

BUILDING TODAY SHAPING TOMORROW

QUARTERLY REPORT MARCH 2021



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

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CORPORATE INFORMATION

Board of Directors

Mr. Waseem Mehdi Syed
Chairman

Mr. Jawad Majid Khan
President & CEO

Mr. Wajahat Ahmed Baqai
Director

Mr. Zafar Iqbal Siddiqi
Director

Ms. Fauzia Hasnain
Director

Mr. Aziz Morris
Director

Board Audit Committee

Ms. Fauzia Hasnain
Chairperson

Mr. Wajahat Ahmed Baqai
Member

Mr. Zafar Iqbal Siddiqi
Member

Board Risk Management Committee

Mr. Wajahat Ahmed Baqai
Chairman

Ms. Fauzia Hasnain
Member

Mr. Aziz Morris
Member

Mr. Zafar Iqbal Siddiqi
Member

Board Human Resource & Remuneration Committee

Ms. Fauzia Hasnain
Chairperson

Mr. Zafar Iqbal Siddiqi
Member

Mr. Wajahat Ahmed Baqai
Member

Mr. Jawad Majid Khan
Member

Board Information Technology Committee

Mr. Zafar Iqbal Siddiqi
Chairman

Mr. Aziz Morris
Member

Mr. Waseem Mehdi Syed
Member

Board Compliance Committee

Mr. Wajahat Ahmed Baqai
Chairman

Mr. Waseem Mehdi Syed
Member

Mr. Aziz Morris
Member

Mr. Zafar Iqbal Siddiqi
Member

Chief Financial Officer

Mr. Salman Zafar Siddiqi

Company Secretary

Syed Muhammad Talib Raza

Auditors

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants

Legal Advisors

Hyat & Meerjees

Share Registrar

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

Head Office

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UAN : (021) 1111-24365
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Registered Office

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Islamabad, Pakistan

Email : info@summitbank.com.pk
companysecretary@summitbank.com.pk

Website : www.summitbank.com.pk

VISION

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



MISSION

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



DIRECTORS' REVIEW

On behalf of the Board of Directors, we are pleased to present the Directors' Review of the Bank along with the un-audited condensed interim financial statements for the quarter ended March 31, 2021.

THE BANK'S PERFORMANCE

The highlights of the financial results for the quarter ended March 31, 2021 are as follows:

	March 31, 2021
	Rupees in Millions
Financial Position	
Shareholders' Equity	(12,181)
Total Deposits	103,679
Total Assets	109,776
Advances – net	30,901
Investments – net	29,931
Financial Performance	
Net Interest Income and Non Markup Income (Total Income)	(152)
Non Markup Expenses	1,285
Provisions and write offs (net)	292
Loss before tax	(1,729)
Loss after tax	(1,159)
Basic and diluted loss per share - (Rupee)	(0.44)

The Bank was able to curtail its losses and posted a Loss before tax of Rs. 1.729 billion and a Loss after tax of Rs. 1.159 billion for the quarter ended March 31, 2021, as compared to a Loss before tax of Rs. 2.995 billion and a Loss after tax of Rs. 1.989 billion for the quarter ended March 31, 2020, improving by 42% YoY. This translated into a loss per share of Re. 0.44 (March 2020: loss per share Re. 0.75).

The volumetric reduction of advances together with lower yields on earning assets of the Bank due to SBP's policy rate cut of 625 basis points over the course of the last twelve months – i.e. from mid-March 2020 till date resulted in the reduction of the Bank's interest income. This was partially offset by higher investment volumes during the first quarter of 2021. The Bank's average net investments improved to Rs. 29.284 billion for the quarter ended March 31, 2021 as against Rs. 24.674 billion maintained in the comparative prior period.

Further, the Bank's interest expense registered a decrease of Rs. 906.922 million over the corresponding period last year as the Bank's overall cost of funds decreased in line with the decline in SBP policy rate. Period end deposits amounted to Rs. 103.679 billion as at March 31, 2021. In terms of averages, the portfolio grew by Rs. 15.630 billion, or 18% as compared to March 2020. The Bank's cost of deposits decreased to 4.03% for the quarter ended March 31, 2021 as against 7.51% for the corresponding period last year. On the borrowings side, the Bank's average borrowings decreased by Rs. 8.066 billion, with costs decreasing to 2.59% for the current quarter as against 7.94% for the comparative prior period.

Non-funded income was reported at Rs. 162.737 million, reflecting a decrease of 36% over the corresponding period last year, mainly due to a decline in foreign exchange income earned.

Total non-mark up expenses remained flat and were reported at Rs. 1.285 billion as against Rs. 1.245 billion last year, increasing by 3%.

The Bank substantially reduced its total provisioning expense by Rs. 1.022 billion and recorded an expense of Rs. 292.379 million for the quarter ended March 31, 2021, against a provision expense of Rs. 1.314 billion in the corresponding period last year. Provision against loans and advances was booked at Rs. 326.231 million as against a provision of Rs. 1.281 billion during the same period last year.

The Bank's net advances portfolio shrank by 3% to Rs. 30.901 billion as at March 31, 2021. Non-performing loans were Rs. 38.623 billion on March 31, 2021 as against Rs. 38.724 billion on December 31, 2020. The Bank's gross NPL ratio (Gross non-performing loans to Gross Advances) as of March 31, 2021 stood at 60.66% as against 60.29% on December 31, 2020, while the coverage ratio at March 31, 2021 stands at 84.80% (December 2020: 83.73%). At the quarter end, the Bank's gross advances to deposits ratio stands at 61.42% as compared to 63.04% on December 31, 2020.

As at March 31, 2021, the Bank has deferred tax assets (net) of Rs. 14.817 billion, this has been recognized on the basis of the management's best estimate that these would be realized against the future taxable profits. Based on the updated tax positions, deferred tax income for the current quarter amounted to Rs. 586.516 million as against an income of Rs. 1.032 billion during the same period last year.

As at March 31, 2021, the Bank's paid up capital (net of losses) stood at negative (-) Rs. 17.237 billion as against the statutory requirement of Rs. 10 billion prescribed by SBP while the Capital Adequacy Ratio of the Bank stood at negative (-) 49.21% as against the minimum requirement of 11.50%.

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

CREDIT RATING

In the year 2019, VIS Credit Rating Company Limited suspended the Bank's medium to long-term rating of 'BBB -' (Triple B minus) and short term rating of 'A-3' (A-three) due to non-availability of updated information. VIS Credit Rating Company Limited would reassess the ratings once required information along with latest financials are made available. Moreover, the Bank's TFC rating was assigned 'D' (Default) due to non-payment of its latest mark-up payment on account of lock-in-clause invoked by the Bank under the applicable Regulations of the State Bank of Pakistan (SBP). The TFC holders of the Bank in their meeting held on October 22, 2021, further approved another extension of one year in the tenure of the TFC issue along with the extension in the payments of all redemption amounts, with the revised maturity date set at October 27, 2022. The Bank is currently in the process of ensuring compliance with all the applicable laws, rules, regulations and requisite regulatory requirements in this regard.

ECONOMIC REVIEW

Pakistan's macroeconomic fundamentals of Q1 2021 showed slight improvement as the businesses resumed operations after the second wave of the COVID-19 pandemic. However, uncertainty around growth prospects still exists, due to the emergence of a more virulent wave of COVID-19 in Pakistan just as the vaccine has been rolled out.

On the external front, Pakistan reported a current account surplus of USD 881 million during the first eight months of FY21 as compared to a deficit of USD 2.7 billion reported in the same period last year. The main reason for this positive development was the significant growth recorded in remittances that continued into 2021. Resultantly, despite the fact that the last few months witnessed a slight current account deficit, the overall situation remained well under control. These favourable developments and improving sentiment contributed to the appreciation in the Rupee - Dollar Parity and helped to keep SBP's foreign exchange reserves at around \$13 billion, providing a 3 month import cover. Moreover, the initiative of Roshan Digital Account taken by the SBP in September, 2020 gained pace during the first quarter of 2021 which further lent support to the external sector.

Meanwhile, inflation picked up slightly during the first quarter of 2021 after touching a low of 5.7% (for the fiscal year) in January, 2021. The uptick in inflation was mainly observed due to an increase in the electricity base tariff. However, average inflation for the quarter was 7.8% as compared to 12.4% during the same period last year. To stimulate the growth in the economy in the aftermath of the pandemic, SBP kept the policy rate unchanged at 7% during the first quarter of 2021.

On the fiscal side, the budget deficit clocked in at 2.5% of GDP as compared to 2.3% of GDP during the same period last year. However, the primary balance remained in surplus and stood at 0.7% of GDP. FBR tax revenue collection stood at PKR 2.21 trillion during the first six months of the current fiscal year as compared to PKR 2.25 trillion during the same period last year.

In complete contrast to what was witnessed at the beginning of the last year, the PSX-100 index emerged as the second best performing regional market, as it hit a three-year high of 46,933 during February 2021. However, during March 2021, the political uncertainty overtook the market and the index closed the quarter at 44,587 points, up by 1.9% during the three-month period.

EVENTS AFTER THE BALANCE SHEET DATE

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

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

ACKNOWLEDGEMENT

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

Jawad Majid Khan
President and Chief Executive Officer

Fauzia Hasnain
Director

Summit Bank
December 24, 2021
Karachi

تعریف و توثیق

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

فوزیہ حسنین
ڈائریکٹر

جواد ماجد خان
صدر اور چیف ایگزیکٹو آفیسر

سمٹ بینک
24 دسمبر 2021ء
کراچی

اقتصادی جائزہ

2021ء کی پہلی سہ ماہی پاکستان کے کئی معاشی مہدیاات میں معمولی بہتری دکھائی دی کیونکہ کووڈ 19 وبا کی بھاری کی دوسری لہر کے بعد کاروباری اداروں نے دوبارہ کام شروع کیا۔ تاہم، نمو کے امکانات کے بارے میں غیر یقینی صورت حال اب بھی موجود ہے، جس کی وجہ سے بین بین کے اجراء کے ساتھ ہی پاکستان میں کووڈ 19 کی ایک اور زیادہ خطرناک لہر کے ابھرنے کا امکان ہے۔

بیرونی مہدیا، پاکستان نے مالی سال 21ء کے پہلے آٹھ مہینوں کے دوران 881 ملین ڈالر کا جاری کھاتے کا فاضل درج کیا جبکہ گزشتہ برس کی اسی مدت میں 2.7 ارب ڈالر کا خسارہ درج کیا گیا تھا۔ اس مثبت پیشرفت کی بنیادی وجہ ترسیلات زر میں درج کی گئی نمایاں نمو تھی جو 2021ء تک جاری رہی۔ نتیجتاً، اس حقیقت کے باوجود کہ پچھلے چند مہینوں میں جاری کھاتے کا معمولی خسارہ دیکھنے میں آیا، مجموعی صورت حال ابھی طرح سے قابو میں رہی۔ ان سازگار پیش رفتوں اور جذبات میں بہتری نے روپیہ اور ڈالر کی مساوات میں اضافے میں اہم کردار ادا کیا اور اسٹیٹ بینک کے زر مبادلہ کے ذخائر کو تقریباً 13 ارب ڈالر تک رکھنے میں مدد کی، جس سے 3 ماہ کی درآمدی کوریج حاصل ہوئی۔ مزید برآں، اسٹیٹ بینک کی جانب سے ستمبر 2020ء میں روشن ڈیجیٹل کاؤنٹ کے اقدام نے 2021ء کی پہلی سہ ماہی کے دوران رفتار حاصل کی جس نے بیرونی شعبے کو مزید مدد فراہم کی۔

دریں اثنا، جنوری 2021ء میں (مالی سال کے لیے) 5.7 فیصد کی کم ترین سطح کو چھونے کے بعد 2021ء کی پہلی سہ ماہی کے دوران مہنگائی میں قدرے اضافہ ہوا۔ مہنگائی میں اضافہ بنیادی طور پر بجلی کے بنیادی بیرونی میں اضافے کی وجہ سے دیکھا گیا۔ تاہم، سہ ماہی کے لیے اوسط مہنگائی 7.8 فیصد رہی جو گزشتہ برس کی اسی مدت کے دوران 12.4 فیصد تھی۔ وبائی مرض کے بعد معیشت میں ترقی کو مہمیز دینے کے لیے، اسٹیٹ بینک نے 2021ء کی پہلی سہ ماہی کے دوران پالیسی کی شرح کو 7 فیصد پر برقرار رکھا۔

مالیاتی اعتبار سے، بجٹ خسارہ جی ڈی پی کے 2.5 فیصد تک پہنچ گیا جو کہ گزشتہ برس کی اسی مدت کے دوران جی ڈی پی کا 2.3 فیصد تھا۔ تاہم، بنیادی توازن سرپلس میں ہی رہا اور جی ڈی پی کا 0.7 فیصد رہا اور مالی سال کے پہلے چھ مہینوں کے دوران ایف بی آر ٹیکس ریویو کی وصولی 2.21 ٹریلین روپے رہی جو گزشتہ برس کی اسی مدت کے دوران 2.25 ٹریلین روپے تھی۔

گزشتہ برس کے آغاز کے بالکل برعکس، پی ایس ایکس 100 انڈیکس دوسری بہترین کارکردگی کا مظاہرہ کرنے والی علاقائی منڈی کے طور پر ابھرا، کیونکہ اس نے فروری 2021ء کے دوران 46,933 کی تین سال کی بلند ترین سطح کو چھوا۔ تاہم مارچ 2021ء کے دوران، سیاسی غیر یقینی صورت حال نے منڈی کو مات دے دی اور انڈیکس سہ ماہی میں 7,44,587 پوائنٹس پر بند ہوا، تین ماہ کی مدت کے دوران 1.9 فیصد اضافہ ہوا۔

بینکس شیٹ کی تاریخ کے بعد ہونے والے واقعات

20 مئی 2021ء کو ایچ ای نصر عبداللہ حسین لوط (سرمایہ کار) کی جانب سے بینک کو ایک مراسلہ موصول ہوا جس میں سرمایہ کار نے بینک میں تازہ سیالیت سمسکرائب کر کے بینک کے کنٹرولنگ اختیار حاصل کرنے کے ارادے کا اظہار کیا۔ سیکورٹیز ایکٹ، 2015ء اور فہرستی کمپنیز (ڈوونگ ٹیٹرز زاور ٹیک اور زکا کافی حصول) ریگولیشنز، 2017ء کے اس طرح کے لین دین کے لیے قابل اطلاق تقاضوں کی تعمیل کرتے ہوئے، سرمایہ کار کی جانب سے انتظامی کنٹرول کے ساتھ بینک کے کم از کم 51 فیصد جاری کردہ اور ادا شدہ سرمائے کے بارے میں عوامی اعلان کیا گیا۔

سرمایہ کار نے یہ پیش کش 04 اکتوبر 2021ء کے بینک اور سرمایہ کار کے مابین ایس ایس اے کے طے کردہ معاہدے کے مطابق اپ کی آؤٹ بر 2021ء کو ایک مراسلہ کے ذریعے بینک میں رعایتی قیمت پر رائٹس آفرنگ کے بغیر نئے ایکویٹی ادخال کے ذریعے 2.51 فیڈیٹیٹرز پر نئے عام حصص کی مجوزہ سمسکریشن کے لیے اپنی پیش کش جمع کرائی ہے۔ سرمایہ کار نے یہ پیش کش ایس ایس اے کے طے کردہ معاہدے کے مطابق پیش کی جسے بورڈ آف ڈائریکٹرز نے باضابطہ طور پر منظور کیا ہے۔ بینک کل 5,976.096 ملین نئے عام حصص جاری کرنے کا ارادہ رکھتا ہے۔

غیر فنڈز آمدنی 162.737 ملین روپے درج کی گئی جو گذشتہ برس کی اسی مدت کے مقابلے میں 36 فیصد کمی کی عکاسی کرتا ہے، جس کی بنیادی وجہ زرمبادلہ آمدنی میں کمی ہے۔

مجموعی غیر سودی اخراجات 3 فیصد اضافے کے ساتھ تقریباً گذشتہ برس کی سطح پر رہے اور 1.285 ارب روپے درج کیے گئے جبکہ گذشتہ برس کی اسی مدت کے دوران 1.245 ارب روپے درج کیے گئے تھے۔

بینک نے 31 مارچ 2021ء کو اختتام پذیر ہونے والی سہ ماہی کے دوران اپنے مجموعی تمویل کے اخراجات میں 1.022 ارب روپے کی نمایاں کمی کے ساتھ 292.379 ملین روپے کے اخراجات درج کیے جبکہ گذشتہ برس کی اسی مدت کے دوران یہ 1.314 ارب روپے کے تمویل اخراجات تھے۔ قرضوں اور ایڈوانسز پر بل کی گئی تمویل 326.231 ملین روپے تھی جبکہ گذشتہ برس کی اسی مدت کے دوران 1.281 ارب روپے تھی۔

31 مارچ 2021ء کو بینک کا خالص ایڈوانس 3 فیصد کمی کے ساتھ 30.901 ارب روپے ہو گیا۔ غیر فعال قرضے 31 دسمبر 2020ء کے 38.724 ارب روپے سے گھٹ کر 31 مارچ 2021ء کو 38.623 ارب روپے ہو گئے۔ 31 مارچ 2021ء تک بینک کا مجموعی غیر فعال قرضوں کا تناسب (مجموعی غیر فعال قرضے اور مجموعی ایڈوانسز) 60.66 فیصد رہا جو 31 دسمبر 2020ء کو 60.29 فیصد فیصد تھا، جبکہ کوریج کا تناسب 31 مارچ 2021ء کو 84.80 فیصد ہو گیا۔ (دسمبر 2020ء: 83.73 فیصد)۔ سہ ماہی کے اختتام پر بینک کا مجموعی ایڈوانسز اور ڈپازٹ کا تناسب 61.42 فیصد تھا جبکہ 31 دسمبر 2020ء کو 63.04 فیصد تھا۔

31 مارچ 2021ء تک بینک 14.817 ارب روپے کے (خالص) موخر ٹیکس اثاثوں کا حامل ہے، جنہیں مستقبل میں قابل ٹیکس منافعوں پر حصول کے انتظامیہ کے بہترین تخمینے کی بنیاد پر تسلیم کیا گیا ہے۔ ٹیکس کی تازہ ترین صورت حال کی بنیاد پر، موجودہ سال کے لیے موخر ٹیکس آمدنی 586.516 ملین روپے ہے جبکہ گذشتہ برس کی اسی مدت کے دوران یہ 1.032 ارب روپے تھی۔

اسٹیٹ بینک کی جانب سے مقرر کیے گئے 10 ارب کے روپے کی قانونی ضرورت کے مقابلے میں 31 مارچ 2021ء تک، بینک کا ادا شدہ سرمایہ (خسارے کا خالص) منفی (-) 17.237 ارب روپے تھا، جبکہ بینک کی شرح کلیت سرمایہ کے کم از کم 11.50 فیصد کے تقاضے کے مقابلے میں منفی (-) 49.21 فیصد تھا۔

انتظامیہ اور بورڈ آف ڈائریکٹرز کو امید ہے کہ اگر کاروباری منصوبے میں بیان کردہ ترقی کے عوامل اور دیگر کلیدی مفروضے عملی شکل اختیار کر لیتے ہیں، تو بینک کاروباری نتائج میں متوقع بہتری اور قابل اطلاق ضوابطی تقاضوں پر عمل درآمد میں کامیاب ہو جائے گا۔

کریڈٹ ریٹنگ

2019ء کے دوران، وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے بینک کی درمیانی تا طویل مدتی ریٹنگ 'بی بی بی' (ٹریبل بی مائنس) اور قلیل مدتی ریٹنگ اے-3 (اے-3) تھری ماہہ تازہ ترین معلومات کی عدم دستیابی کی وجہ سے معطل کر دی۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ تازہ ترین ضروری مالی معلومات کے دستیاب ہونے پر ایک بار پھر ریٹنگ کا دوبارہ جائزہ لے گی۔ مزید یہ کہ، بینک کی ٹی ایف سی ریٹنگ کو ڈی (ڈیفالٹ) تقویض کیا گیا تھا کیونکہ کمپنی نے اسٹیٹ بینک آف پاکستان (SBP) کے قابل اطلاق ضوابط کے تحت بینک کی لاک ان دفعہ کے حوالے سے اپنی تازہ ترین سودی ادائیگی نہیں کی تھی۔ بینک کے ٹی ایف سی ہولڈرز نے 22 اکتوبر 2021ء کو ہونے والی اپنی سٹیک میں ٹی ایف سی ایٹو کی مدت میں ایک سال کی مزید توسیع کی منظوری دی اور ساتھ ہی تمام انفکاز کو رقم کی ادائیگیوں میں توسیع کے ساتھ عرصیت کی نظر ثانی شدہ تاریخ 27 اکتوبر 2022ء مقرر کی۔ بینک اس وقت تمام قابل اطلاق قوانین، قواعد و ضوابط اور اس سلسلے میں مطلوبہ ضوابطی تقاضوں کی تعمیل کو یقینی بنانے کے لیے مصروف عمل ہے۔

ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے، ہم بینک کی 31 مارچ 2021ء کو اختتام پذیر ہونے والی سہ ماہی کے لیے ڈائریکٹرز کا جائزہ اور غیر آڈٹ شدہ مالی گوشوارے پیش کرتے ہوئے مسرور ہیں۔

بینک کی کارکردگی

31 مارچ 2021ء کو اختتام پذیر ہونے والی سہ ماہی کے لیے بینک کے مالی نتائج کی جھلکیاں مندرجہ ذیل ہیں:

31 مارچ 2021ء

روپے ملین میں
(12,181)
103,679
109,776
30,901
29,931

مالی صورت حال
شیرتہ ہولڈرز کی ایکویٹی
مجموعی اثاثیں
مجموعی اثاثے
ایڈوانس-خالص
سرمایہ کاریاں-خالص

مالی کارکردگی

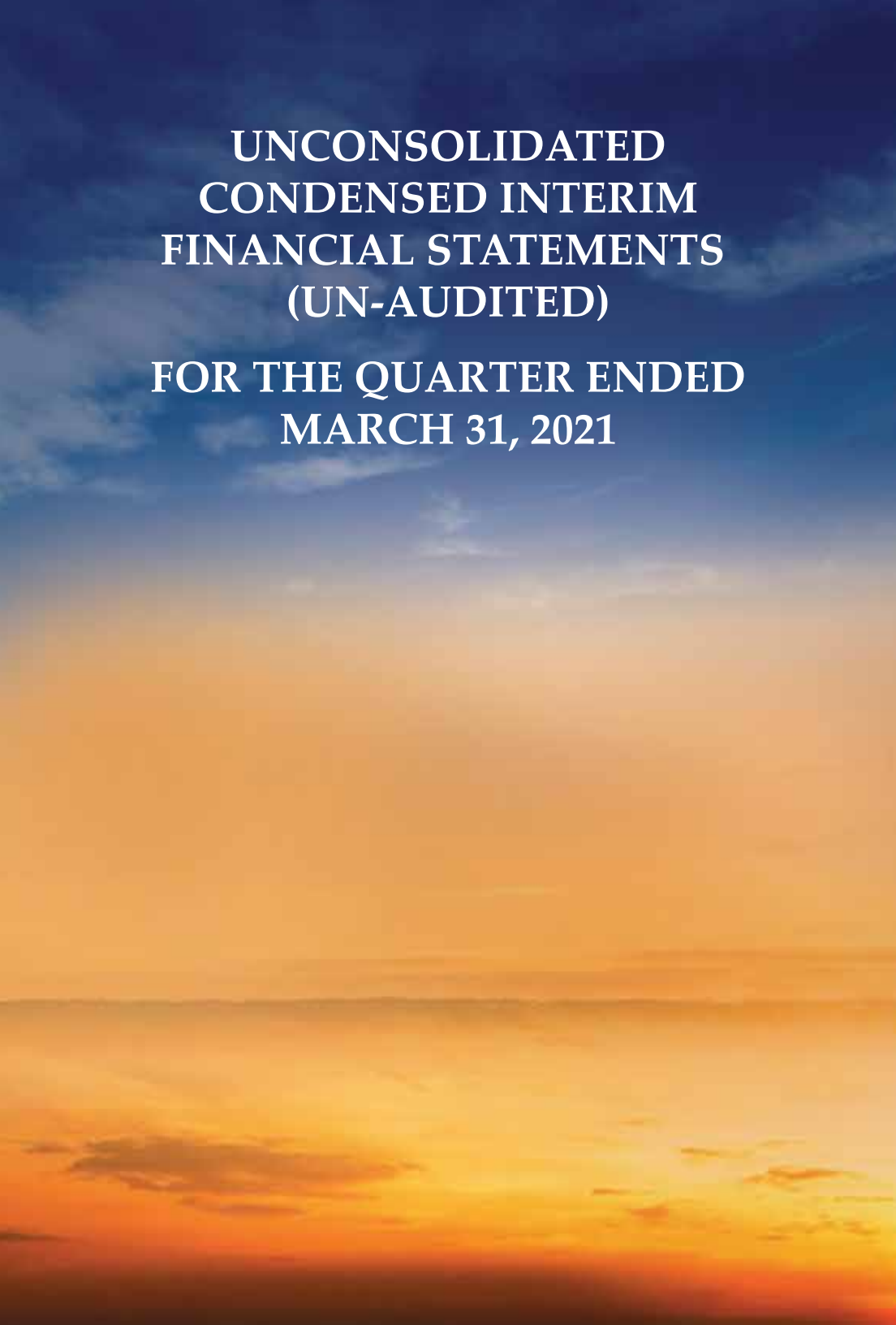
(152)
1,285
292
(1,729)
(1,159)
(0.44)

خالص سودی آمدنی اور غیر سودی آمدنی (مجموعی آمدنی)
غیر سودی اخراجات
پرودپنڈنٹ اور رائٹ آفس (نیٹ)
خسارہ نقل از ٹیکس
خسارہ بعد از ٹیکس
بنیادی اور سیال (diluted) خسارہ فی شیرتہ-روپے

31 مارچ 2021ء کو اختتام پذیر ہونے والی زیر جائزہ سہ ماہی کے دوران، بینک نے اپنے خساروں میں کمی کے بعد 1.729 ارب روپے کا خسارہ نقل از ٹیکس اور 1.159 ارب روپے کا خسارہ بعد از ٹیکس درج کیا جبکہ 31 مارچ 2020ء کو اختتام پذیر ہونے والی سہ ماہی کے دوران بالترتیب 2.995 ارب روپے کا خسارہ نقل از ٹیکس اور 1.989 ارب روپے کا خسارہ بعد از ٹیکس درج کیا گیا تھا۔ لہذا خسارہ فی شیرتہ رہا 0.44 فی شیرتہ رہا (مارچ 2020ء: خسارہ فی شیرتہ 0.75 فی شیرتہ)۔

گذشتہ ماہہ مہینوں، یعنی مارچ 2020ء تا حال اسٹیٹ بینک کے پالیسی ریٹ میں 625 بیسیس پوائنٹس کمی کی وجہ سے بینک کی آمدنی کے اثاثوں کے ساتھ ساتھ ایڈوانسز کے حجم میں نمایاں کمی نمایاں طور پر کم ہو گئی جس کے نتیجے میں بینک کی سودی آمدنی میں کمی آئی۔ 2021ء کی پہلی سہ ماہی کے دوران بلند سرمایہ کاری حجم سے اس کی جزوی تلافی ہو گئی۔ 31 مارچ 2021ء کو ختم ہونے والی سہ ماہی کے لیے بینک کی اوسط خالص سرمایہ کاری بڑھ کر 29.284 ارب روپے ہو گئی جبکہ گذشتہ برس کی اسی مدت میں 24.674 ارب روپے تھیں۔

مزید برآں، بینک کے سودی اخراجات میں گذشتہ برس کی اسی مدت کے مقابلے میں 906.922 ملین روپے کمی کی درج کی گئی کیونکہ بینک کے فنڈز کی مجموعی لاگت میں کمی اسٹیٹ بینک کی پالیسی ریٹ میں کمی کے مطابق تھی۔ 31 مارچ 2021ء تک اختتام مدت کے ذخائر کی رقم 103.679 ارب روپے تھی۔ اوسط کے لحاظ سے، جو دوران میں مارچ 2020ء کے مقابلے میں 15.630 ارب روپے، یا 18 فیصد کا اضافہ ہوا۔ 31 مارچ 2021ء کو ختم ہونے والی سہ ماہی کے لیے بینک کے ڈپازٹس کی لاگت کم ہو کر 4.03 فیصد ہو گئی جو گذشتہ برس کی اسی مدت کے دوران 7.51 فیصد تھی۔ قرض گیری کے لحاظ سے، موجود سہ ماہی کے لیے اخراجات میں ہونے والی 2.59 فیصد کمی کے ساتھ بینک کے اوسط قرضے میں 8.066 ارب روپے کمی ہوئی جب کہ گذشتہ برس کی اسی مدت کے دوران 7.94 فیصد تھے۔



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

**FOR THE QUARTER ENDED
MARCH 31, 2021**

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	6	10,632,525	11,571,282
Balances with other banks	7	943,826	1,359,018
Lendings to financial institutions	8	1,830,849	-
Investments	9	29,930,702	27,903,360
Advances	10	30,901,396	31,783,279
Fixed assets	11	10,517,678	10,188,303
Intangible assets	12	76,383	90,459
Deferred tax assets	13	14,817,135	14,279,245
Other assets	14	10,125,787	10,482,933
		109,776,281	107,657,879
LIABILITIES			
Bills payable	16	1,951,532	2,402,870
Borrowings	17	9,056,332	7,668,886
Deposits and other accounts	18	103,679,455	101,887,584
Liabilities against assets subject to finance lease		-	-
Subordinated debt	19	1,495,515	1,495,515
Deferred tax liabilities		-	-
Other liabilities	20	5,774,059	5,390,495
		121,956,893	118,845,350
NET ASSETS		<u>(12,180,612)</u>	<u>(11,187,471)</u>
REPRESENTED BY			
Share capital - net		20,500,194	20,500,194
Reserves		(425,043)	(425,043)
Surplus / (deficit) on revaluation of assets	21	4,902,587	4,812,283
Accumulated losses		(37,158,350)	(36,074,905)
		<u>(12,180,612)</u>	<u>(11,187,471)</u>

CONTINGENCIES AND COMMITMENTS 22

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021

		March 31, 2021	March 31, 2020
	Note	----- (Rupees in '000) -----	
Mark-up / return / interest earned	23	947,588	1,476,671
Mark-up / return / interest expensed	24	1,261,863	2,168,785
Net mark-up / interest expense		(314,275)	(692,114)
NON MARK-UP / INTEREST INCOME			
Fee and commission income	25	102,454	117,657
Dividend income		-	14,831
Foreign exchange income		21,522	96,223
Income / (loss) from derivatives		-	-
Gain on securities	26	11,416	10,403
Other income	27	27,345	16,849
Total non-markup / interest income		162,737	255,963
Total income		(151,538)	(436,151)
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	28	1,279,809	1,238,484
Workers' welfare fund		-	-
Other charges	29	5,208	6,515
Total non-markup / interest expenses		1,285,017	1,244,999
Loss before provisions		(1,436,555)	(1,681,150)
Provisions and write offs - net Extra ordinary / unusual items	30	292,379 -	1,314,341 -
LOSS BEFORE TAXATION		(1,728,934)	(2,995,491)
Taxation	31	(570,319)	(1,006,624)
LOSS AFTER TAXATION		(1,158,615)	(1,988,867)
		----- (Rupee) -----	
Basic loss per share	32	(0.44)	(0.75)
Diluted loss per share	32	(0.44)	(0.75)

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021

	March 31, 2021	March 31, 2020
	----- (Rupees in '000) -----	
Loss after taxation for the period	(1,158,615)	(1,988,867)
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of investments - net of tax	134,861	222,922
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement gain on defined benefit obligations	6,621	-
Movement in surplus on revaluation of operating fixed assets - net of tax	9,066	8,797
Movement in surplus on revaluation of non-banking assets - net of tax	14,926	-
	30,613	8,797
Total comprehensive loss	(993,141)	(1,757,148)

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED MARCH 31, 2021

	Capital reserves		Surplus / (deficit) on revaluation of		Revenue reserve	Total
	Share premium	Statutory reserve	Fixed / Non banking assets	Property held for sale		
Share capital	Reserve arising on amalgamation					
	(Rupees in '000)					
20,500,194	1,000,000	154,162	(1,579,205)	2,832,045	754,510	(5,598,223)
Balance as at January 01, 2020 (Audited)						
Loss after taxation for the quarter ended March 31, 2020	-	-	-	-	-	(1,988,867)
Other comprehensive income - net of tax	-	-	-	-	-	231,719
Transfer to statutory reserve	-	-	222,922	8,797	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	(25,134)	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	25,134
Balance as at April 01, 2020 (Un-audited)	20,500,194	1,000,000	154,162	(1,579,205)	1,666,721	2,815,708
Loss after taxation for the nine months period ended December 31, 2020	-	-	-	-	-	(4,959,114)
Other comprehensive income - net of tax	-	-	-	-	-	(13,383)
Transfer to statutory reserve	-	-	-	344,967	795,430	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	(65,053)	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	65,053
Balance as at January 01, 2021 (Audited)	20,500,194	1,000,000	154,162	(1,579,205)	5,116,888	3,546,085
Loss after taxation for the quarter ended March 31, 2021	-	-	-	-	-	(1,158,615)
Other comprehensive income - net of tax	-	-	-	-	-	6,621
Transfer to statutory reserve	-	-	-	134,861	23,992	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	(25,903)	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	42,646
Balance as at March 31, 2021 (Un-audited)	20,500,194	1,000,000	154,162	(1,579,205)	6,464,549	3,501,528

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021

	March 31, 2021	March 31, 2020
Note	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(1,728,934)	(2,995,491)
Less: Dividend income	-	(14,831)
	<u>(1,728,934)</u>	<u>(3,010,322)</u>
Adjustments:		
Depreciation on operating fixed assets	124,230	133,072
Depreciation on right-of-use assets	129,298	138,254
Depreciation on non-banking assets	52,585	10,937
Finance cost of lease liability	77,286	71,390
Amortization	13,599	15,531
Provisions and write-offs excluding recoveries	292,985	1,314,943
Charge for defined benefit plan	18,368	14,077
Charge for employees compensated absences	530	3,500
Gain on sale of fixed assets	(1,478)	(1,596)
Unrealised loss on revaluation of investments classified as held-for-trading securities - net	-	470
	<u>707,403</u>	<u>1,700,578</u>
	<u>(1,021,531)</u>	<u>(1,309,744)</u>
(Increase) / decrease in operating assets		
Lendings to financial institutions	(1,830,849)	(1,752,614)
Held-for-trading securities	-	3,000
Advances	555,652	4,124,152
Others assets (excluding advance taxation)	185,719	703,690
	<u>(1,089,478)</u>	<u>3,078,228</u>
(Decrease) / increase in operating liabilities		
Bills payable	(451,338)	(429,078)
Borrowings from financial institutions	1,403,518	(2,148,948)
Deposits	1,791,871	(812,758)
Other liabilities (excluding current taxation)	45,720	(280,923)
	<u>2,789,771</u>	<u>(3,671,707)</u>
Payment on account of staff retirement benefits	(100,393)	(2,542)
Income tax paid	(17,105)	(31,522)
Net cash generated from / (used in) operating activities	<u>561,264</u>	<u>(1,937,287)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(1,662,769)	2,567,585
Investments in operating fixed assets	(67,826)	(14,534)
Investments in intangible assets	(3,621)	(697)
Proceeds from sale of fixed assets	1,972	1,649
Net cash (used in) / generated from investing activities	<u>(1,732,244)</u>	<u>2,554,003</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(166,897)	(167,358)
Net cash used in financing activities	<u>(166,897)</u>	<u>(167,358)</u>
Effect of exchange rate changes on cash and cash equivalents	(153,767)	97,404
Increase in cash and cash equivalents	<u>(1,491,644)</u>	<u>546,762</u>
Cash and cash equivalents at beginning of the period	13,045,844	6,275,907
Cash and cash equivalents at end of the period	<u>33</u> <u>11,554,200</u>	<u>6,822,669</u>

The annexed notes 1 to 39 form an integral part of these unconsolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021**

I. STATUS AND NATURE OF BUSINESS

I.1 Summit Bank Limited (the Bank) is a banking company incorporated in Pakistan on December 09, 2005 as public company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Bank's registered office is situated at Plot No. 9-C, F-6 Markaz, Supermarket, Islamabad, Pakistan. The Bank is a subsidiary of Suroor Investments Limited, a company incorporated in Mauritius, holding 66.77% of the issued, subscribed and paid up capital of the Bank as at March 31, 2021.

The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and is operating through its 179 Conventional Banking Branches and 14 Islamic Banking Branches (December 31, 2020: 179 Conventional Banking Branches and 14 Islamic Banking Branches) in Pakistan as defined in the Banking Companies Ordinance, 1962.

I.2 In the year 2019, VIS Credit Rating Company Limited suspended the Bank's medium to long-term rating of 'BBB -' (Triple B minus) and short term rating of 'A-3' (A-three) due to non-availability of updated information. VIS Credit Rating Company Limited would reassess the ratings once required information along with latest financials are made available. Moreover, the Bank's TFC rating was assigned 'D' (Default) due to non-payment of its latest mark-up payment on account of lock-in-clause invoked by the Bank under the applicable Regulations of the State Bank of Pakistan (SBP). However, the TFC holders have approved extension in the maturity date of the TFC issue along with payment of all the instalments (mark-up and principal) till October 27, 2022, subject to applicable regulatory approvals and compliances.

I.3 During the quarter ended, the Bank has incurred a net loss of Rs. 1,158.615 million resulting in accumulated losses of Rs. 37,158.350 million and negative equity of Rs. 12,180.612 million. As per the applicable laws and regulations, the Bank is required to maintain Minimum Paid-up Capital (net of losses) (MCR) of Rs. 10 billion, Capital Adequacy Ratio (CAR) at 11.50% (inclusive of Capital Conservation Buffer of 1.50%), Leverage Ratio (LR) at 3.00%, Liquidity Coverage Ratio (LCR) at 100% and Net Stable Funding Ratio (NSFR) at 100% as of March 31, 2021. However, the paid up capital of the Bank (net of losses), CAR and LR are negative.

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

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

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

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

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

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

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002 has deferred the applicability of and International Accounting Standard (IAS) 40, 'Investment Property' for banking companies till further instructions. The SBP vide BPRD Circular No. 4 of 2015, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' for banks through its notification S.R.O. 411(I)/2008 dated April 28, 2008. Moreover, the SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and has directed all the banks to implement IFRS 9 'Financial Instruments' with effect from January 01, 2022 vide BPRD Circular No. 24 of 2021 dated July 05, 2021.

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

These unconsolidated condensed interim financial statements represent separate financial statements of Summit Bank Limited in which investment in subsidiary are accounted for on the basis of direct equity interest rather on the basis of reported results. Accordingly, the consolidated condensed interim financial statements have been presented separately.

- 2.2** Key financial figures of the Islamic banking branches are disclosed in Note 38 to these unconsolidated condensed interim financial statements.
- 2.3** The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34 'Interim Financial Reporting' and do not include all the information and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2020.
- 2.4 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period**

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank's accounting periods beginning on or after January 01, 2021. These are considered either not to be relevant or do not have any significant impact on the Bank's operations and therefore are not detailed in these unconsolidated condensed interim financial statements.

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

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for accounting periods beginning on or after January 01, 2021:

<u>Standard, Interpretation or Amendment</u>	<u>Effective date (annual periods beginning on or after)</u>
Reference to the Conceptual Framework - Amendments to IFRS 3	January 01, 2022
Property, Plant and Equipment: Proceeds before Intended use - Amendments to IAS 16	January 01, 2022
Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37	January 01, 2022
Annual improvement process IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter	January 01, 2022
Annual improvement process IFRS 9 Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
Annual improvement process IAS 41 Agriculture - Taxation in fair value measurements	January 01, 2022
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 01, 2023
Sale or contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	January 01, 2023

2.6 Critical accounting estimates and judgments

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2020.

3. BASIS OF MEASUREMENT

3.1 Accounting convention

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

3.2 Functional and Presentation Currency

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the unconsolidated financial statements for the year ended December 31, 2020.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2020.

(Un-audited) (Audited)
March 31, December 31,
2021 2020
----- (Rupees in '000) -----

6. CASH AND BALANCES WITH TREASURY BANKS

In hand

Local currency	3,624,974	3,564,781
Foreign currency	477,546	545,313
	4,102,520	4,110,094

With State Bank of Pakistan in

Local currency current account	4,467,633	4,800,164
Foreign currency current account	430,932	440,983
Foreign currency deposit account	718,029	737,798
	5,616,594	5,978,945

With National Bank of Pakistan in Local currency current account 845,951 868,264

Prize bonds 67,460 613,979

10,632,525	11,571,282
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7. BALANCES WITH OTHER BANKS

In Pakistan

In current account	208	708
In deposit account	60,588	587
	60,796	1,295

Outside Pakistan

In current account	618,175	1,080,600
In deposit account	264,855	277,123
	883,030	1,357,723
	943,826	1,359,018

8. LENDINGS TO FINANCIAL INSTITUTIONS

Repurchase agreement lendings (Reverse Repo) 1,830,849 -

Less: provision held against Lendings to Financial Institutions - -

Lendings to Financial Institutions - net of provision **1,830,849** **-**

9. INVESTMENTS

9.1 Investments by type:

Cost / amortised cost	March 31, 2021 (Un-audited)			December 31, 2020 (Audited)			
	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value

Available-for-sale securities

Federal Government Securities

- Market Treasury Bills
- Pakistan Investment Bonds
- GoP Ijarah Sukuks

Shares

- Fully paid up ordinary shares - Listed
- Fully paid up ordinary shares - Unlisted
- Preference shares - Unlisted

Non Government Debt Securities

- Term Finance Certificates
- Sukuk Bonds

17,191,822	-	(4,113)	17,187,709	15,325,444	-	1,935	15,327,379
303,689	-	4,690	308,379	299,441	-	9,466	308,907
9,982,349	-	(8,299)	9,974,050	9,981,478	-	(60,428)	9,921,050
3,939,628	(2,715,058)	1,002,413	2,226,983	4,147,681	(2,871,477)	836,239	2,112,443
2,830	(1,000)	-	1,830	2,830	(1,000)	-	1,830
46,035	(46,035)	-	-	46,035	(46,035)	-	-
1,596,975	(1,596,975)	-	-	1,597,650	(1,597,650)	-	-
200,000	(200,000)	-	-	200,000	(200,000)	-	-
33,263,328	(4,559,068)	994,691	29,698,951	31,600,559	(4,716,162)	787,212	27,671,609
Subsidiary	396,942	(165,191)	-	231,751	396,942	(165,191)	-
Total Investments	33,660,270	(4,724,259)	994,691	29,930,702	31,997,501	(4,881,353)	787,212

(Un-audited) (Audited)
March 31, 2021 December 31, 2020
----- (Rupees in '000) -----

9.1.1 Investments given as collateral - Market Value

Market Treasury Bills	<u>1,939,988</u>	<u>621,755</u>
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9.2 Provision for diminution in value of investments

Opening balance	4,881,353	4,555,673
Charge / reversals		
Charge for the period / year	-	328,380
Reversals for the period / year	(675)	(2,700)
Reversal on disposals	(156,419)	-
	<u>(157,094)</u>	<u>325,680</u>
Closing balance	<u>4,724,259</u>	<u>4,881,353</u>

9.3 Particulars of provision against debt securities

Category of classification	March 31, 2021 (Un-audited)		December 31, 2020 (Audited)	
	NPI	Provision	NPI	Provision

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

Domestic Loss	<u>1,796,975</u>	<u>1,796,975</u>	<u>1,797,650</u>	<u>1,797,650</u>
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10. ADVANCES

Note	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
	----- (Rupees in '000) -----					
Loans, cash credits, running finances, etc.	21,599,179	21,994,199	37,686,175	37,785,580	59,285,354	59,779,779
Islamic financing and related assets	3,122,917	3,264,430	859,280	861,408	3,982,197	4,125,838
Bills discounted and purchased	330,202	247,788	77,089	77,089	407,291	324,877
Advances - gross	25,052,298	25,506,417	38,622,544	38,724,077	63,674,842	64,230,494
Provision against advances						
- Specific	-	-	(32,753,547)	(32,425,544)	(32,753,547)	(32,425,544)
- General	(19,899)	(21,671)	-	-	(19,899)	(21,671)
	(19,899)	(21,671)	(32,753,547)	(32,425,544)	(32,773,446)	(32,447,215)
Advances - net of provision	25,032,399	25,484,746	5,868,997	6,298,533	30,901,396	31,783,279

10.1 Particulars of advances (Gross)	(Un-audited)	(Audited)
	March 31, 2021	December 31, 2020
	----- (Rupees in '000) -----	
In local currency	63,330,922	63,968,988
In foreign currencies	343,920	261,506
	63,674,842	64,230,494

10.2 Advances include Rs. 38,622.544 million (December 31, 2020: Rs. 38,724.077 million) which have been placed under non-performing status as detailed below:

Category of Classification	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)		
	Non Performing Loans	Provision	Non Performing Loans	Provision
	----- (Rupees in '000) -----			
Domestic				
Other Assets Especially Mentioned	2,964	273	7,661	435
Substandard	35,492	6,753	136,591	11,094
Doubtful	636,015	264,862	401,317	57,849
Loss	37,948,073	32,481,659	38,178,508	32,356,166
	38,622,544	32,753,547	38,724,077	32,425,544

10.3 Particulars of provision against advances

	March 31, 2021 (Un-audited)		December 31, 2020 (Audited)	
	Specific	General	Specific	General
	----- (Rupees in '000) -----			
Opening balance	32,425,544	21,671	32,447,215	28,903,404
Charge for the period / year	831,986	-	831,986	4,970,989
Reversals	(503,983)	(1,772)	(505,755)	(608,556)
	328,003	(1,772)	326,231	4,362,433
Amounts written off	-	-	-	(840,293)
Closing balance	32,753,547	19,899	32,773,446	32,425,544

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

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

The Bank has availed the Forced Sale Value (FSV) benefit of pledged stocks, mortgaged properties, plant and machinery, shares and Cash Margin / TDRs held as collateral against non-performing advances as allowed under the applicable Prudential Regulations issued by the State Bank of Pakistan. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 5,521.703 million (December 31, 2020: Rs. 5,988.229 million). The positive impact on the profit and loss account arising from availing this benefit - net of tax amounts to Rs. 3,589.107 million (December 31, 2020: Rs. 3,892.349 million). As per the applicable Prudential Regulations, the positive impact of FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
Note	----- (Rupees in '000) -----	
11. FIXED ASSETS		
Capital work-in-progress	6,148	4,626
Property and equipment	8,196,009	8,254,429
Right-of-use assets	2,315,521	1,929,248
	<u>10,517,678</u>	<u>10,188,303</u>
11.1 Capital work-in-progress		
Civil works and related payments / progress billings	1,461	-
Advances and other payments to suppliers and contractors	4,687	4,626
Advances and other payments against capital work in progress considered doubtful	1,158,340	1,158,340
Less: Provision held there against	(1,158,340)	(1,158,340)
	<u>6,148</u>	<u>4,626</u>
	(Un-audited)	
	March 31, 2021	March 31, 2020
	----- (Rupees in '000) -----	
11.2 Additions to fixed assets		
The following additions have been made to fixed assets during the period:		
Capital work-in-progress - Net additions / (transfers)	1,522	(575)
Property and equipment		
Building improvements	-	2,522
Furniture and fixture	157	425
Electrical, office and computer equipment	10,147	12,108
Vehicles	56,000	53
	<u>66,304</u>	<u>15,108</u>
	<u>67,826</u>	<u>14,533</u>
11.3 Disposal of fixed assets		
The net book value of fixed assets disposed of during the period is as follows:		
Property and equipment		
Electrical, office and computer equipment	494	53
	<u>494</u>	<u>53</u>
11.4 Additions to right-of-use assets	<u>517,468</u>	<u>-</u>

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
12. INTANGIBLE ASSETS			
Capital work-in-progress	12.1	45,805	47,928
Intangible assets in use	12.2	30,578	42,531
		<u>76,383</u>	<u>90,459</u>

12.1 Capital work-in-progress

Advances to suppliers and contractors		45,805	47,928
Advances against capital work in progress considered doubtful		141,224	141,224
Less: Provision held there against		(141,224)	(141,224)
		-	-
		<u>45,805</u>	<u>47,928</u>

12.2 Intangible assets in use

Computer softwares		30,569	35,366
Core deposits		-	3,560
Brand name		9	3,605
		<u>30,578</u>	<u>42,531</u>

(Un-audited)	
March 31, 2021	March 31, 2020
----- (Rupees in '000) -----	

12.3 Additions to intangible assets

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

Capital work-in-progress - Net transfers	(2,123)	(2,089)
Directly purchased	5,744	2,785
	<u>3,621</u>	<u>696</u>

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

13. DEFERRED TAX ASSETS

March 31, 2021 (Un-audited)			
At January 01, 2021	Recognised in profit and loss account	Recognised in other comprehensive income	At March 31, 2021
----- (Rupees in '000) -----			
Deductible Temporary Differences on			
- Tax losses carried forward	7,847,641	533,932	8,381,573
- Provision against advances, off balance sheet etc.	6,878,619	67,819	6,946,438
- Provision for impairment loss - Investment	1,708,474	(54,983)	1,653,491
- Provision against intangible assets	43,107	-	43,107
- Staff compensated absences	46,247	(350)	45,897
- Unrealised loss on HFT Portfolio	-	-	-
- Unrealized loss on forward exchange contracts	7,032	29,838	36,870
- Provision against other assets	149,656	-	149,656
	16,680,776	576,256	17,257,032
Taxable Temporary Differences on			
- Deficit / (surplus) on revaluation of investments	(275,524)	-	(348,142)
- Surplus on revaluation of fixed assets	(1,105,287)	9,066	(1,096,221)
- Surplus on revaluation of property - held for sale	(406,274)	-	(406,274)
- Surplus on revaluation of non-banking assets	(280,316)	14,926	(265,390)
- Accelerated tax depreciation	(334,130)	-	(323,870)
	(2,401,531)	10,260	(2,439,897)
	14,279,245	586,516	14,817,135

December 31, 2020 (Audited)			
At January 01, 2020	Recognised in profit and loss account	Recognised in other comprehensive income	At December 31, 2020
----- (Rupees in '000) -----			
Deductible Temporary Differences on			
- Tax losses carried forward	5,889,304	1,958,337	7,847,641
- Provision against advances, off balance sheet etc.	5,826,396	1,052,223	6,878,619
- Provision for impairment loss - Investment	1,594,486	113,988	1,708,474
- Provision against intangible assets	43,107	-	43,107
- Staff compensated absences	38,358	7,889	46,247
- Unrealised loss on HFT Portfolio	108	(108)	-
- Unrealized loss on forward exchange contracts	4,294	2,738	7,032
- Provision against other assets	149,656	-	149,656
	13,545,709	3,135,067	16,680,776
Taxable Temporary Differences on			
- Deficit on revaluation of investments	30,262	-	(275,524)
- Surplus on revaluation of fixed assets	(1,026,325)	-	(1,105,287)
- Surplus on revaluation of property - held for sale	(406,274)	-	(406,274)
- Surplus on revaluation of non-banking assets	(156,349)	-	(280,316)
- Accelerated tax depreciation	(380,630)	46,500	(334,130)
	(1,939,316)	46,500	(2,401,531)
	11,606,393	3,181,567	14,279,245

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

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
14. OTHER ASSETS		
Income / mark-up accrued in local currency	768,573	836,128
Income / mark-up accrued in foreign currency	573	602
Advances, deposits, advance rent and other prepayments	300,888	344,303
Advance taxation (payments less provisions)	620,538	619,630
Non-banking assets acquired in satisfaction of claims	2,588,148	2,598,087
Branch adjustment account	13	-
Receivable from other banks against clearing and settlement	100,338	165,127
Mark to market gain on forward foreign exchange contracts	88	2,331
Acceptances	262,481	266,866
Stationery and stamps on hand	8,433	8,529
Commission receivable on home remittance	19,385	17,186
Property - Held for sale	3,836,309	3,836,309
Others	456,921	463,985
	8,962,688	9,159,083
Less: Provision held against other assets	(755,942)	(637,837)
Other assets (net of provision)	8,206,746	8,521,246
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	758,257	800,903
Surplus on revaluation of property - held for sale	1,160,784	1,160,784
Other assets - total	10,125,787	10,482,933

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

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
14.2 Provision held against other assets		
Income / mark-up accrued in local currency	1,389	1,389
Advances, deposits, advance rent and other prepayments	96,689	79,664
Non-banking assets acquired in satisfaction of claims	360,107	290,547
Commission receivable on guarantees	9,880	9,880
Receivable from Dewan Group	34,436	34,436
Account receivable - sundry claims	135,751	136,775
Receivable from Speedway Fondmetal (Pakistan) Limited	25,694	25,694
Others	91,996	59,452
	755,942	637,837

14.2.1 Movement in provision held against other assets

Opening balance	637,837	587,110
Charge for the period / year	119,129	50,727
Reversals	(1,024)	-
Closing balance	755,942	637,837

15. CONTINGENT ASSETS

There were no contingent assets at the balance sheet date.

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----		
16. BILLS PAYABLE		
In Pakistan	1,951,532	2,402,870
Outside Pakistan	-	-
	<u>1,951,532</u>	<u>2,402,870</u>

17. BORROWINGS

Secured

Borrowings from State Bank of Pakistan

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

6,053,600	5,947,680
300,000	300,000
738,430	756,850
4,369	4,500
1,937,782	-
<u>9,034,181</u>	<u>7,009,030</u>

Repurchase agreement borrowings

-	621,633
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Total secured

<u>9,034,181</u>	<u>7,630,663</u>
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Unsecured

Overdraw nostro accounts

22,151	38,223
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Total unsecured

<u>22,151</u>	<u>38,223</u>
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<u>9,056,332</u>	<u>7,668,886</u>
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18. DEPOSITS AND OTHER ACCOUNTS

	March 31, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
Customers						
Current deposits	31,061,641	1,219,293	32,280,934	30,040,249	1,300,925	31,341,174
Savings deposits	48,315,498	3,228,817	51,544,315	47,031,067	3,458,103	50,489,170
Term deposits	12,119,799	3,079,189	15,198,988	12,468,055	3,083,754	15,551,809
Others	2,349,169	24,023	2,373,192	2,328,540	25,136	2,353,676
	<u>93,846,107</u>	<u>7,551,322</u>	<u>101,397,429</u>	<u>91,867,911</u>	<u>7,867,918</u>	<u>99,735,829</u>
Financial institutions						
Current deposits	440,182	90,100	530,282	518,457	84,733	603,190
Savings deposits	1,357,646	5	1,357,651	1,094,517	5	1,094,522
Term deposits	394,093	-	394,093	454,043	-	454,043
Others	-	-	-	-	-	-
	<u>2,191,921</u>	<u>90,105</u>	<u>2,282,026</u>	<u>2,067,017</u>	<u>84,738</u>	<u>2,151,755</u>
	<u>96,038,028</u>	<u>7,641,427</u>	<u>103,679,455</u>	<u>93,934,928</u>	<u>7,952,656</u>	<u>101,887,584</u>

18.1 Deposits include Eligible Deposits of Rs. 64,986.309 million (December 31, 2020: Rs. 64,532.187 million) protected under Depositors Protection Mechanism introduced by the State Bank of Pakistan.

18.2 Deposits include USD 13.180 million (December 31, 2020: 13.180 million) held by H.E. Nasser Abdulla Hussain Lootah (Potential Investor) in FCY deposit account.

19. SUBORDINATED DEBT

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

These TFCs were issued by the Bank on October 27, 2011 for an initial tenure of seven years and maturity date of October 27, 2018. In order to protect the interest of the TFC Holders, the tenure of the TFC together with the payment of applicable redemption amounts were extended thrice by the Bank to October 27, 2019, October 27, 2020 and October 27, 2021 through the extraordinary resolutions passed by the TFC holders on November 19, 2018, April 10, 2019, November 20, 2019 and October 22, 2020. The Bank completed necessary regulatory formalities for these extensions and executed the amended Declaration of Trusts on July 23, 2019, September 23, 2020 and July 09, 2021. The final approval of these extensions were approved by the SBP vide its letters dated October 21, 2019, October 21, 2020 and October 22, 2021.

Recently, the TFC holders of the Bank in their extraordinary meeting held on October 26, 2021 have approved another extension of one year in the tenure of the TFC issue along with the extension in the payments of all redemption amounts (principal and the related mark-up) with the revised maturity date of October 27, 2022. The Bank is currently in the process of ensuring compliance with all the applicable laws, rules and requisite regulatory requirements for seeking final approval from the State Bank of Pakistan.

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

	(Un-audited)	(Audited)
	March 31, 2021	December 31, 2020
20. OTHER LIABILITIES	Note	----- (Rupees in '000) -----
Mark-up / return / interest payable in local currency	1,137,219	1,119,107
Mark-up / return / interest payable in foreign currencies	154	155
Unearned income	9,694	10,822
Accrued expenses	84,103	88,405
Advance against sale of property	368,663	364,003
Acceptances	262,481	266,866
Unclaimed dividends	2,213	2,213
Mark to market loss on forward foreign exchange contracts	105,431	22,421
Payable to defined benefit plan	11,747	98,865
Charity fund balance	2,599	2,317
Branch adjustment account	-	101
Security deposits against lease	419,588	506,547
Payable to Bangladesh Bank	41,389	41,389
Payable to Rupali Bank - Bangladesh	16,293	16,293
Payable to vendors / creditors	235,207	214,310
Provision for compensated absences	131,132	132,130
Payable to Bank of Ceylon, Colombo	20,163	20,163
Retention money	2,895	2,895
Workers' welfare fund	13,360	13,360
Withholding taxes and government levies payable	11,932	16,716
Federal excise duty and sales tax payable	5,932	6,485
Commission payable on home remittances	11,728	9,575
Lease liability against right-of-use assets	2,518,212	2,092,254
Others	361,924	343,103
	5,774,059	5,390,495

21. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

Surplus / (deficit) on revaluation of

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

9.1	994,691	787,212
	4,104,882	4,130,785
	758,257	800,903
	1,160,784	1,160,784
	7,018,614	6,879,684

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

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

	(348,142)	(275,524)
	(1,096,221)	(1,105,287)
	(265,390)	(280,316)
	(406,274)	(406,274)
	(2,116,027)	(2,067,401)

	4,902,587	4,812,283
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	(Un-audited) March 31, 2021	(Audited) December 31, 2020
Note	----- (Rupees in '000) -----	
22. CONTINGENCIES AND COMMITMENTS		
-Guarantees	22.1 10,298,637	10,938,046
-Commitments	22.2 15,163,240	16,207,831
-Other contingent liabilities	22.3 21,450,186	18,337,923
	<u>46,912,063</u>	<u>45,483,800</u>
22.1 Guarantees:		
Financial guarantees	20,470	20,470
Performance guarantees	8,720,894	9,486,981
Other guarantees	1,557,273	1,430,595
	<u>10,298,637</u>	<u>10,938,046</u>
22.2 Commitments:		
Documentary credits and short-term trade-related transactions		
- letters of credit	1,962,988	2,428,147
Commitments in respect of:		
- forward foreign exchange contracts	22.2.1 5,265,414	5,711,514
- forward lending	22.2.2 5,831,609	7,302,916
- operating leases	22.2.3 21,460	36,057
Commitments for acquisition of:		
- operating fixed assets	2,234	2,338
- intangible assets	141,753	105,226
Other commitments	22.2.4 1,937,782	621,633
	<u>15,163,240</u>	<u>16,207,831</u>
22.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	5,055,977	5,229,005
Sale	209,437	482,509
	<u>5,265,414</u>	<u>5,711,514</u>

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
Note	----- (Rupees in '000) -----	
22.2.2 Commitments in respect of forward lending		
Forward documentary bills	4,423,586	5,138,777
Undrawn formal standby facilities, credit lines and other commitments to lend	22.2.2.1 1,408,023	2,164,139
	<u>5,831,609</u>	<u>7,302,916</u>

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

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
22.2.3 Commitments in respect of operating lease		
Not later than one year	21,460	36,057
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>21,460</u>	<u>36,057</u>
22.2.4 Other commitments		
Purchase (Repo)	<u>1,937,782</u>	<u>621,633</u>
22.3 Other contingent liabilities - claims against the Bank not acknowledged as debts	<u>21,450,186</u>	<u>18,337,923</u>

22.4 During the year 2018, Law Enforcement Agencies (LEAs) initiated its investigation on certain bank accounts alleged for money laundering activities in various banks including Summit Bank Limited. The Honourable Supreme Court of Pakistan under Suo Moto Case HRC-39216-G, appointed a Joint Investigation Team (JIT) which was constituted to investigate the matter. On recommendation of JIT, the matter was referred by the Honourable Supreme Court to the National Accountability Bureau (NAB) for further investigation and filing of references in the National Accountability Courts. The matter is currently under NAB investigations and only partial references have been filed in the NAB Courts. The Bank has been and is committed to extending its full cooperation to the Law Enforcement Agencies in their investigations to the best extent possible and the matter is currently sub judice. These proceedings in the opinion of the management will not have any effect on the operations and functioning of the Bank.

22.5 Contingency for tax payable

Contingency related to tax payable is disclosed in note 31.2.

		(Un-audited) Quarter ended	
		March 31, 2021	March 31, 2020
Note		----- (Rupees in '000) -----	
23.	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	Loans and advances	473,300	922,606
	Investments	470,133	530,611
	Lendings to financial institutions	3,663	18,127
	Balances with banks	492	5,327
		<u>947,588</u>	<u>1,476,671</u>
24.	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	Deposits	1,009,149	1,609,882
	Borrowings	50,308	315,759
	Subordinated debt	39,088	61,819
	Cost of foreign currency swaps against foreign currency deposits / borrowings	86,032	109,935
	Finance cost of lease liability	77,286	71,390
		<u>1,261,863</u>	<u>2,168,785</u>
25.	FEE AND COMMISSION INCOME		
	Branch banking customer fees	5,075	6,545
	Consumer finance related fees	3,004	2,800
	Card related fees (debit cards)	23,764	16,157
	Credit related fees	1,085	1,606
	Investment banking fees	5,251	5,166
	Commission on trade	38,627	43,179
	Commission on guarantees	21,004	31,961
	Commission on cash management	359	257
	Commission on remittances including home remittances	3,622	4,839
	Commission on bancassurance	348	373
	Alternate Delivery Channels	311	4,770
	Others	4	4
		<u>102,454</u>	<u>117,657</u>
26.	GAIN ON SECURITIES		
	Realised	11,416	10,873
	Unrealised - held for trading	-	(470)
		<u>11,416</u>	<u>10,403</u>
26.1	Realised gain on:		
	Federal Government Securities	5,064	10,195
	Shares	6,352	678
		<u>11,416</u>	<u>10,873</u>

		(Un-audited) Quarter ended	
		March 31, 2021	March 31, 2020
Note		----- (Rupees in '000) -----	
27. OTHER INCOME			
Rent on property / locker		5,382	6,135
Gain on sale of fixed assets - net		1,478	1,596
Gain on sale of ijarah assets		15,035	2,742
Account maintenance and other relevant charges		2,831	3,120
Recovery of expenses from customers		2,619	3,256
		<u>27,345</u>	<u>16,849</u>
28. OPERATING EXPENSES			
Total compensation expense	28.1	451,857	419,128
Property expense			
Rent and taxes		37,441	23,257
Insurance - property		1,202	1,018
Insurance - non banking assets		156	98
Utilities cost		47,068	44,375
Security (including guards)		48,564	49,009
Repair and maintenance (including janitorial charges)		34,326	31,248
Depreciation on owned fixed assets		72,857	71,872
Depreciation on right-of-use assets		129,298	138,254
Depreciation on non banking assets		52,585	10,937
		<u>423,497</u>	<u>370,068</u>
Information technology expenses			
Software maintenance		19,199	15,498
Hardware maintenance		22,670	24,243
Depreciation on computer equipments		18,101	24,602
Amortisation of computer softwares		6,443	6,688
Network charges		21,593	21,113
Insurance		220	562
		<u>88,226</u>	<u>92,706</u>
Other operating expenses			
Directors' fees and allowances		4,800	900
Fees and allowances to Shariah Board		2,955	1,200
Legal and professional charges		7,901	33,183
Outsourced services costs		40,158	36,112
Travelling and conveyance		40,307	40,083
NIFT clearing charges		6,980	6,460
Depreciation		33,272	36,598
Amortisation of core deposits and brand name		7,156	8,843
Training and development		899	1,376
Postage and courier charges		9,135	12,242
Communication		12,646	13,262
Stationery and printing		23,582	25,248
Marketing, advertisement and publicity		1,578	6,531
Brokerage and commission		479	251
Fee and subscription		10,604	20,063
Cash transportation and sorting charges		24,849	20,508
Entertainment		9,233	8,248
Insurance		30,925	31,815
Deposit insurance premium expense		18,824	25,840
Repair and maintenance		22,972	21,634
Auditors' remuneration		4,435	2,932
Others		2,539	3,253
		<u>316,229</u>	<u>356,582</u>
		<u>1,279,809</u>	<u>1,238,484</u>

		(Un-audited) Quarter ended	
		March 31, 2021	March 31, 2020
		----- (Rupees in '000) -----	
28.1	Total compensation expense	Note	
	Fees and allowances etc.	3,023	9,415
	Managerial remuneration		
	i) Fixed	280,757	255,262
	ii) Variable		
	of which;		
	a) Cash bonus / awards etc.	5	1,642
	b) Incentives and commission	359	402
	Charge for defined benefit plan	18,368	14,077
	Contribution to defined contribution plan	18,044	15,546
	Charge for employees compensated absences	530	3,500
	Rent and house maintenance	89,264	82,550
	Utilities	19,818	18,343
	Medical	21,689	18,391
	Total	451,857	419,128
29.	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	-	20
	Bank charges	5,208	6,495
		5,208	6,515
30.	PROVISIONS AND WRITE OFFS - NET		
	(Reversals) / provisions for diminution in value of investments	(157,094)	31,343
	Provisions against loans and advances	326,231	1,280,917
	Provisions against intangible assets	4,098	-
	Provision against other assets	118,105	1,711
	Bad debts written off directly	-	972
	Operational loss	1,645	-
	Recoveries against written off / charged off bad debts	(606)	(602)
		292,379	1,314,341
31.	TAXATION		
	Current	31.1 & 31.2 16,197	25,497
	Prior years	-	-
	Deferred	(586,516)	(1,032,121)
		(570,319)	(1,006,624)
31.1	This represents the provision for minimum taxation made in accordance with the requirements of section 113 of the Income Tax Ordinance, 2001. Therefore, reconciliation of tax expense and accounting profit / loss has not been disclosed.		

31.2 The Income Tax Returns of the Bank have been submitted up to and including the Bank's financial year ended December 31, 2019 i.e. tax year 2020.

In respect of assessments of Summit Bank Limited from tax years 2009 to tax year 2011, tax year 2013 and tax year 2014 the tax authorities disputed the Bank's treatment on certain issues and created an additional tax demand (net of rectification) of Rs. 203.22 million through amended assessment orders and the same have been paid / adjusted against available refunds.

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

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

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

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

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

		(Un-audited) Quarter ended	
		March 31, 2021	March 31, 2020
		----- (Rupees in '000) -----	
32. BASIC AND DILUTED LOSS PER SHARE	Note		
Loss for the period		<u>(1,158,615)</u>	<u>(1,988,867)</u>
		----- (Number of shares) -----	
Weighted average number of ordinary shares - Basic		<u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupee) -----	
Basic loss per share		<u>(0.44)</u>	<u>(0.75)</u>
		----- (Number of shares) -----	
Weighted average number of ordinary shares - Diluted	32.1	<u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupee) -----	
Diluted loss per share		<u>(0.44)</u>	<u>(0.75)</u>

32.1 There are no potential ordinary shares outstanding as of March 31, 2021.

(Un-audited) Quarter ended	
March 31, 2021	March 31, 2020
----- (Rupees in '000) -----	

33. CASH AND CASH EQUIVALENTS

Cash and balances with treasury banks	10,632,525	5,586,438
Balances with other banks	943,826	1,258,494
Overdrawn nostro accounts	(22,151)	(22,263)
	11,554,200	6,822,669

34. FAIR VALUE MEASUREMENTS

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

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

34.1 Fair value of financial assets

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

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

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

	March 31, 2021 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
- Federal Government Securities	-	27,470,138	-	27,470,138
- Shares - Listed	2,226,983	-	-	2,226,983
Financial assets - disclosed but not measured at fair value				
Investments				
- Shares - Unlisted	-	-	3,070	3,070
Non-Financial assets - measured at fair value				
Operating fixed assets	-	-	7,712,785	7,712,785
Non banking assets acquired in satisfaction of claims	-	-	2,986,298	2,986,298
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	4,950,671	-	4,950,671
Forward sale of foreign exchange	-	209,475	-	209,475

On balance sheet financial instruments

Financial assets - measured at fair value

December 31, 2020 (Audited)				
Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----				
Investments				
- Federal Government Securities	-	25,557,336	-	25,557,336
- Shares - Listed	2,112,443	-	-	2,112,443

Financial assets - disclosed but not measured at fair value

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

Non-Financial assets - measured at fair value

Operating fixed assets	-	-	7,785,642	7,785,642
Non banking assets acquired in satisfaction of claims	-	-	3,108,443	3,108,443

Off-balance sheet financial instruments - measured at fair value

Forward purchase of foreign exchange	-	5,206,686	-	5,206,686
Forward sale of foreign exchange	-	480,280	-	480,280

Valuation techniques used in determination of fair value

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

35. SEGMENT INFORMATION

35.1 Segment details with respect to business activities

For the quarter ended March 31, 2021 (Un-audited)						
Corporate finance	Trading and sales	Branch Banking	Islamic	Others	Total	
----- (Rupees in '000) -----						
Profit and Loss						
Net mark-up / return / profit	(197)	244,158	(564,834)	6,598	-	(314,275)
Inter segment revenue - net	-	(185,094)	-	185,094	-	-
Non mark-up / return / interest income	4,560	39,204	101,544	17,429	-	162,737
Total income	4,363	98,268	(463,290)	209,121	-	(151,538)
Segment direct expenses	899	88,817	1,078,115	64,601	52,585	1,285,017
Inter segment expense allocation	-	-	(123,333)	123,333	-	-
Total expenses	899	88,817	954,782	187,934	52,585	1,285,017
Provisions	-	(157,094)	421,575	27,898	-	292,379
Profit / (loss) before tax	3,464	166,545	(1,839,647)	(6,711)	(52,585)	(1,728,934)

As at March 31, 2021 (Un-audited)						
----- (Rupees in '000) -----						
Balance Sheet						
Cash and bank balances	-	5,532,765	4,977,528	1,066,058	-	11,576,351
Investments	-	21,840,668	1,394,733	6,463,550	231,751	29,930,702
Net inter segment lending	-	-	-	10,653,871	-	10,653,871
Lendings to financial institutions	-	1,830,849	-	-	-	1,830,849
Advances - performing	-	-	21,914,325	3,118,074	-	25,032,399
Advances - non-performing	-	-	5,786,326	82,671	-	5,868,997
Others	86,688	6,837,856	15,982,809	801,805	11,827,825	35,536,983
Total assets	86,688	36,042,138	50,055,721	22,186,029	12,059,576	120,430,152
Borrowings	-	1,959,933	6,796,399	300,000	-	9,056,332
Subordinated debt	7,530	667,007	820,978	-	-	1,495,515
Deposits and other accounts	-	-	85,396,864	18,282,591	-	103,679,455
Net inter segment borrowing	-	10,653,871	-	-	-	10,653,871
Others	1,103	197,593	5,365,655	1,873,303	287,937	7,725,591
Total liabilities	8,633	13,478,404	98,379,896	20,455,894	287,937	132,610,764
Equity	78,055	22,563,734	(48,324,175)	1,730,135	11,771,639	(12,180,612)
Total equity and liabilities	86,688	36,042,138	50,055,721	22,186,029	12,059,576	120,430,152
Contingencies and Commitments	-	6,736,126	15,568,359	3,013,405	21,594,173	46,912,063

For the quarter ended March 31, 2020 (Un-audited)						
Corporate finance	Trading and sales	Branch Banking	Islamic	Others	Total	
----- (Rupees in '000) -----						
Profit and Loss						
Net mark-up / return / profit	(196)	137,722	(651,070)	(178,570)	-	(692,114)
Inter segment revenue - net	-	(445,072)	-	445,072	-	-
Non mark-up / return / interest income	5,233	157,078	113,948	(20,296)	-	255,963
Total income	5,037	(150,272)	(537,122)	246,206	-	(436,151)
Segment direct expenses	608	90,876	1,073,286	69,292	10,937	1,244,999
Inter segment expense allocation	-	-	(113,413)	113,413	-	-
Total expenses	608	90,876	959,873	182,705	10,937	1,244,999
Provisions	-	31,343	1,299,279	(16,281)	-	1,314,341
Profit / (loss) before tax	4,429	(272,491)	(2,796,274)	79,782	(10,937)	(2,995,491)

As at December 31, 2020 (Audited)						
----- (Rupees in '000) -----						
Balance Sheet						
Cash and Bank balances	-	6,246,813	5,678,196	1,005,291	-	12,930,300
Investments	-	19,841,125	1,394,734	6,435,750	231,751	27,903,360
Net inter segment lending	-	350,000	-	10,158,875	-	10,508,875
Lendings to financial institutions	-	-	-	-	-	-
Advances - performing	-	-	22,225,845	3,258,901	-	25,484,746
Advances - non-performing	-	-	6,185,150	113,383	-	6,298,533
Others	55,773	8,131,080	14,100,203	758,345	11,995,539	35,040,940
Total Assets	55,773	34,569,018	49,584,128	21,730,545	12,227,290	118,166,754
Borrowings	-	656,031	6,709,029	303,826	-	7,668,886
Subordinated debt	4,987	790,375	700,153	-	-	1,495,515
Deposits and other accounts	-	-	84,529,127	17,358,457	-	101,887,584
Net inter segment borrowing	-	10,158,875	-	350,000	-	10,508,875
Others	780	143,719	5,351,975	1,999,609	297,282	7,793,365
Total liabilities	5,767	11,749,000	97,290,284	20,011,892	297,282	129,354,225
Equity	50,006	22,820,018	(47,706,156)	1,718,653	11,930,008	(11,187,471)
Total equity and liabilities	55,773	34,569,018	49,584,128	21,730,545	12,227,290	118,166,754
Contingencies and Commitments	-	5,849,590	17,729,421	3,459,302	18,445,487	45,483,800

35.1.I The Bank does not have any operations outside Pakistan.

3.6. RELATED PARTY TRANSACTIONS

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

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

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

	March 31, 2021 (Un-audited)				December 31, 2020 (Audited)					
	Parent company	Directors	Key management personnel	Subsidiary	Other related parties	Parent company	Directors	Key management personnel	Subsidiary	Other related parties
	(Rupees in '000)									
Investments										
Opening balance	-	-	396,942	1,692,490	-	-	-	-	396,942	1,692,490
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	396,942	1,692,490	-	-	-	-	396,942	1,692,490
Provision for diminution in value of investments	-	-	165,191	1,613,242	-	-	-	-	165,191	1,613,242
Advances										
Opening balance	-	-	295,706	675,185	-	-	-	-	265,793	660,792
Addition during the period / year	-	-	2,600	36	-	-	-	-	16,031	300,000
Repaid during the period / year	-	-	(8,700)	(2,404)	-	-	-	-	(37,659)	(293,617)
Transfer in / (out) - net	-	-	(687)	-	-	-	-	-	51,541	8,010
Closing balance	-	-	288,919	672,817	-	-	-	-	295,706	675,185
Provision held against advances	-	-	-	-	-	-	-	-	-	-

	March 31, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Parent company	Directors management personnel	Subsidiary	Other related parties	Parent company	Directors management personnel	Subsidiary	Other related parties
	(Rupees in '000)							
Other Assets								
Interest / mark-up accrued	-	-	-	27,401	-	-	-	13,763
Other receivable	699	-	-	-	699	-	-	-
Provision held against other assets	-	-	-	-	-	-	-	-
Deposits and other accounts								
Opening balance	-	64,072	157,832	2,083,253	-	20,042	92,926	1,512,961
Received during the period / year	-	1,64,529	609,092	505,232	-	2,39,139	3,747,955	1,336,975
Withdrawn during the period / year	-	(156,512)	(632,183)	(329,653)	-	(231,713)	(3,683,049)	(1,598,647)
Transfer (out) / in - net	-	1,308	-	607	-	36,604	-	831,964
Closing balance	-	73,397	134,741	2,259,439	-	64,072	157,832	2,083,253
Other Liabilities								
Interest / mark-up payable	-	200	27	9,605	-	262	46	9,740
Payable to defined benefit plan	-	-	-	19,051	-	-	-	98,865
Brokerage payable	-	-	442	-	-	-	127	-
Contingencies and Commitments								
Guarantees, letters of credit and acceptances	-	-	-	2,68,500	-	-	-	86,500
Commitments to extend credit	-	-	300,000	-	-	-	400,000	8,815

	For the quarter ended March 31, 2021 (Un-audited)				For the quarter ended March 31, 2020 (Un-audited)			
	Parent company	Directors management personnel	Subsidiary	Other related parties	Parent company	Directors management personnel	Subsidiary	Other related parties
(Rupees in '000)								
Income								
Mark-up / return / interest earned	-	2,678	-	13,761	-	2,481	49	22,779
Fee and commission income	-	-	102	-	-	-	98	-
Other income	-	-	877	-	-	-	797	-
Expense								
Mark-up / return / interest expensed	-	233	89	21,072	-	366	640	51,199
Operating expenses:								
- Directors' fees and allowances	4,800	-	-	-	-	900	-	-
- Brokerage and commission	-	-	355	-	-	-	701	-
- Fee and subscription	-	146	-	-	-	234	-	-
- Managerial Remuneration	-	47,629	-	-	-	45,548	-	-
- Contribution to defined contribution plan	-	-	-	18,044	-	-	-	15,546
- Charge for defined benefit plan	-	-	-	18,368	-	-	-	14,077

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

37. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
Paid-up capital (net of losses)	<u>(17,237,361)</u>	<u>(16,153,916)</u>

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier-1 (CET-1) Capital	<u>(32,714,658)</u>	<u>(31,153,180)</u>
Eligible Additional Tier-1 (ADT-1) Capital	-	-
Total Eligible Tier-1 Capital	<u>(32,714,658)</u>	<u>(31,153,180)</u>
Eligible Tier-2 Capital	-	-
Total Eligible Capital (Tier-1 + Tier-2)	<u>(32,714,658)</u>	<u>(31,153,180)</u>

Risk Weighted Assets (RWAs):

Credit Risk	50,918,229	53,767,663
Market Risk	8,111,775	7,764,588
Operational Risk	7,447,378	7,447,378
Total	<u>66,477,382</u>	<u>68,979,629</u>

Common Equity Tier-1 Capital Adequacy Ratio

Common Equity Tier-1 Capital Adequacy Ratio	<u>-49.21%</u>	<u>-45.16%</u>
Tier-1 Capital Adequacy Ratio	<u>-49.21%</u>	<u>-45.16%</u>
Total Capital Adequacy Ratio	<u>-49.21%</u>	<u>-45.16%</u>

Leverage Ratio (LR):

Eligible Tier-1 Capital	(32,714,658)	(31,153,180)
Total Exposures	112,626,359	123,539,402
Leverage Ratio	<u>-29.05%</u>	<u>-25.22%</u>

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	38,635,731	29,821,667
Total Net Cash Outflow	21,786,046	17,116,667
Liquidity Coverage Ratio	<u>177.34%</u>	<u>174.23%</u>

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	70,218,631	71,961,781
Total Required Stable Funding	54,503,509	56,670,046
Net Stable Funding Ratio	<u>128.83%</u>	<u>126.98%</u>

38. ISLAMIC BANKING BUSINESS

The Bank commenced its Islamic Banking Operations in Pakistan on March 07, 2014 and is operating with 14 (December 31, 2020: 14) Islamic banking branches and 35 (December 31, 2020: 35) Islamic banking windows at the end of the period.

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
Note	----- (Rupees in '000) -----	
ASSETS		
Cash and balances with treasury banks	945,530	1,004,828
Balances with other banks	120,528	463
Due from financial institutions	38.1 10,653,871	10,158,875
Investments	38.2 6,463,550	6,435,750
Islamic financing and related assets - net	38.3 3,200,745	3,372,284
Fixed assets	378,898	393,982
Intangible assets	1,859	2,415
Due from Head Office	-	-
Other assets	421,048	361,948
Total Assets	22,186,029	21,730,545
LIABILITIES		
Bills payable	190,967	246,818
Due to financial institutions	38.4 300,000	653,826
Deposits and other accounts	38.5 18,282,591	17,358,457
Due to Head Office	-	-
Subordinated debt	-	-
Deferred tax liabilities	23,794	14,449
Other liabilities	1,658,542	1,738,342
	20,455,894	20,011,892
NET ASSETS	1,730,135	1,718,653
REPRESENTED BY		
Islamic Banking Fund	1,000,000	1,000,000
Reserves	-	-
Surplus on revaluation of assets	44,189	26,834
Unappropriated/ Unremitted profit	38.6 685,946	691,819
	1,730,135	1,718,653
CONTINGENCIES AND COMMITMENTS	38.7	

**ISLAMIC BANKING BUSINESS
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021**

	March 31, 2021	March 31, 2020
Note	----- (Rupees in '000) -----	
Profit / return earned	38.8 371,744	541,191
Profit / return expensed	38.9 180,052	274,689
Net Profit / return	191,692	266,502
Other income		
Fee and commission income	9,586	10,643
Dividend income	-	-
Foreign exchange loss	(6,342)	(34,221)
Income / (loss) from derivatives	-	-
Loss on sale of securities	(2,645)	(1,366)
Other income	16,830	4,648
Total other income	17,429	(20,296)
Total income	209,121	246,206
Other expenses		
Operating expenses	187,752	182,648
Workers' welfare fund	-	-
Other charges	182	57
Total other expenses	187,934	182,705
Profit before provisions	21,187	63,501
Provisions / (reversal) and write offs - net	27,898	(16,281)
(Loss) / profit before taxation	(6,711)	79,782
Taxation	-	-
(Loss) / profit after taxation	(6,711)	79,782

**ISLAMIC BANKING BUSINESS
FOR THE QUARTER ENDED MARCH 31, 2021**

	March 31, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
38.1 Due from Financial Institutions Note	----- (Rupees in '000) -----					

Unsecured

Bai Muajjal Receivable from other
Financial Institutions

38.1.1	10,653,871	-	10,653,871	10,158,875	-	10,158,875
	10,653,871	-	10,653,871	10,158,875	-	10,158,875

38.1.1 This represents Bai Muajjal agreements with conventional operations of Summit Bank Limited and carries profit rate ranging from 5.75% to 8.00% per annum (December 31, 2020: 6.75% to 9.00% per annum).

38.2 Investments

	March 31, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value
Investments by segments:	----- (Rupees in '000) -----							
Federal Government Securities:								
- GOP Ijarah Sukuks	6,494,705	-	(31,155)	6,463,550	6,494,443	-	(58,693)	6,435,750
Total Investments	6,494,705	-	(31,155)	6,463,550	6,494,443	-	(58,693)	6,435,750

	Note	(Un-audited)	(Audited)
		March 31, 2021	December 31, 2020
38.3 Islamic financing and related assets		----- (Rupees in '000) -----	
Ijarah		340,684	427,435
Murabaha		2,112	6,343
Running Musharakah		653,853	654,051
Diminishing Musharakah		2,265,944	2,337,111
Tijarah		699,998	699,998
Advance against Ijarah		17,606	900
Tijarah Inventory		2,000	-
Gross Islamic financing and related assets		3,982,197	4,125,838
Less: provision against Islamic financings			
- Specific		(776,609)	(748,025)
- General		(4,843)	(5,529)
		(781,452)	(753,554)
Islamic financing and related assets - net of provision		3,200,745	3,372,284

38.4 Due to financial institutions

Secured

Acceptances from the SBP under Islamic Export Refinance Scheme

300,000 300,000

Total secured

300,000 300,000

Unsecured

Overdrawn nostro accounts
Musharakah

38.4.1 - 3,826

Total unsecured

- 353,826

300,000 653,826

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

38.5 Deposits

	March 31, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
Customers						
Current deposits	5,994,176	445,579	6,439,755	5,408,764	487,500	5,896,264
Savings deposits	10,140,867	76,286	10,217,153	9,657,197	92,844	9,750,041
Term deposits	1,132,774	124,865	1,257,639	1,327,175	73,317	1,400,492
Others	169,976	-	169,976	174,553	-	174,553
	17,437,793	646,730	18,084,523	16,567,689	653,661	17,221,350
Financial Institutions						
Current deposits	74,014	121	74,135	77,807	127	77,934
Savings deposits	123,933	-	123,933	59,173	-	59,173
Term deposits	-	-	-	-	-	-
	197,947	121	198,068	136,980	127	137,107
	17,635,740	646,851	18,282,591	16,704,669	653,788	17,358,457

38.5.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 10,585.308 million (December 31, 2020: Rs. 9,820.715 million).

38.6 Islamic Banking Business Unappropriated Profit

	(Un-audited)	(Audited)
	March 31, 2021	December 31, 2020
	----- (Rupees in '000) -----	
Opening balance	691,819	542,751
(Less) / add: Islamic Banking (loss) / profit for the period / year	(6,711)	149,068
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated profit	838	-
Closing balance	685,946	691,819

38.7 CONTINGENCIES AND COMMITMENTS

-Guarantees	1,947,125	2,137,420
-Commitments	1,066,280	1,321,882
-Other contingent liabilities	-	-
	3,013,405	3,459,302

38.8 Profit / Return Earned of Financing, Investments and Placement

	(Un-audited)	
	March 31, 2021	March 31, 2020
	----- (Rupees in '000) -----	
Profit earned on:		
Financing	71,744	90,730
Investments	109,456	-
Placements	190,458	450,408
Balances with banks	86	53
	371,744	541,191

38.9 Profit on Deposits and other Dues Expensed

Deposits and other accounts	166,316	260,677
Due to Financial Institutions	7,139	6,518
Finance cost of lease liability	6,597	7,494
	180,052	274,689

39. DATE OF AUTHORIZATION OF ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on December 24, 2021 by the Board of Directors of the Bank.

President / Chief Executive

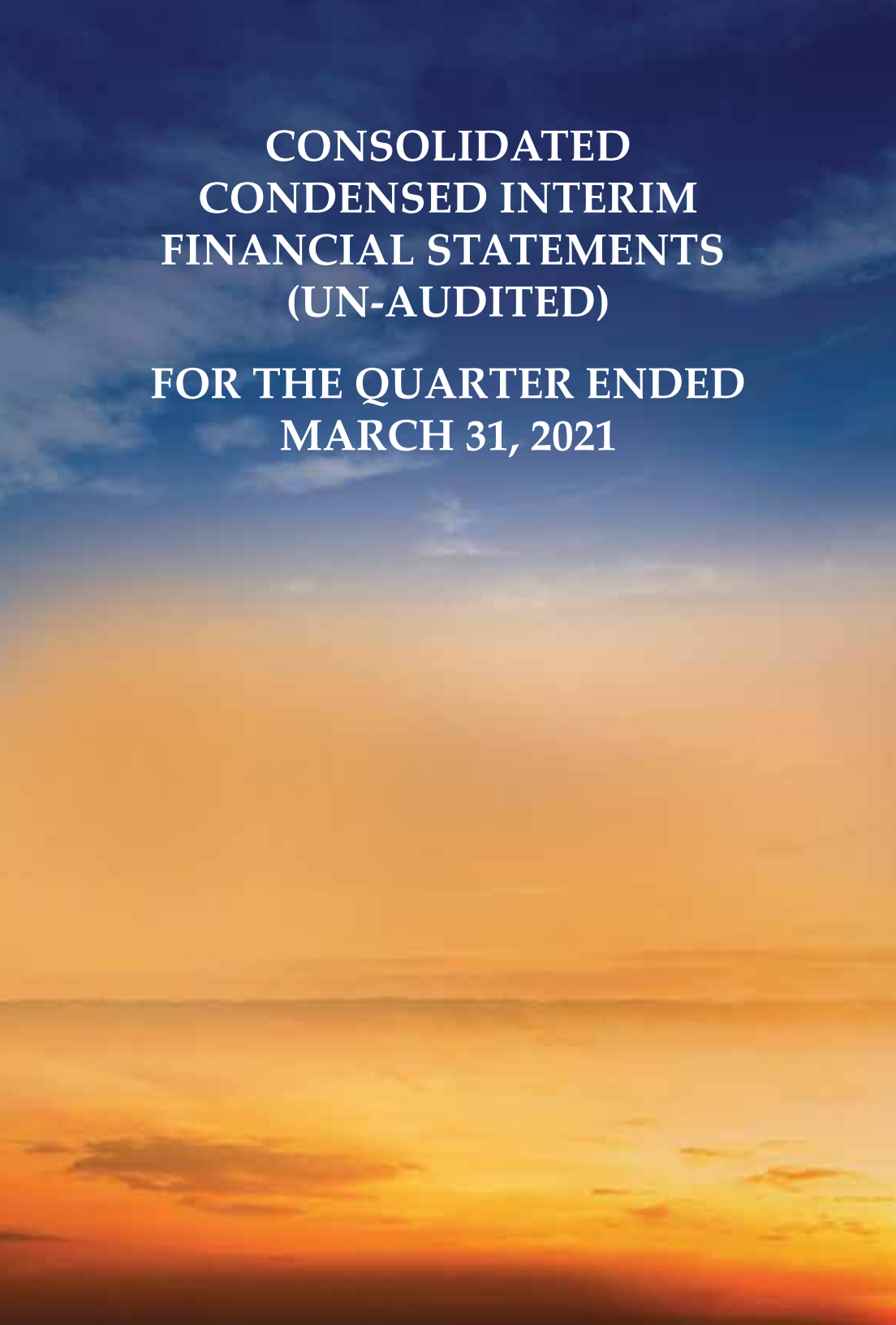
Chief Financial Officer

Director

Director

Director





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

**FOR THE QUARTER ENDED
MARCH 31, 2021**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	6	10,632,531	11,571,283
Balances with other banks	7	947,811	1,364,826
Lendings to financial institutions	8	1,830,849	-
Investments	9	29,732,348	27,707,010
Advances	10	30,902,666	31,784,056
Fixed assets	11	10,554,705	10,225,804
Intangible assets	12	78,938	93,018
Deferred tax assets	13	14,765,313	14,227,494
Other assets	14	10,276,301	10,648,622
		109,721,462	107,622,113
LIABILITIES			
Bills payable	16	1,951,532	2,402,870
Borrowings	17	9,056,332	7,668,886
Deposits and other accounts	18	103,544,714	101,729,751
Liabilities against assets subject to finance lease		-	-
Subordinated debt	19	1,495,515	1,495,515
Deferred tax liabilities		-	-
Other liabilities	20	5,912,240	5,562,865
		121,960,333	118,859,887
NET ASSETS		<u>(12,238,871)</u>	<u>(11,237,774)</u>
REPRESENTED BY			
Share capital - net		20,500,194	20,500,194
Reserves		(425,043)	(425,043)
Surplus / (deficit) on revaluation of assets	21	4,919,673	4,831,373
Accumulated losses		(37,233,695)	(36,144,298)
		<u>(12,238,871)</u>	<u>(11,237,774)</u>
CONTINGENCIES AND COMMITMENTS	22		

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021

		March 31, 2021	March 31, 2020
	Note	----- (Rupees in '000) -----	
Mark-up / return / interest earned	23	948,346	1,478,236
Mark-up / return / interest expensed	24	1,261,737	2,168,385
Net Mark-up / interest expense		(313,391)	(690,149)
NON MARK-UP / INTEREST INCOME			
Fee and commission income	25	122,303	135,671
Dividend income		-	14,831
Foreign exchange income		21,522	96,223
Income / (loss) from derivatives		-	-
Gain on securities	26	11,416	10,403
Other income	27	26,927	16,470
Total non-markup / interest income		182,168	273,598
Total income		(131,223)	(416,551)
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	28	1,304,463	1,265,180
Workers' welfare fund		-	-
Other charges	29	5,181	6,526
Total non-markup / interest expenses		1,309,644	1,271,706
Loss before provisions		(1,440,867)	(1,688,257)
Provisions and write offs - net Extra ordinary / unusual items	30	292,379	1,314,341
		-	-
LOSS BEFORE TAXATION		(1,733,246)	(3,002,598)
Taxation	31	(568,679)	(1,004,955)
LOSS AFTER TAXATION		(1,164,567)	(1,997,643)
----- (Rupee) -----			
Basic loss per share	32	(0.44)	(0.76)
Diluted loss per share	32	(0.44)	(0.76)

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021

	March 31, 2021	March 31, 2020
	----- (Rupees in '000) -----	
Loss after taxation for the quarter	(1,164,567)	(1,997,643)
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus / (deficit) on revaluation of investments - net of tax	132,857	215,580
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement gain on defined benefit obligations	6,621	-
Movement in surplus on revaluation of operating fixed assets - net of tax	9,066	8,796
Movement in surplus on revaluation of non-banking assets - net of tax	14,926	-
	30,613	8,796
Total comprehensive loss	<u>(1,001,097)</u>	<u>(1,773,267)</u>

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED MARCH 31, 2021

	Share capital		Capital reserves		Surplus / (deficit) on revaluation of			Revenue reserve		Total
	Share premium	Statutory reserve	Reserve arising on amalgamation	Share premium	Statutory reserve	Fixed / Non banking assets	Property held for sale	Accumulated losses	Revenue reserve	
	(Rupees in '000)									
Balance as at January 01, 2020 (Audited)	20,500,194	1,000,000	154,162	(1,579,205)	(40,862)	2,832,045	754,510	(29,286,726)	(5,665,882)	
Loss after taxation for three months period ended March 31, 2020	-	-	-	-	-	-	-	(1,997,643)	(1,997,643)	
Other comprehensive income - net of tax	-	-	-	2,15,580	-	8,796	-	-	-	224,376
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(25,133)	-	-	25,133	-
Balance as at April 01, 2020 (Un-audited)	20,500,194	1,000,000	154,162	(1,579,205)	174,718	2,815,708	754,510	(31,259,236)	(7,439,149)	
Loss after taxation for the nine months period ended December 31, 2020	-	-	-	-	-	-	-	(4,936,144)	(4,936,144)	
Other comprehensive income - net of tax	-	-	-	-	356,060	795,431	-	(13,972)	(13,972)	1,137,519
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(65,054)	-	65,054	-	-
Balance as at January 01, 2021 (Audited)	20,500,194	1,000,000	154,162	(1,579,205)	530,778	3,546,085	754,510	(36,144,298)	(11,237,774)	
Loss after taxation for three months period ended March 31, 2021	-	-	-	-	-	-	-	(1,164,567)	(1,164,567)	
Other comprehensive income - net of tax	-	-	-	-	132,857	23,992	-	6,621	6,621	163,470
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(25,903)	-	25,903	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	(42,646)	-	42,646	-	-
Balance as at March 31, 2021 (Un-audited)	20,500,194	1,000,000	154,162	(1,579,205)	663,635	3,501,528	754,510	(37,233,695)	(12,238,871)	

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021

	March 31, 2021	March 31, 2020
Note	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(1,733,246)	(3,002,598)
Less: Dividend income	-	(14,831)
	<u>(1,733,246)</u>	<u>(3,017,429)</u>
Adjustments:		
Depreciation on operating fixed assets	124,704	133,650
Depreciation on right-of-use assets	129,298	138,254
Depreciation on non-banking assets	52,678	11,031
Finance cost of lease liability	77,286	71,390
Amortization	13,603	15,537
Provisions and write-offs excluding recoveries	292,985	1,314,943
Charge for defined benefit plan	19,118	14,827
Charge for employees compensated absences	418	3,660
Gain on sale of fixed assets	(1,478)	(1,596)
Unrealised loss on revaluation of investments classified as held-for-trading securities - net	-	470
	<u>708,612</u>	<u>1,702,166</u>
	<u>(1,024,634)</u>	<u>(1,315,263)</u>
(Increase) / decrease in operating assets		
Lendings to financial institutions	(1,830,849)	(1,752,614)
Held-for-trading securities	-	3,000
Advances	555,159	4,124,208
Others assets (excluding advance taxation)	<u>200,880</u>	<u>685,244</u>
	<u>(1,074,810)</u>	<u>3,059,838</u>
(Decrease) / increase in operating liabilities		
Bills payable	(451,338)	(429,078)
Borrowings from financial institutions	1,403,518	(2,148,948)
Deposits	1,814,963	(855,588)
Other liabilities (excluding current taxation)	<u>11,643</u>	<u>(223,060)</u>
	<u>2,778,786</u>	<u>(3,656,674)</u>
Payment on account of staff retirement benefits	(101,143)	(3,292)
Income tax paid	<u>(18,753)</u>	<u>(32,928)</u>
Net cash generated from / (used in) operating activities	<u>559,446</u>	<u>(1,948,319)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(1,662,769)	2,567,585
Investments in operating fixed assets	(67,826)	(14,573)
Investments in intangible assets	(3,621)	(697)
Proceeds from sale of fixed assets	<u>1,972</u>	<u>1,649</u>
Net cash (used in) / generated from investing activities	<u>(1,732,244)</u>	<u>2,553,964</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(166,897)	(167,358)
Net cash used in financing activities	<u>(166,897)</u>	<u>(167,358)</u>
Effect of exchange rate changes on cash and cash equivalents	(153,767)	97,404
Increase in cash and cash equivalents	<u>(1,493,462)</u>	<u>535,691</u>
Cash and cash equivalents at beginning of the year	13,051,653	6,292,674
Cash and cash equivalents at end of the period	<u>33</u> <u>11,558,191</u>	<u>6,828,365</u>

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021

I. STATUS AND NATURE OF BUSINESS

I.1 The Group comprises of:

I.1.1 Holding Company: Summit Bank Limited

Summit Bank Limited (the Bank) is a banking company incorporated in Pakistan on December 09, 2005 as public company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Bank's registered office is situated at Plot No. 9-C, F-6 Markaz, Supermarket, Islamabad, Pakistan. The Bank is a subsidiary of Suroor Investments Limited, a company incorporated in Mauritius, holding 66.77% of the issued, subscribed and paid up capital of the Bank as at March 31, 2021.

The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962 and is operating through its 179 Conventional Banking Branches and 14 Islamic Banking Branches (December 31, 2019: 179 Conventional Banking Branches and 14 Islamic Banking Branches) in Pakistan as defined in the Banking Companies Ordinance, 1962.

In the year 2019, VIS Credit Rating Company Limited suspended the Bank's medium to long-term rating of 'BBB -' (Triple B minus) and short term rating of 'A-3' (A-three) due to non-availability of updated information. VIS Credit Rating Company Limited would reassess the ratings once required information along with latest financials are made available. Moreover, the Bank's TFC rating was assigned 'D' (Default) due to non-payment of its latest mark-up payment on account of lock-in-clause invoked by the Bank under the applicable Regulations of the State Bank of Pakistan (SBP). However, the TFC holders have approved extension in the maturity date of the TFC issue along with payment of all the instalments (mark-up and principal) till October 27, 2022, subject to applicable regulatory approvals and compliances.

I.1.2 Subsidiary

Summit Capital Private Limited - 100% Shareholding

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

I.2 During the quarter ended March 31, 2021, the Group has incurred net loss of Rs. 1,164.567 million resulting in accumulated losses of Rs. 37,233.695 million and negative equity of Rs. 12,238.871 million. As per the applicable laws and regulations, the Group is required to maintain Minimum Paid-up Capital (net of losses) (MCR) of Rs. 10 billion, Capital Adequacy Ratio (CAR) at 11.50% (inclusive of Capital Conservation Buffer of 1.50%), Leverage Ratio (LR) at 3.00%, Liquidity Coverage Ratio (LCR) at 100% and Net Stable Funding Ratio (NSFR) at 100% as of March 31, 2020. However, the paid up capital of the Group (net of losses), CAR and LR are negative.

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

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

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

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

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

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

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

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

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

The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002 has deferred the applicability of and International Accounting Standard (IAS) 40, 'Investment Property' for banking companies till further instructions. The SBP vide BPRD Circular No. 4 of 2015, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' for banks through its notification S.R.O. 411(I)/2008 dated April 28, 2008. Moreover, the SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and has directed all the banks to implement IFRS 9 'Financial Instruments' with effect from January 01, 2022 vide BPRD Circular No. 24 of 2021 dated July 05, 2021.

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

2.3 Basis of consolidation

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

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

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

2.4 Key financial figures of the Islamic banking branches are disclosed in note 38 to these consolidated condensed interim financial statements.

2.5 The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34 'Interim Financial Reporting' and do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2020.

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

There are certain amendments to existing accounting and reporting standards that have become applicable to the Group's accounting periods beginning on or after January 01, 2021. These are considered either not to be relevant or do not have any significant impact on the Group's operations and therefore are not detailed in these consolidated condensed interim financial statements.

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

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for accounting periods beginning on or after January 01, 2021:

<u>Standard, Interpretation or Amendment</u>	<u>Effective date (annual periods beginning on or after)</u>
Reference to the Conceptual Framework - Amendments to IFRS 3	January 01, 2022
Property, Plant and Equipment: Proceeds before Intended use - Amendments to IAS 16	January 01, 2022
Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37	January 01, 2022
Annual improvement process IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter	January 01, 2022
Annual improvement process IFRS 9 Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
Annual improvement process IAS 41 Agriculture - Taxation in fair value measurements	January 01, 2022
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 01, 2023
Sale or contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	January 01, 2023

2.8 Critical accounting estimates and judgements

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements is the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2020.

3. BASIS OF MEASUREMENT

3.1 Accounting convention

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

3.2 Functional and Presentation Currency

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2020.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2020.

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	3,624,980	3,564,782
Foreign currency	477,546	545,313
	4,102,526	4,110,095
With State Bank of Pakistan in		
Local currency current account	4,467,633	4,800,164
Foreign currency current account	430,932	440,983
Foreign currency deposit account	718,029	737,798
	5,616,594	5,978,945
With National Bank of Pakistan in Local currency current account	845,951	868,264
Prize bonds	67,460	613,979
	10,632,531	11,571,283
7. BALANCES WITH OTHER BANKS		
In Pakistan		
In current account	4,182	6,457
In deposit account	60,599	646
	64,781	7,103
Outside Pakistan		
In current account	618,175	1,080,600
In deposit account	264,855	277,123
	883,030	1,357,723
	947,811	1,364,826
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Repurchase agreement lendings (Reverse Repo)	1,830,849	-
Less: provision held against Lendings to Financial Institutions	-	-
Lendings to Financial Institutions - net of provision	1,830,849	-

9. INVESTMENTS

9.1 Investments by type:

	March 31, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value
----- (Rupees in '000) -----								
Available-for-sale securities								
Federal Government Securities								
- Market Treasury Bills	17,191,822	-	(4,113)	17,187,709	15,325,444	-	1,935	15,327,379
- Pakistan Investment Bonds	303,689	-	4,690	308,379	299,441	-	9,466	308,907
- GoP Ijarah Sukuks	9,982,349	-	(8,299)	9,974,050	9,981,478	-	(60,428)	9,921,050
Shares								
- Fully paid up ordinary shares - Listed	3,944,294	(2,715,058)	1,019,499	2,248,735	4,152,347	(2,871,477)	855,329	2,136,199
- Fully paid up ordinary shares - Unlisted	14,475	(1,000)	-	13,475	14,475	(1,000)	-	13,475
- Preference shares - Unlisted	46,035	(46,035)	-	-	46,035	(46,035)	-	-
Non Government Debt Securities								
- Term Finance Certificates	1,596,975	(1,596,975)	-	-	1,597,650	(1,597,650)	-	-
- Sukuk Bonds	200,000	(200,000)	-	-	200,000	(200,000)	-	-
	33,279,639	(4,559,068)	1,011,777	29,732,348	31,616,870	(4,716,162)	806,302	27,707,010
Total Investments	33,279,639	(4,559,068)	1,011,777	29,732,348	31,616,870	(4,716,162)	806,302	27,707,010

(Un-audited) (Audited)
March 31, December 31,
2021 2020
----- (Rupees in '000) -----

9.1.1 Investments given as collateral - Market Value

Market Treasury Bills 1,939,988 621,755

9.2 Provision for diminution in value of investments

Opening balance 4,716,162 4,440,730

Charge / reversals

Charge for the period / year	-	278,132
Reversals for the period / year	(675)	(2,700)
Reversal on disposals	(156,419)	-
	(157,094)	275,432

Closing balance 4,559,068 4,716,162

9.3 Particulars of provision against debt securities

Category of classification	March 31, 2021 (Un-audited)		December 31, 2020 (Audited)	
	NPI	Provision	NPI	Provision
----- (Rupees in '000) -----				
Domestic				
Loss	<u><u>1,796,975</u></u>	<u><u>1,796,975</u></u>	1,797,650	1,797,650

10. ADVANCES

	Performing		Non Performing		Total	
	(Un-audited) March 31, 2021	(Audited) December 31, 2020	(Un-audited) March 31, 2021	(Audited) December 31, 2020	(Un-audited) March 31, 2021	(Audited) December 31, 2020
Note ----- (Rupees in '000) -----						
Loans, cash credits, running finances, etc.	21,600,449	21,994,976	37,686,175	37,785,580	59,286,624	59,780,556
Islamic financing and related assets	3,122,917	3,264,430	859,280	861,408	3,982,197	4,125,838
Bills discounted and purchased	330,202	247,788	77,089	77,089	407,291	324,877
Advances - gross	25,053,568	25,507,194	38,622,544	38,724,077	63,676,112	64,231,271
Provision against advances						
- Specific	-	-	(32,753,547)	(32,425,544)	(32,753,547)	(32,425,544)
- General	(19,899)	(21,671)	-	-	(19,899)	(21,671)
	(19,899)	(21,671)	(32,753,547)	(32,425,544)	(32,773,446)	(32,447,215)
Advances - net of provision	25,033,669	25,485,523	5,868,997	6,298,533	30,902,666	31,784,056

10.1 Particulars of advances (Gross)

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----		
In local currency	63,332,192	63,969,765
In foreign currencies	343,920	261,506
	63,676,112	64,231,271

10.2 Advances include Rs. 38,622,544 million (December 31, 2020: Rs. 38,724,077 million) which have been placed under non-performing status as detailed below:

Category of Classification	March 31, 2021 (Un-audited)		December 31, 2020 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
----- (Rupees in '000) -----				
Domestic				
Other Assets Especially Mentioned	2,964	273	7,661	435
Substandard	35,492	6,753	136,591	11,094
Doubtful	636,015	264,862	401,317	57,849
Loss	37,948,073	32,481,659	38,178,508	32,356,166
	38,622,544	32,753,547	38,724,077	32,425,544

10.3 Particulars of provision against advances

	March 31, 2021 (Un-audited)			December 31, 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
Opening balance	32,425,544	21,671	32,447,215	28,903,404	40,508	28,943,912
Charge for the period / year	831,986	-	831,986	4,970,989	-	4,970,989
Reversals	(503,983)	(1,772)	(505,755)	(608,556)	(18,837)	(627,393)
	328,003	(1,772)	326,231	4,362,433	(18,837)	4,343,596
Amounts written off	-	-	-	(840,293)	-	(840,293)
Closing balance	32,753,547	19,899	32,773,446	32,425,544	21,671	32,447,215

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

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

10.3.2 The Bank has availed the Forced Sale Value (FSV) benefit of pledged stocks, mortgaged properties, plant and machinery, shares and Cash Margin/TDRs held as collateral against non-performing advances as allowed under the applicable Prudential Regulations issued by the State Bank of Pakistan. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 5,521.703 million (December 31, 2020: Rs. 5,988.229 million). The positive impact on the profit and loss account arising from availing this benefit - net of tax amounts to Rs. 3,589.107 million (December 31, 2020: Rs. 3,892.349 million). As per the applicable Prudential Regulations, the positive impact of FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

	Note	(Un-audited)	(Audited)
		March 31, 2021	December 31, 2020
		----- (Rupees in '000) -----	
11. FIXED ASSETS			
Capital work-in-progress	11.1	8,648	7,126
Property and equipment		8,230,536	8,289,430
Right-of-use assets		2,315,521	1,929,248
		<u>10,554,705</u>	<u>10,225,804</u>

11.1 Capital work-in-progress

Civil works and related payments / progress billings	3,961	2,500
Advances and other payments to suppliers and contractors	4,687	4,626
Advances and other payments against capital work in progress considered doubtful	1,158,340	1,158,340
Less: Provision held there against	(1,158,340)	(1,158,340)
	-	-
	<u>8,648</u>	<u>7,126</u>

(Un-audited)	
March 31, 2021	March 31, 2020
----- (Rupees in '000) -----	

11.2 Additions to fixed assets

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

Capital work-in-progress - Net additions / (transfers)	1,522	(575)
Property and equipment		
Building improvements	-	2,522
Furniture and fixture	157	425
Electrical, office and computer equipment	10,147	12,149
Vehicles	56,000	53
	<u>66,304</u>	<u>15,149</u>
	<u>67,826</u>	<u>14,574</u>

11.3 Disposal of fixed assets

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

Property and equipment		
Electrical, office and computer equipment	494	53

11.4 Additions to right-of-use assets	<u>517,468</u>	-
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		(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
12. INTANGIBLE ASSETS			
Capital work-in-progress	12.1	45,805	47,928
Intangible assets in use	12.2	33,133	45,090
		<u>78,938</u>	<u>93,018</u>
12.1 Capital work-in-progress			
Advances to suppliers and contractors		45,805	47,928
Advances against capital work in progress considered doubtful		141,224	141,224
Less: Provision held there against		(141,224)	(141,224)
		-	-
		<u>45,805</u>	<u>47,928</u>
12.2 Intangible assets in use			
Computer softwares		30,624	35,425
Core deposits		-	3,560
Brand name		9	3,605
Trading Rights Entitlement Certificate		2,500	2,500
		<u>33,133</u>	<u>45,090</u>
		(Un-audited)	
		March 31, 2021	March 31, 2020
		----- (Rupees in '000) -----	
12.3 Additions to intangible assets			
The following additions have been made to intangible assets during the period:			
Capital work-in-progress - Net transfers		(2,123)	(2,089)
Directly purchased		5,744	2,785
		<u>3,621</u>	<u>696</u>

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

13. DEFERRED TAX ASSETS

March 31, 2021 (Un-audited)			
At January 01, 2021	Recognised in profit and loss account	Recognised in other comprehensive income	At March 31, 2021
----- (Rupees in '000) -----			

Deductible Temporary Differences on

- Tax losses carried forward	7,847,641	533,932	-	8,381,573
- Provision against advances, off balance sheet etc.	6,878,619	67,819	-	6,946,438
- Provision for impairment loss - Investment	1,650,657	(54,983)	-	1,595,674
- Provision against intangible assets	43,107	-	-	43,107
- Staff compensated absences	47,744	(350)	-	47,394
- Unrealised loss on HFT Portfolio	-	-	-	-
- Unrealized gain on forward exchange contracts	7,032	29,838	-	36,870
- Provision against other assets	149,656	-	-	149,656
- Minimum tax	76	-	-	76
- Alternative Corporate tax	4,512	-	-	4,512
	16,629,044	576,256	-	17,205,300

Taxable Temporary Differences on

- Deficit / (surplus) on revaluation of investments	(275,524)	-	(72,618)	(348,142)
- Surplus on revaluation of fixed assets	(1,105,287)	-	9,066	(1,096,221)
- Surplus on revaluation of property - held for sale	(406,274)	-	-	(406,274)
- Surplus on revaluation of non-banking assets	(280,316)	-	14,926	(265,390)
- Accelerated tax depreciation	(334,149)	10,189	-	(323,960)
	(2,401,550)	10,189	(48,626)	(2,439,987)
	14,227,494	586,445	(48,626)	14,765,313

December 31, 2020 (Audited)			
At January 01, 2020	Recognised in profit and loss account	Recognised in other comprehensive income	At December 31, 2020
----- (Rupees in '000) -----			

Deductible Temporary Differences on

- Tax losses carried forward	5,889,305	1,958,336	-	7,847,641
- Provision against advances, off balance sheet etc.	5,826,396	1,052,223	-	6,878,619
- Provision for impairment loss - Investment	1,554,256	96,401	-	1,650,657
- Provision against intangible assets	43,107	-	-	43,107
- Staff compensated absences	39,589	8,155	-	47,744
- Unrealised loss on HFT Portfolio	108	(108)	-	-
- Unrealized (gain) / loss on forward exchange contracts	4,294	2,738	-	7,032
- Provision against other assets	149,656	-	-	149,656
- Minimum tax	553	(477)	-	76
- Alternative Corporate tax	4,512	-	-	4,512
	13,511,776	3,117,268	-	16,629,044

Taxable Temporary Differences on

- Deficit on revaluation of investments	30,262	-	(305,786)	(275,524)
- Surplus on revaluation of fixed assets	(1,026,325)	-	(78,962)	(1,105,287)
- Surplus on revaluation of property - held for sale	(406,274)	-	-	(406,274)
- Surplus on revaluation of non-banking assets	(156,349)	-	(123,967)	(280,316)
- Accelerated tax depreciation	(380,696)	46,547	-	(334,149)
	(1,939,382)	46,547	(508,715)	(2,401,550)
	11,572,394	3,163,815	(508,715)	14,227,494

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

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
		----- (Rupees in '000) -----	
14. OTHER ASSETS	Note		
Income / mark-up accrued in local currency		768,573	836,128
Income / mark-up accrued in foreign currency		573	602
Advances, deposits, advance rent and other prepayments		359,843	410,702
Advance taxation (payments less provisions)		654,127	653,140
Non-banking assets acquired in satisfaction of claims		2,606,559	2,616,591
Branch adjustment account		13	-
Receivable from other banks against clearing and settlement		100,338	165,127
Mark to market gain on forward foreign exchange contracts		88	2,331
Acceptances		262,481	266,866
Stationery and stamps on hand		8,433	8,529
Commission receivable on home remittance		19,385	17,186
Commission receivable on brokerage		8,168	7,731
Property - held for sale	14.1	3,836,309	3,836,309
Account receivable		88,563	96,717
Others		456,924	463,988
		9,170,377	9,381,947
Less: Provision held against other assets	14.2	(813,117)	(695,012)
Other assets (net of provision)		8,357,260	8,686,935
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		758,257	800,903
Surplus on revaluation of property - held for sale		1,160,784	1,160,784
Other assets - total		10,276,301	10,648,622

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

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
		----- (Rupees in '000) -----	
14.2 Provision held against other assets			
Income / mark-up accrued in local currency		1,389	1,389
Advances, deposits, advance rent and other prepayments		96,689	79,664
Non-banking assets acquired in satisfaction of claims		360,107	290,547
Commission receivable on guarantees		9,880	9,880
Receivable from Dewan Group		34,436	34,436
Account receivable - sundry claims		192,926	193,950
Receivable from Speedway Fondmetal (Pakistan) Limited		25,694	25,694
Others		91,996	59,452
		813,117	695,012

14.2.1 Movement in provision held against other assets

Opening balance	695,012	650,249
Charge for the period / year	119,129	50,727
Reversals	(1,024)	(5,964)
Closing balance	813,117	695,012

15. CONTINGENT ASSETS

There were no contingent assets at the balance sheet date.

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----		
16. BILLS PAYABLE		
In Pakistan	1,951,532	2,402,870
Outside Pakistan	-	-
	1,951,532	2,402,870

17. BORROWINGS

Secured

Borrowings from State Bank of Pakistan

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

	6,053,600	5,947,680
	300,000	300,000
	738,430	756,850
	4,369	4,500
	1,937,782	-
	9,034,181	7,009,030

Repurchase agreement borrowings

-

Total secured

9,034,181

7,630,663

Unsecured

Overdrawn nostro accounts

22,151

38,223

Total unsecured

22,151

38,223

9,056,332

7,668,886

18. DEPOSITS AND OTHER ACCOUNTS

March 31, 2021 (Un-audited)			December 31, 2020 (Audited)		
In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----					

Customers

Current deposits

31,061,641	1,219,293	32,280,934	30,040,249	1,300,925	31,341,174
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Savings deposits

48,315,498	3,228,817	51,544,315	47,031,067	3,458,103	50,489,170
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Term deposits

12,119,799	3,079,189	15,198,988	12,468,055	3,083,754	15,551,809
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Others

2,349,169	24,023	2,373,192	2,328,540	25,136	2,353,676
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93,846,107	7,551,322	101,397,429	91,867,911	7,867,918	99,735,829
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Financial institutions

Current deposits

312,898	90,100	402,998	369,795	84,733	454,528
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Savings deposits

1,350,189	5	1,350,194	1,085,346	5	1,085,351
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Term deposits

394,093	-	394,093	454,043	-	454,043
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Others

-	-	-	-	-	-
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2,057,180	90,105	2,147,285	1,909,184	84,738	1,993,922
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95,903,287	7,641,427	103,544,714	93,777,095	7,952,656	101,729,751
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18.1 Deposits include Eligible Deposits of Rs. 64,986.309 million (December 31, 2020: Rs. 64,532.187 million) protected under Depositors Protection Mechanism introduced by the State Bank of Pakistan.

18.2 Deposits include USD 13.180 million (December 31, 2020: 13.180 million) held by H.E. Nasser Abdulla Hussain Lootah (The Investor) in FCY deposit account.

19. SUBORDINATED DEBT

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

These TFCs were issued by the Bank on October 27, 2011 for an initial tenure of seven years and maturity date of October 27, 2018. In order to protect the interest of the TFC Holders, the tenure of the TFC together with the payment of applicable redemption amounts were extended thrice by the Bank to October 27, 2019, October 27, 2020 and October 27, 2021 through the extraordinary resolutions passed by the TFC holders on November 19, 2018, April 10, 2019, November 20, 2019 and October 22, 2020. The Bank completed necessary regulatory formalities for these extensions and executed the amended Declaration of Trusts on July 23, 2019, September 23, 2020 and July 09, 2021. The final approval of these extensions were approved by the SBP vide its letters dated October 21, 2019, October 21, 2020 and October 22, 2021.

Recently, the TFC holders of the Bank in their extraordinary meeting held on October 26, 2021 have approved another extension of one year in the tenure of the TFC issue along with the extension in the payments of all redemption amounts (principal and the related mark-up) with the revised maturity date of October 27, 2022. The Bank is currently in the process of ensuring compliance with all the applicable laws, rules and requisite regulatory requirements for seeking final approval from the State Bank of Pakistan.

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

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
20. OTHER LIABILITIES		
	Note	----- (Rupees in '000) -----
Mark-up / return / interest payable in local currency	1,137,219	1,119,107
Mark-up / return / interest payable in foreign currencies	154	155
Unearned income	9,694	10,822
Accrued expenses	90,235	94,010
Advance against sale of property	368,663	364,003
Acceptances	262,481	266,866
Unclaimed dividends	2,213	2,213
Mark to market loss on forward foreign exchange contracts	105,431	22,421
Payable to defined benefit plan	11,747	98,865
Charity fund balance	2,599	2,317
Branch adjustment account	-	101
Security deposits against lease	421,369	508,291
Payable to Bangladesh Bank	41,389	41,389
Payable to Rupali Bank - Bangladesh	16,293	16,293
Payable to vendors / creditors	235,207	214,310
Provision for compensated absences	136,293	137,403
Payable to Bank of Ceylon, Colombo	20,163	20,163
Retention money	2,895	2,895
Workers' welfare fund	13,360	13,360
Withholding taxes and government levies payable	11,932	16,716
Federal excise duty and sales tax payable	5,932	6,485
Commission payable on home remittances	11,728	9,575
Lease liability against right-of-use assets	2,518,212	2,092,254
Account payable	124,678	159,360
Others	362,353	343,491
	5,912,240	5,562,865

21. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

Surplus / (deficit) on revaluation of

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

9.1	1,011,777	806,302
	4,104,882	4,130,785
	758,257	800,903
	1,160,784	1,160,784
	7,035,700	6,898,774

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

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

(348,142)	(275,524)
(1,096,221)	(1,105,287)
(265,390)	(280,316)
(406,274)	(406,274)
(2,116,027)	(2,067,401)

4,919,673	4,831,373
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		(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
22. CONTINGENCIES AND COMMITMENTS			
-Guarantees	22.1	10,298,637	10,938,046
-Commitments	22.2	14,863,240	15,807,831
-Other contingent liabilities	22.3	21,450,186	18,337,923
		<u>46,612,063</u>	<u>45,083,800</u>
22.1 Guarantees:			
Financial guarantees		20,470	20,470
Performance guarantees		8,720,894	9,486,981
Other guarantees		1,557,273	1,430,595
		<u>10,298,637</u>	<u>10,938,046</u>
22.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		1,962,988	2,428,147
Commitments in respect of:			
- forward foreign exchange contracts	22.2.1	5,265,414	5,711,514
- forward lending	22.2.2	5,531,609	6,902,916
- operating leases	22.2.3	21,460	36,057
Commitments for acquisition of:			
- operating fixed assets		2,234	2,338
- intangible assets		141,753	105,226
Other commitments	22.2.4	1,937,782	621,633
		<u>14,863,240</u>	<u>15,807,831</u>
22.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		5,055,977	5,229,005
Sale		209,437	482,509
		<u>5,265,414</u>	<u>5,711,514</u>

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
Note	----- (Rupees in '000) -----	
22.2.2 Commitments in respect of forward lending		
Forward documentary bills	4,423,586	5,138,777
Undrawn formal standby facilities, credit lines and other commitments to lend	22.2.2.1 1,108,023	1,764,139
	<u>5,531,609</u>	<u>6,902,916</u>

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

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
22.2.3 Commitments in respect of operating lease		
Not later than one year	21,460	36,057
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>21,460</u>	<u>36,057</u>

22.2.4 Other commitments

Purchase (Repo)	<u>1,937,782</u>	<u>621,633</u>
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22.3 Other contingent liabilities - claims against the Group not acknowledged as debts

	<u>21,450,186</u>	<u>18,337,923</u>
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22.4 During the year 2018, Law Enforcement Agencies (LEAs) initiated its investigation on certain bank accounts alleged for money laundering activities in various banks including Summit Bank Limited. The Honourable Supreme Court of Pakistan under Suo Moto Case HRC-39216-G, appointed a Joint Investigation Team (JIT) which was constituted to investigate the matter. On recommendation of JIT, the matter was referred by the Honourable Supreme Court to the National Accountability Bureau (NAB) for further investigation and filing of references in the National Accountability Courts. The matter is currently under NAB investigations and only partial references have been filed in the NAB Courts. The Bank has been and is committed to extending its full cooperation to the Law Enforcement Agencies in their investigations to the best extent possible and the matter is currently sub judice. These proceedings in the opinion of the management will not have any effect on the operations and functioning of the Bank.

22.5 Contingency for tax payable

Contingency related to tax payable is disclosed in note 31.2.

		(Un-audited) Quarter ended	
		March 31, 2021	March 31, 2020
Note		----- (Rupees in '000) -----	
23. MARK-UP / RETURN / INTEREST EARNED			
On:			
Loans and advances		473,319	922,587
Investments		470,133	530,611
Lendings to financial institutions		3,663	18,127
Balances with banks		1,231	6,911
		<u>948,346</u>	<u>1,478,236</u>
24. MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits		1,009,023	1,609,482
Borrowings		50,308	315,759
Subordinated debt		39,088	61,819
Cost of foreign currency swaps against foreign currency deposits / borrowings		86,032	109,935
Finance cost of lease liability		77,286	71,390
		<u>1,261,737</u>	<u>2,168,385</u>
25. FEE AND COMMISSION INCOME			
Branch banking customer fees		4,973	6,447
Consumer finance related fees		3,004	2,800
Card related fees (debit cards)		23,764	16,157
Credit related fees		1,085	1,606
Investment banking fees		5,251	5,166
Commission on trade		38,627	43,179
Commission on guarantees		21,004	31,961
Commission on cash management		359	257
Commission on remittances including home remittances		3,622	4,839
Commission on bancassurance		348	373
Alternate Delivery Channels		311	4,770
Commission on brokerage		19,951	18,069
Others		4	47
		<u>122,303</u>	<u>135,671</u>
26. GAIN ON SECURITIES			
Realised	26.1	11,416	10,873
Unrealised - held for trading		-	(470)
		<u>11,416</u>	<u>10,403</u>
26.1 Realised gain on:			
Federal Government Securities		5,064	10,195
Shares		6,352	678
		<u>11,416</u>	<u>10,873</u>

		(Un-audited) Quarter ended	
		March 31, 2021	March 31, 2020
Note		----- (Rupees in '000) -----	
27. OTHER INCOME			
	Rent on property / locker	4,964	5,756
	Gain on sale of fixed assets - net	1,478	1,596
	Gain on sale of ijarah assets	15,035	2,742
	Account maintenance and other relevant charges	2,831	3,120
	Recovery of expenses from customers	2,619	3,256
		26,927	16,470
28. OPERATING EXPENSES			
	Total compensation expense	28.1 468,863	437,832
Property expense			
	Rent and taxes	37,591	23,407
	Insurance - property	1,202	1,018
	Insurance - non banking assets	156	98
	Utilities cost	47,587	45,076
	Security (including guards)	48,564	49,009
	Repair and maintenance (including janitorial charges)	34,628	31,569
	Depreciation on owned fixed assets	72,865	71,881
	Depreciation on right-of-use assets	129,298	138,254
	Depreciation on non banking assets	52,678	11,031
		424,569	371,343
Information technology expenses			
	Software maintenance	19,354	15,653
	Hardware maintenance	22,712	24,302
	Depreciation on computer equipments	18,172	24,680
	Amortisation of computer softwares	6,447	6,694
	Network charges	22,375	21,886
	Insurance	220	562
		89,280	93,777
Other operating expenses			
	Directors' fees and allowances	4,800	900
	Fees and allowances to Shariah Board	2,955	1,200
	Legal and professional charges	8,774	34,093
	Outsourced services costs	40,239	36,193
	Travelling and conveyance	41,230	40,987
	NIFT clearing charges	6,980	6,460
	Depreciation	33,667	37,089
	Amortisation of core deposits and brand name	7,156	8,843
	Training and development	899	1,376
	Postage and courier charges	9,217	12,316
	Communication	13,138	13,716
	Stationery and printing	23,720	25,452
	Marketing, advertisement and publicity	1,578	6,531
	Brokerage and commission	124	150
	Fee and subscription	10,693	20,141
	Cash transportation and sorting charges	24,849	20,508
	Entertainment	9,601	8,619
	Insurance	31,601	32,506
	Deposit insurance premium expense	18,824	25,840
	Repair and maintenance	22,972	21,634
	Auditors' remuneration	4,487	2,967
	Others	4,247	4,707
		321,751	362,228
		1,304,463	1,265,180

		(Un-audited) Quarter ended	
		March 31, 2021	March 31, 2020
		----- (Rupees in '000) -----	
28.1	Total compensation expense	Note	
	Fees and allowances etc.	3,023	9,415
	Managerial remuneration		
	i) Fixed	294,607	270,700
	ii) Variable		
	of which;		
	a) Cash bonus / awards etc.	5	1,642
	b) Incentives and commission	1,354	1,489
	Charge for defined benefit plan	19,118	14,827
	Contribution to defined contribution plan	18,819	16,234
	Charge for employees compensated absences	418	3,660
	Rent and house maintenance	89,264	82,550
	Utilities	19,818	18,343
	Medical	22,303	18,972
	Employee old age benefit institution	134	-
	Total	468,863	437,832
29.	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	-	20
	Bank charges	5,181	6,506
		5,181	6,526
30.	PROVISIONS AND WRITE OFFS - NET		
	(Reversals) / provisions for diminution in value of investments	(157,094)	31,343
	Provisions against loans and advances	326,231	1,280,917
	Provisions against intangible assets	4,098	-
	Provision against other assets	118,105	1,711
	Bad debts written off directly	-	972
	Operational loss	1,645	-
	Recoveries against written off / charged off bad debts	(606)	(602)
		292,379	1,314,341
31.	TAXATION		
	Current	17,766	27,166
	Prior years	-	-
	Deferred	(586,445)	(1,032,121)
		(568,679)	(1,004,955)

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

31.2 The Income Tax Returns of the Bank and its subsidiary have been submitted up to and including financial year ended December 31, 2019 i.e. tax year 2020.

In respect of assessments of Summit Bank Limited from tax years 2009 to tax year 2011, tax year 2013 and tax year 2014 the tax authorities disputed the Bank's treatment on certain issues and created an additional tax demand (net of rectification) of Rs. 203.22 million through amended assessment orders and the same have been paid / adjusted against available refunds.

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

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

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

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

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

		(Un-audited)	
		Quarter ended	
		March 31, 2021	March 31, 2020
		----- (Rupees in '000) -----	
32.	BASIC AND DILUTED LOSS PER SHARE	Note	
	Loss for the period		<u>(1,164,567)</u> <u>(1,997,643)</u>
			----- (Number of shares) -----
	Weighted average number of ordinary shares - Basic		<u>2,638,151,060</u> <u>2,638,151,060</u>
			----- (Rupee) -----
	Basic loss per share		<u>(0.44)</u> <u>(0.76)</u>
			----- (Number of shares) -----
	Weighted average number of ordinary shares - Diluted	32.1	<u>2,638,151,060</u> <u>2,638,151,060</u>
			----- (Rupee) -----
	Diluted loss per share		<u>(0.44)</u> <u>(0.76)</u>

32.1 There are no potential ordinary shares outstanding as of March 31, 2021.

(Un-audited) Quarter ended	
March 31, 2021	March 31, 2020
----- (Rupees in '000) -----	

33. CASH AND CASH EQUIVALENTS

Cash and balances with treasury banks	10,632,531	5,586,448
Balances with other banks	947,811	1,264,180
Overdrawn nostro accounts	(22,151)	(22,263)
	11,558,191	6,828,365

34. FAIRVALUE MEASUREMENTS

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

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

34.1 Fair value of financial assets

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

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

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

	March 31, 2021 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
- Federal Government Securities	-	27,470,138	-	27,470,138
- Shares - Listed	2,248,735	-	-	2,248,735
Financial assets - disclosed but not measured at fair value				
Investments				
- Shares - Unlisted	-	-	69,568	69,568
Non-Financial assets - measured at fair value				
Operating fixed assets	-	-	7,737,288	7,737,288
Non banking assets acquired in satisfaction of claims	-	-	3,004,709	3,004,709
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	4,950,671	-	4,950,671
Forward sale of foreign exchange	-	209,475	-	209,475

December 31, 2020 (Audited)				
Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
- Federal Government Securities	-	25,557,336	-	25,557,336
- Shares - Listed	2,136,199	-	-	2,136,199
Financial assets - disclosed but not measured at fair value				
Investments				
- Shares - Unlisted	-	-	69,568	69,568
Non-Financial assets - measured at fair value				
Operating fixed assets	-	-	7,810,153	7,810,153
Non banking assets acquired in satisfaction of claims	-	-	3,126,947	3,126,947
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	4,800,861	-	4,800,861
Forward sale of foreign exchange	-	690,545	-	690,545

Valuation techniques used in determination of fair value

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

35. SEGMENT INFORMATION

35.1 Segment details with respect to business activities

For the quarter ended March 31, 2021 (Un-audited)						
Corporate finance	Trading and sales	Branch Banking	Islamic	Brokerage Business	Others	Total
(Rupees in '000)						
Profit and Loss						
Net mark-up / return / profit	(197)	244,158	(564,834)	6,598	884	(313,391)
Inter segment revenue - net	-	(185,094)	-	185,094	-	-
Non mark-up / return / interest income	4,560	39,204	100,210	17,429	20,765	182,168
Total income	4,363	98,268	(464,624)	209,121	21,649	(131,223)
Segment direct expenses	899	88,462	1,077,136	64,601	25,961	1,309,644
Inter segment expense allocation	-	-	(123,333)	123,333	-	-
Total expenses	899	88,462	953,803	187,934	25,961	1,309,644
Provisions	-	(157,094)	421,575	27,898	-	292,379
Profit / (loss) before tax	3,464	166,900	(1,840,002)	(6,711)	(4,312)	(52,585)
						(1,733,246)

As at March 31, 2021 (Un-audited)						
(Rupees in '000)						
Balance Sheet						
Cash and bank balances	-	5,532,765	4,846,164	1,066,058	135,355	11,580,342
Investments	-	21,840,668	1,394,733	6,463,550	33,397	29,732,348
Net inter segment lending	-	-	-	10,653,871	-	10,653,871
Lendings to financial institutions	-	1,830,849	-	-	-	1,830,849
Advances - performing	-	-	21,914,325	3,118,074	1,270	25,033,669
Advances - non-performing	-	-	5,786,326	82,671	-	5,868,997
Others	86,688	6,837,414	15,982,809	801,805	11,766,635	35,675,257
Total assets	86,688	36,041,696	49,924,357	22,186,029	369,928	120,375,333
Borrowings	-	1,959,933	6,796,399	300,000	-	9,056,332
Subordinated debt	7,530	667,007	820,978	-	-	1,495,515
Deposits and other accounts	-	-	85,262,123	18,282,591	-	103,544,714
Net inter segment borrowing	-	10,653,871	-	-	-	10,653,871
Others	1,103	197,151	5,365,655	1,873,303	138,623	7,863,772
Total liabilities	8,633	13,477,962	98,245,155	20,455,894	138,623	132,614,204
Equity	78,055	22,563,734	(48,320,798)	1,730,135	231,305	(12,238,871)
Total equity and liabilities	86,688	36,041,696	49,924,357	22,186,029	369,928	120,375,333
Contingencies and Commitments	-	6,736,126	15,268,359	3,013,405	-	21,594,173
						46,612,063

For the quarter ended March 31, 2020 (Un-audited)							
Corporate finance	Trading and sales	Branch Banking	Islamic	Brokerage Business	Others	Total	
(Rupees in '000)							
Profit and Loss							
Net mark-up / return / profit	(196)	137,722	(651,070)	(178,570)	1,965	-	(690,149)
Inter segment revenue - net	5,233	(445,072)	-	445,072	-	-	-
Non mark-up / return / interest income	5,037	157,078	112,952	(20,296)	18,631	-	273,598
Total income	5,037	(150,272)	(538,118)	246,206	-	-	(416,551)
Segment direct expenses							
Inter segment expense allocation	521	65,135	1,098,118	69,292	27,703	10,937	1,271,706
Total expenses	-	-	(113,413)	113,413	-	-	-
	521	65,135	984,705	182,705	27,703	10,937	1,271,706
Provisions	-	31,343	1,299,279	(16,281)	-	-	1,314,341
Profit / (loss) before tax	4,516	(246,750)	(2,822,102)	79,782	(27,703)	(10,937)	(3,002,598)

As at December 31, 2020 (Audited)							
(Rupees in '000)							
Balance Sheet							
Cash and Bank balances	-	6,246,813	5,520,536	1,005,291	163,469	-	12,936,109
Investments	-	19,841,125	1,394,734	6,435,750	35,401	-	27,707,010
Net inter segment lending	-	350,000	-	10,158,875	-	-	10,508,875
Lendings to financial institutions	-	-	-	-	-	-	-
Advances - performing	-	-	22,225,845	3,258,901	777	-	25,485,523
Advances - non-performing	-	-	6,185,150	113,383	-	-	6,298,533
Others	55,773	8,131,080	14,100,203	758,345	212,111	11,937,426	35,194,938
Total Assets	55,773	34,569,018	49,426,468	21,730,545	411,758	11,937,426	118,130,988
Borrowings							
Subordinated debt	-	656,031	6,709,029	303,826	-	-	7,668,886
Deposits and other accounts	4,987	790,375	700,153	-	-	-	1,495,515
Net inter segment borrowing	-	-	84,371,294	17,358,457	-	-	101,729,751
Others	-	10,158,875	-	350,000	-	-	10,508,875
	780	143,719	5,351,975	1,999,609	172,497	297,155	7,965,735
Total liabilities	5,767	11,749,000	97,132,451	20,011,892	172,497	297,155	129,368,762
Equity	50,006	22,820,018	(47,705,983)	1,718,653	239,261	11,640,271	(11,237,774)
Total equity and liabilities	55,773	34,569,018	49,426,468	21,730,545	411,758	11,937,426	118,130,988
Contingencies and Commitments	-	5,849,590	17,329,421	3,459,302	-	18,445,487	45,083,800

35.1.1 The Group does not have any operations outside Pakistan.

36. RELATED PARTY TRANSACTIONS

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

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

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

	March 31, 2021 (Un-audited)			December 31, 2020 (Audited)		
	Parent company	Key management personnel	Other related parties	Parent company	Key management personnel	Other related parties
	(Rupees in '000)					
Investments						
Opening balance	-	-	1,692,490	-	-	1,692,490
Investment made during the year	-	-	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	1,692,490	-	-	1,692,490
Provision for diminution in value of investments	-	-	1,613,242	-	-	1,613,242
Advances						
Opening balance	-	295,706	675,185	-	-	660,792
Addition during the period / year	-	2,600	36	-	-	16,031
Repaid during the period / year	-	(8,700)	(2,404)	-	-	(37,659)
Transfer in / (out) - net	-	(687)	-	-	-	51,541
Closing balance	-	288,919	672,817	-	-	295,706
Provision held against advances	-	-	-	-	-	-

	March 31, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Parent company	Directors	Key management personnel	Other related parties	Parent company	Directors	Key management personnel	Other related parties
(Rupees in '000)								
Other Assets								
Interest / mark-up accrued	-	-	-	27,401	-	-	-	13,763
Other receivable	699	-	-	-	699	-	-	-
Provision against other assets	-	-	-	-	-	-	-	-
Deposits and other accounts								
Opening balance	-	-	64,072	2,083,253	-	-	20,042	1,512,961
Received during the period / year	-	-	164,529	505,232	-	-	239,139	1,336,975
Withdrawn during the period / year	-	-	(156,512)	(329,653)	-	-	(231,713)	(1,598,647)
Transfer (out) / in - net	-	-	1,308	607	-	-	36,604	831,964
Closing balance	-	-	73,397	2,259,439	-	-	64,072	2,083,253
Other Liabilities								
Interest / mark-up payable	-	-	200	9,605	-	-	262	9,740
Payable to defined benefit plan	-	-	-	11,747	-	-	-	98,865
Contingencies and Commitments								
Guarantees, letters of credit and acceptances	-	-	-	268,500	-	-	-	86,500
Commitments to extend credit	-	-	-	-	-	-	-	8,815

	For the quarter ended March 31, 2021 (Un-audited)			For the quarter ended March 31, 2020 (Un-audited)				
	Parent company	Directors	Key management personnel	Other related parties	Parent company	Directors	Key management personnel	Other related parties
	(Rupees in '000)							
Income			2,678	13,761		2,481	22,779	
Mark-up / return / interest earned	-	-	-	-	-	-	-	-
Fee and commission income	-	-	-	-	-	3	-	-
Expense			233	21,072		366	51,199	
Mark-up / return / interest expensed	-	-	-	-	-	-	-	-
Operating expenses:								
- Directors' fees and allowances	-	4,800	-	-	-	900	-	-
- Brokerage and commission	-	-	-	-	-	-	-	-
- Fee and subscription	-	-	146	-	-	234	-	-
- Managerial Remuneration	-	-	49,039	-	-	46,854	-	-
- Contribution to defined contribution plan	-	-	-	18,819	-	-	16,234	-
- Charge for defined benefit plan	-	-	-	19,118	-	-	14,827	-

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

37. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

(Un-audited) (Audited)
March 31, December 31,
2021 2020
----- (Rupees in '000) -----

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses) (17,312,706) (16,223,309)

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier-1 (CET-1) Capital	(32,542,382)	(30,976,955)
Eligible Additional Tier-1 (ADT-1) Capital	-	-
Total Eligible Tier-1 Capital	(32,542,382)	(30,976,955)
Eligible Tier-2 Capital	-	-
Total Eligible Capital (Tier-1 + Tier-2)	<u>(32,542,382)</u>	<u>(30,976,955)</u>

Risk Weighted Assets (RWAs):

Credit Risk	50,881,496	54,458,731
Market Risk	8,111,775	7,764,588
Operational Risk	7,447,378	3,800,036

Total 66,440,649 66,023,355

Common Equity Tier-1 Capital Adequacy Ratio

-48.98% -46.92%

Tier-1 Capital Adequacy Ratio

-48.98% -46.92%

Total Capital Adequacy Ratio

-48.98% -46.92%

Leverage Ratio (LR):

Eligible Tier-1 Capital	(32,542,382)	(30,976,955)
Total Exposures	113,141,157	138,078,420

Leverage Ratio -28.76% -22.43%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	38,635,731	29,821,667
Total Net Cash Outflow	21,786,046	17,116,667

Liquidity Coverage Ratio 177.34% 174.23%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	70,218,631	71,961,781
Total Required Stable Funding	54,531,803	56,670,046

Net Stable Funding Ratio 128.77% 126.98%

38. ISLAMIC BANKING BUSINESS

The Bank commenced its Islamic Banking Operations in Pakistan on March 07, 2014 and is operating with 14 (December 31, 2020: 14) Islamic banking branches and 35 (December 31, 2020: 35) Islamic banking windows at the end of the period.

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
Note	----- (Rupees in '000) -----	
ASSETS		
Cash and balances with treasury banks	945,530	1,004,828
Balances with other banks	120,528	463
Due from financial institutions	38.1 10,653,871	10,158,875
Investments	38.2 6,463,550	6,435,750
Islamic financing and related assets - net	38.3 3,200,745	3,372,284
Fixed assets	378,898	393,982
Intangible assets	1,859	2,415
Due from Head Office	-	-
Other assets	421,048	361,948
Total Assets	22,186,029	21,730,545
LIABILITIES		
Bills payable	190,967	246,818
Due to financial institutions	38.4 300,000	653,826
Deposits and other accounts	38.5 18,282,591	17,358,457
Due to Head Office	-	-
Subordinated debt	-	-
Deferred tax liabilities	23,794	14,449
Other liabilities	1,658,542	1,738,342
	20,455,894	20,011,892
NET ASSETS	1,730,135	1,718,653
REPRESENTED BY		
Islamic Banking Fund	1,000,000	1,000,000
Reserves	-	-
Surplus on revaluation of assets	44,189	26,834
Unappropriated/ Unremitted profit	38.6 685,946	691,819
	1,730,135	1,718,653
CONTINGENCIES AND COMMITMENTS	38.7	

**ISLAMIC BANKING BUSINESS
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021**

	March 31, 2021	March 31, 2020
Note	----- (Rupees in '000) -----	
Profit / return earned	38.8 371,744	541,191
Profit / return expensed	38.9 180,052	274,689
Net Profit / return	191,692	266,502
Other income		
Fee and commission income	9,586	10,643
Dividend income	-	-
Foreign exchange loss	(6,342)	(34,221)
Income / (loss) from derivatives	-	-
Loss on sale of securities	(2,645)	(1,366)
Other income	16,830	4,648
Total other income	17,429	(20,296)
Total income	209,121	246,206
Other expenses		
Operating expenses	187,752	182,648
Workers' welfare fund	-	-
Other charges	182	57
Total other expenses	187,934	182,705
Profit before provisions	21,187	63,501
Provisions / (reversal) and write offs - net	27,898	(16,281)
(Loss) / profit before taxation	(6,711)	79,782
Taxation	-	-
(Loss) / profit after taxation	(6,711)	79,782

**ISLAMIC BANKING BUSINESS
FOR THE QUARTER ENDED MARCH 31, 2021**

	March 31, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
38.1 Due from Financial Institutions Note	----- (Rupees in '000) -----					

Unsecured

Bai Muajjal Receivable from other
Financial Institutions

38.1.1	10,653,871	-	10,653,871	10,158,875	-	10,158,875
	10,653,871	-	10,653,871	10,158,875	-	10,158,875

38.1.1 This represents Bai Muajjal agreements with conventional operations of Summit Bank Limited and carries profit rate ranging from 5.75% to 8.00% per annum (December 31, 2020: 6.75% to 9.00% per annum).

38.2 Investments

	March 31, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value
Investments by segments:	----- (Rupees in '000) -----							
Federal Government Securities:								
- GOP Ijarah Sukuks	6,494,705	-	(31,155)	6,463,550	6,494,443	-	(58,693)	6,435,750
Total Investments	6,494,705	-	(31,155)	6,463,550	6,494,443	-	(58,693)	6,435,750

	Note	(Un-audited)	(Audited)
		March 31, 2021	December 31, 2020
38.3 Islamic financing and related assets		----- (Rupees in '000) -----	
Ijarah		340,684	427,435
Murabaha		2,112	6,343
Running Musharakah		653,853	654,051
Diminishing Musharakah		2,265,944	2,337,111
Tijarah		699,998	699,998
Advance against Ijarah		17,606	900
Tijarah Inventory		2,000	-
Gross Islamic financing and related assets		3,982,197	4,125,838
Less: provision against Islamic financings			
- Specific		(776,609)	(748,025)
- General		(4,843)	(5,529)
		(781,452)	(753,554)
Islamic financing and related assets - net of provision		3,200,745	3,372,284

38.4 Due to financial institutions

Secured

Acceptances from the SBP under Islamic Export Refinance Scheme

300,000

300,000

Total secured

300,000

300,000

Unsecured

Overdrawn nostro accounts
Musharakah

38.4.1

-

3,826

-

350,000

Total unsecured

-

353,826

300,000

653,826

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

38.5 Deposits

	March 31, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
Customers						
Current deposits	5,994,176	445,579	6,439,755	5,408,764	487,500	5,896,264
Savings deposits	10,140,867	76,286	10,217,153	9,657,197	92,844	9,750,041
Term deposits	1,132,774	124,865	1,257,639	1,327,175	73,317	1,400,492
Others	169,976	-	169,976	174,553	-	174,553
	17,437,793	646,730	18,084,523	16,567,689	653,661	17,221,350
Financial Institutions						
Current deposits	74,014	121	74,135	77,807	127	77,934
Savings deposits	123,933	-	123,933	59,173	-	59,173
Term deposits	-	-	-	-	-	-
	197,947	121	198,068	136,980	127	137,107
	17,635,740	646,851	18,282,591	16,704,669	653,788	17,358,457

38.5.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 10,585.308 million (December 31, 2020: Rs. 9,820.715 million).

38.6 Islamic Banking Business Unappropriated Profit

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
Opening balance	691,819	542,751
(Less) / add: Islamic Banking (loss) / profit for the period / year	(6,711)	149,068
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated profit	838	-
Closing balance	<u>685,946</u>	<u>691,819</u>

38.7 CONTINGENCIES AND COMMITMENTS

-Guarantees	1,947,125	2,137,420
-Commitments	1,066,280	1,321,882
-Other contingent liabilities	-	-
	<u>3,013,405</u>	<u>3,459,302</u>

38.8 Profit / Return Earned of Financing, Investments and Placement

	(Un-audited) March 31, 2021	March 31, 2020
Profit earned on:		
Financing	71,744	90,730
Investments	109,456	-
Placements	190,458	450,408
Balances with banks	86	53
	<u>371,744</u>	<u>541,191</u>

38.9 Profit on Deposits and other Dues Expensed

Deposits and other accounts	166,316	260,677
Due to Financial Institutions	7,139	6,518
Finance cost of lease liability	6,597	7,494
	<u>180,052</u>	<u>274,689</u>

39. DATE OF AUTHORIZATION OF ISSUE

These consolidated condensed interim financial statements were authorised for issue on December 24, 2021 by the Board of Directors of the Group.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

BRANCH NETWORK

CONVENTIONAL BANKING BRANCHES

KARACHI

Abdullah Haroon Road Branch

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

Adamjee Nagar Branch

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

Atrium Mall Branch

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

Badar Commercial Branch

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

Bahadur Shah Center Branch

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

Bahadurabad Branch

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

Barkat-e-Hyderi Branch

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

Burns Road Branch

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

Clifton Branch

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

Cloth Market Branch

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

Com-3, Clifton Branch, Karachi

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

Defence Branch

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

DHA Phase I Branch

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

DHA Phase IV Branch

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

Dhoraji Colony Branch

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

Ex. Dolmen City Branch

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

Electronic Market (Abdullah Haroon Road) Branch

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

Fish Harbour Branch

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

Garden East Branch

Shop No. 1,2,3,4, 5 & 6, Jumani Centre Plot No. 177-B, Garden East, Karachi
Tel: 021-3224331-13
Fax: 021-32243314

Gulistan-e-Jauhar - Branch 1

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

Gulistan-e-Jauhar - Branch 2

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

Gulshan-e-Iqbal - Branch 1

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

Gulshan-e-Iqbal - Branch 2

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

Hyderi Branch

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

I. I. Chundrigar Road Branch 1 - Unitower 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-I 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, 353444957 & 35344963
Fax: 021-35344942

Khayaban-e-Tanzeem Branch

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

Korangi Industrial Area Branch

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

Malir Cantt Branch

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

M. A. Jinnah Road Branch

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

Muhammad Ali Society Branch

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

Nazimabad (Gol Market) Branch

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

New Challi Branch

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

North Karachi Industrial Area Branch

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

PAF-Base Faisal Branch

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

Paper Market Branch

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

Plaza Quarters Branch

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

Ranchore Line Branch

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

Rizvia Society Branch

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

Sea View, Clifton Branch, Karachi

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

S.I.T.E. Branch

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

Saeedabad Branch

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

Shahrah-e-Faisal Branch

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

Shershah Branch

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

Soldier Bazar Branch

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

Steel Market Branch

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

Tariq Road Branch

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

Timber Market Branch

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

Water Pump Branch

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

LAHORE

Allama Iqbal Town Branch

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

Azam Cloth Market Branch

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

Badami Bagh Branch

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

Bahria Town Branch

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

Bedian Road Branch

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

Circular Road Branch

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

Darogawala Branch

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

DHA G Block Branch

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

DHA Phase - VI Branch

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

DHA Y Block Branch

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

Egerton Road Branch

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

Empress Road Branch

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

Faisal Town Branch

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

Ferozpur Road Branch

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

Gulberg Branch

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 - 042-37426301
Fax: 042-37572089

Johar Town Branch

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

Kashmir Block, Allama Iqbal Town Branch

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

Lahore - Cantt Branch

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

Lahore Stock Exchange Branch

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

Liberty Market Branch

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

Mall Road Branch

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

Model Town Branch

14-15, Central Commercial Market, Model Town, Lahore
Tel: 042-35915540-4
2 & 35915548
Fax: 042-35915549

New Garden Town Branch

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

Shah Alam Gate Branch

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

Urdu Bazar Branch

S - 38-R, Urdu Bazar Chowk - 205, Circular Road, Lahore
Tel: 042-37116001-3
Fax: 042-37116004
Wahdat Road Branch
Mauza Ichra, Wahdat Road, Lahore
Tel: 042-37503001-3
Fax: 042-37503004

Z Block DHA Branch

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

ISLAMABAD

Bahria Town Branch

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

Barah Koh Branch

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

Blue Area Branch

20 - Al- Asghar Plaza, Blue Area,
Islamabad
Tel: 051-2823204, 2872913
Fax: 051-2274276

F-10 Markaz Branch

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

F-11 Markaz Branch

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

G-11 Markaz Branch

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

I-9 Markaz Branch

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

Stock Exchange Branch

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

Super Market Branch

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

RAWALPINDI

Raja Bazar Branch

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

Shamsabad Muree Road Branch

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

The Mall Road Branch, Rawalpindi

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

FAISALABAD

Jail Road Branch

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

Kotwali Road Branch

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

Liaquat Road Branch

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

Satiana Road Branch

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

Susan Road Branch

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

MULTAN

Abdali Road Branch

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

Hussain Agahi Road Branch

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

Qadafi Chowk Branch

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

Vehari Road Branch

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

SUKKUR

Marich Bazar Branch

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

Shikarpur Road Branch

Shop # D-195, Ward D, Near A Section Police Station
Shikarpur Road, Sukkur
Tel: 071-5617142-44
Fax: 071-5617145

Workshop Road Branch

City Survey # 3403/2/1 and C.S # 3403/2M/6,
Ward-B Tooba Tower Workshop Road, Sukkur
Tel: 071-5616663, 5616664, 5616582
Fax: 071-5616584

GUJRANWALA

GT Road Branch

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

Gujranwala Branch

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

Wapda Town Branch

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

GUJRAT

GT Road Branch

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

Gujrat Branch

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

Katchery Chowk Branch

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

PESHAWAR

Deans Trade Center Branch

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

Fruit Market Branch

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

Hayatabad Branch

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

Main University Road Branch

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

Milad Chowk Branch

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

QUETTA

Fatima Jinnah Road Branch

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

Liaquat Bazar Branch

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

M. A. Jinnah Road Branch

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

Regal Chowk Branch

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

ABBOTTABAD

Abbottabad Branch

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

ATTOCK

Hassan Abdal Branch

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

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

AZAD KASHMIR

Dadyal Branch

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

Mirpur Azad Kashmir - Branch I

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

Mirpur Azad Kashmir Branch II

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

Muzzafarabad Branch

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

Shaheed Chowk Branch

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

CHAK GHANIAN

Chak Ghanian Branch

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

CHAKWAL

Chakwal Branch

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

Dalwal Branch

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

CHAMMAN

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 Fazzul 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,
Ziaul Haq Road, Hazro
Tel: 057-2313283 - 85
Fax: 057-2313286

HYDERABAD

Bohri Bazar Hyderabad Branch

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

Latifabad No. 7 Branch

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

Market Chowk Branch

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

Qasimabad Branch

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

JACOBABAD

Jacobabad Branch

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

JEHLUM

Jhelum Branch

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

KAMBAR

Shahdad Kot Branch

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

KAMOKE

Kamoke - GT Road Branch

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

KANDH KOT

Kandh Kot Branch

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

KASUR

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, R/H, 48/A-49-50, Ward B-III,
Kot Addu District, Muzaffar Garh
Tel: 066-2240206-07
Fax: 066-2240208

LALAMUSA

Lalamusa Branch

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

LARKANA

Larkana Branch

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

MANDI BAHAUDDIN

Mandi Bahauddin Branch

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

MANSEHRA

Mansehra Branch

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

MARDAN

The Mall Branch

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

MIRPURKHAS

Khipro Bus Stand Branch

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

Umer Kot Road Branch

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

MURIDKE

Muridke Branch

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

NAROWAL

Katchery Road Branch

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

NAWABSHAH

Nawabshah Branch

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

JAMSHORO

Nooriabad Branch

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

OKARA

Ghulam Mustafa Centre,

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

RABWAH

Rabwah Branch

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

RAHIM YAR KHAN

Rahim Yar Khan Branch

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

SADIQABAD

Sadiqabad Branch

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

SAHIWAL

High Street Branch

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

SARGODHA

Sargodha Branch

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

Satellite Town Branch

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

SHIKARPUR

Shikarpur Branch

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

SIALKOT

Kashmir Road Branch

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

Paris Road Branch

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

Small Industrial Area Branch

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

SWABI

Swabi Branch

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

TANDO ALLAH YAR

Tando Allah Yar Branch

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

TURBAT

Main Bazar Branch

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

WAH CANTT

Wah Cantt Branch

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

ISLAMIC BANKING BRANCHES

KARACHI

Fish Harbour Branch

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

I. I. Chundrigar Road Branch II

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

IBL Building Centre Shahrah-e-Faisal Branch

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

Super Highway Branch

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

Zamzama Branch

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

LAHORE

PIA Society Islamic Banking Branch

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

HUB

Hub Branch

Shop No. 12 - 14, Khasra No. 106/4, Int. Shopping Mall Hotel,
Mouza Berot, Tehsil Hub, Lasbella, Baluchistan
Tel: 0853 - 363056 - 058
Fax: 0853 - 363050

CHILAS

Chilas Branch

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

SKARDU

Skardu Branch

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

ISLAMABAD

DHA Phase-2 Branch

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

Naval Anchorage Branch

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

CHITRAL

Chitral Branch

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

HYDERBAD

DHA Plaza Branch

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

RAWALPINDI

Bahria Town Branch Phase-IV

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

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

Committed to you

Plot No. G-2, Block 2, Clifton, Karachi.

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