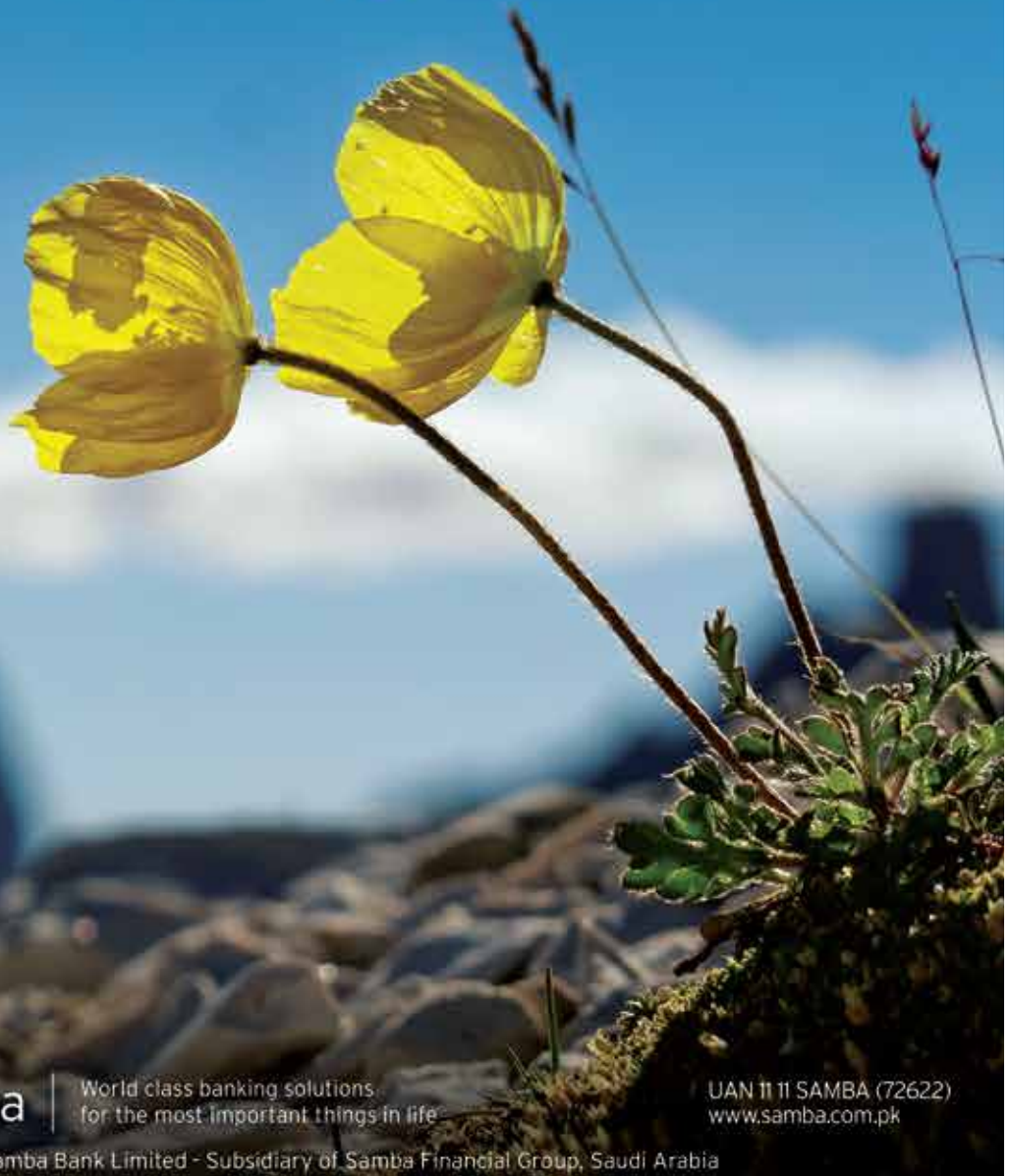


Samba Bank Limited

Quarterly Report |  
September 2019

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

samba bank  سامبا بینک

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# Our Branch Network

Currently, SBL has a network of 38 branches located in 11 major cities across the country.

## Karachi

Fountain, Saddar  
Rashid Minhas  
Hyderi  
SMCHS  
Bahria I  
DHA Phase VI  
Shahra-e-Faisal  
Gulshan  
Clifton  
Bahadurabad  
Ittehad  
Saba Avenue  
Tauheed Commercial

## Lahore

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

## Islamabad

Jinnah Avenue  
F-11  
F-7  
DHA Phase II

## Rawalpindi

Murree Road  
Bahria Town  
Wah Cantt.

## Gujranwala

G.T. Road

## Faisalabad

Liaquat Road

## Multan

Nusrat Road

## Sialkot

Paris Road

## Peshawar

Islamia Road

## AJK - BAGH

Bagh

## Quetta

M.A. Jinnah Road



# Company Information

## Board of Directors

Dr. Shujaat Nadeem	Chairman / Non-Executive Director
Mr. Shahid Sattar	President & CEO / Executive Director
Mr. Arjumand Ahmed Minai*	Independent Director
Mr. Aiman Gusti	Non-Executive Director
Hafiz Mohammad Yousaf	Independent Director
Mr. Humayun Murad	Non-Executive Director
Ms. Ranya Nashar	Non-Executive Director
Mr. Timour Pasha	Non-Executive Director

## Board Audit Committee

Mr. Arjumand Ahmed Minai	Chairman
Mr. Aiman Gusti*	Member
Hafiz Mohammad Yousaf	Member

## Board Risk Committee

Mr. Timour Pasha	Chairman
Mr. Aiman Gusti*	Member
Mr. Humayun Murad	Member
Mr. Shahid Sattar	Member

## Board Nomination & Remuneration Committee

Hafiz Mohammad Yousaf	Chairman
Mr. Humayun Murad*	Member
Ms. Ranya Nashar	Member

## Board IT Committee

Dr. Shujaat Nadeem	Chairman
Mr. Aiman Gusti*	Member
Hafiz Mohammad Yousaf	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

Arif Habib Centre Plot No. 23, Ground floor  
M.T Khan Road Karachi - Pakistan

## Registered Office

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

## Share Registrar

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

## Website

[www.samba.com.pk](http://www.samba.com.pk)

## Help Line

(+92-21) 11 11 SAMBA (72622)

## Credit Rating by JCR-VIS

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

\* Names are in alphabetical order

# Directors' Report

On behalf of the Board of Directors, we are pleased to present the financial results of the Bank for the nine months ended September 30, 2019.

## Economic Highlights

Stabilization policies undertaken by the incumbent government during the last one year have started yielding results. Measures taken for demand compression in the form of hike in the interest rates and currency devaluation have resulted in curtailing the Current Account Deficit (CAD) to USD 13.5 billion in FY2019 from USD 19.9 billion in FY2018. Further, CAD has dropped significantly by 55% to USD 1.3 billion during 2MFY2020 versus USD 2.9 billion last year. However, the contractionary measures have resulted in slow down of economic activities as reflected by 3.3% reduction in the Large Scale Manufacturing (LSM) in July 2019. The taxation measures on wholesale & retail sector with the objective to bring it under the tax net is also impacting the business activities.

## Financial Results and Overview

Keeping in view the prevalent macroeconomic indicators, the Bank focused on effective utilization of its resources and managed to post the following results:

	Rupees (million)	
	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Profit before taxation	915	890
Taxation	396	340
Profit after taxation	519	550
Earnings per share - (Rupee)	0.51	0.55

	Rupees (million)	
	September 30, 2019	December 31, 2018
Total assets	135,095	122,765
Lending to Financial Institutions	50	9,449
Investments - net	60,697	48,021
Advances - net	58,360	53,592
Deposits	67,673	65,225
Paid-up capital & reserves	13,683	13,164
Deficit on revaluation of assets - net of tax	(178)	(380)

The Bank is focused on right sizing the balance sheet with appropriate mix of earning assets and low cost borrowings and deposits. During the period under review, on assets side, net advances increased by PKR 4.77bn, lending to financial institutions decreased by PKR 9.4bn and investments increased by 26% primarily representing increase in federal government securities. On liabilities side, a healthy 4% increase in deposits book was recorded over December 31, 2018, whereas borrowings from financial institutions increased by PKR 6.97 bn. Despite increase in policy rate during the period under review by 3.25%, the cost of deposit increased only by 2.38%.

The Profit Before Tax (PBT) during the nine months ended 30 September 2019 increased by 3% as compared to the similar period last year. The operating profit of the Bank before provisions has witnessed a significant increase of 57% over the corresponding period last year which is primarily attributable to the increase in net markup income by 32%. Despite inflationary pressures, the overall operating expenses remained in control and increased by only 9% during the nine months under review over the similar period last year. Though the Bank has managed to improve its pre-tax profitability by 3%, the charge of PKR 67.9 mln was booked on account of 'Super Tax' both for current year as well as for the tax year 2018 during the period under review. This has resulted in a reduction of post-tax profit by 5.64% over the similar period last year. The overall Profit After Tax for the period under review was at PKR 519 mln as compared to PKR 550 mln for the similar period last year.

#### **Credit Rating**

VIS Credit Rating Company Limited, a premier credit rating agency, has reaffirmed SBL's medium to long-term credit rating at AA (Double A) and the short-term rating at A-1 (A-One). The outlook on the assigned ratings has also been regarded as '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**

After entry into the IMF program in FY2020, the Government's focus has shifted to relatively cheaper sources of external financing i.e. multilateral agencies such as the World Bank, Asian Development Bank and Islamic Development Bank. This will also facilitate access to international capital markets via Euro Bonds and Foreign Portfolio Investment. The trajectory of CPI has softened and the inflation is expected to peak at around 12%. Drop in inflation in the next twelve months is likely to result in the monetary softening in form of policy rate cuts to revive manufacturing sector and increase economic activities.

The Bank would continue to take effective measures for growth, keeping its core focus on steadily building up its earning assets; effectively managing the associated risks; and reduce its cost of funds through continued improvement in its deposit mix. This would be facilitated by delivery of world class banking services to the Bank's valued customers.

#### **Acknowledgment**

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

On behalf of the Board of Directors,

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**Shahid Sattar**  
President & Chief Executive Officer

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**Humayun Murad**  
Director

October 23, 2019  
Karachi

منافع قبل از ٹیکس میں 30 ستمبر 2019 کو اختتام پذیر نو ماہ کے عرصے کے دوران گزشتہ سال کی تقابلی مدت کی نسبت 3 فیصد کا اضافہ ہوا۔ اخراجات (پروویژن) کے تعین سے پہلے بینک کے کاروباری منافع میں پچھلے سال کے اسی عرصے کے مقابلے میں 57 فیصد کا نمایاں اضافہ دیکھا گیا، جس کے بنیادی عوامل میں خالص مارک آپ آمدنی میں 32 فیصد کا اضافہ شامل ہے۔ افراط زر کے دباؤ کے باوجود بینک اپنے مجموعی کاروباری اخراجات کو قابو میں رکھنے میں کامیاب رہا اور ان میں اس نو ماہ کے زیر نظر عرصے میں گزشتہ سال کی اسی مدت کی نسبت محض 9 فیصد کا اضافہ ریکارڈ کیا گیا۔ اگرچہ بینک نے اپنی قبل از ٹیکس منفعت میں 3 فیصد کی بہتری حاصل کی ہے، تاہم اس زیر تجزیہ عرصے کے دوران، رواں سال اور ٹیکس سال میں 2018 دونوں کے لیے 67.9 ملین روپے کے سٹریٹس کے اخراجات کا تعین کیا گیا ہے۔ اس کی وجہ سے بینک کے بعد از ٹیکس منافع میں گزشتہ سال کے تقابلی عرصے کی نسبت 5.64 فیصد کمی ہوئی۔ اس زیر تجزیہ عرصے کے دوران مجموعی بعد از ٹیکس منافع گزشتہ سال کے تقابلی عرصے کی 550 ملین روپے کی سطح کی نسبت 519 ملین روپے درج کیا گیا۔

## کریڈٹ ریٹنگ

وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ، جو کہ ایک معروف کریڈٹ ریٹنگ ایجنسی ہے، نے بینک کی درمیانی سے طویل مدت تک کی درجہ بندی کو کوڈیل اے (AA) کی سطح پر اور قلیل المدتی درجہ بندی کو اے ون (A-1) کی سطح پر برقرار رکھا ہے۔ ان درجہ بندیوں سے متعلقہ آئندہ امکانات میں بھی استحکام کی پیش بینی کی گئی ہے۔ یہ طویل اور قلیل المدتی درجہ بندیاں بینک کے اعلیٰ قرضہ جاتی معیار اور اس کے ساتھ اس کے مناسب محافظت کے عوامل اور اپنی مضبوط سیال پذیری (لیکوئیڈٹی) کی بدولت اپنی تمام تر مالیاتی ذمہ داریوں کی بروقت ادائیگی کی ٹھوس صلاحیت کی مظہر ہیں۔

## مستقبل کی پیش بینی (نقطہ نظر)

مالی سال 2020 کے دوران آئی ایم ایف کے پروگرام میں شمولیت کے بعد حکومت کی نگاہ قدرے کم لاگت کے بیرونی قرضوں کے حصول کے ذرائع پر ہے جن میں کثیر الاطراف ایجنسیاں (ادارے) جن میں عالمی بینک، ایشین ڈیولپمنٹ بینک اور اسلامک ڈیولپمنٹ بینک شامل ہیں۔ اس سے عالمی سرمائے کی مارکیٹ تک پورا بانڈ ز اور غیر ملکی پورٹ فولیوسر مایہ کاری کے ذریعے رسائی میں بھی مدد حاصل ہوگی۔ سی پی آئی (CPI) کی خط حرکت میں نسبتاً نرمی آئی ہے اور افراط زر کے 12 فیصد کے لگ بھگ رہنے کی توقع ہے۔ اگلے بارہ مہینوں کے دوران افراط زر میں متوقع کمی کے باعث صنعتی شعبے کے فروغ اور معاشی سرگرمیوں میں اضافے کے لیے مالیاتی نظام میں پالیسی ریٹ میں کٹوتی کی شکل میں سہولت مہیا کیے جانے کا امکان ہے۔

بینک ترقی کی نئی راہوں کے تعین کے ساتھ اثاثہ جات میں بتدریج اضافے کے لیے مؤثر اقدامات کا سلسلہ جاری رکھے گا جس کے ساتھ اپنے پیداواری اثاثہ جات کی مستعدی پر خصوصی ارتکاز، ان سے متعلقہ خدشات سے مناسب طور پر نمٹنے اور ڈیپازٹس کی ترکیب میں جاری بہتری کے ساتھ اپنی لاگت کم کرنے کے ذریعے، اپنی ترقی و نمو کے تمام ضروری اقدامات کو جاری رکھے گا۔ یہ عمل بینک کے معزز صارفین کو دنیا کی بہترین بینکاری کی خدمات مہیا کرنے سے زیادہ سہولت اختیار کرے گا۔

## اظہار تشکر

ہم اپنے صارفین و کاروباری شراکت داران اور حصص یافتگان کے، ان کے اعتماد اور خلوص پر نہایت مشکور ہیں۔ بورڈ آف ڈائریکٹرز اور بینک کی انتظامیہ بینک دولت پاکستان اور دیگر ضوابطی اداروں کی، ان کی رہنمائی اور تعاون پر شکر گزار ہے۔ اس کے علاوہ ہم اپنے بینک کے تمام ملازمین کی تہہ دل سے حوصلہ افزائی کرتے ہیں جن کی لگن، عزم اور ٹیم ورک نے بینک کو ایک کامیاب ادارے میں تبدیل کر دیا ہے۔

## بورڈ آف ڈائریکٹرز کی جانب سے

ہمایوں مراد  
ڈائریکٹر

شاہد ستار  
پریزیڈنٹ اور چیف ایگزیکٹو آفیسر  
23 اکتوبر 2019  
کراچی

# ڈائریکٹرز کی رپورٹ

ہم بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2019 کو اختتام پذیر نو ماہی مدت کے مالیاتی نتائج پیش کرتے ہوئے نہایت مسرت محسوس کر رہے ہیں۔

## معاشی جائزہ

موجودہ حکومت کی جانب سے گزشتہ ایک سال کے دوران معاشی استحکام کے لیے اٹھائے گئے اقدامات کے ثمرات نظر آنا شروع ہو گئے ہیں۔ شرح سود میں اضافہ اور روپے کی قدر میں تنزلی کے ذریعے طلب کو محدود کرنے کے اقدامات کے نتیجے میں کرنٹ اکاؤنٹ کا خسارہ مالی سال 2018 کے 19.9 بلین امریکی ڈالر کے حجم سے کم ہو کر مالی سال 2019 میں 13.5 بلین امریکی ڈالر تک درج کیا گیا۔ مزید برآں، کرنٹ اکاؤنٹ کا خسارہ مالی سال 2020 کے دو ماہ میں 55 فیصد کی نمایاں کمی کے ساتھ گزشتہ سال کے 2.9 بلین امریکی ڈالر کی نسبت 1.3 بلین امریکی ڈالر پر جا پہنچا۔ تاہم ان اختصاری اقدامات کی بدولت معاشی سرگرمیاں بھی سست روی کا شکار ہوئیں جن کا اظہار جولائی 2019 میں بڑے پیمانے کی صنعت میں 3.3 فیصد کمی کی صورت میں ہوا ہے۔ تھوک اور خوردہ فروشی کوٹیکس کے دائرہ کار میں لانے کے لیے اٹھائے گئے کڑے اقدامات سے بھی کاروباری سرگرمیاں متاثر ہوئیں۔

## مالیاتی نتائج اور جائزہ

مروجہ معاشی اشاروں کے تناظر میں بینک نے اپنے ذرائع کے موزوں اور بہترین استعمال سے مندرجہ ذیل نتائج حاصل کیے:

روپے (ملین میں)

نوامبر 2018	نوامبر 2019
890	915
340	396
550	519
0.55	0.51

منافع قبل از محصولات (ٹیکسیشن)  
محصولات  
منافع بعد از محصولات  
آمدنی فی حصص (روپیہ)

روپے (ملین میں)

31 دسمبر 2018	30 ستمبر 2019
122,765	135,095
9,449	50
48,021	60,697
53,592	58,360
65,225	67,673
13,164	13,683
(380)	(178)

کل اثاثہ جات  
مالیاتی اداروں کو قرضہ جات  
سرمایہ کاری۔ خالص  
قرضہ جات۔ خالص  
ڈیپازٹس  
اداشدہ سرمایہ کاری کے ذخائر  
اثاثہ جات کی ریویلویشن پر خسارہ۔ بعد از محصولات

بینک اپنے پیداواری اثاثہ جات کی مناسب ترکیب اور کم لاگت کے قرضوں اور ڈیپازٹس کے ساتھ اپنے میزانیے کو درست خطوط میں ڈھالنے پر اپنی توجہ مرکوز کیے ہوئے ہے۔ اس زیر تجزیہ عرصے کے دوران اثاثہ جات کے حوالے سے خالص قرضہ جات میں 4.77 بلین روپے کا اضافہ ہوا، مالیاتی اداروں کو فراہم کیے گئے قرضہ جات میں 9.4 بلین روپے کی کمی ہوئی اور سرمایہ کاری میں 26 فیصد اضافہ ہوا جس کی بنیادی وجہ وفاقی حکومت کی تسکات میں اضافہ رہا۔ واجبات کی مدد میں ڈیپازٹس کے حجم میں 31 دسمبر 2018 کی نسبت 4 فیصد کمی حاصل ہوئی، جبکہ مالیاتی اداروں سے حاصل کیے گئے قرضہ جات میں 6.97 بلین روپے کا اضافہ درج کیا گیا۔ اس زیر جائزہ عرصے کے دوران پالیسی ریٹ میں 3.25 فیصد کے اضافے کے باوجود ڈیپازٹس کی لاگت میں محض 2.38 فیصد اضافہ ہوا۔

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

		(Rupees in '000)	
		(Un-audited)	(Audited)
	Note	September 30, 2019	December 31, 2018
<b>ASSETS</b>			
Cash and balances with treasury banks	6	5,825,117	5,154,790
Balances with other banks	7	1,679,122	496,174
Lendings to financial institutions	8	50,221	9,449,244
Investments - net	9	60,697,247	48,021,370
Advances - net	10	58,359,721	53,592,255
Fixed assets	11	2,316,879	1,064,563
Intangible assets	12	112,859	120,648
Deferred tax assets - net	13	602,983	700,767
Other assets - net	14	5,450,760	4,164,776
		135,094,909	122,764,587
<b>LIABILITIES</b>			
Bills payable	15	1,281,289	877,017
Borrowings	16	46,753,838	39,780,603
Deposits and other accounts	17	67,673,430	65,225,052
Liabilities against assets subject to finance lease		-	-
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	18	5,881,741	4,098,160
		121,590,298	109,980,832
<b>NET ASSETS</b>		<b>13,504,611</b>	<b>12,783,755</b>
<b>REPRESENTED BY:</b>			
Share capital		10,082,387	10,082,387
Reserves		795,817	691,997
Deficit on revaluation of assets	19	(178,266)	(380,015)
Unappropriated profit		2,804,673	2,389,386
		13,504,611	12,783,755
<b>CONTINGENCIES AND COMMITMENTS</b>	20		

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

Chief Financial Officer

President & Chief Executive Officer

Chairman

Director

Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2019

(Rupees in '000)

	Quarter ended		Nine Months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Profit after taxation for the period	159,325	109,323	519,107	549,724
Other comprehensive income / (loss)				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of investments - net of tax	167,794	(96,716)	201,749	(431,866)
<b>Total comprehensive income</b>	<b>327,119</b>	<b>12,607</b>	<b>720,856</b>	<b>117,858</b>

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

Chief Financial Officer

President & Chief Executive Officer

Chairman

Director

Director

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

(Rupees in '000)

	Nine Months ended	
	September 30, 2019	September 30, 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	915,051	890,196
Less: Dividend income	(38,999)	(27,097)
	876,052	863,099
<b>Adjustments:</b>		
Depreciation	274,284	125,839
Amortisation of intangible assets	25,165	25,958
Provision and write-offs	251,154	(146,530)
Gain on sale of fixed assets	(968)	(196)
Interest expensed on lease liability against right of use assets	120,081	-
Gain on sale of investments - net	(12,730)	(215,661)
Unrealized (gain) on revaluation of investments classified as held for trading	(124)	(25)
Recoveries against debts written-off	357	1,706
	657,219	(208,909)
	1,533,271	654,190
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	9,399,023	(6,277,521)
Investments - held for trading securities	6,042,418	1,491,497
Advances	(4,862,899)	(8,117,751)
Others assets (excluding advance taxation)	(1,489,688)	797,749
	9,088,854	(12,106,026)
<b>Increase / (decrease) in operating liabilities</b>		
Bills Payable	404,272	(11,454)
Borrowings from financial institutions	6,973,235	(14,745,254)
Deposits and other accounts	2,448,378	7,817,688
Other liabilities (excluding current taxation)	546,424	(579,329)
	10,372,309	(7,518,349)
Income tax paid	(298,595)	(4,426)
Net cash flow generated from / (used in) operating activities	20,695,839	(18,974,611)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available for sale and held to maturity securities	(18,551,430)	20,565,004
Dividends received	36,386	28,347
Investments in fixed assets and intangible assets	(134,987)	(106,304)
Proceeds from sale of fixed assets	1,791	4,355
Net cash flow from / (used in) investing activities	(18,648,240)	20,491,402
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payments under lease agreements	(194,324)	-
<b>Increase in cash and cash equivalents during the period</b>	1,853,275	1,516,791
Cash and cash equivalents at beginning of the period	5,650,964	4,015,131
<b>Cash and cash equivalents at end of the period</b>	7,504,239	5,531,922

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

Chief Financial Officer

President & Chief Executive Officer

Chairman

Director

Director

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

(Rupees in '000)

	Share capital	Capital reserve	Statutory reserve	Surplus / (deficit) on revaluation of investments	Unappropriated profit	Total
<b>Balance as at December 31, 2017</b>	10,082,387	20,935	534,516	227,153	1,843,203	12,708,194
<b>Comprehensive income for the period</b>						
Profit after taxation for the nine months ended September 30, 2018	-	-	-	-	549,724	549,724
<b>Other comprehensive loss</b>						
Movement in deficit on revaluation of investments - net of tax	-	-	-	(431,866)	-	(431,866)
Transfer to statutory reserve	-	-	109,945	-	(109,945)	-
<b>Balance as at September 30, 2018</b>	10,082,387	20,935	644,461	(204,713)	2,282,982	12,826,052
<b>Comprehensive income for the period</b>						
Profit after taxation for the three months ended December 31, 2018	-	-	-	-	133,005	133,005
<b>Other comprehensive loss</b>						
Movement in deficit on revaluation of investments - net of tax	-	-	-	(175,302)	-	(175,302)
Transfer to statutory reserve	-	-	26,601	-	(26,601)	-
<b>Balance as at December 31, 2018</b>	10,082,387	20,935	671,062	(380,015)	2,389,386	12,783,755
<b>Comprehensive income for the period</b>						
Profit after taxation for the nine month ended September 30, 2019	-	-	-	-	519,107	519,107
<b>Other comprehensive income</b>						
Movement in surplus on revaluation of investments - net of tax	-	-	-	201,749	-	201,749
Transfer to statutory reserve	-	-	103,820	-	(103,820)	-
<b>Balance as at September 30, 2019</b>	10,082,387	20,935	774,882	(178,266)	2,804,673	13,504,611

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

Chief Financial Officer

President & Chief Executive Officer

Chairman

Director

Director

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

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

## 1 STATUS AND NATURE OF BUSINESS

- 1.1 Samba Bank Limited (the Bank) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank is listed on the Pakistan Stock Exchange Limited. Its principal office is located at Ground Floor, Arif Habib Centre, M.T. Khan Road, Karachi, whereas, the registered office of the Bank is located at 2nd floor, Building No. 13-T, F-7 Markaz, near Post Mall, Islamabad. The Bank is a subsidiary of SAMBA Financial Group of Saudi Arabia, which holds 84.51% shares of the Bank as at September 30, 2019 (December 31, 2018: 84.51%). The Bank operates 38 branches (December 31, 2018: 37 branches) inside Pakistan.
- 1.2 JCR-VIS has determined the Bank's medium to long-term rating as 'AA' with stable outlook and the short-term rating as 'A-1'.

## 2 BASIS OF PRESENTATION

### 2.1 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. These accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

- 2.2 The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and International Accounting Standard (IAS) 34, Interim Financial Reporting. These condensed interim financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2018.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended December 31, 2018 except as disclosed in note 3.1.

### 3.1 Changes in accounting policies

- 3.1.1 The SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 has amended the format of condensed interim financial statements of banks in order to align it with the annual financial statements, issued vide BPRD Circular No. 2 of 2018. All banks have been directed to prepare their quarterly and half yearly condensed interim financial statements on the revised format effective from the accounting year beginning on January 1, 2019. Accordingly, the Bank has prepared these condensed interim financial statements on the new format prescribed by the SBP. The amended format introduced certain new disclosures and has resulted in certain changes which are summarized in note 35.1 to these condensed interim financial statements.
- 3.1.2 During the period, IFRS 16 - Leases, became applicable to the banks. IFRS 16 replaces existing guidance on accounting for leases, including IAS 17, Leases, IFRIC 4, Determining whether an Arrangement contains a Lease, SIC-15, Operating Leases- Incentive, and SIC-27, Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 introduces an on balance sheet lease accounting model for leases entered by the lessees. A lessee recognizes a right-of-use asset representing its right of using the underlying asset and a corresponding lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the previous standard i.e. lessors continue to classify leases as either finance or operating leases.

The Bank has adopted IFRS 16 from January 1, 2019, and has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard.

On adoption of IFRS 16, the Bank has recognised liabilities in respect of leases which had previously been classified as operating leases under IAS 17. These liabilities were initially measured as the present value of the remaining lease payments, discounted using the Bank's incremental weighted average borrowing rate of 12.85% per annum as of January 1, 2019. The lease liability is subsequently measured at amortised cost using the effective interest rate method.

(Rupees in '000)

	September 30, 2019	January 01, 2019
Total lease liability recognised:	1,184,206	1,248,506

On adoption of IFRS 16, the associated right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of prepaid lease payments recognised in the statement of financial position immediately before the date of initial application.

The right-of-use assets recognised subsequent to the adoption are measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use assets are depreciated on a straight line basis over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use assets are reduced by impairment losses, if any, and adjusted for certain remeasurements of lease liability.

(Rupees in '000)

	September 30, 2019	January 01, 2019
The recognised right-of-use assets relate to the following type of assets:		
Property	1,231,201	1,380,241
The effect of this change in accounting policy is as follows:		
<b>Impact on Statement of Financial Position</b>		
Increase in fixed assets - right-of-use assets	1,231,201	1,380,241
Decrease in other assets - advances, deposits, advance rent and other prepayments	(113,197)	(131,735)
Increase in other assets - advance taxation	25,819	-
	1,143,823	1,248,506
Increase in other liabilities - lease liability against right-of-use assets	(1,184,206)	(1,248,506)
Decrease in net assets	(40,383)	-

(Rupees in '000)

	For the nine months ended September 30, 2019
<b>Impact on Profit and Loss account</b>	
Increase in mark-up expense - lease liability against right-of-use assets	(120,081)
(Increase) / decrease in operating expenses:	
- Depreciation on right-of-use Assets	(158,983)
- Rent and taxes	212,862
Decrease in profit before taxation	(66,202)
Decrease in taxation	25,819
Decrease in profit after taxation	(40,383)

Earnings per share for the nine months ended September 30, 2019 are Rupee 0.04 per share lower as a result of the adoption of IFRS 16.

While implementing IFRS 16, the Bank has used a single discount rate methodology for a portfolio of leases with similar characteristics.

### 3.2 Standards, amendments and interpretations to approved accounting standards that are effective in the current period

IFRS 16, the accounting standard for leases, became effective for annual reporting periods commencing on or after January 1, 2019. The impact of the adoption of IFRS 16 on the Bank's condensed interim financial statements is disclosed in note 3.1.2.

In addition, there are certain other new standards and interpretations of and amendments to existing accounting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2019. These are considered as either not relevant or do not have any significant impact on the Bank's condensed interim financial statements.

### 3.3 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following new standards and amendments to existing accounting standards will be effective from the dates mentioned below against the respective standard or amendment:

	Effective date (periods beginning on or after)
- IFRS 3, Business Combinations (Amendments)	January 1, 2020
- IAS 1, Presentation of Financial Statements (Amendments)	January 1, 2020
- IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2020
	Effective date (periods beginning on or after)
- IFRS 9, Financial Instruments (note 3.3.1)	June 30, 2019

- 3.3.1 The SECP, through SRO 229(I)/2019 dated February 14, 2019, has notified that IFRS 9, Financial Instruments, is applicable for accounting periods ending on or after June 30, 2019. The SBP vide BPRD Circular No. 4 dated October 23, 2019 has deferred the applicability of IFRS 9 till January 01, 2021. Accordingly requirement of this standard have not been considered while preparing these condensed interim financial statements.

IFRS 9: 'Financial Instruments' addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on an 'expected credit losses' (ECL) approach rather than the 'incurred credit losses' approach. The ECL has impact on all assets of the Bank which are exposed to credit risk. The Bank is in the process of assessing the full impact of this standard.

The Bank expects that adoption of the remaining interpretations and amendments will not affect its financial statements in the period of initial application.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements is the same as that applied in the preparation of the annual financial statements for the year ended December 31, 2018.

## 5 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, 2018.

**6 CASH AND BALANCES WITH TREASURY BANKS**

(Rupees in '000)

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
<b>In hand</b>		
Local currency	846,494	446,171
Foreign currency	246,781	307,479
	1,093,275	753,650
<b>With State Bank of Pakistan in</b>		
Local currency current account	1,900,932	2,901,468
Foreign currency current account (USD settlement account)	3,127	5,204
Foreign currency current account (cash reserve account)	703,801	371,317
Foreign currency deposit account (special cash reserve account)	2,111,402	1,113,950
	4,719,262	4,391,939
<b>With National Bank of Pakistan in</b>		
Local currency current account	3,438	8,957
<b>National Prize Bonds</b>	9,142	244
	5,825,117	5,154,790
<b>7 BALANCES WITH OTHER BANKS</b>		
<b>In Pakistan</b>		
In current account	23,254	42,327
In deposit account	16	15
	23,270	42,342
<b>Outside Pakistan</b>		
In current account	1,655,852	453,832
	1,679,122	496,174
<b>8 LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Repurchase agreement lendings(Reverse Repo)	50,221	9,449,244
Less: Provision held against Lending to Financial Institutions	-	-
Lending to Financial Institutions - net of provision	50,221	9,449,244

## 9 INVESTMENTS - NET

### 9.1 Investments by type

(Rupees in '000)

	September 30, 2019 (Un-audited)				December 31, 2018 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
<b>Held for trading securities</b>								
Federal Government Securities	-	-	-	-	6,044,128	-	1,723	6,045,851
Shares	3,433	-	124	3,557	-	-	-	-
	3,433	-	124	3,557	6,044,128	-	1,723	6,045,851
<b>Available for sale securities</b>								
Federal Government Securities	53,432,124	-	(98,902)	53,333,222	34,518,518	-	(508,329)	34,010,189
Shares	1,435,882	(274,218)	(147,374)	1,014,290	1,075,942	(117,846)	(94,852)	863,244
Non Government Debt Securities	2,001,694	-	(27,979)	1,973,715	2,164,982	-	18,543	2,183,525
	56,869,700	(274,218)	(274,255)	56,321,227	37,759,442	(117,846)	(584,638)	37,056,958
<b>Held to maturity securities</b>								
Federal Government Securities	4,372,463	-	-	4,372,463	4,918,561	-	-	4,918,561
<b>Total Investments</b>	<b>61,245,596</b>	<b>(274,218)</b>	<b>(274,131)</b>	<b>60,697,247</b>	<b>48,722,131</b>	<b>(117,846)</b>	<b>(582,915)</b>	<b>48,021,370</b>

#### 9.1.1 Investments given as collateral

(Rupees in '000)

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
Market Treasury Bills	9,231,703	15,335,698
Pakistan Investment Bonds	25,701,294	8,562,578
	34,932,997	23,898,276

#### 9.2 Provision for diminution in value of investments

(Rupees in '000)

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
Opening balance	117,846	17,920
Charge / reversals		
Charge for the period / year	156,372	100,060
Reversal on disposals	-	(134)
	156,372	99,926
Closing Balance	274,218	117,846

9.2.1 No provision was booked against investment in debt securities as at September 30, 2019 (December 31, 2018: Nil).

9.2.2 The market value of securities classified as held-to-maturity as at September 30, 2019 amounted to Rs. 4,001 million (December 31, 2018: Rs. 4,447 million).

## 10 ADVANCES - NET

(Rupees in '000)

Note	Performing		Non Performing		Total	
	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
Loans, cash credits, running finances, etc.	56,596,677	52,801,469	2,436,629	2,376,735	59,033,306	55,178,204
Bills discounted and purchased	1,704,989	698,082	15,494	15,494	1,720,483	713,576
Advances - gross	58,301,666	53,499,551	2,452,123	2,392,229	60,753,789	55,891,780
Provision against advances						
- Specific	-	-	(2,333,563)	(2,249,583)	(2,333,563)	(2,249,583)
- General	(60,505)	(49,942)	-	-	(60,505)	(49,942)
	(60,505)	(49,942)	(2,333,563)	(2,249,583)	(2,394,068)	(2,299,525)
Advances - net of provision	58,241,161	53,449,609	118,560	142,646	58,359,721	53,592,255

### 10.1 Particulars of advances (Gross)

(Rupees in '000)

Note	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
In local currency	60,659,511	52,574,145
In foreign currencies	94,278	3,317,635
	60,753,789	55,891,780

10.2 Advances include Rs. 2,452.123 million (December 31, 2018 Rs. 2,392.229 million) which have been placed under non-performing status as detailed below:-

(Rupees in '000)

Category of Classification	September 30, 2019 (Un-audited)		December 31, 2018 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	22,753	5,688	219,399	108,541
Doubtful	214,971	145,192	-	-
Loss	2,214,399	2,182,683	2,172,830	2,141,042
	2,452,123	2,333,563	2,392,229	2,249,583

10.2.1 The Bank has not extended any loans or advances overseas.

### 10.3 Particulars of provision against advances

(Rupees in '000)

	September 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	Specific	General	Total	Specific	General	Total
Opening balance	2,249,583	49,942	2,299,525	2,303,292	17,495	2,320,787
Charge for the period / year	105,588	10,563	116,151	238,972	32,447	271,419
Reversals	(21,163)	-	(21,163)	(288,827)	-	(288,827)
	84,425	10,563	94,988	(49,855)	32,447	(17,408)
Amounts written off	(445)	-	(445)	(3,854)	-	(3,854)
Closing balance	2,333,563	60,505	2,394,068	2,249,583	49,942	2,299,525

10.3.1 General provision as at September 30, 2019 includes provision of Rs. 60,505 million (December 31, 2018: Rs. 49,942 million) held against consumer finance portfolio as required by the Prudential Regulations issued by the State Bank of Pakistan.

10.3.2 No benefit of forced sale value of the collaterals held by the Bank has been taken while determining the provision against non performing loans as allowed under BSD circular No. 01 dated October 21, 2011.

## 11 FIXED ASSETS

		(Rupees in '000)	
	Note	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
Capital work-in-progress	11.1	79,667	60,620
Property and equipment	11.2	1,006,011	1,003,943
Right of use assets	3.1	1,231,201	-
		2,316,879	1,064,563
<b>11.1 Capital work-in-progress</b>			
Civil works		64,270	27,155
Equipment		-	2,609
Advances to suppliers		15,397	30,856
		79,667	60,620

### 11.2 Additions to fixed assets

		(Rupees in '000)	
		September 30, 2019 (Un-audited)	September 30, 2018 (Un-audited)
The following additions have been made to fixed assets during the period:			
Capital work-in-progress		68,589	26,881
<b>Property and equipment</b>			
Furniture and fixture		20,747	27,242
Electrical office and computer equipment		40,060	21,617
Vehicles		489	10,703
		61,296	59,562
Total		129,885	86,443
<b>11.3 Disposal of fixed assets</b>			
The net book value of fixed assets disposed off during the period is as follows:			
Furniture and fixture		161	2,149
Electrical office and computer equipment		130	8
Vehicles		531	4,113
Total		822	6,270

## 12 INTANGIBLE ASSETS

		(Rupees in '000)	
		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
Computer Software		101,465	107,305
Capital work-in-progress		11,394	13,343
		112,859	120,648

### 12.1 Additions to intangible assets

		(Rupees in '000)	
		September 30, 2019 (Un-audited)	September 30, 2018 (Un-audited)
The following additions have been made to intangible assets during the period:			
Capital work-in-progress		16,038	18,731
Directly purchased		8,693	1,130
Total		24,731	19,861

**13 DEFERRED TAX ASSETS - NET**

(Rupees in '000)

Note	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
<b>Deductible temporary differences on:</b>		
- Deficit on revaluation of investments	95,989	204,623
- Accelerated tax depreciation	31,400	27,601
- Provision against advances, off balance sheet etc.	552,733	545,107
	680,122	777,331
<b>Taxable Temporary Differences on</b>		
- Net investment in finance lease	(77,139)	(76,564)
	602,983	700,767
<b>14 OTHER ASSETS - NET</b>		
Income/ mark-up accrued in local currency	2,527,787	1,523,068
Income/ mark-up accrued in foreign currencies	4	72,969
Advances, deposits, advance rent and other prepayments	111,392	213,865
Advance taxation (payments less provisions)	-	74,874
Mark to market gain on forward foreign exchange contracts	1,918,706	858,235
Acceptances	837,670	1,384,384
Others	228,667	210,847
	5,624,226	4,338,242
Less: Provision held against other assets	(173,466)	(173,466)
Other assets (net of provision)	5,450,760	4,164,776
<b>14.1 Provision held against other assets</b>		
Fee, commission and other receivables	80,535	80,535
Fraud losses	92,931	92,931
	173,466	173,466
<b>15 BILLS PAYABLE</b>		
In Pakistan	1,281,289	877,017
<b>16 BORROWINGS</b>		
<b>Secured</b>		
Borrowings from State Bank of Pakistan		
Under export refinance scheme	2,565,500	2,875,000
Under long term financing facilities	1,773,458	1,111,696
	4,338,958	3,986,696
Bai muajjal borrowing	5,089,713	8,457,762
Repurchase agreement borrowings	29,435,156	20,325,109
<b>Total secured</b>	38,863,827	32,769,567
<b>Unsecured</b>		
Call borrowings	-	4,000,000
Bai muajjal borrowing	7,867,675	2,988,700
Bankers Equity Limited (under liquidation)	22,336	22,336
<b>Total unsecured</b>	7,890,011	7,011,036
	46,753,838	39,780,603

## 17 DEPOSITS AND OTHER ACCOUNTS

(Rupees in '000)

	Note	September 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
		In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
<b>Customers</b>							
Current deposits		10,017,731	4,352,406	14,370,137	12,770,433	3,511,613	16,282,046
Savings deposits		14,677,980	2,679,418	17,357,398	15,134,845	2,109,414	17,244,259
Term deposits		27,324,673	6,950,028	34,274,701	25,509,201	1,712,335	27,221,536
Others		378,092	-	378,092	282,499	-	282,499
		<u>52,398,476</u>	<u>13,981,852</u>	<u>66,380,328</u>	<u>53,696,978</u>	<u>7,333,362</u>	<u>61,030,340</u>
<b>Financial Institutions</b>							
Current deposits		57,014	-	57,014	293,869	-	293,869
Savings deposits		297,894	-	297,894	1,865,078	-	1,865,078
Term deposits		845,000	-	845,000	1,943,000	-	1,943,000
Others	17.1	93,194	-	93,194	92,765	-	92,765
		<u>1,293,102</u>	<u>-</u>	<u>1,293,102</u>	<u>4,194,712</u>	<u>-</u>	<u>4,194,712</u>
		<u>53,691,578</u>	<u>13,981,852</u>	<u>67,673,430</u>	<u>57,891,690</u>	<u>7,333,362</u>	<u>65,225,052</u>

17.1 This includes deposits amounting to Rs. 93.194 million (December 31, 2018: Rs. 92.74 million) from Samba Financial Group - a related party.

## 18 OTHER LIABILITIES

(Rupees in '000)

	Note	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
Mark-up / return / interest payable in local currency	18.2	1,605,021	1,039,338
Mark-up / return / interest payable in foreign currencies		33,953	9,496
Accrued expenses		485,838	486,435
Acceptances	14	837,670	1,384,384
Taxation (payments less provisions)		33,324	-
Unclaimed dividends		3,351	3,429
Mark to market loss on forward foreign exchange contracts		1,349,458	763,999
Provision against off-balance sheet obligations	18.1	172,746	172,746
Security deposits against lease		34,979	34,997
Lease liability against right of use assets	3.1.2	1,184,206	-
Others		141,195	203,336
		<u>5,881,741</u>	<u>4,098,160</u>
<b>18.1 Provision against off-balance sheet obligations</b>			
Opening balance		172,746	186,876
Reversals		-	(14,130)
		<u>172,746</u>	<u>172,746</u>
<b>18.2 The interest accrued on outstanding lease liability against right of use assets is disclosed in "Lease liability against right of use assets".</b>			
<b>19 DEFICIT ON REVALUATION OF ASSETS</b>			
Deficit on revaluation of			
- Available for sale securities	9.1	(274,255)	(584,638)
Deferred tax on deficit on revaluation of			
- Available for sale securities	13	95,989	204,623
		<u>(178,266)</u>	<u>(380,015)</u>

## 20 CONTINGENCIES AND COMMITMENTS

		(Rupees in '000)	
	Note	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
-Guarantees	20.1	6,162,238	5,265,382
-Commitments	20.2	149,770,350	54,645,121
-Other contingent liabilities	20.3	1,280,600	1,168,543
		<u>157,213,188</u>	<u>61,079,046</u>
<b>20.1 Guarantees:</b>			
Financial guarantees		1,581,752	17,772
Performance guarantees		4,250,879	4,116,102
Other guarantees		329,607	1,131,508
		<u>6,162,238</u>	<u>5,265,382</u>
<b>20.2 Commitments:</b>			
<b>Documentary credits and short-term trade-related transactions</b>			
- letters of credit		7,990,554	5,553,494
<b>Commitments in respect of:</b>			
- forward foreign exchange contracts	20.2.1	140,591,336	40,336,037
- forward government securities sale/ purchase transactions	20.2.2	912,759	6,043,511
- operating leases	20.2.3	-	2,462,369
<b>Commitments for acquisition of:</b>			
- operating fixed assets		35,550	8,842
- intangible assets		16,478	27,195
Other commitments	20.2.4	223,673	213,673
		<u>149,770,350</u>	<u>54,645,121</u>
<b>20.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		74,620,358	21,127,740
Sale		65,970,978	19,208,297
		<u>140,591,336</u>	<u>40,336,037</u>
<b>20.2.2 Commitments in respect of forward government securities transactions</b>			
Purchase		456,057	-
Sale		456,702	6,043,511
		<u>912,759</u>	<u>6,043,511</u>
<b>20.2.3 Commitments in respect of operating leases</b>			
Not later than one year		-	270,693
Later than one year and not later than five years		-	1,134,776
Later than five years		-	1,056,900
		<u>-</u>	<u>2,462,369</u>
These comprise of commitments in respect of leased premises that are under Bank's use. The amount of commitment has been worked out based on standard rental arrangements between the Bank and the lessors taking into account terms of these arrangements.			
<b>20.2.4 Other commitments</b>			
Claims against the Bank not acknowledged as debt		223,673	213,673
These represent various cases filed against the Bank for recovery of damages / settlement of deposit balances by various parties. Based on the legal advice, management believes that the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these financial statements.			
<b>20.3 Other contingent liabilities</b>	23.3.1	<u>1,280,600</u>	<u>1,168,543</u>

### 20.3.1 Contingencies in respect of taxation

The Income tax department has raised a demand of Rs. 426.787 million (December 31, 2018: 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, 2018: Rs. 645.337 million) for assessment years 1999-00, 2000-01 to assessment year 2002-03 and tax year 2006 on account of taxability of investment banks as banking companies and taxation of dividend income as normal banking income, and on account of lease rentals received or receivable, lease key money and certain other items. The aforementioned relates to pending assessments of the Bank and amalgamated entities namely Crescent Investment Bank Limited, Trust Investment Bank Limited and Pakistan Industrial Leasing Corporation. Tax department has also raised demand of Rs. 29.052 million (December 31, 2018: Rs. 29.052 million) for the assessment years 2009, 2010 & 2011 on account of Federal Excise Duty. Further, tax department has raised a demand of Rs. 28.110 million (December 31, 2018: Rs. 28.110 million) on account of monitoring of withholding taxes for the tax year 2015. Tax authorities have also issued orders under Sindh Sales Tax on Services Act, 2011 and Punjab Sales Tax on Services Act, 2012 thereby creating arbitrary aggregate demand amounting to Rs. 22.778 million (December 31, 2018: Rs. 22.778 million) for the years 2012 to 2017 and Rs. 128.536 million (December 31, 2018: Rs. NIL) for the year 2016 respectively.

Presently, the Bank is contesting these issues at various appellate forums. The disallowances in respect of a number of assessment years have been decided / set aside by various appellate authorities for re-assessment while the Bank's appeal in respect of the remaining assessment years are currently pending. Based on the professional advice received from tax advisors, the management is confident that the eventual outcome of the aforementioned matters will be in favor of the Bank. Accordingly, no provision has been made in these financial statements in respect of the above mentioned demands aggregating Rs. 1,280.60 million (December 31, 2018: Rs.1,168.543 million) raised by the income tax authorities.

### 21 MARK-UP / RETURN / INTEREST EARNED

(Rupees in '000)

Note	Nine Months ended September 30, 2019 (Un-audited)	Nine Months ended September 30, 2018 (Un-audited)
On:		
a) Loans and advances	5,093,652	2,605,025
b) Investments	3,182,536	2,598,267
c) Lendings to financial institutions	498,145	217,202
d) Balances with banks	17,323	7,458
	<u>8,791,656</u>	<u>5,427,952</u>
<b>22 MARK-UP / RETURN / INTEREST EXPENSED</b>		
Deposits	3,609,874	1,839,654
Borrowings	2,204,801	1,630,871
Cost of foreign currency swaps against foreign currency deposits / borrowings	457,151	42,822
	<u>6,271,826</u>	<u>3,513,347</u>
<b>23 FEE &amp; COMMISSION INCOME</b>		
Branch banking customer fees	30,993	21,066
Consumer finance related fees	14,195	12,283
Credit related fees	33,784	22,789
Investment banking fees	-	1,000
Commission on trade	61,342	48,706
Commission on guarantees	37,742	30,178
Commission on cash management	5,996	2,898
Commission on remittances including home remittances	35,485	25,153
Commission on bancassurance	23,140	27,826
Others	3,564	7,251
	<u>246,241</u>	<u>199,150</u>
<b>24 GAIN / (LOSS) ON SECURITIES</b>		
Realised	19,272	216,622
Unrealised - held for trading	124	25
	<u>19,396</u>	<u>216,647</u>
<b>24.1 Realised gain on:</b>		
Federal Government Securities	16,711	179,694
Shares	2,561	36,928
	<u>19,272</u>	<u>216,622</u>
<b>25 OTHER INCOME</b>		
Gain on sale of fixed assets - net	968	196
Others	32	109
	<u>1,000</u>	<u>305</u>

**26 OPERATING EXPENSES**

(Rupees in '000)

	Nine Months ended September 30, 2019 (Un-audited)	Nine Months ended September 30, 2018 (Un-audited)
<b>Total compensation expense</b>	1,017,909	941,451
<b>Property expense</b>		
Rent & taxes	20,772	172,415
Insurance	1,159	946
Utilities cost	50,650	46,223
Security (including guards)	33,830	31,434
Repair & maintenance (including janitorial charges)	38,060	23,109
Depreciation on owned fixed assets	5,709	5,672
Depreciation on right of use assets	158,983	-
	309,163	279,799
<b>Information technology expenses</b>		
Software maintenance	72,753	50,892
Hardware maintenance	35,362	25,825
Depreciation	29,208	35,870
Amortisation	25,165	25,958
Network charges	64,105	52,343
Insurance	648	642
	227,241	191,530
<b>Other operating expenses</b>		
Directors' fees and allowances	11,874	11,020
Legal & professional charges	8,202	11,034
Outsourced services costs	12,678	12,564
Travelling, conveyance and official entertainment	61,185	40,598
Charges paid to Central Depository Company & NIFT	12,376	8,483
Depreciation	80,384	84,297
Training & development	4,417	3,088
Postage & courier charges	6,998	6,319
Communication	4,555	6,983
Stationery & printing	26,850	21,362
Repair & maintenance	25,868	26,139
Insurance	27,338	9,609
Marketing, advertisement & publicity	27,536	9,621
Fee commission & brokerage paid	23,776	23,095
Donations	2,140	1,500
Auditors remuneration	5,584	4,983
Others	7,922	56,797
	349,683	337,492
	1,903,996	1,750,272
<b>27 OTHER CHARGES</b>		
Penalties imposed by State Bank of Pakistan	7,978	15,443

**28 (PROVISIONS) / REVERSAL & WRITE OFFS - NET**

(Rupees in '000)

	Note	Nine Months ended September 30, 2019 (Un-audited)	Nine Months ended September 30, 2018 (Un-audited)
Provision for diminution in the value of investments	9.2	(156,372)	(24,640)
Reversal / (provision) against loans and advances - net	10.3	(94,988)	157,445
Fixed assets written-off		-	(2,111)
Reversal of off balance sheet obligation		-	14,130
Bad debts written off directly		(151)	-
Recoveries against debts written-off		357	1,706
		(251,154)	146,530
<b>29 TAXATION</b>			
Current		(377,578)	(284,225)
Prior years	29.1	(29,215)	-
Deferred		10,849	(56,247)
		(395,944)	(340,472)

29.1 This includes super tax at the rate of 4% on taxable profit for Tax Year 2018 levied through Finance Supplementary (Second Amendment) Bill, 2019 laid down before the National Assembly of Pakistan on January 23, 2019.

### 30 EARNINGS PER SHARE - BASIC & DILUTED

	(Rupees in '000)	
	Nine months ended September 30, 2019 (Un-audited)	Nine months ended September 30, 2018 (Un-audited)
Profit for the period	519,107	549,724
	(Number of Shares)	
Weighted average number of ordinary shares	1,008,238,648	1,008,238,648
	(Rupee)	
Basic and diluted earnings per share	0.51	0.55

30.1 Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.

### 31 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at amortised cost. The fair value of unquoted equity securities, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt and equity securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

#### 31.1 Fair value of financial assets

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	(Rupees in '000)			
	September 30, 2019 (Un-audited)			
	Level 1	Level 2	Level 3	Total
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
Investments				
Federal Government Securities	-	53,333,222	-	53,333,222
Shares	1,017,847	-	-	1,017,847
Non-Government Debt Securities	-	1,973,715	-	1,973,715
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments				
Federal Government Securities	-	4,001,028	-	4,001,028
<b>Off-balance sheet financial instruments - measured at fair value</b>				
Forward purchase of foreign exchange	-	74,620,358	-	74,620,358
Forward sale of foreign exchange	-	65,970,978	-	65,970,978
Forward purchase of Government Securities	-	456,057	-	456,057
Forward sale of Government Securities	-	456,702	-	456,702

(Rupees in '000)

	December 31, 2018 (Audited)			
	Level 1	Level 2	Level 3	Total
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
Investments				
Federal Government Securities	-	40,056,040	-	40,056,040
Shares	853,244	-	-	853,244
Non-Government Debt Securities	-	2,183,525	-	2,183,525
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments				
Federal Government Securities	-	4,447,416	-	4,447,416
<b>Off-balance sheet financial instruments - measured at fair value</b>				
Forward purchase of foreign exchange	-	21,127,740	-	21,127,740
Forward sale of foreign exchange	-	19,208,297	-	19,208,297
Forward sale of Government Securities	-	6,043,511	-	6,043,511

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

#### Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3

Item	Valuation techniques and input used
Federal Government securities	The fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using the PKRV rates (Reuters page). These rates denote an average of quotes received from eight different pre-defined / approved dealers / brokers.
Non Government Debt Securities	The fair values of investment in term finance certificates and corporate sukus are valued on the basis of available closing quoted market prices.
Forward foreign exchange contracts	The fair value has been determined by interpolating the mid rates announced by the State Bank of Pakistan.
Forward contracts of Federal Government Securities	The fair values of forward exchange contracts relating to purchase and sale of Pakistan Investment Bonds and Market Treasury Bills that will be settled on a future date are derived using the PKRV rates (Reuters page) on reporting date. These rates denote an average of quotes received from eight different pre-defined / approved dealers / brokers.

## 32 SEGMENT INFORMATION

### 32.1 Segment Details with respect to Business Activities

(Rupees in '000)

Particulars	For the nine months ended September 30, 2019 (Un-audited)					
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
<b>Profit &amp; Loss</b>						
Net mark-up / return / profit	2,477,677	1,222,508	(2,637,058)	1,547,473	(90,770)	2,519,830
Inter segment revenue - net	(1,864,410)	(1,209,632)	3,470,390	(1,220,444)	824,096	-
Non mark-up / return / interest income	107,347	371,506	102,549	123,083	(127,462)	577,023
Total Income	720,614	384,382	935,881	450,112	605,864	3,096,853
Segment direct expenses	(100,026)	(101,805)	(752,495)	(86,053)	(890,269)	(1,930,648)
Inter segment expense allocation	(179,750)	(75,348)	(457,015)	(178,156)	890,269	-
Total expenses	(279,776)	(177,153)	(1,209,510)	(264,209)	-	(1,930,648)
Provisions	(107,486)	(156,372)	(29,633)	(95,398)	137,735	(251,154)
Profit / (loss) before tax	333,352	50,857	(303,262)	90,505	743,599	915,051

(Rupees in '000)

Particulars	As at September 30, 2019 (Un-audited)					
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
<b>Balance Sheet</b>						
Cash & Bank balances	-	5,932,162	1,572,077	-	-	7,504,239
Investments	-	60,697,247	-	-	-	60,697,247
Net inter segment lending	-	-	51,074,209	-	11,569,833	62,644,042
Lendings to financial institutions	-	50,221	-	-	-	50,221
Advances - performing - net	36,955,826	530,900	2,125,622	17,858,814	769,999	58,241,161
Advances - non-performing - net	118,334	-	38,030	10,000	(47,804)	118,560
Others	1,114,507	2,909,961	(74,896)	572,483	3,961,426	8,483,481
<b>Total Assets</b>	38,188,667	70,120,491	54,735,042	18,441,297	16,253,454	197,738,951
Borrowings	3,703,958	42,392,544	-	635,000	22,336	46,753,838
Deposits & other accounts	13,252,977	121,364	52,516,555	1,699,028	83,506	67,673,430
Net inter segment borrowing	20,808,481	25,751,053	-	16,084,508	-	62,644,042
Others	423,252	1,855,530	2,218,487	22,761	2,643,000	7,163,030
<b>Total liabilities</b>	38,188,668	70,120,491	54,735,042	18,441,297	2,748,842	184,234,340
Equity	-	-	-	-	13,504,611	13,504,611
<b>Total Equity &amp; liabilities</b>	38,188,668	70,120,491	54,735,042	18,441,297	16,253,453	197,738,951
Contingencies & Commitments	9,402,234	142,206,190	173,927	3,820,988	1,609,849	157,213,188

(Rupees in '000)

Particulars	For the nine months ended September 30, 2018 (Un-audited)					
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
<b>Profit &amp; Loss</b>						
Net mark-up / return / profit	1,486,429	1,162,191	(1,463,656)	706,974	22,667	1,914,605
Inter segment revenue - net	(1,066,672)	(1,018,486)	2,091,669	(481,330)	474,819	-
Non mark-up / return / interest income	84,499	439,394	115,499	88,561	(115,046)	612,907
Total Income	504,256	583,099	743,512	314,205	382,440	2,527,512
Segment direct expenses	(92,781)	(89,978)	(713,841)	(67,393)	(819,853)	(1,783,846)
Inter segment expense allocation	(199,123)	(84,521)	(423,282)	(112,927)	819,853	-
Total expenses	(291,904)	(174,499)	(1,137,123)	(180,320)	-	(1,783,846)
Provisions	199,649	(24,640)	(22,651)	(31,437)	25,609	146,530
Profit / (loss) before tax	412,001	383,960	(416,262)	102,448	408,049	890,196

(Rupees in '000)

Particulars	As at December 31, 2018 (Audited)					
	Corporate Banking	Global Markets	Retail Banking	Commercial Banking	Senoff	Total
<b>Balance Sheet</b>						
Cash & Bank balances	-	4,811,896	839,068	-	-	5,650,964
Investments	-	48,021,370	-	-	-	48,021,370
Net inter segment lending	-	-	47,663,897	-	10,711,292	58,375,189
Lendings to financial institutions	-	9,449,244	-	-	-	9,449,244
Advances - performing	33,707,299	1,163,180	1,805,858	16,052,297	720,975	53,449,609
Advances - non-performing	225,858	-	24,279	62,990	(170,481)	142,646
Others	1,752,180	1,425,989	2,632	327,826	2,542,127	6,050,754
<b>Total Assets</b>	<b>35,685,337</b>	<b>64,871,679</b>	<b>50,335,734</b>	<b>16,443,113</b>	<b>13,803,913</b>	<b>181,139,776</b>
Borrowings	3,425,195	35,771,572	-	561,500	22,336	39,780,603
Deposits & other accounts	8,823,351	148,724	49,048,376	7,204,601	-	65,225,052
Net inter segment borrowing	22,226,786	27,560,864	-	8,587,539	-	58,375,189
Others	1,210,003	1,390,519	1,287,357	89,473	997,825	4,975,177
<b>Total liabilities</b>	<b>35,685,335</b>	<b>64,871,679</b>	<b>50,335,733</b>	<b>16,443,113</b>	<b>1,020,161</b>	<b>168,356,021</b>
Equity	-	-	-	-	12,783,755	12,783,755
<b>Total Equity &amp; liabilities</b>	<b>35,685,335</b>	<b>64,871,679</b>	<b>50,335,733</b>	<b>16,443,113</b>	<b>13,803,916</b>	<b>181,139,776</b>
<b>Contingencies &amp; Commitments</b>	<b>7,500,030</b>	<b>46,379,548</b>	<b>3,240,030</b>	<b>2,487,638</b>	<b>1,471,800</b>	<b>61,079,046</b>

### 32.2 Segment details with respect to geographical locations

The Bank does not have any overseas operations, therefore its entire geographical dispersion arises inside Pakistan.

### 33 RELATED PARTY TRANSACTIONS

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

The Banks enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Contributions to the contributory provident fund scheme are made in accordance with the terms of the contribution plan. Remuneration to the Chief Executive Officer and directors are disclosed in note 35 to these financial statements and are determined in accordance with the terms of their appointment.

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

Details of transactions with related parties are given below:

(Rupees in '000)

	September 30, 2019 (Un-audited)				December 31, 2018 (Audited)			
	Parent	Directors	Key Management Personnel	Other related parties	Parent	Directors	Key Management Personnel	Other related parties
<b>Balances with other banks</b>								
In current accounts	59,205	-	-	-	17,434	-	-	-
<b>Advances</b>								
Opening balance	-	-	146,410	-	-	-	151,147	-
Addition during the period / year	-	-	35,834	-	-	-	24,172	-
Repaid during the period / year	-	-	(21,847)	-	-	-	(28,909)	-
Closing balance	-	-	160,397	-	-	-	146,410	-
<b>Other Assets</b>								
Other receivable	1,433	-	-	-	1,065	-	-	-
<b>Deposits and other accounts</b>								
Opening balance	-	31,118	17,648	61,965	-	15,434	22,440	50,455
Received during the period / year	-	73,773	263,781	502,031	-	78,847	404,885	310,296
Withdrawn during the period / year	-	(91,194)	(264,391)	(503,396)	-	(63,163)	(409,677)	(298,786)
Closing balance	-	13,697	17,038	60,600	-	31,118	17,648	61,965
Vostro Balances of Samba Financial Group	93,194	-	-	-	92,742	-	-	-
<b>Contingencies and Commitments</b>								
Other contingencies	33,343	-	-	-	66,631	-	-	-

(Rupees in '000)

	Nine Months ended September 30, 2019 (Un-audited)				Nine Months ended September 30, 2018 (Un-audited)			
	Parent	Directors	Key Management Personnel	Other related parties	Parent	Directors	Key Management Personnel	Other related parties
<b>Income</b>								
Mark-up / return / interest earned	-	-	5,586	-	-	-	5,539	-
<b>Expense</b>								
Mark-up / return / interest paid	-	647	479	4,658	-	15	438	855
Insurance premium paid	-	-	937	-	-	-	947	-
Insurance claims settled	-	-	1,061	-	-	-	402	-

Forex transactions during the period (January - September 2019) - Samba Financial Group

(Currency in '000)

2019				
Currency	READY / SPOT / TOM		Forward	
	Buy	Sell	Buy	Sell
EUR	10,400	10,305	1,950	3,120
GBP	2,038	22,635	20,500	3,548
JPY	297,519	43,840	-	-
SAR	309,250	-	-	-
USD	62,963	99,002	7,506	27,914
PKR	-	3,345,211	-	-
AED	619	-	-	-

Forex deals outstanding as at the period end September 30, 2019 - Samba Financial Group

(Currency in '000)

2019				
Currency	READY / SPOT / TOM		Forward	
	Buy	Sell	Buy	Sell
EUR	-	-	-	200
GBP	-	-	1,700	400
USD	-	-	724	2,105

Forex transactions during the period (January - September 2018) - Samba Financial Group

(Currency in '000)

2018				
Currency	READY / SPOT / TOM		Forward	
	Buy	Sell	Buy	Sell
AED	4,407	2,755	-	-
EUR	15,235	13,700	1,100	7,880
GBP	8,127	28,850	19,387	5,590
JPY	367,220	16,299	103,665	103,913
SAR	291,204	675	-	-
USD	89,414	109,638	16,180	26,774
PKR	-	4,109,905	-	-

Forex deals outstanding as at the year end December 31, 2018 - Samba Financial Group

(Currency in '000)

2018				
Currency	READY / SPOT / TOM		Forward	
	Buy	Sell	Buy	Sell
EUR	-	-	500	100
GBP	-	-	1,900	200
JPY	-	-	39,647	-
USD	-	-	367	3,410

### 34 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

(Rupees in '000)

	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	10,082,387	10,082,387
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	13,391,752	12,663,107
Eligible Additional Tier 1 (ADT 1) Capita	-	-
Total Eligible Tier 1 Capital	13,391,752	12,663,107
Eligible Tier 2 Capital	60,505	49,942
Total Eligible Capital (Tier 1 + Tier 2)	13,452,257	12,713,049
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	62,187,200	57,494,392
Market Risk	5,461,281	3,784,082
Operational Risk	5,482,732	5,482,732
Total	73,131,214	66,761,206
Common Equity Tier 1 Capital Adequacy ratio	18.31%	18.97%
Tier 1 Capital Adequacy Ratio	18.31%	18.97%
Total Capital Adequacy Ratio	18.39%	19.04%
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	13,391,752	12,663,107
Total Exposures	140,832,724	119,449,382
Leverage Ratio	9.51%	10.60%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	23,857,187	20,748,795
Total Net Cash Outflow	10,980,761	6,730,607
Liquidity Coverage Ratio	217%	308%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	93,141,246	87,875,142
Total Required Stable Funding	50,124,870	44,518,447
Net Stable Funding Ratio	186%	197%

### 35 GENERAL

35.1 Corresponding figures have been re-arranged and reclassified, wherever necessary, for better presentation. There have been no significant reclassifications during the year except for the following:

(Rupees in '000)

Particulars	September 30, 2018 (Un-audited)		
	Before reclassification	Reclassification	After reclassification
<b>Profit and loss account</b>			
Gain on securities	169,708	25	169,733
Unrealised loss on revaluation of investments classified as held for trading - net	25	(25)	-
Provisions and write offs - net	-	146,530	146,530
Provision for diminution in the value of investments - net	24,640	(24,640)	-
Reversal of provision against loans and advances - net	(157,445)	157,445	-
Other provision / write offs - net	2,111	(2,111)	-
Reversal of provision against off balance sheet obligations	(14,130)	14,130	-
Recoveries against debts written-off	(1,706)	1,706	-

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

35.3 Figures as of and for the period ended September 30, 2019 and September 30, 2018, wherever used in these condensed interim financial statements are unaudited figures; however figures as of and for the period relating to December 31, 2018 used in these condensed interim financial statements are audited figures.

### 36 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

There have been no events after the balance sheet date that would have a material impact or require adjustment or disclosure in these condensed interim financial statements of the Bank.

### 37 DATE OF AUTHORIZATION

These condensed interim financial statements were authorised for issue on October 23, 2019 by the Board of Directors of the Bank.

Chief Financial Officer

President & Chief Executive Officer

Chairman








Director








Director



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