The Pakistan Credit Rating Agency Limited

Rating Report

Bank Alfalah Limited | Additional Tier 1 TFC | 7bln

Report Contents

Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
30-Jun-2025	AA+	-	Stable	Maintain	-
30-Dec-2024	AA+	-	Stable	Maintain	-
28-Jun-2024	AA+	-	Stable	Upgrade	-
14-Feb-2024	AA-	-	Stable	Maintain	-
27-Jun-2023	AA-	-	Stable	Maintain	-
29-Jun-2022	AA-	-	Stable	Initial	-

Rating Rationale and Key Rating Drivers

Bank Alfalah Limited (BAFL) has maintained a strong and consistent growth trajectory since its inception nearly three decades ago. Evolving from a mid-sized institution into one of the country's leading large banks, BAFL reported a substantial deposit base of PKR 2,136.9bln as of (Dec 2023: PKR 2,084.9bln). This growth reflects a deliberate and strategic shift in its deposit mobilization approach, with a clear focus on deposit quality and maintaining a positive spread—both of which are critical for long-term sustainability. The Bank's sustained performance across multiple dimensions underpins its current credit rating. These include robust financial fundamentals, strategic execution, and a demonstrated ability to navigate a dynamic and competitive banking environment. The Bank benefits from a strong ownership profile and sound governance practices, which provide critical support to its overall creditworthiness. Additionally, the rating reflects BAFL's experienced management team, prudent risk management framework, expanding digital footprint, growing market share, diverse product portfolio, and a sizeable share in the remittances and trade business. On the lending side, BAFL reported gross performing advances of PKR 1,113.9bln (CY23: PKR 739.7bln), marking a significant increase over the prior year. Credit quality remained stable, with an infection ratio of ~3.7% (CY23: 4.8%). During CY24, BAFL recorded a net profit of PKR38.3bln, compared to PKR 36.5bln in CY23. The Bank's Capital Adequacy Ratio (CAR) improved to 17.96% (CY23: 16.74%), indicating a strengthened capital base. The Bank has also retained presence in allied financial services, including asset management, and insurance. Going forward, BAFL aims to enhance its SME footprint, expand in supply chain and cash management solutions, and further strengthen its home remittance corridor.

The ratings are dependent on the sustained strength of key performance and risk indicators in line with 'AAA' benchmarks. Any material weakening in these fundamentals may impact the ratings.

Disclosure

Name of Rated Entity	Bank Alfalah Limited | Additional Tier 1 TFC | 7bln
Type of Relationship	Solicited
Purpose of the Rating	Debt Instrument Rating
Applicable Criteria	Methodology | Debt Instrument Rating(Oct-24),Methodology | Financial Institution Rating(Oct-24),Methodology | Rating Modifiers(Apr-25)
Related Research	Sector Study | Commercial Banks(Jun-25)
Rating Analysts	Madiha Sohail | madiha.sohail@pacra.com | +92-42-35869504

Issuer Profile

Profile Bank Alfalah Limited (hereinafter referred to as "BAFL" or "the Bank") was incorporated as a public limited company in 1992 and is listed on the Pakistan Stock Exchange (PSX). Bank Alfalah Limited has experienced remarkable growth since its establishment, becoming a prominent private commercial bank in Pakistan. It holds a significant position in credit card issuance and acquisition, SME, digital banking, and remittances and is recognized as one of the major players in Islamic Banking in the country. At Dec24, the Bank has a network of 1,141 domestic branches (Dec23: 1,009 branches). Out of these, 707 are conventional (Dec23: 650), and 423 are Islamic (Dec23: 348). The Bank also operates 10 overseas branches (Dec23: 10), along with 1 offshore banking unit (same as Dec23). Bank provides financial solutions to consumers, corporations, institutions, and governments through a broad spectrum of products and services, including corporate and investment banking, consumer banking and credit, commercial, SME, agri-finance, Islamic, and asset financing.

Ownership BAFL is majority-owned by the Abu Dhabi Group (The Group – sponsors of the Bank based in Abu Dhabi, UAE), with a stake of 56.06%. Other stakeholders include Mutual Funds, NBFCs, FIs, DFIs, individuals (43.82%), and executives (0.12%). The Group has retained the majority shareholding, for the last many years and is expected to remain the same in the foreseeable future. Bank Alfalah Limited, as a holding company, maintains strategic investments in subsidiaries and associates across diverse sectors, including asset management, insurance, foreign exchange, and energy. Alfalah Currency Exchange is the subsidiary of the Bank, while associated companies comprise Alfalah Asset Management, Alfalah Insurance, and Sapphire Wind Power. The Bank also operates internationally in Afghanistan, Bangladesh, Bahrain, and UAE. The Group comprises prominent members of the UAE's ruling family and leading businessmen of the UAE. Its investment portfolio spans multiple countries, including Pakistan, Bangladesh, the Middle East, Europe, and the United States. Sponsors, having close ties with the ruling family of UAE, possess strong financial ability to support BAFL in case of need.

Governance BAFL's Board consists of nine members, including the President & CEO and eight Non-Executive Directors. Out of the eight Non-Executive Directors, four represent the Abu Dhabi Group, while the remaining three members serve as Independent Directors, including one female Director. The Chairman of the Board of Directors, His Highness **Sheikh Nahayan Mabarak Al Nahayan** is a prominent member of the ruling family of Abu Dhabi, United Arab Emirates. Currently, His Highness is UAE Cabinet Member and Minister of Tolerance and Coexistence. **Mr. Abdulla Nasser Hawaileel Al Mansoori** is a prominent businessman of Abu Dhabi, UAE. Presently, he is the Chairman of the Board of Al Nasser Holdings and Group Companies which have diversified activities ranging from Oilfield Services, Retailing, Investments, Manufacturing Industries, Real Estate and Food & Beverage. He has served on the Board since 1997. **Mr. Abdulla Khalil Al Mutawa** is serving in the position of H.E. Sheikh Suroor Bin Mohammad Al Nahyan Private Office Advisor. He has been associated with the Bank for over 27 years. **Mr. Khalid Mana Saeed Al Otaiba** is the office Manager of His Excellency Dr. Mana Saeed Al Otaiba (Personal Advisor to His Highness, the President of UAE). He has served on the Board since 2003. **Dr. Ayesha Khan** is an expert in the field of corporate strategy and institutional growth in emerging markets. She is currently the CEO and Regional Managing Director at Acumen. **Dr. Gyorgy Tamas Ladics**, CEO of Silverlake Symmetri, has over 30 years of international banking and technology leadership. **Mr. Khalid Qurashi**, a retired banker, has held various international roles at Citibank and currently serves on the Board of HBL UK. **Mr. Efstratios Georgios Arapoglou** , a corporate advisor and Chairman of Bank of Cyprus, joined the Board in 2024 with broad experience in finance and shipping. To ensure effective and independent oversight of the Bank's overall operations, the Bank has constituted seven committees namely, i) Audit Committee, ii) Human Resource, Remuneration & Nomination Committee, iii) Risk Management Committee, iv) IT Committee, v) Strategy and Finance Committee, vi) Real Estate Committee, and vii) Crisis Management Committee. The external auditors of the Bank, A.F Ferguson, and Co., Chartered Accountants, have issued an unqualified audit opinion pertaining to financial statements for CY24.

Management BAFL has a lean organizational structure that clearly defines responsibilities, authority, and reporting lines with proper monitoring and compliance mechanism. Bank Alfalah's senior management team brings extensive local and international banking experience. CEO **Mr. Atif Bajwa**, with a career starting at Citibank in 1982, has led several major banks. CFO **Ms. Anjum Hai**, with over 28 years of experience, is a Fellow Member of ICAP and ACCA. CRO **Mr. Faisal Rabbani** , has 29 years of experience and holds an MBA from IBA, Karachi. Bank Alfalah has three main management committees for the purpose of strategic planning and decision-making under the Chairmanship of the CEO; (a) Central Management Committee; (b) Central Credit Committee; and (c) Digital Council. The Bank uses Temenos (T-24) as its core banking software across all branches and head office operations. The Bank's risk management framework has a well-defined organisational structure for effective management of credit risk, market risk, liquidity risk, operational risk, information security risk, trade pricing, environment and social risk. The Board Risk Management Committee is appointed and authorized by the Board of Directors to assist in the design, regular evaluation, and timely updating of the risk management framework of the Bank, and the Board Information Technology Committee plays a supervisory and advisory role for IT, Information Security and Digital Banking functions within the Bank.

Business Risk During CY24, Pakistan's Banking sector's total assets posted growth of ~15.81% YoY whilst investments surged by ~14.50% to PKR ~29.79trln (Dec23: PKR ~26trln). Gross Advances of the sector recorded growth of ~29.11% to stand at PKR ~16.914trln (Dec23: PKR ~13.101trln). BAFL is ranked among the large Banks in the country. At Dec24, BAFL recorded the growth in total deposits, clocking in at 2.5%, which led to a slight decrease in its industry-wide system share to 7.0% (Dec23: 7.3%). Among the large Banks, BAFL holds 9% market share. During CY24, BAFL's net markup-income stood at PKR 126.7bln (CY23: PKR 126.1bln) attributable to increased markup earned amounting to PKR 506.8bln (CY23: PKR 411.9bln). The increase in markup earned was primarily driven by higher income from investments, debt instruments, and other earning assets. The Bank's asset yield stood at 16.5% (CY23: 16.8%). Moving forward, BAFL is well-positioned for sustainable growth and building long-term shareholder value. The Bank will continue to invest in Digital Banking, technology infrastructure, human capital, and in strengthening compliance and controls environment. At the same time, the Bank will continue to focus on building a low-cost deposit base, improving the return on capital on risk assets, optimizing returns from the banking book, and enforcing a strong cost discipline across the Bank. The decline in interest rates and inflation has contributed in restoring market confidence and enhancing financial stability, creating a favourable environment for the banking sector. However, ongoing geopolitical developments, including tariff escalations, continue to pose risks, with potentially significant implications for the global economy, including Pakistan. During CY24, non-markup income increased by 54.8% to stand at PKR 44.5bln (CY23: PKR 28.8bln) with a major contribution from fee & commission income clocking in at PKR 17.6bln (CY23: PKR 15.8bln) followed by foreign exchange income at PKR 9.5bln (CY23: PKR 9.2bln).

Financial Risk At Dec24, the gross performing advances of the Bank were reported at PKR 1,113.9bln (Dec23: PKR 739.6bln). The NPLs of the Bank increased to PKR 42.4bln (Dec23: PKR 37.6bln). Consequently, the infection ratio decreased to ~3.7% (Dec23: 4.8%). At Dec24, the investment portfolio of the Bank has declined by 3.7% to stand at PKR 1,991.2bln (Dec23: PKR 2,067.3bln). The investments in government securities portfolio comprised 5.3% T-Bills (Dec'23: 25.2%), 78.0% PIBs (Dec'23: 60.6%) reflecting a significant increase, and 16.8% in other government securities and investments (Dec'23: 14.2%). Government securities constitute 91.9% of total investments (Dec23: 93.9%). At Dec24, the deposit base of the Bank posted a growth of 2.5% to stand at PKR 2,136.9bln (Dec23: PKR 2,084.9bln). The advances to deposits ratio was reported at 51.9% (Dec23: 35.3%). CA and SA proportions were reported at 38.2% (Dec23: 37.9%) and 38.9% (Dec23: 31%) respectively. At Dec24, the Bank's equity base strengthened to PKR 178.1bln (Dec23: PKR 137.9bln). Subsequently, the CAR improved to 17.96% (Dec23: 16.74%) comprising Tier I CAR 12.83% (Dec23: 11.64%), remaining compliant with the minimum requirement by SBP.

Instrument Rating Considerations

About The Instrument The Bank issued an Additional Tier-I Term Finance certificate amounting to PKR 7bln. The instrument is listed, unsecured, perpetual, noncumulative and contingent convertible. The issue contributes towards supporting the Bank's Capital Adequacy Ratio (CAR) by strengthening additional Tier-I Capital as per guidelines set by SBP. Mark-up is payable semiannually in arrears on outstanding principal amount @6MK+1.5%. The TFCs may be recalled and replaced with similar or better-quality capital, subject to SBP approval, after five years from the issue date on principal redemption date or thereafter, subject to call option condition. As per lock-in clause requirement, neither profit nor principal would be payable (even at maturity), if such payment will result in a shortfall in Bank's minimum capital requirement (MCR), leverage ratio (LR) or CAR or results in an increase in any existing shortfall in MCR, LR or CAR. The TFC is subject to a loss absorbency clause, which upon the occurrence of Non-Viability event, SBP may fully or permanently convert the TFCs into common shares of the Bank.

Relative Seniority/Subordination Of Instrument The TFCs will be subordinated to the payment of principal and profit, to all other indebtedness of the Bank, including deposits.

Credit Enhancement The instrument is unsecured.

Together. Creating Value.

The Pakistan Credit Rating Agency Limited — PKR Mln

Bank Alfalah Limited Listed Public Limited	Dec-24 12M	Dec-23 12M	Dec-22 12M
A BALANCE SHEET			
1 Stage I | Advances - net	995,758	729,792	726,800
2 Stage II | Advances - net	110,938	-	-
3 Stage III | Non-Performing Advances	41,705	37,633	30,971
4 Stage III | Impairment Provision	(39,023)	(32,374)	(25,397)
5 Investments in Government Securities	1,830,338	1,942,544	1,015,171
6 Other Investments	160,894	124,719	99,235
7 Other Earning Assets	113,683	133,510	117,750
8 Non-Earning Assets	495,915	410,093	288,665
Total Assets	3,710,206	3,345,917	2,253,197
6 Deposits	2,136,913	2,084,997	1,486,845
7 Borrowings	1,155,886	923,543	505,180
8 Other Liabilities (Non-Interest Bearing)	239,295	199,453	161,157
Total Liabilities	3,532,094	3,207,994	2,153,182
Equity	178,112	137,923	100,015
B INCOME STATEMENT			
1 Mark Up Earned	506,898	411,948	214,054
2 Mark Up Expensed	(380,172)	(285,877)	(136,812)
3 Non Mark Up Income	44,506	28,758	21,883
Total Income	171,232	154,828	99,126
4 Non-Mark Up Expenses	(86,288)	(67,191)	(50,497)
5 Provisions/Write offs/Reversals	(1,849)	(9,462)	(12,468)
Pre-Tax Profit	83,095	78,175	36,160
6 Taxes	(44,777)	(41,719)	(17,954)
Profit After Tax	38,318	36,456	18,206
C RATIO ANALYSIS			
1 Performance			
Net Mark Up Income / Avg. Assets	3.6%	4.5%	3.9%
Non-Mark Up Expenses / Total Income	50.4%	43.4%	50.9%
ROE	24.2%	30.6%	18.2%
2 Capital Adequacy			
Equity / Total Assets (D+E+F)	4.8%	4.1%	4.4%
Capital Adequacy Ratio	17.9%	16.7%	13.8%
3 Funding & Liquidity			
Liquid Assets / (Deposits + Borrowings Net of Repo)	49.1%	63.6%	52.6%
Net Financial Assets to Deposits Ratio [(Total Finances - net + Non-Performing Finances - net) / Deposits]	51.9%	35.2%	49.2%
Current Deposits / Deposits	38.2%	37.9%	44.5%
Saving Deposits / Deposits	38.9%	31.4%	27.2%
4 Credit Risk			
Impaired Loan Ratio | [Stage III | Non-Performing Advances / Gross Advances]	3.6%	4.8%	4.0%

Debt Instrument Rating

Credit rating reflects forward-looking opinion on credit worthiness of underlying entity or instrument; more specifically it covers relative ability to honor financial obligations. The primary factor being captured on the rating scale is relative likelihood of default.

Scale	Long-Term Rating
AAA	Highest credit quality. Lowest expectation of credit risk. Indicate exceptionally strong capacity for timely payment of financial commitments
AA+ AA AA-	Very high credit quality. Very low expectation of credit risk. Indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A+ A A-	High credit quality. Low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be vulnerable to changes in circumstances or in economic conditions.
BBB+ BBB BBB-	Good credit quality. Currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity.
BB+ BB BB-	Moderate risk. Possibility of credit risk developing. There is a possibility of credit risk developing, particularly as a result of adverse economic or business changes over time; however, business or financial alternatives may be available to allow financial commitments to be met.
B+ B B-	High credit risk. A limited margin of safety remains against credit risk. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favorable business and economic environment.
CCC CC C	Very high credit risk. Substantial credit risk "CCC" Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic developments. "CC" Rating indicates that default of some kind appears probable. "C" Ratings signal imminent default.
D	Obligations are currently in default.

Scale	Short-Term Rating
A1+	The highest capacity for timely repayment.
A1	A strong capacity for timely repayment.
A2	A satisfactory capacity for timely repayment. This may be susceptible to adverse changes in business, economic, or financial conditions.
A3	An adequate capacity for timely repayment. Such capacity is susceptible to adverse changes in business, economic, or financial conditions.
A4	The capacity for timely repayment is more susceptible to adverse changes in business, economic, or financial conditions. Liquidity may not be sufficient.

Rating Modifiers | Rating Actions

Outlook (Stable, Positive, Negative, Developing)
Indicates the potential and direction of a rating over the intermediate term in response to trends in economic and/or fundamental business / financial conditions. It is not necessarily a precursor to a rating change. 'Stable' outlook means a rating is not likely to change. 'Positive' means it may be raised. 'Negative' means it may be lowered. Where the trends have conflicting elements, the outlook may be described as 'Developing'.

Rating Watch
Alerts to the possibility of a rating change subsequent to, or, in anticipation of some material identifiable event with indeterminable rating implications. But it does not mean that a rating change is inevitable. A watch should be resolved within foreseeable future, but may continue if underlying circumstances are not settled. Rating watch may accompany rating outlook of the respective opinion.

Suspension
It is not possible to update an opinion due to lack of requisite information. Opinion should be resumed in foreseeable future. However, if this does not happen within six (6) months, the rating should be considered withdrawn.

Withdrawn
A rating is withdrawn on a) termination of rating mandate, b) the debt instrument is redeemed, c) the rating remains suspended for six months, d) the entity/issuer defaults., or/and e) PACRA finds it impractical to surveil the opinion due to lack of requisite information.

Harmonization
A change in rating due to revision in applicable methodology or underlying scale.

Surveillance. Surveillance on a publicly disseminated rating opinion is carried out on an ongoing basis till it is formally suspended or withdrawn. A comprehensive surveillance of rating opinion is carried out at least once every six months. However, a rating opinion may be reviewed in the intervening period if it is necessitated by any material happening. Rating actions may include "maintain", "upgrade", or "downgrade".

Note: This scale is applicable to the following methodology(s):

a) Broker Entity Rating
b) Corporate Rating
c) Debt Instrument Rating
d) Financial Institution Rating
e) Holding Company Rating
f) Independent Power Producer Rating
g) Microfinance Institution Rating
h) Non-Banking Finance Company

Rating Team Statements
(1) Rating is just an opinion about the creditworthiness of the entity and does not constitute recommendation to buy, hold or sell any security of the entity rated or to buy, hold or sell the security rated, as the case may be | Chapter III; 14-3-(x)

2) **Conflict of Interest**
i. The Rating Team or any of their family members have no interest in this rating | Chapter III; 12-2-(j)
ii. PACRA, the analysts involved in the rating process and members of its rating committee, and their family members, do not have any conflict of interest relating to the rating done by them | Chapter III; 12-2-(e) & (k)
iii. The analyst is not a substantial shareholder of the customer being rated by PACRA [Annexure F; d-(ii)] Explanation: for the purpose of above clause, the term "family members" shall include only those family members who are dependent on the analyst and members of the rating committee

Restrictions
(3) No director, officer or employee of PACRA communicates the information, acquired by him for use for rating purposes, to any other person except where required under law to do so. | Chapter III; 10-(5)
(4) PACRA does not disclose or discuss with outside parties or make improper use of the non-public information which has come to its knowledge during business relationship with the customer | Chapter III; 10-7-(d)
(5) PACRA does not make proposals or recommendations regarding the activities of rated entities that could impact a credit rating of entity subject to rating | Chapter III; 10-7-(k)

Conduct of Business
(6) PACRA fulfills its obligations in a fair, efficient, transparent and ethical manner and renders high standards of services in performing its functions and obligations; | Chapter III; 11-A-(a)
(7) PACRA uses due care in preparation of this Rating Report. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. PACRA does not, in every instance, independently verifies or validates information received in the rating process or in preparing this Rating Report | Clause 11-(A)(p).
(8) PACRA prohibits its employees and analysts from soliciting money, gifts or favors from anyone with whom PACRA conducts business | Chapter III; 11-A-(q)
(9) PACRA ensures before commencement of the rating process that an analyst or employee has not had a recent employment or other significant business or personal relationship with the rated entity that may cause or may be perceived as causing a conflict of interest; | Chapter III; 11-A-(r)
(10) PACRA maintains principal of integrity in seeking rating business | Chapter III; 11-A-(u)
(11) PACRA promptly investigates, in the event of a misconduct or a breach of the policies, procedures and controls, and takes appropriate steps to rectify any weaknesses to prevent any recurrence along with suitable punitive action against the responsible employee(s) | Chapter III; 11-B-(m)

Independence & Conflict of interest
(12) PACRA receives compensation from the entity being rated or any third party for the rating services it offers. The receipt of this compensation has no influence on PACRA´s opinions or other analytical processes. In all instances, PACRA is committed to preserving the objectivity, integrity and independence of its ratings. Our relationship is governed by two distinct mandates i) rating mandate - signed with the entity being rated or issuer of the debt instrument, and fee mandate - signed with the payer, which can be different from the entity
(13) PACRA does not provide consultancy/advisory services or other services to any of its customers or to any of its customers' associated companies and associated undertakings that is being rated or has been rated by it during the preceding three years unless it has adequate mechanism in place ensuring that provision of such services does not lead to a conflict of interest situation with its rating activities; | Chapter III; 12-2-(d)
(14) PACRA discloses that no shareholder directly or indirectly holding 10% or more of the share capital of PACRA also holds directly or indirectly 10% or more of the share capital of the entity which is subject to rating or the entity which issued the instrument subject to rating by PACRA; | Reference Chapter III; 12-2-(f)
(15) PACRA ensures that the rating assigned to an entity or instrument is not be affected by the existence of a business relationship between PACRA and the entity or any other party, or the non-existence of such a relationship | Chapter III; 12-2-(i)
(16) PACRA ensures that the analysts or any of their family members shall not buy or sell or engage in any transaction in any security which falls in the analyst's area of primary analytical responsibility. This clause shall, however, not be applicable on investment in securities through collective investment schemes. | Chapter III; 12-2-(l)
(17) PACRA has established policies and procedure governing investments and trading in securities by its employees and for monitoring the same to prevent insider trading, market manipulation or any other market abuse | Chapter III; 11-B-(g)

Monitoring and review
(18) PACRA monitors all the outstanding ratings continuously and any potential change therein due to any event associated with the issuer, the security arrangement, the industry etc., is disseminated to the market, immediately and in effective manner, after appropriate consultation with the entity/issuer; | Chapter III | 17-(a)
(19) PACRA reviews all the outstanding ratings periodically, on annual basis; Provided that public dissemination of annual review and, in an instance of change in rating will be made; | Chapter III | 17-(b)
(20) PACRA initiates immediate review of the outstanding rating upon becoming aware of any information that may reasonably be expected to result in downgrading of the rating; | Chapter III | 17-(c)
(21) PACRA engages with the issuer and the debt securities trustee, to remain updated on all information pertaining to the rating of the entity/instrument;| Chapter III | 17-(d)
Probability of Default
(22) PACRA´s Rating Scale reflects the expectation of credit risk. The highest rating has the lowest relative likelihood of default (i.e., probability). PACRA´s transition studies capture the historical performance behavior of a specific rating notch. Transition behavior of the assigned rating can be obtained from PACRA´s Transition Study available at our website. (www.pacra.com). However, actual transition of rating may not follow the pattern observed in the past; | Chapter III | 14-3(f)(vii)
Proprietary Information
(23) All information contained herein is considered proprietary by PACRA. Hence, none of the information in this document can be copied or, otherwise reproduced, stored or disseminated in whole or in part in any form or by any means whatsoever by any person without PACRA's prior written consent

Regulatory and Supplementary Disclosure

Bank Alfalah Limited | TFC | Additional Tier 1 | Mar-18

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Nature of Instrument	Size of Issue (PKR)	Tenor	Markup (KIBOR+Spread)	Security	Issue Agent	Book Value of Security Assets (PKR mln)
TFC - ADT 1	PKR 7bln	Perpetual	6M + Kibor + 1.5%	Unsecured and Subordinated to all other obligations of the Bank except ordinary shareholders.	Pak Brunei Investment Company Limited	N/A

Name of Issuer	Bank Alfalah Limited
Issue Date	Mar-18
Maturity	Perpetual (Unless call option is exercised)
Call Option	Excercisable after 5 years from the issue date

Redemption Schedule

Sr.	Due Date Principal & Markup	Opening Principal	KIBOR	Markup/Profit Rate (Kibor + Spread)	Markup/Profit Payment	Principal Payment	Total Installment	Principal Outstanding
		PKR (mln)			PKR (mln)			
Issuance								-

Redemption Schedule not applicable since its a perpetual TFC whereby there is no fixed or final redemption date. Profit (if declared) will be payable semi-annually in arrears, on a non-cumulative basis, on the outstanding TFC amount. The first such profit payment will fall due six months from the Issue Date and subsequently every six months thereafter subject to complying with regulatory requirements.

The instrument carries a call option which may be exercised after Mar-23 (5 years), subject to approval of the SBP.