

**Samba Bank Limited**

**Quarterly Report**

**March 31, 2021**

## **Exceeding Expectations**



**think samba**

World class banking solutions  
for the most important things in life

**samba bank**  **سامبا بینک**

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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

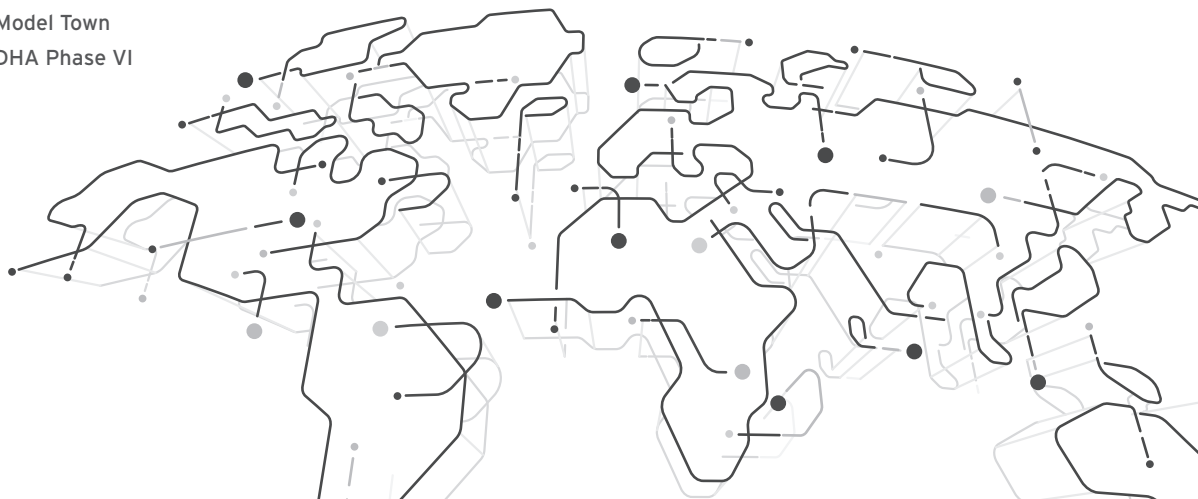
M. A. Jinnah Road

## 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
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
Dr. Shujaat Nadeem	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

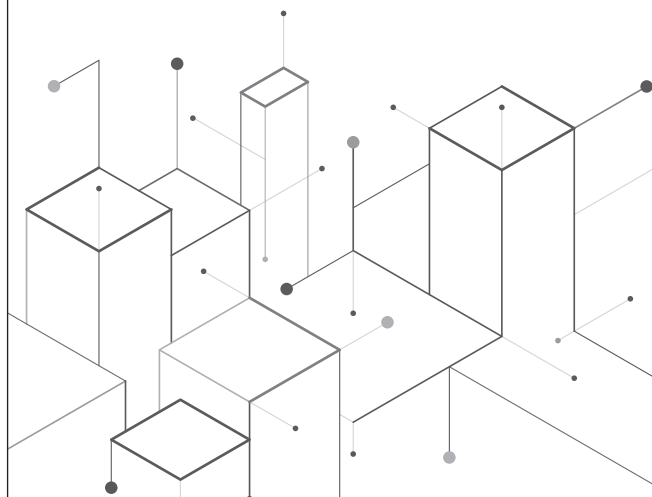
[www.samba.com.pk](http://www.samba.com.pk)

## Helpline

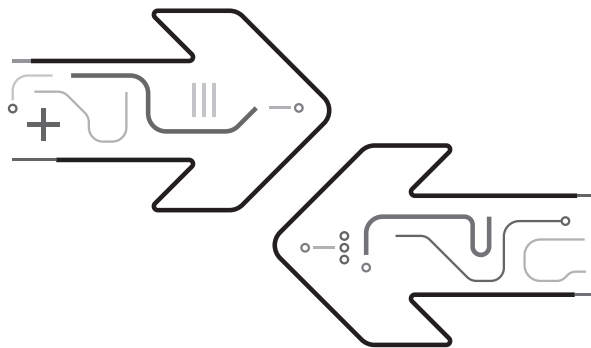
(+92-21) 11 11 SAMBA (72622)

## 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 quarter ended March 31, 2021.

## COVID-19 - a Third Wave

Pakistan is currently experiencing the third wave of COVID-19 which is being seen as deadlier than the first two. This relatively a more contagious variant seems to be a major cause for the sudden and sharp increase in the spread of the disease. Meanwhile, Pakistan is struggling to keep up the on-going national COVID-19 vaccination campaign because of supply challenges and hesitation by people. We should still follow SOPs in order to save our loved ones and society from the pandemic.

The management and Board of Directors of the Bank applaud our employees for their commitment & dedication with which they served the Bank throughout this pandemic. As a token of appreciation the Board is pleased to announce that the management has decided to arrange free of cost vaccination for all our employees including permanent, contractual and third party employees.

## Economic Highlights

Pakistan's economy is well on the path of recovery from the Coronavirus-induced contraction due to better containment of the pandemic and well-coordinated and decisive policy measures undertaken by the fiscal and monetary authorities. Frequently released economic data such as cement dispatches, automobile sales volume, and sales of retail fuel points to pick-up in economic activity. Buoyancy in the manufacturing sector is also corroborated by the output of Large Scale Manufacturing Industry (LSMI) that rose sharply by 9.13% YoY in January 2021, taking 7MFY21 growth to an impressive 7.85%. External account has improved significantly due to 24% year-on-year growth in workers' remittances during 8MFY21. A cumulative Current Account surplus of USD 881 million was recorded during 8MFY21, vis-à-vis a Current Account Deficit (CAD) of USD 2.74 billion during the same period last year.

## Financial Results and Overview

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

	(Rupees in millions)	
	Quarter Ended March 31, 2021 (Un-Audited)	Quarter Ended March 31, 2020 (Un-Audited)
Profit before provision	491	648
Provisions	(1,040)	(237)
Profit / (Loss) before taxation	(549)	411
Taxation	214	(160)
Profit / (Loss) after taxation	(336)	251
Earnings / (Loss) per share - (Rupees)	(0.33)	0.25

	(Rupees in millions)	
	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
Total assets	171,479	158,996
Investments - net	69,433	67,990
Advances - net	69,148	65,635
Deposits	78,140	78,426
Surplus on revaluation of assets - net of tax	183	455

During the period, the Bank posted strong revenues of Rs. 1,295 million despite significant decline in interest rates when compared with similar period last year. There was significant increase in core fee, commission and other income which was increased by 66% from similar period last year. These revenues coupled with tight control over operating expenses translated into operating profit of Rs. 491 million for Q1'21 which was 33.8% higher than the budgeted operating profit for the period. All the business segments have posted robust performance and are expected to continue the growth momentum.

During the period, a corporate obligor approached the Bank for restructuring of its loan facilities. Considering deteriorating financial health of the obligor and the ambiguity surrounding the terms and timeliness of the said restructuring, the bank took a prudent view on this request and classified the obligor and booked provision. The details are provided in note 10.4 to the financial statements. The Bank will consider both short & long term measures for a settlement that results in rehabilitation of the obligor's business activities as well as early & time-bound recovery of the sums involved. Despite this major classification, bank's overall infection ratio is still within 5% whereas coverage ratio is more than 110% which shows management's prudent approach towards credit risk and quality of the loan book. Bank also charged Rs. 140 million as general provision against its performing corporate & commercial portfolio to avoid any future Covid related shocks.

This cumulative provision charge of around Rs. 1,130 million has resulted in loss before tax of Rs. 549.29 million for the period under review. Loss After Tax for the three months' ended March 31, 2021 closed at PKR 335.72mln compared to Profit After Tax of PKR 250.69mln for similar period last year. The management is hopeful to recover this loss in the remaining part of the current year.

During the period under review, the Bank successfully raised PKR 5bn from 10Yr, Tier II Term Finance Certificates. The issue was oversubscribed by 1.5x which is a testament to market participants' confidence in Bank's financial soundness. The Bank, for the first time, had also announced a final cash dividend of 7.5% for 2020 which was credited to shareholders' Bank accounts. Management's proactive actions, despite recording loss for the quarter and reduction in reserves due to appropriations, have resulted in a comfortable capital adequacy ratio for the Bank i.e. 20.45% as on March 31, 2021.

The management is focused on strategically 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 158.99bn as at December 31, 2020 to PKR 171.48bn at March 31, 2021. The increase is primarily attributable to the increase in Lendings to Financial Institutions by 93% over year end position of 2020. During the period, Advances and Investments also witnessed increase of PKR 3.51bn and 1.54bn, respectively. On the liabilities side, the Bank managed to mobilize low cost & medium to small ticket deposits with overall deposit cost of 4.99% and closed its deposits book at PKR 78.14bn.

Samba Financial Group ("SFG") - bank's parent entity- had entered into a legally binding merger agreement with The National Commercial Bank ("NCB") (of the Kingdom of Saudi Arabia) dated October 11, 2020, pursuant to which SFG was to merge with and into NCB in accordance with the applicable laws of the Kingdom of Saudi Arabia. In this respect, the merger between SFG and NCB, which has now been renamed as The Saudi National Bank ("SNB") has become effective as of April 1, 2021, and SFG has merged with and into SNB, as a result of which SFG has ceased to exist. Consequently, all the assets and liabilities of SFG (including its shareholding in the Bank) stand vested in SNB by operation of law.

### **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**

The country has borrowed USD 2.5 billion by selling Eurobonds soon after the resumption of bailout program with the International Monetary Fund (IMF). The SBP has also received the IMF tranche of around USD 500 million under the Extended Fund Facility. The improving external account and market determined exchange rate regime adopted in 2019 have lent stability to the Rupee. Inflation as measured by the CPI spiked to 9.1% on a year-on-year basis in March 2021 after clocking in at 8.7% in February 2021 and 5.7% in January 2021. Despite elevated inflation readings, the SBP has signaled the continuation of accommodative monetary policy, considering significant slack in the economy and mounting risks to the economic recovery emanating from the rising Coronavirus cases in the country. Looking ahead, as the temporary increase in inflation from administered prices subsides, the inflation should fall to the 5%-7% range over the medium-term. This year's upcoming round of wage negotiations, next year's budget, and the path of domestic energy prices and international commodity prices may have an important bearing on the inflation trajectory.

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.

## Acknowledgement

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,

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Shahid Sattar  
President & Chief Executive Officer

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Arjumand Ahmed Minai  
Director

April 26, 2021  
Karachi

## کریڈٹ ریٹنگ

معروف کریڈٹ ریٹنگ ایجنسی، وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے بینک کی درمیانی سے طویل مدت تک کی درجہ بندی کو ڈبل اے (AA) کی سطح پر اور قلیل المدت 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 ساتھ اس کے مناسب محافظت کے عوامل اور اپنی مضبوط سیال پزیری (لیکوڈیٹی) کی بدولت اپنی تمام تر مالیاتی ذمہ داریوں کی بروقت ادائیگی کی ٹھوس صلاحیت کی مظہر ہیں۔

## مستقبل کی پیش بینی

ملک نے بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے بیل آؤٹ پروگرام کی بحالی کے فوراً بعد یورو بانڈز کی فروخت سے 2.5 بلین امریکی ڈالر کا قرض حاصل کیا ہے۔ اسٹیٹ بینک آف پاکستان نے آئی ایم ایف کی جانب سے توسیعی سرمائے کی سہولت (ایکسٹینڈڈ فنڈ فیسیٹی) کی مدد میں 500 بلین امریکی ڈالر کو بھی وصول کر لیا ہے۔ بہتر ہونی صورت حال اور سال 2019ء میں اختیار کی گئی مارکیٹ کی طرف سے تعین شدہ شرح تبادلہ کی پالیسی کے باعث روپے کی قدر میں استحکام پیدا ہوا ہے۔ سی پی آئی کے تحت شمار کیا گیا افراط زر جنوری 2021ء میں 5.7 فیصد اور فروری 2021ء میں 8.7 فیصد کی سطح سے بڑھ کر مارچ 2021ء میں 9.1 فیصد کی شرح پر جا پہنچا۔ افراط زر کی بلند شرح کے باوجود، اسٹیٹ بینک آف پاکستان نے ملک میں کرونا وائرس کے بڑھتے کيسر کے باعث معاشی بحالی کو درپیش مہیب خطرات اور معیشت میں نمایاں سست روی کے تناظر میں اپنی مفاہمانہ مانیٹری پالیسی کو جاری رکھنے کا عندیہ دیا ہے۔ موجودہ انتظامی قیتوں کی وجہ سے مہنگائی میں عارضی افزودگی کے اثرات زائل ہونے کے بعد مستقبل کی درمیانی مدت میں افراط زر میں کمی کے ساتھ 5 فیصد تا 7 فیصد کی حد تک رہنے کی توقع ہے۔ اس سال اجرت کے تعین کے بارے ہونے والے مذاکرات، اگلے سال کے بجٹ اور داخلی توانائی کی قیتوں کے رجحان اور اشیاء کی عالمی قیمتیں، افراط زر پر نمایاں طور پر اثر انداز ہو سکتی ہیں۔

بینک ترقی اور نمو کی 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 ڈیپازٹس کی ترکیب میں جاری بہتری کے ساتھ اپنی لاگت کو کم کرنا ہے۔ 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 و 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 اپریل 2021ء  
کراچی



31 مارچ 2021ء (غیر آڈٹ شدہ)	31 دسمبر 2020ء (آڈٹ شدہ)
171,479	158,996
69,433	67,990
69,148	65,635
78,140	78,426
183	455

کل اثاثہ جات  
سرمایہ کاری۔ خالص  
قرضہ جات۔ خالص  
ڈیپازٹس  
اثاثہ جات کی ریویلیویشن پریسپلس۔ بعد از محصولات

گزشتہ سال تقابلی مدت کے مقابلے شرح سود میں قابل ذکر کمی کے باوجود بینک نے اپنی کل آمدنی 1,295 ملین روپے کی مستحکم سطح پر درج کی۔ فیس، کمیشن اور دیگر آمدنیوں میں بھی گزشتہ سال کی نسبت 66 فیصد کا نمایاں اضافہ دیکھا گیا۔ اخراجات پرکڑی نظر کے ساتھ اس آمدنی کے ثمرات مالی سال 2021 کی پہلی سہ ماہی میں 491 ملین روپے کے کاروباری منافع کی شکل میں ظاہر ہوئے جو کہ موجودہ مدت کے بجٹ سے 33.8 فیصد زائد ہے۔ بینک کے تمام کاروباری شعبوں نے اعلیٰ کارکردگی کا مظاہرہ کیا ہے جس کا توازن آئندہ بھی متوقع ہے۔

حالیہ مدت کے دوران ایک کارپوریٹ قرضدار نے بینک سے اپنے حاصل کئے گئے قرضوں کی سہولیات کی تنظیم نو کیلئے درخواست کی ہے۔ مذکورہ قرضدار کی ابتر ہوتی ہوئی مالی صورت حال اور اس تنظیم کی تاحال غیر یقینی شرائط کے باعث بینک نے دانشمندانہ طور پر اس درخواست کے تناظر میں اخراجات (پروویژن) بخش کئے ہیں۔ اس کی تفصیلات فنانشل سسٹمز کے نوٹ 10.4 میں فراہم کی گئی ہیں۔ بینک اپنے طور پر اس معاملے کے موزوں ترین تصفیہ کیلئے تمام ضروری قلیل اور طویل المدتی اقدار اپنائے گا جس سے رقوم کی جلد اور بروقت وصولیائی کے ساتھ قرضدار کی کاروباری اہلیت میں بحالی بھی ممکن ہو۔ اس قرضے کی غیر فعالیت کے باوجود بینک کا مجموعی انفیکشن کا تناسب 5 فیصد کے اندر ہے جبکہ کوریج کا تناسب 110 فیصد سے بھی زائد ہے جو کہ کریڈٹ رسک کے انتظام سے متعلق انتظامیہ کے نقطہ نظر اور مجموعی قرضہ جات کے معیار کا مظہر ہے۔ بینک نے اپنے فعال کارپوریٹ اور کمرشل قرضہ جات کی مد میں بھی 140 ملین روپے کے عام اخراجات کا تعین کیا ہے جو کہ مستقبل میں کووڈ سے متاثرہ کسی صورت حال کی وجہ سے وقوع پزیر ہوں۔

1,130 ملین روپے کے اس پروویژن کے اندراج کے باعث بینک نے موجودہ سہ ماہی میں مجموعی طور پر 549.29 ملین روپے کا قبل از ٹیکس نقصان اٹھایا ہے۔ 31 مارچ 2021 کو اختتام پزیر سہ ماہی پر بینک کا بعد از ٹیکس نقصان گزشتہ سال کی مماثلہ مدت کے 250.69 ملین روپے کے منافع کے مقابلے میں 335.72 ملین روپے رہا۔ بقیہ سال کے دوران انتظامیہ اس نقصان کی کامیاب تلافی کیلئے پُر امید ہے۔

اس زیر نظر عرصے کے دوران بینک 10 سالہ مدت کے ٹیر II (Tier-II) ٹرم فنڈس سرٹیفیکٹس کے ذریعے 5 ملین روپے کی سرمایہ کاری حاصل کرنے میں کامیاب رہا ہے جس کے اجراء کی درخواستیں اپنے تعین شدہ حجم سے ڈیڑھ گنا زیادہ رہیں جو کہ بینک کی مالیاتی مضبوطی برقرار رکھنے میں موجود امیدواروں کے اعتماد کی عکاس ہیں۔ بینک نے پہلی مرتبہ سال 2020ء کے لیے 7.5 فیصد کے حتمی کیش ڈیویڈنڈ کا اعلان کیا ہے جو کہ بینک کے حصص یافتگان کے اکاؤنٹس میں جمع کیا جا چکا ہے۔ سہ ماہی کے دوران نقصان کے اندراج اور بینک کے ذخائر میں تخصیص کے باعث ہونے والی کمی کے باوجود انتظامیہ کے پیش قدم اقدامات کے نتیجے میں بینک کو 31 مارچ 2021ء تک 20.45 فیصد کی سرمائے کی معقولیت (کیپٹل ایڈیکویسی) کی سودمند شرح حاصل ہوئی ہے۔

بینک کی انتظامیہ کی توجہ پیداواری اثاثہ جاتی موزوں ترکیب کے ذریعے اپنے میزانیے کی قدر و قامت کو دانشمندی سے برقرار رکھنے پر مرکوز ہے، جس میں کریڈٹ رسک، کم لاگت کے قرض اور ڈیپازٹس شامل ہیں۔ اس کے نتیجے میں اثاثہ جات کی اساس 31 دسمبر 2020 کے 158.99 ملین روپے کے حجم کی نسبت 31 مارچ 2021ء تک 171.48 ملین روپے تک بڑھ گئی۔ اس اضافے کے بنیادی عوامل میں مالیاتی اداروں کو فراہم کیے گئے قرضوں کی بڑھوتی ہے جن میں دسمبر 2020 کی سطح سے 93 فیصد کا اضافہ ریکارڈ کیا گیا۔ قرضہ جات اور سرمایہ کاری میں بھی بالترتیب 3.51 ملین روپے اور 1.54 ملین روپے کا اضافہ دیکھا گیا۔ واجبات کے حوالے سے، بینک درمیانی اور قلیل مدت کے کم لاگت کے ڈیپازٹس کے حصول میں کامیاب رہا جس سے ڈیپازٹس کی مجموعی لاگت 4.99 فیصد رہی اور ڈیپازٹس کا حجم 78.14 ملین روپے پر درج کیا گیا۔

سامبا فنانشل گروپ (ایس ایف جی) جو کہ اس بینک کا بنیادی ادارہ ہے، نے سعودی عرب کے نیشنل کمرشل بینک (این سی بی - NCB) کے ساتھ 11 اکتوبر 2020ء کو انضمام کا قانونی معاہدہ طے کیا تھا جس کے نتیجے میں ایس ایف جی کو سعودی عرب میں قابل اطلاق قوانین کے تحت این سی بی میں مدغم ہونا تھا۔ اس حوالے سے ایس ایف جی اور این سی بی کا انضمام، جس کو اب سعودی نیشنل بینک (ایس این بی) کا نام دیا گیا ہے، 1 اپریل 2021ء سے مؤثر ہو چکا ہے اور جس کی بدولت ایس ایف جی کا اب وجود نہیں رہا۔ چنانچہ، ایس ایف جی کے تمام اثاثہ جات اور واجبات (بشمول اسکی ملکیت میں بینک کے حصص) اب قانونی طور پر ایس این بی کے تصرف میں شمار ہوں گے۔

# ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے ہم 31 مارچ 2021ء کو اختتام پذیر سہ ماہی مدت پر بینک کے مالیاتی نتائج پیش کرتے ہوئے نہایت مسرت محسوس کر رہے ہیں۔

## کووڈ - 19 تیسری لہر

پاکستان اس وقت کووڈ - 19 کی تیسری لہر سے گزر رہا ہے جو کہ پچھلی دو لہروں سے زیادہ مہلک اور خطرناک نظر آ رہی ہے۔ یہ پہلے سے زیادہ متعدی اور اس بیماری کے اچانک اور تیزی سے پھیلنے کی بڑی وجہ ہے۔ پاکستان کو کووڈ - 19 کی ویکسین کی جاری قومی مہم میں رسد کی رکاوٹوں اور لوگوں کی ہچکچاہٹ کے باعث مشکلات درپیش ہیں۔ ہم سب کو اپنے پیاروں اور معاشرے کو اس عالمگیر وباء سے بچانے کے لیے حفاظت کے مروجہ طریقوں پر اب بھی عمل درآمد برقرار رکھنا ہے۔

بینک کی انتظامیہ اور بورڈ آف ڈائریکٹرز اپنے ملازمین کے عزم اور حوصلے کے دل سے معترف ہیں جنہوں نے اس عالمگیر وباء کے دور میں بھی اپنی خدمات کی مسلسل فراہمی کو یقینی بنائے رکھا۔ اس اعتراف کے طور پر بورڈ اس امر کا یہ مسرت اعلان کرتا ہے کہ بینک کی انتظامیہ نے اپنے تمام ملازمین جن میں پرمینیٹ، کنٹریکچرل (Contractual) اور تھرڈ پارٹی ملازمین شامل ہیں، کو مفت ویکسین لگوانے کا فیصلہ کیا ہے۔

## معاشی جھلکیاں

پاکستان کی معیشت کو کرونا وائرس کے باعث پیدا ہونے والے اختصار سے اس عالمگیر وباء کو محدود رکھنے کے بہتر طرز عمل اور مالیاتی اور انتظامی اداروں کی جانب سے اٹھائے گئے جتنی پالیسی اور ہم آہنگی کے اقدامات کی وجہ سے بحالی کی راہ پر گامزن ہے۔ توازن سے شائع ہونے والے معاشی اعداد و شمار جیسا کہ سیمنٹ کی ترسیل، گاڑیوں کی فروخت کی تعداد اور ریٹیل فیول کی فروخت معاشی سرگرمیوں میں تیزی کی طرف اشارہ کرتے ہیں۔ صنعتی شعبے میں بحالی اور بہتری کی تصدیق بڑے پیمانے کی صنعت کی پیداوار سے بھی کی جاسکتی ہے جس میں جنوری 2021ء کے دوران، سال بہ سال کی بنیاد پر، 9.13 فیصد بڑھوتری دیکھی گئی اور مالی سال 2021ء کے 7 مہینوں کے دوران نمو کو 7.85 فیصد کی شرح پر لے گئی۔ بیرونی اکاؤنٹ میں مالی سال 2021ء کے آٹھ ماہ کے عرصہ کے دوران افرادی ترسیلات زر میں 24 فیصد کی، سال بہ سال کی بنیاد پر، نمو کی مدولیت نماشاں بہتری پیدا ہوئی۔ مالی سال 2021ء کے آٹھ ماہ کے عرصہ میں گزشتہ سال کی اسی مہینہ کی مدت کے 2.74 بلین امریکی ڈالر کے خسارے کی نسبت 881 بلین امریکی ڈالر کا مجموعی کرنٹ اکاؤنٹ کا زائد الحاصل (سرپلس) حجم ریکارڈ کیا گیا۔

## مالیاتی نتائج اور تجزیہ

بینک کی مالیاتی کارکردگی جھلکیاں مندرجہ ذیل ہیں:

ملین روپے	
سہ ماہی ختم شدہ 31 مارچ 2021ء (غیر آؤٹ شدہ)	سہ ماہی ختم شدہ 31 مارچ 2020ء (غیر آؤٹ شدہ)
648	491
(237)	(1,040)
411	(549)
(160)	214
251	(336)
0.25	(0.33)

منافع قبل از پروویشن (اخراجات)

پروویشن (اخراجات)

منافع / (نقصان) قبل از محصولات (ٹیکس)

محصولات

منافع / (نقصان) بعد از محصولات

آمدنی / (نقصان) فی حصص (روپے)

# Condensed Interim Statement of Financial Position

AS AT MARCH 31, 2021

		(Rupees in '000)	
		March 31, 2021	December 31, 2020
		(Un-audited)	(Audited)
<b>ASSETS</b>			
Cash and balances with treasury banks	6	4,752,358	7,422,652
Balances with other banks	7	588,516	1,396,188
Lendings to financial institutions	8	19,159,099	9,935,566
Investments - net	9	69,432,717	67,889,703
Advances - net	10	69,148,421	65,635,390
Fixed assets	11	2,106,265	1,939,123
Intangible assets	12	141,079	141,901
Deferred tax assets - net	13	803,535	364,747
Other assets - net	14	5,347,435	4,271,133
		171,479,425	158,996,403
<b>LIABILITIES</b>			
Bills payable	15	919,594	3,358,345
Borrowings	16	64,608,827	56,197,092
Deposits and other accounts	17	78,139,989	78,425,557
Liabilities against assets subject to finance lease		-	-
Subordinated debt	18	5,000,000	-
Deferred tax liabilities	13	-	-
Other liabilities	19	8,858,473	5,698,436
		157,526,883	143,679,430
<b>NET ASSETS</b>		13,952,542	15,316,973
<b>REPRESENTED BY:</b>			
Share capital		10,082,387	10,082,387
Reserves		1,031,623	1,031,623
Surplus on revaluation of assets	20	182,546	455,076
Unappropriated profit		2,655,986	3,747,887
		13,952,542	15,316,973
<b>CONTINGENCIES AND COMMITMENTS</b>			
	21		

The annexed notes 1 to 38 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 THREE MONTHS ENDED MARCH 31, 2021

	Note	(Rupees in '000)	
		Three months ended March 31, 2021	Three months ended March 31, 2020
Mark-up / Return / Interest Earned	22	3,037,011	4,204,296
Mark-up / Return / Interest Expensed	23	2,098,433	3,182,950
<b>Net Mark-up / Interest Income</b>		938,578	1,021,346
<b>Non Mark-up / Interest Income</b>			
Fee and Commission Income	24	119,479	71,878
Dividend Income		21,600	13,645
Foreign Exchange Income		109,707	220,774
Income / (loss) from derivatives		-	-
Gain on securities	25	106,042	35,741
Other Income	26	22	3
<b>Total non-markup / interest Income</b>		356,850	342,041
<b>Total Income</b>		1,295,428	1,363,387
<b>Non Mark-up / Interest Expenses</b>			
Operating expenses	27	804,314	707,097
Workers' Welfare Fund		-	8,556
Other charges	28	190	-
<b>Total non-markup / interest expenses</b>		804,504	715,653
<b>Profit before provisions</b>		490,924	647,734
(Provisions) / reversal and write offs - net	29	(1,040,217)	(237,029)
Extra ordinary / unusual items		-	-
<b>Profit / (Loss) Before Taxation</b>		(549,293)	410,705
Taxation	30	213,571	(160,012)
<b>Profit / (Loss) After Taxation</b>		(335,722)	250,693
		(Rupees)	
<b>Earnings / (Loss) per share - basic and diluted</b>	31	(0.33)	0.25

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

Chief Financial Officer

President & Chief Executive Officer

Director

Director

Chairman

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

FOR THE THREE MONTHS ENDED MARCH 31, 2021

	(Rupees in '000)	
	Three months ended March 31, 2021	Three months ended March 31, 2020
Profit / (Loss) after taxation for the period	(335,722)	250,693
<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	(272,530)	569,402
<b>Total comprehensive income / (loss)</b>	<b>(608,252)</b>	<b>820,095</b>

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

Chief Financial Officer

President & Chief Executive Officer

Director

Director

Chairman



# Condensed Interim Cash Flow Statement (Un-Audited)

FOR THE THREE MONTHS ENDED MARCH 31, 2021

	(Rupees in '000)	
	Three months ended March 31, 2021	Three months ended March 31, 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	(549,293)	410,705
Less: Dividend income	(21,600)	(13,645)
	(570,893)	397,060
<b>Adjustments:</b>		
Depreciation	80,298	81,176
Amortisation of intangible assets	10,776	8,973
Provision and write-offs	1,040,217	228,064
Interest expensed on lease liability against right of use assets	28,984	27,790
Interest expensed on debt securities	38,219	-
Gain on sale of Available for sale investment - net	(98,773)	(33,786)
Unrealized (gain) / loss on revaluation of investments classified as held for trading	791	(1,302)
Operating Fixed Assets Written-off/Adjusted	-	8,965
Recoveries against debts written - off	-	8
	1,100,512	319,888
	529,619	716,948
<b>(Increase) / Decrease in operating assets</b>		
Lendings to financial institutions	(9,223,533)	774,405
Investments - held for trading securities	(20,363)	(8,348)
Advances	(4,644,624)	170,420
Other assets (excluding advance taxation)	(1,063,601)	(1,332,108)
	(14,952,121)	(395,631)
<b>Increase / (Decrease) in operating liabilities</b>		
Bills Payable	(2,438,751)	906,441
Borrowings from financial institutions	8,411,735	19,659,605
Deposits and other accounts	(285,569)	950,904
Other liabilities (excluding advance taxation)	2,478,640	812,100
	8,166,055	22,329,050
Income tax paid	(174,262)	(157,376)
Net cash flow generated from / (used in) operating activities	(6,430,709)	22,492,991
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in securities	(1,780,063)	(20,444,333)
Dividends income	8,900	4,620
Investments in fixed assets and intangible assets	(82,794)	(33,563)
Proceeds from sale of fixed assets	-	-
Net cash flow used in investing activities	(1,853,957)	(20,473,276)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of debt securities	5,000,000	-
Dividend paid	(126,476)	-
Payments of lease liability against right of use assets	(66,824)	(76,834)
Net cash flow from / (used in) financing activities	4,806,700	(76,834)
<b>Increase / (Decrease) in cash and cash equivalents during the period</b>	(3,477,966)	1,942,881
Cash and cash equivalents at beginning of the period	8,818,840	6,698,224
<b>Cash and cash equivalents at end of the period</b>	5,340,874	8,641,105

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

Chief Financial Officer

President & Chief Executive Officer

Director

Director

Chairman

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

FOR THE THREE MONTHS ENDED MARCH 31, 2021

	(Rupees in '000)					
	Share Capital	Capital Reserve	Statutory Reserve	Surplus/ (Deficit) on Revaluation of Investments	Unappropriated profit	Total
<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 three months ended March 31, 2020	-	-	-	-	250,693	250,693
<b>Other comprehensive income</b>						
Movement in surplus on revaluation of investments - net of tax	-	-	-	569,402	-	569,402
Transfer to statutory reserve	-	-	50,138	-	(50,138)	-
<b>Balance as at March 31, 2020</b>	<b>10,082,387</b>	<b>20,935</b>	<b>858,492</b>	<b>898,661</b>	<b>3,139,107</b>	<b>14,999,582</b>
<b>Comprehensive income for the period</b>						
Profit after taxation for the nine months ended December 31, 2020	-	-	-	-	760,976	760,976
<b>Other comprehensive loss</b>						
Movement in (deficit) on revaluation of investments - net of tax	-	-	-	(443,585)	-	(443,585)
Transfer to statutory reserve	-	-	152,196	-	(152,196)	-
<b>Balance as at December 31, 2020</b>	<b>10,082,387</b>	<b>20,935</b>	<b>1,010,688</b>	<b>455,076</b>	<b>3,747,887</b>	<b>15,316,973</b>
<b>Comprehensive income for the period</b>						
Loss after taxation for the three months ended March 31, 2021	-	-	-	-	(335,722)	(335,722)
<b>Other comprehensive loss</b>						
Movement in (deficit) on revaluation of investments - net of tax	-	-	-	(272,530)	-	(272,530)
Transfer to statutory reserve	-	-	-	-	-	-
<b>Transactions with owners recognized directly in equity</b>						
Cash dividend for the year ended December 31, 2020 (Rs. 0.75 per ordinary share)	-	-	-	-	(756,179)	(756,179)
<b>Balance as at March, 31, 2021</b>	<b>10,082,387</b>	<b>20,935</b>	<b>1,010,688</b>	<b>182,546</b>	<b>2,655,986</b>	<b>13,952,542</b>

The annexed notes 1 to 38 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 THREE MONTHS ENDED MARCH 31, 2021

## 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 operates 40 branches (December 31, 2020: 40 branches) inside Pakistan.

The Bank is a subsidiary of SAMBA Financial Group of Saudi Arabia, which holds 84.51% shares of the Bank as at December 31, 2020 (December 31, 2019: 84.51%). Samba Financial Group ("SFG") (of the Kingdom of Saudi Arabia) entered into a legally binding merger agreement with The National Commercial Bank ("NCB") (of the Kingdom of Saudi Arabia) dated October 11, 2020, pursuant to which SFG was to merge with and into NCB in accordance with the applicable laws of the Kingdom of Saudi Arabia. In this respect, the merger between SFG and NCB, which has now been renamed as The Saudi National Bank ("SNB") has become effective as of April 1, 2021, and SFG has merged with and into SNB, as a result of which SFG has ceased to exist. Consequently, all the assets and liabilities of SFG (including its shareholding in the Bank) stand vested in SNB by operation of law.

While the said merger became effective under the laws of the Kingdom of Saudi Arabia, and the State Bank of Pakistan has provided its in-principle approval for The National Commercial Bank (which has been renamed as The Saudi National Bank) as the sponsor of the Bank, the requisite approvals / no-objections are being sought from the State Bank of Pakistan for the transfer of the subject shares in the name of SNB (and shall be subject to such approval/no-objection).

- 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, 2020.
- 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, 2020.

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

The SECP, through SRO 229(I)/2019 dated February 14, 2019, has notified that IFRS 9, Financial Instruments, is applicable for accounting periods ending on or after June 30, 2019. However, as per BPRD Circular No. 04 of 2019 dated October 23, 2019 of SBP, effective date of IFRS 9 implementation is January 01, 2021.

IFRS 9 'Financial Instruments' - the effective date of the standards was extended to annual period beginning on or after January 1, 2021 vide SBP Circular No. 4 dated October 23, 2019. IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. The standard includes guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. According to SBP circular referred to above, the Bank was required to have a parallel run of IFRS 9 from January 1, 2020, which was subsequently extended to periods beginning July 1, 2020 vide SBP BPRD Circular letter No. 15 of 2020. As per the directives of the SBP, the Bank was required to prepare pro-forma financial statements including the impact of IFRS 9 for the year ended December 31, 2020, and for parallel run periods and submit the same to the State Bank of Pakistan.

During the year the Bank prepared its impact assessments for the reporting period under a parallel run, which were based on certain estimates and assumptions considered in the absence of uniform implementation guidelines. The Bank has estimated the impact of adoption of IFRS 9 on the financial statements of the Bank on the date of initial application, which shall be finalised after issuance of implementation guidelines and standardized approaches by the State Bank of Pakistan. Accordingly, the requirements of IFRS 9 have not been considered while preparing these condensed interim financial statements.

There are certain other new interpretations of and amendments to existing accounting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2021. 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 (Amendments in illustrative Example 13)	June 01, 2022
- IAS 16 Property, Plant and Equipment (Amendments)	January 01, 2022
- Classification of liabilities as current or non-current (Amendments to IAS 1)	January 01, 2022
- IFRS 9, Financial Instruments (B.3.3.6)	January 01, 2022

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, 2022 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 condensed interim 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, 2020.

#### 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, 2020.

#### 6 CASH AND BALANCES WITH TREASURY BANKS

##### In hand

Local currency

Foreign currencies

##### With State Bank of Pakistan in

Local currency current account

Foreign currency current account (USD Settlement Account)

Foreign currency current account (cash reserve 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

Call lending

Repurchase agreement lendings (Reverse Repo)

Other lending with financial institutions

Less: provision held against Lending to Financial Institutions

Lending to Financial Institutions - net of provision

(Rupees in '000)	
March 31, 2021	December 31, 2020
(Un-audited)	(Audited)
701,168	738,251
737,666	450,662
1,438,834	1,188,903
1,609,793	4,344,860
186,270	152,642
498,757	567,252
997,514	1,134,345
3,292,334	6,199,099
5,665	11,628
15,525	23,022
4,752,358	7,422,652
147,628	108,633
18	18
147,646	108,651
440,870	1,287,537
588,516	1,396,188
5,000,000	3,000,000
13,227,756	6,469,131
931,343	466,435
19,159,099	9,935,566
-	-
19,159,099	9,935,566



## 9 INVESTMENTS - NET

### 9.1 Investments by type:

	March 31, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Cost/ Amortised cost	Provision for diminution	Surplus/ (Deficit)	Carrying Value	Cost/ Amortised cost	Provision for diminution	Surplus/ (Deficit)	Carrying Value
<b>Held-for-trading securities</b>								
Federal Government Securities	101,820	-	(1)	101,819	-	-	-	-
Shares	166,550	-	(790)	165,760	248,376	-	(369)	248,007
	268,370	-	(791)	267,579	248,376	-	(369)	248,007
<b>Available-for-sale securities</b>								
Federal Government Securities	63,101,107	-	361,684	63,462,791	60,143,076	-	607,139	60,750,215
Shares	1,388,849	(217,969)	(55,047)	1,115,833	1,701,829	(309,345)	172,155	1,564,639
Non Government Debt Securities	1,500,000	-	(7,381)	1,492,619	2,254,798	-	(33,268)	2,221,530
	65,989,956	(217,969)	299,256	66,071,243	64,099,703	(309,345)	746,026	64,536,384
<b>Held-to-maturity securities</b>								
Federal Government Securities	3,093,895	-	-	3,093,895	3,105,312	-	-	3,105,312
<b>Total Investments</b>	69,352,221	(217,969)	298,465	69,432,717	67,453,391	(309,345)	745,657	67,889,703

### 9.1.1 Investments given as collateral

Pakistan Investment Bonds

(Rupees in '000)	
March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
37,493,858	38,891,371
309,345	231,851
4,280	236,966
(95,656)	(159,472)
(91,376)	77,494
217,969	309,345

### 9.2 Provision for diminution in value of investments

Opening balance

Charge / (reversals)

Charge for the period / year

Reversal

Net charge / (reversals)

Closing Balance

**9.2.1** No provision was booked against investment in debt securities as at March 31, 2021 (December 31, 2020: Nil).

**9.2.2** The market value of securities classified as held to maturity as at March 31, 2021 amounted to Rs. 3,079.660 million (December 31, 2020: Rs. 3,139.040 million).

## 10 ADVANCES - NET

	(Rupees in '000)					
	Performing		Non-Performing		Total	
	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
Loans, cash credits, running finances, etc.	69,084,483	65,630,909	3,647,297	2,680,128	72,731,780	68,311,037
Bills discounted and purchased	470,646	246,734	15,494	15,494	486,140	262,228
Advances - gross	69,555,129	65,877,643	3,662,791	2,695,622	73,217,920	68,573,265
Provision against advances						
- Specific	-	-	(3,595,093)	(2,605,952)	(3,595,093)	(2,605,952)
- General	(474,406)	(331,923)	-	-	(474,406)	(331,923)
	(474,406)	(331,923)	(3,595,093)	(2,605,952)	(4,069,499)	(2,937,875)
Advances - net of provision	69,080,723	65,545,720	67,698	89,670	69,148,421	65,635,390

### 10.1 Particulars of advances (Gross)

	(Rupees in '000)	
	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
In local currency	72,078,809	68,095,932
In foreign currencies	1,139,111	477,333
	73,217,920	68,573,265

**10.2** Advances include Rs. 3,662.791 million (December 31, 2020 Rs. 2,695.622 million) which have been placed under non-performing status are detailed below:

Category of Classification	(Rupees in '000)			
	March 31, 2021 (Un-audited)		December 31, 2020 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
<b>Domestic</b>				
Substandard	7,658	1,914	76,476	18,371
Doubtful	57,786	27,397	-	-
Loss	3,597,347	3,565,782	2,619,146	2,587,581
	3,662,791	3,595,093	2,695,622	2,605,952

### 10.3 Particulars of provision against advances

	(Rupees in '000)					
	March 31, 2021 (Un-audited)			December 31, 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
Opening balance	2,605,952	331,923	2,937,875	2,623,696	63,518	2,687,214
Charge for the period / year	1,000,565	142,700	1,143,265	69,139	272,221	341,360
Reversals for the period / year	(11,395)	(217)	(11,612)	(72,463)	(3,816)	(76,279)
	989,170	142,483	1,131,653	(3,324)	268,405	265,081
Amounts written off	(29)	-	(29)	(14,420)	-	(14,420)
Closing balance	3,595,093	474,406	4,069,499	2,605,952	331,923	2,937,875

- 10.4** Specific provision charge for the period includes, provision charged against a corporate obligor who approached the Bank for restructuring of its loan facilities. Considering deteriorating financial health of the obligor and the ambiguity surrounding the terms and timeliness of the said restructuring as well as default of payments to multiple banks' financing, the Bank took a prudent view on this request and classified the obligor.
- 10.5** General provision as at March 31, 2021 includes provision of Rs. 74.406 million (December 31, 2020: Rs. 71.293 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. 400 million (December 31, 2020: Rs. 260 million) against corporate, commercial and SME advances. This provision is based on management's best estimate for potential losses present in the portfolio.
- 10.6** 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)	
		March 31, 2021	December 31, 2020
		(Un-audited)	(Audited)
Capital work-in-progress	11.1	29,012	3,855
Property and equipment	11.2 & 11.3	1,054,996	1,042,171
Right of use assets		1,022,257	893,097
		2,106,265	1,939,123
<b>11.1 Capital work-in-progress</b>			
Civil works		21,904	3,855
Equipment		-	-
Advances to suppliers		7,108	-
		29,012	3,855
		Three months ended	
		(Rupees in '000)	
		March 31, 2021	March 31, 2020
		(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		28,200	20,001
<b>Property and equipment</b>			
Furniture and fixture		433	1,454
Electrical office and computer equipment		4,154	7,274
Vehicles		40,052	-
		44,639	8,728
Total		72,839	28,729
		Three months ended	
		(Rupees in '000)	
		March 31, 2021	March 31, 2020
		(Un-audited)	(Un-audited)
<b>11.3 Disposal of fixed assets</b>			
The net book value of fixed assets disposed off during the period is as follows:			
Furniture and fixture		-	8,965

**12 INTANGIBLE ASSETS**

Intangible assets  
Capital work-in-progress

(Rupees in '000)	
March 31, 2021	December 31, 2020
(Un-audited)	(Audited)
117,644	120,321
23,435	21,580
141,079	141,901

**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

Three months ended	
(Rupees in '000)	
March 31, 2021	March 31, 2020
(Un-audited)	(Un-audited)
4,736	2,259
5,220	2,576
9,956	4,835

Note

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

- Accelerated tax depreciation  
- Taxable loss & Minimum tax for the period  
- Provision against advances, off balance sheet etc.

(Rupees in '000)	
March 31, 2021	December 31, 2020
(Un-audited)	(Audited)
37,181	31,928
74,874	-
883,947	699,370
996,002	731,298

**Taxable Temporary Differences on:**

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

(116,710)	(290,950)
(75,757)	(75,601)
(192,467)	(366,551)
803,535	364,747

**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

14.2

2,034,958	2,411,791
25,377	1,605
121,247	102,879
-	-
2,061,026	637,193
1,060,398	1,067,425
205,103	210,914
5,508,109	4,431,807
(160,674)	(160,674)
5,347,435	4,271,133

**14.1** This includes an amount of Rs. 1.494 million (December 31, 2020: Rs. 1.568 million) receivable from Samba Financial Group - a related party.

**14.2 Provision held against other assets**

Fee, commission and other receivables  
Fraud losses

80,343	80,343
80,331	80,331
160,674	160,674

## 15 BILLS PAYABLE

In Pakistan

(Rupees in '000)	
March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
919,594	3,358,345

## 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

Call borrowings

Bai muajjal borrowing

Bankers Equity Limited (under liquidation)

### Total unsecured

4,358,452	4,339,452
6,405,449	5,681,809
10,763,901	10,021,261
7,249,309	7,249,309
32,238,034	31,674,785
50,251,244	48,945,355
-	-
14,335,247	7,229,401
22,336	22,336
14,357,583	7,251,737
64,608,827	56,197,092

## 17 DEPOSITS AND OTHER ACCOUNTS

Note		(Rupees in '000)					
		March 31, 2021 (Un-audited)			December 31, 2020 (Audited)		
		In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
<b>Customers</b>							
		13,470,190	4,932,453	18,402,643	12,171,830	4,797,138	16,968,968
		15,366,330	2,713,930	18,080,260	15,478,486	3,105,109	18,583,595
		37,320,391	2,623,481	39,943,872	37,105,814	3,273,228	40,379,042
		831,651	-	831,651	786,443	-	786,443
		66,988,562	10,269,864	77,258,426	65,542,573	11,175,475	76,718,048
<b>Financial Institutions</b>							
		181,681	1,500	183,181	196,601	1,569	198,170
		47,665	-	47,665	858,590	-	858,590
		560,000	-	560,000	560,000	-	560,000
		90,717	-	90,717	90,749	-	90,749
		880,063	1,500	881,563	1,705,940	1,569	1,707,509
		67,868,625	10,271,364	78,139,989	67,248,513	11,177,044	78,425,557

- 17.1 This includes deposits amounting to Rs. 90.717 million (December 31, 2020: Rs. 90.749 million) from Samba Financial Group - a related party.



## 18 SUBORDINATED DEBT

Term Finance Certificates (TFCs) - Unsecured

18.1

(Rupees in '000)	
March 31, 2021	December 31, 2020
(Un-audited)	(Audited)
5,000,000	-

### 18.1 Term Finance Certificates (TFCs) - Unsecured

Issue amount	Rupees 5,000 million
Issue date	March 2021
Maturity date	March 2031
Rating	AA-
Profit payment frequency	Semi - annually
Redemption	6th - 108th month: 0.36%; 114th and 120th month: 49.82% each
Mark-up	Payable six monthly at six months' KIBOR plus 1.35%
Call option	On or after five years with prior SBP approval
Lock-in-clause	Neither profit nor principal may be paid if such payments will result in shortfall in the Bank's Minimum Capital Requirement ("MCR") or Capital Adequacy Ratio ("CAR")
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a Point of Non-Viability event as defined by SBP's Basel III Capital Rule, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) and / or have them immediately written off (either partially or in full).

## 19 OTHER LIABILITIES

Mark-up / Return / Interest payable in local currency  
Mark-up / Return / Interest payable in foreign currencies  
Accrued expenses  
Acceptances  
Taxation (payments less provisions)  
Dividends payable  
Unclaimed dividends  
Mark to market loss on forward foreign exchange contracts  
Provision against off-balance sheet obligations  
Security deposits against lease  
Lease liability against right of use assets  
Advance in respect of corporate expenditure  
Others

Note

(Rupees in '000)	
March 31, 2021	December 31, 2020
(Un-audited)	(Audited)
1,482,509	1,512,199
6,300	12,435
517,504	735,317
1,060,398	1,067,425
17,639	140,924
629,703	-
3,351	3,351
1,876,973	779,918
172,746	172,746
34,946	34,946
1,062,776	926,016
1,540,500	-
453,128	313,159
8,858,473	5,698,436

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

19.2 This includes dividend - net of tax amounting to Rs.607.079 million (2020:Nil) payable to Samba Financial Group - a related party

- 19.3 This includes advance received from parent entity in respect of corporate expenditures for various initiatives including rebranding e.t.c.

		(Rupees in '000)	
		March 31, 2021	December 31, 2020
		(Un-audited)	(Audited)
<b>20</b>	<b>SURPLUS ON REVALUATION OF ASSETS</b>		
	<b>Surplus on revaluation of:</b>		
	- Available for sale securities	299,256	746,026
	<b>Deferred tax on surplus on revaluation of:</b>		
	- Available for sale securities	(116,710)	(290,950)
		182,546	455,076
<b>21</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
	- Guarantees	8,801,694	6,157,229
	- Commitments	100,704,336	103,819,121
	- Other contingent liabilities	1,540,611	1,535,817
		111,046,641	111,512,167
<b>21.1</b>	<b>Guarantees:</b>		
	Financial guarantees	4,322,381	1,679,657
	Performance guarantees	3,778,408	3,626,500
	Other guarantees	700,905	851,072
		8,801,694	6,157,229
<b>21.2</b>	<b>Commitments:</b>		
	<b>Documentary credits and short-term trade-related transactions</b>		
	- letters of credit	10,796,889	9,575,999
	<b>Commitments in respect of:</b>		
	- forward foreign exchange contracts	89,447,539	92,334,452
	- forward government securities sale / purchase transactions	-	1,494,438
	- operating leases	-	3,561
	<b>Commitments for acquisition of:</b>		
	- operating fixed assets	71,014	41,445
	- intangible assets	49,253	29,585
	<b>Other commitments</b>	339,641	339,641
		100,704,336	103,819,121
<b>21.2.1</b>	<b>Commitments in respect of forward foreign exchange contracts</b>		
	Purchase	47,605,944	49,506,392
	Sale	41,841,595	42,828,060
		89,447,539	92,334,452

#### 21.2.2 Commitments in respect of forward government securities transactions

Purchase  
Sale

(Rupees in '000)	
March 31, 2021	December 31, 2020
(Un-audited)	(Audited)
-	1,494,438
-	-
-	1,494,438
-	3,561
-	-
-	-
-	3,561

#### 21.2.3 Commitments in respect of operating leases

Not later than one year  
Later than one year and not later than five years  
Later than five years

These comprise of commitments in respect of short term lease agreements for 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 these terms arrangements.

#### 21.2.4 Other commitments

Claims against the Bank not acknowledged as debt

(Rupees in '000)	
March 31, 2021	December 31, 2020
(Un-audited)	(Audited)
339,641	339,641

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.

#### 21.3 Other contingent liabilities

Note

21.3.1

(Rupees in '000)	
March 31, 2021	December 31, 2020
(Un-audited)	(Audited)
1,540,611	1,535,817

#### 20.3.1 Contingencies in respect of taxation

The Income tax department has raised a demand of Rs. 426.787 million (December 31, 2020: 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 (December 31, 2020: 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 (December 31, 2020: 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 (December 31, 2020: 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 (December 31, 2020: Rs. 35.391 million) for the years 2012 to 2017 and Rs.15.380 million (December 31, 2020: Rs. 15.380) for the year 2016 respectively. Federal Board of Revenue has issued orders to amend assessments for tax years 2014, 2018, 2019 and 2020 raising demands of Rs. 45.268 million (December 31, 2020: Rs. 45.268 million), Rs. 133.374 million (December 31, 2020: Rs. 133.374 million), Rs. 177.117 million (December 31, 2020: Rs. 177.117 million) and Rs. 4.794 million (December 31, 2020: Nil), 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. 1,540.611 million (December 31, 2020: Rs. 1,535.817 million) raised by the income tax authorities.

## 22 MARK-UP / RETURN / INTEREST EARNED

On:

- a) Loans and advances
- b) Investments
- c) Lendings to financial institutions
- d) Balances with banks
- e) Others (on pool lending to NPC)

Three months ended	
(Rupees in '000)	
March 31, 2021	March 31, 2020
(Un-audited)	(Un-audited)
1,395,193	2,101,571
1,432,504	2,020,681
200,719	79,680
40	2,364
8,555	-
3,037,011	4,204,296

## 23 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
- e) Subordinated debt

965,781	1,529,423
931,083	1,475,288
28,984	27,790
134,366	150,449
38,219	-
2,098,433	3,182,950

## 24 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

10,470	10,717
6,518	5,498
1,955	1,541
18,411	6,213
30,116	19,267
13,112	6,991
3,108	2,675
16,580	13,228
6,015	4,174
13,194	1,574
119,479	71,878

## 25 GAIN / (LOSS) ON SECURITIES

- Realised
- Unrealised - held for trading

106,833	34,439
(791)	1,302
106,042	35,741

### 25.1 Realised gain on:

- Federal Government Securities
- Shares
- Non Government Debt Securities

(16,396)	8,906
121,892	25,533
1,337	-
106,833	34,439

**26. OTHER INCOME**

Gain on sale of fixed assets-net  
Others

Three months ended	
(Rupees in '000)	
March 31, 2021	March 31, 2020
(Un-audited)	(Un-audited)
-	-
22	3
22	3

**27. OPERATING EXPENSES****Total compensation expense**

440,115

391,494

**Property expense**

Rent &amp; taxes

28,002

19,695

Insurance

460

489

Utilities cost

15,774

15,571

Security (including guards)

14,028

11,975

Repair &amp; maintenance (including janitorial charges)

12,656

12,609

Depreciation on owned fixed assets

1,903

1,903

Depreciation on right of use assets

45,440

43,943

118,263

106,185

**Information technology expenses**

Software maintenance

23,616

30,718

Hardware maintenance

11,800

13,339

Depreciation

11,224

10,975

Amortisation

10,776

8,973

Network charges

25,840

25,149

Insurance

110

184

83,366

89,338

**Other operating expenses**

Directors' fees and allowances

16,426

11,052

Legal &amp; professional charges

2,883

2,059

Outsourced services costs

1,467

-

Travelling, conveyance and official entertainment

18,879

21,112

Charges paid to Central Depository Company &amp; NIFT

6,378

5,708

Depreciation

21,731

24,355

Training &amp; development

-

273

Postage &amp; courier charges

3,276

3,436

Communication

3,397

2,060

Stationery &amp; printing

8,984

10,389

Repair &amp; maintenance

11,257

9,913

Insurance

11,265

8,914

Marketing, advertisement &amp; publicity

5,902

5,324

Fee Commission &amp; Brokerage Paid

43,348

14,082

Donations

-

6,200

Auditors Remuneration

3,489

2,029

Others

3,888

(6,826)

162,570

120,080

804,314

707,097



Note

Three months ended	
(Rupees in '000)	
March 31, 2021	March 31, 2020
(Un-audited)	(Un-audited)

## 28 OTHER CHARGES

Penalties imposed by State Bank of Pakistan

190

-

## 29 (PROVISIONS) / REVERSALS & WRITEOFFS - NET

(Provision) / reversal for diminution in the value of investments 9.2  
 Provision against loans and advances - net 10.3  
 Fixed assets written-off  
 Reversal of off balance sheet obligation  
 Bad debts written off directly  
 Recoveries against debts written-off

91,376

(214,166)

(1,131,653)

(13,844)

-

(8,965)

-

-

-

(62)

60

8

(1,040,217)

(237,029)

## 30 TAXATION

Current  
 Prior years  
 Deferred

(50,977)

(168,071)

-

-

264,548

8,059

213,571

(160,012)

## 31. BASIC EARNINGS / (LOSS) PER SHARE

Profit / (loss) for the period

(335,722)

250,693

Number of shares

Weighted average number of ordinary shares

1,008,238,648

1,008,238,648

Rupees

Basic earnings / (loss) per share

(0.33)

0.25

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

## 32 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 including subordinated debt 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.

### 32.1 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)				
March 31, 2021 (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	-	63,564,610	-	63,564,610
Shares	1,281,593	-	-	1,281,593
Non-Government Debt Securities	-	1,492,619	-	1,492,619
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments - Federal Government Securities	-	3,079,660	-	3,079,660
<b>Off-balance sheet financial instruments - measured at fair value</b>				
Forward purchase of foreign exchange	-	47,605,944	-	47,605,944
Forward sale of foreign exchange	-	41,841,595	-	41,841,595
Forward purchase of government securities	-	-	-	-
Forward sale of government securities	-	-	-	-

(Rupees in '000)				
December 31, 2020 (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	-	60,750,215	-	60,750,215
Shares	1,812,646	-	-	1,812,646
Non-Government Debt Securities	-	2,221,530	-	2,221,530
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments - Federal Government Securities	-	3,139,036	-	3,139,036
<b>Off-balance sheet financial instruments - measured at fair value</b>				
Forward purchase of foreign exchange	-	49,506,392	-	49,506,392
Forward sale of foreign exchange	-	42,828,060	-	42,828,060
Forward purchase of government securities	-	1,494,438	-	1,494,438
Forward sale of government securities	-	-	-	-

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.

### 33. SEGMENT INFORMATION

#### 33.1 Segment Details with respect to Business Activities

(Rupees in '000)						
Three months ended March 31, 2021 (Un-audited)						
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
<b>Profit &amp; Loss</b>						
Net mark-up / return / profit	561,722	578,847	(592,834)	409,650	(18,807)	938,578
Inter segment revenue - net	(397,783)	(463,659)	928,280	(274,417)	207,579	-
Non mark-up / return / interest income	39,091	255,760	44,274	51,412	(33,687)	356,850
Total Income	203,030	370,948	379,720	186,645	155,085	1,295,428
Segment direct expenses	(42,126)	(52,173)	(294,515)	(32,994)	(382,696)	(804,504)
Inter segment expense allocation	(82,283)	(39,050)	(182,356)	(79,007)	382,696	-
Total expenses	(124,409)	(91,223)	(476,871)	(112,001)	-	(804,504)
(Provisions) / Reversal	(977,013)	91,376	(8,902)	7,700	(153,378)	(1,040,217)
Profit / (loss) before tax	(898,392)	371,101	(106,053)	82,344	1,707	(549,293)
(Rupees in '000)						
As at March 31, 2021 (Un-audited)						
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
<b>Balance Sheet</b>						
Cash & Bank balances	-	2,498,294	2,842,580	-	-	5,340,874
Investments - net	-	69,432,717	-	-	-	69,432,717
Net inter segment lending	-	-	55,566,040	-	14,224,264	69,790,304
Lendings to financial institutions	-	19,159,099	-	-	-	19,159,099
Advances - performing - net	38,732,098	1,399,231	3,186,595	25,229,862	532,937	69,080,723
Advances - non-performing - net	-	-	30,285	30,389	7,024	67,698
Others	595,170	3,042,014	255,596	419,082	4,086,452	8,398,314
<b>Total Assets</b>	39,327,268	95,531,355	61,881,096	25,679,333	18,850,677	241,269,729
Borrowings	6,605,983	53,844,926	-	4,157,918	-	64,608,827
Subordinated debt	-	5,000,000	-	-	-	5,000,000
Deposits & other accounts	11,714,910	103,852	60,873,099	5,448,128	-	78,139,989
Net inter segment borrowing	20,191,860	33,674,390	-	15,924,055	-	69,790,305
Others	814,517	2,908,187	1,007,998	149,230	4,898,135	9,778,067
<b>Total liabilities</b>	39,327,270	95,531,355	61,881,097	25,679,331	4,898,135	227,317,188
Equity	-	-	-	-	13,952,542	13,952,542
<b>Total Equity &amp; liabilities</b>	39,327,270	95,531,355	61,881,097	25,679,331	18,850,677	241,269,729
<b>Contingencies &amp; Commitments</b>	10,318,860	90,369,809	405,008	7,898,896	2,054,067	111,046,641

**Profit & Loss**

Net mark-up / return / profit	1,026,717	492,238	(1,104,245)	620,129	(13,493)	1,021,346
Inter segment revenue - net	(792,650)	(581,851)	1,506,996	(500,377)	367,882	-
Non mark-up / return / interest income	30,241	282,921	56,003	30,563	(57,687)	342,041
Total Income	264,308	193,308	458,754	150,315	296,702	1,363,387

Segment direct expenses	(37,602)	(44,423)	(282,007)	(32,043)	(319,578)	(715,653)
Inter segment expense allocation	(73,971)	(29,348)	(158,046)	(58,213)	319,578	-
Total expenses	(111,573)	(73,771)	(440,053)	(90,256)	-	(715,653)
Provisions	-	(214,166)	(13,897)	-	(8,966)	(237,029)
Profit before tax	152,735	(94,629)	4,804	60,059	287,736	410,705

(Rupees in '000)

**Three months ended March 31, 2020 (Un-audited)**

Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
1,026,717	492,238	(1,104,245)	620,129	(13,493)	1,021,346
(792,650)	(581,851)	1,506,996	(500,377)	367,882	-
30,241	282,921	56,003	30,563	(57,687)	342,041
264,308	193,308	458,754	150,315	296,702	1,363,387
(37,602)	(44,423)	(282,007)	(32,043)	(319,578)	(715,653)
(73,971)	(29,348)	(158,046)	(58,213)	319,578	-
(111,573)	(73,771)	(440,053)	(90,256)	-	(715,653)
-	(214,166)	(13,897)	-	(8,966)	(237,029)
152,735	(94,629)	4,804	60,059	287,736	410,705

(Rupees in '000)

**As at December 31, 2020 (Audited)****Balance Sheet**

Cash & Bank balances	-	6,568,506	2,250,334	-	-	8,818,840
Investments - net	-	67,889,703	-	-	-	67,889,703
Net inter segment lending	-	-	62,144,748	-	14,144,504	76,289,252
Lendings to financial institutions	-	9,935,566	-	-	-	9,935,566
Advances - performing - net	37,328,446	1,387,762	2,984,170	23,250,377	594,965	65,545,720
Advances - non-performing - net	-	-	38,560	44,087	7,023	89,670
Others	590,680	1,850,231	288,113	401,131	3,586,749	6,716,904
<b>Total Assets</b>	37,919,126	87,631,768	67,705,925	23,695,595	18,333,241	235,285,655
Borrowings	6,269,953	46,175,831	-	3,751,308	-	56,197,092
Subordinated debt	-	-	-	-	-	-
Deposits & other accounts	8,897,607	176,353	63,949,743	5,401,854	-	78,425,557
Net inter segment borrowing	21,881,092	40,006,493	-	14,401,667	-	76,289,252
Others	870,474	1,273,091	3,756,182	140,766	3,016,268	9,056,781
<b>Total liabilities</b>	37,919,126	87,631,768	67,705,925	23,695,595	3,016,268	219,968,682
Equity	-	-	-	-	15,316,973	15,316,973
<b>Total Equity &amp; liabilities</b>	37,919,126	87,631,768	67,705,925	23,695,595	18,333,241	235,285,655
<b>Contingencies &amp; Commitments</b>	9,781,420	94,199,753	52,035	5,475,363	2,003,596	111,512,167

**33.2 Segment details with respect to geographical locations**

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

**34 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)							
March 31, 2020 (Un-audited)				December 31, 2020 (Audited)			
Parent	Directors	Key management personnel	Others	Parent	Directors	Key management personnel	Others
<b>Balances with other banks</b>							
In current accounts	22,100	-	-	81,136	-	-	-
	22,100	-	-	81,136	-	-	-
<b>Advances</b>							
Opening balance	-	-	165,648	-	-	151,262	-
Addition during the period / year	-	-	28,038	-	-	93,675	-
Repaid during the period / year	-	-	(19,628)	-	-	(79,289)	-
Closing balance	-	-	174,058	-	-	165,648	-
<b>Other Assets</b>							
Other receivable	1,494	-	-	1,568	-	-	-
<b>Other Liabilities</b>							
Dividend payable	607,079	-	-	-	-	-	-
<b>Deposits and other accounts</b>							
Opening balance	-	33,985	22,270	-	29,411	18,918	73,692
Received during the period / year	-	72,643	98,356	-	220,841	552,893	467,637
Withdrawn during the period / year	-	(48,488)	(88,825)	-	(216,267)	(549,541)	(516,017)
Closing balance	-	58,142	31,800	-	33,985	22,270	25,312
<b>Vostro Balances of Saudi Financial Group</b>							
	90,717	-	-	90,749	-	-	-

(Rupees in '000)							
Three months ended March 31, 2021 (Un-audited)				Three months ended March 31, 2020 (Unaudited)			
Parent	Directors	Key management personnel	Others	Parent	Directors	Key management personnel	Others
<b>Income</b>							
Mark-up / return / interest earned	-	-	2,575	-	-	1,768	-
<b>Expense</b>							
Mark-up / return / interest paid	-	90	297	-	463	103	1,072
Remuneration and benefits	-	-	190,800	-	-	150,430	-
Directors fee	-	9,600	-	-	3,447	-	-
Insurance premium paid	-	-	326	-	-	310	-
Insurance claims settled	-	-	-	-	-	721	-

**Forex transactions during the period (January - March 2021) - Samba Financial Group**

Currency	(Currency in '000)			
	READY / SPOT / TOM		Forward	
	Buy	Sell	Buy	Sell
AED	6,104	735	-	-
EUR	5,100	2,050	-	3,300
GBP	3,250	3,800	10,500	3,250
USD	16,863	12,305	8,488	14,616
PKR	-	1,418,457	-	-

**Forex deals outstanding as at the period end March 31, 2021 - Samba Financial Group**

Currency	(Currency in '000)			
	READY / SPOT / TOM		Forward	
	Buy	Sell	Buy	Sell
EUR	-	-	-	1,700
GBP	-	-	7,000	1,450
USD	-	-	4,007	9,802

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

Currency	(Currency in '000)			
	READY / SPOT / TOM		Forward	
	Buy	Sell	Buy	Sell
AED	367	1,000	-	-
EUR	3,200	1,350	800	2,350
GBP	3,750	6,60	5,300	1,900
JPY	22,288	-	-	-
SAR	187,377	16,126	-	-
USD	22,606	58,614	5,047	7,680
PKR	-	1,242,269	-	-

**Forex deals outstanding as at the year end December 31, 2020 - Samba Financial Group**

Currency	(Currency in '000)			
	READY / SPOT / TOM		Forward	
	Buy	Sell	Buy	Sell
GBP	-	-	9,200	-
USD	-	-	-	11,947

35.

## Paid-up capital (net of losses)

Paid-up capital (net of losses)

### Capital Adequacy Ratio (CAR):

### Eligible Common Equity Tier 1 (CET 1) Capital

Eligible Additional Tier 1 (ADT 1) Capital

Total Eligible Tier 1 Capital

Eligible Tier 2 Capital

Total Eligible Capital (Tier 1 + Tier 2)

**Risk Weighted Assets (RWAs):**

## Credit Risk

## Market Risk

## Operational Risk

Total

Common Equity Tier 1 Capital Adequacy ratio

Tier 1 Capital Adequacy Ratio

### Total Capital Adequacy Ratio

**Leverage Ratio (LR):**

Eligible Tier-1 Capital

## Total Exposures

## Leverage Ratio

### Liquidity Coverage Ratio (LCR):

## Total High Quality Liquid Assets

Total Net Cash Outflow

## Liquidity Coverage Ratio

### Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

## Total Required Stable Funding

### Net Stable Funding Ratio

(Rupees in '000)	
March 31, 2021	December 31, 2020
(Un-audited)	(Audited)
10,082,387	10,082,387
13,554,043	14,688,079
-	-
13,554,043	14,688,079
5,077,958	686,556
18,632,001	15,374,635
75,930,491	68,092,629
7,552,211	8,852,755
7,647,063	7,646,742
91,129,765	84,592,126
14.87%	17.36%
14.87%	17.36%
20.45%	18.18%
13,554,043	14,741,579
185,116,969	167,048,366
7.32%	8.82%
30,062,856	30,708,906
25,541,261	15,492,433
118%	198%
118,262,251	130,596,868
74,592,274	69,434,973
159%	188%



## **36 GENERAL**

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

**36.2** Figures as of and for the period ended March 31, 2021 and March 31, 2020, wherever used in these condensed interim financial statements are unaudited. However figures as of and for the period relating to December 31, 2020 used in these condensed interim financial statements are audited.

## **37 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.

## **38 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on April 26, 2021 by the Board of Directors of the Bank.

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
President & Chief Executive Officer

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director








\_\_\_\_\_  
Chairman










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