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CORPORATE AFFAIRS GROUP

CO/CORP/CAW/2011/100

April 21, 2011

The General Manager
Karachi Stock Exchange (Guarantee) Ltd
Stock Exchange Building
Stock Exchange Road
Karachi.

Dear Sir,

Delay in Payment of Final Cash Dividend and Issuance of Bonus Shares

The shareholders of Allied Bank Limited (the "Bank") in their 65th Annual General Meeting held on March 16, 2011 had inter alia approved the following:

- | | |
|--|--|
| Agenda Item No.3 (under ordinary business) | 20% Final Cash Dividend (i.e. Rs. 2.00 per Share) for the year ended December 31, 2010 ("Dividends"); and |
| Agenda Item No.7 (under special business) | 10% of Bonus Shares i.e. (one (01) share on every ten (10) shares) ("Bonus Shares") held by utilizing Share Premium Account of the Bank. |

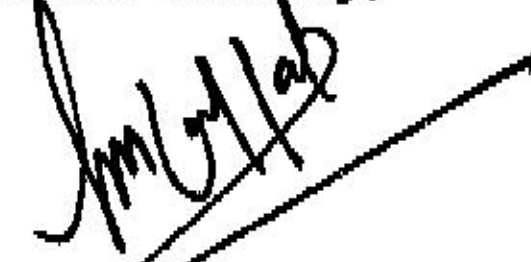
However, M/s. Fateh Textiles Mills Limited and others have filed Suit No. 376/2011 in the High Court of Sindh, Karachi praying to restrict pursuance / implementation on above referred agenda items.

The Honourable High Court Sindh in its stay order dated March 16, 2011 restrained the Bank from implementing the decisions on item No. 3 mentioned in Ordinary Business (payment of 20% Final Cash Dividend) and item No. 7 mentioned in Special Business (issuance of 10% Bonus Shares by utilizing Share Premium Account) as per notice of the 65th Annual General Meeting of Allied Bank Limited.

The order of March 16, 2011 was an ex parte order passed without hearing Allied Bank Limited. The Bank has since then filed all required replies and the matter has been argued at length by the Bank's counsel in response to the arguments of the counsel for the Fateh Group. The case was fixed today for disposal of the stay application. However, counsel for the Fateh Group did not appear claiming indisposition. The Honourable Court has now fixed the hearing on Monday April 25, 2011 with no further adjournment. We are confident that the restraining order against payment of dividend will be recalled on that date. As soon as the restraining order is vacated the Bank will make payment of the approved dividend through dispatch/issue of dividend warrants and bonus shares.

This is for your kind information.

Yours sincerely,


Muhammad Raffat
Company Secretary