



faysabank



مَسْزِلِ عَزْم

2016

FIRST QUARTER

ENDED MARCH 31, 2016
UNAUDITED FINANCIAL STATEMENTS

CONTENTS

Corporate Information	2
Directors' Review	4
Condensed Interim Statement of Financial Position	13
Condensed Interim Profit and Loss Account	14
Condensed Interim Statement of Comprehensive Income	15
Condensed Interim Statement of Changes in Equity	16
Condensed Interim Cash Flow Statement	17
Notes to and Forming part of the Condensed Interim Financial Information	18

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 Lane,
Main Shahrah-e-Faisal,
Karachi-Pakistan

UAN : (92-21) 111-747-747

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Website: www.faysalbank.com

Share Registrar

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

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

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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 quarter ended March 31, 2016.

ECONOMIC UPDATE

The first quarter of CY'16 has witnessed a modest uptick in CPI inflation reaching 3.9 percent in Mar'16 after bottoming out to 1.3 percent in September'15. Average inflation as measured by the CPI index for the period July-Mar FY'16 has increased to 2.6 percent from 1.7 percent in corresponding period last year. A similar trend was witnessed in core inflation (Non Food Non Energy) which increased for the fifth consecutive month in March '16. This escalation in the general price levels was anticipated as the favorable impact of past declines in international oil prices began to wane and the low base effect started coming into play. Going forward the SBP expects CPI to rebound to 4.5 percent by June'16 which is still within their comfort zone - remaining well-anchored by prudent monetary and fiscal policies.

The general economic activity remains robust supported by higher growth in large-scale manufacturing (LSM), buoyant construction activity, lower input prices, better energy availability and tailwinds from investment related to the China Pakistan Economic Corridor. LSM grew by 4.1 percent in July-Jan FY'16 compared to 2.5 percent in July-Jan FY'15. This was principally driven by strong growth in automobiles, fertilizers and the cement sector. Further, swift recovery was witnessed in private sector credit off-take which increased by PKR 354 bln in 9MFY'16 compared to PKR 179 bln in corresponding period last year. However, a weak cotton harvest and dismal performance of exports are weighing on economic activity. With these developments, real GDP is expected to grow by 4.5 percent in FY'16.

The budget deficit remains manageable amid emerging downside risks. Tax collection has significantly improved during 8M FY'16 registering a growth of approx. 17 percent YoY. This performance is slated to further benefit from recent revenue generating measures, including increase in petroleum taxes and the introduction of regulatory duties on a variety of products. Nonetheless, further decline in oil prices and underperformance in collection of Gas Infrastructure Development Cess constitute a downside risk. Despite some increase in development expenditure, government remains broadly on track to lower the budget deficit to 4.3 percent of GDP in the current fiscal year.

The current account deficit remains stable and currently stands at last year's level of approx. USD 1.9 bln in July-Feb FY'16. The space created by a lower import bill is partly being offset by declining exports (down 12 percent YoY in July-Feb FY'16). Our export competitiveness has suffered from structural weaknesses such as security concerns, continued (though declining) power outages, unfavorable business climate as well as from significant real exchange rate appreciation over the past two years. Foreign remittances continued their pace of moderate growth by increasing 6 percent YoY in July-Feb FY'16 and provided a much needed cushion to the current account. However, recent public investment cuts and the resulting restrictions on foreign employments in GCC countries can have adverse impact on remittances. SBP gross international reserves are at an all-time high level of approx. USD 16 bln as of end Mar'16 owing to timely spot market purchases, successful completion of reviews under EFF program and multilateral and bilateral disbursements.

Pakistan's mild economic recovery continues with some structural reforms that have started to yield some results, however, much of the growth is underpinned by exogenous factors, including oil prices and substantial remittances. Pakistan needs to maintain the momentum in addressing

DIRECTORS' REVIEW

its fiscal vulnerabilities, reforming its business climate, access to finance and trade regime in order to unleash its high growth potential.

BANK'S PERFORMANCE

a) Corporate and Investment Banking

The corporate banking continued to play its role of providing finance to promote economic activity in the country. Their focus remained on selected growth of creditworthy advances with efficient usage of capital and consolidation of portfolio.

Project Finance & Syndications

During the period, Investment Banking managed several high profile transactions, some of the notable ones are highlighted below:

- FBL has successfully closed as Joint Mandated Lead Arranger & Shariah Structuring Advisor for a financing of PKR 3,764 Mln for modernization and rehabilitation of M2 Motor Way Project.
- FBL has successfully closed as Joint Mandated Lead Arranger and Structuring Agent an SBLC amounting to PKR Equivalent of USD 16 Mln on behalf of an upcoming indigenous coal based IPP for fulfilling its obligations under the Power Purchase Agreement.
- FBL acted as underwriter for Rights Issue amounting to PKR 1,100 Mln. The Rights issue was for a Biaxially Orientated Polypropylene (BOPP) Films producer being the market leader in the sector.

b) Retail Banking

Bank intends to convert its Retail operations to multiproduct sales model under one roof. In line with strategy, branch distribution business focused its efforts towards deposit mobilization and cross sell through branches in 1st quarter. The Business is working towards re-profiling the savings book along with a sharp focus on market competitive pricing and related discipline, consistent with our business strategy of growing the Current and Savings Accounts (CASA) book. Branch distribution's CASA deposits book has grown by PKR 2.7 bln and now stands at PKR 166.7 bln contributing 66.1% of total deposits as of March 31, 2016.

Overall CASA deposits of Bank have surpassed PKR 200 bln for the first time and now stands at PKR 200.3 bln as of March 31, 2016. During this quarter, Branch distribution managed to increase CASA contribution by 0.3% from previous quarter level of 67.2%. Consequent to this, cost of funds has reduced by 50 bps during this quarter to 3.76% which contributed to profitability of Faysal Bank.

Consumer Finance

Consumer segment enhanced product propositions with a customer centric and cost effective approach so as to support the Bank in achieving business objectives. In Q1 2016, Consumer Finance has achieved positive momentum in key top-line performance indicators, reflecting a growth of 28% in total Consumer Finance units acquired as

DIRECTORS' REVIEW

compared to previous quarter. In addition, the highest spending was witnessed in Credit Cards since launch. BTF business also showed YoY growth of 13% in Credit Cards usage and 3% in BTF usage respectively.

In addition Consumer Finance has worked on key initiatives to grow the top line business, which includes focus on increasing the supplementary card penetration to gain further share of customer's household spending, emphasis on credit cards installment conversion to help in generating additional receivables and deepening of existing personal installment base with attractive offering. This momentum compounded with enriched product proposition is expected to gradually reflect in the revenue lines.

Wealth Management

The Wealth Management segment has shown steady performance during the course of the first quarter. The industry is further evolving with the initiation of Takaful window operations by leading companies in the country. In line with this, Faysal Bank also launched its second line of Takaful products in collaboration with EFU Hemayah Window Takaful Operations. The product was received with enthusiasm and we hope to further grow the Takaful menu during 2016 and enhance our customer value proposition.

The investments business has seen significant growth with higher level of funds under management in comparison with earlier benchmarks. This growth is attributable to increased confidence amongst frontline and the right selling approach to create customer awareness on mutual funds using a multiproduct portfolio management approach. We hope to carry this positive momentum forward into the remainder of the year and achieve our benchmarks while creating maximum value for our clients.

Agri Business

Despite higher NPLs and demand related issues primarily caused by unprecedented price crash of the agricultural commodities during the 2015, FBL continued to maintain its leadership position amongst the commercial banks. In order to arrest the deteriorating trend in the portfolio health, we have embarked upon a robust monitoring and management program while continuing to disburse fresh financing to the innovative & progressive farmers and Agri value chains of the country.

SME and Commercial

Faysal Bank is one of the key players of the financial sector actively involved in lending to Commercial and SME's. While 2015 was a difficult year given a recessionary domestic and global environment, we have an aggressive strategy in 2016 and are fully geared up to grow the CBSME business with increased emphasis on the corporate value chain. We have a strong presence in major cities across Pakistan, catering to the financial needs of businesses in various industrial sectors. We understand and appreciate the pivotal role of SME as an engine of economic development and are fully committed to being a major contributor towards progress in this sector.

c) Islamic Banking

Faysal Bank Barkat Islamic Banking became the first Islamic banking window operations to offer the Prime Minister's Youth Business Program under Shariah compliant modes of finance with the objective to help the government curtail unemployment.

DIRECTORS' REVIEW

Barkat Islamic Banking team provided Shariah Advisory for one of the syndicated transactions and also participated in various other syndicated Islamic transactions involving hybrid structures.

The Islamic Banking Team has also taken several initiatives for the development of new products.

Among multiple alliances on the consumer finance portfolio which gave Faysal Bank increased share of mind, worth mentioning are the Pizza hut & Burger King deals and the Fuel point redemption campaigns which were promoted on radio, outdoor and social media.

d) Treasury

The 1st quarter of 2016 has proved to be a lucrative one for FBL's Treasury wherein we managed to surpass both revenue and volume targets. The business units reaped the rewards from the investments carried forward from the preceding years and the upgrading of various financial models.

The Money Market Desk by increasing the quantum and duration of the securities portfolio in 2016 has positioned itself for a steep fall in interest rates. The desk efficiently managed to keep the balance sheet largely insulated from the effects of record low interest rates and also prudently managed to book capital gains whenever the opportunity arisen.

The Fixed Income sales and distribution business remained focused on expanding its traditional client base of insurance companies, Provident and Pension Funds, Corporate and Asset Management Companies by marketing aggressively to an array of individual retail customers as well.

In addition to serving existing clients, the Derivatives and Structured Solution Desk offered an array of structures and balance sheet solutions to a multitude of new market entrants. There was a significant market interest in exploring Interest rate swaps due to the volatile behavior of interest rates.

FBL's Equity trading desk remained an active player in the capital markets. Equity desk operated within the risk parameters defined by the management and managed to outperform the KSE 100.

The FBL FX trading desk has faced headwinds being confronted with benign volatility as the USD PKR parity has remained flattish during this quarter. However, to compensate for shrinking margins, the FX desk remained focused on increasing trading volume by improving customer reach and providing finer pricing to internal as well as external customers.

e) Special Assets Management (SAM)

To handle the delinquent assets, a fully dedicated SAM's team is making determined efforts for maximizing recovery of bad loans while maintaining total compliance. During Q1, the team has done well to contribute PKR 262 mln towards bottom line and is continuously pursuing the delinquent customers through innovative strategies.

DIRECTORS' REVIEW

f) People

Human Resources (HR)

During the first quarter of 2016, Human Resources successfully concluded the Management Cycle 2015 for the FTE staff with involvement from their supervisors for their key performance indicators.

The launch of Exit Interview Form through HRMS under the “Employee Self Service” Option was also introduced in the quarter. All resigned staff members are now required to fill out this form to initiate their final settlement process. This initiative has been taken not only to improve our exit formalities but also to allow individuals to give us their honest opinions with confidence.

FBL's Rozee.pk job portal was launched this quarter. This platform is being effectively utilized by HR Advisory to post jobs online and source competent talent from the market for creating a talent pool.

Learning & Development (L&D)

The year 2016 saw the launch of Faysal Bank's first online Learning Needs Assessment survey which was undertaken by more than 2,200 employees to give their training needs which have now been incorporated in the Annual Learning Calendar for 2016-2017.

Faysal Bank also launched its Trainee Officer Program in collaboration with the Institute of Bankers Pakistan for our Operations Function.

Operations Trainee Officer Program started from Karachi in February 2016 and was subsequently launched in Lahore, Islamabad, Peshawar and Multan in March 2016. A total of 141 BSOs were hired pan country and currently undergoing on job training in various branches.

Other than the Trainee Officer batches, L&D continued with induction training programs such as our BSO Development Program, Branch Banking Certification Program, Islamic Banking Certification Program and New Hires Orientation at our various learning hubs. We continued to cater to our spill over learning needs from 2015 in programs such as Banca Road Shows, Islamic Banking Refreshers and other product and process trainings. A total of 4,013 people have been trained on various trainings in quarter 1.

Online Compliance Essentials and Mandatory Online Islamic Banking Training was re-launched for all pending staff in the Bank in the first quarter of 2016.

Internal Communication

Through Internal Communication, benefits such as tax rebates offered by Faysal Asset Management and other exciting offers from different outlets on FBL card spends were circulated.

Our special extended edition of Blue Octagram has been finalized for its release in FBL. New sections were introduced to encourage employee contributions. Lots of employees actively participated in contributing engaging contents.

DIRECTORS' REVIEW

g) Risk Management

The Risk Management function continued to play its role both on a strategic and operative level to ensure institution of risk awareness & management culture across the bank which has helped improve overall control environment. It also ensured sound health of portfolio risk profile through effective monitoring and proactive approach along with continuous improvement in risk management policies, processes & procedures.

Retail Risk Management coordinated its efforts with Consumer Finance Business by identifying low risk segments and devised policies for acquisition of new customers. Furthermore, policies and processes were streamlined to meet customer expectations and various strategic initiatives were undertaken in this regard, while strengthening overall risk and control environment. Retail Risk Management continued concerted efforts at the collection and recovery front.

The Enterprise Risk Management function ensured that the bank remained fully compliant with all regulatory requirements while maintaining satisfactory capital adequacy levels, with comfortable cushion available to support its growth plans in the coming years. Obligor Risk Rating (ORR) and Facility Risk Rating (FRR) models for different business segments were updated to incorporate the impacts of latest available statistics. Monitoring of treasury activities was strengthened by inclusion of additional parameters in limit monitoring system. Operational Risk Management (ORM) coordinators are being trained on an-going basis to enhance operational risk awareness culture across the bank. The Bank successfully implemented SBP's regulatory ORM related guidelines which augment Bank's initiatives to further improve upon the internal control environment.

h) Support Services

Information Technology has endeavored to provide seamless and efficient services to internal as well as external customers. Key achievements are as follows:

Master Data Management designed to extract data from several sources to orchestrate the comprehensive Customer View, using Data Integration Framework (DIF), capable of accumulating data in various dimensions for Interfacing, Integration, MIS and BI perspective.

Responsive Layout has been designed on Internet banking to facilitate mobile device users transacting with Faysal Bank through heterogeneous mobile platforms.

Customer Onboarding Portal has been introduced in pilot branches to enable opening of accounts instantly while ensuring real-time verification of NADRA through BIOMETRIC devices. Furthermore in 2nd phase of the said project, the application will be integrated with the Internet Banking to on-board prospective customers through Internet.

i) Operations

Operations department is focusing to provide prompt and efficient services to internal and external customers without comprising controls and adherence to standard operating procedures. To provide service excellence, various initiatives have been taken in collaboration with Technology to reduce TAT at counters and provide customized solution to clients.

DIRECTORS' REVIEW

j) Financial Perspective

Management Information

The Financial Control Unit endeavors to provide timely, accurate and related information to stake holders. In this regard, Bank has developed MIS in QlikView Business Intelligence system. The dashboards today not only provide data regarding deposits mobilization, lending, documentary credit & CRM but also provide segment wise Monthly Profitability Report to user for reviewing their performance. Businesses have been provided with their customer wise profitability to evaluate their relationships and to explore cross sale opportunities.

Cost efficiency

Bank's strategy is to redefine processes and develop alternates to enhance core income and improve cost efficiency. The focus was on rationalizing costs on sustainable basis without affecting smooth operations. The areas focus include energy, branch construction cost, premises and equipment maintenance and stationery etc.

Energy saving measures

Special emphasis was given to energy saving measures not only for controlling cost but also for saving natural resources. Staff members are advised to observe working hours to make maximum utilization of natural light. Lifts operations in late hours are also restricted. Strategy of installing heavy duty UPS is working well whereby generators working at night are discontinued thus reducing fuel consumption.

k) Corporate Social Responsibility

During the first quarter of 2016, CSR objectives with a particular focus on education were taken on priority. Different institutions engaged in conventional, special and vocational education were visited to establish/deepen relationship with them. Proposals from students' sponsorship to contribution towards infrastructure have been received for consideration. Various other initiatives were also taken to contribute towards our focal area of healthcare.

FUTURE OUTLOOK

The Bank has recently developed a strategy with a strong focus on growing Islamic business and going forward branch expansion will be on Islamic side. Also in booking new assets, preference will be given to Islamic structures.

The BOD, in February 2016 meeting recommended a 10% final cash dividend for 2015. Approval was sought from shareholders in AGM. Now legal process is being completed and shortly Bank will dispatch cash dividend coupons to shareholders.

The Bank has planned to aggressively grow its branch network during 2016 in financial hubs and agriculture areas to provide door step convenience to customers. These branches shall generate low cost core deposits so as to improve CASA mix and reduce cost of funds. Moreover, Bank will also be able to cater banking requirements of the businesses in that area and increase its reach to far flung areas of the Land. Branches have also been transformed to a multiproduct selling

DIRECTORS' REVIEW

hub through facilitation, persuasion and training. Cross sell opportunities are being converted into business through synergies and partnerships between Corporate, Commercial, SME, Agri and Retail segments.

FINANCIAL HIGHLIGHTS

	March 2016	March 2015
	PKR in million	
Operating profit	2,178	3,108
Provision for non-performing advances	(97)	(107)
Provision for diminution in value of investments	6	(127)
Provision against off balance sheet obligations	-	-
	(91)	(234)
Profit before taxation	2,087	2,874
Provision for taxation	(730)	(994)
Profit after taxation	1,357	1,880
Earnings per share – Rupees	1.13	1.57

Bank has earned Profit after Tax (PAT) of PKR 1.357 bln during 1st quarter of 2016 against PKR 1.880 bln (PAT) for corresponding period of 2015. The reduction in profit is due to higher realization of capital gains on government securities in Q1, 2015. Resultantly, EPS of the Bank has decreased to PKR 1.13 from PKR 1.57 as compared to corresponding period last year.

To improve spreads in low interest rate scenario, Bank's strategy is mobilization of low cost deposits. In this regard, Bank has increased CASA deposits mix by 0.3% which now stands at 67.5% of the total deposits. Resultantly, cost of funds reduced to 3.76% from 4.92% in the corresponding period last year. Effective management of NPL's and strict monitoring of administrative expenses are the other two areas where management is concentrating its efforts. In all these areas, Bank has managed to excel and thereby NPLs and expenses charge were reduced.

The Bank has maintained non-funded income and exploring avenues for smooth and continuous flow of fees and commission from trade business and consumer segments.

NPL coverage stands at a healthy level of 79.5% which reflects that the Bank has taken sufficient provision on impaired assets and there is low likelihood of higher provision charge in coming years.

On the balance sheet side capital base increased due to internal generation. Deposits are at PKR 296.7 bln as Bank is focusing on mobilizing low cost core deposits so as to maintain its cost of fund at desirable levels rather than maintaining higher volumes at higher costs. Total assets of your Bank are at PKR 388 bln.

In conclusion the balance sheet growth and earnings of the Bank are in line with its plans.

DIRECTORS' REVIEW

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, 2014:

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: April 27, 2016

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2016

	Un-audited March 31, 2016	Audited December 31, 2015
Note	----- Rupees `000 -----	
ASSETS		
Cash and balances with treasury banks	24,173,876	26,084,007
Balances with other banks	9 800,063	1,068,451
Lendings to financial institutions	2,491,479	250,000
Investments	10 156,783,712	195,515,642
Advances	11 180,640,672	181,019,805
Operating fixed assets	12 10,715,099	11,342,980
Deferred tax assets - net	3,172,350	3,087,325
Other assets	13 8,845,604	11,704,650
	387,622,855	430,072,860
LIABILITIES		
Bills payable	6,363,191	6,009,238
Borrowings	41,118,129	90,565,242
Deposits and other accounts	14 296,718,082	292,130,258
Sub-ordinated loans	2,994,000	2,994,000
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities - net	-	-
Other liabilities	9,860,535	8,021,649
	357,053,937	399,720,387
NET ASSETS	30,568,918	30,352,473
REPRESENTED BY		
Share capital	11,997,601	11,997,601
Reserves	6,391,544	6,422,761
Unappropriated profit	7,844,477	7,638,330
	26,233,622	26,058,692
Surplus on revaluation of assets - net of tax	4,335,296	4,293,781
	30,568,918	30,352,473
CONTINGENCIES AND COMMITMENTS		
	15	

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

PRESIDENT & CEO

DIRECTOR

DIRECTOR

DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2016

	Note	March 31, 2016	March 31, 2015
-----Rupees `000-----			
Mark-up / return / interest earned		6,767,853	8,433,116
Mark-up / return / interest expensed		<u>3,622,696</u>	<u>4,668,103</u>
Net mark-up / interest income		3,145,157	3,765,013
Provision against non-performing loans and advances - net	11.2	<u>126,634</u>	<u>138,244</u>
Reversal of provision for consumer and small enterprise loans - general	11.3	<u>(4,493)</u>	<u>(2,459)</u>
Provision against off balance sheet obligations		199	-
(Reversal) / provision for diminution in value of investments - net	10.5	<u>(6,255)</u>	<u>127,052</u>
Recoveries against written-off debts - net		<u>(25,004)</u>	<u>(28,728)</u>
		<u>91,081</u>	<u>234,109</u>
Net mark-up / interest income after provisions		3,054,076	3,530,904
Non mark-up / interest income			
Fee, commission and brokerage income		<u>574,283</u>	<u>609,978</u>
Dividend income		<u>52,824</u>	<u>60,859</u>
Income from dealing in foreign currencies		<u>242,287</u>	<u>253,518</u>
Gain on sale of securities - net		<u>714,740</u>	<u>1,269,140</u>
Unrealised gain / (loss) on revaluation of investments classified as held for trading - net		<u>14,190</u>	<u>(88,485)</u>
Other income		<u>83,130</u>	<u>35,931</u>
Total non mark-up / interest income		<u>1,681,454</u>	<u>2,140,941</u>
		4,735,530	5,671,845
Non mark-up / interest expenses			
Administrative expenses		<u>2,590,557</u>	<u>2,706,980</u>
Other provisions - net		-	22,426
Other charges		<u>50,171</u>	<u>65,112</u>
Total non mark-up / interest expenses		<u>2,640,728</u>	<u>2,794,518</u>
		2,094,802	2,877,327
Share of loss of associate		<u>(7,252)</u>	<u>(2,988)</u>
Extraordinary / unusual items		-	-
Profit before taxation		<u>2,087,550</u>	<u>2,874,339</u>
Taxation - Current		<u>845,818</u>	<u>1,117,185</u>
Taxation - Prior years		-	-
Taxation - Deferred		<u>(115,634)</u>	<u>(122,748)</u>
		<u>730,184</u>	<u>994,437</u>
Profit after taxation		<u>1,357,366</u>	<u>1,879,902</u>
-----Rupees-----			
Basic earnings per share	16	<u>1.13</u>	<u>1.57</u>

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

PRESIDENT & CEO

DIRECTOR

DIRECTOR

DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2016

	March 31, 2016	March 31, 2015
	-----Rupees `000-----	
Profit after taxation for the period	1,357,366	1,879,902
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss account		
Components of comprehensive income not reflected in equity		
- Net change in value of available for sale securities	135,474	(172,914)
- Deferred tax asset / (liability) on change in value of available for sale securities - net	(45,417)	18,321
	90,057	(154,593)
Total comprehensive income	1,447,423	1,725,309

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

PRESIDENT & CEO

DIRECTOR

DIRECTOR

DIRECTOR

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

FOR THE QUARTER ENDED MARCH 31, 2016

Particulars	Reserves								Unappropriated profit	Total
	Share capital	Capital				Statutory reserve	Sub Total			
		Reserve for issue of bonus shares	Share premium	Non-distributable capital reserve (NCR) - gain on bargain purchase (note 17)	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	
Profit after taxation for the period ended March 31, 2015	-	-	-	-	-	-	-	1,879,902	1,879,902	
Amortisation of intangible assets - customer relationship - net of tax	-	-	-	(31,217)	-	-	(31,217)	-	(31,217)	
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	-	19,802	19,802	
Transfer to reserve for issue of bonus shares	-	1,564,904	-	-	-	-	1,564,904	(1,564,904)	-	
Balance as at March 31, 2015	<u>10,432,697</u>	<u>1,564,904</u>	<u>10,131</u>	<u>1,100,257</u>	<u>23,952</u>	<u>4,537,598</u>	<u>7,236,842</u>	<u>6,031,166</u>	<u>23,700,705</u>	
Profit after taxation for the period from April 1, 2015 to December 31, 2015	-	-	-	-	-	-	-	2,342,462	2,342,462	
Other comprehensive income for the period										
- Remeasurements of defined benefit plan	-	-	-	-	-	-	-	115,098	115,098	
- Tax on remeasurements of defined benefit plan	-	-	-	-	-	-	-	(40,284)	(40,284)	
	-	-	-	-	-	-	-	74,814	74,814	
Bonus shares issued	1,564,904	(1,564,904)	-	-	-	-	(1,564,904)	-	-	
Amortisation of intangible assets - customer relationship - net of tax	-	-	-	(93,650)	-	-	(93,650)	-	(93,650)	
Transfer to statutory reserve	-	-	-	-	-	844,473	844,473	(844,473)	-	
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	-	34,361	34,361	
Balance as at December 31, 2015	<u>11,997,601</u>	<u>-</u>	<u>10,131</u>	<u>1,006,607</u>	<u>23,952</u>	<u>5,382,071</u>	<u>6,422,761</u>	<u>7,638,330</u>	<u>26,058,692</u>	
Transactions with owners for the quarter ended March 31, 2016										
Final cash dividend - December 31, 2015 declared subsequent to the year end at Rs. 1 per share	-	-	-	-	-	-	-	(1,199,760)	(1,199,760)	
Profit after taxation for the period ended March 31, 2016	-	-	-	-	-	-	-	1,357,366	1,357,366	
Amortisation of intangible assets - customer relationship - net of tax	-	-	-	(31,217)	-	-	(31,217)	-	(31,217)	
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	-	-	-	-	-	48,541	48,541	
Balance as at March 31, 2016	<u>11,997,601</u>	<u>-</u>	<u>10,131</u>	<u>975,390</u>	<u>23,952</u>	<u>5,382,071</u>	<u>6,391,544</u>	<u>7,844,477</u>	<u>26,233,622</u>	

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

PRESIDENT & CEO

DIRECTOR

DIRECTOR

DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2016

	March 31, 2016	March 31, 2015
----- Rupees `000-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,087,550	2,874,339
Less: dividend income	<u>(52,824)</u>	<u>(60,859)</u>
	2,034,726	2,813,480
Adjustments for non-cash and other items:		
Depreciation	147,548	222,478
Amortisation	50,900	56,288
Workers' Welfare Fund	49,319	64,878
Provision against non-performing loans and advances - net	126,634	138,244
Reversal for consumer and small enterprise loans - general	(4,493)	(2,459)
(Reversal) / provision for diminution in value of investments - net	(6,255)	127,052
(Reversal) / charge of other provisions - net	-	22,426
Provision against off balance sheet obligations	199	-
Unrealised (gain) / loss on revaluation of investments classified as held for trading	(14,190)	88,485
Net profit on disposal of property and equipment	(55,882)	(3,280)
Net gain on disposal of non-banking assets	-	-
Charge for defined benefit plan	22,351	25,203
Amortisation of prepaid employee benefits	98,463	2,457
Recoveries against written-off debts	(25,004)	(28,728)
Profit receivable on Bai Mujjal	(85,548)	-
Share of loss of associate	7,252	2,988
	<u>311,294</u>	<u>716,032</u>
	2,346,020	3,529,512
(Increase) / decrease in operating assets		
Lendings to financial institutions	(2,241,479)	(1,200,000)
Held for trading securities	(2,179,302)	17,769,895
Advances	281,996	4,395,430
Other assets	<u>1,570,490</u>	<u>1,424,460</u>
	(2,568,295)	22,389,785
Increase / (decrease) in operating liabilities		
Bills payable	353,953	(874,095)
Borrowings	(49,124,117)	18,345,598
Deposits and other accounts	4,587,824	(6,476,259)
Other liabilities	<u>638,928</u>	<u>1,080,102</u>
	(43,543,412)	12,075,346
	<u>(43,765,687)</u>	<u>37,994,643</u>
Income tax paid	291,041	(5,687)
Net cash (used) / generated from operating activities	<u>(43,474,646)</u>	<u>37,988,956</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment in available for sale securities	41,060,497	(33,964,595)
Net investment in held to maturity securities	84,950	175,536
Dividend income received	36,368	13,544
Investment in operating fixed assets	(76,220)	(125,126)
Proceeds realised on disposal of operating fixed assets	513,528	4,150
Proceeds realised on disposal of non-banking assets	-	-
Net cash generated / (used) in investing activities	<u>41,619,123</u>	<u>(33,896,491)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of sub-ordinated loan	-	-
Dividends paid	-	(10)
Net cash used in financing activities	<u>-</u>	<u>(10)</u>
(Decrease) / increase in cash and cash equivalents	(1,855,523)	4,092,455
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>24,480,349</u>	<u>24,758,906</u>

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

PRESIDENT & CEO

DIRECTOR

DIRECTOR

DIRECTOR

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

FOR THE QUARTER ENDED MARCH 31, 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 Pakistan Stock Exchange Limited. The Bank is mainly engaged in Corporate, Commercial and Consumer banking activities. The Bank has a network of 280 branches (2015: 280); including 68 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, Shakra-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, 2014, 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, 2013: 'AA') and the short term rating as 'A1+' (December 31, 2013: '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 Islamic banking branches have been consolidated in this condensed interim financial information for reporting purposes only. Inter branch transactions and balances have been eliminated. In accordance with the directives issued by the SBP, the key financial figures of Islamic banking branches are disclosed in note 20 to this condensed interim financial information.

3 STATEMENT OF COMPLIANCE

- 3.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan. The approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, the requirements of the Banking Companies Ordinance, 1962, or the directives issued by the 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)/2008 dated April 28, 2008. 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.

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

FOR THE QUARTER ENDED MARCH 31, 2016

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 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.

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.

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 and investments in associate is carried using the equity method.

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.

7 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

8 FINANCIAL RISK MANAGEMENT

The Bank's Financial Risk Management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2015.

	Un-audited March 31, 2016	Audited December 31, 2015
9 BALANCES WITH OTHER BANKS		
	-----Rupees `000-----	
In Pakistan		
- Current accounts	501,270	573,956
Outside Pakistan		
- Current accounts	298,793	494,495
	<u>800,063</u>	<u>1,068,451</u>

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

FOR THE QUARTER ENDED MARCH 31, 2016

10 INVESTMENTS

10.1 Investments by type

Note	Un-audited March 31, 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						
	4,266,655	-	4,266,655	3,204,619	-	3,204,619
Market Treasury Bills						
Pakistan Investment Bonds	3,791,495	-	3,791,495	3,150,437	-	3,150,437
Fully paid up ordinary shares / certificates of closed end mutual funds	958,690	-	958,690	482,482	-	482,482
	9,016,840	-	9,016,840	6,837,538	-	6,837,538
Available for sale securities						
	19,080,429	26,270,099	45,350,528	48,839,635	41,360,610	90,200,245
Market Treasury Bills						
Pakistan Investment Bonds	54,112,480	-	54,112,480	19,778,584	28,710,039	48,488,623
Ijara Sukuk Bonds	4,474,916	-	4,474,916	5,919,200	-	5,919,200
Units of open end mutual funds						
- Faysal Balanced Growth Fund *	12,480	-	12,480	12,480	-	12,480
- Faysal Income Growth Fund *	87,544	-	87,544	87,544	-	87,544
- Faysal Savings Growth Fund *	680,606	-	680,606	680,606	-	680,606
- Faysal Islamic Savings Growth Fund *	95,848	-	95,848	95,848	-	95,848
- Faysal Money Market Fund *	312,111	-	312,111	312,111	-	312,111
- Faysal Asset Allocation Fund *	75,947	-	75,947	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	3,981,396	-	3,981,396	4,271,736	-	4,271,736
Fully paid up preference shares	22,490	-	22,490	122,490	-	122,490
Term finance certificates	839,788	-	839,788	839,801	-	839,801
	83,810,035	26,270,099	110,080,134	81,069,982	70,070,649	151,140,631
Held to maturity securities						
	19,812,288	-	19,812,288	19,776,284	-	19,776,284
Pakistan Investment Bonds						
Term finance certificates	2,335,943	-	2,335,943	2,364,514	-	2,364,514
Sukuk Bonds	4,667,982	-	4,667,982	4,760,365	-	4,760,365
	26,816,213	-	26,816,213	26,901,163	-	26,901,163
Bai Muajjal with Government of Pakistan	11,923,951	-	11,923,951	11,838,403	-	11,838,403
Associate *						
Fully paid up ordinary shares of Faysal Asset Management Limited	60,830	-	60,830	68,082	-	68,082
	131,627,869	26,270,099	157,897,968	126,715,168	70,070,649	196,785,817
Investments at cost						
Less: provision for diminution in the value of investments at cost	(3,276,508)	-	(3,276,508)	(3,282,763)	-	(3,282,763)
Investments (net of provisions)	128,351,361	26,270,099	154,621,460	123,432,405	70,070,649	193,503,054
Surplus / (deficit) on revaluation of investments classified as held for trading - net	3,544	-	3,544	(10,646)	-	(10,646)
Surplus on revaluation of investments classified as available for sale - net	2,134,823	23,885	2,158,708	852,230	1,171,004	2,023,234
Total investments - net	130,489,728	26,293,984	156,783,712	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 QUARTER ENDED MARCH 31, 2016

- 10.2** 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 March 31, 2016 would have been higher by Rs 50 million (March 31, 2015: Rs 50 million) and the profit before taxation for the period ended March 31, 2016 would have been lower by Rs 50 million (March 31, 2015: Rs 50 million).
- 10.3** 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. The Bank acquired these equity shares in 2013 by exercising its rights over pledged shares of DHA after eventual non-compliance by DHA in respect of 'Rehabilitation and Standstill Agreement' made between the consortium banks (including the Bank) and DHA for repayment of liabilities.
- 10.4** The Bank does not prepare consolidated financial statements as it does not have any subsidiary company as at March 31, 2016. Accordingly, 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 March 31, 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	Audited
	March 31,	December 31,
	2016	2015
	-----Rupees `000-----	

10.4.1 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	(7,252)	(7,002)
Closing Balance	<u>60,830</u>	<u>68,082</u>
Cost of Investment	<u>45,000</u>	<u>45,000</u>

10.4.2 Particulars of the assets and liabilities of the associate

Assets	<u>201,079</u>	<u>264,195</u>
Liabilities	<u>(1,687)</u>	<u>38,218</u>
Revenue	<u>25,034</u>	<u>129,954</u>
Loss	<u>(23,210)</u>	<u>(23,291)</u>

10.5 Particulars of provision for diminution in the value of investments

Opening balance	3,282,763	2,828,212
Charge during the period / year	<u>5,942</u>	<u>601,616</u>
Reversals during the period / year	<u>(12,197)</u>	<u>(147,065)</u>
	<u>(6,255)</u>	<u>454,551</u>
Closing balance	<u>3,276,508</u>	<u>3,282,763</u>

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

FOR THE QUARTER ENDED MARCH 31, 2016

	Note	Un-audited	Audited
		March 31, 2016	December 31, 2015
-----Rupees `000-----			
Loans, cash credits, running finances, etc. – in Pakistan		167,669,530	169,374,104
Net investment in finance lease – in Pakistan		11,674,998	11,329,219
		<u>179,344,528</u>	<u>180,703,323</u>
Bills discounted and purchased (excluding government treasury bills)			
- Payable in Pakistan		3,928,435	3,376,937
- Payable outside Pakistan		1,045,854	1,098,911
		<u>4,974,289</u>	<u>4,475,848</u>
Islamic financing and related assets		20,887,217	20,286,653
Margin financing / reverse repo transactions		88,200	88,200
Gross advances		<u>205,294,234</u>	<u>205,554,024</u>
Provision against non-performing advances	11.1 & 11.2	(24,225,383)	(24,101,547)
Provision against consumer and small enterprise loans - general	11.3 & 11.3.1	(428,179)	(432,672)
		<u>(24,653,562)</u>	<u>(24,534,219)</u>
Advances - net of provision		<u>180,640,672</u>	<u>181,019,805</u>

11.1 Advances includes Rs. 30,464 million (2015: Rs. 30,399 million) which have been placed under non-performing status as detailed below:

Particulars	Note	March 31, 2016 (Un-audited)								
		Classified Advances			Provision required			Provision held		
		Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
-----Rupees `000-----										
Category of classification										
Other Assets Especially Mentioned (OAEM)	11.1.1	633,253	-	633,253	740	-	740	740	-	740
Substandard		2,375,817	-	2,375,817	390,831	-	390,831	390,831	-	390,831
Doubtful		1,663,202	-	1,663,202	425,817	-	425,817	425,817	-	425,817
Loss		25,791,770	-	25,791,770	23,407,995	-	23,407,995	23,407,995	-	23,407,995
		<u>30,464,042</u>	<u>-</u>	<u>30,464,042</u>	<u>24,225,383</u>	<u>-</u>	<u>24,225,383</u>	<u>24,225,383</u>	<u>-</u>	<u>24,225,383</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		1,722,036	-	1,722,036	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>30,398,853</u>	<u>-</u>	<u>30,398,853</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 Financing, Housing Finance and Small & Medium Enterprise Financing issued by the SBP.

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

FOR THE QUARTER ENDED MARCH 31, 2016

	Un-audited March 31, 2016	Audited December 31, 2015
11.2 Particulars of provision against non-performing advances	-----Rupees `000-----	
Opening balance	24,101,547	23,011,743
Recognised in the profit & loss account		
- Charge for the period / year	627,554	2,342,060
- Reversals during the period / year	(500,920)	(1,315,932)
Net charge	126,634	1,026,128
Transfer of provision	-	69,999
Amounts written off	(2,798)	(6,323)
Closing balance	24,225,383	24,101,547

11.2.1 As allowed by the SBP the Bank has availed benefit of Forced Sale Value (FSV) of collaterals held as security of Rs 2,303.831 million (2015: Rs 2,730.690 million) relating to advances, Rs 4.326 million (2015: Rs 4.326 million) relating to investments and Rs 10.516 million (2015: Rs 9.308 million) relating to off-balance sheet items while determining the provisioning requirement against non-performing financing (including investments) as at March 31, 2016. The additional profit arising from availing the FSV benefit - net of tax as at March 31, 2016 which is not available for distribution as either cash or stock dividend to shareholders and bonus to employees amounted to approximately Rs 1,507.137 million (2015: Rs 1,783.813 million).

	Un-audited March 31, 2016	Audited December 31, 2015
11.3 Particulars of provision against consumer loans and small enterprise - general	-----Rupees `000-----	
Opening balance	432,672	439,524
Reversal during the period / year	(4,493)	(6,852)
Closing balance	428,179	432,672

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

	Secured	Unsecured
Housing Finance Portfolio	1.5%	-
Consumer portfolio	1.5%	5.0%
Small enterprise portfolio	1.0%	2.0%

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

	Un-audited March 31, 2016	Audited December 31, 2015
12 OPERATING FIXED ASSETS	-----Rupees `000-----	
Capital work-in-progress	636,926	627,098
Tangible fixed assets	8,273,992	8,812,777
Intangible assets	1,804,181	1,903,105
	10,715,099	11,342,980

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

FOR THE QUARTER ENDED MARCH 31, 2016

	Un-audited For the quarter ended	
	March 31, 2016	March 31, 2015
	-----Rupees `000-----	
12.2 Additions to operating fixed assets - cost		
Leasehold property and improvements	51,722	16,120
Office furniture, fixtures, equipment and computers	12,872	27,969
Vehicles	1,798	89
Capital work-in-progress	9,828	81,416
Additions to Intangibles		
Software	-	522
12.3 Disposals of operating fixed assets - cost		
Freehold land	455,000	-
Office furniture, fixtures, equipment and computers	10,561	50,320
Vehicles	7,025	4,121
13 OTHER ASSETS		
These include non-banking assets acquired in satisfaction of claims amounting to Rs 1,823.434 million (December 31, 2015: Rs 1,826.276 million).		
	Un-audited	Audited
	March 31, 2016	December 31, 2015
14 DEPOSITS AND OTHER ACCOUNTS	-----Rupees `000-----	
Customers		
Fixed deposits	90,634,439	90,461,529
Saving deposits	100,548,604	95,584,670
Current accounts – Remunerative	1,927,109	2,054,101
Current accounts – Non-remunerative	89,411,983	89,476,774
Margin accounts	2,201,777	2,005,605
	284,723,912	279,582,679
Financial institutions		
Remunerative deposits	11,638,194	12,204,384
Non-remunerative deposits	355,976	343,195
	11,994,170	12,547,579
	296,718,082	292,130,258
15 CONTINGENCIES AND COMMITMENTS		
15.1 Direct credit substitutes		
Contingent liability in respect of guarantees favouring:		
- Banking companies and other financial institutions	448,071	497,327
Acceptances		
- Others	7,159,460	6,609,326

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

FOR THE QUARTER ENDED MARCH 31, 2016

	Un-audited March 31, 2016	Audited December 31, 2015
-----Rupees `000-----		
15.2 Transaction-related contingent liabilities		
Contingent liability in respect of performance bonds, bid bonds, shipping guarantees and standby letters of credit etc. favouring:		
- Government	8,939,152	8,994,355
- Banking companies and other financial institutions	149,360	12,267
- Others	2,442,807	2,846,359
	<u>11,531,319</u>	<u>11,852,981</u>

15.3 Trade-related contingent liabilities

Letters of credit

- Government	8,255,326	12,708,525
- Others	10,295,888	10,813,163
	<u>18,551,214</u>	<u>23,521,688</u>

15.4 Other contingencies

i) Suit filed by a customer for recovery of alleged losses suffered which is pending in the High Court of Sindh. The Bank's legal advisors are confident that the Bank has a strong case	<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>31,181,659</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 disallowance on initial depreciation of leases, provision for bad debts, bad debts written off, provision against investments, taxability of dividend and profit accrued on deposits. The additional tax liability on these matters is Rs 2,035.424 million. Both the bank and the department have filed appeals with the Commissioner Inland Revenue (Appeals), Appellate Tribunal Inland Revenue and the High Court in the aforementioned matters. The management of the Bank 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 in this respect.

The Finance Act, 2015 has made certain amendments in the Income Tax Ordinance, 2001. Under these amendments, a one-time super tax at the rate of 4 percent of the taxable income of the Bank for the tax year 2015 (i.e. year ended December 31, 2014) has been introduced for rehabilitation of temporary displaced persons which the Bank has paid. However, the Bank is contesting the legality of super tax at appellate forum.

15.5 Commitments to extend credits

The Bank makes commitments to extend credit (including to related parties) in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn except for Rs 12,370 million (December 31, 2015: Rs 10,951 million) which are irrevocable in nature.

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

FOR THE QUARTER ENDED MARCH 31, 2016

	Un-audited March 31, 2016	Audited December 31, 2015
	----- Rupees `000-----	
15.6 Commitments in respect of forward exchange contracts		
Purchase		
- Customers	2,006,153	848,576
- Banks	27,389,563	23,268,341
	<u>29,395,716</u>	<u>24,116,917</u>
Sale		
- Customers	623,436	782,309
- Banks	15,621,811	9,166,680
	<u>16,245,247</u>	<u>9,948,989</u>
15.7 Commitments for the acquisition of operating fixed assets	<u>107,868</u>	<u>82,419</u>
15.8 Commitments in respect of donation	-	-
15.9 Commitments in respect of repo transactions		
Repurchase	<u>26,323,628</u>	<u>71,239,393</u>
Resale	<u>2,100,294</u>	<u>306,889</u>
16 EARNINGS PER SHARE	Un-audited	
	For the quarter ended	
	March 31, 2016	March 31, 2015
	----- Rupees `000-----	
Profit after tax for the period	<u>1,357,366</u>	<u>1,879,902</u>
	-- Number of shares in thousands --	
Weighted average number of ordinary shares	<u>1,199,760</u>	<u>1,199,760</u>
	----- Rupees -----	
Earnings per share - basic	<u>1.13</u>	<u>1.57</u>

16.1 Diluted earning per share has not been presented as the Bank does not have any convertible instruments in issue at March 31, 2016 and March 31, 2015 which would have any effect on the earning per share if the option to convert is exercised.

17 NON-DISTRIBUTABLE CAPITAL RESERVE - GAIN ON BARGAIN PURCHASE

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 March 31, 2016 the Bank has adjusted amortisation of intangible assets amounting to Rs. 31.217 million (net of tax) from the Non-distributable Capital Reserve.

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

FOR THE QUARTER ENDED MARCH 31, 2016

18 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Primary segment information

The Bank is organised into four major business segments:

- Corporate Finance
- Trading and Sales
- Retail Banking
- Corporate & Commercial Banking

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

	Corporate Finance	Trading & Sales	Retail Banking	Corporate & Commercial Banking	Total
----- Rupees '000 -----					
March 31, 2016 - Un-audited					
Total income ***	100,932	2,219,610	5,473,144	648,369	8,442,055
Total expenses	(43,717)	(1,301,278)	(5,167,089)	(572,605)	(7,084,689)
Net income / (loss)	<u>57,215</u>	<u>918,332</u>	<u>306,055</u>	<u>75,764</u>	<u>1,357,366</u>
Segment assets (Gross)	-	156,182,430	88,766,958	171,161,226	416,110,614
Segment non performing loans	-	-	5,280,026	25,184,016	30,464,042
Segment provision required against loans **	-	-	(3,238,210)	(21,415,352)	(24,653,562)
Segment liabilities	-	(28,957,593)	(306,154,965)	(21,941,379)	(357,053,937)
Segment return on assets (ROA) (%) *	<u>-</u>	<u>2.18%</u>	<u>1.54%</u>	<u>0.21%</u>	
Segment cost of funds (%) *	<u>-</u>	<u>5.28%</u>	<u>4.29%</u>	<u>5.92%</u>	
March 31, 2015 - Un-audited					
Total income ***	95,166	3,142,257	6,367,231	966,415	10,571,069
Total expenses	(44,068)	(1,883,688)	(5,902,733)	(860,678)	(8,691,167)
Net income	<u>51,098</u>	<u>1,258,569</u>	<u>464,498</u>	<u>105,737</u>	<u>1,879,902</u>
December 31, 2015 - Audited					
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)	<u>77,573</u>	<u>3,051,106</u>	<u>1,164,203</u>	<u>(70,518)</u>	<u>4,222,364</u>
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) (%) *	<u>-</u>	<u>1.65%</u>	<u>1.33%</u>	<u>(0.04%)</u>	
Segment cost of funds (%) *	<u>-</u>	<u>5.42%</u>	<u>4.75%</u>	<u>7.05%</u>	

* These percentages have been computed based on average balances.

** includes general provision

*** Net of share of loss of associate

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

FOR THE QUARTER ENDED MARCH 31, 2016

19 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.

Particulars	March 31, 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	452,198	157,192	992,660	831,864
Withdrawals during the period	(408,870)	(126,535)	(992,474)	(777,980)
Balance at end of the period	<u>98,802</u>	<u>548,532</u>	<u>2,451</u>	<u>572,013</u>
Advances				
Balance at the beginning of the period	63,045	-	-	4,038,817
Disbursements during the period	9,080	-	-	-
Repayments during the period	(4,141)	-	-	(1,013)
Balance at end of the period	<u>67,984</u>	<u>-</u>	<u>-</u>	<u>4,037,804</u>
Shares held by group companies	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,011,661</u>

* Provision held against advances in respect of group Companies and associated undertaking amounted to Rs 2,962.817 million.

Particulars	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>
Shares held by group companies	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,011,661</u>

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

Particulars	March 31, 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	-	-	-	39,056
Shares / units sold during the period	-	-	-	24,864
Government securities purchased during the period	288,190	-	-	-
Government securities sold during the period	272,032	-	-	120,766
Profit paid / accrued	299	8,013	65	4,533
Profit return / earned	753	-	-	717,643
Remuneration of the key management personnel				
- Salaries and other short-term employee benefits	154,418	-	-	-
- Post-employment benefits	4,520	-	-	-
Contribution / charge relating to staff retirement benefits	-	52,825	-	-
Guarantees issued favouring related parties or on their behalf *	-	-	-	29,397
Dividend income	-	-	-	-
Capital loss	-	-	-	(883)
Share of loss from associate	-	-	7,252	-
Dividend payable	108	-	-	864,698

* represents outstanding guarantee

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

FOR THE QUARTER ENDED MARCH 31, 2016

Particulars	March 31, 2015 (Un-audited)			
	Directors and key management personnel	Retirement Benefit Plans	Associate	Group Companies and associated undertakings
Shares / units purchased during the period	-	-	-	-
Shares / units sold during the period	-	-	-	-
Government securities purchased during the period	218,142	-	-	-
Government securities sold during the period	233,568	-	-	-
Profit paid / accrued	1,006	2,085	86	1,977
Profit return / earned	1,014	-	-	115,791
Remuneration of the key management personnel	-	-	-	-
- Salaries and other short-term employee benefits	163,043	-	-	-
- Post-employment benefits	3,971	-	-	-
Contribution / charge relating to staff retirement benefits	-	54,408	-	-
Guarantees issued favouring related parties or on their behalf *	-	-	-	37,802
Dividend income	-	-	-	-
Capital gain	-	-	-	-
Share of loss from associate	-	-	2,988	-
Dividend payable	-	-	-	-

* represents outstanding guarantee

- 19.1 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.

20 ISLAMIC BANKING BUSINESS

The Bank is operating 68 Islamic banking branches (2015: 68) and 1 Islamic sub-branch (2015: 1). The statement of financial position of these branches as at March 31, 2016 are as follows:

Note	Un-audited	Audited
	March 31, 2016	December 31, 2015
	----- Rupees `000 -----	
ASSETS		
Cash and balances with treasury banks	3,091,294	3,023,428
Balances with other banks	94,309	79,307
Due from financial institutions	-	-
Investments	20,358,311	21,883,819
Islamic financing and related assets	(c) 20,887,217	20,286,653
Operating fixed assets	477,367	469,907
Deferred tax assets	15,633	-
Other assets	1,044,903	338,394
	45,969,034	46,081,508
LIABILITIES		
Bills payable	702,454	578,799
Due to financial institutions	-	-
Deposits and other accounts		
- Current accounts	12,620,711	13,060,570
- Saving accounts	10,731,671	10,145,581
- Term deposits	6,833,054	7,169,760
- Others	52,976	50,334
- Deposits from financial institutions - remunerative	3,510,571	1,327,324
- Deposits from financial institutions - non-remunerative	5,780	5,495
Due to head office	7,861,249	10,280,307
Deferred tax liabilities	-	2,029
Other liabilities	632,388	515,807
	42,950,854	43,136,006
NET ASSETS	3,018,180	2,945,502
REPRESENTED BY		
Islamic banking fund	1,380,000	1,380,000
Reserves	-	-
Unappropriated profit	1,542,083	1,436,604
	2,922,083	2,816,604
Surplus on revaluation of assets - net of tax	96,097	128,898
	3,018,180	2,945,502

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

FOR THE QUARTER ENDED MARCH 31, 2016

- (a) The profit and loss account of the Bank's Islamic Banking branches for the quarter ended March 31, 2016 is as follows:

	Un-audited For the quarter ended	
	March 31, 2016	March 31, 2015
	-----Rupees `000-----	
Profit / return earned on financing and investments	777,282	802,823
Profit / return expensed	413,594	377,485
Net spread earned	363,688	425,338
Provision against non-performing financings - net	6	14,285
Provision against consumer financings - general	3,820	1,689
Reversal against provision for diminution in the value of investments	-	-
Recoveries against written off debts	(220)	-
	3,606	15,974
	360,082	409,364
Other Income		
Fee, commission and brokerage income	32,768	22,097
Dividend income	-	-
Income from dealing in foreign currencies - net	(19,772)	(7,574)
Gain on sale of securities - net	-	-
Unrealized gain / (loss) on revaluation of investments classified as held for trading	-	-
Other income	159	434
Total other income	13,155	14,957
	373,237	424,321
Other expenses		
Administrative expenses	267,758	229,437
Other provision / write-offs	-	-
Other charges	-	-
Total other expenses	267,758	229,437
	105,479	194,884
Extraordinary items / unusual items	-	-
Profit for the period	105,479	194,884
Unappropriated profit brought forward	1,436,604	921,429
Unappropriated profit carried forward	1,542,083	1,116,313
	Un-audited March 31, 2016	Audited December 31, 2015
	-----Rupees `000-----	
Remuneration to shariah advisor	1,550	3,383
CHARITY FUND		
Opening balance	1,034	337
Additions during the period / year	669	1,597
Payments / utilization during the period / year	-	(900)
Closing balance	1,703	1,034
Sector wise details of charity disbursement		
Health	-	700
Education	-	100
Social Work	-	100
	-	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 QUARTER ENDED MARCH 31, 2016

	Un-audited March 31, 2016	Audited December 31, 2015
	----- Rupees `000 -----	
(b) Islamic Financing and Related Assets	20,887,217	20,286,653
(c) Islamic Mode of Financing		
Murabaha	862,193	1,060,626
Musharika cum Ijara	5,914	5,914
Diminishing Musharika	15,871,982	15,261,012
Advance against Murabaha Financing	215,907	261,499
Advance against Murabaha ERF	-	-
Advanced against Diminishing Musharika	2,630,689	2,164,556
Fixed Assets Ijara Financing (net)	757,534	948,381
Advance against Ijara	542,998	584,665
	<u>20,887,217</u>	<u>20,286,653</u>

(d) Sectors and avenues of deposits and funds

The deposits and funds accepted under the above mentioned pools are provided to diversified sectors and avenues of the economy / business.

	Un-audited March 31, 2016	Audited December 31, 2015
	----- Rupees `000 -----	
Government and other securities	20,982,427	21,883,819
Textiles, chemicals, pharmaceuticals, food and allied	1,207,554	1,451,578
Production and transmission of energy	16,639,242	16,022,292
Transportation	2,428,398	2,240,896
Construction / Housing	861,353	817,391
	<u>42,118,974</u>	<u>42,415,976</u>

21 GENERAL

21.1 Comparative information has been re-classified, re-arranged or additionally incorporated in this condensed interim financial information, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period. The Bank has, as per BPRD Circular Letter No. 05 of 2016 dated February 29, 2016, reclassified comparative figures for Islamic financing and related assets under Advances amounting to Rs 3,010.720 million (including non-performing Islamic financing and related assets amounting to Rs 139.998 million) which was previously classified under Other Assets and Bai Muajjal of Government of Pakistan Ijara Sukuk under Investments amounting to Rs 11,838.403 million which was previously classified under Lending to Financial Institutions. Provision against Islamic financing and related assets amounting to Rs 69.999 million has also been transferred to provision against non-performing advances from provision against other assets.

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

22 DATE OF AUTHORISATION FOR ISSUE

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

PRESIDENT & CEO

DIRECTOR

DIRECTOR

DIRECTOR

ڈائریکٹرز کا جائزہ

بہترین صلاحیت کی حامل ہے اور اطمینان بخش ہے

PACRA کی جانب سے تفویض کردہ ریٹنگ کی تعریفات درج ذیل ہیں:

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

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

توثیقی بیان

میں بینک کی انتظامیہ اور بورڈ کی جانب سے حصص مالکان کے بینک پر اعتماد کے لئے شکریہ ادا کرنا چاہتا ہوں۔ میں اسٹیٹ بینک آف پاکستان اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا بھی ان کے مستقل تعاون اور رہنمائی کے لئے اور اپنے کسٹمرز کے تعاون کا مشکور ہوں۔ میں بینک کے ملازمین اور ان کی انتھک کاوشوں کو تہ دل سے سراہتا ہوں۔

منجانب بورڈ آف ڈائریکٹرز

پریزیڈنٹ اینڈ سی ای او

کراچی

27 اپریل 2016

ڈائریکٹرز کا جائزہ

کم شرح منافع کے پیش نظر بینک کم اخراجاتی ڈپازٹس کے حصول کی منصوبہ بندی کر رہا ہے۔ اس ضمن میں بینک نے CASA ڈپازٹس مکس کو 0.3 فیصد بڑھایا ہے جو اب مجموعی ڈپازٹس کا 67.5 فیصد ہے۔ اس کے نتیجے میں فنڈز کے اخراجات 4.92 فیصد سے کم ہو کر 3.76 فیصد ہوئی۔ NPL کی موثر مینجمنٹ اور انتظامی اخراجات کی سخت نگرانی دو ایسے عوامل ہیں جن پر انتظامیہ بھرپور کوششیں جاری رکھے ہوئے ہے۔ ان تمام امور میں بینک کی موثر نگرانی کے باعث NPL ودیگر اخراجات میں کمی واقع ہوئی۔

بینک غیر سرمایہ کار آمدنی جاری رکھنے کے ساتھ ٹریڈ برنسز اور کنزیومر شعبوں سے کمیشن اور فیس کی مستقل فراہمی جاری رکھنے کے لئے کوشاں ہے۔ NPL کو 79.5 فیصد کی مناسب سطح پر موجود ہے جو کہ اس بات کا ثبوت ہے کہ بینک نے غیر فعال اثاثہ جات کے عیوض اطمینان بخش پرویزن رکھا ہوا ہے اور آئندہ سالوں میں کسی بڑے پرویزن چارج کا امکان نہیں ہے۔

بیلنس شیٹ کے حوالے سے کپٹل میں آئین کے باعث اضافہ ہوا ہے۔ بینک کے ڈپازٹس 296.7 بلین روپے ہیں کیونکہ بینک نے کم اخراجات والے ضروری ڈپازٹس کو متحرک رکھنے پر زیادہ توجہ مرکوز کر رکھی ہے تاکہ فنڈ اخراجات کو مناسب سطح پر برقرار رکھا جاسکے۔ آپ کے بینک کے مجموعی اثاثہ جات 388 بلین روپے ہیں۔

بہر حال بیلنس شیٹ میں اضافہ اور بینک کی آمدنی منصوبہ بندی کے پیش نظر اطمینان بخش ہیں۔

کریڈٹ ریٹنگ

JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (JCR) اور پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے 31 دسمبر 2014 کو درج ذیل ایٹمی ریٹنگ کی تصدیق کی ہے۔

AA لاگ ٹرم

A1+ شارٹ ٹرم

مذکورہ بالا ایجنسیز مستحکم حالت کی ریٹنگ تفویض کی ہے۔

JCR-VIS کی جانب سے تفویض کردہ ریٹنگ 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۔ شارٹ ٹرم لیکویڈٹی بشمول انتظامی عوامل اور فنڈز کے متبادل ذرائع تک رسائی کی

ڈائریکٹرز کا جائزہ

بینک سال 2016 کے دوران اپنے کسٹمرز کی سہولت کے پیش نظر مالیاتی اور زرعی مراکز میں اپنے برانچ نیٹ ورک کو بڑھانے کے لئے پرعزم ہے۔ یہ برانچز کم لاگت والے اہم ڈپازٹس کے قیام سے CASA کس میں ترقی دیں گے اور فنڈز کے اخراجات میں کمی واقع ہوگی۔ اس طرح بینک ان علاقوں کی کاروباری ضروریات کو پورا کرنے میں مددگار ثابت ہوگا اور دروازے کے علاقوں میں اپنی موجودگی کو یقینی بنائے گا۔ ہم نے اپنی برانچز کو کسٹمرز کو سہولیات، مشاورت اور تربیت کی فراہمی سے مختلف مصنوعات کی فروخت کا مرکز بنادیا ہے۔ کارپوریٹ، کمرشل، SME، زرعی اور رٹیل کے شعبوں میں تعاون اور شراکت داری سے مختلف قسم کے مواقع کو کاروبار میں بدلا جا رہا ہے۔

مالیاتی جھلکیاں

مارچ 2015	مارچ 2016	
3,108	2,178	آپریٹنگ پرافٹ
(107)	(97)	پرویشن فار نان پرفارمنگ ایڈوانسز
(127)	6	پرویشن فار ڈیٹیمینشن ان ویلیو آف انویسٹمنٹس
-	-	پرویشن آگینسٹ آف بیلینس شیٹ اوپلیکیشن
(234)	(91)	
2,874	2,087	پرافٹ بٹھورٹیکس
(994)	(730)	پرویشن فار ٹیکس
1,880	1,357	پرافٹ آفٹر ٹیکس
1.57	1.13	ارنگ پریشر

بینک نے 2016 کی پہلی سہ ماہی میں بعد از ٹیکس منافع (PAT) 1.357 بلین روپے کمایا ہے جو کہ سال 2015 کے اسی عرصہ میں 1.880 بلین روپے تھا۔ منافع میں کمی کا سبب 2015 کی پہلی سہ ماہی میں حکومتی سیکورٹیز پریکپٹل گین کا بڑے پیمانے پر حصول تھا۔ جس کے نتیجے میں بینک کا EPS کم ہو کر 1.13 روپے رہا جو کہ گزشتہ سال کے اسی عرصہ میں 1.57 روپے تھا۔

ڈائریکٹرز کا جائزہ

اس کے ڈیش بورڈ نہ صرف ڈپازٹس، مو بیلانز، لیٹنگ، ڈاکیومنٹری کریڈٹ اور CRM کی معلومات فراہم کرتے ہیں بلکہ ہر حصے کی ماہانہ منافع رپورٹ بھی فراہم کرتا ہے تاکہ وہ اپنی کارکردگی کو دیکھ سکے۔ بینک کے کاروباری شعبہ جات کو ان کے کسٹمرز کے حساب سے منافع کی تفصیل فراہم کی جاتی ہے تاکہ وہ اپنے لین دین کو دیکھ سکیں اور دوطرفہ کاروباری مواقع میں بہتری لاسکیں۔

اخراجات پر ضابطے کا نظام

آمدنی میں اضافے اور اخراجات پر ضابطے کے لئے متبادل ذرائع اپنانا اور اپنی سرگرمیوں کا دوبارہ جائزہ لینا بینک کی پالیسی ہے۔ اس ضمن میں جاری انتظام کو متاثر کئے بغیر مستحکم بنیادوں پر قیمتوں میں یکسانیت پیدا کرنے پر توجہ مرکوز کی گئی۔ خاص طور پر توانائی، برانچز کے تعمیری اخراجات، جگہ اور ساز و سامان کی مرمت اور اسٹیشنری کے اخراجات وغیرہ شامل ہیں۔

توانائی کی بچت کے اقدامات

بجلی بچانے کے اقدامات پر خصوصی توجہ مرکوز کی گئی تاکہ اخراجات میں کمی کے ساتھ قدرتی ذرائع کی حفاظت یقینی ہو۔ اسٹاف ممبرز کو یہ تلقین کی گئی کہ کام کے اوقات میں زیادہ سے زیادہ قدرتی روشنی سے استفادہ کیا جائے۔ رات کے اوقات میں لفٹس کے نظام کو محدود کیا گیا۔ ہیوی ڈیوٹی UPS کی تنصیب کا منصوبہ بہت مفید ثابت ہوا جس کی بدولت رات کے اوقات میں چلنے والے جزیٹرز بند کئے گئے اور فیول کی بچت ہوئی۔

ک کارپوریٹ سماجی ذمہ داری

2016 کی پہلی سہ ماہی میں بینک نے سماجی ذمہ داری کے اقدامات میں تعلیم پر خصوصی توجہ مرکوز کی۔ روایتی، اسپیشل اور ویکیشنل ایجوکیشن میں مصروف کئی اداروں کے دورے کئے گئے تاکہ ان سے تعلقات کو مزید فروغ ملے۔ طلباء کی اسپانسر شپ سمیت تعمیری تعاون کے کئی پروپوزل زیر غور ہیں۔ صحت کے شعبے میں بھی تعاون کے کئی اقدامات اٹھائے جا رہے ہیں۔

مستقبل پر نظر

بینک کی حالیہ منصوبہ بندی کے تحت اسلامک کاروبار کو بڑھانے اور برانچز کو بڑھانے میں اسلامی شعبے کو اہمیت دینے کی ضرورت پر زور دیا جا رہا ہے۔ نئے اثاثوں کی خریداری میں بھی اسلامی طریقوں کو ترجیح دی جائے گی۔

بورڈ آف ڈائریکٹرز نے فروری 2016 کے اجلاس میں 10 فیصد حتمی منافع منقسمہ (فائل کیش ڈیویڈنڈ) برائے 2015 کی تجویز دی جس کی منظوری حصص مالکان سے AGM میں حاصل کی گئی۔ قانونی تقاضوں کی تکمیل کے بعد بہت جلد بینک اپنے شیئرز ہولڈرز کو کیش ڈیویڈنڈ کے کوپن ارسال کر دے گا۔

ڈائریکٹرز کا جائزہ

پاکستان کے ORM سے متعلق رہنما اصولوں پر کامیابی کے ساتھ عملدرآمد کر دیا ہے جس سے بینک کے اندرونی ماحول میں مزید بہتری کے لیے اقدامات کی عکاسی ہوتی ہے۔

(ح) سپورٹ سروسز

انفارمیشن ٹیکنالوجی کا شعبہ ہمارے خارجی و داخلی کسٹمرز کے لئے بہترین خدمات کی فراہمی کے لئے سرگرم عمل ہے۔ اس ضمن میں اہم کامیابیاں درج ذیل ہیں:

ماسٹر ڈیٹا مینجمنٹ کو مختلف ذرائع سے ڈیٹا جمع کرنے کے لئے مرتب کیا گیا ہے تاکہ کسٹمر کی تفصیلات کو مربوط کیا جاسکے، اس کے لئے ڈیٹا انٹیگریشن فریم ورک استعمال کیا جاتا ہے جو انٹرفیسنگ، انٹیگریشن، MIS اور BI کے لئے کئی ذرائع سے ڈیٹا کو جمع کرنے کی صلاحیت رکھتا ہے۔

فیصل بینک سے لین دین کرنے والے موبائل کسٹمرز کی سہولت کے لئے مختلف طریقے مرتب کئے گئے ہیں جس کی بدولت ہر طرح کے موبائل ذرائع سے رابطہ کرنے والے کسٹمرز کے لئے ہماری انٹرنیٹ بینکنگ سہولت آسانی سے میسر ہو۔

فوری طور پر اکاؤنٹ کھولنے اور بائیومیٹرک ڈوائسز کے ذریعے نادرا سے تصدیق کے لئے پائلٹ برانچز میں کسٹمرز کو بورڈنگ پورٹل متعارف کرایا گیا ہے۔ مزید برآں اس پروجیکٹ کے دوسرے فیز میں آن بورڈ کسٹمرز انٹرنیٹ کے ذریعے انٹرنیٹ بینکنگ سے اپنی درخواست دے سکیں گے۔

(ط) آپریشنز

ہمارا آپریشنز ڈپارٹمنٹ اپنے خارجی و داخلی کسٹمرز کو بینک کی اقدار اور مرتب طریقہ کار پر کسی سمجھوتے کے بغیر فوری اور موثر خدمات کی فراہمی جاری رکھے ہوئے ہے۔ خدمات کی فراہمی میں بہتری کے پیش نظر آئی ٹی کے تعاون سے کئی اقدامات اٹھائے گئے ہیں تاکہ کاؤنٹرز پر رش کو ختم کیا جاسکے اور کلائنٹس کو خاص قسم کی خدمات یقینی ہوں۔

(ی) مالیاتی نقطہ نظر

مینجمنٹ انفارمیشن

اسٹیک ہولڈرز سے متعلق بروقت معلومات کی فراہمی کے لئے فنانشل کنٹرول یونٹ ہر وقت سرگرم عمل ہے۔ اس ضمن میں بینک نے QlikView برنس ایپلی جی جس سسٹم MIS متعارف کیا ہے۔

ڈائریکٹرز کا جائزہ

آن لائن کمپلائنس ایسینشلز اور مینڈیٹری آن لائن اسلامی بینکنگ ٹریگ کا 2016 کی پہلی سہ ماہی میں تمام زیر التواء عملہ کے لئے دوباراً آغاز کیا گیا۔

انٹرنل کمیونٹی کیشن

اندرونی مواصلات کے ذریعے فیصل ایسٹ منجمنٹ پرنسپل ری بیٹس (واپسی) اور فیصل بینک لمیٹڈ کارڈ کے استعمال پر دیگر پرکشش پیشکشیں بھی مختلف آؤٹ لیٹس پر مشتمل کی گئی ہیں۔

ہمارے بلیو آکٹاگرام (Blue Octagram) کے خصوصی ایڈیشن کو بینک میں اشاعت کے لئے حتمی شکل دے دی گئی۔ اس میں ملازمین کی ہمت افزائی کے لیے نئے سیکشن بھی متعارف کرائے گئے ہیں۔ ملازمین کی اکثریت اس کی تحریروں میں سرگرمی کے ساتھ حصہ لیتی ہے۔

رسک منجمنٹ (ز)

رسک منجمنٹ نے دونوں جانب منصوبہ بندی اور آپریشن کے لیے اپنے عملی کردار کو جاری رکھا تاکہ بینک کے تمام شعبوں میں خطروں سے آگاہی اور ان پر قابو پانے کے لیے اقدامات کو یقینی بنایا جاسکے اس طرح مجموعی طور پر ماحول کی بہتری میں مدد ملی ہے۔ اس میں مؤثر نگرانی اور آسان رسائی کے ذریعے رسک پر وفاق کی حالت میں بہتری کے ساتھ رسک منجمنٹ پالیسیوں، عملدرآمد اور طریقہ کاروں کو مستقل مزاجی سے بہتر بنانے کو یقینی بنایا گیا ہے۔

ریٹیل رسک منجمنٹ نے کنزرویٹو فنڈنگ کے کاروباری شعبے سے باہمی تعاون کے ذریعے کم خطرات والے شعبوں کی نشاندہی کی اور نئے کسٹمرز کو اپنی طرف متوجہ کرنے کے لیے نئی اور جدید پالیسیاں تشکیل دی ہیں۔ اس کے علاوہ، کسٹمر کی توقعات پر پورا اترنے کے لیے پالیسیوں اور طریقہ کار کو بھی تیار کیا گیا اور اس سلسلے میں مختلف اقدامات اٹھائے گئے، جبکہ مجموعی طور پر خطرات اور ان پر قابو پانے کے لیے ماحول کو بہتر بنایا گیا۔ ریٹیل رسک منجمنٹ نے نکلیکشن اور ریکوری کے لیے بھی اپنی کوششوں کو جاری رکھا۔

انٹرنل رسک منجمنٹ کے عمل نے اس بات کو یقینی بنایا کہ بینک تمام قانونی ضروریات کی پاسداری کرے جبکہ کپیٹل کو بھی اطمینان بخش حد پر برقرار رکھے اور آئندہ برسوں میں ترقی کے منصوبوں کی مدد کے لیے دستیاب معاونت بھی فراہم کی جائے۔ مختلف کاروباری معاملات کے لیے اوپلی گریڈ رسک ریٹنگ (ORR) اور فیسلٹی رسک ریٹنگ (FRR) ماڈلز کو اپ ڈیٹ کیا گیا ہے تاکہ موجودہ دستیاب اعداد و شمار میں انھیں شامل کیا جاسکے۔ ٹریڈری سرگرمیوں کی نگرانی کے لیے لمفٹ مانیٹرنگ سسٹم کے اضافی پیرامیٹرز کو شامل کر کے مستحکم بنایا گیا۔ آپریشنل رسک منجمنٹ (ORM) کو آرڈی نیٹر کو حالیہ بنیادوں پر تربیت دی جا رہی ہے تاکہ بینک کے تمام شعبوں میں آپریشنل رسک سے متعلق آگاہی کو یقینی بنایا جاسکے۔ بینک نے اسٹیٹ بینک آف

ڈائریکٹرز کا جائزہ

(و) پپل

ہیومن ریسورسز

2016 کی پہلی سہ ماہی کے دوران ہیومن ریسورسز نے منجمنٹ سائیکل 2015 کو FTE اسٹاف کے لیے کامیابی کے ساتھ مکمل کر لیا ہے اس سلسلے میں انھوں نے اپنے سپروائیزرز کی شرکت سے اپنی کارکردگی کے بہترین نتائج حاصل کیے ہیں۔

اس سہ ماہی میں ”ایمپلوائی سیلف سروس“ کے تحت HRMS کے ذریعے ایگزٹ انٹرویو فارم کو متعارف کرایا گیا ہے۔ استعفیٰ دینے والے تمام ملازمین کے لیے لازمی ہوگا کہ وہ یہ فارم پر کریں تاکہ ان کے حتمی حساب کتاب کے لیے کارروائی شروع کی جاسکے۔ یہ اقدام نہ صرف نوکری چھوڑنے کے طریقہ کار میں بہتری کے لیے اٹھایا گیا ہے بلکہ ملازمین کو اعتماد کے ساتھ اپنے ایماندارانہ خیالات کے اظہار کا موقع بھی دیا جا رہا ہے۔

فیصل بینک کی Rozee.pk روزگار کے لیے ویب سائٹ کا اجرا بھی اسی سہ ماہی میں ہوا ہے۔ یہ پلیٹ فارم ملازمتوں کی آن لائن تشہیر کے لیے ایچ آر ایڈوائزری منوٹر طریقے سے استعمال کر رہی ہے اور اس کے ذریعے مارکیٹ سے ذہین اور باصلاحیت ملازمین کے حصول میں بھی آسانی ہوگی۔

لرننگ اینڈ ڈیولپمنٹ

سال 2016 میں فیصل بینک کے پہلے آن لائن لرننگ نیڈز اسسٹمنٹ سروے کا افتتاح ہوا جس میں 2,200 سے زائد ملازمین نے اپنی تربیتی ضروریات کا ذکر کیا جنہیں 17-2016 کے سالانہ لرننگ کیلینڈر میں شامل کر لیا گیا ہے۔

فیصل بینک نے اپنے آپریشنز کے لیے انسٹی ٹیوٹ آف مینجمنٹ پاکستان کے اشتراک سے ٹرینی آفیسر پروگرام بھی متعارف کرایا ہے۔

آپریشنز ٹرینی آفیسرز پروگرام فروری 2016 سے کراچی میں شروع ہوا اور مارچ میں بتدریج لاہور، اسلام آباد، پشاور اور ملتان میں بھی شروع ہوا۔ اس پروگرام کے تحت ملک بھر سے 141 بی ایس او (BSOs) کو شامل کیا گیا ہے اور ان کی مختلف برانچوں میں تربیت جاری ہے۔

ٹرینی آفیسرز کے علاوہ L&D نے ہمارے BSO ڈیولپمنٹ پروگرام، برانچ بینکنگ سرٹیفکیشن پروگرام، اسلامک بینکنگ سرٹیفکیشن پروگرام اور نیو ہائرز اور مینٹیشن جیسے تربیتی پروگرام پر بھی بھرپور توجہ دے رکھی ہے۔ ہم نے 2015 سے اپنے سیکٹرز کی ضروریات کو مختلف تربیتی پروگرامز سے پورا کیا ہے جس میں بینکار روڈ شو (Banca Road Shows)، اسلامک بینکنگ ریفرنڈریز اور دیگر پراڈکٹ اور عملی تربیتی پروگرامز شامل ہیں۔ پہلی سہ ماہی میں مجموعی طور پر 4,013 افراد کو مختلف اقسام کی تربیت دی گئی ہے۔

ڈائریکٹرز کا جائزہ

(د) ٹریڈری

سال 2016 کی پہلی سہ ماہی فیصل بینک لمیٹڈ کے لیے منافع بخش ثابت ہوئی ہے جہاں ہم نے آمدنی اور حجم دونوں کے اہداف حاصل کر لیے ہیں۔ پچھلے سالوں میں کی گئی سرمایہ کاری اور مختلف مالیاتی ماڈلز کی اپ گریڈنگ کے اثرات بزنس یونٹس کو ملے۔

منی مارکیٹ ڈیسک نے بینلس شیٹ کو کم ترین سودی شرح کے اثرات سے محفوظ کرنے کے لئے موثر انتظامات کئے اور کوئی موقع پیدا ہونے پر احتیاط کے ساتھ سرمائے میں فائدہ بھی ریکارڈ کیا۔

فلسفہ اہم سیل اینڈ ڈسٹری بیوشن بزنس کو فروغ دینے کے لیے انشورنس کمپنیوں، پروویڈنٹ اور پنشن فنڈز، کارپوریٹ اینڈ ایسٹ منیجمنٹ کمپنیز پر انتہائی سرگرم مارکیٹنگ کے ذریعے زیادہ توجہ دی گئی اور اس کے ساتھ ساتھ ریٹیل کسٹمرز کو بھی اہمیت دی گئی ہے۔

موجودہ کلائنٹس کی خدمت کے علاوہ، ڈیری ویٹوز اینڈ اسٹریٹجی ڈیلیوشن ڈیسک نے مارکیٹ میں موجود نئے کلائنٹس کے مختلف طریقوں سے بینلس شیٹ کے مسائل حل کیے۔ مارکیٹ میں شرح سود میں اتار چڑھاؤ کے باعث انٹرسٹ ریٹ سواپ میں دلچسپی بڑھ گئی تھی۔

فیصل بینک لمیٹڈ کے ایکویٹی ٹریڈنگ ڈیسک نے کیپٹل مارکیٹ میں سرگرم کردار ادا کیا۔ ایکویٹی ڈیسک نے خطرات کے خدشات کے درمیان عمل جاری رکھا اور انتظامیہ کی جانب سے دیئے گئے احتیاطی تدابیر کو مد نظر رکھتے ہوئے KSE 100 سے بہتر کارکردگی دکھانے میں کامیاب رہے۔

فیصل بینک لمیٹڈ کے ایف ایکس (FX) ٹریڈنگ ڈیسک نے اس سہ ماہی میں امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں استحکام کے باعث بہت زیادہ مشکلات کا سامنا کیا۔ خساروں کے بوجھ کو کم کرنے کے لیے ایف ایکس ڈیسک نے کسٹمر کی تعداد بڑھا کر ٹریڈنگ کے حجم میں اضافہ کیا اور اپنے مقامی اور بیرونی کسٹمرز کو بہترین قیمتیں فراہم کیں۔

(ه) اسپیشل ایسٹس منیجمنٹ

غیر فعال اثاثوں کے لیے، SAM کی ٹیم نے ڈوبے ہوئے قرضوں کی واپسی کے لیے تمام تر قوانین کی پابندی کرتے ہوئے انتہائی کوششیں کی ہیں۔ پہلی سہ ماہی کے دوران ٹیم نے شاندار کارکردگی کا مظاہرہ کرتے ہوئے 262 ملین روپے واپس حاصل کئے ہیں اور تمام ایسے کسٹمرز پر جدید منصوبہ بندی کے تحت قرضوں کی واپسی کے لیے دباؤ ڈالا جا رہا ہے۔

ڈائریکٹرز کا جائزہ

انتظامیہ کے زیر اہتمام کاروباری سرمایے میں بھی بڑی سطح کے فنڈز کے ساتھ نمایاں اضافہ دیکھا گیا ہے، یہ اضافہ مضبوط خود اعتمادی اور میچوول فنڈز سے صارف کو آگے دینے کی وجہ سے حاصل ہوا۔ ہمیں امید ہے اس مثبت رفتار کو سال کے باقی دورانیے میں بھی صارف کی زیادہ سے زیادہ قدر کرتے ہوئے برقرار رکھیں گے۔

ایگری بزنس

زیادہ NPL اور 2015 میں زرعی اجناس کی قیمتوں میں کمی کے باعث طلب سے متعلق مسائل کے باوجود فیصل بینک کمرشل بینکوں کے درمیان اپنی لیڈرشپ برقرار رکھنے میں کامیاب رہا ہے۔ پورٹ فولیو کی خراب صورتحال پر تقابلاً پانے کے لیے ایک مضبوط مانیٹرنگ اور مینجمنٹ پروگرام شروع کر دیا ہے۔

ایس ایم ای اینڈ کمرشل

فیصل بینک کا مالیاتی شعبے میں ایک بنیاد کردار ہے، جو کمرشل اور ایس ایم ایز کو قرضے دینے میں فعال ہے۔ اگرچہ کاروباری لحاظ سے 2015 انتہائی مشکل سال تھا لیکن ہم نے 2016 میں ایک جارحانہ حکمت عملی اپنائی اور کارپوریٹ و بلیو چیمن پر زور دیتے ہوئے سی بی ایس ایم ای کاروبار میں اضافے کے لیے مکمل تیاری کی۔ صنعتی شعبے میں مختلف کاروبار کی مالی ضرورتوں کو پورا کرنے کے لیے ہم پورے پاکستان میں موجود ہیں۔ معاشی ترقی میں ایس ایم ای کے اہم کردار کا ہمیں بخوبی ادراک ہے اور اس شعبے کو ترقی دینا ہمارا عزم ہے۔

(ج) اسلامک بینکنگ

فیصل بینک برکت اسلامک بینک پہلا اسلامک بینک ہے جس نے وزیراعظم کے یوتھ بزنس پروگرام کے تحت شریعت کے عین مطابق بے روزگاری کے خاتمے کے لیے حکومتی اقدامات میں مالی معاونت پیش کی ہے۔

برکت اسلامک بینک کی ٹیم نے سنڈکیٹ کے تحت ہونے والی لیں دین میں سے ایک کو شرعی مشاورت فراہم کی اور ہائیبرڈ ڈھانچوں سے متعلق سنڈکیٹ کے تحت ہونے والی دیگر لیں دین میں بھی حصہ لیا۔

برکت اسلامک بینک کی ٹیم نے نئی پروڈکٹس کی تیاری میں بھی مختلف اقدامات اٹھائے ہیں۔

کنز یومرفنانس پورٹ فولیو میں مختلف شرائطوں کا حصہ بن کر فیصل بینک نے بیزاہٹ اور برگرنگ کی ڈیلز اور فیول پوائنٹ ریڈیشن کی مہم میں حصہ داری قائم کی جس کی تشہیر ریڈیو، آؤٹ ڈورا اور سوشل میڈیا پر کی گئی۔

ڈائریکٹرز کا جائزہ

(ب) ریٹیل بینکنگ

بینک کا ارادہ ہے کہ ایک چھت کے نیچے وہ اپنے ریٹیل آپریشن کو ملٹی پروڈکٹ سیز ماڈل میں تبدیل کرے۔ اس حکمت عملی کے تحت برانچ ڈسٹری بیوشن بزنس نے پہلی سہ ماہی میں اپنی توجہ ڈپازٹ موبالائزیشن اور کراس سیز پر مرکوز رکھی۔ یہ مارکیٹ کی مسابقتی قیمتوں کے تعین اور متعلقہ ضابطوں پر نظر رکھتے ہوئے سیوننگز بک کی دوبارہ پروفائلنگ پر کام کیا جا رہا ہے۔ برانچ ڈسٹری بیوشن کی CASA ڈپازٹ بک میں 2.7 بلین کے اضافے کے ساتھ 166.7 ارب روپے ہو گئی ہے۔ مجموعی طور پر CASA ڈپازٹ پہلی مرتبہ 200 ارب روپے سے بڑھ چکے ہیں 31 مارچ 2016 تک یہ ڈپازٹ 200.3 ارب روپے ہو گئے ہیں۔ اس مدت کے دوران برانچ ڈسٹری بیوشن نے CASA شراکت میں گزشتہ سہ ماہی کے 67.2 فیصد میں 0.3 فیصد کا اضافہ کیا ہے جس کے نتیجے میں فنڈز کی لاگت 50 بی پی ایس کی کمی سے 3.76 فیصد ہو گئی ہے جو فیصل بینک کے منافع میں شامل ہے۔

کنزیومر فنانس

کنزیومر شعبے نے صارف کی اہمیت اور موثر لاگت کے نقطے پر توجہ مرکوز رکھتے ہوئے پراڈکٹس تجاویز بڑھائیں ہیں تاکہ کاروباری مقاصد حاصل کرنے میں بینک کی مدد کی جاسکے۔ 2016 کی پہلی سہ ماہی میں کنزیومر فنانس نے مثبت رفتار حاصل کی ہے، گزشتہ سہ ماہی کے مقابلے میں 28 فیصد اضافہ حاصل ہوا ہے۔ اس کے ساتھ ساتھ اجراء کے بعد کریڈٹ کارڈ کا زیادہ استعمال ہوا۔ BTF بزنس نے بھی کریڈٹ کارڈ کے استعمال میں 13 فیصد جبکہ BTF کے استعمال میں 3 فیصد اضافہ بتایا ہے۔

اس کے علاوہ کنزیومر فنانس نے بلند سطح کے کاروبار کو فروغ دینے کے لیے بنیادی اقدامات کیے ہیں جن میں صارف کے گھریلو اخراجات کا مزید حصہ حاصل کرنے کے لیے سپلیمنٹری کارڈ کے اجراء میں اضافہ کرنا شامل ہے۔ پروڈکٹ کی بہتر تجویز کے ساتھ ملکر اس کے اثرات آمدنی میں بھی نظر آئیں گے۔

ویلتھ مینجمنٹ

ویلتھ مینجمنٹ نے پہلی سہ ماہی کے دوران مستحکم کارکردگی دکھائی ہے۔ یہ انڈسٹری ملک کی نمایاں کمپنیوں کے ذریعے تکافل ونڈو آپریشن کو مزید وسیع کر رہی ہے۔ اسی سلسلے میں فیصل بینک نے بھی ای ایف یو جیہا یہ ونڈو تکافل آپریشن کے تعاون سے اپنی تکافل مصنوعات کے دوسرے مرحلے کا اجراء کر دیا، فیصل بینک کی اس پروڈکٹ کو کافی پزیرائی ملی ہے اور ہمیں امید ہے کہ 2016 کے دوران تکافل آپریشن کو بڑھا یا جائے گا۔

ڈائریکٹرز کا جائزہ

خدشات، کمزور اسٹریکچر، بجلی کی بندش (اگرچہ کم ہو گئی ہے)، غیر موافق کاروباری ماحول اور اس کے ساتھ گزشتہ دو برسوں کے دوران ریٹیل اسٹیٹ ریٹ میں نمایاں قدر دانی کے باعث ہماری برآمدی مسابقت متاثر ہوئی ہے۔ غیر ملکی تزییلات زر میں اضافے کا تسلسل جاری رہا مالی سال 2016 کے جولائی تا فروری کے دوران 6 فیصد اضافہ ریکارڈ کیا گیا جس نے کرنٹ اکاؤنٹ خسارہ کو محدود رکھا۔ تاہم حالیہ عوامی سرمایہ کاری میں کٹوتی اور جی سی سی ممالک میں ملازمتوں پر پابندی کے باعث تزییلات زر کافی متاثر ہو سکتی ہیں۔ اسٹیٹ بینک آف پاکستان کے ذخائر اپنی بلند سطح پر پہنچ گئے۔ بروقت اسپاٹ مارکیٹ خریداری، ای ایف ایف پروگرام کے تحت کامیاب تجزیہ اور کثیر جہتی اور باہمی تقسیم کی وجہ سے اسٹیٹ بینک کے ذخائر مارچ کے اختتام پر 16 ارب امریکی ڈالر ہو گئے۔

پاکستان کی اقتصادی بحالی کا سلسلہ جاری رہا۔ ڈھانچے میں اصلاحات کیے جانے کے بعد اس کے ثمرات آغاز ہو گئے ہیں۔ تاہم اس اضافے میں بیرونی عوامل کا حصہ شامل رہا جن میں تیل کی قیمتیں اور کافی تزییلات زر شامل ہیں۔ پاکستان کو اس رفتار کو برقرار رکھنے کے لیے اپنے کاروباری ماحول، تجارتی شعبے، مالی تکتہ نظر اور مالی خدشات میں اصلاحات لانی ہوں گی تاکہ اسے عروج پر پہنچ سکیں۔

بینک کی کارکردگی

الف) کارپوریٹ اور انویسٹمنٹ بینکنگ

ملک میں معاشی سرگرمیوں کے فروغ کے لیے کارپوریٹ بینکنگ نے اپنا مثبت کردار جاری رکھا۔ کارپوریٹ بینکنگ کی کوچہ صارف کے سرمایے کے استعمال کے ساتھ مخصوص قابل اعتماد قرضہ جات میں اضافہ اور مضبوط پورٹ فولیو پر مرکوز رہی۔

پروجیکٹ فنڈنگ اور سنڈیکیشن

انویسٹمنٹ بینکنگ نے اس مدت کے دوران متعدد نمایاں ٹرانزیکشنز انجام دیں جن میں سے چند درج ذیل ہیں:

- ایف بی ایل نے بطور جوائنٹ مینڈیٹڈ ایئر لائنز شریعت اسٹریکچرنگ ایڈوائزرا ایم 2 موٹر وے پروجیکٹ کی جدیدیت اور بحالی کے لیے 3,764 ملین روپے کی سرمایہ کاری کی۔
- ایف بی ایل کی بطور جوائنٹ مینڈیٹڈ ایئر لائنز شریعت اسٹریکچرنگ ایجنٹ مقامی کولے کی بنیاد پر IPP کی جانب سے 16 ملین امریکی ڈالر کے برابر پاکستانی روپوں کی ایس بی ایل میں سرمایہ کاری کی۔
- ایف بی ایل نے 1,100 ملین روپے کے رائٹس ایٹو کے لیے انڈر رائٹر کا کردار ادا کیا۔ یہ رائٹس ایٹو BOPP فلم بنانے والے کے لئے کئے گئے جو کہ اس شعبے میں مارکیٹ لیڈر ہے۔

ڈائریکٹرز کا جائزہ

میں بورڈ آف ڈائریکٹرز کی طرف سے 31 مارچ 2016 کو ختم شدہ سہ ماہی کے لیے فیصل بینک لمیٹڈ کی ڈائریکٹرز کا جائزہ مالیاتی گوشواروں کے ساتھ پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

اقتصادی اپ ڈیٹ

گزشتہ برس 2015 میں افراط زر کی کم ترین شرح 1.3 فیصد کے مقابلے میں رواں برس 2016 کی پہلی سہ ماہی میں سی پی آئی کی افراط زر کی شرح معمولی اضافے کے بعد 3.9 فیصد ہو گئی ہے۔ سی پی آئی انڈیکس کے مطابق مالی سال 2016 کے جولائی تا مارچ کے دوران مہنگائی کی اوسط شرح میں 2.6 فیصد اضافہ ہوا ہے۔ گزشتہ برس اسی دورانیے کے دوران یہ شرح 1.7 فیصد ریکارڈ کی گئی تھی۔ افراط زر کی شرح میں اضافے (غیر اشیائے خورد و نوش اور غیر توانائی) کا یہی رجحان مارچ 2016 میں ختم ہونے والی سہ ماہی میں بھی رہا۔ یہ اضافہ بین القوامی سطح پر تیل کی قیمتوں میں گزشتہ کی کے موافق اثرات کمزور پڑنے کی وجہ سے ہوا ہے۔ اسٹیٹ بینک آف پاکستان جون 2016 تک سی پی آئی میں اضافے کی شرح 4.5 فیصد کی توقع کر رہا ہے۔ جو کہ اطمینان بخش ہے اور یہ محتاط مانیٹری اور مالیاتی پالیسیوں کے باعث ہی ممکن ہو گا۔

عام معاشی سرگرمیاں بڑی سطح کی مینوفیکچرنگ، تعمیراتی سرگرمیوں میں اضافے، کم قیمتوں، توانائی کی دستیابی اور چائنہ پاکستان اقتصادی راہداری سے متعلق سرمایہ کاری کے باعث مستحکم ہیں۔ مالی سال 2015 کے جولائی تا جنوری میں 2.5 فیصد کے مقابلے میں مالی سال 2016 کے جولائی تا جنوری میں بڑی سطح کی مینوفیکچرنگ میں 4.1 فیصد اضافہ ریکارڈ کیا گیا جو اصولی طور پر آٹوموبائلز، فریٹلائزر اور سینٹ سیلر کی مضبوط نشوونما کے باعث ممکن ہوا ہے۔ اس کے علاوہ نجی شعبے میں قرضوں کی وصولی میں بھی تیزی دیکھی گئی۔ جو کہ مالی سال 2016 کے 9 ماہ میں 354 ارب روپے کی وصولیاں ہوئیں جو کہ گزشتہ برس کے اسی دورانیے میں 179 ارب روپے تھیں، تاہم کمپاس کی کم پیداوار اور برآمدات کی خراب صورتحال نے معاشی سرگرمیاں متاثر کیں۔ ان واقعات کے بعد مالی سال 2016 میں حقیقی جی ڈی پی میں 4.5 فیصد اضافہ کی توقع کی جا رہی ہے۔

بجٹ خسارہ بڑھتے ہوئے منفی خدشات کے باوجود قابو میں رہا۔ محصولات کی وصولی نمایاں طور پر بہتر رہی، مالی سال 2016 کے 8 ماہ کے دوران سالانہ 17 فیصد اضافہ ریکارڈ کیا گیا۔ اس کا کردگی سے حالیہ آمدنی پیدا کرنے والے اقدامات بشمول پٹرولیم مصنوعات پر ٹیکس میں اضافہ اور مصنوعات کی مختلف اقسام پر ریگولیٹری ڈیوٹی لگانے سے مزید فائدہ حاصل کرنے کی امید ہے۔ تاہم تیل کی قیمتوں میں مزید کمی اور گیس انفراسٹرکچر ڈیولپمنٹ ٹیکس کی وصولی میں خراب کارکردگی کے باعث نقصان کا خدشہ ہے۔ ترقیاتی اخراجات میں کچھ اضافے کے باوجود حکومت رواں برس میں بجٹ خسارہ جی ڈی پی کا 4.3 فیصد تک کم کرنے میں کامیاب رہی ہے۔

کرنٹ اکاؤنٹ کا خسارہ کم و بیش گزشتہ مالی سال 2016 کے جولائی تا فروری کے 1.9 ارب ڈالر کے برابر رہا۔ کم درآمدی بل سے پیدا ہونے والے خلا کو کچھ حد تک برآمدات میں کمی (مالی سال 2016 کے جولائی تا فروری 12 فیصد کمی) پورا کر رہی ہے۔ سیکپورٹی

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