

سُبْحَانَكَ يَا مُحَمَّدٌ



THIRD QUARTER
ENDED SEPTEMBER 30, 2023
UNAUDITED FINANCIAL STATEMENTS

faysalbank



Contents

Corporate Information	2
<hr/>	
Unconsolidated Financial Statements	
Directors' Report	4
<hr/>	
Condensed Interim Unconsolidated Statement of Financial Position	15
<hr/>	
Condensed Interim Unconsolidated Profit and Loss Account	16
<hr/>	
Condensed Interim Unconsolidated Statement of Comprehensive Income	17
<hr/>	
Condensed Interim Unconsolidated Statement of Changes in Equity	18
<hr/>	
Condensed Interim Unconsolidated Cash Flow Statement	19
<hr/>	
Notes to the Condensed Interim Unconsolidated Financial Statements	20
<hr/>	
Consolidated Financial Statements	
Directors' Report	46
<hr/>	
Condensed Interim Consolidated Statement of Financial Position	53
<hr/>	
Condensed Interim Consolidated Profit and Loss Account	54
<hr/>	
Condensed Interim Consolidated Statement of Comprehensive Income	55
<hr/>	
Condensed Interim Consolidated Statement of Changes in Equity	56
<hr/>	
Condensed Interim Consolidated Cash Flow Statement	57
<hr/>	
Notes to the Condensed Interim Consolidated Financial Statements	58
<hr/>	

Corporate Information

Board of Directors

Mian Muhammad Younis	Chairman/Non-Executive Director
Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	Vice Chairman/Non-Executive Director
Mr. Yousaf Hussain	President & CEO
Mr. Imtiaz Ahmad Pervez	Non-Executive Director
Mr. Ali Munir	Independent Director
Mr. Juma Hasan Ali Abul	Non-Executive Director
Mr. Abdulelah Ebrahim Mohamed AlQasimi	Non-Executive Director
Mr. Abdulla Abdulaziz Ali Taleb	Non-Executive Director
Ms. Fatima Asad Khan	Independent Director
Mr. Mohsin Tariq	Independent Director
Ms. Sadia Khan	Independent Director
Mr. Farooq Rahmatullah Khan	Non-Executive Director

Board Audit & Corporate Governance Committee

Mr. Ali Munir	Chairman
Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	Member
Mr. Juma Hasan Ali Abul	Member
Mr. Mohsin Tariq	Member

Board Risk Management Committee

Mr. Imtiaz Ahmad Pervez	Chairman
Mr. Abdulelah Ebrahim Mohamed AlQasimi	Member
Mr. Abdulla Abdulaziz Ali Taleb	Member
Mr. Ali Munir	Member
Mr. Yousaf Hussain	Member

Recruitment Nomination and Remuneration Committee

Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	Chairman
Mr. Juma Hasan Ali Abul	Member
Mr. Mohsin Tariq	Member
Ms. Fatima Asad Khan	Member
Ms. Sadia Khan	Member

Board Strategy Committee

Mian Muhammad Younis	Chairman
Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery	Member
Mr. Juma Hasan Ali Abul	Member
Mr. Imtiaz Ahmad Pervez	Member
Ms. Fatima Asad Khan	Member
Mr. Yousaf Hussain	Member

Corporate Information

Board IT Committee

Ms. Sadia Khan
Mr. Abdulelah Ebrahim Mohamed AlQasimi
Mr. Abdulla Abdulaziz Ali Taleb
Mr. Yousaf Hussain

Chairperson
Member
Member
Member

Shariah Board

Mufti Muhammad Mohib-ul-Haq Siddiqui
Dr. Mufti Khalil Ahmad Aazami
Mufti Muhammad Ashja Khan
Mufti Abdul Basit
Mufti Muhammad Abdullah

Chairman Shariah Board
Shariah Board Member
Shariah Board Member
Shariah Board Member
Resident Shariah Board Member

Syed Majid Ali

Chief Financial Officer

Mr. Aurangzeb Amin

Company Secretary & Head of Legal

M/s. KPMG Taseer Hadi & 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
Tel : (92-21) 3279-5200
Fax : (92-21) 3279-5226
Website : www.faysalbank.com

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block-B,
SMCHS, Main Shahrah-e-Faisal,
Karachi-74400

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

Directors' Report

Unconsolidated Financial Statements

On behalf of the Board of Directors, we are pleased to present the Directors' Report along with unaudited condensed interim financial statements of Faysal Bank Limited ("FBL" or "the Bank") for the quarter and nine months ended September 30, 2023.

Company Profile

FBL was incorporated in Pakistan on October 3, 1994, as a public limited company and its shares are listed on Pakistan Stock Exchange. FBL offers a wide range of Islamic banking services to all customer segments, i.e., Retail, Small & Medium Sized Enterprises, Commercial, Agri-based, and Corporate.

The bank surrendered its conventional banking license on 31 December 2022 and effective 01 January 2023 started operations under an Islamic Banking License issued by the State Bank of Pakistan. Its footprint spreads over 270 cities across the country with 700 branches offering sharia-compliant banking services.

Holding Company

Ithmaar Bank B.S.C (closed), a banking entity regulated by the Central Bank of Bahrain, is the parent company holding directly and indirectly 66.78% (2022: 66.78%) of the Bank's shares. Ithmaar Bank B.S.C. (closed) is a wholly owned subsidiary of Ithmaar Holdings B.S.C. Dar Al-Maal Al-Islami Trust (DMIT) is the holding entity of Ithmaar Holding B.S.C. and the ultimate parent of the Bank. DMIT was formed by an indenture under the laws of the Commonwealth of The Bahamas for the purpose of conducting business affairs in conformity with Islamic law, principles, and traditions.

Economic Update

The current global economic landscape is showing promising signs of progress and is set to exceed the initial growth projections for 2023. However, this momentum is facing serious headwinds ensuing from, a slower economic recovery in China, elevated global inflation, tight monetary conditions, and ongoing geopolitical uncertainties. As per the International Monetary Fund (IMF), global growth is expected to hover around 3% this year and 2.9% in the next year. The estimates are currently heavily reliant on expansions in the majority of emerging and developing economies, whereas there is a continuing slowdown across majority of advanced economies. Asian Development Outlook September 2023 forecasts that economies in developing Asia and the Pacific will expand by 4.7%, while highlighting risks including climate risks and continued supply-chain disruptions from the Russia-Ukraine conflict and recent turmoil in Palestine.

The headwinds for the Pakistan economy continue to prevail in the ongoing fiscal year as the Large Scale Manufacturing (LSM) for the month of July has remained in the negative growth territory. On YoY basis, LSM declined by 1.09% in July 2023, while on MoM basis, it decreased by 3.62%. The auto industry remained under pressure due to ongoing inflationary pressures and tight auto financing conditions. Car production and sales decreased by 59.5% and 50.4%, Jul-Aug 2023 as compared to the same period last year, while Trucks & Buses production and sale decreased by 63.2% and 41.1%. Similarly, the sale of petroleum products declined by 7%

during Jul-Aug 2023 to 2.8 million tons against 3.0 million tons in the same period last year. On the contrary, total cement dispatches significantly increased by 45% during July-Aug 2023 against same period last year and reached 7.7 million tons.

Consumer Price Index (CPI) increased by 31.4% on year-on-year basis in September compared to 27.4% increase in August' 23 and 23.2% in September' 22. On month-on-month basis, it increased by 2% in September '23 as compared to an increase of 1.7% in the previous month and a decrease of 1.2% in September'22. Major drivers contributing to the year-on-year increase in CPI include non-perishable food items (38.4%), Alcoholic Bev. & Tobacco (87.4%), Furnishing & Household Equipment (39.3%), Housing, Water, Gas, Electricity & Fuels (29.7%) and Transport (31.2%) among others. The SBP expects inflation to be sharply lower in the second half of FY'24 with an average CPI of 22% vs 29% in FY'23. The IMF has forecasted that this number will be much higher, at 25.9%.

Current Account deficit for the first two months of the ongoing fiscal year was reported at USD 935 million compared to a deficit of USD 2.03 billion for the same period last year, on the back of a substantial decline in the value of imports. However, worker's remittances during July-August '23 saw a drop to USD 4.1 billion against USD 5.3 billion received during July-August '22. Improved external trade balances and administrative action by the government, helped PKR strengthen against USD, receding from an all-time high of PKR 307/USD as on 5th September to around PKR 278/USD as on 13th October. The SBP expects the current account deficit for FY'24 to be between 0.5%-1.5% of GDP after 0.7% in FY'23. These numbers have depicted a significant improvement over FY'22 wherein the CA deficit was 4.7% of GDP.

The recent appreciation of PKR against USD and our favorable current account position have instilled a sense of increased optimism. This may assist in alleviating some pressure from the interim government. However, complementing monetary and fiscal policies to curb inflationary pressures and happening of fresh elections remain key to address the prevailing conditions. On the external front, recent war in Palestine needs to be closely monitored as prolonged tensions could have negative ramifications for the global commodity prices, predominantly oil.

Bank’s Performance

Financial Highlights

Key Balance Sheet Numbers	Rs. in million		
	September '23	December '22	Growth %
Investment	550,429	469,451	17.2
Financing	490,829	454,261	8.1
Total Assets	1,250,270	1,074,353	16.4
Deposits	949,567	781,571	21.5

Profit & Loss Account	Rs. in million		
	September '23	September '22	Growth %
Total Revenue	56,068	33,569	67.0
Total Expenses	(28, 018)	(19,281)	45.3
Profit before tax and provisions	28,050	14,288	96.3
Net provisions	(3,937)	736	-634.9
Profit before tax	24,113	15,024	60.5
Tax	(12,069)	(7,363)	63.9
Profit after tax	12,044	7,661	57.2
Earnings per share (Rupees)	7.94	5.05	57.2

The current year signifies a momentous milestone for the Bank, as we proudly commemorate our first year as a full-fledged Islamic Bank. With unwavering commitment to excellence, the Bank has achieved remarkable financial performance and experienced unprecedented growth. Despite the challenges that have come our way, the Bank has consistently demonstrated to be a strong, resilient institution that Alhamdulillah has weathered the storms to celebrate this significant milestone. On a standalone basis, FBL has achieved a record-breaking Profit Before Tax (PBT) of PKR 24.1 billion in 9m'23, surpassing the corresponding period last year PBT of PKR 15.0 billion by an impressive 60.5%. The quarterly profit has been on increasing trajectory, and in Q3'23, owing to conversion to Islamic Banking, the Bank achieved its highest quarterly profit ever and reached quarterly PBT of PKR 9.1 billion and PAT of PKR 4.5 billion. Profit After Tax (PAT) rose to PKR 12 billion in 9m'23 representing a 57.2% increase from PKR 7.7 billion in 9m'22. Furthermore, Earnings Per Share exhibited a commendable rise, surging from PKR 5.05 to PKR 7.94.

The Bank continued to deliver on growth objectives and has substantially increased total revenue by 67.0% over 9m'22 to PKR 56.1 billion. Robust growth in balance sheet (9m'23 vs 9m'22) coupled with an increase in spreads led to a year-on-year growth of 82.4% in net spread earned taking it to PKR 49.1 billion in 9m'23. Healthy growth in current deposits of PKR 57 billion (20.9%) YoY and increase in the average benchmark rate helped improve the overall spreads. Non-Fund income grew by 4.4% over the corresponding period last year and is at PKR 6.9 billion in 9m'23. Excluding the loss on securities, non-fund income showed robust growth of 13.6%.

As a result of prevailing circumstances of historically high inflation, a depreciating PKR relative to the USD, and an expanding branch network, the bank's total expenses have risen by 45% over 9m'22. However, the cost to income ratio has improved from 57.4% in 9m'22 to 50.0% in 9m'23. The net provision for 9m'23 was PKR 3.9 billion, compared to a reversal of PKR 0.7 billion in 9m'22. These include provisions of PKR 3.3 billion made to address any potential unforeseen credit losses due to the challenging economic conditions. The Bank increased general provision by PKR 3.4 billion taking the total coverage ratio to 100.1% from 89% in Dec'22. The NPL ratio continued to reduce and is at 4.4%.

As a result of strong deposit mobilization and borrowings, FBL total assets continued to grow and are at PKR 1.3 trillion. The upward trend in Current Accounts seen over past few years continued, taking them to PKR 332 billion i.e., 19.7% growth over December 2022. Total deposits also increased by 21.5% over December 2022 and reached PKR 950 billion. The CASA mix, however, due to growth in rewarding Term Deposits, marginally decreased to 77.1% from 80.0% at December 2022.

FBL's net financing increased by 8.1% to PKR 491 billion, with the ADR reducing to 51.7% from 58.1% in December 2022. This reflects the bank's prudent risk management policies.

We remain steadfast in our dedication to delivering good results and creating sustainable value for our stakeholders. With a strong foundation and a strategic focus on growth, we are confident in our ability to In Sha Allah, achieve new heights in the nearest future.

Outlook

Looking forward, FBL is well-positioned with good momentum as we enter the year 2024. We are confident and are cognizant of the potential impact that prevailing economic conditions. The Bank maintains unwavering commitment to strategically investing in branch network, thereby propelling the growth of deposits. We are actively implementing strategies to optimize our customer service experience. In addition to our ongoing investment in branch infrastructure, the Bank is focusing on providing cutting edge digital solutions and will invest in modern technologies to improve digital offerings and customer experience. We understand the urgency of tackling environmental challenges and contribute to a sustainable future. We are committed to integrating environmental stewardship into all aspects of our business. Moreover, we will continue to make investments in our workforce and foster an environment that promotes our core values namely Faith, Integrity, Teamwork, Innovation and Care.

Credit Rating:

VIS Credit Rating Company Limited (VIS) and Pakistan Credit Rating Agency Limited (PACRA) have re-affirmed the following entity ratings:

Long-Term AA
Short-Term A1+

Both the rating agencies assigned 'Stable' outlook to the bank.

Dividend

The Board of Directors, in their meeting held on October 26, 2023 declared an interim cash dividend of Re. 1 per share (10%) for the nine months ended September 30, 2023. This is in addition to Re. 1 already paid during the year bringing the total dividend for nine months to Rs. 2 per share (September 30, 2022: Rs. 6).

Acknowledgement

On behalf of the Board and Management, we extend our gratitude to our esteemed shareholders for their unwavering support. We are indebted to our customers for doing business with FBL. We would like to place on record our appreciation for the Government of Pakistan, the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan for their continued support and guidance and for developing and strengthening the banking and financial services sector through continuous improvement in the regulatory and governance framework.

As always, we would also like to express sincere appreciation for the Shariah Board. We would also like to take this opportunity to recognize and commend the unwavering commitment and exceptional efforts exhibited by our employees who are driving forward the growth and expansion in all aspects. We extend our heartfelt thanks to them for their relentless dedication and hard work.

Approval

In compliance with the requirement of the Companies Act, 2017, this Directors' Report with the recommendation of the Board Audit and Corporate Governance Committee has been approved by the Directors in their meeting held on October 26, 2023 and signed by the Chief Executive Officer and a director.

President & CEO

Islamabad

Dated: October 26, 2023

Chairman

ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے 26 اکتوبر 2023 کو منعقدہ اپنے اجلاس میں 30 ستمبر 2023 کو اختتام شدہ 9 ماہ کے لیے فی حصص 1 روپیہ (10%) عبوری نقد ڈیویڈنڈ دینے کا اعلان کیا ہے۔ یہ پہلے ادا شدہ ایک روپیہ فی حصص کے علاوہ ہے سال کے دوران ادا کر دیا گیا اس طرح 9 ماہ کے لیے کل ڈیویڈنڈ 2 روپے فی حصص ہو گیا ہے (30 ستمبر 2022: 6 روپے)۔

توثیقی بیان

ہم بورڈ اور انتظامیہ کی جانب سے حصص مالکان اور قابل احترام کسٹمرز کا شکریہ ادا کرنا چاہتے ہیں کہ انھوں نے بینک پر اپنے اعتماد کا اظہار کیا ہے۔ تعاون اور رہنمائی کا سلسلہ جاری رکھنے پر اور ایک مسلسل بہتری کے لیے بینکاری اور فنانشل سروسز سے متعلق ریگولیٹری اور گورننس فریم ورک بنانے پر ہم حکومت پاکستان، بینک دولت پاکستان اور سیکیورٹیز اینڈ ایکس چینج کمیشن آف پاکستان کے بھی شکر گزار ہیں۔

ہمیشہ کی طرح، ہم شریعہ بورڈ کے لیے مخلصانہ تعریف کا اظہار کرتے ہیں اور FBL کی ترقی کے لیے اپنے ملازمین کی کوششوں کو تسلیم کرتے ہیں اور ان کی انتھک محنت اور لگن کو دل سے سراہتے ہیں۔

منظوری

کمپنیز ایکٹ 2017 کے تقاضوں کے مطابق، بورڈ کی آؤٹ اور کارپوریٹ گورننس کمیٹی کی سفارش کے ساتھ ڈائریکٹرز کی اس رپورٹ کو ڈائریکٹرز نے 26 اکتوبر 2023 کو ہونیوالے اپنے اجلاس میں منظور کیا اور اس پر چیف ایگزیکٹو آفیسر اور ڈائریکٹرز نے دستخط کیے ہیں۔

چیئرمین

صدر اور سی ای او

اسلام آباد

تاریخ: 26 اکتوبر 2023

19.7% زیادہ کی عکاسی کرتی ہے۔ مجموعی ڈپازٹس دسمبر 2022 سے 21.5% زیادہ بڑھ گئے اور 950 بلین روپے تک پہنچ گئے۔ CASA مکس، ٹرم ڈپازٹس میں اضافے کی بدولت، دسمبر 2022 میں 80% سے کم ہو کر 77.1% ہو گیا۔

FBL کی نیٹ فنانسنگ 8.1% اضافے کے ساتھ 491 بلین روپے ہو گئی اور ADR دسمبر 22 کے 58.1% کے مقابلے میں کم ہو کر 51.7% ہو گیا۔ اس سے موجودہ معاشی حالات میں بینک کی زبردست رسک مینجمنٹ پالیسیوں کی عکاسی ہوتی ہے۔

ہم غیر معمولی نتائج کی فراہمی اور اپنے اسٹیک ہولڈرز کی قدر میں اضافے کے لیے پر عزم ہیں۔ ایک مضبوط بنیاد اور ترقی پر بھرپور توجہ کے ساتھ، ہمیں ان شاء اللہ مستقبل میں نئی بلندیوں کو حاصل کرنے کی اپنی صلاحیت پر یقین ہے۔

نقطہ نظر (آؤٹ لک)

2024 میں داخل ہوتے ہی FBL اچھی کارکردگی دکھانے کے لیے تیار ہے۔ مزید اقتصادی غیر یقینی صورتحال اور افراط زر کی جاری صورتحال کے ممکنہ اثرات ہم پر اور ہمارے صارفین پر پڑنے سے ہم آگاہ ہیں مگر ہم اپنی صلاحیتوں سے واقف ہیں اور پُر اعتماد ہیں۔ ہماری مارکیٹ میں موجودگی کو بڑھانے اور اپنے صارفین کی بہتر خدمت کے لیے ہم اپنی سرمایہ کاری ہمارے نیٹ ورک کی ترقی کے جاری رہنے پر لگانے کا عزم رکھتے ہیں۔ مزید یہ کہ، بینک افادیت بڑھانے، ڈپازٹس میں مسلسل اضافے، اور کسٹمر سروس کے معیار کو مزید بہتر بنانے کے لیے کام جاری رکھے گا۔ برانچ کے انفراسٹرکچر میں سرمایہ کاری کے ساتھ ساتھ بینک جدید ڈیجیٹل حل فراہم کرنے پر توجہ مرکوز رکھے گا اور ڈیجیٹل پیشکشوں اور کسٹمر کے تجربے کو بہتر بنانے کے لیے جدید ٹیکنالوجیز میں سرمایہ کاری جاری رکھے گا۔ اولین اور اہم ترین یہ کہ ہم اپنی افرادی قوت اور ثقافت کو فروغ دینے پر سرمایہ کاری کرتے رہیں گے جو ہماری بنیادی اقدار یعنی ایمان، دیانتداری، ٹیم ورک، جدت اور نگہداشت کی حوصلہ افزائی کرتی ہے۔

کریڈٹ ریٹنگ:

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) اور پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے درج ذیل اداراتی درجہ بندیوں کی دوبارہ تصدیق کی ہے:

طویل المدتی	AA
قلیل المدتی	A1+

دونوں ریٹنگ ایجنسیوں کی جانب سے درجہ بندیوں کو مستحکم آؤٹ لک دیا گیا ہے۔

سال 2023 بینک کے لیے ایک تاریخی سال ہے کیونکہ اس میں ہم نے ایک اسلامی بینک کی صورت میں اپنے آپریشنز کا فخریہ طور پر آغاز کیا۔ صلاحیتوں اور مہارتوں کے غیر متزلزل عزم کے ساتھ ہم نے بے مثال مالی کارکردگی اور غیر معمولی ترقی حاصل کی ہے۔ بہت ساری رکاوٹوں کے باوجود بینک نے ایک مستحکم ادارے کے طور پر پیش قدمی جاری رکھی اور اس مایہ ناز سنگ میل کو عبور کرنے میں کامیاب رہا۔

انفرادی طور پر بینک نے ان 24.1 بلین روپے کے ریکارڈ قبل از ٹیکس منافع (PBT) کے ساتھ متاثر کن کارکردگی فراہم کی ہے، جو کہ گذشتہ سال کی اسی سہ ماہی کے 15.0 بلین روپے سے 60.5% زیادہ ہے۔ اسی طرح سہ ماہی منافع میں بھی تیزی رہی اور 2023 کی تیسری سہ ماہی اسلامی بینکاری میں تبدیل ہونے کی برکت سے بینک نے سہ ماہی طور پر تاریخی منافع کمایا اور سہ ماہی کے قبل از ٹیکس منافع 9.1 بلین اور بعد از ٹیکس منافع 4.5 بلین روپے رہا۔ بعد از ٹیکس منافع (PAT) 2022 کی اسی مدت میں 7.7 بلین روپے سے بڑھ کر 2023 کے 9 ماہ میں 12 بلین ہو کر 57.2% اضافے سے ہمکنار ہوا۔ فی حصص آمدن 5.05 روپے سے بڑھ کر 7.94 روپے رہی۔

بینک نے اپنی ترقی کی رفتار کو جاری رکھا اور کل آمدنی 9M'22 سے 67.0 فیصد اضافہ کے ساتھ 56.1 بلین روپے رہی۔ مضبوط بیلنس شیٹ کی توسیع اور مجموعی اسپریڈز میں بہتری کے سہارے سے نیٹ اسپریڈ آمدنی 82.4% کے YoY اضافے کے ساتھ، 9M'23 میں 49.1 بلین روپے تک پہنچ گئی ہے۔ 57 بلین روپے (20.9%) YoY کے کرنٹ ڈپازٹ حوصلہ افزا ترقی اور اوسط بینچ مارک کی شرح میں اضافے نے مجموعی اسپریڈز کو بہتر کرنے میں مدد کی۔ نان فنڈ آمدنی میں گذشتہ سال کی اسی مدت سے 4.4% زیادہ اضافہ ہوا اور 9M'23 میں 6.9 بلین روپے رہی۔ سیکورٹیز پر نقصان کے علاوہ، نان فنڈ آمدنی میں 13.6 فیصد کی ترقی حاصل ہوئی۔

مہنگائی میں شدید اضافے، امریکی ڈالر کے مقابلے میں روپے کی قدر میں کمی اور برانچز کے نیٹ ورک میں اضافہ کی وجہ سے بینک کے اخراجات 9M'22 کے مقابلے میں 45% زیادہ رہے۔ اس کے باوجود ہماری توجہ آمدنی بڑھانے پر مرکوز رکھنے کی وجہ سے، شرح آمدن کی مالیت میں 9M'22 کے 57.4% کے مقابلے میں 9M'23 میں 50.0% تک بہتری آئی۔ 9M'23 میں 3.9 بلین روپے کا نیٹ پروویژن ریکارڈ کیا گیا جبکہ 9M'22 میں 0.7 بلین روپے کا ریورسل ریکارڈ کیا گیا۔ ان میں 3.3 بلین روپے کی پروویژنز شامل ہیں جو مشکل معاشی حالات کی وجہ سے کسی بھی ممکنہ غیر متوقع کریڈٹ نقصانات سے نمٹنے کے لیے کی گئی ہیں۔ بینک نے 3.4 روپے بلین کا عمومی پروویژن بڑھایا جس سے دسمبر 22 میں کل کوریج کا تناسب 89% سے 100.1% ہو گیا۔ NPL کا تناسب مسلسل کم ہوتا رہا اور 4.4% پر رہا۔

مضبوط ڈپازٹ موبلائزیشن اور قرضوں کی وصولی کے اقدامات سے FBL نے اثاثہ جات کو بڑھا کر 1.3 ٹریلین روپے تک پہنچا دیا۔ گزشتہ کئی سالوں سے کرنٹ اکاؤنٹس کی رفتار کو جاری رکھا اور وہ 332 بلین روپے تک پہنچ گئی، جو دسمبر 22 سے

USD کے مقابلے میں PKR کی قدر میں حالیہ اضافے اور ہمارے کرنٹ اکاؤنٹ کی سازگار پوزیشن نے امید کا احساس پیدا کیا ہے۔ اس سے عبوری حکومت پر کچھ دباؤ کو کم کرنے میں مدد مل سکتی ہے۔ تاہم، مہنگائی کے دباؤ کو روکنے کے لیے مانیٹری اور مالیاتی پالیسیوں کی تکمیل اور نئے انتخابات کا انعقاد موجودہ حالات سے نمٹنے کے لیے کلیدی حیثیت رکھتا ہے۔ بیرونی محاذ پر، فلسطین میں حالیہ جنگ پر کڑی نظر رکھنے کی ضرورت ہے کیونکہ دونوں کے درمیان طویل تناؤ عالمی اجناس کی قیمتوں، خاص طور پر تیل پر منفی اثرات مرتب کر سکتا ہے۔

بینک کی کارکردگی

مالیاتی جھلکیاں:

بیلنس شیٹ کے نمایاں اعداد و شمار

ملین روپے)	ستمبر ۲۰۲۳ء	دسمبر ۲۰۲۲ء	نمو %
سرمایہ کاری	550,429	469,451	17.2
فنانسنگ	490,829	454,261	8.1
کل اثاثہ جات	1,250,270	1,074,353	16.4
ڈپازٹس	949,567	781,571	21.5

ملین روپے)

نفع اور نقصان اکاؤنٹ

ملین روپے)	ستمبر ۲۰۲۳ء	ستمبر ۲۰۲۲ء	نمو %
کل آمدنی	56,068	33,569	67.0
کل اخراجات	(28,018)	(19,281)	45.3
منافع قبل از ٹیکس اور پروویژن	28,050	14,288	96.3
نیٹ پروویژن	(3,937)	736	(634.9)
منافع قبل از ٹیکس	24,113	15,024	60.5
ٹیکسز	(12,069)	(7,363)	63.9
منافع بعد از ٹیکس	12,044	7,661	57.2
فی حصہ آمدن (روپے)	7.94	5.05	57.2

جبکہ روس-یوکرین تنازعہ اور فلسطین میں حالیہ ہنگامہ آرائی سے ممکنہ صورتحال اور سپلائی چین میں مسلسل خلل سمیت خطرات سے آگاہ کیا گیا ہے۔

جاری مالی سال میں پاکستان کی معیشت کے لیے خطرات برقرار ہیں کیونکہ جولائی کے مہینے کے لیے لارج اسکیل مینوفیکچرنگ (LSM) بدقسمتی سے منفی اثرات کا شکار رہی۔ سالانہ بنیاد پر، جولائی 2023 میں LSM میں 1.09 فیصد کمی واقع ہوئی، جبکہ MoM کی بنیاد پر، اس میں 3.62% کی کمی واقع ہوئی۔ مہنگائی کے مسلسل دباؤ اور آٹو فنانسنگ کی سخت شرائط کے نتیجے میں آٹو انڈسٹری دباؤ میں رہی۔ جولائی-اگست 2023 میں کاروں کی پیداوار اور فروخت میں پچھلے سال کی اسی مدت کے مقابلے میں 59.5 فیصد اور 50.4 فیصد کمی واقع ہوئی، جبکہ ٹرکوں اور بسوں کی پیداوار اور فروخت میں 63.2 فیصد اور 41.1 فیصد کمی واقع ہوئی۔ اسی طرح پیٹرولیم پروڈکٹس کی فروخت جولائی سے اگست 2023 کے دوران 7 فیصد کم ہو کر 2.8 ملین ٹن رہ گئی جو گزشتہ سال کی اسی مدت میں 3 ملین ٹن تھی۔ اس کے برعکس، جولائی سے اگست 2023 کے دوران سینٹ کی کل ترسیل میں گزشتہ سال کی اسی مدت کے مقابلے میں 45 فیصد کا نمایاں اضافہ ہوا اور یہ 7.7 ملین ٹن تک پہنچ گئی۔

ستمبر میں سال کی بنیاد پر کنزیومر پرائس انڈیکس (CPI) میں 31.4 فیصد اضافہ ہوا جبکہ اگست 23 میں 27.4 فیصد اور ستمبر 22 میں 23.2 فیصد اضافہ ہوا۔ ماہانہ بنیاد پر اس میں 2 فیصد اضافہ ہوا۔ ستمبر 23 کے مقابلے میں پچھلے مہینے میں 1.7 فیصد اضافہ ہوا اور ستمبر 22 میں 1.2 فیصد کمی ہوئی۔ CPI میں سالانہ بنیاد پر اضافے کے اہم عوامل میں خراب نہ ہونے والے فوڈ آسٹم (38.4 فیصد)، الکوحل والے مشروبات اور تمباکو (87.4 فیصد)، ترمین و آرائش اور گھریلو سامان (39.3 فیصد)، ہاؤسنگ، پانی، گیس، بجلی اور ایندھن (29.7 فیصد) اور ٹرانسپورٹ (31.2 فیصد) بھی شامل ہیں۔ اسٹیٹ بینک کو توقع ہے کہ مالی سال 2024 کی دوسری ششماہی میں بہتری کی اوسط CPI میں 22 فیصد (FY'23) میں 29 فیصد) کے ساتھ تیزی سے کمی واقع ہوگی۔ آئی ایم ایف نے پیش گوئی کی ہے کہ یہ اشاریہ 25.9 فیصد سے کہیں زیادہ ہوگی۔

امپورٹس میں خاطر خواہ کمی کے سبب جاری مالی سال کے پہلے دو مہینوں میں کرنٹ اکاؤنٹ خسارہ 935 ملین امریکی ڈالر ریکارڈ کیا گیا جو پچھلے سال کی اسی مدت کے دوران 2.03 بلین امریکی ڈالر کے خسارے کا سامنا کر رہا تھا۔ تاہم، جولائی تا اگست 23 کے دوران بیرون ملک سے ترسیلات زر میں جولائی تا اگست 22 کے دوران موصول ہونے والے 5.3 بلین امریکی ڈالر کے مقابلے میں 4.1 بلین امریکی ڈالر کی کمی دیکھی گئی۔ حکومت کی جانب سے بہتر بیرونی ٹریڈ پالیسی اور انتظامی کارروائی نے PKR کو USD کے مقابلے میں مضبوط کرنے میں مدد کی، جو کہ 5 ستمبر کو 307/USD PKR کی بلند ترین سطح سے 13 اکتوبر کو تقریباً 278/USD PKR تک آہٹچی۔ اسٹیٹ بینک کو توقع ہے کہ مالی سال 24 کے لیے کرنٹ اکاؤنٹ خسارہ مالی سال 23 میں 0.7 فیصد کے بعد جی ڈی پی کے 0.5 فیصد سے 1.5 فیصد کے درمیان رہے گا۔ ان اعداد سے مالی سال 22 کے مقابلے میں نمایاں بہتری دیکھی جاسکتی ہے جس میں کرنٹ اکاؤنٹ کا خسارہ جی ڈی پی کا 4.7 فیصد تھا۔

ڈائریکٹرز کا جائزہ

ان کنسولڈیٹڈ مالیاتی گوشوارے

ہم بورڈ آف ڈائریکٹرز کی جانب سے، فیصل بینک لمیٹڈ (”FBL“ یا ”دی بینک“) کی 30 ستمبر 2023 پر اختتام شدہ سہ ماہی اور 9 ماہ کے لیے غیر آڈٹ شدہ منجمد عبوری مالیاتی گوشوارے پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

کمپنی پر وفاق:

FBL کا قیام پاکستان میں 3 اکتوبر 1994 کو ایک پبلک لمیٹڈ کمپنی کے طور پر عمل میں آیا اور اس کے حصص پاکستان اسٹاک ایکسچینج میں درج ہیں۔ FBL صارفین کے تمام طبقات جیسے ریشیل، چھوٹے اور متوسط درجے کے کاروباری ادارے، کمرشل، ایگری بیسڈ اور کارپوریٹ کو اسلامی بینکنگ خدمات کی ایک وسیع رینج پیش کرتا ہے۔

بینک نے 31 دسمبر 2022 کو اپنا کنونشنل بینکنگ لائسنس واپس کیا اور یکم جنوری 2023 کو اسٹیٹ بینک آف پاکستان کی جانب سے جاری کردہ اسلامی بینکاری لائسنس کے تحت آپریشنز کا آغاز کیا۔ بینک کی ملک بھر کے 270 شہروں میں 700 شاخیں شرعی اصولوں کے عین مطابق خدمات فراہم کر رہی ہیں۔

ہولڈنگ کمپنی

اتمار بینک (B.S.C. کلوزڈ)، ایک بینکنگ ادارہ ہے جو مرکزی بینک آف بحرین کے ذریعے ریگولیٹ کیا جاتا ہے، یہ مرکزی کمپنی ہے، جو فیصل بینک لمیٹڈ میں بالواسطہ یا بلاواسطہ 66.78% (2022: 66.78%) حصص کی حامل ہے۔ اتمار بینک (B.S.C. کلوزڈ) اتمار ہولڈنگز B.S.C. کا ملکیتی ذیلی ادارہ دارالمال الاسلامی ٹرسٹ (DMIT) اتمار ہولڈنگ B.S.C. کی ہولڈنگ کمپنی اور گروپ کی سرپرست ہے۔ DMIT کو معاہدے کے ذریعے دولت مشترکہ بہماس کے قوانین کے تحت اسلامی قوانین، اصولوں اور دایات کے مطابق کاروباری امور کو سرانجام دینے کے مقصد سے تشکیل دیا گیا تھا۔

تازہ ترین اقتصادی صورتحال:

موجودہ عالمی اقتصادی منظر نامہ ترقی کے لیے موزوں علامات کی عکاسی کر رہا ہے اور 2023 کے لیے ابتدائی ترقی کے تخمینے سے آگے نکلنے کے لیے تیار ہے۔ تاہم، اس رفتار کو چین میں سست معاشی بحالی، عالمی سطح پر مہنگائی کے طوفان، سخت مانیٹری حالات، جاری جغرافیائی سیاسی غیر یقینی صورتحال سے سنگین مشکلات کا سامنا ہے۔ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے مطابق، عالمی شرح نمو اس سال 3 فیصد اور اگلے سال 2.9 فیصد کے لگ بھگ رہنے کی توقع ہے۔ یہ تخمینے فی الحال ابھرتی اور ترقی پذیر معیشتوں میں بہتری پر بہت زیادہ انحصار کرتے ہیں، جبکہ ترقی یافتہ معیشتوں کی اکثریت میں مسلسل سست روی ہے۔ اسٹین ڈولپمنٹ آؤٹ لک ستمبر 2023 نے پیش گوئی کی ہے کہ ترقی پذیر ایشیا اور پیسیفک کی معیشتوں میں 4.7 فیصد اضافہ ہوگا،

Condensed Interim Unconsolidated Statement of Financial Position

As at September 30, 2023

	Note	Un-audited September 30, 2023	Audited December 31, 2022
		----- Rupees '000 -----	
ASSETS			
Cash and balances with treasury banks	9	78,907,509	56,130,549
Balances with other banks	10	759,898	2,785,035
Due from financial institutions	11	-	9,815,098
Investments - net	12	550,428,614	469,451,195
Islamic financing and related assets - net	13	490,829,384	454,260,608
Fixed assets	14	38,106,654	35,034,233
Intangible assets	15	2,233,151	1,984,841
Deferred tax assets	20	39,505	-
Other assets - net	16	88,965,151	44,891,304
		1,250,269,866	1,074,352,863
LIABILITIES			
Bills payable	17	15,168,857	21,309,950
Due to financial institutions	18	132,894,338	150,134,396
Deposits and other accounts	19	949,566,865	781,570,730
Sub-ordinated sukuk		-	-
Deferred tax liabilities	20	-	694,025
Other liabilities	21	73,961,353	50,560,351
		1,171,591,413	1,004,269,452
		78,678,453	70,083,411
NET ASSETS			
REPRESENTED BY			
Share capital		15,176,965	15,176,965
Reserves		14,026,212	11,675,968
Surplus on revaluation of assets - net	22	10,186,337	10,648,814
Unappropriated profit		39,288,939	32,581,664
		78,678,453	70,083,411

CONTINGENCIES AND COMMITMENTS

23

The annexed notes 1 to 41 form an integral part of these condensed interim unconsolidated financial statements.

PRESIDENT & CEO

CHIEF FINANCIAL OFFICER

CHAIRMAN

DIRECTOR

DIRECTOR

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

For the quarter and nine months ended September 30, 2023

		Quarter ended		Nine months ended	
	Note	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
----- Rupees '000 -----					
Profit / return earned on Islamic financing and related assets, investments and placements	25	51,250,633	29,766,149	133,354,544	70,579,959
Profit / return on deposits and other dues expensed	26	32,838,975	19,063,746	84,211,318	43,641,528
Net profit / return		18,411,658	10,702,403	49,143,226	26,938,431
OTHER INCOME					
Fee and commission income	27	2,230,064	1,634,320	6,389,397	4,863,694
Dividend income		31,227	69,431	238,476	416,991
Foreign exchange income		454,793	813,647	2,126,468	2,242,692
Loss / income from derivatives		(143,762)	77,031	(27,420)	126,929
Loss on securities	28	(390,658)	(446,424)	(1,992,260)	(1,217,069)
Other income	29	63,355	58,303	190,156	197,571
		2,245,019	2,206,308	6,924,817	6,630,808
Total income		20,656,677	12,908,711	56,068,043	33,569,239
OTHER EXPENSES					
Operating expenses	30	9,790,980	6,743,941	27,482,844	18,951,279
Workers Welfare Fund		195,733	133,138	531,236	312,167
Other charges	31	1,586	12,672	4,146	17,386
Total other expenses		9,988,299	6,889,751	28,018,226	19,280,832
Profit before provisions		10,668,378	6,018,960	28,049,817	14,288,407
Provisions and write-offs - net	32	1,612,187	(330,072)	3,937,291	(735,729)
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		9,056,191	6,349,032	24,112,526	15,024,136
Taxation	33	4,537,746	3,069,835	12,068,824	7,363,167
PROFIT AFTER TAXATION		4,518,445	3,279,197	12,043,702	7,660,969
----- Rupees -----					
Basic / diluted earnings per share	34	2.98	2.16	7.94	5.05

The annexed notes 1 to 41 form an integral part of these condensed interim unconsolidated financial statements.

PRESIDENT & CEO

CHIEF FINANCIAL OFFICER

CHAIRMAN

DIRECTOR

DIRECTOR

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the quarter and nine months ended September 30, 2023

	Quarter ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	----- Rupees '000 -----			
Profit after taxation for the period	4,518,445	3,279,197	12,043,702	7,660,969
Other comprehensive income / (loss)				
<i>Items that may be reclassified to the profit and loss account in subsequent periods:</i>				
- Movement in surplus on revaluation of investments - net of tax	327,992	(312,880)	193,984	(1,328,895)
Total comprehensive income	<u>4,846,437</u>	<u>2,966,317</u>	<u>12,237,686</u>	<u>6,332,074</u>

The annexed notes 1 to 41 form an integral part of these condensed interim unconsolidated financial statements.

Condensed Interim Unconsolidated Statement Of Changes In Equity

For the nine months ended September 30, 2023

	Share capital	Share premium	Reserves			Total	Surplus / (deficit) on revaluation of			Unappropriated profit	Total
			Capital reserves		Statutory reserve		Investments	Fixed assets / non-banking assets	Total		
			Non-distributable capital reserve (NCR) - gain on bargain purchase	Reserve arising on amalgamation							
Rupees 000											
Balance as at January 1, 2022 (Audited)	15,176,965	10,131	325,418	23,952	12,253,682	12,613,183	111,599	6,949,984	7,061,583	30,971,591	65,823,322
Profit after taxation for the nine months ended September 30, 2022	-	-	-	-	-	-	-	-	-	7,660,969	7,660,969
Other comprehensive loss - net of tax	-	-	-	-	-	(1,328,895)	-	(1,328,895)	-	(1,328,895)	-
Total comprehensive (loss) / income	-	-	-	-	-	(1,328,895)	-	(1,328,895)	7,660,969	6,332,074	-
Transfer to statutory reserve	-	-	-	-	1,532,194	1,532,194	-	-	-	(1,532,194)	-
Transaction with owners, recorded directly in equity											
Final cash dividend declared on February 23, 2022 at Rs. 1 per share	-	-	-	-	-	-	-	-	-	(1,517,100)	(1,517,100)
1st Interim cash dividend declared on August 25, 2022 at Rs 0.5 per share	-	-	-	-	-	-	-	-	-	(758,848)	(758,848)
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(78,069)	(78,069)	78,069	-
Amortisation of intangible assets - customer relationship - net of tax	-	-	(56,445)	-	-	(56,445)	-	-	-	-	(56,445)
Balance as at September 30, 2022 (Un-audited)	15,176,965	10,131	268,973	23,952	13,785,876	14,088,932	(1,217,296)	6,871,915	5,654,619	34,902,487	69,823,003
Profit after taxation for the period from October 1, 2022 to December 31, 2022	-	-	-	-	-	-	-	-	-	3,572,199	3,572,199
Other comprehensive (loss) / income - net of tax	-	-	-	-	-	(628,316)	5,646,688	5,018,372	28,872	5,047,244	-
Total comprehensive (loss) / income	-	-	-	-	-	(628,316)	5,646,688	5,018,372	3,601,071	8,619,443	-
Transfer from statutory reserve	-	-	-	-	(3,115,700)	(3,115,700)	-	-	-	3,115,700	-
Transfer to statutory reserve	-	-	-	-	714,440	714,440	-	-	-	(714,440)	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(19,200)	(19,200)	19,200	-
Transfer from surplus on revaluation of fixed assets on disposal - net of tax	-	-	-	-	-	-	-	(4,977)	(4,977)	4,977	-
Amortisation of intangible assets - customer relationship - net of tax	-	-	(11,704)	-	-	(11,704)	-	-	-	-	(11,704)
Transaction with owners, recorded directly in equity											
2nd Interim cash dividend declared on October 27, 2022 at Rs 5.5 per share	-	-	-	-	-	-	-	-	-	(8,347,331)	(8,347,331)
Balance as at December 31, 2022 (Audited)	15,176,965	10,131	257,269	23,952	11,384,616	11,675,968	(1,845,612)	12,494,426	10,648,814	32,581,664	70,083,411
Profit after taxation for the nine months ended September 30, 2023	-	-	-	-	-	-	-	-	-	12,043,702	12,043,702
Other comprehensive income - net of tax	-	-	-	-	-	193,984	-	193,984	-	193,984	-
Total comprehensive income	-	-	-	-	-	193,984	-	193,984	12,043,702	12,237,686	-
Transfer to statutory reserve	-	-	-	-	2,408,740	2,408,740	-	-	-	(2,408,740)	-
Transaction with owners, recorded directly in equity											
Final cash dividend declared on February 23, 2023 at Rs. 1 per share	-	-	-	-	-	-	-	-	-	(1,517,697)	(1,517,697)
1st Interim cash dividend declared on August 24, 2023 at Rs. 1 per share	-	-	-	-	-	-	-	-	-	(1,517,697)	(1,517,697)
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	-	(380,810)	(380,810)	107,707	(273,103)
Transfer from surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	(275,651)	(275,651)	-	(275,651)
Amortisation of intangible assets - customer relationship - net of tax	-	-	(58,496)	-	-	(58,496)	-	-	-	-	(58,496)
Balance as at September 30, 2023 (Un-audited)	15,176,965	10,131	198,773	23,952	13,793,356	14,026,212	(1,651,628)	11,837,965	10,186,337	39,288,939	78,678,453

The annexed notes 1 to 41 form an integral part of these condensed interim unconsolidated financial statements.

PRESIDENT & CEO

CHIEF FINANCIAL OFFICER

CHAIRMAN

DIRECTOR

DIRECTOR

Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the nine months ended September 30, 2023

	Note	September 30, 2023	September 30, 2022
		Rupees '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		24,112,526	15,024,136
Less: dividend income		(238,476)	(416,991)
		23,874,050	14,607,145
Adjustments:			
Depreciation on owned fixed assets	30	1,526,628	1,047,964
Amortisation of intangible assets	30	232,756	137,311
Depreciation on right-of-use assets	30	1,419,272	1,183,721
Depreciation on non-banking assets	30	3,761	3,724
Workers Welfare Fund		531,236	312,167
Provision / (Reversal of provision) against financing- net	32	3,395,755	(374,515)
Provision / (Reversal of provision) for diminution in value of investments - net	32	611,770	(129,046)
Provision / (Reversal of provision) against other assets - net	32	2,326	(30,335)
Provision / (Reversal of provision) against off balance sheet obligations - net	32	202,460	(19,373)
Unrealised loss / (gain) on securities - held for trading - net	28	-	(9,180)
Gain on sale of fixed assets - net	29	(14,446)	(26,413)
Charge for defined benefit plan		198,675	177,570
Income from derivative contracts - net		27,420	(126,929)
Profit / return expensed - lease liability against right-of-use assets	26	1,131,541	897,974
Bad debts written off directly	32	44,462	101,252
		9,313,616	3,145,892
		33,187,666	17,753,037
(Increase) / decrease in operating assets			
Due from financial institutions		9,815,098	-
Held-for-trading securities		-	12,130,105
Financing		(40,008,993)	(71,135,120)
Others assets (excluding advance taxation)		(44,785,572)	(32,410,836)
		(74,979,467)	(91,415,851)
Increase / (decrease) in operating liabilities			
Bills payable		(6,141,093)	(2,446,707)
Due to financial institutions		(17,625,783)	68,830,250
Deposits		167,996,135	80,938,778
Other liabilities (excluding current taxation)		21,947,243	12,707,471
		166,176,502	160,029,792
Income tax paid		(13,081,472)	(5,578,208)
Contribution to gratuity fund		(198,675)	(177,570)
Net cash generated from operating activities		111,104,554	80,611,200
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investment in available-for-sale securities		(78,915,428)	(69,888,145)
Net investment in associates		(218,338)	(72,223)
Net (investment) / divestment in held-to-maturity securities		(2,455,995)	959,116
Dividends received		227,187	373,788
Investment in operating fixed assets		(4,194,497)	(2,480,284)
Investment in intangible assets		(542,666)	(257,207)
Proceeds from sale of fixed assets		52,814	29,584
Net cash used in investing activities		(86,046,923)	(71,335,371)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(1,713,067)	(2,241,863)
Dividend paid		(2,978,466)	(1,031,236)
Net cash used in financing activities		(4,691,533)	(3,273,099)
Increase in cash and cash equivalents during the period			
		20,366,098	6,002,730
Cash and cash equivalents at the beginning of the period		57,253,408	59,488,711
Cash and cash equivalents at the end of the period		77,619,506	65,491,441

The annexed notes 1 to 41 form an integral part of these condensed interim unconsolidated financial statements.

PRESIDENT & CEO

CHIEF FINANCIAL OFFICER

CHAIRMAN

DIRECTOR

DIRECTOR

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

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 repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are listed on the Pakistan Stock Exchange Limited. The Bank is engaged in Shariah compliant modern Corporate, Commercial and Consumer banking activities. The Bank is operating through 700 Islamic branches (December 31, 2022: 700 branches) including 2 sub-branches (December 31, 2022: 2).

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

Ithmaar Bank B.S.C (closed), a fully owned subsidiary of Ithmaar Holdings B.S.C is the parent company of the Bank, holding directly and indirectly 66.78% (December 31, 2022: 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 Holdings B.S.C.

- 1.2** The State Bank of Pakistan has issued the Islamic Banking License No. BL(i) - 01 (2022) dated December 30, 2022 in the Bank's name, effective from January 1, 2023.
- 1.3** The Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited have determined the Bank's long-term rating as 'AA' (December 31, 2022: 'AA') and the short term rating as 'A1+' (December 31, 2022: 'A1+') on June 23, 2023 and June 27, 2023 respectively.

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 profit in price on deferred payment basis.

The purchases and sales arising under these arrangements are not reflected in these condensed interim unconsolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon. The income on such financing is recognised in accordance with the principles of Islamic Shariah. However, income, if any, received which does not comply with the principles of Islamic Shariah is recognised as charity payable if so directed by the Resident Shariah Board Member (RSBM) of the Bank.

- 2.2** The Bank has a controlling interest in Faysal Asset Management Limited (FAML) and is required to prepare the consolidated financial statements under the provisions of the Companies Act, 2017. These condensed interim financial statements represent the unconsolidated results of the Bank and a separate set of condensed interim consolidated financial statements are also being presented by the Bank.

3 STATEMENT OF COMPLIANCE

- 3.1** These condensed interim unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IAS 34, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

- 3.2** 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 identified as a result of such acquisition. Accordingly, during the period ended September 30, 2023, the Bank has adjusted amortisation of intangible assets net of tax amounting to Rs. 58.496 million (period ended September 30, 2022: Rs. 56.445 million) from the NCR.

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

3.3 These condensed interim unconsolidated financial statements do not include all the information and disclosures required in the annual audited unconsolidated financial statements, and are limited based on the format prescribed by the State Bank of Pakistan through BPRD Circular Letter No. 05 dated March 22, 2019 and IAS 34, and should be read in conjunction with the annual unconsolidated financial statements for the year ended December 31, 2022.

3.4 Standards, interpretations of and amendments to the published accounting and reporting standards that are effective in the current period

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on January 1, 2023 but are considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not detailed in these condensed interim unconsolidated financial statements.

3.5 Standards, interpretations of and amendments to the published accounting and reporting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations:

Standards, interpretations or amendments	Effective date (annual periods beginning on or after)
- IFRS 9 - 'Financial instruments'	January 1, 2024*
- Amendment to IFRS 16 - Leases on sale and leaseback	January 1, 2024
- Amendment to IAS 1- Non current liabilities with covenants	January 1, 2024

The management is in the process of assessing the impact of these standards and amendments on the condensed interim unconsolidated financial statements of the Bank.

* As directed by SBP via BPRD Circular No. 7 of 2023 dated April 13, 2023, IFRS 9 Financial Instruments application has been deferred and will be effective from January 1, 2024, for banks. SBP has issued the final instructions on IFRS 9 (Application Instructions) via BPRD Circular no. 3 of 2022 dated July 5, 2022 for ensuring smooth and consistent implementation of the standard across banks. Accordingly, the Bank disclosed the impact of the application of IFRS 9 in Pakistan in its financial statements as at December 31, 2022.

The actual impact of adopting IFRS 9 on the Bank's financial statements in the year 2024 may not be accurately estimated at this stage because it will be dependent on the financial instruments that the Bank would hold during next year and economic conditions at that time as well as accounting elections and judgements that it will make in future.

3.6 The SBP vide BPRD Circular No. 2 of 2023 dated February 9, 2023, has specified the new reporting format for financial statements of Banking Companies. The new format has revised the disclosure requirements and will become applicable for the financial statements of the Bank from the first quarter of the year 2024.

3.7 As required under SBP Letter No. BPRD/LD-01/850/28853/2022-13054, the details of the net conventional funded portfolio as at September 30, 2023 are as follows:

		Rupees in '000
Assets	Note	
Investments		1,565,361
Financing		1,912,970
Liabilities		
Due to financial institutions		345
Deposits and other accounts		5,601,818
Derivatives	24.1	1,864,062

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these condensed interim unconsolidated financial statements are the same as applied in the preparation of the annual unconsolidated financial statements of the Bank for the year ended December 31, 2022, except for the change as detailed below :

Associates are all entities over which the Bank has significant influence, but not control. Certain mutual funds are managed by the Subsidiary Company of the Bank and hence, the Bank has significant influence over such funds and therefore, investment in these mutual funds are considered as investment in associates in these condensed interim unconsolidated financial statements. This change is applied prospectively as the impact is not considered to be material.

5 BASIS OF MEASUREMENT

These condensed interim unconsolidated financial statements have been prepared under the historical cost convention except for certain fixed assets and non-banking assets acquired in satisfaction of claims which have been carried at revalued amounts, certain investments and derivative contracts which have been marked-to-market and are carried at fair value, obligations in respect of staff retirement benefits and lease liabilities which have been carried at present value and right-of-use assets which are initially measured at an amount equal to the corresponding lease liabilities (adjusted for any lease payments and costs) and depreciated over the respective lease terms.

6 FUNCTIONAL AND PRESENTATION CURRENCY

6.1 Items included in these condensed interim unconsolidated financial statements are measured using the currency of the primary economic environment in which the Bank operates. These condensed interim unconsolidated financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

6.2 Figures have been rounded-off to the nearest thousand of rupees unless otherwise stated.

7 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim unconsolidated financial statements is the same as that applied in the preparation of the annual unconsolidated financial statements of the Bank for the year ended December 31, 2022, except for the change in impairment for equity securities classified as available-for-sale for which impairment criteria for significant decline has been changed. The impact of change is not material.

8 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual audited unconsolidated financial statements for the year ended December 31, 2022.

Note	Un-audited September 30, 2023	Audited December 31, 2022
	----- Rupees '000 -----	

9 CASH AND BALANCES WITH TREASURY BANKS

In hand

- local currency
- foreign currencies

18,162,036	17,453,357
2,843,057	881,183
21,005,093	18,334,540

With State Bank of Pakistan in

- local currency current accounts
- foreign currency current accounts
- foreign currency deposit accounts

44,878,966	32,768,340
2,788,184	2,536,026
4,558,634	2,280,616
52,225,784	37,584,982

With National Bank of Pakistan in

- local currency current accounts

5,673,427	206,502
-----------	---------

Prize bonds

9.1	3,205	4,525
	78,907,509	56,130,549

9.1 These represent the national prize bonds received from customers for onward surrendering to SBP. The Bank as a matter of Shariah principle, does not deal in prize bonds.

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

10 BALANCES WITH OTHER BANKS

	Un-audited September 30, 2023	Audited December 31, 2022
Rupees '000		
In Pakistan		
- in current accounts	9,727	20,007
Outside Pakistan		
- in current accounts	750,171	2,683,513
- in deposit accounts	-	81,515
	<u>759,898</u>	<u>2,785,035</u>

11 DUE FROM FINANCIAL INSTITUTIONS

Musharaka placement	-	4,000,000
Repurchase agreement lendings (reverse repo)	-	5,815,098
	<u>-</u>	<u>9,815,098</u>

12 INVESTMENTS

12.1 Investments by type:

Note	Un-audited September 30, 2023				Audited December 31, 2022			
	Cost / Amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / Amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
Rupees '000								
Available-for-sale securities								
Federal Government securities	492,743,795	-	(6,072,512)	486,671,283	406,535,788	-	(4,225,759)	402,310,029
Shares	5,006,458	(1,958,622)	468,975	3,516,811	12,212,313	(1,297,552)	(1,392,156)	9,522,605
Non-Government debt securities	47,917,827	(519,291)	2,365,050	49,763,586	48,004,551	(519,291)	2,380,000	49,865,260
	<u>545,668,080</u>	<u>(2,477,913)</u>	<u>(3,238,487)</u>	<u>539,951,680</u>	<u>466,752,652</u>	<u>(1,816,843)</u>	<u>(3,237,915)</u>	<u>461,697,894</u>
Held-to-maturity securities								
Non-Government debt securities	8,785,588	(1,418,207)	-	7,367,381	6,329,593	(1,467,507)	-	4,862,086
	<u>8,785,588</u>	<u>(1,418,207)</u>	<u>-</u>	<u>7,367,381</u>	<u>6,329,593</u>	<u>(1,467,507)</u>	<u>-</u>	<u>4,862,086</u>
Associates *								
Faysal Islamic Savings Growth Fund	205,151	-	-	205,151	621,343	-	-	621,343
Faysal Islamic Stock Fund	114,509	-	-	114,509	114,509	-	-	114,509
Faysal Halal Amdani Fund	1,650,000	-	-	1,650,000	-	-	-	-
Faysal Savings Growth Fund	-	-	-	-	693,353	-	-	693,353
Faysal Stock Fund	-	-	-	-	322,117	-	-	322,117
	<u>1,969,660</u>	<u>-</u>	<u>-</u>	<u>1,969,660</u>	<u>1,751,322</u>	<u>-</u>	<u>-</u>	<u>1,751,322</u>
Subsidiary *								
Faysal Asset Management Limited	1,139,893	-	-	1,139,893	1,139,893	-	-	1,139,893
	<u>1,139,893</u>	<u>-</u>	<u>-</u>	<u>1,139,893</u>	<u>1,139,893</u>	<u>-</u>	<u>-</u>	<u>1,139,893</u>
Total Investments - net	<u>557,563,221</u>	<u>(3,896,120)</u>	<u>(3,238,487)</u>	<u>550,428,614</u>	<u>475,973,460</u>	<u>(3,284,350)</u>	<u>(3,237,915)</u>	<u>469,451,195</u>
* related parties								

12.2 Investments given as collateral - market value

Federal Government Securities

- Pakistan Investment Bonds	-	5,307,116
- Ijarah Sukuks	40,305,450	29,866,500
	<u>40,305,450</u>	<u>35,173,616</u>

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

	Un-audited September 30, 2023	Audited December 31, 2022
	Rupees '000	
12.3 Provision for diminution in value of investments		
12.3.1 Opening balance	3,284,350	3,451,987
Charge / (reversals)		
Charge for the period / year	1,811,871	7,067
Reversals for the period / year	(49,300)	(85,824)
Reversals on disposals for the period / year	(1,150,801)	(88,880)
	611,770	(167,637)
Closing balance	3,896,120	3,284,350

12.3.2 Particulars of provision against debt securities

	Un-audited September 30, 2023		Audited December 31, 2022	
Category of classification	Non-performing investments	Provision	Non-performing investments	Provision
	Rupees '000			
Domestic				
- Loss	1,937,498	1,937,498	1,986,798	1,986,798

12.4 The market value of securities classified as held-to-maturity as at September 30, 2023 amounted to Rs. 7,364 million (December 31, 2022: Rs. 4,862 million).

12.5 Investment in subsidiary and associates

	As at September 30, 2023				For the nine months ended September 30, 2023		
	Country of incorporation	% Holding	Assets	Liabilities	Revenue / (loss)	Profit / (loss)	Total comprehensive income / (loss)
Note	Rupees '000						
Associates							
Faysal Islamic Savings Growth Fund	Pakistan	8.72	2,471,927	19,098	277,590	252,077	252,077
Faysal Islamic Stock Fund	Pakistan	19.51	492,870	14,374	20,829	4,025	4,025
Faysal Halal Amdani Fund	Pakistan	3.99	41,578,496	199,760	5,606,378	5,304,178	5,304,178
Subsidiary							
Faysal Asset Management Limited	12.5.1 Pakistan	99.99	1,929,453	286,274	745,040	282,784	282,784
	As at December 31, 2022				For the nine months ended September 30, 2022		
	Country of incorporation	% Holding	Assets	Liabilities	Revenue	Profit / (loss)	Total comprehensive income / (loss)
	Rupees '000						
Associates							
Faysal Islamic Savings Growth Fund	Pakistan	24.1	2,646,076	24,630	255,961	223,640	223,640
Faysal Islamic Stock Fund	Pakistan	20.8	469,274	5,520	(53,312)	(74,143)	(74,143)
Faysal Savings Growth Fund	Pakistan	29	2,515,594	33,362	261,411	216,447	216,447
Faysal Stock Fund	Pakistan	31.6	876,891	41,190	(234,354)	(297,641)	(297,641)
Subsidiary							
Faysal Asset Management Limited	Pakistan	99.99	1,629,722	269,328	536,182	213,860	213,860

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

12.5.1 Faysal Asset Management Limited (the Company) was incorporated in Pakistan under the provisions of the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on August 6, 2003 as an unlisted public limited company. The Company commenced its operations on November 14, 2003. The Company is a Non-Banking Finance Company (NBFC). The Company has obtained license to carry out asset management and investment advisory services under the requirements of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

13 ISLAMIC FINANCING AND RELATED ASSETS - NET

Note	Performing		Non-performing		Total	
	Un-audited September 30, 2023	Audited December 31, 2022	Un-audited September 30, 2023	Audited December 31, 2022	Un-audited September 30, 2023	Audited December 31, 2022
Rupees '000						
Murabaha financing and related assets						
Murabaha financing	59,235,387	10,718,692	133,542	119,278	59,368,929	10,837,970
Advance against Murabaha financing	788,704	1,675,896	-	-	788,704	1,675,896
Inventory related to Murabaha	719,957	203,694	-	-	719,957	203,694
	60,744,048	12,598,282	133,542	119,278	60,877,590	12,717,560
Running Musharaka financing						
Running Musharaka	130,612,718	119,430,547	543,966	-	131,156,684	119,430,547
Istisna financing and related assets						
Istisna	31,900,813	31,800,700	215,750	70,000	32,116,563	31,870,700
Advance against Istisna	11,610,157	20,927,551	133,895	236,295	11,744,052	21,163,846
Inventory related to Istisna	8,711,494	6,205,350	44,271	-	8,755,765	6,205,350
	52,222,464	58,933,601	393,916	306,295	52,616,380	59,239,896
Tijarah financing and related assets						
Tijarah	1,572,471	2,268,921	5,500	5,500	1,577,971	2,274,421
Advance against Tijarah	230,600	467,445	-	-	230,600	467,445
Inventory related to Tijarah	1,020,300	1,346,223	-	-	1,020,300	1,346,223
	2,823,371	4,082,589	5,500	5,500	2,828,871	4,088,089
Musawamah financing and related assets						
Musawamah	14,983,724	143,720	123,776	6,960	15,107,500	150,680
Advance against Musawamah	1,385	-	-	-	1,385	-
Inventory related to Musawamah	590	3,980	-	-	590	3,980
	14,985,699	147,700	123,776	6,960	15,109,475	154,660
Salam financing and related assets						
Salam	100,000	100,000	1,200	1,200	101,200	101,200
Advance against Salam	117,206	83,236	-	-	117,206	83,236
	217,206	183,236	1,200	1,200	218,406	184,436
Ijarah financing and related assets						
Fixed assets Ijarah financing - net	-	32,109	-	-	-	32,109
	-	32,109	-	-	-	32,109
Diminishing Musharaka financing and related assets						
Diminishing Musharaka	198,533,852	208,760,418	5,355,739	4,374,326	203,889,591	213,134,744
Advanced against Diminishing Musharaka	19,887,126	15,556,470	-	-	19,887,126	15,556,470
	218,420,978	224,316,888	5,355,739	4,374,326	223,776,717	228,691,214
Wakala Istithmar financing and related assets						
Wakala Istithmar	6,302,669	-	-	-	6,302,669	-
	6,302,669	-	-	-	6,302,669	-
Tawwaruq	1,069,810	13,167,553	41,107	38,717	1,110,917	13,206,270
Advance against Islamic export refinance Musharaka	2,631,459	3,419,522	181,590	223,152	2,813,049	3,642,671
Bai salam	32,605	82,618	7,762	8,288	40,367	90,906
	49,697	99,342	-	-	49,697	99,342
Islamic financing and related assets - Gross	490,112,724	436,493,987	6,788,098	5,083,716	496,900,822	441,577,703
Other financing	746,207	15,397,264	15,948,254	16,614,667	16,694,461	32,011,931
	490,858,931	451,891,251	22,736,352	21,698,383	513,595,283	473,589,634
Less: provision against financing						
- Specific	-	-	(18,613,228)	(18,557,417)	(18,613,228)	(18,557,417)
- General	(4,152,671)	(771,609)	-	-	(4,152,671)	(771,609)
	(4,152,671)	(771,609)	(18,613,228)	(18,557,417)	(22,765,899)	(19,329,026)
Financing - net of provision	486,706,260	451,119,642	4,123,124	3,140,966	490,829,384	454,260,608

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

	Note	Un-audited September 30, 2023	Audited December 31, 2022
----- Rupees '000 -----			
13.1	Murabaha receivable - gross	13.1.2 60,877,590	11,529,227
	Less: Deferred murabaha income	13.1.3 (365,588)	(350,063)
	Profit receivable shown in other assets	(1,143,073)	(341,194)
	Murabaha financing	13.1.1 59,368,929	10,837,970
13.1.1	The movement in Murabaha financing during the period / year is as follows:		
	Opening balance	10,837,970	31,630,824
	Sales during the period / year	178,111,210	111,886,384
	Adjusted during the period / year	(129,580,251)	(132,679,238)
	Closing balance	59,368,929	10,837,970
13.1.2	Murabaha sale price	60,877,590	11,529,227
	Murabaha purchase price	(59,368,929)	(10,837,970)
		1,508,661	691,257
13.1.3	Deferred murabaha income		
	Opening balance	350,063	275,779
	Arising during the period / year	4,100,082	4,602,165
	Less: recognised during the period / year	(4,084,557)	(4,527,881)
	Closing balance	365,588	350,063
13.2	Particulars of Islamic financing and related assets - net		
	- in local currency	512,914,239	473,053,505
	- in foreign currencies	681,044	536,129
		513,595,283	473,589,634

13.3 Islamic financing and related asset - net includes Rs. 22,736 million (December 31, 2022: Rs. 21,698 million) which have been placed under non-performing status as detailed below:

Category of classification	Un-audited September 30, 2023		Audited December 31, 2022	
	Non-performing loans	Provision	Non-performing loans	Provision
----- Rupees '000 -----				
Domestic				
- Other assets especially mentioned	369,143	-	204,426	70
- Substandard	1,637,456	89,150	504,838	82,646
- Doubtful	774,901	186,978	858,706	242,963
- Loss	19,954,852	18,337,100	20,130,413	18,231,738
Total	22,736,352	18,613,228	21,698,383	18,557,417

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

13.4 Particulars of provision against Islamic financing and related assets

	Un-audited			Audited		
	September 30, 2023			December 31, 2022		
	Specific	General	Total	Specific	General	Total
----- Rupees '000 -----						
Opening balance	18,557,417	771,609	19,329,026	19,544,542	945,573	20,490,115
Exchange adjustments	144,914	-	144,914	117,020	-	117,020
Charge for the period / year	983,598	3,381,062	4,364,660	1,085,432	-	1,085,432
Reversals during the period / year	(968,905)	-	(968,905)	(1,368,953)	(173,964)	(1,542,917)
	14,693	3,381,062	3,395,755	(283,521)	(173,964)	(457,485)
Amounts written off	(103,796)	-	(103,796)	(820,624)	-	(820,624)
Closing balance	18,613,228	4,152,671	22,765,899	18,557,417	771,609	19,329,026

13.4.1 The Bank maintains general provision in accordance with the applicable requirements of the Prudential Regulations for Consumer Financing and House Financing issued by the SBP.

The Bank in addition to the requirements of Prudential Regulations has maintained a general provision of Rs. 3,300 million (December 31, 2022: Rs. Nil) against financing made on prudent basis, in view of prevailing economic conditions.

13.4.2 As allowed by the SBP, the Bank has availed benefit of forced sale value (FSV) of collaterals held as security of Rs. 1,879.886 million (December 31, 2022: Rs. 1,862.991million) relating to financing while determining the provisioning requirement against non-performing financing as at September 30, 2023. The additional profit arising from availing the FSV benefit (net of tax) as at September 30, 2023 which is not available for distribution as either cash or stock dividend to shareholders approximately amounted to Rs. 958.742 million (December 31, 2022: Rs. 950.125 million).

13.4.3 Although the Bank has made provision against its non-performing portfolio as per the category of classification of the loans, 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.

	Note	Un-audited September 30, 2023	Audited December 31, 2022
		----- Rupees '000 -----	
14	FIXED ASSETS		
	Capital work-in-progress	14.1 3,253,822	2,392,116
	Property and equipment	34,852,832	32,642,117
		<u>38,106,654</u>	<u>35,034,233</u>
14.1	Capital work-in-progress		
	Civil works	153,856	346,816
	Equipment	2,401,379	1,742,100
	Furniture and fixture	188,092	220,794
	Vehicles	68,429	42,164
	Land and building	442,066	40,242
		<u>3,253,822</u>	<u>2,392,116</u>

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

14.2 Additions to fixed assets

The following additions have been made to fixed assets during the period:

Capital work-in-progress

Property and equipment

Building on leasehold land
Furniture and fixture
Electrical, office and computer equipment
Vehicles
Right-of-use assets - land and building
Leasehold land
Civil works

Total

14.3 Disposal of fixed assets

The net book value of fixed assets disposed off during the period is as follows:

Furniture and fixture
Electrical, office and computer equipment
Vehicles
Others
Total

Un-audited	
For the nine months ended	
September 30, 2023	September 30, 2022

----- Rupees '000 -----

4,204,798	2,480,284
173,485	5,332
351,724	37,250
1,525,659	525,175
188,203	-
1,862,206	2,130,252
132,800	2,568
960,920	440,464
5,194,997	3,141,041
9,399,795	5,621,325

14	96
1,054	912
37,143	1,033
171	1,131
38,382	3,172

Note	Un-audited September 30, 2023	Audited December 31, 2022
------	----------------------------------	------------------------------

----- Rupees '000 -----

15 INTANGIBLE ASSETS

Capital work-in-progress

15.1 732,298 711,373

Computer software
Customer relationship

1,111,105	822,123
389,748	451,345
1,500,853	1,273,468
2,233,151	1,984,841

15.1 Capital work-in-progress

Computer software

732,298	711,373
---------	---------

Un-audited	
For the nine months ended	
September 30, 2023	September 30, 2022

15.2 Additions to intangible assets

The following additions have been made to intangible assets during the period:

Computer software - directly purchased

521,741	125,857
---------	---------

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

	Note	Un-audited September 30, 2023	Audited December 31, 2022
		----- Rupees '000 -----	
16 OTHER ASSETS			
Profit / return accrued in local currency - net of provision		60,723,042	26,608,166
Profit / return accrued in foreign currencies - net of provision		139,909	35,156
Advances, deposits, advance rent and other prepayments		2,182,307	1,243,061
Non-banking assets acquired in satisfaction of claims		812,984	1,041,276
Mark to market gain on forward foreign exchange contracts		311,500	383,842
Acceptances	21	17,547,041	6,930,359
Credit cards and other products fee receivable		843,782	566,289
Receivable from brokers against sale of shares		-	268,523
Dividend receivable		86,637	75,348
Receivable from 1Link (Private) Limited		1,784,560	3,302,249
Rent and amenities receivable		161,036	43,456
Rebate receivable - net		319,708	118,625
Defined benefit plan asset		168,825	168,825
Remittances receivable from Western Union		2,091,936	1,668,492
Others		266,735	636,687
		<u>87,440,002</u>	<u>43,090,354</u>
Less: provision held against other assets	16.1	<u>(327,580)</u>	<u>(325,254)</u>
Other assets - net of provision		87,112,422	42,765,100
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	22	1,852,729	2,126,204
Other Assets - total		<u><u>88,965,151</u></u>	<u><u>44,891,304</u></u>
16.1 Provision held against other assets			
Dividend receivable		75,348	75,348
Receivables from customers		52,799	50,473
Security deposits		22,994	22,994
Others		176,439	176,439
		<u><u>327,580</u></u>	<u><u>325,254</u></u>
16.1.1 Movement in provision held against other assets			
Opening balance		325,254	355,590
Charge for the period / year		2,731	-
Reversals during the period / year		<u>(405)</u>	<u>(30,336)</u>
		2,326	(30,336)
Amounts written off		-	-
Closing balance		<u><u>327,580</u></u>	<u><u>325,254</u></u>
17 BILLS PAYABLE			
In Pakistan		15,168,857	21,309,950
Outside Pakistan		-	-
		<u><u>15,168,857</u></u>	<u><u>21,309,950</u></u>

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

18 DUE TO FINANCIAL INSTITUTIONS

Secured

To the State Bank of Pakistan (SBP) under:

- Long term financing facility for renewable power energy (RPE)
- Scheme of financing facility for storage of agricultural produce
- Islamic export refinance scheme - part I and II
- Refinance scheme for payment of wages and salaries
- Islamic financing for renewable energy
- Islamic long term financing facility
- Islamic temporary economic refinance scheme
- Islamic refinance facility for combating COVID-19
- Islamic refinance facility for storage of agricultural produce
- Scheme of Islamic Rupee-based discounting facility under EFS/ERS facility under EFS/ERS

Due to SBP under Open Market Operations (OMO)

Repurchase agreement borrowings

Due to other financial institutions

Total secured

Unsecured

Overdrawn nostro accounts

Musharaka acceptances

Total unsecured

	Un-audited September 30, 2023	Audited December 31, 2022
	Rupees '000	
	345	9,502
	-	5,400
	24,551,876	31,795,302
	-	885,681
	6,659,895	6,914,074
	9,902,930	12,407,019
	11,804,982	30,853,102
	19,059,051	232,778
	536,495	370,804
	657,056	547,230
	73,172,630	84,020,892
	39,011,626	29,061,914
	-	5,318,855
	3,412,181	1,440,559
	115,596,437	119,842,220
	2,047,901	1,662,176
	15,250,000	28,630,000
	17,297,901	30,292,176
	132,894,338	150,134,396

19 DEPOSITS AND OTHER ACCOUNTS

	Un-audited September 30, 2023			Audited December 31, 2022		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
Rupees '000						
Customers						
Current deposits	265,780,750	30,549,554	296,330,304	233,289,655	26,500,047	259,789,702
Savings deposits	233,289,864	22,439,300	255,729,164	207,105,501	23,004,040	230,109,541
Term deposits	209,357,303	1,942,436	211,299,739	154,758,216	887,679	155,645,895
Margin deposits	13,281,887	55,937	13,337,824	7,661,317	229,752	7,891,069
	721,709,804	54,987,227	776,697,031	602,814,689	50,621,518	653,436,207
Financial institutions						
Current deposits	21,862,255	89,863	21,952,118	9,405,616	65,052	9,470,668
Savings deposits	144,877,169	-	144,877,169	118,138,305	-	118,138,305
Term deposits	6,040,547	-	6,040,547	525,550	-	525,550
	172,779,971	89,863	172,869,834	128,069,471	65,052	128,134,523
	894,489,775	55,077,090	949,566,865	730,884,160	50,686,570	781,570,730

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

	Note	Un-audited September 30, 2023	Audited December 31, 2022
----- Rupees '000 -----			
20 DEFERRED TAX ASSETS / (LIABILITIES)			
Taxable temporary differences on			
- surplus on revaluation of fixed assets		(2,126,858)	(1,957,237)
- surplus on revaluation of non-banking assets		(17,767)	(15,591)
- surplus on revaluation of investments		1,586,859	1,392,303
- fair value adjustment relating to net assets acquired upon amalgamation		(190,977)	(194,079)
- accelerated tax depreciation		(148,043)	(39,762)
		(896,786)	(814,366)
Deductible temporary differences on			
- provision for diminution in the value of investments		843,819	(43,998)
- provision against financing, off balance sheet etc.		(32,825)	40,380
- provision against other assets		125,297	123,959
		936,291	120,341
		39,505	(694,025)
21 OTHER LIABILITIES			
Return on deposits and other dues:			
- payable in local currency		11,812,343	6,735,294
- payable in foreign currencies		24,789	5,357
Unearned commission and income on bills discounted		1,139,562	986,281
Accrued expenses		4,149,728	3,279,114
Acceptances	16	17,547,041	6,930,359
Dividend payable including unclaimed dividends		313,522	256,594
Mark to market loss on forward foreign exchange contracts		3,136,383	46,611
Current taxation (provision less payments)		1,411,354	1,081,615
Charity fund balance		2,077	1,634
Provision against off-balance sheet obligations	21.1	290,160	87,700
Withholding tax payable		422,742	283,547
Federal excise duty payable		93,708	90,817
Payable to brokers against purchase of shares		2,268	1,235,367
Fair value of derivative contracts	24.1	1,864,062	1,507,683
Payable related to credit cards and other products		1,384,614	108,909
Lease liability against right-of-use assets		12,692,394	11,827,762
Funds held as security		306,918	288,573
Payable to 1Link (Private) Limited		447,846	359,297
Takaful payable		57,710	60,888
Clearing and settlement accounts		16,430,022	14,940,611
Others		432,110	446,338
		73,961,353	50,560,351
21.1 Provision against off-balance sheet obligations			
Opening balance		87,700	104,894
Charge for the period / year		202,828	3,596
Reversals during the period / year		(368)	(20,790)
		202,460	(17,194)
Closing balance		290,160	87,700

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

	Note	Un-audited September 30, 2023	Audited December 31, 2022
----- Rupees '000 -----			
22 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
Surplus / (deficit) on revaluation of:			
- available for sale securities		(3,238,487)	(3,237,915)
- fixed assets		12,129,860	12,341,050
- non-banking assets acquired in satisfaction of claims		1,852,729	2,126,204
		10,744,102	11,229,339
Deferred tax on surplus / (deficit) on revaluation of:			
- available for sale securities		1,586,859	1,392,303
- fixed assets		(2,126,857)	(1,957,237)
- non-banking assets acquired in satisfaction of claims		(17,767)	(15,591)
		(557,765)	(580,525)
		10,186,337	10,648,814
23 CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	42,599,382	38,920,372
Commitments	23.2	182,271,179	168,295,114
Other contingent liabilities	23.3	4,122,244	4,122,244
		228,992,805	211,337,730
23.1 Guarantees			
Financial guarantees		6,039,094	5,725,594
Performance guarantees		9,849,111	12,053,909
Other guarantees		26,711,177	21,140,869
		42,599,382	38,920,372
23.2 Commitments			
Documentary credits and short-term trade-related transactions			
- letters of credit		72,606,680	52,543,910
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	63,764,393	57,184,237
- forward government securities transactions	23.2.2	40,311,150	41,226,248
- derivatives - cross currency and interest rate swaps (notional principal)	23.2.3 & 24	1,846,774	1,510,401
- extending credit (irrevocable)	23.5	2,322,617	15,473,238
Commitments for acquisition of:			
- operating fixed assets		944,729	193,455
- intangible assets		474,836	163,625
		182,271,179	168,295,114
23.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		52,843,029	50,919,583
Sale		10,921,364	6,264,654
		63,764,393	57,184,237
23.2.2 Commitments in respect of forward government securities transactions			
Purchase		40,311,150	35,400,890
Sale		-	5,825,358
		40,311,150	41,226,248
23.2.3 Commitments in respect of derivatives			
Sale	24	1,846,774	1,510,401

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

	Note	Un-audited September 30, 2023	Audited December 31, 2022
----- Rupees '000 -----			
23.3 Other contingent liabilities			
Suit filed by a customer for recovery of alleged losses suffered which is pending in the Honorable High Court of Sindh. The Bank's legal advisors are confident that the Bank has a strong case		2,510,000	2,510,000
Indemnity issued favouring the Honorable High Court in one of the cases		457,543	457,543
Tax liability of gain on bargain purchase on the acquisition of ex-RBS Pakistan	23.3.1	1,154,701	1,154,701
		<u>4,122,244</u>	<u>4,122,244</u>

23.3.1 Income tax assessments of the Bank have been finalised upto the tax year 2022 (accounting year ended December 31, 2021). Income tax return for tax year 2023 (accounting year ended December 31, 2022) will be filed by the Bank within stipulated timeline.

The department and the Bank has disagreement on a matter relating to taxability of gain on bargain purchase on the acquisition of ex-RBS Pakistan. The additional tax liability on the matter amounts to Rs. 1,154.701 million (December 31, 2022: Rs. 1,154.701 million). The Commissioner Inland Revenue (Appeals) [CIR(A)] had deleted the said additional tax liability, however the income tax department had filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) against the order of CIR(A). During the current period, the ATIR passed an order and maintained the decision of the CIR(A) in favour of the Bank that gain on bargain purchase is not taxable. Subsequently, the department has challenged the order in Honorable High Court of Sindh. However, the management of the Bank is confident that the matter will be decided in the Bank's favour and accordingly, no provision has been recorded in these unconsolidated financial statements in respect of this matter.

23.4 There are certain claims against the Bank not acknowledged as debt amounting to Rs 29,528 million (December 2022: Rs 29,453 million). 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, certain cases filed by ex-employees of the Bank for damages sustained by them consequent to the termination from the Bank's employment and cases for damages towards opportunity losses suffered by the customers due to non-disbursements of running finance facility as per the agreed terms. The above also includes an amount of Rs. 25,299 million (December 2022: 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, the management is confident that the above matters will be decided in the Bank's favour and accordingly no provision has been made in these condensed interim unconsolidated financial statements.

23.5 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 facilities are unilaterally withdrawn except for Rs. 2,323 million (December 2022: Rs. 15,473 million) which are irrevocable in nature.

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

	Un-audited September 30, 2023	Audited December 31, 2022
	Rupees '000	

24 DERIVATIVE INSTRUMENTS

Cross currency swaps (notional principal)	1,846,774	1,510,401
---	-----------	-----------

24.1 Product analysis

Counterparties	September 30, 2023 (Un-audited) Cross currency swaps	
	Notional principal	Mark to market loss

With banks for

Hedging	-	-
Market making	232,571	(191,055)

With other entities for

Hedging	-	-
Market making	1,614,203	(1,673,007)

Total

Hedging	-	-
Market making	1,846,774	(1,864,062)

Counterparties	December 31, 2022 (Audited) Cross currency swaps	
	Notional principal	Mark to market loss

With banks for

Hedging	-	-
Market making	209,709	(281,984)

With other entities for

Hedging	-	-
Market making	1,300,692	(1,225,699)

Total

Hedging	-	-
Market making	1,510,401	(1,507,683)

	Un-audited For the nine months ended	
	September 30, 2023	September 30, 2022
	Rupees '000	

25 PROFIT / RETURN EARNED

On:		
Financing	66,121,543	36,304,923
Investments	66,153,785	32,727,265
Due from financial institutions	1,065,728	1,293,672
Balances with banks	6,623	1,157
Securities purchased under resale agreements	6,865	252,942
	133,354,544	70,579,959

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

Note	Un-audited For the nine months ended	
	September 30, 2023	September 30, 2022
----- Rupees '000 -----		
26 PROFIT / RETURN EXPENSED		
On:		
Deposits	59,707,194	30,036,118
Securities sold under repurchase agreements	143,381	4,881,490
Shariah Compliant Open Market Operations and Ceiling facility from SBP	10,671,451	2,133,612
Other short term borrowings	19,151	311,043
Due to SBP	3,800,325	1,286,540
Musharaka acceptances	4,983,418	1,113,770
Lease liability against right-of-use assets	1,131,541	897,974
Cost of foreign currency swaps against foreign currency deposits / dues	3,754,857	2,980,981
	<u>84,211,318</u>	<u>43,641,528</u>
27 FEE AND COMMISSION INCOME		
Branch banking customer fees	812,808	706,160
Consumer finance related fees	465,459	428,356
Card related fees	3,166,063	2,013,192
Credit related fees	29,904	8,218
Investment banking fees	188,740	233,971
Commission on trade	489,739	463,306
Commission on guarantees	150,962	131,314
Commission on cash management	113,163	68,722
Commission on remittances including home remittances	582,802	483,760
Commission on bancatakaful	99,331	146,961
Commission on sale of funds unit	200,708	129,387
Others	89,718	50,347
	<u>6,389,397</u>	<u>4,863,694</u>
28 (LOSS) / GAIN ON SECURITIES		
Realised - net	28.1 (1,992,260)	(1,226,249)
Unrealised - held for trading - net	-	9,180
	<u>(1,992,260)</u>	<u>(1,217,069)</u>
28.1 Realised (loss) / gain on:		
Federal Government securities	(305,347)	(65,430)
Shares	(1,711,496)	(1,137,718)
Mutual funds	(23,605)	12,155
Associates	48,188	(35,256)
	<u>(1,992,260)</u>	<u>(1,226,249)</u>
29 OTHER INCOME		
Rent on property	170,509	165,926
Gain on disposal of fixed assets - net	14,446	26,413
Notice pay	4,651	592
Others	550	4,640
	<u>190,156</u>	<u>197,571</u>

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

		Un-audited	
		For the nine months ended	
Note		September 30, 2023	September 30, 2022
		Rupees '000	
30	OPERATING EXPENSES		
	Total compensation expense	10,855,706	7,547,589
	Property expense		
	Rent and taxes	177,642	265,170
	Takaful	104,363	65,243
	Utilities cost	1,346,403	1,008,108
	Security (including guards)	1,039,543	723,617
	Repair and maintenance (including janitorial charges)	775,419	498,699
	Depreciation on owned fixed assets	624,198	410,470
	Depreciation on non-banking assets	3,761	3,724
	Depreciation on right-of-use assets	1,419,272	1,183,721
	Others	191,390	113,952
		5,681,991	4,272,704
	Information technology expenses		
	Software maintenance	2,963,645	1,498,531
	Hardware maintenance	369,894	251,708
	Depreciation on owned fixed assets	400,235	275,621
	Amortisation	232,756	137,311
	Network charges	233,609	199,705
		4,200,139	2,362,876
	Other operating expenses		
	Directors' fees and allowances	120,535	97,623
	Legal and professional charges	106,827	121,748
	Outsourced services costs - staff	543,629	355,052
	Travelling and conveyance	213,110	121,538
	NIFT clearing charges	60,940	32,530
	Depreciation	502,195	361,873
	Training and development	52,250	11,577
	Postage and courier charges	235,946	176,811
	Communication	686,337	281,856
	Marketing, advertisement and publicity	1,274,365	691,244
	Donations	113,215	88,257
	Auditors remuneration	24,419	24,120
	Takaful	579,443	816,796
	Stationery and printing	518,276	371,028
	Bank fees and charges	160,603	96,438
	Brokerage and commission	28,136	33,948
	Deposit protection premium	532,404	452,995
	Credit card bonus points redemption	355,868	152,699
	Others	636,510	479,977
		6,745,008	4,768,110
		27,482,844	18,951,279
31	OTHER CHARGES		
	Penalties imposed by the State Bank of Pakistan	4,146	17,386
32	PROVISIONS AND WRITE-OFFS - NET		
	Provision / (reversal of provision) against diminution in value of investments	611,770	(129,046)
	Provision / (reversal of provision) against financing	3,395,755	(374,515)
	Provision / (reversal of provision) against other assets	2,326	(30,335)
	Bad debts written-off directly	44,462	101,252
	Recoveries of written-off / charged-off bad debts	(361,007)	(283,712)
	Provision / (reversal of provision) against off balance sheet obligations	202,460	(19,373)
	Impairment charged for non banking asset	41,525	-
		3,937,291	(735,729)

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

33 TAXATION

	Un-audited	
	For the nine months ended	For the nine months ended
	September 30, 2023	September 30, 2022
	Rupees '000	
Current	12,754,975	7,440,953
Prior periods	125,000	(1,038,275)
Deferred	(811,151)	960,489
	<u>12,068,824</u>	<u>7,363,167</u>

34 BASIC / DILUTED EARNINGS PER SHARE

	Un-audited			
	For the quarter ended	For the quarter ended	For the nine months ended	For the nine months ended
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	Rupees '000			
Profit after tax for the period	<u>4,518,445</u>	<u>3,279,197</u>	<u>12,043,702</u>	<u>7,660,969</u>
	Number of shares in thousands			
Weighted average number of ordinary shares	<u>1,517,697</u>	<u>1,517,697</u>	<u>1,517,697</u>	<u>1,517,697</u>
	Rupees			
Basic earnings per share	<u>2.98</u>	<u>2.16</u>	<u>7.94</u>	<u>5.05</u>

34.1 Diluted earnings per share has not been presented as the Bank does not have any convertible instruments in issue at September 30, 2023 and September 30, 2022 which would have any effect on the earnings per share if the option to convert is exercised.

35 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

35.1 Fair value of financial assets

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

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

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

September 30, 2023 (Un-audited)				
	Level 1	Level 2	Level 3	Total
Rupees '000				
On-balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	486,671,283	-	486,671,283
Shares	3,409,272	107,539	-	3,516,811
Non-Government debt securities	47,382,000	2,381,586	-	49,763,586
Financial assets - disclosed but not measured at fair value				
Investments				
Non-Government debt securities	-	7,367,381	-	7,367,381
Non-financial assets - measured at fair value				
Fixed assets (land and buildings)	-	-	17,668,479	17,668,479
Non-banking assets acquired in satisfaction of claims	-	-	2,665,713	2,665,713
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	49,948,134	-	49,948,134
Forward sale of foreign exchange	-	10,612,398	-	10,612,398
Derivatives sales	-	1,846,774	-	1,846,774
December 31, 2022 (Audited)				
	Level 1	Level 2	Level 3	Total
Rupees '000				
On-balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	402,310,029	-	402,310,029
Shares	8,171,293	1,351,312	-	9,522,605
Non-Government debt securities	47,380,000	2,485,260	-	49,865,260
Financial assets - disclosed but not measured at fair value				
Investments				
Non-Government debt securities	-	4,862,086	-	4,862,086
Non-financial assets - measured at fair value				
Fixed assets (land and buildings)	-	-	17,325,720	17,325,720
Non-banking assets acquired in satisfaction of claims	-	-	3,167,480	3,167,480
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	50,919,583	-	50,919,583
Forward sale of foreign exchange	-	6,264,654	-	6,264,654
Derivatives sales	-	1,510,401	-	1,510,401

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

Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
Pakistan Investment Bonds	Fair values of Pakistan Investment Bonds are derived using the PKFRV / PKFRV rates.
Ijara Sukuk	Fair values of GoP Ijara Sukuk are derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters. These rates denote an average of quotes received from different pre-defined / approved dealers / brokers.
Unlisted ordinary shares	Break-up value determined on the basis of the NAV of the company using the latest available audited financial statements.
Term Finance Certificates (TFCs) and Sukuk Certificates	Fair values of Sukuk certificates are determined using the MUFAP or PSX rates.

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

Item	Valuation approach and input used
Forward foreign exchange contracts	The valuation has been determined by interpolating the mark-to-market currency rates announced by the State Bank of Pakistan.
Derivative instruments	The Bank enters into derivative contracts with various counterparties. Derivatives that are valued using valuation techniques with market observable inputs are mainly interest rate swaps, cross currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations.
Mutual funds	Units of mutual funds are valued using the net asset value (NAV) announced by the Mutual Funds Association of Pakistan (MUFAP).

Valuation techniques used in determination of fair values within level 3

Item	Valuation approach and input used
Fixed assets (land and buildings)	Land and buildings are revalued by professionally qualified valuers as per the accounting policy disclosed in the unconsolidated financial statements of the Bank for the year ended December 31, 2022.
Non-banking assets acquired in satisfaction of claims	NBAs are valued by professionally qualified valuers as per the accounting policy disclosed in the unconsolidated financial statements of the Bank for the year ended December 31, 2022.

The valuations, mentioned above, are conducted by the valuation experts appointed by the Bank which are also on the panel of the Pakistan Banks' Association (PBA). The valuation experts use a market based approach to arrive at the fair value of the Bank's properties. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a quantitative disclosure of sensitivity has not been presented in these condensed interim unconsolidated financial statements.

36 SEGMENT INFORMATION

36.1 Segment details with respect to business activities

2023					
Retail	CIBG	Treasury	SAM	Others	Total

----- Rupees '000 -----

Profit and loss account for the nine months ended September 30, 2023 (Un-audited)

External funded revenue	(35,899,244)	47,031,444	46,720,093	152,349	(8,861,416)	49,143,226
Inter segment revenue - net	73,071,001	(44,701,922)	(44,507,032)	(147,920)	16,285,873	-
External non-funded revenue	5,711,261	1,107,977	1,304,162	4,961	(1,203,544)	6,924,817
Total income	42,883,018	3,437,499	3,517,223	9,390	6,220,913	56,068,043
Segment direct expenses	25,231,559	1,906,427	420,851	459,389	-	28,018,226
Inter segment expense allocation	496,237	(316,756)	(29,530)	(149,951)	-	-
Total expenses	25,727,796	1,589,671	391,321	309,438	-	28,018,226
Provisions	(13,496)	281,531	660,951	(534,961)	3,543,266	3,937,291
Profit before tax	17,168,718	1,566,297	2,464,951	234,913	2,677,647	24,112,526

Statement of financial position as at September 30, 2023 (Un-audited)

Cash and bank balances	27,322,273	-	52,345,134	-	-	79,667,407
Due from financial institutions	-	-	-	-	-	-
Investments	150,000	9,765,020	541,310,598	3,099,116	-	554,324,734
- Investment provision	-	-	(1,958,622)	(1,937,498)	-	(3,896,120)
Net inter segment lending	730,723,388	-	-	-	(730,723,388)	-
Financing - performing	95,801,762	386,325,794	-	-	8,731,375	490,858,931
Financing - non-performing	4,333,399	5,833,505	-	12,495,382	74,066	22,736,352
- Financing- provisions	(3,286,701)	(4,586,517)	-	(11,510,165)	(3,382,516)	(22,765,899)
Others	22,158,629	11,631,443	40,216,839	138,797	55,198,753	129,344,461
Total assets	877,202,750	408,969,245	631,913,949	2,285,632	(670,101,710)	1,250,269,866

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

	2023					
	Retail	CIBG	Treasury	SAM	Others	Total
	Rupees '000					
Due to financial institutions	10,805,676	68,391,887	53,696,775	-	-	132,894,338
Subordinated Sukuk	-	-	-	-	-	-
Deposits and other accounts	812,381,303	65,337,864	-	412,314	71,435,384	949,566,865
Net inter segment borrowing	-	274,323,638	584,593,925	1,861,415	(860,778,978)	-
Others	54,015,771	915,856	(4,789,892)	11,903	38,976,572	89,130,210
Total liabilities	877,202,750	408,969,245	633,500,808	2,285,632	(750,367,022)	1,171,591,413
Equity	-	-	(1,586,859)	-	80,265,312	78,678,453
Total equity and liabilities	877,202,750	408,969,245	631,913,949	2,285,632	(670,101,710)	1,250,269,866
Contingencies and commitments	34,421,468	84,237,488	105,952,873	1,776,622	2,604,354	228,992,805
	2022					
	Retail	CIBG	Treasury	SAM	Others	Total
	Rupees '000					
Profit and loss account for the nine months ended September 30, 2022 (un-audited)						
External funded revenue	(19,442,046)	24,358,248	21,977,943	173,838	(129,552)	26,938,431
Inter segment revenue - net	38,158,346	(21,956,003)	(20,511,019)	209,324	4,099,352	-
External non-funded revenue	4,456,267	1,540,515	1,645,276	(196,663)	(814,587)	6,630,808
Total income	23,172,567	3,942,760	3,112,200	186,499	3,155,213	33,569,239
Segment direct expenses	11,240,135	600,494	219,963	124,251	7,095,989	19,280,832
Inter segment expense allocation	6,289,592	572,737	119,724	113,936	(7,095,989)	-
Total expenses	17,529,727	1,173,231	339,687	238,187	-	19,280,832
Provisions	(399,274)	417,798	(65,454)	(684,932)	(3,867)	(735,729)
Profit before tax	6,042,114	2,351,731	2,837,967	633,244	3,159,080	15,024,136
Statement of financial position as at December 31, 2022 (audited)						
Cash and bank balances	19,076,053	-	39,839,531	-	-	58,915,584
Due from financial institutions	-	-	9,815,098	-	-	9,815,098
Investments	100,000	7,374,123	460,915,716	3,205,813	1,139,893	472,735,545
- Investment provision	-	-	(1,297,552)	(1,986,798)	-	(3,284,350)
Net inter segment lending	651,190,684	-	-	-	(651,190,684)	-
Financing- performing	101,531,845	342,314,662	-	-	8,044,744	451,891,251
Financing- non-performing	3,463,386	5,586,833	-	12,444,525	203,639	21,698,383
- Financing- provisions	(2,901,661)	(4,304,986)	-	(11,990,203)	(132,176)	(19,329,026)
Others	16,922,119	8,226,633	13,875,498	(1,820,592)	44,706,720	81,910,378
Total assets	789,382,426	359,197,265	523,148,291	(147,255)	(597,227,864)	1,074,352,863
Due to financial institutions	9,147,902	78,339,254	62,647,240	-	-	150,134,396
Subordinated sukuk	-	-	-	-	-	-
Deposits and other accounts	729,757,619	51,202,938	-	156,164	454,009	781,570,730
Net inter segment borrowing	-	229,099,012	459,708,176	(302,624)	(688,504,564)	-
Others	50,476,905	556,061	2,638,487	(795)	18,893,668	72,564,326
Total liabilities	789,382,426	359,197,265	524,993,903	(147,255)	(669,156,887)	1,004,269,452
Equity	-	-	(1,845,612)	-	71,929,023	70,083,411
Total equity and liabilities	789,382,426	359,197,265	523,148,291	(147,255)	(597,227,864)	1,074,352,863
Contingencies and commitments	13,526,449	42,770,878	152,472,992	1,361,513	1,205,898	211,337,730

The Bank has related party transactions with its parent, subsidiary, associates, employee benefit plans and its directors and key management personnel.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with persons of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim unconsolidated financial statements, are as follows:

	September 30, 2023 (Un-audited)					December 31, 2022 (Audited)						
	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
						Rupees						
						100						

Rupees '000

Investments

Opening balance
Investment made during the period / year
Investment redeemed / sold during the period / year
Closing balance

Provision for diminution in value of investments

Islamic financing and related assets

Opening balance
Addition during the period / year
Repaid during the period / year
Closing balance

Provision held against advances

Fixed assets - right-of-use assets

Opening balance
Addition during the period / year
Disposals during the period / year
Depreciation for the period / year
Closing balance

Accumulated depreciation

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

	September 30, 2023 (Un-audited)					December 31, 2022 (Audited)						
	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
Other assets												
Profit / return accrued	-	-	5,536	-	-	25,904	-	-	1,081	-	-	79,923
Commission income receivable	-	-	-	22,396	-	-	-	-	-	12,025	-	-
Defined benefit plan asset	-	-	-	-	-	168,825	-	-	-	-	-	168,825
Maintenance and other receivables	-	-	-	8,775	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	1,784,560	-	-	-	-	-	3,302,249
	-	-	5,536	31,171	-	1,979,289	-	-	1,081	12,025	-	3,550,997
Deposits and other accounts												
Opening balance	4,595,199	58,656	105,177	20,087	57,393	26,038,101	328,397	51,148	178,430	55,236	15,350	9,900,472
Received during the period / year	656,431	159,392	1,458,589	23,531,560	579,300,338	26,732,966	4,595,017	88,829	1,951,839	19,350,507	3,243,262	603,296,210
Withdrawn during the period / year	(5,251,448)	(124,527)	(1,481,921)	(23,540,769)	(546,067,864)	(50,855,005)	(328,215)	(81,321)	(2,025,092)	(19,385,656)	(3,201,219)	(587,058,581)
Closing balance	182	93,521	81,845	10,878	33,289,867	1,916,062	4,595,199	58,656	105,177	20,087	57,393	26,038,101
Other liabilities												
Profit / return payable	-	973	281	103	572,680	16,575	-	429	594	179	355	319,447
Lease liability against right-of-use assets	-	-	-	-	-	-	-	-	-	12,833	-	-
Other liabilities	4,923,232	-	-	-	-	1,811,176	-	-	-	18,833	-	359,297
	4,923,232	973	281	103	572,680	1,827,751	-	429	594	31,845	355	678,744
Contingencies and commitments												
Trade related commitments *	-	-	-	-	-	204,046	-	-	-	-	-	10,603
	-	-	-	-	-	204,046	-	-	-	-	-	10,603

* represents outstanding guarantee

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.

37.1

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

RELATED PARTY TRANSACTIONS

	September 30, 2023 (Un-audited)					September 30, 2022 (Un-audited)						
	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiary	Associates	Other related parties
Rupees '000												
Income												
Profit / return earned	-	-	24,067	-	-	86,446	-	-	19,725	-	-	73,397
Fee and commission income	-	297	291	200,889	15,864	12,178	-	61	68	129,424	17	7,779
Dividend income	-	-	-	-	12,315	49,661	-	-	-	-	50,089	92,553
Net gain / (loss) on sale of securities	-	-	57	-	(13,671)	26,660	-	-	231	-	(35,256)	1,440
Maintenance income	-	-	-	6,130	-	-	-	-	-	5,721	-	-
Rent income	-	-	-	22,625	-	-	-	-	-	21,124	-	-
Expense												
Profit / return expensed	-	5,795	4,335	2,591	1,678,338	113,575	-	2,915	2,156	1,455	727	747,840
Charges on lease liability	-	-	-	885	-	-	-	-	-	273	-	-
Director's fee and other expenses	-	120,535	-	-	-	-	-	97,623	-	-	-	-
Remuneration	-	-	591,174	-	-	2,755	-	-	503,001	-	-	1,138
Subscription Fees	-	-	-	-	-	5,346	-	-	-	-	-	4,605
Commission expense	-	-	-	25,000	-	-	-	-	-	25,000	-	-
Charge for defined benefit plan	-	-	-	-	-	198,675	-	-	-	-	-	177,570
Contribution to defined contribution plan	-	-	-	-	-	281,366	-	-	-	-	-	207,437
Donations made during the period	-	-	-	-	-	113,215	-	-	-	-	-	88,257
(Reversal) / Provision against investment	-	-	-	-	-	(44,300)	-	-	-	-	-	-
Others												
Shares / units purchased during the period	-	-	-	-	14,196,909	-	-	-	-	-	-	9,575,000
Shares / units sold during the period	-	-	-	-	13,964,901	1,279,577	-	-	-	-	479,509	9,235,167
Government securities purchased during the period	-	-	26,800	-	-	-	-	-	245,765	-	-	1,738,360
Government securities sold during the period	-	-	86,301	-	-	1,932,162	-	-	250,004	-	-	3,145,468
Contribution to defined benefit plan	-	-	-	-	-	198,675	-	-	-	-	-	177,570
Acquisition of fixed assets	-	-	-	85,339	-	-	-	-	-	-	-	-

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

Un-audited
September 30,
2023

Audited
December 31,
2022

Rupees '000

38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum capital requirement (MCR):

Paid-up capital (net of losses)	15,176,965	15,176,965
---------------------------------	------------	------------

Capital adequacy ratio (CAR):

Eligible common equity tier 1 (CET 1) capital	64,771,578	55,718,084
Eligible additional tier 1 (ADT 1) capital	-	-
Total eligible tier 1 capital	64,771,578	55,718,084
Eligible tier 2 capital	13,664,478	11,155,422
Total eligible capital (tier 1 + tier 2)	78,436,056	66,873,506

Risk weighted assets (RWAs):

Credit risk	292,917,994	308,988,249
Market risk	28,751,520	51,454,833
Operational risk	71,817,545	71,817,545
Total	393,487,059	432,260,627

Common equity tier 1 capital adequacy ratio (in %)

16.46% 12.89%

Tier 1 capital adequacy ratio (in %)

16.46% 12.89%

Total capital adequacy ratio (in %)

19.93% 15.47%

Leverage ratio (LR):

Eligible tier-1 capital	64,771,578	55,718,084
Total exposures	1,434,078,184	1,237,857,649
Leverage ratio (in %)	4.52%	4.50%

Liquidity coverage ratio (LCR):

Total high quality liquid assets	482,209,188	368,486,552
Total net cash outflow	322,498,667	206,193,466
Liquidity coverage ratio (Ratio)	1.495	1.787

Net stable funding ratio (NSFR):

Total available stable funding	784,595,411	706,214,017
Total required stable funding	467,858,178	416,224,461
Net stable funding ratio (in %)	167.70%	169.67%

Notes to and forming part of the Condensed Interim Unconsolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

39 GENERAL

Comparative information has been re-classified, re-arranged or additionally incorporated in these condensed interim unconsolidated financial statements, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period. There have been no significant reclassifications during the period.

40 NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

The Board of Directors, in their meeting held on October 26, 2023 declared an interim cash dividend of Re. 1 per share (10%) for the nine months ended September 30, 2023. This is in addition to Re. 1 already paid during the year bringing the total dividend for nine months to Rs. 2 per share (September 30, 2022: Rs. 6).

41 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorised for issue on October 26, 2023 by the Board of Directors of the Bank.

Directors' Report

Consolidated Financial Statements

On behalf of the Board of Directors, we are pleased to present the Consolidated Directors' Report of Faysal Bank Limited Group, along with unaudited condensed interim consolidated financial statements for the quarter and nine months ended September 30, 2023.

Group Profile

Faysal Bank Ltd. (FBL) has 99.9% shareholding in Faysal Asset Management Limited (FAML). FAML is an unlisted public limited company registered as a Non-Banking Finance Company (NBFC), licensed to carry out asset management and investment advisory services under the Non-Banking Finance Companies (Establishment & Regulations) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Mutual funds managed by FAML are considered as associates as the Bank has significant influence over such funds:

Associates

- Faysal Islamic Pension Fund - Debt
- Faysal Islamic Pension Fund - Equity
- Faysal Halal Amdani Fund
- Faysal Islamic Sovereign Fund - FISP-I
- Faysal Islamic Pension Fund - Money Market
- Faysal Islamic Savings Growth Fund
- Faysal Islamic Special Income Fund - FISIP-I
- Faysal Islamic Stock Fund
- Faysal Pension Fund - Debt
- Faysal Pension Fund - Equity
- Faysal Pension Fund - Money Market
- Faysal Special Savings Fund - FSSP-I
- Faysal Islamic Financial Growth Fund - FIFGP-I
- Faysal Special Savings Fund - FSSP-II
- Faysal Special Savings Fund - FSSP-III
- Faysal Stock Fund

FBL Group structure is as follows:

- Holding Company : Faysal Bank Limited
- Subsidiary : Faysal Asset Management Limited

Financial Highlights:

Key Balance Sheet Numbers	Rs. in million		
	September '23	December '22	Growth %
Investment	550,572	469,308	17.3
Financing	490,829	454,261	8.1
Total Assets	1,251,313	1,075,006	16.4
Deposits	949,561	781,556	21.5

Profit & Loss Account	Rs. in million		
	September '23	September '22	Growth %
Total Revenue	56,652	34,018	66.5
Total Expenses	28,275	19,487	45.1
Profit before tax and provisions	28,377	14,531	95.3
Net Provisions	3,937	(736)	-634.9
Share of profit from associates	81	21	285.7
Profit before tax	24,521	15,288	60.4
Tax	12,212	7,468	63.5
Profit after tax	12,309	7,820	57.4
Earnings per share (Rupees)	8.11	5.15	57.4

This year holds special significance for the Bank, as we joyfully commemorate our first year operating as a full-fledged Islamic Bank. Through steadfast dedication to achieving excellence, we have achieved outstanding financial results and unparalleled expansion. On a consolidated basis, the Group achieved a record Profit Before Tax (PBT) of PKR 24.5 billion, showcasing an impressive increase of 60.4% compared to the corresponding period last year. Profit After Tax (PAT) rose to PKR 12.3 billion in 9m'23 representing a 57.4% increase from PKR 7.8 billion in 9m'22. Consequently, Earnings Per Share surged from PKR 5.15 to PKR 8.11 exhibiting a commendable rise.

FAML continued to show improvement in performance and Assets Under Management (AUMs) as of September 30, 2023 were PKR 110 billion. FAML made Profit After Tax of PKR 283 million during the nine months ended under review registering a 33% growth over the same period last year. The strong financial performance of FAML is commendable considering the bearish stock market conditions prevailing during the period under review.

Credit Rating

VIS Credit Rating Company Limited (VIS) and Pakistan Credit Rating Agency Limited (PACRA) have re-affirmed the following entity ratings to Faysal Bank Ltd:

Long-Term	AA
Short-Term	A1+

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

VIS has assigned Management Quality rating of AM2++ to FAML. The rating signifies asset manager exhibiting very good management characteristics.

Holding Company

Ithmaar Bank B.S.C (closed), a banking entity regulated by the Central Bank of Bahrain is the parent company holding directly and indirectly 66.78% (2022: 66.78%) of the shareholding in Faysal Bank Ltd. Ithmaar Bank B.S.C. (closed) is a wholly owned subsidiary of Ithmaar Holdings B.S.C. and Dar Al-Maal Al-Islami Trust (DMIT) is the holding entity of Ithmaar Holding

B.S.C. and ultimate parent of the Group. DMIT was formed by indenture under the laws of the Commonwealth of The Bahamas for the purpose of conducting business affairs in conformity with Islamic law, principles and tradition.

Dividend

The Board of Directors, in their meeting held on October 26, 2023 declared an interim cash dividend of Re. 1 per share (10%) for the nine months ended September 30, 2023. This is in addition to Re. 1 already paid during the year bringing the total dividend for nine months to Rs. 2 per share (September 30, 2022: Rs. 6).

Acknowledgement

On behalf of the Board and Management, we extend our gratitude to our esteemed shareholders for their unwavering support. We are indebted to our customers for doing business with FBL. We would like to place on record our appreciation for regulators and the Government of Pakistan; the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan for their continued support and guidance and for developing and strengthening the banking and financial services sector through continuous improvement in the regulatory and governance framework.

As always, we would also like to express sincere appreciation for the Shariah Board. We would also like to take this opportunity to recognize and commend the unwavering commitment and exceptional efforts exhibited by our employees who are driving forward the growth and expansion in all aspects. We extend our heartfelt thanks to them for their relentless dedication and hard work.

Approval

In compliance with the requirement of the Companies Act, 2017, this Directors' Report with the recommendation of the Board Audit and Corporate Governance Committee has been approved by the Directors in their meeting held on October 26, 2023 and signed by the Chief Executive Officer and a director.

President & CEO

Islamabad
Dated: October 26, 2023

Chairman

ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے 26 اکتوبر 2023 کو منعقدہ اپنے اجلاس میں 30 ستمبر 2023 کو ختم ہونے والے 9 ماہ کے لیے 1 روپیہ فی حصص (10%) روپے کے عبوری نقد ڈیویڈنڈ کا اعلان کیا۔ یہ پہلے ادا شدہ ایک روپیہ فی حصص کے علاوہ ہے سال کے دوران ادا کر دیا گیا اس طرح 9 ماہ کے لیے کل ڈیویڈنڈ 2 روپے فی حصص ہو گیا (30 ستمبر 2022: 6 روپے)۔

توثیقی بیان

ہم بورڈ اور گروپ انتظامیہ کی جانب سے حصص مالکان اور قابل احترام کسٹمرز کا شکریہ ادا کرنا چاہتے ہیں کہ انہوں نے بینک پر اپنے اعتماد کا اظہار کیا ہے۔ تعاون اور رہنمائی کا سلسلہ جاری رکھنے پر اور ایک مسلسل بہتری کے لیے بینکاری اور فنانشل سروسز سے متعلق ریگولیٹری اور گورننس فریم ورک بنانے پر ہم حکومت پاکستان، بینک دولت پاکستان اور سیکیورٹیز اینڈ ایکس چینج کمیشن آف پاکستان کے بھی شکر گزار ہیں۔

ہمیشہ کی طرح گروپ کی بھرپور ترقی یقینی بنانے کے لیے پوری لگن اور تن دہی سے کام کرنے پر ہم شریعہ بورڈ اور بینک ملازمین کے بھی بے حد مشکور ہیں۔ ہم ان کی مخلصانہ کوششوں اور سخت محنت کے لیے شکر گزار ہیں۔

منظوری

کمپنیز ایکٹ 2017 کی شرائط کے تحت، بورڈ آڈٹ اور کارپوریٹ گورننس کمیٹی کی سفارش کے ساتھ اس ڈائریکٹرز رپورٹ کو 26 اکتوبر، 2023 کو منعقدہ اجلاس میں ڈائریکٹرز کی جانب سے منظور کیا گیا ہے اور اس پر چیف ایگزیکٹو آفیسر اور ایک ڈائریکٹر نے دستخط کر دیئے ہیں۔

چیئرمین

صدر اور سی ای او

اسلام آباد

26 اکتوبر 2023

رجسٹر کیا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 57.4 فیصد زیادہ ہے۔ نتیجے میں ہر ایک شیئر پر منافع 5.15 روپے سے بڑھ کر 8.11 روپے رہا جو کہ ایک قابل تعریف کارکردگی کی علامت ہے۔

FAML نے کارکردگی میں بہتری کا سلسلہ جاری رکھا اور 30 ستمبر 2023 تک ایسٹ انڈر مینجمنٹ (AUMs) 110 بلین تھے۔ FAML نے زیر جائزہ مدت کے دوران 283 ملین روپے کا بعد از ٹیکس منافع کمایا جو پچھلے سال کی اسی مدت کے مقابلے میں 33 فیصد زائد ہے۔ زیر جائزہ مدت کے دوران سٹاک مارکیٹ کی مندی کے حالات کو دیکھتے ہوئے FAML کی مضبوط مالی کارکردگی قابل ستائش ہے۔

کریڈٹ ریٹنگ

وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) اور پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے درج ذیل درجہ بندی کی توثیق کی ہے:

طویل المیعاد:	AA
قلیل المیعاد:	A1+

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

وی آئی ایس کریڈٹ ریٹنگ کمپنی نے ایف اے ایم ایل کے لیے مینجمنٹ کو الٹی ریٹنگ ++AM2 تفویض کی ہے۔ ریٹنگ میں اضافے سے ثابت ہوتا ہے کہ منتظمین بہت اچھی کارکردگی کی خصوصیات کے حامل ہیں۔

ہولڈنگ کمپنی

اتمار بینک بی۔ ایس۔ سی (کلوزڈ)، جو کہ سینٹرل بینک آف بحریں کالائسنس یافتہ ادارہ ہے، جو بالواسطہ اور بلاواسطہ طور پر بینک کے 66.78 فیصد (2022 میں 66.78 فیصد) حصص کے ساتھ بینک کا سربراہ ادارہ ہے۔ اتمار بینک بی۔ ایس۔ سی (کلوزڈ)، اتمار ہولڈنگ بی۔ ایس۔ سی کی مکمل ملکیت کا ذیلی ادارہ ہے اور دارالمال الاسلامی ٹرسٹ (ڈی ایم آئی ٹی) فیصل بینک کا اعلیٰ ترین سربراہی ادارہ ہے۔ ڈی ایم آئی ٹی کا قیام کامن ویلتھ آف بہماس کے قوانین کے تحت عمل میں آیا تاکہ اسلامی قوانین، اصولوں اور روایات کے مطابق کاروباری امور انجام دیئے جائیں۔

ایف بی ایل گروپ میں درج ذیل شامل ہیں:

ہولڈنگ کمپنی : فیصل بینک لمیٹڈ
ذیلی ادارہ : فیصل ایسٹ مینجمنٹ لمیٹڈ

مالیاتی جھلکیاں:

(ملین روپے)			
بیلنس شیٹ کے نمایاں اعداد و شمار	ستمبر ۲۰۲۳ء	دسمبر ۲۰۲۲ء	نمو %
سرمایہ کاری	550,572	469,308	17.3
فنانسنگ	490,829	454,261	8.1
کل اثاثہ جات	1,251,313	1,075,006	16.4
ڈپازٹس	949,561	781,556	21.5
(ملین روپے)			
نفع اور نقصان اکاؤنٹ	ستمبر ۲۰۲۳ء	ستمبر ۲۰۲۲ء	نمو %
مجموعی آمدنی	56,652	34,018	66.5
کل اخراجات	28,275	19,487	45.1
منافع قبل از ٹیکس اور پروویژن	28,377	14,531	95.3
نیٹ پروویژن	3,937	(736)	(634.9)
ایسوسی ایٹس کے منافع کا حصہ	81	21	285.7
منافع قبل از ٹیکس	24,521	15,288	60.4
ٹیکسز	12,212	7,468	63.5
منافع بعد از ٹیکس	12,309	7,820	57.4
فی حصص آمدن (روپے)	8.11	5.15	57.4

یہ سال بینک کے لیے خاص اہمیت کا حامل ہے، کیونکہ ہم بحیثیت اسلامی بینک کام کرتے ہوئے اپنے پہلے سال کو فخریہ انداز میں منارہے ہیں۔ برتری کے حصول کے لیے مستقل لگن کے ذریعے، ہم نے شاندار مالیاتی نتائج اور بے مثال توسیع حاصل کی ہے۔ مشترکہ بنیادوں پر، گروپ نے بعد از محصول منافع 24.5 بلین روپے کمایا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 60.4 فیصد کے ساتھ متاثر کن ہے۔ فیصل بینک نے زیر جائزہ 9 ماہ کے دوران بعد از محصول منافع 12.3 بلین روپے

ڈائریکٹرز کا جائزہ

کنسولیدیٹڈ مالیاتی گوشوارے

ہم بورڈ آف ڈائریکٹرز کی طرف سے، آپ کی خدمت میں 30 ستمبر 2023 کو ختم ہونے والی سہ ماہی اور 9 ماہ کے لیے فیصل بینک لمیٹڈ گروپ کی کنسولیدیٹڈ رپورٹ، ڈائریکٹر رپورٹ، غیر آڈٹ شدہ منجمد عبوری مالیاتی گوشواروں کے ساتھ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

گروپ پروفائل

فیصل بینک لمیٹڈ (FBL) نے فیصل ایسیٹ مینجمنٹ لمیٹڈ (FAML) کے 99.9% حصص حاصل کر لیے ہیں۔ ایف اے ایم ایل ایک ان-لسٹڈ پبلک لمیٹڈ کمپنی ہے جو کہ نان-بینکنگ فنانس کمپنی (این بی ایف سی) کے طور پر رجسٹرڈ ہے، جس کے پاس نان-بینکنگ فنانس کمپنیز (اسٹیبلشمنٹ اینڈ ریگولیشن) رولز، 2003 اور نان-بینکنگ فنانس کمپنیز اینڈ نوٹیفائیڈ انٹائٹلز ریگولیشنز، 2008 کے تحت ایسیٹ مینجمنٹ اور سرمایہ کاری کے لیے ایڈوائزری سروسز فراہم کرنے کا لائسنس ہے۔

FAML کے زیر انتظام درج ذیل میوچل فنڈز ایسوسی ایشن شمار ہوتے ہیں بینک کو ان پر اہم حیثیت حاصل ہے:

ایسوسی ایشن

- فیصل اسلامک پینشن فنڈ، ڈیٹ
- فیصل اسلامک پینشن فنڈ، ایکوئیٹی
- فیصل حلال آمدنی فنڈ
- فیصل اسلامک ساورن فنڈ، FISP-I
- فیصل اسلامک پینشن فنڈ، منی مارکیٹ
- فیصل اسلامک سیونگ گروتھ فنڈ
- فیصل اسلامک اسپیشل انکم فنڈ، FISP-II
- فیصل اسلامک اسٹاک فنڈ
- فیصل پینشن فنڈ، ڈیٹ
- فیصل پینشن فنڈ، ایکوئیٹی
- فیصل پینشن فنڈ، منی مارکیٹ
- فیصل اسپیشل سیونگز فنڈ، FSSP-I
- فیصل اسلامک فنانشل گروتھ فنڈ، FIFGP
- فیصل اسپیشل سیونگز فنڈ، FSSP-II
- فیصل اسپیشل سیونگز فنڈ، FSSP-III
- فیصل اسٹاک فنڈ

Condensed Interim Consolidated Statement of Financial Position

As at September 30, 2023

		Un-audited September 30, 2023	Audited December 31, 2022
Note		Rupees '000	
ASSETS			
Cash and balances with treasury banks	10	78,907,577	56,130,598
Balances with other banks	11	759,993	2,785,113
Due from financial institutions	12	-	9,815,098
Investments - net	13	550,571,621	469,308,034
Islamic financing and related assets - net	14	490,829,384	454,260,608
Fixed assets	15	38,222,129	35,196,154
Intangible assets	16	2,592,305	2,341,852
Deferred tax assets	21	-	-
Other assets - net	17	89,429,922	45,169,012
		1,251,312,931	1,075,006,469
LIABILITIES			
Bills payable	18	15,168,857	21,309,950
Due to financial institutions	19	132,894,338	150,134,396
Deposits and other accounts	20	949,560,634	781,556,223
Subordinated sukuk		-	-
Deferred tax liabilities	21	22,657	744,088
Other liabilities	22	74,172,483	50,647,609
		1,171,818,969	1,004,392,266
		79,493,962	70,614,203
NET ASSETS			
REPRESENTED BY			
Share capital		15,176,965	15,176,965
Reserves		14,026,212	11,675,968
Surplus on revaluation of assets - net	23	10,226,932	10,669,662
Unappropriated profit		40,063,531	33,091,551
Total equity attributable to the equity holders of the Bank		79,493,640	70,614,146
Non-controlling interest		322	57
		79,493,962	70,614,203

CONTINGENCIES AND COMMITMENTS

24

The annexed notes 1 to 42 form an integral part of these condensed interim consolidated financial statements.

PRESIDENT & CEO

CHIEF FINANCIAL OFFICER

CHAIRMAN

DIRECTOR

DIRECTOR

Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For the quarter and nine months ended September 30, 2023

		Quarter ended		Nine months ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Note		Rupees '000			
Profit / return earned on Islamic financing and related assets, investments and placements	26	51,251,885	29,765,754	133,358,372	70,582,200
Profit / return on deposits and other dues expensed	27	32,839,065	19,067,191	84,207,717	43,650,568
Net profit / return		18,412,820	10,698,563	49,150,655	26,931,632
OTHER INCOME					
Fee and commission income	28	2,447,083	1,790,291	6,960,499	5,313,602
Dividend income		21,663	19,343	231,646	368,913
Foreign exchange income		454,793	813,647	2,126,468	2,242,692
Loss / Income from derivatives		(143,762)	77,031	(27,420)	126,929
Loss on securities	29	(409,661)	(389,030)	(1,945,145)	(1,141,833)
Other income	30	51,020	51,320	155,008	176,411
		2,421,136	2,362,602	7,501,056	7,086,714
Total income		20,833,956	13,061,165	56,651,711	34,018,346
OTHER EXPENSES					
Operating expenses	31	9,870,026	6,828,293	27,739,074	19,157,675
Workers Welfare Fund		195,733	133,138	531,236	312,167
Other charges	32	1,586	12,672	4,146	17,386
Total other expenses		10,067,345	6,974,103	28,274,456	19,487,228
Share of profit of associates	13.5	112,892	147,602	80,827	21,105
Profit before provisions		10,879,503	6,234,664	28,458,082	14,552,223
Provisions and write-offs - net	33	1,612,187	(330,071)	3,937,291	(735,729)
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		9,267,316	6,564,735	24,520,791	15,287,952
Taxation	34	4,618,285	3,102,835	12,212,119	7,468,348
PROFIT AFTER TAXATION		4,649,031	3,461,900	12,308,672	7,819,604
Attributable to:					
Equity holders of the Bank		4,648,900	3,461,889	12,308,407	7,819,583
Non-controlling interest		131	11	265	21
		4,649,031	3,461,900	12,308,672	7,819,604
		Rupees			
Basic / diluted earnings per share	35	3.06	2.28	8.11	5.15

The annexed notes 1 to 42 form an integral part of these condensed interim consolidated financial statements.

PRESIDENT & CEO

CHIEF FINANCIAL OFFICER

CHAIRMAN

DIRECTOR

DIRECTOR

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

For the quarter and nine months ended September 30, 2023

	Quarter ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
----- Rupees '000 -----				
Profit after taxation for the period	4,649,031	3,461,900	12,308,672	7,819,604
Other comprehensive income / (loss)				
Items that may be reclassified to the profit and loss account in subsequent periods:				
- Movement in surplus on revaluation of investments - net of tax	327,992	(312,880)	193,984	(1,328,895)
Total comprehensive income	4,977,023	3,149,020	12,502,656	6,490,709
Attributable to:				
Equity holders of the Bank	4,976,892	3,149,009	12,502,391	6,490,688
Non-controlling interest	131	11	265	21
	4,977,023	3,149,020	12,502,656	6,490,709

The annexed notes 1 to 42 form an integral part of these condensed interim consolidated financial statements.

Condensed Interim Consolidated Statement Of Changes In Equity

For the nine months ended September 30, 2023

	Reserves					Surplus / (deficit) on revaluation of			Unappropriated profit	Non-controlling interest	Total	
	Share capital	Capital Reserves		Statutory reserve	Total	Investments	Fixed assets / non-banking assets					
		Share premium	Non-distributable capital reserve (NCR) - gain on bargain purchase				Reserve arising on amalgamation	Total				
Rupees '000												
Balance as at January 1, 2022 (Audited)	15,176,965	10,131	325,418	23,952	12,253,682	12,613,183	111,599	6,949,984	7,061,583	31,278,631	38	66,130,400
Profit after taxation for the nine months ended September 30, 2022	-	-	-	-	-	-	-	-	7,819,583	21	7,819,604	
Other comprehensive loss - net of tax	-	-	-	-	-	(1,328,895)	-	(1,328,895)	-	-	-	(1,328,895)
Total comprehensive (loss) / income	-	-	-	-	-	(1,328,895)	-	(1,328,895)	7,819,583	21	6,490,709	
Transfer to statutory reserve	-	-	-	-	1,532,194	1,532,194	-	-	-	(1,532,194)	-	-
Transaction with owners, recorded directly in equity												
Final cash dividend declared on February 23, 2022 at Rs. 1 per share	-	-	-	-	-	-	-	-	(1,517,100)	-	-	(1,517,100)
1st Interim cash dividend declared on August 25, 2022 at Rs. 0.5 per share	-	-	-	-	-	-	-	-	-	(758,848)	-	(758,848)
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	(78,069)	(78,069)	78,069	-	-	-
Amortisation of intangible assets - customer relationship - net of tax	-	-	(56,445)	-	-	(56,445)	-	-	-	-	-	(56,445)
Balance as at September 30, 2022 (Un-audited)	15,176,965	10,131	268,973	23,952	13,785,676	14,088,932	(1,217,296)	6,871,915	5,654,619	35,368,141	59	70,288,716
Profit after taxation for the period from October 1, 2022 to December 31, 2022	-	-	-	-	-	-	-	-	-	3,618,060	(2)	3,618,058
Other comprehensive (loss) / income - net of tax	-	-	-	-	-	(607,468)	5,646,688	5,039,220	27,244	-	-	5,066,464
Total comprehensive (loss) / income	-	-	-	-	-	(607,468)	5,646,688	5,039,220	3,645,304	(2)	8,684,522	
Transfer from statutory reserve	-	-	-	-	(3,115,700)	(3,115,700)	-	-	-	3,115,700	-	-
Transfer to statutory reserve	-	-	-	-	714,440	714,440	-	-	-	(714,440)	-	-
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	(19,200)	(19,200)	19,200	-	-	-
Transfer from surplus on revaluation of fixed assets on disposal - net of tax	-	-	-	-	-	-	(4,977)	(4,977)	4,977	-	-	-
Amortisation of intangible assets - customer relationship - net of tax	-	-	(11,704)	-	-	(11,704)	-	-	-	-	-	(11,704)
Transaction with owners, recorded directly in equity												
2nd interim cash dividend declared on October 27, 2022 at Rs. 5.5 per share	-	-	-	-	-	-	-	-	-	(8,347,331)	-	(8,347,331)
Balance as at December 31, 2022 (Audited)	15,176,965	10,131	257,269	23,952	11,384,616	11,675,968	(1,824,764)	12,494,426	10,669,662	33,091,551	57	70,614,203
Profit after taxation for the nine months ended September 30, 2023	-	-	-	-	-	-	-	-	-	12,308,407	265	12,308,672
Other comprehensive income - net of tax	-	-	-	-	-	193,984	-	193,984	-	-	-	193,984
Total comprehensive income	-	-	-	-	-	193,984	-	193,984	12,308,407	265	12,502,656	
Transfer to statutory reserve	-	-	-	-	2,408,740	2,408,740	-	-	-	(2,408,740)	-	-
Transaction with owners, recorded directly in equity												
Final cash dividend declared on February 23, 2023 at Rs. 1 per share	-	-	-	-	-	-	-	-	-	(1,517,697)	-	(1,517,697)
1st Interim cash dividend declared on August 24, 2023 at Rs. 1 per share	-	-	-	-	-	-	-	-	-	(1,517,697)	-	(1,517,697)
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	-	(361,063)	(361,063)	107,707	-	-	(253,356)
Transfer from surplus on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	(275,651)	(275,651)	-	-	-	(275,651)
Amortisation of intangible assets - customer relationship - net of tax	-	-	(58,496)	-	-	(58,496)	-	-	-	-	-	(58,496)
Balance as at September 30, 2023 (Un-audited)	15,176,965	10,131	198,773	23,952	13,793,356	14,026,212	(1,630,780)	11,857,712	10,226,932	40,063,531	322	79,493,962

The annexed notes 1 to 42 form an integral part of these condensed interim consolidated financial statements.

PRESIDENT & CEO

CHIEF FINANCIAL OFFICER

CHAIRMAN

DIRECTOR

DIRECTOR

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the nine months ended September 30, 2023

		September 30, 2023	September 30, 2022
Note		Rupees '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		24,520,791	15,287,952
Less: dividend income		(231,646)	(368,913)
Add: share of loss of associates		(80,827)	(21,105)
		24,208,318	14,897,934
Adjustments:			
Depreciation on owned fixed assets	31	1,532,579	1,055,396
Amortisation of intangible assets	31	233,295	137,717
Depreciation on right-of-use assets	31	1,419,272	1,222,343
Depreciation on non-banking assets	31	3,761	3,724
Workers Welfare Fund		531,236	312,167
Provision / (Reversal of provision) against loans and advances - net	33	3,395,755	(374,515)
Provision / (Reversal of provision) for diminution in value of investments - net	33	611,770	(129,046)
Provision / (Reversal of provision) against other assets - net	33	2,326	(30,336)
Provision / (Reversal of provision) against off balance sheet obligations - net	33	202,460	(19,373)
Unrealised loss / (gain) on securities - held for trading - net	29	-	(72,463)
Gain on sale of fixed assets - net	30	(14,765)	(26,377)
Charge for defined benefit plan		132,450	118,380
Loss / Income from derivative contracts - net		27,420	(126,929)
Profit / return expensed - lease liability against right-of-use assets	27	1,128,322	908,175
Bad debts written off directly	33	44,462	101,252
		9,250,343	3,080,115
		33,458,661	17,978,049
(Increase) / decrease in operating assets			
Due from financial institutions		9,815,098	-
Held-for-trading securities		234,475	12,295,186
Financing		(40,008,993)	(71,135,120)
Others assets (excluding advance taxation)		(44,970,491)	(32,522,082)
		(74,929,911)	(91,362,016)
Increase / (decrease) in operating liabilities			
Bills payable		(6,141,093)	(2,446,707)
Due to financial institutions		(17,625,783)	68,830,250
Deposits		168,004,411	80,984,072
Other liabilities (excluding current taxation)		21,855,323	13,899,652
		166,092,858	161,267,267
Income tax paid		(13,144,441)	(6,811,641)
Contribution to gratuity fund		(293,519)	(118,380)
Net cash generated from operating activities		111,183,648	80,953,279
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investment in available-for-sale securities		(78,868,752)	(69,888,145)
Net (investment) / divestment in associates		(786,246)	(278,880)
Net (investment) / divestment in held-to-maturity securities		(2,455,995)	959,116
Dividends received		220,357	325,710
Investment in operating fixed assets		(4,204,863)	(2,523,372)
Investment in intangible assets		(546,345)	(258,882)
Proceeds from sale of fixed assets		52,814	29,548
Net cash used in investing activities		(86,589,030)	(71,634,905)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(1,250,018)	(2,284,398)
Dividend paid		(2,978,466)	(1,031,235)
Net cash used in financing activities		(4,228,484)	(3,315,633)
Increase in cash and cash equivalents during the period			
Cash and cash equivalents at the beginning of the period		20,366,134	6,002,741
		57,253,535	59,488,821
Cash and cash equivalents at the end of the period		77,619,669	65,491,562

The annexed notes 1 to 42 form an integral part of these condensed interim consolidated financial statements.

PRESIDENT & CEO

CHIEF FINANCIAL OFFICER

CHAIRMAN

DIRECTOR

DIRECTOR

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

1 STATUS AND NATURE OF BUSINESS

1.1 The "Group" consists of:

- (i) Faysal Bank Limited - Holding Company
- (ii) Faysal Asset Management Limited - Subsidiary Company

1.1.1 Holding Company - Faysal Bank Limited

Faysal Bank Limited (the Bank or the Holding Company) was incorporated in Pakistan on October 3, 1994 as a public limited company under the provisions of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are listed on the Pakistan Stock Exchange Limited. The Bank is engaged in Shariah compliant modern Corporate, Commercial and Consumer banking activities. The Bank is operating through 700 branches (December 31, 2022: 700 branches) including 2 sub-branches (December 31, 2022: 2).

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

Ithmaar Bank B.S.C (closed), a fully owned subsidiary of Ithmaar Holdings B.S.C is the parent company of the Bank, holding directly and indirectly 66.78% (December 31, 2022: 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 Holdings B.S.C.

The State Bank of Pakistan has issued the Islamic Banking License No. BL(I) - 01 (2022) dated December 30, 2022 in the Bank's name, effective from January 1, 2023.

The Pakistan Credit Rating Agency Limited (PACRA) and VIS Credit Rating Company Limited have determined the Bank's long-term rating as 'AA' (December 31, 2022: 'AA') and the short term rating as 'A1+' (December 31, 2022: 'A1+') on June 23, 2023 and June 27, 2023 respectively.

1.1.2 Subsidiary Company - Faysal Asset Management Limited

	Percentage of holding	
	September 30, 2023	December 31, 2022
Faysal Asset Management Limited - Subsidiary	99.99%	99.99%

Faysal Asset Management Limited (the Subsidiary Company) was incorporated in Pakistan under the provisions of the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on August 6, 2003 as an unlisted public limited company. The Subsidiary Company commenced its operations on November 14, 2003. The registered office of the Subsidiary Company is located at 7th Floor, West Wing, Faysal House, ST-02, Shahra-e-Faisal, Karachi.

The Subsidiary Company is a Non-Banking Finance Company (NBFC), licensed to carry out asset management and investment advisory services under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

VIS Credit Rating Company Limited has assigned Asset Management rating of AM2++ (December 31, 2022: AM2++) as at December 31, 2023.

2 BASIS OF PRESENTATION

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 profit in price on deferred payment basis.

The purchases and sales arising under these arrangements are not reflected in these condensed interim consolidated financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon. The income on such financing is recognised in accordance with the principles of Islamic Shariah. However, income, if any, received which does not comply with the principles of Islamic Shariah is recognised as charity payable if so directed by the Resident Shariah Board Member (RSBM) of the Bank.

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

3 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Bank and the financial statements of the Subsidiary Company from the date from which control of the Subsidiary Company by the Group commences until the date on which control ceases. The financial statements of the Subsidiary Company are incorporated on a line-by-line basis and the investment held by the Bank is eliminated against the corresponding share capital and pre-acquisition reserve of the Subsidiary Company in the consolidated financial statements.

The financial statements of the Subsidiary Company are prepared for the same reporting period as the Holding Company, using accounting policies that are generally consistent with those of the Holding Company.

Material intra-group balances and transactions are eliminated.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control established by contractual agreement. Associates and joint ventures are accounted for using the equity method.

4 STATEMENT OF COMPLIANCE

4.1 These condensed interim consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IAS 34, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

4.2 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 identified as a result of such acquisition. Accordingly, during the period ended September 30, 2023, the Bank has adjusted amortisation of intangible assets net of tax amounting to Rs. 58,456 million (period ended September 30, 2022: Rs. 56,445 million) from the NCR.

4.3 These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual audited consolidated financial statements, and are limited based on the format prescribed by the State Bank of Pakistan through BPRD Circular Letter No. 05 dated March 22, 2019 and IAS 34, and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2022.

4.4 Standards, interpretations of and amendments to the published accounting and reporting standards that are effective in the current period

4.4.1 There are certain new and amended standards, interpretations and amendments that are mandatory for the Group's accounting periods beginning on January 1, 2023 but are considered not to be relevant or do not have any significant effect on the Group's operations and are therefore not detailed in these condensed interim consolidated financial statements.

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

4.5 Standards, interpretations of and amendments to the published accounting and reporting standards that are not yet effective

- 4.5.1 The following revised standards, amendments and interpretations with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations:

Standards, interpretations or amendments	Effective date (annual periods beginning on or after)
- IFRS 9 - 'Financial Instruments'	January 1, 2024*
- Amendment to IFRS 16 - Leases on sale and leaseback	January 1, 2024
- Amendment to IAS 1- Non current liabilities with covenants	January 1, 2024

The management is in the process of assessing the impact of these standards and amendments on the condensed interim consolidated financial statements of the Group.

* As directed by SBP via BPRD Circular No. 7 of 2023 dated April 13, 2023, IFRS 9 Financial Instruments application has been deferred and will be effective from January 1, 2024, for banks. SBP has issued the final instructions on IFRS 9 (Application Instructions) via BPRD Circular no. 3 of 2022 dated July 5, 2022 for ensuring smooth and consistent implementation of the standard across banks. Accordingly, the Bank disclosed the impact of the application of IFRS 9 in Pakistan in its financial statements as at December 31, 2022.

The actual impact of adopting IFRS 9 on the Group's financial statements in the year 2024 may not be accurately estimated at this stage because it will be dependent on the financial instruments that the Group would hold during next year and economic conditions at that time as well as accounting elections and judgements that it will make in future.

- 4.6 The SBP vide BPRD Circular No. 02 of 2023 dated February 9, 2023, has specified the new reporting format for financial statements of Banking Companies. The new format has revised the disclosure requirements and will become applicable for the financial statements of the Bank from the first quarter of the year 2024.

- 4.7 As required under SBP Letter No. BPRD/LD-01/850/28853/2022-13054, the details of the net conventional funded portfolio as at September 30, 2023 are as follows:

	Note	Rupees in '000
Assets		
Investments		1,565,361
Financing		1,912,970
Liabilities		
Due to financial institutions		345
Deposits and other accounts		5,601,818
Other liabilities	25.1	1,864,062

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these condensed interim consolidated financial statements are the same as applied in the preparation of the annual consolidated financial statements for the year ended December 31, 2022, except for the change as detailed below:

Associates are all entities over which the Group has significant influence but not control. Certain mutual funds are managed by the Subsidiary Company, hence, the Group has significant influence over such funds and therefore investment in these mutual funds are considered as investment in associates in these condensed interim consolidated financial statements. This change is applied prospectively as the impact is not considered to be material.

6 BASIS OF MEASUREMENT

These condensed interim consolidated financial statements have been prepared under the historical cost convention except for certain fixed assets and non-banking assets acquired in satisfaction of claims which have been carried at revalued amounts, certain investments and derivative contracts which have been marked to market and are carried at fair value, obligations in respect of staff retirement benefits and lease liabilities which have been carried at present value and right-of-use assets which are initially measured at an amount equal to the corresponding lease liabilities (adjusted for any lease payments and costs) and depreciated over the respective lease terms.

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

7 FUNCTIONAL AND PRESENTATION CURRENCY

7.1 Items included in these condensed interim consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. These condensed interim consolidated financial statements are presented in Pakistani Rupees, which is the Group's functional and presentation currency.

7.2 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

8 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim consolidated financial statements is the same as that applied in the preparation of the annual consolidated financial statements of the Bank for the year ended December 31, 2022, except for the change in impairment for equity securities classified as available for sale for which impairment criteria for significant decline has been changed. The impact of change is not material.

9 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual audited consolidated financial statements for the year ended December 31, 2022.

10 CASH AND BALANCES WITH TREASURY BANKS

	Note	Un-audited September 30, 2023	Audited December 31, 2022
----- Rupees '000 -----			
In hand			
- local currency		18,162,104	17,453,406
- foreign currencies		2,843,057	881,183
		21,005,161	18,334,589
With State Bank of Pakistan in			
- local currency current accounts		44,878,966	32,768,340
- foreign currency current accounts		2,788,184	2,536,026
- foreign currency deposit accounts		4,558,634	2,280,616
		52,225,784	37,584,982
With National Bank of Pakistan in			
- local currency current accounts		5,673,427	206,502
Prize bonds	10.1	3,205	4,525
		78,907,577	56,130,598

10.1 These represent the national prize bonds received from customers for onward surrendering to SBP. The Group as a matter of Shariah principle, does not deal in prize bonds.

11 BALANCES WITH OTHER BANKS

		Un-audited September 30, 2023	Audited December 31, 2022
----- Rupees '000 -----			
In Pakistan			
- in current accounts		9,738	20,019
- in saving accounts		84	66
		9,822	20,085
Outside Pakistan			
- in current account		750,171	2,683,513
- in deposit account		-	81,515
		750,171	2,765,028
		759,993	2,785,113

12 DUE FROM FINANCIAL INSTITUTIONS

Musharaka placement	-	4,000,000
Repurchase agreement lendings (reverse repo)	-	5,815,098
	-	9,815,098

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

13 INVESTMENTS

13.1 Investments by type:

Note	Un-audited September 30, 2023				Audited December 31, 2022			
	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortized cost	Provision for diminution	Surplus / (deficit)	Carrying value
-----Rupees '000-----								
Held-for-trading securities								
Shares	-	-	-	-	234,475	-	591	235,066
	-	-	-	-	234,475	-	591	235,066
Available-for-sale securities								
Federal Government securities	492,743,795	-	(6,072,512)	486,671,283	406,535,788	-	(4,225,759)	402,310,029
Shares	5,006,723	(1,958,620)	505,549	3,553,652	12,259,254	(1,297,552)	(1,355,582)	9,606,120
Non Government debt securities	47,917,827	(519,291)	2,365,050	49,763,586	48,004,551	(519,291)	2,380,000	49,865,260
	545,668,345	(2,477,911)	(3,201,913)	539,988,521	466,799,593	(1,816,843)	(3,201,341)	461,781,409
Held-to-maturity securities								
Non Government debt securities	8,785,588	(1,418,207)	-	7,367,381	6,329,593	(1,467,507)	-	4,862,086
								-
Associates *	3,215,719	-	-	3,215,719	2,429,473	-	-	2,429,473
Total Investments	<u>557,669,652</u>	<u>(3,896,118)</u>	<u>(3,201,913)</u>	<u>550,571,621</u>	<u>475,793,134</u>	<u>(3,284,350)</u>	<u>(3,200,750)</u>	<u>469,308,034</u>

* Related parties

**Un-audited
September 30,
2023**

**Audited
December 31,
2022**

-----Rupees '000-----

13.2 Investments given as collateral - market value

- Pakistan Investment Bonds	-	5,307,116
- Ijarah Sukuks	40,305,450	29,866,500
	<u>40,305,450</u>	<u>35,173,616</u>

13.3 Provision for diminution in value of investments

13.3.1 Opening balance	3,284,350	3,451,987
Charge / (Reversal)		
Charge for the period / year	1,811,871	7,067
Reversals for the period / year	(49,300)	(85,824)
Reversals on disposals for the period / year	(1,150,801)	(88,880)
	611,770	(167,637)
Closing Balance	<u>3,896,120</u>	<u>3,284,350</u>

13.3.2 Particulars of provision against debt securities

Category of classification	Un-audited September 30, 2023		Audited December 31, 2022	
	Non- performing investments	Provision	Non- performing investments	Provision
-----Rupees '000-----				
Domestic				
- Loss	1,937,498	1,937,498	1,986,798	1,986,798

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

13.4 The market value of securities classified as held-to-maturity as at September 30, 2023 amounted to Rs. 7,364 million (December 31, 2022: Rs. 4,862 million).

13.5 Movement of investment in associates

September 30, 2023						
Country of incorporation	% Holding	Investment at the beginning of the period	Investment / (redemption) during the period	Share of profit / (loss)	Dividend received	Investment at the end of the year
Rupees '000						
Associates						
Faysal Government Securities Fund	Pakistan	-	97,449	(97,449)	-	-
Faysal Islamic Pension Fund - Debt	Pakistan	80.55	33,633	-	4,626	-
Faysal Islamic Pension Fund - Equity	Pakistan	92.50	28,439	-	2,508	-
Faysal Halal Amdani Fund	Pakistan	4.04	-	1,635,381	39,114	(2,991)
Faysal Islamic Sovereign Fund - FISF-I	Pakistan	3.75	-	245,775	13,726	(8,628)
Faysal Islamic Pension Fund - Money Market	Pakistan	34.26	33,639	-	5,041	-
Faysal Islamic Savings Growth Fund	Pakistan	33.75	844,471	(81,923)	77,691	(12,315)
Faysal Islamic Special Income Fund - FISIP-I	Pakistan	1.00	107,601	(125,129)	18,996	(9)
Faysal Islamic Stock Fund	Pakistan	19.51	96,437	93,570	(96,634)	-
Faysal Pension Fund - Debt	Pakistan	86.95	33,215	-	4,469	-
Faysal Pension Fund - Equity	Pakistan	89.99	27,905	-	2,489	-
Faysal Pension Fund - Money Market	Pakistan	71.08	33,791	-	4,361	-
Faysal Savings Growth Fund	Pakistan	-	720,379	(720,379)	-	-
Faysal Special Savings Fund - FSSP-I	Pakistan	34.31	-	12,083	541	-
Faysal Islamic Financial Growth Fund - FIFGP-I	Pakistan	26.05	-	106,433	3,682	(1,606)
Faysal Special Savings Fund - FSSP-II	Pakistan	98.66	-	11,499	601	-
Faysal Special Savings Fund - FSSP-III	Pakistan	64.83	108,161	(93,792)	685	-
Faysal Stock Fund	Pakistan	3.34	264,353	(255,101)	(1,069)	-
			<u>2,429,473</u>	<u>730,968</u>	<u>80,827</u>	<u>(25,549)</u>
						<u>3,215,719</u>
December 31, 2022						
Country of incorporation	% Holding	Investment at the beginning of the period	Investment / (redemption) during the period	Share of profit	Dividend received	Investment at the end of the year
Rupees '000						
Associates						
Faysal Government Securities Fund	Pakistan	94.42	143,163	(48,390)	2,676	-
Faysal Islamic Pension Fund - Debt	Pakistan	88.83	30,367	-	3,266	-
Faysal Islamic Pension Fund - Equity	Pakistan	98.80	30,226	-	(1,787)	-
Faysal Islamic Pension Fund - Money Market	Pakistan	76.09	30,351	-	3,288	-
Faysal Islamic Savings Growth Fund	Pakistan	32.21	-	837,052	22,664	(15,245)
Faysal Islamic Special Income Fund - FISIP-I	Pakistan	99.93	-	106,174	1,784	(357)
Faysal Islamic Stock Fund	Pakistan	20.79	-	102,825	(6,388)	-
Faysal Pension Fund - Debt	Pakistan	85.11	30,120	-	3,095	-
Faysal Pension Fund - Equity	Pakistan	84.47	30,168	-	(2,263)	-
Faysal Pension Fund - Money Market	Pakistan	83.73	30,320	-	3,471	-
Faysal Saving Growth Fund	Pakistan	29.02	1,076,852	(383,499)	77,115	(50,089)
Faysal Special Savings Fund - FSSP-I	Pakistan	-	106,209	(106,209)	-	-
Faysal Asset Allocation Fund	Pakistan	-	72,442	(72,442)	-	-
Faysal Special Savings Fund - FSSP-III	Pakistan	99.92	-	106,661	1,500	-
Faysal Stock Fund	Pakistan	31.63	-	283,148	(18,795)	-
			<u>1,580,218</u>	<u>825,320</u>	<u>89,626</u>	<u>(65,691)</u>
						<u>2,429,473</u>

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

14 ISLAMIC FINANCING AND RELATED ASSETS - NET

Note	Performing		Non-performing		Total	
	Un-audited September 30, 2023	Audited December 31, 2022	Un-audited September 30, 2023	Audited December 31, 2022	Un-audited September 30, 2023	Audited December 31, 2022
----- Rupees '000 -----						
Murabaha financing and related assets						
Murabaha Financing	59,235,387	10,718,692	133,542	119,278	59,368,929	10,837,970
Advance against Murabaha financing	788,704	1,675,896	-	-	788,704	1,675,896
Inventory related to Murabaha	719,957	203,694	-	-	719,957	203,694
	60,744,048	12,598,282	133,542	119,278	60,877,590	12,717,560
Running Musharaka financing						
Running Musharaka	130,612,718	119,430,547	543,966	-	131,156,684	119,430,547
Istisna financing and related assets						
Istisna	31,900,813	31,800,700	215,750	70,000	32,116,563	31,870,700
Advance against Istisna	11,610,157	20,927,551	133,895	236,295	11,744,052	21,163,846
Inventory related to Istisna	8,711,494	6,205,350	44,271	-	8,755,765	6,205,350
	52,222,464	58,933,601	393,916	306,295	52,616,380	59,239,896
Tijarah financing and related assets						
Tijarah	1,572,471	2,268,921	5,500	5,500	1,577,971	2,274,421
Advance against Tijarah	230,600	467,445	-	-	230,600	467,445
Inventory related to Tijarah	1,020,300	1,346,223	-	-	1,020,300	1,346,223
	2,823,371	4,082,589	5,500	5,500	2,828,871	4,088,089
Musawamah financing and related assets						
Musawamah	14,983,724	143,720	123,776	6,960	15,107,500	150,680
Advance against Musawamah	1,385	-	-	-	1,385	-
Inventory related to Musawamah	590	3,980	-	-	590	3,980
	14,985,699	147,700	123,776	6,960	15,109,475	154,660
Salam financing and related assets						
Salam	100,000	100,000	1,200	1,200	101,200	101,200
Advance against Salam	117,206	83,236	-	-	117,206	83,236
	217,206	183,236	1,200	1,200	218,406	184,436
Ijarah financing and related assets						
Fixed assets Ijarah financing - net	-	32,109	-	-	-	32,109
	-	32,109	-	-	-	32,109
Diminishing Musharaka financing and related assets						
Diminishing Musharaka	198,533,852	208,760,418	5,355,739	4,374,326	203,889,591	213,134,744
Advanced against Diminishing Musharaka	19,887,126	15,556,470	-	-	19,887,126	15,556,470
	218,420,978	224,316,888	5,355,739	4,374,326	223,776,717	228,691,214
Wakala Istithmar financing and related assets						
Wakala Istithmar	6,302,669	-	-	-	6,302,669	-
	6,302,669	-	-	-	6,302,669	-
Tawwaruq	1,069,810	13,167,553	41,107	38,717	1,110,917	13,206,270
Advance against Islamic export refinance	2,631,459	3,419,522	181,590	223,152	2,813,049	3,642,674
Musharaka	32,605	82,618	7,762	8,288	40,367	90,906
Bai salam	49,697	99,342	-	-	49,697	99,342
Islamic financing and related assets - Gross	490,112,724	436,493,987	6,788,098	5,083,716	496,900,822	441,577,703
Other financing	746,207	15,397,264	15,948,254	16,614,667	16,694,461	32,011,931
	490,858,931	451,891,251	22,736,352	21,698,383	513,595,283	473,589,634
Less: provision against financings						
- Specific	-	-	(18,613,228)	(18,557,417)	(18,613,228)	(18,557,417)
- General	(4,152,671)	(771,609)	-	-	(4,152,671)	(771,609)
	(4,152,671)	(771,609)	(18,613,228)	(18,557,417)	(22,765,899)	(19,329,026)
Financing- net of provision	486,706,260	451,119,642	4,123,124	3,140,966	490,829,384	454,260,608

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

	Note	Un-audited September 30, 2023	Audited December 31, 2022
----- Rupees '000 -----			
14.1	Murabaha receivable - gross	14.1.2 60,877,590	11,529,227
	Less: Deferred murabaha income	14.1.3 (365,588)	(350,063)
	Profit receivable shown in other assets	(1,143,073)	(341,194)
	Murabaha financing	59,368,929	10,837,970
14.1.1	The movement in Murabaha financing during the period / year is as follows:		
	Opening balance	10,837,970	31,630,824
	Sales during the period / year	178,111,210	111,886,384
	Adjusted during the period / year	(129,580,251)	(132,679,238)
	Closing balance	59,368,929	10,837,970
14.1.2	Murabaha sale price	60,877,590	11,529,227
	Murabaha purchase price	(59,368,929)	(10,837,970)
		1,508,661	691,257
14.1.3	Deferred murabaha income		
	Opening balance	350,063	275,779
	Arising during the period / year	4,100,082	4,602,165
	Less: recognised during the period / year	(4,084,557)	(4,527,881)
	Closing balance	365,588	350,063
14.2	Particulars of Islamic financing and related assets - net		
	- in local currency	512,914,239	473,053,505
	- in foreign currencies	681,044	536,129
		513,595,283	473,589,634
14.3	Islamic financing and related asset - net includes Rs. 22,736 million (December 31, 2022: Rs. 21,698 million) which have been placed under non-performing status as detailed below:-		

Category of classification	Un-audited September 30, 2023		Audited December 31, 2022	
	Non-performing loans	Provision	Non-performing loans	Provision
----- Rupees '000 -----				
Domestic				
- Other assets especially mentioned	369,143	-	204,426	70
- Substandard	1,637,456	89,150	504,838	82,646
- Doubtful	774,901	186,978	858,706	242,963
- Loss	19,954,852	18,337,100	20,130,413	18,231,738
Total	22,736,352	18,613,228	21,698,383	18,557,417

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

14.4 Particulars of provision against Islamic financing and related assets

	Un-audited September 30, 2023			Audited December 31, 2022		
	Specific	General	Total	Specific	General	Total
Rupees '000						
Opening balance	18,557,417	771,609	19,329,026	19,544,542	945,573	20,490,115
Exchange adjustment	144,914	-	144,914	117,020	-	117,020
Charge for the period / year	983,598	3,381,062	4,364,660	1,085,432	-	1,085,432
Reversals during the period / year	(968,905)	-	(968,905)	(1,368,953)	(173,964)	(1,542,917)
	14,693	3,381,062	3,395,755	(283,521)	(173,964)	(457,485)
Amounts written off	(103,796)	-	(103,796)	(820,624)	-	(820,624)
Closing balance	18,613,228	4,152,671	22,765,899	18,557,417	771,609	19,329,026

14.4.1 The Group maintains general provision in accordance with the applicable requirements of the Prudential Regulations for Consumer Financing and House Financing issued by the SBP.

The Group in addition to the requirements of Prudential Regulations has maintained a general provision of Rs 3,300 million (December 31, 2022: Rs. Nil) against financing made on prudent basis, in view of prevailing of economic conditions.

14.4.2 As allowed by the SBP, the Group has availed benefit of forced sale value (FSV) of collaterals held as security of Rs 1,879.886 million (December 31, 2022: Rs 1,862.991 million) relating to financing while determining the provisioning requirement against non-performing financing as at September 30, 2023. The additional profit arising from availing the FSV benefit (net of tax) as at September 30, 2023 which is not available for distribution as either cash or stock dividend to shareholders approximately amounted to Rs 958.742 million (December 31, 2022: Rs 950.125 million).

14.4.3 Although the Holding Company has made provision against its non-performing portfolio as per the category of classification of the loans, the Holding Company 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.

	Note	Un-audited September 30, 2023	Audited December 31, 2022
----- Rupees '000 -----			
15 FIXED ASSETS			
Capital work-in-progress	15.1	3,253,822	2,392,116
Property and equipment		34,968,307	32,804,038
		<u>38,222,129</u>	<u>35,196,154</u>
15.1 Capital work-in-progress			
Civil works		153,856	346,816
Equipment		2,401,379	1,742,100
Furniture and fixture		188,092	220,794
Vehicles		68,429	42,164
Land and building		442,066	40,242
		<u>3,253,822</u>	<u>2,392,116</u>

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

		Un-audited	
		For the nine months ended	
		September 30, 2023	September 30, 2022
		Rupees '000	
15.2 Additions to fixed assets			
The following additions have been made to fixed assets during the period:			
Capital work-in-progress		4,204,798	2,480,284
Property and equipment			
Building on leasehold land		173,485	5,332
Furniture and fixture		353,812	50,213
Electrical, office and computer equipment		1,533,405	533,568
Vehicles		188,423	-
Right-of-use assets - land and building		1,862,206	2,272,541
Leasehold land		133,111	2,568
Civil works		960,920	440,464
		5,205,363	3,304,686
Total		9,410,161	5,784,970
15.3 Disposal of fixed assets			
The net book value of fixed assets disposed off during the period is as follows:			
Furniture and fixture		14	96
Electrical, office and computer equipment		1,611	912
Vehicles		37,700	1,033
Others		171	1,131
Total		39,496	3,172
	Note	Un-audited September 30, 2023	Audited December 31, 2022
		Rupees '000	
16 INTANGIBLE ASSETS			
Capital work-in-progress	16.1	733,765	711,373
Computer software		1,115,707	826,050
Customer relationship		389,748	451,345
Management rights		114,600	114,600
Goodwill		238,485	238,484
		1,858,540	1,630,479
Total		2,592,305	2,341,852
16.1 Capital work-in-progress			
Computer software		733,765	711,373
		Un-audited	
		For the nine months ended	
		September 30, 2023	September 30, 2022
		Rupees '000	
16.2 Additions to intangible assets			
The following additions have been made to intangible assets during the period:			
Computer software - directly purchased		523,953	728,743

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

	Note	Un-audited September 30, 2023	Audited December 31, 2022
----- Rupees '000 -----			
17 OTHER ASSETS			
Profit / return accrued in local currency - net of provision		60,723,042	26,608,166
Profit / return accrued in foreign currencies - net of provision		139,909	35,156
Advances, deposits, advance rent and other prepayments		2,350,778	1,366,333
Non-banking assets acquired in satisfaction of claims		812,984	1,041,276
Mark to market gain on forward foreign exchange contracts		311,500	383,842
Acceptances	22	17,547,041	6,930,359
Credit cards and other products fee receivable		843,782	566,289
Receivable from brokers against sale of shares		-	268,523
Dividend receivable		86,637	75,348
Receivable from 1Link (Private) Limited		1,784,560	3,302,249
Rent and amenities receivable		161,036	43,456
Rebate receivable - net		319,708	118,625
Defined benefit plan asset		168,825	166,681
Remittances receivable from Western Union		2,091,936	1,668,492
Others		564,418	794,650
		<u>87,906,156</u>	<u>43,369,445</u>
Less: provision held against other assets	17.1	<u>(328,963)</u>	<u>(326,637)</u>
Other assets - net of provision		87,577,193	43,042,808
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	23	<u>1,852,729</u>	<u>2,126,204</u>
Other assets - total		<u>89,429,922</u>	<u>45,169,012</u>
17.1 Provision held against other assets			
Dividend receivable		75,348	75,348
Receivable from customers		52,799	50,473
Security deposits		22,994	22,994
Others		177,822	177,822
		<u>328,963</u>	<u>326,637</u>
17.1.1 Movement in provision held against other assets			
Opening balance		326,637	356,973
Charge for the period / year		2,731	-
Reversals during the period / year		(405)	(30,336)
		<u>2,326</u>	<u>(30,336)</u>
Closing balance		<u>328,963</u>	<u>326,637</u>
18 BILLS PAYABLE			
In Pakistan		15,168,857	21,309,950
Outside Pakistan		-	-
		<u>15,168,857</u>	<u>21,309,950</u>

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

Un-audited
September 30,
2023

Audited
December 31,
2022

----- Rupees '000 -----

19 DUE TO FINANCIAL INSTITUTIONS

Secured

To the State Bank of Pakistan (SBP) under:

- long term financing facility for renewable power energy (RPE)
- scheme of financing facility for storage of agricultural produce
- Islamic export refinance scheme - part I and II
- refinance scheme for payment of wages and salaries
- Islamic financing for renewable energy
- Islamic long term financing facility
- Islamic temporary economic refinance scheme
- Islamic refinance facility for combating COVID-19
- Islamic refinance facility for storage of agricultural produce
- Scheme of Islamic Rupee-based discounting facility EFS/IEFS

	345	9,502
	-	5,400
	24,551,876	31,795,302
	-	885,681
	6,659,895	6,914,074
	9,902,930	12,407,019
	11,804,982	30,853,102
	19,059,051	232,778
	536,495	370,804
	657,056	547,230
	73,172,630	84,020,892
	-	5,318,855
	39,011,626	29,061,914
	3,412,181	1,440,559
Total secured	115,596,437	119,842,220
Unsecured		
Overdrawn nostro accounts	2,047,901	1,662,176
Musharaka acceptances	15,250,000	28,630,000
Total unsecured	17,297,901	30,292,176
	132,894,338	150,134,396

Repurchase agreement borrowings

Due to SBP under Open Market Operations (OMO)

Due to other financial institutions

Total secured

Unsecured

Overdrawn nostro accounts

Musharaka acceptances

Total unsecured

20 DEPOSITS AND OTHER ACCOUNTS

Un-audited September 30, 2023			Audited December 31, 2022		
In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total

----- Rupees '000 -----

Customers

Current deposits	265,780,750	30,549,554	296,330,304	233,289,655	26,500,047	259,789,702
Savings deposits	233,289,864	22,439,300	255,729,163	207,105,501	23,004,040	230,109,541
Term deposits	209,357,303	1,942,436	211,299,739	154,758,216	887,679	155,645,895
Margin deposits	13,281,887	55,937	13,337,825	7,661,317	229,752	7,891,069
	721,709,804	54,987,227	776,697,031	602,814,689	50,621,518	653,436,207

Financial institutions

Current deposits	21,862,255	89,863	21,952,118	9,405,616	65,052	9,470,668
Savings deposits	144,870,939	-	144,870,939	118,123,798	-	118,123,798
Term deposits	6,040,547	-	6,040,547	525,550	-	525,550
	172,773,740	89,863	172,863,603	128,054,964	65,052	128,120,016
	894,483,545	55,077,089	949,560,634	730,869,653	50,686,570	781,556,223

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

Note	Un-audited September 30, 2023	Audited December 31, 2022
	----- Rupees '000 -----	

21 DEFERRED TAX ASSETS / (LIABILITIES)

Taxable temporary differences on

- surplus on revaluation of fixed assets	(2,112,389)	(1,957,237)
- surplus on revaluation of non-banking assets	(17,767)	(15,591)
- surplus on revaluation of investments	1,531,225	1,389,433
- fair value adjustment relating to net assets acquired upon amalgamation	(211,973)	(194,079)
- fair value adjustment relating to net assets acquired upon business combination	-	(52,496)
- accelerated tax depreciation	(148,044)	(38,930)
- fair valuation of previously held equity interest in the Subsidiary Company	-	(13,118)
	(958,948)	(882,018)

Deductible temporary differences on

- provision for diminution in the value of investments	843,819	(43,573)
- provision against advances, off balance sheet etc.	(32,825)	77,100
- provision against other assets	125,297	123,959
- others	-	(19,556)
	936,291	137,930
	(22,657)	(744,088)

22 OTHER LIABILITIES

Return on deposits and other dues:

- Payable in local currencies	11,812,343	6,735,294
- Payable in foreign currencies	24,789	5,357
Unearned commission and income on bills discounted	1,135,711	982,430
Accrued expenses	4,207,845	3,334,375
Acceptances	17 17,547,041	6,930,359
Dividend payable including unclaimed dividends	313,522	256,594
Mark to market loss on forward foreign exchange contracts	3,136,383	46,611
Current taxation (provision less payments)	1,411,354	1,013,387
Charity fund balance	2,077	1,634
Provision against off-balance sheet obligations	22.1 290,160	87,700
Withholding tax payable	497,842	360,125
Federal excise duty payable	93,708	90,817
Payable to brokers against purchase of shares	2,268	1,235,367
Fair value of derivative contracts	25.1 1,864,062	1,507,683
Payable related to credit cards and other products	1,389,769	114,064
Lease liability against right-of-use assets	12,689,416	11,814,937
Funds held as security	306,918	288,573
Payable to 1Link (Private) Limited	447,846	359,297
Takaful payable	57,710	60,888
Clearing and settlement accounts	16,430,022	14,940,611
Others	511,697	481,506
	74,172,483	50,647,609

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

	Note	Un-audited September 30, 2023	Audited December 31, 2022
		Rupees '000	
22.1 Provision against off-balance sheet obligations			
Opening balance		87,700	104,894
Charge for the period / year		202,828	3,596
Reversals during the period / year		(368)	(20,790)
		202,460	(17,194)
Closing balance		290,160	87,700
23 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
Surplus / (deficit) on revaluation of:			
- available for sale securities		(3,201,913)	(3,201,341)
- fixed assets		12,149,607	12,341,050
- non-banking assets acquired in satisfaction of claims		1,852,729	2,126,204
		10,800,423	11,265,913
Deferred tax on surplus / (deficit) on revaluation of:			
- available for sale securities		1,571,133	1,376,577
- fixed assets		(2,126,857)	(1,957,237)
- non-banking assets acquired in satisfaction of claims		(17,767)	(15,591)
		(573,491)	(596,251)
		10,226,932	10,669,662
24 CONTINGENCIES AND COMMITMENTS			
Guarantees	24.1	42,599,382	38,920,372
Commitments	24.2	182,271,179	168,295,114
Other contingent liabilities	24.3	4,122,244	4,122,244
		228,992,805	211,337,730
24.1 Guarantees:			
Financial guarantees		6,039,094	5,725,594
Performance guarantees		9,849,111	12,053,909
Other guarantees		26,711,177	21,140,869
		42,599,382	38,920,372
24.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		72,606,680	52,543,910
Commitments in respect of:			
- forward foreign exchange contracts	24.2.1	63,764,393	57,184,237
- forward government securities transactions	24.2.2	40,311,150	41,226,248
- derivatives - cross currency and interest rate swaps (notional principal)	24.2.3	1,846,774	1,510,401
- extending credit (irrevocable)	24.4	2,322,617	15,473,238
Commitments for acquisition of:			
- operating fixed assets		944,729	193,455
- intangible assets		474,836	163,625
		182,271,179	168,295,114

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

Note	Un-audited September 30, 2023	Audited December 31, 2022
	Rupees '000	

24.2.1 Commitments in respect of forward foreign exchange contracts

Purchase	52,843,029	50,919,583
Sale	10,921,364	6,264,654
	<u>63,764,393</u>	<u>57,184,237</u>

24.2.2 Commitments in respect of forward government securities transactions

Purchase	40,311,150	35,400,890
Sale	-	5,825,358
	<u>40,311,150</u>	<u>41,226,248</u>

24.2.3 Commitments in respect of derivatives

Sale	<u>1,846,774</u>	<u>1,510,401</u>
------	------------------	------------------

24.3 Other contingent liabilities

24.3.1 Holding Company:

Suit filed by a customer for recovery of alleged losses suffered which is pending in the Honorable High Court of Sindh. The Holding Company's legal advisors are confident that the Holding Company has a strong case Indemnity issued favouring the Honorable High Court in one of the cases

Tax liability of gain on bargain purchase on the acquisition of ex-RBS Pakistan (i)	<u>2,510,000</u>	<u>2,510,000</u>
	<u>457,543</u>	<u>457,543</u>
	<u>1,154,701</u>	<u>1,154,701</u>
	<u>4,122,244</u>	<u>4,122,244</u>

- (i) Income tax assessments of the Group have been finalised upto the tax year 2022 (accounting year ended December 31, 2021). Income tax return for tax year 2023 (accounting year ended December 31, 2022) will be filed by the Group within stipulated timeline.

The department and the holding company has disagreement on a matter relating to taxability of gain on bargain purchase on the acquisition of ex-RBS Pakistan. The additional tax liability on the matter amounts to Rs. 1,154.701 million (December 31, 2022: Rs. 1,154.701 million). The Commissioner Inland Revenue (Appeals) [(CIR(A)] had deleted the said additional tax liability, however the income tax department had filed an appeal with the Appellate Tribunal Inland Revenue (ATIR) against the order of CIR(A). During the current period, the ATIR passed an order and maintained the decision of the CIR(A) in favour of the Bank that gain on bargain purchase is not taxable. Subsequently, the department has challenged the order in Honorable High Court of Sindh. However, the management of the Bank is confident that the matter will be decided in the Bank's favour and accordingly, no provision has been recorded in these consolidated financial statements in respect of this matter.

- (ii) There are certain claims against the group not acknowledged as debt amounting to Rs 29,904 million (December 31, 2022: Rs 29,453 million). These mainly represent counter claims filed by the borrowers for restricting the Group from disposal of assets (such as mortgaged / pledged assets kept as security), cases where the Group was proforma defendant for defending its interest in the underlying collateral kept by it at the time of financing, certain cases filed by ex-employees of the Bank for damages sustained by them consequent to the termination from the Group's employment and cases for damages towards opportunity losses suffered by the customers due to non-disbursements of running finance facility as per the agreed terms. The above also includes an amount of Rs 25,299 million (December 31, 2022: 25,299 million) in respect of a suit filed against the Group for declaration, recovery of monies, release of securities, rendition of account and damages.

Based on legal advice and / or internal assessments, the management is confident that the above matters will be decided in the Group's favour and accordingly no provision has been made in these condensed interim consolidated financial statements.

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

24.3.2 Subsidiary Company:

- (i) The income tax returns of the Subsidiary Company for the tax years 2004 to 2022 (financial year ended June 30, 2004 to December 31, 2021) have been filed and are deemed to have been assessed under the Income Tax Ordinance, 2001, unless selected by the taxation authorities for audit purposes. The tax year 2005 (financial year ended June 30, 2005) has been selected by the taxation authorities for audit purpose. The tax authorities have passed an order under section 221 of the Income Tax Ordinance, 2001, whereby they have determined an additional liability of Rs. 0.913 million for the tax year 2005 on account of apportionment of expenses and disallowance of certain expenses. The Subsidiary Company has paid Rs. 0.414 and has filed an appeal against the order before the Commissioner Appeals, the proceedings of which are underway. The remaining tax liability on these matters is Rs. 0.498 million. The management of the Subsidiary Company is confident that the decision in respect of these matters will be decided in the Company's favour and accordingly no provision for the above has been made in these consolidated financial statements in respect of this liability.
- (ii) The income tax department has issued orders and show cause notices under section 221 of the Income Tax Ordinance, 2001 for recovery of Workers Welfare Fund (WWF) aggregating to Rs 0.818 million in respect of tax years 2008 and 2013. The details of orders and show cause along with the management actions are listed below:

Tax years	Order / show cause references	Status	WWF Demand
			Rupees '000
2008	Order u/s 221 dated June 30, 2014	Appeal pending before the Commissioner Appeals	315
2013	Show cause u/s 221 dated May 7, 2014	Showcause notice has been responded to	503
			818

The management is of the view that WWF was not applicable for tax year 2008. In tax year 2013, subsequent to clarification decision by the SHC, the management has not admitted WWF charge in the annual return of income. The management of the Subsidiary Company is confident that the decision in respect of these matters will be decided in the Subsidiary Company's favour and accordingly no provision for the above has been made in these condensed interim consolidated financial statements in respect of this liability.

- (iii) The Punjab Revenue Authority issued show cause notice No.PRA/AM/61/2205/ dated March 12, 2014 to Faysal Asset Management Limited requiring the Subsidiary Company to obtain registration / enrolment and to pay sales tax amounting to Rs. 6.055 million from July 2013 to March 2014 under the Punjab Sales Tax on Services Act, 2012 with effect from May 22, 2013 on management fee earned in Punjab.

In respect of this, the Subsidiary Company, jointly with other Asset Management Companies together with their respective collective investment schemes through their trustees, has filed a petition on July 8, 2014 in the SHC challenging the above notice. The Court has ordered suspension of the show cause notice till the next hearing of appeal in their order dated July 10, 2014. The next date of hearing has not yet been decided. The management of the Subsidiary Company is confident that the decision in respect of these matters will be decided in the Subsidiary Company's favour and accordingly no provision for the above has been made in these condensed interim consolidated financial statements in respect of this liability.

- (iv) During the prior period, the audit of the tax year 2013 (financial year ended June 30, 2013) was completed by the taxation authorities. The tax authorities have passed an order under section 122(5A) of the Income Tax Ordinance, 2001, whereby they have determined an additional liability of Rs. 4.964 million for the tax year 2013 on account of apportionment of expenses, salary expenses and hardware and software expense. The management filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on the grounds of disallowances made by the Additional Commissioner Inland Revenue. The CIR(A) remanded back a few expenses while ordered against various other expenses for which the Subsidiary Company has decided to appeal before the Appellate Tribunal Inland Revenue (ATIR). The management of the Subsidiary Company is confident that the decision in respect of these matters will be decided in the Subsidiary Company's favour and accordingly no provision for the above has been made in these condensed interim consolidated financial statements in respect of this liability.

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

- (v) During the prior period, the audit of the tax year 2014 (financial year ended June 30, 2014) was completed by the taxation authorities. The tax authorities have passed an order under section 122(5A) of the Income Tax Ordinance, 2001, whereby they have determined an additional liability of Rs. 2.673 million for the tax year 2014 on account of apportionment of expenses, time barred payables, expenses claimed on provisional basis, salary expenses, marketing and advertising expenses, brokerage and commission expenses, legal and professional charges and hardware and software expenses. The management had decided to file an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on the grounds of disallowances made by the Additional Commissioner Inland Revenue. During the current period the CIR(A) issued an order whereby the earlier order passed by the tax authorities under section 122(5A) of the Income Tax Ordinance, 2001, has been annulled on the basis of being time barred, and consequentially the demand for additional liability has been relinquished. The management has decided to file an appeal before the Appellate Tribunal Inland Revenue (ATIR) to contest the order passed by DCIR. The management of the Subsidiary Company is confident that the decision in respect of these matters will be decided in the Subsidiary Company's favour and accordingly no provision for the above has been made in these condensed interim consolidated financial statements in respect of this liability.
- (vi) During the prior period, the Deputy Commissioner Inland Revenue (DCIR) has passed an order under section 182(1) of the Income Tax Ordinance, 2001 for the tax year 2018, whereby the DCIR has imposed a penalty of Rs. 0.833 million on account of non submission of statement required to be filed by the Subsidiary Company under bilateral or multilateral convention under section 165B of the Income Tax Ordinance, 2001. The management has filed an appeal before the CIR(A) on the subject matter and has paid an amount of Rs 0.083 million being 10% of the total amount of penalty imposed under the order and has thus obtained an automatic stay on the subject matter. The Company has received an appellate order from the CIR(A), dismissing the appeal filed by the Company. The management has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR). As a matter of abundant caution the Company has recognised a provision for the remaining amount of Rs. 0.749 million in these condensed interim consolidated financial statements.
- (vii) During the year ended December 31, 2022, one of the customers of the Company has claimed an amount of Rs 245 million from the Subsidiary Company for loss of profit and principal against amount kept by him in discretionary portfolio and CIS with the Subsidiary Company.
- The Subsidiary Company based on an internal assessment and legal opinion is confident that no likely claim will be payable by the Subsidiary Company. Accordingly, no provision has been made in these consolidated financial statements in respect of this claim.

24.4 Commitments to extend credits

The Holding Company 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 facilities are unilaterally withdrawn except for Rs. 2,323 million (December 2022: Rs. 15,473 million) which are irrevocable in nature.

Un-audited September 30, 2023	Audited December 31, 2022
----- Rupees '000 -----	

25 DERIVATIVE INSTRUMENTS

Cross currency swaps (notional principal)

1,846,774	1,510,401
-----------	-----------

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

25.1 Product analysis

Counterparties	September 30, 2023 (Un-Audited) Cross currency swaps	
	Notional principal	Mark to market loss
----- Rupees '000 -----		
With banks for		
Hedging	-	-
Market making	232,571	(191,055)
With other entities for		
Hedging	-	-
Market making	1,614,203	(1,673,007)
Total		
Hedging	-	-
Market making	1,846,774	(1,864,062)
Counterparties	December 31, 2022 (Audited) Cross currency swaps	
	Notional principal	Mark to market loss
----- Rupees '000 -----		
With banks for		
Hedging	-	-
Market making	209,709	(281,984)
With other entities for		
Hedging	-	-
Market making	1,300,692	(1,225,699)
Total		
Hedging	-	-
Market making	1,510,401	(1,507,683)
Un-audited		
For the nine months ended		
	September 30, 2023	September 30, 2022
----- Rupees '000 -----		

26 PROFIT / RETURN EARNED

On:

Financing	66,125,366	36,307,162
Investments	66,153,785	32,727,265
Due from financial institutions	1,065,728	1,293,672
Balances with banks	6,628	1,159
Securities purchased under resale agreements	6,865	252,942
	<u>133,358,372</u>	<u>70,582,200</u>

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

		Un-audited	
		For the nine months ended	
		September 30, 2023	September 30, 2022
		Rupees '000	
27	PROFIT / RETURN EXPENSED		
On:			
Deposits	59,706,812	30,034,958	
Securities sold under repurchase agreements	143,381	4,881,490	
Shariah Compliant Open Market Operations and Ceiling facility from SBP	10,671,451	2,133,612	
Other short term borrowings	19,151	311,042	
Due to SBP	3,800,325	1,286,540	
Musharaka acceptances	4,983,418	1,113,770	
Lease liability against right-of-use assets	1,128,322	908,175	
Cost of foreign currency swaps against foreign currency deposits / dues	3,754,857	2,980,981	
	84,207,717	43,650,568	
28	FEE AND COMMISSION INCOME		
Branch banking customer fees	812,808	706,160	
Consumer finance related fees	465,459	428,356	
Card related fees (debit and credit cards)	3,166,063	2,013,192	
Credit related fees	29,904	8,218	
Investment banking fees	188,740	233,971	
Commission on trade	489,739	463,306	
Commission on guarantees	150,962	131,314	
Commission on cash management	113,163	68,722	
Commission on remittances including home remittances	582,802	483,760	
Commission on bancatakaful	99,331	146,961	
Commission on sale of funds unit	200,708	129,387	
Management fee	418,605	329,171	
Sales load	152,205	116,898	
Others	90,010	54,186	
	6,960,499	5,313,602	
29	(LOSS) / GAIN ON SECURITIES		
Realised - net	29.1 (1,945,145)	(1,214,296)	
Unrealised - held for trading - net	-	72,463	
	(1,945,145)	(1,141,833)	
29.1	Realised (loss) / gain on:		
Federal Government securities	(305,347)	(65,430)	
Shares	(1,639,798)	(1,148,866)	
	(1,945,145)	(1,214,296)	
30	OTHER INCOME		
Rent on property	135,043	144,802	
Gain on sale of fixed assets - net	14,765	26,377	
Notice pay	4,651	4,749	
Others	549	483	
	155,008	176,411	

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

		Un-audited		
		For the nine months ended		
		September 30, 2023	September 30, 2022	
		Rupees '000		
31	OPERATING EXPENSES			
	Total compensation expense	10,994,601	7,621,469	
	Property expense			
	Rent and taxes	179,716	266,994	
	Takaful	104,959	65,565	
	Utilities cost	1,349,366	1,010,033	
	Security (including guards)	1,039,543	723,617	
	Repair and maintenance (including janitorial charges)	784,323	506,087	
	Depreciation on owned fixed assets	625,178	414,118	
	Depreciation on non-banking assets	3,761	3,724	
	Depreciation on right-of-use assets	1,419,272	1,222,343	
	Others	192,890	114,457	
		5,699,008	4,326,938	
	Information technology expenses			
	Software maintenance	2,971,065	1,505,485	
	Hardware maintenance	373,012	253,458	
	Depreciation on owned fixed assets	404,636	279,004	
	Amortisation	233,295	137,717	
	Network charges	233,609	199,705	
		4,215,617	2,375,369	
	Other operating expenses			
	Directors' fees and allowances	120,535	97,623	
	Legal and professional charges	125,703	157,501	
	Outsourced services costs - staff	573,283	355,125	
	Travelling and conveyance	214,785	122,497	
	NIFT clearing charges	60,940	32,530	
	Depreciation	502,765	362,274	
	Training and development	52,888	12,195	
	Postage and courier charges	236,002	176,840	
	Communication	687,586	283,244	
	Marketing, advertisement and publicity	1,282,102	691,845	
	Donations	113,215	90,257	
	Auditors remuneration	26,044	29,402	
	Takaful	585,733	822,710	
	Stationery and printing	518,350	371,028	
	Bank fees and charges	160,900	97,232	
	Brokerage and commission	3,136	8,948	
	Deposit protection premium	532,404	452,995	
	Credit card bonus points redemption	355,868	152,699	
	Others	677,609	516,954	
		6,829,848	4,833,899	
		27,739,074	19,157,675	
32	OTHER CHARGES			
	Penalties imposed by the State Bank of Pakistan	4,146	17,386	
33	PROVISIONS AND WRITE-OFFS - NET			
	Provision / (reversal of provision) against diminution in value of investments	13.3	611,770	(129,046)
	Provision / (reversal of provision) against financing	14.4	3,395,755	(374,515)
	Provision / (reversal of provision) against other assets	17.1.1	2,326	(30,335)
	Bad debts written off directly		44,462	101,252
	Recoveries of written off / charged off bad debts		(361,007)	(283,712)
	Provision / (reversal of provision) against off balance sheet obligations	22.1	202,460	(19,373)
	Impairment charged for non banking asset		41,525	-
			3,937,291	(735,729)

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

34 TAXATION

	Un-audited	
	For the nine months ended	
	September 30, 2023	September 30, 2022
	Rupees '000	
Current	12,886,172	7,504,319
Prior years	125,000	(1,038,275)
Deferred	(799,053)	1,002,304
	12,212,119	7,468,348

35 BASIC / DILUTED EARNINGS PER SHARE

	Un-audited			
	For the quarter ended	For the nine month ended		
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	Rupees '000			
Profit after tax for the period	4,648,900	3,461,889	12,308,407	7,819,583
	Number of shares in thousands			
Weighted average number of ordinary shares	1,517,697	1,517,697	1,517,697	1,517,697
	Rupees			
Basic earnings per share	3.06	2.28	8.11	5.15

- 35.1** Diluted earnings per share has not been presented as the Group does not have any convertible instruments in issue at September 30, 2023 and September 30, 2022 which would have any effect on the earnings per share if the option to convert is exercised.

36 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

36.1 Fair value of financial assets

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

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:** Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

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

September 30, 2023 (Un-audited)				
	Level 1	Level 2	Level 3	Total
	----- Rupees '000 -----			
On-balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	486,671,283	-	486,671,283
Shares	3,446,113	107,539	-	3,553,652
Non-Government debt securities	47,382,000	2,381,586	-	49,763,586
Financial assets - disclosed but not measured at fair value				
Investments				
Non-Government debt securities (note 12.4)	-	7,367,381	-	7,367,381
Non-financial assets - measured at fair value				
Fixed assets (land and buildings)	-	-	17,686,228	17,686,228
Non-banking assets acquired in satisfaction of claims	-	-	2,665,713	2,665,713
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	49,948,134	-	49,948,134
Forward sale of foreign exchange	-	10,612,398	-	10,612,398
Derivatives sales	-	1,846,774	-	1,846,774

December 31, 2022 (Audited)				
	Level 1	Level 2	Level 3	Total
	----- Rupees '000 -----			
On-balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government securities	-	402,310,029	-	402,310,029
Shares	8,489,609	1,351,312	265	9,841,186
Non-Government debt securities	47,380,000	2,485,260	-	49,865,260
Financial assets - disclosed but not measured at fair value				
Investments				
Non-Government debt securities	-	4,862,086	-	4,862,086
Non-financial assets - measured at fair value				
Fixed assets (land and buildings)	-	-	17,410,641	17,410,641
Non-banking assets acquired in satisfaction of claims	-	-	3,167,481	3,167,481
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	50,919,583	-	50,919,583
Forward sale of foreign exchange	-	6,264,654	-	6,264,654
Derivatives sales	-	1,510,401	-	1,510,401

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

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
Pakistan Investment Bonds	Fair values of Pakistan Investment Bonds are derived using the PKRV / PKFRV rates.
Ijarah Sukuk	Fair values of GoP Ijarah Sukuk are derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters. These rates denote an average of quotes received from different pre-defined / approved dealers / brokers.
Unlisted ordinary shares	Break-up value determined on the basis of the NAV of a company using the latest available audited financial statements.
Term Finance Certificates (TFCs) and Sukuk Certificates	Fair values of TFCs and Sukuk certificates are determined using the MUFAP or PSX rates.
Forward foreign exchange contracts	The valuation has been determined by interpolating the mark-to-market currency rates announced by the State Bank of Pakistan.
Derivative instruments	The Bank enters into derivative contracts with various counterparties. Derivatives that are valued using valuation techniques with market observable inputs are mainly interest rate swaps, cross currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations.
Mutual funds	Units of mutual funds are valued using the net asset value (NAV) announce by the Mutual Funds Association of Pakistan (MUFAP).

Valuation techniques used in determination of fair values within level 3

Item	Valuation approach and input used
Fixed assets (land and building)	Land and buildings are revalued by professionally qualified valuers as per the accounting policy disclosed in the financial statements of the Holding Company for the year ended December 31 2022.
Non-banking assets acquired in satisfaction of claims	NBAs are valued by professionally qualified valuers as per the accounting policy disclosed in the financial statements of the Holding Company for the year ended December 31 2022.

The valuations, mentioned above, are conducted by the valuation experts appointed by the Holding Company which are also on the panel of the Pakistan Banks' Association (PBA). The valuation experts use a market based approach to arrive at the fair value of the Holding Company's properties. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a quantitative disclosure of sensitivity has not been presented in these condensed interim consolidated financial statements.

37 SEGMENT INFORMATION

37.1 Segment details with respect to business activities

2023					
Retail	CIBG	Treasury	SAM	Others	Total

Profit and loss account for the
nine months ended September 30, 2023
(Un-audited)

External funded revenue	(35,899,244)	47,031,444	46,720,093	152,349	(8,773,160)	49,231,482
Inter segment revenue - net	73,071,001	(44,701,922)	(44,507,032)	(147,920)	16,285,873	-
External non-funded revenue	5,711,261	1,107,977	1,304,162	4,961	(627,305)	7,501,056
Total Income	42,883,018	3,437,499	3,517,223	9,390	6,885,408	56,732,538
Segment direct expenses	25,231,559	1,906,427	420,851	459,389	256,230	28,274,456
Inter segment expense allocation	496,237	(316,756)	(29,530)	(149,951)	-	-
Total expenses	25,727,796	1,589,671	391,321	309,438	256,230	28,274,456
Provisions	(13,496)	281,531	660,951	(534,961)	3,543,266	3,937,291
Profit before tax	17,168,718	1,566,297	2,464,951	234,913	3,085,912	24,520,791

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

Statement of financial position as at September 30, 2023 (Un-audited)

2023					
Retail	CIBG	Treasury	SAM	Others	Total
Rupees '000					
27,322,273	-	52,345,134	-	163	79,667,570
-	-	-	-	-	-
150,000	9,765,020	541,310,598	3,099,116	143,005	554,467,739
-	-	(1,958,622)	(1,937,496)	-	(3,896,118)
730,723,388	-	-	-	(730,723,388)	-
95,801,762	386,325,794	-	-	8,731,375	490,858,931
4,333,399	5,833,505	-	12,495,382	74,066	22,736,352
(3,286,701)	(4,586,517)	-	(11,510,165)	(3,382,516)	(22,765,899)
22,158,629	11,631,443	40,216,839	138,797	56,098,648	130,244,356
877,202,750	408,969,245	631,913,949	2,285,634	(669,058,647)	1,251,312,931
10,805,676	68,391,887	53,696,775	-	-	132,894,338
-	-	-	-	-	-
812,381,303	65,337,864	-	412,314	71,429,153	949,560,634
-	274,323,638	584,593,925	1,861,415	(860,778,978)	-
54,015,771	915,856	(4,789,892)	11,903	39,210,359	89,363,997
877,202,750	408,969,245	633,500,808	2,285,632	(750,139,466)	1,171,818,969
-	-	(1,586,859)	-	81,080,821	79,493,962
877,202,750	408,969,245	631,913,949	2,285,632	(669,058,645)	1,251,312,931
34,421,468	84,237,488	105,952,873	1,776,622	2,604,354	228,992,805

Profit and loss account for the nine months ended September 2022 (un-audited)

2022					
Retail	CIBG	Treasury	SAM	Others	Total
Rupees '000					
(19,442,046)	24,358,248	21,977,943	173,838	(115,246)	26,952,737
38,158,346	(21,956,003)	(20,511,019)	209,324	4,099,352	-
4,456,267	1,540,515	1,645,276	(196,663)	(358,681)	7,086,714
23,172,567	3,942,760	3,112,200	186,499	3,625,425	34,039,451
11,240,135	600,494	219,963	124,251	7,302,385	19,487,228
6,495,987	572,737	119,724	113,937	(7,302,385)	-
17,736,122	1,173,231	339,687	238,188	-	19,487,228
(399,274)	417,798	(65,454)	(684,932)	(3,867)	(735,729)
5,835,719	2,351,731	2,837,967	633,243	3,629,292	15,287,952

Statement of financial position ended December 30, 2022 (audited)

Cash and bank balances	19,076,053	-	39,839,531	-	127	58,915,711
Due from financial institutions	-	-	9,815,098	-	-	9,815,098
Investments	100,000	7,374,123	460,915,716	3,205,813	996,732	472,592,384
- Investment provision	-	-	(1,297,552)	(1,986,798)	-	(3,284,350)
Net inter segment lending	651,190,684	-	-	-	(651,190,684)	-
Financing- performing	101,531,845	342,314,662	-	-	8,044,744	451,891,251
Financing- non-performing	3,463,386	5,586,833	-	12,444,525	203,639	21,698,383
- Financing- provisions	(2,901,661)	(4,304,986)	-	(11,990,203)	(132,176)	(19,329,026)
Others	16,922,119	8,226,633	13,875,498	(1,820,592)	45,503,360	82,707,018
Total assets	789,382,426	359,197,265	523,148,291	(147,255)	(596,574,258)	1,075,006,469
Due to Financial institutions	9,147,902	78,339,254	62,647,240	-	-	150,134,396
Subordinated sukuk	-	-	-	-	-	-
Deposits and other accounts	729,757,619	51,202,938	-	156,164	439,502	781,556,223
Net inter segment borrowing	-	229,099,012	459,708,176	(302,624)	(688,504,564)	-
Others	50,476,905	556,061	2,638,487	(795)	19,030,989	72,701,647
Total liabilities	789,382,426	359,197,265	524,993,903	(147,255)	(669,034,073)	1,004,392,266
Equity	-	-	(1,845,612)	-	72,459,815	70,614,203
Total equity and liabilities	789,382,426	359,197,265	523,148,291	(147,255)	(596,574,258)	1,075,006,469
Contingencies and commitments	20,702,799	87,097,691	173,099,305	1,507,592	(71,069,657)	211,337,730

The Group has related party transactions with its parent, associates, employee benefit plans and its directors and key management personnel.

The Group enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with persons of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim consolidated financial statements are as follows:

	September 30, 2023 (Un-audited)					December 31, 2022 (Audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
	Rupees '000									
Investments										
Opening balance	-	-	-	2,429,473	3,268,466	-	-	-	1,580,218	3,904,683
Investment made during the period / year	-	-	-	34,218,245	-	-	-	-	2,529,308	12,215,000
Investment redeemed / sold during the period / year	-	-	-	(33,487,277)	(1,253,428)	-	-	-	(1,703,988)	(12,851,217)
Equity method adjustment	-	-	-	55,278	-	-	-	-	23,935	-
Closing balance	-	-	-	3,215,719	2,015,038	-	-	-	2,429,473	3,268,466
Provision for diminution in value of investments	-	-	-	-	1,940,037	-	-	-	-	1,984,337
Islamic Financing and Related Assets										
Opening balance	-	7	539,123	-	1,392,080	-	-	531,323	-	1,709,934
Addition during the period / year	-	100	564,958	-	-	-	7	281,835	-	617,654
Repaid during the period / year	-	-	(434,156)	-	(234,942)	-	-	(274,035)	-	(935,508)
Closing balance	-	107	669,925	-	1,157,138	-	7	539,123	-	1,392,080
Provision held against financing	-	-	-	-	413,687	-	-	-	-	457,987

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

	September 30, 2023 (Un-audited)				December 31, 2022 (Audited)					
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
Other assets										
Profit / return accrued	-	-	5,536	-	25,904	-	-	1,403	-	79,923
Defined benefit plan asset	-	-	-	-	168,825	-	-	-	-	168,825
Remuneration receivable	-	-	-	53,617	-	-	-	-	6,987	-
Receivable against reimbursement of expenses	-	-	-	244,574	-	-	-	-	10,634	-
Receivable from defined contribution plan	-	-	-	-	6,036	-	-	-	-	-
Front end load receivable	-	-	-	27,136	-	-	-	-	118	-
Preliminary expenses and floatation costs receivable	-	-	-	5,516	-	-	-	-	1,432	-
Others	-	-	-	-	1,784,560	-	-	-	-	3,302,249
	-	-	5,536	330,843	1,985,325	-	-	1,403	19,171	3,550,997
Deposits and other accounts										
Opening balance	4,595,199	58,656	131,791	57,393	26,038,101	328,397	51,148	231,277	15,350	9,800,472
Received during the period / year	656,431	159,392	1,775,489	579,300,338	26,732,968	4,595,017	88,829	2,472,226	3,243,262	603,296,210
Withdrawn during the period / year	(5,251,448)	(124,527)	(1,802,764)	(546,067,864)	(50,855,005)	(328,215)	(81,321)	(2,571,712)	(3,201,219)	(587,058,581)
Closing balance	182	93,521	104,517	33,289,867	1,916,064	4,595,199	58,656	131,791	57,393	26,038,101
Other liabilities										
Profit / return payable	-	973	406	572,680	16,575	-	429	669	355	319,447
Other liabilities	4,923,232	-	-	-	1,811,176	-	-	-	-	359,297
	4,923,232	973	406	572,680	1,827,751	-	429	669	355	678,744
Contingencies and commitments										
Trade related commitments *	-	-	-	-	204,046	-	-	-	-	10,603
	-	-	-	-	204,046	-	-	-	-	10,603

* represents outstanding guarantee

38.1

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.

RELATED PARTY TRANSACTIONS

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)

For the nine months ended September 30, 2023

	September 30, 2023 (Un-audited)					September 30, 2022				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
Rupees '000										
Income										
Profit / return earned	-	-	25,686	-	86,446	-	7,730	20,371	-	73,397
Fee and commission income	-	297	291	526,266	12,178	-	61	68	55,102	470,161
Dividend income	-	-	-	31,034	49,661	-	-	-	50,089	94,057
Loss on sale of securities	-	-	-	(13,671)	26,660	-	-	231	(35,256)	1,440
Expense										
Profit / return expensed	-	5,795	5,570	1,678,338	113,575	-	2,915	2,156	727	747,840
Reimbursement of expenses	-	-	-	389,105	-	-	-	-	24,240	229,059
Director's fee and other expenses	-	125,735	-	-	-	-	97,623	-	-	-
Remuneration	-	-	743,089	-	2,755	-	-	641,492	-	1,138
Subscription Fee	-	-	-	-	5,346	-	-	-	-	4,605
Charge for defined benefit plan	-	-	-	-	214,520	-	-	-	-	185,849
Contribution to defined contribution plan	-	-	-	-	293,519	-	-	-	-	216,246
Donations made during the period	-	-	-	-	113,215	-	-	-	-	88,257
(Reversal) / Provision against in investment	-	-	-	-	(44,300)	-	-	-	-	-
Others										
Shares / units purchased during the period	-	-	-	34,218,245	-	-	-	-	2,629,312	13,696,875
Shares / units sold during the period	-	-	-	33,487,277	1,279,577	-	-	-	2,300,433	13,684,293
Government securities purchased during the period	-	-	26,800	-	-	-	-	245,765	-	1,738,360
Government securities sold during the period	-	-	86,301	-	1,932,162	-	-	250,004	-	3,145,468
Contribution to defined benefit plan	-	-	-	-	148,295	-	-	-	-	8,279

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

Un-audited
September 30,
2023

Audited
December 31,
2022

Rupees '000

39 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum capital requirement (MCR):

Paid-up capital (net of losses)

15,176,965

15,176,965

Capital adequacy ratio (CAR):

Eligible common equity tier 1 (CET 1) capital

65,218,548

55,723,079

Eligible additional tier 1 (ADT 1) capital

-

-

Total eligible tier 1 capital

65,218,548

55,723,079

Eligible tier 2 capital

13,657,535

11,155,424

Total eligible capital (tier 1 + tier 2)

78,876,083

66,878,503

Risk weighted assets (RWAs):

Credit risk

290,781,999

306,729,896

Market risk

29,405,531

51,822,917

Operational risk

72,519,488

72,519,488

Total

392,707,018

431,072,300

Common equity tier 1 capital adequacy ratio

16.61%

12.93%

Tier 1 Capital adequacy ratio

16.61%

12.93%

Total Capital adequacy ratio

20.09%

15.51%

Leverage ratio (LR):

Eligible tier-1 capital

65,218,548

55,723,079

Total exposures

1,434,772,742

1,237,985,505

Leverage ratio (in %)

4.55%

4.50%

Liquidity coverage ratio (LCR):

Total high quality liquid assets

482,300,301

368,386,611

Total net cash outflow

322,630,460

206,353,920

Liquidity coverage ratio (Ratio)

1.495

1.785

Net stable funding ratio (NSFR):

Total available stable funding

785,419,647

706,803,978

Total required stable funding

468,901,126

416,877,978

Net stable funding ratio (in %)

167.50%

169.55%

Notes to and forming part of the Condensed Interim Consolidated Financial Statements (Un-audited)
For the nine months ended September 30, 2023

40 GENERAL

Comparative information has been re-classified, re-arranged or additionally incorporated in these condensed interim consolidated financial statements, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period. There have been no significant reclassifications during the period.

41 NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

The Board of Directors of the Holding Company, in their meeting held on October 26, 2023 declared an interim cash dividend of Re. 1 per share (10%) for the nine months ended September 30, 2023. This is in addition to Re. 1 already paid during the year bringing the total dividend for nine months to Rs. 2 per share (September 30, 2022: Rs. 6).

42 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on October 26, 2023 by the Board of Directors of the Holding Company.

Faysal Bank Limited

Registered Office:
Faysal House,
St-02, Commercial Lane,
Main Shahrah-e-Faisal,
Karachi, Pakistan

faysalbank.com | 021 111 747 747