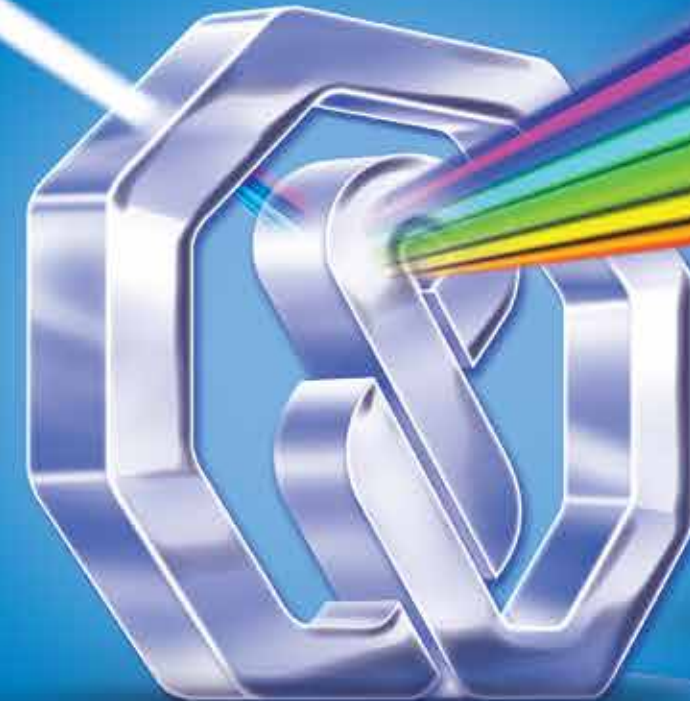


Quarterly Report
September 30,
2014



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the Rays of Success

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Samba Bank Limited

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Company Information

Board of Directors

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

Board Audit Committee

Mr. Javed Iqbal	Chairman
Mr. Medhat Fareed Abbas Tawfik*	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
Mr. Medhat Fareed Abbas Tawfik*	Member
Mr. Humayun Murad	Member

President & Chief Executive Officer

Mr. Shahid Sattar

Company Secretary

Syed Zia-ul-Husnain Shamsi

Chief Financial Officer

Mr. Imran Butt (Acting)

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

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 Minus)
Short Term Rating	A-1 (A-One)



* Resigned w.e.f. October 19, 2014

Our Branch Network

KARACHI

Bahria Complex 1
DHA Phase VI
Clifton
Bahadurabad
SMCHS
Fountain
Rashid Minhas
Shahra-e-Faisal
Gulshan-e-Iqbal
Hyderi
DHA Ittehad

LAHORE

Mall Road
DHA Lahore
Cavalry Road
New Garden Town
Sarwar Road
Gulberg
Johar Town
Allama Iqbal Town

ISLAMABAD / RAWALPINDI

Jinnah Avenue
F11
F7
Rawalpindi Cantt.

GUJRANWALA

G.T. Road

FAISALABAD

Liaquat Road

SIALKOT

Paris Road

MULTAN

Nusrat Road

PESHAWAR

Saddar Road



Directors' Review

On behalf of the Board of Directors, I would like to present the Directors' Review along with the interim condensed financial information for the nine-months ended September 30, 2014.

Financial Results & Overview

The financial highlights of our bank for the period ended September 30, 2014 are summarised below:

Profit before taxation
Taxation (including deferred)
Profit after taxation
Earnings per share - in Rupees

Rupees in million

For the period ended September 30, 2014	For the period ended September 30, 2013
313.470	37.034
112.295	(5.324)
201.175	42.358
0.21	0.05

Total assets
Investments
Advances
Deposits
Paid up capital & reserves (including advance against issue of right shares)
Deficit on revaluation of securities

Rupees in million

September 30, 2014	December 31, 2013
51,801	40,002
19,329	13,991
20,426	18,269
32,060	24,633
10,742	10,154
(25)	(23)

As evident from above, our bank grew business and made significant progress during the period under review. As a result, the bank registered profit after tax of Rs. 201.18 million as compared to profit after tax of Rs. 42.36 million in the corresponding period of last year, reflecting a significant increase of 375%.

Net mark-up income for the nine-months ended September 30, 2014 increased to Rs. 1,283.84 million from Rs. 999.15 million in the corresponding period of last year mainly on account of re-deploying available funds into low risk, high yielding earning assets. Fee income increased to Rs. 77.85 million as compared to Rs. 72.88 million, showing a growth over the corresponding period of last year. Increase in non-mark-up income reflects the bank's focus on improved cross-sell to generate non-mark-up income, especially when the banking sector is facing the challenge of spread. Additionally, the Bank gained Rs. 27.71 million on sale of equity and money market securities as against loss of Rs. 3.5 million, when compared to previous year.

Due to increasingly concerted recovery efforts, our bank was able to make recoveries from the legacy loan portfolio, resulting in the net reversal of provision amounting to Rs. 74.93 million as against recoveries of Rs. 46.78 million, thus showing a healthy increase of 60% from the corresponding period of last year.

Despite growth in business and continuing inflationary pressures, the administrative expenses have been efficiently managed and only increased to Rs. 1,180.34 million in the current period against Rs. 1,132.76 million in the corresponding period of last year registering marginal increase of 4%.

Overall balance sheet of the bank grew to Rs. 51.80 billion, compared to Rs. 40.00 billion showing an increase of 30% over December 31, 2013. On the balance sheet, investments rose to Rs. 19.33 billion as against Rs. 13.99 billion as at December 31, 2013 showing an increase of 38%. The bank's loan book, increased to Rs. 20.43 billion, compared to Rs. 18.27 billion as of December 31, 2013. On the liability side, customer deposits grew significantly by 30% to Rs. 32.06 billion as at September 30, 2014 from Rs. 24.63 billion as at December 31, 2013.



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-' (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 position.

Future Outlook

The bank remains focused on its strategy of stable and sustained growth by widening the customer base through the acquisition of new-to-bank customers and deepening the existing relationships, offering and cross selling new value-added products, ensuring robust risk management and control processes, optimizing operational efficiencies and by constantly improving service quality standards.

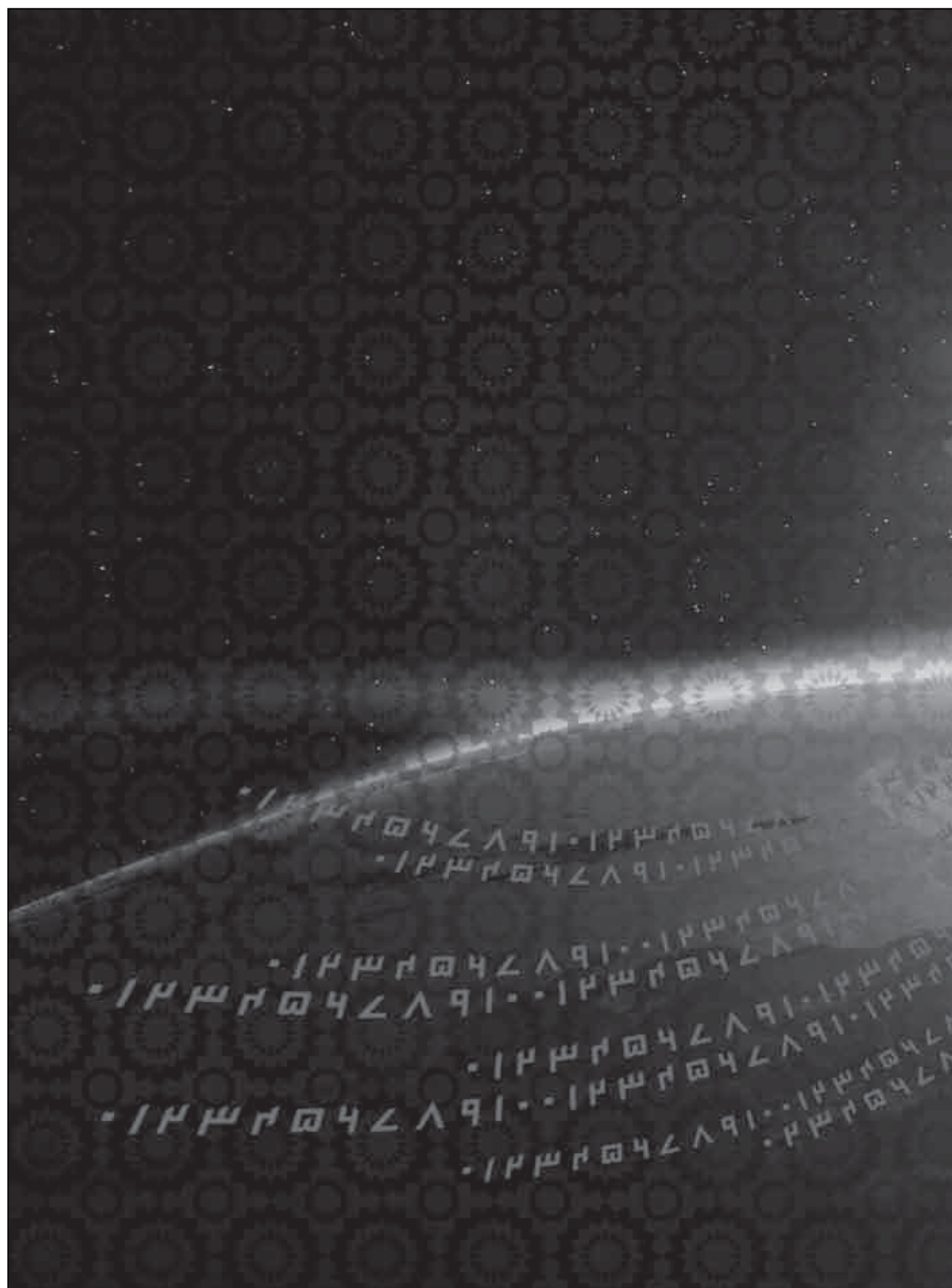
Acknowledgment

I wish to thank our customers for their continuing patronage, State Bank of Pakistan and other regulatory authorities for their guidance and Samba Financial Group for their commitment and support. I also thank all our staff members for their hard work and dedication which has enabled the bank to achieve a sustainable turnaround and making it a stable financial institution.

On behalf of Board of Directors,

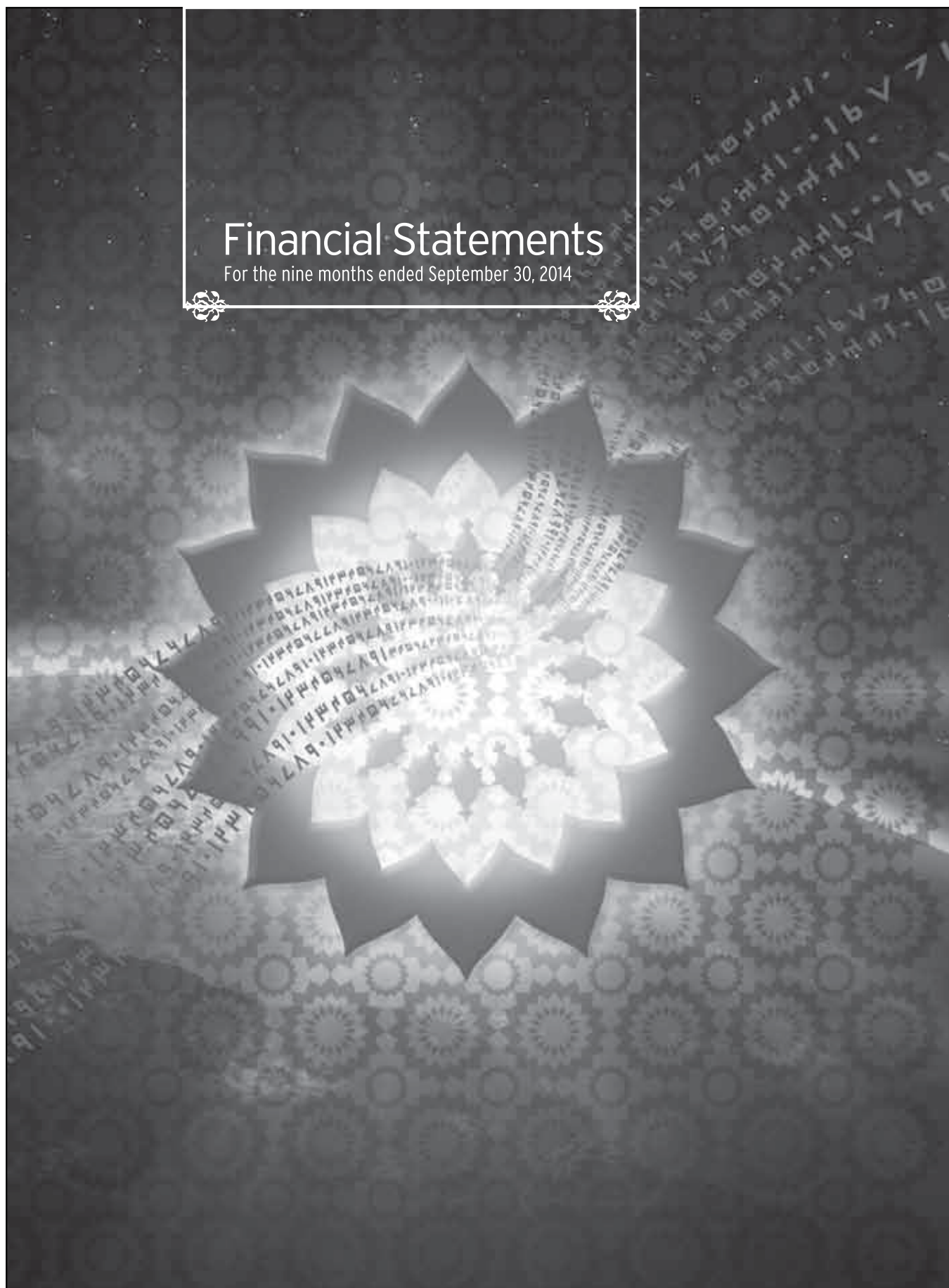
Shahid Sattar
President & Chief Executive Officer

October 27, 2014
Karachi



Financial Statements

For the nine months ended September 30, 2014



Condensed Interim Statement of Financial Position

AS AT SEPTEMBER 30, 2014

		(Rupees in '000)	
	Note	September 30, 2014	December 31, 2013
ASSETS			
Cash and balances with treasury banks		2,148,557	2,795,889
Balances with other banks		59,222	117,483
Lendings to financial institutions		5,892,481	790,672
Investments - net	9	19,328,559	13,991,462
Advances - net	10	20,426,448	18,269,396
Operating fixed assets	11	830,052	861,709
Deferred tax assets - net		1,401,631	1,483,569
Other assets		1,713,859	1,691,360
		51,800,809	40,001,540
LIABILITIES			
Bills payable		347,995	918,662
Borrowings from financial institutions	12	7,371,979	2,987,399
Deposits and other accounts	13	32,060,032	24,632,610
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		1,304,081	1,331,691
		41,084,087	29,870,362
NET ASSETS		10,716,722	10,131,178
REPRESENTED BY:			
Share capital		10,082,386	8,082,387
Advance against issue of right shares		-	1,613,502
Reserves		207,659	167,424
Unappropriated profit		452,031	291,091
		10,742,076	10,154,404
Deficit on revaluation of assets - net of tax		(25,354)	(23,226)
		10,716,722	10,131,178
CONTINGENCIES AND COMMITMENTS			
	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 AND NINE MONTHS ENDED SEPTEMBER 30, 2014

Note	(Rupees in '000)			
	Quarter ended		Nine Months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Mark-up / return / interest earned	1,219,800	837,254	3,278,694	2,355,700
Mark-up / return / interest expensed	748,409	484,994	1,994,853	1,356,550
Net mark-up / return / interest income	471,391	352,260	1,283,841	999,150
(Reversal) / Provision against loans and advances - net	(17,710)	(3,828)	(68,153)	(46,097)
Provision for diminution in the value of investments- net	-	-	-	-
Recoveries against debts written-off / (Bad debts written-off directly)	(929)	(177)	(6,777)	(686)
	(18,639)	(4,005)	(74,930)	(46,783)
Net mark-up / return / interest income after provisions	490,030	356,265	1,358,771	1,045,933
Non mark-up / interest income				
Fee, commission and brokerage income	21,437	17,577	77,847	72,876
Dividend income	2,751	959	2,751	2,268
Income from dealing in foreign currencies	8,937	16,011	25,991	47,480
Gain / (loss) on sale of securities	5,716	(2,889)	27,710	(3,499)
Gain / (loss) on revaluation of investments classified as held for trading	3,743	(220)	3,005	577
Other income	3,413	1,440	6,959	5,994
Total non mark-up / interest income	45,997	32,878	144,263	125,696
	536,027	389,143	1,503,034	1,171,629
Non mark-up / interest expenses				
Administrative expenses	411,701	388,446	1,180,339	1,132,759
Other provisions / write offs- net	(57)	(402)	6,074	1,836
Other charges	3,151	-	3,151	-
Total non mark-up / interest expenses	414,795	388,044	1,189,564	1,134,595
	121,232	1,099	313,470	37,034
Extraordinary items	-	-	-	-
Profit before taxation	121,232	1,099	313,470	37,034
Taxation - Current year	12,543	8,686	34,008	24,713
- Prior years	-	-	-	-
- Deferred	32,774	(12,586)	78,287	(30,037)
	45,317	(3,900)	112,295	(5,324)
Profit after taxation	75,915	4,999	201,175	42,358
Unappropriated profits / (Accumulated losses) brought forward	391,299	(5,981,751)	291,091	(6,011,639)
Transfer to statutory reserve	(15,183)	(1,001)	(40,235)	(8,472)
Unappropriated profits / (Accumulated losses) carried forward	452,031	(5,977,753)	452,031	(5,977,753)
Earnings per share - Basic & Diluted (Rupees)	15	0.01	0.21	0.05

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 AND NINE MONTHS ENDED SEPTEMBER 30, 2014

(Rupees in '000)

	Quarter ended		Nine Months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Profit for the period	75,915	4,999	201,175	42,358
Other Comprehensive income	-	-	-	-
Total comprehensive income for the period transferred to equity	75,915	4,999	201,175	42,358
Components of comprehensive income / (loss) not reflected in equity				
Deficit on revaluation of available for sale financial assets - net of tax	(6,098)	(80,831)	(2,128)	(71,454)
	69,817	(75,832)	199,047	(29,096)

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 Cash Flow Statement

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014

	(Rupees in '000)	
	Nine Months ended	
	September 30, 2014	September 30, 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	313,470	37,034
Less: Dividend income	(2,751)	(2,268)
	310,719	34,766
Adjustments for non-cash charges:		
Depreciation	58,352	83,172
Amortization	6,613	5,940
Reversal against loans and advances - net	(68,153)	(46,097)
Surplus on revaluation of investments held for trading	(3,005)	(577)
Adjustment / written off of operating fixed assets	939	-
Gain on sale of operating fixed assets	(6,959)	(5,992)
Gain / (loss) on sale of securities	-	3,499
Other provisions / write offs - net	5,255	1,836
	(6,958)	41,781
	303,761	76,547
(Increase) / decrease in operating assets		
Lendings to financial institutions	(5,101,809)	2,286,742
Held for trading securities	1,044,613	(7,822,386)
Advances	(2,088,899)	42,938
Other assets (excluding advance & current taxation)	(61,281)	(106,845)
	(6,207,376)	(5,599,551)
Increase/ (decrease) in operating liabilities		
Bills payable	(570,667)	614,466
Borrowings from financial institutions	4,384,580	10,043,344
Deposits and other accounts	7,427,423	(1,559,454)
Other liabilities	(22,865)	49,619
	11,218,471	9,147,975
Income tax paid	5,314,856	3,624,971
	(5,221)	(9,884)
Net cash flows from operating activities	5,309,635	3,615,087
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in securities	(6,377,185)	(7,417,403)
Dividend received	2,751	2,268
Investment in operating fixed assets	(256,445)	(106,110)
Proceeds from sale of fixed assets	229,153	11,560
Net cash flows from investing activities	(6,401,726)	(7,509,685)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	386,498	1,613,502
Cost incurred on issuance of shares	-	-
Net cash flows from financing activities	386,498	1,613,502
Increase / (Decrease) in cash and cash equivalents	(705,593)	(2,281,096)
Cash and cash equivalents at beginning of the period	2,913,372	4,342,485
Cash and cash equivalents at end of the period	2,207,779	2,061,389

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 Changes In Equity

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014

	(Rupees in '000)					
	Share capital	Capital reserve	Statutory reserve	Advance against proposed issue of right shares	Unappropriated profits / (Accumulated losses)	Total
Balance as at January 01, 2013	14,334,734	20,935	129,626	-	(6,011,639)	8,473,656
Advance share subscription money received against proposed issue of right shares	-	-	-	1,613,502	-	1,613,502
Comprehensive income for the period ended September 30, 2013	-	-	-	-	42,358	42,358
Transfer to statutory reserve	-	-	8,472	-	(8,472)	-
Balance as at September 30, 2013	14,334,734	20,935	138,098	1,613,502	(5,977,753)	10,129,516
Accumulated losses adjusted against reduction of share capital	(6,252,347)	-	-	-	6,252,347	-
Capital reduction and right shares issuance cost	-	-	-	-	(17,067)	(17,067)
Comprehensive income for the quarter ended December 31, 2013	-	-	-	-	41,955	41,955
Transfer to statutory reserve	-	-	8,391	-	(8,391)	-
Balance as at December 31, 2013	8,082,387	20,935	146,489	1,613,502	291,091	10,154,404
Transfer of advance subscription to share capital	1,613,502	-	-	(1,613,502)	-	-
Issue of right shares	386,497	-	-	-	-	386,497
Comprehensive income for the period ended September 30, 2014	-	-	-	-	201,175	201,175
Transfer to Statutory Reserve	-	-	40,235	-	(40,235)	-
Balance as at September 30, 2014	10,082,386	20,935	186,724	-	452,031	10,742,076

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 and forming part of the Condensed Interim Financial Information

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014

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. Its principal office is located at 6th Floor, Sidco Avenue Centre, Maulana Deen Muhammad Wafai Road, Karachi; however, 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 September 30, 2014 (2013: 80.68%). The Bank operates 28 branches (December 31, 2013: 28 branches) inside Pakistan.

JCR-VIS has determined the Bank's 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 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, 2013.

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, 2013.

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, 2013.

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, 2013.

9 INVESTMENTS

(Rupees in '000)

	Note	September 30, 2014			December 31, 2013		
		Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
Held for trading securities	9.1	1,862,966	-	1,862,966	2,414,194	493,386	2,907,580
Available for sale securities	9.2	8,165,907	-	8,165,907	7,224,563	-	7,224,563
Held to maturity securities	9.3	9,439,371	-	9,439,371	4,014,414	-	4,014,414
		<u>19,468,244</u>	<u>-</u>	<u>19,468,244</u>	<u>13,653,171</u>	<u>493,386</u>	<u>14,146,557</u>
Provision for diminution in the value of investments		(102,031)	-	(102,031)	(112,914)	-	(112,914)
(Deficit) / surplus on revaluation of held for trading securities		1,916	-	1,916	(838)	(251)	(1,089)
(Deficit) / surplus on revaluation of available for sale securities		(39,570)	-	(39,570)	(41,092)	-	(41,092)
Investments-net		<u>19,328,559</u>	<u>-</u>	<u>19,328,559</u>	<u>13,498,327</u>	<u>493,135</u>	<u>13,991,462</u>
9.1 Held-for-trading securities							
Market Treasury Bills		1,579,662	-	1,579,662	2,414,194	493,386	2,907,580
Pakistan Investment Bonds		278,788	-	278,788	-	-	-
Ordinary shares and certificates - listed		4,516	-	4,516	-	-	-
		<u>1,862,966</u>	<u>-</u>	<u>1,862,966</u>	<u>2,414,194</u>	<u>493,386</u>	<u>2,907,580</u>
9.2 Available-for-sale securities							
Market Treasury Bills		537,656	-	537,656	4,754,303	-	4,754,303
Pakistan Investment Bonds		7,485,820	-	7,485,820	2,333,302	-	2,333,302
Units of open ended mutual funds		-	-	-	9,082	-	9,082
Ordinary shares and certificates - listed		90,085	-	90,085	75,530	-	75,530
Ordinary shares - unlisted		52,346	-	52,346	52,346	-	52,346
		<u>8,165,907</u>	<u>-</u>	<u>8,165,907</u>	<u>7,224,563</u>	<u>-</u>	<u>7,224,563</u>
9.3 Held-to-maturity securities							
Market Treasury Bills		-	-	-	59,200	-	59,200
Pakistan Investment Bonds		9,439,371	-	9,439,371	3,955,214	-	3,955,214
		<u>9,439,371</u>	<u>-</u>	<u>9,439,371</u>	<u>4,014,414</u>	<u>-</u>	<u>4,014,414</u>



10 ADVANCES - NET

		(Rupees in '000)	
		September 30, 2014	December 31, 2013
Loans, cash credits, running finances, etc.			
- In Pakistan		22,047,927	19,484,574
Net Investment in finance lease			
- In Pakistan		374,125	452,650
Bills discounted and purchased (excluding government treasury bills)			
- Payable in Pakistan		122,740	102,302
- Payable outside Pakistan		2,330	522,348
Advances gross		22,547,122	20,561,874
Less: Provision for loans and advances			
- Specific provision		(2,116,739)	(2,288,336)
- General provision	10.2	(3,935)	(4,142)
		(2,120,674)	(2,292,478)
		20,426,448	18,269,396

10.1 Advances include Rs 2,160.812 million (December 31, 2013: Rs. 2,340.626 million) which have been placed under non-performing status as detailed below:

		(Rupees in '000)			
		September 30, 2014			
Category of classification	Classified Advances		Total	Provision required	Provision held
	Domestic	Overseas			
Substandard	440	-	440	110	110
Doubtful	-	-	-	-	-
Loss	2,160,372	-	2,160,372	2,116,629	2,116,629
	2,160,812	-	2,160,812	2,116,739	2,116,739

		(Rupees in '000)			
		December 31, 2013			
Category of classification	Classified Advances		Total	Provision required	Provision held
	Domestic	Overseas			
Substandard	1,292	-	1,292	323	323
Doubtful	-	-	-	-	-
Loss	2,339,334	-	2,339,334	2,288,013	2,288,013
	2,340,626	-	2,340,626	2,288,336	2,288,336

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)	
Nine Months ended	
September 30, 2014	September 30, 2013
Additions during the period (at cost)	256,445
Disposals / write-offs during the period (at cost)	91,557
	23,001
	34,667

12 BORROWINGS FROM FINANCIAL INSTITUTION

(Rupees in '000)	
September 30, 2014	
September 30, 2014	December 31, 2013
Secured	
Borrowings from SBP under export refinance scheme	2,217,083
Borrowings from SBP under LTFF	2,430,431
Repurchase agreement borrowings	41,664
	492,968
	3,355,394
	2,965,063
Unsecured	
Call money borrowings	3,994,249
Bankers Equity Limited (under liquidation)	22,336
	22,336
	4,016,585
	2,987,399
	7,371,979

13 DEPOSITS AND OTHER ACCOUNTS

Customers	
Fixed deposits	14,742,583
Savings deposits	11,234,764
Current accounts - non-remunerative	5,539,739
Others - non-remunerative	55,570
	31,572,656
	24,388,590
Banks and Financial Institutions	
Remunerative deposits	456,107
Non-remunerative deposits	31,269
	72,482
	171,538
	487,376
	244,020
	32,060,032
	24,632,610

14 CONTINGENCIES AND COMMITMENTS

14.1 Direct credit substitutes	
Favouring government	-
Favouring Banks and other financial institutions	447,925
Favouring others	257,076
	705,001
	374,896
14.2 Transaction-related contingent liabilities / commitments	
Contingent liabilities in respect of performance bonds, bid bonds, warranties, etc. given favouring	
- Government	1,895,958
- Favouring Banks and other financial institutions	-
- Others	156,564
	2,052,522
	2,452,184
14.3 Trade-related contingent liabilities	
Favouring Banks and other financial institutions	-
Favouring others	6,140,870
	5,965,633
	6,140,870
	5,965,633
14.4 Other contingencies	
Claims against the Bank not acknowledged as debt	125,456
	156,590

14.4.1 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.



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. Additionally, tax department has raised demand of Rs. 29.052 million for the assessment years 2009, 2010 & 2011 on account of Federal Excise.

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. 1,101.176 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)

	September 30, 2014	December 31, 2013
Purchase	9,993,842	21,281,001
Sale	8,420,529	19,703,449

14.8 Capital Commitments

Commitments for capital expenditure as at September 30, 2014 amounted to Rs. 40.517 million (December 31, 2013: Rs. 34.583 million).

15 EARNINGS PER SHARE - Basic & Diluted

(Rupees in '000)

	Quarter ended		Nine Months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Profit after taxation attributable to ordinary shareholders	75,915	4,999	201,175	42,358
Weighted average number of shares outstanding during the period	1,008,238,648	808,238,648	943,037,183	808,238,648
Earnings per share - Basic & diluted	0.08	0.01	0.21	0.05

16 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 entered in the normal course of business. Remuneration to key management personnel is in accordance with employee agreements and services rules. These agreements also provide for 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 and Directors to be key management personnel.

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

(Rupees in '000)

	September 30, 2014			December 31, 2013		
	Key management personnel	Parent Company	Others	Key management personnel	Parent Company	Others
BALANCE OUTSTANDING - GROSS						
Advances						
At January 01	71,647	-	-	26,205	-	-
Given during the period / year	6,463	-	-	50,902	-	-
Repaid during the period / year	(7,899)	-	-	(5,460)	-	-
Adjustments	(10,626)	-	-	-	-	-
At September 30 / December 31	59,585	-	-	71,647	-	-
Deposits						
At January 01	79,639	-	3,104	118,733	-	6,851
Received during the period / year	855,805	-	156,352	1,060,216	-	318,771
Withdrawn during the period / year	(834,824)	-	(158,625)	(1,021,294)	-	(322,518)
Adjustments	(1,157)	-	-	(78,016)	-	-
At September 30 / December 31	99,463	-	831	79,639	-	3,104
Others						
Guarantees	-	-	-	-	15,385	-
Balances in nostro accounts	-	12,122	-	-	14,703	-
Sundry payable (including Group Shared Service cost)	-	223,361	-	-	310,576	-
Balances in vostro accounts	-	21,528	-	-	158,964	-

(Rupees in '000)

	September 30, 2014			September 30, 2013		
	Key management personnel	Parent Company	Others	Key management personnel	Parent Company	Others
Transactions for the period						
Remuneration and benefits*	134,920	-	-	122,809	-	-
Directors fee	8,077	-	-	4,830	-	-
Comission income on guarantees	-	50	-	-	403	-
Counter confirmation charges on guarantees	-	624	-	-	5,471	-
Mark-up / return / interest expensed	3,401	-	310	4,417	-	170
Mark-up / return / interest income	1,808	-	-	1,020	-	-
Group Services cost	-	84,247	-	-	68,314	-
Sale of government securities	33,065	-	17,100	-	-	96,533
Purchase of government securities	128,472	-	107,354	-	-	153,181
Purchase of Shares (number of shares)	2,593,500	-	-	6,459,000	-	-
Proceeds against issue of right shares	-	386,429	-	-	-	-

*This includes joining bonus to the CEO and the tax paid on his behalf.



Forex transactions during the period - Samba Financial Group

(Currency in '000)

For the period ended September 30, 2014				
CURRENCY	READY / SPOT / TOM		FORWARD	
	BUY	SELL	BUY	SELL
AED	3,050	-	-	-
CAD	20	-	-	-
CHF	90	-	-	-
EUR	5,455	2,616	4,360	950
GBP	3,080	2,925	3,270	410
JPY	149,810	-	-	-
SAR	10,250	10,000	10,000	-
SGD	25	-	-	-
USD	74,567	17,782	1,980	14,080

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

(Currency in '000)

As at September 30, 2014				
CURRENCY	READY / SPOT / TOM		FORWARD	
	BUY	SELL	BUY	SELL
EUR	-	-	300	-
GBP	-	-	150	150
SAR	-	-	-	-
USD	-	-	323	625

Forex transactions during the period - Samba Financial Group

(Currency in '000)

For the period ended September 30, 2013				
CURRENCY	READY / SPOT / TOM		FORWARD	
	BUY	SELL	BUY	SELL
AED	3,700	170	-	-
CAD	4,642	5,126	1,052	51
CHF	20	-	-	-
EUR	6,395	12,180	4,910	5,310
GBP	5,782	11,815	6,700	1,730
JPY	120,909	193,610	-	-
SAR	250	-	-	-
SEK	50	-	-	-
USD	90,477	24,090	9,715	17,874

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

(Currency in '000)

As at December 31, 2013				
CURRENCY	READY / SPOT / TOM		FORWARD	
	BUY	SELL	BUY	SELL
EUR	-	-	250	-
GBP	-	-	600	-
SAR	-	-	-	-
USD	-	-	-	1,320

17 BUSINESS SEGMENTS

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

Particulars	For the Nine months ended September 30, 2014				
	Corporate finance	Trading & sales	Retail banking	Commercial banking	Total
Total income (net of interest expense and provisions)	805	521,563	571,332	403,260	1,496,960
Total operating expenses	(9,946)	(104,083)	(806,820)	(262,641)	(1,183,490)
Net (loss) / profit (before tax)	(9,141)	417,480	(235,488)	140,619	313,470

Particulars	For the Nine months ended September 30, 2013				
	Corporate finance	Trading & sales	Retail banking	Commercial banking	Total
Total income (net of interest expense and provisions)	19,819	195,158	604,169	350,647	1,169,793
Total operating expenses	(11,120)	(89,868)	(813,985)	(217,786)	(1,132,759)
Net profit / (loss) (before tax)	8,699	105,290	(209,816)	132,861	37,034

Particulars	As at September 30, 2014				
	Corporate finance	Trading & sales	Retail banking	Commercial banking	Total
Segment assets	7,076	28,938,587	1,917,720	23,276,689	54,140,072
Segment non-performing loans	-	-	590,970	1,569,842	2,160,812
Segment provision held	-	(104,598)	(584,528)	(1,650,136)	(2,339,262)
Segment liabilities	308	4,713,630	27,916,490	8,453,659	41,084,087

Particulars	As at December 31, 2013				
	Corporate finance	Trading & sales	Retail banking	Commercial banking	Total
Segment assets	7,347	19,179,565	1,903,730	21,494,150	42,584,792
Segment non-performing loans	-	-	612,337	1,728,289	2,340,626
Segment provision held	-	(118,252)	(617,967)	(1,847,033)	(2,583,252)
Segment liabilities	55	882,879	22,578,649	6,408,779	29,870,362

18 GENERAL

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

18.2 Numbers as of and for the period ended September 30, 2014 and September 30, 2013, wherever used in this condensed interim financial information are unaudited numbers; however, numbers as of December 31, 2013 and for the period relating to 2013 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 October 27, 2014 by the Board of Directors of the bank.



President & Chief Executive Officer

Chairman

Director

Director