faysalbank



منزلِ عزم

2016
THIRD QUARTER
ENDED SEPTEMBER 30, 2016
UNAUDITED FINANCIAL STATEMENTS

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Registered Office
Faysal House, ST-2, Sharah-e-Faisal, Karachi
Tel: 021-32795200 Fax: 021-32795234

CORPORATE INFORMATION

Board of Directors

Mr. Farooq Rahmatullah	Chairman/Independent Director
Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	Vice Chairman/Non-Executive Director
Mr. Nauman Ansari	President & CEO
Mian Muhammad Younis	Independent Director
Mr. Imtiaz Ahmad Pervez	Non-Executive Director
Mr. Juma Hasan Ali Abul	Non-Executive Director
Mr. Abdulelah Ebrahim Mohamed AlQasimi	Non-Executive Director
Mr. Abdulla Abdulaziz Ali Taleb	Non-Executive Director

Board Audit & Corporate Governance Committee

Mian Muhammad Younis	Chairman
Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	Member
Mr. Juma Hasan Ali Abul	Member

Board Risk Management Committee

Mr. Imtiaz Ahmad Pervez	Chairman
Mr. Abdulelah Ebrahim Mohamed AlQasimi	Member
Mr. Abdulla Abdulaziz Ali Taleb	Member
Mr. Nauman Ansari	Member

Recruitment Nomination and Remuneration Committee

Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	Chairman
Mr. Juma Hasan Ali Abul	Member
Mian Muhammad Younis	Member
Mr. Farooq Rahmatullah	Member
Mr. Nauman Ansari	Member

Board Strategic Planning and Business Transformation Committee

Mr. Farooq Rahmatullah	Chairman
Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	Member
Mr. Juma Hasan Ali Abul	Member
Mr. Nauman Ansari	Member

CORPORATE INFORMATION

Syed Majid Ali	Chief Financial Officer
Mr. Aurangzeb Amin	Company Secretary & Head of Legal
M/s. A.F. Ferguson & Co, Chartered Accountants	Auditors
M/s. Mohsin Tayebaly & Co, Advocate	Legal Advisors

Registered Office

Faysal Bank Limited
Faysal House, St-02, Commercial Lain,
Main Shahrah-e-Faisal,
Karachi-Pakistan

UAN : (92-21) 111-747-747
Tel : (92-21) 3279-5200
Fax : (92-21) 3279-5226
Website: www.faysalbank.com

Share Registrar

M/s. Central Depository Company of Pakistan Limited
(Share Registrar Department)
CDC House, 99-B, Block-B,
SMCHS, Main Shahra-e-Faisal,
Karachi-74400

Tel: (92-21) 111-111-500
Fax: (92-21) 34326053
Email: info@cdcpak.com

DIRECTORS' REVIEW

On behalf of the Board of Directors, I am pleased to present the Directors' Report of Faysal Bank Limited along with financial statements for the nine months ended September 30, 2016.

Economic Update:

In September'16 Pakistan successfully concluded the twelfth and final review of the three Year USD 6.4 bln IMF program. Despite many economic and political upheavals and periodic slippages, this program at its culmination has left the Pakistani economy in significantly improved macroeconomic solidity. Forex reserves at approx. USD 23.6 bln have reduced external vulnerabilities while fiscal deficit anchored in the vicinity of 4.5%, coupled with a combination of improved tax collection and check on untargeted subsidies, shall free some resources towards much needed investment in the economy.

After a multi-decade, low CPI reading of 2.86% recorded in FY'16, the inflationary trajectory seems to be changing course. The average CPI for the 1st quarter of FY '17 was 3.87% compared to 1.33% during the same time last year. The core inflation mirrored this performance showing an upward tick, rising from 3.4% in September FY '16 to 4.8% in September FY '17. However, with a stable USD/PKR parity and subdued commodity prices any uptick in inflation is expected to be tepid and well within the SBP's comfort zone of 4.5% - 5.5%.

Some deterioration has been witnessed in the current account wherein the deficit recorded for Jul-Aug '16 was USD 1.3 bln compared to USD 0.7 bln during the same period last year. This ensued mostly due to falling exports in a sluggish global economy. Remittance growth which played a major role in cushioning the current account over the past couple of years seems to have somewhat plateaued due to slow down in economies of GCC. This poses the single biggest challenge to our external position going forward and warrants a closer inspection. Future accumulation of reserves is highly dependent on flows in the capital and financial accounts. The government, cognizant of this fact, has successfully issued an International US Dollar Islamic Sukuk receiving a USD 1.0 bln at a rate of 5.50% to cover the BOP and international debt servicing.

The economy during FY'17 is expected by the IMF to grow by around 5% - slightly below the GOP's target of 5.5%. This is a much needed as the GOP needs to generate a sizable number of jobs to accommodate a growing workforce. For now, growth prospects are cushioned by a 42 year low interest rate, subdued inflationary expectations and a positive balance of payments. However, possible headwinds loom in the form of stagnant remittances, declining exports and a possible uptick in oil prices if the OPEC and Russia oil production cut deal comes to fruition as associated with global finance institutions.

Bank's Performance:

Bank's ambition is to promote economic activity in the country. The strategy is to provide user friendly modern banking products & services to customers at their door steps. The focus remained on selective growth with efficient usage of capital, branch network expansion, mobilization of CASA deposit, cost efficiency, consolidation of portfolio and changing its mix towards Islamic financing. During the period, Bank achieved several milestones and executed high profile transactions, some of the notable ones are presented as under:

Project Financing & Syndication

- FBL acted as underwriter for Initial Public Offering of shares by a leading Automobile Parts Manufacturer with an underwriting amount of PKR 50 million.

- FBL invested in Tier II Sukuk issue of a reputable Islamic bank of Pakistan with an investment amount of PKR 500 million.
- FBL, among five leading banks of Pakistan, inked a landmark partial credit guarantee program of USD 84mn with United States Agency for International Development (USAID) for promoting green power solutions in private and corporate sectors.

Infrastructure Development

- Bank expanded its branch network to 323 by opening of 31 new branches, Bank has now 211 conventional, 111 Islamic branches and 1 Islamic sub-branch in 94 cities.
- ATM network has been increased to 321 machines offering 24/7 services to customers.

Product development & New Initiatives

- Faysal Bank Titanium Credit Card launched in collaboration with MasterCard.
- Engaged external consultants to measure Faysal Bank's Brand Equity and Perception for external and internal customers.
- Implementation of CAPS – Dashboard, on line view of Account Opening information to users for monitoring TATs and operations.
- IT Disaster Recovery Plan approved and DRP drill for Category 01 Services conducted.
- Faysal Izafa Premium, longer tenor term deposit product and Faysal Life Plus Savings Accounts for senior citizens and Faysal PayCheqPlus - a payroll proposition product were launched.
- Launch of CPPI (Constant Proportion Portfolio Insurance) fund management scheme for customers in collaboration with Faysal Asset Management Ltd.
- Launch of 'Health Plus' value-added insurance product with EFU Allianz Ltd with added benefits.
- Launch of Faysal Personal Installment Loan - Consumer Durables.
- Bank implemented modified Code of Conduct to bring the appearance and behavior of staff closer to Islamic values.

Training & Development

- 3,837 participants were trained in both online and classroom trainings in 3rd quarter.
- 262 participants trained under 5 day Islamic Banking Certification Programs.
- 55% of critical staff completed NIBAF's Islamic Banking Certificate Course.
- Centralized Account Processing System (CAPS) training was conducted across the Bank.

- 20 RMs were successfully trained under Trainee Relationship Manager Program and deployed in various branches.
- 42 staff trained for Foreign Exchange Regulation - 2016 (Imports & Exports).

Corporate Social Responsibility

- Contribution made towards project of Tuberculosis Control in Gilgit Baltistan.
- Renewed 300 students training sponsorship at SOS Technical Training Institute, Korangi.
- Approved contributions for
  - Auditorium in Engineering Block of Namal College, Mianwali.
  - Construction of Surgical Complex at JPMC along with other donors.

Internal Communication

A series of benefits such as exciting offers on FBL card spends at different food and life style outlets and services were circulated in addition to Easy Payments plan.

This quarter's newsletter features Marie Adelaide Leprosy Center, launch of Titanium Credit Cards, Consumer Finance Spot Awards and achievement of 300 branch banking network as main stories.

Significant Achievements

- Deposits have crossed PKR 300 bln.
- Bancassurance Unit Linked sales premium has crossed PKR 500 mln making FBL one of the top performers in the industry.
- Credit cards spend substantially increased by 24% in August as compared to corresponding period last year.
- External and in house talent pool created for new branch staff hiring.

Future Outlook:

In line with Bank's strategic decision of gradual conversion of Faysal Bank in to Islamic Bank, all new branches are being opened under Islamic banking and in credit expansion, priority is given to Islamic business. New branches are expected to bear low cost core deposits and assist in reducing cost of funds. Through this initiative, Bank will be able to cater banking requirements of local businessmen and increase its reach to far flung areas. Branches have also been transformed to a multiproduct selling hub through facilitation, persuasion and training.

DIRECTORS' REVIEW

Financial Highlights:

	September 2016	September 2015
	PKR in Million	
Operating Profit	**6,084**	6,800
Provision for non-performing advances	**(295)**	(962)
Provision for diminution in value of investments	**6**	(329)
Provision against off balance sheet obligations	**4**	77
	(285)	(1,214)
Profit before tax	**5,799**	5,586
Provision for taxation	**(2,051)**	(2,224)
Profit after tax	**3,748**	3,362
Earnings per share – Rupees	**3.12**	2.80

In the current lower interest rate scenario, Bank has earned Profit After Tax (PAT) of PKR 3.748 bln during nine months of 2016 against PKR 3.362 bln for corresponding period of 2015, reflecting 11.5% improvement. This result has been achieved despite imposition of Super Tax of PKR 347 mln in the Federal budget. Had this additional tax charge not been there, Bank's profitability would have increased by 21.8% from banking operations. EPS of the Bank increased to PKR 3.12 from PKR 2.80 as compared to corresponding period last year.

The banking industry is witnessing a period of low spreads and every effort is to mitigate the effects on bank's margin through prudent lending, mobilization of low cost CASA deposits, vigorous recovery efforts from delinquent clients and rationalisation of administrative expenses. Bank has increased CASA deposits mix by 96 bps i.e. from 67.25% of Dec' 15 to 68.21% as of September 2016. Resultantly, cost of funds reduced by 71 bps. NPLs recoveries contributed PKR 781 mln to the profitability and administrative expenses are held at almost 2013 level due to strict expenses management.

Non-funded income is showing increasing trend due to realization of gains on government securities and investment banking advisory activities.

NPL coverage stands at a healthy level of 81.3% against 79.1% for Dec'15 which reflects that the bank has taken adequate provision against impaired loans.

On the balance sheet, healthy internal generation of capital resulted in capital base of PKR 28.6 bln. Deposits are at PKR 315 bln, showing a growth of 7.6%, with efforts derived

towards mobilizing low cost core deposits. Total assets of the Bank exceeded PKR 350 bln mark.

In summary, Bank's balance sheet composition and earnings are in line with its strategy.

Credit Rating:

JCR-VIS Credit Rating Company Limited (JCR) and Pakistan Credit Rating Agency Limited (PACRA) have re-affirmed the following entity ratings as of December 31, 2015:

Long-Term	AA
Short-Term	A1+

Stable outlook has been assigned to the ratings by both the rating agencies.

Definitions of JCR-VIS for the assigned ratings are reproduced below:

"AA: High credit quality. Protection factors are strong. Risk is modest but may vary slightly from time to time because of economic conditions.

A1+: High certainty of timely payment. Short term liquidity including internal operating factors and/or access to alternative sources of funds; is outstanding and safety is just below risk free Government of Pakistan short-term obligations."

Definitions of PACRA for the assigned ratings are reproduced below:

"AA: Very high credit quality. "AA" rating denotes a very low expectation of credit risk. It indicates very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A1+: Obligations supported by the highest capacity for timely repayment."

Acknowledgement:

I would like to take this opportunity to thank, on behalf of the Board and Management of the Bank, the shareholders for the trust they have reposed in the Bank. I am also grateful to the State Bank of Pakistan and Securities and Exchange Commission of Pakistan for their continued support and guidance and the customers for their patronage. I would also like to express sincere appreciation for the employees of the Bank for their dedication and hard work.

On behalf of the Board of Directors
President & CEO

Karachi; October 27, 2016

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2016

	Note	Un-audited September 30, 2016	Audited December 31, 2015
		Rupees '000	
ASSETS			
Cash and balances with treasury banks		**31,489,166**	26,084,007
Balances with other banks	9	**1,102,643**	1,068,451
Lendings to financial institutions		**-**	250,000
Investments	10	**149,659,956**	195,515,642
Advances	11	**180,729,703**	181,089,804
Operating fixed assets	12	**10,768,125**	11,342,980
Deferred tax assets - net		**2,450,510**	3,087,325
Other assets	13	**10,280,369**	11,634,651
		386,480,472	430,072,860
LIABILITIES			
Bills payable		**4,901,295**	6,009,238
Borrowings		**23,014,738**	90,565,242
Deposits and other accounts	14	**314,466,501**	292,130,258
Sub-ordinated loans		**2,245,500**	2,994,000
Liabilities against assets subject to finance lease		**-**	-
Deferred tax liabilities - net		**-**	-
Other liabilities		**8,685,115**	8,021,649
		353,313,149	399,720,387
NET ASSETS		**33,167,323**	30,352,473
REPRESENTED BY			
Share capital		**11,997,601**	11,997,601
Reserves		**6,329,111**	6,422,761
Unappropriated profit		**10,262,216**	7,638,330
		28,588,928	26,058,692
Surplus on revaluation of assets - net of tax		**4,578,395**	4,293,781
		33,167,323	30,352,473
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The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

PRESIDENT & CEO **DIRECTOR** **DIRECTOR** **DIRECTOR**

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2016

	Note	Quarter ended		Nine months ended	
		September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
		Rupees '000			
Mark-up / return / interest earned		6,279,094	8,057,353	19,559,699	24,593,685
Mark-up / return / interest expensed		3,440,950	4,659,798	10,660,217	13,975,232
Net mark-up / interest income		2,838,144	3,397,555	8,899,482	10,618,453
Provision / (reversal) against non-performing loans and advances - net	11.2	(166,476)	183,783	336,792	964,776
Provision / (reversal) for consumer and small enterprise loans - general	11.3	15,234	938	16,454	(3,022)
Reversal against off balance sheet obligations		(2,435)	-	(6,521)	-
(Reversal) / provision for diminution in value of investments - net	10.6	5,183	70,222	(3,682)	328,936
Recoveries against written-off debts - net		(7,632)	(24,656)	(58,296)	(76,534)
		(156,126)	230,287	284,747	1,214,156
Net mark-up / interest income after provisions		2,994,270	3,167,268	8,614,735	9,404,297
Non mark-up / interest income					
Fee, commission and brokerage income		542,327	540,794	1,884,598	1,743,568
Dividend income		44,029	39,393	224,395	244,802
Income from dealing in foreign currencies		385,045	229,881	907,248	701,284
Gain on sale of securities - net		271,842	48,181	2,382,615	1,716,172
Unrealised loss / gain on revaluation of investments classified as held for trading - net		(14,936)	4,954	(8,744)	(95,153)
Other income		66,600	43,412	222,052	219,972
Total non mark-up / interest income		1,294,907	906,615	5,612,164	4,530,645
		4,289,177	4,073,883	14,226,899	13,934,942
Non mark-up / interest expenses					
Administrative expenses		2,826,269	2,697,168	8,293,039	8,099,569
Other provisions - net		2,461	118,019	12,481	105,180
Other charges		25,774	33,091	112,644	138,960
Total non mark-up / interest expenses		2,854,504	2,848,278	8,418,164	8,343,709
		1,434,673	1,225,605	5,808,735	5,591,233
Share of loss from associate		-	(2,858)	(9,797)	(5,385)
Extraordinary / unusual items		-	-	-	-
Profit before taxation		1,434,673	1,222,747	5,798,938	5,585,848
Taxation - Current		441,707	550,176	2,039,582	2,294,050
Taxation - Prior years		(533,010)	-	(926,138)	264,797
Taxation - Deferred		596,072	(121,839)	937,474	(335,309)
		504,769	428,337	2,050,918	2,223,538
Profit after taxation		929,904	794,410	3,748,020	3,362,310
		Rupees			
Basic earnings per share	16	0.78	0.66	3.12	2.80

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

PRESIDENT & CEO **DIRECTOR** **DIRECTOR** **DIRECTOR**

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2016

	For the Quarter ended		For the Nine months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	Rupees '000			
Profit after taxation for the period	**929,904**	794,410	**3,748,020**	3,362,310
Other comprehensive income:				
Items that will not be reclassified subsequently to profit and loss account	**-**	-	**-**	-
Other comprehensive income transferred to equity	**929,904**	794,410	**3,748,020**	3,362,310
Items that may be reclassified subsequently to profit and loss account				
Components of comprehensive income not reflected in equity				
- Net change in value of available for sale securities	**12,384**	1,074,700	**(769,547)**	175,819
- Deferred tax on change in value of available for sale securities - net	**(2,336)**	(376,143)	**271,340**	(87,583)
	10,048	698,557	**(498,207)**	88,236
Total comprehensive income	**939,952**	1,492,967	**3,249,813**	3,450,546

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

PRESIDENT & CEO **DIRECTOR** **DIRECTOR** **DIRECTOR**

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2016

Particulars	Share capital	Reserves						Unappro-priated profit	Total
		Capital				Statutory reserve	Sub Total		
		Reserve for issue of bonus shares	Share premium	Non-distributable capital reserve (NCR) - gain on bargain purchase (note 3.7)	Reserve arising on amalgama-tion				
	Rupees '000								
Balance as at January 1, 2015	10,432,697	-	10,131	1,131,474	23,952	4,537,598	5,703,155	5,696,366	21,832,218
Transactions with owners recognised directly in equity									
- Transfer to reserve for issue of bonus shares	-	1,564,904	-	-	-	-	1,564,904	(1,564,904)	-
- Bonus shares issued	1,564,904	(1,564,904)	-	-	-	-	(1,564,904)	-	-
	1,564,904	-	-	-	-	-	-	(1,564,904)	-
Total comprehensive income for the nine months ended September 30, 2015									
Profit after taxation for the period ended September 30, 2015	-	-	-	-	-	-	-	3,362,310	3,362,310
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the nine months ended September 30, 2015	-	-	-	-	-	-	-	3,362,310	3,362,310
Amortisation of intangible assets - customer relationship - net of tax	-	-	-	(93,650)	-	-	(93,650)	-	(93,650)
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	-	40,623	40,623
Balance as at September 30, 2015	11,997,601	-	10,131	1,037,824	23,952	4,537,598	5,609,505	7,534,395	25,141,501
Total comprehensive income for the period from October 1, 2015 to December 31, 2015									
Profit after taxation for the period from October 1, 2015 to December 31, 2015	-	-	-	-	-	-	-	860,054	860,054
Other comprehensive income for the period	-	-	-	-	-	-	-	74,814	74,814
Total comprehensive income for the period from October 1, 2015 to December 31, 2015	-	-	-	-	-	-	-	934,868	934,868
Amortisation of intangible assets - customer relationship - net of tax	-	-	-	(31,217)	-	-	(31,217)	-	(31,217)
Transfer to statutory reserve	-	-	-	-	-	844,473	844,473	(844,473)	-
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	-	13,540	13,540
Balance as at December 31, 2015	11,997,601	-	10,131	1,006,607	23,952	5,382,071	6,422,761	7,638,330	26,058,692
Transactions with owners for the nine months ended September 30, 2016									
Final cash dividend - December 31, 2015 declared subsequent to the year end at Re. 1 per share	-	-	-	-	-	-	-	(1,199,760)	(1,199,760)
Total comprehensive income for the nine months ended September 30, 2016									
Profit after taxation for the period ended September 30, 2016	-	-	-	-	-	-	-	3,748,020	3,748,020
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the nine months ended September 30, 2016	-	-	-	-	-	-	-	3,748,020	3,748,020
Amortisation of intangible assets - customer relationship - net of tax	-	-	-	(93,650)	-	-	(93,650)	-	(93,650)
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	-	75,626	75,626
Balance as at September 30, 2016	11,997,601	-	10,131	912,957	23,952	5,382,071	6,329,111	10,262,216	28,588,928

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

PRESIDENT & CEO **DIRECTOR** **DIRECTOR** **DIRECTOR**

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

	September 30, 2016	September 30, 2015
	Rupees '000	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,798,938	5,585,848
Less: Dividend income	(224,395)	(244,802)
	5,574,543	5,341,046
Adjustments for non-cash and other items:		
Depreciation	481,137	450,716
Amortisation	163,004	163,677
Workers' Welfare Fund	118,926	134,331
Provision against non-performing loans and advances - net	336,792	964,776
Provision / (reversal) for consumer and small enterprise loans - general	16,454	(3,022)
(Reversal) / provision for diminution in value of investments - net	(3,682)	328,936
Charge of other provisions - net	12,481	105,180
Reversal against off balance sheet obligations	(6,521)	-
Unrealised loss on revaluation of investments classified as held for trading	8,744	95,153
Net profit on disposal of property and equipment	(56,149)	(8,050)
Net gain on disposal of non-banking assets	-	(103,798)
Charge for defined benefit plan	67,053	75,611
Amortisation of prepaid employee benefits	19,118	68,920
Recoveries against written-off debts	(58,296)	(76,534)
Share of loss of associate	9,797	5,385
	1,108,858	2,201,281
	6,683,401	7,542,327
(Increase) / decrease in operating assets		
Lendings to financial institutions	250,000	(5,128,063)
Held for trading securities	(10,350,917)	18,358,892
Advances	65,151	624,257
Other assets	1,721,805	403,636
	(8,313,961)	14,258,722
Increase / (decrease) in operating liabilities		
Bills payable	(1,107,943)	(9,222)
Borrowings	(66,839,895)	34,164,609
Deposits and other accounts	22,336,243	5,361,882
Other liabilities	607,159	(459,430)
	(45,004,436)	39,057,839
	(46,634,996)	60,858,888
Income tax paid	(744,408)	(914,673)
Net cash (used) / generated from operating activities	(47,379,404)	59,944,215
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment in available for sale securities	48,819,671	(61,441,301)
Net investment in held to maturity securities	6,602,526	(459,355)
Dividend income received	195,391	216,056
Investment in operating fixed assets	(689,062)	(669,461)
Proceeds realised on disposal of operating fixed assets	540,740	10,565
Proceeds realised on disposal of non-banking assets	-	177,124
Net cash generated / (used) in investing activities	55,469,266	(62,166,372)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of sub-ordinated loan	(748,500)	(600)
Dividends paid	(1,191,402)	(36)
Net cash used in financing activities	(1,939,902)	(636)
Increase / (decrease) in cash and cash equivalents	6,149,960	(2,222,793)
Cash and cash equivalents at the beginning of the period	26,335,872	20,666,451
Cash and cash equivalents at the end of the period	32,485,832	18,443,658

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

PRESIDENT & CEO **DIRECTOR** **DIRECTOR** **DIRECTOR**

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

1 STATUS AND NATURE OF BUSINESS

1.1 Faysal Bank Limited (the Bank) was incorporated in Pakistan on October 3, 1994 as a public limited company under the provisions of the Companies Ordinance, 1984. Its shares are listed on the Pakistan Stock Exchange Limited. The Bank is mainly engaged in Corporate, Commercial and Consumer banking activities. The Bank has a network of 323 branches (2015: 280); including 111 Islamic banking branches (2015: 68) and 1 Islamic sub-branch (2015: 1) in Pakistan.

The Registered Office of the Bank is located at Faysal House, ST-02, Shahra-e-Faisal, Karachi.

Ithmaar Bank B.S.C., a Bahrain based retail bank, is the parent company of the Bank, holding, directly and indirectly through subsidiaries 66.78% (2015: 66.78%) of the shareholding of the Bank. Dar Al-Maal Al-Islami Trust (DMIT), (ultimate parent of the Bank) is the holding company of Ithmaar Bank B.S.C. The DMIT group owns and operates an international network of Islamic Banks, Investment Banks and Insurance Companies.

1.2 Based on the financial statements of the Bank for the year ended December 31, 2015, the Pakistan Credit Rating Agency Limited (PACRA) and JCR-VIS Credit Rating Company Limited have determined the Bank's long-term rating as 'AA' (December 31, 2014: 'AA') and the short term rating as 'A1+' (December 31, 2014: 'A1+').

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 (SBP) has issued various circulars from time to time. Permissible forms of trade related modes of financing include 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 these financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon.

2.2 The results of the Islamic banking branches have been consolidated in this condensed interim financial information for reporting purposes only. Inter branch transactions and balances have been eliminated. In accordance with the directives issued by the SBP, the key financial figures of islamic banking branches are disclosed in note 20 to this condensed interim financial information.

3 STATEMENT OF COMPLIANCE

3.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan. The approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, the requirements of the Banking Companies Ordinance, 1962, or the directives issued by the Securities & Exchange Commission of Pakistan (SECP) and the SBP. Wherever the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962, the IFAS notified under the Companies Ordinance, 1984 or the directives issued by the SECP and the SBP differ with the requirements of IFRSs, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962, IFAS notified under the Companies Ordinance, 1984 or the requirements of the said directives issued by the SECP and the SBP prevail.

3.2 The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has also deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' through its S.R.O. 633(I)/2014 dated July 10, 2014. Accordingly, the requirements of these standards have not been considered in the preparation of this condensed interim financial information. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

3.3 IFRS 8, 'Operating Segments' is effective for the Bank's accounting period beginning on or after January 1, 2009. All banking companies in Pakistan are required to prepare their condensed interim financial information in line with the format prescribed under BSD Circular Letter No. 2 dated May 12, 2004. The management of the Bank believes that as the SBP has defined the segment categorisation in the above mentioned circular, the SBP's requirements prevail over the requirements specified in IFRS 8. Accordingly, segment information disclosed in this condensed interim financial information is based on the requirements laid down by the SBP.

3.4 The SBP vide its BSD Circular No. 07 dated April 20, 2010 has clarified that for the purpose of preparation of financial statements in accordance with International Accounting Standard - 1 (Revised), 'Presentation of Financial Statements', two statement approach shall be adopted i.e. separate 'Profit and Loss Account' and 'Statement of Comprehensive Income' shall be presented, and Balance Sheet shall be renamed as 'Statement of Financial Position'. Furthermore, only the surplus / (deficit) on revaluation of available for sale (AFS) securities, may be included in the 'Statement of Comprehensive Income'. However, it should continue to be shown separately in the statement of financial position below equity. Accordingly, the above requirements have been adopted in the preparation of this condensed interim financial information.

3.5 IFRS 10, 'Consolidated financial statements', builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent

company. The standard provides additional guidance to assist where the determination of control is difficult to assess. There is no impact of the applicability of this standard on this condensed interim financial information of the Bank as the SECP has directed that the requirements of IFRS 10, 'Consolidated Financial Statements' are not applicable in case of investments by companies in mutual funds established under Trust Deed structure.

3.6 The disclosures made in this 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 condensed interim financial information should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2015.

3.7 As per the directive of the SBP through its letter BPRD (R&P-02)/625-99/2011/3744 dated March 28, 2011, gain arising on bargain purchase of Pakistan operations of Royal Bank of Scotland (ex-RBS Pakistan) was credited directly into equity as Non-Distributable Capital Reserve (NCR). The SBP allowed the Bank to adjust the amortisation of intangible assets against the portion of reserve which arose on account of such assets. Accordingly, during the period ended September 30, 2016 the Bank has adjusted amortisation of intangible assets amounting to Rs. 93.650 million (net of tax) from the Non-distributable Capital Reserve.

3.8 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period:

There are certain new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after January 1, 2016 but are considered not to be relevant or do not have any significant effect on the Bank's operations and are, therefore, not disclosed in this condensed interim financial information.

4 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention, except that non banking assets and certain fixed assets are carried at revalued amounts and certain investments and derivative contracts have been marked to market and are carried at fair value. In addition, obligation in respect of staff retirement benefit is carried at present value.

5 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in this condensed interim financial information are measured using the currency of the primary economic environment in which the Bank operates. This condensed interim financial information is presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2015, except as specified below;

The Bank has changed its accounting policy effective from January 1, 2016 for recording of non-banking assets acquired in satisfaction of claims in order to comply with the requirements of the 'Regulations for Debt Property Swap' (the regulations) issued by the SBP. In line with the guidance provided in the Regulations, the non-banking assets acquired in satisfaction of claims are now carried at revalued amounts less accumulated depreciation and accumulated impairment (if any). These assets are revalued by professionally qualified valuers with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. A surplus arising on revaluation of non-banking assets acquired in satisfaction of claims is credited to the 'surplus on revaluation of assets' account. Any deficit arising on revaluation is first set off against the surplus account for that non-banking assets, if any, or if no surplus exists, is charged to the profit and loss account. Legal fees, transfer costs and direct costs of acquiring title to the non-banking assets are charged to the profit and loss account and these are not capitalised as part of non-banking assets. Previously, non-banking assets acquired in satisfaction of claims were carried at cost (including legal fees, transfer costs and direct costs less impairment, if any). Had the accounting policy not been changed, non-banking assets as at September 30, 2016 (included in other assets in the statement of financial position) would have been lower by Rs 864.594 million while surplus on revaluation of assets (net of tax) and deferred tax assets would have been lower by Rs 855.711 million and Rs 21.842 million respectively whereas profit before tax would have been higher by Rs 12.959 million.

7 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis and the methods used for critical accounting estimates and judgments adopted in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2015.

8 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.

		Un-audited September 30, 2016	Audited December 31, 2015
9	**BALANCES WITH OTHER BANKS**	---------- Rupees '000 ----------	
	In Pakistan		
	- Current accounts	**641,091**	573,956
	Outside Pakistan		
	- Current accounts	**461,552**	494,495
		1,102,643	1,068,451

10 INVESTMENTS

10.1 Investments by type

	Note	Un-audited September 30, 2016			Audited December 31, 2015		
		Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
		---------- Rupees '000 ----------					
Held for trading securities							
Market Treasury Bills		**8,446,773**	**-**	**8,446,773**	3,204,619	-	3,204,619
Pakistan Investment Bonds		**8,066,551**	**-**	**8,066,551**	3,150,437	-	3,150,437
Fully paid up ordinary shares / certificates of closed end mutual funds		**675,131**	**-**	**675,131**	482,482	-	482,482
		17,188,455	**-**	**17,188,455**	6,837,538	-	6,837,538
Available for sale securities							
Market Treasury Bills		**34,991,654**	**8,920,674**	**43,912,328**	48,839,635	41,360,610	90,200,245
Pakistan Investment Bonds		**47,755,890**	**-**	**47,755,890**	19,778,584	28,710,039	48,488,623
Ijara Sukuk Bonds		**4,474,950**	**-**	**4,474,950**	5,919,200	-	5,919,200
Sukuk Bonds		**625,000**	**-**	**625,000**	-	-	-
Units of open end mutual funds							
- Faysal Balanced Growth Fund *		**12,480**	**-**	**12,480**	12,480	-	12,480
- Faysal Income Growth Fund *		**87,544**	**-**	**87,544**	87,544	-	87,544
- Faysal Savings Growth Fund *		**680,606**	**-**	**680,606**	680,606	-	680,606
- Faysal Islamic Savings Growth Fund *		**34,498**	**-**	**34,498**	95,848	-	95,848
- Faysal Money Market Fund *		**-**	**-**	**-**	312,111	-	312,111
- Faysal Asset Allocation Fund *		**-**	**-**	**-**	75,947	-	75,947
- Faysal Financial Sector Opportunity Fund *		**-**	**-**	**-**	34,000	-	34,000
Fully paid up ordinary shares / modaraba certificates / certificates of closed end mutual funds	10.2 & 10.4	**3,875,438**	**-**	**3,875,438**	4,271,736	-	4,271,736
Fully paid up preference shares		**22,490**	**-**	**22,490**	122,490	-	122,490
Term finance certificates	10.3	**839,736**	**-**	**839,736**	839,801	-	839,801
		93,400,286	**8,920,674**	**102,320,960**	81,069,982	70,070,649	151,140,631
Held to maturity securities							
Pakistan Investment Bonds		**9,899,677**	**-**	**9,899,677**	19,776,284	-	19,776,284
Term finance certificates		**2,532,461**	**-**	**2,532,461**	2,364,514	-	2,364,514
Sukuk Bonds		**7,866,499**	**-**	**7,866,499**	4,760,365	-	4,760,365
Other Federal Government securities		**11,838,403**	**-**	**11,838,403**	11,838,403	-	11,838,403
		32,137,040	**-**	**32,137,040**	38,739,566	-	38,739,566
Associate *							
Fully paid up ordinary shares of Faysal Asset Management Limited	10.5	**58,285**	**-**	**58,285**	68,082	-	68,082
Investments at cost		**142,784,066**	**8,920,674**	**151,704,740**	126,715,168	70,070,649	196,785,817
Less: provision for diminution in the value of investments	10.6 &11.2.2	**(3,279,081)**	**-**	**(3,279,081)**	(3,282,763)	-	(3,282,763)
Investments (net of provisions)		**139,504,985**	**8,920,674**	**148,425,659**	123,432,405	70,070,649	193,503,054
Deficit on revaluation of investments classified as held for trading - net		**(19,390)**	**-**	**(19,390)**	(10,646)	-	(10,646)
Surplus on revaluation of investments classified as available for sale - net		**1,251,977**	**1,710**	**1,253,687**	852,230	1,171,004	2,023,234
Total investments - net		**140,737,572**	**8,922,384**	**149,659,956**	124,273,989	71,241,653	195,515,642

* related parties

10.2 These include 1,670,685 equity shares (December 31, 2015: Nil) of Agritech Limited (AGL) acquired at the rate of Rs 35 each, as a result of the exercise of put option in pursuance of the investors buy-back agreement dated July 20, 2012. The Bank has availed the relaxation provided by the SBP vide letter no BPR/BRD/Policy/2016-14898 dated June 14, 2016 in recording impairment against these shares. The Bank is required to maintain atleast 25%, 50%, 75% and 100% of the required impairment as at September 30, 2016, December 31, 2016, March 31, 2017 and June 30, 2017 respectively. Accordingly, the Bank has recorded an impairment of Rs 9.093 million against these shares during the period ended September 30, 2016. Had the SBP not provided this relaxation the profit before taxation would have been lower by Rs 27.278 million and provision for diminution in the value of investment higher by the same amount.

10.3 These include Pre IPO investment of Rs 500 million (December 31, 2015: Rs 500 million) made in the unlisted term finance certificates (TFCs) of Dewan Cement Limited. The State Bank of Pakistan through its letter BPRD/BLRD-3/DMG/2011-1035 had advised the Banks to maintain provision at least at the level of 90% in five quarters (commencing from December 31, 2010) by December 31, 2011. The Bank as per the above directive had availed the relaxation and maintained a provision of Rs 450 million against this investment. Had the provision been made as per the time based criteria specified in the Prudential Regulations issued by the SBP, the provision for diminution in the value of investments for the period ended September 30, 2016 would have been higher by Rs 50 million (September 30, 2015: Rs 50 million) and the profit before taxation for the period ended September 30, 2016 would have been lower by Rs 50 million (September 30, 2015: Rs 50 million).

10.4 These include an investment of the Bank in unlisted shares of DHA Cogen Limited (DHA) (a related party of the Bank) representing 19.1% (2015: 19.1%) equity holding of DHA.

10.5 Investment of the Bank in Faysal Asset Management Limited (FAML) has been accounted for under the equity method of accounting as per the requirement of IAS 28 - Investment in associates and joint ventures. The Bank's share of post acquisition profit or loss is recognised using the latest available audited financial statements of FAML which relate to the period ended June 30, 2016 with a corresponding adjustment to the carrying amount of investment. The details of the Bank's investment, post acquisition changes and certain other details relating to FAML are as under:

	Un-audited September 30, 2016	Audited December 31, 2015
	---------- Rupees '000 ----------	
10.5.1 Faysal Asset Management Limited - percentage holding 30% (December 31, 2015: 30%)		
At January 1	**68,082**	75,084
Post acquisition changes during the period / year - recognised in the profit and loss account	**(9,797)**	(7,002)
Closing Balance	**58,285**	68,082
Cost of investment	**45,000**	45,000
10.5.2 Particulars of the assets and liabilities of the associate		
Assets	**194,168**	264,195
Liabilities	**(114)**	38,218
Revenue	**65,809**	129,954
Loss	**(31,695)**	(23,291)

		Un-audited September 30, 2016	Audited December 31, 2015
		---------- Rupees '000 ----------	
10.6 Particulars of provision for diminution in the value of investments			
Opening balance		**3,282,763**	2,828,212
Charge during the period / year		**15,918**	601,616
Reversals during the period / year		**(19,600)**	(147,065)
		(3,682)	454,551
Closing balance		**3,279,081**	3,282,763
11 ADVANCES			
Loans, cash credits, running finances, etc. – in Pakistan	11.2.1	**160,453,477**	170,731,644
Net investment in finance lease – in Pakistan		**10,209,892**	9,796,173
		170,663,369	180,527,817
Bills discounted and purchased (excluding government treasury bills)			
- Payable in Pakistan		**4,657,972**	3,376,937
- Payable outside Pakistan		**872,178**	1,098,911
		5,530,150	4,475,848
Islamic financing and related assets		**29,330,838**	20,532,158
Margin financing / reverse repo transactions		**88,200**	88,200
Gross advances		**205,612,557**	205,624,023
Provision against non-performing advances	11.1 & 11.2	**(24,433,728)**	(24,101,547)
Provision against consumer and small enterprise loans - general	11.3	**(449,126)**	(432,672)
		(24,882,854)	(24,534,219)
Advances - net of provision		**180,729,703**	181,089,804

11.1 Advances includes Rs. 30,067 million (2015: Rs. 30,469 million) which have been placed under non-performing status as detailed below:

Particulars	Note	September 30, 2016 (Un-audited)								
		Classified Advances			Provision required			Provision held		
		Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
		Rupees '000								
Category of classification										
Other Assets Especially Mentioned (OAEM)	11.1.1	437,883	-	437,883	-	-	-	-	-	-
Substandard		2,179,186	-	2,179,186	345,881	-	345,881	345,881	-	345,881
Doubtful		1,579,266	-	1,579,266	469,210	-	469,210	469,210	-	469,210
Loss		25,870,334	-	25,870,334	23,618,637	-	23,618,637	23,618,637	-	23,618,637
		30,066,669	-	30,066,669	24,433,728	-	24,433,728	24,433,728	-	24,433,728

Particulars	Note	December 31, 2015 (Audited)								
		Classified Advances			Provision required			Provision held		
		Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
		Rupees '000								
Category of classification										
Other Assets Especially Mentioned (OAEM)	11.1.1	428,735	-	428,735	830	-	830	830	-	830
Substandard		2,691,103	-	2,691,103	373,023	-	373,023	373,023	-	373,023
Doubtful		1,792,035	-	1,792,035	498,651	-	498,651	498,651	-	498,651
Loss		25,556,979	-	25,556,979	23,229,043	-	23,229,043	23,229,043	-	23,229,043
		30,468,852	-	30,468,852	24,101,547	-	24,101,547	24,101,547	-	24,101,547

11.1.1 This represents non-performing portfolio of agricultural, housing and small enterprise financing classified as OAEM as per the requirements of the Prudential Regulations for agricultural, housing and small enterprise financing issued by the SBP.

11.2 Particulars of provision against non-performing advances	Un-audited September 30, 2016	Audited December 31, 2015
	Rupees '000	
Opening balance	24,101,547	23,011,743
Recognised in the profit & loss account		
Charge for the period / year	1,393,320	2,342,060
Reversals during the period / year	(1,056,528)	(1,315,932)
Net charge	336,792	1,026,128
Transfer of provision	-	69,999
Amounts written off	(4,611)	(6,323)
Closing balance	24,433,728	24,101,547

11.2.1 This includes Bank's exposure to Power Holding (Pvt) Limited amounting to Rs 11,309.900 million which is guaranteed by the Government of Pakistan. This exposure is overdue, as at September 30, 2016, but has not been classified as non-performing in accordance with the relaxation given by the SBP. Had the classification been made in accordance with the requirements of the prudential regulations, the non-performing advances would have been higher by Rs 11,309.900 million.

11.2.2 As allowed by the SBP the Bank has availed benefit of Forced Sale Value (FSV) of collaterals held as security of Rs 2,477.326 million (December 31, 2015: Rs 2,730.690 million) relating to advances, Rs 2.884 million (December 31, 2015: Rs 4.326 million) relating to investments and Rs 10.730 million (December 31,2015: Rs 9.308 million) relating to off-balance sheet items while determining the provisioning requirement against non-performing financing (including investments) as at September 30, 2016. The additional profit arising from availing the FSV benefit - net of tax as at September 30, 2016 which is not available for distribution as either cash or stock dividend to shareholders and bonus to employees amounted to approximately Rs 1,619.111 million (December 31, 2015: Rs 1,783.813 million).

	Un-audited September 30, 2016	Audited December 31, 2015
	Rupees '000	
11.3 Particulars of provision against consumer loans and small enterprise - general		
Opening balance	432,672	439,524
Charge / (reversal) during the period / year	16,454	(6,852)
Closing balance	449,126	432,672

11.3.1 The SBP vide BPRD circular 10 of 2016 has issued revised general provision requirements for consumer financing portfolio, whereby rates of general provision have been determined based on NPL to gross loans ratio. The Bank as at September 30, 2016 is complying with revised regulations and is maintaining a general provision against consumer financing portfolio amounting to Rs 389.243 million. Had the SBP not issued the revised regulations provision against conumer loans and small enterprises-general would have been higher by Rs 7.193 million and profit before tax would have been lower by the same amount.

11.3.2 The Bank maintains general provision in accordance with the applicable requirements of the Prudential Regulations for Housing Finance and Small and Medium Enterprise Financing issued by the SBP. As per these regulations, the Bank maintains general provision as follows:

	Secured	Unsecured
Housing Finance Portfolio	1.5%	-
Small Enterprise Portfolio	1.0%	2.0%

11.4 Although the Bank has made provision against its non-performing portfolio as per the category of classification of the loans, however, the Bank still holds enforceable collateral against certain non-performing loans in the event of recovery through litigation. These securities comprise of charge against various tangible assets of the borrower including land, building and machinery, stock in trade, etc.

	Un-audited September 30, 2016	Audited December 31, 2015
	Rupees '000	
12 OPERATING FIXED ASSETS		
Capital work-in-progress	586,591	627,098
Tangible fixed assets	8,541,152	8,812,777
Intangible assets	1,640,382	1,903,105
	10,768,125	11,342,980

	Un-audited For the nine months ended	
	September 30, 2016	September 30, 2015
	Rupees '000	
12.1 Additions to operating fixed assets - cost		
Leasehold property and improvements	126,496	91,667
Office furniture, fixtures, equipment and computers	558,734	79,003
Vehicles	5,698	16,833
Capital work-in-progress	688,186	472,026
Additions to Intangibles		
Software	38,641	9,932
12.2 Disposals of operating fixed assets - cost		
Freehold land	455,000	-
Office furniture, fixtures, equipment and computers	15,081	62,023
Vehicles	53,386	11,392

13 OTHER ASSETS

This include provision amounting to Rs 2.300 million (December 31, 2015: Rs 232.37 million) in respect of fraud and forgeries incidents.

		Un-audited September 30, 2016	Audited December 31, 2015
14	**DEPOSITS AND OTHER ACCOUNTS**	---------- Rupees '000 ----------	
	Customers		
	Fixed deposits	93,803,677	90,461,529
	Saving deposits	105,684,563	95,584,670
	Current accounts – Remunerative	2,065,911	2,054,101
	Current accounts – Non-remunerative	93,292,087	89,476,774
	Margin accounts	2,309,695	2,005,605
		297,155,933	279,582,679
	Financial institutions		
	Remunerative deposits	17,165,612	12,204,384
	Non-remunerative deposits	144,956	343,195
		17,310,568	12,547,579
		314,466,501	292,130,258

15 CONTINGENCIES AND COMMITMENTS

15.1 Direct credit substitutes

Contingent liability in respect of guarantees favouring:		
- Banking companies and other financial institutions	475,845	497,327
Acceptances		
- Others	10,012,797	6,609,326

15.2 Transaction-related contingent liabilities

Contingent liability in respect of performance bonds, bid bonds, shipping guarantees and standby letters of credit etc. favouring:		
- Government	10,596,432	8,994,355
- Banking companies and other financial institutions	83,551	12,267
- Others	1,986,047	2,846,359
	12,666,030	11,852,981

15.3 Trade-related contingent liabilities

Letters of credit		
- Government	11,017,985	12,708,525
- Others	10,755,048	10,813,163
	21,773,033	23,521,688

15.4 Other contingencies

i) Suit filed by a customer for recovery of alleged losses suffered which is pending in the High Court of Sindh. The Bank's legal advisors are confident that the Bank has a strong case	2,510,000	2,510,000
ii) Indemnity issued favouring the High Court in the above case	457,543	457,543
iii) Claims against the Bank not acknowledged as debt	30,761,659	31,539,971

These mainly represent counter claims filed by the borrowers for restricting the Bank from disposal of assets (such as mortgaged / pledged assets kept as security), cases where the Bank was proforma defendant for defending its interest in the underlying collateral kept by it at the time of financing and certain cases filed by ex- employees of the

Bank for damages sustained by them consequent to the termination from the Bank's employment. The above also includes an amount of Rs 25,299 million in respect of a suit filed against the Bank for declaration, recovery of monies, release of securities, rendition of account and damages.

Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in this condensed interim financial information.

(iv) Income tax assessments of the Bank have been finalised upto the tax year 2015 (accounting year 2014).

The department and the Bank have disagreements on certain matters in different tax years. These include taxability of gain on bargain purchase, allocation of expenses relating to dividends and capital gain, allowability of provision against loans and advances, provision against investments and provision against other assets. The additional tax liability on these matters is Rs 3,089.169 million. Both the Bank and the department have filed appeals before the various appellate forums with respect to the aforementioned matters. The management of the Bank, in consultation with its tax advisor, is confident that the decision in respect of these matters will be in the Bank's favour and accordingly no provision has been made in this condensed interim financial information with respect thereto.

(v) The Finance Act, 2016 has made certain amendments in the Income Tax Ordinance, 2001. Under these amendments, super tax at the rate of 4 percent on the taxable income of the Bank has been extended for the tax year 2016 (accounting year 2015). The Bank has provided the liability in this condensed interim financial information.

15.5 Commitments to extend credits

The Bank makes commitments to extend credit (including to related parties) in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn except for Rs 27,188 million (December 31, 2015: Rs 10,951 million) which are irrevocable in nature.

	Un-audited September 30, 2016	Audited December 31, 2015
	Rupees '000	
15.6 Commitments in respect of forward exchange contracts		
Purchase		
- Customers	1,345,106	848,576
- Banks	24,597,653	23,268,341
	25,942,759	24,116,917
Sale		
- Customers	18,342	782,309
- Banks	8,463,545	9,166,680
	8,481,887	9,948,989
15.7 Commitments for the acquisition of operating fixed assets	176,022	82,419
15.8 Commitments in respect of repo transactions		
Repurchase	8,929,654	71,239,393
Resale	307,594	306,889
15.9 Others		
Cross currency swaps (notional principal)	837,967	-

16 EARNINGS PER SHARE

	Un-audited			
	For the quarter ended		For the nine months ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	Rupees '000			
Profit after tax for the period	929,904	794,410	3,748,020	3,362,310
	Number of shares in thousands			
Weighted average number of ordinary shares	1,199,760	1,199,760	1,199,760	1,199,760
	Rupees			
Earnings per share - basic	0.78	0.66	3.12	2.80

16.1 Diluted earning per share has not been presented as the Bank does not have any convertible instruments in issue at September 30, 2016 and September 30, 2015 which would have any effect on the earning per share if the option to convert is exercised.

17 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Primary segment information

The Bank is organised into four major business segments:
- Corporate Finance
- Trading and Sales
- Retail Banking
- Corporate & Commercial Banking

All assets, liabilities, off balance sheet items and items of income and expense are distributed in primary segments in accordance with the core functions performed by the business groups.

	Corporate Finance	Trading & Sales	Retail Banking	Corporate & Commercial Banking	Total
September 30, 2016 - Un-audited			Rupees '000		
Total income ***	334,744	6,534,954	16,144,081	2,148,287	25,162,066
Total expenses	(138,936)	(3,784,873)	(15,610,722)	(1,879,515)	(21,414,046)
Net income / (loss)	195,808	2,750,081	533,359	268,772	3,748,020
Segment assets (Gross)	-	146,849,706	92,892,994	175,228,007	414,970,707
Segment non performing loans	-	-	6,239,853	23,826,816	30,066,669
Segment provision required against loans **	-	-	(3,400,273)	(21,482,581)	(24,882,854)
Segment liabilities	-	(9,969,499)	(316,655,733)	(26,687,917)	(353,313,149)
Segment return on assets (ROA) (%) *	-	2.12%	0.87%	0.24%	
Segment cost of funds (%) *	-	4.75%	4.04%	5.59%	
September 30, 2015 - Un-audited					
Total income ***	136,227	8,235,470	18,278,690	2,468,558	29,118,945
Total expenses	(77,187)	(5,738,393)	(17,428,821)	(2,512,234)	(25,756,635)
Net income	59,040	2,497,077	849,869	(43,676)	3,362,310

	Corporate Finance	Trading & Sales	Retail Banking	Corporate & Commercial Banking	Total
December 31, 2015 - Audited			Rupees '000		
Total income ***	171,314	10,511,436	23,968,640	3,218,501	37,869,891
Total expenses	(93,741)	(7,460,330)	(22,804,437)	(3,289,019)	(33,647,527)
Net income / (loss)	77,573	3,051,106	1,164,203	(70,518)	4,222,364
Segment assets (Gross)	-	195,988,770	92,575,975	169,930,474	458,495,219
Segment non performing loans	-	-	5,968,091	24,360,763	30,328,854
Segment provision required against loans **	-	-	(3,150,015)	(21,314,205)	(24,464,220)
Segment liabilities	-	(76,923,939)	(300,294,580)	(22,501,868)	(399,720,387)
Segment return on assets (ROA) (%) *	-	1.65%	1.33%	(0.04%)	
Segment cost of funds (%) *	-	5.42%	4.75%	7.05%	

* These percentages have been computed based on average balances.
** includes general provision
*** Net of share of loss of associate

18 RELATED PARTY TRANSACTIONS

The Bank has related party relationship with its holding company, associated undertaking, associated company, group companies, retirement benefit plans, directors, key management personnel and entities over which the directors or key management personnel are able to exercise significant influence.

Banking transactions with the related parties are executed substantially on the same terms, except transactions with directors and key management personnel that are as per their terms of employment, including mark-up rates and collateral, as those prevailing at the time of comparable transactions with unrelated parties and do not involve more than a normal risk.

Details of transaction with related parties during the period, other than those which have been disclosed elsewhere in this condensed interim financial information are as follows:

Particulars	As at September 30, 2016 (Un-audited)			
	Directors and key management personnel	Retirement Benefit Plans	Associate	Group Companies and associated undertakings *
	Rupees '000			
Deposits				
Balance at the beginning of the period	55,474	517,875	2,265	518,129
Placements during the period	968,873	749,186	3,163,527	21,246,026
Withdrawals during the period	(938,300)	(511,051)	(3,158,221)	(20,865,017)
Balance at end of the period	86,047	756,010	7,571	899,138
Advances *				
Balance at the beginning of the period	63,045	-	-	4,038,817
Disbursements during the period	33,603	-	-	4,010
Repayments during the period	(11,488)	-	-	(55,586)
Balance at end of the period	85,160	-	-	3,987,241
Guarantees issued favouring related parties or on their behalf	-	-	-	29,397
Trust activities	167,190	755,800	-	51,900
Other assets (Defined benefit obligation)	-	48,046	-	-
Shares held by group companies	-	-	-	8,646,995

* Provision held against advances in respect of group Companies and associated undertaking amounted to Rs 2,994.048 million.

Particulars	As at December 31, 2015 (Audited)			
	Directors and key management personnel	Retirement Benefit Plans	Associate	Group Companies and associated undertakings *
	Rupees '000			
Deposits				
Balance at the beginning of the year	107,806	87,030	5,141	50,108
Placements during the year	1,274,531	2,212,848	3,810,108	4,635,457
Withdrawals during the year	(1,326,863)	(1,782,003)	(3,812,984)	(4,167,436)
Balance at end of the year	55,474	517,875	2,265	518,129
Advances *				
Balance at the beginning of the year	58,293	-	-	4,041,850
Disbursements during the year	25,193	-	-	-
Repayments during the year	(20,441)	-	-	(3,033)
Balance at end of the year	63,045	-	-	4,038,817
Guarantees issued favouring related parties or on their behalf	-	-	-	29,397
Trust activities	125,100	914,800	-	53,400
Other assets (Defined benefit obligation)	-	115,956	-	-
Shares held by group companies	-	-	-	8,646,995

* Provision held against advances in respect of group Companies and associated undertaking amounted to Rs 2,963.060 million.

Particulars	For the nine months ended September 30, 2016 (Un-audited)			
	Directors and key management personnel	Retirement Benefit Plans	Associate	Group Companies and associated undertakings
	Rupees '000			
Shares / units purchased during the period	-	-	-	289,720
Shares / units sold during the period	-	-	-	706,290
Government securities purchased during the period	404,905	-	-	-
Government securities sold during the period	442,942	189,940	-	297,749
Profit paid / accrued	1,400	26,426	201	14,606
Profit return / earned	3,109	-	-	53,626
Remuneration of the key management personnel				
- Salaries and other short-term employee benefits	261,527	-	-	-
- Post-employment benefits	14,341	-	-	-
- Directors fee	39,678	-	-	-
Contribution / charge relating to staff retirement benefits	-	162,590	-	-
Dividend income	-	-	-	86,775
Capital gain	-	-	-	2,008
Share of loss from associate	-	-	9,797	-
Dividend paid	-	-	-	864,698

Particulars	For the nine months ended September 30, 2015 (Un-audited)			
	Directors and key management personnel	Retirement Benefit Plans	Associate	Group Companies and associated undertakings
	Rupees '000			
Shares / units purchased during the period	-	-	-	740,000
Shares / units sold during the period	-	-	-	605,409
Government securities purchased during the period	450,337	305,674	-	-
Government securities sold during the period	507,611	-	-	3,037,395
Profit paid / accrued	2,108	12,082	219	13,776
Profit return / earned	3,389	-	-	177,113
Remuneration of the key management personnel				
- Salaries and other short-term employee benefits	259,611	-	-	-
- Post-employment benefits	13,103	-	-	-
- Directors fee	39,484	-	-	-
Contribution / charge relating to staff retirement benefits	-	167,435	-	-
Dividend income	-	-	-	102,036
Capital loss	-	-	-	3,261
Share of loss from associate	-	-	5,385	-
Bonus shares issued	-	-	-	1,044,999

18.1 Balances pertaining to parties that were related at the beginning of the period but ceased to be so related during any part of the current period are not reflected as part of the closing balance. The same are accounted for through the movement presented above.

19 FAIR VALUE DISCLOSURES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

19.1 Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the assets or liabilities that are not based on observable market data (i.e. unobservable inputs e.g. estimated future cash flows) (Level 3).

Recurring fair value measurements

	September 30, 2016 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	Rupees '000			
Investments - net				
Market Treasury Bills	-	52,372,596	-	52,372,596
Pakistan Investment Bonds	-	56,754,439	-	56,754,439
Ijara Sukuk Bonds	-	4,436,515	-	4,436,515
Fully Paid up Ordinary Shares	3,785,304	-	-	3,785,304
Term Finance Certificates	-	314,006	-	314,006
Units of Open end Mutual Funds	803,023	-	-	803,023
Sukuk Certificates	-	625,000	-	625,000
Commitments in respect of forward exchange contracts				
Forward purchase of foreign exchange	-	24,967,585	-	24,967,585
Forward sale of foreign exchange	-	9,447,888	-	9,447,888

Recurring fair value measurements

	December 31, 2015 (Audited)			
	Level 1	Level 2	Level 3	Total
	Rupees '000			
Investments - net				
Market Treasury Bills	-	93,481,729	-	93,481,729
Pakistan Investment Bonds	-	53,588,627	-	53,588,627
Ijara Sukuk Bonds	-	5,924,997	-	5,924,997
Fully Paid up Ordinary Shares	3,566,953	-	-	3,566,953
Term Finance Certificates	-	314,964	-	314,964
Units of Open end Mutual Funds	1,323,180	-	-	1,323,180
Sukuk Certificates	-	-	-	-
Commitments in respect of forward exchange contracts				
Forward purchase of foreign exchange	-	24,968,147	-	24,968,147
Forward sale of foreign exchange	-	9,099,387	-	9,099,387

The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date when the event or change in circumstances require Bank to exercise such transfers.

There were no transfers between levels 1 and 2 during the period.

Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV rates.
Ijara Sukuk	Fair values of GoP Ijarah Sukuk are derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters. These rates denote an average of quotes received from eight different pre-defined / approved dealers / brokers.
Term Finance Certificates (TFCs) and Sukuk Certificates	Fair values of TFCs and Sukuk Certificates are determined using the MUFAP rates.
Forward foreign exchange	The valuation has been determined by interpolating the mid rates announced by the State Bank of Pakistan.

20 ISLAMIC BANKING BUSINESS

The Bank is operating 111 Islamic banking branches (2015: 68) and 1 Islamic sub-branch (2015: 1).

20.1 The statement of financial position of these branches as at September 30, 2016 is as follows:

	Note	Un-audited September 30, 2016	Audited December 31, 2015
		Rupees '000	
ASSETS			
Cash and balances with treasury banks		4,095,837	3,023,428
Balances with other banks		129,013	79,307
Due from financial institutions		-	-
Investments		24,151,089	21,883,819
Islamic financing and related assets	20.3.1	29,064,399	20,286,653
Operating fixed assets		820,349	469,907
Deferred tax assets		13,452	-
Other assets		1,548,842	338,394
		59,822,981	46,081,508
LIABILITIES			
Bills payable		734,832	578,799
Due to financial institutions		-	-
Deposits and other accounts			
- Current accounts		14,103,514	13,060,570
- Saving accounts		10,365,637	10,145,581
- Term deposits		7,197,929	7,169,760
- Others		45,258	50,334
- Deposits from financial institutions - remunerative		6,116,965	1,327,324
- Deposits from financial institutions - non-remunerative		4,991	5,495
Due to head office		17,841,146	10,280,307
Deferred tax liabilities		-	2,029
Other liabilities		536,098	515,807
		56,946,370	43,136,006
NET ASSETS		2,876,611	2,945,502
REPRESENTED BY			
Islamic banking fund		1,380,000	1,380,000
Reserves		-	-
Unappropriated profit		1,396,464	1,436,604
		2,776,464	2,816,604
Surplus on revaluation of assets - net of tax		100,147	128,898
		2,876,611	2,945,502

20.2 The profit and loss account of the Bank's Islamic Banking branches for the nine months ended September 30, 2016 is as follows:

	Un-audited For the nine months ended	
	September 30, 2016	September 30, 2015
	Rupees '000	
Profit / return earned on financing and investments	2,318,240	2,395,380
Profit / return expensed	1,436,937	1,109,948
Net spread earned	881,303	1,285,432
Provision against non-performing financings - net	24,371	25,676
(Reversal) / provision against consumer financings - general	(3,436)	5,700
Recoveries against written off debts	(220)	-
	20,715	31,376
	860,588	1,254,056
Other Income		
Fee, commission and brokerage income	103,050	91,668
Income from dealing in foreign currencies - net	4,312	3,614
Other income	1,508	982
Total other income	108,870	96,264
	969,458	1,350,320
Other expenses		
Administrative expenses	978,245	727,496
Other provision / write-offs	31,336	-
Other charges	18	-
Total other expenses	1,009,599	727,496
	(40,141)	622,824
Extraordinary items / unusual items	-	-
(Loss) / profit for the period	(40,141)	622,824
Unappropriated profit brought forward	1,436,604	921,429
Unappropriated profit carried forward	1,396,463	1,544,253
Remuneration to shariah advisor	3,350	2,552

	Un-audited September 30, 2016	Audited December 31, 2015
CHARITY FUND	Rupees '000	
Opening balance	1,034	337
Additions during the period / year	4,429	1,597
Payments / utilization during the period / year	(1,800)	(900)
Closing balance	3,663	1,034
Sector wise details of charity disbursement		
Health	1,300	700
Education	200	100
Social Work	300	100
	1,800	900

The charity has been paid by the Bank on account of late payment penalties received from customers and profit earned thereon.

		Un-audited September 30, 2016	Audited December 31, 2015
		---------- Rupees '000 ----------	
20.3 Islamic Financing and Related Assets	20.3.1	**29,064,399**	20,286,653
20.3.1 Islamic Mode of Financing			
Financing			
Murabaha		**863,007**	1,120,081
Musharika cum Ijara		**11,393**	11,637
Diminishing Musharika		**17,122,705**	15,371,340
Fixed Assets Ijara Financing (net)		**541,795**	948,381
		18,538,900	17,451,439
Advance against Financing			
Advance against Murabaha Financing		**138,459**	331,498
Advance against Diminishing Musharika		**9,976,396**	2,164,556
Advance against Ijara		**677,083**	584,665
		10,791,938	3,080,719
Gross Islamic financing and related assets		**29,330,838**	20,532,158
Provision against Islamic financing and related assets		**266,439**	245,505
		29,064,399	20,286,653

21 GENERAL

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

The Bank, as per BPRD Circular Letter No. 05 of 2016 dated February 29, 2016, has reclassified the following comparative figures:

- Bai Muajjal of Rs 11,838.403 million has been reclassified from lendings to financial institutions to Investments.
- Islamic financing and related assets of Rs 3,010.720 million have been reclassified from other assets to advances.

No other major reclassifications were made during the period.

21.2 Figures have been rounded off to the nearest thousand rupees unless other wise stated.

22 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 27, 2016 by the Board of Directors of the Bank.

PRESIDENT & CEO **DIRECTOR** **DIRECTOR** **DIRECTOR**

ڈائریکٹرز کا جائزہ

بیلنس شیٹ کے مندرجات اور منافع دونوں ہی بینک کی اجتماعی حکمتِ عملی سے بھرپور مطابقت رکھتے ہیں۔

کریڈٹ ریٹنگ

JCR-VIS کریڈٹ ریٹنگ کمپنی لمٹیڈ (J C R) اور پاکستان کریڈٹ ریٹنگ ایجنسی لمٹیڈ (PACRA) نے ۳۱ دسمبر ۲۰۱۵ کو درج ذیل درجہ بندی جاری کی ہیں۔

طویل المیعاد :AA

قلیل المیعاد : A1+

مزکورہ بالا کریڈٹ ریٹنگ ایجنسیز نے مستحکم حالت کی درجہ بندی تفویض کی ہے۔

JCR-VIS کی جانب سے تفویض کردہ درجہ بندیوں کی تعریفات درج ذیل ہیں۔

AA: ہائی کریڈٹ کوالٹی۔حفاظتی عوامل مضبوط ہیں۔خطرات بہت کم ہیں لیکن اقتصادی حالات کے باعث بسا اوقات کچھ خطرات رونماء ہوسکتے ہیں۔

A1+ : بروقت ادائیگی کے لئے بڑی یقین دہانی۔قلیل المیعاد سیالیت بشمول انتظامی عوامل اور فنڈز کے متبادل ذرائع تک رسائی کی بہترین صلاحیت کی حامل ہے اور اطمینان بخش ہے۔

PACRA کی جانب سے تفویض کردہ درجہ بندیوں کی تعریفات درج ذیل ہیں۔

AA: ویری ہائی کریڈٹ کوالٹی۔AA درجہ بندی سے مراد کریڈٹ کے خطرات کی بہت ہی کم امید ہے۔اس سے اشارہ ملتا ہے کہ مالیاتی معاہدوں پر بروقت ادائیگی کی بہترین صلاحیت موجود ہے۔

A1+ :بروقت ادائیگی کے لئے بڑی یقین دہانی کا حامل ہے

توثیقی بیان

میں بورڈ آف ڈائریکٹرز اور بینک انتظامیہ کی طرف سے حصص مالکان کا شکریہ ادا کرتا ہوں کہ انہوں نے ہم پر بھرپور اعتماد کا اظہار کیا ہے۔تعاون اور رہنمائی کا سلسلہ جاری رکھنے پر میں بینک دولت پاکستان اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا بھی شکر گزار ہوں۔ادارے کی سرپرستی کے لیے تمام کرم فرماؤں (اندرونی و بیرونی کسٹمرز) کا بھی ہم دل کی گہرائی سے شکریہ ادا کرتے ہیں۔ادارے کی بھرپور ترقی یقینی بنانے کے لیے پوری لگن اور تندہی سے کام کرنے پر ہم تمام ملازمین کے بھی بے حد شکر گزار ہیں۔

منجانب بورڈ آف ڈائریکٹرز
پریزیڈنٹ اور سی ای او

کراچی
۲۷ اکتوبر ۲۰۱۶

ڈائریکٹرز کا جائزہ

مالیاتی جھلکیاں

	ستمبر ۲۰۱۶	ستمبر ۲۰۱۵
	ملین روپے	
آپریٹنگ پرافٹ	۶،۰۸۴	۶،۸۰۰
پرویژن فارنان پرفارمنگ ایڈوانسز	(۲۹۵)	(۹۶۲)
پرویژن فار ڈیمینیشن ان ویلیو آف انویسٹمنٹس	۶	(۳۲۹)
پرویژن اگینسٹ آف بیلینس شیٹ اوبلیگیشن	۴	۷۷
	(۲۸۵)	(۱،۲۱۴)
پرافٹ بیفور ٹیکس	۵،۷۹۹	۵،۵۸۶
پرویژن فار ٹیکس	(۲،۰۵۱)	(۲،۲۲۴)
پرافٹ آفٹر ٹیکس	۳،۷۴۸	۳،۳۶۲
ارننگ پر شیئر	۳٫۱۲	۲٫۸۰

موجودہ کم شرح سود کے ماحول میں کام کرتے ہوئے فیصل بینک نے ۲۰۱۶ کے ابتدائی ۹ ماہ کے دوران ۳ ارب ۷۴ کروڑ ۸۰ لاکھ روپے کا بعد از ٹیکس منافع کمایا ہے جبکہ گزشتہ برس اسی مدت کے دوران یہ منافع ۳ ارب ۳۶ کروڑ ۲۰ لاکھ روپے رہا تھا۔ یعنی منافع میں ۱۱٫۵ فیصد بہتری آئی ہے۔ یہ منافع وفاقی بجٹ کی رُو سے ۳۴ کروڑ ۷۰ لاکھ روپے کا سپر ٹیکس نافذ کیے جانے کے باوجود ممکن بنایا گیا ہے۔ اگر یہ خصوصی ٹیکس نافذ نہ کیا گیا ہوتا تو بینکاری سرگرمیوں سے بینک کی منافع کمانے کی صلاحیت میں ۲۱٫۸ فیصد اضافہ ہوتا۔ بینک کی فی حصص آمدنی ۲٫۸۰ روپے سے بڑھ کر ۳٫۱۲ روپے پر پہنچ گئی ہے۔

اس وقت بینکنگ انڈسٹری قدرے مشکل دور سے گزر رہی ہے۔ ایسے میں فیصل بینک کی کوشش ہے کہ کم لاگت کی بنیادی ڈپازٹس سے زیادہ سے زیادہ یافت یقینی بنائی جائے۔ قرضے زیادہ دانش مندی سے دیئے جائیں۔ جن قرضوں کی ریکوری مدت سے بہت سست ہے اُن کی ریکوری تیز بنائی جائے اور انتظامی اخراجات میں زیادہ سے زیادہ کمی ممکن بنائی جائے۔ بینک نے کاسا ڈپازٹس مکس کو دسمبر ۲۰۱۵ کے ۶۷٫۲۵ فیصد سے بڑھا کر ستمبر ۲۰۱۶ تک ۶۸٫۲۱ فیصد کر دیا ہے۔ اس کے نتیجے میں فنڈز کی لاگت میں ۷۱ بی پی ایس کی کمی واقع ہوئی ہے۔ نادہندہ قرضوں کی ریکوری سے حاصل ہونے والے ۷۸ کروڑ ۱۰ لاکھ روپے کی بدولت بینک کی منافع کمانے کی صلاحیت میں اضافہ ہوا اور سخت تر اقدامات کی مدد سے بینک کے مجموعی اخراجات کو ۲۰۱۳ کی سطح پر رکھنے میں غیر معمولی حد تک مدد ملی۔

بینک کی غیر زری آمدنی میں حکومتی قرضوں پر منافع اور انوسٹمنٹ بینکاری کے حوالے سے مشاورت کی سرگرمیوں کی بنیاد پر اضافہ دیکھا گیا۔

دسمبر ۲۰۱۵ کے ۷۹٫۱ فیصد کے مقابلے میں نادہندہ قرضوں کی کوریج اب ۸۱٫۳ فیصد کی سطح پر ہے جس سے یہ ظاہر ہوتا ہے کہ بینک نے نادہندہ قرضوں کی مد میں مناسب پروویژن رکھی ہے۔ بینک نے اندرونی سطح پر سرمائے کی تشکیل میں غیر معمولی بہتری ممکن بنائی ہے جس کی بدولت مجموعی سرمایہ اب ۲۸ ارب ۶۰ کروڑ روپے کی سطح پر ہے۔ ڈپازٹس ۳۱۵ ارب روپے کی سطح پر ہیں۔ یہ تبدیلی کم لاگت کی بنیادی ڈپازٹس یقینی بنانے سے متعلق کوششوں کا نتیجہ ہے۔ ڈپازٹس میں ۷٫۶ فیصد بہتری دکھائی دی ہے۔ بینک کے مجموعی اثاثے ۳۵۰ ارب روپے سے زائد ہیں۔

ڈائریکٹرز کا جائزہ

ادارے کی سماجی ذمہ داری

- گلگت بلتستان میں تپ دق (ٹی بی) کنٹرول کرنے کے پروگرام میں عطیہ دیا گیا۔
- ایس او ایس ٹیکنیکل ٹریننگ انسٹی ٹیوٹ، کورنگی میں ۳۰۰ طلباء وطالبات کی اسپانسرشپ کی تجدید کی گئی۔
- نمل کالج (میانوالی) کے انجینئرنگ بلاک کے آڈیٹوریم کے لیے عطیے کی منظوری۔
- دوسرے عطیہ کنندگان کے ساتھ مل کر جناح پوسٹ گریجویٹ میڈیکل سینٹر (جناح ہسپتال)، میں سرجیکل کمپلیکس کی تعمیر میں عطیے کی منظوری۔

اندرونی مواصلات

- ایزی پیمنٹ پلان کے علاوہ بہت سے کھانے اور طرز زندگی کے مراکز پر فیصل کارڈ کے تحت پرکشش مراعات متعارف کرائی گئیں۔
- س سہ ماہی کے نیوز لیٹر میں میری ایڈیلیڈ لیپروسی سینٹر، ٹائٹینیم کارڈ کا اجرا، کنزیومر فنانس اسپاٹ ایوارڈز ۳۰۰ سے زائد شاخوں کا سنگِ میل عبور کرنے سمیت کئی اہم خبریں شامل ہیں۔

نمایاں کامیابیاں

- ڈپازٹس ۳۰۰ ارب روپے کا سنگِ میل عبور کر چکے ہیں۔
- بینک اشورنس یونٹ سے جڑا ہوا پریمیم ۵۰ کروڑ روپے سے زائد ہے جس کے نتیجے میں فیصل بینک انڈسٹری میں منفرد حیثیت کا حامل ٹھہرتا ہے۔
- اگست میں کریڈٹ کارڈز کے ذریعے خریداری میں گزشتہ سال کی اسی مدت کی نسبت ۲۴ فیصد اضافہ ہوا۔
- شاخوں کے لیے افرادی قوت میں اضافے کی غرض سے اندرونی اور بیرونی ٹیلنٹ پُول تیار کیا گیا۔

مستقبلِ پر نظر

بنیادی حکمتِ عملی کے تحت فیصل بینک کو مکمل اسلامی بینک میں تبدیل کر دیا جائے گا۔ اس مقصد کے حصول کے لیے تمام نئی شاخیں اسلامی بینکاری کے تحت کھولی جا رہی ہیں۔ نئی شاخوں سے توقع کی جا رہی ہے کہ وہ کم لاگت کی بنیادی ڈپازٹس یقینی بنائیں اور فنڈز کی لاگت میں کمی میں بھی معاون ثابت ہوں۔ اس حکمتِ عملی کے کامیاب ہونے کی صورت میں بینک مقامی کاروباری برادری کے لیے بھرپور معاون ثابت ہونے کے ساتھ ساتھ دور افتادہ علاقوں تک بھی اپنی خدمات کا دائرہ وسیع کر سکے گا۔ یہ شاخیں متعدد خدمات کی فراہمی کا مرکز بن چکی ہیں۔

ڈائریکٹرز کا جائزہ

- بینک کی برانڈ ایکویٹی کے تعین اور اندرونی و بیرونی کرم فرماؤں کی نظر میں بینک کی وقعت کا اندازہ لگانے کے لیے مشیروں کی خدمات حاصل کی گئیں۔
- ٹی اے ٹیز اور مجموعی آپریشنز کی نگرانی یقینی بنانے کے لیے کیپ۔ڈیش بورڈ متعاف کرایا گیا تاکہ یوزرز کے لیے اکاؤنٹ اوپننگ انفارمیشن کا آن لائن جائزہ لیا جاسکے۔
- آئی ٹی ڈزاسٹر ریکوری پروگرام کی منظوری دی گئی اور کیٹیگری ون کی خدمات کے حوالے سے اس کی مشق بھی کی گئی۔
- فیصل بینک نے طویل المیعاد ٹرم ڈپازٹ ''فیصل اضافہ پریمیم''، بزرگ شہریوں کے لیے ''فیصل لائف پلس سیونگز اکاؤنٹس'' اور پے رول پروپوزیشن پروڈکٹ ''فیصل پے چیک پلس'' متعارف کرائی۔
- کرم فرماؤں کے لیے فیصل ایسیٹ مینیجمنٹ لمیٹڈ کے اشتراک سے فنڈ مینیجمنٹ اسکیم ''کونسٹنٹ پروپورشنل پورٹ فولیو انشورنس'' (سی پی پی آئی) متعارف کرایا۔
- ای ایف یو الائنز کے اشتراک سے چند اضافی فوائد کے ساتھ ویلیو ایڈیڈ انشورنس پروڈکٹ ''ہیلتھ پلس'' متعارف کرائی۔
- فیصل پرسنل انسٹالمنٹ قرضہ، کنزیومر ڈیوریبلز متعارف کرایا گیا ہے۔
- اسٹاف کو اسلامی اقدار سے نزدیک تر کرنے کے لیے ترمیم شدہ ضابطۂ اخلاق متعارف کرایا گیا۔

تربیت و ترقی

- سال کی تیسری سہ ماہی کے دوران ۳۸۳۷ ملازمین کی آن لائن اور کلاس روم ٹریننگ کی گئی۔
- ۲۶۲ شرکاء نے پانچ روزہ اسلامک بینکنگ سرٹیفکیشن پروگرام میں شرکت کی۔
- اہم عملے کے ۵۵ فیصد نے (این آئی بی اے ایف) کا اسلامک بینکنگ سرٹیفکیٹ کورس مکمل کیا۔
- فیصل بینک کے تمام ملازمین کے لیے سینٹرلائزڈ اکاؤنٹ پروسیسنگ سسٹم کی تربیت کا اہتمام کیا گیا۔
- ٹرینی ریلیشن شپ مینیجر پروگرام کے تحت ۲۰ ریلیشن شپ مینیجرز کو تربیت دے کر مختلف شاخوں میں تعینات کیا گیا۔
- ۴۲ ملازمین کو فارن ایکسچینج ریگولیشن ۲۰۱۶ (درآمد و برآمد) کی تربیت دی گئی۔

ڈائریکٹرز کا جائزہ

ہی کم ہے۔ معاشی نمو کی شرح ۵ء۵ فیصد رہنا بہت ضروری ہے تاکہ تیزی سے پنپتی ہوئی افرادی قوت کے لیے ذریعہ معاش کے زیادہ سے زیادہ ذرائع پیدا کیے جاسکیں۔ اب ترقی واستحکام کے امکانات روشن ہیں کیونکہ سود کی شرح ۴۲ سال کی کم ترین سطح پر ہے، افراطِ زر میں اضافے کی شرح بھی قابو میں ہے اور ادائیگیوں کا توازن بھی بہت حد تک موافق ہے۔ مگر چند ایک مشکلات بھی درپیش ہیں۔ ترسیلاتِ زر میں بہت حد تک ٹھہراؤ، برآمدات میں کمی اور روس کی طرف سے تیل کی پیداوار میں کمی لائے جانے کا عندیہ دیئے جانے کے بعد عالمی منڈی میں خام تیل کی قیمت میں چڑھاو کا امکان شامل ہے۔

فیصل بینک کی کارکردگی

بینک نے اعلیٰ ترین ممکنہ خدمات کرم فرماؤں کے دروازے پر فراہم کرنا جاری رکھا ہے۔ چند مخصوص شعبوں میں غیر معمولی کارکردگی کا ہدف متعین کرکے بینک نے شرح نمو بلند کرنے پر خاطر خواہ توجہ دی ہے۔ یہ سب کچھ سرمائے کے بہتر استعمال، برانچ نیٹ ورک کی توسیع، کاسا ڈیپازٹس کی حرکت پزیری، لاگت میں کمی، پورٹ فولیو میں استحکام اور سب سے بڑھ کر اسلامی بیکاری کے حوالے سے پیکیج بہتر بنائے جانے کی بدولت ممکن ہوسکا ہے۔ بینک نے چند بڑی کامیابیاں حاصل کی ہیں اور چند ہائی پروفائل سودوں کی مدد سے ادارے کے مجموعی استحکام میں اضافہ ہوا۔ آیئے ذرا ان کامیابیوں پر نظر ڈالتے ہیں۔

پراجیکٹ فنانسنگ اور سنڈیکیشن

- ایف بی ایل نے گاڑیوں کے پرزے تیار کرنے والے ایک بڑے ادارے کے لیے ابتدائی عوامی پیشکش کے انڈر رائٹر کا کردار ادا کیا۔ انڈر رائٹنگ کی رقم ۵ کروڑ روپے تھی۔
- ایف بی ایل نے ایک بڑے اسلامی بینک کے ٹیئر ٹو سکوک میں ۵۰ کروڑ روپے کی سرمایہ کاری کی۔
- ایف بی ایل نے پرائیویٹ اور کارپوریٹ سیکٹر میں گرین پاور سولیوشن کے لیے ملک کے چار بڑے بینکوں کے ساتھ مل کر امریکی ایجنسی فار انٹرنیشنل ڈیولپمنٹ (یو ایس ایڈ) کے ساتھ ۸ کروڑ ۴۰ لاکھ ڈالر کے معاہدے پر دستخط کیے۔

بنیادی ڈھانچے کا استحکام

- ۳۱ نئی شاخوں کے افتتاح کے ساتھ اب ۹۴ شہروں میں فیصل بینک کی ۳۲۳ برانچیں ہیں جن میں ۲۱۱ روایتی اور ۱۱۱ اسلامی بینکاری اور ایک ذیلی شاخ بھی شامل ہیں۔
- ملک بھر میں فیصل بینک کے ۱۳۲۱ اے ٹی ایمز کام کر رہے ہیں جن سے ہمارے کرم فرما ۲۴ گھنٹے مستفید ہو رہے ہیں۔

پروڈکٹ ڈیولپمنٹ اور نئے اقدامات

- ماسٹر کارڈ کے اشتراک سے فیصل بینک نے ٹائٹینیم کارڈ متعارف کرایا ہے۔

ڈائریکٹرز کا جائزہ

فیصل بینک کے بورڈ آف ڈائریکٹرز کی طرف سے آپ کی خدمت میں ۳۰ ستمبر ۲۰۱۶ کو ختم ہونے والی ۹ ماہ کی رپورٹ (مالیاتی گوشواروں کے ساتھ) پیش کرتے ہوئے میں مسرّت محسوس کر رہا ہوں۔

اقتصادی اپ ڈیٹ

ستمبر ۲۰۱۶ میں پاکستان نے عالمی مالیاتی فنڈ سے ملنے والے ۶ ارب ڈالر کے قرضے کا بارہواں اور آخری جائزہ کامیابی سے مکمل کرلیا۔ چند ایک معاشی اور سیاسی ناہمواریوں اور پریشانیوں کے باوجود آئی ایم ایف کی طرف سے ملنے والا یہ قرضہ پاکستانی معیشت کو بہتر حالت میں پہنچا کر ختم ہوا ہے۔ زرمبادلہ کے ذخائر ۲۳ ارب ۶۰ کروڑ ڈالر سے زائد ہیں اور مالیاتی خسارہ کم وبیش ۴٫۵ فیصد رہا ہے۔ مزید برآں محصولات کی وصولی میں بہتری آئی ہے اور غیر ضروری سبسڈیز ختم کی گئی ہیں۔ اس کے نتیجے میں معیشت کی مجموعی حالت بہتر ہوئی ہے۔

کئی عشروں کے بعد مالی سال ۲۰۱۶ میں مجموعی قیمتوں کے اشاریے (سی پی آئی) کی ریڈنگ ۲٫۸۸ رہی۔ اس کا مفہوم یہ ہے کہ اب افراطِ زر کے حوالے سے صورتِ حال معیشت اور قوم کے حق میں بہتر ہو رہی ہے۔

رواں مالی سال کی پہلی سہ ماہی کے دوران مجموعی قیمتوں کے اعشاریے (سی پی آئی) کی ریڈنگ ۳٫۸۷ فیصد رہی ہے جبکہ گزشتہ برس اسی مدت کے دوران یہ ریڈنگ ۳۳ء۱ فیصد تھی۔

بنیادی افراطِ زر میں بھی اس عرصہ کے دوران اضافہ دیکھا گیا ہے۔ گزشتہ برس ستمبر کے ۳٫۴ فیصد کے مقابلے میں رواں سال ستمبر میں یہ ۴٫۸ فیصد کی سطح پر پہنچ چکا ہے۔ امریکی ڈالر کے مقابلے میں روپے کی قدر میں استحکام اور اشیاء کی قیمتوں کو قابو میں رکھنے میں ملنے والی کامیابی کی بدولت توقع کی جاسکتی ہے کہ مجموعی افراطِ زر اسٹیٹ بینک آف پاکستان کے تجویز کردہ کمفرٹ زون (۴٫۵ تا ۵٫۵ فیصد) میں رہے گا۔

جاری کھاتوں کے حوالے سے زوال پزیری دیکھی گئی ہے۔ جولائی تا اگست ۲۰۱۶ کے دوران جاری کھاتوں کا خسارہ ۱ء۳۱۶ ارب ڈالر رہا جبکہ گزشتہ برس اسی مدت کے دوران جاری کھاتوں کا خسارہ ۰ء۶۸۶ ارب ڈالر تھا۔ جاری کھاتوں کے خسارے میں اضافہ بہت حد تک عالمی معیشت میں مندی کے باعث برآمدات میں رونما ہونے والی کمی کا نتیجہ ہے۔ پچھلے کچھ برسوں کے دوران معیشت کو سہارا دینے والی ترسیلاتِ زر اس مدت کے دوران مجموعی طور پر کمی بیشی سے مبرّا (جامد) رہی ہیں۔ ہماری معیشت کے لیے سب سے بڑے بیرونی خطرے کی نشاندہی کرتی ہے اور اس حوالے سے معاملات کا باریکی سے جائزہ لینے کی ضرورت ہے۔ زرمبادلہ کے ذخائر میں مزید اضافے کا دارومدار اس بات پر ہے کہ سرمائے اور مالیاتی کھاتوں میں موافق بہاؤ برقرار رہے۔ حکومت نے صورتِ حال کی نزاکت کا ادراک کرتے ہوئے بین القوامی ڈالر اسلامک سکوک جاری کرکے ایک ارب ڈالر ۵٫۵ فیصد پر جمع کیے ہیں جن کی مدد سے اندرونی اور بیرونی قرضوں کا سود ادا کرنے اور ادائیگیوں کا توازن برقرار رکھنے میں مدد ملے گی۔

عالمی مالیاتی فنڈ کا اندازہ ہے کہ قومی معیشت مالی سال ۲۰۱۷ کے دوران ۵ فیصد کی شرح سے نمو پائے گی جو حکومتی ہدف ۵٫۵ سے تھوڑا

فہرست

ڈائریکٹرز کا جائزہ ۲

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