

Samba Bank Limited

Quarterly Report
September 30, 2021

DIGITAL VISION **INNOVATIVE BANKING**



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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 43 branches located in 14 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
Shadman Town
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

Jhelum

Jhelum Cantt.

Nowshera

Rashakai



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 Yousaf	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

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

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Helpline

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Credit Rating by VIS

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

DIRECTORS' REPORT



On behalf of the Board of Directors, we are pleased to present the financial results of the Bank for the nine months ended September 30, 2021.

The Board has taken note of strategic review initiated by Bank's parent, The Saudi National Bank ("SNB"). We understand, from correspondence with SNB's management that SNB has decided to divest its shares in Samba Bank Limited ("SBL"), pursuant to which, the SNB will commence an orderly and well-managed divestment of SBL subject to final board evaluation of the offers received. In this regard, the SNB has appointed advisors to assist the SBL management with this process and as necessary, will provide consultancy to the management of the Bank on engagements with the regulators in Pakistan.

The Bank is working closely with the SNB's management to develop action plan regarding the above noted strategic decision. The Board of Directors and senior management of SBL remain fully committed towards its shareholders, customers and employees. We believe that SBL is well placed to manage its business successfully and is expected to continue to generate positive results for the foreseeable future despite the possible changes in its majority shareholding.

Economic Highlights

Country's trade performance remains fluctuating as imports continue to outpace exports by a wide margin resulting primarily from easing import policies after Covid lockdowns. According to the latest statistics, trade deficit for the first quarter (July-September) of fiscal year 2021-22 widened 100 percent to \$11.66 billion from \$5.81 billion in the same period of last fiscal year. The surge comes amid a booming demand due to import of machinery under TERF, while this gap could widen further in months ahead as the economy gradually recovers. Recent Increase in global oil prices, with Brent currently at \$85 per barrel, is further expected to increase the import bill.

During these three months, exports stood at \$6.967 billion against \$5.47 billion last year, showing a growth of 27.3%. Whereas, imports increased 65% to \$18.63 billion, the imports were recorded at \$11.286 billion same period last year. Economists believe that the current situation could increase pressure on the country's BOP and exchange rate in the months to come.

Financial Results and Overview

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

	(Rupees in millions)	
	Nine Months Ended September 30, 2021 (Un-Audited)	Nine Months Ended September 30, 2020 (Un-Audited)
Profit before provision	1,863	1,772
Provisions	(1,059)	(270)
Profit before taxation	804	1,502
Taxation	(326)	(579)
Profit after taxation	478	923
Earnings per share - (Rupees)	0.47	0.91

	(Rupees in millions)	
	September 30, 2021	December 31, 2020
	(Un-audited)	(Audited)
Total assets	203,481	158,996
Investments - net	93,818	67,890
Advances - net	78,519	65,635
Deposits	86,757	78,426
Surplus on revaluation of assets - net of tax	29	455

The Bank has recorded a Profit Before Tax (PBT) of Rs. 601 million during the third quarter under review resulting in YTD PBT of Rs. 804 million and PAT of Rs. 478 million respectively despite taking a major hit one of the big corporates' loss for the nine months' ended September 30, 2021. This turn-around of bottom line within such short time span depicts managements' effective business strategies and decision making under the guidance of the Board.

Net markup income (NIM) for the nine months' period under review increased by 12% over similar period last year. Overall revenue earned during the period under review increased by 9.26% over similar period last year primarily due to higher NIM and higher fee and commission income generated through trade activities & credit related fees. Operating expenses increased by 13% from similar period last year which is in line with overall inflation & resumption of normal business after Covid-19 lockdowns. The revenue growth coupled with control over operating expenses translated into operating profit of Rs. 1,863 million for the nine months' period under review. 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 203.48bn at September 30, 2021. Advances and Investments witnessed increase of PKR 12.88bn and 25.93bn, respectively over Dec'20 position. On the liabilities side, the Bank mobilized low cost & medium to small ticket deposits and managed to maintain overall deposit cost at 4.81% in line with the plan and closed its deposits book at PKR 86.76bn depicting an increase of 11% over Dec'20 position.

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) on Rating Watch - Developing due to potential change in sponsor shareholder. 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

With a supportive FY22 budget and accommodative monetary policy demand indicators such as automobiles, POL (petroleum, oil and lubricants) sales, cement sales and electricity generation continue to depict robust growth. During FY22, GDP is expected to grow in the range of 4 to 5 percent, notwithstanding some greater uncertainty with respect to spillovers from the evolving situation in Afghanistan.

Looking ahead, the inflation outlook largely depends on the path of domestic demand and administered prices, notably fuel and electricity, as well as global commodity prices. It will be important to support tax revenue growth and carefully monitor outturns through the year to ensure the budget remains on track.

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

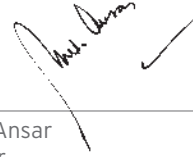
We wish to express sincere gratitude to our customers, business partners and shareholders for their patronage and trust. The Board of Directors and the management would like to thank the State Bank of Pakistan, Federal Board of Revenue, Securities and Exchange Commission of Pakistan and other regulatory 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

October 26, 2021
Karachi



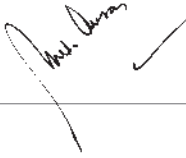
Zeeba Ansar
Director

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 شکرگزار 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



زبیر انصار
ڈائریکٹر



شاہد ستار
پریذیڈنٹ اور چیف ایگزیکٹو آفیسر

26 اکتوبر 2021ء

کراچی

31 دسمبر 2020ء (آڈٹ شدہ)	30 ستمبر 2021ء (غیر آڈٹ شدہ)
158,996	203,481
67,890	93,818
65,635	78,519
78,426	86,757
455	29

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

30 ستمبر 2021ء کو اختتام پذیر نو ماہ کے عرصہ کے دوران، ایک بڑے ادارے سے درپیش نقصان کے باوجود، بینک نے اس زیر تجزیہ سہ ماہی کے دوران 601 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جس کے نتیجے میں حالیہ نو ماہی مدت کا منافع قبل از ٹیکس 804 ملین، جبکہ بعد از ٹیکس منافع 478 ملین روپے درج کیا گیا۔ ایک انتہائی قلیل مدت میں یہ شاندار کارکردگی، بورڈ کی زیر رہنمائی انتظامیہ کی موثر کاروباری حکمت عملیوں اور عمدہ بروقت فیصلہ سازی کی مظہر ہے۔

اس زیر تجزیہ نو ماہ کی مدت کے دوران خالص مارک اپ آمدنی (NIM) گزشتہ سال کے مماثلہ عرصے سے 12 فیصد کے اضافے پر درج ہوئی۔ اس اضافی (NIM) کے ساتھ قرضہ جات سے متعلق فیس اور تجارتی کارکردگی کے ذریعے حاصل ہونے والی فیس اور کمیشن کی اضافی آمدنی کے نمایاں کردار کی وجہ سے مجموعی آمدنی گزشتہ سال کے مماثلہ عرصے کی نسبت 9.26 فیصد تک بڑھ گئی۔ کاروباری اخراجات میں گزشتہ برس کی مماثلہ مدت کی نسبت 13 فیصد اضافہ دیکھا گیا جو کہ مجموعی اخراجات اور کووڈ - 19 کے لاگ ڈاؤن کے بعد، کاروباری عمومی بحالی کی عین مطابقت میں ہے۔ آمدنی میں اضافے اور اس کے ساتھ ساتھ کاروباری اخراجات پر کنٹرول کی بدولت اس زیر تجزیہ نو ماہ کی مدت کے لیے کاروباری منافع 1,863 ملین روپے پر درج کیا گیا۔ کاروبار کے تمام شعبوں نے نہایت مضبوط اور قابل قدر کارکردگی کا مظاہرہ کیا ہے اور آئندہ بھی نمو کی اس تحریک کو جاری رکھنے کی توقع ہے۔

بینک کی انتظامیہ کی توجہ پیداواری اثاثہ جات کی موزوں ترکیب کے ذریعے اپنے میزانیے 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 2020ء کے 158.99 بلین روپے کے حجم کی نسبت 30 ستمبر 2021ء تک 203.48 بلین روپے تک بڑھ گئی۔ قرضہ جات اور سرمایہ کاری میں بھی بالترتیب 12.88 بلین روپے اور 25.93 بلین 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 4.81 فیصد کے ہدف کے مطابق رہی اور ڈیپازٹس کا حجم دسمبر 2020ء کی سطح سے 11 فیصد کے اضافے کے ساتھ 86.76 بلین روپے پر درج کیا گیا۔

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 سے مثبت، کی سطح پر تعین کیا اور اینٹی ریٹنگ کو (A-1/AA) ڈبل ای/اے ون کی درجہ پر برقرار رکھا تاہم مستقبل میں بنیادی شیئر ہولڈر کی تبدیلی کے پیش نظر اس سے منسلک امکانات کو "Rating Watch Developing" پر تعین کر دیا گیا ہے۔ یہ طویل اور قلیل المدتی درجہ بندیوں بینک کے اعلیٰ قرضہ جاتی معیار اور اس کے ساتھ اس کے مناسب محافظت کے عوامل اور اپنی مضبوط سیال پذیری (لیکوڈیٹی) کی بدولت اپنی تمام تر مالیاتی ذمہ داریوں کی بروقت ادائیگی کی ٹھوس صلاحیت کی مظہر ہیں۔

مستقبل کی پیش بینی:

مالی سال 2022ء کے معاون بجٹ اور مفادمانہ مالیاتی پالیسی کے ساتھ داخلی طلب کے اشاریوں جن میں آٹوموبائلز، پٹرولیم پراڈکٹس (پٹرولیم، تیل اور لبریکینٹس) کی فروخت، سینٹ کی فروخت اور توانائی کی پیداوار شامل ہیں، میں مضبوط ترقی جاری ہے۔ افغانستان میں ارتقاء پذیر صورتحال میں کسی بھی خرابی سے پیدا ہونے والی غیر یقینی کی کیفیت کے باوجود، مالی سال 2022ء میں جی ڈی پی (GDP) میں 4 سے 5 فیصد تک اضافہ متوقع ہے۔

مستقبل میں افراط زر کی پیش بینی داخلی طلب اور قیمتوں کے موثر انتظام خصوصاً تیل اور بجلی کے حوالے سے اور اس کے ساتھ ساتھ اشیاء کی عالمی قیمتوں کی مہزون منت ہے۔ یہ امر اہمیت کا حامل ہے کہ ٹیکس کی آمدنی کی نمو میں تعاون کیا جائے اور سال بھر میں ہونے والی ہر تبدیلی پر کڑی نظر رکھی جائے تاکہ بجٹ کو اپنی سمت اور ہدف کی راہ پر گامزن رکھنے کو یقینی بنایا جاسکے۔



ڈائریکٹرز کی رپورٹ

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

بورڈ نے بینک کے بنیادی ادارے سعودی نیشنل بینک (ایس این بی) کے جاری کردہ اسٹریٹجک جائزے کا بغور مطالعہ کیا ہے۔ ایس این بی کی انتظامیہ سے ہونے والی خط و کتابت سے ہم اس نتیجے پر پہنچے ہیں کہ ایس این بی نے سامبا بینک لمیٹڈ (ایس بی ایل) میں اپنے حصص کو فروخت کرنے کا فیصلہ کیا ہے جس کے باعث ایس این بی جلد ہی ایس بی ایل کی فروخت کے مربوط اور منظم عمل کی ابتداء کرے گا جس کا فیصلہ موصول شدہ پیشکشوں پر بورڈ کے حتمی تجزیے کی بنیاد پر ہوگا۔ اس حوالے سے ایس این بی نے مشیران کا تقرر کیا ہے جو کہ ایس بی ایل کی انتظامیہ کو اس عمل کے بارے میں تمام ضروری معاونت فراہم کریں گے اور بینک کی انتظامیہ کو پاکستان میں انضباطی اداروں سے مطابقت اور تعمیلات کی مشاورت مہیا کریں گے۔

بینک، ایس این بی کی انتظامیہ کے ساتھ مسلسل روبہ عمل ہے تاکہ مذکورہ بالا کلیدی فیصلے کے حوالے سے ایک جامع ایکشن پلان مرتب کیا جاسکے۔ بینک کے بورڈ آف ڈائریکٹرز اور اعلیٰ سطحی انتظامیہ اپنے حصص یافتگان، صارفین اور ملازمین سے مکمل یک جہتی اور خلوص کا اظہار کرتی ہے۔ ہمیں یقین ہے کہ ایس بی ایل، شیمز ہولڈنگ کی اکثریت میں متوقع تبدیلیوں کے باوجود، اپنے کاروبار کو احسن طریقے سے چلانے اور مستقبل قریب میں بہتر اور مثبت نتائج کے حصول کو جاری رکھنے کی بھرپور صلاحیتوں سے مالا مال ہے۔

معاشی جھلکیاں:

درآمدات میں آسانی فراہم کرنیوالی پالیسیوں کے بنیادی عوامل کے باعث کووڈ لاک ڈاؤن کے بعد ملک کی تجارتی کارکردگی مسلسل اتار چڑھاؤ کا شکار ہے جس ضمن میں درآمدات میں اضافے کا رجحان برآمدات میں بڑھتی کی رفتار سے کہیں زیادہ ہے۔ حالیہ اعداد و شمار کے مطابق مالی سال 2021 - 22 کی پہلی سہ ماہی (جولائی تا ستمبر) میں تجارتی خسارہ، گزشتہ سال کی اسی مہینہ کی مدت کے 5.81 بلین امریکی ڈالر کے حجم کی نسبت 100 فیصد اضافے کے ساتھ 11.66 بلین امریکی ڈالر تک پہنچ گیا۔ یہ بڑھتی ٹی آر ایف (TERF) کے تحت مشینری کی درآمد کی بڑھتی ہوئی طلب کے باعث دیکھی گئی جبکہ اگلے چند ماہ میں معیشت کی تدریج بحالی کی وجہ سے یہ خلیج مزید وسیع ہو سکتی ہے۔ تیل کی عالمی قیمتوں میں حالیہ اضافے جیسا کہ برنیٹ (Brent)، جس کی موجودہ سطح 85 ڈالر فی بیرل ہے، سے درآمدات کے بل میں مزید اضافے کی توقع ہے۔

ان تین مہینوں کے دوران برآمدات گزشتہ سال کی 5.74 بلین امریکی ڈالر کی نسبت 27.3 فیصد کے اضافے کو درج کرتے ہوئے 6.967 بلین امریکی ڈالر پر جا پہنچیں۔ جبکہ درآمدات گزشتہ سال کے مہینہ عرصے کے 11.286 بلین امریکی ڈالر کے حجم کی نسبت 65 فیصد کے اضافے کے ساتھ 18.63 بلین امریکی ڈالر پر ریکارڈ کی گئیں۔ ماہرین معاشیات کے مطابق حالیہ صورتحال آنے والے مہینوں میں ادائیگیوں کے توازن (BOP) اور زمرہ بادل کی شرح پر مزید باؤ کا باعث بن سکتی ہے۔

مالیاتی نتائج اور تجزیہ

بینک کی مالیاتی کارکردگی کی جھلکیاں مندرجہ ذیل ہیں

ملین روپے	
نویامہ اختتمہ 30 ستمبر 2021ء (غیر آڈٹ شدہ)	نویامہ اختتمہ 30 ستمبر 2020ء (غیر آڈٹ شدہ)
1,863	1,772
(1,059)	(270)
804	1,502
(326)	(579)
478	923
0.47	0.91

منافع قبل از پرویشن (اخراجات)

پروویشن (اخراجات)

منافع قبل از محصولات (ٹیکس)

محصولات

منافع بعد از محصولات

آمدنی فی حصص (روپے)

Condensed Interim Statement of Financial Position

AS AT SEPTEMBER 30, 2021

		(Rupees in '000)	
		September 30, 2021	December 31, 2020
		(Un-audited)	(Audited)
ASSETS			
Cash and balances with treasury banks	6	6,075,155	7,422,652
Balances with other banks	7	1,037,209	1,320,136
Lendings to financial institutions	8	14,655,369	9,935,566
Investments - net	9	93,817,549	67,889,703
Advances - net	10	78,518,563	65,635,390
Fixed assets	11	2,798,158	1,939,123
Intangible assets	12	601,783	141,901
Deferred tax assets	13	803,457	364,747
Other assets - net	14	5,173,491	4,347,185
		203,480,734	158,996,403
LIABILITIES			
Bills payable	15	1,513,263	3,358,345
Borrowings	16	86,752,391	56,197,092
Deposits and other accounts	17	86,756,566	78,425,557
Liabilities against assets subject to finance lease		-	-
Subordinated debt	18	4,999,000	-
Deferred tax liabilities	13	-	-
Other liabilities	19	7,306,340	5,698,436
		187,327,560	143,679,430
NET ASSETS		16,153,174	15,316,973
REPRESENTED BY:			
Share capital		10,082,387	10,082,387
Reserves		2,667,711	1,031,623
Surplus on revaluation of assets	20	29,015	455,076
Unappropriated profit		3,374,061	3,747,887
		16,153,174	15,316,973
CONTINGENCIES AND COMMITMENTS	21		

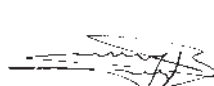
The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.



Chief Financial Officer



President & Chief Executive Officer



Director



Director



Chairman

FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2021

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 NINE MONTHS ENDED SEPTEMBER 30, 2021

	(Rupees in '000)			
	Quarter ended		Nine Months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Profit after taxation for the period	356,557	217,464	477,941	922,528
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	(169,428)	(358,319)	(426,061)	219,038
Total comprehensive income / (loss) for the period	<u>187,129</u>	<u>(140,855)</u>	<u>51,880</u>	<u>1,141,566</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 NINE MONTHS ENDED SEPTEMBER 30, 2021

	(Rupees in '000)	
	Nine Months ended September 30, 2021	Nine Months ended September 30, 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	804,228	1,501,648
Less: Dividend income	(48,570)	(31,427)
	755,658	1,470,221
Adjustments:		
Depreciation	99,412	248,527
Amortisation of intangible assets	38,108	30,101
Provision and write-offs - net of reversals	1,058,770	259,469
Gain on sale of fixed assets	(22,165)	-
Interest expensed on lease liability against right of use assets	97,071	82,267
Interest expensed on debt securities	263,376	-
Gain on sale of securities - net	(501,610)	(462,803)
Unrealized (gain) / loss on revaluation of investments	4,220	2,187
Operating fixed assets written-off	-	10,662
Recoveries against debts written-off	-	1,008
	1,037,182	171,418
	1,792,840	1,641,639
(Increase) / decrease in operating assets		
Lendings to financial institutions	(4,719,803)	(5,312,503)
Investments - held for trading securities	(2,046,474)	(140,288)
Advances	(14,038,573)	984,800
Others assets	(829,618)	1,578,717
	(21,634,468)	(2,889,274)
Increase / (decrease) in operating liabilities		
Bills Payable	(1,845,082)	(229,810)
Borrowings from financial institutions	30,555,299	11,667,501
Deposits and other accounts	8,331,009	4,678,439
Other liabilities (excluding current taxation)	1,285,336	(816,824)
	38,326,562	15,299,306
Income tax paid	(583,790)	(438,569)
Net cash flow generated from operating activities	17,901,144	13,613,102
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in securities	(23,985,812)	(12,576,425)
Dividends income	45,110	30,627
Investments in fixed assets and intangible assets	(974,056)	(147,815)
Proceeds from sale of fixed assets	771	-
Net cash used in investing activities	(24,913,987)	(12,693,613)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of debt securities	5,000,000	-
Contribution from share holder	1,540,500	-
Principal repayment of debt securities	(1,000)	-
Markup payment on debt securities	(226,849)	-
Dividend paid	(740,276)	-
Payments of lease liability against right of use assets	(189,956)	(184,929)
	5,382,419	(184,929)
(Decrease) / Increase in cash and cash equivalents during the period	(1,630,424)	734,560
Cash and cash equivalents at beginning of the period	8,742,788	6,698,224
Cash and cash equivalents at end of the period	7,112,364	7,432,784

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 NINE MONTHS ENDED SEPTEMBER 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 nine months ended September 30, 2020	-	-	-	-	922,528	922,528
Other comprehensive income						
Movement in surplus on revaluation of investments - net of tax	-	-	-	219,038	-	219,038
Transfer to statutory reserve	-	-	184,506	-	(184,506)	-
Balance as at September 30, 2020	10,082,387	20,935	992,860	548,297	3,676,574	15,321,053
Comprehensive income for the period						
Profit after taxation for the three months ended December 31, 2020	-	-	-	-	89,141	89,141
Other comprehensive loss						
Movement in (deficit) on revaluation of investments - net of tax	-	-	-	(93,221)	-	(93,221)
Transfer to statutory reserve	-	-	17,828	-	(17,828)	-
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 nine months ended September 30, 2021	-	-	-	-	477,941	477,941
Other comprehensive loss						
Movement in (deficit) on revaluation of investments - net of tax	-	-	-	(426,061)	-	(426,061)
Contribution from shareholder	-	1,540,500	-	-	-	1,540,500
Transfer to statutory reserve	-	-	95,588	-	(95,588)	-
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 September, 30 2021	10,082,387	1,561,435	1,106,276	29,015	3,374,061	16,153,174

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



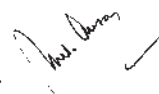
Chief Financial Officer



President & Chief Executive Officer



Director



Director



Chairman

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

FOR THE NINE MONTHS ENDED SEPTEMBER 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 43 branches (December 31, 2020: 40 branches) inside Pakistan.

The Bank is a subsidiary of Saudi National Bank (formally SAMBA Financial Group), the Parent entity, which holds 84.51% shares of the Bank as at September 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' 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 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:

	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)	
September 30, 2021	December 31, 2020
(Un-audited)	(Audited)
885,385	738,251
422,661	450,652
1,308,046	1,188,903
2,785,712	4,344,860
219,781	152,642
585,356	567,252
1,170,540	1,134,345
4,761,389	6,199,099
2,431	11,628
3,289	23,022
6,075,155	7,422,652
57,129	32,581
18	18
57,147	32,599
980,062	1,287,537
1,037,209	1,320,136
5,000,000	3,000,000
8,564,331	6,469,131
1,091,038	466,435
14,655,369	9,935,566

9 INVESTMENTS - NET

9.1 Investments by type:

(Rupees in '000)							
September 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							
Shares							
2,274,285	-	(290)	2,273,995	-	-	-	-
51,164	-	(3,930)	47,234	248,376	-	(369)	248,007
2,325,449	-	(4,220)	2,321,229	248,376	-	(369)	248,007
Available-for-sale securities							
Federal Government Securities							
Shares							
85,604,201	-	197,398	85,801,599	60,143,076	-	607,139	60,750,215
1,610,111	(212,715)	(146,751)	1,250,645	1,701,829	(309,345)	172,155	1,564,639
Non Government Debt Securities							
1,376,786	-	(3,081)	1,373,705	2,254,798	-	(33,268)	2,221,530
88,591,098	(212,715)	47,566	88,425,949	64,099,703	(309,345)	746,026	64,536,384
Held-to-maturity securities							
Federal Government Securities							
3,070,371	-	-	3,070,371	3,105,312	-	-	3,105,312
Total Investments	(212,715)	43,346	93,817,549	67,453,391	(309,345)	745,657	67,889,703

9.1.1 Investments given as collateral

Pakistan Investment Bonds

(Rupees in '000)	
September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
44,135,724	38,957,372
9.2 Provision for diminution in value of investments	
Opening balance	231,851
Charge / (reversals)	
Charge for the period / year	236,966
Reversal	(159,472)
Net charge / (reversals)	77,494
Closing Balance	309,345

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

9.2.2 The market value of securities classified as held-to-maturity as at September 30, 2021 amounted to Rs.3,048.727 million (December 31, 2020: Rs. 3,139.040 million).

10 ADVANCES - NET

	(Rupees in '000)					
	Performing		Non-Performing		Total	
	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
Loans, cash credits, running finances, etc.	77,803,803	65,630,909	4,342,395	2,680,128	82,146,198	68,311,037
Bills discounted and purchased	449,455	246,734	15,494	15,494	464,949	262,228
Advances - gross	78,253,258	65,877,643	4,357,889	2,695,622	82,611,147	68,573,265
Provision against advances						
- Specific	-	-	(3,827,694)	(2,605,952)	(3,827,694)	(2,605,952)
- General	(264,890)	(331,923)	-	-	(264,890)	(331,923)
	(264,890)	(331,923)	(3,827,694)	(2,605,952)	(4,092,584)	(2,937,875)
Advances - net of provision	77,988,368	65,545,720	530,195	89,670	78,518,563	65,635,390

10.1 Particulars of advances (Gross)

	(Rupees in '000)	
	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
In local currency	81,582,258	68,095,932
In foreign currencies	1,028,889	477,333
	82,611,147	68,573,265

10.2 Advances include Rs. 4,357.889 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)			
	September 30, 2021 (Un-audited)		December 31, 2020 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
Domestic				
Substandard	430,849	109,431	76,476	18,371
Doubtful	307,786	139,397	-	-
Loss	3,619,254	3,578,866	2,619,146	2,587,581
	4,357,889	3,827,694	2,695,622	2,605,952

10.3 Particulars of provision against advances

	(Rupees in '000)					
	September 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	1,252,961	14,797	1,267,758	69,139	272,221	341,360
Reversals for the period / year	(31,003)	(81,830)	(112,833)	(72,463)	(3,816)	(76,279)
	1,221,958	(67,033)	1,154,925	(3,324)	268,405	265,081
Amounts written off	(216)	-	(216)	(14,420)	-	(14,420)
Closing balance	3,827,694	264,890	4,092,584	2,605,952	331,923	2,937,875

- 10.4** General provision as at September 30, 2021 includes provision of Rs. 77.263 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. 187.627 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)	
		September 30, 2021	December 31, 2020
		(Un-audited)	(Audited)
	Note		
Capital work-in-progress	11.1	266,159	3,855
Property and equipment	11.2 & 11.3	1,301,292	1,042,171
Right of use assets		1,230,707	893,097
		2,798,158	1,939,123
11.1 Capital work-in-progress			
Civil works		96,175	3,855
Equipment		-	-
Advances to suppliers		169,984	-
		266,159	3,855
Nine months ended			
(Rupees in '000)			
		September 30, 2021	September 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		262,303	72,026
Property and equipment			
Freehold land		208,000	-
Building on freehold land		28,000	-
Furniture and fixture		10,873	8,525
Electrical office and computer equipment		75,065	37,738
Vehicles		44,774	-
		130,712	46,263
Total		393,015	118,289
11.3 Disposal of fixed assets			
The net book value of fixed assets disposed off during the period is as follows:			
Furniture and fixture		2	10,662
Electrical office and computer equipment		38	-
Vehicles		64	-
Total		104	10,662

		(Rupees in '000)	
12	INTANGIBLE ASSETS	Note	
		September 30, 2021	December 31, 2020
		(Un-audited)	(Audited)
	Intangible assets	107,516	120,321
	Capital work-in-progress	494,267	21,580
		601,783	141,901

12.1 Additions to intangible assets

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

		Nine months ended (Rupees in '000)	
		September 30, 2021	September 30, 2020
		(Un-audited)	(Un-audited)
	Capital work-in-progress	472,687	15,676
	Directly purchased	19,642	13,850
	Total	492,329	29,526

13 DEFERRED TAX ASSETS

Deductible Temporary Differences on:

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

Taxable Temporary Differences on:

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

		(Rupees in '000)	
		September 30, 2021	December 31, 2020
		(Un-audited)	(Audited)
		35,664	31,928
		862,415	699,370
		898,079	731,298
		(18,551)	(290,950)
		(76,071)	(75,601)
		(94,622)	(366,551)
		803,457	364,747

14 OTHER ASSETS - NET

Income / mark-up accrued in local currency		2,575,500	2,411,791
Income / mark-up accrued in foreign currencies		32,291	1,605
Advances, deposits, advance rent and other prepayments		220,857	102,879
Advance taxation (payments less provisions)		-	-
Mark to market gain on forward foreign exchange & arbitrage contracts		1,204,258	637,193
Acceptances		1,151,512	1,067,425
Others	14.1	149,747	286,966
		5,334,165	4,507,859
Less: Provision held against other assets	14.2	(160,674)	(160,674)
Other Assets - net		5,173,491	4,347,185

14.1 This includes an amount of Rs. 1.530 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)	
September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
1,513,263	3,358,345

16. BORROWINGS

Secured

Borrowings from State Bank of Pakistan

- Under export refinance scheme
- Under long term financing facilities
- Under temporary economic refinance facility
- Under refinance facility for modernization of SMEs
- Under refinance facility for wages & salaries
- Under credit guarantee scheme for women entrepreneur
- Under Long Term Finance Facility for Renewable Energy

3,549,500	4,339,452
3,014,495	5,601,414
3,107,329	80,395
800	-
1,760,444	-
1,421	-
40,503	-
11,474,492	10,021,261

Bai muajjal borrowing

Repurchase agreement borrowings

Total secured

12,201,217	7,249,309
34,914,533	31,674,785
58,590,242	48,945,355

Unsecured

Bai muajjal borrowing

Bankers Equity Limited (under liquidation)

Total unsecured

28,139,813	7,229,401
22,336	22,336
28,162,149	7,251,737
86,752,391	56,197,092

17 DEPOSITS AND OTHER ACCOUNTS

Note		(Rupees in '000)					
		September 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
		In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Customers							
	Current deposits	14,847,139	5,605,493	20,452,632	12,171,830	4,797,138	16,968,968
	Savings deposits	17,371,033	2,975,571	20,346,604	15,478,486	3,105,109	18,583,595
	Term deposits	39,923,921	2,791,493	42,715,414	37,105,814	3,273,228	40,379,042
	Others	857,760	-	857,760	786,443	-	786,443
		72,999,853	11,372,557	84,372,410	65,542,573	11,175,475	76,718,048
Financial Institutions							
	Current deposits	181,677	1,676	183,353	196,601	1,569	198,170
	Savings deposits	946,271	-	946,271	858,590	-	858,590
	Term deposits	560,000	-	560,000	560,000	-	560,000
	Others	694,532	-	694,532	90,749	-	90,749
		2,382,480	1,676	2,384,156	1,705,940	1,569	1,707,509
		75,382,333	11,374,233	86,756,566	67,248,513	11,177,044	78,425,557

17.1 This includes deposits amounting to Rs. 694.532 million (December 31, 2020: Rs. 90.749 million) from Saudi National Bank - a related party.

		(Rupees in '000)	
	Note	September 30, 2021	December 31, 2020
		(Un-audited)	(Audited)
18 SUBORDINATED DEBT			
Term Finance Certificates (TFCs) - Unsecured	18.1	4,999,000	-

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	September 30, 2021	December 31, 2020
		(Un-audited)	(Audited)
19 OTHER LIABILITIES			
Mark-up / Return/ Interest payable in local currency	19.1	2,170,267	1,512,199
Mark-up / Return/ Interest payable in foreign currencies		4,473	12,435
Accrued expenses		609,159	735,317
Acceptances	14	1,151,512	1,067,425
Taxation (payments less provisions)		49,732	140,924
Dividends payable		15,903	-
Unclaimed dividends		3,351	3,351
Mark to market loss on forward foreign exchange contracts		1,463,211	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		1,300,272	926,016
Others		330,768	313,159
		7,306,340	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".

		(Rupees in '000)	
		September 30, 2021	December 31, 2020
		(Un-audited)	(Audited)
20	SURPLUS ON REVALUATION OF ASSETS		
	Surplus on revaluation of:		
	- Available for sale securities	47,566	746,026
	Deferred tax on surplus on revaluation of:		
	- Available for sale securities	(18,551)	(290,950)
		29,015	455,076
21	CONTINGENCIES AND COMMITMENTS		
	- Guarantees	8,715,558	6,157,229
	- Commitments	151,051,937	103,819,121
	- Other contingent liabilities	1,611,056	1,535,817
		161,378,551	111,512,167
21.1	Guarantees:		
	Financial guarantees	1,679,657	1,679,657
	Performance guarantees	6,597,552	3,626,500
	Other guarantees	438,349	851,072
		8,715,558	6,157,229
21.2	Commitments:		
	Documentary credits and short-term trade-related transactions		
	- letters of credit	15,633,355	9,575,999
	Commitments in respect of:		
	- forward foreign exchange contracts	124,265,740	92,334,452
	- forward government securities sale / purchase transactions	10,505,939	1,494,438
	- forward equity securities sale transactions	13,427	-
	- operating leases	391	3,561
	Commitments for acquisition of:		
	- operating fixed assets	53,379	41,445
	- intangible assets	136,922	29,585
	Other commitments	442,784	339,641
		151,051,937	103,819,121
21.2.1	Commitments in respect of forward foreign exchange contracts		
	Purchase	65,193,558	49,506,392
	Sale	59,072,182	42,828,060
		124,265,740	92,334,452

21.2.2 Commitments in respect of forward government securities transactions

Purchase
Sale

(Rupees in '000)	
September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
5,572,510	1,494,438
4,933,429	-
10,505,939	1,494,438

21.2.3 Commitments in respect of forward equity securities transactions

Sale

13,427	-
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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

391	3,561
-	-
-	-
391	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)	
September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
442,784	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

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 2015, respectively. Tax authorities have also issued orders under Sindh Sales Tax on Services Act, 2011 and Punjab Sales Tax on Services Act, 2012 thereby creating

Note

21.3.1

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

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, 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), 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. 1,611.056 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)

Nine months ended	
(Rupees in '000)	
September 30, 2021	September 30, 2020
(Un-audited)	(Un-audited)
4,413,475	5,070,385
5,006,188	5,472,926
573,623	222,159
403	2,452
24,634	-
10,018,323	10,767,922

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

2,897,816	3,884,855
3,222,692	3,580,422
97,071	82,267
369,530	396,596
263,376	-
6,850,485	7,944,140

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

32,038	26,257
20,458	14,868
4,571	3,570
55,067	26,207
103,467	50,809
52,301	25,066
10,312	12,476
45,151	35,241
15,544	10,749
21,486	3,624
360,395	208,867

25 GAIN / (LOSS) ON SECURITIES

- Realised
- Unrealised - held for trading

501,615	501,909
(4,220)	(2,187)
497,395	499,722

25.1 Realised gain on:

- Federal Government Securities
- Shares
- Non Government Debt Securities

318,932	387,987
181,296	114,811
1,387	(889)
501,615	501,909

26. OTHER INCOME

Gain on sale of fixed assets-net
Others

Nine months ended (Rupees in '000)	
September 30, 2021 (Un-audited)	September 30, 2020 (Un-audited)
22,165	-
34	11
22,199	11

27. OPERATING EXPENSES**Total compensation expense**

1,343,768 1,167,450

Property expense

Rent & taxes
Insurance
Utilities cost
Security (including guards)
Repair & maintenance (including janitorial charges)
Depreciation on owned fixed assets
Depreciation on right of use assets

91,146 61,879
1,095 1,518
53,150 48,297
45,695 39,339
46,913 40,864
5,260 5,709
144,875 130,589
388,134 328,195

Information technology expenses

Software maintenance
Hardware maintenance
Depreciation
Amortisation
Network charges
Insurance

92,163 90,390
28,257 38,356
38,108 34,009
32,447 30,101
87,536 76,582
330 551
278,841 269,989

Other operating expenses

Directors' fees and allowances
Legal & professional charges
Outsourced services costs
Travelling, conveyance and official entertainment
Charges paid to Central Depository Company & NIFT
Depreciation
Training & development
Postage & courier charges
Communication
Stationery & printing
Repair & maintenance
Insurance
Marketing, advertisement & publicity
Fee Commission & Brokerage Paid
Donations
Auditors Remuneration
Others

35,359 33,158
12,869 13,305
3,164 3,409
42,371 46,451
18,982 16,996
64,118 78,220
- 1,652
8,750 8,206
11,195 6,718
27,556 25,325
36,004 26,184
42,183 34,719
27,195 45,464
89,168 47,124
4,446 7,000
8,160 7,046
22,101 14,831
453,621 415,808
2,464,364 2,181,442

	Note	Nine months ended	
		(Rupees in '000)	
		September 30, 2021	September 30, 2020
		(Un-audited)	(Un-audited)

28 OTHER CHARGES

Penalties imposed by State Bank of Pakistan	545	10
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29 (PROVISIONS) / REVERSALS & WRITEOFFS - NET

Reversal / (Provision) for diminution in the value of investments	9.2	96,630	(121,369)
Provision against loans and advances - net	10.3	(1,154,925)	(137,752)
Fixed assets written-off		-	(10,662)
Reversal of off balance sheet obligation			
Bad debts written off directly		(475)	(1,356)
Recoveries against debts written-off		-	1,008
		(1,058,770)	(270,131)

30 TAXATION

Current	(492,598)	(587,036)
Prior years	-	-
Deferred	166,311	7,916
	(326,287)	(579,120)

31. BASIC EARNINGS PER SHARE

Profit for the period	477,941	922,528
	(Number of shares)	
Weighted average number of ordinary shares	1,008,238,648	1,008,238,648
	(Rupees)	
Basic and diluted earnings per share	0.47	0.91

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)			
		September 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	88,075,594	-	88,075,594	-	88,075,594
Shares	1,297,879	1,297,879	-	-	1,297,879
Non-Government Debt Securities	1,373,705	-	1,373,705	-	1,373,705
Financial assets - disclosed but not measured at fair value					
Investments-Federal Government Securities	3,070,371	-	3,070,371	-	3,070,371
Cash and balances with treasury banks	6,075,155	-	-	-	-
Balances with other banks	1,037,209	-	-	-	-
Lendings to financial institutions	14,655,369	-	-	-	-
Advances - net	78,518,563	-	-	-	-
Other assets - net	5,173,491	-	-	-	-
Off-balance sheet financial instruments-measured at fair value					
Forward purchase of foreign exchange	65,193,558	-	1,218,863	-	1,218,863
Forward sale of foreign exchange	59,072,182	-	(1,454,020)	-	(1,454,020)
Forward purchase of government securities	5,572,510	-	1,645	-	1,645
Forward sale of government securities	1,989,392	-	(675)	-	(675)
Forward sale of equity securities	13,427	102	-	-	102

	Carrying/ National 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	3,139,036	-	3,139,036	-	3,139,036
Cash and balances with treasury banks	7,422,652	-	-	-	-
Balances with other banks	1,320,136	-	-	-	-
Lendings to financial institutions	9,935,566	-	-	-	-
Advances - net	65,635,390	-	-	-	-
Other assets - net	4,244,306	-	-	-	-
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

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 sukuk 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)						
Nine months ended September 30, 2021 (Un-audited)						
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
Profit & Loss						
Net mark-up / return / profit	1,762,464	1,896,249	(1,709,893)	1,274,610	(55,592)	3,167,838
Inter segment revenue - net	(1,265,680)	(1,319,186)	2,766,147	(833,619)	652,338	-
Non mark-up / return / interest income	149,600	855,392	121,740	164,108	(105,771)	1,185,069
Total Income	646,384	1,432,455	1,177,994	605,099	490,975	4,352,907
Segment direct expenses	(128,761)	(165,690)	(916,909)	(102,667)	(1,175,882)	(2,489,909)
Inter segment expense allocation	(252,830)	(119,987)	(560,299)	(242,766)	1,175,882	-
Total expenses	(381,591)	(285,677)	(1,477,208)	(345,433)	-	(2,489,909)
Provisions	(972,817)	96,630	(45,287)	(223,669)	86,373	(1,058,770)
Profit / (loss) before tax	(708,024)	1,243,408	(344,501)	35,997	577,348	804,228
(Rupees in '000)						
As at September 30, 2021 (Un-audited)						
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
Balance Sheet						
Cash & Bank balances	-	5,780,562	1,331,802	-	-	7,112,364
Investments - net	-	93,817,549	-	-	-	93,817,549
Net inter segment lending	-	-	63,934,640	-	12,779,410	76,714,050
Lendings to financial institutions	-	14,655,369	-	-	-	14,655,369
Advances - performing - net	44,048,503	1,385,154	3,746,292	27,616,128	1,192,291	77,988,368
Advances - non-performing - net	-	-	76,737	446,434	7,024	530,195
Others	584,227	2,745,792	314,814	495,285	5,236,771	9,376,889
Total Assets	44,632,730	118,384,426	69,404,285	28,557,847	19,215,496	280,194,784
Borrowings	7,634,923	75,277,899	-	3,839,569	-	86,752,391
Subordinated debt	-	4,999,000	-	-	-	4,999,000
Deposits & other accounts	9,674,452	715,314	67,640,947	8,725,853	-	86,756,566
Net inter segment borrowing	26,369,731	34,641,966	-	15,702,352	-	76,714,049
Others	953,624	2,750,247	1,763,338	290,073	3,062,322	8,819,604
Total liabilities	44,632,730	118,384,426	69,404,285	28,557,847	3,062,322	264,041,610
Equity	-	-	-	-	16,153,174	16,153,174
Total Equity & liabilities	44,632,730	118,384,426	69,404,285	28,557,847	19,215,496	280,194,784
Contingencies & Commitments	15,273,626	135,850,723	289,762	7,666,359	2,298,080	161,378,551

	(Rupees in '000)					
	Nine months ended September 30, 2020 (Un-audited)					
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
Profit & Loss						
Net mark-up / return / profit	2,429,866	1,794,013	(2,799,615)	1,449,931	(50,413)	2,823,782
Inter segment revenue - net	(1,877,197)	(1,877,312)	3,734,180	(1,069,118)	1,089,447	-
Non mark-up / return / interest income	93,682	989,720	107,568	88,748	(119,652)	1,160,066
Total Income	646,351	906,421	1,042,133	469,561	919,382	3,983,848
Segment direct expenses	(109,358)	(137,828)	(820,977)	(99,062)	(1,044,844)	(2,212,069)
Inter segment expense allocation	(241,843)	(95,955)	(516,722)	(190,324)	1,044,844	-
Total expenses	(351,201)	(233,783)	(1,337,699)	(289,386)	-	(2,212,069)
Provisions	-	(121,369)	(37,747)	12,700	(123,715)	(270,131)
Profit before tax	295,150	551,269	(333,313)	192,875	795,667	1,501,648
	(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 Banks enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

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

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

Details of transactions with related parties are given below:

(Rupees in '000)							
September 30, 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	26,625	-	-	81,136	-	-	-
Advances							
Opening balance	-	-	165,648	-	-	151,262	-
Addition during the period / year	-	-	66,822	-	-	93,675	-
Repaid during the period / year	-	-	(37,762)	-	-	(79,289)	-
Closing balance	-	-	194,708	-	-	165,648	-
Other Assets							
Other receivable	1,530	-	-	1,568	-	-	-
Mark to market gain on forward foreign exchange contracts	6,601	-	-	100,477	-	-	-
	8,131	-	-	102,045	-	-	-
Other Liabilities							
Mark-up payable	-	45	148	-	47	83	631
Mark to market loss on forward foreign exchange contracts	44,336	-	-	-	-	-	-
	44,336	45	148	-	47	83	631
Deposits and other accounts							
Opening balance	90,749	34,597	22,270	117,834	29,411	18,918	73,692
Received during the period / year	39,861,054	343,865	340,862	5,646,610	221,453	552,893	467,637
Withdrawn during the period / year	(39,257,271)	(314,004)	(317,960)	(5,673,695)	(216,267)	(549,541)	(516,017)
Closing Balance	694,532	64,458	45,172	90,749	34,597	22,270	25,312
Contingencies and Commitments							
Forward foreign exchange contracts (National) - outstanding	4,907,257	-	-	3,922,947	-	-	-

(Rupees in '000)								
Nine months ended September 30, 2021 (Un-audited)				Nine months ended September 30, 2020 (Unaudited)				
Parent	Directors	Key management personnel	Others	Parent	Directors	Key management personnel	Others	
Income								
Mark-up / return / interest earned	-	-	5,402	-	-	6,016	-	
Expense								
Mark-up / return / interest paid	-	331	906	1,752	-	283	1,741	4,312
Remuneration and benefits	-	-	307,060	-	-	-	295,050	-
Directors fee	-	32,160	-	-	-	27,339	-	-
Operating expenses	-	-	-	750	-	-	-	-
Insurance premium paid	-	-	978	-	-	-	832	-
Insurance claims settled	-	-	205	-	-	-	255	-
Other Transactions								
Forward exchange contracts matured during the period	25,667,608	-	-	-	2,621,337	-	-	-

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

15,522,375

14,688,079

Eligible Additional Tier 1 (ADT 1) Capital

-

-

Total Eligible Tier 1 Capital

15,522,375

14,688,079

Eligible Tier 2 Capital

5,292,905

686,556

Total Eligible Capital (Tier 1 + Tier 2)

20,815,280

15,374,635

Risk Weighted Assets (RWAs):

Credit Risk

80,400,880

68,092,629

Market Risk

8,263,880

8,852,755

Operational Risk

7,647,063

7,646,742

Total

96,311,823

84,592,126

Common Equity Tier 1 Capital Adequacy ratio

16.12%

17.36%

Tier 1 Capital Adequacy Ratio

16.12%

17.36%

Total Capital Adequacy Ratio

21.61%

18.18%

Leverage Ratio (LR):

Eligible Tier-1 Capital

15,522,375

14,688,079

Total Exposures

217,962,572

168,308,050

Leverage Ratio

7.12%

8.73%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

51,112,534

30,708,906

Total Net Cash Outflow

26,835,803

15,492,433

Liquidity Coverage Ratio

190.46%

198.22%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

137,821,235

130,596,868

Total Required Stable Funding

63,883,887

69,434,973

Net Stable Funding Ratio

215.74%

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 September 30, 2021 and September 30, 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 October 26, 2021 by the Board of Directors of the Bank.



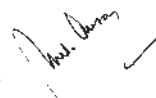
Chief Financial Officer



President & Chief Executive Officer



Director



Director










Chairman










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