Samba Bank Limited

Half Yearly Report

June 30, 2016

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

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Contents

01 Our Branch Network

03 Company Information

05 Directors' Report

09 Auditors' Report on Review of Condensed Interim Financial Information to the Members

11 Condensed Interim Statement of Financial Position

12 Condensed Interim Profit And Loss Account

13 Condensed Interim Statement of Comprehensive Income

14 Condensed Interim Cash Flow Statement

15 Condensed Interim Statement of Changes in Equity

16 Notes to and Forming Part of the Condensed Interim Financial Information

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Our Branch Network

Currently, SBL has a network of 37 branches located in 10 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
DHA Tauheed Commercial*

Lahore
Gulberg
Mall
Allama Iqbal Town
Johar Town
DHA Lahore
New Garden Town
Tufail Sarwar Road
Cavalry Ground
Faisal Town
DHA Phase V Lahore
Badami Bagh

Islamabad
Jinnah Avenue
F-11
F-7
DHA Phase II

Rawalpindi
Saddar
Bahria Town
Wah - Cantt**

Gujranwala
G.T. Road

Faisalabad
Liaquat Road

Multan
Nusrat Road

Sialkot
Paris Road

Peshawar
Saddar

AJK - BAGH
Bagh

Branch inaugurated on :
* August 01, 2016
** August 16, 2016

Azad Kashmir
Bagh
Peshawar
Islamabad
Rawalpindi
Sialkot
Gujranwala
Lahore
Faisalabad
Multan
Karachi

Company Information

Board of Directors

Dr. Shujaat Nadeem	Chairman/Non-Executive Director
Mr. Shahid Sattar	President and CEO/Executive Director
Mr. Antoine Mojabber*	Non-Executive Director
Mr. Beji Tak-Tak	Non-Executive Director
Mr. Humayun Murad	Independent Director
Mr. Javed Iqbal	Non-Executive Director
Mr. Nadeem Babar	Independent Director
Ms. Ranya Nashar	Non-Executive Director

* Names are in alphabetical order

Board Audit Committee

Mr. Humayun Murad	Chairman
Ms. Ranya Nashar	Member
Mr. Javed Iqbal	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

Mr. Nadeem Babar	Chairman
Mr. Humayun Murad	Member
Ms. Ranya Nashar	Member

President & Chief Executive Officer

Mr. Shahid Sattar

Company Secretary

Syed Zia-ul-Husnain Shamsi

Chief Financial Officer

Mr. Rashid Jahangir

Auditors

A. F. Ferguson & Co.	Chartered Accountants

Legal Advisors

Mohsin Tayebaly & Co.	Advocates & Legal Consultants

Head Office

6th Floor, Sidco Avenue Centre, M.D.M. Wafai Road,
Karachi - Pakistan

Registered Office

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

Share Registrar

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

Website

www.samba.com.pk

Help Line

11 11 SAMBA (72622)

Credit Rating by JCR-VIS

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

samba
سامبا

Directors' Report

On behalf of the Board of Directors, I am pleased to present the Directors' Report along with the condensed interim financial statements for the half-year ended June 30, 2016.

Financial Results and Overview

The financial highlights of the Bank for the half-year ended June 30, 2016 are summarized below:

	Rupees (million)	
	Half Year ended June 30, 2016	Half Year ended June 30, 2015
Profit before taxation	605	384
Taxation	216	185
Profit after taxation	389	198
Earnings per share – (Rupee)	0.39	0.20

	Rupees (million)	
	June 30, 2016	December 31, 2015
Total assets	85,236	80,166
Investments	48,972	44,726
Advances	24,083	24,187
Deposits	45,028	38,844
Paid-up capital & reserves	11,587	11,198
Surplus on revaluation of securities – net of tax	1,000	647

In an increasingly challenging operating environment for small and medium sized banks, the Bank adopted a proactive strategy to counter low interest rate scenario, shrinking spreads, subdued credit and deposits growth and rising cost of doing business. The Bank remained cognizant of these challenges and continued with its strategy of deriving stable growth through exploiting various business opportunities with superior quality assets. These efforts resulted in strong financial performance with profit before tax for the current half-year of Rs. 605.18 million compared to the corresponding last half-year profit of Rs. 383.88 million reflecting a rise of 58%.

Despite interest rate being at their lowest, net interest income of the Bank has risen from Rs. 1,020.52 million in the first half of 2015 to Rs. 1,126.54 million in the current period under review, showing an increase of 10%. Non mark-up income registered growth of 111% during the first six months of 2016 over corresponding period of last year, mainly contributed by capital gains from sale of securities.

The Bank has also managed to recover Rs. 66.95 million from legacy loans during the first half of 2016, demonstrating consistent remedial management. Specific provision of Rs. 65.13 million against non performing portfolio was made as per requirements of Prudential Regulations during period ended June 30, 2016. In order to safeguard its assets against credit risk, the Bank adopted prudent approach and charged general provision of Rs. 71.67 million during first half against its performing corporate and commercial loans portfolio.

Consistent with its strategy, the Bank continued to invest for deployment of world class technology based solutions, IT infrastructure, opening of new / relocation of branches / offices; and other promotional,

upgrading, and efficiency enhancing activities. Other than above listed one off expenses of Rs. 350 million, the Bank's recurring operating costs were well managed through operational efficiencies and disciplined spending, thereby leading to increase by only 8% over the corresponding period of last year.

Balance sheet size of the Bank has grown to Rs. 85.24 billion in first half-year compared to Rs. 80.17 billion as of December 31, 2015, demonstrating growth of 6%. Investments rose to the tune of Rs. 48.97 billion, showing an increase of Rs. 4.25 billion (9.5%) over December 31, 2015. Customer deposits grew by 16% to reach at Rs. 45.03 billion as of June 30, 2016 as compared to Rs. 38.84 billion at December 31, 2015.

Credit Rating

JCR-VIS, a premier rating agency of the country, has reaffirmed the medium to long term entity ratings of the Bank at 'AA' (Double A) and its short term rating at 'A-1' (A-one). Outlook on the assigned ratings is 'Stable'. These long and short term ratings of the Bank denote high credit quality with adequate protection factor and strong capability for timely payments to all financial commitments owing to strong liquidity positions.

Future Outlook

Challenges to the Banking sector are expected to enhance in the short term, with historically low bench mark rates, taxation regulation for non-filers of tax returns affecting deposit growth and tightening taxation regime through implication of Super Tax. Despite these challenges, macroeconomic environment of Pakistan continues to exhibit moderate growth. The Bank, with the support of its parent and sponsors, continues to pursue its strategic objectives and goals. While monitoring the prevailing economic conditions, the main focus of the Bank would be to leverage on the building blocks put into place; steadily build up its earning assets; effectively manage 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 the Bank's valued customers and by developing and introducing innovative banking products. In order to enhance its footprint, the Bank has received requisite approvals from State Bank of Pakistan for opening six new branches in 2016. Currently, three new branches are functional and remaining three are in process of opening up.

Acknowledgment

I 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 and other regulatory bodies for their guidance and support. I also sincerely appreciate the dedication, commitment, and team work of all employees of the Bank, who worked very hard to transform the Bank into a successful franchise.

On behalf of the Board of Directors,

Shahid Sattar
President & Chief Executive Officer

August 24, 2016
Karachi

اپنی حکمت عملی کے تحت بینک نے اپنے انفارمیشن ٹیکنالوجی کے انفراسٹرکچر کی بہتری بشمول نئے اہم بینکنگ سوفٹ ویئر کے نفاذ، نئی برانچوں/دفاتر کی منتقلی/افتتاح، اور دیگر تشہیری، اپ گریڈنگ اور کارکردگی بڑھانے کی سرگرمیوں میں خرچ کرنے کا سلسلہ جاری رکھا ہے۔ مذکورہ 350 ملین روپے کے ان اخراجات کے علاوہ بینک کی آپریشنل لاگت کا انتظامی صلاحیتوں اور منظم اخراجات کی بدولت گزشتہ سال کی پہلی ششماہی کے مقابلے میں صرف 8 فیصد زیادہ رہی۔

سال 2016 کی پہلی ششماہی میں بینک کے کل اثاثے 85.24 ارب روپے ہوگئے جو کہ 31 دسمبر 2015 کو 80.17 ارب روپے تھے اور 6 فیصد اضافے کو ظاہر کرتے ہیں۔ سرمایہ کاری بڑھ کر 48.97 ارب روپے ہوگئی ہے، جو 31 دسمبر 2015 کے مقابلے پر 4.25 ارب روپے (9.5%) کے اضافے کو ظاہر کرتی ہے۔ 2016 کی پہلی ششماہی کے اختتام پر کسٹمر کے ڈپازٹس 16 فیصد اضافے کے ساتھ 45.03 ارب تک جا پہنچے جو 31 دسمبر 2015 کے اختتام پر 38.84 ارب روپے تھے۔

کریڈٹ ریٹنگ

ملک کی ممتاز ریٹنگ ایجنسی JCR-VIS نے بینک کی درمیانے سے لے کر طویل مدت ادارے کی درجہ بندی میں 'AA' (ڈبل اے) اور قلیل مدت درجہ بندی میں 'A-1' (اے ون) کی توثیق کی ہے۔ یہ طویل اور قلیل مدت درجہ بندی موزوں حفاظتی عنصر کے ساتھ اعلیٰ قرضہ جاتی معیار اور مضبوط مسابقتی مقام کی وجہ سے تمام تر مالیاتی قرضوں کی بروقت ادائیگی کی عمدہ صلاحیت کی نشاندہی کرتی ہے۔

مستقبل کا نقطۂ نظر

بینچ مارک ریٹ میں تاریخی کمی، ڈپازٹ میں اضافے پر اثر انداز نان فائلرز پر لاگو ٹیکس ضوابط اور سپر ٹیکس کے نفاذ کی بدولت بینکاری صنعت کو درپیش مشکلات میں مزید اضافہ ہوگا۔ ان مسائل کے باوجود پاکستان کی معیشت میں متعدل ترقی دیکھی جا رہی ہے۔ بینک اپنی پیرنٹ کمپنی اور اسپانسرز کے تعاون سے اپنی حکمتِ عملی اور مقاصد کا حصول جاری رکھے گا۔ موجودہ معاشی حالات کے تناظر میں بینک کی بنیادی توجہ اکائیوں کو صحیح طور پر استعمال کرتے ہوئے فعال اثاثوں کی بڑھوتری، لاحق خطرات کی مؤثر انتظام کاری اور ڈپازٹ مکس میں مسلسل بہتری کے ذریعے فنڈز کی لاگت میں کمی کرنے پر ہے۔ یہ مقاصد جدید بینکاری پروڈکٹس متعارف کروا کر اور ان کے فروغ کے ذریعے بینک کے قابل قدر صارفین کو عالمی معیار کی بینکاری سہولیات فراہم کر کے حاصل ہوسکیں گے۔ بینکنگ نیٹورک میں وسعت کے لئے سال 2016 میں بینک دولت پاکستان کی جانب سے 6 نئی برانچز کے آغاز کی مطلوبہ منظوری موصول ہوچکی ہے۔ 3 نئی برانچیں فعال ہوچکی ہیں اور باقی 3 برانچوں کے آغاز کا سلسلہ جاری ہے۔

اظہارِ تشکر

میں اپنے صارفین، کاروباری شراکت دار اور اسٹیک ہولڈرز کی سرپرستی اور بھروسے کا تہہ دل سے شکر گزار ہوں۔ ہمارے بورڈ آف ڈائریکٹرز اور انتظامیہ بھی بینک دولت پاکستان اور دیگر ضوابطی اداروں کی رہنمائی اور تعاون کے شکر گزار ہیں۔ میں بینک کے ملازمین، جن کی لگن، عزم اور ٹیم ورک نے بینک کو کامیاب فرنچائز میں تبدیل کر دیا ہے ان کی انتھک محنت کی بھی تہہ دل سے حوصلہ افزائی کرتا ہوں۔

منجانب بورڈ آف ڈائریکٹرز

شاہد ستار
پریزیڈنٹ اور چیف ایگزیکٹیو آفیسر

24 اگست 2016
کراچی

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کی ایماء پر، 30 جون 2016 کو پہلی ششماہی کے اختتام پر مجھے یہ ڈائریکٹرز کی رپورٹ ہمراہ عبوری مختصر مالی گوشوارے پیش کرتے ہوئے دلی مسرت ہو رہی ہے۔

30 جون 2016 کو ختم ہونے والی ششماہی کی مالیاتی جھلکیاں ذیل میں بیان کی جا رہی ہیں۔

روپے (ملین میں)

	ششماہی مختتمہ 30 جون 2016	ششماہی مختتمہ 30 جون 2015
قبل از ٹیکس منافع	**605**	384
محصولات (ٹیکسیشن)	**216**	185
بعد از ٹیکس منافع	**389**	198
فی حصص آمدنی۔ (روپیہ)	**0.39**	0.20

روپے (ملین میں)

	30 جون 2016	31 دسمبر 2015
کل اثاثہ جات	**85,236**	80,166
سرمایہ کاری	**48,972**	44,726
قرضہ جات	**24,083**	24,187
ڈپازٹس	**45,028**	38,844
ادا شدہ سرمایہ کاری کے ذخائر	**11,587**	11,198
تمسکات کی ری ویلیویشن پر سرپلس۔ نیٹ آف ٹیکس	**1,000**	647

چھوٹے اور درمیانے درجے کے بینکوں کیلئے بڑھتے ہوئے ایک سخت مقابلے کے ماحول میں بینک نے کم شرح سود کی فضا میں سکڑتے ہوئے سپریڈ (Spread) اور ڈپازٹس کے اضافے میں کمی اور کاروباری معاملات کو چلانے کی بڑھتی ہوئی لاگت کا سامنا کرنے کیلئے ایک فعال حکمتِ عملی کو اختیار کیا ہے۔ بینک ان مشکلات سے آگاہ ہے اور اعلیٰ معیاری اثاثہ جات کے ساتھ مختلف کاروباری مواقع کو بروئے کار لاتے ہوئے مستحکم ترقی کے لئے کوشاں ہے۔ ان کاوشوں کا نتیجہ حالیہ ششماہی میں مضبوط مالیاتی کارکردگی کی صورت میں سامنے آیا ہے جس کا منافع قبل از ٹیکس کٹوتی 605.18 ملین روپے ہے جو کہ گزشتہ ششماہی میں 383.88 ملین روپے تھا جو 58 فیصد اضافے کو ظاہر کرتا ہے۔

شرح سود کم ترین سطح پر ہونے کے باوجود، بینک کی خالص آمدنی 2015 کی پہلی ششماہی میں 1,020.52 ملین روپے سے بڑھ کر حالیہ ششماہی میں 1,126.54 ملین روپے ہو گئی ہے، جو 10 فیصد اضافے کو ظاہر کرتی ہے۔ تمسکات کی فروخت سے حاصل ہونے والے کیپیٹل گین کی مد میں نان مارک اپ آمدنی میں 2016 کی پہلی ششماہی کے دوران گذشتہ سال کی اسی ششماہی کے مقابلے میں 111 فیصد اضافہ دیکھا گیا ہے۔

بینک نے متواتر انتظامی اصلاحات کے ذریعے 2016 کی پہلی ششماہی میں 66.95 ملین روپے مالیت کے موروثی قرضوں (legacy loans) کی وصولیابی کی ہے۔ 30 جون 2016 کو مکمل ہونے والی ششماہی کے دوران پروڈنشل ریگولیشنز کی شرائط کے مطابق غیر فعال قرضہ جات کی مد میں 65.13 ملین روپے کی رقم مختص کی گئی ہے۔ قرضہ جات سے منسلک خطرات کے پیشِ نظر اپنے اثاثوں کو تحفظ فراہم کرنے کے لئے بینک نے محتاط رویہ اختیار کرتے ہوئے اپنے کارپوریٹ اور کمرشل قرضوں کے سلسلے میں اس سال پہلی ششماہی میں 71.67 ملین روپے مختص کیے ہیں۔

AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Samba Bank Limited** as at June 30, 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended June 30, 2016 and 2015 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2016.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the half year ended June 30, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

A.F. Ferguson & Co.
Chartered Accountants

Engagement Partner: Shahbaz Akbar

Dated: August 25, 2016

Karachi

Condensed Interim Financial Information

for the half year ended June 30, 2016

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2016

	Note	(Rupees in '000) (Un-audited) June 30, 2016	(Audited) December 31, 2015
ASSETS			
Cash and balances with treasury banks	9	4,180,898	3,258,421
Balances with other banks	9	533,491	1,071,112
Lendings to financial institutions	10	2,946,095	2,000,000
Investments - net	11	48,971,636	44,726,421
Advances - net	12	24,083,484	24,187,038
Operating fixed assets	13	1,456,041	1,323,670
Deferred tax asset - net	14	313,703	657,592
Other assets - net		2,751,040	2,942,082
		85,236,388	80,166,336
LIABILITIES			
Bills payable		519,549	492,159
Borrowings from financial institutions	15	25,195,245	27,325,753
Deposits and other accounts	16	45,027,711	38,844,291
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities - net		-	-
Other liabilities		1,907,034	1,659,914
		72,649,539	68,322,117
NET ASSETS		12,586,849	11,844,219
REPRESENTED BY:			
Share capital		10,082,387	10,082,387
Reserves		376,591	298,760
Unappropriated profit		1,127,761	816,439
		11,586,739	11,197,586
Surplus on revaluation of assets - net of tax	23	1,000,110	646,633
		12,586,849	11,844,219
CONTINGENCIES AND COMMITMENTS	17		

The accompanying notes 1 to 30 form an integral part of this condensed interim financial information.

President & Chief Executive Officer	Chairman	Director	Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2016

(Rupees in '000)

	Note	Quarter ended		Half Year ended	
		June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Mark-up / return / interest earned	18	1,383,822	1,296,048	2,845,993	2,641,446
Mark-up / return / interest expensed		818,101	771,382	1,719,451	1,620,925
Net mark-up / return / interest income		565,721	524,666	1,126,542	1,020,521
(Provision) / reversal of provision against loans and advances - net		(57,274)	21,845	(69,309)	71,217
Reversal for diminution in the value of investments - net		10,744	-	21,933	-
Recoveries against debts written - off		1,454	1,173	3,143	1,676
		(45,076)	23,018	(44,233)	72,893
Net mark-up / return / interest income after provisions		520,645	547,684	1,082,309	1,093,414
Non mark-up / interest income					
Fee, commission and brokerage income		36,103	26,457	75,469	52,062
Dividend income	19	3,700	4,591	9,003	8,434
Income from dealing in foreign currencies	20	40,977	8,882	68,288	22,716
Gain on sale of securities - net	21	319,859	214,694	617,087	285,375
Unrealised (loss) / gain on revaluation of investments classified as held for trading - net	22	(16,403)	(9,874)	236	2,426
Other income	24	3,415	4,379	21,552	4,379
Total non mark-up / interest income		387,651	249,129	791,635	375,392
		908,296	796,813	1,873,944	1,468,806
Non mark-up / interest expenses					
Administrative expenses		575,882	586,815	1,256,416	1,074,907
Other provisions / write offs - net		-	1,661	-	1,661
Workers welfare fund		7,991	4,156	7,991	7,834
Other charges		18	518	4,356	519
Total non mark-up / interest expenses		583,891	593,150	1,268,763	1,084,921
		324,405	203,663	605,181	383,885
Extraordinary items / unusual items		-	-	-	-
Profit before taxation		324,405	203,663	605,181	383,885
Taxation - Current period		(20,171)	(15,799)	(36,003)	(30,780)
- Prior years		(26,468)	(14,200)	(26,468)	(14,200)
- Deferred		(66,903)	(71,375)	(153,557)	(140,485)
		(113,542)	(101,374)	(216,028)	(185,465)
Profit after taxation		210,863	102,289	389,153	198,420
Unappropriated profits brought forward		959,071	548,861	816,439	471,956
Transfer to statutory reserve		(42,173)	(20,458)	(77,831)	(39,684)
Unappropriated profits carried forward		1,127,761	630,692	1,127,761	630,692
Basic and diluted earnings per share (Rupee)	25	0.21	0.10	0.39	0.20

The accompanying notes 1 to 30 form an integral part of this condensed interim financial information.

President & Chief Executive Officer | Chairman | Director | Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2016

(Rupees in '000)

	Note	Quarter ended		Half Year ended	
		June 30, 2016	June 30, 2015	**June 30, 2016**	June 30, 2015
Profit after taxation for the period		210,863	102,289	389,153	198,420
Other comprehensive income		-	-	-	-
Total comprehensive income for the period transferred to equity		210,863	102,289	389,153	198,420
Components of comprehensive income / (loss) not reflected in equity					
Items that may be reclassified to profit or loss account in subsequent periods					
Surplus / (deficit) on revaluation of available for sale financial assets - net of tax	23	57,067	(224,574)	353,477	3,970
Total comprehensive income for the period		267,930	(122,285)	742,630	202,390

The accompanying notes 1 to 30 form an integral part of this condensed interim financial information.

President & Chief Executive Officer | Chairman | Director | Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2016

(Rupees in '000)

	Half Year ended	
	June 30, 2016	June 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	605,181	383,885
Less: Dividend income	(9,003)	(8,434)
	596,178	375,451
Adjustments for non - cash charges and other items:		
Depreciation	73,259	48,087
Amortisation of intangible assets	6,511	6,282
Provision / (reversal) against loans and advances - net	69,309	(71,217)
Gain on revaluation of investments held for trading	(236)	(2,426)
Operating fixed assets written off / adjusted	21,889	-
Reversal of provision for diminution in the value of investments - net	(21,933)	-
Gain on sale of operating fixed assets - net	(21,552)	(4,379)
Gain on sale of securities - net	(617,087)	(285,375)
Other provisions / write offs - net	-	1,661
	(489,840)	(307,367)
	106,338	68,084
Decrease / (increase) in operating assets		
Lendings to financial institutions	(946,095)	900,000
Investments - held for trading securities	713,632	(1,399,199)
Advances	34,245	1,826,377
Other assets (excluding advance and current taxation)	131,105	(235,037)
	(67,113)	1,092,141
Increase / (decrease) in operating liabilities		
Bills payable	27,390	361,559
Borrowings from financial institutions	(2,130,508)	10,640,973
Deposits and other accounts	6,183,420	588,529
Other liabilities	247,182	(109,408)
	4,327,484	11,481,653
	4,366,709	12,641,878
Income tax paid	(2,534)	(576)
Net cash flows generated from operating activities	4,364,175	12,641,302
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available for sale and held to maturity securities	(3,775,780)	(12,122,190)
Dividend income	9,003	8,434
Investment in operating fixed assets	(357,081)	(166,617)
Proceeds from sale of operating fixed assets	144,539	9,655
Net cash flows used in investing activities	(3,979,319)	(12,270,718)
Increase in cash and cash equivalents	384,856	370,584
Cash and cash equivalents at beginning of the period	4,329,533	2,605,127
Cash and cash equivalents at end of the period	4,714,389	2,975,711

The accompanying notes 1 to 30 form an integral part of this condensed interim financial information.

President & Chief Executive Officer	Chairman	Director	Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2016

(Rupees in '000)

	Share capital	Capital reserve	Statutory reserve	Unappropriated profit	Total
Balance as at January 01, 2015	10,082,387	20,935	191,705	471,956	10,766,983
Comprehensive Income					
Profit after taxation for the half year ended June 30, 2015	-	-	-	198,420	198,420
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	-	198,420	198,420
Transfer to statutory reserve	-	-	39,684	(39,684)	-
Balance as at June 30, 2015	10,082,387	20,935	231,389	630,692	10,965,403
Comprehensive Income					
Profit after taxation for the half year ended December 31, 2015	-	-	-	232,183	232,183
Other comprehensive income - net of tax	-	-	-	-	-
	-	-	-	232,183	232,183
Transfer to statutory reserve	-	-	46,436	(46,436)	-
Balance as at December 31, 2015	10,082,387	20,935	277,825	816,439	11,197,586
Comprehensive Income					
Profit after taxation for the half year ended June 30, 2016	-	-	-	389,153	389,153
Other comprehensive income - net of tax	-	-	-	-	-
		-	-	389,153	389,153
Transfer to statutory reserve	-	-	77,831	(77,831)	-
Balance as at June 30, 2016	**10,082,387**	**20,935**	**355,656**	**1,127,761**	**11,586,739**

The accompanying notes 1 to 30 form an integral part of this condensed interim financial information.

President & Chief Executive Officer	Chairman	Director	Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2016

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 Stock Exchange of Pakistan. Its principal office is located at 6th Floor, Sidco Avenue Centre, Maulana Deen Muhammad Wafai Road, Karachi. The registered office of the Bank is located at 2nd floor, Building No. 13-T, F-7 Markaz, near Post Mall, Islamabad. The Bank is a subsidiary of SAMBA Financial Group of Saudi Arabia, which holds 84.51% shares of the Bank as at June 30, 2016 (December 31, 2015: 84.51%). The Bank operates 35 branches (December 31, 2015: 34 branches) inside Pakistan.

1.2 JCR-VIS has determined the Bank's medium to long-term rating as 'AA' (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 this financial information 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 IFRSs, 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 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 a full set of annual financial statements, and should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2015.

4 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention except that certain investments, foreign currency balances and 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, 2015.

7 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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, 2015.

8 FINANCIAL RISK MANAGEMENT

The Bank's Financial Risk Management objectives and policies are consistent with those disclosed in the annual financial statements of the Bank for the year ended December 31, 2015.

9 BALANCES WITH TREASURY AND OTHER BANKS

Balances with treasury and other banks have been placed under conventional banking modes.

10 LENDINGS TO FINANCIAL INSTITUTIONS

(Rupees in '000)

	Note	June 30, 2016 (Un-audited)	December 31, 2015 (Audited)
Call money lendings	10.2 & 10.3	1,500,000	-
Repurchase agreement lendings (reverse repo)	10.4	1,446,095	2,000,000
		2,946,095	2,000,000

10.1 All lendings to financial institutions are in local currency.

10.2 These represent lendings to commercial banks in the inter bank money market. These lendings carry mark-up at rates ranging from 6.15% to 6.50% (December 31, 2015: Nil) and will mature latest by July 4, 2016 (December 31, 2015: Nil).

10.3 These include lendings of Rs. 1,000 million (December 31, 2015: Nil) placed under Shariah permissible mode with an islamic bank.

10.4 This represent short-term lendings to financial institutions against investment securities. These carry mark-up at the rates ranging from 5.90% to 6.15% per annum (December 31, 2015: 6.50% per annum) and will mature latest by July 4, 2016 (December 31, 2015: January 26, 2016).

11 INVESTMENTS - NET

(Rupees in '000)

	Note	June 30, 2016 (Un-audited)			December 31, 2015 (Audited)		
		Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
Held for trading securities	11.1	95,089	124,758	219,847	779,380	113,668	893,048
Available for sale securities	11.2	13,686,952	20,365,242	34,052,194	15,370,486	16,562,822	31,933,308
Held to maturity securities	11.3	13,240,826	-	13,240,826	11,006,107	-	11,006,107
		27,022,867	20,490,000	47,512,867	27,155,973	16,676,490	43,832,463
Provision for diminution in the value of investments		(80,098)	-	(80,098)	(102,031)	-	(102,031)
Surplus / (deficit) on revaluation on held for trading securities - net		(46)	282	236	(112)	1,281	1,169
Surplus on revaluation on available for sale securities - net		350,099	1,188,532	1,538,631	375,311	619,509	994,820
Investments - net		27,292,822	21,678,814	48,971,636	27,429,141	17,297,280	44,726,421
11.1 Held for trading securities							
Market Treasury Bills		-	-	-	-	-	-
Pakistan Investment Bonds		45,581	124,758	170,339	768,545	113,668	882,213
Ordinary shares and certificates - listed		49,508	-	49,508	10,835	-	10,835
		95,089	124,758	219,847	779,380	113,668	893,048
11.2 Available for sale securities							
Market Treasury Bills		3,887,909	-	3,887,909	6,819,459	1,686,632	8,506,091
Pakistan Investment Bonds		9,253,504	20,365,242	29,618,746	8,011,728	14,876,190	22,887,918
Ordinary shares and certificates - listed		493,193	-	493,193	486,953	-	486,953
Ordinary shares - unlisted		52,346	-	52,346	52,346	-	52,346
		13,686,952	20,365,242	34,052,194	15,370,486	16,562,822	31,933,308
11.3 Held to maturity securities							
Pakistan Investment Bonds		13,240,826	-	13,240,826	11,006,107	-	11,006,107

12 ADVANCES - NET

(Rupees in '000)

	Note	June 30, 2016 (Un-audited)	December 31, 2015 (Audited)
Loans, cash credits, running finances, etc.			
- In Pakistan		25,526,424	25,817,621
Net Investment in finance lease			
- In Pakistan		351,454	352,350
Bills discounted and purchased (excluding treasury bills)			
- Payable in Pakistan		130,746	74,143
- Payable outside Pakistan		26,278	15,527
Advances - Gross		26,034,902	26,259,641
Less: Provision for loans and advances			
- Specific provision		(1,740,205)	(1,932,522)
- General provision	12.2	(211,213)	(140,081)
		(1,951,418)	(2,072,603)
		24,083,484	24,187,038

12.1 Advances include Rs. 1,967.605 million (December 31, 2015: Rs. 1,973.975 million) which have been placed under non - performing status as detailed below:

(Rupees in '000)

Category of classification	June 30, 2016 (Un-audited)				
	Classified Advances		Total	Provision required	Provision held
	Domestic	Overseas			
Substandard	250,795	-	250,795	62,707	62,707
Doubtful	-	-	-	-	-
Loss	1,716,810	-	1,716,810	1,677,498	1,677,498
	1,967,605	-	1,967,605	1,740,205	1,740,205

(Rupees in '000)

Category of classification	December 31, 2015 (Audited)				
	Classified Advances		Total	Provision required	Provision held
	Domestic	Overseas			
Substandard	1,677	-	1,677	419	419
Doubtful	-	-	-	-	-
Loss	1,972,298	-	1,972,298	1,932,103	1,932,103
	1,973,975	-	1,973,975	1,932,522	1,932,522

12.2 General provision includes provision of Rs. 1.546 million (December 31, 2015: Rs. 2.081 million) held against consumer finance portfolio as required by the Prudential Regulations issued by the State Bank of Pakistan. In addition, the Bank is maintaining a general provision of Rs. 209.667 million (December 31, 2015: Rs. 138 million) against corporate and commercial advances for potential losses present in the portfolio. This provision is based on management's best estimate and is approved by the Board of Directors of the Bank.

12.3 Loans and advances extended by the Bank are interest / mark-up based arrangements under conventional banking modes.

13 OPERATING FIXED ASSETS

(Rupees in '000)

	June 30, 2016 Un-audited	June 30, 2015 Un-audited
Additions during the period (at cost)	357,081	166,617
Disposals / write off during the period (at cost)	357,617	41,494

14 DEFERRED TAX ASSET - NET

This includes deferred tax asset recognised on unabsorbed tax losses. The Bank has unabsorbed tax losses (including unabsorbed depreciation and amortisation) amounting to Rs. 987.70 million (December 31, 2015: Rs. 1,555.77 million) as at June 30, 2016. Based on this, the management has recognised deferred tax debit balance of Rs. 345.70 million (December 31, 2015: Rs. 513 million) . The amount of this benefit has been determined based on the projected financial statements for the future periods.

15 BORROWINGS FROM FINANCIAL INSTITUTIONS

(Rupees in '000)

	Note	June 30, 2016 (Un-audited)	December 31, 2015 (Audited)
Secured			
Borrowings from SBP under export refinance scheme		1,670,679	1,956,762
Borrowings from SBP under LTFF		98,016	-
Repurchase agreement borrowings		21,476,563	18,508,084
		23,245,258	20,464,846
Unsecured			
Call money borrowings		1,927,651	4,220,046
Foreign Currency Borrowings	15.1	-	2,618,525
Bankers Equity Limited (under liquidation)		22,336	22,336
		1,949,987	6,860,907
		25,195,245	27,325,753

15.1 This includes borrowing of Nil (December 31, 2015: Rs. 2,095 million) from Samba Financial Group (SFG).

16 DEPOSITS AND OTHER ACCOUNTS

Customers			
Fixed deposits		19,072,581	15,738,230
Savings deposits		13,395,998	11,453,530
Current accounts - non-remunerative		8,187,047	7,125,203
Others - non-remunerative		13,927	17,266
		40,669,553	34,334,229
Financial Institutions			
Remunerative deposits		4,040,846	4,171,269
Non-remunerative deposits		317,312	338,793
		4,358,158	4,510,062
		45,027,711	38,844,291

16.1 Deposits held by the Bank are under conventional banking mode.

17 CONTINGENCIES AND COMMITMENTS

17.1	**Direct credit substitutes**		
	Favouring Banks and other financial institutions	1,723,801	508,832
	Favouring others	-	262,354
		1,723,801	771,186
17.2	**Transaction-related contingent liabilities / commitments**		
	Contingent liabilities in respect of performance bonds, guarantees, bid bonds, warranties, etc. given favouring		
	- Government	1,664,042	1,953,356
	- Others	1,244,325	80,144
		2,908,367	2,033,500
17.3	**Trade-related contingent liabilities**		
	Favouring others	4,135,066	4,769,881
17.4	**Other contingencies**		
	Claims against the Bank not acknowledged as debt 17.4.1	125,456	125,456

17.4.1 These represent various cases filed against the Bank for recovery of damages / settlement of deposit balances by various parties. Based on the Bank's legal counsel's advice, the management is confident of a positive outcome and accordingly no provision has been made in this condensed interim financial information.

17.5 Contingencies in respect of taxation

The Income tax department has raised a demand of Rs. 426.787 million (December 31, 2015: 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, 2015: 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. The tax department has also raised demand of Rs. 29.052 million (December 31, 2015: Rs. 29.052 million) for the assessment years 2009, 2010 & 2011 on account of Federal Excise Duty. Further, the tax department has also 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 2012 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 the Bank's 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 this condensed interim financial information in respect of the above mentioned demands aggregating Rs. 1,145.766 million (December 31, 2015: Rs. 1,145.766 million) raised by the income tax authorities.

17.6 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.

17.7 Commitments in respect of forward foreign exchange contracts

(Rupees in '000)

	June 30, 2016 (Un-audited)	December 31, 2015 (Audited)
Purchase	27,312,414	21,285,553
Sale	27,625,854	18,977,675

17.8 Capital Commitments

Commitments for capital expenditure as at June 30, 2016 amounted to Rs. 148.688 million (December 31, 2015: Rs. 94.96 million).

18 MARK-UP / RETURN / INTEREST EARNED

(Rupees in '000)

	Note	Half year ended	
		June 30, 2016 (Un-audited)	June 30, 2015 (Un-audited)
On loans and advances to:			
- Customers		733,167	896,880
On investments:			
- Held for trading securities		29,658	149,840
- Available for sale securities		1,317,481	863,941
- Held to maturity securities		671,226	606,847
		2,018,365	1,620,628
On deposits with financial institutions		1,036	54
On securities purchased under resale agreements		70,904	106,118
On call lendings	18.1	22,521	17,766
		2,845,993	2,641,446

18.1 Out of these, Rs. 10.70 million (June 30, 2015: Rs. 1.516 million) represent profit from placements permissible under Shariah mode.

19 DIVIDEND INCOME

(Rupees in '000)

	Note	Half year ended June 30, 2016 (Un-audited)	Half year ended June 30, 2015 (Un-audited)
Company Name			
Thal Limited		233	-
United Bank Limited		1,650	400
Nishat Chunian Power Limited		1,000	-
MCB Bank Limited		900	-
Oil and Gas Development Company Limited		120	-
National Bank of Pakistan		750	-
Habib Bank Limited		1,487	-
Kot Addu Power Company Limited		1,488	-
Pakistan Reinsurance Company Limited		1,375	-
Pakistan Oilfields Limited		-	1,125
Attock Petroleum Limited		-	251
Indus Motor Company Limited		-	292
Maple Leaf Cement Factory Limited		-	450
Pak Petroleum Limited		-	293
Allied Bank Limited		-	750
Bank Alfalah Limited		-	632
Engro Fertilizer Limited		-	150
Pak Suzuki Motor Company Limited		-	395
Adamjee Insurance Company Limited		-	300
Fatima Fertilizer Company Limited		-	1,700
Pakistan State Oil Company Limited		-	600
Fauji Fertilizer Company Limited		-	197
Engro Corporation Limited		-	900
Total		9,003	8,434

20 INCOME FROM DEALING IN FOREIGN CURRENCIES

Gain / (loss) realised from dealing in:			
Foreign currencies		(1,668)	(60,215)
Derivative financial instruments		69,956	82,931
Total		68,288	22,716

21 GAIN ON SALE OF SECURITIES - NET

Market Treasury Bills		20,013	47,878
Pakistan Investment Bonds		596,454	194,933
Other government securities	21.1	1,105	1,629
Shares	21.2	(485)	40,935
Total		617,087	285,375

21.1 This represents gain on sale of Ijarah Sukuk which are permissible under Shariah.

21.2 This includes capital gain of Rs. 5.615 million earned on trading of ordinary shares of listed companies appearing on the All Share Islamic Index.

22 UNREALISED (LOSS) / GAIN ON REVALUATION OF INVESTMENTS CLASSIFIED AS HELD FOR TRADING - NET

This includes unrealised loss of Rs. 0.713 million at June 30, 2016 on ordinary shares of listed companies appearing on the All Share Islamic Index.

23 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

This includes surplus of Rs. 3.906 million at June 30, 2016 on ordinary shares of listed companies appearing on the All Share Islamic Index.

24 OTHER INCOME

(Rupees in '000)

	Half year ended	
	June 30, 2016 (Un-audited)	June 30, 2015 (Un-audited)
Gain on sale of operating fixed assets	21,552	4,379

25 BASIC / DILUTED EARNINGS PER SHARE

(Rupees in '000)
(Un-audited)

	Quarter ended		Half year ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Profit after taxation attributable to ordinary shareholders	210,863	102,289	389,153	198,420
	Number of Shares			
Weighted average number of shares outstanding during the period	1,008,238,648	1,008,238,648	1,008,238,648	1,008,238,648
	Rupee			
Basic and diluted earnings per share	0.21	0.10	0.39	0.20

25.1 There were no convertible dilutive potential ordinary shares in issue as at June 30, 2016 and 2015.

26 RELATED PARTY TRANSACTIONS

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

Banking transactions with the related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal risk. Transactions with the executives are undertaken at terms in accordance with employment agreements and services rules and includes 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. Remuneration to the Chief Executive Officer is determined in accordance with the terms of the employment.

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 to be key management personnel.

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

(Rupees in '000)

	June 30, 2016 (Un-audited)				December 31, 2015 (Audited)			
	Directors	Key management personnel	Parent Company	Others	Directors	Key management personnel	Parent Company	Others
BALANCE OUTSTANDING - GROSS								
Advances								
At January 1	-	107,403	-	-	-	66,341	-	-
Disbursement during the period	-	46,708	-	-	-	74,638	-	-
Repaid during the period	-	(5,547)	-	-	-	(6,147)	-	-
Adjustments	-	(11,019)	-	-	-	(27,429)	-	-
At June 30 / December 31	-	137,545	-	-	-	107,403	-	-
Deposits								
At January 1	15,700	23,546	-	1,767	7,220	31,457	-	6,072
Received during the period	551,644	186,374	-	57,635	178,526	488,609	-	95,473
Withdrawn during the period	(557,763)	(165,342)	-	(44,435)	(171,581)	(496,871)	-	(99,778)
Adjustments	(137)	(716)	-	-	1,535	351	-	-
At June 30 / December 31	9,444	43,862	-	14,967	15,700	23,546	-	1,767
Others								
Guarantees	-	-	11,182	-	-	-	20,948	-
Balances in nostro accounts	-	-	425,526	-	-	-	9,736	-
Sundry payable (including Group Shared Service cost)	-	-	97,222	-	-	-	99,223	-
Balances in vostro accounts	-	-	198,359	-	-	-	263,062	-
Borrowings (Including markup payable)	-	-	-	-	-	-	2,136,425	-

(Rupees in '000)

	Half year ended June 30, 2016 (Un-audited)				Half year ended June 30, 2015 (Un-audited)			
	Directors	Key management personnel	Parent Company	Others	Directors	Key management personnel	Parent Company	Others
Transactions during the period								
Remuneration and benefits	-	146,740	-	-	-	122,450	-	-
Directors fee	4,192	-	-	-	4,574	-	-	-
Mark-up / return / interest expensed	12	310	-	312	154	363	18,580	133
Mark-up / return / interest income	-	3,127	-	-	-	1,577	-	-
Group Services cost	-	-	73,168	-	-	-	26,661	-
Sale of government securities	-	-	-	-	-	51,037	-	7,702
Purchase of government securities	-	-	-	-	-	-	-	20,715

Forex transactions during the period - Samba Financial Group

(Currency in '000)

For the period ended June 30, 2016 (Un-audited)				
Currency	READY / SPOT / TOM		Forward	
	Buy	Sell	Buy	Sell
AED	700	-	-	-
CAD	1,421	1,416	-	-
EUR	10,965	6,400	2,800	1,950
GBP	3,140	15,950	9,200	2,340
JPY	11,000	-	-	-
SAR	22,688	54,025	13,128	-
SGD	25	-	-	-
USD	72,829	24,085	5,523	19,839

Forex deals outstanding as at the period end - Samba Financial Group

(Currency in '000)

As at June 30, 2016 (Un-audited)				
Currency	READY / SPOT / TOM		Forward	
	Buy	Sell	Buy	Sell
EUR	-	-	400	-
GBP	-	-	900	-
USD	-	-	-	1,781

Forex transactions during the period - Samba Financial Group

(Currency in '000)

For the period ended June 30, 2015 (Un-audited)				
Currency	READY / SPOT / TOM		Forward	
	Buy	Sell	Buy	Sell
AUD	19	8	-	-
CAD	-	35	-	-
CHF	30	37	25	-
EUR	4,370	9,725	6,225	4,020
GBP	3,550	4,180	2,180	2,870
HKD	-	3	-	-
JPY	-	3,014	-	-
SAR	5,850	7,000	-	-
SEK	-	36	-	-
SGD	-	12	-	-
USD	48,583	11,161	8,887	10,307

Forex deals outstanding as at the year end - Samba Financial Group

(Currency in '000)

As at December 31, 2015 (Audited)				
Currency	READY / SPOT / TOM		Forward	
	Buy	Sell	Buy	Sell
EUR	-	-	700	-
GBP	-	-	1,700	-
USD	-	-	-	3,313

27 BUSINESS SEGMENTS

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

(Rupees in '000)

Particulars	For the half year ended June 30, 2016 (Un-audited)					
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
Total income (net of interest expense and provisions)	142,406	1,052,500	368,762	21,250	289,026	1,873,944
Total operating expenses	(191,735)	(89,425)	(564,820)	(12,299)	(410,484)	(1,268,763)
Net (loss) / profit (before tax)	(49,329)	963,075	(196,058)	8,951	(121,458)	605,181
Depreciation of fixed assets	861	413	43,182	60	28,743	73,259
Amortisation of intangible assets	33	585	1,220	-	4,673	6,511

(Rupees in '000) (Restated)

Particulars	For the half year ended June 30, 2015 (Un-audited)					
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
Total income (net of interest expense and provisions)	191,525	580,237	315,724	-	381,320	1,468,806
Total operating expenses	(167,332)	(69,021)	(483,034)	-	(365,534)	(1,084,921)
Net (loss) / profit (before tax)	24,193	511,216	(167,310)	-	15,786	383,885
Depreciation of fixed assets	2,028	860	24,948	-	20,251	48,087
Amortisation of intangible assets	5	516	513	-	5,248	6,282

(Rupees in '000)

Particulars	As at June 30, 2016 (Un-audited)					
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
Segment assets - Gross	22,531,015	57,378,222	2,604,568	2,296,867	2,633,150	87,443,822
Segment non - performing loans	1,429,466	-	538,139	-	-	1,967,605
Segment provision held	(1,332,119)	(80,098)	(420,183)	-	(375,034)	(2,207,434)
Segment liabilities	10,495,424	23,621,816	37,169,212	129,665	1,233,422	72,649,539

(Rupees in '000)

Particulars	As at December 31, 2015 (Audited)					
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
Segment assets - Gross	24,498,772	52,191,541	2,356,653	587,099	2,882,904	82,516,969
Segment non - performing loans	1,422,086	-	551,889	-	-	1,973,975
Segment provision held	(1,511,914)	(102,031)	(433,321)	-	(303,367)	(2,350,633)
Segment liabilities	7,483,937	25,578,408	34,184,330	86,572	988,870	68,322,117

28 FAIR VALUE OF FINANCIAL INSTRUMENTS AND DERIVATIVE INSTRUMENTS

28.1 On-balance sheet financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

The fair value of traded investments is based on quoted market prices, except for tradeable securities classified as 'held to maturity' which are carried at amortised cost in order to comply with the requirements specified by the State Bank of Pakistan.

The fair value of unquoted equity investments is determined on the basis of break-up values of these investments as per the latest available audited financial statements.

Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment in respect of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 5.4 to the financial statements of the Bank for the year ended December 31, 2015.

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

The table below analyses the traded investments, except for tradeable securities classified as held to maturity by their respective valuation methods. Valuation of investments is carried out as per guidelines specified by the State Bank of Pakistan.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the assets or liabilities that are not based on observable market data (that is unobservable inputs e.g. estimated future cash flows) (level 3).

(Rupees in '000)

	As at June 30, 2016 (Un-audited)			
INVESTMENTS - NET	Level 1	Level 2	Level 3	Total
RECURRING FAIR VALUE MEASUREMENT				
Held for Trading Securities				
Pakistan Investment Bonds	-	171,288	-	171,288
Market Treasury Bills	-	-	-	-
Fully paid-up ordinary shares	48,795	-	-	48,795
Available for Sale Securities				
Pakistan Investment Bonds	-	31,143,767	-	31,143,767
Market Treasury Bills	-	3,894,092	-	3,894,092
Fully paid-up ordinary shares	462,868	-	-	462,868
Total	511,663	35,209,147	-	35,720,810

(Rupees in '000)

	As at December 31, 2015 (Audited)			
INVESTMENTS - NET	Level 1	Level 2	Level 3	Total
RECURRING FAIR VALUE MEASUREMENT				
Held for Trading Securities				
Pakistan Investment Bonds	-	884,021	-	884,021
Market Treasury Bills	-	-	-	-
Fully paid-up ordinary shares	10,196	-	-	10,196
Available for Sale Securities				
Pakistan Investment Bonds	-	23,877,395	-	23,877,395
Market Treasury Bills	-	8,532,819	-	8,532,819
Fully paid-up ordinary shares	405,883	-	-	405,883
Total	416,079	33,294,235	-	33,710,314

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

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in listed ordinary shares.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of Market Treasury Bills and Pakistan Investment Bonds.

(c) Financial instruments in level 3

Currently, no financial instruments are classified in level 3.

Valuation techniques and inputs used in determination of fair values within level 1 and 2

Item	Valuation techniques and input used
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV rates (Reuters page).
Fully paid-up listed ordinary shares	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the stock exchange.

28.2 Off-balance sheet financial instruments

(Rupees in '000)

	As at June 30, 2016 (Un-audited)		As at December 31, 2015 (Audited)	
	Book Value	Fair Value	Book Value	Fair Value
Forward purchase of foreign exchange	27,312,414	27,176,508	21,285,553	21,209,970
Forward sale of foreign exchange	27,625,854	27,453,795	18,977,675	18,898,012

29 GENERAL

Figures have been rounded off to the nearest thousand rupees.

30 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on August 24, 2016 by the Board of Directors of the Bank.

President & Chief Executive Officer	Chairman	Director	Director

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