




Bank Alfalah
The Way Forward

Care that Sets the Way Forward






ESG &
Sustainability
Reporting
2025

ESG & Sustainability Reporting 2025 000


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Bank Alfalah Limited
B. A. Building, I. I. Chundrigar Road
Karachi, Pakistan.
111 777 786

Turning Everyday Transactions into Sustainable Impact

Sustainable Contribution

PKR 390 million mobilised through digital banking, enabling inclusion, empowerment, and responsible growth.

Market Leadership and Inclusion Recognition

Ranked among Top 10 companies on the Pakistan Stock Exchange Awards and Recognised as 'Most Inclusive Organization' at the GDEIB Awards.

Purpose

Committed to a Sustainable Way Forward by Improving the Social, Economic, and Environmental Capital of the People.

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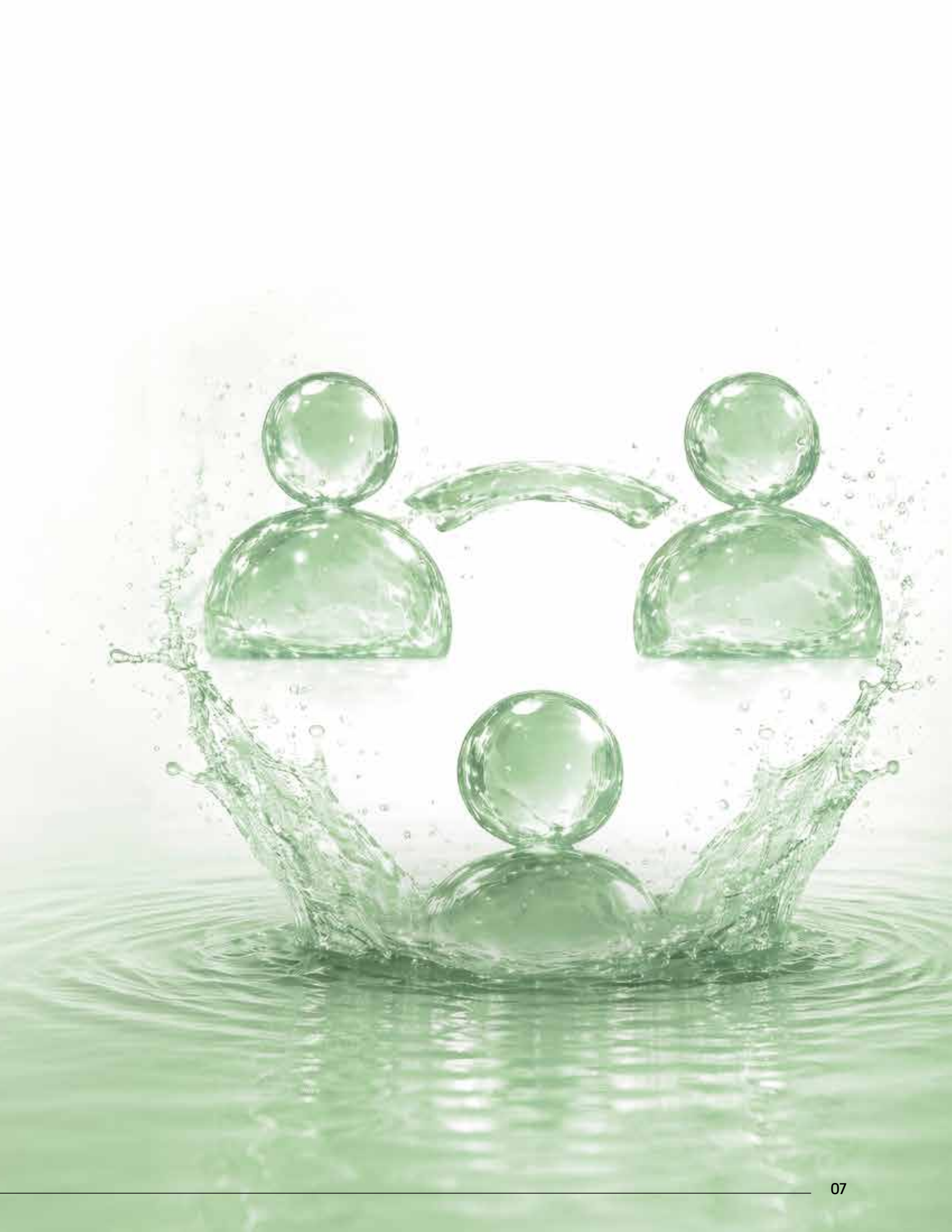
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Sustainability Governance



Customers

The Bank creates meaningful and sustainable value for the customers by offering innovative, accessible and responsible financial solutions. Through digital innovation, inclusive banking, green products and responsible financing, the Bank support individuals, businesses and communities in achieving long-term financial progress.



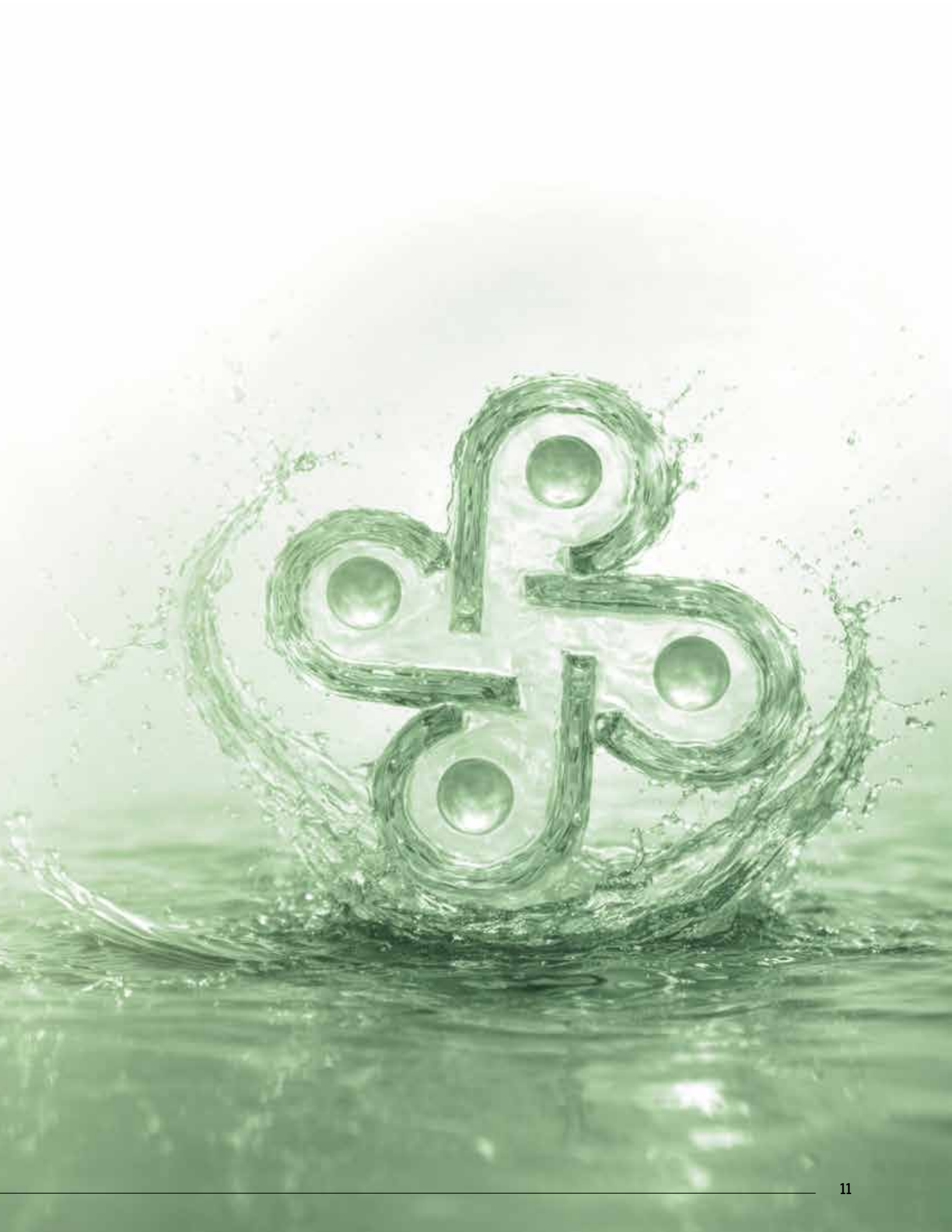
Colleagues

People are central to delivering sustainable impact. The Bank fosters a culture built on integrity, collaboration, inclusion and continuous development. By creating a purpose-driven workplace, the Bank strengthens its long-term progress.



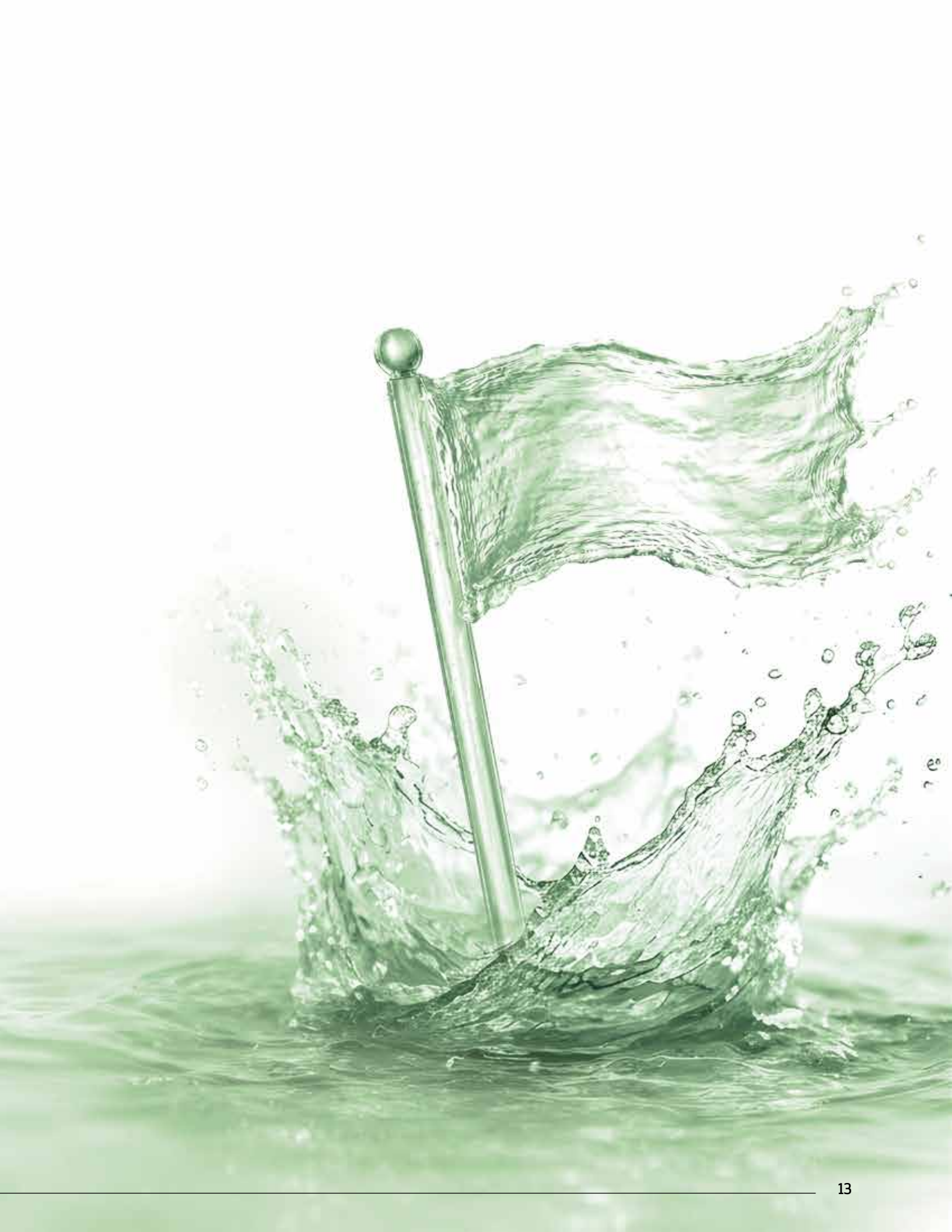
Community

The Bank believes that sustainable growth must contribute to wider community progress. Through strategic partnerships the Bank supports social, economic and environment capital of the people.



Country

As a financial institution, the Bank recognises its role in contributing to Pakistan's economic development and sustainable future. By expanding financial inclusion, supporting SMEs and agriculture, promoting responsible banking practices and advancing green and sustainable finance, the Bank aim to contribute to national progress and shared prosperity.



About The Report

Reporting Period, Frequency, and Publication

This Sustainability Report covers the period 1 January to 31 December 2025 and is published on an annual basis. The reporting period aligns with the Bank's Annual Report to support consistency and comparability of information.

Publication date: April 30, 2026

Last Report Published: May 19, 2025

Report Boundary and Coverage

- **Operational scope:** Unless otherwise stated, the report covers the Bank's operations in Pakistan.
- **Financial scope:** Financial information presented corresponds to the consolidated financial position of Bank Alfalah Limited and its subsidiaries as at 31 December 2025, where applicable.
- **Headquarters:** B.A. Building, I.I. Chundrigar Road, Karachi, Pakistan.

Reporting Framework And Statement Of Alignment

The report has been prepared using the GRI Standards as the primary sustainability reporting framework. The Bank reports relevant disclosures from GRI 2: General Disclosures 2021 and GRI 3: Material Topics 2021, alongside applicable topic standards where a topic is identified as relevant for reporting. **GRI 2 General Disclosures 2021.**

GRI 3 Material Topics 2021

- A GRI Content Index is included in this report to support transparency and ease of navigation.
- Where a required disclosure is not reported, the Bank provides an explanation and, where applicable, a reason for omission in the index.

Reporting Principles And Quality

The Bank's sustainability reporting approach is guided by the intent to present information that is:

- **Accurate and balanced:** reflecting both progress and areas requiring further improvement;
- **Comparable:** using consistent reporting periods and definitions where possible;

- **Clear and accessible:** enabling stakeholders to understand performance and impacts;
- **Timely and verifiable:** supported by internal controls and documentation to facilitate review and assurance.

For any variance in the data it would be reflected with disclosures in the future report

The Bank's Sustainability Lens

Bank Alfalah's sustainability focus is guided by its impact pillars - Customers, Colleagues, Community, and Country - which shape how the Bank prioritizes initiatives, manages impacts, and communicates progress across its business activities.

Policy and strategic direction

During 2025, the Bank continued to strengthen responsible business practices, CSR, and Sustainability Investment Policy Guidelines, and progressed its strategic direction focused on strengthening Pakistan's social, economic, and environmental capital, aligned with the UN Sustainable Development Goals (SDGs).

This Direction Is Implemented Through The Bank's Impact Pillars:

- **Customers:** enabling responsible banking operations and trusted financial solutions;
- **Colleagues:** fostering well-being, development, and an inclusive workplace;
- **Community:** contributing to inclusive growth and social resilience;
- **Country:** supporting national priorities and long-term value creation.

Data Ownership, Controls, And Methodologies

To improve the consistency and reliability of sustainability disclosures, the Bank applies internal processes for data compilation and review:

- **Data Ownership:** The data is compiled through designated focal persons across relevant functions such as corporate communication finance, human resources, operations, risk and compliance.
- **Internal Review:** Key metrics and narratives are reviewed for completeness, consistency, and

alignment with reporting scope prior to publication.

- **Methodologies And Assumptions:** Where estimates are used such as rounding, beneficiary counts, portfolio classifications, the basis and assumptions are described in the relevant section or referenced in the index.

For any variance in the data it would be reflected with disclosures in the future report

External Assurance

Selected disclosures in this report have been externally assured in accordance with the GRI Standards by TTI Labs Pakistan.

- The assurance scope, level, and assurance statement are included in the report (or referenced where presented).
- Disclosures not assured remain subject to internal review and continuous improvement.

Restatements And Corrections

- The Bank reports no restatements of information from the previous reporting period, as no revisions were required.
- If errors are identified after publication, corrections will be made and disclosed through the Bank's website and reflected in subsequent reporting, as appropriate.
- The Bank's restatement approach considers whether a change or error could reasonably influence stakeholder understanding or decisions.

Stakeholder Engagement And Responsiveness

Stakeholder engagement supports both the Bank's sustainability approach and the identification of priority topics:

- Stakeholder inputs are gathered through ongoing engagements and structured consultations where feasible.
- Key concerns and expectations are considered in shaping focus areas, policies, and disclosures.
- The Bank reports further details on stakeholder

engagement methods and themes in the Stakeholders' Engagement section.

Materiality and Management of Topics

The Bank identifies and prioritizes sustainability topics based on the significance of its impacts on the economy, environment, and people, and how these relate to stakeholder expectations and the operating context.

GRI 3 Material Topics 2021

- The process and outcomes are detailed in the Materiality Assessment section, including the list of material topics.
- For each material topic, the Bank aims to describe how the topic is managed, including relevant policies, responsibilities, actions, and monitoring mechanisms.

References and Cross-Reporting

The Bank shares sustainability-related information through multiple channels, including the Annual and Sustainability Report, regulatory filings, press releases, and stakeholder engagements.

Contact point

For Any Enquiries About This Report, Please Contact:

Talha Hyder, Manager Corporate Communication

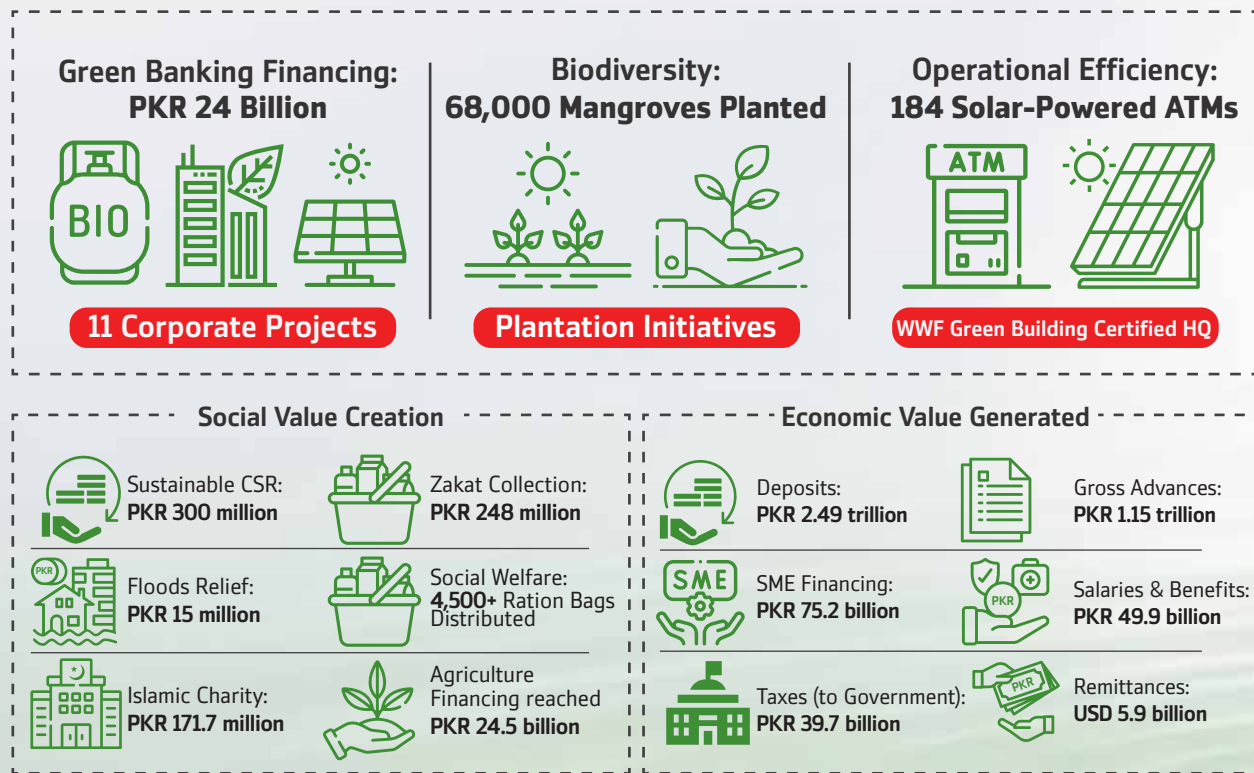
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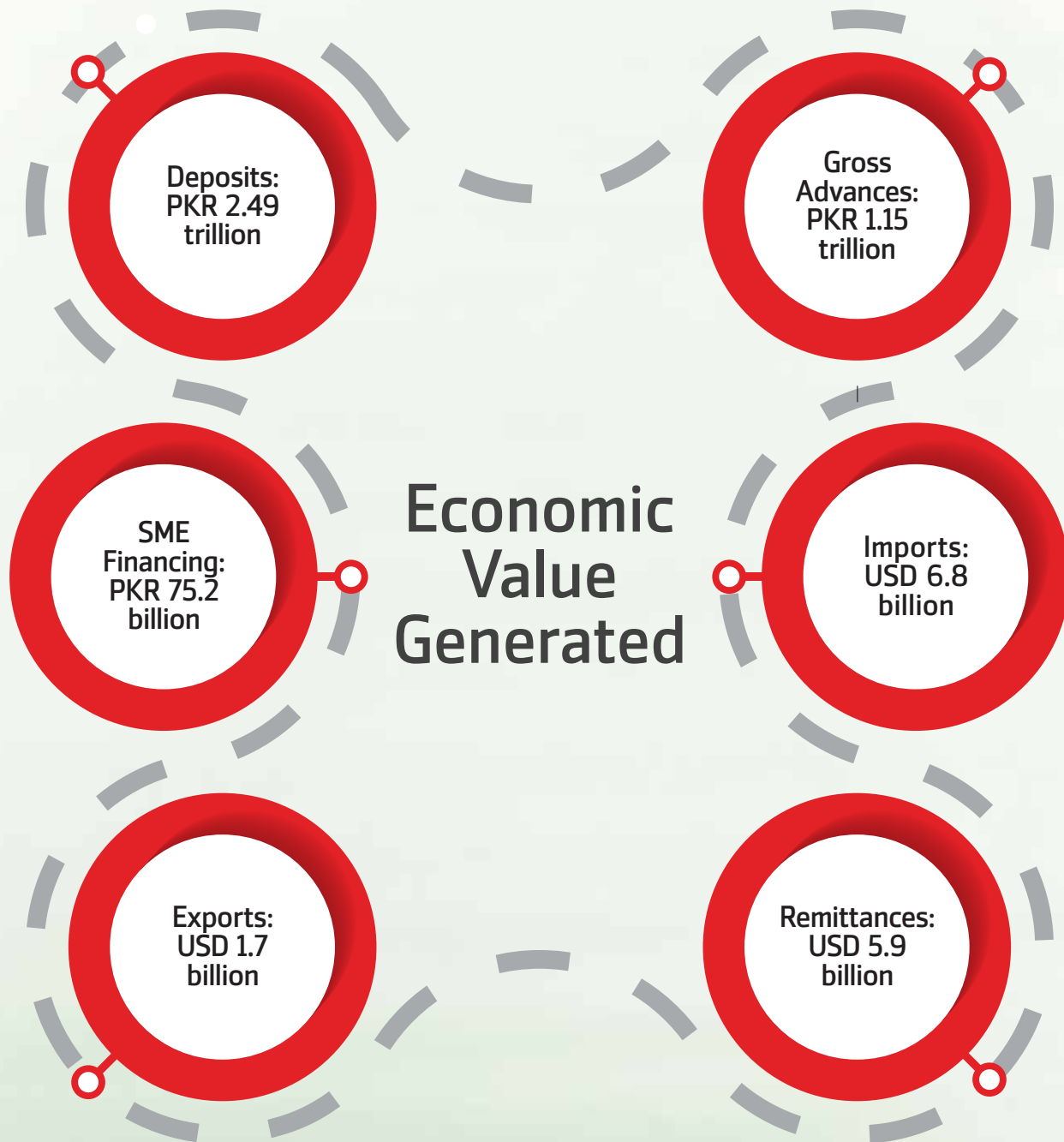
Creating Shared Impact

Through Economic, Environmental, Social and Governance Practices





Economic Stewardship



A large red graphic element consisting of a thick red circle on the left and a red-outlined hexagonal shape on the right, partially overlapping the circle.

Economic Value Distributed

- Employees' Salaries and Benefits: PKR 49.9 billion.
- Suppliers and Vendors: PKR 34.8 billion.
- Taxes: PKR 39.7 billion.
- Dividends: PKR 10.50 per share.

A large grey graphic element consisting of a thick grey circle on the right and a grey-outlined hexagonal shape on the left, partially overlapping the circle.

Community Investment / Indirect Economic Impacts

- Revive and Rise Interest-free Loans: PKR 264 million for 319 small-scale farmers.
- Benazir Income Support Programme Beneficiaries: 4.3 million beneficiaries served in 86 districts.
- Financial Literacy Training: 145 sessions engaging over 3,000 farmers.

Value for **Communities**

The Bank has created lasting social value by investing in its colleagues, strengthening communities, and promoting inclusive and equitable growth across its sphere of influence.



Employment and Workforce Welfare

- Employee Welfare Benefits: **PKR 81.75 million for 515** colleagues in healthcare, education, marriage, house building

Health and Safety

- Healthcare: **7 ventilators** deployed, **1 ICU Unit**, Incubators, Community Health Center
- Medical Support Provided: **Over 350 patients**

Training, Education and Capacity Building

- Vocational Training: **Over 350 beneficiaries**
- Education Support: **Over 3,000 student beneficiaries**

Community Investment and Development

- Sustainable CSR: **PKR 300 million**
- Islamic Charity: **PKR 171.7 million**
- Floods Relief and Rehabilitation Donation: **PKR 15 million**
- Zakat Collection: **PKR 248 million**
- Social Welfare: **Over 4,500 ration bags** distributed
- Facilities Developed: **Microfinance Branch, Mother and Child Health Promotion Centre, Air Quality and Climate Lab, Dental Department, Diagnostic Equipment**
- Promoting Inclusive Sports: **500 athletes** with disabilities and 30 coaches for training



Environmental Performance

The Bank is committed to responsibly managing its environmental impacts and continuously improving its practices in line with its environmental commitments and regulatory responsibilities.





Operational Environmental Efficiency

- Solar-Powered ATMs: 184
- Sustained WWF Green Building Certification for Bank Alfalah's Head Office, Karachi.

Biodiversity and Nature-Based Solutions

- Plantation: 68,000 mangroves planted to date.
- Awareness Sessions on biodiversity and of the Indus River.

Environmental Research and Air Quality Initiatives

- Environmental Facilities Developed: 7 air quality monitors and 1 air quality lab at LUMS.
- Partnered for research advocacy on air quality in Karachi.

CHAIRMAN'S MESSAGE

Sustainability

2025 marked an important step forward in our journey; we have formalised oversight and embedded sustainability into our banking operations in line with global expectations. This is the beginning of the journey that promises to evolve and establish over time. Looking ahead, the Board and I are committed to accelerating our progress, particularly through scaling green financing and expanding green products that support Pakistan's climate change action.

The Caring Bank

In times of national crisis, Bank Alfalah yet again led from the front through the generous support of our Board of Directors, who have further pledged USD 5 million for flood-impacted communities. With this, the Bank's total contribution since 2022, stands at USD 15 million towards flood relief and rehabilitation reflecting the Bank's enduring responsibility to support Pakistan's progressive way forward.

Awards and Accolades

Our standing among the Top 25 Companies of the Pakistan Stock Exchange at PSX Top 25 awards reflects the strength of our governance and our focus on best corporate practices. In 2025, we continued to double down on our impact in digital banking and customer experience, emphasised by being recognised at the Pakistan Banking Awards as the Best Bank for Digital Excellence for the fourth consecutive time and the Best Bank for Customer Engagement for the seventh time.

In addition to the recognitions highlighted above, the Bank earned several other honours across areas such as the quality and transparency of financial reporting (locally and regionally), sustainability disclosures, investor relations, diversity and inclusion, environment, social and governance reporting, and innovation in Islamic banking.

Acknowledgement

I reiterate our unwavering dedication to the Bank and our commitment to Pakistan's government and its people, as well as to uphold the regulatory framework laid down by the State Bank of Pakistan. Despite facing challenges, we will remain focused on the way forward, aiming to reach new milestones in the years ahead. We will stay devoted to our customers and their needs, and we will continue to provide innovative products and services.

In my capacity as the Chairman of the Board and on behalf of our sponsors, I express my gratitude to our shareholders for their loyal support, extend appreciation to the regulatory authorities for their valuable guidance, recognise the hard work and commitment of the management team and employees, and convey a heartfelt thanks to our customers for placing their trust in Bank Alfalah.

Nahayan Mabarak Al Nahayan

Chairman



PRESIDENT AND CEO'S MESSAGE

Bank Alfalah witnessed sustainable progress in the year 2025, where the Bank executed its strategy through a disciplined approach and a clear focus towards innovation, customer-centricity, digital advancement, growth in average deposits, diversification of credit book and improvement of net interest income in a declining interest rate environment. Our efforts during the year strengthened our brand position in the industry and reinforced investors' and customers' confidence in the Bank's long-term direction.

Bank Alfalah today serves over 9 million customers, supported by a nationwide network of over 1,150 branches. In 2025, we increased our market capitalisation by 30% year on year, reaching approximately USD 614 million (PKR 172 billion), reflecting strong investor confidence in the Bank's market standing and performance. The Bank also announced a record annual cash dividend payout during the year, amounting to PKR 10.5 per share (105%). Our performance and governance were further reflected in our position among the Top 25 Companies of the Pakistan Stock Exchange, an affirmation to our sustainable value creation.

We continued to build on our strengths in digital banking and customer experience. For which we were honoured to once again receive two prestigious recognitions at the Pakistan Banking Awards: Best Bank for Digital Excellence and Best Bank for Customer Engagement. The awards reinforce the consistency of our strategy and the service standards delivered across the franchise.

With our long-standing commitment to culture as a strategic pillar, Bank Alfalah is now recognised as one of the "Most Inclusive Companies in 2025" at the Global Diversity, Equity and Inclusion Benchmarks Awards. Among 44 participating national and multinational companies, the Bank ranked top overall and received recognition across 15 benchmark categories.

Our role is not limited to banking performance alone. Guided by our brand's commitment to Customers, Colleagues, Community, and Country, we continue to contribute to a broader development agenda. In 2025, the Bank invested PKR 486.7 million across economic, social and environment capital supporting long-term community development across Pakistan.

In times of national crisis, Bank Alfalah yet again led from the front through the generous support of our Chairman, His Excellency Sheikh Nahayan Mabarak Al Nahayan, and the Board of Directors, who have pledged an additional USD 5 million for flood-impacted communities. Since 2022, we have made a cumulative commitment of USD 15 million towards flood relief and rehabilitation reflecting the Bank's enduring responsibility to support Pakistan's progressive way forward.

With an evolving macroeconomic environment landscape, the banking sector continues to face shifting opportunities and competitive pressures. In response, we remain focused on:

- (i) our fundamentals goals,
- (ii) deepening customer relationships,
- (iii) maintaining a robust risk management framework, and
- (iv) delivering diversified business lines across our domestic and international domains.

Likewise, going forward, we will continue to prioritise developments towards sustainable deposit growth, increasing trade business, bringing FX inflows, supporting financial inclusion, and enhancing transaction banking business while continuing to expand our footprint and digitise operations for simpler, faster and convenient customer journeys. We will advance with a competitive lending strategy by strengthening consumer financing and expanding support for SMEs and agriculture, alongside scaling investment banking capabilities and accelerating green financing.

Moving into 2026, our ambition is to build on these foundations, strengthening competitiveness, widening our reach, and accelerating innovation while continuing to deliver sustainable value for our shareholders and meaningful impact for the communities we serve. With a clear strategic direction, we look ahead with confidence to the next chapter of Bank Alfalah's journey.

Atif Bajwa
President and CEO



Sustainability The Way Forward

Our Commitment to Sustainable Value

The year under review was a turning point for Bank Alfalah. As Pakistan navigated a complex economic landscape, we recognized that our success is intrinsically linked to the resilience of the communities we serve. Beyond financial performance, 2025 was defined by our deepened commitment to ESG (Environmental, Social, and Governance) principles, ensuring that our growth is both inclusive and sustainable.

Guided by our four-pillar framework **Customers, Colleagues, Community, and Country** we have transitioned from traditional corporate philanthropy to embedding sustainability into the core of our business model.

Environmental Stewardship & Climate Action

Recognizing Pakistan's vulnerability to climate change, we have moved decisively to align our portfolio with environmental goals. In 2025, we formalised Board-level oversight of our sustainability journey, ensuring that climate risk is integrated into our strategic decision-making.

Green Financing: We are accelerating the transition to a low-carbon economy by scaling green financing and developing eco-friendly products.

Operational Footprint: We are continuously refining our internal processes to reduce our environmental impact, reflecting our responsibility as a corporate citizen.

"The Caring Bank"

Our social responsibility is rooted in the belief that a bank must be a force for good.

Disaster Resilience: In the wake of national climate crises, Bank Alfalah led from the front. With an additional pledge of USD 5 million from our Board, our total commitment to flood relief and rehabilitation reached **USD 15 million**.

Financial Inclusion: We are leveraging our digital leadership to bridge the financial divide. By prioritizing

SME and agricultural lending, we are empowering the backbone of Pakistan's economy, fostering food security, and creating pathways out of poverty for the unbanked.

Our People: We remain dedicated to fostering a diverse, inclusive, and equitable workplace where our "Colleagues" are empowered to innovate and grow.

Governance, Ethics, and Transparency

Governance is the foundation of our trust. Being ranked among the PSX Top 25 Companies reflects our adherence to the highest standards of corporate ethics and transparency.

Accountability: This year, we enhanced our sustainability disclosures, earning regional recognition for the quality and transparency of our ESG reporting.

Digital Integrity: As the "Best Bank for Digital Excellence," we ensure that our innovation is matched by rigorous risk management and data privacy, reinforcing investor and customer confidence in an evolving digital age.

The Road Ahead: A Future-Proof Strategy

Looking forward, our path is clear. We will continue to re-engineer our business processes to enhance agility and efficiency, while staying focused on Impact-Driven Finance. Our goal is to thrive as a progressive institution that creates long-term value for our shareholders and society at large.

By integrating ESG into every transaction, we are not just banking for today; we are investing in the foundations of a resilient and inclusive national development.

Report Compilation Team



About Bank Alfalah

Bank Alfalah is one of the largest commercial banks in Pakistan, with a network of over 1,150 branches across more than 240 cities in the country, and regional presence in Afghanistan, Bangladesh, Bahrain and the UAE. The Bank also has a representative office in Abu Dhabi.

Bank Alfalah is majority-owned by the Abu Dhabi Group. Incorporated as a public limited company on 21st June, 1992 under the Companies Act, 2017, Bank Alfalah commenced its banking operations in the same year.

The Bank provides financial solutions to consumers, corporations, institutions and governments through a broad spectrum of products and services, including corporate and investment banking, digital banking, consumer banking, securities brokerage, commercial, SME and agri-finance, currency exchange, insurance, asset management, Islamic and credit/asset financing solutions.



The Way of Work

Vision

To inspire and empower people to do things differently and shape their own path in life and business.

Mission

We look at the market with fresh eyes to new opportunities and seek new ways of enabling our customers to succeed and advance the world of finance.



Values

You – Customer Care: We always put the customer and their needs front and centre.

Your Needs – Collaboration: We do all we can to understand and anticipate what will help our customers and their own way and achieve their ambitions.

Your Way-Creativity and Innovation: We do things differently, challenging the status quo to find new and better ways to move ourselves and our customers forward.

The Right Way-Conduct and Integrity: We always act with integrity and transparency in everything we do. It is the cornerstone of our business and brand.



Culture

Bank Alfalah firmly holds the belief that a supportive culture can effectively communicate its strategic objectives through its core values and principles.

This fosters a more varied and inclusive setting, enabling employees to discover their meaningful contributions. The Bank has embraced a culture that embeds its values, synchronising them with its strategy.

The foundation of the Bank's Cultural Strategy lies in the following principles:

- One Bank, One Team
- Focus on Customers
- Inspire and Empower our People

Ethics And Code of Conduct

Integrity and honesty are at the heart of our business and brand. Our internal ethical standards and code of business conduct are the results of shared moral convictions. The objectives of our underlying policies are to ensure that the Bank is recognised as a professionally run and successfully managed institution with high ethical standards.

A detailed statement of the Code of Ethics and Business Practices is in place and is signed by every employee and submitted to the Bank's Human Resource and Learning Group (HRLG) on an annual basis. The Code of Ethics is available on the Bank's website. The Code contains detailed guidelines, which aim to facilitate the Bank's employees to:

- Conduct business with honesty, transparency and integrity in a professional manner
- Understand and comply with legal/regulatory requirements and internal policies and procedures of the Bank
- Exhibit exemplary personal conduct towards the Bank, its employees and customers, and maintain the desired decorum both during office hours and at other times

Besides emphasising adherence to legal/regulatory requirements and internal policies and procedures of the Bank, the Code contains specific guidelines with reference to managing conflicts of interest, political affiliations, conduct, KYC, gifts and entertainment, corporate ethical policies, fraud, theft and illegal activities.

Awards and Recognition

2025

Pakistan Banking Association

Winner: Best Bank for Digital Excellence

Winner: Best Bank for Customer Engagement

PSX Top 25 Companies Awards

Ranked amongst the Top 10 Companies on the Pakistan Stock Exchange

South Asian Federation of Accountants

Winner: Gold – Best Presented Annual Report across South Asia

Winner: Gold Award SAARC Anniversary Award for Corporate Governance

Annual Report Awards

Awarded by the Institute of Chartered Accountants of Pakistan and Institute of Cost and Management Accountants of Pakistan.

Winner: Best Corporate Report: First Position in the banking category

Winner: Best Corporate Report: First Position across industries

Merit Certificate: Sustainability Reporting

Annual CFA Pakistan Excellence Awards

Winner: Best Investors Relations for Financial institutions

Winner: Best ESG Reporting Award of the Year Financial Institutions

Winner: Transaction of the Year Award

First Runner Up: Recognising Gender Diversity of the Workplace

First Runner Up: Best Digital Banking Services Award for Commercial Banks

SBP Pakistan Financial Literacy Week

Winner: Digital Innovation in Financial Inclusion Award

14th Annual Corporate Social Responsibility Awards

Winner: Crisis Disaster Assistance

Winner: Community Impact

Winner: Sustainability Initiatives

Winner: Employee Health & Safety Programme

Winner: Green Environment Stewardship

National Forum for Environment & Health

Annual Environmental Excellence Award efforts for stewardship in sustainable future.

Global Islamic Finance Awards (GIFA)

Winner: Best Bank for Islamic Window Business

Winner: Best Bank for Shariah Assurance

Global Diversity, Equity and Inclusion Awards (GDEIB) 2025

Winner: Most Inclusive Organisation

Won Best Practices in all 15 GDEIB Categories

Pakistan Business Council and International Finance Corporation (IFC)

Top 10 Organisation - Employer of Choice Awards for Gender Diversity



Pakistan Digital Award

Winner: Best Payment Solution Provider

Winner: Best Global Reach

OPPO Annual Sales Conference

Winner: Best Digital Banking Platform- AlfaMall

Annual Trade and Supply Chain Finance Program Awards

Winner: Trade Deal of the Year- Issuing Bank

Global Digital Awards

Winner: Best E-Commerce Platform- AlfaMall

Pakistan Remittance Summit

Winner: 2nd Largest Remittance Bank

Deutsche Bank Client Excellence Award

Winner: Institutional Cash & Trade Finance 2024

Gender Diversity Awards

Awarded by the International Finance Corporation (IFC) and the Pakistan Business Council (PBC)

Ranked Top 6th among Pakistan's Top Organisations

Dragon Awards

Silver Dragon Winner: Bank Alfalah Tap & Pay

Empolyer Federation Pakistan -

Women Empowerment & Gender Equality Recognition

Diamond Award

Shaukat Khanum Memorial Cancer Hospital and Research Centre

Received Shaukat Khanum Social Responsibility Award for Collaboration and CSR Initiatives

The Professional Network in collaboration with United Nations Environment Programme and United Nations Global Compact

Bank Alfalah Wins at the 11th International Environment, Health & Safety Awards



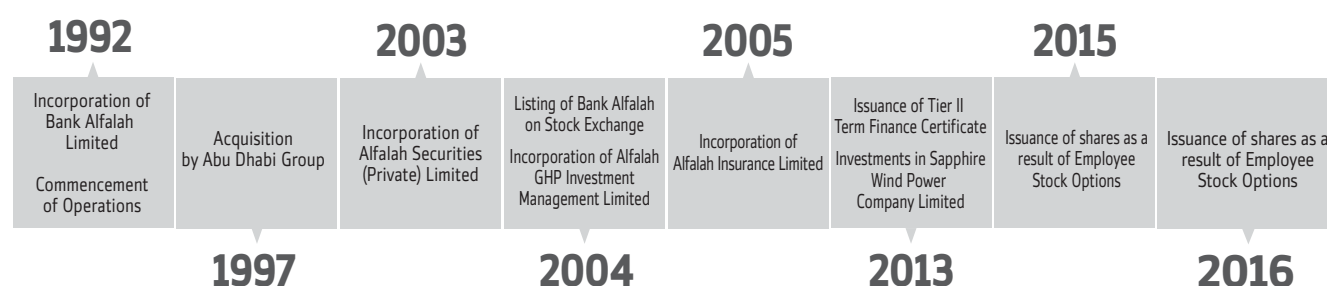
Creating Shared Impact

In 2025, Bank Alfalah continued to create shared impact by generating and distributing value across its stakeholder ecosystem. The Bank reported total revenue of PKR 183.36 billion, driven by cost-of-funds optimisation, growth in average current account balances and advances, stronger foreign exchange income, dividend income, and fee income from branch banking, digital channels, trade business, card services, wealth management, and investment banking.

At the same time, non-markup expenses stood at PKR 117.717 billion, reflecting continued investment in network expansion, technology enhancement, customer acquisition, human resources, marketing and branding, particularly home remittance campaigns, as well as the effect of inflation.

The economic value distributed by the Bank during the year underscores its contribution to employees, business partners, government, communities and shareholders. This included PKR 49.9 billion in employee salaries and benefits, PKR 34.8 billion in payments to suppliers and vendors, and PKR 39.7 billion in taxes. The Bank also contributed PKR 486.8 million in donations and charity, and invested PKR 300.1 million in training and development. In addition, shareholders received a cash dividend of PKR 10.50 per share.

Major Corporate Events



Financial Calendar

2025

1st Quarter results approved on	17th April 2025
2nd Quarter results approved on	31st July 2025
3rd Quarter results approved on	22nd October 2025
Annual budget approved on	22nd October 2025
4th Quarter results approved	13th February 2026
Annual Accounts to be approved in	
34th Annual General Meeting scheduled on	26th March 2026

2024

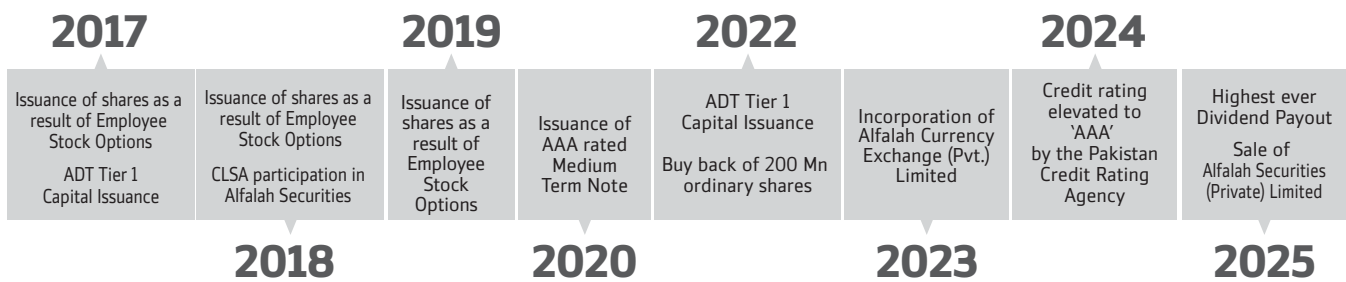
1st Quarter results approved on	24th April 2024
2nd Quarter results approved on	1st August 2024
3rd Quarter results approved on	17th October 2024
Annual budget approved on	23rd November 2024
4th Quarter results approved on	30th January 2025
Annual Accounts to be approved in	
33rd Annual General Meeting scheduled on	20th March 2025

2023

1st Quarter results approved on	27th April 2023
2nd Quarter results approved on	10th August 2023
3rd Quarter results approved on	26th October 2023
Annual budget approved on	26th October 2023
4th Quarter results approved on	01st February 2024
Annual Accounts to be approved in	
32nd Annual General Meeting scheduled on	20th March 2024

2022

1st Quarter Results approved on	26th April 2022
2nd Quarter Results approved on	28th July 2022
3rd Quarter Results approved on	17th October 2022
Annual budget approved on	17th October 2022
4th Quarter Results approved on	2nd February 2023
Annual Accounts to be approved in	
31st Annual General Meeting scheduled on	20th March 2023



2021

1st Quarter Results approved on	22nd April 2021
2nd Quarter Results approved on	25th August 2021
3rd Quarter Results approved on	24th October 2021
Annual Budget approved on	24th October 2021
4th Quarter Results approved on	2nd February 2022
Annual Accounts approved in	
30th Annual General Meeting held on	15th March 2022

2020

1st Quarter Results approved on	26th April 2020
2nd Quarter Results approved on	25th August 2020
3rd Quarter Results approved on	21st October 2020
Annual Budget approved on	21st October 2020
4th Quarter Results approved on	3rd February 2021
Annual Accounts approved in	
29th Annual General Meeting held on	9th March 2021

Core Banking System

The business ecosystem is built on the principle of shared impact, where financial strength fuels customer-centricity and innovation. The Bank's diverse offerings span branch banking, card services and advancing digital platforms, reflecting its continued commitment to stakeholders.

In 2025, Bank Alfalah continued to create shared impact by generating and distributing value across its stakeholder ecosystem. The Bank reported total revenue of PKR 183.36 billion, driven by optimisation of cost of funds, growth in average current account balances and advances, stronger foreign exchange income, dividend income, and fee income from branch banking, digital channels, trade business, card services, wealth management and investment banking.

At the same time, non-markup expenses stood at PKR 117.717 billion, reflecting continued investment in network expansion, technology enhancement, customer acquisition, human resources, marketing and branding, particularly home remittance campaigns, as well as the impact of inflation.

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Core Banking System linked with the SDGs



Major Products & Services Categorisation

Category	Products & Services
Accounts & Deposits	Current Accounts, Savings Accounts, Term Deposits, Foreign Currency Accounts
Consumer Financing	Personal Loans, Auto Finance, Home Finance, Credit Cards
Digital Banking	Alfa App (Mobile Banking), Internet Banking, QR Payments (Raast QR), Digital Onboarding, WhatsApp Banking, Digital Remittance Accounts BISP
SME and Agri Financing	SME Loans & Working Capital Financing, Trade Finance , SME Deposit Products, Women-focused SME programs and Agri loans
Corporate & Commercial	Corporate Loans, Project Financing, Structured Finance, Supply Chain Financing, Cash Management Solutions, Syndicated Financing
Trade Finance	Import Financing, Export Financing, Letters of Credit (LCs), Guarantees, Bills Discounting
Remittance & Payments	Home Remittances, Digital Remittance Accounts, G2P Payments, Disbursements, Pension Payments
Green & Sustainable Finance	Solar Finance, Green Energy Financing, Climate-related Financing, Energy-efficient Investments
Islamic Banking (Alfalah Islamic)	Accounts: Shariah-compliant Current and Savings, Term Deposits Financing: Auto, Home, Solar, Consumer Financing, SME and Agri and Debit Cards
Merchant & Business Solutions	POS Machines, QR Acceptance, Payment Gateway, AlfaMall (e-commerce), Merchant Acquiring Services
Women-Focused Products	Pehchaan Finance, Women Entrepreneur Financing, Inclusion Programs

Scale of Operations & Market Footprint

Scale of the Organisation

Bank Alfalah has a network of more than 1,150 branches across over 245 cities in Pakistan. Beyond Pakistan, the Bank has an international presence in Afghanistan, Bangladesh, Bahrain and the UAE, as well as a representative office in Abu Dhabi.

Colleagues

While the total employee headcount is over 17,000, the Bank reported onboarding 4,113 individuals in 2025 through lateral and batch hiring programmes.

Financial Scale

In 2025, Bank Alfalah reported PKR 183.362 billion in total income. Profit before tax stood at PKR 62.34 billion, while profit after tax amounted to PKR 28.34 billion.

Capital Position

The Bank's market capitalisation was approximately USD 614 million (PKR 172 billion) in 2025. Shareholders' equity stood at PKR 197.5 billion, while the Total Capital Adequacy Ratio was 15.87% and the CET1 ratio was 11.31%.

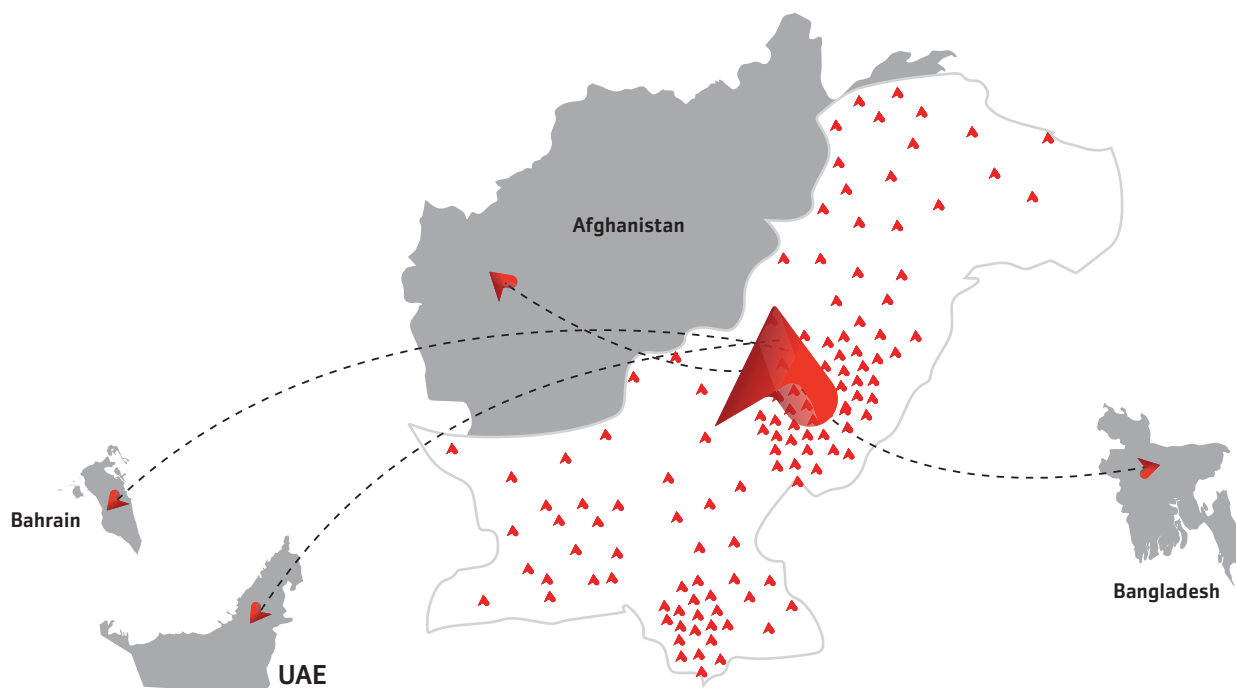
Total Assets

The Bank reported total assets of PKR 3.83 trillion in 2025.

Service Scale and Business Volumes

Its business volumes included deposits of PKR 2.496 trillion, net advances of PKR 1.105 trillion and investments of PKR 2.17 billion.

The Bank also reported service activity across inclusion-focused and sector-specific initiatives. These included reaching 4.3 million BISP beneficiaries and processing 1,369 digital agriculture financing applications.



Branch Network

Pakistan

Bank Alfalah is one of the largest commercial banks in Pakistan with a network of 1,150 branches in more than 240 cities across Pakistan.

Afghanistan

Branch Banking Operations

Services offered to clients include Retail and Wholesale Banking.

Bahrain

Offshore Banking Unit

Services offered to corporate clients include Deposits, Trade Finance, Advances, Treasury and Foreign Exchange services.

UAE

Wholesale Banking Branch in Dubai and One Representative Office in Abu Dhabi

Services offered to corporate clients include Deposits, Trade Finance, Advances, Treasury and Foreign Exchange services.

Bangladesh

Branch Banking Operations

The branches provide financial solutions to consumers, corporates, and the government through a broad spectrum of products and services, including Deposit Accounts, Self-service Banking and Wholesale Banking.

Categories And Types Of Branches

Category	Branch & Sub-Branch
Digital	712
Corporate	1
Islamic	8
Domestic	454
Overseas	11
Grand Total	1,175
	1,186

Pakistan Operations-Provinces

Province	Branch & Sub-Branch
Punjab	724
Sindh	218
KPK	100
ICT	76
Balochistan	42
Gilgit Baltistan	6
AJK	9
Grand Total	1,175

Pakistan Operations-Regions*

Regions	Branch & Sub-Branch
Conventional	
North	186
South	179
East	174
West	174
Corporate	8
Islamic	
North	132
South	78
East	116
West	128
Grand Total	1,175

*Bank's internal categorisation

Overseas Operations-Countries

Country	Branch & Sub-Branch
Bangladesh	7
Afghanistan	2
Bahrain	1
UAE	1
Total	11

Country	Representative office
UAE (Abu Dhabi)	1

Pakistan Operations – Cities:
Please visit the Bank's website
for branch network -
<https://www.bankalfalah.com/branch-atm-locator/>

Bank's Footprint

Branch Network

Domestic Branches: 1,175

Overseas Branches: 11

Booths: 21

Representative Offices: 1

Digital Sales and Service Centers: 4

Digital Avenues

Bank Alfalah is connected with its customers through over 100,000 digital touchpoints

ATMs: 1,400 ~

Cash /Cash and Cheque Deposit Machines: 750 ~

QR Merchants: 38,000 ~

Alfa App (Android and iOS): 1

Alfa Business App: 1

E-Commerce Marketplace (AlfaMall): 1

Internet Banking: 1

Agent Network: 42,750 ~

E-Commerce Merchants: 4,860 ~

POS Machines: 25,000 ~

SMS Banking Gateway: 1

WhatsApp Banking Gateway: 1

Call And Customer Facility Centres

Call Centres: Karachi - 3, Lahore - 1

Consumer Finance Centres: 7

Consumer Finance Helpdesks: 4

Complaint Management Unit: 1

Complaint Boxes: 2,200

Credit Card Bill Collection Boxes: 40

Digital Facilitation Desks: 48

Credit Rating

Entity Rating Long Term: AAA

Entity Rating Short Term: A1+

Entity Outlook: STABLE

Rating of Debt Instrument - TFC VI (ADT1) : AA+

Rating of Debt Instrument - TFC VIII (ADT1): AA+

Social Media



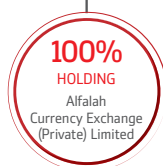
Group Ownership Structure



- **Alfaluh Currency Exchange (Private) Limited** was incorporated as a wholly owned subsidiary in 2023 and provides comprehensive foreign exchange solutions.

Bank Alfalah provides financial solutions to a very diversified customer base which includes individual consumers, corporations, institutions and governments through a broad spectrum of products and services, including corporate and investment banking, consumer banking and credit, commercial, SME, agri-finance, Islamic, and asset financing. In addition to the services on offer, the Bank also holds interest in a subsidiary and various associated entities, and strives to ensure a comprehensive, transparent and comparable view of the financial performance and position of the entire group.

- **Alfaluh Asset Management Limited** is an asset management company and pension fund manager. It manages a portfolio of investors under discretionary and non-discretionary portfolio management agreements. It offers solutions to match the needs of individuals, corporates and retirement funds.
- **Alfaluh Insurance Company Limited** is a general non-life insurance company that also works as a Window Takaful Operator. It offers first-class security and service to the insured public.
- **Sapphire Wind Power Company Limited (SWPCL)** is engaged in the development of a wind farm. It is committed to being part of the revolutionary shift in the energy paradigm by offering clean, green, and affordable energy solutions. Sapphire Group and Bank Alfalah took the lead in entering the nascent wind energy sector in Pakistan and established (SWPCL) with joint ownership stakes.



Categories of Shareholders

As of December 31, 2025

31st December 2025	Number of shares held	% holding
Sponsors		
Abu Dhabi Group and Directors	877,066,732	55.61%
Executives		
(As per clause of 5.6.4 of PSX Rule Book)	1,784,799	0.11%
All Other Shareholders		
(Mutual Funds, NBFCs, Fis, DFI and Individuals)	698,313,588	44.28%
Total	1,577,165,119	100%

Sustainable Value Chain

Bank Alfalah's value creation architecture seamlessly integrates its upstream operational capabilities with downstream stakeholder impact to drive sustainable economic growth. By mobilising Financial, Human, and Natural capitals through an expansive infrastructure of over 113,000 digital touchpoints and a robust branch network, the Bank transforms PKR 3.82 trillion in total assets into a versatile portfolio spanning retail, corporate, and Islamic finance.

This strategic deployment serves as a powerful engine for both internal organizational health, evidenced by rising employee morale and revenue flows and external societal advancement, highlighted by USD 5.9 billion in processed remittances, 4.3 million BISP beneficiaries, and a PKR 24+ billion commitment to green financing.

Ultimately, this integrated value chain ensures that every rupee of capital invested translates into a measurable outcome, reinforcing the Bank's position as a catalyst for financial inclusion, environmental stewardship, and long-term shareholder prosperity.

The report presents the value chain in two parts: upstream and downstream.

Upstream Value Chain

The upstream value chain includes the channels, people and systems that contribute to the design and delivery of the Bank's products and services.

These include:

- Digital channels
- Branch network
- Agent network
- Merchants
- Marketing
- Sales force
- Employees

Within this part of the value chain, the Bank mobilises customer deposits and channels them into lending and investments. In return, it provides customers with interest or profit, alongside a range of financial products and services. Supporting activities across the Bank help ensure that appropriate processes, controls and policies are in place to enable effective banking operations.

Digital Touchpoints – 113,000+

Downstream Value Chain

The downstream value chain reflects the utilisation of the Bank's products and services and the value created for key stakeholders. The report identifies customers as the core of the business, while also recognising the following stakeholders within the broader value chain:

- Competitors
- Regulators
- Investors and analysts
- Society

The Bank states that it develops products in a customer-centric manner, maintains regular engagement with investors and analysts, acts as a trusted partner to regulators, and contributes to society through its CSR initiatives.

Remittances – USD 5.9 billion

Capitals Invested and Value Created

The Bank's broader business model shows that it draws on multiple forms of capital to generate value over time. These include:

- Financial capital
- Human capital
- Natural capital

These capitals are deployed to create value for a wide range of stakeholders, including:

- Shareholders
- Investors
- Customers
- Employees
- Regulators
- Vendors
- Media
- Analysts
- Rating agencies
- Society

Total Assets – PKR 3.83 trillion

Outputs and Outcomes

The Bank identifies its products and services as the primary outputs of its business model. The resulting outcomes include both internal and external dimensions.

Internal Outcomes

- Employee morale
- Organisational reputation
- Revenue and cash flows

External outcomes include:

- Customer satisfaction
- Tax payments
- Brand loyalty
- Social and environmental effects

BISP Beneficiaries – 4.3 million

Green Financing – PKR 24+ billion

Bank Alfalah's products span retail, SME, corporate, Islamic, trade, digital, payments, and green financing solutions, serving individuals, businesses, and government programs.

Product Suite

Retail Banking

Accounts and Deposits

- Current Accounts
- Savings Accounts
- Term Deposits
- Basic Accounts
- Foreign Currency Accounts
- Digital Accounts

Consumer Financing

- Personal Loans
- Auto Finance
- Home Finance
- Solar Financing
- Credit Cards

Digital Banking

- Alfa App (Mobile Banking)

- Internet Banking
- QR Payments (Raast QR)
- Digital onboarding
- WhatsApp Banking
- Digital remittance accounts

SME and Agri Banking

- SME Loans & Working Capital Financing
- Trade Finance
- SME Deposit Products
- Women-focused SME programs (e.g., women entrepreneurs initiatives)

Corporate and Commercial Banking

- Corporate Loans
- Project Financing
- Structured Finance
- Supply Chain Financing
- Cash Management Solutions

Trade Finance

- Import Financing
- Export Financing
- Letters of Credit
- Guarantees
- Bills Discounting

Remittance and Payments

- Home Remittances
- Digital Remittance Accounts
- Government-to-Person (G2P) payments
- BISP disbursements
- Pension payments

Green and Sustainable Finance

- Solar Finance
- Green Energy Financing
- Climate-related financing products
- Energy-efficient investments

Bank Alfalah Islamic Accounts

- Current and Savings (Shariah-compliant)
- Term Deposits

Financing

- Auto Ijarah
- Home Diminishing
- SME & Business Financing
- Asset-backed financing
- Islamic digital products also offered via Alfa App

CAPITALS		CREATING VALUE		VALUE ADDITION	
INPUTS		CORE BUSINESS ACTIVITIES		OUTPUTS AND OUTCOMES	
Financial Capital		Our Engine		Shareholders	
Share Capital	PKR 15.8 Bn			Profit after Tax	PKR 28.3 Bn
Total Equity	PKR 197.5 Bn			Earnings per Share	PKR 17.97
Deposits	PKR 2.49 Trn			Dividend per Share	PKR 10.5
Subordinated Debt	PKR 14.0 Bn			Return on Assets	0.8%
Human Capital		Value and Growth Drivers		Customers	
Head Count	17,388			Deposits Growth	16.8%
Employer of Choice for Diversity and Inclusion				Advances Growth	22.0%
				Trade Growth	19%
				NPL Ratio	4.1%
Manufactured Capital		Core activities through products and services		Employees	
Branches and Sub-branches	1,186	<p>Generating maximum shareholder returns through efficient fund generation and effective fund management.</p> <p>Deliver superior customer experience through product innovation.</p> <p>Focus on growth through optimising low cost deposits, High Net Worth clients, consumer lending, SME, trade, cash management and home remittances.</p> <p>Perpetual adaptation to the disruptive digital landscape in order to keep pace with the industry.</p> <p>Continue to uphold a strong capital base and efficient risk management policies in order to maintain a sound liquidity profile.</p>		Salaries and Benefits	PKR 49.9 Bn
ATMs and CDMs/CCDMs	2,000+			Trainings	PKR 300.1 Mn
Intangible Assets	PKR 1.7 Bn			Employee Attrition Rate	17.5%
Property and Equipment	PKR 71.1 Bn				
Additional Touchpoints: POS Machines, Social Media Platforms, QR Scanners, Booths, Representative Offices, Call Centres, Drop Boxes and Complaint Centres		Principles to Operate		Vendors and Suppliers	
Intellectual Capital		Customer Experience	Managed Risk	IT & Digital Advancement	Health and Safety
Experienced Board		Depositors' Protection	Compliance with Laws	Reputation Management	Digital Innovation
Competent Management		Governance	Strategy	Maximising Shareholder Returns	Service Agility
Strong Risk Management		Digital Solutions	Regulator Facilitation	Data Analytics	Green Banking
Secured and Updated IT Infrastructure		CSR	Transparency	Record Safety	Ethics & Culture
Compliance Framework		Employee Happiness and talent retention	Market Share	Profitability	Data Security
Policies and Procedures		Responsible renewable energy financing	Staff Training	Record Safety	Preferred Employer
Brand Image			Environment Protection	Gender Diversity	Process Improvement
Secured Systems			Secured Lending Asset Security	Sustainability	
Social and Relationship Capital				Regulators	
Number of customers	9.4 Mn+			<ul style="list-style-type: none"> - Compliant Financial Statements and Periodical Returns to the Regulators - Trusted Partner of the Regulators - Compliant Regulatory Limits and Ratios - Timely Tax Payments 	
Trade partners (merchants and agents)				Investors and other Lenders	
				<ul style="list-style-type: none"> - High and Sustainable Returns - Credit Worthiness and Timely Repayments - Informed Shareholder 	
Natural Capital				Media	
Solar Branches/ATMs/Inverters				<ul style="list-style-type: none"> - Responsible and Honest Communication - Full Disclosure and Transparency 	
Health and safety considerations at all premises				Rating Agencies	
Green banking initiatives				Long-term Rating AAA Short-term Rating A1+ Outlook Stable	
Responsible renewable energy financing				Analysts	
				<ul style="list-style-type: none"> - Regular Correspondence - Fair and Open Investor Calls 	
				Society/Local Community	
				Contribution to Local Society / CSR (incl. Flood Relief) PKR 486.7 Mn Customer Relations Job Creation Improved Workplace Protected Natural Environment Improved Environmental Effects through Renewable Energy Financing	

Bank Alfalah and the Value Chain



Upstream

- **Capitals:** Financial, Human, Intellectual, Social, Manufactured and Natural
- **Environment:** Economic, Political, Legal, Social, Technological, Natural Environment and Commercial
- **Vendors and Suppliers:** Entities offering various supplies and services in order to enable the Bank to optimally offer all of its products and services
- **Others:** Set of regulations within which the Bank operates, brand loyalty, and customers' trust

Bank Alfalah in the Value Chain

Primary Activities: The Bank aims to channel its customer deposits into lucrative lending and investments in order to gain from the mobilisation of deposits. In return, the Bank offers returns in the form of interest/profit to its customers through various products and service offerings.

Supporting Activities: The Bank ensures that the right processes and policies are in place with regard to the banking operations. The Bank supports activities that enable it to provide primary services to its customers.

Downstream

Customers: They are the core of the Bank's business and drive profitability. The Bank is customer-centric in product development and looks to retain and gain customers through research, feedback and digitalisation at all times.

Competitors: Healthy competition allows the Bank to remain updated. The Bank constantly innovates and emphasises on quality service standards.

Regulators: The Bank acts as a trusted partner of the regulators. The Bank also aims at being a responsible tax paying and collection agent.

Investors and Analysts: The Bank maintains regular interaction and keeps them updated with performance and actions taken in the normal course of business.

Society: The Bank prioritises giving back to the society, through its CSR initiatives.

Sustainability **Strategy**



Sustainability Vision

Committed to a sustainable way forward by improving the social, economic and environmental capital of the people

Sustainability Philosophy

Sustainability is a strategic focus area for Bank Alfalah, guiding how the Bank seeks to create long-term, responsible outcomes through its operations.

The Bank's approach is grounded in strengthening social, economic and environmental capital, and is aligned with the UN Sustainable Development Goals (SDGs) to support national priorities and broader development outcomes.

Bank Alfalah's sustainability agenda is delivered through its impact pillars, **Customers, Colleagues, Community and Country**, ensuring that sustainability priorities translate into practical actions, measurable progress, and accountable governance across the organisation.

At Bank Alfalah, sustainability is integrated into the way it thinks, plans and operates. It is closely linked to the broader strategic priorities, including customer-centricity, innovation, financial inclusion, SME growth, responsible credit, green financing, green products and the creation of long-term sustainable value.

Sustainability is also reflected in the organisational culture through the vision, values, code of conduct and people practices. These emphasise integrity, collaboration, inclusion, innovation, learning and a performance-driven mindset.

Guided by the philosophy of **One Bank, One Team**, it continues to embed sustainability across governance, strategy, operations and culture.

Corporate Impact Pillars

Bank Alfalah's commitment to sustainability is operationalised through four core Corporate Impact Pillars. These pillars form the framework through which the Bank integrates environmental, social, and governance (ESG) considerations into the strategy, and risk management processes. By aligning the business model with these areas, the Bank ensures that value creation is sustainable, inclusive, and resilient over the short, medium, and long term.

Customers

The Bank creates meaningful value for the customer base by embedding sustainability criteria into the product development and lending processes. The approach focuses on:

Responsible Financing: Integrating environmental and social risk assessments into lending decisions.

Sustainable Product Innovation: Expanding our portfolio of green products and transition financing solutions to support clients in achieving their sustainability goals.

Digital Innovation & Accessibility: Leveraging technology to enhance financial inclusion and provide seamless, responsible access to banking services for underserved segments.

Colleagues

The Bank recognises that people are fundamental to delivering on the strategic sustainability objectives. The human capital strategy focuses on:

Inclusion and Wellbeing: Promoting a culture of integrity, collaboration, and diversity, while prioritising employee physical and mental wellbeing to enhance retention and productivity.

Performance and Accountability: Aligning performance management frameworks with corporate values and sustainability commitments to drive execution.

Community

The Bank believes that sustainable growth must be inclusive. It supports social development through strategic community investments and partnerships focused on:

Targeted Social Initiatives: Investing in critical areas such as education, healthcare, and livelihood support to build community capacity.

Disaster Response and Resilience: Providing rapid, strategic support for disaster response, contributing to the long-term resilience of communities facing increasing environmental and climate-related challenges.

Country

As a systemically important financial institution, the Bank facilitates Pakistan's economic development and transition to a sustainable future. It contributes to national progress by:

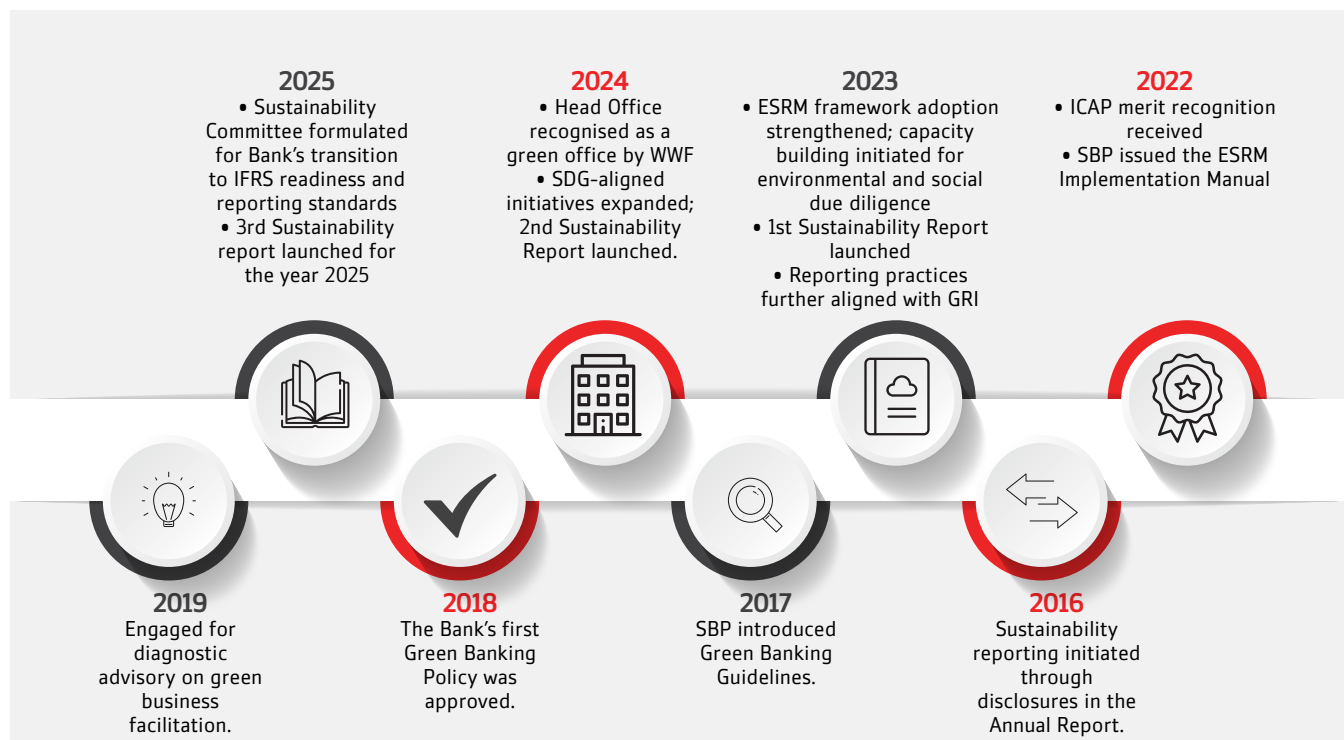
- Economic Inclusion: Pro-actively expanding access to finance for SMEs, agriculture, and underserved regions to drive inclusive economic growth.
- Advancing Sustainable Finance: Mobilising capital toward green and sustainable initiatives, directly supporting Pakistan's climate change mitigation and adaptation objectives (in line with IFRS S1/2 readiness disclosure expectations regarding strategic alignment with climate goals).

Creating Long-Term Value

Together, these four pillars **Customers, Colleagues, Community and Country** reflect how sustainability is embedded across Bank Alfalah's business model and culture. This framework dictates how the Bank identify, manage, and disclose material ESG-related risks and opportunities. By adhering to this structured approach, it ensures that that and enduring value is created for all stakeholders and robustly contribute to a more inclusive, resilient, and sustainable future.



Bank's Sustainability Journey



Sustainability Framework & Value Creation Model

Triple-Bottom-Line Impact

Bank Alfalah’s commitment to sustainable growth is narrated through the strategic deployment of its Triple-Bottom-Line Capitals, ensuring that every financial milestone is matched by a footprint of positive impact. **Social Capital** is the heartbeat of the organisation, where the Bank foster a culture of belonging through diversity and inclusion, while simultaneously safeguarding the holistic well-being of our people. This spirit of care extends beyond the Bank, manifesting in robust support for education, healthcare, and the vibrant tapestry of sports and arts that bind the communities together.

Parallel to this is the **Economic Capital** is driven by a relentless pursuit of customer-centric innovation. The Bank don't just provide services; it empowers the underserved through financial inclusion and digital enablement, ensuring that the growth is anchored in responsible financing and the rigorous capacity building of the nation's workforce.

Underpinning these efforts is our stewardship of **Environmental Capital**. The Bank is transitioning the future of finance through green banking and operational efficiencies that minimise its ecological footprint. From resource efficiency in energy and water to nature-based initiatives like large-scale plantation drives, the Bank is ensuring that the prosperity it creates today does not come at the cost of tomorrow.

Social Capital

- Diversity and inclusion
- Employee well-being and benefits
- Education and healthcare support
- Sports, arts and community participation

Economic Capital

- Customer-centricity and service improvement
- Innovation and digital enablement
- Financial inclusion and empowerment
- Responsible financing
- Skills and capacity building

Environmental Capital

- Green banking and responsible environmental practices
- Operational efficiency and reduced footprint
- Resource efficiency initiatives
- Nature-based initiatives

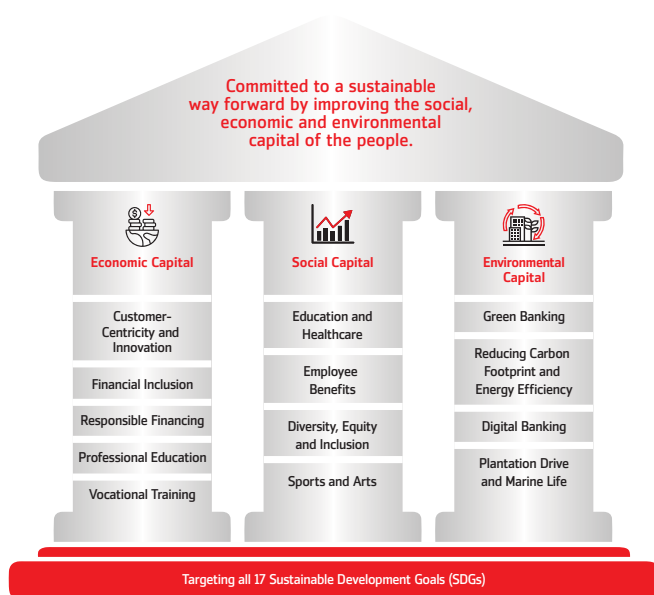
(Detailed initiatives and performance are presented in the Environmental and Social sections of ESG implementation.)

Corporate Impact Pillars

At Bank Alfalah, sustainability is not a parallel function, it is embedded within how it governs, lends, innovates, and grows. The Bank has translated its Sustainability ESG commitments into four Corporate Impact Pillars: **Customers, Colleagues, Community, and Country.**

These pillars define how the Bank integrates environmental, social, and governance considerations into the strategy, risk management, and operational decision-making, ensuring that the value creation remains responsible, inclusive, and resilient across all time horizons.

Pillars of Sustainability



Pillar	Strategic Focus	Key Action	ESG Dimension	Environmental + Economic
Customers	Responsible & inclusive financial services	Sustainable financing, green products, digital inclusion	Environmental + Social	GRI 203, 413 / WB Financial Inclusion
Colleagues	People, culture & capability development	ESG training, diversity & wellbeing, performance alignment	Social + Governance	GRI 401–404 / WB Labor Standards
Community	Social impact & resilience	CSR programs, disaster response, partnerships	Social	GRI 413 / WB Social Development
Country	Economic growth & climate transition	SME financing, green investments, national ESG alignment	Environmental + Economic	GRI 201, 305 / WB Climate Finance

Operational Excellence with ESG Priorities

The Bank Strategic Foundations and Growth Compass represents a disciplined, three-phased evolution designed to transition Bank Alfalah from operational excellence to indelible market impact. By meticulously strengthening its core infrastructure in the immediate term, the Bank is building the necessary momentum to achieve undisputed leadership as Pakistan's 'Bank of Choice'. This trajectory is intrinsically linked to the Forward-Looking Sustainability Priorities, where green financing and climate resilience are not merely add-ons, but fundamental drivers of the long-term value proposition and national economic contribution.

Phase	Time Horizon	Strategic Focus Area	Key Objectives & Growth Drivers
Phase 1: Laying the Foundation	1–3 Years	Strengthening the Core	<ul style="list-style-type: none"> Enhance operational efficiency and internal controls. Implementation of advanced Capital and ESG Risk Management frameworks as per IFRS standards. Igniting Growth: Focused expansion in SME, and Agri footprint and Consumer Financing. Investing in Excellence: Strategic development of human capital.
Phase 2: Achieving Market Leadership	3–5 Years	The Bank of Choice	<ul style="list-style-type: none"> Cementing status as Pakistan's most customer-centric and innovative bank. Establishing leadership in Transactional and Corporate solutions.
Phase 3: Creating Indelible Impact	5 Years and beyond	Sustainable Prosperity	<ul style="list-style-type: none"> Generating enduring, maximised value for shareholders. Ensuring long-term institutional stability and industry-wide leadership.

Key milestones 2025

During 2025, Bank Alfalah strengthened sustainability governance and implementation readiness to support a more consistent and structured approach to ESG oversight, execution, and reporting.

- Enhanced Board-level ESG oversight: The Board approved enhancements to the Terms of Reference of the Board Strategy and Finance Committee (BSFC) to strengthen oversight of sustainability and ESG risks and opportunities.
- The Sustainability governance structure was further strengthened by formation of a Sustainability Committee :The Bank established a management-level Sustainability Committee under the delegation of the Central Management Committee (CMC) to support implementation, performance monitoring, and coordination across relevant functions.
- The first Sustainability committee meeting was held on 24 November 2025, in line with applicable governance requirements, including Regulation 10A of the Listed Companies (Code of Corporate Governance) Regulations, 2019, as amended by SECP SRO 920(I)/2024 dated 12 June 2024.

- Stronger internal coordination for ESG execution: The Bank further strengthened internal processes for sustainability planning, data governance, and reporting readiness to support continuous improvement in disclosures and decision-making.

At Bank Alfalah, sustainability is not a peripheral initiative; it is a governed mandate. The Bank maintains institutional integrity through a structured oversight framework that ensures every ESG metric is tracked with the same rigor as financial performance.

The Sustainability Committee is now gearing up to provide the strategic insights, utilising IFRS S1 and S2 readiness and GRI-aligned disclosures to bridge the gap between global standards and local impact. By embedding environmental and social risk reviews directly into the credit approval cycles, the Bank is transforming "oversight" into a competitive advantage.

Detailed governance arrangements, committee roles, and oversight structure are presented in the Sustainability Governance section.

First Sustainability Committee Meeting held on November 24, 2025



Governance oversight

As Bank Alfalah established a dedicated Sustainability Committee, strengthening management-level oversight and further embedding sustainability considerations into banking operations, it now also aligns with evolving global expectations and regulatory developments.

The Committee is working to implement the oversight of the sustainability and ESG framework, strategy, priorities, targets, matters, policies, and practices.

Sustainability Strategy Aligned with Governance and ESG

The Bank's sustainability strategy is shaped by governance-led identification of priority ESG issues and is translated into focus areas, targets, and action plans to support mitigation, adaptation, and responsible growth.

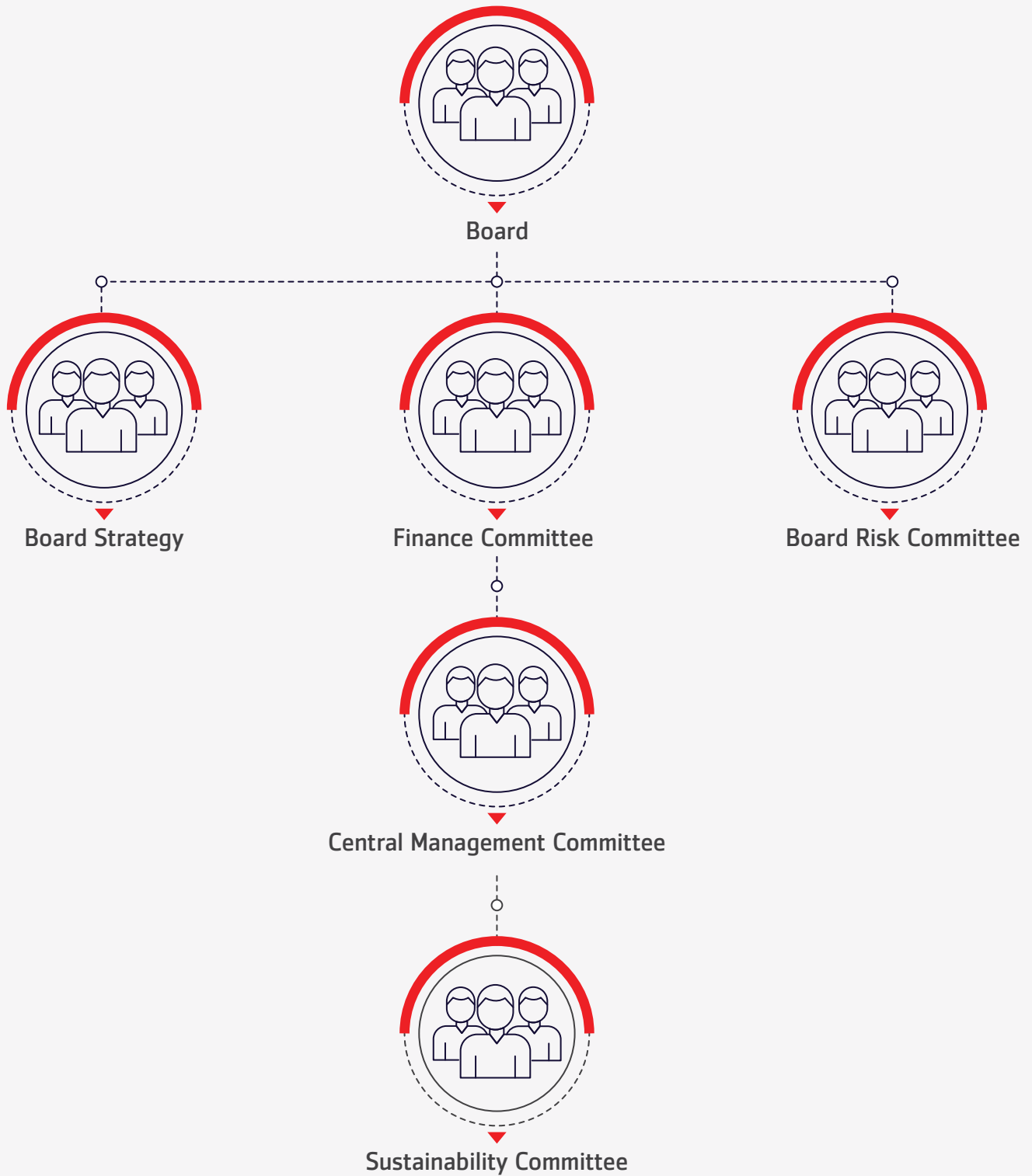
This strategy is organised around a Sustainability Framework that strengthens three forms of capital - Social, Economic and Environmental and is implemented through the Bank's impact pillars: **Customers, Colleagues, Community and Country**.

The Dual Materiality of Impact and Risk

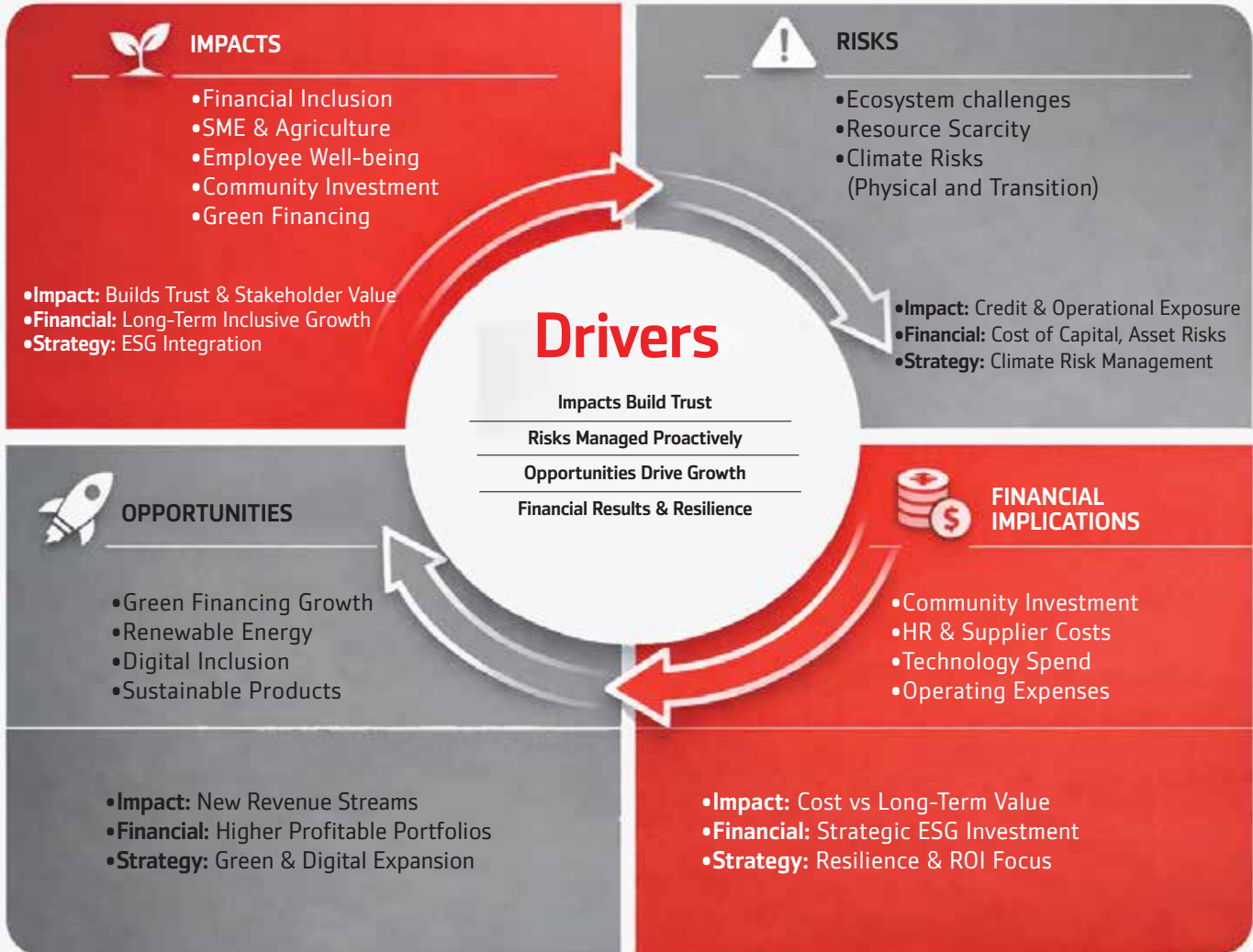
Through our **Strategic Risk Management** oversight, Bank Alfalah operates under the principle of Dual Materiality. It recognises that institutional resilience requires a 360-degree view of risk: managing how external environmental and social shifts threaten the financial stability (Financial Materiality), while simultaneously governing the impact of the operations have on the broader economy and ecosystem (Impact Materiality). By identifying these factors as two sides of the same coin, the oversight committees is now working on ensuring that that is advancing financial inclusion and green energy.

Operational Pillar	Complexity Level	Primary Oversight Mechanism	Strategic Impact & Risk Mitigation
Strategic Governance	High	Sustainability Committee & IFRS S1/S2 Readiness	Alignment with global reporting standards to attract international investment and ensure transparency.
Risk & Compliance	High	ESRM Framework & Credit Risk Integration	Mitigating portfolio exposure by assessing environmental and social impacts before financing decisions.
Internal Controls	Moderate	Whistleblowing & Business Continuity Processes	Safeguarding institutional integrity and ensuring uninterrupted operations during systemic shocks.
Human Capital	Moderate	Happiness Scorecards Remuneration	Incentivising long-term ethical behavior and aligning employee goals with organisations
Supply Chain	Standard	Ethical Vendor Enlistment & Transparent Bidding	Minimizing reputational risk by ensuring third-party partners adhere to the Bank's code of conduct.

Hierarchy of Sustainability Committee



Sustainability as a Value Drivers



Measuring **The Impact**

ESG, Sustainability and Materiality



ESG and Sustainability Performance

At Bank Alfalah, it is believed that what gets measured gets managed. The ESG and sustainability Key Performance Indicators (KPIs) serve as the essential link between the high-level sustainability commitments and daily operations. By utilising a robust mix of quantitative data and qualitative milestones, the Bank provides a transparent view of how it integrates environmental, social, and governance considerations into the core banking strategy. These metrics are not just numbers; they are the benchmarks by which the Bank holds itself accountable to the stakeholders and ensure long-term value creation.

KPI Identification Methodology

The Bank's sustainability KPIs are selected with reference to:

- Material topics identified as most relevant to the business and its stakeholders
- Strategic priorities of the Bank
- Stakeholder expectations
- Regulatory and reporting developments

What the KPIs cover

The KPIs are designed to provide a balanced view of the Bank's sustainability performance across key areas, including:

- Governance and oversight
- Business resilience
- Responsible finance
- Customer inclusion
- Employee well-being
- Community investment
- Environmental stewardship

Types of KPIs

The Bank reports both:

- **Quantitative KPIs**, which show measurable performance through data and year-on-year trends.
- **Qualitative KPIs**, which reflect progress through policies, systems, oversight mechanisms, programmes and strategic initiatives.

Coverage of KPIs

In line with the principle of materiality, the reported

KPIs cover areas that are most significant to the Bank's business model, operating environment and long-term value creation, including:

- Financial inclusion
- Green and sustainable finance
- Employee development
- Diversity and inclusion
- Occupational health and safety
- Customer service
- Community investment
- Operational efficiency
- Environmental footprint
- Governance effectiveness

Why KPIs Matter

Together, these indicators demonstrate how sustainability is being integrated into the Bank's strategy, operations and decision-making processes. They also enable stakeholders to assess the Bank's progress.

Bank Alfalah recognises climate change and broader sustainability issues as material factors that may affect its operations, revenue, expenditure, long-term strategy and resilience. The Bank addresses these through climate-related risk management, environmental and social screening in credit approvals, IFRS S1/S2 readiness, and business continuity planning.

At the same time, it sees sustainability-linked opportunities in green financing, green products, renewable energy support, financial inclusion, SME and agriculture growth, digital innovation and long-term value creation.

Bank Alfalah manages supplier relationships through a Board-approved Procurement Policy based on integrity, transparency and accountability. Its supplier management practices include fair and transparent competition, vendor enlistment based on service track record, timely payments, strategic sourcing relationships, confidentiality of vendor information, and adherence to high professional and ethical standards.

During 2025, the Bank disclosed PKR 34.8 billion under suppliers and vendors, and separately noted that outsourced activity costs of Rs. 1.45 billion related to payments to companies incorporated in Pakistan.

Materiality Approach

Bank Alfalah's materiality assessment adopts a comprehensive approach to understanding the Bank's impact on stakeholders and how the external environment affects the industry. Key issues are identified along with opportunities and risks that significantly influence assets and the ability to sustain operations. The analysis prioritises these factors based on severity, likelihood, scale, and scope, guiding the mitigation efforts.

Compliance with laws, standards, and the code of conduct is fundamental. The material concerns inform the evolution of strategy and business model. Teams regularly review them to ensure alignment with the evolving external landscape.

Phase 1: The Bank conducted internal assessments, peer analysis of local banks, and cross-industry analysis to

create a preliminary list of both positive and alternative impacts.

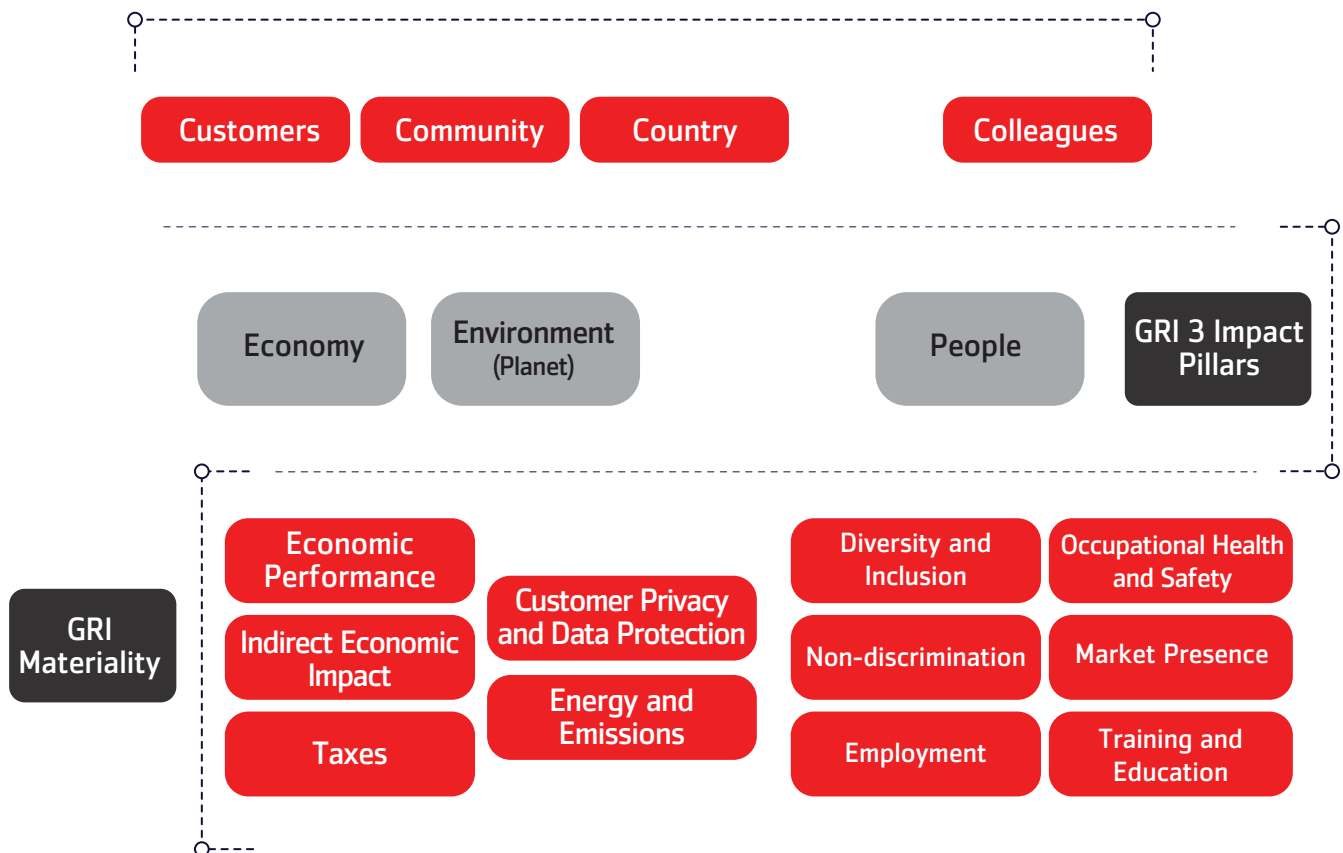
Phase 2: Next, prioritise these issues through engagement with stakeholders. Obtain approval from stakeholders for those issues deemed significant and relevant within our operational context, identifying them as material matters.

Phase 3: Validate the identified material matters in consultation with Sustainability Committee, Senior Management and CSR Committee. This validation process ensures that these matters effectively inform the team strategy, business model, assets, and short, medium, and long-term objectives.

Phase 4: Finally, secure approval from Senior Management. Continuously assess emerging issues in the operational environment to ensure the ongoing relevance of our strategy.

Materiality Mapping

Bank Alfalah's Impact Pillars



The 17 United Nations Sustainable Development Goals

The Bank aligns its sustainability strategy and material topics with internationally recognised frameworks to ensure transparency, comparability, and credibility. Material topics are mapped against Global Reporting Initiative (GRI) Standards to capture impact materiality across environmental, social, and governance dimensions. The strategy is further aligned with the United Nations Sustainable Development Goals (SDGs), enabling the Bank to contribute to global sustainability priorities while strengthening its long-term resilience.

Integrated GRI & SDG Alignment Mapping

GRI Topic (Standard Ref.)	Bank Alfalah Evidence (2025)	GRI Relevance (Impact Materiality)	IFRS S2 Relevance & Readiness	SDGs	Strategy
Emissions (GRI 305)	184 solar ATMs, 68,000 mangroves planted, carbon footprint calculated, IFRS S1/S2 Readiness	Direct (operational + financed impact)	Direct (core requirement)	SDG 7, 11, 13, 17	Readiness for S1/S2/S3
Energy (GRI 302)	Renewable energy adoption, WWF Green Office, efficiency measures	Direct	Direct (metrics & targets)	SDG 7, 13	Readiness for Operational decarbonization strategy
Economic Performance (GRI 201)	Revenue PKR 183 B, PAT PKR 28 B, value distribution (employees, taxes, suppliers)	Direct	Direct (Partial)	SDG 1, 8, 9, 10, 17	ESG integrated into financial value creation
Market Presence & Financial Inclusion (GRI 203/FS)	113,000+ touchpoints, SME & women financing, rural outreach	Direct	Indirect	SDG 1, 5, 8, 10	Core development and inclusion narrative
Customer Privacy & Data Protection (GRI 418)	Constant System Enhancement, capacity building, managing cybersecurity, 209k complaints resolved	Direct	Indirect	SDG 16	Governance strength; risk-managed digital banking
Diversity & Inclusion (GRI 405)	20.5% female workforce, gender pay gap disclosure, SHELead	Direct	Indirect	SDG 5, 10	Strong social pillar; supports long-term productivity
Non-Discrimination (GRI 406)	Code of Ethics, grievance mechanism (67 cases)	Direct	No Direct Relevance	SDG 5, 8, 16	Human rights governance embedded internally
Occupational Health & Safety (GRI 403)	Safety systems, training, wellness programs, medical camps	Direct	No Direct Relevance	SDG 3, 8	Internal ESG excellence (employee well-being)
Employment, Training & Education (GRI 404)	PKR 300M training spend, AlfaLead, financial literacy	Direct	Indirect	SDG 4, 8	Human capital development - long-term value
Tax (GRI 207)	PKR 39.7B tax contribution, governance approach	Direct	Indirect	SDG 1, 10, 17	Fiscal transparency and national contribution
Public Policy / Climate Governance (GRI 415)	Alignment with SBP ESRM framework	Direct	Direct (Strategic)	SDG 13, 16, 17	Critical bridge: regulation - financial risk

The 17 United Nations Sustainable Development Goals



Environment

Environmental criteria focuses on the company's impact on the planet in addition to climate change initiatives. This category includes energy usage, pollution outputs, water management, and other environmental impacts.

- Renewable fuels
- Greenhouse gas (GHG) emissions
- Energy efficiency
- Climate risk
- Water management
- Recycling processes
- Emergency preparedness

Social

The social element of ESG focuses on the way the company treats people. It includes the relationships that organisations have with their workforces, the societies in which they operate, and the current political atmosphere including diversity, equity and inclusion; health and safety; labour management, data privacy, and community relations.

- Health and safety
- Working conditions
- Employee benefits
- Diversity and inclusion
- Human rights
- Impact on local communities

Governance

The governance aspect refers to a set of organisational practices; controls, and procedures used to make effective decisions, remain compliant, and meet stakeholder demands, including fraud, anti-bribery and corruption, security, financial performance, business ethics, and internal audit; as well as executive leadership and pay.

- Ethical standards
- Board diversity and governance
- Stakeholder's engagement

- Shareholders rights
- Pay for performance

Climate Change Transition into the ESG Strategy

At Bank Alfalah, the global climate transition is viewed not merely as a regulatory obligation, but as a fundamental shift in the landscape of financial services. Recognising climate change as a material risk factor, the Bank is strategically positioning its operations, asset quality, and long-term financial performance to withstand the complexities of an evolving environment.

Climate Risk Landscape: Physical and Transition Risks

The Bank is preparing for taxonomy. The tangible threats posed by extreme weather events and systemic environmental degradation that challenge operational continuity and asset integrity. On the other are Transition Risks, driven by a rapidly shifting regulatory horizon. As the State Bank of Pakistan (SBP) introduces sophisticated climate-related financial frameworks and supervisory expectations, Bank Alfalah is proactively navigating these shifts to and implementing a operational readiness.

Embedding Sustainability into Risk and Operations

Resilience is built into the Bank's DNA through a robust Enterprise Risk Management (ERM) framework. By adopting a comprehensive Green Banking Policy and an Environmental and Social Risk Management (ESRM) framework, climate-related considerations are no longer secondary. They are now an embedded component of the credit appraisal process. This rigorous due diligence ensures that potential adverse impacts from client operations are mitigated at the source, aligning the Bank's capital allocation with global sustainability standards.

Approach Moves Beyond Awareness into Structural Integration.

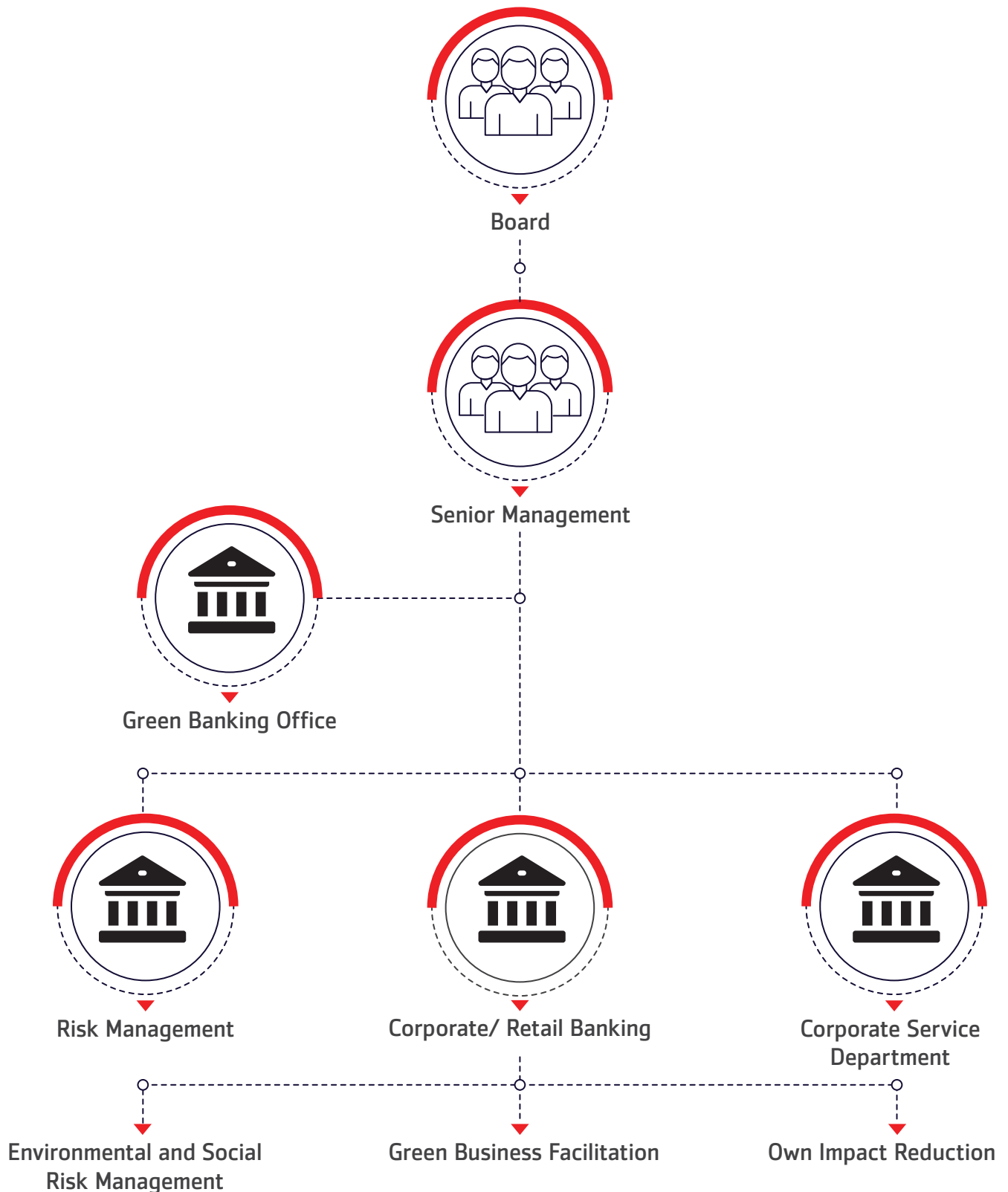
	Mechanism	Strategic Impact
Governance	Green Banking Policy	Sets the internal standard for sustainable operations and ethical capital allocation.
Due Diligence	ESRM Framework	Embeds Environmental and Social Risk Management directly into the credit appraisal lifecycle.
Capacity Building	LSE & IFC Training	Upskilling leadership through the London School of Economics to drive green portfolio growth.

Bank Alfalah’s Environmental and Social Management Framework

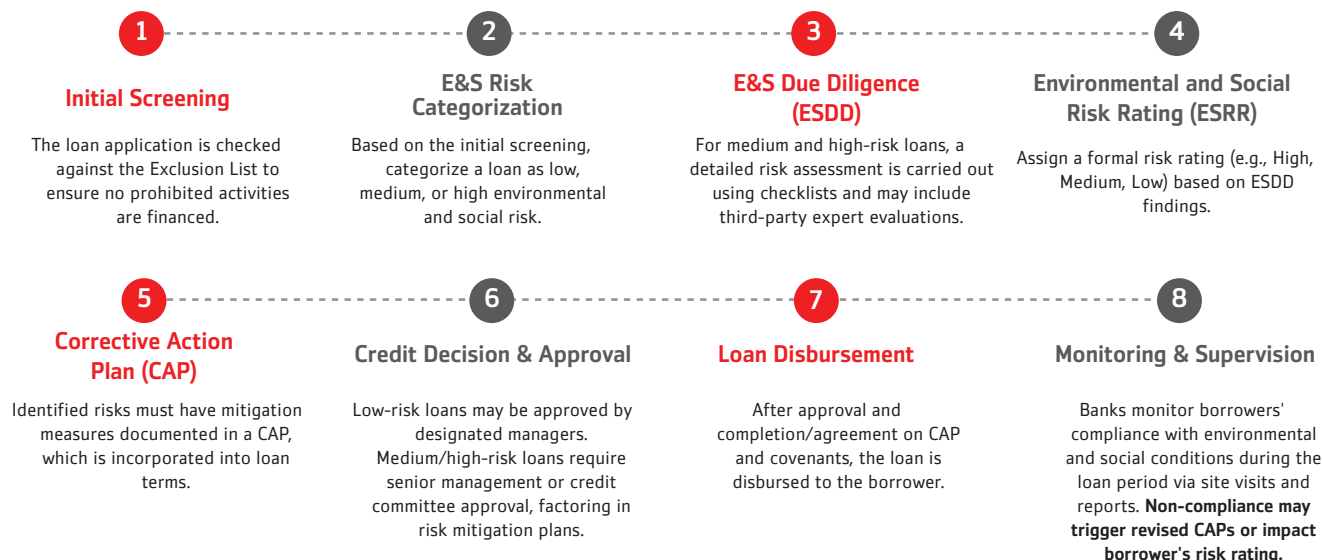
Bank Alfalah’s commitment to betterment in growing environmental and social issues was reflected as early as 2015 when it introduced Environmental and Social Management Framework for integration in its credit approval process. Later in August 2018, Bank Alfalah formally embarked upon its journey of Green Banking when its Board of Directors approved its first Green Banking Policy and formulated Green Banking Office in the Bank, aligning with the SBP’s Green Banking Guidelines 2017. This Policy now outlines an enhanced commitment of Bank Alfalah to contribute towards betterment in environmental and social issues through below mentioned strategy:

- a)**Environmental and Social Risk Management:** Continuing with integration of Sustainable Finance in its lending operations.
- b)**Green Business Facilitation:** Allocation of funding and resources to those businesses, which directly or indirectly want to reduce their carbon foot-print, be more resource efficient and use other means to reduce the environmental impact.
- c)**Own Impact Reduction:** Reducing Bank Alfalah’s own carbon footprint. This involves increasing the use of solar energy, which decreases the Bank’s reliance on grid-energy/fossil fuel based energy, reduction in paper consumption, rationalisation of water consumption and so on.

Hierarchy for Green Banking



ESRM Process



Building Internal Capacity and ESG Expertise

A strategy is only as effective as the people who execute it. Bank Alfalah has committed to a culture of continuous learning, ensuring all colleagues complete the IFC's Sustainability Training and E-Learning Program. To drive high-level strategic growth, the Bank has further empowered its mid-to-senior management through an elite internal accreditation programme at the London School of Economics (LSE). This investment in intellectual capital directly fuels the expansion of the Bank's green financing expertise and the maturation of its sustainable portfolio.

The Vision for Tomorrow: From Qualitative to Quantitative

While current frameworks provide a strong qualitative foundation, the Bank is entering a critical phase of financial quantification. In strict alignment with the SBP's Regulatory Framework for Climate-Related Financial Risks and Climate Stress Testing Guidelines, Bank Alfalah is developing the tools necessary to disclose the precise financial implications of climate risk and the associated costs of mitigation.

Capitalising on Green Opportunities

Beyond risk lies the horizon of opportunity. Bank Alfalah is dedicated to supporting the transition to a sustainable economy by encouraging investments in the following material topics:

- **Renewable Energy:** Fueling the shift toward cleaner power sources.
- **Energy Efficiency:** Supporting technologies that optimize resource consumption.
- **Sustainable Enterprise:** Partnering with businesses that prioritise long-term ecological balance.

Through this narrative of proactive adaptation and strategic investment, Bank Alfalah is not just responding to climate change, it is leading the way toward a more resilient and sustainable financial future.

Sustainability Aspect: Prohibited Financing

In adherence to its commitment to sustainability, the Board and Management have established a policy to prohibit certain activities across its channels. The following activities are deemed impermissible:

Exclusion List:

- Trading in live animals of endangered species.
- Handling or dealing with explosives, fireworks, or pyrotechnic devices and supplies.
- Entering or continuing business relations involving or related to:
 - Gambling entities or bookies.
 - Dealers engaged in the illegal distribution of arms and ammunition.
 - Illegal narcotics.
 - Pornography.
 - Human trafficking.
 - Illegal distribution and manufacturing of alcohol.
 - Dealing in unlicensed hazardous materials.

- Banned or illegal drugs or other controlled substances.
- Combustibles or corrosives.

Any other goods and services that do not comply with the applicable laws and regulations of the Islamic Republic of Pakistan.

ESG Performance & Materiality Disclosure

Measuring Performance Across ESG Priorities

This section presents a consolidated view of Bank Alfalah's 2025 performance across its most material Environmental, Social, and Governance (ESG) priorities, translating strategy into measurable outcomes. The Bank adopts a structured, data-driven approach to performance measurement, where key metrics are aligned with GRI Standards and informed by its materiality assessment to ensure relevance, transparency, and comparability. The disclosures cover critical areas including economic value creation and distribution, market presence and financial inclusion, tax transparency, energy and emissions management, diversity and inclusion, occupational health and safety, and governance aspects such as data privacy, cybersecurity, and employee development.

These metrics are supported by robust governance frameworks, including Board-level oversight, risk management systems, and due diligence processes such as the Environmental and Social Risk Management (ESRM) framework. Together, they demonstrate how sustainability considerations are embedded into operational, financial, and strategic decision-making. By linking performance indicators with governance and impact, the Bank provides stakeholders with a clear understanding of how it manages risks, capitalizes on emerging opportunities, and contributes to long-term, sustainable value creation.

The Bank provide a comprehensive assessment of Bank Alfalah's 2025 performance across its most material ESG pillars, underpinned by a structured approach to due diligence and governance oversight. This ensures that

all sustainability disclosures reflect strong operational discipline and are closely aligned with the Bank's long-term strategic objectives.

1. Economic Performance (GRI 201)

Bank Alfalah's economic performance reflects the value it creates and distributes through its core banking operations, employment, tax contributions, and shareholder returns.

- In 2025, the Bank reported revenue of PKR 183.36 billion, profit after tax of PKR 28.34 billion, deposits of PKR 2.49 trillion, and gross advances of about PKR 1.153 trillion.
- Economic value distributed included PKR 49.9 billion in employee salaries and benefits, PKR 39.7 billion in taxes, and PKR 34.8 billion to suppliers and vendors.
- The Bank issued a cash dividend of PKR 10.5 per share, while donations and charity reached PKR 486.8 million for creating the shareholder & community Impact.

Strategic Due Diligence & Governance Oversight:

Oversight is exercised through the Board and relevant committees, while management implements approved strategies, performance plans, and internal controls.

- The Bank manages supplier relationships through a Board-approved Procurement Policy based on integrity, transparency, and accountability.
- The due diligence in supplier management includes fair competition, vendor enlistment based on track records, and strict adherence to professional and ethical standards.
- For credit approvals, the Bank addresses material factors through environmental and social screening, climate-related risk management, and IFRS S1/S2 readiness.

The Bank utilized SBP-supported refinance facilities for priority sectors including exports, SMEs, agriculture, women entrepreneurs, and renewable energy.

2. Market Presence (GRI 203/FS)

Bank's market presence reflects the scale and reach of physical, digital, and international network.

- In 2025, we served customers through 113,000+ touchpoints, including 1,175 domestic branches, 1,399 ATMs, and 42,750 agent network points.
- The Bank's footprint has been expanded in more than 240 cities across Pakistan and maintains an international presence in Afghanistan, Bangladesh, Bahrain, and the UAE.

However, this footprint supports financial inclusion and local employment; the Bank links market presence with local hiring and talent development through initiatives like AlfaLead.

3. Taxes (GRI 207)

Bank Alfalah supports public finances through direct tax payments and the collection of indirect taxes.

- The Bank contributed PKR 39.7 billion in income taxes.

Governance approach on materiality mapping covers the tax approach, governance, and stakeholder engagement on tax.

4. Energy & Emissions (GRI 302 & 305)

The Bank is committed to improving energy efficiency and expanding renewable energy use.

- In 2025, the Bank has stepped into the renewable energies powered through 184 ATMs solar-powered, contributing to an offset of more than 283 tons of CO₂e.
- The Karachi Head Office is recognised as a WWF-certified Green Office Building.
- Following the SBP's December 2025 framework, the Bank plans to integrate climate-related financial risks into its broader risk management framework.

5. Diversity, Inclusion & Non-Discrimination (GRI 405 & 406)

Diversity and equity are viewed as essential drivers of long-term performance.

- The Bank's 2025 workforce comprised 13,610 men (79.5%) and 3,518 women (20.5%).
- The Bank reported a mean gender pay gap of 35%, with balanced compensation across most levels and slight pay favorability to women in senior management.
- The Bank has supported various Inclusion Programs such as SHELead, Uraan, childcare allowances, and flexible working.
- The Bank takes ethical standards seriously. Every employee signs our Code of Ethics each year.
- In 2025, the Bank handled 67 formal grievances with 100% Resolution.

6. Occupational Health and Safety (GRI 403)

Managed through the Health, Safety and Environment (HSE) function to maintain a safe environment for employees, vendors, and customers.

- Bank's Infrastructure includes fire extinguisher installations, mandatory ramps, emergency exits, and safety inspections.
- Wellness Initiatives include CPR training, flu vaccination camps, and mental well-being activities.

7. Governance: Privacy & Education (GRI 418 & 404)

- The Board Information Technology Committee oversees cybersecurity, receiving updates from the CISO and reports on incidents within 24 hours.

- Includes a 24/7 Security Operations Center, multi-factor authentication, and continuous digital monitoring.
- The Bank handled 209,165 customer complaints with an average resolution time of 3.6 working days.
- In 2025, the Bank invested PKR 300.1 million in training and development, including AAOIFI Shariah Standards and financial literacy.

8. Energy and Emissions (GRI 302 & 305)

Bank Alfalah adopts a structured and data-driven approach to measuring and managing its energy consumption and emissions footprint, in alignment with GRI 302 and GRI 305 disclosures. The Bank tracks its energy usage across multiple sources, including

electricity, LPG, diesel, and renewable energy, converting these into standardised units to ensure consistency, comparability, and transparency in reporting. This enables a comprehensive understanding of energy intensity, operational efficiency, and environmental impact across its network. The information presented in this section highlights both quantitative performance metrics and key operational initiatives undertaken to reduce environmental impact. These include the transition towards renewable energy solutions, improvements in energy efficiency, and the adoption of sustainable technologies across branches and facilities.

Together, these efforts demonstrate the Bank's commitment to minimising its environmental footprint while supporting the broader objectives of green banking and climate responsibility.

Factors for Emissions: S1 and S2

US EPA – 2025 Emission Factors for Diesel			
	kg CO ₂ per gallon	g CH ₄ per gallon	g N ₂ O per gallon
Distillate Fuel Oil No. 2 / Diesel	10.21	0.41	0.08
To convert electricity consumption to emissions, IGES GRID emission factor of 0.547 is used for Pakistan			
Scope 1 and 2 Emission		<p>Percentile Distribution</p> <p>A donut chart illustrating the distribution of emissions between Scope 1 (S1) and Scope 2 (S2). The S1 segment is red and represents 74% of the total emissions. The S2 segment is grey and represents 26% of the total emissions. A legend below the chart shows a red square for S1 and a grey square for S2.</p>	
Electricity S2	20,432,528 Kg CO ₂ e		
Diesel S1	7,178,779 Kg CO ₂ e		
LPG S1	1,299 Kg CO ₂ e		
Total Emissions	27,612,606 Kg CO₂e		
<p>Using the standard factor from Intergovernmental Panel on Climate Change: 1 kg LPG≈0.0448 MMBtu Calculation: 468×0.0448=20.9664 MMBtu Final Answer: 468 kg LPG≈20.97 MMBtu</p>			

9. Energy Consumption (GRI 302-1)

The Bank monitors its energy consumption across multiple sources to understand its operational footprint and identify efficiency opportunities.

Components	Units	2025
Electricity Consumption S2	kWh	37,352,291
LPG Consumption S1	Kg	468
Diesel Consumption S1	Lit	2,653,079
Renewable Energy	kWh	772,250

Energy Consumption in GJ

To ensure consistency in reporting, energy consumption is also measured in giga joules (GJ), enabling comparability across energy sources.

Components	Units	2025
Electricity Consumption S2	GJ	134,468
LPG Consumption S1	GJ	4.7
Diesel Consumption S1	GJ	102,427
Renewable Energy	GJ	2780.1

Energy Mix

Components	Percent of GJ
Electricity Consumption S2	56
LPG Consumption S1	0.002
Diesel Consumption S1	42.73
Renewable Energy	1.16

Components	2025
Total Energy Consumption	239,380 GJ
Total Workforce	17,128
Total Energy Consumption per employee	13.98 GJ/ Employee

**Assumption: Solar energy output is considered fully consumed.*

The data comprises the branch network, head office, and other regional and local offices. The Bank is currently measuring this data through manual inputs and is in the process of onboarding a digital system to further improve data calculation and reporting. In case of any variance, it will be reported in the next reporting cycle.

Own Impact Reduction Initiatives

- Reducing paper consumption across operations
- Replacing diesel-fueled generators with UPS systems for backup power
- Transitioning from regular saver lights to energy-efficient LED lighting
- Replacing conventional air conditioners with energy-saving inverter ACs
- Installing sensor-based water taps and flow optimisers at selected locations
- 184 ATMs powered by solar energy
- Solar power systems with a total capacity of 1400+ kWh have been installed across the following 37 key premises:
 - Shadman Market Branch, Lahore
 - Circular Road Branch, Lahore
 - DHA Phase V Branch, Lahore
 - Johar Town Branch, Lahore
 - Bahadrabad Branch, Karachi
 - F.B. Area Branch, Karachi
 - Bela Branch, Baluchistan
 - Shaikh Bhirkio Branch
 - Abbottabad Main Branch
 - SITE Branch and Warehouse
 - Sunset Guest House, Karachi
 - Shahdin Manzil Lahore
 - HO Building, Karachi
 - Executive Guest House, Khayban-e-Sehar, Karachi
 - CFG, 23-H Gulberg, Lahore
 - Mehar, Dist. Dadu Branch
 - Hangu Branch
 - Usta Mohammad - Baluchistan
 - Panjgoor
 - Turbat Branch
 - Dasu branch
 - Astor
 - Y' Block, Lahore
 - North Karachi Industrial Area, Karachi
 - I-8 Markaz, Islamabad
 - Wah Cantt Branch
 - Commercial DHA Phase V, Islamabad
 - Ravi Road Branch - LHR - 0061
 - IBB - New Garden Town
 - Badami Bagh Branch
 - Baghbanpura Branch
 - Sialkot Branch
 - Main Rawalpindi Branch
 - F-10 Branch
 - Liaquat Road Rawalpindi Branch
 - Okara Branch

Promoting Workplace Safety and Well-being

Bank Alfalah's Health, Safety, and Environment (HSE) team has implemented diverse initiatives to enhance employee well-being, safety awareness, and workplace resilience. These efforts include structured training programs, wellness campaigns, emergency preparedness measures, and health-focused activities. By fostering a culture of safety and care, the bank ensures a secure and supportive environment for its employees and stakeholders.

Key Health and Safety Initiatives

- **Health and Safety Month**
The initiative featured over 16 structured activities, including awareness sessions, training workshops, wellness campaigns, and volunteer programs.
- **Automatic Fire Extinguishers (AFE) Installation**
All Bank Alfalah branches are now equipped with AFEs. This unique and cost-effective initiative to reduce the risk of fire in branches and critical locations where physical monitoring is not possible at all times.
- **Emergency Preparedness and Response**
The Bank's HSE team equips staff with training and communication to handle potential adverse situations, ensuring that safety precautions are integrated into the office culture and daily routine. The emergency preparedness program includes providing health and safety awareness, as well as training on emergency evacuation procedures and fire safety.
- **Safety Training and Awareness**
The Health, Safety, and Environment (HSE) as well as Business Resilience teams are actively conducting training and awareness programs for staff across multiple platforms. These initiatives include classroom sessions, email circulations, videos displayed on staff screens, and various other channels.
- **Pre-emptive Safety Inspections/Reviews**
In upholding elevated safety protocols, the HSE team conducts proactive safety reviews of branches. This not only facilitates the identification and rectification of potential hazards but also contributes to the establishment of a secure environment for both staff and customers.
- **Mandatory Ramp and Emergency Exit Provision**
Emergency Exit and Ramps are now integral part of all Bank Alfalah premises.

- First Aid and CPR Trainings**
 Successful lifesaving and emergency response trainings provided to staff. The participants were trained in First Aid and CPR, equipping them to respond to emergencies and deliver critical care until professional life support arrives
- Blood Donation Drive**
 Blood Donation drives have been arranged in major cities to support patients fighting from thalassemia and other life-threatening diseases. The donors will be provided with complimentary medical screenings including tests like HIV, HPV, Hepatitis, Syphilis, Blood Grouping etc. In case of emergency requirements, the staff will be provided free of cost blood by the blood banks.
- Free Medical Camp**
 HSE Team in collaboration with SSWAB Trust (Kidney Care and Dialysis Centre), Karachi, organized a medical camp at Fakhri Trade Center, the employees were benefited with free doctor consultations and health screenings, including blood sugar, blood pressure, and heart rate checks.
- Vendor Safety Training**
 Bank Alfalah's HSE and Electrical team arranged a training session on Safe Working Practices for the vendors, covering areas such as civil works, electrical systems, UPS operations, and facility management. This initiative was taken to engage the vendors and align them with ongoing HSE best practices within the bank as well as broader market expectations.
- Ergonomics Awareness Session**
 An HSE Wellness Session on Ergonomics was conducted at the BAF Learning Centre, Rawalpindi in coordination with the qualified and experienced physiotherapist from Shifa International Hospital.
- Defensive Driving Awareness Session**
 Bank Alfalah's HSE Department, in collaborated with the National Highway and Motorway Police (NHMP), organized an interactive defensive driving, safe driving awareness session at the Learning Center, Karachi, led by a certified road safety education officers, ensuring that participants received professional and practical guidance.
- Stress Relief through Hypnosis**
 An impactful session focused on stress relief through

hypnosis and mental well-being was organized by Bank Alfalah's HSE Team at the Learning Centre in Karachi.

- Lactation Awareness Session**
 An awareness session in coordination with a lactation specialist from the Sindh Institute of Child Health and Neonatology (SICHN) to support new mothers, infants, and mothers-to-be within the organization has been organized. The session provided guidance and offered practical tips for balancing motherhood with workplace responsibilities.
- Flu Vaccination for Staff**
 Flu vaccination camps have been arranged for its staff at discounted rates, promoting a healthy and safe workplace. This initiative reflects the bank's commitment to the well-being of its colleagues.

Green Financing

Traditionally financial considerations have been the drivers of profit. The severity and accelerated pace of environmental degradation and social deterioration forced a redrawing of priorities for companies on how they should conduct business and for the banks as to what and whom they should finance.

By virtue of their role as intermediaries between people with shortages and surpluses of capital, banks hold a unique position in the economy for sustainable development. This intermediary role is both quantitative and qualitative. Bank Alfalah believes that the greatest impact the Bank has on the environment and society is through its financing activities.

Green banking integrates financial, social and environmental considerations into decision-making to enable sustained profits and higher returns on investments.

With its Green Banking Guidelines, the State Bank of Pakistan introduced green banking in Pakistan and initiated the process of its incorporation in banks' systems. Bank Alfalah has an approved Green Banking Policy for implementation of SBP Guidelines. New joiners are given basic Green Banking awareness training during their orientation while existing staff are required to successfully complete an e-Learning module on 'Green Banking' every year.

Green Banking Portfolio

Bank Alfalah has provided financing for the following mega green projects:

Sr #	Name of Project	Source/ Type	Capacity (in MW)
1	Fatima Energy Limited	Bagasse	118
2	Chiniot Power Limited	Bagasse	62
3	Hunza Steel (Pvt.) Ltd.	Bagasse	20
4	Gul Ahmed Wind Power Limited	Wind	49
5	Metro Power Company (Pvt.) Limited	Wind	49
6	Master Green Energy Limited	Wind	50
7	Din Energy Limited	Wind	50
8	Gharo Solar (Pvt.) Limited	Solar	50
9	Nizam Power (Pvt.) Ltd	Solar	9
10	Neelum Jhelum Hydropower Company (Pvt) Ltd	Hydro	969
11	Dasu Hydropower Project, WAPDA	Hydro	4,320

Green Financing Performance

In 2025, the Bank's annual green financing target was PKR 34.2 billion, against which year-end outstanding green financing stood at PKR 24.1 billion, reflecting a negative variance of 29%.

This shortfall was primarily driven by political and economic uncertainty, limited incentives for green projects, and the withdrawal of subsidised rates by the State Bank of Pakistan, all of which reduced clients' appetite for investment in green initiatives and related financing.

10. Supplier Management and Responsible Procurement((GRI 204-1)

Bank Alfalah does not separately disclose confirmed cases of significant negative social impacts in its supply chain. However, the Bank identifies potential social risks and addresses them through a Board-approved Procurement Policy, supplier screening criteria, an Exclusion List aligned with SBP requirements, and World Check screening for contracts involving capital expenditure, purchases and construction work. The Bank also restricts support for activities related to weapons and munitions unless the required government licences and permits are in place.

Environmental Impacts in the Supply Chain and Actions Taken

Bank Alfalah recognises that its supply chain may be exposed to environmental risks that can also affect operational continuity and responsible sourcing. These potential impacts include:

- Effluent
- Emissions
- Waste
- Chemical releases
- Resource depletion

How the Bank is responding

To address these risks, the Bank has taken a number of steps through its procurement and vendor management practices. Applying **Sustainable and Green Procurement** guidelines under its procurement policy:

- Managing vendors more effectively to reduce the risk of supply chain disruption
- Considering vendors' **environmental commitment** during selection
- Prioritising **environmentally responsible brands**
- Requiring the use of **FSC and PEFC certified paper**
- Ensuring the same paper certification standards are followed by both **primary and alternate vendors**.

Social and Human Rights Considerations in the Supply Chain

Bank Alfalah seeks to manage social and human rights risks in its supply chain through responsible procurement practices, supplier screening and exclusion-based controls. These measures are implemented through the Bank's Board-approved Procurement Policy and related screening processes, and are aligned with applicable regulatory requirements and IFC guidelines.

Social impacts in the Supply Chain

The Bank recognises that social risks may arise in supplier relationships and addresses these through a number of preventive controls, including:

- A Board-approved Procurement Policy
- Supplier screening criteria for social risk considerations
- An Exclusion List aligned with SBP requirements
- World Check screening for contracts involving capital expenditure, purchases and construction work
- restrictions on support for activities related to weapons and munitions, unless all required government licences and permits are in place

These measures are intended to strengthen due diligence and reduce potential negative impacts on society across the supply chain.

Overall, Bank Alfalah's approach reflects a preventive and risk-based framework for managing social and human rights considerations in the supply chain, supported by procurement controls, supplier screening and exclusion-based safeguards.

The Bank's governance and business ethics framework promotes fair market conduct through fair and transparent competition, competitive bidding processes, high standards of professional integrity, a zero-tolerance approach to corruption and bribery, and Board-level oversight of legal and regulatory compliance.

Compliance Status

The Bank believes in sustainable growth while adhering to best ESG procedures. The Bank takes guidance from ESG Indicators from the Pakistan Stock Exchange (PSX). Given below are the contributions made by the Bank and steps in progress:

Environment, Social and Governance (ESG) Commitments and Contribution

Pillars	Indicators	Supporting Activities in year 2025
Environment	Climate risk	In December 2025, State Bank of Pakistan (SBP) issued Regulatory Framework for the Effective Management of Climate-Related Financial Risks and the Guidelines on Climate Stress Testing 2025. In accordance with the timelines prescribed by SBP, the Bank will integrate climate-related financial risks into its overall risk management framework, with a strong focus on capacity building to ensure it is well equipped to identify, assess, and manage sustainability and climate-related financial risks effectively.
	Renewable fuels	The Bank supports Green Projects based on Renewable Fuels / Energy, including 1) Solar, 2) Wind, 3) Hydro, and 4) Bagasse. For further details, refer to this Annual Report's 'Sustainability' section
	Recycling Processes	The Bank has taken various measures to adopt recycling processes to reduce the impacts on climate. This includes responsible waste management through recycling processes, conservative paper printing and reuse of printed papers throughout the organisation.
	Emergency preparedness	The Bank assesses and remains adaptable to the crisis. The bank has board and management level crisis management teams to oversee emergencies and ensure that business continuity plans are in place.
	Water management	The Bank takes action to conserve water during its daily operations.
	Greenhouse gas (GHG) emissions	The Bank has produce its first carbon emission footprint and is and is preparing for digital calculations with onboarding offer system.
	Energy Efficiency	The Bank has taken various steps in this regard: <ol style="list-style-type: none"> 1. Conversion of normal ACs to Inverter ACs/Solar ACs Work from Home on Fridays for all head office buildings in Karachi and Lahore. 2. Opening green branches where they have a lesser dependency on the power grid Making more use of solar energy to full fill the power needs of the Bank. 3. Financing for modernised farming that produces more crop with less water utilisation.

Social	Indicators	Some Possible Activities
	Health and Safety	The Bank's dedicated Health, Safety, and Environment (HSE) team endeavours for the safety of its employees and customers. Further, the Bank has Employee Welfare programmes to support the medical expenses of employees in need Donations to the Health Sector and to employees affected by floods.
	Employee Benefits	Employees are key stakeholders of the Bank. The Bank takes all necessary steps to implement employee-friendly policies, a conducive working environment, health and safety and fair remuneration.
	Human Rights	The Bank takes all necessary measures to promote human rights on all fronts. Given below are the Bank's contributions: Bank Alfalah complies with IFC guidelines whereby it does not lend money to organisations involved in activities related to child labour; Bank Alfalah offers a six-month paid maternity leave to all female employees and is the only bank to provide a maternity cover incentive to the employees who serve as maternity covers for the women availing maternity leaves; Bank Alfalah actively supports its female and single-parent employees through its childcare policy. This initiative anchors the Bank's commitment to working mothers/single parents as it allows them to arrange a daycare/caretaker while setting their sights on their careers; The Bank has various employee-centric policies aimed at uplifting the economic status of employees.
	Diversity and Inclusion	Bank Alfalah embarked upon a Diversity and Inclusion (DandI) journey because it strongly believes in the business and social impact created by a diverse workforce and an inclusive work culture. The Bank wants to build a workforce that is representative of different genders, ages, backgrounds, experiences, working styles and abilities. The Bank harbours a commitment towards fostering a workplace culture where people can bring their best and authentic selves every day. The Bank believes that DandI inspires creativity and innovation unlocks productivity and enhances profitability.
	Working Conditions	The Bank's professional and experienced HSE (Health, Safety and Environment) and Business Resilience teams continually strive to create a culture that ensures that the Bank's services are made available to customers safely despite any disruptive events or crises. The Bank's frameworks and emergency protocols, proactive planning, training, exercise programmes, advisories and alerts, premises inspections and hazard mitigation plans distinguish the Bank as a standard setter in the industry.

Pillars	Indicators	Some Possible Activities
Social	Impact on Local Communities	Bank Alfalah is committed to Corporate Social Responsibility (CSR). The Bank's CSR initiatives have enhanced its reputation by contributing positively to society. Bank Alfalah remained committed throughout the year and contributed to economic, social and environmental development. Above all, Bank Alfalah was at the forefront of efforts to support the vulnerable and underserved segments of society, especially people affected by the floods. The Bank contributes to institutions, projects, and facilities that share the same belief in philanthropy, which is aligned with the Bank's motto of 'giving back to our communities' and adheres to the Bank's CSR policies. These community services create a ripple effect and alleviate hardships for the less privileged in society. Priority CSR areas for the Bank include education, health, social welfare, environmental sustainability, leadership development, and promotion of sports, arts and culture.
	Board Diversity and Governance	The Bank follows diversity in forming the Board and senior management, including committees. Further, it covers all governance aspects through the formation of policies.
Governance	Pay for Performance	The Bank follows remuneration guidelines given by the State Bank of Pakistan. Further, it has board-level committees (Human Resource, Remuneration and Nominations Committee and Compensation Committee) to monitor and ensure transparency in all aspects. The Bank also has a performance-linked appraisal mechanism for its employees. For further details on their TORs, meetings, and committee performance.
	Stakeholder Engagement	The Bank identifies its stakeholders and monitors its relationships through many communication channels, including regular dialogue. The Bank's primary stakeholders are employees, customers, shareholders/institutional investors, suppliers/vendors, analysts and rating agencies, regulatory bodies, society/community, and media.
	Shareholder Rights	The Bank protects the rights of all of its shareholders through fair policies, transparent disclosures, and constant engagement to ensure effective communication and informed decision-making. The Bank has deputed qualified staff and a share registrar to handle shareholders' matters and ensure their rights are protected.
	Ethical Standards	The Bank adopts fair business practices. It protects the rights of customers. The Bank has Business Ethics and Anti-Corruption Measures in place.

Governance of Impact



Sustainability and ESG Strategy Aligned with The Governance

The Bank's sustainability strategy is shaped by governance-led identification of priority ESG issues and is translated into focus areas, targets, and action plans to support mitigation, adaptation, and responsible growth.

This strategy is organised around a Sustainability Framework that strengthens three forms of capital - Social, Economic and Environmental and is implemented through the Bank's impact pillars: **Customers, Colleagues, Community and Country.**

Bank Alfalah's material topics are governed through an integrated structure led by the Board of Directors, which retains ultimate responsibility for governance, strategy, risk oversight and organisational performance. Operational execution of Board-approved strategies is delegated to Management under the leadership of the President and CEO. To support effective oversight, the Board has constituted specialised committees, including the Board Audit Committee, Board Risk Management Committee, Board Strategy and Finance Committee, Board Human Resources, Remuneration and Nomination Committee, and Board Information Technology Committee.

Management-level committees, including the Central Management Committee, Central Credit Committee, Digital Council, and the management-level Sustainability Committee, support implementation, monitoring and reporting. Across material topics, governance is reinforced through Board-approved policies, internal controls, compliance processes, risk management frameworks and escalation mechanisms to senior management and relevant Board Committees. **GRI 2-9: Governance structure and composition.**

Economic Performance and Taxation GRI 2-12 Board oversight

Economic performance and taxation are governed through the Bank's broader financial governance, internal control and regulatory compliance framework. The Board oversees risk management and internal controls principally through the Board Audit Committee and Board Risk Management Committee, while the wider governance framework includes engagement with regulators such as the FBR, alongside external auditors. In this context, taxation is managed as part of the Bank's overall accountability framework rather than through a standalone tax committee. The Bank as a trusted partner of regulators and a responsible tax-paying and collection agent, supporting the view that tax governance is embedded in financial reporting, regulatory compliance and

management controls.

Governance of customer-related material topics is driven through the Bank's customer-centric operating model and management oversight mechanisms. The Customer Experience Unit acts as the central driver for customer interests and service excellence, supported by branch-level accountability measures, service culture programmes and governance mechanisms such as the Service Super League. Complaint handling is governed through a centralised Complaint Management System, with complaints received across branches, digital service centres, contact centres, sales staff, website, email, mobile app and drop boxes. The framework includes prompt recording, a defined escalation matrix, regular root cause analysis and reporting to Senior Management and Business Segments. Additional oversight is reinforced through the Customer Management Unit, the 24/7 contact centre, Digital Facilitation Desks, and monitoring tools such as Voice of Customer, Video Mystery Shopping and Live Service Monitoring. GRI 2-16: Communication of critical concerns / GRI 417-3 / GRI 418-1

Information Security and Customer Privacy GRI 418: Customer Privacy

Information security and customer privacy are governed through the Bank's technology and risk oversight structure. The Board Information Technology Committee provides Board-level oversight of technology, digital banking and information security matters, while a dedicated Information Security Division, operating under the Credit and Risk Management Group, is responsible for governance and management of information security risks across the Bank's technology assets. The Bank has a Board-approved Information Security Risk Management Policy supported by detailed procedures, baseline controls and alignment with regulatory advisories and international standards. Oversight is further strengthened through periodic cyber risk assessments, third-party security reviews, cybersecurity action plans, continuous policy review and security awareness programmes for staff and customers. This makes information security a clearly governed material topic, with privacy protection embedded in broader cyber resilience, technology governance and customer trust. GRI 2-12/GRI 2-13/GRI 418-1

Green Banking, Climate and Environmental Responsibility GRI 302: Energy & GRI 305: Emissions

Governance of green banking and environmental responsibility rests ultimately with the Board of Directors, with oversight of sustainability risks and opportunities exercised through the Board Strategy and Finance

Committee, which oversees the Sustainability Committee. The Board reviews sustainability-related matters as part of its oversight of strategy, risk appetite, compliance and long-term value creation. Management is responsible for implementing the Bank's green banking agenda, including integration of environmental considerations into financing activities, business planning and operational governance. Environmental and social risk is addressed within the broader risk management framework under the oversight of the Board Risk Management Committee, with material matters escalated through established governance forums and reported periodically to the Board.

Responsible Finance and Environmental & Social Risk in Lending GRI 203: Indirect Economic Impacts

Responsible finance, including environmental and social risk in lending decisions, is governed through the Bank's integrated sustainability and risk framework. The Board, through its committees, ensures that environmental and social considerations are embedded in credit policies, business decisions and operational governance. Management is responsible for identifying, assessing and mitigating environmental and social risks associated with lending operations. Relevant management committees oversee the incorporation of these considerations into credit appraisal, portfolio monitoring and business planning, while the Board Risk Management Committee provides oversight of the broader risk framework. This governance approach supports responsible lending and aligns sustainable finance activities with the Bank's wider risk appetite and regulatory obligations.

Human Capital, Diversity, Learning and Wellbeing GRI 401: Employment GRI 404: Training and Education GRI 405: Diversity and Equal Opportunity GRI 403: Occupational Health and Safety

Human capital topics are overseen by the Board Human Resources, Remuneration and Nomination Committee, with Management responsible for implementation across the organisation. The governance framework covers employee welfare, diversity and inclusion, fair employment practices, learning and development, occupational health and safety, and broader social responsibility matters. These topics are integrated into the Bank's human capital strategy, performance management frameworks and internal control processes.

Occupational health and safety is governed as part of the Bank's wider human capital and operational resilience framework. Board oversight sits within the broader mandate of the Board Human Resources, Remuneration and Nomination Committee for employee welfare and social responsibility matters, while operational

implementation is carried out by Management through the Health, Safety and Environment and Business Resilience functions. The report links workplace safety with emergency preparedness, resilience planning, training, safety reviews and business continuity measures, indicating that health and safety is not managed in isolation but through coordinated governance across human resources, operations and resilience functions.

Ethics, Integrity, Anti-Corruption and Whistleblowing GRI 205: Anti-corruption

Ethics and integrity are governed through a formal policy and controls framework anchored in the Bank's zero-tolerance approach to corruption, bribery and unethical conduct. The Bank has implemented a Code of Conduct, Anti-Corruption Policy, Conflict of Interest Policy and Whistleblowing Policy, supported by secure and confidential reporting channels. Sustainability-related concerns, ethical issues and grievances are escalated through internal reporting channels, compliance functions, risk management frameworks, whistleblowing mechanisms and management committees, with material matters escalated to the relevant Board Committees. The Board Audit Committee oversees the effectiveness of these mechanisms, including the whistleblowing framework, to help ensure transparency, accountability and protection against retaliation.

Stakeholder Engagement and Community Investment GRI 413: Local Communities

Stakeholder engagement and community investment are governed through the Bank's broader sustainability and governance architecture. The Bank engages regularly with customers, employees, shareholders, regulators, investors, suppliers, media and communities, and has formal mechanisms in place for investor engagement, grievance management and shareholder participation. The Board retains ultimate oversight of environmental and social considerations, while the Board Strategy and Finance Committee oversees sustainability risks and opportunities linked to long-term value creation. Management-level sustainability structures support implementation, monitoring and reporting, enabling community investment and stakeholder engagement to be governed as part of the Bank's wider sustainability and accountability framework.

Dimension	Category	Risk Management Perspective & Strategic Implications
Systemic Risks	Climate & Ecosystem Decay	Threatens collateral values and borrower repayment capacity; requires rigorous stress testing and ESRM integration.
Operational Impacts	Social & Resource Footprint	Direct impact on the "License to Operate"; focus on resource efficiency to mitigate rising utility costs and regulatory penalties.
Growth Opportunities	Green Finance & Renewables	Capitalizing on the energy transition to diversify the lending portfolio and capture emerging high-growth markets.
Market Evolution	Digital Inclusion	Mitigating the risk of obsolescence by scaling digital infrastructure to lower the cost-to-serve and improve margins.

Monitoring & Evaluation for Risk Management

Bank Alfalah adopts a structured and integrated approach to monitoring and evaluation, positioning it as a core component of its overall risk management framework. Sustainability-related risks and opportunities are systematically identified, assessed, and monitored through established governance mechanisms to ensure alignment with the Bank's strategic priorities and evolving regulatory expectations.

At the governance level, oversight is exercised through the Sustainability Committee, which ensures that environmental, social, and governance (ESG) considerations are embedded into decision-making processes. The Bank utilizes a materiality-based approach to continuously identify and prioritise key risk areas, enabling focused management attention on the most significant sustainability impacts and exposures.

To enhance transparency and accountability, Bank Alfalah aligns its disclosures with internationally recognised frameworks such as the Global Reporting Initiative (GRI), while progressively advancing its readiness for IFRS S1 and IFRS S2 standards. This ensures that sustainability and climate-related financial risks are not only disclosed but are also systematically integrated into financial and risk reporting processes.

Environmental and social risk considerations are embedded within the Bank's credit approval mechanisms, enabling responsible financing decisions and reducing exposure to high-risk sectors. In parallel, operational risks are actively managed through robust health and safety monitoring systems, ensuring the well-being of employees and continuity of operations.

The Bank further strengthens its risk management environment through established whistleblowing channels and ethics oversight frameworks, which support early detection and mitigation of compliance and conduct-related risks. Complementing these efforts, business resilience and continuity planning processes are in place to ensure preparedness against potential disruptions, reinforcing the Bank's ability to sustain operations under varying risk scenarios.

Collectively, these monitoring and evaluation mechanisms enable Bank Alfalah to maintain a proactive, transparent, and resilient approach to managing sustainability and enterprise-wide risks.

How the Bank Shares the Risk Management Responsibilities?

The Board

Responsibilities:

- Approves Strategic Objectives And Risk Appetite
- Reviews key risks and mitigating measures
- Approves the risk infrastructure
- Assesses effectiveness through periodic reporting
- Defines risk management policies
- Formulates and maintains integrated bank-wide risk management framework
- Establishes a bank-wide strategy incorporating the risk management strategy

Board Committees:

- Board Risk Management Committee (BRMC)
- Board Information Technology Committee (BITC)
- Board Audit Committee (BAC)
- Board Strategy and Finance Committee (BSFC)
- Board Crisis Management Committee (BCMC)

Senior Management

Responsibilities

- Defines and proposes the risk appetite for onward approval from the Board and monitors it quarterly
- Oversees design and sustainable implementation of Enterprise Risk Management (ERM) and internal control systems
- Evaluates the adequacy of risk mitigation plans

Management Committees:

- Central Management Committee
- Digital Council Committee
- Central Credit Committee
- Control and Compliance Committee
- Asset Liability Management Committee
- Process Improvement Committee
- Governance Committee for Oversees Operation
- IFRS 9 Steering Committee
- IT Steering Committee
- Crisis Management Team
- Sustainability Committee

Credit and Risk Management Group

Responsibilities

- Develops risk policies, interprets and guides business units on risk standards, limits and regulations
- Monitor key ratios and risk levels through routine testing skills
- Reports to the management, Board and regulator

Risk Divisions:

- Risk Management Division
- Information Security
- Credit Policy and Portfolio Management
- Credit Administration
- Operational Risk
- Credit Division
- Consumer and Digital Risk
- CRM Governance and First line OR

Impacts	Risks	Opportunities	Financial Implications
Advancing financial inclusion	Climate change (physical & transition risks)	Growth in Green Financing	Investment in community & CSR programs
Supporting SMEs & agriculture	Ecosystem degradation	Development of green products	Employee & supplier-related expenditures
Promoting employee wellbeing	Resource scarcity	Renewable energy financing	Technology & digital transformation investments
Community development initiatives	Credit & portfolio exposure risks	Digital inclusion expansion	Human capital development costs
Expanding green portfolio	Regulatory & compliance risks	Sustainable portfolio growth	Long-term ROI & resilience gains
Reducing operational footprint	Operational disruptions	Strengthening ESG positioning	Improved access to capital

Governance of Gender Pay Gap

Bank Alfalah is committed to sustainable professional growth of its employees based on performance, inclusion, and equal opportunity. As part of our commitment to responsible governance and transparent reporting, we disclose our gender pay gap as per regulatory requirements, however the percentages do not fully capture the variation in experiences and nature of roles and responsibilities at each level.

Level	Grades	Mean Gender Pay Gap	Median Gender Pay Gap
Senior Management		-3%	6%
Middle Management	SVP-I	1%	6%
	VP-II	6%	5%
	VP-I	-1%	4%
	AVP-II	2%	0%
	AVP-I	1%	2%
Officer Level	OG-I	2%	3%
	OG-II	3%	3%
	OG-III	3%	0%
	OG-IV	2%	0%
Overall		35%	24%

As at 31 December 2025

This reflects an overall workforce composition of 21% women and 79% men across the Bank.

- Gender pay equity remains strong across all levels of the Bank, reflecting a consistent and equitable compensation framework.
- Women in senior management roles are compensated competitively and slightly in favour of women, demonstrating the Bank's focus on recognising leadership contribution irrespective of gender.
- Across middle and officer levels, the mean gender pay gap is very minimal reflecting that the Bank has balanced compensation policies across.

Driving Sustainable Progress

At Bank Alfalah, we remain deeply committed to advancing women's role in the workforce. At middle and lower management, we are fostering women's growth through capacity building, succession planning, a strong rewards and governance framework and target initiatives such as childcare allowance and 6 months' maternity leaves.

Milestone For Sustainability Report Achieved



Strengthening Governance for Sustainability Oversight

In line with evolving regulatory requirements and global best practices, Bank Alfalah further strengthened its sustainability governance framework during in 2025 through enhanced Board-level oversight and formalisation of a dedicated management-level Sustainability Committee.

Board Oversight of Sustainability and ESG Risks

During the year, the Board approved enhancements to the Terms of Reference (TORs) of the Board Strategy and Finance Committee (BSandFC) to strengthen governance and oversight of sustainability-related risks and opportunities, including Environmental, Social and Governance (ESG) considerations.

These enhancements were approved by the Board in its first meeting held on 24 November 2025 and incorporated into the BSandFC TORs in compliance with Regulation No. 10A of the Listed Companies (Code of Corporate Governance) Regulations, 2019, as amended by the SECP vide SRO 920(I)/2024 dated 12 June 2024.

Under the revised TORs, the BSandFC is responsible for reviewing and recommending to the Board, where required: GRI 2-22: Statement on sustainable development strategy

- The Strategic ESG Plan of the Bank, including targets, priorities and the long-term sustainability roadmap to create enduring corporate value
- Adoption of relevant regulatory guidelines, frameworks, manuals, SOPs and applicable laws

related to sustainability and ESG

- Half-yearly updates on the implementation status of the ESG strategic plan, including progress against sustainability priorities and targets
 - Consideration of any urgent or significant sustainability-related matters, including environmental, social and governance risks and opportunities requiring Board-level oversight
- Other components of ESG and sustainability risks relating to Human Resources, Risk Management and Finance/Audit continue to be overseen by the Board Human Resources, Remuneration and Nomination Committee, Board Risk Management Committee, and Board Audit Committee, respectively, ensuring a comprehensive and integrated governance structure.

Management-Level Sustainability Committee

To operationalise the Board's sustainability vision and strengthen execution, the Bank formalised a Management-level Sustainability Committee during the year. The Committee operates under the delegation of the Central Management Committee (CMC).

Objective

The primary objective of the Sustainability Committee is to implement the sustainability strategy approved by the Board of Directors, provide strategic oversight over sustainability-related matters, monitor performance, and ensure alignment with applicable regulations, stakeholder expectations, and global best practices.

While the Bank has a separate Diversity, Equity and Inclusion (DEandI) Committee responsible for decision-making on DEandI matters, the Sustainability Committee maintains oversight of overall DEandI performance as part of the broader sustainability framework.

Composition and Governance

- **Chairperson:** Chief Executive Officer (or Acting CEO in his absence)
- **Secretary:** Responsible for agenda preparation, circulation of minutes, action tracking, and governance documentation
- **Meeting Frequency:** At least twice a year, with provision for emergency meetings in response to urgent regulatory or sustainability developments
- **Quorum:** Minimum of five members or delegates, including the Chairperson and at least two Group Heads

Structure of the SC Committee: Membership Appointed by CMC

Members:

- Chief Executive Officer - Chairperson
- Chief Financial Officer - Member
- Group Head Operations and Corporate Services Member
- Group Head Corporate, Investment Banking and International Business - Member
- Chief Human Resources Officer - Member
- Chief Risk Officer - Member
- Chief Information Officer - Member
- Group Head Strategy, Transformation and Customer Experience - Member
- Group Head Retail Banking - Member
- Group Head Islamic Banking - Member
- Sustainability Risk Specialist - Secretary

Delegated Invitees:

- Head- Risk Management Department
- Head-Environmental Risk and Green Banking
- Head-Investment Banking Division
- Head-Corporate Communications Department
- Head-Corporate Services Division
- Head – Business Technology, Quality Assurance and Project Management
- Financial Controller-Statutory Reporting and ICFR

Roles and Responsibilities

The Sustainability Committee is responsible for:

- Overseeing the Bank's performance on sustainability risks and opportunities, including climate-related, environmental and social considerations across operations, supply chain, and credit and investment portfolios
- Proactively identifying and assessing emerging sustainability and climate-related risks and opportunities, including their potential financial and operational impacts
- Monitoring progress against the Bank's sustainability strategies, priorities and targets, and guiding mitigation and management actions
- Reviewing sustainability and climate-related challenges and guiding resolution of issues as they arise
- Strengthening data governance, systems and controls to ensure accurate sustainability data collection, monitoring and reporting

- Ensuring compliance with relevant sustainability regulations and disclosure requirements, and submitting at least one report to the Board on embedding sustainability principles into the Bank's strategy and operations
- Acting as a platform for research, deliberation and stakeholder engagement on sustainability-related legislative and regulatory developments

Matters for Board Recommendation

The Sustainability Committee proposes and submits the following to the BSandFC / Board of Directors for approval, where required:

- The Strategic Sustainability Framework and implementation plan, including environmental (climate), social and related priorities
- Recommendations on adoption of sustainability-related regulatory frameworks, guidelines and SOPs
- Half-yearly progress updates on sustainability strategy implementation
- Any urgent or significant sustainability or climate-related matters affecting the Bank's operations or value chain. The Committee also reviews and approves the overall content of the Sustainability Report, ensuring alignment with mandatory disclosures and global reporting best practices.

Reporting, Accountability and Evaluation

The Sustainability Committee provides regular updates and comprehensive reports to the BSandFC and Board of Directors, covering progress on ESG initiatives, key performance indicators, regulatory compliance and strategic recommendations.

In addition, the Committee conducts an annual self-evaluation of its performance and submits the evaluation report to the Central Management Committee, supporting continuous improvement in sustainability governance.

Taxation (GRI 207)

Taxation is a material topic for Bank Alfalah because it reflects the Bank's direct contribution to public finances, its role in collecting and remitting taxes through the banking system, and its responsibility to maintain strong governance, controls, and regulatory

compliance. For a bank, taxation is not limited to corporate income tax; it also includes acting as a collection and withholding agent, embedding tax deduction controls into customer and vendor processes, and managing tax risks in a heavily regulated environment. The Annual Report also places the Bank within a governance framework that includes regulators such as the **FBR**, alongside external auditors, reinforcing that taxation is part of the Bank's broader accountability framework.

Approach to taxation GRI 207-1: Approach to tax

Bank Alfalah's approach to taxation is aligned with its business strategy and prevailing regulations. Based on the Annual Report and your provided content, the Bank positions itself as a **responsible taxpayer** and also as a **tax-paying and collection agent** within the economy. The report explicitly states that, in its value chain, the Bank acts as a trusted partner of regulators and aims to be a responsible tax-paying and collection agent. It also shows that the Bank supports tax collection through convenient payment channels such as the **Alfa App, Internet Banking, and ATMs/CDMs/branches**, and serves as a **withholding tax agent for direct and indirect taxes**. The report further notes that robust IT systems are in place to ensure the correct calculation and deduction of taxes from customers, vendors, suppliers, employees, and depositors at rates specified by the tax authorities.

Governance and oversight GRI 207-2: Tax governance, control, and risk management

Taxation is governed through the Bank's overall governance, reporting, and internal control structure. The Annual Report states that the governance framework comprises regulators including **SBP, SECP, PSX and FBR**, as well as external auditors. It also states that appropriate accounting policies are consistently applied, applicable financial reporting standards are followed, and the system of internal control is sound in design and effectively implemented and monitored. In addition, the Bank states that it considers regulatory compliance and reporting a key responsibility, seeks to be fair and open in its dealings with regulators, and maintains a dedicated **Compliance and Business Solutions Group** to manage regulatory correspondence and facilitate regulator requirements.

Taken together, this supports a governance narrative in which tax oversight sits within Board-approved financial

governance, regulatory engagement, and internal control systems rather than being treated as a stand-alone function.

Tax control and risk management GRI 207-2

The tax material topic is closely linked with control, compliance, and risk management. Your source text states that the Bank maintains sufficient tax provisions as required under accounting standards and relevant tax regulations, and that contingencies relating to direct and indirect taxes are disclosed in the financial statements. The Annual Report supports this by disclosing the relationship between accounting profit and tax expense and by detailing ongoing tax matters. It states that the Bank's income tax assessments have been finalised up to and including tax year 2025. It also records outstanding matters relating to certain tax years and indirect tax issues, including tax demands under appeal, while noting that management is confident that certain matters will be decided in the Bank's favour and therefore has not made provision against them. This indicates an established process for assessing tax exposures, maintaining provisions where required, and managing disputes through the appellate process.

Stakeholder and regulator engagement GRI 207-3: Stakeholder engagement and management of concerns

The strongest stakeholder lens on taxation in the report is regulatory engagement. The Annual Report presents the Bank as maintaining transparent relationships with regulators and identifies the FBR as part of the external governance architecture. It also states that the Bank's Compliance and Business Solutions Group manages regulatory correspondence and facilitates regulatory requirements. What the report does not clearly provide is a developed narrative on tax-specific stakeholder engagement or how tax-related concerns are escalated and addressed in the way GRI 207-3 ideally expects. So this can be reported as an area that is only partially covered by the current report.

Economic contribution and performance GRI 207-4: Country-by-country reporting (partial relevance)

The clearest sustainability-report metric in the Annual Report is under **Contribution to the Government**, where the Bank states that it contributed **Rs. 39.7 billion** to the Government's tax revenue in the form of income taxes,

along with collecting and depositing indirect taxes. This is the cleanest number to use in the taxation material topic narrative because it is explicitly framed as contribution to government. The report also separately discloses **tax expense for the year of Rs. 33.998 billion** in the financial statements, and the highlights section shows **Taxes PKR 39.7 billion**. These are clearly tax-related figures, but they are **not necessarily the same metric**, and the report does not reconcile them in one place. So you should not collapse them into a single number without defining the basis. For the sustainability section, **Rs. 42.2 billion** is the most defensible lead figure; the other figures can be referenced only if clearly labeled as financial statement tax expense or highlights data.

Sustainability reporting interpretation

From a materiality perspective, taxation matters because Bank Alfalah creates impact in three ways: first, through its own tax contribution; second, through its role as an intermediary that collects and withholds taxes across customer, employee, supplier, and depositor transactions; and third, through the governance and compliance systems that reduce the risk of misstatement, non-compliance, or disputes. This makes taxation relevant not only to government and regulators, but also to shareholders, customers, employees, vendors, and the wider economy. In a banking context, responsible tax conduct is therefore part of responsible business conduct and institutional trust.

Identification of **Stakeholders**



Board's Focus on Stakeholders' Engagement

The Board has set a framework and guiding principles for the management to ensure transparency and regular interaction with stakeholders, particularly shareholders, and investors. The Bank's management strives, through various platforms such as branches, digital channels, media, and social media platforms, to understand the views and sentiments of its stakeholders.

Managing the Relationships

The Bank holds its key stakeholders in high regard and follows an end-to-end engagement process to keep them informed and involved. Internal as well as external stakeholders are engaged regularly or as and when needed. The Bank continually improves its offerings and services, aiming to meet and exceed stakeholders' Expectations

Identification of stakeholders

The Bank identification is based on:

- the organisation's vision, mission, business objectives, policies and procedures
- stakeholder analysis
- feedback mechanisms
- Stakeholder management strategies for long-term and short-term relationships

The report identifies the Bank's primary stakeholders as:

- customers
- colleagues
- shareholders and institutional investors
- vendors, suppliers and service providers
- analysts and rating agencies
- regulatory bodies
- community and society
- media and marketing/visibility channels

Approach to stakeholder engagement

The Board has set a framework and guiding principles for stakeholder engagement, especially to ensure transparency and regular interaction. The report says the Bank engages stakeholders through a multitude of communication channels, regular dialogue, and a respectful and constructive approach. It also states that

all business functions are primarily responsible for managing engagement with their material stakeholders in line with relevant standards, policies and guidelines.

The Bank's engagement principles include:

- engaging stakeholders in a respectful and constructive manner
- being accessible and responsive to legitimate concerns
- maintaining transparency in stakeholder engagements
- using multiple channels such as branches, digital channels, media and social media to understand stakeholder views and sentiments

Issues and concerns raised by stakeholders

The report sets out the main legitimate needs, interests and concerns of each stakeholder group. These include:

Customers

- best-in-class products and services
- digital platforms for service delivery
- service agility

Colleagues

- career progression
- timely pay
- work-life balance
- training
- belonging
- transparency
- health and well-being

Shareholders and investors

- maximised returns and regular dividends
- timely dissemination of material information
- ongoing engagement

Vendors/suppliers/service providers

- fair and transparent competition
- timely payments
- long-term relationships
- confidentiality of vendor information
- professional and ethical standards

Analysts and rating agencies

- accurate information
- regular connectivity
- forward-looking view on creditworthiness

Regulatory bodies

- compliance with laws and regulations
- timely and accurate reporting
- trusted-partner relationship

Customers

In response to customer feedback and service expectations, the Bank has taken several measures to strengthen customer experience and complaint resolution, including:

- establishing a Customer Experience Unit
- implementing a Consumer Protection Policy
- using Live Service Monitoring to address issues in real time
- launching At Your Service 2.0 to reinforce a customer-centric service culture
- conducting ongoing customer research and feedback gathering
- strengthening quality assurance across products and channels
- handling complaints through multiple touchpoints and corrective action processes

These measures are aimed at improving service standards, responsiveness and customer satisfaction.

Colleagues

In response to employee needs around growth, wellbeing and workplace culture, the Bank has focused on:

- employee engagement sessions
- feedback-based culture initiatives
- succession planning and talent pipeline development
- structured learning and onboarding programmes such as Start Right and Ready to Perform
- wider training and development opportunities
- initiatives to promote diversity, inclusion, belonging and employee wellbeing

Shareholders and Investors

To respond to shareholder and investor expectations for transparency, access and timely information, the Bank has:

- maintained a dedicated Investor Relations Department
- held AGMs and EOGMs with two-way communication
- provided quarterly analyst briefings
- arranged annual corporate briefings
- shared information through the corporate website, stock exchange disclosures and statutory announcements
- maintained grievance-handling mechanisms for issues such as share transfer and dividend-related matters
- provided access to the SECP complaint cell for unresolved matters

These actions are intended to strengthen investor confidence, transparency and trust.

Vendors, Suppliers and Service Providers

In response to supplier expectations around fairness and business continuity, the Bank's actions include:

- transparent competitive bidding
- robust vendor enlistment processes
- timely payments
- strategic sourcing relationships
- protection of vendor confidentiality
- emphasis on professional and ethical conduct

The Report Frames These Measures As Part Of Maintaining Good Business Relationships, Cost-Effectiveness And Service Quality.

Community And Society

In Response To Broader Societal Expectations, The Bank Reports Actions Across:

- Employment And Livelihood Support
- Education
- Health And Safety
- Economic Empowerment
- Environmental Sustainability
- CSR And Islamic Charitable Initiatives

These Are Presented As Part Of The Bank's Wider Social And Sustainability Contribution.

Media And Public Visibility Channels

To Respond To The Need For Awareness And Timely Information, The Bank Uses:

- Advertisements And Promotions
- Product And Service Communication
- Public Information And Awareness Campaigns

These Efforts Support Visibility, Public Image And Brand Awareness

Stakeholders' Engagement

Board's Focus On Stakeholders' Engagement

The board has set a framework and guiding principles for the management to ensure transparency and regular interaction with stakeholders, particularly shareholders, and investors. The bank's management strives, through various platforms such as branches, digital channels, media, and social media platforms, to understand the views and sentiments of its stakeholders.

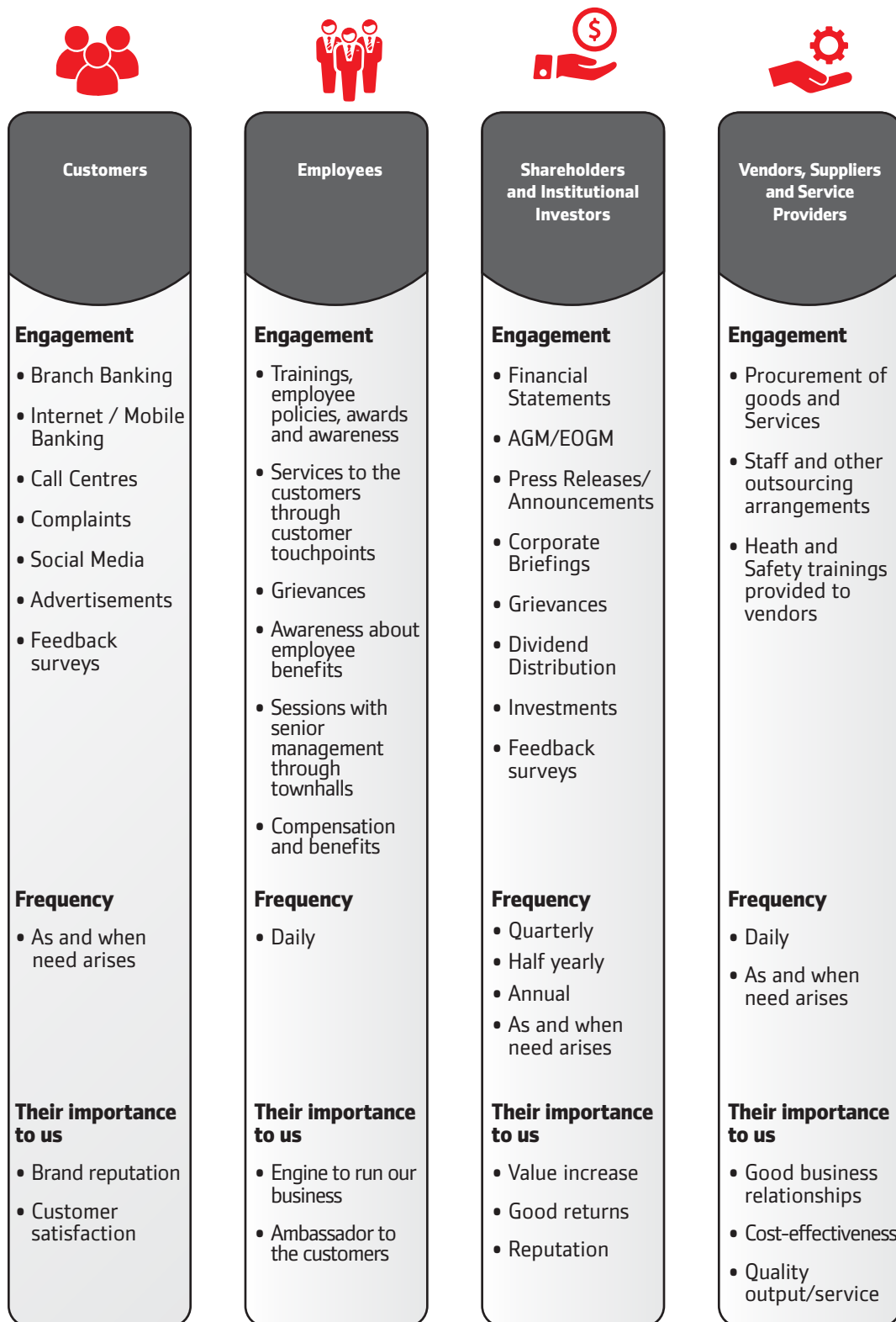
Managing The Relationships

The bank holds its key stakeholders in high regard and follows an end-to-end engagement process to keep them informed and involved. Internal as well as external stakeholders are engaged regularly or as and when needed. The bank continually improves its offerings and services, aiming to meet and exceed stakeholders' expectations.

Stakeholders' Engagement Process and Frequency Of Such Engagements



Stakeholders' Engagement Process and Frequency





Analysts and Rating Agencies

Engagement

- Ratings Reports
- Results Release

Frequency

- Quarterly

Their importance to us

- Independent view providers for the Bank's customers
- Build trust
- Support credibility



Regulatory Bodies

Engagement

- Compliance with Laws and Regulators
- Proactive Engagement and Connection with various Regulatory Agencies
- Meetings and Regular Discussions with regulators

Frequency

- As per regulatory timelines

Their importance to us

- Transparency
- Check and balance



Community/ Society

Engagement

- Employment
- Health
- Safety
- Welfare
- Education
- Economic Empowerment
- Environmental Sustainability
- Leadership Development
- Promotion of Sports, Arts and Culture

Frequency

- As and when need arises

Their importance to us

- Socially responsible citizenship
- Sustainability



Marketing, Media and Visibility Channels

Engagement

- Products and Services Outreach
- Regulatory Information
- Awareness through Advertisements and Promotions

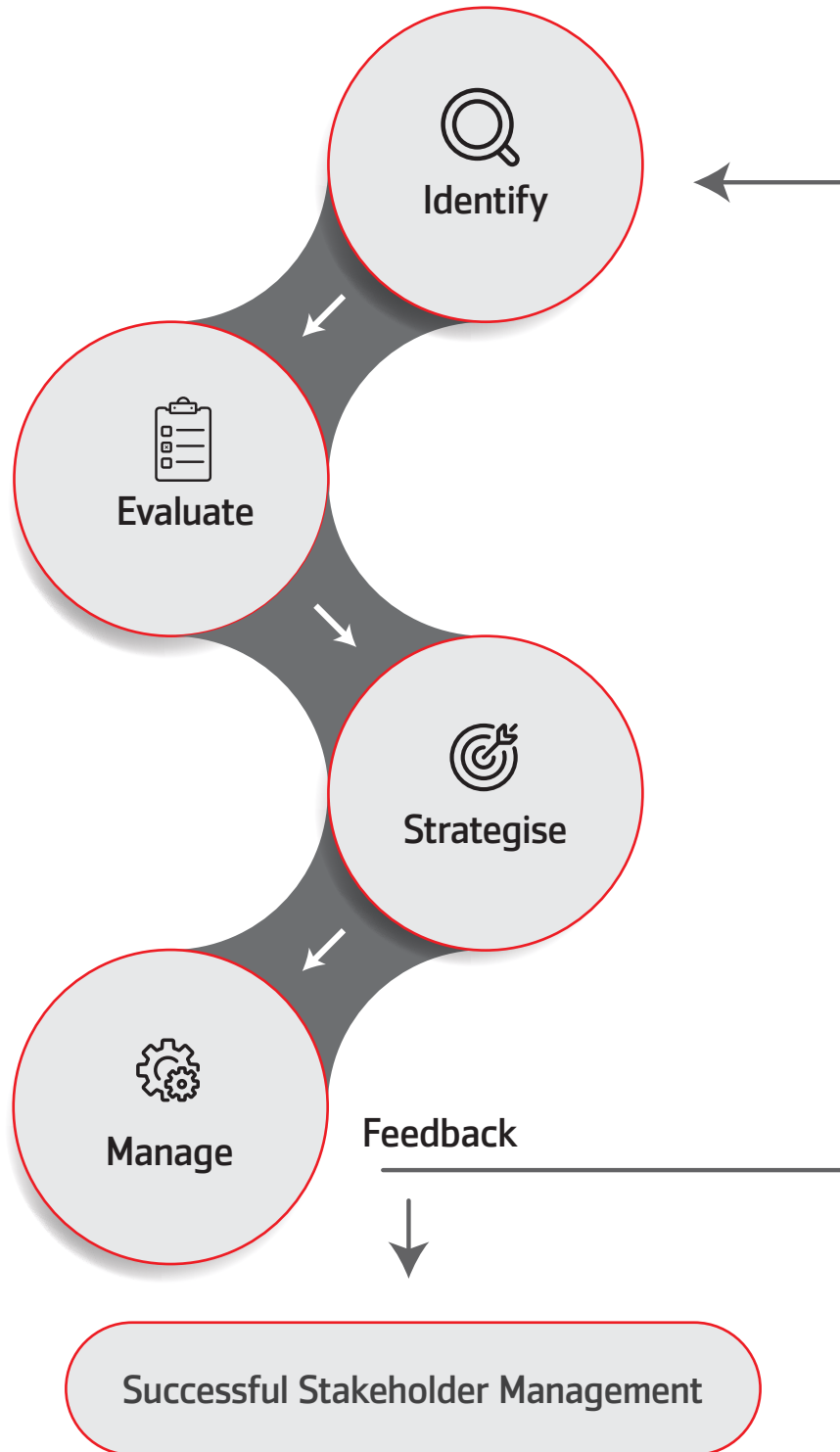
Frequency

- As and when need arises

Their importance to us

- Public image
- Brand awareness

Relationships Impacting the Bank's Performance and Value



Customer Responsibility and Protection(GRI 416,417 &418)

Customer Experience and Complaint Management

The Customer Experience Unit functions as the centre point for promoting customer interests and serves the customer-centric agenda of the Bank which majorly revolves around the following:

- Bank's conduct with customers
- Improving our service levels
- Pushing service innovation
- Understanding the customer via research
- Service culture evolution within the Bank

Customer Complaint Management and Information Security

Bank Alfalah places customer trust, fair treatment, and data protection at the center of its service model. The Bank provides multiple accessible complaint channels, including branches, CFG/Digital Service Centers, contact centers, direct sales staff, the website, email, mobile application, and branch drop boxes. All complaints are logged into a centralized Complaint Management System, where they are recorded, tracked, and escalated through a defined matrix to ensure timely handling of urgent matters. Root cause analyses are conducted regularly, and findings are shared with senior management and business segments to reduce recurring issues and strengthen service quality.

In 2025, the Bank handled 209,165 complaints and achieved an average resolution time of 3.6 working days, while the report also notes that customer queries were resolved, on average, in under five days.

This complaint-handling framework is closely linked with the Bank's wider customer protection and information security controls. Bank Alfalah's contact center operates 24/7 and is supported by more than 500 agents handling complaints related to branch banking, alternate delivery channels, branchless banking, G2P, Premier banking, and corporate services. In addition, Digital Facilitation Desks strengthen customer service while embedding security controls such as biometric verification, active and passive voice recording, SMS-based authentication, and contact center quality assurance. These measures help ensure that complaint

resolution is not only efficient, but also secure, traceable, and compliant with internal control requirements.

From an information security perspective, the Annual Report states that cybersecurity is overseen by the Board Information Technology Committee, with continuous assessment of vulnerabilities, protection of critical infrastructure and sensitive data, real-time monitoring, and incident response and recovery planning.

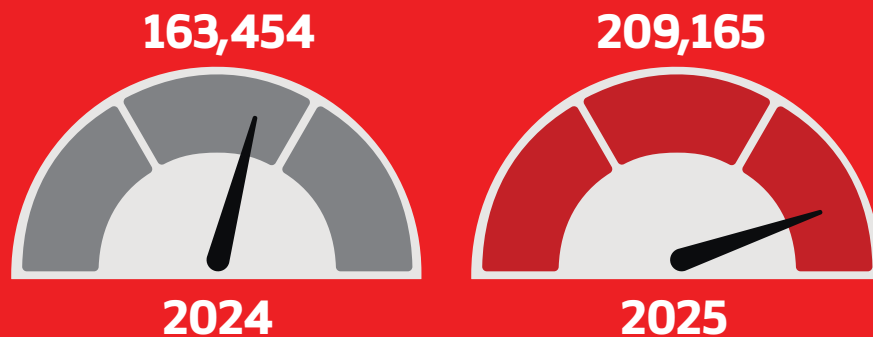
The Bank operates a 24/7 Security Operations Center (SOC) as an early warning mechanism for cybersecurity risks. It also uses device fingerprinting and multi-factor authentication to secure customer accounts and enhance transactional integrity. To reduce human and customer-side cyber risk, the Bank runs an ongoing Security Awareness Program covering data protection, password management, social engineering, and secure use of information technology resources, while also issuing customer-facing alerts and advisories to promote safe digital banking practices and fraud awareness.

Taken together, these systems show that Bank Alfalah's complaint management approach is not treated as a standalone service function. It is integrated with customer verification, digital controls, fraud prevention, cyber monitoring, and management oversight. This strengthens the Bank's ability to protect confidential information, respond to customer concerns fairly and transparently, and maintain trust across physical and digital channels.

The Customer Experience Unit Works On The Following To Promote Customer Centric Culture



In 2025, the Bank handled 209,165 complaints, achieving an impressive average resolution time of just 3.6 working days.

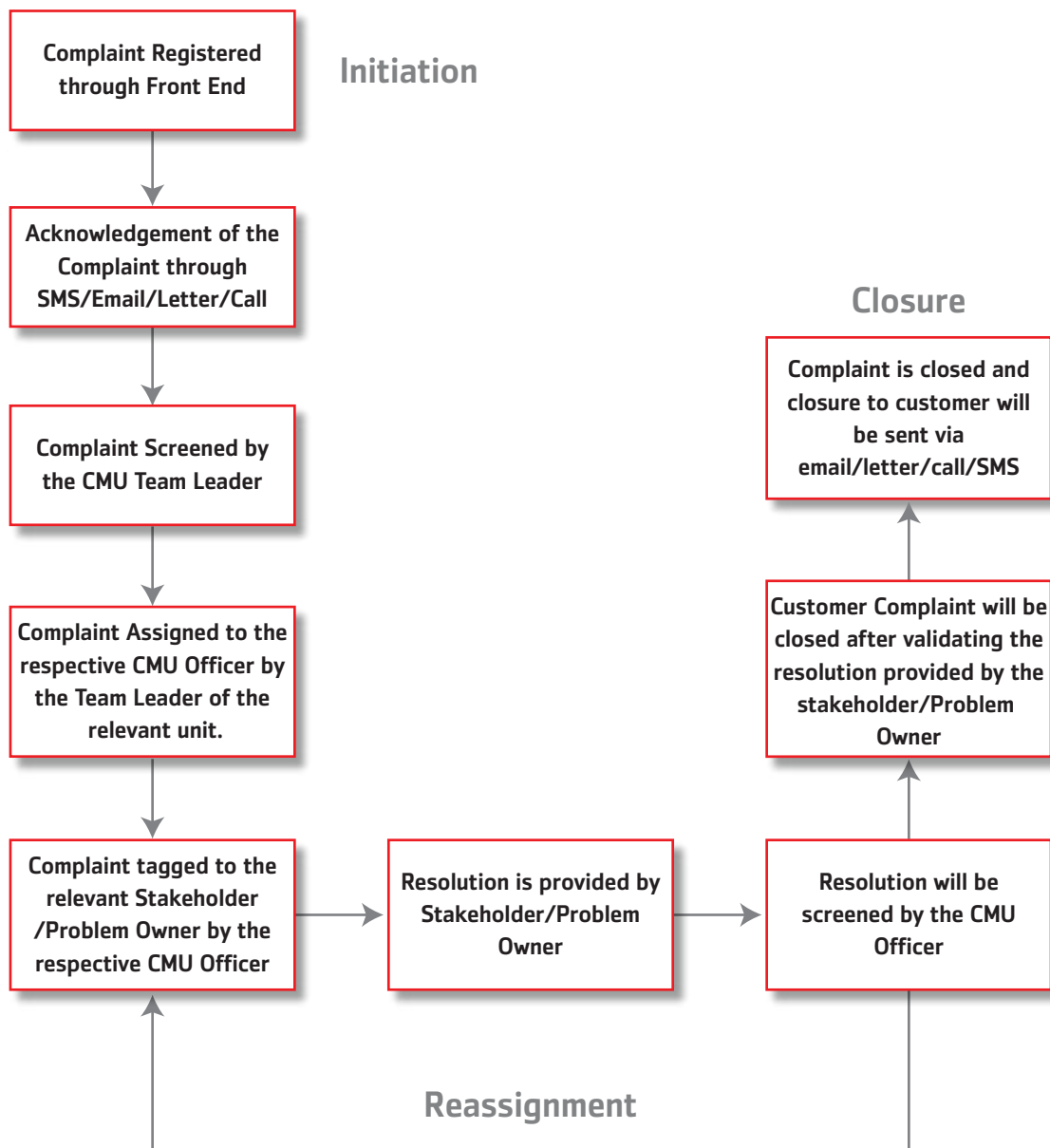


Complaint Management In a Snapshot

- Total Complaints: 209,165
- Percentage of complaints pertaining to "Disclosure of confidential information": 0.086%
- Average Turnaround Time: 3.6 days
- Targeted Turnaround Time for 2026: 3.5 days
- Percentage of total complaints resolved within 5 days TAT: 75.51%
- Target for 2025: 85%

Total number of identified leaks, thefts, or losses of customer data: Nil

Complaint Management Process



Governance and Oversight for Customer Management System

Customer service governance at Bank Alfalah is led by the Customer Experience Unit, which advances the Bank's customer-centric agenda through defined priorities, branch-level leadership indicators, and management oversight mechanisms such as the Service Super League. This is supported by a comprehensive consumer protection policy, live service monitoring, a quality assurance framework covering 217 service indicators, and a centralised complaint management system with escalation protocols and root cause analysis reported to Senior Management.

Operational oversight is further reinforced through a 24/7 contact center, the Customer Management Unit, and Digital Facilitation Desks equipped with verification and quality controls, helping ensure service excellence, accountability, and timely complaint resolution across all customer touchpoints.

Information Security and Cyber Risk Management

Bank Alfalah recognises cyber risk as one of the most significant information security risks facing organisations today and remains conscious of its potential impact on technology assets, operations, and customer data. To address this, the Bank has established a dedicated Information Security Division within the Credit and Risk Management Group, responsible for managing information security risks and enforcing compliance with information security standards and baselines across IT solutions that support products and services.

Governance and Oversight

The Bank has a well-defined Information Security Risk Management Policy and Framework, approved by the Board of Directors. This framework is supported by detailed procedures approved by Executive Management, along with multiple technology-, process-, and practice-specific security baselines. The framework draws direction from regulatory advisories and mandates, as well as relevant international standards and best practices.

Oversight of technology direction and risk has been entrusted by the Board to the Board Information Technology Committee, ensuring that information technology remains a key strategic differentiator for the Bank. The Board and Executive Management also maintain oversight of cyber risk through a comprehensive strategy and periodic assessments conducted both internally and by independent third parties.

Risk Management Approach

Based on periodic Cyber Security Risk Assessments, the Bank has implemented a multi-layered Cybersecurity Action Plan covering key domains of information security. Threats and vulnerabilities identified through these assessments are treated appropriately and revalidated to ensure the continued effectiveness of controls.

The Bank remains aligned with circulars, advisories, and regulations issued by the State Bank of Pakistan to strengthen its cybersecurity posture and provide secure infrastructure for hosting customer data. In parallel, the Bank also follows its approved internal strategy and industry-specific best practices.

Control Environment and Assurance

The Bank's control environment is designed to identify and manage regulatory, operational, and cyber risks, while ensuring that control designs remain effective and that employees follow operational protocols diligently. Products and services are launched only after the completion of compliance and legal vetting, with required risk transfer mechanisms in place.

Security assessments of technology infrastructure and services remain a priority for both strategic and executive management. In addition to internal information technology and information security capabilities, the Bank undertakes quarterly independent third-party technical risk assessments, including vulnerability assessments and penetration testing of critical systems and services. The Bank also engages service providers for timely detection, awareness, and treatment of suspicious or malicious activities.

Awareness and Capacity Building

Recognising that cybersecurity also depends on user behaviour, Bank Alfalah runs periodic cyber risk awareness campaigns for both staff and customers. The Bank has also defined standards for the acceptable use of information and technology resources, helping strengthen security awareness and promote responsible use of systems and data.

Relevance to Customer Privacy

The Bank's information security framework supports the protection of customer information by strengthening governance, securing infrastructure, assessing vulnerabilities, and promoting awareness across employees and customers. This contributes to the Bank's broader commitment to safeguarding confidential information and maintaining customer trust, making information security closely linked with GRI 418: **Customer Privacy**.

Human Capital Management (GRI 401, GRI 404, GRI 405)

Culture at Bank Alfalah

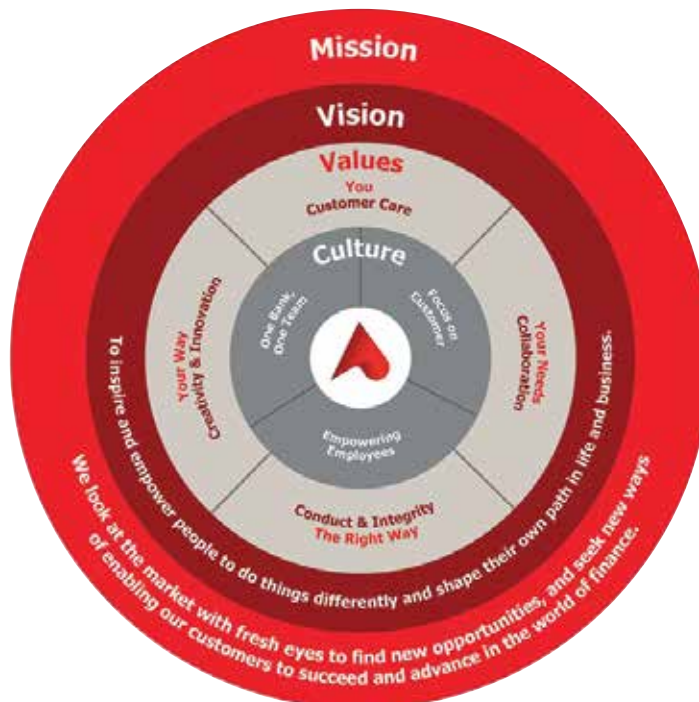
Bank Alfalah is committed to fostering a positive culture that cultivates employee satisfaction and paves the way for a more diverse and inclusive workplace, where individuals discover their purpose and are motivated to come to work every day.

Bank's culture strategy rests on the following pillars:

- One Bank, One Team
- Focus on Customers
- Inspiring and Empowering our People

The Bank's 4 Values are clearly defined by associating specific behaviors and competencies with them. This enables our people to develop a comprehensive understanding of the purpose and significance of these Values. This alignment fosters a positive culture and creates an inclusive workplace where everyone, regardless of age, race, religion, gender, ability, or other characteristics, can thrive.

All proposed initiatives are driven by feedback from employees, ensuring a direct impact on business outcomes, behavioral improvements, and customer loyalty. The Bank's Culture Strategy is a key component of the Bank's overarching 5 Year Strategy. Therefore, all efforts to define and demonstrate its desired Culture and Values stem from this commitment to creating a unified, purpose-driven workplace that aligns with the Bank's overarching mission and vision.



Learning and Development (GRI 404: Training and Education)

Bank Alfalah continues to invest in employee development under its People Happiness Charter, with a strong focus on upskilling, role enrichment, professional growth, and building future-ready capabilities across the workforce.

Learning approach

- Learning opportunities are offered through both virtual and in-person formats
- Training covers technical, functional, leadership, compliance, digital, and customer service areas
- The Bank also continued to upgrade its digital learning infrastructure and physical **learning spaces** in 2025

Induction and transition support

To support new employees and frontline teams, the Bank continued its induction and transition programs:

- Start Right for all new joiners
- Ready to Perform for frontline employees

These programs help employees understand the Bank's

culture, code of conduct, systems, **policies, and compliance requirements** from the outset.

Key learning priorities in 2025

The Bank's learning agenda during the year focused on:

- **Capacity-building in line with regulatory and compliance requirements**
- **Digital transformation and future readiness**
- **Customer service and product knowledge enhancement**
- **Risk awareness and proactive management**
- **Islamic banking and Shariah compliance**
- **Leadership development and young talent induction**

Major learning initiatives

Key programs delivered during the year included:

Digital transformation and Generative AI

- Launch of a **Hands-on Digital Transformation and Generative AI Workshop**
- Designed to build digital mindsets, improve data-driven decision-making, and enable employees to use emerging technologies effectively in day-to-day roles
- Rolled out nationwide to support long-term capability building



Premier Banking Bootcamp

- A tailored learning program for Premier Banking staff
- Focused on investment product knowledge, financial markets, scenario-based wealth planning, and client advisory capabilities
- Premier Relationship Managers were also trained and assessed on product knowledge, control, and compliance
- High-performing staff may pursue advanced qualifications such as IFMP and CFA

Islamic Banking certification

- Through an MoU with NIBAF, the Bank offered the Islamic Banking Certification Course (IBCC) in-house
- The program covers 16 modules on Islamic banking concepts and practices
- It is aimed at developing in-house expertise for Shariah-compliant products and services

Risk and remedial management

- Launch of the Early Problem Recognition and Remedial
- Management Training Program
- Focused on identifying early warning signs of potential credit and operational risks
- Covered areas such as:
 - early warning indicators
 - problem loan identification
 - root cause analysis
 - restructuring strategies
 - stakeholder coordination

Shariah governance and AAOIFI training

- Continued rollout of structured training on AAOIFI Shariah Standards
- Delivered across Islamic Banking, Product, Operations, Audit, and Compliance functions
- Aimed at strengthening Shariah governance, addressing audit observations, and improving regulatory alignment



Compliance and functional learning

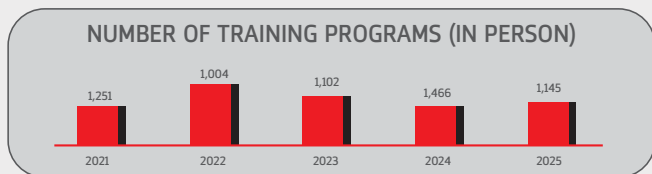
With support from internal and external experts, the Bank also delivered training in key regulatory and operational areas, including:

- Anti-Money Laundering
- Terrorist Financing Risk Assessment and CFT obligations
- Trade-Based Money Laundering
- Cybersecurity awareness
- Product and process knowledge for frontline teams
- Customer service enhancement

Leadership and talent development

The Bank also continued to invest in:

- **Leadership training for executives**
- **Knowledge sessions for business teams**, including focus on SBP initiatives
- **Customized batch learning programs** for Management Trainees and Customer Service Officers



Financial literacy outreach

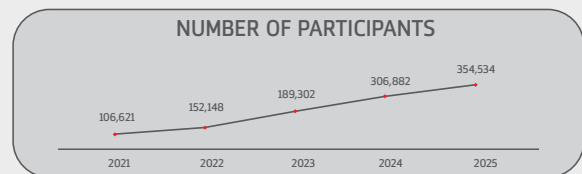
In line with the Bank's financial inclusion agenda and the **SBP National Financial Literacy Programme (2022–27)**:

- The Bank exceeded its target for the last two years
- Reached more than 7,000 beneficiaries per year
- Covered 26 cities across Pakistan
- Used classroom sessions and street theatre-based outreach through trained field staff

The Way forward

The Learning and Development team will continue to introduce learning solutions that strengthen employees' personal and professional capabilities and promote a strong culture of continuous learning across the Bank.

Given below is a glimpse of learning quantum for the last 5 years:





Bank Alfalah reports the training undertaken by its employees during the reporting period, underscoring its continued investment in human capital development. The disclosure covers training provided to full-time employees across the Bank and reflects a structured approach to building skills, strengthening capabilities, and supporting long-term organisational growth.

Average Hours of Training per Employee	Employee Category	Total Training Hours	Average Hours per Employee
Average hours of training per year per employee	Female Employees	3,476	16 hours
Average hours of training per year per employee	Male Employees	13,474	16 hours
Average hours of training per year per employee	Full-Time Employees	16,950	16 hours

Rewards and Benefits for Colleagues

Bank Alfalah provides a broad range of financial, health, family, welfare and development benefits to support employee wellbeing, retention and long-term financial security. These benefits form part of the Bank's broader people framework and include both recurring support and targeted assistance during times of need.

Learning And Development Metrics

INFORMATION	IMPACT
16 average hours of training per year per employee	To support the continuous development of relevant skills for future organisational needs
16,950 staff members participated in training programs, collectively completing 354,534 hours	To support the continuous development of relevant skills for future
Total 1,145 Development Programmes offered for staff	To upskill employees in critical areas to meet future organisational demands
89% employees were appraised, remaining were new joiners who were not eligible	Most of the Bank got a career development review

Rewards and Benefits for Colleagues (GRI 401)

Bank Alfalah provides a broad range of financial, health, family, welfare and development benefits to support employee wellbeing, retention and long-term financial security. These benefits form part of the Bank's broader people framework and include both recurring support and targeted assistance during times of need.

Colleagues Benefits

Medical Insurance	Staff Finances	Life Insurance
<ul style="list-style-type: none"> • Hospitalization and OPD • Follow-up Treatments • Parent's Medical Coverage 	<ul style="list-style-type: none"> • Personal Finances • House Finance • Conveyance/SLCL 	<ul style="list-style-type: none"> • Life Insurance Coverage • Pay Continuation Plan • Staff Finance Insurance
Welfare Program	Educational Benets	Other Benefits
<ul style="list-style-type: none"> • Medical Grant • Marriage Grant • Educational Grant 	<ul style="list-style-type: none"> • Cash Prizes for IBP Exams • Reimbursement of Professional Courses' Fee • Financial Assistance for EMBA 	<ul style="list-style-type: none"> • Life Insurance Coverage • Pay Continuation Plan • Staff Finance Insurance
Leaves	End of Service	
<ul style="list-style-type: none"> • Privilege Leave • Casual Leave • Sick Leave • Leave for Prolonged Illness • Maternity and Paternity Leave • Iddat Leave • Employee Volunteering Leave • Sabbatical Leave 	<ul style="list-style-type: none"> • Provident Fund • Gratuity Fund 	

Financial wellbeing and retirement support

- Tax relief: availed by 12,130 colleagues
- Staff finance: availed by 8,693 colleagues
- Provident and gratuity fund: part of the Bank's post-employment and retirement benefit framework
- The Bank also maintains defined benefit and other post-employment plans to support long-term employee financial security

Staff finance portfolio

During 2025, staff finance support covered personal, conveyance, house finance and SLCL facilities.

- Total finance cases: 15,997
- Total outstanding amount: PKR 57.23 billion
- Cases approved in 2025: 6,572
- Amount approved in 2025: PKR 21.01 billion

Breakdown of approvals in 2025

- Personal finance: 2,914 cases | PKR 1.32 billion
- Conveyance finance: 1,279 cases | PKR 2.84 billion
- House finance: 2,035 cases | PKR 15.14 billion
- SLCL: 344 cases | PKR 1.72 billion

Health and wellbeing

- Medical benefits including hospitalisation, OPD and parents' medical: 71,595 benefit instances
- Welfare benefits availed by 3,569 colleagues, including:
 - Child care allowance: 493
 - Gym reimbursement: 3,035
 - Disability allowance: 41

Family support

- Maternity benefits availed by 261 colleagues, including:
 - Maternity leave: 192
 - Maternity cover allowance: 69

Welfare and hardship support

- Welfare programmes including medical, education and marriage allowance supported 515 colleagues
- Funds disbursed under welfare programmes: PKR 81.75 million
- Employee Flood Relief Assistance Programme: 65 colleagues
- Flood relief requests received: PKR 32 million

Learning and education support

- Education benefits including IBP exams, professional courses and EMBA support: 205 colleagues.

Diversity, Equity, And Inclusion (DEI)

Bank Alfalah views diversity, equity and inclusion as both a business priority and a workplace responsibility. The Bank is committed to fostering an environment where employees from different backgrounds feel respected, valued and able to contribute fully.

Its DEI approach focuses on creating equitable opportunities, removing barriers to growth and embedding inclusive practices across the employee lifecycle. This is supported through inclusive hiring, mentorship and sponsorship programmes, awareness initiatives and training that help build a culture of fairness, belonging and mutual respect.

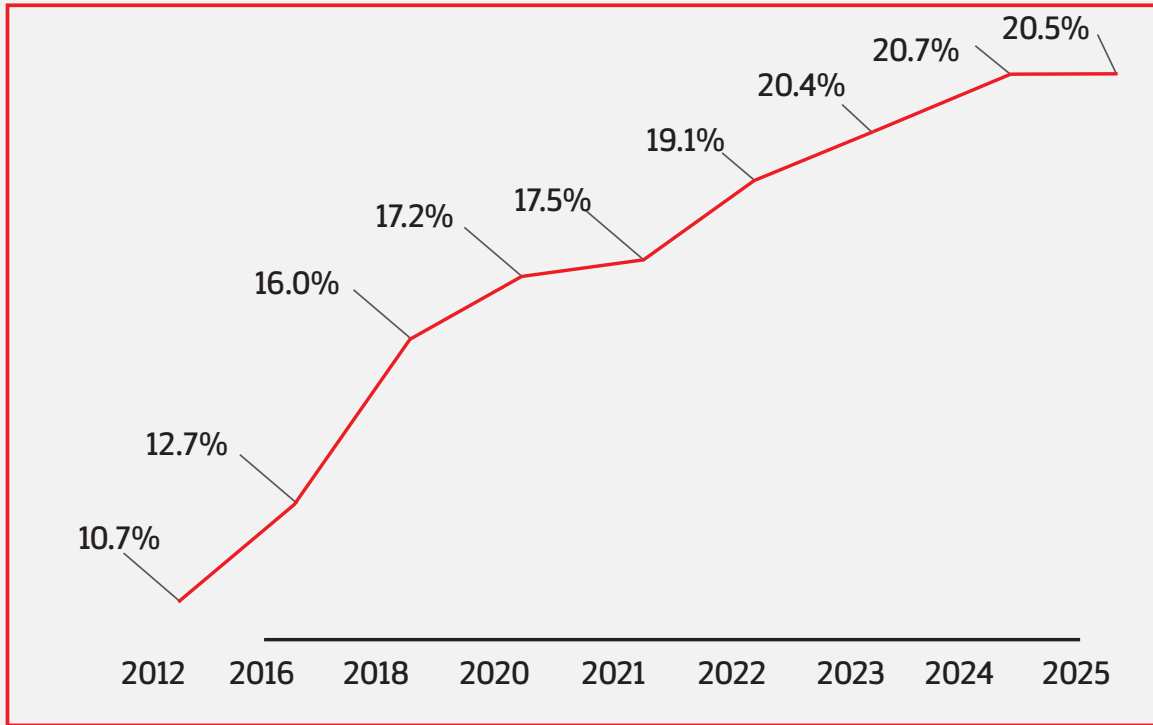
The Bank's efforts have also been recognised externally, including being acknowledged as the **Most Inclusive Organization** by the **Global Diversity, Equity and Inclusion Benchmarks (GDEIB) 2025**.

Through this approach, Bank Alfalah aims to strengthen employee engagement, encourage innovation and support long-term organisational sustainability and growth.

Supporting Women's Retention and Career Growth

- Childcare allowance to help ease caregiving responsibilities
- Maternity and paternity leave to support employees through parenthood
- Maternity cover incentive to encourage continuity and support returning mothers
- Iddat leave to address specific personal needs with dignity and care
- Flexible working hours to improve work-life balance and retention
- Dedicated communication channel for women to strengthen support and inclusion
- Meet-and-greet sessions to build connection, visibility and engagement
- Uraan Learning Journey to support development and career growth
- Ignite Sponsorship Program for Women to strengthen mentorship, advocacy and leadership progression

Gender Diversity Historic Trend



Social Human Capital & Inclusion

Diversity of employees (GRI 405-1)



Men: (79.50%)
13,610

**Gender positioning by
Bank Alfalah
Employment level**



Women: (20.50%)
3,518

Percentage of entry- and mid-level positions held by male and female colleagues

Gender	Number of Colleagues	Percentage
Male	13,453	79%
Female	3,508	21%

Percentage: Senior- and executive-level positions held by men and women

Gender	Number of Colleagues	Percentage
Male	157	94%
Female	10	6%

- Percentage of total enterprise headcount held by part-time employees is not applicable

New Colleagues (Hired in 2025)

Gender	Male	Female
Up to 30 years	1463	621
30 to 50 years	1653	319
50 years and above	53	4

Colleagues Turnover in 2025

Gender	Male	Female
Up to 30 years	760	394
30 to 50 years	1459	346
50 years and above	45	6

Total Colleagues by Region

Region	Number of Colleagues
Sindh	5768
Punjab	8942
Gilgit Baltistan	68
Balochistan	366
Khyber Pakhtonkhwa	830
Islamabad	1106
Azad Jammu Kashmir	48

Banking on Equality - HR GRI 405 / 401-1

20.5% Gender Diversity as of 2025	89% Of Women who went for Maternity leave returned to work in 2025	23% Of total employees hired in 2025 were wome	96 (8.7%) Number of Women Branch Managers
0.5% PWD employees as of Dec 2025. Of these 88 - 22% are women	13.6% of Total Employees promoted in 2025 are women	192 Number of Women that availed Maternity Leaves	105 (9.2%) Number of Women Operations Manager

Bank Alfalah's Progress in Women's Financial Inclusion Across Pakistan GRI 203-2 & 413-1

Customers: Expanding Access to Banking and Finance GRI 203: Indirect Economic Impacts – 203-2

At the Bank, women now hold 18% of Bank Alfalah's total accounts, representing approximately 650,000 customers. In 2025, the Bank recorded a 12% increase in women account holders, with female customers contributing 11% of total deposits, amounting to PKR 237 billion.

Bank Alfalah has also expanded lending support for women entrepreneurs seeking to start or grow businesses.

Within the small and medium enterprise segment, the number of women borrowers increased by 20% in 2025, with 117 new women-led businesses financed primarily in the manufacturing and trading sectors. Total SME financing for these businesses amounted to PKR 521 million.

In the agriculture sector, 857 women-led businesses received PKR 1.32 billion in financing in 2025, supporting activities such as dairy farming, livestock management, and crop production.

The Bank also disbursed PKR 264 million in interest-free financing to 127 women small-scale farmers under its Revive and Rise scheme, supporting livelihoods in areas where access to affordable credit remains limited.

Bank Alfalah continues to support the Benazir Income Support Program (BISP) by facilitating the digital distribution of financial assistance across Pakistan. Since 2022, beneficiaries served through the bank have increased by 150%, reaching approximately 4.5 million women. Through this partnership, the bank

provides quarterly disbursements of approximately PKR 48 billion to households nationwide.

Through **AlfaMall**, Bank Alfalah's digital platform connecting buyers and sellers, the **Hunarmand feature** enables women artisans to sell products directly to customers through digital storefronts and integrated payment solutions. Entrepreneurs on the platform sell products including clothing, home décor, crockery, footwear, jewellery, and accessories, generating an average of PKR 72 **million in monthly sales**.

Colleagues: Workforce Representation and Pay Transparency

Bank Alfalah also released its Gender Pay Gap Statement for the year ended 2025 as part of its commitment to transparent reporting and responsible governance. The Bank reported that pay parity across comparable roles remains largely balanced, with minimal differences across most management and officer grades.

Women currently represent **21% of the bank's workforce**, compared with **79% men**. Reflecting the Bank's ongoing efforts to strengthen female representation in leadership and career advancement, 17% of all performance-based promotions during the year were awarded to women overall, while 32% were at mid-career level.

To support women's career progression, the bank continues to expand programs including capacity-building initiatives, succession planning, childcare allowances, six months of maternity leave, and structured development programs.

Community Partnerships Advancing Women's Empowerment in Pakistan (GRI 413)

Bank Alfalah also supports women's economic

participation through community partnerships and development programs.

In collaboration with **Akhuwat Islamic Microfinance**, the Bank is facilitating interest-free microfinance of **PKR 25 million for 500 women** in underserved communities across Karachi, enabling them to establish or expand small businesses, such as beauty salons, tailoring services, and neighborhood grocery stores. The Bank partnered with Legal Aid Society to deliver **200 community legal** and financial awareness sessions in low-income settlements, reaching approximately **4,000 community members**.

The Bank has partnered with Zindagi Trust to establish two Digital Arts Labs in girls' schools, providing digital training and freelancing skills to approximately **2,000 students**. Moreover, the Bank provided vocational training to over **300 participants** through the Behbud Association.

Through partnerships with leading universities such as IBA, LUMS, and Habib, the Bank also provides scholarship and professional education opportunities for women in science, technology, engineering, and mathematics (STEM), social sciences, and journalism, with more than 30 female students supported to date.

Bank Alfalah also supports women's healthcare, with a particular focus on maternal and child health. In partnership with Pahchaan and Vital Pakistan, the bank has helped establish community health centers that provide free pre- and postnatal checkups to over **3,000 women to date**. The Bank also supports breast cancer treatment through partnerships with Indus Hospital, Health Network, and Cancer Foundation Hospital, with **35 women supported so far**.

The Bank's efforts align with United Nations Sustainable Development Goal 5 on Gender Equality by promoting women's access to financial services, economic resources, and leadership opportunities. They also support SDG 8 on Decent Work and Economic Growth and SDG 10 on Reduced Inequalities through initiatives focused on entrepreneurship, employment, and inclusion.

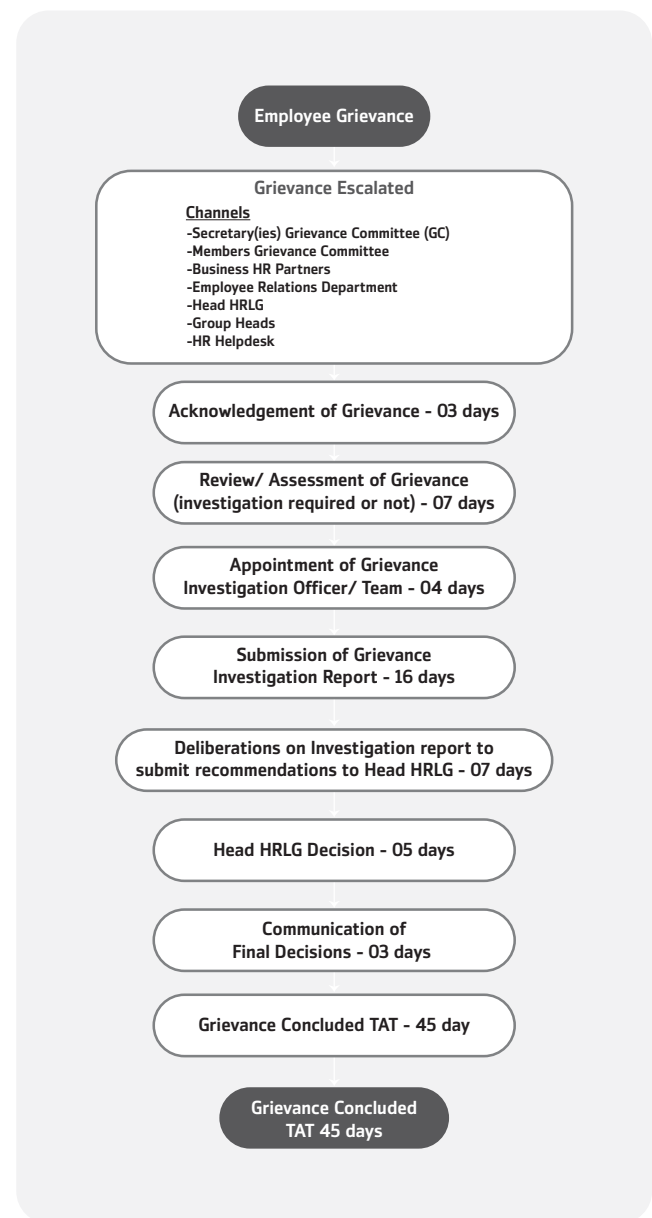
Fair Compensation and Employee Engagement

Bank Alfalah continues to support employee wellbeing through improved compensation and engagement practices. In 2025, the minimum gross salary for permanent employees was increased to PKR 55,000.

Happiness Score and Employee Engagement

To strengthen workplace culture and employee experience, the Bank conducts an annual Happiness and Engagement Survey. In 2025, 90% of employees nationwide participated. The survey helps measure engagement levels, provides employees with a channel for open feedback to senior management, supports initiatives to address concern areas and reduce attrition, and generates insights that contribute to organisational growth and continuous improvement.

Employee Relations, Conduct and Integrity (GRI 406)



This aims to create a safe working space for all employees with a solution-based approach where employees can raise their concerns regarding the following:

- Discrimination
- Maltreatment
- Harassment
- Intimidation
- Unfair Treatment
- False Accusations

Bank Alfalah is committed to fostering a workplace culture built on integrity, fairness, respect and accountability. Employees are expected to uphold high standards of personal and professional conduct and to comply with all applicable laws, regulations, internal policies and procedures. To reinforce these expectations and strengthen alignment with the Bank's corporate values, regular awareness sessions are conducted on conduct, integrity and responsible workplace behaviour.

These initiatives aim to empower employees to make informed decisions, contribute effectively to organisational growth and remain protected against internal and external compliance risks. In 2025, the Bank received **63 employee-related complaints**, all of which were resolved, resulting in a **100% resolution rate**. In addition, **anti-corruption training** forms part of the Bank's mandatory learning programme for all employees, further strengthening a culture of integrity and accountability across the organisation.



Media and Marketing (GRI 417 & 418)

Bank Alfalah's media and marketing approach is designed to build broad brand awareness, strengthen customer engagement, and communicate relevant financial solutions in a clear and accessible manner. The Bank uses a multi-channel strategy spanning television, radio, print, outdoor advertising, social media, and digital platforms to reach customers across multiple touchpoints. Campaigns are executed through Above the line, Below The Line, and TTL channels and are designed to reflect customer aspirations, evolving financial needs, and the Bank's positioning as a caring, people-first institution.

With an increasing focus on digital transformation, the Bank has expanded its presence across high-engagement digital platforms and uses data-driven marketing, advanced analytics, and machine learning to deliver more targeted content and real-time interactions. During the year, major PR and marketing themes included NGO partnerships for CSR, the equity announcement with Qist Bazar, financial literacy and capacity-building through collaboration with the IBA Centre of Excellence in Journalism, and the Bank's pledge of an additional USD 5 million for flood-impacted communities.

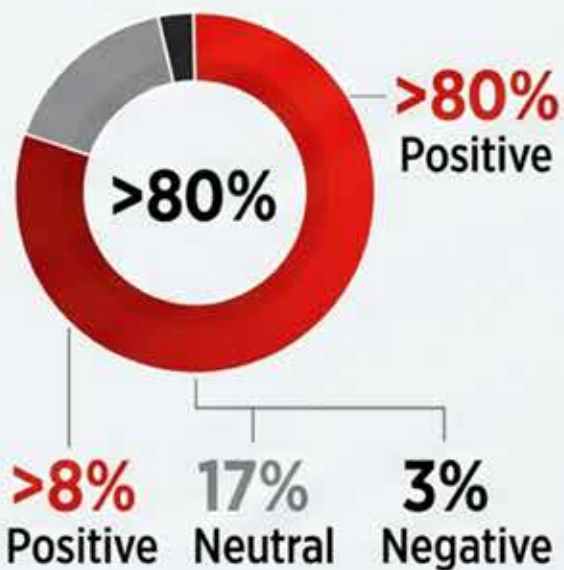
In 2025, the flagship campaign was the Bank's additional USD 5 million pledge for flood-affected communities, which generated the highest visibility and media traction, with an estimated 24 million+ earned viewership and readership. Outreach activities included a press briefing in Karachi and targeted media engagements in Lahore and Islamabad. Other topics receiving media coverage included digital banking, sustainability, partnerships, financial results, and broader industry developments. GRI 203: Indirect Economic Impacts – 203-2

Overall, the Bank recorded more than 1,100 media mentions across newspapers, digital outlets, and television, supported by 28 press releases, 12 social media campaigns, 7 influencer-led activations, and 8 podcasts and interviews. Media sentiment was largely positive, with over 80% positive mentions, 17% neutral, and 3% negative. Coverage was predominantly in English, accounting for 89% of mentions, while 11% appeared in Urdu. The Bank also achieved strong reach across both mainstream and niche media, with 63% of coverage appearing in tier-1 outlets and 37% in tier-2 and tier-3 outlets.

KEY PERFORMANCE METRICS



▶ MEDIA SENTIMENT BREAKDOWN



▶ LANGUAGE COVERAGE



▶ MEDIA REACH



Community **Investment**



Bank Alfalah Corporate Social Responsibility Programme (GRI 413)



As a Caring Bank, Bank Alfalah's brand promise is rooted in looking after its customers, colleagues, community, and country. This commitment goes beyond banking services and reflects a long-term responsibility toward inclusive and sustainable growth.

Bank Alfalah is dedicated to creating a sustainable way forward by positively impacting the social, economic, and environmental well-being of the people of Pakistan, underpinned by robust and effective governance. Our approach integrates responsibility with performance, ensuring that growth is both meaningful and enduring.

This strategy is closely aligned with the United Nations Sustainable Development Goals (SDGs), reinforcing the Bank's commitment to global best practices in sustainability.

Alignment with SECP Guidelines GRI 2-27: Compliance with laws and regulations

Furthermore, Bank Alfalah's commitment to Corporate Social Responsibility (CSR) is aligned with the guidelines issued by the Securities and Exchange Commission, ensuring transparency, accountability, and regulatory compliance in all CSR initiatives, as outlined below.

- Utilise the CSR governance benchmark and terms of reference of the CSR committee provided in the guidelines for self-assessment and facilitation

purposes.

- Integrate the output of CSR commitment into a board-level CSR policy to ensure alignment with organisational objectives and values.
- Incorporate CSR activities as a regular agenda item in board meetings.
- Entrust the CSR committee with the responsibility of transparently and effectively supervising CSR activities, providing specialised oversight, and regularly reporting progress to the Board.
- Define a systematic approach for reporting CSR initiatives' implementation status to internal and external stakeholders, ensuring transparency and accountability.
- Develop a comprehensive CSR report to give stakeholders insights into the bank's CSR initiatives, progress, and impact on the community and environment.

By aligning with the SECP CSR guidelines, Bank Alfalah aims to demonstrate its commitment to corporate social responsibility and contribute positively to society and the environment.

Governance of CSR Disbursements

Donation Committee (Doc)

- Atif Aslam Bajwa – Chairman
- Faisal Farooq Khan
- Mehreen Ahmed
- Anjum Hai
- Haroon Khalid
- Muhammad Raheel Yousaf
- Imran Assad Khan
- Madiha Javed Qureshi – Secretary

Charity Affairs Committee (Cac)

- Atif Aslam Bajwa – Chairman
- Anjum Hai
- Dr. Muhammad Imran
- Mehreen Ahmed
- Farooq Ahmed Khan
- Syed Faraz Ahmed – Secretary

Bank Alfalah Pledges Additional PKR 1.4 Billion (USD 5 Million) to Rebuild Flood-Hit Communities



The Chairman of Bank Alfalah, His Excellency Sheikh Nahayan Mubarak Al Nahayan and the Board of directors has approved an additional PKR 1.4 billion, equivalent to USD 5 million, to help rebuild communities devastated by the 2025 floods. This latest commitment brings the Bank's total contribution towards comprehensive flood relief and rehabilitation since the 2022 floods to USD 15 million, highlighting its sustained efforts to support communities following catastrophic climate events.

The announcement was made by Atif Bajwa, President and Chief Executive Officer of Bank Alfalah, during a press conference held in Karachi.

The newly announced funds will be channeled through a network of partners to restore infrastructure, rebuild livelihoods, and enhance resilience across impacted areas of Pakistan. The initiative includes a multi-input development program focusing on housing, education, health, and climate-smart agriculture to support sustained rehabilitation.

The 2025 floods have compounded the climate challenges Pakistan has faced since 2022, when 33 million people were affected nationwide. Despite extensive aid efforts, more than eight million displaced people continue to struggle with health and housing insecurity.

Following the 2022 disaster, Bank Alfalah launched a USD 10 million response plan implemented in two phases of immediate relief and long-term rehabilitation in flood impacted areas. The Bank has since worked with more than 25 partner organisations, including Akhuwat Islamic Microfinance, The Citizens Foundation, Karachi Relief Trust, and the Aga Khan Development Network,

focusing on rebuilding homes, schools, and essential services while promoting financial inclusion and agricultural recovery.

Beyond its community outreach, Bank Alfalah has provided PKR 500 million in direct financial assistance to 479 colleagues whose homes and assets were lost to the floods, demonstrating its internal culture of care. GRI 413-1

The Bank's new allocation comes amid the 2025 monsoon crisis that has hit Pakistan hard. According to UNICEF, 946 lives have been lost, including 255 children, and more than 1.5 million people have been displaced.

This latest gesture by the Chairman and Board of Bank Alfalah reaffirms the strong bond between the UAE and Pakistan, hence showcasing Bank Alfalah's enduring dedication to sustainable corporate social responsibility.

Bank's Sustainability Partners

In 2025, Bank Alfalah's CSR activities were carried out in collaboration with the following partners aligned with 17 UN Sustainable Development Goals with the purpose of impacting Social, Economic, and Environment Capital of people in Pakistan.



Akhuwat Foundation: Bank Alfalah helped establish an interest-free microfinance branch in Karachi, aligning with the visions of both organisations to create a financially inclusive community.

	Funding	PKR 10 million
	Duration	2025-2027



Al- Furqan Welfare: Bank Alfalah provided financial assistance to Al Furqan Welfare to support 200 underprivileged children and support for Al Furqan School in Azam Basti, fostering a brighter future for them and their communities.

	Funding	PKR 4 million
	Duration	2025
	Children Impacted	200 children



Cancer Care Hospital: Bank Alfalah is committed to supporting the Cancer Care Hospital in enhancing the diagnostic capabilities of the hospital's radiology department.

	Funding	PKR 9 million
	Duration	2025
	Duration	2025



Alamgir Welfare Trust: The Bank's contribution following a 5-year legacy supported Alamgir Welfare Trust in providing Ration Bags to 1,154 third party staff (Janitors, Guards, Office Boys) who work tirelessly to BAFL offices and branches running smoothly.

	Funding	PKR 6 million
	Duration	2025
	People Impacted	1,150 Staff Members



Child Aid: Bank Alfalah has been supporting the healthcare initiatives of Child Aid Association since 2017. This year, the bank funded the purchase of Peg-Asparaginase injections, a crucial step in providing comprehensive and free cancer treatment of underprivileged children.

	Funding	PKR 5.4 million
	Duration	2025
	Patients Impacted	20 Patients



IBA: Bank Alfalah, in partnership with IBA Karachi, provided scholarships to deserving students-particularly women and those from marginalized communities-and funded essential equipment for practical journalism training, empowering students with the skills and resources to succeed in their careers.

	Funding	PKR 8.5 million
	Duration	2025-2026



Habib University: Bank Alfalah provided scholarships to students in the advancement of higher education for 4 years. This initiative supports the development of highly skilled individuals.

	Funding	PKR 26.4 million
	Duration	2025-2028
	Students Impacted	14 female students



LUMS: Bank Alfalah provided scholarships to 5 undergraduate and 4 graduate students in the advancement of higher education for 4 years. This initiative supports the development of highly skilled individuals. Bank Alfalah also collaborated with PAQI to setup a Air Quality and Climate Lab (AQCLL) at LUMS to further scale the conversation around air pollution.

	Funding	PKR 18 million
	 	Duration



Aziz Jehan Begum: The Bank's contribution supported Aziz Jehan Begum Trust for the Blind in providing education, assistive technology, and vocational training to blind children, empowering them to achieve independence and excel academically and professionally.

 	Funding	PKR 4 million
	Duration	2025



Hope Uplift Foundation: The Bank's contribution supported Hope Uplift Foundation in providing quality education to 120 underserved children, promoting inclusivity, and empowering them through learning and development.

	Funding	PKR 2 million
	Duration	2025
	Students Impacted	120 students



Cancer Foundation Hospital: Bank Alfalah partnered with Roche to support the program for breast cancer treatment whereby patients receive 100% of their regular treatment (Chemotherapy and Surgery) free of cost. This collaboration demonstrates a commitment to improving access to critical healthcare services.

	Funding	PKR 7.5 million
	Duration	2025



Pachhaan: Bank Alfalah covered the cost of constructing and operating one Mother and Child Health Promotion center to help cater to 15,000 annual visits of mothers, along with their children. Thereby, minimizing mortality rates among mothers and children.

	Funding	PKR 4.9 million
	Duration	2025
	People to be Impacted	15,000 mothers and children



Patient Aid Foundation: Bank Alfalah supported Patients' Aid Foundation (PAF) at JPMC by funding medicines for the hospital pharmacy, ensuring affordable access to essential medications. This initiative helped JPMC, which serves nearly a million patients annually, and strengthened sustainable healthcare for those in need.

	Funding	PKR 9 million
	Duration	2025 - 2026



Path Educational Society (PES): Bank Alfalah supported Path Educational Society (PES) by contributing PKR 5.2 million to fund Rahnuma Public School in Azam Basti, Karachi, enabling quality education for over 550 underprivileged students.

	Funding	PKR 5.2 million
	Duration	2025 - 2026
	Students Impacted	550 Students



The Citizens Foundation: Bank Alfalah supported the operation costs of two TCF Schools that were built by the Bank. Helping TCF adopt a sustainable model, ensuring long-term impact and reinforcing its legacy of educational empowerment.

	Funding	PKR 13.4 million
	Duration	2025



Polio Plus Charitable Trust: Bank Alfalah contributed to a polio eradication and community health awareness initiative focused on prevention, education, and myth dispelling. The program engaged 1,500+ volunteers through outreach campaigns, seminars, and health events.

	Funding	PKR 4 million
	Duration	2025



Thar Education Alliance: Bank Alfalah supported the Innovate HER program to equip girls in Tharparkar with vocational and entrepreneurial skills. The initiative trained 60 adolescent girls to enhance employability and economic independence. This contribution advances women's empowerment and inclusive development in underserved communities.

	Funding	PKR 5 million
	Duration	2025
	Students Impacted	60 female students



Vital Pakistan: Bank Alfalah supported Vital Pakistan Trust in providing essential medical care to women and children. The initiative sustained a free medical camp at Keti Bandar, Thatta for underserved communities, improving access to basic healthcare in remote areas.

	Funding	PKR 9.9 million
	Duration	2025



Developments in Literacy (DIL): Bank Alfalah collaborated with DIL to empower underserved children by providing access to quality education and skill development. This initiative promotes learning, reduces dropout rates, and helps break the cycle of poverty for out-of-school children.

	Funding	PKR 7 million
	Duration	2025 - 2026
	Students to be Impacted	1,000 Students



Indus Hospital and Health Network: Bank Alfalah partnered with IHHN to provide life-saving treatment for 30 breast cancer patients, ensuring timely care and improved patient outcomes. The Bank also donated two shuttle vans for the hospital. These initiatives reinforce Bank Alfalah's commitment to sustainability and health care accessibility for all.

	Funding	PKR 15.4 million
	Duration	2025
	Patients Impacted	30 Patients





Special Olympics Pakistan: Bank Alfalah's partnership with Special Olympics Pakistan, enabling young athletes with intellectual disabilities tackle inactivity, stigma, isolation, and injustice.

	Funding	PKR 4.5 million
	Duration	2025
	People Impacted	500 Athletes and 30 Coaches





The Aga Khan University: Bank Alfalah collaborated with Aga Khan University in its commitment towards making long-term difference and enabling financially challenged students to learn, grow, and lead stress free.

 	Funding	PKR 50 million
	Duration	2025 - 2026





Memon Health and Education Foundation (MHEF): Bank Alfalah's collaboration with Memon Health and Education Foundation enabled invaluable delivery of high-quality healthcare.

 	Funding	PKR 25 million
	Duration	2025





Zindagi Trust: Bank Alfalah's partnership with MeriSehat, Association for Mothers and Newborns (AMAN) and Zindagi Trust, enabled MeriSehat's AI-powered telemedicine platform to provide accessible, technology driven healthcare services to students and their families.

 	Funding	PKR 9 million
	Duration	2025 - 2026
	People to be Impacted	Families of at least 6000 students



WWF – Pakistan : Bank Alfalah continued its partnership with WWF-Pakistan by supporting mangrove plantation initiatives aimed at strengthening coastal ecosystems. As part of its long-term environmental commitment, the Bank pledged to plant 100,000 trees by 2030. These efforts contributed to climate resilience, biodiversity conservation, and carbon sequestration.

 	Funding	PKR 8.0 million
	Duration	2025



**BAIT-UL-SUKOON
CANCER HOSPITAL**

Bait ul Sukoon Trust: Bank Alfalah partnered with Bait ul Sukoon Trust to support the provision of essential healthcare services for underprivileged patients. The initiative facilitated access to medical treatment and basic healthcare facilities for those unable to afford care. This contribution helped improve health outcomes within vulnerable communities.

	Funding	PKR 2.0 million
	Duration	2025



Legal Aid Society : Bank Alfalah entered its first-year partnership with the Legal Aid Society to support women’s empowerment and access to justice. The initiative focused on strengthening legal rights, protection, and awareness for women facing social and legal vulnerabilities. This collaboration contributed to inclusive development and gender equality.

	Funding	PKR 6.0 million
	Duration	2025



Behbud Association: Bank Alfalah supported the establishment of a computer lab at Behbud Association to enhance digital literacy and skills development. The initiative enabled women and students to access technology-driven learning opportunities. This support fostered education, employability, and economic empowerment.

	Funding	PKR 3.9 million
	Duration	2025

Bank’s Islamic Sustainability Partners



Muhammadi Hematology, Oncology Services and Welfare Foundation: Bank Alfalah supported Muhammadi Hematology, Oncology Services and Welfare Foundation with PKR 3.2 million for the purchase of two “Medicool Blood Storage” units, strengthening safe and reliable blood storage for critical oncology and hematology treatments.

	Funding	PKR 3.2 million
	Duration	2025



NUST: Bank Alfalah sponsored 2 underprivileged students from Attock and Sargodha under the NUST Bank Alfalah Islamic Chair, providing financial support for their higher education. This initiative enables access to quality education and fosters skill development for future leaders.

	Funding	PKR 3.5 million
	Duration	2025
	Students Impacted	2 Students



Al Mehrab Tibbi Imdad: Bank Alfalah supported Al Mehrab Tibbi Imdad with the purchase of a 100KVA Prime Diesel Generator, ensuring uninterrupted healthcare services and critical medical support. This initiative helped strengthen hospital infrastructure and improves patient care.

	Funding	PKR 4.17 million
	Duration	2025



Marie Adelaide Leprosy Centre: Bank Alfalah provided PKR 4.95M to the Marie Adelaide Leprosy Centre for an Ophthalmic Ultrasound AB Scan Machine. This helps aid cataract surgeries in remote Balochistan, improving eye care access for underserved communities.

	Funding	PKR 4.95 million
	Duration	2025



Momina and Duraid Foundation: Bank Alfalah supported the Momina and Duraid Foundation with PKR 18M for the renovation and integration of Allama Iqbal Girls and Boys Elementary Government School in Nazimabad. This helped improve learning infrastructure and provided a better educational environment for children.

	Funding	PKR 18 million
	Duration	2025



The Layton Rehmatulla Benevolent Trust (LRBT):

Bank Alfalah provided PKR 6.3M to The Layton Rehmatulla Benevolent Trust (LRBT) for the purchase of 2 Topcon Digital Slit Lamps and 1 Topcon Auto Refractometer. This improved eye care diagnostics and treatment for underserved communities.

	Funding	PKR 6.3 million
	Duration	2025



Orange Tree Foundation: Bank Alfalah provided PKR 9M to Orange Tree Foundation for the installation of a solar power system and Reverse Osmosis (RO) water filtration units in 6 primary schools of Baluchistan. This improved access to clean water and reliable electricity for students in underserved areas.

	Funding	PKR 9 million
	Duration	2025



Pakistan Children's Heart Foundation (PCHF):

Bank Alfalah provided PKR 8.2M to Pakistan Children's Heart Foundation (PCHF) for the procurement of 2 ICU ventilators. This improved critical care support for children with heart conditions.

	Funding	PKR 8.2 million
	Duration	2025



Sahil Welfare Association: Bank Alfalah collaborated with Sahil Welfare Association for the upgradation of a Special Children School (Bin Qasim) located at Gharo with a donation of PKR 7M.

	Funding	PKR 7 million
	Duration	2025



IBA: Bank Alfalah also contributed PKR 16 million to the Institute of Business Administration (IBA) to sponsor 10 undergraduate students under the National Hunt Talent Program (NHTP) from underprivileged areas including Kuragh Chitral, Burewala, RYK, Quetta, Orangi Town Karachi, and Petaro, enabling access to quality higher education and supported the academic growth of talented students from underserved communities.

	Funding	PKR 16 million
	Duration	2025
	Students Impacted	10 Undergraduate students



The Citizens Foundation: Bank Alfalah also supported The Citizens Foundation with PKR 18M to extend and establish the Bank Alfalah Islamic TCF Secondary School Unit in Ittehad Town, accommodating 110 additional students. This financial support enhanced access to quality education for underprivileged children.

	Funding	PKR 18 million
	Duration	2025
	Students Impacted	110 Students



Indus Hospital and Health Network: Bank Alfalah further provided PKR 16M to Indus Hospital and Health Network for the purchase of 2 HFO ventilators for neonates in the NICU. This strengthened critical care for newborns, improving survival rates in high-risk cases.

	Funding	PKR 16 million
	Duration	2025



Network of Organizations Working For People With Disabilities Pakistan (NOWPDP):

Bank Alfalah partnered with the Network of Organizations Working for People with Disabilities Pakistan (NOWPDP) with PKR 1.88 million to procure four retrofitted rickshaws for Persons with Disabilities. This initiative enhances mobility, independence, and access to livelihood opportunities for PWDs.

	Funding	PKR 1.88 million
	Duration	2025



Al-Rayaz Hospital Trust: Bank Alfalah provided PKR 3.5M for the purchase of a 30kV on-grid solar panel system. This ensures reliable power for uninterrupted healthcare services. Bank Alfalah also donated PKR 17M for the purchase of one Fabricated Ambulance (Advanced Life Support) which also serves as a Mobile Health Unit during medical camps conducted in remote and underserved areas.

	Funding	PKR 20.5 million
	Duration	2025



Afzaal Memorial Thalassemia Foundation (AMTF):

Bank Alfalah provided PKR 4.5 million for the purchase of three ICU ventilators. This initiative aided critical care support for thalassemia patients, especially in emergency situations. The Bank also supported the procurement of 1 DEXA Scan Machine for Thalassemia patients with a donation of PKR 5.5 Mn

	Funding	PKR 10 million
	Duration	2025



Alamgir Welfare Trust International: Bank Alfalah Islamic distributed 1,923 ration bags, providing essential food support to underprivileged communities. This partnership ensured immediate relief. Further, Bank Alfalah further provided PKR 15M for the establishment of an equipped dental department to help improve access to quality dental care.

	Funding	PKR 24.99 million
	Duration	2025

Impact through CSR Partnerships:



New World International Women Leader Summit:

The International Women Leaders' Summit brought together global leaders to advance women leadership, with 188 speakers from 45 countries and 5,000 plus delegates over the years. Bank Alfalah's engagement reinforced its commitment to gender inclusion in line with Include, Invest, Inspire.



Karachi Union of Journalists Press Club Ramadan Iftar:

Karachi Union of Journalists hosted an annual Ramadan Iftar Dinner to bring together journalists and prominent figures from sports, arts, and culture. Bank Alfalah supported the initiative to strengthen networking, engage media stakeholders, and build brand visibility and impact.



World Environment Day Conference with Institute of Business Administration (IBA) and Pakistan Air Quality Initiative (PAQI):

Bank Alfalah launched a year-long Climate Action Initiative with IBA Karachi Urban Lab and Pakistan Air Quality Initiative to support the installation of 12 air quality monitors across Karachi for real time data and research.



MagnifiScience Financial Literacy Zone with The Dawood Foundation:

Bank Alfalah supported the launch of Money Matters at MagnifiScience Centre to strengthen financial literacy for the next generation. The exhibition translated personal finance into an engaging learning journey through interactive and gamified experiences.



Cycling for Change with The Citizen Foundation:

Bank Alfalah partnered with TCF for Cycle for Change, a fundraising ride led by Supporters of TCF since 2021 and backed by Karachi's cycling clubs. Proceeds supported scholarships, including an 11 year (KG to Matric) schooling journey for a child.



The Layton Rehmatulla Benevolent Trust (LRBT): LRBT is working to eliminate curable blindness in Pakistan through life changing sight restoration surgeries, powered by strong partnerships. At the 9th LRBT Golf Tournament at Karachi Golf Club, 32 teams came together to help raise funds for 5,000 surgeries, marking 40 years of LRBT restoring sight nationwide. Bank Alfalah reaffirmed its long standing support, with Mr. Faisal Farooq Khan (CHRO, Bank Alfalah) as Chief Guest, highlighting how meaningful sponsorships translate into real, measurable impact for thousands of patients.



Promoting Financial Literacy at +92 Disrupt with Katalyst Labs: Bank Alfalah partnered with +92 Disrupt by Katalyst Labs to deepen engagement across Pakistan’s startup ecosystem and spotlight its venture capital unit for networking and investment opportunities. Mohammad Yahya Khan, Chief Digital Officer, delivered a keynote on Cashless Pakistan, highlighting the Bank’s vision for faster digital payments and financial inclusion.



Promoting Women Entrepreneurs with Wharachi And No Leftovers: Bank Alfalah supported Here in Karachi with Wharachi and No Leftovers to celebrate Karachi’s heritage and spotlight community entrepreneurs. Hunarmand businesses featured on Alfamall were

showcased, small businesses were enabled with POS machines, and Pehchaan account opening was promoted to advance women empowerment and financial literacy.



Promoting Climate Action with Dawn at Breathe Air Pollution Conference: As part of Breathe Pakistan, Bank Alfalah collaborated with Dawn Media Group for a Dialogue on Environment, Policy and Progress in Lahore. The dialogue brought together key stakeholders to assess Pakistan’s air pollution challenge, evaluate policy implementation, and strengthen cross sector solutions and investment pathways.



Media Stakeholder Ramadan Iftar: The Ramadan Iftar Dinner was organised to strengthen relationships with key media personnel and reinforce positive engagement with media representatives. This supported Bank Alfalah’s public image, ensured accurate reporting, and strengthened communication of initiatives and achievements.

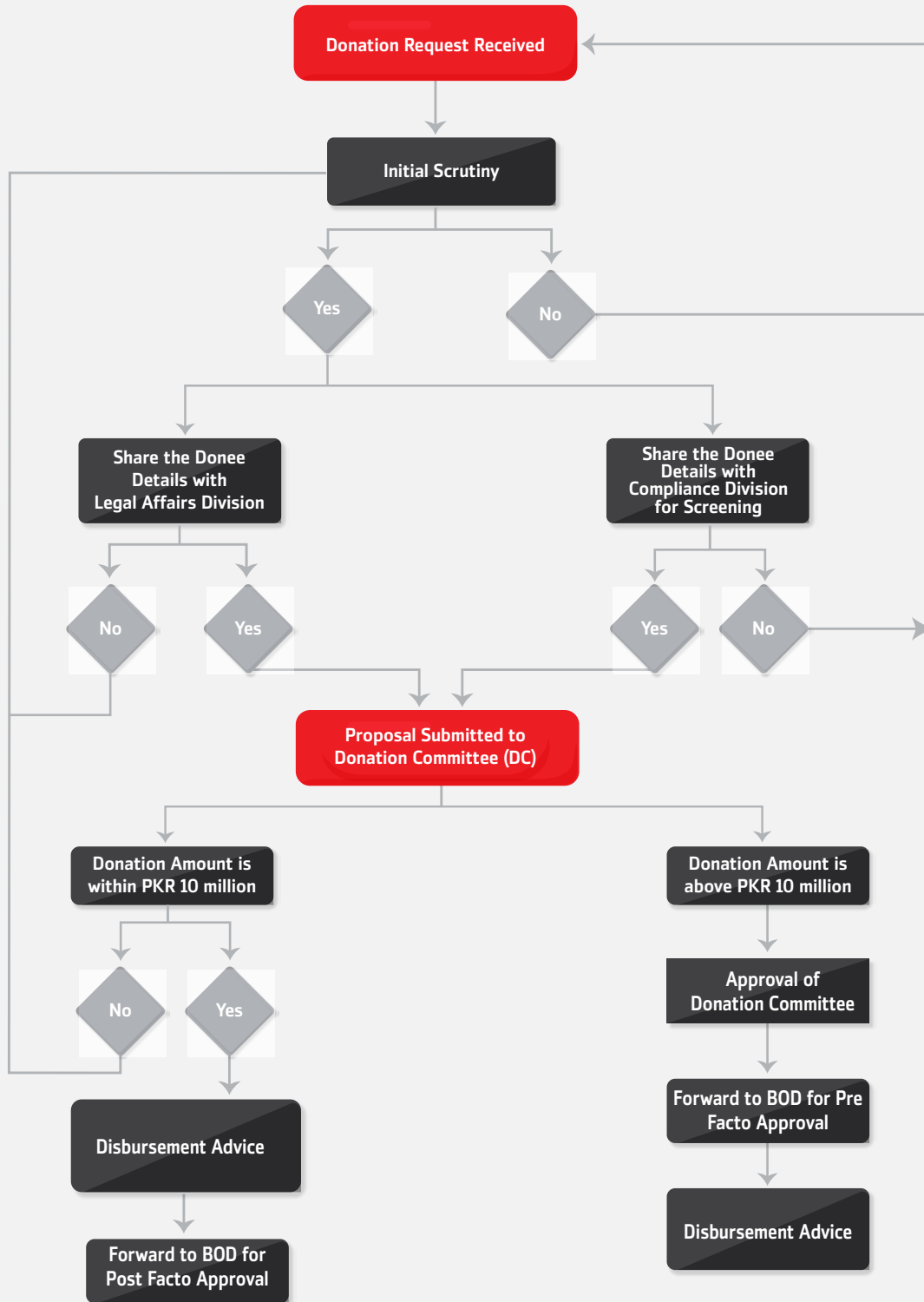


Independence Day Event at Bank Alfalah: Bank Alfalah hosted an Independence Day celebration recognising Special Olympics World Winter Games winners and featuring a heartfelt performance by Zindagi Trust girls. Scholarship students from Habib University and IBA presented their projects, alongside Akhuwat women entrepreneurs who shared journeys enabled through Bank Alfalah supported loans.



Alfa Lead Management Trainee Program: Bank Alfalah welcomed 29 graduates into the 11th batch of its Alfa Lead Management Trainee Program 2025. The programme received 3,456 applications from top universities and selected candidates through a rigorous, competency-based evaluation journey.

Community Investment Oversight Governance Process



After the disbursement of donations amount, the NGO submits the utilisation report within a year.

Sustainability Champions



“Bank Alfalah’s recognition as the Most Inclusive Company in 2026 reflects our identity as a Caring Bank and the culture we are building across the organisation. We are translating Diversity, Equity and Inclusion into practical actions through governance, fair workplace practices and ongoing learning that supports colleagues at every stage of their journey.”

“Sustainability and risk management are closely linked to sustainable practices to help mitigate risks. Bank Alfalah marked an important milestone in 2025 by forming a Sustainability Committee to advance the sustainability agenda and embed ESG considerations into risk management and decision making.”



“For Bank Alfalah, transparent sustainability reporting is a core element of effective governance. We are humbled to be recognised for leading on reporting standards aligned with global frameworks, strengthening confidence among stakeholders.”

“The SME ecosystem including agriculture is the backbone of jobs and local value chains. Bank Alfalah is scaling inclusive financing and practical support, with a growing focus on small and medium scale businesses to drive sustainable growth.”





Aasim Wajid Jawad
Group Head Strategy,
Transformation and Customer
Experience

“ Alfalah, sustainability and ESG are a core part of our long-term strategy. As a caring and responsible institution, we prioritize the well-being of our communities and the preservation of our environment, ensuring we contribute meaningfully to a greener, more inclusive Pakistan and a better world for future generations. ”

“ Investment banking has a role in enabling the transition to a more resilient economy. Bank Alfalah is increasing its focus on green products and sustainable finance solutions that serve stakeholders, anchored in responsible financing and strong business practices. ”



Khurram Iqbal
Head Investment Banking



Farooq A. Khan
Group Head Corporate,
Investment Banking and
International Business

“ Green financing is integral to how we build future ready portfolios. Bank Alfalah is increasing green investments and sustainable financing to create shared value for customers, stakeholders and the wider economy. ”

“ This year marks a defining milestone in Bank Alfalah’s sustainability journey as we integrate sustainability risks and opportunities as an integral part of our strategy , risk management and governance framework . ”



Nadira Saeed
Specialist Sustainability Risk

Governance and Economic Responsibility

Economic Performance (GRI 201)

In 2025, Bank Alfalah demonstrated strong financial performance and continued its commitment to creating and distributing economic value across key stakeholder groups. The Bank reported revenue of PKR 183.36 billion and a profit after tax of PKR 28.34 billion, supported by a robust balance sheet with deposits reaching PKR 2.49 trillion and gross advances of approximately PKR 1.153 trillion (GRI 201-1).

Beyond financial performance, the Bank contributed significantly to the broader economy through the distribution of value. This included PKR 49.9 billion in employee salaries and benefits, PKR 39.7 billion in tax contributions to national revenues, and PKR 34.8 billion in payments to suppliers and vendors, supporting economic activity across the value chain (GRI 201-1 + GRI 204-1).

The Bank also delivered value to its shareholders and communities, issuing a cash dividend of PKR 10.5 per share while allocating PKR 486.8 million towards donations and charitable initiatives. Collectively, these contributions reflect Bank Alfalah's role as a key economic driver and its commitment to sustainable and inclusive growth (GRI 201-1).

Category	Indicator	Value (2025)	Description
Financial Performance	Revenue	PKR 183.36 billion	Total income generated from banking operations
	Profit After Tax	PKR 28.34 billion	Net earnings after all expenses and taxes
	Deposits	PKR 2.49 trillion	Total customer deposits held by the Bank
	Gross Advances	PKR 1.153 trillion	Total financing and lending portfolio
Economic Value Distribution	Employee Salaries & Benefits	PKR 49.9 billion	Compensation paid to employees
	Taxes Paid	PKR 39.7 billion	Contributions to government revenues
	Supplier & Vendor Payments	PKR 34.8 billion	Payments made across the supply chain
Shareholder & Community	Dividend Distribution	PKR 10.5 per share	Return provided to shareholders
Impact	Donations & Charity	PKR 486.8 million	Contributions to community and social causes



Limited Assurance Certificate for the Bank Alfalah Limited Sustainability Report 2025

Independent Limited Assurance Statement

We, Tti Testing Laboratories (Tti), were engaged by Bank Alfalah Limited (the “Company”) to perform a limited assurance engagement in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised), “*Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.*” The engagement relates to the Company’s Sustainability Report for the year ended December 31, 2025, prepared in accordance with the GRI Standards 2021 “in accordance” criteria.

Our scope of work is confined to assessing the alignment of the Sustainability Report with the stated GRI “in accordance” criteria. The engagement does not extend to providing assurance on the completeness of all underlying information, nor on the effectiveness of internal systems, controls, or data management processes beyond the procedures performed.

Responsibilities of Bank Alfalah Limited

The preparation and presentation of the Sustainability Report, including the selection and application of appropriate criteria, remain the sole responsibility of the Company’s management. This includes:

- Establishing and maintaining appropriate data collection, validation, and management systems
- Ensuring the integrity and completeness of information provided for the purpose of this engagement
- Applying appropriate methodologies, assumptions, and estimates
- Maintaining adequate documentation to support disclosures

Responsibilities of Tti Testing Laboratories

Our responsibility is to express a limited assurance conclusion on the compliance with the criteria based on the evidence obtained. We conducted our engagement in accordance with the **International Standard for Assurance Engagements ISAE 3000 (Revised)** and the terms of reference agreed with Bank Alfalah Limited.

Those standards require that we plan and perform the engagement to obtain limited assurance about whether the Sustainability Report is prepared, in all material respects, in accordance with the applicable criteria. The nature, timing, and extent of procedures depend on professional judgment, including assessment of the risk of material misstatement due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Independence and Competence

Tti Testing Laboratories

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Tti operates under established independence and impartiality principles. The engagement team has maintained objectivity throughout the process and was not involved in the preparation or development of the Sustainability Report.

Our team comprises professionals with relevant expertise in sustainability reporting frameworks, including the GRI Standards.

Summary of Procedures Performed

The procedures undertaken were designed to obtain a limited level of assurance and included, among others:

- Review of the report's alignment with GRI Standards 2021 "in accordance" requirements
- Assessment of disclosures related to material topics against GRI 3 and applicable topic-specific standards
- Analytical review of selected data points and internal consistency checks
- Review of supporting documentation on a selective basis
- Evaluation of the overall structure and presentation of the report.

The procedures performed did not include exhaustive verification of all underlying data or source systems, nor a detailed validation of all data collection and management processes.

Use of GRI Standards

The Company has stated that the Sustainability Report has been prepared in accordance with GRI Standards 2021. Based on our review, the disclosures assessed are generally aligned with the applicable requirements, including GRI 2 (General Disclosures), GRI 3 (Material Topics), and relevant topic-specific standards.

Where disclosures were not provided, explanations have been included in line with GRI requirements. No material inconsistencies were identified within the scope of our procedures.

Limitations and Exclusions

This assurance engagement is subject to inherent limitations, including:

- Reliance on data and information provided by the Company
- The use of selective testing and sampling techniques
- The absence of verification of forward-looking statements, projections, or targets
- Exclusion of financial data and information not included within the defined scope

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Accordingly, our procedures do not constitute a comprehensive audit or full validation of all underlying data sources or systems.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Report 2025 has not been prepared, in all material respects, in accordance with the GRI Standards 2021 "in accordance" criteria.

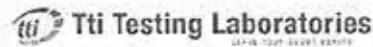
Restricted Use

This assurance statement has been prepared solely for the purpose of supporting Bank Alfalah Limited's Sustainability Report. It is not intended for reliance by third parties, and any such use remains at their own discretion and risk.

Hamed K. Lateef
Chief Executive Office

Tti Testing Laboratories
17-04-2026

Dr. Jawaria Shakeel
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