



# Allied Bank Limited

## Brief History

Allied Bank Limited (formerly Allied Bank of Pakistan Limited) registered as Australasia Bank Limited in 1942 at Lahore has witnessed and experienced various political, economic, financial and technological upheavals which have taken place in the South Asian Region.

In 1947, when Bank was in nascent age, it had to undergo a traumatic event which divided Asian sub-continent into two independent states namely Pakistan and India. Allied Bank, being the only Muslim Bank on the soil of Pakistan, lost over 50% of its operations and assets which were on the soil of India.

The management undauntedly faced the multiple challenges resulting from huge human and financial losses on the one hand and the task of providing the newly emerged nation with efficient and effective payment system and banking facilities to all sectors of economy on the other hand. The Bank also rendered valuable treasury services for the Government of Pakistan and despite many constraints played an effective role in socio-economic uplift of the country.

In 1971, the Bank lost more than half of its assets and network due to secession of the then East Pakistan. The Bank not only survived this serious crisis but also regained its financial strength maintaining the growth rates in key performance indicators.

In 1974, the Government of Pakistan nationalized all financial institutions in the country. Realizing the robust financial strength of Australasia Bank Limited among all the nationalized financial institutions, the Government decided to merge three financially weak institutions, namely Sarhad Bank Limited, Lahore Commercial Bank Limited and Pak Bank Limited into Australasia Bank Limited and renamed it as Allied Bank of Pakistan Limited.

Allied Bank remained in the Public Sector for seventeen (17) years, during which the quality of its assets remained comparatively better among its peers. During this period the Bank expanded its domestic network and also opened its first foreign branch at London (U.K.) in 1977. The performance of the domestic and foreign operations of Allied Bank during nationalized period was so good that in 1989 U.K. operations of Muslim Commercial Bank were merged into Allied Bank.

In September 1991 the Government divested portion of its shareholding and handed over the control and management of the Bank to its employees. The financial health of the Bank deteriorated during employees' management compelling SBP to remove the employee directors by its nominees in August, 2000.

During 2004, as advised by the Privatization Commission, the State Bank of Pakistan (SBP) undertook reconstruction of the Bank's capital whereby the Ibrahim Group, as a result of bidding process, took over control of the Bank by virtue of acquiring 325 million shares of the Bank, representing 75.35% of the enhanced share capital. The Bank is now well positioned to expand, grow and diversify its portfolio of products and services.

