# Annual Report

# 2025

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بنك الأمل
للتمويل الأصغر
AL-AMAL BANK
MICROFINANCE

بنك من لا بنك له
Bank of the Unbanked

The Year of Development & Digital Transformation
2025
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Agents or POS
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# Introduction

We are pleased to present to you AMB's **Annual Report for 2025** that documents the course of an exceptional year, which we have crowned with the theme **"The Year of Development & Digital Transformation".** The year 2025 was not a period in the Bank's history, but rather an essential turning point at which the deep-rooted development vision met the latest technological innovations, which together laid the groundwork for a more inclusive and sustainable financial future in Yemen.

In a persistently challenging economic and social landscape, the bank once again ascertained its corporate flexibility and high capacity for resilience and growth. During 2025, we repositioned the bank as one of the largest microfinance service providers in Yemen, thus enabling us to distribute loans worth more than **YER 15 billion (equivalent to USD 21 million)** amid current liquidity challenges. Next to securing capital, the bank provided an integrated digital financial empowerment system, as it experienced unprecedented expansion in the reliance on PYes app, automated operations, and well-prepared infrastructure to launch a new banking system.

In parallel with this digital transformation, the year 2025 witnessed the integration of green banking into the bank's operations and strengthened compliance with climate action by establishing the Sustainability and Climate Action Unit and directing loans towards environmentally friendly enterprises. Consequently, the bank won prestigious international awards and recognition for the best sustainable financier of the year.

Through its statistics and facts, this report tells the story of an institution that believes technical innovation and environmental responsibility are the two wings that will carry economic empowerment to new horizons, so that Al-Amal Microfinance Bank will always and forever remain the **"bank for the unbanked."**

# Table of Contents:

# In AMB

Innovation turns into a sustainable
impact for the community

# Scope & Methodology of the Report

## The Scope of the Report:

This report covers the AMB's corporate performance for the period extending from 1 January to 31 December 2025 and reviews the economic, social, and environmental impact of the bank's activities in the different areas of the Republic of Yemen. It aims to present a comprehensive and transparent picture of the bank's operational and financial performance, as well as its contributions towards promoting financial inclusion, economic development, and corporate sustainability.

The scope of the report encompasses AMB's activities, in addition to the activities of Al-Amal Foundation for Training and Entrepreneurship, referred to as Reyadah, which is considered the non-financial development arm of the bank. Reyadah provides non-financial services, complementary to the banking services, through training and capacity building programs and support to entrepreneurship. This integration between the financial and non-financial services contributes to strengthening the development impact of the different AMB's programs and initiatives.

The bank relies on strict internal controls to guarantee the accuracy and reliability of the data contained in this report. All the data and disclosures collected were subject to reviews and internal audits by the relevant departments, the Monitoring, Evaluation & Quality Assurance Unit (MEQ), and the Sustainability and Climate Action Unit (SCA).

## Reporting and International Harmonization:

The report was prepared with reference to the Global Reporting Initiative Standards [GRI Standards 2021] pertinent to sustainability reporting in line with best practices in the financial services sector.

To ensure the highest levels of transparency according to GRI standards, the bank affirms that disclosures specific to sustainability and development impact in this report were not subject to verification by a third party (external assurance) for 2025.

The bank is also committed to aligning its activities with the United Nations Sustainable Development Goals (SDGs), and this report highlights the bank's contributions to achieving the following goals:

## Core Topics Identification:

To ensure the report focuses on the most influential issues, the Sustainability and Climate Action Unit led the process of identifying and evaluating the core topics for 2025. The evaluation was based on the bank's strategic plan, stakeholders' expectations, and GRI Standards' Guidelines for the financial sector. Accordingly, the bank adopted four core topics constituting the skeleton of the report:

| Core Topic | Strategic Importance to the bank |
|---|---|
| **Economic performance and financial sustainability** | Ensuring operational and financial sustainability for service provision, increased contribution to national economic development, easy access for vulnerable groups (youth, women, rural communities) to microfinance, and reduced poverty gap. |
| **Corporate performance and business development** | Staff capacity building /training to create an equal working environment, develop financial services, and upgrade customers' protection modalities. |
| **Sustainability and climate action** | Promoting green finance and reducing carbon footprint to build communities' capacity for climate resilience. |
| **Control, evaluation and risk management** | Establishing integrity, protecting customers' data, ensuring total corporate compliance, and combating financial crimes. |

## Reporting principles:

The bank has been committed to applying basic principles for report quality, which are:

**Accuracy and reliability:** Reliance on documented data from internal systems.

**Balance:** Transparency in presenting the achievements, along with operational challenges.

**Clarity:** An organized content that is clear to all stakeholders (donors, customers, and regulatory bodies).

**Comparability:** Provision of data that allows for comparison of corporate and development performances over the years.

## Core Topics Identification:

Stemming from its faith in the importance of transparency and partnership, the bank is open to all comments and questions from stakeholders about the content of this report or the overall performance of the bank. You can contact us and share your opinions and questions via the bank's communication channels.

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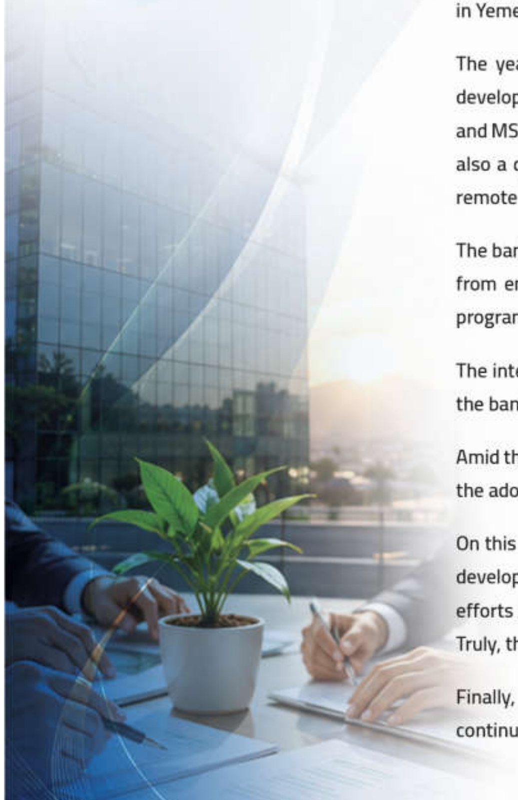
# Message of the Board of Directors



We, the Board of Directors, have the pleasure of presenting to you the AMB's Annual Report for 2025, which documents a year studded with achievements despite increasing challenges. Its content reflects the bank's deep-rooted commitment to supporting economic and social development in Yemen.

The year 2025 represented a significant turning point in the bank's history, as the bank continued to establish its role as a leading financial development institution that seeks to expand the scope of financial inclusion and outreach to the most vulnerable groups, specifically youth, women, and MSMEs. Stemming from its strategic vision, the digital transformation experienced by the bank was not merely a technology-centered update, but also a qualitative transformation with the aim of increasing efficiency, maximizing outreach, and reducing the gap between financial services and remote communities in a manner empowering individual and boosts local economic activity.

The bank also paid great attention to the initiatives of sustainability and green finance since it understands that real development is not independent from environmental protection and the strengthening of communities' capacity to cope with climate challenges. This trend was reflected in the programs and projects the bank supported, as well as in the local and international partnerships, which enhanced its development impact.

The international awards the bank won in the field of sustainability are a certification of its sound approach and efficient governance system, which the bank continuously develops according to the best practices.

Amid the economic and humanitarian challenges the country has been living through, the bank proved that it is resilient and capable of coping through the adoption of good policy and risk-wise management, thus ensuring continuity of AMB services and enhancing customers' and partners' trust.

On this occasion, we take the opportunity to express our gratitude and appreciation to co-founders, donors, the Central Bank of Yemen (CBY), and all development partners for their continuous support and high trust, which has so far been key to the bank's success. Also, we proudly applaud the efforts of the AMB executive management and all AMB staff, who, through their team spirit, demonstrated a sense of commitment and hard work. Truly, they were partners in making hope and establishing its impact on the lives of beneficiaries.

Finally, we confirm that the bank has made progress towards enhancing its development mission, expanding the scope of AMB services, and continuing with innovation in the provision of sustainable financial solutions that contribute to building a brighter and more stable future for Yemen.

# Message of the Executive Management

We proudly present to you the AMB's Annual Report for 2025, which reflects the bank's commitment to transparency and disclosure of its economic, social, and environmental impact, and embodies its vision as a leading financial development institution contributing to promoting financial inclusion and sustainable development in Yemen.

Under the slogan of "The Year of Development and Digital Transformation", the year 2025 was a strategic turning point in the bank's history, as the bank kept developing its business model, going beyond traditional microfinance to an integrated system of digital financial solutions. That was reflected in the expansion of digital services, growth of e-accounts, and an increase in the volume of transactions executed on digital channels, thereby increasing service delivery to different community groups, particularly in remote and rural areas.

The bank also kept establishing the sustainable banking approach by means of incorporating environmental and social dimensions in its operations, expanding green finance, and developing products encouraging the shift to a green economy. In the meantime, the bank consolidated the role of the Sustainability and Climate Action Unit and proceeded with meeting the requirements of accreditation to international climate funds to attract climate financing and put it towards the service of the most vulnerable communities.

In the area of development, the year 2025 witnessed the roll-out of "Al-Amal Development Program (2025 – 2030)", which demonstrates how the bank changed from an MFI into an integrated development partner, focused on customers' capacity building and enhancing their economic resilience. This transition was consolidated through integration between the financial services provided by the bank and non-financial services provided by Reyadah, thus contributing to making a sustainable development impact and increasing SMEs' success prospects.

Despite the economic and humanitarian challenges, the bank maintained high financial capacity and operational efficiency, equipped with an effective system for risk management, governance, and compliance. It also continued to enhance its strategic partnerships and expand its customer base, thus asserting itself as a reliable financial and development partner in Yemen.

In conclusion, we reaffirm our commitment to continuing with innovation, increasing financial inclusion, and maximizing the development impact of the bank in a way that contributes to building a more inclusive and sustainable economy. We also give special thanks to our local and international partners for their endless support, as well as to all AMB staff whose sincere efforts contributed most to the attainment of these achievements.
Together, we keep making hope and translating it into tangible action on the ground...

# About Al-Amal Microfinance Bank

AMB is a leading financial institution in Yemen. It started its business in January 2009 under CBY supervision to provide appropriate financial services to deprived groups from banking services, particularly MSMEs and low-income households.

The bank was established through a development partnership, including Social Fund for Development (with a 45% contribution), Arab Gulf Programme for Development (AGFUND) (with a 35% contribution), and the private sector, which contributed 20%. It was established in a way that strengthened its role as an institution combining financial sustainability and social impact.

The bank has, since its inception, been working on promoting financial inclusion and economic empowerment of individuals and households through the provision of diverse services, including microloans, SME finance, savings, Micro letters of guarantees (Micro LGs) and money transfers, in addition to digital banking services, which make it easy for clients to access financial services.

The bank maintains a countrywide presence via branches, points of sale (POS), financial agents and digital platforms, especially in areas with limited access to banking services. Meanwhile, it keeps investing in the development of technology infrastructure and improving customers' experience and the efficiency of operations.

The bank also applies an integrative model combining the financial services it provides and non-financial services provided by Reyadah, the non-financial development arm of the bank, which provides training and capacity-building programs and technical counselling as a form of support to MSME owners to increase prospects of their business success and sustainability.

Thanks to this integrated corporate model, AMB maintains a well-established status as a leading financial development institution working towards a more inclusive and sustainable economy in Yemen.

## Vision

**Innovative financial empowerment for a productive and sustainable community**

## Mission

To contribute effectively toward the development of sustainable enterprises through the provision of inclusive and integrated financial and non-financial services meeting community needs, with emphasis on economically marginalized groups, relying on qualified staff, innovative technology, and strategic partnerships, thus becoming a leading and sustainable institution according to best international practices.

## Values

AMB culture is based on fundamental values that direct its business and enhance the bank-customer, partner, and staff relationship. These values include:

- Commitment;
- Integrity;
- Trust;
- Transparency;
- Social Responsibility
- Distinction;
- Innovation;

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# Financial Services

Despite an increase in economic challenges during 2025, the bank was keen to ensure continuity of AMB financial services and strengthen its role in supporting local economic activity by means of providing an integrated system of financial solutions, including loans, savings, digital services and money transfers.

**No. of economic empowerment beneficiaries:**
**18,359**
people

**Value of distributed loans:**
**USD 21 million**

**No. of distributed loans:**
**25,472**
loans

**No. of e-accounts:**
**287,040**
e-accounts

**Value of saving portfolio:**
**USD 37 million**

**No. of Micro letters of guarantee:**
**2,705**
Micro LGs

**No. of internal and external transfers:**
**466,110**

**Value of social transfers:**
**USD 103 million**

**Value of e-transactions:**
**USD 151 million**

**Value of external trade transfers:**
**USD 24 million**

## Loans

Loans represent the primary business activity of the bank through which the Bank concentrates on financing small and micro enterprises and productive businesses that contribute to improving livelihoods and boosting local economic activity.

During the year 2025, the bank distributed a total of 25,472 loans totaling USD 21 million. In the meantime, the bank focused on supporting micro enterprises, which accounted for 96% of the total loans distributed, thus increasing access to loans and strengthening the economic empowerment of small and micro enterprises and productive households.

| Loan product | Loans distributed | |
|---|---|---|
| | Number | Percentage |
| Micro-loans | 24,554 | 96% |
| SME finance | 647 | 3% |
| Agri loans | 271 | 1% |
| Total | 25,472 | 100% |

## Micro Letters of Guarantee (Micro LGs)

Micro LGs have witnessed a relative decline during 2025 as a result of discontinuity or slowed progress of several projects linked to international AMB partner organizations, primarily those projects involving SFD and the Public Work Project.

The number of letters of guarantee issued reached 2,705 in 2025, compared to 3,038 in 2024. Despite the decline in the number of letters issued, their total value saw a slight increase, reaching approximately YER 9 billion—a 10% increase over 2024.



Also, Micro LGs represent an important source of AMB cash liquidity, as the Micro LGs-related collateral balances totaled around YER 1.5 billion by the end of 2025. Collaterals related to Micro LGs help boost the savings portfolio and finance the microloan portfolio as well.

## Savings

The savings portfolio is a key component of the financial services the bank provides, as it offers safe financial instruments for customers, helping them manage their savings efficiently and enhance the financial stability of their households.

By the end of 2025, the savings portfolio amounted to around YER 26 billion (USD 37 million), recording a 22% decrease from 2024 due to the economic changes and current liquidity challenges.

**Savings portfolio** (YER million)


## E-money Service (PYes)

Throughout 2025, the bank continued to develop its digital services ecosystem through PYes, which enabled more than 287,000 clients in 2025 to carry out a wide range of financial transactions totaling approximately USD 151 million by leveraging its extensive network of agents and points of sale across various governorates, particularly in rural areas.

| Indicator | 2025 |
|---|---|
| No. of e-accounts | 287,040 |
| No. of agents and POS | 22,412 |
| Value of e-money transactions (USD) | 150,969,171 |

PYes has undergone a series of essential and technological updates during 2025 to improve service quality and impress customers. These updates included:

01 Roll-out of the new wallet platform, which integrates the e-money service and the mobile banking app in a new design, with improved overall performance and faster app response times for a better user experience.

02 Improved e-loan services and Micro LGs on PYes App, and upgraded/updated digital repayment software.

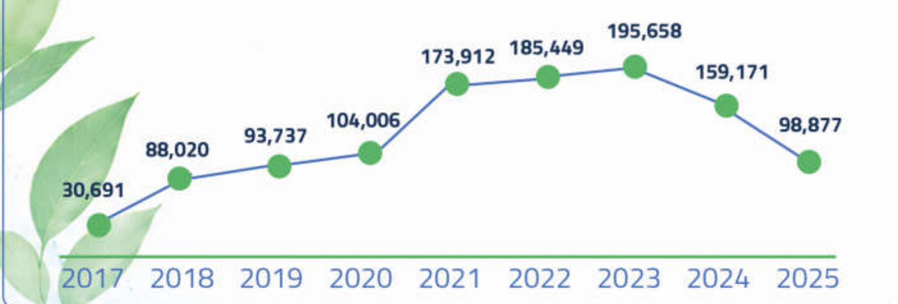
03 Develop comprehensive interoperability with other e-wallets and other national payment gateways.

## Social Cash Transfers

Social cash transfers represent a key service rendered by the bank in partnership with international organizations and humanitarian agencies. Through this service, the bank delivers cash assistance to beneficiaries from the most vulnerable households in different urban and rural areas.

During 2025, the value of social transfers amounted to approximately YER 98.8 billion, equivalent to USD 103 million. The performance of this service is directly linked to the volume of donor funding provided to Yemen. The year 2025 witnessed a decline in some humanitarian aid programs and delays in the launch of some projects, in addition to changes in the approaches of some donors as they restructured the scope of their interventions and their geographic areas of focus.

**Amount of social cash transfers distributed** (YER million)




**New partnerships with INGOs and NGOs during 2025**

## Internal and External Transfers

In 2025, the number of internal and external money transfers processed through the bank's branch network and agents reached 466,110. External transfers have, during 2025, witnessed remarkable growth, as their number increased from 3,350 in 2024 to 59,757 in 2025, following the renewal of the partnership with MoneyGram and expanded service delivery via AMB branches in the different governorates of Yemen. Also, AMB agents were trained in providing external transfer services, as well as in local and international standards for combating money laundering and terrorist financing, which helped expand the scope of service provision through financial agents across Yemen.

406,353
No. of internal transfers
2025

59,757
No. of external transfers
2025

466,110

## External Trade Transfers

payments) via SWIFT for the execution of transfers related to external trade and import, in accordance with in-force laws and regulations.

The bank applies a verification and due diligence process to ensure that wire transfer transactions are lawful and compliant with the regulatory requirements of correspondent banks. The process also involves customer identity verification and a clear understanding of the nature of financial transactions.

322
No. of external trade transfers
2025

24,2M
Value of external trade transfers ($)
2025

## Reyadah's Business Development Services

### The Role of Al-Amal Foundation for Training and Entrepreneurship (Reyadah)

Being the non-financial arm of AMB, Reyadah provides business development services and capacity building services to SME entrepreneurs with the aim of enabling them to earn necessary skills and knowledge for the establishment and efficient management of their projects, in a way increasing their business success and sustainability prospects.

Reyadah provides an integrated package of non-financial services, including training, capacity building, technical counseling, Al-Amal Hub/ incubation schemes, financial literacy, and digital transformation initiatives. These services primarily target youth, women, and SME entrepreneurs in different governorates, thereby increasing their participation in economic activity and achieving financial inclusion.

## Capacity Building

Capacity building programs and activities are diversified to meet the needs of youth-owned enterprises, whether emerging enterprises or current ones, seeking to expand the scope of their business operations or get solutions for challenges faced at the financial, management, marketing, or technical level.

### Capacity building indicators for 2025

| | | | |
|---|---|---|---|
| 17,335 | No. of capacity building beneficiaries | 57% | 43% |
| 12,026 | No. of trained beneficiaries who accessed loans | 64% | 36% |
| 2,276 | No. of beneficiaries who ot a micro grant | 51% | 49% |
| 904 | No. of financial literacy beneficiaries | 67% | 33% |
| 12,073 | No. of beneficiaries who received technical counseling | 68% | 32% |
| 10,313 | No. of beneficiaries who attended mentorship sessions | 76% | 24% |

# Al-Amal Hub

Al-Amal Hub is a center specializing in the provision of various forms of technical counselling required by SME business development stages, from the idea stage to business maturity. Al-Amal Hub contributes to the provision of technical counselling and logistic services required by enterprises from the date of an enterprise's inception, at a reasonable cost, taking into consideration the financial capacity of emerging enterprises. It also allows an opportunity for access to business incubation services free of charge, with support from AMB and other partner organizations.

## Al-Amal Hub indicators for 2025

| 425 | 340 | 12 | 656 |
|---|---|---|---|
| No. of incubated enterprises | No. of New enterprises | Training sessions | Training participants |

To strengthen Al-Amal Hub's role in the capacity building of SME entrepreneurs, as many as 12 knowledge and awareness seminars have been implemented during 2025 with the aim of meeting the needs of entrepreneurs in various fields, including modern technical, management, and financial skills. A total of 656 beneficiaries took part in the seminars, which showed a good turnout for, and active interaction with, these initiatives.

### The main areas in which seminars were held:

| Main field | Financial Inclusion | Digital Marketing & Market Access | Digital Transformation & AI for Business | Entrepreneurship & Project Development |
|---|---|---|---|---|
| No. of attendees | 76 | 75 | 245 | 260 |

**Total 656**

## Al-Amal Learn

It is an online learning platform specializing in financial literacy and entrepreneurship. It provides a full package of readable and visually illustrated training and literacy courses in areas and subjects related to handling funds, managing debts, and banking services, in addition to entrepreneurial and life skills. Through this e-platform, a participant can access e-loans and other banking services provided by AMB to start up an enterprise or expand an existing one.

LAMAL LEARN

During 2025 **12,188** Trainees

76% 24%


## Supporting Access to Loan

Reyadah works on supporting entrepreneurs to access sources of finance /loans by means of establishing integration between Reyadah-provided training and counselling services and loan products provided by the bank. This integration between financial and non-financial services helps convert entrepreneurial ideas into implementable and developable economic enterprises.

**21,374**
Beneficiaries who accessed loan opportunities via Reyadah programs during 2025

**3,009**
Enterprises supported under economic empowerment projects carried out by Reyadah during 2025

## Digital Transformation and Knowledge Economy

Reyadah works on promoting digital transformation in the SME sector by means of developing digital learning platforms and providing specialized training programs in e-trade and digital skills. On its part, Al-Amal Learn contributed to expanding access to knowledge and training, as thousands of people benefited from enrollment in online training programs without geographical restrictions or access impediments.

**50+**
Beneficiaries who received training in e-trade during 2025

### Development impact of Reyadah services

| 54,679 | 82,020 | 107,952 | 92% | 78% | 40% |
|---|---|---|---|---|---|
| No. direct beneficiaries of entrepreneurs and SMEs | No. employment opportunities created in local communities. | No. indirect beneficiaries of household members as a result of improved SME income and stability | of supported SMEs maintained continuity in the market following its establishment and access to finance. | of the overall beneficiaries were youth. | of the overall beneficiaries were women. |

# Integrative Business Module

## Combining financial and non-financial services

**Economic empowerment**
- MSME finance
- Rural finance
- Green finance
- e-loan
- Economic empowerment projects

**Investment services**
- Bank accounts
- Credit facilities
- Micro LGs
- Trade transfers / cross-border payments

**Humanitarian transfers**
- Office-disbursed transfers
- Outreach payment transfers
- Door-to-door cash transfers
- e-transfers

**Payment services**
- e-money (PYes)
- Internal transfers
- External transfers
- Mobile banking
- Online banking

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ريادة
REYADAH

- **Financial literacy**
- **Capacity building**
- **Mentorship**
- **Counselling**
- **Micro grants**
- **Access to finance**

**Joint Impact**

- Increased financial inclusion
- SME business strengthening
- Job creation
- Sustainable economic growth

# Development & Economic Empowerment Projects

AMB keeps on strengthening its strategic role as a leading development partner in economic empowerment, as well as in the promotion of financial inclusion for a broad network of international and donor organizations. These interventions aim to support underserved groups' access to financial .resources, especially youth, women, and SME entrepreneurs, through the provision of integrated financial and development solutions

In the implementation of economic empowerment interventions, the bank applies an integrated development module, combining soft loans, micro grants, and training and capacity building programs. This module was specifically designed to enable beneficiaries to start up an enterprise alongside developing the operations-related aspects, ensuring their sustainability and growth in the market. The outcomes of these interventions are directly reflected in the boosting of local economic activity and the creation of thousands of employment opportunities, as well as the promotion of financial .inclusion by integrating new community groups into the formal financial system

During 2025, the bank implemented four development-centered interventions for 19,340 beneficiaries, including youth and SME entrepreneurs, through the distribution of 13,152 loans with a value of USD 7.4 million, and the provision of 6,188 micro-grants for emerging businesses. In the .meantime, a total of 14,382 beneficiaries received training and counseling in entrepreneurial business establishment and management

| Project | Financing entity | No. of beneficiaries | Interventions | | |
|---|---|---|---|---|---|
| | | | Loans | Financial grants | Training |
| Support to Youth Entrepreneurship and Financial Inclusion (Phase II) | EU, AGFUND, Silatech | 6,958 | 1,109 | 5,849 | 1,936 |
| Al-Amal Economic Empowerment Initiative | AMB | 2,121 | 1,782 | 339 | 2,204 |
| e-loan (Youth) | AMB | 10,242 | 10,242 | - | 10,242 |
| Local Economic Development Fund in Marib | EU, UNDP, Benevolence Coalition for Humanitarian Relief (BCHR), AMB | 19 | 19 | - | - |
| **Total** | | **19,340** | **13,152** | **6,188** | **14,382** |

## Development impact of economic empowerment interventions

**01** Increased employment opportunities for youth and SME

**02** Support the establishment of small businesses capable of growth and stability

**03** Improved income for beneficiary households

**04** Increased financial inclusion through the inclusion of new groups into the formal financial system

**05** Improved beneficiary skills in project management and financial planning

## 01 Support to Youth Entrepreneurship & Financial Inclusion (Phase II)

Funded by the European Union

التعليم فوق الجميع Education Above All

ARAB GULF PROGRAMME FOR DEVELOPMENT - AGFUND
برنامج الخليج العربي للتنمية - أجفند

The project was specifically designed to enable youth (aged 18 – 35) to launch lucrative SMEs, with direct focus on economic recovery for war-impacted SME entrepreneurs and new entrepreneurs as well. It implements an inclusive intervention involving grants, soft loans, specialized (technical, financial, marketing) training in a way promoting SME sustainability and growth in the market.

- **Donor partners:** EU, AGFUND, and Education Above All Foundation.
- **Geographical scope:** Amanat Al Asimah (Sana'a City), Dhamar, Ibb, Taiz, Aden, Hadramout, Amran, Hajjah, Al Hudaydah, Sa'adah, Marib and Lahj.
- **Direct impact:** Empowerment of 6,958 beneficiaries (3,224 men and 3,734 women).
- **Indirect impact:** (Employment opportunities creation); It created a total of 11,965 employment opportunities within the local community (7,229 for men and 4,736 for women).
- **Service classification (2025):** 1,109 loans, 5,849 grants, and 1,936 training opportunities.
- **Project amount (2025):** USD 7,808,787.

## 02 Al-Amal Economic Empowerment Initiative (Supporting resilience and innovation)

The initiative aims to enhance economic resilience for MSME entrepreneurs (aged 18 – 45 years). It focuses on increasing the technical and financial competence of beneficiaries by means of consolidating business management training, provided to them, with loans directed towards the expansion of their enterprises, which positively reflected on the improvement of livelihoods and sustainability of businesses.

- **Financer:** AMB.
- **Geographical scope:** Amanat Al Asimah (Sana'a City), Al Hudaydah, Taiz, Al Mukalla and Aden.
- **Direct impact:** Supporting a total of 2,121 beneficiaries (1,481 men and 460 women).
- **Indirect impact:** (Employment opportunities creation); It created a total of 3,084 permanent employment opportunities (2,140 for men and 944 for women).
- **Service classification (2025):** 1,782 loans, 333 grants, and 2,204 training opportunities.
- **Project amount (2025):** USD 3,930,653.

## 03 E-loan Product for Youth

This project represents a leading initiative in the interconnection between digital finance and the empowerment of youth (aged 18-38 years). The beneficiary begins by earning the skills of financial inclusion and financial service access via Al-Amal Learn platform and ends with obtaining an e-loan (an interest-free loan). To ensure SME business sustainability and development, Reyadah provides technical counselling to beneficiaries on a continuous basis.

- **Financer:** AMB.
- **Geographical scope:** All governorates of Yemen.
- **Direct impact:** Empowerment of 10,242 beneficiaries (6,657 men and 3,585 women).
- **Indirect impact:** (Employment opportunities creation); It created 5,245 employment opportunities (3,593 for men and 1,652 for women).
- **Service classification (2025):** 10,242 loans and 10,242 training opportunities.
- **Project amount (2025):** USD 2,113,770.

## 04 The Revolving Fund for Local Economic Development in Marib

Funded by the European Union

This project represents a strategic initiative to boost local economic development. This initiative was launched to secure sustainable financing solutions. The revolving fund was co-financed 50% by AMB, 50% by EU/UNDP, with a value of USD 1 million. The project aims to enhance the value chain of sesame yield and support local economic development by meeting the needs of small-scale farmers and SME entrepreneurs to enable them to increase productivity and improve their product quality. To ensure a sustainable impact, the loans are accompanied by a package of non-financial services (training, capacity building, and counselling), which is provided to beneficiaries via Reyadah and the Business Development Center pre- and post-loan disbursement.

- **Financer:** AMB.
- **Donor and implementing partners:** Funded by the European Union and support from United Nations Development Programme (UNDP), and implemented by Benevolence Coalition for Humanitarian Relief (BCHR) and Al-Amal Microfinance Bank (AMB).
- **Geographical scope:** Marib Governorate (both Marib City and Al-Wadi districts).
- **Direct impact:** Serving 19 small-scale farmers and the related value chain of SMEs.
- **Fund capital:** USD 1,000,000, co-funded by AMB and its partners.

# A Story of Unbroken Will

"Once, I used to put my life at risk every day, walking through piles of waste in search of scrap metal to feed my children. Today, I proudly stand behind my own business which earned me an income and a sense of safety I had been dreaming of this [business] every day." **Rabab said.**

**From a hazardous environment to a sense of safety, Ms. Rabab writes a new chapter of dignity.**

## 🎯 **The challenge:** Daily struggle in a hazardous environment:

A struggling mother in her 30s from Sana'a City, Rabab had to be the sole breadwinner for her family amid tough economic conditions. To secure a minimum standard of living for her children, Rabab was compelled to work in a hazardous environment, collecting scrap metal and discarded plastic bottles to earn a living. This type of work was not only a threat to her physical health and safety, but it also put the future of her entire family under a daily feeling of instability and anxiousness.

## 🤝 **The intervention:** A loan taking her from vulnerability to a sense of safety:

Stemming from AMB's commitment to effective economic empowerment, the intervention came through Project [of] Support to Youth Entrepreneurship and Financial Inclusion (a yield of a strategic partnership with the EU, Silatech, and AGFUND), which provided her financial and non-financial assistance. Rabab received a financial grant and training sessions on SME establishment and management. In Rabab's case, the objective was not to provide short-lived financial assistance, but rather a decisive intervention pulling her out of the hazardous informal economy and guiding her into a safe and sustainable business that maintains her dignity.

## 📈 **The sustainable impact:** Financial and social stability

Thanks to the financial grant, Rabab said goodbye to hazardous experiences and was able to open and finance her own small grocery. Her life radically changed from an uncertain daily struggle to a state of financial stability and self-reliance. This business secured Rabab a stable income. Most importantly, it secured herself and her children a safe environment and a well-grounded future for her family.

**Rabab's story embodies the real essence of AMB Strategy on enhancing "Economic Resilience" and mirrors the bank's deep-rooted commitment to the SDGs 1 and 8 (No Poverty & Decent Work and Economic Growth), confirming that responsible financing is the protective shield for the most vulnerable groups in society.**

# Al-Amal Development Program's Roll-out 2025–2030

ALAMAL DEVELOPMENT PROGRAM

**To further strengthen its role as a leading development institution in financial inclusion and economic empowerment, the bank launched in 2025 Al-Amal Development Program (ADP) for the period 2025 – 2030, which represents a strategic initiative intended to support economic and social development and strengthen local communities' capacity for establishing sustainable livelihoods.**

**The program's roll-out came in response to economic and social challenges facing Yemen, as the bank, through this program, seeks to transition from short-lived assistance-based interventions to sustainable development interventions focusing on long-term economic empowerment and enhancing economic resilience among target groups.**

**In addition, the program is built upon the provision of integrated solutions combining financial and non-financial services in a way helping individuals, SME entrepreneurs, and local communities develop productive economic businesses and strengthen their capacity for attaining economic autonomy.**

## The program objectives

- To reduce poverty by means of expanding income-generating opportunities and increasing access to financial services.
- To empower individuals and communities economically, specifically youth, women and rural populations.
- To promote inclusive economic growth by means of supporting SMEs and upgrading local value chains.

## Key topics

**Economic empowerment through graduation from poverty module**

This topic aims to empower the most economically underprivileged groups through a phased methodology, starting with the provision of basic assistance and capacity-building opportunities, and ending with the integration of beneficiaries in the financial system via microfinance, which would help them secure sustainable sources of income and attain economic autonomy.

**Supporting entrepreneurship among youth and women**

The program focuses on the economic empowerment of youth and women, as they are among the most important groups capable of driving local economic growth. This pillar includes the provision of financing for entrepreneurial projects, as well as training, incubation, and capacity-building programs that help entrepreneurs develop their projects and enhance their potential for growth and sustainability.

**Support to livelihoods of IDPs and host communities**

The program seeks to strengthen the capacity of internally displaced people (IDPs) and host communities to create sustainable income sources through SMEs and vocational training, which would help improve their livelihoods and reduce their reliance on humanitarian assistance.

**Promotion of digital financial inclusion**

The program works towards expanding the usage of digital solutions in the provision of financial services, which would make it easier for individuals to access banking services and increase the efficiency of financial transactions, particularly in areas with limited access to traditional banking infrastructure.

**Adaptability to climate change and green finance**

The program pays close attention to supporting initiatives involving environmental sustainability and green finance, which would include financing SMEs with higher efficiency in the use of natural resources and adaptability to climate change, particularly in the agricultural sector and rural communities.

## Expected development impact:

- **An increase in employment opportunities and SMEs.**
- **Local communities being more capable of securing sustainable income sources.**
- **Reduced reliance on short-lived humanitarian assistance.**
- **Flourishing local economic development and productive value chains.**

# The Social Impact of Targeting the Most Vulnerable Groups

Inclusive economic empowerment is a keystone in AMB's mission. So, the bank puts emphasis on expanding economic opportunities for financially underserved groups and strengthening their capacity for engagement in productive economic activities. The bank proceeds in this direction out of conviction that financial inclusion is a key input for the attainment of sustainable economic and social development, particularly in contexts experiencing economic challenges and limited employment opportunities.

Through its financial services, development programs, and partnerships with donors and development institutions, the bank works on empowering individuals to access loans and financial services, besides supporting SME development and entrepreneurial capacity building, to contribute to improving livelihoods and enhancing the economic stability of local households and communities.

During 2025, the bank kept expanding the scope of its development programs and initiatives targeted at supporting the most vulnerable groups and increasing their participation in economic activity, with special focus on youth, women, and rural populations.

Impact assessment results of the services provided to the most vulnerable groups during 2025 showed remarkable improvement in the economic conditions of beneficiaries, as around 65% of customers reported an increase in their income, while 48% of them were able to expand their businesses. Also, 75% of the beneficiaries reported an improved quality of life, and 35% of them said the loan created new employment opportunities.

## Youth Economic Empowerment

Youth constitute a driving force for the economy, as well as a key factor for innovation and growth in their communities. In Yemen, where youth make up the largest segment of the population, youth face multiple challenges in relation to employment opportunities and access to loans and ancillary services to start up a business, which is why their empowerment is a key development priority.

### Youth-centered financial services

The bank provides a diverse package of financial products that help youth start up a business or expand an existing one. These products include micro loans, SME finance and agricultural loans, in addition to bank accounts and digital services that enable youth to manage their financial activity efficiently. Moreover, these services enable young people to secure necessary capital for launching a productive enterprise, upgrading cash flow management, and increasing their market accessibility.

**Beneficiaries for 2025 (Youth)**

| | |
|---|---|
| 20,806 | Distributed Loans |
| USD 7,444,128 | Distributed Loans' Value |
| 132,667 | Saving Accounts |
| 108,871 | E-accounts |
| 6,159 | Grants distributed |

### Youth-centered non-financial and capacity-building services

Next to financial services, the bank, via Reyadah, provides a package of SME development services to youth, such as training, capacity building, technical counselling, Al-Amal Hub (business incubation), and digital learning platforms (Al-Amal Learn). These services aim to develop young entrepreneurs' skills in project management, financial planning, and marketing, which help increase their SME success and sustainability prospects.

**Beneficiaries** for 2025 (Youth)

| | |
| --- | --- |
| 17,335 | Capacity building and skill development |
| 14,302 | Financial inclusion and loan access |
| 10,969 | Financial awareness and guidance |
| 12,073 | Technical counselling |

## Women's Economic Empowerment

Women's empowerment is a keystone for the attainment of inclusive and sustainable development, as it helps enhance the economic stability of the household and the community as well. However, women in several contexts experience challenges to accessing finance and financial services, which is why the financial inclusion of women is a key priority in AMB's operations.

### Women-centered financial services

The bank works on smoothing women's access to financial services by designing loan products that take into consideration women's needs and the nature of businesses they run. These products include micro-financial loans directed toward women-led commercial, service, and productive businesses. The bank also provides easily accessible bank accounts and digital services, allowing women to manage their financial resources safely and flexibly.

### Women-centered non-financial and capacity building services

Reyadah provides a package of training programs to women interested in starting up an economic enterprise or developing an existing one. The package includes project management training, financial literacy courses, and technical counselling, in addition to financial grants, which help women develop their small businesses.

**Beneficiaries** for 2025 (Women)

| | |
| --- | --- |
| 5,989 | Distributed Loans |
| USD 1,810,878 | Distributed Loans' Value |
| 120,749 | Saving accounts |
| 86,554 | E-accounts |
| 3,374 | Financial Grants Distributed |
| 7,454 | Capacity building and skill development training. |
| 5,445 | Financial inclusion and loan access. |
| 2,816 | financial awareness and guidance. |
| 3,863 | Technical counselling |

## A story of an impact

"It was often said this field [of business] was limited to men. But I proved that IT competence has nothing to do with one's gender. Today, I not only have my own enterprise, but I also create a safe space for women to fix their cellphones trustfully," **Kholoud said.**

**Breaking the stereotype with innovation. Kholoud joined the technology and smartphone maintenance world.**

### 🎯 The challenge: : An ambition colliding with social and material barriers.

Kholoud, an ambitious young woman, attempted to be the financial supporter for her family amid complicated economic conditions. She selected an unconventional and challenging career path: "cellphone maintenance and programming". Kholoud faced two main obstacles: The first was that men are exclusively dominating this technology career and concurrent stereotypical community perception, and the second was a lack of money to buy necessary equipment and tools for her to start up her own business.

### 🤝 The intervention: Financial investment for community empowerment

Out of its conviction that the Yemeni woman can innovate and overcome barriers, AMB made this intervention through the Support to Youth Entrepreneurship and Financial Inclusion Project (SYEFI) in partnership with Silatech, the EU, and AGFUND to provide her with financial and non-financial assistance. Kholoud got a financial grant and a training opportunity in SME/project establishment and management. The intervention was not merely a conventional loan for an enterprise, but rather an investment in community change. It aims to equip Kholoud with the tools needed to enter a promising economic sector and demonstrate her competence in it.

### 📉 The sustainable impact: Financial autonomy and a safe space for women

Thanks to this assistance, Kholoud was able to establish a workshop fully equipped with cell phone maintenance and programming tools, plus a range of cell phone accessories. Her shop developed drastically, becoming a preferred destination in her local community, with a safe space for women who seek privacy and high reliability for their cellphone maintenance. Kholoud achieved financial autonomy, turning into a living story for every young woman attempting to join new entrepreneurial areas.

**Kholoud's story embodies AMB's well-grounded commitment to the strategy of empowering women and reducing the digital and vocational disparity. The bank supports such innovative modules to contribute towards the attainment of SDG 5 (Gender Equality), confirming that real economic empowerment begins with equal opportunity, boosting and supporting courage and initiative.**

5 GENDER EQUALITY

# Financial Inclusion in Rural Areas

Rural communities face significant challenges in accessing formal financial services, which restrict their ability to develop economic enterprises and improve livelihoods. To this end, the bank works on reducing these challenges by expanding the scope of AMB services into rural communities and/or less accessible areas for formal banking services.

The bank provides SME loans and essential banking services that help support agricultural, vocational, and commercial activities of rural households. The bank also supports local value chains by financing productive activities related to the agricultural sector, as well as various other rural activities. In the meantime, digital e-services contribute to smoothing access to financial services with no need to travel long distances to reach physical AMB infrastructure.

| Financial services | Beneficiaries for 2025 (rural areas) |
|---|---|
| No. of distributed loans | **10,206** |
| Value of distributed Loans (USD) | **8,910,595** |
| No. of saving accounts | **68,245** |
| No. of e-accounts | **87,541** |
| No. of distributed grants | **2,085** |
| SME development services | **17,703** |

# Empowerment of Persons with Disabilities

AMB believes that sustainable economic development must involve all community groups, among them people with disabilities (PWD). Accordingly, the bank develops initiatives and programs targeted at increasing their economic participation and enabling them to create productive enterprises.

Beneficiaries for 2025 (Persons with disabilities)

| Loans and grants | SME development services | Value of distributed loans & grants |
|---|---|---|
| **100** | **348** | **USD 154,000** |

### PWD supporting partnerships

AMB works in partnership with civil society organizations and development institutions to implement thematic initiatives intended to increase this group's opportunities for access to finance and training. In 2025, the bank entered into a cooperation agreement with the Building Foundation for Development to support PWD. Funded by the Federal Ministry for Economic Cooperation and Development of the Government of Germany (BMZ) and Handicap International, the intervention aims to empower this group to enjoy an inclusive and fair access to available financial and development services.

## A Story of Impact

"Disability made some perceive me as being incapable. However, I am self-taught that I should only perceive my own capability. This loan not only granted me an accomplishment, but rather gave me a voice and a status," **Raslan Al-Eryani said.**

**A will that knows no restrictions. How did Raslan turn his aspirations into a thriving business reality?**

### 🎯 The challenge: : Adoration restricted by lack of resources.

In his 20s, Raslan Al-Eryani has not only been experiencing handicap related challenges. He has also encountered a greater obstacle represented by a lack of resources and a discriminatory perception in the community of PWDs. The enthusiastic young man began his endeavor from a small corner in his home in Sana'a to establish a stationery business, depending on his father's small pension to buy toners through an installment payment plan. The dream was growing, but a lack of capital was a hindrance standing in the way of translating this adoration into a real commercial business.

### The intervention: A financial grant makes change.

Here, AMB manifested its role as a strategic partner in making change. The bank's role was not limited to the provision of conventional financial services, but it secured Raslan a "path to empowerment" with a financial grant through the Support to Youth Entrepreneurship and Financial Inclusion Project (SYEFI) implemented in partnership with Silatech, EU, and AGFUND, which transitioned Raslan from a circle of destitution into a platform of productivity.

### The sustainable impact: From an assistance seeker to an opportunity creator.

The financial grant made a radical change in Raslan's life. The young PWD left his small house to open a large trade shop, equipped with sophisticated photocopying/printing machines and office supplies. The social impact did not pause at the attainment of financial autonomy for Raslan, but it expanded into a contributor to employment opportunity creation. Raslan employed his father to help run the business operations.

Raslan's story is an authentic reflection of AMB's strategy on guided financial inclusion, as well as real proof that responsible finance is able to break physical barriers and change vulnerable groups into an active element in the local economy.

# Financial Sustainability Indicators

AMB is keen to maintain a sustainable balance between financial efficiency and operational sustainability, on one hand, and maximizing development and social impact, on the other. In assessing its financial performance, the bank pursues a set of internationally approved microfinance indicators, which reflect AMB's robust financial position and capacity to keep performing its development role efficiently and consistently and maintain financial stability in the long term.

## Financing structure and budget

AMB's financial position amounted to around USD 86 million by the end of 2025. The bank relies on a stable financing structure, with self-financing accounting for 76.2% of the overall budget; meanwhile, external financing made up 23.8%. The figures reflect AMB's financing autonomy and high capacity to self-finance its operations and reduce reliance on external sources.

## Operational and financial sustainability indicators for 2025

### Operational Self-Sufficiency

**OSS**

The bank's OSS ratio reached 121%, which confirms its high capacity to cover all operating expenses from its own revenues, with surplus funds put towards boosting the sustainability of operations and services.

### Financial Self-Sufficiency

**FSS**

AMB's FSS ratio recorded 81%, which reflects the bank's capacity to maintain a financial balance despite current economic challenges.

### Return on Assets

**ROA**

The bank recorded an ROA ratio of 1.8%. This indicator reflects the efficient use of assets to generate sustainable revenues.

## Robustness and risk indicators

### Capital Adequacy Ratio

**CRA**

The bank's CAR hit a record high of 200%. This assuring ratio reflects AMB's robust capital base and high capacity to contain potential shocks and support future expansion of services and operations safely.

### Liquidity Ratio

AMB maintained a high liquidity ratio reaching 160%, which guarantees its high capacity to fulfil short-term obligations and always meet customers' needs for cash.

### Leverage Ratio

It hit a record of 199%, demonstrating an appropriate balance in the use of debt instruments vis-à-vis equity.

### Risk Coverage Ratio

**RCR**

It reached 111%, thanks to AMB's effective precautionary policy in the allocation of adequate provisions to meet potential risk and protect the loan portfolio quality.

# Corporate Performance & Business Development

# Human Capital Building

AMB pays close attention to developing human capital, which is considered to be the main driver for maintaining sustainable institutional performance and establishing its mission in supporting financial inclusion and economic development.

During 2025, the bank continued developing a human resources policy to create a fair and productivity-driven working environment and allow staff to develop their professional capacity and contribute effectively to the attainment of corporate objectives.

## Workforce Structure

By the end of 2025, AMB staff totaled 385 people, which reflects the bank's policy for promoting diverse employment and empowering national talent.

### Workforce indicators

**Total staff**
**385**

| New employees | Percentage of female staff | Female staff | Male staff |
|---|---|---|---|
| 49 | 21% | 81 | 304 |

**The bank is keen on increasing women's participation at the different management and supervisory levels, which demonstrates its institutional commitment to equal opportunity in employment.**

- Women hold more than **10%** of the management and supervisory posts.
- Women account for **26%** of staff holding executive positions.

The bank has a total of 129 temporary hires, who make up nearly 25% of the total workforce in the Head Office and branches. They perform temporary office and field tasks related to humanitarian and economic empowerment interventions.

The bank applies to temporary hires the same occupational and regulatory standards approved, including training and compliance with corporate business policies.

## Human Resources and Job Succession Policy Development

Keen to strengthen corporate capacity building and improve the working environment, the bank has, during 2025, conducted inclusive updates to the human resources policy and procedures to keep pace with the expansion of activities. Key updates included the following:

- **Issuing the AMB staff's "Career Path Regulations", determining all critical posts and developing the job succession plan to ensure business continuity, build future leaders, and retain professional talent.**
- **Updating the Job Description Manual comprehensively to accommodate corporate expansion. Consequently, 20 new job descriptions have been created during the year 2025.**
- **Upgrading the productivity incentive pertinent to loans and Micro LGs and converting it into an automated system; approving an incentive scheme for temporary hires and contractual workers involved in development projects to increase performance efficiency and achieve planned targets.**

The performance indicators described below reflect a process of institutional stability to retain quality staff, with the adoption of up-to-date instruments to ensure business continuity:

- **Staff retention rate: The bank retained staff by 94.5%.**
- **Job turnover rate: The bank maintained a steadily low job turnover rate, not exceeding 16.7% despite a rising number of competitors in the sector.**
- **Institutional experience: The average length of service was 5.9 years for 2025.**
- **Occupational growth: The internal promotion rate reached 2%, consolidating the policy of reliance on internal candidates to fill vacant posts. It is worth mentioning that the rate was higher in previous years.**

## Training and capacity building

AMB continues with investment in the management and technical skill development of staff through specialized training programs targeted at strengthening technical and management competencies to keep pace with advancements in the financial and banking sector.

## Al-Amal Education roll-out

The year2025 saw the roll-out of an internal e-learning platform aimed at providing regular training content that supports institutional learning and encourages staff skill development. The platform contributes to boosting digital learning and maximizing the benefit from training programs in the bank.

| 198 | 11 | 72 | 205 |
| --- | --- | --- | --- |
| Users during 2025 | Training programs | Educational videos | Training hours viewed during 2025 |

## Training programs

| | |
|---|---|
| No. of training programs in the bank | 30 |
| No. of training programs outside the bank | 91 |
| Total training hours<br>With an average of **12.6** hours per employee | 4,703 |
| No. of orientation programs for new employees | 27 |

## Training participants

| | |
|---|---|
| No. of male participants | 268 |
| No. of female participants | 64 |
| Participants in orientation programs | 53 |

## Training and career development areas

| | |
|---|---|
| Compliance and risk management programs | 17 |
| Credit and loan programs | 11 |
| Management and leadership programs | 23 |
| Auditing skill s programs | 8 |
| Marketing and customer service programs | 10 |
| Technology and AI programs | 6 |
| Corporate culture programs | 6 |
| Environmental and social standards programs | 12 |
| Internal systems programs | 7 |
| Data analysis programs | 16 |
| Islamic banking programs | 5 |

## Working Environment and Staff Wellbeing

The bank is keen to maintain a stable and encouraging working environment that promotes staff wellbeing and boosts corporate productivity, with special emphasis on the following:

- A competitive salary and benefit scheme that is periodically reviewed.
- A productivity incentive scheme linked to performance and accomplishment.
- A fully covered medical insurance scheme for staff and their dependents.
- A work injury and life insurance scheme.
- A Social insurance and pension scheme for permanent staff.
- Social Takaful Fund to support emergency cases.
- Periodic social and recreational activities.
- Staff protection and trust promotion policy.

## Women's empowerment and equal opportunity

The bank's business is based on fairness and equal opportunity for all employees without discrimination. Appointment and promotion decisions are based on occupational competency and eligibility. In addition, the bank applies a clear policy for staff protection against discrimination or harassment in the workplace. It also has specific channels for reporting any unacceptable practices. Key measures supporting women's participation in the workplace include:

- Availability of appropriate facilities for female staff in the workplace.
- Paid maternity leaves and lactation breaks for mothers.
- Encouragement for women to fill managerial and supervisory positions.

## Workforce nationalization and social sustainability

AMB applies workforce nationalization by 100%, as all jobs are occupied by national staff. This reflects the bank's commitment to empowering national talent and fostering local economic development.

# Institutional Building and Development

## Branch and agent network

The bank keeps on enhancing its presence in the market by means of expanding the package of AMB financial services and upgrading digital channels to improve access to banking services and to expand financial inclusion into different areas. To this end, the bank employs a nationwide network combining AMB branches and agents, in addition to digital services that allow customers to implement financial transactions easily and efficiently.

As a part of AMB's efforts toward expanding the scope of financial services, the year 2025 witnessed the implementation of many institutional initiatives in relation to the development of the institutional infrastructure of branch offices and POS. These efforts included:

01


Opening a new branch in Sayoun City

02


Moving Al-Mukalla Branch to the new site.

03

Furnishing the new site of Taiz Branch

04

Finishing the expansion of Amran Branch

05


Opening a new branch in Ad-Dira Grand Mall in Sana'a City

The bank also employs a large network of financial and non-financial agents to increase access to financial services in different areas. The agent network was expanded as follows:

**82** Agents

New financial agents, including currency exchange firms, contracted by the bank.

**65** Agents

New non-financial agents, including trade stores, contracted by the bank.

## IT Infrastructure and Banking System Development

As part of AMB's commitment to keep up with dramatic technology advancements and increase the efficiency and flexibility of its banking operations, the year 2025 witnessed the implementation of a package of strategic technology projects, which help with AMB's inclusive digital transformation.

**These projects are described as follows:**

### 01

The bank established a sophisticated data center to operate AMB systems and equip them with virtualization for high availability (HA) operationalism to ensure business continuity and high system reliability. Also, the bank developed network connectivity for five branches through Fiber Optics to accelerate data transmission and synchronization. In addition, it updated the security grid with licensed up-to-date firewalls to ensure high levels of cybersecurity.

### 02

The bank introduced AI internal integration to expand the scope of automation by the means of developing an advanced automated system project related to document sorting. This helps increase operational performance efficiency and reduce reliance on manual routine.

### 03

The bank completed the procedures, data transmission, and preliminary technical verifications and tests in preparation for the formal launch of the new banking system in early 2026, which would represent a quantum leap in the quality and swiftness of banking services provided to customers.

### 04

It upgraded the automated synchronization and filing system for supporting documents of transfers, thus increasing the efficiency of operations and accelerating completion.

### 05

It updated the mechanism of distribution of grants funded by international organizations and agencies to be executed highly efficiently on the portfolio software.

### 06

The bank signed a strategic agreement with Credit Card Services Company (CSC-Jordan) to introduce the Virtual Cards service, which is a quantum leap for increasing e-payment choices and meeting growing customers' needs.

## Marketing and Financial Literacy Promotion

In parallel with geographic and digital expansion, the bank has, during 2025, continued implementing a series of targeted marketing activities and financial literacy campaigns to increase financial inclusion and visibility of AMB's development services. Below is a brief description of key activities:

**01** Designing and printing out the Annual Report 2024

**02** Designing and disseminating the updated AMB profile

**03** Implementing a promotional and visibility campaign during the holy month of Ramadan.

**04** Taking part in seven promotional events/shows.

**05** Preparing marketing material and promotional boards for five branches and four offices.

**06** Launching an awareness campaign on SDGs and AMB contribution towards SDGs attainment.

**07** Implementing several marketing campaigns for promotion of Youth and SME entrepreneur programs in cooperation with AMB's partners.

**08** Carrying out promotional campaigns on AMB products (Agricultural loan, e-money services, solar loan, external transfers)

**09** Updating the Optical Character Recognition (OCR) for the AMB's agent network.

### Product development and operational upgrading


- Launching the "Captain Product" financing electric-powered motorcycles for delivery services.
- Activating the automated planning and follow-up system.
- Selecting and verifying the new banking system in preparation for roll-out in early 2026.
- Preparing the customer service phone number and having it connected to WhatsApp Business API
- Signing an agreement with CSC-Jordan to introduce the virtual card system into the bank.

### Expansion in strategic partnerships and customer base

AMB market presence was not only limited to geographic and digital expansion, but it also included an increase in strategic partnerships with the development and humanitarian sector. Therefore, the bank signed memorandums of understanding (MoU) with some active organizations such as Youth Leadership Development Foundation (YLDF), Building Foundation for Development (BFD), National Foundation for Development and Humanitarian Response, known as NAHR, SOUL for Development, Tamdeen Youth, Nahda Makers, Businessmen Club, and Coalition of Relief and Building (CRB).

Thanks to these partnerships and increasing trust in AMB services, the customer base expanded to include key accounts and inclusive banking service provision to 10 local and international organizations (among them Danish Refugee Council (DRC), Mercy Corps, Vision Hope, Public Work Project (PWP), Relief and Development Peer Foundation (RDP), Yemen Family Care Association (YFCA), Rofqa for Humanitarian Development (RHD), Relief and Development Peer Foundation (RDP), Yanabia Al-Khair Charity Foundation (YKF) and NAHR, thereby strengthening AMB status as a key financial partner for Yemen NGO sector.

# Customer Protection

## Customer outreach channels

The Bank has in place multiple channels of communication with customers to ensure easy access to banking services and technical assistance and enable them to ask about banking services or make comments and complaints.

To upgrade these channels and smooth real-time interaction, the bank determined a specific phone number for customer service and had it linked to WhatsApp Business API to ensure rapid and effective response to customers' expectations.

**78,339**

**Interactions on different channels of communication**

**49 K** Interactions on the toll-free number involving replies to questions and queries, and the provision of technical assistance to customers.

**15.4 K** Interactions on social media platforms, involving replies to comments and counselling requests.

**14 K** Interactions involving replies to customers' complaints and having their problems resolved.

**The bank assesses how satisfied customers are with the services it provides periodically with the aim of upgrading banking products and services and improving customers' experiences. The bank has, during 2025, found that 95% of customers are satisfied with the services, given that complaints were handled for the first time in most cases, which demonstrates high efficiency of the customer service system and effectiveness of the mechanism of handling customers' questions and comments.**

## Takaful Fund as a Social Customer Protection Instrument

Committed to the principles of responsible lending, AMB employs the 'Takaful Fund' as an instrument for social protection in relation to loan services. The purpose of the fund is to extend temporary financial assistance to customers who experience exceptional circumstances that may impact their capacity to fulfill their financial obligations.

The Takaful Fund also extends assistance to customers in cases of natural disasters, death, health problems, or economic crises to mitigate the financial burden on customers and help them overcome emergency situations and continue managing their enterprises.

This mechanism reflects AMB's commitment to protecting its customers against loan delinquency risk and reducing the possibility of excessive debt to enhance customers' financial stability and ensure a sustainable relationship between the bank and people who are beneficiaries of AMB services.

## Customer Privacy Protection

AMB is committed to protecting customers' privacy and the secrecy of their financial and personal data. To this end, it applies a set of integrated regulatory and technical policies and measures aimed at guaranteeing information security and preventing unauthorized access to data.

In addition, AMB works on raising staff institutional awareness about the importance of data protection and adherence to the information security policy in a way contributing to the protection of customers' rights and boosts customers' trust in AMB's banking services.


# Sustainability
& Climate Action

# Green Finance Portfolio

## Incorporating sustainability and climate action into financial services

Environmental sustainability and climate action have become one of the central issues that shape the future of economic development, notably in countries experiencing intricate environmental and economic challenges. In this context, the bank continues strengthening its role as a responsible financial institution supporting the transition to more sustainable development patterns by the means of incorporating environmental and social considerations into AMB's financing and operational activities.

During recent years, the bank has worked on transitioning from the implementation of scattered environmental initiatives to the development of an integrated institutional framework targeted at establishing climate action within the bank. It also seeks to increase its role in climate finance by establishing national and international partnerships and contributing support to efforts intended to enhance local communities' capacity for adapting to climate change.

## Green Finance: an extension to the development bank model

Green finance represents a strategic extension to the AMB's business model, which is based on supporting small productive activities and promoting sustainable livelihoods. With this in mind, the bank has, since inception, focused on financing economic sectors linked to the real economy, primarily the agricultural sector and small productive enterprises in rural areas. Amid growing global concern about the issues of sustainability and climate action, the bank classified these loans under "Green Finance" due to their direct role in supporting sustainable economic development and enhancing local communities' capacity for coping with environmental challenges.

### This transition is built on several institutional principles; the primary of them are:

**01** Incorporation of environmental and social considerations into the financing operations

**02** Application of the Environmental and Social Risk Management (ESRM) framework as part of the credit assessment process.

**03** The Sustainability and Climate Action Unit's institutional role in promoting green banking in the bank.

**04** Directing loans toward environmentally friendly economic activities and contributing to sustainable development.

## Agri Loans as Keystone for Green Finance

The agricultural loan constitutes a bedrock for green finance in AMB due to the vital role the agricultural sector plays in Yemen's economy and its direct correlation with food security and livelihood sustainability in rural communities.


## Solar and Clean Energy Loans

Next to agribusiness financing, the bank continues to support the use of solar and clean energy solutions in SMEs and agribusiness activities, particularly amid limited access to traditional sources of electrical energy in several areas of Yemen.

# Green Finance's Role in Boosting Food Security and Climate Resilience

AMB's green loan portfolio acquires strategic importance in Yemen context, where rural communities face increasing challenges in relation to climate change, scarcity of water resources, and agricultural production fluctuations associated with climate threats.

**By financing agribusinesses and productive enterprises related to the rural economy, the bank contributes to:**

- **Supporting agricultural crops that are more adaptable to climate conditions.**
- **Promoting the efficient use of natural resources.**
- **Enhancing the stability of farmers' income sources.**
- **Developing more sustainable production practices.**

These efforts play a role in enhancing the resilience of local communities in the face of economic and environmental challenges and promoting sustainable rural development.

## Green product innovation:

### Roll-out of Captain 'sustainable loan' product:

كابتن
تمويل الدراجات الكهربائية

As a part of AMB's efforts to translate its green banking strategy into innovative and tangible finance solutions, the year 2025 witnessed the roll-out of the Captain Product, which is a green loan specifically designed for financing electric motorcycles of workers in the delivery service sector. The product represents a leading practical module for integration between environmental impact and economic empowerment (Eco-Economic Empowerment). From an environmental perspective, the product contributes toward minimizing carbon emissions and reducing reliance on traditional fuel, thereby supporting a phased transition to environmentally friendly means of transport (green transport). And, from an economic and social perspective, the product creates new extensive economic opportunities for young people to generate a sustainable income and create flexible employment opportunities in the growing delivery service sector. This embodies AMB's commitment to the attainment of SDGs pertinent to climate action, inclusive economic development, and innovation.

# Expanding the Scope of Green Finance

As part of its strategic plan for promoting green banking, the bank is working on expanding the scope of green finance in the next years through a set of executive and strategic directions, primarily focused on:

- Developing loan products that support environmentally smart agribusinesses.
- Increasing loans for SME solar energy-based businesses.
- Supporting environmentally friendly economic enterprises.
- Enhancing partnerships with national and international entities involved in climate action and sustainable development.

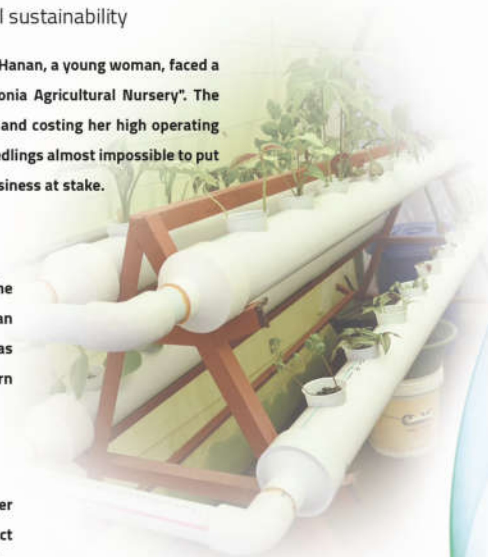
# A Story of Impact

**"My goal was not merely to plant seedlings, but to plant hope in a farmland suffering water scarcity. Thanks to this assistance, my agricultural nursery changed into a green landscape that smartly speaks for itself and secures our precious resources," Hanan said.**

**A drop of water builds a bright future... Hanan leads green innovation in hydroponic farming.**

### 🎯The challenge: Water scarcity and threats to agricultural sustainability

Amid drastic climate change and sharp water shortages Yemen experiences, Hanan, a young woman, faced a threat to her existence that risks the sustainability of her business, "Garonia Agricultural Nursery". The traditional methods of irrigation were consuming huge quantities of water and costing her high operating expenses, which made her plans to expand her business or introduce new seedlings almost impossible to put into practice. The situation put her source of income and the future of her business at stake.



### 🤝 The intervention: A loan designated for climate adaptation.

Stemming from AMB's recognition of the importance of supporting innovative environmental solutions, the intervention came with a loan designated for climate-resilient businesses, the SYEFI Project. The loan amount was not put towards buying more water, which is a short-lived solution for the problem, but it was rather allocated to investment in "green technology innovation" to qualify Hanan for transition into modern and sustainable irrigation systems.

### 📈 The sustainable impact: Hydroponic farming revolution

When Hanan invested the money in introducing advanced "hydroponic farming" technology to her agricultural nursery, the results were tangible. Water consumption significantly decreased, and the product quality and efficiency improved, thus enabling her to diversify seedlings and double her sales. Today, Garonia Agricultural Nursery is not merely a commercial business of a women entrepreneur; it has become a local role model inspiring the farming community to adopt environmentally friendly practices.

**Hanan's story embodies AMB's well-grounded commitment to expand "green finance" and contributes directly to the attainment of SDG6: Clean Water and SDG 13: Climate Action. The bank believes that financing climate resilience/adaptability is a really feasible investment for next generations. Through these efforts, the bank consolidates its role as a development-oriented financial institution seeking to maintain a balance between financial inclusion, economic development, and environmental sustainability.**

# Yemen Emergency Electricity Access Project (YEEAP)

## Increasing clean energy access:

As part of AMB's strategic plan on supporting the transition to clean energy and enhancing the capacity of coping with climate challenges, the bank has, during 2025, continued with the implementation of YEEAP, which is considered a prominent national initiative targeted at increasing households' and SME's access to non-centralized solar energy solutions.

Funded by the World Bank and supervised by UN Office for Project Services (UNOPS), the project aims to promote the solar energy market beyond the electricity grid and improve limited income groups' access to clean and sustainable energy solutions.

## An intervention module based on partnerships with MFIs:

The project employs an operational module based on partnerships with MFIs for the development of the solar energy market, which is already flourishing, to increase clean energy access and strengthen the private sector's role in the provision of sustainable energy solutions.

**Through this module, the bank contributes to:**

- Smoothing households' and SMEs' access to solar home systems (SHS).
- .Improving the quality of products and services linked to solar energy systems
- Supporting the development of a solar energy market beyond the electricity grid.
- .Promoting inclusion of low-income groups in access to clean energy

## YEEAP Indicators

The project aims to increase access to solar energy solutions for households and SMEs. Accordingly, it achieved the following results:

**9,696**
beneficiaries

7,049 | 2,647

**40,000**
Solar energy sets distributed during 2024

**45,000**
Solar energy sets distributed during 2025

The beneficiaries include households and SME entrepreneurs, who obtained solar energy sets that help improve their living conditions and support the continuity of their SME enterprises.

## The project's development and climate impact:

The project contributes to significant development and climate impacts, most notably:

- Enhanced the transition to low-emissions energy solutions.
- Contributed to the flourishing of the decentralized solar energy market in Yemen.
- Reducing dependence on high-cost conventional energy sources.
- Improved access to clean energy for households and SMEs.
- Supported the continuity of SME enterprises.

Through its involvement in this project, the bank continues to consolidate its role as a financial development institution that promotes the transition to clean energy and enhances climate resilience in line with its strategic guidelines on green banking and climate action.

# Sustainability Governance and Environmental and Social Management System

The bank has in recent years witnessed phased development in the incorporation of the principles of sustainability and climate action into its institutional strategies and operational activities. It moved on from the implementation of limited environmental initiatives into an integrated institutional framework incorporating environmental and social considerations into the loan and risk management activities.

The move stems from AMB's recognition of the increasing role financial institutions can play in promoting sustainable development and enhancing local communities' capacity for coping with environmental and climate challenges.

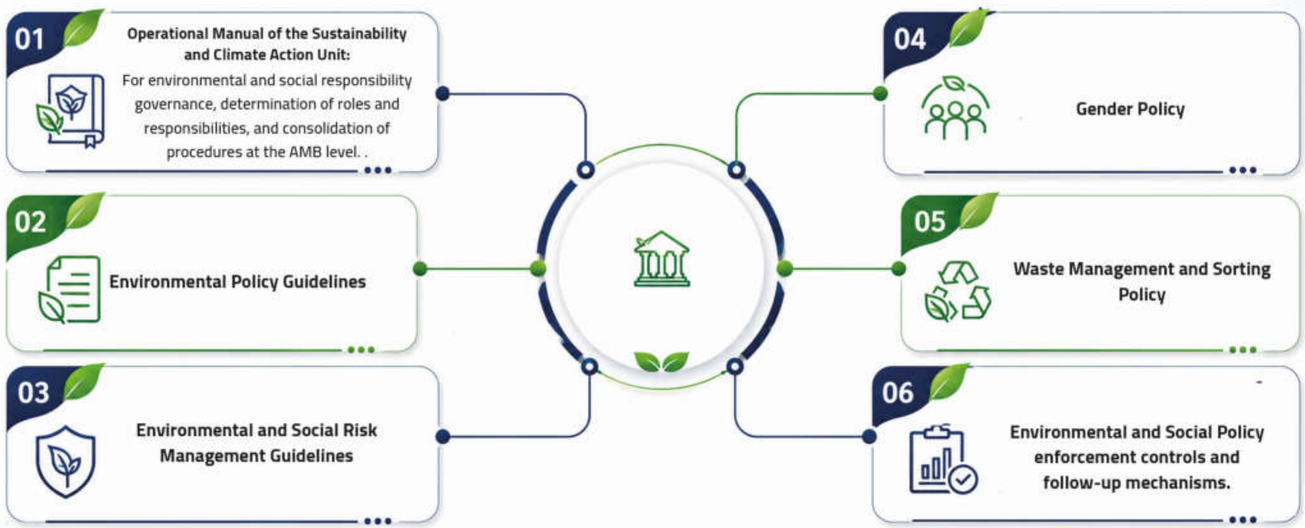
In this context, the year 2025 witnessed strategic institutional progress, represented by the establishment of the Sustainability and Climate Action Unit as a specialized entity leading AMB efforts in environmental and social governance and climate action, as well as coordinating sustainability initiatives across AMB's departments.

The SCA unit also contributed to developing an institutional working methodology for sustainability and strengthening the integration of AMB environmental and social policy and operational and financing activities.

## Institutional Framework of Environmental and Social Governance

The bank applies an institutional framework for environmental and social risk management, intending to incorporate the environmental and social considerations of the activities into the financing/loan decision-making and promote responsible financing/lending practices.

**This framework contains a set of regulatory policies and guidelines that regulate environmental and social issue management within the bank, the primary of which are:**




In addition, the Sustainability and Climate Action Unit coordinates with the Environmental and Social Responsibility Committee and relevant departments for monitoring policy enforcement and strengthening compliance with the policy in AMB financing and operational activities.

During 2025, the Sustainability and Climate Action Unit conducted an internal evaluation of various AMB departments' compliance with the Environmental and Social Policy enforcement to identify strengths and challenges and make necessary recommendations for actual policy enforcement.

## Incorporation of Environmental and Social Risk Evaluation into Loan Activities

As part of AMB efforts towards higher environmental and social risk management efficiency, the bank developed the environmental and social classification instrument for the assessment of risks related to economic enterprises it finances. This instrument was incorporated into the Credit Assessment Process Model (CAP Model), which is pursued in loan management so that the environmental and social risk assessment process becomes part of the credit decision-making cycle. Such integration helps with the following:

- Identifying potential environmental and social risk to financed enterprises.
- Classifying enterprises by the degree of potential risk.
- Taking appropriate measures for potential risk mitigation.
- Directing loans toward more sustainable economic activities.

This integration is considered to be an essential step toward establishing environmental and social considerations within the AMB's lending framework.

## Integration of gender considerations

AMB pays special attention to enhancing gender equality and equal opportunity access in its institutional policy and programs, in view of the central role women play in economic and social development. In this regard, the bank developed a gender policy with the intention of incorporating gender equality considerations into the different AMB operations and policymaking to ensure equal access to financial services and establish equal opportunity for women and men. This policy also supports AMB efforts in the design of financial and non-financial products and services that consider women's needs and contributes to increasing their economic participation.

## Waste Management and Environmental Operational Practices

Committed to reducing the environmental impact of operational activities, the bank developed a mechanism for waste sorting and management across AMB premises with the aim of encouraging responsible environmental practices and improving resource management.

**The mechanism aims to:**

01 Reduce waste associated with operational activities

02 Promote recycling and waste management practices.

03 Improve environmental awareness among staff.

The bank also works toward promoting a sustainability culture in the working environment through internal environmental initiatives that contribute to improving the operational environment.

## Institutional Capacity Building and Awareness Raising

Given the relevance of institutional capacity building to sustainability, the bank has, during 2025, carried out a training program for all AMB's staff to enhance their understanding of environmental and social policies and the mechanism of implementing them in daily operations. Also, the SCA Unit launched an awareness campaign on AMB's internal and external channels to raise staff, customer, and community awareness about the relevance of environmental and social issues.

In culmination of awareness and sustainability literacy efforts, the bank launched a large-scale visibility campaign to introduce SDGs and highlight AMB's direct contributions to their attainment at the local level. These efforts played a role in enhancing the corporate culture of sustainability and establishing the concept of environmental and social responsibility among AMB's staff and customers.

## Sustainability Initiatives in Operational Activities

Next to corporate policy development, the bank implemented a number of initiatives to enhance sustainability in its operational activities. The primary of these initiatives is expansion in the use of solar energy in several AMB's branches, including those in Taiz, Al-Mukalla, and Sayoun, to increase reliance on clean energy sources and reduce emissions and operating costs related to traditional electricity consumption.

The bank also launched a greening initiative in different AMB's premises to improve air quality and hygiene conditions in the working environment. As part of promoting corporate transparency, an AMB's website page was specified for sustainability and climate action to display AMB's initiatives in relation to sustainability and boost communication with audiences outside the bank.

## Participation in National Climate Action Initiatives

The bank was keen to take part in national initiatives involving climate action and solar energy issues to strengthen its role as a financial institution supporting the transition to a low-carbon economy. **Key participations in 2025 were:**

**01** Participation in the launch of a long-term strategy on low-carbon development, which was sponsored by the Environment Protection Authority (EPA).

**02** Participation in the inaugural workshop for developing the National Action Plan (NAP) on Climate Resilience in cooperation with the Ministry of Water and Environment and UNDP.

**03** Participation in the First National Energy Conference on enhancing dialogue about the transition to clean energy and climate finance opportunities.

# Disclosure and Sustainability Framework Development

The year 2025 witnessed a key corporate accomplishment represented by the preparation of the first AMB's sustainability report for 2024, developed according to best international practices approved in sustainability disclosure. The report was developed based on Global Reporting Initiative (GRI) Standards 2021, and it represents a quantum leap toward increasing corporate transparency and developing AMB's sustainability reporting framework.

## International Partnerships and Cooperation

### 1. Established Partnerships

As part of its efforts to expand the scope of sustainable development initiatives and reach vulnerable and underserved communities through collaboration with local and international partners, the Bank established several strategic partnerships, including:

- Signing an agreement to develop and build a digital financing platform in partnership with the Swiss Capacity Building Facility (SCBF) and the Arab Gulf Programme for Development (AGFUND).
- Signing a partnership agreement with Building Foundation for Development (BFD) to implement a sustainable livelihoods project for persons with disabilities, in addition to signing an agreement for the Local Economic Development Revolving Fund Project with the Benevolence Coalition for Humanitarian Relief (BOHR), funded by the European Union (EU) and supported by the United Nations Development Programme (UNDP).

### 2. Knowledge Contributions and International Recognition

- During 2025, the Bank prepared and published a specialized research paper on integrating financial and non-financial services under the title: "The Influence of Adopting TWIN Modality Conducted by Al-Amal Microfinance Bank (AMB) and Al-Amal Foundation (Reyadah) on Boosting Economic Inclusion in Yemen"
- In recognition of its commitment to adopting green and sustainable finance practices, the Bank was awarded the Best Sustainable Finance Provider 2025 by the SME Finance Forum. The Bank was also shortlisted for the Climate Resilience Award – COP30 Regional Prize.
- As part of its efforts to engage international donors and showcase its development experience globally, the Bank organized a specialized webinar in December 2025 in collaboration with DevelopmentAid, during which it delivered a comprehensive presentation highlighting its achievements and initiatives in financial inclusion and sustainable development.

# AMB Operational and Environmental Footprint

## Operational Activities' Environmental Impact Management

Besides its role in expanding the scope of green finance, the bank works on managing the environmental impact of its business operations within a corporate framework for environmental sustainability by means of increasing the efficient use of energy and resources, promoting the use of clean energy sources in AMB's branches, and implementing internal environmental initiatives that contribute to improving the business environment and minimizing the environmental impact of operational activities. These efforts fall within AMB's plan for incorporating environmental considerations in the daily corporate operations and promoting environmentally responsible practices in the working environment.

## Electricity Consumption and Energy Management

The bank has, during 2025, monitored electricity consumption in the Head Office and various branches and offices with the aim of improving the efficient use of energy and strengthening sustainable management of resources. Electricity consumption from the Public Grid's power supply reached 301,302 kWh during 2025. These data constitute a quantum leap in building an environmental database that helps the bank improve energy consumption management and develop more efficient and sustainable operational practices.

## Fuel Consumption and Direct Carbon Emissions

In its commitment to developing the environmental appraisal and disclosure framework, the bank began monitoring and analyzing its direct fuel consumption in operational activities (AMB's electrical generators and vehicles). During 2025, fuel consumption totaled 3,317 liters of petrol and 13,719 liters of diesel. Based on international standard coefficients, the carbon footprint resulting from this consumption (Scope 1) is estimated at 44.43 metric tons of carbon dioxide equivalent (MTCO2e). This observation is considered to be a foundational step to the establishment of future targets to reduce the operational carbon footprint.

## Solar Energy Use Expansion

As part of AMB's plan for reducing the environmental impact of its operational activities, the bank continues with methodical expansion in the use of solar energy as an alternative source of electrical power in many of AMB's branches and offices.

During 2025, total electricity consumption in branches equipped with solar energy systems reached 156,750 kWh. It is worth mentioning that five AMB branches rely on clean energy for daily business operations.

The use of solar energy contributes to the acquisition of several environmental and operational benefits, the primary of which are:

- **Reducing reliance on electrical power supply from traditional sources.**
- **Minimizing the environmental impact associated with electricity consumption in business operations.**
- **Supporting the use of renewable energy sources in the institution.**

Based on an initial estimation of the emission coefficient associated with traditional electricity generation, the use of solar energy in the above-mentioned AMB's branches contributed to emission avoidance by around 78 tons of carbon dioxide (TCO2) during 2025, which reflects the positive impact of the incorporation of clean energy solutions into AMB's business operations. This trend also demonstrates an integration between AMB's role in financing customers' clean energy solutions, on one hand, and the incorporation of these solutions into its corporate operations, on the other.

## Resource Management and Paper Reduction

The bank encourages the responsible use of resources by means of adopting practices related to recycling and reducing waste associated with operational activities. During 2025, 470 kg of paper was recycled, thus contributing to reducing waste and promoting the efficient use of resources in the bank.

In addition, the expanded application of digital solutions and automated operations helps reduce reliance on paper documents in corporate operations. Moreover, the bank continues investing in technology infrastructure development and the transition to digital processing, including:

- **Automating an increasing number of business operations and banking services.**
- **Developing digital systems related to the management of data and documents.**
- **Promoting the use of e-platforms in financial service provision.**

**These efforts help:**

- **Reduce paper use in daily business operations.**
- **Increase the efficiency of operational procedures.**
- **Strengthen the transition to a more sustainable and digital solution-reliant work modality.**

## Greening and Work Environment Upgrading Initiative

As part of promoting environmental practices and improving the working environment in the bank, the SCA Unit led an internal greening initiative aimed at increasing greenspace within AMB's premises and improving the internal environment. The initiative involved planting and care of 58 tree seedlings on AMB's premises during 2025.

**This initiative aims to make positive impacts, primarily the following:**

- **Better quality of internal environment in the workplace.**
- **Higher environmental awareness among staff.**
- **More sustainable and healthy working environment.**

## Environmental Appraisal Framework Development

The bank continues with the development of an internal framework for gauging environmental indicators related to AMB's operational activities to include energy consumption and resource and carbon emission management.

The year 2025 represents a turning point in the building of an inclusive environmental database, in view that the appraisal scope expanded into direct carbon emissions associated with fuel consumption (Scope 1), in addition to energy and resource consumption. Such an expansion strengthens the bank's capacity for tracking its actual environmental impact and improving disclosure in future sustainability reports.

The framework development is expected to enable the bank to expand the scope of environmental disclosure in future reports in accordance with best international practices in corporate sustainability.

# Sustainable Supply Chain and Green Procurement

AMB applies a corporate framework for overseeing the procurement management and supply chain which enhances governance, transparency, and sustainability. The bank spares no effort to ensure that procurement operations are conducted in accordance with clear policies and procedures to ensure efficient use of financial resources and increase transparency in dealing with suppliers/vendors, while taking into consideration the economic, social, and environmental impact associated with the procurement chain. Through these practices, the bank puts its procurement capacity towards supporting the local economy and promoting sustainable practices in the market.

## Local economy strengthening through procurement:

The bank has, during 2025, prioritized local suppliers/vendors and service providers for AMB's dealings to contribute to reviving the national economy and increasing business opportunities for local firms, notably SMEs. This policy helps build long-term partnerships with local suppliers/vendors. It also helps with the stability of procurement chains related to AMB's operations, and in the meantime, creates additional economic opportunities in the local market.

## Integration of environmental considerations in procurement decisions (Green Procurement)

The bank understands that procurement decisions may play a role in reducing the environmental impact of operational activities. So, it takes into consideration the environmental aspects in the selection of commodities and services within specifically approved criteria. Amid this policy promotion, AMB's internal estimates reveal that around 75% of total procurements during 2025 involved considerations in relation to environmental sustainability and the efficient use of resources. These procurements include modern energy-saving devices, digital technology solutions, recyclable office supplies, and equipment supporting the use of clean energy solutions in AMB's facilities. This transformation demonstrates how keen the bank is on integrating sustainability principles in its operations and procurement chain to minimize the environmental impact of AMB's corporate activities.

## Transparency and accountability in procurement:

AMB's procurement operations are subject to clear procedures that ensure transparency in all contractual and procurement phases, including the documentation of procurement operations in line with internal controls. Also, procurement operations are subject to internal audits aimed at strengthening corporate integrity and ensuring efficient use of resources. These practices are key to increasing trust among partners, suppliers, and stakeholders, and strengthening AMB's compliance with the principles of good governance.

# FROM IDEA TO IMPACT..

WE LEAD THE TRANSITION TO CLEAN ENERGY AND SUSTAINABLE AGRICULTURE.

# Governance
## & Risk Management

# Corporate Risk Management

The bank applies an integrated framework for governance, risk management, and compliance to ensure institutional stability and financial service sustainability. During 2025, the bank continued with the development of governance and internal controls frameworks in line with organizational requirements and best international practices, with the emphasis on promoting the compliance culture, upgrading risk management instruments, and improving the corporate monitoring, evaluation, and quality schemes. In addition, the integration of different control functions helps strengthen AMB's capacity for managing risk effectively and enhancing its corporate resilience in a challenging operational environment.

## Risk Department

The AMB's Risk Department has, during 2025, continued to strengthen its role as an essential component in the AMB's governance and controls structure by developing regulatory frameworks for risk management and filing supportive analytical reports to the Executive Management and the Board of Directors.

**Key efforts in this area included:**

- Updating the risk appetite framework in line with AMB's strategic plans and acceptable risk levels.
- Developing risk indicators and limits to maintain a balance between growth and risk management.
- Drafting a comprehensive risk matrix for the Bank, taking into consideration recent changes to the banking and economic environment.
- Implementing stress tests to assess the bank's ability to encounter different economic and financial scenarios.
- Developing periodic analytical reports that cover credit and operational risk, as well as liquidity and concentration risk.

The Risk department also organized the functional authorities of different posts following the launch of the new banking system to enhance checks and balances, establish controls, and reduce operational risk.

## Anti-Money Laundering and Combating the Financing of Terrorism (AML & CFT)

The compliance section has, during 2025, continued to develop and update policies and procedures in relation to anti-money laundering and Combating the Financing of Terrorism in conformity with the following regulatory frameworks:


These efforts involved the determination of a set of regulatory policies and procedures, the primary of which are:


In 2025, the bank also joined the Transaction Screening Service (TSS) connected to SWIFT to strengthen controls on financial transactions and reduce international transactions-related risk.

### Controls on High-Risk Operations

The Compliance Section exercises daily controls and follow-up of high-risk banking operations. The task includes legal entity account review and response to questions from regulatory entities and correspondent banks.

## Compliance Culture and Work Ethics

The bank promotes the culture of compliance and corporate integrity through specialized training programs aimed at raising awareness about compliance requirements, combating financial crime, and work ethics. During 2025, more than 200 employees took part in the training, including in-person and online courses, which were organized in cooperation with the Institute of Banking Studies (IBS).

## Integrity and Data Protection Strengthening

The bank is continuously committed to upholding the principles of integrity among AMB's staff through recurrent training on concepts related to compliance with internal and external regulations, laws, and policy guidelines. Below is a brief description of the training areas and participants:

**7** staff were trained in information security and data protection.

**11** staff were trained in risk management.

**147** staff were trained in work ethics and anti-corruption.

**92** staff were trained in compliance and anti-money laundering.

## Corporate Integrity Indicators

**0**

No. of proved incidents of discrimination

No. of complaints in relation to customers' data

No. of proved incidents of discrimination

# Internal Control and Audit

## Internal Audit and Corporate Control

The Internal Audit Department plays a vital role in strengthening the corporate control environment by implementing risk-based audit programs and assessing how effective internal control frameworks are. During 2025, it implemented the approved annual audit plan, with a completion rate of 92.33%.

**The audit activities included the following:**

- **17** → Auditing of 17 AMB's branches
- **18** → Auditing of 18 projects of different departments and sections

**In addition, follow-up tasks related to internal audits included the following:**

- **24** — Developing 24 follow-up reports to address control-related comments.
- **4** — Releasing 4 quarterly reports on internal audit activity.
- **15** — Implementing 15 processes of continuous controls monitoring of banking operations and financial and digital services.

These efforts contributed directly to increasing the effectiveness of the internal controls framework and improving follow-up of the implementation of control recommendations in the bank.

## Audit Team's Professional Capacity Building

As part of enhancing the audit team's professional competence, the Audit Department staff participated in several training programs.

**Capacity building endeavors in 2025 included the following:**

- **01** Participation in 20 training programs implemented by the bank.
- **02** Attending 47 online courses and workshops.
- **03** Obtaining 5 professional certificates of specialization in accounting, auditing, and risk management.

# Compliance with Sharia Supervision Standards

Sharia Supervision (SS) is an essential component of the AMB's governance structure. SS ensures that all transactions and products are compliant with Islamic Sharia Rulings, increases customers' trust in the Bank, and maintains Islamic Sharia Objectives in financial transactions.

In line with the responsibilities of the Sharia Supervision Department, the year 2025 witnessed the implementation of various activities and processes related to Sharia Supervision over financial transactions carried out by the bank, including:

### Control over banking operations

- Reviewing and auditing financial operations and products to ensure compliance with Sharia Supervision Standards.
- Examining internal policies, procedures, and instructions related to the banking business.
- Issuing Sharia-compliant instructions to control the implementation mechanism of products (e.g., loans, e-services).
- Monitoring the compliance of AMB's departments and branches with Sharia instructions and reducing SS-related risks.
- Monitoring external finance and transfers from a Sharia perspective.

### Sharia auditing

- Conducting comprehensive Sharia auditing of AMB's activities during 2025.
- Monitoring and analyzing Sharia and procedural observations.
- Drafting narrative reports that contain:
  - Observations and solutions.
  - Follow-up on the implementation of solutions and ensuring that violations are addressed.

### Loan product development

- Participating in the development of new loan products that are compliant with Islamic Sharia.
- Completion of the software development work for the Tawliya Financing Product within the new core banking system.
- Coordinating with technical departments to ensure that systems and products are Sharia-compliant.
- Extending Sharia-compliant solutions to operational challenges in relation to products.

### Reviewing software adjustments

- Reviewing changes to the new automated system related to banking operations.
- Ensuring that updates are not contradictory to Sharia control.
- Continuously monitoring any future updates to ensure Sharia compliance.

### Training & Qualification

- Implementing training programs and workshops for staff in:
  - Islamic banking basics.
  - Sharia controls.
  - Enforcement mechanisms in branches.
- Providing field training to enhance preventive control ahead of operations.

# Monitoring, Evaluation and Quality Assurance

## Monitoring, Evaluation and Quality Assurance Unit (MEQ) Inception

The bank pursues a corporate data-based methodology in the management of performance and quality to enhance operational efficiency and improve the quality of services provided. The year 2025 witnessed the creation of the MEQ Unit in a step reflecting AMB's plan for transition into an integrated corporate performance management based on data and quality.

This framework was developed in line with best international practices and criteria, including Quality Management Principles (ISO 9001) and the evaluation criteria certified to the Development Assistance Committee of the Organization for Economic Cooperation and Development, in addition to customer protection criteria issued by the CERISE+SPTF initiative under the Quality Management System (QMS), which the bank develops and applies.

## Corporate Performance Management

The bank pursues a periodic system for performance follow-up at the level of AMB's branches and departments, which allows for measuring completion in comparison to pre-established targets and monitoring changes in performance on a continuous basis. This approach contributed to the following:

01 Increasing corporate performance transparency at various levels.

02 Enabling AMB's branches and departments to improve performance continuously.

03 Early response to operational challenges and taking corrective actions.

## Increasing Data Reliability

Given the importance of data to informing decision-making, the bank developed corporate data verification mechanisms, which are based on data analysis and comparison of various sources to ensure they are accurate and consistent.

**That was reflected in:**

01 Higher reliability of corporate reports.

02 Robust data-based decisions.

03 Higher planning and follow-up efficiency

## Customer Experience and Service Quality Improvement

A mechanism was developed for monitoring the quality of services provided to customers, including compliance follow-up, customers' satisfaction rating, and operational procedures upgrading. **These efforts helped with:**

- **01** Upgrading customers' experience/ satisfaction.
- **02** Accelerating response to customers' needs.
- **03** Increasing trust in AMB-provided services to customers.

## Development Impact Assessment

AMB's role is not limited to the provision of financial services, but it extends to the assessment of the services' impact on the daily life of beneficiaries to promote sustainable economic and social development. During 2025, the bank maintained post-loan follow-up activities to assess changes in income, economic activity, and the sustainability of financed SMEs. It also assessed the impact on the livelihoods and living conditions of beneficiary households.

The results showed a tangible and positive impact, as 65% of beneficiaries reported an income increase while 48% were able to expand their business. In the meantime, the standard of living improved for 75% of beneficiaries, and the loan helped create new employment opportunities for 35% of them. In addition, 40% of beneficiaries reported improved financial autonomy and reduced reliance on informal sources of finance. This impact increased their inclusion in the formal financial system. The bank follows best international practices in impact assessment to help with developing AMB's products and services and enhancing their sustainability. The results confirm that the established impact is not only linked to loans, but also to the integrated module that combines financial loans and non-financial services, including training and capacity building, to promote sustainable economic growth of beneficiary communities.

## Quality Management & Continuous Improvement

The bank continued with the development of the Quality Management System (QMS) by means of consolidating the procedures, improving operational efficiency and strengthening corporate discipline. This action aims to:

- **01** Ensure provision of reliable and high-quality financial services.
- **02** Increase the efficiency of operational activities.
- **03** Establish the culture of continuous improvement in the bank.

This system helped the bank transition from performance monitoring to proactive performance management. This enables the bank to upgrade AMB services and make a sustainable development impact.

# Developmental Impact
## & Future Expectations

**Development impact of AMB's activities**

- ✓ Support to MSMEs through provision of financial loans tailored to the needs of MSME entrepreneurs.
- ✓ Promotion of financial inclusion by means of increasing financial service access for underserved groups or those with limited access to the banking sector.
- ✓ Women's economic empowerment through support to women's participation in economic activities and smoothing their access to loans and other financial services.
- ✓ Support to the local community through financial loans to economic activities that contribute to creating employment opportunities and improving income.
- ✓ MSME sustainability enhancement through integration between loans and non-financial services provided by Reyadah.

**Transition to sustainable banking**

- ✓ Support to agricultural finance to contribute towards increasing food security and improving livelihoods in rural communities.
- ✓ Solar energy and clean technology financing to improve SHS energy access in areas with limited access to electricity services.
- ✓ Environmental and social risk management policy and procedure development to enhance the integration of environmental and social considerations in finance decision-making.
- ✓ Implementation of institutional initiatives aimed at reducing the environmental impact of AMB operational activities and establishing the efficient use of resources.

**Strategic expectations in sustainability and climate action**

- ✓ Environmental, Social and Governance (ESG) sustainability standards: Overseeing the enforcement of environmental and social standards in all AMB's investment and credit decisions.
- ✓ International climate partnerships: Representing the bank to international donor organizations and global climate funds, including the Green Climate Fund (GCF).
- ✓ Green finance innovation: Leading the efforts of designing and developing sustainable finance products and solutions that support climate resilience and environmental transformation.
- ✓ Carbon footprint and impact assessment: Appraising AMB's operational footprint and developing corporate disclosure and sustainability reports.
- ✓ Climate action institutionalization: Converting sustainability efforts into an organized, measurable, and continuously developable institutional action instead of scattered initiatives.

**Strategic expectations in the promotion of financial inclusion**

- ✓ Expansion of financial inclusion and increasing access to underserved groups.
- ✓ Development of innovative financial products meeting MSMEs' needs.
- ✓ Promotion of green finance and renewable energy within the loan portfolio.
- ✓ Support for digital transformation in financial services to increase the efficiency of operations and improve customers' experiences.
- ✓ Corporate capacity and human capital building to boost AMB'S corporate growth sustainability.

**Compliance with long-term sustainability**

The bank will stay committed to its development role as a financial institution contributing to local economic support and an increase in MSMEs and entrepreneurs' growth prospects.
Incorporating sustainability principles in its corporate strategies, the bank establishes its social and economic impact and plays a role in building a more inclusive and sustainable economy so that it makes a positive impact on the local communities it serves.

# Annexes

## GRI Disclosure Index

| | |
|---|---|
| Statement of Use | Al-Amal Microfinance Bank (AMB) has reported the information cited in this GRI Content Index for the period 1 January–31 December 2025 with reference to the GRI Standards. |
| GRI Standard used | GRI 1: Foundation 2021 |
| External confirmation | The information presented in this Annual Report has been reviewed and verified internally by Al-Amal Microfinance Bank. No external assurance was conducted for the 2025 reporting period. |

| GRI Standard | Disclosure | Where in the report | Relevant SDGs |
|---|---|---|---|
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | Page 10 | — |
| | 2-2 Entities included in the organization's sustainability reporting | Page 6 | — |
| | 2-3 Reporting period, frequency and contact point | Page 6 | — |
| | 2-4 Restatements of information | Page 7 | — |
| | 2-5 External assurance | Page 6 | — |
| | 2-6 Activities, value chain and other business relationships | Pages 20, 58 | SDG 8 – Decent Work and Economic Growth |
| | 2-7 Employees | Page 33 | SDG 8 – Decent Work and Economic Growth |
| | 2-9 Governance structure and composition | Pages 51, 61 | SDG 16 – Peace, Justice and Strong Institutions |
| | 2-11 Chair of the highest governance body | Page 8 | SDG 16 – Peace, Justice and Strong Institutions |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Page 50 | SDG 16 – Peace, Justice and Strong Institutions |
| | 2-22 Statement on sustainable development strategy | Pages 8, 9, 68 | SDG 8 – Decent Work and Economic Growth; SDG 17 – Partnerships for the Goals |
| | 2-23 Policy commitments | Pages 40, 62 | SDG 16 – Peace, Justice and Strong Institutions |
| | 2-24 Embedding policy commitments | Page 52 | SDG 16 – Peace, Justice and Strong Institutions |
| | 2-26 Mechanisms for seeking advice and raising concerns | Pages 7, 40 | SDG 16 – Peace, Justice and Strong Institutions |
| | 2-27 Compliance with laws and regulations | Page 62 | SDG 16 – Peace, Justice and Strong Institutions |
| | 2-28 Membership associations | Page 54 | SDG 17 – Partnerships for the Goals |
| | 2-29 Approach to stakeholder engagement | Page 40 | SDG 17 – Partnerships for the Goals |

| GRI Standard | Disclosure | Where in the report | Relevant SDGs |
|---|---|---|---|
| **GRI 3: Material Topics 2021** | 3-1 Process to determine material topics | Page 7 | — |
| | 3-2 List of material topics | Page 7 | — |
| **GRI 201: Economic Performance 2016** | 201-1 Direct economic value generated and distributed | Pages 12, 31 | SDGs 8 & 9 |
| | 201-2 Financial implications and other risks and opportunities due to climate change | Page 34 | SDG 13 – Climate Action |
| **GRI 202: Market Presence 2016** | 202-2 Proportion of senior management hired from the local community | Page 36 | SDGs 8 & 10 |
| **GRI 203: Indirect Economic Impacts 2016** | 203-1 Infrastructure investments and services supported | Pages 21, 48 | SDGs 1, 5, 8, 9 & 11 |
| | 203-2 Significant indirect economic impacts | Pages 19, 68 | SDGs 1, 5, 8 & 10 |
| **GRI 204: Procurement Practices 2016** | 204-1 Proportion of spending on local suppliers | Page 58 | SDGs 8 & 12 |

| GRI Standard | Disclosure | Where in the report | Relevant SDGs |
|---|---|---|---|
| **GRI 205: Anti-corruption 2016** | 205-1 Operations assessed for risks related to corruption | Page 61 | SDG 16 – Peace, Justice and Strong Institutions |
| | 205-2 Communication and training about anti-corruption policies and procedures | Page 63 | SDG 16 – Peace, Justice and Strong Institutions |
| | 205-3 Confirmed incidents of corruption and actions taken | Page 63 | SDG 16 – Peace, Justice and Strong Institutions |
| **GRI 302: Energy 2016** | 302-1 Energy consumption within the organization | Page 55 | SDGs 7, 12 & 13 |
| | 302-4 Reduction of energy consumption | Page 55 | SDGs 7 & 13 |
| **GRI 305: Emissions 2016** | 305-1 Direct (Scope 1) GHG emissions | Page 55 | SDG 13 – Climate Action |
| | 305-5 Reduction of GHG emissions | Page 55 | SDG 13 – Climate Action |
| **GRI 308: Supplier Environmental Assessment 2016** | 308-1 New suppliers that were screened using environmental criteria | Page 58 | SDGs 12 & 13 |
| **GRI 401: Employment 2016** | 401-1 New employee hires and employee turnover | Page 33 | SDG 8 – Decent Work and Economic Growth |

| GRI Standard | Disclosure | Where in the report | Relevant SDGs |
|---|---|---|---|
| **GRI 404: Training and Education 2016** | 404-1 Average hours of training per year per employee<br>404-2 Programs for upgrading employee skills and transition assistance programs. | Page 34<br>Page 34 | SDGs 4 & 8<br>SDGs 4 & 8 |
| **GRI 405: Diversity and Equal Opportunity 2016** | 405-1 Diversity of governance bodies and employees | Page 36 | SDGs 5, 8 & 10 |
| **GRI 406: Non-discrimination 2016** | 406-1 Incidents of discrimination and corrective actions taken | Page 36 | SDGs 5, 8 & 10 |
| **GRI 413: Local Communities 2016** | 413-1 Operations with local community engagement, impact assessments, and development programs | Pages 21, 26 | SDGs 1, 10 & 11 |
| **GRI 418: Customer Privacy 2016** | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Page 41 | SDG 16 – Peace, Justice and Strong Institutions |

**Towards Sustainable**
& Inclusive Development