

ALLIED BANK LIMITED

Analysts:

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RATING DETAILS

RATINGS CATEGORY	Latest Rating	Previous Rating
	Corporate Governance	Corporate Governance
CORPORATE GOVERNANCE RATINGS	CGR 9++	CGR 9++
RATING ACTION	Reaffirmed	Reaffirmed
RATING DATE	October 13, 2026	November 18, 2025

Shareholding (5% or More)

Ibrahim Holdings Private Limited – 90.00%

Other Information

Incorporated in 1942

Public Limited Company (listed)

Chief Executive: Mr. Aizid Razzaq Gill

External Auditor: KPMG Taseer Hadi & Co. Chartered Accountants

Applicable Rating Methodology

VIS Entity Rating Criteria Methodology – Corporate Governance Ratings
<https://docs.vis.com.pk/Methodologies-2026/Corporate-Governance-2026.pdf>

Rating Scale

<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

Rating Rationale

Allied Bank Limited's ("ABL" or the "Bank") Corporate Governance Rating reflects the Bank's established governance framework, supported by an experienced Board, structured committee oversight, and defined management reporting lines. The Board and its committees remained actively engaged in strategic oversight of financial planning and risk management, while succession planning and leadership development initiatives continued to support management continuity.

During the period under review, female representation enhanced to 25% of the Board size. Notably, all Members of the Board Audit Committee are independent directors, strengthening the quality of oversight. Further, out of total five Board Committees', three Committees are chaired by Independent Directors. Board participation remains excellent, and the diverse skill set of its members ensures comprehensive supervision. Both Board and its Committees' meeting minutes are well-drafted. Besides, agenda items and related material are shared with Board Members in a timely manner to facilitate effective decision-making.

The Bank maintains a comprehensive risk management framework covering key risk areas, complemented by strengthened credit monitoring, operational risk reporting and enhanced information and cybersecurity controls. Internal audit and control functions have also been reinforced through independent assessment, greater automation and technology-enabled monitoring, while compliance processes continue to evolve through risk-based and automated AML, KYC, TBML and transaction-monitoring mechanisms.

The Bank has introduced multiple digital banking initiatives/ platforms that has significantly improved service delivery, enhanced customer experience and driven substantial growth in transaction volumes. It continues to develop Agentic AI capabilities for automation of various functions. In addition, ABL has successfully completed its Greenfield Tier-III Data Centre, which is now operational and serving as the Bank's

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Disaster Recovery site. The Bank has also upgraded its Temenos T24 core banking system to enhance scalability, improve integration capabilities and support future product development. Cybersecurity, IT governance, and data protection measures further enhance the Bank's resilience. These initiatives position ABL to effectively manage emerging cyber risks while leveraging growth opportunities.

Shariah governance remains well established, with oversight by the Shariah Board and dedicated shariah compliance department supporting the Bank's Islamic banking operations along-with independent internal audit assurance on effectiveness of Shariah governance, compliance and related internal controls. The governance framework is further supported by structured stakeholder communication, regulatory compliance monitoring, transparent disclosures and initiatives relating to sustainability, financial inclusion and human capital development.

Overall, the Bank continues to demonstrate sound governance practices, effective oversight and a well-developed control environment which is also endorsed by awards from reputable international institutions such as Euromoney, Finance Asia etc.

Company Profile

Allied Bank Limited ("ABL" or the "Bank"), incorporated in Pakistan, is a scheduled bank engaged in commercial banking and related services. The Bank is listed on the Pakistan Stock Exchange Limited. The Bank operates with 1,535 branches in Pakistan and its Head / Registered Office is located at Lahore.

Sponsor Profile

Ibrahim Holdings (Private) Limited is the parent company of Allied Bank Limited and holds 90% of the Bank's shareholding. The Ibrahim Group has diversified interests across the industrial and financial sectors, with a significant presence in yarn and polyester staple fibre manufacturing. The Group has an established track record in Pakistan, with sponsor representation providing strategic oversight to Allied Bank. The Bank continues to benefit from the sponsor's longstanding experience across banking, manufacturing and related businesses. The Ibrahim Group continues to maintain a concentrated ownership position in the Bank. The minority shareholder's representation is ensured by independent directors on the Board and independent chairmanship of three out of five Board committees.

Management and Governance

Board of Directors

During the review period, the Board underwent a change following the sad demise of Sheikh Mukhtar Ahmad, Non-Executive Sponsor Director and founder of Ibrahim Group, on October 10, 2025. The casual vacancy was filled through the appointment of Ms. Sarah Naeem as an Executive Director on January 5, 2026. Subsequently, Mr. Muhammad Waseem Mukhtar, Non-Executive Sponsor Director, was nominated as Vice Chairman of the Board on February 17, 2026.

The Board comprises of eight directors, including two female directors. During the period under review (July, 2025 to June, 2026), the Board held six meetings. The Board and its Committees continued to meet regularly during the ongoing year to review key strategic, financial, and risk matters.

The Bank completed its annual evaluation of the Board, Chairman, individual directors, Board Committees and CEO for 2025. The consolidated evaluation results, along with the performance report and actionable plan, were presented to the Board in February 2026, and the Board expressed satisfaction on the results. The previous external evaluation for 2024 was conducted by M/s. Yousaf Adil, Chartered Accountants, while the next independent external evaluation is scheduled for 2027. During the review period, the Bank also amended its Articles of Association to align them with applicable laws, regulations and regulatory requirements. The amendments were approved by the Board on October 23, 2025 and subsequently approved by shareholders at the Annual General Meeting held on March 30, 2026.

Board Committees

To ensure effective oversight, the Board has constituted five committees, namely the Audit Committee of the Board (ACOB), Board Risk Management Committee (BRMC), e-Vision Committee (EVC), Strategic Planning & Monitoring Committee (SPMC), and Human Resource & Remuneration Committee (HR&RC). The committees operate under Board-approved Terms of Reference and comply with the applicable

requirements of the Companies Act, 2017, SBP's Corporate Governance Regulatory Framework and SECP's Listed Companies (Code of Corporate Governance) Regulations, 2019 relating to their composition, mandate, frequency and meeting proceedings.

During the period under review, ACOB held five meetings, BRMC four meetings, e-Vision Committee four meetings, SPMC twelve meetings, and HR&RC five meetings. There was a change in the composition of BRMC during the review period following the demise of Sheikh Mukhtar Ahmad, its Chairman. Subsequently, the committee was reconstituted, with Ms. Nazrat Bashir appointed as Chairperson and Ms. Sarah Naeem inducted as a member. The current BRMC comprises Ms. Nazrat Bashir, Mr. Zafar Iqbal, Ms. Sarah Naeem and Mr. Aizid Razzaq Gill.

The committees continued to provide oversight across their respective areas, including audit and internal controls, risk management, technology and digital initiatives, strategic planning, and human resource and remuneration matters. Established Board and committee processes, including regular meetings and formal documentation of proceedings, further support the governance framework.

Executive Management

The executive management continues to be led by Mr. Aizid Razzaq Gill, President & CEO, with no change in the CEO position during the review period. The Bank maintains a structured succession planning framework, including the Allied Leadership Talent Pipeline (ALTP) and ABL RISE Program, aimed at identifying and developing leadership talent for key management positions. The organizational structure provides defined reporting lines, with the Audit & Risk Review Group functionally reporting to the Board Audit Committee, supporting independence and objectivity.

During the review period, the Bank continued to operate through various management committees, including Management Committee (MANCO), Asset & Liability Committee (ALCO), Risk Management Committee (RMC), Fair Treatment of Customers Committee, Compliance Committee, IT Steering Committee (ITSC), Sustainability Committee, Human Resource Committee, Central Administrative Action Committee (CAAC), Equity & Investment Committee (EIC) and Anti-Harassment Committee (AHC).

Risk Management

The Bank maintains a comprehensive and integrated risk management framework supported by defined risk processes, systems, tools and methodologies for the identification, assessment and monitoring of risks. The framework is aligned with the Bank's Risk Management Strategy and Risk Acceptance Criteria, with the Board of Directors responsible for approving risk policies, risk acceptance criteria and the overall risk strategy, and monitoring implementation to ensure that risks remain within approved tolerance levels. The Risk Acceptance Criteria Statement (RACS) defines the level of risk the Bank is willing to accept across key areas. This framework is supported by policies covering Credit Risk, Market & Liquidity Risk, Operational Risk Management, Strategic Risk Management, Information Security, Green Banking, Country Risk and Reputational Risk.

The Bank's risk management structure comprises specialized functions covering Corporate & Financial Institution Risk, Commercial, Small & Medium Enterprises & Consumer Risk, Enterprise Risk, Credit Administration, Information Security & Governance and Technical Appraisal. During the review period, the Bank continued to assess its risk profile in view of changes in the economic, political and technological environment and periodically review its policies and procedures accordingly.

During 2025, the Bank further strengthened the Risk Assessment and Management System (RAMS) to enhance credit evaluation and monitoring, supporting the Bank in maintaining one of the lowest infection ratios in the industry. A full-scope review of the Operational Risk Management Policy and an interim review of the Operational Risk Management Procedure were also conducted. Operational risk monitoring was supported through structured reporting, including quarterly Operational Risk Losses Reports, Operational Losses Trend Analysis, KRI Breach Reports and Reputational Risk Reports, while RCSA status and procedure reviews were reported annually providing visibility over risk exposures, emerging trends and areas requiring management attention.

Information security and cyber risk management remained a key focus during the year. The Bank conducted Vulnerability Assessments (VA) and Penetration Testing (PT) and achieved PCI DSS certification for the eighth consecutive year, while continuing compliance with the SWIFT Customer Security Program (CSP). The Security Operations Center (SOC) was further enhanced through the integration of Security Information and Event Management (SIEM), Threat Intelligence, Security Orchestration, Automation and Response (SOAR), Endpoint Detection and

Response (EDR), and Data Loss Prevention (DLP) capabilities. In addition, a globally reputed cybersecurity firm was engaged for 24/7 Managed Detection and Response (MDR) services. The Bank also attained ISO 27001:2022 certification, further strengthening its Information Security Risk Management Program. Fraud prevention was supported through behavior-based threat detection, along with vulnerability assessments and penetration testing.

The Bank also launched the Allied Bank NextGen Leaders Program in 2025 for emerging business leaders and next-generation obligors, focusing on business, financial and technical capabilities, with emphasis on governance, ESG integration, human capital development and digital transformation. Overall, the initiatives undertaken during the review period support and enhance its risk monitoring and control mechanisms.

Internal Control and Audit

During the review period, the Bank further strengthened its internal control and audit environment through enhanced audit oversight, process automation, and technology-enabled control measures. Key developments during 2025 and the ongoing year include:

- Independent external assessment of Internal Audit: An independent external assessment of the Internal Audit Function was conducted by PwC in accordance with SBP requirements and the Global Internal Audit Standards issued by the Institute of Internal Auditors (IIA). The A&RRG achieved overall "Full Conformance", the highest rating under the IIA's Quality Assessment Manual. PwC's maturity assessment further placed the Internal Audit Function approaching the "Insight Generator" level, the second-highest level under its maturity scale.
- Upgradation of Audit Management System: Audit Management System (eAudit) was upgraded to facilitate complete audit lifecycle including audit planning, execution, documentation and reporting as well as integration with Bank's Risk Nucleus System.
- Audit automation: A Python-based utility was implemented to automatically input data-driven audit exceptions and instances into Audit Management System (eAudit.) Further, the process for incorporating amended and new audit tests and related exceptions into eAudit was automated using Python-based processing of Excel data, improving the efficiency and consistency of audit checklist updates. The review of the conversion activity of conventional branches to Islamic branches was automated through Robotic Process Automation (RPA) and Excel-based Power Queries, reducing manual intervention in the review process.
- Strengthening information and cyber controls: The Bank procured and implemented a Data Classification Solution to strengthen the identification and protection of sensitive information. In addition, Symantec Data Loss Prevention (DLP) coverage was expanded through additional endpoint licensing.
- Enhanced compliance controls: The Compliance Group implemented AI-based analysis of AML and KYC cases and introduced new Transaction Monitoring System scenarios. The FCCM TBML module became operational with 19 live scenarios, while trade customer risk profiling was revised in line with the revised SBP framework for managing TBML and TF risks. Post-review of trade transactions was also enhanced to cover FI, Trade KYC and GDF.
- Compliance monitoring and reporting: A Compliance Dashboard was rolled out for key compliance risk indicators, while the FMU STR Automation Project went live for XML-based reporting. Compliance procedures were also realigned with the SBP Consolidation Customers On-boarding Framework.
- Regulatory compliance reviews: During Q4 2025, the Compliance Group conducted reviews of Islamic Banking Window Operations and Customer Grievance Handling & Complaint Management. Control implementation gaps identified through these reviews were communicated to relevant stakeholders, with remedial actions identified.

Information Technology (IT)

During the review period, the Bank continued to strengthen its technology infrastructure and security capabilities through upgrades to core systems, enhanced data management, stronger cybersecurity controls and adoption of emerging technologies. The Bank upgraded its Temenos T24 core banking system from R16 (TAFJ) to R25 (TAFJ) to enhance scalability, improve integration capabilities and support future product development. IBM API Connect Version 10 was also implemented to strengthen API governance, security and system integration. To improve enterprise data management, the Bank implemented the Denodo Data Virtualization Platform, enabling governed and near real-time access to data and supporting data integration and analytics.

The Bank also commenced its journey to upgrade the myABL digital banking platform, with a focus on enhancing customer experience, improving digital journeys and strengthening the platform's scalability, functionality and integration capabilities to support evolving customer needs and future digital banking services. In addition, ABL successfully completed its Greenfield Tier-III Data Centre, which is now operational and serving as the Bank's Disaster Recovery (DR) site, strengthening resilience, availability and continuity of critical technology services.

The Bank further enhanced its information security environment through deployment of Corelight Network Detection and Response (NDR) to improve visibility and threat detection across network traffic, expansion of Symantec Data Loss Prevention (DLP) through additional endpoint licensing, and implementation of Runtime Application Self-Protection (RASP) to protect the mobile banking application against application-layer attacks and runtime threats. Voice Biometric Authentication was also introduced for contact-centre operations to strengthen customer verification and fraud prevention.

The Bank further expanded its digital banking capabilities through the introduction of Advanced Self-Service Kiosks (SSKs) to facilitate Asaan Account Opening and instant debit-card issuance through Allied Digital Lounges, while Raast-enabled Cash Deposit Machines were introduced to facilitate transfers to accounts maintained with other banks. The Bank also successfully went live with the e-KYC blockchain industry initiative, becoming the first bank to do so, thereby supporting more efficient, secure and digitally enabled customer onboarding and verification.

The Bank also continued to develop AI capabilities, including an Agentic AI-powered FCCM Alert Optimization solution aimed at improving the analysis and routing of AML, TBML, Fraud and KYC alerts through greater use of contextual customer, transaction and behavioural information.

Digital Banking

ABL continued to expand its digital banking proposition through enhancements to customer-facing channels, AI-enabled services and targeted digital engagement. The Bank's digital outreach was supported by 22 digital branches, alongside 1,194 conventional and 321 Islamic branches, while the wider self-service network comprised 1,713 ATMs and 491 Cash Deposit Machines (CDMs), providing customers with greater access to technology-enabled banking services.

The myABL Digital Banking platform was further enhanced through additional digital payment and authentication capabilities, including Virtual Debit Cards, Raast P2M QR payments, biometric authentication and Tap & Pay contactless functionality. The Bank is also implementing voice biometric verification for the Allied Contact Center to facilitate customer identity verification during contact center interactions. The Bank expanded myABL WhatsApp Banking functionality to include multilingual support, enabling customers to interact with the platform and access banking services in their preferred supported language. The Bank continued to expand its digital payment acceptance and merchant acquiring capabilities, supporting wider adoption of electronic transactions. ABL also deployed IntelliMatch, an advanced reconciliation system, to support the matching and reconciliation of financial transactions, strengthening operational processing. The myABL platform also introduced a Go Green feature, encouraging customers to use digital banking services in place of paper-based processes.

During 2026, the Bank launched ABL Muawin, an AI-based banking assistant, on its corporate website to provide customers with 24/7 access to banking information and guidance, thereby improving digital self-service and accessibility. The Bank also expanded its Customer-Driven Marketing Platform through dEngage, enabling automated and targeted customer communications through email, SMS and push notifications; from January to June 2026, the platform supported 22 ongoing campaigns. The Bank also established a digital lounge at Packages Mall, featuring Pepper, a conversational robot, and an advanced self-service kiosk (SSK), providing customers with an interactive and technology-enabled banking experience.

The Bank further initiated an Answer Engine Optimization (AEO) and AI Search Optimization programme to enhance the visibility, discoverability and accessibility of its products, services and institutional information across conventional search engines and emerging AI-powered platforms. The initiative included the development of a dedicated Brand Hub and an optimized Knowledge Hub, along with the preparation and publication of structured, search- and AI-optimized content. A total of 37 articles have been published through the Knowledge Hub, covering relevant banking products, services and customer information. The content follows a structured and user-focused format and is reviewed by the relevant Product Teams to support accuracy, consistency and appropriate content governance. Furthermore, the Bank also continued to promote digital innovation through engagement with the FinTech ecosystem, including a FinTech Hackathon, while expanding digital touchpoints and customer engagement initiatives. The developments demonstrate the Bank's continued focus on increasing digital access and leveraging AI to improve customer experience and engagement.

The Bank continued to advance its digital banking initiatives through enhancements to digital touchpoints and customer engagement channels. These initiatives reflect the Bank's ongoing focus on expanding digital access and improving the customer experience through technology-enabled banking services.

Human Resource

ABL advanced its Human Resources framework, focusing on talent development, succession planning, career progression, digitalization and diversity & inclusion. During 2025, the Bank issued 5,095 employment offers, including 570 Management Trainee Officers (MTOs) and 1,195 Tellers, while 853 offers were issued for lateral hiring. Career progression was supported through 329 cadre-change/elevations, while the RISE-II Programme and Allied Leadership Talent Pipeline (ALTP) continued to support identification and development of high-potential employees and the succession pipeline for senior management.

Learning and development remained a key priority, with 95% training coverage was achieved during 2025 and with more than 12,300 employees participating in classroom, digital and blended learning programs. In support of the Bank's Islamic banking transformation, more than 11,000 employees completed Islamic Banking training. The Bank also continued to strengthen DE&I through structured learning and inclusive hiring, with female representation reaching 25.16% as at December 2025. Initiatives for Persons with Different Abilities, employee engagement, performance management and workplace well-being were also maintained.

The Bank further progressed the digitalization of its HR function through the launch of the HR Connect mobile application, enabling employees to manage leave requests, access pay slips and tax certificates, view employment information and receive HR announcements digitally. This has streamlined routine HR interactions and improved accessibility and turnaround time for employees.

During 2026, the Bank continued to focus on strengthening its talent pipeline and inclusive workplace practices. The ALTP-3 has being further developed and launched to -strengthen senior leadership succession, while the Bank continues to position itself as an employer of choice through structured career development, learning opportunities and an inclusive work environment. HRG also launched the RISE-II Programme in 2025 for middle management employees in grades MG-9 to MG-7, with its training plan being implemented in 2026. Our five state-of-the-art Management Development Centres (MDCs) serve as platforms not only for developing the Bank's internal talent but also for contributing to the broader development of the banking industry. In addition to delivering specialized learning programs for employees, the MDC facilitated industry-wide knowledge-sharing and professional development sessions, supporting the enhancement of capabilities, leadership practices and emerging skills across the banking sector. The Bank also received Global Diversity, Equity & Inclusion Benchmarks (GDEIB) recognition in 2026, achieving Best Practice recognition across five DE&I categories, reflecting continued progress in its diversity and inclusion framework. Overall, ABL's HR initiatives reflect continued investment in human capital to support the Bank's evolving business and transformation needs.

Shariah Governance

During 2025-26, ABL further strengthened its Shariah governance framework through oversight by the Shariah Board, supported by the Shariah Compliance Department (SCD) and Internal Shariah Audit Function (ISAF). The Shariah Board reviewed and approved Islamic banking products, programs, policies and procedure manuals, while SCD conducted Shariah compliance reviews covering transactions, documentation, process flows, product development, policies and marketing materials. Four [04] Shariah Board meetings were held during the year, with SCD maintaining close coordination with the Shariah Board and management for implementation of its decisions.

Shariah compliance was further supported through sample-based Shariah compliance reviews of branches and other controlling office functions. The profit distribution process was reviewed monthly, while quarterly internal Shariah audits of pool management were conducted to strengthen pool management and profit and loss distribution. Based on the Shariah Board's review, the transactions, documentation and procedures of ABL-Aitebar Islamic Banking during 2025-26 conformed with the Shariah principles and guidelines of the Shariah Board and SBP, with no Shariah non-compliant transaction identified during the financing portfolio review.

A significant development was the continued transition to Islamic Banking, with 101 conventional branches converted, taking the dedicated Islamic branch network to 321 branches, supported by 389 Islamic Banking windows at end-HCY26. The Bank also achieved 100% Islamic Banking coverage across eight districts of Khyber Pakhtunkhwa. The conversion program was supported by structured capacity-building

initiatives across management levels, with more than 11,000 employees attending Islamic Banking training and refresher sessions during the year. Orientation sessions were also conducted for the Board of Directors and Executive Management.

For CY26, the Bank has planned further expansion of its Islamic Banking network. Moreover, the Bank also continued Islamic Banking awareness initiatives, conducting 20 seminars for customers, business communities, traders and students. ABL's Shariah governance initiatives reflects enhancement of Islamic Banking footprint.

Sustainability

ABL has integrated sustainability principles into its strategies, operations, and reporting frameworks. The Bank has developed a Sustainability Framework and Strategic Plan encompassing sustainability goals, focus areas and targets for implementing the sustainability agenda of the Bank. The Bank has established dedicated Sustainability Committee and Sustainability Department to implement the ESG initiatives of the Bank. ABL has aligned its Sustainability Reports with the international sustainability reporting standards including International Financial Reporting Standards IFRS S1 and IFRS S2, Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI), ESG Guidelines of Security and Exchange Commission of Pakistan (SECP) and contributions to United Nations Sustainable Development Goals (SDGs). The Sustainability disclosures of ABL encompass Governance, Strategy, Risk Management, and Metrics and Targets. The core objectives measurable targets cover financial inclusion, green financing, environmental impact reduction, Diversity, Equity & Inclusion (DEI) and community engagement.

During 2025, the Bank financed PKR 1.54 billion in green projects, taking total outstanding green financing to PKR 9.23 billion at year-end.

The Bank continued efforts to reduce its environmental footprint through various measures including addition of 4.16 MW solar capacity in 2025 to make it a total of 6.402 MW at 265 at Bank locations. Other measures include an IoT-based Fuel Management System installed at selected locations to monitor generator fuel consumption in real time and optimize usage. Paperless banking initiatives, including e-statements, paperless account opening, digitization of customer documents and automation of internal processes, were also continued to reduce paper consumption and improve operational efficiency.

On DEI front, ABL is an equal opportunity employer, and ensures that there is no room for discrimination against any Gender, Race or Person with Different abilities. ABL has created direct and indirect employment which is currently around 22,000 employees, representing diverse geographical areas of Pakistan; thereby positively impacting the broad-based economy and society at large.

ABL promotes gender inclusion through dedicated female recruitment, a structured Female Inclusion Program, and specialized "Khanum Tellers" batches. A dedicated team of Women Champions and targeted training programs further strengthen support for female employees. In 2025, the Bank achieved 25.16% gender diversity, surpassing its 24% target, with women representing 23.67% of senior and executive-level positions.

Financial inclusion and financial literacy remained key areas of the Bank's social initiatives. The rural branch network reached 321 branches, while agricultural financing was provided through 277 designated branches. Under the National Financial Literacy Programme, ABL conducted 261 sessions in rural districts, reaching more than 8,000 participants, of whom 74% were female.

Community and Environmental engagement was further supported through cleanliness and awareness drives at Khunjerab Pass and Moenjodaro, as well as the Run for a Greener Tomorrow marathon held in Lahore, Islamabad and Multan. During the 2025 floods, the Bank also supported affected communities through distribution of food and essential supplies and financial assistance to partner organizations for relief and livelihood support. The Bank also planted more than 150,000 trees/saplings across the country, including a mangrove plantation drive in coastal Sindh in collaboration with WWF-Pakistan.

Regulatory Compliance

The Compliance Group continues to serve as the Bank's second line of defense, overseeing regulatory compliance and Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT), Countering Proliferation Financing (CPF), Trade-Based Money Laundering (TBML), Know Your Customer (KYC), and Customer Due Diligence (CDD) risks.

During the review period, ABL further strengthened its compliance framework through the following key developments:

- **AI-based AML/KYC Analysis:** An AI-based mechanism was implemented for analysis of AML and KYC cases, supporting more efficient assessment of potentially higher-risk cases.
- **TBML Controls:** The FCCM TBML module became operational with 19 live scenarios. Post-review of trade transactions was also enhanced to incorporate FI, trade KYC and GDF considerations.
- **Trade Customer Risk Profiling:** The Bank revised its Trade Customer Risk Profiling in line with the updated SBP framework for managing TBML and TF risks, strengthening the risk-based assessment of trade customers.
- **Compliance Risk Dashboard:** A Compliance Dashboard covering key compliance risk indicators was rolled out to provide improved visibility over compliance exposures.
- **Automated STR Reporting:** The Bank went live with the FMU's STR Automation Project for XML-based reporting, streamlining suspicious transaction reporting.
- **Transaction Monitoring:** New Transaction Monitoring System (TMS) scenarios were implemented to enhance the identification of unusual and potentially suspicious transactions.
- **Customer Onboarding:** Compliance procedures were realigned with the SBP Consolidated Customer Onboarding Framework, strengthening customer due diligence requirements.

The Compliance Group also continued regulatory gap analysis, dissemination of revised regulatory instructions and monitoring of outstanding regulatory and audit observations. Further, the Bank is pursuing greater use of AI and automation in compliance activities, including support for AML/CDD analysts and enhanced automated compliance checks through engagement with external consultants. The developments reflect a continued shift towards technology-enabled and risk-based compliance management.

Financial Transparency and Stakeholders Relations

ABL maintains a structured framework for transparent and timely communication with shareholders and other stakeholders through its Annual Report, quarterly and half-yearly financial statements, investor calls and presentations, Corporate Briefing Sessions, Pakistan Stock Exchange disclosures and the Bank's website. The 2025 Annual Report provides comprehensive disclosures on the Bank's financial and operating performance, corporate governance, risk management, internal controls, information technology, Shariah governance and sustainability, supporting informed assessment by stakeholders.

The Bank also continues to facilitate equitable treatment and participation of shareholders, including minority shareholders, through timely dissemination of notices and financial reports, electronic voting facilities and participation in general meetings through video-link arrangements. Directors are required to act in the best interests of the Bank, fulfil their fiduciary responsibilities and consider the interests of all stakeholders. In addition, the Bank's insider trading framework prohibits directors from trading in Bank securities on the basis of price-sensitive information obtained through their fiduciary position, supporting protection of shareholders and market integrity.

During the period under review, ABL also received external recognition for its initiatives which includes awards from Euromoney i.e. Pakistan Best Islamic Digital Bank, Pakistan's Best Digital Bank for Large Corporations, various awards from Finance Asia such as Best Domestic Bank, Best Bank for Financial Inclusion, Best Sustainable Bank, Best Bank in most DEI Progressive Bank, Best Bank In Most Innovative Use of Technology, Best Commercial Bank – SMEs and Best Investment Bank-Highly Commendable, awarded by Global Diversity, Equity & Inclusion Benchmarks (GDEIB) and Asian Technology Excellence. The Bank also received State Bank of Pakistan recognition as the "Most Compliant Bank" under the National Financial Literacy Programme (2024–2025). These recognitions provide external acknowledgement of the Bank's progress in digital banking and financial inclusion. Overall, the Bank's disclosure framework and stakeholder engagement practices provide multiple channels for access to relevant financial and corporate information and support transparent communication with stakeholders.

REGULATORY DISCLOSURES

Appendix I

Name of Rated Entity	Allied Bank Limited (ABL)				
Sector	Commercial Bank				
Type of Relationship	Solicited				
Purpose of Rating	Corporate Governance Rating				
Rating History	Rating Date	Medium to Long Term	Short Term	Rating Outlook	Rating Action
	RATING TYPE: CORPORATE GOVERNANCE RATINGS				
	10/13/2026	CGR9++			Reaffirmed
	11/18/2025	CGR9++			Reaffirmed
	11/11/2024	CGR 9++			Reaffirmed
	10/25/2023	CGR 9++			Reaffirmed
	11/25/2022	CGR 9++			Reaffirmed
	12/17/2021	CGR 9++			Upgrade
	12/21/2020	CGR 9+			Reaffirmed
	04/02/2020	CGR 9+			Reaffirmed
	02/11/2019	CGR 9+			Reaffirmed
	01/11/2018	CGR 9+			Reaffirmed
	11/09/2016	CGR 9+			Upgrade
	12/04/2015	CGR 9			Reaffirmed
	11/28/2014	CGR 9			Reaffirmed
	10/22/2013	CGR 9			Upgrade
	10/01/2012	CGR 8++			Upgrade
	10/17/2011	CGR 8+			Reaffirmed
	12/02/2010	CGR 8+			Upgrade
	09/15/2010	CGR-8			Harmonised
	04/30/2009	CGR-8			Reaffirmed
	12/03/2007	CGR-8			Initial
Instrument Structure	N/A				
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.				
Probability of Default	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.				
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Due Diligence Meetings Conducted	Name	Designation		Date	
	Mr. Muhammad Atif Mirza	Chief Financial Officer		14th September, 2026	
	Mr. Adeel Javaid	Chief CAG and Company Secretary			
	Mr. Tariq Mehmood Shahid	Chief Compliance			
	Mr. Moin Khalid	Chief Risk Management			