



**Rating Action**

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**PACRA AFFIRMS THE RATING OF BANK ALFALAH LIMITED'S FOURTH SUBORDINATED TFC OF PKR 5,000MLN**

The Pakistan Credit Rating Agency (PACRA) affirms the rating of the 4<sup>th</sup> TFC amounting PKR 5,000mln, issued in December 2009 by Bank Alfalah Limited (BAL), at "AA-" (Double A minus). The rating denotes a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments.

**About the Issues:** The TFC has eight years tenor. It has two sub tranches; a) PKR 2,765mln (around 53% of the total) based on floating rate of 6-month KIBOR plus 250 basis points per annum and b) PKR 2,235mln (around 47% of the total) based on a fixed profit of 15% per annum. The profit will be payable semi-annually in arrears on the outstanding principal amount. Major portion of the TFC will be redeemed in three equal semi-annual installments commencing from December 2016. BAL's other unsecured subordinated TFCs of PKR 1,250mln (tenor: 8 years), PKR 1,325mln (tenor: 8 years) are due to fully redeem in December 2012, and November 2013 respectively.

**About the bank:** Bank Alfalah, with a network of 321 branches (Conventional: 261; Islamic 60), is listed on all the bourses of the country. The bank has a diverse lending portfolio. Abu Dhabi Group (ADG), comprising some of the prominent members of the UAE's ruling family, leading businessmen of the UAE and their associates, owns the majority shareholding in the bank since its privatisation in 1997. The bank has investments in the communication sector and other segments of financial sector – brokerage, asset management and insurance. The CEO, Mr. Sirajuddin Aziz, has over three decades of banking experience.

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