

Financial Statements for the Quarter and
Half Year Ended 30 June 2016 (Un-audited)



Contents

Company Information	3
Directors’ Review	4
Independent Auditors’ Review Report to the Members of Bank Alfalah Limited	9
Unconsolidated Condensed Interim Statement of Financial Position	10
Unconsolidated Condensed Interim Profit and Loss Account (Un-audited)	11
Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)	12
Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)	13
Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited)	14
Notes to and Forming part of the Unconsolidated Condensed Interim Financial Information (Un-audited)	15
Consolidated Condensed Interim Statement of Financial Position	38
Consolidated Condensed Interim Profit and Loss Account (Un-audited)	39
Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)	40
Consolidated Condensed Interim Cash Flow Statement (Un-audited)	41
Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)	42
Notes to and Forming part of the Consolidated Condensed Interim Financial Information (Un-audited)	43
Branch Network	64

Company Information

Board of Directors

HH Sheikh Hamdan Bin 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
Chief Executive Officer

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
Chief Executive Officer

M. Iftikhar Shabbir
Secretary

Board Risk Management Committee

Khalid Mana Saeed Al Otaiba
Chairman

Abdulla Khalil Al Mutawa
Director

Khalid Qurashi
Director

Atif Bajwa
Chief Executive Officer

Haroon Khalid
Secretary

Board Compensation Committee

Abdulla Khalil Al Mutawa
Chairman

Khalid Mana Saeed Al Otaiba
Director

Kamran Y. Mirza
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 Ahmad
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 Human Resources & Nomination Committee

Abdulla Khalil Al Mutawa
Chairman

Khalid Mana Saeed Al Otaiba
Director

Kamran Y. Mirza
Director

Atif Bajwa
Chief Executive Officer

Mian Ejaz Ahmad
Secretary

Company Secretary

Mian Ejaz Ahmad

Chief Financial Officer

Mirza Zafar Baig

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) Ltd
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 statements of the Bank for the six months and half year ended June 30, 2016.

	Half year ended June 30, 2016 (Rupees in '000)	Half year ended June 30, 2015
Profit before provisions and taxation	8,000,437	7,787,173
Provisions against loans and advances – net	343,575	1,136,389
Provision for diminution in the value of investments	64,887	73,721
	<u>408,462</u>	<u>1,210,110</u>
Profit before Taxation	7,591,975	6,577,063
Taxation	3,238,443	2,872,444
Profit after taxation	<u>4,353,532</u>	<u>3,704,619</u>
Earnings per share– basic	Rs. 2.73	Rs. 2.33

Performance Review:

The Bank's Profit before taxation for the half year ended was recorded at Rs. 7.592 Billion, as against Rs. 6.577 Billion for the corresponding half year, reflecting an increase of 15 percent. Our core revenues stood at Rs. 14.654 Billion, improving by 5.37 percent from the corresponding period, which, given the low interest rate scenario, has been led by strong and prudent balance sheet management. Income from investments remained stable, with the Bank's portfolio on government bonds generating consistent yields.

With continued focus on maintaining strong efficiency levels, the Bank's Cost to Income ratio was maintained at 59 percent. Although Operating Expenses grew by 6.7 percent as against the corresponding period last year, BAU costs were kept in check, and the increase is mainly attributable to the Bank's investment in improving its technological infrastructure, strategic positioning initiatives, and marketing and brand related spending.

As at the period end, the Bank's coverage ratio stands at 82 percent. The gross provisioning charge for the half year was recorded at Rs. 1,644 Million offset by healthy recoveries against NPLs amounting to Rs. 1,300 Million, leading to a significantly lower net charge as compared to the comparative prior period.

Earnings per share for the half year have been reported at Rs. 2.73 as against Rs. 2.33 for the previous corresponding period, improving by 17 percent.

As at the period end, the Bank's total assets were reported at Rs. 890.173 Billion, with net Investments and net Advances representing 48 percent and 39 percent of the total asset base. Deposits at the period end were reported at Rs. 640.110 Billion, similar to the level at the year end December 2015, while Borrowings were recorded at Rs. 150.998 Billion as against Rs. 172.393 Billion at December end. With Gross Advances reported at Rs. 361.545 Billion, the Bank's ADR was maintained at a healthy 56 percent.

Economic Outlook:

The continued low interest rate regime, along with improved energy and security situations has led to a rebound in recent economic activity. With improved business sentiments and lower input prices, overall supply conditions have improved. The country's macroeconomic outlook remains generally positive, with GDP growth for the current fiscal year indicated to be at 4.7 percent, exceeding the 4.0 percent growth of the fiscal year 2015. Growth indicators for all sectors, including Industry, Construction, Electricity and Gas Distribution, Services etc. remained positive, with the Agriculture Sector however, indicating a nominal decline.

Inflation remained under control, with the average CPI for FY16 at 2.85 percent, well within the annual target of 6 percent. The country appears to be well on track towards successful completion of the IMF programme (under the 3-year Extended Fund Facility) by end September 2016. The exchange reserves, which currently stand at a record USD 23 billion have led to stability in the exchange rate. The buildup in reserves has resulted from a steady flow of workers' remittances, lower international oil prices, and multilateral and bilateral inflows. However, despite a pickup in economic growth and reduced deficits, the Country's exports have been on a declining trend as global demand has slowed down. With projects under the CPEC expected to gain momentum, further increase in FDI can be expected.

Another recent key development has been the Pakistan Stock Market's reclassification to the MSCI's emerging markets index in June 2016. This bodes well for the economy at large, as it further cements the global investors' positive outlook on the country.

During the half year 2016, the Central Bank maintained its cautious approach in setting the policy rate, which was kept unchanged at 6.0 percent upto Q1 2016, followed by a further 25 bps cut in the second quarter of the year, after taking the overall economic indicators into consideration.

Looking Ahead:

Despite an increase in overall development expenditures, the budget deficit as a percentage of the GDP remains manageable. With ongoing IFI engagement, the improvement in foreign exchange reserves, and further inflows anticipated through FDI, the balance of payments outlook remains positive.

With the policy rate at its lowest levels for decades, Banking sector margins continue to remain under pressure. Nonetheless, the Bank shall continue to pursue our lending and investment strategy with an objective of maximizing shareholder returns.

Credit Rating

The Bank's credit rating was maintained at 'AA' (double A) Entity Rating for the Long Term and A1+ (A one plus) for the Short Term, by PACRA at June 30, 2016. 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. The Bank's outlook has also been maintained as positive. The unsecured subordinated debt (Term Finance Certificates) of the Bank carries a credit rating of AA- (double A minus).

Acknowledgments:

On behalf of the Board, I would like to thank the State Bank of Pakistan, the Ministry of Finance and other regulatory authorities for their continuous guidance and support. I would also like to express my sincere gratitude to our shareholders, and our valued customers for their counsel and patronage.

As always, I would like to appreciate the consistent and committed contribution of each and every staff member of the Bank Alfalah family. With this level of commitment, focus and hard work, I am confident that the Bank shall continue to achieve new levels of success going forward.

ATIF BAJWA

Director & Chief Executive Officer

Date: August 24, 2016

Place: Abu Dhabi

ڈائریکٹرز کا جائزہ

میں بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2016 کو ختم ہونے والی ششماہی کے غیر مدغم شدہ عبوری مالیاتی حسابات پیش کر رہا ہوں۔

30 جون 2015	30 جون 2016
کو ختم ہونے والی ششماہی	کو ختم ہونے والی ششماہی
(Rupees in '000)	

7,787,173	8,000,437
1,136,389	343,575
73,721	64,887
1,210,110	408,462
6,577,063	7,591,975
2,872,444	3,238,443
3,704,619	4,353,532
Rs.2.33	Rs.2.73

پراویژن اور ٹیکس کی ادائیگی سے قبل کا منافع
قرضہ جات اور ایڈوانسز کے مقابلے پراویژن۔ خالص
سرمایہ کاری کی قدر میں کمی کے لیے پراویژن

قبل از ٹیکس منافع

ٹیکس

بعد از ٹیکس منافع

فی حصص آمدن۔ خالص

کارکردگی کا جائزہ:

جون 2016 میں ختم ہونے والے نصف سال کے دوران بینک کو حاصل ہونے والے 7.592 ارب روپے کا قبل از ٹیکس منافع اس سے گزشتہ سال کے اسی عرصے کے دوران حاصل ہونے والے 6.577 ارب روپے کے منافع کے مقابلے میں 15 فیصد اضافے کو ظاہر کرتا ہے۔ اس دوران بینک کی بنیادی آمدن 14.654 ارب روپے رہی جو گزشتہ سال کے اسی عرصے کے مقابلے میں 5.37 فیصد زائد ہے جو کم شرح سود کی صورتحال کے باعث بیلنس شیٹ کی سخت اور موثر منظمیت کا نتیجہ ہے۔ اس عرصے کے دوران بینک کی سرمایہ کاری سے حاصل شدہ آمدنی مستحکم رہی جبکہ بینک کی حکومتی بانڈز میں کی جانے والی سرمایہ کاری پر مبنی آمدنی میں استحکام کا تسلسل جاری رہا۔

کاروباری لاگت میں موثر کمی پر بھرپور توجہ مرکوز کرتے ہوئے اٹھائے گئے اقدامات کے نتیجے میں لاگت اور آمدن کا تناسب 59 فیصد کی سطح پر رہا۔ اگرچہ گزشتہ سال کے مقابلے میں انتظامی اخراجات میں 6.7 فیصد اضافہ ہوا لیکن BAU اخراجات کنٹرول میں رہے۔ انتظامی اخراجات میں اضافے کی وجہ بینک کی ٹیکنالوجی سے متعلق انفراسٹرکچر میں سرمایہ کاری، انڈسٹری میں بینک کا مقام بڑھانے کے لیے اٹھائے گئے اقدامات، مارکیٹنگ اور برانڈ سے متعلق اخراجات ہیں۔

30 جون 2016 کو ختم ہونے والی مدت کے دوران بینک کی کوریج کا تناسب 82 فیصد رہا۔ پہلی ششماہی کے لیے مجموعی پراویژننگ چارج 1,644 ملین روپے رہا جسے مناسب سطح پر لانے میں غیر فعال قرضوں کی مد میں 1,300 ملین روپے کی بھرپور وصولیابی نے اہم کردار ادا کیا۔ مجموعی چارج گزشتہ سال کی اسی مدت کے مقابلے میں خاطر خواہ حد تک بہتر رہا۔

پہلی ششماہی کے لیے فی حصص آمدن 2.73 روپے رہی جو گزشتہ مالی سال کی اسی مدت کی فی حصص آمدن 2.33 روپے کے مقابلے میں 17 فیصد اضافے کو ظاہر کرتی ہے۔

جون 2016 میں ششماہی کے اختتام پر بینک کے اثاثوں کی مالیت 890.173 ارب روپے ریکارڈ کی گئی۔ مجموعی اثاثوں میں سرمایہ کاری کا تناسب 48 فیصد جبکہ ایڈوانسز کا تناسب 39 فیصد رہا۔ اس عرصے کے اختتام پر بینک کی جمع شدہ رقوم (ڈپازٹس) کی مالیت 640.110 ارب روپے ریکارڈ کی گئی جو دسمبر 2015 میں ڈپازٹس کی مالیت کے برابر ہے تاہم بینک کے حاصل شدہ قرضہ جات کی مالیت دسمبر 2015 کی مالیت 172.393 ارب روپے کے مقابلے میں جون 2016 کے اختتام پر 150.998 ارب روپے ریکارڈ کی گئی۔ اس عرصے کے اختتام پر بینک کے مجموعی ایڈوانسز کی مالیت 361.545 ارب روپے رہی جبکہ بینک کے جاری کردہ قرضہ جات اور ڈپازٹس کا تناسب بھی 56 فیصد کی مستحکم سطح تک پہنچ گیا۔

معاشی منظر نامہ:

شرح سود میں کمی کا تسلسل جاری رہنے، توانائی اور امن وامان کی صورتحال میں بہتری کی وجہ سے حالیہ معاشی سرگرمیوں میں بہتری کا رجحان ہے۔ کاروبار کے لیے بہتر ماحول اور کم پیداواری لاگت کے سبب رسد کی مجموعی صورتحال بہتر ہوئی ہے۔ ملک کی عمومی اقتصادی صورتحال مثبت ہے رواں مالی سال کے لیے جی ڈی پی کی شرح نمو 4.7 فیصد تک رہنے کی توقع ہے جو مالی سال 2015 کے دوران جی ڈی پی کی 4.0 فیصد شرح نمو سے زائد ہے۔ معیشت کے دیگر تمام اہم شعبوں بشمول صنعت، تعمیرات، بجلی اور گیس کی تقسیم اور خدمات کے شعبے میں بھی افزائش دیکھی جا رہی ہے تاہم زراعت کا شعبہ معمولی تنزلی کو ظاہر کر رہا ہے۔

مالی سال 2016 کے دوران اوسط صارف اشاریہ (سی پی آئی) 2.85 فیصد کے ساتھ افراط زر کی صورتحال قابو میں ہونے کے ساتھ سالانہ 6 فیصد کے ہدف سے کافی کم ہے۔ ملک آئی ایم ایف کا ایکسیڈنڈ فنڈ فیسلٹی کا تین سالہ پروگرام کامیابی کے ساتھ مکمل کر رہا ہے جو ستمبر 2016 میں ختم ہوگا۔ زرمبادلہ کے ذخائر 23 ارب ڈالر کی بلند ترین سطح تک پہنچ چکے ہیں جس کی وجہ سے روپے کی قدر کو بھی استحکام ملا ہے۔ زرمبادلہ کے ذخائر میں اضافہ تارکین وطن کی جانب سے ارسال کی جانے والی ترسیلات، خام تیل کی عالمی قیمتوں میں کمی کے ساتھ ملٹی لٹرل اور بائی لٹرل ذرائع سے ہونے والی وصولیوں کا نتیجہ ہے تاہم معاشی افزائش اور خسارے میں کمی کے باوجود عالمی منڈی کی طلب میں کمی کی وجہ سے ملک کی برآمدات میں بھی کمی کا رجحان ہے۔ پاک چین اقتصادی راہداری منصوبے کے پراجیکٹس سے متعلق سرگرمیاں تیز ہونے سے براہ راست غیر ملکی سرمایہ کاری میں بھی مزید اضافہ متوقع ہے۔

جون 2016 کے دوران MSCI کی ابھرتی ہوئی مارکیٹس کے انڈیکس میں پاکستان اسٹاک مارکیٹ کی شمولیت ایک اور اہم پیش رفت ہے۔ اس اقدام سے ملک کی معیشت کو بھرپور فائدہ پہنچے گا کیونکہ اس پیش رفت کی وجہ سے عالمی سرمایہ کاروں کی نظر میں پاکستان کی مثبت ساکھ کو مضبوط بنانے میں مدد ملے گی۔

سال 2016 کی پہلی ششماہی کے دوران مرکزی بینک نے پالیسی ریٹ مقرر کرنے میں محتاط طرز عمل کا مظاہرہ کیا۔ سال 2016 کی پہلی سہ ماہی کے دوران پالیسی ریٹ 6.0 فیصد کی سطح پر مستحکم رکھا گیا اور معیشت کی مجموعی صورتحال کو مد نظر رکھتے ہوئے پالیسی ریٹ میں دوسری سہ ماہی کے دوران مزید 25 بیس پوائنٹس کی کمی کی گئی۔

پیش منظر:

مجموعی ترقیاتی اخراجات میں اضافے کے باوجود جی ڈی پی کے تناسب کے لحاظ سے بجٹ خسارہ مناسب سطح پر ہے۔ عالمی مالیاتی اداروں کے ساتھ جاری مشغولیت کی وجہ سے زرمبادلہ کے ذخائر میں مزید اضافہ متوقع ہے جبکہ براہ راست سرمایہ کاری کی شکل میں بھی سرمائے کی آمد متوقع ہے جس سے ادائیگیوں کو توازن کی صورتحال بھی بہتر رہے گی۔

کئی دہائیوں کی کم ترین پالیسی ریٹ کی وجہ سے بینکنگ سیکٹر کے منافع بھی بدستور دباؤ کا شکار ہیں۔ اس صورتحال میں بینک اپنے قرضوں کی فراہمی اور سرمایہ کاری سے متعلق حکمت عملی جاری رکھے گا، جس کا مقصد شیئر ہولڈرز کو ملنے والے منافع میں اضافہ کرنا ہے۔

کریڈٹ ریٹنگ:

کریڈٹ ریٹنگ ایجنسی PACRA کی جانب سے 30 جون 2016 کو بینک کو طویل مدت کے لیے ڈبل اے (AA) جبکہ قلیل مدت کے لیے اے ون پلس (A1+) کریڈٹ ریٹنگ تفویض کی گئی۔ 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۔ بینک کا آؤٹ لک مثبت قرار دیا گیا ہے۔ بینک کے ٹرم فنانس ٹھوکیٹ کو ڈبل اے مائنس (AA-) ریٹنگ تفویض کی گئی 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۔ میں مشاورت اور سرپرستی کرنے والے اپنے معزز شیئر ہولڈرز اور صارفین کا بھی تہہ دل سے شکر گزار ہوں۔

ہمیشہ کی طرح، میں بینک کی بہتری کے لیے ملازمین کی کاوشوں کو بھی خراج تحسین پیش کرتا ہوں، اور پُر امید ہوں کہ ہم سب اسی جذبے اور لگن کے ساتھ کام کرتے رہیں گے اور بینک ترقی کی نئی راہوں پر گامزن رہیگا۔

عاطف باجوہ

ڈائریکٹر اینڈ چیف ایگزیکٹو آفیسر

24، اگست 2016

مقام: ابوظہبی

Independent Auditors' Review Report to the Members of Bank Alfalah Limited

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Bank Alfalah Limited ("the Bank") as at 30 June 2016, and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this unconsolidated condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this unconsolidated condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

Other Matter

The figures for the quarter ended 30 June 2016 in the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Unconsolidated Condensed Interim Statement of Financial Position

AS AT 30 JUNE 2016

	Note	30 June 2016 (Un-audited)	31 December 2015 (Audited) (Restated)
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		51,823,264	62,368,790
Balances with other banks	7	14,017,301	16,552,207
Lendings to financial institutions	8	16,522,087	27,626,350
Investments - net	9	424,062,615	423,099,734
Advances - net	10	345,066,764	334,158,739
Operating fixed assets	11	17,517,033	17,241,968
Deferred tax assets		-	-
Other assets		21,164,405	21,559,733
		890,173,469	902,607,521
LIABILITIES			
Bills payable		14,194,138	9,733,929
Borrowings	12	150,997,663	172,393,198
Deposits and other accounts	13	640,110,024	640,188,735
Sub-ordinated loans		9,981,000	9,983,000
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		3,183,068	1,824,054
Other liabilities		14,127,867	15,131,430
		832,593,760	849,254,346
NET ASSETS		57,579,709	53,353,175
REPRESENTED BY			
Share capital		15,952,076	15,898,062
Reserves		15,129,247	14,164,120
Unappropriated profit		14,272,076	12,362,596
		45,353,399	42,424,778
Surplus on revaluation of assets - net of tax	14	12,226,310	10,928,397
		57,579,709	53,353,175
CONTINGENCIES AND COMMITMENTS		15	

The annexed notes 1 to 29 and Annexure I form an integral part of the unconsolidated condensed interim financial information.

Chief Executive Officer

Director

Director

Chairman

Unconsolidated Condensed Interim Profit and Loss Account (Un-Audited)

for the Quarter and Half Year Ended 30 June 2016

	Note	Quarter ended 30 June 2016	Half year ended 30 June 2016	Quarter ended 30 June 2015	Half year ended 30 June 2015
------(Rupees in '000)-----					
Mark-up / return / interest earned	16	14,762,391	29,712,593	15,344,458	31,243,235
Mark-up / return / interest expensed		7,209,176	15,059,026	8,238,318	17,335,990
Net mark-up / interest income		7,553,215	14,653,567	7,106,140	13,907,245
Provision against non-performing loans and advances - net		114,944	343,575	452,733	1,136,389
Provision for diminution in value of investments - net		53,324	64,887	59,893	73,721
Bad debts written-off directly		-	-	-	-
		168,268	408,462	512,626	1,210,110
Net mark-up / interest income after provisions		7,384,947	14,245,105	6,593,514	12,697,135
Non mark-up / interest income					
Fee, commission and brokerage income		1,395,259	2,373,544	1,346,429	2,214,280
Dividend income	17	164,022	302,991	233,060	339,800
Income from dealing in foreign currencies	18	310,313	613,277	324,541	728,357
Gain on sale of securities - net	19	547,795	1,329,815	464,020	1,071,096
Unrealised gain on revaluation of investments classified as held for trading - net	20	25,014	24,011	50,494	98,501
Other income	21	206,189	360,921	194,495	349,757
Total non mark-up / interest income		2,648,592	5,004,559	2,613,039	4,801,791
		10,033,539	19,249,664	9,206,553	17,498,926
Non mark-up / interest expenses					
Administrative expenses		6,064,006	11,531,247	5,330,803	10,437,709
Provision / (reversal) against off-balance sheet obligations		14,872	15,089	(10,729)	(1,940)
Provision / (reversal) against other assets		92,355	(44,623)	220,858	271,974
Other charges		64,106	155,976	127,869	214,120
Total non mark-up / interest expenses		6,235,339	11,657,689	5,668,801	10,921,863
		3,798,200	7,591,975	3,537,752	6,577,063
Extra ordinary / unusual items		-	-	-	-
Profit before taxation		3,798,200	7,591,975	3,537,752	6,577,063
Taxation	24				
- Current		1,098,686	2,709,100	1,256,588	2,700,343
- Deferred		249,673	(33,657)	(9,254)	(395,712)
- Prior years		563,000	563,000	567,813	567,813
		1,911,359	3,238,443	1,815,147	2,872,444
Profit after taxation		1,886,841	4,353,532	1,722,605	3,704,619
		(Rupees)		(Rupees)	
Basic earnings per share	22	<u>1.18</u>	<u>2.73</u>	<u>1.08</u>	<u>2.33</u>
Diluted earnings per share	22	<u>1.18</u>	<u>2.73</u>	<u>1.08</u>	<u>2.33</u>

The annexed notes 1 to 29 and Annexure I form an integral part of the unconsolidated condensed interim financial information.

Chief Executive Officer

Director

Director

Chairman

Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-Audited) for the Quarter and Half Year Ended 30 June 2016

	Quarter ended 30 June 2016	Half year ended 30 June 2016	Quarter ended 30 June 2015	Half year ended 30 June 2015
	----- (Rupees in '000) -----			
Profit after taxation	1,886,841	4,353,532	1,722,605	3,704,619
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	<u>313</u>	<u>7,297</u>	<u>(145,470)</u>	<u>40,095</u>
Comprehensive income - transferred to unconsolidated condensed interim statement of changes in equity	<u>1,887,154</u>	<u>4,360,829</u>	<u>1,577,135</u>	<u>3,744,714</u>
Components of comprehensive income not reflected in equity				
Surplus on revaluation of available-for-sale securities - net of tax	<u>545,020</u>	<u>1,419,824</u>	<u>191,955</u>	<u>2,486,895</u>

The annexed notes 1 to 29 and Annexure I form an integral part of the unconsolidated condensed interim financial information.

Chief Executive Officer

Director

Director

Chairman

Unconsolidated Condensed Interim Cash Flow Statement (Un-Audited) for the Half Year Ended 30 June 2016

	Note	30 June 2016	30 June 2015
		(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		7,591,975	6,577,063
Less: Dividend income		(302,991)	(339,800)
		<u>7,288,984</u>	<u>6,237,263</u>
Adjustments for:			
Depreciation		843,484	887,678
Amortisation		159,364	133,112
Provision against non-performing loans and advances - net		343,575	1,136,389
Provision for diminution in the value of investments - net		64,887	73,721
(Reversal) / provision against off-balance sheet obligations		15,089	(1,940)
Provision against other assets		(44,623)	271,974
Unrealised gain on revaluation of investments classified as held for trading - net		(24,011)	(98,501)
Gain on sale of operating fixed assets - net		(18,535)	(4,875)
Charge for defined benefit plan		142,028	148,890
		<u>1,481,258</u>	<u>2,546,448</u>
		8,770,242	8,783,711
(Increase) / decrease in operating assets			
Lendings to financial institutions		6,162,237	(14,429,347)
Held-for-trading securities		3,622,544	16,798,057
Advances		(11,251,600)	(14,361,651)
Other assets (excluding tax recoverable and dividend receivable)		435,084	161,197
		<u>(1,031,735)</u>	<u>(1,181,744)</u>
Increase / (decrease) in operating liabilities			
Bills payable		4,460,209	818,170
Borrowings		(21,341,727)	39,702,061
Deposits and other accounts		(78,711)	(1,212,005)
Other liabilities (excluding current taxation)		(1,258,514)	(1,091,844)
		<u>(18,218,743)</u>	<u>38,216,382</u>
		(10,480,236)	35,168,349
		<u>(2,643,207)</u>	<u>(763,086)</u>
Income tax paid		(13,123,443)	34,405,263
Net cash generated from operating activities			
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		16,305,799	(30,959,573)
Net investments in held-to-maturity securities		(18,851,183)	1,216,942
Disposal / (investment) in subsidiaries and associates		95,790	423,344
Dividend income received		192,889	179,208
Investments in operating fixed assets		(1,118,115)	(953,188)
Proceeds from sale of operating fixed assets		23,399	18,088
Net cash used in investing activities		<u>(3,351,421)</u>	<u>(30,075,179)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Redemption of sub-ordinated loans		(2,000)	(2,000)
Proceeds from issue of shares		84,895	41,836
Dividend paid		(1,583,978)	(3,157,035)
Net cash used in / generated from financing activities		<u>(1,501,083)</u>	<u>(3,117,199)</u>
Exchange difference on translation of the net investments in foreign branches		7,297	40,095
Increase / (decrease) in cash and cash equivalents		<u>(17,968,650)</u>	<u>1,252,980</u>
Cash and cash equivalents at beginning of the period		93,368,946	65,536,606
Effect of exchange rate changes on cash and cash equivalents		226,775	343,958
		<u>93,595,721</u>	<u>65,880,564</u>
Cash and cash equivalents at end of the period	23	<u><u>75,627,071</u></u>	<u><u>67,133,544</u></u>

The annexed notes 1 to 29 and Annexure I form an integral part of the unconsolidated condensed interim financial information.

Unconsolidated Condensed Interim Statement of Changes In Equity (Un-Audited)

for the Half Year Ended 30 June 2016

	Capital Reserves				Revenue Reserves		Total
	Share Capital	Share Premium	Statutory Reserve*	Exchange Translation Reserve	Employee Share Option Compensation Reserve	Unappropriated profit	
	(Rupees in '000)						
Balance as at 1 January 2015	15,872,427	4,285,556	6,636,342	1,362,465	53,663	9,613,374	37,823,827
Changes in equity for the half year ended 30 June 2015							
Total comprehensive income for the period							
Profit after taxation for the half year ended 30 June 2015	-	-	-	-	-	3,704,619	3,704,619
Other comprehensive income for the half year ended 30 June 2015							
Exchange differences on translation of net investment in foreign branches	-	-	-	40,095	-	-	40,095
Transfer to statutory reserve	-	-	740,924	-	-	(740,924)	-
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	17,394	17,394
Transactions with owners, recorded directly in equity							
Final cash dividend for the year ended 31 December 2014 @ 20%	-	-	-	-	-	(3,174,485)	(3,174,485)
Shares issued during the period	25,635	16,201	-	-	-	-	41,836
Recognition of fair value of share based payments on grant date during the period	-	-	-	-	125,625	-	125,625
Unamortised portion of deferred employee compensation expense	-	-	-	-	(80,547)	-	(80,547)
Balance as at 30 June 2015	15,898,062	4,301,757	7,377,266	1,402,560	98,741	9,419,978	38,498,364
Changes in equity for the half year ended 31 December 2015							
Total comprehensive income for the period							
Profit after taxation for the half year ended 31 December 2015	-	-	-	-	-	3,818,191	3,818,191
Other comprehensive income for the half year ended 31 December 2015							
Exchange differences on translation of net investment in foreign branches	-	-	-	170,406	-	-	170,406
Remeasurement of defined benefit plans	-	-	-	-	-	(198,962)	(198,962)
Related tax charge	-	-	-	-	-	69,637	69,637
Transfer to statutory reserve	-	-	763,638	-	-	(763,638)	-
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	17,390	17,390
Transactions with owners, recorded directly in equity							
Recognition of fair value of share based payments on grant date during the period	-	-	-	-	(6,375)	-	(6,375)
Unamortised portion of deferred employee compensation expense	-	-	-	-	56,127	-	56,127
Transfer of Share Premium on issuance of shares under Stock Option Scheme	-	27,891	-	-	(27,891)	-	-
Balance as at 31 December 2015	15,898,062	4,329,648	8,140,904	1,572,966	120,602	12,362,596	42,424,778
Changes in equity for the half year ended 30 June 2016							
Total comprehensive income for the period							
Profit after taxation for the half year ended 30 June 2016	-	-	-	-	-	4,353,532	4,353,532
Other comprehensive income for the half year ended 30 June 2016							
Exchange differences on translation of net investment in foreign branches	-	-	-	7,297	-	-	7,297
Transfer to statutory reserve	-	-	870,706	-	-	(870,706)	-
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	16,460	16,460
Transactions with owners, recorded directly in equity							
Final cash dividend for the year ended 31 December 2015 @ 10%	-	-	-	-	-	(1,589,806)	(1,589,806)
Shares issued during the period	54,014	30,881	-	-	-	-	84,895
Recognition of fair value of share based payments on grant date during the period	-	-	-	-	126,102	-	126,102
Adjustment to unamortised portion of deferred employee compensation expense	-	-	-	-	(69,859)	-	(69,859)
Transfer of Share Premium on issuance of shares under Stock Option Scheme	-	56,597	-	-	(56,597)	-	-
Balance as at 30 June 2016	15,952,076	4,417,126	9,011,610	1,580,263	120,248	14,272,076	45,353,399

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

The annexed notes 1 to 29 and Annexure I form an integral part of the unconsolidated condensed interim financial information.

Chief Executive Officer

Director

Director

Chairman

Notes to and Forming Part of the Unconsolidated Condensed Interim Financial Information (Un-Audited) for the Half Year Ended 30 June 2016

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 484 conventional banking branches including 12 sub branches (2015: 484 branches including 12 sub branches), 10 overseas branches (2015: 10 branches), 158 Islamic banking branches (2015: 158 branches) and 1 offshore banking unit (2015: 1 unit).

PACRA has 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.

2 BASIS OF PRESENTATION

- 2.1 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 the 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.
- 2.2 Key financial figures of the Islamic Banking branches are disclosed in Annexure I to this unconsolidated condensed interim financial information.
- 2.3 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 unconsolidated financial statements of the Bank for the year ended December 31, 2015.

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

- 4.1 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, 2015 except for the following:

Non-banking assets acquired in satisfaction of claims

On January 1, 2016, the State Bank of Pakistan (SBP) vide BPRD circular No. 1 of 2016 issued 'Regulations for Debt Property Swaps'. These regulations require banks to measure non-banking assets acquired in satisfaction of claims at revalued amounts less accumulated depreciation thereon. The valuation of properties acquired under this head is to be conducted regularly, by professionally qualified evaluators appearing on the approved panel of the 'Pakistan Banks Association', so as to ensure that their net carrying value does not materially differ from their fair value. Any surplus arising on revaluation of such properties is transferred to the 'surplus on revaluation of fixed assets' account, while any deficit arising on revaluation is charged to profit and loss account directly. In addition, all direct costs, including legal fees and transfer costs linked with transferring the title of the property to banks is accounted as an expense in the profit and loss account. Furthermore, under these regulations, revaluation surplus on such assets shall not be admissible for calculating banks' Capital Adequacy Ratio (CAR) and exposure limits under the Prudential Regulations. However, the surplus can be adjusted upon realization of sale proceeds.

In line with these regulations, the Bank, effective January 1, 2016 has changed its accounting policy for recording of non-banking assets acquired in satisfaction of claims to incorporate the aforementioned requirements. Prior to this change in accounting policy, Non-banking assets acquired in satisfaction of claims were carried at cost less impairment, if any. Had the accounting policy not been changed, Non-banking assets (included in Other Assets in the statement of financial position) would have been lower by Rs. 48.67 million, surplus on revaluation of assets and deferred tax liabilities would have been lower by Rs. 35.68 million and Rs. 12.99 million respectively, and profit after tax would have been higher by Rs. 0.668 million.

- 4.2 In addition certain reclassification have been made as required by SBP Circular No. 05 of 2016 (refer note 29.1) and additional disclosures in respect of Islamic Index Screening as required by Circular No. 14 of 2016 issued by Securities and Exchange Commission of Pakistan (SECP) have been made.

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, 2015.

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, 2015.

7 BALANCES WITH OTHER BANKS

These include Rs. 2,000.638 million (December 2015: Rs. 2,938.812 million) being amounts placed in Shariah Compliant Bank Accounts.

8 LENDINGS TO FINANCIAL INSTITUTIONS

	Note	30 June 2016 (Un-audited)	31 December 2015 (Audited) (Restated)
		(Rupees in '000)	
Call money lendings	8.1	10,387,164	15,265,899
Bai Muajjal	8.2	6,134,923	12,360,451
	8.3	<u>16,522,087</u>	<u>27,626,350</u>

- 8.1 This represents lending to financial institutions at interest rates range from 0.25% to 9.00% per annum (December 2015: 0.40% to 12.00% per annum) with maturities upto November 2016 (December 31, 2015: November 2016).
- 8.2 This represents Bai Muajjal agreements entered into with State Bank of Pakistan (SBP), whereby the Bank sold Sukuks having carrying value of Rs. 6,000 million on deferred payment basis. The rates of return range from 5.92% to 5.97% per annum (December 2015: 5.99% to 8.26%). They are due to be matured by February 2017 (December 2015: March 2016).
- 8.3 This includes Rs. 12,334.922 million (December 31, 2015: 12,610.451 million) pertaining to Shariah Compliant lendings. These lendings exclude intra bank Shariah permissible lendings amounting to Rs. 1,991.854 million (December 2015: NIL).

9 INVESTMENTS - NET

9.1	Investments by types	Note	30 June 2016 (Un-audited)			31 December 2015 (Audited) (Restated)		
			Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
			----- (Rupees in '000) -----					
Held-for-trading securities								
	Market Treasury Bills		10,419,219	-	10,419,219	13,480,197	-	13,480,197
	Pakistan Investment Bonds		4,836,216	-	4,836,216	2,423,862	-	2,423,862
	Overseas Bonds		37,903	-	37,903	2,990,933	-	2,990,933
	Fully paid up ordinary shares / units - Listed	9.2	406,171	-	406,171	197,998	-	197,998
			15,699,509	-	15,699,509	19,092,990	-	19,092,990
Available-for-sale securities								
	Market Treasury Bills		41,889,676	6,503,520	48,393,196	78,391,879	494,563	78,886,442
	Pakistan Investment Bonds		48,388,845	111,813,663	160,202,508	28,914,704	128,577,363	157,492,067
	Fully paid up ordinary shares / units - Listed	9.2	5,935,539	-	5,935,539	5,000,753	-	5,000,753
	Fully paid up ordinary shares - Unlisted		4,426,616	-	4,426,616	4,426,617	-	4,426,617
	Term Finance Certificates		817,516	-	817,516	829,594	-	829,594
	Preference Shares - Listed		108,835	-	108,835	108,835	-	108,835
	Preference Shares - Unlisted		25,000	-	25,000	325,000	-	325,000
	Redeemable Participating Certificates		42,978	-	42,978	-	-	-
	Pakistan Euro Bonds		1,331,397	-	1,331,397	2,409,043	-	2,409,043
	Overseas Bonds		12,402,188	-	12,402,188	4,804,159	-	4,804,159
	Sukuk Bonds		37,563,743	-	37,563,743	33,280,442	-	33,280,442
			152,932,333	118,317,183	271,249,516	158,491,026	129,071,926	287,562,952
Held-to-maturity securities								
	Market Treasury Bills		1,791,281	-	1,791,281	-	-	-
	Pakistan Investment Bonds		85,303,622	-	85,303,622	66,180,991	-	66,180,991
	Other Federal Government Securities - Bai Muajjal	9.3	26,002,520	-	26,002,520	26,002,520	-	26,002,520
	Term Finance Certificates		524,266	-	524,266	524,266	-	524,266
	Pakistan Euro Bonds		707,895	-	707,895	3,347,785	-	3,347,785
	Overseas Bonds		8,705,512	-	8,705,512	7,920,557	-	7,920,557
	Sukuk Bonds		4,023,022	-	4,023,022	4,230,816	-	4,230,816
			127,058,118	-	127,058,118	108,206,935	-	108,206,935
Subsidiaries								
	Alfalah Securities (Private) Limited		1,126,000	-	1,126,000	1,126,000	-	1,126,000
	Alfalah GHP Investment Management Limited		130,493	-	130,493	130,493	-	130,493
	Alfalah GHP Value Fund		-	-	-	100,000	-	100,000
	Alfalah GHP Cash Fund		525,474	-	525,474	525,474	-	525,474
			1,781,967	-	1,781,967	1,881,967	-	1,881,967
Associates								
	Alfalah Insurance Limited		68,990	-	68,990	68,990	-	68,990
	Sapphire Wind Power Company Limited		978,123	-	978,123	978,123	-	978,123
	Alfalah GHP Money Market Fund		50,882	-	50,882	46,672	-	46,672
	Alfalah GHP Income Multiplier Fund		250,000	-	250,000	250,000	-	250,000
	Alfalah GHP Sovereign Fund		200,000	-	200,000	200,000	-	200,000
	Alfalah GHP Islamic Stock Fund		250,000	-	250,000	250,000	-	250,000
	Appollo Pharma Limited		790,400	-	790,400	790,400	-	790,400
			2,588,395	-	2,588,395	2,584,185	-	2,584,185
Investments at cost								
			300,060,322	118,317,183	418,377,505	290,257,103	129,071,926	419,329,029
Less: Provision for diminution in value of investments								
		9.4	(6,410,698)	-	(6,410,698)	(6,345,811)	-	(6,345,811)
Investments (net of provisions)			293,649,624	118,317,183	411,966,807	283,911,292	129,071,926	412,983,218
Surplus on revaluation of held-for-trading securities-net			24,011	-	24,011	229,063	-	229,063
Surplus on revaluation of available-for-sale securities-net			10,773,670	1,298,127	12,071,797	9,365,358	522,095	9,887,453
Total investments			304,447,305	119,615,310	424,062,615	293,505,713	129,594,021	423,099,734

9.2 These investments include Rs. 3,550.842 million (December 2015: Rs. 3,065.780 million) being investments in Shariah Compliant listed equities.

9.3 This represents Bai Muajjal agreements entered into with Ministry of Finance (MoF), whereby the Bank sold Sukuks having carrying value of Rs. 25,475 million on deferred payment basis. The rate of return on these transactions is 5.99% per annum (December 2015: 5.99%). They are due to be matured by November 2016 (December 2015: November 2016).

	Note	30 June 2016 (Un-audited) (Rupees in '000)	31 December 2015 (Audited) (Rupees in '000)
9.4 Particulars of provision for diminution in value of investments			
Opening balance		6,345,811	6,216,757
Charge for the period / year		64,887	136,691
Provision written off during the period / year		-	(7,637)
Closing balance		<u>6,410,698</u>	<u>6,345,811</u>
9.5 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
- Warid Telecom (Private) Limited (Related Party)	9.6	4,366,796	4,366,796
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		127,516	102,069
- Quetta Textile Mills Limited		72,619	37,242
- 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		38,125	34,062
- 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>6,410,698</u>	<u>6,345,811</u>

- 9.6** Effective July 01, 2016, the existing shareholders of Warid Telecom (Private) Limited including the Bank along with its sponsors have transferred their holding in Warid Telecom (Private) Limited to Pakistan Mobile Communications Limited (PMCL), in lieu of acquiring an overall stake of 15 percent in PMCL. This development is in furtherance of the Acquisition Agreement dated November 26, 2015, as referred to in note 9.11.1 to the Bank's annual financial statements for the year ended December 31, 2015.

The merger of the two companies is expected to be completed in the last quarter of 2016 subject to the fulfilment of the required legal processes of amalgamation in Pakistan.

As at June 30, 2016, the Bank's investment in Warid Telecom (Private) Limited stands fully impaired. Pursuant to completion, this transaction will result in de-recognition of this investment from the books of the Bank, and recognition of shares of PMCL allotted to the Bank.

	Note	30 June 2016 (Un-audited)	31 December 2015 (Audited) (Restated)
10 ADVANCES - NET		(Rupees in '000)	
Loans, cash credits, running finances, etc.			
In Pakistan		290,965,272	278,764,277
Outside Pakistan		10,500,442	11,007,287
		<u>301,465,714</u>	<u>289,771,564</u>
Net investment in finance lease			
In Pakistan		3,879,143	3,638,627
Outside Pakistan		-	-
		<u>3,879,143</u>	<u>3,638,627</u>
Islamic financing and related assets (gross)	A-I.1 & 10.3	41,905,354	43,062,240
Bills discounted and purchased (excluding market treasury bills)			
Payable in Pakistan		5,634,486	6,186,509
Payable outside Pakistan		8,660,021	7,692,258
		<u>14,294,507</u>	<u>13,878,767</u>
		<u>361,544,718</u>	<u>350,351,198</u>
Provision against advances			
Specific provision against non-performing advances	10.2	(15,709,435)	(15,452,555)
General provision against advances	10.2	(768,519)	(739,904)
		<u>(16,477,954)</u>	<u>(16,192,459)</u>
		<u><u>345,066,764</u></u>	<u><u>334,158,739</u></u>

- 10.1 Advances include Rs. 19,125 million (December 2015: Rs. 18,455 million) which have been placed under non-performing status as detailed below:

Category of classification	30 June 2016 (Un-audited)								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	----- (Rupees in '000) -----								
Other Assets Especially									
Mentioned (Agri Financing)	144,276	-	144,276	4,909	-	4,909	4,909	-	4,909
Substandard	1,657,791	-	1,657,791	431,972	-	431,972	431,972	-	431,972
Doubtful	4,183,624	1,739	4,185,363	2,390,913	150	2,391,063	2,390,913	150	2,391,063
Loss	12,794,978	342,968	13,137,946	12,636,056	245,435	12,881,491	12,636,056	245,435	12,881,491
	18,780,669	344,707	19,125,376	15,463,850	245,585	15,709,435	15,463,850	245,585	15,709,435

Category of classification	31 December 2015 (Audited)								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	----- (Rupees in '000) -----								
Other Assets Especially Mentioned (Agri Financing)	115,219	-	115,219	2,547	-	2,547	2,547	-	2,547
Substandard	2,052,587	54,595	2,107,182	524,432	70,795	595,227	524,432	70,795	595,227
Doubtful	2,554,443	5,506	2,559,949	1,502,617	1,587	1,504,204	1,502,617	1,587	1,504,204
Loss	13,110,724	562,325	13,673,049	12,936,185	414,392	13,350,577	12,936,185	414,392	13,350,577
	17,832,973	622,426	18,455,399	14,965,781	486,774	15,452,555	14,965,781	486,774	15,452,555

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

	Half year ended 30 June 2016 (Un-audited)			Year ended 31 December 2015 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	15,452,555	739,904	16,192,459	13,601,307	649,503	14,250,810
Exchange adjustment and other movements	1,622	103	1,725	31,406	3,300	34,706
Charge for the period / year	1,574,943	68,606	1,643,549	3,921,493	146,652	4,068,145
Reversals / recoveries	(1,259,880)	(40,094)	(1,299,974)	(1,858,385)	(59,551)	(1,917,936)
	315,063	28,512	343,575	2,063,108	87,101	2,150,209
Amounts written off	(59,805)	-	(59,805)	(243,266)	-	(243,266)
Closing balance	15,709,435	768,519	16,477,954	15,452,555	739,904	16,192,459

- 10.2.1 The additional profit arising from availing the forced sales value (FSV) benefit - net of tax at June 30, 2016 which is not available for distribution as either cash or stock dividend to shareholders and bonus to employees amounted to Rs. 110.378 million (December 2015: Rs. 110.774 million).
- 10.2.2 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 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.
- 10.3 These represent financing and related assets placed under Shariah permissible modes.

	Note	30 June 2016 (Un-audited) (Rupees in '000)	31 December 2015 (Audited) (Rupees in '000)
11 OPERATING FIXED ASSETS			
Capital work-in-progress		774,472	704,981
Property and equipment		15,715,526	15,497,616
Intangible assets		1,027,035	1,039,371
		<u>17,517,033</u>	<u>17,241,968</u>
		Half year ended	
		30 June 2016 (Un-audited) (Rupees in '000)	30 June 2015
11.1 Additions to operating fixed assets			
Office premises		386,224	-
Leasehold improvements		88,419	427,617
Office equipment		387,606	583,447
Furniture and fixtures		30,919	41,717
Vehicles		16,550	15,236
11.2 Additions to Intangibles			
Computer software		148,611	279,085
11.3 Disposals of operating fixed assets			
Leasehold improvements		10	-
Office equipment		67,385	22,629
Furniture and fixtures		11,147	28,551
Vehicles		25,227	23,326
		30 June 2016 (Un-audited) (Rupees in '000)	31 December 2015 (Audited) (Rupees in '000)
12 BORROWINGS			
Secured			
Borrowings from State Bank of Pakistan		16,786,501	17,430,111
Repurchase agreement borrowings	12.1	119,680,088	129,071,926
Borrowings of foreign operations		61,942	-
		<u>136,528,531</u>	<u>146,502,037</u>
Unsecured			
Call borrowings	12.2	13,586,655	17,901,900
Bai Muajjal	12.3	882,477	7,935,453
Overdrawn nostro accounts		-	53,808
		<u>14,469,132</u>	<u>25,891,161</u>
		<u>150,997,663</u>	<u>172,393,198</u>

- 12.1** This represents repurchase agreement borrowings from SBP and other banks at the rate of 0.75% and 6.25% per annum respectively (December 2015: 6.04% and 6.50% per annum) having maturities upto July 2016 (December 2015: January 2016).
- 12.2** This represents borrowings from financial institutions at mark-up rates ranging from 0.55% to 6.10% per annum (December 2015: 0.50% to 6.08% per annum) having maturities upto December 2016 (December 2015: March 2016).
- 12.3** This represents borrowings from financial institutions at mark-up rate of 5.90% per annum (December 2015: 6.35% to 7.45% per annum) having maturity upto August 2016 (December 2015: April 2016).

	30 June 2016 (Un-audited)	31 December 2015 (Audited)
(Rupees in '000)		
13 DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	120,879,351	137,604,333
Savings deposits	209,454,494	210,368,288
Current accounts - non-remunerative	260,402,837	234,795,160
Others	10,804,566	6,849,023
	<u>601,541,248</u>	<u>589,616,804</u>
Financial institutions		
Remunerative deposits	35,481,861	48,877,152
Non-remunerative deposits	3,086,915	1,694,779
	<u>38,568,776</u>	<u>50,571,931</u>
	<u>640,110,024</u>	<u>640,188,735</u>

- 13.1** Deposits include Rs. 115,608 million (December 2015: Rs. 105,407 million) placed under permissible Shariah modes.

14 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

This includes surplus of Rs. 1,060.889 million (December 2015: Rs. 383.802 million) on revaluation of available-for-sale securities placed as per arrangements permissible under Shariah.

	30 June 2016 (Un-audited)	31 December 2015 (Audited)
(Rupees in '000)		
15 CONTINGENCIES AND COMMITMENTS		
15.1 Direct credit substitutes		
i) Government	2,451,918	743,580
ii) Banking companies and other financial institutions	-	311,835
iii) Others	126,226	2,094,645
	<u>2,578,144</u>	<u>3,150,060</u>
15.2 Transaction - related contingent liabilities		
i) Government	29,469,461	27,412,625
ii) Banking companies and other financial institutions	463,066	163,826
iii) Others	8,744,039	12,719,286
	<u>38,676,566</u>	<u>40,295,737</u>
15.3 Trade - related contingent liabilities		
Letters of credit	<u>62,056,024</u>	<u>52,107,916</u>
Acceptances	<u>15,431,737</u>	<u>15,797,161</u>
15.4 Other contingencies		
15.4.1 Claims against the Bank not acknowledged as debts	<u>14,685,862</u>	<u>14,861,738</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 interim financial information.

- 15.4.2** There is no change in the contingency relating to amount debited in Bank's nostro account in New York, United States of America from that disclosed in unconsolidated annual audited financial statements for the year ended December 31, 2015.

	30 June 2016 (Un-audited) (Rupees in '000)	31 December 2015 (Audited)
15.5 Commitments in respect of forward lendings		
Commitments to extend credit	8,510,334	5,222,555
15.6 Commitments in respect of forward exchange contracts		
Purchase	78,171,160	98,261,212
Sale	78,761,981	106,520,120
15.7 Commitments for the acquisition of operating fixed assets	331,049	291,237
15.8 Commitments in respect of investments	5,273,000	-
15.9 Commitments in respect of repo transactions		
Repurchase	118,487,634	129,226,010
15.10 Other commitments		
Interest rate swaps	7,133,190	6,962,920
Donations	22,000	22,000
15.11 Contingencies for tax payable (note 24)		

	Note	Half year ended	
		30 June 2016 (Un-audited) (Rupees in '000)	30 June 2015
16 MARK-UP / RETURN / INTEREST EARNED			
a) On loans and advances		11,860,347	13,775,423
b) On investments in:			
i) held for trading securities		543,812	586,637
ii) available for sale securities		10,903,896	11,029,144
iii) held to maturity securities		4,888,963	4,537,604
c) On deposits with financial institutions	16.1	1,379,692	1,156,530
d) On securities purchased under resale agreements		135,883	157,897
		29,712,593	31,243,235

16.1 These include profit of Rs. 1,164.283 million (June 2015: Rs. 954.674 million) from placements permissible under Shariah.

	Half year ended	
	30 June 2016	30 June 2015
	(Un-audited)	
	(Rupees in '000)	
17 DIVIDEND INCOME		
Listed Companies		
Allied Bank Limited	3,121	1,458
Attock Cement Pakistan Limited	-	1,125
Attock Petroleum Limited	3,195	2,450
Bank Al-Habib Limited	19,072	15,900
Engro Corporation Limited	13,355	5,946
Engro Fertilizer Limited	7,197	1,200
Engro Powergen Qadirpur Limited	3,679	4,656
Fatima Fertilizers Company Limited	-	6,600
Fauji Cement Company Limited	2,275	-
Fauji Fertilizer Bin Qasim Limited	6,405	2,250
Fauji Fertilizer Company Limited	7,642	7,168
Habib Bank Limited	13,248	4,119
Hub Power Company Limited	43,538	18,000
Kot Addu Power Company Limited	10,838	6,400
MCB Bank Limited	7,400	2,792
National Bank Of Pakistan	1,275	1,375
Nishat Chunian Power Limited	8,950	19,659
Nishat Power Limited	9,898	16,246
Oil & Gas Development Company Limited	1,497	4,875
Pak Oman Advantage Fund	-	15,000
Pakistan Oilfields Limited	9,828	14,701
Pakistan Petroleum Limited	2,531	9,806
Pakistan Reinsurance Company Limited	250	-
Pakistan State Oil Company Limited	5,559	6,630
United Bank Limited	18,860	9,675
Visa Shares	1,399	1,158
Subsidiaries		
Alfalsh GHP Cash Fund	32,926	47,082
Alfalsh GHP Value	-	22,434
Associates		
Alfalsh GHP Income Multiplier	10,270	23,284
Alfalsh GHP Islamic Stock Fund	45,320	40,867
Alfalsh GHP Money Market Fund	4,210	-
Alfalsh GHP Sovereign Fund	9,253	26,944
	<u>302,991</u>	<u>339,800</u>
18 INCOME FROM DEALING IN FOREIGN CURRENCIES		
Foreign currencies	1,018,583	617,116
Derivative financial instruments	(405,306)	111,241
	<u>613,277</u>	<u>728,357</u>

19 GAIN ON SALE OF SECURITIES - NET

This includes gain of Rs. 150,701 million (June 2015: Rs. 130,118 million) earned on sale of investments as per arrangements permissible under Shariah.

20 UNREALISED GAIN ON REVALUATION OF INVESTMENTS CLASSIFIED AS HELD-FOR-TRADING - NET

This includes gain of Rs. 1,150 million (June 2015: loss of Rs. 4,018 million) earned on sale of investments as per arrangements permissible under Shariah.

		Half year ended	
		30 June 2016 (Un-audited) (Rupees in '000)	30 June 2015
21 OTHER INCOME			
Gain on sale of operating fixed assets		18,535	4,875
Postage, telex service charges etc.		361,854	342,245
Derivative financial instruments		(19,468)	2,637
		<u>360,921</u>	<u>349,757</u>
22 EARNINGS PER SHARE			
22.1 BASIC EARNINGS PER SHARE			
Profit after taxation for the period		<u>4,353,532</u>	<u>3,704,619</u>
		(Number of shares in thousands)	
Weighted average number of ordinary shares		<u>1,592,552</u>	<u>1,588,741</u>
		(Rupees)	
Basic earnings per share		<u>2.73</u>	<u>2.33</u>
22.2 DILUTED EARNINGS PER SHARE			
		(Rupees in '000)	
Profit after taxation for the period		<u>4,353,532</u>	<u>3,704,619</u>
		(Number of shares in thousands)	
Weighted average number of ordinary shares		<u>1,594,685</u>	<u>1,589,367</u>
		(Rupees)	
Diluted earnings per share		<u>2.73</u>	<u>2.33</u>
		30 June 2016 (Un-audited) (Rupees in '000)	31 December 2015 (Audited) (Rupees in '000)
23 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks		51,823,264	62,368,790
Balances with other banks		14,017,301	16,552,207
Call money lendings		9,786,506	14,728,532
Overdrawn nostro accounts		-	(53,808)
		<u>75,627,071</u>	<u>93,595,721</u>

24 TAXATION

The income tax assessments of the Bank have been finalized upto and including tax year 2015. 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, 2012, 2013 and 2015, the tax authorities have raised certain issues including disallowance of expenditure on account of non-deduction of withholding tax, default in payment of WWF, allocation of expenses to dividend and capital gains and dividend income from mutual funds not being taken under income from business, resulting in additional demand of Rs.1,365.147 million. As a result of appeal filed before Commissioner Appeals against these issues, relief has been provided for tax amount of Rs.1,023.719 million whereas appeal effect orders are pending. The management's appeals on certain issues are pending before Commissioner Appeals. The management is confident that this matter 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 to the extent of principal amount which is part of Ijarah rentals and should not be taxed. Accordingly tax amount is reduced to Rs.96.160 million. The Bank has filed appeal before Appellate Tribunal. 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.355.159 million against tax demand (after reduction on rectifications) for tax years 2009 to 2015. 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.

25 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Based on the Bank's internal reporting framework, business activities are split into various reporting segments. The segment analysis with respect to the business activities is presented below:

For the period ended 30 June 2016							
Retail Banking	Corporate Banking	Treasury	Consumer Banking	Islamic Banking	International Operations	Others	Total
(Rs. in '000)							
Segment income	3,431,309	6,957,253	16,034,087	2,097,584	4,018,807	1,975,829	34,717,152
Inter-segment income / (expense)	8,298,470	(2,869,337)	(5,060,048)	(458,761)	-	89,676	-
Segment expenses	9,508,936	3,365,100	4,660,563	948,766	3,160,768	788,816	27,125,177
Profit before tax	2,220,843	722,816	6,313,476	690,057	858,039	1,187,013	7,591,975
As at 30 June 2016							
Retail Banking	Corporate Banking	Treasury	Consumer Banking	Islamic Banking	International Operations	Others	Total
(Rs. in '000)							
Segment assets	116,812,864	207,756,328	318,413,918	19,308,351	136,979,215	57,135,702	890,173,469
Segment non performing loans	8,707,286	8,285,632	-	479,667	1,176,417	344,707	19,125,376
Segment provision required against loans and advances	8,176,114	5,928,642	-	887,381	1,053,109	340,694	16,477,954
Segment liabilities	416,966,445	96,035,096	127,684,245	1,357,911	125,972,039	49,020,097	832,593,760
Segment return on assets (ROA %)	1.0%	0.5%	1.9%	7.1%	0.8%	8.4%	-0.6%
Segment cost of funds	3.4%	5.3%	5.8%	5.8%	4.7%	2.1%	5.0%
Segment cost of funds	3.4%	5.3%	5.8%	5.8%	4.7%	2.1%	5.0%
For the period ended 30 June 2015							
Retail Banking	Corporate Banking	Treasury	Consumer Banking	Islamic Banking	International Operations	Others	Total
(Rs. in '000)							
Segment income	3,402,629	8,448,843	15,246,111	1,932,026	4,628,043	1,960,095	427,279
Inter-segment income / (expense)	10,502,461	(3,235,738)	(7,194,863)	(530,032)	-	458,172	-
Segment expenses	12,161,402	3,903,747	3,370,619	865,648	3,488,210	1,338,803	4,339,534
Profit before tax	1,743,688	1,309,358	4,680,629	536,346	1,139,833	621,292	6,577,063
As at 30 June 2015							
Retail Banking	Corporate Banking	Treasury	Consumer Banking	Islamic Banking	International Operations	Others	Total
(Rs. in '000)							
Segment assets	96,242,077	189,024,398	291,263,718	17,294,785	119,001,724	46,573,343	26,399,634
Segment non performing loans	9,289,706	7,038,698	-	574,864	1,063,347	798,433	143,846
Segment provision required against loans and advances	7,818,040	4,995,047	-	735,909	1,024,785	667,806	113,334
Segment liabilities	393,353,209	97,064,607	81,644,475	1,447,553	109,527,071	43,936,461	10,871,655
Segment return on assets (ROA %)	0.8%	1.0%	1.6%	6.5%	1.1%	2.9%	-0.5%
Segment cost of funds	4.8%	7.4%	7.7%	7.6%	6.0%	2.7%	6.6%

26 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

30 June 2016											
	Carrying Amount						Fair value				
	HFT	AFS	HTM	Loans & Receivables	Subsidiaries & Associates	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)											
On balance sheet financial instruments											
Financial assets measured at fair value											
- Other assets											
Forward foreign exchange contracts	419,470	-	-	-	-	-	419,470	-	419,470	-	419,470
Interest rate swaps	-	-	-	-	-	-	-	-	-	-	-
- Investments											
Government Securities (Tbills, PIBs, GoP Sukuks, Overseas Govt. Sukuks, Overseas and Euro bonds)	15,317,373	263,422,334	-	-	-	-	278,739,707	-	278,739,707	-	278,739,707
Overseas Bonds - others	-	4,301,048	-	-	-	-	4,301,048	-	4,301,048	-	4,301,048
Ordinary shares of listed companies	406,147	7,046,233	-	-	-	-	7,452,380	7,452,380	-	-	7,452,380
Debt securities (TFCs)	-	616,244	-	-	-	-	616,244	-	616,244	-	616,244
Redeemable Participating Certificate	-	42,978	-	-	-	-	42,978	-	42,978	-	42,978
Sukuks-Other than Govt	-	3,008,961	-	-	-	-	3,008,961	-	3,008,961	-	3,008,961
Financial assets not measured at fair value											
- Cash and bank balances with treasury banks	-	-	-	51,823,264	-	-	51,823,264	-	-	-	-
- Balances with other banks	-	-	-	14,017,301	-	-	14,017,301	-	-	-	-
- Lending to financial institutions	-	-	-	16,522,087	-	-	16,522,087	-	-	-	-
- Advances	-	-	-	345,066,764	-	-	345,066,764	-	-	-	-
- Other assets	-	-	-	20,494,534	-	-	20,494,534	-	-	-	-
- Investments											
Government Securities (PIBs, WAPDA Sukuks, Overseas and Euro bonds)	-	-	95,972,055	-	-	-	95,972,055	-	97,716,599	-	97,716,599
Other Federal Government Securities - Bai Muajjal	-	-	26,002,520	-	-	-	26,002,520	-	26,002,520	-	26,002,520
Overseas Bonds - Others	-	-	786,255	-	-	-	786,255	-	-	-	-
Unlisted Shares (Ordinary & Preference)	-	4,096	-	-	-	-	4,096	-	-	-	-
Sukuks-Other than Govt	-	-	3,592,009	-	-	-	3,592,009	-	3,592,009	-	3,592,009
Associates											
- Mutual Funds	-	-	-	-	750,882	-	750,882	-	912,520	-	912,520
- Ordinary shares of unlisted companies	-	-	-	-	1,837,513	-	1,837,513	-	1,837,513	-	1,837,513
Subsidiaries											
- Mutual Funds	-	-	-	-	525,474	-	525,474	-	520,842	-	520,842
- Ordinary shares of unlisted companies	-	-	-	-	430,493	-	430,493	-	430,493	-	430,493
	16,142,990	278,441,894	126,352,839	447,923,950	3,544,362	-	872,406,035				
Financial liabilities measured at fair value											
- Other liabilities											
Forward foreign exchange contracts	824,777	-	-	-	-	-	824,777	-	824,777	-	824,777
Interest rate swaps	293,666	-	-	-	-	-	293,666	-	293,666	-	293,666
Financial liabilities not measured at fair value											
- Bills Payable	-	-	-	-	-	14,194,138	14,194,138	-	-	-	-
- Borrowings	-	-	-	-	-	150,997,663	150,997,663	-	-	-	-
- Deposits and other accounts	-	-	-	-	-	640,110,024	640,110,024	-	-	-	-
- Subordinated Loans	-	-	-	-	-	9,981,000	9,981,000	-	-	-	-
- Other liabilities	-	-	-	-	-	13,245,629	13,245,629	-	-	-	-
	1,118,443	-	-	-	-	-	828,528,454	829,646,897			

30 December 2015											
	Carrying Amount						Fair value				
	HFT	AFS	HTM	Loans & Receivables	Subsidiaries & Associates	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<hr/> (Rupees in '000) <hr/>											
On balance sheet financial instruments											
Financial assets measured at fair value											
- Other assets											
Forward foreign exchange contracts	739,757	-	-	-	-	-	739,757	-	739,757	-	739,757
Interest rate swaps	1,888	-	-	-	-	-	1,888	-	1,888	-	1,888
- Investments											
Government Securities (Tbills, PIBs, GoP Sukus,											
Overseas Govt. Sukuk, Overseas and Euro bonds)	19,122,097	279,962,706	-	-	-	-	299,084,803	-	299,084,803	-	299,084,803
Overseas Bonds - others	-	3,638,213	-	-	-	-	3,638,213	-	3,638,213	-	3,638,213
Ordinary shares of listed companies	199,954	5,582,663	-	-	-	-	5,782,617	5,782,617	-	-	5,782,617
Debt securities (TFCs)	-	682,680	-	-	-	-	682,680	-	682,680	-	682,680
Sukuk-Other than Govt	-	2,424,212	-	-	-	-	2,424,212	-	2,424,212	-	2,424,212
Financial assets not measured at fair value											
- Cash and bank balances with treasury banks	-	-	-	62,368,790	-	-	62,368,790				
- Balances with other banks	-	-	-	16,552,207	-	-	16,552,207				
- Lending to financial institutions	-	-	-	53,628,870	-	-	53,628,870				
- Advances	-	-	-	327,297,821	-	-	327,297,821				
- Other assets	-	-	-	26,920,858	-	-	26,920,858				
- Investments											
Government Securities (PIBs, WAPDA Sukus,											
Overseas and Euro bonds)	-	-	77,515,845	-	-	-	77,515,845	-	80,144,714	-	80,144,714
Other Federal Government Securities - Bai Muajjal	-	-	26,002,520	-	-	-	26,002,520	-	26,002,520	-	26,002,520
Overseas Bonds - Others	-	-	266,822	-	-	-	266,822	-	-	-	-
Unlisted shares (Ordinary & Preference)	-	304,096	-	-	-	-	304,096	-	-	-	-
Sukuk-Other than Govt	-	37,242	3,720,532	-	-	-	3,757,774	-	3,721,244	-	3,721,244
Associates											
- Mutual Funds	-	-	-	-	496,672	-	496,672	-	553,269	-	553,269
- Ordinary shares of unlisted companies	-	-	-	-	1,837,513	-	1,837,513				
Subsidiaries											
- Mutual Funds	-	-	-	-	875,474	-	875,474	-	1,088,561	-	1,088,561
- Ordinary shares of unlisted companies	-	-	-	-	430,493	-	430,493				
	20,063,696	292,631,812	107,505,719	486,768,546	3,640,152	-	910,609,925				
Financial liabilities measured at fair value											
- Other liabilities											
Forward foreign exchange contracts	729,875	-	-	-	-	-	729,875	-	729,875	-	729,875
Interest rate swaps	88,804	-	-	-	-	-	88,804	-	88,804	-	88,804
Financial liabilities not measured at fair value											
- Bills Payable	-	-	-	-	-	9,733,929	9,733,929				
- Borrowings	-	-	-	-	-	172,393,198	172,393,198				
- Deposits and other accounts	-	-	-	-	-	640,188,735	640,188,735				
- Subordinated loans	-	-	-	-	-	9,983,000	9,983,000				
- Other liabilities	-	-	-	-	-	13,333,516	13,333,516				
	818,679	-	-	-	-	845,632,378	846,451,057				

27 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.

- 27.1 Details of transactions with the related parties and balances with them as at period end / year end are as follows:

	30 June 2016 (Un-audited)				
	Directors	Key Management Personnel	Group / Associated Companies / Others	Subsidiaries / Associates	Total
	------(Rupees in '000)-----				
Deposits					
Balance at beginning of the period	14,825	120,281	6,095,049	402,093	6,632,248
Placements during the period	63,559	381,434	43,615,874	21,011,209	65,072,076
Withdrawals / adjustments during the period	(57,582)	(355,660)	(43,890,339)	(19,949,680)	(64,253,261)
Balance at end of the period	20,802	146,055	5,820,584	1,463,622	7,451,063
Advances					
Balance at beginning of the period	-	328,280	6,339,450	-	6,667,730
Disbursements / adjustments during the period	-	161,524	8,718,660	-	8,880,184
Repayments / adjustments during the period	-	(213,040)	(8,725,319)	-	(8,938,359)
Balance at end of the period	-	276,764	6,332,791	-	6,609,555
Provision held against advances	-	-	864,845	-	864,845
Investments					
Balance at beginning of the period	-	-	4,716,796	4,466,152	9,182,948
Investments during the period	-	-	-	254,210	254,210
Redemption / adjustments during the period	-	-	(300,000)	(350,000)	(650,000)
Balance at end of the period	-	-	4,416,796	4,370,362	8,787,158
Provision held against investments	-	-	4,416,796	826,000	5,242,796
Call borrowings / Repo					
Balance at beginning of the period	-	-	-	-	-
Borrowings during the period	-	-	500,000	-	500,000
Repayments during the period	-	-	(500,000)	-	(500,000)
Balance at end of the period	-	-	-	-	-
Call lendings / Reverse repo					
Balance at beginning of the period	-	-	-	-	-
Placements during the period	-	-	1,900,000	-	1,900,000
Withdrawals during the period	-	-	(1,900,000)	-	(1,900,000)
Balance at end of the period	-	-	-	-	-

	31 December 2015 (Audited)				
	Directors	Key Management Personnel	Group / Associated Companies / Others	Subsidiaries / Associates	Total
	----- (Rupees in '000) -----				
Deposits					
Balance at beginning of the year	38,398	71,170	5,054,223	486,239	5,650,030
Placements during the year	168,409	1,271,256	81,788,021	31,744,672	114,972,358
Withdrawals / adjustments during the year	(191,982)	(1,222,145)	(80,747,195)	(31,828,818)	(113,990,140)
Balance at end of the year	14,825	120,281	6,095,049	402,093	6,632,248
Advances					
Balance at beginning of the year	-	280,630	3,828,522	30,000	4,139,152
Disbursements during the year	-	324,922	22,147,792	22,000	22,494,714
Repayments / adjustments during the year	-	(277,272)	(19,636,864)	(52,000)	(19,966,136)
Balance at end of the year	-	328,280	6,339,450	-	6,667,730
Provision held against advances	-	-	185,627	-	185,627
Investments					
Balance at beginning of the year	-	-	4,416,796	3,670,925	8,087,721
Investments during the year	-	-	-	1,723,470	1,723,470
Redemptions / adjustments during the year	-	-	300,000	(928,243)	(628,243)
Balance at end of the year	-	-	4,716,796	4,466,152	9,182,948
Provision held against investments	-	-	4,416,796	826,000	5,242,796
Call borrowings / Repo					
Balance at beginning of the year	-	-	-	-	-
Borrowings during the year	-	-	1,300,000	-	1,300,000
Repayments during the year	-	-	(1,300,000)	-	(1,300,000)
Balance at end of the year	-	-	-	-	-
Call lendings / Reverse repo					
Balance at beginning of the year	-	-	-	-	-
Placements during the year	-	-	17,825,000	-	17,825,000
Withdrawals during the year	-	-	(17,825,000)	-	(17,825,000)
Balance at end of the year	-	-	-	-	-

	30 June 2016 (Un-audited) (Rupees in '000)	31 December 2015 (Audited) (Rupees in '000)
27.2 Advances		
Running finance	1,072,635	760,958
Long term loans	5,536,920	5,906,772
27.3 Contingencies and commitments		
Letter of credit, acceptance and guarantees outstanding	1,700,156	3,134,931
27.4 Customer Accounts		
PLS accounts	3,619,286	3,304,579
Current accounts	826,750	1,059,518
Fixed deposit accounts	3,005,027	2,268,151

	Half year ended	
	30 June 2016 (Un-audited)	30 June 2015 (Un-audited)
27.5 Transactions with Subsidiaries / Associates and Others	(Rupees in '000)	
Subsidiaries / Associates		
Mark-up expense on deposits	17,575	37,385
Mark-up paid to Alfalah GHP Income Multiplier Fund on TFCs Issued	256	353
Mark-up paid to Alfalah GHP Income fund on TFCs issued	3,084	4,549
Mark-up paid to Alfalah GHP Aggressive Income Fund	-	546
Brokerage Expense pertaining to Alfalah Securities (Private) Limited	490	359
Rent Income from Alfalah Insurance Limited	1,123	998
Rent Income from Alfalah Securities (Private) Limited	115	676
Insurance premium paid to Alfalah Insurance Company Limited	537,588	524,701
Dividend paid to Alfalah Insurance Company Limited	500	1,000
Dividend income from Alfalah GHP Sovereign Fund	9,253	26,944
Dividend income from Alfalah GHP Islamic Stock Fund	45,320	40,867
Dividend income from Alfalah GHP Cash Fund	32,926	47,082
Dividend income from Alfalah GHP Income Multiplier Fund	10,270	23,284
Dividend income from Alfalah GHP Income Value Fund	-	22,434
Dividend income from Alfalah GHP Money Market Fund	4,210	-
Revenue from Alfalah GHP Investment Management Limited against sale of units	32,620	21,119
Capital Gain on sale of units of Alfalah GHP Money Market Fund	-	46,672
Capital Gain on sale of units of Alfalah GHP Value Fund	104,800	-
Capital Gain on sale of units of Alfalah GHP Cash Fund	-	25,085
Others		
Mark-up income on advances	179,813	220,814
Mark-up expense on deposits	53,075	121,375
Rent income from Wateen Telecom (Private) Limited	-	1,766
Rent income from Warid Telecom (Private) Limited	8,069	8,915
Rent expense paid pertaining to Wateen Telecom (Private) Limited	4,264	5,700
Interest received on placements with Silk Bank Limited	325	2,367
Mark-up paid to Taavun (Private) Limited on TFCs Issued	37,410	37,425
Mark-up paid to Key Management Personnel on TFCs Issued	14,518	12,110
Amount received on Redemption of Silk Bank Preference Shares	439,200	-
Interest paid on Borrowings from Silk Bank Limited	85	43
Payment to Institute of Bankers of Pakistan for calendars and diaries etc.	2,154	303
Payment to Wateen Telecom Limited and Wateen Solutions (Private) Limited for purchase of equipment and maintenance charges	74,541	71,848
Payment to Monet (Private) Limited for Branchless banking services	126,468	97,131
Payment to Al-Qudees & Co	8,689	21,095
Payment to Locker Smiths (Private) Limited	9,414	-
Payment to Sundar Interiors & Architects	4,525	32,050
Payment to Timber Links	2,215	6,107
Payment to Expressive Safety & Security Solutions	7,662	2,495
Payment to Olive International (Private) Limited	1,525	4,789
Payment to Computer Marketing Co. (Private) Limited.	11,938	5,068
Payment to K-Tabs	11,349	9,920
Payment to MEC Engineer	4,678	2,296
Payment to Tahiri Printers	3,943	-
Payment to Bawany Traders	2,833	-
Contribution to employees provident fund	162,703	152,508
Charge for defined benefit plan	142,028	148,890
Provision against advances to Wateen Telecom (Private) Limited	679,385	-
Commission received from Warid Telecom (Private) Limited	1,828	6,643

30 June 2016 (Un-audited)	31 December 2015 (Audited)
(Rupees in '000)	

27.6 Balances with Subsidiaries / Associates and Others

Subsidiaries / Associates

Advance Rent from Alfalah Insurance Company Limited	832	1,955
Advance against issuance of Shares - Sapphire Wind Power Company Limited	112,350	112,350
Rent receivable from Alfalah Securities (Private) Limited	-	577
Brokerage payable to Alfalah Securities (Private) Limited	110	46
TFCs held by Alfalah GHP Income Multiplier Fund	6,118	6,119
TFCs held by Alfalah GHP Income Fund	72,900	87,899

Others

Mark-up suspended on advances to Warid Telecom (Private) Limited	50,470	42,582
Mark-up suspended on advances to Wateen Telecom (Private) Limited	725,454	644,122
Advance Rent from Warid Telecom (Private) Limited	234	8,206
Rent receivable from Warid Telecom (Private) Limited	98	-
Rent payable to Wateen Telecom (Private) Limited	960	750
Commission receivable from Warid Telecom (Private) Limited	3,657	-
TFCs held by Taavun (Private) Limited	498,700	498,800
TFCs held by Key Management Personnel	193,535	186,591

Half year ended	
30 June 2016 (Un-audited)	30 June 2015 (Un-audited)
(Rupees in '000)	

27.7 The key management personnel / directors compensation are as follows:

Salaries and Allowances	832,708	741,550
Fair value charge against employee stock option scheme	56,243	45,078

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

28 DATE OF AUTHORISATION

The unconsolidated condensed interim financial information was authorised for issue on 24 August 2016 by the Board of Directors of the Bank.

29 GENERAL

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

- 29.1** During the current period, the State Bank of Pakistan (SBP), vide BPRD Circular Letter No. 05 of 2016 dated February 29, 2016 has issued instructions on revised forms of annual financial statements, which further supplements the requirements laid down earlier, vide SBP's BSD Circular No. 4 of 2006 and BSD Circular Letter No. 03 of 2013 on the matter.

In order to standardize the financial statements and to bring comparability, banks having IBBs have been advised to show Islamic Financing and Related Assets under the head of 'Advances' in their financial statements. In addition, banks have also been advised to show Bai Muajjal of Government of Pakistan Ijara Sukuk with State Bank of Pakistan and other Financial Institutions under the head 'Lendings to Financial Institutions,' whereas Bai Muajjal transactions with Government of Pakistan are required to be reported under investment category as other Federal Government securities.

The effect of re-classification on comparative information presented for the year ended December 31, 2015 as part of the Statement of Financial Position is as follows:

	As at 31 December 2015		
	As previously reported	(Rupees in '000) Effect of Re-classification	As restated
Lending to Financial Institutions	53,628,870	(26,002,520)	27,626,350
Investments - net	397,097,214	26,002,520	423,099,734
Advances - net	327,297,821	6,860,918	334,158,739
Other assets	28,420,651	(6,860,918)	21,559,733

29.2 In addition to the aforementioned, no significant reclassification has been made except as follows:

Description	Rupees in '000	Reclassified	
		From	To
Insurance expenses on Ijarah assets	(138,233)	Other Income	Mark-up / return / interest earned
Registration expenses on Ijarah assets	(30,598)	Other Income	Mark-up / return / interest earned
Rental income on Ijarah assets	162,177	Other Income	Mark-up / return / interest earned

Annexure-I

Islamic Banking Business

The bank is operating through 158 Islamic banking branches as at 30 June 2016 (31 December 2015: 158 branches).

	Note	30 June 2016	31 December 2015
		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		12,568,853	9,516,305
Balances with and due from financial institutions		2,000,638	2,938,812
Lendings to financial institutions		14,326,776	12,610,451
Investments - net		63,069,729	59,424,549
Islamic financing and related assets	A-1.1	40,852,245	42,056,149
Operating fixed assets		2,227,381	2,285,906
Other assets		3,024,549	2,664,563
		138,070,171	131,496,735
LIABILITIES			
Bills payable		2,559,408	1,428,720
Due to financial institutions		5,195,283	9,984,637
Deposits and other accounts			
- Current accounts		41,181,708	37,357,094
- Saving accounts		54,465,622	51,824,143
- Term deposits		16,282,280	14,714,498
- Others		2,052,157	1,269,209
Deposits from financial institutions - remunerative deposits		1,624,742	240,392
Deposits from financial institutions - non-remunerative deposits		1,816	1,946
Other liabilities		4,481,558	5,303,877
		127,844,574	122,124,516
		10,225,597	9,372,219
NET ASSETS			
REPRESENTED BY			
Islamic banking fund		1,800,000	1,800,000
Exchange translation reserve		90	(56)
Unappropriated / unremitted profit		7,216,093	6,463,950
		9,016,183	8,263,894
Surplus on revaluation of assets - net of tax		1,209,414	1,108,325
		10,225,597	9,372,219
Remuneration to Shariah Advisor / Board		3,660	4,605
CHARITY FUND			
Opening Balance		176,557	131,543
Additions during the period			
Received from customers on delayed payments & others		26,635	80,933
Non-shariah compliant income		-	1,295
Profit on charity saving account		3,694	8,527
		30,329	90,755
Less : Distribution of Charity			
Welfare Works		-	(16,397)
Health		(10,425)	(24,163)
Education		(1,900)	(5,181)
		(12,325)	(45,741)
Closing Balance		194,561	176,557

Annexure-I

Islamic Banking Business

	Quarter ended 30 June 2016	Half year ended 30 June 2016	Quarter ended 30 June 2015	Half year ended 30 June 2015
	----- (Rupees in '000) -----			
Income / return earned	1,892,572	3,649,925	2,033,611	4,267,550
Income / return expensed	764,073	1,661,168	962,063	1,979,079
Net income / return earned after depreciation	1,128,499	1,988,757	1,071,548	2,288,471
Provisions against loans and advances - net	32,386	47,018	76,710	109,491
Provision for diminution in value of investments - net	(7,500)	4,063	-	13,828
Bad debts written off directly	-	-	-	-
	24,886	51,081	76,710	123,319
Net income / return earned after provisions	1,103,613	1,937,676	994,838	2,165,152
Other income				
Fee, commission and brokerage income	82,220	147,861	78,074	148,122
Dividend income	45,320	45,320	40,867	40,867
Income from dealing in foreign currencies	51,604	85,110	36,121	55,680
Gain on sale of securities - net	1,025	1,025	31,953	84,386
Unrealised loss on revaluation of investment classified as held for trading	(1,207)	-	(1,098)	(633)
Other income	24,227	42,394	23,731	46,421
Total other income	203,189	321,710	209,648	374,843
	1,306,802	2,259,386	1,204,486	2,539,995
Other expenses				
Administrative expenses	750,944	1,506,935	714,582	1,464,634
Provision against off-balance sheet obligations	-	-	-	-
Other charges	322	344	1,241	376
Total other expenses	751,266	1,507,279	715,823	1,465,010
Profit before taxation	555,536	752,107	488,663	1,074,985

Annexure-I

Islamic Banking Business

	Note	30 June 2016	31 December 2015
		(Rupees in '000)	
A-1.1 Islamic Financing and Related Assets			
Murabaha	A-1.1.1	6,965,248	10,173,925
Ijarah	A-1.1.2	7,627,669	7,220,136
Diminishing Musharakah	A-1.1.3	579,556	506,584
Musharakah	A-1.1.4	10,830,477	9,902,071
Running Musharakah	A-1.1.5	6,859,314	3,153,938
Salam	A-1.1.6	2,903,356	5,016,961
Istisna	A-1.1.7	838,645	1,833,420
SBP Islamic Export Refinance Scheme	A-1.1.8	3,324,553	3,410,839
Others	A-1.1.9	923,427	838,275
		<u>40,852,245</u>	<u>42,056,149</u>
A-1.1.1 Murabaha			
Financing / Investments / Receivables		7,139,987	7,091,427
Advances		376,360	3,652,705
Others (Provisions)		(551,099)	(570,207)
		<u>6,965,248</u>	<u>10,173,925</u>
A-1.1.2 Ijarah			
Financing / Investments / Receivables		160,838	176,280
Advances		679,286	408,452
Assets / Inventories		7,064,049	6,875,617
Others (Provisions)		(276,504)	(240,213)
		<u>7,627,669</u>	<u>7,220,136</u>
A-1.1.3 Diminishing Musharakah			
Financing / Investments / Receivables		639,482	614,441
Advances		80,731	45,053
Others (Provisions)		(140,657)	(152,910)
		<u>579,556</u>	<u>506,584</u>
A-1.1.4 Musharakah			
Financing / Investments / Receivables		8,205,397	8,258,035
Advances		2,634,133	1,653,089
Others (Provisions)		(9,053)	(9,053)
		<u>10,830,477</u>	<u>9,902,071</u>
A-1.1.5 Running Musharakah			
Financing / Investments / Receivables		6,859,314	3,153,938
Advances		-	-
Others (Provisions)		-	-
		<u>6,859,314</u>	<u>3,153,938</u>
A-1.1.6 Salam			
Financing / Investments / Receivables		2,905,456	4,989,061
Advances		-	30,000
Others (Provisions)		(2,100)	(2,100)
		<u>2,903,356</u>	<u>5,016,961</u>
A-1.1.7 Istisna			
Financing / Investments / Receivables		483,646	810,830
Advances		399,999	1,022,590
Others (Provisions)		(45,000)	-
		<u>838,645</u>	<u>1,833,420</u>
A-1.1.8 SBP Islamic Export Refinance Scheme			
Financing / Investments / Receivables		3,324,553	3,410,839
Advances		-	-
Others (Provisions)		-	-
		<u>3,324,553</u>	<u>3,410,839</u>
A-1.1.9 Others			
Staff Loans		904,627	808,402
Advance Against Musharakah Staff		39,326	46,320
Advance Against Ijarah Staff		2,158	2,709
Advance Against Murabaha Staff		1,301	-
Overdue Acceptances and FBP		4,711	12,452
Others (Provisions)		(28,696)	(31,608)
		<u>923,427</u>	<u>838,275</u>

Consolidated Condensed Interim Statement of Financial Position

As at 30 June 2016

	Note	30 June 2016 (Un-audited)	31 December 2015 (Audited) (Restated)
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		51,823,288	62,368,827
Balances with other banks	7	14,138,286	16,583,138
Lendings to financial institutions	8	16,522,087	27,626,350
Investments - net	9	424,468,346	423,518,968
Advances - net	10	345,069,957	334,160,478
Operating fixed assets	11	17,594,089	17,317,691
Deferred tax assets		-	-
Other assets		21,422,013	21,840,305
		891,038,066	903,415,757
LIABILITIES			
Bills payable		14,194,138	9,733,929
Borrowings	12	150,997,663	172,393,198
Deposits and other accounts	13	640,045,523	640,137,161
Sub-ordinated loans		9,981,000	9,983,000
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		3,188,048	1,826,270
Other liabilities		14,341,015	15,249,463
		832,747,387	849,323,021
NET ASSETS		<u>58,290,679</u>	<u>54,092,736</u>
REPRESENTED BY			
Share capital		15,952,076	15,898,062
Reserves		15,129,247	14,164,120
Unappropriated profit		14,674,735	12,813,488
Total equity attributable to the equity holders of the Bank		45,756,058	42,875,670
Non-controlling interest		294,311	274,134
Surplus on revaluation of assets - net of tax		12,240,310	10,942,932
		<u>58,290,679</u>	<u>54,092,736</u>

CONTINGENCIES AND COMMITMENTS

15

The annexed notes 1 to 29 form an integral part of the consolidated condensed interim financial information.

Chief Executive Officer

Director

Director

Chairman

Consolidated Condensed Interim Profit and Loss Account (Un-Audited) for the Quarter and Half Year Ended 30 June 2016

	Note	Quarter ended 30 June 2016	Half year ended 30 June 2016	Quarter ended 30 June 2015	Half year ended 30 June 2015
		(Rupees in '000)			
Mark-up / return / interest earned	16	14,764,667	29,715,038	15,345,226	31,243,911
Mark-up / return / interest expensed		7,209,268	15,058,592	8,238,113	17,335,190
Net mark-up / interest income		7,555,399	14,656,446	7,107,113	13,908,721
Provision against non-performing loans and advances - net		114,944	343,575	452,733	1,136,389
Provision / (reversal) for diminution in value of investments - net		53,324	64,887	59,894	73,722
Bad debts written-off directly		-	-	-	-
		168,268	408,462	512,627	1,210,111
Net mark-up / interest income after provisions		7,387,131	14,247,984	6,594,486	12,698,610
Non mark-up / interest income					
Fee, commission and brokerage income		1,486,496	2,539,029	1,277,874	2,228,644
Dividend income	17	62,137	201,506	72,450	179,791
Income from dealing in foreign currencies	18	310,313	613,277	324,541	728,357
Gain on sale of securities - net	19	443,028	1,225,048	479,773	1,086,884
Unrealised gain / (loss) on revaluation of investments classified as held for trading - net	20	25,014	24,011	49,141	97,148
Share of profit from associates		132,507	205,010	89,598	154,490
Other income	21	188,602	337,732	325,319	461,799
Total non mark-up / interest income		2,648,097	5,145,613	2,618,696	4,937,113
		10,035,228	19,393,597	9,213,182	17,635,723
Non mark-up / interest expenses					
Administrative expenses		6,133,712	11,673,805	5,382,376	10,544,926
Provision / (reversal) against off-balance sheet obligations		14,872	15,089	(10,729)	(1,940)
Provision / (reversal) against other assets		92,236	(44,742)	220,512	271,298
Other charges		63,619	155,976	127,869	214,120
Total non mark-up / interest expenses		6,304,439	11,800,128	5,720,028	11,028,404
		3,730,789	7,593,469	3,493,154	6,607,319
Extra ordinary / unusual items		-	-	-	-
Profit before taxation		3,730,789	7,593,469	3,493,154	6,607,319
Taxation	24				
- Current		1,122,063	2,738,646	1,271,739	2,719,746
- Deferred		249,677	(33,653)	(9,254)	(395,712)
- Prior years		563,000	563,000	567,813	567,813
		1,934,740	3,267,993	1,830,298	2,891,847
Profit after taxation		1,796,049	4,325,476	1,662,856	3,715,472
Profit attributable to:					
Equity holders of the Bank		1,786,075	4,305,299	1,660,860	3,702,168
Non-controlling interest		9,974	20,177	1,996	13,304
		1,796,049	4,325,476	1,662,856	3,715,472
		(Rupees)			
Basic earnings per share	22	1.12	2.70	1.05	2.33
Diluted earnings per share	22	1.12	2.70	1.04	2.33

The annexed notes 1 to 29 form an integral part of the consolidated condensed interim financial information.

Chief Executive Officer

Director

Director

Chairman

Consolidated Condensed Interim Statement of Comprehensive Income (Un-Audited)

for the Quarter and Half Year Ended 30 June 2016

	Quarter ended 30 June 2016	Half year ended 30 June 2016	Quarter ended 30 June 2015	Half year ended 30 June 2015
	----- (Rupees in '000) -----			
Profit after taxation	1,796,049	4,325,476	1,662,856	3,715,472
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	313	7,297	(145,470)	40,095
Comprehensive income - transferred to consolidated condensed interim statement of changes in equity	<u>1,796,362</u>	<u>4,332,773</u>	<u>1,517,386</u>	<u>3,755,567</u>
Attributable to:				
Equity holders of the Bank	1,786,388	4,312,596	1,515,390	3,742,263
Non-controlling Interest	9,974	20,177	1,996	13,304
Comprehensive income - transferred to statement of changes in equity	<u>1,796,362</u>	<u>4,332,773</u>	<u>1,517,386</u>	<u>3,755,567</u>
Components of comprehensive income not reflected in equity				
Surplus / (deficit) on revaluation of available-for-sale securities - net of tax	545,020	1,419,824	191,955	2,486,895
Share of surplus on revaluation of associates' available for sale securities	(584)	(536)	-	-
Total comprehensive income	<u>2,340,798</u>	<u>5,752,061</u>	<u>1,709,341</u>	<u>6,242,462</u>

The annexed notes 1 to 29 form an integral part of the consolidated condensed interim financial information.

Chief Executive Officer

Director

Director

Chairman

Consolidated Condensed Interim Cash Flow Statement (Un-Audited) for the Half Year Ended 30 June 2016

	Note	30 June 2016	30 June 2015
		(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		7,593,469	6,607,319
Less: Dividend income		(201,506)	(179,791)
Share of profit from associates		(205,010)	(154,490)
		<u>7,186,953</u>	<u>6,273,038</u>
Adjustments for:			
Depreciation		848,399	890,819
Amortisation		161,425	134,395
Provision against non-performing loans and advances - net		343,575	1,136,389
Provision for diminution in the value of investments - net		64,887	73,722
Provision / (reversal) against off-balance sheet obligations		15,089	(1,940)
(Reversal) / provision against other assets		(44,742)	271,298
Unrealised gain on revaluation of investments classified as held for trading - net		(24,011)	(97,148)
Gain on sale of operating fixed assets - net		(19,501)	(4,875)
Charge for defined benefit plan		142,028	148,890
		<u>1,487,149</u>	<u>2,551,550</u>
		<u>8,674,102</u>	<u>8,824,588</u>
(Increase) / decrease in operating assets			
Lendings to financial institutions		6,162,237	(14,429,347)
Held-for-trading securities		3,622,544	16,798,057
Advances		(11,253,054)	(14,338,509)
Other assets (excluding tax recoverable and dividend receivable)		<u>452,224</u>	<u>(7,986)</u>
		<u>(1,016,049)</u>	<u>(1,977,785)</u>
Increase / (decrease) in operating liabilities			
Bills payable		4,460,209	818,170
Borrowings		(21,341,727)	39,702,061
Deposits and other accounts		(91,638)	(1,240,176)
Other liabilities (excluding current taxation)		<u>(1,200,849)</u>	<u>(1,037,517)</u>
		<u>(18,174,005)</u>	<u>38,242,538</u>
		<u>(10,515,952)</u>	<u>35,089,341</u>
Income tax paid		<u>(2,615,400)</u>	<u>(778,398)</u>
Net cash generated from operating activities		<u>(13,131,352)</u>	<u>34,310,943</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		16,305,799	(30,959,573)
Net investments in held-to-maturity securities		(18,851,183)	1,216,942
Disposal / (investment) in associates		204,799	423,344
Dividend income received		189,173	179,811
Investments in operating fixed assets		(1,126,424)	(954,434)
Proceeds from sale of operating fixed assets		24,365	18,088
Net cash used in investing activities		<u>(3,253,471)</u>	<u>(30,075,822)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Redemption of sub-ordinated loans		(2,000)	(2,000)
Proceeds from issue of shares		84,895	41,836
Dividend paid		<u>(1,583,978)</u>	<u>(3,058,977)</u>
Net cash used in / generated from financing activities		<u>(1,501,083)</u>	<u>(3,019,141)</u>
Exchange difference on translation of the net investments in foreign branches		7,297	40,095
(Decrease) / increase in cash and cash equivalents		<u>(17,878,609)</u>	<u>1,256,075</u>
Cash and cash equivalents at the beginning of the period		93,399,914	65,539,265
Effect of exchange rate changes on cash and cash equivalents		<u>226,775</u>	<u>343,958</u>
		<u>93,626,689</u>	<u>65,883,223</u>
Cash and cash equivalents at the end of the period	23	<u>75,748,080</u>	<u>67,139,298</u>

The annexed notes 1 to 29 form an integral part of the consolidated condensed interim financial information.

Consolidated Condensed Interim Statement of Changes in Equity (Un-Audited)

for the Half Year Ended 30 June 2016

	Capital Reserve				Revenue Reserve				
	Share Capital	Share Premium	Statutory Reserve*	Exchange Translation Reserve	Employee Share Option Compensation Reserve	Unappropriated profit	Sub-total	Non Controlling Interest	Total
	(Rupees in '000)								
Balance as at 1 January 2015	15,872,427	4,285,556	6,636,342	1,362,465	53,663	10,091,872	38,302,325	255,999	38,558,324
Changes in equity for the half year ended 30 June 2015									
Total comprehensive income for the period									
Profit after taxation for the half year ended 30 June 2015	-	-	-	-	-	3,702,168	3,702,168	13,304	3,715,472
Other comprehensive income for the half year ended 30 June 2015									
Exchange differences on translation of net investment in foreign branches	-	-	-	40,095	-	-	40,095	-	40,095
Transfer to statutory reserve	-	-	-	40,095	-	3,702,168	3,742,263	13,304	3,755,567
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	740,924	-	-	(740,924)	-	-	-
Transactions with owners, recorded directly in equity									
Final cash dividend for the year ended 31 December 2014 @ 20%	-	-	-	-	-	17,394	17,394	-	17,394
Share capital issued during the period	25,635	16,201	-	-	-	(3,174,485)	(3,174,485)	-	(3,174,485)
Recognition of fair value of share based payments on grant date during the period	-	-	-	-	125,625	-	125,625	-	125,625
Unamortised portion of deferred employee compensation expense	-	-	-	-	(80,547)	-	(80,547)	-	(80,547)
Balance as at 30 June 2015	15,898,062	4,301,757	7,377,266	1,402,560	98,741	9,896,025	38,974,411	269,303	39,243,714
Changes in equity for the half year ended 31 December 2015									
Total comprehensive income for the period									
Profit after taxation for the year ended 31 December 2015	-	-	-	-	-	3,800,492	3,800,492	(1,635)	3,798,857
Effect of change in minority interest	-	-	-	-	-	(6,466)	(6,466)	6,466	-
Other comprehensive income for the half year ended 31 December 2015									
Exchange differences on translation of net investment in foreign branches	-	-	-	170,406	-	-	170,406	-	170,406
Remeasurement of defined benefit plans	-	-	-	-	-	(199,200)	(199,200)	-	(199,200)
Related tax charge	-	-	-	-	-	69,637	69,637	-	69,637
Share of remeasurement of defined benefit plans of associate	-	-	-	-	-	(752)	(752)	-	(752)
Transfer to statutory reserve	-	-	-	170,406	-	3,663,711	3,834,117	4,831	3,838,948
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	763,638	-	-	(763,638)	-	-	-
Transactions with owners, recorded directly in equity									
Recognition of fair value of share based payments on grant date during the period	-	-	-	-	(6,375)	-	(6,375)	-	(6,375)
Adjustment to unamortised portion of deferred employee compensation expense	-	-	-	-	56,127	-	56,127	-	56,127
Transfer to Share Premium on issuance of shares under Stock Option Scheme	-	27,891	-	-	(27,891)	-	-	-	-
Balance as at 31 December 2015	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 the half year ended 30 June 2016									
Total comprehensive income for the period									
Profit after taxation for the half year ended 30 June 2016	-	-	-	-	-	4,305,299	4,305,299	20,177	4,325,476
Other comprehensive income for the half year ended 30 June 2016									
Exchange differences on translation of net investment in foreign branches	-	-	-	7,297	-	-	7,297	-	7,297
Transfer to statutory reserve	-	-	-	7,297	-	4,305,299	4,312,596	20,177	4,332,773
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	870,706	-	-	(870,706)	-	-	-
Transactions with owners, recorded directly in equity									
Cash dividend for the year ended 31 December 2015 @ 10%	-	-	-	-	-	(1,589,806)	(1,589,806)	-	(1,589,806)
Shares issued during the period	54,014	30,881	-	-	-	-	84,895	-	84,895
Recognition of fair value of share based payments on grant date during the period	-	-	-	-	126,102	-	126,102	-	126,102
Adjustment to unamortised portion of deferred employee compensation expense	-	-	-	-	(69,859)	-	(69,859)	-	(69,859)
Transfer to Share Premium on issuance of shares under Stock Option Scheme	-	56,597	-	-	(56,597)	-	-	-	-
Balance as at 30 June 2016	15,952,076	4,417,126	9,011,610	1,580,263	120,248	14,674,735	45,756,058	294,311	46,050,369

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

The annexed notes 1 to 29 form an integral part of the consolidated condensed interim financial information.

Chief Executive Officer

Director

Director

Chairman

Notes to and Forming Part of the Consolidated Condensed Interim Financial Information (Un-Audited) for the Half Year Ended 30 June 2016

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 484 conventional banking branches including 12 sub branches (2015: 484 branches including 12 sub branches), 10 overseas branches (2015: 10 branches), 158 Islamic banking branches (2015: 158 branches) and 1 offshore banking unit (2015: 1 unit).

PACRA has 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.

	Percentage of Holding	
	30 June 2016	31 December 2015
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 2.5 to the annual consolidated financial statements for the year ended 31 December 2015.

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 the 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.
- 2.3 Key financial figures of the Islamic Banking branches of the Bank 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 consolidated financial statements of the Group for the year ended December 31, 2015.

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 the 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

- 4.1 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 financial statements of the Group for the year ended December 31, 2015 except for the following:

Non-banking assets acquired in satisfaction of claims

On January 1, 2016, the State Bank of Pakistan (SBP) vide BPRD circular No. 1 of 2016 issued 'Regulations for Debt Property Swaps'. These regulations require banks to measure non-banking assets acquired in satisfaction of claims at revalued amounts less accumulated depreciation thereon. The valuation of properties acquired under this head is to be conducted regularly, by professionally qualified evaluators appearing on the approved panel of the 'Pakistan Banks Association', so as to ensure that their net carrying value does not materially differ from their fair value. Any surplus arising on revaluation of such properties is transferred to the 'surplus on revaluation of fixed assets' account, while any deficit arising on revaluation is charged to profit and loss account directly. In addition, all direct costs, including legal fees and transfer costs linked with transferring the title of the property to banks is accounted as an expense in the profit and loss account. Furthermore, under these regulations, revaluation surplus on such assets shall not be admissible for calculating banks' Capital Adequacy Ratio (CAR) and exposure limits under the Prudential Regulations. However, the surplus can be adjusted upon realization of sale proceeds.

In line with these regulations, the Group, effective January 1, 2016 has changed its accounting policy for recording of non-banking assets acquired in satisfaction of claims to incorporate the aforementioned requirements. Prior to this change in accounting policy, Non-banking assets acquired in satisfaction of claims were carried at cost less impairment, if any. Had the accounting policy not been changed, Non-banking assets (included in Other Assets in the statement of financial position) would have been lower by Rs. 48.67 million, surplus on revaluation of assets and deferred tax liabilities would have been lower by Rs. 35.68 million and Rs. 12.99 million respectively, and profit after tax would have been higher by Rs. 0.668 million.

- 4.2 In addition certain reclassifications have been made as required by SBP Circular No. 05 of 2016 (refer note 29.1) and additional disclosures in respect of Islamic Index Screening as required by Circular No. 14 of 2016 issued by Securities and Exchange Commission of Pakistan (SECP) have been made.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis and methods used for critical accounting estimates and judgments 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, 2015.

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, 2015.

7 BALANCES WITH OTHER BANKS

These include Rs. 2,000.638 million (December 2015: Rs. 2,938.812 million) being amounts placed in Shariah Compliant Bank Accounts.

8 LENDINGS TO FINANCIAL INSTITUTIONS

Note	30 June 2016 (Un-audited)	31 December 2015 (Audited) (Restated)
	(Rupees in '000)	
Call money lendings	8.1	10,387,164
Bai Muajjal	8.2	6,134,923
	8.3	16,522,087
		27,626,350

- 8.1** This represents lending to financial institutions at interest rates range from 0.25% to 9.00% per annum (December 2015: 0.40% to 12.00% per annum) with maturities upto November 2016 (December 2015: November 2016).
- 8.2** This represents Bai Muajjal agreements entered into with State Bank of Pakistan (SBP), whereby the Bank sold Sukuks having carrying value of Rs. 6,000 million on deferred payment basis. The rates of return range from 5.92% to 5.97% per annum (December 2015: 5.99% to 8.26%). They are due to be matured by February 2017 (December 2015: March 2016).
- 8.3** This includes Rs. 12,334.922 million (December 2015: 12,610.451 million) pertaining to Shariah Compliant lendings. These lendings are excluding of intra bank Shariah permissible lendings amounting to Rs. 1,991.854 million (December 2015: NIL).

9 INVESTMENTS - NET

9.1	Investments by types	Note	30 June 2016 (Un-audited)			31 December 2015 (Audited) (Restated)		
			Held by Group	Given as collateral	Total	Held by Group	Given as collateral	Total
			----- (Rupees in '000) -----					
Held-for-trading securities								
	Market Treasury Bills		10,419,219	-	10,419,219	13,480,197	-	13,480,197
	Pakistan Investment Bonds		4,836,216	-	4,836,216	2,423,862	-	2,423,862
	Overseas Bonds		37,903	-	37,903	2,990,933	-	2,990,933
	Fully paid up ordinary shares / units - Listed	9.2	406,171	-	406,171	197,998	-	197,998
			15,699,509	-	15,699,509	19,092,990	-	19,092,990
Available-for-sale securities								
	Market Treasury Bills		41,889,676	6,503,520	48,393,196	78,391,879	494,563	78,886,442
	Pakistan Investment Bonds		48,388,845	111,813,663	160,202,508	28,914,704	128,577,363	157,492,067
	Fully paid up ordinary shares / units - Listed	9.2	5,963,145	-	5,963,145	5,000,753	-	5,000,753
	Fully paid up ordinary shares - Unlisted		4,426,616	-	4,426,616	4,454,223	-	4,454,223
	Term Finance Certificates		817,516	-	817,516	829,594	-	829,594
	Preference Shares - Listed		108,835	-	108,835	108,835	-	108,835
	Preference Shares - Unlisted		25,000	-	25,000	325,000	-	325,000
	Redeemable Participating Certificates		42,978	-	42,978	-	-	-
	Pakistan Euro Bonds		1,331,397	-	1,331,397	2,409,043	-	2,409,043
	Overseas Bonds		12,402,188	-	12,402,188	4,804,159	-	4,804,159
	Sukuk Bonds		37,563,743	-	37,563,743	33,280,442	-	33,280,442
			152,959,939	118,317,183	271,277,122	158,518,632	129,071,926	287,590,558
Held-to-maturity securities								
	Market Treasury Bills		1,791,281	-	1,791,281	-	-	-
	Pakistan Investment Bonds		85,303,622	-	85,303,622	66,180,991	-	66,180,991
	Other Federal Government Securities - Bai Muajjal	9.3	26,002,520	-	26,002,520	26,002,520	-	26,002,520
	Term Finance Certificates		524,266	-	524,266	524,266	-	524,266
	Pakistan Euro Bonds		707,895	-	707,895	3,347,785	-	3,347,785
	Overseas Bonds		8,705,512	-	8,705,512	7,920,557	-	7,920,557
	Sukuk Bonds		4,023,022	-	4,023,022	4,230,816	-	4,230,816
			127,058,118	-	127,058,118	108,206,935	-	108,206,935
Investments in Associates and Mutual Funds								
established under Trust Structure not considered for consolidation								
	Alfalah Insurance Limited		260,951	-	260,951	241,560	-	241,560
	Sapphire Wind Power Company Limited		1,026,795	-	1,026,795	1,006,054	-	1,006,054
	Alfalah GHP Money Market Fund		55,755	-	55,755	54,415	-	54,415
	Alfalah GHP Income Multiplier Fund		290,553	-	290,553	283,699	-	283,699
	Alfalah GHP Sovereign Fund		427,727	-	427,727	423,475	-	423,475
	Alfalah GHP Islamic Stock Fund		356,941	-	356,941	359,958	-	359,958
	Appollo Pharma Limited		839,450	-	839,450	802,130	-	802,130
	Alfalah GHP Income Fund		116,515	-	116,515	113,036	-	113,036
	Alfalah GHP Islamic Income Fund		14,491	-	14,491	6,384	-	6,384
	Alfalah GHP Value Fund		-	-	-	187,684	-	187,684
	Alfalah GHP Cash Fund		520,842	-	520,842	540,918	-	540,918
			3,910,020	-	3,910,020	4,019,313	-	4,019,313
	Investments at cost		299,627,586	118,317,183	417,944,769	289,837,870	129,071,926	418,909,796
Less: Provision for diminution in value of investments including associates								
	Investments (net of provisions)	9.4	(5,584,698)	-	(5,584,698)	(5,519,811)	-	(5,519,811)
			294,042,888	118,317,183	412,360,071	284,318,059	129,071,926	413,389,985
	Surplus on revaluation of held-for-trading securities-net		24,011	-	24,011	229,063	-	229,063
	Surplus on revaluation of available-for-sale securities-net		10,786,137	1,298,127	12,084,264	9,377,825	522,095	9,899,920
	Total investments		304,853,036	119,615,310	424,468,346	293,924,947	129,594,021	423,518,966

9.2 These investments include Rs. 3,550.842 million (December 2015: Rs. 3,065.780 million) being investments in Shariah Compliant listed equities.

9.3 This represents Bai Muajjal agreements entered into with Ministry of Finance (MoF), whereby the Group sold Sukuks having carrying value of Rs. 25,475 million on deferred payment basis. The rate of return on these transactions is 5.99% per annum (December 2015: 5.99%). They are due to be matured by November 2016 (December 2015: November 2016).

	30 June 2016 (Un-audited) (Rupees in '000)	31 December 2015 (Audited) (Rupees in '000)
9.4 Movement in provision for diminution in the value of investments including associates		
Opening balance	5,519,811	5,390,757
Charge for the period / year	64,887	136,691
Provision written off during the period / year	-	(7,637)
Closing balance	<u>5,584,698</u>	<u>5,519,811</u>

	Note	30 June 2016 (Un-audited) (Rupees in '000)	31 December 2015 (Audited) (Rupees in '000)
9.5 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

- Warid Telecom (Private) Limited (Related Party) 9.6 4,366,796 4,366,796

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 127,516 102,069

- Quetta Textile Mills Limited 72,619 37,242

- **Preference shares**

- Trust Investment Bank Limited 25,000 25,000

Held-to-maturity securities

Unlisted securities

- **Term finance certificates / sukuks**

- Agritech Limited 499,586 499,586

- BRR Guardian Modaraba 38,125 34,062

- Security Leasing Corporation Limited 29,245 29,245

- Sitara Peroxide (Private) Limited 113,643 113,643

- Zulekha Textile Mills 24,680 24,680

5,584,698 5,519,811

- 9.6 Effective July 01, 2016, the existing shareholders of Warid Telecom (Private) Limited including the Bank along with its sponsors have transferred their holding in Warid Telecom (Private) Limited to Pakistan Mobile Communications Limited (PMCL), in lieu of acquiring an overall stake of 15 percent in PMCL. This development is in furtherance of the Acquisition Agreement dated November 26, 2015, as referred to in note 9.11.1 to the Groups annual consolidated financial statements for the year ended December 31, 2015.

The merger of the two companies is expected to be completed in the last quarter of 2016 subject to the fulfilment of the required legal processes of amalgamation in Pakistan.

As at June 30, 2016, the Bank's investment in Warid Telecom (Private) Limited stands fully impaired. Pursuant to completion, this transaction will result in de-recognition of this investment from the books of the Bank, and recognition of shares of PMCL allotted to the Bank.

	Note	30 June 2016 (Un-audited)	31 December 2015 (Audited) (Restated)
10 ADVANCES - NET			
(Rupees in '000)			
Loans, cash credits, running finances, etc.			
- In Pakistan		290,968,825	278,766,376
- Outside Pakistan		10,500,442	11,007,287
		<u>301,469,267</u>	<u>289,773,663</u>
Net investment in finance lease			
- In Pakistan		3,879,143	3,638,627
- Outside Pakistan		-	-
		<u>3,879,143</u>	<u>3,638,627</u>
Islamic financing and related assets (gross)	10.3	41,905,354	43,062,240
Bills discounted and purchased (excluding market treasury bills)			
- Payable in Pakistan		5,634,486	6,186,509
- Payable outside Pakistan		8,660,021	7,692,258
		<u>14,294,507</u>	<u>13,878,767</u>
		<u>361,548,271</u>	<u>350,353,297</u>
Provision against advances			
- Specific provision against non-performing advances	10.2	(15,709,795)	(15,452,915)
- General provision against advances	10.2	(768,519)	(739,904)
		<u>(16,478,314)</u>	<u>(16,192,819)</u>
		<u><u>345,069,957</u></u>	<u><u>334,160,478</u></u>

- 10.1 Advances include Rs. 19,126 million (December 2015: Rs. 18,456 million) which have been placed under non-performing status as detailed below:

	30 June 2016 (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)	144,276	-	144,276	4,909	-	4,909	4,909	-	4,909
Substandard	1,657,791	-	1,657,791	431,972	-	431,972	431,972	-	431,972
Doubtful	4,183,624	1,739	4,185,363	2,390,913	150	2,391,063	2,390,913	150	2,391,063
Loss	12,795,338	342,968	13,138,306	12,636,416	245,435	12,881,851	12,636,416	245,435	12,881,851
	18,781,029	344,707	19,125,736	15,464,210	245,585	15,709,795	15,464,210	245,585	15,709,795

Category of classification	31 December 2015 (Audited)								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	----- (Rupees in '000) -----								
Other Assets Especially Mentioned									
(Agri Financing)	115,219	-	115,219	2,547	-	2,547	2,547	-	2,547
Substandard	2,052,587	54,595	2,107,182	524,432	70,795	595,227	524,432	70,795	595,227
Doubtful	2,554,443	5,506	2,559,949	1,502,617	1,587	1,504,204	1,502,617	1,587	1,504,204
Loss	13,111,084	562,325	13,673,409	12,936,545	414,392	13,350,937	12,936,545	414,392	13,350,937
	17,833,333	622,426	18,455,759	14,966,141	486,774	15,452,915	14,966,141	486,774	15,452,915

10.2 Particulars of provisions against non-performing loans and advances

	Half year ended 30 June 2016 (Un-audited)			Year ended 31 December 2015 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	15,452,915	739,904	16,192,819	13,601,667	649,503	14,251,170
Exchange adjustment and other movements	1,622	103	1,725	31,406	3,300	34,706
Charge for the period / year	1,574,943	68,606	1,643,549	3,921,493	146,652	4,068,145
Reversals / recoveries	(1,259,880)	(40,094)	(1,299,974)	(1,858,385)	(59,551)	(1,917,936)
	315,063	28,512	343,575	2,063,108	87,101	2,150,209
Amounts written off	(59,805)	-	(59,805)	(243,266)	-	(243,266)
Closing balance	15,709,795	768,519	16,478,314	15,452,915	739,904	16,192,819

- 10.2.1 The additional profit arising from availing the forced sales value (FSV) benefit - net of tax at June 30, 2016 which is not available for distribution as either cash or stock dividend to shareholders and bonus to employees amounted to Rs. 110.378 million (December 2015: Rs. 110.774 million).

- 10.2.2 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 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.

- 10.3 These represent financing and related assets placed under Shariah permissible modes.

	Note	30 June 2016 (Un-audited) (Rupees in '000)	31 December 2015 (Audited) (Rupees in '000)
11 OPERATING FIXED ASSETS			
Capital work-in-progress		774,471	704,981
Tangible fixed assets		15,753,290	15,532,465
Intangible assets		1,066,328	1,080,245
		<u>17,594,089</u>	<u>17,317,691</u>
		Half year ended	
		30 June	30 June
		2016	2015
		(Un-audited)	
		(Rupees in '000)	
11.1 Additions to operating fixed assets			
Office premises		386,224	-
Leasehold improvements		88,419	427,617
Office equipments		394,023	583,448
Furniture and fixtures		32,334	41,717
Vehicles		16,550	15,236
11.2 Additions to Intangibles			
Computer software		149,090	279,085
11.3 Disposals of operating fixed assets			
Leasehold improvements		10	-
Office equipments		67,385	22,629
Furniture and fixtures		11,147	28,551
Vehicles		26,773	23,326
		30 June	31 December
		2016	2015
		(Un-audited)	(Audited)
		(Rupees in '000)	
12 BORROWINGS			
Secured			
Borrowings from State Bank of Pakistan		16,786,501	17,430,111
Repurchase agreement borrowings	12.1	119,680,088	129,071,926
Borrowings of foreign operations		61,942	-
		<u>136,528,531</u>	<u>146,502,037</u>
Unsecured			
Call borrowings	12.2	13,586,655	17,901,900
Bai Muajjal	12.3	882,477	7,935,453
Overdrawn nostro accounts		-	53,808
		<u>14,469,132</u>	<u>25,891,161</u>
		<u>150,997,663</u>	<u>172,393,198</u>
12.1	This represents repurchase agreement borrowing from SBP and other banks at the rate of 0.75% and 6.25% per annum respectively (December 2015: 6.04% and 6.50% per annum) having maturities upto July 2016 (December 2015: January 2016).		
12.2	This represents borrowings from financial institutions at mark-up rates ranging from 0.55% to 6.10% per annum (December 2015: 0.50% to 6.08% per annum) having maturities upto December 2016 (December 2015: March 2016).		
12.3	This represents borrowings from financial institutions at mark-up rate of 5.90% per annum (December 2015: 6.35% to 7.45% per annum) having maturity upto August 2016 (December 2015: April 2016).		

	30 June 2016 (Un-audited)	31 December 2015 (Audited)
(Rupees in '000)		
13 DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	120,879,351	137,604,333
Savings deposits	209,454,494	210,368,288
Current accounts - non-remunerative	260,402,837	234,743,586
Others	10,804,566	6,849,023
	<u>601,541,248</u>	<u>589,565,230</u>
Financial institutions		
Remunerative deposits	35,435,644	48,877,152
Non-remunerative deposits	3,068,631	1,694,779
	<u>38,504,275</u>	<u>50,571,931</u>
	<u>640,045,523</u>	<u>640,137,161</u>

- 13.1** Deposits include Rs. 115,608 million (December 2015: Rs. 105,407 million) placed under permissible Shariah modes.

14 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

This includes surplus of Rs. 1,060.889 million (December 2015: Rs. 383.802 million) on revaluation of available-for-sale securities placed as per arrangements permissible under Shariah.

	30 June 2016 (Un-audited)	31 December 2015 (Audited)
(Rupees in '000)		
15 CONTINGENCIES AND COMMITMENTS		
15.1 Direct credit substitutes		
i) Government	2,451,918	743,580
ii) Banking companies and other financial institutions	-	311,835
iii) Others	126,226	2,094,645
	<u>2,578,144</u>	<u>3,150,060</u>
15.2 Transaction - related contingent liabilities		
i) Government	29,469,461	27,412,625
ii) Banking companies and other financial institutions	463,066	163,826
iii) Others	8,744,039	12,719,286
	<u>38,676,566</u>	<u>40,295,737</u>
15.3 Trade - related contingent liabilities		
Letters of credit	<u>62,056,024</u>	<u>52,107,916</u>
Acceptances	<u>15,431,737</u>	<u>15,797,161</u>
15.4 Other contingencies		
15.4.1 Claims against the Bank not acknowledged as debts	<u>14,685,862</u>	<u>14,861,738</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.

- 15.4.2** There is no change in the contingency relating to amount debited in Bank's nostro account in New York, United States of America from that disclosed in consolidated annual audited financial statements for the year ended December 31, 2015.

	30 June 2016 (Un-audited) (Rupees in '000)	31 December 2015 (Audited) (Rupees in '000)
15.5 Commitments in respect of forward lendings		
Commitments to extend credit	8,510,334	5,222,555
15.6 Commitments in respect of forward exchange contracts		
Purchase	78,171,160	98,261,212
Sale	78,761,981	106,520,120
15.7 Commitments for the acquisition of operating fixed assets	331,049	291,237
15.8 Commitments in respect of investments	5,273,000	-
15.9 Commitments in respect of repo transactions		
Repurchase	118,487,634	129,226,010
15.10 Other commitments		
Interest rate swaps	7,133,190	6,962,920
Donations	22,000	22,000
15.11 Contingencies for tax payable (note 24)		
	Note	Half year ended
	30 June 2016 (Un-audited) (Rupees in '000)	30 June 2015 (Un-audited) (Rupees in '000)
16 MARK-UP / RETURN / INTEREST EARNED		
a) On loans and advances	11,860,346	13,775,424
b) On investments in:		
i) held-for-trading securities	543,812	586,637
ii) available-for-sale securities	10,903,896	11,029,144
iii) held-to-maturity securities	4,888,963	4,537,604
c) On deposits with financial institutions	16.1 1,382,138	1,157,205
d) On securities purchased under resale agreements	135,883	157,897
	29,715,038	31,243,911

- 16.1** These include profit of Rs. 1,164.283 million (June 2015: Rs. 954.674 million) from placements permissible under Shariah.

	Half year ended	
	30 June 2016	30 June 2015
	(Un-audited) (Rupees in '000)	
17 DIVIDEND INCOME		
Listed Companies		
Allied Bank Limited	3,121	1,458
Attock Cement Pakistan Limited	-	1,125
Attock Petroleum Limited	3,195	2,450
Bank Al-Habib Limited	19,072	15,900
Engro Corporation Limited	13,355	5,946
Engro Fertilizer Limited	7,197	1,200
Engro Powergen Qadirpur Limited	3,679	4,656
Fatima Fertilizers Company Limited	-	6,600
Fauji Cement Company Limited	2,275	-
Fauji Fertilizer Bin Qasim Limited	6,405	2,250
Fauji Fertilizer Company Limited	7,642	7,168
Habib Bank Limited	13,248	4,119
Hub Power Company Limited	43,538	18,000
Kot Addu Power Company Limited	10,838	6,400
MCB Bank Limited	7,400	2,792
National Bank Of Pakistan	1,275	1,375
Nishat Chunian Power Limited	8,950	19,659
Nishat Power Limited	9,898	16,246
Oil & Gas Development Company Limited	1,590	4,875
Pak Oman Advantage Fund	-	15,000
Pakistan Oilfields Limited	9,828	14,701
Pakistan Petroleum Limited	2,531	9,806
Pakistan Reinsurance Company Limited	250	-
Pakistan State Oil Company Limited	5,559	6,630
Pakistan Stock Exchange Guarantee Ltd	401	602
United Bank Limited	18,860	9,675
Visa Shares	1,399	1,158
	<u>201,506</u>	<u>179,791</u>
18 INCOME FROM DEALING IN FOREIGN CURRENCIES		
Foreign currencies	1,018,583	617,116
Derivative financial instruments	(405,306)	111,241
	<u>613,277</u>	<u>728,357</u>
19 GAIN ON SALE OF SECURITIES - NET		
This includes gain of Rs. 150.701 million (June 2015: Rs. 130.118 million) earned on sale of investments as per arrangements permissible under Shariah.		
20 UNREALISED GAIN ON REVALUATION OF INVESTMENTS CLASSIFIED AS HELD-FOR-TRADING - NET		
This includes gain of Rs. 1.150 million (June 2015: loss of Rs. 4.018 million) earned on sale of investments as per arrangements permissible under Shariah.		

		Half year ended	
		30 June 2016	30 June 2015
		(Un-audited)	(Un-audited)
		(Rupees in '000)	(Rupees in '000)
21 OTHER INCOME			
Gain on sale of operating fixed assets		19,501	4,875
Postage, telex service charges etc.		337,699	454,287
Derivative financial instruments		(19,468)	2,637
		<u>337,732</u>	<u>461,799</u>
22 EARNINGS PER SHARE		(Rupees in '000)	
22.1 BASIC EARNINGS PER SHARE			
Profit for the period attributable to equity holders of the Bank		<u>4,305,299</u>	<u>3,702,168</u>
		(Number of shares in thousand)	
Weighted average number of ordinary shares		<u>1,592,552</u>	<u>1,588,741</u>
		(Rupees)	
Basic earnings per share		<u>2.70</u>	<u>2.33</u>
22.2 DILUTED EARNINGS PER SHARE		(Rupees in '000)	
Profit for the period attributable to equity holders of the Bank		<u>4,305,299</u>	<u>3,702,168</u>
		(Number of shares in thousand)	
Weighted average number of ordinary shares		<u>1,594,685</u>	<u>1,589,367</u>
		(Rupees)	
Diluted earnings per share		<u>2.70</u>	<u>2.33</u>
		30 June 2016	31 December 2015
		(Un-audited)	(Audited)
		(Rupees in '000)	
23 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks		51,823,288	62,368,827
Balances with other banks		14,138,286	16,583,138
Call money lendings		9,786,506	14,728,532
Overdrawn nostro accounts		-	(53,808)
		<u>75,748,080</u>	<u>93,626,689</u>
24 TAXATION			
24.1	The income tax assessments of the Bank have been finalized upto and including tax year 2015. 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, 2012, 2013 and 2015, the tax authorities have raised certain issues including disallowance of expenditure on account of non-deduction of withholding tax, default in payment of WWF, allocation of expenses to dividend and capital gains and dividend income from mutual funds not being taken under income from business, resulting in additional demand of Rs.1,365.147 million. As a result of appeal filed before Commissioner Appeals against these issues, relief has been provided for tax amount of Rs.1,023.719 million whereas appeal effect orders are pending. The management's appeals on certain issues are pending before Commissioner Appeals. The management is confident that this matter 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 to the extent of principal amount which is part of Ijarah rentals and should not be taxed. Accordingly tax amount is reduced to Rs.96.160 million. The Bank has filed appeal before Appellate Tribunal. 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.355.159 million against tax demand (after reduction on rectifications) for tax years 2009 to 2015. 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.

25 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Based on the Bank's internal reporting framework, business activities are split into various reporting segments. The segment analysis with respect to the business activities of the Bank and its subsidiaries is presented below:

For the period ended 30 June 2016									
Retail Banking	Corporate Banking	Treasury	Consumer Banking	Islamic Banking	International Operations	Others	Retail Brokerage	Asset Management	Total
(Rs. in '000)									
Segment income	3,430,897	6,957,253	16,020,018	2,097,584	4,018,807	1,975,829	169,173	28,595	34,860,651
Inter-segment Income / (expense)	8,298,470	(2,869,337)	(5,060,048)	(458,761)	-	-	89,676	-	-
Segment expenses	9,508,936	3,365,100	4,660,563	948,766	3,160,768	788,816	4,692,226	60,279	27,267,182
Profit before tax	2,220,431	722,816	6,299,407	690,057	858,039	1,187,013	(4,433,377)	80,767	7,593,469
As at 30 June 2016									
Retail Banking	Corporate Banking	Treasury	Consumer Banking	Islamic Banking	International Operations	Others	Retail Brokerage	Asset Management	Total
(Rs. in '000)									
Segment assets	116,821,821	207,756,328	318,860,606	19,308,351	136,979,215	57,135,702	33,336,602	280,069	891,038,066
Segment non performing loans	8,707,286	8,285,632	-	479,667	1,176,417	344,707	131,667	360	19,125,736
Segment provision required against loans and advances	8,176,114	5,928,642	-	887,381	1,053,109	340,694	92,014	360	16,478,314
Segment liabilities	416,901,834	96,035,096	127,684,245	1,357,911	125,972,039	49,020,097	15,557,927	102,956	832,747,387
Segment return on assets (ROA %)	1.0%	0.5%	1.9%	7.1%	0.8%	8.4%	-0.6%		2.2%
Segment cost of funds	3.4%	5.3%	5.8%	5.8%	4.7%	2.1%	5.0%		3.9%
For the period ended 30 June 2015									
Retail Banking	Corporate Banking	Treasury	Consumer Banking	Islamic Banking	International Operations	Others	Retail Brokerage	Asset Management	Total
(Rs. in '000)									
Segment income	3,402,629	8,448,843	15,239,990	1,932,026	4,628,043	1,960,095	426,605	4,045	36,181,024
Inter-segment Income / (expense)	10,502,461	(3,235,738)	(7,194,863)	(530,032)	-	-	458,172	-	-
Segment expenses	12,161,402	3,903,747	3,370,619	865,648	3,488,210	1,338,803	4,335,956	8,524	29,573,705
Profit before tax	1,743,688	1,309,358	4,674,508	536,346	1,139,833	621,292	(3,451,179)	37,952	6,607,319
As at 30 June 2015									
Retail Banking	Corporate Banking	Treasury	Consumer Banking	Islamic Banking	International Operations	Others	Retail Brokerage	Asset Management	Total
(Rs. in '000)									
Segment assets	96,235,868	189,024,398	291,689,094	17,294,785	119,001,724	46,573,343	26,236,734	12,906	786,539,126
Segment non performing loans	9,289,706	7,038,698	-	574,864	1,063,347	798,433	143,846	360	18,909,254
Segment provision required against loans and advances	7,818,040	4,995,047	-	735,909	1,024,785	667,806	113,334	360	15,355,281
Segment liabilities	393,272,881	97,064,607	81,644,475	1,447,553	109,527,071	43,936,461	10,871,655	66,480	737,824,281
Segment return on assets (ROA %)	0.8%	1.0%	1.6%	6.5%	1.1%	2.9%	-0.5%		2.1%
Segment cost of funds	4.8%	7.4%	7.7%	7.6%	6.0%	2.7%	6.6%		5.2%

26 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	30 June 2016						Fair value				
	Carrying Amount										
	HFT	AFS	HTM	Loans and Receivables	Associates	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)										
On balance sheet financial instruments											
Financial assets measured at fair value											
- Other assets											
Forward foreign exchange contracts	419,470	-	-	-	-	-	419,470	-	419,470	-	419,470
Interest rate swaps	-	-	-	-	-	-	-	-	-	-	-
- Investments											
Government Securities (Tbills, PIBs, GoP Sukuks, Overseas Govt. Sukuk, Overseas and Euro bonds)	15,317,373	263,422,332	-	-	-	-	278,739,705	-	278,739,705	-	278,739,705
Overseas Bonds - others	-	4,301,048	-	-	-	-	4,301,048	-	4,301,048	-	4,301,048
Ordinary shares of listed companies	406,147	7,046,233	-	-	-	-	7,452,380	7,452,380	-	-	7,452,380
Ordinary shares of unlisted companies	-	40,074	-	-	-	-	40,074	-	-	40,074	40,074
Debt securities (TFCs)	-	616,244	-	-	-	-	616,244	-	616,244	-	616,244
Redeemable Participating Certificate	-	42,978	-	-	-	-	42,978	-	42,978	-	42,978
Sukuk-Other than Govt	-	3,008,961	-	-	-	-	3,008,961	-	3,008,961	-	3,008,961
Financial assets not measured at fair value											
- Cash and bank balances with treasury banks	-	-	-	51,823,288	-	-	51,823,288	-	-	-	-
- Balances with other banks	-	-	-	14,138,286	-	-	14,138,286	-	-	-	-
- Lending to financial institutions	-	-	-	16,522,087	-	-	16,522,087	-	-	-	-
- Advances	-	-	-	345,069,958	-	-	345,069,958	-	-	-	-
- Other assets	-	-	-	20,747,029	-	-	20,747,029	-	-	-	-
- Investments											
Government Securities (PIBs, WAPDA Sukuks, Overseas and Euro bonds)	-	95,972,055	-	-	-	-	95,972,055	-	97,716,599	-	97,716,599
Other Federal Government Securities - Bai Muajjal	-	26,002,520	-	-	-	-	26,002,520	-	26,002,520	-	26,002,520
Overseas Bonds - Others	-	786,255	-	-	-	-	786,255	-	-	-	-
Unlisted Shares (Ordinary & Preference)	-	4,096	-	-	-	-	4,096	-	-	-	-
Sukuks-Other than Govt	-	3,592,009	-	-	-	-	3,592,009	-	3,592,009	-	3,592,009
Associates											
- Mutual Funds	-	-	-	1,782,825	-	-	1,782,825	-	1,782,825	-	1,782,825
- Ordinary shares of unlisted companies	-	-	-	2,127,196	-	-	2,127,196	-	2,127,196	-	2,127,196
	16,142,990	278,481,966	126,352,839	448,300,648	3,910,021	-	873,188,464	-	-	-	-
Financial liabilities measured at fair value											
- Other liabilities											
Forward foreign exchange contracts	824,777	-	-	-	-	-	824,777	-	824,777	-	824,777
Interest rate swaps	293,666	-	-	-	-	-	293,666	-	293,666	-	293,666
Financial liabilities not measured at fair value											
- Bills Payable	-	-	-	-	-	14,194,138	14,194,138	-	-	-	-
- Borrowings	-	-	-	-	-	150,997,662	150,997,662	-	-	-	-
- Deposits and other accounts	-	-	-	-	-	640,036,571	640,036,571	-	-	-	-
- Subordinated Loans	-	-	-	-	-	9,981,000	9,981,000	-	-	-	-
- Other liabilities	-	-	-	-	-	13,433,613	13,433,613	-	-	-	-
	1,118,443	-	-	-	-	828,642,984	829,761,427	-	-	-	-

31 December 2015											
	Carrying Amount						Fair value				
	HFT	AFS	HTM	Loans and Receivables	Associates	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	----- (Rupees in '000) -----										
Financial assets measured at fair value											
- Other assets											
Forward foreign exchange contracts	739,757	-	-	-	-	-	739,757	-	739,757	-	739,757
Interest rate swaps	1,888	-	-	-	-	-	1,888	-	1,888	-	1,888
- Investments											
Government Securities (Tbills, PIBs, GoP Sukuks, Overseas Govt. Sukuk, Overseas and Euro bonds)	19,122,097	279,962,704	-	-	-	-	299,084,801	-	299,084,801	-	299,084,801
Overseas Bonds - others	-	3,638,213	-	-	-	-	3,638,213	-	3,638,213	-	3,638,213
Ordinary shares of listed companies	199,954	5,582,662	-	-	-	-	5,782,616	5,782,616	-	-	5,782,616
Ordinary shares of unlisted company	-	40,074	-	-	-	-	40,074	-	40,074	-	40,074
Debt securities (TFCs)	-	682,680	-	-	-	-	682,680	-	682,680	-	682,680
Sukuk-Other than Govt	-	2,424,212	-	-	-	-	2,424,212	-	2,424,212	-	2,424,212
Financial assets not measured at fair value											
- Cash and bank balances with treasury banks	-	-	-	62,368,826	-	-	62,368,826	-	-	-	-
- Balances with other banks	-	-	-	16,583,138	-	-	16,583,138	-	-	-	-
- Lending to financial institutions	-	-	-	53,628,870	-	-	53,628,870	-	-	-	-
- Advances	-	-	-	327,299,559	-	-	327,299,559	-	-	-	-
- Other assets	-	-	-	27,201,431	-	-	27,201,431	-	-	-	-
- Investments											
Government Securities (PIBs, WAPDA Sukuks, Overseas and Euro bonds)	-	-	77,515,845	-	-	-	77,515,845	-	80,144,714	-	80,144,714
Other Federal Government Securities - Bai Muajjal	-	-	26,002,520	-	-	-	26,002,520	-	26,002,520	-	26,002,520
Overseas Bonds - Others	-	-	266,822	-	-	-	266,822	-	-	-	-
Unlisted Shares (Ordinary & Preference)	-	304,096	-	-	-	-	304,096	-	-	-	-
Sukus-Other than Govt	-	37,242	3,720,532	-	-	-	3,757,774	-	3,721,244	-	3,721,244
Associates											
- Mutual Funds	-	-	-	-	1,969,571	-	1,969,571	-	1,754,637	-	1,754,637
- Ordinary shares of unlisted companies	-	-	-	-	2,049,744	-	2,049,744	-	2,330,815	-	2,330,815
	20,063,696	292,671,883	107,505,719	487,081,824	4,019,315	-	911,342,437				
Financial liabilities measured at fair value											
- Other liabilities											
Forward foreign exchange contracts	729,875	-	-	-	-	-	729,875	-	729,875	-	729,875
Interest rate swaps	88,804	-	-	-	-	-	88,804	-	88,804	-	88,804
Financial liabilities not measured at fair value											
- Bills Payable	-	-	-	-	-	9,733,929	9,733,929	-	-	-	-
- Borrowings	-	-	-	-	-	172,393,198	172,393,198	-	-	-	-
- Deposits and other accounts	-	-	-	-	-	640,137,161	640,137,161	-	-	-	-
- Subordinated Loans	-	-	-	-	-	9,983,000	9,983,000	-	-	-	-
- Other liabilities	-	-	-	-	-	13,515,970	13,515,970	-	-	-	-
	818,679	-	-	-	-	845,763,258	846,581,937				

27 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.

- 27.1** Details of transactions with the related parties and balances with them as at period end / year end are as follows:

	30 June 2016 (Un-audited)				
	Directors	Key Management Personnel	Group / Associated Companies / Others	Associates	Total
	------(Rupees in '000)-----				
Deposits					
Balance at beginning of the period	14,825	120,281	6,095,252	350,316	6,580,674
Placements during the period	63,559	381,434	43,615,874	20,193,677	64,254,544
Withdrawals / adjustments during the period	(57,582)	(355,660)	(43,890,339)	(19,145,075)	(63,448,656)
Balance at end of the period	20,802	146,055	5,820,787	1,398,918	7,386,562
Advances					
Balance at beginning of the period	-	328,280	6,339,450	-	6,667,730
Disbursements/adjustments during the period	-	161,524	8,718,660	-	8,880,184
Repayments / adjustments during the period	-	(213,040)	(8,725,319)	-	(8,938,359)
Balance at end of the period	-	276,764	6,332,791	-	6,609,555
Provision held against advances	-	-	864,845	-	864,845
Investments					
Balance at beginning of the period	-	-	4,716,796	4,019,314	8,736,110
Investments during the period	-	-	-	4,210	4,210
Redemption / adjustments during the period	-	-	(300,000)	(113,504)	(413,504)
Balance at end of the period	-	-	4,416,796	3,910,020	8,326,816
Provision held against investments	-	-	4,416,796	-	4,416,796
Call borrowings / Repo					
Balance at beginning of the period	-	-	-	-	-
Borrowings during the period	-	-	500,000	-	500,000
Repayments during the period	-	-	(500,000)	-	(500,000)
Balance at end of the period	-	-	-	-	-
Call lendings / Reverse repo					
Balance at beginning of the period	-	-	-	-	-
Placements during the period	-	-	1,900,000	-	1,900,000
Withdrawals during the period	-	-	(1,900,000)	-	(1,900,000)
Balance at end of the period	-	-	-	-	-

30 June 2015 (Un-audited)					
	Directors	Key Management Personnel	Group / Associated Companies / Others	Associates	Total
	----- (Rupees in '000) -----				
Deposits					
Balance at beginning of the year	38,398	71,170	5,054,223	453,398	5,617,189
Placements during the year	168,409	1,271,256	81,661,921	29,668,778	112,770,364
Withdrawals / adjustments during the year	(191,982)	(1,222,145)	(80,620,892)	(29,771,860)	(111,806,879)
Balance at end of the year	14,825	120,281	6,095,252	350,316	6,580,674
Advances					
Balance at beginning of the year	-	280,630	3,828,522	-	4,109,152
Disbursements during the year	-	324,922	22,147,792	-	22,472,714
Repayments / adjustments during the year	-	(277,272)	(19,636,864)	-	(19,914,136)
Balance at end of the year	-	328,280	6,339,450	-	6,667,730
Provision held against advances	-	-	185,627	-	185,627
Investments					
Balance at beginning of the year	-	-	4,416,796	3,446,271	7,863,067
Investments during the year	-	-	-	1,867,710	1,867,710
Redemptions / adjustments during the year	-	-	300,000	(1,294,667)	(994,667)
Balance at end of the year	-	-	4,716,796	4,019,314	8,736,110
Provision held against investments	-	-	4,416,796	-	4,416,796
Call borrowings / Repo					
Balance at beginning of the year	-	-	-	-	-
Borrowings during the year	-	-	1,300,000	-	1,300,000
Repayments during the year	-	-	(1,300,000)	-	(1,300,000)
Balance at end of the year	-	-	-	-	-
Call lendings / Reverse repo					
Balance at beginning of the year	-	-	-	-	-
Placements during the year	-	-	17,825,000	-	17,825,000
Withdrawals during the year	-	-	(17,825,000)	-	(17,825,000)
Balance at end of the year	-	-	-	-	-

	30 June 2016 (Un-audited) (Rupees in '000)	31 December 2015 (Audited) (Rupees in '000)
27.2 Advances		
Running finance	1,072,635	760,958
Long term loans	5,536,920	5,906,772
27.3 Contingencies and commitments		
Letter of credit, acceptance & Guarantees outstanding	1,700,156	3,134,931
27.4 Customer Accounts		
PLS accounts	3,573,068	3,264,885
Current accounts	808,467	1,047,644
Fixed deposit accounts	3,005,027	2,268,145

Half year ended
30 June 2016 30 June 2015
(Un-audited)
(Rupees in '000)

27.5 Transactions with Associates and Others

Associates and funds not considered for consolidation

Mark-up expense on deposits / TFCs	20,085	38,945
Rent Income from Alfalah Insurance Limited	1,123	998
Dividend paid to Alfalah Insurance Company Limited	500	1,000
Dividend income from Alfalah GHP Money Market Fund	4,210	-
Dividend income from Alfalah GHP Sovereign Fund	9,253	26,944
Dividend income from Alfalah GHP Islamic Stock Fund	45,320	40,867
Dividend income from Alfalah GHP Cash Fund	32,926	47,082
Dividend income from Alfalah GHP Income Multiplier Fund	10,271	23,284
Dividend income from Alfalah GHP Income Value Fund	-	22,434
Insurance premium paid to Alfalah Insurance Company Limited	537,588	524,701
Revenue from Alfalah GHP Investment Management Limited against sale of units	32,620	-
Brokerage Income - Alfalah Securities (Private) Limited	490	359
Management Fee earned from funds	126,514	84,733
Sales load earned from funds	14,766	5,980
Investment made in fund units	8,000	379,029
Redemption in investment in fund units	-	364,805
Realized gain on redemption in investment in fund units	-	15,789
Payment made on behalf of fund	-	2,966
Dividend income from fund	12,401	2,966
Capital Gain on sale of units of Alfalah GHP Money Market Fund	-	46,672
Capital Gain on sale of units of Alfalah GHP Value Fund	104,800	-

Others

Mark-up income on advances / Investment	231,741	270,349
Mark-up expense on deposits	53,075	121,375
Rent income from Wateen Telecom (Private) Limited	-	1,766
Rent income from Warid Telecom (Private) Limited	8,069	8,915
Rent expense paid pertaining to Wateen Telecom (Private) Limited	4,264	5,700
Interest received on placements with Silk Bank	325	2,367
Amount received on Redemption of Silk Bank Preference Shares	439,200	-
Interest paid on Borrowings from Silk Bank	85	43
Payment to Institute of Bankers of Pakistan for calendars and diaries etc.	2,154	303
Payment to Wateen Telecom (Private) Limited and Wateen Solutions (Private) Limited for purchase of equipment and maintenance charges	74,541	71,848
Payment to Monet (Private) Limited for Branchless banking services	126,468	97,131
Payment to Al-Qudees & Co	8,689	21,095
Payment to Locker Smiths (Private) Limited	9,414	-
Payment to Sundar Interiors & Architects	4,525	32,050
Payment to Timber Links	2,215	6,107
Payment to Expressive Safety & Security Solutions	7,662	2,495
Payment to Olive International (Private) Limited	1,525	4,789
Payment to Computer Marketing Co. (Private) Limited.	11,938	5,068
Payment to K-Tabs	11,349	9,920
Payment to MEC Engineer	4,678	2,296
Payment to Tahiri Printers	3,943	-
Payment to Bawany Traders	2,833	-
Contribution to employees provident fund	166,444	155,775
Charge for defined benefit plan	142,028	148,890
Provision against advances on Wateen Telecom (Private) Limited	679,385	-
Commission received from Warid Telecom (Private) Limited	1,828	6,643

30 June 2016 (Un-audited)	31 December 2015 (Audited)
(Rupees in '000)	

27.6 Balances with Associates and Others

Associates

Advance Rent from Alfalah Insurance Company Limited	832	1,955
Advance against issuance of Shares - Sapphire Wind Power Company Limited	112,350	112,350
Rent receivable from Alfalah Securities (Private) Limited	-	577
TFCs held by Alfalah GHP Income Multiplier Fund	6,118	6,119
TFCs held by Alfalah GHP Income Fund	72,900	87,899
Management Fee Receivable from funds	128,169	104,497
Sales load receivable from funds	20,858	8,477
Investment in funds units	8,000	332,252
Receivable against formation of funds	-	1,969
Insurance payable for General and Health	1,832	183

Others

Mark-up suspended on advances to Warid Telecom (Private) Limited	50,470	42,582
Mark-up suspended on advances to Wateen Telecom (Private) Limited	725,454	644,122
Advance Rent from Warid Telecom (Private) Limited	234	8,206
Rent receivable from Warid Telecom (Private) Limited	98	-
Rent payable to Wateen Telecom (Private) Limited	960	750
Commission receivable from Warid Telecom (Private) Limited	3,657	-
TFCs held by Taavun (Private) Limited	498,700	498,800
TFCs held by Key Management Personnel	193,535	186,591

Half year ended

30 June 2016 (Un-audited)	30 June 2015 (Un-audited)
(Rupees in '000)	

27.7 The key management personnel / directors compensation are as follows:

Salaries and Allowances	832,708	741,550
Fair value charge against employee stock option scheme	56,243	45,078

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

28 DATE OF AUTHORISATION

The consolidated condensed interim financial information was authorised for issue on 24 August 2016 by the Board of Directors of the Bank.

29 GENERAL

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

- 29.1** During the current period, the State Bank of Pakistan (SBP), vide BPRD Circular Letter No. 05 of 2016 dated February 29, 2016 has issued instructions on revised forms of annual financial statements, which further supplements the requirements laid down earlier, vide SBP's BSD Circular No. 4 of 2006 and BSD Circular Letter No. 03 of 2013 on the matter.

In order to standardize the financial statements and to bring comparability, banks having IBBs have been advised to show Islamic Financing and Related Assets under the head of "Advances" in their financial statements. In addition, banks have also been advised to show Bai Muajjal of Government of Pakistan Ijara Sukuk with State Bank of Pakistan and other Financial Institutions under the head "Lendings to Financial Institutions", whereas Bai Muajjal transactions with Government of Pakistan are required to be reported under investment category as other Federal Government securities.

The effect of re-classification on comparative information presented for the year ended December 31, 2015 as part of the Statement of Financial Position is as follows:

	As previously reported	As at 31 December 2015 Effect of Re- classification	As restated
Lending to Financial Institutions	53,628,870	(26,002,520)	27,626,350
Investments - net	397,516,448	26,002,520	423,518,968
Advances - net	327,299,560	6,860,918	334,160,478
Other assets	28,701,223	(6,860,918)	21,840,305

- 29.2** In addition to the aforementioned, no significant reclassification has been made except as follows:

Description	Rupees in '000	Reclassified	
		From	To
Insurance expenses on Ijarah assets	(138,233)	Other Income	Mark-up / return / interest earned
Registration expenses on Ijarah assets	(30,598)	Other Income	Mark-up / return / interest earned
Rental income on Ijarah assets	162,177	Other Income	Mark-up / return / interest earned

Branch Network

Bank Alfalah Presence in Pakistan

Sr #	Location	No. of branches		
		Conventional	Islamic	Total
1	Karachi	81	36	117
2	Lahore	62	31	93
3	Islamabad	23	9	32
4	Rawalpindi	26	8	34
5	Faisalabad	18	11	28
6	Quetta	14	4	18
7	Peshawar	11	4	15
8	Multan	9	6	15
9	Hyderabad	6	2	8
10	Gujranwala	7	2	9
11	Gujrat	3	2	5
12	Sialkot	4	3	7
13	Sargodha	3	2	5
14	Abbottabad	2	1	3
15	Dera Ismail Khan	2	1	3
16	Jhelum	2	1	3
17	Mansehra	2	1	3
18	Taxila	3	0	3
19	Bahawalpur	2	1	3
20	Dera Ghazi Khan	1	1	2
21	Ghotki	2	0	2
22	Gilgit	2	0	2
23	Haripur	2	0	2
24	Hub	1	1	2
25	Jaranwala	2	0	2
26	Jhang	2	1	3
27	Kamra	2	0	2
28	Kohat	2	0	2
29	Mardan	2	0	2
30	Mingora	1	1	2
31	Mirpur	2	0	2
32	Mirpurkhas	1	1	2
33	Okara	2	1	3
34	Rahim Yar Khan	2	1	3
35	Sadiqabad	1	1	2
36	Sahiwal	3	1	4
37	Sheikhupura	2	0	2
38	Sukkur	1	1	2
39	Ahmedpur East	1	0	1
40	Ali pur	1	0	1
41	Allah Abad	1	0	1
42	Arifwala	1	0	1
43	Attock	1	0	1
44	Badin	1	0	1
45	Bahawalnagar	1	1	2
46	Bannu	2	0	2
47	Batkhela	1	0	1
48	Battagram	1	0	1
49	Besham	1	0	1
50	Bewal	0	1	1
51	Bhakkar	1	0	1
52	Bhalwal	1	0	1
53	Bhera	1	0	1
54	Buner	1	0	1
55	Burewala	1	0	1
56	Chak Khasa	1	0	1
57	Chak No. 111 SB	1	0	1
58	Chakwal	2	0	2

Sr #	Location	No. of branches		
		Conventional	Islamic	Total
59	Chaman	1	0	1
60	Charsadda	1	0	1
61	Chichawatni	1	0	1
62	Chillas	1	0	1
63	Chiniot	1	0	1
64	Chishtian	1	0	1
65	Chitral	1	0	1
66	Choa Saidan Shah	1	0	1
67	Dadu	1	0	1
68	Daharki	1	0	1
69	Daska	1	0	1
70	Daultala	1	0	1
71	Depalpur	1	0	1
72	Dera Murad Jamali	1	0	1
73	Dhudial	0	1	1
74	Digri	0	1	1
75	Dina	1	0	1
76	Dinga	1	0	1
77	Dukki	1	0	1
78	Farooqabad	1	0	1
79	Fateh Jang	1	0	1
80	Ferozwala	1	0	1
81	Fort Abbas	1	0	1
82	Gaggo Mandi	1	0	1
83	Gahkuch	1	0	1
84	Gawadar	1	0	1
85	Ghazi	1	0	1
86	Ghourghushti	1	0	1
87	Gojra	1	0	1
88	Gojra Malakwal Tehsil	1	0	1
89	Gujar Khan	1	0	1
90	Haaveli Lakha	1	0	1
91	Hafizabad	1	0	1
92	Hangu	1	0	1
93	Haroonabad	1	0	1
94	Hasan Abdal	0	1	1
95	Hasilpur	1	0	1
96	Havelian	1	0	1
97	Hazro	1	0	1
98	Hunza Nagar	1	0	1
99	Jacobabad	1	0	1
100	Jahania	1	0	1
101	Jalalpur Bhattian	1	0	1
102	Jalalpur Jattan	0	1	1
103	Jampur	1	0	1
104	Jauharabad	1	0	1
105	Kabirwala	0	1	1
106	Kahuta	1	0	1
107	Kallar Syedan	1	0	1
108	Kamalia	0	1	1
109	Kamoke	1	0	1
110	Kandhkot	1	0	1
111	Kasur	1	0	1
112	Khairpur	1	0	1
113	Khanewal	1	0	1
114	Khanpur	1	0	1
115	Kharian	1	0	1
116	Khurrianwala	1	0	1

Sr #	Location	No. of branches		
		Conventional	Islamic	Total
117	Khushab	0	1	1
118	Kot Abdul Malik	0	1	1
119	Kot Addu	0	1	1
120	Kot momin	1	0	1
121	Kotla	1	0	1
122	Kotli	1	0	1
123	Lala Musa	1	0	1
124	Larkana	1	0	1
125	Layyah	1	0	1
126	Liaqatpur	1	0	1
127	Lodhran	1	0	1
128	Loralai	1	0	1
129	Mailsi	0	1	1
130	Malakwal	1	0	1
131	Mamu Kanjan	1	0	1
132	Mandi Bahauddin	1	1	2
133	Mandi Faizabad	1	0	1
134	Mandi Quaidabad	1	0	1
135	Mandi Sadiq Gunj	1	0	1
136	Matli	1	0	1
137	Mian Channu	1	0	1
138	Mianwali	1	1	2
139	Mirpur Mathelo	1	0	1
140	Moro	1	0	1
141	Muridke	1	0	1
142	Murree	1	0	1
143	Muslim Bagh	1	0	1
144	Mustafabad	1	0	1
145	Muzaffarabad	1	1	2
146	Muzaffargarh	1	0	1
147	Nankana Sahib	1	0	1
148	Narowal	1	0	1
149	Nawabshah	1	0	1
150	Nowshera	1	0	1
151	Nowshera Virkan	1	0	1
152	Oghi	1	0	1
153	Pakpattan	1	0	1
154	Pattoki	1	0	1
155	Phalia	1	0	1
156	Pindi Gheb	0	1	1
157	Pir Mahal	1	0	1
158	Pishin	1	0	1
159	Qaboola	1	0	1
160	Rabwah	1	0	1
161	Rajanpur	1	0	1
162	Rawat	1	0	1
163	Renala Khurd	1	0	1
164	Sambrial	1	0	1
165	Samundri	1	0	1
166	Sanghar	1	0	1
167	Sangla Hill	0	1	1
168	Sarai Alamgir	0	1	1
169	Saraqpur	1	0	1
170	Serai Naurang	1	0	1
171	Shahdadpur	1	0	1
172	Shahkot	0	1	1
173	Shahpur	0	1	1
174	Shakargarh	1	0	1

Sr #	Location	No. of branches		
		Conventional	Islamic	Total
175	Shinkiar	1	0	1
176	Shorkot	1	0	1
177	Shujabad	1	0	1
178	Sibi	1	0	1
179	Sillanwali	1	0	1
180	Skardu	1	0	1
181	Swabi	1	0	1
182	Swat	1	0	1
183	Talagang	1	0	1
184	Tando Adam	1	0	1
185	Tando Allahyar	1	0	1
186	Temargarha	1	0	1
187	Toba Tek Singh	1	0	1
188	Turbat	1	0	1
189	Uch Sharif	1	0	1
190	Umerkot	1	0	1
191	Vehari	0	1	1
192	Wah Cantt	1	0	1
193	Waisa	1	0	1
194	Wazirabad	1	0	1
195	Yazman	1	0	1
196	Zafarwal	1	0	1
197	Zhob	1	0	1
198	Sihala	1	0	1
199	Bhowana	1	0	1
200	Dadyal, AJK	1	0	1
201	Bhimber, AJK	1	0	1
202	Chowk Azam	1	0	1
203	Khoiratta, AJK	1	0	1
204	Gondal	1	0	1
205	Pano Aqil	1	0	1
206	Ghakkar	1	0	1
207	Chak Jhumra	1	0	1
208	Mehrabpur	1	0	1
209	Taunsa Sharif	1	0	1
210	Alipur Chatta	1	0	1
211	Kahrur Pacca	1	0	1
212	Shikarpur	1	0	1
213	Mehar	1	0	1
214	Shahdadkot	1	0	1
215	Usta Mohammad	1	0	1
216	Jalalpur Pirwala	1	0	1
217	Siranwali	1	0	1
218	Kotli Loharan	1	0	1
219	Abdul Hakim	0	1	1
220	Phoolnagar	1	0	1
221	Islamgarh, AJK	1	0	1
222	Rawalakot	1	0	1
223	Gulbahar	1	0	1
224	Khan Bela	1	0	1
225	Pasrur	1	0	1
Total		484	158	642

Bank Alfalah Presence In Foreign Countries

Sr #	Location	No. of 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

Bank Alfalah Limited

B. A. Building, I. I. Chundrigar Road

Karachi, Pakistan

111 777 786

bankalfalah.com