

BUILDING TODAY SHAPING TOMORROW

HALF YEARLY REPORT JUNE 2019



Summit **S** *Bank*
Committed to you

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CORPORATE INFORMATION

Board of Directors

Mr. Waseem Mehdi Syed
Chairman

Mr. Jawad Majid Khan
President & CEO

Mr. Wajahat Ahmed Baqai
Director

Mr. Zafar Iqbal Siddiqi
Director

Ms. Fauzia Hasnain
Director

Mr. Aziz Morris
Director

Board Audit Committee

Ms. Fauzia Hasnain
Chairperson

Mr. Wajahat Ahmed Baqai
Member

Mr. Zafar Iqbal Siddiqi
Member

Board Risk Management Committee

Mr. Wajahat Ahmed Baqai
Chairman

Ms. Fauzia Hasnain
Member

Mr. Aziz Morris
Member

Mr. Zafar Iqbal Siddiqi
Member

Board Human Resource & Remuneration Committee

Ms. Fauzia Hasnain
Chairperson

Mr. Zafar Iqbal Siddiqi
Member

Mr. Wajahat Ahmed Baqai
Member

Mr. Jawad Majid Khan
Member

Board Information Technology Committee

Mr. Zafar Iqbal Siddiqi
Chairman

Mr. Aziz Morris
Member

Mr. Waseem Mehdi Syed
Member

Board Compliance Committee

Mr. Wajahat Ahmed Baqai
Chairman

Mr. Waseem Mehdi Syed
Member

Mr. Aziz Morris
Member

Mr. Zafar Iqbal Siddiqi
Member

Chief Financial Officer

Mr. Salman Zafar Siddiqi

Company Secretary

Syed Muhammad Talib Raza

Auditors

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants

Legal Advisors

Hyat & Meerjees

Share Registrar

THK Associates (Private) Limited
Plot No. 32-C, Jami Commercial Street-2,
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Registered Office

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companysecretary@summitbank.com.pk

Website : www.summitbank.com.pk

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 returns to our shareholders on their investment
- To serve the community at large
- To discharge corporate social responsibility



DIRECTORS' REVIEW

On behalf of the Board of Directors, we are pleased to present the Directors' Review of the Bank along with the un-audited condensed interim financial statements and Auditors' Review Report for the half year ended June 30, 2019.

THE BANK'S PERFORMANCE

The highlights of the financial results for the half year ended June 2019 are as follows:

	June 30, 2019
	Rupees in Millions
Financial Position	
Shareholders' Equity	(1,470)
Deposits	89,373
Total Assets	112,547
Advances – net	50,925
Investments – net	19,593
Financial Performance	
Net Interest Income and Non Markup Income (Total Income)	474
Non Markup Expenses	2,620
Provisions and write offs (net)	4,422
Loss before tax	(6,569)
Loss after tax	(4,376)
Basic and diluted loss per share - Rupees	(1.66)

The Bank recorded a loss before tax of Rs. 6.569 billion and a loss after tax of Rs. 4.376 billion for the half year ended June 30, 2019, as compared to a loss before tax of Rs. 3.543 billion and a loss after tax of Rs. 3.808 billion for the half year ended June 30, 2018. This translated into a loss per share of Rs. 1.66 (June 2018: loss per share Rs. 1.44).

The Bank's earning capacity has significantly depleted as a result of which the Bank incurred a net mark up expense of Rs. 208.153 million as against a net mark-up income of Rs. 1.592 billion earned during the same period last year. This is mainly attributable to volumetric reduction of earning assets together with the substantial amount of non-performing advances held by the Bank which resulted in major reduction of Bank's interest income. Due to extraordinary situation faced by the Bank since July 2018, the Bank reduced its earning assets portfolio to meet the liquidity requirements. Moreover, the Bank's interest expense registered a decrease of Rs. 574.765 million mainly due a reduction in the volume of interest bearing liabilities which was partially offset by an increase in the cost of funds, finance cost of lease liability and FX swap cost.

Non-funded income stood at Rs. 682.088 million, reflecting a decrease of 40.83% over the corresponding period last year, mainly due to lower foreign exchange income amidst a volatile currency market and a decline in fee and commission income earned as trade volumes during H1'19 shrank considerably.

Total non-mark up expenses were reported at Rs. 2.620 billion as against Rs. 2.839 billion last year, declining by 8%. This decrease was mainly attributable to a decrease in property and compensation expenses during H1'19.

The Bank recorded provisioning expense of Rs. 4.422 billion for the half year ended June 30, 2019, against a provision expense of Rs. 3.449 billion in the corresponding period last year. Provision against loans and advances was booked at Rs. 3.811 billion, an increase of 161% from the same period last year.

The Bank's net advances portfolio shrank by 17% to Rs. 50.925 billion as at June 30, 2019. Non-performing loans increased by 10% from Rs. 36.072 billion as at December 31, 2018 to Rs. 39.839 billion as at June 30, 2019. The Bank's gross NPL ratio (Gross non-performing loans to Gross Advances) as of June 30, 2019 stood at 52.22% as against 43.57% on December 31, 2018, while the coverage ratio at June 2019 stands at 63.54% (December 2018: 59.61%).

Total Deposits grew by 6% and were reported at Rs. 89.373 billion as against Rs. 84.676 billion reported at December 2018. At the half year end, the Bank's gross advances to deposits ratio stands at 85.35% as compared to 97.78% on December 31, 2018.

As at June 30, 2019, the Bank has recognized deferred tax assets (net) of Rs. 9.397 billion, this represents the management's best estimate of tax benefits expected to be realized in future years. We are hopeful that Bank will be able to realize these benefits. Based on the updated tax positions, deferred tax income for the current period amounted to Rs. 2.237 billion as against an expense of Rs. 186.032 million during the same period last year.

As at June 30, 2019, the Bank's paid up capital (net of losses) stood at negative (-) Rs. 4.287 billion as against the statutory requirement of Rs. 10 billion prescribed by SBP while the Capital Adequacy Ratio of the Bank stood at negative (-) 15.20% as against the minimum requirement of 11.90%.

The management and the Board of Directors is hopeful that if the growth factors and other key assumptions stipulated in the business plan materialize, the Bank will be able to achieve the projected improvement in business results and compliance with applicable regulatory requirements.

CREDIT RATING

In the year 2019, VIS Credit Rating Company Limited suspended the Bank's medium to long-term rating of 'BBB -' (Triple B minus) and short term rating of 'A-3' (A-three) due to non-availability of updated information. VIS Credit Rating Company Limited would reassess the ratings once required information along with latest financials are made available. Moreover, the Bank's TFC rating was assigned 'D' (Default) due to non-payment of its latest mark-up payment on account of lock-in-clause invoked by the Bank under the applicable Regulations of the State Bank of Pakistan (SBP). The TFC holders of the Bank in their meeting held on October 22, 2020, further approved another extension of one year in the tenure of the TFC issue along with the extension in the payments of all redemption amounts, with the revised maturity date set at October 27, 2021. The Bank is currently in the process of ensuring compliance with all the applicable laws, rules, regulations and requisite regulatory requirements in this regard.

ECONOMIC REVIEW

During the second quarter of 2019, Pakistan's macroeconomic fundamentals showed mixed performance as the government continued its efforts towards fiscal consolidation along with monetary tightening by the SBP to contain the twin deficits.

Pakistan's current account deficit stood at \$13.6 billion during FY19 from \$19.9 billion in FY18, thus, recording a sizeable improvement. The improvement in the current account largely came as imports reduced by 7.3% in FY19 as compared to FY18. Current account was supported by workers' remittances which posted a healthy increase of 9.7% from the previous fiscal year. Export volumes grew even though exports fell by 2.2% despite a PKR devaluation against USD.

Pakistan's FX reserves eroded during the second quarter of 2019 due to debt and interest payments and the CAD deficit. The SBP's Foreign exchange reserves rose to about US\$8 billion in July 2019 with the disbursement of the first tranche of the IMF's Extended Fund Facility. Further, the deferred oil payments from Saudi Arabia would translate into consolidation of Pakistan's FX reserves.

CPI inflation clocked in at 8.9% whereas core inflation rose to 7.2% YoY in June 2019. The State Bank of Pakistan raised the policy rate by a cumulative 225 bps during the half year from 10.00% to 12.25% to combat inflationary pressures.

On the fiscal side, the government's budget deficit stood at 5.0% of GDP during Jul-Mar FY2019. The government has announced its budget for the next fiscal year in which numerous revenue measures were taken.

The KSE-100 fell during the quarter owing to macroeconomic instability and rising interest rates, beginning the quarter at 38,649 index points and ending it at 33,901 index points.

MODIFICATIONS IN THE AUDITORS' REVIEW REPORT

The Bank's paid-up capital (net of losses), Capital Adequacy Ratio (CAR) and Leverage Ratio (LR) do not meet the requirements provided by State Bank of Pakistan (SBP) as at December 31, 2019. Further, the Bank's Liquidity Coverage is below the prescribed limits. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Bank's ability to continue as a going concern. However, the Bank is making continued efforts for necessary injection of capital and implementation of the Bank's plan to comply with applicable capital and liquidity requirements.

The Bank has recognized deferred tax asset of Rs. 9,396.814 million which is considered realizable based on the financial projections of the Bank.

During the year 2018, Law Enforcement Agencies (LEAs) initiated its investigation on certain bank accounts alleged for money laundering activities in various banks including Summit Bank Limited. The matter is currently under NAB investigations and only partial references have been filed in the NAB Courts. The bank has been and is committed to extending its full cooperation to the Law Enforcement Agencies in their investigations to the best extent possible. The Bank's management is of the view that such investigations will not affect the ongoing operations and functions of the Bank.

The Bank is currently partially non-compliant with the provisions of Banking Companies Ordinance, 1962 with respect to an investment in immovable property. The management has planned steps to achieve compliance with the same with selling off the part of the property that is in non-compliance with the applicable laws.

The review report is modified in respect of these matters but the opinion is not qualified.

EVENTS AFTER THE BALANCE SHEET DATE

The Bank had received a letter dated May 20, 2021 from H.E. Nasser Abdulla Hussain Lootah (The Investor) in which The Investor had communicated his intention to acquire at least controlling stake in the Bank by subscribing to fresh equity in the Bank. In compliance with the requirements of Securities Act, 2015 and Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 applicable to such transactions, this was followed by a public announcement by The Investor of the intention to acquire at least 51% of the issued and paid up capital of the Bank together with the management control.

The Investor has now submitted his offer via a letter dated October 01, 2021, as per the Share Subscription Agreement (SSA) dated October 04, 2021 entered between the Bank and The Investor for the proposed subscription of new ordinary shares in the Bank by way of fresh equity injection Without Rights Offering at a discounted price of Rs. 2.51 per share. The Investor presented the offer as set out in the SSA which is duly approved by the Board of Directors. The Bank intends to issue a total of 5,976.096 million new ordinary shares.

ACKNOWLEDGEMENT

On behalf of the Board, we would once again like to thank the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, the Ministry of Finance and other regulatory authorities for their continuous guidance and support. At the same time, we would like to express our gratitude to our shareholders, our customers and the Bank's staff for their continued support.

Jawad Majid Khan
President and Chief Executive Officer

Fauzia Hasnain
Director

Summit Bank
October 08, 2021
Karachi

بینک اس وقت غیر منقولہ جائیداد میں سرمایہ کاری کے حوالے سے بینکنگ کمپنیز آرڈیننس، 1962ء کی شقتوں سے بزودی طور پر ہم آہنگ نہیں ہے۔ انتظامیہ نے اس ضمن میں تعمیل کے حصول کے لیے اس پر اپنی کاؤ حصہ بیچنے کے لیے مضبوط بند کی ہے جو قابل اطلاق قوانین سے ہم آہنگ نہیں ہے۔

ان معاملات کے حوالے سے آڈٹ رپورٹ میں ترمیم کی جاتی ہے، تاہم یہ رپورٹ معتبر ہے۔

بینک شیڈ کی تاریخ کے بعد ہونے والے واقعات

20 مئی 2021ء کو ایچ ناصر عبداللہ حسین لوط (سرمایہ کار) کی جانب سے بینک کو ایک مراسلہ موصول ہوا جس کی پیروی کرنے پر سرمایہ کار نے بینک میں تازہ سیالیت سبسکرائب کرنے اور اس رقم کی جہاں ضروری ہو سرمایہ کاری کرنے کے ذریعے بینک کے کنٹرولنگ اختیار حاصل کرنے کے ارادے کا اظہار کیا۔ مزید برآں، اس طرح کے لین دین کے لئے سکیورٹیز ایکٹ 2015ء اور فہرستی کمپنیز (دوہنگ شیئرز اور ونیک اورز کا کافی حصول) ریگولیشنز کے قابل اطلاق تقاضوں کی تعمیل کرتے ہوئے، سرمایہ کاری کی جانب سے انتظامی کنٹرول کے ساتھ بینک کے کم از کم 51 فیصد جاری کردہ اور ادا شدہ سرمائے کے بارے میں عوامی اعلان کیا گیا۔

سرمایہ کار نے 10 اکتوبر 2021ء کو اپنی پیشکش خط کے ذریعے کی۔ بعد ازاں 10 اکتوبر 2021ء کو بینک اور سرمایہ کار کے درمیان داخل کردہ شیئرز سبسکرائپشن معاہدہ (ایس ایس اے) ہوا جس میں بینک میں سنے عام حصص کی مجوزہ سبسکرائپشن کے لئے نئی ایکویٹی انجکشن کے بغیر حقوق کے پیشکش رعایتی قیمت پر داخل کیا گیا ہے۔ 2.51 روپے فی حصص ہے۔ سرمایہ کار نے شیئرز سبسکرائپشن معاہدے میں طے شدہ پیشکش کی جسے بورڈ آف ڈائریکٹرز نے باضابطہ طور پر منظور کیا ہے۔ بینک کل 5,976.096 ملین نئے عام حصص جاری کرنے کا ارادہ رکھتا ہے۔

تعریف و توثیق

ہم، بورڈ کی جانب سے ایک بار پھر اسٹیٹ بینک آف پاکستان، سکیورٹیز اینڈ ایکسچینج کمیشن پاکستان، وزارت مالیات اور دیگر ضابطہ کاروں کی مسلسل رہنمائی اور معاونت پر شکر گزار ہیں۔ نیز ہم مسلسل معاونت پر ہمارے شیئرز ہولڈرز، ہمارے صارفین اور بینک کے عمل کا شکریہ ادا کرنا چاہیں گے۔

فوزیہ حسین

ڈائریکٹر

جواد ماجد خان

صدر اور چیف ایگزیکٹو آفیسر

سٹ بینک

10 اکتوبر 2021ء

کراچی

اقتصادی جائزہ

2019ء کی دوسری سہ ماہی کے دوران پاکستان کے بیکرو اکٹا مک فیڈ اینٹیل اصولوں نے ملی چلی کارکردگی کا مظاہرہ کیا کیونکہ حکومت نے دوہرے خسارے پر قابو پانے کے لئے اسٹیٹ بینک کی جانب سے مالیاتی سختی کے ساتھ ساتھ مالی استحکام کی جانب اپنی کوششوں کو جاری رکھا۔

پاکستان کا جاری کھاتے کا خسارہ دو سال کے دوران 13.6 ارب ڈالر رہا جبکہ مالی سال 18ء میں 19.9 ارب روپے تھا، اس طرح نمایاں بہتری درج کی گئی۔ جاری کھاتے میں بہت زیادہ بہتری آئی کیونکہ مالی سال 18ء کے مقابلے میں مالی سال 19ء کے دوران درآمدات میں 7.3 فیصد کمی آئی۔ جاری کھاتے کو کارکنوں کی ترسیلات زر سے تقویت ملی جس میں گذشتہ مالی سال کے مقابلے میں 9.7 فیصد کا اضافہ ہوا۔ اگرچہ برآمدات میں 2.2 فیصد کمی واقع ہوئی تاہم ڈالر کے مقابلے میں روپے کی قدر میں کمی کے باوجود برآمدات کے حجم میں اضافہ ہوا۔

قرضے، سودی ادائیگیوں اور سی ڈی خسارے کے باعث 2019ء کی دوسری سہ ماہی میں پاکستان کے زرمبادلہ کے ذخائر کم ہو گئے۔ آئی ایم ایف کی توسیعی فنڈ کی سہولت کی قسط موصول ہونے سے اسٹیٹ بینک کے ذخائر بڑھ کر 8 ارب ڈالر ہو گئے۔ مزید برآں، سعودی عرب سے تیل کی مؤخر اداائیگیوں سے بھی پاکستان کے زرمبادلہ کے ذخائر جمع ہونے میں مدد ملے گی۔

جون 2019ء میں صارف ایشیاء پر قیمت مہنگائی 8.9 فیصد تک پہنچ گئی جبکہ قومی مہنگائی بڑھ کر 7.2 فیصد سال بسال ہو گئی۔ اسٹیٹ بینک آف پاکستان نے مہنگائی کے دباؤ سے نمٹنے کے لیے سہ ماہی کے دوران پالیسی ریٹ میں 225 بی پی ایس کے مجموعی اضافے کے ساتھ 10.00 فیصد سے بڑھا کر 12.25 فیصد کر دیا۔

مالیاتی لحاظ سے، جولائی تا مارچ مالی سال 2019ء کے دوران حکومت کا بجٹ خسارہ بی ڈی پی کا 5.0 فیصد رہا۔ حکومت نے اگلے مالیاتی سال کے لیے بجٹ کا اعلان کر دیا ہے جس میں حاصل کے حوالے سے متعدد اقدامات کیے گئے۔

کلی معاشی عدم استحکام اور بڑھتی ہوئی شرح سود کی وجہ سے سہ ماہی کے دوران کے ایس ای 100 انڈیکس کا نشانہ نیچے چلا گیا، سہ ماہی کا آغاز 38,649 انڈیکس پوائنٹس سے ہوا اور 33,901 انڈیکس پوائنٹس پر ختم ہوا۔

آڈیٹرز کی جائزہ رپورٹ میں تبدیلیاں

31 دسمبر 2019ء تک بینک کا ادائ شدہ سرمایہ (خالص خسارے)، شرح کفایت سرمایہ اور لیوریج کی شرح (LR) اسٹیٹ بینک آف پاکستان (SBP) کے تقاضوں پر پورے نہیں اترتے۔ مزید یہ کہ بینک کی سیالیت کی کوریج متقررہ حد سے کم ہے۔ یہ حالات مادی عدم یقینی کی موجودگی کی نشاندہی کرتے ہیں جو کہ بینک کے جاری کاروبار کے طور پر جاری رہنے کی صلاحیت کے بارے میں اہم شک پیدا کر سکتی ہے۔ تاہم، بینک سرمائے کے ضروری ادخال اور قابل اطلاق سرمائے اور سیالیت کے تقاضوں سے ہم آہنگ بینک کے منصوبے پر عمل درآمد کے لیے مسلسل کوششیں کر رہا ہے۔

بینک نے 9,396.814 ملین روپے کے مؤخر ٹیکس اٹاٹھے ریکارڈ کئے جن کو بینک کے مالی تخمینوں کی بنیاد پر قابل حصول سمجھا جاتا ہے۔

سال کے دوران، قانون نافذ کرنے والی ایجنسیوں (اییل ای اے) نے سٹ بینک لمیٹڈ سمیت بعض بینکوں میں منی لانڈرنگ کی سرگرمیوں کے لیے میسج طور پر کچھ بینک اکاؤنٹس کی تحقیقات شروع کی۔ یہ معاملہ فی الحال نیب کے زیر تفتیش ہے اور نیب عدالتوں میں صرف جزوی ریفرنسز دائر کیے گئے ہیں۔ بینک قانون نافذ کرنے والی ایجنسیوں کو ان کی تحقیقات میں ہر ممکن حد تک مکمل تعاون فراہم کرنے کے لیے پرعزم ہے اور رہے گا۔ بینک کی انتظامیہ کا خیال ہے کہ اس طرح کی تحقیقات بینک کے جاری کاموں اور انفعال کو متاثر نہیں کریں گی۔

نان فنڈز آمدنی 682.088 ملین روپے رہی، جو کہ گذشتہ سال کے مقابلے میں 40.83 فیصد کمی کی عکاس کرتا ہے، اس کی بنیادی وجہ غیر مستحکم کرنسی مارکیٹ کے دوران زر مبادلہ کی پست آمدنی اور 2019ء کی بجلی ششماہی کے دوران حاصل ہونے والی فیس اور کوشش کی آمدنی میں کمی آئی کیونکہ تجارتی حجم کافی سگرا گیا تھا۔

مجموعی غیر سودی اخراجات 8 فیصد کمی کے ساتھ 2.620 ارب روپے درج کیے گئے جبکہ گذشتہ برس یہ 2.839 ارب روپے تھے۔ یہ کی بنیادی طور پر مالی سال 19ء کی بجلی ششماہی کے دوران جائیداد اور معاوضے کے اخراجات میں کمی کی وجہ سے تھی۔

بینک نے 30 جون 2019ء کو اختتام پذیر ہونے والی زیر جائزہ ششماہی کے دوران حتمیوں کے 4.422 ارب روپے درج کیے جبکہ گذشتہ برس کی اسی مدت کے دوران یہ 3.449 ارب روپے تھے۔ قرضوں اور ایڈوانسز پر بک کی گئی حتمیوں 3.811 ارب روپے تھی جو گذشتہ برس کے مقابلے میں 161 فیصد زائد تھی۔

30 جون 2019ء کو بینک کا خالص ایڈوانس 17 فیصد کمی سے 150.925 ارب روپے ہو گیا۔ غیر فعال 10 فیصد اضافے کے ساتھ 31 دسمبر 2018ء کے 36.072 ارب روپے سے بڑھ کر 30 جون 2019ء کو 39.839 ارب روپے ہو گئے۔ 30 ستمبر 2019ء تک بینک کا مجموعی غیر فعال قرضوں کا تناسب (مجموعی غیر فعال قرضے اور مجموعی ایڈوانسز) 52.22 فیصد رہا جو گذشتہ برس 43.57 فیصد تھا، جبکہ گورننگ کاتنا سب جون 2019ء میں 63.54 ہو گیا۔ (دسمبر 2018ء: 59.61 فیصد)۔

کل اثاثوں 6 فیصد نمو کے ساتھ 89.373 ارب روپے درج کی گئیں جبکہ دسمبر 2018ء پر 84.676 ارب روپے درج کیے گئے تھے۔ ششماہی کے اختتام پر، بینک کا مجموعی ایڈوانس اور اثاثوں کا تناسب 85.35 فیصد ہے جو 31 دسمبر 2018ء کو 97.78 فیصد تھا۔

30 جون 2019ء تک، بینک نے 9.397 ارب روپے کے (خالص) مؤخر ٹیکس اثاثوں کو تسلیم کیا ہے جس سے آئندہ برسوں میں حاصل کیے جانے والے متوقع ٹیکس فوائد کے اذکار میہ کے بہترین تخمینے کا اظہار ہوتا ہے۔ ہمیں امید ہے بینک یہ فوائد حاصل کر سکنے گا۔ ٹیکس کی تازہ ترین صورت حال کی بنیاد پر، موجودہ سال کے لیے مؤخر ٹیکس آمدنی 2.237 ارب روپے ہے جبکہ گذشتہ برس کی اسی مدت کے دوران یہ 186.032 ملین روپے تھی۔

روپے کی قانونی ضرورت کے مقابلے میں اسٹیٹ بینک کی جانب سے مقرر کیے گئے 10 ارب کے مقابلے میں 30 جون 2019ء تک، بینک کا ادائہ سرمایہ (خسارے کا خالص) منفی (-) 4.287 ارب روپے تھا، جبکہ بینک کی شرح کفایت سرمایہ کے کم از کم 11.90 فیصد کے تقاضے کے مقابلے میں منفی (-) 15.20 فیصد ہے۔

ٹینجمنٹ اور بورڈ آف ڈائریکٹرز پر امید ہیں کہ اگر کاروباری منصوبے میں بیان کردہ نمو کے عوامل اور دیگر کلیدی مفروضے پورے ہوتے ہیں تو بینک کاروباری نتائج میں متوقع بہتری اور قابل اطلاق ضوابطی تقاضوں کی تعمیل میں کامیاب ہو جائے گا۔

کریڈٹ ریٹنگ

2019ء کے دوران، وی آئی ایس کریڈٹ ریٹنگ ایجنسی لمیٹڈ نے بینک کی درمیانی تا طویل مدتی کریڈٹ بلٹی بی بی -1 (ٹرپل بی مائنس) اور قلیل مدتی ریٹنگ اے -3 (اے -3) (تھری) تازہ ترین معلومات کی عدم دستیابی کی وجہ سے معطل کر دی۔ وی آئی ایس کریڈٹ ریٹنگ ایجنسی لمیٹڈ تازہ ترین ضروری مالی معلومات کے دستیاب ہونے پر ایک بار پھر ریٹنگ کا دوبارہ جائزہ لے گی۔ مزید یہ کہ، بینک کی ٹی ایف سی ریٹنگ کوڈی (ڈیفنسٹ) تقویض کیا گیا تھا کیونکہ کھینچی نے اسٹیٹ بینک آف پاکستان (SBP) کے قابل اطلاق ضوابط کے تحت بینک کی لاک ان دفعہ کے حوالے سے اپنی تازہ ترین سودی ادائیگی نہیں کی تھی۔ بینک کے ٹی ایف سی ہو لڈز نے 22 اکتوبر 2020ء کو ہونے والی اپنی بینکنگ میں ٹی ایف سی ایلیٹو کی مدت میں ایک سال کی مزید توسیع کی منظوری دی اور ساتھ ہی تمام ایڈوائز کی رقم کی ادائیگیوں میں توسیع کے ساتھ عرصیت کی نظر ثانی شدہ تاریخ 27 اکتوبر 2021ء مقرر کی۔ بینک اس وقت تمام قابل اطلاق قوانین، قواعد و ضوابط اور اس سلسلے میں مطلوبہ ضوابطی تقاضوں کی تعمیل کو یقینی بنانے کے لیے مصروف عمل ہے۔

ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے، ہم بینک کی 30 جون 2019ء کو اختتام پذیر ہونے والی ششماہی کے لیے ڈائریکٹرز کا جائزہ اور غیر آڈٹ شدہ جامع عبوری مالی گوشوارے اور آڈیٹرز کے جائزے کی رپورٹ پیش کرتے ہیں:

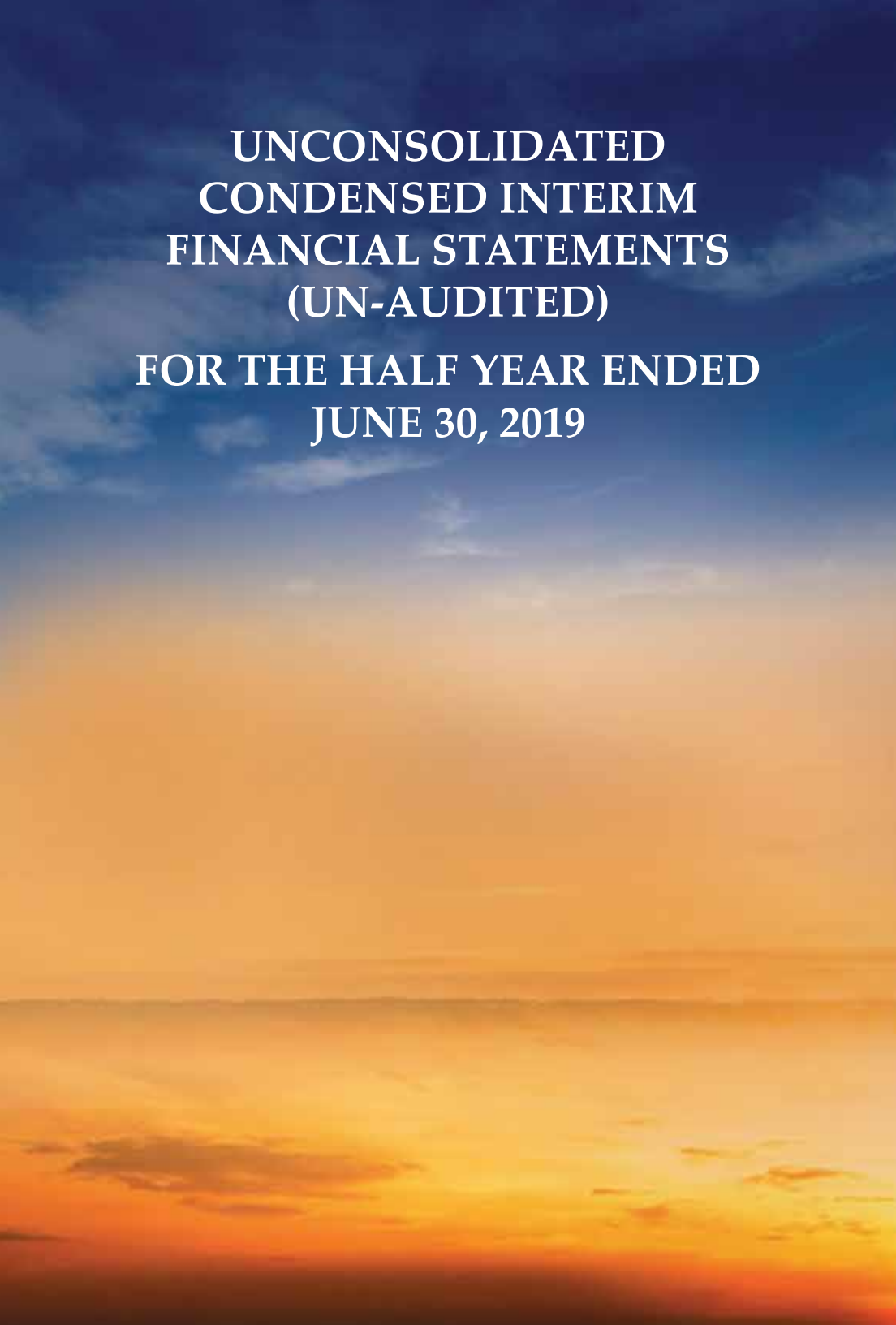
بینک کی کارکردگی

جون 2019ء کو اختتام پذیر ہونے والی ششماہی کے لیے بینک کے مالی نتائج کی جھلکیاں مندرجہ ذیل ہیں:

30 جون 2019ء	مالی صورت حال
روپے ملین میں	شیترز بولڈرز کی ایکویٹی
(1,470)	امانتیں
89,373	مجموعی اثاثے
112,547	ایڈوانس-خالص
50,925	سرمایہ کاریاں-خالص
19,593	
	مالی کارکردگی
474	خالص سودی آمدنی اور غیر سودی آمدنی (مجموعی آمدنی)
2,620	غیر سودی اخراجات
4,422	پروویڈنڈ اور رائٹ آفس (نیٹ)
(6,569)	خسارہ قبل از ٹیکس
(4,376)	خسارہ بعد از ٹیکس
(1.66)	خسارہ فی شیتزر بنیادی اور سیال (diluted)-روپے

30 جون 2019ء کو اختتام پذیر ہونے والی ششماہی کے لیے، بینک نے 6.596 ارب روپے کا خسارہ قبل از ٹیکس اور 4.376 ارب روپے کا خسارہ بعد از ٹیکس درج کیا جبکہ گزشتہ برس کی اسی مدت کے دوران 3.543 ارب روپے کا خسارہ قبل از ٹیکس اور 3.808 ارب روپے کا خسارہ بعد از ٹیکس درج کیا گیا تھا۔ لہذا خسارہ فی شیتزر 1.66 روپے رہا (جون 2018ء: خسارہ فی شیتزر 1.44 روپے)۔

بینک کی آمدنی کی گنجائش نمایاں طور پر کم ہو گئی جس کے نتیجے میں بینک نے 208.153 ملین روپے کے خالص سودی اخراجات کیے جبکہ گزشتہ برس کی اسی مدت کے دوران یہ 1.592 ارب روپے آمدنی تھی۔ اس کی بنیادی وجہ بینک کے پاس موجود غیر فعال قرضوں کی کافی مقدار کے ساتھ آمدنی کے اثاثوں کے حجم میں کمی ہے جس کے نتیجے میں بینک کی سودی آمدنی میں بڑی کمی واقع ہوئی۔ جولائی 2018ء سے بینک کو درپیش غیر معمولی صورت حال کی وجہ سے، بینک نے سہولت کی ضروریات کو پورا کرنے کے لیے اپنے آمدنی کے اثاثوں کا جزویانہ کم کر دیا۔ مزید یہ کہ، بینک کے سودی اخراجات میں 574.765 ملین روپے کی کمی درج کی گئی جس کی بنیادی وجہ سودی واجبات کے حجم میں کمی تھی، جس نے فنڈز کی لاگت میں اضافے، زرمبادلہ کے تبادلے کی لاگت اور اجارہ واجبات کی مالکاری لاگت میں اضافے کے اثر کو جزوی طور پر زائل کر دیا۔



**UNCONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS
(UN-AUDITED)**

**FOR THE HALF YEAR ENDED
JUNE 30, 2019**

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF SUMMIT BANK LIMITED
REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Summit Bank Limited (the Bank) as at June 30, 2019 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement and unconsolidated condensed interim statement of changes in equity and notes to the accounts for the six-months' period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three months ended June 30, 2019 and June 30, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months' period ended June 30, 2019.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements as of and for the half year ended June 30, 2019 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to the following matters:

- note no. 1.3 to the unconsolidated condensed interim financial statements. As more fully described in that note, the Bank has incurred a net loss of Rs. 4,376.317 million during the six months' period ended June 30, 2019, resulting in accumulated losses of Rs. 24,208.405 million and negative equity of Rs. 1,469.588 million as at June 30, 2019. The Bank's paid-up capital (net of losses), Capital Adequacy Ratio (CAR) and Leverage Ratio (LR) do not meet the requirements provided by State Bank of Pakistan (SBP) as at June 30, 2019. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Bank's ability to continue as a going concern. However, the Bank is making continued efforts for necessary injection of capital and implementation of the Bank's Plan to comply with applicable capital requirements.
- note no. 14.1 to the unconsolidated condensed interim financial statements, where management has disclosed that the Bank has recognized deferred tax asset of Rs. 9,396.814 million which was considered realizable based on financial projections of taxable profits in foreseeable future.
- note no. 15.1 to the unconsolidated condensed interim financial statements, which states that, the Bank holds an immovable property which is partially in contravention with the provisions of Banking Companies Ordinance, 1962.

- note no. 23.4 to the unconsolidated condensed interim financial statements, which discloses that the National Accountability Bureau (NAB) is currently conducting an investigation against certain bank accounts alleged of involvement in illegal activities in various banks. The Bank management is of the view that such investigations will not affect the ongoing operations and functions of the Bank.

Our conclusion is not qualified in respect of the matters stated above.

The engagement partner on the audit resulting in this independent auditor's review report is **Mehmood A. Razzak**.

BAKER TILLY MEHMOOD IDREES QAMAR
CHARTERED ACCOUNTANTS

Karachi

Date: October 08, 2021

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

		(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	7	7,217,431	5,043,089
Balances with other banks	8	909,283	996,982
Lendings to financial institutions	9	1,983,560	-
Investments	10	19,592,907	19,256,375
Advances	11	50,924,894	61,245,877
Fixed assets	12	10,513,465	8,708,878
Intangible assets	13	176,992	204,912
Deferred tax assets	14	9,396,814	7,214,989
Other assets	15	11,831,766	11,956,890
		112,547,112	114,627,992
LIABILITIES			
Bills payable	17	1,840,613	1,881,107
Borrowings	18	14,843,109	19,491,854
Deposits and other accounts	19	89,372,901	84,676,090
Liabilities against assets subject to finance lease		-	-
Subordinated debt	20	1,495,515	1,495,515
Deferred tax liabilities		-	-
Other liabilities	21	6,464,562	4,330,823
		114,016,700	111,875,389
NET ASSETS		<u>(1,469,588)</u>	<u>2,752,603</u>
REPRESENTED BY			
Share capital - net		20,500,194	20,500,194
Reserves		(425,043)	(425,043)
Surplus / (deficit) on revaluation of assets	22	2,663,666	2,576,824
Accumulated losses		(24,208,405)	(19,899,372)
		<u>(1,469,588)</u>	<u>2,752,603</u>
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

President /
Chief Executive

Chief Financial Officer

Director

Director

Director

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2019

Note	Quarter Ended		Half Year Ended		
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018	
----- (Rupees in '000) -----					
Mark-up / return / interest earned	24	1,385,276	2,491,963	2,960,919	5,335,676
Mark-up / return / interest expensed	25	1,657,916	1,718,760	3,169,072	3,743,837
Net mark-up / interest (expense) / income		(272,640)	773,203	(208,153)	1,591,839
NON MARK-UP / INTEREST INCOME					
Fee and commission income	26	153,270	300,249	326,645	533,780
Dividend income		90	1,619	18,411	5,204
Foreign exchange income		142,281	241,088	257,469	412,605
Income from derivatives		-	-	-	-
(Loss) / gain on securities	27	(1,093)	(12,455)	(2,648)	1,695
Other income	28	46,133	152,682	82,211	199,449
Total non-markup / interest income		340,681	683,183	682,088	1,152,733
Total Income		68,041	1,456,386	473,935	2,744,572
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	29	1,260,209	1,419,071	2,603,619	2,815,048
Workers' welfare fund		-	-	-	-
Other charges	30	12,326	10,505	16,777	23,833
Total non-markup / interest expenses		1,272,535	1,429,576	2,620,396	2,838,881
(Loss) / profit before provisions		(1,204,494)	26,810	(2,146,461)	(94,309)
Provisions and write offs - net	31	2,892,135	3,113,194	4,422,150	3,448,850
Extra ordinary / unusual items		-	-	-	-
LOSS BEFORE TAXATION		(4,096,629)	(3,086,384)	(6,568,611)	(3,543,159)
Taxation	32	(1,369,766)	393,487	(2,192,294)	264,978
LOSS AFTER TAXATION		(2,726,863)	(3,479,871)	(4,376,317)	(3,808,137)
----- (Rupees) -----					
Basic loss per share	33	(1.03)	(1.32)	(1.66)	(1.44)
Diluted loss per share	33	(1.03)	(1.32)	(1.66)	(1.44)

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

President /
Chief Executive

Chief Financial Officer

Director

Director

Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2019

	Quarter ended		Half year ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	----- (Rupees in '000) -----			
Loss after taxation for the period	(2,726,863)	(3,479,871)	(4,376,317)	(3,808,137)
Other comprehensive income / (loss)				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in deficit on revaluation of investments - net of tax	(83,475)	181,831	136,146	271,179
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of operating fixed assets - net of tax	8,829	66,700	17,664	19,869
Movement in surplus on revaluation of non-banking assets - net of tax	-	230,643	316	(51,592)
	8,829	297,343	17,980	(31,723)
Total comprehensive loss	<u>(2,801,509)</u>	<u>(3,000,697)</u>	<u>(4,222,191)</u>	<u>(3,568,681)</u>

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

President /
Chief Executive

Chief Financial Officer

Director

Director

Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2019

	Capital reserve		Surplus / (Deficit) on revaluation of			Revenue reserve	Total
	Share premium	Statutory reserve	Reserve arising on amalgamation	Fixed / Non banking assets	Property held for sale	Accumulated losses	
Share capital							
20,500,194	1,000,000	154,162	(1,579,205)	2,288,117	-	(11,328,979)	10,241,114
Loss after taxation for the six months period ended June 30, 2018	-	-	-	-	-	-	-
Other comprehensive income - net of tax	-	-	-	-	-	(3,808,137)	(3,808,137)
Transfer to statutory reserve	-	-	271,179	(31,723)	-	-	239,456
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	(56,766)	-	-	-
Balance as at July 01, 2018 (Un-audited)	20,500,194	1,000,000	(1,579,205)	2,199,628	-	(15,080,350)	6,672,433
Loss after taxation for the six months period ended December 31, 2018	-	-	-	-	-	(4,942,936)	(4,942,936)
Other comprehensive income - net of tax	-	-	(567,532)	806,658	754,510	29,470	1,023,106
Transfer to statutory reserve	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	(56,766)	-	56,766	-
Surplus realized on disposal of non-banking assets	-	-	-	(37,678)	-	37,678	-
Balance as at January 01, 2019 (Audited)	20,500,194	1,000,000	(1,579,205)	2,911,842	754,510	(19,899,372)	2,752,603
Loss after taxation for the six months period ended June 30, 2019	-	-	-	-	-	(4,376,317)	(4,376,317)
Other comprehensive income - net of tax	-	-	-	17,980	-	-	17,980
Transfer to statutory reserve	-	-	136,146	-	-	-	136,146
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	(50,471)	-	50,471	-
Surplus realized on disposal of non-banking assets	-	-	-	(902)	-	902	-
Surplus realized on disposal of fixed assets	-	-	-	(15,911)	-	15,911	-
Balance as at June 30, 2019 (Un-audited)	20,500,194	1,000,000	(1,579,205)	2,862,538	754,510	(24,208,405)	(1,469,588)

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

President /
Chief Executive

Chief Financial Officer

Director

Director

Director

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2019

	June 30, 2019	June 30, 2018
Note	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(6,568,611)	(3,543,159)
Less: Dividend income	(18,411)	(5,204)
	<u>(6,587,022)</u>	<u>(3,548,363)</u>
Adjustments:		
Depreciation on operating fixed assets	275,038	346,696
Depreciation on right-of-use assets	257,828	-
Depreciation on non-banking assets	21,874	21,730
Finance cost of lease liability	138,329	-
Amortization	31,006	30,410
Charge for defined benefit plan	28,153	36,201
Charge for employees compensated absences	6,999	30,645
Provision and write-offs excluding recoveries	4,422,150	3,449,678
Gain on sale of fixed assets	(30,901)	(2,326)
Gain on disposal of non-banking assets - net	-	(144,848)
Unrealised loss on revaluation of investments classified as held-for-trading securities - net	388	19,446
	<u>5,150,864</u>	<u>3,787,632</u>
	<u>(1,436,158)</u>	<u>239,269</u>
Decrease / (increase) in operating assets		
Lending to financial institutions	(1,983,560)	1,177,128
Held-for-trading securities	(6,098)	(59,481)
Advances	6,510,376	(6,758,457)
Others assets (excluding advance taxation)	101,411	(614,920)
	<u>4,622,129</u>	<u>(6,255,730)</u>
Decrease / (increase) in operating liabilities		
Bills Payable	(40,494)	(601,804)
Borrowings from financial institutions	(4,923,641)	(20,703,264)
Deposits	4,696,811	4,331,810
Other liabilities (excluding current taxation)	101,175	(697,767)
	<u>(166,149)</u>	<u>(17,671,025)</u>
Payments on account of staff retirement benefits	(11,372)	(84,803)
Income tax paid	(55,955)	(81,663)
Net cash generated from / (used in) operating activities	<u>2,952,495</u>	<u>(23,853,952)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(729,843)	25,057,231
Dividends received	18,278	9,224
Investments in fixed assets	(85,129)	(389,910)
Investments in intangible assets	(3,086)	-
Proceeds from sale of fixed assets	140,370	4,771
Proceeds from sale of non-banking assets	10,000	848,033
Net cash (used in) / generated from investing activities	<u>(649,410)</u>	<u>25,529,349</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(491,338)	-
Payments of subordinated debt	-	(345)
Net cash used in financing activities	<u>(491,338)</u>	<u>(345)</u>
Effect of exchange rate changes on cash and cash equivalent	228,432	447,040
Increase in cash and cash equivalents	<u>2,040,179</u>	<u>2,122,092</u>
Cash and cash equivalents at beginning of the period	5,805,289	15,516,705
Cash and cash equivalents at end of the period	<u>34</u> <u>7,845,468</u>	<u>17,638,797</u>

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

President /
Chief Executive

Chief Financial Officer

Director

Director

Director

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2019

I. STATUS AND NATURE OF BUSINESS

- 1.1** Summit Bank Limited (the Bank) is a banking company incorporated in Pakistan on December 09, 2005 as public company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Bank's registered office is situated at Plot No. 9-C, F-6 Markaz, Supermarket, Islamabad, Pakistan. The Bank is a subsidiary of Suroor Investments Limited, a company incorporated in Mauritius, holding 66.77% of the issued, subscribed and paid up capital of the Bank as at June 30, 2019.

The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and is operating through its 179 Conventional Banking Branches and 14 Islamic Banking Branches (December 31, 2018: 179 Conventional Banking Branches and 14 Islamic Banking Branches) in Pakistan as defined in the Banking Companies Ordinance, 1962.

- 1.2** In November 2018, VIS Credit Rating Company Limited assigned the Bank medium to long-term rating of 'BBB -' (Triple B minus) and short term rating of 'A-3' (A-three) while the Bank's TFC was assigned a rating of 'BBB - (SO)' (Triple B minus (Structured Obligation)). These ratings were placed on 'Rating Watch – Negative' status.

During the year in February 2019, VIS Credit Rating Company Limited suspended the entity ratings of the Bank due to non-availability of updated information. Moreover, the Bank's TFC rating was assigned 'D' (Default) due to non-payment of its latest mark-up payment on account of lock-in-clause invoked by the Bank under the applicable Regulations of the State Bank of Pakistan (SBP). However, subsequently the TFC holders have approved extension in the maturity date of the TFC issue along with payment of all the instalments (mark-up and principal) till October 27, 2021, subject to applicable regulatory approvals and compliances. VIS Credit Rating Company Limited would reassess the ratings once required information along with latest financials is made available.

- 1.3** During the half year, the Bank has incurred net loss of Rs. 4,376.317 million resulting in accumulated losses of Rs. 24,208.405 million and negative equity of Rs. 1,469.588 million. As per the applicable laws and regulations, the Bank is required to maintain Minimum Paid-up Capital (net of losses) (MCR) of Rs. 10 billion, Capital Adequacy Ratio (CAR) at 11.90% (inclusive of Capital Conservation Buffer of 1.90%), Leverage Ratio (LR) at 3.00%, Liquidity Coverage Ratio (LCR) at 100% and Net Stable Funding Ratio (NSFR) at 100% as of June 30, 2019. However, the paid up capital of the Bank (net of losses), CAR and LR are negative, while LCR is below prescribed levels as at June 30, 2019. Subsequently, from June 30, 2020 onwards, the Bank achieved compliance with the applicable LCR requirements.

In light of the above, the Bank is making best efforts to comply with applicable capital requirements through increase in capital / capital injection at the earliest. For this, the management has prepared a business plan, which has been approved by the Board.

This plan aims to improve the Bank's capital base and risk absorption capacity and provide impetus to its future growth initiatives. The key assumptions considered in the business plan are as follows:

- Injection of capital
- Reaping benefits from the expected growth of Islamic finance in Pakistan since the Bank will speed-up the implementation process of its earlier decision of conversion to a full-fledged Islamic bank;
- Recoveries from non-performing advances through strenuous and focused recovery efforts;

- Reduction in overall level of non-earning assets held by the Bank;
- Identifying opportunities for rationalization of the cost structure;
- Improvement in the risk management and technological infrastructure of the Bank to support the business plan;
- Investments / exposures in safe avenues for achieving solid growth in the core business income; and
- Income generation through avenues for mark-up income and non-mark-up income

In this respect, the Bank had received a revised letter dated May 20, 2021 from H.E. Nasser Abdulla Hussain Lootah (The Investor) pursuant to which The Investor had communicated his intention to acquire at least controlling stake in the Bank by subscribing to fresh equity in the Bank. In compliance with the requirements of Securities Act, 2015 and Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 applicable to such transactions, this was followed by a public announcement by The Investor of the intention to acquire at least 51% of the issued and paid up capital of the Bank together with the management control.

The Investor has submitted his offer via a letter dated October 01, 2021, as per the Share Subscription Agreement (SSA) dated October 04, 2021 entered between the Bank and The Investor for the proposed subscription of new ordinary shares in the Bank by way of fresh equity injection Without Rights Offering at a discounted price of Rs. 2.51 per share. The Investor presented the offer as set out in the Share Subscription Agreement which is duly approved by the Board of Directors. The Bank intends to issue total 5,976.096 million new ordinary shares.

The management and the Board of Directors are hopeful that with the capital injection along with the growth factors and other key assumptions stipulated in the business plan materialize, the Bank will be able to achieve compliance with applicable regulatory requirements.

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Moreover, The SBP vide BPRD Circular No. 4 of 2015, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' for banks 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 unconsolidated condensed interim financial statements.

- 2.2 These unconsolidated condensed interim financial statements represent separate financial statements of Summit Bank Limited in which investment in subsidiary are accounted for on the basis of direct equity interest rather on the basis of reported results. Accordingly, the consolidated financial statements have been presented separately.
- 2.3 Key financial figures of the Islamic banking branches are disclosed in note 39 to these unconsolidated financial statements.
- 2.4 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34 'Interim Financial Reporting' and do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended December 31, 2018.
- 2.5 **Standards, interpretations of and amendments to existing accounting standards that have become effective in the current period**

IFRS 16, Leases, became effective for annual reporting periods commencing on or after January 01, 2019. The impact of the adaptation of IFRS 16 on the Bank's condensed interim financial statements is disclosed in note 4.1.2.

In addition, there are certain other new standards and interpretations of and amendments to existing accounting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2019. These are considered either to not be relevant or to not have any significant impact on the Bank's unconsolidated condensed interim financial statements.

2.6 Standards and amendments to existing accounting standards that are not yet effective

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

	Effective dates (annual periods beginning on or after)
- IFRS 3, Definition of a Business (Amendments)	January 01, 2020
- IAS 1, Presentation of Financial Statements (Amendments)	January 01, 2020
- IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 01, 2020
- IFRS 9, Financial instruments: Classification and reassessment	January 01, 2021

IFRS 9 'Financial Instruments' and amendment - Prepayment features with negative compensation (effective for annual periods beginning on or after July 01, 2018 and January 01, 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The SECP vide its notification dated February 14, 2019 modified the effective date for implementation of IFRS 9 on reporting period / year ending on or after June 30, 2019 (earlier application permitted). SBP had earlier informed the Bank that keeping in view the implementation challenges of IFRS 9 and representations by the banking industry, IFRS 9 would not be applicable on financials of period ending June 30, 2019 for banks / DFIs / MFIs. Thereafter, the SBP wide BPRD Circular No. 4 of 2019 dated October 23, 2019 has issued fresh timelines for implementation of the said standard and has issued detailed instructions over the steps required to be undertaken, setting January 01, 2021 as the effective date of implementation. The Bank is in the process of assessing the full impact of this standard.

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

3. BASIS OF MEASUREMENT

3.1 Accounting convention

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except that certain operating fixed assets and non banking assets in satisfaction of claims are stated at revalued amounts and certain investments and derivative financial instruments have been stated at fair value and defined benefit obligations which are carried at present value.

3.2 Functional and Presentation Currency

These unconsolidated condensed interim financial statements are prepared in Pakistani Rupees, which is the Bank's functional and presentation currency.

The amounts are rounded off to the nearest thousand rupees except as stated otherwise.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the unconsolidated financial statements for the year ended December 31, 2018 except as disclosed in note 4.1.

4.1 Changes in accounting policies

4.1.1 Change in reporting format

The State Bank of Pakistan (SBP) through its BPRD Circular No. 5 dated 22 March 2019 has amended the format of quarterly and half yearly financial statements of banks. All banks are directed to prepare their quarterly financial statements on the revised format effective from accounting year starting from 1 January 2019. Accordingly, the Bank has prepared these unconsolidated condensed interim financial statements on the new format prescribed by the State Bank of Pakistan.

4.1.2 Leases

During the current period, 'IFRS 16 - Leases' becomes applicable for the banks. IFRS 16 replaces existing guidance on accounting for Leases including 'IAS 17 - Leases', 'IFRIC' 'Determining whether an arrangement contains a Lease', 'SIC 15 - Operating Lease Incentives' and 'SIC 27 - Evaluating the substance of transactions involving the legal form of lease'. IFRS 16 introduces single lease accounting model and requires a lessee to recognize assets and liabilities of all leases with a term of more than 12 months unless the underlying assets are of low value. A lessee recognizes right-of-use asset representing its right of using underlying asset and corresponding lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the current standard i.e. lessor continue to classify leases as either finance or operating leases. The Bank has adopted IFRS 16 using the modified retrospective approach with the date of initial application as January 01, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard being recognized at the date of initial application. Accordingly, the Bank has not restated comparatives for the 2018 reporting period.

On adoption of IFRS 16, the Bank has recognized liabilities in respect of leases which had previously been classified as operating leases under IAS 17. These liabilities were initially measured as the present value of the remaining lease payments, discounted using the Bank's incremental weighted average borrowing rate of 14.34% per annum at January 1, 2019. The Bank has used a single discount rate methodology for each portfolio of leases with similar characteristics. The lease liability is subsequently measured at amortized cost using the effective interest rate method.

	Un-audited	
	June 30, 2019	January 01, 2019
	----- (Rupees in '000) -----	
Lease Liability	2,008,784	2,075,149

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

The right of use assets recognized subsequent to the adoption are measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right of use assets are depreciated on a straight line basis over the lease term.

	Un-audited	
	June 30, 2019	January 01, 2019
	----- (Rupees in '000) -----	
Right-of-use Assets	2,103,965	2,207,128

Effect of change in Accounting policy

Impact on Statement of Financial Position

Increase in fixed assets - ROU Assets	2,103,965	2,207,128
Decrease in other assets - Advances , Deposits and Prepayments	(206,647)	(131,979)
Increase in other assets - Advance taxation	-	-
Increase in other liabilities - Lease liability in respect of ROU Assets	(2,008,784)	(2,075,149)
(Decrease) / Increase in net assets	(111,466)	-

Impact on Profit and Loss Account

Increase in mark-up expense	(138,329)	-
	(138,329)	-

Un-audited
June 30, 2019 January 01, 2019
----- (Rupees in '000) -----

(Increase) / decrease in administrative expenses:

-Depreciation of ROU Assets	(257,828)	-
-Rent expense	284,691	-
	26,863	-
Increase in loss before tax	(111,466)	-
Taxation	-	-
Increase in loss after tax	(111,466)	-

Loss per share for the half year ended June 30, 2019 is Re 0.04 per share higher as a result of the adoption of IFRS 16.

When measuring lease liabilities for leases that were classified as operating leases, the Bank discounted lease payments using its incremental borrowing rate at January 01, 2019.

(Rupees in '000)

Operating lease commitments disclosed as at December 31, 2018	<u>3,164,673</u>
Discounted using the lessee's incremental borrowing rate at the date of initial application	2,112,435
Less: short-term leases recognised on a straight-line basis as expense	<u>37,286</u>
Lease liability recognised as at January 01, 2019	<u>2,075,149</u>
Of which are:	
- Current lease liabilities	573,525
- Non Current lease liabilities	<u>1,501,624</u>
	<u>2,075,149</u>

4.1.3 IFRS 15 - Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces IAS 18 'Revenue' IAS 11 'Construction Contracts' and related interpretations.

The Bank initially applied IFRS 15 on January 01, 2019 retrospectively in accordance with IAS 8 without any practical expedients. The application of IFRS 15 has no impact on the financial position and / or financial performance of the Bank. Accordingly, there was no adjustment in retained earnings on application of IFRS 15 as at January 01, 2019.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

During the current period, the management of the Bank has revised its estimate of the useful lives of building on leasehold land. The management has decreased the depreciation rates from 5% per annum to 2.5% to 5% per annum. The revision has been made after taking into account the expected pattern of recovery of economic benefits associated with the use of these assets. The revision has been accounted for as a change in accounting estimate as defined in International Accounting Standard 8, 'Accounting Policies, Changes in Accounting Estimate and Errors'. Had the revision in useful lives in respect of building on leasehold land not been made, depreciation expense for the period would have been higher by Rs. 127.003 million and consequently the profit before tax would have been lower by the same amount.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2018.

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	----- (Rupees in '000) -----	
7. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	2,825,182	2,699,662
Foreign currency	263,157	190,719
	3,088,339	2,890,381
With State Bank of Pakistan in		
Local currency current account	993,103	1,011,453
Foreign currency current account	403,971	302,719
Foreign currency deposit account	192,645	125,904
	1,589,719	1,440,076
With National Bank of Pakistan in		
Local currency current account	1,073,977	703,743
Prize bonds	1,465,396	8,889
	7,217,431	5,043,089
8. BALANCES WITH OTHER BANKS		
In Pakistan		
In current account	19,132	20,475
In deposit account	59,057	92,365
	78,189	112,840
Outside Pakistan		
In current account	124,464	368,270
In deposit account	706,630	515,872
	831,094	884,142
	909,283	996,982
9. LENDINGS TO FINANCIAL INSTITUTIONS		
Repurchase agreement lendings (Reverse Repo)	1,983,560	-
Less: Provision held against Lending to Financial Institutions	-	-
Lendings to Financial Institutions - net of provision	1,983,560	-

10. INVESTMENTS

10.1 Investments by type:

	June 30, 2019 (Un-audited)				December 31, 2018 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- (Rupees in '000) -----								
Held-for-trading securities								
Shares	6,098	-	(388)	5,710	-	-	-	-
Available-for-sale securities								
Federal Government Securities								
- Market Treasury Bills	2,460,819	-	(31)	2,460,788	1,377,071	-	29	1,377,100
- Pakistan Investment Bonds	13,828,047	-	(1,211,795)	12,616,252	13,969,584	-	(1,233,323)	12,736,261
- GoP Ijarah Sukuks	2,250,000	-	(89,775)	2,160,225	2,250,000	-	(40,275)	2,209,725
Shares								
- Fully paid up ordinary shares-Listed	4,147,681	(2,453,061)	(165,141)	1,529,479	4,147,681	(1,947,196)	(402,628)	1,797,857
- Fully paid up ordinary shares-Unlisted	2,830	(1,000)	-	1,830	2,830	(1,000)	-	1,830
- Preference shares - Unlisted	46,035	-	-	46,035	46,035	-	-	46,035
Non Government Debt Securities								
- Term Finance Certificates	1,601,700	(1,111,111)	-	490,589	1,611,998	(1,008,500)	-	603,498
- Sukuk Bonds	200,000	(200,000)	-	-	402,070	(200,000)	-	202,070
	24,537,112	(3,765,172)	(1,466,742)	19,305,198	23,807,269	(3,156,696)	(1,676,197)	18,974,376
Subsidiary								
Ordinary shares - Unlisted	396,942	(114,943)	-	281,999	396,942	(114,943)	-	281,999
Total Investments	24,940,152	(3,880,115)	(1,467,130)	19,592,907	24,204,211	(3,271,639)	(1,676,197)	19,256,375

(Un-audited) (Audited)
June 30, 2019 December 31, 2018
----- (Rupees in '000) -----

10.1.1 Investments given as collateral - market value

Market Treasury Bills	393,726	-
Pakistan Investment Bonds	5,235,762	8,190,815
GoP Ijarah Sukuks	288,030	2,209,725
Ordinary shares-Listed	1,464,404	1,718,824
	7,381,922	12,119,364

10.2 Provision for diminution in value of investments

Opening balance	3,271,639	2,177,965
Charge / reversals		
Charge for the period / year	610,376	1,120,666
Reversals for the period / year	(1,900)	(26,992)
	608,476	1,093,674
Closing Balance	3,880,115	3,271,639

10.3 Particulars of provision against debt securities

Category of classification	June 30, 2019 (Un-audited)		December 31, 2018 (Audited)	
	NPI	Provision	NPI	Provision
----- (Rupees in '000) -----				
Domestic				
Loss	1,520,134	1,311,111	1,522,034	1,208,500
	1,520,134	1,311,111	1,522,034	1,208,500

10.4 Pursuant to the applicable Prudential Regulations, the Bank has availed the Forced Sale Value (FSV) benefit of securities/collaterals held against a non-performing investment. Had this benefit of FSV not been availed by the Bank, the specific provision against investments would have been higher by Rs. 209.023 million (December 31, 2018: Rs. 313.534 million), this has a net of tax positive impact of Rs. 135.865 million (December 31, 2018: Rs. 203.797 million) on the profit and loss account. As per the applicable Prudential Regulations, the positive benefit of FSV is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

11. ADVANCES

Note	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
	----- (Rupees in '000) -----					
Loans, cash credits, running finances, etc.	31,382,864	39,212,961	38,812,628	35,141,957	70,195,492	74,354,918
Islamic financing and related assets	4,303,888	5,875,686	978,809	882,663	5,282,697	6,758,349
Bills discounted and purchased	758,023	1,635,173	47,089	47,089	805,112	1,682,262
Advances - gross	36,444,775	46,723,820	39,838,526	36,071,709	76,283,301	82,795,529
Provision against advances						
- Specific	-	-	(25,312,843)	(21,502,664)	(25,312,843)	(21,502,664)
- General	(45,564)	(46,988)	-	-	(45,564)	(46,988)
Advances - net of provision	36,399,211	46,676,832	14,525,683	14,569,045	50,924,894	61,245,877

11.1 Particulars of advances (Gross)

	(Un-audited)	(Audited)
	June 30, 2019	December 31, 2018
	----- (Rupees in '000) -----	
In local currency	75,541,560	81,171,315
In foreign currencies	741,741	1,624,214
	<u>76,283,301</u>	<u>82,795,529</u>

11.2 Advances include Rs. 39,838.526 million (December 31, 2018: Rs. 36,071.709 million) which have been placed under non-performing status as detailed below:

Category of Classification

	June 30, 2019 (Un-audited)		December 31, 2018 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	----- (Rupees in '000) -----			
Domestic				
Other Assets Especially Mentioned	140,144	2,247	505,380	721
Substandard	2,251,727	512,712	5,479,696	460,682
Doubtful	6,160,938	1,127,101	7,709,088	1,609,889
Loss	31,285,717	23,670,783	22,377,545	19,431,372
	<u>39,838,526</u>	<u>25,312,843</u>	<u>36,071,709</u>	<u>21,502,664</u>

11 Particulars of provision against advances

	June 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	21,502,664	46,988	21,549,652	14,909,014	30,250	14,939,264
Charge for the period / year	4,171,959	(1,424)	4,170,535	7,247,738	16,738	7,264,476
Reversals	(360,017)	-	(360,017)	(622,642)	-	(622,642)
	3,811,942	(1,424)	3,810,518	6,625,096	16,738	6,641,834
Amounts written off	(1,763)	-	(1,763)	(31,446)	-	(31,446)
Closing balance	<u>25,312,843</u>	<u>45,564</u>	<u>25,358,407</u>	<u>21,502,664</u>	<u>46,988</u>	<u>21,549,652</u>

11.3.1 The general provision against consumer financing is required to be maintained at varying percentages based on the non-performing loan ratio present in the portfolio. These percentages ranges from 1% to 2.5% for secured and 4% to 7% for unsecured portfolio.

The State Bank of Pakistan vide its circular No. 9 of 2017 dated December 22, 2017 reduced the requirement of maintaining general reserves against unsecured SE portfolio from 2% to 1%.

11.3.2 The Bank has availed the benefit of Forced Sale Value (FSV) of pledged stocks, mortgaged properties, plant and machinery, shares and Cash Margin / TDRs held as collateral against non-performing advances as allowed under the applicable Prudential Regulations issued by the State Bank of Pakistan. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 9,500,470 million (December 31, 2018: Rs. 5,944,384 million). The positive impact on the Profit and Loss Account arising from availing this benefit - net of tax amounts to Rs. 6,175,306 million (December 31, 2018: Rs. 3,863,850 million). As per the applicable Prudential Regulations, the positive impact of FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

The SBP has granted relaxation in provisioning requirements in respect of exposure in Dewan Group. Had this relaxation not been available, provision against loans and advances would have been higher by Rs. 205.502 million (December 31, 2018: Rs. 205.502 million).

		(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Note	----- (Rupees in '000) -----	
12 FIXED ASSETS			
Capital work-in-progress	12.1	215,831	393,222
Property and equipment		8,193,669	8,315,656
Right-of-use assets	4.1.2	2,103,965	-
		<u>10,513,465</u>	<u>8,708,878</u>

12.1 Capital work-in-progress

Civil works and related payments / progress billings	184,852	388,198
Advances and other payments to suppliers and contractors	30,979	5,024
Advances and other payments against capital work in progress considered doubtful	<u>1,158,340</u>	<u>1,158,340</u>
Less: Provision held there against	<u>(1,158,340)</u>	<u>(1,158,340)</u>
	-	-
	<u>215,831</u>	<u>393,222</u>

12.2 Additions to fixed assets

The following additions have been made to fixed assets during the period:

Property and equipment

Building improvements	170,434	8,392
Furniture and fixture	63,053	2,364
Electrical, office and computer equipment	29,032	49,462
	<u>262,519</u>	<u>60,218</u>
Right-of-use assets	2,103,965	-
	<u>2,366,484</u>	<u>60,218</u>

12.3 Transfer / disposal of fixed assets

Capital work-in-progress	177,391	734,723
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The net book value of fixed assets disposed off during the period is as follows:

Leasehold land	104,010	-
Building improvements	143	-
Building on leasehold land	89	-
Furniture and fixture	18	106
Electrical, office and computer equipment	3,661	2,345
Vehicles	1,548	-
	<u>109,469</u>	<u>2,451</u>
Total	<u>286,860</u>	<u>737,174</u>

		(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Note	----- (Rupees in '000) -----	
13. INTANGIBLE ASSETS			
Capital work-in-progress	13.1	46,161	53,488
Intangible assets in use	13.2	130,831	151,424
		<u>176,992</u>	<u>204,912</u>

13.1 Capital work-in-progress

Advances to suppliers and contractors	46,161	53,488
Advances against capital work in progress considered doubtful	141,224	141,224
Less: Provision held there against	(141,224)	(141,224)
	-	-
	<u>46,161</u>	<u>53,488</u>

13.2 Intangible assets in use

Computer softwares	70,610	73,517
Core deposits	35,040	45,534
Brand name	25,181	32,373
	<u>130,831</u>	<u>151,424</u>

13.3 Additions to intangible assets

The following additions have been made to intangible assets during the period:

Directly purchased	10,414	807
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13.4 There were no disposals in intangible assets during the current and prior period.

14. DEFERRED TAX ASSETS

	June 30, 2019 (Un-audited)			
	At January 01, 2019	Recognised in profit and loss account	Recognised in Other Comprehensive Income	At June 30, 2019
	----- (Rupees in '000) -----			
Deductible Temporary Differences on				
- Tax losses carried forward	3,811,924	888,481	-	4,700,405
- Deficit on revaluation of investments	586,669	-	(73,309)	513,360
- Provision against advances, off balance sheet etc.	3,433,882	1,213,831	-	4,647,713
- Provision for impairment loss - investment	1,145,074	212,966	-	1,358,040
- Provision against intangible assets	43,107	-	-	43,107
- Staff compensated absences	35,380	(1,531)	-	33,849
- Unrealised loss on HFT portfolio	-	136	-	136
- Provision against other assets	149,656	-	-	149,656
	<u>9,205,692</u>	<u>2,313,883</u>	<u>(73,309)</u>	<u>11,446,266</u>
Taxable Temporary Differences on				
- Surplus on revaluation of fixed assets	(1,063,624)	-	17,667	(1,045,957)
- Surplus on revaluation of property - held for sale	(406,274)	-	-	(406,274)
- Surplus on revaluation of non-banking assets	(141,353)	-	316	(141,037)
- Accelerated tax depreciation	(382,530)	9,946	-	(372,584)
- Unrealized loss / (gain) on forward exchange contracts	3,078	(86,678)	-	(83,600)
	<u>(1,990,703)</u>	<u>(76,732)</u>	<u>17,983</u>	<u>(2,049,452)</u>
	<u>7,214,989</u>	<u>2,237,151</u>	<u>(55,326)</u>	<u>9,396,814</u>

- 15.1** This represents a portion of the Bank's self constructed property which has been earmarked for selling in the near future. This property had been transferred from Property and Equipment (land and capital work in progress) to other assets at the year ended December 31, 2018. Accordingly, the surplus held on this property represents surplus recognised till December 31, 2018 i.e. till the date of transfer of this asset to the 'Other Assets' category in accordance with the accounting policy for fixed assets. Moreover, this property will be carried at lower of market value / fair value less cost to sell and carrying amount at the time of transfer from owned assets category.

	(Un-audited)	(Audited)
	June 30,	December 31,
	2019	2018
	----- (Rupees in '000) -----	
15.2 Provision held against other assets		
Income/ Mark-up accrued in local currency	1,389	1,389
Advances, deposits, advance rent and other prepayments	79,664	79,664
Non banking assets acquired in satisfaction of claims	290,547	290,547
Commission receivable on guarantee	9,880	9,880
Receivable from Dewan Group	34,436	34,436
Account Receivable - Sundry claims	136,798	133,731
Receivable from Speedway Fondmetal (Pakistan) Limited	25,694	25,694
Others	9,452	9,499
	587,860	584,840
15.2.1 Movement in provision held against other assets		
Opening balance	584,840	488,435
Charge for the period / year	3,067	96,499
Amount written off	(47)	(94)
	587,860	584,840
16. CONTINGENT ASSETS		
There were no contingent assets at the balance sheet date.		
17. BILLS PAYABLE		
In Pakistan	1,840,613	1,881,107
Outside Pakistan	-	-
	1,840,613	1,881,107
18. BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan		
- Under export refinance scheme	6,947,790	6,792,628
- Under Islamic Export Refinance Scheme (IERF)	250,000	250,000
- Under long-term financing facility	933,564	756,323
- Refinance facility for modernization of SMEs	6,538	3,363
- Repurchase agreement borrowings	5,230,547	8,163,360
	13,368,439	15,965,674
Repurchase agreement borrowings	1,193,424	1,000,000
Foreign bills - rediscounted	-	608,830
Total secured	14,561,863	17,574,504
Unsecured		
Call borrowings	-	1,911,000
Overdrawn nostro accounts	281,246	6,350
	281,246	1,917,350
Total unsecured	14,843,109	19,491,854
18.1 Particulars of borrowings with respect to currencies		
In local currency	14,561,863	18,876,674
In foreign currencies	281,246	615,180
	14,843,109	19,491,854

19. DEPOSITS AND OTHER ACCOUNTS

	June 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
Customers						
Current deposits	29,869,276	1,696,886	31,566,162	27,684,415	1,539,251	29,223,666
Savings deposits	35,793,957	1,917,861	37,711,818	34,873,064	1,605,157	36,478,221
Term deposits	9,069,994	2,874,585	11,944,579	8,624,571	1,579,424	10,203,995
Others	3,475,365	25,170	3,500,535	4,579,025	21,838	4,600,863
	78,208,592	6,514,502	84,723,094	75,761,075	4,745,670	80,506,745
Financial Institutions						
Current deposits	915,723	120,633	1,036,356	988,132	126,472	1,114,604
Savings deposits	2,731,785	5	2,731,790	2,254,400	4	2,254,404
Term deposits	881,661	-	881,661	800,337	-	800,337
Others	-	-	-	-	-	-
	4,529,169	120,638	4,649,807	4,042,869	126,476	4,169,345
	82,737,761	6,635,140	89,372,901	79,803,944	4,872,146	84,676,090

19.1 Deposits include Eligible Deposits of Rs. 62,657.570 million (December 31, 2018: 55,944.727 million) protected under Depositors Protection Mechanism introduced by the State Bank of Pakistan.

20. SUBORDINATED DEBT

Issue amount	Rs.1,500,000,000
Issue date	October 27, 2011
Maturity date	October 27, 2020 (December 31, 2018: October 27, 2019)

These TFCs were issued by the Bank on October 27, 2011 for an initial tenure of seven years and maturity date of October 27, 2018. In order to protect the interest of the TFC Holders, the tenure of the TFC together with the payment of applicable redemption amounts was extended twice by the Bank to October 27, 2019 and October 27, 2020 through the extraordinary resolutions passed by the TFC holders on November 19, 2018, April 10, 2019 and November 20, 2019. The Bank completed necessary regulatory formalities for these extensions and executed the amended Declaration of Trusts on July 23, 2019 and September 23, 2020. A final approval of these extensions were approved by the SBP vide its letters dated October 21, 2019 and October 21, 2020.

Recently, the TFC holders of the Bank in their extraordinary meeting held on October 22, 2020 have approved another extension of one year in the tenure of the TFC issue along with the extension in the payments of all redemption amounts with the revised maturity date of October 27, 2021. The requisite formalities and compliance with the applicable regulatory requirements necessary for this extension have already been completed by the Bank and the final approval is awaited from the State Bank of Pakistan.

Rating	'D' (Default).
Security	Unsecured
Redemption / Profit payment frequency	The redemption / profit payment details are mentioned in the above maturity date clause.
Mark-up	Base rate (6 months KIBOR - ask side) plus 325 bps
Call option	The Bank had an option to call the TFC's subject to SBP's prior written approval, on any profit payment date after the 60th month from the last day of public subscription, with not less than 30 days prior notice to be given to the Trustee. The Call option once announced will not be revocable. Further, no premium will be paid to the TFC Holders in case the call option is exercised by the Bank.
Lock-in-clause	Neither interest nor principal can be paid (even at maturity) if such payments will result in a shortfall in the Bank's Minimum Capital Requirements (MCR) or Capital Adequacy Ratio (CAR) or increase in the existing shortfall in MCR and CAR.

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
21. OTHER LIABILITIES	Note	----- (Rupees in '000) -----
Mark-up / Return / Interest payable in local currency	1,184,428	827,718
Mark-up / Return / Interest payable in foreign currency	886	7,780
Unearned income	9,324	15,223
Accrued expenses	106,781	196,893
Advance against sale of property	474,732	438,852
Acceptances	962,315	1,118,180
Unclaimed dividends	2,213	2,213
Mark to market loss on forward foreign exchange contracts	51,796	8,793
Branch adjustment account	57	-
Payable to defined benefit plan	61,511	33,358
Charity fund balance	56	844
Security deposits against lease	722,933	789,230
Payable to Bangladesh Bank	41,389	41,389
Payable to Rupali Bank - Bangladesh	16,293	16,293
Payable to vendors / creditors	120,474	126,321
Provision for compensated absences	96,709	101,082
Payable to Bank of Ceylon, Colombo	20,163	20,163
Retention money	20,408	6,671
Workers' Welfare Fund	13,360	13,360
Withholding taxes and government levies payable	34,110	13,481
Federal excise duty and sales tax payable	5,270	10,254
Payable to other banks against clearing and settlement	-	137
Commission payable on home remittances	130,933	125,375
Lease liability against right of use assets	4.1.2 2,008,784	-
Others	379,637	417,213
	<u>6,464,562</u>	<u>4,330,823</u>
22. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS		
Surplus / (deficit) on revaluation of:		
- Available for sale securities	10.1 (1,466,742)	(1,676,197)
- Fixed assets	3,646,572	3,712,954
- Non-banking assets acquired in satisfaction of claims	15 402,963	403,865
- Property - held for sale	15 1,160,784	1,160,784
	3,743,577	3,601,406
Deferred tax on surplus / (deficit) on revaluation of:		
- Available for sale securities	513,360	586,669
- Fixed assets	(1,045,960)	(1,063,624)
- Non-banking assets acquired in satisfaction of claims	(141,037)	(141,353)
- Property - held for sale	(406,274)	(406,274)
	(1,079,911)	(1,024,582)
	<u>2,663,666</u>	<u>2,576,824</u>
23. CONTINGENCIES AND COMMITMENTS		
Guarantees	23.1 19,457,142	19,970,337
Commitments	23.2 24,238,753	31,599,152
Other contingent liabilities	23.3 10,825,176	11,661,255
	<u>54,521,071</u>	<u>63,230,744</u>
23.1 Guarantees:		
Financial guarantees	23,677	23,677
Performance guarantees	14,897,026	14,891,050
Other guarantees	4,536,439	5,055,610
	<u>19,457,142</u>	<u>19,970,337</u>

		(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Note	----- (Rupees in '000) -----	
23.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		2,390,961	6,604,310
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	5,760,036	4,315,349
- forward lending	23.2.2	9,343,835	8,067,231
- operating leases	23.2.3	37,138	3,164,673
Commitments for acquisition of:			
- operating fixed assets		158,828	140,560
- intangible assets		123,984	143,669
Other commitments	23.2.4	6,423,971	9,163,360
		<u>24,238,753</u>	<u>31,599,152</u>
23.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		5,181,404	3,404,992
Sale		578,632	910,357
		<u>5,760,036</u>	<u>4,315,349</u>
23.2.2 Commitments in respect of forward lending			
Forward documentary bills		4,395,729	3,458,501
Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.2.1	4,948,106	4,608,730
		<u>9,343,835</u>	<u>8,067,231</u>
23.2.2.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the bank without the risk of incurring significant penalty or expense.			
		(Un-audited) June 30, 2019	(Audited) December 31, 2018
		----- (Rupees in '000) -----	
23.2.3 Commitments in respect of operating leases			
Not later than one year		37,138	652,360
Later than one year and not later than five years		-	1,636,820
Later than five years		-	875,493
		<u>37,138</u>	<u>3,164,673</u>
23.2.4 Other commitments			
Purchase (Repo)		6,423,971	9,163,360
23.3 Other contingent liabilities - claims against the Bank not acknowledged as debts		<u>10,825,176</u>	<u>11,661,255</u>
23.4 In the year 2018, Law Enforcement Agencies (LEAs) initiated its investigation on certain bank accounts alleged for money laundering activities in various banks including Summit Bank Limited. The Honourable Supreme Court of Pakistan under Suo Moto Case HRC-39216-G, appointed a Joint Investigation Team (JIT) which was constituted to investigate the matter. On recommendation of JIT, the matter was referred by the Honourable Supreme Court to the National Accountability Bureau (NAB) for further investigation and filing of references in the National Accountability Courts. The matter is currently under NAB investigations and only partial references have been filed in the NAB Courts. The bank has been and is committed to extending its full cooperation to the Law Enforcement Agencies in their investigations to the best extent possible and the matter is currently subjudice. These proceedings in the opinion of the management will not have any effect on the operations and functioning of the Bank.			
23.5 Contingency related to tax payable is disclosed in note 32.2.			

		(Un-audited) Half year ended	
		June 30, 2019	June 30, 2018
		----- (Rupees in '000) -----	
24. MARK-UP / RETURN / INTEREST EARNED			
On:			
Loans and advances		2,335,434	3,149,207
Investments		589,188	1,925,060
Lendings to financial institutions		25,847	252,280
Balances with banks		10,450	9,129
		<u>2,960,919</u>	<u>5,335,676</u>
25. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		2,142,310	2,491,235
Borrowings		577,214	1,055,762
Subordinated debt		99,617	70,776
Cost of foreign currency swaps against foreign currency deposits / borrowings		211,602	126,064
Finance cost of lease liability		138,329	-
		<u>3,169,072</u>	<u>3,743,837</u>
26. FEE AND COMMISSION INCOME			
Branch banking customer fees		2,774	35,281
Consumer finance related fees		1,614	3,993
Card related fees (debit cards)		42,790	44,414
Credit Related Fees		5,693	12,047
Investment banking fees		1,716	3,431
Commission on trade		113,059	226,086
Commission on guarantees		77,294	102,461
Commission on cash management		1,982	1,784
Commission on remittances including home remittances		29,481	49,352
Commission on bancassurance		1,633	1,922
Commission on Benazir Income Support Programme		38,409	34,653
Alternate delivery channels		10,030	17,710
Others		170	646
		<u>326,645</u>	<u>533,780</u>
27. (LOSS) / GAIN ON SECURITIES			
Realised	27.1	(2,260)	21,141
Unrealised - held for trading		(388)	(19,446)
		<u>(2,648)</u>	<u>1,695</u>
27.1 Realised (loss) / gain on:			
Federal Government Securities		(2,583)	3,275
Shares		323	17,740
Mutual Funds		-	99
Non Government Debt Securities		-	27
		<u>(2,260)</u>	<u>21,141</u>

		(Un-audited) Half year ended	
		June 30, 2019	June 30, 2018
		----- (Rupees in '000) -----	
28. OTHER INCOME	Note		
Rent on property / locker		7,173	16,079
Gain on sale of fixed assets - net		30,901	2,326
Gain on sale of non banking assets - net		-	144,848
Gain on sale of ijarah assets		1,797	980
Account maintenance and other relevant charges		34,291	16,234
Recovery of expenses from customers		7,749	18,840
Others		300	142
		82,211	199,449
29. OPERATING EXPENSES			
Total compensation expense	29.1	826,962	1,025,732
Property expense			
Rent and taxes		81,768	400,245
Insurance - property		2,525	3,846
Insurance - non banking assets		80	426
Utilities cost		111,045	102,163
Security (including guards)		81,444	84,622
Repair and maintenance (including janitorial charges)		50,775	46,195
Depreciation on owned fixed assets		145,462	211,239
Depreciation on right-of-use assets		257,828	-
Depreciation on non banking assets		21,874	21,730
		752,801	870,466
Information technology expenses			
Software maintenance		25,696	25,894
Hardware maintenance		30,695	21,097
Depreciation on computer equipments		55,630	65,763
Amortisation of computer softwares		13,320	12,725
Network charges		43,622	47,149
Insurance		96	218
		169,059	172,846
Other operating expenses			
Directors' fees and allowances		550	1,900
Fees and allowances to Shariah Board		2,400	2,400
Legal and professional charges		163,025	45,361
Outsourced services costs		64,151	67,633
Travelling and conveyance		75,003	79,062
NIFT clearing charges		14,226	16,764
Depreciation		73,946	69,696
Amortisation core deposits and brand name		17,686	17,686
Training and development		2,819	3,873
Postage and courier charges		23,273	24,135
Communication		22,140	31,689
Stationery and printing		52,793	44,816
Marketing, advertisement and publicity		12,773	90,743
Brokerage and commission		1,877	11,148
Fee and subscription		60,222	41,930
Cash transportation and sorting charges		48,416	51,284
Entertainment		15,793	16,591
Insurance		119,382	82,334
Repair and maintenance		36,544	26,771
Auditors' remuneration		8,455	5,865
Others		39,323	14,323
		854,797	746,004
		2,603,619	2,815,048

		(Un-audited) Half year ended	
		June 30, 2019	June 30, 2018
Note		----- (Rupees in '000) -----	
29.1	Total compensation expense		
	Fees and allowances etc.	15,675	18,481
	Managerial remuneration		
	i) Fixed	507,034	626,325
	ii) Variable of which;		
	a) Cash bonus / awards etc.	3,334	1,831
	b) Incentives and commission	988	5,487
	Charge for defined benefit plan	28,153	30,645
	Contribution to defined contribution plan	26,483	36,201
	Charge for employees compensated absences	6,999	7,500
	Rent and house maintenance	163,798	205,953
	Utilities	36,397	45,763
	Medical	38,101	47,546
	Total	826,962	1,025,732
30.	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	8,378	10,431
	Bank charges	8,399	13,402
		16,777	23,833
31.	PROVISIONS AND WRITE OFFS - NET		
	Provisions for diminution in value of investments	608,476	827,983
	Provisions against loans and advances	3,810,518	1,457,406
	Fixed assets written off	-	3,061
	Provision against other assets	3,067	93,987
	Provision against fixed asset	-	1,063,606
	Bad debts written off directly	89	3,635
	Recovery of written off / charged off bad debts	-	(828)
		4,422,150	3,448,850
32.	TAXATION		
	Current	32.1 & 32.2 44,857	78,946
	Prior years	-	-
	Deferred	(2,237,151)	186,032
		(2,192,294)	264,978

32.1 This represents the provision for minimum taxation made in accordance with the requirements of section 113 of the Income Tax Ordinance, 2001. Therefore, reconciliation of tax expense and accounting profit / loss has not been disclosed.

32.2 The Income Tax Returns of the Bank have been submitted up to and including the Bank's financial year ended December 31, 2017 i.e. tax year 2018.

In respect of assessments of Summit Bank Limited from tax year 2008 to tax year 2013, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand (net of rectification) of Rs.230.52 million through amended assessment orders and the same have been paid / adjusted against available refunds.

In respect of assessments of ex-My Bank Limited (now Summit Bank Limited) from tax year 2003 to tax year 2011, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand of Rs.456.62 million through amended assessment orders and the same have been paid / adjusted against available refunds.

In respect of assessments of ex-Atlas Bank Limited (now Summit Bank Limited) from tax year 2003 to tax year 2010, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand of Rs.89.74 million through amended assessment orders and the same have been paid / adjusted against available refunds.

Such issues mainly include disallowances of mark-up payable, taxation of mutual fund distribution at corporate tax rate, disallowance of provision against non-performing loans, disallowance of reversal of provisions, allocation of expenses against dividend income and capital gain, disallowances against non-banking assets etc. The Bank has filed appeals before the various appellate forums against these amended assessment orders which are either pending for hearing or order.

The management of the Bank is confident about the favourable outcome of the appeals hence, no provision / adjustment with respect to the above matters has been made in these unconsolidated condensed interim financial statements.

		(Un-audited) Half year ended	
		June 30, 2019	June 30, 2018
		----- (Rupees in '000) -----	
33. BASIC AND DILUTED LOSS PER SHARE	Note		
Loss for the period		<u>(4,376,317)</u>	<u>(3,808,137)</u>
		----- Number of shares -----	
Weighted average number of ordinary shares		<u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupees) -----	
Basic loss per share		<u>(1.66)</u>	<u>(1.44)</u>
		----- Number of shares -----	
Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)	33.1	<u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupees) -----	
Diluted loss per share		<u>(1.66)</u>	<u>(1.44)</u>

33.1 There are no potential ordinary shares outstanding as of June 30, 2019.

		(Un-audited) Half year ended	
		June 30, 2019	June 30, 2018
		----- (Rupees in '000) -----	
34. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks		7,217,431	14,973,461
Balances with other banks		909,283	2,675,610
Overdrawn nostro accounts		<u>(281,246)</u>	<u>(10,274)</u>
		<u>7,845,468</u>	<u>17,638,797</u>

35. FAIR VALUE MEASUREMENTS

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

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

35.1 Fair value of financial assets

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

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

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

30 June 2019 (Un-audited)				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities		17,237,265		17,237,265
Shares - Listed	1,535,189			1,535,189
Non-Government Debt Securities				
Financial assets - disclosed but not measured at fair value				
Investments				
Shares - Unlisted			1,857	1,857
Non-Financial assets - measured at fair value				
Operating fixed assets			7,503,027	7,503,027
Non banking assets acquired in satisfaction of claims			2,884,117	2,884,117
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange		5,411,233		5,411,233
Forward sale of foreign exchange		621,401		621,401
31 December 2018 (Audited)				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities		16,323,086		16,323,086
Shares - Listed	1,797,857			1,797,857
Non-Government Debt Securities		12,489		12,489
Financial assets - disclosed but not measured at fair value				
Investments				
Shares - Unlisted			1,857	1,857
Non-Financial assets - measured at fair value				
Operating fixed assets			7,591,618	7,591,618
Non banking assets acquired in satisfaction of claims			2,915,992	2,915,992
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange		3,416,803		3,416,803
Forward sale of foreign exchange		930,961		930,961

Valuation techniques used in determination of fair value

Item	Valuation approach and input used
Federal Government Securities	The fair values of Federal Government securities are determined using the PKRV rates.
Units of mutual funds	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.
Ordinary shares - Listed	The fair value of investment in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Ordinary shares - Unlisted	This represents breakup value of investments.
Non-Government Debt Securities	Investments in debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Forward foreign exchange contracts	The valuation has been incorporated by interpolating the foreign exchange revaluation rates announced by the SBP.
Operating fixed assets (land and building) and non banking assets acquired in satisfaction of claims	The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties.

36. SEGMENT INFORMATION

36.1 Segment Details with respect to Business Activities

For the half year ended June 30, 2019 (Un-audited)					
Corporate finance	Trading and sales	Branch banking	Islamic	Others	Total
------(Rupees in '000)-----					
Profit & Loss					
Net mark-up / return / profit	(196)	(118,746)	(114,847)	25,636	(208,153)
Inter segment revenue - net	-	(542,237)	-	542,237	-
Non mark-up / return / interest income	7,157	368,045	412,425	(105,539)	682,088
Total Income	6,961	(292,938)	297,578	462,334	473,935
Segment direct expenses	1,150	167,448	2,279,874	149,969	2,620,396
Inter segment expense allocation	-	-	(189,404)	189,404	-
Total expenses	1,150	167,448	2,090,470	339,373	2,620,396
Provisions	-	608,477	3,527,249	286,424	4,422,150
Profit / (loss) before tax	5,811	(1,068,863)	(5,320,141)	(163,463)	(6,568,611)
As at June 30, 2019 (Un-audited)					
Corporate finance	Trading and sales	Branch banking	Islamic	Others	Total
------(Rupees in '000)-----					
Balance Sheet					
Cash and bank balances	-	1,786,628	5,858,356	481,730	8,126,714
Investments	-	17,425,584	1,885,324	-	19,592,907
Net inter segment lending	-	200,000	-	11,902,679	12,102,679
Lendings to financial institutions	-	1,983,560	-	-	1,983,560
Advances - performing	-	-	32,100,730	4,298,481	36,399,211
- non-performing	-	-	13,932,372	593,311	14,525,683
Others	30,230	5,026,813	17,347,679	654,030	31,919,037
Total Assets	30,230	26,422,585	71,124,461	17,930,231	9,142,284
Borrowings	363	6,560,427	8,032,319	250,000	14,843,109
Subordinated debt	2,946	406,417	1,086,152	-	1,495,515
Deposits and other accounts	-	-	74,145,479	15,227,422	89,372,901
Net inter segment borrowing	-	11,902,679	-	200,000	12,102,679
Others	1,334	441,324	6,346,765	791,077	8,305,175
Total liabilities	4,643	19,310,847	89,610,715	16,468,499	724,675
Equity	25,587	7,111,738	(18,486,254)	1,461,732	8,417,609
Total Equity and liabilities	30,230	26,422,585	71,124,461	17,930,231	9,142,284
Contingencies and Commitments	-	12,184,007	26,045,276	5,183,800	11,107,988

For the half year ended June 30, 2018 (Un-audited)					
Corporate finance	Trading and sales	Branch banking	Islamic	Others	Total

Profit & Loss

(Rupees in '000)						
Net mark-up / return / profit	-	656,834	505,683	429,322	-	1,591,839
Inter segment revenue - net	-	6,401	-	(6,401)	-	-
Non mark-up / return / interest income	14	370,480	601,362	36,029	144,848	1,152,733
Total Income	14	1,033,715	1,107,045	458,950	144,848	2,744,572
Segment direct expenses	6	336,365	2,335,199	145,155	22,156	2,838,881
Inter segment expense allocation	-	-	(201,952)	201,952	-	-
Total expenses	6	336,365	2,133,247	347,107	22,156	2,838,881
Provisions	-	856,194	2,617,155	2,493	(26,992)	3,448,850
Profit / (loss) before tax	8	(158,844)	(3,643,357)	109,350	149,684	(3,543,159)

As at December 31, 2018 (Audited)					
Corporate finance	Trading and sales	Branch banking	Islamic	Others	Total

Balance Sheet

(Rupees in '000)						
Cash and bank balances	-	2,090,681	3,601,854	347,536	-	6,040,071
Investments	-	16,774,074	2,200,302	-	281,999	19,256,375
Net inter segment lending	-	700,000	-	10,722,364	-	11,422,364
Lendings to financial institutions	-	-	-	-	-	-
Advances - performing	-	-	40,814,032	5,862,800	-	46,676,832
- non-performing	-	-	13,768,955	800,090	-	14,569,045
Others	4,010	4,059,629	11,199,049	592,337	12,230,644	28,085,669
Total Assets	4,010	23,624,384	71,584,192	18,325,127	12,512,643	126,050,356
Borrowings	3	11,076,822	8,165,029	250,000	-	19,491,854
Subordinated debt	678	579,924	914,913	-	-	1,495,515
Deposits and other accounts	-	-	69,463,371	15,212,719	-	84,676,090
Net inter segment borrowing	-	10,722,364	-	700,000	-	11,422,364
Others	497	514,859	4,743,509	537,213	415,852	6,211,930
Total liabilities	1,178	22,893,969	83,286,822	16,699,932	415,852	123,297,753
Equity	2,832	730,415	(11,702,630)	1,625,195	12,096,791	2,752,603
Total Equity and liabilities	4,010	23,624,384	71,584,192	18,325,127	12,512,643	126,050,356
Contingencies and Commitments	-	13,475,014	31,689,074	6,125,410	11,941,246	63,230,744

36.1.1 The Bank does not have any operations outside Pakistan.

37. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, subsidiaries, employee benefit plans and its directors and Key Management Personnel.

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

Details of transactions with related parties during the period / year, other than those which have been disclosed elsewhere in these financial statements are as follows:

	June 30, 2019 (Un-audited)				December 31, 2018 (Audited)			
	Parent company	Key management personnel	Subsidiary	Other related parties	Parent company	Directors management personnel	Subsidiary	Other related parties
	(Rupees in '000)							
Balances with other banks	-	-	-	-	-	-	-	26,457
In current accounts	-	-	-	-	-	-	-	-
Investments	-	-	396,942	1,713,990	-	-	396,942	1,803,185
Opening balance	-	-	-	-	-	-	-	54,983
Investment made during the period / year	-	-	-	-	-	-	-	(133,317)
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	(10,861)
Transfer in / (out) - net	-	-	-	(21,500)	-	-	-	-
Closing balance	-	-	396,942	1,692,490	-	-	396,942	1,713,990
Provision for diminution in value of investments	-	-	1,14,943	1,607,067	-	-	1,14,943	1,539,327
Advances	-	259,303	-	932,302	-	409,534	-	1,213,053
Opening balance	-	73,474	-	408,415	-	32,134	52,168	3,635,109
Addition during the period / year	-	(55,744)	-	(407,694)	-	(180,248)	(52,168)	(3,915,860)
Repaid during the period / year	-	(43,228)	-	(232,991)	-	(2,117)	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-
Closing balance	-	233,805	-	700,032	-	259,303	-	932,302
Provision held against advances	-	-	-	1,67,422	-	-	-	-

	June 30, 2019 (Un-audited)				December 31, 2018 (Audited)			
	Parent company	Directors management personnel	Subsidiary	Other related parties	Parent company	Directors management personnel	Subsidiary	Other related parties
(Rupees in '000)								
Other Assets								
Interest / mark-up accrued	-	-	-	18,378	-	758	-	22,292
Other receivable	699	2,361	-	-	578	2,002	-	758
Deposits and other accounts								
Opening balance	-	13,421	107,458	1,769,716	-	67,291	128,456	860,510
Received during the period / year	-	151,182	1,907,184	257,860	-	566,173	7,046,626	16,458,586
Withdrawn during the period / year	-	(153,316)	(1,925,318)	(448,985)	-	(37,261)	(7,072,624)	(15,549,380)
Transfer in / (out) - net	-	1,060	-	(250,336)	-	(13,882)	-	-
Closing balance	-	12,347	84,324	1,328,255	-	18,463	102,458	1,769,716
Other Liabilities								
Interest / mark-up payable	-	191	312	12,997	-	119	207	11,855
Payable to staff retirement fund	-	-	-	61,511	-	-	-	33,358
Brokerage payable to Summit Capital Private Limited	-	-	112	-	-	-	184	-
Payable to Rupali Bank Limited	-	-	-	-	-	-	-	16,293
Contingencies and Commitments								
Guarantees, letters of credit and acceptances	-	-	-	248,500	-	-	-	918,975
Commitments to extend credit	-	-	400,000	269,655	-	-	400,000	230,337

	For the half year ended June 30, 2019 (Un-audited)				For the half year ended June 30, 2018 (Un-audited)			
	Parent company	Key management personnel	Subsidiary	Other related parties	Parent company	Key management personnel	Subsidiary	Other related parties
	(Rupees in '000)							
Income								
Mark-up / return / interest earned	-	4,780	-	40,513	-	8,976	-	53,020
Fee and commission income	-	-	95	-	-	-	-	-
Dividend income	-	-	-	-	-	-	-	612
Loss on securities	-	-	-	-	-	-	-	(7,505)
Foreign exchange income	-	-	-	-	-	-	-	7,499
Other income	-	8	1,522	-	-	-	1,449	-
Expense								
Mark-up / return / interest paid	-	808	1,433	78,157	-	446	235	8,410
Operating expenses:								
- Rent and taxes	-	-	-	-	-	-	-	17,301
- Directors' fees and allowances	-	550	-	-	-	1,900	-	265
- Legal and professional charges	-	-	-	-	-	-	-	1,687
- Training and development	-	-	-	-	-	-	-	100
- Marketing, advertisement and publicity	-	-	-	-	-	-	-	-
- Brokerage and commission	-	-	160	-	-	-	1,945	-
- Fee and subscription	-	1,104	-	-	-	1,361	-	750
- Managerial Remuneration	-	84,737	-	-	-	92,178	-	-
Contribution to defined contribution plan	-	-	-	-	-	-	-	-
Charge for defined benefit plan	-	-	-	26,483	-	-	-	36,201
Provision / (reversal of provision) for diminution in value of Investments	-	-	-	28,153	-	-	-	30,645
	-	-	-	73,416	-	-	(26,992)	8,247

Directors include Non-Executive Directors only. Executive Directors including the President / CEO are part of key management personnel.

(Un-audited) (Audited)
June 30, December 31,
2019 2018
----- (Rupees in '000) -----

38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)	<u>(4,287,416)</u>	<u>21,617</u>
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Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	<u>(14,376,166)</u>	<u>(7,962,104)</u>
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<u>(14,376,166)</u>	<u>(7,962,104)</u>
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	<u>(14,376,166)</u>	<u>(7,962,104)</u>

Risk Weighted Assets (RWAs):

Credit Risk	<u>80,613,305</u>	<u>82,548,281</u>
Market Risk	<u>5,428,367</u>	<u>8,129,085</u>
Operational Risk	<u>8,564,851</u>	<u>8,564,851</u>
Total	<u>94,606,523</u>	<u>99,242,217</u>

Common Equity Tier 1 Capital Adequacy ratio	<u>-15.20%</u>	<u>-8.02%</u>
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Tier 1 Capital Adequacy Ratio	<u>-15.20%</u>	<u>-8.02%</u>
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Total Capital Adequacy Ratio	<u>-15.20%</u>	<u>-8.02%</u>
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Leverage Ratio (LR):

Eligible Tier-1 Capital	<u>(14,376,166)</u>	<u>(7,962,104)</u>
Total Exposures	<u>144,616,845</u>	<u>183,954,593</u>
Leverage Ratio	<u>-9.94%</u>	<u>-4.33%</u>

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	<u>13,850,344</u>	<u>27,495,433</u>
Total Net Cash Outflow	<u>18,291,427</u>	<u>31,044,717</u>
Liquidity Coverage Ratio	<u>75.72%</u>	<u>88.57%</u>

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	<u>72,611,450</u>	<u>72,435,261</u>
Total Required Stable Funding	<u>71,796,126</u>	<u>82,307,865</u>
Net Stable Funding Ratio	<u>101.14%</u>	<u>88.01%</u>

39. ISLAMIC BANKING BUSINESS

The Bank commenced its Islamic Banking Operations in Pakistan on March 07, 2014 and is operating with 14 (December 31, 2018: 14) Islamic banking branches and 35 (December 31, 2018: 35) Islamic banking windows at the end of the period.

**STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019**

		(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks		450,362	269,475
Balances with other banks		31,368	78,061
Due from financial institutions	39.1	11,902,679	10,722,364
Investments		-	-
Islamic financing and related assets - net	39.2	4,891,792	6,662,890
Fixed assets		318,065	121,507
Intangible assets		5,750	6,861
Due from Head Office		-	-
Other assets		330,215	463,969
Total Assets		17,930,231	18,325,127
LIABILITIES			
Bills payable		163,800	125,319
Due to financial institutions	39.3	450,000	950,000
Deposits and other accounts	39.4	15,227,422	15,212,719
Due to Head Office		-	-
Subordinated debt		-	-
Deferred tax liabilities - net		-	-
Other liabilities		627,277	411,894
		16,468,499	16,699,932
NET ASSETS		1,461,732	1,625,195
REPRESENTED BY			
Islamic Banking Fund		1,000,000	1,000,000
Reserves		-	-
Surplus on revaluation of assets		-	-
Unappropriated / unremitted profit		461,732	625,195
		1,461,732	1,625,195
CONTINGENCIES AND COMMITMENTS	39.5		

**ISLAMIC BANKING BUSINESS
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 2019**

	June 30, 2019	June 30, 2018
Note	----- (Rupees in '000) -----	
Profit / return earned	39.6	819,846
Profit / return expensed	39.7	396,925
Net Profit / return	567,873	422,921
Other income		
Fee and commission income	24,916	48,510
Dividend income	-	-
Foreign exchange loss	(132,359)	(16,635)
Income / (loss) from derivatives	-	-
Loss on sale of securities	(3,090)	(903)
Other income	4,994	5,057
Total other (loss) / income	(105,539)	36,029
Total Income	462,334	458,950
Other expenses		
Operating expenses	339,126	346,303
Workers' welfare fund	-	-
Other charges	247	804
Total other expenses	339,373	347,107
Profit before provisions	122,961	111,843
Provisions and write offs - net	286,424	2,493
(Loss) / profit before taxation	(163,463)	109,350
Taxation	-	-
(Loss) / profit after taxation	(163,463)	109,350

	June 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
Note	----- (Rupees in '000) -----					
39.1 Due from financial institutions						
Bai Muajjal Receivable						
from other Financial Institutions	39.1.1	11,902,679	-	11,902,679	10,722,364	-
				10,722,364		10,722,364

39.1.1 This represents Bai Muajjal agreements with conventional operations of Summit Bank Limited.

	Note	(Un-audited) (Audited)	
		June 30, 2019	December 31, 2018
39.2 Islamic financing and related assets		----- (Rupees in '000) -----	
Ijarah		776,335	919,439
Murabaha		13,944	16,444
Running Musharakah		678,960	1,007,981
Diminishing Musharakah		3,043,010	3,721,717
Istisna		31,403	31,403
Tijarah		739,045	1,056,823
Advance against Murabaha		-	4,042
Advance against Diminishing Musharakah		-	500
Gross Islamic financing and related assets		5,282,697	6,758,349
Less: provision against Islamic financings			
- Specific		385,498	82,573
- General		5,407	12,886
		390,905	95,459
Islamic financing and related assets - net of provision		4,891,792	6,662,890
39.3 Due to financial institutions			
Secured			
Acceptances from the SBP under Islamic Export Refinance Scheme		250,000	250,000
Unsecured			
Musharakah	39.3.1	200,000	700,000
		450,000	950,000

39.3.1 This represented Musharaka acceptance with conventional operations of Summit Bank Limited.

39.4 Deposits

	June 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
Customers						
Current deposits	5,398,447	690,494	6,088,941	4,865,906	541,588	5,407,494
Savings deposits	7,113,412	191,869	7,305,281	7,700,010	127,458	7,827,468
Term deposits	1,135,915	205,521	1,341,436	1,038,665	95,320	1,133,985
Margin accounts	271,718	-	271,718	581,337	-	581,337
	13,919,492	1,087,884	15,007,376	14,185,918	764,366	14,950,284
Financial Institutions						
Current deposits	80,504	123	80,627	96,313	107	96,420
Savings deposits	139,419	-	139,419	156,015	-	156,015
Term deposits	-	-	-	10,000	-	10,000
	219,923	123	220,046	262,328	107	262,435
	14,139,415	1,088,007	15,227,422	14,448,246	764,473	15,212,719

39.4.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs 10,936.551 million (2018: Rs. 8,885.304 million).

39.5 CONTINGENCIES AND COMMITMENTS

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	----- (Rupees in '000) -----	
Guarantees	4,361,276	4,478,490
Commitments	822,524	1,646,920
Other contingent liabilities	-	-
	5,183,800	6,125,410

39.6 Profit/Return Earned of Financing, Investments and Placement

	(Un-audited)	
	June 30, 2019	June 30, 2018
	----- (Rupees in '000) -----	
Profit earned on:		
Financing	382,543	447,409
Investments	-	258,005
Placements	548,642	114,432
Balances with banks	283	-
	931,468	819,846

39.7 Profit on Deposits and other Dues Expensed

Deposits and other accounts	339,624	396,925
Due to Financial Institutions	8,302	-
Finance cost of Lease Liability	15,669	-
	363,595	396,925

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	----- (Rupees in '000) -----	
39.8 Islamic banking business unappropriated profit		
Opening balance	625,195	541,772
(Less) / add: Islamic banking (loss) / profit for the period	(163,463)	83,423
Closing balance	<u>461,732</u>	<u>625,195</u>

40 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on October 08, 2021 by the Board of Directors of the Bank.

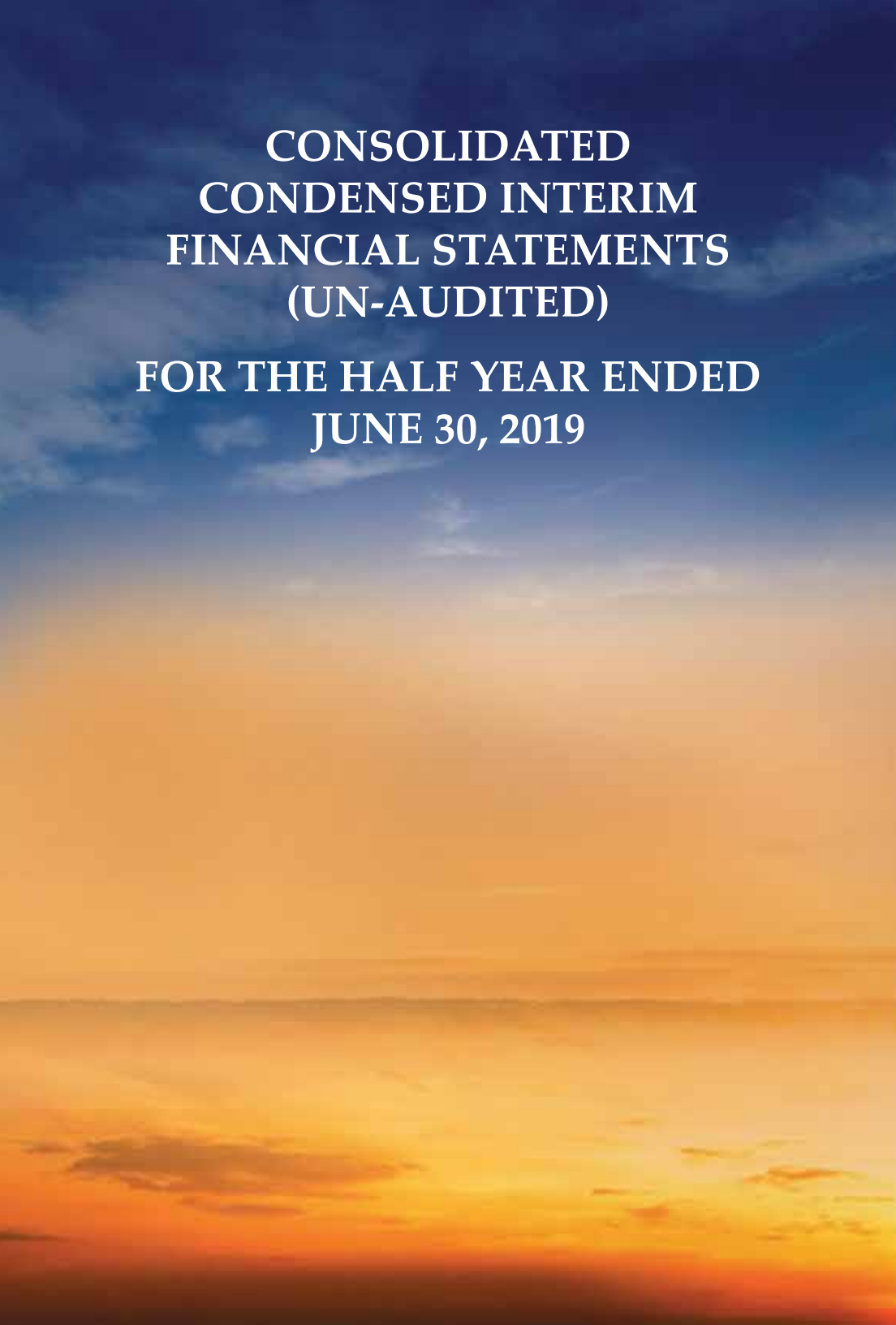
President /
Chief Executive

Chief Financial Officer

Director

Director

Director



**CONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS
(UN-AUDITED)**

**FOR THE HALF YEAR ENDED
JUNE 30, 2019**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

		(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	7	7,217,462	5,043,105
Balances with other banks	8	942,342	1,008,279
Lendings to financial institutions	9	1,983,560	-
Investments	10	19,343,392	19,007,773
Advances	11	50,925,669	61,246,803
Fixed assets	12	10,554,494	8,751,339
Intangible assets	13	181,480	209,418
Deferred tax assets	14	9,362,420	7,180,595
Other assets	15	11,977,227	12,150,539
		112,488,046	114,597,851
LIABILITIES			
Bills payable	17	1,840,613	1,881,107
Borrowings	18	14,843,109	19,491,854
Deposits and other accounts	19	89,306,679	84,573,632
Liabilities against assets subject to finance lease		-	-
Subordinated debt	20	1,495,515	1,495,515
Deferred tax liabilities		-	-
Other liabilities	21	6,524,016	4,434,250
		114,009,932	111,876,358
NET ASSETS		<u>(1,521,886)</u>	<u>2,721,493</u>
REPRESENTED BY			
Share capital - net		20,500,194	20,500,194
Reserves		(425,043)	(425,043)
Surplus / (deficit) on revaluation of assets	22	2,679,839	2,593,910
Accumulated losses		(24,276,876)	(19,947,568)
		<u>(1,521,886)</u>	<u>2,721,493</u>
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 40 form an integral part of these consolidated condensed interim financial statements.

President /
Chief Executive

Chief Financial Officer

Director

Director

Director

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2019

	Note	Quarter Ended		Half Year Ended	
		June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
----- (Rupees in '000) -----					
Mark-up / return / interest earned	24	1,386,308	2,495,741	2,963,375	5,337,042
Mark-up / return / interest expensed	25	1,657,498	1,721,207	3,167,971	3,742,866
Net mark-up / interest (expense) / income		(271,190)	774,534	(204,596)	1,594,176
NON MARK-UP / INTEREST INCOME					
Fee and commission income	26	166,026	317,600	352,328	569,883
Dividend income		90	1,699	18,411	5,424
Foreign exchange income		142,281	241,088	257,469	412,605
Income from derivatives		-	-	-	-
(Loss) / gain on securities	27	(1,093)	(8,331)	(2,648)	5,921
Other income	28	45,743	152,301	81,476	199,082
Total non-markup / interest income		353,047	704,357	707,036	1,192,915
Total income		81,857	1,478,891	502,440	2,787,091
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	29	1,283,162	1,441,109	2,649,180	2,863,247
Workers' welfare fund		-	-	-	-
Other charges	30	12,425	10,506	16,891	23,840
Total non-markup / interest expenses		1,295,587	1,451,615	2,666,071	2,887,087
(Loss) / profit before provisions		(1,213,730)	27,276	(2,163,631)	(99,996)
Provisions and write offs - net Extra ordinary / unusual items	31	2,892,135	3,140,186	4,422,150	3,475,842
LOSS BEFORE TAXATION		(4,105,865)	(3,112,910)	(6,585,781)	(3,575,838)
Taxation	32	(1,367,815)	383,667	(2,189,189)	257,947
LOSS AFTER TAXATION		(2,738,050)	(3,496,577)	(4,396,592)	(3,833,785)
----- (Rupees) -----					
Basic loss per share	33	(1.04)	(1.32)	(1.67)	(1.45)
Diluted loss per share	33	(1.04)	(1.32)	(1.67)	(1.45)

The annexed notes 1 to 40 form an integral part of these consolidated condensed interim financial statements.

President /
Chief Executive

Chief Financial Officer

Director

Director

Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2019

	Quarter ended		Half year ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	----- (Rupees in '000) -----			
Loss after taxation for the period	(2,738,050)	(3,496,577)	(4,396,592)	(3,833,785)
Other comprehensive income / (loss)				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in deficit on revaluation of investments - net of tax	(88,941)	171,956	135,233	266,933
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of operating fixed assets - net of tax	8,829	9,934	17,664	19,869
Movement in surplus on revaluation of non-banking assets - net of tax	-	(49,585)	316	(51,592)
	8,829	(39,651)	17,980	(31,723)
Total comprehensive loss	(2,818,162)	(3,364,272)	(4,243,379)	(3,598,575)

The annexed notes 1 to 40 form an integral part of these consolidated condensed interim financial statements.

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Chief Financial Officer

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Director

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CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2019

	Capital reserve		Surplus / (Deficit) on revaluation of			Revenue reserve	Total
	Share premium	Statutory reserve	Reserve arising on amalgamation	Investments	Fixed / non banking assets	Property held for sale	
Share capital							
20,500,194	1,000,000	154,162	(1,579,205)	(761,937)	2,288,117	-	(11,337,838)
Balance as at January 01, 2018 (Audited)							10,263,493
Loss after taxation for the six months period ended June 30, 2018	-	-	-	-	-	-	-
Other comprehensive income - net of tax	-	-	-	266,933	(31,723)	-	(3,833,785)
Transfer to statutory reserve	-	-	-	-	-	-	235,210
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	(56,766)	-	-
Balance as at July 01, 2018 (Un-audited)	20,500,194	1,000,000	154,162	(495,004)	2,199,628	-	(15,114,857)
Loss after taxation for the six months period ended December 31, 2018	-	-	-	-	-	-	(4,957,205)
Other comprehensive income - net of tax	-	-	-	(577,438)	806,658	754,510	30,050
Transfer to statutory reserve	-	-	-	-	-	-	1,013,780
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	(56,766)	-	-
Surplus realized on disposal of non-banking assets	-	-	-	-	(37,678)	-	56,766
Balance as at January 01, 2019 (Audited)	20,500,194	1,000,000	154,162	(1,072,442)	2,911,842	754,510	(19,947,568)
Loss after taxation for the six months period ended June 30, 2019	-	-	-	-	-	-	(4,396,592)
Other comprehensive income - net of tax	-	-	-	135,233	17,980	-	153,213
Transfer to statutory reserve	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	(50,471)	-	50,471
Surplus realized on disposal of non-banking assets	-	-	-	-	(902)	-	902
Surplus realized on disposal of fixed assets	-	-	-	-	(15,911)	-	15,911
Balance as at June 30, 2019 (Un-audited)	20,500,194	1,000,000	154,162	(937,209)	2,862,538	754,510	(24,276,876)

The annexed notes 1 to 40 form an integral part of these consolidated condensed interim financial statements.

President /
Chief Executive

Chief Financial Officer

Director

Director

Director

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2019

	June 30, 2019	June 30, 2018
Note	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(6,585,781)	(3,575,838)
Less: Dividend income	(18,411)	(5,424)
	<u>(6,604,192)</u>	<u>(3,581,262)</u>
Adjustments:		
Depreciation on operating fixed assets	276,436	348,341
Depreciation on right-of-use assets	257,828	-
Depreciation on non-banking assets	22,067	21,927
Finance cost of lease liability	138,329	-
Amortization	31,058	30,436
Charge for defined benefit plan	29,653	32,127
Charge for employees compensated absences	7,140	7,500
Provision and write-offs excluding recoveries	4,422,150	3,476,670
Gain on sale of fixed assets	(30,901)	(2,326)
Gain on disposal of non-banking assets - net	-	(144,848)
Unrealised loss on revaluation of investments classified as held-for-trading securities - net	388	19,726
	<u>5,154,148</u>	<u>3,789,553</u>
	(1,450,044)	208,291
Decrease / (increase) in operating assets		
Lendings to financial institutions	(1,983,560)	1,177,128
Held-for-trading securities	(6,098)	(62,267)
Advances	6,510,527	(6,758,873)
Others assets (excluding advance taxation)	149,799	(538,752)
	<u>4,670,668</u>	<u>(6,182,764)</u>
Decrease / (increase) in operating liabilities		
Bills Payable	(40,494)	(601,804)
Borrowings from financial institutions	(4,923,641)	(20,703,264)
Deposits	4,733,047	4,355,535
Other liabilities (excluding current taxation)	57,148	(720,261)
	<u>(173,940)</u>	<u>(17,669,794)</u>
Payments on account of staff retirement benefits	(12,959)	(62,065)
Income tax paid	(59,453)	(110,937)
	<u>(2,974,272)</u>	<u>(23,817,269)</u>
Net cash generated from / (used in) operating activities		
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(729,843)	25,057,233
Dividends received	18,278	9,444
Investments in fixed assets	(85,095)	(426,796)
Investments in intangible assets	(3,120)	-
Proceeds from sale of fixed assets	140,370	4,771
Proceeds from sale of non-banking assets	10,000	848,033
Net cash (used in) / generated from investing activities	<u>(649,410)</u>	<u>25,492,685</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(491,338)	-
Payments of subordinated debt	-	(345)
Net cash used in financing activities	<u>(491,338)</u>	<u>(345)</u>
Effect of exchange rate changes on cash and cash equivalent	228,432	447,040
Increase in cash and cash equivalents	<u>2,061,956</u>	<u>2,122,111</u>
Cash and cash equivalents at beginning of the period	5,816,602	15,516,820
Cash and cash equivalents at end of the period	<u><u>7,878,558</u></u>	<u><u>17,638,931</u></u>

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The annexed notes 1 to 40 form an integral part of these consolidated condensed interim financial statements.

President /
Chief Executive

Chief Financial Officer

Director

Director

Director

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2019

I. STATUS AND NATURE OF BUSINESS

I.1 The Group comprises of:

I.1.1 Holding Company: Summit Bank Limited

Summit Bank Limited (the Bank) is a banking company incorporated in Pakistan on December 09, 2005 as public company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Bank's registered office is situated at Plot No. 9-C, F-6 Markaz, Supermarket, Islamabad, Pakistan. The Bank is a subsidiary of Suoro Investments Limited, a company incorporated in Mauritius, holding 66.77% of the issued, subscribed and paid up capital of the Bank as at June 30, 2019.

The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and is operating through its 179 Conventional Banking Branches and 14 Islamic Banking Branches (2018: 179 Conventional Banking Branches and 14 Islamic Banking Branches) in Pakistan as defined in the Banking Companies Ordinance, 1962.

In November 2018, VIS Credit Rating Company Limited assigned the Bank medium to long-term rating of 'BBB -' (Triple B minus) and short term rating of 'A-3' (A-three) while the Bank's TFC was assigned a rating of 'BBB - (SO)' (Triple B minus (Structured Obligation)). These ratings were placed on 'Rating Watch – Negative' status.

During the year in February 2019, VIS Credit Rating Company Limited suspended the entity ratings of the Bank due to non-availability of updated information. Moreover, the Bank's TFC rating was assigned 'D' (Default) due to non-payment of its latest mark-up payment on account of lock-in-clause invoked by the Bank under the applicable Regulations of the State Bank of Pakistan (SBP). However, subsequently the TFC holders have approved extension in the maturity date of the TFC issue along with payment of all the instalments (mark-up and principal) till October 27, 2021, subject to applicable regulatory approvals and compliances. VIS Credit Rating Company Limited would reassess the ratings once required information along with latest financials is made available.

I.1.2 Subsidiary

Summit Capital Private Limited - 100% Shareholding

SCPL, the subsidiary company was incorporated in Pakistan on March 08, 2006 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The subsidiary company is a corporate member / TREC holder of Pakistan Stock Exchange Limited and Pakistan Mercantile Exchange Limited. The principal activities of the subsidiary company are equity and money market brokerage, interbank foreign exchange brokerage, commodity brokerage and research. The registered office of the Subsidiary is situated at 701-702, 7th Floor, Business and Finance Centre, opposite State Bank of Pakistan, I.I. Chundrigar Road, Karachi. The Group acquired interest in SCPL by virtue of amalgamation of Atlas Bank Limited.

I.2 During the half year, the Group has incurred net loss of Rs. 4,396.592 million resulting in accumulated losses of Rs. 24,276.876 million and negative equity of Rs. 1,512.886 million. As per the applicable laws and regulations, the Group is required to maintain Minimum Paid-up Capital (net of losses) (MCR) of Rs. 10 billion, Capital Adequacy Ratio (CAR) at 11.90% (inclusive of Capital Conservation Buffer of 1.90%), Leverage Ratio (LR) at 3.00%, Liquidity Coverage Ratio (LCR) at 100% and Net Stable Funding Ratio (NSFR) at 100% as of December 31, 2018. However, the paid up capital of the Bank (net of losses), CAR and LR are negative, while LCR is below prescribed levels as at June 30, 2019. Subsequently, from June 30, 2020 onwards, the Group achieved compliance with the applicable LCR requirements.

In light of the above, the Group is making best efforts to comply with applicable capital requirements through increase in capital / capital injection at the earliest. For this, the management has prepared a business plan, which has been approved by the Board.

This plan aims to improve the Group's capital base and risk absorption capacity and provide impetus to its future growth initiatives. The key assumptions considered in the business plan are as follows:

- Injection of capital
- Reaping benefits from the expected growth of Islamic finance in Pakistan since the Group will speed-up the implementation process of its earlier decision of conversion to a full-fledged Islamic bank;
- Recoveries from non-performing advances through strenuous and focused recovery efforts;
- Reduction in overall level of non-earning assets held by the Group;
- Identifying opportunities for rationalization of the cost structure;
- Improvement in the risk management and technological infrastructure of the Group to support the business plan;
- Investments / exposures in safe avenues for achieving solid growth in the core business income; and
- Income generation through avenues for mark-up income and non-mark-up income

In this respect, the Bank had received a revised letter dated May 20, 2021 from H.E. Nasser Abdulla Hussain Lootah (The Investor) pursuant to which The Investor had communicated his intention to acquire at least controlling stake in the Bank by subscribing to fresh equity in the Bank. In compliance with the requirements of Securities Act, 2015 and Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 applicable to such transactions, this was followed by a public announcement by The Investor of the intention to acquire at least 51% of the issued and paid up capital of the Bank together with the management control.

The Investor has submitted his offer via a letter dated October 01, 2021, as per the Share Subscription Agreement (SSA) dated October 04, 2021 entered between the Bank and The Investor for the proposed subscription of new ordinary shares in the Bank by way of fresh equity injection Without Rights Offering at a discounted price of Rs. 2.51 per share. The Investor presented the offer as set out in the Share Subscription Agreement which is duly approved by the Board of Directors. The Bank intends to issue total 5,976.096 million new ordinary shares.

The management and the Board of Directors are hopeful that with the capital injection along with the growth factors and other key assumptions stipulated in the business plan materialize, the Bank will be able to achieve compliance with applicable regulatory requirements.

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

These consolidated condensed interim financial statements represent financial statements of the Holding Company - Summit Bank Limited and its subsidiary. The assets and liabilities of subsidiary have been consolidated on a line-by-line basis and the investment held by the Holding Company is eliminated against the corresponding share capital of the subsidiary in these consolidated condensed interim financial statements.

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

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

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

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Moreover, The SBP vide BPRD Circular No. 4 of 2015, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' for banks 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.

2.3 Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its investment with investee and has the ability to effect these return through its power over the investee.

These consolidated condensed interim financial statements incorporate the financial statements of subsidiary from the date that control commences until the date that control ceases.

Non-controlling interests are that part of the net results of operations and of net assets of subsidiary attributable to the interest which are not owned by the Group. Material intra-group balances and transactions are eliminated.

2.4 Key financial figures of the Islamic banking branches are disclosed in note 39 to these consolidated condensed interim financial statements.

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

2.6 Standards, interpretations of and amendments to existing accounting standards that have become effective in the current period

IFRS 16, Leases, became effective for annual reporting periods commencing on or after January 01, 2019. The impact of the adaptation of IFRS 16 on the Group's consolidated condensed interim financial statements is disclosed in note 4.1.2.

In addition, there are certain other new standards and interpretations of and amendments to existing accounting standards that have become applicable to the Group for accounting periods beginning on or after January 01, 2019. These are considered either to not be relevant or to not have any significant impact on the Group's consolidated condensed interim financial statements.

2.7 Standards and amendments to existing accounting standards that are not yet effective

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

	Effective dates (annual periods beginning on or after)
- IFRS 3, Definition of a Business (Amendments)	January 01, 2020
- IAS 1, Presentation of Financial Statements (Amendments)	January 01, 2020
- IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 01, 2020
- IFRS 9, Financial instruments: Classification and reassessment	January 01, 2021

IFRS 9 'Financial Instruments' and amendment - Prepayment features with negative compensation (effective for annual periods beginning on or after July 01, 2018 and January 01, 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The SECP vide its notification dated February 14, 2019 modified the effective date for implementation of IFRS 9 on reporting period / year ending on or after June 30, 2019 (earlier application permitted). SBP had earlier informed the Bank that keeping in view the implementation challenges of IFRS 9 and representations by the banking industry, IFRS 9 would not be applicable on financials of period ending June 30, 2019 for banks / DFIs / MFBs. Thereafter, the SBP wide BPRD Circular No. 4 of 2019 dated October 23, 2019 has issued fresh timelines for implementation of the said standard and has issued detailed instructions over the steps required to be undertaken, setting January 01, 2021 as the effective date of implementation. The Group is in the process of assessing the full impact of this standard.

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

3. BASIS OF MEASUREMENT

3.1 Accounting convention

These consolidated condensed interim financial statements have been prepared under the historical cost convention except that certain operating fixed assets and non banking assets in satisfaction of claims are stated at revalued amounts and certain investments and derivative financial instruments have been stated at fair value and defined benefit obligations which are carried at present value.

3.2 Functional and Presentation Currency

These consolidated condensed interim financial statements are presented in Pakistani Rupees, which is the Group's functional and presentation currency.

The amounts are rounded off to the nearest thousand rupees except as stated otherwise.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2018 except as disclosed in note 4.1.

4.1 Changes in accounting policies

4.1.1 Change in reporting format

The State Bank of Pakistan (SBP) through its BPRD Circular No. 5 dated 22 March 2019 has amended the format of quarterly and half yearly financial statements of banks. All banks are directed to prepare their quarterly financial statements on the revised format effective from accounting year starting from 1 January 2019. Accordingly, the Group has prepared these condensed interim financial statements on the new format prescribed by the State Bank of Pakistan.

4.1.2 Leases

During the current period, 'IFRS 16 - Leases' becomes applicable for the Banks. IFRS 16 replaces existing guidance on accounting for Leases including 'IAS 17 - Leases', 'IFRIC' 'Determining whether an arrangement contains a Lease', 'SIC 15 - Operating Lease Incentives' and 'SIC 27 - Evaluating the substance of transactions involving the legal form of lease'. IFRS 16 introduces single lease accounting model and requires a lessee to recognize assets and liabilities of all leases with a term of more than 12 months unless the underlying assets are of low value. A lessee recognizes right-of-use asset representing its right of using underlying asset and corresponding lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the current standard i.e. lessor continue to classify leases as either finance or operating leases. The Bank has adopted IFRS 16 using the modified retrospective approach with the date of initial application as January 01, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard being recognized at the date of initial application. Accordingly, the Group has not restated comparatives for the 2018 reporting period.

On adoption of IFRS 16, the Group has recognized liabilities in respect of leases which had previously been classified as operating leases under IAS 17. These liabilities were initially measured as the present value of the remaining lease payments, discounted using the Group's incremental weighted average borrowing rate of 14.34% per annum at January 1, 2019. The Group has used a single discount rate methodology for each portfolio of leases with similar characteristics. The lease liability is subsequently measured at amortized cost using the effective interest rate method.

	Un-audited	
	June 30,	January 01,
	2019	2019
	----- (Rupees in '000) -----	
Lease Liability	2,008,784	2,075,149

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

The right of use assets recognized subsequent to the adoption are measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right of use assets are depreciated on a straight line basis over the lease term.

	Un-audited	
	June 30, 2019	January 01, 2019
	----- (Rupees in '000) -----	
Right-of-use Assets	<u>2,103,965</u>	<u>2,207,128</u>
Effect of change in Accounting policy		
Impact on Statement of Financial Position		
Increase in fixed assets - ROU Assets	2,103,965	2,207,128
Decrease in other assets - Advances, Deposits and Prepayments	(206,647)	(131,979)
Increase in other assets - Advance Taxation	-	-
Increase in other liabilities - Lease Liability in respect of ROU Assets	(2,008,784)	(2,075,149)
(Decrease) / Increase in net assets	<u>(111,466)</u>	<u>-</u>
Impact on Profit and Loss Account		
Increase in mark-up expense	(138,329)	-
	<u>(138,329)</u>	<u>-</u>

	Un-audited	
	June 30, 2019	January 01, 2019
	----- (Rupees in '000) -----	
(Increase) / decrease in administrative expenses:		
-Depreciation of ROU Assets	(257,828)	-
-Rent expense	284,691	-
	26,863	-
Increase in loss before tax	(111,466)	-
Taxation	-	-
Increase in loss after tax	<u>(111,466)</u>	<u>-</u>

Loss per share for the half year ended June 30, 2019 is Re 0.04 per share higher as a result of the adoption of IFRS 16.

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at January 01, 2019.

	(Rupees in '000)
Operating lease commitments disclosed as at December 31, 2018	<u>3,164,673</u>
Discounted using the lessee's incremental borrowing rate at the date of initial application	2,112,435
Less: short-term leases recognised on a straight-line basis as expense	<u>37,286</u>
Lease liability recognised as at January 01, 2019	<u>2,075,149</u>
Of which are:	
- Current lease liabilities	573,525
- Non Current lease liabilities	<u>1,501,624</u>
	<u>2,075,149</u>

4.1.3 IFRS 15 - Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces IAS 18 'Revenue' IAS 11 'Construction Contracts' and related interpretations.

The Group initially applied IFRS 15 on January 01, 2019 retrospectively in accordance with IAS 8 without any practical expedients. The application of IFRS 15 has no impact on the financial position and / or financial performance of the Group. Accordingly, there was no adjustment in retained earnings on application of IFRS 15 as at January 01, 2019.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

During the current period, the management of the Group has revised its estimate of the useful lives of building on leasehold land. The management has decreased the depreciation rates from 5% per annum to 2.5% to 5% per annum. The revision has been made after taking into account the expected pattern of recovery of economic benefits associated with the use of these assets. The revision has been accounted for as a change in accounting estimate as defined in International Accounting Standard 8, 'Accounting Policies, Changes in Accounting Estimate and Errors'. Had the revision in useful lives in respect of building on leasehold land not been made, depreciation expense for the period would have been higher by Rs. 127.003 million and consequently the profit before tax would have been lower by the same amount.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2018.

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	----- (Rupees in '000) -----	
7. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	2,825,213	2,699,678
Foreign currency	263,157	190,719
	3,088,370	2,890,397
With State Bank of Pakistan in		
Local currency current account	993,103	1,011,453
Foreign currency current account	403,971	302,719
Foreign currency deposit account	192,645	125,904
	1,589,719	1,440,076
With National Bank of Pakistan in		
Local currency current account	1,073,977	703,743
Prize bonds	1,465,396	8,889
	7,217,462	5,043,105
8. BALANCES WITH OTHER BANKS		
In Pakistan		
In current account	52,191	31,759
In deposit account	59,057	92,378
	111,248	124,137
Outside Pakistan		
In current account	124,464	368,270
In deposit account	706,630	515,872
	831,094	884,142
	942,342	1,008,279
9. LENDINGS TO FINANCIAL INSTITUTIONS		
Repurchase agreement lendings (Reverse Repo)	1,983,560	-
Less: Provision held against Lending to Financial Institutions	-	-
Lendings to Financial Institutions - net of provision	1,983,560	-

10 INVESTMENTS

10.1 Investments by type:

	June 30, 2019 (Un-audited)				December 31, 2018 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value

Held-for-trading securities

Shares

6,098 - (388) 5,710 - - - -

Available-for-sale securities

Federal Government Securities

- Market Treasury Bills

- Pakistan Investment Bonds

- GoP Ijarah Sukuks

2,460,819	-	(31)	2,460,788	1,377,071	-	29	1,377,100
13,828,047	-	(1,211,795)	12,616,252	13,969,584	-	(1,233,323)	12,736,261
2,250,000	-	(89,775)	2,160,225	2,250,000	-	(40,275)	2,209,725

Shares

- Fully paid up ordinary shares-Listed

- Fully paid up ordinary shares-Unlisted

- Preference shares - Unlisted

4,152,347	(2,453,061)	(148,968)	1,550,318	4,152,347	(1,947,196)	(385,542)	1,819,609
14,475	(1,000)	-	13,475	14,475	(1,000)	-	13,475
46,035	-	-	46,035	46,035	-	-	46,035

Non Government Debt Securities

- Term Finance Certificates

- Sukuk Bonds

1,601,700	(1,111,111)	-	490,589	1,611,998	(1,008,500)	-	603,498
200,000	(200,000)	-	-	402,070	(200,000)	-	202,070

24,553,423 (3,765,172) (1,450,569) 19,337,682 23,823,580 (3,156,696) (1,659,111) 19,007,773

Total Investments

24,559,521 (3,765,172) (1,450,957) 19,343,392 23,823,580 (3,156,696) (1,659,111) 19,007,773

(Un-audited) (Audited)

June 30, December

2019 2018

----- (Rupees in '000) -----

10.1.1 Investments given as collateral - Market Value

Market Treasury Bills

393,726 -

Pakistan Investment Bonds

5,235,762 8,190,815

GoP Ijarah Sukuks

288,030 2,209,725

Ordinary shares-Listed

1,464,404 1,718,824

7,381,922 12,119,364

10.2 Provision for diminution in value of investments

Opening balance

3,156,696 2,036,030

Charge / reversals

Charge for the period / year

610,376 1,120,666

Reversals for the period / year

(1,900) -

608,476 1,120,666

Closing balance

3,765,172 3,156,696

10.3 Particulars of provision against debt securities

June 30, 2019 (Un-audited)		December 31, 2018 (Audited)	
NPI	Provision	NPI	Provision

Category of classification

----- (Rupees in '000) -----

Domestic

Loss

1,520,134 1,311,111 1,522,034 1,208,500

1,520,134 1,311,111 1,522,034 1,208,500

10.4 Pursuant to the applicable Prudential Regulations, the Group has availed the Forced Sale Value (FSV) benefit of securities / collaterals held against a non-performing investment. Had this benefit of FSV not been availed by the Bank, the specific provision against investments would have been higher by Rs. 209.023 million (December 31, 2018: Rs. 313.534 million), this has a net of tax positive impact of Rs. 135.865 million (December 31, 2018: Rs. 203.797 million) on the profit and loss account. As per the applicable Prudential Regulations, the positive benefit of FSV is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

11. ADVANCES

	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Note	----- (Rupees in '000) -----					
Loans, cash credits, running finances, etc.	31,383,639	39,213,887	38,812,628	35,141,957	70,196,267	74,355,844
Islamic financing and related assets	4,303,888	5,875,686	978,809	882,663	5,282,697	6,758,349
Bills discounted and purchased	758,023	1,635,173	47,089	47,089	805,112	1,682,262
Advances - gross	36,445,550	46,724,746	39,838,526	36,071,709	76,284,076	82,796,455
Provision against advances						
- Specific	-	-	(25,312,843)	(21,502,664)	(25,312,843)	(21,502,664)
- General	(45,564)	(46,988)	-	-	(45,564)	(46,988)
	(45,564)	(46,988)	(25,312,843)	(21,502,664)	(25,358,407)	(21,549,652)
Advances - net of provision	36,399,986	46,677,758	14,525,683	14,569,045	50,925,669	61,246,803

	(Un-audited) (Audited)	
	June 30, 2019	December 31, 2018
11.1 Particulars of advances (Gross)	----- (Rupees in '000) -----	
In local currency	75,542,335	81,172,241
In foreign currencies	741,741	1,624,214
	76,284,076	82,796,455

11.2 Advances include Rs. 39,838.526 million (December 31, 2018: Rs. 36,071.709 million) which have been placed under non-performing status as detailed below:-

Category of Classification

	June 30, 2019 (Un-audited)		December 31, 2018 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	----- (Rupees in '000) -----			
Domestic				
Other Assets Especially Mentioned	140,144	2,247	505,380	721
Substandard	2,251,727	512,712	5,479,696	460,682
Doubtful	6,160,938	1,127,101	7,709,088	1,609,889
Loss	31,285,717	23,670,783	22,377,545	19,431,372
	39,838,526	25,312,843	36,071,709	21,502,664

11.3 Particulars of provision against advances

	June 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	21,502,664	46,988	21,549,652	14,909,014	30,250	14,939,264
Charge for the period / year	4,171,959	(1,424)	4,170,535	7,247,738	16,738	7,264,476
Reversals	(360,017)	-	(360,017)	(622,642)	-	(622,642)
	3,811,942	(1,424)	3,810,518	6,625,096	16,738	6,641,834
Amounts written off	(1,763)	-	(1,763)	(31,446)	-	(31,446)
Closing balance	25,312,843	45,564	25,358,407	21,502,664	46,988	21,549,652

11.3.1 The general provision against consumer financing is required to be maintained at varying percentages based on the non-performing loan ratio present in the portfolio. These percentages ranges from 1% to 2.5% for secured and 4% to 7% for unsecured portfolio.

The State Bank of Pakistan vide its circular No. 9 of 2017 dated December 22, 2017 reduced the requirement of maintaining general reserves against unsecured SE portfolio from 2% to 1%.

11.3.2 The Bank has availed the benefit of Forced Sale Value (FSV) of pledged stocks, mortgaged properties, plant and machinery, shares and Cash Margin / TDRs held as collateral against non-performing advances as allowed under the applicable Prudential Regulations issued by the State Bank of Pakistan. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 9,500.470 million (December 31, 2018: Rs. 5,944.384 million). The positive impact on the Profit and Loss Account arising from availing this benefit - net of tax amounts to Rs. 6,175.306 million (December 31, 2018: Rs. 3,863.850 million). As per the applicable Prudential Regulations, the positive impact of FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

The SBP has granted relaxation in provisioning requirements in respect of exposure in Dewan Group. Had this relaxation not been available, provision against loans and advances would have been higher by Rs. 205.502 million (December 31, 2018: Rs. 205.502 million).

		(Un-audited) June 30, 2019	(Audited) December 31, 2018
12 FIXED ASSETS	Note	----- (Rupees in '000) -----	
Capital work-in-progress	12.1	218,331	395,722
Property and equipment		8,232,198	8,355,617
Right-of-use assets	4.1.2	2,103,965	-
		<u>10,554,494</u>	<u>8,751,339</u>
12.1 Capital work-in-progress			
Civil works and related payments / progress billings		187,352	390,698
Advances and other payments to suppliers and contractors		30,979	5,024
Advances and other payments against capital work in progress considered doubtful		1,158,340	1,158,340
Less: Provision held there against		(1,158,340)	(1,158,340)
		-	-
		<u>218,331</u>	<u>395,722</u>
		(Un-audited) June 30, 2019	(Un-audited) June 30, 2018
12.2 Additions to fixed assets		----- (Rupees in '000) -----	
The following additions have been made to fixed assets during the period:			
Property and equipment			
Building improvements		170,434	8,392
Furniture and fixture		63,053	2,447
Electrical, office and computer equipment		29,032	49,869
Vehicle		-	1,793
		262,519	62,501
Right-of-use assets - net		2,103,965	-
		<u>2,366,484</u>	<u>62,501</u>
12.3 Transfer / Disposal of fixed assets			
Capital work-in-progress		177,391	734,723
The net book value of fixed assets disposed off during the period is as follows:			
Leasehold land		104,010	-
Building improvements		143	-
Building on leasehold land		89	-
Furniture and fixture		18	106
Electrical, office and computer equipment		3,661	2,345
Vehicles		1,548	-
		109,469	2,451
Total		<u>286,860</u>	<u>737,174</u>

		(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Note	----- (Rupees in '000) -----	
13. INTANGIBLE ASSETS			
Capital work-in-progress	13.1	46,161	53,488
Intangible Assets	13.2	135,319	155,930
		<u>181,480</u>	<u>209,418</u>
13.1 Capital work-in-progress			
Advances to suppliers and contractors		46,161	53,488
Advances against capital work in progress considered doubtful		141,224	141,224
Less: Provision held there against		(141,224)	(141,224)
		-	-
		<u>46,161</u>	<u>53,488</u>
13.2 Intangible Assets			
Computer softwares		70,712	73,637
Core deposits		35,040	45,534
Brand name		25,181	32,373
Trading Rights Entitlement Certificate		4,386	4,386
		<u>135,319</u>	<u>155,930</u>
		(Un-audited) June 30, 2019	(Un-audited) June 30, 2018
		----- (Rupees in '000) -----	

The following additions have been made to intangible assets during the period:

Directly purchased	<u>10,414</u>	<u>807</u>
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13.4 There were no disposals in intangible assets during the current and prior period.

14. DEFERRED TAX ASSETS

	June 30, 2019 (Un-audited)			At June 30, 2019
	At January 01, 2019	Recognised in profit and loss account	Recognised in Other Comprehensive Income	
	----- (Rupees in '000) -----			
Deductible Temporary Differences on				
- Tax losses carried forward	3,811,925	888,481	-	4,700,406
- Deficit on revaluation of investments	586,668	-	(73,309)	513,359
- Provision against advances, off balance sheet etc.	3,433,882	1,213,831	-	4,647,713
- Provision for impairment loss - investment	1,104,844	212,966	-	1,317,810
- Provision against intangible assets	43,107	-	-	43,107
- Staff compensated absences	36,027	(1,531)	-	34,496
- Unrealized loss on HFT portfolio	-	136	-	136
- Provision against other assets	149,656	-	-	149,656
- Minimum tax	773	-	-	773
- Alternative corporate tax	4,512	-	-	4,512
	<u>9,171,394</u>	<u>2,313,883</u>	<u>(73,309)</u>	<u>11,411,968</u>
Taxable Temporary Differences on				
- Surplus on revaluation of fixed assets	(1,063,624)	-	17,667	(1,045,957)
- Surplus on revaluation of property - held for sale	(406,274)	-	-	(406,274)
- Surplus on revaluation of non-banking assets	(141,352)	-	316	(141,036)
- Accelerated tax depreciation	(382,627)	9,946	-	(372,681)
- Unrealized loss / (gain) on forward exchange contracts	3,078	(86,678)	-	(83,600)
	<u>(1,990,799)</u>	<u>(76,732)</u>	<u>17,983</u>	<u>(2,049,548)</u>
	<u>7,180,595</u>	<u>2,237,151</u>	<u>(55,326)</u>	<u>9,362,420</u>

December 31, 2018 (Audited)			
At January 01, 2018	Recognised in profit and loss account	Recognised in Other Comprehensive Income	At December 31, 2018
----- (Rupees in '000) -----			
Deductible Temporary Differences on			
- Tax losses carried forward	4,103,555	(291,630)	-
- Deficit on revaluation of investments	427,093	-	159,575
- Provision against advances, off balance sheet etc.	1,309,930	2,123,952	-
- Provision for impairment loss - investment	712,611	392,233	-
- Provision against intangible assets	43,107	-	-
- Staff compensated absences	36,592	(565)	-
- Unrealized loss on HFT portfolio	5,560	(5,560)	-
- Provision against other assets	149,656	-	-
- Minimum tax	827	(54)	-
- Alternative corporate tax	4,512	-	-
	6,793,443	2,218,376	159,575
			9,171,394
Taxable Temporary Differences on			
- Surplus on revaluation of fixed assets	(452,385)	-	(611,239)
- Surplus on revaluation of property - held for sale	-	-	(406,274)
- Surplus on revaluation of non-banking assets	(151,972)	-	10,620
- Accelerated tax depreciation	(398,779)	16,152	-
- Unrealized (gain) / loss on forward exchange contracts	(30,429)	33,507	-
	(1,033,565)	49,659	(1,006,893)
			(1,990,799)
	5,759,878	2,268,035	(847,318)
			7,180,595

- 14.1 The net deferred tax asset has been recognized in accordance with the Group's accounting policy. The management, based on financial projections, estimates that sufficient taxable profits would be available in future against which the recognized deferred tax asset could be realized. The projections include certain key assumptions underlying managements estimation of profits. Any significant change in such assumptions may have effect on the recoverability of deferred tax asset. The management believes that it is probable that the Group would be able to achieve the profits and consequently, the recognized deferred tax asset will be fully realized in future.

15. OTHER ASSETS

(Un-audited) (Audited)
June 30, December 31,
2019 2018
----- (Rupees in '000) -----

Income / Mark-up accrued in local currency		1,589,417	1,631,155
Income / Mark-up accrued in foreign currency		2,762	2,805
Advances, deposits, advance rent and other prepayments		305,300	502,044
Advance taxation (payments less provisions)		613,016	601,525
Non-banking assets acquired in satisfaction of claims		2,790,775	2,821,941
Branch adjustment account		-	20
Mark to market gain on forward foreign exchange contracts		238,856	-
Acceptances		962,315	1,118,180
Receivable from brokers		-	5,038
Stationery and stamps on hand		9,005	8,999
Receivable from other banks against clearing and settlement		23,270	-
Commission receivable on home remittance		163,682	134,985
Commission receivable on brokerage		-	6,477
Property - held for sale		3,838,719	3,838,719
Account receivable		92,380	127,275
Others		435,391	435,115
		11,064,888	11,234,278
Less: Provision held against other assets	15.1	(651,408)	(648,388)
Other Assets - net of provision		10,413,480	10,585,890
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		402,963	403,865
Surplus on revaluation of property - held for sale		1,160,784	1,160,784
Other Assets - total		11,977,227	12,150,539

15.1 This represents a portion of the Bank's self constructed property which has been earmarked for selling in the near future. This property had been transferred from Property and Equipment (land and capital work in progress) to other assets at the year ended December 31, 2018. Accordingly, the surplus held on this property represents surplus recognised till December 31, 2018 i.e. till the date of transfer of this asset to the 'Other Assets' category in accordance with the accounting policy for fixed assets. Moreover, this property will be carried at lower of market value / fair value less cost to sell and carrying amount at the time of transfer from owned assets category.

	(Un-audited)	(Audited)
	June 30,	December 31,
	2019	2018
	----- (Rupees in '000) -----	
15.2 Provision held against other assets		
Income / Mark-up accrued in local currency	1,389	1,389
Advances, deposits, advance rent and other prepayments	79,664	79,664
Non banking assets acquired in satisfaction of claims	290,547	290,547
Commission receivable on guarantee	9,880	9,880
Receivable from Dewan Group	34,436	34,436
Account Receivable - Sundry Claims	200,346	197,279
Receivable from Speedway Fondmetal (Pakistan) Limited	25,694	25,694
Others	9,452	9,499
	651,408	648,388
15.2.1 Movement in provision held against other assets		
Opening balance	648,388	552,547
Charge for the period / year	3,067	96,499
Reversals	-	(564)
Amount written off	(47)	(94)
Closing balance	651,408	648,388
16. CONTINGENT ASSETS		
There were no contingent assets at the balance sheet date.		
17. BILLS PAYABLE		
In Pakistan	1,840,613	1,881,107
Outside Pakistan	-	-
	1,840,613	1,881,107
18. BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan		
- Under export refinance scheme	6,947,790	6,792,628
- Under Islamic Export Refinance Scheme (IERF)	250,000	250,000
- Under long-term financing facility	933,564	756,323
- Refinance facility for modernization of SMEs	6,538	3,363
- Repurchase agreement borrowings	5,230,547	8,163,360
	13,368,439	15,965,674
Repurchase agreement borrowings	1,193,424	1,000,000
Foreign bills - rediscounted	-	608,830
Total secured	14,561,863	17,574,504
Unsecured		
Call borrowings	-	1,911,000
Overdrawn nostro accounts	281,246	6,350
Total unsecured	281,246	1,917,350
	14,843,109	19,491,854
18.1 Particulars of borrowings with respect to Currencies		
In local currency	14,561,863	18,876,674
In foreign currencies	281,246	615,180
	14,843,109	19,491,854

19. DEPOSITS AND OTHER ACCOUNTS

	June 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In local currency	In Foreign currencies	Total	In local currency	In Foreign currencies	Total
----- (Rupees in '000) -----						
Customers						
Current deposits	29,869,276	1,696,886	31,566,162	27,684,415	1,539,251	29,223,666
Savings deposits	35,793,957	1,917,861	37,711,818	34,873,064	1,605,157	36,478,221
Term deposits	9,069,994	2,874,585	11,944,579	8,624,571	1,579,424	10,203,995
Others	3,475,365	25,170	3,500,535	4,579,025	21,838	4,600,863
	78,208,592	6,514,502	84,723,094	75,761,075	4,745,670	80,506,745
Financial Institutions						
Current deposits	886,699	120,633	1,007,332	932,005	126,472	1,058,477
Savings deposits	2,694,587	5	2,694,592	2,208,069	4	2,208,073
Term deposits	881,661	-	881,661	800,337	-	800,337
Others	-	-	-	-	-	-
	4,462,947	120,638	4,583,585	3,940,411	126,476	4,066,887
	82,671,539	6,635,140	89,306,679	79,701,486	4,872,146	84,573,632

19.1 Deposits include Eligible Deposits of Rs. 62,657.570 million (December 31, 2018: 55,944.727 million) protected under Depositors Protection Mechanism introduced by the State Bank of Pakistan.

20. SUBORDINATED DEBT

Issue amount	Rs.1,500,000,000
Issue date	October 27, 2011
Maturity date	October 27, 2020 (December 31, 2018: October 27, 2019)

These TFCs were issued by the Bank on October 27, 2011 for an initial tenure of seven years and maturity date of October 27, 2018. In order to protect the interest of the TFC Holders, the tenure of the TFC together with the payment of applicable redemption amounts was extended twice by the Bank to October 27, 2019 and October 27, 2020 through the extraordinary resolutions passed by the TFC holders on November 19, 2018, April 10, 2019 and November 20, 2019. The Bank completed necessary regulatory formalities for these extensions and executed the amended Declaration of Trusts on July 23, 2019 and September 23, 2020. A final approval of these extensions were approved by the SBP vide its letters dated October 21, 2019 and October 21, 2020.

Recently, the TFC holders of the Bank in their extraordinary meeting held on October 22, 2020 have approved another extension of one year in the tenure of the TFC issue along with the extension in the payments of all redemption amounts with the revised maturity date of October 27, 2021. The requisite formalities and compliance with the applicable regulatory requirements necessary for this extension have already been completed by the Bank and the final approval is awaited from the State Bank of Pakistan.

Rating	'D' (Default).
Security	Unsecured
Redemption / Profit payment frequency	The redemption / profit payment details are mentioned in the above maturity date clause.
Mark-up	Base rate (6 months KIBOR - ask side) plus 325 bps
Call option	The Bank had an option to call the TFC's subject to SBP's prior written approval, on any profit payment date after the 60th month from the last day of public subscription, with not less than 30 days prior notice to be given to the Trustee. The Call option once announced will not be revocable. Further, no premium will be paid to the TFC Holders in case the call option is exercised by the Bank.
Lock-in-clause	Neither interest nor principal can be paid (even at maturity) if such payments will result in a shortfall in the Group's Minimum Capital Requirements (MCR) or Capital Adequacy Ratio (CAR) or increase in the existing shortfall in MCR and CAR.

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
21. OTHER LIABILITIES		
	----- (Rupees in '000) -----	
Mark-up / return / interest payable in local currency	1,184,428	827,767
Mark-up / return / interest payable in foreign currency	886	7,780
Unearned income	9,324	15,223
Accrued expenses	111,747	201,796
Advance against sale of property	474,732	438,852
Acceptances	962,315	1,118,180
Unclaimed dividends	2,213	2,213
Mark to market loss on forward foreign exchange contracts	51,796	8,793
Branch adjustment account	57	-
Payable to defined benefit plan	61,511	33,358
Charity fund balance	56	844
Security deposits against lease	724,448	790,621
Payable to Bangladesh Bank	41,389	41,389
Payable to Rupali Bank - Bangladesh	16,293	16,293
Payable to vendors / creditors	120,474	126,321
Provision for compensated absences	101,420	105,739
Payable to Bank of Ceylon, Colombo	20,163	20,163
Retention money	20,408	6,671
Workers' welfare fund	13,360	13,360
Withholding taxes and government levies payable	34,110	13,481
Federal excise duty and sales tax payable	5,270	10,254
Payable to other banks against clearing and settlement	-	137
Commission payable on home remittances	130,933	125,375
Lease liability against right of use assets	4.1.2 2,008,784	-
Account payable	48,127	92,312
Others	379,772	417,328
	6,524,016	4,434,250
22. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS		
Surplus / (deficit) on revaluation of:		
- Available for sale securities	10.1 (1,450,569)	(1,659,111)
- Fixed assets	3,646,572	3,712,954
- Non-banking assets acquired in satisfaction of claims	15 402,963	403,865
- Property - held for sale	15 1,160,784	1,160,784
	3,759,750	3,618,492
Deferred tax on surplus / (deficit) on revaluation of:		
- Available for sale securities	513,360	586,669
- Fixed assets	(1,045,960)	(1,063,624)
- Non-banking assets acquired in satisfaction of claims	(141,037)	(141,353)
- Property - held for sale	(406,274)	(406,274)
	(1,079,911)	(1,024,582)
	2,679,839	2,593,910
23. CONTINGENCIES AND COMMITMENTS		
Guarantees	23.1 19,457,142	19,970,337
Commitments	23.2 23,838,753	31,199,152
Other contingent liabilities	23.3 10,825,176	11,661,255
	54,121,071	62,830,744
23.1 Guarantees:		
Financial guarantees	23,677	23,677
Performance guarantees	14,897,026	14,891,050
Other guarantees	4,536,439	5,055,610
	19,457,142	19,970,337

		(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Note	----- (Rupees in '000) -----	
23.2	Commitments:		
	Documentary credits and short-term trade-related transactions		
	- letters of credit	2,390,961	6,604,310
	Commitments in respect of:		
	- forward foreign exchange contracts	23.2.1 5,760,036	4,315,349
	- forward lending	23.2.2 8,943,835	7,667,231
	- operating leases	23.2.3 37,138	3,164,673
	Commitments for acquisition of:		
	- operating fixed assets	158,828	140,560
	- intangible assets	123,984	143,669
	Other commitments	23.2.4 6,423,971	9,163,360
		<u>23,838,753</u>	<u>31,199,152</u>
23.2.1	Commitments in respect of forward foreign exchange contracts		
	Purchase	5,181,404	3,404,992
	Sale	578,632	910,357
		<u>5,760,036</u>	<u>4,315,349</u>
23.2.2	Commitments in respect of forward lending		
	Forward documentary bills	4,395,729	3,458,501
	Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.2.1 4,548,106	4,208,730
		<u>8,943,835</u>	<u>7,667,231</u>
23.2.2.1	These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Group without the risk of incurring significant penalty or expense.		
		(Un-audited) June 30, 2019	(Audited) December 31, 2018
		----- (Rupees in '000) -----	
23.2.3	Commitments in respect of operating leases		
	Not later than one year	37,138	652,360
	Later than one year and not later than five years	-	1,636,820
	Later than five years	-	875,493
		<u>37,138</u>	<u>3,164,673</u>
23.2.4	Other commitments		
	Purchase (Repo)	<u>6,423,971</u>	<u>9,163,360</u>
23.3	Other contingent liabilities - claims against the Group not acknowledged as debts	<u>10,825,176</u>	<u>11,661,255</u>
23.4	In the year 2018, Law Enforcement Agencies (LEAs) initiated its investigation on certain bank accounts alleged for money laundering activities in various banks including Summit Bank Limited. The Honourable Supreme Court of Pakistan under suo moto case HRC-39216-G, appointed a Joint Investigation Team (JIT) which was constituted to investigate the matter. On recommendation of JIT, the matter was referred by the Honourable Supreme Court to the National Accountability Bureau (NAB) for further investigation and filing of references in the National Accountability Courts. The matter is currently under NAB investigations and only partial references have been filed in the NAB Courts. The Group has been and is committed to extending its full cooperation to the Law Enforcement Agencies in their investigations to the best extent possible and the matter is currently subjudice. These proceedings in the opinion of the management will not have any effect on the operations and functioning of the Group.		
23.5	Contingency for tax payable		
	Contingency related to tax payable is disclosed in note 32.2.		

		(Un-audited)	
		Half year ended	
		June 30,	June 30,
		2019	2018
Note		----- (Rupees in '000) -----	
24.	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	Loans and advances	2,335,479	3,150,573
	Investments	589,188	1,925,060
	Lendings to financial institutions	25,847	252,280
	Balances with banks	12,861	9,129
		<u>2,963,375</u>	<u>5,337,042</u>
25.	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits	2,141,086	2,490,264
	Borrowings	577,337	1,055,762
	Subordinated debt	99,617	70,776
	Cost of foreign currency swaps against foreign currency deposits / borrowings	211,602	126,064
	Finance cost of lease liability	138,329	-
		<u>3,167,971</u>	<u>3,742,866</u>
26.	FEE AND COMMISSION INCOME		
	Branch banking customer fees	2,765	35,281
	Consumer finance related fees	1,614	3,993
	Card related fees (debit cards)	42,790	44,414
	Credit related fees	5,693	12,047
	Investment banking fees	1,716	3,431
	Commission on trade	113,059	226,086
	Commission on guarantees	77,294	102,461
	Commission on cash management	1,982	1,784
	Commission on remittances including home remittances	29,481	49,352
	Commission on bancassurance	1,633	1,922
	Commission on Benazir Income Support Programme	38,409	34,653
	Alternate delivery channels	10,030	17,710
	Commission on brokerage	25,692	36,103
	Others	170	646
		<u>352,328</u>	<u>569,883</u>
27.	(LOSS) / GAIN ON SECURITIES		
	Realised	27.1 (2,260)	25,647
	Unrealised - held for trading	(388)	(19,726)
		<u>(2,648)</u>	<u>5,921</u>
27.1	Realised (loss) / gain on:		
	Federal Government Securities	(2,583)	3,275
	Shares	323	22,246
	Mutual Funds	-	99
	Non Government Debt Securities	-	27
		<u>(2,260)</u>	<u>25,647</u>

		(Un-audited) Half year ended	
		June 30, 2019	June 30, 2018
		----- (Rupees in '000) -----	
28. OTHER INCOME	Note		
Rent on property / locker		6,411	15,721
Gain on sale of fixed assets - net		30,901	2,326
Gain on sale of non banking assets - net		-	144,848
Gain on sale of ijarah assets		1,797	980
Account maintenance and other relevant charges		34,291	16,234
Recovery of expenses from customers		7,749	18,840
Others		327	133
		81,476	199,082
29. OPERATING EXPENSES			
Total compensation expense	29.1	857,575	1,059,240
Property expense			
Rent and taxes		82,068	400,545
Insurance - property		2,525	3,846
Insurance - non banking assets		80	426
Utilities cost		112,508	103,798
Security (including guards)		81,444	84,622
Repair and maintenance (including janitorial charges)		51,403	46,925
Depreciation on owned fixed assets		145,662	211,447
Depreciation on right-of-use assets		257,828	-
Depreciation on non banking assets		22,067	21,923
		755,585	873,532
Information technology expenses			
Software maintenance		25,788	25,993
Hardware maintenance		31,141	21,437
Depreciation		55,630	65,763
Amortisation core deposits and brand name		13,372	12,799
Network charges		45,191	48,476
Insurance		96	218
		171,218	174,686
Other operating expenses			
Directors' fees and allowances		550	1,900
Fees and allowances to Shariah Board		2,400	2,400
Legal and professional charges		162,982	45,534
Outsourced services costs		64,475	67,903
Travelling and conveyance		76,554	80,535
NIFT clearing charges		14,226	16,764
Depreciation on computer equipments		75,144	71,089
Amortisation of computer softwares		17,686	17,686
Training and development		2,819	3,873
Postage and courier charges		23,394	24,326
Communication		23,066	32,619
Stationery and printing		53,050	45,075
Marketing, advertisement and publicity		12,773	90,743
Brokerage and commission		1,717	9,203
Fee and Subscription		60,685	42,285
Cash transportation and sorting charges		48,416	51,284
Entertainment		16,383	17,586
Insurance		120,707	83,721
Repair and maintenance		36,544	26,771
Auditors' remuneration		9,841	7,069
Others		41,390	17,423
		864,802	755,789
		2,649,180	2,863,247

		(Un-audited)	
		Half year ended	
		June 30, 2019	June 30, 2018
Note		----- (Rupees in '000) -----	
29.1	Total compensation expense		
	Fees and Allowances etc.	15,675	18,481
	Managerial Remuneration		
	i) Fixed	531,561	652,549
	ii) Variable of which;		
	a) Cash Bonus / Awards etc.	3,334	4,520
	b) Incentives and commission	2,823	6,987
	Charge for defined benefit plan	29,653	32,127
	Contribution to defined contribution Plan	27,902	36,523
	Charge for employees compensated absences	7,140	7,500
	Rent & house maintenance	163,798	205,953
	Utilities	36,397	45,763
	Medical	39,057	48,570
	Employee old age benefit institution	235	267
	Total	857,575	1,059,240
30.	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	8,378	10,431
	Bank charges	8,513	13,409
		16,891	23,840
31.	PROVISIONS AND WRITE OFFS - NET		
	Provisions for diminution in value of investments	608,476	854,975
	Provisions against loans & advances	3,810,518	1,457,406
	Fixed assets written off	-	3,061
	Provision against other assets	3,067	93,987
	Provision against fixed asset	-	1,063,606
	Bad debts written off directly	89	3,635
	Recovery of written off / charged off bad debts	-	(828)
		4,422,150	3,475,842
32.	TAXATION		
	Current	32.1 & 32.2 47,962	81,362
	Prior years	-	-
	Deferred	(2,237,151)	176,585
		(2,189,189)	257,947

32.1 This represents the provision for minimum taxation made in accordance with the requirements of section 113 of the Income Tax Ordinance, 2001. Therefore, reconciliation of tax expense and accounting profit / loss has not been disclosed.

32.2 The Income Tax Returns of the Bank and its subsidiary have been submitted up to and including financial year ended December 31, 2017 i.e. tax year 2018.

In respect of assessments of Summit Bank Limited from tax year 2008 to tax year 2013, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand (net of rectification) of Rs.230.52 million through amended assessment orders and the same have been paid / adjusted against available refunds.

In respect of assessments of ex-My Bank Limited (now Summit Bank Limited) from tax year 2003 to tax year 2011, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand of Rs.456.62 million through amended assessment orders and the same have been paid / adjusted against available refunds.

In respect of assessments of ex-Atlas Bank Limited (now Summit Bank Limited) from tax year 2003 to tax year 2010, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand of Rs.89.74 million through amended assessment orders and the same have been paid / adjusted against available refunds.

Such issues mainly include disallowances of mark-up payable, taxation of mutual fund distribution at corporate tax rate, disallowance of provision against non-performing loans, disallowance of reversal of provisions, allocation of expenses against dividend income and capital gain, disallowances against non-banking assets etc. The Bank has filed appeals before the various appellate forums against these amended assessment orders which are either pending for hearing or order.

The management of the Bank is confident about the favourable outcome of the appeals hence, no provision / adjustment with respect to the above matters has been made in these consolidated condensed interim financial statements.

		(Un-audited) Half year ended	
		June 30, 2019	June 30, 2018
		----- (Rupees in '000) -----	
33. BASIC AND DILUTED LOSS PER SHARE	Note		
Loss for the period		<u>(4,396,592)</u>	<u>(3,833,785)</u>
		----- Number of shares -----	
Weighted average number of ordinary shares		<u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupees) -----	
Basic loss per share		<u>(1.67)</u>	<u>(1.45)</u>
		----- Number of shares -----	
Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)	33.1	<u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupees) -----	
Diluted loss per share		<u>(1.67)</u>	<u>(1.45)</u>
33.1	There are no potential ordinary shares outstanding as of June 30, 2019.		

		(Un-audited) Half year ended	
		June 30, 2019	June 30, 2018
		----- (Rupees in '000) -----	
34. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks		<u>7,217,462</u>	<u>14,973,488</u>
Balances with other banks		<u>942,342</u>	<u>2,675,717</u>
Overdrawn nostro accounts		<u>(281,246)</u>	<u>(10,274)</u>
		<u>7,878,558</u>	<u>17,638,931</u>

35. FAIRVALUE MEASUREMENTS

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

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

35.1 Fair value of financial assets

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

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

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

June 30, 2019 (Un-audited)			
Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----			

On balance sheet financial instruments

Financial assets - measured at fair value

Investments

Federal Government Securities		17,237,265	17,237,265
Shares - Listed	1,556,028		1,556,028
Non-Government Debt Securities	-	-	-

Financial assets - disclosed but not measured at fair value

Investments

- Shares - Unlisted	-	-	62,940	62,940
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Non-Financial assets - measured at fair value

Operating fixed assets	-	-	7,527,227	7,527,227
Non banking assets acquired in satisfaction of claims	-	-	2,903,191	2,903,191

Off-balance sheet financial instruments - measured at fair value

Forward purchase of foreign exchange	-	5,438,522	-	5,438,522
Forward sale of foreign exchange	-	648,966	-	648,966

December 31, 2018 (Audited)			
Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----			

On balance sheet financial instruments

Financial assets - measured at fair value

Investments

Federal Government Securities	-	16,323,086	-	16,323,086
Shares - Listed	1,819,609	-	-	1,819,609
Non-Government Debt Securities	-	12,489	-	12,489

Financial assets - disclosed but not measured at fair value

Investments

- Shares - Unlisted	-	-	62,940	62,940
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Non-Financial assets - measured at fair value

Operating fixed assets	-	-	7,616,204	7,616,204
Non banking assets acquired in satisfaction of claims	-	-	2,935,259	2,935,259

Off-balance sheet financial instruments - measured at fair value

Forward purchase of foreign exchange	-	3,416,803	-	3,416,803
Forward sale of foreign exchange	-	930,961	-	930,961

Valuation techniques used in determination of fair value

Item	Valuation approach and input used
Federal Government Securities	The fair values of Federal Government securities are determined using the PKRV rates.
Units of mutual funds	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.
Ordinary shares - Listed	The fair value of investment in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Ordinary shares - Unlisted	This represents breakup value of investments.
Non-Government Debt Securities	Investments in debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Forward foreign exchange contracts	The valuation has been incorporated by interpolating the foreign exchange revaluation rates announced by the SBP.
Operating fixed assets (land and building) and Non Banking Assets acquired in satisfaction of claims	The valuation experts used a market based approach to arrive at the fair value of the Group's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties.

36. SEGMENT INFORMATION

36.1 Segment Details with respect to Business Activities

For the half year ended June 30, 2019 (Un-audited)							
Corporate finance	Trading and sales	Branch banking	Islamic	Brokerage business	Others	Total	
(Rupees in '000)							
Profit & Loss							
Net mark-up / return / profit	(196)	(118,746)	(114,847)	25,636	3,557	-	(204,596)
Inter segment revenue - net	-	(542,237)	-	542,237	-	-	-
Non mark-up / return / interest income	7,157	368,045	410,734	(105,539)	26,639	-	707,036
Total Income	6,961	(292,938)	295,887	462,334	30,196	-	502,440
Segment direct expenses	1,150	167,448	2,278,183	149,969	47,366	21,955	2,666,071
Inter segment expense allocation	-	-	(189,404)	189,404	-	-	-
Total expenses	1,150	167,448	2,088,779	339,373	47,366	21,955	2,666,071
Provisions	-	608,477	3,527,249	286,424	-	-	4,422,150
Profit / (loss) before tax	5,811	(1,068,863)	(5,320,141)	(163,463)	(17,170)	(21,955)	(6,585,781)
As at June 30, 2019 (Un-audited)							
Corporate finance	Trading and sales	Branch banking	Islamic	Brokerage business	Others	Total	
(Rupees in '000)							
Balance Sheet							
Cash and Bank balances	-	1,786,628	5,792,134	481,730	99,312	-	8,159,804
Investments	-	17,425,584	1,885,324	-	32,484	-	19,343,392
Net inter segment lending	-	200,000	-	11,902,679	-	-	12,102,679
Lendings to financial institutions	-	1,983,560	-	-	-	-	1,983,560
Advances - performing	-	-	32,100,730	4,298,481	775	-	36,399,986
- non-performing	-	-	13,932,372	593,311	-	-	14,525,683
Others	30,230	5,026,813	17,307,341	654,030	196,922	8,860,285	32,075,621
Total assets	30,230	26,422,585	71,017,901	17,930,231	329,493	8,860,285	124,590,725
Borrowings	363	6,560,427	8,032,319	250,000	-	-	14,843,109
Subordinated debt	2,946	406,417	1,086,152	-	-	-	1,495,515
Deposits and other accounts	-	-	74,079,257	15,227,422	-	-	89,306,679
Net inter segment borrowing	-	11,902,679	-	200,000	-	-	12,102,679
Others	1,334	441,324	6,346,653	791,077	59,566	724,675	8,364,629
Total liabilities	4,643	19,310,847	89,544,381	16,468,499	59,566	724,675	126,112,611
Equity	25,587	7,111,738	(18,526,480)	1,461,732	269,927	8,135,610	(1,521,886)
Total Equity and liabilities	30,230	26,422,585	71,017,901	17,930,231	329,493	8,860,285	124,590,725
Contingencies and Commitments	-	12,184,007	25,645,276	5,183,800	-	11,107,988	54,121,071

For the half year ended June 30, 2018 (Un-audited)						
Corporate finance	Trading and sales	Branch banking	Islamic	Brokerage business	Others	Total
(Rupees in '000)						
Profit & Loss						
Net mark-up / return / profit	(32)	663,979	504,971	422,921	2,337	1,594,176
Inter segment revenue - net	-	6,401	-	(6,401)	-	-
Non mark-up / return / interest income	46	369,078	599,329	36,029	43,585	1,192,915
Total Income	14	1,039,458	1,104,300	452,549	45,922	2,787,091
Segment direct expenses	229	228,183	2,238,607	346,303	51,609	2,887,087
Inter segment expense allocation	-	-	(201,952)	201,952	-	-
Total expenses	229	228,183	2,036,655	548,255	51,609	2,887,087
Provisions	-	827,983	2,645,366	2,493	-	3,475,842
Profit / (loss) before tax	(215)	(16,708)	(3,577,721)	(98,199)	(5,687)	(3,575,838)

As at December 31, 2018 (Audited)						
Corporate finance	Trading and sales	Branch banking	Islamic	Brokerage business	Others	Total
(Rupees in '000)						
Balance Sheet						
Cash and Bank balances	-	2,090,681	3,499,928	347,536	113,239	6,051,384
Investments	-	16,774,074	2,200,302	-	33,397	19,007,773
Net inter segment lending	-	700,000	-	10,722,364	-	11,422,364
Lendings to financial institutions	-	-	-	-	-	-
Advances - performing	-	-	40,814,032	5,862,800	926	46,677,758
- non-performing	-	-	13,768,955	800,090	-	14,569,045
Others	4,010	4,059,629	11,199,049	592,337	247,164	28,291,891
Total assets	4,010	23,624,384	71,482,266	18,325,127	394,726	126,020,215
Borrowings	3	11,076,822	8,165,029	250,000	-	19,491,854
Subordinated debt	678	579,924	914,913	-	-	1,495,515
Deposits and other accounts	-	-	69,360,913	15,212,719	-	84,573,632
Net inter segment borrowing	-	10,722,364	-	700,000	-	11,422,364
Others	497	514,859	4,743,509	537,213	103,611	6,315,357
Total liabilities	1,178	22,893,969	83,184,364	16,699,932	103,611	123,298,722
Equity	2,832	730,415	(11,702,098)	1,625,195	291,115	11,774,034
Total Equity and liabilities	4,010	23,624,384	71,482,266	18,325,127	394,726	126,020,215
Contingencies and Commitments	-	13,475,014	31,289,074	6,125,410	-	11,941,246
						62,830,744

36.1.1 The Group does not have any operations outside Pakistan.

37. RELATED PARTY TRANSACTIONS

The Group has related party transactions with its parent, employee benefit plans and its directors and Key Management Personnel.

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

Details of transactions with related parties during the period / year, other than those which have been disclosed elsewhere in these financial statements are as follows:

	June 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	Parent company	Key management personnel	Other related parties	Parent company	Directors management personnel	Other related parties
	(Rupees in '000)					
Balances with other banks						
In current accounts	-	-	-	-	-	26,457
Investments						
Opening balance	-	-	1,713,990	-	-	1,803,185
Investment made during the period / year	-	-	-	-	-	54,983
Investment redeemed / disposed off during the period / year	-	-	-	-	-	(133,317)
Transfer in / (out) - net	-	-	(21,500)	-	-	(10,861)
Closing balance	-	-	1,692,490	-	-	1,713,990
Provision for diminution in value of investments	-	-	1,607,067	-	-	1,539,327
Advances						
Opening balance	-	259,303	932,302	-	-	1,213,053
Addition during the period / year	-	73,474	408,415	-	-	32,134
Repaid during the period / year	-	(55,744)	(407,694)	-	-	(180,248)
Transfer in / (out) - net	-	(43,228)	(232,991)	-	-	(2,117)
Closing balance	-	233,805	700,032	-	-	259,303
Provision held against advances	-	-	167,422	-	-	-

	June 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	Parent company	Key management personnel	Other related parties	Parent company	Key management personnel	Other related parties
	(Rupees in '000)					
Other Assets						
Interest / mark-up accrued	-	-	18,378	-	758	22,292
Other receivable	699	2,361	-	578	2,002	757
Deposits and other accounts						
Opening balance	-	13,421	1,769,716	-	32,259	860,510
Received during the period / year	-	151,182	257,860	-	566,173	16,458,586
Withdrawn during the period / year	-	(153,316)	(448,985)	-	(37,261)	(15,549,380)
Transfer in / (out) - net	-	(18,463)	(250,336)	-	(13,882)	-
Closing balance	-	12,347	1,328,255	-	18,463	1,769,716
Other Liabilities						
Interest / mark-up payable	-	191	12,997	-	119	11,855
Payable to staff retirement fund	-	-	61,511	-	-	33,358
Payable to Rupali Bank Limited	-	-	-	-	-	16,293
Contingencies and Commitments						
Guarantees, letters of credit and acceptances	-	-	248,500	-	-	918,975
Commitments to extend credit	-	-	265,655	-	-	230,337

	For the half year ended June 30, 2019 (Un-audited)			For the half year ended June 30, 2018 (Un-audited)		
	Parent company	Key management personnel	Other related parties	Parent company	Key management personnel	Other related parties
	(Rupees in '000)					
Income						
Mark-up / return / interest earned	-	4,780	40,513	-	8,976	53,020
Fee and commission income	-	11	-	-	67	-
Dividend income	-	-	-	-	-	612
Loss on securities	-	-	-	-	-	(7,505)
Foreign exchange income	-	-	-	-	-	7,499
Other income	-	8	-	-	-	-
	-	372	78,157	-	408	8,410
Expense						
Mark-up / return / interest paid	-	-	-	-	-	-
Operating expenses:						
- Rent and taxes	-	-	-	-	-	17,301
- Directors' fees and allowances	-	-	-	-	-	-
- Legal and professional charges	-	550	-	-	1,900	-
- Training and development	-	-	-	-	-	265
- Marketing, advertisement and publicity	-	-	-	-	-	1,687
- Fee and subscription	-	1,104	-	-	-	100
- Managerial Remuneration	-	87,446	-	-	1,361	750
Contribution to defined contribution plan	-	-	-	-	-	-
Charge for defined benefit plan	-	-	27,902	-	-	37,683
Provision for diminution in value of Investments	-	-	29,653	-	-	32,145
	-	-	73,416	-	-	8,247

Directors include Non-Executive Directors only. Executive Directors including the President / CEO are part of key management personnel.

38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

(Un-audited) (Audited)
June 30, December 31,
2019 2018
----- (Rupees in '000) -----

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses) (4,355,887) (26,579)

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier I (CET I) Capital	(14,419,356)	(7,731,810)
Eligible Additional Tier I (ADT I) Capital	-	-
Total Eligible Tier I Capital	(14,419,356)	(7,731,810)
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier I + Tier 2)	<u>(14,419,356)</u>	<u>(7,731,810)</u>

Risk Weighted Assets (RWAs):

Credit Risk	80,787,529	82,555,930
Market Risk	5,428,367	8,129,083
Operational Risk	8,564,851	8,723,054
Total	<u>94,780,747</u>	<u>99,408,067</u>

Common Equity Tier I Capital Adequacy ratio

-15.21% -7.78%

Tier I Capital Adequacy Ratio

-15.21% -7.78%

Total Capital Adequacy Ratio

-15.21% -7.78%

Leverage Ratio (LR):

Eligible Tier-I Capital	(14,419,356)	(7,731,810)
Total Exposures	<u>144,203,037</u>	<u>184,103,481</u>
Leverage Ratio	<u>-10.00%</u>	<u>-4.20%</u>

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	13,850,344	27,495,433
Total Net Cash Outflow	<u>18,291,427</u>	<u>31,044,717</u>
Liquidity Coverage Ratio	<u>75.72%</u>	<u>88.57%</u>

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	72,611,450	72,435,261
Total Required Stable Funding	<u>71,796,126</u>	<u>82,307,865</u>
Net Stable Funding Ratio	<u>101.14%</u>	<u>88.01%</u>

39. ISLAMIC BANKING BUSINESS

The Bank commenced its Islamic Banking Operations in Pakistan on March 07, 2014 and is operating with 14 (December 31, 2018: 14) Islamic banking branches and 35 (December 31, 2018: 35) Islamic banking windows at the end of the period.

**STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019**

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
Note	----- (Rupees in '000) -----	
ASSETS		
Cash and balances with treasury banks	450,362	269,475
Balances with other banks	31,368	78,061
Due from financial institutions	39.1 11,902,679	10,722,364
Investments	-	-
Islamic financing and related assets - net	39.2 4,891,792	6,662,890
Fixed assets	318,065	121,507
Intangible assets	5,750	6,861
Due from Head Office	-	-
Other assets	330,215	463,969
Total Assets	17,930,231	18,325,127
LIABILITIES		
Bills payable	163,800	125,319
Due to financial institutions	39.3 450,000	950,000
Deposits and other accounts	39.4 15,227,422	15,212,719
Due to Head Office	-	-
Subordinated debt	-	-
Deferred tax liabilities - net	-	-
Other liabilities	627,277	411,894
	16,468,499	16,699,932
NET ASSETS	1,461,732	1,625,195
REPRESENTED BY		
Islamic Banking Fund	1,000,000	1,000,000
Reserves	-	-
Surplus on revaluation of assets	-	-
Unappropriated / unremitted profit	461,732	625,195
	1,461,732	1,625,195
CONTINGENCIES AND COMMITMENTS	39.5	

**ISLAMIC BANKING BUSINESS
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 2019**

	June 30, 2019	June 30, 2018
Note	----- (Rupees in '000) -----	
Profit / return earned	39.6	931,468
Profit / return expensed	39.7	396,925
Net Profit / return	567,873	422,921
Other income		
Fee and commission income	24,916	48,510
Dividend income	-	-
Foreign exchange loss	(132,359)	(16,635)
Income / (loss) from derivatives	-	-
Loss on sale of securities	(3,090)	(903)
Other income	4,994	5,057
Total other (loss) / income	(105,539)	36,029
Total Income	462,334	458,950
Other expenses		
Operating expenses	339,126	346,303
Workers' welfare fund	-	-
Other charges	247	804
Total other expenses	339,373	347,107
Profit before provisions	122,961	111,843
Provisions and write offs - net	286,424	2,493
(Loss) / profit before taxation	(163,463)	109,350
Taxation	-	-
(Loss) / profit after taxation	(163,463)	109,350

	June 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
Note	----- (Rupees in '000) -----					
39.1 Due from financial institutions						
Bai Muajjal Receivable						
from other Financial Institutions	39.1.1	11,902,679	-	11,902,679	10,722,364	-
				10,722,364		10,722,364

39.1.1 This represents Bai Muajjal agreements with conventional operations of Summit Bank Limited.

	Note	(Un-audited) (Audited)	
		June 30, 2019	December 31, 2018
39.2 Islamic financing and related assets		----- (Rupees in '000) -----	
Ijarah		776,335	919,439
Murabaha		13,944	16,444
Running Musharakah		678,960	1,007,981
Diminishing Musharakah		3,043,010	3,721,717
Istisna		31,403	31,403
Tijarah		739,045	1,056,823
Advance against Murabaha		-	4,042
Advance against Diminishing Musharakah		-	500
Gross Islamic financing and related assets		5,282,697	6,758,349
Less: provision against Islamic financings			
- Specific		385,498	82,573
- General		5,407	12,886
		390,905	95,459
Islamic financing and related assets - net of provision		4,891,792	6,662,890

39.3 Due to financial institutions

Secured

Acceptances from the SBP under Islamic Export Refinance Scheme

250,000 250,000

Unsecured

Musharakah

39.3.1 200,000 700,000

450,000 950,000

39.3.1 This represented Musharaka acceptance with conventional operations of Summit Bank Limited.

39.4 Deposits

	June 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
Customers						
Current deposits	5,398,447	690,494	6,088,941	4,865,906	541,588	5,407,494
Savings deposits	7,113,412	191,869	7,305,281	7,700,010	127,458	7,827,468
Term deposits	1,135,915	205,521	1,341,436	1,038,665	95,320	1,133,985
Margin accounts	271,718	-	271,718	581,337	-	581,337
	13,919,492	1,087,884	15,007,376	14,185,918	764,366	14,950,284
Financial Institutions						
Current deposits	80,504	123	80,627	96,313	107	96,420
Savings deposits	139,419	-	139,419	156,015	-	156,015
Term deposits	-	-	-	10,000	-	10,000
	219,923	123	220,046	262,328	107	262,435
	14,139,415	1,088,007	15,227,422	14,448,246	764,473	15,212,719

39.4.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs 10,936.551 million (2018: Rs. 8,885.304 million).

39.5 CONTINGENCIES AND COMMITMENTS

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	----- (Rupees in '000) -----	
Guarantees	4,361,276	4,478,490
Commitments	822,524	1,646,920
Other contingent liabilities	-	-
	5,183,800	6,125,410

39.6 Profit/Return Earned of Financing, Investments and Placement

	(Un-audited)	
	June 30, 2019	June 30, 2018
	----- (Rupees in '000) -----	
Profit earned on:		
Financing	382,543	447,409
Investments	-	258,005
Placements	548,642	114,432
Balances with banks	283	-
	931,468	819,846

39.7 Profit on Deposits and other Dues Expensed

Deposits and other accounts	339,624	396,925
Due to Financial Institutions	8,302	-
Finance cost of Lease Liability	15,669	-
	363,595	396,925

	(Un-audited) June 30, 2019	(Audited) December 31, 2018
	----- (Rupees in '000) -----	
39.8 Islamic banking business unappropriated profit		
Opening balance	625,195	541,772
(Less) / add: Islamic banking (loss) / profit for the period	(163,463)	83,423
Closing balance	<u>461,732</u>	<u>625,195</u>

40 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on October 08, 2021 by the Board of Directors of the Group.

President /
Chief Executive

Chief Financial Officer

Director

Director

Director

BRANCH NETWORK
CONVENTIONAL BANKING BRANCHES

KARACHI

Abdullah Haroon Road Branch

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

Adamjee Nagar Branch

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

Atrium Mall Branch

Shop No. 6 and 21 Ground floor, Plot No. 249, Atrium Mall, Staff Lines, Zaibunnisa Street, Saddar, Karachi
Tel: 021-35641001-7
Fax: 021-35641008

Badar Commercial Branch

Plot No. 41-C, Badar Commercial, Street No. 10, Phase-V Extension, DHA Karachi
Tel: 021-35348501-3
Fax: 021-35348504

Bahadur Shah Center Branch

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

Bahadurabad Branch

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

Barkat-e- Hyderi Branch

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

Burns Road Branch

Plot No. 55-A, Survey Sheet A.M., Artillery Maidan Quarters (Burns Road), Karachi.
Tel: 021-32215174, 75 & 76
Fax: 021-32215289

Clifton Branch

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

Cloth Market Branch

41, Saleh Muhammad Street, Cloth Market, Karachi
Tel: 021-32461601-03 & 32461605
Fax: 021-32461608

Defence Branch

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

DHA Phase I Branch

101-C, Commercial Area 'B', Phase-I DHA, Karachi
Tel: 021- 35314061, 35314063-67, 35314105
Fax: 021-35314070

DHA Phase IV Branch

Plot # 129, 9th Commercial Street, Phase IV, DHA, Karachi
Tel: 021-35313068-70
Fax: 021-35313071

Dhoraji Colony 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

Ex. Dolmen City Branch

temporary shifted to:
Plot No. G-2, Block 2, (Ground Floor), Clifton, Karachi
Tel: 021-3572020-22
Fax: 021-3572023

Electronic Market (Abdullah Haroon Road) Branch

Shop No 1 & 2, Plot # 19, Ghafoor Chambers, Preedy Quarters, Saddar, Karachi
Tel: 021-32711614-8
Fax: 021-32716113

Fish Harbour Branch

K - 3, Export Zone, Adjacent Main Auction Hall, Fish Harbour, Karachi
PABX: 021-32315383 - 85
Fax: 021-32315386

Garden East Branch

Shop No. 1, 2, 3, 4, 5 & 6, Jumani Centre Plot No. 177-B, Garden East, Karachi
Tel: 021-32243311-13
Fax: 021-32243314

Gulistan-e-Jauhar - Branch I

Plot # 118/A-B, Shop # 02, 03, 04 Ground Floor Ruffi Paradise Block-18 Gulistan-e-Jauhar, Karachi
Tel: 021-34621281-4
Fax: 021-34621285

Gulistan-e-Jauhar - Branch 2

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

Gulshan-e-Iqbal - Branch 1

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

Gulshan-e-Iqbal - Branch 2

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

Hyderi Branch

D-10 Block-F, North Nazimabad, Hyderi, Karachi.
Tel: 021-36724991-4
Fax: 021-36724972

Unitower I. I. Chundrigar Road Branch I

Uni Towers, I.I. Chundrigar Road, Karachi.
Tel: 021-32466410-13
Fax: 021-32466500

Jami Commercial, DHA Branch

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

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

Jodia Bazar - Branch I

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

Karachi Stock Exchange Branch

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

Karimabad Branch

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

Khayaban-e-Shahbaz Branch

Plot No. 21-C Khayaban-e-Shahbaz, Phase VI, DHA, Karachi
Tel: 021-35344952, 35344957 & 35344963
Fax: 021-35344942

Khayaban-e-Tanzeem Branch

C 4-C, Tauheed Commercial, Khayaban-e-Tanzeem, Phase-5, DHA, Karachi
Tel: 021-35869147-35810977 & 35871640
Fax: 021-35869342

Korangi Industrial Area Branch

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

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

Muhammad Ali Society Branch

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

Nazimabad (Gol Market) Branch

Plot # 7, Sub Block 'E', in Block # III (III-E-7), Nazimabad (Gole Market), Karachi
Tel: 021-36620261-63 & 36620267
Fax: 021-36620264

New Challi Branch

Plot No. 27, Survey No. 27, (New Challi), Altaf Hussain Road, Karachi.
Tel: 021 - 32423999 - 32423737
Fax: 021 - 32422051

North Karachi Industrial Area Branch

Plot No. R-14, Gabol Town, North Karachi Industrial Area, Karachi
Tel: 021-32015919, 36995925 & 36963445
Fax: 021-36975919

Sea View, Clifton Branch, Karachi

Plot No. G - 2, Block 2, (Ground Floor), Clifton, Karachi.
Tel: 021 - 3572020 -22
Fax: 021 - 3572023

PAF-Base Faisal Branch

Camp-2, Faisal Arcade, PF-I, Market PAF-Base Faisal, Karachi
PABX: 021-34601360-62
Fax: 021-34601363

Paper Market Branch

Al-Abbas Centre, Paper Market, Shahrah-e-Liaquat, Karachi
Tel: 021-32639671-2 & 32634135
Fax: 021-32639670

Plaza Quarters Branch

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

Ranchore Line Branch

R.C. 11, Old Survey # E-7/143, Ranchore Line, New Lakhpati Hotel, Karachi
Tel: 021-32767234-36
Fax: 021-32767460

Rizvia Society Branch

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

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

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: 021-32815095

Shahrah-e-Faisal - Branch II

Business Avenue Block-6, P.E.C.H.S., Karachi
Tel: 021-34386417-18 & 34374476
Fax: 021-34531819

Shershah Branch

Plot # D-175, Industrial Trading Estate Area, Trans Lyari Qtrrs, Shershah, Karachi
Tel: 021-32588191-93
Fax: 021-32588195

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

Steel Market Branch

Ground Floor, Shop # G-13, 14, 32, 33 Steel Market, Ranchore lines Quarters, Karachi
Tel: 021-32763001- 07
Fax: 021-32763009

Tariq Road Branch

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

Timber Market Branch

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

Malir Cantt Branch

Army Shopping Complex, Adjacent Tooba Army Store Malir Cantonment, Karachi
Tel: 021-34196142-44
Fax: 021-34196145

Water Pump Branch

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

Com-3, Clifton Branch, Karachi

Show Room No. 12, "Com-3", (Opp: Bar B. Q. Tonight), Block 6, Clifton, Karachi.
Tel: 021 - 35148311 - 13
Fax: 021 - 35148314

LAHORE

DHA Phase-VI Branch

Property No 16-MB, Block MB, Phase VI DHA Lahore
Tel: 042-37189650-52
Fax: 042-37189653

Allama Iqbal Town Branch

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

Azam Cloth Market Branch

285-286, Punjab Block, Azam Cloth Market, Lahore
Tel: 042-37661686, 37660341 & 37660298
Fax: 042-37661863

Badami Bagh Branch

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

Bahria Town Branch

Plot No. 31 - B, Sector 'C', Bahria Town, Lahore
Tel: 042 - 37862380 - 82
Fax: 042-37862379

Bedian Road Branch

Plot No. 2512/1, Phase-VI, Bedian Road, Talal Medical Center, Lahore
Tel: 042-37165300-03
Fax: 042-37165304

Circular Road Branch

Babar Centre, 51, Circular Road, Lahore
Tel: 042-37379371 - 75
Fax: 042-37379370

Darogawala Branch

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

DHA G Block Branch

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

DHAY Block Branch

163, Block Y, Phase III, DHA Lahore Cantt
Tel: 042-35692531-36
Fax: 042-35692690

Egerton Road Branch

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

Faisal Town Branch

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

Ferozepur Road Branch

Siza Farmer Factory, Sufiabad, Lahore
Tel: 042- 35401751-3, 35401754
Fax: 042-35800094

Gulberg Branch

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

Ichra More Branch

House # 146, Muhallah Ferozepur Road, Ichra More, Lahore
Tel: 042-37572090-93 - 042-37426301
Fax: 042-37572089

Johar Town Branch

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

Kashmir Block, Allama Iqbal Town Branch

Plot # 1, Kashmir Block, Allama Iqbal Town
Scheme, Lahore
Tel: 042-37809021-24
Fax: 042-37809026

Lahore- Cantt Branch

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

Lahore Stock Exchange Branch

Office No. 1, Lower Ground floor # 1, Lahore Stock
Exchange Plaza, Plot No. 19, Khasra No. 1047, 19,
Khayaban e Aiwan e Iqbal, Lahore
Tel: 042-36280853 - 56
Fax: 042-36280851

Liberty Market Branch

Shop No.02 & 03, Ground floor, Diamond Tower,
28 Commercial Zone, Liberty Market, Gulberg III,
Lahore
Tel: 042- 35717273, 35763308
Fax: 042-35763310

Mall Road Branch

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

Model Town Branch

14-15, Central Commercial Market, Model Town, Lahore
Tel: 042-35915540-42 & 35915548
Fax: 042-35915549

New Garden Town Branch

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

Empress Road Branch

Plot #. 29, Empress Road, Lahore
Tel: 042-36300670-3
Fax: 042-36310362

Shah Alam Gate Branch

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

Urdu Bazar Branch

S - 38-R, Urdu Bazar Chowk - 205, Circular Road, Lahore
Tel: 042-37116001-3
Fax: 042-37116004

Wahdat Road Branch

Mauza Ichra, Wahdat Road, Lahore
Tel: 042-37503001-3
Fax: 042-37503004

Z Block DHA Branch

323-Z, DHA, Phase-3, Lahore
Tel: 042-35693112-5
Fax: 042-35693117

ISLAMABAD

Bahria Town Branch

Plot # 3-4, Express Way, Sufiyan Plaza,
Phase VII, Bahria Town, Islamabad
Tel: 051- 5707360 – 63-65
Fax: 051-5707358

Barah Koh Branch

Murree Road, Tehsil / District,
Islamabad
Tel: 051- 2321712- 13
Fax: 051-2321714

Blue Area Branch

20 - Al- Asghar Plaza, Blue Area,
Islamabad
Tel: 051 -2823204, 2827913
Fax: 051-2274276

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

G-11 Markaz Branch

Shop #. 25-34, Plot # 23, Sajid Sharif
plaza, G-11 Markaz, Islamabad
Tel: 051-2220973-6
Fax: 051-2220977

I-9 Markaz Branch

Plot # 3/L, Shops Nos. 6, 7, 13, & 14, I-9,
Markaz, Islamabad
Tel: 051-4449832-35
Fax: 051-4449836

Stock Exchange Branch

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

Super Market Branch

Shop No. 9, Block - C, F-6 Markaz, Islamabad.
Tel: 051-2279168-170 & 051-2824533-34
Fax: 051-2279166

RAWALPINDI

The Mall Road Branch, Rawalpindi

Shop No. 31-A/4, The Mall Road,
Opp: State Life Bldg., Saddar,
Rawalpindi Cantt.
Tel: 051-5564123, 051-5120777-80
Fax: 051-5528148

Raja Bazar Branch

Raja Bazar, Rawalpindi
Tel: 051-5553504, 5557244 & 5777707 - 5534173-5557244
Fax: 051-5559544

Shamsabad Muree Road Branch

DD/29, Shamsabad Murree Road, Ojri Kalan, Rawalpindi
Tel: 051-4854400, 4854401-03
Fax: 051-4854404

FAISALABAD

Satiana Road Branch

679-DGM, Batala Colony, Satiana Road, Faisalabad
Tel: 041 - 8500569 - 71
Fax: 041 - 8500568

Jail Road Branch

House No. P-62, opposite Punjab Medical College,
Jail Road, Faisalabad
Tel: 041-8813541-43
Fax: 041-8813544

Kotwali Road Branch

P-12, Kotwali Road, Faisalabad
Tel: 041-2412151-53
Fax: 041-2412154

Liaquat Road Branch

Liaquat Road, Chak # 212, Faisalabad
Tel: 041-2541257-59
Fax: 041-2541255

Susan Road Branch

Chak No. 213/RB Susan Road, Faisalabad
Tel: 041-8502367-69
Fax: 041-8502371

MULTAN

Vehari Road Branch

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

Abdali Road Branch

Plot No. 66-A & 66-B/9, Abdali
Road, Multan
Tel: 061-4588171, 4588172 & 4588175-78
Fax: 061-4516762

Hussain Agahi Road Branch

2576, Hussain Agahi Road, Multan
Tel: 061-4548083, 4583268, 4583168 & 4584815
Fax: 061-4543794

Qadafi Chowk Branch

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

SUKKUR

Marich Bazar Branch

B – 885, Marich Bazar, Sukkur
Tel: 071-5627781-2
Fax: 071-5627755

Shikarpur Road Branch

Shop # D-195, Ward D, Near A Section Police Station
Shikarpur Road, Sukkur
Tel: 071-5617142-44
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: 071-5616584

GUJRANWALA

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

Wapda Town Branch

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

GUJRAT

GT Road Branch

Small Estate, G.T. Road, Gujrat
Tel: 053-3534208, 3533949 & 3534208
Fax: 053-3533934

Gujrat Branch

Main GT Road Tehsil & Distt., Gujrat
Tel: 053-3517051-54
Fax: 053-3516756

Katchery Chowk Branch

Shop #. 1263 & 1270 B-II, Katchery Chowk,
Opp. Zahoor Elahi
Satadium, Near New Narala Bakers, Gujrat
Tel: 053-3601021-24
Fax: 053-3601025

PESHAWAR

Deans Trade Center Branch
Deans Trade Centre, Islamia Road, Peshawar
Tel: 091-5253081 -3 & 5
Fax: 091-5253080

Fruit Market Branch

Near Fruit Market, G.T. Road, Peshawar
Tel: 091-2260373-4
Fax: 091-2260375

Hayatabad Branch

Shop# 1, Hayatabad Mall, Baghee-Naran Road,
Phase II, Sector J-I Hayatabad Peshawar.
Tel: 091-5822923-25
Fax: 091-5822926

Main University Road Branch

Tehkal Payan, Main University Road-Peshawar
Tel: 091-5850540-41 & 5850548-9
Fax: 091-5850546

Milad Chowk Branch

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

QUETTA

Fatima Jinnah Road Branch

Plot No. Khasra No.134 & 138, Ward No. 19,
Urban # 1, Fatima Jinnah Road, Quetta
Tel: 081-2301094-95
Fax: 081-2301096

Liaquat Bazar Branch

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

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

Regal Chowk Branch

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

ABBOTTABAD

Abbottabad Branch
Sitara Market, Mansehra Road, Abbottabad
Tel: 0992- 385931-34
Fax: 0992-385935

ATTOCK

Hassan Abdal Branch

Survey No. 1269/1624, Khasra No. 1935, G.T. Road,
Hassan Abdal, District Attock
Tel: 057-2520328-331 & 2520320-321

Fateh Jang Branch

Main Rawalpindi Road, Fateh
Jang Distt Attock
Tel: 057-2210321-23
Fax: 057-2210324

AZAD KASHMIR

Dadyal Branch

Choudhary Centre, Ara Jattan, Dadyal, Azad Kashmir
Tel: 05827-463475
Fax: 05827-465316

Mirpur Azad Kashmir - Branch I

NS Tower 119 F/1, Kotli Road
Mirpur, Azad Kashmir
Tel: 05827-437193-97
Fax: 05827-437192

Mirpur Azad Kashmir Branch (2)

Ghazi Archade, 6-B/3, Part II, Allama Iqbal Road,
Mirpur, Azad Kashmir
Tel: 05827-446405, 446407-9
Fax: 05827-446406

Muzzafarabad Branch

Sangam Hotel, Muzzafarabad - Azad Jammu Kashmir (AJK)
Tel: 05822-924203-5
Fax: 05822-924206

Shaheed Chowk Branch

Deen Plaza, Shaheed Chowk, Kotli, Azad Kashmir
Tel: 05826-448453-54
Fax: 05826-448455

CHAK GHANIAN

Chak Ghanian Branch

Plot No. 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

CHAMMAN - Rural

Chamman Branch

Khashra No. 1323 & 2324 Abdali Bazar, Dola Ram Road,
Tehsil Chaman, District Qila Abdullah, Baluchistan
Tel: 0826-618137-39
Fax: 0826-618143

DADU

Dadu Branch

CS No. 1036/2, Ward 'B', Station Road,
Dadu, Sindh
Tel: 0254-711471-3
Fax: 0254-711474

DINA

Dina Branch

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

GAWADAR

Gawadar Branch

Plot Askani Hotel, Mullah Faazul Chowk, Gawadar
Tel: 0864-212144- 212146
Fax: 0864-212147

GHOTKI

Ghotki Branch

CS # 395 & 407, Muhallah Machhi Bazar,
Opp: Sarkari Bagh, Ghotki, Sindh
Tel: 0723-681571 - 73
Fax: 0723-681574

GILGIT - Rural

Gilgit Branch

Khasra# 1103, 1112, 1113,
Haji Ghulam Hussain Building
Raja Bazar Gilgit
Tel: 05811-457366-68
Fax: 05811-457369

GUJAR KHAN

Gujar Khan Branch

Plot # 58-D, 59-C, Sector/Block Area
Development, Scheme # 1, Akbar Kayani
Plaza, G.T. Road, Gujjar Khan
Tel: 051-3516431-4 & 3516436
Fax: 051-3516435

HARIPUR

Haripur Branch

Ground Floor; Akbar Arcade, Main G.T. Road, Haripur
Tel: 0995- 610832 - 34
Fax: 0995-610829

HAZRO

Hazro Branch

Plot # B -386, 386-A, Dawood Centre, Bank Square,
Ziaul Haq Road, Hazro
Tel: 057-2313283 - 85
Fax: 057-2313286

HYDERABAD

Bohri Bazar Hyderabad Branch

41/364, Saddar, Bohri 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 & 2652204-5
Fax: 022-2650745

JACOBABAD

Jacobabad Branch

C.S.No. 480, Ward # 5, Town, Jacobabad - Sindh
Tel: 0722-650071 - 73
Fax: 0722-650074

JEHLUM

Jhelum Branch

Plot # 89, Mehfooz Plaza, Kazim Kamal Road, Jhelum Cantt.
Tel: 0544-720216 - 18
Fax: 0544-720219

KAMBAR

Shahdad Kot Branch

C.S. No. 1048, 1051, 1052, 1054, Ward 'B',
Taluqa Shahdad Kot, District Kambar, Sindh
Tel: 074-4014461-63
Fax: 074-4014464

KAMOKE

Kamoke - GT Road Branch

Madni Trade Centre, G.T Road, Kamoke
Tel: 055- 6815175-76
Fax: 055-6815184

KANDH KOT

Kandh Kot Branch

Registry # 505 & 520, Mukhi Muhallah,
Adjacent: Press Club, Kandh Kot, Sindh
Tel: 0722-572604 - 6 & 0722-675607
Fax: 0722-572607

KASUR

Gawadar Branch

Plot Askani Hotel, Mullah Faazul Chowk, Gawadar
Tel: 0864-212144- 212146
Fax: 0864-212147

GHOTKI

Kasur Branch

Near Pul Qatal Gahri, Kutchery Road, Kasur.
Tel: 049-2721993
Fax: 049-2721994

KHAIRPUR - Rural

Pacca Chang Branch

CS No. 418/1-08, Deh. Pacca Chang,
Taluqa Faiz Ganji, District Khairpur, Sindh
Tel: 0243-557403-5
Fax: 0243-557406

KOT ADDU

Kot Addu Branch

Property # 43, RH, 48/A-49-50, Ward B-III,
Kot Addu District, Muzaffar Garh
Tel: 066-2240206-07
Fax: 066-2240208

LALAMUSA

Lalamusa Branch

G.T. Road, Lalamusa
Tel: 0537 -515694,515699, 515697,519977
Fax: 0537-515685

LARKANA

Larkana Branch

C.S. No. 1808, Pakistan Chowk, Larkana , Sindh
Tel: 074-4053608-10
Fax: 074-4053611

MANDI BAHAUDDIN

Mandi Bahauddin Branch

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

MANSEHRA

Mansehra Branch

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

MARDAN

The Mall Branch

Plot No. 337, 337-A, The Mall, Mardan.
Tel: 0937-865344-45
Fax: 0937-865342

MIRPURKHAS

Khipro Bus Stand Branch

Plot No. 92-93, Samanabad, Khipro District,
Ghumanabad Chowk, Khipro Bus Stand - Mirpurkhas
Tel: 0233-876384 & 874518
Fax: 0233-875925

Umer Kot Road Branch

Plot No : 988 to 991 Umerkot Gharibabad,
Mirpur Khas
Tel: 0233- 875113-7
Fax: 0233-875118

MURIDKE

Muridke Branch

774, G.T. Road Muridke
Tel: 042-37950456,37994711-12
Fax: 042-37994713

NAROWAL

Katchery Road Branch

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

NAWABSHAH

Nawabshah Branch

Survey No. 77, Masjid Road,
Nawabshah, Sindh
Tel: 0244 - 372042 - 44
Fax: 0244-372045

GAWADAR

Gawadar Branch

Plot Askani Hotel, Mullah Faazul Chowk, Gawadar
Tel: 0864-212144- 212146
Fax: 0864-212147

JAMSHORO

Nooriabad Branch

Ground Floor, SITE Office Building Nooriabad,
Dist Jamshoro, Sindh
Tel: 025-4670433-8
Fax: 025-4670434

GILGIT - Rural

Gilgit Branch

Khasra# 1103, 1112, 1113,
Haji Ghulam Hussain Building
Raja Bazar Gilgit
Tel: 05811-457366-68
Fax: 05811-457369

OKARA

Ghulam Mustafa Centre,
M.A. Jinnah Road, Okara.
Tel: 044-2528755, 2525355
Fax: 044-2525356

RABWAH

Rabwah Branch

Plot No-9-10, Block-14, Darul Sadar, Gol Bazar,
(Chenab Nagar) Rabwah
Tel: 047-6213795-97 & 6213792
Fax: 047-621 3797

RAHIMYAR KHAN

Rahim Yar Khan Branch

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

SADIQABAD

Sadiqabad Branch

Mozzah Khuda Bux Dehar, Macchi Goth,
KLP Road, Sadiqabad
Tel: 068- 5951303 & 5951301-2
Fax: 068-5951300

SAHIWAL

High Street Branch

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

SARGODHA

Sargodha Branch

Prince Cinema Market Railway Road, Sargodha
Tel: 048-3768113-5
Fax: 048-3768116

Satellite Town Branch

Satellite Town, Ground Floor, Afzal Towers,
Plot # 302-A, Main Satellite Town, Sargodha.
Tel: 048-3221025-28
Fax: 048-3221029

SHIKARPUR

Shikarpur Branch

C.S. No.52/33/1, Ward 'B', Lakhi Gate, Shikarpur , Sindh
Tel: 0726-522057-59
Fax: 0726-522060

SIALKOT

Kashmir Road Branch

Address: Block 'A', ZHC, Kashmir Road, Sialkot
Tel: 052-3573304-7
Fax: 052-3573310

Paris Road Branch

B1, 16S, 71/A/1, Paris Road, Sialkot
Tel: 052-4602712-17
Fax: 052-4598849

Small Industrial Area Branch

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

SWABI

Swabi Branch

Property bearing No. 3361, Main Mardan Road, Swabi
Tel: 0938-222968 - 69
Fax: 0938-221572

TANDO ALLAH YAR

Tando Allah Yar Branch

C-1, Survey # 274, Main Road, Tando Allah Yar - Sindh
Tel: 022-2763181-83
Fax: 022-2763184

TURBAT

Main Bazar Branch

Main Bazar, Turbat
Tel: 0852-413874 & 411606
Fax: 0852-414048

WAH CANTT

Wah Cantt Branch

Plot No. 17/37, Civic Center, Aslam Market, Wah Cantt
Tel: 051- 4902238-39 & 4902241
Fax: 051-4902240

ISLAMIC BANKING BRANCHES

KARACHI

I. I. Chundrigar Road Branch 2 (Islamic Banking)

5-Business & Finance Centre, Opposite State Bank of Pakistan, Karachi.

Tel: 021-32438212, 32472176, 32471796

Fax: 021-32438218

Super Highway Branch

Shop No. 29 & 30, Plot # I-B/3, Sub Sector I-A, Scheme No. 33, main Super Highway, Karachi.

Tel: 021 - 36830161-3

Fax: 021-36830162

Fish Harbour Branch

Plot No. L - 2, Block "L"

Fish Harbour, Dockyard Road,

West Wharf, Karachi

PABX: 021-32312166-68

Fax: 021-32312165

Zamzama Branch

Shop No. 3, 4, 5, 6 & 7, Plot No. 16-C, 2nd

Zamzama Commercial Lane DHA - Karachi

Tel: 021 - 35373135-7

Fax: 021 - 35373138"

IBL Building Centre, Shahrah-e-Faisal, Branch

Ground Floor IBL Building Center at Plot No. 1, Block 7 & 8, D.M.C.H.S, Shahrah-e-Faisal, Karachi

Tel: 021-32368002-4

Fax #. 021 - 32368005

LAHORE

PIA Society Islamic Banking Branch

Plot # 40, Block-D, Main Boulevard PIA Society,

Opp Wapda Town Roundabout, Lahore

Tel: 042-35189957 - 59

Fax: 042-35210895

HUB, BALUCHISTAN - RURAL

Hub Branch

Shop No. 12 - 14, Khasra No. 106/4, Int. Shopping Mall Hotel, Mouza Berot, Tehsil Hub, Lasbella, Baluchistan

Tel: 0853 - 363056 - 058

Fax: 0853 - 363050

CHILAS - RURAL

Chilas Branch

Khasra No.02, Bazar Area, Chillas, District Baltistan

Tel: 05812 - 450702-3

Fax: 05812-450704

SKARDU - RURAL

Skardu Branch

Khasra No. 1265/39, Yadgar Chowk,

Tehsil Skardu, District Baltistan

Tel: 05815 - 456693-94

Fax: 05815-456696

ISLAMABAD

Naval Anchorage Branch

Plot # 19, Commercial No. 2, Naval Officers'

Housing Scheme Anchorage, Islamabad

Tel: 051 - 5159126 - 28

Fax: 051 - 5159129

DHA Phase-2 Branch

Plot No. 7, Street SSZBS Al Nahayaan, Sector-A,

DHA Phase-2, Near Al Ghurair, Main Boulevard, Islamabad

Tel: 051-4918314 - 16

Fax: 051-4918317

CHITRAL - RURAL

Chitral Branch

Attalique Bazar, Bank Square,

Opp: NBP Building, Chitral

Tel: 0943 - 412536-37

Fax: 0943 - 414352

HYDERABAD

DHA Plaza Branch

Shop No. 1 & 2, Block "C",

Defence Plaza, Thandi Sarak, Hyderabad

Tel: 022- 2108474, 2108478

Fax # 022-210847

RAWALPINDI

Bahria Town Branch Phase-IV

Plot # 1, Bahria Town, Civic Centre, Phase IV, Rawalpindi

Tel: 051-5733945-46

Fax: 051-5733967

The logo for Summit Bank, featuring the word "Summit" in a red serif font, a stylized blue "S" symbol, and the word "Bank" in a blue serif font.

Summit S Bank

Committed to you

Plot No. G-2, Block 2, Clifton, Karachi.
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www.summitbank.com.pk | info@summitbank.com.pk