

SME Banking Conference - IFC

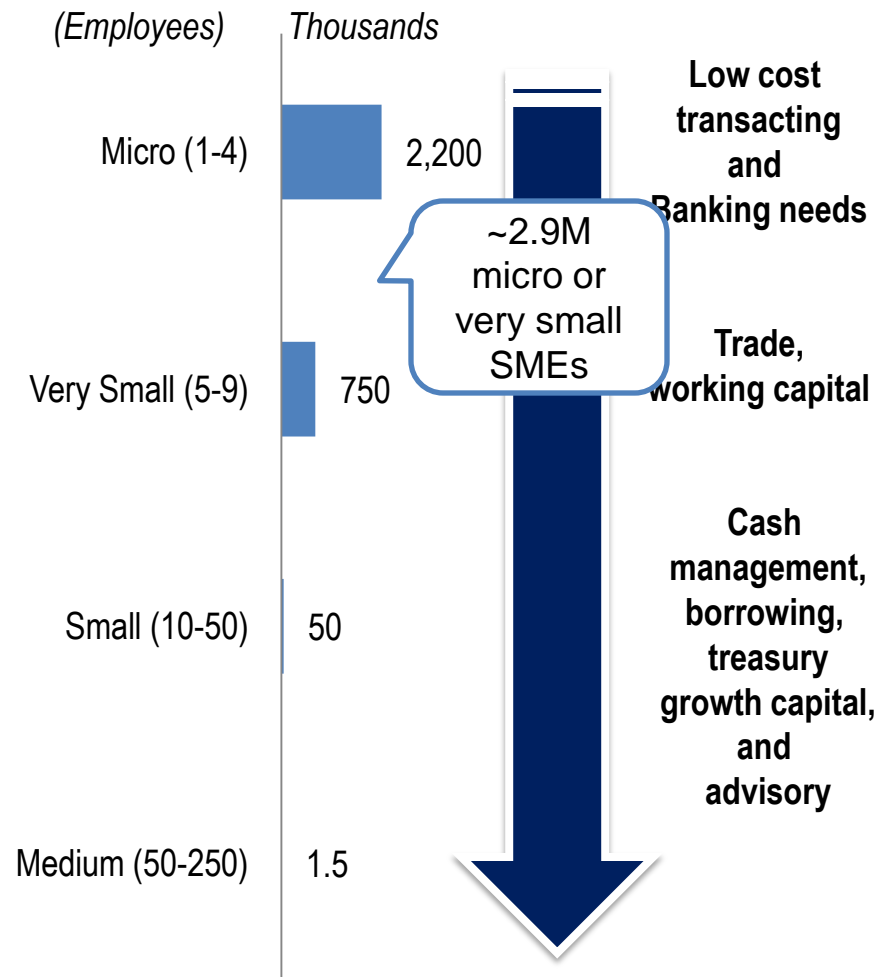
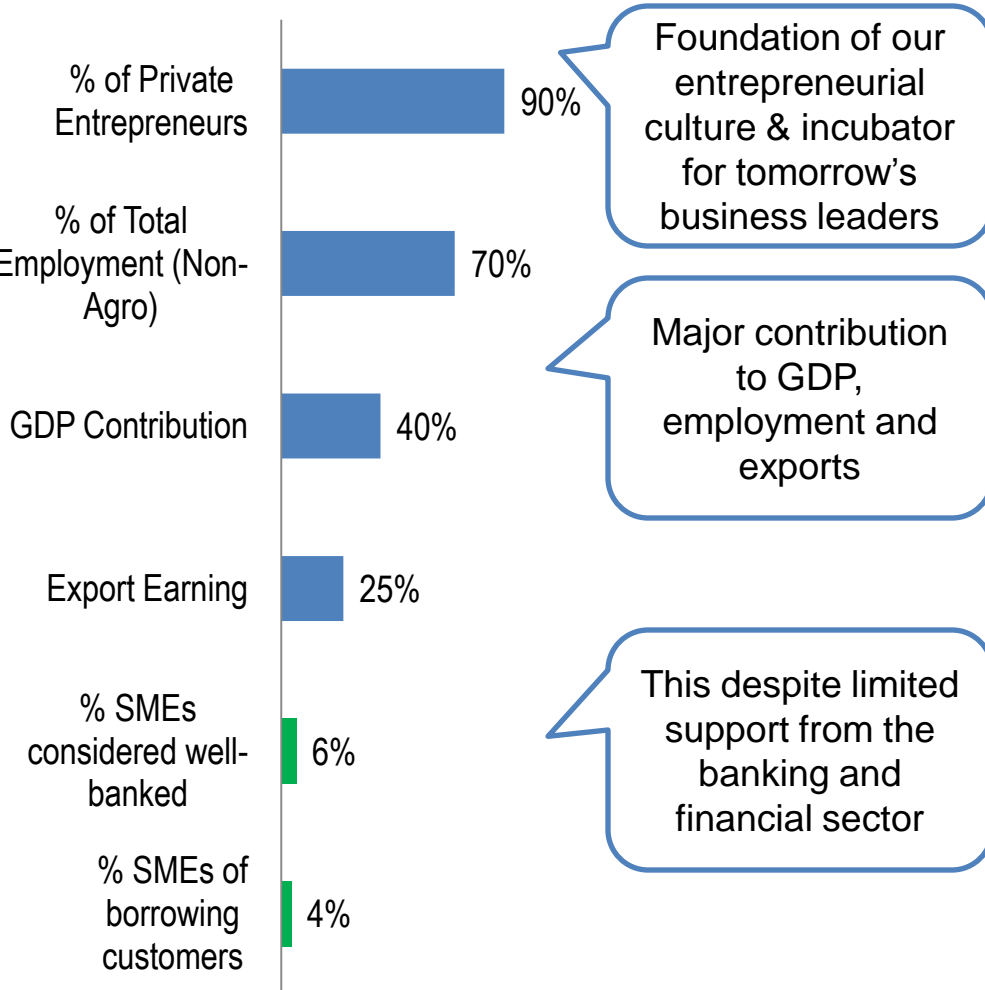
Atif Bajwa
President & CEO

Dubai, May 2013

Unique Opportunity With Over 3 Million SMEs in Pakistan: Segmented, Holistic Approach Required

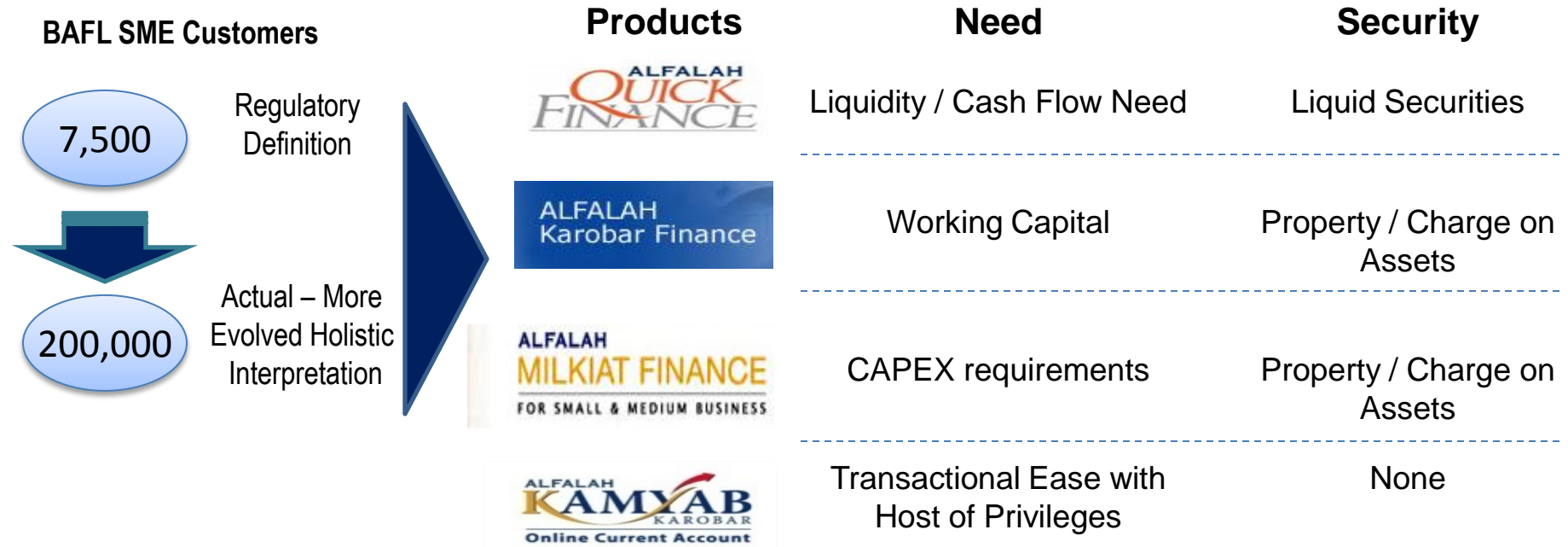
SMEs – backbone of economy, strong economic contribution despite challenges and service gap from the Banking Sector

Holistic and segmented approach - non-homogenous group with diverse transacting and Banking needs



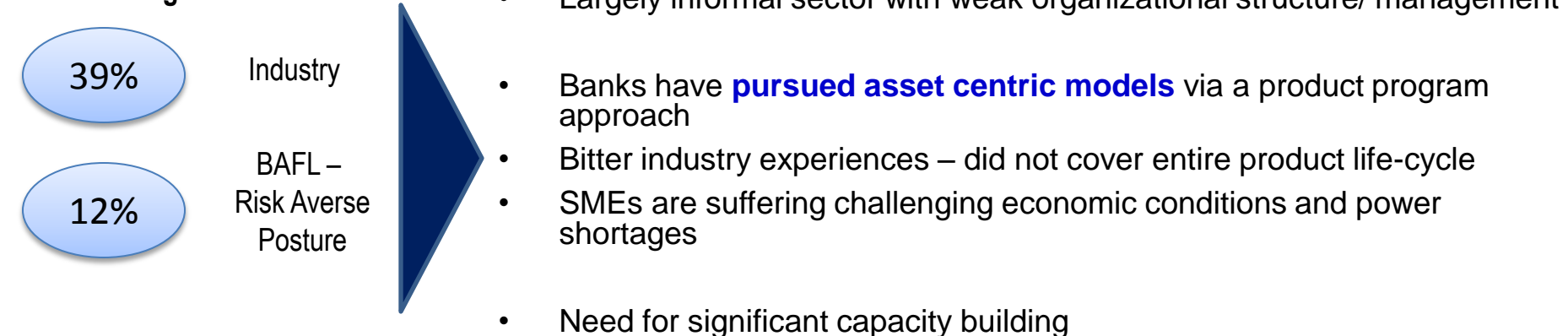
Source: SMEDA, IFC and SBP

Bank Alfalah - Serving Over 200,000 SME Customers Via 200 Branches



However, significant challenges remain, particularly vis a vis loan performance

Non-Performing Loans



Looking Ahead: Tapping the Potential of the SME Sector

BAFL Platform



- Strengthen BAFL platform capabilities to better serve SME segment
- Efficient, low cost operating platform
- Holistic view of segment rather than just lending based products

Customer centric, need based model



- Evolve business model to better focus on segmented customer needs
- Broad product menu: asset and liability side
- Trade and Treasury Products
- Create 'Transacting Convenience'

Non-financial advisory



- Non Financial Advisory Services to SMEs in Pakistan – key differentiator
- Provide growth capital
- Capital markets services to larger SMEs

Portfolio Management



- Efficient & effective portfolio management required
- Data mining / analytics / business intelligence tools
- Up-tier risk architecture/ management practices