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Samba Bank Limited - Subsidiary of Samba Financial Group, Saudi Arabia

# Contents

Company Information	01
Branch Network	02
Directors' Report	03
Statement of Financial Position	07
Profit and Loss Account	08
Statement of Comprehensive Income	09
Cash Flow Statement	10
Statement of Changes in Equity	11
Notes to the Financial Information	12

# Company Information

## Board of Directors

Dr. Shujaat Nadeem Mr. Shahid Sattar	Chairman/Non Executive Director President & CEO/ Executive Director
Mr. Antoine Mojabber*	Non Executive Director
Mr. Beji Tak-Tak	Non Executive Director
Mr. Farhat Abbas Mirza	Independent Director
Mr. Humayun Murad	Independent Director
Mr. Javed Iqbal	Independent Director
Ms. Ranya Nashar	Non Executive Director
Mr. Zahid Zaheer	Independent Director

\* Names are in alphabetical order

## Board Audit Committee

Mr. Javed Iqbal	Chairman
Ms. Ranya Nashar	Member
Mr. Zahid Zaheer	Member

## Board Risk Committee

Mr. Beji Tak-Tak	Chairman
Mr. Shahid Sattar	Member
Mr. Antoine Mojabber	Member
Mr. Humayun Murad	Member

## Board Nomination & Remuneration Committee

Dr. Shujaat Nadeem	Chairman
Ms. Ranya Nashar	Member
Mr. Humayun Murad	Member

## President & Chief Executive Officer

Mr. Shahid Sattar

## Company Secretary

Syed Zia-ul-Husnain Shamsi

## Auditors

A. F. Ferguson & Co.	Chartered Accountants
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## Legal Advisors

Mohsin Tayebaly & Co.	Advocates & Legal Consultants
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## Head Office

6<sup>th</sup> Floor, Sidco Avenue Centre, M.D.M. Wafai Road,  
Karachi - Pakistan

## Registered Office

2<sup>nd</sup> 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

## Help Line

11 11 SAMBA (72622)

## Credit Rating by JCR-VIS

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

# Our Branch Network

Currently, SBL has a network of 28 branches located in 8 major cities across the country.

<b>KARACHI</b> Bahria I Shahra-e-Faisal Rashid Minhas Clifton Bahadurabad Gulshan-e-Iqbal SMCHS Khayaban-e-Ittehad DHA Karachi Fountain, Saddar Hyderi	<b>LAHORE</b> Mall Road DHA Lahore Gulberg Sarwar Road Cavalry Ground Allama Iqbal Town New Garden Town Johar Town	<b>ISLAMABAD / RAWALPINDI</b> F-11 F-7 Jinnah Avenue Rawalpindi Cantt. <b>GUJRANWALA</b> G.T. Road <b>FAISALABAD</b> Liaquat Road	<b>MULTAN</b> Nusrat Road <b>SIALKOT</b> Paris Road <b>PESHAWAR</b> Saddar
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On behalf of the Board of Directors, I would like to present the Directors' Review along with the interim condensed financial information for the quarter ended March 31, 2015.

Financial Results and Overview

The financial highlights of our bank for the period ended March 31, 2015 are summarised below:

	(Rupees in million)	
	Quarter ended March 31, 2015	Quarter ended March 31, 2014
Profit before taxation	180.222	83.843
Taxation (including deferred)	84.091	29.040
Profit after taxation	96.131	54.803
Earnings per share - in Rupees	0.10	0.07

# Directors' Report



	(Rupees in million)	
	March 31, 2015	December 31, 2014
Total assets	61,707	50,581
Investments	31,565	19,953
Advances	22,640	21,812
Deposits	32,109	31,642
Paid-up capital & reserves	10,863	10,767
Surplus on revaluation of securities - net of tax	733	488

Despite the competitive environment, our Bank achieved profit before tax for the current quarter of Rs. 180.22 million compared to the last year's corresponding quarter's profit of Rs. 83.84 million showing a rise of 115%. The quarterly results are healthy and augur well for the future. Our bank continued the endeavour to explore various business opportunities without compromising on the quality of assets.

Net mark-up / Interest income of the Bank rose from Rs. 396.76 million in the first quarter of 2014 to Rs. 495.86 million in the current quarter, showing an increase of 25.0%. Non mark-up / interest income registered a 139.77% increase during the first quarter of 2015 over corresponding period of last year.

Due to focus on recovery efforts, our Bank managed to recover Rs 49.9 million from legacy loans, demonstrating constant and valuable remedial management. Despite the business growth, our Bank managed its operating costs, which increased by Rs. 90 million over the corresponding period of last year.

Balance Sheet size of our bank has also grown to Rs. 61.71 billion in this quarter as compared to Rs. 50.58 billion as of December 31, 2014 depicting a growth of 22%. Investments have risen to Rs. 31.56 billion, showing an increase of Rs. 11.61 billion from December 31, 2014. Our bank's private sector loan book has continued to grow and reached Rs. 22.64 billion from Rs. 21.81 billion as of December 31, 2014. Customer deposits have also grown to Rs. 32.11 billion as at March 31, 2015 as against Rs 31.64 billion as of December 31, 2014.

Credit Rating

JCR-VIS, a premier rating agency of the country, has assigned the medium to long term entity ratings of the bank at 'AA-' (AA minus) and its short term rating at 'A-1' (A-one). Outlook on the assigned ratings is 'Stable'. These short and long 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

Macroeconomic environment looks positive due to reduction in Oil prices and lower inflation. Our Bank, with the support of its parent, continues to pursue its strategic objectives and aspirations. While monitoring the prevailing economic conditions, the main focus of the Bank would be to leverage on the building blocks put into place and to steadily build up its earning assets, while effectively managing the associated risks and reducing its cost of funds through continued improvement in its deposit mix. This would be facilitated by delivery of world class banking services to our valued customers and by developing and introducing innovative banking products. In order to enhance its footprint, the bank has also received requisite approval for opening up six new branches and two kiosks in 2015.

Acknowledgment

On behalf of the Board of Directors and management, I wish to express sincere gratitude to our customers, business partners and shareholders for their patronage and trust. The Board and management thank State Bank of Pakistan and other regulatory agencies for their guidance and support. The Board of Directors and the management sincerely appreciate the dedication, commitment and team work of all its employees who worked very hard to transform our bank into a successful franchise.

On behalf of Board,

Shahid Sattar  
President & Chief Executive Officer  
April 13, 2015  
Karachi



# Financial Statements

For the Quarter ended March 31, 2015



## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2015

		(Rupees in '000)	
	Note	March 31, 2015	December 31, 2014
<b>ASSETS</b>			
Cash and balances with treasury banks		2,575,025	2,525,366
Balances with other banks		77,654	79,761
Lendings to financial institutions		1,000,000	1,900,000
Investments - net	9	31,564,690	19,953,205
Advances - net	10	22,639,575	21,812,172
Operating fixed assets	11	792,213	800,890
Deferred tax assets - net		831,515	1,058,113
Other assets		2,226,626	2,451,553
		61,707,298	50,581,060
<b>LIABILITIES</b>			
Bills payable		525,650	308,894
Borrowings from financial institutions	12	15,979,498	5,964,576
Deposits and other accounts	13	32,108,920	31,642,143
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		1,496,637	1,410,850
		50,110,705	39,326,463
<b>NET ASSETS</b>		<b>11,596,593</b>	<b>11,254,597</b>
<b>REPRESENTED BY:</b>			
Share capital		10,082,387	10,082,387
Reserves		231,866	212,640
Unappropriated profit		548,861	471,956
		10,863,114	10,766,983
Surplus on revaluation of assets - net of tax		733,479	487,614
		11,596,593	11,254,597
<b>CONTINGENCIES AND COMMITMENTS</b>			
14			

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

President & Chief Executive Officer

Chairman

Director

Director

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE QUARTER ENDED MARCH 31, 2015

		(Rupees in '000)	
	Note	Quarter ended March 31, 2015	Quarter ended March 31, 2014
Mark-up / return / interest earned		1,345,398	933,772
Mark-up / return / interest expensed		(849,543)	(537,012)
Net mark-up / return / interest income		495,855	396,760
Reversal of provision against loans and advances - net		49,372	28,392
Provision for diminution in the value of investments - net		-	-
Recoveries against debts written-off		503	3,458
		49,875	31,850
Net mark-up / return / interest income after provisions / reversals		545,730	428,610
<b>Non mark-up / interest income</b>			
Fee, commission and brokerage income		25,605	32,317
Dividend income		3,843	-
Income / (loss) from dealing in foreign currencies		13,834	(5,871)
Gain / (loss) on sale of securities		70,681	9,002
Unrealised Gain / (loss) on revaluation of investments classified as held for trading		12,300	13,666
Other income		-	3,546
Total non mark-up / interest income		126,263	52,660
		671,993	481,270
<b>Non mark-up / interest expenses</b>			
Administrative expenses		491,770	402,172
Other provisions / write offs - net		-	(4,745)
Other charges		1	-
Total non mark-up / interest expenses		491,771	397,427
		180,222	83,843
Extraordinary items		-	-
<b>Profit before taxation</b>		<b>180,222</b>	<b>83,843</b>
Taxation - Current year		14,981	16,064
- Prior years		-	-
- Deferred		69,110	12,976
		84,091	29,040
<b>Profit after taxation</b>		<b>96,131</b>	<b>54,803</b>
Unappropriated profit brought forward		471,956	291,091
Transfer to statutory reserve		(19,226)	(10,961)
<b>Unappropriated profit carried forward</b>		<b>548,861</b>	<b>334,933</b>
<b>Earnings per share - Basic &amp; Diluted (Rupees)</b>	15	<b>0.10</b>	<b>0.07</b>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

President & Chief Executive Officer

Chairman

Director

Director

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED MARCH 31, 2015

	(Rupees in '000)	
	Quarter ended March 31, 2015	Quarter ended March 31, 2014
Profit for the period	96,131	54,803
Other Comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>96,131</b>	<b>54,803</b>
<b>Components of comprehensive income / (loss) not reflected in equity</b>		
(Deficit) / surplus on revaluation of available for sale financial assets - net of tax	245,865	34,673
<b>Total comprehensive income for the period</b>	<b>341,996</b>	<b>89,476</b>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

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

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Chairman

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

## CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE QUARTER ENDED MARCH 31, 2015

	(Rupees in '000)	
	Quarter ended March 31, 2015	Quarter ended March 31, 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	180,222	83,843
Adjustments for non-cash charges:		
Depreciation	22,471	23,436
Amortization	2,953	1,889
Reversal against loans and advances - net	(49,372)	(28,392)
(Gain) / Loss on revaluation of investment held for trading	(12,300)	(13,666)
(Gain) / Loss on sale of operating fixed assets	-	(3,546)
(Gain) / Loss on sale of securities	(70,681)	-
Other provisions / write offs- net	-	(4,745)
	(106,929)	(25,024)
	73,293	58,819
(Increase) / decrease in operating assets		
Lendings to financial institutions	900,000	(1,377,881)
Held for trading securities	(1,213,084)	(3,451,848)
Advances	(778,029)	(1,222,836)
Other assets (excluding advance & current taxation)	210,932	(449,643)
	(880,181)	(6,502,208)
Increase/ (decrease) in operating liabilities		
Bills payable	216,756	(70,589)
Borrowings from financial institutions	10,014,922	8,859,565
Deposits and other accounts	466,777	1,938,346
Other liabilities	85,787	637,478
	10,784,242	11,364,800
	9,977,354	4,921,411
Income tax paid	(986)	(1,415)
Net cash flows from operating activities	9,976,368	4,919,996
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investments in available for sale and held to maturity securities	(9,912,068)	(6,166,577)
Investment in operating fixed assets	(20,800)	(33,487)
Proceeds from sale of fixed assets	4,052	7,144
Net cash flows from investing activities	(9,928,816)	(6,192,920)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	386,497
Cost incurred on issuance of shares	-	-
Net cash flows from financing activities	-	386,497
<b>Increase / (decrease) in cash and cash equivalents</b>	<b>47,552</b>	<b>(886,427)</b>
Cash and cash equivalents at beginning of the period	2,605,127	2,913,372
<b>Cash and cash equivalents at end of the period</b>	<b>2,652,679</b>	<b>2,026,945</b>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

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

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Director

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Director

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED MARCH 31, 2015

	(Rupees in '000)					
	Share capital	Capital reserve	Statutory reserve	Advance against proposed issue of right shares	Unappropriated profit	Total
Balance as at January 01, 2014	8,082,387	20,935	146,489	1,613,502	291,091	10,154,404
<b>Transactions with owners recognised directly in equity</b>						
Transfer of advance subscription to share capital against issue of right shares	1,613,502	-	-	(1,613,502)	-	-
Issue of right shares	386,498	-	-	-	-	386,498
	2,000,000	-	-	(1,613,502)	-	386,498
<b>Comprehensive Income</b>						
Comprehensive income for the period ended March 31, 2014	-	-	-	-	54,803	54,803
Other comprehensive income - net of tax	-	-	-	-	54,803	54,803
Transfer to statutory reserve	-	-	10,961	-	(10,961)	-
Balance as at March 31, 2014	10,082,387	20,935	157,450	-	334,933	10,595,705
<b>Comprehensive Income</b>						
Comprehensive income for the nine months ended December 31, 2014	-	-	-	-	171,278	171,278
Other comprehensive income - net of tax	-	-	-	-	171,278	171,278
Transfer to statutory reserve	-	-	34,255	-	(34,255)	-
Balance as at December 31, 2014	10,082,387	20,935	191,705	-	471,956	10,766,983
<b>Comprehensive Income</b>						
Comprehensive income for the period ended March 31, 2015	-	-	-	-	96,131	96,131
Other comprehensive income - net of tax	-	-	-	-	-	-
Transfer to statutory reserve	-	-	19,226	-	(19,226)	-
Balance as at March 31, 2015	10,082,387	20,935	210,931	-	548,861	10,863,114

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

President & Chief Executive Officer

Chairman

Director

Director

## Notes to the Condensed Interim Financial Information

FOR THE QUARTER ENDED MARCH 31, 2015

### 1 STATUS AND NATURE OF BUSINESS

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 all the stock exchanges of Pakistan. The principal office of the Bank is located at 6th Floor, Sidco Avenue Centre, Maulana Deen Muhammad Wafai Road, Karachi. However, registered office of the Bank is located at 2nd floor, Building No. 13-T, F-7 Markaz, Near Post Mall, Islamabad. The Bank is a subsidiary of SAMBA Financial Group of Saudi Arabia, which holds 84.51% (2014: 84.51%) shares of the Bank as at March 31, 2015. The Bank operates 28 branches (December 31, 2014: 28 branches) inside Pakistan.

JCR-VIS has determined the Bank's medium to long-term rating as 'AA -' with stable outlook and the short-term rating as 'A-1'.

### 2 BASIS OF PRESENTATION

In accordance with the directives of the Federal Government regarding the shifting of the Banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon.

### 3 STATEMENT OF COMPLIANCE

- 3.1 This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). Wherever the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962, or the directives issued by the SECP and the SBP differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the requirements of the said directives prevail.
- 3.2 The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' through its notification S.R.O 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of this condensed interim financial information. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.
- 3.3 SBP vide its BSD Circular No. 07 dated April 20, 2010 has clarified that for the purpose of preparation of financial statements in accordance with International Accounting Standard - 1 (Revised) 'Presentation of Financial Statements', two statement approach shall be adopted i.e. separate 'Profit and Loss Account' and 'Statement of Comprehensive Income' shall be presented, and Balance Sheet shall be renamed as 'Statement of Financial Position'. Furthermore, the Surplus / (Deficit) on Revaluation of Available for Sale (AFS) Securities only, may be included in the 'Statement of Comprehensive Income'. Accordingly, the above requirements have been adopted in the preparation of this condensed interim financial information.
- 3.4 The disclosures made in this condensed interim financial information have been limited based on the format prescribed by the State Bank of Pakistan vide BSD Circular Letter No. 2 dated May 12, 2004 and International Accounting Standard 34, 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2014.

### 4 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention except that 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.



## 5 FUNCTIONAL AND PRESENTATIONAL CURRENCY

Items included in this condensed interim financial information are measured using the currency of the primary economic environment in which the Bank operates. This condensed interim financial information is presented in Pakistani Rupees, which is the Bank's functional and presentational currency.

## 6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation of balances adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2014.

## 7 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis and the methods used for critical accounting estimates and judgments adopted in this condensed interim financial information are same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2014.

## 8 FINANCIAL RISK MANAGEMENT

The Bank's Financial Risk Management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2014.

## 9 INVESTMENTS

(Rupees in '000)

Note	March 31, 2015			December 31, 2014		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
Held for trading securities	2,828,857	-	2,828,857	946,266	633,759	1,580,025
Available for sale securities	8,437,308	8,266,609	16,703,917	7,403,147	861,593	8,264,740
Held to maturity securities	10,973,781	-	10,973,781	9,452,267	-	9,452,267
	22,239,946	8,266,609	30,506,555	17,801,680	1,495,352	19,297,032
Provision for diminution in the value of investments	(102,031)	-	(102,031)	(102,031)	-	(102,031)
Surplus / (Deficit) on revaluation of held for trading securities	12,300	-	12,300	1,455	12,234	13,689
Surplus / (Deficit) on revaluation of available for sale securities	437,116	710,750	1,147,866	714,023	30,492	744,515
Investments-net	22,587,331	8,977,359	31,564,690	18,415,127	1,538,078	19,953,205
<b>9.1 Held-for-trading securities</b>						
Market Treasury Bills	1,167,161	-	1,167,161	922,709	-	922,709
Ordinary shares - listed	9,601	-	9,601	23,557	-	23,557
Pakistan Investment Bonds	1,652,095	-	1,652,095	-	633,759	633,759
	2,828,857	-	2,828,857	946,266	633,759	1,580,025
<b>9.2 Available-for-sale securities</b>						
Market Treasury Bills	684,488	-	684,488	555,206	-	555,206
Pakistan Investment Bonds	7,240,349	8,266,609	15,506,958	6,557,918	861,593	7,419,511
Ordinary shares and certificates - listed	460,125	-	460,125	237,677	-	237,677
Ordinary shares - unlisted	52,346	-	52,346	52,346	-	52,346
	8,437,308	8,266,609	16,703,917	7,403,147	861,593	8,264,740
<b>9.3 Held-to-maturity securities</b>						
Pakistan Investment Bonds	10,973,781	-	10,973,781	9,452,267	-	9,452,267

## 10 ADVANCES - NET

(Rupees in '000)

Note	March 31, 2015	December 31, 2014
Loans, cash credits, running finances, etc.		
- In Pakistan	24,184,460	23,496,302
Net Investment in finance lease		
- In Pakistan	366,763	372,119
Bills discounted and purchased (excluding government treasury bills)		
- Payable in Pakistan	71,081	40,932
- Payable outside Pakistan	55,806	7,010
Advances - gross	24,678,110	23,916,363
Less: Provision for loans and advances		
- Specific provision	(2,035,536)	(2,100,866)
- General provision	(2,999)	(3,325)
	(2,038,535)	(2,104,191)
	22,639,575	21,812,172

10.1 Advances include Rs. 2,078.455 million (December 31, 2014: Rs. 2,144.114 million) which have been placed under non-performing status as detailed below:

(Rupees in '000)

Category of classification	March 31, 2015				
	Classified Advances		Total	Provision required	Provision held
	Domestic	Overseas			
Substandard	550	-	550	137	137
Doubtful	-	-	-	-	-
Loss	2,077,905	-	2,077,905	2,035,399	2,035,399
	2,078,455	-	2,078,455	2,035,536	2,035,536

(Rupees in '000)

Category of classification	December 31, 2014				
	Classified Advances		Total	Provision required	Provision held
	Domestic	Overseas			
Substandard	310	-	310	78	78
Doubtful	-	-	-	-	-
Loss	2,143,804	-	2,143,804	2,100,788	2,100,788
	2,144,114	-	2,144,114	2,100,866	2,100,866

10.2 The general provision has been made against consumer financing portfolio as required by the Prudential Regulations issued by the SBP.

## 11 OPERATING FIXED ASSETS

(Rupees in '000)

	Quarter ended March 31, 2015	Quarter ended March 31, 2014
Additions during the period (at cost)	20,800	33,487
Disposals / write off during the period (at cost)	21,438	10,145

## 12 BORROWINGS FROM FINANCIAL INSTITUTIONS

		(Rupees in '000)	
	Note	March 31, 2015	December 31, 2014
<b>Secured</b>			
Borrowings from SBP under export refinance scheme		2,295,314	2,487,314
Borrowings from SBP under LTFF		632,902	644,260
Repurchase agreement borrowings		9,990,062	1,500,000
		12,918,278	4,631,574
<b>Unsecured</b>			
Call money borrowings	12.1	3,038,884	1,310,666
Bankers Equity Limited (under liquidation)		22,336	22,336
		3,061,220	1,333,002
		15,979,498	5,964,576
12.1	This include borrowing of Rs. 2,039 million (2014: Nil) from Samba Financial Group (SFG).		

## 13 DEPOSITS AND OTHER ACCOUNTS

<b>Customers</b>			
Fixed deposits		12,788,572	12,552,773
Savings deposits		12,385,577	11,694,983
Current accounts - non-remunerative		5,795,480	5,672,480
Others - non-remunerative		22,288	55,590
		30,991,917	29,975,826
<b>Banks and Financial Institutions</b>			
Remunerative deposits		996,446	1,545,540
Non-remunerative deposits		120,557	120,777
		1,117,003	1,666,317
		32,108,920	31,642,143

## 14 CONTINGENCIES AND COMMITMENTS

14.1	Direct credit substitutes		
	Favouring government	13,211	-
	Favouring Banks and other financial institutions	618,860	707,009
	Favouring others	255,348	251,689
		887,419	958,698
14.2	Transaction-related contingent liabilities / commitments		
	Contingent liabilities in respect of performance bonds, bid bonds, warranties, etc. given favouring		
	- Government	2,020,447	1,763,662
	- Others	192,714	175,344
		2,213,161	1,939,006
14.3	Trade-related contingent liabilities		
	Favouring Banks and other financial institutions	-	-
	Favouring others	5,532,133	894,614
		5,532,133	894,614
14.4	Other Contingencies		
	Claims against the Bank not acknowledged as debt	45,489	45,489

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 this condensed interim financial information.

### 14.5 Contingencies in respect of taxation

The Income tax department has raised a demand of 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 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, 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 for the assessment years 2009, 2010 & 2011 on account of Federal Excise. Furthermore, tax department has raised a demand of Rs. 16.480 million and Rs. 28.110 million on account of monitoring of withholding taxes for the tax years 2014 and 2015 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 favour of the bank. Accordingly, no provision has been made in these financial statements in respect of the above mentioned demands of Rs. 1,145.766 million raised by the income tax authorities.

### 14.6 Commitments to extend credit

The bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

### 14.7 Commitments in respect of forward foreign exchange contracts

		(Rupees in '000)	
		March 31, 2015	December 31, 2014
Purchase		19,023,733	13,151,038
Sale		16,304,595	11,964,868

### 14.8 Capital Commitments

Commitments for capital expenditure as at March 31, 2015 amounted to Rs. 34.571 million (December 31, 2014: Rs. 21.018 million).

## 15 EARNINGS PER SHARE - Basic & Diluted

		(Rupees in '000)	
		March 31, 2015	March 31, 2014
Profit after taxation attributable to ordinary shareholders		96,131	54,803
<b>Number of Shares</b>			
Weighted average number of shares outstanding during the period		1,008,238,648	810,460,870
<b>(Rupees)</b>			
Earnings per share - Basic & Diluted		0.10	0.07

## 16 RELATED PARTY TRANSACTIONS

The bank has related party relationship with its holding company, employee contribution plan and its key management personnel.

Banking transactions with the related parties are entered in the normal course of business. Remuneration to key management personnel is in accordance with employee agreements and service rules. Transactions with executives include disbursement of advances on terms softer than those offered to the customers of the Bank.

Contributions to the contributory provident fund scheme are made in accordance with the terms of the contribution plan.

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 their management team, including the Chief Executive Officer and Directors to be key management personnel.

Details of transactions / balances with related parties are given below:

(Rupees in '000)

### BALANCE OUTSTANDING - GROSS

#### Advances

	Key management personnel	Parent Company	Others
At January 01	66,341	-	-
Given during the period / year	-	-	-
Repaid during the period / year	(2,353)	-	-
Adjustments	-	-	-
At March 31 / December 31	63,988	-	-

#### Deposits

	Key management personnel	Parent Company	Others
At January 01	39,480	-	5,269
Received during the period / year	139,141	-	26,024
Withdrawn during the period / year	(138,858)	-	(25,369)
Adjustments	(158)	-	-
At March 31 / December 31	39,605	-	5,924

#### Others

	Key management personnel	Parent Company	Others
Guarantees	-	-	-
Balances in nostro accounts	-	29,916	-
Sundry payable (including Group Shared Service cost)	-	287,366	-
Balances in vostro accounts	-	102,746	-
Borrowings (Including markup payable)	-	2,046,568	-

(Rupees in '000)

### For the Quarter ended March 31, 2015

	Key management personnel	Parent Company	Others
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### For the Quarter ended March 31, 2014

	Key management personnel	Parent Company	Others
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### Transactions for the period

	Key management personnel	Parent Company	Others
Remuneration and benefits	31,420	-	-
Directors fee	1,778	-	-
Mark-up / return / interest expensed	109	-	50
Mark-up / return / interest income	1,820	-	-
Disposal of fixed assets	-	-	-
Group Services cost	-	25,635	-
Sale of government securities	51,037	-	4,581
Purchase of government securities	-	-	13,733
Proceeds against issue of right shares	-	-	-

	Key management personnel	Parent Company	Others
Remuneration and benefits	29,090	-	-
Directors fee	2,649	-	-
Mark-up / return / interest expensed	1,421	-	61
Mark-up / return / interest income	614	-	-
Disposal of fixed assets	726	-	-
Group Services cost	-	22,207	-
Sale of government securities	-	-	17,100
Purchase of government securities	4,308	-	-
Proceeds against issue of right shares	-	386,429	-

Forex transactions during the period (January - March 2015) - Samba Financial Group

(Currency in '000)

Currency	2015			
	READY / SPOT / TOM		Forward	
	Buy	Sell	Buy	Sell
AED	-	-	-	-
AUD	19	8	-	-
CAD	-	35	-	-
CHF	30	37	25	-
EUR	3,200	4,025	2,775	3,650
GBP	800	880	380	950
HKD	-	3	-	-
JPY	-	3,014	-	-
SAR	50	-	-	-
SEK	-	36	-	-
SGD	-	12	-	-
USD	20,255	4,857	5,524	3,757

Forex deals outstanding as at the period end March 31, 2015 - Samba Financial Group

(Currency in '000)

Currency	2015			
	READY / SPOT / TOM		Forward	
	Buy	Sell	Buy	Sell
EUR	-	-	600	1,800
GBP	-	-	-	50
SAR	-	-	-	-
USD	-	-	2,033	662

Forex transactions during the period (January - March 2014) - Samba Financial Group

(Currency in '000)

Currency	2014			
	READY / SPOT / TOM		Forward	
	Buy	Sell	Buy	Sell
AED	700	-	-	-
AUD	-	-	-	-
CAD	10	-	-	-
CHF	-	-	-	-
EUR	4,000	1,696	850	950
GBP	480	2,535	1,210	410
JPY	108,770	-	-	-
SAR	-	-	-	-
SGD	25	-	-	-
USD	21,844	7,528	1,980	3,158

Forex deals outstanding as at the year end December 31, 2014 - Samba Financial Group

(Currency in '000)

Currency	2014			
	READY / SPOT / TOM		Forward	
	Buy	Sell	Buy	Sell
EUR	-	-	500	-
GBP	-	-	500	-
SAR	-	-	-	-
USD	-	-	-	1,400



## 17 BUSINESS SEGMENTS

The segment analysis with respect to business activity is as follows:

(Rupees in '000)					
For the Quarter ended March 31, 2015					
Particular	Corporate finance	Trading & sales	Retail banking	Commercial banking	Total
Total income (net of interest expense and provisions)	-	121,549	408,231	142,213	671,993
Total operating expenses	(3,449)	(50,916)	(322,654)	(114,752)	(491,771)
Net (loss) / income (before tax)	(3,449)	70,633	85,577	27,461	180,222

(Rupees in '000)					
For the Quarter ended March 31, 2014					
Particular	Corporate finance	Trading & sales	Retail banking	Commercial banking	Total
Total income (net of interest expense and provisions)	-	121,230	205,829	158,956	486,015
Total operating expenses	(3,308)	(33,705)	(277,684)	(87,475)	(402,172)
Net (loss) / income (before tax)	(3,308)	87,525	(71,855)	71,481	83,843

(Rupees in '000)					
As at March 31, 2015					
Particular	Corporate finance	Trading & sales	Retail banking	Commercial banking	Total
Segment assets	6,988	36,749,749	2,254,188	24,951,984	63,962,909
Segment non-performing loans	-	-	574,920	1,503,535	2,078,455
Segment provision held	-	(104,695)	(568,450)	(1,582,466)	(2,255,611)
Segment liabilities	973	13,364,610	28,433,764	8,311,358	50,110,705

(Rupees in '000)					
As at December 31, 2014					
Particular	Corporate finance	Trading & sales	Retail banking	Commercial banking	Total
Segment assets	7,021	26,368,440	1,944,638	24,582,556	52,902,655
Segment non-performing loans	-	-	583,533	1,560,581	2,144,114
Segment provision held	-	(104,618)	(577,235)	(1,639,742)	(2,321,595)
Segment liabilities	734	3,136,993	27,874,212	8,314,524	39,326,463

## 18 GENERAL

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

18.2 Numbers as of and for the period ended March 31, 2015 and March 31, 2014, wherever used in this condensed interim financial information are unaudited numbers; however numbers as of and for the period relating to December 31, 2014 used in this condensed interim financial information are audited numbers.

## 19 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 13, 2015 by the Board of Directors of the Bank.

President & Chief Executive Officer

Chairman

Director

Director



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**Samba Bank Limited**

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