

Chairman's Message



2009 was an extraordinary year for the global economy and financial markets. Impact of this financial crisis fed rapidly straight in to the performance of the real economy.



Securitization on overly complexed product structures, cheap credit, and excessive lending are few factors contributing to this economic meltdown. These causes are complex and interrelated. In many countries, huge support from taxpayer's money has been required to stabilize the system.

In Pakistan although we did not have a direct impact from the global financial crises but law and order, slow economic growth and lack of political stability put a lot of stress on many industries and in turn the financial sector. Industry wide non-performing loans were on the rise putting pressure on profitability.

We at Allied Bank have built our business on very strong foundations. Our strategy has been tested and remains intact. We will continue building our business by focusing on SME and Agriculture sector, strengthening our corporate and commercial relationships, product innovation and continuous focus on service quality.

Customer is the focus of everything we do at Allied Bank. Understanding the banking needs of modern day customers and fulfilling these needs by offering superior innovative solutions is the nucleus of your bank's strategy. Technological advancement and Innovation are the key enablers of Allied Bank's strategy.

On behalf of the Board and the Management I would like to thank our customers for their trust and continued relationship with Allied Bank. We are working tirelessly to enhance customer experience by offering better, relevant and state of the art products and services in the future. I would also like to assure our customers that we at Allied Bank are working very hard to strengthen this relationship.

The balance sheet of your bank grew by 14% to Rs. 418 billion compared to Rs. 367 billion a year ago. This is a reflection of a robust strategy by the board and the management and extraordinary delivery by each

team member at Allied Bank. My sincere thanks to all for their efforts and achievements. Let's continue the same momentum and set even a higher standards for 2010.

Your bank stands on solid foundations as reflected by long term rating of "AA" and short term rating of "A1+" by PACRA.

Your bank continues to pursue the strategy of having a mixture of youth and experience by investing in best of industry talent and inducting young MBAs as Management Trainees. Competency based recruitment coupled with market based compensation has enabled your bank to attract the best of industry talent. Your banks Human Resource policy is based on a clearly defined performance management system, career planning and development, meritocracy and succession planning.

In these testing times Allied Bank is focusing on strengthening the risk management framework. Our philosophy of understanding the dynamics of various industries, evaluating these in the current macroeconomic condition and ability to adapt quickly is paying dividends. We are constantly learning and embracing change in a dynamic environment. Learning and acquiring new skills to better evaluate and optimize risk will be our focus.

I would like to thank the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and Allied Bank's Board of Director for their support, trust and valuable contributions.

Mohammad Naeem Mukhtar
Chairman