

Financial Statements for the Quarter
Ended 31 March 2017 (Un-audited)

The Way Forward



Bank Alfalah

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Company Information

Board of Directors

HH Sheikh Nahayan Mubarak Al Nahayan
Chairman

Abdulla Nasser Hawaileel Al-Mansoori
Director

Abdulla Khalil Al Mutawa
Director

Khalid Mana Saeed Al Otaiba
Director

Efstratios Georgios Arapoglou
Director

Khalid Qurashi
Director

Kamran Y. Mirza
Director

Atif Bajwa
President/CEO and Director

Board Audit Committee

Kamran Y. Mirza
Chairman

Abdulla Khalil Al Mutawa
Director

Khalid Mana Saeed Al Otaiba
Director

Efstratios Georgios Arapoglou
Director

Tahir Khurshid
Secretary

Board Strategy and Finance Committee

Abdulla Khalil Al Mutawa
Chairman

Khalid Mana Saeed Al Otaiba
Director

Efstratios Georgios Arapoglou
Director

Khalid Qurashi
Director

Atif Bajwa
President/CEO and Director

M. Iftikhar Shabbir
Secretary

Board Risk Management Committee

Khalid Mana Saeed Al Otaiba
Chairman

Abdulla Khalil Al Mutawa
Director

Khalid Qurashi
Director

Atif Bajwa
President/CEO and Director

Farhan Ali
Secretary

Board Human Resources and Nomination Committee

Abdulla Khalil Al Mutawa
Chairman

Khalid Mana Saeed Al Otaiba
Director

Kamran Y. Mirza
Director

Atif Bajwa
President/CEO and Director

Mian Ejaz Ahmad
Secretary

Central Management Committee

Atif Bajwa
Chairman

Suhail Yaqoob Khan
Member

Mirza Zafar Baig
Member

Faisal Farooq Khan
Member

Khurram Hussain
Member

Mehreen Ahmed
Member

Rizwan Ata
Member

Saad Ur Rahman Khan
Member

Aly Mustansir
Member

Syed Ali Sultan
Member

Aasim Wajid Jawad
Member

Imran Zafar
Member

Khawaja Muhammad Ahmad
Member

Mohib Hasan Khan
Member

Board Compensation Committee

Abdulla Khalil Al Mutawa
Chairman

Khalid Mana Saeed Al Otaiba
Director

Kamran Y. Mirza
Director

Mian Ejaz Ahmad
Secretary

Chief Financial Officer

Mirza Zafar Baig

Company Secretary

Mian Ejaz Ahmad

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Registered/Head Office

B. A. Building
I. I. Chundrigar Road
Karachi, Pakistan
bankalfalah.com

Share Registrar

F. D. Registrar Services (SMC-Pvt) Limited
1705, 17th Floor, Saima Trade Tower-A
I. I. Chundrigar Road
Karachi, Pakistan

Directors' Review

On behalf of the Board of Directors, I am pleased to present the unconsolidated condensed interim financial information of the Bank for the three months period ended March 31, 2017.

	Three months period ended	
	March 31, 2017	March 31, 2016
	(Rupees in '000)	
Profit before provisions and taxation	4,207,705	4,033,969
(Reversal)/ Provision against loans and advances – net	(78,542)	228,631
(Reversal)/ Provision for diminution in the value of investments	(3,896)	11,563
	(82,438)	240,194
Profit before Taxation	4,290,143	3,793,775
Taxation	1,501,888	1,327,084
Profit after taxation	2,788,255	2,466,691
Earnings per share – basic	Rs. 1.75	Rs. 1.55

Performance Review:

The Bank's Profit before taxation for the quarter ended March 31, 2017 was recorded at Rs.4.290 Billion, as against Rs.3.794 Billion, for the corresponding period last year, reflecting an increase of 13.1 percent. The Bank's core revenue for the quarter was reported at Rs. 9.815 Billion, improving by 4 percent from the corresponding period.

Administrative Expenses remained flat, reflecting a nominal growth of 1.7 percent as against the corresponding period last year, with costs continually kept in check.

The specific provisioning charge for the period was recorded at Rs. 539 Million, significantly lower than the corresponding period. The Bank has continued with its strong recovery efforts against NPLs, and with recoveries for the period reflected at Rs. 610 million, the coverage ratio at the period end has improved to 88.3 percent. The Bank's NPL ratio at the period end has improved to 4.65 percent.

Earnings per share for the three months period ended March 31, 2017 have been reported at Rs.1.75 as against Rs.1.55 for the previous corresponding period, improving by 12.9 percent.

The Bank's total assets at the period end were reported at Rs.905 Billion, with net Investments and net Advances representing 43 percent and 42 percent of the total asset base respectively.

The Bank continues to focus on re-profiling its Deposit base. Total deposits at the period end have been reported at Rs.600 Billion, down by 6 percent from the year end December 2016 levels. However, year on year growth in current accounts was recorded at 17.4 percent, and as a result, the CASA mix has improved to 85 percent in March 2017.

With Gross Advances reported at Rs.394 Billion, the Bank's ADR stands at a healthy 66 percent.

Economic Review:

The overall macroeconomic outlook remains positive, with real economic activity gathering pace on the back of an improved energy supply, enhanced agricultural output, lower cost of inputs, and CPEC-related investment. GDP growth is expected to further improve in FY17.

Although Year-on-Year headline CPI clocked in at 4.9 percent during March 2017, inflationary pressures will likely remain subdued in the next few months, and inflation projections for FY17 range from 4.0-5.0 percent. This is primarily due to improved agricultural output and a stable exchange rate, and improving consumer confidence, as seen in the IBA-SBP Consumer Confidence Survey of March 2017.

Although net financial flows have risen, the current account deficit has increased significantly to US\$ 5.5 Billion during Jul-Feb FY17. The expansion in economic activity has translated into an increase in imports, while exports and remittances have not indicated sustained improvement. Policy measures, such as the import cash margin and the newly announced export package, have been taken with an aim to augment exports and check non-essential imports. However, the continuity of financial inflows, CPEC-related imports, and impacts of fluctuation in global oil prices will determine the overall position of the external sector in FY18. Higher export earnings and FDI will be essential for the sustainability of the external account beyond the current fiscal year.

A prudent monetary policy stance has been maintained by the State Bank of Pakistan, translating well into low and stable market interest rates, which, along with improved interbank liquidity conditions, have incentivized the private sector to borrow from commercial banks to finance their investment activities and capacity expansion. Private sector credit increased by Rs. 349 Billion during Jul-Feb FY17, as compared to Rs. 267 Billion in the same period last year.

In its recent Monetary Policy Statement in March 2017, the State Bank of Pakistan has decided to keep the policy rate unchanged at 5.75 percent, so the increasing trend in private sector credit can be expected to continue.

Credit Rating

JCR-VIS Credit Rating Company Limited has assigned the Bank an entity rating of 'AA+' (Double A Plus) for the long term and 'A1+' (A-One Plus) for the Short Term, with outlook assigned as 'Stable'. PACRA has rated the Bank 'AA' (Double A) for the long-term and 'A1+' (A-One Plus) for the short-term, with outlook assigned as 'Positive'.

The Bank's outstanding unsecured subordinated TFCs have been assigned a credit rating of 'AA-' (Double A Minus) by PACRA.

The assigned ratings reflect the Bank's diversified operations, healthy financial risk profile, strong sponsors and existing market presence. These ratings denote a very low expectation of credit risk, a strong capacity for timely payment of financial commitments in the long term and the highest capacity for timely repayment in the short term, respectively.

Acknowledgment:

On behalf of the Board, I thank the State Bank of Pakistan, the Ministry of Finance and other regulatory authorities for their guidance and cooperation extended to the Bank. At the same time, I would also like to express my sincere gratitude to our shareholders, our customers and business partners for their continued support and trust.

I would also like to thank the Bank's staff for their commitment, focus and hard work, and look forward to their continued support in the days to come.

ATIF BAJWA

Director & Chief Executive Officer

Date: April 24, 2017

Place: Abu Dhabi

ڈائریکٹرز کا جائزہ

میں بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2017 کو ختم ہونے والی سہ ماہی کے غیر مدغم عبوری مالیاتی حسابات پیش کر رہا ہوں۔

31 مارچ 2017 31 مارچ 2016
کو ختم ہونے والی سہ ماہی کو ختم ہونے والی سہ ماہی
(Rupees in '000)

4,033,969	4,207,705	قبل از پراویژن اور ٹیکس منافع
228,631	(78,542)	(ریورسل) / قرضہ جات اور ایڈوانسز کے مقابل پراویژن۔ خالص
11,563	(3,896)	(ریورسل) / سرمایہ کاری کی قدر میں کمی کے لیے پراویژن
240,194	(82,438)	
3,793,775	4,290,143	قبل از ٹیکس منافع
1,327,084	1,501,888	ٹیکس
2,466,691	2,788,255	بعد از ٹیکس منافع
1.55 روپے	1.75 روپے	فی حصص آمدن۔ خالص

کارکردگی کا جائزہ:

31 مارچ 2017 کو ختم ہونے والی سہ ماہی کے لیے بینک کا قبل از ٹیکس منافع گزشتہ مالی سال کی اسی مدت کے 3.794 ارب روپے کے مقابلے میں 4.290 ارب روپے رہا جو 13.1 فیصد اضافے کو ظاہر کرتا ہے۔ اس سہ ماہی میں بینک کی بنیادی آمدنی 9.815 ارب روپے ریکارڈ کی گئی جو گزشتہ سال کی اسی مدت سے 4 فیصد زیادہ ہے۔

اس عرصے میں بینک کے انتظامی اخراجات بدستور سابقہ سطح پر برقرار رہے اور انتظامی لاگت کو مسلسل کنٹرول کیے جانے کی بناء پر ان میں گزشتہ سال کی اسی مدت کے مقابلے میں 1.7 فیصد اضافہ عمل میں آیا۔

مخصوص پراویژننگ کے چارجز بھی گزشتہ سال کے اسی عرصے کے مقابلے میں نمایاں کمی کے ساتھ 539 ملین روپے رہے۔ بینک نے غیر فعال قرضوں کی موثر انداز میں وصولی کی کوششیں جاری رکھتے ہوئے 610 ملین روپے وصول کیے اس مدت کے اختتام پر کوریج ریشو بہتر ہو کر 88.3 فیصد کی سطح پر آ گیا۔ اس مدت کے اختتام پر بینک کے غیر فعال قرضوں کا تناسب بھی بہتر ہو کر 4.65 فیصد کی سطح پر آ گیا۔

31 مارچ 2017 کو ختم ہونے والی سہ ماہی کے لیے فی حصص آمدن 1.75 روپے ریکارڈ کی گئی جو گزشتہ سال کے اسی عرصے کے لیے 1.55 روپے رہی تھی۔ اس مدت کے لیے فی حصص آمدن گزشتہ سال کے اسی عرصے کے مقابلے میں 12.9 فیصد زیادہ رہی۔

اس مدت کے اختتام پر بینک کے اثاثہ جات کی مجموعی مالیت 905 ارب روپے ریکارڈ کی گئی جبکہ خالص سرمایہ کاری کی مالیت اثاثہ جات کے 43 فیصد جبکہ خالص ایڈوانسز کی مالیت اثاثہ جات کے 42 فیصد مساوی رہی۔

بینک کی توجہ اپنے ڈپازٹس بڑھانے پر مرکوز ہے۔ اس مدت کے اختتام پر بینک کے ڈپازٹس کی مجموعی مالیت 600 ارب روپے ریکارڈ کی گئی جو دسمبر 2016 کے مقابلے میں 6 فیصد کم ہے تاہم کرنٹ اکاؤنٹ میں سال بہ سال انفرانش کی شرح 17.4 فیصد رہی جس کے نتیجے میں مارچ 2017 میں CASA کس بہتر ہو کر 85 فیصد تک پہنچ گیا۔

اس مدت کے لیے مجموعی ایڈوانسز کی 394 ارب روپے مالیت کے ساتھ بینک کی اسے ڈی آر 66 فیصد کی اطمینان بخش سطح تک پہنچ گئی ہے۔

معاشی جائزہ:

توانائی کی فراہمی میں بہتری، زرعی پیداوار میں اضافہ، ان پٹس کی لاگت میں کمی اور پاک چین اقتصادی راہداری منصوبے سے متعلق سرمایہ کاری کی وجہ سے حقیقی معاشی سرگرمیوں کی رفتار تیز ہو رہی ہے اور معاشی منظر نامہ مجموعی طور پر بدستور مثبت ہے۔ مالی سال 2017 کی مجموعی قومی پیداوار کی شرح نمو مزید بہتر ہونے کی توقع ہے۔

اگرچہ مارچ 2017 میں سال بہ سال ہیڈ لائن کنزیومر پرائس انڈیکس 4.9 فیصد رہا، آنے والے چند مہینوں میں بھی افراط زر کا دباؤ بدستور کم رہے گا۔ مالی سال 2017 کے لیے افراط زر کی شرح 4.0 سے 5.0 فیصد کی رینج میں رہنے کی توقع ہے جو بنیادی طور پر زرعی پیداوار میں اضافہ اور روپے کی مستحکم قدر اور بلند صارف اعتماد کے مرہون منت ہے جس کا اظہار مارچ 2017 میں گئے IBA-SBP کنزیومر کانفیڈنس سروے سے ہوتا ہے۔

فنانشل فلوز میں بہری کے باوجود جولائی تا فروری مالی سال 2017 کے لیے جاری کھاتے کا خسارہ غیر معمولی اضافے 5.5 ارب ڈالری تک پہنچ چکا ہے۔ معاشی سرگرمیوں میں اضافہ کے اثرات درآمدات میں اضافے کی شکل میں ظاہر ہو رہے ہیں تاہم برآمدات اور بیرون ملک مقیم پاکستانیوں کی جانب سے بھیجی جانے والی قوم (ترسیلات) میں پائیدار اضافہ نہیں ہو رہا۔ حکومت کی جانب سے درآمدات پر کیش مارجن کے نفاذ اور برآمدی صنعت کے لیے ایکسپورٹ پیسج جیسے پالیسی اقدامات اٹھائے گئے ہیں جن کا مقصد غیر ضروری درآمدات میں کمی اور ملکی برآمدات میں اضافے کو ممکن بنانا ہے تاہم فنانشل افلو ز میں تسلسل، سی پیک منصوبوں سے متعلق درآمدات اور خام تیل کی عالمی قیمت میں رد و بدل کے اثرات مالی سال 2018 میں بیرونی شعبے کی مجموعی صورتحال کا تعین کریں گے۔ رواں مالی سال کے بعد بیرونی کھاتے میں استحکام کے لیے برآمدی آمدن میں اضافہ اور براہ راست غیر ملکی آمدن میں اضافہ ناگزیر ہے۔

اسٹیٹ بینک کی جانب سے محتاط پالیسی برقرار رکھنے کی وجہ سے شرح سود کم ہے اور ریکٹ میں انٹرسٹ ریٹس بھی مستحکم ہیں اس صورتحال میں بینکوں میں سرمائے کی بہتر دستیابی نے نجی شعبے کو کمرشل بینکوں سے قرض گیری بڑھاتے ہوئے اپنی سرمایہ کاری کو فنانس کرنے

اور پیداواری استعداد میں توسیع کا موقع فراہم کیا ہے۔ رواں مالی سال جولائی تا فروری کے دوران نجی شعبے کے قرضوں میں 349 ارب روپے کا اضافہ ہوا ہے جبکہ گزشتہ سال کے اسی عرصے کے دوران نجی شعبے کی قرض گیری میں 267 ارب روپے کا اضافہ عمل میں آیا تھا۔

مارچ 2017 میں جاری ہونے والے حالیہ مانیٹری پالیسی اسٹیٹمنٹ میں اسٹیٹ بینک نے پالیسی ریٹ 5.75 فیصد کی سطح پر برقرار رکھا ہے جس کی وجہ سے نجی شعبے میں قرضوں کے حصول کا موجودہ رجحان جاری رہنے کی توقع ہے۔

کریڈٹ ریٹنگ:

کریڈٹ ریٹنگ کمپنی JCR-VIS نے بینک الفلاح کو طویل مدت کے لیے 'AA+' (ڈبل اے پلس) اور قلیل مدت کے لیے 'A1+' (اے ون پلس) ریٹنگ تفویض کی ہے۔ تفویض کی جانے والی ریٹنگ مستحکم آؤٹ لک کو ظاہر کرتی ہے۔ کریڈٹ ریٹنگ ایجنسی PACRA کی جانب سے بینک کو طویل مدت کے لیے ڈبل اے (AA) جبکہ قلیل مدت کے لیے اے ون پلس (A1+) کریڈٹ ریٹنگ تفویض کی گئی ہے اور آؤٹ لک کو مثبت قرار دیا گیا ہے۔ PACRA کی جانب سے بینک کے ٹرم فنانس سرٹیفکیٹ کو ڈبل اے مائنس (AA-) ریٹنگ تفویض کی گئی ہے۔

مذکورہ کریڈٹ ریٹنگ بینک الفلاح کے متنوع آپریشنز، مستحکم مالیاتی رسک پروفائل، اسپانسرز کی مضبوطی اور مارکیٹ میں بینک کی مستحکم پوزیشن کی عکاسی کرتی ہے۔ یہ ریٹنگز بینک کے بہت کم کریڈٹ رسک کے ساتھ طویل مدت کے لیے اپنے مالیاتی وعدوں کی بروقت تکمیل کی بھرپور صلاحیت اور قلیل مدت کے لیے اپنے مالیاتی وعدوں کی تکمیل کی اعلیٰ تر صلاحیت کو ظاہر کرتی ہے۔

اظہار تشکر:

میں بورڈ آف ڈائریکٹرز کی جانب سے اسٹیٹ بینک آف پاکستان، وفاقی وزارت خزانہ اور دیگر ریگولیٹری اتھارٹیز کی مسلسل رہنمائی اور تعاون کی فراہمی کا شکریہ ادا کرتا ہوں۔ اس کے ساتھ ہی میں مسلسل اعتماد اور معاونت کرنے والے اپنے معزز شیئر ہولڈرز، صارفین اور بزنس پارٹنرز کا بھی تہہ دل سے شکر گزار ہوں۔

میں بینک کی بہتری کے لیے ملازمین کی کاوشوں کو بھی خراج تحسین پیش کرتا ہوں اور امید کرتا ہوں کہ ہم سب اسی طرح محنت اور لگن کے ساتھ آنے والے دنوں میں بھی کام جاری رکھیں گے۔

عاطف باجوہ

ڈائریکٹر ایڈ چیف ایگزیکٹو آفیسر

24 اپریل 2017

مقام: ابوظہبی

Unconsolidated Condensed Interim Statement Of Financial Position

As at March 31, 2017

	Note	March 31, 2017 (Un-audited)	December 31, 2016 (Audited)
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		63,407,058	74,071,384
Balances with other banks		7,373,928	9,373,123
Lendings to financial institutions	7	36,983,905	30,149,029
Investments - net	8	384,850,119	389,092,637
Advances - net	9	377,528,877	378,720,349
Operating fixed assets	10	18,178,297	18,133,267
Deferred tax assets - net		-	-
Other assets		16,431,807	17,917,264
		904,753,991	917,457,053
LIABILITIES			
Bills payable		12,020,962	12,886,990
Borrowings	11	204,536,863	178,311,035
Deposits and other accounts	12	600,214,592	640,944,254
Sub-ordinated loans		8,316,670	8,317,670
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities - net		2,249,617	2,650,428
Other liabilities		15,191,986	14,221,914
		842,530,690	857,332,291
NET ASSETS		<u>62,223,301</u>	<u>60,124,762</u>
REPRESENTED BY			
Share capital		15,952,076	15,952,076
Reserves		16,456,026	15,895,652
Unappropriated profit		<u>19,576,053</u>	<u>17,337,458</u>
		51,984,155	49,185,186
Surplus on revaluation of assets - net of tax		10,239,146	10,939,576
		<u>62,223,301</u>	<u>60,124,762</u>

CONTINGENCIES AND COMMITMENTS

13

The annexed notes 1 to 19 and Annexure I form an integral part of this unconsolidated condensed interim financial information.

Chief Executive Officer

Director

Director

Director

Unconsolidated Condensed Interim Profit And Loss Account (Un-audited)

for the Three Months Period Ended March 31, 2017

	Note	Three months period ended March 31, 2017	Three months period ended March 31, 2016
		(Rupees in '000)	
Mark-up / return / interest earned		13,862,078	14,950,202
Mark-up / return / interest expensed		6,600,237	7,849,850
Net mark-up / interest income		7,261,841	7,100,352
(Reversal) / provision against loans and advances - net		(78,542)	228,631
(Reversal) / provision for diminution in value of investments - net		(3,896)	11,563
Bad debts written off directly		-	-
		(82,438)	240,194
Net mark-up / interest income after provisions		7,344,279	6,860,158
Non mark-up / interest income			
Fee, commission and brokerage income		1,216,215	978,285
Dividend income		87,829	138,969
Income from dealing in foreign currencies		378,189	302,964
Gain on sale of securities - net		721,016	782,020
Unrealized gain / (loss) on revaluation of investments classified as held for trading - net		5,621	(1,003)
Other income		144,140	154,732
Total non mark-up / interest income		2,553,010	2,355,967
		9,897,289	9,216,125
Non mark-up / interest expenses			
Administrative expenses		5,557,521	5,467,241
(Reversal) / provision against off balance sheet obligations		(18,934)	217
(Reversal) / provision against other assets		(21,818)	(136,978)
Other charges		90,377	91,870
Total non mark-up / interest expenses		5,607,146	5,422,350
		4,290,143	3,793,775
Extra ordinary / unusual items		-	-
Profit before taxation		4,290,143	3,793,775
Taxation	16		
Current		1,534,595	1,610,414
Deferred		(32,707)	(283,330)
Prior years		-	-
		1,501,888	1,327,084
Profit after taxation		2,788,255	2,466,691
		(Rupees)	
Basic earnings per share	14	<u>1.75</u>	<u>1.55</u>
Diluted earnings per share	14	<u>1.74</u>	<u>1.55</u>

The annexed notes 1 to 19 and Annexure I form an integral part of this unconsolidated condensed interim financial information.

Chief Executive Officer

Director

Director

Director

Unconsolidated Condensed Interim Statement Of Comprehensive Income (Un-audited) for the Three Months Period Ended March 31, 2017

	Three months period ended March 31, 2017	Three months period ended March 31, 2016
	(Rupees in '000)	
Profit after taxation	2,788,255	2,466,691
Other comprehensive income		
Items that are or may be reclassified subsequently to profit and loss account		
Exchange differences on translation of net investment in foreign branches	(28,176)	6,984
Comprehensive income - transferred to unconsolidated condensed interim statement of changes in equity	<u>2,760,079</u>	<u>2,473,675</u>
Components of comprehensive income not reflected in equity		
Items that are or may be reclassified subsequently to profit and loss account		
(Deficit) / surplus on revaluation of available for sale securities - net of tax	(1,037,716)	1,345,851
Related deferred tax liability	360,264	(471,048)
	<u>(677,452)</u>	<u>874,803</u>

The annexed notes 1 to 19 and Annexure I form an integral part of this unconsolidated condensed interim financial information.

Chief Executive Officer

Director

Director

Director

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited) for the Three Months Period Ended March 31, 2017

	Note	Three months period ended March 31, 2017	Three months period ended March 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES			
(Rupees in '000)			
Profit before taxation		4,290,143	3,793,775
Less: Dividend income		(87,829)	(138,969)
		<u>4,202,314</u>	<u>3,654,806</u>
Adjustments			
Depreciation		444,894	421,415
Amortisation		101,768	76,666
(Reversal) / provision against loans and advances - net		(78,542)	228,631
(Reversal) / provision for diminution in value of investments - net		(3,896)	11,563
(Reversal) / provision against off-balance sheet obligations		(18,934)	217
(Reversal) / provision against other assets		(21,818)	(136,978)
Unrealized (gain) / loss on revaluation of investments classified as held for trading - net		(5,621)	1,003
Bad debts written-off directly		-	-
Gain on sale of operating fixed assets - net		(2,852)	(2,270)
Charge for defined benefit plan		66,000	66,716
		<u>480,999</u>	<u>666,963</u>
		4,683,313	4,321,769
(Increase) / decrease in operating assets			
Lendings to financial institutions		(7,999,563)	5,317,895
Held for trading securities		(7,344,017)	(6,191,772)
Advances		1,270,014	10,448,886
Other assets (excluding tax recoverable and dividend receivable)		1,516,950	7,041,826
		<u>(12,556,616)</u>	<u>16,616,835</u>
Increase / (decrease) in operating liabilities			
Bills payable		(866,028)	1,589,395
Borrowings		26,225,828	(29,333,221)
Deposits and other accounts		(40,729,662)	(16,830,164)
Other liabilities		430,762	(803,541)
		<u>(14,939,100)</u>	<u>(45,377,531)</u>
		(22,812,403)	(24,438,927)
Gratuity paid		-	-
Income tax paid		(1,056,050)	(1,102,604)
Net cash (used in) / generated from operating activities		<u>(23,868,453)</u>	<u>(25,541,531)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in available for sale securities		9,055,771	5,724,705
Net investments in held to maturity securities		1,510,955	(10,066,441)
Net investments in associated companies		-	-
Dividend income received		75,792	32,198
Investment in operating fixed assets		(629,325)	(767,448)
Proceeds from sale of operating fixed assets		56,228	2,371
Net cash generated from / (used in) investing activities		<u>10,069,421</u>	<u>(5,074,615)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Redemption of Sub-ordinated loans		(1,000)	(1,000)
Dividend Paid		-	-
Net cash generated (used in) / from financing activities		<u>(1,000)</u>	<u>(1,000)</u>
Exchange difference on translation on the net investments in foreign branches		(28,176)	6,984
Decrease in cash and cash equivalents		<u>(13,828,208)</u>	<u>(30,610,162)</u>
Cash and cash equivalents at beginning of the period		88,774,527	93,351,641
Effects of exchange rate changes on cash and cash equivalents		(23,430)	244,080
		<u>88,751,097</u>	<u>93,595,721</u>
Cash and cash equivalents at end of the period	15	<u>74,922,889</u>	<u>62,985,559</u>

The annexed notes 1 to 19 and Annexure I form an integral part of this unconsolidated condensed interim financial information.

Chief Executive Officer

Director

Director

Director

Unconsolidated Condensed Interim Statement Of Changes In Equity (Un-audited) for the Three Months Period Ended March 31, 2017

	Capital Reserves				Revenue Reserve		Total
	Share capital	Share premium	Statutory reserve*	Exchange translation reserve	Employee share option compensation reserve	Unappropriated profit	
	(Rupees in '000)						
Balance as at January 1, 2016	15,898,062	4,329,648	8,140,904	1,572,966	120,602	12,362,596	42,424,778
Changes in equity for three months period ended March 31, 2016							
Total comprehensive income							
Profit after tax	-	-	-	-	-	2,466,691	2,466,691
Other comprehensive income							
Exchange difference on translation of net investment in foreign branches	-	-	-	6,984	-	-	6,984
	-	-	-	6,984	-	2,466,691	2,473,675
Transfer to statutory reserve	-	-	493,338	-	-	(493,338)	-
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	8,055	8,055
Transactions with owners, recorded directly in equity							
Final cash dividend for the year ended December 31, 2015 @ 10%	-	-	-	-	-	(1,589,806)	(1,589,806)
Amortisation of deferred employee compensation expense	-	-	-	-	26,805	-	26,805
Balance as at March 31, 2016	15,898,062	4,329,648	8,634,242	1,579,950	147,407	12,754,198	43,343,507
Changes in equity for nine months period ended December 31, 2016							
Total comprehensive income							
Profit after tax	-	-	-	-	-	5,433,217	5,433,217
Other comprehensive income							
Exchange difference on translation of net investment in foreign branches	-	-	-	4,070	-	-	4,070
Remeasurement of defined benefit plans	-	-	-	-	-	309,314	309,314
Related tax charge	-	-	-	-	-	(108,260)	(108,260)
	-	-	-	4,070	-	5,634,271	5,638,341
Transfer to statutory reserve	-	-	1,086,644	-	-	(1,086,644)	-
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	35,633	35,633
Transactions with owners, recorded directly in equity							
Share capital issued during the period	54,014	30,881	-	-	-	-	84,895
Recognition of fair value of share based payments on grant date	-	-	-	-	132,026	-	132,026
Unamortised portion of deferred employee compensation expense	-	-	-	-	(49,216)	-	(49,216)
Transfer to Share Premium on issuance of shares under Stock Option Scheme	-	56,597	-	-	(56,597)	-	-
Balance as at December 31, 2016	15,952,076	4,417,126	9,720,886	1,584,020	173,620	17,337,458	49,185,186
Changes in equity for three months period ended March 31, 2017							
Total comprehensive income							
Profit after tax	-	-	-	-	-	2,788,255	2,788,255
Other comprehensive income							
Exchange difference on translation of net investment in foreign branches	-	-	-	(28,176)	-	-	(28,176)
	-	-	-	(28,176)	-	2,788,255	2,760,079
Transfer to statutory reserve	-	-	557,651	-	-	(557,651)	-
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	7,991	7,991
Transactions with owners, recorded directly in equity							
Amortisation of deferred employee compensation expense	-	-	-	-	30,899	-	30,899
Balance as at March 31, 2017	15,952,076	4,417,126	10,278,537	1,555,844	204,519	19,576,053	51,984,155

* This represents reserve created under section 21(i) (a) of the Banking Companies Ordinance, 1962.

The annexed notes 1 to 19 and Annexure I form an integral part of this unconsolidated condensed interim financial information.

Chief Executive Officer

Director

Director

Director

Notes To And Forming Part of the Unconsolidated Condensed Interim Financial Information (Un-audited) for the Three Months Period Ended March 31, 2017

1 STATUS AND NATURE OF BUSINESS

Bank Alfalah Limited (the Bank) is a banking company incorporated in Pakistan on June 21, 1992 as a public limited company under the Companies Ordinance, 1984. It commenced its banking operations on November 1, 1992. The Bank's registered office is located at B. A. Building, I. I. Chundrigar Road, Karachi and is listed on the Pakistan Stock Exchange (formerly Karachi, Lahore and Islamabad Stock Exchanges). The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and is operating through 476 conventional banking branches including 18 sub branches (2016: 475 branches including 18 sub branches), 10 overseas branches (2016: 10 branches), 153 Islamic banking branches (2016: 153 branches) and 1 offshore banking unit (2016: 1 unit).

JCR-VIS has assigned a long term credit rating of AA+ [Double A plus] and a short term credit rating of A1+ [A one plus] as at February 2017 with a stable outlook to the Bank.

PACRA has also assigned a long term credit rating of AA [Double A] and a short term credit rating of A1+ [A one plus] to the Bank as at June 2016 with a positive outlook (2015: AA [Double A] for long term and A1+ [A one plus] for short term with a stable outlook).

2 BASIS OF PRESENTATION

- 2.1 The unconsolidated condensed interim financial information represents separate financial information of Bank Alfalah Limited in which investments in subsidiaries and associates are accounted on the basis of direct equity interest rather than on the basis of reported results.
- 2.2 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible form of trade-related modes of financing includes purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in this unconsolidated condensed interim financial information as such, but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon. The Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards issued by the Institute of Chartered Accountants of Pakistan and notified under the provisions of the Companies Ordinance, 1984.
- 2.3 Key financial figures of the Islamic Banking branches are disclosed in Annexure I to this unconsolidated condensed interim financial information.
- 2.4 The disclosures made in this unconsolidated condensed interim financial information have been limited based on the format prescribed by the State Bank of Pakistan through BSD Circular Letter No. 2 dated May 12, 2004 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". They do not include all of the information required for the full annual financial statements and this unconsolidated condensed interim financial information should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2016.

3 STATEMENT OF COMPLIANCE

- 3.1 This unconsolidated condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting", the provisions of Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). In case where requirements differ, provisions of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and the said directives have been followed.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies and the methods of computation adopted in the preparation of this unconsolidated condensed interim financial information are same as those applied in the preparation of the financial statements of the Bank for the year ended December 31, 2016.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis and methods used for critical accounting estimates and judgements adopted in this unconsolidated condensed interim financial information are same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2016.

6 FINANCIAL RISK MANAGEMENT

The Bank's Financial Risk Management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2016.

7 LENDINGS TO FINANCIAL INSTITUTIONS	Note	March 31, 2017 (Un-audited) (Rupees in '000)	December 31, 2016 (Audited)
	7.1	4,141,903	5,306,590
Call money lendings	7.2	24,241,676	24,497,227
Bai Muajjal	7.3	8,600,326	345,212
Repurchase agreement lendings		<u>36,983,905</u>	<u>30,149,029</u>

- 7.1 These represent lendings to financial institutions at interest rates ranging from 3.00% to 9.00% per annum (December 2016: 0.25% to 9.00% per annum) having maturities upto July 2017 (December 2016: March 2017).
- 7.2 This represents Bai Muajjal agreements entered into with State Bank of Pakistan (SBP) / other commercial banks, whereby the Bank sold Sukuks having carrying value of Rs. 24,242 million on deferred payment basis. The rates of return range from 5.60% to 5.76% per annum (December 2016: 5.62% to 5.97% per annum), and these are due to mature by September 2017 (December 2016: June 2017).
- 7.3 These represent short term lending to financial institutions against investement securities. These carry markup rates ranging from 5.80% to 6.15% per annum (December 2016: 6.15% per annum) with maturities upto May 2017 (December 2016: January 2017).

8 INVESTMENTS - NET

8.1 Investments by types

Note	March 31, 2017 (Un-audited)			December 31, 2016 (Audited)		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
----- (Rupees in '000) -----						
Held for trading securities						
Market Treasury Bills	18,473,476	-	18,473,476	14,120,130	-	14,120,130
Pakistan Investment Bonds	1,699,196	-	1,699,196	20,207	-	20,207
Overseas Bonds	29,488	1,980,902	2,010,390	549,615	-	549,615
Fully paid up ordinary shares/ units - Listed	591,792	-	591,792	740,776	-	740,776
	20,793,952	1,980,902	22,774,854	15,430,728	-	15,430,728
Available for sale securities						
Market Treasury Bills	30,712,023	2,043,761	32,755,784	38,584,821	-	38,584,821
Pakistan Investment Bonds	49,347,125	150,833,283	200,180,408	78,936,759	128,150,711	207,087,470
Fully paid up ordinary shares / units - Listed	7,069,894	-	7,069,894	6,223,937	-	6,223,937
Fully paid up ordinary shares - Unlisted	82,055	-	82,055	82,056	-	82,056
Term Finance Certificates	514,484	-	514,484	514,483	-	514,483
Preference Shares - Listed	108,835	-	108,835	108,835	-	108,835
Preference Shares - Unlisted	25,000	-	25,000	25,000	-	25,000
Redeemable Participating Certificates	1,022,053	-	1,022,053	501,938	-	501,938
Pakistan Euro Bonds	2,697,140	-	2,697,140	2,688,770	-	2,688,770
Overseas Bonds	7,421,446	6,741,460	14,162,906	7,819,677	4,839,993	12,659,670
Sukuk Bonds	40,715,567	3,774,415	44,489,982	38,663,395	5,023,937	43,687,332
	139,715,622	163,392,919	303,108,541	174,149,671	138,014,641	312,164,312
Held to maturity securities						
Market Treasury Bills	321,487	-	321,487	1,995,857	-	1,995,857
Pakistan Investment Bonds	31,929,727	-	31,929,727	31,793,773	-	31,793,773
Term Finance Certificates	524,266	-	524,266	524,266	-	524,266
Pakistan Euro Bonds	707,722	-	707,722	706,255	-	706,255
Commercial Papers	261,140	-	261,140	661,557	-	661,557
Overseas Bonds	10,380,183	1,038,891	11,419,074	9,714,052	1,036,079	10,750,131
Sukuk Bonds	3,604,741	-	3,604,741	3,847,273	-	3,847,273
	47,729,266	1,038,891	48,768,157	49,243,033	1,036,079	50,279,112
Subsidiaries						
Alfalsh Securities (Private) Limited	1,126,000	-	1,126,000	1,126,000	-	1,126,000
Alfalsh GHP Investment Management Limited	130,493	-	130,493	130,493	-	130,493
Alfalsh GHP Cash Fund	525,474	-	525,474	525,474	-	525,474
	1,781,967	-	1,781,967	1,781,967	-	1,781,967
Associates						
Alfalsh Insurance Limited	68,990	-	68,990	68,990	-	68,990
Sapphire Wind Power Company Limited	978,123	-	978,123	978,123	-	978,123
Alfalsh GHP Money Market Fund	55,153	-	55,153	55,153	-	55,153
Alfalsh GHP Income Multiplier Fund	250,000	-	250,000	250,000	-	250,000
Alfalsh GHP Sovereign Fund	200,000	-	200,000	200,000	-	200,000
Alfalsh GHP Islamic Stock Fund	250,000	-	250,000	250,000	-	250,000
	1,802,266	-	1,802,266	1,802,266	-	1,802,266
Investments at cost	211,823,073	166,412,712	378,235,785	242,407,665	139,050,720	381,458,385
Provision for diminution in value of investments	8.2	(2,075,885)	(2,075,885)	(2,079,781)	-	(2,079,781)
Investments (net of provisions)						
	209,747,188	166,412,712	376,159,900	240,327,884	139,050,720	379,378,604
Surplus / (deficit) on revaluation of held for trading securities - net	(13,810)	19,431	5,621	109	-	109
Surplus / (deficit) on revaluation of available for sale securities-net	8,402,611	281,987	8,684,598	7,636,113	2,077,811	9,713,924
Total investments	218,135,989	166,714,130	384,850,119	247,964,106	141,128,531	389,092,637

March 31, 2017
(Un-audited)
December 31, 2016
(Audited)
(Rupees in '000)

8.2 Particulars of provision for diminution in value of investments - net

Opening balance	2,079,781	6,345,811
Charge for the period / year	-	100,766
Reversals during the period / year	(3,896)	-
	(3,896)	100,766
Provision written off / (adjusted) during the period / year	-	(4,366,796)
Closing balance	2,075,885	2,079,781

	Note	March 31, 2017 (Un-audited)	December 31, 2016 (Audited)
(Rupees in '000)			
8.3 Particulars of provision for diminution in value of investments by type and segment			
Available for sale securities			
Listed companies / mutual funds			
- Fully paid up ordinary shares / units			
- First Dawood Investment Bank Limited		15,000	15,000
- Preference shares			
- Agritech Limited		108,835	108,835
Unlisted companies			
- Fully paid up ordinary shares of Rs. 10 each			
- Pakistan Export Finance Guarantee Agency Limited		5,725	5,725
- Al-Hamra Avenue (Private) Limited		50,000	50,000
- Pakistan Mobile Communications Limited (Related party)		3,936	3,936
Unlisted securities			
- Term finance certificates / sukuks			
- Azgard Nine Limited		76,220	76,220
- Security Leasing Corporation Limited I		6,418	6,418
- Security Leasing Corporation Limited II		23,105	23,105
- New Allied Electronics		2,185	2,185
- Fauji Akbar Portia Marine Terminals Limited		161,407	161,407
- Quetta Textile Mills Limited		72,619	72,619
- Preference shares			
- Trust Investment Bank Limited		25,000	25,000
Held to maturity securities			
Unlisted securities			
- Term finance certificates / sukuk bonds			
- Agritech Limited		499,586	499,586
- BRR Guardian Modaraba		32,281	36,177
- Security Leasing Corporation Limited		29,245	29,245
- Sitara Peroxide (Private) Limited		113,643	113,643
- Zulekha Textile Mills		24,680	24,680
Investment in subsidiaries			
Unlisted company			
- Fully paid up ordinary shares of Rs. 10 each			
- Alfalah Securities (Private) Limited		826,000	826,000
		<u>2,075,885</u>	<u>2,079,781</u>
9 ADVANCES - NET			
Loans, cash credits, running finances etc.			
In Pakistan		302,339,135	309,121,955
Outside Pakistan		13,937,792	13,181,132
		<u>316,276,927</u>	<u>322,303,087</u>
Net investment in finance lease			
In Pakistan		4,242,105	4,181,047
Outside Pakistan		-	-
		<u>4,242,105</u>	<u>4,181,047</u>
Islamic financing and related assets (gross)	9.1	<u>65,446,120</u>	<u>57,908,118</u>
Bills discounted and purchased (excluding market treasury bills)			
Payable in Pakistan		3,826,412	5,033,339
Payable outside Pakistan		4,692,664	6,437,718
		<u>8,519,076</u>	<u>11,471,057</u>
		<u>394,484,228</u>	<u>395,863,309</u>
Provision against advances			
Specific provision against non-performing advances	9.3	(16,188,525)	(16,366,993)
General provision against advances	9.3	(766,826)	(775,967)
		<u>(16,955,351)</u>	<u>(17,142,960)</u>
		<u>377,528,877</u>	<u>378,720,349</u>

- 9.1 This represents financing and related assets placed under shariah permissible modes and presented in Annexure I to this unconsolidated condensed interim financial information.
- 9.2 Advances include Rs. 18,326 million (December 31, 2016: Rs. 19,019 million) which have been placed under non-performing status as detailed below:

March 31, 2017 (Un-audited)									
Classified Advances			Provision Required			Provision Held			
Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total	
(Rupees in '000)									
Category of classification									
Other Assets Especially Mentioned (Agri Financing)	95,093	-	95,093	1,150	-	1,150	1,150	-	1,150
Substandard	2,116,224	-	2,116,224	552,967	-	552,967	552,967	-	552,967
Doubtful	1,705,935	-	1,705,935	1,433,490	-	1,433,490	1,433,490	-	1,433,490
Loss	14,106,572	301,829	14,408,401	13,967,755	233,163	14,200,918	13,967,755	233,163	14,200,918
	18,023,824	301,829	18,325,653	15,955,362	233,163	16,188,525	15,955,362	233,163	16,188,525

	December 31, 2016 (Audited)								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)								
Category of classification									
Other Assets Especially Mentioned (Agri Financing)	149,224	-	149,224	4,318	-	4,318	4,318	-	4,318
Substandard	2,336,995	-	2,336,995	577,634	-	577,634	577,634	-	577,634
Doubtful	1,990,208	-	1,990,208	1,483,906	-	1,483,906	1,483,906	-	1,483,906
Loss	14,223,167	318,921	14,542,088	14,061,997	239,138	14,301,135	14,061,997	239,138	14,301,135
	18,699,594	318,921	19,018,515	16,127,855	239,138	16,366,993	16,127,855	239,138	16,366,993

9.3 Particulars of provisions against advances

	March 31, 2017 (Unaudited)			December 31, 2016 (Audited)		
	Specific	General	Total	Specific	General	Total
(Rupees in '000)						
Opening balance	16,366,993	775,967	17,142,960	15,452,555	739,904	16,192,459
Exchange adjustment and other movements	(3,152)	(1,683)	(4,835)	347	(1,135)	(788)
Charge for the period / year	538,652	29,984	568,636	3,408,125	157,643	3,565,768
Reversals / recoveries during the period / year	(609,736)	(37,442)	(647,178)	(2,362,817)	(120,445)	(2,483,262)
	(71,084)	(7,458)	(78,542)	1,045,308	37,198	1,082,506
Amounts written off	(104,232)	-	(104,232)	(131,217)	-	(131,217)
Closing balance	<u>16,188,525</u>	<u>766,826</u>	<u>16,955,351</u>	<u>16,366,993</u>	<u>775,967</u>	<u>17,142,960</u>

- 9.3.1 The additional profit arising from availing the forced sales value (FSV) benefit - net of tax at March 31, 2017 which is not available for distribution as either cash or stock dividend to shareholders and bonus to employees amounted to Rs. 45,472 million (December 31, 2016: Rs. 95,817 million).
- 9.3.2 General provision against consumer loans represents provision maintained at an amount equal to 1.5% of the fully secured performing portfolio and 5% of the unsecured performing portfolio as required by the Prudential Regulations issued by the State Bank of Pakistan. General reserve of at least equivalent to 1% of the secured and performing SE portfolio and 2% of the unsecured and performing SE portfolio is also maintained as required under Prudential Regulations for Small and Medium Enterprise Financing.

	Note	March 31, 2017 (Un-audited) (Rupees in '000)	December 31, 2016 (Audited)
10 OPERATING FIXED ASSETS			
Capital work-in-progress		943,522	775,408
Property and equipment		16,064,504	16,098,712
Intangible assets		1,170,271	1,259,147
		<u>18,178,297</u>	<u>18,133,267</u>
		Three months period ended	
		March 31, 2017	March 31, 2016
		(UnAudited)	
		(Rupees in '000)	
10.1 Additions to operating fixed assets			
Office premises		29,393	269,841
Leasehold improvements		91,857	37,602
Office equipments		331,533	279,810
Furniture and fixtures		1,090	12,804
Vehicles		13,257	15,542
10.2 Additions to intangibles			
Computer software		12,982	103,013
10.3 Disposals of operating fixed assets			
Office premises		50,159	-
Leasehold improvements		1,633	10
Office equipments		28,391	37,916
Furniture and fixtures		4,374	1,915
Vehicles		10,205	5,866
11 BORROWINGS		March 31, 2017 (Un-audited)	December 31, 2016 (Audited)
		(Rupees in '000)	
Secured			
Borrowings from State Bank of Pakistan under ERF / LTF - EOP		22,141,431	21,668,916
Repurchase agreement borrowings	11.1	144,683,250	136,763,030
Borrowings from other central banks		224,497	198,418
Bai Muajjal	11.2	<u>18,932,720</u>	-
		185,981,898	158,630,364
Unsecured			
Call borrowings	11.3	16,486,164	13,461,835
Bai Muajjal	11.4	<u>2,068,801</u>	<u>6,218,836</u>
		<u>18,554,965</u>	<u>19,680,671</u>
		<u>204,536,863</u>	<u>178,311,035</u>
11.1	This represents repurchase agreement borrowing from SBP and other banks at the rate of 1.05% and 5.85% per annum respectively (December 2016: 1.10% and 5.95% per annum) having maturities upto May 2017 (December 2016: February 2017).		
11.2	This represents borrowings from financial institutions at mark-up rates ranging from 5.73% to 5.79% per annum (December 2016: Nil) having maturities upto February 2018 (December 2016: Nil).		
11.3	This represents borrowings from financial institutions at mark-up rates ranging from 0.55% to 5.85% per annum (December 2016: 0.55% to 5.80% per annum) having maturities upto June 2017 (December 2016: March 2017).		
11.4	This represents borrowings from financial institutions at mark-up rates ranging from 5.60% to 5.70% per annum (December 2016: 5.60% to 5.70% per annum) having maturities upto May 2017 (December 2016: May 2017).		

	March 31, 2017 (Un-audited)	December 31, 2016 (Audited)
12 DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	75,530,650	94,268,250
Savings deposits	218,483,141	229,010,684
Current accounts - non-remunerative	274,618,476	283,711,087
Others	6,493,409	4,721,828
	<u>575,125,676</u>	<u>611,711,849</u>
Financial institutions		
Remunerative deposits	20,669,904	27,435,848
Non-remunerative deposits	4,419,012	1,796,557
	<u>25,088,916</u>	<u>29,232,405</u>
	<u>600,214,592</u>	<u>640,944,254</u>
13 CONTINGENCIES AND COMMITMENTS		
13.1 Direct credit substitutes		
		(Rupees in '000)
i) Government	1,401,442	1,632,063
ii) Banking companies and other financial institutions	-	-
iii) Others	40,579	53,167
	<u>1,442,021</u>	<u>1,685,230</u>
13.2 Transaction - related contingent liabilities		
i) Government	33,239,542	32,243,564
ii) Banking companies and other financial institutions	771,810	544,762
iii) Others	9,905,149	11,725,088
	<u>43,916,501</u>	<u>44,513,414</u>
13.3 Trade - related contingent liabilities		
Letters of credit	<u>77,553,693</u>	<u>73,061,529</u>
Acceptances	<u>10,397,578</u>	<u>12,188,691</u>
13.4 Other contingencies		
Claims against the Bank not acknowledged as debts	<u>17,506,560</u>	<u>13,847,649</u>
These mainly represents counter claims filed by the borrowers for restricting the Bank from disposal of assets (such as hypothecated / mortgaged / pledged assets kept as security), damage to reputation and cases filed by Ex. employees of the Bank for damages sustained by them consequent to the termination from the Bank's employment. Based on legal advice and / or internal assessment, management is confident that the matters will be decided in Bank's favour and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in this unconsolidated condensed interm financial information.		
	March 31, 2017 (Un-audited)	December 31, 2016 (Audited)
13.5 Commitments in respect of forward lendings		
		(Rupees in '000)
Commitments to extend credit	<u>19,021,040</u>	<u>28,450,269</u>
Commitments in respect of investments	<u>3,082,006</u>	<u>3,596,186</u>
13.6 Commitments in respect of forward exchange contracts		
Purchase	<u>73,383,660</u>	<u>53,992,848</u>
Sale	<u>53,702,756</u>	<u>41,084,440</u>
13.7 Commitments for the acquisition of fixed asset	<u>265,473</u>	<u>336,774</u>

	March 31, 2017 (Un-audited) (Rupees in '000)	December 31, 2016 (Audited) (Rupees in '000)
13.8 Commitments in respect of repo transactions		
Repurchase	144,846,287	136,912,078
Resale	8,607,690	349,222
13.9 Other commitments		
Interest rate swaps	7,643,647	7,622,307
Futures	6,674,096	-
Donations	22,000	22,000
13.10 Contingency for tax payable (note 16)		
14 EARNINGS PER SHARE	March 31, 2017 (Un-audited) (Rupees in '000)	March 31, 2016 (Audited) (Rupees in '000)
14.1 BASIC EARNINGS PER SHARE		
Profit after taxation for the period	2,788,255	2,466,691
	(Number of shares in thousand)	(Number of shares in thousand)
Weighted average number of ordinary shares	1,595,208	1,591,809
	(Rupees)	(Rupees)
Basic earnings per share	1.75	1.55
14.2 DILUTED EARNINGS PER SHARE	(Rupees in '000)	(Rupees in '000)
Profit after taxation for the period	2,788,255	2,466,691
	(Number of shares in thousand)	(Number of shares in thousand)
Weighted average number of ordinary shares	1,605,612	1,591,809
	(Rupees)	(Rupees)
Diluted earnings per share	1.74	1.55
15 CASH AND CASH EQUIVALENTS	March 31, 2017 (Un-audited) (Rupees in '000)	December 31, 2016 (Audited) (Rupees in '000)
Cash and balances with treasury banks	63,407,058	74,071,384
Balances with other banks	7,373,928	9,373,123
Call money lendings	4,141,903	5,306,590
	74,922,889	88,751,097

16 TAXATION

The income tax assessments of the Bank have been finalized upto and including tax year 2016. Matters of disagreement exist between the Bank and tax authorities for various assessment years and are pending with the Commissioner of Inland Revenue (Appeals), Appellate Tribunal Inland Revenue (ATIR), High Court of Sindh and Supreme Court of Pakistan. These issues mainly relate to addition of mark up in suspense to income, taxability of profit on government securities, bad debts written off and disallowances relating to profit and loss expenses.

In respect of tax years 2008, 2011, 2015 and 2016, the tax authorities have raised certain issues including default in payment of WWF, dividend income from mutual funds not being taken under income from business, disallowance of Leasehold improvements resulting in additional demand of Rs.503.487 million. As a result of appeal filed before Commissioner Appeals against these issues, relief has been provided for tax amount of Rs.60.032 million whereas appeal effect orders are pending. The management's appeals on certain issues are pending before Commissioner Appeals. The management is confident that these matters will be decided in favour of the Bank and consequently has not made any provision in respect of these amounts.

The Bank has received amended assessment orders for Tax Years from 2010 to 2013 wherein Tax Authorities have disallowed depreciation on Ijara Assets considering it Finance Lease and raised a tax demand of Rs.990.423 million. As a result of appeal filed before Commissioner Appeal, relief is provided to the Bank. Accordingly tax amount is reduced to Rs.96.160 million. The Bank has filed appeal before Appellate Tribunal. During the year, Bank has received another amended assessment order for Tax Year 2014 wherein a tax demand of Rs.34.375 million is raised on this matter. The Bank has not made any provision against these orders and the management is of the view that the matter will be settled in Bank's favour through appellate process.

In respect of monitoring of withholding taxes, the Bank has received various orders from tax authorities. The Bank has not made provision amounting to Rs.433.377 million against tax demand for tax years 2009, 2011, 2015 and 2016. The Bank intends to obtain relief through rectification orders. The management is of the view that the matter will be settled in Bank's favour.

The Bank has received an order from a provincial tax authority wherein tax authority has disallowed certain exemptions of sales tax on banking services and demanded sales tax and penalty amounting to Rs.97.560 million (excluding default surcharge) for the period from July 2011 to June 2014. Bank's appeal against this order is currently pending before Commissioner Appeals. The Bank has not made any provision against this order and the management is of the view that the matter will be settled in Bank's favour through appellate process.

17 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include major shareholders, subsidiary company, associated companies with or without common directors, retirement benefit funds and directors and key management personnel and their close family members.

Banking transactions with the related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal risk.

Contributions to and accruals in respect of staff retirements and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to executives is determined in accordance with the terms of their appointment.

17.1 Details of transactions with the related parties and balances with them as at period end are as follows:

	March 31, 2017 (Un-audited)				
	Directors	Key Management Personnel	Group / Associated Companies / Others	Subsidiaries / Associates	Total
	(Rupees in '000)				
Deposits					
Balance at beginning of the period	10,201	164,506	8,688,564	1,121,889	9,985,160
Placements during the period	146,101	295,834	27,909,380	14,008,978	42,360,293
Withdrawals / adjustments during the period	(147,363)	(319,075)	(29,705,150)	(13,751,526)	(43,923,114)
Balance at end of the period	8,939	141,265	6,892,794	1,379,341	8,422,339
Advances					
Balance at beginning of the period	79,130	351,335	8,040,236	-	8,470,701
Disbursements / adjustments during the period	-	55,444	1,963,458	-	2,018,902
Repayments / adjustments during the period	(4,935)	(40,418)	(2,134,398)	-	(2,179,751)
Balance at end of the period	74,195	366,361	7,869,296	-	8,309,852
Provision held against advances	-	-	1,543,054	-	1,543,054
Investments					
Balance at beginning of the period	-	-	2,027,290	3,584,233	5,611,523
Investments during the period	-	-	-	-	-
Redemption / adjustments during the period	-	-	(255,055)	-	(255,055)
Balance at end of the period	-	-	1,772,235	3,584,233	5,356,468
Provision held against investments	-	-	53,936	826,000	879,936
Call borrowings / Repo					
Balance at beginning of the period	-	-	-	-	-
Borrowings during the period	-	-	2,200,000	-	2,200,000
Repayments during the period	-	-	(2,200,000)	-	(2,200,000)
Balance at end of the period	-	-	-	-	-
Call lendings / Reverse repo					
Balance at beginning of the period	-	-	-	-	-
Placements during the period	-	-	21,600,000	-	21,600,000
Withdrawals during the period	-	-	(21,600,000)	-	(21,600,000)
Balance at end of the period	-	-	-	-	-

December 31, 2016 (Audited)					
	Directors	Key Management Personnel	Group / Associated Companies / Others	Subsidiaries / Associates	Total
Deposits					
			(Rupees in '000)		
Balance at beginning of the year	14,825	120,281	6,095,049	402,093	6,632,248
Placements during the year	306,363	1,257,912	117,678,110	47,045,141	166,287,526
Withdrawals / adjustments during the year	(310,987)	(1,213,687)	(115,084,595)	(46,325,345)	(162,934,614)
Balance at end of the year	10,201	164,506	8,688,564	1,121,889	9,985,160
Advances					
Balance at beginning of the year	89,000	328,280	6,339,450	-	6,756,730
Disbursements during the year	-	287,570	22,062,374	-	22,349,944
Repayments / adjustments during the year	(9,870)	(264,515)	(20,361,588)	-	(20,635,973)
Balance at end of the year	79,130	351,335	8,040,236	-	8,470,701
Provision held against advances	-	-	1,543,054	-	1,543,054
Investments					
Balance at beginning of the year	-	-	4,716,796	4,466,152	9,182,948
Investments during the year	-	-	1,977,290	258,481	2,235,771
Redemptions / adjustments during the year	-	-	(4,666,796)	(1,140,400)	(5,807,196)
Balance at end of the year	-	-	2,027,290	3,584,233	5,611,523
Provision held against investments	-	-	53,936	826,000	879,936
Call borrowings / Repo					
Balance at beginning of the year	-	-	-	-	-
Borrowing during the year	-	-	2,200,000	-	2,200,000
Repayments during the year	-	-	(2,200,000)	-	(2,200,000)
Balance at end of the year	-	-	-	-	-
Call lendings / Reverse Repo					
Balance at beginning of the year	-	-	-	-	-
Placements during the year	-	-	17,250,000	-	17,250,000
Withdrawals during the year	-	-	(17,250,000)	-	(17,250,000)
Balance at end of the year	-	-	-	-	-
				March 31, 2017	December 31, 2016
				(Un-audited)	(Audited)
				(Rupees in '000)	
17.2 Advances					
Running finance				785,031	753,858
Long term loans				7,524,821	7,716,843
17.3 Contingencies and commitments					
Letters of credit, acceptance and Guarantees outstanding				2,208,604	1,724,344
17.4 Customer Accounts					
PLS accounts				5,550,485	5,957,992
Current accounts				652,347	1,212,614
Fixed deposit accounts				2,219,507	2,814,554
				March 31, 2017	March 31, 2016
				(Un-audited)	
				(Rupees in '000)	
17.5 Transactions with Subsidiaries / Associates and Others					
Subsidiaries / Associates					
Mark-up expense on deposits				16,854	9,537
Mark-up paid to Alfalah GHP Income Multiplier Fund on TFCs Issued				224	256
Mark-up paid to Alfalah GHP Income fund on TFCs issued				1,429	2,678
Brokerage Expense pertaining to Alfalah Securities (Private) Limited				105	135
Rent Income from Alfalah Insurance Limited				-	499
Rent Income from Alfalah Securities (Private) Limited				-	115
Insurance premium paid to Alfalah Insurance Company Limited				322,484	454,132
Insurance claims received from Alfalah Insurance Company Limited against operating fixed assets				2,349	429
Revenue from Alfalah GHP Investment Management Limited against sale of units				40,266	7,477

	March 31, 2017	March 31, 2016
	(Un-audited) (Rupees in '000)	
Other Income from Sapphire Wind Power Company Limited	1,817	-
Others		
Mark-up income	122,991	100,707
Mark-up expense on deposits	77,042	30,231
Rent income from Warid Telecom (Private) Limited / Pakistan Mobile Communication Limited	4,514	4,100
Rent expense paid to Wateen Telecom Limited	-	2,346
Interest received on placements with Silk Bank	6,997	125
Mark-up paid to Key Management Personnel on TFCs Issued	733	-
Mark-up received on Sukuk from Pakistan Mobile Communication Limited	26,045	-
Amount received on Redemption of Silk Bank Preference Shares	-	439,200
Interest paid on Borrowings from Silk Bank	366	85
Payment to Institute of Bankers of Pakistan for calendars and diaries etc.	2,222	-
Payment to Wateen Telecom Limited and Wateen Solutions (Private) Limited for purchase of equipment and maintenance charges	25,160	33,857
Payment to Monet (Private) Limited for Branchless banking services	14,529	85,092
Payment to Timber Links	18	1,081
Payment to Expressive Safety & Security Solutions	963	4,155
Payment to Olive International (Private) Limited	189	833
Payment to Computer Marketing Co. (Private) Limited.	1,756	6,781
Payment to MEC Engineer	2,056	2,951
Payment to Tahiri Printers	2,565	1,583
Payment to MEK STEEL FURNITURE	713	-
Payment to S-TECH	3,919	-
Payment to The Pakistan Business Council	1,500	-
Payment to Digital Plus	9,828	-
Contribution to employees provident fund	82,129	79,113
Contribution to gratuity fund	66,000	66,716
17.6 Balances with Subsidiaries / Associates and Others	March 31, 2017	December 31, 2016
	(Un-audited)	(Audited)
	(Rupees in '000)	
Subsidiaries / Associates		
Advance against issuance of Shares - Sapphire Wind Power Company Limited	112,350	112,350
Rent receivable from Alfalah Insurance Company Limited	624	416
Brokerage payable to Alfalah Securities (Private) Limited	267	296
TFCs held by Alfalah GHP Income Multiplier Fund	6,115	6,116
TFCs held by Alfalah GHP Income Fund	47,914	72,887
Others		
Mark-up suspended on advances to Warid Telecom (Private) Limited	65,657	61,267
Mark-up suspended on advances to Wateen Telecom (Private) Limited	847,785	808,508
Mark-up suspended on advances to Wateen Wimax	19,491	16,808
Mark-up receivable on Sukuk from Pakistan Mobile Communication Limited	2,972	3,247
Advance Rent from Warid Telecom Limited	4,650	9,164
TFCs held by Taavun (Private) Limited	498,700	332,467
TFCs held by Key Management Personnel	218,490	132,348
17.7 The key management personnel / directors compensation are as follows:	March 31, 2017	March 31, 2016
	(Un-audited)	
	(Rupees in '000)	
Salaries and Allowances	209,682	484,814
Fair value charge against employee stock option scheme	30,899	26,805
In addition the Chief Executive Officer and other executive officers are provided with the Bank maintained car as per Bank's policy.		
18 GENERAL		
Comparative information has been re-classified, re-arranged or additionally incorporated in this unconsolidated condensed interim financial information, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period.		
19 DATE OF AUTHORISATION		
This unconsolidated condensed interim financial information was authorised for issue on April 24, 2017 by the Board of Directors of the Bank.		

Chief Executive Officer

Director

Director

Director

Annexure - I

Islamic Banking Business

The bank is operating through 153 Islamic banking branches as at March 31, 2017 (December 31, 2016: 153 branches).

STATEMENT OF FINANCIAL POSITION	Note	March 31, 2017	December 31, 2016
		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		10,773,572	10,191,942
Balances with and due from financial institutions		776,589	1,672,323
Lendings to financial institutions		26,242,231	27,997,227
Investments - net		38,124,566	38,670,241
Islamic financing and related assets	A-I.1	64,314,026	56,720,714
Operating fixed assets		2,104,790	2,128,031
Other assets		2,566,931	2,317,048
		144,902,705	139,697,526
LIABILITIES			
Bills payable		2,166,810	1,862,656
Borrowings		7,945,554	3,833,240
Deposits and other accounts			
Current accounts		45,341,169	43,990,411
Saving accounts		51,560,322	53,988,674
Term deposits		21,212,337	18,038,671
Others		465,792	428,262
Deposit from financial institutions - Remunerative		1,295,192	1,113,125
Deposits from financial institutions-Non-Remunerative		151,482	1,867
Other liabilities		4,560,962	6,302,957
		134,699,620	129,559,863
NET ASSETS		10,203,085	10,137,663
REPRESENTED BY			
Islamic banking fund		1,800,000	1,800,000
Exchange equalization reserve		(1,524)	878
Unappropriated / unremitted profit		7,005,263	6,626,936
		8,803,739	8,427,814
Surplus on revaluation of assets		1,399,346	1,709,849
		10,203,085	10,137,663
Remuneration to Shariah Advisor / Board		1,680	6,720
CHARITY FUND			
Opening Balance		148,314	176,557
Additions during the period / year			
Received from customers on delayed payments & Others		3,998	40,182
Non-shariah compliant income		14,403	9,524
Profit on charity saving account		1,103	6,958
		19,504	56,664
Distribution of Charity			
Welfare Works		(16,200)	(38,357)
Health		(1,025)	(38,850)
Education		-	(7,700)
		(17,225)	(84,907)
Closing Balance		150,593	148,314

Annexure - I Islamic Banking Business

PROFIT & LOSS ACCOUNT

	Three months period ended March 31, 2017 (Rupees in '000)	Three months period ended March 31, 2016 (Rupees in '000)
Income / return earned	1,743,085	1,757,353
Income / return expensed	829,432	897,095
Net income / return earned	913,653	860,258
(Reversal) / provisions against loans and advances - net	(54,380)	14,632
(Reversal) / provision for diminution in value of investments - net	(3,896)	11,563
Bad debts written off directly	-	-
	(58,276)	26,195
Net income / return earned after provisions	971,929	834,063
Other income		
Fee, commission and brokerage income	110,534	65,641
Dividend income	-	-
Income from dealing in foreign currencies	30,234	33,506
Loss on sale of securities - net	(1,781)	-
Unrealised gain on revaluation of investment classified as held for trading	-	1,207
Other income	24,784	18,167
Total other income	163,771	118,521
	1,135,700	952,584
Other expenses		
Administrative expenses	757,485	755,991
Other charges	10	22
Total other expenses	757,495	756,013
	378,205	196,571
Profit before taxation	378,205	196,571

Annexure - I

Islamic Banking Business

CASH FLOW STATEMENT

	Three months period ended March 31, 2017	Three months period ended March 31, 2016
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	378,205	196,571
Dividend income	-	-
	<u>378,205</u>	<u>196,571</u>
Adjustments		
Depreciation	58,008	60,291
Amortization	233	151
(Reversal) / provision against islamic financing and related assets - net	(54,380)	14,632
(Reversal) / provision for diminution in value of investments	(3,896)	11,563
Loss / (gain) on sale of operating fixed assets - net	366	(42)
	<u>331</u>	<u>86,595</u>
	<u>378,536</u>	<u>283,166</u>
(Increase) / decrease in operating assets		
Lendings to financial institutions	1,754,996	4,995,529
Held for trading securities	-	857
Islamic financing and related assets	(7,538,932)	(50,608)
Other assets	(234,399)	70,804
	<u>(6,018,335)</u>	<u>5,016,582</u>
Increase/ (decrease) in operating liabilities		
Bills Payable	304,154	740,771
Borrowings	4,112,314	(3,594,250)
Deposits and other accounts	2,465,284	622,229
Other liabilities	(1,741,995)	43,772
	<u>5,139,757</u>	<u>(2,187,478)</u>
	<u>(500,042)</u>	<u>3,112,270</u>
Income tax paid	(19,772)	(10,909)
Net cash (used in) / generated from operating activities	<u>(519,814)</u>	<u>3,101,361</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	946	(2,678,301)
Net investment in held to maturity securities	242,532	138,060
Net Investments in operating fixed assets	(35,000)	(31,752)
Proceeds from sale of operating fixed assets	(366)	42
Net cash generated from / (used in) investing activities	<u>208,112</u>	<u>(2,571,951)</u>
Adjustment of exchange translation reserve	(2,402)	(131)
(Decrease) / increase in cash and cash equivalents	(314,104)	529,279
Cash and cash equivalents at beginning of the period	<u>11,864,265</u>	<u>12,455,117</u>
Cash and cash equivalents at end of the period	<u><u>11,550,161</u></u>	<u><u>12,984,396</u></u>

Islamic Banking Business Notes To The Annexure I

	Note	March 31, 2017 (Rupees in '000)	December 31, 2016
A-I.1 Islamic Financing and Related Assets			
Murabaha	A-I.1.1	9,894,111	10,002,211
Ijarah	A-I.1.2	8,375,101	7,912,045
Diminishing Musharakah	A-I.1.3	898,873	709,981
Musharakah	A-I.1.4	8,548,546	9,893,714
Running Musharakah	A-I.1.5	10,676,227	10,424,504
Salam	A-I.1.6	19,676,676	11,888,467
Istisna	A-I.1.7	1,704,597	1,934,468
Falah Tijarah	A-I.1.8	116,648	100,000
SBP Islamic Export Refinance Scheme	A-I.1.9	3,394,617	2,889,840
Others	A-I.1.10	1,028,630	965,484
		<u>64,314,026</u>	<u>56,720,714</u>
A-I.1.1 Murabaha			
Financing/Investments/Receivables		8,368,106	6,793,602
Advances		764,210	2,869,333
Inventory		1,282,583	867,834
Others (Provisions)		(520,788)	(528,558)
		<u>9,894,111</u>	<u>10,002,211</u>
A-I.1.2 Ijarah			
Advances		754,540	614,708
Assets		7,862,419	7,566,948
Others (Provisions)		(241,858)	(269,611)
		<u>8,375,101</u>	<u>7,912,045</u>
A-I.1.3 Diminishing Musharakah			
Financing / Investments / Receivables		836,678	747,673
Advances		180,311	100,077
Others (Provisions)		(118,116)	(137,769)
		<u>898,873</u>	<u>709,981</u>
A-I.1.4 Musharakah			
Financing / Investments / Receivables		8,330,468	8,978,617
Advances		399,299	1,096,318
Others (Provisions)		(181,221)	(181,221)
		<u>8,548,546</u>	<u>9,893,714</u>
A-I.1.5 Running Musharakah			
Financing / Investments / Receivables		10,676,227	10,424,504
Advances		-	-
Others (Provisions)		-	-
		<u>10,676,227</u>	<u>10,424,504</u>
A-I.1.6 Salam			
Financing / Investments / Receivables		19,722,576	11,927,367
Advances		-	-
Inventory		1,000	8,000
Others (Provisions)		(46,900)	(46,900)
		<u>19,676,676</u>	<u>11,888,467</u>
A-I.1.7 Istisna			
Financing / Investments / Receivables		219,622	221,340
Advances		1,479,975	1,469,378
Inventory		5,000	243,750
		<u>1,704,597</u>	<u>1,934,468</u>
A-I.1.8 Falah Tijarah			
Financing / Investments / Receivables		99,866	50,000
Inventory		16,782	50,000
		<u>116,648</u>	<u>100,000</u>
A-I.1.9 SBP Islamic Export Refinance Scheme			
Financing / Investments / Receivables		3,394,617	2,889,840
Advances		-	-
Others (Provisions)		-	-
		<u>3,394,617</u>	<u>2,889,840</u>
A-I.1.10 Others			
Staff Loans		963,369	915,094
Staff Loans Inventory		-	48
Advance Against Musharakah Staff		73,841	63,413
Advance Against Ijarah Staff		10,185	8,472
Overdue Acceptances and FBP		4,446	1,802
Others (Provisions)		(23,211)	(23,345)
		<u>1,028,630</u>	<u>965,484</u>

Consolidated Condensed Interim Statement Of Financial Position

As at March 31, 2017

	Note	March 31, 2017 (Un-audited)	December 31, 2016 (Audited)
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		63,407,155	74,071,394
Balances with other banks		7,571,383	9,498,787
Lendings to financial institutions	7	36,983,905	30,149,029
Investments - net	8	385,463,224	389,666,922
Advances - net	9	377,531,043	378,724,300
Operating fixed assets	10	18,261,216	18,216,937
Deferred tax assets - net		-	-
Other assets		17,188,804	19,115,471
		906,406,730	919,442,840
LIABILITIES			
Bills payable		12,020,962	12,886,990
Borrowings	11	204,536,863	178,710,629
Deposits and other accounts	12	600,152,159	640,854,225
Sub-ordinated loans		8,316,670	8,317,670
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities - net		2,531,807	2,911,531
Other liabilities		15,741,155	14,836,925
		843,299,616	858,517,970
NET ASSETS		63,107,114	60,924,870
REPRESENTED BY			
Share capital		15,952,076	15,952,076
Reserves		16,456,026	15,895,652
Unappropriated profit		20,109,406	17,777,737
		52,517,508	49,625,465
Non-controlling interest		341,460	323,466
Surplus on revaluation of assets - net of tax		10,248,146	10,975,939
		63,107,114	60,924,870

CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 19 form an integral part of this consolidated condensed interim financial information.

Chief Executive Officer

Director

Director

Director

Consolidated Condensed Interim Profit and Loss Account (Un-audited) for the Three Months Period Ended March 31, 2017

	Note	Three months period ended March 31, 2017	Three months period ended March 31, 2016
(Rupees in '000)			
Mark-up / return / interest earned		13,861,814	14,944,549
Mark-up / return / interest expensed		6,602,578	7,849,324
Net mark-up / interest income		7,259,236	7,095,225
(Reversal) / provision against loans and advances - net	9.2	(78,542)	228,631
(Reversal) / provision for diminution in value of investments - net	8.2	(3,896)	11,563
Bad debts written off directly		-	-
		(82,438)	240,194
Net mark-up / interest income after provisions		7,341,674	6,855,031
Non mark-up / interest income			
Fee, commission and brokerage income		1,335,600	1,052,533
Dividend income		88,069	139,369
Income from dealing in foreign currencies		378,189	302,964
Gain on sale of securities - net		754,812	782,020
Unrealized gain / (loss) on revaluation of investments classified as held for trading - net		5,621	(1,003)
Share of profit from associates		83,705	72,503
Other income		146,960	154,952
Total non mark-up / interest income		2,792,956	2,503,338
		10,134,630	9,358,369
Non mark-up / interest expenses			
Administrative expenses		5,629,750	5,540,093
(Reversal) / provision against off balance sheet obligations		(18,934)	217
(Reversal) / provision against other assets		(21,818)	(136,978)
Other charges		96,222	92,357
Total non mark-up / interest expenses		5,685,220	5,495,689
		4,449,410	3,862,680
Extra ordinary / unusual items		-	-
Profit before taxation		4,449,410	3,862,680
Taxation	16		
Current		1,548,722	1,616,583
Deferred		1,365	(283,330)
Prior years		-	-
		1,550,087	1,333,253
Profit after taxation		2,899,323	2,529,427
Profit attributable to:			
Equity holders of the Bank		2,881,329	2,519,224
Non-controlling Interest		17,994	10,203
		2,899,323	2,529,427
(Rupees)			
Basic earnings per share	14	1.81	1.58
Diluted earnings per share	14	1.79	1.58

The annexed notes 1 to 19 form an integral part of this consolidated condensed interim financial information.

Consolidated Condensed Interim Statement Of Comprehensive Income (Un-audited) for the Three Months Period Ended March 31, 2017

	Three months period ended March 31, 2017	Three months period ended March 31, 2016
	(Rupees in '000)	
Profit after taxation	2,899,323	2,529,427
Other comprehensive income		
Items that are or may be reclassified subsequently to profit and loss account		
Exchange differences on translation of net investment in foreign branches	(28,176)	6,984
Comprehensive income - transferred to consolidated condensed interim statement of changes in equity	<u>2,871,147</u>	<u>2,536,411</u>
Attributable to:		
Equity holders of the Bank	2,853,153	2,526,208
Non-controlling Interest	<u>17,994</u>	<u>10,203</u>
Comprehensive income - transferred to statement of changes in equity	<u>2,871,147</u>	<u>2,536,411</u>
Components of comprehensive income not reflected in equity		
Items that are or may be reclassified subsequently to profit and loss account		
Surplus / (deficit) on revaluation of available for sale securities - net of tax	(704,311)	874,803
Share of surplus on revaluation of associates' available for sale securities	-	48
	<u>(704,311)</u>	<u>874,851</u>

The annexed notes 1 to 19 form an integral part of this consolidated condensed interim financial information.

Chief Executive Officer

Director

Director

Director

Consolidated Condensed Interim Cash Flow Statement (Un-audited) for the Three Months Period Ended March 31, 2017

Note	Three months period ended March 31, 2017	Three months period ended March 31, 2016
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,449,410	3,862,680
Dividend income	(88,069)	(139,369)
Share of profit from associates	(83,705)	(72,503)
	4,277,636	3,650,808
Adjustments		
Depreciation	447,848	423,899
Amortisation	102,211	77,687
(Reversal) / provision against loans and advances - net	(78,542)	228,631
(Reversal) / provision for diminution in value of investments - net	(3,896)	11,563
Provision against off-balance sheet obligations	(18,934)	217
(Reversal) / provision against other assets	(21,818)	(136,978)
Unrealized gain / (loss) on revaluation of investments classified as held for trading - net	(5,621)	1,003
Bad debts written-off directly	-	-
Gain on sale of operating fixed assets - net	(2,720)	(2,270)
Charge for defined benefit plan	66,000	66,716
	484,528	670,468
	4,762,164	4,321,276
(Increase) / decrease in operating assets		
Lendings to financial institutions	(7,999,563)	5,317,895
Held for trading securities	(7,344,017)	(6,191,772)
Advances	1,271,799	10,449,104
Other assets (excluding tax recoverable and dividend receivable)	1,958,160	7,025,325
	(12,113,621)	16,600,552
Increase / (decrease) in operating liabilities		
Bills payable	(866,028)	1,589,395
Borrowings	25,826,234	(29,333,221)
Deposits and other accounts	(40,702,066)	(16,823,135)
Other liabilities	374,092	(808,078)
	(15,367,768)	(45,375,039)
	(22,719,225)	(24,453,211)
Income tax paid	(1,078,375)	(1,108,773)
Net cash used in operating activities	(23,797,600)	(25,561,984)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	9,059,334	5,724,705
Net investments in held to maturity securities	1,510,955	(10,066,441)
Net investments in associated companies	-	-
Dividend income received	76,032	32,598
Investment in fixed assets	(632,124)	(772,179)
Proceeds from sale of operating fixed assets	56,249	2,371
Net cash generated from / (used in) investing activities	10,070,446	(5,078,946)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Redemption) of Sub-ordinated loans	(1,000)	(1,000)
Dividend Paid	-	-
Net cash generated from / (used in) financing activities	(1,000)	(1,000)
Exchange difference on translation on the net investments in foreign branches	(28,176)	6,984
	(13,756,330)	(30,634,946)
Decrease in cash and cash equivalents		
Cash and cash equivalents at beginning of the period	88,900,201	93,382,609
Effects of exchange rate changes on cash and cash equivalents	(23,430)	244,080
	88,876,771	93,626,689
Cash and cash equivalents at end of the period	75,120,441	62,991,743

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The annexed notes 1 to 19 form an integral part of this consolidated condensed interim financial information.

Chief Executive Officer

Director

Director

Director

Consolidated Condensed Interim Statement Of Changes In Equity (Un-audited) for the Three Months Period Ended March 31, 2017

	Capital Reserves				Revenue Reserve				
	Share capital	Share premium	Statutory reserve [*]	Exchange translation reserve	Employee share option compensation reserve	Unappropriated profit	Sub-total	Non Controlling Interest	Total
Balance as at January 1, 2016	15,898,062	4,329,648	8,140,904	1,572,966	120,602	12,813,488	42,875,670	274,134	43,149,804
Changes in equity for three months period ended March 31, 2016									
Total comprehensive income									
Profit after tax	-	-	-	-	-	2,519,224	2,519,224	10,203	2,529,427
Other comprehensive income									
Exchange difference on translation of net investment in foreign branches	-	-	-	6,984	-	6,984	6,984	-	6,984
Transfer to statutory reserve	-	-	493,338	-	-	(493,338)	-	-	-
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	8,055	8,055	-	8,055
Transactions with owners, recorded directly in equity									
Final cash dividend for the year ended December 31, 2015 @ 10%	-	-	-	-	-	(1,589,806)	(1,589,806)	-	(1,589,806)
Amortisation of deferred employee compensation expense	-	-	-	-	26,805	-	26,805	-	26,805
Balance as at March 31, 2016	15,898,062	4,329,648	8,634,242	1,579,950	147,407	13,257,623	43,846,932	284,337	44,131,269
Changes in equity for nine months period ended December 31, 2016									
Total comprehensive income									
Profit after tax	-	-	-	-	-	5,370,570	5,370,570	39,129	5,409,699
Effect of change in minority interest	-	-	-	-	-	-	-	-	-
Other comprehensive income									
Exchange difference on translation of net investment in foreign branches	-	-	-	4,070	-	-	4,070	-	4,070
Remeasurement of defined benefit plans	-	-	-	-	-	309,314	309,314	-	309,314
Related tax charge	-	-	-	-	-	(108,260)	(108,260)	-	(108,260)
Share of Remeasurement of defined benefit plans of associate	-	-	-	-	-	(499)	(499)	-	(499)
Transfer to statutory reserve	-	-	1,086,644	4,070	-	5,571,125	5,575,195	39,129	5,614,324
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	35,633	35,633	-	35,633
Transactions with owners, recorded directly in equity									
Share capital issued during the period	54,014	30,881	-	-	-	-	84,895	-	84,895
Recognition of fair value of share based payments on grant date	-	-	-	-	132,026	-	132,026	-	132,026
Unamortised portion of deferred employee compensation expense	-	-	-	-	(49,216)	-	(49,216)	-	(49,216)
Transfer to Share Premium on issuance of shares under Stock Option Scheme	-	56,597	-	-	(56,597)	-	-	-	-
Balance as at December 31, 2016	15,952,076	4,417,126	9,720,886	1,584,020	173,620	17,777,737	49,625,465	323,466	49,948,931
Changes in equity for three months period ended March 31, 2017									
Total comprehensive income									
Profit after tax	-	-	-	-	-	2,881,329	2,881,329	17,994	2,899,323
Other comprehensive income									
Exchange difference on translation of net investment in foreign branches	-	-	-	(28,176)	-	-	(28,176)	-	(28,176)
Transfer to statutory reserve	-	-	557,651	-	-	2,881,329	2,853,153	17,994	2,871,147
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	7,991	7,991	-	7,991
Transactions with owners, recorded directly in equity									
Amortisation of deferred employee compensation expense	-	-	-	-	30,899	-	30,899	-	30,899
Balance as at March 31, 2017	15,952,076	4,417,126	10,278,537	1,555,844	204,519	20,109,406	52,517,508	341,460	52,858,968

*This represents reserve created under section 21(i) (a) of the Banking Companies Ordinance, 1962.

The annexed notes 1 to 19 form an integral part of this consolidated condensed interim financial information.

Chief Executive Officer

Director

Director

Director

Notes To And Forming Part Of The Consolidated Condensed Interim Financial Information (Un-audited) for the Three Months Period Ended March 31, 2017

1 STATUS AND NATURE OF BUSINESS

1.1 The "Group" consists of:

Holding Company

Bank Alfalah Limited, Pakistan

Bank Alfalah Limited (the Bank) is a banking company incorporated in Pakistan on June 21, 1992 as a public limited company under the Companies Ordinance, 1984. It commenced its banking operations on November 1, 1992. The Bank's registered office is located at B. A. Building, I. I. Chundrigar Road, Karachi and is listed on the Pakistan Stock Exchange (formerly Karachi, Lahore and Islamabad Stock Exchanges). The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and is operating through 476 conventional banking branches including 18 sub branches (2016: 475 branches including 18 sub branches), 10 overseas branches (2016: 10 branches), 153 Islamic banking branches (2016: 153 branches) and 1 offshore banking unit (2016: 1 unit).

JCR-VIS has assigned a long term credit rating of AA+ [Double A plus] and a short term credit rating of A1+ (A one plus) as at February 2017 with a stable outlook to the Bank.

PACRA has also assigned a long term credit rating of AA [Double A] and a short term credit rating of A1+ (A one plus) to the Bank as at June 2016 with a positive outlook (2015: AA [Double A] for long term and A1+ [A one plus] for short term with a stable outlook).

	Percentage of Holding	
	March 31, 2017	December 31, 2016
Subsidiaries		
Alfalah Securities (Private) Limited, Pakistan	97.91 percent	97.91 percent
Alfalah GHP Investment Management Limited, Pakistan	40.22 percent	40.22 percent

- 1.2 In addition, the Group maintains investments in associates, as well as in certain mutual funds established under trust structure not consolidated as subsidiaries, based on directives issued by the Security and Exchange Commission of Pakistan (SECP) through S.R.O. 56(I)/2016, dated January 28, 2016 (refer note 8.1), as detailed in note 1.2 and note 2.4 to the annual consolidated financial statements for the year ended December 31, 2016.

2 BASIS OF PRESENTATION

- 2.1 This consolidated condensed interim financial information represents financial information of the holding company - Bank Alfalah Limited and its subsidiaries. The assets and liabilities of subsidiaries have been consolidated on a line-by-line basis and the investment held by the Bank is eliminated against the corresponding share capital of subsidiaries in these consolidated financial statements.
- 2.2 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible form of trade-related modes of financing includes purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in this consolidated condensed interim financial information as such, but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon. The Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards issued by the Institute of Chartered Accountants of Pakistan and notified under the provisions of the Companies Ordinance, 1984.
- 2.3 Key financial figures of the Islamic Banking branches are disclosed in Annexure I to the unconsolidated condensed interim financial information of the Bank.
- 2.4 The disclosures made in this consolidated condensed interim financial information have been limited based on the format prescribed by the State Bank of Pakistan through BSD Circular Letter No. 2 dated May 12, 2004 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". They do not include all of the information required for the full annual financial statements and this consolidated condensed interim financial information should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2016.

2.5 Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity, so as to obtain economic benefits from its activities.

This consolidated condensed interim financial information incorporates the financial statements of subsidiaries from the date that control commences until the date that control ceases.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates as well as investment in mutual funds established under trust structure (not consolidated as subsidiaries) are accounted for using the equity method.

Non-controlling interests are that part of the net results of operations and of net assets of subsidiaries attributable to interest which are not owned by the holding company. Material intra-group balances and transactions are eliminated.

3 STATEMENT OF COMPLIANCE

- 3.1 This consolidated condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting", the provisions of Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). In case where requirements differ, provisions of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and the said directives have been followed.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies and the methods of computation adopted in the preparation of this consolidated condensed interim financial information are same as those applied in the preparation of the annual consolidated financial statements of the Group for the year ended December 31, 2016.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis and methods used for critical accounting estimates and judgements adopted in this consolidated condensed interim financial information are same as those applied in the preparation of the annual consolidated financial statements of the Group for the year ended December 31, 2016.

6 FINANCIAL RISK MANAGEMENT

The Group's Financial Risk Management objectives and policies are consistent with those disclosed in the annual consolidated financial statements for the year ended December 31, 2016.

7 LENDINGS TO FINANCIAL INSTITUTIONS

Note	March 31, 2017 (Un-audited)	December 31, 2016 (Audited)
	(Rupees in '000)	
Call money lendings	7.1	4,141,903
Bai Muajjal	7.2	24,241,676
Repurchase agreement lendings	7.3	8,600,326
	<u>36,983,905</u>	<u>30,149,029</u>

- 7.1 These represent lendings to financial institutions at interest rates ranging from 3.00% to 9.00% per annum (December 2016: 0.25% to 9.00% per annum) having maturities upto July 2017 (December 2016: March 2017).
- 7.2 This represents Bai Muajjal agreements entered into with State Bank of Pakistan (SBP) / other commercial banks, whereby the Bank sold Sukuks having carrying value of Rs. 24,242 million on deferred payment basis. The rates of return range from 5.60% to 5.76% per annum (December 2016: 5.62% to 5.97% per annum), and these are due to mature by September 2017 (December 2016: June 2017).
- 7.3 These represent short term lending to financial institutions against investment securities. These carry markup rates ranging from 5.80% to 6.15% per annum (December 2016: 6.15% per annum) with maturities upto May 2017 (December 2016: January 2017).

8 INVESTMENTS - NET

8.1 Investments by types

Investments by types	Note	March 31, 2017 (Un-audited)			December 31, 2016 (Audited)		
		Held by Group	Given as collateral	Total	Held by Group	Given as collateral	Total
(Rupees in '000)							
Held-for-trading securities							
Market Treasury Bills		18,473,476	-	18,473,476	14,120,130	-	14,120,130
Pakistan Investment Bonds		1,699,196	-	1,699,196	20,207	-	20,207
Overseas Bonds		29,488	1,980,902	2,010,390	549,615	-	549,615
Fully paid up ordinary shares/ units - Listed		591,792	-	591,792	740,776	-	740,776
		20,793,952	1,980,902	22,774,854	15,430,728	-	15,430,728
Available-for-sale securities							
Market Treasury Bills		30,712,023	2,043,761	32,755,784	38,584,821	-	38,584,821
Pakistan Investment Bonds		49,347,125	150,833,283	200,180,408	78,936,759	128,150,711	207,087,470
Fully paid up ordinary shares / units - Listed		7,069,894	-	7,069,894	6,223,937	-	6,223,937
Fully paid up ordinary shares / units - Unlisted		106,099	-	106,099	109,662	-	109,662
Term Finance Certificates		514,484	-	514,484	514,483	-	514,483
Preference Shares - Listed		108,835	-	108,835	108,835	-	108,835
Preference Shares - Unlisted		25,000	-	25,000	25,000	-	25,000
Redeemable Participating Certificates		1,022,053	-	1,022,053	501,938	-	501,938
Pakistan Euro Bonds		2,697,140	-	2,697,140	2,688,770	-	2,688,770
Overseas Bonds		7,421,446	6,741,460	14,162,906	7,819,677	4,839,993	12,659,670
Sukuk Bonds		40,715,567	3,774,415	44,489,982	38,663,395	5,023,937	43,687,332
		139,739,666	163,392,919	303,132,585	174,177,277	138,014,641	312,191,918
Held-to-maturity securities							
Market Treasury Bills		321,487	-	321,487	1,995,857	-	1,995,857
Pakistan Investment Bonds		31,929,727	-	31,929,727	31,793,773	-	31,793,773
Term Finance Certificates		524,266	-	524,266	524,266	-	524,266
Pakistan Euro Bonds		707,722	-	707,722	706,255	-	706,255
Commercial Papers		261,140	-	261,140	661,557	-	661,557
Overseas Bonds		10,380,183	1,038,891	11,419,074	9,714,052	1,036,079	10,750,131
Sukuk Bonds		3,604,741	-	3,604,741	3,847,273	-	3,847,273
		47,729,266	1,038,891	48,768,157	49,243,033	1,036,079	50,279,112
Investments in Associates and Mutual Funds established under Trust Structure not considered for consolidation							
Alfalah Insurance Limited		294,465	-	294,465	282,909	-	282,909
Sapphire Wind Power Company Limited		1,254,637	-	1,254,637	1,221,237	-	1,221,237
Alfalah GHP Money Market Fund		58,297	-	58,297	57,287	-	57,287
Alfalah GHP Income Multiplier Fund		303,389	-	303,389	298,473	-	298,473
Alfalah GHP Sovereign Fund		258,478	-	258,478	253,490	-	253,490
Alfalah GHP Income Fund		172,464	-	172,464	169,745	-	169,745
Alfalah GHP Islamic Income Fund		6,767	-	6,767	6,683	-	6,683
Alfalah GHP Islamic Stock Fund		449,592	-	449,592	439,502	-	439,502
Alfalah GHP Cash Fund		549,205	-	549,205	534,264	-	534,264
		3,347,294	-	3,347,294	3,263,590	-	3,263,590
Investments at cost		211,610,178	166,412,712	378,022,890	242,114,628	139,050,720	381,165,348
Provision for diminution in value of investments	8.2	(1,249,885)	-	(1,249,885)	(1,253,781)	-	(1,253,781)
Investments (net of provisions)		210,360,293	166,412,712	376,773,005	240,860,847	139,050,720	379,911,567
Surplus / (deficit) on revaluation of held for trading securities - net		(13,810)	19,431	5,621	109	-	109
Surplus / (deficit) on revaluation of available for sale securities-net		8,402,611	281,987	8,684,598	7,677,435	2,077,811	9,755,246
Total investments		218,749,094	166,714,130	385,463,224	248,538,391	141,128,531	389,666,922

8.2 Particulars of provision for diminution in value of investments

	March 31, 2017 (Un-audited)	December 31, 2016 (Audited)
(Rupees in '000)		
Opening balance	1,253,781	5,519,811
Charge for the period / year	-	100,766
Reversals during the period / year	(3,896)	-
	(3,896)	100,766
Provision written off / (adjusted) during the period / year	-	(4,366,796)
Closing balance	1,249,885	1,253,781

	Note	March 31, 2017 (Un-audited)	December 31, 2016 (Audited)
(Rupees in '000)			
8.3 Particulars of provision for diminution in value of investments by type and segment			
Available for sale securities			
Listed companies / mutual funds			
- Fully paid up ordinary shares / units			
- First Dawood Investment Bank Limited		15,000	15,000
- Preference shares			
- Agritech Limited		108,835	108,835
Unlisted companies			
- Fully paid up ordinary shares of Rs. 10 each			
- Pakistan Export Finance Guarantee Agency Limited		5,725	5,725
- Al-Hamra Avenue (Private) Limited		50,000	50,000
- Pakistan Mobile Communications Limited (Related party)		3,936	3,936
Unlisted securities			
- Term finance certificates / sukuk bonds			
- Azgard Nine Limited		76,220	76,220
- Security Leasing Corporation Limited I		6,418	6,418
- Security Leasing Corporation Limited II		23,105	23,105
- New Allied Electronics		2,185	2,185
- Fauji Akbar Portia Marine Terminals Limited		161,407	161,407
- Quetta Textile Mills Limited		72,619	72,619
- Preference shares			
- Trust Investment Bank Limited		25,000	25,000
Held to maturity securities			
Unlisted securities			
- Term finance certificates / sukuk bonds			
- Agritech Limited		499,586	499,586
- BRR Guardian Modaraba		32,281	36,177
- Security Leasing Corporation Limited		29,245	29,245
- Sitara Peroxide (Private) Limited		113,643	113,643
- Zulekha Textile Mills (formerly Khunja Textile Mills Limited)		24,680	24,680
		<u>1,249,885</u>	<u>1,253,781</u>
9 ADVANCES - NET			
Loans, cash credits, running finances etc.			
In Pakistan		302,342,572	309,127,177
Outside Pakistan		13,937,792	13,181,132
		<u>316,280,364</u>	<u>322,308,309</u>
Net investment in finance lease			
In Pakistan		4,242,105	4,181,047
Outside Pakistan		-	-
		<u>4,242,105</u>	<u>4,181,047</u>
Islamic financing and related assets (gross)		65,446,120	57,908,118
Bills discounted and purchased (excluding market treasury bills)			
Payable in Pakistan		3,826,412	5,033,339
Payable outside Pakistan		4,692,664	6,437,718
		<u>8,519,076</u>	<u>11,471,057</u>
		<u>394,487,665</u>	<u>395,868,531</u>
Provision against advances			
Specific provision against non-performing advances	9.2	(16,189,795)	(16,368,263)
General provision against advances	9.2	(766,827)	(775,968)
		<u>(16,956,622)</u>	<u>(17,144,231)</u>
		<u>377,531,043</u>	<u>378,724,300</u>

- 9.1 Advances include Rs. 18,326 million (December 31, 2016: Rs. 19,020 million) which have been placed under non-performing status as detailed below:

31 March 2017 (Un-audited)									
Classified Advances			Provision Required			Provision Held			
Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total	
(Rupees in '000)									
Category of classification									
Other Assets Especially									
Mentioned (Agri Financing)	95,093	-	95,093	1,150	-	1,150	1,150	-	1,150
Substandard	2,116,224	-	2,116,224	552,967	-	552,967	552,967	-	552,967
Doubtful	1,705,935	-	1,705,935	1,433,490	-	1,433,490	1,433,490	-	1,433,490
Loss	14,107,842	301,829	14,409,671	13,969,025	233,163	14,202,188	13,969,025	233,163	14,202,188
	18,025,094	301,829	18,326,923	15,956,632	233,163	16,189,795	15,956,632	233,163	16,189,795

December 31, 2016 (Audited)									
Classified Advances			Provision Required			Provision Held			
Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total	
(Rupees in '000)									
Category of classification									
Other Assets Especially									
Mentioned (Agri Financing)	149,224	-	149,224	4,318	-	4,318	4,318	-	4,318
Substandard	2,336,995	-	2,336,995	577,634	-	577,634	577,634	-	577,634
Doubtful	1,990,208	-	1,990,208	1,483,906	-	1,483,906	1,483,906	-	1,483,906
Loss	14,224,437	318,921	14,543,358	14,063,267	239,138	14,302,405	14,063,267	239,138	14,302,405
	18,700,864	318,921	19,019,785	16,129,125	239,138	16,368,263	16,129,125	239,138	16,368,263

- 9.2 Particulars of provisions against non-performing loans and advances

	March 31, 2017 (Unaudited)			December 31, 2016 (Audited)		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance			16,368,263			15,452,915
Exchange adjustment and other movements			(3,152)			1,258
Charge for the period / year			538,652			3,408,124
Reversals / recoveries during the period / year			(609,736)			(2,362,817)
			(71,084)			1,045,307
Amounts written off			(104,232)			(131,217)
Closing balance			16,189,795			16,368,263

- 9.2.1 The additional profit arising from availing the forced sales value (FSV) benefit - net of tax at March 31, 2017 which is not available for distribution as either cash or stock dividend to shareholders and bonus to employees amounted to Rs. 45.472 million (December 31, 2016: Rs. 95.817 million).
- 9.2.2 General provision against consumer loans represents provision maintained at an amount equal to 1.5% of the fully secured performing portfolio and 5% of the unsecured performing portfolios required by the Prudential Regulations issued by the State Bank of Pakistan. General reserve of at least equivalent to 1% of the secured and performing SE portfolio and 2% of the unsecured and performing SE portfolio is also maintained as required under Prudential Regulations for Small and Medium Enterprise Financing.

	Note	March 31, 2017 (Un-audited) (Rupees in '000)	December 31, 2016 (Audited) (Rupees in '000)
10 OPERATING FIXED ASSETS			
Capital work-in-progress		943,522	775,408
Property and equipment		16,140,638	16,144,219
Intangible assets		1,177,056	1,297,310
		<u>18,261,216</u>	<u>18,216,937</u>
		Three months period ended	
		March 31, 2017 (Un-audited) (Rupees in '000)	March 31, 2016
10.1 Additions to operating fixed assets			
Office premises		29,393	269,841
Leasehold improvements		91,857	37,602
Office equipments		333,963	282,688
Furniture and fixtures		1,459	13,179
Vehicles		13,257	15,542
10.2 Additions to intangibles			
Computer software		12,982	103,192
10.3 Disposals of operating fixed assets			
Leasehold land		50,159	-
Office premises		1,633	-
Leasehold improvements		28,391	10
Office equipments		4,753	37,916
Furniture and fixtures		10,205	1,915
Vehicles		-	7,338
		March 31, 2017 (Un-audited) (Rupees in '000)	December 31, 2016 (Audited) (Rupees in '000)
11 BORROWINGS			
Secured			
Borrowings from State Bank of Pakistan under ERF / LTF - EOP		22,141,431	21,668,916
Repurchase agreement borrowings	11.1	144,683,250	136,763,030
Borrowings from other central banks		224,497	198,418
Bai Muajjal	11.2	18,932,720	-
Other short term borrowings		-	399,594
		<u>185,981,898</u>	<u>159,029,958</u>
Unsecured			
Call borrowings	11.3	16,486,164	13,461,835
Bai Muajjal	11.4	2,068,801	6,218,836
		<u>18,554,965</u>	<u>19,680,671</u>
		<u>204,536,863</u>	<u>178,710,629</u>
11.1	This represents repurchase agreement borrowing from SBP and other banks at the rate of 1.05% and 5.85% per annum respectively (December 2016: 1.10% and 5.95% per annum) having maturities upto May 2017 (December 2016: February 2017).		
11.2	This represents borrowings from financial institutions at mark-up rates ranging from 5.73% to 5.79% per annum (December 2016: Nil) having maturities upto February 2018 (December 2016: Nil).		
11.3	This represents borrowings from financial institutions at mark-up rates ranging from 0.55% to 5.85% per annum (December 2016: 0.50% to 5.80% per annum) having maturities upto June 2017 (December 2016: March 2017).		
11.4	This represents borrowings from financial institutions at mark-up rates ranging from 5.60% to 5.70% per annum (December 2016: 5.60% to 5.70% per annum) having maturities upto May 2017 (December 2016: May 2017).		

	March 31, 2017 (Un-audited) (Rupees in '000)	December 31, 2016 (Audited) (Rupees in '000)
12 DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	75,530,650	94,268,250
Savings deposits	218,483,141	229,010,684
Current accounts - non-remunerative	274,618,476	283,711,087
Others	6,493,409	4,721,828
	<u>575,125,676</u>	<u>611,711,849</u>
Financial institutions		
Remunerative deposits	20,607,471	27,347,009
Non-remunerative deposits	4,419,012	1,795,367
	<u>25,026,483</u>	<u>29,142,376</u>
	<u>600,152,159</u>	<u>640,854,225</u>
13 CONTINGENCIES AND COMMITMENTS		
13.1 Direct credit substitutes		
i) Government	1,401,442	1,632,063
ii) Banking companies and other financial institutions	-	-
iii) Others	40,579	53,167
	<u>1,442,021</u>	<u>1,685,230</u>
13.2 Transaction - related contingent liabilities		
i) Government	33,239,542	32,243,564
ii) Banking companies and other financial institutions	771,810	544,762
iii) Others	9,905,149	11,725,088
	<u>43,916,501</u>	<u>44,513,414</u>
13.3 Trade - related contingent liabilities		
Letters of credit	77,553,693	73,061,529
Acceptances	<u>10,397,578</u>	<u>12,188,691</u>
13.4 Other contingencies		
Claims against the Bank not acknowledged as debts	<u>17,506,560</u>	<u>13,847,649</u>
These mainly represents counter claims filed by the borrowers for restricting the Bank from disposal of assets (such as hypothecated / mortgaged / pledged assets kept as security), damage to reputation and cases filed by Ex. employees of the Bank for damages sustained by them consequent to the termination from the Bank's employment. Based on legal advice and / or internal assessment, management is confident that the matters will be decided in Bank's favour and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in this consolidated condensed interim financial information.		
	March 31, 2017 (Un-audited) (Rupees in '000)	December 31, 2016 (Audited) (Rupees in '000)
13.5 Commitments in respect of forward lendings		
Commitments to extend credit	<u>19,021,040</u>	<u>28,450,269</u>
Commitments in respect of investments	<u>3,082,006</u>	<u>3,596,186</u>
13.6 Commitments in respect of forward exchange contracts		
Purchase	<u>73,383,660</u>	<u>53,992,848</u>
Sale	<u>53,702,756</u>	<u>41,084,440</u>
13.7 Commitments for the acquisition of fixed asset	<u>265,473</u>	<u>336,774</u>
13.8 Commitments in respect of repo transactions		
Repurchase	<u>144,846,287</u>	<u>136,912,078</u>
Resale	<u>8,607,690</u>	<u>349,222</u>
13.9 Other commitments		
Interest rate swaps	<u>7,643,647</u>	<u>7,622,307</u>
Futures	<u>6,674,096</u>	<u>-</u>
Donations	<u>22,000</u>	<u>22,000</u>
13.10 Contingency for tax payable (note 16)		

14	EARNINGS PER SHARE	March 31, 2017	March 31, 2016
		(Un-audited) (Rupees in '000)	
14.1	BASIC EARNINGS PER SHARE		
	Profit after taxation for the period attributable to equity holders of the Bank	<u>2,881,329</u>	<u>2,519,224</u>
		(Number of shares in thousand)	
	Weighted average number of ordinary shares	<u>1,595,208</u>	<u>1,591,809</u>
		(Rupees)	
	Basic earnings per share	<u>1.81</u>	<u>1.58</u>
14.2	DILUTED EARNINGS PER SHARE		
		(Rupees in '000)	
	Profit after taxation for the period attributable to equity holders of the Bank	<u>2,881,329</u>	<u>2,519,224</u>
		(Number of shares in thousand)	
	Weighted average number of ordinary shares	<u>1,605,612</u>	<u>1,591,809</u>
		(Rupees)	
	Diluted earnings per share	<u>1.79</u>	<u>1.58</u>
		March 31, 2017	December 31, 2016
		(Un-audited)	(Audited)
15	CASH AND CASH EQUIVALENTS		
	Cash and balances with treasury banks	63,407,155	74,071,394
	Balances with other banks	7,571,383	9,498,787
	Call money lendings	4,141,903	5,306,590
		<u>75,120,441</u>	<u>88,876,771</u>
16	TAXATION		

16.1 The income tax assessments of the Bank have been finalized upto and including tax year 2016. Matters of disagreement exist between the Bank and tax authorities for various assessment years and are pending with the Commissioner of Inland Revenue (Appeals), Appellate Tribunal Inland Revenue (ATIR), High Court of Sindh and Supreme Court of Pakistan. These issues mainly relate to addition of mark up in suspense to income, taxability of profit on government securities, bad debts written off and disallowances relating to profit and loss expenses.

In respect of tax years 2008, 2011, 2015 and 2016, the tax authorities have raised certain issues including default in payment of WWF, dividend income from mutual funds not being taken under income from business, disallowance of Leasehold improvements resulting in additional demand of Rs.503.487 million. As a result of appeal filed before Commissioner Appeals against these issues, relief has been provided for tax amount of Rs.60.032 million whereas appeal effect orders are pending. The management's appeals on certain issues are pending before Commissioner Appeals. The management is confident that these matters will be decided in favour of the Bank and consequently has not made any provision in respect of these amounts.

The Bank has received amended assessment orders for Tax Years from 2010 to 2013 wherein Tax Authorities have disallowed depreciation on Ijara Assets considering it Finance Lease and raised a tax demand of Rs.990.423 million. As a result of appeal filed before Commissioner Appeal, relief is provided to the Bank. Accordingly tax amount is reduced to Rs.96.160 million. The Bank has filed appeal before Appellate Tribunal. During the year, Bank has received another amended assessment order for Tax Year 2014 wherein a tax demand of Rs.34.375 million is raised on this matter. The Bank has not made any provision against these orders and the management is of the view that the matter will be settled in Bank's favour through appellate process.

In respect of monitoring of withholding taxes, the Bank has received various orders from tax authorities. The Bank has not made provision amounting to Rs.433.377 million against tax demand for tax years 2009, 2011, 2015 and 2016. The Bank intends to obtain relief through rectification orders. The management is of the view that the matter will be settled in Bank's favour.

The Bank has received an order from a provincial tax authority wherein tax authority has disallowed certain exemptions of sales tax on banking services and demanded sales tax and penalty amounting to Rs.97.560 million (excluding default surcharge) for the period from July 2011 to June 2014. Bank's appeal against this order is currently pending before Commissioner Appeals. The Bank has not made any provision against this order and the management is of the view that the matter will be settled in Bank's favour through appellate process.

17 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include major shareholders, subsidiary company, associated companies with or without common directors, retirement benefit funds and directors and key management personnel and their close family members.

Banking transactions with the related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal risk.

Contributions to and accruals in respect of staff retirements and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to executives is determined in accordance with the terms of their appointment.

17.1 Details of transactions with the related parties and balances with them as at period end are as follows:

	March 31, 2017 (Un-audited)				
	Directors	Key Management Personnel	Group Companies / Others / Strategic Investments	Associates	Total
	(Rupees in '000)				
Deposits					
Balance at beginning of the period	10,201	164,506	8,688,767	1,031,657	9,895,131
Placements during the period	146,101	295,834	27,909,380	13,121,800	41,473,115
Withdrawals / adjustments during the period	(147,363)	(319,075)	(29,705,353)	(12,836,549)	(43,008,340)
Balance at end of the period	8,939	141,265	6,892,794	1,316,908	8,359,906
Advances					
Balance at beginning of the period	79,130	351,335	8,040,236	-	8,470,701
Disbursements / adjustments during the period	-	58,193	1,963,458	-	2,021,651
Repayments / adjustments during the period	(4,935)	(40,586)	(2,134,398)	-	(2,179,919)
Balance at end of the period	74,195	368,942	7,869,296	-	8,312,433
Provision held against advances	-	-	1,543,054	-	1,543,054
Investments					
Balance at beginning of the period	-	-	2,027,290	3,263,590	5,290,880
Investments during the period	-	-	-	83,705	83,705
Redemption / adjustments during the period	-	-	(255,055)	-	(255,055)
Balance at end of the period	-	-	1,772,235	3,347,295	5,119,530
Provision held against investments	-	-	53,936	-	53,936
Call borrowings / Repo					
Balance at beginning of the period	-	-	-	-	-
Borrowings during the period	-	-	2,200,000	-	2,200,000
Repayments during the period	-	-	(2,200,000)	-	(2,200,000)
Balance at end of the period	-	-	-	-	-
Call lendings / Reverse repo					
Balance at beginning of the period	-	-	-	-	-
Placements during the period	-	-	21,600,000	-	21,600,000
Withdrawals during the period	-	-	(21,600,000)	-	(21,600,000)
Balance at end of the period	-	-	-	-	-

December 31, 2016 (Audited)					
	Directors	Key Management Personnel	Group Companies / Others / Strategic Investments	Associates	Total
	(Rupees in '000)				
Deposits					
Balance at beginning of the year	14,825	120,281	6,095,252	350,316	6,580,674
Placements during the year	306,363	1,257,912	117,678,110	44,962,231	164,204,616
Withdrawals / adjustments during the year	(310,987)	(1,213,687)	(115,084,595)	(44,280,890)	(160,890,159)
Balance at end of the year	10,201	164,506	8,688,767	1,031,657	9,895,131
Advances					
Balance at beginning of the year	89,000	328,280	6,339,450	-	6,756,730
Disbursements during the year	-	287,570	22,062,374	-	22,349,944
Repayments / adjustments during the year	(9,870)	(264,515)	(20,361,588)	-	(20,635,973)
Balance at end of the year	79,130	351,335	8,040,236	-	8,470,701
Provision held against advances	-	-	1,543,054	-	1,543,054
Investments					
Balance at beginning of the year	-	-	4,716,796	4,019,314	8,736,110
Investments during the year	-	-	1,977,290	67,267	2,044,557
Redemptions / adjustments during the year	-	-	(4,666,796)	(822,991)	(5,489,787)
Balance at end of the year	-	-	2,027,290	3,263,590	5,290,880
Provision held against investments	-	-	53,936	-	53,936
Call borrowings / Repo					
Balance at beginning of the year	-	-	-	-	-
Borrowing during the year	-	-	2,200,000	-	2,200,000
Repayments during the year	-	-	(2,200,000)	-	(2,200,000)
Balance at end of the year	-	-	-	-	-
Call lendings / Reverse Repo					
Balance at beginning of the year	-	-	-	-	-
Placements during the year	-	-	17,250,000	-	17,250,000
Withdrawals during the year	-	-	(17,250,000)	-	(17,250,000)
Balance at end of the year	-	-	-	-	-

	March 31, 2017 (Un-audited)	December 31, 2016 (Audited)
	(Rupees in '000)	
17.2 Advances		
Running finance	785,031	753,858
Long term loans	7,527,402	7,716,843
17.3 Contingencies and commitments		
Letters of credit, acceptance and Guarantees outstanding	2,208,604	1,724,344
17.4 Customer Accounts		
PLS accounts	5,491,636	5,869,154
Current accounts	648,763	1,211,423
Fixed deposit accounts	2,219,507	2,814,554

	March 31, 2017 (Un-audited) (Rupees in '000)	March 31, 2016 (Un-audited) (Rupees in '000)
17.5 Transactions with Associates and Others		
Associates and funds not considered for consolidation		
Mark-up expense on deposits / TFCs	17,580	11,217
Rent Income from Alfalah Insurance Limited	-	499
Insurance premium paid to Alfalah Insurance Company Limited	322,954	454,132
Insurance claims received from Alfalah Insurance Company Limited against operating fixed assets	2,349	429
Other Income from Sapphire Wind Power Company Limited	1,817	-
Management Fee earned from fund	102,986	80,427
Sales load from fund	10,451	3,374
Advisory Income from fund	408	-
Others		
Mark-up income	123,065	100,707
Mark-up expense on deposits	77,042	30,231
Rent income from Warid Telecom (Private) Limited / Pakistan Mobile Communication Limited	4,514	4,100
Rent expense paid to Wateen Telecom Limited	-	2,346
Interest received on placements with Silk Bank	6,997	125
Mark-up paid to Key Management Personnel on TFCs Issued	733	-
Mark-up received on Sukuk from Pakistan Mobile Communication Limited	26,045	-
Amount received on Redemption of Silk Bank Preference Shares	-	439,200
Interest paid on Borrowings from Silk Bank	366	85
Payment to Institute of Bankers of Pakistan	2,222	-
Payment to Wateen Telecom Limited and Wateen Solutions (Private) Limited for purchase of equipment and maintenance charges	25,160	33,857
Payment to Monet (Private) Limited for Branchless banking services	14,529	85,092
Payment to Timber Links	18	1,081
Payment to Expressive Safety & Security Solutions	963	4,155
Payment to Olive International (Private) Limited	189	833
Payment to Computer Marketing Co. (Private) Limited.	1,756	6,781
Payment to MEC Engineer	2,056	2,951
Payment to Tahiri Printers	2,565	1,583
Payment to MEK STEEL FURNITURE	713	-
Payment to S-TECH	3,919	-
Payment to The Pakistan Business Council	1,500	-
Payment to Digital Plus	9,828	-
Contribution to employees provident fund	84,235	79,113
Contribution to gratuity fund	66,000	66,716
	March 31, 2017 (Un-audited) (Rupees in '000)	December 31, 2016 (Audited) (Rupees in '000)
17.6 Balances with Associates and Others		
Associates		
Advance against issuance of Shares - Sapphire Wind Power Company Limited	112,350	112,350
Rent receivable from Alfalah Insurance Company Limited	624	416
TFCs held by Alfalah GHP Income Multiplier Fund	6,115	6,116
TFCs held by Alfalah GHP Income Fund	47,914	72,887
Management fee receivable from fund	140,418	137,853
Sales load receivable from fund	14,369	14,982
Investment in fund	399,261	395,697
Receivable against formation cost for fund	1,487	2,647
Insurance payable for general and health	183	480
Receivable against allocation of expenses from fund	8,133	13,127
Advisory income receivable from fund	1,438	180,000
Seed capital in fund	-	976
Others		
Mark-up suspended on advances to Warid Telecom (Private) Limited	65,657	61,267
Mark-up suspended on advances to Wateen Telecom (Private) Limited	847,785	808,508
Mark-up suspended on advances to Wateen Wimax	19,491	16,808
Mark-up receivable on Sukuk from Pakistan Mobile Communication Limited	2,972	3,247
Advance Rent from Warid Telecom Limited	4,650	9,164
TFCs held by Taavun (Private) Limited	498,700	332,467
TFCs held by Key Management Personnel	218,490	132,348

	March 31, 2017	March 31, 2016 (Un-audited) (Rupees in '000)
17.7 The key management personnel / directors compensation are as follows:		
Salaries and Allowances	209,682	484,814
Fair value charge against employee stock option scheme	30,899	26,805

In addition the Chief Executive Officer and other executive officers are provided with the Bank maintained car as per Bank's policy.

18 GENERAL

Comparative information has been re-classified, re-arranged or additionally incorporated in this consolidated condensed interim financial information, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period.

19 DATE OF AUTHORISATION

This consolidated condensed interim financial information was authorised for issue on April 24, 2017 by the Board of Directors of the Bank.

Chief Executive Officer

Director

Director

Director

Branch Network

Bank Alfalah Presence in Pakistan

Sr #	Location	No. of Branches		
		Conventional	Islamic	Total
1	Karachi	75	35	110
2	Lahore	62	30	92
3	Islamabad	25	10	35
4	Rawalpindi	23	8	31
5	Faisalabad	19	10	29
6	Quetta	14	4	18
7	Multan	11	6	17
8	Peshawar	10	4	14
9	Gujranwala	11	2	13
10	Sialkot	8	3	11
11	Hyderabad	6	2	8
12	Gujrat	5	2	7
13	Sargodha	5	2	7
14	Sahiwal	3	1	4
15	Okara	3	1	4
16	Jhang	2	1	3
17	Sheikhupura	3	-	3
18	Taxila	3	-	3
19	Rahim Yar Khan	2	1	3
20	Jhelum	2	1	3
21	Bahawalpur	2	1	3
22	Mingora	2	1	3
23	Abbottabad	2	1	3
24	Mansehra	1	1	2
25	Bahawalnagar	1	1	2
26	Nankana Sahib	1	1	2
27	Charsadda	2	-	2
28	Chakwal	2	-	2
29	Chichawatni	2	-	2
30	Mirpurkhas	1	1	2
31	Dera Ghazi Khan	2	-	2
32	Jaranwala	2	-	2
33	Dera Ismail Khan	1	1	2
34	Kohat	2	-	2
35	Mandi Bahauddin	1	1	2
36	Gilgit	2	-	2
37	Mianwali	1	1	2
38	Gojra	2	-	2
39	Muzaffarabad	1	1	2
40	Haripur	2	-	2
41	Attock	2	-	2
42	Sukkur	1	1	2

Sr #	Location	No. of Branches		
		Conventional	Islamic	Total
43	Ghotki	1	-	1
44	Sanghar	1	-	1
45	Dhudial	-	1	1
46	Mardan	1	-	1
47	Ali Pur	1	-	1
48	Pishin	1	-	1
49	Farooqabad	1	-	1
50	Dukki	1	-	1
51	Fateh Jang	1	-	1
52	Chillas	1	-	1
53	Fort Abbas	1	-	1
54	Pano Aqil	1	-	1
55	Gaggo Mandi	1	-	1
56	Bhimber	1	-	1
57	Gawadar	1	-	1
58	Burewala	1	-	1
59	Ghazi	1	-	1
60	Daultala	1	-	1
61	Chishtian	1	-	1
62	Depalpur	1	-	1
63	Ghourgushti	1	-	1
64	Murree	1	-	1
65	Chitral	1	-	1
66	Nowshera Virkan	1	-	1
67	Choa Saidan Shah	1	-	1
68	Phalia	1	-	1
69	Gujar Khan	1	-	1
70	Rabwah	1	-	1
71	Allahabad	1	-	1
72	Bhowana	1	-	1
73	Arifwala	1	-	1
74	Shahdadkot	1	-	1
75	Hafizabad	1	-	1
76	Shujaabad	1	-	1
77	Hangu	1	-	1
78	Malakwal	1	-	1
79	Chowk Azam	1	-	1
80	Mandi Quaidabad	1	-	1
81	Haroonabad	1	-	1
82	Mehrabpur.	1	-	1
83	Hasan Abdal	-	1	1
84	Mirpur Mathelo	1	-	1

Sr #	Location	No. of Branches		
		Conventional	Islamic	Total
85	Hasilpur	1	-	1
86	Battagram	1	-	1
87	Haveli Lakha	1	-	1
88	Chiniot	1	-	1
89	Havelian	1	-	1
90	Nawabshah	1	-	1
91	Hazro	1	-	1
92	Besham	1	-	1
93	Hub	1	-	1
94	Pattoki	1	-	1
95	Hunza Nagar	1	-	1
96	Pindi Ghaib	-	1	1
97	D.G Khan	-	1	1
98	Bhakkar	1	-	1
99	Badin	1	-	1
100	Rajanpur	1	-	1
101	Islamgarh	1	-	1
102	Renala Khurd	1	-	1
103	Jacobabad	1	-	1
104	Sambrial	1	-	1
105	Jahania	1	-	1
106	Serai Alamgir	-	1	1
107	Jalalpur Bhattian	1	-	1
108	Shakargarh	1	-	1
109	Jalalpur Jattan	-	1	1
110	Shinkiani	1	-	1
111	Jampur	1	-	1
112	Sibi	1	-	1
113	Dadu	1	-	1
114	Mailsi	-	1	1
115	Jauharabad	1	-	1
116	Mamukanjan	1	-	1
117	Jehlum	1	-	1
118	Mandi Faizabad	1	-	1
119	Dadyal	1	-	1
120	Deharki	2	-	2
121	Ahmedpur East	1	-	1
122	Mehar	1	-	1
123	Kabirwala	-	1	1
124	Mian Channu	1	-	1
125	Kahirpur	1	-	1
126	Batkhela	1	-	1

Sr #	Location	No. of Branches		
		Conventional	Islamic	Total
127	Kahuta	1	-	1
128	Mirpur, AJK	1	-	1
129	Kallar Syedan	1	-	1
130	Moro	1	-	1
131	Kamalia	-	1	1
132	Muridke	1	-	1
133	Kamoke	1	-	1
134	Muslim Bagh	1	-	1
135	Kamra	1	-	1
136	Muzaffargarh	1	-	1
137	Kandhkot	1	-	1
138	Narowal	1	-	1
139	Bakhshi Pul	1	-	1
140	Nowshera	1	-	1
141	Kasur	1	-	1
142	Oghi	1	-	1
143	Khan Bela	1	-	1
144	Pakpattan	1	-	1
145	Khanewal	1	-	1
146	Pasrur	1	-	1
147	Khanna	1	-	1
148	Bewal	-	1	1
149	Khanpur	1	-	1
150	Phool Nagar	1	-	1
151	Kharian	1	-	1
152	Pir Mahal	1	-	1
153	Khoiratta	1	-	1
154	Qaboola	1	-	1
155	Khushab	-	1	1
156	Qutba	1	-	1
157	Khuzdar	-	1	1
158	Bhalwal	1	-	1
159	Kkurrianwala	1	-	1
160	Rawalakot	1	-	1
161	Daharki	1	-	1
162	Rawat	1	-	1
163	Kot Abdul Malik	-	1	1
164	Sadiqabad	1	-	1
165	Zhob	1	-	1
166	Saidqabad	-	1	1
167	Skardu	1	-	1
168	Samundri	1	-	1

Sr #	Location	No. of Branches		
		Conventional	Islamic	Total
169	Swabi	1	-	1
170	Buner	1	-	1
171	Tando Adam	1	-	1
172	Shahdad Pur	1	-	1
173	Tank Adda	1	-	1
174	Shahkot	-	1	1
175	Daska	1	-	1
176	Sharakpur	-	1	1
177	Tench Bhatta	1	-	1
178	Shikarpur	1	-	1
179	Turbat	1	-	1
180	Shorkot	1	-	1
181	Umerkot	1	-	1
182	Chak Khasa	1	-	1
183	Vehari	-	1	1
184	Sillanwali	1	-	1
185	Waisa	1	-	1
186	Zafarwal	1	-	1
187	Kotli	1	-	1
188	Talagang	1	-	1
189	Kotmomin	1	-	1
190	Tando Allahyar	1	-	1
191	Kotri District Jamshoro	1	-	1
192	Tarnol	1	-	1
193	Bannu	1	-	1
194	Temargarha	1	-	1
195	Lala Musa	1	-	1
196	Toba Tek Singh	1	-	1
197	Larkana	1	-	1
198	Uch Sharif	1	-	1
199	Layyah	1	-	1
200	Usta Muhammad	1	-	1
201	Liaquat Pur	1	-	1
202	Wah Cantt	1	-	1
203	Lodharan	1	-	1
204	Yazman	1	-	1
205	Lodhran	1	-	1
206	Chaman	1	-	1
207	Loralai	1	-	1
208	Kot Addu	-	1	1
		476	153	629

Branch Network

Bank Alfalah Presence In Foreign Countries

Sr #	Location	No. Branches
	Bangladesh	
1	Dhaka	4
2	Chittagong	1
3	Sylhet	1
4	Dhanmondi	1
	Afghanistan	
1	Kabul	2
2	Herat	1
	Bahrain (WBU)	
1	Manama	1
	Total	11



Bank Alfalah

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