political contribution	ABL made no direct or indirect financial or in-kind political contributions.
417	Marketing and Labelling	
417-1	Requirements for product and services information and labelling	65

Disclosure	Description	Response/Page Number
417-2	Incidents of non-compliance concerning product and service information and labelling	65
417-3	Incidents of non-compliance concerning marketing communications	65
418	Customer Privacy	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	60

SECP ESG Guidelines for Listed Companies

Sr. No.	KPI	Description	Response/Page Number
Environment			
1	Green House Gas (GHG) Emissions	Total Amount of Carbon and Green House Gas Emissions in Metric Tons	112
		Total Amount, in CO2 equivalent, for Scope 1 Scope 2 and Scope 3 (if Applicable)	112
2	Emission Intensity	Total GHG Emissions per output scaling factor (e.g. revenues, sales, units produced)	112
		Total Non-GHG Emissions per output scaling factor	Not Applicable
3	Energy Usage	Total Amount of Energy directly consumed	110
		Total Amount of Energy indirectly consumed	110
4	Energy Intensity	Total direct energy usage per output scaling factor	110
5	Energy Mix	Percentage: Energy usage by generation type	110
		Disclose the energy consumption from renewable energy sources as a percentage of total energy consumption	110
6	Water Usage	Total amount of water consumed	110
7	Environmental Operations	Does your company follow a formal Environmental Policy?	Yes
		Does your company follow specific waste, water, energy, and/or recycling policies?	No
		Specify the quantity of waste recycled or re-used as a percentage of total waste for the current and comparative period.	No waste recycled or re-used
		Does your company use a recognised energy management system?	No
8	Environmental Oversight	Does your Board/Management Team oversee and/or manage climate related risks?	Yes
		Does your Board/Management Team oversee and/or manage other sustainability issues?	Yes
9	Sustainable Sourcing	Does your company have a policy and procedure in place for sustainable sourcing?	Yes

Sr. No.	KPI	Description	Response/Page Number
10	Climate Risk Adaptation and Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development?	Green Financing: PKR 1,540 million/- Solar installations: PKR 801 million/- Tree Plantation Campaigns: PKR 10 million/-
Social			
11	Gender Pay Ratio	Ratio: Median male compensation to median female compensation	123
12	Employee Turnover	Percentage: Year-over-year change for full-time employees	126
		Percentage: Year-over-year change for part-time employees	126
13	Gender diversity	Percentage: Total enterprise headcount held by men and women	123
		Percentage: Entry- and mid-level positions held by men and women	126
		Percentage: Senior and executive level positions held by men and women	126
14	Temporary Worker Ratio	Percentage: Total enterprise headcount held by part-time employees	126
		Percentage: Total enterprise headcount held by contractors and/or consultants	Not Applicable
15	Non-Discrimination	Does your company have a sexual harassment and/or nondiscrimination policy?	Yes
		Is there a confidential grievance, resolution, reporting and nonretaliation mechanism and procedure to address and respond to incidence of harassment and violence? /	Yes
16	Global Health and Safety	Percentage of differently abled men and women in the workforce	123
		Does your company follow an occupational health and/or global health and safety policy?	138

Sr. No.	KPI	Description	Response/Page Number
17	Child and Forced Labour	Does your company follow a child and/or forced labour policy?	Yes
		If, does your child and/or forced labour policy also cover suppliers and vendors?	Yes
18	Corporate Social Responsibility	Please share a list of CSR activities undertaken along with total time spent on these and amounts (PKR) allocated.	148-154
19	Employee Training and Succession Planning	Number of training sessions held on the following. Please also mention the Number of employees and workers trained on these: -Skill Upgradation -Soft Skills -Health and Safety Measures	128
		Percentage of men and women promoted this year	126
20	Human rights	Does your company follow a human rights policy?	Yes
		If, does your human rights policy also cover suppliers and vendors?	Yes
21	Working Conditions	Number of employee complaints on working conditions (during reporting period)	140
		Number of working condition complaints resolved (during reporting period)	140
22	Injury rate	Percentage: Frequency of injury events relative to total workforce time	139
		Number of lost production hours as a result of safety related incidents	139
		Disclose the percentage of employees/workers covered with Health and Safety Insurance?	135
23	Marketing	Do you have responsible gender-sensitive marketing communication policy or a commitment embedded in larger corporate policy?	64-65
Governance			
24	Board Diversity	Percentage: Total board seats occupied by men and women	38
		Percentage: Committee chairs occupied by men and women	Men:80% Women: 20%
25	Board Independence	Does company prohibit CEO from serving as board chair?	Yes
		Percentage: Total board seats occupied by independents	38

Sr. No.	KPI	Description	Response/Page Number
26	Board competence	Percentage of ESG certified board members	43
27	Incentivized Pay	Are executives formally incentivized to perform on sustainability?	Yes
28	Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	121
29	Supplier Code of Conduct	Are your vendors or suppliers required to follow a Code of Conduct?	Yes
		If, what percentage of your suppliers have formally certified their compliance with the code?	Will be included in future Reports
30	Ethics & Anti-corruption	Does your company follow an Ethics and/or Anti-Corruption policy?	Yes
		If, what percentage of your workforce has formally certified its compliance with the policy?	100%
31	Data privacy	Does your company follow a Data Privacy policy?	Yes
		Does your company take steps to comply with general data protection rules/ framework?	Yes
32	Sustainability Reporting	Does your company publish a sustainability report?	Yes
		Is sustainability data included in your regulatory filings?	Yes
33	Disclosure practices	Does your company provide sustainability data in line with any sustainability reporting frameworks?	Yes
		Does your company focus on specific UN Sustainable Development Goals (SDGs)?	Yes
		Does your company set targets and report progress on the UN SDGs?	The contributions of the Bank for UN SDGs are reported; however, the Bank does not explicitly report progress on the UN SDG targets. Specific progress will be included as part of future reports
34	External Assurance	Are your sustainability disclosures assured or validated by a third-party?	ABL is set to achieve assurance on its Sustainability Reports in future years



NOURISHING HOPE DELIVERING RELIEF

Rebuilding Lives



Contribution to UN Sustainable Development Goals (SDGs)



Job Creation

In 2025, the Bank directly hired 2,612 people and indirectly supported thousands more through its operations—helping reduce unemployment nationwide.

Financial Inclusion

The Bank has played a key role in financial inclusion by introducing the general population of the country to banking products and services for inclusive economic growth. The efforts included financial awareness and new account opening. The Bank has added more than 1.5 million new accounts in 2025 and provided awareness to more than 131,358 participants in 41 districts through more than 4,581 awareness sessions. The Bank is providing quality financial services at the grassroots level by expanding the Rural Branch network to 323.

Remittance Services

In addition to boosting foreign exchange, improving balance of payments, and reducing external borrowing, the Bank's competitive remittance services also support financial stability and help low-income families by channelling funds into savings, education, and income-generating activities.

Microfinance and Microcredit

The Bank offers credit facilities to low-income individuals and entrepreneurs. These financial tools help create livelihood opportunities and lift people out of poverty.

Social Impact Financing

The Bank invests in projects with a social impact, such as affordable housing, education, and healthcare. These investments directly contribute to poverty alleviation.



Financing Agriculture

The Bank provides financing to support sustainable agriculture, including smallholder farmers. This includes funding for modernising farming practices, improving infrastructure, and promoting climate-resilient crops.

Microfinance and Rural Banking

By extending financial services to rural areas, the Bank empowers small-scale farmers and enhances food security. Agri loans, savings accounts, and insurance products help improve livelihoods and help in achieving Zero Hunger.

Promoting Food Security

The Bank's financing in Commodity sector plays a pivotal role in ensuring food security. Additionally, the Bank collaborates with government, NGOs, and other stakeholders to address food insecurity. This involves supporting food distribution programs, emergency relief efforts, and nutrition education.

To alleviate food insecurity in flood-affected areas, the Bank donated 2,777 Dry Food Bags (Ration Bags) among flood-affected people. The Bank also supported Punjab Food Authority for its World Food Day Campaign. Events like Pakistan Agri Mela by SBP and Pak Agro Show 2025 by Eventex were also sponsored by the Bank.

Sustainable Supply Chains

The Bank encourages businesses to adopt sustainable practices within their supply chains. Establishment of the Bank owned warehouses for agricultural commodities provides food security which ultimately paves way for Zero Hunger.

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), a federal initiative aimed at empowering smallholder farmers by providing uncollateralized, tech-enabled access to credit and Agri-advisory services.



Financing Health Initiatives

The Bank provides financing for healthcare infrastructure, medical research, Pharmaceuticals and Biotechnology sector and public health programs. By supporting hospitals, clinics, and health systems. The Bank

contributes to improving access to quality healthcare.

Promoting Sustainable Practices

The Bank influences corporate behaviour by encouraging sustainable practices within the healthcare sector. This includes financing projects that reduce environmental impact and promote health equity.

Supporting Global Health Initiatives

The Bank contributes to emergency response efforts during pandemics and natural disasters. The Bank organised medical camps for flood affected areas.

Financial Inclusion

The Bank plays a role in ensuring financial inclusion, which directly impacts health outcomes. By providing access to banking services, the Bank empowers individuals and communities to manage healthcare expenses effectively.

Health Awareness

The Bank conducted awareness session on Breast Cancer for women employees and Mindfulness Hour Sessions to promote mental health and wellness. The Bank also provided awareness on preventive measures for waterborne diseases, scabies & hepatitis, through insightful session in flood affected areas.

Medical Facilities to Employees

The Bank provides Comprehensive Medical facilities to cater the medical needs of current and ex-employees.

Donations

The Bank funded Shaukat Khanum Memorial, Liaquat Saleem Memorial Hospital Trust Fatimid Foundation Pakistan Down Syndrome Association, Behbud Association of Pakistan to support healthcare initiatives for underprivileged communities by these organisations.

Community Welfare

The Bank supported Saylani, Jamia Ashrafia, Anjuman Himayat-e- Islam, Shaukat Khanum Trust, Saleem Memorial Trust, Aziz Jehan Begum Trust and Edhi Foundation. The Bank also backed school meals via Fortify Education. The Bank joined hands with SOS Children Village to provide orphan children with meals, Eid dresses and other supplies for Ramadan and Eid. The Bank also supported Tamir Welfare Organisation for healthcare, rehabilitation services and educational support for disabled children in Faisalabad.



Promoting Financial Literacy

The Bank educates its customers about the financial management, budgeting, and saving. Financial literacy under the National Financial Literacy Program (NFLP) empowers individuals to make informed decisions and invest in

education. In 2025, more than 4,581 sessions were held in 41 districts where there were over 131,358 participants under the National Financial Literacy Program (NFLP).

Financing Education Initiatives

The Bank provides financing for educational institutions. By supporting education, the Bank helps in improving access to quality learning opportunities.

Promoting EdTech

The Bank organises Fintech Hackathons regularly, which significantly impact Pakistan's entrepreneurial landscape. ABL also supported CeDAR's Key Blockchain Events, backed by LUMS to raise awareness for blockchain industry.

The Bank also sponsored Team Raftaar STEM Racing (F1) Miniature Car Competition as they represented Pakistan at the STEM Racing Competition in Abu Dhabi and also to promote STEM racing, engineering skills, and youth innovation

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. Under the Scheme, financial assistance is provided by way of Interest Free Loans to the meritorious students who have financial constraints for pursuing their studies in Scientific, Technical and Professional education within Pakistan.

Partnerships with Educational Institutions

The Bank collaborates with universities, colleges, and schools to create joint programs, workshops, and research initiatives. These partnerships foster knowledge exchange and skill development. ABL has contributed to LUMS, Lahore and Institute of Management Sciences Peshawar to support development and capacity building initiatives in the area of Islamic Banking.

Donations

The Bank provided contributions to various educational institutions including LUMS, Akhuwat Boarding School Faisalabad, Aitchison College. The Bank supported Progressive Education Network for the development of a Digital Learning Platform, The Citizens Foundation, and Million Smiles Foundation (MSF) for education of underprivileged students.

Education Infrastructure

The Bank provided contributions 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 such as NCA Triennale 2025, Lahore Science Mela 2025 (by Khwarizmi Science Society), and MediFest '25 at the Ghulam Ishaq Khan Institute (GIKI).



Women-Owned Businesses

The Bank provides loans and financial support to women entrepreneurs. By promoting access to capital, the Bank empowers women to start and grow their businesses.

The Bank is contributing towards Women Chambers of Commerce and Industry for their initiatives to empower the women.

Promoting Financial Inclusion

The Bank works toward ensuring that women have equal access to financial services. This includes savings accounts, credit, and insurance, which contribute to economic empowerment.

There was a healthy participation of females at National Financial Literacy Program (NFLP) organised by ABL in



Contribution to UN Sustainable Development Goals (SDGs)

coordination with State Bank of Pakistan.

Gender Diversity

The Bank ensures the Gender diversity through its Diversity, Equity and Inclusion (DEI) policy. The key parameters achieved are Human Resource Diversity, Gender Equality, creating a Gender Balanced Organisation.

The Bank is gradually increasing female participation in workforce including management positions. The Bank is also conducting Interactive sessions with female employees for strategy formulation on empowering women.

Gender Mainstreaming Policy

The Bank has developed a Gender Mainstreaming Policy with the aim to reduce the Gender Gap in Financial Inclusion and to enhance women's financial inclusion. Key highlights are:

- Women Centric Services
- Women Exclusive Branches
- Female Accounts
- Financing to Females
- Trainings and Capacity Building Women
- Simplified Loan procedure for Women
- Initiation of Digital access
- Women Champions

Supporting Maternity Rights

The Bank implements policies that protect maternity rights, such as paid parental leave and flexible work arrangements. This helps women in balancing their work and family responsibilities.

Advocacy and Awareness

The Bank uses its influence to raise awareness about gender equality issues by collaborating with stakeholders to drive positive change and challenge discriminatory norms.

Gender Sensitivity Training

The Bank provides Gender Sensitivity Training to its employees to foster an inclusive and respectful workplace.

Gender Equality in Sports

The Bank supported Gender Equality in sports by sponsoring events like Women's futsal championship in collaboration with Karachi United, and Sports Gala at Begum Nusrat Bhutto Women University Sukkur.

Women Empowerment

The Bank supported initiatives to empower women, including events like Women Entrepreneurship Day 2025 by SBP in Sialkot and Gujranwala. This was held to celebrate Women Entrepreneurs and acknowledge their contributions.



Financing

The Bank provides financing to water and sanitation projects, thereby supporting infrastructure development, access to clean water, and improved sanitation facilities.

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. Educating clients and employees about water conservation fosters awareness and responsible practices.

Water Saving Initiatives

ABL is establishing all its new buildings on sustainable principles which include the low water consumption. The Bank is obtaining EDGE and LEED certifications for this purpose. Additionally, efforts are being made to get such certifications for existing ABL buildings.



Decreasing Carbon Footprint of Internal operations

The Bank is rigorously working to decrease its own impact on the environment. Various measures include Reduction in Internal Energy Consumption, Energy Conservation

Initiatives, Solar Power Installation, Sustainable Paper Usage, Sustainable Construction Initiatives, Sustainable IT Operations and Digital Banking Initiatives.

In 2025, 265 ABL locations were powered by Solar Energy.

Financing Renewable Energy Projects

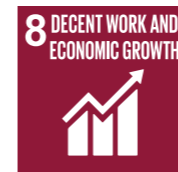
The Bank invests in renewable energy infrastructure, such as solar, wind, and hydropower projects. By providing capital, the Bank accelerates the transition to clean energy sources. In 2025, the Bank's contribution towards Green Financing was worth Rs. 9,225 million (outstanding).

Promoting Energy Efficiency

The Bank supports energy-efficient initiatives by financing energy-saving technologies and promoting sustainable practices. This includes funding for energy-efficient buildings and appliances.

Capacity Building

The Bank collaborates with government and organisations to build local capacity for clean energy planning, management, and implementation. The Bank provides technical assistance and knowledge sharing through dedicated Green Advisory Desk.



Financing Economic Growth

The Bank provides capital for businesses, infrastructure, and innovation. By supporting economic activities, the Bank drives growth, creates jobs, and enhances prosperity.

Promoting Financial Inclusion

The Bank works to ensure that more people have access to financial services. This includes savings accounts, credit, and insurance, which contribute to economic empowerment.

Financing Sustainable Projects

The Bank provides financing to sustainable initiatives, such as renewable energy, education, and healthcare. These investments foster long-term economic growth.

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 organisation.

Capacity Building and Skill Development

The Bank collaborates with educational institutions and vocational programs to enhance workforce skills. The Bank invests in training and development needs of employees through access to learning resources. The Bank provides educational support to the employees and their children.

MTO and Internship Program

Management Trainee Officers (MTO) Development Program is offered to the fresh graduates recruited by the Bank.

The Bank also provides Internship opportunities for

professional and academic students.

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.



Financing Infrastructure Projects

The Bank provides financing for infrastructure development, including transportation, energy, and communication networks. By investing in resilient infrastructure, the Bank supports economic growth and connectivity.

Supporting Industrialization

The Bank offers financing for innovative industrial projects of manufacturing, technology, and research. This financing enables technological advancements, which drive productivity and competitiveness.

Promoting Innovation

The Bank promotes research and development (R&D) and supports innovative startups e.g., Hackathons. The Bank is continuously introducing innovative Digital Technologies.

Collaborating with Other Banks

The Bank works with other Banks to meet increased demand for financing. These partnerships mobilise resources for sustainable infrastructure and industrial projects.

Awareness

The Bank organises seminars for the business community to adopt Sustainable Business Practices, Corporate Governance, Financial Literacy, Islamic Banking and Agri products for general public, businessmen and farmers for increased access to financial services.

Digital touch points

Continuous growth in Digital Touchpoints.

Branches for PWDs

Model branches for Persons with Different Abilities (PWDs).

Rural and Agri Branches

Expansion in Rural and Agri designated Branches.



Financial Inclusion

The Bank promotes access to financial services for marginalized population, reducing economic disparities. Offering the affordable banking products and services helps bridging the gap between rich and poor.

Responsible Lending Practices

The Bank ensures fair lending practices, avoiding discrimination based on race, gender, or socioeconomic status. Responsible lending contributes to reducing income inequality.

Support for Vulnerable Groups

The Bank collaborates with NGOs and government to address social inequalities. Initiatives supporting persons with disabilities, and other vulnerable groups contribute to reduce inequalities. The Bank provides employment opportunities to PWDs, enabling them to honorably earn their livelihood.



Contribution to UN Sustainable Development Goals (SDGs)

Corporate Social Responsibility (CSR)

The Bank integrates social impact in its business model. CSR activities and initiatives in Health, Education and other community development projects, promote equality.

Transparency and Reporting

The Bank discloses its efforts toward reducing inequality. Transparent reporting demonstrates commitment and accountability.

11 SUSTAINABLE CITIES AND COMMUNITIES Financing Urban Infrastructure



The Bank provides funding for infrastructure projects such as public transportation, water supply, sanitation, and affordable housing. The Bank supports initiatives that enhance urban resilience, reduce vulnerability to disasters, and improve overall quality of life.

Promoting Sustainable Housing

The Bank offers loans and mortgages for housing, encouraging sustainable building practices and energy-efficient homes. The Bank collaborates with developers to create affordable and environmentally friendly housing options.

Promoting Inclusive Finance

The Bank works towards financial inclusion by providing services to urban population, including low-income communities and small businesses. The Bank facilitates access to credit, savings, and insurance, promoting economic growth and stability.

Supporting Cultural Harmony and Heritage

The Bank sponsored cultural initiatives including Faiz Festival, Lahore Literary Festival, and Lahore Children's Festival. It also supported the storytelling session "Dastan Lahore Ki" under the theme "A City Told in Stories" by School of Tomorrow Events, and Locate Bazaar.

Additionally, in collaboration with the Walled City of Lahore Authority, the Bank supported initiatives such as Mel Baharan at Delhi Gate and heritage preservation through sponsorship of benches, water coolers, and signage at Shalimar Gardens, Lahore, promoting cultural harmony and preservation of national heritage.

Financing Climate Initiatives

The Bank invests in projects related to renewable energy, energy efficiency, and climate resilience. The Bank provides capital to accelerate the transition to cleaner energy sources.

Promoting Sustainable Practices

The Bank encourages clients to adopt sustainable practices, such as reducing carbon emissions and minimizing environmental impact.

Risk Assessment and Disclosure

The Bank assesses climate related risks in its portfolio and discloses this information to stakeholders. This transparency drives responsible investment decisions.

Decreasing Carbon Footprint of Internal Operations

The Bank is rigorously working to decrease its own impact on environment. Various measures include Reduction in Internal Energy consumption, Energy Conservation Initiatives, Solar Power Installation, Sustainable Paper Usage, Sustainable Construction Initiatives, Sustainable IT Operations and Digital Banking Initiatives.

Tree Plantation

The Bank conducts annual Tree Plantation Campaigns. In 2025, more than 150,450 trees/ saplings at business premises, schools and public parks were planted.

Cleanliness Activities

The Bank conducted cleanliness activities at Moenjodaro and Khunjerab Pass to promote awareness about environment conservation.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION Financing Sustainable Initiatives

The Bank invests in projects that promote sustainable consumption and production patterns. The Bank funds initiatives related to renewable energy, waste reduction, and eco-friendly practices.

Limiting Fossil Fuel Subsidies

Prioritizing the sustainable production, the Bank finances the projects related to renewable resources. The financing in renewable resources will result in reduction in fossil fuel subsidies.

Digital Channels

The Bank has launched various Digital channels for banking services.

Process Automation

The Bank has adopted Process Automation to reduce the paper consumption.



13 CLIMATE ACTION Financing Climate Initiatives

The Bank invests in projects related to renewable energy, energy efficiency, and climate resilience. The Bank provides capital to accelerate the transition to cleaner energy sources.

Promoting Sustainable Practices

The Bank encourages clients to adopt sustainable practices, such as reducing carbon emissions and minimizing environmental impact.

Risk Assessment and Disclosure

The Bank assesses climate related risks in its portfolio and discloses this information to stakeholders. This transparency drives responsible investment decisions.



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 protection. Bank supports projects that promote responsible fishing practices, marine biodiversity, and ecosystem health.

Mangrove Plantation at Coastal Area.

The Bank conducted a Mangrove Tree Plantation Drive at the coastal area of Sindh in collaboration with WWF Pakistan.



15 LIFE ON LAND Supporting Forest Conservation

The Bank is committed to investing in projects that protect and restore forests, combat deforestation, and promote sustainable land use.

Promoting Sustainable Agriculture

The Bank provides financing to farmers and agricultural enterprises for sustainable practices. The Bank supports soil health, water management, and agroforestry projects.

Tree Plantation

The Bank conducts annual Tree Plantation Campaigns. In 2025, more than 150,450 trees/saplings at business premises, schools and public parks were planted.

Cleanliness Activities

The Bank conducted cleanliness activities at Moenjodaro and Khunjerab Pass to promote awareness about environmental conservation.

Mangrove Plantation at Coastal Area

The Bank conducted a Mangrove Tree Plantation Drive at coastal area of Sindh in collaboration with WWF Pakistan.



16 PEACE, JUSTICE AND STRONG INSTITUTIONS Promoting Financial Inclusion

The Bank works to ensure that marginalized population has access to financial services. The Bank supports inclusive banking, microfinance, and community-based initiatives.

Combating Corruption

The Bank implements robust anti-corruption measures within its operations and financing policies.

Promoting Good Governance

The Bank engages in responsible lending practices and corporate governance. The Bank advocates for policies that enhance institutional effectiveness.



17 PARTNERSHIPS FOR THE GOALS Promoting Partnerships

The Bank facilitates public-private partnership, fostering collaboration between government, businesses, and civil society organisations. The Bank encourages joint efforts to address global challenges and achieve sustainable development.

Enhancing Resource Mobilization

The Bank promotes investment, economic growth, and financial stability.

Strengthening Statistical Capacity

The Bank invests in data collection, analysis, and reporting. 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. The higher tax collection of government results in funding sources for Public Sector Development Program (PSDP).

Abbreviations

A&RRG	Audit & Risk Review group	CARE	Center for Assessment, Research and Employees' Evaluation	DE&I	Diversity, Equity and Inclusion	FCCM	Financial Crime and Compliance Management
ABF	Allied Business Finance	CBA	Collective Bargaining Agent	DEI	Diversity, Equity and Inclusion	FPT	Fit and Proper Test
ABL	Allied Bank Limited	CC	Compliance Committee	DHA	Defence Housing Authority	FRTs	Functional Recovery Teams
ACOB	Audit Committee of the Board	CCTV	Closed-Circuit Television	DN	Diebold Nixdorf	FSC	Forest Stewardship Council
ADR	Alternative Dispute Resolution	CDD	Customer Due Diligence	DPC	Deposit Protection Corporation	FSRP	Financial Stability Recovery Plan
AFF	Allied Fast Finance	CEO	Chief Executive Officer	DSS	Data Security Standard	FTC	Fair Trade Commission
AI	Artificial Intelligence	CFA	Chartered Financial Analyst	E&S	Environmental and Social	FTE	Full Time Employee
ALCO	Asset and Liability Committee	CFT	Combating the Financing of Terrorism	EDD	Enhanced Due Diligence	FY	Financial Year
ALTP	Allied Leadership Talent Pipeline	CKNP	Central Karakoram National Parks Authority	EDGE	Excellence in Design for Greater Efficiencies	GBO	Green Banking Office
AML	Anti-Money Laundering	CMD	Complaint Management Department	EJ	Electronic Journal	GBP	Great Britain Pound
ASV	Approved Scanning Vendor	CMS	Complaint Management System	EPA	Environmental Protection Agency	GDIB	"Global Diversity & Inclusion Benchmarks"
ATM	Automated Teller Machine	CMT	Crisis Management Team	EPEAT	Electronic Product Environmental Assessment Tool	GDP	Gross Domestic Product
BAU	Business-As-Usual	CO2	Carbon dioxide	ERP	Enterprise Resource Planning	GHG	Greenhouse Gas
BCP	Business Continuity Plan	CO2e	Carbon dioxide equivalent	ERR	Environment Risk Rating	GJ	Giga Joules
BDO	Business Development Officer	CPF	Countering Proliferation Financing	ESDD	Environmental and Social Due Diligence	GRI	Global Reporting Initiative
BIS	Bureau of Industry & Security	CRM	Customer Relationship Management	ESG	Environmental, Social and Governance	GSIB	Global Systemically Important Bank
BMP	Banking Mohtasib Pakistan	CRP	Climate Risk Policy	ESIA	Environmental and Social Impact Assessment	HR	Human Resource
BMR	Balancing Modernization and Replacement	CSO	Chief Sustainability Officer	ESRA	Environmental and Social Risk Assessment	HR&RC	Human Resource & Remuneration Committee
BoD	Board of Directors	CSOs	Customer Support Officers	ESRM	Environmental and Social Risk Management	HSE	Health, Safety and Environment
BOE	Banking on Equality	CSP	Customer Security Program	EU	European Union	HVAC	Heating, Ventilation, and Air Conditioning
BPM	Business Process Management	CSR	Corporate Social Responsibility	EUR	Euro	IBA	Institute of Business Administration
BRMC	Board Risk Management Committee	CSRD	Corporate Sustainability Reporting Directive	FAPC	Fit and Proper Criteria	IBCS	Image-Based Clearing System
CA	Chartered Accountant			FATCA	The Foreign Account Tax Compliance Act	IBM	International Business Machines Corporation
CAR	Capital Adequacy Ratio			FATF	Financial Action Task Force	ICAAP	Internal Capital Adequacy Assessment Process
						ICAP	Institute of Chartered Accountants of Pakistan

IDC	Islamabad Diagnostic Center	MRC	Material Risk Controllers	PACRA	Pakistan Credit Rating Agency Limited	Rs.	Rupees
IFC	International Finance Corporation	MRT	Material Risk Takers	PBA	Pakistan Banks' Association	SASB	Sustainability Accounting Standards Board
IFRS	International Financial Reporting Standards	MSF	Million Smiles Foundation	PBC	The Pakistan Business Council	SBP	State Bank of Pakistan
ILS	Issue Logging Systems	MT	Metric Tons	PCI	Payment Card Industry	SCADA	Supervisory Control and Data Acquisition
InfoSec	Information Security	MTITs	Management Trainee Information Technology Specialists	PCI DSS	Payment Card Industry Data Security Standard	SECP	Securities and Exchange Commission of Pakistan
IoT	Internet of Things	MTO	Management Trainee Officers	PCs	Personal Computers	SF&SP	Sustainability Framework and Strategic Plan
IRR	Investment Risk Reserve	N/A	Not Applicable	PER	Profit Equalization Reserve	SLAs	Service Level Agreements
ISSB	International Sustainability Standards Board	NACTA	National Counter Terrorism Authority	PKR	Pakistani Rupees	SME	Small and Medium Enterprise
IT	Information Technology	NDCs	Nationally Determined Contributions	PMYB & ALS	Prime Minister's Youth Business & Agriculture Loan Scheme	SMS	Short Message Service
IUCN	International Union for Conservation of Nature	NEF	Namal Education Foundation	POS	Point of Sale	SOx	Sulfur oxides
IVA	Intelligent Virtual Assistant	NFAS	Non-Financial Advisory Services	PPM	Product Program	SPMC	Strategic Planning & Monitoring Committee
IVR	Interactive Voice Response	NFEH	National Forum for Environment and Health	PSDP	Public Sector Development Program	SRR	Social Risk Rating
KFS	Key Fact Statements	NFPA	National Fire Protection Association	PSEB	Pakistan Software Export Board	TAT	Turn Around Time
KIBOR	Karachi Interbank Offered Rate	NGFS	Network For Greening the Financial System	PSR	Profit Sharing Ratios	TBML	Trade-Based Money Laundering
KW	Kilo Watt	NGOs	Non-Governmental Organisations	PWDs	Persons with Different Abilities	TCFD	Task Force on Climate-related Financial Disclosures
LED	Light Emitting Diode	NIFT	National Institutional Facilitation Technologies	RA	Risk Assessments	TNF	The Noorani Foundation
LEED	Leadership in Energy and Environmental Design	NIFL	National Financial Literacy Program	RAAST	Raast Instant Payment System	TOoP	Training Organisation outside Practice
LLM	Large Language Model	NFLP	National Financial Literacy Program	RACS	Risk Acceptance Criteria Statement	TORs	Terms of Reference
LOS	Loan Origination System	NOx	Nitrogen oxide	RAG	Retrieval Augmented Generation	TRR	Technical Risk Rating
LUMS	Lahore University of Management Sciences	NPL	Non-Performing Loan	RAMS	Risk Management System	UN	United Nations
MANCO	Management Committee	NPOs	Non-Profit Organisations	RDA	Roshan Digital Account	UN SDGs	United Nations Sustainable Development Goals
MDC	Management Development Center	NSFSS	National Subsistence Farmers Support Scheme	REPO	Repurchase Agreement	UNSC	United Nations Security Council
MG	Management Grade	OFAC	Office of Foreign Assets Control	RISE	Recognition and Investment in Sustaining Employees	USD	United States Dollar
MoIT	Ministry of Information Technology	OHSE	Occupational Health, Safety and Environment	RMC	Risk Management Committee	UV	Ultraviolet
				RMTAs	Risk Management Trainee Associates	VA	Value Added
						WCLA	Walled City Lahore Authority

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