



مستزاد عزم

2016
HALF YEAR
ENDED JUNE 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 AIQasimi	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 AIQasimi	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 Shakra-e-Faisal,
Karachi-74400

Tel: (92-21) 111-111-500

Fax: (92-21) 34326053

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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 half year ended June 30, 2016.

Economic Update:

Pakistan's economy improved with real GDP growth clocking in at 4.71 percent in FY'16 despite a major setback in agricultural sector due to a steep decline in cotton production. Short term vulnerabilities have ebbed on the back of improved macroeconomic stability and progress on structural reforms. Key macroeconomic indicators like inflation, current and fiscal account depicted significant improvement. Forex reserves are at an all-time high and Pakistan is on track to complete the IMF program for the first time with the last tranche due in September '16.

Growth in large scale manufacturing (LSM) gained traction from rising investment due to China Pakistan Economic Corridor related projects, recovery in private sector credit off-take (11.5 percent YoY in June'16) and improvements in the supply of gas and electricity. LSM witnessed a growth of 3.45 percent in July-May FY16. Major sectors that were instrumental in augmenting LSM growth were automobiles, fertilizers, chemicals and pharmaceuticals. The KSE 100 index performed remarkably in the 1st half of CY'16, posting year to date growth of 15 percent on the back of reclassification of Pakistan stock market in the MSCI's emerging market index.

Headline inflation continued its downward trajectory in FY'16 wherein it was recorded at 2.86 percent YoY compared to 4.56 percent in FY15. Suppressed commodity prices and stable exchange rate helped in keeping inflation anchored in the country. Going forward, inflation is expected to hover between 4.5-5.5 percent as per SBP in FY'17 as effect of low oil prices.

The FX reserves stood at USD 23.08 billion by end June'16 compared to 18.7 billion in June'15. Despite sustained real exchange rate appreciation and declining exports, the current account deficit was lower than last year at USD 2.5 billion for the period FY'16. Pakistan's exports of goods fell by 8.6 percent in FY'16 primarily due to sluggish global demand, unfriendly business climate and lack of competitiveness due to real exchange rate appreciation (19 percent YoY as of May'16). However, stable remittances and favorable oil prices helped stabilize the current account.

The fiscal deficit was contained at 4.3 percent of GDP in FY'16 compared to 8.2 percent of GDP in FY'13. The successful restraint of deficit is attributed to sharp increase in revenues and better expenditure management by the government. On the expenditure side, government's primary focus was on rationalizing noncritical current expenditures and containing energy subsidies. Tax collection posted a growth of 20 percent YoY in FY'16 on account of widening of tax base and introduction of some new taxes. Going forward, government is seeking to build upon the fiscal consolidation effort in the medium term with a deficit target of 3.5 percent over the next few years.

Looking ahead, downside risks to the economic outlook remain. Deteriorating global economic conditions could take a further toll on our exports and remittances. Faster than expected rise in oil prices can also complicate the external position. Domestically; political uncertainty, further delays in privatization, restructuring of public sector enterprises and policy slippages could hamper economic activity and undermine fiscal consolidation which is imperative for sustained economic growth.

DIRECTORS' REVIEW

Bank's Performance:

Bank continued to play its role of promoting economic activity in the country by providing modern banking services to users 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 in capacity of sole mandated Lead Advisor & Arranger closed PKR 5.0 bln Rated, Unlisted, Secured, Short Term Privately Placed Syndicated Sukuk Issue for meeting working capital requirements of one of the largest fertilizer marketing and distribution company.
- FBL as part of the joint consortium has arranged and closed (as Lead Advisor and Arranger) PKR 54.67 bln and PKR 39.8 bln conventional and Islamic mode of financings for large gas utility companies for their pipe line infrastructure in relation to LNG.
- FBL as Lead Arranger has participated in financing of hydro based power project for the largest hydel state owned company of Pakistan

Infrastructure Development

- With the opening of 14 new branches, Bank has now 294 branches in 91 cities.
- 61 new branches are projected for opening in second half of 2016.
- ATM network has been increased to 291 machines offering 24/7 services to customers.

Product development & New Initiatives

- Running Musharakah Financing developed and shall be launched shortly.
- Corporate customers can now access Statement of Account (SOA) and Balances of IPS (Investor Portfolio Securities) through CashLink.
- Integration of Bank's Core Banking System with Real Time Gross Settlement RTGS.
- Microsoft Advance Threat Protection deployed as the deterrence tool, reducing high impact of risk such as RANSOMWARE.
- In partnership with IGI Life offering "Protect Smart", a unique life insurance policy introduced.
- 'Takaful Saving Plan' launched in collaboration with EFU Life window.
- Takaful Operations and 'Himayat Al'Usra (Family Protection) Plan' started in conjunction with Adamjee Family Takaful Window Operations.

DIRECTORS' REVIEW

Training & Development

- Talent pool created for recruiting staff in new branches through external talent acquisition as well as internal talent channel.
- Relationship Managers were trained in a 12 day training program, trainees were also sent to various branches for 3 months on job training.
- Critical staff were sent for NIBAF's Islamic Banking Certificate Course.
- 5 day Islamic Banking Certification Programs were arranged for 127 new staff at Karachi, Lahore and Islamabad.

Corporate Social Responsibility

- Enrolled new educational NPOs i.e. Education Trust Nasra Schools, School of Leadership Foundation and Hilal Public Schools System.
- Sponsored bed elevators at Burns Centre.
- Dialysis machine donated to 'Welfare Society for Patient Care'.

Significant Achievements

- Deposits have crossed PKR 300 bln.
- Balance sheet footing has crossed PKR 450 bln.
- Bank recovery drive from delinquent clients has paid dividends and contributed PKR 581M towards profitability.
- Faysal Bank debit card activity increased by 28%.
- Mobit – Mobile Banking Application for both iOS and Android mobile devices was launched.
- Mobit – Internet Banking subscribers have increased by 97% during last six months.

Financial Perspective

Management Information

The Financial Control Unit has developed numerous tailor made MIS reports in QlikView with drill down capability to provide timely and accurate data. Developed dashboards provide multidimensional reports with regards to deposits, credit & trade. Businesses have been provided with their customer wise profitability to evaluate their relationships and to explore cross sale opportunities.

Future Outlook:

The bank has adopted a strategy of sharp focus on growing Islamic business. In this regard, it has been decided that going forward all branch expansion shall be under Islamic window. In line with Bank's strategy, Bank has already opened 14 of out of 75 planned branches and work at a

DIRECTORS' REVIEW

rapid pace is going on for opening of remaining branches in 2016. 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.

Financial Highlights:

	June 2016	June 2015
	PKR in million	
Operating profit	4,805	5,347
Provision for non-performing advances	(454)	(725)
Provision for diminution in value of investments	9	(259)
Provision against off balance sheet obligations	4	-
	(441)	(984)
Profit before taxation	4,364	4,363
Provision for taxation	(1,546)	(1,795)
Profit after taxation	2,818	2,568
Earnings per share – Rupees	2.35	2.14

Bank has earned Profit after Tax (PAT) of PKR 2.818 bln during 1st half of 2016 against PKR 2.568 bln for corresponding period of 2015, reflecting 10% improvement. This result is achieved despite imposition of Super Tax of PKR 347 mln in federal budget. EPS of the Bank increased to PKR 2.35 from PKR 2.14 as compared to corresponding period last year.

The banking industry is witnessing a period of low spreads and its impact can be seen at the operating profit level as given above. To improve spreads in low interest rate scenario, Bank's efforts is to aggressively pursue delinquent clients, mobilize low cost core deposit and achieve cost efficiency. Bank has increased CASA deposits mix by 113 bps i.e. from 67.25% of Dec' 15 to 68.38% as of June 2016. Resultantly, cost of funds reduced by 58 bps making significant contribution towards spread. NPLs recoveries contributed PKR 581 mln to the profitability and due to expenses management bank's expense to revenue ratio is 52.7% percent.

The Bank's is showing a growth in non-funded income and exploring avenues of sustainable generation of fees & commission from trade business and consumers.

NPL coverage stands at a healthy level of 80.7% against 79.1% for Dec'15 which reflects that the bank has taken sufficient provision on impaired assets and there is low likelihood of any significant provision charge in coming years.

On the balance sheet side capital base increased due to internal generation. Deposits are at PKR 315.1 bln, showing a growth of 7.9%, while focus remains on mobilizing low cost core deposits. Total assets of your Bank are in excess of PKR 450 bln.

DIRECTORS' REVIEW

In conclusion, Bank's balance sheet composition and earnings are in line with 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
Dated: August 25, 2016

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Faysal Bank Limited as at June 30, 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim cash flow statement and notes to the accounts for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this 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 condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended March 31, 2016 and March 31, 2015 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2016.

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 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 condensed interim financial information as of and for the half year ended June 30, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants
Engagement Partner: Noman Abbas Sheikh

Dated: August 29, 2016
Karachi

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2016

	Note	Un-audited June 30, 2016	Audited December 31, 2015
-----Rupees '000-----			
ASSETS			
Cash and balances with treasury banks		27,186,191	26,084,007
Balances with other banks	9	1,243,785	1,068,451
Lendings to financial institutions		396,981	250,000
Investments	10	205,645,877	195,515,642
Advances	11	195,295,168	181,089,804
Operating fixed assets	12	10,657,695	11,342,980
Deferred tax assets - net		3,034,106	3,087,325
Other assets	13	12,409,515	11,634,651
		455,869,318	430,072,860
LIABILITIES			
Bills payable		6,868,891	6,009,238
Borrowings		90,843,226	90,565,242
Deposits and other accounts	14	315,082,596	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		8,570,517	8,021,649
		423,610,730	399,720,387
NET ASSETS		32,258,588	30,352,473
REPRESENTED BY			
Share capital		11,997,601	11,997,601
Reserves		6,360,328	6,422,761
Unappropriated profit		9,318,770	7,638,330
		27,676,699	26,058,692
Surplus on revaluation of assets - net of tax	15	4,581,889	4,293,781
		32,258,588	30,352,473
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The annexed notes 1 to 29 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 HALF YEAR ENDED JUNE 30, 2016

Note	Quarter ended		Half year ended		
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015	
-----Rupees '000-----					
Mark-up / return / interest earned	17	6,512,752	8,103,216	13,280,605	16,536,332
Mark-up / return / interest expensed	18	3,596,751	4,647,331	7,219,267	9,315,434
Net mark-up / interest income		2,916,181	3,455,885	6,061,338	7,220,898
Provision against non-performing loans and advances - net	11.2	376,634	642,749	503,268	780,993
Provision / (reversal) for consumer and small enterprise loans - general	11.3	5,713	(1,501)	1,220	(3,960)
(Reversal) / provision against off balance sheet obligations		(4,285)	-	(4,086)	-
(Reversal) / provision for diminution in value of investments - net	10.6	(2,610)	131,662	(8,865)	258,714
Recoveries against written-off debts - net		(25,660)	(23,150)	(50,664)	(51,878)
		349,792	749,760	440,873	983,869
Net mark-up / interest income after provisions		2,566,389	2,706,125	5,620,465	6,237,029
Non mark-up / interest income					
Fee, commission and brokerage income		767,988	592,796	1,342,271	1,202,774
Dividend income	19	127,542	144,550	180,366	205,409
Income from dealing in foreign currencies	20	279,916	217,885	522,203	471,403
Gain on sale of securities - net	21	1,396,033	398,851	2,110,773	1,667,991
Unrealised gain / (loss) on revaluation of investments classified as held for trading - net		(7,998)	(11,622)	6,192	(100,107)
Other income	22	72,322	140,629	155,452	176,560
Total non mark-up / interest income		2,635,803	1,483,089	4,317,257	3,624,030
		5,202,192	4,189,214	9,937,722	9,861,059
Non mark-up / interest expenses					
Administrative expenses		2,876,213	2,695,421	5,466,770	5,402,401
Other provisions / (reversals) - net		10,020	(35,265)	10,020	(12,839)
Other charges		36,699	40,757	86,870	105,869
Total non mark-up / interest expenses		2,922,932	2,700,913	5,563,660	5,495,431
Share of (loss) / profit from associate		2,279,260	1,488,301	4,374,062	4,365,628
Extraordinary / unusual items		(2,545)	461	(9,797)	(2,527)
Profit before taxation		2,276,715	1,488,762	4,364,265	4,363,101
Taxation - Current		752,057	626,689	1,597,875	1,743,874
Taxation - Prior years		(393,128)	264,797	(393,128)	264,797
Taxation - Deferred		457,036	(90,722)	341,402	(213,470)
Profit after taxation		1,460,750	800,764	1,546,149	1,795,201
		1,460,750	687,998	2,818,116	2,567,900
-----Rupees -----					
Basic earnings per share	23	1.22	0.57	2.35	2.14

The annexed notes 1 to 29 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 HALF YEAR ENDED JUNE 30, 2016

	For the Quarter ended		For the Half year ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	-----Rupees '000-----			
Profit after taxation for the period	1,460,750	687,998	2,818,116	2,567,900
Other comprehensive income:				
<i>Items that will not be reclassified subsequently to profit and loss account</i>	-	-	-	-
Other comprehensive income transferred to equity	1,460,750	687,998	2,818,116	2,567,900
<i>Items that may be reclassified subsequently to profit and loss account</i>				
Components of comprehensive income not reflected in equity				
- Net change in value of available for sale securities	(917,405)	(725,967)	(781,931)	(898,881)
- Deferred tax on change in value of available for sale securities - net	319,093	270,239	273,676	288,560
	(598,312)	(455,728)	(508,255)	(610,321)
Total comprehensive income	862,438	232,270	2,309,861	1,957,579

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

PRESIDENT & CEO

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

FOR THE HALF YEAR ENDED JUNE 30, 2016

Particulars	Share capital	Reserves						Unappropriated 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 amalgamation				
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)	-	-
Total comprehensive income for the six months ended June 30, 2015								(1,564,904)	-
Profit after taxation for the period ended June 30, 2015	-	-	-	-	-	-	-	2,567,900	2,567,900
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the six months ended June 30, 2015	-	-	-	-	-	-	-	2,567,900	2,567,900
Amortisation of intangible assets - customer relationship - net of tax	-	-	-	(62,433)	-	-	(62,433)	-	(62,433)
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	-	27,082	27,082
Balance as at June 30, 2015	11,997,601	-	10,131	1,069,041	23,952	4,537,598	5,640,722	6,726,444	24,364,767
Total comprehensive income for the six months period ended December 31, 2015									
Profit after taxation for the period from July 1, 2015 to December 31, 2015	-	-	-	-	-	-	-	1,654,464	1,654,464
Other comprehensive income for the period	-	-	-	-	-	-	-	74,814	74,814
Total comprehensive income for the six months period ended December 31, 2015	-	-	-	-	-	-	-	1,729,278	1,729,278
Amortisation of intangible assets - customer relationship - net of tax	-	-	-	(62,434)	-	-	(62,434)	-	(62,434)
Transfer to statutory reserve	-	-	-	-	-	844,473	844,473	(844,473)	-
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	-	27,081	27,081
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 half year ended June 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 six months ended June 30, 2016									
Profit after taxation for the period ended June 30, 2016	-	-	-	-	-	-	-	2,818,116	2,818,116
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the six months ended June 30, 2016	-	-	-	-	-	-	-	2,818,116	2,818,116
Amortisation of intangible assets - customer relationship - net of tax	-	-	-	(62,433)	-	-	(62,433)	-	(62,433)
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	-	62,084	62,084
Balance as at June 30, 2016	<u>11,997,601</u>	-	<u>10,131</u>	<u>944,174</u>	<u>23,952</u>	<u>5,382,071</u>	<u>6,360,328</u>	<u>9,318,770</u>	<u>27,676,699</u>

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

PRESIDENT & CEO

DIRECTOR

DIRECTOR

DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2016

	June 30, 2016	June 30 2015
	-----Rupees '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,364,265	4,363,101
Less: Dividend income	(180,366)	(205,409)
	<u>4,183,899</u>	<u>4,157,692</u>
Adjustments for non-cash and other items:		
Depreciation	334,401	302,942
Amortisation	106,852	111,696
Workers' Welfare Fund	93,171	101,684
Provision against non-performing loans and advances - net	503,268	780,993
Provision / (reversal) for consumer and small enterprise loans - general	1,220	(3,960)
(Reversal) / provision for diminution in value of investments - net	(8,865)	258,714
Charge / (reversal) of other provisions - net	10,020	(12,839)
(Reversal) / provision against off balance sheet obligations	(4,086)	-
Unrealised (gain) / loss on revaluation of investments classified as held for trading	(6,192)	100,107
Net profit on disposal of property and equipment	(53,490)	(4,655)
Net gain on disposal of non-banking assets	-	(103,798)
Charge for defined benefit plan	44,702	50,407
Amortisation of prepaid employee benefits	19,118	68,920
Recoveries against written-off debts	(50,664)	(51,878)
Share of loss of associate	9,797	2,527
	<u>999,252</u>	<u>1,600,860</u>
	<u>5,183,151</u>	<u>5,758,552</u>
(Increase) / decrease in operating assets		
Lendings to financial institutions	(146,981)	(7,820,125)
Held for trading securities	(4,884,110)	15,066,086
Advances	(14,659,188)	(5,643,364)
Other assets	(950,838)	(1,675,143)
	<u>(20,641,117)</u>	<u>(72,546)</u>
Increase / (decrease) in operating liabilities		
Bills payable	859,653	852,070
Borrowings	522,499	47,773,836
Deposits and other accounts	22,952,338	12,809,919
Other liabilities	543,928	(711,047)
	<u>24,878,418</u>	<u>60,724,778</u>
	<u>9,420,452</u>	<u>66,410,784</u>
Income tax paid	(243,587)	(515,643)
Net cash generated from operating activities	<u>9,176,865</u>	<u>65,895,141</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment in available for sale securities	(3,386,129)	(62,685,316)
Net investment in held to maturity securities	(2,636,667)	352,514
Dividend income received	99,748	95,552
Investment in operating fixed assets	(330,001)	(499,365)
Proceeds realised on disposal of operating fixed assets	537,450	5,805
Proceeds realised on disposal of non-banking assets	-	177,124
Net cash used in investing activities	<u>(5,715,599)</u>	<u>(62,553,686)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of sub-ordinated loan	(748,500)	(600)
Dividends paid	(1,190,733)	(32)
Net cash used in financing activities	<u>(1,939,233)</u>	<u>(632)</u>
Increase in cash and cash equivalents	<u>1,522,033</u>	<u>3,340,823</u>
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	<u>27,857,905</u>	<u>24,007,274</u>

The annexed notes 1 to 29 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 HALF YEAR ENDED JUNE 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 294 branches (2015: 280); including 82 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, Shahr-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 27 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

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

FOR THE HALF YEAR ENDED JUNE 30, 2016

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 June 30, 2016 the Bank has adjusted amortisation of intangible assets amounting to Rs. 62.433 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 these condensed interim financial information.

4 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention, except that 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 June 30, 2016 (included in other assets in the statement of financial position) would have been lower by Rs 867.570 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 9.983 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.

9 BALANCES WITH OTHER BANKS

These include Rs 62.395 million (December 31, 2015: Rs 76.307 million) placed as per arrangements permissible under shariah.

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

FOR THE HALF YEAR ENDED JUNE 30, 2016

10 INVESTMENTS

10.1 Investments by type

Note	Un-audited June 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	2,118,365	-	2,118,365	3,204,619	-	3,204,619
Pakistan Investment Bonds	8,365,612	103,412	8,469,024	3,150,437	-	3,150,437
Fully paid up ordinary shares / certificates of closed end mutual funds	1,134,259	-	1,134,259	482,482	-	482,482
	11,618,236	103,412	11,721,648	6,837,538	-	6,837,538
Available for sale securities						
Market Treasury Bills	24,212,755	62,160,496	86,373,251	48,839,635	41,360,610	90,200,245
Pakistan Investment Bonds	42,952,405	14,031,314	56,983,719	19,778,584	28,710,039	48,488,623
Ijara Sukuk Bonds	4,474,933	-	4,474,933	5,919,200	-	5,919,200
Sukuk Bonds	125,000	-	125,000	-	-	-
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 *	730,606	-	730,606	680,606	-	680,606
- Faysal Islamic Savings Growth Fund *	34,498	-	34,498	95,848	-	95,848
- Faysal Money Market Fund *	100,183	-	100,183	312,111	-	312,111
- Faysal Asset Allocation Fund *	74,691	-	74,691	75,947	-	75,947
- Faysal Financial Sector Opportunity Fund *	34,000	-	34,000	34,000	-	34,000
Fully paid up ordinary shares / modaraba certificates / certificates of closed end mutual funds	10.2 & 10.4	4,633,617	-	4,633,617	-	4,271,736
Fully paid up preference shares		22,490	-	22,490	-	122,490
Term finance certificates	10.3	839,748	-	839,748	-	839,801
		78,334,950	76,191,810	154,526,760	81,069,982	70,070,649
						151,140,631
Held to maturity securities						
Pakistan Investment Bonds	19,867,301	-	19,867,301	19,776,284	-	19,776,284
Term finance certificates	2,680,943	-	2,680,943	2,364,514	-	2,364,514
Sukuk Bonds	6,989,586	-	6,989,586	4,760,365	-	4,760,365
Other Federal Government securities	11,838,403	-	11,838,403	11,838,403	-	11,838,403
		41,376,233	-	41,376,233	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						
		131,387,704	76,295,222	207,682,926	126,715,168	70,070,649
Less: provision for diminution in the value of investments	10.6 & 11.2.2	(3,273,898)	-	(3,273,898)	(3,282,763)	-
						(3,282,763)
Investments (net of provisions)						
		128,113,806	76,295,222	204,409,028	123,432,405	70,070,649
(Deficit) / surplus on revaluation of investments classified as held for trading - net		(5,983)	1,529	(4,454)	(10,646)	-
						(10,646)
Surplus on revaluation of investments classified as available for sale - net	10.7	1,197,206	44,097	1,241,303	852,230	1,171,004
						2,023,234
Total investments - net						
		129,305,029	76,340,848	205,645,877	124,273,989	71,241,653
						195,515,642

* related parties

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

FOR THE HALF YEAR ENDED JUNE 30, 2016

- 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 10%, 25%, 50%, 75% and 100% of the required impairment as at June 30, 2016, September 30, 2016, December 31, 2016, March 31, 2017 and June 30, 2017 respectively. Accordingly, the Bank has recorded an impairment of Rs 4.414 million against these shares during the period ended June 30, 2016. Had the SBP not provided this relaxation the profit before taxation would have been lower by 39.725 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 June 30, 2016 would have been higher by Rs 50 million (June 30, 2015: Rs 50 million) and the profit before taxation for the period ended June 30, 2016 would have been lower by Rs 50 million (June 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 un-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 June 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	<u>58,285</u>	<u>68,082</u>
Cost of investment	<u>45,000</u>	<u>45,000</u>

10.5.2 Particulars of the assets and liabilities of the associate

Assets	<u>194,168</u>	<u>264,195</u>
Liabilities	<u>(114)</u>	<u>38,218</u>
Revenue	<u>65,809</u>	<u>129,954</u>
Loss	<u>(31,695)</u>	<u>(23,291)</u>

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

FOR THE HALF YEAR ENDED JUNE 30, 2016

10.6 Particulars of provision for diminution in the value of investments

	Un-audited June 30, 2016	Audited December 31, 2015
-----Rupees '000-----		
Opening balance	3,282,763	2,828,212
Charge during the period / year	11,239	601,616
Reversals during the period / year	(20,104)	(147,065)
	(8,865)	454,551
Closing balance	3,273,898	3,282,763

10.7 This includes surplus of Rs 120.172 million (December 31, 2015: Rs 253.403 million) on revaluation of available for sale securities placed as per arrangements permissible under Shariah.

	Un-audited June 30, 2016	Audited December 31, 2015
-----Rupees '000-----		
Note		
11 ADVANCES		
Loans, cash credits, running finances, etc. – in Pakistan	174,940,182	170,731,644
Net investment in finance lease – in Pakistan	10,302,312	9,796,173
	185,242,494	180,527,817
Bills discounted and purchased (excluding government treasury bills)		
- Payable in Pakistan	5,900,462	3,376,937
- Payable outside Pakistan	1,259,777	1,098,911
	7,160,239	4,475,848
Islamic financing and related assets	11.4 27,838,331	20,532,158
Margin financing / reverse repo transactions	88,200	88,200
Gross advances	220,329,264	205,624,023
Provision against non-performing advances	11.1 & 11.2 (24,600,204)	(24,101,547)
Provision against consumer and small enterprise loans - general	11.3 (433,892)	(432,672)
	(25,034,096)	(24,534,219)
Advances - net of provision	195,295,168	181,089,804

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

FOR THE HALF YEAR ENDED JUNE 30, 2016

- 11.1** Advances includes Rs. 30,458 million (2015: Rs. 30,469 million) which have been placed under non-performing status as detailed below:

June 30, 2016 (Un-audited)										
Particulars	Note	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	351,956	-	351,956	193	-	193	193	-	193
Substandard		2,307,148	-	2,307,148	383,254	-	383,254	383,254	-	383,254
Doubtful		1,706,418	-	1,706,418	470,953	-	470,953	470,953	-	470,953
Loss		26,092,245	-	26,092,245	23,745,804	-	23,745,804	23,745,804	-	23,745,804
		<u>30,457,767</u>	<u>-</u>	<u>30,457,767</u>	<u>24,600,204</u>	<u>-</u>	<u>24,600,204</u>	<u>24,600,204</u>	<u>-</u>	<u>24,600,204</u>

December 31, 2015 (Audited)										
Particulars	Note	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
		<u>30,468,852</u>	<u>-</u>	<u>30,468,852</u>	<u>24,101,547</u>	<u>-</u>	<u>24,101,547</u>	<u>24,101,547</u>	<u>-</u>	<u>24,101,547</u>

- 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	Audited
	June 30, 2016	December 31, 2015
	-----Rupees '000-----	
Opening balance	24,101,547	23,011,743
Recognised in the profit & loss account		
Charge for the period / year	1,300,100	2,342,060
Reversals during the period / year	(796,832)	(1,315,932)
Net charge	503,268	1,026,128
Transfer of provision	-	69,999
Amounts written off	(4,611)	(6,323)
Closing balance	<u>24,600,204</u>	<u>24,101,547</u>

- 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. Out of this, exposure amounting to Rs 588.240 million is overdue, as at June 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 588.240 million.

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

FOR THE HALF YEAR ENDED JUNE 30, 2016

- 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 2,502.679 million (December 31, 2015: Rs 2,730.690 million) relating to advances, Rs 4.326 million (December 31, 2015: Rs 4.326 million) relating to investments and Rs 10.516 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 June 30, 2016. The additional profit arising from availing the FSV benefit - net of tax as at June 30, 2016 which is not available for distribution as either cash or stock dividend to shareholders and bonus to employees amounted to approximately Rs 1,636.389 million (December 31, 2015: Rs 1,783.813 million).

	Un-audited June 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	<u>1,220</u>	<u>(6,852)</u>
Closing balance	<u><u>433,892</u></u>	<u><u>432,672</u></u>

- 11.4** These represent financing and related assets placed under shariah permissible modes.

	Un-audited June 30, 2016	Audited December 31, 2015
-----Rupees '000-----		
12 OPERATING FIXED ASSETS		
Capital work-in-progress	449,645	627,098
Tangible fixed assets	8,479,844	8,812,777
Intangible assets	<u>1,728,206</u>	<u>1,903,105</u>
	<u><u>10,657,695</u></u>	<u><u>11,342,980</u></u>

	Un-audited Half year ended	
	June 30, 2016	June 30, 2015
-----Rupees '000-----		

12.1 Additions to operating fixed assets - cost		
Leasehold property and improvements	<u>63,449</u>	<u>24,690</u>
Office furniture, fixtures, equipment and computers	<u>415,919</u>	<u>60,967</u>
Vehicles	<u>5,698</u>	<u>7,105</u>
Capital work-in-progress	<u>330,460</u>	<u>399,447</u>

12.2 Disposals of operating fixed assets - cost		
Freehold land	<u>455,000</u>	<u>-</u>
Office furniture, fixtures, equipment and computers	<u>12,343</u>	<u>61,603</u>
Vehicles	<u>51,695</u>	<u>4,487</u>

13 OTHER ASSETS

This include provision amounting to Rs 138.97 million (December 31, 2015: Rs 232.37 million) in respect of fraud and forgeries incidents.

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

FOR THE HALF YEAR ENDED JUNE 30, 2016

	Un-audited June 30, 2016	Audited December 31, 2015
-----Rupees '000-----		
14 DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	93,664,581	90,461,529
Saving deposits	101,245,860	95,584,670
Current accounts – Remunerative	2,101,581	2,054,101
Current accounts – Non-remunerative	99,333,683	89,476,774
Margin accounts	2,188,536	2,005,605
	298,534,241	279,582,679
Financial institutions		
Remunerative deposits	16,387,291	12,204,384
Non-remunerative deposits	161,064	343,195
	16,548,355	12,547,579
	315,082,596	292,130,258

14.1 Deposits include Rs 37,303 million (December 31, 2015: Rs 31,759 million) placed under shariah permissible modes.

	Un-audited June 30, 2016	Audited December 31, 2015
-----Rupees '000-----		
15 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX		
Surplus / (deficit) arising on revaluation of:		
- Fixed assets	3,808,075	3,884,739
- Non banking assets	877,553	-
- Available for sale securities	1,241,303	2,023,234
	5,926,931	5,907,973
Less: deferred tax thereon	(1,345,042)	(1,614,192)
	4,581,889	4,293,781

16 CONTINGENCIES AND COMMITMENTS

16.1 Direct credit substitutes

Contingent liability in respect of guarantees favouring:

- Banking companies and other financial institutions

482,165	497,327
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Acceptances

- Others

9,735,464	6,609,326
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16.2 Transaction-related contingent liabilities

Contingent liability in respect of performance bonds, bid bonds, shipping guarantees and standby letters of credit etc. favouring:

- Government

9,717,963	8,994,355
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- Banking companies and other financial institutions

201,943	12,267
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- Others

2,674,228	2,846,359
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12,594,134	11,852,981
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16.3 Trade-related contingent liabilities

Letters of credit

- Government

7,284,591	12,708,525
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- Others

11,563,580	10,813,163
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18,848,171	23,521,688
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NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2016

	Un-audited June 30, 2016	Audited December 31, 2015
-----Rupees '000-----		
16.4 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	<u>2,510,000</u>	<u>2,510,000</u>
ii) Indemnity issued favouring the High Court in the above case	<u>457,543</u>	<u>457,543</u>
iii) Claims against the Bank not acknowledged as debt	<u>30,761,659</u>	<u>31,539,971</u>

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 3,034.641 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 for the half year ended June 30, 2016.

16.5 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 30,989 million (December 31, 2015: Rs 10,951 million) which are irrevocable in nature.

	Un-audited June 30, 2016	Audited December 31, 2015
-----Rupees '000-----		
16.6 Commitments in respect of forward exchange contracts		
Purchase		
- Customers	<u>1,068,671</u>	<u>848,576</u>
- Banks	<u>25,956,358</u>	<u>23,268,341</u>
	<u>27,025,029</u>	<u>24,116,917</u>
Sale		
- Customers	<u>18,342</u>	<u>782,309</u>
- Banks	<u>11,055,973</u>	<u>9,166,680</u>
	<u>11,074,315</u>	<u>9,948,989</u>
16.7 Commitments for the acquisition of operating fixed assets	<u>169,496</u>	<u>82,419</u>

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

FOR THE HALF YEAR ENDED JUNE 30, 2016

	Un-audited June 30, 2016	Audited December 31, 2015
	-----Rupees '000-----	
16.8 Commitments in respect of repo transactions		
Repurchase	<u>76,381,113</u>	<u>71,239,393</u>
Resale	<u>704,701</u>	<u>306,889</u>
16.9 Others		
Cross currency swaps (notional principal)	<u>839,673</u>	<u>-</u>

	Un-audited Half year ended	
Note	June 30, 2016	June 30, 2015
	-----Rupees '000-----	
17 MARK-UP / RETURN / INTEREST EARNED		
a) On financing	17.1 <u>7,399,546</u>	9,605,465
b) On investments	17.2	
i) held for trading securities	<u>148,991</u>	277,902
ii) available for sale securities	<u>3,943,693</u>	5,159,264
iii) held to maturity securities	<u>1,766,690</u>	1,454,727
	<u>5,859,374</u>	6,891,893
c) On deposits with treasury bank and financial institutions	<u>3,199</u>	5,466
d) On securities purchased under resale agreements	<u>18,486</u>	33,508
	<u>13,280,605</u>	<u>16,536,332</u>

17.1 This includes profit of Rs 798.134 million (June 30, 2015: Rs 745.602 million) earned from financing activities as per arrangements permissible under Shariah.

17.2 This includes income of Rs 632.238 million (June 30, 2015: Rs 926.602 million) earned from investments as per arrangements permissible under Shariah.

	Un-audited Half year ended	
	June 30, 2016	June 30, 2015
	-----Rupees '000-----	
18 MARK-UP / RETURN / INTEREST EXPENSED		
Deposits	<u>5,358,188</u>	6,243,178
Securities sold under repurchase agreements	<u>1,045,791</u>	1,849,413
Other short term borrowings	<u>466,857</u>	540,055
SBP borrowings	<u>217,969</u>	506,208
Sub-ordinated loans	<u>130,462</u>	176,580
	<u>7,219,267</u>	<u>9,315,434</u>

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

FOR THE HALF YEAR ENDED JUNE 30, 2016

	Un-audited Half year ended	
	June 30, 2016	June 30, 2015
	-----Rupees '000-----	
19 DIVIDEND INCOME		
Ordinary Shares		
Abbott Laboratories (Pakistan) Limited	-	5
Adamjee Insurance Company Limited	2,123	1,500
Akzo Nobel Pakistan Limited	3,988	3,270
Askari Bank Limited	-	3,198
Bank Al-Falah Limited	-	3,118
Bank Al Habib Limited	-	2,777
Cherat Cement Company Limited	782	-
Dawood Hercules Corporation Limited	180	-
Engro Corporation Limited	17,690	8,258
Engro Fertilizers Limited	3,438	2,455
Fauji Cement Company Limited	1,406	1,073
Fauji Fertilizer Bin Qasim Limited	7,742	742
Fauji Fertilizer Company Limited	3,512	8,908
GlaxoSmithKline Pakistan Limited	140	125
Habib Bank Limited	4,279	5,459
Hascol Petroleum Limited	245	-
Habib Metropolitan Bank Limited	-	9,845
Honda Atlas Cars (Pakistan) Limited	-	310
Hub Power Company Limited (Hubco)	2,228	4,434
Indus Motor Company Limited	7,639	-
Kot Addu Power Company Limited (Kapco)	1,849	3,268
Maple Leaf Cement Factory Limited	2,444	507
Mari Petroleum Company Limited	36	-
MCB Bank Limited	1,942	3,136
National Bank Of Pakistan	-	8,531
Nishat Chunian Power Limited	1,571	1,571
Oil and Gas Development Company Limited	1,594	2,226
Packages Limited	5,303	-
Pak Suzuki Motor Company Limited	446	25
Pakistan Oilfields Limited	14,547	8,323
Pakistan Petroleum Limited	1,470	3,519
Pakistan State Oil Company	1,934	4,118
Pakistan Telecommunication Company	1,713	3,825
Pioneer Cement Limited	206	608
Siemens Pakistan Engineering Co. Limited	390	390
United Bank Limited	2,683	7,770
Visa Inc.	478	79
Mutual Funds		
Faysal Asset Allocation Fund	-	7,066
Faysal Balance Growth Fund	732	2,033
Faysal Financial Sector Opportunity Fund	2,121	2,514
Faysal Income Growth Fund	7,799	6,783
Faysal Islamic Saving Growth Fund	5,222	6,800
Faysal Money Market Fund	16,246	46,152
Faysal Saving Growth Fund	54,248	30,688
	180,366	205,409

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

FOR THE HALF YEAR ENDED JUNE 30, 2016

	Un-audited	
	Half year ended	
	June 30, 2016	June 30, 2015
20 INCOME FROM DEALING IN FOREIGN CURRENCIES	-----Rupees '000-----	
Gain / (loss) from dealing in:		
Foreign currencies	208,108	(217,342)
Derivative financial instruments	314,095	688,745
	<u>522,203</u>	<u>471,403</u>

21 GAIN ON SALE OF SECURITIES - NET

This includes gain on certain shares that were held by the Bank which have been included in the All Share Islamic Index. Capital gain on sale of these investments amounted to Rs. 248.520 million (June 30, 2015: Rs 155.153 million).

	Un-audited	
	Half year ended	
	June 30, 2016	June 30, 2015
22 OTHER INCOME	-----Rupees '000-----	
Rent on property	90,218	62,013
Net gain on disposal of operating fixed assets	53,490	4,655
Net gain on disposal of non-banking assets	-	103,798
Income on derivative contracts - net	8,630	349
Income from disposal of scrap	273	3,809
Others	2,841	1,936
	<u>155,452</u>	<u>176,560</u>

23 EARNINGS PER SHARE

	Un-audited			
	Quarter ended		Half year ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	----- Rupees '000 -----			
Profit after tax for the period	<u>1,460,750</u>	687,998	<u>2,818,116</u>	2,567,900
	----- Number of shares in thousands -----			
Weighted average number of ordinary shares	<u>1,199,760</u>	1,199,760	<u>1,199,760</u>	1,199,760
	----- Rupees -----			
Earnings per share - basic	<u>1.22</u>	0.57	<u>2.35</u>	2.14

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

24 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.

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

FOR THE HALF YEAR ENDED JUNE 30, 2016

	Corporate Finance	Trading & Sales	Retail Banking	Corporate & Commercial Banking	Total
June 30, 2016 - Un-audited					
Rupees '000					
Total income ***	337,606	5,299,979	10,591,244	1,359,236	17,588,065
Total expenses	(135,139)	(2,942,959)	(10,233,629)	(1,458,222)	(14,769,949)
Net income / (loss)	202,467	2,357,020	357,615	(98,986)	2,818,116
Segment assets (Gross)	-	204,519,320	94,220,048	185,894,303	484,633,671
Segment non performing loans	-	-	6,117,783	24,339,984	30,457,767
Segment provision required against loans **	-	-	(3,343,240)	(21,690,856)	(25,034,096)
Segment liabilities	-	(78,484,261)	(318,092,211)	(27,034,258)	(423,610,730)
Segment return on assets (ROA) (%) *	-	2.76%	0.88%	-0.14%	
Segment cost of funds (%) *	-	5.01%	3.89%	5.78%	
June 30, 2015 - Un-audited					
Total income ***	108,306	5,905,066	12,442,006	1,702,457	20,157,835
Total expenses	(60,635)	(3,943,915)	(11,803,859)	(1,781,526)	(17,589,935)
Net income	47,671	1,961,151	638,147	(79,069)	2,567,900
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

25 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 these condensed interim financial information are as follows:

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

FOR THE HALF YEAR ENDED JUNE 30, 2016

Particulars	As at June 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	691,573	305,120	2,141,390	2,958,205
Withdrawals during the period	(647,058)	(240,745)	(2,139,075)	(2,954,965)
Balance at end of the period	<u>99,989</u>	<u>582,250</u>	<u>4,580</u>	<u>521,369</u>
Advances *				
Balance at the beginning of the period	63,045	-	-	4,038,817
Disbursements during the period	22,272	-	-	4,173
Repayments during the period	(8,363)	-	-	(5,021)
Balance at end of the period	<u>76,954</u>	<u>-</u>	<u>-</u>	<u>4,037,969</u>
Guarantees issued favouring related parties or on their behalf	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,397</u>
Trust activities	<u>125,510</u>	<u>879,800</u>	<u>-</u>	<u>57,400</u>
Other assets (Defined benefit obligation)	<u>-</u>	<u>70,396</u>	<u>-</u>	<u>-</u>
Shares held by group companies	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,646,995</u>

* Provision held against advances in respect of group companies and associated undertaking amounted to Rs 3,006.167 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	<u>55,474</u>	<u>517,875</u>	<u>2,265</u>	<u>518,129</u>
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	<u>63,045</u>	<u>-</u>	<u>-</u>	<u>4,038,817</u>
Guarantees issued favouring related parties or on their behalf	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,397</u>
Trust activities	<u>125,100</u>	<u>914,800</u>	<u>-</u>	<u>53,400</u>
Other assets (Defined benefit obligation)	<u>-</u>	<u>115,956</u>	<u>-</u>	<u>-</u>
Shares held by group companies	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,646,995</u>

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

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

FOR THE HALF YEAR ENDED JUNE 30, 2016

Particulars	For the six months period ended June 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	-	-	-	245,352
Shares / units sold during the period	-	-	-	405,638
Government securities purchased during the period	314,980	-	-	-
Government securities sold during the period	283,036	-	-	245,709
Profit paid / accrued	1,037	16,332	134	8,794
Profit return / earned	1,562	-	-	26,918
Remuneration of the key management personnel				
- Salaries and other short-term employee benefits	180,337	-	-	-
- Post-employment benefits	9,256	-	-	-
- Directors fee	27,962	-	-	-
Contribution / charge relating to staff retirement benefits	-	108,240	-	-
Dividend income	-	-	-	86,613
Capital gain	-	-	-	347
Share of loss from associate	-	-	9,797	-
Dividend paid	-	-	-	864,698

Particulars	For the six months period ended June 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	-	-	-	5,409
Government securities purchased during the period	236,757	305,674	-	-
Government securities sold during the period	294,135	-	-	-
Profit paid / accrued	1,695	4,633	166	9,694
Profit return / earned	2,224	-	-	125,895
Remuneration of the key management personnel				
- Salaries and other short-term employee benefits	178,580	-	-	-
- Post-employment benefits	8,384	-	-	-
- Directors fee	29,384	-	-	-
Contribution / charge relating to staff retirement benefits	-	111,442	-	-
Dividend income	-	-	-	102,036
Capital gain	-	-	-	409
Share of loss from associate	-	-	2,527	-
Bonus shares issued	-	-	-	1,044,999

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FOR THE HALF YEAR ENDED JUNE 30, 2016

25.1 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.

26 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.

26.1 Fair value hierarchy

The table below analyses financial assets 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).

	June 30, 2016			Total
	Level 1	Level 2	Level 3	
Recurring fair value measurements				
Financial assets				
Investments - net				
Market Treasury Bills	-	88,552,639	-	88,552,639
Pakistan Investment Bonds	-	66,560,166	-	66,560,166
Ijara Sukuk Bonds	-	4,428,460	-	4,428,460
Fully Paid up Ordinary Shares	4,767,404	-	-	4,767,404
Term Finance Certificates	-	315,299	-	315,299
Units of Open end Mutual Funds	1,049,359	-	-	1,049,359
Sukuk Certificates	-	125,000	-	125,000
Commitments in respect of forward exchange contracts				
Forward purchase of foreign exchange	-	26,873,839	-	26,873,839
Forward sale of foreign exchange	-	11,126,802	-	11,126,802
Non-recurring fair value measurements				
Non - financial assets				
Non Banking Assets (NBA)	-	2,643,009	-	2,643,009
Operating fixed assets (land and buildings)	-	8,918,110	-	8,918,110

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

FOR THE HALF YEAR ENDED JUNE 30, 2016

	December 31, 2015			Total
	Level 1	Level 2	Level 3	
	Rupees '000			
Recurring fair value measurements				
Financial assets				
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
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
Non-recurring fair value measurements				
Non - financial assets				
Non Banking Assets (NBA)	-	2,642,251	-	2,642,251
Operating fixed assets (land and buildings)	-	7,782,226	-	7,782,226

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 year.

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.
Non Banking Assets (NBA)	Non banking assets are revalued by professionally qualified valuers listed on the panel of the Pakistan Banks' Association. The valuation is based on their assessment of market value of the properties.
Operating fixed assets (land and building)	Land and buildings are revalued by professionally qualified valuers listed on the panel of the Pakistan Banks' Association. The valuation is based on their assessment of market value of the properties.

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

FOR THE HALF YEAR ENDED JUNE 30, 2016

27 ISLAMIC BANKING BUSINESS

The Bank is operating 82 Islamic banking branches (2015: 68) and 1 Islamic sub-branch (2015: 1).

27.1 The statement of financial position of these branches as at June 30, 2016 is as follows:

Note	Un-audited June 30, 2016	Audited December 31, 2015
	-----Rupees '000-----	
ASSETS		
Cash and balances with treasury banks	3,868,134	3,023,428
Balances with other banks	65,395	79,307
Due from financial institutions	-	-
Investments	22,762,414	21,883,819
Islamic financing and related assets	27,572,958	20,286,653
Operating fixed assets	551,452	469,907
Deferred tax assets	-	-
Other assets	1,366,150	338,394
	56,186,503	46,081,508
LIABILITIES		
Bills payable	653,477	578,799
Due to financial institutions	-	-
Deposits and other accounts		
- Current accounts	14,743,257	13,060,570
- Saving accounts	10,669,315	10,145,581
- Term deposits	7,192,437	7,169,760
- Others	37,428	50,334
- Deposits from financial institutions - remunerative	4,654,115	1,327,324
- Deposits from financial institutions - non-remunerative	6,559	5,495
Due to head office	14,706,075	10,280,307
Deferred tax liabilities	27,530	2,029
Other liabilities	657,690	515,807
	53,347,883	43,136,006
	2,838,620	2,945,502
NET ASSETS		
REPRESENTED BY		
Islamic banking fund	1,380,000	1,380,000
Reserves	-	-
Unappropriated profit	1,407,493	1,436,604
	2,787,493	2,816,604
Surplus on revaluation of assets - net of tax	51,127	128,898
	2,838,620	2,945,502

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

FOR THE HALF YEAR ENDED JUNE 30, 2016

27.2 The profit and loss account of the Bank's Islamic Banking branches for the half year ended June 30, 2016 is as follows:

	Un-audited Half year ended	
	June 30, 2016	June 30, 2015
	-----Rupees '000-----	
Profit / return earned on financing and investments	1,426,197	1,635,547
Profit / return expensed	862,717	743,404
Net spread earned	563,480	892,143
Provision against non-performing financings - net	12,448	21,731
Provision against consumer financings - general	7,420	4,376
Recoveries against written off debts	(220)	-
	19,648	26,107
	543,832	866,036
Other Income		
Fee, commission and brokerage income	67,361	59,994
Income from dealing in foreign currencies - net	(5,797)	2,918
Other income	595	764
Total other income	62,159	63,676
	605,991	929,712
Other expenses		
Administrative expenses	603,748	464,801
Other provision / write-offs	31,336	-
Other charges	18	-
Total other expenses	635,102	464,801
	(29,111)	464,911
Extraordinary items / unusual items	-	-
(Loss) / profit for the period	(29,111)	464,911
Unappropriated profit brought forward	1,436,604	921,429
Unappropriated profit carried forward	1,407,493	1,386,340
	2,450	1,850
Remuneration to shariah advisor		
	2,450	1,850
	Un-audited June 30, 2016	Audited December 31, 2015
	-----Rupees '000-----	
CHARITY FUND		
Opening balance	1,034	337
Additions during the period / year	1,255	1,597
Payments / utilization during the period / year	(1,800)	(900)
Closing balance	489	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.

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

FOR THE HALF YEAR ENDED JUNE 30, 2016

	Note	Un-audited June 30, 2016	Audited December 31, 2015
-----Rupees '000-----			
27.3 Islamic Financing and Related Assets	27.3.1	27,572,958	20,286,653
27.3.1 Islamic Mode of Financing			
Financing			
Murabaha		976,901	1,120,081
Musharika cum Ijara		11,523	11,637
Diminishing Musharika		17,121,283	15,371,340
Fixed Assets Ijara Financing (net)		734,664	948,381
		18,844,370	17,451,439
Advance against Financing			
Advance against Murabaha Financing		31,597	331,498
Advance against Diminishing Musharika		7,832,614	2,164,556
Advance against Ijara		1,129,750	584,665
		8,993,961	3,080,719
Gross Islamic financing and related assets			
Provision against Islamic financing and related assets		27,838,331	20,532,158
		(265,373)	(245,505)
		27,572,958	20,286,653

28 GENERAL

28.1 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.

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

29 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on August 25, 2016 by the Board of Directors of the Bank.

PRESIDENT & CEO

DIRECTOR

DIRECTOR

DIRECTOR

ڈائریکٹرز کا جائزہ

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 رونما ہو سکتے ہیں۔

A1+: بروقت ادائیگی کے لئے بڑی یقین دہانی۔ قلیل المیعا دیسیالیت 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 معادلوں 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 سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا بھی شکریہ ادا کرتا 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 تندرہی سے کام کرنے پر ہم تمام ملازمین کے بھی بے حد شکرگزار ہیں۔

منجانب بورڈ آف ڈائریکٹرز

پریزیڈنٹ اور سی ای او

کراچی

۲۵ اگست ۲۰۱۶

ڈائریکٹرز کا جائزہ

باوجود بے کہ وفاقی بجٹ میں ۳۴ کروڑ ۷۰ لاکھ روپے کا سپرنیکس بھی عائد کیا گیا۔ اس ششماہی بینک کی فی حصص آمدنی ۲۰۱۲ سے بڑھ کر ۲۰۳۵ پر پہنچ گئی ہے۔

ہم یہ حقیقت نظر انداز نہیں کر سکتے کہ اس وقت بینکنگ سیکٹر کو متعدد مشکلات کا سامنا ہے جن کے باعث منافع کمانے کی صلاحیت متاثر ہو رہی ہے۔ کم شرح سود والے ماحول میں شرح نمو بلند رکھنے کے لیے غیر متحرک کرم فرماؤں کی تلاش، کم لاگت کی بنیادی ڈپازٹس کو حرکت پذیری اور لاگت میں کمی کے اقدامات کے ذریعے منافع کمانے کی صلاحیت کو برقرار رکھنے کی کوشش جاری رہی ہے۔

بینک نے دسمبر ۲۰۱۵ کے ۶۷.۲۵ فیصد سے جون ۲۰۱۶ کے ۶۸.۳۸ فیصد تک CASA ڈپازٹس کس میں ۱۱۳ بی پی ایس کا اضافہ کیا ہے۔ اس کے نتیجے میں فنڈز کی لاگت میں ۵۸ بی پی ایس کی کمی ممکن ہو سکی ہے۔ نادر ہندگان قرضداروں کی کوریج کی مد میں حاصل ہونے والی رقم سے منافع میں ۵۸ کروڑ ۱۰ لاکھ روپے کا اضافہ ممکن بنایا گیا۔ بینک نے اخراجات پر قابو پانے کے حوالے سے بھی غیر معمولی کارکردگی کا مظاہرہ کیا ہے۔ اس وقت آمدن کے مقابل بینک کے اخراجات کی شرح ۵۲.۷ فیصد ہے۔

بینک کی غیر زری آمدنی میں بھی خاصا اضافہ ریکارڈ کیا گیا ہے۔ کاروباری اداروں سے فیس اور کمیشن کی مد میں نئی راہیں تلاش کی جارہی ہیں۔

دسمبر ۲۰۱۵ میں ۹.۱ فیصد کے مقابل اب نادر ہندگان قرضداروں سے وصولی کم و بیش ۸۰.۷ فیصد ہے یعنی بینک نے خطرے میں پڑے ہوئے اثاثوں کے حوالے سے اپنی کارکردگی بہتر بنائی ہے۔ اگلے چند برسوں میں مزید کمی بڑے پرویزن چارج کا امکان نہیں ہے۔

انٹرنل جریژیشن کی بنیاد پر بیلنس شیٹ میں کیپٹل والا حصہ بہتر ہوا ہے۔ ڈپازٹس اب ۳۱۵ ارب روپے سے زائد ہیں۔ اس حوالے سے شرح نمو ۹.۷ فیصد ہے۔ کم لاگت کی بنیادی ڈپازٹس کی حرکت پذیری پر زور دیا جا رہا ہے۔ مجموعی اثاثوں کی مالیت ۱۴۵۰ ارب روپے سے زائد ہے۔ بینک کی مجموعی کارکردگی طے شدہ حکمت عملی اور اہداف کے مطابق رہی ہے۔

کریڈٹ ریٹنگ

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

طویل المیعاد: AA

قلیل المیعاد: A1+

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

ڈائریکٹرز کا جائزہ

مستقبل پر نظر

فیصل بینک اپنی سرگرمیوں اور کارکردگی کے حوالے سے اسلامی بینکاری کو خصوصی ترجیح دیتا ہے۔ یہ فیصلہ کیا گیا ہے کہ توسیعی مرحلے میں تمام براؤنچر اسلامک ونڈ کے تحت کھولی جائیں گی۔ ۷۵ اسلامی بینکاری شاخوں کا منصوبہ تیار کیا گیا ہے ان میں سے ۱۴ براچر: آپریشن ہو چکی ہیں۔ باقی بھی رواں مالی سال کے دوران بھی کھولے جانے کی تیاریاں کی جا رہی ہیں۔ یہ اسلامی بینکاری شاخیں کم لاگت کی بنیادی ڈپازٹس پیدا کرنے کے ساتھ ساتھ فنڈز کی لاگت میں کمی لانے کے حوالے سے بھی اہم کردار ادا کریں گی۔ اسلامی بینکاری شاخوں کی مدد سے مقامی کاروباری اداروں کے ساتھ ساتھ دور افتادہ علاقوں میں بھی بہتر انداز سے کام کرنا ممکن ہو جائے گا۔ یہ شاخیں متعدد خدمات کی فراہمی کا مرکز بن چکی ہیں۔

مالیاتی جھلکیاں

مارچ 2015	مارچ 2016	
		آپریٹنگ پرافٹ
۵,۳۴۷	۴,۸۰۵	پرویزن فار نان پرفارمنگ ایڈوانسز
(۷۲۵)	(۴۵۴)	پرویزن فار ڈیپازٹس ان ویلیو آف انویسٹمنٹس
(۲۵۹)	۹	پرویزن آف گینسٹ آف بیلینس شیٹ اوپلیکیشن
-	۴	
(۹۸۴)	(۴۴۱)	
۴,۳۶۳	۴,۳۶۴	پرافٹ بیفور ٹیکس
(۱,۷۹۵)	(۱,۵۴۶)	پرویزن فار ٹیکس
۲,۵۶۸	۲,۸۱۸	پرافٹ آفٹر ٹیکس
۲,۱۴	۲,۳۵	ارنگ پرفورمنس

سال ۲۰۱۶ کی پہلی ششماہی میں بینک نے ۲ ارب ۸۱ کروڑ ۸۰ لاکھ روپے کا بعد از محمول منافع کمایا۔ مالی سال ۲۰۱۵ کی اسی مدت کے دوران بعد از محمول منافع ۲ ارب ۵۶ کروڑ ۸۰ لاکھ روپے تھا۔ یعنی منافع میں ۱۰ فیصد اضافہ ریکارڈ کیا گیا۔ یہ کامیابی اس حقیقت کے

ڈائریکٹرز کا جائزہ

- کراچی، لاہور اور اسلام آباد میں نئے بھرتی ہونے والے ۱۲۷ افراد کے لیے پانچ روزہ اسلامی بینکاری سرٹیفیکیشن پروگرام کا اہتمام کیا گیا۔

ادارے کی سماجی ذمہ داری

- نئے تعلیمی اداروں کی انزومینٹ کی گئی جن میں ایجوکیشن ٹرسٹ ناصرہ اسکول، اسکول آف لیڈرشپ فاؤنڈیشن اور ہلال پبلک اسکول سٹم شامل ہیں۔
- برنس سینٹر کے لیے بیڈریلو پیٹرز فراہم کیے گئے۔
- ویلفیئر سوسائٹی فار پشٹنس کیئر کوڈ ایلسس مشین عطیہ کی گئی۔

نمایاں کامیابیاں

- بینک کی ڈپازٹس اب ۳۰۰ ارب روپے سے زائد ہیں۔
- بیلنس شیٹ کی فوننگ ۴۵۰ ارب روپے سے زائد ہو چکی ہے۔
- نادہندہ کلائنٹس سے رقم کی وصولی کی ہم کے ذریعے منافع کی مد میں ۵۸ کروڑ ۱۰ لاکھ روپے حاصل کئے گئے
- بینک کی ڈیٹ کارڈ ایکٹیوٹی میں ۲۸ فیصد اضافہ ہوا ہے۔
- iOS اور اینڈرائڈ فون رکھنے والے کسٹمرز کے لیے موبائل بینکنگ ایپلی کیشن (موٹ) لانچ کیا گیا ہے۔
- ۶ ماہ میں موٹ انٹرنیٹ بینکنگ کے سبسکرائبرز کی تعداد میں ۹۷ فیصد کا غیر معمولی حد تک حوصلہ افزاء اضافہ ہوا ہے۔

مالیاتی نقطہ نظر

مینجمنٹ انفارمیشن

درست معلومات کی بروقت فراہمی ممکن اور سہل بنانے کے لیے فائننس کنٹرول یونٹ نے ”Qlik view“ کے ذریعے متعدد ”ٹیلر میڈ“ ایم آئی ایس رپورٹس تیار کی ہیں۔ ڈپازٹ، کریڈٹ اور ٹریڈ کے بارے میں معیاری ڈیش بورڈز کثیرالجبتی رپورٹس پیش کرتے ہیں۔

بینک کے کاروباری شعبوں کو ان کے کرم فرماؤں سے ڈیٹنگ کے مطابق معلومات فراہم کی جاتی ہیں تاکہ وہ اپنے لیے زیادہ منافع یقینی بنانے کی غرض سے بہتر منصوبہ بندی کر سکیں۔

ڈائریکٹرز کا جائزہ

بنیادی ڈھانچے کا استحکام

- رواں مالی سال کے دوران ۱۴ نئی شاخوں کے افتتاح کے ساتھ اب ۹۱ شہروں میں فیصل بینک کی ۲۹۴ شاخیں ہیں۔
- بینک اسی سال دوسری ششماہی میں مزید ۶۱ شاخیں کھولنے کی تیاری کر رہا ہے۔
- ملک بھر میں بینک کا اے ٹی ایم نیٹ ورک وسیع کر دیا گیا ہے۔ اب بینک کی ۱۲۹۱ اے ٹی ایمز چوبیس گھنٹے کام کر رہی ہیں۔

پروڈکٹ ڈیولپمنٹ اور نئے اقدامات

- فیصل بینک بہت جلد مشارکہ سرمایہ کاری کا اجراء کرنے والا ہے۔
- کارپوریٹ کسٹمرز کے لیے کھاتوں کی تفصیل اور آئی پی ایس کے بیننس تک براہ راست رسائی ممکن بنا دی گئی ہے۔
- بینک کے بنیادی بینکاری نظام اور سیٹل ٹائم گروس سیٹلمنٹ کو آپس میں جوڑ دیا گیا ہے۔
- بینک کے آن لائن سٹم کورنٹسٹم ویز جیسے انتہائی خطرہ سے بچانے اور دوسری بہت سی خرابیوں کی راہ مسدود کرنے کے لیے ”مانکرو سوڈ“، ”ایڈوانس تھریٹ پروٹیکشن پروگرام“ بھی لگایا۔
- آئی جی آئی کے اشتراک سے منفرد بیمہ پالیسی ”پروٹیکٹ اسمارٹ“ لانچ کر دی گئی ہے۔
- ای ایف یولائف ونڈو کے تحت تکافل سیونگ پلان متعارف کرایا گیا ہے۔
- آدم جی فیملی تکافل ونڈو آپریشنز کے ذریعے تکافل آپریشنز بھی متعارف کرائے گئے ہیں اور ”حمایت العسر“ (فیملی پروٹیکشن) پلان بھی شروع کیا گیا ہے۔

ترہیت و ترقی

- بینک کی شاخوں کو معیاری افرادی قوت کی فراہمی یقینی بنانے کے لیے اندرونی اور بیرونی ذرائع سے باصلاحیت افرادی بھرتی کے لیے ٹیلنٹ پول بنایا گیا ہے۔
- ریلیشن شپ مینیجرز کے لیے بارہ روزہ تربیتی پروگرام کا اہتمام کیا گیا۔ اس تربیتی پروگرام میں حصہ لینے والوں کو مختلف شاخوں میں تین ماہ کے لیے تعینات بھی کیا گیا۔
- عملے کے اہم ارکان کو NIBAF کے اسلاک بینکنگ سرٹیفیکیشن کورس کے لیے بھیجا گیا۔

ڈائریکٹرز کا جائزہ

مالی سال ۲۰۱۳ میں خام قومی پیداوار کے ۸.۲ فیصد کے مقابلے میں مالی سال ۲۰۱۶ میں مالیاتی خسارے کو خام قومی پیداوار کے ۴.۳ فیصد کی سطح پر رکھنا ممکن ہو سکا۔ خسارے کو قابو میں رکھنا ایک طرف تو آمدن میں اضافے کا مرہون منت ہے اور دوسری طرف اخراجات کو قابو کرنے میں حکومت کی کامیابی نے بھی مرکزی کردار ادا کیا ہے۔ حکومت نے ایک جانب کم اہم اخراجات کو قابو کئے رکھا اور دوسری طرف توانائی کے شعبے میں زراعت کا سلسلہ مرحلہ وار ختم کیا۔ مالی سال ۲۰۱۶ میں محصولاتی بنیادوں میں توسیع اور چند نئے محصولات کے متعارف کرانے جانے کی بدولت محصولات سے ہونے والی آمدن میں ۲۰ فیصد اضافہ ہوا۔ حکومت آئندہ برسوں کے لیے ۳.۵ فیصد تک خسارے کے ساتھ معیشت کو زیادہ مستحکم بنانے کی منصوبہ بندی کر رہی ہے۔

قومی معیشت کے لیے خطرات ختم یا کم نہیں ہوئے۔ عالمی معیشت میں رونما ہونے والی تبدیلیاں منفی اثرات کی حامل ثابت ہو سکتی ہیں۔ ترسیلات زر میں کمی واقع ہو سکتی ہے اور برآمدات کا ہدف حاصل کرنا خاصا دشوار ثابت ہو سکتا ہے۔ خام تیل کے نرخوں میں اضافہ بھی قومی معیشت کے لیے مشکلات بڑھا سکتا ہے۔ مقامی سطح پر سیاسی عدم استحکام، غیر یقینی صورت حال، نجکاری کے عمل میں سست روی، خدمات عامہ کی تنظیم نو اور پالیسی پر عمل درآمد کے حوالے سے کوتاہی اُس مالیاتی استحکام کی راہ میں دیوار بن سکتی ہے جو معیشت کے حقیقی استحکام کے لیے ناگزیر ہوا کرتا ہے۔

فیصل بینک کی کارکردگی:

بینک نے اعلیٰ ترین خدمات کرم فرماؤں کے دروازے پر فراہم کرنا جاری رکھا ہے۔ چند مخصوص شعبوں میں غیر معمولی کارکردگی کا ہدف متعین کر کے بینک نے شرح نمو کو بلند کرنے پر خاطر خواہ توجہ دی ہے۔ یہ سب کچھ سرمائے کے بہتر استعمال، برانچ نیٹ ورک کی توسیع، سی اے ایس اے (CASA) ڈپازٹس کی حرکت پذیری، لاگت میں کمی، پورٹ فولیو میں استحکام اور سب سے بڑھ کر اسلامی بینکاری کے حوالے سے پیکینج بہتر بنانے کی بدولت ممکن ہو سکا ہے۔ بینک نے چند بڑی کامیابیاں حاصل کی ہیں اور چند ہائی پروفائل سودوں کی مدد سے ادارے کے مجموعی استحکام میں اضافہ ہوا ہے۔ آئیے، ذرا ان کامیابیوں پر ایک نظر ڈالتے ہیں۔

پراجیکٹ فنانسنگ اور سنڈیکیشن

- بینک نے ایک بڑی فریٹ لائزر مارکیٹنگ اینڈ ڈسٹری بیوشن کمپنی کے لیے واحد و لازم مشیر اور رانجر حیثیت سے ۱۵ ارب روپے کے ان اسٹیڈ، سکیور، شارٹ ٹرم، پرائیویٹ پبلک سنڈیکیشن کے اہتمام کیا۔
- فیصل بینک نے ایک بڑی گیس یوٹیلیٹی کمپنی کے لیے ایل این جی انفراسٹرکچر کی مد میں بڑے کنسورشیوم کا حصہ بن کر ۱۵۴.۶۷ ارب روپے اور ۱۳۹.۸ ارب روپے کی روایتی اور اسلامی طریقہ سے سرمایہ کاری کا اہتمام کیا۔
- ملک کی سب سے بڑی سرکاری ہائڈرو پاور کمپنی کے لیے سرمائے کا اہتمام کرنے میں بھی فیصل بینک نے لیڈ اریجر کا کردار ادا کیا۔

ڈائریکٹرز کا جائزہ

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

اقتصادی اپ ڈیٹ:

کپاس کی پیداوار میں غیر معمولی کمی کے نتیجے میں زرعی شعبے کو بچھنے والے شدید نقصان کے باوجود مالی سال ۲۰۱۶ کے دوران قومی معیشت نے عمدہ کارکردگی کا مظاہرہ کیا اور شرح نمو ۷.۴ فیصد رہی۔ معیشتی ساخت سے متعلق اصلاحات اور اجتماعی معیشت کی عمدہ کارکردگی سے قبیل المیعاد معاشی خطرات کو نائلے میں معقول حد تک مدد ملی۔ اجتماعی معیشت کے اشاریوں (مثلاً افراط زر، رواں اور مالیاتی اکاؤنٹ وغیرہ) میں بہتری ہوئی۔ زرمبادلہ کے ذخائر اس وقت بلند ترین سطح پر ہیں اور پاکستان پہلی بار عالمی مالیاتی فنڈ کا پروگرام (ستمبر ۲۰۱۶ میں آخری قسط کے ساتھ) مقررہ مدت میں مکمل کر رہا ہے۔

پاک چین راہداری منصوبے، نجی شعبے میں قرضوں میں اضافہ (جون ۲۰۱۶ میں ۱۱.۵ فیصد) اور بجلی و گیس کی فراہمی میں بہتری آنے کی بدولت بڑے پیمانے پر پیداوار (اشیاء سازی) کے شعبے نے غیر معمولی پیش رفت کا مظاہرہ کیا ہے۔ مالی سال ۲۰۱۶ میں جولائی تا مئی کے دوران بڑے پیمانے پر پیداوار کے شعبے نے کم و بیش ۳.۴ فیصد نمو دکھائی۔ گاڑیوں، کھاد، کیمیا اور دواسازی کے شعبے نے غیر معمولی کارکردگی کا مظاہرہ کیا۔ مالی سال ۲۰۱۶ کی پہلی ششماہی کے دوران کے ایس ای ۱۰۰ انڈیکس کی کارکردگی بھی بہت عمدہ رہی اور رواں مالی سال کے دوران ایم ایس سی آئی کے ابھرتی ہوئی مارکیٹس کے انڈیکس میں شمولیت کی بناء پر پاکستانی حصص بازار ۱۵ فیصد نمو کے ساتھ نمایاں رہی ہے۔

مالی سال ۲۰۱۵ کے دوران افراط زر ۵.۹ فیصد ریکارڈ کیا گیا۔ مالی سال ۲۰۱۶ میں یہ کم ہو کر ۲.۸۶ فیصد کی سطح پر آ گیا۔ اشیاء کی قیمتوں میں کمی برقرار رکھنے کی کوششوں میں کامیابی اور شرح مبادلہ میں استحکام نے افراط زر کو قابو میں رکھنے میں مرکزی کردار ادا کیا۔ توقع ہے کہ مالی سال ۲۰۱۷ کے دوران بینک دولت پاکستان کے اندازوں کے مطابق تیل کی قیمتوں میں کمی کی بدولت افراط زر میں اضافے کی شرح کو ۵.۵ اور ۵.۵ فیصد کے درمیان رکھنا ممکن ہو سکے گا۔

جون ۲۰۱۶ کے اختتام پر زرمبادلہ کے ذخائر ۲۳.۰۸ ارب امریکی ڈالر رہے جبکہ جون ۲۰۱۵ میں یہ اعداد ۱۸.۷ ارب امریکی ڈالر تھے۔ مالی سال ۲۰۱۶ کے دوران کرنٹ اکاؤنٹ کا خسارہ ڈھائی ارب امریکی ڈالر کے مساوی رہا۔ قومی برآمدات میں ۸.۶ فیصد کمی آئی اور یہ کمی اس لیے واقع ہوئی کہ ایک طرف تو عالمی معیشت کی کارکردگی بہتر نہ تھی اور دوسری طرف کاروباری ماحول موزوں نہ تھا اور حقیقی شرح مبادلہ (مئی ۲۰۱۶ میں ۱۹ فیصد) بہتر ہونے سے پاکستان کے لیے عالمی منڈی میں مسابقت کی صلاحیت کمزور پڑ گئی۔ تاہم، ترسیلات زر میں اضافے اور خام تیل کے نرخوں میں کمی کی بدولت قومی معیشت کو مستحکم رکھنا ممکن ہوا۔

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