



DETERMINED TO FULFILL  
COMMITMENT

QUARTERLY REPORT SEPTEMBER 30, 2012

*Summit* **S** *Bank*

Committed to you

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# CORPORATE INFORMATION



## Board of Directors

Mr. Nasser Abdulla Hussain Lootah  
Chairman

Mr. Husain Lawai  
President and CEO

Mr. Nasim Beg  
Director

Mr. Asadullah Khawaja  
Director

Mr. M. Farid Uddin  
Director

Dr. Ahmed Khalil Mohammad Samea Al Mutawa  
Director

Mr. Shehryar Faruque  
Director

## Audit Committee

Mr. Asadullah Khawaja  
Chairman

Mr. Nasim Beg  
Member

Mr. Shehryar Faruque  
Member

## Risk Management Committee

Mr. Nasim Beg  
Chairman

Mr. Husain Lawai  
Member

Mr. Asadullah Khawaja  
Member

## Human Resource (HR) Committee

Mr. Shehryar Faruque  
Chairman

Mr. Nasim Beg  
Member

Mr. Asadullah Khawaja  
Member

Mr. Husain Lawai  
Member

## Chief Financial Officer

Mr. Aziz Adil

## Acting Company Secretary

Syed Imran Hashmi

## Auditors

Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

## Legal Advisors

Liaquat Merchant Associates

## Head Office

Arif Habib Centre, 23, M.T. Khan Road  
Karachi – 74000, Pakistan  
UAN: (021) 111 – 124 – 725  
Fax: (021) 32435736

## Registered Office

Plot No.6-B, F-6, Supermarket, Islamabad, Pakistan

## Share Registrar

Technology Trade (Pvt) Ltd  
Dagia House, 241 – C, Block 2, PECHS,  
Off Shahrah – e – Quaideen,  
Karachi – 74000, Pakistan  
Tel: (021) 34391316-7  
Fax: (021) 34391318

## Entity Ratings

Rated by JCR – VIS  
Medium to Long term "A–"  
Short Term "A-2"

Email: [info@summitbank.com.pk](mailto:info@summitbank.com.pk)

Website: [www.summitbank.com.pk](http://www.summitbank.com.pk)

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# VISION

To be the preferred provider of financial products & services to the markets.

## MISSION

- To be a financial institution based on Trust, Integrity and Good Governance.
- To deliver financial solutions to our customers.
- To provide equal opportunities & professional working environment to our employees.
- To provide fair return to our shareholders on their investment.
- To serve the community at large.
- To discharge corporate social responsibility.



# DIRECTORS' REPORT

On behalf of the Board of Directors of Summit Bank Limited, I present herewith the un-audited financial statements of the Bank for the period ended September 30, 2012.

## Performance Review

Operational highlights of the Bank for the period under review are:

	September 30, 2012	September 30, 2011
	(Unaudited)	
	Rupees in '000	
Operating loss before provisions and diminution in value of investments	(1,407,119)	(1,451,294)
Reversal / (Provision) for non performing advances	402,850	(603,745)
Provision for diminution in value of investments	(2,500)	(58,336)
Bad debts written off directly	(39,591)	-
Loss before tax	(1,046,360)	(2,113,375)
Taxation (charge) / reversal	(261,909)	441,627
Loss after tax	(1,308,269)	(1,671,748)
Loss per share – Rupees	(1.21)	(2.05)

The Bank's financial results for the period are encouraging in more than one dimension. Though the Bank sustained a pre-tax loss of Rs. 1,046 million for the nine month period under review this, however, is almost half the loss that was sustained by the Bank during the corresponding period last year. During the period under review a substantive amount of Rs. 3,013 million was recovered by the Bank against its non-performing loans portfolio. This reflects by a net impact of Rs. 403 million as reversals of provisions to Profit and Loss account for the period. These recoveries will not only improve the liquidity of the Bank but also contribute to enhancing its profitability.

There has been no significant increase in new lending by the Bank over the period that ended September 30 2012. This reflects of the prudent and cautious approach to the risk management adopted by the Bank and its emphasis on high quality lending. The Bank during the period tried to follow its long term business development strategy and continued to focus on realigning its deposit profile by reducing its cost. The efforts continued to be made towards mobilization of the CASA deposits and simultaneous retirement of high cost deposits. This policy had a marginal impact on the total deposits but the overall cost of deposit was effectively brought down by 71 basis points as compared to December 31, 2011.

Pakistan's economy is currently facing immense challenges and the outlooks for the rest of the ongoing fiscal year also appear to be fraught with difficulties. Pakistan's external position is not encouraging, though the current account deficit may not be very large by international standards, but financial flows have weakened and central bank reserves are gradually dwindling that is putting pressure on the rupee. The economic and fiscal policy initiatives that are urgently required to be taken to maintain growth and macroeconomic stability are not yet in sight. Underlying inflation, despite falling in the recent past, remains high which to be tackled requires domestic resource mobilization and reduced recourse to borrowing from the central bank. The government needs to bridge the existing massive gap between the revenues flows and its expenses for a meaningful reduction in inflation. Addressing macroeconomic imbalances will help support higher growth, but other allied issues like the energy problems, skills and law and order are daunting task that are facing Pakistan and each an impediment to higher economic growth on its own.

## Minimum Capital Requirement

The State Bank of Pakistan (SBP) has set the minimum capital requirement for banks to Rs.10 billion that is to be achieved in a phased manner by December 31, 2013. The minimum capital requirement (free of losses) as of December 31, 2011 of the Bank was Rs.8 billion. The paid up capital of the Bank as of September 30, 2012 amounts to Rs. 10.780 billion while the reserves and accumulated losses on the date are Rs. (1.812) billion and Rs. (4.687) billion respectively. State Bank of Pakistan, however, has granted extension in time limits to the Bank upto December 31, 2012 to meet it's the minimum capital requirement of Rs. 9 billion.

## DIRECTORS' REPORT

Keeping in view the minimum capital requirements and the need to overcome the deficit in meeting the MCR the Bank has already issued the right share amounting to Rs.1.450 billion and Term Finance Certificate (TFCs) as tier II Capital amounting to Rs. 1.50 billion in the year 2011.

The Board of Directors of the bank, during the period, accorded the approval for further issuance of 20% Preference shares by way of right shares to meet its minimum capital requirements and to overcome the existing deficit in meeting the MCR. The shareholders in the EOGM held on August 31, 2012 have also approved the proposal in the enhancement of the paid-up capital of the Bank. The approval from the State Bank of Pakistan has also been, in this regard, besides other regulatory requirements. The sponsors of the Bank are fully committed to raise capital of the Bank to meet the regulatory requirement which is reflected in the fact that they have already injected Rs. 1.4 billion and have also expressed their commitment to increase the capital to meet the shortfall in regulatory requirement.

### Credit rating

The medium to long-term rating of the Bank rated by JCR-VIS, credit rating Company, is 'A-' whereas short-term rating of the Bank is 'A-2' with a 'Stable' outlook.

### Future Outlook

The Bank's business strategy in future will remain focused on increasing its customer's base and also further improving and deepening the relationships with the existing customers. The objectives are intended to be achieved through enhancing the Bank's geographical reach and its productbase. Bank is in process of offering new products particularly in the area of Consumer Banking and Wealth Management. The products are being vetted and regulatory approvals are being sought, simultaneously it is being ensured that high standards that the Bank has set for itself are not compromised. New products that are being introduced have unique characteristics and are away from the products that are already available in the market.

The Bank, in addition to the Wealth Management products awaiting regulatory approvals for launch, is also in process of finalizing more new and innovative products that are geared to address those specific requirements of the customers which are not presently being addressed to by the banking sector at large. Wealth Management Division of the Bank will also offer niche products and services that will meet the specific needs of average retail and also the corporate customers. These products will be rolled out after required regulatory approvals have been obtained.

### Acknowledgements

I, on the behalf of the Board, would like to express gratitude and thanks to the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan for their professional support and guidance. Gratitude is also due to our customers for their confidence and trust that they have reposed in the Bank. I would also like to thank our shareholders for their continued patronage and support; and also the management and the staff for their hard work and commitment.

### On behalf of Board of Directors

**Husain Lawai**

President & CEO

**Dated:** October 19, 2012

**SUMMIT BANK LIMITED**

**CONDENSED INTERIM  
FINANCIAL STATEMENTS**

**AS AT SEPTEMBER 30, 2012**  
**(Unaudited)**



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

AS AT SEPTEMBER 30, 2012

	Note	Unaudited September 30, 2012	Restated December 31, 2011
----- (Rupees in '000) -----			
<b>ASSETS</b>			
Cash and balances with treasury banks		5,818,228	6,117,986
Balances with other banks		2,178,868	1,426,353
Lendings to financial institutions		1,423,726	1,069,757
Investments	8	47,957,440	36,268,904
Advances	9	53,173,532	56,017,664
Operating fixed assets	10	5,807,060	6,071,432
Deferred tax assets - net	11	5,932,716	6,298,059
Other assets		6,928,938	6,078,177
		<b>129,220,508</b>	<b>119,348,332</b>
<b>LIABILITIES</b>			
Bills payable		1,756,273	900,750
Borrowings		30,572,469	18,562,616
Deposits and other accounts	12	87,665,527	89,699,819
Sub-ordinated loan		1,499,655	1,500,000
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		2,755,144	2,911,099
		<b>124,249,068</b>	<b>113,574,284</b>
<b>NET ASSETS</b>		<b>4,971,440</b>	<b>5,774,048</b>
<b>REPRESENTED BY</b>			
Share capital		10,779,796	10,779,796
Reserves		(514,377)	(514,377)
Discount on issue of shares		(1,297,298)	(1,297,298)
Accumulated losses		(4,687,451)	(3,392,193)
		<b>4,280,670</b>	<b>5,575,928</b>
Surplus on revaluation of assets - net of deferred tax		690,770	198,120
		<b>4,971,440</b>	<b>5,774,048</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
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The annexed notes from 1 to 18 form an integral part of these financial statements.

 President &  
Chief Executive

Chairman

Director

Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)**

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

Note	Quarter ended September 30, 2012	Quarter ended September 30, 2011	Nine Months ended September 30, 2012	(Restated) Nine Months ended September 30, 2011
	(Rupees in '000)			
Mark-up / return / interest earned	2,708,853	1,858,490	8,290,092	6,260,689
Mark-up / return / interest expensed	(2,519,572)	(1,809,773)	(7,844,868)	(5,770,778)
Net mark-up / interest income	189,281	48,717	445,224	489,911
Reversal of provision / (charge) against non-performing loans and advances	166,341	627,703	402,850	(603,745)
Provision for diminution in the value of investments	-	(246,477)	(2,500)	(58,336)
Bad debts written off directly	(80)	2,198	(39,591)	-
	166,261	383,424	360,759	(662,081)
Net mark-up / interest income / (loss) after provisions	355,542	432,141	805,983	(172,170)
<b>NON MARK-UP / INTEREST INCOME</b>				
Fee, commission and brokerage income	158,518	58,194	478,219	269,839
Dividend income	88,731	47,871	140,530	53,794
Gain from dealing in foreign currencies	93,616	3,346	285,497	77,364
Gain on sale of securities - net	53,591	235,034	232,066	68,802
Unrealised gain on revaluation of investments classified as held-for-trading	7,493	21,080	-	22,798
Other income	15,556	10,338	71,143	50,388
Total non-mark-up / interest income	417,505	375,863	1,207,455	542,985
	773,047	808,004	2,013,438	370,815
<b>NON MARK-UP / INTEREST EXPENSES</b>				
Administrative expenses	(1,054,770)	(572,064)	(3,052,226)	(2,438,146)
Other provisions / write-offs	-	4,913	(1,138)	(30,241)
Other charges	(2,217)	(6,455)	(6,434)	(15,803)
Total non-mark-up / interest expenses	(1,056,987)	(573,606)	(3,059,798)	(2,484,190)
	(283,940)	234,398	(1,046,360)	(2,113,375)
Extra ordinary / unusual items	-	-	-	-
<b>LOSS BEFORE TAXATION</b>	<b>(283,940)</b>	<b>234,398</b>	<b>(1,046,360)</b>	<b>(2,113,375)</b>
<b>Taxation</b>				
Current	(25,467)	(24,052)	(72,267)	(76,887)
Prior	-	-	-	-
Deferred	(53,098)	(147,136)	(189,642)	518,514
	(78,565)	(171,188)	(261,909)	441,627
<b>LOSS AFTER TAXATION</b>	<b>(362,505)</b>	<b>63,210</b>	<b>(1,308,269)</b>	<b>(1,671,748)</b>
<b>Loss after taxation attributable to:</b>				
Owners of the parent	(362,505)	198,792	(1,308,269)	(1,536,166)
Non-controlling interest	-	(135,582)	-	(135,582)
	(362,505)	63,210	(1,308,269)	(1,671,748)
<b>Loss per share (Rupees) - basic</b>	<b>14 (0.34)</b>	<b>0.06</b>	<b>(1.21)</b>	<b>(2.05)</b>

The annexed notes from 1 to 18 form an integral part of these financial statements.

 President &  
Chief Executive

Chairman

Director

Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

	Nine Months ended September 30, 2012	(Restated) Nine Months ended September 30, 2011
<b>Note</b>	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Loss before taxation</b>	<b>(1,046,360)</b>	(2,113,375)
Dividend income	<b>(140,530)</b>	(53,794)
	<b>(1,186,890)</b>	(2,167,169)
<b>Adjustments:</b>		
Depreciation	<b>415,985</b>	301,369
Amortisation of intangible assets and deferred cost	<b>50,182</b>	47,338
(Reversal of provision) / charge against non-performing advances	<b>(363,259)</b>	603,745
Other provisions / write offs	<b>1,138</b>	30,241
Reversal of provision for diminution in the value of investments	<b>2,500</b>	58,336
Unrealised gain on revaluation of investments in held-for-trading securities	<b>-</b>	18,466
(Gain) on sale of securities	<b>(232,066)</b>	(68,802)
(Gain) / loss on disposal of operating fixed assets	<b>(23,957)</b>	17,350
	<b>(149,477)</b>	1,008,043
	<b>(1,336,367)</b>	(1,159,126)
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	<b>(353,969)</b>	(200,000)
Investments in held-for-trading securities - net	<b>34,334</b>	(292,956)
Advances	<b>3,207,391</b>	(17,625,453)
Other assets	<b>(613,391)</b>	(4,611,452)
	<b>2,274,365</b>	(22,729,861)
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	<b>855,523</b>	796,836
Borrowings from financial institutions	<b>12,009,853</b>	9,062,889
Deposits and other accounts	<b>(2,034,292)</b>	23,375,254
Other liabilities	<b>(387,463)</b>	409,208
	<b>10,443,621</b>	33,644,187
Income tax paid	<b>11,381,619</b>	9,755,200
<b>Net cash generated from operating activities</b>	<b>11,255,016</b>	9,747,217
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments in available-for-sale securities - net	<b>(11,548,327)</b>	(4,748,215)
Investments in held-to-maturity securities - net	<b>547,673</b>	(1,403,184)
Investment in subsidiaries	<b>-</b>	-
Dividend received	<b>132,059</b>	(53,794)
Investment in operating fixed assets	<b>(233,632)</b>	(2,373,436)
Sale proceeds from disposal of property and equipment	<b>68,805</b>	110,816
<b>Net cash used in investing activities</b>	<b>(11,033,422)</b>	(8,467,813)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts on issue of right shares	<b>-</b>	1,450,132
Cash paid on redemption of subordinated loan	<b>(345)</b>	-
<b>Net cash (used in) / generated from investing activities</b>	<b>(345)</b>	1,450,132
Increase in cash and cash equivalents	<b>221,249</b>	2,729,536
Cash and cash equivalents at beginning of the period	<b>7,504,682</b>	4,385,798
<b>Cash and cash equivalents at end of the period</b>	<b>7,725,931</b>	7,115,334

The annexed notes from 1 to 18 form an integral part of these financial statements.

 President &  
Chief Executive

Chairman

Director

Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
 FOR THE PERIOD ENDED SEPTEMBER 30, 2012

	Quarter ended September 30, 2012	Quarter ended September 30, 2011	Nine Months ended September 30, 2012	Nine Months ended September 30, 2011
	----- (Rupees in '000) -----			
<b>Loss after taxation</b>	(362,505)	63,210	(1,308,269)	(1,671,748)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss</b>	<u>(362,505)</u>	<u>63,210</u>	<u>(1,308,269)</u>	<u>(1,671,748)</u>

Surplus / (deficit) arising on revaluation of assets has been reported in accordance with the requirements of the Companies Ordinance, 1984 and the directives of the State Bank of Pakistan in a separate account below equity.

The annexed notes from 1 to 18 form an integral part of these financial statements.

\_\_\_\_\_  
 President &  
 Chief Executive

\_\_\_\_\_  
 Chairman

\_\_\_\_\_  
 Director

\_\_\_\_\_  
 Director

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

	Capital reserves				Discount on issue of shares	Accumulated losses	Total	Non-controlling interest	Total
	Share capital	Share premium	Statutory reserve	Reserve arising on amalgamation					
	(Rupees in '000)								
<b>Balance as at January 01, 2011</b>	7,250,660	1,000,000	64,828	(2,399,878)	-	(2,321,584)	3,594,026	-	3,594,026
Issuance of right shares during the period	1,450,132	-	-	-	-	-	1,450,132	-	1,450,132
Non-controlling interest arising on acquisition	-	-	-	-	-	-	-	1,737,961	1,737,961
Net loss transferred to equity during the period ended September 30, 2011	-	-	-	-	-	(1,536,166)	(1,536,166)	(135,582)	(1,671,748)
Issue of share capital and adjustments arising on acquisition of non-controlling interest and amalgamation of MyBank Limited (note 6.3) - Restated	2,079,004	-	-	820,673	(1,297,298)	-	1,602,379	(1,602,379)	-
<b>Balance as at September 30, 2011 (restated)</b>	<b>10,779,796</b>	<b>1,000,000</b>	<b>64,828</b>	<b>(1,579,205)</b>	<b>(1,297,298)</b>	<b>(3,857,750)</b>	<b>5,110,371</b>	<b>-</b>	<b>5,110,371</b>
Transfer from Surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	-	-	3,078	3,078	-	3,078
Net profit transferred to equity during the period ended December 31, 2011 - Restated	-	-	-	-	-	462,479	462,479	-	462,479
<b>Balance as at December 31, 2011 (restated)</b>	<b>10,779,796</b>	<b>1,000,000</b>	<b>64,828</b>	<b>(1,579,205)</b>	<b>(1,297,298)</b>	<b>(3,392,193)</b>	<b>5,575,928</b>	<b>-</b>	<b>5,575,928</b>
Net loss transferred to equity for the period ended September 30, 2012	-	-	-	-	-	(1,308,269)	(1,308,269)	-	(1,308,269)
Transfer from Surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	-	-	13,011	13,011	-	13,011
<b>Balance as at September 30, 2012</b>	<b>10,779,796</b>	<b>1,000,000</b>	<b>64,828</b>	<b>(1,579,205)</b>	<b>(1,297,298)</b>	<b>(4,687,451)</b>	<b>4,280,670</b>	<b>-</b>	<b>4,280,670</b>

The annexed notes from 1 to 18 form an integral part of these financial statements.

\_\_\_\_\_  
**President &  
 Chief Executive**

\_\_\_\_\_  
**Chairman**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Director**

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

### 1. STATUS AND NATURE OF BUSINESS

- 1.1 Summit Bank Limited (the Bank) was incorporated in Pakistan as public company limited by shares on December 09, 2005 under the Companies Ordinance, 1984. It is listed on all the stock exchanges of Pakistan. Registered office of the Bank is situated at Plot No. 6-B, F-6, Supermarket, Islamabad, Pakistan.
- 1.2 The Bank is principally engaged in the business of banking through its 168 branches (December 31, 2011: 165 branches) in Pakistan as defined in the Banking Companies Ordinance, 1962. The medium to long-term rating of the Bank rated by JCR-VIS, credit rating company, is 'A-' whereas short-term rating of the Bank is 'A-2' with a 'Stable' outlook.
- 1.3 During the year ended 31 December 2010, Suroor Investments Limited (SIL), a company incorporated in Mauritius, acquired 59.4% shareholding and consequently, SIL become the parent company of the Bank. Further, under a scheme of amalgamation (the scheme), at the close of business on December 31, 2010, Atlas Bank Limited (ATBL) was merged with and into Summit Bank Limited.
- 1.4 During the previous year, the Bank purchased 270,482,625 shares of My Bank Limited (MBL) at a price of Rs.8 per share resulting in a purchase consideration of Rs.2,163.861 million. The Bank consequently held 51.00% Ordinary shares in MBL as at April 01, 2011. Accordingly, MBL became a subsidiary of the Bank upon acquisition. The details of this business combination together with its accounting treatment are given in note 6 to these condensed interim financial statements.

Furthermore, in 2011, the State Bank of Pakistan (SBP) sanctioned a scheme of amalgamation (the scheme) under section 48 of the Banking Companies Ordinance, 1962, on June 20, 2011 by virtue of which MBL has been merged with and into the Bank at the close of business on June 30, 2011 (effective date). This scheme was earlier approved by the shareholders of the Bank in their Extra Ordinary General Meeting held on January 20, 2011.

In consideration for the amalgamation and as per the scheme, the Bank allotted 207,900,400 fully paid Ordinary shares of Rs.10 each to the shareholders of MBL for the acquisition of non-controlling interest which will rank pari passu with the existing shares of the Bank.

- 1.5 These condensed interim financial statements represent the separate standalone financial statements of the Bank.
- 1.6 The State Bank of Pakistan (SBP) through its BSD Circular No. 7 dated April 15, 2009 has prescribed that the minimum paid-up capital (net of losses) for Banks / Development Finance Institutions (DFIs) be raised to Rs.10 billion by the year ending December 31, 2013. The raise is to be achieved in a phased manner requiring Rs.8 billion and Rs.9 billion paid-up capital (free of losses) by the end of the financial year 2011 and 2012, respectively. The paid-up capital (free of losses) of the Bank as at September 30, 2012 is Rs 4,215.842 billion. Further, vide its aforesaid Circular, the SBP has prescribed the banks to achieve minimum Capital Adequacy Ratio (CAR) of 10% with effect from December 31, 2009 irrespective of their CAMEL-S rating, till further instructions.

However, the Bank has been granted an exemption till December 31, 2012 to meet the minimum capital requirement (MCR) and capital adequacy ratio (CAR) by the SBP through its letter number BSD/BAID/649/6177/2012 dated May 18, 2012 subject to compliance with certain conditions. The Bank has also submitted a capital plan to the SBP for meeting the expected shortfall in MCR/CAR in June 2012.

### 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 (SBP) 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 purchase and sale arising under these arrangements are not reflected in these condensed interim financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

### 3. STATEMENT OF COMPLIANCE

- 3.1** These condensed interim financial statements of the Bank have been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting, provisions of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the SBP. In case requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.
- 3.2** The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' through its notification S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

### 4. BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under the historical cost convention, except that certain investments and commitments in respect of forward exchange contracts have been carried at revalued amounts. All amounts are in Pakistan Rupees which is the functional and presentation currency of the Bank.

The preparation of condensed interim financial statements in conformity with approved accounting standards requires certain judgments, accounting estimates and assumptions. It also requires the management to exercise its judgment in the process of applying the Bank's accounting policies. These estimates and associated assumptions are continually evaluated and are based on historical experience, statutory requirements and other factors considered reasonable in the circumstances. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The estimates and assumptions that are expected to have a significant effect on the assets and liabilities, income and expenses have been disclosed in note 7 to these condensed interim financial statements.

### 5. SUMMARY OF SIGNIFICANT POLICIES

- 5.1** The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Bank for the year ended December 31, 2011.
- 5.2** The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2011, except as follows:

**New standards, interpretations and amendments thereof adopted by the Bank**

The Bank has adopted the following amended IFRS which became effective during the period:

**Standard or interpretation**

IFRS 7 - Financial Instruments: Disclosures (Amendment)

IAS 12 - Income Taxes (Amendment) - Recovery of Underlying Assets

The adoption of the above standards / amendments did not have any material effect on the financial statements.

### 6. BUSINESS COMBINATION - Restatement of prior year figures

As stated in note 1.4, the Bank acquired the majority shareholding of 51% in MyBank Limited (MBL) for cash consideration of Rs.2,163.861 million on the acquisition date of April 01, 2011 and, hence, MBL became a subsidiary of the Bank at that date. The Bank accounted for the same by applying acquisition method of accounting as prescribed by the International Financial Reporting Standard 3, "Business Combination".

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

The initial accounting for a business combination involves identifying and determining the fair values to be assigned to the acquiree's identifiable assets, liabilities and contingent liabilities and the cost of the combination. At the time of acquisition, the management was in the process of carrying out a detailed exercise for the identification and valuation of assets acquired (including intangible assets) for the purpose of the initial accounting for the acquisition. According to the requirements of IFRS 3, if the initial accounting for a business combination remain incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report provisional amounts for the items for which the accounting is incomplete. Such provisional values shall be adjusted retrospectively within a period of one year from the acquisition date to reflect the results of the valuation and information that existed as of acquisition date. Accordingly, pending the completion of the detailed exercise for valuation of the acquired net assets as referred above, the Bank reported provisional amounts for the assets acquired including the goodwill in respect of the amalgamation in the annual audited financial statements for the year ended December 31, 2011.

The fair valuation exercise for assets and liabilities acquired has now been completed by the management with the assistance of an independent valuer and the accounting treatment of fair valuation of MBL's assets and liabilities (including the contingent liabilities) in the books has been finalised in the current period and accounted for in the condensed interim financial statements in accordance with the written clearance of the SBP, as per the directive received from the SBP in this regard.

A reconciliation between the provisional amounts and final values as at March 31, 2011 in respect of the acquisition is as under:

	* Provisional amounts as at the date of acquisition	Fair value adjustments / recognised	Final adjusted amounts as at the date of acquisition
Note	-----	(Rupees in '000)	-----
<b>Assets</b>			
Cash and balances with treasury banks	2,206,669	-	2,206,669
Balances with other banks	480,954	-	480,954
Lendings to financial institutions	945,584	-	945,584
Investments	7,510,462	(56,727)	7,453,735
Advances	21,512,969	(1,168,976)	20,343,993
Operating fixed assets	2,167,248	713,702	2,880,950
Deferred tax assets	1,475,793	(328,270)	1,147,523
Other assets	2,005,186	364,871	2,370,057
<b>Total assets</b>	<b>38,304,865</b>	<b>(475,400)</b>	<b>37,829,465</b>
<b>Liabilities</b>			
Bills payable	475,537	-	475,537
Borrowings	5,282,024	-	5,282,024
Deposits and other accounts	28,026,796	54,663	28,081,459
Other liabilities	443,586	-	443,586
<b>Total liabilities</b>	<b>34,227,943</b>	<b>54,663</b>	<b>34,282,606</b>
<b>Net assets</b>	<b>4,076,922</b>	<b>(530,063)</b>	<b>3,546,859</b>
Cash consideration paid [270,482,625			
Ordinary shares @ Rs.8 each	1.5	-	2,163,861
Proportionate share of non-controlling			
interest (49% of net assets)	6.3	(259,731)	1,737,961
		4,161,553	3,901,822
Intangible assets	6.4	353,712	353,712
Goodwill arising on acquisition	6.2	(83,380)	1,251
		<b>84,631</b>	<b>1,251</b>

\* Balances taken from the published financial statements of MBL for the quarter ended March 31, 2011.



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

### 6.2 Goodwill

The goodwill recognised represents effect of expected synergies from combining operations of the Bank and its subsidiary, MBL, intangible assets that do not qualify for separate recognition and other factors. The management believes that the entire amount of goodwill is expected to be deductible for tax purposes.

### 6.3 Acquisition of non-controlling interest

As at the date of acquisition, the purchase of Non-Controlling Interest (NCI) is measured at the proportionate share of the NCI in the fair value of net assets acquired by the Bank, as allowed under IFRS 3. The management has, at the date of amalgamation, incorporated the share of NCI's post acquisition results of MBL in the proportionate share of the NCI determined as at the acquisition date of MBL (the adjusted balance).

On the effective date of amalgamation (i.e. close of business on June 30, 2011), the Bank acquired the NCI by issuing 207,900,400 Ordinary shares of Rs.10 each to the shareholders of MBL (see note 1.4). The fair value of these shares (based on the published quoted price at that date) amounted to Rs.781.706 million. The excess of the fair value of the shares issued over the adjusted balance of the NCI amounting to Rs.820.672 million has been recognised as part of the equity (shown separately under 'Reserve arising on amalgamation').

	Note	Rs in '000
<b>6.4 Intangible assets acquired upon amalgamation</b>		
Core deposits	6.4.1	<b>209,874</b>
Brand name	6.4.2	<b>143,838</b>
		<b><u>353,712</u></b>

- 6.4.1** The intangible asset comprises of core deposits of Ex-Mybank and represents the funding benefit that would be available to the Bank on account of availability of funding through deposit customers rather than borrowing from money market.

Valuations of core deposits rests on the premise that the acquired customer relationships provide a stream of future benefits to the acquirer. These benefits last until the deposit relationship terminates.

The fair value of this identifiable intangible asset has been determined using discounted cash flow method, by an independent valuer.

- 6.4.2** This intangible asset represents Bank's ability to attract new customers and generate superior returns from existing customers due to Brand recognition.

The fair value of this intangible asset has been determined using relief from royalty method by an independent valuer. The management estimates that the benefits from usage of Brand will be available to the Bank for the next 10 years.

## 7. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for significant accounting estimates and judgments adopted in the preparation of these condensed 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, 2011.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

8. INVESTMENTS	Held by company			Given as collateral			Total		
	(Rupees in '000)								
Balance as at September 30, 2012 (Un-audited)	20,669,618			27,287,822			47,957,440		
Balance as at December 31, 2011 (Audited - Restated)	22,301,582			13,967,322			36,268,904		
Balance as at September 30, 2011 (Unaudited - Restated)	18,853,027			9,846,248			28,699,275		
	September 30, 2012 (Unaudited)			December 31, 2011 (Restated)					
Note	Held by Bank	Given as collateral	Total	Held by bank	Given as collateral	Total			
	(Rupees in '000)								
<b>8.1 Investments by types:</b>									
<b>Held-for-trading securities</b>									
Listed Ordinary shares	-	-	-	39,671	-	-			39,671
<b>Available-for-sale securities</b>									
Market Treasury Bills	10,253,031	27,170,286	37,423,317	15,781,443	13,937,057	29,718,500			29,718,500
Pakistan Investment Bonds	4,059,697	-	4,059,697	1,289,099	-	1,289,099			1,289,099
Listed Ordinary shares	1,591,470	-	1,591,470	1,541,937	-	1,541,937			1,541,937
Preference shares	107,941	-	107,941	37,500	-	37,500			37,500
Unlisted Ordinary shares	31,000	-	31,000	41,000	-	41,000			41,000
Mutual fund units - open end	1,163,363	-	1,163,363	1,125,000	-	1,125,000			1,125,000
Mutual fund units - closed end	-	-	-	58,000	-	58,000			58,000
Term Finance Certificates - listed	636,747	44,919	681,666	514,230	44,937	559,167			559,167
Term Finance Certificates - unlisted	1,486,691	-	1,486,691	637,146	-	637,146			637,146
Sukuk Bonds	912,090	-	912,090	931,869	-	931,869			931,869
	20,242,030	27,215,205	47,457,235	21,957,224	13,981,994	35,939,218			35,939,218
<b>Held to maturity</b>									
Pakistan Investment Bonds	710,315	-	710,315	1,257,988	-	1,257,988			1,257,988
<b>Subsidiary</b>									
Unlisted Ordinary shares	396,942	-	396,942	396,942	-	396,942			396,942
<b>Investment at cost</b>	21,349,287	27,215,205	48,564,492	23,651,825	13,981,994	37,633,819			37,633,819
Less: Provision for diminution in value of investments 8.2	(987,663)	-	(987,663)	(1,058,828)	-	(1,058,828)			(1,058,828)
<b>Investments - net of provisions</b>	20,361,624	27,215,205	47,576,829	22,592,997	13,981,994	36,574,991			36,574,991
Unrealised loss on revaluation of held-for-trading securities	-	-	-	(5,337)	-	(5,337)			(5,337)
Surplus / (Deficit) on revaluation of available-for-sale securities	307,994	72,617	380,611	(286,078)	(14,672)	(300,750)			(300,750)
<b>Total investments</b>	20,669,618	27,287,822	47,957,440	22,301,582	13,967,322	36,268,904			36,268,904

8.2 Particulars of provision	Unaudited	Audited
	September 30, 2012	December 31, 2011
----- (Rupees in '000) -----		
Opening balance	1,058,828	500,060
Provision against investment in a subsidiary at the date of acquisition	-	597,647
Charge for the period	2,500	213,430
Transfers	(6,250)	(252,309)
Reversed on disposal	(67,415)	-
	(73,665)	(252,309)
Closing balance	987,663	1,058,828

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

	Unaudited September 30, 2012	Audited December 31, 2011
	----- (Rupees in '000) -----	
<b>8.3 Particulars of provision in respect of type and segment</b>		
<b>Available-for-sale securities</b>		
Ordinary shares of listed companies	217,760	285,175
Ordinary shares of unlisted companies	4,210	4,210
Mutual Fund units	337,527	337,527
Term Finance Certificates - unlisted	80,394	84,144
Sukuk Bonds	150,000	150,000
	<u>789,891</u>	<u>861,056</u>
<b>Subsidiary</b>	<u>197,772</u>	<u>197,772</u>
	<u>987,663</u>	<u>1,058,828</u>
	Unaudited September 30, 2012	Restated December 31, 2011
	----- (Rupees in '000) -----	
<b>9. ADVANCES</b>		
Loans, cash credits, running finances, etc. - in Pakistan	61,371,097	65,076,030
Net investment in finance lease - in Pakistan	297,839	372,747
Bills discounted and purchased (excluding Treasury Bills)		
Payable in Pakistan	2,346,487	2,208,614
Payable outside Pakistan	1,129,644	741,682
	<u>3,476,131</u>	<u>2,950,296</u>
Advances - gross	65,145,067	68,399,073
Provision against non-performing advances	(11,971,535)	(12,381,409)
Advances - net of provision	<u>53,173,532</u>	<u>56,017,664</u>
<b>9.1 Particulars of advances</b>		
<b>9.1.1</b> In local currency	63,881,848	68,274,162
In foreign currencies	1,263,219	124,911
	<u>65,145,067</u>	<u>68,399,073</u>
<b>9.1.2</b> Short-term (upto one year)	52,911,465	60,665,946
Long-term (over one year)	12,233,602	7,733,127
	<u>65,145,067</u>	<u>68,399,073</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

### 9.2 Net investment in finance lease - in Pakistan

	September 30, 2012 (Unaudited)				December 31, 2011 (Restated)			
	Later than		Over five	Total	Later than		Over five	Total
	Not later than one year	one and less than five years			Not later than one year	one and less than five years		
	----- (Rupees in '000) -----							
Lease rentals receivable	98,787	180,880	-	279,667	118,440	235,962	-	354,402
Residual value	54,472	9,268	-	63,740	69,004	15,492	-	84,496
Minimum lease payments	153,259	190,148	-	343,407	187,444	251,454	-	438,898
Financial charges for future periods	(11,700)	(33,868)	-	(45,568)	(13,243)	(52,908)	-	(66,151)
Present value of minimum lease payments	141,559	156,280	-	297,839	174,201	198,546	-	372,747

9.3 Advances include Rs 22,635,077 million (December 31, 2011: Rs.23,964.013 million) which have been placed under non-performing status as detailed below:

Category of classification	September 30, 2012 (Unaudited)			December 31, 2011 (Restated)		
	Classified advances	Provision required	Provision held	Classified advances	Provision required	Provision held
	----- (Rupees in '000) -----					
Substandard	1,507,831	224,105	224,105	3,520,410	760,341	760,341
Doubtful	3,540,910	877,152	877,152	3,986,610	1,179,640	1,179,640
Loss	17,586,336	10,868,915	10,868,915	16,456,993	10,440,195	10,440,195
	22,635,077	11,970,172	11,970,172	23,964,013	12,380,176	12,380,176

#### 9.3.1 Particulars of provision against non-performing advances

	September 30, 2012 (Unaudited)			December 31, 2011 (Restated)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	12,380,176	1,233	12,381,409	5,719,514	4,430	5,723,944
Provision against non-performing advances of subsidiary at the date of acquisition	-	-	-	6,092,489	570	6,093,059
Charge for the period	961,156	130	961,286	2,855,538	-	2,855,538
Reversals	(1,364,136)	-	(1,364,136)	(2,214,672)	(3,767)	(2,218,439)
	(402,980)	130	(402,850)	640,866	(3,767)	637,099
Transfers	6,250	-	6,250	-	-	-
Amount written off	(13,274)	-	(13,274)	(72,693)	-	(72,693)
Closing balance	11,970,172	1,363	11,971,535	12,380,176	1,233	12,381,409

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

**9.3.2 Particulars of provision against non-performing advances**

	September 30, 2012 (Unaudited)			December 31, 2011 (Restated)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
In local currency	11,970,172	1,363	11,971,535	12,380,176	1,233	12,381,409
In foreign currencies	-	-	-	-	-	-
	<b>11,970,172</b>	<b>1,363</b>	<b>11,971,535</b>	12,380,176	1,233	12,381,409

9.3.3 Consistent with prior years, the Bank has availed the benefit of Forced Sale Value (FSV) and exemptions of pledged stocks, mortgaged residential and commercial properties (land and building only) held as collateral against the non-performing advances (excluding consumer housing finance portfolio). Had this benefit of FSV not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs 9,211 million (December 31, 2011: Rs.8,653 million). Further, the Bank has also availed the benefit of certain exemptions from Prudential Regulations requiring provision against non performing loans which are given by the State Bank of Pakistan.

The FSV and benefit of exemptions will not be available for distribution of cash and stock dividend to shareholders.

Note	Unaudited	Restated
	September 30, 2012	December 31, 2011
	----- (Rupees in '000) -----	
<b>9.4 Particulars of write offs</b>		
9.4.1 Against provisions	13,274	72,693
Directly charged to profit and loss account	39,591	-
	<b>52,865</b>	72,693

**10. OPERATING FIXED ASSETS - at cost**

Opening written down value		6,071,432	2,690,447
Add: Additions during the period / year - at cost	10.1	266,789	658,258
Assets acquired on amalgamation - at WDV		-	2,157,541
Adjustment on revaluation of Assets		-	1,302,184
		<b>266,789</b>	4,117,983
Less: Written down value of deletions	10.2	62,261	161,319
Depreciation / amortisation for the period		468,900	574,428
Goodwill written off		-	1,251
		<b>531,161</b>	736,998
		<b>5,807,060</b>	6,071,432

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

	Unaudited September 30, 2012	Restated December 31, 2011
	----- (Rupees in '000) -----	
<b>10.1 Additions - at cost</b>		
Leasehold improvements	101,748	169,528
Electrical, office and computer equipment	106,440	97,220
Furniture and fixtures	30,345	34,630
Computer software	8,054	11,401
Vehicles	20,202	2,943
Advance to supplier	-	41,126
Civil works	-	2,361
Core deposits	-	155,211
Brand name	-	143,838
	<u>266,789</u>	<u>658,258</u>
<b>10.2 Deletions</b>		
Land	44,525	-
Leasehold improvements	9,670	115,525
Electrical, office and computer equipment	24,873	56,737
Furniture and fixtures	4,024	36,746
Vehicles	9,701	67,874
	<u>92,793</u>	<u>276,882</u>
Less: Depreciation / amortisation on disposals	<u>(30,532)</u>	<u>(115,563)</u>
	<u>62,261</u>	<u>161,319</u>
<b>11. DEFERRED TAX ASSETS - net</b>		
<b>Deferred debits arising in respect of:</b>		
(Surplus) /Deficit on revaluation of available-for-sale securities	(100,608)	77,644
Deficit on revaluation of held to maturity	19,855	19,855
Provision against non performing loans	2,086,202	2,357,247
Provision for gratuity	-	36,023
Provision for compensated absences	38,665	42,994
Provision against other assets	55,432	45,821
Unused tax losses	4,009,265	4,053,007
Provision for impairment losses	345,682	370,590
Unrealised loss on revaluation of investments - held-for-trading	-	1,868
	<u>6,454,493</u>	<u>7,005,049</u>
<b>Deferred credits arising in respect of:</b>		
Surplus on revaluation of fixed assets	(105,308)	(107,857)
Difference between accounting and tax written down values	(416,469)	(599,133)
	<u>(521,777)</u>	<u>(706,990)</u>
	<u>5,932,716</u>	<u>6,298,059</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

- 11.1** As at September 30, 2012, the Bank has a deferred tax asset on provision against non performing loans amounting to Rs 2,980.288 (December 31, 2011: Rs.3,367.496) million. However, the management has recognised the above benefit only to the extent of Rs 2,086.202 (December 31, 2011: Rs.2,357.247) million based on the absorption / admissibility of the provision against non-performing loans under the relevant tax laws during the forecast period.
- 11.2** The Bank has an aggregate amount of deferred tax asset of Rs 5,932.716 million, which represents management's best estimate of the probable benefits expected to be realised in future years in the form of reduced tax liability as the Bank would be able to set off the profits earned in those years against losses carried forward and other taxable temporary differences relating to prior years. The management of the Bank has prepared an eight year business plan which has been approved by the Board of Directors of the Bank. The business plan involves certain key assumptions underlying the estimation of future taxable profits projected in the plan. The determination of future profits is most sensitive to certain key assumptions such as cost to income ratio of the Bank, deposit composition, growth of deposits and advances, investment returns, potential provision against assets, branch expansion plan, etc. Any significant change in the key assumptions may have an impact on the realisability of the deferred tax asset. The management believes that it is probable that the Bank will be able to achieve the profits projected in the business plan and consequently the deferred tax asset will be fully realised in the future.

**12. DEPOSITS AND OTHER ACCOUNTS**

Unaudited September 30, 2012	Restated December 31, 2011
----- (Rupees in '000) -----	

**Customers**

Fixed deposits	<b>35,151,040</b>	34,756,400
Savings deposits	<b>28,268,929</b>	24,940,852
Current accounts - non-remunerative	<b>15,895,834</b>	13,031,012
Margin accounts	<b>1,729,177</b>	1,680,617
	<b>81,044,980</b>	74,408,881

**Financial institutions**

Non-remunerative deposits	<b>220,750</b>	70,784
Remunerative deposits	<b>6,399,797</b>	15,220,154
	<b>6,620,547</b>	15,290,938
	<b>87,665,527</b>	89,699,819

**12.1 Particulars of deposits**

In local currency	<b>83,739,760</b>	85,719,259
In foreign currencies	<b>3,925,767</b>	3,980,560
	<b>87,665,527</b>	89,699,819

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

	Unaudited September 30, 2012	Audited December 31, 2011
	----- (Rupees in '000) -----	
<b>13. CONTINGENCIES AND COMMITMENTS</b>		
<b>13.1 Direct credit substitutes</b>		
Including guarantees and standby letters of credit serving as financial guarantees for loans and securities		
Government	419,455	668,995
Financial institutions	400,000	400,000
Others	75,812	287,983
	<u>895,267</u>	<u>1,356,978</u>
<b>13.2 Transaction-related contingent liabilities / commitments / guarantees issued favouring</b>		
Contingent liability in respect of performance bonds, bid bonds, shipping guarantees and standby letters of credit favouring:		
Government	8,637,203	8,675,547
Banking companies and other financial institutions	8,279	4,290
Others	1,382,868	1,083,355
	<u>10,028,350</u>	<u>9,763,192</u>
<b>13.3 Trade-related contingent liabilities</b>		
Letters of credit	7,820,999	6,996,529
Acceptances	715,453	1,534,857
	<u>8,536,452</u>	<u>8,531,386</u>
<b>13.4 Other contingencies - claims against Bank not acknowledged as debts</b>	<u>3,475,607</u>	<u>2,773,833</u>
<b>13.5 Contingent asset</b>		
There was no contingent asset as at September 30, 2012 (December 31, 2011: Nil).		
<b>13.6 Commitments in respect of forward lending</b>		
Forward documentary bills	2,695,927	2,462,779
Commitments to extend credit	14,330,842	11,381,725
	<u>17,026,769</u>	<u>13,844,504</u>
<b>13.7 Commitments in respect of forward exchange contracts</b>		
Purchase	7,823,552	5,487,145
Sale	7,848,634	4,214,578
	<u>15,672,186</u>	<u>9,701,723</u>
<b>13.8 Commitments for capital expenditure</b>		
Civil works (at branches)	<u>36,890</u>	<u>24,920</u>
<b>13.9 Commitments in respect of purchase of rupee traveller cheques</b>	<u>1,210</u>	<u>1,210</u>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

**13.10 Taxation and other contingencies**

There has been no change in tax or other contingencies as reported in the annual audited financial statements of the Bank for the year ended December 31, 2011 other than the following update in respect of certain taxation matters:

In respect of the tax assessments of SMBL relating to tax years 2009 to 2011, various disallowances have been made by taxation authorities including provision against non-performing advances, amortisation of intangible assets, adjustment of gain on sale of shares of listed companies against business income, loans to employees/directors and interest charged thereon, distribution of interest income of the mutual fund, unrealized loss on forward foreign exchange contracts, reversal on account of provision for diminution in value of investment, levy of Workers Welfare Fund and surcharge. In relation to the above, the Bank has already filed an appeal before CIR(A) in respect of the disallowances. The adjustment with regard to the above matters has already been made in these condensed interim financial statements.

	Unaudited September 30, 2012 ----- (Rupees in '000) -----	Restated Unaudited September 30, 2011 ----- (Rupees in '000) -----
<b>14. LOSS PER SHARE - BASIC</b>		
Loss for the period	<u>(1,308,269)</u>	<u>(1,536,166)</u>
	----- (Number of shares) -----	
Weighted average number of Ordinary shares	<u>1,077,979,582</u>	<u>749,101,318</u>
	----- (Rupees) -----	
Loss per share - basic	<u>(1.21)</u>	<u>(2.05)</u>

**14.1** Diluted earnings per share is not disclosed as the Bank does not have any convertible instruments in issue as at September 30, 2012.

	Unaudited September 30, 2012 ----- (Rupees in '000) -----	Audited December 31, 2011 ----- (Rupees in '000) -----
<b>15. CASH AND CASH EQUIVALENTS</b>		
Cash and balances with treasury banks	<b>5,818,228</b>	6,117,986
Balances with other banks	<b>2,178,868</b>	1,426,353
Overdrawn nostro accounts	<u>(271,165)</u>	<u>(39,657)</u>
	<u><b>7,725,931</b></u>	<u>7,504,682</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

### 16. RELATED PARTY TRANSACTIONS

Bank has related party transactions with its associates, parent company, subsidiary companies, employee benefit plans and its directors and executive officers (including their associates). Details of transactions with the related parties, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

	September 30, 2012 (Unaudited)				December 31, 2011 (Audited)					
	Key management personnel	Directors	Parent company	Subsidiaries	Associates / other related parties	Key management personnel	Directors	Parent company	Subsidiaries	Associates / other related parties
	(Rupees in '000)				(Rupees in '000)					
<b>Advances</b>										
Balance at beginning of the period	91,933	-	-	18,000	12,148	66,206	-	-	-	41,699
Sanctioned / granted during the period	23,590	-	-	1,002	826,744	40,028	-	-	18,000	216,709
Payment received during the period	(35,387)	-	-	(1,002)	(730,314)	(14,301)	-	-	-	(246,260)
Balance at end of the period	80,136	-	-	18,000	108,578	91,933	-	-	18,000	12,148
<b>Deposits</b>										
Balance at beginning of the period	7,575	67,668	-	34,518	47,568	5,972	71,770	-	-	204,666
Deposits during the period	184,315	377,397	-	1,849,741	622,428	287,273	280,430	-	2,251,438	3,390,245
Withdrawal during the period	(157,622)	(393,935)	-	(1,844,330)	(640,417)	(285,669)	(284,532)	-	(2,216,920)	(3,547,343)
Balance at end of the period	34,268	51,129	-	39,929	29,579	7,576	67,668	-	34,518	47,568
<b>Investment in shares / TFC's</b>										
Summit Capital (Private) Limited	-	-	-	396,942	305,301	-	-	-	396,942	-
Subscription of right shares	-	-	856,457	-	-	-	-	856,457	-	-
Purchase of Investments	-	-	-	-	250,156	-	-	-	-	373,899
Disposal of investment	-	-	-	-	269,060	-	-	-	37,200	312,504
Maturity of investment	-	-	-	-	-	-	-	-	-	6,172
Guarantees, letters of credits and acceptances	-	-	-	-	198,444	-	-	-	-	27,934
Other receivable	-	-	27,000	-	2,262	-	-	27,000	-	11
Other payable	-	-	-	82	1,210	-	-	-	287	1,192
Mark-up payable	49	359	-	404	88	22	-	-	236	353
Mark-up receivable	-	-	-	680	5,039	-	-	-	-	527
	September 30, 2012 (Unaudited)				September 30, 2011 (Unaudited)					
	(Rupees in '000)				(Rupees in '000)					
<b>Profit / expense for the period</b>										
Brokerage expenses paid - equity securities	-	-	-	1,171	1,224	-	-	-	2,028	-
Capital gain / (loss)	-	-	-	-	9,995	-	-	-	-	16,881
Dividend income	-	-	-	-	8,408	-	-	-	-	7,904
Contribution paid to the provident fund	-	-	-	-	39,507	-	-	-	-	37,664
Contribution paid to the gratuity fund	-	-	-	-	8,201	-	-	-	-	-
Mark-up earned	3,393	-	-	2,022	15,478	3,146	-	-	2,964	1,663
Mark-up expensed	599	5,700	-	3,065	1,065	1,292	3,213	-	4,531	11,003
Mark-up paid	550	5,341	-	2,661	977	1,271	3,213	-	4,295	10,650

**17. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on October 19, 2012 by the Board of Directors of the Bank.

**18. GENERAL**

**18.1** Figures have been re-arranged and re-classified, wherever necessary, for the purpose of better presentation.

**18.2** The figures in the condensed interim financial statements have been rounded off to the nearest thousand.

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**President &  
Chief Executive**

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**Chairman**

\_\_\_\_\_  
**Director**

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**Director**

**SUMMIT BANK LIMITED**

**CONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS**

**AS AT SEPTEMBER 30, 2012**

**(Unaudited)**

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

AS AT SEPTEMBER 30, 2012

	Unaudited September 30, 2012	Restated December 31, 2011
	----- (Rupees in '000) -----	
<b>ASSETS</b>		
Cash and balances with treasury banks	5,818,262	6,117,998
Balances with other banks	2,199,229	1,433,614
Lendings to financial institutions	1,343,726	1,069,757
Investments	47,875,152	36,098,644
Advances	53,155,642	55,999,664
Operating fixed assets	5,904,210	6,175,011
Deferred tax assets - net	5,884,314	6,249,658
Other assets	6,984,797	6,123,168
	<b>129,165,332</b>	119,267,514
<b>LIABILITIES</b>		
Bills payable	1,756,273	900,750
Borrowings	30,572,469	18,562,616
Deposits and other accounts	87,625,598	89,665,301
Sub-ordinated loan	1,499,655	1,500,000
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	-	-
Other liabilities	2,806,816	2,938,294
	<b>124,260,811</b>	113,566,961
<b>NET ASSETS</b>	<b>4,904,521</b>	<b>5,700,553</b>
<b>REPRESENTED BY</b>		
Share capital	10,779,796	10,779,796
Reserves	(514,377)	(514,377)
Discount on issue of shares	(1,297,298)	(1,297,298)
Accumulated losses	(4,754,370)	(3,465,688)
	<b>4,213,751</b>	5,502,433
Surplus on revaluation of assets - net of deferred tax	690,770	198,120
	<b>4,904,521</b>	<b>5,700,553</b>

**CONTINGENCIES AND COMMITMENTS**

13

The annexed notes from 1 to 18 form an integral part of these consolidated condensed interim financial statements.

 President &  
Chief Executive

Chairman

Director

Director

**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)**

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

Note	Quarter ended September 30, 2012	Quarter ended September 30, 2011	Nine Months ended September 30, 2012	(Restated) Nine Months ended September 30, 2011
	----- (Rupees in '000) -----			
Mark-up / return / interest earned	2,708,350	1,834,904	8,289,589	6,261,441
Mark-up / return / interest expensed	(2,516,548)	(1,805,817)	(7,841,844)	(5,766,822)
Net mark-up / interest income	191,802	29,087	447,745	494,619
Reversal of provision / (charge) against non-performing loans and advances Provision for diminution	9.3.1 166,341	627,703	402,850	(603,745)
in the value of investments	-	(246,477)	(2,500)	(58,336)
Bad debts written off directly	9.4.1 (80)	2,198	(39,591)	-
	166,261	383,424	360,759	(662,081)
Net mark-up / interest income / (loss) after provisions	358,063	412,511	808,504	(167,462)
<b>NON MARK-UP / INTEREST INCOME</b>				
Fee, commission and brokerage income	181,396	75,931	501,097	287,576
Dividend income	88,731	47,871	140,530	53,794
Gain from dealing in foreign currencies	93,616	3,346	285,497	77,364
Gain on sale of securities - net	78,493	234,711	256,968	72,811
Unrealised gain on revaluation of investments classified as held-for-trading	7,493	12,258	-	9,644
Other income	11,792	13,537	67,379	53,587
Total non-mark-up / interest income	461,521	387,654	1,251,471	554,776
	819,584	800,165	2,059,975	387,314
<b>NON MARK-UP / INTEREST EXPENSES</b>				
Administrative expenses	(1,092,777)	(603,427)	(3,090,233)	(2,469,509)
Other provisions / write-offs	-	4,913	(1,138)	(30,241)
Other charges	(2,217)	(6,455)	(6,434)	(15,803)
Total non-mark-up / interest expenses	(1,094,994)	(604,969)	(3,097,805)	(2,515,553)
	(275,410)	195,196	(1,037,830)	(2,128,239)
Extra ordinary / unusual items	-	-	-	-
<b>LOSS BEFORE TAXATION</b>	<b>(275,410)</b>	<b>195,196</b>	<b>(1,037,830)</b>	<b>(2,128,239)</b>
<b>Taxation</b>				
Current	(27,421)	(26,526)	(74,221)	(79,117)
Prior	-	-	-	-
Deferred	(53,098)	(302,312)	(189,642)	371,613
	(80,519)	(328,838)	(263,863)	292,496
<b>LOSS AFTER TAXATION</b>	<b>(355,929)</b>	<b>(133,642)</b>	<b>(1,301,693)</b>	<b>(1,835,743)</b>
<b>Loss after taxation attributable to:</b>				
Owners of the parent	(355,929)	1,940	(1,301,693)	(1,700,161)
Non-controlling interest	-	(135,582)	-	(135,582)
	(355,929)	(133,642)	(1,301,693)	(1,835,743)
<b>Loss per share (Rupees) - basic</b>	14 (0.33)	(0.13)	(1.21)	(2.27)

The annexed notes from 1 to 18 form an integral part of these consolidated condensed interim financial statements.

 President &  
Chief Executive

Chairman

Director

Director

**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

	Note	Nine Months ended September 30, 2012	(Restated) Nine Months ended September 30, 2011
		----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Loss before taxation</b>		(1,037,830)	(2,128,239)
Dividend income		(140,530)	(53,794)
		<u>(1,178,360)</u>	<u>(2,182,033)</u>
<b>Adjustments:</b>			
Depreciation		415,985	304,956
Amortisation of intangible assets and deferred cost		50,182	47,867
(Reversal of provision) / charge against non-performing advances		(363,259)	603,745
Other provisions / write offs		1,138	30,241
Reversal of provision for diminution in the value of investments		2,500	58,336
Unrealised gain on revaluation of investments in held-for-trading securities		-	18,466
(Gain) on sale of securities		(256,968)	(72,811)
(Gain) / loss on disposal of operating fixed assets		(23,957)	17,673
		<u>(174,379)</u>	<u>1,008,473</u>
		<u>(1,352,739)</u>	<u>(1,173,560)</u>
<b>(Increase) / decrease in operating assets</b>			
Lendings to financial institutions		(273,969)	(200,000)
Investments in held-for-trading securities - net		(82,548)	(321,334)
Advances		3,207,281	(17,625,453)
Other assets		(597,302)	(4,621,801)
		<u>2,253,462</u>	<u>(22,768,588)</u>
<b>Increase / (decrease) in operating liabilities</b>			
Bills payable		855,523	796,836
Borrowings from financial institutions		12,009,853	8,990,680
Deposits and other accounts		(2,039,703)	23,375,254
Other liabilities		(362,986)	466,981
		<u>10,462,687</u>	<u>33,629,751</u>
Income tax paid		11,363,410	9,687,603
<b>Net cash generated from operating activities</b>		<u>(126,603)</u>	<u>(11,809)</u>
		<u>11,236,807</u>	<u>9,675,794</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investments in available-for-sale securities - net		(11,523,425)	(4,744,206)
Investments in held-to-maturity securities - net		547,673	(1,403,184)
Investment in subsidiaries		-	-
Dividend received		132,059	(53,794)
Investment in operating fixed assets		(227,203)	(2,380,268)
Sale proceeds from disposal of property and equipment		68,805	111,255
<b>Net cash (used) in investing activities</b>		<u>(11,002,091)</u>	<u>(8,470,197)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts on issue of right shares		-	1,450,132
Cash paid on redemption of subordinated loan		(345)	-
<b>Net cash (used) / generated from investing activities</b>		<u>(345)</u>	<u>1,450,132</u>
Decrease in cash and cash equivalents		234,371	2,655,729
Cash and cash equivalents at beginning of the period		7,511,955	4,492,923
<b>Cash and cash equivalents at end of the period</b>	15	<u>7,746,326</u>	<u>7,148,652</u>

The annexed notes from 1 to 18 form an integral part of these consolidated condensed interim financial statements.

 President &  
Chief Executive

Chairman

Director

Director

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
 FOR THE PERIOD ENDED SEPTEMBER 30, 2012

	Quarter ended September 30, 2012	Quarter ended September 30, 2011	Nine Months ended September 30, 2012	Nine Months ended September 30, 2011
	----- (Rupees in '000) -----			
<b>Loss after taxation</b>	<b>(355,929)</b>	(133,642)	<b>(1,301,693)</b>	(1,835,743)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss</b>	<b><u>(355,929)</u></b>	<u>(133,642)</u>	<b><u>(1,301,693)</u></b>	<u>(1,835,743)</u>

Surplus / (deficit) arising on revaluation of assets has been reported in accordance with the requirements of the Companies Ordinance, 1984 and the directives of the State Bank of Pakistan in a separate account below equity.

The annexed notes from 1 to 18 form an integral part of these consolidated condensed interim financial statements.

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**President &  
 Chief Executive**

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**Chairman**

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**Director**

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**Director**



## CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

	Capital reserves				Discount on issue of shares	Accumulated losses	Total	Non-controlling interest	Total
	Share capital	Share premium	Statutory reserve	Reserve arising on amalgamation					
(Rupees in '000)									
<b>Balance as at January 01, 2011</b>	7,250,660	1,000,000	64,828	(2,399,878)	-	(2,321,584)	3,594,026	-	3,594,026
Issuance of right shares during the period	1,450,132	-	-	-	-	-	1,450,132	-	1,450,132
Non-controlling interest arising on acquisition	-	-	-	-	-	-	-	1,737,961	1,737,961
Net loss transferred to equity during the period ended September 30, 2011	-	-	-	-	-	(1,700,161)	(1,700,161)	(135,582)	(1,835,743)
Issue of share capital and adjustments arising on acquisition of non-controlling interest and amalgamation of MyBank Limited (note 6.3) - Restated	2,079,004	-	-	820,673	(1,297,298)	-	1,602,379	(1,602,379)	-
<b>Balance as at September 30, 2011 (restated)</b>	10,779,796	1,000,000	64,828	(1,579,205)	(1,297,298)	(4,021,745)	4,946,376	-	4,946,376
Transfer from Surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	-	-	3,078	3,078	-	3,078
Net profit transferred to equity during the period ended December 31, 2011 - Restated	-	-	-	-	-	552,979	552,979	-	552,979
<b>Balance as at December 31, 2011 (restated)</b>	10,779,796	1,000,000	64,828	(1,579,205)	(1,297,298)	(3,465,688)	5,502,433	-	5,502,433
Net loss transferred to equity for the period ended September 30, 2012	-	-	-	-	-	(1,301,693)	(1,301,693)	-	(1,301,693)
Transfer from Surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	-	-	13,011	13,011	-	13,011
<b>Balance as at September 30, 2012</b>	10,779,796	1,000,000	64,828	(1,579,205)	(1,297,298)	(4,754,370)	4,213,751	-	4,213,751

The annexed notes from 1 to 18 form an integral part of these consolidated condensed interim financial statements.

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**President &  
 Chief Executive**

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**Chairman**

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**Director**

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**Director**

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2012

### 1. STATUS AND NATURE OF BUSINESS

- 1.1 The Group comprises of Summit Bank Limited - the holding company "the Bank" and Summit Capital (Private) Limited (SCPL) a wholly owned subsidiary. The ultimate holding company of the Bank is Suroor Investments Limited, (SIL) a company incorporated in Mauritius.
- 1.2 Summit Bank Limited (the Bank) was incorporated in Pakistan as public company limited by shares on December 09, 2005 under the Companies Ordinance, 1984. It is listed on all the stock exchanges of Pakistan. Registered office of the Bank is situated at Plot No. 6-B, F-6, Supermarket, Islamabad, Pakistan.
- 1.3 The Bank is principally engaged in the business of banking through its 168 branches (December 31, 2011: 165 branches) in Pakistan as defined in the Banking Companies Ordinance, 1962. The medium to long-term rating of the Bank rated by JCR-VIS, credit rating company, is 'A-' whereas short-term rating of the Bank is 'A-2' with a 'Stable' outlook.
- 1.4 SCPL, the subsidiary company was incorporated in Pakistan on March 08, 2006 under the Companies Ordinance, 1984. The subsidiary company is a corporate member of Karachi Stock Exchange (Guarantee) Limited, Lahore Stock Exchange (Guarantee) Limited, Islamabad Stock Exchange (Guarantee) Limited and National Commodity Exchange Limited. The principal activities of the subsidiary company are equity and money market brokerage, advisory and consultancy services. The Group acquired interest in SCPL by virtue of amalgamation of Atlas Bank Limited.
- 1.5 During the year ended 31 December 2010, Suroor Investments Limited (SIL), a company incorporated in Mauritius, acquired 59.4% shareholding and consequently, SIL become the parent company of the Group. Further, under a scheme of amalgamation (the scheme), at the close of business on December 31, 2010, Atlas Bank Limited (ATBL) was merged with and into Summit Bank Limited.
- 1.6 During the previous year, the Group purchased 270,482,625 shares of My Bank Limited (MBL) at a price of Rs.8 per share resulting in a purchase consideration of Rs.2,163.861 million. The Group consequently held 51.00% Ordinary shares in MBL as at April 01, 2011. Accordingly, MBL became a subsidiary of the Group upon acquisition. The details of this business combination together with its accounting treatment are given in note 6 to these consolidated condensed interim financial statements.

Furthermore, in 2011, the State Bank of Pakistan (SBP) sanctioned a scheme of amalgamation (the scheme) under section 48 of the Banking Companies Ordinance, 1962, on June 20, 2011 by virtue of which MBL has been merged with and into the Group at the close of business on June 30, 2011 (effective date). This scheme was earlier approved by the shareholders of the Group in their Extra Ordinary General Meeting held on January 20, 2011.

In consideration for the amalgamation and as per the scheme, the Group allotted 207,900,400 fully paid Ordinary shares of Rs.10 each to the shareholders of MBL for the acquisition of non-controlling interest which will rank *pari passu* with the existing shares of the Group.

- 1.7 The State Bank of Pakistan (SBP) through its BSD Circular No. 7 dated April 15, 2009 has prescribed that the minimum paid-up capital (net of losses) for Banks / Development Finance Institutions (DFIs) be raised to Rs.10 billion by the year ending December 31, 2013. The raise is to be achieved in a phased manner requiring Rs.8 billion and Rs.9 billion paid-up capital (free of losses) by the end of the financial year 2011 and 2012, respectively. The paid-up capital (free of losses) of the Group as at September 30, 2012 is Rs 4,148.923 billion. Further, vide its aforesaid Circular, the SBP has prescribed the Group to achieve minimum Capital Adequacy Ratio (CAR) of 10% with effect from December 31, 2009 irrespective of their CAMEL-S rating, till further instructions.

However, the Group has been granted an exemption till December 31, 2012 to meet the minimum capital requirement (MCR) and capital adequacy ratio (CAR) by the SBP through its letter number

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2012

BSD/BAID/649/6177/2012 dated May 18, 2012 subject to compliance with certain conditions. The Group has also submitted a capital plan to the SBP for meeting the expected shortfall in MCR/CAR in June 2012.

### 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 (SBP) 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 purchase and sale arising under these arrangements are not reflected in these consolidated condensed interim financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon.

### 3. STATEMENT OF COMPLIANCE

**3.1** These consolidated condensed interim financial statements of the Group have been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting, provisions of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the SBP. In case requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.

**3.2** The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' through its notification S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

### 4. BASIS OF MEASUREMENT

These consolidated condensed interim financial statements have been prepared under the historical cost convention, except that certain investments and commitments in respect of forward exchange contracts have been carried at revalued amounts. All amounts are in Pakistan Rupees which is the functional and presentation currency of the Group.

The preparation of consolidated condensed interim financial statements in conformity with approved accounting standards requires certain judgments, accounting estimates and assumptions. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. These estimates and associated assumptions are continually evaluated and are based on historical experience, statutory requirements and other factors considered reasonable in the circumstances. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The estimates and assumptions that are expected to have a significant effect on the assets and liabilities, income and expenses have been disclosed in note 7 to these condensed interim financial statements.

### 5. SUMMARY OF SIGNIFICANT POLICIES

**5.1** The financial risk management objectives and policies are consistent with those disclosed in the annual consolidated condensed financial statements of the Group for the year ended December 31, 2011.

**5.2** The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual consolidated financial statements of the Group for the year ended December 31, 2011, except as follows:

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2012

### **New standards, interpretations and amendments thereof adopted by the Group**

The Group has adopted the following amended IFRS which became effective during the period:

#### **Standard or interpretation**

IFRS 7 - Financial Instruments: Disclosures (Amendment)

IAS 12 – Income Taxes (Amendment) - Recovery of Underlying Assets

The adoption of the above standards / amendments did not have any material effect on these consolidated condensed financial statements.

### **6. BUSINESS COMBINATION - Restatement of prior year figures**

As stated in note 1.4, the Bank acquired the majority shareholding of 51% in MyBank Limited (MBL) for cash consideration of Rs.2,163.861 million on the acquisition date of April 01, 2011 and, hence, MBL became a subsidiary of the Group same by applying acquisition method of accounting as prescribed by the International Financial Reporting Standard 3, "Business Combination".

The initial accounting for a business combination involves identifying and determining the fair values to be assigned to the acquiree's identifiable assets, liabilities and contingent liabilities and the cost of the combination. At the time of acquisition, the management was in the process of carrying out a detailed exercise for the identification and valuation of assets acquired (including intangible assets) for the purpose of the initial accounting for the acquisition. According to the requirements of IFRS 3, if the initial accounting for a business combination remain incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report provisional amounts for the items for which the accounting is incomplete. Such provisional values shall be adjusted retrospectively within a period of one year from the acquisition date to reflect the results of the valuation and information that existed as of acquisition date. Accordingly, pending the completion of the detailed exercise for valuation of the acquired net assets as referred above, the Group reported provisional amounts for the assets acquired including the goodwill in respect of the amalgamation in the annual audited consolidated financial statements for the year ended December 31, 2011.

The fair valuation exercise for assets and liabilities acquired has now been completed by the management with the assistance of an independent valuer and the accounting treatment of fair valuation of MBL's assets and liabilities (including the contingent liabilities) in the books has been finalised in the current period and accounted for in the consolidated condensed interim financial statements in accordance with the written clearance of the SBP, as per the directive received from the SBP in this regard.

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2012

A reconciliation between the provisional amounts and final values as at March 31, 2011 in respect of the acquisition is as under:

Note	* Provisional amounts as at the date of acquisition	Fair value adjustments / recognised	Final adjusted amounts as at the date of acquisition	
	(Rupees in '000)			
<b>Assets</b>				
Cash and balances with treasury banks	2,206,669	-	2,206,669	
Balances with other banks	480,954	-	480,954	
Lendings to financial institutions	945,584	-	945,584	
Investments	7,510,462	(56,727)	7,453,735	
Advances	21,512,969	(1,168,976)	20,343,993	
Operating fixed assets	2,167,248	713,702	2,880,950	
Deferred tax assets	1,475,793	(328,270)	1,147,523	
Other assets	2,005,186	364,871	2,370,057	
<b>Total assets</b>	<b>38,304,865</b>	<b>(475,400)</b>	<b>37,829,465</b>	
<b>Liabilities</b>				
Bills payable	475,537	-	475,537	
Borrowings	5,282,024	-	5,282,024	
Deposits and other accounts	28,026,796	54,663	28,081,459	
Other liabilities	443,586	-	443,586	
<b>Total liabilities</b>	<b>34,227,943</b>	<b>54,663</b>	<b>34,282,606</b>	
<b>Net assets</b>	<b>4,076,922</b>	<b>(530,063)</b>	<b>3,546,859</b>	
Cash consideration paid [270,482,625 Ordinary shares @ Rs.8 each	1.6	2,163,861	-	2,163,861
Proportionate share of non-controlling interest (49% of net assets)	6.3	1,997,692	(259,731)	1,737,961
		4,161,553	(259,731)	3,901,822
Intangible assets	6.4	-	353,712	353,712
Goodwill arising on acquisition	6.2	84,631	(83,380)	1,251

\* Balances taken from the published financial statements of MBL for the quarter ended March 31, 2011.

### 6.2 Goodwill

The goodwill recognised represents effect of expected synergies from combining operations of the Group and its subsidiary, MBL, intangible assets that do not qualify for separate recognition and other factors. The management believes that the entire amount of goodwill is expected to be deductible for tax purposes.

### 6.3 Acquisition of non-controlling interest

As at the date of acquisition, the purchase of Non-Controlling Interest (NCI) is measured at the proportionate share of the NCI in the fair value of net assets acquired by the Group, as allowed under IFRS 3. The management has, at the date of amalgamation, incorporated the share of NCI's post acquisition results of MBL in the proportionate share of the NCI determined as at the acquisition date of MBL (the adjusted balance).

On the effective date of amalgamation (i.e. close of business on June 30, 2011), the Group acquired the NCI by issuing 207,900,400 Ordinary shares of Rs.10 each to the shareholders of MBL (see note 1.4). The fair value of

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2012

these shares (based on the published quoted price at that date) amounted to Rs.781.706 million. The excess of the fair value of the shares issued over the adjusted balance of the NCI amounting to Rs.820.672 million has been recognised as part of the equity (shown separately under 'Reserve arising on amalgamation').

	Note	Rs in '000
<b>6.4 Intangible assets acquired upon amalgamation</b>		
Core deposits	6.4.1	<b>209,874</b>
Brand name	6.4.2	<b>143,838</b>
		<b><u>353,712</u></b>

- 6.4.1** The intangible asset comprises of core deposits of Ex-Mybank and represents the funding benefit that would be available to the Group on account of availability of funding through deposit customers rather than borrowing from money market.

Valuations of core deposits rests on the premise that the acquired customer relationships provide a stream of future benefits to the acquirer. These benefits last until the deposit relationship terminates.

The fair value of this identifiable intangible asset has been determined using discounted cash flow method, by an independent valuer.

- 6.4.2** This intangible asset represents Group's ability to attract new customers and generate superior returns from existing customers due to Brand recognition.

The fair value of this intangible asset has been determined using relief from royalty method by an independent valuer. The management estimates that the benefits from usage of Brand will be available to the Group for the next 10 years.

### 7. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for significant accounting estimates and judgments adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the annual consolidated financial statements of the Group for the year ended December 31, 2011.

8. INVESTMENTS	Held by company	Given as collateral	Total
	----- (Rupees in '000) -----		
<b>Balance as at September 30, 2012 (Un-audited)</b>	<b>20,587,330</b>	<b>27,287,822</b>	<b>47,875,152</b>
Balance as at December 31, 2011 (Audited - Restated)	22,102,412	13,967,322	36,098,644
Balance as at September 30, 2011 (Unaudited - Restated)	18,853,027	9,846,248	28,699,275

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

Note	September 30, 2012 (Unaudited)			December 31, 2011 (Restated)		
	Held by Bank	Given as collateral	Total	Held by bank	Given as collateral	Total
----- (Rupees in '000) -----						
<b>8.1 Investments by types:</b>						
<b>Held-for-trading securities</b>						
Listed Ordinary shares	116,882	-	116,882	39,671	-	39,671
<b>Available-for-sale securities</b>						
Market Treasury Bills	10,253,031	27,170,286	37,423,317	15,781,443	13,937,057	29,718,500
Pakistan Investment Bonds	4,059,697	-	4,059,697	1,289,099	-	1,289,099
Listed Ordinary shares	1,591,470	-	1,591,470	1,541,937	-	1,541,937
Preference shares	107,941	-	107,941	37,500	-	37,500
Unlisted Ordinary shares	31,000	-	31,000	41,000	-	41,000
Mutual fund units - open end	1,163,363	-	1,163,363	1,125,000	-	1,125,000
Mutual fund units - closed end	-	-	-	58,000	-	58,000
Term Finance Certificates - listed	636,747	44,919	681,666	514,230	44,937	559,167
Term Finance Certificates - unlisted	1,486,691	-	1,486,691	637,146	-	637,146
Sukuk Bonds	912,090	-	912,090	931,869	-	931,869
	<b>20,242,030</b>	<b>27,215,205</b>	<b>47,457,235</b>	21,957,224	13,981,994	35,939,218
<b>Held to maturity</b>						
Pakistan Investment Bonds	710,315	-	710,315	1,257,988	-	1,257,988
<b>Associate</b>						
Unlisted Ordinary shares	-	-	-	28,910	-	28,910
<b>Investment at cost</b>	21,069,227	27,215,205	48,284,432	23,254,883	13,981,994	37,265,787
Less: Provision for diminution in value of investments	(789,891)	-	(789,891)	(861,056)	-	(861,056)
<b>Investments - net of provisions</b>	<b>20,279,336</b>	<b>27,215,205</b>	<b>47,494,541</b>	22,393,827	13,981,994	36,404,731
Unrealised loss on revaluation of held-for-trading securities	-	-	-	(5,337)	-	(5,337)
Surplus /(Deficit) on revaluation of available-for-sale securities	307,994	72,617	380,611	(286,078)	(14,672)	(300,750)
<b>Total investments</b>	<b>20,587,330</b>	<b>27,287,822</b>	<b>47,875,152</b>	22,102,412	13,967,322	36,098,644

Note	Unaudited	Audited
	September 30, 2012	December 31, 2011
----- (Rupees in '000) -----		
<b>8.2 Particulars of provision</b>		
Opening balance	861,056	400,060
Provision against investment in a subsidiary at the date of acquisition	-	597,647
Charge for the period	2,500	115,658
Transfers	(6,250)	(252,309)
Reversed on disposal	(67,415)	-
	<b>(73,665)</b>	<b>(252,309)</b>
Closing balance	<b>789,891</b>	861,056

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
 FOR THE PERIOD ENDED SEPTEMBER 30, 2012

		Unaudited September 30, 2012	Audited December 31, 2011
		----- (Rupees in '000) -----	
<b>8.3</b>	<b>Particulars of provision in respect of type and segment</b>		
	<b>Available-for-sale securities</b>		
	Ordinary shares of listed companies	217,760	285,175
	Ordinary shares of unlisted companies	4,210	4,210
	Mutual Fund units	337,527	337,527
	Term Finance Certificates - unlisted	80,394	84,144
	Sukuk Bonds	150,000	150,000
		<u>789,891</u>	<u>861,056</u>
		Unaudited September 30, 2012	Restated December 31, 2011
		----- (Rupees in '000) -----	
<b>9.</b>	<b>ADVANCES</b>		
	Loans, cash credits, running finances, etc. - in Pakistan	61,353,207	65,058,030
	Net investment in finance lease - in Pakistan	297,839	372,747
	Bills discounted and purchased (excluding Treasury Bills)		
	Payable in Pakistan	2,346,487	2,208,614
	Payable outside Pakistan	1,129,644	741,682
		<u>3,476,131</u>	<u>2,950,296</u>
	Advances - gross	65,127,177	68,381,073
	Provision against non-performing advances	(11,971,535)	(12,381,409)
	Advances - net of provision	<u>53,155,642</u>	<u>55,999,664</u>
<b>9.1</b>	<b>Particulars of advances</b>		
<b>9.1.1</b>	In local currency	63,863,958	68,256,162
	In foreign currencies	1,263,219	124,911
		<u>65,127,177</u>	<u>68,381,073</u>
<b>9.1.2</b>	Short-term (upto one year)	52,893,575	60,647,946
	Long-term (over one year)	12,233,602	7,733,127
		<u>65,127,177</u>	<u>68,381,073</u>



## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2012

### 9.2 Net investment in finance lease - in Pakistan

	September 30, 2012 (Unaudited)				December 31, 2011 (Restated)			
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
	year	five years	years	Total	year	five years	years	Total
	----- (Rupees in '000) -----							
Lease rentals receivable	98,787	180,880	-	279,667	118,440	235,962	-	354,402
Residual value	54,472	9,268	-	63,740	69,004	15,492	-	84,496
Minimum lease payments	153,259	190,148	-	343,407	187,444	251,454	-	438,898
Financial charges for future periods	(11,700)	(33,868)	-	(45,568)	(13,243)	(52,908)	-	(66,151)
Present value of minimum lease payments	141,559	156,280	-	297,839	174,201	198,546	-	372,747

9.3 Advances include Rs 22,635.077 million (December 31, 2011: Rs.23,964.013 million) which have been placed under non-performing status as detailed below:

Category of classification	September 30, 2012 (Unaudited)			December 31, 2011 (Restated)		
	Classified advances	Provision required	Provision held	Classified advances	Provision required	Provision held
	----- (Rupees in '000) -----					
Substandard	1,507,831	224,105	224,105	3,520,410	760,341	760,341
Doubtful	3,540,910	877,152	877,152	3,986,610	1,179,640	1,179,640
Loss	17,586,336	10,868,915	10,868,915	16,456,993	10,440,195	10,440,195
	22,635,077	11,970,172	11,970,172	23,964,013	12,380,176	12,380,176

#### 9.3.1 Particulars of provision against non-performing advances

	September 30, 2012 (Unaudited)			December 31, 2011 (Restated)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	12,380,176	1,233	12,381,409	5,719,514	4,430	5,723,944
Provision against non-performing advances of subsidiary at the date of acquisition	-	-	-	6,092,489	570	6,093,059
Charge for the period	961,156	130	961,286	2,855,538	-	2,855,538
Reversals	(1,364,136)	-	(1,364,136)	(2,214,672)	(3,767)	(2,218,439)
	(402,980)	130	(402,850)	640,866	(3,767)	637,099
Transfers	6,250	-	6,250	-	-	-
Amount written off	(13,274)	-	(13,274)	(72,693)	-	(72,693)
Closing balance	11,970,172	1,363	11,971,535	12,380,176	1,233	12,381,409

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2012

### 9.3.2 Particulars of provision against non-performing advances

	September 30, 2012 (Unaudited)			December 31, 2011 (Restated)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
In local currency	11,970,172	1,363	11,971,535	12,380,176	1,233	12,381,409
In foreign currencies	-	-	-	-	-	-
	<b>11,970,172</b>	<b>1,363</b>	<b>11,971,535</b>	<b>12,380,176</b>	<b>1,233</b>	<b>12,381,409</b>

**9.3.3** Consistent with prior years, the Group has availed the benefit of Forced Sale Value (FSV) and exemptions of pledged stocks, mortgaged residential and commercial properties (land and building only) held as collateral against the non-performing advances (excluding consumer housing finance portfolio). Had this benefit of FSV not been taken by the Group, the specific provision against non-performing advances would have been higher by Rs 9,211 million (December 31, 2011: Rs.8,653 million). Further, the Group has also availed the benefit of certain exemptions from Prudential Regulations requiring provision against non performing loans which are given by the State Bank of Pakistan.

The FSV and benefit of exemptions will not be available for distribution of cash and stock dividend to shareholders.

Note	Unaudited	Restated
	September 30, 2012	December 31, 2011
	----- (Rupees in '000) -----	
<b>9.4 Particulars of write offs</b>		
<b>9.4.1</b> Against provisions	13,274	72,693
Directly charged to profit and loss account	39,591	-
	<b>52,865</b>	<b>72,693</b>

## 10. OPERATING FIXED ASSETS - at cost

Opening written down value		6,175,011	2,781,943
Add: Additions during the period / year - at cost	10.1	263,310	676,477
Assets acquired on amalgamation - at WDV		-	2,157,541
Adjustment on revaluation of Assets		-	1,302,184
		<b>263,310</b>	4,136,202
Less: Written down value of deletions	10.2	62,261	162,577
Depreciation / amortisation for the period		471,850	579,306
Goodwill written off		-	1,251
		<b>534,111</b>	743,134
		<b>5,904,210</b>	<b>6,175,011</b>

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

	Unaudited September 30, 2012	Restated December 31, 2011
	----- (Rupees in '000) -----	
<b>10.1 Additions - at cost</b>		
Leasehold improvements	101,748	169,589
Electrical, office and computer equipment	102,961	109,003
Furniture and fixtures	30,345	34,700
Computer software	8,054	11,401
Vehicles	20,202	9,248
Advance to supplier	-	41,126
Civil works	-	2,361
Core deposits	-	155,211
Brand name	-	143,838
	<u>263,310</u>	<u>676,477</u>

### 10.2 Deletions

Land	44,525	-
Leasehold improvements	9,670	115,725
Electrical, office and computer equipment	24,873	57,112
Furniture and fixtures	4,024	37,342
Vehicles	9,701	69,071
	<u>92,793</u>	<u>279,250</u>
Less: Depreciation / amortisation on disposals	<u>(30,532)</u>	<u>(116,673)</u>
	<u>62,261</u>	<u>162,577</u>

## 11. DEFERRED TAX ASSETS - net

### Deferred debits arising in respect of:

(Surplus) / Deficit on revaluation of available-for-sale securities	(100,608)	77,644
Deficit on revaluation of held to maturity	19,855	19,855
Provision against non performing loans	2,086,202	2,357,247
Provision for gratuity	895	36,918
Provision for compensated absences	38,665	42,994
Provision against other assets	55,432	45,821
Unused tax losses	4,030,664	4,074,406
Provision for impairment losses	276,462	301,370
Unrealised loss on revaluation of investments - held-for-trading	-	1,868
	<u>6,407,567</u>	<u>6,958,123</u>

### Deferred credits arising in respect of:

Surplus on revaluation of fixed assets	(105,308)	(107,857)
Difference between accounting and tax written down values	(417,945)	(600,608)
	<u>(523,253)</u>	<u>(708,465)</u>
	<u>5,884,314</u>	<u>6,249,658</u>

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2012

- 11.1** As at September 30, 2012, the Group has a deferred tax asset on provision against non performing loans amounting to Rs 2,980.288 (December 31, 2011: Rs.3,367.496) million. However, the management has recognised the above benefit only to the extent of Rs 2,086.202 (December 31, 2011: Rs.2,357.247) million based on the absorption / admissibility of the provision against non-performing loans under the relevant tax laws during the forecast period.
- 11.2** The Group has an aggregate amount of deferred tax asset of Rs 5,884.314 million, which represents management's best estimate of the probable benefits expected to be realised in future years in the form of reduced tax liability as the Group would be able to set off the profits earned in those years against losses carried forward and other taxable temporary differences relating to prior years. The management of the Group has prepared an eight year business plan which has been approved by the Board of Directors of the Group. The business plan involves certain key assumptions underlying the estimation of future taxable profits projected in the plan. The determination of future profits is most sensitive to certain key assumptions such as cost to income ratio of the Group, deposit composition, growth of deposits and advances, investment returns, potential provision against assets, branch expansion plan, etc. Any significant change in the key assumptions may have an impact on the realisability of the deferred tax asset. The management believes that it is probable that the Group will be able to achieve the profits projected in the business plan and consequently the deferred tax asset will be fully realised in the future.

### 12. DEPOSITS AND OTHER ACCOUNTS

#### Customers

	Unaudited September 30, 2012	Restated December 31, 2011
Fixed deposits	35,151,040	34,756,400
Savings deposits	28,268,929	24,940,852
Current accounts - non-remunerative	15,895,834	13,031,012
Margin accounts	1,729,177	1,680,617
	<b>81,044,980</b>	74,408,881

#### Financial institutions

Non-remunerative deposits	220,750	70,784
Remunerative deposits	6,359,868	15,185,636
	<b>6,580,618</b>	15,256,420
	<b>87,625,598</b>	89,665,301

#### 12.1 Particulars of deposits

In local currency	83,699,831	85,684,741
In foreign currencies	3,925,767	3,980,560
	<b>87,625,598</b>	89,665,301

### 13. CONTINGENCIES AND COMMITMENTS

#### 13.1 Direct credit substitutes

Including guarantees and standby letters of credit serving as financial guarantees for loans and securities

	Unaudited September 30, 2012	Audited December 31, 2011
Government	419,455	668,995
Financial institutions	400,000	400,000
Others	75,812	287,983
	<b>895,267</b>	1,356,978

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
 FOR THE PERIOD ENDED SEPTEMBER 30, 2012

	Unaudited September 30, 2012	Audited December 31, 2011
	----- (Rupees in '000) -----	
<b>13.2 Transaction-related contingent liabilities / commitments / guarantees issued favouring</b>		
Contingent liability in respect of performance bonds, bid bonds, shipping guarantees and standby letters of credit favouring:		
Government	8,637,203	8,675,547
Banking companies and other financial institutions	8,279	4,290
Others	1,382,868	1,083,355
	<u>10,028,350</u>	<u>9,763,192</u>
<b>13.3 Trade-related contingent liabilities</b>		
Letters of credit	7,820,999	6,996,529
Acceptances	715,453	1,534,857
	<u>8,536,452</u>	<u>8,531,386</u>
<b>13.4 Other contingencies - claims against Group not acknowledged as debts</b>	<u>3,475,607</u>	<u>2,773,833</u>
<b>13.5 Contingent asset</b>		
There was no contingent asset as at September 30, 2012 (December 31, 2011: Nil).		
<b>13.6 Commitments in respect of forward lending</b>		
Forward documentary bills	2,695,927	2,462,779
Commitments to extend credit	14,330,842	11,381,725
	<u>17,026,769</u>	<u>13,844,504</u>
<b>13.7 Commitments in respect of forward exchange contracts</b>		
Purchase	7,823,552	5,487,145
Sale	7,848,634	4,214,578
	<u>15,672,186</u>	<u>9,701,723</u>
<b>13.8 Commitments for capital expenditure</b>		
Civil works (at branches)	<u>36,890</u>	24,920
<b>13.9 Commitments in respect of purchase of rupee traveller cheques</b>	<u>1,210</u>	1,210
<b>13.10 Taxation and other contingencies</b>		

There has been no change in tax or other contingencies as reported in the annual audited financial statements of the Bank for the year ended December 31, 2011 other than the following update in respect of certain taxation matters:

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2012

In respect of the tax assessments of SMBL relating to tax years 2009 to 2011, various disallowances have been made by taxation authorities including provision against non-performing advances, amortisation of intangible assets, adjustment of gain on sale of shares of listed companies against business income, loans to employees/directors and interest charged thereon, distribution of interest income of the mutual fund, unrealized loss on forward foreign exchange contracts, reversal on account of provision for diminution in value of investment, levy of Workers Welfare Fund and surcharge. In relation to the above, the Bank has already filed an appeal before CIR(A) in respect of the disallowances. The adjustment with regard to the above matters has already been made in these consolidated condensed interim financial statements.

	<b>Unaudited September 30, 2012</b>	<b>Restated Unaudited September 30, 2011</b>
	----- (Rupees in '000) -----	
<b>14. LOSS PER SHARE - BASIC</b>		
Loss for the period	<u>(1,301,693)</u>	<u>(1,700,161)</u>
	----- (Number of shares) -----	
Weighted average number of Ordinary shares	<u>1,077,979,582</u>	<u>749,101,318</u>
	----- (Rupees) -----	
Loss per share - basic	<u>(1.21)</u>	<u>(2.27)</u>

**14.1** Diluted earnings per share is not disclosed as the Group does not have any convertible instruments in issue as at September 30, 2012.

	<b>Unaudited September 30, 2012</b>	<b>Audited December 31, 2011</b>
	----- (Rupees in '000) -----	
<b>15. CASH AND CASH EQUIVALENTS</b>		
Cash and balances with treasury banks	<b>5,818,262</b>	6,117,998
Balances with other banks	<b>2,199,229</b>	1,433,614
Overdrawn nostro accounts	<u>(271,165)</u>	<u>(39,657)</u>
	<u><b>7,746,326</b></u>	<u>7,511,955</u>

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2012

### 16. RELATED PARTY TRANSACTIONS

The Group has related party transactions with its associates, parent company, subsidiary companies, employee benefit plans and its directors and executive officers (including their associates). Details of transactions with the related parties, other than those which have been disclosed elsewhere in these consolidated condensed interim financial statements, are as follows:

	September 30, 2012 (Unaudited)				December 31, 2011 (Audited)			
	Key management personnel	Directors	Parent company	Associates / other related parties	Key management personnel	Directors	Parent company	Associates / other related parties
	(Rupees in '000)				(Rupees in '000)			
<b>Advances</b>								
Balance at beginning of the period	91,933	-	-	12,148	66,206	-	-	41,699
Sanctioned / granted during the period	23,590	-	-	826,744	40,028	-	-	216,709
Payment received during the period	(35,387)	-	-	(730,314)	(14,301)	-	-	(246,260)
Balance at end of the period	<u>80,136</u>	<u>-</u>	<u>-</u>	<u>108,578</u>	<u>91,933</u>	<u>-</u>	<u>-</u>	<u>12,148</u>
<b>Deposits</b>								
Balance at beginning of the period	7,575	67,668	-	47,568	5,972	71,770	-	204,666
Deposits during the period	184,315	377,397	-	622,428	287,273	280,430	-	3,390,245
Withdrawal during the period	(157,622)	(393,935)	-	(640,417)	(285,669)	(284,532)	-	(3,547,343)
Balance at end of the period	<u>34,268</u>	<u>51,129</u>	<u>-</u>	<u>29,579</u>	<u>7,576</u>	<u>67,668</u>	<u>-</u>	<u>47,568</u>
<b>Investment in shares / TFC's</b>								
Summit Capital (Private) Limited	-	-	-	305,301	-	-	-	-
Subscription of right shares	-	-	856,457	-	-	-	856,457	-
Purchase of Investments	-	-	-	250,156	-	-	-	373,899
Disposal of investment	-	-	-	269,060	-	-	-	312,504
Maturity of investment	-	-	-	-	-	-	-	6,172
Guarantees, letters of credits and acceptances	-	-	-	198,444	-	-	-	27,934
Other receivable	-	-	27,000	2,262	-	-	27,000	11
Other payable	-	-	-	1,210	-	-	-	1,192
Mark-up payable	49	359	-	88	22	-	-	353
Mark-up receivable	-	-	-	5,039	-	-	-	527
	September 30, 2012 (Unaudited)				September 30, 2011 (Unaudited)			
	(Rupees in '000)				(Rupees in '000)			
<b>Profit / expense for the period</b>								
Brokerage expenses paid - equity securities	-	-	-	1,224	-	-	-	-
Capital gain / (loss)	-	-	-	9,995	-	-	-	16,881
Dividend income	-	-	-	8,408	-	-	-	7,904
Contribution paid to the provident fund	-	-	-	39,507	-	-	-	37,664
Contribution paid to the gratuity fund	-	-	-	8,201	-	-	-	-
Mark-up earned	3,393	-	-	15,478	3,146	2,055	-	1,663
Mark-up expensed	599	5,700	-	1,065	1,292	3,213	-	11,003
Mark-up paid	550	5,341	-	977	1,271	3,213	-	10,650

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
FOR THE PERIOD ENDED SEPTEMBER 30, 2012

**17. DATE OF AUTHORISATION FOR ISSUE**

These consolidated condensed interim financial statements were authorised for issue on October 19, 2012 by the Board of Directors of the Group.

**18. GENERAL**

- 18.1 Figures have been re-arranged and re-classified, wherever necessary, for the purpose of better presentation.
- 18.2 The figures in the consolidated condensed interim financial statements have been rounded off to the nearest thousand.

\_\_\_\_\_  
**President &  
Chief Executive**

\_\_\_\_\_  
**Chairman**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Director**



## BRANCH NETWORK

### KARACHI

#### I. I. Chundrigar Road Branch

Uni Towers, I.I. Chundrigar Road - Karachi  
Tel: 021-32466410-413  
Fax: 021-32466500

#### Ranchore Line Branch

R.C. 11, Old Survey # E-7/143, Ranchore Line, New Lakhpati Hotel- Karachi.  
Tel: 021-32767234-5  
Fax: 021-32767236

#### Karachi Stock Exchange Branch

Office No. 52, 52-A, 52-B, (1st Floor) KSE Building- Karachi  
Tel: 021-32462850,021-32462844-9  
Fax: 021-32462843

#### Atrium Mall Branch

Shop No. 6 and 21 Ground floor, Plot No. 249, Atrium Mall, Staff Lines, Zaibunnisa Street, Saddar - Karachi  
Tel: 021-35641000-5  
Fax: 021-35641008

#### Bahadurabad Branch

Plot # C-23, Shop # 1&2 Block-3, BMC Commercial Area Bahadurabad - Karachi.  
Tel: 021-34913447 -49  
Fax: 021-34913453

#### Soldier Bazar Branch

Shop # 4,5 & 6, Plot No 14, Survey # 13-B-2, Soldier Bazar Quarters-Karachi.  
Tel: 021-32231559-60  
Fax: 021-32231556

#### Gulshan-e-Iqbal Branch

Ground Floor, Hasan Center, Block-16, Main University Road - Karachi.  
Tel: 021-34829024-27  
Fax: 021-34829023

#### Gulistan-e-Jauhar Branch

Plot # 118/A-B, Shop # 02,03,04 Ground Floor Ruffi Paradise Block-18 Gulistan-e-Jauhar - Karachi  
Tel: 021-34621281-3  
Fax: 021-34621285

#### Adamjee Nagar Branch

115-A/Z, Block 7/8, Tipu sultan Road - Karachi.  
Tel: 021-"34312984-9"  
Fax: 021-34312980

#### Manzoor Colony Branch

Plot No. 23, Sector I, Street No. 02, Manzoor Colony, Jamshed Town - Karachi  
Tel: 021-35393829-31  
Fax: 021-35393832

#### Korangi Industrial Area Branch

33/1, Sector-15, Korangi Industrial Area, Karachi  
Tel: 021-35114290, 35121294, 35122231-32  
Fax: 021-35114282

#### Jami Commercial, DHA Branch

64 C, Jami Commercial Phase VII, 7th Street, DHA - Karachi.  
Tel: 021-35316200-07  
Fax: 021-35316199

#### Dolmen City Branch

Ground Floor Harbor Front, Triangular Towers, Dolmen City Marine Drive Phase IV, Clifton - Karachi.  
Tel: 021-35297611-15  
Fax: 021-35297610

## BRANCH NETWORK

### Hyderi Branch

D-10 Block-F, North Nazimabad, Hyderi - Karachi.  
Tel: 021-36724992-4  
Fax: 021-36724972

### Karimabad Branch

Plot No BS-16, Block 1, FB Area, Karimabad-Karachi  
Tel: 021-36826646-47-48  
Fax: 021-36826649

### M. A. Jinnah Road Branch

Mezzanine & Ground Floor, Plot Survey # 19, Street # R.B.6. Shop # 3,4, Ram Bagh Quarters 166 M.A. Jinnah Road - Karachi  
Tel: 021-32218395, 32218409, 32218428  
Fax: 021-32218376

### Abdullah Haroon Road Sub-Branch

Shop No 1 & 2, Plot # 19, Ghafoor Chambers, Preedy Quarters, Saddar - Karachi.  
Tel: 021-32711614-7  
Fax: 021-32716113

### Jodia Bazar Branch

A/25/28 Darayalal Street, Jodia Bazar - Karachi.  
Tel: 021-32500121-5  
Fax: 021-32500128

### Khayaban-e-Shahbaz Branch

Plot No. 21-C Khayaban-e-Shahbaz, Phase VI, DHA - Karachi.  
Tel: 021-35344952 & 35344957  
Fax: 021-35344942

### Saeedabad Branch

Plot # 1004/1 & 1004-A/1 (5G/102-A & 5G/012-A/2), Saeedabad, Baldia, Mahajir Camp - Karachi.  
Tel: 021-32815092-94  
Fax: 021-32815096

### Burns Road Branch

Plot No. 55-A, Survey Sheet A.M., Artillery Maidan Quarters (Burns Road) - Karachi.  
Tel: 021-32215174-75  
Fax: 021-32215289

### Cloth Market Branch (2)

41, Saleh Muhammad Street, Cloth Market - Karachi.  
Tel: 021-32461601-03  
Fax: 021-32461604

### Truck Stand Branch

Truck Stand, K-28, Hawksbay Road, Trans Lyari-Karachi.  
Tel: 021-35428829 & 30  
Fax: 021-37671962

### Shahra-e-Faisal Branch

44/A-Nice Trade Orbit, Shop 8, Blk-6, PECHS, Shahrah-e-Faisal - Karachi.  
Tel: 021-34328426-7  
Fax: 021-34386180

### Shershah Branch

Plot # D-175, Industrial Trading Estate Area, Trans Lyari Qtrrs, Shershah - Karachi  
Tel: 021-32588191-193  
Fax: 021-32588195

**BRANCH NETWORK****Nazimabad(Gole Market) Branch**

Plot # 7, Sub Block 'E', in Block # III (III-E-7),  
Nazimabad (Gole Market) - Karachi  
Tel: 021-36620261-63  
Fax: 021-36620264

**Khayaban-e-Tanzeem Branch**

C 4-C, Tauheed Commercial, Khayaban-e-Tanzeem,  
Phase-5, DHA - Karachi.  
Tel: 021-35869147-35869207-35871640  
Fax: 021-35869342

**Zaibunnisa Street Branch**

B-6/16-A, Sadar Bazar Quarters, Zaibun Nisa Street -  
Karachi.  
Tel: 021-35210084,35660613,  
35660611,35215033  
Fax: 021-35224762

**Clifton Branch**

Pearl Heaven Apartments, Khayaban-e-Roomi,  
Block No-5, Clifton - Karachi.  
Tel: 021-35823469, 35824171,35823619, 35824180  
Fax: 021-35821463

**DHA Phase IV Branch**

Plot # 129, 9th Commercial Street, Phase IV, DHA -  
Karachi  
Tel: 21-35313068-70  
Fax: 21-35313071

**Jodia Bazar Branch**

Ram Bharti Street, Ismail Trade Centre - Karachi  
Tel: 021-32437991-3 - 32471120  
Fax: 021-32437994

**North Napier Road Branch**

18-19, North Napier Road - Karachi.  
Tel: 021-32766477 & 32766755  
Fax: 021-32766487

**New Challi Branch**

Ground Floor, Trade Tower, Altaf Hussain Road, New  
Challi - Karachi  
Tel: 021-32422071,32422027, 32422096, 32422069  
Fax: 021-32422051

**Paper Market Branch**

Al-Abbas Centre, Paper Market, Shahrah-e-Liaquat -  
Karachi.  
Tel: 021-32639671-2  
Fax: 021-32639670

**Abdullah Haroon Road Branch**

282/3, Abdullah Haroon Road, Area, Saddar -  
Karachi.  
Tel: 021-35685269, 35685393,35685940  
Fax: 021-35683991

**Water Pump Branch**

Lateef Square. Block-16, Federal 'B' Area, Main Water  
Pump Market - Karachi  
Tel: 021-36321387, 36314817  
Fax: 021-36314848

**Bahadur Shah Center Branch**

Bahadur Shah Center, Urdu Bazar, Off: M.A. Jinnah  
Road - Karachi.  
Tel: 021-32768547, 32768559  
Fax: 021-32765083

## BRANCH NETWORK

### I. I. Chundrigar Road Branch

5-Business & Finance Centre, Opp: State Bank of Pakistan - Karachi.  
Tel: 021-32438212, 32472176, 32471796  
Fax: 021-32438218

### North Karachi Industrial Area Branch

Plot No. R-14, Gabol Town, North Karachi Industrial Area - Karachi.  
Tel: 021-32015919 -20 , 36995925  
Fax: 021-36975919

### Garden East Branch

Shop No. 4,5 & 6, Jumani Centre Plot No. 177-B, Garden East - Karachi  
Tel: 021-32243311-13  
Fax: 021-32243314

### S.I.T.E. Branch

B/9-B/3, Near Metro Chowrangi S.I.T.E., Area - Karachi.  
Tel: 021-32586801-4, 32587166-8  
Fax: 021-32586806

### Plaza Quarters Branch

Al-Shafi Building Noman Street, Off: M.A. Jinnah Road - Karachi  
Tel: 021-32771515-16-18  
Fax: 021-32771517

### Muhammad Ali Society Branch

Plot# 4-C Commercial Area Muhammad Ali Co-Operative Housing Society - Karachi.  
Tel: 021-34168036-37  
Fax: 021-34186045

### Timber Market Branch

Siddique Wahab Road, Timber Market - Karachi.  
Tel: 021-32732729, 32766995  
Fax: 021-32733214

### Gulshan-e-Iqbal Branch

B-44, Block 13/A, Main University Road, Gulshan-e-Iqbal - Karachi.  
Tel: 021-34987688, 34987739-40  
Fax: 021-34987689

### Tariq Road Branch

C-51, Central Commercial Area, Near KFC Tariq Road, P.E.C.H.S. - Karachi.  
Tel: 021-34556486, 34556682  
Fax: 021-34555478

### Barkat-e- Hyderi Branch

Almas Square, Block-G, North Nazimabad - Karachi.  
Tel: 021-36628931, 36706896-7  
Fax: 021-36723165

### Shahrah-e-Faisal Branch

Business Avenue Block-6, P.E.C.H.S. - Karachi.  
Tel: 021-34386417-18  
Fax: 021-34531819

### Defence Branch

55-C, Phase-II, D.H.A, Opp Toyota Motors, Main Korangi Road - Karachi.  
Tel: 021-35387809-35396263 - 35312592  
Fax: 021-35387810

### Badar Commercial Branch

Plot No. 41-C, Badar Commercial, Street No. 10, Phase-V Extension, DHA - Karachi  
Tel: 021-35348501, 35348502, 35348503  
Fax: 021-35348504

**BRANCH NETWORK****Steel Market Branch**

Ground Floor, Shop #. G-13, 14, 32, 33 Steel Market,  
Ranchorelines Quarters - Karachi  
Tel: 021-32763001- 07  
Fax: 021-32462550

**Gulistan-e-Jauhar Branch**

Shop No. 5,6,7 & Office No. D-2, Farhan Centre  
Block No. 1. Gulistan-e-Jauhar - Karachi  
Tel: 021-34022259, 34613674, 34016488-9  
Fax: 021-34022639

**Rizvia Society Branch**

B-12, Rizvia Cooperative Society, Nazimabad -  
Karachi  
Tel: 021-36600956-57  
Fax: 021-36600958

**Jamshed Quarters Branch**

Showroom no. 3 & 4 AB Arcade Plot #. 714-6-1  
Block A, New M.A. Jinnah Road - Karachi  
Tel: 021-34860422-23, 34860425  
Fax: 021-34860424

**Dhoraji Branch**

Plot No. 133, Block No. 7 & 8 Dhoraji Colony, C.P &  
Berar Co- operative Housing Society - Karachi  
Tel: 021-34860773-75  
Fax: 021-34860772

**DHA Phase I Branch**

101-C, Commercial Area 'B', Phase-1 DHA - Karachi.  
Tel: 021-35314063,35314065,35314067  
Fax: 021-35314070

**NOORIABAD****Nooriabad Branch**

Ground Floor, SITE Office Bldg Nooriabad, Dist.  
Jamshoro, Sindh  
Tel: 025-4670433  
Fax: 025-4670434

**HYDERABAD****Hyderabad Branch**

41/364, Saddar, Bori Bazar - Hyderabad  
Tel: 022-2730911-14  
Fax: 022-2730910

**Latifabad No. 7. Branch**

Latifabad # 7, 5/D Unit # 7 -  
Hyderabad  
Tel: 022-3810524, 3810525  
Fax: 022-3810515

**Market Chowk Branch**

Shop CS # A/2772/2, Ward -A, Market Road -  
Hyderabad  
Tel: 022-2638451-54  
Fax: 022-2638450

**Qasimabad Branch**

Shop No. 23, 24 & 25, Rani Arcade, Qasimabad -  
Hyderabad  
Tel: 022-2650742-43  
Fax: 022-2650745

## BRANCH NETWORK

### MIRPURKHAS

#### Khipro Bus Stand Branch

Plot # 92-93, Samanabad, Khipro District,  
Ghumanabad Chowk, Khipro Bus Stand -  
Mirpurkhas  
Tel: 0233-876384  
Fax: 0233-875925

#### Mirpurkhas Branch

Plot No : 988 to 991, Umerkot Gharibabad - Mirpur  
Khas  
Tel: 0233- 875115-7  
Fax: 0233-875118

### LAHORE

#### DHA Y Block Branch

163, Block Y, Phase III, DHA Lahore Cantt - Lahore  
Tel: 042-35692531-36  
Fax: 042-3589 4682

#### Gulberg Branch

132-E/I Main Boulevard, Gulberg-III - Lahore  
Tel: 042-35870832-3, 042-35870975-6  
Fax: 042-35870834

#### Lahore Stock Exchange Branch

Office No. 5, LSE Building, 19, Aiwani e Iqbal Road -  
Lahore  
Tel: 042-36280853-56  
Fax: 042-36280851

#### Ferozpur Road Branch

Siza Farmer Factory, Sufiabad, Ferozpur Road -  
Lahore  
Tel: 042-3580092-93 &96  
Fax: 042-3580094

#### Multan Road Sub-Branch

Plot # 9/A, Scheme more Corner, Allama Iqbal Town  
Multan Road - Lahore  
Tel: 042-37497451-54  
Fax: 042-37497450

#### Circular Road Branch

Babar Centre, 51, Circular Road - Lahore  
Tel: 042-37379371 - 74  
Fax: 042-37379370

#### Ichhra More, Ferozpur Road Branch

House # 146, Muhallah Ferozpur Road, Ichhra More -  
Lahore  
Tel: 042-37572091-93  
Fax: 042-37572089

#### Faisal Town Branch

853/D, Akbar Chowk, Faisal Town - Lahore  
Tel: 042-35204101-3  
Fax: 042-35204104

#### Azam Cloth Market Branch

285-286, Punjab Block, Azam Cloth Market - Lahore  
Tel: 042-37661686 / 37654320 /37642344  
Fax: 042-37661863

#### Z Block DHA Branch

323-Z, DHA, Phase-3 - Lahore  
Tel: 042-35693112-15  
Fax: 042-35693117

#### New Garden Town Branch

19-A, Ali Block, New Garden Town - Lahore  
Tel: 042-35911361-4  
Fax: 042-35911365

**BRANCH NETWORK****Mall Road Branch**

56, Ground Floor, Sh-e-Quaid-e-Azam (The Mall) -  
Lahore  
Tel: 042-36284801-3  
Fax: 042-36284805

**Model Town Branch, Lahore**

14-15, Central Commercial Market, Model Town -  
Lahore  
Tel: 042-35915540-49  
Fax: 042-35915549

**Cantt Branch**

Day building 1482/A, Abdul Rehman Road, Lahore  
Cantt.  
Tel: 042- 36603061-63  
Fax: 042-36603065

**Passco House Branch**

PASSCO House,11, Kashmir Road, Adjacent LDA  
Plaza - Lahore  
Tel: 042-36300670-1  
Fax: 042-36310362

**DHA G Block Branch**

Plot # 13 G, Commercial Zone DHA, Phase-I -  
Lahore  
Tel: 042-35691173-78  
Fax: 042-35691171

**Liberty Market Branch**

26/C, Commercial Zone, Liberty Market, Gulberg -  
Lahore, Lahore.  
Tel: 042-111-692-265, 35717273, 35763308  
Fax: 042-35763310

**Badami Bagh Branch**

25 - Peco Road Badami Bagh - Lahore  
Tel: 042-37724583, 37720382, 37705036  
Fax: 042-37730867

**Ravi Road Branch**

Plot # 48-J, Ravi Road - Lahore  
Tel: 042-37722903 - 04  
Fax: 042-37722905

**Shahalam Gate Branch**

12-A, ShahAlam Gate - Lahore  
Tel: 042-37666854 - 57  
Fax: 042-37663488

**Johar Town Branch**

Plot # 85, Block G/1, M.A Johar Town - Lahore  
Tel: 042-35291172-74  
Fax: 042-35171047

**Egerton Road Branch**

27-Ajmal House, Egerton Road - Lahore  
Tel: 042-36364522, 36364532  
Fax: 042-36364542

**Allama Iqbal Town Branch**

56/12, Karim Block, Allama Iqbal Town - Lahore  
Tel: 042-35434160-61,35434163  
Fax: 042-35434164

**Darogawala Branch**

Near Shalimar garden G.T.Road Darogawala -  
Lahore  
Tel: 042-36520681 - 83  
Fax: 042-36520684

**Bedian Road Branch**

Plot # 2512/1, Phase VI, Bedian Road,  
Lahore Cantt  
PABX # 042-37165300-03  
FAX # 042-37165304

**Kamahan Branch**

Kamahan, Mauza Jhatool - Lahore  
Tel: 042-35921487  
Fax: 042-35921489

**Samanabad Branch**

Plot No.855,Poonch Road, Samanabad - Lahore  
Tel: 042-37568831, 37568844  
Fax: 042-37568854

**Airport Road Branch**

M. M. Arcade, 192-B, New Air Port Road - Lahore  
Tel: 042-35700336, 35700338-9  
Fax: 042-35700323

**Booth at Doctor's Hospital**

152-A, G1, Canal Bank, Johar Town - Lahore  
Tel: 042-35314640  
Fax: 042-35314642

**Booth at Lahore Medical College**

Lahore Medical & Dental College Tulsapura, Canal  
Bank - Lahore  
Tel: 042-36583305  
Fax: 042-36583305

**ISLAMABAD****Super Market Branch**

Plot No. 6B, F-6, Super Market - Islamabad  
Tel: 051-2279168-70, 051-2824533-34  
Fax: 051-2279166

**Islamabad Stock Exchange Sub-Branch**

Plot # 109, East F-7/G-7, Jinnah Avenue, Blue Area -  
Islamabad  
Tel: 051-2806281-83  
Fax: 051-2806284

**Bahria Town Branch**

Plot # 3-4, Express Way, Sufiyan Plaza, Phase VII,  
Bahria Town - Islamabad  
Tel: 051- 5707360 – 63 ( 0345-5078789 OPS MG)  
Fax: 051-5707358

**F-6 Markaz Branch**

2-Fateh Plaza, Block C, Super Market, F-6 Markaz -  
Islamabad  
Tel: 051-2601701-3  
Fax: 051-2601710

**F-10 Markaz Branch**

Plot No. 08, Maroof Hospital, F-10 Markaz -  
Islamabad  
Tel: 051-2222860-62  
Fax: 051-2222863

**F-11 Markaz Branch**

Plot # 29, Select Center, F-11 Markaz - Islamabad  
Tel: 051-2228027 – 28  
Fax: 051-2228365



**Blue Area Branch**

20 - Al Asghar Plaza, Blue Area - Islamabad

Tel: 051-111-692-265 2823204,2872913

Fax: 051-2274276

**Barah Koh Branch**

Murree Road, Tehsil / District - Islamabad

Tel: 051-2231344, 2233136

Fax: 051-2231345

**G-11 Markaz Branch**

Shop #. 25-34, Plot #. 23, Sajid Sharif plaza, G-11

Markaz - Islamabad

Tel: 051-2220973-6

Fax: 051-2220977

**RAWALPINDI****Rawalpindi Branch (2)**

60, Bank Road - Rawalpindi.

Tel: 051-5564123, 051-5120778-80

Fax: 051-5528148

**Bank Road Branch**

Saddar Bazar - Rawalpindi Cantt.

Tel: 051-5523840-41

Fax: 051-5523837

**Raja Bazar Branch**

Raja Bazar - Rawalpindi.

Tel: 051-5534173-5557244

Fax: 051-5559544

**Murree Road Branch**

DD/29, Shamsabad Murree Rd., Ojri Kalan - Rawalpindi.

Tel: 051-4854400, 4854401-03

Fax: 051-4854404

**FAISALABAD****Susan Road Branch**

Chak No. 213/RB Susan Road - Faisalabad

Tel: 041-8502367-69

Fax: 041-8502371

**Liaquat Road Branch**

Liaquat Road, Chak # 212 - Faisalabad

Tel: 041-2541257-59

Fax: 041-2541255

**Kotwali Road Branch**

P-12, Kotwali Road - Faisalabad

Tel: 041-2412151-52-53

Fax: 041-2412154

**Jail Road Branch**

House No. P-62, opposite Punjab Medical College,

Jail Road - Faisalabad

Tel: 041-8813541-43

Fax: 041-8813544

**Aminpur Bazar Branch**

Plot # 183, Street No. 2, Between Aminpur Bazar & Chiniot Bazar, Faisalabad

PABX No. : 041-2636783 & 2626783

Fax No. : 041-2611363

**MULTAN****Abdali Road Branch**

Plot No. 66-A & 66-B/9, Abdali Road - Multan

Tel: 061-4500108,4500110,4500115,4500116

Fax: 061-4516762

## **Vehari Road Ghalla Mandi Branch**

PU # 2227-A, Shrh Chowk Shah Abbas, Vehari Road  
- Multan  
Tel: 061-6241015-17  
Fax: 061-6241014

## **Qadafi Chowk Sub-Branch**

Plot # 43, Block T, New Multan Road, Qadafi Chowk  
- Multan  
Tel: 061-6770882-84  
Fax: 061-6770889

## **Hussain Agahi Branch**

2576, Hussain Agahi Road - Multan  
Tel: 061-4548083-4583268-4583168  
Fax: 061-4543794

## **SUKKUR**

### **Sukkur Branch**

B – 885, March Bazar - Sukkur  
Tel: 071-5627781  
Fax: 071-5627755

### **Shikarpur Road Branch**

Shop # D-195, Ward D, Near A Section Police Station  
Shikarpur Road - Sukkur.  
Tel: 071-5617142-143-144  
Fax: 071-5617145

### **Workshop Road Branch**

City Survey #. 3403/2/1 and C.s # 3403/2M/6, Ward-  
B Tooba Tower Workshop Road - Sukkur  
Tel: 071-5616663, 5616664, 5616582  
Fax: 071-5624317

## **GUJRANWALA**

### **Wapda Town Branch**

Plot # B - III, MM - 53, Hamza Centre, Wapda Town -  
Gujranwala  
Tel: 055-4800204 - 06  
Fax: 055-4800203

### **GT Road Branch**

B/11-S7/103, G. T. Road - Gujranwala  
Tel: 055-3842751-3842729  
Fax: 055-3842890

### **Gujranwala Branch**

G.T. Rd., Opp. General Bus Stand - Gujranwala.  
Tel: 055-3820401-3  
Fax: 055-3820404

## **GUJRAT**

### **Gujrat Branch**

Main GT Road Tehsil & Distt - Gujrat  
Tel: 053-3517051-054  
Fax: 053-3516756

### **GT Road Branch**

Small Estate, G. T. Road (Next to Mybank) - Gujrat  
Tel: 053-3533926 - 3534208 - 3533934  
Fax: 053-3533995

### **Katchery Chowk Branch**

Shop #. 1263 & 1270 B-II, Katchery Chowk, Opp.  
Zahoor Elahi Satadium, Near New Narala Bakers -  
Gujrat  
Tel: 053-3601021-24  
Fax: 053-525108

**PESHAWAR****Deans Trade Center Branch**

Deans Trade Centre, Islamia Road - Peshawar  
Tel: 91-5253081-85  
Fax: 91-5253080

**Main University Road Branch**

Tehkal Payan, Main University Road - Peshawar  
Tel: 091-5850540-41  
Fax: 091-5850546

**Fruit Market Branch**

Near Fruit Market, G.T. Road - Peshawar  
Tel: 091-2260375  
Fax: 091-2260374

**Milad Chowk Branch**

Milad Chowk, New Gate - Peshawar  
Tel: 091-2550477, 2550466, 2217131  
Fax: 091-2550488

**QUETTA****M. A. Jinnah Road Branch**

Ground Floor, Malik Plaza, Near Adara-e-Saqafat,  
M.A. Jinnah Road - Quetta  
Tel: 081-2865590-95  
Fax: 081-2865587

**Fatima Jinnah Road Branch**

Plot No. Khasra No.134 & 138, Ward No. 19, Urban #  
1, Fatima Jinnah Road - Quetta  
Tel: 081-2301094, 2301095  
Fax: 081-2301096

**Jinnah Road Branch**

Regal Chowk, Jinnah Road - Quetta  
Tel: 081-2837028-29  
Fax: 081-2825065

**Liaquat Bazar Branch**

Ainuddin Street - Quetta  
Tel: 081-2837300-1  
Fax: 081-2837302

**SADIQABAD****Sadiqabad Branch**

Mozzah Khuda Bux Dehar, Macchi Goth, KLP Road -  
Sadiqabad  
Tel: 068- 5786791-3  
Fax: 068-5786300

**SIALKOT****Kashmir Road Branch**

Block 'A', ZHC, Kashmir Road - Sialkot  
Tel: 052-3573304 to 07 (4 lines)  
Fax: 052-3573310

**Paris Road Branch**

B1,16S, 71/A/1, Paris Road - Sialkot  
Tel: 052-4602712-16  
Fax: 052-4598849

**Small Industrial Area Branch**

Plot No. 32 / A, S.I.E -1, Small Industrial Estate,  
UGOKE Road - Sialkot  
Tel: 052-3242690 - 92  
Fax: 052-3242695

**GUJAR KHAN****Gujar Khan Branch**

Plot # 58-D, 59-C, Sector/Block Area Development,  
Scheme No.1, Akbar Kayani Plaza, G.T. Road

GUJAR KHAN Tel: 051-3516431-2

Fax: 051-3516435

**AZAD KASHMIR****Mirpur Azad Kashmir Branch**

NS Tower 119 F/1, Kotli Road Mirpur – Azad  
Kashmir

Tel: 05827- 437193-97

Fax: 05827-437193

**Mirpur Azad Kashmir Branch (2)**

Ghazi Archade, 6-B/3, Part II, Allama Iqbal Road,  
Mirpur - Azad Kashmir

Tel: 05827-446406-9

Fax: 05827-446405

**Shaheed Chowk Branch**

Deen Plaza, Shaheed Chowk, Kotli - Azad Kashmir

Tel: 05826-448453-54

Fax: 05826-448455

**Dadyal Branch**

Choudhary Centre, Ara Jattan, Dadyal - Azad  
Kashmir

Tel: 05827-463475

Fax: 05827-465316

**SARGODHA****Satellite Town Branch**

Satellite Town Branch, Ground Floor, Afzal Towers,  
Plot # 302-A, Main Satellite Town - Sargodha

Tel: 048-3221027-28

Fax: 048-3221029

**Sargodha Branch**

Prince Cinema Market, Railway Road - Sargodha

Tel: 048-3768113-5

Fax: 048-3768116

**ATTOCK****Fateh Jang Branch**

Main Rawalpindi Road, Mouza & Tehsil Fateh Jang  
Distt - Attock

Tel: 057-2210321-23

Fax: 057-2210324

**Attock Branch**

Hamam Road - Attock

Tel: 057-2703120

Fax: 057-2703117

**KAMOKI****GT Road Branch**

Madni Trade Centre, G.T Road - Kamoki

Tel: 055- 6815175-76

Fax: 055-6815184

**RABWAH****Rabwah Branch**

Plot No-9-10, Block-14, Darul Sadar, Gol Bazar,  
(Chenab Nagar) - Rabwah

Tel: 047-621 3795-96

Fax: 047-621 3797

**HARIPUR****Haripur Branch**

Ground Floor, Akbar Arcade, Main G.T. Road -  
Haripur

Tel: 0995- 610832 - 33

Fax: 0995-610829

**SWABI****Swabi Branch**

Property bearing No. 3361, Main Mardan Road -  
Swabi

Tel: 0938-222968 - 69

Fax: 0938-221572

**HAZRO****Hazro Branch**

Plot # B -386, 386-A, Dawood Centre, Bank Square,  
Ziaul Haq Road - Hazro

Tel: 057-2313283 - 85

Fax: 057-2313286

**JHELUM****Jhelum Sub-Branch**

Plot # 89, Mehfooz Plaza, Kazim Kamal Road -  
Jhelum Cantt.

Tel: 0544-720216 - 18

Fax: 0544-720219

**TURBAT****Main Bazar Branch**

Main Bazar - Turbat.

Tel: 0852-413874

Fax: 0852-414048

**GAWADAR****MULLAH FAAZUL CHOWK BRANCH**

Plot Askani Hotel, Mullah Faazul Chowk, Gawadar

Tel: 0864-212144- 212146

Fax: 0864-212147

**MURIDKE****Muridke Branch**

774, G.T. Road - Muridke

Tel: 042-37950456,37994711-12

Fax: 042-37994713

**KASUR****Kasur Branch**

Near Pul Qatal Gahri, Kutchery Road - Kasur.

Tel: 049-2721993

Fax: 049-2721994

## SAHIWAL

### Sahiwal Branch

558/8-1, Navid, Plaza, High Street - Sahiwal  
Tel: 040-4229247, 4221615, 4229247  
Fax: 040-4460960

## OKARA

### Okara Branch

23/A, Ravi Road - Okara  
Tel: 044-2528755, 2525355  
Fax: 044-2525356

## RAHIM YAR KHAN

### Rahim Yar Khan Branch

31/34 Shahi Road - Rahimyar Khan  
Tel: 068-5877821-5883876  
Fax: 068-5876776

## MANDI BHAUDDIN

### Mandi Bahauddin Branch

Khasra # 143/112, Chak #51, Bank Rd., Off Railway  
Rd., (Ghalla Mandi) - Mandi Bahauddin.  
Tel: 0546-600901, 600903-4-5  
Fax: 0546-600902

## NAROWAL

### Katchery Road-Narowal

Katchery Road - Narowal  
Tel: 0542-414105-7  
Fax: 0542-414089

## CHAK GHANIAN

### Chak Ghanian Branch, Sarai Alamgir

Plot # 547-548, Iqbal Mandi, G.T Road, Sarai Alamgir  
Tel: 0544-654402-03, 655155  
Fax: 0544-654401

## CHAKWAL

### Chakwal Branch

Al- Noor Plaza Sabzi Mandi, Talagang Road -  
Chakwal  
Tel: 0543-554796, 540650-51  
Fax: 0543-554797

### Dalwal Branch

Village & Post Office Dalwal, Tehsil Choha, Saidan  
Shah, Distt - Chakwal  
Tel: 0543-582834  
Fax: 0543-582842

## LALAMUSA

### Lalamusa Branch

G. T. Road - Lalamusa  
Tel: 053-7515694, 7515699, 7515697, 7519977  
Fax: 053-7515685

## WAH CANTT

### Wah Cantt Branch

Plot No. 17/37, Civic Center, Aslam Market - Wah  
Cantt  
Tel: 051-4542157, 4542167, 4542279  
Fax: 051-4542144

**DINA****Dina Branch**

Mian G.T. Road - Dina  
Tel: 0544-634471 -3  
Fax: 0544-636675

**MARDAN****Mardan Branch**

Plot # 337, 337-A, The Mall, Mardan  
Tel: 0937-865344-45  
Fax: 0937-865342

**MANSEHRA****Mansehra Branch**

Al- Hadeed Corporation Market Shahrah Resham -  
Mansehra  
Tel: 0997-303186, 303180  
Fax: 0997-303135

**CHAMAN****Chaman Branch**

Dulla Ram Road, Tehsil, Chaman,  
Distt Killah Abdullah,  
Balochistan-Pakistan

**MUZAFFARABAD****Muzaffarabad Branch**

Sangam Hotel Building Domall,  
Muzaffarabad (AJK) - Pakistan  
Pabx # 05822-924203-06  
Fax # 05822-924206



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