

# Samba Bank Limited

Subsidiary of Samba Financial Group, Saudi Arabia

## Quarterly Report

September 30, 2020



Standing Apart Yet Always Together

think samba

World class banking solutions  
for the most important things in life

samba bank سامبا بينك

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# OUR BRANCH NETWORK

Currently, SBL has a network of 40 branches located in 12 major cities across the country.

## Karachi

Fountain, Saddar  
Rashid Minhas  
Hyderi  
SMCHS  
Bahria I  
DHA Phase VI  
Shahra-e-Faisal  
Gulshan  
Clifton  
Bahadurabad  
Ittehad  
Saba Avenue  
Tauheed Commercial

## Lahore

Gulberg  
The Mall  
Allama Iqbal Town  
Johar Town  
DHA Phase III  
New Garden Town  
Tufail Sarwar Road  
Cavalry Ground  
Faisal Town  
DHA Phase V  
Model Town  
DHA Phase VI

## Islamabad

Jinnah Avenue  
F-11  
F-7  
DHA Phase II

## Rawalpindi

Murree Road  
Bahria Town  
Wah Cantt.

## Gujranwala

G.T. Road

## Faisalabad

Liaquat Road

## Multan

Nusrat Road

## Sialkot

Paris Road

## Peshawar

Islamia Road

## Quetta

M. A. Jinnah Road

## Gwadar

Airport Road

## AJK - Bagh

Bagh

# COMPANY INFORMATION

## Board of Directors

Dr. Shujaat Nadeem	Chairman/Non-Executive Director
Mr. Shahid Sattar	President & CEO/Executive Director
Ms. Ranya Nashar	Non-Executive Director
Mr. Aiman Gusti	Non-Executive Director
Mr. Timour Pasha	Non-Executive Director
Mr. Humayun Murad	Non-Executive Director
Mr. Arjumand Ahmed Minai	Independent Director
Hafiz Mohammad Yousaf	Independent Director
Mr. Tariq Javed	Independent Director

## Board Audit Committee

Mr. Arjumand Ahmed Minai	Chairman
Mr. Aiman Gusti	Member
Hafiz Mohammad Yousaf	Member

## Board Risk Committee

Mr. Timour Pasha	Chairman
Mr. Humayun Murad	Member
Mr. Aiman Gusti	Member
Mr. Shahid Sattar	Member

## Board Nomination & Remuneration Committee

Hafiz Mohammad Yousaf	Chairman
Ms. Ranya Nashar	Member
Mr. Humayun Murad	Member

## Board IT Committee

Dr. Shujaat Nadeem	Chairman
Mr. Aiman Gusti	Member
Hafiz Mohammad Yousaf	Member
Mr. Tariq Javed	Member

## President & Chief Executive Officer

Mr. Shahid Sattar

## Company Secretary

Syed Zia-ul-Husnain Shamsi

## Chief Financial Officer

Mr. Rashid Jahangir

## Auditors

KPMG Taseer Hadi & Co. Chartered Accountants

## Legal Advisors

Mohsin Tayebaly & Co. Advocates & Legal Consultants

## Head Office

Arif Habib Centre Plot No. 23, Ground floor  
M.T Khan Road Karachi - Pakistan

## Registered Office

2nd Floor, Building # 13-T, F-7 Markaz, Near Post Mall,  
Islamabad - Pakistan

## Share Registrar

Famco Associates (Pvt.) Limited  
8-F, Next to Hotel Faran, Nursery, Block-6 P.E.C.H.S.,  
Karachi - Pakistan

## Website

[www.samba.com.pk](http://www.samba.com.pk)

## Helpline

(+92-21) 11 11 SAMBA (72622)

## Credit Rating by VIS

Medium to Long Term	AA (Double A)
Short Term Rating	A-1 (A-One)

# DIRECTORS' REPORT



On behalf of the Board of Directors, we are pleased to present the financial results of the Bank for the nine months ended September 30, 2020.

## COVID-19 - A Resurgence

From being labelled as an emerging hotspot of Covid-19, the country has successfully arisen as a bright spot and a test case for the world. Administrative interventions in form of 'smart lockdowns' based on technological tools; and country's active vaccination infrastructure are being hailed as major role players in controlling the virus in Pakistan by the international health bodies including World Health Organization. With first wave of coronavirus spread being successfully flattened, almost all the sectors of economy and society including business, industrial and educational institutions are now open with relevant standard operating procedures.

However, there are now apprehensions of a second wave of Covid-19 spread in a number of countries including Europe, Asia and Americas. We must remember that our victory in controlling the first wave of the spread was hard fought. It was only due to the collective efforts of the society, businesses, provincial and federal governments and their institutions. Now it falls upon us again to act responsibly and collectively towards any threats posed by the second wave.

The management and Board of Directors of the Bank applaud the whole hearted efforts of our healthcare professionals and frontline employees of our Bank and banking industry at large, who despite all the odds remained steadfast in performing their respective roles. The Board also pays homage to the professionals who laid their lives to protect ours', and to the families who lost their loved ones.

## Economic Highlights

Pakistan's economy continued its recovery resumption of business activities post-covid. Current account balance remained in surplus for the third month in a row at US\$ 73mIn in September 2020, bringing surplus for the first quarter to \$792mIn compared to a deficit of US\$ 1,492mIn during the same period last year. The central bank reported that workers' remittances soared 31% to \$7.15bIn in the July-September quarter compared to \$5.45bIn in the same quarter of last year. Foreign exchange reserves decreased by ~US\$ 565mIn during the month to close at US\$ 19.35bIn as of 02 October, 2020, mainly due to debt repayments. Expected monetary assistance from multilateral lending institutions and inflows through Roshan Pakistan Savings accounts should provide further support to the Rupee in coming months.

## Financial Results and Overview

Highlights of the financial performance of the Bank are given below:

	(Rupees in millions)	
	Nine Months Ended September 30, 2020 (Un-Audited)	Nine Months Ended September 30, 2019 (Un-Audited)
Profit before taxation	1,502	915
Taxation	579	396
Profit after taxation	923	519
Earnings per share - (Rupees)	0.91	0.51

(Rupees in millions)		
	September 30, 2020	December 31, 2019
	(Un-audited)	(Audited)
Total assets	146,138	129,577
Investments - net	64,693	51,278
Advances - net	60,232	61,356
Deposits	76,560	71,882
Surplus on revaluation of assets - net of tax	548	329

The Profit Before Tax (PBT) for nine months' period was PKR 1,502mln as compared to PKR 915mln for similar period last year. This nine months' PBT is, Alhamdulillah higher than full last year's PBT of PKR 1,100mln. This increase is primarily attributable to the growth in net mark-up income, foreign exchange income and gain on sale of securities by PKR 270mln, PKR 149mln and PKR 480mln, respectively. As matter of prudence, during current quarter the Bank has set aside a general provision of PKR 120mln against any potential credit losses that may be present in its corporate, commercial and SME loan portfolio due to various regulatory relief measure given to obligors to manage financial stress during Covid. All of the above factors have resulted in the Profit After Tax (PAT) of PKR 923mln for the period under review compared to PKR 519mln for similar period last year.

The management is focused on right sizing the balance sheet with appropriate mix of earning assets vis-à-vis credit risk, low cost borrowings and deposits. This has resulted in increase in the assets base of the Bank from PKR 129.58bln as at December 31, 2019 to PKR 146.14bln at September 30, 2020. The increase is primarily attributable to the growth in investments in Federal Government securities by 29% over year end position of 2019. During the period, Advances witnessed a decline of PKR 1.12bln. On the liabilities side, the Bank managed to mobilize low cost & medium to small ticket deposits with overall deposit cost of 7.21% and closed its deposits book at PKR 76.56bln with an increase of PKR 4.68bln over December 31, 2019 position.

### Credit Rating

VIS Credit Rating Company Limited, a premier credit rating agency, has reaffirmed SBL's medium to long-term credit rating at AA (Double A) and the short-term rating at A-1 (A-One). The outlook on the assigned ratings has also been regarded as 'Stable'. These long and short term ratings of the Bank denote high credit quality with adequate protection factor and strong capability for timely payments to all financial commitments owing to strong liquidity positions.

### Future Outlook

Going forward, the Government has set a GDP Growth target of 2.1% in FY21 whereas the IMF is forecasting growth to remain under 1% due to the continuing effects of the pandemic. So far, economy has shown early signs of recovery post COVID pandemic, as the ease in lock downs and growth in exports have boded well to increase confidence of the businesses.

Samba Financial Group (SFG), parent entity of the Bank, has entered into a legally binding merger agreement with National Commercial Bank (NCB) of Saudi Arabia on 11 October 2020. Pursuant to the Terms of Merger Agreement, the merger will be implemented through the merger of SFG into NCB which will result in all of the assets and liabilities of SFG being transferred to NCB. On completion of merger NCB will continue to exist, whereas SFG will cease to exist as a legal entity and its shares will be cancelled and new shares in NCB will be issued to shareholders of SFG. Consequently, upon completion of the merger, the shares of Samba Bank Limited held by SFG will be transferred to the merged entity.

The Bank would continue to take effective measures for growth, keeping its core focus on steadily building up its earning assets; effectively managing the associated risks; and reduce its cost of funds through continued improvement in its deposit mix. This would be facilitated by delivery of world class banking services to the Bank's valued customers.

### Acknowledgment

We wish to express sincere gratitude to our customers, business partners and shareholders for their patronage and trust. The Board of Directors and the management would like to thank the State Bank of Pakistan, Federal Board of Revenue, Securities and Exchange Commission of Pakistan and other regulatory bodies for their guidance and support. We also sincerely appreciate the dedication, commitment, and team work of all employees of the Bank, who worked very hard to transform the Bank into a successful franchise.

On behalf of the Board of Directors,

Shahid Sattar  
President & Chief Executive Officer

Arjumand Ahmed Minai  
Director

October 26, 2020  
Karachi



## کریڈٹ ریٹنگ

معروف کریڈٹ ایجنسی، وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے بینک کی درمیانی سے طویل مدت کی درجہ بندی کو ڈبل اے (AA) کی سطح پر اور قلیل المدتی درجہ بندی کو اے ون (A-1) کی سطح پر برقرار رکھا ہے۔ ان درجہ بندیوں سے آئندہ امکانات میں بھی استحکام کی پیش بینی کی گئی ہے۔ یہ طویل اور قلیل المدتی درجہ بندیاں بینک کے اعلیٰ قرضہ جاتی معیار اور اس کے مناسب محافظت کے عوامل اور مضبوط لیکوڈیٹی کی بدولت اپنی تمام تر مالیاتی ذمہ داریوں کی بروقت ادائیگی کی ٹھوس صلاحیت کی مظہر ہیں۔

## مستقبل کی پیش بینی

مستقبل میں حکومت نے مالی سال 2021ء کے لیے جی ڈی پی کی نمو کا ہدف 2.1 فیصد پر تعین کیا ہے جبکہ آئی ایم ایف نے اس عالمگیر وباء کے جاری اثرات کے مد نظر 1 فیصد کی نمو کی پیش بینی کی ہے۔ تاحال، کووڈ کی عالمگیر وباء کے بعد لاک ڈاؤن میں نرمی اور برآمدات میں اضافے سے کاروباری اعتماد میں بہتری کی وجہ سے معیشت بحالی کے مثبت اشاروں کی مظہر ہے۔

بینک کے موروثی ادارے سامبا فنانشل گروپ (ایس ایف جی) نے سعودی عرب کے نیشنل کمرشل بینک (این سی بی-NCB) کے ساتھ 11 اکتوبر 2020ء کو انضمام کا قانونی معاہدہ کیا ہے۔ اس معاہدے کی شرائط کے مطابق، یہ انضمام ایس ایف جی کے این سی بی میں مدغم ہونے سے نافذ ہوگا جس کے نتیجے میں ایس ایف جی کے تمام اثاثہ جات اور واجبات این سی بی کو منتقل ہو جائیں گے۔ انضمام کی تکمیل کے ساتھ، این سی بی اپنے وجود کو جاری رکھے گا جبکہ ایس ایف جی ایک قانونی ادارے کے طور پر تحلیل ہو جائے گا اور اس کے تمام حصص کی تسخیر کے ساتھ ایس ایف جی کے حصص یافتگان کو این سی بی کے حصص کا اجراء کیا جائے گا۔ چنانچہ انضمام کے مکمل ہوتے ہی ایس ایف جی کے پاس موجود سامبا بینک لمیٹڈ کے تمام حصص ضم شدہ نئے ادارے کو منتقل ہو جائیں گے۔

بینک ترقی کی نئی راہوں کے تعین کے ساتھ اثاثہ جات میں بتدریج اضافے کے لیے مؤثر اقدامات کا سلسلہ جاری رکھے گا جس کے ساتھ اپنے پیداواری اثاثہ جات کی مستعدی پر خصوصی ارتکاز، ان سے متعلقہ خدشات سے مناسب طور پر نمٹنے اور ڈپازٹس کی ترکیب میں جاری بہتری کے ساتھ اپنی لاگت کم کرنے کے ذریعے، اپنی ترقی و نمو کے تمام ضروری اقدامات کو جاری رکھے گا۔ یہ امر بینک کے معزز صارفین کو دنیا کی بہترین بینکاری کی خدمات مہیا کرنے سے ممکن ہو سکے گا۔

## اظہار تشکر

ہم اپنے صارفین، کاروباری شراکت داران اور حصص یافتگان کے اعتماد اور خلوص پر ان کے نہایت مشکور ہیں۔ بورڈ آف ڈائریکٹرز اور بینک کی انتظامیہ بینک دولت پاکستان، فیڈرل بورڈ آف ریونیو، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ضوابطی اداروں کی رہنمائی اور تعاون پر ان کے شکر گزار ہیں۔ اس کے علاوہ ہم اپنے بینک کے تمام ملازمین کی تہہ دل سے حوصلہ افزائی کرتے ہیں جن کی لگن، عزم اور ٹیم ورک نے بینک کو ایک کامیاب ادارے میں تبدیل کر دیا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

ارجمند احمد مینائی  
ڈائریکٹر

شاہد ستار  
پریذیڈنٹ اور چیف ایگزیکٹو آفیسر

26 اکتوبر 2020ء

کراچی

## مالیاتی نتائج اور تجزیہ

بینک کی مالیاتی کارکردگی کی جھلکیاں مندرجہ ذیل ہیں:

ملین روپے	
نومہ اختتمہ 30 ستمبر 2019ء (غیر آڈٹ شدہ)	نومہ اختتمہ 30 ستمبر 2020ء (غیر آڈٹ شدہ)
915	1,502
396	579
519	923
0.51	0.91

منافع قبل از محصولات (ٹیکسیشن)

محصولات

منافع بعد از محصولات

آمدنی فی شخص (روپے)

ملین روپے	
31 دسمبر 2019ء (آڈٹ شدہ)	30 ستمبر 2020ء (غیر آڈٹ شدہ)
129,577	146,138
51,278	64,693
61,356	60,232
71,882	76,560
329	548

کل اثاثہ جات

سرمایہ کاری۔ خالص

قرضہ جات۔ خالص

ڈپازٹس

اثاثہ جات کی ریویلیویشن پریسریس۔ بعد از محصولات

اس نومہ کے عرصے میں منافع قبل از ٹیکس گزشتہ سال کے تقابلی عرصے کے 915 ملین روپے کی نسبت 1,502 ملین روپے پر جا پہنچا۔ نومہ کا یہ منافع قبل از ٹیکس، الحمد للہ، گزشتہ پورے سال کے 1,100 ملین روپے کے منافع قبل از ٹیکس سے زیادہ ہے۔ اس اضافے کے بنیادی عوامل میں خالص مارک آپ آمدنی میں بڑھوتی، فارن ایکسچج آمدنی اور تمسکات کی فروخت سے حاصل ہونے والا منافع شامل ہے، جن کا با ترتیب حجم 270 ملین روپے، 149 ملین روپے اور 480 ملین روپے پر درج کیا گیا۔ کووڈ کے دوران قرض یافتگان کو مالی دباؤ سے بچانے کے لیے اٹھائے گئے ضوابطی سہولتوں کے اقدامات کے تناظر میں بینک نے دانشمندی کا مظاہرہ کرتے ہوئے رواں سہ ماہی کے دوران، اپنے کارپوریٹ، کمرشل اور ایس ایم ای قرضوں کے پورٹ فولیو میں موجود کسی بھی متوقع خدشے یا نقصان کے تدارک کے لیے 120 ملین روپے کے عمومی اخراجات کو پس انداز کیا ہے۔ مندرجہ بالا تمام اسباب کے نتیجے میں منافع بعد از ٹیکس گزشتہ سال کی اسی مدت میں 519 ملین روپے کی نسبت اس زیر تجزیہ عرصے کے دوران 923 ملین روپے رہا۔

بینک کی انتظامیہ کی توجہ پیداواری اثاثوں کی موزوں ترکیب کے ذریعے اپنے میزانیے کی قدر کو درست سمت میں برقرار رکھنے پر مرکوز ہے، جس میں کریڈٹ رسک، کم لاگت کے قرض اور ڈپازٹس شامل ہیں۔ اس کے نتیجے میں اثاثہ جات کی اساس 31 دسمبر 2019ء کے 129.58 ملین روپے کی نسبت 30 ستمبر 2020ء تک 146.14 ملین روپے تک بڑھ گئی۔ اس اضافے کے بنیادی عوامل میں وفاقی حکومت کے تمسکات میں سرمایہ کاری میں اضافہ ہے جن میں دسمبر 2019ء کی سطح سے 29 فیصد کا اضافہ ریکارڈ کیا گیا۔ اس مدت کے دوران، قرضہ جات میں 1.12 ملین روپے کی کمی دیکھی گئی۔ واجبات کے حوالے سے، بینک درمیانی اور قلیل مدت ڈپازٹس کے حصول میں کامیاب رہا جس کے ساتھ ڈپازٹس کی مجموعی لاگت 7.21 فیصد رہی اور ڈپازٹس کا حجم 31 دسمبر 2019ء کی سطح سے 4.68 ملین روپے کے اضافے کے ساتھ 76.56 ملین روپے پر درج کیا گیا۔



# ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 ستمبر 2020ء کو اختتام پذیر نو ماہی مدت پر بینک کے مالیاتی نتائج پیش کرتے ہوئے نہایت مسرت محسوس کر رہے ہیں۔

## کووڈ-19 دوسری لہر

کووڈ-19 کے ابھرتے تناظر میں متوقع کشیدگی کے حوالے سے تشویش ناک تاثر کے برعکس ملک اس صورت حال میں کامیابی کا روشن ستارہ بن کر ابھرا ہے اور دنیا کے لیے ایک مثالی حیثیت اختیار کر چکا ہے۔ ٹیکنالوجی پر منحصر اسمارٹ لاک ڈاؤن کی شکل میں انتظام اور ملک میں ویکسینیشن کے فعال ڈھانچے کو بین الاقوامی صحت عامہ کے اداروں بشمول ورلڈ ہیلتھ آرگنائزیشن کی جانب سے پاکستان میں وائرس کو قابو کرنے کے اہم ترین عوامل کے طور پر گردانا گیا ہے۔ کرونا وائرس کی پہلی لہر پر کامیابی سے قابو پاتے ہوئے معیشت کے تقریباً تمام شعبوں بشمول تجارت، صنعت اور تعلیمی اداروں کو مروجہ ضابطوں کے تحت اب کھول دیا گیا ہے۔

تاہم اب اس امر کا اندیشہ ہے کہ کئی خطے جن میں یورپ، ایشیاء اور امریکہ شامل ہیں، میں کرونا وائرس کے پھیلاؤ کی دوسری لہر ظہور پذیر ہو رہی ہے۔ ہمیں یہ یاد رکھنا چاہیے کہ کرونا وائرس کی پہلی لہر پر فتح ایک مشکل اور کٹھن جدوجہد کے بعد حاصل ہوئی ہے۔ یہ سب معاشرتی، کاروباری، صوبائی و وفاقی حکومتوں اور ان سے منسلک اداروں کے باہمی تعاون سے ممکن ہو سکا۔ اس متوقع لہر سے جڑے خطرات سے مقابلے کے لیے مطلوبہ ذمہ داری اور اجتماعیت کا مظاہرہ ایک بار پھر ہم سب پر منحصر ہے۔ بینک کی انتظامیہ اور بورڈ آف ڈائریکٹرز صحت عامہ کے شعبے سے متعلق پیشہ ور افراد اور صرف اوّل میں خدمات سرانجام دینے والے اپنے بینک اور مجموعی طور پر بینکاری کی پوری صنعت کے ملازمین کے کردار کو سراہتے ہیں، جنہوں نے تمام نامساعد حالات کے باوجود اپنے کردار اور ذمہ داریوں کو نہایت احسن طریقے سے نبھایا۔ بورڈ ان تمام پیشہ ور افراد کو بھی خراج عقیدت پیش کرتا ہے جنہوں نے ہماری حفاظت کے لیے اپنی جانوں کی قربانیاں دیں اور جن خاندانوں نے اپنے پیاروں کو کھویا ہے۔

## معاشی جھلکیاں

کووڈ-19 کے بعد پاکستانی معیشت نے کاروباری سرگرمیوں کی بحالی کے ساتھ اپنی بحالی کے سفر کو جاری رکھا۔ کرنٹ اکاؤنٹ بیلنس متواتر تیسرے مہینے سرپلس میں رہتے ہوئے ستمبر 2020ء میں 73 بلین امریکی ڈالر زبردی پر درج کیا گیا، جو گزشتہ سال کی اسی مدت کے دوران 1,492 بلین امریکی ڈالر کے خسارے کے مقابلے میں پہلی سہ ماہی میں بڑھ کر 792 بلین ڈالر سرپلس پر درج ہوا۔ مرکزی بینک کی رپورٹ کے مطابق جولائی تا ستمبر سہ ماہی میں ورکرز کی ترسیلات زر 31 فیصد بڑھ کر 7.15 بلین ڈالر ہو گئی ہیں جو گزشتہ سال کی اسی سہ ماہی میں 5.45 بلین ڈالر زبردی پر درج ہیں۔ قرضوں کی ادائیگیوں کے باعث، غیر ملکی زرمبادلہ کے ذخائر اس ماہ کے دوران 565 بلین امریکی ڈالر کی کمی کے ساتھ 102 اکتوبر 2020ء تک 19.35 بلین امریکی ڈالر زبردی پر بند ہوئے۔ قرض فراہم کرنے والے کثیر الاطراف اداروں سے متوقع مالی اعانت اور روشن پاکستان سیونگ اکاؤنٹس کے ذریعے وصول ہونے والی رقم پاکستانی روپے کو آنے والے مہینوں میں مضبوط کرنے کا باعث بن سکیں گی۔

# Condensed Interim Statement of Financial Position

AS AT SEPTEMBER 30, 2020

		(Rupees in '000)	
Note		September 30, 2020	December 31, 2019
		(Un-audited)	(Audited)
<b>ASSETS</b>			
Cash and balances with treasury banks	6	5,933,528	5,544,027
Balances with other banks	7	1,499,256	1,154,197
Lendings to financial institutions	8	7,586,908	2,274,405
Investments - net	9	64,693,068	51,278,029
Advances - net	10	60,232,235	61,356,143
Fixed assets	11	1,874,260	1,896,507
Intangible assets	12	132,886	133,464
Deferred tax assets - net	13	195,360	327,484
Other assets - net	14	3,990,015	5,613,151
		146,137,516	129,577,407
<b>LIABILITIES</b>			
Bills payable	15	553,668	783,478
Borrowings	16	47,781,989	36,114,488
Deposits and other accounts	17	76,560,319	71,881,880
Liabilities against assets subject to finance lease		-	-
Subordinated debt		-	-
Deferred tax liabilities - net	13	-	-
Other liabilities	18	5,920,487	6,618,074
		130,816,463	115,397,920
<b>NET ASSETS</b>			
		15,321,053	14,179,487
<b>REPRESENTED BY:</b>			
Share capital		10,082,387	10,082,387
Reserves		1,013,795	829,289
Surplus on revaluation of assets	19	548,297	329,259
Unappropriated profit		3,676,574	2,938,552
		15,321,053	14,179,487
<b>CONTINGENCIES AND COMMITMENTS</b>			
	20		

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

Chief Financial Officer

President & Chief Executive Officer

Director

Director

Chairman

# Condensed Interim Profit and Loss Account (Un-Audited)

FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2020

		(Rupees in '000)			
	Note	Quarter ended		Nine Months ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Mark-up / Return / Interest Earned	21	2,928,545	3,492,207	10,767,922	8,791,656
Mark-up / Return / Interest Expensed	22	2,113,575	2,587,584	7,944,140	6,237,439
Net Mark-up / Return / Interest Income		814,970	904,623	2,823,782	2,554,217
<b>Non Mark-Up / Interest Income</b>					
Fee and Commission Income	23	82,433	92,808	208,867	250,380
Dividend Income		4,812	8,549	31,427	38,999
Foreign Exchange Income		99,446	41,766	420,039	271,387
Income / (loss) from derivatives		-	-	-	-
Gain / (loss) on securities	24	110,350	13,389	499,722	19,396
Other Income	25	-	730	11	1,000
Total non-markup / interest income		297,041	157,242	1,160,066	581,162
Total Income		1,112,011	1,061,865	3,983,848	3,135,379
<b>Non Mark-Up / Interest Expenses</b>					
Operating expenses	26	730,147	684,105	2,181,442	1,942,522
Workers' Welfare Fund		6,148	5,333	30,617	18,674
Other charges	27	-	7,690	10	7,978
Total non-markup / interest expenses		736,295	697,128	2,212,069	1,969,174
Profit Before Provisions		375,716	364,737	1,771,779	1,166,205
(Provisions) / reversal and write offs - net	28	(48,892)	(103,385)	(270,131)	(251,154)
Extra ordinary / unusual items		-	-	-	-
<b>Profit Before Taxation</b>		326,824	261,352	1,501,648	915,051
Taxation	29	(109,360)	(102,027)	(579,120)	(395,944)
<b>Profit After Taxation</b>		217,464	159,325	922,528	519,107
		(Rupees)			
<b>Earnings per share - basic and diluted</b>	30	0.21	0.15	0.91	0.51

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

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Director

Chairman

## Condensed Interim Statement of Comprehensive Income (Un-Audited)

FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2020

	(Rupees in '000)			
	Quarter ended		Nine Months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
<b>Profit after taxation for the period</b>	217,464	159,325	922,528	519,107
<b>Other comprehensive income / (loss)</b>				
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>				
Movement in surplus / (deficit) on revaluation of investments - net of tax	(358,319)	167,794	219,038	201,749
<b>Total comprehensive income</b>	<u>(140,855)</u>	<u>327,119</u>	<u>1,141,566</u>	<u>720,856</u>

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

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Chairman

# Condensed Interim Cash Flow Statement (Un-Audited)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

	(Rupees in '000)	
	Nine Months ended	
	September 30, 2020	September 30, 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,501,648	915,051
Less: Dividend income	(31,427)	(38,999)
	1,470,221	876,052
<b>Adjustments:</b>		
Depreciation	248,527	250,926
Amortisation of intangible assets	30,101	25,165
Provision and write-offs	259,469	251,154
Gain on sale of fixed assets	-	(968)
Interest expensed on lease liability against right of use assets	82,267	85,694
Gain on sale of investments - net	(462,803)	(12,730)
Unrealized (gain) / loss on revaluation of investments classified as held for trading	2,187	(124)
Operating Fixed Assets Written-off / Adjusted	10,662	-
Recoveries against debts written-off	1,008	357
	171,418	599,474
	1,641,639	1,475,526
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(5,312,503)	9,399,023
Investments - held for trading securities	(140,288)	6,042,418
Advances	984,800	(4,862,899)
Others assets (excluding advance taxation)	1,578,717	(1,524,967)
	(2,889,274)	9,053,575
<b>Increase / (decrease) in operating liabilities</b>		
Bills Payable	(229,810)	404,272
Borrowings from financial institutions	11,667,501	6,973,235
Deposits and other accounts	4,678,439	2,448,378
Other liabilities (excluding current taxation)	(816,824)	568,009
	15,299,306	10,393,894
Income tax paid	(438,569)	(298,595)
Net cash flow generated from / (used in) operating activities	13,613,102	20,624,400
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in securities	(12,576,425)	(18,551,430)
Dividends received	30,627	36,386
Investments in fixed assets and intangible assets	(147,815)	(134,987)
Proceeds from sale of fixed assets	-	1,791
Net cash flow from / (used in) investing activities	(12,693,613)	(18,648,240)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payments under lease agreements	(184,929)	(122,885)
<b>Increase / (decrease) in cash and cash equivalents during the period</b>	734,560	1,853,275
Cash and cash equivalents at beginning of the period	6,698,224	5,650,964
<b>Cash and cash equivalents at end of the period</b>	7,432,784	7,504,239

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

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# Condensed Interim Statement of Changes in Equity (Un-Audited)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

	(Rupees in '000)					
	Share Capital	Capital Reserve	Statutory Reserve	Surplus/ (Deficit) on Revaluation of Investments	Unappropriated profit	Total
<b>Balance as at December 31, 2018</b>	<b>10,082,387</b>	<b>20,935</b>	<b>671,062</b>	<b>(380,015)</b>	<b>2,389,386</b>	<b>12,783,755</b>
<b>Comprehensive income for the period</b>						
Profit after taxation for the nine months ended September 30, 2019	-	-	-	-	519,107	519,107
<b>Other comprehensive income</b>						
Movement in surplus on revaluation of investments - net of tax	-	-	-	201,749	-	201,749
	-	-	-	201,749	519,107	720,856
Transfer to statutory reserve	-	-	103,820	-	(103,820)	-
<b>Balance as at September 30, 2019</b>	<b>10,082,387</b>	<b>20,935</b>	<b>774,882</b>	<b>(178,266)</b>	<b>2,804,673</b>	<b>13,504,611</b>
<b>Comprehensive income for the period</b>						
Profit after taxation for the three months ended December 31, 2019	-	-	-	-	167,351	167,351
<b>Other comprehensive income</b>						
Movement in surplus on revaluation of investments - net of tax	-	-	-	507,525	-	507,525
	-	-	-	507,525	167,351	674,876
Transfer to statutory reserve	-	-	33,472	-	(33,472)	-
<b>Balance as at December 31, 2019</b>	<b>10,082,387</b>	<b>20,935</b>	<b>808,354</b>	<b>329,259</b>	<b>2,938,552</b>	<b>14,179,487</b>
<b>Comprehensive income for the period</b>						
Profit after taxation for the nine months ended September 30, 2020	-	-	-	-	922,528	922,528
<b>Other comprehensive income</b>						
Movement in surplus on revaluation of investments - net of tax	-	-	-	219,038	-	219,038
	-	-	-	219,038	922,528	1,141,566
Transfer to statutory reserve	-	-	184,506	-	(184,506)	-
<b>Balance as at September 30, 2020</b>	<b>10,082,387</b>	<b>20,935</b>	<b>992,860</b>	<b>548,297</b>	<b>3,676,574</b>	<b>15,321,053</b>

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

Chief Financial Officer

President & Chief Executive Officer

Director

Director

Chairman



# Notes to and Forming Part of the Condensed Interim Financial Statements (Un-Audited)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

## 1 STATUS AND NATURE OF BUSINESS

**1.1** Samba Bank Limited (the Bank) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank is listed on the Pakistan Stock Exchange Limited. Its principal office is located at Ground Floor, Arif Habib Centre, M.T. Khan Road, Karachi, whereas, the registered office of the Bank is located at 2nd floor, Building No. 13-T, F-7 Markaz, near Post Mall, Islamabad. The Bank is a subsidiary of SAMBA Financial Group of Saudi Arabia, which holds 84.51% shares of the Bank as at September 30, 2020 (December 31, 2019: 84.51%). Samba Financial Group (SFG) has entered into a legally binding merger agreement with National Commercial Bank (NCB) of Saudi Arabia on 11 October 2020. Pursuant to the Terms of Merger Agreement, the merger will be implemented through the merger of SFG into NCB which will result in all of the assets and liabilities of SFG being transferred to NCB. On completion of merger NCB will continue to exist, whereas SFG will cease to exist as a legal entity and its shares will be cancelled and new shares in NCB will be issued to shareholders of SFG. Consequently, upon completion of said merger, shares of Samba Bank Limited held by Samba Financial Group will be transferred to merged entity. The Bank operates 40 branches (December 31, 2019: 40 branches) inside Pakistan.

**1.2** VIS Credit Rating Company has determined the Bank's medium to long-term rating as 'AA' with stable outlook and the short-term rating as 'A-1'.

## 2 BASIS OF PRESENTATION

### 2.1 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are 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 and 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 IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

**2.2** The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and International Accounting Standard (IAS) 34, Interim Financial Reporting. These condensed interim financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2019.

**2.3** The SBP vide BSD Circular letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property for banking companies till further instructions. Moreover, according to the notification of the SECP issued vide SRO 411(I)/2008 dated April 28, 2008, International Financial Reporting Standard (IFRS) 7, Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

- 2.4** These condensed interim financial statements have been prepared under the historical cost convention except certain investments, foreign currency balances, commitments in respect of foreign exchange contracts and derivative financial instruments have been marked to market and are carried at fair value.

### **3 SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended December 31, 2019.

#### **3.1 Standards, amendments and interpretations to approved accounting standards that are effective in the current period**

There are certain other new standards and interpretations of and amendments to existing accounting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2020. These are considered as either not relevant or do not have any significant impact on the Bank's condensed interim financial statements.

#### **3.2 Standards, interpretations and amendments to approved accounting standards that are not yet effective**

The following new standards and amendments to existing accounting standards will be effective from the dates mentioned below against the respective standard or amendment:

	<b>Effective date (annual periods beginning on or after)</b>
- Amendments to IFRS-16	June 01, 2020
- IAS 16 Property, Plant and Equipment (Amendments)	January 01, 2022
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 01, 2022
- IFRS 9, Financial Instruments (3.2.1)	January 01, 2021

- 3.2.1** The SBP vide its BPRD Circular No. 04 dated October 23, 2019 has notified the effective date of IFRS 9, 'Financial Instruments' as January 1, 2021. IFRS 9, 'Financial Instruments' has replaced IAS 39, 'Financial Instruments: Recognition and Measurement'. The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'Expected Credit Losses' (ECL) approach rather than 'incurred credit losses' approach. The ECL has impact on all the assets of the Bank which are exposed to credit risk.

- 3.2.2** There are certain other new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or will not have any significant effect on the Bank's operations and are therefore not detailed in these financial statements.

### **4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements is the same as that applied in the preparation of the annual financial statements for the year ended December 31, 2019.

## 5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the audited annual financial statements for the year ended December 31, 2019, except as mentioned below:

The COVID-19 pandemic has impacted all economies and emerged as a contagion risk around the globe. Various preventive strategies adopted by the governments including the general lockdown resulted in the halt of the operations of various industries, which has translated into negative GDP growth rates. These measures have also impacted the Pakistan economy in no different way and disrupted the supply chain and operations of almost all industries resulting into liquidity crisis.

The State Bank of Pakistan responded in a timely manner and undertook various initiatives like:

- Reduction of the policy rate from 13.25% to 7% since the start of the pandemic
- Reduction in the capital conservation buffer by 100 basis points to 1.5%
- Increasing the regulatory limit on extension of credit to SMEs to Rs 180 million
- Relaxing the debt burden ratio for consumer loans from 50% to 60%
- Allowing banks to defer borrowers principal loan payments by one year and / or restructure / reschedule loans to borrowers who require relief of principal repayment exceeding one year and / or mark up with no reflection on credit history; and
- Introduction of refinancing scheme for payment of wages and salaries.

### 5.1 Financial impact due to Covid

Covid related restrictions have impacted the Bank in the form of reduced fee income due to free of cost services offerings and increase in overall credit risk pertaining to loans and advances portfolio. However, the regulatory relief measures introduced by the SBP in form of policy rate cuts and relaxation in prudential regulations have resulted in increase in markup income, increase in capital gains and increase in carrying value of investments.

### 5.2 Credit Risk Management

The Risk Management function of the Bank is regularly conducting the assessment of the credit portfolio to identify obligors most likely to get affected due to changes in the business and economic environment resulting from the COVID-19 outbreak. The Bank is continuously strengthening its credit review procedures. Since some of the obligors have also availed the SBP enabled deferment, restructuring and rescheduling relief, the full potential effect of the economic stress is difficult to predict. However, as a matter of prudence, the Bank has created a general provision of Rs. 120 million (December 31, 2019: Nil) against corporate, commercial and SME advances. This provision is based on management's best estimate for potential losses present in the portfolio.

In order to dampen the adverse impact of COVID- 19 on the economy and to enable the banks continuity to fulfil their role in funding the real economy, the SBP vide BPRD Circular Letter No. 13 of 2020, BPRD Circular Letter No. 14 of 2020 and IH&SMEFD Circular Letter No. 3 of 2020 all issued on March 26, 2020 have introduced regulatory relief in the form of relaxation of various requirements of Prudential Regulations for Corporate & Commercial Banking, Consumer Banking and Small & Medium Enterprises Banking, respectively. This regulatory relief includes permitting the banks to Rescheduling / Restructuring of due principal and markup against financing facilities and relaxation of objective classification criteria from 90 days to 180 days (December 31, 2019: 90 days) on selective basis. Consequently, the Bank has received requests from its borrowers for rescheduling / restructuring of their financing facilities. Accordingly while preparation of these condensed interim financial statements, the regulatory relief granted through the above said circulars have been considered for various facilities of certain borrowers whose principal due amounting to Rs. 12,386 million was deferred for a period of one year, whereas principal and markup due amounting to Rs. 1,931 million was restructured, as at September 30, 2020.

### 5.3 Liquidity Risk Management

SBP initiatives such as deferral of principal and rescheduling / restructuring of loans may have an adverse effect on liquidity and maturity profile of the Bank, however the Bank holds sufficient liquidity buffer to absorb any unforeseen shocks during the prevailing situation. Moreover, the Asset and Liability Committee (ALCO) of the Bank continues to monitor the liquidity position of the Bank in view of emerging risks.

### 5.4 Equity Risk Management

The negative impact of COVID-19 pandemic was observed in equity markets during the first half of the current year resulting in significant decline in the valuation of various equity investments on reporting date. Cognizant to this fact, the State Bank of Pakistan (SBP) through its BPRD Circular Letter No.13 of 2020 granted relaxation in recognizing the impairment in listed equity instruments held as Available for Sale (AFS) portfolio, in phased manner. However, the Bank after carefully reviewing the portfolio, recorded the required impairment of Rs. 236.966 million in the financial statements of the current period, and has not deferred any impairment to the subsequent periods as allowed by the SBP.

### 5.5 Operational Risk

The Bank, like all financial institutions, is exposed to operational risk and the risk of Business Continuity in current pandemic situation. The Management of the Bank is closely monitoring the situation and taking prompt decisions to ensure the uninterrupted services to the customers.

Business Continuity Plans (BCP) for all critical processes are already in place and are being tested on regular basis. However, during the pandemic, the Bank has significantly enhanced monitoring of risk related to business continuity and disruption. The Bank recognizes that pandemic can cause varying degrees of disruption to normal business processes and that it has the responsibility to its customers to continue critical operations during this event. The Bank's goal is to meet this obligation with no or minimal interruption, given the circumstances and scope of disruptive event.

Employees of the Bank were mandated to work from home and their respective BCP sites where required as part of the de-crowding plan. Therefore, the Bank developed a secured and comprehensive strategy including enhanced monitoring to deal with Cybersecurity risks during these times. Related risk and control measures including regulatory protocols were assessed so as to ensure that the Bank's systems are protected from emerging cyber threats. Various COVID - 19 related awareness campaigns took place as part of the strategy. The Bank is communicating with its customers through various channels to ensure their safety and health, all measures were, therefore taken for the security of these channels and to ensure that complaints are resolved and turnaround times are monitored to meet the expectations of the customers.

### 5.6 Capital Adequacy Ratio (CAR)

The SBP has relaxed CAR requirements for all Tiers by reducing the Capital Conversion Buffer (CCB) from 2.5% to 1.5%. The initiative will encourage banks to extend lending despite probable reduction in profits and increased credit risk. The Bank's CAR as at September 30, 2020 stands at a sound level of 19.58%, providing ample cushion to absorb any unexpected shocks.

## 6 CASH AND BALANCES WITH TREASURY BANKS

### In hand

Local currency  
Foreign currency

### With State Bank of Pakistan in

Local currency current account  
Foreign currency current account (cash reserve account)  
Foreign currency current account (USD Settlement Account)  
Foreign currency deposit account (Special Cash Reserve Account)

### With National Bank of Pakistan in

Local currency current account

### National Prize Bonds

## 7 BALANCES WITH OTHER BANKS

### In Pakistan

In current account  
In deposit account

### Outside Pakistan

In current account

## 8 LENDINGS TO FINANCIAL INSTITUTIONS

Repurchase agreement lendings (Reverse Repo)  
Less: Provision held against Lending to Financial Institutions  
Lending to Financial Institutions - net of provision

## 9. INVESTMENTS - NET

### 9.1 Investments by type:

#### Held for trading securities

Federal Government Securities  
Shares

#### Available for sale securities

Federal Government Securities  
Shares  
Non Government Debt Securities

#### Held to maturity securities

Federal Government Securities

#### Total Investments

September 30, 2020 (Un-audited)				December 31, 2019 (Audited)			
Cost/ Amortised cost	Provision for diminution	Surplus/ (Deficit)	Carrying Value	Cost/ Amortised cost	Provision for diminution	Surplus/ (Deficit)	Carrying Value
-	-	-	-	-	-	-	-
199,123	-	(2,187)	196,936	59,349	-	(514)	58,835
199,123	-	(2,187)	196,936	59,349	-	(514)	58,835
57,252,251	-	815,766	58,068,017	42,507,453	-	436,464	42,943,917
1,564,580	(353,220)	130,550	1,341,910	1,622,291	(231,851)	138,822	1,529,262
2,017,231	-	(47,468)	1,969,763	2,426,596	-	(35,517)	2,391,079
60,834,062	(353,220)	898,848	61,379,690	46,556,340	(231,851)	539,769	46,864,258
3,116,442	-	-	3,116,442	4,354,936	-	-	4,354,936
64,149,627	(353,220)	896,661	64,693,068	50,970,625	(231,851)	539,255	51,278,029

**9.1.1 Investments given as collateral**

Market Treasury Bills  
Pakistan Investment Bonds

(Rupees in '000)	
September 30, 2020 (Un-audited)	December 31, 2019 (Audited)

-  
17,659,120

-  
25,419,304

**9.2 Provision for diminution in value of investments**

Opening balance  
Charge / reversals  
    Charge for the period / year  
    Reversal for the period / year  
Net charge  
  
Closing Balance

231,851	117,846
236,966	162,115
(115,597)	(48,110)
121,369	114,005
353,220	231,851

**9.2.1** No provision was booked against investment in debt securities as at September 30, 2020 (December 31, 2019: Nil).

**9.2.2** The market value of securities classified as held to maturity as at September 30, 2020 amounted to Rs. 3,147 million (December 31, 2019: Rs. 4,132 million).

**10. ADVANCES - NET**

Loans, cash credits, running finances, etc.  
Bills discounted and purchased  
Advances - gross

Provision against advances  
- Specific  
- General

Advances - net of provision

(Rupees in '000)					
Performing		Non-Performing		Total	
September 30, 2020 (Un-audited)	December 31, 2019 (Audited)	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
60,337,637	61,189,254	2,658,017	2,657,246	62,995,654	63,846,500
31,922	181,363	15,494	15,494	47,416	196,857
60,369,559	61,370,617	2,673,511	2,672,740	63,043,070	64,043,357
-	-	(2,622,736)	(2,623,696)	(2,622,736)	(2,623,696)
(188,099)	(63,518)	-	-	(188,099)	(63,518)
(188,099)	(63,518)	(2,622,736)	(2,623,696)	(2,810,835)	(2,687,214)
60,181,460	61,307,099	50,775	49,044	60,232,235	61,356,143

**10.1 Particulars of advances (Gross)**

In local currency  
In foreign currencies

(Rupees in '000)	
September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
62,817,573	62,800,119
225,497	1,243,238
63,043,070	64,043,357

**10.2** Advances include Rs. 2,673.511 million (December 31, 2019: Rs. 2,672.740 million) which have been placed under non-performing status and detailed as follows:-



Category of Classification	(Rupees in '000)			
	September 30, 2020 (Un-audited)		December 31, 2019 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
<b>Domestic</b>				
Substandard	25,568	6,392	23,087	5,772
Loss	2,647,943	2,616,344	2,649,653	2,617,924
	2,673,511	2,622,736	2,672,740	2,623,696

### 10.3 Particulars of provision against advances

	(Rupees in '000)					
	September 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
	Specific	General	Total	Specific	General	Total
Opening balance	2,623,696	63,518	2,687,214	2,249,583	49,942	2,299,525
Charge for the period / year	50,176	124,581	174,757	420,197	13,576	433,773
Reversals for the period / year	(37,005)	-	(37,005)	(45,509)	-	(45,509)
	13,171	124,581	137,752	374,688	13,576	388,264
Amounts written off	(14,131)	-	(14,131)	(575)	-	(575)
Closing balance	2,622,736	188,099	2,810,835	2,623,696	63,518	2,687,214

**10.4** General provision as at September 30, 2020 includes provision of Rs. 68.099 million (December 31, 2019: Rs. 63.518 million) held against consumer finance portfolio as required by the Prudential Regulations issued by the State Bank of Pakistan. In addition, the Bank has created a general provision of Rs. 120 million (December 31, 2019: Nil) against corporate, commercial and SME advances. This provision is based on management's best estimate for potential losses present in the portfolio.

**10.5** No benefit of forced sale value of the collaterals held by the Bank has been taken while determining the provision against non performing loans as allowed under BSD circular No. 01 dated October 21, 2011.

### 11 FIXED ASSETS

Note

		(Rupees in '000)	
		September 30, 2020	December 31, 2019
		(Un-audited)	(Audited)
Capital work-in-progress	11.1	57,951	92,794
Property and equipment	11.2 & 11.3	1,004,395	979,860
Right of use assets		811,914	823,853
		1,874,260	1,896,507
<b>11.1 Capital work-in-progress</b>			
Civil works		15,166	80,206
Equipment		1,743	9,414
Advances to suppliers		41,041	3,174
		57,950	92,794
Nine months ended			
(Rupees in '000)			
		September 30, 2020	September 30, 2019
		(Un-audited)	(Un-audited)
<b>11.2 Additions to fixed assets</b>			
The following additions have been made to fixed assets during the period:			
Capital work-in-progress		72,026	68,589
<b>Property and equipment</b>			
Furniture and fixture		8,525	20,747
Electrical office and computer equipment		37,738	40,060
Vehicles		-	489
Others		-	-
		46,263	61,296
Total		118,289	129,885

**11.3 Disposal of fixed assets**

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

Furniture and fixture	10,662	161
Electrical office and computer equipment	-	130
Vehicles	-	531
Total	10,662	822

**12 INTANGIBLE ASSETS**

Intangible assets  
Capital work-in-progress

Nine months ended (Rupees in '000)	
September 30, 2020 (Un-audited)	September 30, 2019 (Un-audited)
10,662	161
-	130
-	531
10,662	822

(Rupees in '000)	
September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
112,274	115,953
20,612	17,511
132,886	133,464

**12.1 Additions to intangible assets**

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

Capital work-in-progress  
Directly purchased  
Total

Nine months ended (Rupees in '000)	
September 30, 2020 (Un-audited)	September 30, 2019 (Un-audited)
15,676	16,038
13,850	8,693
29,526	24,731

Note

**13 DEFERRED TAX ASSETS - NET****Deductible Temporary Differences on:**

- Accelerated tax depreciation  
- Provision against advances, off balance sheet etc.

**Taxable Temporary Differences on:**

- Surplus on revaluation of investments  
- Net investment in finance lease

(Rupees in '000)	
September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
49,931	38,986
580,709	585,012
630,640	623,998
(350,550)	(210,510)
(84,730)	(86,004)
(435,280)	(296,514)
195,360	327,484

**14 OTHER ASSETS - NET**

Income/ mark-up accrued in local currency  
Income / mark-up accrued in foreign currencies  
Advances, deposits, advance rent and other prepayments  
Advance taxation (payments less provisions)  
Mark to market gain on forward foreign exchange contracts  
Acceptances  
Others

14.1

Less: Provision held against other assets  
Other Assets - net of provision

14.2

1,987,459	3,394,588
8,749	4,507
145,701	102,450
-	45,219
429,858	1,152,592
1,274,909	848,248
303,805	226,413
4,150,481	5,774,017
(160,466)	(160,866)
3,990,015	5,613,151

**14.1** This includes an amount of Rs. 1.494 million (December 31, 2019: Rs. 1.489 million) receivable from Samba Financial Group - a related party.

## 14.2 Provision held against other assets

Fee, commission and other receivables  
Fraud losses

(Rupees in '000)	
September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
80,535	80,535
79,931	80,331
160,466	160,866

## 15. BILLS PAYABLE

In Pakistan

553,668	783,478
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## 16. BORROWINGS

### Secured

Borrowings from State Bank of Pakistan  
- Under export refinance scheme  
- Under long term financing facilities

Bai muajjal borrowing

Repurchase agreement borrowings

### Total secured

### Unsecured

Bai muajjal borrowing

Bankers Equity Limited (under liquidation)

### Total unsecured

4,431,452	3,158,889
5,031,779	1,909,307
9,463,231	5,068,196
5,510,024	5,089,713
12,000,000	20,156,809
26,973,255	30,314,718
20,786,398	5,777,434
22,336	22,336
20,808,734	5,799,770
47,781,989	36,114,488

## 17. DEPOSITS AND OTHER ACCOUNTS

		(Rupees in '000)					
Note	September 30, 2020 (Un-audited)			December 31, 2019 (Audited)			
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total	
<b>Customers</b>							
Current deposits	11,050,964	5,112,039	16,163,003	12,819,709	3,945,668	16,765,377	
Savings deposits	11,614,593	3,233,099	14,847,692	11,911,406	2,354,139	14,265,545	
Term deposits	39,229,608	3,830,600	43,060,208	35,106,848	2,411,502	37,518,350	
Others	997,185	-	997,185	507,046	-	507,046	
	62,892,350	12,175,738	75,068,088	60,345,009	8,711,309	69,056,318	
<b>Financial Institutions</b>							
Current deposits	87,639	-	87,639	63,306	-	63,306	
Savings deposits	574,562	-	574,562	1,774,422	-	1,774,422	
Term deposits	744,000	-	744,000	870,000	-	870,000	
Others	86,030	-	86,030	117,834	-	117,834	
	1,492,231	-	1,492,231	2,825,562	-	2,825,562	
	64,384,581	12,175,738	76,560,319	63,170,571	8,711,309	71,881,880	

17.1

- 17.1 This includes deposits amounting to Rs. 86.030 million (December 31, 2019: Rs. 117.834 million) from Samba Financial Group - a related party.

		(Rupees in '000)	
		September 30, 2020	December 31, 2019
		(Un-audited)	(Audited)
<b>18 OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency	18.2	1,976,307	2,439,975
Mark-up / return / interest payable in foreign currencies		15,590	14,754
Accrued expenses		679,424	634,660
Acceptances	14	1,274,909	848,248
Taxation (payments less provisions)		103,248	-
Unclaimed dividends		3,351	3,351
Mark to market loss on forward foreign exchange contracts		437,631	1,399,312
Provision against off-balance sheet obligations	18.1	172,746	172,746
Security deposits against lease		34,852	34,979
Lease liability against right of use assets		850,252	834,264
Others		372,177	235,785
		5,920,487	6,618,074
<b>18.1 Provision against off-balance sheet obligations</b>			
Opening balance		172,746	172,746
Reversals		-	-
Closing balance		172,746	172,746

- 18.2 The interest accrued on outstanding lease liability against right of use assets is disclosed in "Lease liability against right of use assets".

		(Rupees in '000)	
		September 30, 2020	December 31, 2019
		(Un-audited)	(Audited)
<b>19 SURPLUS ON REVALUATION OF ASSETS</b>			
<b>Surplus on revaluation of:</b>			
- Available for sale securities	9.1	898,848	539,769
<b>Deferred tax on surplus on revaluation of:</b>			
- Available for sale securities	13	(350,551)	(210,510)
		548,297	329,259
<b>20 CONTINGENCIES AND COMMITMENTS</b>			
- Guarantees	20.1	6,387,015	6,107,393
- Commitments	20.2	73,379,870	117,432,292
- Other contingent liabilities	20.3	1,179,325	1,293,213
		80,946,210	124,832,898
<b>20.1 Guarantees:</b>			
Financial guarantees		1,679,657	1,648,952
Performance guarantees		4,176,662	4,064,765
Other guarantees		530,696	393,676
		6,387,015	6,107,393

		(Rupees in '000)	
Note		September 30, 2020	December 31, 2019
		(Un-audited)	(Audited)
<b>20.2 Commitments:</b>			
<b>Documentary credits and short-term trade-related transactions</b>			
- letters of credit		4,186,148	5,709,594
<b>Commitments in respect of:</b>			
- forward foreign exchange contracts	20.2.1	66,349,385	107,057,142
- forward government securities sale / purchase transactions	20.2.2	2,221,209	4,134,130
- operating leases	20.2.3	-	8,717
<b>Commitments for acquisition of:</b>			
- operating fixed assets		6,884	46,105
- intangible assets		31,365	32,898
<b>Other commitments</b>	20.2.4	584,879	443,706
		73,379,870	117,432,292
<b>20.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		37,501,510	55,680,589
Sale		28,847,875	51,376,553
		66,349,385	107,057,142
<b>20.2.2 Commitments in respect of forward government securities transactions</b>			
Purchase		1,003,600	2,183,422
Sale		1,217,609	1,950,708
		2,221,209	4,134,130
<b>20.2.3 Commitments in respect of operating leases</b>			
Not later than one year		-	8,717
Later than one year and not later than five years		-	-
Later than five years		-	-
		-	8,717

These comprise of commitments in respect of leased premises that are under Bank's use. The amount of commitment has been worked out based on standard rental arrangements between the Bank and the lessors taking into account terms of these arrangements.

		(Rupees in '000)	
		September 30, 2020	December 31, 2019
		(Un-audited)	(Audited)
<b>20.2.4 Other commitments</b>			
Claims against the Bank not acknowledged as debt		584,879	443,706

These represent various cases filed against the Bank for recovery of damages / settlement of deposit balances by various parties. Based on the legal advice, management believes that the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these financial statements.

## 20.3 Other contingent liabilities

Note	(Rupees in '000)	
	September 30, 2020	December 31, 2019
	(Un-audited)	(Audited)
20.3.1	1,179,325	1,293,213

### 20.3.1 Contingencies in respect of taxation

The Income tax department has raised a demand of Rs. 426.787 million (2019: Rs. 426.787 million) for the assessment years 1995-96, 1996-97, 1999-00, 2001-02, 2002-03 on account of non-deduction of tax on profit paid under portfolio management scheme, interest paid on foreign currency deposits and certificates of investment. The department has also raised further demand of Rs. 645.337 million (2019: Rs. 645.337 million) for assessment years 1999-00, 2000-01 to assessment year 2002-03 and tax year 2006 on account of taxability of investment banks as banking companies and taxation of dividend income as normal banking income, and on account of lease rentals received or receivable, lease key money and certain other items. The aforementioned relates to pending assessments of the Bank and amalgamated entities namely Crescent Investment Bank Limited, Trust Investment Bank Limited and Pakistan Industrial Leasing Corporation. Tax department has also raised demand of Rs. 29.052 million (2019: Rs. 29.052 million) for the assessment years 2009, 2010 & 2011 on account of Federal Excise Duty. Further, tax department has raised a demand of Rs. 28.110 million (2019: Rs. 28.110 million) on account of monitoring of withholding taxes for the tax year 2015. Tax authorities have also issued orders under Sindh Sales Tax on Services Act, 2011 and Punjab Sales Tax on Services Act, 2012 thereby creating arbitrary aggregate demand amounting to Rs. 35.391 million (2019: Rs. 35.391 million) for the years 2012 to 2017 and Rs. 14.647 million (2019: Rs. 128.536 million) for the year 2016 respectively.

Presently, the Bank is contesting these issues at various appellate forums. The disallowances in respect of a number of assessment years have been decided / set aside by various appellate authorities for re-assessment while the Bank's appeal in respect of the remaining assessment years are currently pending. Based on the professional advice received from tax advisors, the management is confident that the eventual outcome of the aforementioned matters will be in favor of the Bank. Accordingly, no provision has been made in these financial statements in respect of the above mentioned demands aggregating Rs. 1,179.325 million (2019: Rs. 1,293.213 million) raised by the income tax authorities.

## 21 MARK-UP / RETURN / INTEREST EARNED

### On:

- a) Loans and advances
- b) Investments
- c) Lendings to financial institutions
- d) Balances with banks

Nine months ended	
(Rupees in '000)	
September 30, 2020	September 30, 2019
(Un-audited)	(Un-audited)
5,070,385	5,093,652
5,472,926	3,182,536
222,159	498,145
2,452	17,323
10,767,922	8,791,656

## 22 MARK-UP / RETURN / INTEREST EXPENSED

### On:

- a) Deposits
- b) Borrowings
- c) Finance cost on lease liability against right-of-use assets
- d) Cost of foreign currency swaps against foreign currency deposits

3,884,855	3,609,874
3,580,422	2,084,720
82,267	85,694
396,596	457,151
7,944,140	6,237,439



## 23 FEE & COMMISSION INCOME

Branch banking customer fees
Consumer finance related fees
Debit card related fees
Credit related fees
Commission on trade
Commission on guarantees
Commission on cash management
Commission on remittances including home remittances
Commission on bancassurance
Others

Nine months ended	
(Rupees in '000)	
September 30, 2020	September 30, 2019
(Un-audited)	(Un-audited)
26,257	30,993
14,868	14,195
3,570	4,139
26,207	33,784
50,809	61,342
25,066	37,742
12,476	5,996
35,241	35,485
10,749	23,140
3,624	3,564
208,867	250,380

## 24 GAIN / (LOSS) ON SECURITIES

Realised
Unrealised - held for trading

501,909	19,272
(2,187)	124
499,722	19,396

### 24.1 Realised gain on:

Federal Government Securities
Shares
Non Government Debt Securities

387,987	16,711
114,811	2,561
(889)	-
501,909	19,272

## 25. OTHER INCOME

Gain on sale of fixed assets - net
Others

-	968
11	32
11	1,000

## 26. OPERATING EXPENSES

Nine months ended	
(Rupees in '000)	
September 30, 2020	September 30, 2019
(Un-audited)	(Un-audited)
<b>Total compensation expense</b>	
1,167,450	1,017,909
<b>Property expense</b>	
Rent & taxes	61,879
Insurance	1,518
Utilities cost	48,297
Security (including guards)	39,339
Repair & maintenance (including janitorial charges)	40,864
Depreciation on owned fixed assets	5,709
Depreciation on right of use assets	130,589
328,195	343,550
<b>Information technology expenses</b>	
Software maintenance	90,390
Hardware maintenance	38,356
Depreciation	34,009
Amortisation	30,101
Network charges	76,582
Insurance	551
269,989	231,380
<b>Other operating expenses</b>	
Directors' fees and allowances	33,158
Legal & professional charges	13,305
Outsourced services costs	3,409
Travelling, conveyance and official entertainment	46,451
Charges paid to Central Depository Company & NIFT	16,996
Depreciation	78,220
Training & development	1,652
Postage & courier charges	8,206
Communication	6,718
Stationery & printing	25,325
Repair & maintenance	26,184
Insurance	34,719
Marketing, advertisement & publicity	45,464
Fee Commission & Brokerage Paid	47,124
Donations	7,000
Auditors Remuneration	7,046
Others	14,831
415,808	349,683
2,181,442	1,942,522

		Nine months ended	
		(Rupees in '000)	
		September 30, 2020	September 30, 2019
		(Un-audited)	(Un-audited)

## 27 OTHER CHARGES

Penalties imposed by State Bank of Pakistan

10

7,978

## 28 (PROVISIONS) / REVERSALS & WRITE OFFS - NET

(Provision) / reversal for diminution in the value of investments 9.2

(121,369)

(156,372)

Reversal / (provision) against loans and advances - net 10.3

(137,752)

(94,988)

Fixed assets written-off

(10,662)

-

Reversal of off balance sheet obligation

-

-

Bad debts written off directly

(1,356)

(151)

Recoveries against debts written-off

1,008

357

(270,131)

(251,154)

## 29 TAXATION

Current

(587,036)

(377,578)

Prior years

-

(29,215)

Deferred

7,916

10,849

(579,120)

(395,944)

## 30 BASIC AND DILUTED EARNINGS PER SHARE

Profit for the period

922,528

519,107

(Number of shares)

Weighted average number of ordinary shares

1,008,238,648

1,008,238,648

(Rupees)

Basic and diluted earnings per share

0.91

0.51

**30.1** Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.

## 31 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 amortised cost. The fair value of unquoted equity securities, 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 and equity 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.

### 31.1 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 assets 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).

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:

(Rupees in '000)				
September 30, 2020 (Un-audited)				
	Level 1	Level 2	Level 3	Total
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
<b>Investments</b>				
Federal Government Securities	-	58,068,017	-	58,068,017
Shares	1,538,846	-	-	1,538,846
Non-Government Debt Securities	-	1,969,763	-	1,969,763
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments - Federal Government Securities	-	3,147,261	-	3,147,261
<b>Off-balance sheet financial instruments - measured at fair value</b>				
Forward purchase of foreign exchange	-	37,501,510	-	37,501,510
Forward sale of foreign exchange	-	28,847,875	-	28,847,875
Forward purchase of government securities	-	1,003,600	-	1,003,600
Forward sale of government securities	-	1,217,609	-	1,217,609

(Rupees in '000)				
December 31, 2019 (Audited)				
	Level 1	Level 2	Level 3	Total
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
<b>Investments</b>				
Federal Government Securities	-	42,943,917	-	42,943,917
Shares	1,588,097	-	-	1,588,097
Non-Government Debt Securities	-	2,391,079	-	2,391,079
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments - Federal Government Securities	-	4,132,376	-	4,132,376
<b>Off-balance sheet financial instruments - measured at fair value</b>				
Forward purchase of foreign exchange	-	55,680,589	-	55,680,589
Forward sale of foreign exchange	-	51,376,553	-	51,376,553
Forward purchase of government securities	-	2,183,422	-	2,183,422
Forward sale of government securities	-	1,950,708	-	1,950,708

The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred. There were no transfers between levels 1 and 2 during the period.

## Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3

Item	Valuation techniques and input used
Federal Government securities	The fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using the PKRV rates (Reuters page). These rates denote an average of quotes received from eight different pre-defined / approved dealers / brokers.
Non Government Debt Securities	The fair values of investment in term finance certificates and corporate sukus are valued on the basis of available closing market prices.
Forward foreign exchange contracts	The fair value has been determined by interpolating the mid rates announced by the State Bank of Pakistan.
Forward contracts of Federal Government Securities	The fair values of forward contracts relating to purchase and sale of Pakistan Investment Bonds and Market Treasury Bills that will be settled on a future date are derived using the PKRV rates (Reuters page) on the reporting date. These rates denote an average of quotes received from eight different pre-defined / approved dealers / brokers.

## 32. SEGMENT INFORMATION

### 32.1 Segment Details with respect to Business Activities

(Rupees in '000)						
Nine months ended September 30, 2020 (Un-audited)						
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
<b>Profit &amp; Loss</b>						
Net mark-up / return / profit	2,429,866	1,794,013	(2,799,615)	1,449,931	(50,413)	2,823,782
Inter segment revenue - net	(1,877,197)	(1,877,312)	3,734,180	(1,069,118)	1,089,447	-
Non mark-up / return / interest income	93,682	989,720	107,568	88,748	(119,652)	1,160,066
Total Income	646,351	906,421	1,042,133	469,561	919,382	3,983,848
Segment direct expenses	(109,358)	(137,828)	(820,977)	(99,062)	(1,044,844)	(2,212,069)
Inter segment expense allocation	(241,843)	(95,955)	(516,722)	(190,324)	1,044,844	-
Total expenses	(351,201)	(233,783)	(1,337,699)	(289,386)	-	(2,212,069)
Provisions	-	(121,369)	(37,747)	12,700	(123,715)	(270,131)
Profit / (loss) before tax	295,150	551,269	(333,313)	192,875	795,667	1,501,648
(Rupees in '000)						
As at September 30, 2020 (Un-audited)						
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
<b>Balance Sheet</b>						
Cash & Bank balances	-	5,634,749	1,798,035	-	-	7,432,784
Investments - net	-	64,693,068	-	-	-	64,693,068
Net inter segment lending	-	-	58,143,555	-	14,147,136	72,290,691
Lendings to financial institutions	-	7,586,908	-	-	-	7,586,908
Advances - performing - net	33,994,630	993,463	2,715,781	21,772,596	704,990	60,181,460
Advances - non-performing - net	-	-	43,750	-	7,025	50,775
Others	633,855	1,303,980	297,327	417,804	3,539,555	6,192,521
<b>Total Assets</b>	34,628,485	80,212,168	62,998,448	22,190,400	18,398,706	218,428,207
Borrowings	6,226,545	38,296,422	-	3,236,687	22,335	47,781,989
Deposits & other accounts	10,202,357	142,961	61,358,713	4,856,288	-	76,560,319
Net inter segment borrowing	17,789,302	40,575,770	-	13,925,619	-	72,290,691
Others	410,281	1,197,015	1,639,735	171,806	3,055,318	6,474,155
<b>Total Liabilities</b>	34,628,485	80,212,168	62,998,448	22,190,400	3,077,653	203,107,154
Equity	-	-	-	-	15,321,053	15,321,053
<b>Total Equity &amp; liabilities</b>	34,628,485	80,212,168	62,998,448	22,190,400	18,398,706	218,428,207
<b>Contingencies &amp; Commitments</b>	7,305,371	68,970,594	51,373	2,762,871	1,856,001	80,946,210

	(Rupees in '000)					
	Nine months ended September 30, 2019 (Un-audited)					
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
<b>Profit &amp; Loss</b>						
Net mark-up / return / profit	2,477,677	1,222,508	(2,637,058)	1,547,473	(56,383)	2,554,217
Inter segment revenue - net	(1,864,410)	(1,209,632)	3,470,390	(1,220,444)	824,096	-
Non mark-up / return / interest income	107,347	371,506	106,688	123,083	(127,462)	581,162
Total Income	720,614	384,382	940,020	450,112	640,251	3,135,379
Segment direct expenses	(100,026)	(101,805)	(756,634)	(86,053)	(924,656)	(1,969,174)
Inter segment expense allocation	(187,713)	(78,505)	(474,019)	(184,419)	924,656	-
Total expenses	(287,739)	(180,310)	(1,230,653)	(270,472)	-	(1,969,174)
Provisions	(107,486)	(156,372)	(29,633)	(95,398)	137,735	(251,154)
Profit / (loss) before tax	325,389	47,700	(320,266)	84,242	777,986	915,051
	(Rupees in '000)					
	As at December 31, 2019 (Audited)					
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
<b>Balance Sheet</b>						
Cash & Bank balances	-	4,902,002	1,796,222	-	-	6,698,224
Investments - net	-	51,278,029	-	-	-	51,278,029
Net inter segment lending	-	-	54,761,680	-	12,817,069	67,578,749
Lendings to financial institutions	-	2,274,405	-	-	-	2,274,405
Advances - performing - net	37,056,202	1,308,996	2,263,369	19,914,776	763,756	61,307,099
Advances - non-performing - net	-	-	49,044	-	-	49,044
Others	1,156,749	2,661,105	305,205	571,923	3,275,624	7,970,606
<b>Total Assets</b>	38,212,951	62,424,537	59,175,520	20,486,699	16,856,449	197,156,156
Borrowings	4,299,439	31,023,956	-	768,757	22,336	36,114,488
Deposits & other accounts	10,702,669	149,886	56,963,539	4,065,786	-	71,881,880
Net inter segment borrowing	23,024,348	28,984,365	-	15,570,036	-	67,578,749
Others	379,086	2,266,330	2,185,377	82,120	2,488,639	7,401,552
<b>Total liabilities</b>	38,405,542	62,424,537	59,148,916	20,486,699	2,510,975	182,976,669
Equity	-	-	-	-	14,179,487	14,179,487
<b>Total Equity &amp; liabilities</b>	38,405,542	62,424,537	59,148,916	20,486,699	16,690,462	197,156,156
Contingencies & Commitments	7,805,842	111,658,472	22,509	3,467,889	1,878,186	124,832,898

## 32.2 Segment details with respect to geographical locations

The Bank does not have any overseas operations, therefore its entire geographical dispersion arises inside Pakistan.

## 33 RELATED PARTY TRANSACTIONS

The Bank has related party relationships with its holding company, employee contribution plan, its directors and key management personnel.

The Banks enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person 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.



Contributions to the contributory provident fund scheme are made in accordance with the terms of the contribution plan. Remuneration to the Chief Executive Officer and directors are determined in accordance with the terms of their appointment.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank. The Bank considers all members of its executive team, including the Chief Executive Officer to be key management personnel.

Details of transactions with related parties are given below:

(Rupees in '000)							
September 30, 2020 (Un-audited)				December 31, 2019 (Audited)			
Parent	Directors	Key management personnel	Others	Parent	Directors	Key management personnel	Others
<b>Balances with other banks</b>							
In current accounts	89,621	-	-	-	78,897	-	-
<b>Advances</b>							
Opening balance	-	-	151,262	-	-	146,410	-
Addition during the period / year	-	-	64,524	-	-	37,334	-
Repaid during the period / year	-	-	(70,435)	-	-	(32,482)	-
Closing balance	-	-	145,351	-	-	151,262	-
<b>Other Assets</b>							
Other receivable	1,494	-	-	-	1,489	-	-
<b>Deposits and other accounts</b>							
Opening balance	-	29,411	18,918	73,692	-	31,118	17,648
Received during the period / year	-	96,156	412,672	351,454	-	150,263	334,351
Withdrawn during the period / year	-	(96,184)	(395,243)	(336,313)	-	(151,970)	(333,081)
Closing balance	-	29,383	36,347	88,833	-	29,411	18,918
<b>Vostro Balances of Samba Financial Group</b>							
	86,030	-	-	-	117,834	-	-

(Rupees in '000)							
For the nine months ended September 30, 2020 (Un-audited)				For the nine months ended September 30, 2019 (Un-audited)			
Parent	Directors	Key management personnel	Others	Parent	Directors	Key management personnel	Others
<b>Income</b>							
Mark-up / return / interest earned	-	-	6,016	-	-	5,586	-
<b>Expense</b>							
Mark-up / return / interest paid	-	283	1,741	4,312	-	647	479
Remuneration and benefits	-	-	295,050	-	-	249,380	-
Directors fee	-	27,339	-	-	-	8,278	-
Insurance premium paid	-	-	832	-	-	937	-
Insurance claims settled	-	-	255	-	-	1,061	-

**Forex transactions during the period (January - September 2020) - Samba Financial Group**

Currency	(Currency in '000)			
	READY / SPOT / TOM		Forward	
	Buy	Sell	Buy	Sell
AED	5,053	2,100	-	-
EUR	8,750	7,300	1,600	3,250
GBP	3,750	14,200	25,900	1,900
JPY	46,472	-	-	-
SAR	187,377	18,380	-	-
USD	57,019	66,652	6,064	43,926
PKR	-	4,079,456	-	-

**Forex deals outstanding as at the period end September 30, 2020 - Samba Financial Group**

Currency	(Currency in '000)			
	READY / SPOT / TOM		Forward	
	Buy	Sell	Buy	Sell
GBP	-	-	9,000	-
USD	-	-	-	11,907

**Forex transactions during the period (January - September 2019) - Samba Financial Group**

Currency	(Currency in '000)			
	READY / SPOT / TOM		Forward	
	Buy	Sell	Buy	Sell
EUR	10,400	10,305	1,950	3,120
GBP	2,038	22,635	20,500	3,548
JPY	297,519	43,840	-	-
SAR	309,250	-	-	-
USD	62,963	99,002	7,506	27,914
PKR	-	3,345,211	-	-
AED	619	-	-	-

**Forex deals outstanding as at the year end December 31, 2019 - Samba Financial Group**

Currency	(Currency in '000)			
	READY / SPOT / TOM		Forward	
	Buy	Sell	Buy	Sell
EUR	-	-	-	350
GBP	-	-	1,000	600
USD	-	-	1,166	1,312

(Rupees in '000)	
September 30, 2020	December 31, 2019
(Un-audited)	(Audited)
10,082,387	10,082,387
14,639,870	13,716,764
-	-
14,639,870	13,716,764
736,396	392,777
15,376,266	14,109,541
61,538,677	63,970,920
10,376,477	7,877,291
6,632,555	6,632,555
78,547,709	78,480,766
18.64%	17.48%
18.64%	17.48%
19.58%	17.98%
14,639,870	13,716,764
157,359,784	146,449,901
9.30%	9.37%
45,598,829	26,409,894
25,027,195	13,537,516
182%	195%
102,595,382	91,752,356
48,479,072	51,016,793
212%	180%

## 35 GENERAL

- 35.1** Corresponding figures have been re-arranged and reclassified, wherever necessary, for better presentation. There have been no significant reclassifications during the period except for the following:

Particulars	(Rupees in '000)		
	For the nine months ended September 30, 2019		
	Before reclassification	Reclassification	After reclassification
<b>PROFIT AND LOSS ACCOUNT</b>			
<b>Mark-up / Return / Interest expensed</b>	<b>6,271,826</b>	<b>(34,387)</b>	<b>6,237,439</b>
Finance cost on lease liability against right-of-use assets	120,081	(34,387)	85,694
<b>Non Mark-up / interest income</b>	<b>246,241</b>	<b>4,139</b>	<b>250,380</b>
Debit card related fees	246,241	4,139	250,380
<b>Operating expenses</b>	<b>1,903,996</b>	<b>38,526</b>	<b>1,942,522</b>
Rent taxes	20,772	57,745	78,517
Depreciation on right of use assets	158,983	(23,358)	135,625
Network charges	64,105	4,139	68,244

- 35.2** Figures have been rounded off to the nearest thousand rupees.

- 35.3** Figures as of and for the period ended September 30, 2020 and September 30, 2019, wherever used in these condensed interim financial statements are unaudited. However figures as of and for the period relating to December 31, 2019 used in these condensed interim financial statements are audited.

## 36 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

There have been no events after the balance sheet date that would have a material impact or require adjustment or disclosure in these condensed interim financial statements of the Bank.

## 37 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 26, 2020 by the Board of Directors of the Bank.

Chief Financial Officer

President & Chief Executive Officer

Director

Director








Chairman










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