

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



STRENGTHENING RELATIONSHIPS

QUARTERLY REPORT MARCH 2018

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CORPORATE INFORMATION

Board of Directors

Mr. Nasser Abdulla Hussain Lootah
Chairman

Mr. Husain Lawai
Vice-Chairman

Mr. Muhammad Zahir Esmail
President & CEO

Mr. Asadullah Khawaja
Director

Mr. Shehryar Faruque
Director

Mr. Md. Ataur Rahman Prodhan
Director

Mr. Mohammad Faisal Shaikha
Director

Audit Committee

Mr. Shehryar Faruque
Chairman

Mr. Asadullah Khawaja
Member

Mr. Husain Lawai
Member

Risk Management Committee

Mr. Husain Lawai
Chairman

Mr. Shehryar Faruque
Member

Mr. Asadullah Khawaja
Member

HR & Compensation Committee

Mr. Asadullah Khawaja
Chairman

Mr. Shehryar Faruque
Member

Mr. Husain Lawai
Member

Information Technology Committee

Mr. Shehryar Faruque
Chairman

Mr. Muhammad Zahir Esmail
Member

Mr. Mohammad Faisal Shaikha
Member

CORPORATE INFORMATION

Chief Financial Officer

Mr. Irfan Saleem Awan

Company Secretary

Syed Muhammad Talib Raza

Auditors

Deloitte Yousuf Adil
Chartered Accountants

Legal Advisors

Hyat & Meerjees

Shares Registrar

THK Associates (Private) Limited
1st Floor, 40-C, Block-6,
P.E.C.H.S, Karachi
Tel : 021-111-000-322
Ext : 107-111-115
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Email : secretariat@thk.com.pk
Website : www.thk.com.pk

Entity Ratings

Rated by JCR-VIS Credit Rating Company Ltd.
Medium to Long Term "A- (Single A minus)"
Short Term "A-1 (A-one)"

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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' REPORT TO THE SHAREHOLDERS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018

On behalf of the Board of Directors of Summit Bank Limited (the Bank), we hereby present the un-audited condensed interim financial statements of the Bank for the three months period ended March 31, 2018 (Q1-2018).

PERFORMANCE REVIEW

The summarized financial highlights of the Bank for the three months period under review are as follows:

	For the three months period ended	
	March 31, 2018	March 31, 2017
 (Rupees in '000)	
Loss before provisions and direct write-offs	(124,576)	(66,624)
(Provision) / reversal of provision against non-performing loans and advances-net	(331,905)	34,906
Reversal of provision for diminution in the value of investments-net	-	227,615
Bad debts written off directly	(294)	(3,682)
(Loss) / profit before taxation	(456,775)	192,215
Tax income / (expense)	128,509	(107,433)
(Loss) / profit after taxation	(328,266)	84,782
Basic (loss) / earnings per share - Rupee	(0.12)	0.04
Diluted (loss) / earnings per share - Rupee	(0.12)	0.03
Transfer to Statutory Reserve	-	16,956

During the three months period under review (Q1-2018), the Bank posted a loss after tax of Rs.328.27 million as compared to profit after tax of Rs. 84.78 million earned during the same period last year. The loss for Q1-2018 is primarily attributable to, 1) provision expense recognized for non-performing loans and advances (NPLs) during this period as against the net reversal of provision against NPLs and investments recognized during the same period last year and 2) reduction in non-markup income during the period under review as compared to non-markup income earned during the corresponding period last year.

The Bank recognized net provision expense of Rs. 331.91 million for NPLs during Q1-2018 as against net reversal of provision for NPLs and net reversal of provision for diminution in the value of investments amounting to Rs. 34.91 and Rs. 227.62 million respectively recognized during the corresponding period last year. Apart from the negative impact of provision arising due to fresh classifications of certain NPLs during Q1-2018, additional provision was recognized for certain existing NPLs to comply with regulatory requirements for increasing the provision against those NPLs on a time-based criteria (though the Bank has full value of the collaterals available for recovery purposes) and downgrading of existing NPLs in line with applicable regulatory requirements. As of March 31, 2018, Bank's NPLs ratio (Gross NPLs to Gross Loans) stood at 17.67% as against 17.15% as of December 31, 2017, wherein gross NPLs of the Bank increased to Rs. 18,313.93 million from Rs. 17,065.58 million as of December 31, 2017. In this respect, the management is making strenuous recovery efforts and is in constant negotiation with the defaulted borrowers and hopeful that they would soon start paying their due amounts, which should help in reduction of NPLs and related provisions.

Non-markup income during Q1-2018 amounted to Rs. 469.92 million declining by 25.83% in comparison with the same period last year (Q1-2017: Rs. 633.57 million). The major factor for this decline was the reduction in net gain on sale of securities (Government Securities and shares), which amounted to Rs. 22.192 million during Q1-2018 as against net gain of Rs. 170.80 million earned during the same period last year. This reduction was due to prevailing interest rate scenario and equity market condition, which offered minimal capital gain opportunities during the period under review as compared to the corresponding period last year. Moreover, fee and commission income decreased from Rs. 257.03 million to Rs. 233.53 million. The management is however hopeful of achieving growth in fee and commission income going forward and making sincere efforts for the same. On the other hand, the Bank took benefit of the prevailing foreign exchange (forex) rate movements during Q1-2018 and managed to increase its income from dealing in foreign currencies to Rs. 171.52 million as against Rs. 157.73 million during Q1-2017, thereby registering a growth of 8.74%.

During Q1-2018, net markup income of the Bank increased to Rs. 818.64 million as against Rs. 757.19 million earned last year same period, translating into a growth of 8.11%. The management remained focused on the Bank's strategy and increased average earning assets portfolio along with controlling the Cost of Deposits (CoD) through its prudent deposit mobilization efforts. Increase in low cost average deposits had a positive impact on the net markup income for the quarter under review. It is pertinent to mention here that average deposits of the Bank during Q1-2018 were higher than the average deposits of Q4-2017 and Q1-2017, reflecting a positive trend.

The management is continuously focusing on curtailing the non-markup expenses of the Bank. Because of these efforts, non-markup expenses during Q1-2018 reduced to Rs. 1,413.13 million as against Rs. 1,457.39 million expenses during Q1-2017 that translates into a reduction of 3.04%. There is a mechanism in place of constant monitoring of non-markup expenses which aims to identify the areas of cost saving and rationalization. This is yielding positive results for the Bank.

The total assets of the Bank stood at Rs. 199,951.49 million as at March 31, 2018 as against Rs. 233,049.94 million as of December 31, 2017, reflecting a decline of 14.20%. This reduction in total assets was mainly due to reduction of investments in Treasury Bills (T-Bills) which were reduced keeping in view the interest rate scenario and net returns available on T-Bills investments. This also resulted in corresponding reduction of Repo and call borrowings of the Bank during Q1-2018. Accordingly, net investments of the Bank stood at Rs. 61,286.36 million as against Rs. 95,231.06 million as of December 31, 2017, reflecting a decline of 35.64% while borrowings as at March 31, 2018, amounted to Rs. 35,354.44 million as against Rs. 67,307.77 million as of December 31, 2017, reflecting a decline of 47.47%.

Net advances of the Bank stood at Rs. 89,299.61 million (December 31, 2017: Rs. 85,521.87 million) registering a growth of 4.42% during Q1-2018. Furthermore, as at March 31, 2018, deposits of the Bank closed at a healthy figure of Rs. 145,914.60 million (December 31, 2017: Rs. 145,729.71 million).

At the quarter-end, the Bank has recognized deferred tax assets (net) of Rs. 5,509.21 million. This represents management's best estimate of tax benefits expected to be realized in future. We are hopeful that the Bank will be able to realize these benefits. Based on the updated tax position, deferred tax income for Q1-2018 amounted to Rs. 169.34 million as against the deferred tax expense of Rs. 77.74 million recognized during the same period last year.

STRATEGIC INITIATIVES

The Bank is making its best efforts for achieving compliance with the applicable minimum capital requirements. As of March 31, 2018, the Bank's paid-up capital (net of losses), Capital Adequacy Ratio and Leverage Ratio were below the levels prescribed by SBP. In this respect, the Bank has put in place a business plan, which aims to improve the Bank's capital base and risk absorption capacity and provide impetus to the growth initiative of the Bank.

The Bank also carried out a detailed due diligence exercise for potential merger of Summit Bank Limited with and into Sindh Bank Limited. Sindh Bank Limited conducted a similar evaluation exercise. After detailed evaluation, the Board of Directors of both the Banks approved the Scheme of Amalgamation of Summit Bank Limited with and into Sindh Bank Limited. The shareholders of both the Banks also approved that Scheme after which the application of sanction of Scheme was submitted to the SBP. In this respect, the management is currently in the process of completion of various requirements/formalities in light of the advice given by SBP on the matter. These steps include updated/fresh due diligence of Sindh Bank Limited based on the latest audited financial statements of December 31, 2017, for which necessary work is currently underway. This will be followed by necessary approvals of the Board of Directors and the shareholders on the

revised Scheme, subject to applicable regulatory approvals (including approval of SBP) and clearance by the Honorable Supreme Court of Pakistan (Honorable Court). Moreover, Sindh Bank Limited is also taking similar steps in light of the advice given by SBP to Sindh Bank Limited. The proposed amalgamation of the Bank with and into Sindh Bank Limited aims to provide quantum leap to the Bank and its stakeholders, achieve benefit from the synergies offered by two Banks and to enable continued compliance with all applicable minimum capital requirements.

We are confident that compliance with applicable minimum capital requirements will be achieved through the materialization of business plan and completion of proposed amalgamation transaction (subject to applicable regulatory approvals and the clearance of Honorable Court) and management is taking all the necessary steps for the same. Furthermore, the Bank's sponsor has committed to meet any capital shortfall of the Bank as and when decided by the Board of Directors of the Bank.

ISLAMIC BANKING

In line with its strategy, the Bank continued to increase its Islamic Banking portfolio during the period under review. Total deposits of the Islamic Banking (IB) operations as of March 31, 2018 stood at Rs. 23,966.69 million as against Rs. 22,549.25 million as of December 31, 2017 reflecting an increase of 6.29% during Q1-2018. Similarly, net Islamic financing and related assets have increased to Rs. 11,629.08 million at the quarter-end as against Rs. 10,779.55 million as of December 31, 2017, thereby registering a growth of 7.88% during the quarter. The Bank's investment portfolio under Islamic Banking segment closed at Rs. 5,737.99 million as of March 31, 2018 (December 31, 2017: Rs. 5,860.69 million).

The Bank's Islamic Banking network constitutes 14 full-fledged Islamic Banking branches and 35 Islamic Banking windows, thereby making a total of 49 branches in 28 cities pan Pakistan providing Islamic Banking services. Alhamdulillah, the Bank has presence of its Islamic Banking operations in all the five provinces of the country including Gilgit Baltistan.

The Bank is offering a wide range of Shariah compliant products and services both on liability and on asset side to meet the requirements of its existing and potential customers. Moreover, the Bank remained persistent with its investment in the human resource development and equipped more staff with the required Islamic Banking skills set to enrich their Islamic Banking knowledge.

ECONOMIC REVIEW

The latest economic indicators reveal that the country's prospects of achieving an eleven - year high growth rate remains strong with average headline inflation within comfortable bounds for fiscal year (FY)-2018 and FY-2019. This high growth and low inflation outcome has been accompanied by a higher current account deficit. Along with a high fiscal deficit, this could affect medium-term stability of the economy. However, recent adjustments stemming from greater exchange rate flexibility, active monetary management as well as visible improvements in exports and remittances are expected to bear fruit for medium-term in terms of sustaining the growth momentum without posing a risk to stability.

Consumer Price Index (CPI) inflation has remained moderate during January - February FY-2018, averaging 4.1 % mainly, because of subdued food prices and lower than anticipated increase in house rents. The latter lowered core inflation i.e. non-food-non-energy inflation, from 5.5 % year-on-year (YoY) in December FY-2018 to 5.2 % during January and February FY-2018.

Going forward, a sticky core inflation along with a moderate outlook of food prices amid abundant grain stocks and the recent (January - 2018) increase in policy rate are expected to contain average inflation well below the FY-2018 target of 6.0 % and close to it for FY-2019. This assessment takes into account the lagged impact of exchange rate flexibility and its second round effects (specifically through adjustments in fuel prices), demand pressures, and volatile global oil prices.

Although the full impact of recent exchange rate depreciations on exports and imports is going to unfold gradually in the coming months, financing of the high current account deficit is challenging, as a healthy growth in Foreign Direct Investment (FDI) and higher official inflows were insufficient to finance it completely. Consequently, SBP's foreign exchange reserves declined to USD 11.60 billion as of March 30, 2018. Going forward, along with a focus on narrowing the current account gap, Government's plans to timely mobilize external inflows, both official and commercial, will play a pivotal role in maintaining adequate level of SBP's foreign exchange reserves and anchoring sentiments in the forex market.

After detailed deliberations, the Monetary Policy Committee of SBP was of the view that some time may be allowed for the impact of recent policy developments to unfold and has therefore decided to maintain policy rate at 6.0% for the next two months in its monetary policy decision of March-2018. Earlier, in order to pre-empt overheating of the economy and inflation breaching its target rate, SBP had announced increase in policy rate by 0.25% in its monetary policy decision of January-2018.

Pakistan's equity performance registered improvement during Q1-2018 as the benchmark KSE-100 index increased by 12.57% and stood at 45,560.30 points as of March 31, 2018 as against 40,471.48 points as of December 31, 2017.

CREDIT RATINGS

In June-2017, JCR-VIS Credit Rating Company Limited (JCR-VIS) maintained medium to long-term rating of the Bank at A- (Single A minus), whereas short-term rating of the Bank was maintained at A-1 (A one). Moreover, rating of the TFC issue of the Bank was maintained at A- (SO) (Single A- minus (Structured Obligation)). These ratings have been placed on 'Rating Watch-Developing' status in view of the on-going potential merger with Sindh Bank Limited.

FUTURE OUTLOOK

The Bank is fully prepared to capitalize on the business opportunities available in the market and will continue to focus on its strategy for long-term sustainable growth. To achieve its objectives, the Bank has a well-managed infrastructure, technology platform and trained human resource.

Going forward, the Bank will continue to focus on all the key areas for improvement in results, some of which are as follows:

- Improvement in return on assets and overall quality of portfolio;
- Reduction in Cost of Deposits (CoD) and improvement in current account and saving account (CASA) ratio;
- Improvement in markup and non-markup income stream;
- Continuous improvement and strengthening of capital base;
- Recoveries from non-performing loans and advances;
- Rationalization and reduction of non-earning assets; and
- Identification of areas for cost savings and rationalization.

APPRECIATIONS AND ACKNOWLEDGMENTS

The Board would like to express its appreciation on the efforts of the Management and all employees, while acknowledging the role of the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, other regulators and Federal and Provincial Governments in developing and strengthening the banking and financial services industry.

We would like to take this opportunity to also thank on behalf of the Board and Management of the Summit Bank Limited, the customers and the shareholders for entrusting their confidence in us and assure them that we remain committed to maintaining high service standards and a strong culture of good corporate governance and compliance in all our endeavours.

On Behalf of the Board of Directors

Muhammad Zahir Esmail
President & Chief Executive

Nasser Abdulla Hussain Lootah
Chairman

Date: April 26, 2018
Place: Islamabad

ڈائریکٹرز کی رپورٹ برائے شیئر ہولڈرز 31 مارچ 2018 کو ختم ہونے والی سہ ماہی کیلئے

سمٹ بینک لمیٹڈ (بینک) کے بورڈ آف ڈائریکٹرز کی طرف سے ہم بذریعہ ہذا 31 مارچ 2018 کو ختم ہونے والی سہ ماہی (Q1-2018) کیلئے بینک کے غیر آڈٹ شدہ مختصر عبوری مالی گوشوارہ جات پیش کرتے ہیں۔

کارکردگی کا جائزہ

زیر نظر سہ ماہی کیلئے بینک کی مالیاتی جھلکیوں کا خلاصہ درج ذیل ہے:

ختم ہونے والی سہ ماہی برائے		
31 مارچ 2017ء	31 مارچ 2018ء	
----- (000 روپے میں) -----		
(66,624)	(124,576)	پروویژن اور ڈائریکٹ رائٹ آف سے قبل نقصان
		غیر کارکردگی والے قرضہ جات اور ایڈوانسز کے عوض
34,906	(331,905)	(پروویژن) / پروویژن کارپورسٹل - نیٹ
227,615	-	سرمایہ کاروں کی مالیت میں پروویژن کارپورسٹل - نیٹ
(3,682)	(294)	برے قرضہ جات کا ڈائریکٹ رائٹ آف
192,215	(456,775)	قبل از ٹیکس (نقصان) / منافع
(107,433)	128,509	ٹیکس آمدن / (خرچ)
84,782	(328,266)	بعد از ٹیکس (نقصان) / منافع
0.04	(0.12)	فی شیئر (نقصان) / منافع بیسک (روپے)
0.03	(0.12)	فی شیئر (نقصان) / منافع ڈائریکٹڈ (روپے)
16,956	-	قانونی ریزرو میں منتقلی

زیر جائزہ سہ ماہی (Q1-2018) میں بینک نے 328.27 ملین روپے کا بعد از ٹیکس نقصان درج کیا جبکہ پچھلے سال کی اسی مدت کے دوران 84.78 ملین روپے کا بعد از ٹیکس منافع کمایا تھا۔ Q1-2018 میں نقصان کی بنیادی وجوہات 1) غیر کارکردگی والے قرضہ جات اور ایڈوانسز کے عوض پروویژن ہے جبکہ پچھلے سال اسی مدت کے دوران غیر کارکردگی والے قرضہ جات اور سرمایہ کاروں کے عوض پروویژن کا نیٹ ریورسل تھا، اور 2) زیر جائزہ عرصے کے دوران پچھلے سال کے اسی عرصے کے مقابلے میں غیر مارک اپ آمدنی میں کمی ہیں۔

بینک نے زیر جائزہ سہ ماہی میں غیر کارکردگی والے قرضہ جات کے لیے 331.91 ملین روپے کی پروویژن درج کی جبکہ پچھلے سال اسی مدت کے دوران غیر کارکردگی والے قرضہ جات اور سرمایہ کاریوں کی مالیت کے لیے پروویژن میں بالترتیب 34.91 ملین روپے اور 227.62 ملین روپے کا نیٹ ریورسل تھا۔ Q1-2018 کے دوران کچھ غیر کارکردگی والے قرضہ جات کی تازہ درجہ بندی سے پروویژن پر منفی اثر کے علاوہ قانونی تقاضوں کو پورا کرنے کیلئے ٹائم بیسڈ کرائیٹریا یا (Time Based Criteria) (حالانکہ بینک کے پاس وصولی کے لیے سیکورٹیز کی مکمل ویلیو دستیاب ہے) اور موجودہ NPLs کی درجہ بندی میں گراؤ کی بناء پر مزید پروویژن کی گئی۔ 31 مارچ 2018 کو بینک کے غیر فعال قرضہ جات کا تناسب (مجموعی NPL اور مجموعی قرضوں کا تناسب) 17.67 فیصد رہا جبکہ 31 دسمبر 2017 کو 17.15 فیصد تھا، جہاں بینک کے غیر فعال قرضہ جات بڑھ کر 18,313.93 ملین روپے پر پہنچ گئے جو کہ 31 دسمبر 2017 کو 17,065.58 ملین روپے تھے۔ اس سلسلے میں انتظامیہ ریکوریز کے لیے انتھک کوششیں کر رہی ہے اور ناندہندہ قرض داروں کے ساتھ مستقل بنیادوں پر مذاکرات کر رہی ہے اور امید ہے کہ وہ اپنے واجب الادا قرضہ جات کی ادائیگی بہت جلد شروع کر دیں گے جس سے NPLs اور متعلقہ پروویژنز کی کمی میں مدد ملے گی۔

Q1-2018 کے دوران بینک نے 469.92 ملین روپے کی نان مارک اپ آمدن حاصل کی جو کہ پچھلے سال کی اسی مدت کے دوران حاصل ہونے والی آمدن کے مقابلے میں 25.83 فیصد کمی کو ظاہر کرتی ہے (Q1-2017: 633.57 ملین روپے)۔ اس کمی کی بنیادی وجہ سیکورٹیز (گورنمنٹ سیکورٹیز اور شہریز) کے نیٹ کیپٹل گین میں کمی تھی جو Q1-2018 میں 22.192 ملین روپے رہے جبکہ پچھلے سال اسی مدت میں نیٹ گین 170.80 ملین روپے تھے۔ یہ کمی موجودہ شرح سود اور ایکویٹی مارکیٹ کی صورتحال کی وجہ سے تھی جس نے پچھلے سال کے مقابلے میں اس سال کی اس مدت میں انویسٹمنٹس پر کیپٹل گینز کے کم مواقع فراہم کیے۔ اس کے علاوہ فیس اور کمیشن کی آمدنی میں کمی آئی اور یہ گھٹ کے 257.03 ملین روپے سے 233.53 ملین روپے پر آگئی۔ انتظامیہ تاہم پر امید ہے کہ آگے چل کر فیس اور کمیشن کی آمدنی میں اضافہ حاصل کیا جائے گا اور اس کے لیے مخلصانہ کوششیں جاری ہیں۔ دوسری طرف بینک نے Q1-2018 کے دوران غیر ملکی کرنسی (فوریکس) میں موجود شرح کی تبدیلیوں کا فائدہ اٹھایا اور غیر ملکی کرنسیوں کے لین دین سے اپنی آمدنی میں اضافہ کرنے میں کامیاب رہا، جو کہ Q1-2017 کے دوران 157.73 ملین روپے کی آمدنی کے مقابلے میں Q1-2018 کے دوران 171.52 ملین روپے رہی اور اس طرح سے 8.74 فیصد کی ترقی درج کی۔

Q1-2018 کے دوران بینک کی نیٹ مارک اپ آمدنی میں اضافہ ہوا جو کہ 818.64 ملین روپے رہی جبکہ پچھلے سال اسی مدت میں 757.19 ملین روپے کی آمدنی تھی جو کہ 8.11 فیصد کے اضافے کو ظاہر کرتی ہے۔ انتظامیہ نے بینک کی حکمت عملی پر توجہ مرکوز رکھی اور آمدنی والے اثاثہ جات میں اوسطاً اضافہ حاصل کرنے کے ساتھ ساتھ ڈیپازٹس کے حصول کیلئے کی گئی متاثرہ کوششوں کے ذریعے ڈیپازٹس کی لاگت (CoD) کو بھی قابو میں رکھا۔ یہاں یہ ذکر بھی ضروری ہے کہ Q1-2018 کے دوران بینک کے اوسط ڈیپازٹس Q1-2017 اور Q4-2017 کے مقابلے میں بڑھ گئے جو کہ ایک مثبت رجحان کی عکاسی کرتا ہے۔

انتظامیہ بینک کے غیر مارک اپ اخراجات کو کم کرنے پر مسلسل توجہ مرکوز کر رہی ہے۔ ان کوششوں کی وجہ سے غیر مارک اپ اخراجات Q1-2018 میں کم ہو کر 1,413.13 ملین روپے ہو گئے جو کہ پچھلے سال کے اسی عرصے کے دوران 1,457.39 ملین روپے کے مقابلے میں 3.04 فیصد کمی کو ظاہر کرتے ہیں۔ غیر مارک اپ اخراجات کی مسلسل نگرانی کا ایک میکنیزم موجود ہے جس کا مقصد لاگت کی بچت اور اس میں معقولیت کے مواقع کی نشاندہی کرنا ہے۔ یہ بینک کیلئے مثبت نتائج حاصل کر رہا ہے۔

بینک کے کل اثاثہ جات 31 مارچ 2018 کو 199,951.49 ملین روپے جو کہ 31 دسمبر 2017 کو 233,049.94 ملین روپے تھے اور یہ 14.20 فیصد کمی کی عکاسی کرتے ہیں۔ مجموعی اثاثوں میں یہ کمی بنیادی طور پر ریٹریبلز (T-Bills) میں سرمایہ کاری میں کمی ہے جو مارکیٹ کی موجودہ شرح سود کے منظر نامہ اور T-Bills میں موجود نیٹ ریٹرنز کو مد نظر رکھتے ہوئے کی گئی۔ اس کے نتیجے میں 2018-Q1 کے دوران بینک کی ریپو بورونگز (Repo Borrowings) اور کال بورونگز (Call Borrowings) میں بھی کمی ہوئی۔ اس طرح بینک کی نیٹ اثاثہ جات 31 دسمبر 2017 کے 95,231.06 ملین روپے کے مقابلے میں 31 مارچ 2018 کو 61,286.36 ملین روپے ہو گئیں جو کہ 35.64 فیصد کمی کو ظاہر کرتی ہیں۔ جبکہ بورونگز (Borrowings) 31 دسمبر 2017 کے 67,307.77 ملین روپے کے مقابلے میں 31 مارچ 2018 کو 35,354.44 ملین روپے ہو گئیں جو کہ 47.47 فیصد کمی کو ظاہر کرتی ہیں۔

بینک کے نیٹ ایڈوانسز (Net Advances) 89,299.61 ملین روپے تھے (31 دسمبر 2017 : 85,521.87 ملین روپے) جو کہ 2018-Q1 کے دوران 4.42 فیصد اضافے کو ظاہر کرتے ہیں۔ اس کے علاوہ 31 مارچ 2018 کو بینک کے ڈیپازٹس اضافہ کے ساتھ ساتھ 145,914.60 ملین روپے کی صحت مند سطح پر پہنچ گئے (31 دسمبر 2017 : 145,729.71 ملین روپے)۔

سہ ماہی کے اختتام پر بینک نے 5,509.21 ملین روپے کے نیٹ ڈیفریڈ ٹیکس اثاثہ جات ریکارڈ کیے ہیں۔ یہ مستقبل میں ممکنہ ٹیکس فوائد کے حصول کے بارے میں انتظامیہ کی توقعات کو ظاہر کرتے ہیں۔ ہم پر امید ہیں کہ بینک ان اثاثوں کا فائدہ اٹھائے گا۔ ٹیکس کی اپ ڈیٹڈ پوزیشن کے تحت 2018-Q1 کے دوران ڈیفریڈ ٹیکس آمدن 169.34 ملین روپے رہی جبکہ پچھلے سال اسی مدت کے دوران 77.74 ملین روپے کا ڈیفریڈ ٹیکس خرچ ریکارڈ کیا گیا تھا۔

حکمت عملی کے اقدامات

بینک کم از کم کیپٹل کی لاگو شرائط سے ہم آہنگی حاصل کرنے کیلئے تمام ضروری اقدامات اٹھا رہا ہے۔ 31 مارچ 2018 کو بینک کا ادا شدہ کیپٹل (خسارے کے بعد) (paid up capital (net of losses))، کیپٹل ایڈیوکیٹی کا تناسب (capital adequacy ratio) اور لیوریج کا تناسب (leverage ratio) بینک دولت پاکستان کی جانب سے مجوزہ سطح سے نیچے تھے۔ اس سلسلے میں بینک نے ایک بزنس پلان تشکیل دیا ہے جس کے مقاصد میں بینک کے کیپٹل کو بڑھانا، خطرات سے نمٹنے کی صلاحیت میں اضافہ کرنا اور بینک کی ترقی کیلئے اقدامات کی حوصلہ افزائی کرنا شامل ہے۔

اسکے علاوہ، بینک نے سمٹ بینک لمیٹڈ کے سندھ بینک لمیٹڈ میں مکمل انضمام کیلئے جائزے کی مشق (Due Diligence exercise) کا اہتمام کیا تھا۔ سندھ بینک لمیٹڈ نے بھی اسی طرح کی جائزہ مشق کا اہتمام کیا تھا۔ تفصیلی جائزے کے بعد، دونوں بینکوں کے بورڈ آف ڈائریکٹرز نے سمٹ بینک لمیٹڈ کے سندھ بینک لمیٹڈ کیساتھ انضمام کی اسکیم کی منظوری دی۔ دونوں بینکوں کے شیئر ہولڈرز نے بھی اس اسکیم کی منظوری دی جس کے بعد اسٹیٹ بینک آف پاکستان (SBP) سے اسکیم کی منظوری کی درخواست دائر کی گئی تھی۔ اس سلسلے میں انتظامیہ فی الحال مختلف ضروریات / امور کو SBP کے طرف سے دی گئی ہدایت کی روشنی میں مکمل کرنے میں مصروف عمل ہے۔ ان اقدامات میں شامل سندھ بینک لمیٹڈ کے 31 دسمبر 2017 کے آڈٹ شدہ مالیاتی گوشواروں کے تحت جائزے کی مشق کا عمل جاری ہے جس کے بعد بورڈ آف ڈائریکٹرز اور شیئر ہولڈرز سے تجویز شدہ اسکیم پر منظوری لی جائے گی جو کہ قابل اطلاق ریگولیٹری منظوریوں (جس میں SBP کی منظوری بھی شامل ہے) اور معزز سپریم

کورٹ آف پاکستان (معزز عدالت) کی کلیرنس سے مشروط ہوگی۔ سندھ بینک لمیٹڈ بھی SBP کی طرف سے دی گئی ہدایت کی روشنی میں اسی طرح کے اقدامات کر رہا ہے۔ بینک کا سندھ بینک لمیٹڈ کیساتھ مجوزہ انضمام بینک اور اسکے اسٹیک ہولڈرز کیلئے ترقی کی نئی سطح کے حصول میں مدد، دونوں بینکوں کے مشترکہ فوائد سے مستفید ہونے اور کم از کم کیپٹل کی تمام لاگو شدہ شرائط (minimum capital requirements) سے ہم آہنگی حاصل کرنے کے مقاصد پر مبنی ہے۔

ہم پر اعتماد ہیں کہ کم از کم سرمائے کی لاگو شرائط کی برنس پلان پر عملدرآمد اور ممکنہ انضمام کی ٹرانزیکشن کی تکمیل کے ذریعے تعمیل کر لی جائے گی (جو کہ قابل اطلاق ریگولیٹری منظور یوں اور معزز عدالت کی کلیرنس سے مشروط ہے) اور اس مقصد کیلئے انتظامیہ تمام ضروری اقدامات کر رہی ہے۔ مزید برآں، بینک کے اسپانسر نے اس بات کا عزم کیا ہے کہ جب بھی بینک کے بورڈ آف ڈائریکٹرز نے فیصلہ کیا تو وہ کیپٹل کی کسی بھی کمی کو پورا کریگا۔

اسلامی بینکاری

بینک نے حکمت عملی کے مطابق زیر جائزہ سہ ماہی کے دوران اسلامک بینکنگ کے پورٹ فولیو میں اضافہ کے تسلسل کو جاری رکھا۔ 31 مارچ 2018 کے دوران اسلامی بینکاری کے مجموعی ڈپازٹس 23,966.69 ملین روپے پر پہنچ گئے جو کہ 31 دسمبر 2017 کو 22,549.25 ملین روپے تھے اور یہ Q1-2018 کے دوران 6.29 فیصد اضافے کو ظاہر کرتے ہیں۔ اس طرح اسلامی نیٹ فنانسنگ اور متعلقہ اثاثہ جات سہ ماہی کے اختتام پر 11,629.08 ملین روپے پر پہنچ گئے جو 31 دسمبر 2017 کو 10,779.55 ملین روپے تھے، اس طرح سہ ماہی کے دوران 7.88 فیصد کا اضافہ درج کیا گیا۔ اسلامی بینکاری کے تحت بینک کی سرمایہ کاری (انویسٹمنٹ) کا پورٹ فولیو 31 مارچ 2018 کو 5,737.99 ملین روپے تھا (31 دسمبر 2017: 5,860.69 ملین روپے)۔

بینک کا اسلامک بینکنگ نیٹ ورک 14 مکمل اسلامی بینکنگ شاخوں اور 35 اسلامک بینکنگ ونڈوز پر مشتمل ہے۔ اس طرح پاکستان کے 28 شہروں میں مجموعی طور پر 49 شاخیں اسلامک بینکنگ کی خدمات فراہم کر رہی ہیں۔ الحمد للہ! گلگت بلتستان سمیت ملک کے پانچوں صوبوں میں بینک کی اسلامک بینکاری کے آپریشنز جاری ہیں۔

بینک کے اپنے موجودہ اور نئے صارفین کی ضروریات پوری کرنے کیلئے قرضہ جات اور اثاثہ جات دونوں کی صورت میں شریعت سے ہم آہنگ پروڈکٹس کی ایک وسیع رینج پیش کر رہا ہے۔ اس کے علاوہ، بینک اپنے ملازمین کی بہتری کیلئے سرمایہ کاری کے اصول پر بھی کاربند ہے اور ملازمین کی اسلامی بینکاری کی معلومات کو مستحکم بنانے کیلئے اسلامی بینکاری سے متعلق مہارت فراہم کر رہا ہے۔

معاشی تجزیہ

تازہ ترین معاشی علامات سے پتا چلتا ہے کہ ملک کے گیارہ سال کی بلند ترین شرح نمو حاصل کرنے کے امکانات مضبوط ہیں جبکہ اوسط عمومی مہنگائی مالی سال 18ء اور مالی سال 19ء کے لیے مناسب حدود میں رہے گی۔ اس بلند نمو اور کم مہنگائی کے نتیجے کے ہمراہ بلند جاری کھاتے کا خسارہ دیکھنے میں آیا ہے۔ یہ خسارہ اس کے ساتھ بلند مالیاتی خسارہ معیشت کے وسط مدتی استحکام پر منفی اثر مرتب کر سکتا ہے۔ تاہم توقع ہے کہ شرح مبادلہ کی زیادہ چلک سے پیدا ہونے والی حالیہ ردوبدل، فعال انتظام زریز برآمدت اور ترسیلات زر میں نمایاں بہتری استحکام کے لیے خطرہ بنے بغیر وسط

مدت میں نمو کی موزوں رفتار قائم رکھنے کے لحاظ سے شمار آور ثابت ہو سکیں گی۔

جنوری تا فروری مالی سال 18ء میں مہنگائی بلحاظ صارف اشاریہ قیمت (CPI) خاصی معتدل رہی ہے اور اوسطاً 4.1 فیصد رہی۔ اس کی بڑی وجہ کم غذائی قیمتیں اور مکانات کے کرائے میں توقع سے کم اضافہ تھا۔ موخر الذکر نے قوزی مہنگائی، یعنی غیر غذائی غیر توانائی مہنگائی، کو گھٹا دیا اور دسمبر مالی سال 18ء میں 5.5 فیصد (سال بسال) کم ہو کر جنوری اور فروری مالی سال 18ء کے دوران 5.2 فیصد ہو گئی۔ آگے چل کر، نچمد (Sticky) قوزی مہنگائی کے ساتھ غذائی اشیاء کی معتدل قیمتیں اور ان کے ہمراہ اناج کا وافر اسٹاک اور جنوری مالی سال 18ء میں پالیسی ریٹ میں اضافہ، یہ سب مل کر متوقع طور پر اوسط مہنگائی کو مالی سال 18ء کے مہنگائی کے ہدف 6 فیصد سے نیچے اور مالی سال 19ء میں ہدف کے قریب رکھیں گے۔ اس تجربے میں تاہم شرح مبادلہ کی چلک کے موخر اثر اور اسکے دو رفتانی کے اثرات (خصوصاً ایندھن کی قیمتوں میں رد و بدل کے توسط سے)، طلبی دباؤ اور تیل کی متغیر عالمی قیمتوں کو پیش نظر رکھا گیا ہے۔

اگرچہ برآمدات اور درآمدات پر شرح مبادلہ میں حالیہ کمی کا مکمل اثر آئندہ مہینوں میں بتدریج سامنے آنے کا تاہم بلند جاری کھاتے کے خسارے کو پورا کرنا دشوار ہو گیا ہے کیونکہ بیرونی براہ راست سرمایہ کاری کی بھرپور نمو اور بلند سرکاری رقوم کی آمد سے پورا کرنے کیلئے نا کافی تھی۔ نتیجے کے طور پر 30 مارچ 2018ء تک اسٹیٹ بینک کے زرمبادلہ کے ذخائر کم ہو کر 11.60 بلین امریکی ڈالر ہو گئے۔ آگے چل کر جاری کھاتے کے فرق کو کم کرنے پر توجہ کے علاوہ سرکاری اور تجارتی دونوں قسم کی بیرونی رقوم کے بروقت حصول کے منصوبے اسٹیٹ بینک کے زرمبادلہ کے ذخائر کی کافی سطح کو قائم رکھنے اور بازار مبادلہ میں احساسات کو قابو میں رکھنے میں اہم کردار ادا کریں گے۔

مارچ 2018 میں تفصیلی جائزے کے بعد اسٹیٹ بینک کی زری پالیسی کمیٹی کا نقطہ نظر یہ تھا کہ حالیہ پالیسی تبدیلیوں کے اثرات کو سامنے آنے کا وقت دیا جائے چنانچہ پالیسی ریٹ کو اگلے دو ماہ کیلئے 6.0 فیصد پر قائم کرنے کا فیصلہ کیا گیا۔ اس سے پہلے بینک دولت پاکستان نے جنوری 2018 کے زری پالیسی کے فیصلے میں پالیسی ریٹ کو 0.25 فیصد بڑھا یا تھا تا کہ معیشت کو اوور ہیٹنگ سے بچایا جائے اور مہنگائی کو ہدف کی شرح سے تجاوز نہ ہونے دیا جائے۔

پاکستان کی ایکویٹی مارکیٹ میں Q1-2018 میں بہتری آئی اور Benchmark KSE-100 انڈیکس 12.57 فیصد سے بڑھ کر 31 دسمبر 2017 کے 40,471.48 پوائنٹس کے مقابلے میں 31 مارچ 2018 کو 45,560.30 پوائنٹس پر بند ہوا۔

کریڈٹ ریٹنگ

جون 2017ء میں، JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے بینک کی درمیانی سے طویل المیعاد ریٹنگ A-(سنگل A منس) اور قلیل المیعاد ریٹنگ A-1(A-ون) کو برقرار رکھا۔ اس کے علاوہ بینک کے ٹی ایف سی (TFC) کی ریٹنگ کو A-(SO) (سنگل A منس) (Structured Obligation) پر برقرار رکھا۔ ان ریٹنگز کو سندھ بینک لمیٹڈ کیساتھ ہونے والے ممکنہ انضمام کے پیش نظر ریٹنگ واچ۔ ڈیولپنگ (Rating Watch-Developing) اسٹیٹس پر رکھا گیا ہے۔

مستقبل کا نقطہ نظر

بینک مارکیٹ میں دستیاب کاروباری مواقع سے فائدہ اٹھانے کیلئے مکمل طور پر تیار ہے اور اپنی طویل المیعاد پائیدار ترقی کی حکمت عملی پر توجہ کے تسلسل کو برقرار رکھے گا۔ اس مقصد کے حصول کیلئے بینک کے پاس بہترین اور منظم انفراسٹرکچر، ٹیکنالوجی پلیٹ فارم اور تربیت یافتہ ہیومن ریسورس موجود ہے۔

آگے بڑھتے ہوئے، بینک نتائج کی بہتری کیلئے تمام اہم شعبوں پر توجہ مرکوز رکھے گا، جن میں چند درج ذیل ہیں:

- اثاثوں پر منافع اور پورٹ فولیو کے مجموعی معیار میں بہتری،
- ڈپازٹس کی لاگت (CoD) میں کمی اور کرنٹ اکاؤنٹ اور سیونگ اکاؤنٹ (CASA) کے تناسب میں بہتری،
- مارک اپ اور غیر مارک اپ آمدنی میں اضافہ،
- کیپٹل بیس میں مسلسل بہتری اور استحکام،
- غیر فعال قرضہ جات اور ایڈوانسز کی مد میں وصولیاں،
- غیر منافع بخش اثاثہ جات میں معقولیت اور کمی؛ اور
- لاگت میں بچت اور معقولیت کے مواقعوں کی نشاندہی۔

تعریفیں اور توثیق

بورڈ اپنی انتظامیہ اور ملازمین کی کاوشوں کو سراہتے ہوئے بینک دولت پاکستان، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، دیگر ریگولیٹرز اور وفاقی اور صوبائی حکومتوں کے کردار کو بھی تسلیم کرتا ہے جو کہ انہوں نے بینکنگ اور مالیاتی خدمات کی صنعت کو مضبوط کرنے میں ادا کیا ہے۔ ہم اس موقع پر سمٹ بینک لمیٹڈ کے بورڈ اور انتظامیہ کی جانب سے صارفین اور شیئرز ہولڈرز کا بھی شکریہ ادا کرتے ہیں جنہوں نے ہم پر بھروسے کا اظہار کیا اور ہم انہیں یقین دلاتے ہیں کہ سروس کے اعلیٰ معیار کو برقرار رکھنے کیلئے پرعزم ہیں اور بہترین کارپوریٹ گورننس اور کمپلائنس کے بہتر ماحول کو برقرار رکھنے کیلئے عمل پیرا ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

ناصر عبداللہ حسین لوتھا
چیئرمین

محمد ظہیر اسماعیل
صدر اور چیف ایگزیکٹو

تاریخ: 26 اپریل 2018
مقام: اسلام آباد



UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED
MARCH 31, 2018



**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018**

		Un-audited March 31, 2018	Audited December 31, 2017
	Note	----- (Rupees in `000) -----	
ASSETS			
Cash and balances with treasury banks		13,214,184	13,556,723
Balances with other banks		2,305,607	2,440,333
Lendings to financial institutions		8,460,778	10,671,003
Investments	7	61,286,358	95,231,064
Advances	8	89,299,612	85,521,870
Operating fixed assets	9	12,675,950	12,664,584
Deferred tax assets - net		5,509,208	5,376,969
Other assets		7,199,794	7,587,390
		199,951,491	233,049,936
LIABILITIES			
Bills payable		2,731,023	3,065,379
Borrowings		35,354,443	67,307,766
Deposits and other accounts	10	145,914,602	145,729,707
Sub-ordinated loans		1,495,860	1,495,860
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		3,652,029	4,416,699
		189,147,957	222,015,411
NET ASSETS		10,803,534	11,034,525
REPRESENTED BY			
Share capital		26,381,510	26,381,510
Reserves		(6,306,359)	(6,306,359)
Accumulated losses		(10,835,451)	(10,535,568)
		9,239,700	9,539,583
Surplus on revaluation of assets - net of tax		1,563,834	1,494,942
		10,803,534	11,034,525

CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial
Officer

President &
Chief Executive

Director

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**UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

		March 31, 2018	March 31, 2017
	Note	----- (Rupees in `000) -----	
Mark-up / return / interest earned		2,843,713	2,533,585
Mark-up / return / interest expensed		<u>(2,025,077)</u>	<u>(1,776,392)</u>
Net mark-up / interest income		818,636	757,193
(Provision) / reversal of provision against non-performing loans and advances - net	8.2.1	<u>(331,905)</u>	34,906
Reversal of provision for diminution in the value of investment - net	7.2	-	227,615
Bad debts written off directly		<u>(294)</u>	<u>(3,682)</u>
		<u>(332,199)</u>	<u>258,839</u>
Net mark-up / interest income after provisions		486,437	1,016,032
NON MARK-UP / INTEREST INCOME			
Fee, commission and brokerage income		233,531	257,028
Dividend income		3,585	4,496
Income from dealing in foreign currencies		171,517	157,726
Gain on sale of securities - net		22,192	170,799
Gain on disposal of operating fixed assets - net		743	24,969
Unrealised loss on revaluation of investments classified as held-for-trading - net		<u>(8,042)</u>	<u>(11,987)</u>
Other income		<u>46,395</u>	<u>30,539</u>
Total non-mark-up / interest income		<u>469,921</u>	<u>633,570</u>
		956,358	1,649,602
NON MARK-UP / INTEREST EXPENSES			
Administrative expenses		<u>(1,395,977)</u>	<u>(1,449,667)</u>
Other provisions / write-offs		<u>(3,828)</u>	<u>(107)</u>
Other charges		<u>(13,328)</u>	<u>(7,613)</u>
Total non-mark-up / interest expenses		<u>(1,413,133)</u>	<u>(1,457,387)</u>
		<u>(456,775)</u>	<u>192,215</u>
Extra ordinary / unusual items		-	-
(LOSS) / PROFIT BEFORE TAXATION		<u>(456,775)</u>	<u>192,215</u>
Taxation			
Current		<u>(40,826)</u>	<u>(29,692)</u>
Prior years		-	-
Deferred		<u>169,335</u>	<u>(77,741)</u>
		<u>128,509</u>	<u>(107,433)</u>
(LOSS) / PROFIT AFTER TAXATION		<u>(328,266)</u>	<u>84,782</u>
		----- (Rupee) -----	
Basic (loss) / earnings per share	12.1	<u>(0.12)</u>	<u>0.04</u>
Diluted (loss) / earnings per share	12.2	<u>(0.12)</u>	<u>0.03</u>

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

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**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

	March 31, 2018	March 31, 2017
	----- (Rupees in `000) -----	
(Loss) / profit after taxation for the period	(328,266)	84,782
Other comprehensive income	-	-
Total comprehensive (loss) / income for the period transferred to equity	(328,266)	84,782
Components of comprehensive income / (loss) not reflected in equity		
Surplus / (deficit) on revaluation of 'available for-sale securities - net of tax' *	89,348	(10,564)
Surplus on revaluation of 'operating fixed assets - net of tax' and 'non banking assets - net of tax'**	-	-
Total comprehensive (loss) / income for the period	(238,918)	74,218

* Surplus/ (deficit) on revaluation of 'Available-for-sale securities - net of tax' has been shown in the Statement of Comprehensive Income in order to comply with the revised "Prudential Regulations for Corporate/Commercial Banking" issued by the State Bank of Pakistan vide BPRD Circular No. 06 of 2014 on June 26, 2014.

** Surplus on revaluation of 'operating fixed assets - net of tax' and 'non banking assets - net of tax' is presented under a separate head below equity as 'surplus on revaluation of assets - net of tax' in accordance with the disclosure format for quarterly/interim financial statements of banks as prescribed by SBP vide BSD Circular letter No. 2 of May 12, 2004 and Regulations for Debt Property Swap issued vide BPRD Circular No. 1 dated January 01, 2016.

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

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**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

	March 31, 2018	March 31, 2017
----- (Rupees in `000) -----		
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(456,775)	192,215
Less: Dividend income	(3,585)	(4,496)
	(460,360)	187,719
Adjustments:		
Depreciation on operating fixed assets	174,406	173,861
Depreciation on non banking assets	11,977	5,557
Amortization	15,207	15,356
Provision / (reversal of provision) against non-performing loans and advances - net	331,905	(34,906)
Bad debts written off directly	294	3,682
Other provisions / write offs made	3,828	107
Reversal of provision for diminution in the value of investments - net	-	(227,615)
Unrealised loss on revaluation of investments classified as held-for-trading - net	8,042	11,987
Gain on sale of non banking assets - net	(19,973)	(300)
Gain on sale of operating fixed assets - net	(743)	(24,969)
	524,943	(77,240)
	64,583	110,479
(Increase) / decrease in operating assets		
Lendings to financial institutions	2,210,225	(5,723,734)
Held-for-trading securities	(34,205)	277,892
Advances	(4,109,941)	(663,729)
Other assets (excluding taxation) - net	41,536	2,832,982
	(1,892,385)	(3,276,589)
Increase / (decrease) in operating liabilities		
Bills payable	(334,356)	(1,776,200)
Borrowings	(32,414,050)	(3,189,942)
Deposits and other accounts	184,895	(5,330,212)
Other liabilities	(764,670)	465,266
	(33,328,181)	(9,831,088)
Income taxes paid	(35,155,983)	(12,997,198)
	(41,356)	(31,345)
Net cash outflow from operating activities	(35,197,339)	(13,028,543)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	34,108,327	12,927,297
Dividend received	4,317	323
Investment in operating fixed assets	(205,302)	(236,239)
Sale proceeds of property and equipment - disposed off	2,005	34,034
Sale proceeds of non banking assets - disposed off	350,000	3,100
Net cash inflow from investing activities	34,259,347	12,728,515
CASH FLOW FROM FINANCING ACTIVITIES		
Net cash inflow / (outflow) from financing activities	-	-
Decrease in cash and cash equivalents	(937,992)	(300,028)
Cash and cash equivalents at beginning of the period	15,963,745	15,365,291
Cash and cash equivalents at end of the period	15,025,753	15,065,263

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

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UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018



	Capital Reserves					Revenue Reserve		Grand Total		
	Share capital	Convertible preference shares	Advance against subscription of shares	Share premium	Discount on issue of shares	Statutory reserve	Reserve arising on amalgamation		Accumulated losses	Total Reserves
	(Rupees in '000)									
	17,786,663	2,155,959	1,854,870	1,000,000	(1,297,298)	154,162	(1,579,205)	(9,515,201)	(11,237,542)	10,593,950
Balance as at January 01, 2017 (Audited)										
Total comprehensive income for the period										
Profit after taxation for the three months period ended March 31, 2017	-	-	-	-	-	-	-	84,782	84,782	84,782
Other comprehensive income	-	-	-	-	-	-	-	84,782	84,782	84,782
Transfer from surplus on revaluation of operating fixed assets	-	-	-	-	-	-	-	28,240	28,240	28,240
Transfer to statutory reserve	-	-	-	-	-	16,956	-	(16,956)	-	-
Balance as at March 31, 2017 (Un-audited)	17,786,663	2,155,959	1,854,870	1,000,000	(1,297,298)	171,118	(1,579,205)	(9,419,135)	(11,124,520)	10,672,972
Total comprehensive loss for the period										
Loss after taxation for the nine months period ended December 31, 2017	-	-	-	-	-	-	-	(1,231,271)	(1,231,271)	(1,231,271)
Other comprehensive income	-	-	-	-	-	-	-	12,683	12,683	12,683
Transfer from surplus on revaluation of operating fixed assets	-	-	-	-	-	-	-	(1,218,538)	(1,218,538)	(1,218,538)
Transfer from statutory reserve	-	-	-	-	-	(16,956)	-	16,956	-	-
Issue of shares upon conversion of preference shares	6,739,977	(2,155,959)	-	-	(4,584,018)	-	-	-	(4,584,018)	-
Shares issued during the year	1,854,870	-	(1,854,870)	-	-	-	-	-	-	-
Balance as at December 31, 2017 (Audited)	26,381,510	-	-	1,000,000	(5,881,316)	154,162	(1,579,205)	(10,535,568)	(16,841,927)	9,539,383
Total comprehensive loss for the period										
Loss after taxation for the three months period ended March 31, 2018	-	-	-	-	-	-	-	(328,266)	(328,266)	(328,266)
Other comprehensive income	-	-	-	-	-	-	-	(328,266)	(328,266)	(328,266)
Transfer from surplus on revaluation of operating fixed assets	-	-	-	-	-	-	-	28,383	28,383	28,383
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2018 (Un-audited)	26,381,510	-	-	1,000,000	(5,881,316)	154,162	(1,579,205)	(10,835,451)	(17,141,810)	9,239,700

The annexed notes from 1 to 19 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

President & Chief Executive

Director

Director

Director

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

1. STATUS AND NATURE OF BUSINESS

- 1.1** Summit Bank Limited (the Bank) was incorporated in Pakistan as public company limited by shares on December 09, 2005 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). It is listed on Pakistan Stock Exchange Limited. The Registered office of the Bank is situated at Plot No. 9-C, F-6 Markaz, Supermarket, Islamabad, Pakistan. The Bank is a subsidiary of Suroor Investments Limited, a company incorporated in Mauritius.
- 1.2** The Bank is principally engaged in the business of banking through its 193 branches including 14 Islamic Banking Branches (December 31, 2017: 193 Branches including 14 Islamic Banking Branches) in Pakistan as defined in the Banking Companies Ordinance, 1962. In June 2017, JCR-VIS Credit Rating Company Limited has maintained the Bank's medium to long-term rating at 'A - (Single A minus)' and short-term rating at 'A-1 (A-one)'. Moreover, Bank's TFC rating has been maintained at 'A-(SO)' (Single A minus (Structured Obligation)). These ratings have been placed on 'Rating Watch-Developing' status in view of the ongoing potential merger with Sindh Bank Limited.
- 1.3** 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 11.275% (inclusive of Capital Conservation Buffer of 1.275%) and Leverage Ratio (LR) at 3.00 % as of March 31, 2018. The paid up capital of the Bank (net of losses), CAR and LR as of March 31, 2018 were below the prescribed levels and stood at Rs. 9.086 billion, 4.64% and 1.67 % respectively.

The management of the Bank is taking various steps to comply with applicable minimum capital requirements. In this respect, a business plan has been put in place which has been approved by the Board of Directors and aims to improve the Bank's capital base and risk absorption capacity and provide impetus to its future growth initiatives. The management is confident that if the growth factors and other key assumptions stipulated in the business plan materialize, the Bank will be able to achieve the profitability projections and compliance with applicable minimum capital requirements. The key assumptions considered in the business plan are as follows:

- Continued support from its sponsor which is evident from the capital injections by the sponsor in the past;
- Market sentiments and the expected growth of Islamic finance in Pakistan which will benefit the Bank since it is in the process of conversion to a full-fledged Islamic Bank;
- Expected recoveries from non-performing advances in the future resulting in reversals of provisions in the ensuing years; and
- Expected improvement in the results through targeted income generating avenues for mark-up income, non-markup income etc.

Furthermore, on November 21, 2016 the Board of Directors of the Bank had decided to evaluate the potential merger/amalgamation option with Sindh Bank Limited. The SBP allowed the Bank to conduct due diligence of Sindh Bank Limited vide its letter dated December 27, 2016 and similar approval was accorded to Sindh Bank Limited for conducting due diligence of the Bank. After completion of the due diligence exercise and in light of the decisions made by the Board of Directors of Summit Bank Limited on the matter, the requisite majority of the shareholders of the Bank in their extraordinary general meeting held on November 07, 2017 gave approval for the proposed amalgamation of the Bank with and into Sindh Bank Limited, subject to all regulatory approvals,

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

including approval of the State Bank of Pakistan. The shareholders also approved the draft Scheme of amalgamation of the Bank with and into Sindh Bank Limited (Scheme) in that meeting, subject to any modifications in the Scheme as may be required by SBP. The management had applied to SBP under section 48 of the Banking Companies Ordinance, 1962 for approval of Scheme. In light of the advice given by SBP on the matter, the Bank is taking all the necessary steps for obtaining approval of the SBP for earliest completion of the proposed amalgamation. These steps include but are not limited to updating the due diligence exercise/work based on the latest financial position of Sindh Bank Limited as of December 31, 2017, for which necessary work is currently underway. This will be followed by necessary approvals of the Board of Directors and Shareholders of Bank on the revised scheme of amalgamation, subject to applicable regulatory approvals (including approval of SBP) and clearance/orders of the Honorable Supreme Court of Pakistan. Pursuant to the Suo-Motu case by the Honorable Supreme Court of Pakistan (Honorable Court) on the ongoing proposed merger transaction, Honorable Court vide its interim order has directed both the Banks (Summit Bank Limited and Sindh Bank Limited) that no final merger shall take place till further orders of the Honorable Court.

In view of the Bank's status of compliance with the applicable minimum capital requirements, SBP vide its letter dated March 05, 2018 advised the Bank to provide a contingent capital restoration plan by March 30, 2018 which was duly submitted by the Bank vide letter dated March 15, 2018. In light of that plan, SBP vide its letter dated April 04, 2018 has advised the Bank to provide a firm commitment from the sponsor - Suroor Investments Limited to inject the required amount of capital (by July 30, 2018) in case the option of proposed merger does not materialize by June 30, 2018. In this regard, the Bank's management is confident that compliance with applicable regulatory capital requirements would be achieved through the materialization of business plan and completion of proposed amalgamation transaction (subject to applicable regulatory approvals and clearance/orders of the Honorable Court) and taking all the necessary steps for the same. Furthermore, the Bank's sponsor has committed to meet any capital shortfall of the Bank as and when decided by the Board of Directors of the Bank.

2. BASIS OF PRESENTATION

- 2.1** In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing comprise of purchase of goods by banks from their customers and resale to them at appropriate mark-up in price on deferred payment basis. The purchase and sale arising under these arrangements are not reflected in these unconsolidated condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon. The Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards issued by The Institute of Chartered Accountants of Pakistan (ICAP) and notified under the provisions of the Companies Act, 2017.
- 2.2** The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the State Bank of Pakistan through BSD Circular Letter No. 2 dated May 12, 2004 and the requirements of the International Accounting Standard 34, "Interim Financial Reporting". These do not include all of the information required for the full set of annual financial statements and should be read in conjunction with the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2017.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

- 2.3** The financial results of the Islamic Banking operations of the Bank have been included in these unconsolidated condensed interim financial statements for reporting purposes, after eliminating material inter-branch transactions / balances. Key financial figures of the Islamic Banking operations are also separately disclosed in note 17 to these unconsolidated condensed interim financial statements.
- 2.4** These unconsolidated condensed interim financial statements of the Bank are being submitted to the shareholders in accordance with the requirements of the Companies Act, 2017.

3. STATEMENT OF COMPLIANCE

- 3.1** These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standard as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board; Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; provisions of and the directives issued under the Companies Act, 2017, the Banking Companies Ordinance, 1962, and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). Wherever the requirements of provisions and directives issued under the Companies Act, 2017, the Banking Companies Ordinance, 1962, the IFASs notified under the Companies Act, 2017 and the directives issued by the SECP and the SBP differ from the requirements of the IFRSs, the provisions and the directives issued under the Companies Act, 2017, the Banking Companies Ordinance, 1962, IFASs notified under the Companies Act, 2017 and the directives issued by SECP and SBP prevail.
- 3.2** The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Moreover, SBP vide BPRD Circular No. 4, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' for banks through its notification S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.
- 3.3** These unconsolidated condensed interim financial statements represent the separate condensed interim financial statements of the Bank. The consolidated condensed interim financial statements of the Bank and its subsidiary company are presented separately.

4. BASIS OF MEASUREMENT

- 4.1** These unconsolidated condensed interim financial statements have been prepared under the historical cost convention, except that certain operating fixed assets and certain non-banking assets have been stated at revalued amounts and certain investments and derivative financial instruments have been stated at fair value.
- 4.2** These unconsolidated condensed interim financial statements have been presented in Pakistani Rupee, which is Bank's functional and presentation currency.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 5.1** The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2017, except for the following:

Surplus on revaluation of fixed assets - net of tax

With effect from January 01, 2018 the new Companies Act, 2017 is applicable on all companies. This Act does not prescribe any specific treatment for the accounting of surplus/(deficit) arising on revaluation of operating fixed assets which was previously accounted for under provisions of section 235 of the repealed Companies Ordinance, 1984 ("the repealed ordinance"). Therefore, now accounting for surplus/(deficit) on operating fixed asset is to be done in accordance with the requirements stipulated in the International Accounting Standard 16 – "Property, Plant and Equipment" (IAS-16). As per IAS-16, deficit on revaluation of an asset can only be offset against a previously recognized surplus of the same asset. Previously, under the repealed ordinance this deficit was allowed to be set-off against the surplus of another asset within the same category of operating fixed assets. Accordingly, any deficit that arises on a particular fixed asset against which there is no previously recognized surplus, such deficit would be charged to the profit and loss account. As this is a change in accounting policy, the change is to be applied retrospectively as per the International Accounting Standard 8 – "Accounting Policies, Changes in Accounting Estimates and Errors". However, this change in accounting policy does not have impact on these unconsolidated condensed interim financial statements of the Bank.

Furthermore, as per the requirements prescribed in IAS-16, the surplus on operating fixed assets is to be disclosed as part of equity. However, SBP through its BSD circular letter No. 2 dated May 12, 2004 has prescribed a format for the interim financial reporting of banks which requires the surplus/(deficit) on revaluation of assets to be disclosed in a separate account below equity i.e. "surplus/(deficit) on revaluation of assets- net of tax". Therefore, Bank has followed the presentation format as applicable to the banks in Pakistan and disclosed the surplus on revaluation of operating fixed assets - net of tax in a separate head below equity.

- 5.2** The financial risk management objectives and policies are consistent with those disclosed in the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2017.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of unconsolidated condensed interim financial statements in conformity with approved accounting standards requires certain judgments, accounting estimates and assumptions. It also requires the management to exercise its judgment in the process of applying the Bank's accounting policies. These estimates and associated assumptions are continually evaluated and are based on historical experience, statutory requirements and other factors considered reasonable in the circumstances. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The basis for significant accounting estimates and judgments adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2017.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

7. INVESTMENTS

	Note	March 31, 2018 (Un-audited)			December 31, 2017 (Audited)		
		Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
----- (Rupees in '000) -----							
7.1 Investments by types:							
Held-for-trading securities							
Ordinary shares - listed		93,691	-	93,691	75,371	-	75,371
Available-for-sale securities							
Market treasury bills		10,660,294	27,345,568	38,005,862	22,230,144	49,608,440	71,838,584
Pakistan investment bonds		13,147,086	-	13,147,086	2,787,576	10,574,058	13,361,634
GoP ijarah sukuku		4,785,465	-	4,785,465	4,793,854	-	4,793,854
Ordinary shares - Listed		4,197,322	52,510	4,249,832	4,189,781	52,510	4,242,291
Ordinary shares - Unlisted		2,830	-	2,830	2,830	-	2,830
Units of open end mutual funds - Listed		87,861	-	87,861	87,861	-	87,861
Preference shares - Unlisted		46,035	-	46,035	37,056	-	37,056
Term finance certificates - Listed		17,266	-	17,266	17,266	-	17,266
Term finance certificates - Unlisted		1,594,732	-	1,594,732	1,594,732	-	1,594,732
Sukuku		1,836,755	-	1,836,755	1,905,943	-	1,905,943
		<u>36,375,646</u>	<u>27,398,078</u>	<u>63,773,724</u>	<u>37,647,043</u>	<u>60,235,008</u>	<u>97,882,051</u>
Subsidiary							
Ordinary shares - Unlisted		396,942	-	396,942	396,942	-	396,942
Investments at cost		<u>36,866,279</u>	<u>27,398,078</u>	<u>64,264,357</u>	<u>38,119,356</u>	<u>60,235,008</u>	<u>98,354,364</u>
Less: Provision for diminution in the value of investments	7.2 & 7.3	(1,887,146)	-	(1,887,146)	(1,887,146)	-	(1,887,146)
Investments - net of provisions		<u>34,979,133</u>	<u>27,398,078</u>	<u>62,377,211</u>	<u>36,232,210</u>	<u>60,235,008</u>	<u>96,467,218</u>
Deficit on revaluation of held-for-trading securities		(8,042)	-	(8,042)	(15,885)	-	(15,885)
Deficit on revaluation of available-for-sale securities		(1,058,147)	(24,664)	(1,082,811)	(1,071,134)	(149,135)	(1,220,269)
		<u>33,912,944</u>	<u>27,373,414</u>	<u>61,286,358</u>	<u>35,145,191</u>	<u>60,085,873</u>	<u>95,231,064</u>

	Un-audited March 31, 2018	Audited December 31, 2017
----- (Rupees in `000) -----		
7.2 Particulars of provision		
Opening balance	1,887,146	1,922,043
Add: Charge for the period / year	-	267,933
Less: Reversal during the period / year	-	(253,279)
	-	14,654
Amounts written off	-	(49,551)
Closing balance	<u>1,887,146</u>	<u>1,887,146</u>

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

	Un-audited March 31, 2018	Audited December 31, 2017
Note	----- (Rupees in `000) -----	
7.3 Particulars of provision in respect of type and segment		
Available-for-sale securities		
Ordinary shares - Listed	1,025,818	1,025,818
Ordinary shares - Unlisted	1,000	1,000
Term finance certificates - Listed	17,266	17,266
Term finance certificates - Unlisted	501,127	501,127
Sukuks	200,000	200,000
	1,745,211	1,745,211
Subsidiary	141,935	141,935
	1,887,146	1,887,146
8. ADVANCES		
Loans, cash credits, running finances, etc.- in Pakistan	87,128,251	84,228,224
Islamic financing and related assets (Gross)	8.1 & 17.5 11,637,083	10,786,098
Net investment in finance lease - in Pakistan	1,587,500	1,625,499
Bills discounted and purchased (excluding Treasury Bills)		
Payable in Pakistan	244,587	181,146
Payable outside Pakistan	3,035,200	2,710,353
	3,279,787	2,891,499
Advances - gross	103,632,621	99,531,320
Provision against non-performing advances	8.2.1 (14,333,009)	(14,009,450)
Advances - net of provision	89,299,612	85,521,870

8.1 These represent Islamic financing and related assets placed under shariah permissible modes.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

8.2 Advances include Rs. 18,313.93 million (December 31, 2017 Rs.17,065.58 million) which have been placed under non-performing status as detailed below:

Category of classification	March 31, 2018 (Un-audited)			December 31, 2017 (Audited)		
	Classified advances	Provision required	Provision held	Classified advances	Provision required	Provision held
	----- (Rupees in '000) -----					
Other Assets Especially Mentioned (OAEM)	11,725	356	356	1,499	150	150
Substandard	348,374	13,018	13,018	38,112	2,519	2,519
Doubtful	1,814,584	360,173	360,173	960,566	265,840	265,840
Loss	16,139,247	13,926,746	13,926,746	16,065,407	13,710,691	13,710,691
	<u>18,313,930</u>	<u>14,300,293</u>	<u>14,300,293</u>	<u>17,065,584</u>	<u>13,979,200</u>	<u>13,979,200</u>

8.2.1 Particulars of provision against non-performing advances

	March 31, 2018 (Un-audited)			December 31, 2017 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	13,979,200	30,250	14,009,450	14,362,626	49,075	14,411,701
Charge for the period / year	393,617	2,466	396,083	910,899	-	910,899
Reversals during the period / year	(64,178)	-	(64,178)	(1,069,659)	(18,825)	(1,088,484)
Amount written off	(8,346)	-	(8,346)	(224,666)	-	(224,666)
Closing balance	<u>14,300,293</u>	<u>32,716</u>	<u>14,333,009</u>	<u>13,979,200</u>	<u>30,250</u>	<u>14,009,450</u>

8.2.2 Pursuant to the applicable Prudential Regulations, the Bank has availed the Forced Sale Value (FSV) benefit of securities/collaterals held against loans and advances. Had this benefit of FSV not been availed by the Bank, the specific provision against non-performing loans and advances would have been higher by Rs. 2,629 million (December 31, 2017: Rs.2,371 million), which has a net of tax positive impact of Rs. 1,709 million (December 31, 2017: Rs 1,541 million) on the profit and loss account. Further, the Bank has availed the benefit of certain exemptions given by SBP from Prudential Regulations with respect to the provision against non-performing loans and advances, amounting to Rs. 206 million (December 31, 2017: Rs. 206 million) at the period end.

8.2.3 As per the revised "Prudential Regulations for Small and Medium Enterprises' Financing" issued by SBP vide IH & SMEFD Circular No. 9 dated December 22, 2017, the requirement to maintain general reserve at 1% of secured small enterprises (SE) performing portfolio has been abolished while requirement for unsecured SE performing portfolio has been reduced from 2% to 1%. Moreover, for consumer financing performing portfolio, general reserve at 1% of secured and 4% of unsecured has been maintained pursuant to the revised "Prudential Regulations for Consumer Financing" issued by the State Bank of Pakistan vide BPRD Circular No. 10 dated August 03, 2016. Moreover, 10% specific provision has been held against the SE financing falling in OAEM category i.e., where the principal / mark-up is over due by 90 days.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

	Note	Un-audited March 31, 2018	Audited December 31, 2017
----- (Rupees in `000) -----			
9. OPERATING FIXED ASSETS			
Capital work-in-progress		5,097,830	4,933,281
Property and equipment	9.1	7,394,880	7,533,663
Intangible assets	9.2	183,240	197,640
		<u>12,675,950</u>	<u>12,664,584</u>
9.1 Property and equipment			
Book value at beginning of the period / year		7,533,663	7,533,938
Surplus on revaluation of fixed assets		-	140,614
Cost of additions / transfers during the period / year		39,946	598,723
Book value of deletions / write off during the period / year		(4,323)	(30,829)
Depreciation charge for the period / year		(174,406)	(703,113)
Impairment for the period / year		-	(5,670)
Book value at end of the period / year		<u>7,394,880</u>	<u>7,533,663</u>
9.2 Intangible assets			
Book value at beginning of the period / year		197,640	244,725
Cost of additions during the period / year		807	14,593
Book value of deletions / write off during the period / year		-	-
Amortization charge for the period / year		(15,207)	(61,678)
Book value at end of the period / year		<u>183,240</u>	<u>197,640</u>
10. DEPOSITS AND OTHER ACCOUNTS			
Customers			
Fixed deposits		31,692,243	32,124,431
Savings deposits		54,335,197	51,529,761
Current accounts - non-remunerative		43,561,249	43,977,485
Margin accounts		4,960,279	5,518,752
		134,548,968	133,150,429
Financial institutions			
Non-remunerative deposits		1,672,553	1,541,778
Remunerative deposits		9,693,081	11,037,500
		11,365,634	12,579,278
		<u>145,914,602</u>	<u>145,729,707</u>

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

	Un-audited March 31, 2018	Audited December 31, 2017
	----- (Rupees in `000) -----	
11. CONTINGENCIES AND COMMITMENTS		
11.1 Direct credit substitutes		
Including guarantees and standby letters of credit serving as financial guarantees for loans and securities		
- Government	-	-
- Financial institutions	-	-
- Others	<u>293,182</u>	<u>288,532</u>
	<u>293,182</u>	<u>288,532</u>
11.2 Transaction-related contingent liabilities / commitments / guarantees issued favouring		
Contingent liability in respect of performance bonds, bid bonds, shipping guarantees and standby letters of credit favouring:		
- Government	<u>14,938,158</u>	14,608,761
- Banking companies and other financial institutions	<u>1,477,489</u>	1,605,724
- Others	<u>5,459,160</u>	5,853,923
	<u>21,874,807</u>	<u>22,068,408</u>
11.3 Trade-related contingent liabilities		
Letters of credit	<u>15,063,269</u>	14,839,940
Acceptances	<u>1,905,192</u>	1,276,921
	<u>16,968,461</u>	<u>16,116,861</u>
11.4 Other contingencies - claims against Bank not acknowledged as debts	<u>7,566,747</u>	<u>7,464,043</u>
11.5 Contingent asset		
There was no contingent asset as at March 31, 2018 (December 31, 2017: Nil).		
11.6 Commitments in respect of forward lending		
Forward documentary bills	<u>3,739,767</u>	3,639,137
Commitments to extend credit	<u>14,576,563</u>	17,792,426
	<u>18,316,330</u>	<u>21,431,563</u>

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

	Un-audited March 31, 2018	Audited December 31, 2017
	----- (Rupees in `000) -----	
11.7 Commitments in respect of forward exchange contracts		
Purchase	12,143,936	5,484,447
Sale	11,403,094	4,303,310
	<u>23,547,030</u>	<u>9,787,757</u>
11.8 Commitments for capital expenditure		
Civil works and others	<u>332,829</u>	<u>455,583</u>
11.9 Commitments in respect of repo transactions		
Repurchase of securities	<u>27,338,874</u>	<u>40,243,259</u>
11.10 Taxation		

The income tax returns of the Bank have been submitted up to and including the financial year ended December 31, 2016 i.e. tax year 2017.

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

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

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

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

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

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

	Note	Un-audited March 31, 2018 ----- (Rupees in `000) -----	Un-audited March 31, 2017
12. BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE			
(Loss) / profit for the period		(328,266)	84,782
		----- (Number of shares) -----	
12.1 Weighted average number of Ordinary shares - basic		2,638,151,060	2,168,966,634
		----- (Rupee) -----	
Basic (loss) / earnings per share		(0.12)	0.04
		----- (Number of shares) -----	
12.2 Weighted average number of Ordinary shares - diluted	12.2.1	2,638,151,060	2,596,147,624
		----- (Rupee) -----	
Diluted (loss) / earnings per share		(0.12)	0.03
12.2.1 There are no potential ordinary shares outstanding as of March 31, 2018.			
13. RISK MANAGEMENT			
13.1 Liquidity Coverage Ratio			
High quality liquid assets		46,901,642	45,312,100
Net cash outflows		41,227,447	40,042,484
Liquidity Coverage Ratio (%)		113.76%	113.16%
13.2 Net Stable Funding Ratio			
Available stable funding		108,792,830	108,921,125
Required stable funding		90,561,549	88,476,901
Net Stable funding Ratio (%)		120%	123%

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

14. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

All assets and liabilities for which fair value is measured or disclosed in the unconsolidated condensed interim financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The basis for determination of fair values of various assets and liabilities and their hierarchies as disclosed in note 14.1 below are the same as those adopted in the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2017.

In the opinion of management, the fair value of the remaining financial assets and liabilities are either not significantly different from their carrying values and repriced periodically or cannot be calculated with sufficient reliability. Moreover, provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

14.1 Fair value hierarchy

	March 31, 2018 (Un-audited)			Total
	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----				
Financial assets				
Investments				
- Market treasury bills	-	38,000,870	-	38,000,870
- Pakistan investment bonds	-	12,855,753	-	12,855,753
- GOP ijarah sukus	-	4,737,517	-	4,737,517
- Ordinary shares - Listed	2,563,768	-	-	2,563,768
- Ordinary shares - Unlisted (including subsidiary)	-	-	256,837	256,837
- Units of open end mutual funds - Listed	76,763	-	-	76,763
- Preference shares - Unlisted	-	46,035	-	46,035
- Term Finance Certificates and Sukus	1,044,993	1,703,822	-	2,748,815
	<u>3,685,524</u>	<u>57,343,997</u>	<u>256,837</u>	<u>61,286,358</u>
Non-financial assets				
Operating fixed assets	-	6,638,147	-	6,638,147
Other assets	-	4,216,396	-	4,216,396
	<u>-</u>	<u>10,854,543</u>	<u>-</u>	<u>10,854,543</u>
	<u>3,685,524</u>	<u>68,198,540</u>	<u>256,837</u>	<u>72,140,901</u>
Commitments in respect of forward exchange contracts				
Forward purchase of foreign exchange	-	12,143,936	-	12,143,936
Forward sale of foreign exchange	-	11,403,094	-	11,403,094
	<u>-</u>	<u>23,547,030</u>	<u>-</u>	<u>23,547,030</u>
December 31, 2017 (Audited)				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Financial assets				
Investments				
- Market treasury bills	-	71,840,364	-	71,840,364
- Pakistan investment bonds	-	13,218,246	-	13,218,246
- GOP ijarah sukus	-	4,810,812	-	4,810,812
- Ordinary shares - Listed	2,171,093	-	-	2,171,093
- Ordinary shares - Unlisted (including subsidiary)	-	-	256,837	256,837
- Units of open end mutual funds - Listed	68,806	-	-	68,806
- Preference shares - Unlisted	-	37,056	-	37,056
- Term Finance Certificates and Sukus	1,089,632	1,738,218	-	2,827,850
	<u>3,329,531</u>	<u>91,644,696</u>	<u>256,837</u>	<u>95,231,064</u>
Non-financial assets				
Operating fixed assets	-	6,744,652	-	6,744,652
Other assets	-	4,521,487	-	4,521,487
	<u>-</u>	<u>11,266,139</u>	<u>-</u>	<u>11,266,139</u>
	<u>3,329,531</u>	<u>102,910,835</u>	<u>256,837</u>	<u>106,497,203</u>
Commitments in respect of forward exchange contracts				
Forward purchase of foreign exchange	-	5,672,541	-	5,672,541
Forward sale of foreign exchange	-	4,404,467	-	4,404,467
	<u>-</u>	<u>10,077,008</u>	<u>-</u>	<u>10,077,008</u>

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

15. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Corporate finance	Trading and sales	Retail banking	Commercial banking	Payment & settlement / others	Total
	----- (Rupees in '000) -----					
For the three months period ended March 31, 2018 (Un-audited)						
Total income	1,719	1,563,445	(84,881)	1,795,727	37,624	3,313,634
Total expenses	712	975,219	1,403,878	1,377,463	13,137	3,770,409
Net income / (loss) before tax	1,007	588,226	(1,488,759)	418,264	24,487	(456,775)
For three months period ended March 31, 2017 (Un-audited)						
Total income	11,817	1,438,052	217,667	1,466,863	32,756	3,167,155
Total expenses	4,798	603,454	1,060,015	1,293,536	13,137	2,974,940
Net income / (loss) before tax	7,019	834,598	(842,348)	173,327	19,619	192,215
As at March 31, 2018 (Un-audited)						
Segment assets - gross	13,816	75,858,359	19,934,302	120,455,604	398,713	216,660,794
Segment non-performing loans	-	-	940,479	17,373,451	-	18,313,930
Segment provision	-	1,887,146	928,936	13,893,221	-	16,709,303
Segment assets - net	13,816	73,971,213	19,005,366	106,562,383	398,713	199,951,491
Segment liabilities	1,712	36,112,583	1,379,491	148,752,138	2,902,033	189,147,957
As at December 31, 2017 (Audited)						
Segment assets - gross	98,370	112,601,523	22,422,441	113,931,843	380,791	249,434,968
Segment non-performing loans	-	-	1,025,761	16,039,823	-	17,065,584
Segment provision	-	1,887,146	837,818	13,660,068	-	16,385,032
Segment assets - net	98,370	110,714,377	21,584,623	100,271,775	380,791	233,049,936
Segment liabilities	10,879	48,613,085	1,933,551	167,858,238	3,599,658	222,015,411

For the purpose of segmental reporting, unallocated items of income and expenses have been allocated to the above segments in proportion to segment revenue.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

16. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent company, subsidiary company, entities having directors in common with the Bank, employee benefit plans and its directors and executive officers (including their associates).

Details of material transactions with the related parties, other than those which have been disclosed elsewhere in these unconsolidated condensed interim financial statements, are as follows:

	March 31, 2018 (Un-audited)					December 31, 2017 (Audited)				
	Key management personnel	Directors	Parent company	Subsidiary	Other related parties	Key management personnel	Directors	Parent company	Subsidiary	Other related parties
(Rupees in '000)										
Advances										
Balance at beginning of the year	409,534	-	-	-	1,213,053	324,233	-	-	-	1,078,078
Disbursements / granted during the period / year	30,019	-	-	-	709,877	293,128	-	-	3,352,408	3,889,335
Payments received / adjustments during the period / year	(36,796)	-	-	-	(437,669)	(207,827)	-	-	(3,352,408)	(3,754,360)
Balance at end of the period / year	402,757	-	-	-	1,485,261	409,534	-	-	-	1,213,053
Deposits										
Balance at beginning of the year	67,291	32,259	-	128,456	860,510	20,770	45,147	-	144,472	501,960
Deposits during the period / year	160,502	7,629	-	1,302,391	11,231,392	595,492	82,026	-	9,367,739	7,583,680
Withdrawals / adjustments during the period / year	(201,769)	(7,622)	-	(1,309,426)	(11,067,239)	(548,971)	(94,914)	-	(9,383,755)	(7,225,130)
Balance at end of the period / year	26,104	32,266	-	121,621	1,024,663	67,291	32,259	-	128,456	860,510
Other balances										
Shares issued during the period / year	-	-	-	-	-	-	137,541	5,060,450	-	-
Investment in shares / TFC's	-	-	-	255,007	1,305,479	-	-	-	255,007	277,781
Other receivable	4,627	-	579	1,097	36,740	4,821	-	488	6,271	45,882
Other payable	-	-	-	825	-	-	-	-	7,956	1,369
Mark-up receivable	1,827	-	-	1,939	405,904	825	-	-	2,939	19,981
Mark-up payable	127	88	-	192	1,756	168	85	-	876	1,175
Contingencies and Commitments										
Guarantees, letters of credit and acceptances	-	-	-	-	833,998	-	-	-	-	869,683
Commitments to extend credit	1,304	-	-	400,000	495,689	548	-	-	400,000	547,957
(Rupees in '000)										
Transactions, income and expenses										
Purchase of investments	-	-	-	-	30,955	-	-	-	-	4,948
Disposal of investments	-	-	-	-	27,086	-	-	-	-	84,604
Brokerage expenses	-	-	-	902	-	-	-	-	4,737	453
Subscription paid	795	-	-	-	750	665	-	-	-	2,055
Education and training	-	-	-	-	1,110	-	-	-	-	2,066
Capital (loss) / gain	-	-	-	-	(2,002)	-	-	-	-	1,604
Contribution to the provident fund	-	-	-	-	17,880	-	-	-	-	20,152
Contribution to the gratuity fund	-	-	-	-	15,322	-	-	-	-	14,857
Remuneration paid	51,021	-	-	-	-	66,255	-	-	-	-
Post employment benefits	1,642	-	-	-	-	1,802	-	-	-	-
Rental income	-	-	-	725	-	-	-	-	659	-
Mark-up earned	5,834	-	-	-	397,107	3,172	-	-	2,263	19,013
Mark-up expensed	92	219	-	775	4,861	189	242	-	57	6,357
Other income	-	-	-	-	-	-	-	-	2	-
Rental expense	-	-	-	-	8,651	-	-	-	-	6,409
Repair and maintenance charges	-	-	-	-	-	-	-	-	-	991
Provision for diminution in the value of Investment	-	-	-	-	-	-	-	-	-	343
Fees paid	-	1,150	-	-	-	-	1,200	-	-	-
Professional charges	-	-	-	265	-	-	-	-	-	-

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

17. ISLAMIC BANKING OPERATIONS

17.1 The Bank commenced its Islamic Banking operations in Pakistan on March 07, 2014 and is operating with 14 Islamic Banking Branches (IBBs) (December 31, 2017: 14 IBBs) and 35 Islamic Banking Windows (IBWs) (December 31, 2017: 35 IBWs) as at March 31, 2018.

BSD Circular letter No. 03 dated January 22, 2013 and BPRD Circular No. 05 dated February 29, 2016 require all Islamic Banks / Other Banks with Islamic Banking Branches to present all financing and advances under Islamic modes of financing and other related assets pertaining to Islamic mode of financing under the caption "Islamic Financing and Related Assets" in the statement of financial position.

17.2 The condensed interim statement of financial position of Islamic Banking operations as at March 31, 2018 is as follows:

	Note	Un-audited March 31, 2018	Audited December 31, 2017
----- (Rupees in `000) -----			
ASSETS			
Cash and balances with treasury banks		1,019,673	1,293,159
Balances with other banks		406,052	435,524
Due from financial institutions		6,964,637	5,936,023
Investments		5,737,987	5,860,690
Islamic financing and related assets	17.5	11,629,083	10,779,551
Operating fixed assets		145,436	150,740
Deferred tax assets - net		9,676	-
Other assets		319,012	520,975
TOTAL ASSETS		26,231,556	24,976,662
LIABILITIES			
Bills payable		222,625	212,856
Due to financial institutions		100,000	250,000
Deposits and other accounts			
- Current accounts		7,721,577	7,792,141
- Saving accounts		11,482,665	10,366,610
- Term deposits		2,475,254	2,132,391
- Others		558,158	633,563
- Deposits from financial institutions - remunerative		1,627,534	1,513,382
- Deposits from financial institutions - non - remunerative		101,503	111,158
Deferred tax liabilities - net		-	12,261
Other liabilities		389,681	387,758
		24,678,997	23,412,120
NET ASSETS		1,552,559	1,564,542
REPRESENTED BY			
Islamic banking fund		1,000,000	1,000,000
Unappropriated profit		570,527	541,772
		1,570,527	1,541,772
(Deficit) / surplus on revaluation of assets - net of tax		(17,968)	22,770
		1,552,559	1,564,542

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

	Un-audited March 31, 2018	Un-audited March 31, 2017
	----- (Rupees in `000) -----	
17.3 Remuneration to Shariah Advisor (RSBM) / Board for the period	<u>2,999</u>	<u>2,778</u>
17.4 Charitable fund	Un-audited March 31, 2018	Audited December 31, 2017
	----- (Rupees in `000) -----	
Opening balance	63	-
Addition during the period / year	22	121
Payment / utilization during the period / year	-	(58)
Closing balance	<u>85</u>	<u>63</u>
17.5 Islamic financing and related assets		
Financings / investments / receivables		
- Murabaha	746,029	697,323
- Ijarah	904,535	856,163
- Diminishing Musharakah	4,670,173	4,467,802
- Istisna	4,301	2,703
- Tijarah	2,596,448	2,613,090
- Running Musharakah	736,170	338,304
- Term Musharakah	520,000	520,000
- Other islamic modes	879	-
	10,178,535	9,495,385
Advances		
- Advance against Murabaha	448,525	322,580
- Advance against Diminishing Musharakah	93,951	84,671
- Advance against Ijarah	75,971	74,074
	618,447	481,325
Inventories		
- Tijarah inventories	699,998	698,552
- Istisna inventories	140,103	110,836
	840,101	809,388
	<u>11,637,083</u>	<u>10,786,098</u>
Less: Provision against financing and advances -Specific	-	-
Less: Provision against financing and advances -General	(8,000)	(6,547)
	<u>11,629,083</u>	<u>10,779,551</u>

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

18. GENERAL

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

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

19. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on April 26, 2018 by the Board of Directors of the Bank.

**Chief Financial
Officer**

**President &
Chief Executive**

Director

Director

Director





CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED
MARCH 31, 2018



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018**

		Un-audited March 31, 2018	Audited December 31, 2017
	Note	----- (Rupees in `000) -----	
ASSETS			
Cash and balances with treasury banks		13,214,203	13,556,734
Balances with other banks		2,305,720	2,440,437
Lendings to financial institutions		8,460,778	10,671,003
Investments	7	61,085,950	95,023,608
Advances	8	89,300,494	85,522,644
Operating fixed assets	9	12,725,540	12,714,481
Deferred tax assets - net		5,464,895	5,332,656
Other assets		7,458,716	7,765,228
		200,016,296	233,026,791
LIABILITIES			
Bills payable		2,731,023	3,065,379
Borrowings		35,354,443	67,307,766
Deposits and other accounts	10	145,795,187	145,606,731
Sub-ordinated loans		1,495,860	1,495,860
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		3,817,183	4,494,151
		189,193,696	221,969,887
NET ASSETS		10,822,600	11,056,904
REPRESENTED BY			
Share capital		26,381,510	26,381,510
Reserves		(6,306,359)	(6,306,359)
Accumulated losses		(10,853,252)	(10,544,427)
		9,221,899	9,530,724
Surplus on revaluation of assets - net of tax		1,600,701	1,526,180
		10,822,600	11,056,904

CONTINGENCIES AND COMMITMENTS

11

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

Chief Financial
Officer

President &
Chief Executive

Director

Director

Director

**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

	March 31, 2018	March 31, 2017
	----- (Rupees in `000) -----	
Note		
Mark-up / return / interest earned	2,841,301	2,531,908
Mark-up / return / interest expensed	(2,021,659)	(1,776,319)
Net mark-up / interest income	819,642	755,589
(Provision) / reversal of provision against non-performing loans and advances - net	8.2.1 (331,905)	34,906
Reversal of provision for diminution in the value of investment - net	7.2 -	227,615
Bad debts written off directly	(294)	(3,682)
	(332,199)	258,839
Net mark-up / interest income after provisions	487,443	1,014,428
NON MARK-UP / INTEREST INCOME		
Fee, commission and brokerage income	252,283	284,255
Dividend income	3,725	4,500
Income from dealing in foreign currencies	171,517	157,726
Gain on sale of securities - net	22,298	203,892
Gain on disposal of operating fixed assets - net	743	24,969
Unrealised loss on revaluation of investments classified as held-for-trading - net	(8,046)	(15,770)
Other income	46,409	30,224
Total non-mark-up / interest income	488,929	689,796
	976,372	1,704,224
NON MARK-UP / INTEREST EXPENSES		
Administrative expenses	(1,422,138)	(1,473,609)
Other provisions / write-offs	(3,828)	(107)
Other charges	(13,334)	(7,616)
Total non-mark-up / interest expenses	(1,439,300)	(1,481,332)
	(462,928)	222,892
Extra ordinary / unusual items	-	-
(LOSS) / PROFIT BEFORE TAXATION	(462,928)	222,892
Taxation		
Current	(43,615)	(39,137)
Prior years	-	-
Deferred	169,335	(77,741)
	125,720	(116,878)
(LOSS) / PROFIT AFTER TAXATION	(337,208)	106,014
	----- (Rupee) -----	
Basic (loss) / earnings per share	12.1 (0.13)	0.05
Diluted (loss) / earnings per share	12.2 (0.13)	0.04

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

Chief Financial
Officer

President &
Chief Executive

Director

Director

Director

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

	March 31, 2018	March 31, 2017
	----- (Rupees in `000) -----	
(Loss) / profit after taxation for the period	(337,208)	106,014
Other comprehensive income	-	-
Total comprehensive (loss) / income for the period transferred to equity	(337,208)	106,014
Components of comprehensive income / (loss) not reflected in equity		
Surplus / (deficit) on revaluation of 'available for-sale securities - net of tax'	94,977	(10,564)
Surplus on revaluation of 'operating fixed assets - net of tax' and 'non banking assets - net of tax'	-	-
Total comprehensive (loss) / income for the period	(242,231)	95,450

* Surplus/ (deficit) on revaluation of 'Available-for-sale securities - net of tax' has been shown in the Statement of Comprehensive Income in order to comply with the revised "Prudential Regulations for Corporate/Commercial Banking" issued by the State Bank of Pakistan vide BPRD Circular No. 06 of 2014 on June 26, 2014.

** Surplus on revaluation of 'operating fixed assets - net of tax' and 'non banking assets - net of tax' is presented under a separate head below equity as 'surplus on revaluation of assets - net of tax' in accordance with the disclosure format for quarterly/interim financial statements of banks as prescribed by SBP vide BSD Circular letter No. 2 of May 12, 2004 and Regulations for Debt Property Swap issued vide BPRD Circular No. 1 dated January 01, 2016.

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

Chief Financial Officer

President & Chief Executive

Director

Director

Director

**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

	March 31, 2018	March 31, 2017
	----- (Rupees in `000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(462,928)	222,892
Less: Dividend income	(3,725)	(4,500)
	<u>(466,653)</u>	<u>218,392</u>
Adjustments:		
Depreciation on operating fixed assets	175,193	174,724
Depreciation on non banking assets	12,075	5,658
Amortization	15,220	15,373
Provision / (reversal of provision) against non-performing loans and advances - net	331,905	(34,906)
Bad debts written off directly	294	3,682
Other provisions / write offs made	3,828	107
Reversal of provision for diminution in the value of investments - net	-	(227,615)
Unrealised loss on revaluation of investments classified as held-for-trading - net	8,046	15,770
Gain on sale of non banking assets - net	(19,973)	(300)
Gain on sale of operating fixed assets - net	(743)	(24,969)
	<u>525,845</u>	<u>(72,476)</u>
	59,192	145,916
(Increase) / decrease in operating assets		
Lendings to financial institutions	2,210,225	(5,723,734)
Held-for-trading securities	(35,630)	68,410
Advances	(4,110,049)	(624,698)
Other assets (excluding taxation) - net	(40,458)	2,923,471
	<u>(1,975,912)</u>	<u>(3,356,551)</u>
Increase / (decrease) in operating liabilities		
Bills payable	(334,356)	(1,776,200)
Borrowings	(32,414,050)	(3,189,942)
Deposits and other accounts	188,456	(5,309,855)
Other liabilities	(676,968)	490,821
	<u>(33,236,918)</u>	<u>(9,785,176)</u>
	(35,153,638)	(12,995,811)
Income taxes paid	(43,333)	(36,159)
Net cash outflow from operating activities	<u>(35,196,971)</u>	<u>(13,031,970)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	34,108,329	12,931,963
Dividend received	4,457	327
Investment in operating fixed assets	(205,795)	(236,350)
Sale proceeds of property and equipment - disposed off	2,005	34,034
Sale proceeds of non banking assets - disposed off	350,000	3,100
Net cash inflow from investing activities	<u>34,258,996</u>	<u>12,733,074</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net cash inflow / (outflow) from financing activities	-	-
Decrease in cash and cash equivalents	(937,975)	(298,896)
Cash and cash equivalents at beginning of the period	15,963,860	15,365,467
Cash and cash equivalents at end of the period	<u>15,025,885</u>	<u>15,066,571</u>

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

Chief Financial
Officer

President &
Chief Executive

Director

Director

Director

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

	Capital Reserves					Revenue Reserve		Grand Total		
	Share capital	Convertible preference shares	Advance against subscription of shares	Share premium	Discount on issue of shares	Statutory reserve	Reserve arising on amalgamation		Accumulated losses	Total Reserves
	(Rupees in '000)									
Balance as at January 01, 2017 (Audited)	17,786,663	2,155,959	1,854,870	1,000,000	(1,297,298)	154,162	(1,579,205)	(9,541,930)	(11,264,271)	10,533,221
Total comprehensive income for the period	-	-	-	-	-	-	-	106,014	106,014	106,014
Profit after taxation for the three months period ended March 31, 2017	-	-	-	-	-	-	-	106,014	106,014	106,014
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Transfer from surplus on revaluation of operating fixed assets	-	-	-	-	-	-	-	28,240	28,240	28,240
Transfer to statutory reserve	-	-	-	-	-	16,956	-	(16,956)	-	-
Balance as at March 31, 2017 (Un-audited)	17,786,663	2,155,959	1,854,870	1,000,000	(1,297,298)	171,118	(1,579,205)	(9,424,632)	(11,130,017)	10,667,475
Total comprehensive loss for the period	-	-	-	-	-	-	-	(1,233,369)	(1,233,369)	(1,233,369)
Loss after taxation for the nine months period ended December 31, 2017	-	-	-	-	-	-	-	(1,233,369)	(1,233,369)	(1,233,369)
Other comprehensive income	-	-	-	-	-	-	-	11,469	11,469	11,469
Transfer from surplus on revaluation of operating fixed assets	-	-	-	-	-	-	-	(1,221,900)	(1,221,900)	(1,221,900)
Transfer from statutory reserve	-	-	-	-	-	-	-	85,149	85,149	85,149
Transfer from statutory reserve	-	-	-	-	-	(16,956)	-	16,956	-	-
Issue of shares upon conversion of preference shares	6,739,977	-	-	-	(4,584,018)	-	-	-	(4,584,018)	-
Shares issued during the year	1,854,870	-	(1,854,870)	-	-	-	-	-	-	-
Balance as at December 31, 2017 (Audited)	26,381,510	-	-	1,000,000	(5,881,316)	154,162	(1,579,205)	(10,544,427)	(16,650,786)	9,530,724
Total comprehensive loss for the period	-	-	-	-	-	-	-	(337,208)	(337,208)	(337,208)
Loss after taxation for the three months period ended March 31, 2018	-	-	-	-	-	-	-	(337,208)	(337,208)	(337,208)
Other comprehensive income	-	-	-	-	-	-	-	28,383	28,383	28,383
Transfer from surplus on revaluation of operating fixed assets	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2018 (Un-audited)	26,381,510	-	-	1,000,000	(5,881,316)	154,162	(1,579,205)	(10,853,252)	(17,159,611)	9,221,899

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

Chief Financial Officer

President & Chief Executive

Director

Director

Director

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

1. STATUS AND NATURE OF BUSINESS

- 1.1** The Group comprises of Summit Bank Limited - the holding company (the Bank) and Summit Capital (Private) Limited (SCPL) - a wholly owned subsidiary. The ultimate holding company of the Group is Suroor Investments Limited (SIL), a company incorporated in Mauritius.
- 1.2** Summit Bank Limited (the Bank) was incorporated in Pakistan as public company limited by shares on December 09, 2005 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). It is listed on Pakistan Stock Exchange Limited. The Registered office of the Bank is situated at Plot No. 9-C, F-6 Markaz, Supermarket, Islamabad, Pakistan.
- 1.3** The Bank is principally engaged in the business of banking through its 193 branches including 14 Islamic Banking Branches [December 31, 2017: 193 Branches including 14 Islamic Banking Branches] in Pakistan as defined in the Banking Companies Ordinance, 1962. In June 2017, JCR-VIS Credit Rating Company Limited has maintained the Bank's medium to long-term rating at 'A - (Single A minus)' and short-term rating at 'A-1 (A-one)'. Moreover, Bank's TFC rating has been maintained at 'A-(SO)' (Single A minus (Structured Obligation)). These ratings have been placed on 'Rating Watch-Developing' status in view of the ongoing potential merger with Sindh Bank Limited.
- 1.4** 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.
- 1.5** 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 11.275% (inclusive of Capital Conservation Buffer of 1.275%) and Leverage Ratio (LR) at 3.00 % as of March 31, 2018. The paid up capital of the Bank (net of losses), CAR and LR as of March 31, 2018 were below the prescribed levels and stood at Rs. 9.068 billion, 4.86 % and 1.75 % respectively.

The management of the Bank is taking various steps to comply with applicable minimum capital requirements. In this respect, a business plan has been put in place which has been approved by the Board of Directors and aims to improve the Bank's capital base and risk absorption capacity and provide impetus to its future growth initiatives. The management is confident that if the growth factors and other key assumptions stipulated in the business plan materialize, the Bank will be able to achieve the profitability projections and compliance with applicable minimum capital requirements. The key assumptions considered in the business plan are as follows:

- Continued support from its sponsor which is evident from the capital injections by the sponsor in the past;
- Market sentiments and the expected growth of Islamic finance in Pakistan which will benefit the Bank since it is in the process of conversion to a full-fledged Islamic Bank;
- Expected recoveries from non-performing advances in the future resulting in reversals of provisions in the ensuing years; and
- Expected improvement in the results through targeted income generating avenues for mark-up income, non-markup income etc.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

Furthermore, on November 21, 2016, the Board of Directors of the Bank had decided to evaluate the potential merger/amalgamation option with Sindh Bank Limited. The SBP allowed the Bank to conduct due diligence of Sindh Bank Limited vide its letter dated December 27, 2016 and similar approval was accorded to Sindh Bank Limited for conducting due diligence of the Bank. After completion of the due diligence exercise and in light of the decisions made by the Board of Directors of Summit Bank Limited on the matter, the requisite majority of the shareholders of the Bank in their extraordinary general meeting held on November 07, 2017 gave approval for the proposed amalgamation of the Bank with and into Sindh Bank Limited, subject to all regulatory approvals, including approval of the State Bank of Pakistan. The shareholders also approved the draft Scheme of amalgamation of the Bank with and into Sindh Bank Limited (Scheme) in that meeting, subject to any modifications in the Scheme as may be required by SBP. The management had applied to SBP under section 48 of the Banking Companies Ordinance, 1962 for approval of Scheme. In light of the advice given by SBP on the matter, the Bank is taking all the necessary steps for obtaining approval of the SBP for earliest completion of the proposed amalgamation. These steps include but are not limited to updating the due diligence exercise/work based on the latest financial position of Sindh Bank Limited as of December 31, 2017, for which necessary work is currently underway. This will be followed by necessary approvals of the Board of Directors and Shareholders of Bank on the revised scheme of amalgamation, subject to applicable regulatory approvals (including approval of SBP) and clearance/orders of the Honorable Supreme Court of Pakistan. Pursuant to the Suo-Motu case by the Honorable Supreme Court of Pakistan (Honorable Court) on the ongoing proposed merger transaction, Honorable Court vide its interim order has directed both the Banks (Summit Bank Limited and Sindh Bank Limited) that no final merger shall take place till further orders of the Honorable Court.

In view of the Bank's status of compliance with the applicable minimum capital requirements, SBP vide its letter dated March 05, 2018 advised the Bank to provide a contingent capital restoration plan by March 30, 2018 which was duly submitted by the Bank vide letter dated March 15, 2018. In light of that plan, SBP vide its letter dated April 04, 2018 has advised the Bank to provide a firm commitment from the sponsor - Suroor Investments Limited to inject the required amount of capital (by July 30, 2018) in case the option of proposed merger does not materialize by June 30, 2018. In this regard, the Bank's management is confident that compliance with applicable regulatory capital requirements would be achieved through the materialization of business plan and completion of proposed amalgamation transaction (subject to applicable regulatory approvals and clearance/orders of the Honorable Court) and taking all the necessary steps for the same. Furthermore, the Bank's sponsor has committed to meet any capital shortfall of the Bank as and when decided by the Board of Directors of the Bank.

1.6 Basis of consolidation

These consolidated financial statements include the financial statements of Summit Bank Limited and its wholly owned subsidiary company Summit Capital (Private) Limited (SCPL).

The basis used for consolidation are consistent with those used for the annual audited consolidated financial statements of the Group for the year ended December 31, 2017.

2. BASIS OF PRESENTATION

- 2.1** In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing comprise of purchase of goods by banks from their customers and resale to them at appropriate mark-up in price on deferred payment basis. The purchase and sale arising under these arrangements are not reflected in these consolidated condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon. The Islamic Banking branches of the Group have complied with the requirements set out under the Islamic Financial Accounting Standards issued by The Institute of Chartered Accountants of Pakistan (ICAP) and notified under the provisions of the Companies Act, 2017.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

- 2.2** The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the State Bank of Pakistan through BSD Circular Letter No. 2 dated May 12, 2004 and the requirements of the International Accounting Standard 34, "Interim Financial Reporting". These do not include all of the information required for the full set of annual financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended December 31, 2017.
- 2.3** The financial results of the Islamic Banking operations of the Group have been included in these consolidated condensed interim financial statements for reporting purposes, after eliminating material inter-branch transactions / balances. Key financial figures of the Islamic Banking operations are also separately disclosed in note 16 to these consolidated condensed interim financial statements.
- 2.4** These consolidated condensed interim financial statements of the Group are being submitted to the shareholders in accordance with the requirements of the Companies Act, 2017.

3. STATEMENT OF COMPLIANCE

- 3.1** These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standard as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board; Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; provisions of and the directives issued under the Companies Act, 2017, the Banking Companies Ordinance, 1962, and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). Wherever the requirements of provisions and directives issued under the Companies Act, 2017, the Banking Companies Ordinance, 1962, the IFASs notified under the Companies Act, 2017 and the directives issued by the SECP and the SBP differ from the requirements of the IFRSs, the provisions and the directives issued under the Companies Act, 2017, the Banking Companies Ordinance, 1962, IFASs notified under the Companies Act, 2017 and the directives issued by SECP and SBP prevail.
- 3.2** The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Moreover, SBP vide BPRD Circular No. 4, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' for banks through its notification S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

4. BASIS OF MEASUREMENT

- 4.1** These consolidated condensed interim financial statements have been prepared under the historical cost convention, except that certain operating fixed assets and certain non-banking assets have been stated at revalued amounts and certain investments and derivative financial instruments have been stated at fair value.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

- 4.2** These consolidated condensed interim financial statements have been presented in Pakistani Rupee, which is Group's functional and presentation currency.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 5.1** The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the annual audited consolidated financial statements of the Group for the year ended December 31, 2017, except for the following:

Surplus on revaluation of fixed assets - net of tax

With effect from January 01, 2018 the new Companies Act, 2017 is applicable on all companies. This Act does not prescribe any specific treatment for the accounting of surplus/(deficit) arising on revaluation of operating fixed assets which was previously accounted for under provisions of section 235 of the repealed Companies Ordinance, 1984 ("the repealed ordinance"). Therefore, now accounting for surplus/(deficit) on operating fixed asset is to be done in accordance with the requirements stipulated in the International Accounting Standard 16 – "Property, Plant and Equipment" (IAS-16). As per IAS-16, deficit on revaluation of an asset can only be offset against a previously recognized surplus of the same asset. Previously, under the repealed ordinance this deficit was allowed to be set-off against the surplus of another asset within the same category of operating fixed assets. Accordingly, any deficit that arises on a particular fixed asset against which there is no previously recognized surplus, such deficit would be charged to the profit and loss account. As this is a change in accounting policy, the change is to be applied retrospectively as per the International Accounting Standard 8 – "Accounting Policies, Changes in Accounting Estimates and Errors". However, this change in accounting policy does not have impact on these consolidated condensed interim financial statements of the Group.

Furthermore, as per the requirements prescribed in IAS-16, the surplus on operating fixed assets is to be disclosed as part of equity. However, SBP through its BSD Circular letter No. 2 dated May 12, 2004 has prescribed a format for the interim financial reporting of banks which requires the surplus/(deficit) on revaluation of assets to be disclosed in a separate account below equity i.e. "surplus/(deficit) on revaluation of assets- net of tax". Therefore, Group has followed the presentation format as applicable to the banks in Pakistan and disclosed the surplus on revaluation of operating fixed assets - net of tax in a separate head below equity.

- 5.2** The financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements of the Group for the year ended December 31, 2017.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated condensed interim financial statements in conformity with approved accounting standards requires certain judgments, accounting estimates and assumptions. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. These estimates and associated assumptions are continually evaluated and are based on historical experience, statutory requirements and other factors considered reasonable in the circumstances. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The basis for significant accounting estimates and judgments adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the annual audited consolidated financial statements of the Group for the year ended December 31, 2017.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

7. INVESTMENTS

	March 31, 2018 (Un-audited)			December 31, 2017 (Audited)		
	Held by Group	Given as collateral	Total	Held by Group	Given as collateral	Total
7.1 Investments by types:	----- (Rupees in '000) -----					
Held-for-trading securities						
Ordinary shares - Listed	95,116	-	95,116	75,371	-	75,371
Available-for-sale securities						
Market treasury bills	10,660,294	27,345,568	38,005,862	22,230,144	49,608,440	71,838,584
Pakistan investment bonds	13,147,086	-	13,147,086	2,787,576	10,574,058	13,361,634
GoP ijarah sukus	4,785,465	-	4,785,465	4,793,854	-	4,793,854
Ordinary shares - Listed	4,201,988	52,510	4,254,498	4,194,449	52,510	4,246,959
Ordinary shares - Unlisted	14,475	-	14,475	14,475	-	14,475
Units of open end mutual funds - Listed	87,861	-	87,861	87,861	-	87,861
Preference shares - Unlisted	46,035	-	46,035	37,056	-	37,056
Term finance certificates - Listed	17,266	-	17,266	17,266	-	17,266
Term finance certificates - Unlisted	1,594,732	-	1,594,732	1,594,732	-	1,594,732
Sukus	1,836,755	-	1,836,755	1,905,943	-	1,905,943
	36,391,957	27,398,078	63,790,035	37,663,356	60,235,008	97,898,364
Investments at cost	36,487,073	27,398,078	63,885,151	37,738,727	60,235,008	97,973,735
Less: Provision for diminution in the value of investments 7.2 & 7.3	(1,745,211)	-	(1,745,211)	(1,745,211)	-	(1,745,211)
Investments - net of provisions	34,741,862	27,398,078	62,139,940	35,993,516	60,235,008	96,228,524
Deficit on revaluation of held-for-trading securities	(8,046)	-	(8,046)	(15,885)	-	(15,885)
Deficit on revaluation of available-for-sale securities	(1,021,280)	(24,664)	(1,045,944)	(1,039,896)	(149,135)	(1,189,031)
	33,712,536	27,373,414	61,085,950	34,937,735	60,085,873	95,023,608

Un-audited March 31, 2018 **Audited December 31, 2017**
----- (Rupees in '000) -----

7.2 Particulars of provision

Opening balance		1,745,211	1,764,488
Add: Charge for the period / year	-	-	267,933
Less: Reversal during the period / year	-	-	(237,659)
	-	-	30,274
Amounts written off	-	-	(49,551)
Closing balance		1,745,211	1,745,211

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

	Un-audited March 31, 2018	Audited December 31, 2017
Note	----- (Rupees in `000) -----	
7.3 Particulars of provision in respect of type and segment		
Available-for-sale securities		
Ordinary shares - Listed	1,025,818	1,025,818
Ordinary shares - Unlisted	1,000	1,000
Term finance certificates - Listed	17,266	17,266
Term finance certificates - Unlisted	501,127	501,127
Sukuks	200,000	200,000
	<u>1,745,211</u>	<u>1,745,211</u>
8. ADVANCES		
Loans, cash credits, running finances, etc.- in Pakistan	87,129,133	84,228,998
Islamic financing and related assets (Gross)	8.1 & 16.5	11,637,083
		10,786,098
Net investment in finance lease - in Pakistan	1,587,500	1,625,499
Bills discounted and purchased (excluding Treasury Bills)		
Payable in Pakistan	244,587	181,146
Payable outside Pakistan	3,035,200	2,710,353
	<u>3,279,787</u>	<u>2,891,499</u>
Advances - gross	103,633,503	99,532,094
Provision against non-performing advances	8.2.1	(14,333,009)
		(14,009,450)
Advances - net of provision	<u>89,300,494</u>	<u>85,522,644</u>

8.1 These represent Islamic financing and related assets placed under shariah permissible modes.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

8.2 Advances include Rs. 18,313.93 million (December 31, 2017 Rs.17,065.58 million) which have been placed under non-performing status as detailed below:

Category of classification	March 31, 2018 (Un-audited)			December 31, 2017 (Audited)		
	Classified advances	Provision required	Provision held	Classified advances	Provision required	Provision held
----- (Rupees in '000) -----						
Other Assets Especially Mentioned (OAEM)	11,725	356	356	1,499	150	150
Substandard	348,374	13,018	13,018	38,112	2,519	2,519
Doubtful	1,814,584	360,173	360,173	960,566	265,840	265,840
Loss	16,139,247	13,926,746	13,926,746	16,065,407	13,710,691	13,710,691
	<u>18,313,930</u>	<u>14,300,293</u>	<u>14,300,293</u>	<u>17,065,584</u>	<u>13,979,200</u>	<u>13,979,200</u>

8.2.1 Particulars of provision against non-performing advances

	March 31, 2018 (Un-audited)			December 31, 2017 (Audited)		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
Opening balance	13,979,200	30,250	14,009,450	14,362,626	49,075	14,411,701
Charge for the period / year	393,617	2,466	396,083	910,899	-	910,899
Reversals during the period / year	(64,178)	-	(64,178)	(1,069,659)	(18,825)	(1,088,484)
	<u>329,439</u>	<u>2,466</u>	<u>331,905</u>	<u>(158,760)</u>	<u>(18,825)</u>	<u>(177,585)</u>
Amount written off	(8,346)	-	(8,346)	(224,666)	-	(224,666)
Closing balance	<u>14,300,293</u>	<u>32,716</u>	<u>14,333,009</u>	<u>13,979,200</u>	<u>30,250</u>	<u>14,009,450</u>

8.2.2 Pursuant to the applicable Prudential Regulations, the Group has availed the Forced Sale Value (FSV) benefit of securities/collaterals held against loans and advances. Had this benefit of FSV not been availed by the Group, the specific provision against non-performing loans and advances would have been higher by Rs.2,629 million (December 31, 2017: Rs. 2,371 million), which has a net of tax positive impact of Rs.1,709 million (December 31,2017: Rs 1,541 million) on the profit and loss account. Further, the Group has availed the benefit of certain exemptions given by SBP from Prudential Regulations with respect to the provision against non-performing loans and advances, amounting to Rs. 206 million (December 31, 2017: Rs. 206 million) at the period end.

8.2.3 As per the revised "Prudential Regulations for Small and Medium Enterprises' Financing" issued by SBP vide IH & SMEFD Circular No. 9 dated December 22, 2017, the requirement to maintain general reserve at 1% of secured small enterprises (SE) performing portfolio has been abolished while requirement for unsecured SE performing portfolio has been reduced from 2% to 1%. Moreover, for consumer financing performing portfolio, general reserve at 1% of secured and 4% of unsecured has been maintained pursuant to the revised "Prudential Regulations for Consumer Financing" issued by the State Bank of Pakistan vide BPRD Circular No. 10 dated August 03, 2016. Moreover, 10% specific provision has been held against the SE financing falling in OAEM category i.e., where the principal / mark-up is over due by 90 days.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

	Un-audited March 31, 2018	Audited December 31, 2017
Note	----- (Rupees in `000) -----	
9. OPERATING FIXED ASSETS		
Capital work-in-progress	5,102,133	4,937,534
Property and equipment	9.1 7,435,623	7,574,750
Intangible assets	9.2 187,784	202,197
	<u>12,725,540</u>	<u>12,714,481</u>
9.1 Property and equipment		
Book value at beginning of the period / year	7,574,750	7,575,163
Surplus on revaluation of fixed assets	-	140,614
Cost of additions / transfers during the period / year	40,389	604,109
Book value of deletions / write off during the period / year	(4,323)	(32,643)
Depreciation charge for the period / year	(175,193)	(706,823)
Impairment for the period / year	-	(5,670)
Book value at end of the period / year	<u>7,435,623</u>	<u>7,574,750</u>
9.2 Intangible assets		
Book value at beginning of the period / year	202,197	252,711
Cost of additions during the period / year	807	14,593
Book value of deletions / write off during the period / year	-	(3,355)
Amortization charge for the period / year	(15,220)	(61,752)
Book value at end of the period / year	<u>187,784</u>	<u>202,197</u>
10. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	31,692,243	32,124,431
Savings deposits	54,335,197	51,529,761
Current accounts - non-remunerative	43,561,249	43,977,485
Margin accounts	4,960,279	5,518,752
	<u>134,548,968</u>	<u>133,150,429</u>
Financial institutions		
Non-remunerative deposits	1,595,809	1,476,093
Remunerative deposits	9,650,410	10,980,209
	<u>11,246,219</u>	<u>12,456,302</u>
	<u>145,795,187</u>	<u>145,606,731</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

	Un-audited March 31, 2018	Audited December 31, 2017
	----- (Rupees in `000) -----	
11. CONTINGENCIES AND COMMITMENTS		
11.1 Direct credit substitutes		
Including guarantees and standby letters of credit serving as financial guarantees for loans and securities		
- Government	-	-
- Financial institutions	-	-
- Others	293,182	288,532
	<u>293,182</u>	<u>288,532</u>
11.2 Transaction-related contingent liabilities / commitments / guarantees issued favouring		
Contingent liability in respect of performance bonds, bid bonds, shipping guarantees and standby letters of credit favouring:		
- Government	14,938,158	14,608,761
- Banking companies and other financial institutions	1,477,489	1,605,724
- Others	5,459,160	5,853,923
	<u>21,874,807</u>	<u>22,068,408</u>
11.3 Trade-related contingent liabilities		
Letters of credit	15,063,269	14,839,940
Acceptances	1,905,192	1,276,921
	<u>16,968,461</u>	<u>16,116,861</u>
11.4 Other contingencies - claims against Group not acknowledged as debts	<u>7,566,747</u>	<u>7,464,043</u>
11.5 Contingent asset		
There was no contingent asset as at March 31, 2018 (December 31, 2017: Nil).		

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

	Un-audited March 31, 2018	Audited December 31, 2017
	----- (Rupees in `000) -----	
11.6 Commitments in respect of forward lending		
Forward documentary bills	3,739,767	3,639,137
Commitments to extend credit	14,176,563	17,392,426
	17,916,330	21,031,563
11.7 Commitments in respect of forward exchange contracts		
Purchase	12,143,936	5,484,447
Sale	11,403,094	4,303,310
	23,547,030	9,787,757
11.8 Commitments for capital expenditure		
Civil works and others	332,829	455,583
11.9 Commitments in respect of repo transactions		
Repurchase of securities	27,338,874	40,243,259

11.10 Taxation

The income tax returns of the Bank and its subsidiary have been submitted up to and including financial year ended December 31, 2016 i.e. tax year 2017.

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

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

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

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

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

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

	Note	Un-audited March 31, 2018 ----- (Rupees in `000) -----	Un-audited March 31, 2017
12. BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE			
(Loss) / profit for the period		(337,208)	106,014
		----- (Number of shares) -----	
12.1 Weighted average number of Ordinary shares - basic		2,638,151,060	2,168,966,634
		----- (Rupee) -----	
Basic (loss) / earnings per share		(0.13)	0.05
		----- (Number of shares) -----	
12.2 Weighted average number of Ordinary shares - diluted		2,638,151,060	2,596,147,624
		----- (Rupee) -----	
Diluted (loss) / earnings per share	12.2.1	(0.13)	0.04

12.2.1 There are no potential ordinary shares outstanding as of March 31, 2018.

13. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

All assets and liabilities for which fair value is measured or disclosed in the consolidated condensed interim financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The basis for determination of fair values of various assets and liabilities and their hierarchies as disclosed in note 13.1 below are the same as those adopted in the annual audited consolidated financial statements of the Group for the year ended December 31, 2017.

In the opinion of management, the fair value of the remaining financial assets and liabilities are either not significantly different from their carrying values and repriced periodically or cannot be calculated with sufficient reliability. Moreover, provision for impairment of loans and advances has been calculated in accordance with the Group's accounting policy.

13.1 Fair value hierarchy

	March 31, 2018 (Un-audited)			
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Financial assets				
Investments				
- Market treasury bills	-	38,000,870	-	38,000,870
- Pakistan investment bonds	-	12,855,752	-	12,855,752
- GOP ijarah sukuku	-	4,737,517	-	4,737,517
- Ordinary shares - Listed	2,606,723	-	-	2,606,723
- Ordinary shares - Unlisted	-	-	13,475	13,475
- Units of open end mutual funds - Listed	76,763	-	-	76,763
- Preference shares - Unlisted	-	46,035	-	46,035
- Term Finance Certificates and Sukuku	1,044,993	1,703,822	-	2,748,815
	<u>3,728,479</u>	<u>57,343,996</u>	<u>13,475</u>	<u>61,085,950</u>
Non-financial assets				
Operating fixed assets	-	6,662,764	-	6,662,764
Other assets	-	4,235,957	-	4,235,957
	<u>-</u>	<u>10,898,721</u>	<u>-</u>	<u>10,898,721</u>
	<u>3,728,479</u>	<u>68,242,717</u>	<u>13,475</u>	<u>71,984,671</u>
Commitments in respect of forward exchange contracts				
Forward purchase of foreign exchange	-	12,143,936	-	12,143,936
Forward sale of foreign exchange	-	11,403,094	-	11,403,094

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

	December 31, 2017 (Audited)			Total
	Level 1	Level 2	Level 3	
	----- (Rupees in '000) -----			
Financial assets				
Investments				
- Market treasury bills	-	71,840,364	-	71,840,364
- Pakistan investment bonds	-	13,218,246	-	13,218,246
- GOP ijarah sukus	-	4,810,812	-	4,810,812
- Ordinary shares - Listed	2,206,999	-	-	2,206,999
- Ordinary shares - Unlisted	-	-	13,475	13,475
- Units of open end mutual funds - Listed	68,806	-	-	68,806
- Preference shares - Unlisted	-	37,056	-	37,056
- Term Finance Certificates and Sukus	1,089,633	1,738,217	-	2,827,850
	<u>3,365,438</u>	<u>91,644,695</u>	<u>13,475</u>	<u>95,023,608</u>
Non-financial assets				
Operating fixed assets	-	6,769,281	-	6,769,281
Other assets	-	4,541,147	-	4,541,147
	<u>-</u>	<u>11,310,428</u>	<u>-</u>	<u>11,310,428</u>
	<u>3,365,438</u>	<u>102,955,123</u>	<u>13,475</u>	<u>106,334,036</u>
Commitments in respect of forward exchange contracts				
Forward purchase of foreign exchange	<u>-</u>	<u>5,672,541</u>	<u>-</u>	<u>5,672,541</u>
Forward sale of foreign exchange	<u>-</u>	<u>4,404,467</u>	<u>-</u>	<u>4,404,467</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

14. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Corporate finance	Trading and sales	Retail banking	Commercial banking	Payment & settlement / others	Total
	----- (Rupees in '000) -----					
For the three months period ended March 31, 2018 (Un-audited)						
Total income	1,719	1,580,041	(84,881)	1,795,727	37,624	3,330,230
Total expenses	712	997,968	1,403,878	1,377,463	13,137	3,793,158
Net income / (loss) before tax	1,007	582,073	(1,488,759)	418,264	24,487	(462,928)
For three months period ended March 31, 2017 (Un-audited)						
Total income	11,817	1,438,052	217,667	1,521,412	32,756	3,221,704
Total expenses	4,798	603,454	1,060,014	1,317,409	13,137	2,998,812
Net income / (loss) before tax	7,019	834,598	(842,347)	204,003	19,619	222,892
As at March 31, 2018 (Un-audited)						
Segment assets - gross	13,816	75,781,229	19,934,302	120,455,604	398,713	216,583,664
Segment non-performing loans	-	-	940,479	17,373,451	-	18,313,930
Segment provision	-	1,745,211	928,936	13,893,221	-	16,567,368
Segment assets - net	13,816	74,036,018	19,005,366	106,562,383	398,713	200,016,296
Segment liabilities	1,712	36,158,322	1,379,491	148,752,138	2,902,033	189,193,696
As at December 31, 2017 (Audited)						
Segment assets - gross	98,370	112,436,443	22,422,441	113,931,843	380,791	249,269,888
Segment non-performing loans	-	-	1,025,761	16,039,823	-	17,065,584
Segment provision	-	1,745,211	837,818	13,660,068	-	16,243,097
Segment assets - net	98,370	110,691,232	21,584,623	100,271,775	380,791	233,026,791
Segment liabilities	10,879	48,567,561	1,933,551	167,858,238	3,599,658	221,969,887

For the purpose of segmental reporting, unallocated items of income and expenses have been allocated to the above segments in proportion to segment revenue.

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

15. RELATED PARTY TRANSACTIONS

The Group has related party transactions with its parent company, entities having directors in common with the Group, employee benefit plans and its directors and executive officers (including their associates).

Details of material transactions with the related parties, other than those which have been disclosed elsewhere in these consolidated condensed interim financial statements, are as follows:

	March 31, 2018 (Un-audited)				December 31, 2017 (Audited)			
	Key management personnel	Directors	Parent company	Other related parties	Key management personnel	Directors	Parent company	Other related parties
	(Rupees in '000)							
Advances								
Balance at beginning of the year	409,534	-	-	1,213,053	324,233	-	-	1,078,078
Disbursements / granted during the period / year	30,019	-	-	709,877	293,128	-	-	3,889,335
Payments received / adjustments during the period / year	(36,796)	-	-	(437,669)	(207,827)	-	-	(3,754,360)
Balance at end of the period / year	402,757	-	-	1,485,261	409,534	-	-	1,213,053
Deposits								
Balance at beginning of the year	67,291	32,259	-	860,510	20,770	45,147	-	501,960
Deposits during the period / year	160,582	7,629	-	11,231,392	595,492	82,026	-	7,583,680
Withdrawals / adjustments during the period / year	(201,769)	(7,622)	-	(11,067,239)	(548,971)	(94,914)	-	(7,225,130)
Balance at end of the period / year	26,104	32,266	-	1,024,663	67,291	32,259	-	860,510
Other balances								
Shares issued during the period / year	-	-	-	-	-	137,541	5,060,450	-
Investment in shares / TFCS	-	-	-	1,305,479	-	-	-	277,781
Other receivable	4,627	-	579	36,740	4,821	-	488	45,882
Other payable	-	-	-	-	-	-	-	1,369
Mark-up receivable	1,827	-	-	405,904	825	-	-	19,981
Mark-up payable	128	88	-	1,756	168	85	-	1,175
Contingencies and Commitments								
Guarantees, letters of credit and acceptances	-	-	-	833,998	-	-	-	869,683
Commitments to extend credit	1,304	-	-	495,689	548	-	-	547,957

	March 31, 2018 (Un-audited)				March 31, 2017 (Un-audited)			
	Key management personnel	Directors	Parent company	Other related parties	Key management personnel	Directors	Parent company	Other related parties
	(Rupees in '000)							
Transactions, income and expenses								
Purchase of investments	-	-	-	30,955	-	-	-	4,948
Disposal of investments	-	-	-	27,086	-	-	-	84,604
Brokerage income	38	-	-	-	331	-	-	-
Brokerage expenses	-	-	-	-	-	-	-	453
Subscription paid	795	-	-	750	665	-	-	2,055
Education and training	-	-	-	1,110	-	-	-	2,066
Capital (loss) / gain	-	-	-	(2,002)	-	-	-	1,604
Contribution to the provident fund	-	-	-	18,631	-	-	-	22,445
Contribution to the gratuity fund	-	-	-	16,072	-	-	-	16,124
Remuneration paid	52,298	-	-	-	69,792	-	-	-
Post employment benefits	1,713	-	-	-	2,067	-	-	-
Mark-up earned	5,834	-	-	397,107	3,172	-	-	19,013
Mark-up expensed	94	219	-	4,861	189	242	-	6,357
Rental expense	-	-	-	8,651	-	-	-	6,409
Repair and maintenance charges	-	-	-	-	-	-	-	991
Provision for diminution in the value of Investment	-	-	-	-	-	-	-	343
Fees paid	-	1,150	-	-	-	1,200	-	-

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

16. ISLAMIC BANKING OPERATIONS

16.1 The Group commenced its Islamic Banking operations in Pakistan on March 07, 2014 and is operating with 14 Islamic Banking Branches (IBBs) (December 31, 2017: 14 IBBs) and 35 Islamic Banking Windows (IBWs) (December 31, 2017: 35 IBWs) as at March 31, 2018.

BSD Circular letter No. 03 dated January 22, 2013 and BPRD Circular No. 05 dated February 29, 2016 require all Islamic Banks / Other Banks with Islamic Banking Branches to present all financing and advances under Islamic modes of financing and other related assets pertaining to Islamic mode of financing under the caption "Islamic Financing and Related Assets" in the statement of financial position.

16.2 The condensed interim statement of financial position of Islamic Banking operations as at March 31, 2018 is as follows:

	Note	Un-audited March 31, 2018	Audited December 31, 2017
----- (Rupees in `000) -----			
ASSETS			
Cash and balances with treasury banks		1,019,673	1,293,159
Balances with other banks		406,052	435,524
Due from financial institutions		6,964,637	5,936,023
Investments		5,737,987	5,860,690
Islamic financing and related assets	16.5	11,629,083	10,779,551
Operating fixed assets		145,436	150,740
Deferred tax assets - net		9,676	-
Other assets		319,012	520,975
TOTAL ASSETS		26,231,556	24,976,662
LIABILITIES			
Bills payable		222,625	212,856
Due to financial institutions		100,000	250,000
Deposits and other accounts			
- Current accounts		7,721,577	7,792,141
- Saving accounts		11,482,665	10,366,610
- Term deposits		2,475,254	2,132,391
- Others		558,158	633,563
- Deposits from financial institutions - remunerative		1,627,534	1,513,382
- Deposits from financial institutions - non - remunerative		101,503	111,158
Deferred tax liabilities - net		-	12,261
Other liabilities		389,681	387,758
		24,678,997	23,412,120
NET ASSETS		1,552,559	1,564,542
REPRESENTED BY			
Islamic banking fund		1,000,000	1,000,000
Unappropriated profit		570,527	541,772
		1,570,527	1,541,772
(Deficit) / surplus on revaluation of assets - net of tax		(17,968)	22,770
		1,552,559	1,564,542

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

	Un-audited March 31, 2018	Un-audited March 31, 2017
	----- (Rupees in `000) -----	
16.3 Remuneration to Shariah Advisor (RSBM) / Board for the period	<u>2,999</u>	<u>2,778</u>
	Un-audited March 31, 2018	Audited December 31, 2017
	----- (Rupees in `000) -----	
16.4 Charitable fund		
Opening balance	63	-
Addition during the period / year	22	121
Payment / utilization during the period / year	-	(58)
Closing balance	<u>85</u>	<u>63</u>
16.5 Islamic financing and related assets		
Financings / investments / receivables		
- Murabaha	746,029	697,323
- Ijarah	904,535	856,163
- Diminishing Musharakah	4,670,173	4,467,802
- Istisna	4,301	2,703
- Tijarah	2,596,448	2,613,090
- Running Musharakah	736,170	338,304
- Term Musharakah	520,000	520,000
- Other islamic modes	879	-
	10,178,535	9,495,385
Advances		
- Advance against Murabaha	448,525	322,580
- Advance against Diminishing Musharakah	93,951	84,671
- Advance against Ijarah	75,971	74,074
	618,447	481,325
Inventories		
- Tijarah inventories	699,998	698,552
- Istisna inventories	140,103	110,836
	840,101	809,388
	<u>11,637,083</u>	<u>10,786,098</u>
Less: Provision against financing and advances -Specific	-	-
Less: Provision against financing and advances -General	(8,000)	(6,547)
	<u>11,629,083</u>	<u>10,779,551</u>

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2018**

17. GENERAL

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

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

18. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on April 26, 2018 by the Board of Directors of the Group.

**Chief Financial
Officer**

**President &
Chief Executive**

Director

Director

Director

BRANCH NETWORK

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-1,
DHA, Karachi
Tel: 021- 35314061, 35314063-67, 35314105
Fax: 021-35314070

DHA Phase IV Branch

Plot No. 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

Dolmen City Branch

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

BRANCH NETWORK

Electronic Market (Abdullah Haroon Road) Branch

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

Fish Harbour Branch

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

Garden East Branch

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

Gulistan-e-Jauhar - Branch 1

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

Gulistan-e-Jauhar - Branch 2

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

Gulshan-e-Iqbal - Branch 1

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

Gulshan-e-Iqbal - Branch 2

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

Hyderi Branch

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

I. I. Chundrigar Road Branch 1 - Unitower Branch

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

Jami Commercial, DHA Branch

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

Jamshed Quarters Branch

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

Jodia Bazar - Branch 1

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

Karachi Stock Exchange Branch

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

Karimabad Branch

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

Khayaban-e-Shahbaz Branch

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

Khayaban-e-Tanzeem Branch

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

BRANCH NETWORK

Korangi Industrial Area Branch

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

Malir Cantt Branch

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

M. A. Jinnah Road Branch

Mezzanine & Ground Floor,
Plot Survey No. 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 (Gol Market), Karachi
Tel: 021-36620261-63 & 36620267
Fax: 021-36620264

New Challi Branch

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

North Karachi Industrial Area Branch

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

North Napier Road Branch

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

PAF-Base Faisal Branch

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

Paper Market Branch

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

Plaza Quarters Branch

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

Ranchore Line Branch

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

Rizvia Society Branch

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

S.I.T.E. Branch

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

Saeedabad Branch

Plot # 1004/1 & 1004-A/1
(5G/102-A & 5G/012-A/2), Saeedabad,
Baldia, Mahajir Camp, Karachi
Tel: 021-32815092-94
Fax: 021-32815095

Shahrah-e-Faisal - Branch

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

BRANCH NETWORK

Shershah Branch

Plot No. D-175, Industrial Trading Estate Area,
Trans Lyari Quarters, Shershah,
Karachi

Tel: 021-32588191-93

Fax: 021-32588195

Soldier Bazar Branch

Shop # 4, 5 & 6, Plot No 14,
Survey # 13-B-2, Soldier Bazar Quarters, Karachi

Tel: 021-32231559-60

Fax: 021-32231556

Steel Market Branch

Ground Floor, Shop # G-13, 14, 32 & 33
Steel Market, Ranchore Lines Quarters, Karachi

Tel: 021-32763001-07

Fax: 021-32763009

Tariq Road Branch

C-51, Central Commercial Area,
Near Pizza Max Tariq Road, P.E.C.H.S., Karachi

Tel: 021-34556486, 34556682

Fax: 021-34555478

Timber Market Branch

Siddique Wahab Road, Karachi

Tel: 021-32732729, 32766995

Fax: 021-32733214

Water Pump Branch

Lateef Square, Block-16, Federal 'B' Area,
Main Water Pump Market, Karachi

Tel: 021-36321387, 36314817

Fax: 021-36314848

LAHORE

Allama Iqbal Town Branch

56/12, Karim Block, Allama Iqbal Town, Lahore

Tel: 042-35434160-61, 35434163

Fax: 042-35434164

Azam Cloth Market Branch

285-286, Punjab Block, Azam Cloth Market,
Lahore

Tel: 042-37661686, 37660341 & 37660298

Fax: 042-37661863

Badami Bagh Branch

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

Bahria Town Branch

Plot No. 31 - B, Sector 'C',
Bahria Town, Lahore

Tel: 042 - 37862380 - 82

Fax: 042-37862379

Bedian Road Branch

Plot No. 2512/1, Phase-VI,
Bedian Road, Talal Medical Center,
Lahore

Tel: 042-37165300-03

Fax: 042-37165304

Circular Road Branch

Babar Centre, 51, Circular Road, Lahore

Tel: 042-37379371 - 75

Fax: 042-37379370

Darogawala Branch

Near Shalimar Garden
G.T.Road Darogawala Lahore

Tel: 042-36520681-83

Fax: 042-36520684

DHA Phase- VI Branch

Property No 16-MB ,
Block MB, Phase VI DHA Lahore

Tel: 042 -37189650 -52

Fax: 042-37189653

DHA G Block Branch

Plot # 13 G, Commercial Zone DHA,
Phase-I, Lahore Cantt

Tel: 042-35691173-78

Fax: 042-35691171

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

BRANCH NETWORK

Empress Road Branch

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

Faisal Town Branch

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

Ferozpur Road Branch

Siza Farmer Factory, Sufiabad, Lahore
Tel: 042- 35401751-4
Fax: 042-35800094

Gulberg Branch

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

Ichra More Branch

House # 146, Muhallah Ferozpur Road,
Ichra More, Lahore
Tel: 042-37572090-93
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 & 042-35763308
Fax: 042-35763310

Mall Road Branch

56, Ground Floor,
Shahrah-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

BRANCH NETWORK

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 Murree Road Branch

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

The Mall Road Branch

Shop No. 31-A/4, The Mall Road,
Opp: State Life Building, Saddar, Rawalpindi
Cantt.
Tel: 051 - 5564123, 5120778-80
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

BRANCH NETWORK

Satiana Road Branch

Plot No. 679 - DGM, Batala Colony,
Satiana Road, Faisalabad
Tel: 041 - 8500569 - 73
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/11-57/103, G. T. Road, Gujranwala
Tel: 055-3842751-3842729
Fax: 055-3842890

Gujranwala Branch

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

Wapda Town Branch

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

GUJRAT

GT Road Branch

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

Gujrat Branch

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

Katchery Chowk Branch

Shop # 1263 & 1270 B-II, Katchery Chowk,
Opp. Zahoor Elahi Stadium,
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

BRANCH NETWORK

Fruit Market Branch

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

Hayatabad Branch

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

Main University Road Branch

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

Milad Chowk Branch

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

QUETTA

Fatima Jinnah Road Branch

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

Liaquat Bazar Branch

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

M. A. Jinnah Road Branch

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

Regal Chowk Branch

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

ABBOTTABAD

Abbottabad Branch

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

ATTOCK

Hassan Abdal Branch

Survey No. 1269/1624, Khasra No. 1935,
G. T. Road, Hassan Abdal, District Attock
Tel: 057-2520329-31
Fax: 057-2520328

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 1

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

Mirpur Azad Kashmir Branch 2

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

Muzzafarabad Branch

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

Shaheed Chowk Branch

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

BRANCH NETWORK

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, Gujar 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,
Zia ul 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

BRANCH NETWORK

Latifabad No. 7 Branch

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

Market Chowk Branch

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

Qasimabad Branch

Shop No. 23, 24 & 25, Rani Arcade,
Qasimabad, Hyderabad
Tel: 022-2650742-43 & 2652204-5
Fax: 022-2650745

JACOBABAD

Jacobabad Branch

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

JEHLUM

Jhelum Branch

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

KAMBAR

Shahdad Kot Branch

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

KAMOKE

Kamoke - GT Road Branch

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

KANDH KOT

Kandh Kot Branch

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

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

BRANCH NETWORK

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

Ravi Road Branch

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

RABWAH

Rabwah Branch

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

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- 5951301-3
Fax: 068-5951300

SAHIWAL

High Street Branch

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

BRANCH NETWORK

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 -1,
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: 051-4542157, 4542167,
4542279, 4902238-39
Fax: 051-4542140

BRANCH NETWORK

ISLAMIC BANKING BRANCHES

KARACHI

Fish Harbour Branch

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

I. I. Chundrigar Road Branch 2

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

IBL Building Centre, Shahrah-e-Faisal, Branch

Ground Floor IBL Building Center at Plot No. 1,
Block 7 & 8, D.M.C.H.S, Shahrah-e-Faisal, Karachi
Tel: 021-32368002-4
Fax: 021 - 32368005

Super Highway Branch

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

Zamzama Branch

Shop No. 3, 4, 5, 6 & 7, Plot No. 16-C,
2nd Zamzama Commercial Lane
DHA - Karachi
Tel: 021 - 35373135-7
Fax: 021 - 35373138

LAHORE

PIA Society Branch

Plot # 40, Block-D, Main Boulevard PIA Society,
Opp Wapda Town Roundabout, Lahore
Tel: 042-35189957 - 59
Fax: 042-35210895

ISLAMABAD

DHA Phase 2 Branch

Plot No. 7, Street SSZBS, Al Nahyaan,
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

RAWALPINDI

Bahria Town Branch Phase-IV

Plot # 1, Bahria Town, Civic Centre,
Phase IV, Rawalpindi
Tel: 051-5733945-46
Fax: 051-5733967

HUB

Hub Branch

Shop No. 12 - 14, Khasra No. 106/4,
Int. Shopping Mall Hotel,
Mouza Berot, Tehsil Hub, Lasbella,
Baluchistan
Tel: 0852 - 363056 - 058
Fax: 0852 - 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

CHITRAL

Chitral Branch

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

HYDERABAD

DHA Plaza Branch

Shop No. 1 & 2, Block "C",
Defence Plaza, Thandi Sarak, Hyderabad
Tel: 022- 2108474, 2108478
Fax: 022-210847



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