

BUILDING TODAY SHAPING TOMORROW

HALF YEARLY REPORT JUNE 2023



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

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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. Muhammad Salman Alam Fazli
Non-Executive Director

Board Audit Committee

Ms. Fauzia Hasnain
Chairperson

Mr. Wajahat Ahmed Baqai
Member

Mr. Zafar Iqbal Siddiqi
Member

Mr. Muhammad Salman Alam Fazli
Member

Board Risk Management Committee

Mr. Wajahat Ahmed Baqai
Chairman

Ms. Fauzia Hasnain
Member

Mr. Zafar Iqbal Siddiqi
Member

Mr. Muhammad Salman Alam Fazli
Member

Board Human Resource & Remuneration Committee

Ms. Fauzia Hasnain
Chairperson

Mr. Waseem Mehdi Syed
Member

Mr. Jawad Majid Khan
Member

Mr. Muhammad Salman Alam Fazli
Member

Board Information Technology Committee

Mr. Zafar Iqbal Siddiqi
Chairman

Mr. Waseem Mehdi Syed
Member

Mr. Jawad Majid Khan
Member

Mr. Muhammad Salman Alam Fazli
Member

Board Compliance Committee

Mr. Waseem Mehdi Syed
Chairman

Mr. Wajahat Ahmed Baqai
Member

Mr. Zafar Iqbal Siddiqi
Member

Mr. Muhammad Salman Alam Fazli
Member

Board Special Assets Management Committee

Mr. Wajahat Ahmed Baqai
Chairman

Mr. Waseem Mehdi Syed
Member

Ms. Fauzia Hasnain
Member

Mr. Jawad Majid Khan
Member

Mr. Muhammad Salman Alam Fazli
Member

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

M/s. Yousuf Adil
Chartered Accountants

Legal Advisors

Hyat & Meerjees

Share Registrar

THK Associates (Private) Limited
Plot No. 32-C, Jami Commercial Street-2,
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UAN : 021-1111-24365
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Registered Office

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VISION

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



MISSION

- To be a financial institution based on trust, integrity and good governance
- To deliver financial solutions to our customers
- To provide equal opportunities & professional working environment to our employees
- To provide fair returns to our shareholders on their investment
- To serve the community at large
- To discharge corporate social responsibility



DIRECTORS' REVIEW

We are delighted to provide, on behalf of the Board of Directors, our review of Summit Bank Limited's performance and the unaudited condensed interim financial statements for the half year ended June 30, 2023.

H.E. Naseer Abdulla Hussain Lootah (Investor) has invested an amount of PKR 10 billion to acquire major equity stake in the Bank. During the half year ended June 30, 2023, the Bank received all the necessary regulatory approvals and issued the requisite shares to the Investor. This equity injection will help boost the Bank's capital base and also provide it with the much needed liquidity for its operational requirements. After acquisition of controlling stake in the Bank, the Investor changed the Bank's name to Bank Makramah Limited (BML), after receipt of all the requisite approvals. Subsequently, the shareholders of the Bank also approved the change of Bank's name through a special resolution during their Extraordinary General Meeting held on August 15, 2023. This marks the start of the Bank's transformation which would involve a rebranding exercise and a complete overhaul of its operations, as well as moving towards converting the Bank into a full fledged Shariah compliant entity.

THE BANK'S PERFORMANCE

The highlights of the financial results for the half year ended June 30, 2023 are as follows:

Financial Position	Rupees in Millions
Shareholders' Equity	(9,648)
Total Deposits	141,464
Total Assets	240,479
Advances – net	19,900
Investments – net	155,842
Financial Performance	
Net Interest Income and Non Mark-up Income (Total Income)	(239)
Non Mark-up Expenses	3,333
Provisions and write offs (net)	(832)
Loss before tax	(2,741)
Loss after tax	(1,722)
Basic and diluted loss per share - Rupee	(0.43)

While the Bank's financial statements reflect a loss for the half year ended June 30, 2023, it is important to recognize the progress made in various areas, compared to the same period last year. The loss before tax reduced from Rs. 3.494 billion to Rs. 2.741 billion, indicating a significant improvement in financial performance.

The Bank's results reflect a marked improvement in average net investments for the half year ended June 30, 2023, which can be attributed to multiple factors, including a fresh equity injection and an increase in deposits and borrowing. As a result, the average net investments surged from Rs. 30.753 billion in the comparative prior period to Rs. 86.585 billion. This substantial increase in net investments was further complemented by enhanced net investment yields, which improved from 10.59% in the comparative prior period to 19.77% in the current period. As a result of this significant growth in both volume and yields, the Bank experienced a sizeable boost in its income from investments by Rs. 6.876 billion, which amounted to Rs. 8.490 billion for the current period as against Rs. 1.614 billion in the comparative prior period.

On a year on year comparison, net yields on advances remained substantially higher, at 15.45% for the current period as against 8.56% for the comparative prior period. Furthermore, the Bank witnessed a reduction in average net advances, which amounted to Rs. 19.437 billion for the half year ended June 2023, as against Rs. 26.021 billion for the comparative prior period while income from advances ended higher at Rs. 1.490 billion for the current period as against Rs. 1.104 billion for the comparative prior period, indicating an increase of 35%.

Deposits as at June 30, 2023 reflected significant growth of 16.03%, reaching Rs. 141.464 billion as compared to Rs. 121.919 billion on December 31, 2022. Furthermore, the Bank's average deposits experienced substantial growth in the half year ended 2023, amounting to Rs. 20.174 billion, which represents 18.96% increase from June 2022 when it stood at Rs. 106.426 billion. The Bank's strategic focus on expanding its current account base yielded positive results, with non-remunerative average deposits experiencing a 30% increase, equivalent to Rs. 10.773 billion. As a result, the cost of deposits reflected an increase to 10.21% for the period ended June 2023, compared to 5.48% for the comparative prior period. This was due to the increase in the policy rate of 825bps by State Bank of Pakistan.

Despite the challenging situation due to an increase in policy rate and transfer of the amount earmarked for investment in the Bank by the Investor from his current account to the equity, the Bank was able to maintain its CASA ratio of 87.66% as of June 2023 as against 87.46% in December 2022. The Bank's non-remunerative deposits as at June 30, 2023, amounted to Rs. 49.714 billion as against Rs. 45.197 billion as at December 31, 2022.

The Bank was able to capitalize on arbitrage opportunities, resulting in an increase of Rs. 33.547 billion in average borrowings levels since June 2022 without creating any unnecessary risk.

The Bank's non-funded income was recorded at Rs. 777.787 million, improving by 45% as against the comparative prior period due to higher foreign exchange income and gains from the sale of assets.

Despite facing challenges such as inflationary pressures, currency devaluation and rising commodity prices, the Bank successfully demonstrated prudent control over its operating expenses. Despite the average CPI inflation reaching 33.1% for HY1 of 2023, the Bank managed to limit the increase in operating expenses to 18.8% compared to the same period last year. The Bank's total non-markup expenses amounted to Rs. 3.333 billion, as against Rs. 2.805 billion for the previous comparative period.

During the current period, net provision reversals amounted to Rs. 831.865 million, which reflects a significant improvement from the net charge of Rs. 239.063 million in the same period last year.

As of June 30, 2023, the Bank's gross NPL ratio (Gross non-performing loans to Gross Advances) was 67.49%, which represents a slight increase from the ratio of 65.78% recorded on December 31, 2022, mainly due to the impact of a reduction in gross advances by Rs. 2.021 billion. Additionally, the coverage ratio at the end of June 2023 was 92.32%, which increased from 92.14% in December 2022. The Bank's gross advances to deposits ratio (Gross Advances to Total Deposits) decreased to 37.33% in June 2023 from 44.98% on December 31, 2022 resulting from risk averse strategy that the Bank is following.

The Bank's deferred tax assets (net) amounted to Rs. 22.070 billion as of June 30, 2023. In the current period, the Bank recognized additional deferred tax assets (net) of Rs. 1.288 billion, primarily due to taxable losses incurred during the period.

CREDIT RATING

In 2019, VIS Credit Rating Company Limited suspended the Bank's medium to long-term rating of 'BBB -' (Triple B Minus) and its short-term rating of 'A-3' (A-Three). The Bank has initiated the rating process with VIS Credit Rating Company Limited and has requested the State Bank of Pakistan to allow the Bank to complete the credit rating exercise by September 30, 2023.

VIS Credit Rating Company Limited has issued a new rating scale for Tier-2 capital instruments. As a result, the Bank's TFC rating has been adjusted to 'B' (Single B) with a 'Rating Watch-Negative' outlook, as stated in their press release dated June 27, 2023. Previously, 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).

ECONOMIC REVIEW

Pakistan's economy encountered various external challenges during FY23, including the devastating floods in 2022, as well as a surge in international commodity prices following Russia's conflict in Ukraine. These shocks, coupled with certain policy decisions and limitations on the foreign exchange market, have resulted in a stagnation of economic growth. Inflation, particularly concerning essential goods, has reached alarming levels. Despite the government's attempts to decrease imports and address the trade deficit, foreign reserves have significantly diminished, reaching critically low levels. Liquidity conditions in the power sector also remained acute, with further build-up of circular debt and frequent load shedding.

In an effort to address issues related to revenue collection, energy subsidies and policies that are not in line with a market-based exchange rate, the Pakistani government has implemented various measures. These include restrictions on import financing and certain upward revisions in taxes, duties and Petroleum Development Levy rate in FY24. Consequently, Pakistan has entered into a new short-term bailout agreement with the International Monetary Fund (IMF) called the Stand-by Arrangement (SBA). The bailout package amounts to USD 3 billion, with an initial disbursement of USD 1.2 billion, and the remaining USD 1.8 billion scheduled for disbursement after reviews in November 2023 and February 2024. While these government measures are necessary for the IMF program, they are likely to contribute to inflation both directly and indirectly. Furthermore, the relaxation in imports may put pressure on the foreign exchange reserves. As a result, SBP has increased the policy rate by 100 basis points, bringing it to 22%.

Pakistan's current account deficit has narrowed sharply, driven by earlier restrictions on imports and FX availability, tighter fiscal and economic policies, measures to limit energy consumption and lower commodity prices. The current account posted a deficit of USD 2.6 billion for FY23 against a deficit of USD 17.5 billion during FY22.

Due to the implementation of fiscal consolidation measures, such as a reduction in spending on subsidies and grants, the primary fiscal deficit in the period from July to May of FY23 decreased significantly to Rs 112 billion as compared to Rs. 945.3 billion last year. However, the total fiscal deficit was recorded at 5.5% of GDP as against 5.2% for the comparable period last year.

Average CPI inflation during FY23 reached 29.18%, which is a significant increase compared to the same period last year when it was 12.15%. Over the first six months of 2023, the average CPI inflation reached 33.1%. This surge in inflation can be attributed mainly to the increase in taxes and duties, the removal of energy subsidies, and the ongoing depreciation of the Pakistani Rupee.

As of June 30, 2023, the overall liquid foreign exchange reserves of Pakistan witnessed a rise, reaching USD 9.75 billion, while SBP held reserves amounted to USD 4.46 billion.

In July 2023, Fitch Ratings raised Pakistan's Long-Term Foreign-Currency Issuer Default Rating (IDR) from "CCC-" to "CCC." The upgrade is attributed to improved external liquidity and funding conditions in Pakistan, which have resulted from the Staff-Level Agreement between Pakistan and the IMF reached in June 2023.

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, 2023. 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 implementation of the Bank's plan to comply with applicable capital and liquidity requirements and in this regard the initial step of enhancing its equity base has been successfully completed.

The Bank has recognized deferred tax asset of Rs. 22.070 billion which is considered realizable based on the financial projections of taxable profits in foreseeable future.

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. The Bank has been and is committed to extending its full cooperation to the Law Enforcement Agencies in their investigations to the best extent possible. The Bank's management is of the view that such investigations will not affect the ongoing operations and functions of the Bank.

The Bank holds an immovable property which is partially in contravention with the provisions of Banking Companies Ordinance, 1962. The management has planned steps to achieve compliance with the same by selling the property that is in non-compliance with the applicable laws.

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

ACKNOWLEDGEMENT

We extend our gratitude to our valued customers and all stakeholders for their collaboration and contribution to the Bank's cause. Without their support, we would not have been able to achieve our goals and objectives.

We acknowledge the dedication and hard work of the Bank's staff, who have demonstrated resilience, adaptability and commitment in the face of unprecedented challenges. Their contribution to the Bank's cause is invaluable.

On behalf of the Board, we thank the State Bank of Pakistan, the Ministry of Finance, the Securities and Exchange Commission of Pakistan, and other regulatory authorities for their continued support and guidance.

Jawad Majid Khan
President and Chief Executive Officer

Fauzia Hasnain
Director

Summit Bank
August 25, 2023
Karachi

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

تعریف و توثیق

ہم اپنے قابل قدر صارفین اور تمام اسٹیک ہولڈرز کے تعاون اور بینک کے مقصد میں تعاون کے لیے ان کا شکریہ ادا کرتے ہیں۔ ان کے تعاون کے بغیر ہم اپنے اہداف اور مقاصد حاصل نہیں کر سکتے تھے۔

ہم بینک کے عمل کی لگن اور محنت کو تسلیم کرتے ہیں، جنہوں نے بے مثال چیلنجوں کا سامنا کرتے ہوئے چلک، موافقت اور عزم کا مظاہرہ کیا ہے۔ بینک کے مقاصد کے حصول میں ان کا تعاون انمول ہے۔

بورڈ کی جانب سے ہم، اسٹیٹ بینک آف پاکستان، وزارت مالیات، سکیورٹیز اینڈ ایکسچینج کمیشن پاکستان، اور دیگر ضوابطی حکام کی مسلسل معاونت اور رہنمائی پر شکرگزار ہیں۔

فوزیہ حسین
ڈائریکٹر

جواد ماجد خان
صدر اور چیف ایگزیکٹو آفیسر

سمٹ بینک
25 اگست 2023ء
کراچی

مالی سال 23ء کے دوران اوسط صارف اشاریہ قیمت مہنگائی 29.18 فیصد تک پہنچ گئی، جو گذشتہ برس کی اسی مدت کے 12.15 فیصد کے مقابلے میں نمایاں اضافہ ہے۔ 2023ء کے پہلے چھ مہینوں میں، اوسط صارف اشاریہ قیمت مہنگائی 33.1 فیصد تک پہنچ گئی۔ مہنگائی میں اس اضافے کی بنیادی وجہ ٹیکسوں اور ڈیوٹیوں میں اضافہ، توانائی کی سبسڈی کا خاتمہ اور پاکستانی روپے کی قدر میں مسلسل کمی ہے۔

30 جون 2023ء تک پاکستان کے مجموعی زرمبادلہ کے ذخائر میں اضافہ دیکھا گیا جو 9.75 ارب ڈالر تک پہنچ گئے جبکہ اسٹیٹ بینک کی تحویل میں 4.46 ارب ڈالر کے ذخائر تھے۔

جولائی 2023ء میں فچ ریٹنگ نے پاکستان کی طویل مدتی غیر ملکی کرنسی جاری کنندہ ڈیٹا ریٹنگ (آئی ڈی آر) کو "سی سی سی" سے بڑھا کر "سی سی سی" کر دیا۔ اس اضافے کی وجہ پاکستان میں بیرونی سیالیت اور فنڈنگ کی بہتر صورت حال ہے، جس کے نتیجے میں پاکستان اور آئی ایم ایف کے درمیان جون 2023ء میں اسٹاف لیول معاہدہ طے پایا ہے۔

آڈیٹرز کی جائزہ رپورٹ میں تبدیلیاں

30 جون 2023ء تک بینک کا ادا شدہ سرمایہ (خالص خسارے)، شرح کفایت سرمایہ (CAR) اور لیوراج کی شرح (LR) اسٹیٹ بینک آف پاکستان (SBP) کے تقاضوں پر پورے نہیں اترتے۔ 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 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 22.070 ارب روپے کے مؤخر ٹیکس اٹاٹے کو تسلیم کیا ہے۔ جو مستقبل قریب میں قابل ٹیکس منافع کے مالی تخمینوں کی بنیاد پر قابل حصول سمجھا جاتا ہے۔

2018ء کے دوران، قانون نافذ کرنے والی ایجنسیوں (ایل ای ایز) نے سمٹ بینک لمیٹڈ سمیت بعض بینکوں میں منعی لائڈنگ کی سرگرمیوں کے لیے مدینہ طور پر کچھ بینک اکاؤنٹس کی تحقیقات شروع کی۔ یہ معاملہ فی الحال نیب کے زیر تفتیش ہے۔ 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۔

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

وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے درجہ-2 سرمائے کے آلات کے لیے ایک نیاریننگ اسکیل جاری کیا ہے۔ نتیجتاً، بینک کی ٹی ایف سی ریٹنگ کو ریٹنگ واچ ٹیلیگراف منظر نامے کے ساتھ 'بی' (سنگل بی) میں ایڈجسٹ کیا گیا ہے، جیسا کہ 27 جون، 2023ء کی پریس ریلیز میں بیان کیا گیا۔ قبل ازیں، بینک کی ٹی ایف سی ریٹنگ 'ڈی' (ڈیفالٹ) مقرر کی گئی تھی کیونکہ اسٹیٹ بینک آف پاکستان (ایس بی پی) کے قابل اطلاق ضوابط کے تحت بینک کی جانب سے لاک ان کلاز کی حوالے سے تازہ ترین مارک اپ ہیڈنٹ کی ادائیگی نہیں کی گئی تھی۔

اقتصادی جائزہ

مالی سال 2023ء کے دوران پاکستان کی معیشت کو مختلف بیرونی چیلنجز کا سامنا کرنا پڑا، جن میں 2022ء کے دوران تباہ کن سیلاب کے ساتھ ساتھ یوکرین اور روس کے تنازع کے بعد بین الاقوامی اجناس کی قیمتوں میں اضافہ بھی شامل ہے۔ ان چیلنجز کے ساتھ ساتھ بعض پالیسی فیصلوں اور زرمبادلہ منڈی پر پابندیوں کے نتیجے میں معاشی نمو جو دکھار ہو گئی۔ بالخصوص ایشیائے جنوبیہ سے متعلق، مہنگائی خطرناک حد تک پہنچ چکی ہے۔ درآمدات میں کمی اور تجارتی خسارے پر قابو پانے کی حکومتی کوششوں کے باوجود زرمبادلہ کے ذخائر میں نمایاں کمی واقع ہوئی ہے جو انتہائی پست سطح پر پہنچ گئے ہیں۔ گردشی قرضوں میں مزید اضافے اور مسلسل لوڈ شیڈنگ کی وجہ سے بجلی کے شعبے میں سیالیٹ کی صورت حال بھی شدید رہی۔

محاصل کی وصولی، توانائی کی سبسڈیز اور پالیسیوں سے متعلق مسائل، جو مارکیٹ پر مبنی شرح مبادلہ سے مطابقت نہیں رکھتے، کو حل کرنے کی کوشش میں حکومت پاکستان نے متعدد اقدامات کا نفاذ کیا ہے۔ ان میں سرآمدی قرضوں پر پابندی اور مالی سال 24ء میں ٹیکسوں، ڈیوٹیوں اور پیٹرو لیوم ڈیولپمنٹ لیوی کی شرح میں کچھ اضافہ شامل ہے۔ جن کے نتیجے میں پاکستان بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے ساتھ ایک نیا قیامی ملتی بیل آؤٹ معاہدے میں شامل ہوا ہے، جسے اسٹینڈ بائی ایگریمنٹ (ایس بی اے) کہا جاتا ہے۔ بیل آؤٹ کی 3 ارب ڈالر ہے جس میں ابتدائی طور پر 1.2 ارب ڈالر ادا کیے گئے ہیں، جبکہ باقی 1.8 ارب ڈالر نومبر 2023 اور فروری 2024ء میں جائزے کے بعد ادا کیے جائیں گے۔ اگرچہ یہ حکومتی اقدامات آئی ایم ایف پروگرام کے لیے ضروری ہیں، تاہم امکان ہے کہ یہ مہنگائی میں براہ راست اور بالواسطہ طور پر کردار ادا کریں گے۔ مزید برآں درآمدات میں نرمی سے زرمبادلہ کے ذخائر پر دباؤ پڑ سکتا ہے۔ اس کے نتیجے میں اسٹیٹ بینک نے پالیسی ریٹ میں 100 بیسیس پوائنٹس کا اضافہ کر کے اسے 22 فیصد کر دیا ہے۔

پاکستان کے جاری کھاتے کے خسارے میں تیزی سے کمی آئی ہے جس کی وجہ درآمدات پر پہلے سے عائد پابندیاں اور زرمبادلہ کی دستیابی، سخت مالیاتی اور اقتصادی پالیسیاں، توانائی کی کھپت کو محدود کرنے کے اقدامات اور اجناس کی قیمتوں میں کمی ہے۔ مالی سال 23ء کے دوران جاری کھاتے میں 2.6 ارب ڈالر کا خسارہ درج کیا گیا جبکہ مالی سال 22ء کے دوران 17.5 ارب ڈالر کا خسارہ ہوا تھا۔

مالیاتی استحکام کے اقدامات جیسے سبسڈیز اور گرانٹس پر اخراجات میں کمی کے نفاذ کی وجہ سے جولائی تا مئی مالی سال 23ء کے دوران ابتدائی مالیاتی خسارہ گزشتہ برس کے 945.3 ارب روپے کے مقابلے میں نمایاں طور پر کم ہو کر 112 ارب روپے رہ گیا۔ تاہم مجموعی مالیاتی خسارہ جی ڈی پی کا 5.5 فیصد درج کیا گیا جو گزشتہ برس کی اسی مدت میں 5.2 فیصد تھا۔

بینک ثالثی کے مواقع سے فائدہ اٹھانے میں کامیاب رہا، جس کے نتیجے میں جون 2022ء سے اوسط قرض گیری کی سطح میں 33.547 ارب روپے کا اضافہ ہوا۔

ساتھ تقابلی مدت کے مقابلے میں بینک کی نان فنڈڈ آمدنی 777.787 ملین روپے درج کی گئی جو گذشتہ برس کی اسی مدت کے مقابلے میں 45 فیصد اضافہ ہے، جس کی بلند زرمبادلہ آمدنی اور اثاثوں کی فروخت سے حاصل ہونے والے فوائد تھے۔

مہنگائی کے دباؤ، کرنسی کی قدر میں کمی اور اجناس کی بڑھتی ہوئی قیمتوں جیسے چیلنجوں کا سامنا کرنے کے باوجود، بینک اپنے آپریٹنگ اخراجات کے محتاط انتظام کو برقرار رکھنے میں کامیاب رہا۔ 2023ء کی پہلی ششماہی کے دوران اوسط صارف اشاریہ قیمت (سی پی آئی) مہنگائی کے 33.1 فیصد تک پہنچ جانے کے باوجود بینک اپنے آپریٹنگ اخراجات میں ہونے والے اضافے کو گذشتہ برس کی اسی مدت کے مقابلے میں 18.8 فیصد تک محدود رکھنے میں کامیاب رہا۔ بینک نے 3.333 ارب روپے کے نان مارک اپ اخراجات درج کیے جبکہ تقابلی مدت کے دوران یہ 2.805 ارب روپے تھے۔

موجودہ مدت کے دوران بینک نے 831.865 ملین روپے کا تخمینہ کا خالص اسٹرواد درج کیا جو گذشتہ برس کی اسی مدت کے 239.063 ملین روپے کے خالص چارج سے نمایاں بہتری ہے۔

30 جون 2023ء تک، بینک کا مجموعی غیر فعال قرضوں کا تناسب (مجموعی ایڈوانسز اور مجموعی غیر فعال قرضے) 67.49 فیصد تھا، جو کہ 31 دسمبر 2022ء کو درج کیے گئے 65.78 فیصد کے تناسب سے معمولی اضافہ ظاہر کرتا ہے، جس کی بنیادی وجہ مجموعی ایڈوانسز میں 2.021 ارب روپے کی کا اثر تھا۔ مزید برآں، جون 2023ء کے آخر میں کوریج کا تناسب بڑھ کر 92.32 فیصد ہو گیا، جبکہ دسمبر 2022ء میں 92.14 فیصد تھا۔ بینک کا مجموعی ایڈوانسز اور ڈپازٹس کا تناسب (مجموعی ایڈوانسز اور مجموعی ڈپازٹس) 31 دسمبر 2022ء کے 44.98 فیصد سے کم ہو کر جون 2023ء میں 37.33 فیصد ہو گیا۔

30 جون 2023ء تک بینک 22.070 ارب روپے کے (خالص) مؤخر ٹیکس اثاثوں کا حامل تھا۔ موجودہ مدت میں بینک کی جانب سے 1.288 ارب روپے کے مؤخر ٹیکس اثاثوں کو تسلیم کیا گیا ہے، جس کی بنیادی وجہ دوران مدت عائد کیے گئے قابل ٹیکس خسارے تھے۔

کریڈٹ ریٹنگ

2019ء کے دوران، وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے بینک کی درمیانی تا طویل مدتی ریٹنگ 'بی بی بی' (ٹریبل بی مائنس) اور قلیل مدتی ریٹنگ 'اے-3' (اے-تھری) معطل کر دی۔ بینک وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ کے ساتھ ریٹنگ کے عمل کا آغاز کر چکا ہے اور اسٹیٹ بینک سے درخواست کی گئی ہے کہ وہ کریڈٹ ریٹنگ کے پراسس کی تکمیل کے لیے 30 ستمبر 2023ء تک توسیع فراہم کر دے۔

اگرچہ بینک کے مالیاتی بیانات 30 جون 2023ء کو ختم ہونے والی ششماہی کے لیے خسارے کی عکاسی کرتے ہیں، تاہم گزشتہ برس کی اسی مدت کے مقابلے میں مختلف شعبوں میں ہونے والی پیش رفت کو تسلیم کرنا ضروری ہے۔ قبل از ٹیکس خسارہ جو 3,494 ارب روپے تھا، کم ہو کر 2,741 ارب روپے رہ گیا، جس سے مالی کارکردگی میں نمایاں بہتری کی نشاندہی ہوتی ہے۔

30 جون 2023ء کو ختم ہونے والی ششماہی کے لیے بینک کے نتائج میں اوسط خالص سرمایہ کاری کے لیے نمایاں بہتری دکھائی دی ہے، جس کی وجہ متعدد عوامل ہو سکتے ہیں، جن میں تا زکو ایجو بیٹی کا ادخال اور ڈپازٹس اور قرضوں میں اضافہ شامل ہے۔ نتیجتاً اوسط خالص سرمایہ کاری بڑھ کر 86.585 ارب روپے ہو گئی جبکہ گزشتہ برس کی اسی مدت میں یہ 30.753 ارب روپے تھی۔ خالص سرمایہ کاری میں اس نمایاں اضافے کو خالص سرمایہ کاری یافتوں میں اضافے سے مزید تقویت ملی، جو بہتر ہو کر زبردانہ مدت کے دوران 19.77 فیصد ہو گئی جبکہ گزشتہ برس کی اسی مدت میں 10.59 فیصد تھی۔ حجم اور یافتوں دونوں میں اس نمایاں اضافے کے نتیجے میں بینک کی سرمایہ کاری سے ہونے والی آمدنی 6.876 ارب روپے کے نمایاں اضافے سے بڑھ کر 8.490 ارب روپے ہو گئی جبکہ گزشتہ برس کی اسی مدت میں یہ آمدن 1.614 ارب روپے تھی۔

سال بسال موازنے کے لحاظ سے، خالص ایڈوانسز پر یافتیں بھی نمایاں طور پر بلند رہیں، جو کہ موجودہ مدت کے لیے 15.45 فیصد رہیں جبکہ گزشتہ برس کی اسی مدت میں یہ 8.56 فیصد تھیں۔ جون 2023ء کو ختم ہونے والی ششماہی کے لیے بینک کے اوسط خالص ایڈوانسز گزشتہ مدت کے 26.021 ارب روپے سے کم ہو کر 19.437 ارب روپے رہ گئے جبکہ ایڈوانسز سے حاصل ہونے والی آمدنی بلند رہی جو 35 فیصد نمو کے ساتھ رواں مدت کے دوران 1.4901 ارب روپے رہی جبکہ گزشتہ برس کی اسی مدت میں یہ 1.104 ارب روپے تھی۔

31 دسمبر 2022ء کے 121.919 ارب روپے کے مقابلے میں 30 جون 2023ء تک، ڈپازٹس 16.03 فیصد اضافے سے 141.464 ارب روپے تک پہنچ گئے۔ مزید برآں، 2023ء کی ششماہی کے اختتام پر بینک کے اوسط ڈپازٹس میں 20.174 ارب روپے کا نمایاں اضافہ ہوا جو 18.96 فیصد نمو کو ظاہر کرتا ہے، جبکہ جون 2022ء میں یہ 106.426 ارب روپے تھے۔ بینک کی اسٹریٹجک توجہ جاری رکھتے کی اساس میں مثبت نتائج حاصل کرنے پر مرکوز رہی جس کے نتیجے میں غیر نفع بخش ڈپازٹس میں 30 فیصد اضافہ ہوا جو 10.773 ارب روپے کے مساوی ہے۔ اس کے نتیجے میں، جون 2023ء کو ختم ہونے والی مدت کے لیے ڈپازٹس کی لاگت بڑھ کر 10.21 فیصد ہو گئی جبکہ گزشتہ برس کی اسی مدت کے دوران یہ 5.48 فیصد تھی۔ اس کی وجہ اسٹیٹ بینک آف پاکستان کی جانب سے پالیسی ریٹ میں 825 بی پی ایس اضافہ تھا۔

پالیسی ریٹ میں اضافے اور سرمایہ کاری کی جانب سے بینک میں سرمایہ کاری کے لیے مختص رقم کو اس کے جاری رکھنے سے ایکویٹی میں منتقل کرنے کے باعث دشوار صورت حال کے باوجود بینک جون 2023ء تک اپنے سی اے ایس اے کا تناسب 87.66 فیصد پر برقرار رکھنے میں کامیاب رہا جو دسمبر 2022ء میں 87.46 فیصد تھا۔ 30 جون 2023ء تک بینک کے غیر منافع بخش ڈپازٹس کی مالیت 49,714 ارب روپے رہی جو 31 دسمبر 2022ء کو 45,197 ارب روپے تھی۔

ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے، ہم 30 جون 2023ء کو اختتام پذیر ہونے والی ششماہی کے لیے سمٹ بینک لمیٹڈ کی کارکردگی کا جائزہ اور غیر آڈٹ شدہ جامع عبوری مالی گوشوارے پیش کرتے ہوئے مسرور ہیں۔

عزت مآب نصیر عبداللہ حسین لوٹاہ (سرمایہ کار) نے بینک میں اہم ایجوینیٹھص کے حصول کے لیے 10 ارب روپے کی سرمایہ کاری کی ہے۔ 30 جون 2023ء کو ختم ہونے والی ششماہی کے دوران بینک نے تمام ضروری ضوابطی منظوریاں حاصل کیں اور سرمایہ کار کو مطلوبہ حصص جاری کیے۔ ایجوینیٹھ کا یہ ادخال بینک کی سرمایہ جاتی اساس کو بڑھانے میں مدد کرے گا اور اسے اپنی آپریشنل ضروریات کے لیے انتہائی ضروری سیالیت بھی فراہم کرے گا۔ بینک میں کسٹروئنگ کے اختیار کو حاصل کرنے کے بعد، سرمایہ کار نے تمام مطلوبہ منظوریاں لینے کے بعد بینک کا نام بدل کر بینک مکرمل لمیٹڈ (پی ایم ایل) رکھ دیا۔ بعد ازاں 15 اگست 2023ء کو منعقدہ غیر معمولی اجلاس عام کے دوران بینک کے شیئرز ہولڈرز نے بھی ایک خصوصی قرارداد کے ذریعے بینک کا نام تبدیل کرنے کی منظوری دی۔ یہ بینک کی تبدیلی کا آغاز ہے جس میں ری برانڈنگ کی مشق اور اس کے آپریشنز میں مکمل تبدیلی کے ساتھ ساتھ بینک کو مکمل طور پر شریعت سے ہم آہنگ ادارے میں تبدیل کرنے کی طرف پیش رفت شامل ہوگی۔

بینک کی کارکردگی

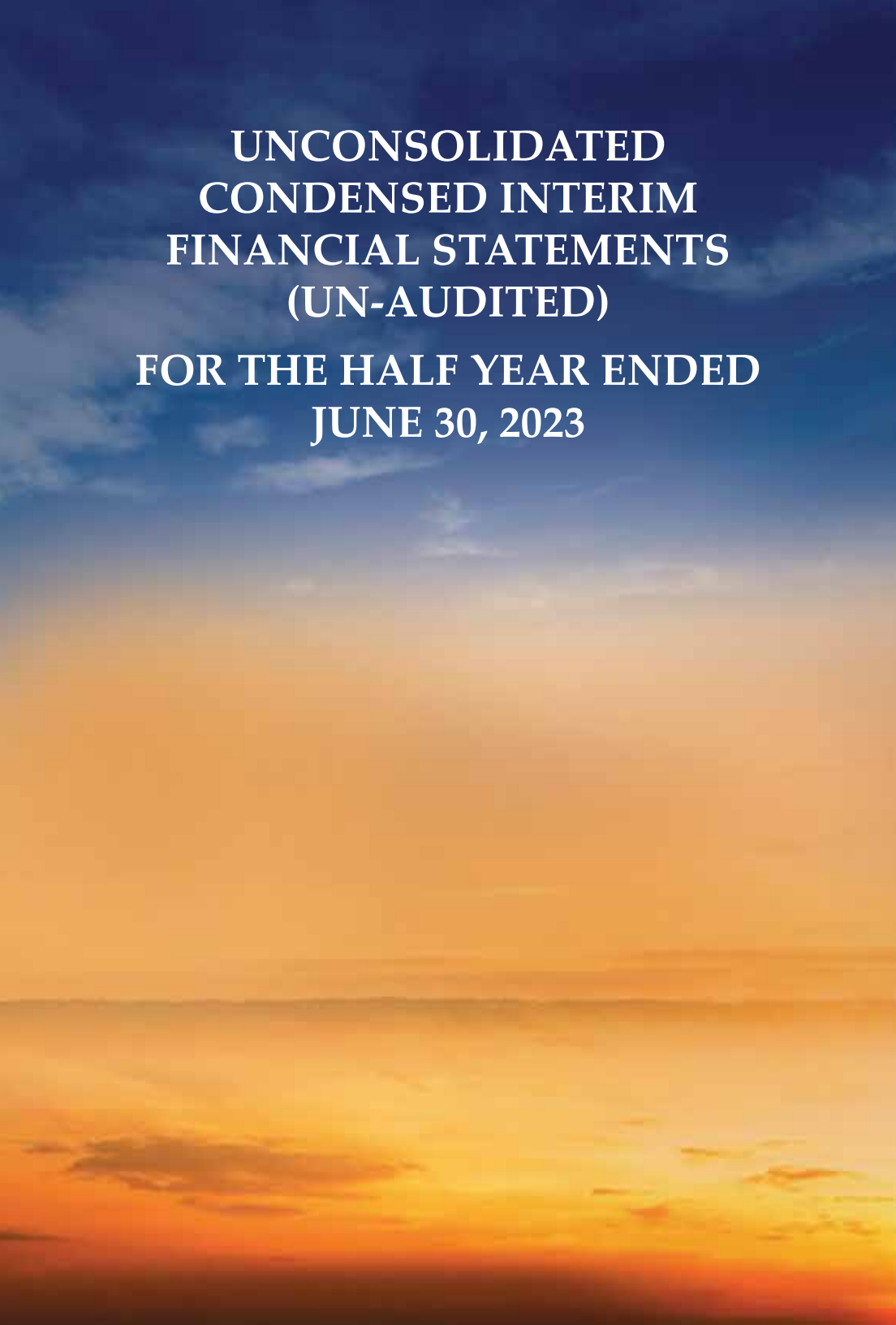
30 جون 2023ء کو اختتام پذیر ہونے والی ششماہی کے لیے بینک کے مالی نتائج کی جھلکیاں مندرجہ ذیل ہیں:

مالی صورت میں	روپے ملین میں
شیئرز ہولڈرز کی ایجوینیٹھ	(9,648)
مجموعی امانتیں (ڈپازٹس)	141,464
مجموعی اثاثے	240,479
ایڈوانسز - خالص	19,900
سرمایہ کاریاں - خالص	155,842

مالی کارکردگی

خالص سودی آمدنی اور غیر سودی آمدنی (مجموعی آمدنی)	(239)
غیر سودی اخراجات	3,333
تعمین اور متروکات (خالص)	(832)
خسارہ قبل از ٹیکس	(2,741)
خسارہ بعد از ٹیکس	(1,722)
بنیادی اور سیال (diluted) خسارہ فی شیئر - روپے	(0.43)





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

**FOR THE HALF YEAR ENDED
JUNE 30, 2023**

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, 2023 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim cash flow statement, and notes to the unconsolidated condensed interim financial statements for the half year 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 accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

We draw attention to the following matters:

- As disclosed in note 1.3 to the unconsolidated condensed interim financial statements, during the half year ended, the Bank has incurred a net loss of Rs. 1,721.79 million resulting in accumulated losses of Rs. 43,469.28 million and negative equity of Rs. 9,647.91 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, 2023. However, the paid up capital of the Bank (net of losses), CAR and LR are negative. These conditions, along with other matters as set forth in note 1.3, indicates the existence of material uncertainty that may cast significant doubt on the Bank's ability to continue as a going concern.
- As disclosed in note 13.1 to the unconsolidated condensed interim financial statements, the Bank has recognized deferred tax asset on the basis of financial projections for the future years approved by the Board of Directors of the Bank. The preparation of financial projection involves management assumptions regarding future business and economic conditions and significant change in assumptions may have impact on recoverability of the deferred tax assets.
- As disclosed in note 23.4 to the unconsolidated condensed interim financial statements, the National Accountability Bureau (NAB) is currently conducting an investigation against certain accounts of the bank alleged of involvement in illegal activities.

- As disclosed in note 14.1 to the unconsolidated condensed interim financial statements, the Bank holds an immovable property which is in contravention with the provisions of Banking Companies Ordinance, 1962.

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

Other Matter

- The financial statements of the Bank for the six months period ended June 30, 2022 and for the year ended December 31, 2022 were reviewed and audited by another firm of Chartered Accountants who had expressed unmodified conclusion and unmodified opinion thereon vide their review report and audit report issued on August 24, 2022 and February 22, 2023, respectively.
- The figures for the quarters ended June 30, 2023 and June 30, 2022 in the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income and figures for half year ended December 31, 2022 in unconsolidated condensed interim statement of changes in equity have not been subject to review and therefore, we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's review report is Nadeem Yousuf Adil.

Yousuf Adil
Chartered Accountants

Place: Karachi
Date: August 28, 2023
UDIN: RR202310091bBCvrc8XR

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	6	16,502,490	13,372,145
Balances with other banks	7	877,527	1,363,429
Lendings to financial institutions	8	1,664,467	10,141,557
Investments	9	155,842,339	51,446,799
Advances	10	19,900,471	21,592,523
Fixed assets	11	10,195,500	10,650,623
Intangible assets	12	147,163	143,606
Deferred tax assets	13	22,070,210	20,781,731
Other assets	14	13,278,955	11,224,315
		240,479,122	140,716,728
LIABILITIES			
Bills payable	16	1,825,990	1,993,587
Borrowings	17	96,154,380	25,388,560
Deposits and other accounts	18	141,464,436	121,919,068
Liabilities against assets subject to finance lease		-	-
Subordinated debt	19	1,495,515	1,495,515
Deferred tax liabilities		-	-
Other liabilities	20	9,186,713	7,568,890
		250,127,034	158,365,620
NET ASSETS		<u>(9,647,912)</u>	<u>(17,648,892)</u>
REPRESENTED BY			
Share capital - net	21	30,500,208	20,500,194
Reserves		(425,043)	(425,043)
Surplus / (deficit) on revaluation of assets	22	3,746,199	3,997,636
Accumulated losses		(43,469,276)	(41,721,679)
		<u>(9,647,912)</u>	<u>(17,648,892)</u>
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 41 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, 2023

	Note	Quarter Ended		Half Year Ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
----- (Rupees in '000) -----					
Mark-up / return / interest earned	24	6,492,251	1,679,511	10,101,642	2,853,218
Mark-up / return / interest expensed	25	7,098,711	2,181,819	11,118,546	3,839,202
Net Mark-up / interest expense		(606,460)	(502,308)	(1,016,904)	(985,984)
NON MARK-UP / INTEREST INCOME					
Fee and commission income	26	148,527	115,249	283,834	219,368
Dividend income		206	900	206	1,800
Foreign exchange income		225,673	238,356	588,979	295,424
Income / (loss) from derivatives		-	-	-	-
Gain / (loss) on securities	27	24,425	9,228	(452,038)	10,568
Other income	28	340,950	2,406	356,806	8,794
Total non-markup / interest income		739,781	366,139	777,787	535,954
Total income		133,321	(136,169)	(239,117)	(450,030)
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	29	1,745,160	1,448,557	3,333,151	2,804,923
Workers' welfare fund		-	-	-	-
Other charges	30	61	7	181	7
Total non-markup / interest expenses		1,745,221	1,448,564	3,333,332	2,804,930
Loss before provisions		(1,611,900)	(1,584,733)	(3,572,449)	(3,254,960)
(Reversals) / provisions and write offs - net Extra ordinary / unusual items	31	(298,010)	138,676	(831,865)	239,063
		-	-	-	-
LOSS BEFORE TAXATION		(1,313,890)	(1,723,409)	(2,740,584)	(3,494,023)
Taxation	32	(520,018)	(2,221,253)	(1,018,792)	(2,821,660)
(LOSS) / PROFIT AFTER TAXATION		(793,872)	497,844	(1,721,792)	(672,363)
----- (Rupee) -----					
Basic (Loss) / Earning per share	33	(0.08)	0.19	(0.43)	(0.25)
Diluted (Loss) / Earning per share	33	(0.08)	0.19	(0.43)	(0.25)

The annexed notes 1 to 41 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, 2023

	Quarter Ended		Half Year Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----- (Rupees in '000) -----			
(Loss) / profit after taxation for the period	(793,872)	497,844	(1,721,792)	(672,363)
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of investments - net of tax	(34,075)	(90,783)	(150,152)	17,308
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of fixed assets - net of tax	9,662	(111,368)	19,320	(102,528)
Movement in surplus on revaluation of non-banking assets - net of tax	2,311	(30,929)	4,624	(29,159)
Movement in surplus on revaluation of held for sale property - net of tax	15,613	(46,431)	15,613	(46,431)
	27,586	(188,728)	39,557	(178,118)
Total comprehensive (loss) / income	<u>(800,361)</u>	218,333	<u>(1,832,387)</u>	<u>(833,173)</u>

The annexed notes 1 to 41 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, 2023**

	Share capital		Capital reserves		Statutory reserve	Surplus / (deficit) on revaluation of		Accumulated losses	Total
	Issued, subscribed and paid up	Discount on issue of shares	Share premium	Reserve arising on amalgamation		Investments	Fixed / Non banking assets		
Balance as at January 01, 2022 (Audited)	26,381,510	(5,881,316)	1,000,000	(1,579,205)	154,162	46,608	3,496,935	754,510	(38,776,353)
Loss after taxation for six months period ended June 30, 2022	-	-	-	-	-	-	-	-	(672,363)
Other comprehensive income - net of tax	-	-	-	-	-	17,308	(131,687)	(46,431)	(160,810)
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
Transfer from surplus on revaluation of fixed assets on sale to accumulated losses	-	-	-	-	-	-	-	-	-
Balance as at July 01, 2022 (Un-audited)	26,381,510	(5,881,316)	1,000,000	(1,579,205)	154,162	63,916	3,304,623	708,079	(39,388,091)
Loss after taxation for six months period ended December 31, 2022	-	-	-	-	-	(70,065)	53,564	-	(2,494,525)
Other comprehensive income - net of tax	-	-	-	-	-	-	-	-	98,656
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	-	(50,488)	-	50,488
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	-	(10,120)	-	10,120
Transfer from surplus on revaluation of fixed assets on sale to accumulated losses	-	-	-	-	-	-	(1,873)	-	1,873
Balance as at January 01, 2023 (Audited)	26,381,510	(5,881,316)	1,000,000	(1,579,205)	154,162	(6,149)	3,295,706	708,079	(41,721,679)
Loss after taxation for six months period ended June 30, 2023	-	-	-	-	-	-	-	-	(1,721,792)
Other comprehensive income - net of tax	-	-	-	-	-	(150,152)	23,944	15,413	(110,595)
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	-	(49,536)	-	49,536
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	-	(11,856)	-	11,856
Transfer from surplus on revaluation of fixed assets on sale to accumulated losses	-	-	-	-	-	-	(39,415)	-	39,415
Transfer from surplus on revaluation of property held for sale to accumulated losses	-	-	-	-	-	-	-	(40,035)	40,035
Transactions with owners, recorded directly in equity	39,840,695	(78,840,681)	-	-	-	-	-	-	10,000,014
Issue of share capital	-	-	-	-	-	-	-	-	(166,647)
Share issuance cost	-	-	-	-	-	-	-	-	(1,666,647)
Balance as at June 30, 2023 (Un-audited)	66,222,205	(35,721,997)	1,000,000	(1,579,205)	154,162	(156,301)	3,218,843	683,657	(43,469,276)

The annexed notes 1 to 41 form an integral part of these unaudited 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, 2023

	June 30, 2023	June 30, 2022
Note	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(2,740,584)	(3,494,023)
Less: Dividend income	(206)	(1,800)
	<u>(2,740,790)</u>	<u>(3,495,823)</u>
Adjustments:		
Depreciation on operating fixed assets	211,186	230,627
Depreciation on right-of-use assets	297,207	302,751
Depreciation on non-banking assets	32,607	30,421
Finance cost of lease liability	212,531	191,322
Amortization	11,604	11,638
(Reversals) / provisions and write-offs excluding recoveries	(831,438)	239,526
Loss on forward exchange contracts	13,072	20,055
Charge for defined benefit plan	25,009	38,120
Charge for employees compensated absences	10,392	9,224
Gain on sale of fixed assets	(196,725)	(9,603)
Gain on termination of lease contracts under IFRS 16	(35,006)	6,572
Loss on sale of non banking assets	-	431
Gain on partial sale of HFS property	(116,794)	-
	<u>(366,355)</u>	<u>1,071,084</u>
	<u>(3,107,145)</u>	<u>(2,424,739)</u>
Decrease / (increase) in operating assets		
Lendings to financial institutions	8,477,090	(3,683,069)
Advances	2,020,391	1,565,023
Others assets (excluding advance taxation)	<u>(2,380,518)</u>	<u>(117,990)</u>
	8,116,963	(2,236,036)
Decrease in operating liabilities		
Bills payable	(167,597)	42,050
Borrowings from financial institutions	71,490,726	8,598,281
Deposits	19,545,368	6,899,500
Other liabilities (excluding current taxation)	<u>1,700,323</u>	<u>403,502</u>
	92,568,820	15,943,333
Payment on account of staff retirement benefits	96,963	(56,401)
Income tax paid	<u>(121,650)</u>	<u>(24,824)</u>
Net cash generated from operating activities	<u>97,553,951</u>	<u>11,201,333</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(104,131,412)	(9,699,436)
Dividends received	206	1,800
Investments in operating fixed assets	(67,164)	(39,751)
Investments in intangible assets	(15,161)	(22,539)
Proceeds from sale of fixed assets	342,487	10,479
Proceeds from partial sale of HFS property	302,877	-
Proceeds from sale of non-banking assets	-	45,803
Net cash used in investing activities	<u>(103,568,167)</u>	<u>(9,703,644)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of lease obligations against right-of-use assets	(449,802)	(430,332)
Issue of share capital	10,000,014	-
Share issuance cost	(166,647)	-
Net cash (generated from) / used in financing activities	<u>9,383,565</u>	<u>(430,332)</u>
Effect of exchange rate changes on cash and cash equivalents	561,117	420,419
Increase in cash and cash equivalents	<u>3,930,466</u>	<u>1,487,776</u>
Cash and cash equivalents at beginning of the period	13,443,058	15,056,494
Cash and cash equivalents at end of the period	<u>17,373,524</u>	<u>16,544,270</u>

The annexed notes 1 to 41 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, 2023

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 a 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 and its principal office is situated at Summit Tower, Plot No. G-2, Block 2, Scheme 5, Clifton, Karachi, Pakistan.

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, 2022: 179 Conventional Banking Branches and 14 Islamic Banking Branches) in Pakistan.

1.2 In 2019, VIS Credit Rating Company Limited suspended the Bank's medium to long-term rating of 'BBB -' (Triple B Minus) and its short-term rating of 'A-3' (A-Three). The Bank has initiated the rating process with VIS Credit Rating Company Limited and has requested the State Bank of Pakistan to allow the Bank to complete the credit rating exercise by September 30, 2023.

VIS Credit Rating Company Limited has issued a new rating scale for Tier-2 capital instruments. As a result, the Bank's TFC rating has been harmonized at to 'B' (Single B) with a 'Rating Watch-Negative' outlook, as stated in their press release dated June 27, 2023. Previously, 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).

1.3 During the period, the Bank has incurred a net loss of Rs. 1,721.792 million resulting in accumulated losses of Rs. 43,469.276 million and negative equity of Rs. 9,647.912 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, 2023. However, the paid up capital of the Bank (net of losses), CAR and LR are negative.

The aforementioned conditions indicate the existence of material uncertainty that may cast significant doubt on the Bank's ability to continue as a going concern and, therefore, the Bank may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the Bank is making its best efforts to comply with the applicable capital requirements and has successfully increased its capital as mentioned in note 21.1. To achieve 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, achieve compliance with applicable regulatory requirements and provide impetus to its future growth initiatives. The key assumptions considered in the business plan are as follows:

- Injection of capital;
- Sale of a portion of self-constructed property on the plot of land bearing No. G-2, Block 2, Scheme No: 5;
- 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.

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 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) 39, 'Financial Instruments, Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for banking companies till further instructions. Moreover, 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, through S.R.O. 411(1)/2008 dated April 28, 2008 has deferred the applicability of IFRS 7 'Financial Instruments: Disclosures', to banks. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated 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 39 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, 2022.
- 2.4 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period**

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2023. These are considered either not to be relevant or not to have any significant impact on the Bank's operations and therefore are not detailed in these unconsolidated financial statements.

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

The SBP through BPRD Circular no. 3 dated July 05, 2022 has made IFRS 9 'Financial Instruments' applicable to Banks in Pakistan for accounting periods beginning on or after January 01, 2024 (for banks having asset size of less than Rs. 500 billion). The subject circular also envisages the implementation guidelines and the impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is currently being assessed. IFRS 9 replaces the existing guidance in (IAS) 39, 'Financial Instruments, Recognition and Measurement'. The standard includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Furthermore, 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, 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Deferred indefinitely

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, 2022.

3. BASIS OF MEASUREMENT

3.1 Accounting convention

These unconsolidated financial statements have been prepared under the historical cost convention, except for:

- Certain fixed assets and non-banking assets acquired in satisfaction of claims are stated at revalued amounts less accumulated depreciation / impairment.
- Investments classified as held for trading and available-for-sale, which are measured at fair value.
- Commitments in respect of forward exchange contracts, which are measured at fair value.
- Right-of-use assets and their related lease liabilities, which are measured at their present value adjusted for depreciation, interest cost and lease repayments.
- Net obligation in respect of defined benefit scheme, which is measured at their 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, 2022, except that: during the period, the Bank realigned its reporting business segments and as a result changes have been made in the respective note to the accounts along with the restatement of the prior period financial information.

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, 2022.

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	5,455,346	4,127,390
Foreign currency	629,529	356,179
	6,084,875	4,483,569
With State Bank of Pakistan in		
Local currency current account	8,517,545	7,827,523
Foreign currency current account	448,433	395,801
Foreign currency deposit account	641,237	582,381
	9,607,215	8,805,705
With National Bank of Pakistan in Local currency current account	777,944	66,309
Prize bonds	32,456	16,562
	16,502,490	13,372,145
7. BALANCES WITH OTHER BANKS		
In Pakistan		
In current account	8,242	865
In deposit account	20,000	16,205
	28,242	17,070
Outside Pakistan		
In current account	774,287	1,288,393
In deposit account	74,998	57,966
	849,285	1,346,359
	877,527	1,363,429
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Repurchase agreement lendings (Reverse Repo)	1,664,467	10,141,557
Less: provision held against Lendings to Financial Institutions	-	-
Lendings to Financial Institutions - net of provision	1,664,467	10,141,557

9. INVESTMENTS

9.1 Investments by type:	June 30, 2023 (Un-audited)				December 31, 2022 (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	67,425,930	-	(89,087)	67,336,843	20,013,762	-	1,975	20,015,737
- Pakistan Investment Bonds	58,583,316	-	(84,490)	58,498,826	14,330,617	-	(13,817)	14,316,800
- GoP Ijarah Sukuks	27,110,389	-	(110,110)	27,000,279	13,988,936	-	(73,186)	13,915,750
Shares								
- Fully paid up ordinary shares - Listed	1,944,034	(1,698,680)	73,706	319,060	2,588,043	(2,198,059)	124,947	514,931
- 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	1,554,887	(1,554,887)	-	-	1,565,786	(1,565,786)	-	-
- Sukuk Bonds	2,700,000	(200,000)	(46,250)	2,453,750	2,700,000	(200,000)	(50,000)	2,450,000
	159,367,421	(3,500,602)	(256,231)	155,610,588	55,236,009	(4,010,880)	(10,081)	51,215,048
Subsidiary	396,942	(165,191)	-	231,751	396,942	(165,191)	-	231,751
Total Investments	159,764,363	(3,665,793)	(256,231)	155,842,339	55,632,951	(4,176,071)	(10,081)	51,446,799

9.1.1 Investments given as collateral - Market Value	(Un-audited)	(Audited)
	June 30, 2023	December 31, 2022
----- (Rupees in '000) -----		
Market Treasury Bills	54,734,684	10,280,041
Pakistan Investment Bonds	36,161,200	7,894,300
	<u>90,895,884</u>	<u>18,174,341</u>

9.2 Provision for diminution in value of investments

Opening balance	4,176,071	4,140,449
Charge / reversals		
Charge for the period / year	26,000	64,786
Reversals for the period / year	(10,899)	(29,164)
Reversal on disposals	(525,379)	-
	(510,278)	35,622
Closing balance	<u>3,665,793</u>	<u>4,176,071</u>

9.3 Particulars of provision against debt securities

Category of classification	June 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	NPI	Provision	NPI	Provision
----- (Rupees in '000) -----				
Domestic				
Loss	1,754,887	1,754,887	1,765,786	1,765,786

10. ADVANCES

	Performing		Non Performing		Total	
	(Un-audited) June 30, 2023	(Audited) December 31, 2022	(Un-audited) June 30, 2023	(Audited) December 31, 2022	(Un-audited) June 30, 2023	(Audited) December 31, 2022
Note ----- (Rupees in '000) -----						
Loans, cash credits, running finances, etc.	14,900,297	16,338,130	34,700,532	35,332,731	49,600,829	51,670,861
Islamic financing and related assets	1,989,815	2,351,110	895,445	686,002	2,885,260	3,037,112
Bills discounted and purchased	281,258	77,636	47,089	49,335	328,347	126,971
Advances - gross	17,171,370	18,766,876	35,643,066	36,068,068	52,814,436	54,834,944
Provision against advances						
- Specific	-	-	(32,905,689)	(33,231,865)	(32,905,689)	(33,231,865)
- General	(8,276)	(10,556)	-	-	(8,276)	(10,556)
	(8,276)	(10,556)	(32,905,689)	(33,231,865)	(32,913,965)	(33,242,421)
Advances - net of provision	17,163,094	18,756,320	2,737,377	2,836,203	19,900,471	21,592,523
					(Un-audited) June 30, 2023	(Audited) December 31, 2022
					52,814,436	54,834,944

10.1 Particulars of advances (Gross)

In local currency	52,597,417	54,743,589
In foreign currencies	217,019	91,355
	52,814,436	54,834,944

10.2 Advances include Rs. 35,643,066 million (December 31, 2022: Rs. 36,068,068 million) which have been placed under non-performing status as detailed below:

Category of Classification	June 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
----- (Rupees in '000) -----				
Domestic				
Other Assets Especially Mentioned	14,558	161	6,174	96
Substandard	42,463	2,662	149,835	391
Doubtful	482,522	2,004	22,569	6,524
Loss	35,103,523	32,900,862	35,889,490	33,224,854
	35,643,066	32,905,689	36,068,068	33,231,865

10.3 Particulars of provision against advances

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
Opening balance	33,231,865	10,556	33,242,421	32,750,104	13,885	32,763,989
Charge for the period / year	534,928	-	534,928	1,397,485	-	1,397,485
Reversals	(860,987)	(2,280)	(863,267)	(906,851)	(3,329)	(910,180)
	(326,059)	(2,280)	(328,339)	490,634	(3,329)	487,305
Amounts written off	(117)	-	(117)	(8,873)	-	(8,873)
Closing balance	32,905,689	8,276	32,913,965	33,231,865	10,556	33,242,421

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 from 1% to 2.5% for secured and 4% to 7% for unsecured portfolio.

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

The Bank has availed the Forced Sale Value (FSV) benefit of pledged stocks, mortgaged properties, plant and machinery, shares and Cash Margin / TDRs held as collateral against non-performing advances as allowed under the applicable Prudential Regulations issued by the State Bank of Pakistan. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 2,409,777 million (December 31, 2022: Rs. 2,820,580 million). The positive impact on the profit and loss account arising from availing this benefit - net of tax amounts to Rs. 1,469,964 million (December 31, 2022: Rs. 1,720,554 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, 2023	(Audited) December 31, 2022
		----- (Rupees in '000) -----	
II. FIXED ASSETS	Note		
Capital work-in-progress	11.1	44,021	24,064
Property and equipment		7,363,422	7,673,163
Right-of-use assets		2,788,057	2,953,396
		<u>10,195,500</u>	<u>10,650,623</u>
11.1 Capital work-in-progress			
Civil works and related payments / progress billings		16,715	12,433
Advances and other payments to suppliers and contractors		27,306	11,631
Advances and other payments against capital work in progress considered doubtful		1,155,814	1,158,340
Less: Provision held there against		(1,155,814)	(1,158,340)
		-	-
		<u>44,021</u>	<u>24,064</u>
		(Un-audited)	
		June 30, 2023	June 30, 2022
11.2 Additions to fixed assets		----- (Rupees in '000) -----	
The following additions have been made to fixed assets during the period:			
Capital work-in-progress - net		19,957	6,213
Property and equipment			
Building improvements		14,778	6,660
Furniture and fixture		2,316	4,407
Electrical, office and computer equipment		30,020	22,471
Vehicles		93	-
		47,207	33,538
Right-of-use assets		216,567	287,690
		<u>283,731</u>	<u>327,441</u>

11.3 Disposal of fixed assets

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

Property and equipment

	(Un-audited) June 30, 2023	June 30, 2022
Leasehold land	70,000	-
Building on leasehold land	74,915	-
Building improvements	572	29
Furniture and fixture	-	108
Electrical, office and computer equipment	275	739
	145,762	876
Derecognition of right-of-use assets	85,040	16,919
	230,802	17,795

12. INTANGIBLE ASSETS

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
Capital work-in-progress	72,997	72,550
Intangible assets in use	74,166	71,056
	147,163	143,606

12.1 Capital work-in-progress

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
Advances to suppliers and contractors	72,997	72,550
Advances against capital work in progress considered doubtful Less: Provision held there against	142,522 (142,522)	142,522 (142,522)
	72,997	72,550

12.2 Intangible assets in use

Computer softwares	74,166	71,056
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12.3 Additions to intangible assets

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

	(Un-audited) June 30, 2023	June 30, 2022
Capital work-in-progress - net Directly purchased	447 14,714	17,669 4,870
	15,161	22,539

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

13. DEFERRED TAX ASSETS

June 30, 2023 (Un-audited)

At January 01, 2023	Recognised in profit and loss account	Recognised in other comprehensive income	At June 30, 2023
----- (Rupees in '000) -----			
13,103,981	1,260,369	-	14,364,350
- Tax losses carried forward			
8,121,244	62,980	-	8,184,224
- Provision against advances, off balance sheet etc.			
1,628,668	(199,009)	-	1,429,659
- Provision for impairment loss - Investment			
48,034	-	-	48,034
- Provision against intangible assets			
51,077	1,714	-	52,791
- Staff compensated absences			
166,759	-	-	166,759
- Provision against other assets			
3,932	-	95,998	99,930
- Deficit on revaluation of investments			
(142)	5,240	-	5,098
- Unrealized (gain) / loss on forward exchange contracts			
23,123,553	1,131,294	95,998	24,350,845
Taxable Temporary Differences on			
(1,151,581)	-	19,318	(1,132,263)
- Surplus on revaluation of fixed assets			
(452,705)	-	15,613	(437,092)
- Surplus on revaluation of property - held for sale			
(333,546)	-	4,625	(328,921)
- Surplus on revaluation of non-banking assets			
(403,990)	21,631	-	(382,359)
- Accelerated tax depreciation			
(2,341,822)	21,631	39,556	(2,280,635)
20,781,731	1,152,925	135,554	22,070,210

December 31, 2022 (Audited)

At January 01, 2022	Recognised in profit and loss account	Recognised in other comprehensive income	At December 31, 2022
----- (Rupees in '000) -----			
9,813,393	3,290,588	-	13,103,981
- Tax losses carried forward			
7,086,935	1,034,309	-	8,121,244
- Provision against advances, off balance sheet etc.			
1,449,157	179,511	-	1,628,668
- Provision for impairment loss - Investment			
43,107	4,927	-	48,034
- Provision against intangible assets			
50,412	665	-	51,077
- Staff compensated absences			
149,656	17,103	-	166,759
- Provision against other assets			
(25,096)	-	29,028	3,932
- Surplus / (deficit) on revaluation of investments			
159,921	(159,921)	-	-
- Minimum tax			
18,727,485	4,367,182	29,028	23,123,695
Taxable Temporary Differences on			
(1,069,472)	-	(82,109)	(1,151,581)
- Surplus on revaluation of fixed assets			
10,472	(10,614)	-	(142)
- Unrealized loss / (gain) on forward exchange contracts			
(406,274)	-	(46,431)	(452,705)
- Surplus on revaluation of property - held for sale			
(289,666)	-	(43,880)	(333,546)
- Surplus on revaluation of non-banking assets			
(295,920)	(108,070)	-	(403,990)
- Accelerated tax depreciation			
(2,050,860)	(118,684)	(172,420)	(2,341,964)
16,676,625	4,248,498	(143,392)	20,781,731

- 13.1 The net deferred tax assets have 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 assets 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 assets. 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.

14. OTHER ASSETS

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
Income / mark-up accrued in local currency	4,108,541	1,468,736
Income / mark-up accrued in foreign currency	4,333	2,848
Advances, deposits, advance rent and other prepayments	268,084	351,962
Advance taxation (payments less provisions)	558,833	571,316
Non-banking assets acquired in satisfaction of claims	2,476,763	2,497,513
Branch adjustment account	-	7,136
Receivable from defined benefit plan	-	102,958
Receivable from other banks against clearing and settlement	344,747	459,528
Mark to market gain on forward foreign exchange contracts	15,432	608
Acceptances	153,355	175,931
Stationery and stamps on hand	6,961	7,071
Commission receivable on home remittance	2,425	2,419
Property - Held for sale	3,692,787	3,836,309
Others	523,999	556,763
	12,156,260	10,041,098
Less: Provision held against other assets	(841,440)	(832,810)
Other assets (net of provision)	11,314,820	9,208,288
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	843,386	855,243
Surplus on revaluation of property - held for sale	1,120,749	1,160,784
Other assets - total	13,278,955	11,224,315

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, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
14.2 Provision held against other assets		
Income / mark-up accrued in local currency	1,389	1,389
Advances, deposits, advance rent and other prepayments	98,008	98,008
Non-banking assets acquired in satisfaction of claims	360,107	360,107
Commission receivable on guarantees	9,880	9,880
Receivable from Dewan Group	45,310	45,310
Account receivable - sundry claims	157,144	148,514
Receivable from Speedway Fondmetal (Pakistan) Limited	25,694	25,694
Others	143,908	143,908
	841,440	832,810

14.2.1 Movement in provision held against other assets

Opening balance	832,810	759,224
Charge for the period / year	8,630	78,252
Reversals for the period / year	-	(4,666)
Closing balance	841,440	832,810

15. CONTINGENT ASSETS

There were no contingent assets at the balance sheet date.

16. BILLS PAYABLE

	(Un-audited) June 30, 2023 ----- (Rupees in '000) -----	(Audited) December 31, 2022 -----
In Pakistan	1,825,990	1,993,587
Outside Pakistan	-	-
	<u>1,825,990</u>	<u>1,993,587</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

4,904,150	5,710,250
400,000	400,000
337,316	428,927
1,726	2,352
<u>90,504,695</u>	<u>18,115,632</u>

Total secured

96,147,887 24,657,161

Unsecured

Overdrawn nostro accounts

6,493 731,399

96,154,380 25,388,560

18. DEPOSITS AND OTHER ACCOUNTS

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
Customers						
Current deposits	44,021,951	2,186,260	46,208,211	40,907,997	1,534,309	42,442,306
Savings deposits	69,873,118	1,830,155	71,703,273	58,374,143	1,638,923	60,013,066
Term deposits	13,833,968	3,109,734	16,943,702	12,024,797	2,940,083	14,964,880
Others	3,158,094	44,975	3,203,069	2,284,400	35,609	2,320,009
	<u>130,887,131</u>	<u>7,171,124</u>	<u>138,058,255</u>	<u>113,591,337</u>	<u>6,148,924</u>	<u>119,740,261</u>
Financial institutions						
Current deposits	249,279	53,702	302,981	272,625	162,329	434,954
Savings deposits	2,593,192	8	2,593,200	1,416,481	6	1,416,487
Term deposits	510,000	-	510,000	327,366	-	327,366
Others	-	-	-	-	-	-
	<u>3,352,471</u>	<u>53,710</u>	<u>3,406,181</u>	<u>2,016,472</u>	<u>162,335</u>	<u>2,178,807</u>
	<u>134,239,602</u>	<u>7,224,834</u>	<u>141,464,436</u>	<u>115,607,809</u>	<u>6,311,259</u>	<u>121,919,068</u>

19. SUBORDINATED DEBT

Issue amount	Rs.1,500,000,000
Issue date	October 27, 2011
Maturity date	October 27, 2022 (December 31, 2022: October 27, 2022)

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 for fourth time by the Bank to October 27, 2019, October 27, 2020, October 27, 2021 and October 27, 2022 through the extraordinary resolutions passed by the TFC holders on November 19, 2018, April 10, 2019, November 20, 2019, October 22, 2020 and October 26, 2021. The Bank completed necessary regulatory formalities for these extensions and executed the amended Declaration of Trusts on July 23, 2019, September 23, 2020, July 09, 2021 and August 01, 2022. The final approval of these extensions were approved by the SBP vide its letters dated October 21, 2019, October 21, 2020, October 22, 2021 and October 24, 2022.

Recently, the TFC holders of the Bank in their extraordinary meeting held on October 27, 2022 had 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, 2023. The Bank has complied with all the applicable laws, rules and requisite regulatory requirements and the final approval is awaited from the State Bank of Pakistan.

Rating	'B' (Single B).
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, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
20. OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	3,718,527	2,291,978
Mark-up / return / interest payable in foreign currencies	2,011	3,475
Unearned income	69,811	70,164
Accrued expenses	90,684	74,270
Advance against sale of property	283,784	328,731
Acceptances	153,355	175,931
Unclaimed dividends	2,213	2,213
Mark to market loss on forward foreign exchange contracts	28,504	243
Branch adjustment account	8,128	-
Payable to defined benefit plan	25,009	-
Charity fund balance	2,005	2,154
Security deposits against lease	208,745	246,913
Payable to Bangladesh Bank	41,389	41,389
Payable to Rupali Bank - Bangladesh	16,293	16,293
Payable to vendors / creditors	254,667	228,005
Provision for compensated absences	135,361	130,964
Payable to Bank of Ceylon, Colombo	20,163	20,163
Retention money	33,648	306
Workers' welfare fund	13,360	13,360
Withholding taxes and government levies payable	170,839	34,946
Federal excise duty and sales tax payable	5,833	6,814
Commission payable on home remittances	1,926	2,381
Lease liability against right-of-use assets	3,354,425	3,494,835
Others	546,033	383,362
	<u>9,186,713</u>	<u>7,568,890</u>

21. SHARE CAPITAL-NET

- 21.1 During the period the Bank has issued 3,984,069,516 ordinary shares having face value of Rs. 10/- each, other than right shares, to His Excellency Naseer Abdulla Hussain Lootah and minority shareholders at a subscription price of Rs. 2.51 per share. Through this issue, an amount of Rs. 10,000.014 million was raised comprising of Rs. 39,840.695 million and Rs. 29,840.681 million in respect of ordinary share capital and discount on issue of shares, respectively. The paid-up capital of the Bank before issuance of shares was Rs. 26,381.511 million (divided into 2,638,151,060 shares of Rs. 10 each) and after issuance of shares has increased to Rs. 66,222.206 million (divided into 6,622,220,576 shares of Rs. 10 each). The shares were issued after having all requisite approvals.

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
22. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS	Note	----- (Rupees in '000) -----	
Surplus / (deficit) on revaluation of			
- Available for sale securities	9.1	(256,231)	(10,081)
- Fixed assets		3,836,641	3,925,590
- Non-banking assets acquired in satisfaction of claims		843,386	855,243
- Property - held for sale		1,120,749	1,160,784
		5,544,545	5,931,536
Deferred tax on surplus / (deficit) on revaluation of:			
- Available for sale securities		99,930	3,932
- Fixed assets		(1,132,263)	(1,151,581)
- Non-banking assets acquired in satisfaction of claims		(328,921)	(333,546)
- Property - held for sale		(437,092)	(452,705)
		(1,798,346)	(1,933,900)
		3,746,199	3,997,636

23. CONTINGENCIES AND COMMITMENTS

-Guarantees	23.1	13,199,858	11,817,383
-Commitments	23.2	107,597,423	30,862,340
-Other contingent liabilities	23.3	22,274,317	24,065,166
		143,071,598	66,744,889

23.1 Guarantees:

Financial guarantees	20,470	20,470
Performance guarantees	9,644,584	9,102,570
Other guarantees	3,534,804	2,694,343
	13,199,858	11,817,383

23.2 Commitments:

Documentary credits and short-term trade-related transactions			
- letters of credit		3,722,667	1,670,541
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	6,234,139	4,542,638
- forward lending	23.2.2	6,860,014	6,310,488
Commitments for acquisition of:			
- operating fixed assets		34,522	24,552
- intangible assets		241,386	198,489
Other commitments	23.2.3	90,504,695	18,115,632
		107,597,423	30,862,340

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
		----- (Rupees in '000) -----	
23.2.1	Commitments in respect of forward foreign exchange contracts		
	Purchase	5,457,749	4,542,638
	Sale	776,390	-
		<u>6,234,139</u>	<u>4,542,638</u>

23.2.2 Commitments in respect of forward lending

	Forward documentary bills	5,440,445	5,193,241
	Undrawn formal standby facilities, credit lines and other commitments to lend		
	23.2.2.1	1,419,569	1,117,247
		<u>6,860,014</u>	<u>6,310,488</u>

23.2.2.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
		----- (Rupees in '000) -----	
23.2.3	Other commitments		
	Purchase (Repo)	<u>90,504,695</u>	<u>18,115,632</u>
23.3	Other contingent liabilities - claims against the Bank not acknowledged as debts	<u>22,274,317</u>	<u>24,065,166</u>

23.4 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.

23.5 Contingency for tax payable

Contingency related to tax payable is disclosed in note 32.2.

		(Un-audited) Half year ended	
		June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	
24. MARK-UP / RETURN / INTEREST EARNED	Note		
On:			
Loans and advances		1,489,589	1,104,129
Investments		8,490,162	1,614,486
Lendings to financial institutions		90,948	133,142
Balances with banks		30,943	1,461
		<u>10,101,642</u>	<u>2,853,218</u>

25. MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits		6,406,894	2,892,123
Borrowings		3,930,187	275,466
Subordinated debt		158,192	103,717
Cost of foreign currency swaps against foreign currency deposits / borrowings		410,742	376,574
Finance cost of lease liability		212,531	191,322
		<u>11,118,546</u>	<u>3,839,202</u>

26. FEE AND COMMISSION INCOME			
Branch banking customer fees		27,262	20,536
Consumer finance related fees		2,573	3,354
Card related fees (debit cards)		62,781	43,826
Credit related fees		1,223	1,896
Investment banking fees		1,322	12,394
Commission on trade		107,911	86,306
Commission on guarantees		55,693	27,522
Commission on cash management		21	893
Commission on remittances including home remittances		5,387	4,771
Commission on bancassurance		1,515	422
Alternate Delivery Channels		18,127	17,443
Others		19	5
		<u>283,834</u>	<u>219,368</u>

27. (LOSS) / GAIN ON SECURITIES			
Realised	27.1	(452,038)	10,568
Unrealised - held for trading		-	-
		<u>(452,038)</u>	<u>10,568</u>

27.1 Realised (loss) / gain on:			
Federal Government Securities		33,199	10,568
Shares		(485,237)	-
		<u>(452,038)</u>	<u>10,568</u>

		(Un-audited) Half year ended	
		June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	
28. OTHER INCOME	Note		
Rent on property		3,238	3,354
Gain on sale of fixed assets - net		196,725	9,603
Gain on partial sale of HFS property		116,794	-
Loss on sale of non banking assets		-	(431)
Gain on sale of ijarah assets		527	1,297
Recoveries against previously expensed items		-	1,056
Gain / (loss) on termination of lease contracts under IFRS 16		35,006	(6,572)
Income on settlement of nostro balances		-	448
Refund from Gratuity Fund		4,516	-
Others		-	39
		356,806	8,794

29. OPERATING EXPENSES

Total compensation expense	29.1	1,133,266	1,017,889
Property expense			
Rent and taxes		41,755	46,242
Insurance - property		5,451	5,446
Insurance - non banking assets		392	426
Utilities cost		198,501	152,651
Security (including guards)		121,323	98,922
Repair and maintenance (including janitorial charges)		80,212	57,428
Depreciation on owned fixed assets		126,141	135,295
Depreciation on right-of-use assets		297,207	302,751
Depreciation on non banking assets		32,607	30,421
		903,589	829,582
Information technology expenses			
Software maintenance		73,775	48,135
Hardware maintenance		73,055	45,354
Depreciation on computer equipments		33,976	40,823
Amortisation of computer softwares		11,604	11,638
Network charges		47,268	42,031
Insurance		2,493	168
		242,171	188,149
Other operating expenses			
Directors' fees and allowances		14,700	19,800
Fees and allowances to Shariah Board		11,850	10,200
Legal and professional charges		40,250	36,160
Outsourced services costs		138,283	103,363
Travelling and conveyance		212,395	122,252
NIFT clearing charges		15,315	12,467
Depreciation		51,069	54,509
Training and development		3,877	1,211
Postage and courier charges		20,606	24,054
Communication		41,322	23,414
Stationery and printing		72,723	43,161
Marketing, advertisement and publicity		5,180	5,195
Brokerage and commission		18,344	14,378
Fee and subscription		76,585	49,311
Cash transportation and sorting charges		69,134	55,948
Entertainment		30,615	17,650
Insurance		74,343	61,450
Deposit insurance premium expense		67,432	48,290
Repair and maintenance		64,499	43,718
Auditors' remuneration		4,910	5,245
Others		20,693	17,527
		1,054,125	769,303
		3,333,151	2,804,923

		(Un-audited) Half year ended	
		June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	
29.1	Total compensation expense	Note	
	Fees and allowances etc.	7,522	10,103
	Managerial remuneration		
	i) Fixed	715,453	631,582
	ii) Variable		
	of which;		
	a) Cash bonus / awards etc.	-	-
	b) Incentives and commission	262	2,363
	Charge for defined benefit plan	25,009	38,120
	Contribution to defined contribution plan	38,386	35,049
	Charge for employees compensated absences	10,392	9,224
	Rent and house maintenance	231,112	200,814
	Utilities	51,356	44,623
	Medical	53,774	46,011
	Total	1,133,266	1,017,889

30. OTHER CHARGES

Penalties imposed by State Bank of Pakistan	181	7
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31. (REVERSALS) / PROVISIONS AND WRITE OFFS - NET

(Reversal of provision) / provision for diminution in value of investments	(510,278)	31,301
(Reversal) / provision against loans and advances	(328,339)	204,125
Provision against other assets	8,630	4,091
Fixed assets written off	-	9
Operational loss	1,075	-
Reversal of provision for advances and other payments against capital work in progress	(2,526)	-
Recoveries against written off / charged off bad debts	(427)	(463)
	(831,865)	239,063

32. TAXATION

Current	32.1 & 32.2	134,133	42,365
Prior years		-	-
Deferred		(1,152,925)	(2,864,025)
		(1,018,792)	(2,821,660)

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

32.2 The Income Tax Returns of the Bank have been submitted up to and including the Bank's financial year ended December 31, 2021 i.e. tax year 2022.

In respect of assessments of Summit Bank Limited from tax years 2009 to tax year 2018 the tax authorities disputed the Bank's treatment on certain issues and created an additional tax demand (net of rectification) of Rs. 418.48 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, 2023	June 30, 2022
		----- (Rupees in '000) -----	
33. BASIC AND DILUTED LOSS PER SHARE	Note		
Loss for the period		<u>(1,721,792)</u>	<u>(672,363)</u>
		----- (Number of shares) -----	
Weighted average number of ordinary shares - Basic		<u>4,024,871,389</u>	<u>2,638,151,060</u>
		----- (Rupee) -----	
Basic loss per share		<u>(0.43)</u>	<u>(0.25)</u>
		----- (Number of shares) -----	
Weighted average number of ordinary shares - Diluted	33.1	<u>4,024,871,389</u>	<u>2,638,151,060</u>
		----- (Rupee) -----	
Diluted loss per share		<u>(0.43)</u>	<u>(0.25)</u>

33.1 There are no potential ordinary shares outstanding as of June 30, 2023.

		(Un-audited) Half year ended	
		June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	
34. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks		16,502,490	15,274,749
Balances with other banks		877,527	1,279,158
Overdrawn nostro accounts		(6,493)	(9,637)
		<u>17,373,524</u>	<u>16,544,270</u>

35. FAIRVALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, 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.

35.1 Fair value of financial assets

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

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

35.2 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, 2023 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
- Federal Government Securities		152,835,948		152,835,948
- Shares - Listed	319,060			319,060
- Non Government Debt Securities		2,453,750		2,453,750
Financial assets - disclosed but not measured at fair value				
Investments				
- Shares - Unlisted			3,848	3,848
Non-Financial assets - measured at fair value				
Operating fixed assets			6,956,467	6,956,467
Non banking assets acquired in satisfaction of claims			2,960,042	2,960,042
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange		5,454,741		5,454,741
Forward sale of foreign exchange		786,454		786,454

December 31, 2022 (Audited)

	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
- Federal Government Securities	-	48,248,287	-	48,248,287
- Shares - Listed	514,931	-	-	514,931
- Non Government Debt Securities	-	2,450,000	-	2,450,000
Financial assets - disclosed but not measured at fair value				
Investments				
- Shares - Unlisted	-	-	3,242	3,242
Non-Financial assets - measured at fair value				
Operating fixed assets	-	-	7,213,316	7,213,316
Non banking assets acquired in satisfaction of claims	-	-	2,992,649	2,992,649
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	4,543,003	-	4,543,003
Forward sale of foreign exchange	-	-	-	-

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.
Operating fixed assets (land and building) and non-banking assets acquired in satisfaction of claims	The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties.

36. SEGMENT INFORMATION

36.1 Segment details with respect to business activities

For the half year ended June 30, 2023 (Un-audited)

Corporate, SME & Commercial	Treasury	Retail Banking	Others	Total	
----- (Rupees in '000) -----					
Profit and Loss					
Net mark-up / return / profit	608,157	4,580,888	(6,050,110)	(155,839)	(1,016,904)
Inter segment revenue - net	(688,161)	(4,829,098)	10,123,240	(4,605,981)	-
Non mark-up / return / interest income	105,316	161,017	156,114	355,340	777,787
Total income	25,312	(87,193)	4,229,244	(4,406,480)	(239,117)
Segment direct expenses	77,991	43,490	2,262,180	949,671	3,333,332
Inter segment expense allocation	270,867	82,141	527,272	(880,280)	-
Total expenses	348,858	125,631	2,789,452	69,391	3,333,332
(Reversals) / provisions and write offs - net	(294,238)	(510,278)	(29,837)	2,488	(831,865)
(Loss) / profit before tax	(29,308)	297,454	1,469,629	(4,478,359)	(2,740,584)

As at June 30, 2023 (Un-audited)

Corporate, SME & Commercial	Treasury	Retail Banking	Others	Total	
----- (Rupees in '000) -----					
Balance Sheet					
Cash and bank balances	222,840	11,262,686	5,894,491	-	17,380,017
Investments	-	155,842,339	-	-	155,842,339
Net inter segment lending	176,952	49,072,870	129,064,899	-	178,314,721
Lendings to financial institutions	-	1,664,467	-	-	1,664,467
Advances - performing	15,078,579	-	505,679	1,578,836	17,163,094
Advances - non-performing	2,639,507	-	93,670	4,200	2,737,377
Others	723,756	3,286,806	2,614,355	39,066,911	45,691,828
Total assets	18,841,634	221,129,168	138,173,094	40,649,947	418,793,843
Borrowings	5,643,192	90,511,188	-	-	96,154,380
Subordinated debt	-	-	-	1,495,515	1,495,515
Deposits and other accounts	7,202,192	-	134,262,244	-	141,464,436
Net inter segment borrowing	5,785,533	129,151,388	653,018	42,724,782	178,314,721
Others	210,717	1,466,592	3,257,832	6,077,562	11,012,703
Total liabilities	18,841,634	221,129,168	138,173,094	50,297,859	428,441,755
Equity	-	-	-	(9,647,912)	(9,647,912)
Total equity and liabilities	18,841,634	221,129,168	138,173,094	40,649,947	418,793,843
Contingencies and Commitments	44,818,476	96,738,834	-	1,514,288	143,071,598

For the half year ended June 30, 2022 (Restated)

	Corporate, SME & Commercial	Treasury	Retail Banking	Others	Total
	----- (Rupees in '000) -----				
Profit and Loss					
Net mark-up / return / profit	626,634	1,166,446	(2,673,877)	(105,187)	(985,984)
Inter segment revenue - net	(770,134)	(1,587,487)	5,270,670	(2,913,049)	-
Non mark-up / return / interest income	81,472	293,900	160,009	573	535,954
Total income	(62,028)	(127,141)	2,756,802	(3,017,663)	(450,030)
Segment direct expenses	73,775	28,988	1,884,031	818,136	2,804,930
Inter segment expense allocation	278,642	84,496	349,664	(712,802)	-
Total expenses	352,417	113,484	2,233,695	105,334	2,804,930
Provisions and write offs - net	203,671	31,301	-	4,091	239,063
(Loss) / profit before tax	(618,116)	(271,926)	523,107	(3,127,088)	(3,494,023)

As at December 31, 2022 (Restated)

	Corporate, SME & Commercial	Treasury	Retail Banking	Others	Total
	----- (Rupees in '000) -----				
Balance Sheet					
Cash and Bank balances	189,077	10,235,444	4,311,053	-	14,735,574
Investments	-	51,446,799	-	-	51,446,799
Net inter segment lending	58,085	58,056,574	111,577,524	-	169,692,183
Lendings to financial institutions	-	10,141,557	-	-	10,141,557
Advances - performing	16,656,436	-	664,537	1,435,347	18,756,320
Advances - non-performing	2,836,203	-	-	-	2,836,203
Others	571,743	797,710	2,897,243	38,533,579	42,800,275
Total Assets	20,311,544	130,678,084	119,450,357	39,968,926	310,408,911
Borrowings	6,541,530	18,847,030	-	-	25,388,560
Subordinated debt	-	-	-	1,495,515	1,495,515
Deposits and other accounts	6,622,694	-	115,296,374	-	121,919,068
Net inter segment borrowing	6,965,614	111,625,098	717,298	50,384,173	169,692,183
Others	181,706	205,956	3,436,685	5,738,130	9,562,477
Total liabilities	20,311,544	130,678,084	119,450,357	57,617,818	328,057,803
Equity	-	-	-	(17,648,892)	(17,648,892)
Total equity and liabilities	20,311,544	130,678,084	119,450,357	39,968,926	310,408,911
Contingencies and Commitments	42,141,197	22,658,270	-	1,945,422	66,744,889

36.1.1 The Bank does not have any operations outside Pakistan.

37. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, 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, 2023 (Un-audited)					December 31, 2022 (Audited)				
	Parent company	Directors	Key management personnel	Subsidiary	Other related parties	Parent company	Directors	Key management personnel	Subsidiary	Other related parties
	----- (Rupees in '000) -----									
Investments										
Opening balance	-	-	-	396,942	1,664,676	-	-	-	396,942	1,692,490
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	-	-	(10,899)	-	-	-	-	(27,814)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	396,942	1,653,777	-	-	-	396,942	1,664,676
Provision for diminution in value of investments	-	-	-	165,191	1,574,529	-	-	-	165,191	1,585,428
Advances										
Opening balance	-	-	162,705	-	671,888	-	-	252,803	-	786,261
Addition during the period / year	-	-	160,187	176,148	7	-	-	19,755	582,251	1,525,485
Repaid during the period / year	-	-	(60,316)	(160,351)	-	-	-	(28,281)	(582,251)	(1,637,218)
Transfer in / (out) - net	-	-	9,448	-	-	-	-	(81,592)	-	(2,640)
Closing balance	-	-	272,024	15,797	671,895	-	-	162,705	-	671,888
Provision held against advances	-	-	-	-	-	-	-	-	-	-

December 31, 2022 (Audited)

June 30, 2023 (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)										
Other Assets										
Interest / mark-up accrued	-	-	-	131	144,652	-	-	-	217	76,337
Advances, deposits, advance rent and other prepayments	-	-	4,716	-	-	-	-	4,250	-	-
Receivable from defined benefit plan	-	-	-	-	-	-	-	-	-	102,958
Other receivable	-	-	-	-	2,949	699	-	-	-	-
Provision held against other assets	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts										
Opening balance	-	-	19,511	57,606	2,052,046	-	-	82,005	59,341	2,110,049
Received during the period / year	-	-	391,873	1,398,609	2,749,578	-	-	312,104	2,957,326	6,207,533
Withdrawn during the period / year	-	-	(392,698)	(1,418,276)	(3,905,894)	-	-	(306,636)	(2,959,061)	(6,266,214)
Transfer (out) / in - net	-	256	241	-	647	-	-	(67,962)	-	678
Closing balance	-	256	18,927	37,939	896,377	-	-	19,511	57,606	2,052,046
Other Liabilities										
Interest / mark-up payable	-	-	176	622	13,459	-	-	131	574	36,374
Payable to defined benefit plan	-	-	-	-	25,009	-	-	-	-	-
Unearned income	-	-	-	-	-	-	-	-	-	692
Brokerage payable	-	-	-	53	-	-	-	-	21	-
Contingencies and Commitments										
Guarantees, letters of credit and acceptances	-	-	-	-	86,500	-	-	-	-	86,500
Commitments to extend credit	-	-	-	107,058	-	-	-	-	128,409	-

For the half year ended June 30, 2022 (Un-audited)

For the half year ended June 30, 2023 (Un-audited)

	Parent company	Directors	Key management personnel	Subsidiary	Other related parties	Parent company	Directors	Key management personnel	Subsidiary	Other related parties
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(Rupees in '000)

Income										
Mark-up / return / interest earned	-	-	2,404	902	68,315	-	-	3,933	-	43,176
Fee and commission income	-	5	12	65	693	-	-	9	63	218
Other income	-	-	-	2,093	-	-	-	340	1,977	-
Expense										
Mark-up / return / interest expensed	-	-	447	3,945	119,296	-	-	1,606	2,470	115,270
Operating expenses:										
- Directors' fees and allowances	-	14,700	-	-	-	-	19,800	-	-	-
- Brokerage and commission	-	-	-	634	-	-	-	-	139	-
- Fee and subscription	-	-	810	-	-	-	-	451	-	-
- Managerial Remuneration	-	-	173,938	-	661	-	-	158,245	-	-
- Contribution to defined contribution plan	-	-	-	-	38,386	-	-	-	-	35,049
- Charge for defined benefit plan	-	-	-	-	25,009	-	-	-	-	38,120
Reversal of provision for diminution in value of investment	-	-	-	-	(10,899)	-	-	-	-	-

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

38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

(Un-audited) (Audited)
June 30, December 31,
2023 2022
----- (Rupees in '000) -----

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses) (13,548,273) (21,800,690)

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier-1 (CET-1) Capital	(36,302,486)	(43,276,304)
Eligible Additional Tier-1 (ADT-1) Capital	-	-
Total Eligible Tier-1 Capital	(36,302,486)	(43,276,304)
Eligible Tier-2 Capital	-	-
Total Eligible Capital (Tier-1 + Tier-2)	<u>(36,302,486)</u>	<u>(43,276,304)</u>

Risk Weighted Assets (RWAs):

Credit Risk	37,609,746	44,655,013
Market Risk	3,681,221	2,295,820
Operational Risk	7,447,378	7,447,378
Total	<u>48,738,345</u>	<u>54,398,211</u>

Common Equity Tier-1 Capital Adequacy Ratio	-74.48%	-79.55%
Tier-1 Capital Adequacy Ratio	<u>-74.48%</u>	<u>-79.55%</u>
Total Capital Adequacy Ratio	<u>-74.48%</u>	<u>-79.55%</u>

Leverage Ratio (LR):

Eligible Tier-1 Capital	(36,302,486)	(43,276,304)
Total Exposures	204,678,048	157,956,814
Leverage Ratio	<u>-17.74%</u>	<u>-27.40%</u>

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	81,292,868	43,961,885
Total Net Cash Outflow	24,841,327	20,348,574
Liquidity Coverage Ratio	<u>327.25%</u>	<u>216.04%</u>

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	103,331,678	77,771,056
Total Required Stable Funding	61,079,028	56,155,340
Net Stable Funding Ratio	<u>169.18%</u>	<u>138.49%</u>

39. ISLAMIC BANKING BUSINESS

The Bank commenced its Islamic Banking Operations in Pakistan on March 07, 2014 and is operating with 14 (December 31, 2022: 14) Islamic banking branches and 35 (December 31, 2022: 35) Islamic banking windows at the end of the period.

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
Note	----- (Rupees in '000) -----	
ASSETS		
Cash and balances with treasury banks	2,224,524	1,447,196
Balances with other banks	346,961	236,000
Due from financial institutions	39.1 3,969,928	8,051,586
Investments	39.2 23,873,650	10,880,650
Islamic financing and related assets - net	39.3 2,182,956	2,373,102
Fixed assets	278,040	320,139
Intangible assets	37	82
Due from Head Office	-	-
Deferred tax assets	18,895	12,622
Other assets	824,052	1,041,353
Total Assets	33,719,043	24,362,730
LIABILITIES		
Bills payable	309,975	235,430
Due to financial institutions	39.4 2,159,951	607,944
Deposits and other accounts	39.5 26,953,410	20,464,433
Due to Head Office	-	-
Subordinated debt	-	-
Deferred tax liabilities	-	-
Other liabilities	1,110,632	413,183
	30,533,968	21,720,990
NET ASSETS	3,185,075	2,641,740
REPRESENTED BY		
Islamic Banking Fund	1,000,000	1,000,000
Reserves	-	-
Deficit on revaluation of assets	(19,628)	(9,815)
Unappropriated / Unremitted profit	39.6 2,204,703	1,651,555
	3,185,075	2,641,740
CONTINGENCIES AND COMMITMENTS	39.7	

**ISLAMIC BANKING BUSINESS
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2023**

	June 30, 2023	June 30, 2022
Note	----- (Rupees in '000) -----	
Profit / return earned	39.8 2,078,129	1,180,702
Profit / return expensed	39.9 1,078,674	478,395
Net Profit / return	999,455	702,307
Other income		
Fee and commission income	38,380	20,478
Dividend income	-	-
Foreign exchange loss	32,178	(17,781)
Income / (loss) from derivatives	-	-
Loss on sale of securities	(2,991)	(4,296)
Other income	8,084	2,249
Total other income	75,651	650
Total income	1,075,106	702,957
Other expenses		
Operating expenses	485,261	399,837
Workers' welfare fund	-	-
Other charges	-	-
Total other expenses	485,261	399,837
Profit before provisions	589,845	303,120
Provisions and write offs - net	38,293	5,387
Profit before taxation	551,552	297,733
Taxation	-	-
Profit before taxation	551,552	297,733

ISLAMIC BANKING BUSINESS
FOR THE HALF YEAR ENDED JUNE 30, 2023

		June 30, 2023 (Un-audited)			December 31, 2022 (Audited)			
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total	
39.1	Due from Financial Institutions	Note ----- (Rupees in '000) -----						
	Unsecured							
	Bai Muajjal Receivable from other Financial Institutions	39.1.1	3,969,928	-	3,969,928	8,051,586	-	8,051,586

39.1.1 This represents Bai Muajjal agreements with conventional operations of Summit Bank Limited and carries profit 20.75% per annum (December 31, 2022: 15.75% per annum).

39.2 Investments

	June 30, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Investments by segments:	----- (Rupees in '000) -----							
Federal Government Securities:								
- GOP Ijarah Sukuks	21,504,172	-	(84,272)	21,419,900	8,496,681	-	(66,031)	8,430,650
Non Government Debt Securities								
- Listed	2,500,000	-	(46,250)	2,453,750	2,500,000	-	(50,000)	2,450,000
Total Investments	24,004,172	-	(130,522)	23,873,650	10,996,681	-	(116,031)	10,880,650

		(Un-audited) (Audited)	
		June 30, 2023	December 31, 2022
39.3	Islamic financing and related assets	Note ----- (Rupees in '000) -----	
	Ijarah	500,265	394,844
	Running Musharakah	230,683	231,889
	Diminishing Musharakah	1,529,590	1,753,890
	Tijarah	619,998	629,998
	Advance against Ijarah	4,724	26,491
	Gross Islamic financing and related assets	2,885,260	3,037,112
	Less: provision against Islamic financings		
	- Specific	(700,562)	(661,849)
	- General	(1,742)	(2,161)
		(702,304)	(664,010)
	Islamic financing and related assets - net of provision	2,182,956	2,373,102
39.4	Due to financial institutions		
	Secured		
	Acceptances from the SBP under Islamic Export Refinance Scheme	400,000	400,000
	Total secured	400,000	400,000
	Unsecured		
	Overdrawn nostro accounts	9,951	7,944
	Musharakah	1,750,000	200,000
	Total unsecured	1,759,951	207,944
		2,159,951	607,944

39.4.1 This represented acceptance of funds by Islamic operations of Summit Bank Limited from conventional operations of Summit Bank Limited on Musharaka basis.

39.5 Deposits

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
Customers						
Current deposits	8,423,441	785,262	9,208,703	5,929,857	426,025	6,355,882
Savings deposits	15,347,013	169,111	15,516,124	12,470,238	182,913	12,653,151
Term deposits	1,088,619	256,446	1,345,065	929,434	133,928	1,063,362
Others	431,431	-	431,431	223,829	-	223,829
	25,290,504	1,210,819	26,501,323	19,553,358	742,866	20,296,224
Financial Institutions						
Current deposits	8,284	80	8,364	5,629	171	5,800
Savings deposits	293,723	-	293,723	162,409	-	162,409
Term deposits	150,000	-	150,000	-	-	-
	452,007	80	452,087	168,038	171	168,209
	25,742,511	1,210,899	26,953,410	19,721,396	743,037	20,464,433

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
----- (Rupees in '000) -----		

39.6 Islamic Banking Business Unappropriated Profit

Opening balance	1,651,555	801,294
Add: Islamic Banking profit for the period / year	551,552	847,070
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated profit	1,596	3,191
Closing balance	2,204,703	1,651,555

39.7 CONTINGENCIES AND COMMITMENTS

-Guarantees	4,071,325	3,110,325
-Commitments	2,358,089	1,434,033
-Other contingent liabilities	-	-
	6,429,414	4,544,358

	(Un-audited)	
	June 30, 2023	June 30, 2022
----- (Rupees in '000) -----		

39.8 Profit / Return Earned of Financing, Investments and Placement

Profit earned on:		
Financing	119,250	142,997
Investments	1,257,782	598,815
Placements	701,012	438,536
Balances with banks	85	354
	2,078,129	1,180,702

39.9 Profit on Deposits and other Dues Expensed

Deposits and other accounts	998,450	447,238
Due to Financial Institutions	71,630	20,844
Finance cost of lease liability	8,594	10,313
	1,078,674	478,395

40. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The shareholders of the Bank approved the change of Bank's name from 'Summit Bank Limited' to 'Bank Makramah Limited' (abbreviated as 'BML') and the disposal of certain portions of the Bank's head office through a special resolution during their Extraordinary General Meeting held on August 15, 2023.

41. DATE OF AUTHORIZATION OF ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on August 25, 2023 by the Board of Directors of the Bank.

President / Chief Executive

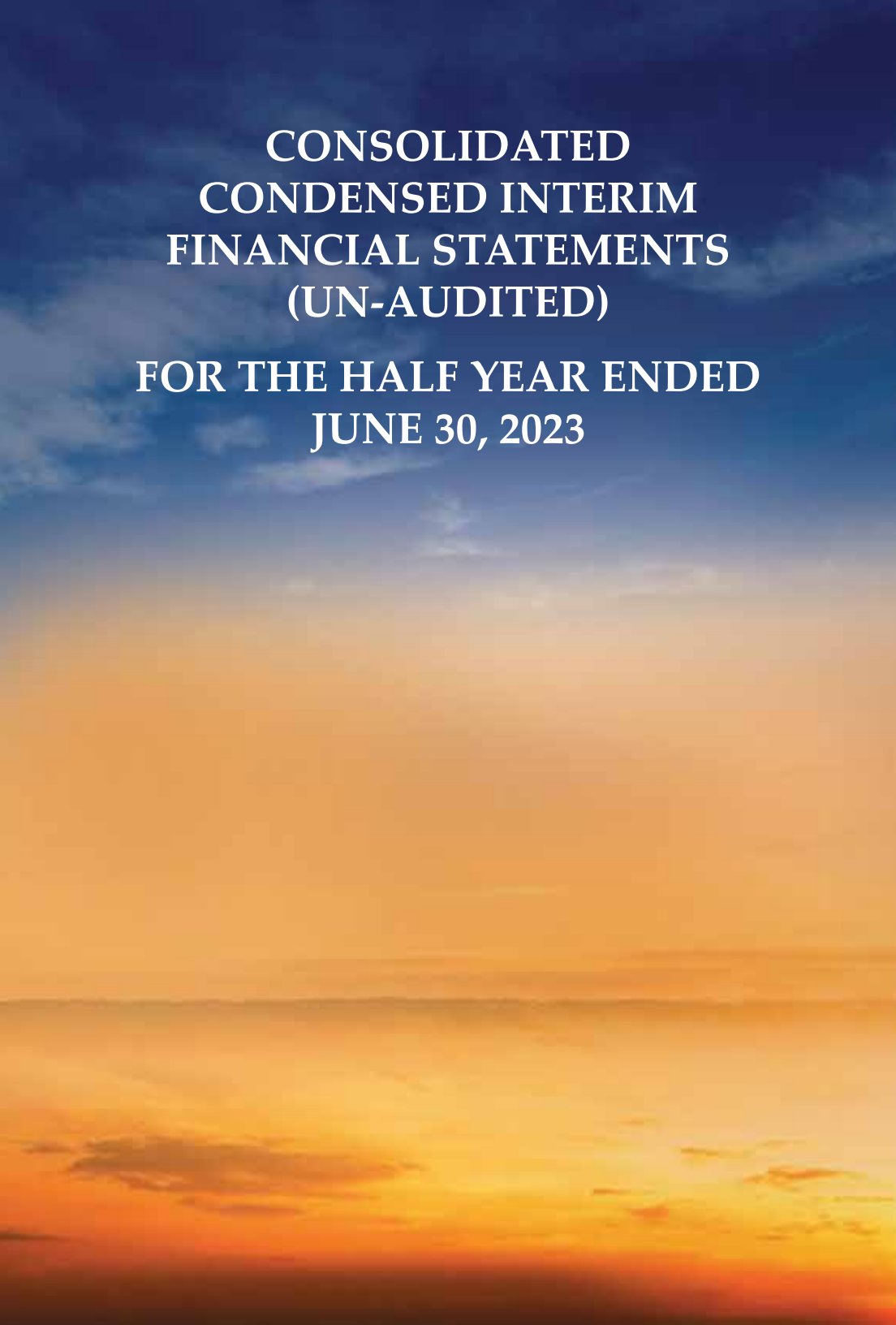
Chief Financial Officer

Director

Director

Director





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

**FOR THE HALF YEAR ENDED
JUNE 30, 2023**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	6	16,502,495	13,372,146
Balances with other banks	7	878,345	1,364,568
Lendings to financial institutions	8	1,664,467	10,141,557
Investments	9	155,653,002	51,255,291
Advances	10	19,885,270	21,593,564
Fixed assets	11	10,226,000	10,681,413
Intangible assets	12	149,688	146,135
Deferred tax assets	13	22,019,157	20,726,644
Other assets	14	13,396,079	11,343,215
		240,374,503	140,624,533
LIABILITIES			
Bills payable	16	1,825,990	1,993,587
Borrowings	17	96,154,380	25,388,560
Deposits and other accounts	18	141,426,497	121,861,462
Liabilities against assets subject to finance lease		-	-
Subordinated debt	19	1,495,515	1,495,515
Deferred tax liabilities		-	-
Other liabilities	20	9,239,035	7,643,430
		250,141,417	158,382,554
NET ASSETS		(9,766,914)	(17,758,021)
REPRESENTED BY			
Share capital - net	21	30,500,208	20,500,194
Reserves		(425,043)	(425,043)
Surplus / (deficit) on revaluation of assets	22	3,754,282	4,003,547
Accumulated losses		(43,596,361)	(41,836,719)
		(9,766,914)	(17,758,021)
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 41 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, 2023

Note	Quarter Ended		Half Year Ended		
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	
	----- (Rupees in '000) -----				
Mark-up / return / interest earned	24	6,492,850	1,679,983	10,102,795	2,854,550
Mark-up / return / interest expensed	25	7,096,888	2,179,745	11,114,601	3,836,687
Net Mark-up / interest expense		(604,038)	(499,762)	(1,011,806)	(982,137)
NON MARK-UP / INTEREST INCOME					
Fee and commission income	26	160,028	124,138	306,567	239,986
Dividend income		213	900	221	2,433
Foreign exchange income		225,673	238,356	588,979	295,424
Income / (loss) from derivatives		-	-	-	-
Gain / (loss) on securities	27	24,455	9,228	(452,008)	10,568
Other income	28	340,444	10,672	355,826	16,601
Total non-markup / interest income		750,813	383,294	799,585	565,012
Total income		146,775	(116,468)	(212,221)	(417,125)
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	29	1,767,052	1,465,341	3,374,147	2,844,292
Workers' welfare fund		-	-	-	-
Other charges	30	61	7	181	7
Total non-markup / interest expenses		1,767,113	1,465,348	3,374,328	2,844,299
Loss before provisions		(1,620,338)	(1,581,816)	(3,586,549)	(3,261,424)
(Reversals) / provisions and write offs - net	31	(298,010)	138,676	(831,865)	239,063
Extra ordinary / unusual items		-	-	-	-
LOSS BEFORE TAXATION		(1,322,328)	(1,720,492)	(2,754,684)	(3,500,487)
Taxation	32	(523,033)	(2,215,036)	(1,020,847)	(2,813,871)
(LOSS) / PROFIT AFTER TAXATION		(799,295)	494,544	(1,733,837)	(686,616)
		----- (Rupee) -----			
Basic (Loss) / Earning per share	33	(0.08)	0.20	(0.43)	(0.25)
Diluted (Loss) / Earning per share	33	(0.08)	0.20	(0.43)	(0.25)

The annexed notes 1 to 41 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, 2023

	Quarter Ended		Half Year Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----- (Rupees in '000) -----			
(Loss) / profit after taxation for the period	(799,295)	494,544	(1,733,837)	(686,616)
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of investments - net of tax	(33,032)	(94,630)	(147,980)	11,665
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of operating fixed assets - net of tax	-	(111,368)	19,320	(102,528)
Movement in surplus on revaluation of non-banking assets - net of tax	2,311	(30,929)	4,624	(29,159)
Movement in surplus on revaluation of held for sale property - net of tax	15,613	(46,431)	15,613	(46,431)
	17,924	(188,728)	39,557	(178,118)
Total comprehensive (loss) / income	(814,403)	211,186	(1,842,260)	(853,069)

The annexed notes 1 to 41 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, 2023**

	Share capital		Capital reserves		Surplus / (deficit) on revaluation of			Total		
	Issued, subscribed and paid up	Discount on issue of shares	Share premium	Reserve arising on amalgamation	Statutory reserve	Investments	Fixed / Non banking assets		Property held for sale	Accumulated losses
Balance as at January 01, 2022 (Audited)	26,381,510	(5,881,316)	1,000,000	(1,579,205)	154,162	63,983	3,496,935	754,510	(38,649,163)	(14,477,584)
Loss after taxation for six months period ended June 30, 2022	-	-	-	-	-	-	-	-	(686,616)	(686,616)
Other comprehensive income - net of tax	-	-	-	-	-	11,665	(131,687)	(46,431)	-	(166,453)
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	-
Transfer from surplus on revaluation of fixed assets on sale to accumulated losses	-	-	-	-	-	-	-	-	-	-
Balance as at July 01, 2022 (Un-audited)	26,381,510	(5,881,316)	1,000,000	(1,579,205)	154,162	75,648	3,304,623	708,079	(39,494,154)	(15,330,653)
Loss after taxation for six months period ended December 31, 2022	-	-	-	-	-	-	-	-	(2,501,369)	(2,501,369)
Other comprehensive income - net of tax	-	-	-	-	-	(75,886)	53,564	-	96,323	74,001
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	-	(50,488)	-	50,488	-
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	-	(10,120)	-	10,120	-
Transfer from surplus on revaluation of fixed assets on sale to accumulated losses	-	-	-	-	-	-	(1,873)	-	1,873	-
Balance as at January 01, 2023 (Audited)	26,381,510	(5,881,316)	1,000,000	(1,579,205)	154,162	(238)	3,295,706	708,079	(41,836,319)	(17,758,071)
Loss after taxation for six months period ended June 30, 2023	-	-	-	-	-	-	-	-	(1,733,837)	(1,733,837)
Other comprehensive income - net of tax	-	-	-	-	-	(147,980)	23,944	15,613	-	(108,423)
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	-	(49,536)	-	49,536	-
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	-	(11,856)	-	11,856	-
Transfer from surplus on revaluation of fixed assets on sale to accumulated losses	-	-	-	-	-	-	(39,415)	-	39,415	-
Transfer from surplus on revaluation of property held for sale to accumulated losses	-	-	-	-	-	-	(40,035)	(40,035)	40,035	-
Transactions with owners, recorded directly in equity	39,840,495	(29,840,681)	-	-	-	-	-	-	-	10,000,014
Share issuance cost	66,222,205	(35,721,997)	1,000,000	(1,579,205)	154,162	(148,218)	3,218,843	683,657	(166,647)	(166,647)
Balance as at June 30, 2023 (Un-audited)	66,222,205	(35,721,997)	1,000,000	(1,579,205)	154,162	(148,218)	3,218,843	683,657	(45,596,361)	(9,766,914)

The annexed notes 1 to 41 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, 2023

	June 30, 2023	June 30, 2022
Note	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(2,754,684)	(3,500,487)
Less: Dividend income	(221)	(2,433)
	<u>(2,754,905)</u>	<u>(3,502,920)</u>
Adjustments:		
Depreciation on operating fixed assets	211,476	231,230
Depreciation on right-of-use assets	297,207	302,751
Depreciation on non-banking assets	32,785	30,603
Finance cost of lease liability	212,531	191,322
Amortization	11,608	11,644
(Reversals) / provisions and write-offs excluding recoveries	(831,438)	239,526
Loss on forward exchange contracts	13,072	20,055
Charge for defined benefit plan	25,609	39,170
Charge for employees compensated absences	10,992	9,294
Gain on termination of lease contracts under IFRS 16	(35,006)	6,572
Gain on sale of fixed assets	(196,725)	(18,375)
Loss on sale of non banking assets	-	431
Gain on partial sale of HFS property	(116,794)	-
	<u>(364,683)</u>	<u>1,064,223</u>
	(3,119,588)	(2,438,697)
Decrease / (increase) in operating assets		
Lendings to financial institutions	8,477,090	(3,683,069)
Advances	2,036,633	1,564,725
Others assets (excluding advance taxation)	(2,377,811)	(114,089)
	<u>8,135,912</u>	<u>(2,232,433)</u>
Decrease in operating liabilities		
Bills payable	(167,597)	42,050
Borrowings from financial institutions	71,490,726	8,598,281
Deposits	19,565,035	6,895,748
Other liabilities (excluding current taxation)	1,677,505	411,106
	<u>92,565,669</u>	<u>15,947,185</u>
Payment on account of staff retirement benefits	96,363	(59,295)
Income tax paid	(124,737)	(28,252)
Net cash generated from operating activities	<u>97,553,619</u>	<u>11,188,508</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(104,131,412)	(9,699,436)
Dividend received	221	2,433
Investments in operating fixed assets	(67,164)	(40,064)
Investments in intangible assets	(15,161)	(22,539)
Proceeds from sale of fixed assets	342,487	45,803
Proceeds from partial sale of HFS property	302,877	-
Proceeds from sale of non banking assets	-	22,448
Net cash used in investing activities	<u>(103,568,152)</u>	<u>(9,691,355)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(449,802)	(430,332)
Issue of share capital	10,000,014	-
Share issuance cost	(166,647)	-
Net cash generated from / (used in) financing activities	<u>9,383,565</u>	<u>(430,332)</u>
Effect of exchange rate changes on cash and cash equivalents	561,117	420,419
Increase in cash and cash equivalents	<u>3,930,149</u>	<u>1,487,240</u>
Cash and cash equivalents at beginning of the period	13,444,198	15,058,281
Cash and cash equivalents at end of the period	<u>17,374,347</u>	<u>16,545,521</u>

The annexed notes 1 to 41 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, 2023**

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 a 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 and its principal office is situated at Summit Tower, Plot No. G-2, Block 2, Scheme 5, Clifton, Karachi, Pakistan.

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, 2022: 179 Conventional Banking Branches and 14 Islamic Banking Branches) in Pakistan as defined in the Banking Companies Ordinance, 1962 .

In 2019, VIS Credit Rating Company Limited suspended the Bank's medium to long-term rating of 'BBB -' (Triple B Minus) and its short-term rating of 'A-3' (A-Three). The Bank has initiated the rating process with VIS Credit Rating Company Limited and has requested the State Bank of Pakistan to allow the Bank to complete the credit rating exercise by September 30, 2023.

VIS Credit Rating Company Limited has issued a new rating scale for Tier-2 capital instruments. As a result, the Bank's TFC rating has been harmonized at 'B' (Single B) with a 'Rating Watch-Negative' outlook, as stated in their press release dated June 27, 2023. Previously, 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).

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 period, the Group has incurred a net loss of Rs. 1,733.837 million resulting in accumulated losses of Rs. 43,596.361 million and negative equity of Rs. 9,766.914 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, 2023. However, the paid up capital of the Group (net of losses), CAR and LR are negative.

The aforementioned conditions indicate the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the Group is making its best efforts to comply with the applicable capital requirements and has successfully increased its capital as mentioned in note 21.1. To achieve 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, achieve compliance with applicable regulatory requirements and provide impetus to its future growth initiatives. The key assumptions considered in the business plan are as follows:

- Injection of capital;
- Sale of a portion of self-constructed property on the plot of land bearing No. G-2, Block 2, Scheme No: 5;
- 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.

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) 39, 'Financial Instruments, Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for banking companies till further instructions. Moreover, 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, through S.R.O. 411(1)/2008 dated April 28, 2008 has deferred the applicability of IFRS 7 'Financial Instruments: Disclosures', to banks. Accordingly, the requirements of these standards have not been considered in the preparation of these 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 39 to these consolidated condensed interim financial statements.

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

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

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Group for accounting periods beginning on or after January 01, 2023. These are considered either not to be relevant or not to have any significant impact on the Group's operations and therefore are not detailed in these consolidated financial statements.

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

The SBP through BPRD Circular no.3 dated July 05, 2022 has made IFRS 9 'Financial Instruments' applicable to Banks in Pakistan for accounting periods beginning on or after January 01, 2024 (for banks having asset size of less than Rs. 500 billion). The subject circular also envisages the implementation guidelines and the impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is currently being assessed. IFRS 9 replaces the existing guidance in (IAS) 39, 'Financial Instruments, Recognition and Measurement'. The standard includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Furthermore, 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, 2024
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Deferred indefinitely

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, 2022.

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, 2022, except that: during the period, the Bank realigned its reporting business segments and as a result changes have been made in the respective note to the accounts along with the restatement of the prior period financial information.

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, 2022.

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	5,455,351	4,127,391
Foreign currency	629,529	356,179
	6,084,880	4,483,570
With State Bank of Pakistan in		
Local currency current account	8,517,545	7,827,523
Foreign currency current account	448,433	395,801
Foreign currency deposit account	641,237	582,381
	9,607,215	8,805,705
With National Bank of Pakistan in Local currency current account	777,944	66,309
Prize bonds	32,456	16,562
	16,502,495	13,372,146
7. BALANCES WITH OTHER BANKS		
In Pakistan		
In current account	9,007	2,003
In deposit account	20,053	16,206
	29,060	18,209
Outside Pakistan		
In current account	774,287	1,288,393
In deposit account	74,998	57,966
	849,285	1,346,359
	878,345	1,364,568
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Repurchase agreement lendings (Reverse Repo)	1,664,467	10,141,557
Less: provision held against Lendings to Financial Institutions	-	-
Lendings to Financial Institutions - net of provision	1,664,467	10,141,557

9. INVESTMENTS

9.1 Investments by type:	June 30, 2023 (Un-audited)				December 31, 2022 (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	67,425,930	-	(89,087)	67,336,843	20,013,762	-	1,975	20,015,737
- Pakistan Investment Bonds	58,583,316	-	(84,490)	58,498,826	14,330,617	-	(13,817)	14,316,800
- GoP Ijarah Sukuks	27,110,389	-	(110,110)	27,000,279	13,988,936	-	(73,186)	13,915,750
Shares								
- Fully paid up ordinary shares - Listed	1,972,997	(1,698,680)	81,797	356,114	2,610,662	(2,198,059)	130,866	543,469
- Fully paid up ordinary shares - Unlisted	8,131	(1,000)	-	7,131	14,475	(1,000)	-	13,475
- Preference shares - Unlisted	46,035	(46,035)	-	-	46,035	(46,035)	-	-
Non Government Debt Securities								
- Term Finance Certificates	1,554,887	(1,554,887)	-	-	1,565,786	(1,565,786)	-	-
- Sukuk Bonds	2,700,000	(200,000)	(46,250)	2,453,750	2,700,000	(200,000)	(50,000)	2,450,000
Units of mutual funds - Listed	68	-	(9)	59	68	-	(8)	60
	159,401,753	(3,500,602)	(248,149)	155,653,002	55,270,341	(4,010,880)	(4,170)	51,255,291
Total Investments	159,401,753	(3,500,602)	(248,149)	155,653,002	55,270,341	(4,010,880)	(4,170)	51,255,291

9.1.1 Investments given as collateral - Market Value	(Un-audited)		(Audited)	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
----- (Rupees in '000) -----				
Market Treasury Bills	54,734,684	10,280,041		
Pakistan Investment Bonds	36,161,200	7,894,300		
	<u>90,895,884</u>	<u>18,174,341</u>		

9.2 Provision for diminution in value of investments

Opening balance	4,010,880	3,975,258
Charge / reversals		
Charge for the period / year	26,000	64,786
Reversals for the period / year	(10,899)	(29,164)
Reversal on disposals	(525,379)	-
	(510,278)	35,622
Closing balance	<u>3,500,602</u>	<u>4,010,880</u>

9.3 Particulars of provision against debt securities

Category of classification	June 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	NPI	Provision	NPI	Provision
----- (Rupees in '000) -----				
Domestic				
Loss	1,794,275	1,794,275	1,765,786	1,765,786

10. ADVANCES

	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Note ----- (Rupees in '000) -----						
Loans, cash credits, running finances, etc.	14,885,096	16,339,171	34,700,532	35,332,731	49,585,628	51,671,902
Islamic financing and related assets	1,989,815	2,351,110	895,445	686,002	2,885,260	3,037,112
Bills discounted and purchased	281,258	77,636	47,089	49,335	328,347	126,971
Advances - gross	17,156,169	18,767,917	35,643,066	36,068,068	52,799,235	54,835,985
Provision against advances						
- Specific	-	-	(32,905,689)	(33,231,865)	(32,905,689)	(33,231,865)
- General	(8,276)	(10,556)	-	-	(8,276)	(10,556)
	(8,276)	(10,556)	(32,905,689)	(33,231,865)	(32,913,965)	(33,242,421)
Advances - net of provision	17,147,893	18,757,361	2,737,377	2,836,203	19,885,270	21,593,564
					(Un-audited) June 30, 2023	(Audited) December 31, 2022
					52,799,235	54,835,985

10.1 Particulars of advances (Gross)

In local currency	52,582,216	54,744,630
In foreign currencies	217,019	91,355
	52,799,235	54,835,985

10.2 Advances include Rs. 35,643.066 million (December 31, 2022: Rs. 36,068.068 million) which have been placed under non-performing status as detailed below:

Category of Classification	June 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
----- (Rupees in '000) -----				
Domestic				
Other Assets Especially Mentioned	14,558	161	6,174	96
Substandard	42,463	2,662	149,835	391
Doubtful	482,522	2,004	22,569	6,524
Loss	35,103,523	32,900,862	35,889,490	33,224,854
	35,643,066	32,905,689	36,068,068	33,231,865

10.3 Particulars of provision against advances

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	33,231,865	10,556	33,242,421	32,750,104	13,885	32,763,989
Charge for the period / year	534,928	-	534,928	1,397,485	-	1,397,485
Reversals	(860,987)	(2,280)	(863,267)	(906,851)	(3,329)	(910,180)
	(326,059)	(2,280)	(328,339)	490,634	(3,329)	487,305
Amounts written off	(117)	-	(117)	(8,873)	-	(8,873)
Closing balance	32,905,689	8,276	32,913,965	33,231,865	10,556	33,242,421

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

The Group 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 Group has availed the Forced Sale Value (FSV) benefit of pledged stocks, 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 Group, the specific provision against non-performing advances would have been higher by Rs. 2,714.275 million (2022: Rs. 2,820.580 million). The positive impact on the profit and loss account arising from availing this benefit - net of tax amounts to Rs. 1,655.708 million (2022: Rs. 1,720.554 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, 2023	(Audited) December 31, 2022
II. FIXED ASSETS	Note	----- (Rupees in '000) -----	
Capital work-in-progress	11.1	46,521	26,564
Property and equipment		7,391,422	7,701,453
Right-of-use assets		2,788,057	2,953,396
		<u>10,226,000</u>	<u>10,681,413</u>
11.1 Capital work-in-progress			
Civil works and related payments / progress billings		19,215	14,933
Advances and other payments to suppliers and contractors		27,306	11,631
Advances and other payments against capital work in progress considered doubtful		1,155,814	1,158,340
Less: Provision held there against		(1,155,814)	(1,158,340)
		-	-
		<u>46,521</u>	<u>26,564</u>
		(Un-audited)	
		June 30, 2023	June 30, 2022
11.2 Additions to fixed assets		----- (Rupees in '000) -----	
The following additions have been made to fixed assets during the period:			
Capital work-in-progress - net		19,957	6,213
Property and equipment			
Building improvements		14,778	6,660
Furniture and fixture		2,316	4,407
Electrical, office and computer equipment		30,020	22,845
Vehicles		93	-
		47,207	33,912
Right-of-use assets		216,567	287,690
		<u>283,731</u>	<u>327,815</u>

11.3 Disposal of fixed assets

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

Property and equipment

	(Un-audited)	
	June 30, 2023	June 30, 2022
	----- (Rupees in '000) -----	
Leasehold land	70,000	-
Building on leasehold land	74,915	-
Building improvements	572	29
Furniture and fixture	-	108
Electrical, office and computer equipment	275	818
Vehicles	-	3,118
	145,762	4,073
Derecognition of right-of-use assets	85,040	16,919
	230,802	20,992

12. INTANGIBLE ASSETS

	(Un-audited)	(Audited)
	June 30, 2023	December 31, 2022
	----- (Rupees in '000) -----	
Capital work-in-progress	72,997	72,550
Intangible assets in use	76,691	73,585
	149,688	146,135

12.1 Capital work-in-progress

Advances to suppliers and contractors	72,997	72,550
Advances against capital work in progress considered doubtful Less: Provision held there against	142,522 (142,522)	142,522 (142,522)
	72,997	72,550

12.2 Intangible assets in use

Computer softwares	74,191	71,085
Trading Rights Entitlement Certificate	2,500	2,500
	76,691	73,585

12.3 Additions to intangible assets

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

	(Un-audited)	
	June 30, 2023	June 30, 2022
	----- (Rupees in '000) -----	
Capital work-in-progress - net	447	17,669
Directly purchased	14,714	4,870
	15,161	22,539

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

13. DEFERRED TAX ASSETS

June 30, 2023 (Un-audited)				
At January 01, 2023	Recognised in profit and loss account	Recognised in other comprehensive income	At June 30, 2023	
----- (Rupees in '000) -----				
Deductible Temporary Differences on				
- Tax losses carried forward	13,108,527	1,264,280	-	14,372,807
- Provision against advances, off balance sheet etc.	8,121,244	62,980	-	8,184,224
- Provision for impairment loss - Investment	1,564,243	(199,009)	-	1,365,234
- Provision against intangible assets	48,034	-	-	48,034
- Staff compensated absences	51,955	1,932	-	53,887
- Provision against other assets	166,759	-	-	166,759
- Deficit on revaluation of investments	3,932	-	95,998	99,930
- Unrealized (gain) / loss on forward exchange contracts	(142)	5,240	-	5,098
- Minimum tax	354	660	-	1,014
- Alternative Corporate tax	3,800	(752)	-	3,048
	23,068,706	1,135,331	95,998	24,300,035
Taxable Temporary Differences on				
- Surplus on revaluation of fixed assets	(1,151,581)	-	19,318	(1,132,263)
- Surplus on revaluation of property - held for sale	(452,705)	-	15,613	(437,092)
- Surplus on revaluation of non-banking assets	(333,546)	-	4,625	(328,921)
- Accelerated tax depreciation	(404,230)	21,628	-	(382,602)
	(2,342,062)	21,628	39,556	(2,280,878)
	20,726,644	1,156,959	135,554	22,019,157

December 31, 2022 (Audited)				
At January 01, 2022	Recognised in profit and loss account	Recognised in other comprehensive income	At December 31, 2022	
----- (Rupees in '000) -----				
Deductible Temporary Differences on				
- Tax losses carried forward	9,813,393	3,295,134	-	13,108,527
- Provision against advances, off balance sheet etc.	7,086,935	1,034,309	-	8,121,244
- Provision for impairment loss - Investment	1,391,340	172,903	-	1,564,243
- Provision against intangible assets	43,107	4,927	-	48,034
- Staff compensated absences	51,647	308	-	51,955
- Provision against other assets	149,656	17,103	-	166,759
- Minimum tax	160,275	(159,921)	-	354
- Alternative Corporate tax	4,235	(435)	-	3,800
	18,700,588	4,364,328	-	23,064,916
Taxable Temporary Differences on				
- Surplus on revaluation of fixed assets	(1,069,472)	-	(82,109)	(1,151,581)
- Unrealized loss / (gain) on forward exchange contracts	10,472	(10,614)	-	(142)
- Surplus / (deficit) on revaluation of investments	(25,096)	-	29,028	3,932
- Surplus on revaluation of property - held for sale	(406,274)	-	(46,431)	(452,705)
- Surplus on revaluation of non-banking assets	(289,666)	-	(43,880)	(333,546)
- Accelerated tax depreciation	(295,904)	(108,326)	-	(404,230)
	(2,075,940)	(118,940)	(143,392)	(2,338,272)
	16,624,648	4,245,388	(143,392)	20,726,644

13.1 The net deferred tax assets have 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 assets. 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.

14. OTHER ASSETS

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
Income / mark-up accrued in local currency	4,108,316	1,468,519
Income / mark-up accrued in foreign currency	4,333	2,848
Advances, deposits, advance rent and other prepayments	293,831	383,911
Advance taxation (payments less provisions)	597,269	608,644
Non-banking assets acquired in satisfaction of claims	2,494,356	2,515,284
Branch adjustment account	-	7,136
Receivable from defined benefit plan	-	102,958
Receivable from other banks against clearing and settlement	344,747	459,528
Mark to market gain on forward foreign exchange contracts	15,432	608
Acceptances	153,355	175,931
Stationery and stamps on hand	6,961	7,076
Commission receivable on home remittance	2,425	2,419
Commission receivable on brokerage	5,638	3,492
Property - held for sale	14.1 3,692,787	3,836,309
Account receivable	85,818	84,455
Others	524,002	556,766
	12,329,270	10,215,884
Less: Provision held against other assets	14.2 (897,326)	(888,696)
Other assets (net of provision)	11,431,944	9,327,188
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	843,386	855,243
Surplus on revaluation of property - held for sale	1,120,749	1,160,784
Other assets - total	13,396,079	11,343,215

- 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, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
14.2 Provision held against other assets		
Income / mark-up accrued in local currency	1,389	1,389
Advances, deposits, advance rent and other prepayments	98,008	98,008
Non-banking assets acquired in satisfaction of claims	360,107	360,107
Commission receivable on guarantees	9,880	9,880
Receivable from Dewan Group	45,310	45,310
Account receivable - sundry claims	213,030	204,400
Receivable from Speedway Fondmetal (Pakistan) Limited	25,694	25,694
Others	143,908	143,908
	897,326	888,696

14.2.1 Movement in provision held against other assets

Opening balance	888,696	815,110
Charge for the period / year	8,630	78,252
Reversals	-	(4,666)
Closing balance	897,326	888,696

15. CONTINGENT ASSETS

There were no contingent assets at the balance sheet date.

16. BILLS PAYABLE

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
In Pakistan	1,825,990	1,993,587
Outside Pakistan	-	-
	<u>1,825,990</u>	<u>1,993,587</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

4,904,150	5,710,250
400,000	400,000
337,316	428,927
1,726	2,352
90,504,695	18,115,632

Total secured

96,147,887 24,657,161

Unsecured

Overdrawn nostro accounts

6,493 731,399

96,154,380 **25,388,560**

18. DEPOSITS AND OTHER ACCOUNTS

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
Customers						
Current deposits	44,021,951	2,186,260	46,208,211	40,907,997	1,534,309	42,442,306
Savings deposits	69,873,118	1,830,155	71,703,273	58,374,143	1,638,923	60,013,066
Term deposits	13,833,968	3,109,734	16,943,702	12,024,797	2,940,083	14,964,880
Others	3,158,094	44,975	3,203,069	2,284,400	35,609	2,320,009
	130,887,131	7,171,124	138,058,255	113,591,337	6,148,924	119,740,261
Financial institutions						
Current deposits	249,179	53,702	302,881	272,524	162,329	434,853
Savings deposits	2,555,353	8	2,555,361	1,358,976	6	1,358,982
Term deposits	510,000	-	510,000	327,366	-	327,366
Others	-	-	-	-	-	-
	3,314,532	53,710	3,368,242	1,958,866	162,335	2,121,201
	<u>134,201,663</u>	<u>7,224,834</u>	<u>141,426,497</u>	<u>115,550,203</u>	<u>6,311,259</u>	<u>121,861,462</u>

19. SUBORDINATED DEBT

Issue amount	Rs.1,500,000,000
Issue date	October 27, 2011
Maturity date	October 27, 2022 (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 for fourth time by the Bank to October 27, 2019, October 27, 2020, October 27, 2021 and October 27, 2022 through the extraordinary resolutions passed by the TFC holders on November 19, 2018, April 10, 2019, November 20, 2019, October 22, 2020 and October 26, 2021. The Bank completed necessary regulatory formalities for these extensions and executed the amended Declaration of Trusts on July 23, 2019, September 23, 2020, July 09, 2021 and August 01, 2022. The final approval of these extensions were approved by the SBP vide its letters dated October 21, 2019, October 21, 2020, October 22, 2021 and October 24, 2022.

Recently, the TFC holders of the Bank in their extraordinary meeting held on October 27, 2022 had 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, 2023. The Bank has complied with all the applicable laws, rules and requisite regulatory requirements and the final approval is awaited from the State Bank of Pakistan.

Rating	'B' (Single B).
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, 2023	(Audited) December 31, 2022
	----- (Rupees in '000) -----	
20. OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	3,717,905	2,291,490
Mark-up / return / interest payable in foreign currencies	2,011	3,475
Unearned income	71,035	70,164
Accrued expenses	93,940	78,399
Advance against sale of property	283,784	328,731
Acceptances	153,355	175,931
Unclaimed dividends	2,213	2,213
Mark to market loss on forward foreign exchange contracts	28,504	243
Branch adjustment account	8,128	-
Payable to defined benefit plan	25,009	-
Charity fund balance	2,005	2,154
Security deposits against lease	209,054	247,222
Payable to Bangladesh Bank	41,389	41,389
Payable to Rupali Bank - Bangladesh	16,293	16,293
Payable to vendors / creditors	254,667	228,005
Provision for compensated absences	139,138	134,141
Payable to Bank of Ceylon, Colombo	20,163	20,163
Retention money	33,648	306
Workers' welfare fund	13,360	13,360
Withholding taxes and government levies payable	171,989	34,946
Federal excise duty and sales tax payable	6,328	6,814
Commission payable on home remittances	1,926	2,381
Lease liability against right-of-use assets	3,354,425	3,494,835
Account payable	42,074	66,754
Others	546,692	384,021
	<u>9,239,035</u>	<u>7,643,430</u>

21. SHARE CAPITAL-NET

- 21.1 During the period the Bank has issued 3,984,069,516 ordinary shares having face value of Rs. 10/- each, other than right shares, to His Excellency Naseer Abdulla Hussain Lootah and minority shareholders at a subscription price of Rs. 2.51 per share. Through this issue, an amount of Rs. 10,000.014 million was raised comprising of Rs. 39,840.695 million and Rs. 29,840.681 million in respect of ordinary share capital and discount on issue of shares, respectively. The paid-up capital of the Bank before issuance of shares was Rs. 26,381.511 million (divided into 2,638,151,060 shares of Rs. 10 each) and after issuance of shares has increased to Rs. 66,222.206 million (divided into 6,622,220,576 shares of Rs. 10 each). The shares were issued after having all requisite approvals.

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
22. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS	Note	----- (Rupees in '000) -----
Surplus / (deficit) on revaluation of		
- Available for sale securities	9.1 (248,148)	(4,170)
- Fixed assets	3,836,641	3,925,590
- Non-banking assets acquired in satisfaction of claims	843,386	855,243
- Property - held for sale	1,120,749	1,160,784
	5,552,628	5,937,447
Deferred tax on surplus / (deficit) on revaluation of:		
- Available for sale securities	99,930	3,932
- Fixed assets	(1,132,263)	(1,151,581)
- Non-banking assets acquired in satisfaction of claims	(328,921)	(333,546)
- Property - held for sale	(437,092)	(452,705)
	(1,798,346)	(1,933,900)
	3,754,282	4,003,547

23. CONTINGENCIES AND COMMITMENTS

-Guarantees	23.1	13,199,858	11,817,383
-Commitments	23.2	107,490,365	30,733,931
-Other contingent liabilities	23.3	22,274,317	24,065,166
		142,964,540	66,616,480

23.1 Guarantees:

Financial guarantees	20,470	20,470
Performance guarantees	9,644,584	9,102,570
Other guarantees	3,534,804	2,694,343
	13,199,858	11,817,383

23.2 Commitments:

Documentary credits and short-term trade-related transactions			
- letters of credit		3,722,667	1,670,541
Commitments in respect of:			
- forward foreign exchange contracts	23.2.1	6,234,139	4,542,638
- forward lending	23.2.2	6,752,956	6,182,079
Commitments for acquisition of:			
- operating fixed assets		34,522	24,552
- intangible assets		241,386	198,489
Other commitments	23.2.3	90,504,695	18,115,632
		107,490,365	30,733,931

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Note	----- (Rupees in '000) -----	
23.2.1	Commitments in respect of forward foreign exchange contracts		
	Purchase	5,457,749	4,542,638
	Sale	776,390	-
		<u>6,234,139</u>	<u>4,542,638</u>
23.2.2	Commitments in respect of forward lending		
	Forward documentary bills	5,440,445	5,193,241
	Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.2.1 1,312,511	988,838
		<u>6,752,956</u>	<u>6,182,079</u>
23.2.2.1	These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Group without the risk of incurring significant penalty or expense.		
		(Un-audited) June 30, 2023	(Audited) December 31, 2022
23.2.3	Other commitments	----- (Rupees in '000) -----	
	Purchase (Repo)	<u>90,504,695</u>	<u>18,115,632</u>
23.3	Other contingent liabilities - claims against the Group not acknowledged as debts	<u>22,274,317</u>	<u>24,065,166</u>
23.4	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.		
23.5	Contingency for tax payable		
	Contingency related to tax payable is disclosed in note 32.2.		

		(Un-audited)	
		Half year ended	
		June 30, 2023	June 30, 2022
24. MARK-UP / RETURN / INTEREST EARNED	Note	----- (Rupees in '000) -----	
On:			
Loans and advances		1,489,628	1,104,162
Investments		8,490,162	1,614,486
Lendings to financial institutions		90,948	133,142
Balances with banks		32,057	2,760
		<u>10,102,795</u>	<u>2,854,550</u>

25. MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits		6,402,949	2,889,608
Borrowings		3,930,187	275,466
Subordinated debt		158,192	103,717
Cost of foreign currency swaps against foreign currency deposits / borrowings		410,742	376,574
Finance cost of lease liability		212,531	191,322
		<u>11,114,601</u>	<u>3,836,687</u>

26. FEE AND COMMISSION INCOME			
Branch banking customer fees		27,197	20,473
Consumer finance related fees		2,573	3,354
Card related fees (debit cards)		62,781	43,826
Credit related fees		1,223	1,896
Investment banking fees		1,322	12,394
Commission on trade		107,911	86,306
Commission on guarantees		55,693	27,522
Commission on cash management		21	893
Commission on remittances including home remittances		5,387	4,771
Commission on bancassurance		1,515	422
Alternate Delivery Channels		18,127	17,443
Commission on brokerage		22,798	20,681
Others		19	5
		<u>306,567</u>	<u>239,986</u>

27. (LOSS) / GAIN ON SECURITIES			
Realised	27.1	(452,008)	10,568
Unrealised - held for trading		-	-
		<u>(452,008)</u>	<u>10,568</u>

27.1 Realised (loss) / gain on:			
Federal Government Securities		33,199	10,568
Shares		(485,207)	-
		<u>(452,008)</u>	<u>10,568</u>

28. OTHER INCOME

Note	(Un-audited)	
	Half year ended	
	June 30, 2023	June 30, 2022
	----- (Rupees in '000) -----	
Rent on property / locker	2,258	2,389
Gain on sale of fixed assets - net	196,725	18,375
Gain on partial sale of HFS property	116,794	-
Loss on sale of non banking assets	-	(431)
Gain on sale of ijarah assets	527	1,297
Recoveries against previously expensed items	-	1,056
Gain / (loss) on termination of lease contracts under IFRS 16	35,006	(6,572)
Income on settlement of nostro balances	-	448
Refund from Gratuity Fund	4,516	-
Others	-	39
	<u>355,826</u>	<u>16,601</u>

29. OPERATING EXPENSES

Total compensation expense	29.1	1,159,451	1,042,624
Property expense			
Rent and taxes		42,055	46,559
Insurance - property		5,451	5,446
Insurance - non banking assets		414	448
Utilities cost		200,442	154,195
Security (including guards)		121,323	98,922
Repair and maintenance (including janitorial charges)		81,054	58,264
Depreciation on owned fixed assets		126,154	135,309
Depreciation on right-of-use assets		297,207	302,751
Depreciation on non banking assets		32,785	30,603
		906,885	832,497
Information technology expenses			
Software maintenance		74,148	49,060
Hardware maintenance		73,242	45,627
Depreciation on computer equipments		34,056	40,947
Amortisation of computer softwares		11,608	11,644
Network charges		49,490	43,850
Insurance		2,493	168
		245,037	191,296
Other operating expenses			
Directors' fees and allowances		14,700	19,800
Fees and allowances to Shariah Board		11,850	10,200
Legal and professional charges		41,728	37,775
Outsourced services costs		138,445	103,525
Travelling and conveyance		215,136	124,097
NIFT clearing charges		15,315	12,467
Depreciation		51,266	54,974
Training and development		3,877	1,211
Postage and courier charges		20,713	24,168
Communication		42,149	24,205
Stationery and printing		73,142	43,379
Marketing, advertisement and publicity		5,180	5,195
Brokerage and commission		17,712	14,243
Fee and subscription		76,738	49,542
Cash transportation and sorting charges		69,134	55,948
Entertainment		31,521	18,415
Insurance		75,338	62,337
Deposit insurance premium expense		67,432	48,290
Repair and maintenance		64,499	43,718
Auditors' remuneration		5,672	5,501
Others		21,227	18,885
		1,062,774	777,875
		<u>3,374,147</u>	<u>2,844,292</u>

		(Un-audited)	
		Half year ended	
		June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	
29.1	Total compensation expense	Note	
	Fees and allowances etc.	7,522	10,103
	Managerial remuneration		
	i) Fixed	737,725	652,725
	ii) Variable		
	of which;		
	a) Cash bonus / awards etc.	-	-
	b) Incentives and commission	470	2,571
	Charge for defined benefit plan	25,609	39,170
	Contribution to defined contribution plan	39,559	36,184
	Charge for employees compensated absences	10,992	9,294
	Rent and house maintenance	231,112	200,814
	Utilities	51,356	44,623
	Medical	54,761	46,887
	Employee old age benefit institution	345	253
	Total	1,159,451	1,042,624

30. OTHER CHARGES

Penalties imposed by State Bank of Pakistan	181	7
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31. (REVERSALS) / PROVISIONS AND WRITE OFFS - NET

(Reversal of provision) / provision for diminution in value of investments	(510,278)	31,301
(Reversal) / provision against loans and advances	(328,339)	204,125
Provision against other assets	8,630	4,091
Fixed assets written off	-	9
Operational loss	1,075	-
Reversal of provision for advances and other payments against capital work in progress	(2,526)	
Recoveries against written off / charged off bad debts	(427)	(463)
	(831,865)	239,063

32. TAXATION

Current	32.1 & 32.2	136,112	44,546
Prior years		-	-
Deferred		(1,156,959)	(2,858,417)
		(1,020,847)	(2,813,871)

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

32.2 The Income Tax Returns of the Bank and its subsidiary have been submitted up to and including financial year ended December 31, 2021 i.e. tax year 2022.

In respect of assessments of Summit Bank Limited from tax years 2009 to tax year 2018 the tax authorities disputed the Bank's treatment on certain issues and created an additional tax demand (net of rectification) of Rs. 418.48 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 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, 2023	June 30, 2022
		----- (Rupees in '000) -----	
33. BASIC AND DILUTED LOSS PER SHARE	Note		
Loss for the period		<u>(1,733,837)</u>	<u>(686,616)</u>
		----- (Number of shares) -----	
Weighted average number of ordinary shares - Basic		<u>4,024,871,389</u>	<u>2,638,151,060</u>
		----- (Rupee) -----	
Basic loss per share		<u>(0.43)</u>	<u>(0.26)</u>
		----- (Number of shares) -----	
Weighted average number of ordinary shares - Diluted	33.1	<u>4,024,871,389</u>	<u>2,638,151,060</u>
		----- (Rupee) -----	
Diluted loss per share		<u>(0.43)</u>	<u>(0.26)</u>

33.1 There are no potential ordinary shares outstanding as of June 30, 2023.

		(Un-audited)	
		Half year ended	
		June 30, 2023	June 30, 2022
		----- (Rupees in '000) -----	
34. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks		16,502,495	15,274,755
Balances with other banks		878,345	1,280,403
Overdrawn nostro accounts		(6,493)	(9,637)
		<u>17,374,347</u>	<u>16,545,521</u>

35. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities 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.

35.1 Fair value of financial assets

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

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

35.2 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, 2023 (Un-audited)				
Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
- Federal Government Securities	152,835,948		152,835,948	
- Shares - Listed	356,114		356,114	
- Non Government Debt Securities	2,453,750		2,453,750	
- Units of mutual funds	59		59	
Financial assets - disclosed but not measured at fair value				
Investments				
- Shares - Unlisted		73,243	73,243	
Non-Financial assets - measured at fair value				
Operating fixed assets		6,980,906	6,980,906	
Non banking assets acquired in satisfaction of claims		2,977,635	2,977,635	
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	5,454,741		5,454,741	
Forward sale of foreign exchange	786,454		786,454	

December 31, 2022 (Audited)

Level 1	Level 2	Level 3	Total
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----- (Rupees in '000) -----

On balance sheet financial instruments

Financial assets - measured at fair value

Investments

- Federal Government Securities	-	48,248,287	-	48,248,287
- Shares - Listed	543,469	-	-	543,469
- Non Government Debt Securities	-	2,450,000	-	2,450,000
- Units of mutual funds	-	60	-	60

Financial assets - disclosed but not measured at fair value

Investments

- Shares - Unlisted	-	-	72,637	72,637
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Non-Financial assets - measured at fair value

Operating fixed assets	-	-	7,237,768	7,237,768
Non banking assets acquired in satisfaction of claims	-	-	3,010,420	3,010,420

Off-balance sheet financial instruments - measured at fair value

Forward purchase of foreign exchange	-	4,543,003	-	4,543,003
Forward sale of foreign exchange	-	-	-	-

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

36. SEGMENT INFORMATION

36.1 Segment details with respect to business activities

For the half year ended June 30, 2023 (Un-audited)

Corporate, SME & Commercial	Treasury	Retail Banking	Brokerage Business	Others	Total
-----------------------------	----------	----------------	--------------------	--------	-------

(Rupees in '000)

Profit and Loss

Net mark-up / return / profit	609,060	4,580,888	(6,054,055)	8,140	(155,839)	(1,011,806)
Inter segment revenue - net	(688,161)	(4,829,098)	10,123,240	-	(4,605,981)	-
Non mark-up / return / interest income	105,316	161,017	156,049	23,956	353,247	799,585
Total income	26,215	(87,193)	4,225,234	32,096	(4,408,573)	(212,221)
Segment direct expenses	77,991	42,856	2,262,180	41,625	949,676	3,374,328
Inter segment expense allocation	270,867	82,141	527,272	-	(880,280)	-
Total expenses	348,858	124,997	2,789,452	41,625	69,396	3,374,328
(Reversals) / provisions and write offs - net	(294,238)	(510,278)	(29,837)	-	2,488	(831,865)
Profit / (loss) before tax	(28,405)	298,088	1,465,619	(9,529)	(4,480,457)	(2,754,684)

As at June 30, 2023 (Un-audited)

Corporate, SME & Commercial	Treasury	Retail Banking	Brokerage Business	Others	Total
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(Rupees in '000)

Balance Sheet

Cash and bank balances	222,840	11,262,686	5,894,491	823	-	17,380,840
Investments	-	155,610,588	-	42,414	-	155,653,002
Net inter segment lending	176,952	49,072,870	129,064,899	-	-	178,314,721
Lendings to financial institutions	-	1,664,467	-	-	-	1,664,467
Advances - performing	15,062,795	-	505,679	583	1,578,836	17,147,893
Advances - non-performing	2,639,507	-	93,670	-	4,200	2,737,377
Others	723,756	3,286,806	2,614,355	163,517	39,002,490	45,790,924
Total assets	18,825,850	220,897,417	138,173,094	207,337	40,585,526	418,689,224
Borrowings	5,643,192	90,511,188	-	-	-	96,154,380
Subordinated debt	-	-	-	-	1,495,515	1,495,515
Deposits and other accounts	7,164,253	-	134,262,244	-	-	141,426,497
Net inter segment borrowing	5,785,533	129,151,388	653,018	-	42,724,782	178,314,721
Others	210,717	1,466,539	3,257,079	53,128	6,077,562	11,065,025
Total liabilities	18,803,695	221,129,115	138,172,341	53,128	50,297,859	428,456,138
Equity	22,155	(231,698)	753	154,209	(9,712,333)	(9,766,914)
Total equity and liabilities	18,825,850	220,897,417	138,173,094	207,337	40,585,526	418,689,224
Contingencies and Commitments	44,711,418	96,738,834	-	-	1,514,288	142,964,540

For the half year ended June 30, 2022 (Restated)

Corporate, SME & Commercial	Treasury	Retail Banking	Brokerage Business	Others	Total
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----- (Rupees in '000) -----

Profit and Loss

Net mark-up / return / profit	626,634	1,166,446	(2,676,392)	6,362	(105,187)	(982,137)
Inter segment revenue - net	(770,134)	(1,587,487)	5,270,670	-	(2,913,049)	-
Non mark-up / return / interest income	81,472	293,900	159,946	31,098	(1,404)	565,012
Total income	(62,028)	(127,141)	2,754,224	37,460	(3,019,640)	(417,125)
Segment direct expenses	73,775	28,849	1,884,031	39,508	818,136	2,844,299
Inter segment expense allocation	278,642	84,496	349,664	-	(712,802)	-
Total expenses	352,417	113,345	2,233,695	39,508	105,334	2,844,299
Provisions and write offs - net	203,671	31,301	-	-	4,091	239,063
Profit / (loss) before tax	(618,116)	(271,787)	520,529	(2,048)	(3,129,065)	(3,500,487)

As at December 31, 2022 (Restated)

Corporate, SME & Commercial	Treasury	Retail Banking	Brokerage Business	Others	Total
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----- (Rupees in '000) -----

Balance Sheet

Cash and Bank balances	189,077	10,235,444	4,311,053	1,140	-	14,736,714
Investments	-	51,215,048	-	40,243	-	51,255,291
Net inter segment lending	58,085	58,056,574	111,577,524	-	-	169,692,183
Lendings to financial institutions	-	10,141,557	-	-	-	10,141,557
Advances - performing	16,656,436	-	664,537	1,041	1,435,347	18,757,361
Advances - non-performing	2,836,203	-	-	-	-	2,836,203
Others	571,743	797,710	2,897,243	162,057	38,468,654	42,897,407
Total Assets	20,311,544	130,446,333	119,450,357	204,481	39,904,001	310,316,716
Borrowings	6,541,530	18,847,030	-	-	-	25,388,560
Subordinated debt	-	-	-	-	1,495,515	1,495,515
Deposits and other accounts	6,622,694	-	115,238,768	-	-	121,861,462
Net inter segment borrowing	6,965,614	111,625,098	717,298	-	50,384,173	169,692,183
Others	181,706	205,935	3,436,685	75,266	5,737,425	9,637,017
Total liabilities	20,311,544	130,678,063	119,392,751	75,266	57,617,113	328,074,737
Equity	-	(231,730)	57,606	129,215	(17,713,112)	(17,758,021)
Total equity and liabilities	20,311,544	130,446,333	119,450,357	204,481	39,904,001	310,316,716
Contingencies and Commitments	42,012,788	22,658,270	-	-	1,945,422	66,616,480

36.1.1 The Group does not have any operations outside Pakistan.

37. RELATED PARTY TRANSACTIONS

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

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

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

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)				
	Parent company	Directors	Key management personnel	Other related parties	Parent company	Directors	Key management personnel	Other related parties
	----- (Rupees in '000) -----							
Investments								
Opening balance	-	-	-	1,664,676	-	-	-	1,692,490
Investment made during the year	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	-	(10,899)	-	-	-	(27,814)
Transfer in / (out) - net	-	-	-	-	-	-	-	-
Closing balance	-	-	-	1,653,777	-	-	-	1,664,676
Provision for diminution in value of investments	-	-	-	1,574,529	-	-	-	1,585,428
Advances								
Opening balance	-	-	162,705	671,888	-	-	252,823	786,261
Addition during the period / year	-	-	160,187	7	-	-	19,755	1,525,485
Repaid during the period / year	-	-	(60,316)	-	-	-	(28,281)	(1,637,218)
Transfer in / (out) - net	-	-	9,448	-	-	-	(81,592)	(2,640)
Closing balance	-	-	272,024	671,895	-	-	162,705	671,888
Provision held against advances	-	-	-	-	-	-	-	-

	June 30, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Parent company	Directors	Key management personnel	Other related parties	Parent company	Directors	Key management personnel	Other related parties
(Rupees in '000)								
Other Assets								
Interest / mark-up accrued	-	-	-	144,652	-	-	-	76,337
Advances, deposits, advance rent and other prepayments	-	-	4,716	-	-	-	4,250	-
Receivable from defined benefit plan	-	-	-	-	-	-	-	102,958
Other receivable	-	-	-	2,949	699	-	-	-
Provision against other assets	-	-	-	-	-	-	-	-
Deposits and other accounts								
Opening balance	-	-	19,511	2,052,046	-	-	82,005	2,110,049
Received during the period / year	-	-	391,873	2,749,578	-	-	312,104	6,207,533
Withdrawn during the period / year	-	-	(392,698)	(3,905,894)	-	-	(306,636)	(6,266,214)
Transfer (out) / in - net	-	256	241	647	-	-	(67,962)	678
Closing balance	-	256	18,927	896,377	-	-	19,511	2,052,046
Other Liabilities								
Interest / mark-up payable	-	-	176	13,459	-	-	131	36,374
Payable to defined benefit plan	-	-	-	25,009	-	-	-	-
Unearned Income	-	-	-	-	-	-	-	692
Contingencies and Commitments								
Guarantees, letters of credit and acceptances	-	-	-	86,500	-	-	-	86,500

	For the half year ended June 30, 2023 (Un-audited)			For the half year ended June 30, 2022 (Un-audited)				
	Parent company	Directors	Key management personnel	Other related parties	Parent company	Directors	Key management personnel	Other related parties

	(Rupees in '000)							
	Parent company	Directors	Key management personnel	Other related parties	Parent company	Directors	Key management personnel	Other related parties
Income								
Mark-up / return / interest earned	-	-	2,404	68,315	-	-	3,933	43,176
Fee and commission income	-	5	12	693	-	-	9	218
Other income	-	-	-	-	-	-	340	-
	-	-	447	119,296	-	-	1,606	115,270
Expense								
Mark-up / return / interest expensed	-	-	-	-	-	-	-	-
Operating expenses:		14,700	-	-	-	19,800	-	-
- Directors' fees and allowances	-	-	-	-	-	-	-	-
- Brokerage and commission	-	-	-	-	-	-	-	-
- Fee and subscription	-	-	810	-	-	-	451	-
- Managerial Remuneration	-	-	173,938	661	-	-	161,635	-
- Contribution to defined contribution plan	-	-	-	39,559	-	-	-	36,184
- Charge for defined benefit plan	-	-	-	25,609	-	-	-	39,170
Reversal of provision for diminution in value of investment	-	-	-	(10,899)	-	-	-	-

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

38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

(Un-audited) (Audited)
June 30, December 31,
2023 2022
----- (Rupees in '000) -----

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses) (13,675,358) (21,915,730)

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier-1 (CET-1) Capital	(36,381,286)	(43,134,166)
Eligible Additional Tier-1 (ADT-1) Capital	-	-
Total Eligible Tier-1 Capital	(36,381,286)	(43,134,166)
Eligible Tier-2 Capital	-	-
Total Eligible Capital (Tier-1 + Tier-2)	<u>(36,381,286)</u>	<u>(43,134,166)</u>

Risk Weighted Assets (RWAs):

Credit Risk	37,757,533	44,703,398
Market Risk	3,681,221	2,298,794
Operational Risk	3,800,036	3,800,036
Total	<u>45,238,790</u>	<u>50,802,228</u>

Common Equity Tier-1 Capital Adequacy Ratio

-80.42% -84.91%

Tier-1 Capital Adequacy Ratio

-80.42% -84.91%

Total Capital Adequacy Ratio

-80.42% -84.91%

Leverage Ratio (LR):

Eligible Tier-1 Capital	(36,381,286)	(43,134,166)
Total Exposures	204,678,048	158,019,813
Leverage Ratio	<u>-17.77%</u>	<u>-27.30%</u>

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	81,292,868	43,961,885
Total Net Cash Outflow	24,841,327	20,348,574
Liquidity Coverage Ratio	<u>327.25%</u>	<u>216.04%</u>

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	103,331,678	77,771,056
Total Required Stable Funding	61,079,028	56,155,340
Net Stable Funding Ratio	<u>169.18%</u>	<u>138.49%</u>

39. ISLAMIC BANKING BUSINESS

The Bank commenced its Islamic Banking Operations in Pakistan on March 07, 2014 and is operating with 14 (December 31, 2022: 14) Islamic banking branches and 35 (December 31, 2022: 35) Islamic banking windows at the end of the period.

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

		(Un-audited) June 30, 2023	(Audited) December 31, 2022
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks		2,224,524	1,447,196
Balances with other banks		346,961	236,000
Due from financial institutions	39.1	3,969,928	8,051,586
Investments	39.2	23,873,650	10,880,650
Islamic financing and related assets - net	39.3	2,182,956	2,373,102
Fixed assets		278,040	320,139
Intangible assets		37	82
Due from Head Office		-	-
Deferred tax assets		18,895	12,622
Other assets		824,052	1,041,353
Total Assets		33,719,043	24,362,730
LIABILITIES			
Bills payable		309,975	235,430
Due to financial institutions	39.4	2,159,951	607,944
Deposits and other accounts	39.5	26,953,410	20,464,433
Due to Head Office		-	-
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities		1,110,632	413,183
		30,533,968	21,720,990
NET ASSETS		3,185,075	2,641,740
REPRESENTED BY			
Islamic Banking Fund		1,000,000	1,000,000
Reserves		-	-
Deficit on revaluation of assets		(19,628)	(9,815)
Unappropriated / Unremitted profit	39.6	2,204,703	1,651,555
		3,185,075	2,641,740
CONTINGENCIES AND COMMITMENTS	39.7		

**ISLAMIC BANKING BUSINESS
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2023**

	June 30, 2023	June 30, 2022
Note	----- (Rupees in '000) -----	
Profit / return earned	39.8	2,078,129
Profit / return expensed	39.9	1,078,674
Net Profit / return	999,455	702,307
Other income		
Fee and commission income	38,380	20,478
Dividend income	-	-
Foreign exchange loss	32,178	(17,781)
Income / (loss) from derivatives	-	-
Loss on sale of securities	(2,991)	(4,296)
Other income	8,084	2,249
Total other income	75,651	650
Total income	1,075,106	702,957
Other expenses		
Operating expenses	485,261	399,837
Workers' welfare fund	-	-
Other charges	-	-
Total other expenses	485,261	399,837
Profit before provisions	589,845	303,120
Provisions and write offs - net	38,293	5,387
Profit before taxation	551,552	297,733
Taxation	-	-
Profit before taxation	551,552	297,733

ISLAMIC BANKING BUSINESS
FOR THE HALF YEAR ENDED JUNE 30, 2023

		June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
39.1 Due from Financial Institutions	Note	----- (Rupees in '000) -----					
Unsecured							
Bai Muajjal Receivable from other Financial Institutions	39.1.1	3,969,928	-	3,969,928	8,051,586	-	8,051,586

39.1.1 This represents Bai Muajjal agreements with conventional operations of Summit Bank Limited and carries profit 20.75% per annum (December 31, 2022: 15.75% per annum).

39.2 Investments

	June 30, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Investments by segments:	----- (Rupees in '000) -----							
Federal Government Securities:								
- GOP Ijarah Sukuks	21,504,172	-	(84,272)	21,419,900	8,496,681	-	(66,031)	8,430,650
Non Government Debt Securities								
- Listed	2,500,000	-	(46,250)	2,453,750	2,500,000	-	(50,000)	2,450,000
Total Investments	24,004,172	-	(130,522)	23,873,650	10,996,681	-	(116,031)	10,880,650

	(Un-audited)	(Audited)
	June 30, 2023	December 31, 2022
39.3 Islamic financing and related assets	----- (Rupees in '000) -----	
Ijarah	500,265.00	394,844
Running Musharakah	230,683.00	231,889
Diminishing Musharakah	1,529,590	1,753,890
Tijarah	619,998.00	629,998
Advance against Ijarah	4,724.00	26,491
Gross Islamic financing and related assets	2,885,260	3,037,112
Less: provision against Islamic financings		
- Specific	(700,562)	(661,849)
- General	(1,742)	(2,161)
	(702,304)	(664,010)
Islamic financing and related assets - net of provision	2,182,956	2,373,102

39.4 Due to financial institutions

Secured		
Acceptances from the SBP under Islamic Export Refinance Scheme	400,000	400,000
Total secured	400,000	400,000
Unsecured		
Overdrawn nostro accounts	9,951	7,944
Musharakah	1,750,000	200,000
Total unsecured	1,759,951	207,944
	2,159,951	607,944

39.4.1 This represented acceptance of funds by Islamic operations of Summit Bank Limited from conventional operations of Summit Bank Limited on Musharaka basis.

39.5 Deposits

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
Customers						
Current deposits	8,423,441	785,262	9,208,703	5,929,857	426,025	6,355,882
Savings deposits	15,347,013	169,111	15,516,124	12,470,238	182,913	12,653,151
Term deposits	1,088,619	256,446	1,345,065	929,434	133,928	1,063,362
Others	431,431	-	431,431	223,829	-	223,829
	<u>25,290,504</u>	<u>1,210,819</u>	<u>26,501,323</u>	<u>19,553,358</u>	<u>742,866</u>	<u>20,296,224</u>
Financial Institutions						
Current deposits	8,284	80	8,364	5,629	171	5,800
Savings deposits	293,723	-	293,723	162,409	-	162,409
Term deposits	150,000	-	150,000	-	-	-
	<u>452,007</u>	<u>80</u>	<u>452,087</u>	<u>168,038</u>	<u>171</u>	<u>168,209</u>
	<u>25,742,511</u>	<u>1,210,899</u>	<u>26,953,410</u>	<u>19,721,396</u>	<u>743,037</u>	<u>20,464,433</u>

39.6 Islamic Banking Business Unappropriated Profit

	(Un-audited)	(Audited)
	June 30, 2023	December 31, 2022
----- (Rupees in '000) -----		
Opening balance	1,651,555	801,294
Add: Islamic Banking profit for the period / year	551,552	847,070
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated profit	1,596	3,191
Closing balance	<u>2,204,703</u>	<u>1,651,555</u>

39.7 CONTINGENCIES AND COMMITMENTS

-Guarantees	4,071,325	3,110,325
-Commitments	2,358,089	1,434,033
-Other contingent liabilities	-	-
	<u>6,429,414</u>	<u>4,544,358</u>

39.8 Profit / Return Earned of Financing, Investments and Placement

	(Un-audited)	
	June 30, 2023	June 30, 2022
----- (Rupees in '000) -----		
Profit earned on:		
Financing	119,250	142,997
Investments	1,257,782	598,815
Placements	701,012	438,536
Balances with banks	85	354
	<u>2,078,129</u>	<u>1,180,702</u>

39.9 Profit on Deposits and other Dues Expensed

Deposits and other accounts	998,450	447,238
Due to Financial Institutions	71,630	20,844
Finance cost of lease liability	8,594	10,313
	<u>1,078,674</u>	<u>478,395</u>

40. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The shareholders of the Bank approved the change of Bank's name from 'Summit Bank Limited' to 'Bank Makramah Limited' (abbreviated as 'BML') and the disposal of certain portions of the Bank's head office through a special resolution during their Extraordinary General Meeting held on August 15, 2023.

41. DATE OF AUTHORIZATION OF ISSUE

These consolidated condensed interim financial statements were authorised for issue on August 25, 2023 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

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

Ex. Hyderi Branch

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

Ex. Steel Market Branch

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

Fish Harbour Branch

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

Garden East Branch

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

Gulistan-e-Jauhar - Branch I

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

Gulistan-e-Jauhar - Branch 2

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

Ex. Gulshan-e-Iqbal - Branch I

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

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

I. I. Chundrigar Road Branch I - Unitover

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

Jami Commercial, DHA Branch

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

Jamshed Quarters Branch

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

Jodia Bazar - Branch I

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

Karachi Stock Exchange Branch

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

Karimabad Branch

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

Khayaban-e-Shahbaz Branch

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

Khayaban-e-Ittehad Branch

Plot No. 22-C, Khayaban-e-Ittehad,
Phase-VI, DHA, Karachi
Tel: 021-35176607-09

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),
Altat 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
Lakhpatti 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
Qrtrs, 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

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 I I,
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

Ferozepur 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/1, M.A Johar Town-Lahore
Tel: 042-35291172-74
Fax: 042-35171047

Kashmir Block, Allama Iqbal Town Branch

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

Lahore - Cantt Branch

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

Lahore Stock Exchange Branch

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

Liberty Market Branch

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

Mall Road Branch

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

Model Town Branch

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

New Garden Town Branch

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

Shah Alam Gate Branch

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

Urdu Bazar Branch

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

Wahdat Road Branch

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

Z Block DHA Branch

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

ISLAMABAD

Bahria Town Branch

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

Barah Koh Branch

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

Blue Area Branch

20 - Al- Asghar Plaza, Blue Area,
Islamabad
Tel: 051-2823204, 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. Zahoora 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

Ground Floor Shalimar Motors, Ali Plaza,
Near Sethi Masjid, Mansehra Road, Abbottabad.
Tel: 0992- 863158, 863148
Fax: 0992-385935

ATTOCK

Hassan Abdal Branch

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

Fateh Jang Branch

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

AZAD KASHMIR

Dadyal Branch

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

Mirpur Azad Kashmir - Branch I

NS Tower 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

Muzzafarabad Branch

49 Garipan Chowk, Domial- Azad Jammu Kashmir (AJK)
Tel: 05822-924203-5
Fax: 05822-924206

Shaheed Chowk Branch

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

CHAK GHANIAN

Chak Ghanian Branch

Plot No. 547-548, Iqbal Mandi, G. T. Road, Sarai Alamgir.
Tel: 0544-654402-03, 655155
Fax: 0544-654401

CHAKWAL

Chakwal Branch

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

Dalwal Branch

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

CHAMMAN

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

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

SAHIWAL

High Street Branch

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

SARGODHA

Sargodha Branch

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

Satellite Town Branch

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

SHIKARPUR

Shikarpur Branch

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

SIALKOT

Kashmir Road Branch

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

Paris Road Branch

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

Small Industrial Area Branch

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

SWABI

Swabi Branch

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

TANDO ALLAH YAR

Tando Allah Yar Branch

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

TURBAT

Main Bazar Branch

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

WAH CANTT

Wah Cantt Branch

Plot No. 17/37, Civic Center, Aslam Market, Wah Cantt
Tel: 051- 4902238-39 & 4902241
Fax: 051-490224

ISLAMIC BANKING BRANCHES

KARACHI

Fortune Towers Branch

Showroom No. 9 S-09, Ground Floor,
Plot No. 43/I-A, Fortune Towers,
P.E.C.H.S., Block-VI,
Shahrah-e-Faisal, Karachi
PABX: 021-32368002-4
Fax: 021-32368008

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

Super Highway Branch

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

Zamzama Branch

Shop No. 3, 4, 5, 6 & 7, Plot No. I6-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 SSZBS 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
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