

BUILDING TODAY SHAPING TOMORROW

QUARTERLY REPORT SEPTEMBER 2019



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

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CORPORATE INFORMATION

Board of Directors

Mr. Waseem Mehdi Syed
Chairman

Mr. Jawad Majid Khan
President & CEO

Mr. Wajahat Ahmed Baqai
Director

Mr. Zafar Iqbal Siddiqi
Director

Ms. Fauzia Hasnain
Director

Mr. Aziz Morris
Director

Board Audit Committee

Ms. Fauzia Hasnain
Chairperson

Mr. Wajahat Ahmed Baqai
Member

Mr. Zafar Iqbal Siddiqi
Member

Board Risk Management Committee

Mr. Wajahat Ahmed Baqai
Chairman

Ms. Fauzia Hasnain
Member

Mr. Aziz Morris
Member

Mr. Zafar Iqbal Siddiqi
Member

Board Human Resource & Remuneration Committee

Ms. Fauzia Hasnain
Chairperson

Mr. Zafar Iqbal Siddiqi
Member

Mr. Wajahat Ahmed Baqai
Member

Mr. Jawad Majid Khan
Member

Board Information Technology Committee

Mr. Zafar Iqbal Siddiqi
Chairman

Mr. Aziz Morris
Member

Mr. Waseem Mehdi Syed
Member

Board Compliance Committee

Mr. Wajahat Ahmed Baqai
Chairman

Mr. Waseem Mehdi Syed
Member

Mr. Aziz Morris
Member

Mr. Zafar Iqbal Siddiqi
Member

Chief Financial Officer

Mr. Salman Zafar Siddiqi

Company Secretary

Syed Muhammad Talib Raza

Auditors

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants

Legal Advisors

Hyat & Meerjees

Share Registrar

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

Head Office

Summit Tower
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UAN : (021) 1111-24365
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Registered Office

Plot No. 9-C, F-6 Markaz, Supermarket,
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 financial statements for the nine months period ended September 30, 2019.

THE BANK'S PERFORMANCE

The highlights of the financial results for September 30, 2019 are as follows:

	September 30, 2019
	Rupees in Millions
Financial Position	
Shareholders' Equity	(4,684)
Total Deposits	83,244
Total Assets	102,448
Advances – net	44,636
Investments – net	19,285
Financial Performance	
Net Interest Income and Non Markup Income (Total Income)	175
Non Markup Expenses	4,002
Provisions and write offs (net)	8,129
Loss before tax	(11,955)
Loss after tax	(7,946)
Basic and diluted loss per share - Rupees	(3.01)

The Bank recorded a loss before tax of Rs. 11.955 billion and a loss after tax of Rs. 7.946 billion for the nine months period ended September 30, 2019, as compared to a loss before tax of Rs. 7.340 billion and a loss after tax of Rs. 4.897 billion for the same period last year. This translated into a loss per share of Rs. 3.01 (September 2018: loss per share Rs. 1.86).

The Bank's earning capacity had significantly depleted as a result of which the Bank recorded a net mark up expense of Rs. 797.899 million as against a net mark-up income of Rs. 1.805 billion earned during the same period last year. This is mainly attributable to volumetric reduction of earning assets together with the substantial amount of non-performing advances held by the Bank which resulted in major reduction of Bank's interest income. Due to extraordinary situation faced by the Bank since July 2018, the Bank reduced its earning assets portfolio to meet the liquidity requirements.

Non-funded income stood at Rs. 973.253 million, reflecting a decrease of 38% over the corresponding period last year, mainly due to lower foreign exchange income amidst a volatile currency market and a decline in fee and commission income earned as trade volumes during the nine months of 2019 shrank considerably.

Total non-mark up expenses were reported at Rs. 4.002 billion as against Rs. 4.327 billion last year, declining by 8%. This decrease was mainly attributable to decrease in property and compensation expenses during the nine months period ended September 30, 2019.

The Bank recorded provisioning expense of Rs. 8.129 billion for the nine months period ended September 30, 2019, against a provision expense of Rs. 6.393 billion in the corresponding period last year. Provision against loans and advances was booked at Rs. 6.960 billion, an increase of over Rs. 2.7 billion from the same period last year. Provision against investments amounted to Rs. 1.166 billion, an increase of 16% over the corresponding period.

The Bank's net advances portfolio shrank by 27% to Rs. 44.636 billion as at September 30, 2019. Non-performing loans increased by 11% from Rs. 36.072 billion on December 31, 2018 to Rs. 40.014 billion as at September 30, 2019. The Bank's gross NPL ratio (Gross non-performing loans to Gross Advances) as of September 30, 2019 stood at 54.71% as against 43.57% on December 31, 2018, the Bank's specific provision coverage at September 2019 stood at 71% (December 2018: 60%).

Total Deposits were reported at Rs. 83.244 billion as against Rs. 84.676 billion reported at December 2018. At the nine months period end, the Bank's gross advances to deposits ratio stands at 87.87% as compared to 97.78% as on December 31, 2018.

As at September 30, 2019, the Bank has recognized deferred tax assets (net) of Rs. 11.057 billion, this represents the management's best estimate of tax benefits expected to be realized in future years. We are hopeful that Bank will be able to realize these benefits. Based on the updated tax positions, deferred tax income for the current period amounted to Rs. 4.075 billion as against an income of Rs. 2.551 billion during the corresponding period.

As at September 30, 2019, the Bank's paid up capital (net of losses) stood at negative (-) Rs. 7.831 billion as against the statutory requirement of Rs. 10 billion prescribed by SBP while the Capital Adequacy Ratio of the Bank stood at negative (-) 23.68% as against the minimum requirement of 11.90%.

Despite the current year loss, the Board is confident that management has the capacity to turnaround the results of the Bank. The management is exploring all possible avenues to revert to profitability going forward.

CREDIT RATING

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

ECONOMIC REVIEW

The tough economic measures taken by the government since the commencement of its tenure in 2018 have shown some positive results. However, despite some encouraging signs, the macroeconomic variables showed mixed performance during the third quarter of 2019.

Pakistan's current account deficit stood at \$1.3 billion during the current fiscal year, a contraction of 55% from the comparative period last year, thus, recording a sizeable improvement. The country's exports for the two months of 2MFY'20 were recorded at USD 4.1 billion, posting a muted growth of 1.4% compared to 2MFY'19, while worker's remittances were recorded at USD 3.7 billion for 2MFY'20, declining by 8% over the corresponding period last year. However, the sizeable reduction in imports led to the Current Account Deficit.

Pakistan's FX reserves also improved from \$ 13.8 billion during December 2018 to were \$ 15.0 billion at September 2019. During the quarter, Pakistan received its first tranche of \$988mn from IMF as part of the \$ 6 billion bailout package. The country also received inflows from Qatar and ADB, worth \$500mn each, which lent some support to the country's declining reserves.

The trade deficit exerted pressures on the exchange rate for much of the year. This resulted in the PKR declining by 12.6% in value to the USD, closing at Rs. 156.37 / USD at September 2019 (December 2018: Rs. 138.86 / USD).

CPI inflation clocked in at 11.37% in September 2019. In the third quarter, the inflation showed a rising trend. Meanwhile, the State Bank of Pakistan raised the policy rate by 100 bps during the quarter from 12.25% to 13.25%. The decision was taken by SBP to combat the inflationary pressures.

On the fiscal side, the government's budget deficit stood at 8.9% of GDP during Jul-June FY2019. Tax collection remains a major challenge with FBR considerably behind its annual target. The government has much to work on fiscal consolidation, both in terms of increasing tax revenues and reducing expenditures.

The KSE-100 fell during the quarter owing to muted business sentiment in the market, beginning the quarter at 33,902 index points and ending it at 32,079 index points.

EVENTS AFTER THE BALANCE SHEET DATE

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

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

ACKNOWLEDGEMENT

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

On Behalf of the Board of Directors

Jawad Majid Khan
President and Chief Executive Officer

Fauzia Hasnain
Director

Summit Bank
October 08, 2021
Karachi

بیٹلس شیٹ کی تاریخ کے بعد ہونے والے واقعات

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

سرمایہ کار نے 01 اکتوبر 2021ء کو اپنی پیشکش خط کے ذریعے کی۔ بعد ازاں 104 اکتوبر 2021ء کو بینک اور سرمایہ کار کے درمیان داخل کردہ شیئرز سبسکرائبیشن معاہدہ (ایس ایس ایس) سے) ہوا جس میں بینک نے عام حصص کی مجوزہ سبسکرائبیشن کے لئے نئی ایکویٹی انجکشن کے بغیر حقوق کے پیشکش رعایتی قیمت پر داخل کیا گیا ہے۔ 2.51 روپے فی حصص ہے۔ سرمایہ کار نے شیئرز سبسکرائبیشن معاہدے میں طے شدہ پیشکش کی جسے بورڈ آف ڈائریکٹرز نے باضابطہ طور پر منظور کیا ہے۔ بینک گُل 5,976.096 ملین نئے عام حصص جاری کرنے کا ارادہ رکھتا ہے۔

تعریف و توثیق

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

بورڈ آف ڈائریکٹرز کی جانب سے

فوزیہ حسین
ڈائریکٹر

جواد مجاہد خان
صدر اور چیف ایگزیکٹو آفیسر

سمت بینک

اکتوبر 2021-08

کراچی

کریڈٹ ریٹنگ

2019ء کے دوران، وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے بینک کی درمیانی تا طویل مدتی ریٹنگ 'بی بی' - ('ٹریبل بی مائنس') اور قلیل مدتی ریٹنگ 'اے-3' (اے- تھری) 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 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 ایک ان دفعہ کے حوالے سے اپنی تازہ ترین سودی ادائیگی نہیں کی تھی۔ بینک کے ٹی ایف سی ہو لڈرز نے 22 اکتوبر 2020ء کو ہونے والی اپنی میٹنگ میں ٹی ایف سی ایٹو کی مدت میں ایک سال کی مزید توسیع کی منظوری دی اور ساتھ ہی تمام انڈیکس کی رقوم کی ادائیگیوں میں توسیع کے ساتھ سرعیت کی نظر ثانی شدہ تاریخ 27 اکتوبر 2021ء مقرر کی۔ بینک اس وقت تمام قابل اطلاق قوانین، قواعد و ضوابط اور اس سلسلے میں مطلوبہ ضوابط کی تقاضوں کی تعمیل کو یقینی بنانے کے لیے مصروف عمل ہے۔

اقتصادی جائزہ

حکومت کی طرف سے 2018ء میں اپنے دور کے آغاز کے بعد سے اٹھائے گئے سخت معاشی اقدامات کے کچھ مثبت نتائج سامنے آئے ہیں۔ تاہم، کچھ حوصلہ افزا علامات کے باوجود، کلی معاشی مستحیرات نے 2019ء کی تیسری سہ ماہی کے دوران مخلوط کارکردگی دکھائی۔

پاکستان کا جاری کھاتے کا خسارہ رواں مالی سال کے دوران 1.3 ارب ڈالر رہا جو کہ گزشتہ برس کے مقابلے میں 55 فیصد کم ہے، اس طرح نمایاں بہتری درج کی گئی۔ مالی سال 20ء کے پچھلے دو ماہ کے دوران ملکی برآمدات 4.1 ارب ڈالر درج کی گئیں، جبکہ مالی سال 19ء کے پچھلے دو ماہ میں 1.4 فیصد کی معمولی نمو درج کی گئی۔ مالی سال 20ء کے پچھلے دو ماہ کے دوران کارکنوں کی ترسیلات زر 3.7 ارب ڈالر درج کی گئی ہیں، جو گزشتہ سال کی اسی مدت کے مقابلے میں 8 فیصد کم ہیں، تاہم درآمدات میں نمایاں کمی کی وجہ سے جاری کھاتے میں خسارہ درج کیا گیا۔

پاکستان کے زرمبادلہ کے ذخائر بھی دسمبر 2018ء کے دوران 13.8 ارب ڈالر سے بڑھ کر ستمبر 2019ء میں 15.0 ارب ڈالر ہو گئے۔ دوران سہ ماہی پاکستان کو آئی ایم ایف سے 6 ارب ڈالر کے تیل آؤٹ بیکنج کی مدد میں 988 ملین ڈالر کی پہلی قسط موصول ہوئی۔ ملک کو قطر اور ایشیائی ترقیاتی بینک سے 500 ملین ڈالر کی رقوم بھی موصول ہوئیں، جنہوں نے ملک کے کم ہوتے ہوئے ذخائر کو کچھ مدد دی۔

تجارتی خسارے نے سال کے بیشتر حصے میں شرح مبادلہ پر دباؤ ڈالا۔ اس کے نتیجے میں ڈالر کے مقابلے میں روپے کی قدر 12.6 فیصد گھٹ کر ستمبر 2019ء میں 156.37 روپے فی ڈالر ہو گئی۔ (دسمبر 2018ء 138.86 روپے فی ڈالر)۔

ستمبر 2019ء میں صارف اشاریہ قیمت مہنگائی 11.37 فیصد تک پہنچ گئی۔ تیسری سہ ماہی میں مہنگائی میں اضافے کا رجحان ظاہر ہوا۔ دریں اثناء، اسٹیٹ بینک آف پاکستان نے سہ ماہی کے دوران پالیسی ریٹ 100 بی بی پی ایس اضافے کے ساتھ 12.25 فیصد سے بڑھا کر 13.25 فیصد کر دیا۔ یہ فیصلہ اسٹیٹ بینک نے مہنگائی کے ربا سے ششہ کے لیے کیا ہے۔

مالیاتی لحاظ سے، جولائی تا جون مالی سال 2019ء کے دوران حکومت کا بجٹ خسارہ جی ڈی پی کا 8.9 فیصد رہا۔ ایف بی آر کے سالانہ بڈف کے مقابلے میں ٹیکس وصولی ایک بڑا چیلنج بنی ہوئی ہے۔ حکومت کو ٹیکس کی آمدنی بڑھانے اور اخراجات کو کم کرنے کے حوالے سے مالی استحکام پر بہت کام کرنا ہے۔

مارکیٹ میں سرور کاروباری جذبات کی وجہ سے سہ ماہی کے دوران کے ایس ای 100 انڈیکس کا نشانہ نیچے چلا گیا، سہ ماہی کا آغاز 33,902 انڈیکس پوائنٹس سے ہوا اور 32,079 انڈیکس پوائنٹس پر ختم ہوا۔

نان فنڈز آمدنی 973.253 ملین روپے رہی، جو کہ گزشتہ سال کے مقابلے میں 38 فیصد کمی کی عکاسی کرتا ہے، اس کی بنیادی وجہ غیر مستحکم کرنسی مارکیٹ دوران زرمبادلہ کی پست آمدنی اور 2019ء کے دوران تجارتی حجم کے طور پر حاصل ہونے والی فیس اور کمیشن کی آمدنی میں کمی کی وجہ سے کافی سزگئی۔

مجموعی غیر سودی اخراجات 8 فیصد کمی کے ساتھ 4.002 ارب روپے درج کیے گئے جبکہ گزشتہ برس یہ 4.327 ارب روپے تھے۔ یہ کمی بنیادی طور پر 30 ستمبر 2019ء کو اختتام پذیر ہونے والے زیر جائزہ نو مہینوں کے دوران جائیداد اور معاوضے کے اخراجات میں کمی کی وجہ سے تھی۔

بینک نے 30 ستمبر 2019ء کو اختتام پذیر ہونے والے زیر جائزہ نو مہینوں کے دوران تمویں کے 8.129 ارب روپے درج کیے جبکہ گزشتہ برس کی اسی مدت کے دوران یہ 6.393 ارب روپے تھے۔ قرضوں اور ایڈوانسز پر بک کی گئی تمویں 6.960 ارب روپے تھی جو گزشتہ برس کے مقابلے میں 2.7 ارب زائد رہی، جبکہ سرمایہ کاری پر تمویں 1.166 ارب روپے رہی جو گزشتہ برس کے مقابلے میں 16 فیصد زائد تھی۔

30 ستمبر 2019ء کو بینک کا خالص ایڈوانس 27 فیصد کم ہو کر 44.636 ارب روپے ہو گیا۔ غیر فعال قرضے 11 فیصد اضافے کے ساتھ 31 دسمبر 2018ء کے 36.072 ارب روپے سے بڑھ کر 30 ستمبر 2019ء کو 40.014 ارب روپے ہو گئے۔ 30 ستمبر 2019ء تک بینک کا مجموعی غیر فعال قرضوں کا تناسب (مجموعی غیر فعال قرضے اور مجموعی ایڈوانسز) 54.71 فیصد رہا جو گزشتہ برس 43.57 فیصد تھا، جبکہ کورینج کا تناسب ستمبر 2019ء میں 71 فیصد ہو گیا۔ (دسمبر 2018ء: 60 فیصد)۔

کل اثاثوں میں 83.244 ارب روپے درج کی گئیں جبکہ دسمبر 2018ء پر 84.676 ارب روپے درج کیے گئے تھے۔ نو مہینوں کی مدت کے اختتام پر، بینک کا مجموعی ایڈوانس اور اثاثوں کا تناسب 87.87 فیصد ہے جو 31 دسمبر 2018ء کو 97.78 فیصد تھا۔

30 ستمبر 2019ء تک، بینک نے 11.057 ارب روپے کے (خالص) مؤخر ٹیکس اثاثوں کو تسلیم کیا ہے جس سے آئندہ برسوں میں حاصل کیے جانے والے متوقع ٹیکس فوائد کے انتظامیہ کے بہترین تخمینے کا اظہار ہوتا ہے۔ ہمیں امید ہے بینک یہ فوائد حاصل کر سکے گا۔ ٹیکس کی تازہ ترین صورت حال کی بنیاد پر، موجودہ سال کے لیے مؤخر ٹیکس آمدنی 4.075 ارب روپے ہے جبکہ گزشتہ برس کی اسی مدت کے دوران یہ 2.551 ارب روپے تھی۔

روپے کی قانونی ضرورت کے مقابلے میں اسٹٹ بینک کی جانب سے مقرر کیے گئے 10 ارب کے مقابلے میں 30 ستمبر 2019ء تک، بینک کا ادا شدہ سرمایہ (خسارے کا خالص) منفی (-) 17.831 ارب روپے تھا، جبکہ بینک کی شرح کفایت سرمایہ کے کم از کم 11.90 فیصد کے تقاضے کے مقابلے میں منفی (-) 23.68 فیصد ہے۔

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

موجودہ سال کے نقصان کے باوجود، بورڈ کو یقین ہے کہ انتظامیہ بینک کے نتائج کو بہتر بنانے کی صلاحیت رکھتی ہے۔ انتظامیہ مستقبل میں منافع کی طرف پلٹنے کے لیے تمام ممکنہ طریقے تلاش کر رہی ہے۔

ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے، ہم بینک کی 30 ستمبر 2019ء کو اختتام پذیر ہونے والی سہ ماہی اور نو مہینوں کے لیے غیر آڈٹ شدہ مالی گوشوارے پیش کرتے ہیں:

کارکردگی کا جائزہ

30 ستمبر 2019ء کے لیے بینک کے مالی نتائج کی جھلکیاں مندرجہ ذیل ہے:

روپے ملین میں	مالی صورت حال
(4,684)	ٹھیکرز ہولڈرز کی ایکویٹی
83,244	مجموعی اثاثیں
102,448	مجموعی اثاثے
44,636	ایڈوائس - خالص
19,285	سرمایہ کاریاں - خالص
	مالی کارکردگی
175	خالص سودی آمدنی اور غیر سودی آمدنی (مجموعی آمدنی)
4,002	غیر سودی اخراجات
8,129	پروویڈنڈ اور رائٹ آفس (نیٹ)
(11,955)	خسارہ قبل از ٹیکس
(7,946)	خسارہ بعد از ٹیکس
(3.01)	خسارہ فی شیئر بنیادی اور سیال (diluted) - روپے

30 ستمبر 2019ء کو اختتام پذیر ہونے والے زیر جائزہ نو مہینوں کے دوران، بینک نے 11.955 ارب روپے کا خسارہ قبل از ٹیکس اور 7.946 ارب روپے کا خسارہ بعد از ٹیکس درج کیا جبکہ گزشتہ برس کی اسی مدت کے دوران 7.340 ارب روپے کا خسارہ قبل از ٹیکس اور 4.897 ارب روپے کا خسارہ بعد از ٹیکس درج کیا گیا تھا۔ لہذا خسارہ فی شیئر 3.01 روپے رہا (ستمبر 2018ء: خسارہ فی شیئر 1.86 روپے)۔

بینک کی آمدنی کی گنجائش نمایاں طور پر کم ہو گئی جس کے نتیجے میں بینک نے 797.899 ملین روپے خالص سودی اخراجات کیے جبکہ گزشتہ برس کی اسی مدت کے دوران یہ 1.805 ارب روپے کی آمدنی تھی۔ اس کی بنیادی وجہ بینک کے پاس موجود غیر فعال قرضوں کی کافی مقدار کے ساتھ آمدنی کے اثاثوں کے حجم میں کمی ہے جس کے نتیجے میں بینک کی سودی آمدنی میں بڑی کمی واقع ہوئی۔ جولائی 2018ء سے بینک کو درپیش غیر معمولی صورت حال کی وجہ سے، بینک نے سیالیت کی ضروریات کو پورا کرنے کے لیے اپنے آمدنی کے اثاثوں کا جزواں کم کر دیا۔

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

**FOR THE NINE MONTHS
PERIOD ENDED
SEPTEMBER 30, 2019**

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

		(Un-audited) September 30, 2019	(Audited) December 31, 2018
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	7	5,308,826	5,043,089
Balances with other banks	8	899,213	996,982
Lendings to financial institutions		-	-
Investments	9	19,284,863	19,256,375
Advances	10	44,635,831	61,245,877
Fixed assets	11	10,442,219	8,708,878
Intangible assets	12	162,032	204,912
Deferred tax assets	13	11,056,969	7,214,989
Other assets	14	10,657,756	11,956,890
		102,447,709	114,627,992
LIABILITIES			
Bills payable	16	1,539,675	1,881,107
Borrowings	17	15,159,275	19,491,854
Deposits and other accounts	18	83,244,165	84,676,090
Liabilities against assets subject to finance lease		-	-
Subordinated debt	19	1,495,515	1,495,515
Deferred tax liabilities		-	-
Other liabilities	20	5,692,876	4,330,823
		107,131,506	111,875,389
NET ASSETS		<u>(4,683,797)</u>	<u>2,752,603</u>
REPRESENTED BY			
Share capital - net		20,500,194	20,500,194
Reserves		(425,043)	(425,043)
Surplus / (deficit) on revaluation of assets	21	2,993,422	2,576,824
Accumulated losses		(27,752,370)	(19,899,372)
		<u>(4,683,797)</u>	<u>2,752,603</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 AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Note	Quarter Ended		Nine Months Period Ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
----- (Rupees in '000) -----					
Mark-up / return / interest earned	23	1,371,593	1,853,077	4,332,512	7,188,753
Mark-up / return / interest expensed	24	1,961,339	1,639,270	5,130,411	5,383,107
Net mark-up / interest (expense) / income		(589,746)	213,807	(797,899)	1,805,646
NON MARK-UP / INTEREST INCOME					
Fee and commission income	25	177,461	220,147	504,106	753,927
Dividend income		1,398	1,611	19,809	6,815
Foreign exchange income		104,290	200,481	361,759	613,086
Income / (loss) from derivatives		-	-	-	-
Loss on securities	26	(16,452)	(31,946)	(19,100)	(30,251)
Other income	27	24,468	30,265	106,679	229,714
Total non-markup / interest income		291,165	420,558	973,253	1,573,291
Total income		(298,581)	634,365	175,354	3,378,937
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	28	1,356,856	1,481,900	3,960,475	4,296,948
Workers' welfare fund		-	-	-	-
Other charges	29	24,298	5,913	41,075	29,746
Total non-markup / interest expenses		1,381,154	1,487,813	4,001,550	4,326,694
Loss before provisions		(1,679,735)	(853,448)	(3,826,196)	(947,757)
Provisions and write offs - net	30	3,706,369	2,943,699	8,128,519	6,392,549
Extra ordinary / unusual items		-	-	-	-
LOSS BEFORE TAXATION		(5,386,104)	(3,797,147)	(11,954,715)	(7,340,306)
Taxation	31	(1,816,904)	(2,708,664)	(4,009,198)	(2,443,686)
LOSS AFTER TAXATION		(3,569,200)	(1,088,483)	(7,945,517)	(4,896,620)
----- (Rupees) -----					
Basic loss per share	32	(1.35)	(0.41)	(3.01)	(1.86)
Diluted loss per share	32	(1.35)	(0.41)	(3.01)	(1.86)

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President /
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Chief Financial Officer

Director

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UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Quarter ended		Nine Months Period Ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	----- (Rupees in '000) -----			
Loss after taxation for the period	(3,569,200)	(1,088,483)	(7,945,517)	(4,896,620)
Other comprehensive income / (loss)				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in deficit on revaluation of investments - net of tax	346,159	(95,365)	482,305	175,814
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of operating fixed assets - net of tax	8,832	(75,214)	26,496	(55,345)
Movement in surplus on revaluation of non-banking assets - net of tax	-	(1,453)	316	(53,045)
	8,832	(76,667)	26,812	(108,390)
Total comprehensive loss	(3,214,209)	(1,260,515)	(7,436,400)	(4,829,196)

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Director

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UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Share capital		Capital reserve		Surplus / (Deficit) on revaluation of			Revenue reserve		Total
	Share premium	Statutory reserve	Reserve arising on amalgamation	Investments	Fixed / Non banking assets	Property held for sale	Accumulated losses			
----- (Rupees in '000) -----										
Balance as at January 01, 2018 (Audited)	20,500,194	1,000,000	154,162	(1,579,205)	(793,175)	2,288,117	-	(11,328,979)	10,241,114	
Loss after taxation for the nine months period ended September 30, 2018	-	-	-	-	-	-	-	(4,896,620)	(4,896,620)	
Other comprehensive income - net of tax	-	-	-	175,814	(108,390)	-	-	-	67,424	
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(85,149)	-	85,149	-	
Balance as at October 01, 2018 (Un-audited)	20,500,194	1,000,000	154,162	(1,579,205)	(617,361)	2,094,578	-	(16,140,450)	5,411,918	
Loss after taxation for the three months period ended December 31, 2018	-	-	-	-	-	-	-	(3,854,453)	(3,854,453)	
Other comprehensive income - net of tax	-	-	-	-	883,325	754,510	-	29,470	1,195,138	
Transfer to statutory reserve	-	-	-	(472,167)	-	-	-	-	-	
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(28,383)	-	28,383	-	
Surplus realized on disposal of non-banking assets	-	-	-	-	-	(37,678)	-	37,678	-	
Balance as at January 01, 2019 (Audited)	20,500,194	1,000,000	154,162	(1,579,205)	(1,089,528)	2,911,842	754,510	(19,899,372)	2,752,603	
Loss after taxation for the nine months period ended September 30, 2019	-	-	-	-	-	-	-	(7,945,517)	(7,945,517)	
Other comprehensive income - net of tax	-	-	-	482,305	26,812	-	-	-	509,117	
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(75,706)	-	75,706	-	
Surplus realized on disposal of non-banking assets	-	-	-	-	-	(902)	-	902	-	
Surplus realized on disposal of fixed assets	-	-	-	-	-	(15,911)	-	15,911	-	
Balance as at September 30, 2019 (Un-audited)	20,500,194	1,000,000	154,162	(1,579,205)	(607,223)	2,846,135	754,510	(21,752,370)	(4,683,797)	

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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	September 30, 2019	September 30, 2018
Note	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(11,954,715)	(7,340,306)
Less: Dividend income	(19,809)	(6,815)
	<u>(11,974,524)</u>	<u>(7,347,121)</u>
Adjustments:		
Depreciation on operating fixed assets	414,785	517,195
Depreciation on right-of-use assets	393,685	
Depreciation on non banking assets	32,812	33,214
Finance cost of lease liability	209,406	-
Amortization	46,605	45,732
Charge for defined benefit plan	42,230	45,967
Charge for employees compensated absences	10,499	11,250
Provision and write-offs excluding recoveries	8,128,489	6,393,377
Gain on sale of fixed assets	(35,524)	(2,274)
Gain on disposal of non-banking assets - net	-	(151,084)
Unrealised loss on revaluation of investments classified as held-for-trading securities - net	384	-
	<u>9,243,371</u>	<u>6,893,377</u>
	(2,731,153)	(453,744)
Decrease in operating assets		
Lendings to financial institutions	-	10,671,003
Held-for-trading securities	(9,725)	59,486
Advances	9,649,816	8,930,377
Others assets (excluding advance taxation)	1,283,488	161,971
	<u>10,923,579</u>	<u>19,822,837</u>
Decrease in operating liabilities		
Bills Payable	(341,432)	(1,073,683)
Borrowings from financial institutions	(4,442,220)	(29,758,130)
Deposits	(1,431,925)	(58,905,625)
Other liabilities (excluding current taxation)	(728,075)	(486,102)
	<u>(6,943,652)</u>	<u>(90,223,540)</u>
Payments on account of staff retirement benefits	(47,924)	(64,393)
Income tax paid	(95,313)	(122,877)
Net cash generated from / (used in) operating activities	<u>1,105,537</u>	<u>(71,041,717)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(442,868)	59,887,536
Dividends received	19,753	11,883
Investments in operating fixed assets	(432,970)	(529,090)
Proceeds from sale of fixed assets	453,151	5,852
Proceeds from sale of non-banking assets	10,000	868,033
Net cash (used in) / generated from investing activities	<u>(392,934)</u>	<u>60,244,214</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(654,276)	-
Payments of subordinated debt	-	(345)
Net cash used in financing activities	-	(345)
Effect of exchange rate changes on cash and cash equivalent	181,424	557,407
Increase / (Decrease) in cash and cash equivalents	<u>239,751</u>	<u>(10,240,441)</u>
Cash and cash equivalents at beginning of the period	5,852,297	15,406,338
Cash and cash equivalents at end of the period	<u>33</u> <u>6,092,048</u>	<u>5,165,897</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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

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 Suoor Investments Limited, a company incorporated in Mauritius, holding 66.77% of the issued, subscribed and paid up capital of the Bank as at September 30, 2019.

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

I.2 In November 2018, VIS Credit Rating Company Limited assigned the Bank medium to long-term rating of 'BBB -' (Triple B minus) and short term rating of 'A-3' (A-three) while the Bank's TFC was assigned a rating of 'BBB - (SO)' (Triple B minus (Structured Obligation)). These ratings were placed on 'Rating Watch – Negative' status.

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

I.3 During the nine months period, the Bank has incurred net loss of Rs. 7,945.517 million resulting in accumulated losses of Rs. 27,752.370 million and negative equity of Rs. 4,683.797 million. As per the applicable laws and regulations, the Bank is required to maintain Minimum Paid-up Capital (net of losses) (MCR) of Rs. 10 billion, Capital Adequacy Ratio (CAR) at 11.90% (inclusive of Capital Conservation Buffer of 1.90%), Leverage Ratio (LR) at 3.00%, Liquidity Coverage Ratio (LCR) at 100% and Net Stable Funding Ratio (NSFR) at 100% as of September 30, 2019. However, the paid up capital of the Bank (net of losses), CAR and LR are negative, while LCR and NSFR are below prescribed levels as at September 30, 2019. Subsequently, from June 30, 2020 onwards, the Bank achieved compliance with the applicable LCR requirements.

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

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

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

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

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

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

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

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and Companies Act, 2017; 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, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurements' and International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Moreover, 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. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.

- 2.2 These unconsolidated condensed interim financial statements represent separate financial statements of Summit Bank Limited in which investment in subsidiary are accounted for on the basis of direct equity interest rather on the basis of reported results.
- 2.3 Key financial figures of the Islamic banking branches are disclosed in note 38 to these unconsolidated condensed interim financial statements.
- 2.4 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34 'Interim Financial Reporting' and do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended December 31, 2018.
- 2.5 **Standards, interpretations of and amendments to existing accounting standards that have become effective in the current period**

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

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

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

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

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

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

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

3. BASIS OF MEASUREMENT

3.1 Accounting convention

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

3.2 Functional and Presentation Currency

These unconsolidated condensed interim financial statements are 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, 2018 except as disclosed in note 4.1.

4.1 Changes in accounting policies

4.1.1 Change in reporting format

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

4.1.2 Leases

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

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

	Un-audited	
	September 30, 2019	January 01, 2019
	----- (Rupees in '000) -----	
Lease Liability	<u>2,085,323</u>	<u>2,075,149</u>

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

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

	Un-audited	
	September 30, 2019	January 01, 2019
	----- (Rupees in '000) -----	
Right-of-Use Asset	<u>2,136,508</u>	<u>2,207,128</u>

**Effect of change in Accounting policy
Impact on Statement of Financial Position**

Increase in fixed assets - ROU Assets	2,136,508	2,207,128
Decrease in other assets - Advances , Deposits and Prepayments	(213,955)	(131,979)
Increase in other assets - Advance Taxation	-	-
Increase in other liabilities - Lease Liability in respect of ROU Assets	(2,085,323)	(2,075,149)
(Decrease) / Increase in net assets	<u>(162,770)</u>	<u>-</u>

Impact on Profit and Loss Account

Increase in mark-up expense	<u>(209,406)</u>	-
	(209,406)	-
(Increase) / decrease in administrative expenses:		
-Depreciation of ROU Assets	(393,685)	-
-Rent expense	440,321	-
	46,636	
Increase in loss before tax	(162,770)	-
Taxation	-	-
Increase in loss after tax	<u>(162,770)</u>	<u>-</u>

Loss per share for the period ended September 30, 2019 is Re 0.06 per share higher as a result of the adoption of IFRS 16.

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

(Rupees in '000)

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

4.1.3 IFRS 15 - Revenue from Contracts with Customers

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

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

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During the current period, the management of the Bank has revised its estimate of the useful lives of building on leasehold land. The management has decreased the depreciation rates from 5% per annum to 2.5% to 5% per annum. The revision has been made after taking into account the expected pattern of recovery of economic benefits associated with the use of these assets. The revision has been accounted for as a change in accounting estimate as defined in International Accounting Standard 8, 'Accounting Policies, Changes in Accounting Estimate and Errors'. Had the revision in useful lives in respect of building on leasehold land not been made depreciation expense for the period would have been higher by Rs. 189.449 million and consequently the profit before tax would have been lower by the same amount.

6. FINANCIAL RISK MANAGEMENT

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

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

7. CASH AND BALANCES WITH TREASURY BANKS

In hand

Local currency	3,081,784	2,699,662
Foreign currency	276,482	190,719
	3,358,266	2,890,381

With State Bank of Pakistan in

Local currency current account	687,360	1,011,453
Foreign currency current account	376,684	302,719
Foreign currency deposit account	197,097	125,904
	1,261,141	1,440,076

With National Bank of Pakistan in Local currency current account **533,681** 703,743

Prize bonds **155,738** 8,889

5,308,826	5,043,089
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8. BALANCES WITH OTHER BANKS

In Pakistan

In current account	17,809	20,475
In deposit account	70,591	92,365
	88,400	112,840

Outside Pakistan

In current account	229,916	368,270
In deposit account	580,897	515,872
	810,813	884,142

899,213	996,982
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9 INVESTMENTS

9.1 Investments by type:

Held-for-trading securities

Shares

9,725 - (384) 9,341 - - - -

Available-for-sale securities

Federal Government Securities

Market Treasury Bills

Pakistan Investment Bonds

GoP Ijarah Sukuks

September 30, 2019 (Un-audited)				December 31, 2018 (Audited)			
Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- (Rupees in '000) -----							
4,483,447	-	9,015	4,492,462	1,377,071	-	29	1,377,100
12,169,119	-	(906,960)	11,262,159	13,969,584	-	(1,233,323)	12,736,261
1,600,000	-	(47,360)	1,552,640	2,250,000	-	(40,275)	2,209,725
Shares							
4,147,681	(2,801,965)	11,115	1,356,831	4,147,681	(1,947,196)	(402,628)	1,797,857
2,830	(1,000)	-	1,830	2,830	(1,000)	-	1,830
46,035	-	-	46,035	46,035	-	-	46,035
Non Government Debt Securities							
Term Finance Certificates	(1,319,459)	-	281,566	1,611,998	(1,008,500)	-	603,498
Sukuk Bonds	(200,000)	-	-	402,070	(200,000)	-	202,070
24,250,137	(4,322,424)	(934,190)	18,993,523	23,807,269	(3,156,696)	(1,676,197)	18,974,376

Subsidiary

Ordinary shares-Unlisted

396,942 (114,943) - 281,999 396,942 (114,943) - 281,999

Total Investments

24,656,804 (4,437,367) (934,574) 19,284,863 24,204,211 (3,271,639) (1,676,197) 19,256,375

9.1.1 Investments given as collateral - Market Value

Pakistan Investment Bonds

GoP Ijarah Sukuks

Ordinary shares-Listed

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

6,121,361 8,190,815

1,500,000 2,209,725

903,106 1,718,824

8,524,467 12,119,364

9.2 Provision for diminution in value of investments

Opening balance

3,271,639 2,177,965

Charge / reversals

Charge for the period / year

1,168,303 1,120,666

Reversals for the period / year

(2,575) (26,992)

1,165,728 1,093,674

Closing balance

4,437,367 3,271,639

9.3 Particulars of provision against debt securities

Category of classification

Domestic

Loss

September 30, 2019 (Un-audited)		December 31, 2018 (Audited)	
NPI	Provision	NPI	Provision
----- (Rupees in '000) -----			
1,519,459	1,519,459	1,522,034	1,208,500
1,519,459	1,519,459	1,522,034	1,208,500

9.4 Pursuant to the applicable Prudential Regulations, the Bank has availed the Forced Sale Value (FSV) benefit of securities / collaterals held against a non-performing investment. Had this FSV benefit not been availed by the Bank, the specific provision against investments would have been higher by Rs. Nil (2018: Rs. 313.534 million). This has a net of tax positive impact of Rs. Nil (2018: Rs. 203.797 million) on the profit and loss account. 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.

10. ADVANCES

	Performing		Non Performing		Total	
	(Un-audited) September 30, 2019	(Audited) December 31, 2018	(Un-audited) September 30, 2019	(Audited) December 31, 2018	(Un-audited) September 30, 2019	(Audited) December 31, 2018
Note ----- (Rupees in '000) -----						
Loans, cash credits, running finances, etc.	28,914,129	39,212,961	38,967,604	35,141,957	67,881,733	74,354,918
Islamic financing and related assets	3,823,777	5,875,686	999,527	882,663	4,823,304	6,758,349
Bills discounted and purchased	391,627	1,635,173	47,089	47,089	438,716	1,682,262
Advances - gross	33,129,533	46,723,820	40,014,220	36,071,709	73,143,753	82,795,529
Provision against advances						
- Specific	-	-	(28,454,960)	(21,502,664)	(28,454,960)	(21,502,664)
- General	(52,962)	(46,988)	-	-	(52,962)	(46,988)
	(52,962)	(46,988)	(28,454,960)	(21,502,664)	(28,507,922)	(21,549,652)
Advances - net of provision	33,076,571	46,676,832	11,559,260	14,569,045	44,635,831	61,245,877

	(Un-audited) September 30, 2019	(Audited) December 31, 2018
----- (Rupees in '000) -----		
10.1 Particulars of advances (Gross)		
In local currency	72,768,408	81,171,315
In foreign currencies	375,345	1,624,214
	73,143,753	82,795,529

10.2 Advances include Rs. 40,014.220 million (December 31, 2018: Rs. 36,071.709 million) which have been placed under non-performing status as detailed below:

Category of Classification	September 30, 2019 (Un-audited)		December 31, 2018 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
----- (Rupees in '000) -----				
Domestic				
Other Assets Especially Mentioned	107,688	795	505,380	721
Substandard	797,449	25,251	5,479,696	460,682
Doubtful	1,851,390	108,012	7,709,088	1,609,889
Loss	37,257,693	28,320,902	22,377,545	19,431,372
	40,014,220	28,454,960	36,071,709	21,502,664

10.3 Particulars of provision against advances

	September 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
Opening balance	21,502,664	46,988	21,549,652	14,909,014	30,250	14,939,264
Charge for the period / year	7,357,351	5,974	7,363,325	7,247,738	16,738	7,264,476
Reversals	(403,223)	-	(403,223)	(622,642)	-	(622,642)
	6,954,128	5,974	6,960,102	6,625,096	16,738	6,641,834
Amounts written off	(1,832)	-	(1,832)	(31,446)	-	(31,446)
Closing balance	28,454,960	52,962	28,507,922	21,502,664	46,988	21,549,652

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

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

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. 9,732.118 million (2018: Rs. 5,944.384 million). The positive impact on the profit and loss account arising from availing this benefit - net of tax amounts to Rs. 6,325.876 million (2018: Rs. 3,863.850 million). As per the applicable Prudential Regulations, the positive impact of FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

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

		(Un-audited) September 30, 2019	(Audited) December 31, 2018
		----- (Rupees in '000) -----	
11 FIXED ASSETS	Note		
Capital work-in-progress	11.1	88,938	393,222
Property and equipment		8,216,773	8,315,656
Right-of-use assets	4.1.2	2,136,508	-
		<u>10,442,219</u>	<u>8,708,878</u>
11.1 Capital work-in-progress			
Civil works and related payments / progress billings		57,959	388,198
Advances and other payments to suppliers and contractors		30,979	5,024
Advances and other payments against capital work in progress considered doubtful		1,158,340	1,158,340
Less: Provision held there against		(1,158,340)	(1,158,340)
		<u>88,938</u>	<u>393,222</u>
		(Un-audited)	
		September 30, 2019	September 30, 2018
		----- (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		-	312,500
Property and equipment			
Building improvements		296,394	8,845
Furniture and fixture		64,528	2,604
Electrical, office and computer equipment		67,348	66,810
		<u>428,270</u>	<u>78,259</u>
Right-of-use assets		2,136,508	-
		<u>2,564,778</u>	<u>390,759</u>
11.3 Transfer / Disposal of fixed assets			
Capital work-in-progress		304,284	-
The net book value of fixed assets disposed off during the period is as follows:			
Leasehold land		104,010	-
Building-improvements		144	2,710
Building on leasehold land		89	-
Furniture and fixture		-	457
Electrical, office and computer equipment		5,752	3,473
Furniture and fixture		23	-
Vehicles		3,325	-
		<u>113,343</u>	<u>6,640</u>
Total		<u>417,627</u>	<u>6,640</u>

		(Un-audited) September 30, 2019	(Audited) September 30, 2018
Note		----- (Rupees in '000) -----	
12. INTANGIBLE ASSETS			
Capital work-in-progress	12.1	45,098	53,488
Intangible assets in use	12.2	116,934	151,424
		<u>162,032</u>	<u>204,912</u>
12.1 Capital work-in-progress			
Advances to suppliers and contractors		45,098	53,488
Advances against capital work in progress considered doubtful		141,224	141,224
Less: Provision held there against		(141,224)	(141,224)
		-	-
		<u>45,098</u>	<u>53,488</u>
12.2 Intangible assets in use			
Computer software		53,439	73,517
Core deposits		31,122	45,534
Brand name		32,373	32,373
		<u>116,934</u>	<u>151,424</u>
		<u>(Un-audited)</u>	
		<u>September 30,</u>	<u>September 30,</u>
		<u>2019</u>	<u>2018</u>
		----- (Rupees in '000) -----	
12.3 Additions to intangible assets			
The following additions have been made to intangible assets during the period:			
Directly purchased		<u>12,116</u>	<u>6,974</u>
There were no disposal in intangible assets during the current and prior period.			

13. DEFERRED TAX ASSETS

30 September 2019 (Un-audited)			
At January 01, 2019	Recognised in profit and loss account	Recognised in other comprehensive income	At September 30, 2019
----- (Rupees in '000)-----			
Deductible Temporary Differences on			
- Tax losses carried forward	3,811,924	-	5,247,445
- Deficit on revaluation of investments	586,669	(259,703)	326,966
- Provision against advances, off balance sheet etc.	3,433,882	2,286,842	5,720,724
- Provision for impairment loss - Investment	1,145,074	318,432	1,463,506
- Provision against Intangible Assets	43,107	-	43,107
- Staff Compensated absences	35,380	(1,531)	33,849
- Unrealised Loss on HFT Portfolio	-	134	134
- Provision against other assets	149,656	-	149,656
- Unrealized loss on forward exchange contracts	3,078	1,348	4,426
	9,208,770	4,040,746	12,989,813
Taxable Temporary Differences on			
- Surplus on revaluation of fixed assets	(1,063,624)	-	(1,037,128)
- Surplus on revaluation of property - held for sale	(406,274)	-	(406,274)
- Accelerated depreciation	(382,530)	34,125	(348,405)
- Surplus on revaluation of non-banking assets	(141,353)	-	(141,037)
	(1,993,781)	34,125	(1,932,844)
	7,214,989	4,074,871	11,056,969

December 31, 2018 (Audited)			
At January 01, 2018	Recognised in profit and loss account	Recognised in other comprehensive income	At December 31, 2018
----- (Rupees in '000)-----			
Deductible Temporary Differences on			
- Tax losses carried forward	4,103,554	(291,630)	3,811,924
- Deficit on revaluation of investments	427,094	-	586,669
- Provision against advances, off balance sheet etc.	1,309,930	2,123,952	3,433,882
- Provision for impairment loss - Investment	762,288	382,786	1,145,074
- Provision against intangible assets	43,107	-	43,107
- Staff compensated absences	36,558	(1,178)	35,380
- Unrealised loss on HFT portfolio	5,560	(5,560)	-
- Provision against other assets	149,656	-	149,656
	6,837,747	2,208,370	9,205,692
Taxable Temporary Differences on			
- Surplus on revaluation of fixed assets	(452,385)	-	(1,063,624)
- Surplus on revaluation of property - held for sale	-	(406,274)	(406,274)
- Surplus on revaluation of non-banking assets	(151,972)	-	(141,353)
- Accelerated depreciation	(398,770)	16,240	(382,530)
- Unrealized (gain) / loss on forward exchange contracts	(30,429)	33,507	3,078
	(1,033,556)	49,747	(1,990,703)
	5,804,191	2,258,117	7,214,989

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 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 Bank would be able to achieve the profits and consequently, the recognized deferred tax asset will be fully realized in future.

	(Un-audited) September 30, 2019	(Audited) December 31, 2018
	----- (Rupees in '000) -----	
14. OTHER ASSETS		
Income / Mark-up accrued in local currency	1,118,484	1,631,155
Income / Mark-up accrued in foreign currency	3,533	2,805
Advances, deposits, advance rent and other prepayments	284,595	428,590
Advance taxation (payments less provisions)	600,445	570,805
Non-banking assets acquired in satisfaction of claims	2,760,764	2,802,674
Branch adjustment account	103	20
Acceptances	343,569	1,118,180
Mark to market Gain on forward foreign exchange contracts	4,353	-
Receivable from brokers	774	5,038
Stationery and stamps on hand	8,954	8,999
Receivable from other banks against clearing and settlement	70,997	-
Commission receivable on home remittance	163,289	134,985
Property - held for sale	3,838,719	3,838,719
Others	482,754	435,111
	<u>9,681,333</u>	<u>10,977,081</u>
Less: Provision held against other assets	14.2 (587,324)	(584,840)
Other Assets (Net of Provision)	<u>9,094,009</u>	<u>10,392,241</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	402,963	403,865
Surplus on revaluation of property - held for sale	1,160,784	1,160,784
Other assets - total	<u>10,657,756</u>	<u>11,956,890</u>

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

	(Un-audited) September 30, 2019	(Audited) December 31, 2018
	----- (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	79,664	79,664
Non banking assets acquired in satisfaction of claims	290,547	290,547
Commission receivable on guarantees	9,880	9,880
Receivable from Dewan Group	34,436	34,436
Account Receivable - sundry claims	136,262	133,731
Receivable from Speedway Fondmetal (Pakistan) Limited	25,694	25,694
Others	9,452	9,499
	<u>587,324</u>	<u>584,840</u>

14.2.1 Movement in provision held against other assets

Opening balance	584,840	488,435
Charge for the period / year	2,531	96,499
Amount written off	(47)	(94)
Closing balance	<u>587,324</u>	<u>584,840</u>

15. CONTINGENT ASSETS

There was no contingent asset as at the balance sheet date.

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

16. BILLS PAYABLE

In Pakistan	1,539,675	1,881,107
	<u>1,539,675</u>	<u>1,881,107</u>

17. BORROWINGS

Secured

Borrowings from State Bank of Pakistan

- Under export refinance scheme	6,522,840	6,792,628
- Under Islamic Export Refinance Scheme (IERF)	250,000	250,000
- Under Long-term financing facility	888,828	756,323
- Refinance facility for modernization of SMEs	6,094	3,363
- Repurchase agreement borrowings	5,580,522	8,163,360
	13,248,284	15,965,674

Repurchase agreement borrowings	1,795,000	1,000,000
Foreign bills - rediscounted	-	608,830
Total secured	<u>15,043,284</u>	<u>17,574,504</u>

Unsecured

Call borrowings	-	1,911,000
Overdrawn nostro accounts	115,991	6,350
Total unsecured	<u>115,991</u>	<u>1,917,350</u>
	<u>15,159,275</u>	<u>19,491,854</u>

17.1 Particulars of borrowings with respect to currencies

In local currency	15,041,802	18,876,674
In foreign currencies	115,991	615,180
	<u>15,157,793</u>	<u>19,491,854</u>

18. DEPOSITS AND OTHER ACCOUNTS

September 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----					

Customers

Current deposits	23,929,698	1,528,267	25,457,965	27,684,415	1,539,251	29,223,666
Savings deposits	36,317,990	1,616,510	37,934,500	34,873,064	1,605,157	36,478,221
Term deposits	9,252,467	2,456,502	11,708,969	8,624,571	1,579,424	10,203,995
Others	3,569,931	24,590	3,594,521	4,579,025	21,838	4,600,863
	<u>73,070,086</u>	<u>5,625,869</u>	<u>78,695,955</u>	<u>75,761,075</u>	<u>4,745,670</u>	<u>80,506,745</u>

Financial Institutions

Current deposits	683,175	131,364	814,539	988,132	126,472	1,114,604
Savings deposits	2,720,995	4	2,720,999	2,254,400	4	2,254,404
Term deposits	1,012,672	-	1,012,672	800,337	-	800,337
Others	-	-	-	-	-	-
	<u>4,416,842</u>	<u>131,368</u>	<u>4,548,210</u>	<u>4,042,869</u>	<u>126,476</u>	<u>4,169,345</u>
	<u>77,486,928</u>	<u>5,757,237</u>	<u>83,244,165</u>	<u>79,803,944</u>	<u>4,872,146</u>	<u>84,676,090</u>

18.1 Deposits include Eligible Deposits of Rs. 53,786.141 million (December 31, 2018: Rs. 55,944.727 million) protected under Depositors Protection Mechanism introduced by the State Bank of Pakistan.

19. SUBORDINATED DEBT

Issue amount	Rs. 1,500,000,000
Issue date	October 27, 2011
Maturity date	October 27, 2020 (December 31, 2018; October 27, 2019)
	<p>These TFCs were issued by the Bank on October 27, 2011 for an initial tenure of seven years and maturity date of October 27, 2018. In order to protect the interest of the TFC Holders, the tenure of the TFC together with the payment of applicable redemption amounts was extended twice by the Bank to October 27, 2019 and October 27, 2020 through the extraordinary resolutions passed by the TFC holders on November 19, 2018, April 10, 2019 and November 20, 2019. The Bank completed necessary regulatory formalities for these extensions and executed the amended Declaration of Trusts on July 23, 2019 and September 23, 2020. A final approval of these extensions were approved by the SBP vide its letters dated October 21, 2019 and October 21, 2020.</p> <p>Recently, the TFC holders of the Bank in their extraordinary meeting held on October 22, 2020 have approved another extension of one year in the tenure of the TFC issue along with the extension in the payments of all redemption amounts with the revised maturity date of October 27, 2021. The requisite formalities and compliance with the applicable regulatory requirements necessary for this extension have already been completed by the Bank and the final approval is awaited from the State Bank of Pakistan.</p>
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) September 30, 2019	(Audited) December 31, 2018
	Note	----- (Rupees in '000) -----	
20. OTHER LIABILITIES			
Mark-up / Return / Interest payable in local currency		1,043,110	827,718
Mark-up / Return / Interest payable in foreign currency		1,058	7,780
Unearned income		8,991	15,223
Accrued expenses		110,794	196,893
Advance against sale of property		489,044	438,852
Acceptances		343,569	1,118,180
Unclaimed dividends		2,213	2,213
Mark to market loss on forward foreign exchange contracts		12,645	8,793
Payable to defined benefit plan		42,230	33,358
Charity fund balance		85	844
Security deposits against lease		687,653	789,230
Payable to Bangladesh Bank		41,388	41,389
Payable to Rupali Bank - Bangladesh		16,293	16,293
Payable to vendors / creditors		121,096	126,321
Provision for compensated absences		97,015	101,082
Payable to Bank of Ceylon, Colombo		20,165	20,163
Retention money		28,879	6,671
Workers welfare fund		13,360	13,360
Withholding taxes and government levies payable		30,894	13,481
Federal excise duty and sales tax payable		8,367	10,254
Payable to other banks against clearing and settlement		-	137
Commission payable on home remittances		144,795	125,375
Lease Liability against right-of-use assets	4.1.2	2,085,323	-
Others		343,909	417,213
		<u>5,692,876</u>	<u>4,330,823</u>
21. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS			
Surplus / (deficit) on revaluation of:			
- Available for sale securities	9.1	(934,190)	(1,676,197)
- Fixed assets		3,621,337	3,712,954
- Non-banking assets acquired in satisfaction of claims	14	402,963	403,865
- Property - held for sale	14	1,160,784	1,160,784
		4,250,894	3,601,406
Deferred tax on surplus / (deficit) on revaluation of:			
- Available for sale securities		326,967	586,669
- Fixed assets		(1,037,128)	(1,063,624)
- Non-banking assets acquired in satisfaction of claims		(141,037)	(141,353)
- Property - held for sale		(406,274)	(406,274)
		(1,257,472)	(1,024,582)
		<u>2,993,422</u>	<u>2,576,824</u>
22. CONTINGENCIES AND COMMITMENTS			
Guarantees	22.1	20,203,751	19,970,337
Commitments	22.2	26,248,993	31,599,152
Other contingent liabilities	22.3	10,952,203	11,661,255
		<u>57,404,947</u>	<u>63,230,744</u>
22.1 Guarantees:			
Financial guarantees		23,677	23,677
Performance guarantees		15,789,067	14,891,050
Other guarantees		4,391,007	5,055,610
		<u>20,203,751</u>	<u>19,970,337</u>

		(Un-audited) September 30, 2019	(Audited) December 31, 2018
	Note	----- (Rupees in '000) -----	
22.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		2,717,136	6,604,310
Commitments in respect of:			
- forward foreign exchange contracts	22.2.1	6,129,577	4,315,349
- forward lending	22.2.2	9,756,068	8,067,231
- operating leases	22.2.3	48,055	3,164,673
Commitments for acquisition of:			
- operating fixed assets		88,287	140,560
- intangible assets		134,348	143,669
Commitments in respect of repo transactions	22.2.4	7,375,522	9,163,360
		<u>26,248,993</u>	<u>31,599,152</u>
22.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		5,099,043	3,404,992
Sale		1,030,534	910,357
		<u>6,129,577</u>	<u>4,315,349</u>
22.2.2 Commitments in respect of forward lending			
Forward documentary bills		4,695,192	3,458,501
Undrawn formal standby facilities, credit lines and other commitments to lend	22.2.2.1	5,060,876	4,608,730
		<u>9,756,068</u>	<u>8,067,231</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) September 30, 2019	(Audited) December 31, 2018
		----- (Rupees in '000) -----	
22.2.3 Commitments in respect of operating leases			
Not later than one year		48,055	652,360
Later than one year and not later than five years		-	1,636,820
Later than five years		-	875,493
		<u>48,055</u>	<u>3,164,673</u>
22.2.4 Commitments in respect of repo transactions			
Purchase (Repo)		<u>7,375,522</u>	<u>9,163,360</u>
22.3 Other contingent liabilities - claims against the Bank not acknowledged as debts		<u>10,952,203</u>	<u>11,661,255</u>
22.4 In the year 2018, Law Enforcement Agencies (LEAs) initiated its investigation on certain bank accounts alleged for money laundering activities in various banks including Summit Bank Limited. The Honourable Supreme Court of Pakistan under Suo Moto Case HRC-39216-G, appointed a Joint Investigation Team (JIT) which was constituted to investigate the matter. On recommendation of JIT, the matter was referred by the Honourable Supreme Court to the National Accountability Bureau (NAB) for further investigation and filing of references in the National Accountability Courts. The matter is currently under NAB investigations and only partial references have been filed in the NAB Courts. The Bank has been and is committed to extending its full cooperation to the Law Enforcement Agencies in their investigations to the best extent possible and the matter is currently subjudice. These proceedings in the opinion of the management will not have any effect on the operations and functioning of the Bank.			
22.5 Contingency for tax payable			
Contingency related to tax payable is disclosed in note 31.2.			

		(Un-audited)	
		Nine months ended	
		September 30, 2019	September 30, 2018
Note		----- (Rupees in '000) -----	
23.	MARK-UP / RETURN / INTEREST EARNED		
	Loans and advances	3,326,055	4,275,210
	Investments	954,693	2,481,924
	Lendings to financial institutions	36,969	420,202
	Balances with banks	14,795	11,417
		<u>4,332,512</u>	<u>7,188,753</u>
24.	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits	3,502,286	3,310,601
	Borrowings	895,925	1,767,972
	Subordinated debt	154,238	107,566
	Cost of foreign currency swaps against foreign currency deposits / borrowings	368,556	196,968
	Finance cost of lease liability	209,406	-
		<u>5,130,411</u>	<u>5,383,107</u>
25.	FEE AND COMMISSION INCOME		
	Branch banking customer fees	11,716	51,485
	Consumer finance related fees	2,579	5,477
	Card related fees (debit cards)	69,476	61,637
	Credit related fees	7,640	13,149
	Investment banking fees	5,359	5,142
	Commission on trade	157,604	315,950
	Commission on guarantees	121,345	148,139
	Commission on cash management	2,870	4,560
	Commission on remittances including home remittances	45,095	66,474
	Commission on bancassurance	1,786	2,922
	Commission on Benazir Income Support Programme	63,864	52,169
	Alternate delivery channels	14,580	25,038
	Others	192	1,785
		<u>504,106</u>	<u>753,927</u>
26.	LOSS ON SECURITIES		
	Realised	(18,716)	(30,251)
	Unrealised - held for trading	(384)	-
		<u>(19,100)</u>	<u>(30,251)</u>
26.1	Realised loss on:		
	Federal Government Securities	(29,269)	(6,685)
	Shares	10,553	(8,396)
	Mutual Funds	-	(16,922)
	Non Government Debt Securities	-	1,752
		<u>(18,716)</u>	<u>(30,251)</u>

		(Un-audited)	
		Nine months ended	
		September 30, 2019	September 30, 2018
27. OTHER INCOME	Note	----- (Rupees in '000) -----	
Rent on property / locker		16,338	25,443
Gain on sale of fixed assets-net		35,524	2,274
Gain on sale of non banking assets - net		-	151,084
Gain on sale of ijarah assets		2,772	1,683
Account maintenance and other relevant charges		38,816	22,827
Recovery of expenses from customers		12,929	26,261
Others		300	142
		<u>106,679</u>	<u>229,714</u>
28. OPERATING EXPENSES			
Total compensation expense	28.1	1,249,775	1,406,377
Property expense			
Rent and taxes		112,007	634,303
Insurance - property		3,989	5,784
Insurance - non banking assets		80	546
Utilities cost		191,888	187,532
Security (including guards)		124,313	125,245
Repair and maintenance (including janitorial charges)		78,636	70,250
Depreciation on owned assets		221,479	316,180
Depreciation on right-of-use assets		393,685	-
Depreciation on non banking assets		32,812	33,214
		1,158,889	1,373,054
Information technology expenses			
Software maintenance		43,540	37,078
Hardware maintenance		48,976	30,809
Depreciation on computer equipments		82,315	97,851
Amortisation of computer softwares		20,077	19,203
Network charges		65,323	69,993
Insurance		649	362
		260,880	255,296
Other operating expenses			
Directors' fees and allowances		550	2,000
Fees and allowances to Shariah Board		3,600	3,600
Legal and professional charges		248,739	89,682
Outsourced services costs		98,523	201,009
Travelling and conveyance		118,073	118,898
NIFT clearing charges		20,830	24,176
Depreciation		110,991	103,164
Amortisation of core deposits and brand name		26,528	26,528
Training and development		3,687	4,823
Postage and courier charges		33,185	36,267
Communication		35,026	45,550
Stationery and printing		77,628	72,091
Marketing, advertisement and publicity		21,649	129,447
Brokerage and commission		2,155	11,314
Fee and subscription		86,467	63,572
Cash transportation and sorting charges		74,438	82,743
Entertainment		24,723	25,279
Insurance		183,095	151,829
Repair and maintenance		65,656	40,321
Auditors' remuneration		12,251	11,104
Others		43,137	18,824
		1,290,931	1,262,221
		<u>3,960,475</u>	<u>4,296,948</u>

		(Un-audited)	
		Nine months ended	
		September 30 2019	September 30 2018
		----- (Rupees in '000) -----	
28.1	Total compensation expense		
	Fees and allowances etc	26,538	27,375
	Managerial Remuneration		
	i) Fixed	763,668	818,630
	ii) Variable of which:		
	a) Cash Bonus / Awards etc.	4,269	6,014
	b) Incentives and commission	1,323	6,984
	Charge for defined benefit plan	42,230	45,967
	Contribution to defined contribution Plan	41,678	52,465
	Charge for employees compensated absences	10,499	11,250
	Rent and house maintenance	247,327	300,884
	Utilities	54,958	66,858
	Medical	57,285	69,949
	Total	1,249,775	1,406,377
29.	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	24,457	10,431
	Bank charges	16,618	19,315
		41,075	29,746
30.	PROVISIONS AND WRITE OFFS - NET		
	Provisions for diminution in value of investments	1,165,728	1,008,060
	Provisions against loans and advances	6,960,102	4,220,589
	Fixed assets written off	-	3,061
	Provision against other assets	2,531	94,385
	Provision against fixed asset	-	1,063,606
	Bad debts written off directly	128	3,676
	Balance with other banks written off	30	-
	Recovery of written off / charged off bad debts	-	(828)
		8,128,519	6,392,549
31.	TAXATION		
	Current	31.1 & 31.2 65,673	107,575
	Prior years	-	-
	Deferred	(4,074,871)	(2,551,261)
		(4,009,198)	(2,443,686)

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, 2017 i.e. tax year 2018.

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

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

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

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

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

		(Un-audited) Nine months ended	
		September 30, 2019	September 30, 2018
		----- (Rupees in '000) -----	
32.	BASIC AND DILUTED LOSS PER SHARE		
	Note		
	Loss for the period	<u>(7,945,517)</u>	<u>(4,896,620)</u>
		----- (Number of shares) -----	
	Weighted average number of ordinary shares	<u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupees) -----	
	Basic loss per share	<u>(3.01)</u>	<u>(1.86)</u>
		----- (Number of shares) -----	
	Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)	<u>32.1</u> <u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupees) -----	
	Diluted loss per share	<u>(3.01)</u>	<u>(1.86)</u>

32.1 There are no potential ordinary shares outstanding as of September 30, 2019.

		(Un-audited) Nine months ended	
		September 30, 2019	September 30, 2018
		----- (Rupees in '000) -----	
33.	CASH AND CASH EQUIVALENTS		
	Cash and balances with treasury banks	5,308,826	4,378,502
	Balances with other banks	899,213	1,029,521
	Overdrawn nostro accounts	<u>(115,991)</u>	<u>(242,126)</u>
		<u>6,092,048</u>	<u>5,165,897</u>

34. FAIR VALUE MEASUREMENTS

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

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

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).

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

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

On balance sheet financial instruments

Financial assets - measured at fair value

Investments

Federal Government Securities	-	17,307,261	-	17,307,261
Shares - Listed	1,356,831	-	-	1,356,831
Non-Government Debt Securities	-	-	-	-

Financial assets - disclosed but not measured at fair value

Investments

- Shares - Unlisted	-	-	1,857	1,857
---------------------	---	---	-------	-------

Non-Financial assets - measured at fair value

Operating fixed assets	-	-	7,487,518	7,487,518
Non banking assets acquired in satisfaction of claims	-	-	2,896,692	2,896,692

Off-balance sheet financial instruments - measured at fair value

Forward purchase of foreign exchange	-	5,091,366	-	5,091,366
Forward sale of foreign exchange	-	1,031,149	-	1,031,149

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

On balance sheet financial instruments

Financial assets - measured at fair value

Investments

- Federal Government Securities	-	16,323,086	-	16,323,086
- Shares - Listed	1,797,857	-	-	1,797,857
- Non-Government Debt Securities	-	12,489	-	12,489

Financial assets - disclosed but not measured at fair value

Investments

- Shares - Unlisted	-	-	1,857	1,857
---------------------	---	---	-------	-------

Non-Financial assets - measured at fair value

Operating fixed assets	-	-	7,591,618	7,591,618
Non banking assets acquired in satisfaction of claims	-	-	2,915,992	2,915,992

Off-balance sheet financial instruments - measured at fair value

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

Valuation techniques used in determination of fair value

Item	Valuation approach and input used
Federal Government Securities	The fair values of Federal Government securities are determined using the PKRV rates.
Units of mutual funds	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.
Ordinary shares - Listed	The fair value of investment in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Ordinary shares - Unlisted	This represents breakup value of investments.
Non-Government Debt Securities	Investments in debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAAP) 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 Nine Months Period Ended September 30, 2019 (Un-audited)						
Corporate finance	Trading and sales	Branch banking	Islamic	Others	Total	
----- (Rupees in '000) -----						
Profit and Loss						
Net mark-up / return / profit	(304)	29,440	(821,786)	(5,249)	-	(797,899)
Inter segment revenue - net	-	(900,378)	-	900,378	-	-
Non mark-up / return / interest income	6,813	568,769	454,565	(56,894)	-	973,253
Total Income	6,509	(302,169)	(367,221)	838,235	-	175,354
Segment direct expenses	1,589	232,895	3,521,343	212,831	32,892	4,001,550
Inter segment expense allocation	-	-	(189,404)	189,404	-	-
Total expenses	1,589	232,895	3,331,939	402,235	32,892	4,001,550
Provisions	-	1,165,728	6,306,111	656,680	-	8,128,519
Profit / (Loss) before tax	4,920	(1,700,792)	(10,005,271)	(220,680)	(32,892)	(11,954,715)

As at September 30, 2019 (Un-audited)						
Corporate finance	Trading and sales	Branch banking	Islamic	Others	Total	
----- (Rupees in '000) -----						
Balance Sheet						
Cash and bank balances	-	2,251,786	3,627,999	328,254	-	6,208,039
Investments	-	17,988,243	1,014,621	-	281,999	19,284,863
Net inter segment lending	-	-	-	13,148,163	-	13,148,163
Lendings to financial institutions	-	-	-	-	-	-
Advances - performing	-	-	29,266,338	3,810,233	-	33,076,571
- non-performing	-	-	11,298,328	260,932	-	11,559,260
Others	12,392	15,500,063	10,188,774	669,824	5,947,923	32,318,976
Total assets	12,392	35,740,092	55,396,060	18,217,406	6,229,922	115,595,872
Borrowings	28	7,482,132	7,427,115	250,000	-	15,159,275
Subordinated debt	2,945	406,417	1,086,153	-	-	1,495,515
Deposits and other accounts	-	-	68,192,919	15,051,246	-	83,244,165
Net inter segment borrowing	-	13,148,163	-	-	-	13,148,163
Others	2,465	363,488	4,992,136	1,511,645	362,817	7,232,551
Total liabilities	5,438	21,400,200	81,698,323	16,812,891	362,817	120,279,669
Equity	6,954	14,339,892	(26,302,263)	1,404,515	5,867,105	(4,683,797)
Total equity and liabilities	12,392	35,740,092	55,396,060	18,217,406	6,229,922	115,595,872
Contingencies and commitments	-	13,505,099	26,952,893	5,772,117	11,174,838	57,404,947

For the Nine Months Period Ended September 30, 2018 (Un-audited)						
Corporate finance	Trading and sales	Branch banking	Islamic	Others	Total	
----- (Rupees in '000) -----						
Profit and Loss						
Net mark-up / return / profit	(49)	452,623	720,539	632,533	-	1,805,646
Inter segment revenue - net	-	(8,380)	-	8,380	-	-
Non mark-up / return / interest income	832	507,050	854,453	59,875	151,081	1,573,291
Total Income	783	951,293	1,574,992	700,788	151,081	3,378,937
Segment direct expenses	342	337,908	3,725,906	228,777	33,761	4,326,694
Inter segment expense allocation	-	-	(201,951)	201,951	-	-
Total expenses	342	337,908	3,523,955	430,728	33,761	4,326,694
(Reversal) / provisions	-	979,500	5,437,455	2,586	(26,992)	6,392,549
Profit / (Loss) before tax	441	(366,115)	(7,386,418)	267,474	144,312	(7,340,306)

As at December 31, 2018 (Audited)						
Corporate finance	Trading and sales	Branch banking	Islamic	Others	Total	
----- (Rupees in '000) -----						
Balance Sheet						
Cash and bank balances	-	2,090,681	3,601,854	347,536	-	6,040,071
Investments	-	16,774,074	2,200,302	-	281,999	19,256,375
Net inter segment lending	-	700,000	-	10,722,364	-	11,422,364
Lendings to financial institutions	-	-	-	-	-	-
Advances - performing	-	-	40,814,032	5,862,800	-	46,676,832
- non-performing	-	-	13,768,955	800,090	-	14,569,045
Others	4,010	4,059,629	11,199,049	592,337	12,230,644	28,085,669
Total assets	4,010	23,624,384	71,584,192	18,325,127	12,512,643	126,050,356
Borrowings	3	11,076,822	8,165,029	250,000	-	19,491,854
Subordinated debt	678	579,924	914,913	-	-	1,495,515
Deposits and other accounts	-	-	69,463,371	15,212,719	-	84,676,090
Net inter segment borrowing	-	-	-	700,000	-	11,422,364
Others	497	514,859	4,743,509	537,213	415,852	6,211,930
Total liabilities	1,178	22,893,969	83,286,822	16,699,932	415,852	123,297,753
Equity	2,832	730,415	(11,702,630)	1,625,195	12,096,791	2,752,603
Total equity and liabilities	4,010	23,624,384	71,584,192	18,325,127	12,512,643	126,050,356
Contingencies and commitments	-	13,475,014	31,689,074	6,125,410	11,941,246	63,230,744

35.1.1 The Bank does not have any operations outside Pakistan.

36. RELATED PARTY TRANSACTIONS

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

The Banks 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, other than those which have been disclosed elsewhere in these financial statements are as follows:

	September 30, 2019 (Un-audited)				December 31, 2018 (Audited)			
	Parent company	Key Directors management personnel	Subsidiary	Other related parties	Parent company	Key Directors management personnel	Subsidiary	Other related parties
	----- (Rupees in '000) -----							
Balances with other banks	-	-	-	-	-	-	-	26,457
In current accounts	-	-	-	-	-	-	-	-
Investments	-	-	396,942	1,713,990	-	-	396,942	1,803,185
Opening balance	-	-	-	-	-	-	-	54,983
Investment made during the period / year	-	-	-	-	-	-	-	(133,317)
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	(10,861)
Transfer in / (out) - net	-	-	-	(21,500)	-	-	-	-
Closing balance	-	-	396,942	1,692,490	-	-	396,942	1,713,990
Provision for diminution in value of investments	-	-	1,14,943	1,613,242	-	-	1,14,943	1,539,327
Advances	-	259,303	-	932,302	-	409,534	-	1,213,053
Opening balance	-	46,402	-	866,675	-	32,134	-	3,635,109
Addition during the period / year	-	(60,511)	-	(932,275)	-	(180,248)	52,168	(3,915,860)
Repaid during the period / year	-	(17,024)	-	(197,069)	-	(2,117)	(52,168)	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-
Closing balance	-	228,170	-	669,633	-	259,303	-	932,302
Provision held against advances	-	-	-	-	-	-	-	-

	September 30, 2019 (Un-audited)				December 31, 2018 (Audited)			
	Parent Company	Directors management personnel	Subsidiary	Other related parties	Parent Company	Directors management personnel	Subsidiary	Other related parties
----- (Rupees in '000) -----								
Other Assets								
Interest / mark-up accrued	-	74	-	7,665	-	758	-	22,292
Other receivable	699	4,821	-	-	578	2,002	-	758
Deposits and other accounts								
Opening balance	-	13,421	102,458	1,769,716	-	67,291	128,456	860,510
Received during the period / year	-	185,542	2,236,280	1,950,757	-	23,465	7,046,626	16,458,586
Withdrawn during the period / year	-	(185,062)	(2,266,444)	(1,810,144)	-	(37,261)	(7,072,624)	(15,549,380)
Transfer in / (out) - net	-	(18,463)	197	(350,333)	-	(13,882)	-	-
Closing balance	-	14,098	72,293	1,659,996	-	18,463	102,458	1,769,716
Other Liabilities								
Interest / mark-up payable	-	343	243	15,697	-	119	207	11,855
Payable to staff retirement fund	-	-	-	42,230	-	-	-	33,358
Brokerage payable to Summit Capital Private Limited	-	-	1,060	-	-	-	184	-
Payable to Rupali Bank	-	-	-	-	-	-	-	16,293
Contingencies and Commitments								
Guarantees, letters of credit and acceptances	-	-	-	8,000	-	-	-	918,975
Commitments to extend credit	-	-	400,000	-	-	-	400,000	230,337

	September 30, 2019 (Un-audited)				September 30, 2018 (Un-audited)			
	Parent company	Key management personnel	Subsidiary	Other related parties	Parent company	Key management personnel	Subsidiary	Other related parties
	(Rupees in '000)							
Income								
Mark-up / return / interest earned	-	5,386	-	55,289	-	13,212	-	67,930
Fee and commission income	-	-	108	-	-	-	-	-
Dividend income	-	-	-	-	-	-	-	612
Loss on securities	-	-	-	-	-	-	-	(15,505)
Foreign exchange income	-	-	-	-	-	-	-	22,323
Other Income	-	8	2,319	-	-	-	2,174	-
Expense								
Mark-up / return / interest paid	-	808	2,224	128,376	-	667	1,522	30,461
Operating expenses:								
- Rent and taxes	-	-	-	-	-	-	-	26,857
- Directors' fees and allowances	-	550	-	-	-	2,000	-	265
- Legal and professional charges	-	-	-	-	-	-	-	2,193
- Training and development	-	-	-	-	-	-	-	205
- Marketing, advertisement and publicity	-	-	-	-	-	-	-	-
- Brokerage and commission	-	-	382	-	-	-	2,853	-
- Fee and subscription	-	-	-	-	-	-	-	750
- Managerial Remuneration	-	1,409	-	-	-	2,133	-	-
- Contribution to defined contribution plan	-	100,041	-	-	-	140,348	-	-
- Charge for defined benefit plan	-	-	-	41,678	-	-	-	52,465
- Provision / (reversal) of provision for diminution in value of investments	-	-	-	42,230	-	-	-	45,967
	-	-	-	79,591	-	-	(26,992)	8,247

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)
September 30, December 31,
2019 2018
----- (Rupees in '000) -----

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses) (7,831,381) 21,617

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier I (CET I) Capital	(19,562,613)	(7,962,104)
Eligible Additional Tier I (ADT I) Capital	-	-
Total Eligible Tier I Capital	(19,562,613)	(7,962,104)
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier I + Tier 2)	<u>(19,562,613)</u>	<u>(7,962,104)</u>

Risk Weighted Assets (RWAs):

Credit Risk	69,015,369	82,548,281
Market Risk	5,049,055	8,129,085
Operational Risk	8,564,851	8,564,851

Total 82,629,275 99,242,217

Common Equity Tier I Capital Adequacy ratio	-23.68%	-8.02%
Tier I Capital Adequacy Ratio	-23.68%	-8.02%
Total Capital Adequacy Ratio	<u>-23.68%</u>	<u>-8.02%</u>

Leverage Ratio (LR):

Eligible Tier-I Capital	(19,562,613)	(7,962,104)
Total Exposures	138,800,454	183,954,593

Leverage Ratio -14.09% -4.33%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	13,957,649	27,495,433
Total Net Cash Outflow	17,468,219	31,044,717

Liquidity Coverage Ratio 79.90% 88.57%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	63,255,250	72,435,261
Total Required Stable Funding	66,637,078	82,307,865

Net Stable Funding Ratio 94.93% 88.01%

38. ISLAMIC BANKING BUSINESS

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

STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2019

	(Un-audited) September 30, 2019	(Audited) December 31, 2018
Note	----- (Rupees in '000) -----	
ASSETS		
Cash and balances with treasury banks	268,128	269,475
Balances with other banks	60,126	78,061
Due from financial institutions	38.1 13,148,163	10,722,364
Investments	-	-
Islamic financing and related assets - net	38.2 4,071,165	6,662,890
Fixed assets	329,307	121,507
Intangible assets	5,190	6,861
Due from Head Office	-	-
Other assets	335,327	463,969
Total Assets	18,217,406	18,325,127
LIABILITIES		
Bills payable	120,033	125,319
Due to financial institutions	38.3 250,000	950,000
Deposits and other accounts	38.4 15,051,246	15,212,719
Due to Head Office	-	-
Subordinated debt	-	-
Deferred tax liabilities - net	-	-
Other liabilities	1,391,612	411,894
	<u>16,812,891</u>	<u>16,699,932</u>
NET ASSETS	<u>1,404,515</u>	<u>1,625,195</u>
REPRESENTED BY		
Islamic Banking Fund	1,000,000	1,000,000
Reserves	-	-
Surplus on revaluation of assets	-	-
Unappropriated / Unremitted profit	38.8 404,515	625,195
	<u>1,404,515</u>	<u>1,625,195</u>
CONTINGENCIES AND COMMITMENTS	38.5	

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

	September 30, September 30,		
	2019	2018	
Note	----- (Rupees in '000) -----		
Profit / return earned	38.6	1,468,126	1,176,432
Profit / return expensed	38.7	572,997	535,519
Net Profit / return		895,129	640,913
Other income			
Fee and commission income	41,961	70,955	
Dividend income	-	-	
Foreign exchange loss	(109,257)	(6,511)	
Income / (loss) from derivatives	-	-	
Loss on sale of securities	(3,170)	(11,913)	
Other income	13,572	7,344	
Total other (loss) / income	(56,894)	59,875	
Total Income		1,411,232	1,236,307
Other expenses			
Operating expenses	401,899	429,655	
Workers' welfare fund	-	-	
Other charges	336	1,073	
Total other expenses	402,235	430,728	
Profit before provisions		436,000	270,060
Provisions and write offs - net		656,680	2,586
(Loss) / profit before taxation		(220,680)	267,474
Taxation		-	-
(Loss) / profit after taxation		(220,680)	267,474

	September 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
38.1 Due from Financial Institutions	----- (Rupees in '000) -----					
Bai Muajjal Receivable						
from other Financial Institutions	38.1.1	13,148,163	-	13,148,163	10,722,364	-
						10,722,364

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

	Note	(Un-audited)	(Audited)
		September 30,	December 31,
		2019	2018
38.2 Islamic financing and related assets		----- (Rupees in '000) -----	
Ijarah		706,681	919,439
Murabaha		8,234	16,444
Running Musharakah		767,919	1,007,981
Diminishing Musharakah		2,563,440	3,721,717
Istisna		35,146	31,403
Tijarah		739,045	1,056,823
Advance against Murabaha		963	4,042
Advance against Diminishing Musharakah		-	500
Qarz-e-Hasna		1,876	-
Gross Islamic financing and related assets		4,823,304	6,758,349
Less: provision against Islamic financings			
- Specific		738,595	82,573
- General		13,544	12,886
		752,139	95,459
Islamic financing and related assets - net of provision		4,071,165	6,662,890

38.3 Due to financial institutions

Secured

Acceptances from the SBP under Islamic Export Refinance Scheme

250,000 250,000

Total secured

250,000 250,000

Unsecured

Musharakah

38.3.1 - 700,000

250,000 950,000

38.3.1 This represents Musharaka acceptance with conventional operations of Summit Bank Limited.

38.4 Deposits

	September 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
Customers						
Current deposits	4,628,441	621,454	5,249,895	4,865,906	541,588	5,407,494
Savings deposits	7,711,244	123,151	7,834,395	7,700,010	127,458	7,827,468
Term deposits	1,493,026	-	1,493,026	1,038,665	95,320	1,133,985
Margin accounts	256,785	-	256,785	581,337	-	581,337
	14,089,496	744,605	14,834,101	14,185,918	764,366	14,950,284
Financial Institutions						
Current deposits	87,322	119	87,441	96,313	107	96,420
Savings deposits	129,704	-	129,704	156,015	-	156,015
Term deposits	-	-	-	10,000	-	10,000
	217,026	119	217,145	262,328	107	262,435
	14,306,522	744,724	15,051,246	14,448,246	764,473	15,212,719

38.4.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 9,010.640 million (2018: Rs. 8,885.304 million).

38.5 CONTINGENCIES AND COMMITMENTS

	(Un-audited) September 30, 2019	(Audited) December 31, 2018
	----- (Rupees in '000) -----	
Guarantees	4,251,676	4,478,490
Commitments	1,520,441	1,646,920
Other contingent liabilities	-	-
	5,772,117	6,125,410

38.6 Profit / Return Earned of Financing, Investments and Placement

	(Un-audited)	
	September 30, 2019	September 30, 2018
	----- (Rupees in '000) -----	
Profit earned on:		
Financing	553,368	631,736
Investments	-	414,564
Placements	914,314	130,132
Balances with banks	444	-
	1,468,126	1,176,432

38.7 Profit on deposits and other dues expensed

Deposits and other accounts	533,154	535,519
Due to Financial Institutions	16,699	-
Finance cost of lease liability	23,144	-
	572,997	535,519

	(Un-audited) September 30,	(Audited) December 31,
	2019	2018
	----- (Rupees in '000) -----	
38.8 Islamic banking business unappropriated profit		
Opening balance	625,195	541,772
(Less) / add: Islamic Banking (loss) / profit for the period	(220,680)	83,423
Closing balance	<u>404,515</u>	<u>625,195</u>

39. DATE OF AUTHORISATION FOR ISSUE

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

President /
Chief Executive

Chief Financial Officer

Director

Director

Director

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

**FOR THE NINE MONTHS
PERIOD ENDED
SEPTEMBER 30, 2019**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

		(Un-audited) September 30, 2019	(Audited) December 31, 2018
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	7	5,308,830	5,043,105
Balances with other banks	8	914,779	1,008,279
Lendings to financial institutions		-	-
Investments	9	19,028,022	19,007,773
Advances	10	44,636,661	61,246,803
Fixed assets	11	10,482,620	8,751,339
Intangible assets	12	166,511	209,418
Deferred tax assets	13	11,022,575	7,180,595
Other assets	14	10,832,749	12,150,539
		102,392,747	114,597,851
LIABILITIES			
Bills payable	16	1,539,675	1,881,107
Borrowings	17	15,159,275	19,491,854
Deposits and other accounts	18	83,171,871	84,573,632
Liabilities against assets subject to finance lease		-	-
Subordinated debt	19	1,495,515	1,495,515
Deferred tax liabilities		-	-
Other liabilities	20	5,781,489	4,434,250
		107,147,825	111,876,358
NET ASSETS		(4,755,078)	2,721,493
REPRESENTED BY			
Share capital - net		20,500,194	20,500,194
Reserves		(425,043)	(425,043)
Surplus/ (deficit) on revaluation of assets	21	3,002,269	2,593,910
Accumulated losses		(27,832,498)	(19,947,568)
		(4,755,078)	2,721,493
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

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CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Note	Quarter Ended		Nine Months Period Ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
----- (Rupees in '000) -----					
Mark-up / return / interest earned	23	1,373,431	1,854,148	4,336,806	7,191,190
Mark-up / return / interest expensed	24	1,960,287	1,638,891	5,128,258	5,381,757
Net mark-up / interest (expense) / income		(586,856)	215,257	(791,452)	1,809,433
NON MARK-UP / INTEREST INCOME					
Fee and commission income	25	188,302	233,905	540,630	803,788
Dividend income		1,398	1,626	19,809	7,050
Foreign exchange income		104,290	200,481	361,759	613,086
Income / (loss) from derivatives		-	-	-	-
Loss on securities	26	(16,452)	(32,220)	(19,100)	(26,299)
Other income	27	24,062	29,978	105,538	229,060
Total non-markup / interest income		301,600	433,770	1,008,636	1,626,685
Total income		(285,256)	649,027	217,184	3,436,118
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	28	1,380,539	1,505,540	4,029,719	4,368,787
Workers' welfare fund		-	-	-	-
Other charges	29	24,214	5,921	41,105	29,761
Total non-markup / interest expenses		1,404,753	1,511,461	4,070,824	4,398,548
Loss before provisions		(1,690,009)	(862,434)	(3,853,640)	(962,430)
Provisions and write offs - net	30	3,760,369	2,943,700	8,128,519	6,419,542
Extra ordinary / unusual items		-	-	-	-
LOSS BEFORE TAXATION		(5,396,378)	(3,806,134)	(11,982,159)	(7,381,972)
Taxation	31	(1,815,521)	(2,707,784)	(4,004,710)	(2,449,837)
LOSS AFTER TAXATION		(3,580,857)	(1,098,350)	(7,977,449)	(4,932,135)
----- (Rupees) -----					
Basic loss per share	32	(1.36)	(0.42)	(3.02)	(1.87)
Diluted loss per share	32	(1.36)	(0.42)	(3.02)	(1.87)

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

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CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Quarter ended		Nine Months Period Ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	----- (Rupees in '000) -----			
Loss after taxation for the period	(3,580,857)	(1,098,350)	(7,977,449)	(4,932,135)
Other comprehensive income / (loss)				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in deficit on revaluation of investments - net of tax	338,833	(101,103)	474,066	165,830
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of operating fixed assets - net of tax	8,832	(75,214)	26,496	(55,345)
Movement in surplus on revaluation of non-banking assets - net of tax	-	(1,452)	316	(53,044)
	8,832	(76,666)	26,812	(108,389)
Total comprehensive loss	(3,233,192)	(1,276,119)	(7,476,571)	(4,874,694)

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CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Share capital		Capital reserve		Surplus/(Deficit) on revaluation of			Revenue reserve		Total
	Share premium	Statutory reserve	Reserve arising on amalgamation	Investments	Fixed / Non banking assets	Property held for sale	Accumulated losses			
	(Rupees in '000)									
Balance as at January 01, 2018 (Audited)	20,500,194	1,000,000	154,162	(1,579,205)	(761,937)	2,288,117	-	(11,337,838)	10,263,493	
Loss after taxation for the nine months period ended September 30, 2018	-	-	-	-	-	-	-	(4,932,135)	(4,932,135)	
Other comprehensive income - net of tax	-	-	-	165,830	-	(108,389)	-	-	57,441	
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(85,149)	-	-	-	
Balance as at October 01, 2018 (Un-audited)	20,500,194	1,000,000	154,162	(1,579,205)	(596,107)	2,094,579	-	(16,184,824)	5,388,799	
Loss after taxation for the three months period ended December 31, 2018	-	-	-	-	-	-	-	(3,858,855)	(3,858,855)	
Other comprehensive income - net of tax	-	-	-	-	(476,335)	883,324	754,510	30,050	1,191,549	
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(28,383)	-	28,383	-	
Surplus realized on disposal of non-banking assets	-	-	-	-	-	(37,678)	-	37,678	-	
Balance as at January 01, 2019 (Audited)	20,500,194	1,000,000	154,162	(1,579,205)	(1,072,442)	2,911,842	754,510	(19,947,568)	2,721,493	
Loss after taxation for the nine months period ended September 30, 2019	-	-	-	-	-	-	-	(7,977,449)	(7,977,449)	
Other comprehensive income - net of tax	-	-	-	-	474,066	26,812	-	-	500,878	
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(75,706)	-	75,706	-	
Surplus realized on disposal of non-banking assets	-	-	-	-	-	(902)	-	902	-	
Surplus realized on disposal of fixed assets	-	-	-	-	-	(15,911)	-	15,911	-	
Balance as at September 30, 2019 (Un-audited)	20,500,194	1,000,000	154,162	(1,579,205)	(598,376)	2,846,135	754,510	(27,832,498)	(4,755,078)	

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

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CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	September 30, 2019	September 30, 2018
Note	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(11,982,159)	(7,381,972)
Less: Dividend income	(19,809)	(7,050)
	<u>(12,001,968)</u>	<u>(7,389,022)</u>
Adjustments:		
Depreciation on operating fixed assets	416,934	519,730
Depreciation on right-of-use assets	393,685	-
Depreciation on non-banking assets	33,101	33,572
Finance cost of lease liability	209,406	-
Amortization	46,632	45,771
Charge for defined benefit plan	44,480	48,217
Charge for employees compensated absences	10,640	11,662
Provision and write-offs excluding recoveries	8,128,489	6,420,369
Gain on sale of fixed assets	(35,524)	(2,274)
Gain on disposal of non-banking assets - net	-	(151,084)
Unrealised loss on revaluation of investments classified as held-for-trading securities - net	384	460
	<u>9,248,227</u>	<u>6,926,423</u>
	<u>(2,753,741)</u>	<u>(462,599)</u>
Decrease in operating assets		
Lendings to financial institutions	-	10,671,003
Held-for-trading securities	(9,725)	56,709
Advances	9,649,912	8,929,953
Others assets (excluding advance taxation)	<u>1,302,192</u>	<u>176,372</u>
	<u>10,942,379</u>	<u>19,834,037</u>
Decrease in operating liabilities		
Bills Payable	(341,432)	(1,073,683)
Borrowings from financial institutions	(4,442,220)	(29,758,130)
Deposits	(1,401,761)	(58,856,059)
Other liabilities (excluding current taxation)	<u>(742,943)</u>	<u>(484,313)</u>
	<u>(6,928,356)</u>	<u>(90,172,185)</u>
Payments on account of staff retirement benefits	(50,261)	(71,536)
Income tax paid	<u>(100,138)</u>	<u>(154,629)</u>
Net cash generated from / (used in) operating activities	<u>1,109,883</u>	<u>(71,026,912)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(442,868)	59,887,538
Dividends received	19,753	12,118
Investments in operating fixed assets	(433,059)	(529,637)
Proceeds from sale of fixed assets	453,151	5,852
Proceeds from sale of non-banking assets	<u>10,000</u>	<u>868,033</u>
Net cash (used in) / generated from investing activities	<u>(393,023)</u>	<u>60,243,904</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(654,276)	-
Payments of subordinated debt	-	(345)
Net cash flow used in financing activities	<u>(654,276)</u>	<u>(345)</u>
Effect of exchange rate changes on cash and cash equivalent	181,424	557,407
Increase / (Decrease) in cash and cash equivalents	<u>244,008</u>	<u>(10,225,946)</u>
Cash and cash equivalents at beginning of the period	5,863,610	15,406,453
Cash and cash equivalents at end of the period	<u>33</u> <u>6,107,618</u>	<u>5,180,507</u>

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

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**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2019**

I. STATUS AND NATURE OF BUSINESS

I.1 The Group comprises of:

I.1.1 Holding Company: Summit Bank Limited

Summit Bank Limited (the Bank) is a banking company incorporated in Pakistan on December 09, 2005 as public company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Bank's registered office is situated at Plot No. 9-C, F-6 Markaz, Supermarket, Islamabad, Pakistan.

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

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

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

I.1.2 Subsidiary

Summit Capital Private Limited - 100 % Shareholding

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

I.2 During the nine months period, the Group has incurred net loss of Rs. 7,977.449 million resulting in accumulated losses of Rs. 27,832.498 million and negative equity of Rs. 4,755.078 million. As per the applicable laws and regulations, the Group is required to maintain Minimum Paid-up Capital (net of losses) (MCR) of Rs. 10 billion, Capital Adequacy Ratio (CAR) at 11.90% (inclusive of Capital Conservation Buffer of 1.90%), Leverage Ratio (LR) at 3.00%, Liquidity Coverage Ratio (LCR) at 100% and Net Stable Funding Ratio (NSFR) at 100% as of December 31, 2018. However, the paid up capital of the Bank (net of losses), CAR and LR are negative, while LCR and NSFR are below prescribed levels as at September 30, 2019. Subsequently, from June 30, 2020 onwards, the Group achieved compliance with the applicable LCR requirements.

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

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

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

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

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

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

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

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

- International Accounting Standard (IAS) 34 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and Companies Act, 2017; 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, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

The SBP, vide its BSD Circular Letter No. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for banking companies till further instructions. Moreover, The SBP vide BPRD Circular No. 4 of 2015, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' for banks through its notification S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed interim financial statements. 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 condensed interim financial statements incorporate the financial statements of subsidiary from the date that control commences until the date that control ceases.

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

2.4 Key financial figures of the Islamic banking branches are disclosed in note 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, 2018.

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

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

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

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

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

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

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

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

3. BASIS OF MEASUREMENT

3.1 Accounting convention

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

3.2 Functional and Presentation Currency

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Changes in accounting policies

4.1.1 Change in reporting format

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

4.1.2 Leases

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

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

	Un-audited	
	September 30, 2019	January 01, 2019
	----- (Rupees in '000) -----	
Lease Liability	<u>2,085,323</u>	<u>2,075,149</u>

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

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

	September 30, 2019	January 01, 2019
	Un-audited	
	----- (Rupees in '000) -----	
Right-of-Use Asset	<u><u>2,136,508</u></u>	<u><u>2,207,128</u></u>
Effect of change in Accounting policy		
Impact on Statement of Financial Position		
Increase in fixed assets - ROU Assets	2,136,508	2,207,128
Decrease in other assets - Advances , Deposits and Prepayments	(213,955)	(131,979)
Increase in other assets - Advance Taxation	-	-
Increase in other liabilities - Lease Liability in respect of ROU Assets	(2,085,323)	(2,075,149)
(Decrease) / Increase in net assets	<u><u>(162,770)</u></u>	<u><u>-</u></u>
Impact on Profit and Loss Account		
Increase in mark-up expense	(209,406)	-
	<u>(209,406)</u>	<u>-</u>
(Increase) / decrease in administrative expenses:		
-Depreciation of ROU Assets	(393,685)	-
-Rent expense	440,321	-
	46,636	-
Increase in loss before tax	(162,770)	-
Taxation	-	-
Increase in loss after tax	<u><u>(162,770)</u></u>	<u><u>-</u></u>

Loss per share for the period ended September 30, 2019 is Re 0.06 per share higher as a result of the adoption of IFRS 16.

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

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

4.1.3 IFRS 15 - Revenue from Contracts with Customers

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

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

5. CRITICAL ACCOUNTING ESTIMATES AND 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, 2018.

During the current year, the management of the Group has revised its estimate of the useful lives of building on leasehold land. The management has decreased the depreciation rates from 5% per annum to 2.5% to 5% per annum. The revision has been made after taking into account the expected pattern of recovery of economic benefits associated with the use of these assets. The revision has been accounted for as a change in accounting estimate as defined in International Accounting Standard 8, 'Accounting Policies, Changes in Accounting Estimate and Errors'. Had the revision in useful lives in respect of building on leasehold land not been made depreciation expense for the period would have been higher by Rs. 189.449 million and consequently the profit before tax would have been lower by the same amount.

6. FINANCIAL RISK MANAGEMENT

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

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

7. CASH AND BALANCES WITH TREASURY BANKS

In hand

Local currency	3,081,788	2,699,678
Foreign currency	276,482	190,719
	3,358,270	2,890,397

With State Bank of Pakistan in

Local currency current account	687,360	1,011,453
Foreign currency current account	376,684	302,719
Foreign currency deposit account	197,097	125,904
	1,261,141	1,440,076

With National Bank of Pakistan in Local currency current account

	533,681	703,743
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Prize bonds

	155,738	8,889
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5,308,830	5,043,105
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8. BALANCES WITH OTHER BANKS

In Pakistan

In current account	33,374	31,759
In deposit account	70,592	92,378
	103,966	124,137

Outside Pakistan

In current account	229,916	368,270
In deposit account	580,897	515,872
	810,813	884,142

914,779	1,008,279
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9 INVESTMENTS

Investments by type:

	September 30, 2019 (Un-audited)				December 31, 2018 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- (Rupees in '000) -----								

Held-for-trading securities
Shares

9,725	-	(384)	9,341	-	-	-	-
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Available-for-sale securities

Federal Government Securities

Market Treasury Bills	4,483,447	-	9,015	4,492,462	1,377,071	-	29	1,377,100
Pakistan Investment Bonds	12,169,119	-	(906,960)	11,262,159	13,969,584	-	(1,233,323)	12,736,261
GoP Ijarah Sukuks	1,600,000	-	(47,360)	1,552,640	2,250,000	-	(40,275)	2,209,725

Shares

Fully paid up ordinary shares - Listed	4,152,347	(2,801,965)	19,962	1,370,344	4,152,347	(1,947,196)	(385,542)	1,819,609
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	1,601,025	(1,319,459)	-	281,566	1,611,998	(1,008,500)	-	603,498
Sukuk Bonds	200,000	(200,000)	-	-	402,070	(200,000)	-	202,070
Total	24,266,448	(4,322,424)	(925,343)	19,018,681	23,823,580	(3,156,696)	(1,659,111)	19,007,773

Total Investments

24,276,173	(4,322,424)	(925,727)	19,028,022	23,823,580	(3,156,696)	(1,659,111)	19,007,773
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9.1.1 Investments given as collateral - Market Value

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

Pakistan Investment Bonds	6,121,361	8,190,815
GoP Ijarah Sukuks	1,500,000	2,209,725
Ordinary shares-Listed	903,106	1,718,824
	8,524,467	12,119,364

9.2 Provision for diminution in value of investments

Opening balance	3,156,696	2,036,030
Charge / reversals		
Charge for the period / year	1,168,303	1,120,666
Reversals for the period / year	(2,575)	-
	1,165,728	1,120,666
Closing balance	4,322,424	3,156,696

9.3 Particulars of provision against debt securities

Category of classification	September 30, 2019 (Un-audited)		December 31, 2018 (Audited)	
	NPI	Provision	NPI	Provision
----- (Rupees in '000) -----				
Domestic				
Loss	1,519,459	1,519,459	1,522,034	1,208,500
	1,519,459	1,519,459	1,522,034	1,208,500

9.4 Pursuant to the applicable Prudential Regulations, the Bank has availed the Forced Sale Value (FSV) benefit of securities / collaterals held against a non-performing investment. Had this FSV benefit not been availed by the Group, the specific provision against investments would have been higher by Rs. Nil (December 31, 2018: Rs. 313.534 million). This has a net of tax positive impact of Rs. Nil (December 31, 2018: Rs. 203.797 million) on the profit and loss account. 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.

10. ADVANCES

Note	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
	----- (Rupees in '000) -----					
Loans, cash credits, running finances, etc.	28,914,959	39,213,887	38,967,604	35,141,957	67,882,563	74,355,844
Islamic financing and related assets	3,823,777	5,875,686	999,527	882,663	4,823,304	6,758,349
Bills discounted and purchased	391,627	1,635,173	47,089	47,089	438,716	1,682,262
Advances - gross	33,130,363	46,724,746	40,014,220	36,071,709	73,144,583	82,796,455
Provision against advances						
- Specific	-	-	(28,454,960)	(21,502,664)	(28,454,960)	(21,502,664)
- General	(52,962)	(46,988)	-	-	(52,962)	(46,988)
	(52,962)	(46,988)	(28,454,960)	(21,502,664)	(28,507,922)	(21,549,652)
Advances - net of provision	33,077,401	46,677,758	11,559,260	14,569,045	44,636,661	61,246,803

	(Un-audited)	(Audited)
	September 30, 2019	December 31, 2018
	----- (Rupees in '000) -----	
In local currency	72,769,238	81,172,241
In foreign currencies	375,345	1,624,214
	73,144,583	82,796,455

10.1 Particulars of advances (Gross)

10.2 Advances include Rs. 40,014.220 million (December 31, 2018: Rs. 36,071.709 million) which have been placed under non-performing status as detailed below:

Category of Classification	September 30, 2019 (Un-audited)		December 31, 2018 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	----- (Rupees in '000) -----			
Domestic				
Other Assets Especially Mentioned	107,688	795	505,380	721
Substandard	797,449	25,251	5,479,696	460,682
Doubtful	1,851,390	108,012	7,709,088	1,609,889
Loss	37,257,693	28,320,902	22,377,545	19,431,372
	40,014,220	28,454,960	36,071,709	21,502,664

10.3 Particulars of provision against advances

	September 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	21,502,664	46,988	21,549,652	14,909,014	30,250	14,939,264
Charge for the period / year	7,357,351	5,974	7,363,325	7,247,738	16,738	7,264,476
Reversals	(403,223)	-	(403,223)	(622,642)	-	(622,642)
	6,954,128	5,974	6,960,102	6,625,096	16,738	6,641,834
Amounts written off	(1,832)	-	(1,832)	(31,446)	-	(31,446)
Closing balance	28,454,960	52,962	28,507,922	21,502,664	46,988	21,549,652

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

10.3.2 The Group 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. 9,732.118 million (2018: Rs. 5,944.384 million). The positive impact on the profit and loss account arising from availing this benefit - net of tax amounts to Rs. 6,325.876 million (2018: Rs. 3,863.850 million). As per the applicable Prudential Regulations, the positive impact of FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

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

		(Un-audited) September 30, 2019	(Audited) December 31, 2018
II FIXED ASSETS	Note	----- (Rupees in '000) -----	
Capital work-in-progress	11.1	91,438	395,722
Property and equipment		8,254,674	8,355,617
Right-of-use assets	4.1.2	2,136,508	-
		<u>10,482,620</u>	<u>8,751,339</u>
11.1 Capital work-in-progress			
Civil works and related payments / progress billings		60,459	390,698
Advances and other payments to suppliers and contractors		30,979	5,024
Advances and other payments against capital work in progress considered doubtful		(1,158,340)	1,158,340
Less: Provision held there against		1,158,340	(1,158,340)
		-	-
		<u>91,438</u>	<u>395,722</u>
		(Un-audited)	
		September 30, 2019	September 30, 2018
		----- (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		-	312,500
Property and equipment			
Building improvements		296,394	8,845
Furniture and fixture		64,528	2,704
Electrical, office and computer equipment		67,437	67,219
Vehicles		-	1,793
		<u>428,359</u>	<u>80,561</u>
Right-of-use assets		2,136,508	-
		<u>2,564,867</u>	<u>393,061</u>
11.3 Transfer / Disposal of fixed assets			
Capital work-in-progress		304,284	-
The net book value of fixed assets disposed off during the period is as follows:			
Leasehold land		104,010	-
Building-improvements		144	2,710
Building on leasehold land		89	-
Furniture and fixture		-	457
Electrical, office and computer equipment		5,752	3,473
Furniture and fixture		23	-
Vehicles		3,325	-
		<u>113,343</u>	<u>6,640</u>
Total		<u>417,627</u>	<u>6,640</u>

		(Un-audited) September 30, 2019	(Audited) December 31, 2018
12. INTANGIBLE ASSETS	Note	----- (Rupees in '000) -----	
Capital work-in-progress	12.1	45,098	53,488
Intangible assets in use	12.2	121,413	155,930
		<u>166,511</u>	<u>209,418</u>
12.1 Capital work-in-progress			
Advances to suppliers and contractors		45,098	53,488
Advances against capital work in progress considered doubtful Less: Provision held there against		141,224 (141,224)	141,224 (141,224)
		<u>45,098</u>	<u>53,488</u>
12.2 Intangible assets in use			
Computer software		53,532	73,637
Core deposits		31,122	45,534
Brand name		32,373	32,373
Trading Rights Entitlement Certificate		4,386	4,386
		<u>121,413</u>	<u>155,930</u>
		(Un-audited)	
		September 30, 2019	September 30, 2018
12.3 Additions to intangible assets		----- (Rupees in '000) -----	
The following additions have been made to intangible assets during the period:			
Directly purchased		<u>12,116</u>	<u>6,974</u>
There were no disposal in intangible assets during the current and prior period.			

13. DEFERRED TAX ASSETS

Deductible Temporary Differences on

- Tax losses carried forward
- Deficit on revaluation of investments
- Provision against advances, off balance sheet etc.
- Provision for impairment loss - Investment
- Provision against Intangible Assets
- Staff compensated absences
- Unrealised loss on HFT portfolio
- Provision against other assets
- Unrealised loss on forward exchange contracts
- Minimum tax
- Alternative corporate tax

September 30, 2019 (Un-audited)			
At January 01, 2019	Recognised in profit and loss account	Recognised in other comprehensive income	At September 30, 2019

----- (Rupees in '000)-----			
3,811,925	1,435,521	-	5,247,446
586,668		(259,701)	326,967
3,433,882	2,286,842		5,720,724
1,104,844	318,432		1,423,276
43,107			43,107
36,027	(1,531)		34,496
-	134		134
149,656			149,656
3,078	1,348		4,426
773			773
4,512			4,512
9,174,472	4,040,746	(259,701)	12,955,517

Taxable Temporary Differences on

- Surplus on revaluation of fixed assets
- Surplus on revaluation of property - held for sale
- Surplus on revaluation of non-banking assets
- Accelerated depreciation

(1,063,624)		26,496	(1,037,128)
(406,274)			(406,274)
(141,352)		316	(141,036)
(382,627)	34,123		(348,504)
(1,993,877)	34,123	26,812	(1,932,942)

7,180,595	4,074,869	(232,889)	11,022,575
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December 31, 2018 (Audited)			
At January 01, 2018	Recognised in profit and loss account	Recognised in other comprehensive income	At December 31, 2018

----- (Rupees in '000)-----			
4,103,555	(291,630)	-	3,811,925
427,093		159,575	586,668
1,309,930	2,123,952		3,433,882
712,611	392,233		1,104,844
43,107			43,107
36,592	(565)		36,027
5,560	(5,560)		-
149,656			149,656
827	(54)		773
4,512			4,512
6,793,443	2,218,376	159,575	9,171,394

Taxable Temporary Differences on

- Surplus on revaluation of fixed assets
- Surplus on revaluation of property - held for sale
- Surplus on revaluation of non-banking assets
- Accelerated depreciation
- Unrealized (gain) / loss on forward exchange contracts

(452,385)		(611,239)	(1,063,624)
-		(406,274)	(406,274)
(151,972)		10,620	(141,352)
(398,779)	16,152		(382,627)
(30,429)	33,507		3,078
(1,033,565)	49,659	(1,006,893)	(1,990,799)

5,759,878	2,268,035	(847,318)	7,180,595
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- 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) September 30, 2019	(Audited) December 31, 2018
	Note	----- (Rupees in '000) -----	
14. OTHER ASSETS			
Income / Mark-up accrued in local currency		1,118,484	1,631,155
Income / Mark-up accrued in foreign currency		3,533	2,805
Advances, deposits, advance rent and other prepayments		343,213	502,044
Advance taxation (payments less provisions)		631,659	601,525
Non-banking assets acquired in satisfaction of claims		2,779,742	2,821,941
Branch adjustment account		103	20
Acceptances		343,569	1,118,180
Mark to market Gain on forward foreign exchange contracts		4,353	-
Receivable from brokers		774	5,038
Stationery and stamps on hand		8,954	8,999
Receivable from other banks against clearing and settlement		70,997	-
Commission receivable on home remittance		163,289	134,985
Commission receivable on brokerage		10,408	6,477
Property - held for sale	14.1	3,838,719	3,838,719
Account receivable		119,319	127,275
Others		482,759	435,115
		9,919,875	11,234,278
Less: Provision held against other assets	14.2	(650,872)	(648,388)
Other Assets (Net of Provision)		9,269,003	10,585,890
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		402,962	403,865
Surplus on revaluation of property - held for sale		1,160,784	1,160,784
Other assets - total		10,832,749	12,150,539

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

		(Un-audited) September 30, 2019	(Audited) December 31, 2018
		----- (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		79,664	79,664
Non banking assets acquired in satisfaction of claims		290,547	290,547
Commission receivable on guarantees		9,880	9,880
Receivable from Dewan Group		34,436	34,436
Account Receivable - sundry claims		199,810	197,279
Receivable from Speedway Fondmetal (Pakistan) Limited		25,694	25,694
Others		9,452	9,499
		650,872	648,388
14.2.1 Movement in provision held against other assets			
Opening balance		648,388	552,547
Charge for the period / year		2,531	96,499
Reversals		-	(564)
Amount written off		(47)	(94)
Closing balance		650,872	648,388

15. CONTINGENT ASSETS

There was no contingent asset as at the balance sheet date.

	(Un-audited) September 30, 2019	(Audited) December 31, 2018
16. BILLS PAYABLE	----- (Rupees in '000) -----	
In Pakistan	1,539,675	1,881,107
	1,539,675	1,881,107

17. BORROWINGS

Secured

Borrowings from State Bank of Pakistan		
- Under export refinance scheme	6,522,840	6,792,628
- Under Islamic Export Refinance Scheme (IERF)	250,000	250,000
- Under Long-term financing facility	888,828	756,323
- Refinance facility for modernization of SMEs	6,094	3,363
- Repurchase agreement borrowings	5,580,522	8,163,360
	13,248,284	15,965,674
Repurchase agreement borrowings	1,795,000	1,000,000
Foreign bills - rediscounted	-	608,830
Total secured	15,043,284	17,574,504

Unsecured

Call borrowings	-	1,911,000
Overdrawn nostro accounts	115,991	6,350
Total unsecured	115,991	1,917,350
	15,159,275	19,491,854

17.1 Particulars of borrowings with respect to Currencies

In local currency	15,043,284	18,876,674
In foreign currencies	115,991	615,180
	15,159,275	19,491,854

18. DEPOSITS AND OTHER ACCOUNTS

	September 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
Customers						
Current deposits	23,929,698	1,528,267	25,457,965	27,684,415	1,539,251	29,223,666
Savings deposits	36,317,990	1,616,510	37,934,500	34,873,064	1,605,157	36,478,221
Term deposits	9,252,467	2,456,502	11,708,969	8,624,571	1,579,424	10,203,995
Others	3,569,931	24,590	3,594,521	4,579,025	21,838	4,600,863
	73,070,086	5,625,869	78,695,955	75,761,075	4,745,670	80,506,745
Financial Institutions						
Current deposits	634,688	131,364	766,052	932,005	126,472	1,058,477
Savings deposits	2,697,188	4	2,697,192	2,208,069	4	2,208,073
Term deposits	1,012,672	-	1,012,672	800,337	-	800,337
Others	-	-	-	-	-	-
	4,344,548	131,368	4,475,916	3,940,411	126,476	4,066,887
	77,414,634	5,757,237	83,171,871	79,701,486	4,872,146	84,573,632

18.1 Deposits include Eligible Deposits of Rs. 53,786.141 million (December 31, 2018: Rs. 55,944.727 million) protected under Depositors Protection Mechanism introduced by the State Bank of Pakistan.

19. SUBORDINATED DEBT

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

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

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

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

	(Un-audited) September 30, 2019	(Audited) December 31, 2018
20. OTHER LIABILITIES	Note	----- (Rupees in '000) -----
Mark-up / return / interest payable in local currency	1,043,110	827,767
Mark-up / return / interest payable in foreign currency	1,058	7,780
Unearned income	8,991	15,223
Accrued expenses	117,371	201,796
Advance against sale of property	489,044	438,852
Acceptances	343,569	1,118,180
Unclaimed dividends	2,213	2,213
Mark to market loss on forward foreign exchange contracts	12,645	8,793
Payable to defined benefit plan	42,230	33,358
Charity fund balance	85	844
Security deposits against lease	689,230	790,621
Payable to Bangladesh Bank	41,388	41,389
Payable to Rupali Bank - Bangladesh	16,293	16,293
Payable to vendors / creditors	121,096	126,321
Provision for compensated absences	101,726	105,739
Payable to Bank of Ceylon, Colombo	20,165	20,163
Retention money	28,879	6,671
Workers welfare fund	13,360	13,360
Withholding taxes and government levies payable	30,894	13,481
Federal excise duty and sales tax payable	8,367	10,254
Payable to other banks against clearing and settlement	-	137
Commission payable on home remittances	144,795	125,375
Lease liability against right of use assets	4.1.2 2,085,323	-
Account payable	75,569	92,312
Others	344,088	417,328
	<u>5,781,489</u>	<u>4,434,250</u>

21. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

Surplus / (deficit) on revaluation of:

- Available for sale securities	9.1 (925,343)	(1,659,111)
- Fixed assets	3,621,337	3,712,954
- Non-banking assets acquired in satisfaction of claims	14 402,963	403,865
- Property - held for sale	14 1,160,784	1,160,784
	<u>4,259,741</u>	<u>3,618,492</u>

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

- Available for sale securities	326,967	586,669
- Fixed assets	(1,037,128)	(1,063,624)
- Non-banking assets acquired in satisfaction of claims	(141,037)	(141,353)
- Property - held for sale	(406,274)	(406,274)
	<u>(1,257,472)</u>	<u>(1,024,582)</u>
	<u>3,002,269</u>	<u>2,593,910</u>

22. CONTINGENCIES AND COMMITMENTS

Guarantees	22.1 20,203,751	19,970,337
Commitments	22.2 25,848,993	31,199,152
Other contingent liabilities	22.3 10,952,203	11,661,255
	<u>57,004,947</u>	<u>62,830,744</u>

22.1 Guarantees:

Financial guarantees	23,677	23,677
Performance guarantees	15,789,067	14,891,050
Other guarantees	4,391,007	5,055,610
	<u>20,203,751</u>	<u>19,970,337</u>

		(Un-audited) September 30, 2019	(Audited) December 31, 2018
	Note	----- (Rupees in '000) -----	
22.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		2,717,136	6,604,310
Commitments in respect of:			
- forward foreign exchange contracts	22.2.1	6,129,577	4,315,349
- forward lending	22.2.2	9,356,068	7,667,231
- operating leases	22.2.3	48,055	3,164,673
Commitments for acquisition of:			
- operating fixed assets		88,287	140,560
- intangible assets		134,348	143,669
Commitments in respect of repo transactions	22.2.4	7,375,522	9,163,360
		<u>25,848,993</u>	<u>31,199,152</u>
22.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		5,099,043	3,404,992
Sale		1,030,534	910,357
		<u>6,129,577</u>	<u>4,315,349</u>
22.2.2 Commitments in respect of forward lending			
Forward documentary bills		4,695,192	3,458,501
Undrawn formal standby facilities, credit lines and other commitments to lend	22.2.2.1	4,660,876	4,208,730
		<u>9,356,068</u>	<u>7,667,231</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) September 30, 2019	(Audited) December 31, 2018
		----- (Rupees in '000) -----	
22.2.3 Commitments in respect of operating leases			
Not later than one year		48,055	652,360
Later than one year and not later than five years		-	1,636,820
Later than five years		-	875,493
		<u>48,055</u>	<u>3,164,673</u>
22.2.4 Commitments in respect of repo transactions			
Purchase (Repo)		<u>7,375,522</u>	<u>9,163,360</u>
22.3 Other contingent liabilities - claims against the Group not acknowledged as debts		<u>10,952,203</u>	<u>11,661,255</u>
22.4 In the year 2018, Law Enforcement Agencies (LEAs) initiated its investigation on certain bank accounts alleged for money laundering activities in various banks including Summit Bank Limited. The Honourable Supreme Court of Pakistan under Sua Moto Case HRC-39216-G, appointed a Joint Investigation Team (JIT) which was constituted to investigate the matter. On recommendation of JIT, the matter was referred by the Honourable Supreme Court to the National Accountability Bureau (NAB) for further investigation and filing of references in the National Accountability Courts. The matter is currently under NAB investigations and only partial references have been filed in the NAB Courts. The Bank has been and is committed to extending its full cooperation to the Law Enforcement Agencies in their investigations to the best extent possible and the matter is currently subjudice. These proceedings in the opinion of the management will not have any effect on the operations and functioning of the Group.			
22.5 Contingency for tax payable			
Contingency related to tax payable is disclosed in note 31.2.			

		(Un-audited)	
		Nine months ended	
		September	September
		30, 2019	30, 2018
Note		----- (Rupees in '000) -----	
23.	MARK-UP / RETURN / INTEREST EARNED		
	Loans and advances	3,326,110	4,277,647
	Investments	954,693	2,481,924
	Lendings to financial institutions	36,969	420,202
	Balances with banks	19,034	11,417
		<u>4,336,806</u>	<u>7,191,190</u>
24.	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits	3,500,133	3,309,250
	Borrowings	895,925	1,767,973
	Subordinated debt	154,238	107,566
	Cost of foreign currency swaps against foreign currency deposits / borrowings	368,556	196,968
	Finance cost of lease liability	209,406	-
		<u>5,128,258</u>	<u>5,381,757</u>
25.	FEE AND COMMISSION INCOME		
	Branch banking customer fees	11,608	51,485
	Consumer finance related fees	2,579	5,477
	Card related fees (debit cards)	69,476	61,637
	Credit related fees	7,640	13,149
	Investment banking fees	5,359	5,142
	Commission on trade	157,604	315,950
	Commission on guarantees	121,345	148,139
	Commission on cash management	2,870	4,560
	Commission on remittances including home remittances	45,095	66,474
	Commission on bancassurance	1,786	2,922
	Commission on Benazir Income Support Programme	63,864	52,169
	Alternate delivery channels	14,580	27,972
	Commission on brokerage	36,605	46,927
	Others	219	1,785
		<u>540,630</u>	<u>803,788</u>
26.	LOSS ON SECURITIES		
	Realised	(18,716)	(25,839)
	Unrealised - held for trading	(384)	(460)
		<u>(19,100)</u>	<u>(26,299)</u>
26.1	Realised loss on:		
	Federal Government Securities	(29,269)	(6,685)
	Shares	10,553	(3,984)
	Mutual Funds	-	(16,922)
	Non Government Debt Securities	-	1,752
		<u>(18,716)</u>	<u>(25,839)</u>

		(Un-audited)	
		Nine months ended	
		September 30, 2019	September 30, 2018
Note		----- (Rupees in '000) -----	
27.	OTHER INCOME		
	Rent on property / locker	15,197	24,802
	Gain on sale of fixed assets-net	35,524	2,274
	Gain on sale of non banking assets - net	-	151,084
	Gain on sale of ijarah assets	2,772	1,683
	Account maintenance and other relevant charges	38,816	22,827
	Recovery of expenses from customers	12,929	26,261
	Others	300	129
		105,538	229,060
28.	OPERATING EXPENSES		
	Total compensation expense	28.1 1,295,491	1,455,648
	Property expense		
	Rent and taxes	112,457	634,753
	Insurance - property	3,989	5,784
	Insurance - non banking assets	80	546
	Utilities cost	194,229	189,978
	Security (including guards)	124,313	125,245
	Repair and maintenance (including janitorial charges)	79,584	71,285
	Depreciation on owned assets	221,508	316,180
	Depreciation on right of use assets	393,685	-
	Depreciation on non banking assets	33,101	33,509
		1,162,946	1,377,280
	Information technology expenses		
	Software maintenance	44,006	37,544
	Hardware maintenance	49,157	30,980
	Depreciation on computer equipments	82,639	97,851
	Amortisation of computer softwares	20,104	19,242
	Network charges	67,635	72,079
	Insurance	649	362
		264,190	258,058
	Other operating expenses		
	Directors' fees and allowances	550	2,000
	Fees and allowances to Shariah Board	3,600	3,600
	Legal and professional charges	251,160	92,056
	Outsourced services costs	98,766	201,252
	Travelling and conveyance	120,584	121,182
	NIFT clearing charges	20,830	24,176
	Depreciation	112,787	105,699
	Amortisation of core deposits and brand name	26,528	26,528
	Training and development	3,687	4,823
	Postage and courier charges	33,381	36,524
	Communication	36,430	46,929
	Stationery and printing	78,117	72,451
	Marketing, advertisement and publicity	21,649	129,447
	Brokerage and commission	1,914	8,461
	Fee and subscription	87,151	64,148
	Cash transportation and sorting charges	74,438	82,743
	Entertainment	25,744	26,630
	Insurance	185,086	153,981
	Repair and maintenance	65,656	40,321
	Auditors' remuneration	12,251	11,104
	Others	46,783	23,746
		1,307,092	1,277,801
		4,029,719	4,368,787

		(Un-audited)	
		Nine months ended	
		September 30 2019	September 30 2018
		----- (Rupees in '000) -----	
28.1 Total compensation expense	Note		
Fees and allowances etc		29,416	26,979
Managerial Remuneration			
i) Fixed		797,940	858,139
ii) Variable of which;			
a) Cash Bonus / Awards etc.		4,269	6,014
b) Incentives and commission		3,738	10,480
Charge for defined benefit plan		44,480	48,217
Contribution to defined contribution Plan		43,800	54,681
Charge for employees compensated absences		10,640	11,662
Rent and house maintenance		247,327	300,884
Utilities		54,958	66,858
Medical		58,546	71,337
Employee old age benefit institution		377	397
Total		1,295,491	1,455,648
29. OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		24,457	10,431
Bank charges		16,648	19,330
		41,105	29,761
30. PROVISIONS AND WRITE OFFS - NET			
Provisions for diminution in value of investments		1,165,728	1,035,053
Provisions against loans and advances		6,960,102	4,220,589
Fixed assets written off		-	3,061
Provision against other assets		2,531	94,385
Provision against fixed asset		-	1,063,606
Bad debts written off directly		128	3,676
Balance with other banks written off		30	-
Recovery of written off / charged off bad debts		-	(828)
		8,128,519	6,419,542
31. TAXATION			
Current	31.1 & 31.2	70,004	110,871
Prior years		157	-
Deferred		(4,074,871)	(2,560,708)
		(4,004,710)	(2,449,837)

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 Group have been submitted up to and including the Group's and subsidiary's financial year ended December 31, 2017 i.e. tax year 2018.

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

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

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

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

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

		(Un-audited) Nine months ended	
		September 30, 2019	September 30, 2018
		----- (Rupees in '000) -----	
32. BASIC AND DILUTED LOSS PER SHARE	Note		
Loss for the period		<u>(7,977,449)</u>	<u>(4,932,135)</u>
		----- (Number of shares) -----	
Weighted average number of ordinary shares		<u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupees) -----	
Basic loss per share		<u>(3.02)</u>	<u>(1.87)</u>
		----- (Number of shares) -----	
Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)	32.1	<u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupees) -----	
Diluted loss per share		<u>(3.02)</u>	<u>(1.87)</u>

32.1 There are no potential ordinary shares outstanding as of September 30, 2019.

		(Un-audited) Nine months ended	
		September 30, 2019	September 30, 2018
		----- (Rupees in '000) -----	
33. CASH AND CASH EQUIVALENTS			
Cash and balance with treasury banks		5,308,830	4,378,532
Balances with other banks		914,779	1,044,101
Overdrawn nostro accounts		<u>(115,991)</u>	<u>(242,126)</u>
		<u>6,107,618</u>	<u>5,180,507</u>

34. FAIRVALUE MEASUREMENTS

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

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

34.1 Fair value of financial assets

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

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

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

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:

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:

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

On balance sheet financial instruments

Financial assets - measured at fair value

Investments

Federal Government Securities	-	17,307,261	-	17,307,261
Shares - Listed	1,370,344	-	-	1,370,344
Non-Government Debt Securities	-	-	-	-

Financial assets - disclosed but not measured at fair value

Investments

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

Operating fixed assets	-	-	7,512,104	7,512,104
Non banking assets acquired in satisfaction of claims	-	-	2,915,959	2,915,959

Off-balance sheet financial instruments - measured at fair value

Forward purchase of foreign exchange	-	5,091,366	-	5,091,366
Forward sale of foreign exchange	-	1,031,149	-	1,031,149

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

On balance sheet financial instruments

Financial assets - measured at fair value

Investments

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

Financial assets - disclosed but not measured at fair value

Investments

- Shares - Unlisted	-	-	62,940	62,940
---------------------	---	---	--------	--------

Non-Financial assets - measured at fair value

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

Off-balance sheet financial instruments - measured at fair value

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

Valuation techniques used in determination of fair value

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

35. SEGMENT INFORMATION

Segment Details with respect to Business Activities

	For the Nine Months Period Ended September 30, 2019 (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	(304)	29,440	(821,786)	(5,249)	6,447	-	(791,452)
Inter segment revenue - net	-	(900,370)	-	900,378	-	-	-
Non mark-up / return / interest income	6,813	568,769	451,897	(56,894)	38,051	-	1,008,636
Total Income	6,509	(302,169)	(369,889)	838,235	44,498	-	217,184
Segment direct expenses	1,589	232,895	3,518,675	212,831	71,942	32,892	4,070,824
Inter segment expense allocation	-	-	(189,404)	189,404	-	-	-
Total expenses	1,589	232,895	3,329,271	402,235	71,942	32,892	4,070,824
Provisions	-	1,165,728	6,306,111	656,680	-	-	8,128,519
Profit / (loss) before tax	4,920	(1,700,792)	(10,005,217)	(220,680)	(27,444)	(32,892)	(11,982,159)

	As at September 30, 2019 (Un-audited)					
	Corporate finance	Trading and sales	Branch banking	Islamic	Brokerage business	Others
	----- (Rupees in '000) -----					

Balance Sheet

Cash and bank balances	-	2,251,786	3,557,286	328,254	86,283	-	6,223,609
Investments	-	17,988,243	1,014,621	-	25,158	-	19,028,022
Net inter segment lending	-	-	-	13,148,163	-	-	13,148,163
Lendings to financial institutions	-	-	-	-	-	-	-
Advances - performing	-	-	29,266,338	3,810,233	830	-	33,077,401
Advances - non-performing	-	-	11,298,328	260,932	-	-	11,559,260
Others	12,392	15,500,063	10,146,724	669,824	227,529	5,947,923	32,504,455
Total assets	12,392	35,740,092	55,283,297	18,217,406	339,800	5,947,923	115,540,910
Borrowings	28	7,482,132	7,427,115	250,000	-	-	15,159,275
Subordinated debt	2,945	406,417	1,086,153	-	-	-	1,495,515
Deposits and other accounts	-	-	68,120,625	15,051,246	-	-	83,171,871
Net inter segment borrowing	-	13,148,163	-	-	-	-	13,148,163
Others	2,465	363,488	4,991,893	1,511,645	88,856	362,817	7,321,164
Total liabilities	5,438	21,400,200	81,625,786	16,812,891	88,856	362,817	120,295,988
Equity	6,954	14,339,892	(26,342,489)	1,404,515	250,944	5,585,106	(4,755,078)
Total equity and liabilities	12,392	35,740,092	55,283,297	18,217,406	339,800	5,947,923	115,540,910
Contingencies and commitments	-	13,505,099	26,552,893	5,772,117	-	11,174,838	57,004,947

For the Nine Months Period Ended September 30, 2018 (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	(49)	452,623	720,539	632,533	3,787	-	1,809,433
Inter segment revenue - net	-	(8,380)	-	8,380	-	-	-
Non mark-up / return / interest income	832	507,050	854,453	59,875	53,391	151,084	1,626,685
Total Income	783	951,293	1,574,992	700,788	57,178	151,084	3,436,118
Segment direct expenses							
Inter segment expense allocation	342	337,908	3,725,906	228,777	71,854	33,761	4,398,548
Total expenses	342	337,908	3,523,955	430,728	71,854	33,761	4,398,548
(Reversal) / provisions	-	979,500	5,437,456	2,586	-	-	6,419,542
Profit / (loss) before tax	441	(366,115)	(7,386,419)	267,474	(14,676)	117,323	(7,381,972)

As at December 31, 2018 (Audited)							
Corporate finance	Trading and sales	Branch banking	Islamic	Brokerage business	Others	Total	
(Rupees in '000)							
Balance Sheet							
Cash and bank balances	-	2,090,681	3,499,928	347,536	113,239	-	6,051,384
Investments	-	16,774,074	2,200,302	-	33,397	-	19,007,773
Net inter segment lending	-	700,000	-	10,722,364	-	-	11,422,364
Lendings to financial institutions	-	-	-	-	-	-	-
Advances - performing	-	-	40,814,032	5,862,800	926	-	46,677,758
Advances - non-performing	-	-	13,768,955	800,090	-	-	14,569,045
Others	4,010	4,059,629	11,199,049	592,337	247,164	12,189,702	28,291,891
Total assets	4,010	23,624,384	71,482,266	18,325,127	394,726	12,189,702	126,020,215
Borrowings	3	11,076,822	8,165,029	250,000	-	-	19,491,854
Subordinated debt	678	579,924	914,913	-	-	-	1,495,515
Deposits and other accounts	-	-	69,360,913	15,212,719	-	-	84,573,632
Net inter segment borrowing	-	10,722,364	-	700,000	-	-	11,422,364
Others	497	514,859	4,743,509	537,213	103,611	415,668	6,315,357
Total liabilities	1,178	22,893,969	83,184,364	16,699,932	103,611	415,668	123,298,722
Equity	2,832	730,415	(11,702,098)	1,625,195	291,115	11,774,034	2,721,493
Total equity and liabilities	4,010	23,624,384	71,482,266	18,325,127	394,726	12,189,702	126,020,215
Contingencies and commitments	-	13,475,014	31,289,074	6,125,410	-	11,941,246	62,830,744

35.1.1 The Bank does not have any operations outside Pakistan.

36. RELATED PARTY TRANSACTIONS

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

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

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

	September 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	Parent company	Key management personnel	Other related parties	Parent company	Key management personnel	Other related parties
	(Rupees in '000)					
Balances with other banks						
In current accounts	-	-	-	-	-	26,457
Investments						
Opening balance	-	-	1,713,990	-	-	1,803,185
Investment made during the period / year	-	-	-	-	-	54,983
Investment redeemed / disposed off during the period / year	-	-	-	-	-	(133,317)
Transfer in / (out) - net	-	-	(21,500)	-	-	(10,861)
Closing balance	-	-	1,692,490	-	-	1,713,990
Provision for diminution in value of investments	-	-	1,613,242	-	-	1,539,237
Advances						
Opening balance	-	259,303	932,302	-	-	1,213,053
Addition during the period / year	-	46,402	866,675	-	-	32,134
Repaid during the period / year	-	(60,511)	(932,275)	-	-	(180,248)
Transfer in / (out) - net	-	(17,024)	(197,069)	-	-	(2,117)
Closing balance	-	228,170	669,633	-	259,303	932,302
Provision held against advances	-	-	-	-	-	-

	September 30, 2019 (Un-audited)				December 31, 2018 (Audited)			
	Parent Company	Directors management personnel	Key management personnel	Other related parties	Parent Company	Directors management personnel	Key management personnel	Other related parties
	(Rupees in '000)							
Other Assets								
Interest / mark-up accrued	-	-	74	7,665	-	-	758	22,292
Other receivable	699	-	4,821	-	578	-	2,002	757
Deposits and other accounts								
Opening balance	-	18,463	13,421	1,769,716	-	32,259	67,291	860,510
Received during the period / year	-	-	185,542	1,950,757	-	23,465	566,173	16,458,586
Withdrawn during the period / year	-	-	(185,062)	(1,810,144)	-	(37,261)	(606,161)	(15,549,380)
Transfer in / (out) - net	-	(18,463)	197	(250,333)	-	-	(13,882)	-
Closing balance	-	-	14,098	1,659,996	-	18,463	13,421	1,769,716
Other Liabilities								
Interest / mark-up payable	-	-	343	15,697	-	119	325	11,855
Payable to staff retirement fund	-	-	-	42,230	-	-	-	33,358
Payable to Rupali Bank	-	-	-	-	-	-	-	16,293
Contingencies and Commitments								
Guarantees, letters of credit and acceptances	-	-	-	8,000	-	-	-	918,975
Commitments to extend credit	-	-	-	-	-	-	-	230,337

	September 30, 2019 (Un-audited)				September 30, 2018 (Un-audited)			
	Parent company	Directors management personnel	Key management personnel	Other related parties	Parent company	Directors management personnel	Key management personnel	Other related parties
	(Rupees in '000)							
Income								
Mark-up / return / interest earned	-	-	5,386	55,289	-	-	13,212	67,930
Fee and commission income	-	-	12	-	-	-	123	612
Dividend income	-	-	-	-	-	-	-	(15,505)
Net loss on sale of securities	-	-	-	-	-	-	-	22,323
Foreign exchange income	-	-	-	-	-	-	-	-
Other Income	-	-	8	-	-	-	-	-
Expense								
Mark-up / return / interest paid	-	808	492	128,376	-	667	509	30,461
Operating expenses:								
- Rent and taxes	-	-	-	-	-	-	-	26,857
- Directors' fees and allowances	-	550	-	-	-	2,000	-	-
- Legal and professional charges	-	-	-	-	-	-	-	265
- Marketing, advertisement and publicity	-	-	-	-	-	-	-	205
- Fee and subscription	-	-	1,409	-	-	2,133	-	750
- Education and training	-	-	-	-	-	-	-	2,193
- Managerial Remuneration	-	-	103,915	-	-	-	144,210	-
Contribution to defined contribution plan	-	-	-	43,800	-	-	-	54,681
Charge for defined benefit plan	-	-	-	44,480	-	-	-	48,217
Provision for diminution in value of Investments	-	-	-	79,591	-	-	-	8,247

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)
September 30, December 31,
2019 2018
----- (Rupees in '000) -----

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses) (7,911,509) (26,579)

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier I (CET I) Capital	(19,351,510)	(7,731,810)
Eligible Additional Tier I (ADT I) Capital	-	-
Total Eligible Tier I Capital	(19,351,510)	(7,731,810)

Eligible Tier 2 Capital - -

Total Eligible Capital (Tier I + Tier 2) (19,351,510) (7,731,810)

Risk Weighted Assets (RWAs):

Credit Risk	69,241,516	82,555,930
Market Risk	5,049,055	8,129,083
Operational Risk	8,723,054	8,723,054

Total 83,013,625 99,408,067

Common Equity Tier I Capital Adequacy ratio -23.31% -7.78%

Tier I Capital Adequacy Ratio -23.31% -7.78%

Total Capital Adequacy Ratio -23.31% -7.78%

Leverage Ratio (LR):

Eligible Tier-I Capital	(19,351,510)	(7,731,810)
Total Exposures	138,365,537	184,103,481

Leverage Ratio -13.99% -4.20%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	13,957,649	27,495,433
Total Net Cash Outflow	17,468,219	31,044,717

Liquidity Coverage Ratio 79.90% 88.57%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	63,255,250	72,435,261
Total Required Stable Funding	66,637,078	82,307,865

Net Stable Funding Ratio 94.93% 88.01%

38. ISLAMIC BANKING BUSINESS

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

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

	(Un-audited) September 30, 2019	(Audited) December 31, 2018
Note	----- (Rupees in '000) -----	
ASSETS		
Cash and balances with treasury banks	268,128	269,475
Balances with other banks	60,126	78,061
Due from financial institutions	38.1 13,148,163	10,722,364
Investments	-	-
Islamic financing and related assets - net	38.2 4,071,165	6,662,890
Fixed assets	329,307	121,507
Intangible assets	5,190	6,861
Due from Head Office	-	-
Other assets	335,327	463,969
Total Assets	18,217,406	18,325,127
LIABILITIES		
Bills payable	120,033	125,319
Due to financial institutions	38.3 250,000	950,000
Deposits and other accounts	38.4 15,051,246	15,212,719
Due to Head Office	-	-
Subordinated debt	-	-
Deferred tax liabilities - net	-	-
Other liabilities	1,391,612	411,894
	<u>16,812,891</u>	<u>16,699,932</u>
NET ASSETS	<u>1,404,515</u>	<u>1,625,195</u>
REPRESENTED BY		
Islamic Banking Fund	1,000,000	1,000,000
Reserves	-	-
Surplus on revaluation of assets	-	-
Unappropriated / Unremitted profit	38.8 404,515	625,195
	<u>1,404,515</u>	<u>1,625,195</u>
CONTINGENCIES AND COMMITMENTS	38.5	

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

	September 30, September 30,		
	2019	2018	
Note	----- (Rupees in '000) -----		
Profit / return earned	38.6	1,468,126	1,176,432
Profit / return expensed	38.7	572,997	535,519
Net Profit / return		895,129	640,913
Other income			
Fee and commission income		41,961	70,955
Dividend income		-	-
Foreign exchange loss		(109,257)	(6,511)
Income / (loss) from derivatives		-	-
Loss on sale of securities		(3,170)	(11,913)
Other income		13,572	7,344
Total other (loss) / income		(56,894)	59,875
Total Income		1,411,232	1,236,307
Other expenses			
Operating expenses		401,899	429,655
Workers' welfare fund		-	-
Other charges		336	1,073
Total other expenses		402,235	430,728
Profit before provisions		436,000	270,060
Provisions and write offs - net		656,680	2,586
(Loss) / profit before taxation		(220,680)	267,474
Taxation		-	-
(Loss) / profit after taxation		(220,680)	267,474

	September 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
38.1 Due from Financial Institutions	----- (Rupees in '000) -----					
Bai Muajjal Receivable						
from other Financial Institutions	38.1.1	13,148,163	-	13,148,163	10,722,364	-
						10,722,364

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

	Note	(Un-audited)	(Audited)
		September 30,	December 31,
		2019	2018
38.2 Islamic financing and related assets		----- (Rupees in '000) -----	
Ijarah		706,681	919,439
Murabaha		8,234	16,444
Running Musharakah		767,919	1,007,981
Diminishing Musharakah		2,563,440	3,721,717
Istisna		35,146	31,403
Tijarah		739,045	1,056,823
Advance against Murabaha		963	4,042
Advance against Diminishing Musharakah		-	500
Qarz-e-Hasna		1,876	-
Gross Islamic financing and related assets		4,823,304	6,758,349
Less: provision against Islamic financings			
- Specific		738,595	82,573
- General		13,544	12,886
		752,139	95,459
Islamic financing and related assets - net of provision		4,071,165	6,662,890

38.3 Due to financial institutions

Secured			
Acceptances from the SBP under Islamic Export Refinance Scheme		250,000	250,000
Total secured		250,000	250,000
Unsecured			
Musharakah	38.3.1	-	700,000
		250,000	950,000

38.3.1 This represents Musharaka acceptance with conventional operations of Summit Bank Limited.

38.4 Deposits

	September 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
Customers						
Current deposits	4,628,441	621,454	5,249,895	4,865,906	541,588	5,407,494
Savings deposits	7,711,244	123,151	7,834,395	7,700,010	127,458	7,827,468
Term deposits	1,493,026	-	1,493,026	1,038,665	95,320	1,133,985
Margin accounts	256,785	-	256,785	581,337	-	581,337
	14,089,496	744,605	14,834,101	14,185,918	764,366	14,950,284
Financial Institutions						
Current deposits	87,322	119	87,441	96,313	107	96,420
Savings deposits	129,704	-	129,704	156,015	-	156,015
Term deposits	-	-	-	10,000	-	10,000
	217,026	119	217,145	262,328	107	262,435
	14,306,522	744,724	15,051,246	14,448,246	764,473	15,212,719

38.4.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 9,010.640 million (2018: Rs. 8,885.304 million).

38.5 CONTINGENCIES AND COMMITMENTS

	(Un-audited) September 30, 2019	(Audited) December 31, 2018
	----- (Rupees in '000) -----	
Guarantees	4,251,676	4,478,490
Commitments	1,520,441	1,646,920
Other contingent liabilities	-	-
	5,772,117	6,125,410

38.6 Profit / Return Earned of Financing, Investments and Placement

	(Un-audited)	
	September 30, 2019	September 30, 2018
	----- (Rupees in '000) -----	
Profit earned on:		
Financing	553,368	631,736
Investments	-	414,564
Placements	914,314	130,132
Balances with banks	444	-
	1,468,126	1,176,432

38.7 Profit on deposits and other dues expensed

Deposits and other accounts	533,154	535,519
Due to Financial Institutions	16,699	-
Finance cost of lease liability	23,144	-
	572,997	535,519

	(Un-audited) September 30,	(Audited) December 31,
	2019	2018
	----- (Rupees in '000) -----	
38.8 Islamic banking business unappropriated profit		
Opening balance	625,195	541,772
(Less) / add: Islamic Banking (loss) / profit for the period	(220,680)	83,423
Closing balance	<u>404,515</u>	<u>625,195</u>

39. DATE OF AUTHORISATION FOR ISSUE

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

President /
Chief Executive

Chief Financial Officer

Director

Director

Director

BRANCH NETWORK
CONVENTIONAL BANKING BRANCHES

KARACHI

Abdullah Haroon Road Branch

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

Adamjee Nagar Branch

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

Atrium Mall Branch

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

Badar Commercial Branch

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

Bahadur Shah Center Branch

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

Bahadurabad Branch

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

Barkat-e- Hyderi Branch

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

Burns Road Branch

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

Clifton Branch

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

Cloth Market Branch

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

Defence Branch

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

DHA Phase I Branch

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

DHA Phase IV Branch

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

Dhoraji Colony Branch

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

Ex. Dolmen City Branch

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

Electronic Market (Abdullah Haroon Road) Branch

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

Fish Harbour Branch

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

Garden East Branch

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

Gulistan-e-Jauhar - Branch I

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

Gulistan-e-Jauhar - Branch 2

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

Gulshan-e-Iqbal - Branch 1

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

Gulshan-e-Iqbal - Branch 2

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

Hyderi Branch

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

Unitower I. I. Chundrigar Road Branch I

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

Jami Commercial, DHA Branch

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

Jamshed Quarters Branch

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

Jodia Bazar - Branch I

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

Karachi Stock Exchange Branch

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

Karimabad Branch

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

Khayaban-e-Shahbaz Branch

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

M.A. Jinnah Road Branch

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

Muhammad Ali Society Branch

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

Nazimabad (Gol Market) Branch

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

New Challi Branch

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

North Karachi Industrial Area Branch

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

Sea View, Clifton Branch, Karachi

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

PAF-Base Faisal Branch

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

Paper Market Branch

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

Plaza Quarters Branch

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

Ranchore Line Branch

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

Rizvia Society Branch

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

S.I.T.E. Branch

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

Saeedabad Branch

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

Shahrah-e-Faisal - Branch II

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

Shershah Branch

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

Soldier Bazar Branch

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

Steel Market Branch

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

Tariq Road Branch

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

Timber Market Branch

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

Malir Cantt Branch

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

Water Pump Branch

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

Com-3, Clifton Branch, Karachi

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

LAHORE

DHA Phase-VI Branch

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

Allama Iqbal Town Branch

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

Azam Cloth Market Branch

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

Badami Bagh Branch

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

Bahria Town Branch

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

Bedian Road Branch

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

Circular Road Branch

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

Darogawala Branch

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

DHA G Block Branch

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

DHAY Block Branch

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

Egerton Road Branch

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

Faisal Town Branch

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

Ferozepur Road Branch

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

Gulberg Branch

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

Ichra More Branch

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

Johar Town Branch

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

Kashmir Block, Allama Iqbal Town Branch

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

Lahore- Cantt Branch

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

Lahore Stock Exchange Branch

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

Liberty Market Branch

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

Mall Road Branch

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

Model Town Branch

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

New Garden Town Branch

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

Empress Road Branch

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

Shah Alam Gate Branch

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

Urdu Bazar Branch

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

Wahdat Road Branch

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

Z Block DHA Branch

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

ISLAMABAD

Bahria Town Branch

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

Barah Koh Branch

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

Blue Area Branch

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

F-10 Markaz Branch

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

F-11 Markaz Branch

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

G-11 Markaz Branch

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

I-9 Markaz Branch

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

Stock Exchange Branch

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

Super Market Branch

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

RAWALPINDI

The Mall Road Branch, Rawalpindi

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

Raja Bazar Branch

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

Shamsabad Muree Road Branch

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

FAISALABAD

Satiana Road Branch

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

Jail Road Branch

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

Kotwali Road Branch

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

Liaquat Road Branch

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

Susan Road Branch

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

MULTAN

Vehari Road Branch

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

Abdali Road Branch

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

Hussain Agahi Road Branch

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

Qadafi Chowk Branch

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

SUKKUR

Marich Bazar Branch

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

Shikarpur Road Branch

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

Workshop Road Branch

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

GUJRANWALA

GT Road Branch

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

Gujranwala Branch

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

Wapda Town Branch

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

GUJRAT

GT Road Branch

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

Gujrat Branch

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

Katchery Chowk Branch

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

PESHAWAR

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

Fruit Market Branch

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

Hayatabad Branch

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

Main University Road Branch

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

Milad Chowk Branch

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

QUETTA

Fatima Jinnah Road Branch

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

Liaquat Bazar Branch

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

M.A. Jinnah Road Branch

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

Regal Chowk Branch

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

ABBOTTABAD

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

ATTOCK

Hassan Abdal Branch

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

Fateh Jang Branch

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

AZAD KASHMIR

Dadyal Branch

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

Mirpur Azad Kashmir - Branch I

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

Mirpur Azad Kashmir Branch (2)

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

Muzzafarabad Branch

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

Shaheed Chowk Branch

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

CHAK GHANIAN

Chak Ghanian Branch

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

CHAKWAL

Chakwal Branch

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

Dalwal Branch

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

CHAMMAN - Rural

Chamman Branch

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

DADU

Dadu Branch

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

DINA

Dina Branch

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

GAWADAR

Gawadar Branch

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

GHOTKI

Ghotki Branch

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

GILGIT - Rural

Gilgit Branch

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

GUJAR KHAN

Gujar Khan Branch

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

HARIPUR

Haripur Branch

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

HAZRO

Hazro Branch

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

HYDERABAD

Bohri Bazar Hyderabad Branch

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

Latifabad No. 7 Branch

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

Market Chowk Branch

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

Qasimabad Branch

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

JACOBABAD

Jacobabad Branch

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

JEHLUM

Jhelum Branch

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

KAMBAR

Shahdad Kot Branch

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

KAMOKE

Kamoke - GT Road Branch

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

KANDH KOT

Kandh Kot Branch

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

KASUR

Gawadar Branch

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

GHOTKI

Kasur Branch

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

KHAIRPUR - Rural

Pacca Chang Branch

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

KOT ADDU

Kot Addu Branch

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

LALAMUSA

Lalamusa Branch

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

LARKANA

Larkana Branch

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

MANDI BAHAUDDIN

Mandi Bahauddin Branch

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

MANSEHRA

Mansehra Branch

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

MARDAN

The Mall Branch

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

MIRPURKHAS

Khipro Bus Stand Branch

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

Umer Kot Road Branch

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

MURIDKE

Muridke Branch

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

NAROWAL

Katchery Road Branch

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

NAWABSHAH

Nawabshah Branch

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

GAWADAR

Gawadar Branch

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

JAMSHORO

Nooriabad Branch

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

GILGIT - Rural

Gilgit Branch

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

OKARA

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

RABWAH

Rabwah Branch

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

RAHIMYAR KHAN

Rahim Yar Khan Branch

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

SADIQABAD

Sadiqabad Branch

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

SAHIWAL

High Street Branch

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

SARGODHA

Sargodha Branch

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

Satellite Town Branch

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

SHIKARPUR

Shikarpur Branch

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

SIALKOT

Kashmir Road Branch

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

Paris Road Branch

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

Small Industrial Area Branch

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

SWABI

Swabi Branch

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

TANDO ALLAH YAR

Tando Allah Yar Branch

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

TURBAT

Main Bazar Branch

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

WAH CANTT

Wah Cantt Branch

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

ISLAMIC BANKING BRANCHES

KARACHI

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

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

Tel: 021-32438212, 32472176, 32471796

Fax: 021-32438218

Super Highway Branch

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

Tel: 021 - 36830161-3

Fax: 021-36830162

Fish Harbour Branch

Plot No. L - 2, Block "L"

Fish Harbour, Dockyard Road,

West Wharf, Karachi

PABX: 021-32312166-68

Fax: 021-32312165

Zamzama Branch

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

Zamzama Commercial Lane DHA - Karachi

Tel: 021 - 35373135-7

Fax: 021 - 35373138"

IBL Building Centre, Shahrah-e-Faisal, Branch

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

Tel: 021-32368002-4

Fax #. 021 - 32368005

LAHORE

PIA Society Islamic Banking Branch

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

Opp Wapda Town Roundabout, Lahore

Tel: 042-35189957 - 59

Fax: 042-35210895

HUB, BALUCHISTAN - RURAL

Hub Branch

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

Tel: 0853 - 363056 - 058

Fax: 0853 - 363050

CHILAS - RURAL

Chilas Branch

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

Tel: 05812 - 450702-3

Fax: 05812-450704

SKARDU - RURAL

Skardu Branch

Khasra No. 1265/39, Yadgar Chowk,

Tehsil Skardu, District Baltistan

Tel: 05815 - 456693-94

Fax: 05815-456696

ISLAMABAD

Naval Anchorage Branch

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

Housing Scheme Anchorage, Islamabad

Tel: 051 - 5159126 - 28

Fax: 051 - 5159129

DHA Phase-2 Branch

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

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

Tel: 051-4918314 - 16

Fax: 051-4918317

CHITRAL - RURAL

Chitral Branch

Attalique Bazar, Bank Square,

Opp: NBP Building, Chitral

Tel: 0943 - 412536-37

Fax: 0943 - 414352

HYDERABAD

DHA Plaza Branch

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

Defence Plaza, Thandi Sarak, Hyderabad

Tel: 022- 2108474, 2108478

Fax # 022-210847

RAWALPINDI

Bahria Town Branch Phase-IV

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

Tel: 051-5733945-46

Fax: 051-5733967

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

Summit **S** Bank

Committed to you

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