

# BUILDING TODAY SHAPING TOMORROW

HALFYEARLY REPORT JUNE 2022



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

# CONTENTS

<b>Corporate Information</b>	<b>02</b>
<b>Vision Statement</b>	<b>04</b>
<b>Mission Statement</b>	<b>05</b>
<b>Directors' Review</b>	<b>06</b>
<b>Unconsolidated Condensed Interim Financial Statements (Un-audited)</b>	<b>17</b>
<b>Independent Auditors' Review Report to the Members of Summit Bank Limited - Unconsolidated Condensed Interim Financial Statements</b>	<b>18</b>
<b>Unconsolidated Condensed Interim Statement of Financial Position</b>	<b>20</b>
<b>Unconsolidated Condensed Interim Profit and Loss Account</b>	<b>21</b>
<b>Unconsolidated Condensed Interim Statement of Comprehensive Income</b>	<b>22</b>
<b>Unconsolidated Condensed Interim Statement of Changes in Equity</b>	<b>23</b>
<b>Unconsolidated Condensed Interim Cash Flow Statement</b>	<b>24</b>
<b>Notes to the Unconsolidated Condensed Interim Financial Statements</b>	<b>25</b>
<b>Consolidated Condensed Interim Financial Statements (Un-audited)</b>	<b>59</b>
<b>Consolidated Condensed Interim Statement of Financial Position</b>	<b>60</b>
<b>Consolidated Condensed Interim Profit and Loss Account</b>	<b>61</b>
<b>Consolidated Condensed Interim Statement of Comprehensive Income</b>	<b>62</b>
<b>Consolidated Condensed Interim Statement of Changes in Equity</b>	<b>63</b>
<b>Consolidated Condensed Interim Cash Flow Statement</b>	<b>64</b>
<b>Notes to the Consolidated Condensed Interim Financial Statements</b>	<b>65</b>
<b>Branch Network</b>	<b>99</b>

# CORPORATE INFORMATION

## Board of Directors

**Mr. Waseem Mehdi Syed**  
Chairman / Independent Director

**Mr. Jawad Majid Khan**  
President & CEO / Executive Director

**Mr. Wajahat Ahmed Baqai**  
Non-Executive Director

**Mr. Zafar Iqbal Siddiqi**  
Non-Executive Director

**Ms. Fauzia Hasnain**  
Independent Director

**Mr. Aziz Morris \***  
Executive Director

**Mr. Salman Zafar Siddiqi \*\***  
Executive 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. Zafar Iqbal Siddiqi**  
Member

**Mr. Aziz Morris**  
(he served as member of this committee until April 20, 2022)

---

## 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. Waseem Mehdi Syed**  
Member

**Mr. Aziz Morris**  
(he served as member of this committee until April 20, 2022)

\* Mr. Aziz Morris has resigned as Executive Director on April 20, 2022 and in his place, the Board of Directors have approved the appointment of Mr. Salman Zafar Siddiqi, Chief Financial Officer as Executive Director of the Bank subject to clearance of his FPT from the State Bank of Pakistan.

\*\* The FPT clearance of Mr. Salman Zafar Siddiqi was not cleared by SBP until June 30, 2022, which was lately granted on July 04, 2022.

## Board Compliance Committee

**Mr. Wajahat Ahmed Baqai**  
Chairman

**Mr. Waseem Mehdi Syed**  
Member

**Mr. Zafar Iqbal Siddiqi**  
Member

**Mr. Aziz Morris**  
(he served as member of this committee  
until April 20, 2022)

---

## Shariah Board

**Mufti Muhammad Najeeb Khan**  
Chairman

**Mufti Irshad Ahmed Aijaz**  
Member

**Dr. Noor Ahmed Shahtaz**  
Member

**Mufti Bilal Ahmed Qazi**  
Member

**Mufti Syed Zubair Hussain**  
Resident Shariah Board Member

---

## Chief Financial Officer

**Mr. Salman Zafar Siddiqi**

---

## Company Secretary

**Syed Muhammad Talib Raza**

## Auditors

**Baker Tilly Mehmoood Idrees Qamar**  
Chartered Accountants

---

## Legal Advisors

**Hyat & Meerjees**

---

## Share Registrar

**THK Associates (Private) Limited**  
Plot No. 32-C, Jami Commercial Street-2,  
D.H.A., Phase-VII, Karachi  
Tel : 021-111-000-322  
Ext : 107-111-115  
Fax : 021-35310190  
Email : [secretariat@thk.com.pk](mailto:secretariat@thk.com.pk)  
Website : [www.thk.com.pk](http://www.thk.com.pk)

---

## Head Office

**Summit Tower**  
Plot No. G-2, Block-2, Clifton, Karachi  
UAN : 021-1111-24365  
Fax : 021-32463553

---

## Registered Office

**Plot No. 9-C, F-6 Markaz, Supermarket,  
Islamabad, Pakistan**

---

Email : [info@summitbank.com.pk](mailto:info@summitbank.com.pk)  
[companysecretary@summitbank.com.pk](mailto:companysecretary@summitbank.com.pk)  
Website : [www.summitbank.com.pk](http://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, 2022.

### THE BANK'S PERFORMANCE

The highlights of the financial results for the half year ended June 30, 2022 are as follows:

	<b>June 30, 2022</b>
	<b>Rupees in Millions</b>
<b>Financial Position</b>	
Shareholders' Equity	(15,236)
Total Deposits	116,383
Total Assets	127,173
Advances – net	25,275
Investments – net	40,835
<b>Financial Performance</b>	
Net Interest Income and Non Mark-up Income (Total Income)	(450)
Non Mark-up Expenses	2,805
Provisions and write offs (net)	239
Loss before tax	(3,494)
Loss after tax	(672)
Basic and diluted loss per share - Rupee	(0.25)

The Bank recorded a loss after tax of Rs. 672.363 million for the first half of 2022 as against a loss after tax of Rs. 1.340 billion for comparative period last year, reflecting a sizeable reduction of 50% year on year. Loss per share was measured at Re. 0.25 versus Re. 0.51 for the comparative prior period. The Bank posted a profit after tax of Rs. 497.844 million for the second quarter of 2022, translating into earnings per share of Re. 0.19 as against a loss per share of Re. 0.07 for the comparative prior period.

Mark-up income for the current period is reported at Rs. 2.853 billion as against Rs. 1.964 billion against the comparative prior period as the balance sheet has repriced at higher yields. Similarly, the mark-up expense for the current period also registered an increase of Rs. 1.279 billion resulting in a net mark-up expense of Rs. 985.984 million for HY1 of 2022, 65% lower on a year on year basis.

Average net investments improved to Rs. 30.735 billion for the first half of 2022, as against Rs. 29.836 billion during the same period last year. The composition of investments remained largely skewed towards government securities and on the back of gradual increase in discount rate, yields on investments improved to 10.59% during HY1 of 2022, as against 6.67% during the same period last year, enabling the Bank to improve its income from investment by Rs. 628.015 million.

On a year on year comparison, net yields on advances also improved, ending at 8.34% as against 6.23% for the comparative prior period, reflecting the repricing effect of the gradual increase in policy rates by SBP over the course of the last few months. The Bank's average net advances book reduced by Rs. 4.465 billion for the half year ended June 30, 2022, ending at Rs. 26.713 billion, while income from advances ended higher at Rs. 1.104 billion for the current period as against Rs. 963.091 million for the comparative prior period.

Period end deposits reflected an increase of Rs. 6.900 billion over December 31, 2021 and closed at Rs. 116.383 billion. Achieving growth in current account base remained a key strategic objective for the Bank. Thereby, current deposits grew by 20% (Rs. 6.919 billion) to close at Rs. 41.128 billion; the Current Account mix also improved to 35.34% and non-remunerative to 37.34% in June 2022 as against 31.25% and 33.22% as at December 31, 2021. The entire growth in year to date deposits was in Current Account. The cost of deposits increased from 3.97% for the half year ended June 30, 2021 to 5.48% largely due to the increase in overall interest rates and impact of minimum floor rate of return on savings deposits. As at June 30, 2022, the Bank's CASA ratio stood at 85.69% as against 84.97% at December 31, 2021.

Average borrowings levels indicate a decrease of Rs. 821.50 million from June 2021 with the overall costs increasing to 6.91% for the current period as against 3.03% for the comparative prior period.

Non-funded income reflected a decline of 37% over the corresponding period last year, primarily due to lower gains on securities in the absence of the opportunity to tap capital gains. However, this decline was offset by a healthy foreign exchange income.

The Bank continued to prudently manage its operating expenses with a moderate increase of 9% despite inflationary pressures, currency devaluation, rising commodity prices and performance based adjustments of human capital. The total non-mark up expenses were reported at Rs. 2.805 billion as against Rs. 2.584 billion for the comparative period.

The Bank recorded a net provision charge of Rs. 239.063 million in the first half of June 2022 as against a net provisioning reversal of Rs. 355.840 million for the comparative prior period.

The Bank's gross NPL ratio (Gross non-performing loans to Gross Advances) as of June 30, 2022 stood at 63.35% as against 61.89% on December 31, 2021, while the coverage ratio at June 30, 2022 improved to 89.33% (December 2021: 88.48%). At the half year end, the Bank's gross advances to deposits ratio (Gross Advances to Total Deposits) stands at 50.04% as compared to 54.63% on December 31, 2021. As a strategy, the management is targeting reduction in risk assets and deployment of funds in risk free GoP securities.

As at June 30, 2022, the Bank has deferred tax assets (net) of Rs. 19.347 billion. As at June 30, 2022, the Bank has recognized further deferred tax assets (net) of Rs. 2.670 billion mainly due to the effect of tax rate change for the banking sector in the Finance Bill 2022.

The management and the Board of Directors are 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. The Bank has initiated the rating process with VIS Credit Rating Company Limited and has requested SBP to allow an extension to complete the credit rating exercise by September 30, 2022. 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, 2021, 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, 2022. 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

Economic growth in Macroeconomic risks are tilted to the downside. They include faster than expected tightening of global financing conditions and a further increase in world energy prices. Domestically, amidst political uncertainty ahead of next general elections and policy slippages, Pakistan is facing a challenging situation due to wider macroeconomic imbalances.

Strong aggregate demand pressures paired with the continued less conducive external environment for exports meant that Pakistan reported a current account deficit of USD 17.4 billion for FY2022 as against a deficit of USD 2.8 billion last year. Current account deficit widened due to constantly growing import volume of energy and non-energy commodities, along with a rising trend in the global prices of oil, COVID-19 vaccines, food and metals. The absence of an equivalent inflow in the financial account has led to a large drawdown of the foreign exchange reserves and SBP's net liquid FX reserves were reported at USD 10.2 billion as at June 2022.

As a result of deteriorating situation on the external front, the USD/PKR parity depreciated during the first six months of the current calendar year. Starting the year at PKR 178.1690, the rupee settled at PKR 204.8467 against USD at June end. The total depreciation of Rupee recorded during the half year was 15%.



During Jul-May FY2022, the fiscal deficit increased by 5.2% to Rs 3,468 billion as against 3.9% in the comparable period of last year. Measures to offset the impact of higher international commodity and oil prices due to the Russia-Ukraine conflict took a significant toll on expenditures. On the revenue side, FBR tax collection has maintained its growth momentum by posting a 29% increase during FY2022 and surpassed Rs 6 trillion due to various initiatives introduced during FY 2022.

The inflation is on a rising trend since September 2021. Headline inflation rose significantly and was recorded at 21.3% in June 2022 as against 9.7% for the same period last year - the highest since 2008, due to steep increase in the energy prices. The inflation is expected to remain elevated around current levels for much of FY23. However, the government will continue to alleviate the burden from the poorest segment of the society by providing targeted subsidy. Accordingly, the State Bank of Pakistan has been unwinding its expansionary monetary stance since September 2021 raising the policy rate by a cumulative 675bps and banks' cash reserve requirement by 100bps till June 2022. The State Bank of Pakistan, in its meeting held on July 07, 2022 raised the policy rate by a further 1.25% to 15%.

Rating agency Moody's Investor Service has downgraded Pakistan's outlook from stable to negative, citing heightened external vulnerability and uncertainty around securing external financing to meet the country's needs. However, the critical milestone of a staff level agreement on completing the next IMF review has been reached in July 2022 which would pave way for the disbursement of the next tranche of USD 1.2 billion.

### **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 June 30, 2022. 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. 19,347 billion which is considered realizable based on the financial projections of taxable profits in foreseeable future.

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.

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

### **FORWARD LOOKING STATEMENT**

The Bank received a letter dated May 20, 2021 from H.E. Nasser Abdulla Hussain Lootah (Investor) in which the Investor had communicated his intention to acquire a controlling stake in the Bank by subscribing to fresh equity in the Bank which was followed by a Public Announcement of Intention (PAI) by the Investor to acquire at least 51% of the issued and paid up capital of the Bank together with the management control.

The Board of Directors considered and approved the offer received from the Investor following which the Share Subscription Agreement (SSA) was executed between the Bank and the Investor on October 04, 2021.

On expiry of time period for making a public announcement of offer (February 18, 2022), the Investor had submitted a revised PAI dated February 21, 2022 to acquire at least 51% of the issued and paid up capital of the Bank. The Investor continues to be fully committed to consummating the transaction.

The Bank further received a letter dated March 18, 2022 from the Investor informing the Bank about a Public Announcement of Offer (PAO) made to acquire 1,312,298,455 existing ordinary shares from the shareholders of the Bank at a price of Rs. 2.51 per share. The investor has also submitted irrevocable bank guarantees to the manager to the offer in this regard.

The Board of Directors in their meeting held on May 9, 2022 approved the inclusion of an investor in the consortium of the Acquirer subject to approval of the regulatory authorities and shareholders. The shareholders in the (Adjourned) Extra Ordinary General Meeting (EOGM) held on June 08, 2022 approved the consortium of Investors.

The Bank dispatched Subscription Entitlement Letters dated July 05, 2022 to its eligible minority shareholders inviting them to subscribe their respective shares in the Bank at the subscription price of Rs. 2.51 per share. As a result, 5,771 shares of the Bank have been subscribed by minority shareholders. The subscription by minority shareholders and the subsequent allotment of shares are subject to the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and other regulatory approvals.

On consummation of the transaction, the Bank is fully prepared to capitalize on the business opportunities available in the market and will continue to focus on its strategy for long-term sustainable growth.

### **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 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  
August 23, 2022  
Karachi

## تعریف و توثیق

ہم، بورڈ کی جانب سے ایک بار پھر اسٹیٹ بینک آف پاکستان، سکیورٹیز اینڈ ایکسچینج کمیشن پاکستان، اور دیگر ضوابط کی مکمل رہنمائی اور معاونت پر شکرگزار ہیں۔ نیز ہم مسلسل معاونت پر ہمارے شیئر ہولڈرز، ہمارے صارفین اور بینک کے عملے کا شکر یہ ادا کرنا چاہیں گے۔

---

فوزیہ حسین  
ڈائریکٹر

---

جواد ماجدان  
صدر اور چیف ایگزیکٹو آفیسر

سمٹ بینک  
23 اگست 2022ء  
کراچی

## پیش بینی بیانیه

20 مئی 2021ء کو ایچ ای نضر عبداللہ حسین لوطہ (سرمایہ کار) کی جانب سے بینک کو ایک مراسلہ موصول ہوا جس میں سرمایہ کار نے بینک میں تازہ سیالیت سبسکرائب کر کے بینک کے کنٹرولنگ اختیار حاصل کرنے کے ارادے کا اظہار کیا، جس کے بارے میں بعد میں سرمایہ کار کی جانب سے انتظامی کنٹرول کے ساتھ بینک کے کم از کم 51 فیصد جاری کردہ اور ادا شدہ سرمائے کے حوالے سے اظہار دلچسپی عام (Announcement of Intention) کیا گیا۔

بورڈ آف ڈائریکٹرز نے سرمایہ کار کی جانب سے موصول ہونے والی پیشکش پر غور کیا اور اسے منظور کیا جس کے بعد 10 اکتوبر 2021ء کو بینک اور سرمایہ کار کے درمیان شیئر سبسکرائبشن ایگریمنٹ (SSA) پر عمل درآمد ہوا۔

پیشکش کے عوامی اعلان کی مدت (18 فروری 2022ء) ختم ہونے پر سرمایہ کار نے بینک کے جاری کردہ اور ادا شدہ سرمائے کا کم از کم 51 فیصد حاصل کرنے کے لیے 21 فروری 2022ء کو نظر ثانی شدہ پلانے آئی جمع کرایا تھا۔ سرمایہ کار لین دین کو مکمل کرنے کے لیے پوری طرح پرعزم ہیں۔

بینک کو 18 مارچ 2022ء کو سرمایہ کار کی جانب سے مزید ایک مراسلہ موصول ہوا جس میں بینک کے شیئر ہولڈرز سے 1,312,298,455 روپے کے موجودہ عام حصص کی قیمت پر حاصل کرنے کے لیے کیے گئے عوامی اعلان (PAO) کے بارے میں بینک کو مطلع کیا گیا۔ سرمایہ کار نے نیچر کونا قابل واپسی بینک گارنٹی بھی پیش کی ہے۔

بورڈ آف ڈائریکٹرز نے 09 مئی 2022ء کو منعقدہ اپنی میٹنگ میں جناب سلمان اقبال کو ایوارڈز کے کنسورشیم میں شامل کرنے کی منظوری دی جس کے تحت ضوابط کی حکام اور شیئر ہولڈرز سے مطلوبہ منظوری حاصل کی جائے گی۔ 08 جون 2022ء کو منعقدہ (ملتی) غیر معمولی جنرل میٹنگ (EOGM) میں شیئر ہولڈرز نے جناب سلمان اقبال کو سرمایہ کار کے کنسورشیم میں شامل کرنے کی منظوری دی۔

05 جولائی 2022ء کو بینک نے اپنے اہل اقلیتی شیئر ہولڈرز کو سبسکرائبشن انٹیکلٹ لیٹرز بھیجے جس میں انہیں بینک میں اپنے متعلقہ حصص 2.51 روپے فی شیئر کی سبسکرائبیشن قیمت پر سبسکرائب کرنے کی دعوت دی گئی۔ اس کے نتیجے میں، بینک کے 5,771 حصص اقلیتی شیئر ہولڈرز نے خریدے ہیں۔ اقلیتی شیئر ہولڈرز کی سبسکرائبیشن اور اس کے بعد حصص کی الاٹمنٹ اسٹیٹ بینک آف پاکستان، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ضوابطی منظور یوں سے مشروط ہے۔

لین دین کی تکمیل پر، بینک مارکیٹ میں دستیاب کاروباری مواقع سے فائدہ اٹھانے کے لیے مکمل طور پر تیار ہے اور طویل مدتی پائیدار ترقی کے لیے اپنی حکمت عملی پر توجہ مرکوز رکھے گا۔

ریٹنگ ایجنسی Moody's Investor Service نے ملک کی ضروریات کو پورا کرنے کے لیے بیرونی مالی اعانت حاصل کرنے کے بارے میں بڑھتے ہوئے بیرونی خطرات اور غیر یقینی صورت حال کا حوالہ دیتے ہوئے پاکستان کے منظر نامے کو مستحکم سے متنی کر دیا ہے، تاہم، آئی ایم ایف کے اگلے جائزے کو مکمل کرنے کے لیے اسٹاف لیول معاہدے کا اہم سنگ میل جولائی 2022ء میں طے پا گیا ہے جس سے 1.2 ارب ڈالر کی اگلی قسط کی ادائیگی کی راہ ہموار ہوگی۔

### آڈیٹرز کی جائزہ رپورٹ میں تبدیلیاں

30 جون 2022ء تک بینک کا ادا شدہ سرمایہ (خالص خسارے)، شرح کفایت سرمایہ اور لیوراج کی شرح (LR) اسٹیٹ بینک آف پاکستان (SBP) کے تقاضوں پر پورے نہیں اترتے۔ مزید یہ کہ بینک کی سیالیت کی کوریج مقررہ 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 19,347 ارب روپے کے مؤثر ٹریکیٹس اٹانے کو تسلیم کیا ہے۔ جو مستقبل قریب میں قابل ٹریکیٹس منافع کے مالی تخمینوں کی بنیاد پر قابل حصول سمجھا جاتا ہے۔

بینک اس وقت غیر منقولہ جائیداد میں سرمایہ کاری کے حوالے سے بینکنگ کمپنیز آرڈیننس، 1962ء کی شقوں سے جزی طور پر ہم آہنگ نہیں ہے۔ انتظامیہ نے اس ضمن میں تعمیل کے حصول کے لیے اس پر اپنی کا وہ حصہ بیچنے کے لیے منصوبہ بندی کی ہے جو قابل اطلاق قوانین سے ہم آہنگ نہیں ہے۔

2018ء کے دوران، قانون نافذ کرنے والی ایجنسیوں (ایبل ای ای) نے سٹ بینک لمیٹڈ سمیت بعض بینکوں میں منی لائڈنگ کی سرگرمیوں کے لیے مبینہ طور پر کچھ بینک اکاؤنٹس کی تحقیقات شروع کی۔ یہ معاملہ فی الحال نیب کے زیر تفتیش ہے اور نیب عدالتوں میں صرف جزی 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 آپریشنز اور افعال کو متاثر نہیں کریں گی۔

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

## اقتصادی جائزہ

کلی معاشی خطرات میں گھری معاشی نمو ابتری کی طرف مائل ہے۔ عالمی مالکاری صورت حال میں متوقع تنخج اور توانائی کی عالمی قیمتوں میں مزید اضافہ نہ خطرات میں شامل ہے۔ ملکی سطح پر، اگلے عام انتخابات سے قبل سیاسی غیر یقینی صورت حال اور پالیسیوں کی ناکامیوں کے درمیان، وسیع تر معاشی عدم توازن کی وجہ سے پاکستان کو ایک دشوار صورت حال کا سامنا ہے۔

برآمدات کے لیے مسلسل ناسازگار بیرونی ماحول کے ساتھ مضبوط مجموعی طلب کے دباؤ کے نتیجے میں مالی سال 2022ء کے دوران پاکستان میں 17.4 ارب ڈالر کا جاری کھاتے کا خسارہ درج کیا گیا جبکہ گزشتہ برس یہ 2.8 ارب ڈالر کا خسارہ تھا۔ آئل، کوڈ، 19 ویکسین، خوراک اور دھاتوں کی عالمی قیمتوں میں اضافے کے رجحان کے ساتھ توانائی اور غیر توانائی کی ایشیا کے مسلسل بڑھتے ہوئے درآمدی حجم کی وجہ سے جاری کھاتے کا خسارہ وسیع ہو گیا۔ مالی کھاتے میں رقوم کی مساوی آمد کی عدم موجودگی نے غیر ملکی زرمبادلہ کے ذخائر کو نمایاں طور پر کم کر دیا اور جون 2022ء تک اسٹیٹ بینک کے خالص سیال زرمبادلہ کے ذخائر 10.2 ارب ڈالر تھے۔

بیرونی محاذ پر ابتر ہوتی صورت حال کے نتیجے میں، موجودہ سال کے پہلے چھ مہینوں کے دوران ڈالر اور روپے کا تفاوت بڑھ گیا۔ سال کے آغاز پر ایک ڈالر 178.1690 روپے کا تھا جبکہ، جون کے اختتام پر ایک ڈالر 204.8467 روپے کے مساوی تھا۔ ششماہی کے دوران روپے کی مجموعی فرسودگی 15 فیصد درج کی گئی۔

جولائی تا مئی مالی سال 2022ء کے دوران مالی خسارہ 5.2 فیصد اضافے سے 3,468 ارب روپے ہو گیا جو گزشتہ برس کی اسی مدت میں 3.9 فیصد تھا۔ روس-یوکرین تنازعے کی وجہ سے بین الاقوامی اجناس اور تیل کی قیمتوں میں اضافے کے اثرات کو زائل کرنے کے اقدامات نے اخراجات پر نمایاں اثر ڈالا۔ اگست کی طرف، مالی سال 2022ء کے دوران ایف بی آر ٹیکس وصولی میں 29 فیصد اضافے کے ساتھ اپنی ترقی کی رفتار کو برقرار رکھنا نیز مالی سال 2022ء کے دوران متعارف کرائے گئے مختلف اقدامات کی وجہ سے یہ 6 ٹریلین روپے سے تجاوز کر گیا۔

ستمبر 2021ء سے مہنگائی میں اضافے کا رجحان ہے۔ عمومی مہنگائی میں نمایاں اضافہ ہوا اور جون 2022ء میں 21.3 فیصد اضافہ درج کیا گیا جو گزشتہ برس کی اسی مدت کے دوران 9.7 فیصد تھا۔ توانائی کی قیمتوں میں زبردست اضافے کی وجہ سے 2008ء کے بعد سے یہ سب سے زیادہ ہے۔ مالی سال 23ء کے بیشتر حصے میں مہنگائی کے بلند اور موجودہ سطح کے آس پاس رہنے کی توقع ہے۔ تاہم، حکومت ہدنی زراعت اور فراہم کر کے معاشرے کے غریب ترین طبقے سے بوجھ کو کم کرنا جاری رکھے گی۔ اسی مناسبت سے، اسٹیٹ بینک آف پاکستان ستمبر 2021ء سے اپنے توسیعی زری موقف کو ختم کر رہا ہے، جس سے پالیسی کی شرح میں مجموعی طور پر 675 بی پی ایس اور بینکوں کے محفوظ نقد کی ضرورت میں جون 2022ء تک 100 بی پی ایس کا اضافہ کیا گیا ہے۔ اسٹیٹ بینک آف پاکستان نے 07 جولائی 2022ء کو ہونے والے اپنے اجلاس میں پالیسی کی شرح کو مزید 1.25 فیصد اضافے سے بڑھا کر 15 فیصد کر دیا۔

مہنگائی کے دباؤ، کرنسی کی قدر میں کمی، اجناس کی بڑھتی ہوئی قیمتوں اور کارکردگی کی بنیاد پر انسانی سرمائے میں ردوبدل کے باوجود بینک اپنے آپریٹنگ اخراجات کو 9 فیصد کے معتدل اضافے کے ساتھ سمجھداری سے سنبھالتا رہا۔ کل غیر سودی اخراجات 2.805 ارب روپے درج کیے گئے جبکہ تقابلی مدت کے دوران یہ 2.584 ارب روپے تھے۔

جون 2022ء کی پہلی ششماہی کے دوران بینک نے 239.063 ملین روپے کی خالص تہوین درج کی جبکہ گذشتہ برس کی اسی مدت کے دوران 355.840 ملین روپے کا خالص تہوینی استرداد درج کیا گیا تھا۔

30 جون 2022ء تک بینک کے مجموعی غیر فعال قرضوں کا تناسب (مجموعی ایڈوانسز کے لیے مجموعی غیر فعال قرضے) 63.35 فیصد رہا جبکہ 31 دسمبر 2021ء کو یہ 61.89 فیصد تھا، نیز، 30 جون 2022ء کو کوریج کا تناسب بہتر ہو کر 89.33 فیصد ہو گیا (2021ء: 88.48 فیصد)۔ ششماہی کے اختتام پر، بینک کے مجموعی ایڈوانسز جمع کرنے کا تناسب (مجموعی ایڈوانسز اور مجموعی امانتیں) 50.04 فیصد رہا جبکہ 31 دسمبر 2021ء کو یہ 54.63 فیصد تھا۔ حکمت عملی کے طور پر، انتظامیہ کا ہدف ہے کہ خطرے پر مبنی اثاثوں میں کمی اور خطرے سے پاک حکومتی ترسکات میں رقوم کا استعمال کیا جائے۔

30 جون 2022ء تک، بینک نے 19.347 ارب روپے کے ٹیکس اثاثوں (خالص) کو موخر کر دیا ہے۔ 30 جون 2022ء تک، بینک نے مزید 2.670 ارب روپے کو موخر ٹیکس اثاثے (خالص) تسلیم کیے ہیں جس کی بنیادی وجہ ٹرانس بل 2022ء میں بینکاری شیعے کے لیے ٹیکس کی شرح میں تبدیلی کے اثرات تھے۔

انتظامیہ اور بورڈ آف ڈائریکٹرز پر امید ہیں کہ اگر کاروباری منصوبہ میں متعین ترقی کے عوامل اور دیگر کلیدی مفروضے پورے ہو جاتے ہیں، تو بینک کاروباری نتائج میں متوقع بہتری اور قابل اطلاق ضوابطی تقاضوں کی تعمیل کرنے میں کامیاب ہو جائے گا۔

## کریڈٹ ریٹنگ

2019ء کے دوران، وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے بینک کی درمیانی تا طویل مدتی ریٹنگ 'بی بی بی' (ٹرین بی مائیس) اور قلیل مدتی ریٹنگ 'اے-3' (اے-تھری) تازہ ترین معلومات کی عدم دستیابی کی وجہ سے معطل کر دی۔ بینک نے وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ کے ساتھ درجہ بندی کا عمل شروع کیا ہے اور اسٹیٹ بینک سے درخواست کی ہے کہ وہ 30 ستمبر 2022ء تک کریڈٹ ریٹنگ کی مشق کو مکمل کرنے کے لیے توسیع کی اجازت دے۔ مزید برآں، بینک کی ٹی ایف سی ریٹنگ کوڈی (ڈیٹاٹ) تفویض کیا گیا تھا کیونکہ کمپنی نے اسٹیٹ بینک آف پاکستان 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 ہولڈرز نے 22 اکتوبر 2021ء کو ہونے والی اپنی مینٹگ میں ٹی ایف سی ایسٹ کی مدت میں مزید ایک سال کی توسیع کی منظوری دی اور ساتھ ہی تمام انفا کی رقوم کی ادا کیگیوں میں توسیع کے ساتھ عرصیت کی نظر ثانی شدہ تاریخ 27 اکتوبر 2022ء 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۔

موجودہ مدت کے لیے سودی آمدنی 2.853 ارب روپے درج کی گئی جبکہ اس کی گذشتہ برس کی اسی مدت میں 1.964 ارب روپے تھی جس کی وجہ بیلنس شیٹ کی بلند یافتوں پر نو قیمت بندی تھی۔ اسی طرح موجودہ مدت کے لیے سودی اخراجات میں بھی 1.279 ارب روپے کا اضافہ درج کیا گیا جس کے نتیجے میں 2022ء کی پہلی ششماہی کے دوران خالص سودی اخراجات 985.984 ملین روپے ہو گئے، جو سال بسال بنیاد پر 65 فیصد کم تھے۔

2022ء کی پہلی ششماہی کے لیے اوسط خالص سرمایہ کاری بہتر ہو کر 30.735 ارب روپے ہو گئی جبکہ گذشتہ برس کی اسی مدت کے دوران 29.836 ارب روپے تھے۔ سرمایہ کاریاں بڑی حد تک سرکاری تمسکات کی طرف مائل رہیں اور ڈسکاؤنٹ کی شرح میں بتدریج اضافے کی وجہ سے 2022ء کی پہلی ششماہی کے دوران سرمایہ کاری پر یافت بڑھ کر 10.59 فیصد ہو گئی، جو گذشتہ برس کی اسی مدت کے دوران 6.67 فیصد تھی، جس کے باعث بینک 628.015 ملین روپے کی سرمایہ کاری سے اپنی آمدنی کو بہتر کرنے کے قابل ہو گیا۔

سال بسال موازنے کے لحاظ سے ایڈوائسز پر خالص یافت بھی بڑھ کر 8.34 فیصد ہو گئی جبکہ گذشتہ برس کی اسی مدت میں 6.23 فیصد تھی، جو گذشتہ چند ماہ کے دوران اسٹیٹ بینک کی جانب سے پالیسی ریٹس میں بتدریج اضافے کے باعث نو قیمت بندی کے اثر کو ٹھہرا کر رہا ہے۔ 30 جون 2022ء کو اختتام پذیر ہونے والی ششماہی کے لیے بینک کی اوسط خالص ایڈوائسز کی بک 4.465 ارب روپے کی کمی سے گھٹ کر 26.713 ارب روپے ہو گئی، جبکہ موجودہ مدت کے لیے ایڈوائسز سے ہونے والی آمدنی 1.104 ارب روپے ہو گئی جو گذشتہ برس کی اسی مدت کے دوران 963.091 ملین روپے تھی۔

31 دسمبر 2021ء سے اختتام مدت کے کے ذخائر میں 6.900 ارب روپے کے اضافے کی عکاسی ہوئی اور وہ بڑھ کر 116.383 ارب روپے ہو گئے۔ جاری کھاتے کی اساس میں میں ٹوکا حصول بینک کے لیے ایک اہم اسٹریٹجک مقصد رہا۔ چنانچہ موجودہ ذخائر 20 فیصد اضافے سے (6.919 ارب روپے) سے بڑھ کر 41.128 روپے ہو گئے؛ جون 2022ء میں جاری کھاتے کا آمیزہ بڑھ کر 35.34 فیصد ہو گیا اور غیر مالی (non-remunerative) بڑھ کر 35.34 فیصد ہو گیا جبکہ 31 دسمبر 2021ء کو بالترتیب 31.25 فیصد اور 33.22 فیصد تھا۔ سال بھر سے اب تک کی تمام تر نموجاری کھاتے میں ہوئی۔ 30 جون 2021ء کو اختتام پذیر ہونے والی ششماہی کے دوران ڈپازٹس کی لاگت 3.97 فیصد تھی جو رواں مدت میں بڑھ کر 5.48 فیصد ہو گئی، جس کی بڑی وجہ مجموعی شرح سود میں اضافہ اور سیونگ ڈپازٹس پر منافعوں کی کم از کم زیریں شرح کے اثرات ہیں۔ 30 جون 2022ء تک بینک کا سی اے ایس اے تناسب 85.69 فیصد رہا جبکہ 31 دسمبر 2021ء کو 84.97 فیصد تھا۔

اوسط قرض گیری کی سطح جون 2021ء کے مقابلے میں 821.50 ملین روپے کی نیز موجودہ مدت کے دوران مجموعی لاگت میں 6.91 فیصد اضافے کی نشاندہی کرتی ہے جبکہ گذشتہ برس کی اسی مدت کے دوران یہ 3.03 فیصد تھی۔

نان فنڈ ڈ آمدنی میں گذشتہ برس کی اسی مدت کے مقابلے میں 37 فیصد کمی کی عکاسی ہوتی ہے، جس کی بنیادی وجہ سرمائے کے فوائد کو استعمال کرنے کے مواقع کی عدم موجودگی میں تمسکات پر ملنے والے پست فوائد تھے۔ تاہم، اس کی کو زرمبادلہ کی بھر پور آمد سے پورا کیا گیا۔



## ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے، ہم بینک کی 30 جون 2022ء 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:

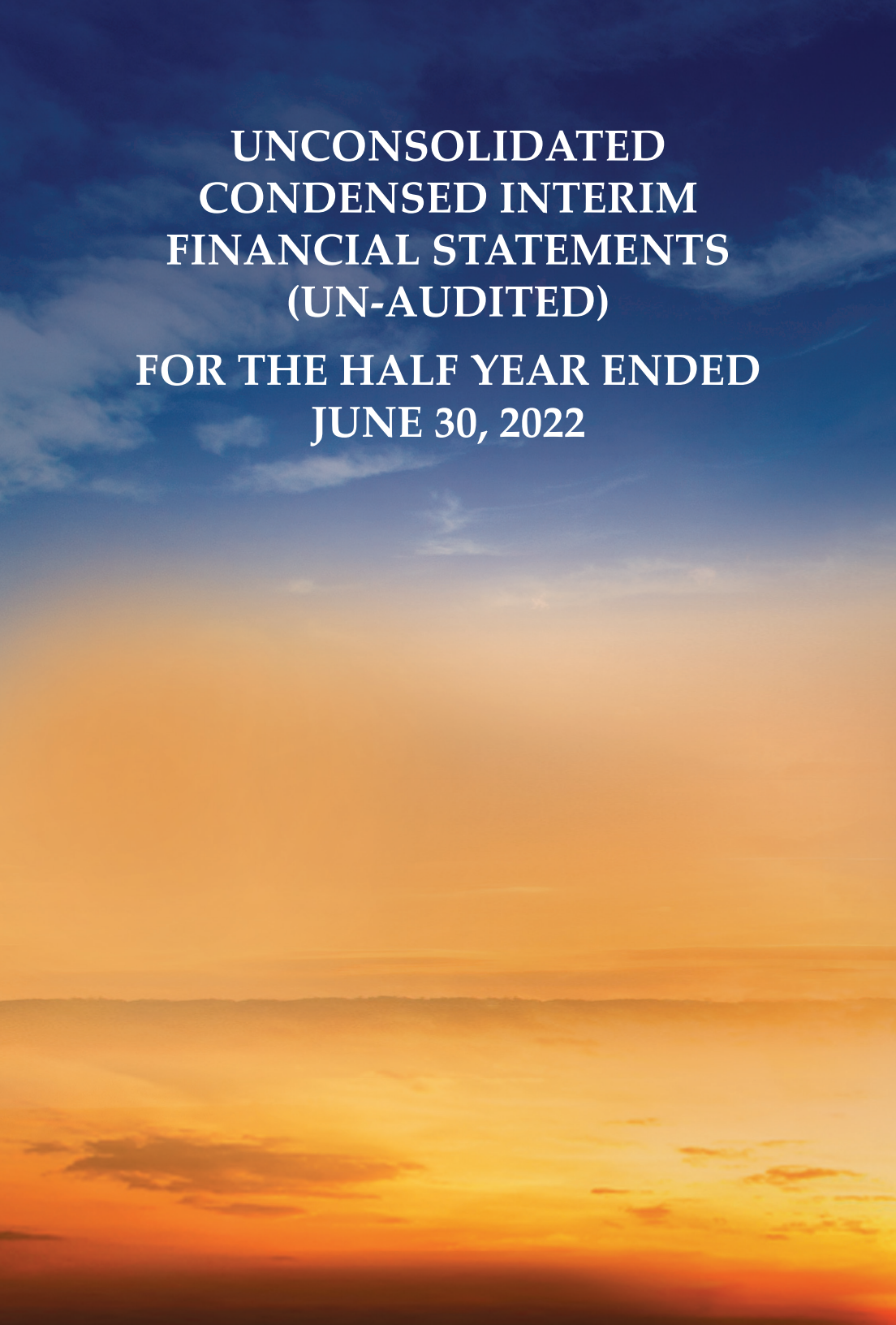
### بینک کی کارکردگی

30 جون 2022ء کو اختتام پذیر ہونے والی ششماہی کے لیے بینک کے مالی نتائج کی جھلکیاں مندرجہ ذیل ہیں:

30 جون 2022ء

مالی صورت حال	ملین روپے
شیرز ہولڈرز کی ایکویٹی	(15,236)
مجموعی اثاثیں	116,383
مجموعی اثاثے	127,173
ایڈوائس - خالص	25,275
سرمایہ کاریاں - خالص	40,835
مالی کارکردگی	
خالص سودی آمدنی اور غیر سودی آمدنی (مجموعی آمدنی)	(450)
غیر سودی اخراجات	2,805
پروویڈنٹس اور رائٹ آفس (نہیں)	239
خسارہ قبل از ٹیکس	(3,494)
خسارہ بعد از ٹیکس	(672)
خسارہ فی شیر بنیادی اور سیال (diluted) - روپے	(0.25)

2022ء کی پہلی ششماہی کے لیے بینک نے 672.363 ملین روپے کا خسارہ بعد از ٹیکس درج کیا جبکہ گذشتہ برس کی اسی مدت کے دوران 1.340 ارب روپے کا خسارہ بعد از ٹیکس درج کیا تھا، جو کہ سال بسال 50 فیصد کی نمایاں کمی کو ظاہر کرتا ہے۔ فی شیر خسارہ 0.25 رہا جبکہ اس کی گذشتہ برس کی اسی مدت کے دوران 0.51 فیصد تھا۔ بینک نے 2022ء کی دوسری سہ ماہی کے لیے 497.844 ملین روپے کا منافع بعد از ٹیکس درج کیا جس کے نتیجے میں 0.19 روپے فی حصص آمدنی ہوئی جبکہ گذشتہ برس کی اسی مدت میں خسارہ فی حصص 0.07 روپے تھا۔



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

**FOR THE HALF YEAR ENDED  
JUNE 30, 2022**

**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, 2022 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, 2022 and June 30, 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months' period ended June 30, 2022.

**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, 2022 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. 672.363 million (June 30, 2021: Rs. 1,340.464 million) during the six months' period ended June 30, 2022, resulting in accumulated losses of Rs. 39,388.091 million (December 31, 2021: Rs. 38,776.353 million) and negative equity of Rs. 15,236.322 million (December 31, 2021: Rs. 14,403.149 million) as at June 30, 2022. Further, 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, 2022. 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. 13.1 to the unconsolidated condensed interim financial statements, where management has disclosed that the Bank has recognized deferred tax asset of Rs. 19,346.763 million (December 31, 2021: Rs. 16,676.625 million) which was considered realizable based on financial projections of taxable profits in foreseeable future.

- note no. 14.1 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. 22.4 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: August 24, 2022

UDIN: RR202210151qEZcnHs4I

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
AS AT JUNE 30, 2022

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
Note	----- (Rupees in '000) -----	
<b>ASSETS</b>		
Cash and balances with treasury banks	6 15,274,749	14,415,006
Balances with other banks	7 1,279,158	1,092,288
Lendings to financial institutions	8 3,982,000	298,931
Investments	9 40,834,557	31,133,345
Advances	10 25,274,580	27,043,728
Fixed assets	11 10,686,738	10,917,257
Intangible assets	12 148,488	137,586
Deferred tax assets	13 19,346,763	16,676,625
Other assets	14 10,346,147	10,301,246
	127,173,180	112,016,012
<b>LIABILITIES</b>		
Bills payable	16 2,113,098	2,071,048
Borrowings	17 15,499,577	6,922,040
Deposits and other accounts	18 116,383,158	109,483,658
Liabilities against assets subject to finance lease	-	-
Subordinated debt	19 1,495,515	1,495,515
Deferred tax liabilities	-	-
Other liabilities	20 6,918,154	6,446,900
	142,409,502	126,419,161
<b>NET ASSETS</b>	<u>(15,236,322)</u>	<u>(14,403,149)</u>
<b>REPRESENTED BY</b>		
Share capital - net	20,500,194	20,500,194
Reserves	(425,043)	(425,043)
Surplus / (deficit) on revaluation of assets	21 4,076,618	4,298,053
Accumulated losses	(39,388,091)	(38,776,353)
	<u>(15,236,322)</u>	<u>(14,403,149)</u>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	22	

The annexed notes 1 to 39 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, 2022

	Quarter Ended		Half Year Ended		
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	
Note	----- (Rupees in '000) -----				
Mark-up / return / interest earned	23	1,679,511	1,016,412	2,853,218	1,964,000
Mark-up / return / interest expensed	24	2,181,819	1,297,964	3,839,202	2,559,827
Net Mark-up / interest expense		(502,308)	(281,552)	(985,984)	(595,827)
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	25	115,249	125,735	219,368	236,737
Dividend income		900	21,009	1,800	21,009
Foreign exchange income		238,356	47,608	295,424	69,130
Income / (loss) from derivatives		-	-	-	-
Gain on securities	26	9,228	469,395	10,568	480,811
Other income	27	2,406	23,862	8,794	42,659
Total non-markup / interest income		366,139	687,609	535,954	850,346
Total income		(136,169)	406,057	(450,030)	254,519
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	28	1,448,557	1,295,166	2,804,923	2,580,183
Workers' Welfare Fund		-	-	-	-
Other charges	29	7	3,960	7	3,960
Total non-markup / interest expenses		1,448,564	1,299,126	2,804,930	2,584,143
Loss before provisions		(1,584,733)	(893,069)	(3,254,960)	(2,329,624)
Provisions / (reversals) and write offs - net	30	138,676	(648,219)	239,063	(355,840)
Extra ordinary / unusual items		-	-	-	-
<b>LOSS BEFORE TAXATION</b>		(1,723,409)	(244,850)	(3,494,023)	(1,973,784)
Taxation	31	(2,221,253)	(63,001)	(2,821,660)	(633,320)
<b>PROFIT / (LOSS) AFTER TAXATION</b>		497,844	(181,849)	(672,363)	(1,340,464)
----- (Rupee) -----					
Basic Earnings / (Loss) per share	32	0.19	(0.07)	(0.25)	(0.51)
Diluted Earnings / (Loss) per share	32	0.19	(0.07)	(0.25)	(0.51)

The annexed notes 1 to 39 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, 2022

	Quarter ended		Half Year Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Rupees in '000)			
Profit / (Loss) after taxation for the period	497,844	(181,849)	(672,363)	(1,340,464)
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>				
Movement in surplus on revaluation of investments - net of tax	(90,783)	(321,803)	17,308	(186,942)
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>				
Remeasurement gain on defined benefit obligations	-	5,519	-	12,140
Movement in surplus on revaluation of operating fixed assets - net of tax	(111,368)	9,063	(102,528)	18,129
Movement in surplus on revaluation of non-banking assets - net of tax	(30,929)	(863)	(29,159)	14,063
Movement in surplus on revaluation of held for sale property - net of tax	(46,431)	-	(46,431)	-
	(188,728)	13,719	(178,118)	44,332
<b>Total comprehensive income / (loss)</b>	<b>218,333</b>	<b>(489,933)</b>	<b>(833,173)</b>	<b>(1,483,074)</b>

The annexed notes 1 to 39 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, 2022

	Share capital		Capital reserves		Surplus / (deficit) on revaluation of			Revenue reserve		Total
	Share premium	Statutory reserve	Reserve arising on amalgamation	Fixed / Non banking assets	Investments	Property held for sale	Accumulated losses			
	(Rupees in '000)									
<b>Balance as at January 01, 2021 (Audited)</b>	20,500,194	1,000,000	154,162	(1,579,205)	511,688	3,546,085	754,510	(36,074,905)	(11,187,471)	
Loss after taxation for six months period ended June 30, 2021	-	-	-	-	-	-	-	-	-	
Other comprehensive income - net of tax	-	-	-	-	(186,942)	32,192	-	(1,340,464)	(1,340,464)	
Transfer to statutory reserve	-	-	-	-	-	-	-	12,140	(142,610)	
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(51,795)	-	51,795	-	
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	(40,181)	-	40,181	-	
<b>Balance as at July 01, 2021 (Un-audited)</b>	20,500,194	1,000,000	154,162	(1,579,205)	324,746	3,486,301	754,510	(37,711,253)	(12,670,545)	
Loss after taxation for six months period ended December 31, 2021	-	-	-	-	-	-	-	-	-	
Other comprehensive income - net of tax	-	-	-	-	(278,138)	68,726	-	(1,546,460)	(1,546,460)	
Transfer to statutory reserve	-	-	-	-	-	-	-	23,268	(186,144)	
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(50,533)	-	50,533	-	
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	(7,559)	-	7,559	-	
<b>Balance as at January 01, 2022 (Audited)</b>	20,500,194	1,000,000	154,162	(1,579,205)	46,608	3,496,935	754,510	(38,776,353)	(14,403,149)	
Loss after taxation for six months period ended June 30, 2022	-	-	-	-	-	-	-	-	-	
Other comprehensive income - net of tax	-	-	-	-	17,308	(131,687)	(46,431)	(672,363)	(672,363)	
Transfer to statutory reserve	-	-	-	-	-	-	-	-	(160,810)	
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(50,506)	-	50,506	-	
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	(10,119)	-	10,119	-	
<b>Balance as at June 30, 2022 (Un-audited)</b>	20,500,194	1,000,000	154,162	(1,579,205)	63,916	3,304,623	708,079	(39,388,091)	(15,236,322)	

The annexed notes 1 to 39 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, 2022

	June 30, 2022	June 30, 2021
Note	----- (Rupees in '000) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(3,494,023)	(1,973,784)
Less: Dividend income	(1,800)	(21,009)
	<u>(3,495,823)</u>	<u>(1,994,793)</u>
<b>Adjustments:</b>		
Depreciation on fixed assets	230,627	246,153
Depreciation on right-of-use assets	302,751	255,769
Depreciation on non-banking assets	30,421	60,058
Finance cost of lease liability	191,322	164,437
Amortization	11,638	18,931
Provision / (reversals) and write-offs excluding recoveries	239,526	(354,631)
Loss / (gain) on forward exchange contracts	20,055	(8,024)
Charge for defined benefit plan	38,120	36,736
Charge for employees compensated absences	9,224	2,614
Gain on sale of fixed assets	(9,603)	(16,136)
Loss on termination of lease (IFRS 16)	6,572	-
Loss on sale of non banking assets	431	-
	<u>1,071,084</u>	<u>405,907</u>
	<u>(2,424,739)</u>	<u>(1,588,886)</u>
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(3,683,069)	(3,483,329)
Advances	1,565,023	1,990,712
Others assets (excluding advance taxation)	(117,990)	196,699
	<u>(2,236,036)</u>	<u>(1,295,918)</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	42,050	(287,145)
Borrowings from financial institutions	8,598,281	(696,464)
Deposits	6,899,500	8,593,784
Other liabilities (excluding current taxation)	403,502	14,847
	<u>15,943,333</u>	<u>7,625,022</u>
Payment on account of staff retirement benefits	(56,401)	(103,552)
Income tax paid	(24,824)	(35,812)
<b>Net cash generated from operating activities</b>	<u>11,201,333</u>	<u>4,600,854</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	(9,699,436)	(2,762,214)
Dividends received	1,800	21,009
Investments in fixed assets	(39,751)	(208,214)
Investments in intangible assets	(22,539)	(7,849)
Proceeds from sale of fixed assets	10,479	16,645
Proceeds from sale of non-banking assets	45,803	-
<b>Net cash used in investing activities</b>	<u>(9,703,644)</u>	<u>(2,940,623)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liability against right-of-use assets	(430,332)	(334,267)
<b>Net cash used in financing activities</b>	<u>(430,332)</u>	<u>(334,267)</u>
Effect of exchange rate changes on cash and cash equivalents	420,419	(57,221)
<b>Increase in cash and cash equivalents</b>	<u>1,487,776</u>	<u>1,268,743</u>
Cash and cash equivalents at beginning of the period	15,056,494	12,949,298
<b>Cash and cash equivalents at end of the period</b>	<b>33</b> <u><u>16,544,270</u></u>	<u><u>14,218,041</u></u>

The annexed notes 1 to 39 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, 2022

**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 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, 2022.

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, 2021: 179 Conventional Banking Branches and 14 Islamic Banking Branches) in Pakistan as defined in the Banking Companies Ordinance, 1962.

- 1.2** 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. The Bank has initiated the rating process with VIS Credit Rating Company Limited and has requested SBP to allow an extension to complete the credit rating exercise by September 30, 2022. 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, 2021, 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, 2022. The Bank is currently in the process of ensuring compliance with all the applicable laws, rules, regulations and requisite regulatory requirements in this regard.
- 1.3** During the half year ended, the Bank has incurred a net loss of Rs. 672.363 million resulting in accumulated losses of Rs. 39,388.091 million and negative equity of Rs. 15,236.322 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 11.50% (inclusive of Capital Conservation Buffer of 1.50%), Leverage Ratio (LR) at 3.00%, Liquidity Coverage Ratio (LCR) at 100% and Net Stable Funding Ratio (NSFR) at 100% as of June 30, 2022. However, the paid up capital of the Bank (net of losses), CAR and LR are negative.

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.

The Bank received a letter dated May 20, 2021 from H.E. Nasser Abdulla Hussain Lootah (Investor) in which the Investor had communicated his intention to acquire a controlling stake in the Bank by subscribing to fresh equity in the Bank which was followed by a Public Announcement of Intention (PAI) by the Investor to acquire at least 51% of the issued and paid up capital of the Bank together with the management control.

The Investor submitted his offer via a letter dated October 01, 2021 and 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 was duly approved by the Board of Directors. The Bank intends to issue total 5,976.096 million new ordinary shares.

On expiry of time period for making a public announcement of offer (February 18, 2022), the Investor had submitted a revised PAI dated February 21, 2022 to acquire at least 51% of the issued and paid up capital of the Bank. The Investor continues to be fully committed to consummating the transaction.

The Bank further received a letter dated March 18, 2022 from the Investor informing the Bank about a Public Announcement of Offer (PAO) made to acquire 1,312,298,455 existing ordinary shares from the shareholders of the Bank at a price of Rs. 2.51 per share subject to a minimum level of acceptance of 35% of remaining voting shares outstanding as on the last date of PAO. The investor has also submitted irrevocable bank guarantees to the manager to the offer in this regard.

The Investor, via a letter dated April 28, 2022 shared with the Bank on May 06, 2022, disclosed the inclusion of Mr. Salman Iqbal in the consortium to acquire the Bank with an intention to subscribe to such number of shares which would enable him to become a maximum of 25% shareholder in the Bank. The Board of Directors in their meeting held on May 09, 2022 approved the inclusion of Mr. Salman Iqbal in the consortium of the Acquirer subject to obtaining the requisite approval from the regulatory authorities and shareholders. The shareholders in the (Adjourned) Extra Ordinary General Meeting (EOGM) held on June 08, 2022 approved the inclusion of Mr. Salman Iqbal in the consortium of the Investor.

The Bank dispatched Subscription Entitlement Letters dated July 05, 2022 to its eligible minority shareholders inviting them to subscribe their respective shares in the Bank at the subscription price of Rs. 2.51 per share. As a result, 5,771 shares of the Bank have been subscribed by minority shareholders. The subscription by minority shareholders and the subsequent allotment of shares are subject to the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and other regulatory approvals.

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; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies till further instructions. 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, the 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. Moreover, the SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and has directed banks having asset size of less than Rs. 500 billion to implement IFRS 9 'Financial Instruments' with effect from January 01, 2024 vide BPRD Circular Letter No. 03 of 2022 dated July 05, 2022. The SBP is in process of issuing revised reporting formats for interim financial reporting following the implementation of IFRS 9. These are currently in draft form and are yet to be notified.

Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

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 condensed interim financial statements have been presented separately.

- 2.2** Key financial figures of the Islamic banking branches are disclosed in Note 38 to these unconsolidated condensed interim financial statements.
- 2.3** 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 for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2021.
- 2.4** **Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period**

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2022. These are considered either not to be relevant or not to have any significant impact on the Bank's unconsolidated condensed interim financial statements.

**2.5 Standards, interpretations of and amendments to existing accounting and reporting standards that are not yet effective**

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for the accounting periods as stated below:

<u>Standard, Interpretation or Amendment</u>	<u>Effective date (annual periods beginning on or after)</u>
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 01, 2023
Definition of Accounting estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
Sale or contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	January 01, 2023

**2.6 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, 2021.

**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 presented 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, 2021.

**5. 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, 2021.

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	----- (Rupees in '000) -----	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>		
<b>In hand</b>		
Local currency	4,535,105	4,435,269
Foreign currency	368,778	565,956
	4,903,883	5,001,225
<b>With State Bank of Pakistan in</b>		
Local currency current account	6,922,980	6,966,624
Foreign currency current account	549,604	518,597
Foreign currency deposit account	972,011	875,136
	8,444,595	8,360,357
With National Bank of Pakistan in Local currency current account	1,906,374	959,344
Prize bonds	19,897	94,080
	15,274,749	14,415,006
<b>7. BALANCES WITH OTHER BANKS</b>		
<b>In Pakistan</b>		
In current account	20,391	20,641
In deposit account	89,397	5,391
	109,788	26,032
<b>Outside Pakistan</b>		
In current account	1,116,929	1,022,128
In deposit account	52,441	44,128
	1,169,370	1,066,256
	1,279,158	1,092,288
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Repurchase agreement lendings (Reverse Repo)	3,982,000	298,931
Less: provision held against Lendings to Financial Institutions	-	-
Lendings to Financial Institutions - net of provision	3,982,000	298,931

**9. INVESTMENTS**

**9.1 Investments by type:**

June 30, 2022 (Un-audited)				December 31, 2021 (Audited)			
Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value

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

**Available-for-sale securities**

**Federal Government Securities**

- Market Treasury Bills	16,655,126	-	(6,330)	16,648,796	13,879,696	-	(42,183)	13,837,513
- Pakistan Investment Bonds	6,931,981	-	(11,791)	6,920,190	8,502	-	(173)	8,329
- GoP Ijarah Sukuks	13,986,969	-	(76,019)	13,910,950	13,985,092	-	(65,242)	13,919,850

**Shares**

- Fully paid up ordinary shares - Listed	2,588,043	(2,165,924)	239,876	661,995	2,588,043	(2,133,273)	274,127	728,897
- 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	1,593,600	(1,593,600)	-	-	1,594,950	(1,594,950)	-	-
- Sukuk Bonds	2,700,000	(200,000)	(40,955)	2,459,045	2,700,000	(200,000)	(94,825)	2,405,175
	<b>44,504,584</b>	<b>(4,006,559)</b>	<b>104,781</b>	<b>40,602,806</b>	<b>34,805,148</b>	<b>(3,975,258)</b>	<b>71,704</b>	<b>30,901,594</b>

<b>Subsidiary</b>	<b>396,942</b>	<b>(165,191)</b>	<b>-</b>	<b>231,751</b>	<b>396,942</b>	<b>(165,191)</b>	<b>-</b>	<b>231,751</b>
-------------------	----------------	------------------	----------	----------------	----------------	------------------	----------	----------------

<b>Total Investments</b>	<b>44,901,526</b>	<b>(4,171,750)</b>	<b>104,781</b>	<b>40,834,557</b>	<b>35,202,090</b>	<b>(4,140,449)</b>	<b>71,704</b>	<b>31,133,345</b>
--------------------------	-------------------	--------------------	----------------	-------------------	-------------------	--------------------	---------------	-------------------

(Un-audited) (Audited)  
June 30, December 31,  
2022 2021  
----- (Rupees in '000) -----

**9.1.1 Investments given as collateral - Market Value**

Market Treasury Bills	<b>8,754,974</b>	<b>-</b>
-----------------------	------------------	----------

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

Opening balance	<b>4,140,449</b>	<b>4,881,353</b>
Charge / reversals		
Charge for the period / year	<b>32,651</b>	<b>-</b>
Reversals for the period / year	<b>(1,350)</b>	<b>(2,700)</b>
Reversal on disposals	<b>-</b>	<b>(738,204)</b>
	<b>31,301</b>	<b>(740,904)</b>
Closing balance	<b>4,171,750</b>	<b>4,140,449</b>

**9.3 Particulars of provision against debt securities**

Category of classification	June 30, 2022 (Un-audited)		December 31, 2021 (Audited)	
	NPI	Provision	NPI	Provision
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Loss	<b>1,793,600</b>	<b>1,793,600</b>	<b>1,794,950</b>	<b>1,794,950</b>

## 10. ADVANCES

	Performing		Non Performing		Total	
	(Un-audited) June 30, 2022	(Audited) December 31, 2021	(Un-audited) June 30, 2022	(Audited) December 31, 2021	(Un-audited) June 30, 2022	(Audited) December 31, 2021
Note ----- (Rupees in '000) -----						
Loans, cash credits, running finances, etc.	17,616,523	19,171,122	36,080,555	36,177,174	53,697,078	55,348,296
Islamic financing and related assets	2,664,754	3,090,791	758,118	772,718	3,422,872	3,863,509
Bills discounted and purchased	1,066,791	533,456	55,256	62,456	1,122,047	595,912
Advances - gross	21,348,068	22,795,369	36,893,929	37,012,348	58,241,997	59,807,717
Provision against advances						
- Specific	-	-	(32,956,115)	(32,750,104)	(32,956,115)	(32,750,104)
- General	(11,302)	(13,885)	-	-	(11,302)	(13,885)
	(11,302)	(13,885)	(32,956,115)	(32,750,104)	(32,967,417)	(32,763,989)
Advances - net of provision	21,336,766	22,781,484	3,937,814	4,262,244	25,274,580	27,043,728

### 10.1 Particulars of advances (Gross)

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
----- (Rupees in '000) -----		
In local currency	57,579,098	59,274,340
In foreign currencies	662,899	533,377
	58,241,997	59,807,717

10.2 Advances include Rs. 36,893,929 million (December 31, 2021: Rs. 37,012,348 million) which have been placed under non-performing status as detailed below:

Category of Classification	June 30, 2022 (Un-audited)		December 31, 2021 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
----- (Rupees in '000) -----				
<b>Domestic</b>				
Other Assets Especially Mentioned	133,403	-	1,126	113
Substandard	9,777	1,510	16,259	2,645
Doubtful	267,080	5,069	440,901	98,695
Loss	36,483,669	32,949,536	36,554,062	32,648,651
	36,893,929	32,956,115	37,012,348	32,750,104

### 10.3 Particulars of provision against advances

	June 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
Opening balance	32,750,104	13,885	32,763,989	32,425,544	21,671	32,447,215
Charge for the period / year	606,934	-	606,934	2,461,718	-	2,461,718
Reversals	(400,226)	(2,583)	(402,809)	(2,137,158)	(7,786)	(2,144,944)
	206,708	(2,583)	204,125	324,560	(7,786)	316,774
Amounts written off	(697)	-	(697)	-	-	-
Closing balance	32,956,115	11,302	32,967,417	32,750,104	13,885	32,763,989

10.3.1 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 range as 1.5% for secured and 6% for unsecured portfolio.

The Bank has maintained general provision against housing finance portfolio at the rate of 1.5% of the performing portfolio and 1% against unsecured performing SE portfolio.

The Bank has availed the Forced Sale Value (FSV) benefit of mortgaged properties, plant and machinery and liquid securities 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. 3,861,298 million (December 31, 2021: Rs. 4,028,587 million). The positive impact on the profit and loss account arising from availing this benefit - net of tax amounts to Rs. 2,355,392 million (December 31, 2021: Rs. 2,618,582 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.



		(Un-audited) June 30, 2022	(Audited) December 31, 2021
	Note	----- (Rupees in '000) -----	
<b>11. FIXED ASSETS</b>			
Capital work-in-progress	11.1	12,831	6,618
Property and equipment		7,870,023	8,067,994
Right-of-use assets		2,803,884	2,842,645
		<u>10,686,738</u>	<u>10,917,257</u>
<b>11.1 Capital work-in-progress</b>			
Civil works and related payments / progress billings		8,205	1,992
Advances and other payments to suppliers and contractors		4,626	4,626
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>12,831</u>	<u>6,618</u>
		----- (Un-audited) -----	
		June 30, 2022	June 30, 2021
		----- (Rupees in '000) -----	
<b>11.2 Additions to fixed assets</b>			
The following additions have been made to fixed assets during the period:			
<b>Capital work-in-progress - net</b>		6,213	126,644
<b>Property and equipment</b>			
Building improvements		6,660	-
Furniture and fixture		4,407	157
Electrical, office and computer equipment		22,471	25,413
Vehicles		-	56,000
		33,538	81,570
Right-of-use assets		287,690	1,014,618
		<u>327,441</u>	<u>1,222,832</u>
<b>11.3 Disposal of fixed assets</b>			
The net book value of fixed assets disposed of during the period is as follows:			
Building improvements		29	-
Furniture and fixture		108	-
Electrical, office and computer equipment		739	509
		876	509
Derecognition of right-of-use assets		16,919	-
		<u>17,795</u>	<u>509</u>

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
	Note	----- (Rupees in '000) -----	
<b>12. INTANGIBLE ASSETS</b>			
Capital work-in-progress	12.1	67,369	49,700
Intangible assets in use	12.2	81,119	87,886
		<u>148,488</u>	<u>137,586</u>

**12.1 Capital work-in-progress**

Advances to suppliers and contractors	67,369	49,700
Advances against capital work in progress considered doubtful	142,522	142,522
Less: Provision held there against	(142,522)	(142,522)
	-	-
	<u>67,369</u>	<u>49,700</u>

**12.2 Intangible assets in use**

Computer softwares	<u>81,119</u>	<u>87,886</u>
--------------------	---------------	---------------

**12.3 Additions to intangible assets**

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

	(Un-audited)	
	June 30, 2022	June 30, 2021
	----- (Rupees in '000) -----	
Capital work-in-progress - net	17,669	(720)
Directly purchased	4,870	8,569
	<u>22,539</u>	<u>7,849</u>

**12.4** There were no disposals in intangible assets during the current and prior period.

**13. DEFERRED TAX ASSETS**

June 30, 2022 (Un-audited)			
At January 01, 2022	Recognised in profit and loss account	Recognised in other comprehensive income	At June 30, 2022
----- (Rupees in '000) -----			
<b>Deductible Temporary Differences on</b>			
- Tax losses carried forward	9,813,393	1,983,379	-
- Provision against advances, off balance sheet etc.	7,086,935	861,963	-
- Provision for impairment loss - Investment	1,449,157	177,826	-
- Provision against intangible assets	43,107	4,927	-
- Staff compensated absences	50,412	4,129	-
- Unrealized loss on forward exchange contracts	10,472	(2,651)	-
- Provision against other assets	149,656	17,103	-
- Minimum tax	159,921	(159,921)	-
	<b>18,763,053</b>	<b>2,886,755</b>	<b>-</b>
			<b>21,649,808</b>
<b>Taxable Temporary Differences on</b>			
- Surplus on revaluation of fixed assets	(1,069,472)	-	(102,528)
- Surplus on revaluation of investments	(25,096)	-	(15,769)
- Surplus on revaluation of property - held for sale	(406,274)	-	(46,431)
- Surplus on revaluation of non-banking assets	(289,666)	-	(29,159)
- Accelerated tax depreciation	(295,920)	(22,730)	-
	<b>(2,086,428)</b>	<b>(22,730)</b>	<b>(193,887)</b>
			<b>(2,303,045)</b>
	<b>16,676,625</b>	<b>2,864,025</b>	<b>(193,887)</b>
			<b>19,346,763</b>
December 31, 2021 (Audited)			
At January 01, 2021	Recognised in profit and loss account	Recognised in other comprehensive income	At December 31, 2021
----- (Rupees in '000) -----			
<b>Deductible Temporary Differences on</b>			
- Tax losses carried forward	7,847,641	1,965,752	-
- Provision against advances, off balance sheet etc.	6,878,619	208,316	-
- Provision for impairment loss - Investment	1,708,474	(259,317)	-
- Provision against intangible assets	43,107	-	-
- Staff compensated absences	46,247	4,165	-
- Unrealized loss on forward exchange contracts	7,032	3,440	-
- Provision against other assets	149,656	-	-
- Minimum tax	-	159,921	-
	<b>16,680,776</b>	<b>2,082,277</b>	<b>-</b>
			<b>18,763,053</b>
<b>Taxable Temporary Differences on</b>			
- Surplus on revaluation of fixed assets	(1,105,287)	-	35,815
- Surplus on revaluation of investments	(275,524)	-	250,428
- Surplus on revaluation of property - held for sale	(406,274)	-	-
- Surplus on revaluation of non-banking assets	(280,316)	-	(9,350)
- Accelerated tax depreciation	(334,130)	38,210	-
	<b>(2,401,531)</b>	<b>38,210</b>	<b>276,893</b>
			<b>(2,086,428)</b>
	<b>14,279,245</b>	<b>2,120,487</b>	<b>276,893</b>
			<b>16,676,625</b>

13.1 The net deferred tax asset has been recognized in accordance with the Bank's accounting policy. The management, based on financial projections, estimates that sufficient taxable profits would be available in future against which the deferred tax asset could be realized. The projections includes certain key assumptions underlying management's 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 Bank would be able to achieve the profits and consequently, the deferred tax amount will be fully realized in future.

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
<b>14. OTHER ASSETS</b>		
	(Rupees in '000) -----	(Rupees in '000) -----
Income / mark-up accrued in local currency	962,953	709,304
Income / mark-up accrued in foreign currency	984	1,059
Advances, deposits, advance rent and other prepayments	315,790	369,568
Advance taxation (payments less provisions)	599,174	616,715
Non-banking assets acquired in satisfaction of claims	2,504,840	2,571,374
Branch adjustment account	-	174
Receivable from other banks against clearing and settlement	127,860	194,464
Mark to market gain on forward foreign exchange contracts	25,203	6,435
Acceptances	241,459	246,482
Stationery and stamps on hand	7,676	8,663
Commission receivable on home remittance	3,945	9,936
Property - Held for sale	3,836,309	3,836,309
Others	504,988	501,587
	<b>9,131,181</b>	<b>9,072,070</b>
Less: Provision held against other assets	14.2 (763,315)	(759,224)
Other Assets (net of provision)	<b>8,367,866</b>	<b>8,312,846</b>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	817,497	827,616
Surplus on revaluation of property - held for sale	1,160,784	1,160,784
Other Assets - total	<b>10,346,147</b>	<b>10,301,246</b>

14.1 This represents a portion of the Bank's self constructed property which has been earmarked for selling in the near future. This property is carried at lower of market value / fair value less cost to sell and carrying amount.

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
<b>14.2 Provision held against other assets</b>		
	(Rupees in '000) -----	(Rupees in '000) -----
Income / mark-up accrued in local currency	1,389	1,389
Advances, deposits, advance rent and other prepayments	96,689	96,689
Non-banking assets acquired in satisfaction of claims	360,107	360,107
Commission receivable on guarantees	9,880	9,880
Receivable from Dewan Group	34,436	34,436
Account receivable - sundry claims	145,391	141,300
Receivable from Speedway Fondmetal (Pakistan) Limited	25,694	25,694
Others	89,729	89,729
	<b>763,315</b>	<b>759,224</b>

**14.2.1 Movement in provision held against other assets**

Opening balance	759,224	637,837
Charge for the period / year	4,091	121,543
Reversals	-	(156)
Closing balance	<b>763,315</b>	<b>759,224</b>

**15. CONTINGENT ASSETS**

There were no contingent assets at the balance sheet date.

(Un-audited) (Audited)  
June 30, 2022 December 31, 2021  
----- (Rupees in '000) -----

**16. BILLS PAYABLE**

In Pakistan	2,113,098	2,071,048
Outside Pakistan	-	-
	<u>2,113,098</u>	<u>2,071,048</u>

**17. BORROWINGS**

**Secured**

Borrowings from State Bank of Pakistan

- Under export refinance scheme
- Under Islamic Export Refinance Scheme (IERF)
- Under long-term financing facility
- Refinance facility for modernization of SMEs
- Repurchase agreement borrowings

5,882,160	5,858,980
400,000	400,000
529,001	629,075
2,978	3,604
8,675,801	-
<u>15,489,940</u>	<u>6,891,659</u>

**Total secured**

**Unsecured**

Overdrawn nostro accounts

9,637	30,381
<u>15,499,577</u>	<u>6,922,040</u>

**18. DEPOSITS AND OTHER ACCOUNTS**

	June 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
<b>Customers</b>						
Current deposits	39,245,479	1,344,864	40,590,343	32,419,903	1,394,634	33,814,537
Savings deposits	52,230,396	4,681,865	56,912,261	53,921,219	3,902,261	57,823,480
Term deposits	9,859,013	3,451,150	13,310,163	9,783,869	3,954,546	13,738,415
Others	2,298,689	32,215	2,330,904	2,132,165	27,759	2,159,924
	<u>103,633,577</u>	<u>9,510,094</u>	<u>113,143,671</u>	<u>98,257,156</u>	<u>9,279,200</u>	<u>107,536,356</u>
<b>Financial institutions</b>						
Current deposits	387,328	150,751	538,079	292,720	102,102	394,822
Savings deposits	1,686,507	6	1,686,513	991,330	5	991,335
Term deposits	1,014,895	-	1,014,895	561,145	-	561,145
Others	-	-	-	-	-	-
	<u>3,088,730</u>	<u>150,757</u>	<u>3,239,487</u>	<u>1,845,195</u>	<u>102,107</u>	<u>1,947,302</u>
	<u>106,722,307</u>	<u>9,660,851</u>	<u>116,383,158</u>	<u>100,102,351</u>	<u>9,381,307</u>	<u>109,483,658</u>

**18.1** Deposits include Eligible Deposits of Rs. 80,767,961 million (December 31, 2021: Rs. 71,416,525 million) protected under Depositors Protection Mechanism introduced by the State Bank of Pakistan.

**18.2** Deposits include USD 13.180 million (December 31, 2021: 13.180 million) held by H.E. Nasser Abdulla Hussain Lootah (The Investor) in FCY deposit account.

## 19. SUBORDINATED DEBT

Issue amount	Rs.1,500,000,000
Issue date	October 27, 2011
Maturity date	October 27, 2021 (December 31, 2021: October 27, 2021)

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 were extended thrice by the Bank to October 27, 2019, October 27, 2020 and October 27, 2021 through the extraordinary resolutions passed by the TFC holders on November 19, 2018, April 10, 2019, November 20, 2019 and October 22, 2020. The Bank completed necessary regulatory formalities for these extensions and executed the amended Declaration of Trusts on July 23, 2019, September 23, 2020 and July 09, 2021. The final approval of these extensions were approved by the SBP vide its letters dated October 21, 2019, October 21, 2020 and October 22, 2021.

Recently, the TFC holders of the Bank in their extraordinary meeting held on October 26, 2021 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 (principal and the related mark-up) with the revised maturity date of October 27, 2022. The Bank is currently in the process of ensuring compliance with all the applicable laws, rules and requisite regulatory requirements for seeking final approval 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, 2022	(Audited) December 31, 2021
Note	----- (Rupees in '000) -----	
<b>20. OTHER LIABILITIES</b>		
Mark-up / return / interest payable in local currency	1,771,063	1,305,054
Mark-up / return / interest payable in foreign currencies	3,709	3,291
Unearned income	73,133	16,329
Accrued expenses	71,425	100,518
Advance against sale of property	331,024	373,323
Acceptances	241,459	246,482
Unclaimed dividends	2,213	2,213
Mark to market loss on forward foreign exchange contracts	45,258	36,356
Payable to defined benefit plan	38,120	42,992
Charity fund balance	2,182	1,084
Branch adjustment account	80	-
Security deposits against lease	272,032	308,321
Payable to Bangladesh Bank	41,389	41,389
Payable to Rupali Bank - Bangladesh	16,293	16,293
Payable to vendors / creditors	220,079	196,909
Provision for compensated absences	139,845	144,030
Payable to Bank of Ceylon, Colombo	20,163	20,163
Retention money	3,365	3,133
Provision for Workers' Welfare Fund	13,360	13,360
Withholding taxes and government levies payable	12,671	14,290
Federal excise duty and sales tax payable	6,892	7,062
Commission payable on home remittances	3,472	3,102
Lease liability against right-of-use assets	3,247,215	3,215,664
Others	341,712	335,542
	<b>6,918,154</b>	<b>6,446,900</b>

**21. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS**

Surplus / (deficit) on revaluation of

- Available for sale securities
- Fixed assets
- Non-banking assets acquired in satisfaction of claims
- Property - held for sale

9.1	104,781	71,704
	3,977,951	4,028,457
	817,497	827,616
	1,160,784	1,160,784
	<b>6,061,013</b>	<b>6,088,561</b>

Deferred tax on surplus / (deficit) on revaluation of:

- Available for sale securities
- Fixed assets
- Non-banking assets acquired in satisfaction of claims
- Property - held for sale

(40,865)	(25,096)
(1,172,000)	(1,069,472)
(318,825)	(289,666)
(452,705)	(406,274)
<b>(1,984,395)</b>	<b>(1,790,508)</b>

<b>4,076,618</b>	<b>4,298,053</b>
------------------	------------------

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
	Note	----- (Rupees in '000) -----	
<b>22. CONTINGENCIES AND COMMITMENTS</b>			
-Guarantees	22.1	11,921,964	9,824,912
-Commitments	22.2	24,670,763	15,287,854
-Other contingent liabilities	22.3	20,534,341	19,203,552
		<u>57,127,068</u>	<u>44,316,318</u>
<b>22.1 Guarantees:</b>			
Financial guarantees		20,470	20,470
Performance guarantees		8,809,673	8,003,196
Other guarantees		3,091,821	1,801,246
		<u>11,921,964</u>	<u>9,824,912</u>
<b>22.2 Commitments:</b>			
Documentary credits and short-term trade-related transactions			
- letters of credit		1,489,081	1,990,941
Commitments in respect of:			
- Forward foreign exchange contracts	22.2.1	8,028,153	7,537,538
- Forward lending	22.2.2	6,287,634	5,579,206
Commitments for acquisition of:			
- Fixed assets		12,871	664
- Intangible assets		177,223	179,505
Other commitments	22.2.3	8,675,801	-
		<u>24,670,763</u>	<u>15,287,854</u>
<b>22.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		7,056,013	6,748,974
Sale		972,140	788,564
		<u>8,028,153</u>	<u>7,537,538</u>



		(Un-audited) June 30, 2022	(Audited) December 31, 2021
	Note	----- (Rupees in '000) -----	
<b>22.2.2</b>	<b>Commitments in respect of forward lending</b>		
	Forward documentary bills	4,595,698	3,996,813
	Undrawn formal standby facilities, credit lines and other commitments to lend	1,691,936	1,582,393
	<b>22.2.2.1</b>	<b>6,287,634</b>	<b>5,579,206</b>

**22.2.2.1** 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, 2022	(Audited) December 31, 2021
		----- (Rupees in '000) -----	
<b>22.2.3</b>	<b>Other commitments</b>		
	Purchase (Repo)	8,675,801	-
<b>22.3</b>	<b>Other contingent liabilities - claims against the Bank not acknowledged as debts</b>	<b>20,534,341</b>	<b>19,203,552</b>

**22.4** 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 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 sub judice. These proceedings in the opinion of the management will not have any effect on the operations and functioning of the Bank.

**22.5 Contingency for tax payable**

Contingency related to tax payable is disclosed in note 31.2.

		(Un-audited) Half year ended	
		June 30, 2022	June 30, 2021
		----- (Rupees in '000) -----	
<b>23. MARK-UP / RETURN / INTEREST EARNED</b>	<b>Note</b>		
On:			
Loans and advances		1,104,129	963,091
Investments		1,614,486	986,471
Lendings to financial institutions		133,142	13,421
Balances with banks		1,461	1,017
		<u>2,853,218</u>	<u>1,964,000</u>
<b>24. MARK-UP / RETURN / INTEREST EXPENSED</b>			
On:			
Deposits		2,892,123	2,007,120
Borrowings		275,466	133,331
Subordinated debt		103,717	79,436
Cost of foreign currency swaps against foreign currency deposits / borrowings		376,574	175,503
Finance cost of lease liability		191,322	164,437
		<u>3,839,202</u>	<u>2,559,827</u>
<b>25. FEE AND COMMISSION INCOME</b>			
Branch banking customer fees		20,536	21,526
Consumer finance related fees		3,354	5,392
Card related fees (debit cards)		43,826	37,256
Credit related fees		1,896	1,973
Investment banking fees		12,394	27,212
Commission on trade		86,306	83,696
Commission on guarantees		27,522	50,010
Commission on cash management		893	1,602
Commission on remittances including home remittances		4,771	6,845
Commission on bancassurance		422	602
Alternate Delivery Channels		17,443	616
Others		5	7
		<u>219,368</u>	<u>236,737</u>
<b>26. GAIN ON SECURITIES</b>			
Realised	<b>26.1</b>	10,568	480,811
Unrealised - held for trading		-	-
		<u>10,568</u>	<u>480,811</u>
<b>26.1 Realised gain on:</b>			
Federal Government Securities		10,568	21,787
Shares		-	459,024
		<u>10,568</u>	<u>480,811</u>

		(Un-audited) Half year ended	
		June 30, 2022	June 30, 2021
		----- (Rupees in '000) -----	
<b>27. OTHER INCOME</b>	<b>Note</b>		
Rent on property		3,354	10,733
Gain on sale of fixed assets - net		9,603	16,136
Loss on sale of non banking assets		(431)	-
Gain on sale of ijarah assets		1,297	15,790
Recoveries against previously expensed items		1,056	-
Loss on termination of lease (IFRS 16)		(6,572)	-
Income on settlement of nostro balances		448	-
Others		39	-
		<u>8,794</u>	<u>42,659</u>
<b>28. OPERATING EXPENSES</b>			
<b>Total compensation expense</b>	<b>28.1</b>	<b>1,017,889</b>	<b>920,098</b>
<b>Property expense</b>			
Rent and taxes		46,242	83,456
Insurance - property		5,446	2,792
Insurance - non banking assets		426	313
Utilities cost		152,651	115,489
Security (including guards)		98,922	97,395
Repair and maintenance (including janitorial charges)		57,428	65,590
Depreciation on owned fixed assets		135,295	144,928
Depreciation on right-of-use assets		302,751	255,769
Depreciation on non banking assets		30,421	60,058
		<u>829,582</u>	<u>825,790</u>
<b>Information technology expenses</b>			
Software maintenance		48,135	45,232
Hardware maintenance		45,354	42,845
Depreciation on computer equipments		40,823	33,937
Amortisation of computer softwares		11,638	11,766
Network charges		42,031	43,582
Insurance		168	439
		<u>188,149</u>	<u>177,801</u>
<b>Other operating expenses</b>			
Directors' fees and allowances		19,800	9,150
Fees and allowances to Shariah Board		10,200	7,230
Legal and professional charges		36,160	30,954
Outsourced services costs		103,363	80,440
Travelling and conveyance		122,252	82,342
NIFT clearing charges		12,467	13,019
Depreciation		54,509	67,288
Amortisation of core deposits and brand name		-	7,165
Training and development		1,211	1,135
Postage and courier charges		24,054	18,128
Communication		23,414	24,874
Stationery and printing		43,161	43,466
Marketing, advertisement and publicity		5,195	3,164
Brokerage and commission		14,378	13,456
Fee and subscription		49,311	27,974
Cash transportation and sorting charges		55,948	50,757
Entertainment		17,650	16,690
Insurance		61,450	64,403
Deposit insurance premium expense		48,290	37,648
Repair and maintenance		43,718	43,316
Auditors' remuneration		5,245	6,612
Others		17,527	7,283
		<u>769,303</u>	<u>656,494</u>
		<u>2,804,923</u>	<u>2,580,183</u>

		(Un-audited) Half year ended	
		June 30, 2022	June 30, 2021
		----- (Rupees in '000) -----	
<b>28.1</b>	<b>Total compensation expense</b>	<b>Note</b>	
	Fees and allowances etc.	10,103	7,747
	Managerial remuneration		
	i) Fixed	631,582	570,058
	ii) Variable		
	of which;		
	a) Cash bonus / awards etc.	-	1,765
	b) Incentives and commission	2,363	647
	Charge for defined benefit plan	38,120	36,736
	Contribution to defined contribution plan	35,049	36,587
	Charge for employees compensated absences	9,224	2,614
	Rent and house maintenance	200,814	181,445
	Utilities	44,623	40,301
	Medical	46,011	42,198
	<b>Total</b>	<b>1,017,889</b>	<b>920,098</b>
<b>29.</b>	<b>OTHER CHARGES</b>		
	Penalties imposed by State Bank of Pakistan	7	3,860
	Penalties imposed by SECP	-	100
		<b>7</b>	<b>3,960</b>
<b>30.</b>	<b>PROVISIONS / (REVERSALS) AND WRITE OFFS - NET</b>		
	Provision / (reversal of provision) for diminution in value of investments	31,301	(739,554)
	Provision against loans and advances	204,125	257,963
	Provision for capital work in progress	-	1,298
	Provision against intangible assets	-	4,098
	Provision against other assets	4,091	118,641
	Fixed assets written off	9	14
	Operational loss	-	2,909
	Recoveries against written off / charged off bad debts	(463)	(1,209)
		<b>239,063</b>	<b>(355,840)</b>
<b>31.</b>	<b>TAXATION</b>		
	Current	31.1 & 31.2 42,365	28,444
	Prior years	-	-
	Deferred	(2,864,025)	(661,764)
		<b>(2,821,660)</b>	<b>(633,320)</b>

**31.1** 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.

**31.2** The Income Tax Returns of the Bank have been submitted up to and including the Bank's financial year ended December 31, 2020 i.e. tax year 2021.

In respect of assessments of Summit Bank Limited from tax years 2009 to tax year 2016 the tax authorities disputed the Bank's treatment on certain issues and created an additional tax demand (net of rectification) of Rs. 329.13 million through amended assessment orders and the same have been paid / stayed / adjusted against available refunds.

In respect of assessments of Summit Bank Limited AJK Region from tax year 2013 to tax year 2017, the tax authorities disputed the Bank's treatment on certain issues and created an additional tax demand of Rs. 9.684 million through amended assessment orders and the same have been paid / adjusted against advance tax paid.

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 the 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 the 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, disallowances of certain HO expenses, addition to mark-up/interest earned in AJK region 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 financial statements.

		(Un-audited) Half year ended	
		June 30, 2022	June 30, 2021
		----- (Rupees in '000) -----	
<b>32. BASIC AND DILUTED LOSS PER SHARE</b>	<b>Note</b>		
Loss for the period		<u>(672,363)</u>	<u>(1,340,464)</u>
		----- (Number of shares) -----	
Weighted average number of ordinary shares - Basic		<u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupee) -----	
Basic loss per share		<u>(0.25)</u>	<u>(0.51)</u>
		----- (Number of shares) -----	
Weighted average number of ordinary shares - Diluted	<b>32.1</b>	<u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupee) -----	
Diluted loss per share		<u>(0.25)</u>	<u>(0.51)</u>

**32.1** There are no potential ordinary shares outstanding as of June 30, 2022.

		(Un-audited) Half year ended	
		June 30, 2022	June 30, 2021
		----- (Rupees in '000) -----	
<b>33. CASH AND CASH EQUIVALENTS</b>			
Cash and balances with treasury banks		15,274,749	13,453,093
Balances with other banks		1,279,158	778,166
Overdrawn nostro accounts		(9,637)	(13,218)
		<u>16,544,270</u>	<u>14,218,041</u>

### 34. 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, other than investment 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 cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

#### 34.1 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).

34.2 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 categorized:

June 30, 2022 (Un-audited)				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
Investments				
- Federal Government Securities	-	37,479,936	-	37,479,936
- Shares - Listed	661,995	-	-	661,995
- Non Government Debt Securities	2,459,045	-	-	2,459,045
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments				
- Shares - Unlisted	-	-	3,242	3,242
<b>Non-Financial assets - measured at fair value</b>				
Fixed assets	-	-	7,374,576	7,374,576
Non banking assets acquired in satisfaction of claims	-	-	2,962,230	2,962,230
<b>Off-balance sheet financial instruments - measured at fair value</b>				
Forward purchase of foreign exchange	-	7,044,138	-	7,044,138
Forward sale of foreign exchange	-	980,320	-	980,320

**On balance sheet financial instruments**

December 31, 2021 (Audited)			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			

**Financial assets - measured at fair value**

Investments

- Federal Government Securities	-	27,765,692	-	27,765,692
- Shares - Listed	728,897	-	-	728,897
- Non Government Debt Securities	2,405,175	-	-	2,405,175

**Financial assets - disclosed but not measured at fair value**

Investments

- Shares - Unlisted	-	-	3,070	3,070
---------------------	---	---	-------	-------

**Non-Financial assets - measured at fair value**

Fixed assets	-	-	7,503,241	7,503,241
Non banking assets acquired in satisfaction of claims	-	-	3,038,883	3,038,883

**Off-balance sheet financial instruments - measured at fair value**

Forward purchase of foreign exchange	-	6,715,915	-	6,715,915
Forward sale of foreign exchange	-	785,426	-	785,426

**Valuation techniques used in determination of fair value**

Item	Valuation approach and input used
Federal Government Securities	The fair values of Market Treasury Bills (MTB) and Pakistan Investment Bonds (PIB) are determined using the PKRV rates. Floating rate PIBs are revalued using PKFRV rates. The fair values of GOP Ijarah Sukuks are derived using the PKISRV rates.
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.
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.

### 35. SEGMENT INFORMATION

#### 35.1 Segment details with respect to business activities

For the half year ended June 30, 2022 (Un-audited)						
Corporate finance	Trading and sales	Branch Banking	Islamic	Others	Total	
----- (Rupees in '000) -----						
<b>Profit and Loss</b>						
Net mark-up / return / profit	(443)	509,292	(1,774,297)	279,464	-	(985,984)
Inter segment revenue - net	-	(422,843)	-	422,843	-	-
Non mark-up / return / interest income	11,225	315,873	208,206	650	-	535,954
Total income	10,782	402,322	(1,566,091)	702,957	-	(450,030)
Segment direct expenses	2,017	281,446	2,329,832	160,788	30,847	2,804,930
Inter segment expense allocation	-	-	(239,049)	239,049	-	-
Total expenses	2,017	281,446	2,090,783	399,837	30,847	2,804,930
Provisions	-	31,301	202,375	5,387	-	239,063
<b>Profit / (loss) before tax</b>	<b>8,765</b>	<b>89,575</b>	<b>(3,859,249)</b>	<b>297,733</b>	<b>(30,847)</b>	<b>(3,494,023)</b>

As at June 30, 2022 (Un-audited)						
Corporate finance	Trading and sales	Branch Banking	Islamic	Others	Total	
----- (Rupees in '000) -----						
<b>Balance Sheet</b>						
Cash and bank balances	-	8,615,228	6,568,315	1,370,364	-	16,553,907
Investments	-	28,314,577	1,394,734	10,893,495	231,751	40,834,557
Net inter segment lending	-	300,000	-	8,993,057	-	9,293,057
Lendings to financial institutions	-	3,982,000	-	-	-	3,982,000
Advances - performing	-	-	18,674,862	2,661,904	-	21,336,766
Advances - non-performing	-	-	3,915,117	22,697	-	3,937,814
Others	147,346	11,764,086	16,255,252	777,776	11,583,676	40,528,136
<b>Total assets</b>	<b>147,346</b>	<b>52,975,891</b>	<b>46,808,280</b>	<b>24,719,293</b>	<b>11,815,427</b>	<b>136,466,237</b>
Borrowings	-	8,685,438	6,414,139	400,000	-	15,499,577
Subordinated debt	6,393	834,715	654,407	-	-	1,495,515
Deposits and other accounts	-	-	95,171,281	21,211,877	-	116,383,158
Net inter segment borrowing	-	8,993,057	-	300,000	-	9,293,057
Others	6,978	1,018,942	6,986,096	707,505	311,731	9,031,252
<b>Total liabilities</b>	<b>13,371</b>	<b>19,532,152</b>	<b>109,225,923</b>	<b>22,619,382</b>	<b>311,731</b>	<b>151,702,559</b>
Equity	133,975	33,443,739	(62,417,643)	2,099,911	11,503,696	(15,236,322)
<b>Total equity and liabilities</b>	<b>147,346</b>	<b>52,975,891</b>	<b>46,808,280</b>	<b>24,719,293</b>	<b>11,815,427</b>	<b>136,466,237</b>
<b>Contingencies and Commitments</b>	<b>-</b>	<b>16,036,441</b>	<b>15,706,791</b>	<b>4,659,401</b>	<b>20,724,435</b>	<b>57,127,068</b>



For the half year ended June 30, 2021 (Un-audited)					
Corporate finance	Trading and sales	Branch Banking	Islamic	Others	Total
(Rupees in '000)					
<b>Profit and Loss</b>					
Net mark-up / return / profit	(868)	492,622	(1,118,755)	31,174	(595,827)
Inter segment revenue - net	-	(376,657)	-	376,657	-
Non mark-up / return / interest income	26,278	586,404	220,774	16,890	850,346
Total income	25,410	702,369	(897,981)	424,721	254,519
Segment direct expenses	4,031	229,333	2,150,474	140,246	2,584,143
Inter segment expense allocation	-	-	(240,073)	240,073	-
Total expenses	4,031	229,333	1,910,401	380,319	2,584,143
Provisions	-	(739,554)	360,976	22,738	(355,840)
<b>Profit / (loss) before tax</b>	<b>21,379</b>	<b>1,212,590</b>	<b>(3,169,358)</b>	<b>21,664</b>	<b>(1,973,784)</b>

As at December 31, 2021 (Audited)					
Corporate finance	Trading and sales	Branch Banking	Islamic	Others	Total
(Rupees in '000)					
<b>Balance Sheet</b>					
Cash and Bank balances	-	8,189,994	5,939,387	1,377,913	15,507,294
Investments	-	17,873,826	2,186,043	10,841,725	31,133,345
Net inter segment lending	-	425,000	-	7,644,820	8,069,820
Lendings to financial institutions	-	298,931	-	-	298,931
Advances - performing	-	-	19,694,216	3,087,268	22,781,484
Advances - non-performing	-	-	4,218,887	43,357	4,262,244
Others	197,494	10,145,078	15,248,343	638,055	38,032,714
<b>Total Assets</b>	<b>197,494</b>	<b>36,932,829</b>	<b>47,286,876</b>	<b>23,633,138</b>	<b>120,085,832</b>
Borrowings	-	14,503	6,491,659	415,878	6,922,040
Subordinated debt	11,261	830,084	654,170	-	1,495,515
Deposits and other accounts	-	-	90,540,299	18,943,359	109,483,658
Net inter segment borrowing	-	7,644,820	-	425,000	8,069,820
Others	908	97,338	6,023,303	2,084,668	8,517,948
<b>Total liabilities</b>	<b>12,169</b>	<b>8,586,745</b>	<b>103,709,431</b>	<b>21,868,905</b>	<b>134,488,981</b>
Equity	185,325	28,346,084	(56,422,555)	1,764,233	(14,403,149)
<b>Total equity and liabilities</b>	<b>197,494</b>	<b>36,932,829</b>	<b>47,286,876</b>	<b>23,633,138</b>	<b>120,085,832</b>
<b>Contingencies and Commitments</b>	<b>-</b>	<b>6,911,598</b>	<b>14,944,419</b>	<b>3,076,580</b>	<b>44,316,318</b>

35.1.1 The Bank does not have any operations outside Pakistan.

### 34. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, subsidiary, 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, 2022 (Un-audited)				December 31, 2021 (Audited)					
	Parent company	Directors	Key management personnel	Subsidiary	Other related parties	Parent company	Directors	Key management personnel	Subsidiary	Other related parties
(Rupees in '000)										
<b>Investments</b>										
Opening balance	-	-	-	396,942	1,692,490	-	-	-	396,942	1,692,490
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed of during the period / year	-	-	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	396,942	1,692,490	-	-	-	396,942	1,692,490
Provision for diminution in value of investments	-	-	-	1,65,191	1,613,242	-	-	-	1,65,191	1,613,242
<b>Advances</b>										
Opening balance	-	-	252,873	-	786,261	-	-	295,706	-	675,185
Addition during the period / year	-	-	6,929	-	564,689	-	-	11,465	99,998	1,886,290
Repaid during the period / year	-	-	(25,577)	-	(669,323)	-	-	(44,026)	(99,998)	(1,777,214)
Transfer in / (out) - net	-	-	(8,829)	-	-	-	-	(10,322)	-	-
Closing balance	-	-	225,346	-	681,827	-	-	252,823	-	786,261
Provision held against advances	-	-	-	-	-	-	-	-	-	-

	June 30, 2022 (Un-audited)				December 31, 2021 (Audited)					
	Parent company	Directors	Key management personnel	Subsidiary	Other related parties	Parent company	Directors	Key management personnel	Subsidiary	Other related parties
<b>Other Assets</b>										
Interest / mark-up accrued	-	-	507	-	39,869	-	-	-	-	13,630
Other receivable	699	-	553	-	-	699	-	666	-	-
Provision held against other assets	-	-	-	-	-	-	-	-	-	-
<b>Deposits and other accounts</b>										
Opening balance	-	-	82,005	59,341	2,110,049	-	-	64,072	157,832	2,083,253
Received during the period / year	-	-	229,664	755,506	2,688,104	-	-	670,534	4,229,194	3,638,126
Withdrawn during the period / year	-	-	(216,126)	(751,753)	(2,717,708)	-	-	(660,431)	(4,327,685)	(3,613,898)
Transfer (out) / in - net	-	-	(58,159)	-	-	-	-	7,830	-	2,568
Closing balance	-	-	37,384	63,094	2,080,445	-	-	82,005	59,341	2,110,049
<b>Other Liabilities</b>										
Interest / mark-up payable	-	-	157	718	31,459	-	-	545	44	16,647
Payable to defined benefit plan	-	-	-	-	38,120	-	-	-	-	42,992
Brokerage payable	-	-	-	23	-	-	-	-	11	-
<b>Contingencies and Commitments</b>										
Guarantees, letters of credit and acceptances	-	-	-	-	86,500	-	-	-	-	217,289
Commitments to extend credit	-	-	-	62,241	2,174	-	-	-	300,000	65,377

	For the half year ended June 30, 2022 (Un-audited)				For the half year ended June 30, 2021 (Un-audited)					
	Parent company	Directors	Key management personnel	Subsidiary	Other related parties	Parent company	Directors	Key management personnel	Subsidiary	Other related parties
(Rupees in '000)										
<b>Income</b>										
Mark-up / return / interest earned	-	-	3,933	-	43,176	-	-	5,842	297	36,991
Fee and commission income	-	-	9	63	218	-	-	6	73	558
Other income	-	-	340	1,977	-	-	-	3	1,842	-
<b>Expense</b>										
Mark-up / return / interest expensed	-	-	1,606	2,470	115,270	-	-	592	708	59,542
Operating expenses:										
- Directors' fees and allowances	-	19,800	-	-	-	-	9,150	-	-	-
- Brokerage and commission	-	-	-	139	-	-	-	-	3,243	-
- Fee and subscription	-	-	451	-	-	-	-	387	-	-
- Managerial Remuneration	-	-	158,245	-	-	-	-	11,230	-	-
- Contribution to defined contribution plan	-	-	-	-	35,049	-	-	-	-	36,587
- Charge for defined benefit plan	-	-	-	-	38,120	-	-	-	-	36,736

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

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	----- (Rupees in '000) -----	
<b>37. CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	<u>(19,467,102)</u>	<u>(18,855,364)</u>
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier-1 (CET-1) Capital	<u>(39,529,740)</u>	<u>(36,266,670)</u>
Eligible Additional Tier-1 (ADT-1) Capital	-	-
Total Eligible Tier-1 Capital	<u>(39,529,740)</u>	<u>(36,266,670)</u>
Eligible Tier-2 Capital	-	-
Total Eligible Capital (Tier-1 + Tier-2)	<u>(39,529,740)</u>	<u>(36,266,670)</u>
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	47,127,979	48,061,227
Market Risk	6,092,462	3,514,273
Operational Risk	7,447,378	7,447,378
<b>Total</b>	<u>60,667,819</u>	<u>59,022,878</u>
Common Equity Tier-1 Capital Adequacy Ratio	<u>-65.16%</u>	<u>-61.45%</u>
Tier-1 Capital Adequacy Ratio	<u>-65.16%</u>	<u>-61.45%</u>
Total Capital Adequacy Ratio	<u>-65.16%</u>	<u>-61.45%</u>
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	(39,529,740)	(36,266,670)
Total Exposures	118,068,084	128,015,223
	<u>-33.48%</u>	<u>-28.33%</u>
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	46,705,183	40,325,959
Total Net Cash Outflow	20,914,695	21,880,329
Liquidity Coverage Ratio	<u>223.31%</u>	<u>184.30%</u>
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	79,342,750	72,650,421
Total Required Stable Funding	54,733,511	52,487,876
Net Stable Funding Ratio	<u>144.96%</u>	<u>138.41%</u>

### 38. ISLAMIC BANKING BUSINESS

The Bank commenced its Islamic Banking Operations in Pakistan on March 07, 2014 and is operating with 14 (December 31, 2021: 14) Islamic banking branches and 35 (December 31, 2021: 35) Islamic banking windows at the end of the period.

#### STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
Note ----- (Rupees in '000) -----		
<b>ASSETS</b>		
Cash and balances with treasury banks	1,175,269	1,344,202
Balances with other banks	195,095	33,711
Due from financial institutions	38.1 8,993,057	7,644,820
Investments	38.2 10,893,495	10,841,725
Islamic financing and related assets - net	38.3 2,684,601	3,130,625
Fixed assets	308,950	337,895
Intangible assets	126	409
Due from Head Office	-	-
Deferred tax assets	6,696	19,956
Other assets	462,004	279,795
<b>Total Assets</b>	<b>24,719,293</b>	<b>23,633,138</b>
<b>LIABILITIES</b>		
Bills payable	327,149	253,005
Due to financial institutions	38.4 700,000	840,878
Deposits and other accounts	38.5 21,211,877	18,943,359
Due to Head Office	-	-
Subordinated debt	-	-
Deferred tax liabilities	-	-
Other liabilities	380,356	1,831,663
	<b>22,619,382</b>	<b>21,868,905</b>
<b>NET ASSETS</b>	<b>2,099,911</b>	<b>1,764,233</b>
<b>REPRESENTED BY</b>		
Islamic Banking Fund	1,000,000	1,000,000
Reserves	-	-
Surplus on revaluation of assets	(711)	(37,061)
Unappropriated / Unremitted profit	38.6 1,100,622	801,294
	<b>2,099,911</b>	<b>1,764,233</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>38.7</b>	

**ISLAMIC BANKING BUSINESS  
PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2022**

	June 30, 2022	June 30, 2021
Note	----- (Rupees in '000) -----	
Profit / return earned	<b>38.8</b> 1,180,702	768,978
Profit / return expensed	<b>38.9</b> 478,395	361,147
<b>Net Profit / return</b>	<b>702,307</b>	407,831
<b>Other income</b>		
Fee and commission income	20,478	20,418
Dividend income	-	-
Foreign exchange loss	(17,781)	(15,800)
Income / (loss) from derivatives	-	-
Loss on sale of securities	(4,296)	(5,270)
Other income	2,249	17,542
<b>Total other income</b>	<b>650</b>	16,890
<b>Total income</b>	<b>702,957</b>	424,721
<b>Other expenses</b>		
Operating expenses	399,837	380,316
Workers' welfare fund	-	-
Other charges	-	3
<b>Total other expenses</b>	<b>399,837</b>	380,319
<b>Profit before provisions</b>	<b>303,120</b>	44,402
Provisions and write offs - net	5,387	22,738
<b>Profit before taxation</b>	<b>297,733</b>	21,664
Taxation	-	-
<b>Profit after taxation</b>	<b>297,733</b>	21,664

**ISLAMIC BANKING BUSINESS  
FOR THE HALF YEAR ENDED JUNE 30, 2022**

	Note	June 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----							
<b>38.1 Due from Financial Institutions</b>							
<b>Unsecured</b>							
Bai Muajjal Receivable from other Financial Institutions	38.1.1	8,993,057	-	8,993,057	7,644,820	-	7,644,820
		<b>8,993,057</b>	<b>-</b>	<b>8,993,057</b>	<b>7,644,820</b>	<b>-</b>	<b>7,644,820</b>

38.1.1 This represents Bai Muajjal agreements with conventional operations of Summit Bank Limited and carries profit rate of 13.50% to 14.00% per annum (December 31, 2021: 8.50% to 9.50% per annum).

**38.2 Investments**

	June 30, 2022 (Un-audited)				December 31, 2021 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- (Rupees in '000) -----								
<b>Investments by segments:</b>								
<b>Federal Government Securities:</b>								
- GOP Ijarah Sukuks	8,496,091	-	(61,641)	8,434,450	8,495,528	-	(58,978)	8,436,550
<b>Non Government Debt Securities</b>								
- Listed	2,500,000	-	(40,955)	2,459,045	2,500,000	-	(94,825)	2,405,175
<b>Total Investments</b>	<b>10,996,091</b>	<b>-</b>	<b>(102,596)</b>	<b>10,893,495</b>	<b>10,995,528</b>	<b>-</b>	<b>(153,803)</b>	<b>10,841,725</b>

	Note	(Un-audited)	(Audited)
		June 30, 2022	December 31, 2021
----- (Rupees in '000) -----			
<b>38.3 Islamic financing and related assets</b>			
Ijarah		346,115	284,662
Murabaha		-	762
Running Musharakah		166,708	539,651
Diminishing Musharakah		2,158,486	2,281,155
Tijarah		699,998	699,998
Advance against Ijarah		50,368	22,791
Tijarah Inventory		1,197	2,400
Payment against Document		-	32,090
Gross Islamic financing and related assets		<b>3,422,872</b>	<b>3,863,509</b>
Less: provision against Islamic financings			
- Specific		(735,421)	(729,361)
- General		(2,850)	(3,523)
		<b>(738,271)</b>	<b>(732,884)</b>
Islamic financing and related assets - net of provision		<b>2,684,601</b>	<b>3,130,625</b>

**38.4 Due to financial institutions**

<b>Secured</b>			
Acceptances from the SBP under Islamic Export Refinance Scheme		400,000	400,000
<b>Total secured</b>		<b>400,000</b>	<b>400,000</b>
<b>Unsecured</b>			
Overdrawn nostro accounts		-	15,878
Musharakah	38.4.1	300,000	425,000
<b>Total unsecured</b>		<b>300,000</b>	<b>440,878</b>
		<b>700,000</b>	<b>840,878</b>

38.4.1 This represents Musharakah acceptance with conventional operations of Summit Bank Limited and carries profit rate of 13.50% per annum (December 31, 2021: 8.50% per annum).



**38.5 Deposits**

	June 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
<b>Customers</b>						
Current deposits	7,744,083	463,814	8,207,897	6,037,564	445,290	6,482,854
Savings deposits	11,312,876	147,661	11,460,537	11,135,390	98,557	11,233,947
Term deposits	861,527	170,760	1,032,287	785,378	176,683	962,061
Others	219,659	-	219,659	164,091	-	164,091
	<b>20,138,145</b>	<b>782,235</b>	<b>20,920,380</b>	<b>18,122,423</b>	<b>720,530</b>	<b>18,842,953</b>
<b>Financial Institutions</b>						
Current deposits	11,152	155	11,307	10,385	139	10,524
Savings deposits	280,190	-	280,190	78,882	-	78,882
Term deposits	-	-	-	11,000	-	11,000
	<b>291,342</b>	<b>155</b>	<b>291,497</b>	<b>100,267</b>	<b>139</b>	<b>100,406</b>
	<b>20,429,487</b>	<b>782,390</b>	<b>21,211,877</b>	<b>18,222,690</b>	<b>720,669</b>	<b>18,943,359</b>

**38.5.1** This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 12,756.893 million (December 31, 2021: Rs. 11,054.384 million).

**38.6 Islamic Banking Business Unappropriated Profit**

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	----- (Rupees in '000) -----	
Opening balance	801,294	691,819
Add: Islamic Banking profit for the period / year	297,733	106,284
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated profit	1,595	3,191
Closing balance	<b>1,100,622</b>	<b>801,294</b>

**38.7 CONTINGENCIES AND COMMITMENTS**

-Guarantees	3,129,139	1,732,852
-Commitments	1,530,262	1,343,728
-Other contingent liabilities	-	-
	<b>4,659,401</b>	<b>3,076,580</b>

**38.8 Profit / Return Earned of Financing, Investments and Placement**

	(Un-audited)	
	June 30, 2022	June 30, 2021
	----- (Rupees in '000) -----	
Profit earned on:		
Financing	142,997	161,428
Investments	598,815	221,762
Placements	438,536	385,484
Balances with banks	354	304
	<b>1,180,702</b>	<b>768,978</b>

**38.9 Profit on Deposits and other Dues Expensed**

Deposits and other accounts	447,238	336,271
Due to Financial Institutions	20,844	12,098
Finance cost of lease liability	10,313	12,778
	<b>478,395</b>	<b>361,147</b>

**39. DATE OF AUTHORIZATION OF ISSUE**

These unconsolidated condensed interim financial statements were authorised for issue on August 23, 2022 by the Board of Directors of the Bank.

---

President / Chief Executive

---

Chief Financial Officer

---

Director

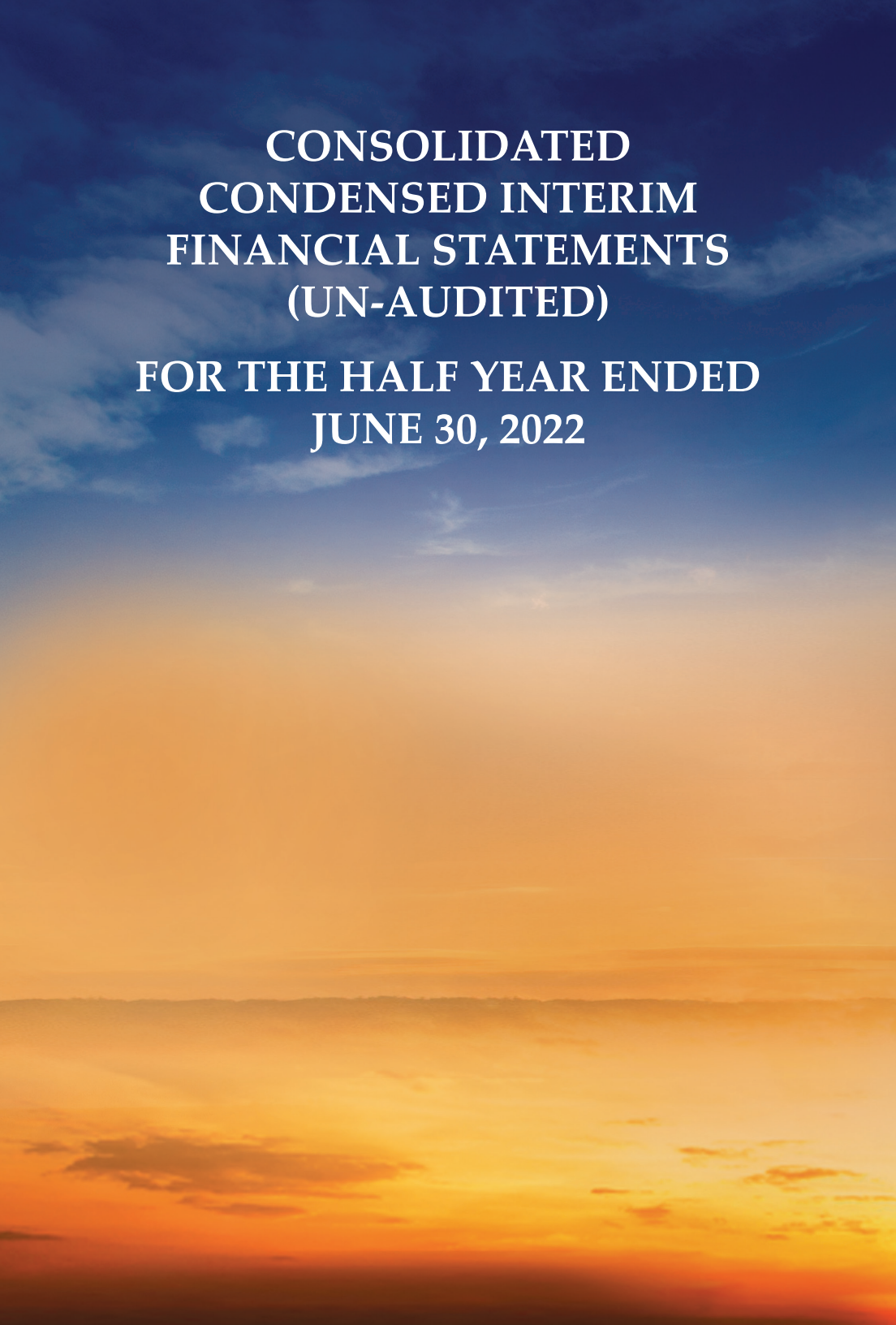
---

Director

---

Director





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

**FOR THE HALF YEAR ENDED  
JUNE 30, 2022**

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

AS AT JUNE 30, 2022

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	15,274,755	14,415,012
Balances with other banks	7	1,280,403	1,094,069
Lendings to financial institutions	8	3,982,000	298,931
Investments	9	40,630,849	30,935,280
Advances	10	25,275,615	27,044,465
Fixed assets	11	10,718,330	10,952,336
Intangible assets	12	151,023	140,127
Deferred tax assets	13	19,289,178	16,624,648
Other assets	14	10,492,628	10,450,563
		<b>127,094,781</b>	<b>111,955,431</b>
<b>LIABILITIES</b>			
Bills payable	16	2,113,098	2,071,048
Borrowings	17	15,499,577	6,922,040
Deposits and other accounts	18	116,320,064	109,424,316
Liabilities against assets subject to finance lease		-	-
Subordinated debt	19	1,495,515	1,495,515
Deferred tax liabilities		-	-
Other liabilities	20	6,997,180	6,520,096
		<b>142,425,434</b>	<b>126,433,015</b>
<b>NET ASSETS</b>		<b><u>(15,330,653)</u></b>	<b><u>(14,477,584)</u></b>
<b>REPRESENTED BY</b>			
Share capital - net		20,500,194	20,500,194
Reserves		(425,043)	(425,043)
Surplus / (deficit) on revaluation of assets	21	4,088,350	4,315,428
Accumulated losses		(39,494,154)	(38,868,163)
		<b><u>(15,330,653)</u></b>	<b><u>(14,477,584)</u></b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	22		

The annexed notes 1 to 39 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, 2022

	Note	Quarter Ended		Half Year Ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
(Rupees in '000)					
Mark-up / return / interest earned	23	1,679,983	1,016,996	2,854,550	1,965,342
Mark-up / return / interest expensed	24	2,179,745	1,297,712	3,836,687	2,559,449
Net Mark-up / interest expense		(499,762)	(280,716)	(982,137)	(594,107)
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	25	124,138	145,777	239,986	276,628
Dividend income		900	21,009	2,433	21,009
Foreign exchange income		238,356	47,608	295,424	69,130
Income / (loss) from derivatives		-	-	-	-
Gain on securities	26	9,228	469,395	10,568	480,811
Other income	27	10,672	23,824	16,601	42,203
Total non-markup / interest income		383,294	707,613	565,012	889,781
Total income		(116,468)	426,897	(417,125)	295,674
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	28	1,465,341	1,317,959	2,844,292	2,627,603
Workers' welfare fund		-	-	-	-
Other charges	29	7	3,960	7	3,960
Total non-markup / interest expenses		1,465,348	1,321,919	2,844,299	2,631,563
Loss before provisions		(1,581,816)	(895,022)	(3,261,424)	(2,335,889)
Provisions / (reversals) and write offs - net	30	138,676	(648,219)	239,063	(355,840)
Extra ordinary / unusual items		-	-	-	-
<b>LOSS BEFORE TAXATION</b>		(1,720,492)	(246,803)	(3,500,487)	(1,980,049)
Taxation	31	(2,215,036)	(60,692)	(2,813,871)	(629,371)
<b>PROFIT / (LOSS) AFTER TAXATION</b>		494,544	(186,111)	(686,616)	(1,350,678)
(Rupee)					
Basic Earnings / (Loss) per share	32	0.19	(0.07)	(0.26)	(0.51)
Diluted Earnings / (Loss) per share	32	0.19	(0.07)	(0.26)	(0.51)

The annexed notes 1 to 39 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, 2022

	Quarter ended		Half Year Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	----- (Rupees in '000) -----			
Profit / (Loss) after taxation for the period	494,544	(186,111)	(686,616)	(1,350,678)
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>				
Movement in surplus on revaluation of investments - net of tax	(94,630)	(308,130)	11,665	(175,273)
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>				
Remeasurement gain on defined benefit obligations	-	5,519	-	12,140
Movement in surplus on revaluation of operating fixed assets - net of tax	(111,368)	9,063	(102,528)	18,129
Movement in surplus on revaluation of non-banking assets - net of tax	(30,929)	(863)	(29,159)	14,063
Movement in surplus on revaluation of held for sale property - net of tax	(46,431)	-	(46,431)	-
	(188,728)	13,719	(178,118)	44,332
<b>Total comprehensive income / (loss)</b>	<b>211,186</b>	<b>(480,522)</b>	<b>(853,069)</b>	<b>(1,481,619)</b>

The annexed notes 1 to 39 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 CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED JUNE 30, 2022**

	Capital reserves		Surplus / (deficit) on revaluation of			Revenue reserve	Total
	Share premium	Statutory reserve	Reserve arising on amalgamation	Fixed / Non banking assets	Property held for sale		
Share capital	(Rupees in '000)						
20,500,194	1,000,000	154,162	(1,579,205)	530,778	3,546,085	754,510	(11,237,774)
Balance as at January 01, 2021 (Audited)	-	-	-	-	-	36,144,298	(1,350,678)
Loss after taxation for six months period ended June 30, 2021	-	-	-	-	-	-	(130,941)
Other comprehensive income - net of tax	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	(175,273)	32,192	12,140	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	(51,795)	-	5,1795
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	(40,181)	-	40,181
20,500,194	1,000,000	154,162	(1,579,205)	355,905	3,486,301	754,510	(12,719,393)
Balance as at July 01, 2021 (Un-audited)	-	-	-	-	-	(1,561,113)	(156,113)
Loss after taxation for the six months period ended December 31, 2021	-	-	-	(29,1522)	68,726	25,718	(197,078)
Other comprehensive income - net of tax	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	(50,533)	-	50,533
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	(7,559)	-	7,559
20,500,194	1,000,000	154,162	(1,579,205)	63,983	3,496,935	754,510	(38,868,163)
Balance as at January 01, 2022 (Audited)	-	-	-	-	-	(686,616)	(686,616)
Loss after taxation for six months period ended June 30, 2022	-	-	-	-	-	(46,431)	(166,453)
Other comprehensive income - net of tax	-	-	-	11,665	(131,687)	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	(50,506)	-	50,506
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	(10,119)	-	10,119
20,500,194	1,000,000	154,162	(1,579,205)	75,648	3,304,623	708,079	(15,330,653)
Balance as at June 30, 2022 (Un-audited)							

The annexed notes 1 to 39 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, 2022

	June 30, 2022	June 30, 2021
Note	----- (Rupees in '000) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(3,500,487)	(1,980,049)
Less: Dividend income	(2,433)	(21,009)
	<u>(3,502,920)</u>	<u>(2,001,058)</u>
<b>Adjustments:</b>		
Depreciation on fixed assets	231,230	247,092
Depreciation on right-of-use assets	302,751	255,769
Depreciation on non-banking assets	30,603	60,243
Finance cost of lease liability	191,322	164,437
Amortization	11,644	18,940
Provision / (reversals) and write-offs excluding recoveries	239,526	(354,631)
Loss / (gain) on forward exchange contracts	20,055	(8,024)
Charge for defined benefit plan	39,170	38,236
Charge for employees compensated absences	9,294	2,723
Gain on sale of fixed assets	(18,375)	(16,599)
Loss on termination of lease (IFRS 16)	6,572	-
Loss on sale of non banking assets	431	-
	<u>1,064,223</u>	<u>408,186</u>
	<u>(2,438,697)</u>	<u>(1,592,872)</u>
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(3,683,069)	(3,483,329)
Advances	1,564,725	1,990,605
Others assets (excluding advance taxation)	(114,089)	129,461
	<u>(2,232,433)</u>	<u>(1,363,263)</u>
<b>(Decrease) / increase in operating liabilities</b>		
Bills payable	42,050	(287,145)
Borrowings from financial institutions	8,598,281	(696,464)
Deposits	6,895,748	8,553,314
Other liabilities (excluding current taxation)	411,106	126,994
	<u>15,947,185</u>	<u>7,696,699</u>
Payment on account of staff retirement benefits	(59,295)	(105,318)
Income tax paid	(28,252)	(39,258)
<b>Net cash (used in) / generated from operating activities</b>	<u>11,188,508</u>	<u>4,595,988</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	(9,699,436)	(2,762,214)
Dividend received	2,433	21,009
Investments in operating fixed assets	(40,064)	(208,259)
Investments in intangible assets	(22,539)	(7,849)
Proceeds from sale of fixed assets	22,448	17,695
Proceeds from sale of non banking assets	45,803	-
<b>Net cash generated from / (used in) investing activities</b>	<u>(9,691,355)</u>	<u>(2,939,618)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liability against right-of-use assets	(430,332)	(334,267)
<b>Net cash used in financing activities</b>	<u>(430,332)</u>	<u>(334,267)</u>
Effect of exchange rate changes on cash and cash equivalents	420,419	(57,221)
	<u>1,487,240</u>	<u>1,264,882</u>
<b>Decrease in cash and cash equivalents</b>		
Cash and cash equivalents at beginning of the period	15,058,281	12,955,107
<b>Cash and cash equivalents at end of the period</b>	<u>33</u> <u>16,545,521</u>	<u>14,219,989</u>

The annexed notes 1 to 39 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, 2022

**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, 2022.

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, 2021: 179 Conventional Banking Branches and 14 Islamic Banking Branches) in Pakistan as defined in the Banking Companies Ordinance, 1962 .

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. The Bank has initiated the rating process with VIS Credit Rating Company Limited and has requested SBP to allow an extension to complete the credit rating exercise by September 30, 2022. 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, 2021, 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, 2022. The Bank is currently in the process of ensuring compliance with all the applicable laws, rules, regulations and requisite regulatory requirements in this regard.

**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 ended, the Group has incurred a net loss of Rs. 686.616 million resulting in accumulated losses of Rs. 39,494.154 million and negative equity of Rs. 15,330.653 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 11.50% (inclusive of Capital Conservation Buffer of 1.50%), Leverage Ratio (LR) at 3.00%, Liquidity Coverage Ratio (LCR) at 100% and Net Stable Funding Ratio (NSFR) at 100% as of June 30, 2022. However, the paid up capital of the Group (net of losses), CAR and LR are negative.

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 received a letter dated May 20, 2021 from H.E. Nasser Abdulla Hussain Lootah (Investor) in which the Investor had communicated his intention to acquire a controlling stake in the Bank by subscribing to fresh equity in the Bank which was followed by a Public Announcement of Intention (PAI) by the Investor to acquire at least 51% of the issued and paid up capital of the Bank together with the management control.

The Investor submitted his offer via a letter dated October 01, 2021 and 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 was duly approved by the Board of Directors. The Bank intends to issue total 5,976.096 million new ordinary shares.

On expiry of time period for making a public announcement of offer (February 18, 2022), the Investor had submitted a revised PAI dated February 21, 2022 to acquire at least 51% of the issued and paid up capital of the Bank. The Investor continues to be fully committed to consummating the transaction.

The Bank further received a letter dated March 18, 2022 from the Investor informing the Bank about a Public Announcement of Offer (PAO) made to acquire 1,312,298,455 existing ordinary shares from the shareholders of the Bank at a price of Rs. 2.51 per share subject to a minimum level of acceptance of 35% of remaining voting shares outstanding as on the last date of PAO. The investor has also submitted irrevocable bank guarantees to the manager to the offer in this regard.

The Investor, via a letter dated April 28, 2022 shared with the Bank on May 06, 2022, disclosed the inclusion of Mr. Salman Iqbal in the consortium to acquire the Bank with an intention to subscribe to such number of shares which would enable him to become a maximum of 25% shareholder in the Bank. The Board of Directors in their meeting held on May 09, 2022 approved the inclusion of Mr. Salman Iqbal in the consortium of the Acquirer subject to obtaining the requisite approval from the regulatory authorities and shareholders. The shareholders in the (Adjourned) Extra Ordinary General Meeting (EOGM) held on June 08, 2022 approved the inclusion of Mr. Salman Iqbal in the consortium of the Investor.

The Bank dispatched Subscription Entitlement Letters dated July 05, 2022 to its eligible minority shareholders inviting them to subscribe their respective shares in the Bank at the subscription price of Rs. 2.51 per share. As a result, 5,771 shares of the Bank have been subscribed by minority shareholders. The subscription by minority shareholders and the subsequent allotment of shares are subject to the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and other regulatory approvals.

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 & 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; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies till further instructions. 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, the 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. Moreover, the SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and has directed banks having asset size of less than Rs. 500 billion to implement IFRS 9 'Financial Instruments' with effect from January 01, 2024 vide BPRD Circular Letter No. 03 of 2022 dated July 05, 2022. The SBP is in process of issuing revised reporting formats for interim financial reporting following the implementation of IFRS 9. These are currently in draft form and are yet to be notified.

Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

**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 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 38 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, 2021.

**2.6 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period**

There are certain amendments to existing accounting and reporting standards that have become applicable to the Group for accounting periods beginning on or after January 01, 2022. These are considered either not to be relevant or not to have any significant impact on the Group's consolidated condensed interim financial statements.

**2.7 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective**

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for the accounting periods as stated below:

<u>Standard, Interpretation or Amendment</u>	<u>Effective date (annual periods beginning on or after)</u>
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 01, 2023
Definition of Accounting estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
Sale or contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	January 01, 2023

## **2.8 Critical accounting estimates and judgements**

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, 2021.

## **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, 2021.

## **5. 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, 2021.

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	----- (Rupees in '000) -----	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>		
<b>In hand</b>		
Local currency	4,535,111	4,435,275
Foreign currency	368,778	565,956
	<b>4,903,889</b>	5,001,231
<b>With State Bank of Pakistan in</b>		
Local currency current account	6,922,980	6,966,624
Foreign currency current account	549,604	518,597
Foreign currency deposit account	972,011	875,136
	<b>8,444,595</b>	8,360,357
With National Bank of Pakistan in Local currency current account	1,906,374	959,344
Prize bonds	19,897	94,080
	<b>15,274,755</b>	14,415,012
	<u><u>15,274,755</u></u>	<u><u>14,415,012</u></u>
<b>7. BALANCES WITH OTHER BANKS</b>		
<b>In Pakistan</b>		
In current account	21,632	22,412
In deposit account	89,401	5,401
	<b>111,033</b>	27,813
<b>Outside Pakistan</b>		
In current account	1,116,929	1,022,128
In deposit account	52,441	44,128
	<b>1,169,370</b>	1,066,256
	<b>1,280,403</b>	1,094,069
	<u><u>1,280,403</u></u>	<u><u>1,094,069</u></u>
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Repurchase agreement lendings (Reverse Repo)	3,982,000	298,931
Less: provision held against Lendings to Financial Institutions	-	-
Lendings to Financial Institutions - net of provision	<b>3,982,000</b>	298,931
	<u><u>3,982,000</u></u>	<u><u>298,931</u></u>

## 9. INVESTMENTS

### 9.1 Investments by type:

	June 30, 2022 (Un-audited)			December 31, 2021 (Audited)				
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- (Rupees in '000) -----								
<b>Available-for-sale securities</b>								
<b>Federal Government Securities</b>								
- Market Treasury Bills	16,655,126	-	(6,330)	16,648,796	13,879,696	-	(42,183)	13,837,513
- Pakistan Investment Bonds	6,931,981	-	(1,791)	6,920,190	8,502	-	(173)	8,329
- GoP Ijarah Sukuks	13,986,969	-	(76,019)	13,910,950	13,985,092	-	(65,242)	13,919,850
<b>Shares</b>								
- Fully paid up ordinary shares - Listed	2,592,709	(2,165,924)	251,608	678,393	2,592,709	(2,133,273)	291,502	750,938
- Fully paid up ordinary shares - Unlisted	14,475	(1,000)	-	13,475	14,475	(1,000)	-	13,475
- Preference shares - Unlisted	46,035	(46,035)	-	-	46,035	(46,035)	-	-
<b>Non Government Debt Securities</b>								
- Term Finance Certificates	1,593,600	(1,593,600)	-	-	1,594,950	(1,594,950)	-	-
- Sukuk Bonds	2,700,000	(200,000)	(40,955)	2,459,045	2,700,000	(200,000)	(94,825)	2,405,175
	<b>44,520,895</b>	<b>(4,006,559)</b>	<b>116,513</b>	<b>40,630,849</b>	<b>34,821,459</b>	<b>(3,975,258)</b>	<b>89,079</b>	<b>30,935,280</b>
<b>Total Investments</b>	<b>44,520,895</b>	<b>(4,006,559)</b>	<b>116,513</b>	<b>40,630,849</b>	<b>34,821,459</b>	<b>(3,975,258)</b>	<b>89,079</b>	<b>30,935,280</b>

(Un-audited) (Audited)  
June 30, December 31,  
2022 2021  
----- (Rupees in '000) -----

### 9.2 Provision for diminution in value of investments

Opening balance	3,975,258	4,716,162
Charge / reversals		
Charge for the period / year	32,651	-
Reversals for the period / year	(1,350)	(2,700)
Reversal on disposals	-	(738,204)
	<b>31,301</b>	<b>(740,904)</b>
Closing balance	<b>4,006,559</b>	<b>3,975,258</b>

### 9.3 Particulars of provision against debt securities

Category of classification	June 30, 2022 (Un-audited)		December 31, 2021 (Audited)	
	NPI	Provision	NPI	Provision
----- (Rupees in '000) -----				
<b>Domestic</b>				
Loss	1,793,600	1,793,600	1,794,950	1,794,950



**10. ADVANCES**

	Performing		Non Performing		Total	
	(Un-audited) June 30, 2022	(Audited) December 31, 2021	(Un-audited) June 30, 2022	(Audited) December 31, 2021	(Un-audited) June 30, 2022	(Audited) December 31, 2021
Note ----- (Rupees in '000) -----						
Loans, cash credits, running finances, etc.	17,617,558	19,171,859	36,080,555	36,177,174	53,698,113	55,349,033
Islamic financing and related assets	2,664,754	3,090,791	758,118	772,718	3,422,872	3,863,509
Bills discounted and purchased	1,066,791	533,456	55,256	62,456	1,122,047	595,912
Advances - gross	21,349,103	22,796,106	36,893,929	37,012,348	58,243,032	59,808,454
Provision against advances						
- Specific	-	-	(32,956,115)	(32,750,104)	(32,956,115)	(32,750,104)
- General	(11,302)	(13,885)	-	-	(11,302)	(13,885)
	(11,302)	(13,885)	(32,956,115)	(32,750,104)	(32,967,417)	(32,763,989)
Advances - net of provision	21,337,801	22,782,221	3,937,814	4,262,244	25,275,615	27,044,465

**10.1 Particulars of advances (Gross)**

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
----- (Rupees in '000) -----		
In local currency	57,580,133	59,275,077
In foreign currencies	662,899	533,377
	<b>58,243,032</b>	<b>59,808,454</b>

10.2 Advances include Rs. 36,893,929 million (December 31, 2021: Rs. 37,012,348 million) which have been placed under non-performing status as detailed below:

Category of Classification	June 30, 2022 (Un-audited)		December 31, 2021 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
----- (Rupees in '000) -----				
Domestic				
Other Assets Especially Mentioned	133,403	-	1,126	113
Substandard	9,777	1,510	16,259	2,645
Doubtful	267,080	5,069	440,901	98,695
Loss	36,483,669	32,949,536	36,554,062	32,648,651
	<b>36,893,929</b>	<b>32,956,115</b>	<b>37,012,348</b>	<b>32,750,104</b>

**10.3 Particulars of provision against advances**

	June 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
Opening balance	32,750,104	13,885	32,763,989	32,425,544	21,671	32,447,215
Charge for the period / year	606,934	-	606,934	2,461,718	-	2,461,718
Reversals	(400,226)	(2,583)	(402,809)	(2,137,158)	(7,786)	(2,144,944)
	206,708	(2,583)	204,125	324,560	(7,786)	316,774
Amounts written off	(697)	-	(697)	-	-	-
Closing balance	<b>32,956,115</b>	<b>11,302</b>	<b>32,967,417</b>	<b>32,750,104</b>	<b>13,885</b>	<b>32,763,989</b>

10.3.1 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 range are 1.5% for secured and 6% for unsecured portfolio.

The Bank has maintained general provision against housing finance portfolio at the rate of 1.5% of the performing portfolio and 1% against unsecured performing SE portfolio.

10.3.2 The Bank has availed the Forced Sale Value (FSV) benefit of mortgaged properties, plant and machinery and liquid securities 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. 3,861,298 million (December 31, 2021: Rs. 4,028,587 million). The positive impact on the profit and loss account arising from availing this benefit - net of tax amounts to Rs. 2,355,392 million (December 31, 2021: Rs. 2,618,582 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.

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
	Note	----- (Rupees in '000) -----	
<b>11. FIXED ASSETS</b>			
Capital work-in-progress	11.1	15,331	9,118
Property and equipment		7,899,115	8,100,573
Right-of-use assets		2,803,884	2,842,645
		<u>10,718,330</u>	<u>10,952,336</u>

#### 11.1 Capital work-in-progress

Civil works and related payments / progress billings	10,705	4,492
Advances and other payments to suppliers and contractors	4,626	4,626
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>15,331</u>	<u>9,118</u>

#### 11.2 Additions to fixed assets

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

<b>Capital work-in-progress - net</b>	6,213	126,644
<b>Property and equipment</b>		
Building improvements	6,660	-
Furniture and fixture	4,407	157
Electrical, office and computer equipment	22,845	25,459
Vehicles	-	56,000
	<u>33,912</u>	<u>81,616</u>
Right-of-use assets	287,690	1,014,618
	<u>327,815</u>	<u>1,222,878</u>

#### 11.3 Disposal of fixed assets

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

<b>Property and equipment</b>		
Building improvements	29	-
Furniture and fixture	108	-
Electrical, office and computer equipment	818	509
Vehicles	3,118	587
	<u>4,073</u>	<u>1,096</u>
Derecognition of right-of-use assets	16,919	-
	<u>20,992</u>	<u>1,096</u>

		(Un-audited) June 30, 2022	(Audited) December 31, 2021
	Note	----- (Rupees in '000) -----	
<b>12. INTANGIBLE ASSETS</b>			
Capital work-in-progress	12.1	67,369	49,700
Intangible assets in use	12.2	83,654	90,427
		<u>151,023</u>	<u>140,127</u>
<b>12.1 Capital work-in-progress</b>			
Advances to suppliers and contractors		67,369	49,700
Advances against capital work in progress considered doubtful Less: Provision held there against		<u>142,522</u> <u>(142,522)</u>	<u>142,522</u> <u>(142,522)</u>
		<u>67,369</u>	<u>49,700</u>
<b>12.2 Intangible assets in use</b>			
Computer softwares		81,119	87,927
Trading Rights Entitlement Certificate		2,535	2,500
		<u>83,654</u>	<u>90,427</u>
		<b>(Un-audited)</b>	
		June 30, 2022	June 30, 2021
		----- (Rupees in '000) -----	
<b>12.3 Additions to intangible assets</b>			
The following additions have been made to intangible assets during the period:			
Capital work-in-progress - net		17,669	(720)
Directly purchased		4,870	8,569
		<u>22,539</u>	<u>7,849</u>

**12.4** There were no disposals in intangible assets during the current and prior period.

**13. DEFERRED TAX ASSETS**

June 30, 2022 (Un-audited)			
At January 01, 2022	Recognised in profit and loss account	Recognised in other comprehensive income	At June 30, 2022
----- (Rupees in '000) -----			
Deductible Temporary Differences on			
- Tax losses carried forward	9,813,393	1,985,202	-
- Provision against advances, off balance sheet etc.	7,086,935	861,963	-
- Provision for impairment loss - Investment	1,391,340	171,218	-
- Provision against intangible assets	43,107	4,927	-
- Staff compensated absences	51,647	3,648	-
- Unrealized gain on forward exchange contracts	10,472	(2,651)	-
- Provision against other assets	149,656	17,103	-
- Minimum tax	160,275	(159,921)	-
- Alternative Corporate tax	4,235	-	-
	<b>18,711,060</b>	<b>2,881,489</b>	<b>-</b>
			<b>11,798,595</b>
			<b>7,948,898</b>
			<b>1,562,558</b>
			<b>48,034</b>
			<b>55,295</b>
			<b>7,821</b>
			<b>166,759</b>
			<b>354</b>
			<b>4,235</b>
			<b>21,592,549</b>
Taxable Temporary Differences on			
- Surplus on revaluation of fixed assets	(1,069,472)	-	(102,528)
- Surplus on revaluation of investments	(25,096)	-	(15,769)
- Surplus on revaluation of property - held for sale	(406,274)	-	(46,431)
- Surplus on revaluation of non-banking assets	(289,666)	-	(29,159)
- Accelerated tax depreciation	(295,904)	-	-
	<b>(2,086,412)</b>	<b>(23,072)</b>	<b>(193,887)</b>
			<b>(2,303,371)</b>
			<b>19,289,178</b>
			<b>16,624,648</b>

December 31, 2021 (Audited)			
At January 01, 2021	Recognised in profit and loss account	Recognised in other comprehensive income	At December 31, 2021
----- (Rupees in '000) -----			
Deductible Temporary Differences on			
- Tax losses carried forward	7,847,641	1,965,752	-
- Provision against advances, off balance sheet etc.	6,878,619	208,316	-
- Provision for impairment loss - Investment	1,650,657	(259,317)	-
- Provision against intangible assets	43,107	-	-
- Staff compensated absences	47,744	3,903	-
- Unrealized (gain) / loss on forward exchange contracts	7,032	3,440	-
- Provision against other assets	149,656	-	-
- Minimum tax	76	160,199	-
- Alternative Corporate tax	4,512	(277)	-
	<b>16,629,044</b>	<b>2,082,016</b>	<b>-</b>
			<b>9,813,393</b>
			<b>7,086,935</b>
			<b>1,391,340</b>
			<b>43,107</b>
			<b>51,647</b>
			<b>10,472</b>
			<b>149,656</b>
			<b>160,275</b>
			<b>4,235</b>
			<b>18,711,060</b>
Taxable Temporary Differences on			
- Surplus on revaluation of fixed assets	(1,105,287)	-	35,815
- Surplus on revaluation of investments	(275,524)	-	250,428
- Surplus on revaluation of property - held for sale	(406,274)	-	-
- Surplus on revaluation of non-banking assets	(280,316)	-	(9,350)
- Accelerated tax depreciation	(334,149)	38,245	-
	<b>(2,401,550)</b>	<b>38,245</b>	<b>276,893</b>
			<b>(2,086,412)</b>
			<b>16,624,648</b>
			<b>14,227,494</b>

13.1 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 management's 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.

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
<b>14. OTHER ASSETS</b>		
	----- (Rupees in '000) -----	
Income / mark-up accrued in local currency	962,953	709,304
Income / mark-up accrued in foreign currency	984	1,059
Advances, deposits, advance rent and other prepayments	357,810	421,504
Advance taxation (payments less provisions)	635,127	651,421
Non-banking assets acquired in satisfaction of claims	2,522,792	2,589,508
Branch adjustment account	-	174
Receivable from other banks against clearing and settlement	127,860	194,464
Mark to market gain on forward foreign exchange contracts	25,203	6,435
Acceptances	241,459	246,482
Stationery and stamps on hand	7,676	8,663
Commission receivable on home remittance	3,945	9,936
Commission receivable on brokerage	4,285	7,050
Property - held for sale	3,836,309	3,836,309
Account receivable	102,154	93,374
Others	504,991	501,590
	<b>9,333,548</b>	<b>9,277,273</b>
Less: Provision held against other assets	(819,201)	(815,110)
Other Assets (net of provision)	<b>8,514,347</b>	<b>8,462,163</b>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	817,497	827,616
Surplus on revaluation of property - held for sale	1,160,784	1,160,784
Other Assets - total	<b>10,492,628</b>	<b>10,450,563</b>

14.1 This represents a portion of the Bank's self constructed property which has been earmarked for selling in the near future. This property is carried at lower of market value / fair value less cost to sell and carrying amount.

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
<b>14.2 Provision held against other assets</b>		
	----- (Rupees in '000) -----	
Income / mark-up accrued in local currency	1,389	1,389
Advances, deposits, advance rent and other prepayments	96,689	96,689
Non-banking assets acquired in satisfaction of claims	360,107	360,107
Commission receivable on guarantees	9,880	9,880
Receivable from Dewan Group	34,436	34,436
Account receivable - sundry claims	201,277	197,186
Receivable from Speedway Fondmetal (Pakistan) Limited	25,694	25,694
Others	89,729	89,729
	<b>819,201</b>	<b>815,110</b>

**14.2.1 Movement in provision held against other assets**

Opening balance	815,110	695,012
Charge for the period / year	4,091	121,543
Reversals	-	(1,445)
Closing balance	<b>819,201</b>	<b>815,110</b>

**15. CONTINGENT ASSETS**

There were no contingent assets at the balance sheet date.

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
----- (Rupees in '000) -----		
<b>16. BILLS PAYABLE</b>		
In Pakistan	2,113,098	2,071,048
Outside Pakistan	-	-
	2,113,098	2,071,048

**17. BORROWINGS**

**Secured**

Borrowings from State Bank of Pakistan

- Under export refinance scheme
- Under Islamic Export Refinance Scheme (IERF)
- Under long-term financing facility
- Refinance facility for modernization of SMEs
- Repurchase agreement borrowings

5,882,160	5,858,980
400,000	400,000
529,001	629,075
2,978	3,604
8,675,801	-
15,489,940	6,891,659

**Total secured**

**Unsecured**

Overdrawn nostro accounts

9,637	30,381
15,499,577	6,922,040

**18. DEPOSITS AND OTHER ACCOUNTS**

	June 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
<b>Customers</b>						
Current deposits	39,245,479	1,344,864	40,590,343	32,419,903	1,394,634	33,814,537
Savings deposits	52,230,396	4,681,865	56,912,261	53,921,219	3,902,261	57,823,480
Term deposits	9,859,013	3,451,150	13,310,163	9,783,869	3,954,546	13,738,415
Others	2,298,689	32,215	2,330,904	2,132,165	27,759	2,159,924
	103,633,577	9,510,094	113,143,671	98,257,156	9,279,200	107,536,356
<b>Financial institutions</b>						
Current deposits	387,227	150,751	537,978	239,464	102,102	341,566
Savings deposits	1,623,514	6	1,623,520	985,244	5	985,249
Term deposits	1,014,895	-	1,014,895	561,145	-	561,145
Others	-	-	-	-	-	-
	3,025,636	150,757	3,176,393	1,785,853	102,107	1,887,960
	106,659,213	9,660,851	116,320,064	100,043,009	9,381,307	109,424,316

**18.1** Deposits include Eligible Deposits of Rs. 80,767.961 million (December 31, 2021: Rs. 71,416.525 million) protected under Depositors Protection Mechanism introduced by the State Bank of Pakistan.

**18.2** Deposits include USD 13.180 million (December 31, 2021: 13.180 million) held by H.E. Nasser Abdulla Hussain Lootah (The Investor) in FCY deposit account.

**19. SUBORDINATED DEBT**

Issue amount	Rs.1,500,000,000
Issue date	October 27, 2011
Maturity date	October 27, 2021 (December 31, 2020: October 27, 2021)

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 were extended thrice by the Bank to October 27, 2019, October 27, 2020 and October 27, 2021 through the extraordinary resolutions passed by the TFC holders on November 19, 2018, April 10, 2019, November 20, 2019 and October 22, 2020. The Bank completed necessary regulatory formalities for these extensions and executed the amended Declaration of Trusts on July 23, 2019, September 23, 2020 and July 09, 2021. The final approval of these extensions were approved by the SBP vide its letters dated October 21, 2019, October 21, 2020 and October 22, 2021.

Recently, the TFC holders of the Bank in their extraordinary meeting held on October 26, 2021 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 (principal and the related mark-up) with the revised maturity date of October 27, 2022. The Bank is currently in the process of ensuring compliance with all the applicable laws, rules and requisite regulatory requirements for seeking final approval 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, 2022	(Audited) December 31, 2021
20. OTHER LIABILITIES	Note ----- (Rupees in '000) -----	
Mark-up / return / interest payable in local currency	1,770,345	1,305,054
Mark-up / return / interest payable in foreign currencies	3,709	3,291
Unearned income	73,133	16,329
Accrued expenses	76,086	105,415
Advance against sale of property	331,024	373,323
Acceptances	241,459	246,482
Unclaimed dividends	2,213	2,213
Mark to market loss on forward foreign exchange contracts	45,258	36,356
Payable to defined benefit plan	38,120	42,992
Charity fund balance	2,182	1,084
Branch adjustment account	80	-
Security deposits against lease	272,211	310,050
Payable to Bangladesh Bank	41,389	41,389
Payable to Rupali Bank - Bangladesh	16,293	16,293
Payable to vendors / creditors	220,079	196,909
Provision for compensated absences	142,495	148,454
Payable to Bank of Ceylon, Colombo	20,163	20,163
Retention money	3,365	3,133
Provision for Workers' Welfare Fund	13,360	13,360
Withholding taxes and government levies payable	12,671	14,290
Federal excise duty and sales tax payable	6,892	7,062
Commission payable on home remittances	3,472	3,102
Lease liability against right-of-use assets	3,247,215	3,215,664
Account payable	71,595	61,560
Others	342,371	336,128
	<b>6,997,180</b>	<b>6,520,096</b>

## 21. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

Surplus / (deficit) on revaluation of

- Available for sale securities
- Fixed assets
- Non-banking assets acquired in satisfaction of claims
- Property - held for sale

9.1	116,513	89,079
	3,977,951	4,028,457
	817,497	827,616
	1,160,784	1,160,784
	<b>6,072,745</b>	<b>6,105,936</b>

Deferred tax on surplus / (deficit) on revaluation of:

- Available for sale securities
- Fixed assets
- Non-banking assets acquired in satisfaction of claims
- Property - held for sale

(40,865)	(25,096)
(1,172,000)	(1,069,472)
(318,825)	(289,666)
(452,705)	(406,274)
<b>(1,984,395)</b>	<b>(1,790,508)</b>

<b>4,088,350</b>	<b>4,315,428</b>
------------------	------------------



		(Un-audited) June 30, 2022	(Audited) December 31, 2021
	Note	----- (Rupees in '000) -----	
<b>22. CONTINGENCIES AND COMMITMENTS</b>			
-Guarantees	22.1	11,921,964	9,824,912
-Commitments	22.2	24,608,522	14,987,854
-Other contingent liabilities	22.3	20,534,341	19,203,552
		<u>57,064,827</u>	<u>44,016,318</u>
<b>22.1 Guarantees:</b>			
Financial guarantees		20,470	20,470
Performance guarantees		8,809,673	8,003,196
Other guarantees		3,091,821	1,801,246
		<u>11,921,964</u>	<u>9,824,912</u>
<b>22.2 Commitments:</b>			
Documentary credits and short-term trade-related transactions			
- letters of credit		1,489,081	1,990,941
Commitments in respect of:			
- Forward foreign exchange contracts	22.2.1	8,028,153	7,537,538
- Forward lending	22.2.2	6,225,393	5,279,206
Commitments for acquisition of:			
- Fixed assets		12,871	664
- Intangible assets		177,223	179,505
Other commitments	22.2.3	8,675,801	-
		<u>24,608,522</u>	<u>14,987,854</u>
<b>22.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		7,056,013	6,748,974
Sale		972,140	788,564
		<u>8,028,153</u>	<u>7,537,538</u>

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
Note	----- (Rupees in '000) -----	
<b>22.2.2 Commitments in respect of forward lending</b>		
Forward documentary bills	4,595,698	3,996,813
Undrawn formal standby facilities, credit lines and other commitments to lend	22.2.2.1 1,629,695	1,282,393
	<u>6,225,393</u>	<u>5,279,206</u>

22.2.2.1 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, 2022	(Audited) December 31, 2021
	----- (Rupees in '000) -----	
<b>22.2.3 Other commitments</b>		
Purchase (Repo)	<u>8,675,801</u>	-
<b>22.3 Other contingent liabilities - claims against the Group not acknowledged as debts</b>	<u>20,534,341</u>	<u>19,203,552</u>

22.4 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 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 sub judice. These proceedings in the opinion of the management will not have any effect on the operations and functioning of the Bank.

**22.5 Contingency for tax payable**

Contingency related to tax payable is disclosed in note 31.2.

		(Un-audited) Half year ended	
		June 30, 2022	June 30, 2021
Note		----- (Rupees in '000) -----	
<b>23.</b>	<b>MARK-UP / RETURN / INTEREST EARNED</b>		
	On:		
	Loans and advances	1,104,162	962,832
	Investments	1,614,486	986,471
	Lendings to financial institutions	133,142	13,421
	Balances with banks	2,760	2,618
		<u>2,854,550</u>	<u>1,965,342</u>
<b>24.</b>	<b>MARK-UP / RETURN / INTEREST EXPENSED</b>		
	On:		
	Deposits	2,889,608	2,007,039
	Borrowings	275,466	133,034
	Subordinated debt	103,717	79,436
	Cost of foreign currency swaps against foreign currency deposits / borrowings	376,574	175,503
	Finance cost of lease liability	191,322	164,437
		<u>3,836,687</u>	<u>2,559,449</u>
<b>25.</b>	<b>FEE AND COMMISSION INCOME</b>		
	Branch banking customer fees	20,473	21,453
	Consumer finance related fees	3,354	5,392
	Card related fees (debit cards)	43,826	37,256
	Credit related fees	1,896	1,973
	Investment banking fees	12,394	27,212
	Commission on trade	86,306	83,696
	Commission on guarantees	27,522	50,010
	Commission on cash management	893	1,602
	Commission on remittances including home remittances	4,771	6,845
	Commission on bancassurance	422	602
	Alternate Delivery Channels	17,443	616
	Commission on brokerage	20,681	39,964
	Others	5	7
		<u>239,986</u>	<u>276,628</u>
<b>26.</b>	<b>GAIN ON SECURITIES</b>		
	Realised	26.1	10,568
	Unrealised - held for trading		480,811
			-
		<u>10,568</u>	<u>480,811</u>
<b>26.1</b>	<b>Realised gain on:</b>		
	Federal Government Securities	10,568	21,787
	Shares	-	459,024
		<u>10,568</u>	<u>480,811</u>

		(Un-audited) Half year ended	
		June 30, 2022	June 30, 2021
Note		----- (Rupees in '000) -----	
<b>27. OTHER INCOME</b>			
Rent on property		2,389	9,811
Gain on sale of fixed assets - net		18,375	16,599
Loss on sale of non banking assets		(431)	-
Gain on sale of ijarah assets		1,297	15,790
Recoveries against previously expensed items		1,056	-
Loss on termination of lease (IFRS 16)		(6,572)	-
Income on settlement of nostro balances		448	-
Others		39	3
		<b>16,601</b>	<b>42,203</b>
<b>28. OPERATING EXPENSES</b>			
<b>Total compensation expense</b>	<b>28.1</b>	<b>1,042,624</b>	<b>954,394</b>
<b>Property expense</b>			
Rent and taxes		46,559	83,756
Insurance - property		5,446	2,792
Insurance - non banking assets		448	313
Utilities cost		154,195	116,823
Security (including guards)		98,922	97,395
Repair and maintenance (including janitorial charges)		58,264	66,277
Depreciation on owned fixed assets		135,309	144,944
Depreciation on right-of-use assets		302,751	255,769
Depreciation on non banking assets		30,603	60,243
		<b>832,497</b>	<b>828,312</b>
<b>Information technology expenses</b>			
Software maintenance		49,060	45,543
Hardware maintenance		45,627	42,995
Depreciation on computer equipments		40,947	34,080
Amortisation of computer softwares		11,644	11,775
Network charges		43,850	45,182
Insurance		168	439
		<b>191,296</b>	<b>180,014</b>
<b>Other operating expenses</b>			
Directors' fees and allowances		19,800	9,150
Fees and allowances to Shariah Board		10,200	7,230
Legal and professional charges		37,775	32,790
Outsourced services costs		103,525	80,602
Travelling and conveyance		124,097	84,113
NIFT clearing charges		12,467	13,019
Depreciation		54,974	68,068
Amortisation of core deposits and brand name		-	7,165
Training and development		1,211	1,135
Postage and courier charges		24,168	18,278
Communication		24,205	25,832
Stationery and printing		43,379	43,749
Marketing, advertisement and publicity		5,195	3,164
Brokerage and commission		14,243	10,216
Fee and subscription		49,542	28,145
Cash transportation and sorting charges		55,948	50,757
Entertainment		18,415	17,443
Insurance		62,337	65,755
Deposit insurance premium expense		48,290	37,648
Repair and maintenance		43,718	43,316
Auditors' remuneration		5,501	6,664
Others		18,885	10,644
		<b>777,875</b>	<b>664,883</b>
		<b>2,844,292</b>	<b>2,627,603</b>

		(Un-audited) Half year ended	
		June 30, 2022	June 30, 2021
		----- (Rupees in '000) -----	
<b>28.1</b>	<b>Total compensation expense</b>	<b>Note</b>	
	Fees and allowances etc.	10,103	7,747
	Managerial remuneration		
	i) Fixed	652,725	597,430
	ii) Variable		
	of which;		
	a) Cash bonus / awards etc.	-	1,765
	b) Incentives and commission	2,571	3,072
	Charge for defined benefit plan	39,170	38,236
	Contribution to defined contribution plan	36,184	38,127
	Charge for employees compensated absences	9,294	2,723
	Rent and house maintenance	200,814	181,445
	Utilities	44,623	40,566
	Medical	46,887	43,283
	Employee old age benefit institution	253	-
	<b>Total</b>	<b>1,042,624</b>	<b>954,394</b>
<b>29.</b>	<b>OTHER CHARGES</b>		
	Penalties imposed by State Bank of Pakistan	7	3,860
	Penalties imposed by SECP	-	100
		<b>7</b>	<b>3,960</b>
<b>30.</b>	<b>PROVISIONS AND WRITE OFFS - NET</b>		
	Provision / (reversal) for diminution in value of investments	31,301	(739,554)
	Provision against loans and advances	204,125	257,963
	Provision against capital work in progress	-	1,298
	Provision against intangible assets	-	4,098
	Provision against other assets	4,091	118,641
	Fixed assets written off	9	14
	Operational loss	-	2,909
	Recoveries against written off / charged off bad debts	(463)	(1,209)
		<b>239,063</b>	<b>(355,840)</b>
<b>31.</b>	<b>TAXATION</b>		
	Current	31.1 & 31.2 44,546	32,022
	Prior years	-	-
	Deferred	(2,858,417)	(661,393)
		<b>(2,813,871)</b>	<b>(629,371)</b>

**31.1** 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.

**31.2** The Income Tax Returns of the Bank and its subsidiary have been submitted up to and including financial year ended December 31, 2020 i.e. tax year 2021.

In respect of assessments of Summit Bank Limited from tax years 2009 to tax year 2016, the tax authorities disputed the Bank's treatment on certain issues and created an additional tax demand (net of rectification) of Rs. 329.13 million through amended assessment orders and the same have been paid / stayed / adjusted against available refunds.

In respect of assessments of Summit Bank Limited AJK Region from tax year 2013 to tax year 2017, the tax authorities disputed the Bank's treatment on certain issues and created an additional tax demand of Rs. 9.684 million through amended assessment orders and the same have been paid / adjusted against advance tax paid.

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 the 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 the 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, disallowances of certain HO expenses, addition to mark-up/interest earned in AJK region 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 Group 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 financial statements.

		(Un-audited) Half year ended	
		June 30, 2022	June 30, 2021
		----- (Rupees in '000) -----	
<b>32. BASIC AND DILUTED LOSS PER SHARE</b>	<b>Note</b>		
Loss for the period		<u>(686,616)</u>	<u>(1,350,678)</u>
		----- (Number of shares) -----	
Weighted average number of ordinary shares - Basic		<u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupee) -----	
Basic loss per share		<u>(0.26)</u>	<u>(0.51)</u>
		----- (Number of shares) -----	
Weighted average number of ordinary shares - Diluted	<b>32.1</b>	<u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupee) -----	
Diluted loss per share		<u>(0.26)</u>	<u>(0.51)</u>

**32.1** There are no potential ordinary shares outstanding as of June 30, 2022.

		(Un-audited) Half year ended	
		June 30, 2022	June 30, 2021
		----- (Rupees in '000) -----	
<b>33. CASH AND CASH EQUIVALENTS</b>			
Cash and balances with treasury banks		<b>15,274,755</b>	13,453,094
Balances with other banks		<b>1,280,403</b>	780,113
Overdrawn nostro accounts		<b>(9,637)</b>	(13,218)
		<u><b>16,545,521</b></u>	<u>14,219,989</u>

### 34. 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 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 cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

#### 34.1 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).

34.2 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 categorized:

June 30, 2022 (Un-audited)				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
Investments				
- Federal Government Securities	-	37,479,936	-	37,479,936
- Shares - Listed	678,393	-	-	678,393
- Non Government Debt Securities	2,459,045	-	-	2,459,045
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments				
- Shares - Unlisted	-	-	74,678	74,678
<b>Non-Financial assets - measured at fair value</b>				
Fixed assets				
Non banking assets acquired in satisfaction of claims	-	-	2,980,182	2,980,182
<b>Off-balance sheet financial instruments - measured at fair value</b>				
Forward purchase of foreign exchange				
	-	7,044,138	-	7,044,138
Forward sale of foreign exchange				
	-	980,320	-	980,320

December 31, 2021 (Audited)				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
Investments				
- Federal Government Securities	-	27,765,692	-	27,765,692
- Shares - Listed	750,938	-	-	750,938
- Non Government Debt Securities	2,405,175	-	-	2,405,175
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments				
- Shares - Unlisted	-	-	74,506	74,506
<b>Non-Financial assets - measured at fair value</b>				
Fixed assets	-	-	7,527,721	7,527,721
Non banking assets acquired in satisfaction of claims	-	-	3,057,017	3,057,017
<b>Off-balance sheet financial instruments - measured at fair value</b>				
Forward purchase of foreign exchange	-	6,715,915	-	6,715,915
Forward sale of foreign exchange	-	785,426	-	785,426

**Valuation techniques used in determination of fair value**

Item	Valuation approach and input used
Federal Government Securities	The fair values of Market Treasury Bills (MTB) and Pakistan Investment Bonds (PIB) are determined using the PKRV rates. Floating rate PIBs are revalued using PKFRV rates. The fair values of GOP Ijarah Sukuks are derived using the PKISRV rates.
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.
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.



**35. SEGMENT INFORMATION**

**35.1 Segment details with respect to business activities**

For the half year ended June 30, 2022 (Un-audited)							
Corporate finance	Trading and sales	Branch Banking	Islamic	Brokerage Business	Others	Total	
(Rupees in '000)							
<b>Profit and Loss</b>							
Net mark-up / return / profit	(443)	509,292	(1,774,297)	279,464	3,847	-	(982,137)
Inter segment revenue - net	-	(422,843)	-	422,843	-	-	-
Non mark-up / return / interest income	11,225	315,873	206,027	650	31,237	-	565,012
Total income	10,782	402,322	(1,568,270)	702,957	35,084	-	(417,125)
<b>Segment direct expenses</b>	2,017	281,446	2,327,653	160,788	41,548	30,847	2,844,299
Inter segment expense allocation	-	-	(239,049)	239,049	-	-	-
Total expenses	2,017	281,446	2,088,604	399,837	41,548	30,847	2,844,299
Provisions	-	31,301	202,375	5,387	-	-	239,063
<b>Profit / (loss) before tax</b>	8,765	89,575	(3,859,249)	297,733	(6,464)	(30,847)	(3,500,487)

As at June 30, 2022 (Un-audited)							
Corporate finance	Trading and sales	Branch Banking	Islamic	Brokerage Business	Others	Total	
(Rupees in '000)							
<b>Balance Sheet</b>							
Cash and bank balances	-	8,615,228	6,505,319	1,370,364	64,247	-	16,555,158
Investments	-	28,314,577	1,394,734	10,893,495	28,043	-	40,630,849
Net inter segment lending	-	300,000	-	8,993,057	-	-	9,293,057
Lendings to financial institutions	-	3,982,000	-	-	-	-	3,982,000
Advances - performing	-	-	18,674,862	2,661,904	1,035	-	21,337,801
Advances - non-performing	-	-	3,915,117	22,697	-	-	3,937,814
Others	147,346	11,764,086	16,255,252	777,776	188,283	11,518,416	40,651,159
<b>Total assets</b>	147,346	52,975,891	46,745,284	24,719,293	281,608	11,518,416	136,387,838
<b>Borrowings</b>	-	8,685,438	6,414,139	400,000	-	-	15,499,577
Subordinated debt	6,393	834,715	654,407	-	-	-	1,499,515
Deposits and other accounts	-	-	95,108,187	21,211,877	-	-	116,320,064
Net inter segment borrowing	-	8,993,057	-	300,000	-	-	9,293,057
Others	6,978	1,018,942	6,986,096	707,505	79,767	310,990	9,110,278
<b>Total liabilities</b>	13,371	19,532,152	109,162,829	22,619,382	79,767	310,990	151,718,491
<b>Equity</b>	133,975	33,443,739	(62,417,545)	2,099,911	201,841	11,207,426	(15,330,653)
<b>Total equity and liabilities</b>	147,346	52,975,891	46,745,284	24,719,293	281,608	11,518,416	136,387,838
<b>Contingencies and Commitments</b>	-	16,036,441	15,644,550	4,659,401	-	20,724,435	57,064,827

For the half year ended June 30, 2021 (Un-audited)						
Corporate finance	Trading and sales	Branch Banking	Islamic	Brokerage Business	Others	Total
(Rupees in '000)						
<b>Profit and Loss</b>						
Net mark-up / return / profit	(868)	492,622	(1,118,755)	31,174	1,720	(594,107)
Inter segment revenue - net	-	(376,657)	-	376,657	-	-
Non mark-up / return / interest income	26,278	586,404	215,616	16,890	44,593	889,781
<b>Total income</b>	<b>25,410</b>	<b>702,369</b>	<b>(903,139)</b>	<b>424,721</b>	<b>46,313</b>	<b>295,674</b>
Segment direct expenses	4,031	227,491	2,147,158	140,246	52,578	2,631,563
Inter segment expense allocation	-	-	(240,073)	240,073	-	-
<b>Total expenses</b>	<b>4,031</b>	<b>227,491</b>	<b>1,907,085</b>	<b>380,319</b>	<b>52,578</b>	<b>2,631,563</b>
Provisions	-	(739,554)	360,976	22,738	-	(355,840)
<b>Profit / (loss) before tax</b>	<b>21,379</b>	<b>1,214,432</b>	<b>(3,171,200)</b>	<b>21,664</b>	<b>(6,265)</b>	<b>(1,980,049)</b>

As at December 31, 2021						
Corporate finance	Trading and sales	Branch Banking	Islamic	Brokerage Business	Others	Total
(Rupees in '000)						
<b>Balance Sheet</b>						
Cash and Bank balances	-	8,189,994	5,880,299	1,377,913	60,875	15,509,081
Investments	-	17,873,826	2,186,043	10,841,725	33,686	30,935,280
Net inter segment lending	-	425,000	-	7,644,820	-	8,069,820
Lendings to financial institutions	-	298,931	-	-	-	298,931
Advances - performing	-	-	19,694,216	3,087,268	737	22,782,221
Advances - non-performing	-	-	4,218,887	43,357	-	4,262,244
Others	197,494	10,145,078	15,248,343	638,055	11,745,666	38,167,674
<b>Total Assets</b>	<b>197,494</b>	<b>36,932,829</b>	<b>47,227,788</b>	<b>23,633,138</b>	<b>288,336</b>	<b>120,025,251</b>
Borrowings	-	14,503	6,491,659	415,878	-	6,922,040
Subordinated debt	11,261	830,084	654,170	-	-	1,495,515
Deposits and other accounts	-	-	90,480,957	18,943,359	-	109,424,316
Net inter segment borrowing	-	7,644,820	-	425,000	-	8,069,820
Others	908	97,338	6,023,303	2,084,668	73,207	8,591,144
<b>Total liabilities</b>	<b>12,169</b>	<b>8,586,745</b>	<b>103,650,089</b>	<b>21,868,905</b>	<b>73,207</b>	<b>134,502,835</b>
Equity	185,325	28,346,084	(56,422,301)	1,764,233	215,129	(1,447,584)
<b>Total equity and liabilities</b>	<b>197,494</b>	<b>36,932,829</b>	<b>47,227,788</b>	<b>23,633,138</b>	<b>288,336</b>	<b>120,025,251</b>
<b>Contingencies and Commitments</b>	<b>-</b>	<b>6,911,598</b>	<b>14,644,419</b>	<b>3,076,580</b>	<b>-</b>	<b>19,383,721</b>

35.1.1 The Bank does not have any operations outside Pakistan.

### 36. 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, 2022 (Un-audited)			December 31, 2021 (Audited)				
	Parent company	Directors	Key management personnel	Other related parties	Parent company	Directors	Key management personnel	Other related parties
	(Rupees in '000)							
<b>Investments</b>								
Opening balance	-	-	-	1,692,490	-	-	-	1,692,490
Investment made during the year	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-
Closing balance	-	-	-	1,692,490	-	-	-	1,692,490
Provision for diminution in value of investments	-	-	-	1,613,242	-	-	-	1,613,242
<b>Advances</b>								
Opening balance	-	-	252,823	786,261	-	-	295,706	675,185
Addition during the period / year	-	-	6,929	564,889	-	-	11,465	1,888,290
Repaid during the period / year	-	-	(25,577)	(669,323)	-	-	(44,026)	(1,777,214)
Transfer in / (out) - net	-	-	(8,829)	-	-	-	(10,322)	-
Closing balance	-	-	225,346	681,827	-	-	252,823	786,261
Provision held against advances	-	-	-	-	-	-	-	-

	June 30, 2022 (Un-audited)				December 31, 2021 (Audited)			
	Parent company	Directors	Key management personnel	Other related parties	Parent company	Directors	Key management personnel	Other related parties
	(Rupees in '000)							
<b>Other Assets</b>								
Interest / mark-up accrued	-	-	507	39,869	-	-	-	13,630
Other receivable	699	-	553	-	699	-	666	-
Provision against other assets	-	-	-	-	-	-	-	-
<b>Deposits and other accounts</b>								
Opening balance	-	-	82,005	2,110,049	-	-	64,072	2,083,253
Received during the period / year	-	-	229,664	2,688,104	-	-	670,534	3,638,126
Withdrawn during the period / year	-	-	(216,126)	(2,717,708)	-	-	(660,431)	(3,613,898)
Transfer (out) / in - net	-	-	(58,159)	-	-	-	7,830	2,568
Closing balance	-	-	37,384	2,080,445	-	-	82,005	2,110,049
<b>Other Liabilities</b>								
Interest / mark-up payable	-	-	157	31,459	-	-	545	16,647
Payable to defined benefit plan	-	-	-	38,120	-	-	-	42,992
<b>Contingencies and Commitments</b>								
Guarantees, letters of credit and acceptances	-	-	-	86,500	-	-	-	217,289
Commitments to extend credit	-	-	-	2,174	-	-	-	65,377

	For the half year ended June 30, 2022 (Un-audited)				For the half year ended June 30, 2021 (Un-audited)			
	Parent company	Directors	Key management personnel	Other related parties	Parent company	Directors	Key management personnel	Other related parties
	(Rupees in '000)							
<b>Income</b>								
Mark-up / return / interest earned	-	-	3,933	43,176	-	-	5,842	36,991
Fee and commission income	-	-	9	218	-	-	6	558
Other income	-	-	340	-	-	-	3	-
<b>Expense</b>								
Mark-up / return / interest expensed	-	-	1,606	115,270	-	-	592	59,542
Operating expenses:								
- Directors' fees and allowances	-	19,800	-	-	-	9,150	-	-
- Brokerage and commission	-	-	-	-	-	-	-	-
- Fee and subscription	-	-	451	-	-	-	1,188	-
- Managerial Remuneration	-	-	161,635	-	-	-	111,230	-
- Contribution to defined contribution plan	-	-	-	36,184	-	-	-	38,127
- Charge for defined benefit plan	-	-	-	39,170	-	-	-	38,236

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

	(Un-audited) June 30, 2022 ----- (Rupees in '000) -----	(Audited) December 31, 2021
<b>37. CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	<u>(19,573,165)</u>	<u>(18,947,174)</u>
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier-1 (CET-1) Capital	<u>(39,365,400)</u>	(36,088,938)
Eligible Additional Tier-1 (ADT-1) Capital	-	-
Total Eligible Tier-1 Capital	<u>(39,365,400)</u>	(36,088,938)
Eligible Tier-2 Capital	-	-
Total Eligible Capital (Tier-1 + Tier-2)	<u>(39,365,400)</u>	<u>(36,088,938)</u>
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	47,203,700	48,061,826
Market Risk	6,057,081	3,558,355
Operational Risk	3,800,036	3,800,036
<b>Total</b>	<u>57,060,817</u>	<u>55,420,217</u>
Common Equity Tier-1 Capital Adequacy Ratio	<u>-68.99%</u>	-65.12%
Tier-1 Capital Adequacy Ratio	<u>-68.99%</u>	-65.12%
Total Capital Adequacy Ratio	<u>-68.99%</u>	-65.12%
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	(39,365,400)	(36,088,938)
Total Exposures	123,573,859	127,883,112
	<u>-31.86%</u>	<u>-28.22%</u>
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	46,705,183	40,325,959
Total Net Cash Outflow	20,868,465	21,880,329
Liquidity Coverage Ratio	<u>223.81%</u>	<u>184.30%</u>
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	80,501,992	72,650,421
Total Required Stable Funding	54,759,264	52,487,876
Net Stable Funding Ratio	<u>147.01%</u>	<u>138.41%</u>

### 38. ISLAMIC BANKING BUSINESS

The Bank commenced its Islamic Banking Operations in Pakistan on March 07, 2014 and is operating with 14 (December 31, 2021: 14) Islamic banking branches and 35 (December 31, 2021: 35) Islamic banking windows at the end of the period.

#### STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
Note ----- (Rupees in '000) -----		
<b>ASSETS</b>		
Cash and balances with treasury banks	1,175,269	1,344,202
Balances with other banks	195,095	33,711
Due from financial institutions	38.1 8,993,057	7,644,820
Investments	38.2 10,893,495	10,841,725
Islamic financing and related assets - net	38.3 2,684,601	3,130,625
Fixed assets	308,950	337,895
Intangible assets	126	409
Due from Head Office	-	-
Deferred tax assets	6,696	19,956
Other assets	462,004	279,795
<b>Total Assets</b>	<b>24,719,293</b>	<b>23,633,138</b>
<b>LIABILITIES</b>		
Bills payable	327,149	253,005
Due to financial institutions	38.4 700,000	840,878
Deposits and other accounts	38.5 21,211,877	18,943,359
Due to Head Office	-	-
Subordinated debt	-	-
Deferred tax liabilities	-	-
Other liabilities	380,356	1,831,663
	<b>22,619,382</b>	<b>21,868,905</b>
<b>NET ASSETS</b>	<b>2,099,911</b>	<b>1,764,233</b>
<b>REPRESENTED BY</b>		
Islamic Banking Fund	1,000,000	1,000,000
Reserves	-	-
Surplus on revaluation of assets	(711)	(37,061)
Unappropriated / Unremitted profit	38.6 1,100,622	801,294
	<b>2,099,911</b>	<b>1,764,233</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>38.7</b>	

**ISLAMIC BANKING BUSINESS  
PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2022**

	June 30, 2022	June 30, 2021
Note	----- (Rupees in '000) -----	
Profit / return earned	<b>38.8</b> 1,180,702	768,978
Profit / return expensed	<b>38.9</b> 478,395	361,147
<b>Net Profit / return</b>	<b>702,307</b>	407,831
<b>Other income</b>		
Fee and commission income	20,478	20,418
Dividend income	-	-
Foreign exchange loss	(17,781)	(15,800)
Income / (loss) from derivatives	-	-
Loss on sale of securities	(4,296)	(5,270)
Other income	2,249	17,542
<b>Total other income</b>	<b>650</b>	16,890
<b>Total income</b>	<b>702,957</b>	424,721
<b>Other expenses</b>		
Operating expenses	399,837	380,316
Workers' welfare fund	-	-
Other charges	-	3
<b>Total other expenses</b>	<b>399,837</b>	380,319
<b>Profit before provisions</b>	<b>303,120</b>	44,402
Provisions and write offs - net	5,387	22,738
<b>Profit before taxation</b>	<b>297,733</b>	21,664
Taxation	-	-
<b>Profit after taxation</b>	<b>297,733</b>	21,664



**ISLAMIC BANKING BUSINESS  
FOR THE HALF YEAR ENDED JUNE 30, 2022**

	Note	June 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----							
<b>38.1 Due from Financial Institutions</b>							
<b>Unsecured</b>							
Bai Muajjal Receivable from other Financial Institutions	38.1.1	8,993,057	-	8,993,057	7,644,820	-	7,644,820
		<b>8,993,057</b>	<b>-</b>	<b>8,993,057</b>	<b>7,644,820</b>	<b>-</b>	<b>7,644,820</b>

38.1.1 This represents Bai Muajjal agreements with conventional operations of Summit Bank Limited and carries profit rate of 13.50% to 14.00% per annum (December 31, 2021: 8.50% to 9.50% per annum).

**38.2 Investments**

	June 30, 2022 (Un-audited)				December 31, 2021 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- (Rupees in '000) -----								
<b>Investments by segments:</b>								
<b>Federal Government Securities:</b>								
- GOP Ijarah Sukuks	8,496,091	-	(61,641)	8,434,450	8,495,528	-	(58,978)	8,436,550
<b>Non Government Debt Securities</b>								
- Listed	2,500,000	-	(40,955)	2,459,045	2,500,000	-	(94,825)	2,405,175
<b>Total Investments</b>	<b>10,996,091</b>	<b>-</b>	<b>(102,596)</b>	<b>10,893,495</b>	<b>10,995,528</b>	<b>-</b>	<b>(153,803)</b>	<b>10,841,725</b>

	Note	(Un-audited)	(Audited)
		June 30, 2022	December 31, 2021
----- (Rupees in '000) -----			
<b>38.3 Islamic financing and related assets</b>			
Ijarah		346,115	284,662
Murabaha		-	762
Running Musharakah		166,708	539,651
Diminishing Musharakah		2,158,486	2,281,155
Tijarah		699,998	699,998
Advance against Ijarah		50,368	22,791
Tijarah Inventory		1,197	2,400
Payment against Document		-	32,090
Gross Islamic financing and related assets		<b>3,422,872</b>	<b>3,863,509</b>
Less: provision against Islamic financings			
- Specific		(735,421)	(729,361)
- General		(2,850)	(3,523)
		<b>(738,271)</b>	<b>(732,884)</b>
Islamic financing and related assets - net of provision		<b>2,684,601</b>	<b>3,130,625</b>

**38.4 Due to financial institutions**

<b>Secured</b>			
Acceptances from the SBP under Islamic Export Refinance Scheme		400,000	400,000
<b>Total secured</b>		<b>400,000</b>	<b>400,000</b>
<b>Unsecured</b>			
Overdrawn nostro accounts		-	15,878
Musharakah	38.4.1	300,000	425,000
<b>Total unsecured</b>		<b>300,000</b>	<b>440,878</b>
		<b>700,000</b>	<b>840,878</b>

38.4.1 This represents Musharakah acceptance with conventional operations of Summit Bank Limited and carries profit rate of 13.50% per annum (December 31, 2021: 8.50% per annum).

### 38.5 Deposits

	June 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
<b>Customers</b>						
Current deposits	7,744,083	463,814	8,207,897	6,037,564	445,290	6,482,854
Savings deposits	11,312,876	147,661	11,460,537	11,135,390	98,557	11,233,947
Term deposits	861,527	170,760	1,032,287	785,378	176,683	962,061
Others	219,659	-	219,659	164,091	-	164,091
	<b>20,138,145</b>	<b>782,235</b>	<b>20,920,380</b>	<b>18,122,423</b>	<b>720,530</b>	<b>18,842,953</b>
<b>Financial Institutions</b>						
Current deposits	11,152	155	11,307	10,385	139	10,524
Savings deposits	280,190	-	280,190	78,882	-	78,882
Term deposits	-	-	-	11,000	-	11,000
	<b>291,342</b>	<b>155</b>	<b>291,497</b>	<b>100,267</b>	<b>139</b>	<b>100,406</b>
	<b>20,429,487</b>	<b>782,390</b>	<b>21,211,877</b>	<b>18,222,690</b>	<b>720,669</b>	<b>18,943,359</b>

38.5.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 12,756.893 million (December 31, 2021: Rs. 11,054.384 million).

	(Un-audited)	(Audited)
	June 30, 2022	December 31, 2021
	----- (Rupees in '000) -----	
<b>38.6 Islamic Banking Business Unappropriated Profit</b>		
Opening balance	801,294	691,819
Add: Islamic Banking profit for the period / year	297,733	106,284
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated profit	1,595	3,191
Closing balance	<u>1,100,622</u>	<u>801,294</u>

### 38.7 CONTINGENCIES AND COMMITMENTS

-Guarantees	3,129,139	1,732,852
-Commitments	1,530,262	1,343,728
-Other contingent liabilities	-	-
	<u>4,659,401</u>	<u>3,076,580</u>

	(Un-audited)	
	June 30, 2022	June 30, 2021
	----- (Rupees in '000) -----	

### 38.8 Profit / Return Earned of Financing, Investments and Placement

Profit earned on:		
Financing	142,997	161,428
Investments	598,815	221,762
Placements	438,536	385,484
Balances with banks	354	304
	<u>1,180,702</u>	<u>768,978</u>

### 38.9 Profit on Deposits and other Dues Expensed

Deposits and other accounts	447,238	336,271
Due to Financial Institutions	20,844	12,098
Finance cost of lease liability	10,313	12,778
	<u>478,395</u>	<u>361,147</u>

**39. DATE OF AUTHORIZATION OF ISSUE**

These consolidated condensed interim financial statements were authorised for issue on August 23, 2022 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

##### 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

##### 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: 021-3224331 1-13  
Fax: 021-32243314

**Gulistan-e-Jauhar - Branch 1**

Plot # 118/A-B, Shop # 02, 03, 04 Ground Floor Rufi  
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

**I. I. Chundrigar Road Branch 1 - Unitower**

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 1**

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 I, 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, 353444957 & 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

**Malir Cantt Branch**

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

**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

**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

**Sea View, Clifton Branch, Karachi**

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

**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**

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

**Water Pump Branch**

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

**LAHORE**

**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. 3025/20925, Opposite Askari II,  
Main Gate, Main Bedian Road, Lahore Cantt.  
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

**DHA Phase - VI Branch**

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

**DHA Y 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

**Empress Road Branch**

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

**Faisal Town Branch**

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

**Ferozpur Road Branch**

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

**Gulberg Branch**

Plot 61, Main Gulberg, Lahore  
Tel: 042-35870832-3, 35870975-6  
Fax: 042-35870834

**Ichra More Branch**

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

**Johar Town Branch**

Plot # 85, Block G/I, 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

**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 VWay, 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, 2872913  
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**

**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

**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

**FAISALABAD**

**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

**Satiana Road Branch**

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

**Susan Road Branch**

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



## MULTAN

### 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

### Vehari Road Branch

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

## 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  
274 ANNUAL REPORT 2019

**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 I 19 F/I, Kotli Road  
Mirpur, Azad Kashmir  
Tel: 05827-437193-97  
Fax: 05827-437192

**Mirpur Azad Kashmir Branch II**

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

**Muzaffarabad Branch**

Sangam Hotel, Muzaffarabad - 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, Talang 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**

**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**

### **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**

Property # 1 Survey # 222 (Part)  
Dada Bhai Building, 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**

### **Kasur Branch**

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

## **KHAIRPUR**

### **Pacca Chang Branch**

CS No. 418/1-08, Deh. Pacca Chang,  
Taluqa Faiz Ganj, 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 BHAUDDIN**

#### **Mandi Bhauddin Branch**

Khasra # 143/112, Chak #51, Bank Road,  
Off Railway Road, Ghalla Mandi, Mandi  
Bhauddin  
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

### **JAMSHORO**

#### **Nooriabad Branch**

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

### **OKARA**

#### **M.A. Jinnah Road, Okara Branch**

Ghulam Mustafa Centre,  
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

### **RAHIM YAR KHAN**

#### **Rahim Yar Khan Branch**

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

### **SADIQABAD**

#### **Sadiqabad Branch**

Mozzakh 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, 165, 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: 051-490224

## ISLAMIC BANKING BRANCHES

### KARACHI

#### Fish Harbour Branch

Plot No. L - 2, Block L  
Fish Harbour, Dockyard Road,  
West Wharf, Karachi  
PABX: 021-32312166-68  
Fax: 021-32312165

#### I. I. Chundrigar Road Branch II

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

#### 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

#### Super Highway Branch

Shop No. 29 & 30, Plot # 1-B/3, Sub Sector 1-A,  
Scheme No. 33, main Super Highway, Karachi.  
Tel: 021 - 36830161-3  
Fax: 021-36830162

#### 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

### 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

#### 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

#### Chilas Branch

Khasra No. 02, Bazar Area, Chillas,  
District Baltistan  
Tel: 05812 - 450702-3  
Fax: 05812-450704

### SKARDU

#### Skardu Branch

Khasra No. 1265/39, Yadgar Chowk,  
Tehsil Skardu, District Baltistan  
Tel: 05815 - 456693-94  
Fax: 05815-456696

### ISLAMABAD

#### DHA Phase-2 Branch

Plot No. 7, Street SSSZBS Al Nahayaan, Sector-A,  
DHA Phase-2, Near Al Ghurair, Main Boulevard, Islamabad  
Tel: 051-4918314 -16  
Fax: 051-4918317

#### Naval Anchorage Branch

Plot # 19, Commercial No. 2, Naval Officers'  
Housing Scheme Anchorage, Islamabad  
Tel: 051 - 5159126 - 28  
Fax: 051 - 5159129

### CHITRAL

#### Chitral Branch

Attalique Bazar, Bank Square,  
Opp: NBP Building, Chitral  
Tel: 0943 - 412536-37  
Fax: 0943 - 414352

### HYDERBAD

#### 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





Plot No. G-2, Block 2, Clifton, Karachi.  
UAN: 021-1111-24365, Toll Free: 0800-24365  
[www.summitbank.com.pk](http://www.summitbank.com.pk) | [info@summitbank.com.pk](mailto:info@summitbank.com.pk)