

# BUILDING TODAY SHAPING TOMORROW

QUARTERLY REPORT SEPTEMBER 2020



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

# CONTENTS

Corporate Information	02
Vision Statement	04
Mission Statement	05
Directors' Review	06
Unconsolidated Condensed Interim Financial Statements (Un-audited)	13
Unconsolidated Condensed Interim Statement of Financial Position	14
Unconsolidated Condensed Interim Profit and Loss Account	15
Unconsolidated Condensed Interim Statement of Comprehensive Income	16
Unconsolidated Condensed Interim Statement of Changes in Equity	17
Unconsolidated Condensed Interim Cash Flow Statement	18
Notes to the Unconsolidated Condensed Interim Financial Statements	19
Consolidated Condensed Interim Financial Statements (Un-audited)	48
Consolidated Condensed Interim Statement of Financial Position	49
Consolidated Condensed Interim Profit and Loss Account	50
Consolidated Condensed Interim Statement of Comprehensive Income	51
Consolidated Condensed Interim Statement of Changes in Equity	52
Consolidated Condensed Interim Cash Flow Statement	53
Notes to the Consolidated Condensed Interim Financial Statements	54
Branch Network	85

# 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

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## 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

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## Board Human Resource & Remuneration Committee

Ms. Fauzia Hasnain  
Chairperson

Mr. Zafar Iqbal Siddiqi  
Member

Mr. Wajahat Ahmed Baqai  
Member

Mr. Jawad Majid Khan  
Member

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## 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

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## Chief Financial Officer

Mr. Salman Zafar Siddiqi

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## Company Secretary

Syed Muhammad Talib Raza

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## Auditors

Baker Tilly Mehmood Idrees Qamar  
Chartered Accountants

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## Legal Advisors

Hyat & Meerjees

## Share Registrar

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

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## Head Office

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

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## Registered Office

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

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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, 2020.

**THE BANK'S PERFORMANCE**

The highlights of the financial results for September 30, 2020 are as follows:

	<b>September 30, 2020</b>
	<b>Rupees in Millions</b>
<b>Financial Position</b>	
Shareholders' Equity	(10,556)
Total Deposits	99,667
Total Assets	112,689
Advances – net	34,091
Investments – net	33,363
<b>Financial Performance</b>	
Net Interest Income and Non Markup Income (Total Income)	127
Non Markup Expenses	3,806
Provisions and write offs (net)	4,183
Loss before tax	(7,862)
Loss after tax	(5,514)
Basic and diluted loss per share - Rupees	(2.09)

The financial results of September 2020 reflected an improvement over the corresponding period of 2019 and the Bank was able to reduce its loss before tax by Rs. 4.093 billion. This translated into a loss per share of Rs. 2.09 (September 2019: loss per share Re. 3.01). The Q3 results of 2020 also improved and the loss before taxation was reported at Rs 3.249 billion as compared to the Q3 2019 of Rs 5.386 billion.

The P&L reflected an increase in the non mark-up income by Rs. 370.707 million which is 38% over the corresponding period of last year. This is mainly due to the gain on sale of securities recorded on account of sale of Federal Government securities.

The volumetric reduction of advances together with the substantial amount of non-performing loans held by the Bank resulted in the reduction of the Bank's interest income. Further, the Bank's interest expense registered an increase of Rs. 167.107 million mainly due volumetric growth in average deposits by Rs. 8.4 billion. This was partially offset by a lower mark-up expense on borrowings by Rs. 274.647 million in line with the decrease in borrowings during the current period. As a result, the Bank incurred a net mark-up expense of Rs. 1.217 billion as against a net mark-up expense of Rs. 797.899 million during the same period last year.

Despite a higher average inflation, total non-mark up expenses declined by 5% as against the comparative period of 2019.

The Bank recorded total provisioning expense of Rs. 4.184 billion for the nine months period ended September 30, 2020, against a provision expense of Rs. 8.129 billion in the corresponding period last year. Provision against loans and advances was booked at Rs. 3.805 billion, a decrease of 45% from the same period last year. Provisions for diminution in value of investments also declined by 72% and amounted to Rs. 326.355 million during the current period.

The Bank's net advances portfolio shrank by 21% from December 2019 to Rs. 34.091 billion as at September 30, 2020. The Bank's gross NPL ratio (Gross non-performing loans to Gross Advances) as of September 30, 2020 stood at 60.89% as against 56.58% on December 31, 2019, while the coverage ratio at September 30, 2020 stands at 79.34% (December 31, 2019: 70.77%).

Total Deposits grew by an impressive 13% and were reported at Rs. 99.667 billion as against Rs. 88.567 billion reported at December 2019. At the September 2020 end, the Bank's gross advances to deposits ratio stands at 66.22% as compared to 81.50% as at December 31, 2019.

As at September 30, 2020, the Bank has recognized deferred tax assets (net) of Rs. 13.767 billion, this has been recognized on the basis of the management's best estimate that these would be realized against the future taxable profits. Based on the updated tax positions, deferred tax income for the current period amounted to Rs. 2.417 billion as against an income of Rs. 4.075 billion during the same period last year.

As at September 30, 2020, the Bank's paid up capital (net of losses) stood at negative (-) Rs. 14.716 billion as against the statutory requirement of Rs. 10 billion prescribed by SBP while the Capital Adequacy Ratio of the Bank stood at negative (-) 40.11% as against the minimum requirement of 11.50%.

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

## CREDIT RATING

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

## ECONOMIC REVIEW

Pakistan's economy suffered in the second quarter of 2020 during the Covid-19 Pandemic which led to the deterioration of various macroeconomic variables. However, the economy started recovering marginally starting from the third quarter of 2020 as the government lifted the lockdown after the Covid-19 cases started coming down in the country.

Pakistan's current account surplus stood at \$805 million for the first two months of FY21 as against a deficit of \$1.2 billion in the comparative period last year, thus, recording a sizeable improvement. This was mainly fuelled by a rise in remittances which grew cumulatively by 31% in July 2020 and August 2020 on a year-on-year basis.

Due to the improvement in the current account balance and the foreign inflows received by the State Bank of Pakistan in June 2020, the pressure on the foreign exchange reserves of the country decreased and the reserves were around \$12.8 billion in September 2020. Another development that lent support to the economy under these unprecedented times was the debt relief initiative taken by the G-20 countries, which led to the deferment of some of the bilateral loans, further reducing the pressure on the external account. As a result, PKR appreciated during September 2020 and closed at PKR 165.7021. On a year-to-date basis however, PKR reported a depreciation of 7.01% against the dollar.

Average inflation for the quarter was 8.84% as compared to 10.08% during the same period last year. To stimulate the growth in the economy in the aftermath of the pandemic, the State Bank of Pakistan kept the policy rate unchanged at 7% during September 2020. However, on a year-to-date basis, SBP decreased the policy rate by a cumulative 625 bps.

The equity market witnessed a strong rally over the September 2020 quarter and the KSE-100 index improved from 34,421 index points to 40,571 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 for proposed subscription of new ordinary shares in the Bank by way of fresh equity injection Without Rights Offering at a discounted price of Rs. 2.51 per share. The Investor presented the offer as set out in the SSA which is duly approved by the Board of Directors. The Bank intends to issue a total of 5,976.096 million new ordinary shares.

## ACKNOWLEDGEMENT

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

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**Jawad Majid Khan**  
President and Chief Executive Officer

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**Fauzia Hasnain**  
Director

Summit Bank  
November 19, 2021  
Karachi

جاری کھاتے کے توازن میں بہتری اور اسٹیٹ بینک آف پاکستان کو جون 2020ء میں موصول ہونے والی غیر ملکی قومی وجہ سے ملک کے زرمبادلہ کے ذخائر پر دباؤ کم ہوا اور ستمبر 2020ء میں ذخائر تقریباً 112.8 ارب ڈالر تھے۔ ایک اور پیش رفت جس سے معیشت کو مدد ملی وہ ان غیر معمولی اوقات میں 20-G ممالک کی طرف سے قرضوں میں ریلیف کا اقدام تھا، جس کی وجہ سے بعض دوطرفہ قرضوں کو موخر کیا گیا، جس سے بیرونی کھاتے پر مزید دباؤ کم ہوا۔ نتیجتاً، ستمبر 2020ء کے دوران روپے کی قدر بڑھ گئی اور ڈالر روپے 165.7021 پر بند ہوا۔ تاہم سال بسال بنیاد پر، ڈالر کے مقابلے میں روپے کی قدر میں 7.01 کی کمی درج کی گئی۔

اس سرمایہ کے لیے اوسط ہرجائی 8.84 فیصد تھی جو گزشتہ برس کی اسی مدت کے دوران 10.08 فیصد تھی۔ وبائی مرض کے بعد معیشت میں نمو کو تیز کرنے کے لیے، اسٹیٹ بینک آف پاکستان نے ستمبر 2020ء کے دوران پالیسی ریٹ کو 7 فیصد پر برقرار رکھا۔ تاہم سال بسال بنیاد پر اسٹیٹ بینک نے پالیسی ریٹ میں مجموعی طور پر 625 بیسیس پوائنٹس کمی کی۔

ستمبر 2020ء کی سرمایہ کے دوران ایکویٹی مارکیٹ میں مشبوط اجراءے ثنائی دکھائی دیا اور کے ایس ای 110 انڈیکس کا نشانہ 34,421 انڈیکس پوائنٹس سے بہتر ہو کر 40,571 انڈیکس پوائنٹس ہو گیا۔

### بیلنس شیٹ کی تاریخ کے بعد ہونے والے واقعات

20 مئی 2021ء کو پانچ ای نضر عبداللہ مسدود (سرمایہ کار) کی جانب سے بینک کو ایک مراسلہ موصول ہوا جس میں سرمایہ کار نے بینک میں تازہ سیالیت سسکرا کر کے بینک کے کنٹرولنگ اختیار حاصل کرنے کے ارادے کا اظہار کیا۔ سیکورٹیز ایکٹ، 2015ء اور فیئر ٹریڈنگ (دو گنگ شیئرز اور ریگ اور زکا کا کافی حصول) ریگولیشنز، 2017ء کے اس طرح کے لین دین کے لیے قابل اطلاق تقاضوں کی تعمیل کرتے ہوئے، سرمایہ کار کی جانب سے اختتامی کنٹرول کے ساتھ بینک کے کم از کم 51 فیصد جاری کردہ اور ادا شدہ سرمائے کے بارے میں عوامی اعلان کیا گیا۔

سرمایہ کار نے اب یکم اکتوبر 2021ء کو ایک مراسلے کے ذریعے بینک میں رعایتی قیمت پر رائٹس آف فرنگ کے بغیر نئے ایکویٹی ادخال کے ذریعے 2.51 فیڈیشن پر نئے عام حصص کی مجوزہ سسکرا پیش کے لیے اپنی پیش کش جمع کرائی ہے۔ سرمایہ کار نے یہ پیش کش ایس ایس اے کے طے کردہ ضابطے کے مطابق پیش کی جسے بورڈ آف ڈائریکٹرز نے باضابطہ طور پر منظور کیا ہے۔ بینک کا 5,976.096 ملین نئے عام حصص جاری کرنے کا ارادہ رکھتا ہے۔

### تعریف و توثیق

بورڈ کی جانب سے ہم، ایک بار پھر اسٹیٹ بینک آف پاکستان، سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان، اور دیگر ضوابطی حکام 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 یہاں ادا کرنا چاہیں گے۔

فوزیہ حسین

ڈائریکٹر

جوہا ماجد خان

صدر اور چیف ایگزیکٹو آفیسر

سمٹ بینک

19 نومبر 2021ء

کراچی

بینک نے 30 ستمبر 2020ء کو اختتام پذیر ہونے والے نو مہینوں کے دوران تھوین کے 4.184 ارب روپے درج کیے جبکہ گزشتہ برس کی اسی مدت کے دوران یہ 8.129 ارب روپے تھے۔  
قرضوں اور ایڈوانسز پر بینک کی گئی تھوین 3.805 ارب روپے تھی جو گزشتہ برس کے مقابلے میں 45 فیصد کم تھی۔ دوران مدت سرمایہ کاری کی مالیت میں نقلیوں کے لیے تھوین بھی 72 فیصد کمی سے  
326.355 ملین روپے رہ گئی۔

30 ستمبر 2020ء کو بینک کا خالص ایڈوانسز کا جزو ان دسمبر 2019ء کے مقابلے میں 21 فیصد کمی سے سکر کر 34.091 ارب روپے ہو گیا۔ 30 ستمبر 2020ء تک بینک کا مجموعی غیر فعال قرضوں کا  
تاسب (مجموعی غیر فعال قرضے اور مجموعی ایڈوانسز) 60.89 فیصد رہا جو 31 دسمبر 2019ء کو 56.58 فیصد تھا، جبکہ کوریج کا تناسب 30 ستمبر 2020ء میں 79.34 فیصد ہو گیا۔ (31 دسمبر  
2019ء 70.77 فیصد)۔

مجموعی امانتیں 13 فیصد نمو کے ساتھ 99.667 ارب روپے درج کی گئیں جبکہ دسمبر 2019ء پر 88.567 ارب روپے درج کیے گئے تھے۔ ستمبر 2020ء کے اختتام پر، بینک کا مجموعی ایڈوانس اور  
امانتوں کا تناسب 66.22 فیصد ہے جو 31 دسمبر 2019ء کو 81.50 فیصد تھا۔

30 ستمبر 2020ء تک، بینک کے 13.767 ارب روپے کے (خالص) مؤخرگیس اثاثوں کو تسلیم کیا ہے جس سے آئندہ برسوں میں حاصل کیے جانے والے متوقع ٹیکس ٹواند کے انتظامیہ کے بہترین تخمینے کا  
اظہار ہوتا ہے۔ ہمیں امید ہے بینک فیو انڈ حاصل کر سکے گا۔ ٹیکس کی تازہ ترین صورت حال کی بنیاد پر، موجودہ سال کے لیے مؤخرگیس آمدنی 2.417 ارب روپے ہے جبکہ گزشتہ برس کی اسی مدت کے  
دوران یہ 4.075 ارب روپے تھی۔

روپے کی قانونی ضرورت کے مقابلے میں اسٹیٹ بینک کی جانب سے مقرر کیے گئے 10 ارب کے مقابلے میں 30 ستمبر 2020ء تک، بینک کا ادا شدہ سرمایہ (خسارے کا خالص) منفی (-)  
14.716 ارب روپے تھا، جبکہ بینک کی شرح کفالت سرمایہ کے کم از کم 11.50 فیصد کے تقاضے کے مقابلے میں منفی (-) 40.11 فیصد ہے۔

منجانب اور یورڈ آف ڈائریکٹرز پر امید ہیں کہ اگر کاروباری منصوبے میں بیان کردہ نمو کے عوامل اور دیگر کلیدی مفروضے پورے ہوتے ہیں تو بینک کاروباری نتائج میں متوقع بہتری اور قابل اطلاق ضوابطی  
تقاضوں کی قیام میں کامیاب ہو جائے گا۔

## کرڈٹ ریٹنگ

2019ء کے دوران، وی آئی ایس کرڈٹ ریٹنگ ایجنسی نے بینک کی درمیانی تا طویل مدتی ریٹنگ 'بی بی' - 'اے' (ریٹیل بی بزنس) اور قلیل مدتی ریٹنگ 'اے' - '3' (اے-تقرری) تازہ ترین معلومات کی عدم  
دستیابی کی وجہ سے معطل کر دی۔ وی آئی ایس کرڈٹ ریٹنگ ایجنسی نے بینک کی کئی ایجنڈ تازہ ترین ضروری مالی معلومات کے دستیاب ہونے پر ایک بار پھر ریٹنگ کا دوبارہ جائزہ لے لگی۔ مزید یہ کہ، بینک کی ٹی ایف سی ریٹنگ  
کوڈی (ڈیفنٹ) تفویض کیا گیا تھا کیونکہ ایجنسی نے اسٹیٹ بینک آف پاکستان (SBP) کے قابل اطلاق ضوابط کے تحت بینک کی لاک ان دفعہ کے حوالے سے اپنی تازہ ترین سوڈی ادائیگی نہیں کی  
تھی۔ بینک کے ٹی ایف سی ہولڈرز نے 22 اکتوبر 2021ء کو ہونے والی اپنی ایجنڈ میں ٹی ایف سی ایٹو کی مدت میں ایک سال کی مزید توسیع کی منظور دی اور ساتھ ہی تمام ایٹو کا رقم کی ادائیگیوں میں  
توسیع کے ساتھ رعایت کی نظر ثانی شدہ تاریخ 27 اکتوبر 2022ء مقرر کی۔ بینک اس وقت تمام قابل اطلاق قوانین، قواعد و ضوابط اور اس سلسلے میں مطلوب ضوابطی تقاضوں کی تعمیل کو یقینی بنانے کے  
لیے صرف عمل ہے۔

## اقتصادی جائزہ

پاکستانی معیشت 2020ء کی دوسری سہ ماہی کے دوران کووڈ 19 وبائی مرض کے دوران مشکلات کا سامنا کرنا پڑا، جس کی وجہ سے مختلف کئی معاشی متغیرات بگڑ گئے۔ تاہم، 2020ء کی تیسری سہ ماہی  
سے معیشت میں معمولی بحالی کا آغاز ہوا کیونکہ حکومت نے ملک میں کووڈ 19 کے کیمپز میں کمی کے بعد لاک ڈاؤن جٹا دیا۔

پاکستان کے جاری کھاتے کا فاضل مالی سال 21ء کے پچھلے دو مہینوں کے لیے 805 ملین ڈالر ہر ایک گزشتہ برس 1.2 ارب ڈالر کا خسارہ ہوا تھا، لہذا اٹھماہ بہتری درج کی گئی۔ اس کی بنیاد پر  
تزیلات زرمیں اضافہ تھا جس میں جولائی 2020ء اور اگست 2020ء کے دوران سال بسال بنیاد پر مجموعی طور پر 31 فیصد نمو ہوئی۔

## ڈائریکٹرز کا جائزہ

بروز آف ڈائریکٹرز کی جانب سے، ہم بینک کی 30 ستمبر 2020ء 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 2020ء کے لیے بینک کے مالی نتائج کی جھلکیاں مندرجہ ذیل ہیں:

30 ستمبر 2020ء

روپے ملین میں

(10,556)

99,667

112,689

34,091

33,363

### مالی صورت حال

شیئرز ہولڈرز کی ایکویٹی

مجموعی اثاثیں

مجموعی اثاثے

ایڈوانس - خالص

سرمایہ کاریاں - خالص

### مالی کارکردگی

خالص سودی آمدنی اور غیر سودی آمدنی (مجموعی آمدنی)

غیر سودی اخراجات

پروویڈنڈ اور رائٹ آفس (نیٹ)

خسارہ قبل از ٹیکس

خسارہ بعد از ٹیکس

خسارہ فی شیئر بنیادی اور سیال (diluted) - روپے

127

3,806

4,183

(7,862)

(5,514)

(2.09)

ستمبر 2020ء کے مالی نتائج نے 2019ء کی اسی مدت کے مقابلے میں بہتری کی عکاسی کی اور بینک نے اپنے خسارہ قبل از ٹیکس میں 4.039 ارب روپے کی کمی کی۔ لہذا خسارہ فی شیئر 2.09 روپے فی شیئر رہا (ستمبر 2019ء: خسارہ فی شیئر 3.01 روپے فی شیئر)۔ 2020ء کی تیسری سہ ماہی کے نتائج بھی بہتر ہوئے 3.249 ارب روپے کا خسارہ قبل از ٹیکس درج کیا گیا جبکہ 2019ء کی تیسری سہ ماہی کے دوران 5.386 ارب روپے تھے۔

نفع و نقصان کے حوالے سے غیر سودی آمدنی میں 370.707 ملین روپے کا اضافہ ہوا جو گزشتہ برس کی اسی مدت کے مقابلے میں 38 فیصد زیادہ ہے۔ اس کی بنیادی وجہ وفاقی حکومت کے تسکات کی فروخت کے ضمن میں درج کردہ تسکات کی فروخت پر حاصل ہونے والا فائدہ ہے۔

بینک کے غیر فعال قرضوں کے نمایاں حجم کے ساتھ ایڈوانسز میں خاصی کمی کے نتیجے میں بینک کی سودی آمدنی کم ہوگئی۔ مزید برآں، بینک کے سودی اخراجات میں 167.107 ملین روپے کا اضافہ درج کیا گیا جس کی بنیادی وجہ اوسط ڈپازٹس میں 8.4 ارب روپے کی تخفیف تھی۔ اس نے دوران مدد قرض گیری میں ہونے والی کمی کے مطابق قرض گیری میں پست مارک اپ اخراجات 274.647 ملین روپے کے اثر کو جزوی طور پر ازل کر دیا۔ نتیجتاً، بینک نے 1.217 ارب روپے کے خالص سودی اخراجات کیے جبکہ گزشتہ برس کی اسی مدت کے دوران 797.899 ملین روپے کے سودی اخراجات ہوئے تھے۔

بلنداوسط مہنگائی کے باوجود، مجموعی غیر سودی اخراجات 2019ء کی اسی مدت کے مقابلے میں 5 فیصد کم ہو گئے۔

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

**FOR THE NINE MONTHS  
PERIOD ENDED  
SEPTEMBER 30, 2020**

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

AS AT SEPTEMBER 30, 2020

		(Un-audited) September 30, 2020	(Audited) December 31, 2019
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	10,275,856	5,613,556
Balances with other banks	7	921,936	930,810
Lendings to financial institutions	8	-	991,272
Investments	9	33,363,261	21,959,499
Advances	10	34,091,198	43,242,325
Fixed assets	11	9,726,332	10,180,966
Intangible assets	12	102,912	148,557
Deferred tax assets	13	13,767,105	11,606,393
Other assets	14	10,440,875	11,202,160
		<b>112,689,475</b>	<b>105,875,538</b>
<b>LIABILITIES</b>			
Bills payable	16	1,859,799	1,815,836
Borrowings	17	14,736,879	13,504,780
Deposits and other accounts	18	99,667,196	88,567,490
Liabilities against assets subject to finance lease		-	-
Subordinated debt	19	1,495,515	1,495,515
Deferred tax liabilities		-	-
Other liabilities	20	5,485,946	6,090,140
		<b>123,245,335</b>	<b>111,473,761</b>
		<b>(10,555,860)</b>	<b>(5,598,223)</b>
<b>NET ASSETS</b>			
<b>REPRESENTED BY</b>			
Share capital - net		20,500,194	20,500,194
Reserves		(425,043)	(425,043)
Surplus / (deficit) on revaluation of assets	21	4,005,855	3,530,354
Accumulated losses		(34,636,866)	(29,203,728)
		<b>(10,555,860)</b>	<b>(5,598,223)</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	22		

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

\_\_\_\_\_  
President / Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director



**UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	Note	Quarter Ended		Nine Months Period Ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
(Rupees in '000)					
Mark-up / return / interest earned	23	1,294,526	1,371,593	4,080,994	4,332,512
Mark-up / return / interest expensed	24	1,405,670	1,961,339	5,297,518	5,130,411
Net Mark-up / interest expense		(111,144)	(589,746)	(1,216,524)	(797,899)
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	25	105,518	177,461	319,359	504,106
Dividend income		500	1,398	15,331	19,809
Foreign exchange income		5,762	104,290	173,050	361,759
Income / (loss) from derivatives		-	-	-	-
Gain / (loss) on securities	26	177,542	(16,452)	791,636	(19,100)
Other income	27	14,159	24,468	44,584	106,679
Total non-markup / interest income		303,481	291,165	1,343,960	973,253
Total income		192,337	(298,581)	127,436	175,354
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	28	1,268,116	1,356,856	3,772,104	3,960,475
Workers' welfare fund		-	-	-	-
Other charges	29	21,509	24,298	33,512	41,075
Total non-markup / interest expenses		1,289,625	1,381,154	3,805,616	4,001,550
Loss before provisions		(1,097,288)	(1,679,735)	(3,678,180)	(3,826,196)
Provisions and write offs - net Extra ordinary / unusual items	30	2,152,389	3,706,369	4,183,638	8,128,519
		-	-	-	-
<b>LOSS BEFORE TAXATION</b>		<b>(3,249,677)</b>	<b>(5,386,104)</b>	<b>(7,861,818)</b>	<b>(11,954,715)</b>
Taxation	31	(1,001,568)	(1,816,904)	(2,347,723)	(4,009,198)
<b>LOSS AFTER TAXATION</b>		<b>(2,248,109)</b>	<b>(3,569,200)</b>	<b>(5,514,095)</b>	<b>(7,945,517)</b>
----- (Rupees) -----					
<b>Basic loss per share</b>	32	<b>(0.85)</b>	<b>(1.35)</b>	<b>(2.09)</b>	<b>(3.01)</b>
<b>Diluted loss per share</b>	32	<b>(0.85)</b>	<b>(1.35)</b>	<b>(2.09)</b>	<b>(3.01)</b>

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	Quarter Ended		Nine Months Period Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	(Rupees in '000)			
Loss after taxation for the period	(2,248,109)	(3,569,200)	(5,514,095)	(7,945,517)
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>				
Movement in surplus / (deficit) on revaluation of investments - net of tax	143,364	346,159	518,677	482,305
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>				
Remeasurement gain on defined benefit obligations	-	-	14,532	-
Movement in surplus on revaluation of operating fixed assets - net of tax	8,247	8,832	23,249	26,496
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	316
	8,247	8,832	37,781	26,812
<b>Total comprehensive loss</b>	<b>(2,096,498)</b>	<b>(3,214,209)</b>	<b>(4,957,637)</b>	<b>(7,436,400)</b>

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

\_\_\_\_\_  
President / Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	Capital reserves		Surplus / (deficit) on revaluation of			Revenue reserve	Total		
	Share capital	Share premium	Statutory reserve	Reserve arising on amalgamation	Fixed / Non banking assets	Investments		Property held for sale	Accumulated losses
	(Rupees in '000)								
<b>Balance as at January 01, 2019 (Audited)</b>	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	-	-	-	-	-	-	-	-	(7945,517)
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 fixed assets	-	-	-	-	-	(15,911)	-	-	15,911
Surplus realized on disposal of non-banking assets	-	-	-	-	-	(902)	-	-	902
<b>Balance as at October 01, 2019 (Un-audited)</b>	20,500,194	1,000,000	154,162	(1,579,205)	(607,223)	2,846,135	754,510	(27,752,370)	(4,683,797)
Loss after taxation for the three months period ended December 31, 2019	-	-	-	-	-	-	-	-	(1,505,102)
Other comprehensive income - net of tax	-	-	-	-	551,022	39,240	-	-	414
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(25,169)	-	-	25,169
Surplus realized on disposal of fixed assets	-	-	-	-	-	(28,161)	-	-	28,161
Surplus realized on disposal of non-banking assets	-	-	-	-	-	-	-	-	-
<b>Balance as at January 01, 2020 (Audited)</b>	20,500,194	1,000,000	154,162	(1,579,205)	(56,201)	2,832,045	754,510	(29,203,728)	(6,598,223)
Loss after taxation for the nine months period ended September 30, 2020	-	-	-	-	-	-	-	-	(5,514,095)
Other comprehensive income - net of tax	-	-	-	-	518,677	23,249	-	-	14,532
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(66,425)	-	-	66,425
Surplus realized on disposal of fixed assets	-	-	-	-	-	-	-	-	-
Surplus realized on disposal of non-banking assets	-	-	-	-	-	-	-	-	-
<b>Balance as at September 30, 2020 (Un-audited)</b>	20,500,194	1,000,000	154,162	(1,579,205)	462,476	2,788,869	754,510	(34,636,866)	(10,555,860)

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, 2020

	September 30, 2020	September 30, 2019
Note	----- (Rupees in '000) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(7,861,818)	(11,954,715)
Less: Dividend income	(15,331)	(19,809)
	<u>(7,877,149)</u>	<u>(11,974,524)</u>
<b>Adjustments:</b>		
Depreciation on operating fixed assets	385,232	414,785
Depreciation on right-of-use assets	404,571	393,685
Depreciation on non-banking assets	32,812	32,812
Finance cost of lease liability	216,130	209,406
Amortization	46,341	46,605
Provision and write-offs excluding recoveries	4,184,240	8,128,489
Charge for defined benefit plan	38,821	42,230
Charge for employees compensated absences	12,732	10,499
Gain on sale of fixed assets	(1,869)	(35,524)
Unrealised loss on revaluation of investments classified as held-for-trading securities - net	496	384
	<u>5,319,506</u>	<u>9,243,371</u>
	<u>(2,557,643)</u>	<u>(2,731,153)</u>
<b>Decrease / (increase) in operating assets</b>		
Lendings to financial institutions	991,272	-
Held-for-trading securities	1,740	(9,725)
Advances	5,344,859	9,649,816
Others assets (excluding advance taxation)	701,929	1,283,488
	<u>7,039,800</u>	<u>10,923,579</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	43,963	(341,432)
Borrowings from financial institutions	1,359,071	(4,442,220)
Deposits	11,099,706	(1,431,925)
Other liabilities (excluding current taxation)	(493,570)	(728,075)
	<u>12,009,170</u>	<u>(6,943,652)</u>
Payments on account of staff retirement benefits	(140,453)	(47,924)
Income tax paid	(94,051)	(95,313)
<b>Net cash generated from operating activities</b>	<u>16,256,823</u>	<u>1,105,537</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	(10,934,388)	(442,868)
Dividends received	15,331	19,753
Investment in operating fixed assets	(50,502)	(437,596)
Investments in intangible assets	(696)	-
Proceeds from sale of fixed assets	2,390	457,777
Proceeds from sale of non-banking assets	-	10,000
<b>Net cash used in investing activities</b>	<u>(10,967,865)</u>	<u>(392,934)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liability against right-of-use assets	(508,560)	(654,276)
<b>Net cash used in financing activities</b>	<u>(508,560)</u>	<u>(654,276)</u>
Effect of exchange rate changes on cash and cash equivalents	107,226	181,424
<b>Increase in cash and cash equivalents</b>	<u>4,887,624</u>	<u>239,751</u>
Cash and cash equivalents at beginning of the period	6,266,085	5,852,297
<b>Cash and cash equivalents at end of the period</b>	<u>33</u> <u>11,153,709</u>	<u>6,092,048</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, 2020

**I. STATUS AND NATURE OF BUSINESS**

**I.1** Summit Bank Limited (the Bank) is a banking company incorporated in Pakistan on December 09, 2005 as public company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Bank's registered office is situated at Plot No. 9-C, F-6 Markaz, Supermarket, Islamabad, Pakistan. The Bank is a subsidiary of Suroor Investments Limited, a company incorporated in Mauritius, holding 66.77% of the issued, subscribed and paid up capital of the Bank as at September 30, 2020.

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

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

**I.3** During the nine months period ended September 30, 2020, the Bank has incurred a net loss of Rs. 5,514,095 million resulting in accumulated losses of Rs. 34,636,866 million and negative equity of Rs. 10,555,860 million. As per the applicable laws and regulations, the Bank is required to maintain Minimum Paid-up Capital (net of losses) (MCR) of Rs. 10 billion, Capital Adequacy Ratio (CAR) at 11.50% (inclusive of Capital Conservation Buffer of 1.50%), Leverage Ratio (LR) at 3.00%, Liquidity Coverage Ratio (LCR) at 100% and Net Stable Funding Ratio (NSFR) at 100% as of September 30, 2020. However, the paid up capital of the Bank (net of losses), CAR and LR are negative.

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

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

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

In this respect, the Bank had received a revised letter dated May 20, 2021 from H.E. Nasser Abdulla Hussain Lootha (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 submitted his offer via a letter dated October 01, 2021, as per the Share Subscription Agreement (SSA) dated October 04, 2021 entered between the Bank and The Investor for the proposed subscription of new ordinary shares in the Bank by way of fresh equity injection Without Rights Offering at a discounted price of Rs. 2.51 per share. The Investor presented the offer as set out in the Share Subscription Agreement which is duly approved by the Board of Directors. The Bank intends to issue total 5,976.096 million new ordinary shares.

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

## **2. BASIS OF PRESENTATION**

### **2.1 STATEMENT OF COMPLIANCE**

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

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

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

The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002 has deferred the applicability of 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, 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 financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

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

**2.2** Key financial figures of the Islamic banking branches are disclosed in note 38 to these unconsolidated condensed interim financial statements.

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

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

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank's accounting periods beginning on or after January 01, 2020. These are considered either not to be relevant or do not have any significant impact on the Bank's operations and therefore are not detailed in these unconsolidated condensed interim financial statements.

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

The SECP, through SRO229(I)/2019 dated February 14, 2019, has notified that IFRS 9, 'Financial Instruments', is applicable for accounting periods ending on or after June 30, 2019. However, as per the SBP's BPRD Circular No. 04 of 2019 dated October 23, 2019, the applicability of IFRS 9 to banks in Pakistan has been deferred to accounting periods beginning on or after January 01, 2021. The impact of the application of IFRS 9 on the Bank's unconsolidated condensed interim financial statements is being assessed.



## 2.6 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, 2019.

## 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, 2019.

## 5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2019 except for the following additional considerations due to COVID-19:

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rate by 625 basis points since beginning of the year to 7% in June 2020. Other regulatory measures to provide an impetus to economic activity include the following:

- Reduction in the capital conservation buffer by 100 basis points to 1.5%;
- Increasing the regulatory limit on extension of credit to SMEs to Rs 180 million;
- Relaxing the debt burden ratio for consumer loans from 50% to 60%;
- Allowing banks to defer borrowers' principal loan payments by one year;
- Relaxing regulatory criteria for restructured / rescheduled loans for borrowers who require relief of principal repayment exceeding one year and / or mark-up and
- Introducing refinancing schemes for payment of wages and salaries, setting up of Covid - 19 related facilities / new hospitals and import of plant and machinery for new / existing industrial projects.

COVID-19 impacts banks in Pakistan on a number of fronts including increase in overall credit risk pertaining to the loans and advances portfolio, reduced fee income due to overall slowdown in economic activity, continuity of business operations and managing cybersecurity threat as a significant number of the Bank's staff is working from home and an ever increasing number of customers are being encouraged to use digital channels.

### 5.1 Credit Risk Management

The Risk Management function of the Bank is regularly conducting assessments of the credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment. The Bank has further strengthened its credit review procedures in the light of COVID-19. The Bank is continuously reviewing the portfolio, to identify accounts susceptible to higher risk, resulting from the COVID-19 outbreak.

## 5.2 Liquidity Risk Management

The Bank has received applications for deferral of principal and / or restructuring / rescheduling and is expected to receive further such applications. These applications are being reviewed by the Bank as per its established policies. The Asset and Liability Committee (ALCO) of the Bank is continuously monitoring the liquidity position.

## 5.3 Equity Risk Management

The carrying value of the Bank's investment in listed equity securities classified as available-for-sale amounts to Rs. 2,018 billion as at September 30, 2020. During the period, the Pakistan Stock Exchange index fell by 0.40%, triggering an impairment of Rs. 69.512 million which has been recorded in these unconsolidated condensed interim financial statements.

## 5.4 Operational Risk Management

The Bank is closely monitoring the situation and has invoked required actions to ensure the safety and security of the Bank's staff and uninterrupted service to customers. The senior management of the Bank is continuously monitoring the situation and is taking timely decisions to resolve any concerns.

Business Continuity Plans (BCP) for respective areas are in place. The Bank has significantly enhanced monitoring of cyber security risk during these times. The remote work capabilities were enabled for staff, where required, and related risk and control measures were assessed to ensure that the Bank's information assets are protected from emerging cyber threats and comply with the regulatory protocols required under the circumstances. The Bank is communicating with its customers on how they can connect with the Bank through its full suite of channels including digital and online channels. The Bank has taken all measures to ensure that service levels are maintained, customer complaints are resolved and turn around times are monitored and the Bank continues to meet the expectations of its employees and customers.

## 5.5 Capital Adequacy Ratio (CAR)

In order to encourage Bank to continue lending despite anticipated pressure on profits and credit risk, the SBP has relaxed the Capital Conversion Buffer (CCB) requirements to 1.5%, resulting in a 1% decline in CAR requirements for all Tiers.

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
	----- (Rupees in '000) -----	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>		
<b>In hand</b>		
Local currency	3,745,348	2,918,520
Foreign currency	396,822	375,536
	<b>4,142,170</b>	<b>3,294,056</b>
<b>With State Bank of Pakistan in</b>		
Local currency current account	4,792,905	961,761
Foreign currency current account	398,514	370,395
Foreign currency deposit account	217,597	146,827
	<b>5,409,016</b>	<b>1,478,983</b>
With National Bank of Pakistan in Local currency current account	<b>720,492</b>	<b>789,312</b>
Prize bonds	<b>4,178</b>	<b>51,205</b>
	<b>10,275,856</b>	<b>5,613,556</b>
<b>7. BALANCES WITH OTHER BANKS</b>		
<b>In Pakistan</b>		
In current account	9,796	31,308
In deposit account	50,945	76,337
	<b>60,741</b>	<b>107,645</b>
<b>Outside Pakistan</b>		
In current account	474,477	247,906
In deposit account	386,718	575,259
	<b>861,195</b>	<b>823,165</b>
	<b>921,936</b>	<b>930,810</b>

(Un-audited) (Audited)  
September 30, December 31,  
2020 2019  
----- (Rupees in '000) -----

**8. LENDINGS TO FINANCIAL INSTITUTIONS**

Call money lending	-	200,000
Repurchase agreement lendings (Reverse Repo)	-	791,272
	-	991,272
Less: provision held against Lendings to Financial Institutions	-	-
Lendings to Financial Institutions - net of provision	-	991,272

**9. INVESTMENTS**

**9.1 Investments by type:**

	September 30, 2020 (Un-audited)				December 31, 2019 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value
----- (Rupees in '000) -----								
<b>Held-for-trading securities</b>								
Shares	3,802	-	(496)	3,306	5,850	-	(308)	5,542
<b>Available-for-sale securities</b>								
<b>Federal Government Securities</b>								
- Market Treasury Bills	25,855,068	-	9,972	25,865,040	3,050,459	-	13,210	3,063,669
- Pakistan Investment Bonds	295,238	-	13,555	308,793	15,551,796	-	(563,399)	14,988,397
- GoP Ijarah Sukuks	4,988,362	-	(53,661)	4,934,701	1,600,000	-	(16,000)	1,584,000
<b>Shares</b>								
- Fully paid up ordinary shares - Listed	4,147,681	(2,871,477)	741,636	2,017,840	4,147,681	(2,801,965)	479,726	1,825,442
- Fully paid up ordinary shares - Unlisted	2,830	(1,000)	-	1,830	2,830	(1,000)	-	1,830
- Preference shares - Unlisted	46,035	(46,035)	-	-	46,035	-	-	46,035
<b>Non Government Debt Securities</b>								
- Term Finance Certificates	1,598,325	(1,598,325)	-	-	1,600,350	(1,437,765)	-	162,585
- Sukuk Bonds	200,000	(200,000)	-	-	200,000	(200,000)	-	-
	37,133,539	(4,716,837)	711,502	33,128,204	26,199,151	(4,440,730)	(86,463)	21,671,958
<b>Subsidiary</b>	396,942	(165,191)	-	231,751	396,942	(114,943)	-	281,999
<b>Total Investments</b>	37,534,283	(4,882,028)	711,006	33,363,261	26,601,943	(4,555,673)	(86,771)	21,959,499

(Un-audited) (Audited)  
September 30, December 31,  
2020 2019  
----- (Rupees in '000) -----

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

Pakistan Investment Bonds	305,272	5,443,670
Market Treasury Bills	7,589,404	-
	7,894,676	5,443,670

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

Opening balance	4,555,673	3,271,639
Charge / reversals		
Charge for the period / year	328,380	1,287,284
Reversals for the period / year	(2,025)	(3,250)
	326,355	1,284,034
Closing balance	4,882,028	4,555,673

**9.3 Particulars of provision against debt securities**

**Category of classification**

**Domestic**

Doubtful  
Loss

September 30, 2020 (Un-audited)		December 31, 2019 (Audited)	
NPI	Provision	NPI	Provision
----- (Rupees in '000) -----			
-	-	281,567	118,982
<b>1,798,325</b>	<b>1,798,325</b>	1,518,783	1,518,783
<b>1,798,325</b>	<b>1,798,325</b>	1,800,350	1,637,765

**9.4** Pursuant to the applicable Prudential Regulations, the Bank had 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 as at September 30, 2020 would have been higher by Rs. Nil (December 31, 2019: Rs. 21.802 million). This had a net of tax positive impact of Rs. Nil (December 31, 2019: Rs. 14.171 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, 2020	(Audited) December 31, 2019	(Un-audited) September 30, 2020	(Audited) December 31, 2019	(Un-audited) September 30, 2020	(Audited) December 31, 2019
Note	----- (Rupees in '000) -----					
Loans, cash credits, running finances, etc.	<b>22,253,439</b>	27,027,711	<b>39,210,457</b>	39,955,184	<b>61,463,896</b>	66,982,895
Islamic financing and related assets	<b>3,279,233</b>	3,767,335	<b>901,845</b>	809,541	<b>4,181,078</b>	4,576,876
Bills discounted and purchased	<b>278,050</b>	549,377	<b>77,089</b>	77,089	<b>355,139</b>	626,466
Advances - gross	<b>25,810,722</b>	31,344,423	<b>40,189,391</b>	40,841,814	<b>66,000,113</b>	72,186,237
Provision against advances						
- Specific	-	-	<b>(31,884,909)</b>	(28,903,404)	<b>(31,884,909)</b>	(28,903,404)
- General	<b>(24,006)</b>	(40,508)	-	-	<b>(24,006)</b>	(40,508)
	<b>(24,006)</b>	(40,508)	<b>(31,884,909)</b>	(28,903,404)	<b>(31,908,915)</b>	(28,943,912)
Advances - net of provision	<b>25,786,716</b>	31,303,915	<b>8,304,482</b>	11,938,410	<b>34,091,198</b>	43,242,325

**10.1 Particulars of advances (Gross)**

In local currency  
In foreign currencies

(Un-audited) September 30, 2020	(Audited) December 31, 2019
----- (Rupees in '000) -----	
<b>65,708,345</b>	71,880,922
<b>291,768</b>	305,315
<b>66,000,113</b>	72,186,237

**10.2** Advances include Rs. 40,189.391 million (December 31, 2019: Rs. 40,841.814 million) which have been placed under non-performing status as detailed below:

**Category of Classification**

**Domestic**

Other Assets Especially Mentioned  
Substandard  
Doubtful  
Loss

September 30, 2020 (Un-audited)		December 31, 2019 (Audited)	
Non Performing Loans	Provision	Non Performing Loans	Provision
----- (Rupees in '000) -----			
<b>22,919</b>	<b>2,269</b>	8,963	873
<b>135,424</b>	<b>8,961</b>	2,057,443	339,271
<b>846,206</b>	<b>85,404</b>	1,668,552	109,872
<b>39,184,842</b>	<b>31,788,275</b>	37,106,856	28,453,388
<b>40,189,391</b>	<b>31,884,909</b>	40,841,814	28,903,404



**11.3 Transfer / Disposal of fixed assets**

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

	(Un-audited)	
	September 30, 2020	September 30, 2019
	----- (Rupees in '000) -----	
<b>Capital work-in-progress</b>	<b>64,559</b>	304,284
<b>Property and equipment</b>		
Leasehold land	-	104,010
Building improvements	21	144
Building on leasehold land	-	89
Electrical, office and computer equipment	517	5,752
Furniture and fixture	31	23
Vehicles	-	3,325
	<b>569</b>	113,343
<b>Total</b>	<b>65,128</b>	417,627

**12. INTANGIBLE ASSETS**

	(Un-audited)		(Audited)	
	September 30, 2020	September 30, 2019	December 31, 2019	
	----- (Rupees in '000) -----			
Capital work-in-progress	12.1	45,098	47,187	
Intangible assets in use	12.2	57,814	101,370	
		<b>102,912</b>	148,557	

**12.1 Capital work-in-progress**

Advances to suppliers and contractors	45,098	47,187
Advances against capital work in progress considered doubtful	141,224	141,224
Less: Provision held there against	(141,224)	(141,224)
	-	-
	<b>45,098</b>	47,187

**12.2 Intangible assets in use**

Computer softwares	41,807	58,834
Core deposits	8,806	24,547
Brand name	7,201	17,989
	<b>57,814</b>	101,370

**12.3 Additions to intangible assets**

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

Directly purchased	2,785	12,116
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12.4 There were no disposals in intangible assets during the current and prior period.



**13. DEFERRED TAX ASSETS**

<b>September 30, 2020 (Un-audited)</b>			
At January 01, 2020	Recognised in profit and loss account	Recognised in other comprehensive income	At September 30, 2020
----- (Rupees in '000) -----			

**Deductible Temporary Differences on**

- Tax losses carried forward
- Provision against advances, off balance sheet etc.
- Provision for impairment loss - Investment
- Provision against intangible assets
- Staff compensated absences
- Unrealized gain on forward exchange contracts
- Provision against other assets

5,889,304	1,365,404	-	7,254,708
5,826,396	903,707	-	6,730,103
1,594,486	114,224	-	1,708,710
43,107	-	-	43,107
38,358	2,434	-	40,792
4,294	6,844	-	11,138
149,656	-	-	149,656
<b>13,545,601</b>	<b>2,392,613</b>	<b>-</b>	<b>15,938,214</b>

**Taxable Temporary Differences on**

- Deficit / (surplus) on revaluation of investments
- Unrealised loss on HFT Portfolio
- Surplus on revaluation of fixed assets
- Surplus on revaluation of property - held for sale
- Surplus on revaluation of non-banking assets
- Accelerated tax depreciation

30,262	-	(279,288)	(249,026)
108	(282)	-	(174)
(1,026,325)	-	23,249	(1,003,076)
(406,274)	-	-	(406,274)
(156,349)	-	-	(156,349)
(380,630)	24,420	-	(356,210)
<b>(1,939,208)</b>	<b>24,138</b>	<b>(256,039)</b>	<b>(2,171,109)</b>

<b>11,606,393</b>	<b>2,416,751</b>	<b>(256,039)</b>	<b>13,767,105</b>
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<b>December 31, 2019 (Audited)</b>			
At January 01, 2019	Recognised in profit and loss account	Recognised in other comprehensive income	At December 31, 2019
----- (Rupees in '000) -----			

**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
- Unrealized gain on forward exchange contracts
- Provision against other assets

3,811,924	2,077,380	-	5,889,304
586,669	-	(556,407)	30,262
3,433,882	2,392,514	-	5,826,396
1,145,074	449,412	-	1,594,486
43,107	-	-	43,107
35,380	2,978	-	38,358
-	108	-	108
3,078	1,216	-	4,294
149,656	-	-	149,656
<b>9,208,770</b>	<b>4,923,608</b>	<b>(556,407)</b>	<b>13,575,971</b>

**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 tax depreciation

(1,063,624)	-	37,299	(1,026,325)
(406,274)	-	-	(406,274)
(141,353)	-	(14,996)	(156,349)
(382,530)	1,900	-	(380,630)
<b>(1,993,781)</b>	<b>1,900</b>	<b>22,303</b>	<b>(1,969,578)</b>

<b>7,214,989</b>	<b>4,925,508</b>	<b>(534,104)</b>	<b>11,606,393</b>
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- 13.1** The net deferred tax asset has been recognized in accordance with the Bank's accounting policy. The management, based on financial projections, estimates that sufficient taxable profits would be available in future against which the deferred tax asset could be realized. The projections includes certain key assumptions underlying management's estimation of profits. Any significant change in such assumptions may have effect on the recoverability of deferred tax asset. The management believes that it is probable that the Bank would be able to achieve the profits and consequently, the deferred tax amount will be fully realized in future.

		(Un-audited) September 30, 2020	(Audited) December 31, 2019
		----- (Rupees in '000) -----	
<b>14. OTHER ASSETS</b>	<b>Note</b>		
Income / mark-up accrued in local currency		807,487	1,325,130
Income / mark-up accrued in foreign currency		3,023	1,768
Advances, deposits, advance rent and other prepayments		340,269	294,760
Advance taxation (payments less provisions)		623,152	598,129
Non-banking assets acquired in satisfaction of claims		2,717,015	2,749,827
Branch adjustment account		20	-
Receivable from other banks against clearing and settlement		319,637	218,053
Mark to market gain on forward foreign exchange contracts		71	6,079
Acceptances		296,989	453,864
Stationery and stamps on hand		8,949	9,093
Commission receivable on home remittance		34,322	162,594
Property - Held for sale	14.1	3,838,719	3,838,719
Others		482,405	523,758
		<u>9,472,058</u>	<u>10,181,774</u>
Less: Provision held against other assets	14.2	(638,679)	(587,110)
Other assets (net of provision)		<u>8,833,379</u>	<u>9,594,664</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		446,712	446,712
Surplus on revaluation of property - held for sale		1,160,784	1,160,784
Other assets - total		<u>10,440,875</u>	<u>11,202,160</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 is carried at lower of market value / fair value less cost to sell and carrying amount.

		(Un-audited) September 30, 2020	(Audited) December 31, 2019
		----- (Rupees in '000) -----	
<b>14.2 Provision held against other assets</b>			
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		137,617	136,048
Receivable from Speedway Fondmetal (Pakistan) Limited		25,694	25,694
Others		59,452	9,452
		<u>638,679</u>	<u>587,110</u>

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

Opening balance	587,110	584,840
Charge for the period / year	51,905	2,317
Reversals for the period / year	(336)	-
Amount written off	-	(47)
Closing balance	<u>638,679</u>	<u>587,110</u>

(Un-audited) (Audited)  
September 30, December 31,  
2020 2019  
----- (Rupees in '000) -----

**15. CONTINGENT ASSETS**

There were no contingent assets at the balance sheet date.

**16. BILLS PAYABLE**

In Pakistan	1,859,799	1,815,836
Outside Pakistan	-	-
	1,859,799	1,815,836

**17. BORROWINGS**

**Secured**

Borrowings from State Bank of Pakistan

- Under export refinance scheme	6,072,519	6,780,140
- Under Islamic Export Refinance Scheme (IERF)	300,000	250,000
- Under long-term financing facility	757,475	857,219
- Refinance facility for modernization of SMEs	4,631	5,650
- Repurchase agreement borrowings	5,960,667	5,440,716
	13,095,292	13,333,725

Repurchase agreement borrowings	1,597,504	-
<b>Total secured</b>	14,692,796	13,333,725

**Unsecured**

Overdrawn nostro accounts

Overdrawn nostro accounts	44,083	171,055
<b>Total unsecured</b>	44,083	171,055
	14,736,879	13,504,780

**17.1 Particulars of borrowings with respect to currencies**

In local currency	14,692,796	13,333,725
In foreign currencies	44,083	171,055
	14,736,879	13,504,780

**18. DEPOSITS AND OTHER ACCOUNTS**

September 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----					

**Customers**

Current deposits	28,070,942	1,313,384	29,384,326	25,059,806	1,390,243	26,450,049
Savings deposits	44,009,033	3,589,357	47,598,390	41,131,498	1,290,353	42,421,851
Term deposits	14,271,313	2,922,152	17,193,465	11,202,150	3,032,909	14,235,059
Others	2,535,136	26,059	2,561,195	3,323,784	24,352	3,348,136
	88,886,424	7,850,952	96,737,376	80,717,238	5,737,857	86,455,095

**Financial institutions**

Current deposits	454,210	64,975	519,185	673,169	286,055	959,224
Savings deposits	2,021,037	5	2,021,042	741,040	5	741,045
Term deposits	389,593	-	389,593	412,126	-	412,126
Others	-	-	-	-	-	-
	2,864,840	64,980	2,929,820	1,826,335	286,060	2,112,395

	91,751,264	7,915,932	99,667,196	82,543,573	6,023,917	88,567,490
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- 18.1** Deposits include Eligible Deposits of Rs. 63,882.633 million (December 31, 2019: Rs. 55,745.364 million) protected under Depositors Protection Mechanism introduced by the State Bank of Pakistan.
- 18.2** Deposits include USD 13.180 million held by H.E. Nasser Abdulla Hussain Lootah (The Investor) in FCY deposit account.

**19. SUBORDINATED DEBT**

Issue amount	Rs.1,500,000,000
Issue date	October 27, 2011
Maturity date	October 27, 2021 (December 31, 2019: October 27, 2020)

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

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

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

	Note	(Un-audited)	(Audited)
		September 30, 2020	December 31, 2019
----- (Rupees in '000) -----			
<b>20. OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		1,115,870	1,229,525
Mark-up / return / interest payable in foreign currencies		232	459
Unearned income		10,038	8,986
Accrued expenses		78,960	77,216
Advance against sale of property		432,331	476,544
Acceptances		296,989	453,864
Unclaimed dividends		2,213	2,213
Mark to market loss on forward foreign exchange contracts		31,892	18,348
Payable to defined benefit plan		24,289	134,673
Charity fund balance		1,920	504
Branch adjustment account		-	80
Security deposits against lease		531,913	639,574
Payable to Bangladesh Bank		41,389	41,389
Payable to Rupali Bank - Bangladesh		16,293	16,293
Payable to vendors / creditors		201,454	199,376
Provision for compensated absences		116,544	109,592
Payable to Bank of Ceylon, Colombo		20,163	20,163
Retention money		20,166	29,374
Workers' welfare fund		13,360	13,360
Withholding taxes and government levies payable		30,103	26,010
Federal excise duty and sales tax payable		5,259	10,135
Commission payable on home remittances		25,148	137,909
Lease liability against right-of-use assets		2,112,490	2,119,682
Others		356,930	324,871
		<b>5,485,946</b>	<b>6,090,140</b>

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

Surplus / (deficit) on revaluation of			
- Available for sale securities	9.1	711,502	(86,463)
- Fixed assets		3,501,582	3,568,007
- Non-banking assets acquired in satisfaction of claims	14	446,712	446,712
- Property - held for sale	14	1,160,784	1,160,784
		<b>5,820,580</b>	<b>5,089,040</b>
Deferred tax on surplus / (deficit) on revaluation of:			
- Available for sale securities		(249,026)	30,262
- Fixed assets		(1,003,076)	(1,026,325)
- Non-banking assets acquired in satisfaction of claims		(156,349)	(156,349)
- Property - held for sale		(406,274)	(406,274)
		<b>(1,814,725)</b>	<b>(1,558,686)</b>
		<b>4,005,855</b>	<b>3,530,354</b>

**22. CONTINGENCIES AND COMMITMENTS**

- Guarantees	22.1	13,130,339	19,912,355
- Commitments	22.2	23,208,910	24,718,660
- Other contingent liabilities	22.3	18,395,269	11,632,928
		<b>54,734,518</b>	<b>56,263,943</b>

**22.1 Guarantees:**

Financial guarantees	23,677	23,677
Performance guarantees	11,289,721	16,025,962
Other guarantees	1,816,941	3,862,716
	<b>13,130,339</b>	<b>19,912,355</b>

		(Un-audited) September 30, 2020	(Audited) December 31, 2019
	Note	----- (Rupees in '000) -----	
<b>22.2 Commitments:</b>			
Documentary credits and short-term trade-related transactions			
- letters of credit		2,105,363	6,953,447
Commitments in respect of:			
- forward foreign exchange contracts	22.2.1	6,617,217	5,507,866
- forward lending	22.2.2	6,762,466	6,598,509
- operating leases	22.2.3	50,005	46,310
Commitments for acquisition of:			
- operating fixed assets		2,491	75,637
- intangible assets		113,197	96,175
Other commitments	22.2.4	7,558,171	5,440,716
		<u>23,208,910</u>	<u>24,718,660</u>
<b>22.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		6,226,391	4,815,225
Sale		390,826	692,641
		<u>6,617,217</u>	<u>5,507,866</u>
<b>22.2.2 Commitments in respect of forward lending</b>			
Forward documentary bills		4,694,061	4,465,388
Undrawn formal standby facilities, credit lines and other commitments to lend	22.2.2.1	2,068,405	2,133,121
		<u>6,762,466</u>	<u>6,598,509</u>
<b>22.2.2.1</b> 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.			
<b>22.2.3 Commitments in respect of operating lease</b>		(Un-audited) September 30, 2020	(Audited) December 31, 2019
		----- (Rupees in '000) -----	
Not later than one year		50,005	46,310
Later than one year and not later than five years		-	-
Later than five years		-	-
		<u>50,005</u>	<u>46,310</u>
<b>22.2.4 Other commitments</b>			
Purchase (Repo)		7,558,171	5,440,716
<b>22.3 Other contingent liabilities - claims against the Bank not acknowledged as debts</b>		<u>18,395,269</u>	<u>11,632,928</u>
<b>22.4</b> During the year 2018, Law Enforcement Agencies (LEAs) initiated its investigation on certain bank accounts alleged for money laundering activities in various banks including Summit Bank Limited. The Honourable Supreme Court of Pakistan under Suo Moto Case HRC-39216-G, appointed a Joint Investigation Team (JIT) which was constituted to investigate the matter. On recommendation of JIT, the matter was referred by the Honourable Supreme Court to the National Accountability Bureau (NAB) for further investigation and filing of references in the National Accountability Courts. The matter is currently under NAB investigations and only partial references have been filed in the NAB Courts. The Bank has been and is committed to extending its full cooperation to the Law Enforcement Agencies in their investigations to the best extent possible and the matter is currently sub judice. These proceedings in the opinion of the management will not have any effect on the operations and functioning of the Bank.			
<b>22.5 Contingency for tax payable</b>			
Contingency related to tax payable is disclosed in note 31.2.			

		(Un-audited)	
		Nine months ended	
		September 30, 2020	September 30, 2019
		----- (Rupees in '000) -----	
<b>23.</b>	<b>MARK-UP / RETURN / INTEREST EARNED</b>	Note	
	On:		
	Loans and advances	2,324,174	3,326,055
	Investments	1,713,485	954,693
	Lendings to financial institutions	34,096	36,969
	Balances with banks	9,239	14,795
		<u>4,080,994</u>	<u>4,332,512</u>
<b>24.</b>	<b>MARK-UP / RETURN / INTEREST EXPENSED</b>		
	On:		
	Deposits	3,977,770	3,502,286
	Borrowings	621,278	895,925
	Subordinated debt	149,985	154,238
	Cost of foreign currency swaps against foreign currency deposits / borrowings	332,355	368,556
	Finance cost of lease liability	216,130	209,406
		<u>5,297,518</u>	<u>5,130,411</u>
<b>25.</b>	<b>FEE AND COMMISSION INCOME</b>		
	Branch banking customer fees	17,591	11,716
	Consumer finance related fees	6,860	2,579
	Card related fees (debit cards)	47,790	69,476
	Credit related fees	4,496	7,640
	Investment banking fees	16,418	5,359
	Commission on trade	121,716	157,604
	Commission on guarantees	86,354	121,345
	Commission on cash management	1,162	2,870
	Commission on remittances including home remittances	10,350	45,095
	Commission on bancassurance	1,016	1,786
	Commission on Benazir Income Support Programme	1	63,864
	Alternate delivery channels	5,594	14,580
	Others	11	192
		<u>319,359</u>	<u>504,106</u>
<b>26.</b>	<b>GAIN / (LOSS) ON SECURITIES</b>		
	Realised	26.1 792,132	(18,716)
	Unrealised - held for trading	(496)	(384)
		<u>791,636</u>	<u>(19,100)</u>
<b>26.1</b>	<b>Realised gain / (loss) on:</b>		
	Federal Government Securities	789,631	(29,269)
	Shares	2,501	10,553
		<u>792,132</u>	<u>(18,716)</u>

		(Un-audited) Nine months ended	
		September 30, 2020	September 30, 2019
		----- (Rupees in '000) -----	
<b>27.</b>	<b>OTHER INCOME</b>	Note	
	Rent on property / locker	17,738	16,338
	Gain on sale of fixed assets - net	1,869	35,524
	Gain on sale of ijarah assets	6,760	2,772
	Account maintenance and other relevant charges	7,547	38,816
	Recovery of expenses from customers	7,979	12,929
	Gain on cancellation of sale contract	2,691	-
	Others	-	300
		<u>44,584</u>	<u>106,679</u>
<b>28.</b>	<b>OPERATING EXPENSES</b>		
	<b>Total compensation expense</b>	<b>28.1</b>	<b>1,288,676</b>
			1,249,775
	<b>Property expense</b>		
	Rent and taxes	114,274	112,007
	Insurance - property	3,521	3,989
	Insurance - non banking assets	354	80
	Utilities cost	166,222	191,888
	Security (including guards)	145,984	124,313
	Repair and maintenance (including janitorial charges)	93,444	78,636
	Depreciation on owned fixed assets	205,720	221,479
	Depreciation on right-of-use assets	404,571	393,685
	Depreciation on non banking assets	32,812	32,812
		<u>1,166,902</u>	<u>1,158,889</u>
	<b>Information technology expenses</b>		
	Software maintenance	68,165	43,540
	Hardware maintenance	71,291	48,976
	Depreciation on computer equipments	71,774	82,315
	Amortisation on computer softwares	19,813	20,077
	Network charges	63,639	65,323
	Insurance	1,343	649
		<u>296,025</u>	<u>260,880</u>
	<b>Other operating expenses</b>		
	Directors' fees and allowances	2,750	550
	Fees and allowances to Shariah Board	6,185	3,600
	Legal and professional charges	97,871	248,739
	Outsourced services costs	112,408	98,523
	Travelling and conveyance	107,014	118,073
	NIFT clearing charges	17,553	20,830
	Depreciation	107,738	110,991
	Amortisation of core deposits and brand name	26,528	26,528
	Training and development	2,050	3,687
	Postage and courier charges	26,526	33,185
	Communication	36,409	35,026
	Stationery and printing	61,607	77,628
	Marketing, advertisement and publicity	15,296	21,649
	Brokerage and commission	1,505	2,155
	Fee and subscription	71,811	86,467
	Cash transportation and sorting charges	55,643	74,438
	Entertainment	21,297	24,723
	Insurance	96,322	108,946
	Deposit insurance premium expense	77,519	74,149
	Repairs and maintenance	59,811	65,656
	Auditors' remuneration	7,760	12,251
	Others	8,898	43,137
		<u>1,020,501</u>	<u>1,290,931</u>
		<u>3,772,104</u>	<u>3,960,475</u>



		(Un-audited) Nine months ended	
		September 30, 2020	September 30, 2019
		----- (Rupees in '000) -----	
<b>28.1</b>	<b>Total compensation expense</b>	Note	
	Fees and allowances etc.	17,067	26,538
	Managerial remuneration		
	i) Fixed	793,463	763,668
	ii) Variable		
	of which;		
	a) Cash bonus / awards etc.	4,228	4,269
	b) Incentives and commission	846	1,323
	Charge for defined benefit plan	38,821	42,230
	Contribution to defined contribution plan	49,750	41,678
	Charge for employees compensated absences	12,732	10,499
	Rent and house maintenance	256,067	247,327
	Utilities	56,902	54,958
	Medical	58,800	57,285
	Total	<u>1,288,676</u>	<u>1,249,775</u>
<b>29.</b>	<b>OTHER CHARGES</b>		
	Penalties imposed by State Bank of Pakistan	16,775	24,457
	Bank charges	16,737	16,618
		<u>33,512</u>	<u>41,075</u>
<b>30.</b>	<b>PROVISIONS AND WRITE OFFS - NET</b>		
	Provisions for diminution in value of investments	326,355	1,165,728
	Provisions against loans and advances	3,805,296	6,960,102
	Provision against other assets	51,569	2,531
	Fixed assets written off	48	-
	Bad debts written off directly	972	128
	Balance with other banks written off	-	30
	Recoveries against written off / charged off bad debts	(602)	-
		<u>4,183,638</u>	<u>8,128,519</u>
<b>31.</b>	<b>TAXATION</b>		
	Current	31.1 & 31.2 69,028	65,673
	Prior years	-	-
	Deferred	(2,416,751)	(4,074,871)
		<u>(2,347,723)</u>	<u>(4,009,198)</u>
<b>31.1</b>	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.		
<b>31.2</b>	The Income Tax Returns of the Bank have been submitted up to and including the Bank's financial year ended December 31, 2018 i.e. tax year 2019.		
	In respect of assessments of Summit Bank Limited from tax year 2008 to tax year 2014, 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 Summit Bank Limited AJK Region from tax year 2013 to tax year 2017, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand of Rs. 9.684 million through amended assessment orders and the same have been paid / adjusted against advance tax paid.		
	In respect of assessments of ex-My Bank Limited (now Summit Bank Limited) from tax year 2003 to tax year 2011, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand of Rs. 456.62 million through amended assessment orders and the same have been paid / adjusted against available refunds.		
	In respect of assessments of ex-Atlas Bank Limited (now Summit Bank Limited) from tax year 2003 to tax year 2010, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand of Rs. 89.74 million through amended assessment orders and the same have been paid/adjusted against available refunds.		

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

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

		(Un-audited) Nine months ended	
		September 30, 2020	September 30, 2019
		----- (Rupees in '000) -----	
<b>32.</b>	<b>BASIC AND DILUTED LOSS PER SHARE</b>	Note	
	Loss for the period	<u>(5,514,095)</u>	<u>(7,945,517)</u>
		----- (Number of shares) -----	
	Weighted average number of ordinary shares - Basic	<u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupees) -----	
	Basic loss per share	<u>(2.09)</u>	<u>(3.01)</u>
		----- (Number of shares) -----	
	Weighted average number of ordinary shares - Diluted	<b>32.1</b> <u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupees) -----	
	Diluted loss per share	<u>(2.09)</u>	<u>(3.01)</u>

**32.1** There are no potential ordinary shares outstanding as of September 30, 2020.

		(Un-audited) Nine months ended	
		September 30, 2020	September 30, 2019
		----- (Rupees in '000) -----	
<b>33.</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and balances with treasury banks	<u>10,275,856</u>	5,308,826
	Balances with other banks	<u>921,936</u>	899,213
	Overdrawn nostro accounts	<u>(44,083)</u>	(115,991)
		<u>11,153,709</u>	<u>6,092,048</u>

**34. FAIRVALUE MEASUREMENTS**

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

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

**34.1 Fair value of financial assets**

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

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

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

September 30, 2020 (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	31,108,534	-	31,108,534
- Shares - Listed	2,021,146	-	2,021,146

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

Investments			
- Shares - Unlisted	-	2,349	2,349

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

Operating fixed assets			
- Non banking assets acquired in satisfaction of claims	-	2,873,180	2,873,180

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

Forward purchase of foreign exchange			
-	6,194,673	-	6,194,673
Forward sale of foreign exchange	-	390,929	390,929

December 31, 2019 (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	19,636,066	-	19,636,066
- Shares - Listed	1,830,984	-	1,830,984

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

Investments			
- Shares - Unlisted	-	2,349	2,349

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

Operating fixed assets			
- Non banking assets acquired in satisfaction of claims	-	2,905,992	2,905,992

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

Forward purchase of foreign exchange			
-	4,800,861	-	4,800,861
Forward sale of foreign exchange	-	690,545	690,545

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

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

35. SEGMENT INFORMATION

35.1 Segment Details with respect to business activities

For the nine months period ended September 30, 2020 (Un-audited)					
Corporate finance	Trading and sales	Branch banking	Islamic	Others	Total
(Rupees in '000)					
<b>Profit and loss</b>					
Net mark-up / return / profit	(430)	767,295	(1,730,645)	(252,744)	(1,216,524)
Inter segment revenue - net	-	(1,048,975)	-	1,048,975	-
Non mark-up / return / interest income	14,290	1,045,591	299,204	-	1,343,960
<b>Total income</b>	<b>13,860</b>	<b>763,911</b>	<b>(1,431,441)</b>	<b>781,106</b>	<b>127,436</b>
Segment direct expenses	1,655	343,295	3,219,685	208,169	3,805,616
Inter segment expense allocation	-	-	(342,312)	342,312	-
<b>Total expenses</b>	<b>1,655</b>	<b>343,295</b>	<b>2,877,373</b>	<b>550,481</b>	<b>3,805,616</b>
Provisions	-	276,107	3,797,812	59,471	4,183,638
<b>Profit / (loss) before tax</b>	<b>12,205</b>	<b>144,509</b>	<b>(8,106,626)</b>	<b>171,154</b>	<b>(7,861,818)</b>

As at September 30, 2020 (Un-audited)					
Corporate finance	Trading and sales	Branch banking	Islamic	Others	Total
(Rupees in '000)					
<b>Balance Sheet</b>					
Cash and bank balances	-	5,269,264	4,840,477	1,088,051	11,197,792
Investments	-	28,296,527	1,394,733	3,440,250	33,363,261
Net inter segment lending	-	1,000,000	-	12,321,403	13,321,403
Lendings to financial institutions	-	-	-	-	-
Advances - performing	-	-	22,513,583	3,273,133	25,786,716
Advances - non-performing	-	-	8,151,679	152,803	8,304,482
Others	44,677	7,715,143	13,444,700	727,726	34,037,224
<b>Total assets</b>	<b>44,677</b>	<b>42,280,934</b>	<b>50,345,172</b>	<b>21,003,366</b>	<b>126,010,878</b>
Borrowings	126	7,582,287	6,854,466	300,000	14,736,879
Subordinated debt	4,283	818,124	673,108	-	1,495,515
Deposits and other accounts	-	-	83,442,594	16,224,602	99,667,196
Net inter segment borrowing	-	12,321,403	-	1,000,000	13,321,403
Others	3,797	762,517	4,394,798	1,799,914	7,345,745
<b>Total liabilities</b>	<b>8,206</b>	<b>21,484,331</b>	<b>95,364,966</b>	<b>19,324,516</b>	<b>136,566,738</b>
Equity	36,471	20,796,603	(45,019,794)	1,678,850	(10,555,860)
<b>Total equity and liabilities</b>	<b>44,677</b>	<b>42,280,934</b>	<b>50,345,172</b>	<b>21,003,366</b>	<b>126,010,878</b>
Contingencies and Commitments	-	13,674,718	18,335,584	4,213,259	54,734,518

For the nine months period ended September 30, 2019 (Un-audited)					
Corporate finance	Trading and sales	Branch banking	Islamic	Others	Total
(Rupees in '000)					
<b>Profit and loss</b>					
Net mark-up / return / profit	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	(56,894)	-	973,253
<b>Total income</b>	<b>6,509</b>	<b>(302,169)</b>	<b>838,235</b>	<b>-</b>	<b>175,354</b>
Segment direct expenses	1,589	232,895	3,521,343	212,831	4,001,550
Inter segment expense allocation	-	-	(189,404)	189,404	-
<b>Total expenses</b>	<b>1,589</b>	<b>232,895</b>	<b>3,331,939</b>	<b>402,235</b>	<b>4,001,550</b>
Provisions	-	1,165,728	6,306,111	656,680	8,128,519
<b>Profit / (loss) before tax</b>	<b>4,920</b>	<b>(1,700,792)</b>	<b>(10,005,271)</b>	<b>(32,892)</b>	<b>(11,954,715)</b>
As at December 31, 2019 (Audited)					
Corporate finance	Trading and sales	Branch banking	Islamic	Others	Total
(Rupees in '000)					
<b>Balance Sheet</b>					
Cash and bank balances	-	1,870,617	4,211,474	462,275	6,544,366
Investments	-	20,120,181	1,557,319	-	21,959,499
Net inter segment lending	-	-	-	14,001,113	14,001,113
Lendings to financial institutions	-	791,272	-	200,000	991,272
Advances - performing	-	-	27,548,061	3,755,854	31,303,915
Advances - non-performing	-	-	11,863,059	75,351	11,938,410
Others	36,596	4,068,744	16,416,347	735,424	33,138,076
<b>Total assets</b>	<b>36,596</b>	<b>26,850,814</b>	<b>61,596,260</b>	<b>19,230,017</b>	<b>119,876,651</b>
<b>Borrowings</b>	<b>465</b>	<b>5,491,088</b>	<b>7,763,227</b>	<b>250,000</b>	<b>13,504,780</b>
Subordinated debt	4,063	440,405	1,051,047	-	1,495,515
Deposits and other accounts	-	-	73,119,266	15,448,224	88,567,490
Net inter segment borrowing	-	14,001,113	-	1,989,042	14,001,113
Others	2,651	319,515	5,156,226	1,989,042	7,905,976
<b>Total liabilities</b>	<b>7,179</b>	<b>20,252,121</b>	<b>87,089,766</b>	<b>17,687,266</b>	<b>125,474,874</b>
Equity	29,417	6,598,693	(25,493,506)	1,542,751	(5,598,223)
<b>Total equity and liabilities</b>	<b>36,596</b>	<b>26,850,814</b>	<b>61,596,260</b>	<b>19,230,017</b>	<b>119,876,651</b>
<b>Contingencies and Commitments</b>	<b>-</b>	<b>10,736,460</b>	<b>28,582,452</b>	<b>5,140,291</b>	<b>56,263,943</b>

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

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

	September 30, 2020 (Un-audited)				December 31, 2019 (Audited)					
	Parent company	Directors	Key management personnel	Subsidiary	Other related parties	Parent company	Directors	Key management personnel	Subsidiary	Other related parties
	(Rupees in '000)									
<b>Investments</b>										
Opening balance	-	-	-	396,942	1,692,490	-	-	-	396,942	1,713,990
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	(21,500)
Closing balance	-	-	-	396,942	1,692,490	-	-	-	396,942	1,692,490
Provision for diminution in value of investments	-	-	-	165,191	1,613,242	-	-	-	114,943	1,613,242
<b>Advances</b>										
Opening balance	-	-	265,793	-	660,792	-	-	259,303	-	932,302
Addition during the period / year	-	-	15,821	25,540	300,000	-	-	36,601	-	2,139,568
Repaid during the period / year	-	-	(32,517)	(25,540)	(33,112)	-	-	(18,393)	-	(2,214,009)
Transfer in / (out) - net	-	-	53,474	-	5,355	-	-	(11,718)	-	(197,069)
Closing balance	-	-	302,571	-	933,035	-	-	265,793	-	660,792
Provision held against advances	-	-	-	-	-	-	-	-	-	-

	September 30, 2020 (Un-audited)				December 31, 2019 (Audited)			
	Parent company	Directors management personnel	Subsidiary	Other related parties	Parent company	Directors management personnel	Subsidiary	Other related parties
<b>Other Assets</b>	(Rupees in '000)							
Interest / mark-up accrued	-	-	-	11,320	-	-	-	11,320
Other receivable	699	94	-	-	699	375	-	-
Provision held against other assets	-	-	-	-	-	-	-	-
<b>Deposits and other accounts</b>								
Opening balance	-	20,042	92,926	1,512,961	-	18,463	102,458	1,769,716
Received during the period / year	-	181,200	3,209,113	1,229,835	-	-	7,270,665	852,565
Withdrawn during the period / year	-	(172,374)	(3,152,936)	(1,558,649)	-	-	(7,280,197)	(848,128)
Transfer (out) / in - net	-	38,423	-	830,523	-	(18,463)	-	(261,192)
Closing balance	-	67,291	149,103	2,014,670	-	-	92,926	1,512,961
<b>Other Liabilities</b>								
Interest / mark-up payable	-	488	58	10,689	-	-	103	16,293
Payable to defined benefit plan	-	-	-	24,289	-	-	-	134,673
Brokerage payable	-	-	342	-	-	-	127	-
<b>Contingencies and Commitments</b>								
Guarantees, letters of credit and acceptances	-	-	-	280,699	-	-	-	86,500
Commitments to extend credit	-	-	400,000	6,645	-	-	400,000	9,915

	For the Nine Months Ended September 30, 2020 (Un-audited)				For the Nine Months Period Ended September 30, 2019 (Un-audited)					
	Parent company	Directors	Key management personnel	Subsidiary	Other related parties	Parent company	Directors	Key management personnel	Subsidiary	Other related parties
<b>Income</b>										
Mark-up / return / interest earned	-	-	9,079	49	55,813	-	-	5,386	-	55,289
Fee and commission income	-	-	-	98	-	-	-	-	108	-
Other income	-	-	11	2,551	-	-	-	8	2,319	-
Expense										
Mark-up / return / interest expensed	-	-	1,241	1,159	88,893	-	808	492	2,224	128,376
Operating expenses:										
- Directors' fees and allowances	-	2,750	-	-	-	-	550	-	-	-
- Brokerage and commission	-	-	-	832	-	-	-	-	382	-
- Fee and subscription	-	-	833	-	-	-	-	1,409	-	-
- Managerial remuneration	-	-	129,943	-	-	-	-	100,041	-	-
- Contribution to defined contribution plan	-	-	-	-	49,750	-	-	-	-	41,678
- Charge for defined benefit plan	-	-	-	-	38,821	-	-	-	-	42,230
Provision for diminution in value of Investments	-	-	-	50,248	-	-	-	-	-	79,591

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,  
2020 2019  
----- (Rupees in '000) -----

**Minimum Capital Requirement (MCR):**

Paired-up capital (net of losses)	<u>(14,715,877)</u>	<u>(9,282,739)</u>
-----------------------------------	---------------------	--------------------

**Capital Adequacy Ratio (CAR):**

Eligible Common Equity Tier-1 (CET-1) Capital	<u>(29,097,386)</u>	<u>(21,621,286)</u>
Eligible Additional Tier-1 (ADT-1) Capital	-	-
Total Eligible Tier-1 Capital	<u>(29,097,386)</u>	<u>(21,621,286)</u>
Eligible Tier-2 Capital	-	-
Total Eligible Capital (Tier-1 + Tier-2)	<u>(29,097,386)</u>	<u>(21,621,286)</u>

**Risk Weighted Assets (RWAs):**

Credit Risk	57,734,083	70,053,222
Market Risk	6,390,684	6,972,343
Operational Risk	8,420,159	8,420,159
Total	<u>72,544,926</u>	<u>85,445,724</u>

Common Equity Tier-1 Capital Adequacy ratio	<u>-40.11%</u>	<u>-25.30%</u>
Tier-1 Capital Adequacy Ratio	<u>-40.11%</u>	<u>-25.30%</u>
Total Capital Adequacy Ratio	<u>-40.11%</u>	<u>-25.30%</u>

**Leverage Ratio (LR):**

Eligible Tier-1 Capital	(29,097,386)	(21,621,286)
Total Exposures	125,411,656	138,263,360
Leverage Ratio	<u>-23.20%</u>	<u>-15.64%</u>

**Liquidity Coverage Ratio (LCR):**

Total High Quality Liquid Assets	28,038,911	14,935,767
Total Net Cash Outflow	17,344,337	17,180,961
Liquidity Coverage Ratio	<u>161.66%</u>	<u>86.93%</u>

**Net Stable Funding Ratio (NSFR):**

Total Available Stable Funding	71,737,593	66,795,162
Total Required Stable Funding	59,226,086	66,682,561
Net Stable Funding Ratio	<u>121.12%</u>	<u>100.17%</u>

### 38. ISLAMIC BANKING BUSINESS

The Bank commenced its Islamic Banking Operations in Pakistan on March 07, 2014 and is operating with 14 (December 31, 2019: 14) Islamic banking branches and 35 (December 31, 2019: 35) Islamic banking windows at the end of the period.

#### STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2020

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
Note	----- (Rupees in '000) -----	
<b>ASSETS</b>		
Cash and balances with treasury banks	1,037,152	451,368
Balances with other banks	50,899	10,907
Due from financial institutions	38.1 12,321,403	14,201,113
Investments	38.2 3,440,250	-
Islamic financing and related assets - net	38.3 3,425,936	3,831,205
Fixed assets	281,595	320,842
Intangible assets	2,971	4,638
Due from Head Office	-	-
Deferred tax assets	18,876	-
Other assets	424,284	409,944
Total Assets	21,003,366	19,230,017
<b>LIABILITIES</b>		
Bills payable	166,477	194,231
Due to financial institutions	38.4 1,300,000	250,000
Deposits and other accounts	38.5 16,224,602	15,448,224
Due to Head Office	-	-
Subordinated debt	-	-
Deferred tax liabilities - net	-	-
Other liabilities	1,633,437	1,794,811
	19,324,516	17,687,266
<b>NET ASSETS</b>	<u>1,678,850</u>	<u>1,542,751</u>
<b>REPRESENTED BY</b>		
Islamic Banking Fund	1,000,000	1,000,000
Reserves	-	-
Deficit on revaluation of assets	(35,055)	-
Unappropriated / Unremitted profit	38.6 713,905	542,751
	<u>1,678,850</u>	<u>1,542,751</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	38.7	

**ISLAMIC BANKING BUSINESS  
PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020**

	September 30, 2020	September 30, 2019
Note	----- (Rupees in '000) -----	
Profit / return earned	<b>38.8</b> <span style="border: 1px solid black; padding: 2px;">1,493,941</span>	1,468,126
Profit / return expensed	<b>38.9</b> <span style="border: 1px solid black; padding: 2px;">697,710</span>	572,997
<b>Net Profit / return</b>	<b>796,231</b>	895,129
<b>Other income</b>		
Fee and commission income	<span style="border: 1px solid black; padding: 2px;">36,036</span>	41,961
Dividend income	-	-
Foreign exchange loss	<span style="border: 1px solid black; padding: 2px;">(52,753)</span>	(109,257)
Income / (loss) from derivatives	-	-
Loss on sale of securities	<span style="border: 1px solid black; padding: 2px;">(9,642)</span>	(3,170)
Other income	<span style="border: 1px solid black; padding: 2px;">11,234</span>	13,572
<b>Total other income</b>	<b>(15,125)</b>	(56,894)
<b>Total income</b>	<b>781,106</b>	838,235
<b>Other expenses</b>		
Operating expenses	<span style="border: 1px solid black; padding: 2px;">549,941</span>	401,899
Workers' welfare fund	-	-
Other charges	<span style="border: 1px solid black; padding: 2px;">540</span>	336
<b>Total other expenses</b>	<b>550,481</b>	402,235
<b>Profit before provisions</b>	<b>230,625</b>	436,000
Provision and write offs - net	<b>59,471</b>	656,680
<b>Profit / (loss) before taxation</b>	<b>171,154</b>	(220,680)
Taxation	-	-
<b>Profit / (loss) after taxation</b>	<b>171,154</b>	(220,680)

September 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total

Note

(Rupees in '000)

**38.1 Due from Financial Institutions**

**Unsecured**

Bai Muajjal Receivable from other

Financial Institutions

Musharakah

38.1.1	12,321,403	-	12,321,403	14,001,113	-	14,001,113
38.1.2	-	-	-	200,000	-	200,000
	<b>12,321,403</b>	<b>-</b>	<b>12,321,403</b>	<b>14,201,113</b>	<b>-</b>	<b>14,201,113</b>

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

38.1.2 This represented Musharakah placement to a financial institution at mark-up rate of 9.00% per annum and matured on January 2020.

September 30, 2020 (Un-audited)				December 31, 2019 (Audited)			
Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value

(Rupees in '000)

**38.2 Investments by segments:**

Federal Government Securities:

- GOP Ijarah Sukuks

3,494,180 - (53,930) 3,440,250 - - - -

Total Investments

**3,494,180 - (53,930) 3,440,250 - - - -**

**38.3 Islamic financing and related assets**

(Un-audited) (Audited)  
September 30, December 31,  
2020 2019  
Note ----- (Rupees in '000) -----

Ijarah  
Murabaha  
Running Musharakah  
Diminishing Musharakah  
Tijarah  
Advance against Ijarah  
Qarz-e-Hasna  
Gross Islamic financing and related assets

467,454	636,161
10,183	8,945
654,888	698,301
2,346,775	2,516,321
699,998	717,068
1,780	-
-	80
<b>4,181,078</b>	<b>4,576,876</b>

Less: provision against Islamic financings

- Specific

- General

(749,042)	(734,190)
(6,100)	(11,481)
<b>(755,142)</b>	<b>(745,671)</b>

Islamic financing and related assets - net of provision

**3,425,936** **3,831,205**

**38.4 Due to financial institutions**

**Secured**

Acceptances from the SBP under Islamic Export Refinance Scheme

300,000 250,000

**Unsecured**

Musharakah

38.4.1 1,000,000 -

**1,300,000** **250,000**

38.4.1 This represents Musharakah acceptance with conventional operations of Summit Bank Limited.

**38.5 Deposits**

September 30, 2020 (Un-audited)			December 31, 2019 (Audited)			
In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total	
----- (Rupees in '000) -----						
<b>Customers</b>						
Current deposits	4,559,686	456,134	5,015,820	4,794,164	487,731	5,281,895
Savings deposits	9,277,796	93,402	9,371,198	8,248,534	86,186	8,334,720
Term deposits	1,365,084	54,869	1,419,953	1,152,052	293,686	1,445,738
Margin accounts	223,464	-	223,464	230,383	-	230,383
	<b>15,426,030</b>	<b>604,405</b>	<b>16,030,435</b>	<b>14,425,133</b>	<b>867,603</b>	<b>15,292,736</b>
<b>Financial Institutions</b>						
Current deposits	78,233	128	78,361	77,812	121	77,933
Savings deposits	115,806	-	115,806	77,555	-	77,555
Term deposits	-	-	-	-	-	-
	<b>194,039</b>	<b>128</b>	<b>194,167</b>	<b>155,367</b>	<b>121</b>	<b>155,488</b>
	<b>15,620,069</b>	<b>604,533</b>	<b>16,224,602</b>	<b>14,580,500</b>	<b>867,724</b>	<b>15,448,224</b>

**38.5.1** This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 8,916.252 million (December 31, 2019: Rs. 9,033.794 million).

**38.6 Islamic Banking Business Unappropriated Profit**

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
Opening balance	542,751	625,195
Add / (less): Islamic Banking profit / (loss) for the period / year	171,154	(82,444)
Closing balance	<u>713,905</u>	<u>542,751</u>

**38.7 CONTINGENCIES AND COMMITMENTS**

-Guarantees	2,974,317	3,962,232
-Commitments	1,238,942	1,178,059
-Other contingent liabilities	-	-
	<u>4,213,259</u>	<u>5,140,291</u>

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

	(Un-audited) September 30, 2020	September 30, 2019
Profit earned on:		
Financing	364,117	553,368
Investments	59,131	-
Placements	1,070,398	914,314
Balances with banks	295	444
	<u>1,493,941</u>	<u>1,468,126</u>

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

Deposits and other accounts	652,587	533,154
Due to Financial Institutions	23,261	16,699
Finance cost of lease liability	21,862	23,144
	<u>697,710</u>	<u>572,997</u>

**39. DATE OF AUTHORISATION FOR ISSUE**

These unconsolidated condensed interim financial statements were authorised for issue on November 19, 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, 2020**

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

AS AT SEPTEMBER 30, 2020

		(Un-audited) September 30, 2020	(Audited) December 31, 2019
ASSETS	Note	----- (Rupees in '000) -----	
Cash and balances with treasury banks	6	10,275,859	5,613,561
Balances with other banks	7	934,543	947,572
Lendings to financial institutions	8	-	991,272
Investments	9	33,169,604	21,709,150
Advances	10	34,091,837	43,242,951
Fixed assets	11	9,764,214	10,220,651
Intangible assets	12	107,363	153,027
Deferred tax assets	13	13,715,820	11,572,394
Other assets	14	10,612,875	11,357,267
		<b>112,672,115</b>	<b>105,807,845</b>
LIABILITIES			
Bills payable	16	1,859,799	1,815,836
Borrowings	17	14,736,879	13,504,780
Deposits and other accounts	18	99,518,093	88,474,564
Liabilities against assets subject to finance lease		-	-
Subordinated debt	19	1,495,515	1,495,515
Deferred tax liabilities		-	-
Other liabilities	20	5,663,111	6,183,032
		<b>123,273,397</b>	<b>111,473,727</b>
<b>NET ASSETS</b>		<b>(10,601,282)</b>	<b>(5,665,882)</b>
REPRESENTED BY			
Share capital - net		20,500,194	20,500,194
Reserves		(425,043)	(425,043)
Surplus / (deficit) on revaluation of assets	21	4,027,638	3,545,693
Accumulated losses		(34,704,071)	(29,286,726)
		<b>(10,601,282)</b>	<b>(5,665,882)</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>22</b>		

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

\_\_\_\_\_  
President / Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	Note	Quarter Ended		Nine Months Period Ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
(Rupees in '000)					
Mark-up / return / interest earned	23	1,294,957	1,373,431	4,084,051	4,336,806
Mark-up / return / interest expensed	24	1,405,302	1,960,287	5,296,213	5,128,258
Net Mark-up / interest expense		(110,345)	(586,856)	(1,212,162)	(791,452)
<b>NON MARK-UP/INTEREST INCOME</b>					
Fee and commission income	25	124,035	188,302	370,833	540,630
Dividend income		500	1,398	15,331	19,809
Foreign exchange income		5,762	104,290	173,050	361,759
Income / (loss) from derivatives		-	-	-	-
Gain / (loss) on securities	26	177,542	(16,452)	791,636	(19,100)
Other income	27	15,386	24,062	45,015	105,538
Total non-markup / interest income		323,225	301,600	1,395,865	1,008,636
Total income		212,880	(285,256)	183,703	217,184
<b>NON MARK-UP/INTEREST EXPENSES</b>					
Operating expenses	28	1,285,821	1,380,539	3,840,753	4,029,719
Workers' welfare fund		-	-	-	-
Other charges	29	21,511	24,214	33,526	41,105
Total non-markup / interest expenses		1,307,332	1,404,753	3,874,279	4,070,824
Loss before provisions		(1,094,452)	(1,690,009)	(3,690,576)	(3,853,640)
Provisions and write offs - net Extra ordinary / unusual items	30	2,152,389	3,706,369	4,133,390	8,128,519
		-	-	-	-
<b>LOSS BEFORE TAXATION</b>		<b>(3,246,841)</b>	<b>(5,396,378)</b>	<b>(7,823,966)</b>	<b>(11,982,159)</b>
Taxation	31	(1,000,543)	(1,815,521)	(2,325,664)	(4,004,710)
<b>LOSS AFTER TAXATION</b>		<b>(2,246,298)</b>	<b>(3,580,857)</b>	<b>(5,498,302)</b>	<b>(7,977,449)</b>
(Rupees)					
Basic loss per share	32	(0.85)	(1.36)	(2.08)	(3.02)
Diluted loss per share	32	(0.85)	(1.36)	(2.08)	(3.02)

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	Quarter Ended		Nine Months Period Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	(Rupees in '000)			
Loss after taxation for the period	(2,246,298)	(3,580,857)	(5,498,302)	(7,977,449)
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>				
Movement in surplus / (deficit) on revaluation of investments - net of tax	153,944	338,833	525,121	474,066
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>				
Remeasurement gain on defined benefit obligations	-	-	14,532	-
Movement in surplus on revaluation of operating fixed assets - net of tax	8,247	8,832	23,249	26,496
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	316
	8,247	8,832	37,781	26,812
<b>Total comprehensive loss</b>	<b>(2,084,107)</b>	<b>(3,233,192)</b>	<b>(4,935,400)</b>	<b>(7,476,571)</b>

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

\_\_\_\_\_  
President / Chief Executive

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

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Director

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Director



**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	September 30, 2020	September 30, 2019
Note	----- (Rupees in '000) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(7,823,966)	(11,982,159)
Less: Dividend income	(15,331)	(19,809)
	<u>(7,839,297)</u>	<u>(12,001,968)</u>
<b>Adjustments:</b>		
Depreciation on operating fixed assets	386,958	416,934
Depreciation on right-of-use assets	404,571	393,685
Depreciation on non-banking assets	33,095	33,101
Finance cost of lease liability	216,130	209,406
Amortization	46,360	46,632
Provision and write-offs excluding recoveries	4,133,992	8,128,489
Charge for defined benefit plan	41,071	44,480
Charge for employees compensated absences	13,750	10,640
Gain on sale of fixed assets	(2,678)	(35,524)
Unrealised loss on revaluation of investments classified as held-for-trading securities - net	496	384
	<u>5,273,745</u>	<u>9,248,227</u>
	<u>(2,565,552)</u>	<u>(2,753,741)</u>
<b>Decrease / (increase) in operating assets</b>		
Lendings to financial institutions	991,272	-
Held-for-trading securities	1,740	(9,725)
Advances	5,344,846	9,649,912
Others assets (excluding advance taxation)	685,068	1,302,192
	<u>7,022,926</u>	<u>10,942,379</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	43,963	(341,432)
Borrowings from financial institutions	1,359,071	(4,442,220)
Deposits	11,043,529	(1,401,761)
Other liabilities (excluding current taxation)	(410,260)	(742,943)
	<u>12,036,303</u>	<u>(6,928,356)</u>
Payments on account of staff retirement benefits	(142,758)	(50,261)
Income tax paid	(99,139)	(100,138)
<b>Net cash generated from operating activities</b>	<u>16,251,780</u>	<u>1,109,883</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	(10,934,388)	(442,868)
Dividends received	15,331	19,753
Investment in operating fixed assets	(50,425)	(433,059)
Investments in intangible assets	(696)	-
Proceeds from sale of fixed assets	3,199	453,151
Proceeds from sale of non-banking assets	-	10,000
<b>Net cash used in investing activities</b>	<u>(10,966,979)</u>	<u>(393,023)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liability against right-of-use assets	(508,560)	(654,276)
<b>Net cash used in financing activities</b>	<u>(508,560)</u>	<u>(654,276)</u>
Effect of exchange rate changes on cash and cash equivalents	107,226	181,424
<b>Increase in cash and cash equivalents</b>	<u>4,883,467</u>	<u>244,008</u>
Cash and cash equivalents at beginning of the period	6,282,852	5,863,610
<b>Cash and cash equivalents at end of the period</b>	<u>33</u> <u>11,166,319</u>	<u>6,107,618</u>

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

**I. STATUS AND NATURE OF BUSINESS**

**I.1 The Group comprises of:**

**I.1.1 Holding Company: Summit Bank Limited**

Summit Bank Limited (the Bank) is a banking company incorporated in Pakistan on December 09, 2005 as public company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Bank's registered office is situated at Plot No. 9-C, F-6 Markaz, Supermarket, Islamabad, Pakistan. The Bank is a subsidiary of Suroor Investments Limited, a company incorporated in Mauritius, holding 66.77% of the issued, subscribed and paid up capital of the Bank as at September 30, 2020.

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

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

**I.1.2 Subsidiary**

**Summit Capital Private Limited - 100 % Shareholding**

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

**I.2** During the nine months period ended September 30, 2020, the Group has incurred net loss of Rs. 5,498.302 million resulting in accumulated losses of Rs. 34,704.071 million and negative equity of Rs. 10,601.282 million. As per the applicable laws and regulations, the Group is required to maintain Minimum Paid-up Capital (net of losses) (MCR) of Rs. 10 billion, Capital Adequacy Ratio (CAR) at 11.50% (inclusive of Capital Conservation Buffer of 1.50%), Leverage Ratio (LR) at 3.00%, Liquidity Coverage Ratio (LCR) at 100% and Net Stable Funding Ratio (NSFR) at 100% as of September 30, 2020. However, the paid up capital of the Group (net of losses), CAR and LR are negative.

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

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

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

In this respect, the Bank had received a revised 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 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 & liabilities of subsidiary have been consolidated on a line-by-line basis and the investment held by the Holding Company is eliminated against the corresponding share capital of the subsidiary in these consolidated condensed interim financial statements.

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

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

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

The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for banking companies till further instructions. Moreover, 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. 41 I(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

### **2.3 Basis of consolidation**

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

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

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

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

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

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

There are certain amendments to existing accounting and reporting standards that have become applicable to the Group's accounting periods beginning on or after January 01, 2020. These are considered either not to be relevant or do not have any significant impact on the Group's operations and therefore are not detailed in these consolidated condensed interim financial statements.

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

The SECP, through SRO229(I)/2019 dated February 14, 2019, has notified that IFRS 9, 'Financial Instruments', is applicable for accounting periods ending on or after June 30, 2019. However, as per the SBP's BPRD Circular No.04 of 2019 dated October 23, 2019, the applicability of IFRS 9 to banks in Pakistan has been deferred to accounting periods beginning on or after January 01, 2021. The impact of the application of IFRS 9 on the Group's consolidated condensed interim financial statements is being assessed.

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

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements is the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2019.

## **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, 2019.

## **5. FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the consolidated condensed interim financial statements for the year ended December 31, 2019 except for the following additional considerations due to COVID-19:

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rate by 625 basis points since beginning of the year to 7% in June 2020. Other regulatory measures to provide an impetus to economic activity include the following:

- Reduction in the capital conservation buffer by 100 basis points to 1.5%;
- Increasing the regulatory limit on extension of credit to SMEs to Rs 180 million;
- Relaxing the debt burden ratio for consumer loans from 50% to 60%;
- Allowing banks to defer borrowers' principal loan payments by one year;
- Relaxing regulatory criteria for restructured / rescheduled loans for borrowers who require relief of principal repayment exceeding one year and / or mark-up and
- Introducing refinancing schemes for payment of wages and salaries, setting up of Covid - 19 related facilities / new hospitals and import of plant and machinery for new / existing industrial projects.

COVID-19 impacts banks in Pakistan on a number of fronts including increase in overall credit risk pertaining to the loans and advances portfolio, reduced fee income due to overall slowdown in economic activity, continuity of business operations and managing cybersecurity threat as a significant number of the Bank's staff is working from home and an ever increasing number of customers are being encouraged to use digital channels.

### **5.1 Credit Risk Management**

The Risk Management function of the Bank is regularly conducting assessments of the credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment. The Group has further strengthened its credit review procedures in the light of COVID-19. The Group is continuously reviewing the portfolio, to identify accounts susceptible to higher risk, resulting from the COVID-19 outbreak.

### **5.2 Liquidity Risk Management**

The Group has received applications for deferral of principal and / or restructuring / rescheduling and is expected to receive further such applications. These applications are being reviewed by the Bank as per its established policies. The Asset and Liability Committee (ALCO) of the Bank is continuously monitoring the liquidity position.

### **5.3 Equity Risk Management**

The carrying value of the Group's investment in listed equity securities classified as available-for-sale amounts to Rs. 2.044 billion as at September 30, 2020. During the period, the Pakistan Stock Exchange index fell by 0.40%, triggering an impairment of Rs. 69.512 million which has been recorded in these consolidated condensed interim financial statements.

### **5.4 Operational Risk Management**

The Bank is closely monitoring the situation and has invoked required actions to ensure the safety and security of the Bank's staff and uninterrupted service to customers. The senior management of the Bank is continuously monitoring the situation and is taking timely decisions to resolve any concerns.



Business Continuity Plans (BCP) for respective areas are in place. The Bank has significantly enhanced monitoring of cyber security risk during these times. The remote work capabilities were enabled for staff, where required, and related risk and control measures were assessed to ensure that the Bank's information assets are protected from emerging cyber threats and comply with the regulatory protocols required under the circumstances. The Bank is communicating with its customers on how they can connect with the Bank through its full suite of channels including digital and online channels. The Bank has taken all measures to ensure that service levels are maintained, customer complaints are resolved and turn around times are monitored and the Bank continues to meet the expectations of its employees and customers.

## 5.5 Capital Adequacy Ratio (CAR)

In order to encourage Group to continue lending despite anticipated pressure on profits and credit risk, the SBP has relaxed the Capital Conversion Buffer (CCB) requirements to 1.5%, resulting in a 1% decline in CAR requirements for all Tiers.

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
	----- (Rupees in '000) -----	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>		
<b>In hand</b>		
Local currency	3,745,351	2,918,525
Foreign currency	396,822	375,536
	4,142,173	3,294,061
<b>With State Bank of Pakistan in</b>		
Local currency current account	4,792,905	961,761
Foreign currency current account	398,514	370,395
Foreign currency deposit account	217,597	146,827
	5,409,016	1,478,983
With National Bank of Pakistan in Local currency current account	720,492	789,312
Prize bonds	4,178	51,205
	<u>10,275,859</u>	<u>5,613,561</u>
<b>7. BALANCES WITH OTHER BANKS</b>		
<b>In Pakistan</b>		
In current account	22,342	47,525
In deposit account	51,006	76,882
	73,348	124,407
<b>Outside Pakistan</b>		
In current account	474,477	247,906
In deposit account	386,718	575,259
	861,195	823,165
	<u>934,543</u>	<u>947,572</u>

**8. LENDINGSTO FINANCIAL INSTITUTIONS**

	(Un-audited) September 30, 2020 ----- (Rupees in '000) -----	(Audited) December 31, 2019
Call money lending	-	200,000
Repurchase agreement lendings (Reverse Repo)	-	791,272
	-	991,272
Less: provision held against Lendings to Financial Institutions	-	-
Lendings to Financial Institutions - net of provision	-	991,272

**9. INVESTMENTS**

**9.1 Investments by type:**

**Held-for-trading securities**

	September 30, 2020 (Un-audited)				December 31, 2019 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value
Shares	3,802	-	(496)	3,306	5,850	-	(308)	5,542

**Available-for-sale securities**

**Federal Government Securities**

- Market Treasury Bills	25,855,068	-	9,972	25,865,040	3,050,459	-	13,210	3,063,669
- Pakistan Investment Bonds	295,238	-	13,555	308,793	15,551,796	-	(563,399)	14,988,397
- GoP Ijarah Sukuks	4,988,362	-	(53,661)	4,934,701	1,600,000	-	(16,000)	1,584,000

**Shares**

- Fully paid up ordinary shares - Listed	4,152,347	(2,871,477)	763,419	2,044,289	4,152,347	(2,801,965)	495,065	1,845,447
- 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	1,598,325	(1,598,325)	-	-	1,600,350	(1,437,765)	-	162,585
- Sukuk Bonds	200,000	(200,000)	-	-	200,000	(200,000)	-	-
	37,149,850	(4,716,837)	733,285	33,166,298	26,215,462	(4,440,730)	(71,124)	21,703,608

**Total Investments**

	37,153,652	(4,716,837)	732,789	33,169,604	26,221,312	(4,440,730)	(71,432)	21,709,150
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**9.1.1 Investments given as collateral - Market Value**

	(Un-audited) September 30, 2020 ----- (Rupees in '000) -----	(Audited) December 31, 2019
Pakistan Investment Bonds	305,272	5,443,670
Market Treasury Bills	7,589,404	-
	7,894,676	5,443,670

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

Opening balance	4,440,730	3,156,696
Charge / reversals		
Charge for the period / year	278,132	1,287,284
Reversals for the period / year	(2,025)	(3,250)
	276,107	1,284,034
Closing Balance	4,716,837	4,440,730

**9.3 Particulars of provision against debt securities**

**Category of classification**

**Domestic**

Doubtful  
Loss

September 30, 2020 (Un-audited)		December 31, 2019 (Audited)	
NPI	Provision	NPI	Provision
----- (Rupees in '000) -----			
-	-	281,567	118,982
<b>1,798,325</b>	<b>1,798,325</b>	1,518,783	1,518,783
<b>1,798,325</b>	<b>1,798,325</b>	1,800,350	1,637,765

9.4 Pursuant to the applicable Prudential Regulations, the Group had 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 as at September 30, 2020 would have been higher by Rs. Nil (December 31, 2019: Rs. 21.802 million). This had a net of tax positive impact of Rs. Nil (December 31, 2019: Rs. 14.171 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, 2020	(Audited) December 31, 2019	(Un-audited) September 30, 2020	(Audited) December 31, 2019	(Un-audited) September 30, 2020	(Audited) December 31, 2019
Note ----- (Rupees in '000) -----						
Loans, cash credits, running finances, etc.	22,254,078	27,028,337	39,210,457	39,955,184	61,464,535	66,983,521
Islamic financing and related assets	3,279,233	3,767,335	901,845	809,541	4,181,078	4,576,876
Bills discounted and purchased	278,050	549,377	77,089	77,089	355,139	626,466
Advances - gross	25,811,361	31,345,049	40,189,391	40,841,814	66,000,752	72,186,863
Provision against advances						
- Specific	-	-	(31,884,909)	(28,903,404)	(31,884,909)	(28,903,404)
- General	(24,006)	(40,508)	-	-	(24,006)	(40,508)
		(40,508)	(31,884,909)	(28,903,404)	(31,908,915)	(28,943,912)
Advances - net of provision	25,787,355	31,304,541	8,304,482	11,938,410	34,091,837	43,242,951

**10.1 Particulars of advances (Gross)**

In local currency  
In foreign currencies

(Un-audited) September 30, 2020	(Audited) December 31, 2019
----- (Rupees in '000) -----	
65,708,984	71,881,548
291,768	305,315
<b>66,000,752</b>	<b>72,186,863</b>

10.2 Advances include Rs. 40,189.391 million (December 31, 2019: Rs. 40,841.814 million) which have been placed under non-performing status as detailed below:

**Category of Classification**

**Domestic**

Other Assets Especially Mentioned  
Substandard  
Doubtful  
Loss

September 30, 2020 (Un-audited)		December 31, 2019 (Audited)	
Non Performing Loans	Provision	Non Performing Loans	Provision
----- (Rupees in '000) -----			
22,919	2,269	8,963	873
135,424	8,961	2,057,443	339,271
846,206	85,404	1,668,552	109,872
39,184,842	31,788,275	37,106,856	28,453,388
<b>40,189,391</b>	<b>31,884,909</b>	40,841,814	28,903,404

**10.3 Particulars of provision against advances**

	September 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
	Specific	General	Total	Specific	General	Total
(Rupees in '000)						
Opening balance	28,903,404	40,508	28,943,912	21,502,664	46,988	21,549,652
Charge for the period / year	4,274,557	-	4,274,557	8,222,910	-	8,222,910
Reversals for the period / year	(452,759)	(16,502)	(469,261)	(819,338)	(6,480)	(825,818)
	3,821,798	(16,502)	3,805,296	7,403,572	(6,480)	7,397,092
Amounts written off	(840,293)	-	(840,293)	(2,832)	-	(2,832)
Closing balance	31,884,909	24,006	31,908,915	28,903,404	40,508	28,943,912

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

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

**10.3.2** The Bank has availed the Forced Sale Value (FSV) benefit of pledged stocks, mortgaged properties, plant and machinery, shares and Cash Margin / TDRs held as collateral against non-performing advances as allowed under the applicable Prudential Regulations issued by the State Bank of Pakistan. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 7,759.184 million (December 31, 2019: Rs. 9,347.484 million). The positive impact on the profit and loss account arising from availing this benefit - net of tax amounts to Rs. 5,043.470 million (December 31, 2019: Rs. 6,075.865 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.

**10.3.3** As at December 31, 2019, the SBP had 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.

	Note	(Un-audited) September 30, 2020	(Audited) December 31, 2019
(Rupees in '000)			
<b>II. FIXED ASSETS</b>			
Capital work-in-progress	11.1	8,690	73,364
Property and equipment		7,781,203	8,053,631
Right-of-use assets		1,974,321	2,093,656
		<b>9,764,214</b>	<b>10,220,651</b>
<b>11.1 Capital work-in-progress</b>			
Civil works and related payments / progress billings		4,064	68,738
Advances and other payments to suppliers and contractors		4,626	4,626
Advances and other payments against capital work in progress considered doubtful		1,158,340	1,158,340
Less: Provision held there against		(1,158,340)	(1,158,340)
		<b>8,690</b>	<b>73,364</b>

	(Un-audited) September 30, 2020	September 30, 2019
(Rupees in '000)		
<b>11.2 Additions to fixed assets</b>		

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

<b>Capital work-in-progress</b>	2,615	-
<b>Property and equipment</b>		
Building improvements	73,257	296,394
Furniture and fixture	1,823	64,528
Electrical, office and computer equipment	39,930	67,437
Vehicles	166	-
	<b>115,176</b>	<b>428,359</b>
Right-of-use assets	291,184	2,136,508
	<b>408,975</b>	<b>2,564,867</b>

**11.3 Transfer / Disposal of fixed assets**

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

	(Un-audited)	
	September 30, 2020	September 30, 2019
	----- (Rupees in '000) -----	
<b>Capital work-in-progress</b>	<b>62,059</b>	304,284
<b>Property and equipment</b>		
Leasehold land	-	104,010
Building improvements	21	144
Building on leasehold land	-	89
Electrical, office and computer equipment	517	5,752
Furniture and fixture	31	23
Vehicles	-	3,325
	<b>569</b>	113,343
<b>Total</b>	<b>62,628</b>	417,627

**12. INTANGIBLE ASSETS**

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
	----- (Rupees in '000) -----	
Capital work-in-progress	12.1 45,098	47,187
Intangible assets in use	12.2 62,265	105,840
	<b>107,363</b>	153,027

**12.1 Capital work-in-progress**

Advances to suppliers and contractors	45,098	47,187
Advances against capital work in progress considered doubtful Less: Provision held there against	141,224 (141,224)	141,224 (141,224)
	<b>45,098</b>	47,187

**12.2 Intangible assets in use**

Computer softwares	41,872	58,918
Core deposits	8,806	24,547
Brand name	7,201	17,989
Trading Rights Entitlement Certificate	4,386	4,386
	<b>62,265</b>	105,840

**12.3 Additions to intangible assets**

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

Directly purchased	2,785	12,116
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**12.4** There were no disposals in intangible assets during the current and prior period.

**13. DEFERRED TAX ASSETS**

**Deductible Temporary Differences on**

- Tax losses carried forward
- Provision against advances, off balance sheet etc.
- Provision for impairment loss - Investment
- Provision against intangible assets
- Staff compensated absences
- Provision against other assets
- Unrealized gain on forward exchange contracts
- Minimum tax
- Alternative Corporate tax

<b>September 30, 2020 (Un-audited)</b>			
At January 01, 2020	Recognised in profit and loss account	Recognised in other comprehensive income	At September 30, 2020
----- (Rupees in '000) -----			
5,889,305	1,365,404	-	7,254,709
5,826,396	903,707	-	6,730,103
1,554,256	96,637	-	1,650,893
43,107	-	-	43,107
39,589	2,740	-	42,329
149,656	-	-	149,656
4,294	6,844	-	11,138
553	-	-	553
4,512	-	-	4,512
<b>13,511,668</b>	<b>2,375,332</b>	<b>-</b>	<b>15,887,000</b>

**Taxable Temporary Differences on**

- Deficit / (surplus) on revaluation of investments
- Unrealised loss on HFT Portfolio
- Surplus on revaluation of fixed assets
- Surplus on revaluation of property - held for sale
- Surplus on revaluation of non-banking assets
- Accelerated tax depreciation

30,262	-	(279,288)	(249,026)
108	(282)	-	(174)
(1,026,325)	-	23,249	(1,003,076)
(406,274)	-	-	(406,274)
(156,349)	-	-	(156,349)
(380,696)	24,415	-	(356,281)
<b>(1,939,274)</b>	<b>24,133</b>	<b>(256,039)</b>	<b>(2,171,180)</b>
<b>11,572,394</b>	<b>2,399,465</b>	<b>(256,039)</b>	<b>13,715,820</b>

**December 31, 2019 (Audited)**

**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
- Unrealized gain on forward exchange contracts
- Provision against other assets
- Minimum tax
- Alternative corporate tax

At January 01, 2019	Recognised in profit and loss account	Recognised in other comprehensive income	At December 31, 2019
----- (Rupees in '000) -----			
3,811,925	2,077,380	-	5,889,305
586,668	-	(556,406)	30,262
3,433,882	2,392,514	-	5,826,396
1,104,844	449,412	-	1,554,256
43,107	-	-	43,107
36,027	3,562	-	39,589
-	108	-	108
3,078	1,216	-	4,294
149,656	-	-	149,656
773	(220)	-	553
4,512	-	-	4,512
<b>9,174,472</b>	<b>4,923,972</b>	<b>(556,406)</b>	<b>13,542,038</b>

**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 tax depreciation

(1,063,624)	-	37,299	(1,026,325)
(406,274)	-	-	(406,274)
(141,352)	-	(14,997)	(156,349)
(382,627)	1,931	-	(380,696)
<b>(1,993,877)</b>	<b>1,931</b>	<b>22,302</b>	<b>(1,969,644)</b>
<b>7,180,595</b>	<b>4,925,903</b>	<b>(534,104)</b>	<b>11,572,394</b>

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

	<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>September 30,</b>	<b>December 31,</b>
	<b>2020</b>	<b>2019</b>
<b>14. OTHER ASSETS</b>	<b>Note ----- (Rupees in '000) -----</b>	
Income / mark-up accrued in local currency	807,487	1,325,130
Income / mark-up accrued in foreign currency	3,023	1,768
Advances, deposits, advance rent and other prepayments	406,376	346,680
Advance taxation (payments less provisions)	655,718	630,380
Non-banking assets acquired in satisfaction of claims	2,735,613	2,768,708
Branch adjustment account	20	-
Receivable from other banks against clearing and settlement	319,637	218,053
Mark to market gain on forward foreign exchange contracts	71	6,079
Acceptances	296,989	453,864
Stationery and stamps on hand	8,949	9,093
Commission receivable on home remittance	34,322	162,594
Commission receivable on brokerage	10,155	8,352
Property - Held for sale	14.1 3,838,719	3,838,719
Account receivable	107,713	106,839
Others	482,405	523,761
	<b>9,707,197</b>	<b>10,400,020</b>
Less: Provision held against other assets	14.2 (701,818)	(650,249)
Other assets (net of provision)	<b>9,005,379</b>	<b>9,749,771</b>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	446,712	446,712
Surplus on revaluation of property - held for sale	1,160,784	1,160,784
Other assets - total	<b>10,612,875</b>	<b>11,357,267</b>

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

	<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>September 30,</b>	<b>December 31,</b>
	<b>2020</b>	<b>2019</b>
<b>14.2 Provision held against other assets</b>	<b>----- (Rupees in '000) -----</b>	
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	200,757	199,188
Receivable from Speedway Fondmetal (Pakistan) Limited	25,694	25,694
Others	59,451	9,451
	<b>701,818</b>	<b>650,249</b>

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

Opening balance	650,249	648,388
Charge for the period / year	51,905	2,317
Reversals for the period / year	(336)	(409)
Amount written off	-	(47)
Closing balance	<b>701,818</b>	<b>650,249</b>

**15. CONTINGENT ASSETS** (Un-audited) (Audited)  
September 30, December 31,  
2020 2019  
Note ----- (Rupees in '000) -----

There were no contingent assets at the balance sheet date.

**6. BILLS PAYABLE**

In Pakistan	1,859,799	1,815,836
Outside Pakistan	-	-
	<u>1,859,799</u>	<u>1,815,836</u>

**17. BORROWINGS**

**Secured**

Borrowings from State Bank of Pakistan

- Under export refinance scheme	6,072,519	6,780,140
- Under Islamic Export Refinance Scheme (IERF)	300,000	250,000
- Under long-term financing facility	757,475	857,219
- Refinance facility for modernization of SMEs	4,631	5,650
- Repurchase agreement borrowings	5,960,667	5,440,716
	<u>13,095,292</u>	<u>13,333,725</u>

Repurchase agreement borrowings	1,597,504	-
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<b>Total secured</b>	<u>14,692,796</u>	<u>13,333,725</u>
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**Unsecured**

Overdrawn nostro accounts	44,083	171,055
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<b>Total unsecured</b>	<u>44,083</u>	<u>171,055</u>
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	<u>14,736,879</u>	<u>13,504,780</u>
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**17.1 Particulars of borrowings with respect to currencies**

In local currency	14,692,796	13,333,725
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In foreign currencies	44,083	171,055
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	<u>14,736,879</u>	<u>13,504,780</u>
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**18. DEPOSITS AND OTHER ACCOUNTS**

September 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----					

**Customers**

Current deposits	28,070,942	1,313,384	29,384,326	25,059,806	1,390,243	26,450,049
Savings deposits	44,009,033	3,589,357	47,598,390	41,131,498	1,290,353	42,421,851
Term deposits	14,271,313	2,922,152	17,193,465	11,202,150	3,032,909	14,235,059
Others	2,535,136	26,059	2,561,195	3,323,784	24,352	3,348,136
	<u>88,886,424</u>	<u>7,850,952</u>	<u>96,737,376</u>	<u>80,717,238</u>	<u>5,737,857</u>	<u>86,455,095</u>

**Financial institutions**

Current deposits	317,373	64,975	382,348	602,199	286,055	888,254
Savings deposits	2,008,771	5	2,008,776	719,084	5	719,089
Term deposits	389,593	-	389,593	412,126	-	412,126
Others -	-	-	-	-	-	-
	<u>2,715,737</u>	<u>64,980</u>	<u>2,780,717</u>	<u>1,733,409</u>	<u>286,060</u>	<u>2,019,469</u>

	<u>91,602,161</u>	<u>7,915,932</u>	<u>99,518,093</u>	<u>82,450,647</u>	<u>6,023,917</u>	<u>88,474,564</u>
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- 18.1** Deposits include Eligible Deposits of Rs. 63,882.633 million (December 31, 2019: Rs. 55,745.364 million) protected under Depositors Protection Mechanism introduced by the State Bank of Pakistan.
- 18.2** Deposits include USD 13.180 million held by H.E. Nasser Abdulla Hussain Lootah (The Investor) in FCY deposit account.

**19. SUBORDINATED DEBT**

Issue amount	Rs.1,500,000,000
Issue date	October 27, 2011
Maturity date	October 27, 2021 (December 31, 2019: October 27, 2020)

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

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

Rating	'D' (Default).
Security	Unsecured.

Redemption / profit payment frequency	The redemption / profit payment details are mentioned in the above maturity date clause.
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Mark up	Base rate (6 months KIBOR - ask side) plus 325 bps.
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Call option	The Bank had an option to call the TFCs 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.
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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.
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		(Un-audited) September 30, 2020	(Audited) December 31, 2019
	Note	----- (Rupees in '000) -----	
<b>20. OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		1,115,870	1,229,525
Mark-up / return / interest payable in foreign currencies		232	459
Unearned income		10,038	8,986
Accrued expenses		86,889	89,293
Advance against sale of property		432,331	476,544
Acceptances		296,989	453,864
Unclaimed dividends		2,213	2,213
Mark to market loss on forward foreign exchange contracts		31,892	18,348
Payable to defined benefit plan		24,289	134,673
Charity fund balance		1,920	504
Branch adjustment account		-	80
Security deposits against lease		533,608	641,208
Payable to Bangladesh Bank		41,389	41,389
Payable to Rupali Bank - Bangladesh		16,293	16,293
Payable to vendors / creditors		201,454	199,376
Provision for compensated absences		121,843	113,928
Payable to Bank of Ceylon, Colombo		20,163	20,163
Retention money		20,166	29,374
Workers' welfare fund		13,360	13,360
Withholding taxes and government levies payable		30,103	26,010
Federal excise duty and sales tax payable		5,259	10,135
Commission payable on home remittances		25,148	137,909
Lease liability against right-of-use assets		2,112,490	2,119,682
Account Payable		154,971	74,624
Others		364,201	325,092
		<b>5,663,111</b>	<b>6,183,032</b>
<b>21. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS</b>			
Surplus / (deficit) on revaluation of			
- Available for sale securities	9.1	733,285	(71,124)
- Fixed assets		3,501,582	3,568,007
- Non-banking assets acquired in satisfaction of claims	14	446,712	446,712
- Property - held for sale	14	1,160,784	1,160,784
		<b>5,842,363</b>	<b>5,104,379</b>
Deferred tax on surplus / (deficit) on revaluation of:			
- Available for sale securities		(249,026)	30,262
- Fixed assets		(1,003,076)	(1,026,325)
- Non-banking assets acquired in satisfaction of claims		(156,349)	(156,349)
- Property - held for sale		(406,274)	(406,274)
		<b>(1,814,725)</b>	<b>(1,558,686)</b>
		<b>4,027,638</b>	<b>3,545,693</b>
<b>22. CONTINGENCIES AND COMMITMENTS</b>			
- Guarantees	22.1	13,130,339	19,912,355
- Commitments	22.2	22,808,910	24,318,660
- Other contingent liabilities	22.3	18,395,269	11,632,928
		<b>54,334,518</b>	<b>55,863,943</b>
<b>22.1 Guarantees:</b>			
Financial guarantees		23,677	23,677
Performance guarantees		11,289,721	16,025,962
Other guarantees		1,816,941	3,862,716
		<b>13,130,339</b>	<b>19,912,355</b>

		(Un-audited) September 30, 2020	(Audited) December 31, 2019
	Note	----- (Rupees in '000) -----	
<b>22.2 Commitments:</b>			
Documentary credits and short-term trade-related transactions			
- letters of credit		2,105,363	6,953,447
Commitments in respect of:			
- forward foreign exchange contracts	22.2.1	6,617,217	5,507,866
- forward lending	22.2.2	6,362,466	6,198,509
- operating leases	22.2.3	50,005	46,310
Commitments for acquisition of:			
- operating fixed assets		2,491	75,637
- intangible assets		113,197	96,175
Other commitments	22.2.4	7,558,171	5,440,716
		<u>22,808,910</u>	<u>24,318,660</u>
<b>22.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		6,226,391	4,815,225
Sale		390,826	692,641
		<u>6,617,217</u>	<u>5,507,866</u>
<b>22.2.2 Commitments in respect of forward lending</b>			
Forward documentary bills		4,694,061	4,465,388
Undrawn formal standby facilities, credit lines and other commitments to lend	22.2.2.1	1,668,405	1,733,121
		<u>6,362,466</u>	<u>6,198,509</u>
<b>22.2.2.1</b> These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Group without the risk of incurring significant penalty or expense.			
<b>22.2.3 Commitments in respect of operating lease</b>		(Un-audited) September 30, 2020	(Audited) December 31, 2019
		----- (Rupees in '000) -----	
Not later than one year		50,005	46,310
Later than one year and not later than five years		-	-
Later than five years		-	-
		<u>50,005</u>	<u>46,310</u>
<b>22.2.4 Other commitments</b>			
Purchase (Repo)		7,558,171	5,440,716
<b>22.3 Other contingent liabilities - claims against the Group not acknowledged as debts</b>		<u>18,395,269</u>	<u>11,632,928</u>
<b>22.4</b> During the year 2018, Law Enforcement Agencies (LEAs) initiated its investigation on certain bank accounts alleged for money laundering activities in various banks including Summit Bank Limited. The Honourable Supreme Court of Pakistan under suo moto Case HRC-39216-G, appointed a Joint Investigation Team (JIT) which was constituted to investigate the matter. On recommendation of JIT, the matter was referred by the Honourable Supreme Court to the National Accountability Bureau (NAB) for further investigation and filing of references in the National Accountability Courts. The matter is currently under NAB investigations and only partial references have been filed in the NAB Courts. The bank has been and is committed to extending its full cooperation to the Law Enforcement Agencies in their investigations to the best extent possible and the matter is currently sub judice. These proceedings in the opinion of the management will not have any effect on the operations and functioning of the Group.			
<b>22.5 Contingency for tax payable</b>			
Contingency related to tax payable is disclosed in note 31.2.			

		(Un-audited)	
		Nine months ended	
		September 30, 2020	September 30, 2019
		----- (Rupees in '000) -----	
<b>23.</b>	<b>MARK-UP / RETURN / INTEREST EARNED</b>	Note	
	On:		
	Loans and advances	2,324,178	3,326,110
	Investments	1,713,485	954,693
	Lendings to financial institutions	34,096	36,969
	Balances with banks	12,292	19,034
		<u>4,084,051</u>	<u>4,336,806</u>
<b>24.</b>	<b>MARK-UP / RETURN / INTEREST EXPENSED</b>		
	On:		
	Deposits	3,976,465	3,500,133
	Borrowings	621,278	895,925
	Subordinated debt	149,985	154,238
	Cost of foreign currency swaps against foreign currency deposits / borrowings	332,355	368,556
	Finance cost of lease liability	216,130	209,406
		<u>5,296,213</u>	<u>5,128,258</u>
<b>25.</b>	<b>FEE AND COMMISSION INCOME</b>		
	Branch banking customer fees	17,493	11,608
	Consumer finance related fees	6,860	2,579
	Card related fees (debit cards)	47,790	69,476
	Credit related fees	4,496	7,640
	Investment banking fees	16,418	5,359
	Commission on trade	121,716	157,604
	Commission on guarantees	86,354	121,345
	Commission on cash management	1,162	2,870
	Commission on remittances including home remittances	10,350	45,095
	Commission on bancassurance	1,016	1,786
	Commission on Benazir Income Support Programme	1	63,864
	Alternate delivery channels	5,594	14,580
	Commission on brokerage	51,529	36,605
	Others	54	219
		<u>370,833</u>	<u>540,630</u>
<b>26.</b>	<b>GAIN / (LOSS) ON SECURITIES</b>		
	Realised	792,132	(18,716)
	Unrealised - held for trading	(496)	(384)
		<u>791,636</u>	<u>(19,100)</u>
<b>26.1</b>	<b>Realised gain / (loss) on:</b>		
	Federal Government Securities	789,631	(29,269)
	Shares	2,501	10,553
		<u>792,132</u>	<u>(18,716)</u>

		(Un-audited)	
		Nine months ended	
		September 30, 2020	September 30, 2019
		----- (Rupees in '000) -----	
<b>27.</b>	<b>OTHER INCOME</b>	<b>Note</b>	
	Rent on property / locker	17,360	15,197
	Gain on sale of fixed assets - net	2,678	35,524
	Gain on sale of ijarah assets	6,760	2,772
	Account maintenance and other relevant charges	7,547	38,816
	Recovery of expenses from customers	7,979	12,929
	Gain on cancellation of sale contract	2,691	-
	Others	-	300
		<b>45,015</b>	<b>105,538</b>
<b>28.</b>	<b>OPERATING EXPENSES</b>		
	Total compensation expense	<b>28.1</b> 1,332,448	1,295,491
	<b>Property expense</b>		
	Rent and taxes	115,601	112,457
	Insurance - property	3,521	3,989
	Insurance - non banking assets	354	80
	Utilities cost	168,552	194,229
	Security (including guards)	145,984	124,313
	Repair and maintenance (including janitorial charges)	94,522	79,584
	Depreciation on owned fixed assets	205,746	221,508
	Depreciation on right-of-use assets	404,571	393,685
	Depreciation on non banking assets	33,095	33,101
		<b>1,171,946</b>	<b>1,162,946</b>
	<b>Information technology expenses</b>		
	Software maintenance	68,589	44,006
	Hardware maintenance	71,553	49,157
	Depreciation on computer equipments	72,010	82,639
	Amortisation on computer softwares	19,832	20,104
	Network charges	65,988	67,635
	Insurance	1,343	649
		<b>299,315</b>	<b>264,190</b>
	<b>Other operating expenses</b>		
	Directors' fees and allowances	2,750	550
	Fees and allowances to Shariah Board	6,185	3,600
	Legal and professional charges	100,747	251,160
	Outsourced services costs	112,651	98,766
	Travelling and conveyance	109,461	120,584
	NIFT clearing charges	17,553	20,830
	Depreciation	109,202	112,787
	Amortisation of core deposits and brand name	26,528	26,528
	Training and development	2,050	3,687
	Postage and courier charges	26,698	33,381
	Communication	37,780	36,430
	Stationery and printing	62,182	78,117
	Marketing, advertisement and publicity	15,296	21,649
	Brokerage and commission	428	1,914
	Fee and subscription	72,323	87,151
	Cash transportation and sorting charges	55,643	74,438
	Entertainment	22,293	25,744
	Insurance	98,357	110,937
	Deposit insurance premium expense	77,519	74,149
	Repairs and maintenance	59,811	65,656
	Auditors' remuneration	8,021	12,251
	Others	13,566	46,783
		<b>1,037,044</b>	<b>1,307,092</b>
		<b>3,840,753</b>	<b>4,029,719</b>

		(Un-audited) Nine months ended	
		September 30, 2020	September 30, 2019
		----- (Rupees in '000) -----	
<b>28.1</b>	<b>Total compensation expense</b>	<b>Note</b>	
	Fees and allowances etc.	17,067	29,416
	Managerial remuneration		
	i) Fixed	826,651	797,940
	ii) Variable		
	of which;		
	a) Cash bonus / awards etc.	4,228	4,269
	b) Incentives and commission	4,194	3,738
	Charge for defined benefit plan	41,071	44,480
	Contribution to defined contribution plan	51,889	43,800
	Charge for employees compensated absences	13,750	10,640
	Rent and house maintenance	256,067	247,327
	Utilities	56,902	54,958
	Medical	60,223	58,546
	Employee old age benefit institution	406	377
	Total	<u>1,332,448</u>	<u>1,295,491</u>
<b>29.</b>	<b>OTHER CHARGES</b>		
	Penalties imposed by State Bank of Pakistan	16,775	24,457
	Bank charges	16,751	16,648
		<u>33,526</u>	<u>41,105</u>
<b>30.</b>	<b>PROVISIONS AND WRITE OFFS - NET</b>		
	Provisions for diminution in value of investments	276,107	1,165,728
	Provisions against loans and advances	3,805,296	6,960,102
	Provision against other assets	51,569	2,531
	Fixed assets written off	48	-
	Bad debts written off directly	972	128
	Balance with other banks written off	-	30
	Recoveries against written off / charged off bad debts	(602)	-
		<u>4,133,390</u>	<u>8,128,519</u>
<b>31.</b>	<b>TAXATION</b>		
	Current	31.1 & 31.2	73,801
	Prior years		157
	Deferred		(4,074,871)
			<u>(2,325,664)</u>
			<u>(4,004,710)</u>

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

**31.2** The Income Tax Returns of the Bank and its subsidiary have been submitted up to and including financial year ended December 31, 2018 i.e. tax year 2019.

In respect of assessments of Summit Bank Limited from tax year 2008 to tax year 2014, 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 Summit Bank Limited AJK Region from tax year 2013 to tax year 2017, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand of Rs. 9.684 million through amended assessment orders and the same have been paid / adjusted against advance tax paid.

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

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

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

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

		(Un-audited) Nine months ended	
		September 30, 2020	September 30, 2019
		----- (Rupees in '000) -----	
<b>32.</b>	<b>BASIC AND DILUTED LOSS PER SHARE</b>	Note	
	Loss for the period	<u>(5,498,302)</u>	<u>(7,977,449)</u>
		----- (Number of shares) -----	
	Weighted average number of ordinary shares - Basic	<u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupees) -----	
	Basic loss per share	<u>(2.08)</u>	<u>(3.02)</u>
		----- (Number of shares) -----	
	Weighted average number of ordinary shares - Diluted	<b>32.1</b> <u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupees) -----	
	Diluted loss per share	<u>(2.08)</u>	<u>(3.02)</u>

**32.1** There are no potential ordinary shares outstanding as of September 30, 2020.

		(Un-audited) Nine months ended	
		September 30, 2020	September 30, 2019
		----- (Rupees in '000) -----	
<b>33.</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and balances with treasury banks	<u>10,275,859</u>	5,308,830
	Balances with other banks	<u>934,543</u>	914,779
	Overdrawn nostro accounts	<u>(44,083)</u>	(115,991)
		<u>11,166,319</u>	<u>6,107,618</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 cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

**34.1 Fair value of financial assets**

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

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

September 30, 2020 (Un-audited)				
Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----				
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
Investments				
- Federal Government Securities	31,108,534		-	31,108,534
- Shares - Listed	2,047,595	-	-	2,047,595
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments				
- Shares - Unlisted	-	-	68,847	68,847
<b>Non-Financial assets - measured at fair value</b>				
Operating fixed assets				
-	-	-	7,268,833	7,268,833
Non banking assets acquired in satisfaction of claims				
-	-	-	2,891,778	2,891,778
<b>Off-balance sheet financial instruments - measured at fair value</b>				
Forward purchase of foreign exchange				
-	6,194,673		-	6,194,673
Forward sale of foreign exchange				
-	390,929		-	390,929

December 31, 2019 (Audited)				
Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----				
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
Investments				
- Federal Government Securities	19,636,066		-	19,636,066
- Shares - Listed	1,850,989	-	-	1,850,989
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments				
- Shares - Unlisted	-	-	65,483	65,483
<b>Non-Financial assets - measured at fair value</b>				
Operating fixed assets				
-	-	-	7,400,018	7,400,018
Non banking assets acquired in satisfaction of claims				
-	-	-	2,924,873	2,924,873
<b>Off-balance sheet financial instruments - measured at fair value</b>				
Forward purchase of foreign exchange				
-	4,800,861		-	4,800,861
Forward sale of foreign exchange				
-	690,545		-	690,545

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

Item	Valuation approach and input used
Federal Government Securities	The fair values of Federal Government securities are determined using the PKRV rates. The fair values of GOP Ijarah Sukuks are derived using the PKISRV rates.
Units of mutual funds	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.
Ordinary shares - Listed	The fair value of investment in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.
Ordinary shares - Unlisted	This represents breakup value of investments.
Non-Government Debt Securities	Investments in debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (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, 2020 (Un-audited)							
Corporate finance	Trading and sales	Branch banking	Islamic	Brokerage business	Others	Total	
(Rupees in '000)							
<b>Profit and loss</b>							
Net mark-up / return / profit	(430)	767,295	(1,730,645)	(252,744)	4,362	-	(1,212,162)
Inter segment revenue - net	-	(1,048,975)	-	1,048,975	-	-	-
Non mark-up / return / interest income	14,290	1,045,591	296,2355	(15,125)	54,754	-	1,395,865
Total income	13,860	763,911	(1,434,290)	781,106	59,116	-	183,703
Segment direct expenses	1,655	343,295	3,216,836	208,169	71,512	32,812	3,874,279
Inter segment expense allocation	-	-	(342,312)	342,312	-	-	-
Total expenses	1,655	343,295	2,874,524	550,481	71,512	32,812	3,874,279
Provisions	-	276,107	3,797,812	59,471	-	-	4,133,390
<b>Profit / (loss) before tax</b>	<b>12,205</b>	<b>144,509</b>	<b>(8,106,626)</b>	<b>171,154</b>	<b>(12,396)</b>	<b>(32,812)</b>	<b>(7,823,966)</b>

As at September 30, 2020 (Un-audited)							
Corporate finance	Trading and sales	Branch banking	Islamic	Brokerage business	Others	Total	
(Rupees in '000)							
<b>Balance Sheet</b>							
Cash and bank balances	-	5,269,264	4,692,741	1,088,051	160,346	-	11,210,402
Investments	-	28,296,527	1,394,733	3,440,250	38,094	-	33,169,604
Net inter segment lending	-	1,000,000	-	12,321,403	-	-	13,321,403
Lendings to financial institutions	-	-	-	-	-	-	-
Advances - performing	-	-	22,513,583	3,273,133	639	-	25,787,355
Advances - non-performing	-	-	8,151,679	152,803	-	-	8,304,482
Others	44,677	7,715,143	13,444,436	727,726	222,573	12,045,453	34,200,272
<b>Total assets</b>	<b>44,677</b>	<b>42,280,934</b>	<b>50,197,436</b>	<b>21,003,366</b>	<b>421,652</b>	<b>12,045,453</b>	<b>125,993,518</b>
Borrowings	126	7,582,287	6,854,466	300,000	-	-	14,736,879
Subordinated debt	4,283	818,124	673,108	-	-	-	1,495,515
Deposits and other accounts	-	-	83,293,491	16,224,602	-	-	99,518,093
Net inter segment borrowing	-	12,321,403	-	1,000,000	-	-	13,321,403
Others	3,797	762,517	4,394,453	1,799,914	177,510	384,719	7,522,910
<b>Total liabilities</b>	<b>8,206</b>	<b>21,484,331</b>	<b>95,212,518</b>	<b>19,324,516</b>	<b>177,510</b>	<b>384,719</b>	<b>136,594,800</b>
Equity	36,471	20,796,603	(45,018,082)	1,678,850	244,142	11,660,734	(10,601,282)
<b>Total equity and liabilities</b>	<b>44,677</b>	<b>42,280,934</b>	<b>50,197,436</b>	<b>21,003,366</b>	<b>421,652</b>	<b>12,045,453</b>	<b>125,993,518</b>
Contingencies and Commitments	-	13,674,718	17,935,584	4,213,259	-	18,510,957	54,334,518

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)						
<b>Profit and loss</b>						
Net mark-up / return / profit	(304)	29,440	(821,786)	(5,249)	6,447	(791,452)
Inter segment revenue - net	-	(900,378)	-	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	4,070,824
Inter segment expense allocation	-	-	(189,404)	189,404	-	-
Total expenses	1,589	232,895	3,329,271	402,235	71,942	4,070,824
Provisions	-	1,165,728	6,306,111	656,680	-	8,128,519
<b>Profit / (loss) before tax</b>	4,920	(1,700,792)	(10,005,271)	(220,680)	(27,444)	(11,982,159)

As at December 31, 2019 (Un-audited)						
Corporate finance	Trading and sales	Branch banking	Islamic	Brokerage business	Others	Total
(Rupees in '000)						
<b>Balance Sheet</b>						
Cash and bank balances	-	1,870,617	4,130,983	462,275	97,258	6,561,133
Investments	-	20,120,181	1,557,319	-	31,650	21,709,150
Net inter segment lending	-	-	-	14,001,113	-	14,001,113
Lendings to financial institutions	-	791,272	-	200,000	-	991,272
Advances - performing	-	-	27,548,061	3,755,854	626	31,304,541
Advances - non-performing	-	-	11,863,059	75,351	-	11,938,410
Others	36,596	4,068,744	16,416,347	735,424	11,828,177	33,303,339
<b>Total assets</b>	36,596	26,850,814	61,515,769	19,230,017	347,585	119,808,958
Borrowings	465	5,491,088	7,763,227	250,000	-	13,504,780
Subordinated debt	4,063	440,405	1,051,047	-	-	1,495,515
Deposits and other accounts	-	-	73,026,340	15,448,224	-	88,474,564
Net inter segment borrowing	-	14,001,113	-	-	-	14,001,113
Others	2,651	319,515	5,156,226	1,989,042	93,019	7,998,868
<b>Total liabilities</b>	7,179	20,252,121	86,996,840	17,687,266	93,019	125,474,840
Equity	29,417	6,598,693	(25,481,071)	1,542,751	254,566	(11,389,762)
<b>Total equity and liabilities</b>	36,596	26,850,814	61,515,769	19,230,017	347,585	119,808,958
<b>Contingencies and Commitments</b>	-	10,736,460	28,182,452	5,140,291	-	44,059,203

35.1.1 The Bank does not have any operations outside Pakistan.

### 36. RELATED PARTY TRANSACTIONS

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

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

	September 30, 2020 (Un-audited)			December 31, 2019 (Audited)			
	Parent company	Key management personnel	Other related parties	Parent company	Directors	Key management personnel	Other related parties
	----- (Rupees in '000) -----						
<b>Investments</b>							
Opening balance	-	-	1,692,490	-	-	-	1,713,990
Investment made during the period / year	-	-	-	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	(21,500)
Closing balance	-	-	1,692,490	-	-	-	1,692,490
Provision for diminution in value of investments	-	-	1,613,242	-	-	-	1,613,242
<b>Advances</b>							
Opening balance	-	265,793	660,792	-	-	259,303	932,302
Addition during the period / year	-	15,821	300,000	-	-	36,601	2,139,568
Repaid during the period / year	-	(32,517)	(33,112)	-	-	(18,393)	(2,214,009)
Transfer in / (out) - net	-	53,474	5,355	-	-	(11,718)	(197,069)
Closing balance	-	302,571	933,035	-	-	265,793	660,792
Provision held against advances	-	-	-	-	-	-	-

	September 30, 2020 (Un-audited)			December 31, 2019 (Audited)			
	Parent company	Key management personnel	Other related parties	Parent company	Directors	Key management personnel	Other related parties
<b>Other Assets</b>							
Interest / mark-up accrued	-	-	54,235	-	-	-	11,320
Other receivable	699	94	-	699	-	375	-
Provision held against other assets	-	-	-	-	-	-	-
<b>Deposits and other accounts</b>							
Opening balance	-	20,042	1,512,961	-	18,463	13,421	1,769,716
Received during the period / year	-	181,200	1,229,835	-	-	224,304	852,565
Withdrawn during the period / year	-	(172,374)	(1,558,649)	-	-	(217,761)	(946,128)
Transfer (out) / in - net	-	38,423	830,523	-	(18,463)	78	(261,192)
Closing balance	-	67,291	2,014,670	-	-	20,042	1,512,961
<b>Other Liabilities</b>							
Interest / mark-up payable	-	488	10,689	-	-	245	16,293
Payable to defined benefit plan	-	-	24,289	-	-	-	134,673
Brokerage payable	-	-	-	-	-	-	-
<b>Contingencies and Commitments</b>							
Guarantees, letters of credit and acceptances	-	-	280,699	-	-	-	86,500
Commitments to extend credit	-	-	6,645	-	-	-	9,915

	September 30, 2020 (Un-audited)			September 30, 2019 (Un-audited)				
	Parent company	Directors	Key management personnel	Other related parties	Parent company	Directors	Key management personnel	Other related parties
<b>(Rupees in '000)</b>								
<b>Income</b>								
Mark-up / return / interest earned	-	-	9,079	55,813	-	-	5,386	55,289
Fee and commission income	-	-	73	-	-	-	12	-
Other income	-	-	11	-	-	-	8	-
<b>Expense</b>								
Mark-up / return / interest expensed	-	-	1,241	88,893	-	808	492	128,376
Operating expenses:								
- Directors' fees and allowances	-	2,750	-	-	-	550	-	-
- Fee and subscription	-	-	833	-	-	-	1,409	-
- Managerial remuneration	-	-	133,943	-	-	-	103,915	-
- Contribution to defined contribution plan	-	-	-	51,889	-	-	-	43,800
- Charge for defined benefit plan	-	-	-	41,071	-	-	-	44,480
Provision for diminution in value of Investments	-	-	-	-	-	-	-	79,591

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

**37. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**

**Minimum Capital Requirement (MCR):**

Paid-up capital (net of losses)

(Un-audited) (Audited)  
September 30, December 31,  
2020 2019  
----- (Rupees in '000) -----

(14,783,082) (9,365,737)

**Capital Adequacy Ratio (CAR):**

Eligible Common Equity Tier-1 (CET-1) Capital

(29,821,525) (21,424,406)

Eligible Additional Tier-1 (ADT-1) Capital

- -

Total Eligible Tier-1 Capital

(29,821,525) (21,424,406)

Eligible Tier-2 Capital

- -

Total Eligible Capital (Tier-1 + Tier-2)

(29,821,525) (21,424,406)

Risk Weighted Assets (RWAs):

Credit Risk

**57,963,954** 70,219,585

Market Risk

**6,410,960** 6,972,343

Operational Risk

**8,420,159** 5,755,700

Total

**72,795,073** 82,947,628

Common Equity Tier-1 Capital Adequacy ratio

**-40.97%** -25.83%

Tier-1 Capital Adequacy Ratio

**-40.97%** -25.83%

Total Capital Adequacy Ratio

**-40.97%** -25.83%

**Leverage Ratio (LR):**

Eligible Tier-1 Capital

(29,821,525) (21,424,406)

Total Exposures

**125,542,586** 138,078,420

Leverage Ratio

**-23.75%** -15.52%

**Liquidity Coverage Ratio (LCR):**

Total High Quality Liquid Assets

**28,038,911** 14,935,767

Total Net Cash Outflow

**17,344,337** 17,180,961

Liquidity Coverage Ratio

**161.66%** 86.93%

**Net Stable Funding Ratio (NSFR):**

Total Available Stable Funding

**71,737,593** 66,795,162

Total Required Stable Funding

**59,226,086** 66,682,561

Net Stable Funding Ratio

**121.12%** 100.17%

### 38. ISLAMIC BANKING BUSINESS

The Bank commenced its Islamic Banking Operations in Pakistan on March 07, 2014 and is operating with 14 (December 31, 2019: 14) Islamic banking branches and 35 (December 31, 2019: 35) Islamic banking windows at the end of the period.

#### STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2020

	<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>September 30,</b>	<b>December 31,</b>
	<b>2020</b>	<b>2019</b>
<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>ASSETS</b>		
Cash and balances with treasury banks	1,037,152	451,368
Balances with other banks	50,899	10,907
Due from financial institutions	<b>38.1</b> 12,321,403	14,201,113
Investments	<b>38.2</b> 3,440,250	-
Islamic financing and related assets - net	<b>38.3</b> 3,425,936	3,831,205
Fixed assets	281,595	320,842
Intangible assets	2,971	4,638
Due from Head Office	-	-
Deferred tax assets	18,876	-
Other assets	424,284	409,944
<b>Total Assets</b>	<b>21,003,366</b>	<b>19,230,017</b>
<b>LIABILITIES</b>		
Bills payable	166,477	194,231
Due to financial institutions	<b>38.4</b> 1,300,000	250,000
Deposits and other accounts	<b>38.5</b> 16,224,602	15,448,224
Due to Head Office	-	-
Subordinated debt	-	-
Deferred tax liabilities - net	-	-
Other liabilities	1,633,437	1,794,811
	<b>19,324,516</b>	<b>17,687,266</b>
<b>NET ASSETS</b>	<b>1,678,850</b>	<b>1,542,751</b>
<b>REPRESENTED BY</b>		
Islamic Banking Fund	1,000,000	1,000,000
Reserves	-	-
Deficit on revaluation of assets	(35,055)	-
Unappropriated / Unremitted profit	<b>38.6</b> 713,905	542,751
	<b>1,678,850</b>	<b>1,542,751</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>38.7</b>	

**ISLAMIC BANKING BUSINESS  
PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020**

	September 30, 2020	September 30, 2019	
Note	----- (Rupees in '000) -----		
Profit / return earned	38.8	1,493,941	1,468,126
Profit / return expensed	38.9	697,710	572,997
<b>Net Profit / return</b>		<b>796,231</b>	<b>895,129</b>
<b>Other income</b>			
Fee and commission income		36,036	41,961
Dividend income		-	-
Foreign exchange loss		(52,753)	(109,257)
Income / (loss) from derivatives		-	-
Loss on sale of securities		(9,642)	(3,170)
Other income		11,234	13,572
<b>Total other income</b>		<b>(15,125)</b>	<b>(56,894)</b>
<b>Total income</b>		<b>781,106</b>	<b>838,235</b>
<b>Other expenses</b>			
Operating expenses		549,941	401,899
Workers' welfare fund		-	-
Other charges		540	336
<b>Total other expenses</b>		<b>550,481</b>	<b>402,235</b>
<b>Profit before provisions</b>		<b>230,625</b>	<b>436,000</b>
Provision and write offs - net		59,471	656,680
<b>Profit / (loss) before taxation</b>		<b>171,154</b>	<b>(220,680)</b>
Taxation		-	-
<b>Profit / (loss) after taxation</b>		<b>171,154</b>	<b>(220,680)</b>



September 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total

Note

(Rupees in '000)

**38.1 Due from Financial Institutions**

**Unsecured**

Bai Muajjal Receivable from other

Financial Institutions

Musharakah

38.1.1	12,321,403	-	12,321,403	14,001,113	-	14,001,113
38.1.2	-	-	-	200,000	-	200,000
	<b>12,321,403</b>	<b>-</b>	<b>12,321,403</b>	<b>14,201,113</b>	<b>-</b>	<b>14,201,113</b>

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

38.1.2 This represented Musharakah placement to a financial institution at mark-up rate of 9.00% per annum and matured on January 2020.

September 30, 2020 (Un-audited)				December 31, 2019 (Audited)			
Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value

(Rupees in '000)

**38.2 Investments by segments:**

Federal Government Securities:

- GOP Ijarah Sukuks

3,494,180	-	(53,930)	3,440,250	-	-	-	-
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Total Investments

<b>3,494,180</b>	<b>-</b>	<b>(53,930)</b>	<b>3,440,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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**38.3 Islamic financing and related assets**

(Un-audited) September 30, 2020 (Audited) December 31, 2019

Note (Rupees in '000)

Ijarah	467,454	636,161
Murabaha	10,183	8,945
Running Musharakah	654,888	698,301
Diminishing Musharakah	2,346,775	2,516,321
Tijarah	699,998	717,068
Advance against Ijarah	1,780	-
Qarz-e-Hasna	-	80
Gross Islamic financing and related assets	<b>4,181,078</b>	<b>4,576,876</b>
Less: provision against Islamic financings		
- Specific	(749,042)	(734,190)
- General	(6,100)	(11,481)
	<b>(755,142)</b>	<b>(745,671)</b>
Islamic financing and related assets - net of provision	<b>3,425,936</b>	<b>3,831,205</b>

**38.4 Due to financial institutions**

**Secured**

Acceptances from the SBP under Islamic Export Refinance Scheme

300,000	250,000
---------	---------

**Total secured**

300,000	250,000
---------	---------

**Unsecured**

Musharakah

38.4.1	1,000,000	-
--------	-----------	---

**Total unsecured**

1,000,000	-
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<b>1,300,000</b>	<b>250,000</b>
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38.4.1 This represents Musharakah acceptance with conventional operations of Summit Bank Limited.

**38.5 Deposits**

September 30, 2020 (Un-audited)			December 31, 2019 (Audited)			
In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total	
----- (Rupees in '000) -----						
<b>Customers</b>						
Current deposits	4,559,686	456,134	5,015,820	4,794,164	487,731	5,281,895
Savings deposits	9,277,796	93,402	9,371,198	8,248,534	86,186	8,334,720
Term deposits	1,365,084	54,869	1,419,953	1,152,052	293,686	1,445,738
Margin accounts	223,464	-	223,464	230,383	-	230,383
	<b>15,426,030</b>	<b>604,405</b>	<b>16,030,435</b>	<b>14,425,133</b>	<b>867,603</b>	<b>15,292,736</b>
<b>Financial Institutions</b>						
Current deposits	78,233	128	78,361	77,812	121	77,933
Savings deposits	115,806	-	115,806	77,555	-	77,555
Term deposits	-	-	-	-	-	-
	<b>194,039</b>	<b>128</b>	<b>194,167</b>	<b>155,367</b>	<b>121</b>	<b>155,488</b>
	<b>15,620,069</b>	<b>604,533</b>	<b>16,224,602</b>	<b>14,580,500</b>	<b>867,724</b>	<b>15,448,224</b>

**38.5.1** This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 8,916,252 million (December 31, 2019: Rs. 9,033,794 million).

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
	----- (Rupees in '000) -----	
<b>38.6 Islamic Banking Business Unappropriated Profit</b>		
Opening balance	542,751	625,195
Add / (less): Islamic Banking profit / (loss) for the period / year	171,154	(82,444)
Closing balance	<u>713,905</u>	<u>542,751</u>

**38.7 CONTINGENCIES AND COMMITMENTS**

-Guarantees	2,974,317	3,962,232
-Commitments	1,238,942	1,178,059
-Other contingent liabilities	-	-
	<u>4,213,259</u>	<u>5,140,291</u>

	(Un-audited) September 30, 2020	September 30, 2019
	----- (Rupees in '000) -----	
<b>38.8 Profit / Return Earned of Financing, Investments and Placement</b>		

Profit earned on:		
Financing	364,117	553,368
Investments	59,131	-
Placements	1,070,398	914,314
Balances with banks	295	444
	<u>1,493,941</u>	<u>1,468,126</u>

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

Deposits and other accounts	652,587	533,154
Due to Financial Institutions	23,261	16,699
Finance cost of lease liability	21,862	23,144
	<u>697,710</u>	<u>572,997</u>

**39. DATE OF AUTHORISATION FOR ISSUE**

These consolidated condensed interim financial statements were authorised for issue on November 19, 2021 by the Board of Directors of the Group.

President / Chief Executive

Chief Financial Officer

Director

Director

Director

## BRANCH NETWORK

### CONVENTIONAL BANKING BRANCHES

#### KARACHI

##### Abdullah Haroon Road Branch

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

##### Adamjee Nagar Branch

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

##### Atrium Mall Branch

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

##### Badar Commercial Branch

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

##### Bahadur Shah Center Branch

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

##### Bahadurabad Branch

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

##### Barkat-e-Hyderi Branch

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

##### Burns Road Branch

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

##### Clifton Branch

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

##### Cloth Market Branch

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

##### Com-3, Clifton Branch, Karachi

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

##### Defence Branch

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

##### DHA Phase I Branch

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

##### DHA Phase IV Branch

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

##### Dhoraji Colony Branch

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

##### Ex. Dolmen City Branch

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

##### Electronic Market (Abdullah Haroon Road) Branch

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

##### Fish Harbour Branch

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

**Garden East Branch**

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

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

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

**Gulistan-e-Jauhar - Branch 2**

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

**Gulshan-e-Iqbal - Branch 1**

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

**Gulshan-e-Iqbal - Branch 2**

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

**Hyderi Branch**

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

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

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

**Jami Commercial, DHA Branch**

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

**Jamshed Quarters Branch**

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

**Jodia Bazar - Branch 1**

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

**Karachi Stock Exchange Branch**

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

**Karimabad Branch**

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

**Khayaban-e-Shahbaz Branch**

Plot No. 21-C Khayaban-e-Shahbaz, Phase VI, DHA, Karachi  
Tel: 021-35344952, 353444957 & 35344963  
Fax: 021-35344942

**Khayaban-e-Tanzeem Branch**

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

**Korangi Industrial Area Branch**

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

**Malir Cantt Branch**

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

**M. A. Jinnah Road Branch**

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

**Muhammad Ali Society Branch**

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

**Nazimabad (Gol Market) Branch**

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

**New Challi Branch**

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

**North Karachi Industrial Area Branch**

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

**PAF-Base Faisal Branch**

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

**Paper Market Branch**

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

**Plaza Quarters Branch**

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

**Ranchore Line Branch**

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

**Rizvia Society Branch**

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

**Sea View, Clifton Branch, Karachi**

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

**S.I.T.E. Branch**

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

**Saeedabad Branch**

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

**Shahrah-e-Faisal Branch**

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

**Shershah Branch**

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

**Soldier Bazar Branch**

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

**Steel Market Branch**

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

**Tariq Road Branch**

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

**Timber Market Branch**

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

**Water Pump Branch**

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

**LAHORE**

**Allama Iqbal Town Branch**

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

**Azam Cloth Market Branch**

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

**Badami Bagh Branch**

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

**Bahria Town Branch**

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

**Bedian Road Branch**

Plot No. 2512/I, 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

**DHA Phase - VI Branch**

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

**DHA Y Block Branch**

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

**Egerton Road Branch**

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

**Empress Road Branch**

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

**Faisal Town Branch**

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

**Ferozpur Road Branch**

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

**Gulberg Branch**

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

**Ichra More Branch**

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

**Johar Town Branch**

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

**Kashmir Block, Allama Iqbal Town Branch**

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

**Lahore - Cantt Branch**

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

**Lahore Stock Exchange Branch**

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

**Liberty Market Branch**

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

**Mall Road Branch**

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

**Model Town Branch**

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

**New Garden Town Branch**

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

**Shah Alam Gate Branch**

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

**Urdu Bazar Branch**

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

**Z Block DHA Branch**

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

**ISLAMABAD**

**Bahria Town Branch**

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

**Barah Koh Branch**

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

**Blue Area Branch**

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

**F-10 Markaz Branch**

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

**F-11 Markaz Branch**

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

**G-11 Markaz Branch**

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

**I-9 Markaz Branch**

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

**Stock Exchange Branch**

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

**Super Market Branch**

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

**RAWALPINDI**

**Raja Bazar Branch**

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

**Shamsabad Muree Road Branch**

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

**The Mall Road Branch, Rawalpindi**

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

**FAISALABAD**

**Jail Road Branch**

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

**Kotwali Road Branch**

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

**Liaquat Road Branch**

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

**Satiana Road Branch**

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

**Susan Road Branch**

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

## MULTAN

### Abdali Road Branch

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

### Hussain Agahi Road Branch

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

### Qadafi Chowk Branch

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

### Vehari Road Branch

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

## SUKKUR

### Marich Bazar Branch

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

### Shikarpur Road Branch

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

### Workshop Road Branch

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

## GUJRANWALA

### GT Road Branch

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

### Gujranwala Branch

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

### Wapda Town Branch

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

## GUJRAT

### GT Road Branch

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

### Gujrat Branch

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

### Katchery Chowk Branch

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

## PESHAWAR

### Deans Trade Center Branch

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

### Fruit Market Branch

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

### Hayatabad Branch

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

### Main University Road Branch

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

### Milad Chowk Branch

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

## QUETTA

### Fatima Jinnah Road Branch

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



**Liaquat Bazar Branch**

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

**M. A. Jinnah Road Branch**

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

**Regal Chowk Branch**

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

**ABBOTTABAD**

**Abbottabad Branch**

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

**ATTOCK**

**Hassan Abdal Branch**

Survey No. 1269/1624, Khasra No. 1935, G. T. Road,  
Hassan Abdal, District Attock  
Tel: 057-2520328-331 & 2520320-321  
274 ANNUAL REPORT 2019

**Fateh Jang Branch**

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

**AZAD KASHMIR**

**Dadyal Branch**

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

**Mirpur Azad Kashmir - Branch I**

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

**Mirpur Azad Kashmir Branch II**

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

**Muzzafarabad Branch**

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

**Shaheed Chowk Branch**

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

**CHAK GHANIAN**

**Chak Ghanian Branch**

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

**CHAKWAL**

**Chakwal Branch**

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

**Dalwal Branch**

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

**CHAMMAN**

**Chamman Branch**

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

**DADU**

**Dadu Branch**

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

**DINA**

**Dina Branch**

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

**GAWADAR**

**Gawadar Branch**

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

## **GHOTKI**

### **Ghotki Branch**

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

## **GILGIT**

### **Gilgit Branch**

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

## **GUJAR KHAN**

### **Gujar Khan Branch**

Plot # 58-D, 59-C, Sector/Block Area  
Development, Scheme # I, 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**

### **Kasur Branch**

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

## **KHAIRPUR**

### **Pacca Chang Branch**

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

## **KOT ADDU**

### **Kot Addu Branch**

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

## **LALAMUSA**

### **Lalamusa Branch**

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

## **LARKANA**

### **Larkana Branch**

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

## **MANDI BAHAUDDIN**

### **Mandi Bahauddin Branch**

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

## **MANSEHRA**

### **Mansehra Branch**

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

## **MARDAN**

### **The Mall Branch**

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

## **MIRPURKHAS**

### **Khipro Bus Stand Branch**

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

### **Umer Kot Road Branch**

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

## **MURIDKE**

### **Muridke Branch**

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

## **NAROWAL**

### **Katchery Road Branch**

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

## **NAWABSHAH**

### **Nawabshah Branch**

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

## **JAMSHORO**

### **Nooriabad Branch**

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

## **OKARA**

### **Ghulam Mustafa Centre,**

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

## **RABWAH**

### **Rabwah Branch**

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

## **RAHIM YAR KHAN**

### **Rahim Yar Khan Branch**

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

## **SADIQABAD**

### **Sadiqabad Branch**

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

## **SAHIWAL**

### **High Street Branch**

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

## **SARGODHA**

### **Sargodha Branch**

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

### **Satellite Town Branch**

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

## **SHIKARPUR**

### **Shikarpur Branch**

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

## **SIALKOT**

### **Kashmir Road Branch**

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

### **Paris Road Branch**

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

## **TURBAT**

### **Main Bazar Branch**

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

## **WAH CANTT**

### **Wah Cantt Branch**

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

## ISLAMIC BANKING BRANCHES

### KARACHI

#### Fish Harbour Branch

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

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

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

#### IBL Building Centre Shahrah-e-Faisal Branch

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

#### Super Highway Branch

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

#### Zamzama Branch

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

### LAHORE

#### PIA Society Islamic Banking Branch

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

### HUB

#### Hub Branch

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

### CHILAS

#### Chilas Branch

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

### SKARDU

#### Skardu Branch

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

### ISLAMABAD

#### DHA Phase-2 Branch

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

#### Naval Anchorage Branch

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

### CHITRAL

#### Chitral Branch

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

### HYDERBAD

#### DHA Plaza Branch

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

### RAWALPINDI

#### Bahria Town Branch Phase-IV

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

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

**Summit** *S* **Bank**

Committed to you

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