

Quarterly Report | 2009  
March 31,

# Samba Bank Limited

(formerly Crescent Commercial Bank Limited)



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## Company Information

### Board of Directors

Syed Sajjad Razvi	Chairman
Mr. Beji Tak - Tak	Executive Director
Mr. Farhat Abbas Mirza	Independent Director
Mr. Javed Iqbal	Independent Director
Mr. Mubashar Hanif Khokhar	Independent Director
Dr. Shujaat Nadeem	Executive Director
Mr. Zaki Abdul Mohsen Al-Mousa	Executive Director
Mr. Zahid Zaheer	Independent Director
Mr. Tawfiq A. Husain	President & CEO

### Audit Committee

Mr. Javed Iqbal	Chairman
Mr. Beji Tak - Tak	Member
Mr. Zahid Zaheer	Member

### Board Credit Committee

Mr. Tawfiq A. Husain	Member
Mr. Beji Tak - Tak	Member
Syed Sajjad Razvi	Member
Mr. Zahid Zaheer	Member

### Company Secretary

Mrs. Mehnaz Ikram

### Auditors

A. F. Ferguson & Co. Chartered Accountants

### Legal Advisors

Mohsin Tayebaly & Co. Advocates & Legal Consultants  
Hassan & Hassan Advocates

### Head Office & Registered Office

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

### Share Registrar

Femco Associates (Pvt.) Limited  
4th Floor, State Life Building No. 2-A,I.I. Chundrigar Road, Karachi.

### Samba Phone Banking

11 11 SAMBA (72622)

### Website

www.samba.com.pk

### Credit Rating by JCR-VIS

Long Term Credit Rating	A (single A)
Short Term Rating	A-1 (A-One)

## Directors' Review

On behalf of the Board of Directors, I wish to present the un-audited financial report of your bank for the quarter ended March 31, 2009.

### Financial Highlights

The financials of your bank for the quarter ended March 31, 2009 under review are summarized below.

	For the quarter ended Mar 31, 2009	For the quarter ended Mar 31, 2008
Rupees in million		
Loss before taxation	(206)	(51)
Taxation (including deferred)	41	(2)
Loss after taxation	(165)	(53)
Loss per share - in Rupees	(0.19)	(0.06)

	Mar 31, 2009	Dec 31, 2008
Rupees in million		
Total assets	21,414	16,487
Advances	6,953	6,163
Deposits	9,155	9,860
Paid up capital & reserves (before revaluation reserve)	5,311	5,476

### Financial Overview

During the first quarter of 2009, your bank registered after tax loss of Rs. 165 million compared to Rs. 53 million for the corresponding period in 2008. Major reasons for the higher loss are lower recovery of the legacy bad loan portfolio, higher expenses owing to new branches being fully operational this year and one time cost of strategic initiative.

Your bank registered a growth in balance sheet over December 2008 resulting in higher investments & placements and corporate loans; however the net markup income for the quarter dipped. Although there was an anticipated and planned reduction in some large and expensive deposits, which temporarily reduced the overall deposit base, the management remained focused in its efforts to mobilize low cost stable deposits and to effectively manage the cost of deposits. This strategy will gradually start yielding favorable results in developing a sustainable and better mix of the deposit base of your bank.

### CREDIT RATING

The JCR-VIS Credit Rating Agency has maintained the bank's long term credit rating as A (single A) and the short term rating as A-1 (A-One). The long term rating reflects adequate credit quality with reasonable protection factors, while the short term rating reflects obligations supported by good certainty of timely payments, sound company fundamentals, and liquidity factors.

## FUTURE OUTLOOK

In line with its strategic priorities, your bank remained focused on providing world class banking services and products to its customers. Despite prevailing economic and market conditions, your bank has undertaken several revenue enhancement and expense rationalization initiatives. These initiatives are expected to result in improvement in the bottom line and sustainable and quality growth during 2009 and beyond.

Samba's long term commitment to Pakistan remains clear and unwavering. It continues to support the growth areas along with improvement in systems and technology, planned introduction of new products and services, streamlining of policies and procedures, and sourcing and retention of intellectual capital.

## ACKNOWLEDGMENT

On behalf of the Board of Directors and management, I would like to express sincere appreciation to our customers and shareholders for their patronage, State Bank of Pakistan and other regulatory bodies for their continuous guidance and support and to the employees for their continued dedication and commitment.

On behalf of the Board

**Tawfiq Husain**  
President and Chief Executive Officer

Karachi  
April 21, 2009

Samba Bank Limited *(Formerly Crescent Commercial Bank Limited)*

**Condensed Interim Balance Sheet**

As at March 31, 2009

	Note	(Un-audited) March 31, 2009	(Audited) December 31, 2008
(Rupees in '000)			
<b>ASSETS</b>			
Cash and balances with treasury banks		636,039	774,575
Balances with other banks		270,805	331,201
Lendings to financial institutions		4,258,610	2,313,308
Investments - net	6	6,239,412	3,829,354
Advances - net	7	6,952,984	6,163,008
Operating fixed assets		1,131,390	1,157,689
Deferred tax assets - net		1,112,677	1,080,273
Other assets		812,579	837,928
		21,414,496	16,487,336
<b>LIABILITIES</b>			
Bills payable		69,008	55,349
Borrowings from financial institutions	8	6,134,681	437,949
Deposits and other accounts	9	9,155,242	9,859,537
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		420	420
Other liabilities		745,073	671,927
Deferred tax liabilities		-	-
		16,104,424	11,025,182
<b>NET ASSETS</b>		5,310,072	5,462,154
<b>REPRESENTED BY:</b>			
Share capital		8,769,517	8,769,517
Reserves		43,080	43,080
Accumulated loss		(3,501,751)	(3,336,267)
		5,310,846	5,476,330
(Deficit) / surplus on revaluation of assets - net of tax		(774)	(14,176)
		5,310,072	5,462,154
<b>CONTINGENCIES AND COMMITMENTS</b>	10		
The annexed notes 1 to 15 form an integral part of these interim condensed financial statements.			
_____ President and CEO	_____ Director	_____ Director	_____ Director

Samba Bank Limited *(Formerly Crescent Commercial Bank Limited)*

## Condensed Interim Profit and Loss Account (Un-audited)

For the Quarter Ended March 31, 2009

	Note	Quarter ended March 31, 2009	Quarter ended March 31, 2008
(Rupees in '000)			
Mark-up / return / interest earned		456,871	435,524
Mark-up / return / interest expensed		(298,548)	(262,235)
Net mark-up / return / interest income		158,323	173,289
Reversal / (Provision) against loans and advances - net		(46,509)	15,757
Reversal / (Provision) for diminution in the value of investments- net		-	10,643
Bad debts written-off directly		-	-
		(46,509)	26,400
Net mark-up / return / interest income after provisions		111,814	199,689
<b>Non mark-up / interest income</b>			
Fee, commission and brokerage income		11,119	9,587
Dividend income		-	8,169
Income from dealing in foreign currencies		6,388	2,521
Gain / (loss) on sale of securities		2,249	5,186
Gain / (loss) on revaluation of investments classified as held for trading		(437)	2
Other income		9,546	27,803
Total non mark-up / interest income		28,865	53,268
		140,679	252,957
<b>Non mark-up / interest expenses</b>			
Administrative expenses		(342,140)	(303,900)
Other provisions / write offs- net		(4,745)	7
Other charges		-	(46)
Total non mark-up / interest expenses		(346,885)	(303,939)
		(206,206)	(50,982)
Extraordinary items		-	-
<b>Loss before taxation</b>		(206,206)	(50,982)
Taxation - Current year		-	2,400
- Prior years		-	-
- Deferred		(40,722)	-
		(40,722)	2,400
<b>Loss after taxation</b>		(165,484)	(53,382)
Accumulated loss brought forward		(3,336,267)	(2,593,956)
<b>Accumulated loss carried forward</b>		(3,501,751)	(2,647,338)
Basic / diluted loss per share (Rupees)	11	(0.19)	(0.06)

The annexed notes 1 to 15 form an integral part of these interim condensed financial statements.

\_\_\_\_\_  
President and CEO

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director



Samba Bank Limited *(Formerly Crescent Commercial Bank Limited)*

**Condensed Interim Statement of Comprehensive Income (Un-audited)**

For the Quarter Ended March 31, 2009

	Note	Quarter ended March 31, 2009	Quarter ended March 31, 2008
(Rupees in '000)			
Loss for the period		(165,484)	(53,382)
Other comprehensive income:			
-Available for sale financial assets		13,402	(4,986)
<b>Total comprehensive income for the period</b>		<u>(152,082)</u>	<u>(58,368)</u>

The annexed notes 1 to 15 form an integral part of these interim condensed financial statements.

\_\_\_\_\_  
President and CEO

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

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Director

# Samba Bank Limited *(Formerly Crescent Commercial Bank Limited)*

## Condensed Interim Cash Flow Statement (Un-audited)

For the Quarter Ended March 31, 2009

	Quarter ended March 31, 2009	Quarter ended March 31, 2008
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(206,206)	(50,982)
Less: Dividend income	-	(8,169)
	(206,206)	(59,151)
Adjustments for non-cash charges:		
Depreciation / amortization	38,173	20,411
(Reversal) / Provision against loans and advances - net	46,509	(15,757)
(Reversal) / Provision for diminution in the value of investment	-	(10,643)
Surplus on revaluation of investment held for trading	437	(2)
Finance charges on leased assets	-	5
Gain on sale of operating fixed assets	(4,666)	33
Gain on sale of securities	(2,249)	(5,186)
Other provisions / write offs-net	4,745	(7)
Other charges	-	46
	82,949	(11,100)
	(123,257)	(70,251)
(Increase) / decrease in operating assets		
Lendings to financial institutions	(1,945,302)	1,497,940
Held for trading securities	(1,313,037)	(297,867)
Advances	(836,485)	(51,028)
Other assets (excluding advance & current taxation)	26,367	4,987
	(4,068,457)	1,154,032
Increase / (decrease) in operating liabilities		
Bills payable	13,659	(990,810)
Borrowings from financial institutions	5,696,732	759,716
Deposits and other accounts	(704,295)	(1,342,896)
Other liabilities	68,401	(19,351)
	5,074,497	(1,593,340)
	882,783	(509,559)
Income tax paid	(1,020)	(2,765)
<b>Net cash from operating activities</b>	881,763	(512,324)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in securities	(1,073,488)	655,071
Dividend received	-	8,169
Investment in operating fixed assets	(17,278)	(39,300)
Proceeds from sale of fixed assets	10,071	1,106
<b>Net cash inflow from / (outflow on) investing activities</b>	(1,080,695)	625,046
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payments of obligations under finance lease	-	(2,896)
Proceeds from issue of shares	-	-
Cost incurred on issuance of shares	-	-
<b>Net cash used in financing activities</b>	-	(2,896)
<b>Increase / (Decrease) in cash and cash equivalents</b>	(198,932)	109,826
<b>Cash and cash equivalents at beginning of the period</b>	1,105,776	1,066,959
<b>Cash and cash equivalents at end of the period</b>	906,844	1,176,785
<b>Cash and cash equivalents</b>		
Cash and balances with treasury banks	636,039	1,024,067
Balances with other banks	270,805	152,718
	906,844	1,176,785

The annexed notes 1 to 15 form an integral part of these interim condensed financial statements.

\_\_\_\_\_  
President and CEO

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

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Director

Samba Bank Limited *(Formerly Crescent Commercial Bank Limited)*

**Condensed Interim Statement of Changes in Equity (Un-audited)**

For the Quarter Ended March 31, 2009

	Share capital	Capital reserve	Statutory reserve	Revenue reserve	*Other reserves	(Accumulated loss)	Total
	(Rupees in '000)						
Balance as at January 01, 2008	8,769,517	20,935	22,145	-	(16,483)	(2,593,956)	6,202,158
Total Comprehensive income for the quarter ended March 31, 2008	-	-	-	-	(4,986)	(53,382)	(58,368)
Balance as at March 31, 2008	8,769,517	20,935	22,145	-	(21,469)	(2,647,338)	6,143,790
Total Comprehensive income for the nine months period ended December 31, 2008	-	-	-	-	7,293	(688,929)	(681,636)
Balance as at December 31, 2008	8,769,517	20,935	22,145	-	(14,176)	(3,336,267)	5,462,154
Total Comprehensive income for the quarter ended March 31, 2009	-	-	-	-	13,402	(165,484)	(152,082)
<b>Balance as at March 31, 2009</b>	<b>8,769,517</b>	<b>20,935</b>	<b>22,145</b>	<b>-</b>	<b>(774)</b>	<b>(3,501,751)</b>	<b>5,310,072</b>

\* This represents surplus/ (deficit) on re-measurement of investments classified as "available for sale".

The annexed notes 1 to 15 form an integral part of these interim condensed financial statements.

\_\_\_\_\_  
President and CEO

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# Samba Bank Limited *(Formerly Crescent Commercial Bank Limited)*

## Notes to the Condensed Interim Financial Statements (Un-audited)

For the Quarter Ended March 31, 2009

### 1 STATUS AND NATURE OF BUSINESS

Samba Bank Limited (formerly Crescent Commercial Bank Limited) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The bank is listed on all the stock exchanges of Pakistan. Its principal and registered office is located at 6th Floor, Sidco Avenue Centre, Maulana Deen Muhammad Wafai Road, Karachi. The bank is a subsidiary of SAMBA Financial Group of Saudi Arabia, holding 68.42% shares of the bank. The bank operates 28 (December 31, 2008: 28) branches inside Pakistan.

### 2 BASIS OF PRESENTATION

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

### 3 STATEMENT OF COMPLIANCE

- (a) These interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, as are notified under the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or the directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. Wherever the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or the requirements of the said directives prevail.
- (b) The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002. 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.
- (c) The disclosures made in these interim financial statements have, however been limited based on the format prescribed by the State Bank of Pakistan vide BSD Circular Letter No. 2 dated May 12, 2004 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the bank for the year ended December 31, 2008.

### 4 BASIS OF MEASUREMENT

These interim financial statements have been prepared under the historical cost convention, except that certain investments and commitments in respect of certain forward exchange contracts have been marked to market and are carried at fair value.

### 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim financial statements are the same as those applied in the preparation of the annual financial statements of the bank for the year ended December 31, 2008.

**6 INVESTMENTS**

	Note	March 31, 2009			December 31, 2008		
		Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
----- (Rupees in '000) -----							
Held for trading securities	6.1	394,750	3,345,527	3,740,277	2,427,240	-	2,427,240
Available for sale securities	6.2	808,288	1,398,231	2,206,519	931,881	197,784	1,129,665
Held to maturity securities	6.3	323,670	-	323,670	324,786	-	324,786
Associates / Associated companies	6.4	371,470	-	371,470	371,470	-	371,470
		1,898,178	4,743,758	6,641,936	4,055,377	197,784	4,253,161
Provision for diminution in the value of investments		(402,252)	-	(402,252)	(402,252)	-	(402,252)
Surplus/(Deficit) on revaluation of held for trading securities		384	51	435	872	-	872
Deficit on revaluation of available for sale securities		(11,724)	11,017	(707)	(21,698)	(729)	(22,427)
Investments-net		1,484,586	4,754,826	6,239,412	3,632,299	197,055	3,829,354
<b>6.1 Held for trading securities</b>							
Market Treasury Bills		394,750	3,345,527	3,740,277	2,427,240	-	2,427,240
<b>6.2 Available-for-sale securities</b>							
Market Treasury Bills		475,238	1,398,231	1,873,469	599,251	197,784	797,035
Pakistan Investment Bonds		113,933	-	113,933	113,514	-	113,514
Sukuk Bond		10,000	-	10,000	10,000	-	10,000
Ordinary shares and certificates - listed		123,707	-	123,707	123,707	-	123,707
Ordinary shares - unlisted		65,410	-	65,410	65,409	-	65,409
Preference shares - listed		10,000	-	10,000	10,000	-	10,000
Units of open-end mutual fund - listed		10,000	-	10,000	10,000	-	10,000
		808,288	1,398,231	2,206,519	931,881	197,784	1,129,665
<b>6.3 Held-to-maturity securities</b>							
Pakistan Investment Bonds		323,670	-	323,670	324,786	-	324,786
<b>6.4 Associates / Associated companies</b>							
Ordinary shares - listed		371,470	-	371,470	371,470	-	371,470

	Note	March 31, 2009	December 31, 2008	
(Rupees in '000)				
<b>7 ADVANCES - NET</b>				
Loans, cash credits, running finances, etc. - in Pakistan		8,609,362	7,766,435	
Net Investment in finance lease in - Pakistan		680,379	705,510	
Bills discounted and purchased (excluding government treasury bills)				
- Payable in Pakistan		133,944	133,944	
- Payable outside Pakistan		16,336	-	
		150,280	133,944	
Advances gross		9,440,021	8,605,889	
Less: Provision for loans and advances				
- Specific provision	7.1	(2,363,566)	(2,319,334)	
- General provision	7.2	(123,471)	(123,547)	
		(2,487,037)	(2,442,881)	
		6,952,984	6,163,008	
7.1 Advances include Rs 2,524.1 million which have been placed under non-performing status as detailed below:				
		March 31, 2009		
Category of classification		Classified Advances Domestic Overseas Total	Provision required	Provision held
		(Rupees in '000)		
Substandard		147,197 - 147,197	41,394	41,394
Doubtful		533,271 - 533,271	266,636	533,216
Loss		1,843,632 - 1,843,632	1,788,956	1,788,956
		2,524,100 - 2,524,100	2,096,986	2,363,566
7.2 The general provision includes a provision amounting to Rs 113.719 million against consumer financing portfolio as required by the Prudential Regulations issued by the SBP. General provision also includes a provision of Rs 9.752 million made in respect of potential loan losses present in the portfolio but not specifically identified and has been determined on the basis of management best estimate.				
	Note	March 31, 2009	December 31, 2008	
(Rupees in '000)				
<b>8 BORROWINGS FROM FINANCIAL INSTITUTIONS</b>				
<b>Secured</b>				
Borrowings from SBP under export refinance scheme		574,000	224,000	
Repurchase agreement borrowings		5,238,345	191,613	
		5,812,345	415,613	
<b>Unsecured</b>				
Bankers Equity Limited (under liquidation)		22,336	22,336	
Call money borrowing		300,000	-	
		322,336	22,336	
		6,134,681	437,949	

	Note	March 31, 2009	December 31, 2008
(Rupees in '000)			
<b>9 DEPOSITS AND OTHER ACCOUNTS</b>			
<b>Customers</b>			
Fixed deposits		5,784,680	6,822,669
Savings deposits		1,549,752	1,338,633
Current accounts - non-remunerative		1,268,897	1,116,212
Others - non-remunerative		43,203	34,757
		8,646,532	9,312,271
<b>Banks and Financial Institutions</b>			
Remunerative deposits		472,536	507,456
Non-remunerative deposits		36,174	39,810
		508,710	547,266
		<u>9,155,242</u>	<u>9,859,537</u>
<b>10 CONTINGENCIES AND COMMITMENTS</b>			
<b>10.1 Direct credit substitutes</b>			
Contingent liabilities in respect of guarantees given favouring			
- Government		-	800,000
- Banks and financial institutions		-	-
- Others		201,668	5,034,998
		<u>201,668</u>	<u>5,834,998</u>
<b>10.2 Transaction-related contingent liabilities /commitments</b>			
Contingent liabilities in respect of performance bonds, bid bonds, warranties, etc. given favouring			
- Government		1,181,872	375,139
- Banks and financial institutions		-	-
- Others		96,145	144
		<u>1,278,017</u>	<u>375,283</u>
<b>10.3 Trade-related contingent liabilities</b>			
Contingent liabilities in respect of letters of credit opened favouring			
- Government		-	-
- Banking companies and other financial institutions		-	-
- Others		2,007,669	-
		<u>2,007,669</u>	<u>-</u>

#### 10.4 Contingencies in respect of taxation

The Income tax department has raised a demand of Rs 501.862 million for the assessment years 1995-96, 1996-97 and 1997-98 on account of non-deduction of tax on profit paid under portfolio management scheme and on interest paid on foreign currency certificates of investment. The department has also raised further demand of Rs 782.63 million for assessment years 1995-96, 1998-99 to tax year 2003 on account of taxability of investment bank as a banking company, taxation of dividend income, add back relating to extra shift allowance, lease rentals received or receivable, lease key money and certain other items. The aforementioned demands and add backs include pending assessments of amalgamated entities namely Crescent Investment Bank Limited, Trust Investment Bank Limited, Fidelity Investment Bank Limited and Pakistan Industrial Leasing Corporation.

Presently, the bank is contesting these add backs / demands at various appellate forums. The disallowances in respect of a number of assessment years have been decided / set aside by various appellate authorities for re-assessment while the bank's appeal in respect of the remaining assessment years are currently pending. Based on the professional advice received from the tax advisors, the management is confident that the eventual outcome of the aforementioned matters will be in favour of the bank. Accordingly, no provision has been made in these financial statements in respect of the above mentioned demands of Rs 1,284.492 million raised by the income tax authorities.

#### 10.5 Commitments in respect of forward lending

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

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

Purchase

March 31, 2009	December 31, 2008
(Rupees in '000)	

2,392,681

804,200

Sale

2,639,820

804,215

#### 10.7 Capital Commitments

Commitments for capital expenditure as at Mar 31, 2009 amounted to Rs. 5.5 million (December 31, 2008: Rs. 18.76 million).

#### 11 LOSS PER SHARE - Basic & Diluted

Loss after taxation attributable to ordinary shareholders

March 31, 2009	March 31, 2008
(Rupees in '000)	

(165,484)

(53,382)

Number of Shares

Weighted average number of shares outstanding during the period

876,951,675

876,951,675

(Rupees)

Loss per share - Basic & diluted

(0.19)

(0.06)



## 12 RELATED PARTY TRANSACTIONS

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

Banking transactions with the related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal risk.

Contribution to staff retirement benefit plan is made in accordance with the terms of the contribution plan. Remuneration to the executives are determined in accordance with the terms of their employment.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the bank. The bank considers all member of their management team, including Chief Executive and Directors to be key management personnel.

Details of transactions with related parties are given below:

	March 31, 2009			December 31, 2008		
	Key management personnel	Associates	Others	Key management personnel	Associates	Others
----- (Rupees in '000) -----						
<b>BALANCE OUTSTANDING - GROSS</b>						
<b>Advances</b>						
At January 01	62,961	45,500	-	45,701	45,500	-
Given during the period	412	-	-	44,546	-	-
Repaid during the period	(7,767)	-	-	(14,363)	-	-
Adjustments	-	-	-	(12,923)	-	-
At March 31 / December 31	55,606	45,500	-	62,961	45,500	-
<b>Provision held against advances</b>	-	45,500	-	-	45,500	-
<b>Deposits</b>						
At January 01	58,609	15,934	57,961	24,405	14,443	15,288
Received during the period	57,802	98,115	54,054	362,197	358,000	87,851
Withdrawn the period	(58,450)	(58,882)	(34,509)	(311,724)	(355,146)	(45,178)
Adjustments	187	-	-	(16,269)	(1,363)	-
At March 31 / December 31	58,148	55,167	77,506	58,609	15,934	57,961
<b>Others</b>						
Guarantees	-	42,196	-	-	42,196	-
Provision against guarantees	-	3,733	-	-	-	-
Balances in nostro accounts	-	542	-	-	1,053	-
Investment in shares	-	371,470	-	-	371,470	-
Sundry receivables	-	32,791	-	-	32,791	-
Sundry payable	-	24,469	-	-	25,000	-
Balances in vostro accounts	-	5,987	-	-	12,787	-
<b>Provision against diminution in the value of investments</b>	-	242,383	-	-	242,383	-

	January-March 2009			January-March 2008		
	Key management personnel	Associates	Others	Key management personnel	Associates	Others
	----- (Rupees in '000) -----					
<b>Transactions for the period</b>						
Remuneration and benefits	27,282	-	-	31,025	-	-
Directors fee	2,008	-	-	2,158	-	-
Counter confirmation charges on guarantees	-	7,705	-	-	-	-
Letter of guarantee issued	-	-	-	-	15,385	-
Provision against guarantees	-	3,733	-	-	-	-
Mark-up / return / interest expensed	1,035	109	573	220	198	153
Mark-up / return / interest income	652	-	-	490	-	-

### 13 BUSINESS SEGMENTS

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

Particulars	For the quarter ended March 31, 2009 (Un-audited)				
	Corporate finance	Trading & sales	Retail banking	Commercial banking	Total
	----- (Rupees in '000) -----				
Total income (net of interest expense and provisions)	-	50,544	59,238	30,897	140,679
Total operating expenses	6,628	29,771	257,461	53,025	346,885
Net loss (before tax)	(6,628)	20,773	(198,223)	(22,128)	(206,206)

Particulars	For the quarter ended March 31, 2008 (Un-audited)				
	Corporate finance	Trading & sales	Retail banking	Commercial banking	Total
	----- (Rupees in '000) -----				
Total income (net of interest expense and provisions)	392	80,666	51,741	120,158	252,957
Total operating expenses	3,805	28,760	234,688	36,686	303,939
Net loss (before tax)	(3,413)	51,906	(182,947)	83,472	(50,982)

Particulars	As at March 31, 2009 (Un-audited)				
	Corporate finance	Trading & sales	Retail banking	Commercial banking	Total
	----- (Rupees in '000) -----				
Segment assets	-	13,186,682	3,617,416	7,630,189	24,434,287
Segment non-performing loans	-	1,271	438,516	2,084,313	2,524,100
Segment provision held	-	435,176	423,629	2,160,986	3,019,791
Segment liabilities	-	5,667,554	9,079,438	1,357,432	16,104,424

Particulars	For the quarter ended March 31, 2008 (Un-audited)				
	Corporate finance	Trading & sales	Retail banking	Commercial banking	Total
	----- (Rupees in '000) -----				
Segment assets	-	8,963,915	3,828,431	6,670,624	19,462,970
Segment non-performing loans	-	-	396,234	1,564,909	1,961,143
Segment provision held	-	429,991	367,654	2,177,989	2,975,634
Segment liabilities	-	208,449	7,710,890	3,105,843	11,025,182

**14 GENERAL**

Figures have been rounded off to the nearest thousand rupees.

**15 DATE OF AUTHORISATION FOR ISSUE**

These interim financial statements were authorised for issue on April 21, 2009 by the Board of Directors of the bank.

\_\_\_\_\_  
President and CEO

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

## Branch Network

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### Karachi

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Fountain Branch Saddar  
North Karachi Branch  
S.I.T.E. Branch  
Rashid Minhas Road Branch  
DHA Phase VI Branch  
Bahria Complex Branch-1  
Bahria Complex Branch-2  
Shahrah-e-Faisal Branch  
Gulshan-e-Iqbal Branch  
Clifton Branch  
Bahadurabad Branch

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### Lahore

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DHA Branch  
Mall Road Branch  
Gulberg Branch  
Montgomery Road Branch  
Circular Road Branch  
Cavalry Ground Branch  
Garden Town Branch  
Sarwar Road Branch

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### Islamabad

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Razia Sharif Plaza Branch  
Tahir Plaza Branch  
F-10 Branch  
F-7 Branch

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### Multan

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Multan Branch

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### Sialkot

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Paris Road Branch

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### Peshawar

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Saddar Road Branch

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### Faisalabad

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Liaquat Road Branch

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### Gujranwala

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G.T Road Branch

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