

Ref: SMBL/CSD/2020/09-25

FORM-8

Date: 28.09.2020

The General Manager Pakistan Stock Exchange Limited Stock Exchange Building Stock Exchange Road Karachi

Subject:

Transmission of Quarterly Report for the Period Ended September 30, 2018

Dear Sir,

We have to inform you that the Quarterly Report of Summit Bank Limited for the nine months' period ended September 30, 2018 have been transmitted through PUCARS and is also available on Banks' website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Thanking You,

Very truly yours,

Summit Bank I

For and on behalf

Compa

Secretary

## BUILDING TODAY SHAPING TOMORROW

**QUARTERLY REPORT SEPTEMBER 2018** 





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### **CORPORATE INFORMATION**

**Board of Directors** 

Mr. Waseem Mehdi Syed Chairman

Mr. Ahsan Raza Durrani President & CEO (Acting)

Mr. Wajahat Ahmed Baqai Director

Mr. Zafar Iqbal Siddiqi Director

Ms. Fauzia Hasnain

Mr. Aziz Morris Director

Board Audit Committee

Ms. Fauzia Hasnain

Mr. Wajahat Ahmed Baqa Member

Mr. Zafar Iqbal Siddiqi Member **Board Risk Management Committee** 

Mr. Wajahat Ahmed Baqai Chairman

Ms. Fauzia Hasnain Member

Mr. Aziz Morris Member

Mr. Zafar Iqbal Siddiqi Member

Board Human Resource & Remuneration Committee

Mr. Waseem Mehdi Syed Chairman

Ms. Fauzia Hasnain Member

Mr. Zafar Iqbal Siddiqi

Mr. Wajahat Ahmed Baqa Member

Mr. Ahsan Raza Durrani Member

**Board Information Technology Committee** 

Mr. Zafar Iqbal Siddiqi Chairman

Mr. Aziz Morris Member

Mr. Waseem Mehdi Syed Member **Board Compliance Committee** 

Mr. Wajahat Ahmed Baqai

Chairman

Mr. Waseem Mehdi Syed

Member

Mr. Aziz Morris

Member

Mr. Zafar Iqbal Siddiqi

Member

Chief Financial Officer

Mr. Muhammad Amin Bhoori

Company Secretary

Syed Muhammad Talib Raza

Auditors

Baker Tilly Mehmood Idrees Qamar

**Chartered Accountants** 

**Legal Advisors** 

Hyat & Meerjees

**Share Registrar** 

**THK Associates (Private) Limited** 

1st Floor, 40-C, Block-6,

P.E.C.H.S, Karachi

Tel : 021-111-000-322 Ext : 107-111-115

Fax : 021-34168271

Email: secretariat@thk.com.pk

Website: www.thk.com.pk

**Head Office** 

**Summit Tower** 

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

UAN: (021) 1111-24365

Fax : (021) 32463553

Registered Office

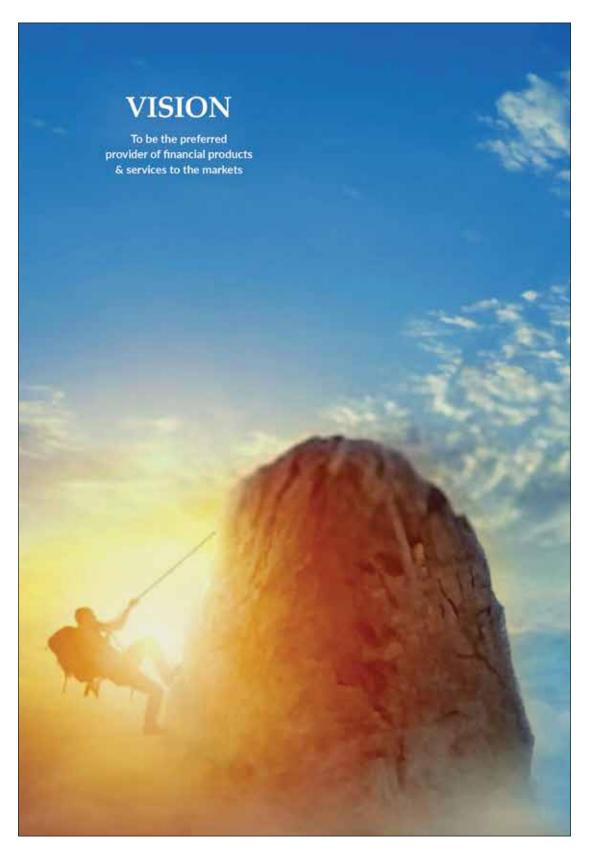
Plot No. 9-C, F-6 Markaz, Supermarket,

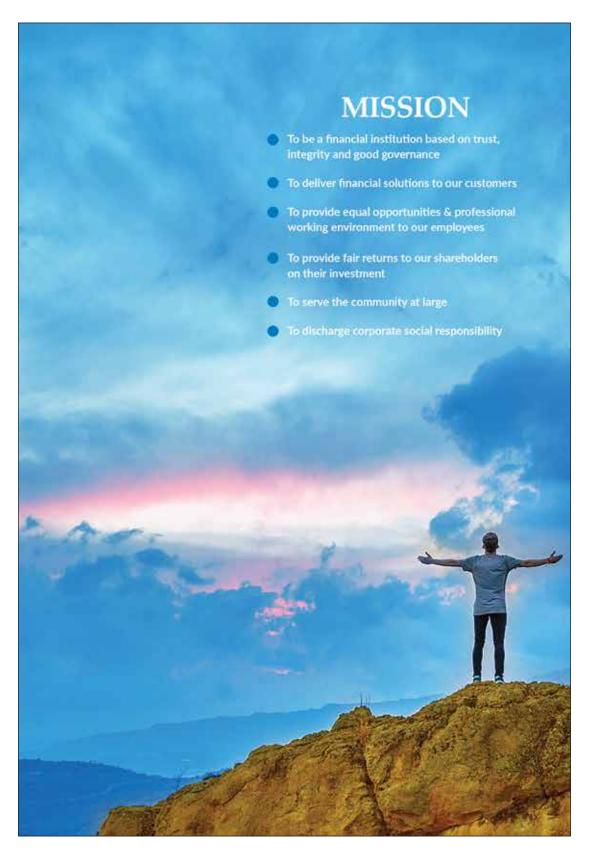
Islamabad, Pakistan

Email: info@summitbank.com.pk

companysecretary@summitbank.com.pk

Website: www.summitbank.com.pk







### **DIRECTORS' REVIEW**

On behalf of the Board of Directors' of Summit Bank Limited (the Bank), we present the unconsolidated condensed interim financial statements of the Bank for quarter and nine months' period ended September 30, 2018.

### **REVIEW OF BANK'S PERFORMANCE**

The summarized operating results of the Bank for the nine months' period under review are as follows:

		ine month d ended
	September 30 2018	, September 30, 2017
	(Rupe	es in '000)
Loss before provisions and direct write-offs	(2,107,981)	(346,496)
Provision against non-performing loans and advances-net	(4,220,589)	(40,043)
(Provision) / reversal of provision for diminution in the		
value of investments-net	(1,008,060)	105,579
Bad debts written off directly	(3,676)	(12,120)
Loss before taxation	(7,340,306)	(293,080)
Tax income / (expense)	2,443,686	(134,704)
Loss after taxation	(4,896,620)	(427,784)
Basic loss per share – Rupees	(1.86)	(0.20)
Diluted loss per share – Rupees	(1.86)	(0.20)

During the nine months' period under review, the Bank posted a loss after tax of Rs. 4,896.621 620 million as compared to loss after tax of Rs. 427.784 million recognized during the same period last year. This comparative increase in loss during is primarily attributable to a significant increase in the provision expense for non-performing loans (NPLs) along with recognition of net provision expense for investments as against the net reversal of provisions that was recognized during the corresponding period last year.

The Bank recognized net provision expense against non-performing advances amounting to Rs. 4,220.590 589 million as compared to Rs. 40.043 million during the same period last year. Apart from the negative impact of provision arising due to fresh classifications of certain NPLs, additional provision was recognized for existing NPLs to comply with regulatory requirements and downgrading of existing NPLs in line with applicable regulatory benchmarks. As of September 30, 2018, Bank's NPLs ratio (Gross NPLs to Gross Loans) stood at 33.23% as against 17.15% as of December 31, 2017, wherein gross NPLs of the Bank increased to Rs. 30,094.906 905 million from Rs. 17,995065.398 584 million as of December 31, 2017. The management is making strenuous recovery efforts and is in constant negotiation with the defaulted borrowers and hopeful that they would soon start paying their due amounts, which should help in reduction of NPLs and related provisions.

During the nine months' period under review, the provision for diminution in value of investments amounted to Rs. 1,008.060 million as against the reversal of provision of Rs. 105.579 million that was recognized during the same period last year. The provision during the current period mainly pertains to impairment on certain AFS shares prudently recognized based on the guidance given in the applicable accounting standards. This impairment primarily arose due to the challenging stock market conditions attributable mainly to the political uncertainty in the recent past. However, management feels that most of these impaired shares have potential of price recovery once the market conditions improve. In addition to that, provision was recognized on a non-performing debt investment held by the Bank due to reduction in the available benefit of the collateral held against that investment.



During the current period, net markup income of the Bank decreased to Rs. I,805.646 million as against the income of Rs. 2,347.647 million earned during the same period last year, translating into a decline of 23.09%. This decline was mainly due to suspension of markup on fresh classification of certain non-performing loans.

Non-markup income amounted to Rs. 1,574.119 million, decreasing by 11.06% in comparison with the same period last year (9M2017: Rs. 1,769.914 million). This primarily include income from dealing in foreign currencies which registered a sizable growth of 33.50% and stood at Rs. 613.086 million as against Rs. 459.257 million during the same period last year. The major reduction is on account of net loss on sale of securities which amounted to Rs. 30.251 million as against a net gain of Rs. 322.964 million realized during the same period last year.

Non-markup expenses during the current period increased to Rs. 5,487.746 million as against expenses of Rs. 4,464.057 million during 9M2017 primarily due to prudently recording of provisions of Rs. 1,063.606 million against certain advance payments against capital work in progress.

The total assets of the Bank stood at Rs. 137,490 .231 233 million as at September 30, 2018 as against Rs. 232,256.525 million as of December 31, 2017, reflecting a decline of 40.80% primarily due to reduction of short-term investments in Treasury Bills (T-Bills). Consequently, net investments of the Bank stood at Rs. 34,255.646 million as against Rs. 94,940.245 million as of December 31, 2017.

Net advances of the Bank stood at Rs. 71,437.413 414 million (December 31, 2017: Rs. 84,592.056 million) registering a decline of 15.55% during 9M2018. Furthermore, as at September 30, 2018, deposits of the Bank closed at Rs. 86,824.082 million (December 31, 2017: Rs. 145,729.707 million).

At the end of third quarter, the Bank has recognized deferred tax assets (net) of Rs. 8,319.145 146 million. This represents management's best estimate of tax benefits expected to be realized in future. We are hopeful that the Bank will be able to realize these benefits.

### STRATEGIC INITIATIVES

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

The 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;
- · Rationalization of the cost structure;
- Improvement in the risk management and technological infrastructure of the Bank to support the business plan; and
- · Income generation through avenues for mark-up income and non-markup income.

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

### **ISLAMIC BANKING**

In line with its strategy, the Bank continued to increase its Islamic Banking portfolio during the period under review. Total deposits of the Islamic Banking (IB) operations as of September 30, 2018 stood at Rs. 15,502.846 million as against Rs. 22,549.245 million as of December 31, 2017 reflecting a decline of 31.25% during 9M2018. Similarly, net Islamic financing and related assets have decreased to Rs. 7,510.605 million at the period-end as against Rs. 10,779.551 million as of December 31, 2017, thereby registering a decline of 30.33% during the nine months' period under review.



The Bank's Islamic Banking network constitutes 14 full-fledged Islamic Banking branches and 35 Islamic Banking windows. The Bank is offering a wide range of Shariah compliant products and services both on liability and on asset side to meet the requirements of its existing and potential customers. Moreover, the Bank remained persistent with its investment in the human resource development and equipped more staff with the required Islamic Banking skills set to enrich their Islamic Banking knowledge.

### **GROUP PERFORMANCE**

The annexed consolidated condensed interim financial statements of the Group comprise of consolidated results of the Bank and its wholly owned subsidiary Summit Capital (Pvt.) Limited for the nine months' ended September 30, 2018. On a consolidated basis, the Group posted a loss after tax of Rs. 4,932.137 135 million as compared to loss after tax of Rs. 409.820 million posted during the same period last year. Moreover, total assets of the Group as of September 30, 2018 stood at Rs. 137,468.459 462 million as against Rs. 232,233.380 million as of December 31,

### **ECONOMIC REVIEW**

At the start of FY19, the country witnessed prominent changes on the political side that had a positive impact on the business and consumer confidence, with the smooth transition between democratic governments. However, concerns on the economic front remained; fueled by rising inflation, rupee adjustment, the large twin deficits (fiscal and current account deficits), growing external debt and circular debt in the power sector. In the short to medium term, these are likely to reduce real economic growth. The macroeconomic policy focus has shifted to stabilization.

Following a healthy annual GDP growth of 5.8 percent in FY18, economic activity is expected to slowdown in FY19. To soften pressure on the external front, measures to stimulate exports and contain non-essential imports have been taken. As a result, domestic demand is projected to decelerate in FY19. Additionally, the lagged impact of SBP's policy rate hikes since January 2018 will curb demand in FY19. In September's Monetary Policy Statement (MPS) (effective October 01, 2018), the policy rate was increased by 100 bps, bringing the cumulative rate hike for the year to 275 bps and revising the policy rate upwards to 8.5 percent.

On the fiscal side, the government is targeting increased tax revenues through improved administrative measures and oversight, and additional revenue generation. Significant amendments have been made to the Federal Budget 2018-19. Additionally, the government is looking to curb expenditure by slashing development spending.

The significant current account deficit (CAD) continues to pose a challenge. Despite a 13.4 percent growth in workers' remittances and a 4.5 percent increase in exports in the first two months of FY19, a prominent increase in the value of oil imports drove overall imports up by 11.0 percent and kept the CAD at US\$2.7 billion, as compared to US\$2.5 billion in the corresponding period last year. The increase was registered despite contracting non-oil imports. As a result, import cover dropped to 8 weeks in August 2018 as compared to 14 weeks in same period last year. Financing the gap has depleted SBP's net liquid FX reserves which stood at US\$ 8.4 billion as of 28th September, 2018, down from US\$ 9.8 billion at the end of FY18.To bridge the current account gap, the government plans to reach out to the International Monetary Fund (IMF). Besides providing immediate relief to the low FX reserves, entry into an IMF program is likely to enhance the credibility of Pakistan in the eyes of global financial community and pave the way for fetching flows from multilateral agencies and improved access to international capital markets.

During the first quarter of FY19,YoY headline CPI inflation averaged 5.6 percent as compared to 3.4 percent during the same period last year. SBP's inflation projections show that the average headline inflation is expected to be in the revised forecast range of 6.5 - 7.5 percent in FY19.

Government borrowing from commercial banks was also subdued with PKR I.4 trillion retired during the quarter.

### **CREDIT RATING**

In November 2018, VIS Credit Rating Company Limited assigned an entity rating of "BBB-" (Triple B Minus) for the long term and 'A-3' (A-Three) for the short term to the Bank, with outlook assigned as 'Rating Watch- Negative' (June 2018: A- [A Minus] for long term and A-1 [A One] for short term with a 'Rating watch Developing' outlook). The unsecured subordinated debt (Term Finance Certificate) of the Bank was assigned an instrument rating 'D' (Default) (June 2018: 'BBB- (SO)' [Triple B Minus (Structured Obligation)] with a 'Rating Watch - Negative' outlook). Subsequently, due to non-availability of updated information, VIS has suspended the entity rating of the Bank.



### **FUTURE OUTLOOK**

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

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

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

### **EVENTS AFTER THE BALANCE SHEET DATE**

The Bank has received a letter dated March 27, 2020 from H.E. Nasser Abdulla Hussain Lootah (Potential Investor) pursuant to which the Potential Investor has communicated his intention to acquire at least controlling stake in the Bank by subscribing to fresh equity in the Bank and investing such amounts as may be necessary (subject to satisfactory due-diligence) to ensure that the Bank meets its Minimum Capital Requirements (MCR) and Capital Adequacy Ratio (CAR) requirement as prescribed by State Bank of Pakistan (SBP). Moreover, 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 Potential 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 execution of the proposed transaction is subject to due-diligence and all Regulatory and corporate approvals. Furthermore, the Bank has entered into an Exclusivity Agreement with the Potential Investor for the proposed transaction.

### **ACKNOWLEDGMENT**

We take this opportunity to thank the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, and the Ministry of Finance for their support throughout. We would also like to thank our valued customers for their continued patronage and appreciate our employees for their dedication, hard work and commitment.

On Behalf of the Board of Directors.		
	<del></del>	
Ahsan Raza Durrani	Fauzia Hasnain	
Acting President and Chief Executive Officer	Director	

Date: September 18, 2020

Place: Karachi



### مستفتل كامنظرنامهر

بینک مارکیٹ میں موجود کاروباری مواقع ہے استفادے کے لیے بوری طرح تیار ہے اور طویل مدتی یائیدار نمو کے لیے اپنی حکمت عملی پر توجہ مرکوز کے رکھے گا۔ اپنے مقاصد کے حصول کے لیے بینک کے پاس بہترین انفراسٹر کچر، ٹیکنالوجی کا پلیٹ فارم اور تربیت یافتہ افرادی وسائل موجو دہیں۔ مستقبّل میں، بینک نتائج میں بہتری کے لیے تمام کلیدی شعبوں پر توجہ مر کوزر کھے گاجن میں سے چند حسب ذیل ہیں:

- اثاثوں بر منافع اور مجموعی معیاری جز دان کی بہتر ی؛
- امانتوں پر لاگت (سی اوڈی) میں کمی اور حاری کھاتے اور بحیت کھاتے (سی اے ایس اے) کی شرحوں میں بہتری؛
  - سودی وغیر سودی آمدنی کے بہاؤمیں بہتری؛
  - سرمائے کی اساس میں مسلسل بہتری و تقویت؛
    - غیر فعال قرضوں اور بیعانوں کی بازیابی؟
  - غیر نفع آورا ثاثوں کی عقلی تنظیم اور ان میں کی؛ اور
    - لاگتی بجت اور عقلی تنظیم کے شعبوں کی نشاند ہی

### تاریخ فر دواصلات کے بعد ہونے والے واقعات

27 مارچ 2020ء کو ایج ای نصر عبد الله حسین اوطه ( مکننه سر مایه کار) کی جانب ہے بینک کو ایک راسله موصول ہوا جس کی پیروی کرنے ہر ممکنه سر مایه کار نے بینک میں تازہ ایکویٹی سنبسکرائپ کرنے اور اس رقم کی جہاں ضروری ہو ( قابل اطمینان ضروری مستعدی سے مشروط) سرمامہ کاری کرنے کے ذریعے بینک کے کنٹر ولنگ اختیار حاصل کرنے کے ارادے کااظہار کیا تاکہ بینک اسٹیٹ بینک کے مجوزہ کم ہے کم سرمائے کے نقاضے (ایم می آر)اور شرح کفایتِ سرماہی (سی اے آر) کے تقاضوں پر پورااتر سکے۔مزید یہ کہ اس طرح کے لین دین کے لیے سیکیورٹیز ایک ،2015ءاور فہرستی کمپینز (ووٹنگ شیئر زاور ٹیک اوورز کا کافی حصول) ر یگو میشنز کے قابل اطلاق تقاضوں کی تغیل کرتے ہوئے، ممکنہ سرمایہ کار کی جانب سے انتظامی کنٹرول کے ساتھ بینک کے کم از کم 51 فیصد جاری کر دہ اور اداشدہ سم مائے کے بارے میں عوامی اعلان کیا گیا۔ مجوزہ لین دین پر عمل درآ مد ضروری مستعدی اور تمام ضوابطی اور کارپوریٹ منظوریوں سے مشر وط ہے۔ مزید بر آس، بینک نے مجوزہ لین دین کے لیے ممکنہ سر مایہ کار کے ساتھ ایک اشتثنائی معاہدہ کیاہے۔

### اقرارنامه

ہم مسلسل حمایت کے لیے اسٹیٹ بینک آف پاکستان، سیکیور ٹیز اینڈ اینچینئ نمیشن پاکستان اور وزارت ہالیات کے شکر گزار ہیں۔ ہم مسلسل سریرستی کے لیے اپنے قیتی صار فین اور مسلسل لگن، محنت اور ذمہ داری کے لیے اپنے ملاز مین کا بھی شکریہ ادا کر ناجاہیں گے

بورڈ آف ڈائر یکٹر ز کی جانب سے	
 احسن رضا درانی	فوزىيەسنىن
قائمُ مقام صدر اور چیف ایگزیکٹو	ڈائز یکٹر

بتاريخ: ستمبر 18، 2020 مقام: کراچی



مالی سال 18ء میں جی ڈی پی کی 5.8 فیصد کی بھر پورنمو کے بعد مالی سال 19ء میں معاشی سر گری میں ست روی متوقع ہے۔ بیرونی سطح پر دیاؤ میں کمی کے لیے بر آمدات کو ترغیب دینے اور غیر ضروری درآمدات کو محد ود کرنے کے متعد د اقدامات کیے گئے ہیں۔ نتیتناً مالی سال 19ء میں مکی طلب میں کمی متوقع ہے۔ نیز، جنوری 2018ء سے اسٹیٹ بینک کے پالیسی ریٹ میں اضافے کے تاخیر کی اثرات مالی سال 19ء میں طلب کو محدود رکھیں گے۔ ستمبر کے زری پالیسی بیان (کیم اکتوبر 2018ء سے نافذ شدہ) میں پالیسی ریٹ میں 100 بی بی ایس اضافے ہے، سال بھر میں پالیسی ریٹ میں مجموعی 275 بی بی ایس کا اضافہ ہوا اور پالیسی ریٹ بڑھ کر 8.5 فیصد ہو گیا۔

مالیاتی لحاظ ہے، حکومت بہتر انتظامی اقد امات اور نگرانی ہے نکیس محاصل میں اضافہ اور نیا نکیس جزیٹ کرنے پر توجہ مر کوز کر رہی ہے۔ 19-2018ء کے بجٹ میں نمایاں ترامیم کی گئی ہیں۔ مزید بر آں، حکومت تر قباتی اخراحات میں کمی سے اخراحات قابومیں کرنے کے امکان کود کچیر ہی ہے۔

حاری کھاتے کے نمایاں خسارے نے ایک چیلنج کی صورت اختیار کیے رکھی۔ کارکنان کی ترسلات زر میں 13.4 فیصد نمواور مالی سال 19ء کے پہلے دو مہینوں میں بر آمدات میں 4.5 فیصداضا نے کے ماوجو د آئل کی درآمد کی مالیت میں نمامال اضافے ہے مجموعی درآمدات 11.0 فیصد بڑھ گئیں اور حاری کھاتے کا خیارہ 2.7 ارب ڈالر تک چلا گیا جبکہ گذشتہ برس کی اس مدت کے دوران یہ 2.5 ارب ڈالر تھا۔ نان آئل درآ مدات میں تخفیف کے باوجود یہ اضافہ درج کیا گیا۔ نیتجنًا، درآ مدی کفالت اگست 2018ء میں 8 ہفتوں تک رہ گئی جبکہ گذشتہ برس کی اسی مدت میں یہ 14 ہفتوں تک تھی۔اس فرق کی مالکاری نے اسٹیٹ ہبنک کے زر مبادلہ کے خالص سال ذخائر کوختم کر دیا ،جو 28 متبر ، 2018ء تک 8.4 ارب امر کی ڈالررہ گئے، جبکہ مالی سال 18ء کے اختتام پر بیر 9.8 ارب امر کی ڈالر تھے۔ حاری کھاتے کے فرق کو پورا کرنے کے لیے ، حکومت بین الا قوامی مالیاتی فنڈ ( آئی ایم ایف) تک رسائی کاارادہ رکھتی ہے۔زرمبادلہ کے بیت ذخائر کو فوری ریلیف دینے کے علاوہ، آئی ایم ایف پروگرام میں داخلے سے عالمی مالیاتی برادری کی نظر میں پاکستان کی ساکھ میں بہتری اور کثیر فریقی ایجنسیوں سے رقوم کے بہاؤ اور بین الا قوامی سرمابہ منڈیوں تک رسائی میں بہتری کاامکان ہے۔

مالي سال 19 و کو پېلې سه مايې کے دوران ،سال بيال صارف اشار په قبت مړنگائي کې اوسط 5.6 فيصدر جې ډېمپکه گذشته برس کې اي مدت مين په 4.4 فيصدر تقي په اسٽيپ بینک کے مہزگائی کے تخینے واضح کرتے ہیں کہ مالی سال 19ء کے دوران اوسط عمومی مہزگائی کے تخینے نظر ثانی شدہ پیش گوئی کے مطابق 6.5 تا 7.5 فیصد تک رہنے کا امکان ہے۔

دوران سہ ماہی 4. 1 ٹریلین رویے کے قرضوں کی واپسی کے ساتھ کمرشل بینکوں سے حکومتی قرض گیری بھی یست رہی۔

### كريڈٹ ريٹنگز

نومبر 2018ء میں وی آئی ایس کریڈٹ ریٹننگز تمپینی کمیٹیڈٹے بینک کو رٹینگ واچ منفی کے منظر نامے کے ساتھ طویل مدتی لحاظ سے کاروباری ادارے کی "نی لی اپ " (ٹریل بی مائنس) اور قلیل مدتی لحاظ سے 'اے-3' رٹینگ دی (جون 2018ء: رٹینگ واچ ڈوملیمنٹ منظرنامے کے ساتھ طویل مدتی لحاظ ہے اے منفی اور قلیل مدتی لحاظ سے اپ ون)۔ بینک کے غیر محفوظ ماتحت قرضے (ٹرم فٹانس سر ٹیفکیٹ) کو ڈی(ڈیفالٹ) کی انسٹر ومنٹ رٹینگ(جون 2018ء: رٹینگ واچ منفی کے منظرنامے کے ساتھ کی بی بی ارایس او) [ٹریل کی مائنس (ساختی ذمہ داری)] تفویض کی۔ ازاں بعد ، تازہ معلومات کی عدم دستیابی کی وجہ سے وی آئی ایس نے ببنک کی کاروباری ادارے کی رٹینگ منسوخ کر دی۔



- سرمائے کا ادخال؛
- پاکستان میں اسلامی مالکاری کی متوقع نموسے حاصل ہونے والے فوائد جب بینک اپنے مکمل طور پر ایک اسلامی بینک میں تبدیل ہونے کے ابتدائی فصلے کے نفاذ کے عمل کو تیز کر دے گا؛
  - بازیابی کی سرگرم اور مر کوز کوششوں کے ذریعے غیر فعال قرضوں کی بازیابی؛
    - بینک کی جانب سے غیر منفعت بخش اثاثوں کی مجموعی سطح میں کمی؛
      - لاگت کے ڈھانچے کی عقلی تنظیم؛
  - کاروباری منصوبے کی معاونت کے لیے بینک کے انتظام خطر اور ٹیکنالوجی کے انفر اسٹر کچر میں بہتری؛اور
    - سودی آمدنی اور غیر سودی آمدنی کے ذرائع سے آمدنی کا حصول

انتظامیہ اور بورڈ آف ڈائر یکٹر زیرامید میں کہ اگر کاروباری منصوبے میں طے شدہ نموے عوامل اور دیگر اہم مفروضے پورے ہو جاتے ہیں تو، بینک کاروباری نتائج میں متوقع بہتری اور سرمائے کے قابل اطلاق تقاضوں کی تغییل کرسکے گا۔

### اسلامي پينكاري

اپنی حکمت عملی کے عین مطابق، بینک نے زیر جائزہ مدت کے دوران اپنے اسلامی بینکاری جزدان میں اضافیہ جاری رکھا۔ 30 ستمبر ، 2018ء کو اسلامی بینکاری (آئی بی) کے آپریشنز کے مجموعی ذخائر 15,502.846 ملین روپے تھے جبکہ 31 دسمبر 2017ء میں یہ 22,549.245 ملین روپے تھے جو 2018ء کی 9 مہینوں میں 31.25 فیصد کمی کی عکاسی کرتا ہے۔اسی طرح، خالص اسلامی مالی مالکاری اور منسلک اثاثے مدت کے اختتام پر کم ہوکر 7,510.605 ملین روپے ہو گئے جبکیہ 31 دسمبر 2017ء تک بد 10,779.551 ملین رویے تھے،اس طرح زیر جائزہ نومبینوں کی مدت کے دوران 30.33 فیصد کی درج کی گئی۔

بینک کااسلامی بینکاری نیٹ ورک 14 مکمل اسلامی بینکاری برانچوں اور 35اسلامی بینکاری ونڈوزیر مشتمل ہے۔ بینک اپنے موجو دہ اور ممکنہ صارفین کی ضروریات کو پورا کرنے کے لیے واجبات اور اثاثہ جات دونوں پر شریعت ہے ہم آ ہنگ مصنوعات اور خدمات کی پیش کش کر رہاہے۔ مزید ہر آل، بینک افرادی وسائل کی تربیت ویرداخت میں اپنی سرمابیہ کاری پر قائم ہے اور مزید عملے کواسلامی بینکاری کی مطلوبہ مہار توں سے آراستہ کیا گیاہے تا کہ ان کے اسلامی بینکاری کے علم کو مزید تقویت دی جائے۔

### گروپ کی کار کردگی

گروپ کے منسلکہ حامع عبوری مالی بیانات 30 ستمبر ، 2018ء کو اختتام پذیر ہونے والے نو مہینوں کے لیے بینک اور مکمل طوریراس کے زیر ملکیت ذیلی سمپنی سٹ کیٹل (پرائیویٹ) کمیٹلا کے بیجانتائج پر مشتل میں۔ کیجابنیادیر، گروپ نے 4,932.135 ملین روپے کا خیارہ بعد از ٹیکس درج کیا جبکہ گذشتہ برس کی اسی مدت کے دوران409.820 ملین روپے کا خیارہ بعد از ٹیکس درج کیا گیا تھا۔ مزید بر آل، 30 ستمبر ، 2018ء تک اس گروپ کے کل اٹانوں کی مالیت 137,468.462 ملین روپے تھی جبكه 31 دسمبر 2017ء ميں يە 232,233.380 ملين روپے تھی۔

### ا قضادی جائزه

مالی سال 19ءکے آغاز پر ملک میں سیاسی اعتبار سے نمایاں تبدیلیاں د کھائی دیں جنھوں نے جمہوری حکومتوں کی ہموار تبدیلی سے کاروبار اور صارف پر مثبت اثر ڈالا۔ تاہم بڑھتی ہوئی مہنگائی، روپے کی قدر میں ردوبدل، وسیع دوچند خسارہ (مالیاتی اور جاری کھاتے کا خسارہ)، بڑھتا ہوا ہیرونی قرضہ، اور توانائی کے شعبے میں گرد ٹی قرضے کی وجہ سے معاثی سطیر خدشات لاحق رہے۔ قلیل تاوسط مدتی کھاظ ہے، امکان ہے کہ ان سے حقیقی معاشی نمومیں کی آئے گی۔ کلی معاشی پالیسی کی توجہ استحکام کی جانب منتقل ہو چکی ہے۔



قابل اطلاق اکاؤنٹنگ معیارات میں دی گئی ہدایات کی بنیاد پر مختاطیہ طور پر تسلیم کی گئی تھی۔ یہ مفرت بنیادی طور پر بازار حصص کی دشوار صورت حال کی وجہ ہے ابھری جس کی وجہ ماضی قریب میں غیریقینی صورتِ حال کو قرار دیا جاسکتا ہے۔ تاہم، انظامیہ سمجھتی ہے کہ منڈی کی صورتِ حال بہتر ہونے کے بعد ان مضر تھمص میں سے بیشتر قبت کے بازیاب ہونے کاامکان رکھتے ہیں۔اس کے علاوہ، سرمایہ کاری کے متبادل موجود صفانت کے دستیاب فائدے میں کی کے باعث بینک کے پاس موجود غیر فعال قرضے کی سرمایہ کاری پر تموین تسلیم کی گئی تھی۔

موجودہ مدت کے دوران بینک کی خالص سودی (مارک اپ) آمدنی 23.09 فیصد کی کے ساتھ گھٹ کر 1,805.646 ملین روپے رہ گئی جبکہ گذشتہ ہرس کی ای مدت میں 2,347.647 ملین روپے کی آمدنی ہوئی تھی۔ بعض غیر فعال قرضوں کی از سر نو در جہ بندی پر سود کی معطلی اس کمی کی بنیادی وجہ تھی۔

غیر سودی آمدنی گذشتہ برس کی اسی مدت کے مقابلے میں 11.06فیصد اضافے کے ساتھ 1,574.119 ملین روپے ہو گئی( کو ہاہی 2017ء، 914،769.914 ملین روپے )۔ یہ بنیادی طور پر فارن کرنسیوں میں لین دین ہے ہونے والی آمدنی پرمشتل ہوتی ہے جو 33.50 فیصد کی ضخیم نمو کے ساتھ 613.086 ملین رویے تھے جبکہ گذشتہ برس کی اس مدت کے دوران یہ 459.257 ملین روپے تھے۔ اس میں پیشتر کی تمسکات کی فروخت پر خالص نفع میں کی کی وجہ سے آئی جو گھٹ کر 30.251 ملین روپے رہ گئے جبکہ گذشتہ برس کی اسی مدت میں 322.964 ملین رویے تھے۔

موجودہ مدت کے دوران غیر سودی اخراجات میں 3,487.746 ملین رویے کااضافہ ہوا جبکہہ 2017ء کے 9 مہینوں میں4,464.057 ملین رویے کااضافہ ہواتھا، جس کی بنیادی وجہ جاری سرمائے میں نمو کے مقابل بعض پینگی ادائیگیوں پر 1,063.606 ملین رویے کی محتاطیہ تموین تھی۔

30 تتمبر 2018ء پر بینک کے مجموعی اثاثے 137,490.233 ملین روپے تھے جبکہ 31 دسمبر 2017ء میں یہ 232,256.552 ملین روپے تھے، جو 40.800 فیصد کمی کی عکا ت کرتے ہیں، جس کی بنیادی وجہ ٹریژری بلز (ٹی بلز ) میں قلیل مدتی سرمایہ کاریوں میں تخفیف تھی۔ نیتجنا، بینک کی خالص سرمایہ کاریاں 34,255.646 ملین روپے ہو گئیں جبكه 31د سمبر 2017ء تك يه 94,940.245 ملين رويي تفيين-

2018ء کے و مہینوں کے دوران خالص بیعانے 15.55 فیصد نمو درج کرتے ہوئے 71,437.414 ملین روپے (31 دسمبر 2017ء: 84,592.056 ملین روپے) ہوگئے۔ مزید برآل، 30 متبر 2018ء کو بینک کی امانتیں 86,824.082 ملین روپے (31 دسمبر 2017ء: 707, 145,729 ملین روپے) کے صحت مند اعدادوشار پر بند ہوئیں۔

تيسري سه ماني کے اختتام پر ، بينک نے 8,319.146 ملين روپے کے مؤخر نکيل اثاثے تسليم کيے ہيں۔ اس سے مستقبل ميں وصول کيے جانے والے متوقع نکيل فوائد کے انتظامیہ کے بہترین تخینے کی نمائند گی ہوتی ہے۔ ہمیں امید ہے کہ بینک ان فوائد سے استفادہ کر سکے گا۔

### تزويراتی(اسٹریٹیجک)اقدامات

بینک کم از کم سرمائے کے قابل اطلاق تقاضوں ہے ہم آ ہنگ ہونے کی مخلصانہ کوششیں کر رہاہے۔ بینک کا اداشدہ سرمایہ (خالص خیارہ)،شرح کفایت سرمایہ اور لیوراجیہ تئاسب اسٹیٹ بینک کی مقررہ سطح سے کم تھے۔اس ضمن میں مبینک نے اپنے سرمائے کی اساس اور انجذاب خطر کی استعداد کو بہتر بنانے اور بینک کی نمو کو فروغ دینے والے اقدام کو تحریک فراہم کرنے کے مقصد سے ایک کاروباری منصوبہ تیار کیا ہے۔

انظامیہ نے ایک کاروباری منصوبہ تیار کیاہے جے بورڈ کی جانب ہے منظور کیا جاچکا ہے۔ اس منصوبے کا مقصد بینک کی سرمائے کی اساس اور انجذاب خطر کی استعداد کو بہتر بنانا اور بینک کی نمو کو فروغ دینے والے مستقبل کے اقدامات کو تحریک فراہم کرناہے۔ کاروباری منصوبے میں درج ذیل کلیدی مفروضوں پر غور کیا گیاہے:





### ڈائریکٹر زکاجائزہ

سمٹ بینک لمیٹڈ (بینک) کے بورڈا آف ڈائر کیٹر ز کی جانب ہے، ہم بینک کی 30 ستمبر 2018ء کو اختتام پذیر ہونے والی سے ماہی اور نو مہینوں کے لیے غیر کیجا حامع عبوری مالی گوشوارے پیش کرتے ہیں:

### کار کر دگی کا جائزه

زیر جائزہ نو مہینوں کی مدت کے لیے بینک کے عملی نتائج کاخلاصہ مندرجہ ذیل ہے:

نو مهینوں کی مدت	اختتام پذیر ہونے والی ف
30 تتبر 2017ء	30 تتبر 2018ء
ں یں)	(روپے ہزارو
(2,107,981)	(346,496)
(4,220,589)	(40,043)
(1,008,060)	105,579
(3,676)	(12,120)
(7,340,306)	(293,080)
2,443,686	(134,704)
(4,896,620)	(427,784)
(1.86)	(0.20)
(1.86)	(0.20)

زیرِ جائزہ نو مہینوں کے دوران، بینک نے 4,896.620 ملین رویے کا خسارہ بعد از ٹیکس درج کیا جبکہ گذشتہ برس کی ای مدت کے دوران 4,27.784 ملین رویے کا خسارہ بعد از ٹیکن درج کیا گیا تھا۔ 2018ء ک کے پہلے نو مہینوں کے دوران خیارے میں اضافے کی بنیادی وجہ غیر فعال قرضوں (ان ایل پیز) کے لیے تموین کے اخراجات میں نمایاں اضافے کے ساتھ ساتھ تموین کے خالص استر داد کے خلاف سرماہ پر کاریوں کے لیے خالص تھوینی اخراجات کے طور پر تسلیم کیے جانے کو قرار دیاجاسکتاہے، جو گذشتہ برس کی اسی مدت کے دوران تسلیم کیے گئے تھے۔

بینک نے 4,220.589 ملین روپے کے خالص تموینی افراجات کو غیر فعال قرضوں کے مقابل تسلیم کیا جمکہ گذشتہ برس کی ای مدت میں 40.043 ملین روپے درج کیے گئے تھے۔ بعض غیر فعال قرضوں کی از سر نو درجہ بندی کی وجہ سے پیداہونے والے تموین کے منفی اثر کے علاوہ، ضوابطی تقاضوں کی تغییل اور قابل اطلاق ضوابطی نظانیوں کے مطابق، موجودہ غیر فعال قرضوں میں بتدریج کی کے لیے بھی اضافی تمرین کو تسلیم کیا گیا تھا۔30 ستبر ،2018ء تک، بینک کا غیر فعال قرضوں کا تناسب (مجموعی غیر فعال قرضے تا مجموعی قرضے) 33.23 فیصد تھا جبکہ 31 دسمبر 2017ء میں یہ 17.15 فیصد تھا، جس میں بینک کے مجموعی غیر فعال قرضے بڑھ کر 30,094.905 ملین روپے ہوگئے جبکہ 31ء سمبر،2017ء تک 17,065.584 ملین روپے تھے۔ انظامیہ ان قرضوں کی بازیابی کے لیے کوششیں کررہی ہے اور ناد ہندہ قرض گیر وں سے مستقل مذکرات کر رہی ہے تاکہ غیر فعال قرضوں اور ان کی متعلقہ تموین میں کمی کویقینی بنایا جاسکے۔

زیر جائزہ نو مہینوں کی مدت کے دوران، سرمایہ کارلیوں کی مالیت میں تخفیف کے لیے تموین 1,008.060 ملین رویے ہو گئ جبکہ گذشتہ برس کی ای مدت کے دوران 105.579 ملین رویے کی تموین کا استر داد کیا گیاتھا۔ موجو دہ مدت کے دوران تموین بنیادی طور پر بعض اے ایف ایس شیئرز پر مضرت سے متعلق تھی جو

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

FOR THE NINE MONTHS
PERIOD ENDED
SEPTEMBER 30, 2018



### UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

<b>ASAT</b>	SEP.	<b>TEMBER</b>	30, 2018
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(Un-audited)	(Audited)
September 30,	December 31,
2018	2017

400570	(Restated)		
ASSETS	Note	(Rupees in '000)	
Cash and balances with treasury banks		4,378,502	13,556,723
Balances with other banks		1,029,521	2,440,333
Lendings to financial institutions		-	10,671,003
Investments-net	8	34,255,646	94,940,245
Advances-net	9	71,437,414	84,592,056
Operating fixed assets	10	11,560,502	12,664,584
Deferred tax assets-net	11	8,319,146	5,804,191
Other assets	12	6,509,502	7,587,390
		137,490,233	232,256,525

### **LIABILITIES**

Bills payable		1,991,696	3,065,379
Borrowings		37,758,451	67,307,766
Deposits and other accounts	13	86,824,082	145,729,707
Sub-ordinated loans		1,495,515	1,495,860
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		3,923,422	4,416,699
		131,993,166	222,015,411

NET ASSETS	5,497,067	10,241,114

### **REPRESENTED BY**

Share capital	26,381,510	26,381,510
Reserves	(6,306,359)	(6,306,359)
Accumulated losses	(16,140,450)	(11,328,979)
	3,934,701	8,746,172
Surplus on revaluation of assets - net of tax	1,562,366	1,494,942
	5,497,067	10,241,114

### **CONTINGENCIES AND COMMITMENTS**

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The annexed notes from 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.

Acting President &	Chief Financial Officer	Director	Director	Director
Chief Executive				



### UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

		Quarter	ended	Nine moths p	eriod ended
	Note	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
			(Rupees	in '000)	
Mark-up / return / interest earned		1,853,077	2,807,511	7,188,753	8,112,145
Mark-up / return / interest expensed		(1,639,270)	(2,074,062)	(5,383,107)	(5,764,498)
Net mark-up / interest income		213,807	733,449	1,805,646	2,347,647
(Provision) / reversal of provision against non-performing loans and advances - net (Provision) / reversal of provision for diminution	9.2.1	(2,763,183)	15,538	(4,220,589)	(40,043)
in the value of investments - net	8	(180,077)	1,541	(1,008,060)	105,579
Bad debts written off directly		(41)	(8,229)	(3,676)	(12,120)
		(2,943,301)	8,850	(5,232,325)	53,416
Net mark-up / interest (expense) / income after provisions		(2,729,494)	742,299	(3,426,679)	2,401,063
NON MARK-UP / INTEREST INCOME		(2,727,474)	772,277	(3,420,077)	2,401,003
Fee, commission and brokerage income		220,147	296,775	753,927	863,582
Dividend income		1,611	24,316	6,815	38,495
Income from dealing in foreign currencies		200,481	180,266	613,086	459,257
(Loss) / gain on sale of securities - net		(51,392)	146,804	(30,251)	322,964
(Loss) / gain on disposal of operating fixed assets - net		(52)	4,765	2,274	32,030
Unrealised gain / (loss) on revaluation of investments		, ,		·	
classified as held-for-trading - net		19,446	(14,693)	-	(28,386)
Other income		30,317	26,305	228,268	81,972
Total non mark-up / interest income		420,558	664,538	1,574,119	1,769,914
NON MARK-UP / INTEREST EXPENSES		(2,308,936)	1,406,837	(1,852,560)	4,170,977
Administrative expenses		(1,481,900)		(4,296,948)	(4,445,400)
Other (provisions) / (write-offs)		(398)		(1,161,052)	(1,343)
Other charges		(5,913)		(29,746)	(17,314)
Total non mark-up / interest expenses		(1,488,211)	(1,498,582)	(5,487,746)	(4,464,057)
Extra ordinary / unusual items		(3,797,147)	(91,745)	(7,340,306)	(293,080)
LOSS BEFORE TAXATION		(3,797,147)	(91,745)	(7,340,306)	(293,080)
Taxation	15	, , ,		, , ,	
Current		(28,629)	(41,606)	(107,575)	(118,939)
Prior years			-	- 1	- 1
Deferred		2,737,293	(2,261)	2,551,261	(15,765)
		2,708,664	(43,867)	2,443,686	(134,704)
LOSS AFTER TAXATION		(1,088,483)	(135,612)	(4,896,620)	(427,784)
			(Rup	ees)	
Basic loss per share	16	(0.41)	(0.07)	(1.86)	(0.20)
Diluted loss per share	16	(0.41)	(0.07)	(1.86)	(0.20)

The annexed notes from 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.

Acting President & 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, 2018

	Quarter	ended	Nine moths p	eriod ended
	September 30, S	eptember 30, 2017	September 30, 2018	September 30, 2017
		(Rupee	s in '000)	
Loss after taxation for the period	(1,088,483)	(135,612)	(4,896,620)	(427,784)
Other comprehensive income	-	-	-	-
Comprehensive loss transferred to unconsolidated condensed interim statement of changes in equity	(1,088,483)	(135,612)	(4,896,620)	(427,784)
Components of comprehensive (loss) / income not reflected in equity				
(Deficit) / surplus on revaluation of available for-sale securities - net of tax	(95,365)	(332,339)	175,814	(377,049)
Total comprehensive loss for the period	(1,183,848)	(467,951)	(4,720,806)	(804,833)

The annexed notes from 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.

Acting President & Chief Financial Officer Director Director Director



### UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

CASH FLOW FROM OPERATING ACTIVITIES  Loss before taxation  Less: Dividend income  Adjustments:  Depreciation on operating fixed assets  Depreciation on non banking assets  Amortization  Provision against non-performing loans and advances - net  Bad debts written off directly  Other provisions / write offs made  Provision / (reversal of provision) for diminution in the value of investments - net  Unrealised loss on revaluation of investments classified as held-for-trading - net  Gain on sale of operating fixed assets - net  Gain on sale of non banking assets - net  Increase / (decrease) in operating assets  Lendings to financial institutions  Held-for-trading securities  Advances - net  Other assets (excluding taxation) - net  (Decrease) / increase in operating liabilities  Bills payable  Borrowings  Deposits and other accounts  Other liabilities  Income tax paid  Net cash (outflow) / inflow from operating activities	(7,340,306) (6,815) (7,347,121) (7,347,121) (7,347,121) (7,347,121) (7,347,121) (7,347,121) (4,220,589) (3,676) (1,161,052) (1,008,059) (2,274) (151,084) (6,836,159) (510,962)	September 30, 2017 in '000) (293,080) (38,495) (331,575)  526,711 21,600 46,428 40,043 12,120 1,343 (105,579) 28,386 (32,030) (350) 538,672 207,097
CASH FLOW FROM OPERATING ACTIVITIES Loss before taxation Less: Dividend income  Adjustments: Depreciation on operating fixed assets Depreciation on non banking assets Amortization Provision against non-performing loans and advances - net Bad debts written off directly Other provisions / write offs made Provision / (reversal of provision) for diminution in the value of investments - net Unrealised loss on revaluation of investments classified as held-for-trading - net Gain on sale of operating fixed assets - net Gain on sale of non banking assets - net  Increase / (decrease) in operating assets Lendings to financial institutions Held-for-trading securities Advances - net Other assets (excluding taxation) - net  (Decrease) / increase in operating liabilities Bills payable Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities	(7,340,306) (6,815) (7,347,121) 517,195 33,214 45,732 4,220,589 3,676 1,161,052 1,008,059 (2,274) (151,084) 6,836,159 (510,962)	(293,080) (38,495) (331,575) 526,711 21,600 46,428 40,043 12,120 1,343 (105,579) 28,386 (32,030) (350) 538,672
Loss before taxation Less: Dividend income  Adjustments: Depreciation on operating fixed assets Depreciation on non banking assets Amortization Provision against non-performing loans and advances - net Bad debts written off directly Other provisions / write offs made Provision / (reversal of provision) for diminution in the value of investments - net Unrealised loss on revaluation of investments classified as held-for-trading - net Gain on sale of operating fixed assets - net Gain on sale of non banking assets - net  Increase / (decrease) in operating assets Lendings to financial institutions Held-for-trading securities Advances - net Other assets (excluding taxation) - net  (Decrease) / increase in operating liabilities Bills payable Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities	(6,815) (7,347,121) 517,195 33,214 45,732 4,220,589 3,676 1,161,052 1,008,059 (2,274) (151,084) 6,836,159 (510,962)	(38,495) (331,575) 526,711 21,600 46,428 40,043 12,120 1,343 (105,579) 28,386 (32,030) (350) 538,672
Less: Dividend income  Adjustments: Depreciation on operating fixed assets Depreciation on non banking assets Amortization Provision against non-performing loans and advances - net Bad debts written off directly Other provisions / write offs made Provision / (reversal of provision) for diminution in the value of investments - net Unrealised loss on revaluation of investments classified as held-for-trading - net Gain on sale of operating fixed assets - net Gain on sale of non banking assets - net  Increase / (decrease) in operating assets Lendings to financial institutions Held-for-trading securities Advances - net Other assets (excluding taxation) - net  (Decrease) / increase in operating liabilities Bills payable Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities	(6,815) (7,347,121) 517,195 33,214 45,732 4,220,589 3,676 1,161,052 1,008,059 (2,274) (151,084) 6,836,159 (510,962)	(38,495) (331,575) 526,711 21,600 46,428 40,043 12,120 1,343 (105,579) 28,386 (32,030) (350) 538,672
Adjustments: Depreciation on operating fixed assets Depreciation on non banking assets Amortization Provision against non-performing loans and advances - net Bad debts written off directly Other provisions / write offs made Provision / (reversal of provision) for diminution in the value of investments - net Unrealised loss on revaluation of investments classified as held-for-trading - net Gain on sale of operating fixed assets - net Gain on sale of non banking assets - net  Increase / (decrease) in operating assets Lendings to financial institutions Held-for-trading securities Advances - net Other assets (excluding taxation) - net  (Decrease) / increase in operating liabilities Bills payable Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities	(7,347,121)  517,195 33,214 45,732 4,220,589 3,676 1,161,052 1,008,059 (2,274) (151,084) 6,836,159 (510,962)	(331,575) 526,711 21,600 46,428 40,043 12,120 1,343 (105,579) 28,386 (32,030) (350) 538,672
Depreciation on operating fixed assets Depreciation on non banking assets Amortization Provision against non-performing loans and advances - net Bad debts written off directly Other provisions / write offs made Provision / (reversal of provision) for diminution in the value of investments - net Unrealised loss on revaluation of investments classified as held-for-trading - net Gain on sale of operating fixed assets - net Gain on sale of non banking assets - net  Increase / (decrease) in operating assets Lendings to financial institutions Held-for-trading securities Advances - net Other assets (excluding taxation) - net  (Decrease) / increase in operating liabilities Bills payable Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities	33,214 45,732 4,220,589 3,676 1,161,052 1,008,059 (2,274) (151,084) 6,836,159 (510,962)	21,600 46,428 40,043 12,120 1,343 (105,579) 28,386 (32,030) (350) 538,672
Depreciation on non banking assets Amortization Provision against non-performing loans and advances - net Bad debts written off directly Other provisions / write offs made Provision / (reversal of provision) for diminution in the value of investments - net Unrealised loss on revaluation of investments classified as held-for-trading - net Gain on sale of operating fixed assets - net Gain on sale of non banking assets - net  Increase / (decrease) in operating assets Lendings to financial institutions Held-for-trading securities Advances - net Other assets (excluding taxation) - net  (Decrease) / increase in operating liabilities Bills payable Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities	33,214 45,732 4,220,589 3,676 1,161,052 1,008,059 (2,274) (151,084) 6,836,159 (510,962)	21,600 46,428 40,043 12,120 1,343 (105,579) 28,386 (32,030) (350) 538,672
Amortization Provision against non-performing loans and advances - net Bad debts written off directly Other provisions / write offs made Provision / (reversal of provision) for diminution in the value of investments - net Unrealised loss on revaluation of investments classified as held-for-trading - net Gain on sale of operating fixed assets - net Gain on sale of non banking assets - net  Increase / (decrease) in operating assets Lendings to financial institutions Held-for-trading securities Advances - net Other assets (excluding taxation) - net  (Decrease) / increase in operating liabilities Bills payable Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities	45,732 4,220,589 3,676 1,161,052 1,008,059 (2,274) (151,084) 6,836,159 (510,962)	46,428 40,043 12,120 1,343 (105,579) 28,386 (32,030) (350) 538,672
Provision against non-performing loans and advances - net Bad debts written off directly Other provisions / write offs made Provision / (reversal of provision) for diminution in the value of investments - net Unrealised loss on revaluation of investments classified as held-for-trading - net Gain on sale of operating fixed assets - net Gain on sale of non banking assets - net  Increase / (decrease) in operating assets Lendings to financial institutions Held-for-trading securities Advances - net Other assets (excluding taxation) - net  (Decrease) / increase in operating liabilities Bills payable Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities	4,220,589 3,676 1,161,052 1,008,059 (2,274) (151,084) 6,836,159 (510,962)	40,043 12,120 1,343 (105,579) 28,386 (32,030) (350) 538,672
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Other provisions / write offs made Provision / (reversal of provision) for diminution in the value of investments - net Unrealised loss on revaluation of investments classified as held-for-trading - net Gain on sale of operating fixed assets - net Gain on sale of non banking assets - net  Increase / (decrease) in operating assets Lendings to financial institutions Held-for-trading securities Advances - net Other assets (excluding taxation) - net  (Decrease) / increase in operating liabilities Bills payable Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities	1,161,052 1,008,059 - (2,274) (151,084) 6,836,159 (510,962)	1,343 (105,579) 28,386 (32,030) (350) 538,672
Provision / (reversal of provision) for diminution in the value of investments - net Unrealised loss on revaluation of investments classified as held-for-trading - net Gain on sale of operating fixed assets - net Gain on sale of non banking assets - net  Increase / (decrease) in operating assets Lendings to financial institutions Held-for-trading securities Advances - net Other assets (excluding taxation) - net  (Decrease) / increase in operating liabilities Bills payable Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities	(1,008,059 (2,274) (151,084) (6,836,159 (510,962)	(105,579) 28,386 (32,030) (350) 538,672
Unrealised loss on revaluation of investments classified as held-for-trading - net Gain on sale of operating fixed assets - net Gain on sale of non banking assets - net  Increase / (decrease) in operating assets Lendings to financial institutions Held-for-trading securities Advances - net Other assets (excluding taxation) - net  (Decrease) / increase in operating liabilities Bills payable Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities	(2,274) (151,084) (6,836,159 (510,962)	28,386 (32,030) (350) 538,672
Gain on sale of non banking assets - net  Increase / (decrease) in operating assets Lendings to financial institutions Held-for-trading securities Advances - net Other assets (excluding taxation) - net  (Decrease) / increase in operating liabilities Bills payable Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities	(151,084) 6,836,159 (510,962)	(350) 538,672
Increase / (decrease) in operating assets Lendings to financial institutions Held-for-trading securities Advances - net Other assets (excluding taxation) - net  (Decrease) / increase in operating liabilities Bills payable Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities	6,836,159 (510,962)	538,672
Lendings to financial institutions Held-for-trading securities Advances - net Other assets (excluding taxation) - net  (Decrease) / increase in operating liabilities Bills payable Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities	(510,962)	
Lendings to financial institutions Held-for-trading securities Advances - net Other assets (excluding taxation) - net  (Decrease) / increase in operating liabilities Bills payable Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities		207,097
Lendings to financial institutions Held-for-trading securities Advances - net Other assets (excluding taxation) - net  (Decrease) / increase in operating liabilities Bills payable Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities	10,671,003	
Held-for-trading securities Advances - net Other assets (excluding taxation) - net  (Decrease) / increase in operating liabilities Bills payable Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities	10,071,003	(5,446,741)
Advances - net Other assets (excluding taxation) - net  (Decrease) / increase in operating liabilities Bills payable Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities	59,486	177,373
Other assets (excluding taxation) - net  (Decrease) / increase in operating liabilities  Bills payable Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities	8,930,377	(7,924,785)
(Decrease) / increase in operating liabilities Bills payable Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities	161,971	2,116,735
Bills payable Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities	19,822,837	(11,077,418)
Borrowings Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities		
Deposits and other accounts Other liabilities  Income tax paid Net cash (outflow) / inflow from operating activities	(1,073,683)	(2,245,346)
Other liabilities  Income tax paid  Net cash (outflow) / inflow from operating activities	(29,758,130)	2,578,887
Income tax paid  Net cash (outflow) / inflow from operating activities	(58,905,625)	
Income tax paid  Net cash (outflow) / inflow from operating activities	(493,277) (90,230,715)	(4,401,834)
Income tax paid  Net cash (outflow) / inflow from operating activities	(70,918,840)	(15,272,155)
Net cash (outflow) / inflow from operating activities	(122,877)	(130,315)
	(71,041,717)	(15,402,470)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	59,887,536	14,345,631
Dividend received Investment in operating fixed assets	11,883 (529,090)	37,094 (763,245)
Sale proceeds from disposal of operating fixed assets	5,852	50,474
Sale proceeds from disposal of operating fixed assets	868,033	4,550
Net cash inflow from investing activities	60,244,214	13,674,504
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of sub-ordinated loans	(345)	(345)
Net cash outflow from financing activities	(345)	(345)
Decrease in cash and cash equivalents	(10,797,848)	(1,728,311)
Cash and cash equivalents at beginning of the period	15,963,745	15,365,291
Cash and cash equivalents at end of the period 17	5,165,897	13,636,980
The annexed notes from 1 to 25 form an integral part of these unconsolidated condense	ed interim financ	cial statements.
Acting President & Chief Financial Officer Director Director	ector	Director



# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

		119	Advance		Capit	Capital reserves		Revenue		
	Share Capital	preference shares	against subscription of shares	Share premium	Discount on issue of shares	Statutory	Reserve arising on amalgamation	Accumulated losses	Total Reserves	Total
Note Delance of Laurence Al 2017 (Audited)		2 155 050	054 070	000	(Rupees in '000)	es in '000) -	(300, 023 1)	(0 5 15 301)	VII 227 E42) 10 EE0 0E0	mmitte
balance as at january 01, 2017 (Auditeu)	17,700,003	4,100,707	1,054,070		(047,147,1)	134,107	(1,377,203)	(107,616,7)	1 (746,762,11)	
Changes in equity for the Nine month period ended September 30, 2017										
Total comprehensive loss for the period Loss afrer taxation for the nine months period ended September 30, 2017 Other comprehensive income - net of tax								(427,784)	(427,784)	(427,784)
Transfer to Sautory Reserve Transfer from surplus on reallation of fixed assets Balance as at September 30, 2017 (Un-audited)		2,155,959	1,854,870	- - - - - - - - - - - - - - - - - - -			(1,579,205)	(427,784) - 85,006 (9,857,979)	(427,784) - 85,006   (11,580,320)	(427,784) - 85,006
Changes in equity for the quarter ended December 31, 2017										
Total comprehensive loss for the quarter Loss after taxation for the period ended December 31, 2017 - Restated Other comprehensive income for the quarter ended December 31, 2017								(1,512,066)	(1,512,066)	(1,512,066)
Transfer from statutory reserve								(1,499,383)	(1,499,383)	(1,499,383)
Transfer from surplus on revaluation of fixed assets				•	•	•		28,383	28,383	28,383
ransactions with owners recorded unecuty in equity listed shares upon conversion of preference shares. Shares stand during the nine months period ended December 31, 2017	6,739,977	(2,155,959)	(1.854,870)		(4,584,018)				(4,584,018)	
Balance as at December 31, 2017 (Audited)-Restated	26,381,510			1,000,000 (5,881,316)	(5,881,316)	154,162	(1,579,205)	(11,328,979)	(17,635,338) 8,746,172	8,746,172
Changes in equity for the Nine month period ended September ${\it 30,2018}$										
Total comprehensive income for the period Loss after taxation for the nine months period ended September 30, 2018 Other comprehensive income - net of tax								(4,896,620)	(4,896,620)	(4,896,620)
וויים במי ער אינו אור אינים אינו מינים מינים אינים								(4,896,620)	(4,896,620) (4,896,620)	4,896,620)
in absention statutory frequency. The state of fixed assets								85,149	85,149	85,149
Balance as at September 30, 2018 (Un-audited)	26,381,510			1,000,000	(5,881,316)	154,162	(1,579,205)	(16,140,450)	(22,446,809)	3,934,701
Acting President & Chief Financial Officer Chief Executive	ial Officer		Director	tor			Director		Director	'n



### NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

### I. STATUS AND NATURE OF BUSINESS

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, 2018.

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 (2017: 179 Conventional Banking Branches and 14 Islamic Banking Branches) in Pakistan as defined in the Banking Companies Ordinance, 1962.

- 1.1 In June 2018,VIS Credit Rating Company Limited assigned the Bank an entity rating of 'A-' (Single A minus) for the long term and 'A-I' (A-one) for the short term with outlook assigned as 'Rating Watch-Developing' status and the Bank's TFC was assigned a rating of 'A- (SO)' (Single A minus (Structured Obligation)). Subsequently, in November 2018, the Bank was assigned a medium to long-term rating of 'BBB- '(Triple B minus) and short term rating of 'A-3' (A-three). While the Bank's TFC was assigned rating of BBB- (SO) (Triple B minus) (Structured Obligation)). These ratings have been placed on 'Rating Watch- Negative' status. Furthermore, in February 2019, VIS Credit Rating Company Limited suspended the entity ratings of the Bank due to non-availability of updated information while the Bank's TFC rating was assigned 'D' (Default) due to non-payment of its latest mark up payment on account of lock-in-clause invoked by the Bank under the applicable regulations of the State Bank of Pakistan (SBP). However, subsequently the TFC holders have approved extension in the maturity date of the TFC issue along with payment of all the instalments (mark-up and principal) till October 27, 2020, subject to applicable regulatory approvals and compliances. Moreover, VIS Credit Rating Company Limited would reassess the ratings once required information along with latest financials is made available.
- 1.2 During the period, the Bank has incurred net loss of Rs. 4896.620 million resulting in accumulated loss of Rs. 16,140.450 million and net equity of Rs. 5,497.067 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 11.275% (inclusive of Capital Conservation Buffer of 1.275%) and Leverage Ratio (LR) at 3.00% as of September 30, 2018. However, the paid up capital of the Bank (net of losses), is below 10 billion and CAR and LR are negative as at September 30, 2018.

The Bank has been taking various steps to comply with the applicable capital requirements. In this respect, earlier in November 2016, the Board of Directors of the Bank had decided to evaluate the potential merger/amalgamation option with Sindh Bank Limited. After completion of the due diligence exercise and decision of the Board of Directors of the Bank on this matter, the requisite majority of the shareholders of the Bank in their extraordinary general meeting held on November 07, 2017 had given approval for proposed amalgamation of the Bank with and into Sindh Bank Limited, subject to regulatory approvals and compliances. However, proposed merger transaction could not be completed within the anticipated timeline and therefore both the banks decided to carry out a fresh due diligence exercise based on their audited financial statement of December 31, 2017. After completion of the fresh due diligence exercise based on the audited financial statement of December 31, 2017 and a fresh decision of the board of directors on this matter, the shareholders of the Bank in their extraordinary general meeting held on August 31, 2018 accorded their fresh approval for the proposed merger of the Bank with and into Sindh Bank Limited, subject to necessary regulatory approval and compliances, including but not limited to the permission of the Honourable Supreme Court of Pakistan. However, the proposed merger transaction could not proceed further and finally has been called-off during 1HY 2019.



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

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

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

In this respect, the Bank has received a letter dated March 27, 2020 from H.E. Nasser Abdulla Hussain Lootah (Potential Investor) pursuant to which Potential Investor has communicated his intention to acquire at least a controlling stake in the Bank by subscribing to fresh equity in the Bank and investing amounts as may be necessary (subject to satisfactory due-diligence) to ensure that the Bank meets its Minimum Capital Requirements and Capital Adequacy Ratio requirement as prescribed by SBP. Moreover, in compliance with the requirements of Securities Act, 2015 and Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 applicable to such transaction, this was followed by a public announcement of potential 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 execution of proposed transaction is subject to due diligence and all regulatory and corporate approvals. Furthermore, the Bank has entered into an Exclusivity Agreement with the potential investor for the proposed transaction.

The management and the Board of Directors are of the view that once this capital injection transaction is successfully completed and other key assumptions stipulated in the business plan materialize, the Bank will be able to achieve the projected improvement in business results and compliance with all the applicable capital requirements.

### 2. BASIS OF PRESENTATION

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

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



Key financial figures of the Islamic banking branches are disclosed in note 21 to the unconsolidated condensed interim financial statements.

### 3. STATEMENT OF COMPLIANCE

- 3.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting 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).

Wherever the requirement of provisions of Companies Act, 2017, Banking Companies Ordinance, 1962 and directives issued by the SBP and the SECP differ with the requirements of IAS-34 or IFAS, the requirement of the Companies Act, 2017, Banking Companies Ordinance, 1962 and the directives issued by SBP and SECP have been followed.

3.2 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the State Bank of Pakistan through BSD Circular Letter No.2 dated May 12, 2004 and the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. They do not include all of the information required for the full annual financial statements and these unconsolidated condensed interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2017.

### 4. BASIS OF MEASUREMENT

### 4.1 Accounting Convention

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention, except that certain operating fixed assets and certain non-banking assets have been stated at revalued amounts and certain investments and derivative financial instruments have been stated at fair value. Further, staff retirement benefits have been carried at present values as determined under the International Accounting Standards (IAS-19) (revised) 'Employee Benefits'.

### 4.2 Functional and Presentation Currency

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

### 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 The principal accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are same as those applied in the preparation of the unconsolidated financial statements of the Bank for the year ended December 31, 2017 except for the following:

### Surplus / Deficit on Revaluation of Operating Fixed Assets

The Companies Ordinance, 1984 (the repealed Ordinance) was repealed through the enactment of the Companies Act, 2017 dated October 04, 2017, the financial reporting requirements of the Companies Act, 2017 were only made applicable for reporting periods starting from January 01, 2018.



The repealed Ordinance specified the accounting treatment for the surplus on revaluation of fixed assets, where in, a deficit arising on revaluation of a particular property was to be adjusted against the total balance in the surplus account or, if no surplus existed, was to be charged to the profit and loss accounts as an impairment of the asset. However, the Companies Act, 2017 removed the specific provision allowing the above treatment and hence, a deficit arising on revaluation of a particular property is now to be accounted for in accordance with IAS-16, which required that such deficit is to be taken to the profit and loss account as an impairment.

Consequently, the Bank has changed its policy for accounting for a deficit arising on revaluation of fixed assets and accordingly, any surplus/deficit arising on revaluation of owned property and non-banking assets acquired in satisfaction of claims is accounted for at individual level.

The effect of this change in accounting policy, which is applied with retrospective effect, has no impact on these unconsolidated condensed interim financial statements.

### 5.2 New / Revised Standards, Interpretations and Amendments

These are certain new and amended standards and interpretations that are mandatory for accounting periods beginning on or after January 01, 2018 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these unconsolidated condensed interim financial statements.

### 6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis and methods used for critical accounting estimates and judgements adopted in these unconsolidated condensed interim financial statements are same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31,2017.

### 7. FINANCIAL RISK MANAGEMENT

The Bank's Financial Risk Management objectives and policies are consistent with those disclosed in the annual financial statements of the Bank for the year ended December 31, 2017.



### **INVESTMENTS - NET**

Septembe	r 30, 20   8 (U	n-audited)	December 31	, 2017 (Audited)	(Restated)
Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
		(Rupee	s in '000)		

### Investments by types:

Held-for-trading	securities
O.d	Control of

Ordinary shares - Listed

75,371

75,371

### Available-for-sale securities

Market Treasury Bills Pakistan Investment Bonds GoP liarah Sukuks Ordinary shares - Listed Ordinary shares - Unlisted Units of open end mutual funds-Listed Preference shares - Unlisted Term finance certificates - Listed Term finance certificates - Unlisted Sukuks

571,923	12,865,826	13,437,749	22,230,144	49,608,440	71,838,584
1,734,248	12,314,537	14,048,785	2,787,576	10,574,058	13,361,634
84,000	4,150,000	4,234,000	4,793,854	-	4,793,854
391,767	3,755,914	4,147,681	4,189,781	52,510	4,242,291
2,830	-	2,830	2,830	-	2,830
-	-	-	87,861	-	87,861
46,035	-	46,035	37,056	-	37,056
17,266	-	17,266	17,266	-	17,266
1,594,732	-	1,594,732	1,594,732	-	1,594,732
465,437	-	465,437	1,905,943	-	1,905,943
4,908,238	33,086,277	37,994,515	37,647,043	60,235,008	97,882,051

### Subsidiary

Ordinary shares - Unlisted

396,942 396,942

60.235.008

60.235.008 98.354.364

396,942

### Investments at cost

Provision held for diminution in the value of investments-net

	004	/	 /2 10/	 (0 177.0

**3,694,256 31,511,176 35,205,432** 35,941,391

**5.305.180 33.086.277 38.391.457** 38.119.356

(note no. 8.1, 8.2 and 23) Investments - net of provisions (1,610,924) (1,575,101) (3,186,025) (2,177,965)

(2,177,965)96,176,399

Deficit on revaluation of heldfor-trading securities-net

(15,885)

Deficit on revaluation of availablefor-sale securities-net

(63,914)

**(885,872) (949,786)** (1,071,134)

(15,885)

396,942

(149,135) (1,220,269)

Total Investments at market value

**3,630,342 30,625,304 34,255,646** 34,854,372 60,085,873 94,940,245

> (Un-audited) (Audited) September 30, December 31, 2018 2017 (Restated)

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

8.1 Particulars of provision for diminution in the value of investments-net

Opening balance

2,177,965

1,922,043

Add: Charge for the period / year Less: Reversals during the period / year 23 1,035,052 (26,992)1,008,060

558,752 (253,279)305,473

Amounts written off

(49,551) 2,177,965

Closing balance

3,186,025



(Un-audited) (Audited) September 30, December 31, 2018 2017 (Restated)

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

### 8.2 Particulars of provision held for diminution in the value of investment respect of type and segment

### Available-for-sale securities

Ordinary shares - Listed
Ordinary shares - Unlisted
Term finance certificates - Listed
Term finance certificates - Unlisted
Sukuks

\_ . . . .

1,861,582	1,025,818
1,000	1,000
17,266	17,266
991,234	791,946
200,000	200,000
3,071,082	2,036,030

114,943

### Subsidiary

3,186,025	2,177,965

141,935

### 9. ADVANCES - NET

Loans, cash credits, running finances, etc in Pakistan
Net investment in finance lease - in Pakistan
Islamic financing and related assets (Gross)

**79,329,109** 84,228,224 **1,448,348** 1,625,499 **9.1 & 21.5 7,519,737** 10,786,098

### Bills discounted and purchased

- Payable in Pakistan
- Payable outside Pakistan

145,293	181,146
2,126,377	2,710,353
2 271 470	2 00 1 400

### **Gross Advances**

90,568,864 99,531,320

### Provision against advances

- Specific Provision
- General Provision

9.2.1 & 23	
9.2.1	
	7

23

(19,096,674) (34,776) (19,131,450) (14,939,264)

### Advances - Net of provision

71,437,414	84,592,056

- 9.1 These represent Islamic financing and related assets placed under shariah permissible modes and presented in note 21 of these unconsolidated condensed interim financial statements.
- 9.2 Advances include Rs. 30,094.905 million (December 31, 2017 Rs.17,065.584 million) which have been placed under non-performing status as detailed below:

	Septemb	er 30, 2018 (	Un-audited)	December 31	, 2017 (Audite	d) (Restated)
Category of classification	Classified advances		Provision held	Classified advances	Provision required	Provision held
		(Rupees in '000)				
Other Assets Especially Mentioned (OAEM)	4,308	49	49	1,499	150	150
Substandard	6,564,522	1,718,132	1,718,132	38,112	2,519	2,519
Doubtful	5,872,506	1,667,561	1,667,561	960,566	265,840	265,840
Loss ( note no. 23)	17,653,569	15,710,932	15,710,932	16,065,407	14,640,505	14,640,505
	30,094,905	19,096,674	19,096,674	17,065,584	14,909,014	14,909,014



9.2.1 Particulars of provision against non-performing advances

	Nine months period ended September 30, 2018 (Un-audited)			December 31,	Year ended 2017 (Audite	d) (Restated)
	Specific General Total Spec			Specific	General	Total
			(Rupees	in '000)		
Opening balance	14,909,014	30,250	14,939,264	14,362,626	49,075	14,411,701
Charge for the period / year Reversal during the period / year	4,517,416 (301,353)	4,526	4,521,942 (301,353)	1,840,713 (1,069,659)	- (18,825)	1,840,713 (1,088,484)
, ,	4,216,063	4,526	4,220,589	771,054	(18,825)	752,229
Amount written off	(28,403)	-	(28,403)	(224,666)	-	(224,666)
Closing balance	19,096,674	34,776	19,131,450	14,909,014	30,250	14,939,264

9.2.2 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. 3,808.654 million (2017: Rs. 1,440.852 million). The positive impact on the profit and loss account arising from availing this benefit - net of tax amounts to Rs. 2,475.625 million (2017: Rs. 936.553 million). As per the applicable Prudential Regulations, the positive impact of FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

The SBP has granted relaxation in provisioning requirements in respect of exposure in Dewan Group. Had this relaxation not been available, provision against loans and advances would have been higher by Rs. 205.502 million (2017: Rs. 205.502 million).

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

				(Un-audited) September 30, 2018	(Audited) December 31, 2017
10.	OPE	RATING FIXED ASSETS	Note	(Rupees	in '000)
	Prope	al work-in-progress rty and equipment ible assets	10.1 10.2 10.3	4,313,530 7,088,090 158,882	4,933,281 7,533,663 197,640
				11,560,502	12,664,584
	10.1	Capital work-in-progress			
		Civil works and related payments / progress billings Advances to suppliers and contractors	10.1.1	4,240,937 72,593	4,891,357 41,924
		Advances against capital work in progress $$ - considered doubtful Less: Provision there against		1,204,830 (1,204,830)	141,224 (141,224)
				-	-
				4,313,530	4,933,281



10.1.1 This includes costs incurred by the Bank on its self constructed multipurpose building. A portion of this building has been allocated to the Bank's head office and branch premises, while the rest has been earmarked for onward disposal in due course. Accordingly, on December 31, 2018, after completion of the project of construction cost allocated to head office and branch premises will be transferred to the building and equipment categories as per applicable accounting standards, while rest of the construction costs allocated to saleable portion together with allocable carrying value of land has been transferred to 'Other Assets' category.

September 30, December 2018   2017   2018   2018					
Book value at beginning of the period / year Surplus on revaluation of fixed assets Cost of additions / transfers during the period / year Book value of deletions / write off during the period / year Depreciation charge for the period / year Impairment for the period / year Book value at end of the period / year Book value at end of the period / year Cost of additions during the period / year Cost of additions during the period / year Amortization charge for the period / year Book value at end of the period / year Amortization charge for the period / year Amortization charge for the period / year  Deferred debits arising in respect of: Provision against on performing loans Provision against on performing loans Provision against capital work in progress Unrealized loss on held-for-trading securities Unused tax losses Provision for diminution in the value of investments Deficit on revaluation of available-for-sale securities - net  Deferred credits arising in respect of: Surplus on revaluation of fixed assets Unrealized gain on forward exchange contracts Operating fixed assets  (875,780)  T,533,663 T,8259 T,8259 T,8259 T,8259 T,8259 T,8259 T,8259 T,8259 T,847,540 T,031,112 T,031,112 T,031,112 T,041,250 T,088,090 T,533,663 T,031,112 T,088,090 T,533,663 T,031,112 T,088,090 T,031,112 T,041,250 T,088,090 T,031,112 T,041 T,041,250 T,088,090 T,031,112 T,041 T,041,250 T,041,				September 30,	
Book value at beginning of the period / year Surplus on revaluation of fixed assets Cost of additions / transfers during the period / year Book value of deletions / write off during the period / year Depreciation charge for the period / year Impairment for the period / year Book value at end of the period / year Book value at end of the period / year Cost of additions during the period / year Cost of additions during the period / year Amortization charge for the period / year Book value at end of the period / year Amortization charge for the period / year Amortization charge for the period / year  Deferred debits arising in respect of: Provision against on performing loans Provision against on performing loans Provision against capital work in progress Unrealized loss on held-for-trading securities Unused tax losses Provision for diminution in the value of investments Deficit on revaluation of available-for-sale securities - net  Deferred credits arising in respect of: Surplus on revaluation of fixed assets Unrealized gain on forward exchange contracts Operating fixed assets  (875,780)  T,533,663 T,8259 T,8259 T,8259 T,8259 T,8259 T,8259 T,8259 T,8259 T,847,540 T,031,112 T,031,112 T,031,112 T,041,250 T,088,090 T,533,663 T,031,112 T,088,090 T,533,663 T,031,112 T,088,090 T,031,112 T,041,250 T,088,090 T,031,112 T,041 T,041,250 T,088,090 T,031,112 T,041 T,041,250 T,041,	10.2	Property and equipment		(Rupees	in '000)
Surplus on revaluation of fixed assets  Cost of additions / transfers during the period / year Book value of deletions / write off during the period / year Depreciation charge for the period / year Impairment for the period / year  Book value at end of the period / year  Book value at beginning of the period / year Cost of additions during the period / year Amortization charge for the period / year  Book value at end of the period / year Amortization charge for the period / year Amortization charge for the period / year  Book value at end of the period / year  Cost of additions during the period / year Amortization charge for the period / year  Book value at end of the period / year  Cun-audited) September 30, December 2017 (Restated) Note  Deferred debits arising in respect of: Provision against one performing loans Provision against one performing loans Provision against capital work in progress Unrealised loss on held-for-trading securities Unused tax losses Provision for diminution in the value of investments Deficit on revaluation of available-for-sale securities - net  Deferred credits arising in respect of: Surplus on revaluation of non-banking assets Unrealized gain on forward exchange contracts Operating fixed assets  (422,583) (123,410) (151,973) (154,074) (152,381) (152,381) (153,557) (30,425) (398,774) (398,776) (10,33,556)		roperty and equipment		` .	,
Surplus on revaluation of fixed assets  Cost of additions / transfers during the period / year Book value of deletions / write off during the period / year Depreciation charge for the period / year Impairment for the period / year  Book value at end of the period / year  Book value at beginning of the period / year Cost of additions during the period / year Amortization charge for the period / year  Book value at end of the period / year Amortization charge for the period / year Amortization charge for the period / year  Book value at end of the period / year  Cost of additions during the period / year Amortization charge for the period / year  Book value at end of the period / year  Cun-audited) September 30, December 2017 (Restated) Note  Deferred debits arising in respect of: Provision against one performing loans Provision against one performing loans Provision against capital work in progress Unrealised loss on held-for-trading securities Unused tax losses Provision for diminution in the value of investments Deficit on revaluation of available-for-sale securities - net  Deferred credits arising in respect of: Surplus on revaluation of non-banking assets Unrealized gain on forward exchange contracts Operating fixed assets  (422,583) (123,410) (151,973) (154,074) (152,381) (152,381) (153,557) (30,425) (398,774) (398,776) (10,33,556)		Book value at beginning of the period / year		7,533,663	7,533,938
Book value of deletions / write off during the period / year Depreciation charge for the period / year Impairment for the period / year  Book value at end of the period / year  Book value at beginning of the period / year Cost of additions during the period / year Amortization charge for the period / year  Book value at end of the period / year  Book value		0 0 1 ,		, , , <u>-</u>	140,614
Depreciation charge for the period / year Impairment for the period / year 7,088,090 7,533,665  Book value at end of the period / year 7,088,090 7,533,665  10.3 Intangible assets  Book value at beginning of the period / year Cost of additions during the period / year Amortization charge for the period / year (45,732) (61,678)  Book value at end of the period / year (45,732) (61,678)  Book value at end of the period / year (45,732) (61,678)  Book value at end of the period / year (45,732) (61,678)  Deferred debits arising in respect of: Provision against non performing loans Provision for compensated absences 7000 (10,000) Provision against other assets 149,657 (149,657) Provision against capital work in progress 149,657 (149,657) Unrealized loss on held-for-trading securities 1,115,109 (15,1977) Deferred credits arising in respect of: Surplus on revaluation of available-for-sale securities - net 332,424 (427,09-9,194,926 (8,837,74)  Deferred credits arising in respect of: Surplus on revaluation of fixed assets (123,410) (15,1977) Unrealized gain on forward exchange contracts (3,557) (30,425) Operating fixed assets (123,410) (15,1977)  (10,033,556)  Deferred credits arising in respect of: (3,557) (30,425) Operating fixed assets (123,410) (15,1977)  Deferred credits arising in respect of: (3,557) (30,425) Operating fixed assets (123,410) (15,1977)		Cost of additions / transfers during the period / year		78,259	598,723
Impairment for the period / year		Book value of deletions / write off during the period / year		(6,637)	(30,829)
Book value at end of the period / year  10.3 Intangible assets  Book value at beginning of the period / year Cost of additions during the period / year Amortization charge for the period / year  Book value at end of the period / year  Book value at end of the period / year  Book value at end of the period / year  Deferred debits arising in respect of: Provision against non performing loans Provision against other assets Provision against capital work in progress Unrealised loss on held-for-trading securities Unrealised loss on revaluation of available-for-sale securities - net  Deferred credits arising in respect of: Surplus on revaluation of fixed assets Surplus on revaluation of non-banking assets Unrealized gain on forward exchange contracts Operating fixed assets  197,640  (Un-audited) September 30, December 2017  (Rupees in '000) (Rupees in '000) 218,882  197,640  (Un-audited) September 30, December 2017  (Restated Note				(517,195)	(703,113)
Book value at beginning of the period / year Cost of additions during the period / year Amortization charge for the period / year Book value at end of the period / year    Cost of additions during the period / year   Cost of additions during to food (Audited) September 30, 2017   Chudited) September 30, 2017   Caudited) September 30, 2017   Caudited) September 30, 2018   Collidary (Restated Note		Impairment for the period / year		-	(5,670)
Book value at beginning of the period / year Cost of additions during the period / year Amortization charge for the period / year Amortization charge for the period / year  Book value at end of the period / year  CUn-audited) September 30, 2017 (Restated) September 30, 2017 (Restated)  Note  Deferred debits arising in respect of: Provision against on performing loans Provision against capital work in progress Unrealised loss on held-for-trading securities Unused tax losses Provision for diminution in the value of investments Deferred credits arising in respect of: Surplus on revaluation of fixed assets Surplus on revaluation of fixed assets Surplus on revaluation of non-banking assets Unrealized gain on forward exchange contracts Operating fixed assets (422,583) (123,410) (151,977 (30,425) (375,780) (1,033,556)		Book value at end of the period / year		7,088,090	7,533,663
Cost of additions during the period / year Amortization charge for the period / year  Book value at end of the period / year  Book value at end of the period / year    158,882   197,640	10.3	Intangible assets			
Cost of additions during the period / year Amortization charge for the period / year  Book value at end of the period / year  Book value at end of the period / year    158,882   197,640		Dealers have been sent as a false a seried from		107 / 40	244 725
Amortization charge for the period / year  Book value at end of the period / year    158,882   197,640				,	,
Book value at end of the period / year    Cun-audited   September 30, 2018   Pecember 30, (Restated 2018   Provision against non performing loans Provision against other assets Provision against capital work in progress Unused tax losses Provision for diminution in the value of investments Deficit on revaluation of fixed assets Surplus on revaluation of fixed assets Surplus on revaluation of non-banking assets Unrealized gain on forward exchange contracts Operating fixed assets    Un-audited   Caudited   Caudite					
Un-audited) September 30, 2017 (Restated 2018 2017) (Restated 2018 2018) (Restated 2018 2018 2018) (Restated 2018		Amortization charge for the period / year		(43,732)	(61,676)
Deferred debits arising in respect of: Provision against non performing loans Provision for compensated absences Provision against capital work in progress Unused tax losses Provision for diminution in the value of investments Deficit on revaluation of available-for-sale securities - net  Deferred credits arising in respect of: Surplus on revaluation of fixed assets Surplus on revaluation of non-banking assets Unrealized gain on forward exchange contracts Operating fixed assets  September 30, December 2017 (Restated Note		Book value at end of the period / year		158,882	197,640
Deferred debits arising in respect of: Provision against non performing loans Provision for compensated absences Provision against capital work in progress Unrealised loss on held-for-trading securities Unused tax losses Provision for diminution in the value of investments Deficit on revaluation of available-for-sale securities - net  Deferred credits arising in respect of: Surplus on revaluation of fixed assets Surplus on revaluation of non-banking assets Unrealized gain on forward exchange contracts Operating fixed assets  Note			9	September 30,	2017
Provision against non performing loans         2,369,418         1,309,936           Provision for compensated absences         35,643         36,556           Provision against other assets         149,657         149,657           Provision against capital work in progress         43,107         43,107           Unrealised loss on held-for-trading securities         -         5,566           Unused tax losses         5,149,568         4,103,556           Provision for diminution in the value of investments         1,115,109         762,286           Deficit on revaluation of available-for-sale securities - net         332,424         427,094           Surplus on revaluation of fixed assets         (422,583)         (452,383)           Surplus on revaluation of fixed assets         (123,410)         (151,977)           Unrealized gain on forward exchange contracts         (3,557)         (30,425)           Operating fixed assets         (326,230)         (398,770)           (1,033,556)         (1,033,556)	DEFE	RRED TAX ASSETS-NET	Note	(Rupees	,
Provision against non performing loans         2,369,418         1,309,936           Provision for compensated absences         35,643         36,556           Provision against other assets         149,657         149,657           Provision against capital work in progress         43,107         43,107           Unrealised loss on held-for-trading securities         -         5,566           Unused tax losses         5,149,568         4,103,556           Provision for diminution in the value of investments         1,115,109         762,286           Deficit on revaluation of available-for-sale securities - net         332,424         427,094           Surplus on revaluation of fixed assets         (422,583)         (452,383)           Surplus on revaluation of fixed assets         (123,410)         (151,977)           Unrealized gain on forward exchange contracts         (3,557)         (30,425)           Operating fixed assets         (326,230)         (398,770)           (1,033,556)         (1,033,556)	Defer	red dehits arising in respect of			
Provision for compensated absences       35,643       36,556         Provision against other assets       149,657       149,657         Provision against capital work in progress       43,107       43,107         Unrealised loss on held-for-trading securities       -       5,56         Unused tax losses       5,149,568       4,103,55         Provision for diminution in the value of investments       1,115,109       762,28         Deficit on revaluation of available-for-sale securities - net       332,424       427,09         9,194,926       6,837,74         Deferred credits arising in respect of:       (422,583)       (452,38)         Surplus on revaluation of fixed assets       (422,583)       (452,38)         Surplus on revaluation of non-banking assets       (123,410)       (151,972)         Unrealized gain on forward exchange contracts       (3,557)       (30,425)         Operating fixed assets       (326,230)       (398,770)         (875,780)       (1,033,556)		• .		2.369.418	1,309,930
Provision against other assets Provision against other assets Provision against capital work in progress Unused tax losses Provision for diminution in the value of investments Deficit on revaluation of available-for-sale securities - net  Deferred credits arising in respect of: Surplus on revaluation of fixed assets Surplus on revaluation of non-banking assets Unrealized gain on forward exchange contracts Operating fixed assets  149,657 43,107 43,107 5,568 4,103,556 4,103					36,558
Unrealised loss on held-for-trading securities Unused tax losses Provision for diminution in the value of investments Deficit on revaluation of available-for-sale securities - net  232,424 9,194,926 6,837,74  Deferred credits arising in respect of: Surplus on revaluation of fixed assets Surplus on revaluation of non-banking assets Unrealized gain on forward exchange contracts Operating fixed assets  (326,230) (875,780) (1,033,556)		•			149,656
Unused tax losses Provision for diminution in the value of investments Deficit on revaluation of available-for-sale securities - net  332,424 427,094 9,194,926 6,837,74  Deferred credits arising in respect of: Surplus on revaluation of fixed assets Surplus on revaluation of non-banking assets Unrealized gain on forward exchange contracts Operating fixed assets (326,230) (875,780) (1,033,556)	Provis	ion against capital work in progress		43,107	43,107
Provision for diminution in the value of investments Deficit on revaluation of available-for-sale securities - net    1,115,109   32,288   427,094     9,194,926   6,837,745     Deferred credits arising in respect of:	Unrea	lised loss on held-for-trading securities		-	5,560
Deficit on revaluation of available-for-sale securities - net   332,424   427,094   9,194,926   6,837,747	Unuse	d tax losses		5,149,568	4,103,554
Poperating fixed assets   Poperating fixed	Provis	ion for diminution in the value of investments		1,115,109	762,288
Deferred credits arising in respect of:           Surplus on revaluation of fixed assets         (422,583)         (452,383)           Surplus on revaluation of non-banking assets         (123,410)         (151,972)           Unrealized gain on forward exchange contracts         (3,557)         (30,422)           Operating fixed assets         (326,230)         (398,770)           (875,780)         (1,033,556)	Deficit	t on revaluation of available-for-sale securities - net			427,094
Surplus on revaluation of fixed assets       (422,583)       (452,383)         Surplus on revaluation of non-banking assets       (123,410)       (151,972)         Unrealized gain on forward exchange contracts       (3,557)       (30,425)         Operating fixed assets       (326,230)       (398,770)         (875,780)       (1,033,556)				9,194,926	6,837,747
Surplus on revaluation of non-banking assets Unrealized gain on forward exchange contracts Operating fixed assets  (123,410) (151,972 (30,429) (326,230) (398,770 (875,780) (1,033,556)		• .		(100 -00)	((======
Unrealized gain on forward exchange contracts Operating fixed assets  (3,557) (30,429) (398,770) (875,780) (1,033,556)					(452,385)
Operating fixed assets (326,230) (398,770 (875,780) (1,033,556		g .			11 ' ' 1
(875,780) (1,033,556					
	Opera	iting lixen assers			
11.1 & 23 8,319,146 5,804,19				(073,700)	(1,033,336)
		11.	.1 & 23	8,319,146	5,804,191

11.



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

### 12. OTHER ASSETS

Other assets includes non-banking assets acquired in satisfaction of claims (NBAs) amounting to Rs. 3,439.170 million as at September 30, 2018. These assets were acquired by the Bank from time to time for settlement of claim to safeguard the interest of the bank for ensuring maximum recoveries from the defaulting borrowers. To achieve reduction in the overall exposure in NBAs, Bank's sincere efforts are underway.

(Un-audited) (Audited)
September 30, December 31,
2017
2018
2017
------ (Rupees in '000)

### 13. DEPOSITS AND OTHER ACCOUNTS

### Customers

Fixed deposits
Savings deposits
Current accounts - non-remunerative
Margin accounts

### Financial institutions

Non-remunerative deposits Remunerative deposits

11,116,326	32,124,431	
<b>36,930,126</b> 51,529,761		
28,801,467	43,977,485	
4,974,131	5,518,752	
81,822,050	133,150,429	
1,413,055	1,541,778	
3,588,977	11,037,500	
5,002,032	12,579,278	

86.824.082

145.729.707

### 14. CONTINGENCIES AND COMMITMENTS

### 14.1 Direct credit substitutes

Including guarantees and standby letters of credit serving as financial guarantees for loans and securities:

(Un-audited) (Audited)

	Sèptember 3Ó, 2018 (Rupees	2017
Government	-	-
Financial institutions	-	-
Others	315,688	288,532
	315,688	288,532

### 14.2 Transaction-related contingent liabilities / commitments / guarantees issued

Contingent liability in respect of performance bonds, bid bonds, shipping guarantees and standby letters of credit favouring:

recters of credit layouting.	2018	(Audited) December 31, 2017 s in '000)
Government	14,896,676	14,608,761
Banking companies and other financial institutions	1,556,947	1,605,724
Others	5,677,219	5,853,923
	22,130,842	22,068,408



14.3	Trade-related contingent liabilities	2018	(Audited) December 31, 2017 s in '000)
	Letters of credit Acceptances	8,425,249 1,080,593	14,839,940 1,276,921
		9,505,842	16,116,861
14.4	Other contingencies - claims against Bank not acknowledged as debts	7,566,747	7,464,043
14.5	Contingent asset There was no contingent asset as at September 30, 2018 (December 20, 2018)	er 31, 2017: Nil).	
		(Un-audited) September 30, 2018	2017
		(Rupees	in '000)
14.6	Commitments in respect of forward lending Forward documentary bills Commitments to extend credit	3,001,652 8,733,238	3,639,137 17,792,426
		11,734,890	21,431,563
14.7	Commitments in respect of forward exchange contracts		
	Purchase Sale	6,072,820 4,075,548	5,484,447 4,303,310
		10,148,368	9,787,757
14.8	Commitments for capital expenditure		
	Civil works and others	241,794	455,583
14.9	Commitments in respect of repo transactions		
	Repurchase of securities	10,977,155	40,243,259

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

### 15. TAXATION

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

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





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

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

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

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

				(Un-audited) September 30, 2018	
16.	BASI	C AND DILUTED LOSS PER SHARE	Note	(Rupees	in '000)
	Loss fo	or the period		(4,896,620)	(427,784)
				(Number o	of shares)
	16.1	$\label{lem:weighted} \textbf{W} eighted average number of ordinary shares - basic$		2,638,151,060	2,168,966,870
				(Rupe	ees)
		Basic loss per share		(1.86)	(0.20)
				(Number o	of shares)
	16.2	Weighted average number of ordinary shares - diluted	16.2.1	2,638,151,060	2,627,765,288
				(Rupe	ees)
		Diluted loss per share		(1.86)	(0.20)
	16.2.1	There are no potential ordinary shares outstanding as of Se effect of potential ordinary shares during last year, the dilu			
		basic loss per share.		(Un-audited) September 30, 2018	
17.	CASI	HAND CASH EQUIVALENTS		(Rupees	in '000)
	Cash a	and Balance with Treasury Banks		4,378,502	14,205,297
	Balanc	e with other banks		1,029,521	2,413,878
	Overd	rawn nostro accounts		(242,126)	(23,686)
				5,165,897	16,595,489



### 18. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

The basis for determination of fair values of various assets and liabilities and their hierarchies as disclosed in note 18.1 below are the same as those adopted in the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2017.

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

### 18.1 Fair value hierarchy

September 30, 2018 (Un-audited)				
Level I	Level 2	Level 3	Total	
(Rupees in '000)				

3,729,717

- 3,729,717

- 10,164,324 10,164,324

### On balance sheet financial instruments Financial assets-measured at fair value Investments

-	13,426,182	-	13,426,182
-	13,458,341	-	13,458,341
-	4,132,556	-	4,132,556
2,039,837	-	-	2,039,837
-	-	1,834	1,834
-	-	-	-
-	46,035	-	46,035
-	868,866	-	868,866
-	-	6,434,607	6,434,607
	2,039,837 - - -	- 13,458,341 - 4,132,556 2,039,837  - 46,035 - 868,866	- 13,458,341 - 4,132,556 - 2,039,837 1,834 46,035 -

### Off balance sheet financial instruments -

Forward purchase of foreign exchange	-	6,113,372	-	6,113,372
Forward sale of foreign exchange	-	4,105,936	-	4,105,936

Other assets



71,840,364

13,218,246

1.834

4,810,812 2,171,093

1.834

68,806

37,056

2,537,031

December 31, 2017 (Audited) (Restated)					
Level I	Level 2	Level 3	Total		
(Rupees in '000)					

37,056

1,447,399

On balance sheet financial instruments Financial assets-measured at fair value					
Market treasury bills	-	71,840,364			
Pakistan investment bonds	-	13,218,246			
GOP ijarah sukuks	-	4,810,812			
Ordinary shares - Listed	2,171,093	-			
Ordinary shares - Unlisted	-	-			

### Non-financial assets-measured at fair value

Units of open end mutual funds - Listed

Term Finance Certificates and Sukuks

Preference shares - Unlisted

Operating fixed assets (land

and building) and Non Banking

Assets acquired in satisfaction of claims

Operating fixed assets	-	- 6,744,652	6,744,652
Other assets	-	- 4,521,487	4,521,487
	-	- 11,266,139	11,266,139

68,806

1,089,632

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

Forward purchase of foreign exchange	-	5,672,541	-	5,672,541
Forward sale of foreign exchange	-	4,404,467	-	4,404,467

### Valuation techniques used in determination of fair value

ltem	Valuation approach and input used		
Federal Government Securities	The fair values of Federal Government securities are determined using the PKRV rates.		
Units of mutual funds	The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.		
Ordinary shares - Listed	The fair value of investment in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.		
Ordinary shares - Unlisted	This represents breakup value of investments as per latest available financial statements.		
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.		

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.



### 19. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Corpora	ate Trading e and sales	Retail banking	Commercial banking	Payment and settlement /others	
			(Rupe	ees in '000) -		
For the period ended September 30, 2018 (Un-audited)			` .	,		
Total income Total expenses	5,155 2,218	, ,	795,386 8,517,646			8,762,872 16,103,178
Net income / (loss) before tax	2,937			, ,		(7,340,306)
Segment return on assets (ROA) (%)	26.10	-6.26	-98.08	3.54	6.65	
Segment cost of funds (%)	135.72	28.43	763.73	3.44	3.18	<u> </u>
For the period ended September 30, 2017 (Un-audited)						_
Total income	41,191	4,466,052	669,000			
Total expenses	17,784	2,870,228 1,595,824	4,728,213		43,793 64,211	(293,080)
Net income / (loss) before tax	23,407	1,373,024	(4,037,213)	2,002,071	04,211	(273,000)
Segment return on assets (ROA) (%)	29.22	2.38	-23.80	2.85	25.60	<u>-</u>
Segment cost of funds (%)	195.08	9.83	383.49	2.17	7 1.84	<u>}</u> ≡
As at September 30, 2018 (Un-audited)						
Segment assets (gross)	15,005	44,388,823	11,429,568	103,060,424	2,701,444	161,595,264
Segment non performing loans		-	947,979	29,146,926	-	30,094,905
Segment provision		3,186,025	931,199	18,782,977	1,204,830	24,105,031
Segment assets (net)	15,005	41,202,798	10,498,369	84,277,447	1,496,614	137,490,233
Segment liabilities	2,179	22,512,107	1,487,024	105,632,731	2,359,125	131,993,166
As at December 31, 2017 (Audited) (Restated)						
Segment assets (gross)	98,370	112,601,523	22,422,441	113,931,843	808,013	249,862,190
Segment non performing loans		-	1,025,761	16,039,823	-	17,065,584
Segment provision		2,177,965	837,818	14,589,882		17,605,665
Segment assets (net)	98,370	110,423,558	21,584,623	99,341,961	808,013	232,256,525
Segment liabilities	10,879	48,613,085	1,933,551	167,858,238	3,599,658	222,015,411

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

## RELATED PARTY TRANSACTIONS 20.

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

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

		September	September 30, 2018 (Un-audited)	andited)			December	December 31, 2017 (Audited)	ited)	
	Key management personnel	Directors	Parent company	Subsidiary	Other related parties	Key management personnel	Directors	Parent company	Subsidiary	Other related parties
					(Rupee	(Rupees in '000)				
Advances										
Balance at beginning of the year	409,534			•	1,213,053	324,233		•	•	1,078,078
Disbursements / granted during the period / year	40,474		•	•	3,259,889	293,128		•	3,352,408	3,889,335
Payments received / adjustments during the period / year	(171,126)		•		(3,629,394)	(207,827)			(3,352,408)	(3,754,360)
Balance at end of the period / year	278,882				843,548	409,534				1,213,053
Deposits										
Balance at beginning of the year	67,291	32,259	•	128,456	860,510	20,770	45,147		144,472	201,960
Deposits during the period / year	434,739	22,421	•	5,158,077	16,788,566	595,492	82,026	•	9,367,739	7,583,680
Withdrawals / adjustments during the period / year	(483,796)	(34,885)	•	(5,215,853) (15,911,490)	5,911,490)	(548,971)	(94,914)		(9,383,755)	(7,225,130)
Balance at end of the period / year	18,234	19,795		70,680	1,737,586	67,291	32,259		128,456	860,510
Other balances										
Shares issued during the period / year			•		•		137,541	5,060,450	•	
Investment in shares / TFC's / Mutual Fund			•	281,999	205,339				255,007	277,781
Other receivable	2,533		579	•	2,897	4,821		488	6,271	45,882
Other payable			•	221	•			•	7,956	1,369
Mark-up receivable	524		•	•	33,547	825		•	2,939	186'61
Mark-up payable	126	42		125	7,655	891	82		876	1,175
Contingencies and Commitments										
Guarantees, letters of credit and acceptances			•		883,780					869,683
Commitments to extend credit	924		•	400,000	266,402	248	•	•	400,000	547,957



		September	September 30, 2018 (Un-audited)	audited)			September 3	September 30, 2017 (Un-audited)	udited)	
	Key management personnel	Directors	Parent company	Subsidiary	Other related parties	Key management personnel	Directors	Parent company	Subsidiary	Other related parties
					(Rupe	(Rupees in '000)				
Transactions, income and expenses					-					
Purchase of investments					54,983			٠	•	48,786
Disposal of investments				•	79,905			٠		123,101
Brokerage expenses				2,853	•			٠	14,230	3,781
Advertisement and Publicity					202			٠	•	20
Subscription paid	2,133			•	750	2,367		٠		166'9
Education and training					2,193			٠		3,102
Capital (loss) / gain					(15,505)			•	•	1,315
Dividend income					612			•		975
Contribution to the provident fund					52,465			•	•	59,139
Contribution to the gratuity fund				•	45,967			•		44,572
Remuneration paid	140,348					171,347		•		•
Post employment benefits	4,573					5,147				•
Rental income				2,174	•			•	2,108	
Mark-up earned	13,212				67,930	11,635		•	13,157	49,556
Mark-up expensed	209	199		1,522	30,461	188	644	•	5,301	23,197
Other income					•			•	8	
Rental expense					26,857			•		22,571
(Reversal of provision)/provision for diminution in the value of investment				(26,992)	8,247			•	•	132,080
Fees paid		2,000			•		3,300	•		
Professional charges					265					•



### 21. ISLAMIC BANKING OPERATIONS

21.1 The Bank commenced its Islamic Banking Operations in Pakistan on March 07, 2014 and is operating with 14 Islamic Banking Branches (IBBs) (December 31, 2017: 14 IBBs) and 35 Islamic Banking Windows (IBWs) (December 31, 2017: 35 IBWs) as at September 30, 2018.

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

21.2 The condensed interim statement of financial position of Islamic Banking Operations as at September 30, 2018 is as follows:

30, 2018 is as follows:			
		(Un-audited) September 30, 2018	(Audited) December 31, 2017
ASSETS	Note	(Rupees	in '000)
Cash and balances with treasury banks Balances with other banks Due from financial institutions Investments Islamic financing and related assets Operating fixed assets	21.5	104,839 97,825 10,094,601 3,986 7,510,605 133,195	1,293,159 435,524 5,936,023 5,860,690 10,779,551 150,740
Deferred tax assets - net Other assets TOTAL ASSETS		252,053 18,197,108	520,975 24,976,662
LIABILITIES			
Bills payable Due to financial institutions Deposits and other accounts - Current accounts		155,016 250,000 5,193,614	212,856 250,000 7,792,141
<ul> <li>Saving accounts</li> <li>Term deposits</li> <li>Others</li> <li>Deposits from financial institutions - remunerative</li> </ul>		7,471,083 1,182,170 559,409 1,020,031	10,366,610 2,132,391 633,563 1,513,382
- Deposits from financial institutions - non - remunerative Deferred tax liabilities - net Other liabilities		76,539 - 480,011	111,158 12,261 387,758
		16,387,873	23,412,120
NET ASSETS		1,809,235	1,564,542
REPRESENTED BY:			
Islamic banking fund Reserves		1,000,000	1,000,000
Unappropriated profit		809,246	541,772
(Deficit) / surplus on revaluation of assets - net of tax		1,809,246 (11) 1,809,235	1,541,772 22,770 1,564,542
		1,007,435	1,304,342



		(Un-audited) (Un-audite September 30, September 2018 2017	
		(Rupees	in '000)
21.3	Remuneration to Shariah Advisor (RSBM) / Board for the period	9,034	8,372
21.4	Charitable fund		
	Opening balance	63	_
	Addition during the period / year	924	121
	Payment / utilization during the period / year	-	(58)
	Clasica beliance		
	Closing balance	987	63
21.5	Islamic financing and related assets		
	Financings / investments / receivables		1
	- Murabaha	276,530	697,323
	- Ijarah	977,231	856,163
	- Diminishing Musharakah	4,242,737	4,467,802
	- Istisna	22,286	2,703
	- Tijarah	874,645	2,613,090
	- Running Musharakah	996,828	338,304
	- Term Musharakah	_	520,000
	- Other Islamic modes	-	-
		7,390,257	9,495,385
	Advances		1
	- Advance against Murabaha	-	322,580
	- Advance against Diminishing Musharakah	22,300	84,671
	- Advance against Ijarah	23,063	74,074
		45,363	481,325
	Inventories		
	- Tijarah inventories	_	698,552
	- Istisna inventories	84,117	110,836
		84,117	809,388
		7,519,737	10,786,098
	1 D		
	Less: Provision against financing and advances - Specific	(0.155)	-
	Less: Provision against financing and advances - General	(9,132)	(6,547)
		7,510,605	10,779,551



### 22. LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO

The SBP has introduced two liquidity standards through its guidelines on Basel III: Liquidity Standards. These are the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). The objective of LCR is to ensure that Banks have an adequate stock of unencumbered high quality liquid assets (HQLA) to survive a significant stress scenario. The objective of NSFR is to reduce funding risk over a longer time horizon by requiring Banks to fund their activities with sufficiently stable sources of funding on an ongoing basis.

		(Un-audited) September 30, 2018	(Audited) December 31, 2017
22.I	Liquidity Coverage Ratio	(Rupees	in '000)
	Total High quality liquid assets Total Net cash outflows	33,237,823 34,907,394	45,312,100 40.041,207
	Liquidity Coverage Ratio (%) Minimum Requirement %	95.22% 90.00%	113.16%
22.2	Net Stable Funding Ratio		70.0070
	Total Available stable funding Total Required stable funding Net Stable funding Ratio (%) Minimum Requirement %	75,797,942 73,773,860 <u>102.74%</u> <u>100.00%</u>	108,281,876 87,257,481 124.09% 100.00%

### 23. RESTATEMENT

During the nine months period ended September 30, 2018, the Bank has identified an additional provision charge against a non-performing loan and an investment amounting to Rs. 929.814 million (net of tax Rs. 604.379 million) and Rs. 290.819 million (net of tax Rs. 189.032 million) respectively that needs to be incorporated in the annual results for the financial year ended December 31, 2017 for better presentation. Accordingly, in compliance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', this amount has been accounted for by restating the comparative unconsolidated financial statements as at December 31, 2017. Had this provision not been accounted for by the Bank, investments and advances as at December 31, 2017 would have been higher by Rs. 290.819 million and Rs. 929.814 million respectively while accumulated losses and deferred tax assets as at December 31, 2017 would have been lower by Rs. 793.411 million and Rs. 427.222 million respectively.

### 24. GENERAL

- **24.1** The figures in the unconsolidated condensed interim financial statements have been rounded off to the nearest thousand.
- 24.2 Figures have been re-arranged and re-classified, wherever necessary, for the purpose of better presentation.

### 25. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on September 18, 2020 by the Board of Directors of the Bank.

Acting President &	Chief Financial	Director	Director	Director
Chief Executive	Officer			

# CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS
PERIOD ENDED
SEPTEMBER 30, 2018



### CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

ASSETS	Note	(Un-audited) September 30, 2018 (Rupees	2017 (Restated)
Cash and balances with treasury banks		4,378,532	13,556,734
Balances with other banks		1,044,101	2,440,437
Lendings to financial institutions		_	10,671,003
Investments-net	8	34,013,529	94,732,789
Advances-net	9	71,438,612	84,592,830
Operating fixed assets-net	10	11,608,372	12,714,481
Deferred tax assets-net	11	8,284,280	5,759,878
Other assets	12	6,701,036	7,765,228
		137,468,462	232,233,380
LIABILITIES			
Bills payable		1,991,696	3,065,379
Borrowings		37,758,451	67,307,766
Deposits and other accounts	13	86,750,672	145,606,731
Sub-ordinated loans		1,495,515	1,495,860
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		3,998,181	4,494,151
		131,994,515	221,969,887
NET ASSETS		5,473,947	10,263,493

### REPRESENTED BY

Share capital	26,381,510	26,381,510
Reserves	(6,306,359)	(6,306,359)
Accumulated losses	(16,184,824)	(11,337,838)
	3,890,327	8,737,313
Surplus on revaluation of assets - net of tax	1,583,620	1,526,180
	5,473,947	10,263,493

### **CONTINGENCIES AND COMMITMENTS**

14

The annexed notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.

Acting President &	<b>Chief Financial Officer</b>	Director	Director	Director
Chief Evecutive				



### CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2018

		Quarter	ended	Nine moths p	eriod ended
		September 30, S	September 30, 2017	September 30, 2018	September 30, 2017
	Note		(Rupee	s in '000)	
Mark-up / return / interest earned		1,854,148	2,803,558	7,191,190	8,101,766
Mark-up / return / interest earned  Mark-up / return / interest expensed		(1,638,891)	(2,074,038)	(5,381,757)	(5,764,361)
Net mark-up / interest income		215,257	729,520	1,809,433	2,337,405
(Provision) / reversal of provision against				1	
non-performing loans and advances - net	9.2.1	(2,763,183)	15,538	(4,220,589)	(40,043)
(Provision) / reversal of provision for diminution		[(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			( ,,, ,,
in the value of investments - net	8.1	(180,077)	1,541	(1,035,052)	105,579
Bad debts written off directly		(41)	(8,229)	(3,676)	(12,120)
,		(2,943,301)	8,850	(5,259,317)	53,416
Net mark-up / interest (expense) / income after provisions		(2,728,044)	738,370	(3,449,884)	2,390,821
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income		233,905	317,297	803,788	934,558
Dividend income		1,626	24,316	7,050	38,869
Income from dealing in foreign currencies		200,481	180,266	613,086	459,257
(Loss) / gain on sale of securities - net		(51,486)	153,654	(25,839)	383,478
(Loss) / gain on disposal of operating fixed assets - net		(52)	5,322	2,274	32,697
Unrealised gain / (loss) on revaluation of investments					
classified as held-for-trading - net		19,266	(15,577)	(460)	(48,856)
Other income		30,029	30,844	227,613	85,771
Total non-mark-up / interest income		433,769	696,122	1,627,512	1,885,774
		(2,294,275)	1,434,492	(1,822,372)	4,276,595
NON MARK-UP / INTEREST EXPENSES					
Administrative expenses		(1,505,540)	(1,515,520)	(4,368,787)	(4,519,369)
Other provisions / write-offs		(398)	(1,345)	(1,161,052)	(1,343)
Other charges		(5,921)	(6,437)	(29,761)	(17,322)
Total non-mark-up / interest expenses		(1,511,859)	(1,523,302)	(5,559,600)	(4,538,034)
		(3,806,134)	(88,810)	(7,381,972)	(261,439)
Extra ordinary / unusual items		-	-	-	-
LOSS BEFORE TAXATION		(3,806,134)	(88,810)	(7,381,972)	(261,439)
		,		, , ,	
Taxation	15			1	
Current		(29,509)	(41,989)	(110,871)	(132,616)
Prior years		-	-	-	-
Deferred		2,737,293	(2,261)	2,560,708	(15,765)
		2,707,784	(44,250)	2,449,837	(148,381)
LOSS AFTER TAXATION		(1,098,350)	(133,060)	(4,932,135)	(409,820)
			(Rup	ees)	
Basic loss per share	16.1	(0.42)	(0.06)	(1.87)	(0.19)
Diluted loss per share	16.2	(0.42)	(0.06)	(1.87)	(0.19)
The annexed notes from 1 to 25 form an integral part of these	consolida	red condensed in	terim financia	statements	

The annexed notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.

Acting President &	Chief Financial Officer	Director	Director	Director
Chief Executive				



### CONSOLIDATED CONDENSED INTERIM COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2018

	Quarter	ended	Nine moths period ended		
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	
		(Rupee	s in '000)		
Loss after taxation for the period	(1,098,350	) (133,060)	(4,932,135)	(409,820)	
Other comprehensive (loss) / income			-	-	
Comprehensive loss transferred to consolidated condensed interim statement of changes in equity	(1,098,350	<u>)</u> (133,060)	(4,932,135)	(409,820)	
Components of comprehensive (loss) / income not reflected in equity					
(Deficit) / surplus on revaluation of available for-sale securities - net of tax	(101,103	) (332,339)	165,830	(377,049)	
Total comprehensive loss for the period	(1,199,453	(465,399)	(4,766,305)	(786,869)	

The annexed notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.

Acting President & Chief Financial Officer Director Director Director
Chief Executive



### **CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

months p	eriod ended
nber 30, 018	September 30 2017
· (Rupees	in '000)
381,972)	(261,439)
(7,050)	(38,869)
389,022)	(300,308)
519,730	529,475
33,572	21,902
45,771	46,483
,220,589	40,043
3,676	12,120
161,052	1,343
,035,052	(105,579)
460 (2,274)	48,856
151,084)	11 ' ' /
,866,544	561,596
522,478)	
322,470)	201,200
671,003	(5,446,741)
56,709	43,301
929,953	(7,833,480)
176,372	2,078,856
834,037	(11,158,064)
073,683)	(2,245,346)
758,130)	2,578,887
856,059)	(5,235,107)
495,970)	
183,842)	
872,283)	
154,629)	(141,989)
026,912)	(15,406,998)
887,538	14,352,630
12,118	37,468
529,637)	
5,852	52,885
868,033	4,550
,243,904	13,679,054
(2.45)	(2.45)
(345)	(345)
(345) 783,353)	
703,333)	(1,720,207)
963,860	15,365,467
180,507	13,637,178
terim finar	ncial statements
<u> </u>	Director



# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2018

		Convertible	Advance		Capit	Capital reserves		Revenue		
	Share Capital		against subscription of shares	Share premium	Discount on issue of shares	Statutory reserve	Reserve arising on amalgamation	Accumulated losses	Total Reserves	es Total
	Note				(Rupees in '000)					
Balance as at January 01, 2017 (Audited)	17,786,663	2,155,959	1,854,870	1,000,000	(1,297,298)	154,162	(1,579,205)	(9,541,930)	(11,264,271) 10,533,221	10,533,221
Changes in equity for the Nine month period ended September 30, 2017	7									
Total comprehensive loss for the period Loss after taxation for the nine months period ended September 30, 2017 Other comprehensive income, nor of 159								(409,820)	(409,820)	(409,820)
Transfer to Statutory Reserve	] ' '	]					 	(409,820)	4	(409,820)
Transfer from surplus on revaluation of fixed assets  Balance as at September 30, 2017 (Un-audited)	17,786,663	2,155,959	1,854,870	1,000,000	1,000,000 (1,297,298)	154,162	(1,579,205)	85,006 ( <b>9,866,744</b> )	85,006 (11,589,085)	85,006 10,208,407
Changes in equity for the quarter ended December 31, 2017										
Total comprehensive loss for the period Loss after taxaton for the period ended December 31, 2017 - Restated Other comprehensive income for the quarter ended December 31, 2017	82							(1,510,946)	(1,510,946)	(1,510,946)
Transfer from statistics pecetive		] ]						(1,499,477)	(1,499,477)	(1,499,477)
Transfer from surplus on revaluation of fixed assets	•		٠		٠			28,383	28,383	28,383
Transactions with owners recorded directly in equity Issue of shares upon conversion of preference shares Shares saved during the period	6,739,977	(2,155,959)	. (1.854.870)		(4,584,018)				(4,584,018)	
Balance as at December 31, 2017 (Audited) - Restated	26,381,510			1,000,000	(5,881,316)	154,162	(1,579,205)	(11,337,838)	(17,644,197)	8,737,313
Total comprehensive income for the period Loss after taxation for the period ended September 30, 2018 Other comprehensive income - net of tax								(4,932,135)	(4,932,135)	(4,932,135)
-	•							(4,932,135)	(4,932,135)	(4,932,135)
iransier to statutory reserve Transfer from surplus on revaluation of fixed assets								85,149	85,149	85,149
Balance as at September 30, 2018 (Un-audited)	26,381,510			1,000,000	(5,881,316)	154,162	(1,579,205)	(16,184,824)	(22,491,183)	3,890,327
The annexed notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.	d condensed interim fina	ncial statements.								
Acting President & Chief Fire Chief Fire	Chief Financial Officer		Director	ctor			Director		Director	tor



### NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

### I. STATUS AND NATURE OF BUSINESS

### .I The Group comprises of:

### 1.1.1 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, 2018.

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 (2017: 179 Conventional Banking Branches and 14 Islamic Banking Branches) in Pakistan as defined in the Banking Companies Ordinance, 1962.

In June 2018,VIS Credit Rating Company Limited assigned the Group an entity rating of 'A-' (Single A minus) for the long term and 'A-I' (A-one) for the short term with outlook assigned as 'Rating Watch-Developing' status and the Group's TFC was assigned a rating of 'A- (SO)' (Single A minus (Structured Obligation)). Subsequently, in November 2018, the Bank was assigned a medium to long-term rating of 'BBB- '(Triple B minus) and short term rating of 'A-3' (A-three). While the Group's TFC was assigned rating of BBB- (SO) (Triple B minus (Structured Obligation)). These ratings have been placed on 'Rating Watch- Negative' status. Furthermore, in February 2019, VIS Credit Rating Company Limited suspended the entity ratings of the Group due to non-availability of updated information while the Group'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 Group under the applicable regulations of the State Bank of Pakistan (SBP). However, subsequently the TFC holders have approved extension in the maturity date of the TFC issue along with payment of all the instalments (mark-up and principal) till October 27, 2020, subject to applicable regulatory approvals and compliances. Moreover, VIS Credit Rating Company Limited would reassess the ratings once required information along with latest financials is made available.

### 1.1.2 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.

1.2 During the period, the Group has incurred net loss of Rs. 4,932.135 million resulting in accumulated loss of Rs. 16,184.824 million and net equity of Rs. 5,473.947 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 11.275% (inclusive of Capital Conservation Buffer of 1.275%) and Leverage Ratio (LR) at 3.00% as of June 30, 2018. However, the paid up capital of the Holding Company (net of losses), is below 10 billion and CAR and LR are negative as at September 30, 2018.



The Group has been taking various steps to comply with the applicable capital requirements. In this respect, earlier in November 2016, the Board of Directors of the Group had decided to evaluate the potential merger/amalgamation option with Sindh Bank Limited. After completion of the due diligence exercise and decision of the Board of Directors of the Group on this matter, the requisite majority of the shareholders of the Group in their extraordinary general meeting held on November 07, 2017 had given approval for proposed amalgamation of the Group with and into Sindh Bank Limited, subject to regulatory approvals and compliances. However, proposed merger transaction could not be completed within the anticipated timeline and therefore both the banks decided to carry out a fresh due diligence exercise based on their audited financial statements of December 31, 2017. After completion of the fresh due diligence exercise based on the audited financial statement of December 31, 2017 and a fresh decision of the board of directors on this matter, the shareholders of the Bank in their extraordinary general meeting held on August 31, 2018 accorded their fresh approval for the proposed merger of the Bank with and into Sindh Bank Limited, subject to necessary regulatory approval and compliances, including but not limited to the permission of the Honourable Supreme Court of Pakistan. However, the proposed merger transaction could not proceed further and finally has been called-off during IHY 2019.

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

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

- Injection of capital;
- Reaping benefits from the expected growth of Islamic finance in Pakistan since the Holding Company 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 Holding Company 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 Group has received a letter dated March 27, 2020 from H.E. Nasser Abdulla Hussain Lootah (Potential Investor) pursuant to which Potential Investor has communicated his intention to acquire at least a controlling stake in the Group by subscribing to fresh equity in the Group and investing amounts as may be necessary (subject to satisfactory due-diligence) to ensure that the Group meets its Minimum Capital Requirements and Capital Adequacy Ratio requirement as prescribed by SBP. Moreover, in compliance with the requirements of Securities Act, 2015 and Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 applicable to such transaction, this was followed by a public announcement of potential investor of the intention to acquire at least 51% of the issued and paid up capital of the Group together with the management control. The execution of proposed transaction is subject to due diligence and all regulatory and corporate approvals. Furthermore, the Group has entered into an Exclusivity Agreement with the potential investor for the proposed transaction.



The management and the Board of Directors are of the view that once this capital injection transaction is successfully completed and other key assumptions stipulated in the business plan materialize, the Group will be able to achieve the projected improvement in business results and compliance with all the applicable capital requirements.

### 2. BASIS OF PRESENTATION

- 2.1 These consolidated condensed interim financial statements represent financial statements of the Group-Summit Bank Limited and its subsidiary. The assets and liabilities of the 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 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing comprise of purchase of goods by banks from their customers and resale to them at appropriate mark-up in price on deferred payment basis. The purchase and sale arising under these arrangements are not reflected in these consolidated condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon. The Islamic Banking branches of the Holding Company have complied with the requirements set out under the Islamic Financial Accounting Standards issued by The Institute of Chartered Accountants of Pakistan (ICAP) and notified under the provisions of the Companies Act, 2017.
- 2.3 Key financial figures of the Islamic banking branches are disclosed in note 21 to the unconsolidated condensed interim financial statements.

### 2.4 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 offer those returns through its power over the investee.

These consolidated condensed interim financial statements incorporate the financial statement of the 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 Holding company. Material intra-group balances and transactions are eliminated.

### 3. STATEMENT OF COMPLIANCE

- 3.1 These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standard as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
  - International Accounting Standard IAS 34 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB), as notified under 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).



Wherever the requirement of provisions of Companies Act, 2017, Banking Companies Ordinance, 1962 or directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, the requirement of the Companies Act, 2017, Banking Companies Ordinance, 1962 and the directives issued by SBP and SECP have been followed.

3.2 The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the State Bank of Pakistan through BSD Circular Letter no.2 dated May 12, 2004 and the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. They do not include all of the information required for the full annual financial statements and these consolidated condensed interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2017.

### 4. BASIS OF MEASUREMENT

### 4.1 Accounting Convention

These consolidated condensed interim financial statements have been prepared under the historical cost convention, except that certain operating fixed assets and certain non-banking assets have been stated at revalued amounts and certain investments and derivative financial instruments have been stated at fair value. Further, staff retirement benefits have been carried at present values as determined under the International Accounting Standards (IAS-19) (revised) 'Employees Benefits'.

### 4.2 Functional and Presentation Currency

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

### 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 The principal accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are same as those applied in the preparation of the financial statements of the Group for the year ended December 31, 2017 except for the following:

### Surplus / Deficit on Revaluation of Operating Fixed Assets

The Companies Ordinance, 1984 (the repealed Ordinance) was repealed through the enactment of the Companies Act 2017 dated October 04, 2017, the financial reporting requirements of the Companies Act, 2017 were only made applicable for reporting periods starting from January 01, 2018.

The repealed Ordinance specified the accounting treatment for the surplus on revaluation of fixed assets, where in, a deficit arising on revaluation of a particular property was to be adjusted against the total balance in the surplus account or, if no surplus existed, was to be charged to the profit and loss accounts as an impairment of the asset. However, the Companies Act, 2017 removed the specific provision allowing the above treatment and hence, a deficit arising on revaluation of a particular property is now to be accounted for in accordance with IAS-16, which required that such deficit is to be taken to the profit and loss account as an impairment.

Consequently, the Group has changed its policy for accounting for a deficit arising on revaluation of fixed assets and accordingly, any surplus/deficit arising on revaluation of owned property and non-banking assets acquired in satisfaction of claims is accounted for at individual level,

The effect of this change in accounting policy, which is applied with retrospective effect, has no impact on these consolidated condensed interim financial statements.

### 5.2 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards and interpretations that are mandatory for accounting periods beginning on or after January 01, 2018 but are considered not to be relevant or do not have any significant effect on the bank's operations and therefore not detailed in these consolidated condensed interim financial statements.



### **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The basis and methods used for critical accounting estimates and judgements adopted in these consolidated condensed interim financial statements are same as those applied in the preparation of the annual financial statements of the Group for the year ended December 31,2017

### 7. **FINANCIAL RISK MANAGEMENT**

The Bank's Financial Risk Management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2017.

### **INVESTMENTS-NET**

	Septembe	r 30, 2018 (U	n-audited)	December 31	, 2017 (Audited	d) (Restated)
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
			(Rupees	in '000)		
Investments by types:						
Held-for-trading securities						
Ordinary shares - Listed	2,777	-	2,777	75,371	-	75,371
Available-for-sale securities						
Market Treasury Bills	571,923	12,865,826	13,437,749	22,230,144	49,608,440	71,838,584
Pakistan Investment Bonds	1,734,248	12,314,537	14,048,785	2,787,576	10,574,058	13,361,634
GoP Ijarah Sukuks	84,000	4,150,000	4,234,000	4,793,854	-	4,793,854
Ordinary shares - Listed	396,433	3,755,914	4,152,347	4,194,449	52,510	4,246,959
Ordinary shares - Unlisted	14,475	-	14,475	14,475	-	14,475
Units of open end mutual funds-Listed	-	-	-	87,861	-	87,861
Preference shares - Unlisted	46,035	-	46,035	37,056	-	37,056
Term finance certificates - Listed	17,266	-	17,266	17,266	-	17,266
Term finance certificates - Unlisted	1,594,732	-	1,594,732	1,594,732	-	1,594,732
Sukuks	465,437	-	465,437	1,905,943	-	1,905,943
	4,924,549	33,086,277	38,010,826	37,663,356	60,235,008	97,898,364
Investments at cost	4,927,326	33,086,277	38,013,603	37,738,727	60,235,008	97,973,735
Less: Provision held for diminution in the value of investments						
(note no. 8.1, 8.2 and 23)	(1,495,981)	(1,575,101)	(3,071,082)	(2,036,030)	-	(2,036,030)
Investments - net of provisions	3,431,345	31,511,176	34,942,521	35,702,697	60,235,008	95,937,705
Deficit on revaluation of	(4(0)		(440)	(15.005)		(15.005)
held-for-trading securities	(460)	-	(460)	(15,885)	-	(15,885)
Surplus / (deficit) on revaluation of available-for-sale securities	(42,660)	(885,872)	(928,532)	(1,039,896)	(149,135)	(1,189,031)
Total Investments at market value	3,388,225	30,625,304	34,013,529	34,646,916	60,085,873	94,732,789



(Audited)

(Un-audited)

September 30, December 31, 2018 2017 (Restated) 8.1 Particulars of provision for diminution in the value of investments Note ----- (Rupees in '000) -----Opening balance 2,036,030 1,764,488 Add: Charge for the period / year 23 1,035,052 558,752 Less: Reversals during the period / year (237,659)1,035,052 321,093 Amounts written off (49,551)Closing balance 3,071,082 2,036,030 8.2 Particulars of provision held for diminution in the value of investment in respect of type and segment Available-for-sale securities Ordinary shares - Listed 1,861,582 1,025,818 Ordinary shares - Unlisted 1,000 1,000 Term finance certificates - Listed 17,266 17,266 Term finance certificates - Unlisted 23 991,234 501,127 Sukuks 200,000 200,000 3,071,082 1,745,211 ADVANCES-NET Loans, cash credits, running finances, etc.- in Pakistan 79,330,307 84,228,998 Islamic financing and related assets (Gross) 9.1 & 21.5 7,519,737 10,786,098 Net investment in finance lease - in Pakistan 1,448,348 1.625.499 Bills discounted and purchased (excluding Treasury Bills) - Payable in Pakistan 145,293 181,146 2,126,377 2,710,353 - Payable outside Pakistan 2,271,670 2.891.499 99,532,094 Advances - gross 90,570,062 Provision against non-performing advances (14,909,014) Specific Provision 9.2.1 & 23 (19,096,674) General Provision 9.2.1 (34,776)(30,250)(19,131,450) (14,939,264) 84,592,830 71,438,612 Advances - net of provision

- 9.1 These represent Islamic financing and related assets placed under shariah permissible modes.
- 9.2 Advances include Rs. 30,094.905 million (December 31, 2017 Rs. 17,065.584 million) which have been placed under non-performing status as detailed below:

	Septembe	er 30, 2018 (l	Jn-audited)	December 31	, 2017 (Audite	ed) (Restated)
Category of classification	Classified		Provision held	Classified advances	Provision required	Provision held
	(Rupees in '000)					
Other Assets Especially Mentioned (OAEM)	4,308	49	49	1,499	150	150
Substandard	6,564,522	1,718,132	1,718,132	38,112	2,519	2,519
Doubtful	5,872,506	1,667,561	1,667,561	960,566	265,840	265,840
Loss (note no. 23)	17,653,569	15,710,932	15,710,932	16,065,407	14,640,505	14,640,505
	30,094,905	19,096,674	19,096,674	17,065,584	14,909,014	14,909,014



9.2.1 Particulars of provision against non-performing advances

	Nine mo September	onths perio 30, 2018 (l		Year ended December 31, 2017 (Audited) (Restated)			
	Specific	General	Total	Specific	General	Total	
		(Rupees in '000)					
Opening balance	14,909,014	30,250	14,939,264	14,362,626	49,075	14,411,701	
Charge for the period / year	4,517,416	4,526	4,521,942	1,840,713	-	1,840,713	
Reversals during the period / year	(301,353)	-	(301,353)	(1,069,659)	(18,825)	(1,088,484)	
	4,216,063	4,526	4,220,589	771,054	(18,825)	752,229	
Amount written off	(28,403)	-	(28,403)	(224,666)	-	(224,666)	
Closing balance	19,096,674	34,776	19,131,450	14,909,014	30,250	14,939,264	

9.2.2 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. 3,808.654 million (2017: Rs. 1,440.852 million). The positive impact on the profit and loss account arising from availing this benefit - net of tax amounts to Rs. 2,475.625 million (2017: Rs. 936.553 million). As per the applicable Prudential Regulations, the positive impact of FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

The SBP has granted relaxation in provisioning requirements in respect of exposure in Dewan Group. Had this relaxation not been available, provision against loans and advances would have been higher by Rs. 205.502 million (2017: Rs. 205.502 million).

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

				(Un-audited) September 30, 2018	(Audited) December 31, 2017
10.	OPEI	RATING FIXED ASSETS	Note	(Rupees	in '000)
	Prope	ıl work-in-progress rty and equipment	10.1 10.2	4,316,030 7,128,941	4,937,534 7,574,750
	Intang	ible assets	10.3	163,401	202,197 12,714,481
	10.1	Capital work-in-progress			
		Civil works and related payments / progress billings Advances to suppliers and contractors		4,243,437 72,593	4,893,857 43,677
		Advances against capital work in progress - considered doubless: Provision there against	otful	1,204,830 (1,204,830)	141,224 (141,224)
				4,316,030	4,937,534



10.1.1 This includes costs incurred by the Group on its self constructed multipurpose building. A portion of this building has been allocated to the Bank's head office and branch premises, while the rest has been earmarked for onward disposal in due course. Accordingly, on December 31, 2018, after completion of the project of construction cost allocated to head office and branch premises will be transferred to the building and equipment categories as per applicable accounting standards, while rest of the construction costs allocated to saleable portion together with allocable carrying value of land has been transferred to 'Other Assets' category.

	been transferred to Other Assets' category.			
			(Un-audited) September 30, 2018	(Audited) December 31, 2017
10.2	Property and equipment		(Rupees	in '000)
	. ,			
	Book value at beginning of the period / year		7,574,750	7,575,163
	Surplus on revaluation of fixed assets		-	140,614
	Cost of additions / transfers during the period / year		80,561	604,109
	Book value of deletions / write off during the period / year		(6,640)	(32,643)
	Depreciation charge for the period / year		(519,730)	(706,823)
	Impairment for the period / year		-	(5,670)
	Book value at end of the period / year		7,128,941	7,574,750
10.3	Integrable accets		(Un-audited) September 30, 2018	(Audited) December 31, 2017
10.5	Intangible assets		(Rupees	in '000)
	Book value at beginning of the period / year		202,197	252,711
	Cost of additions during the period / year		6,975	14,593
	Book value of deletions / write off during the period / year		-	(3,355)
	Amortization charge for the period / year		(45,771)	(61,752)
	Book value at end of the period / year		163,401	202,197
			(Un-audited) September 30, 2018	(Audited) December 31, 2017 (Restated)
DEFE	ERRED TAX ASSETS-NET	Note	(Rupees	` ,
Defe	rred debits arising in respect of:			
	ion against non performing loans		2,369,418	1,309,930
	ion for compensated absences		35,643	36,592
	ion against other assets		149,657	149,656
	ion against capital work in progress		43,107	43,107
	lised loss on held-for-trading securities		_ ´ _	5,560
Minim	ium tax		827	827
Alterr	native Corporate tax		4,539	4,512
Unuse	ed tax losses		5,149,568	4,103,555
Provis	ion for diminution in the value of investments		1,074,877	712,611
Defici	t on revaluation of available-for-sale securities - net		332,424	427,093
Defe	ward availity suising in warmant of		9,160,060	6,793,443
	rred credits arising in respect of:		(400 500)	(452 305)
Surph	is on revaluation of fixed assets		(422,583)	(452,385)
	is on revaluation of fixed assets is on revaluation of non-banking assets		(123,410)	(151,972)
Unrea	is on revaluation of fixed assets is on revaluation of non-banking assets lized gain on forward exchange contracts		(123,410) (3,557)	(151,972) (30,429)
Unrea	is on revaluation of fixed assets is on revaluation of non-banking assets		(123,410)	(151,972)

11.

8,284,280

11.1 & 23



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

### 12. OTHER ASSETS

The aggregate carrying value of non-banking assets acquired in satisfaction of claims (NBAs) amounts to Rs. 3,458.535 million as at September 30, 2018. These assets were acquired by the Bank from time to time for settlement of claim to safeguard the interest of the bank for ensuring maximum recoveries from the defaulting borrowers. To achieve reduction in the overall exposure in NBAs, the Bank's sincere efforts are underway.

### 13. DEPOSITS AND OTHER ACCOUNTS

### Customers

Fixed deposits
Savings deposits
Current accounts - non-remunerative
Margin accounts

### Financial institutions

Non-remunerative deposits Remunerative deposits

(Un-audited)	(Audited)			
September 30,	December 31,			
2018	2017			
(Rupees in '000)				

11,116,326	32,124,431
36,930,126	51,529,761
28,801,467	43,977,485
4,974,131	5,518,752
81 822 050	133 150 429

1,371,083	1,476,093
3,557,539	10,980,209
4,928,622	12,456,302
86,750,672	145,606,731

(Audited)

(Un-audited)

### 14. CONTINGENCIES AND COMMITMENTS

### 14.1 Direct credit substitutes

Including guarantees and standby letters of credit serving as financial guarantees for loans and securities:

	Sèptember 3Ó, I 2018 (Rupees i	2017
Government Financial institutions	-	
Others	315,688	288,532

### 14.2 Transaction-related contingent liabilities / commitments / guarantees issued

Contingent liability in respect of performance bonds, bid bonds, shipping guarantees and standby letters of credit favouring:

(Unaudited) (Audited)

	September 30, 2018	December 31, 2017
	(Rupees	in '000)
Government	14,896,676	14,608,761
Banking companies and other financial institutions	1,556,947	1,605,724
Others	5,677,219	5,853,923
	22,130,842	22,068,408



(Un-audited) (Audited)

14.3		September 30, 2018	December 31, 2017
14.3	Trade-related Contingent Habilities	(Rupees	in '000)
	Letters of credit	8,425,249	14,839,940
	Acceptances	1,080,593	1,276,921
		9,505,842	16,116,861
14.4	Other contingencies - claims against Group not acknowledged as debts	7,566,747	7,464,043
14.5	Contingent asset		
	There was no contingent asset as at September 30, 2018 (December 30, 2018)	er 31, 2017: Nil).	
		(Un-audited) September 30, 2018	(Audited) December 31, 2017
14.6	Commitments in respect of forward lending	(Rupees	in '000)
	Forward documentary bills	3,001,652	3,639,137
	Commitments to extend credit	8,333,238	17,392,426
		11,334,890	21,031,563
14.7	Commitments in respect of forward exchange contracts		
	Purchase	6,072,820	5,484,447
	Sale	4,075,548	4,303,310
		10,148,368	9,787,757
14.8	Commitments for capital expenditure		
	Civil works and others	241,794	455,583
14.9	Commitments in respect of repo transactions		

14.10 Subsequent to the period end, 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, appoint 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 Group has been and is committed to extending its full cooperation to the Law Enforcement Agencies in their investigations to the best extent possible. The matter is currently subjudice. These proceedings in the opinion of the management will not have any effect on the operations and functioning of the Group.

### 15. Taxation

Repurchase of securities

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

40.243.259

10,977,155



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

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

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

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

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

				(Un-audited) September 30, 2018	(Un-audited) September 30, 2017
16.	BASI	C AND DILUTED LOSS PER SHARE	Note	(Rupees	in '000)
	Loss fo	or the period		(4,932,135)	(409,820)
				(Number o	of shares)
	16.1	$\label{eq:Weighted} \textbf{W} eighted \ average \ number \ of \ ordinary \ shares \ - \ basic$		2,638,151,060	2,168,966,870
				(Rup	ees)
		Basic loss per share		(1.87)	(0.19)
			16.2.1	(Number o	of shares)
	16.2	Weighted average number of ordinary shares - diluted	16.2.1	2,638,151,060	2,627,765,288
				(Rup	ees)
		Diluted loss per share		(1.87)	(0.19)
	16.2.	There are no potential ordinary shares outstanding as of S effect of potential ordinary shares during last year, the dil basic loss per share.			
		basic ioss per sitare.		(Un-audited) September 30, 2018	(Un-audited) September 30, 2017
17.	CASI	HAND CASH EQUIVALENTS		(Rupees	in '000)
		and Balance with Treasury Banks		4,378,532	
		e with other banks		1,044,101	, - ,
	Overd	rawn nostro accounts		(242,126)	(239,976)
				5,180,507	13,637,178



### 18. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

The basis for determination of fair values of various assets and liabilities and their hierarchies as disclosed in note 18.1 below are the same as those adopted in the annual audited unconsolidated financial statements of the Bank for the year ended December 31, 2017.

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

### 18.1 Fair value hierarchy

Se	ptember 30, 20	18 (Un-audited	d)
Level I	Level 2	Level 3	Total
	(Rupees i	in '000)	

On balance sheet financial instruments Financial assets-measured at fair value Investments Market treasury bills Pakistan investment bonds GOP ijarah sukuks Ordinary shares - Listed Ordinary shares - Unlisted	- - - 2,068,073	13,426,182 13,458,341 4,132,556 - -		13,426,182 13,458,341 4,132,556 2,068,073 62,917
Units of open end mutual funds - Listed	-	-	-	-
Preference shares - Unlisted	-	46,035	-	46,035
Term Finance Certificates and Sukuks	-	868,866	-	868,866
Non-financial assets-measured at fair value				
Operating fixed assets	-	-	6,459,203	6,459,203
Other assets	-	-	3,749,082	3,749,082
Off-balance sheet financial instruments-measured at fair value				
Forward purchase of foreign exchange	-	6,113,372	-	6,113,372
Forward sale of foreign exchange	-	4,105,936	-	4,105,936



Decer	mber 31, 2017 (	Audited) (Rest	ated)
Level I	Level 2	Level 3	Total
	(Rupees	in '000)	

On balance sheet financial instruments Financial assets-measured at fair value Investments				
Market treasury bills	_	71,840,364	_	71.840.364
Pakistan investment bonds	_	13.218.246		13.218.246
GOP ijarah sukuks	_	4,810,812	_	4.810.812
Ordinary shares - Listed	2,206,999	.,0.0,0.2	_	
Ordinary shares - Unlisted	_,,	_	55,152	
Units of open end mutual funds - Listed	68,806	_	_	68,806
Preference shares - Unlisted	-	37,056	-	37,056
Term Finance Certificates and Sukuks	1,089,633	1,447,398	-	2,537,031
Non-financial assets-measured at fair value				
Operating fixed assets	-	-	6,769,281	6,769,281
Other assets	-	-	4,541,147	4,541,147
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	5,672,541	-	5,672,541
Forward sale of foreign exchange	-	4,404,467	-	4,404,467

### Valuation techniques used in determination of fair value

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



### 19. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

The segment analysis man respect to			Retail banking	Commercial banking ees in '000)	/others	nt Total
For the period ended September 30, 2018 (Un-audited) Total income Total expenses Net income / (loss) before tax	5,155 2,217 2,938	2,865,442 4,825,558 (1,960,116)	788,994 8,515,718 (7,726,724)	4,965,927 2,724,078 2,241,849	193,184 133,103 60,081	8,818,702 16,200,674 (7,381,972)
Segment return on assets (ROA) (%)	58.86	-14.38	-222.18	7.98	9.64	=
Segment cost of funds (%)	304.53	64.30	1720.85	7.74	16.40	=
For the period ended Septemeber 30, 2017 (Un-audited)						
Total income	41,191	4,466,052	669,000	4,703,293	108,004	9,987,540
Total expenses	17,784	2,870,228	4,728,213	2,588,961	43,793	10,248,979
Net income / (loss) before tax	23,407	1,595,824	(4,059,213)	2,114,332	64,211	(261,439)
Segment return on assets (ROA) (%)	65.75	5.35	-53.54	6.52	57.61	=
Segment cost of funds (%)	438.93	22.12	862.85	5.03	4.15	=
As at Septemeber 30, 2018 (Un-audited)						
Segment assets (gross)	14,974	43,974,435	11,364,189	103,094,327	3,074,737	161,522,662
Segment non performing loans		-	947,979	29,146,926	-	30,094,905
Segment provision		3,071,072	931,199	18,847,099	1,204,830	24,054,200
Segment assets (net)	14,974	40,903,363	10,432,990	84,247,228	1,869,907	137,468,462
Segment liabilities	2,184	22,512,772	1,484,566	105,560,853	2,434,140	131,994,515
As at December 31, 2017 (Audited) (Restated)						
Segment assets (gross)	98,370	112,436,443	22,422,441	113,931,843	380,791	249,269,888
Segment non performing loans		-	1,025,761	16,039,823		17,065,584
Segment provision		1,745,211	837,818	13,660,068	-	16,243,097
Segment assets (net)	98,370	110,691,232	21,584,623	100,271,775	380,791	233,026,791
Segment liabilities	10,879	48,567,561	1,933,551	167,858,238	3,599,658	221,969,887

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



### RELATED PARTY TRANSACTIONS 20.

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

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

									u
	Sept	September 30, 2018 (Un-audited)	Un-audited)		De	December 31, 2017 (Audited)	17 (Audited)		
	Key management personnel	Directors	Parent company	Other related parties	Key management personnel	Directors	Parent company	Other related parties	
				(Rupee	(Rupees in '000)				
Advances Balance at beginning of the year	409,534			1,213,053	324,233	,		1,078,078	
Disbursements / granted during the period / year	40,474		٠	3,259,889	293,128	•	•	3,889,335	
rayments received / adjustments during the period / year Balance at end of the period / year	278,882	. .	. .	843,548	409,534	.   .	.   .	(3,754,360)	
Deposits Balance at beginning of the year	67.291	32.259		860.510	20.770	45.147		501.960	
Deposits during the period / year	434,739	22,421		16,788,566	595,492	82,026	•	7,583,680	
Withdrawals / adjustments during the period / year	(483,796)	(34,885)		(15,911,490)	(548,971)	(94,914)	٠	(7,225,130)	
Balance at end of the period / year	18,234	19,795		1,737,586	67,291	32,259		860,510	
Other balances Shares issued during the period / year					•	137,541	5,060,450		
Investment in shares /TFC's / Mutual Fund				205,339	•	•	٠	277,781	
Other receivable	2,533		579	5,897	4,821	•	488	45,882	
Other payable				•	•	•	•	1,369	
Mark-up receivable	524			33,547	825	•	•	186'61	
Mark-up payable	126	79		7,655	891	82	•	1,175	
Contingencies and Commitments Guarantees, letters of credit and acceptances				883,780	,	,		869,683	
Commitments to extend credit	924		٠	266,402	548	•	•	547,957	



Septer	September 30, 2018 (Un-audited)	Un-audited)		Sept	September 30, 2017 (Un-audited)	(Un-audited)	
Key management personnel	Directors	Parent company	Other related parties	Key management personnel	Directors	Parent company	Other related parties
), ui saadna) (Rupees in V			(Rupee	(000			

Iransactions, income and expenses								
Purchase of investments				54,983		•	•	48,786
Disposal of investments	•			79,905		٠	•	123,101
Brokerage expenses	•					•		3,781
Advertisement and Publicity				205	•	•	•	20
Brokerage income	123				620	٠	٠	
Subscription paid	2,133			750	2,367	٠	•	166'9
Education and training				2,193	•	٠	•	3,102
Capital (loss) / gain				(15,505)	•	٠	•	1,315
Dividend income				612	•	•	•	975
Contribution to the provident fund				54,681	•	٠	٠	61,314
Contribution to the gratuity fund				48,217	•	•	•	46,372
Remuneration paid	144,210				175,160	•	•	'
Post employment benefits	4,786				5,360	٠	•	'
Rental income	•					•		'
Mark-up earned	13,212			67,930	11,635	٠	•	49,556
Mark-up expensed	209	199		30,461	188	644	•	23,197
Other income	•					•		'
Rental expense				26,857		•	•	22,571
Provision for diminution in the value of investment				8,247		•	•	132,080
Fees paid	•	2,000				3,300		'
Professional charges	•		٠	396				



### 21. ISLAMIC BANKING OPERATIONS

21.1 The Group commenced its Islamic Banking Operations in Pakistan on March 07, 2014 and is operating with 14 Islamic Banking Branches (IBBs) (December 31, 2017: 14 IBBs) and 35 Islamic Banking Windows (IBWs) (December 31, 2017: 35 IBWs) as at September 30, 2018.

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

21.2 The condensed interim statement of financial position of Islamic Banking Operations as at September 30, 2018 is as follows:

ASSETS Cash and balances with treasury banks Balances with other banks Due from financial institutions Investments Islamic financing and related assets Operating fixed assets Deferred tax assets - net Other assets TOTAL ASSETS	Note 21.5	(Un-audited) September 30, 2018 (Rupees  104,839 97,825 10,094,601 3,986 7,510,605 133,195 4 252,053 18,197,108	(Audited) December 31, 2017 in '000)  1,293,159 435,524 5,936,023 5,860,690 10,779,551 150,740 - 520,975 24,976,662
LIABILITIES			
Bills payable Due to financial institutions Deposits and other accounts - Current accounts - Saving accounts - Term deposits - Others - Deposits from financial institutions - remunerative - Deposits from financial institutions - non - remunerative Deferred tax liabilities - net Other liabilities		155,016 250,000 5,193,614 7,471,083 1,182,170 559,409 1,020,031 76,539 480,011	212,856 250,000 7,792,141 10,366,610 2,132,391 633,563 1,513,382 111,158 12,261 387,758 23,412,120
NET ASSETS		1,809,235	1,564,542
REPRESENTED BY:			
Islamic banking fund Reserves Unappropriated profit (Deficit) / surplus on revaluation of assets - net of tax		1,000,000 - 809,246 1,809,246 (11) 1,809,235	1,000,000 541,772 1,541,772 22,770 1,564,542



		Un-audited September 30, S 2018 (Rupees in	2017
21.3	Remuneration to Shariah Advisor (RSBM) / Board for the period	9,034	8,931
		(Un-audited) September 30, E 2018	2017
21.4	Charitable fund	(Rupees in	1 000)
	Opening balance Addition during the period / year Payment / utilization during the period / year	63 924 -	121 (58)
	Closing balance	987	63
21.5	Islamic financing and related assets		
	Financings / investments / receivables	27/ 522	(07.323
	- Murabaha - Ijarah	276,530 977,231	697,323 856,163
	- Diminishing Musharakah	4,242,737	4,467,802
	- Istisna	22,286	2,703
	- Tijarah	874,645	2,613,090
	- Salam	-	-
	- Running Musharakah	996,828	338,304
	- Term Musharakah	-	520,000
	- Other Islamic modes	-	-
		7,390,257	9,495,385
	Advances		
	- Advance against Murabaha	-	322,580
	- Advance against islamic export refinance - murabaha	-	-
	- Advance against Diminishing Musharakah	22,300	84,671
	- Advance against Ijarah	23,063	74,074
	Inventoria.	45,363	481,325
	Inventories - Tijarah inventories		698,552
	- Istisna inventories	84,117	110,836
	- isdisila ilivelitories	84,117	809,388
		04,117	607,366
		7,519,737	10,786,098
	Less: Provision against financing and advances - Specific	_	_
	Less: Provision against financing and advances - General	(9,132)	(6,547)
		7,510,605	10,779,551



### 22. LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO

The SBP has introduced two liquidity standards through its guidelines on Basel III: Liquidity Standards. These are the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). The objective of LCR is to ensure that Banks have an adequate stock of unencumbered high quality liquid assets (HQLA) to survive a significant stress scenario. The objective of NSFR is to reduce funding risk over a longer time horizon by requiring Banks to fund their activities with sufficiently stable sources of funding on an ongoing basis.

(Lin audited)

(Audited)

22.1	Liquidity Coverage Ratio	(On-audited) September 30, December 31, 2018 2017 (Rupees in '000)
	Total High quality liquid assets	<b>33,237,823</b> 45,312,100
	Total Net cash outflows	<b>34,907,394</b> 40,041,207
	Liquidity Coverage Ratio (%)	<b>95.22</b> %113.16%_
	Minimum Requirement %	<b>90.00</b> % 90.00%
22.2	Net Stable Funding Ratio	
	Total Available stable funding	<b>75,797,942</b> 108,281,876
	Total Required stable funding	<b>73,773,860</b> 87,257,481
	Net Stable funding Ratio (%)	<b>102.74</b> % 124.09%
	Minimum Requirement %	100.00%

### 23. RESTATEMENT

During the nine months period ended September 30, 2018, the Group has identified an additional provision charge against a non-performing loan and an investment amounting to Rs. 929.814 million (net of tax Rs. 604.379 million) and Rs. 290.819 million (net of tax Rs.189.032 million) respectively that needs to be incorporated in the annual results for the financial year ended December 31, 2017 for better presentation. Accordingly, in compliance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', this amount has been accounted for by restating the comparative consolidated financial statements as at December 31, 2017. Had this provision not been accounted for by the Holding Company, investments and advances as at December 31, 2017 would have been higher by Rs. 290.819 million and Rs. 929.814 million respectively while accumulated losses and deferred tax assets as at December 31, 2017 would have been lower by Rs. 793.411 million and Rs. 427.222 million respectively.

### 24. GENERAL

- 24.1 The figures in the consolidated condensed interim financial statements have been rounded off to the nearest thousand.
- 24.2 Figures have been re-arranged and re-classified, wherever necessary, for the purpose of better presentation.

### 25. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on September 18, 2020 by the Board of Directors of the Group.

Acting President & Chief Executive	Chief Financial Officer	Director	Director	Director



### **BRANCH NETWORK**

CONVENTIONAL BANKING BRANCHES

### KARACHI

### Abdullah Haroon Road Branch

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

### Adamjee Nagar Branch

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

### Atrium Mall Branch

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

Fax: 021-35641008

### **Badar Commercial Branch**

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

### Bahadur Shah Center Branch

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

### Bahadurabad Branch

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

### Barkat-e- Hyderi Branch

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

### **Burns Road Branch**

Plot No. 55-A, Survey Sheet A.M., Artillery Maidan Quarters (Burns Road), Karachi. Tel: 021-32215174.75 & 76 Fax: 021-32215289

### Clifton Branch

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

Fax: 021-35821463

### Cloth Market Branch

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

### Defence Branch

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

### DHA Phase I Branch

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

### **DHA Phase IV Branch**

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

### Dhoraji Colony Branch

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

### Dolmen City Branch

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

### Electronic Market (Abdullah Haroon Road) Branch

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

### Fish Harbour Branch

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

### Garden East Branch

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

### Gulistan-e-Jauhar - Branch I

Plot # 118/A-B, Shop # 02, 03, 04 Ground Floor 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-Igbal - Branch I

Ground Floor, Hasan Center, Block-16, Main University Road Karachi

Tel: 021-34829024-27 Fax: 021-34829023

### Gulshan-e-Igbal - Branch 2

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

Fax: 021-34987689

### Hyderi Branch

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

Unitower I. I. Chundrigar Road Branch I

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

Fax: 021-32466500

### Jami Commercial, DHA Branch

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

Fax: 021-35316199

### Jamshed Quarters Branch

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

### Jodia Bazar - Branch I

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

Fax: 021-32500128

### Karachi Stock Exchange Branch

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

Fax: 021-32462843

### Karimabad Branch

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

Fax: 021-36826649

### Khayaban-e-Shahbaz Branch

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

Fax: 021-35344942

### Khayaban-e-Tanzeem Branch

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

Korangi Industrial Area Branch

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

Fax: 021-35114282

### M.A. Jinnah Road Branch

Mezzanine & Ground Floor, Plot Survey # 19, Street # R.B.6. Shop # 3, 4, Ram Bagh Quarters 166 M.A. Jinnah Road, Karachi

Tel: 021-32218395, 32218409,32218428

Fax: 021-32218376

### Muhammad Ali Society Branch

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

### Nazimabad (Gol Market) Branch

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

Fax: 021-36620264

### New Challi Branch

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

### North Karachi Industrial Area Branch

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

### Sea View, Clifton Branch, Karachi

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

Fax: 021 - 3572023

### PAF-Base Faisal Branch

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

### Paper Market Branch

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

Fax: 021-32639670

### Plaza Quarters Branch

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

Fax: 021-32771517



### Ranchore Line Branch

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

Fax: 021-32767460

### Rizvia Society Branch

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

### S.I.T.E. Branch

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

Fax: 021-32586806

### Saeedabad Branch

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

### Shahrah-e-Faisal - Branch II

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

### Shershah Branch

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

### Soldier Bazar Branch

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

### 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: 021-3455478

### Timber Market Branch

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

### Malir Cantt Branch

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

### Water Pump Branch

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

### Com-3, Clifton Branch, Karachi

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

### **LAHORE**

### **DHA Phase-VI Branch**

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

### Allama Iqbal Town Branch

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

### **Azam Cloth Market Branch**

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

### Badami Bagh Branch

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

### Bahria Town Branch

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

### **Bedian Road Branch**

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

### Circular Road Branch

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

### Darogawala Branch

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

### **DHA G Block Branch**

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



### **DHAY Block Branch**

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

### **Egerton Road Branch**

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

### Faisal Town Branch

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

### Ferozepur Road Branch

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

### **Gulberg Branch**

I 32-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. I, Lower Ground floor # I, Lahore Stock Exchange Plaza, Plot No. 19, Khasra No. 1047, 19, Khayaban e Aiwan e Iqbal, Lahore Tel: 042-36280853 - 56 Fax: 042-36280851

### Liberty Market Branch

Shop No.02 & 03, Ground floor, Diamond Tower, 28 Commercial Zone, Liberty Market, Gulberg III, Lahore

Tel: 042- 35717273, 35763308 Fax: 042-35763310

### Mall Road Branch

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

### Model Town Branch

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

### New Garden Town Branch

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

### **Empress Road Branch**

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

### Shah Alam Gate Branch

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

### Urdu Bazar Branch

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

### Wahdat Road Branch

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

### Z Block DHA Branch

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

### **ISLAMABAD**

### Bahria Town Branch

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

### Barah Koh Branch

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

### Blue Area Branch

20 - Al- Asghar Plaza, Blue Area, Islamabad Tel: 051-2823204, 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-II Markaz Branch

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

Fax: 051-2228365

### G-II Markaz Branch

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

Fax: 051-2220977

### I-9 Markaz Branch

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

### Stock Exchange Branch

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

### Super Market Branch

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

### **RAWALPINDI**

### The Mall Road Branch, Rawalpindi

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

### Raja Bazar Branch

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

### Shamsabad Muree Road Branch

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

Fax: 051-4854404

### **FAISALABAD**

### Satiana Road Branch

679-DGM, Batala Colony, Satiana Road, Faisalabad

Tel: 041 - 8500569 - 71 Fax: 041 - 8500568

### Jail Road Branch

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

### Kotwali Road Branch

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

### Liaquat Road Branch

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

### Susan Road Branch

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

### **MULTAN**

### Vehari Road Branch

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

### Abdali Road Branch

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

### Hussain Agahi Road Branch

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

### Qadafi Chowk Branch

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

### **SUKKUR**

### Marich Bazar Branch

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



### Shikarpur Road Branch

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

Fax: 071-5617145

### Workshop Road Branch

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

### **GUJRANWALA**

### **GT Road Branch**

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

### Gujranwala Branch

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

### Wapda Town Branch

Plot # B - III, MM - 53, Hamza Centre, Wapda Town, Guiranwala 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

### **Guirat 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

### Havatabad Branch

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

Fax: 091-5822926

### Main University Road Branch

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

### Milad Chowk Branch

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

### **QUETTA**

### Fatima Jinnah Road Branch

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

### Liaquat Bazar Branch

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

### M.A. Jinnah Road Branch

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

### Regal Chowk Branch

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

### **ABBOTTABAD**

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

### **ATTOCK**

### Hassan Abdal Branch

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



### Fateh Jang Branch

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

### **AZAD KASHMIR**

### Dadyal Branch

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

### Mirpur Azad Kashmir - Branch I

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

### Mirpur Azad Kashmir Branch (2)

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

### Muzzafarabad Branch

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

### Shaheed Chowk Branch

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

### **CHAK GHANIAN**

### Chak Ghanian Branch

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

### CHAKWAL

### Chakwal Branch

Al- Noor Plaza Sabzi Mandi, Talagang Road, Chakwal Tel: 0543-554796, 540650-5 I Fax: 0543-554797

### Dalwal Branch

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

### **CHAMMAN** - Rural

### Chamman Branch

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

### **DADU**

### Dadu Branch

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

### DINA

### Dina Branch

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

### **GAWADAR**

### Gawadar Branch

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

### **GHOTKI**

### Ghotki Branch

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

### GILGIT - Rural

### Gilgit Branch

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

### **GUJAR KHAN**

### Guiar 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



### HARIPIIR

### 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, Qasiamabad, Hyderabad Tel: 022-2650742-43 & 2652204-5 Fax: 022-2650745

### **JACOBABAD**

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

### **JEHLUM**

### Jhelum Branch

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

### **KAMBAR**

### Shahdad Kot Branch

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

### KAMOKE

### Kamoke - GT Road Branch

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

### KANDH KOT

### Kandh Kot Branch

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

### **KASUR**

### Gawadar Branch

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

### **GHOTKI**

### Kasur Branch

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

### KHAIRPUR - Rural

### Pacca Chang Branch

CS No. 418/1-08, Deh. Pacca Chang, Taluqa Faiz 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- 875 | 13-7 Fax: 0233-875 | 18

### MURIDKE

### Muridke Branch

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

### **NAROWAL**

### Katchery Road Branch

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

### **NAWABSHAH**

### Nawabshah Branch

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

### **GAWADAR**

### Gawadar Branch

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

### **JAMSHORO**

### Nooriabad Branch

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

### GILGIT - Rural

### Gilgit Branch

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

### OKARA

### Ravi Road Branch

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



### RABWAH

### Rahwah Branch

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

### **RAHIMYAR KHAN**

### Rahim Yar Khan Branch

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

### **SADIQABAD**

### Sadigabad Branch

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

### **SAHIWAL**

### High Street Branch

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

### **SARGODHA**

### Sargodha Branch

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

### Satellite Town Branch

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

### **SHIKARPUR**

### Shikarpur Branch

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

### **SIALKOT**

### Kashmir Road Branch

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

### Paris Road Branch

BI, 16S, 7I/A/I, 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

### SWARI

### 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: 051-4902240



### ISLAMIC BANKING BRANCHES

### **KARACHI**

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

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

Tel: 021-32438212, 32472176, 32471796

Fax: 021-32438218

### Super Highway Branch

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

Fax: 021-36830162

### Fish Harbour Branch

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

### Zamzama Branch

Shop No. 3, 4, 5, 6 & 7, Plot No. 16-C, 2nd Zamzama Commercial Lane DHA - Karachi

Tel: 021 - 35373135-7 Fax: 021 - 35373138"

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

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

Fax #. 021 - 32368005

### **LAHORE**

### PIA Society Islamic Banking Branch

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

Fax: 042-35210895

### **HUB, BALUCHISTAN - RURAL**

### **Hub Branch**

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

Tel: 0853 - 363056 - 058 Fax: 0853 - 363050

### CHILAS - RURAL

### Chilas Branch

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

Fax: 05812-450704

### **SKARDU - RURAL**

### Skardu Branch

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

### **ISLAMABAD**

### Naval Anchorage Branch

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

Fax: 051 - 5159129

### **DHA Phase-2 Branch**

Plot No. 7, Street SSZBS AI Nahayaan, Sector-A, DHA Phase-2, Near Al Ghurair, Main Boulevard, Islamabad

Tel: 051-4918314 -16 Fax: 051-4918317

### **CHITRAL - RURAL**

### Chitral Branch

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

### **HYDERBAD**

### **DHA Plaza Branch**

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

### RAWALPINDI

### Bahria Town Branch Phase-IV

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





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