

Samba Bank Limited

Subsidiary of Saudi National Bank, Saudi Arabia

Half Yearly Report

June 30, 2021

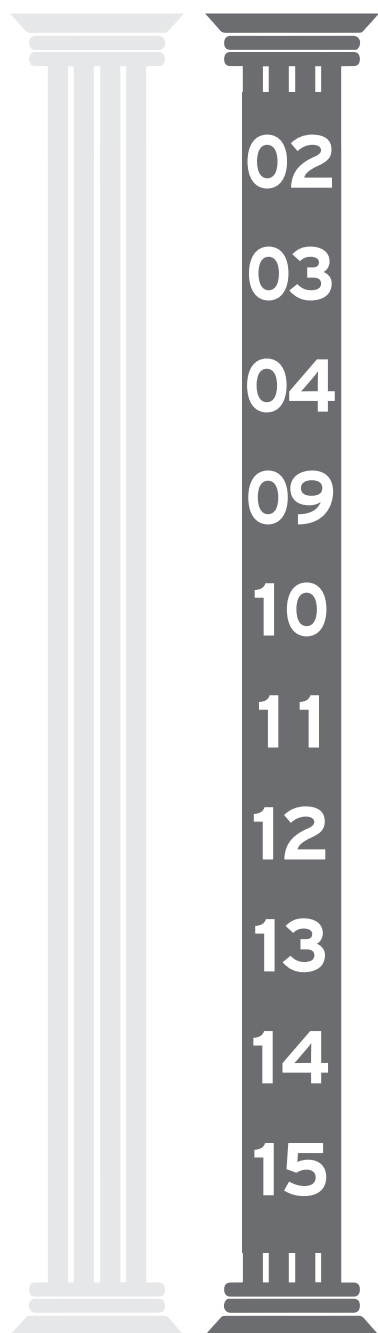
STRENGTH & RELIABILITY

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World class banking solutions
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samba bank  سامبا بينك

CONTENTS



BRANCH NETWORK

COMPANY INFORMATION

DIRECTORS' REPORT

INDEPENDENT AUDITOR'S REVIEW REPORT

CONDENSED INTERIM STATEMENT OF
FINANCIAL POSITION

CONDENSED INTERIM PROFIT AND
LOSS ACCOUNT

CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME

CONDENSED INTERIM CASH FLOW
STATEMENT

CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITY

NOTES TO AND FORMING PART OF THE
CONDENSED INTERIM FINANCIAL STATEMENTS

OUR BRANCH NETWORK

Currently, SBL has a network of 41 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
DHA Phase VIII

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

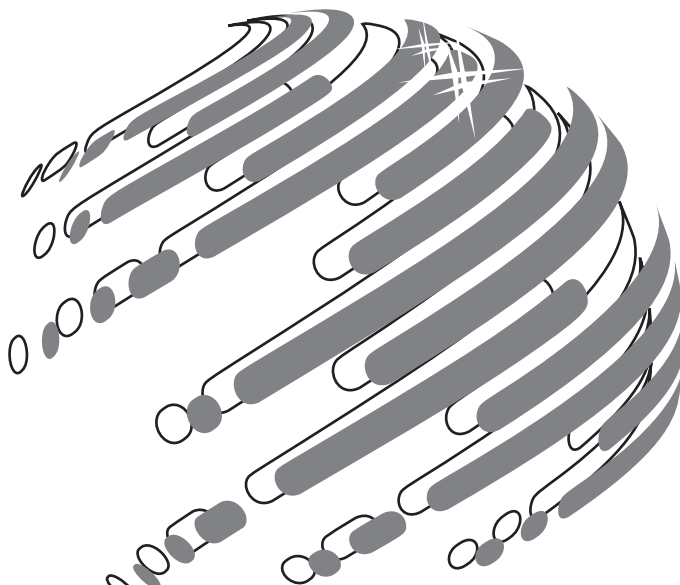
M. A. Jinnah Road

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. Humayun Murad	Non-Executive Director
Mr. Hussein Eid*	Non-Executive Director
Mr. Timour Pasha	Non-Executive Director
Hafiz Mohammad Yousaf	Independent Director
Mr. Tariq Javed	Independent Director
Ms. Zeeba Ansar**	Independent Director

Board Audit Committee****

Hafiz Mohammad Yousuf	Chairman
Mr. Aiman Gusti	Member
Mr. Hussein Eid	Member

Board Risk Committee***

Mr. Timour Pasha	Chairman
Mr. Humayun Murad	Member
Ms. Zeeba Ansar	Member
Mr. Shahid Sattar	Member

Board Nomination & Remuneration Committee****

Hafiz Mohammad Yousaf	Chairman
Dr. Shujaat Nadeem	Member
Mr. Hussein Eid	Member

Board IT Committee***

Dr. Shujaat Nadeem	Chairman
Mr. Aiman Gusti	Member
Mr. Tariq Javed	Member

* Appointed w.e.f. May 21, 2021

** Appointed w.e.f. Jun 16, 2021

*** Re-constituted w.e.f. Jul 7, 2021

**** Re-constituted w.e.f. Jul 8, 2021

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

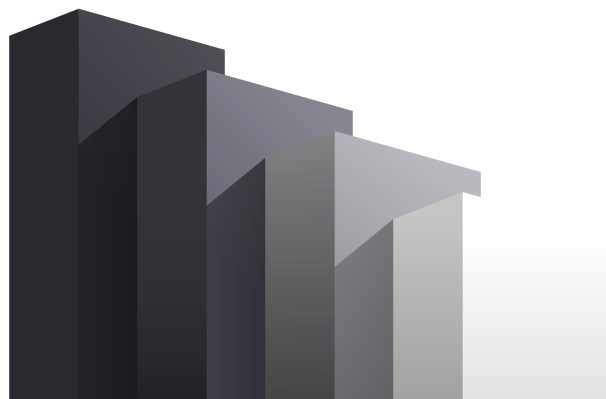
www.samba.com.pk

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 half year ended June 30, 2021.

Concerns of a fourth wave of coronavirus in Pakistan have grown amid the emergence of the Delta variant, however, the vaccination drive has picked up pace in recent months with over 40 million doses administered till date. The Asian Development Bank (ADB) has approved a USD 500 million loan for Pakistan to help it procure Covid-19 vaccine and further strengthen the country's capacity of the campaign.

The management and Board of Directors of the Bank applaud our employees for their continuous commitment & dedication with which they have been serving the Bank throughout this pandemic. As a token of appreciation the Bank had arranged free of cost vaccination for all our employees including permanent, contractual and third party employees, you will be pleased to note that, to date, 97% of staff is fully vaccinated.

Economic Highlights

Pakistan's economy staged a strong recovery since Covid related lock-down restrictions have been eased. Overall output of the Large Scale Manufacturing Industry (LSMI) increased by 14.85% for FY21. The government is targeting GDP growth rate of 4.8% for FY22 on back of the industrial sector which is likely to remain buoyant due to improvement in export volumes. Temporary Export Refinance facility (TERF) has helped augment the industrial capacities in the country that will support growth going forward. Owing to higher budgetary allocations for development spending, momentum in construction sector is expected to gather pace.

External account has improved significantly mainly due to a hefty 27% YoY growth in workers' remittances (USD 29.4 billion) during FY21. To augment FX reserves, Roshan Digital Account (RDA) has also got success as inflows have crossed the USD 2 billion mark. Earlier, the country had raised USD 2.5 billion from Eurobonds issue and had also received the IMF tranche of around USD 500 million under the Extended Fund Facility. Foreign exchange reserves of SBP improved to USD 17 billion.

Financial Results and Overview

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

	(Rupees in millions)	
	Half Year Ended June 30, 2021 (Un-Audited)	Half Year Ended June 30, 2020 (Un-Audited)
Profit before provision	1,236	1,396
Provisions	(1,033)	(221)
Profit before taxation	203	1,175
Taxation	(82)	(470)
Profit after taxation	121	705
Earnings per share - (Rupees)	0.12	0.70

	(Rupees in millions)	
	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
Total assets	188,537	158,996
Investments - net	80,236	67,890
Advances - net	73,349	65,635
Deposits	81,741	78,426
Surplus on revaluation of assets - net of tax	198	455

Despite posting the Loss Before Tax of Rs. 549.29 million during Q1'21, Alhamdulillah, the Bank recorded a Profit Before Tax (PBT) of Rs. 752.2 million Q2'21 resulting in PBT of Rs. 202.89 million and PAT of Rs. 121.38 million for the six months' period ended June 30, 2021. This turn-around of bottom line within such short time span depicts management's effective business strategies and decision making under the guidance of the Board.

Net markup income for the six months' period under review increased by 2.4% over similar period last year. Fee and commission income for 1H'21 increased by 89% from similar period last year. Operating expenses for 1H'21 increased by only 11.7% from 1H'20. The revenues coupled with tight control over operating expenses translated into operating profit of Rs. 1,236 million for 1H'21. All the business segments have posted robust performance and are expected to continue the growth momentum.

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 188.55bn at June 30, 2021. During the period, Advances and Investments witnessed increase of PKR 7.71bn and 12.35bn, respectively. On the liabilities side, the Bank managed to mobilize low cost & medium to small ticket deposits with overall deposit cost of 4.84% against plan of 4.90% and closed its deposits book at PKR 81.74bn depicting an increase of 4% over Dec'20 position.

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. After completing all the formalities and SBP approval, we expect the rebranding of Samba Bank Limited to SNB by Q3'2021.

Credit Rating

VIS Credit Rating Company Limited, a premier credit rating agency, has revised bank's outlook from 'Stable' to 'Positive' and has maintained the entity ratings at 'AA/A-1' (Double A/A-One). 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

In FY22, growth is expected to pick up further, supported by measures announced in the budget, accommodative monetary conditions, and disbursements under the SBP's TERF facility for investment and other refinance facilities. With the contained current account deficit and healthy commercial, official, portfolio and FDI inflows, Pakistan's external financing needs of around \$20 billion are expected to be fully met in FY22. The FY22 budget is expected to be broadly inflation-neutral as most tax rates have been left unchanged. The government expects the budget deficit to decline from 7.1 percent of GDP last year to 6.3 percent in FY22, on the back of strong growth in both tax (24.6 percent (y/y)) and non-tax revenue (24.7 percent), mainly from income and sales tax as well as the petroleum development levy (PDL).

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,



Shahid Sattar
President & Chief Executive Officer

August 25, 2021
Karachi



Hafiz Mohammad Yousaf
Director

مالی سال 2022 کے لیے ٹیکس (24.6 فیصد۔ سال بہ سال کی بنیاد پر) اور نان ٹیکس (24.7 فیصد) دونوں وصولیوں، جن میں انکم اور سیلز ٹیکس اور اس کے ساتھ پٹرولیم ڈیلو پسنٹ لیوی (پی ڈی ایل) شامل ہیں، میں قابل ذکر اور مضبوط اضافے کی بنیاد پر حکومت کو بجٹ کے خسارے، جو پچھلے سال جی ڈی پی کا 7.1 فیصد تھا، میں کمی کے ساتھ اسکی شرح 6.3 فیصد تک آ جانے کی توقع ہے۔

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 ڈیپازٹس 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 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



حافظ محمد یوسف
ڈائریکٹر



شاہد رازا
پریذیڈنٹ اور چیف ایگزیکٹو آفیسر

25 اگست 2021ء
کراچی

31 دسمبر 2020ء (آڈٹ شدہ)	30 جون 2021ء (غیر آڈٹ شدہ)
158,996	188,537
67,890	80,236
65,635	73,349
78,426	81,741
455	198

کل اثاثہ جات
سرمایہ کاری۔ خالص
قرضہ جات۔ خالص
ڈیپازٹس
اثاثہ جات کی ریویلویشن پر سہولت۔ بعد از محصولات

سال 2021 کی پہلی سہ ماہی میں 549.29 روپے کے قبل از ٹیکس نقصان کے باوجود، الحمد للہ، سال کی دوسری سہ ماہی میں بینک نے 752.2 ملین روپے کا قبل از ٹیکس منافع حاصل کیا ہے جس کی بدولت جون 2021 تک اختتام پذیر شدہ منافع قبل از ٹیکس 202.89 ملین روپے جبکہ بعد از ٹیکس منافع 121.38 ملین روپے رہا۔ ایک قلیل مدت میں یہ شاندار تبدیلی وترقی بورڈ کی رہنمائی، انتظامیہ کی موزوں کاروباری حکمت عملی اور فیصلہ سازی کا مظہر ہے۔

اس زیر نظر 6 ماہ کے عرصے میں خالص مارک اپ آمدنی میں گزشتہ سال کی مماثلہ مدت سے 2.4 فیصد کا اضافہ ہوا۔ سال 2021ء کی پہلی ششماہی میں فیس اور کمیشن کی آمدنی میں گزشتہ سال کے مماثلہ عرصے سے 89 فیصد کا اضافہ دیکھا گیا۔ سال 2021ء کی پہلی ششماہی کے دوران کاروباری اخراجات سال 2020 کی مماثلہ مدت سے محض 11.7 فیصد بڑھے۔ آمدنیوں اور کاروباری اخراجات کی کڑی نگرانی اور کنٹرول کی ترہائی سال 2021ء کی پہلی ششماہی میں 1,236 ملین روپے کے کاروباری منافع سے ہوئی۔ کاروبار کے تمام شعبوں نے زبردست کارکردگی کا مظاہرہ کیا ہے اور نمو کی اس تحریک کے مستقبل میں جاری رہنے کے روشن امکانات ہیں۔

بینک کی انتظامیہ کی توجہ پیداواری اثاثہ جات کی موزوں ترکیب کے ذریعے اپنے میزبان کی قدر و قیمت 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 30 جون 2021ء تک 188.55 ملین روپے تک بڑھ گئی۔ قرضہ جات اور سرمایہ کاری میں بھی بالترتیب 7.71 ملین روپے اور 12.35 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 اپنے 4.9 فیصد کے ہدف کے مقابلے میں 4.84 فیصد رہی اور ڈیپازٹس کا حجم دسمبر 2020ء کی سطح سے 4 فیصد کے اضافے کے ساتھ 81.74 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 یہ انضمام، جس کو اب دی 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 کوئی وجود نہیں رہا۔ چنانچہ، ایس ایف جی کے تمام اثاثہ جات اور واجبات (بشمول اس کی ملکیت میں بینک کے حصص) اب قانونی طور پر ایس این بی کے تصرف میں شمار ہوں گے۔ تمام برقی کاروائیوں کی تکمیل اور اسٹیٹ بینک آف پاکستان کی منظوری کے بعد ہم توقع رکھتے ہیں کہ سامبا بینک لمیٹڈ کا بطور ایس این بی شخص سال 2021ء کی تیسری سہ ماہی تک مکمل ہو جائے گا۔

کریڈٹ ریٹنگ

معروف کریڈٹ ایجنسی، وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے بینک کی پیش بینی پر نظر ثانی کرتے ہوئے اس کو مستحکم 'ب' مثبت' کی سطح پر تعین کیا ہے اور ایٹنی ریٹنگ کو (A-1/AA) ڈبل اے / اے ون کی سطح پر برقرار رکھا 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 (لیکوویٹی) کی بدولت اپنی تمام تر مالیاتی ذمہ داریوں کی بروقت ادائیگی کی ٹھوس صلاحیت کی مظہر ہیں۔

مستقبل کی پیش بینی

مالی سال 2022 میں بجٹ میں اعلان کردہ اقدامات، مفاہمانہ مالیاتی حالات اور اسٹیٹ بینک آف پاکستان کی ہدایات کے تحت سرمایہ کاری کے لیے ٹی ای آر ایف (TERF) اور دیگر ریٹنس سہولتوں کے تحت قرض کی فراہمی جیسے عوامل کے تعاون سے نمو میں اضافہ متوقع ہے۔ کرنٹ اکاؤنٹ کے خسارے کو قدرے محدود رکھنے، اور کمرشل، آئیٹیل، پورٹ فولیو اور براہ راست غیر ملکی سرمایہ کاری سے آنے والی ترسیلات کی بدولت، پاکستان کے مالی سال 2022ء کے لیے تقریباً 20 بلین امریکی ڈالر کی بیرونی قرضہ جات کی ضرورت مکمل طور پر پوری ہونے کا امکان ہے۔ مالی سال 2022ء کے بجٹ میں بنیادی طور پر افراط زر کو قابو میں رکھنے کے اقدامات کیے گئے ہیں جبکہ زیادہ تر ٹیکس کے ریش کو تبدیل نہیں کیا گیا ہے۔



ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے ہم بینک کی 30 جون 2021ء کو اختتام پذیر ششماہی کے مالیاتی نتائج پیش کرتے ہوئے، نہایت مسرت محسوس کر رہے ہیں۔

کووڈ-19 کے ڈیلٹا ویرینٹ کے نمودار ہونے سے پاکستان میں کرونا وائرس کی چوتھی لہر کے پھیلنے کے خدشات ہیں تاہم ویکسین کی مہم بھی تیزی اختیار کر چکی ہے اور اب تک 40 ملین سے زائد خوراکیں لوگوں کو فراہم کی جا چکی ہیں۔ ایشین ڈیولپمنٹ بینک (اے ڈی بی) نے پاکستان کو کرونا وائرس کی ویکسین کی خریداری کے لیے اور اس مہم میں حکومت کی صلاحیت کو مزید توانا کرنے کے لیے 500 ملین امریکی ڈالرز کے قرض کی منظوری دی 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 ٹوکن کے طور پر بینک کی انتظامیہ نے اپنے تمام ملازمین جن میں مستقل، کنٹریکچرل (Contractual) اور تھرڈ پارٹی ملازمین شامل ہیں، کو مفت ویکسین لگوانے کے انتظامات کیے۔ آپ کو یہ جان کر اطمینان ہوگا کہ ہمارے ملازمین میں سے 97 فیصد مکمل طور پر ویکسین شدہ ہیں۔

معاشی جھلکیاں

کووڈ سے متعلقہ لاک ڈاؤن کی پابندیوں میں نرمی کے بعد سے پاکستان کی معیشت مضبوط بحالی کے رجحان کا مظاہرہ کر رہی ہے۔ مالی سال 21 کے دوران بڑے پیمانے کی صنعت (LSMI) کی مجموعی پیداوار میں 14.85 فیصد کا اضافہ ہوا۔ حکومت برآمدات کے حجم میں مسلسل بہتری کے باعث اپنے صنعتی شعبہ، جو اپنی مضبوطی کو برقرار رکھے ہوئے ہے، کی بنیاد پر سال 2022ء کے لیے جی ڈی پی کی نمو کی شرح کو 4.8 فیصد کی سطح پر توقع کر رہی ہے۔ ایکسپورٹ ری فنانس کی عبوری سہولت (ٹی ای آر ایف - TERF) نے صنعت کی صلاحیت کو ناصرف مضبوط کیا ہے بلکہ یہ مستقبل میں نمومیں تعاون کا باعث بھی رہے گی۔ بجٹ میں ترقیاتی منصوبوں پر زیادہ رقم مختص ہونے کے سبب تعمیرات کے شعبے میں بہتری کی رفتار میں اضافے کا امکان ہے۔

بیرونی اکاؤنٹ کی مدد میں سال 2021ء کے دوران افرادی ترسیلات زر میں، سال بہ سال کی بنیاد پر، ہونے والی 27 فیصد کی قابل ذکر نمو (29.4 بلین امریکی ڈالرز) کی بدولت نمایاں بہتری کی توقع ہے۔ زرمبادلہ کے ذخائر کو مزید مضبوط بنانے کے لیے روشن ڈیجیٹل اکاؤنٹ (آر ڈی اے) بھی کامیابی سے ہمکنار ہو رہا ہے جس سے حاصل شدہ رقم کا حجم 2 بلین امریکی ڈالرز سے بھی تجاوز کر چکا ہے۔ اس سے قبل، ملک نے یورو بانڈز کے اجراء سے 2.5 بلین امریکی ڈالرز بھی حاصل کئے ہیں اور آئی ایم ایف سے ایکسٹینڈ فنڈ کی سہولت کے تحت 500 ملین ڈالرز کی قسط بھی وصول کی ہے۔ اسٹیٹ بینک آف پاکستان کے زرمبادلہ کے ذخائر بہتر ہوتے ہوئے 17 بلین امریکی ڈالرز پر درج ہوئے۔

مالیاتی نتائج اور تجزیہ

بینک کی مالیاتی کارکردگی کی جھلکیاں مندرجہ ذیل ہیں

ششماہی نتیجہ 30 جون 2021ء (غیر آڈٹ شدہ)	ششماہی نتیجہ 30 جون 2020ء (غیر آڈٹ شدہ)
1,236	1,396
(1,033)	(221)
203	1,175
(82)	(470)
121	705
0.12	0.70

منافع قبل از پروویژن (اخراجات)

پروویژن (اخراجات)

منافع قبل از محصولات (ٹیکس)

محصولات

منافع بعد از محصولات

آمدنی فی حصص (روپے)

Independent Auditor's Review Report

To the members of Samba Bank Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Samba Bank Limited ("the Bank") as at 30 June 2021 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures for the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 30 June 2021 and 30 June 2020 have not been reviewed by us and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent review report is M. Rehan Chughtai.

Lahore
Date: August 26, 2021

KPMG Taseer Hadi & Co.
Chartered Accountants

Condensed Interim Statement of Financial Position

AS AT JUNE 30, 2021

		(Rupees in '000)	
Note		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
ASSETS			
Cash and balances with treasury banks	6	5,951,967	7,422,652
Balances with other banks	7	679,695	1,320,136
Lendings to financial institutions	8	19,875,793	9,935,566
Investments - net	9	80,236,047	67,889,703
Advances - net	10	73,349,199	65,635,390
Fixed assets	11	2,390,866	1,939,123
Intangible assets	12	152,336	141,901
Deferred tax assets	13	724,396	364,747
Other assets - net	14	5,176,764	4,347,185
		188,537,063	158,996,403
LIABILITIES			
Bills payable	15	1,338,910	3,358,345
Borrowings	16	78,249,484	56,197,092
Deposits and other accounts	17	81,740,734	78,425,557
Liabilities against assets subject to finance lease		-	-
Subordinated debt	18	5,000,000	-
Deferred tax liabilities	13	-	-
Other liabilities	19	7,782,390	5,698,436
		174,111,518	143,679,430
NET ASSETS		14,425,545	15,316,973
REPRESENTED BY:			
Share capital		10,082,387	10,082,387
Reserves		1,055,900	1,031,623
Surplus on revaluation of assets	20	198,443	455,076
Unappropriated profit		3,088,815	3,747,887
		14,425,545	15,316,973
CONTINGENCIES AND COMMITMENTS	21		

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



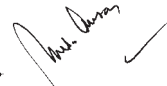
Chief Financial Officer



President & Chief Executive Officer



Director



Director



Chairman

Condensed Interim Profit and Loss Account (Un-Audited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2021

		(Rupees in '000)			
Note	Quarter ended		Half Year ended		
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	
Mark-up / Return / Interest Earned	22	3,356,847	3,635,081	6,393,858	7,839,377
Mark-up / Return / Interest Expensed	23	2,238,560	2,647,615	4,336,993	5,830,565
Net Mark-up/ Interest Income		<u>1,118,287</u>	<u>987,466</u>	<u>2,056,865</u>	<u>2,008,812</u>
Non Mark-up / Interest Income					
Fee and commission income	24	119,232	54,556	238,711	126,434
Dividend income		13,935	12,970	35,535	26,615
Foreign exchange income		73,098	99,819	182,805	320,593
Income / (loss) from derivatives		-	-	-	-
Gain on securities	25	252,425	353,631	358,467	389,372
Other income	26	78	8	100	11
Total non-markup / interest Income		<u>458,768</u>	<u>520,984</u>	<u>815,618</u>	<u>863,025</u>
Total Income		<u>1,577,055</u>	<u>1,508,450</u>	<u>2,872,483</u>	<u>2,871,837</u>
Non Mark-Up / Interest Expenses					
Operating expenses	27	817,273	744,198	1,621,587	1,451,295
Workers' Welfare Fund		14,500	15,913	14,500	24,469
Other charges	28	330	10	520	10
Total non-markup / interest expenses		<u>832,103</u>	<u>760,121</u>	<u>1,636,607</u>	<u>1,475,774</u>
Profit Before Provisions		<u>744,952</u>	<u>748,329</u>	<u>1,235,876</u>	<u>1,396,063</u>
(Provisions) / reversal and write offs - net	29	7,231	15,790	(1,032,986)	(221,239)
Extra ordinary / unusual items		-	-	-	-
Profit Before Taxation		<u>752,183</u>	<u>764,119</u>	<u>202,890</u>	<u>1,174,824</u>
Taxation	30	(295,077)	(309,748)	(81,506)	(469,760)
Profit After Taxation		<u>457,106</u>	<u>454,371</u>	<u>121,384</u>	<u>705,064</u>
		(Rupees)			
Earnings per share - basic and diluted	31	<u>0.45</u>	<u>0.45</u>	<u>0.12</u>	<u>0.70</u>

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 QUARTER AND HALF YEAR ENDED JUNE 30, 2021

	(Rupees in '000)			
	Quarter ended		Half Year ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Profit after taxation for the period	457,106	454,371	121,384	705,064
Other comprehensive income / (loss)				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in (deficit) / surplus on revaluation of investments - net of tax	15,897	7,955	(256,633)	577,357
Total comprehensive income for the period	<u>473,003</u>	<u>462,326</u>	<u>(135,249)</u>	<u>1,282,421</u>

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



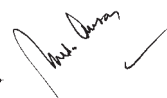
Chief Financial Officer



President & Chief Executive Officer



Director



Director



Chairman

Condensed Interim Cash Flow Statement (Un-Audited)

FOR THE HALF YEAR ENDED JUNE 30, 2021

	Note	(Rupees in '000)	
		Half Year ended June 30, 2021	Half Year ended June 30, 2020
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		202,890	1,174,824
Less: Dividend income		(35,535)	(26,615)
		167,355	1,148,209
Adjustments:			
Depreciation	27	165,629	166,434
Amortisation of intangible assets	27	22,113	20,617
Provision and write-offs - net of reversals	29	1,032,986	212,274
Gain on sale of fixed assets	26	(77)	-
Interest expensed on lease liability against right of use assets	23	61,618	54,920
Interest expensed on debt securities	23	150,411	-
Gain on sale of securities - net	25	(359,574)	(385,245)
Unrealized (gain) / loss on revaluation of investments	25	1,107	(4,127)
Operating fixed assets written-off		-	8,965
Recoveries against debts written-off		-	8
		1,074,213	73,846
		1,241,568	1,222,055
(Increase) / decrease in operating assets			
Lendings to financial institutions		(9,940,227)	(13,365,427)
Investments - held for trading securities		(3,457,579)	(4,144,897)
Advances		(8,843,425)	300,329
Others assets		(826,036)	(184,167)
		(23,067,267)	(17,394,162)
Increase / (decrease) in operating liabilities			
Bills Payable		(2,019,435)	(93,421)
Borrowings from financial institutions		22,052,392	24,192,435
Deposits and other accounts		3,315,177	2,282,444
Other liabilities (excluding current taxation)		1,594,465	(1,098,267)
		24,942,599	25,283,191
Income tax paid		(329,425)	(291,708)
Net cash flow generated from operating activities		2,787,475	8,819,376
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(8,881,941)	(9,203,594)
Net investments in held-to-maturity securities		22,971	1,227,371
Dividends income		36,585	23,928
Investments in fixed assets and intangible assets		(206,482)	(58,563)
Proceeds from sale of fixed assets		86	-
Net cash used in investing activities		(9,028,781)	(8,010,858)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issuance of debt securities		5,000,000	-
Dividend paid		(740,189)	-
Payments of lease liability against right of use assets		(129,631)	(115,837)
Net cash generated from / (used in) financing activities		4,130,180	(115,837)
(Decrease) / Increase in cash and cash equivalents during the period			
Cash and cash equivalents at beginning of the period		(2,111,126)	692,681
		8,742,788	6,698,224
Cash and cash equivalents at end of the period			
		6,631,662	7,390,905

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



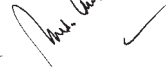
Chief Financial Officer



President & Chief Executive Officer



Director



Director



Chairman

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

FOR HALF YEAR ENDED JUNE 30, 2021

	(Rupees in '000)					
	Share Capital	Capital Reserve	Statutory Reserve	Surplus/ (Deficit) on Revaluation of Investments	Unappropriated profit	Total
Balance as at December 31, 2019	10,082,387	20,935	808,354	329,259	2,938,552	14,179,487
Comprehensive income for the period						
Profit after taxation for the half year ended June 30, 2020	-	-	-	-	705,064	705,064
Other comprehensive income						
Movement in surplus on revaluation of investments - net of tax	-	-	-	577,357	-	577,357
	-	-	-	577,357	705,064	1,282,421
Transfer to statutory reserve	-	-	141,013	-	(141,013)	-
Balance as at June 30, 2020	10,082,387	20,935	949,367	906,616	3,502,603	15,461,908
Comprehensive income for the period						
Profit after taxation for the half year ended December 31, 2020	-	-	-	-	306,605	306,605
Other comprehensive loss						
Movement in (deficit) on revaluation of investments - net of tax	-	-	-	(451,540)	-	(451,540)
	-	-	-	(451,540)	306,605	(144,935)
Transfer to statutory reserve	-	-	61,321	-	(61,321)	-
Balance as at December 31, 2020	10,082,387	20,935	1,010,688	455,076	3,747,887	15,316,973
Comprehensive income for the period						
Profit after taxation for the half year ended June 30, 2021	-	-	-	-	121,384	121,384
Other comprehensive loss						
Movement in (deficit) on revaluation of investments - net of tax	-	-	-	(256,633)	-	(256,633)
	-	-	-	(256,633)	121,384	(135,249)
Transfer to statutory reserve	-	-	24,277	-	(24,277)	-
Transactions with owners recognized directly in equity						
Cash dividend for the year ended December 31, 2020 (Rs. 0.75 per ordinary share)	-	-	-	-	(756,179)	(756,179)
Balance as at June, 30 2021	10,082,387	20,935	1,034,965	198,443	3,088,815	14,425,545

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 HALF YEAR ENDED JUNE 30, 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 with 41 branches (December 31, 2020: 40 branches) inside Pakistan.

The Bank is a subsidiary of Saudi National Bank (formerly SAMBA Financial Group), the Parent entity, which holds 84.51% shares of the Bank as at June 30, 2021 (December 31, 2020: 84.51%). During the previous year, 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. During the year, pursuant to the said agreement, SFG merged with and into NCB, with effect from April 01, 2021 (the effective date of merger), in accordance with the applicable laws of the Kingdom of Saudi Arabia, and NCB has also been renamed as The Saudi National Bank ("SNB") from the effective date of merger. Consequent to merger, all the assets and liabilities of SFG (including its shareholding in the Bank) stand vested in SNB by operation of law and SFG ceased to exist from the effective date of merger.

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 now 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 positive 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 for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

There are certain other new standards and interpretations 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:

	Effective date (annual periods beginning on or after)
- IAS 16 Property, Plant and Equipment (Amendments)	January 01, 2022
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 01, 2022
- Amendments to IFRS 3 - Reference to the Conceptual Framework	January 01, 2022
- Amendments to IAS 1 - Classification of liabilities as current or non-current	January 01, 2023
- Amendments to IAS 8 - Definition of accounting estimates	January 01, 2023
- Annual improvements to IFRS Standards 2018-2020	January 01, 2022

The above mentioned amendments are not likely to have a material impact effect on the Bank's condensed interim financial statements.

As per the SBP's BPRD Circular letter No. 24 of 2021 dated July 05, 2021 of SBP, the applicability of IFRS 9 to Banks in Pakistan has been deferred to accounting periods beginning on or after January 01, 2022. The impact of the application of IFRS 9 on the Bank's condensed interim financial statements is being assessed and implementation guidelines are awaited.

There are various 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 (Naya Pakistan Certificates)

(Rupees in '000)	
June 30, 2021	December 31, 2020
(Un-audited)	(Audited)
863,814	738,251
282,032	450,652
1,145,846	1,188,903
3,005,166	4,344,860
153,186	152,642
542,896	567,252
1,085,634	1,134,345
4,786,882	6,199,099
1,849	11,628
17,390	23,022
5,951,967	7,422,652
28,043	32,581
18	18
28,061	32,599
651,634	1,287,537
679,695	1,320,136
2,000,000	3,000,000
16,736,921	6,469,131
1,138,872	466,435
19,875,793	9,935,566

9 INVESTMENTS - NET

9.1 Investments by type:

	June 30, 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
Held-for-trading securities								
Federal Government Securities	3,476,117	-	(1,107)	3,475,010	-	-	-	-
Shares	247,671	-	(4,593)	243,078	248,376	-	(369)	248,007
	3,723,788	-	(5,700)	3,718,088	248,376	-	(369)	248,007
Available-for-sale securities								
Federal Government Securities	70,455,799	-	326,827	70,782,626	60,143,076	-	607,139	60,750,215
Shares	1,379,717	(212,715)	2,457	1,169,459	1,701,829	(309,345)	172,155	1,564,639
Non Government Debt Securities	1,487,500	-	(3,967)	1,483,533	2,254,798	-	(33,268)	2,221,530
	73,323,016	(212,715)	325,317	73,435,618	64,099,703	(309,345)	746,026	64,536,384
Held-to-maturity securities								
Federal Government Securities	3,082,341	-	-	3,082,341	3,105,312	-	-	3,105,312
Total Investments	80,129,145	(212,715)	319,617	80,236,047	67,453,391	(309,345)	745,657	67,889,703

9.1.1 Investments given as collateral

Pakistan Investment Bonds

(Rupees in '000)	
June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
44,877,683	38,957,372
Opening balance	309,345
Charge / (reversals)	231,851
Charge for the period / year	7,292
Reversal	(103,922)
Net charge / (reversals)	(96,630)
Closing Balance	212,715
	309,345

9.2.1 No provision was booked against investment in debt securities as at June 30, 2021 (December 31, 2020: Nil).

9.2.2 The market value of securities classified as held to maturity as at June 30, 2021 amounted to Rs. 3,098.216 million (December 31, 2020: Rs. 3,139.040 million).

10 ADVANCES - NET

	(Rupees in '000)					
	Performing		Non-Performing		Total	
	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
Loans, cash credits, running finances, etc.	72,825,725	65,630,909	3,931,555	2,680,128	76,757,280	68,311,037
Bills discounted and purchased	643,804	246,734	15,494	15,494	659,298	262,228
Advances - gross	73,469,529	65,877,643	3,947,049	2,695,622	77,416,578	68,573,265
Provision against advances						
- Specific	-	-	(3,657,887)	(2,605,952)	(3,657,887)	(2,605,952)
- General	(409,492)	(331,923)	-	-	(409,492)	(331,923)
	(409,492)	(331,923)	(3,657,887)	(2,605,952)	(4,067,379)	(2,937,875)
Advances - net of provision	73,060,037	65,545,720	289,162	89,670	73,349,199	65,635,390

10.1 Particulars of advances (Gross)

	(Rupees in '000)	
	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
In local currency	76,302,921	68,095,932
In foreign currencies	1,113,657	477,333
	77,416,578	68,573,265

10.2 Advances include Rs. 3,947.049 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)			
	June 30, 2021 (Un-audited)		December 31, 2020 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
Domestic				
Substandard	296,949	69,741	76,476	18,371
Doubtful	57,786	27,397	-	-
Loss	3,592,314	3,560,749	2,619,146	2,587,581
	3,947,049	3,657,887	2,695,622	2,605,952

10.3 Particulars of provision against advances

	(Rupees in '000)					
	June 30, 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	1,073,104	77,569	1,150,673	69,139	272,221	341,360
Reversals for the period / year	(21,057)	-	(21,057)	(72,463)	(3,816)	(76,279)
	1,052,047	77,569	1,129,616	(3,324)	268,405	265,081
Amounts written off	(112)	-	(112)	(14,420)	-	(14,420)
Closing balance	3,657,887	409,492	4,067,379	2,605,952	331,923	2,937,875

- 10.4** General provision as at June 30, 2021 includes provision of Rs. 85.835 million (December 31, 2020: Rs. 71.923 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. 323.657 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.
- 10.5** 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

		(Rupees in '000)	
	Note	June 30, 2021	December 31, 2020
		(Un-audited)	(Audited)
Capital work-in-progress	11.1	108,327	3,855
Property and equipment	11.2 & 11.3	1,041,350	1,042,171
Right of use assets		1,241,189	893,097
		2,390,866	1,939,123
11.1 Capital work-in-progress			
Civil works		42,769	3,855
Equipment		1,251	-
Advances to suppliers		64,307	-
		108,327	3,855
Six months ended			
(Rupees in '000)			
		June 30 2021	June 30, 2020
		(Un-audited)	(Un-audited)
11.2 Additions to fixed assets			
The following additions have been made to fixed assets during the period:			
Capital work-in-progress		104,472	27,698
Property and equipment			
Furniture and fixture		8,241	6,779
Electrical office and computer equipment		19,853	8,806
Vehicles		41,371	-
		69,465	15,585
Total		173,937	43,283
11.3 Disposal of fixed assets			
The net book value of fixed assets disposed off during the period is as follows:			
Furniture and fixture		-	8,965
Electrical office and computer equipment		9	-
Total		9	8,965

		(Rupees in '000)	
Note		June 30, 2021	December 31, 2020
		(Un-audited)	(Audited)
12 INTANGIBLE ASSETS			
Intangible assets		117,313	120,321
Capital work-in-progress		35,023	21,580
	12.1	152,336	141,901
		Six months ended	
		(Rupees in '000)	
		June 30, 2021	June 30, 2020
		(Un-audited)	(Un-audited)
12.1 Additions to intangible assets			
The following additions have been made to intangible assets during the period:			
Capital work-in-progress		13,443	3,050
Directly purchased		19,105	12,229
Total		32,548	15,279
		(Rupees in '000)	
Note		June 30, 2021	December 31, 2020
		(Un-audited)	(Audited)
13 DEFERRED TAX ASSETS			
Deductible Temporary Differences on:			
- Accelerated tax depreciation		40,506	31,928
- Provision against advances, off balance sheet etc.		886,678	699,370
		927,184	731,298
Taxable Temporary Differences on:			
- Surplus on revaluation of investments		(126,874)	(290,950)
- Net investment in finance lease		(75,914)	(75,601)
		(202,788)	(366,551)
		724,396	364,747
14 OTHER ASSETS - NET			
Income / mark-up accrued in local currency		2,725,583	2,411,791
Income / mark-up accrued in foreign currencies		29,911	1,605
Advances, deposits, advance rent and other prepayments		204,429	102,879
Mark to market gain on forward contracts		686,188	637,193
Acceptances		1,144,286	1,067,425
Others	14.1	547,041	286,966
		5,337,438	4,507,859
Less: Provision held against other assets	14.2	(160,674)	(160,674)
Other Assets - net		5,176,764	4,347,185
14.1	This includes an amount of Rs. 1.494 million (December 31, 2020: Rs. 1.568 million) receivable from Saudi National Bank - a related party.		
14.2 Provision held against other assets			
Fee, commission and other receivables		88,084	88,084
Fraud losses		72,590	72,590
		160,674	160,674

15 BILLS PAYABLE

In Pakistan

(Rupees in '000)	
June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
1,338,910	3,358,345

16. BORROWINGS

Secured

Borrowings from State Bank of Pakistan

- Under export refinance scheme
- Under long term financing facilities
- Under Refinance scheme for payment of wages and salaries
- Under temporary economic refinance facility
- Under refinance facility for modernization of SMEs
- Under credit guarantee scheme for women entrepreneur

4,369,452	4,339,452
3,009,009	2,757,806
2,121,245	2,843,608
2,600,237	80,395
845	-
1,500	-
12,102,288	10,021,261

Bai muajjal borrowing

7,249,309

Repurchase agreement borrowings

31,674,785

Total secured

48,945,355

Unsecured

Bai muajjal borrowing

7,229,401

Bankers Equity Limited (under liquidation)

22,336

Total unsecured

7,251,737

78,249,484

56,197,092

17 DEPOSITS AND OTHER ACCOUNTS

Note		(Rupees in '000)					
		June 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
		In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Customers							
		16,802,268	5,153,693	21,955,961	12,171,830	4,797,138	16,968,968
		15,967,259	3,780,776	19,748,035	15,478,486	3,105,109	18,583,595
		33,546,461	2,008,546	35,555,007	37,105,814	3,273,228	40,379,042
		1,164,769	-	1,164,769	786,443	-	786,443
		67,480,757	10,943,015	78,423,772	65,542,573	11,175,475	76,718,048
Financial Institutions							
		168,686	1,547	170,233	196,601	1,569	198,170
		1,903,805	-	1,903,805	858,590	-	858,590
		560,000	-	560,000	560,000	-	560,000
		682,924	-	682,924	90,749	-	90,749
		3,315,415	1,547	3,316,962	1,705,940	1,569	1,707,509
		70,796,172	10,944,562	81,740,734	67,248,513	11,177,044	78,425,557

17.1 This includes deposits amounting to Rs. 682.924 million (December 31, 2020: Rs. 90.749 million) from Saudi National Bank - a related party.

		(Rupees in '000)	
	Note	June 30, 2021	December 31, 2020
		(Un-audited)	(Audited)
18 SUBORDINATED DEBT			
Term Finance Certificates (TFCs) - Unsecured	18.1	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).

		(Rupees in '000)	
	Note	June 30, 2021	December 31, 2020
		(Un-audited)	(Audited)
19 OTHER LIABILITIES			
Mark-up / Return / Interest payable in local currency	19.1	1,576,129	1,512,199
Mark-up / Return / Interest payable in foreign currencies		5,807	12,435
Accrued expenses		545,121	735,317
Acceptances	14	1,144,286	1,067,425
Taxation (payments less provisions)		88,578	140,924
Dividends payable		15,990	-
Unclaimed dividends		3,351	3,351
Mark to market loss on forward foreign exchange contracts		1,005,470	779,918
Provision against off-balance sheet obligations		172,746	172,746
Security deposits against lease		34,946	34,946
Lease liability against right of use assets		1,301,450	926,016
Balance of advance for corporate expenditure - net	19.2	1,433,639	-
Others		454,877	313,159
		<u>7,782,390</u>	<u>5,698,436</u>

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 represents balance of advance received from the Parent Entity specifically for rebranding initiative and certain other specific nature capital and revenue expenditure.

		(Rupees in '000)	
		June 30, 2021	December 31, 2020
		(Un-audited)	(Audited)
20	SURPLUS ON REVALUATION OF ASSETS		
	Surplus on revaluation of:		
	- Available for sale securities	9.1 325,317	746,026
	Deferred tax on surplus on revaluation of:		
	- Available for sale securities	13 (126,874)	(290,950)
		198,443	455,076
21	CONTINGENCIES AND COMMITMENTS		
	- Guarantees	21.1 9,192,057	6,157,229
	- Commitments	21.2 150,253,370	103,819,121
	- Other contingent liabilities	21.3 1,611,056	1,535,817
		161,056,483	111,512,167
21.1	Guarantees:		
	Financial guarantees	1,679,657	1,679,657
	Performance guarantees	6,720,674	3,626,500
	Other guarantees	791,726	851,072
		9,192,057	6,157,229
21.2	Commitments:		
	Documentary credits and short-term trade-related transactions		
	- letters of credit	12,538,304	9,575,999
	Commitments in respect of:		
	- forward foreign exchange contracts	21.2.1 122,918,858	92,334,452
	- forward government securities transactions	21.2.2 13,432,062	1,494,438
	- forward equity securities transactions	21.2.3 250,274	-
	- operating leases	21.2.4 1,125	3,561
	Commitments for acquisition of:		
	- operating fixed assets	287,365	41,445
	- intangible assets	485,741	29,585
	Other commitments	21.2.5 339,641	339,641
		150,253,370	103,819,121
21.2.1	Commitments in respect of forward foreign exchange contracts		
	Purchase	64,635,521	49,506,392
	Sale	58,283,337	42,828,060
		122,918,858	92,334,452

21.2.2 Commitments in respect of forward government securities transactions

Purchase
Sale

(Rupees in '000)	
June 30, 2021	December 31, 2020
(Un-audited)	(Audited)
11,442,670	1,494,438
1,989,392	-
13,432,062	1,494,438

21.2.3 Commitments in respect of forward equity securities transactions

Sale

250,274	-
---------	---

21.2.4 Commitments in respect of operation leases

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

1,125	3,561
-	-
-	-
1,125	3,561

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.

21.2.5 Other commitments

Claims against the Bank not acknowledged as debt

(Rupees in '000)	
June 30, 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 condensed interim financial statements.

21.3 Other contingent liabilities

21.3.1 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. 5.498 million (December 31, 2020: nil) and Rs. 28.110 million (December 31, 2020: Rs. 28.110 million) on account of monitoring of withholding taxes for the tax years 2014 and 2012, respectively. Tax authorities have also issued orders under Sindh Sales Tax on Services Act, 2011 and Punjab Sales Tax on Services Act, 2012 thereby

Note

21.3.1

(Rupees in '000)	
June 30, 2021	December 31, 2020
(Un-audited)	(Audited)
1,611,056	1,535,817

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 2017 respectively. Federal Board of Revenue has issued orders to amend assessments for tax years 2014, 2015, 2018, 2019 and 2020 raising demands of Rs. 45.268 million (December 31, 2020: Rs. 45.268 million), Rs. 64.945 million (December 31, 2020: nil), 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), resp

Presently, the Bank is contesting these issues at various appellate forums. The management and the tax advisors of the Bank are confident that the eventual outcome of the aforementioned matters will be in favor of the Bank. Accordingly, no provision has been made in these condensed interim financial statements in respect of the above mentioned demands aggregating Rs. 1,611.056 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 Naya Pakistan Certificate)

Six months ended	
(Rupees in '000)	
June 30, 2021	June 30, 2020
(Un-audited)	(Un-audited)
2,878,833	3,795,575
3,113,377	3,875,552
385,247	165,884
81	2,366
16,320	-
6,393,858	7,839,377

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

1,892,212	2,818,233
1,982,746	2,683,271
61,618	54,920
250,006	274,141
150,411	-
4,336,993	5,830,565

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

35,990	17,132
13,444	8,592
3,148	2,638
36,486	12,854
64,555	35,346
34,857	12,879
7,210	5,302
30,847	23,432
10,469	6,203
1,705	2,056
238,711	126,434

25 GAIN / (LOSS) ON SECURITIES

- Realised
- Unrealised - held for trading

25.1

359,574	385,245
(1,107)	4,127
358,467	389,372

25.1 Realised gain on:

- Federal Government Securities
- Shares
- Non Government Debt Securities

207,293	353,466
150,933	32,189
1,348	(410)
359,574	385,245

26. OTHER INCOME

Gain on sale of fixed assets-net
Others

Six months ended (Rupees in '000)	
June 30, 2021 (Un-audited)	June 30, 2020 (Un-audited)
77	-
23	11
100	11

27. OPERATING EXPENSES**Total compensation expense**

885,444

775,856

Property expense

Rent & taxes

58,839

41,037

Insurance

920

978

Utilities cost

31,039

28,131

Security (including guards)

28,709

25,565

Repair & maintenance (including janitorial charges)

31,270

25,845

Depreciation on owned fixed assets

3,580

3,806

Depreciation on right of use assets

95,355

87,705

249,712

213,067

Information technology expenses

Software maintenance

57,062

64,511

Hardware maintenance

18,307

25,965

Depreciation

23,313

21,799

Amortisation

22,113

20,617

Network charges

53,962

49,380

Insurance

220

368

174,977

182,640

Other operating expenses

Directors' fees and allowances

25,173

19,612

Legal & professional charges

8,887

6,558

Outsourced services costs

2,301

2,479

Travelling, conveyance and official entertainment

38,201

30,782

Charges paid to Central Depository Company & NIFT

12,397

10,205

Depreciation

43,381

53,124

Training & development

-

384

Postage & courier charges

5,916

5,876

Communication

6,730

3,096

Stationery & printing

17,937

17,127

Repair & maintenance

22,420

16,528

Insurance

27,428

22,972

Marketing, advertisement & publicity

13,842

42,529

Fee Commission & Brokerage Paid

63,823

27,143

Donations

3,996

7,000

Auditors Remuneration

5,981

4,098

Others

13,041

10,219

311,454

279,732

1,621,587

1,451,295

	Note	Six months ended	
		(Rupees in '000)	
		June 30, 2021 (Un-audited)	June 30, 2020 (Un-audited)
28 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		520	10
29 (PROVISIONS) / REVERSALS & WRITEOFFS - NET			
Reversal / (Provision) for diminution in the value of investments 9.2		96,630	(197,507)
Provision against loans and advances - net 10.3		(1,129,616)	(14,407)
Fixed assets written-off		-	(8,965)
Bad debts written off directly		-	(368)
Recoveries against debts written-off		-	8
		(1,032,986)	(221,239)
30 TAXATION			
Current		(277,079)	(480,890)
Deferred		195,573	11,130
		(81,506)	(469,760)
31. BASIC EARNINGS PER SHARE			
Profit for the period		121,384	705,064
		(Number of shares)	
Weighted average number of ordinary shares		1,008,238,648	1,008,238,648
		(Rupees)	
Basic and diluted earnings per share		0.12	0.70

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 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.

In opinion of the management, the fair value of remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

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:

	Carrying/ National Value	(Rupees in '000)			
		June 30, 2021 (Un-audited)			
		Level 1	Level 2	Level 3	Total
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	74,257,636	-	74,257,636	-	74,257,636
Shares	1,412,537	1,412,537	-	-	1,412,537
Non-Government Debt Securities	1,483,533	-	1,483,533	-	1,483,533
Financial assets - disclosed but not measured at fair value					
Investments-Federal Government Securities	3,082,341	-	3,098,216	-	3,098,216
Off-balance sheet financial instruments- measured at fair value					
Forward purchase of foreign exchange	64,635,521	-	17,697	-	17,697
Forward sale of foreign exchange	58,283,337	-	(341,572)	-	(341,572)
Forward purchase of government securities	11,442,670	-	(1,102)	-	(1,102)
Forward sale of government securities	1,989,392	-	(12)	-	(12)
Forward sale of equity securities	250,274	4,593	-	-	4,593

	Carrying/ Value	(Rupees in '000)			
		December 31, 2020 (Audited)			
		Level 1	Level 2	Level 3	Total
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	60,750,215	-	60,750,215	-	60,750,215
Shares	1,812,646	1,812,646	-	-	1,812,646
Non-Government Debt Securities	2,221,530	-	2,221,530	-	2,221,530
Financial assets - disclosed but not measured at fair value					
Investments-Federal Government Securities	3,105,312	-	3,139,040	-	3,139,040
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	49,506,392	-	(594,550)	-	(594,550)
Forward sale of foreign exchange	42,828,060	-	451,825	-	451,825
Forward purchase of government securities	1,494,438	-	1,375	-	1,375

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 rates announced by the Mutual Funds Association of Pakistan (MUFAP) and 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)						
Half Year ended June 30, 2021 (Un-audited)						
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
Profit & Loss						
Net mark-up / return / profit	1,140,883	1,224,695	(1,131,548)	862,562	(39,727)	2,056,865
Inter segment revenue - net	(815,957)	(852,334)	1,819,344	(579,897)	428,844	-
Non mark-up / return / interest income	88,500	613,907	78,594	113,568	(78,951)	815,618
Total Income	413,426	986,268	766,390	396,233	310,166	2,872,483
Segment direct expenses	(83,959)	(105,550)	(597,911)	(68,367)	(780,820)	(1,636,607)
Inter segment expense allocation	(168,145)	(79,675)	(371,691)	(161,309)	780,820	-
Total expenses	(252,104)	(185,225)	(969,602)	(229,676)	-	(1,636,607)
Provisions	(972,821)	96,630	(25,277)	(53,643)	(77,875)	(1,032,986)
Profit / (loss) before tax	(811,499)	897,673	(228,489)	112,914	232,291	202,890
(Rupees in '000)						
As at June 30, 2021 (Un-audited)						
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
Balance Sheet						
Cash & Bank balances	-	5,530,009	1,101,653	-	-	6,631,662
Investments - net	-	80,236,047	-	-	-	80,236,047
Net inter segment lending	-	-	61,075,744	-	14,106,159	75,181,903
Lendings to financial institutions	-	19,875,793	-	-	-	19,875,793
Advances - performing - net	40,801,550	1,790,039	3,480,390	26,121,844	866,214	73,060,037
Advances - non-performing - net	-	-	49,733	232,404	7,025	289,162
Others	589,825	2,447,192	497,359	468,532	4,441,454	8,444,362
Total Assets	41,391,375	109,879,080	66,204,879	26,822,780	19,420,852	263,718,966
Borrowings	7,563,669	66,147,196	-	4,538,619	-	78,249,484
Subordinated debt	-	5,000,000	-	-	-	5,000,000
Deposits & other accounts	8,179,031	693,453	65,010,268	7,857,982	-	81,740,734
Net inter segment borrowing	24,798,342	36,167,959	-	14,215,602	-	75,181,903
Others	850,333	1,870,472	1,194,611	210,577	4,995,307	9,121,300
Total liabilities	41,391,375	109,879,080	66,204,879	26,822,780	4,995,307	249,293,421
Equity	-	-	-	-	14,425,545	14,425,545
Total Equity & liabilities	41,391,375	109,879,080	66,204,879	26,822,780	19,420,852	263,718,966
Contingencies & Commitments	11,113,350	137,647,983	280,501	9,236,173	2,778,476	161,056,483

	(Rupees in '000)					
	Half Year ended June 30, 2020 (Un-audited)					
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
Profit & Loss						
Net mark-up / return / profit	1,874,195	1,129,802	(2,042,116)	1,088,046	(41,115)	2,008,812
Inter segment revenue - net	(1,467,449)	(1,145,352)	2,718,432	(839,963)	734,332	-
Non mark-up / return / interest income	60,071	759,747	79,645	57,932	(94,370)	863,025
Total Income	466,817	744,197	755,961	306,015	598,847	2,871,837
Segment direct expenses	(73,775)	(85,812)	(545,437)	(66,185)	(704,565)	(1,475,774)
Inter segment expense allocation	(163,082)	(64,705)	(348,439)	(128,339)	704,565	-
Total expenses	(236,857)	(150,517)	(893,876)	(194,524)	-	(1,475,774)
Provisions	-	(197,507)	(25,139)	8,500	(7,093)	(221,239)
Profit before tax	229,960	396,173	(163,054)	119,991	591,754	1,174,824
	(Rupees in '000)					
	As at December 31, 2020 (Audited)					
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
Balance Sheet						
Cash & Bank balances	-	6,568,506	2,174,282	-	-	8,742,788
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	364,165	401,131	3,586,749	6,792,956
Total Assets	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
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
Total liabilities	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
Total Equity & liabilities	37,919,126	87,631,768	67,705,925	23,695,595	18,333,241	235,285,655
Contingencies & Commitments	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 Bank 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 and balances with related parties are as follows:

(Rupees in '000)							
June 30, 2021 (Un-audited)				December 31, 2020 (Audited)			
Parent	Directors	Key management personnel	Others	Parent	Directors	Key management personnel	Others
Balances with other banks							
In current accounts	16,155	-	-	81,136	-	-	-
Advances							
Opening balance	-	-	165,648	-	-	151,262	-
Addition during the period / year	-	-	43,797	-	-	93,675	-
Repaid during the period / year	-	-	(27,866)	-	-	(79,289)	-
Closing balance	-	-	181,579	-	-	165,648	-
Lendings to financial institutions							
Opening balance	-	-	-	-	-	-	-
Addition during the period / year	-	-	43,678,659	-	-	-	37,037,826
Repaid during the period / year	-	-	(43,678,659)	-	-	-	(37,037,826)
Closing balance	-	-	-	-	-	-	-
Other Assets							
Other receivable	1,494	-	-	1,568	-	-	-
Mark to market gain on forward foreign exchange contracts	25,905	-	-	100,477	-	-	-
	27,399	-	-	102,045	-	-	-
Other Liabilities							
Mark-up payable	-	48	86	-	47	83	631
Mark to market loss on forward foreign exchange contracts	30,573	-	-	-	-	-	-
Advance in respect of corporate expenditure	1,433,639	-	-	-	-	-	-
	1,464,212	48	86	-	47	83	631
Borrowings							
Opening balance	-	-	-	-	-	-	-
Borrowings during the period / year	-	-	930,000	-	-	-	3,148,795
Settled during the period / year	-	-	(930,000)	-	-	-	(3,148,795)
Closing balance	-	-	-	-	-	-	-
Deposits and other accounts							
Opening balance	90,749	33,985	22,270	117,834	29,411	18,918	73,692
Received during the period / year	38,781,043	106,207	214,559	5,646,610	220,841	552,893	467,637
Withdrawn during the period / year	(38,188,868)	(83,963)	(215,711)	(5,673,695)	(216,267)	(549,541)	(516,017)
Closing Balance	682,924	56,229	21,118	90,749	33,985	22,270	25,312
Contingencies and Commitments							
Forward foreign exchange contracts (National) - outstanding	4,421,500	-	-	3,922,947	-	-	-

(Rupees in '000)								
	Six months ended June 30, 2021 (Un-audited)				Six months ended June 30, 2020 (Unaudited)			
	Parent	Directors	Key management personnel	Others	Parent	Directors	Key management personnel	Others
Income								
Mark-up / return / interest earned	-	-	4,462	35,987	-	-	4,015	13,005
Net gain / (loss) on sale of securities	-	-	-	54,172	-	-	-	189,639
Expense								
Mark-up / return / interest paid	-	207	559	1,338	-	184	927	4,040
Remuneration and benefits	-	-	248,830	-	-	-	232,760	-
Directors fee	-	20,160	-	-	-	10,881	-	-
Operating expenses	-	-	-	750	-	-	-	-
Insurance premium paid	-	-	652	-	-	-	555	-
Insurance claims settled	-	-	205	-	-	-	210	-
Other Transactions								
Forward exchange contracts matured during the period	15,485,061	-	-	-	18,059,400	-	-	-
Sale of federal government securities	-	-	-	2,145,283	-	-	-	13,899,388
Purchase of federal government securities	-	-	-	5,088,634	-	-	-	11,946,746
Sale of non-government debt securities	-	-	-	1,942,241	-	-	-	-
Purchase of non-government debt securities	-	-	-	619,858	-	-	-	-
Reverse repo (lending)	-	-	-	43,678,659	-	-	-	22,501,933
Repo borrowing	-	-	-	930,000	-	-	-	2,648,795

35. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

10,082,387

10,082,387

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

14,074,766

14,688,079

Eligible Additional Tier 1 (ADT 1) Capital

-

-

Total Eligible Tier 1 Capital

14,074,766

14,688,079

Eligible Tier 2 Capital

5,272,159

686,556

Total Eligible Capital (Tier 1 + Tier 2)

19,346,925

15,374,635

Risk Weighted Assets (RWAs):

Credit Risk

78,340,069

68,092,629

Market Risk

8,785,166

8,852,755

Operational Risk

7,646,742

7,646,742

Total

94,771,977

84,592,126

Common Equity Tier 1 Capital Adequacy ratio

14.85%

17.36%

Tier 1 Capital Adequacy Ratio

14.85%

17.36%

Total Capital Adequacy Ratio

20.41%

18.18%

Leverage Ratio (LR):

Eligible Tier-1 Capital

14,074,766

14,688,079

Total Exposures

201,980,467

168,308,050

Leverage Ratio

6.97%

8.73%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

37,291,620

30,708,906

Total Net Cash Outflow

23,586,850

15,492,433

Liquidity Coverage Ratio

158.10%

198.22%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

116,858,007

130,596,868

Total Required Stable Funding

68,208,752

69,434,973

Net Stable Funding Ratio

171.32%

188.09%

36 GENERAL

36.1 Figures have been rounded off to the nearest thousand rupees.

36.2 Figures as of and for the period ended June 30, 2021 and June 30, 2020, wherever used in these condensed interim financial statements are unaudited. However figures as of and for the year 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 August 25, 2021 by the Board of Directors of the Bank.



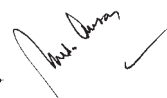
Chief Financial Officer



President & Chief Executive Officer



Director



Director










Chairman










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