



Bank Alfalah

LDN/Corp-Affairs/6552
04th September 2018

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Dear Sir,

Certificate on residual free reserves as required under Rule 6(iii) of the Companies (Issue of Capital) Rules, 1996

This is with reference to our letter LDN/Corp-Affairs dated 27th August 2018.

We enclose herewith a copy of certificate on residual free reserves issued by our statutory auditors, M/s. EY Ford Rhodes, Chartered Accountants vide their letter AC/SRA/066D/18 dated August 31, 2018.

Yours truly,

Muhammad Akram Sawleh
Company Secretary

Encl: as above

c.c. Director/HOD,
Surveillance, Supervision and Enforcement Department
Securities and Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue,
Blue Area, Islamabad.



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AC/SRA/066D/18
31 August 2018

The Chief Financial Officer
Bank Alfalah Limited (the Bank)
Karachi

Dear Sir

CERTIFICATE ON RESIDUAL FREE RESERVES AS REQUIRED UNDER RULE 6 (III) OF THE COMPANIES (ISSUE OF CAPITAL) RULES, 1996

We have been requested to provide you with a certificate on the annexed computation of residual free reserves for the purpose of issue of bonus shares by the Bank, as required under Rule 6 (iii) of the Companies (Issue of Capital) Rules, 1996.

Scope of Certificate

This certificate is issued in terms of the requirement of Rule 6 (iii) read with the definition of free reserves as contained in Rule 6(iii)(b) of the Companies (Issue of Capital) Rules, 1996.

Management's Responsibility

It is the management's responsibility to ensure compliance with Rule 6 of the Companies (Issue of Capital) Rules, 1996. The responsibility for preparation and fair presentation of Statement of Free Reserve is primarily that of the management of the Bank. The management's responsibilities include causing the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Bank and prevention and detection of frauds and irregularities. This certification does not relieve the management of its responsibilities.

Auditors' Responsibility

Our responsibility is to certify that the free reserves retained after the proposed issues of bonus shares are more than 15 percent of the enhanced paid-up capital, in accordance with the 'Guidelines for issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to trace the amounts reported in the Statement of Free Reserves to the financial statements of the Bank for the period ended 30 June 2018 and checking whether Free Reserves are computed in accordance with the requirement of Rule 6 of the Companies (Issue of Capital) Rules, 1996.

Certificate

Based on the procedures mentioned above, we certify that the Free Reserves (in terms of meaning given in the Companies (Issue of Capital) Rules, 1996) retained after the proposed issues of bonus shares as reported in the Statement of Free Reserves as at 30 June 2018 are

EYFR



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more than 15 percent of the enhanced paid-up capital . Further, the contingent liabilities outstanding as at 30 June 2018 falling within the scope of paragraph 14 of International Accounting Standard 37 "Provisions, Contingent liabilities and Contingent Assets" have been deducted while calculating the minimum residual reserves of 15 percent.

Restriction on use and distribution

This certificate is issued in accordance with requirements of Rule 6(iii) of the Companies (Issue of Capital) Rules, 1996 and on the specific request of the management of the Bank and is not to be used for any other purpose. This certificate may be submitted to Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange. Accordingly, this should not be distributed to any other party without prior written consent from us. This certificate is restricted to the facts stated herein.

Yours faithfully

EY Ford Rhodes

Chartered Accountants

Karachi