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OUR BRANCH NETWORK

Currently, SBL has a network of 47 branches located in 15 major cities across the country.

Karachi

I.I. Chundrigar Road
Clifton, Park Towers
Rashid Minhas
Hyderi
S.M.C.H.S.
Bahria Complex I
Shahra-e-Faisal
Gulshan
Bahadurabad
DHA Phase VI (Shahbaz)
DHA Phase VIII
Ittehad
Saba Avenue
Tauheed Commercial

Lahore

Gulberg
Shadman
Allama Iqbal Town
Johar Town
New Garden Town
Tufail Sarwar Road
Cavalry Ground
Faisal Town
Model Town
Bahria Town
DHA Phase III
DHA Phase V
DHA Phase VI

Islamabad

F-7
F-11
Jinnah Avenue
DHA Phase II

Rawalpindi

Murree Road
Bahria Town
Wah Cantt.

Gujranwala

G.T. Road

Faisalabad

Liaquat Road
Susan Road

Multan

Nusrat Road
Mauza Gith Brabar (DHA)

Sahiwal

Sahiwal

Sialkot

Paris Road

Peshawar

Islamia Road

Quetta

M.A. Jinnah Road

Gwadar

Airport Road

AJK - Bagh

Bagh

Jhelum

Jhelum Cantt.

Nowshera

Rashakai



COMPANY INFORMATION

Board of Directors

Mr. Mustafa Ilyas	Chairman/Non-Executive Director
Mr. Ali Muhammad Mahoon*	Non-Executive Director
Mr. Nasser Al-Fraih	Non-Executive Director
Mr. Hussein Eid	Non-Executive Director
Mr. Timour Pasha	Non-Executive Director
Hafiz Mohammad Yousaf	Independent Director
Mr. Javed Kureishi	Independent Director
Ms. Zeeba Ansar	Independent Director

Board Audit Committee

Hafiz Mohammad Yousaf	Chairman
Mr. Hussain Eid	Member
Mr. Javed Kureishi	Member

Board Risk Committee

Mr. Timour Pasha	Chairman
Mr. Javed Kureishi**	Member
Ms. Zeeba Ansar	Member
Mr. Ahmad Tariq Azam	Member

Board Nominations & Remuneration Committee

Ms. Zeeba Ansar***	Chairperson
Hafiz Mohammad Yousaf	Member
Mr. Mustafa Ilyas	Member
Mr. Hussein Eid	Member

Board IT Committee

Mr. Mustafa Ilyas***	Chairman
Mr. Javed Kureishi	Member
Hafiz Mohammad Yousaf	Member

President & Chief Executive Officer

Mr. Ahmad Tariq Azam

Deputy Chief Executive Officer

Mr. Rashid Jahangir

Company Secretary

Syed Zia-ul-Husnain Shamsi

Chief Financial Officer (Acting)

Mr. Basit Hamanyun

Auditors

KPMG Taseer Hadi & Co. Chartered Accountants

Legal Advisors

Mohsin Tayebaly & Co.
Advocates & Legal Consultants

Head Office

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

Registered Office

1st Floor, 19-Saleem Plaza, Blue Area, Jinnah Avenue,
Islamabad - Pakistan.

Share Registrar

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

Website

www.samba.com.pk

Helpline

11 11 SAMBA (72622)
0800 - SAMBA (72622)

Credit Rating by VIS

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

* Resigned w.e.f. May 31, 2023
** Appointed w.e.f. June 13, 2023
*** Appointed w.e.f. August 25, 2023

DIRECTORS' REPORT



On behalf of the Board of Directors, we are pleased to present the financial results of the Bank for the half year ended June 30, 2023.

Economic Highlights

2023 is a challenging year for the country's economy as it continues to struggle against trickle down effects from global economy, eroded reserves, supply chain disruptions, persistent high inflationary pressure, political uncertainty and high borrowing cost. Moreover, delay in resumption of IMF program has also kept the economy under stress. As an aggregate effect, Inflation remained elevated leading the State Bank of Pakistan (SBP) to continue its monetary tightening measures.

On the external front, current account posted a deficit of USD 2.5 billion for FY 2023 as against deficit of USD 17.4 billion in FY 2022. Reduction in current account deficit is mainly on account of contraction in imports by 29%. SBP is proactively managing its balance of payments which is evident from the last two quarter of FY 2023 where current account posted surplus of USD 1.2 billion.

CPI inflation further spike to 38.0% YoY basis in May 2023, resulting in average inflation of 29.2% during the fiscal year FY 2023 (July 22- May 23). PKR depreciated against US\$ by 26% in the current year and stands at PKR 286 as at June 2023. To counter the rising inflation, SBP has raised the policy rate by 600bps to reach at 22% during June 2023.

Bank's Operating Results and Financial Review

Despite all these challenges, the bank has posted good financial results for the half year ended June 30, 2023 the summary of which is as under:

	(Rupees in millions)	
	Half Year ended June 30, 2023	Half Year ended June 30, 2022
Operating profit	1,747	887
Provisions Reversal / (Charge)	(592)	(273)
Profit before taxation	1,155	614
Taxation charge	(449)	(275)
Profit after taxation	706	339
Earnings per share - PKR	0.70	0.34

During the period under review, Net Interest Income increased by 69.5% over the corresponding period of last year. This increase is in line with hike in policy rate from 13.75% in June 2022 to 22% in June 2023. FX income on the other hand registered a growth of 16% over similar period last year and closed at Rs. 731 million that was overshadowed by capital loss of Rs. 515 million incurred on disposal of certain fixed rate bonds and equity investments. Despite overall inflation of around 30% and significant currency devaluation, the operating expenses of the Bank for half year ended June 30, 2023 remained well in control and increased by 17% over comparative period.

The bank is continuously right sizing its earning assets mix vis-à-vis credit risk. In the wake of rising interest rate scenario, the momentum has shifted towards mobilization of low cost deposits and gradually reduction in borrowings. Deposits book continued the growth momentum and closed at Rs. 118.5 billion registering an increase of 12.7% over December 2022 position. The Bank has continued its efforts to improve low cost deposit mix by mobilizing medium to small ticket deposits. Despite increase in policy rate, cost of deposits has been restricted at 11.5%. Asset base of the bank declined by Rs.11.3 billion (i.e. 6.4%) over December 31, 2022 position and stood at Rs. 167.7 billion as at June 30, 2023. Investments decreased by Rs. 13.7 billion (i.e. 17.9%) and Lending's to Financial institutions increased by Rs. 272 million, whereas, Loans & Advances decreased by Rs. 4.7 billion (i.e. 6.4%) from year end position.

Credit Rating

VIS Credit Rating Company Limited and The Pakistan Credit Rating Agency Limited (PACRA), premier credit rating agencies of the country, have assigned the entity ratings at 'AA/A-1' (Double A/A-One) to the Bank with 'Stable' outlook. 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

Pakistan has negotiated economic stabilization program with IMF which will help to support the economy. This program will unlock much needed amount of USD\$3 billion and enable further inflow of funds from friendly countries which will help to improve foreign reserves. The success of the program will be dependent on addressing internal and external imbalances and will require focus on (1) implementation of the FY24 budget to facilitate Pakistan's needed fiscal adjustment and ensure debt sustainability, while protecting critical social spending; (2) return to a market-determined exchange rate and FX market functioning to absorb external shocks and reduce demand supply gaps; (3) an appropriately tight monetary policy aimed at disinflation; and (4) further progress on structural reforms, particularly with regard to energy sector viability, SOEs governance, and climate resilience. As aforementioned, IMF executive board will approve disbursement of USD\$ 1.2billion in upcoming meeting.

Acknowledgement

We wish to express 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, Securities & Exchange Commission of Pakistan, Federal Board of Revenue 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,



Ahmad Tariq Azam
President & Chief Executive Officer

August 24, 2023
Karachi.



Hafiz Mohammad Yousaf
Director

اظہار تشکر

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

بورڈ آف ڈائریکٹرز کی جانب سے۔



حافظ محمد یوسف
ڈائریکٹر



احمد طارق اعظم
پریذیڈنٹ اور چیف ایگزیکٹو آفیسر

24 اگست 2023ء

کراچی

اس زیر تجزیہ مدت کے دوران خالص انٹرسٹ آمدنی گزشتہ سال کی تقابلی مدت سے 69.5 فیصد زیادہ رہی۔ یہ اضافہ پالیسی ریٹ میں جون 2022ء کی 13.75 فیصد کی شرح سے جون 2023ء تک کی 22 فیصد کی شرح کی بڑھوتی کی عین مطابقت میں ہے۔ دوسری جانب غیر ملکی کرنسیوں سے متعلقہ آمدنی میں گزشتہ سال کے مماثلہ عرصہ کے مقابلے میں 16 فیصد کی نمودار ہوئی، جس کا حجم 731 ملین روپے پر بند ہوا۔ جس کو چند معین ریٹ کے حامل بانڈز اور ایکویٹی سرمایہ کاری کے فروخت سے ہونے والے 515 ملین روپے کے کسٹل نقصان نے زائل کر دیا۔ مجموعی افراط زر کی تقریباً 30 فیصد کی شرح اور کرنسی کی قدر میں نمایاں فرسودگی کے باوجود، 30 جون 2023ء کو اختتام پذیر شہماہی کے دوران، بینک کے کاروباری اخراجات پر احسن طریقہ سے قابو رکھا گیا اور ان میں اپنی تقابلی مدت کی نسبت 17 فیصد کا اضافہ درج ہوا۔

بینک اپنے پیداواری اثاثہ جات کی ترکیب اور اس کے ساتھ ساتھ کریڈٹ کے خدشات کو نہایت موزوں حجم پر برقرار رکھنے کے لئے مسلسل کوشاں ہے۔ انٹرسٹ ریٹ کی بڑھتی صورتحال کے تناظر میں، تمام تر توجہ کم لاگت کے ڈیپازٹس کے حصول اور حاصل شدہ قرضوں میں بتدریج کمی کی جانب مرکوز ہے۔ ڈیپازٹس اپنی نمو کی تحریک کو جاری رکھتے ہوئے دسمبر 2022ء کی سطح سے 12.7 فیصد کے اضافے کے ساتھ 118.5 بلین روپے پر جا پہنچے۔ بینک نے درمیانی شرح کے ڈیپازٹس کی کم شرح کے ڈیپازٹس میں منتقلی کے فروغ کے ذریعے اپنی کم لاگت کے ڈیپازٹس کے حصول کی کاوشیں جاری رکھیں۔ پالیسی ریٹ میں اضافے کے باوجود، ڈیپازٹس کی لاگت کو 11.5 فیصد کی سطح تک محدود رکھا گیا۔ بینک کے اثاثہ جات 31 دسمبر 2022ء کی سطح سے 11.3 بلین روپے (یعنی 6.4 فیصد) کی کمی کے ساتھ 30 جون 2023ء تک 167.7 بلین روپے پر پہنچ گئے۔ سرمایہ کاری میں 13.7 بلین روپے (یعنی 17.9 فیصد) کی کمی اور مالیاتی اداروں کو فراہم کیے گئے قرضہ جات میں 272 بلین روپے کا اضافہ درج کیا گیا۔ جبکہ، دیگر قرضہ جات میں سال کے اختتام کی سطح سے 4.7 بلین روپے (یعنی 6.4 فیصد) کی کمی واقع ہوئی۔

کریڈٹ ریٹنگ

معروف کریڈٹ ریٹنگ ایجنسیز، وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ اور پاکستان کریڈٹ ریٹنگ کمپنی لمیٹڈ (PACRA-پاکرا) نے بینک کی درجہ بندیوں کو مستحکم پیش بینی کے ساتھ (A-1/AA) ڈبل اے/اے ون کے درجات تفویض کیے ہیں۔ 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 (لیکویڈیٹی) کی بدولت اپنی تمام تر مالیاتی ذمہ داریوں کی بروقت ادائیگی کی ٹھوس صلاحیت کی مظہر ہیں۔

مستقبل کی پیش بینی

پاکستان نے آئی ایم ایف کے ساتھ معاشی بحالی کے پروگرام پر اتفاق کیا ہے جو کہ معاشی استحکام کے لئے معاون ثابت ہوگا۔ اس پروگرام سے 3 بلین امریکی ڈالر کی اشد مطلوب رقم حاصل ہوگی اور دوست ممالک سے بھی مزید رقم کا حصول ممکن ہو سکے گا جو کہ غیر ملکی زرمبادلہ کے ذخائر کی بہتری کا باعث بنے گا۔ اس پروگرام کی کامیابی کا دارومدار اندرونی اور بیرونی عدم توازن کے تدارک پر ہے اور توجہ اس امر پر مرکوز رکھنے کی ضرورت ہے کہ (1) ناگزیر معاشرتی اخراجات کا تحفظ کرتے ہوئے مالی سال 2024ء کے بجٹ کا نفاذ کیا جائے تاکہ پاکستان کو ضروری مالیاتی مطابقت میں مدد فراہم ہو سکے اور ادائیگیوں کی پائیداری کو یقینی بنایا جاسکے۔ (2) مارکیٹ کی معین کردہ شرح تبادلہ اور ایف ایکس (FX) مارکیٹ کے نظام کی طرف واپسی اختیار کی جائے تاکہ بیرونی مضمورات کو برداشت و جذب کرنے کے ساتھ ساتھ طلب و رسد کی تفاوت کو کم کیا جاسکے۔ (3) ایک موزوں اور کڑی مالیاتی پالیسی کی تشکیل جس کا بنیادی مقصد افراط زر میں کمی ہو۔ (4) بنیادی اصلاحاتی ڈھانچے میں مزید پیش رفت، خاص طور پر توانائی کے شعبے کی افادیت، حکومت کے زیر انتظام اداروں کی گورنس اور ماحولیاتی تبدیلی کے رد عمل کے حوالے سے اصلاحات۔ جیسا کہ مذکورہ بالا ہے، آئی ایم ایف کا ایگزیکٹو بورڈ اپنے آئندہ اجلاس میں 1.2 بلین امریکی ڈالر کی فراہمی کی منظوری دے گا۔



ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے ہم، بینک کے 30 جون 2023ء کو اختتام پذیر ششماہی کے مالیاتی نتائج پیش کرتے ہوئے، نہایت مسرت محسوس کر رہے ہیں۔

معاشی جھلکیاں

2023ء ملکی معیشت کے لئے ایک مشکل سال رہا ہے، جس میں یہ عالمی معیشت کے منفی اثرات، تیزی سے کم ہوتے زرمبادلہ کے ذخائر، رسد کی ترسیل میں حائل رکاوٹوں، مسلسل اور بلند افراط زر کے دباؤ، سیاسی غیر یقینی اور حاصل کردہ قرضوں کی بڑھتی لاگت جیسے عوامل سے مسلسل نبرد آزما رہا ہے۔ مزید برآں، آئی ایم ایف کے پروگرام کی بحالی میں ہونے والی تاخیر نے بھی معیشت کو دباؤ کا شکار رکھا ہے۔ ایک مجموعی ناثر کے طور پر افراط زر کئی دہائیوں کی بلند ترین سطح پر پہنچ چکا ہے جس کے نتیجے میں مرکزی بینکوں کو جارحانہ انداز میں کڑے اقدامات اٹھانا پڑے۔

بیرونی محاذ پر، کرنٹ اکاؤنٹ کی مد میں مالی سال 2022ء کے 17.4 بلین امریکی ڈالر کے خسارے کی نسبت مالی سال 2023ء کے لئے 2.5 بلین امریکی ڈالر کا خسارہ درج کیا گیا۔ کرنٹ اکاؤنٹ کے خسارے میں کمی کی بنیادی وجہ درآمدات میں 29 فیصد کمی تھی۔ اسٹیٹ بینک آف پاکستان نے ادائیگیوں کے توازن کا فعال انتظام کیا، جس کا ثبوت مالی سال 2023ء کی پہلی دوسرے ماہیوں میں درج کیے گئے کرنٹ اکاؤنٹ سے ملتا ہے جو کہ 1.2 بلین امریکی ڈالر کے سرپلس پر ریکارڈ ہوا۔

سی پی آئی (CPI) افراط زر، مئی 2023ء میں مزید اضافے کے ساتھ 38 فیصد پر درج ہوا۔ جس کی بدولت مالی سال 2023ء کے جولائی 2022ء تا مئی 2023ء کے عرصے کے دوران اوسط افراط زر 29.2 فیصد کی شرح پر ریکارڈ ہوا۔ رواں سال میں پاکستانی روپے کی قدر میں امریکی ڈالر کے مقابلے میں 26 فیصد کی فرسودگی ہوئی اور جون 2023ء تک یہ 286 روپے فی امریکی ڈالر پہنچ گئی۔ بڑھتے افراط زر کے متدارک کے لئے اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ میں 600 بی پی ایس کا اضافہ کرتے ہوئے اس کی شرح کو جون 2023ء کے دوران 22 فیصد پر مقرر کر دیا۔

بینک کے کاروباری نتائج اور مالیاتی تجزیہ

ان مشکلات کے باوجود، بینک نے 30 جون 2023ء کو اختتام پذیر ششماہی کے دوران قابل قدر مالیاتی نتائج حاصل کیے ہیں جن کا خلاصہ حسب ذیل ہے:

تین روپے	
ششماہی اختتامیہ 2022	ششماہی اختتامیہ 2023
887	1,747
(273)	(592)
614	1,155
275	(449)
339	706
0.34	0.70

کاروباری منافع
پرورش، کٹوتی / اخراجات
منافع قبل از محصولات (ٹیکس)
محصولات
منافع بعد از محصولات
آمدنی فی حصص (روپے)

Independent Auditor's Review Report

To the members of Samba Bank Limited

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Samba Bank Limited ("the Bank") as at June 30, 2023 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim cash flow statement, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Conclusion

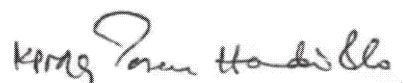
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarter ended June 30, 2023 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the engagement resulting in this independent auditors' review report is Amyn Malik.

Karachi
Date: 28 August 2023
UDIN: RR202310096mOP2xUvjZ



KPMG Taseer Hadi & Co.
Chartered Accountants

Condensed Interim Statement of Financial Position

AS AT JUNE 30, 2023

	Note	(Rupees in '000)	
		June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
ASSETS			
Cash and balances with treasury banks	6	9,441,034	6,169,111
Balances with other banks	7	1,224,923	1,023,414
Lendings to financial institutions	8	7,626,115	7,354,279
Investments	9	63,137,397	76,904,147
Advances	10	69,688,808	74,454,568
Fixed assets	11	3,087,475	3,131,840
Intangible assets	12	635,076	616,036
Deferred tax assets	13	3,029,707	2,121,039
Other assets	14	9,830,794	7,299,825
		167,701,329	179,074,259
LIABILITIES			
Bills payable	15	1,008,052	1,038,709
Borrowings	16	19,444,106	45,826,302
Deposits and other accounts	17	118,590,200	105,243,764
Liabilities against assets subject to finance lease		-	-
Subordinated debt	18	4,996,000	4,997,000
Deferred tax liabilities		-	-
Other liabilities	19	8,884,284	7,315,401
		152,922,642	164,421,176
NET ASSETS		14,778,687	14,653,083
REPRESENTED BY:			
Share capital		10,082,387	10,082,387
Reserves		2,871,128	2,729,919
Deficit on revaluation of assets	20	(1,329,712)	(749,270)
Unappropriated profit		3,154,884	2,590,047
		14,778,687	14,653,083
CONTINGENCIES AND COMMITMENTS	21		

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


Chief Financial Officer
(Acting)


President & Chief Executive Officer


Director

 
Director Chairman

Condensed Interim Profit and Loss Account (Un-Audited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

		(Rupees in '000)			
Note	Quarter ended		Half Year ended		
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	
Mark-up / Return / Interest Earned	22	7,459,527	5,163,726	13,807,536	9,603,441
Mark-up / Return / Interest Expensed	23	5,451,040	4,145,625	10,241,682	7,499,304
Net Mark-up/ Interest Income		<u>2,008,487</u>	<u>1,018,101</u>	<u>3,565,854</u>	<u>2,104,137</u>
Non Mark-up / Interest Income					
Fee and commission income	24	92,915	111,331	198,888	215,153
Dividend income		11,300	8,085	16,737	29,063
Foreign exchange income		332,633	442,854	731,264	629,258
Income / (loss) from derivatives		-	-	-	-
(Loss) /gain on securities	25	(96,305)	(189,580)	(515,239)	(172,097)
Other income	26	385	1,865	9,230	5,972
Total non-markup / interest Income		<u>340,928</u>	<u>374,555</u>	<u>440,880</u>	<u>707,349</u>
Total Income		<u>2,349,415</u>	<u>1,392,656</u>	<u>4,006,734</u>	<u>2,811,486</u>
Non Mark-Up / Interest Expenses					
Operating expenses	27	1,142,974	968,528	2,233,584	1,910,239
Workers' Welfare Fund		13,500	4,000	26,000	12,800
Other charges	28	-	-	-	1,303
Total non-markup / interest expenses		<u>1,156,474</u>	<u>972,528</u>	<u>2,259,584</u>	<u>1,924,342</u>
Profit Before Provisions		<u>1,192,941</u>	<u>420,128</u>	<u>1,747,150</u>	<u>887,144</u>
(Provisions) / reversal and write offs - net	29	(540,111)	(211,604)	(592,127)	(273,274)
Extra ordinary / unusual items		-	-	-	-
Profit Before Taxation		<u>652,830</u>	<u>208,524</u>	<u>1,155,023</u>	<u>613,870</u>
Taxation	30	(226,523)	(113,340)	(448,977)	(274,679)
Profit After Taxation		<u>426,307</u>	<u>95,184</u>	<u>706,046</u>	<u>339,191</u>
		(Rupees)			
Earnings per share - basic and diluted	31	<u>0.42</u>	<u>0.09</u>	<u>0.70</u>	<u>0.34</u>

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


Chief Financial Officer
(Acting)


President & Chief Executive Officer


Director

 
Director Chairman

Condensed Interim Statement of Comprehensive Income (Un-Audited)

FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2023

	(Rupees in '000)			
	Quarter ended		Half Year ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Profit after taxation for the period	426,307	95,184	706,046	339,191
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	363,183	(363,790)	(580,442)	(529,875)
Total comprehensive income / (loss)	<u>789,490</u>	<u>(268,606)</u>	<u>125,604</u>	<u>(190,684)</u>

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



Chief Financial Officer
(Acting)



President & Chief Executive Officer



Director



Director

Chairman

Condensed Interim Cash Flow Statement (Un-Audited)

FOR THE HALF YEAR ENDED JUNE 30, 2023

	Note	(Rupees in '000)	
		Half Year ended June 30, 2023	Half Year ended June 30, 2022
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		1,155,023	613,870
Less: Dividend income		(16,737)	(29,063)
		1,138,286	584,807
Adjustments:			
Depreciation		256,502	219,131
Amortisation of intangible assets	27	44,295	32,425
Provision and write-offs	29	592,127	273,274
Gain on sale of fixed assets	26	(2,298)	(5,967)
Interest expensed on lease liability against right of use assets	23	90,507	73,776
Interest expensed on debt securities	23	497,667	278,652
Loss / (gain) on sale of investment - net	25	514,814	172,097
Unrealized (gain) / loss on revaluation of investments classified as held for trading	25	2,567	(396)
		1,996,181	1,042,992
		3,134,467	1,627,799
(Increase) / decrease in operating assets			
Lendings to financial institutions		(271,836)	660,094
Investments - held for trading securities		115,641	(348,143)
Advances		4,227,896	(5,167,101)
Others assets (excluding advance taxation)		(2,663,014)	(4,177,405)
		1,408,687	(9,032,555)
Increase / (decrease) in operating liabilities			
Bills Payable		(30,657)	530,180
Borrowings from financial institutions		(26,382,196)	(5,634,771)
Deposits and other accounts		13,346,436	6,972,363
Other liabilities (excluding current taxation)		1,523,562	3,397,690
		(11,542,855)	5,265,462
Income tax paid		(516,922)	(333,955)
Net cash flow generated from / (used in) operating activities		(7,516,623)	(2,473,249)
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in securities		11,790,346	3,022,542
Dividends income		16,737	29,063
Investments in fixed assets and intangible assets		(142,494)	(157,759)
Proceeds from sale of fixed assets		2,943	7,441
Net cash flow from / (used in) investing activities		11,667,532	2,901,287
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issuance of debt securities		-	-
Contribution from share holder		-	-
Principal repayment of debt securities		(1,000)	(1,000)
Markup payment on debt securities		(429,927)	(220,379)
Dividend paid		(22)	(592,411)
Payments of lease liability against right of use assets		(246,528)	(158,007)
Net cash generated from / (used in) financing activities		(677,477)	(971,797)
Increase / (decrease) in cash and cash equivalents during the period			
Cash and cash equivalents at beginning of the period		3,473,432	(543,759)
		7,192,525	8,910,041
Cash and cash equivalents at end of the period			
		10,665,957	8,366,282

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



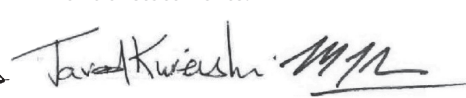
Chief Financial Officer
(Acting)



President & Chief Executive Officer



Director



Director

Chairman


Condensed Interim Statement of Changes in Equity (Un-Audited)

FOR THE HALF YEAR ENDED JUNE 30, 2023

	(Rupees in '000)					
	Share Capital	Capital Reserve (a)	Statutory Reserve	Surplus/ (Deficit) on Revaluation of Investments	Unappropriated profit	Total
Balance as at December 31, 2021	10,082,387	1,561,435	1,168,484	(534,770)	3,622,890	15,900,426
Comprehensive income for the period						
Profit after taxation for the Six months ended June 30, 2022	-	-	-	-	339,191	339,191
Other comprehensive loss						
Movement in (deficit) on revaluation of investments - net of tax	-	-	-	(529,875)	-	(529,875)
Transfer to statutory reserve	-	-	67,838	-	(67,838)	-
Transactions with owners recognized directly in equity						
Cash dividend for the year ended December 31, 2021 (Rs. 0.6 per ordinary share)	-	-	-	-	(604,903)	(604,903)
Balance as at June 30, 2022	10,082,387	1,561,435	1,236,322	(1,064,645)	3,289,340	15,104,839
Comprehensive income for the period						
Loss after taxation for the six months ended December 31, 2022	-	-	-	-	(699,293)	(699,293)
Other comprehensive loss						
Movement in surplus on revaluation of investments - net of tax	-	-	-	315,375	-	315,375
Transfer to statutory reserve	-	-	(67,838)	-	-	(67,838)
Balance as at December 31, 2022	10,082,387	1,561,435	1,168,484	(749,270)	2,590,047	14,653,083
Comprehensive income for the period						
Profit after taxation for the six months ended June 30, 2023	-	-	-	-	706,046	706,046
Other comprehensive loss						
Movement in (deficit) on revaluation of investments - net of tax	-	-	-	(580,442)	-	(580,442)
Transfer to statutory reserve	-	-	141,209	-	(141,209)	-
Balance as at June 30, 2023	10,082,387	1,561,435	1,309,693	(1,329,712)	3,154,884	14,778,687

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

(a) This include amount received by the Bank amounting to USD 10 million from its parent company - Samba Financial Group (now Saudi National Bank). The amount is non refundable and therefore has been classified as transactions with owners in equity.



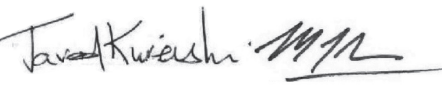
Chief Financial Officer
(Acting)



President & Chief Executive Officer



Director



Director

Chairman

Notes to and Forming Part of the Condensed Interim Financial Statements

FOR THE HALF YEAR ENDED JUNE 30, 2023

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 1st Floor, 19 - Saleem Plaza, Blue Area, Jinnah Avenue, Islamabad. The Bank operates 47 branches (December 31, 2022: 47 branches) inside Pakistan.

The Bank is a subsidiary of Saudi National Bank (formerly Samba Financial Group) of Kingdom of Saudi Arabia, the Parent entity, which holds 84.51% shares of the Bank as at June 30, 2023 (December 31, 2022: 84.51%).

1.2 VIS Credit Rating Company and The Pakistan Credit Rating Agency Limited (PACRA) have maintained the Bank's medium to long-term rating as 'AA' and the short-term rating as 'A-1'.

2 BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IAS 34 or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

2.2 The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and International Accounting Standard (IAS) 34, Interim Financial Reporting. These condensed interim financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended December 31, 2022.

SBP through BPRD Circular No. 02 of 2023 has amended the existing format of annual financial statements of banks. All banks are directed to prepare their annual / interim financial statements on the revised formats, effective from the 1st quarter of 2024 as directed vide BPRD Circular Letter No. 7 of 2023.

2.3 The State Bank of Pakistan, vide its BSD Circular Letter no. 10 dated August 26, 2002, has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.

2.4 These condensed interim financial statements have been prepared under the historical cost convention except certain investments, foreign currency balances, commitments in respect of foreign exchange contracts and derivative financial instruments have been marked to market and are carried at fair value.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the audited annual financial statements for the year ended December 31, 2022.

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

There are certain other new standards and interpretations of and amendments to existing accounting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2023. These are considered either not relevant or not to have any significant impact on the Bank's financial statements.

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2023:

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which an entity must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the entity must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, entities will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) - the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help entities provide useful accounting policy disclosures. The key amendments to IAS 1 include:
 - requiring entities to disclose their material accounting policies rather than their significant accounting policies;
 - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a entity's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective

set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the entity applies the amendments.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, entities will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.
- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for an entity to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the entity's liabilities and cash flows, and the entity's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors an entity might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.
- International Tax Reform - Pillar Two Model Rules (amendments to IAS 12) introduce following new disclosure requirements:
 - Once tax law is enacted but before top-up tax is effective:

disclose information that is known or can be reasonably estimated and that helps users of its financial statements to understand its exposure to Pillar Two income taxes at the reporting date. If information is not known or cannot be reasonably estimated at the reporting date, then an entity discloses a statement to that effect and information about its progress in assessing the Pillar Two exposure.
 - After top-up tax is effective: disclose current tax expense related to top-up tax.

These amendments apply from 31 December 2023. No disclosures are required in interim periods ending on or before 31 December 2023.

As per State Bank of Pakistan (SBP)'s BPRO circular letter no. 07 of 2023. IFRS 9 'Financial Instruments' is effective from January 1, 2024 for all banking companies.

The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements is the same as that applied in the preparation of the audited annual financial statements for the year ended December 31, 2022.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the audited annual financial statements for the year ended December 31, 2022.

		(Rupees in '000)	
		June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
6	CASH AND BALANCES WITH TREASURY BANKS		
	In hand		
	Local currency	1,147,945	1,080,788
	Foreign currency	497,487	402,368
		1,645,432	1,483,156
	With State Bank of Pakistan in		
	Local currency current account	5,152,243	3,847,539
	Foreign currency current account (Foreign currencies Settlement Account)	165,451	191,078
	Foreign currency current account (cash reserve account)	825,941	647,140
	Foreign currency deposit account (Special Cash Reserve Account)	1,637,582	-
		7,781,217	4,685,757
	With National Bank of Pakistan in		
	Local currency current account	14,385	-
	National Prize Bonds	-	198
		9,441,034	6,169,111
7	BALANCES WITH OTHER BANKS		
	In Pakistan		
	In current account	9,550	55,964
	In deposit account	21	20
		9,571	55,984
	Outside Pakistan		
	In current account	1,215,352	967,430
		1,224,923	1,023,414
7.1	This includes balance of Rs.204.876 million (December 31, 2022: Rs. 47.903 million) with Saudi National Bank (a related party).		
8	LENDINGS TO FINANCIAL INSTITUTIONS		
	Repurchase agreement lendings (Reverse Repo)	-	2,531,750
	Other lending (Naya Pakistan Certificates)	7,626,115	4,822,529
		7,626,115	7,354,279

10 ADVANCES

	(Rupees in '000)					
	Performing		Non-Performing		Total	
	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
Loans, cash credits, running finances, etc.	69,380,323	74,823,126	6,487,216	5,245,303	75,867,539	80,068,429
Bills discounted and purchased	394,624	444,620	15,494	15,494	410,118	460,114
Advances - gross	69,774,947	75,267,746	6,502,710	5,260,797	76,277,657	80,528,543
Provision against advances						
- Specific	-	-	(5,193,621)	(4,909,582)	(5,193,621)	(4,909,582)
- General	(1,395,228)	(1,164,393)	-	-	(1,395,228)	(1,164,393)
	(1,395,228)	(1,164,393)	(5,193,621)	(4,909,582)	(6,588,849)	(6,073,975)
Advances - net of provision	68,379,719	74,103,353	1,309,089	351,215	69,688,808	74,454,568

10.1 Particulars of advances (Gross)

	(Rupees in '000)	
	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
In local currency	75,429,060	80,361,544
In foreign currencies	848,597	166,999
	76,277,657	80,528,543

10.2 Advances include Rs. 6,503 million (December 31, 2022: Rs. 5,261 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Rupees in '000)			
	June 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
Domestic				
Other Assets Especially Mentioned*	-	-	-	-
Substandard	1,092,906	88,062	165,834	41,459
Doubtful	298,483	164,241	105,203	52,320
Loss	5,111,321	4,941,318	4,989,760	4,815,803
	6,502,710	5,193,621	5,260,797	4,909,582

*The bank has non-funded in this category against which the bank is of the view that specific provision is not required against the exposure.

10.3 Particulars of provision against advances

	(Rupees in '000)					
	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
Opening balance	4,909,582	1,164,393	6,073,975	3,882,761	195,770	4,078,531
Charge	400,210	230,835	631,045	1,159,218	968,623	2,127,841
Reversals	(93,181)	-	(93,181)	(95,116)	-	(95,116)
	307,029	230,835	537,864	1,064,102	968,623	2,032,725
Amounts written off	(22,990)	-	(22,990)	(37,281)	-	(37,281)
Closing balance	5,193,621	1,395,228	6,588,849	4,909,582	1,164,393	6,073,975

10.4 As at June 30, 2023, general provision of Rs. 1,395.228 million includes provision of Rs. 90.572 million (December 31, 2022: Rs. 97.514 million) held against consumer finance portfolio as required by the Prudential Regulations issued by the State Bank of Pakistan and Rs. 1,304.656 million (December 31, 2022: Rs.1,066.879 million) created against corporate, commercial and SME advances which is based on management's best estimate for potential losses present in the portfolio.

10.5 In accordance with BSD Circular No. 1 of 21 October 2011 issued by the SBP, the Bank has availed the benefit of Forced Sale Value (FSV) of collateral against non-performing loans and advances of certain obligors where chances of recovery are quite high. Had this benefit of FSV not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 328 million (December 31, 2022: Rs. 143 million) and profit after tax would have been lower by Rs. 167.28 million (December 31 2022: loss after tax 72.93). This amount of Rs. 167.28 million (December 31, 2022: Rs. 72.93 million) is not available for distribution of cash and stock dividend to the shareholders and bonus to employees.

11 FIXED ASSETS

	Note	(Rupees in '000)	
		June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
Capital work-in-progress	11.1	64,188	47,138
Property and equipment	11.2 & 11.3	1,678,825	1,730,369
Right of use assets		1,344,462	1,354,333
		3,087,475	3,131,840
11.1 Capital work-in-progress			
Civil works		44,173	28,143
Equipment		20,015	18,995
		64,188	47,138

	Six months ended	
	(Rupees in '000)	
	June 30, 2023	June 30, 2022
	(Un-audited)	(Un-audited)
11.2 Additions to fixed assets		
The following additions have been made to fixed assets during the period:		
Capital work-in-progress	51,820	74,464
Property and equipment		
Furniture and fixture	5,606	4,519
Electrical office and computer equipment	14,384	25,324
Vehicles	7,349	214
	27,339	30,057
Total	79,159	104,521

11.3 Disposal of fixed assets

The net book value of fixed assets disposed off during the period is as follows:

Vehicles	520	1,653
Furniture and fixture	94	-
Electrical office and computer equipment	31	1,148
Total	645	2,801

		(Rupees in '000)	
		June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
12	INTANGIBLE ASSETS		
	Capital work-in-progress	365,442	362,875
	Intangible assets	269,634	253,161
		635,076	616,036
Six months ended			
(Rupees in '000)			
		June 30, 2023	June 30, 2022
		(Un-audited)	(Un-audited)
12.1	Additions to intangible assets		
	The following additions have been made to intangible assets during the period:		
	Capital work-in-progress	43,560	52,372
	Directly purchased	19,775	864
	Total	63,335	53,236
(Rupees in '000)			
13	DEFERRED TAX ASSETS / (LIABILITIES)		
	Deductible Temporary Differences on:		
	- Revaluation of investments	1,277,566	565,239
	- Accelerated tax depreciation and amortisation	51,874	40,114
	- Provision against advances, off balance sheet etc.	1,784,976	1,599,515
		3,114,416	2,204,868
	Taxable Temporary Differences on:		
	- Net investment in finance lease	(84,709)	(83,829)
		(84,709)	(83,829)
		3,029,707	2,121,039
14	OTHER ASSETS		
	Income / Mark-up accrued in local currency	5,607,824	5,151,054
	Income / mark-up accrued in foreign currencies	101,504	35,814
	Advances, deposits, advance rent and other prepayments	238,721	187,779
	Advance taxation (payments less provisions)	226,102	354,498
	Mark to market gain on forward foreign exchange contracts	2,764,005	816,671
	Acceptances	707,349	679,975
	Receivable against sale of equity investment	88,990	74,847
	Others	245,603	156,346
		9,980,098	7,456,984
	Less: Provision held against other assets	(149,304)	(157,159)
	Other Assets - net	9,830,794	7,299,825
14.1	This includes		
	(a) an amount of Rs. 32.389 million (December 31, 2022: Rs. 32.389 million) receivable from InterAsia Leasing Limited.		
	(b) an amount of Rs. 1.847 million (December 31, 2022: Rs. 1.847 million) receivable from Saudi National Bank (a related party).		
14.2	Provision held against other assets		
	Fee, commission and other receivables	80,164	88,019
	Fraud and forgery	69,140	69,140
		149,304	157,159
14.2.1	Movement in provision held against other assets		
	Opening balance	157,159	160,674
	Write-off during the year	(7,855)	(3,515)
	Closing balance	149,304	157,159

- 14.3** The Bank holds various properties in its name which were transferred by operation of law. As per master agreement dated October 22, 2002 signed between M/s Mashreq Bank PSC. (UAE), M/s Crescent Investment Bank Limited and M/s International Housing Finance Limited, these properties were decreed in favor of M/s Mashreq Bank PSC and are held by the Bank as an agent of M/s Mashreq Bank PSC being pass through facilities. Any amount realized on disposal of these properties is to be remitted to Mashreq Bank PSC therefore not recorded in these condensed interim financial statement.

		(Rupees in '000)	
		June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
15. BILLS PAYABLE	In Pakistan	1,008,052	1,038,709

16. BORROWINGS

Secured

Borrowings from State Bank of Pakistan under

- Under export Refinance scheme
- Temporary Economic Refinance Facility
- Long Term Financing Facility
- Renewable Energy
- Women Entrepreneur
- Facility for Modernization of SMEs

Repurchase agreement borrowings

Total secured

Unsecured

Bankers Equity Limited (under liquidation)

Total unsecured

4,723,603	5,121,341
4,413,057	4,466,418
2,936,371	3,253,555
177,104	182,475
16,896	12,479
489	578
12,267,520	13,036,846
7,154,250	32,767,120
19,421,770	45,803,966
22,336	22,336
22,336	22,336
19,444,106	45,826,302

17. DEPOSITS AND OTHER ACCOUNTS

		(Rupees in '000)					
Note	June 30, 2023			December 31, 2022			
	(Un-audited)			(Audited)			
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total	
Customers							
	21,768,094	7,442,426	29,210,520	18,151,448	5,374,691	23,526,139	
	23,242,014	3,098,868	26,340,882	18,403,509	3,276,147	21,679,656	
	53,190,574	4,938,699	58,129,273	45,744,241	3,893,866	49,638,107	
	800,204	-	800,204	1,138,552	-	1,138,552	
	99,000,886	15,479,993	114,480,879	83,437,750	12,544,704	95,982,454	
Financial Institutions							
	153,377	2,808	156,185	81,170	2,223	83,393	
	2,375,342	-	2,375,342	7,849,496	-	7,849,496	
	500,000	-	500,000	250,000	-	250,000	
	1,077,794	-	1,077,794	1,078,421	-	1,078,421	
	4,106,513	2,808	4,109,321	9,259,087	2,223	9,261,310	
	103,107,399	15,482,801	118,590,200	92,696,837	12,546,927	105,243,764	

- 17.1** This includes deposits amounting to Rs. 1,077.794 million (December 31, 2022: Rs. 1,078.421 million) from Saudi National Bank (a related party).

		(Rupees in '000)	
		June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
18	SUBORDINATED DEBT		
	Term Finance Certificates (TFCs) - Unsecured	4,996,000	4,997,000

18.1 Term Finance Certificates (TFCs) - Unsecured

Issue amount	Rupees 5,000 million
Issue date	March 2021
Maturity date	March 2031
Rating	AA-
Profit payment frequency	Semi - annually
Redemption	6th - 108th month: 0.36%; 114th and 120th month: 49.82% each
Mark-up	Payable six monthly at six months' KIBOR plus 1.35%
Call option	On or after five years with prior SBP approval
Lock-in-clause	Neither profit nor principal may be paid if such payments will result in shortfall in the Bank's Minimum Capital Requirement ("MCR") or Capital Adequacy Ratio ("CAR")
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a Point of Non-Viability event as defined by SBP's Basel III Capital Rule, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) and / or have them immediately written off (either partially or in full).

		(Rupees in '000)	
		June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
19	OTHER LIABILITIES		
	Mark-up / Return/ Interest payable in local currency	3,007,731	2,197,263
	Mark-up / Return/ Interest payable in foreign currencies	59,908	62,570
	Accrued expenses	487,317	506,377
	Accrual for WWF	182,470	156,470
	Acceptances	707,349	679,975
	Payable against purchase of equity investment	100,799	404,516
	Dividends payable	28,229	28,251
	Unclaimed dividends	3,351	3,351
	Mark to market loss on forward foreign exchange contracts	2,236,328	1,212,633
	Provision against off-balance sheet obligations	172,746	172,746
	Security deposits against lease	34,386	34,754
	Lease liability against right of use assets	1,479,058	1,501,455
	Others	384,612	355,040
		8,884,284	7,315,401

19.1 The interest accrued on outstanding lease liability against right of use assets is disclosed in "Lease liability against right of use."

		(Rupees in '000)	
		June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
20	DEFICIT ON REVALUATION OF ASSETS		
	Deficit on revaluation of		
	- Available for sale securities	9.1 (2,607,278)	(1,314,509)
	Deferred tax on deficit on revaluation of:		
	- Available for sale securities	13 1,277,566	565,239
		(1,329,712)	(749,270)
21	CONTINGENCIES AND COMMITMENTS		
	- Guarantees	21.1 7,440,254	8,062,744
	- Commitments	21.2 124,262,760	132,504,858
	- Other contingent liabilities	21.3 3,394,953	2,245,273
		135,097,967	142,812,875
21.1	Guarantees:		
	Financial guarantees	1,679,657	1,679,657
	Performance guarantees	4,857,917	5,419,619
	Other guarantees	902,680	963,468
		7,440,254	8,062,744
21.2	Commitments:		
	Documentary credits and short-term trade-related transactions		
	- letters of credit	3,530,817	7,855,756
	Commitments in respect of:		
	- forward foreign exchange contracts	21.2.1 120,391,713	124,483,534
	- forward equity securities sale transactions	21.2.2 13,049	-
	- operating leases	21.2.3 1,581	5,366
	Commitments for acquisition of:		
	- operating fixed assets	92,160	62,537
	- intangible assets	233,440	97,665
		124,262,760	132,504,858
21.2.1	Commitments in respect of forward foreign exchange contracts		
	Purchase	61,928,572	64,799,813
	Sale	58,463,141	59,683,721
		120,391,713	124,483,534

		(Rupees in '000)	
		June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
21.2.2	Commitments in respect of forward government securities transactions		
	Sale	13,049	-
21.2.3	Commitments in respect of operating leases		
	Not later than one year	1,581	5,366
	Later than one year and not later than five years	-	-
	Later than five years	-	-
		1,581	5,366

These comprise of commitments in respect of short term lease agreements for premises that are under Bank's use. The amount of commitment has been worked out based on standard rental arrangements between the Bank and the lessors taking into account these terms arrangements.

		(Rupees in '000)	
		June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
	Note		
21.3	Other contingent liabilities		
	Contingencies in respect of taxation	2,762,440	1,841,903
	Claims against the Bank not acknowledged as debt	632,513	403,370
		3,394,953	2,245,273

21.3.1 Contingencies in respect of taxation

The Income tax department has raised a demand of Rs. 426.787 million (December 31, 2022: 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, 2022: Rs. 645.337 million) for assessment years 1999-00 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, 2022: 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, 2022: Rs. 28.110 million), Rs. 5.498 million (December 31, 2022: Rs. 5.498 million), Rs. 393.486 million (December 31, 2022: Nil) and Rs. 177.120 million (December 31, 2022: 177.120 million) on account of monitoring of withholding taxes for the tax years 2012, 2014, 2017 and 2022, respectively. Tax authorities have also issued orders under Sindh Sales Tax on Services Act, 2011 and Punjab Sales Tax on Services Act, 2012 thereby creating arbitrary aggregate demand amounting to Rs 35.391 million (December 31, 2022: Rs. 35.391 million) for the years 2012 to 2017 and Rs.15.380 million (December 31, 2022: Rs. 15.380 million) for the year 2016 respectively. Federal Board of Revenue has issued orders to amend assessments for tax years 2014, 2015, 2016, 2017, 2018, 2019 and 2020 raising demands of Rs. 45.268 million (December 31, 2022: Rs. 45.268 million), Rs. 64.945 million (December 31, 2022: Rs. 64.945 million), Rs. 53.727 million (December 31, 2022: 53.727 million), Rs. 527.054 million (December 31, 2022: Nil) Rs. 133.374 million (December 31, 2022: Rs. 133.374 million), Rs. 177.117 million (December 31, 2022: Rs. 177.117 million) and Rs. 4.794 million (December 31, 2022: Rs. 4.794 million), respectively.

Presently, the Bank is contesting these issues at various appellate forums. The disallowances in respect of a number of assessment years have been decided / set aside by various appellate authorities for re-assessment while the Bank's appeal in respect of the remaining assessment years are currently pending. Based on the professional advice received from tax advisors, the management is confident that the eventual outcome of the aforementioned matters will be in favour of the Bank. Accordingly, no provision has been made in these financial statements in respect of the above mentioned demands aggregating Rs. 2,762.440 million (December 31, 2022: Rs. 1,841.903 million) raised by the income tax authorities.

21.3.2. 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.

	Six months ended	
	(Rupees in '000)	
	June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)
22 MARK-UP / RETURN / INTEREST EARNED		
On:		
a) Loans and advances	6,209,812	4,637,560
b) Investments	6,873,896	4,753,747
c) Lendings to financial institutions	522,633	182,708
d) Balances with banks	29,735	195
e) Others (on pool lending for Naya Pakistan Certificate)	171,460	29,231
	<u>13,807,536</u>	<u>9,603,441</u>
23 MARK-UP / RETURN / INTEREST EXPENSED		
On:		
a) Deposits	6,652,626	2,727,367
b) Borrowings	2,702,438	4,057,886
c) Finance cost on lease liability against right-of-use assets	90,507	73,776
d) Cost of foreign currency swaps against foreign currency deposits	298,444	361,623
e) Subordinated debt	497,667	278,652
	<u>10,241,682</u>	<u>7,499,304</u>
24 FEE & COMMISSION INCOME		
Branch banking customer fees	28,827	26,885
Consumer finance related fees	14,836	12,893
Debit card related fees	6,189	4,731
Credit related fees	25,526	26,512
Commission on trade	46,816	66,905
Commission on guarantees	20,211	27,487
Commission on cash management	10,752	8,926
Commission on remittances including home remittances	35,452	31,586
Commission on bancassurance	2,765	3,758
Commission on Naya Pakistan Certificates	4,317	5,035
Others	3,197	435
	<u>198,888</u>	<u>215,153</u>
25 (LOSS) / GAIN ON SECURITIES		
Realised	(512,672)	(172,493)
Unrealised - held for trading	(2,567)	396
	<u>(515,239)</u>	<u>(172,097)</u>
25.1 Realised gain on:		
Federal Government Securities	(275,623)	20,248
Shares	(237,049)	(192,741)
	<u>(512,672)</u>	<u>(172,493)</u>

26. OTHER INCOME

Gain on sale of fixed assets-net
Rental income
Others

Six months ended	
(Rupees in '000)	
June 30, 2023	June 30, 2022
(Un-audited)	(Un-audited)
2,298	5,967
6,930	-
2	5
9,230	5,972

27. OPERATING EXPENSES**Total compensation expense**

1,188,783 1,044,484

Property expense

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

34,494 57,358
1,063 975
63,974 52,442
44,820 38,150
51,555 34,554
8,201 8,610
143,495 111,253
347,602 303,342

Information technology expenses

Software maintenance
Hardware maintenance
Depreciation
Amortisation
Network charges
Insurance

145,890 87,792
38,186 23,438
47,548 37,005
44,295 32,425
103,750 64,256
334 314
380,003 245,230

Other operating expenses

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

25,860 21,813
19,724 17,758
- 2,669
50,871 46,658
6,320 8,525
57,258 62,263
2,241 1,147
6,113 6,043
3,528 991
23,871 23,401
34,386 28,992
33,876 33,557
15,628 12,150
18,268 22,511
- 9,293
5,259 5,775
13,993 13,637
317,196 317,183
2,233,584 1,910,239

	Note	Six months ended	
		(Rupees in '000)	
		June 30, 2023 (Un-audited)	June 30, 2022 (Un-audited)
28 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		-	1,303
29 (PROVISIONS) / REVERSALS AND WRITEOFFS - NET			
(Provision) / reversal for diminution in the value of investments	9.2	(53,180)	194,929
Provision against loans and advances - net	10.3	(537,864)	(466,626)
Fixed assets written-off		(9)	-
Bad debts written off directly		(1,074)	(1,577)
		(592,127)	(273,274)
30 TAXATION			
Current		(645,318)	(155,899)
Deferred		(196,341)	(118,780)
		(448,977)	(274,679)
30.1	Applicable rate represents rate of tax for banking companies i.e. 39% as specified in Division II of Part I of the First Schedule to the Income Tax Ordinance, 2001 and rate of super tax for banking companies i.e. 10% as specified in Division IIB of Part I of the First Schedule to the Income Tax Ordinance, 2001.		
31. BASIC EARNINGS PER SHARE			
Profit for the period		706,046	339,191
		(Number of shares)	
Weighted average number of ordinary shares		1,008,238,648	1,008,238,648
		(Rupees)	
Basic earnings per share		0.70	0.34
31.1	Diluted earnings per share has not been presented separately as the Bank does not have any convertible instruments in issue.		

32 FAIR VALUE MEASUREMENTS

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

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

32.1 Fair value of financial assets

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

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

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

(Rupees in '000)				
June 30, 2023 (Un-audited)				
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	61,454,319	-	61,454,319
Shares	982,365	-	-	982,365
Non-Government Debt Securities	-	700,713	-	700,713
Off-balance sheet financial instruments- measured at fair value				
Forward purchase of foreign exchange	-	61,928,572	-	61,928,572
Forward sale of foreign exchange	-	58,463,141	-	58,463,141
Forward sale of equity instruments	13,049	-	-	13,049

(Rupees in '000)				
December 31, 2022 (Audited)				
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	72,763,052	-	72,763,052
Shares	1,237,592	-	-	1,237,592
Non-Government Debt Securities	-	828,242	-	828,242
Financial assets - disclosed but not measured at fair value				
Investments-Federal Government Securities	-	1,830,946	-	1,830,946
Off-balance sheet financial instruments- measured at fair value				
Forward purchase of foreign exchange	-	64,799,813	-	64,799,813
Forward sale of foreign exchange	-	59,683,721	-	59,683,721

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
"Pakistan Investment Bonds / Market Treasury Bills"	The fair value of Market Treasury Bills and Pakistan Investment Bonds are derived using PKRV rates. Floating rate Pakistan Investment Bonds are revalued using PKFRV rates.
Forward foreign exchange contracts	The fair value has been determined by interpolating the mid rates announced by the State Bank of Pakistan.
Non government debt securities	Investments in non-government debt securities denominated in Rupees are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP).

33. SEGMENT INFORMATION

33.1 Segment Details with respect to Business Activities

During the period, the Bank has restructured its business segments wherein Corporate Banking and Commercial Banking were merged into and became Wholesale Banking Group. The Wholesale Banking Group is headed by Chief Lending Officer of the Bank who reports to the President & CEO. The below segment information represent the above said organizational restructuring, Accordingly comparative figures as of December 31, 2022 and for the six month ended June 30, 2022 have also been restated.

	(Rupees in '000)				
	Half year ended June 30, 2023 (un-audited)				
	Wholesale Banking	Retail Banking	Global Markets	Inter Segment Allocation	Total
Profit & Loss					
Net mark-up / return / profit	2,694,400	(3,540,793)	4,412,247	-	3,565,854
Inter segment revenue - net	(546,529)	5,069,032	(4,522,503)	-	-
Non mark-up / return / interest income	231,964	146,724	62,192	-	440,880
Total Income	2,379,835	1,674,963	(48,064)	-	4,006,734
Segment direct expenses	(207,650)	(804,692)	(83,899)	(1,163,343)	(2,259,584)
Inter segment expense allocation	(517,842)	(529,163)	(116,338)	1,163,343	-
Total expenses	(725,492)	(1,333,855)	(200,237)	-	(2,259,584)
Provisions	(536,827)	(2,120)	(53,180)	-	(592,127)
Profit / (loss) before tax	1,117,516	338,988	(301,481)	-	1,155,023
	(Rupees in '000)				
	As at June 30, 2023 (Un-audited)				
	Wholesale Banking	Retail Banking	Global Markets	Inter Segment Allocation	Total
Balance Sheet					
Cash & Bank balances	-	1,660,239	9,005,718	-	10,665,957
Investments - net	-	-	63,137,397	-	63,137,397
Net inter segment lending	-	66,466,077	-	(66,466,077)	-
Lendings to financial institutions	-	-	7,626,115	-	7,626,115
Advances - performing - net	61,942,341	6,316,833	120,545	-	68,379,719
Advances - non-performing - net	1,260,660	48,429	-	-	1,309,089
Others	2,578,401	231,520	13,773,131	-	16,583,052
Total Assets	65,781,402	74,723,098	93,662,906	(66,466,077)	167,701,329
Borrowings	12,267,520	-	7,176,586	-	19,444,106
Subordinated debt	-	-	4,996,000	-	4,996,000
Deposits & other accounts	47,923,767	69,554,733	1,111,700	-	118,590,200
Net inter segment borrowing	4,124,969	-	62,341,108	(66,466,077)	-
Others	1,465,148	5,168,365	3,258,823	-	9,892,336
Total liabilities	65,781,404	74,723,098	78,884,217	(66,466,077)	152,922,642
Equity	-	-	14,778,687	-	14,778,687
Total Equity & liabilities	65,781,404	74,723,098	93,662,904	(66,466,077)	167,701,329
Contingencies & Commitments	13,874,582	-	121,223,385	-	135,097,967

(Rupees in '000)					
Half year ended June 30, 2022 (un-audited)-Restated					
	Wholesale Banking	Retail Banking	Global Markets	Inter Segment Allocation	Total
Profit & Loss					
Net mark-up / return / profit	3,571,108	(1,859,638)	392,667	-	2,104,137
Inter segment revenue - net	(1,580,965)	3,007,118	(1,426,153)	-	-
Non mark-up / return / interest income	286,147	197,266	223,936	-	707,349
Total Income	2,276,290	1,344,746	(809,550)	-	2,811,486
Segment direct expenses	(197,623)	(667,277)	(87,110)	(972,332)	(1,924,342)
Inter segment expense allocation	(409,122)	(463,992)	(99,218)	972,332	-
Total expenses	(606,745)	(1,131,269)	(186,328)	-	(1,924,342)
Provisions	(447,961)	(20,242)	194,929	-	(273,274)
Profit / (loss) before tax	1,221,584	193,235	(800,949)	-	613,870
(Rupees in '000)					
As at December 31, 2022 (Audited)-Restated					
	Wholesale Banking	Retail Banking	Global Markets	Inter Segment Allocation	Total
Balance Sheet					
Cash & Bank balances	-	1,483,775	5,708,750	-	7,192,525
Investments	-	-	76,904,147	-	76,904,147
Net inter segment lending	-	67,742,438	-	(67,742,438)	-
Lendings to financial institutions	-	-	7,354,279	-	7,354,279
Advances - performing	67,342,139	6,592,279	168,935	-	74,103,353
Advances - non-performing	299,797	51,418	-	-	351,215
Others	2,123,650	417,287	10,627,803	-	13,168,740
Total Assets	69,765,586	76,287,197	100,763,914	(67,742,438)	179,074,259
Borrowings	13,036,846	-	32,789,456	-	45,826,302
Subordinated debt	-	-	4,997,000	-	4,997,000
Deposits & other accounts	29,883,560	74,247,436	1,112,768	-	105,243,764
Net inter segment borrowing	25,380,542	-	42,361,896	(67,742,438)	-
Others	1,464,639	2,039,760	4,840,711	-	8,354,110
Total liabilities	69,765,587	76,287,196	86,110,831	(67,742,438)	164,421,176
Equity	-	-	14,653,083	-	14,653,083
Total Equity & liabilities	69,765,587	76,287,196	100,763,914	(67,742,438)	179,074,259
Contingencies & Commitments	17,529,341	-	125,283,534	-	142,812,875

33.2 Segment details with respect to geographical locations

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

34 RELATED PARTY TRANSACTIONS

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

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

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

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

Details of transactions with related parties are given below:

	(Rupees in '000)							
	June 30, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Parent	Directors	Key management personnel	Others	Parent	Directors	Key management personnel	Others
Balances with other banks								
In current accounts	204,876	-	-	-	47,903	-	-	-
Advances								
Opening balance	-	-	226,221	-	-	-	200,450	-
Addition during the period / year	-	-	31,446	-	-	-	117,169	-
Repaid during the period / year	-	-	(54,960)	-	-	-	(91,398)	-
Closing balance	-	-	202,707	-	-	-	226,221	-
Other Assets								
Other receivable	1,847	-	-	-	1,847	-	-	-
Mark to market gain on forward foreign exchange contracts	-	-	-	-	20,817	-	-	-
	1,847	-	-	-	22,664	-	-	-
Other Liabilities								
Mark-up payable	-	183	269	874	-	88	222	699
Mark to market loss on forward foreign exchange contracts	8,346	-	-	-	70,757	-	-	-
	8,346	183	269	874	70,757	88	222	699
Deposits and other accounts								
Opening balance	1,078,421	6,255	17,975	30,583	655,306	25,057	31,168	32,484
Received during the period / year	5,900	6,052	272,408	376,740	500,438	308,739	694,575	1,127,025
Withdrawn during the period / year	(6,527)	(1,200)	(268,329)	(357,955)	(77,323)	(327,541)	(707,768)	(1,128,926)
Closing Balance	1,077,794	11,107	22,054	49,368	1,078,421	6,255	17,975	30,583
Contingencies and Commitments								
Forward foreign exchange contracts (Notional) - outstanding	747,070	-	-	-	4,065,845	-	-	-

	(Rupees in '000)							
	For the half year ended June 30, 2023 (Un-audited)				For the half year ended June 30, 2022 (Un-audited)			
	Parent	Directors	Key management personnel	Others	Parent	Directors	Key management personnel	Others
Income								
Mark-up / return / interest earned	-	-	6,428	-	-	-	5,174	-
Expense								
Mark-up / return / interest paid	-	751	808	3,882	-	286	710	3,660
Remuneration and benefits	-	-	232,260	-	-	-	286,870	-
Directors fee	-	13,440	-	-	-	25,440	-	-
Insurance premium paid	-	-	1,524	-	-	-	746	-
Insurance claims settled	-	-	1,565	-	-	-	148	-
Other Transactions								
Forward exchange contracts matured during the period	121,128,787	-	-	-	-	-	-	-
Sale of federal government securities	-	-	-	48,910	-	-	-	-
Purchase of government securities	-	-	-	42,332	-	-	-	-

35. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital

10,082,387

10,082,387

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

12,524,924

13,319,713

Eligible Additional Tier 1 (ADT 1) Capital

-

-

Total Eligible Tier 1 Capital

12,524,924

13,319,713

Eligible Tier 2 Capital

4,671,418

4,940,196

Total Eligible Capital (Tier 1 + Tier 2)

17,196,342

18,259,909

Risk Weighted Assets (RWAs):

Credit Risk

73,173,987

81,783,956

Market Risk

4,289,771

5,661,337

Operational Risk

10,104,223

10,104,223

Total

87,567,981

97,549,516

Common Equity Tier 1 Capital Adequacy ratio

14.30%

13.65%

Tier 1 Capital Adequacy Ratio

14.30%

13.65%

Total Capital Adequacy Ratio

19.64%

18.72%

Leverage Ratio (LR):

Eligible Tier-1 Capital

12,524,924

13,319,713

Total Exposures

193,848,429

209,634,698

Leverage Ratio

6.46%

6.35%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

64,283,660

40,733,917

Total Net Cash Outflow

27,908,674

21,318,101

Liquidity Coverage Ratio

230%

191.08%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

114,659,641

124,148,450

Total Required Stable Funding

61,271,021

60,512,541

Net Stable Funding Ratio

187.14%

205.16%

(Rupees in '000)

June 30, 2023

December 31, 2022

(Un-audited)

(Audited)

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 AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on August 24, 2023 by the Board of Directors of the Bank.

38 GENERAL

Figures have been rounded off to the nearest thousand rupees.




Chief Financial Officer
(Acting)



President & Chief Executive Officer



Director



Director



Chairman

Samba Bank Limited

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