

Ref: SMBL/CSD/2021/10-16 **FORM-8**

Date: 13.10.2021

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

Subject: Transmission of Half Yearly Report for the Period Ended June 30, 2019

Dear Sir,

We have to inform you that the Half Yearly Report of Summit Bank Limited for the six months' period ended June 30, 2019 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,

For and on behalf of Summit Bank Limited

Syed Muhammad Talib Raza

Company Secretary

BUILDING TODAY SHAPING TOMORROW

HALFYEARLY REPORT JUNE 2019



Summit S Bank
Committed to you

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CORPORATE INFORMATION

Board of Directors

Mr. Waseem Mehdi Syed Chairman

Mr. Jawad Majid Khan President & CEO

Mr. Wajahat Ahmed Baqai Director

Mr. Zafar Iqbal Siddiqi Director

Ms. Fauzia Hasnain Director

Mr. Aziz Morris
Director

Board Audit Committee

Ms. Fauzia Hasnain Chairperson

Mr. Wajahat Ahmed Baqai

Mr. Zafar Iqbal Siddiqi Member

Board Risk Management Committee

Mr. Wajahat Ahmed Baqai Chairman

Ms. Fauzia Hasnain Member

Mr. Aziz Morris Member

Mr. Zafar Iqbal Siddiqi Member

Board Human Resource & Remuneration Committee

Ms. Fauzia Hasnain Chairperson

Mr. Zafar Iqbal Siddiqi

Mr. Wajahat Ahmed Baqa

Mr. Jawad Majid Khar Member

Board Information Technology Committee

Mr. Zafar Iqbal Siddiqi Chairman

Mr. Aziz Morris Member

Mr. Waseem Mehdi Syed Member

Board Compliance Committee

Mr. Wajahat Ahmed Baqai Chairman

Mr. Waseem Mehdi Syed

Member

Mr. Aziz Morris

Member

Mr. Zafar Iqbal Siddiqi

Member

Chief Financial Officer

Mr. Salman Zafar Siddiqi

Company Secretary

Syed Muhammad Talib Raza

Auditors

Baker Tilly Mehmood Idrees Qamar

Chartered Accountants

Legal Advisors

Hyat & Meerjees

Share Registrar

THK Associates (Private) Limited

Plot No. 32-C, Jami Commercial Street-2,

D.H.A., Phase-VII, Karachi

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

Fax : 021-35310190

Email : secretariat@thk.com.pk

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Head Office

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

UAN: (021) 1111-24365 Fax: (021) 32463553

Registered Office

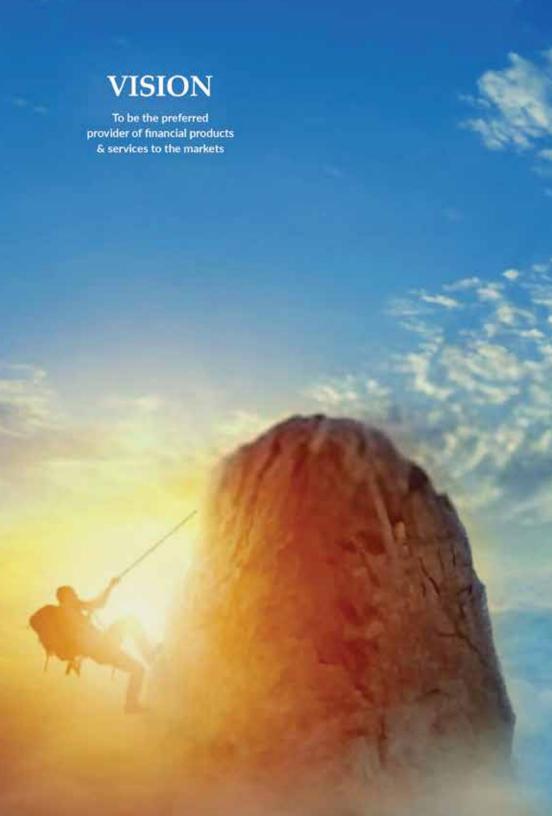
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Islamabad, Pakistan

Email: info@summitbank.com.pk

companysecretary@summitbank.com.pk

Website: www.summitbank.com.pk





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





DIRECTORS' REVIEW

On behalf of the Board of Directors, we are pleased to present the Directors' Review of the Bank along with the un-audited condensed interim financial statements and Auditors' Review Report for the half year ended June 30, 2019.

THE BANK'S PERFORMANCE

The highlights of the financial results for the half year ended June 2019 are as follows:

	June 30, 2019 Rupees in Millions
Financial Position	
Shareholders' Equity	(1,470)
Deposits	89,373
Total Assets	112,547
Advances – net	50,925
Investments – net	19,593
Financial Performance	
Net Interest Income and Non Markup Income (Total Income)	474
Non Markup Expenses	2,620
Provisions and write offs (net)	4,422
Loss before tax	(6,569)
Loss after tax	(4,376)
Basic and diluted loss per share - Rupees	(1.66)

The Bank recorded a loss before tax of Rs. 6.569 billion and a loss after tax of Rs. 4.376 billion for the half year ended June 30, 2019, as compared to a loss before tax of Rs. 3.543 billion and a loss after tax of Rs. 3.808 billion for the half year ended June 30, 2018. This translated into a loss per share of Rs. 1.66 (June 2018: loss per share Rs. 1.44).

The Bank's earning capacity has significantly depleted as a result of which the Bank incurred a net mark up expense of Rs. 208.153 million as against a net mark-up income of Rs. 1.592 billion earned during the same period last year. This is mainly attributable to volumetric reduction of earning assets together with the substantial amount of non-performing advances held by the Bank which resulted in major reduction of Bank's interest income. Due to extraordinary situation faced by the Bank since July 2018, the Bank reduced its earning assets portfolio to meet the liquidity requirements. Moreover, the Bank's interest expense registered a decrease of Rs. 574.765 million mainly due a reduction in the volume of interest bearing liabilities which was partially offset by an increase in the cost of funds, finance cost of lease liability and FX swap cost.

Non-funded income stood at Rs. 682.088 million, reflecting a decrease of 40.83% over the corresponding period last year, mainly due to lower foreign exchange income amidst a volatile currency market and a decline in fee and commission income earned as trade volumes during H1'19 shrank considerably.

Total non-mark up expenses were reported at Rs. 2.620 billion as against Rs. 2.839 billion last year, declining by 8%. This decrease was mainly attributable to a decrease in property and compensation expenses during H1'19.

The Bank recorded provisioning expense of Rs. 4.422 billion for the half year ended June 30, 2019, against a provision expense of Rs. 3.449 billion in the corresponding period last year. Provision against loans and advances was booked at Rs. 3.811 billion, an increase of 161% from the same period last year.



The Bank's net advances portfolio shrank by 17% to Rs. 50.925 billion as at June 30, 2019. Non-performing loans increased by 10% from Rs. 36.072 billion as at December 31, 2018 to Rs. 39.839 billion as at June 30, 2019. The Bank's gross NPL ratio (Gross non-performing loans to Gross Advances) as of June 30, 2019 stood at 52.22% as against 43.57% on December 31, 2018, while the coverage ratio at June 2019 stands at 63.54% (December 2018: 59.61%).

Total Deposits grew by 6% and were reported at Rs. 89.373 billion as against Rs. 84.676 billion reported at December 2018. At the half year end, the Bank's gross advances to deposits ratio stands at 85.35% as compared to 97.78% on December 31, 2018.

As at June 30, 2019, the Bank has recognized deferred tax assets (net) of Rs. 9.397 billion, this represents the management's best estimate of tax benefits expected to be realized in future years. We are hopeful that Bank will be able to realize these benefits. Based on the updated tax positions, deferred tax income for the current period amounted to Rs. 2.237 billion as against an expense of Rs. 186.032 million during the same period last year.

As at June 30, 2019, the Bank's paid up capital (net of losses) stood at negative (-) Rs. 4.287 billion as against the statutory requirement of Rs. 10 billion prescribed by SBP while the Capital Adequacy Ratio of the Bank stood at negative (-) 15.20% as against the minimum requirement of 11.90%.

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 regulatory requirements.

CREDIT RATING

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

ECONOMIC REVIEW

During the second quarter of 2019, Pakistan's macroeconomic fundamentals showed mixed performance as the government continued its efforts towards fiscal consolidation along with monetary tightening by the SBP to contain the twin deficits.

Pakistan's current account deficit stood at \$13.6 billion during FY19 from \$19.9 billion in FY18, thus, recording a sizeable improvement. The improvement in the current account largely came as imports reduced by 7.3% in FY19 as compared to FY18. Current account was supported by workers' remittances which posted a healthy increase of 9.7% from the previous fiscal year. Export volumes grew even though exports fell by 2.2% despite a PKR devaluation against USD.

Pakistan's FX reserves eroded during the second quarter of 2019 due to debt and interest payments and the CAD deficit. The SBP's Foreign exchange reserves rose to about US\$8 billion in July 2019 with the disbursement of the first tranche of the IMF's Extended Fund Facility. Further, the deferred oil payments from Saudi Arabia would translate into consolidation of Pakistan's FX reserves.

CPI inflation clocked in at 8.9% whereas core inflation rose to 7.2% YoY in June 2019. The State Bank of Pakistan raised the policy rate by a cumulative 225 bps during the half year from 10.00% to 12.25% to combat inflationary pressures.

On the fiscal side, the government's budget deficit stood at 5.0% of GDP during Jul-Mar FY2019. The government has announced its budget for the next fiscal year in which numerous revenue measures were taken.

The KSE-100 fell during the quarter owing to macroeconomic instability and rising interest rates, beginning the quarter at 38,649 index points and ending it at 33,901 index points.



MODIFICATIONS IN THE AUDITORS' REVIEW REPORT

The Bank's paid-up capital (net of losses), Capital Adequacy Ratio (CAR) and Leverage Ratio (LR) do not meet the requirements provided by State Bank of Pakistan (SBP) as at December 31, 2019. Further, the Bank's Liquidity Coverage is below the prescribed limits. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Bank's ability to continue as a going concern. However, the Bank is making continued efforts for necessary injection of capital and implementation of the Bank's plan to comply with applicable capital and liquidity requirements.

The Bank has recognized deferred tax asset of Rs. 9,396.814 million which is considered realizable based on the financial projections of the Bank.

During the year 2018, Law Enforcement Agencies (LEAs) initiated its investigation on certain bank accounts alleged for money laundering activities in various banks including Summit Bank Limited. The 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. The Bank's management is of the view that such investigations will not affect the ongoing operations and functions of the Bank.

The Bank is currently partially non-compliant with the provisions of Banking Companies Ordinance, 1962 with respect to an investment in immovable property. The management has planned steps to achieve compliance with the same with selling off the part of the property that is in non-compliance with the applicable laws.

The review report is modified in respect of these matters but the opinion is not qualified.

EVENTS AFTER THE BALANCE SHEET DATE

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

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

ACKNOWLEDGEMENT

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

Jawad Majid Khan President and Chief Executive Officer	Fauzia Hasnain Director

Summit Bank October 08, 2021 Karachi



بینک اس وقت غیر منقولہ حائداد میں سم مایہ کاری کے حوالے سے بینکنگ کمپنیز آرڈ بیننس، 1962ء کی شقوں سے جزوی طور پر ہم آہنگ نہیں ہے۔انظامیہ نے اس حضمن میں تغمیل کے حصول کے لیے اس پر ایر ٹی کاوہ حصہ بیچنے کے لیے منصوبہ بندی کی ہے جو قابل اطلاق قوانین سے ہم آہنگ نہیں ہے۔

ان معاملات کے حوالے سے آڈٹ ریورٹ میں ترمیم کی جاتی ہے، تاہم یہ ریورٹ معتبر ہے۔

بیلنس شیٹ کی تاریخ کے بعد ہونے والے واقعات

20 مئی 2021ء کواپنج ناصرعبدالله سین لوطه (سرمار کار) کی جانب سے ہنگ کوالک مراسله موصول ہواجس کی پیروی کرنے برسرمایہ کارنے بینک میں تازہ سالیت سبسکرائپ کرنے اوراس رقم کی جہاں ضروری ہوسر مار کاری کرنے کے ذریعے بینک کے کنٹرولنگ اختیار حاصل کرنے کےارادے کا اظہار کیا۔ مزید برآس ،اس طرح کے لین دین کے لئے سکیورٹیز ایکٹ 2015ءاورفیرتی کمپنیز (وونگ ثیبئر زاورئیک اوورز کا کافی حصول) ریگولیشنز کے قابل اطلاق تقاضوں کی قمیل کرتے ہوئے ،سر مایہ کار کی جانب سے انتظامی کٹے ول کے ساتھ بینک کے کم از کم 5 5 فیصد جاری کردہ اوراداشدہ سم مائے کے بارے میں عوامی اعلان کیا گیا۔

سم مامہ کارنے 101 کتوبر2021 کواپنی پیشکش خط کے ذریعے کی۔ بعدازاں 04 اکتوبر2021 کو بینک اورسم مامہ کار کے درمیان داخل کردہ شیئر سبسکریشن معامدہ (ایس ایس ا ہے) ہوا جس میں بینک میں نے عام صص کی مجوزہ سیسکر پٹن کے لئے ٹی ایکویٹی انجکشن کے بغیر حقوق کے پیشکش رعایتی قیت پر داخل کیا گیا ہے۔2.51 روپے فی حصص ہے۔ ہر ماریر کارنے شئیر سبسکریشن معاہدے میں طے شدہ پیشکش کی جے بورڈ آف ڈائزیکٹرزنے باضابطہ طور پر منظور کیا ہے۔ بینک گل 5,976.096 ملین نئے عام حصص حاری کرنے کاارادہ رکھتاہے۔

تعريف وتوثيق

ہم، بورڈ کی جانب ہے ایک بار پھر اسٹیٹ بینک آف پاکستان، سیکیوریٹیز اینڈ ایکچینچ کمیشن پاکستان، وزارت مالیات اور دیگر ضابطہ کاروں کی مسلسل رہنمائی اور معاونت پر شکر گزار ہیں۔ نیز ہم مسلسل معاونت پر ہمارے شیئر ہولڈ رز ، ہمارے صار فین اور بینک کے عملے کا شکر یہ ادا کر ناجاہیں گے۔

فوزيير حسنين	جو اد ما جد خان
ۋائز يكثر	صدراور چیفا گیزیکٹو آفیسر

سمٹ بینک اكتوبر08، 2021 كراچي



ا قضادی جائزه

2019ء کی دوسری سہ ماہی کے دوران پاکستان کے میکروا کنا مک فنٹر امینٹل اصولوں نے ملی جل کارکرد گی کا مظاہرہ کیا کیونکہ حکومت نے دوہرے خسارے پر قابو یانے کے لئے اسٹیٹ بدینک کی جانب سے مالیاتی تنخق کے ساتھ ساتھ مالی استحکام کی جانب اپنی کوششوں کو جاری رکھا۔

پاکستان کا جاری کھاتے کا خسارہ رواں مالی سال کے دوران 13.6 ارب ڈالر رہا جبکہ مالی سال 18ء میں 19.9 ارب رویے تھا، اس طرح نمایاں بہتری درج کی گئی۔ جاری کھاتے میں بہت زیادہ بہتری آئی کیونکہ مالی سال 18ء کے مقابلے میں مالی سال 19ء کے دوران درآ مدات میں 7.3 فیصد کمی آئی۔ جاری کھاتے کو کار کنوں کی ترسیلات زر سے تفویت ملی جس میں گذشتہ مالی سال کے مقالبے میں 9.7 فیصد کااضافہ ہوا۔اگرچہ بر آمدات میں 2.2 فیصد کمی واقع ہوئی تاہم ڈالر کے مقابلے میں روپے کی قدر میں کمی کے باوجود بر آمدات کے حجم میں اضافہ ہوا۔

قرضے، سودی ادائیگیوں اور سی اے ڈی خسارے کے باعث 2019ء کی دوسری سہ ماہی میں پاکستان کے زرِ مبادلہ کے ذخائر کم ہوگئے۔ آئی ایم ایف کی توسیعی فنڈ کی سہولت کی قسط موصول ہونے سے اسٹیٹ بینک کے ذخائر بڑھ کر 8 ارب ڈالر ہوگئے ۔ مزید پر آل، سعو دی عرب سے تیل کی مؤخر ادائیگیوں سے بھی پاکستان کے زرِمباد لہ کے ذخائر جمع ہونے میں مد دیلے گی۔

جون 2019ء میں صارف اثنار یہ قیت مہنگائی 8.9 فیصد تک پہنچ گئی جبکہ قوزی مہنگائی بڑھ کر 7.2 فیصد سال بسال ہو گئی۔ اسٹیٹ بینک آف یاکستان نے مہنگائی کے دباؤسے نمٹنے کے لیے سہ ماہی کے دوران پالیسی ریٹ میں 225 کی لیا ایس کے مجموعی اضافے کے ساتھ 10.00 فیصد سے بڑھاکر 12.25 فیصد کر دیا۔

مالياتی لحاظ ہے، جولائی تامارچ مالی سال 2019ء کے دوران حکومت کا بجٹ خسارہ جی ڈی پی کا 5.0 فیصد رہا۔ حکومت نے اگلے مالیاتی سال کے لیے بجٹ کا اعلان کر دیا ہے جس میں محاصل کے حوالے سے متعدد اقدامات کیے گئے۔

کلی معاثی عدم استخام اور بڑھتی ہوئی شرح سود کی وجہ ہے سہ ماہی کے دوران کے ایس ای 100 انڈیکس کا نشانیہ نیچے چلا گیا، سہ ماہی کا آغاز 88,649 انڈیکس ایو انتشاب ہوا اور 33,901 انڈیکس یوائنٹس پر ختم ہوا۔

آڈیٹر زکی جائزہ رپورٹ میں تبدیلیاں

31 وسمبر 2019ء تک بینک کا اداشدہ سرمایہ (خالص خسارے)، شرح کفایتِ سرمایہ اور لیوراج کی شرح (LR) اسٹیٹ بینک آف پاکستان (SBP) کے تقاضوں پر یورے نہیں اترتے۔ مزید رید کہ بینک کی سیالیت کی کورج کم مقررہ حدسے کم ہے۔ یہ حالات مادی عدم یقینی کی موجود گی کی نشاند ہی کرتے ہیں جو کہ بینک کے جاری کاروبار کے طور پر جاری رہنے کی صلاحت کے بارے میں اہم شک پیدا کر سکتی ہے۔ تاہم ، بینک سرمائے کے ضروری ادخال اور قابل اطلاق سرمائے اور سیالیت کے قاضوں سے ہم آ ہنگ بینک کے منصوبے پر عمل درآ مدکے لیے مسلسل کوششیں کر رہاہے۔

بینک نے 9,396.814 ملین رویے کے مؤخر تیک اثاثے ریکارڈ کئے جن کو بینک کے مالی تخمینوں کی بنیاد پر قابل حصول سمجھا جا تا ہے۔

سال کے دوران، قانون نانذ کرنے والی ایجنسیوں (ایل ای اے) نے سٹ بینک لمیٹٹہ سمیت بعض بینکوں میں منی لانڈرنگ کی سر گرمیوں کے لیے مبینہ طور پر کچھ بینک ا کاؤنٹس کی تحقیقات شروع کی۔ بید معاملہ فی الحال نیب کے زیر تفتیش ہے اور نیب عدالتوں میں صرف جزوی ریفر نسز دائر کیے گئے ہیں۔ بینک قانون نافذ کرنے والی ایجنسیوں کو ان کی تحقیقات میں ہر ممکن حد تک مکمل تعاون فراہم کرنے کے لیے پر عزم ہے اور رہے گا۔ مینیک کی انتظامیہ کاخیال ہے کہ اس طرح کی تحقیقات بینک کے جاری کاموں اور افعال کومتاثر نہیں کریں گی۔



نان فنڈ ڈ آمدنی 682.088 ملین روپے رہی، جو کہ گذشتہ سال کے مقالبے میں 40.83 فیصد کی کی عکاس کر تاہے ، اس کی بنیادی وجہ غیر متحکم کر نسی مارکیٹ کے دوران زرمبادلہ کی پہت آ مدنی اور 2019ء کی پہلی ششاہی کے دوران حاصل ہونے والی فیس اور کمیشن کی آ مدنی میں کمی آئی کیونکہ تحبار تی جم کافی سکڑ گیا تھا۔

مجموعی غیر سودی اخراجات 8 فیصد کی کے ساتھ 620. 2ارب روپے درخ کیے گئے جبکہ گذشتہ برس بد 2.839 ارب روپے تھے۔ یہ کی بنیادی طوریر مالی سال 19ء کی پہلی ششاہی کے دوران جائید اد اور معاوضے کے اخراجات میں کی کی وجہ سے تھی۔

بینک نے 30 جون 2019ء کو اختتام پذیر ہونے والی زیر جائزہ شٹاہی کے دوران تموین کے 4.422 ارب روپے درج کیے جبکہ گذشتہ برس کی ای مدت کے دوران میر .449 ارب روپے تھے۔ قرضوں اور ایڈ وانسز پر بُک کی گئی تموین 3.81 اربر وپے تھی جو گذشتہ برس کے مقابلے میں 161 فیصد زائد تھی۔

30 جون 2019ء کو بینک کا خالص ایڈوانس 17 فیصد کی ہے 50.925 ارب رویے ہو گیا۔ غیر فعال 10 فیصد اضافے کے ساتھ 31 دسمبر 2018ء کے 2016 ارب روپے سے بڑھ کر 30 جون 2019ء کو 29.889 ارب روپے ہوگئے۔30 تتمبر 2019ء تک بینک کا مجموعی غیر فعال قرضوں کا تئاسب (مجموعی غیر فعال قرضے اور مجموعی ايڈوانسز)52.22 فيصدرباجو گذشته برس73.54 فيصد تھا، جبكه كورت كا تئاسب جون 2019ء ميں 63.54 ہو گيا۔ (دسمبر 2018ء: 69.61 فيصد)۔

کل امانتیں 6 فیصد نموے ساتھ 373.89 ارب روپے درج کی گئیں جبکہ دسمبر 2018ء پر 84.676 ارب روپے درج کیے گئے تھے۔ ششاہی کے اختیام پر، بینک کا مجموعی ايڈوانس اور امانتوں کا تناسب 85.35 فيصد ہے جو 31 د سمبر 2018ء کو 97.78 فيصد تھا۔

30 جون 2019ء تک، بینک نے 9.397 ارب روپے کے (خالص)مؤخر نکیں اثاثوں کو تسلیم کیاہے جس سے آئندہ برسوں میں حاصل کیے جانے والے متوقع نکیل فوائد کے انظامیہ کے بہترین تخینے کااظہار ہوتا ہے۔ ہمیں امید ہے بینک یہ فوائد حاصل کر سکے گا۔ ٹیکس کی تازہ ترین صورتِ حال کی بنیاد پر ،موجودہ سال کے لیے مؤخر ٹیکس آمدنی 22.237 ارب روپے ہے جبکہ گذشتہ برس کی اس مدت کے دوران یہ 186.032 ملین روپے تھی۔

روپے کی قانونی ضرورت کے مقابلے میں اسٹیٹ بینک کی جانب سے مقرر کیے گئے 10 ارب کے مقابلے میں 30 جون 2019 تک، بینک کا اداشدہ سرماہیر (خسارے کا خالص) مننی (-) 4.287 ارب روپے تھا، جبکہ بینک کی شرح کفایت سمرمایہ کے کم از کم 11.90 فیصد کے نقاضے کے مقابلے میں منفی (-) 15.20 فیصد ہے۔

مینجنٹ اور پورڈ آف ڈائر کیٹرزیرامید ہیں کہ اگر کاروباری منصوبے میں بیان کر دہ نمو کے عوامل اور دیگر کلیدی مفروضے پورے ہوتے ہیں تو پینک کاروباری نتائج میں متوقع بہتری اور قابل اطلاق ضوابطی تقاضوں کی تغمیل میں کامیاب ہو جائے گا۔

كريڈٹ رٹينگ

2019ء کے دوران ، وی آئی ایس کریڈٹ رٹینگ کمپنی کمپیٹر نے بینک کی در میانی تاطویل مدتی رٹینگ ابی بی بی-'(ٹریل بی مائنس) اور قلیل مدتی رٹینگ 'اے-3' (اے-تھری) تازہ ترین معلومات کی عدم دستیابی کی وجہ ہے معطل کر دی۔ وی آئی ایس کریڈٹ رٹینگ کمپنی لمیٹڈ تازہ ترین ضروری مالی معلومات کے دستیاب ہونے پر ایک بار پھر ر ٹینگ کا دوبارہ جائزہ لے گی۔ مزید رہے کہ، بینک کی ٹی ایف می رٹینگ کو ڈی (ڈیفاٹ) تفویض کیا گیا تھا کیونکہ سمپنی نے اسٹیٹ بینک آف یاکستان (SBP) کے قابل اطلاق ضوابط کے تحت بینک کی لاک ان دفعہ کے حوالے ہے اپنی تازہ ترین سودی ادائیگی نہیں کی تھی۔ بینک کے ٹی ایف سی ہولڈرزنے 122 کتوبر 2020ء کو ہونے والی اپنی میٹنگ میں ٹی ایف سی ایشو کی مدت میں ایک سال کی مزید توسیع کی منظوری دی اور ساتھ ہی تمام انفکا کی رقوم کی ادائیگیوں میں توسیعے کے ساتھ عرصیت کی نظر ثانی شدہ تاریخ 27 اکتوبر 2021ء مقرر کی۔ بینک اس وقت تمام قابل اطلاق قوانین، قواعد وضوابط اور اس سلسلے میں مطلوبہ ضوابطی تقاضوں کی کتیبل کو نتینی بنانے کے لیے مصروف عمل ہے۔



ڈائز یکٹر ز کا جائزہ

بورڈ آفڈائز کیٹنرز کی جانب ہے، ہم بینک کی 30 جون 2019ء کو اختتام پذیر ہونے والی ششاہی کے لیے ڈائز کیٹر ز کا جائزہ اور غیر آڈٹ شدہ جامع عبوری مالی گوشوارے اور آڈیٹرز کے جائزے کی رپورٹ پیش کرتے ہیں:

بینک کی کار کر د گی

جون 2019ء کو اختام پذیر ہونے والی ششاہی کے لیے بینک کے مالی نتائج کی جملکیاں مندرجہ ذیل ہیں:

30 بون 2019ء	
روپے ملین میں	مالی صورتِ حال
(1,470)	شیئر ہولڈرز کی ایکویٹ
89,373	امانتيس
112,547	مجموعی اثاثی
50,925	ایڈ وانس – خالص
19,593	سر ما بير كاريال – خالص
	مالی کار کر د گی
474	غالص سودي آيد ني اور غير سودي آيد ني (مجمو عي آيد ني)
2,620	غير سود کی اخراجات
4,422	یردویژ نزاوردائث آفس(نیپ)
	پروور پر کراورزات کار سیف
(6,569)	پردور د دورون سی کر مینی) خساره قبل از نیکس
	·

30 جون 2019ء کو اختیام پذیر ہونے والی ششماہی کے لیے، بینک نے 6.596 ارب روپے کا خیارہ قبل از ٹیکس اور 4.376 ارب روپے کا خیارہ بعد از ٹیکس ورج کیا جبکہ گذشتہ برس کی ای مدت کے دوران 3.548 ارب روپ کا خیارہ قبل از ٹیکس اور 3.808 ارب روپ کا خیارہ بعد از ٹیکس درج کیا گیا تھا۔ لبذا خیارہ فی شیم 1.66 وپ رہا (جون 2018ء : خیارہ فی شیم 1.44 روپ)۔

بینک کی آمدنی کی تھوائش نمایاں طور پر کم ہو گئی جس کے نتیجے میں بینک نے 208.153 ملین روپ کے خالص سودی اخراجات کیے جبکہ گذشتہ برس کی ای مدت کے دوران میہ 1.592 ارب روپے آمدنی تھی۔ اس کی بنیادی وجہ بینک کے پاس موجود غیر فعال قرضوں کی کافی مقدار کے ساتھ آمدنی کے اثاثوں کے قبم میں کی ہے۔ جس کے نتیجے میں بینک کی سودی آمدنی میں بڑی کی واقع ہوئی۔ جولئی 2018ء سے بینک کو در پیش غیر معمولی صورت حال کی وجہ سے، بینک نے سالیت کی خرریات کو پورا کرنے کے لیے آمدنی کے اثاثوں کا ہزوان کم کردیا۔ حزید مید کہ بینک کے سودی اخراجات میں 574.765 ملین روپے کی کی درج کی گئی جس کی بنیادی وجہ سودی واجبات کے قبم میں کی تھی، جس نے فنڈز کی لاگت میں اضافے، زر ممادلہ کے تبدل کی لاگت اور اجارہ واجبات کی الکاری لاگت میں اضافے کے اثر کو جزوی طور پر زائل کردیا۔

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2019



INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF SUMMIT BANK LIMITED

REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Summit Bank Limited (the Bank) as at June 30, 2019 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement and unconsolidated condensed interim statement of changes in equity and notes to the accounts for the six-months' period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three months ended June 30, 2019 and June 30, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months' period ended June 30, 2019.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements as of and for the half year ended June 30, 2019 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to the following matters:

- note no. 1.3 to the unconsolidated condensed interim financial statements. As more fully described in that note, the Bank has incurred a net loss of Rs. 4,376.317 million during the six months' period ended June 30, 2019, resulting in accumulated losses of Rs. 24,208.405 million and negative equity of Rs. 1,469.588 million as at June 30, 2019. The Bank's paid-up capital (net of losses), Capital Adequacy Ratio (CAR) and Leverage Ratio (LR) do not meet the requirements provided by State Bank of Pakistan (SBP) as at June 30, 2019. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Bank's ability to continue as a going concern. However, the Bank is making continued efforts for necessary injection of capital and implementation of the Bank's Plan to comply with applicable capital requirements.
- note no. 14.1 to the unconsolidated condensed interim financial statements, where management has
 disclosed that the Bank has recognized deferred tax asset of Rs. 9,396.814 million which was considered
 realizable based on financial projections of taxable profits in foreseeable future.
- note no. 15.1 to the unconsolidated condensed interim financial statements, which states that, the Bank holds
 an immovable property which is partially in contravention with the provisions of Banking Companies
 Ordinance, 1962.



 note no. 23.4 to the unconsolidated condensed interim financial statements, which discloses that the National Accountability Bureau (NAB) is currently conducting an investigation against certain bank accounts alleged of involvement in illegal activities in various banks. The Bank management is of the view that such investigations will not affect the ongoing operations and functions of the Bank.

Our conclusion is not qualified in respect of the matters stated above.

The engagement partner on the audit resulting in this independent auditor's review report is Mehmood A. Razzak.

BAKERTILLY MEHMOOD IDREES QAMAR

CHARTERED ACCOUNTANTS

Karachi

Date: October 08, 2021



UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

		(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Note	(Rupees	in '000)
ASSETS			
Cash and balances with treasury banks	7	7,217,431	5,043,089
Balances with other banks	8	909,283	996,982
Lendings to financial institutions	9	1,983,560	
Investments	10	19,592,907	19,256,375
Advances	П	50,924,894	61,245,877
Fixed assets	12	10,513,465	8,708,878
Intangible assets	13	176,992	204,912
Deferred tax assets	14	9,396,814	7,214,989
Other assets	15	11,831,766	11,956,890
		112,547,112	114,627,992
LIABILITIES			
Bills payable	17	1,840,613	1,881,107
Borrowings	18	14,843,109	19,491,854
Deposits and other accounts	19	89,372,901	84,676,090
Liabilities against assets subject to finance lease			
Subordinated debt	20	1,495,515	1,495,515
Deferred tax liabilities			
Other liabilities	21	6,464,562	4,330,823
		114,016,700	111,875,389
NET 400FT0		(1.4(0.500)	2.752.402
NET ASSETS		(1,469,588)	2,752,603
DEDDECEMTED BY			
REPRESENTED BY		20 500 104	20 500 104
Share capital - net		20,500,194	20,500,194
Reserves	22	(425,043)	
Surplus / (deficit) on revaluation of assets Accumulated losses	22	2,663,666	2,576,824
Accumulated losses		(24,208,405)	(19,899,372)
		(1,469,588)	2,752,603
		(1,707,300)	2,732,603
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

President /	Chief Financial Officer	Director	Director	Director
Chief Executive				
CHAIFMEAN	IV DEDORT II INIE 2010			



UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2019

	Quartor	Endod	Half Voor	Endod
				June 30,
	•	-		2018
Mass	2019			2010
Note		(Kupee	s in 000)	
24	1.385.276	2.491.963	2,960,919	5,335,676
25	1,657,916	1,718,760	3,169,072	3,743,837
	(272,640)	773,203	(208,153)	1,591,839
26	153,270	300.249	326,645	533,780
	90	1,619	18,411	5,204
	142,281	241,088	257,469	412,605
	-	-	-	-
27	(1,093)	(12,455)	(2,648)	1,695
28				199,449
	340,681	683,183	682,088	1,152,733
	68,041	1,456,386	473,935	2,744,572
29	1,260,209	1,419,071	2,603,619	2,815,048
	-	-	- 1	-
30	12,326	10,505	16,777	23,833
	1,272,535	1,429,576	2,620,396	2,838,881
	(1,204,494)	26,810	(2,146,461)	(94,309)
31	2,892,135	3,113,194	4,422,150	3,448,850
	-	-	-	-
	(4,096,629)	(3,086,384)	(6,568,611)	(3,543,159)
22	(1.240.744)	202.407	(2.102.204)	2/4070
32	(1,307,700)	373, 4 8/	(4,174,474)	264,978
	(2,726,863)	(3,479,871)	(4,376,317)	(3,808,137)
		(Ru	ıpees)	
33	(1.03)	(1.32)	(1.66)	(1.44)
33	(1.03)	(1.32)	(1.66)	(1.44)
	26 27 28 29 30 31	June 30, 2019 Note 24	Note 2019 2018 (Rupee 24	June 30, 2019 2018 2019 2019 2019 2018 2019 2019 2018 2019 2019 2019 2018 2019 2019 2019 2018 2019

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

President / Chief Executive	Chief Financial Officer	Director	Director	Director



UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER AND HALFYEAR ENDED JUNE 30, 2019

	Ouarter	ended	Half year	ended
	June 30, 2019	June 30, 2018	June 30, 2019 sin '000)	June 30, 2018
Loss after taxation for the period	(2,726,863)	(3,479,871)	(4,376,317)	(3,808,137)
Other comprehensive income / (loss)				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in deficit on revaluation of investments - net of tax	(83,475)	181,831	136,146	271,179
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of operating				
fixed assets - net of tax	8,829	66,700	17,664	19,869
Movement in surplus on revaluation of non-banking assets - net of tax	_	230,643	316	(51,592)
	8,829	297,343	17,980	(31,723)
Total comprehensive loss	(2,801,509)	(3,000,697)	(4,222,191)	(3,568,681)

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

President / Chief Executive	Chief Financial Officer	Director	Director	Director



Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FORTHE HALFYEAR ENDED JUNE 30, 2019

			Capital reserve	/e	Surplus/ (D	Surplus/ (Deficit) on revaluation of	luation of	Revenue reserve	
	Share capital	Share premium	Statutory reserve	Reserve arising on amalgamation	Investments	Fixed / Non banking assets	Property held for sale	Accumulated losses	Total
				(Rup	(Rupees in '000)				
Balance as at January 01, 2018 (Audited)	20,500,194	1,000,000	154,162	(1,579,205)	(793,175)	2,288,117		(11,328,979)	10,241,114
Loss after taxation for the six months period ended June 30, 2018 Other comprehensive income - net of tax Transfer to Arthuron research					271,179	(31,723)		(3,808,137)	(3,808,137)
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses Balance as at July 01, 2018 (Un-audited)	20,500,194	1,000,000	154,162	- (1,579,205)	. (521,996)	(56,766)		56,766 (15,080,350)	6,672,433
Loss after taxation for the six months period ended December 31, 2018 Other comprehensive income - net of tax Transfer to statutory reserve					- (567,532)	- 806,658	754,510	(4,942,936) 29,470	(4,942,936) 1,023,106
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses Surplus realized on disposal of non-banking assets						(56,766)		56,766	
Balance as at January 01, 2019 (Audited)	20,500,194	1,000,000	154,162	(1,579,205)	(1,579,205) (1,089,528)	2,911,842	754,510	(19,899,372)	2,752,603
Loss after taxation for the six months period ended June 30, 2019 Other comprehensive income - net of tax					136,146	17,980		(4,376,317)	(4,376,317) 154,126
Transfer to Statutory reserve Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses Surplus realized on disposal of non-banking assets					• • • •	(50,471)		50,471	
Balance as at June 30, 2019 (Un-audited)	20,500,194	1,000,000	154,162	(1,579,205)	(953,382)	2,862,538	754,510	(24,208,405)	(1,469,588)

The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.

Director Director Chief Financial Officer Chief Executive President /



UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

CASH FLOW FROM OPERATING ACTIVITIES Loss before taxation	ne 30, 2018 00) 3,543,159) (5,204)
CASH FLOW FROM OPERATING ACTIVITIES (6,568,611) (3 Less: Dividend income (18,411) (3 Adjustments: (6,587,022) (3 Depreciation on operating fixed assets 275,038 275,038 Depreciation on night-of-use assets 21,874 21,874 Pinance cost of lease liability 138,329 31,006 Amortization 31,006 43,153 Charge for defined benefit plan 28,153 6,999 Provision and write-offs excluding recoveries 6,999 4,422,150 3 Gain on sale of fixed assets (30,901) 3 Gain on sale of fixed assets (30,901) 3 Gain on revaluation of investments classified 388 388 as held-for-trading securities - net 388 388 Decrease / (increase) in operating assets (1,983,560) (4,983,560) Held-for-trading securities (6,098) (6,098) Advances 6,510,376 (6 Others assets (excluding advance taxation) (6,098) (6	3,543,159)
Loss before taxation	,
Class	,
Adjustments: Depreciation on operating fixed assets Depreciation on night-of-use assets Depreciation on non-banking assets 138,329 Amortization Charge for defined benefit plan Charge for employees compensated absences Provision and write-offs excluding recoveries Gain on sale of fixed assets Gain on disposal of non-banking assets - net Unrealised loss on revaluation of investments classified as held-for-trading securities - net Decrease / (increase) in operating assets Lendings to financial institutions Decrease / (increase) in operating assets Lendings to financial institutions Held-for-trading securities (4,983,560) (6,098) Advances Others assets (excluding advance taxation) (5,887,022) (6,088,088,089,089,089,089,089,089,089,089	
Depreciation on operating fixed assets	3,548,363)
Depreciation on right-of-use assets 257,828 Depreciation on non-banking assets 21,874 138,329	
Depreciation on non-banking assets 21,874 Finance cost of lease liability 138,329 31,006 28,153 Charge for defined benefit plan 28,153 Charge for employees compensated absences 6,999 Provision and write-offs excluding recoveries 4,422,150 3 (30,901) Gain on size of fixed assets (30,901) Gain on disposal of non-banking assets - net 10,000 10,	346,696
Finance cost of lease liability Amortization 31,006 Charge for defined benefit plan Charge for meployees compensated absences 6,999 Provision and write-offs excluding recoveries 4,422,150 Gain on sale of fixed assets Gain on disposal of non-banking assets - net Unrealised loss on revaluation of investments classified as held-for-trading securities - net 388 5,150,864 388 5,150,864 388 5,150,864 388 6,150,864 6,1088 6,1088 6,1088 6,1088 6,1088 6,1088 6,1088 6,1088 6,1088 6,1088 6,1088	21,730
Charge for defined benefit plan Charge for employees compensated absences Charge for employees compensated absences Provision and write-offs excluding recoveries Gain on sale of fixed assets Gain on disposal of non-banking assets - net Unrealised loss on revaluation of investments classified as held-for-trading securities - net Decrease / (increase) in operating assets Lendings to financial institutions Held-for-trading securities Held-for-trading securities (1,983,560) Held-for-trading securities (6,098) Advances Others assets (excluding advance taxation) (6,2129)	
Charge for employees compensated absences Provision and write-offs excluding recoveries Gain on sale of fixed assets Gain on disposal of non-banking assets - net Unrealised loss on revaluation of investments classified as held-for-trading securities - net Decrease / (increase) in operating assets Lendings to financial institutions Lendings to financial institutions Held-for-trading securities Advances Others assets (excluding advance taxation) 6,999 4,422,150 30,991 388 5,150,864 (1,436,158) (1,983,560) (1,983,560) (6,098) (6,098) (6,098) (6,098) (6,098) (6,098) (6,098) (7,008) (8,008) (9	30,410
Provision and write-offs excluding recoveries Gain on sale of fixed assets Gain on disposal of non-banking assets - net Unrealised loss on revaluation of investments classified as held-for-trading securities - net Decrease / (increase) in operating assets Lendings to financial institutions Lendings to financial institutions Held-for-trading securities (1,983,560) Held-for-trading securities (6,098) Advances Others assets (excluding advance taxation) (6) (6) (6) (6) (6) (6) (6) (36,201
Gain on sale of fixed assets (30,901)	30,645 3,449,678
Gain on disposal of non-banking assets - net Unrealised loss on revaluation of investments classified as held-for-trading securities - net Decrease / (increase) in operating assets Lendings to financial institutions Held-for-trading securities (1,983,560) Held-for-trading securities (6,098) Advances Others assets (excluding advance taxation) (1,983,560) (6,098) (6,098) (6,10,376) (6,098) (7,000) (8,000) (9,00	(2,326)
as held-for-trading securities - net 388 5,150,864 3 Class 5,150,864 3 Class 6,150,864 3 Class 7,150,864	(144,848)
S,150,864 (1,436,158) C (1,436,158) Decrease / (increase) in operating assets C (1,983,560) C (1,983	
Company	19,446
Decrease / (increase) in operating assets Lendings to financial institutions Held-for-trading securities Advances Others assets (excluding advance taxation) (1,983,560) (6,098) (6,098) (6) (7) (8) (9) (9) (9) (1,983,560) (9) (9) (1,983,560) (9) (1,983,560) (9) (1,983,560) (9) (1,983,560) (1,9	3,787,632 239,269
Lendings to financial institutions (1,983,560) (1,983,560) Held-for-trading securities (6,098) Advances 6,510,376 (6 Others assets (excluding advance taxation) 101,411 4,622,129 (6	237,267
Advances 6,510,376 0 (6 Others assets (excluding advance taxation) 101,411 4,622,129 (6	1,177,128
Others assets (excluding advance taxation) 101,411 4,622,129 (6	(59,481)
4,622,129 (6	5,758,457)
	(614,920) 5,255,730)
Decrease / (increase) in operating liabilities	5,255,730)
Bills Payable (40,494)	(601,804)
),703,264)
	1,331,810
Other liabilities (excluding current taxation)	(697,767) 7,671,025)
Payments on account of staff retirement benefits (11,372)	(84,803)
Income tax paid (55,955)	(81,663)
Net cash generated from / (used in) operating activities 2,952,495 (23)	3,853,952)
CASH FLOW FROM INVESTING ACTIVITIES	
	5,057,231
Dividends received 18,278	9,224
Investments in fixed assets (85,129)	(389,910)
Investments in intangible assets (3,086) Proceeds from sale of fixed assets 140,370	- 4,771
Proceeds from sale of fixed assets 140,370 Proceeds from sale of non-banking assets 10,000	848,033
	5,529,349
CASH FLOW FROM FINANCING ACTIVITIES Payment of lease liability against right-of-use assets (491,338)	
Payments of subordinated debt	(345)
Net cash used in financing activities (491,338)	(345)
Effect of exchange rate changes on cash and cash equivalent 228,432	447,040
Increase in cash and cash equivalents 2,040,179	2,122,092
Cash and cash equivalents at beginning of the period 5,805,289	
Cash and cash equivalents at end of the period 34 7,845,468 17	5,516,705
The annexed notes 1 to 40 form an integral part of these unconsolidated condensed interim financial statements.	7,638,797
President / Chief Financial Officer Director Director Director	



NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR ENDED IUNE 30, 2019

I. STATUS AND NATURE OF BUSINESS

1.1 Summit Bank Limited (the Bank) is a banking company incorporated in Pakistan on December 09, 2005 as public company limited by shares under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Bank's registered office is situated at Plot No. 9-C, F-6 Markaz, Supermarket, Islamabad, Pakistan. The Bank is a subsidiary of Suroor Investments Limited, a company incorporated in Mauritius, holding 66.77% of the issued, subscribed and paid up capital of the Bank as at June 30, 2019.

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

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

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

1.3 During the half year, the Bank has incurred net loss of Rs. 4,376.317 million resulting in accumulated losses of Rs. 24,208.405 million and negative equity of Rs. 1,469.588 million. As per the applicable laws and regulations, the Bank is required to maintain Minimum Paid-up Capital (net of losses) (MCR) of Rs. 10 billion, Capital Adequacy Ratio (CAR) at 11.90% (inclusive of Capital Conservation Buffer of 1.90%), Leverage Ratio (LR) at 3.00%, Liquidity Coverage Ratio (LCR) at 100% and Net Stable Funding Ratio (NSFR) at 100% as of June 30, 2019. However, the paid up capital of the Bank (net of losses), CAR and LR are negative, while LCR is below prescribed levels as at June 30, 2019. Subsequently, from June 30, 2020 onwards, the Bank achieved compliance with the applicable LCR requirements.

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

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

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



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

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

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

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

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

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



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

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

- 2.2 These unconsolidated condensed interim financial statements represent separate financial statements of Summit Bank Limited in which investment in subsidiary are accounted for on the basis of direct equity interest rather on the basis of reported results. Accordingly, the consolidated financial statements have been presented separately.
- 2.3 Key financial figures of the Islamic banking branches are disclosed in note 39 to these unconsolidated financial statements.
- 2.4 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34 'Interim Financial Reporting' and do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended December 31, 2018.

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

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

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

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

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

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



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

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

3. BASIS OF MEASUREMENT

3.1 Accounting convention

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

3.2 Functional and Presentation Currency

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Changes in accounting policies

4.1.1 Change in reporting format

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



4.1.2 Leases

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

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

	Un-audited		
	June 30, 2019 (Rupees i	January 01, 2019 in '000)	
Lease Liability	2,008,784	2,075,149	

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

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

	Un-audited		
	2019	January 01, 2019	
	(Rupees in	า '000)	
Right-of-use Assets	2,103,965	2,207,128	
Effect of change in Accounting policy Impact on Statement of Financial Position Increase in fixed assets - ROU Assets Decrease in other assets - Advances, Deposits and Prepayments Increase in other assets - Advance taxation Increase in other liabilities - Lease liability in respect of ROU Assets (Decrease) / Increase in net assets	2,103,965 (206,647) - (2,008,784) (111,466)	2,207,128 (131,979) - (2,075,149)	
Impact on Profit and Loss Account Increase in mark-up expense	(138,329) (138,329)	<u>-</u>	



Un-audited June 30, January 01, 2019 - (Rupees in '000) (257,828)

(111,466)

(Increase) / decrease in administrative expenses:

-Depreciation of ROU Assets -Rent expense 284,691 26,863 Increase in loss before tax (111,466)

Taxation Increase in loss after tax

Loss per share for the half year ended June 30, 2019 is Re 0.04 per share higher as a result of the adoption of IFRS 16.

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

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

4.1.3 IFRS 15 - Revenue from Contracts with Customers

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

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

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

During the current period, the management of the Bank has revised its estimate of the useful lives of building on leasehold land. The management has decreased the depreciation rates from 5% per annum to 2.5% to 5% per annum. The revision has been made after taking into account the expected pattern of recovery of economic benefits associated with the use of these assets. The revision has been accounted for as a change in accounting estimate as defined in International Accounting Standard 8, 'Accounting Policies, Changes in Accounting Estimate and Errors'. Had the revision in useful lives in respect of building on leasehold land not been made, depreciation expense for the period would have been higher by Rs. 127.003 million and consequently the profit before tax would have been lower by the same amount.



2018

(Un-audited) (Audited) June 30, December 31,

2019

6. FINANCIAL RISK MANAGEMENT

7.

8.

9.

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

	2019	2018
	(Rupees i	n '000)
CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	2,825,182	2,699,662
Foreign currency	263,157	190,719
,	3,088,339	2,890,381
With State Bank of Pakistan in		
Local currency current account	993,103	1,011,453
Foreign currency current account	403,971	302,719
Foreign currency deposit account	192,645	125,904
	1,589,719	1,440,076
With National Bank of Pakistan in		
Local currency current account	1,073,977	703,743
Prize bonds	1,465,396	8,889
	7,217,431	5,043,089
BALANCES WITH OTHER BANKS		
In Pakistan		
In current account	19,132	20,475
In deposit account	59,057	92,365
	78,189	112,840
Outside Pakistan	<u> </u>	
In current account	124,464	368,270
In deposit account	706,630	515,872
	831,094	884,142
	909,283	996,982
LENDINGS TO FINANCIAL INSTITUTIONS		
Repurchase agreement lendings (Reverse Repo)	1,983,560	-
Less: Provision held against Lending to Financial Institutions	-	-
Lendings to Financial Institutions - net of provision	1,983,560	
Lengings to I marida misutudons - net or provision	1,703,300	



INVESTMENTS June 30, 2019 (Un-audited) December 31, 2018 (Audited) Provision Provision Cost / Cost / Carrying Surplus / Carrying Surplus / 10.1 Investments by type: for Amortised (Deficit) Value (Deficit) Value cost diminutio cost diminution (Rupees in '000) -Held-for-trading securities 6.098 (388) 5.710 Shares Available-for-sale securities Federal Government Securities 2,460,819 1.377.100 - Market Treasury Bills (31) 2,460,788 1.377.071 29 - Pakistan Investment Bonds 13,828,047 (1,211,795) 12,616,252 13.969.584 (1.233.323)12.736.261 - GoP Ijarah Sukuks 2,250,000 (89,775) 2,160,225 2,250,000 (40,275) 2,209,725 Shares - Fully paid up ordinary shares-Listed 4,147,681 (2,453,061) (165,141) 1,529,479 4,147,681 (1,947,196) (402,628) 1,797,857 (1,000) 2.830 (1,000) - Fully paid up ordinary shares-Unlisted 2.830 1.830 1.830 - Preference shares - Unlisted 46.035 46,035 46.035 46,035 Non Government Debt Securities - Term Finance Certificates 1,601,700 (1,111,111) 490,589 1,611,998 (1,008,500)603,498 - Sukuk Bonds 200,000 (200,000) 402,070 (200,000)202,070 24,537,112 (3,765,172) (1,466,742) 19,305,198 23,807,269 (3,156,696) (1,676,197) 18,974,376 Subsidiary Ordinary shares - Unlisted 396,942 (114,943) 281,999 396,942 (114,943) 281,999 Total Investments 24,940,152 (3,880,115) (1,467,130) 19,592,907 24,204,211 (3,271,639) (1,676,197) 19,256,375 (Un-audited) (Audited) June 30. December 31. 2019 2018 --- (Rupees in '000) ----10.1.1 Investments given as collateral - market value 393.726 Market Treasury Bills Pakistan Investment Bonds 5.235.762 8.190.815 288,030 2,209,725 GoP Ijarah Sukuks Ordinary shares-Listed 1,464,404 1.718.824 7,381,922 12.119.364 10.2 Provision for diminution in value of investments Opening balance 3,271,639 2,177,965 Charge / reversals Charge for the period / year 610,376 1,120,666 Reversals for the period / year (1,900) (26,992) 608,476 1.093.674 Closing Balance 3,880,115 3,271,639 10.3 Particulars of provision against debt securities lune 30, 2019 December 31, 2018 (Un-audited) (Audited) Provision Provision Category of classification (Rupees in '000)

10.4 Pursuant to the applicable Prudential Regulations, the Bank has availed the Forced Sale Value (FSV) benefit of securities/collaterals held against a non-performing investment. Had this benefit of FSV not been availed by the Bank, the specific provision against investments would have been higher by Rs. 209.023 million (December 31, 2018; Rs. 313.534 million), this has a net of tax positive impact of Rs. 135.865 million (December 31, 2018; Rs. 203.797 million) on the profit and loss account. As per the applicable Prudential Regulations, the positive benefit of FSV is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

1,520,134

1,520,134

1,311,111

1,311,111

1,522,034

1,522,034

1,208,500

Domestic Loss



Committed to you

ADVANCES

Performing Non Performing Total (Un-audited) (Audited) (Un-audited) (Audited) (Un-audited) (Audited) June 30, December 31. June 30, December 31 June 30, December 31. 2019 2018 2019 2018 2019 2018 (Rupees in '000)

Note

Loans, cash credits, running finances, etc. Islamic financing and related assets 39.2 Bills discounted and purchased

Advances - gross

Provision against advances

- Specific 11.3 - General

Advances - net of provision

31,382,864	39,212,961	38,812,628	35,141,957	70,195,492	74,354,918
4,303,888	5,875,686	978,809	882,663	5,282,697	6,758,349
758,023	1,635,173	47,089	47,089	805,112	1,682,262
36,444,775	46,723,820	39,838,526	36,071,709	76,283,301	82,795,529

-	-	(25,312,843)	(21,502,664)	(25,312,843)	(21,502,664)
(45,564)	(46,988)	-	-	(45,564)	(46,988)
(45,564)	(46,988)	(25,312,843)	(21,502,664)	(25,358,407)	(21,549,652)
34 300 311	44 474 932	14 525 493	14 549 045	EU 034 804	41 245 977

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

II.I Particulars of advances (Gross)

In local currency In foreign currencies

75,541,560 81,171,315 741,741 1,624,214 76,283,301 82,795,529

11.2 Advances include Rs. 39,838.526 million (December 31, 2018: Rs. 36,071.709 million) which have been placed under non-performing status as detailed

Category of Classification	June 30, 2019	December 31, 2	2018 (Audited)		
	Non		Non		
	Performing	Provision	Performing	Provision	
	Loans		Loans		
	(Rupees in '000)				
Domestic					
Other Assets Especially Mentioned	140,144	2,247	505,380	721	
Substandard	2,251,727	512,712	5,479,696	460,682	
Doubtful	6,160,938	1,127,101	7,709,088	1,609,889	
Loss	31,285,717	23,670,783	22,377,545	19,431,372	
	39,838,526	25,312,843	36,071,709	21,502,664	

Particulars of provision against advances

	June 30, 2019 (Un-audited)		December 31, 2018 (Audited)			
	Specific	General	Total	Specific General		Total
			(Rupee	s in '000)		
Opening balance	21,502,664 46,988 21,549,652 14,909,014 30,250					
Charge for the period / year	4,171,959	(1,424)	4,170,535	7,247,738	16,738	7,264,476
Reversals	(360,017)	-	(360,017)	(622,642)	-	(622,642)
	3,811,942	(1,424)	3,810,518	6,625,096	16,738	6,641,834
Amounts written off	(1,763)	-	(1,763)	(31,446)	-	(31,446)
Closing balance	25,312,843	45,564	25,358,407	21,502,664	46,988	21,549,652

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

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

11.3.2 The Bank has availed the benefit of Forced Sale Value (FSV) of pledged stocks, mortgaged properties, plant and machinery, shares and Cash Margin / TDRs held as collateral against non-performing advances as allowed under the applicable Prudential Regulations issued by the State Bank of Pakistan. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 9,500.470 million (December 31, 2018: Rs. 5,944.384 million). The positive impact on the Profit and Loss Account arising from availing this benefit - net of tax amounts to Rs. 6,175.306 million (December 31, 2018: Rs. 3,863.850 million). As per the applicable Prudential Regulations, the positive impact of FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

The SBP has granted relaxation in provisioning requirements in respect of exposure in Dewan Group. Had this relaxation not been available, provision against loans and advances would have been higher by Rs. 205.502 million (December 31, 2018: Rs. 205.502 million).



12	FIXED ASSETS	Note	(Un-audited) June 30, 2019 (Rupees	(Audited) December 31, 2018 s in '000)
	Carital wants in anamana	12.1	215,831	393,222
	Capital work-in-progress Property and equipment	12.1	8,193,669	8,315,656
	Right-of-use assets	4.1.2	2,103,965	0,313,030
	The control assets		10,513,465	8,708,878
12.1	Capital work-in-progress			
	Civil works and related payments / progress billings Advances and other payments to suppliers and contractors		184,852 30,979	388,198 5,024
	Advances and other payments against capital work in progress considered doubtful Less: Provision held there against		1,158,340 (1,158,340)	1,158,340 (1,158,340)
			215,831	393,222
12.2	Additions to fixed assets		(Un-audited) June 30, 2019 (Rupees	(Un-audited) June 30, 2018 s in '000)
			` '	,
	The following additions have been made to fixed assets during the period:			
	Property and equipment			
	Building improvements		170,434	8,392
	Furniture and fixture		63,053	2,364
	Electrical, office and computer equipment		29,032	49,462
			262,519	60,218
	Right-of-use assets		2,103,965	-
			2,366,484	60,218
12.3	Transfer / disposal of fixed assets		177,391	724722
	Capital work-in-progress		1//,371	734,723
	The net book value of fixed assets disposed off during the period is as follows:			
	Leasehold land		104,010	-
	Building improvements		143	-
	Building on leasehold land		89	
	Furniture and fixture		18	106
	Electrical, office and computer equipment Vehicles		3,661 1,548	2,345
			109,469	2,451
	Total		286,860	737,174



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			(Un-audited)	(Audited)
				December 31,
			2019	2018
		Note	(Rupees	in '000)
13.	INTANGIBLE ASSETS			
	Capital work-in-progress	13.1	46,161	53,488
	Intangible assets in use	13.2	130,831	151,424
			176,992	204,912
13.1	Capital work-in-progress			
	Advances to suppliers and contractors		46,161	53,488
	Advances against capital work in progress considered doubtful		141,224	141,224
	Less: Provision held there against		(141,224)	(141,224)
			-	-
			46,161	53,488
13.2	Intangible assets in use			
	Computer softwares		70,610	73,517
	Core deposits		35,040	45,534
	Brand name		25,181	32,373
			130,831	151,424
			(Un-audited) June 30, 2019	June 30, 2018
13.3	Additions to intangible assets		(Rupees	in '000)
	The following additions have been made to intangible assets during the period:			
	Directly purchased		10,414	807

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

14. DEFERRED TAX ASSETS

Deductible	Temporary	Differences	on

- Tax losses carried forward
- Deficit on revaluation of investments
- Provision against advances, off balance sheet etc.
- Provision for impairment loss investment
- Provision against intangible assets
- Staff compensated absences
- Unrealised loss on HFT portfolio
- Provision against other assets

Taxable Temporary Differences on

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

June 30, 2019 (Un-audited)				
At January 01, 2019		Recognised in Other Comprehensive Income	At June 30, 2019	
(Rupees in '000)				

3,811,924	888,481	-	4,700,405
586,669	-	(73,309)	513,360
3,433,882	1,213,831	-	4,647,713
1,145,074	212,966	-	1,358,040
43,107	-	-	43,107
35,380	(1,531)	-	33,849
-	136	-	136
149,656	-	-	149,656
9,205,692	2,313,883	(73,309)	11,446,266

(1,063,624)	-	17,667	(1,045,957)
(406,274)	-	-	(406,274)
(141,353)	-	316	(141,037)
(382,530)	9,946	-	(372,584)
3,078	(86,678)	-	(83,600)
(1,990,703)	(76,732)	17,983	(2,049,452)
7,214,989	2,237,151	(55,326)	9,396,814



December 31, 2018 (Audited)					
At January 01, 2018	Recognised in profit and loss account	Recognised in Other Comprehensive Income	At December 31, 2018		
(Rupees in '000)					

Deductible Temporary Differences on

- Tax losses carried forward
- Deficit on revaluation of investments
- Provision against advances, off balance sheet etc.
- Provision for impairment loss investment
- Provision against intangible assets
- Staff compensated absences
- Unrealised loss on HFT portfolio
- Provision against other assets

Taxable Tempor	ary Differences on
----------------	--------------------

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

(**************************************					
4,103,554	(291,630)	-	3,811,924		
427,094	-	159,575	586,669		
1,309,930	2,123,952	-	3,433,882		
762,288	382,786	-	1,145,074		
43,107	-	-	43,107		
36,558	(1,178)	-	35,380		
5,560	(5,560)	-	-		
149,656	-	-	149,656		
6,837,747	2,208,370	159,575	9,205,692		

(452,385)	-	(611,239)	(1,063,624)
-	-	(406,274)	(406,274)
(151,972)	-	10,619	(141,353)
(398,770)	16,240	-	(382,530)
(30,429)	33,507	-	3,078
(1,033,556)	49,747	(1,006,894)	(1,990,703)
101 100 3	2 250 117	(0/17 210)	7 2 1 4 9 9 9

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

			(Un-audited)	(Audited)
			June 30, 2019	December 31, 2018
15.	OTHER ASSETS	Note	(Rupees	in '000)
	Income / Mark-up accrued in local currency		1,589,417	1,631,155
	Income / Mark-up accrued in foreign currency		2,762	2,805
	Advances, deposits, advance rent and other prepayments		238,862	428,590
	Advance taxation (payments less provisions)		581,903	570,805
	Non-banking assets acquired in satisfaction of claims		2,771,701	2,802,674
	Branch adjustment account		-	20
	Mark to market gain on forward foreign exchange contracts		238,856	-
	Acceptances		962,315	1,118,180
	Receivable from brokers		-	5,038
	Stationery and stamps on hand		9,005	8,999
	Receivable from other banks against clearing and settlement		23,270	-
	Commission receivable on home remittance		163,682	134,985
	Property - held for sale	15.1	3,838,719	3,838,719
	Others		435,387	435,111
			10,855,879	10,977,081
	Less: Provision held against other assets	15.2	(587,860)	(584,840)
	Other Assets - net of provision		10,268,019	10,392,241
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims		402,963	403,865
	Surplus on revaluation of property - held for sale		1,160,784	1,160,784
	Other Assets - total		11,831,766	11,956,890
			, , ,	

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

	at the time of causes. Note that the takes the takes of t	(Un-audited) June 30, 2019	(Audited) December 31, 2018
15.2	Provision held against other assets		in '000)
	Income/ Mark-up accrued in local currency	1,389	1,389
	Advances, deposits, advance rent and other prepayments	79,664	79,664
	Non banking assets acquired in satisfaction of claims	290,547	290,547
	Commission receivable on guarantee	9,880	9,880
	Receivable from Dewan Group Account Receivable - Sundry claims	34,436 136,798	34,436
	Receivable from Speedway Fondmetal (Pakistan) Limited	25,694	133,731 25,694
	Others	9,452	9,499
		587,860	584,840
15.2.1	Movement in provision held against other assets		
	Opening balance	584,840	488,435
	Charge for the period / year	3,067	96,499
	Amount written off	(47)	(94)
	Closing balance	587,860	584,840
16.	CONTINGENT ASSETS		
	There were no contingent assets at the balance sheet date.		
17.	BILLS PAYABLE		
	In Pakistan	1,840,613	1,881,107
	Outside Pakistan	-	-
		1,840,613	1,881,107
18.	BORROWINGS		
	Secured		
	Borrowings from State Bank of Pakistan		
	- Under export refinance scheme	6,947,790	6,792,628
	Under Islamic Export Refinance Scheme (IERF) Under long-term financing facility	250,000 933,564	250,000 756,323
	- Refinance facility for modernization of SMEs	6,538	3,363
	- Repurchase agreement borrowings	5,230,547	8,163,360
		13,368,439	15,965,674
	Repurchase agreement borrowings	1,193,424	1,000,000
	Foreign bills - rediscounted	_	608,830
	Total secured	14,561,863	17,574,504
	Unsecured		
	Call borrowings	-	1,911,000
	Overdrawn nostro accounts	281,246	6,350
		281,246	1,917,350
	Total unsecured	14,843,109	19,491,854
18.1	Particulars of borrowings with respect to currencies		
	In local currency	14,561,863	18,876,674
	In foreign currencies	281,246	615,180
		14,843,109	19,491,854



DEPOSITS AND OTHER ACCOUNTS

	June 30, 2019 (Un-audited)		December 31, 2018 (Audited)		Audited)	
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
			(Rupees i	n '000)		
Customers						
Current deposits	29,869,276	1,696,886	31,566,162	27,684,415	1,539,251	29,223,666
Savings deposits	35,793,957	1,917,861	37,711,818	34,873,064	1,605,157	36,478,221
Term deposits	9,069,994	2,874,585	11,944,579	8,624,571	1,579,424	10,203,995
Others	3,475,365	25,170	3,500,535	4,579,025	21,838	4,600,863
	78,208,592	6,514,502	84,723,094	75,761,075	4,745,670	80,506,745
Financial Institutions						
Current deposits	915,723	120,633	1,036,356	988,132	126,472	1,114,604
Savings deposits	2,731,785	5	2,731,790	2,254,400	4	2,254,404
Term deposits	881,661	-	881,661	800,337	-	800,337
Others	-	-	-	-	-	-
	4,529,169	120,638	4,649,807	4,042,869	126,476	4,169,345
	82,737,761	6,635,140	89,372,901	79,803,944	4,872,146	84,676,090

19.1 Deposits include Eligible Deposits of Rs. 62,657.570 million (December 31, 2018: 55,944.727 million) protected under Depositors Protection Mechanism introduced by the State Bank of Pakistan.

20. SUBORDINATED DEBT

Rs.1,500,000,000 Issue amount October 27, 2011 Issue date

Maturity date October 27, 2020 (December 31, 2018: October 27, 2019)

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

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

Rating 'D' (Default).

Security Unsecured

Redemption / Profit payment

Call option

The redemption / profit payment details are mentioned in the above maturity date frequency

clause.

Base rate (6 months KIBOR - ask side) plus 325 bps Mark-up

> The Bank had an option to call the TFC's subject to SBP's prior written approval, on any profit payment date after the 60th month from the last day of public subscription, with not less than 30 days prior notice to be given to the Trustee. The Call option once

announced will not be revocable. Further, no premium will be paid to the TFC Holders in case the call option is exercised by the Bank.

Lock-in-clause Neither interest nor principal can be paid (even at maturity) if such payments will result in a shortfall in the Bank's Minimum Capital Requirements (MCR) or Capital

Adequacy Ratio (CAR) or increase in the existing shortfall in MCR and CAR.



(Un-audited)

(Audited)

			June 30,	December 31,
			2019	2018
21.	OTHER LIABILITIES	Note		in '000)
			1,184,428	827,718
	Mark-up / Return / Interest payable in local currency Mark-up / Return / Interest payable in foreign currency		886	7,780
	Unearned income		9,324	15,223
	Accrued expenses		106,781	196,893
	Advance against sale of property		474,732	438,852
	Acceptances		962,315	1,118,180
	Unclaimed dividends		2,213	2,213
	Mark to market loss on forward foreign exchange contracts		51,796	8,793
	Branch adjustment account		57	-
	Payable to defined benefit plan		61,511	33,358
	Charity fund balance		56	844
	Security deposits against lease		722,933	789,230
	Payable to Bangladesh Bank		41,389	41,389
	Payable to Rupali Bank - Bangladesh		16,293	16,293
	Payable to vendors / creditors		120,474	126,321
	Provision for compensated absences		96,709	101,082
	Payable to Bank of Ceylon, Colombo		20,163	20,163
	Retention money		20,408	6,671
	Workers' Welfare Fund		13,360	13,360
	Withholding taxes and government levies payable		34,110	13,481
	Federal excise duty and sales tax payable		5,270	10,254
	Payable to other banks against clearing and settlement		-	137
	Commission payable on home remittances	412	130,933	125,375
	Lease liability against right of use assets	4.1.2	2,008,784	417212
	Others		379,637	417,213
			6,464,562	4,330,823
			0,101,302	1,330,023
22.	${\bf SURPLUS} / ({\bf DEFICIT}) {\bf ON} {\bf REVALUATION} {\bf OF} {\bf ASSETS} $			
	Surplus / (deficit) on revaluation of:			
	- Available for sale securities	10.1	(1,466,742)	(1,676,197)
	- Fixed assets		3,646,572	3,712,954
	- Non-banking assets acquired in satisfaction of claims	15	402,963	403,865
	- Property - held for sale	15	1,160,784	1,160,784
			3,743,577	3,601,406
	Deferred tax on surplus / (deficit) on revaluation of:			
	- Available for sale securities		513,360	586,669
	- Fixed assets		(1,045,960)	(1,063,624)
	- Non-banking assets acquired in satisfaction of claims		(141,037)	(141,353)
	- Property - held for sale		(406,274)	(406,274)
			(1,079,911)	(1,024,582)
			2,663,666	2,576,824
23.	CONTINGENCIES AND COMMITMENTS			·
	Guarantees	23.1	10 457 143	10 070 227
		23. I 23. 2	19,457,142	19,970,337
	Commitments Other contingent liabilities	23.2	24,238,753 10,825,176	31,599,152 11,661,255
	Other Contingent habilities	23.3	10,023,176	11,001,233
			54,521,071	63,230,744
23.I	Guarantees:			
	Financial guarantees		23,677	23,677
	Performance guarantees		14,897,026	14,891,050
	Other guarantees		4,536,439	5,055,610
			19,457,142	19,970,337



23.2	Commitments:	Note	(Un-audited) June 30, 2019 (Rupees	December 31, 2018
	Documentary credits and short-term trade-related transactions - letters of credit		2,390,961	6,604,310
	Commitments in respect of: - forward foreign exchange contracts - forward lending - operating leases	23.2.1 23.2.2 23.2.3	5,760,036 9,343,835 37,138	4,315,349 8,067,231 3,164,673
	Commitments for acquisition of: - operating fixed assets - intangible assets		158,828 123,984	140,560 143,669
	Other commitments	23.2.4	6,423,971 24,238,753	9,163,360 31,599,152
23.2.1	Commitments in respect of forward foreign exchange contracts	5		
	Purchase Sale		5,181,404 578,632 5,760,036	3,404,992 910,357 4,315,349
23.2.2	Commitments in respect of forward lending			
	Forward documentary bills Undrawn formal standby facilities, credit lines and other		4,395,729	3,458,501
	commitments to lend	23.2.2.1	4,948,106 9,343,835	4,608,730 8,067,231

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

		(Un-audited) June 30,	December 31,
		2019	2018
		(Rupees	in '000)
23.2.3	Commitments in respect of operating leases		
	Not later than one year	37,138	652,360
	Later than one year and not later than five years	-	1,636,820
	Later than five years	-	875,493
		37,138	3,164,673
23.2.4	Other commitments		
	Purchase (Repo)	6,423,971	9,163,360
23.3	Other contingent liabilities - claims against the Bank not		

23.3 Other contingent liabilities - claims against the Bank not acknowledged as debts 10,825,176 11,661,255

- 23.4 In the year 2018, Law Enforcement Agencies (LEAs) initiated its investigation on certain bank accounts alleged for money laundering activities in various banks including Summit Bank Limited. The Honourable Supreme Court of Pakistan under Suo Moto Case HRC-39216-G, appointed a Joint Investigation Team (JIT) which was constituted to investigate the matter. On recommendation of JIT, the matter was referred by the Honourable Supreme Court to the National Accountability Bureau (NAB) for further investigation and filing of references in the National Accountability Courts. The matter is currently under NAB investigations and only partial references have been filed in the NAB Courts. The bank has been and is committed to extending its full cooperation to the Law Enforcement Agencies in their investigations to the best extent possible and the matter is currently subjudice. These proceedings in the opinion of the management will not have any effect on the operations and functioning of the Bank.
- 23.5 Contingency related to tax payable is disclosed in note 32.2.



Committed to you

			(Un-aud Half year	
		Note	June 30, 2019 (Rupees in	June 30, 2018 '000)
24.	MARK-UP / RETURN / INTEREST EARNED		` .	,
	On:			
	Loans and advances		2,335,434	3,149,207
	Investments		589,188	1,925,060
	Lendings to financial institutions		25,847	252,280
	Balances with banks		10,450	9,129
			2,960,919	5,335,676
25.	MARK-UP / RETURN / INTEREST EXPENSED			
	Deposits		2,142,310	2,491,235
	Borrowings		577,214	1,055,762
	Subordinated debt		99,617	70,776
	Cost of foreign currency swaps against foreign currency			
	deposits / borrowings		211,602	126,064
	Finance cost of lease liability		138,329	-
			3,169,072	3,743,837
26.	FEE AND COMMISSION INCOME			
	Branch banking customer fees		2,774	35,281
	Consumer finance related fees		1,614	3,993
	Card related fees (debit cards)		42,790	44,414
	Credit Related Fees		5,693	12,047
	Investment banking fees		1,716	3,431
	Commission on trade		113,059	226,086
	Commission on guarantees		77,294 1,982	102,461 1,784
	Commission on cash management Commission on remittances including home remittances		29,481	49,352
	Commission on Fernitainces including nome Fernitainces Commission on bancassurance		1,633	1,922
	Commission on Banazir Income Support Programme		38,409	34,653
	Alternate delivery channels		10,030	17.710
	Others		170	646
			326,645	533,780
27.	(LOSS) / GAIN ON SECURITIES			
	Realised	27. I	(2,260)	21,141
	Unrealised - held for trading	27.1	(388)	(19,446)
			(2,648)	1,695
27.1	Realised (loss) / gain on:			
27.1	· , ,			
	Federal Government Securities		(2,583)	3,275
	Shares Mutual Funds		323	17,740 99
	Non Government Debt Securities		-	99 27
	. to Go terminent bebe decarrates			
			(2,260)	21,141



			(Un-au Half yea	•
			June 30,	June 30,
28.	OTHER INCOME	Note	2019 (Rupees	2018 in '000)
			(Rupees	000)
	Rent on property / locker		7,173	16,079
	Gain on sale of fixed assets - net		30,901	2,326
	Gain on sale of non banking assets - net		-	144,848
	Gain on sale of ijarah assets Account maintenance and other relevant charges		1,797 34,291	980 16,234
	Recovery of expenses from customers		7,749	18,840
	Others		300	142
			82,211	199,449
29.	OPERATING EXPENSES			
	Total compensation expense	29.1	826,962	1,025,732
	Property expense		,	.,,
	Rent and taxes		81,768	400,245
	Insurance - property		2,525	3,846
	Insurance - non banking assets		80	426
	Utilities cost		111,045	102,163
	Security (including guards)		81,444 50,775	84,622
	Repair and maintenance (including janitorial charges) Depreciation on owned fixed assets		145,462	46,195 211,239
	Depreciation on right-of-use assets		257,828	211,237
	Depreciation on non banking assets		21,874	21,730
	Information technology expenses		752,801	870,466
	Software maintenance		25,696	25,894
	Hardware maintenance		30,695	21.097
	Depreciation on computer equipments		55,630	65,763
	Amortisation of computer softwares		13,320	12,725
	Network charges		43,622	47,149
	Insurance		96	218
	Other operating expenses		169,059	172,846
	Directors' fees and allowances		550	1,900
	Fees and allowances to Shariah Board		2,400	2,400
	Legal and professional charges Outsourced services costs		163,025 64,151	45,361 67,633
	Travelling and conveyance		75,003	79,062
	NIFT clearing charges		14,226	16,764
	Depreciation		73,946	69,696
	Amortisation core deposits and brand name		17,686	17,686
	Training and development		2,819	3,873
	Postage and courier charges		23,273	24,135
	Communication		22,140	31,689
	Stationery and printing Marketing, advertisement and publicity		52,793 12,773	44,816 90,743
	Brokerage and commission		1,877	11,148
	Fee and subscription		60,222	41,930
	Cash transportation and sorting charges		48,416	51,284
	Entertainment		15,793	16,591
	Insurance		119,382	82,334
	Repair and maintenance		36,544	26,771
	Auditors' remuneration Others		8,455	5,865
	Oulers		39,323 854,797	746,004
			2,603,619	2,815,048
1.			2,003,017	2,013,010



(Un-audited)

Committed to you

			Half year e	
			June 30, 2019	June 30, 2018
29.1	Total compensation expense	Note	(Rupees in	'000)
	Fees and allowances etc.		15,675	18,481
	Managerial remuneration			404000
	i) Fixed		507,034	626,325
	ii) Variable of which;			
	a) Cash bonus / awards etc.		3,334	1,831
	b) Incentives and commission		988	5,487
	Charge for defined benefit plan		28,153	30,645
	Contribution to defined contribution plan		26,483	36,201
	Charge for employees compensated absences		6,999	7,500
	Rent and house maintenance		163,798	205,953
	Utilities		36,397	45,763
	Medical		38,101	47,546
	Total	:	826,962	1,025,732
30.	OTHER CHARGES			
	Penalties imposed by State Bank of Pakistan		8,378	10,431
	Bank charges		8,399	13,402
	Dank Cha ges	•	16,777	23,833
		:		
31.	PROVISIONS AND WRITE OFFS - NET			
	Provisions for diminution in value of investments		608,476	827,983
	Provisions against loans and advances		3,810,518	1,457,406
	Fixed assets written off			3,061
	Provision against other assets		3,067	93,987
	Provision against fixed asset		-	1,063,606
	Bad debts written off directly		89	3,635
	Recovery of written off / charged off bad debts		-	(828)
	,		4,422,150	3,448,850
32.	TAXATION			
	Current	32.1 & 32.2	44,857	78,946
	Prior years	32.1 @ 32.2		70,7-70
	Deferred		(2,237,151)	186,032
		•	(2,192,294)	264,978
		:	(-,,)	20 ., 0

- 32.1 This represents the provision for minimum taxation made in accordance with the requirements of section 113 of the Income Tax Ordinance, 2001. Therefore, reconciliation of tax expense and accounting profit / loss has not been disclosed.
- 32.2 The Income Tax Returns of the Bank have been submitted up to and including the Bank's financial year ended December 31, 2017 i.e. tax year 2018.

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

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



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

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

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

(Un-audited)

			Half year	
			June 30,	June 30,
			2019	2018
33.	BASIC AND DILUTED LOSS PER SHARE	Note	(Rupees i	in '000)
	Loss for the period		(4,376,317)	(3,808,137)
			Number o	of shares
	Weighted average number of ordinary shares		2,638,151,060	2,638,151,060
			(Rupe	es)
	Basic loss per share		(1.66)	(1.44)
			Number of	shares
	Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)	33.1	2,638,151,060	2,638,151,060
			(Rupe	ees)
	Diluted loss per share		(1.66)	(1.44)
33.I	There are no potential ordinary shares outstanding as of June 30, 2019.			
			(Un-aud Half year	
			June 30,	June 30,
34.	CASH AND CASH EQUIVALENTS		2019 (Rupees i	2018 n '000)
	Cash and balances with treasury banks		7,217,431	14,973,461
	Balances with other banks		909,283	2,675,610
	Overdrawn nostro accounts		(281,246)	(10,274)
			7,845,468	17,638,797

35. FAIR VALUE MEASUREMENTS

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

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



35.1 Fair value of financial assets

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

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

liabilities.

Level 2:

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

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market

data (i.e. unobservable inputs).

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

		30 June 201	9 (Un-audited	d)
	Level I	Level 2	Level 3	Total
On balance sheet financial instruments		(Rupe	es in '000)	
Financial assets - measured at fair value Investments Federal Government Securities Shares - Listed	- 1,535,189	17,237,265		17,237,265 1,535,189
Non-Government Debt Securities	-			-
Financial assets - disclosed but not measured at fair value				
Investments Shares - Unlisted	-	-	1,857	1,857
Non-Financial assets - measured at fair value Operating fixed assets Non banking assets acquired in satisfaction of claims	-	-	7,503,027 2,884,117	7,503,027 2,884,117
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	5,411,233	-	5,411,233
Forward sale of foreign exchange	-	621,401	-	621,401
		I Desember	2018 (Audit	od)
On balance sheet financial instruments	Level I	Level 2	Level 3 es in '000)	Total
Financial assets - measured at fair value		Level 2	Level 3	
		Level 2	Level 3	
Financial assets - measured at fair value Investments Federal Government Securities Shares - Listed		Level 2 (Rupe	Level 3	Total 16,323,086 1,797,857
Financial assets - measured at fair value Investments Federal Government Securities	Level I	Level 2 (Rupe	Level 3	Total
Financial assets - measured at fair value Investments Federal Government Securities Shares - Listed	Level I	Level 2 (Rupe	Level 3	Total 16,323,086 1,797,857
Financial assets - measured at fair value Investments Federal Government Securities Shares - Listed Non-Government Debt Securities Financial assets - disclosed but not measured	Level I	Level 2 (Rupe	Level 3	Total 16,323,086 1,797,857
Financial assets - measured at fair value Investments Federal Government Securities Shares - Listed Non-Government Debt Securities Financial assets - disclosed but not measured at fair value Investments Shares - Unlisted Non-Financial assets - measured at fair value	Level I	Level 2 (Rupe	Level 3 es in '000)	16,323,086 1,797,857 12,489
Financial assets - measured at fair value Investments Federal Government Securities Shares - Listed Non-Government Debt Securities Financial assets - disclosed but not measured at fair value Investments Shares - Unlisted	Level I	Level 2 (Rupe	Level 3 es in '000)	16,323,086 1,797,857 12,489
Financial assets - measured at fair value Investments Federal Government Securities Shares - Listed Non-Government Debt Securities Financial assets - disclosed but not measured at fair value Investments Shares - Unlisted Non-Financial assets - measured at fair value Operating fixed assets	Level I	Level 2 (Rupe	Level 3 es in '000)	16,323,086 1,797,857 12,489
Financial assets - measured at fair value Investments Federal Government Securities Shares - Listed Non-Government Debt Securities Financial assets - disclosed but not measured at fair value Investments Shares - Unlisted Non-Financial assets - measured at fair value Operating fixed assets Non banking assets acquired in satisfaction of claims Off-balance sheet financial instruments - measured	Level I	Level 2 (Rupe	Level 3 es in '000)	16,323,086 1,797,857 12,489



Valuation techniques used in determination of fair value

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

36. SEGMENT INFORMATION

36.1 Segment Details with respect to Business Activities

Segment Details with respect to B	usiness Activ	vities				
		For the h	alf year ended J	une 30, 2019 (Un-audited)	
	Corporate finance	Trading and sales	Branch banking	Islamic	Others	Total
			(Rup	ees in '000)		
Profit & Loss						
Net mark-up / return / profit	(196)	(118,746)	(114,847)	25,636	-	(208,153)
Inter segment revenue - net		(542,237)		542,237	-	
Non mark-up / return / interest income	7,157	368,045	412,425	(105,539)		682,088
Total Income	6,961	(292,938)	297,578	462,334	-	473,935
Segment direct expenses	1,150	167,448	2,279,874	149,969	21,955	2,620,396
Inter segment expense allocation	-	-	(189,404)	189,404	-	-
Total expenses	1,150	167,448	2,090,470	339,373	21,955	2,620,396
Provisions	-	608,477	3,527,249	286,424	-	4,422,150
Profit / (loss) before tax	5,811	(1,068,863)	(5,320,141)	(163,463)	(21,955)	(6,568,611)
			As at June 30, 2	019 (Un-audite	ed)	
	Corporate	Trading and	Branch			
	finance	sales	banking	Islamic	Others	Total
			(Rup	ees in '000)		
Balance Sheet	L		· ·			
Cash and bank balances	-	1,786,628	5,858,356	481,730	-	8,126,714
	-	1,786,628 17,425,584	5,858,356 1,885,324	481,730	281,999	8,126,714 19,592,907
Cash and bank balances	-			481,730 - 11,902,679	281,999	
Cash and bank balances Investments Net inter segment lending Lendings to financial institutions	-	17,425,584	1,885,324 - -	11,902,679	281,999 - -	19,592,907
Cash and bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing	- - - -	17,425,584 200,000	1,885,324 - - - 32,100,730	- 11,902,679 - 4,298,481	281,999 - -	19,592,907 12,102,679 1,983,560 36,399,211
Cash and bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing - non-performing	- - - -	17,425,584 200,000 1,983,560	1,885,324 - - 32,100,730 13,932,372	- 11,902,679 - 4,298,481 593,311		19,592,907 12,102,679 1,983,560 36,399,211 14,525,683
Cash and bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing - non-performing Others	- - - - - - - 30,230	17,425,584 200,000 1,983,560 - - 5,026,813	1,885,324 	- 11,902,679 - 4,298,481 593,311 654,030	- - - - 8,860,285	19,592,907 12,102,679 1,983,560 36,399,211 14,525,683 31,919,037
Cash and bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing - non-performing	30,230	17,425,584 200,000 1,983,560	1,885,324 - - 32,100,730 13,932,372	- 11,902,679 - 4,298,481 593,311		19,592,907 12,102,679 1,983,560 36,399,211 14,525,683 31,919,037
Cash and bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing - non-performing Others		17,425,584 200,000 1,983,560 - - 5,026,813	1,885,324 	- 11,902,679 - 4,298,481 593,311 654,030	- - - - 8,860,285	19,592,907 12,102,679 1,983,560 36,399,211 14,525,683 31,919,037
Cash and bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing - non-performing Others Total Assets	30,230	17,425,584 200,000 1,983,560 - 5,026,813 26,422,585	1,885,324 	- 11,902,679 - 4,298,481 593,311 654,030 17,930,231	- - - - 8,860,285	19,592,907 12,102,679 1,983,560 36,399,211 14,525,683 31,919,037
Cash and bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing - non-performing Others Total Assets Borrowings	30,230 363	17,425,584 200,000 1,983,560 5,026,813 26,422,585 6,560,427 406,417	1,885,324 	- 11,902,679 - 4,298,481 593,311 654,030 17,930,231	- - - - 8,860,285	19,592,907 12,102,679 1,983,560 36,399,211 14,525,683 31,919,037 124,649,791
Cash and bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing	30,230 363 2,946 -	17,425,584 200,000 1,983,560 - 5,026,813 26,422,585 6,560,427 406,417 - 11,902,679	1,885,324 - 32,100,730 13,932,372 17,347,679 71,124,461 8,032,319 1,086,152 74,145,479	11,902,679 4,298,481 593,311 654,030 17,930,231 250,000 - 15,227,422 200,000	8,860,285 9,142,284	19,592,907 12,102,679 1,983,560 36,399,211 14,525,683 31,919,037 124,649,791 14,843,109 1,495,515 89,372,901 12,102,679
Cash and bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing	30,230 363	17,425,584 200,000 1,983,560 5,026,813 26,422,585 6,560,427 406,417	1,885,324 - 32,100,730 13,932,372 17,347,679 71,124,461 8,032,319 1,086,152	- 11,902,679 - 4,298,481 593,311 654,030 17,930,231 250,000 - 15,227,422	- - - - 8,860,285	19,592,907 12,102,679 1,983,560 36,399,211 14,525,683 31,919,037 124,649,791 14,843,109 1,495,515 89,372,901
Cash and bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing	30,230 363 2,946 -	17,425,584 200,000 1,983,560 - 5,026,813 26,422,585 6,560,427 406,417 - 11,902,679	1,885,324 - 32,100,730 13,932,372 17,347,679 71,124,461 8,032,319 1,086,152 74,145,479	11,902,679 4,298,481 593,311 654,030 17,930,231 250,000 - 15,227,422 200,000	8,860,285 9,142,284	19,592,907 12,102,679 1,983,560 36,399,211 14,525,683 31,919,037 124,649,791 14,843,109 1,495,515 89,372,901 12,102,679
Cash and bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing	30,230 363 2,946 - - 1,334	17,425,584 200,000 1,983,560 5,026,813 26,422,585 6,560,427 406,417 11,902,679 441,324	1,885,324 	11,902,679 4,298,481 593,311 654,030 17,930,231 250,000 15,227,422 200,000 791,077	8,860,285 9,142,284	19,592,907 12,102,679 1,983,560 36,399,211 14,525,683 31,919,037 124,649,791 14,843,109 1,495,515 89,372,901 12,102,679 8,305,175
Cash and bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing	30,230 363 2,946 - 1,334 4,643	17,425,584 200,000 1,983,560 5,026,813 26,422,585 6,560,427 406,417 - 11,902,679 441,324 19,310,847	1,885,324 	11,902,679 4,298,481 593,311 654,030 17,930,231 250,000 15,227,422 200,000 791,077 16,468,499	8,860,285 9,142,284 - - - - - - - - - - - - - - - - - - -	19,592,907 12,102,679 1,983,560 36,399,211 14,525,683 31,919,037 124,649,791 14,843,109 1,495,515 89,372,901 12,102,679 8,305,175 126,119,379
Cash and bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing	30,230 363 2,946 - 1,334 4,643 25,587	17,425,584 200,000 1,983,560 - 5,026,813 26,422,585 6,560,427 406,417 - 11,902,679 441,324 19,310,847 7,111,738	1,885,324 32,100,730 13,932,372 17,347,679 71,124,461 8,032,319 1,086,152 74,145,479 6,346,765 89,610,715 (18,486,254)	11,902,679 4,298,481 593,311 654,030 17,930,231 250,000 15,227,422 200,000 17,91,077 16,468,499 1,461,732	8,860,285 9,142,284 - - - - - - - - - - - - - - - - - - -	19,592,907 12,102,679 1,983,560 36,399,211 14,525,683 31,919,037 124,649,791 14,843,109 1,495,515 89,372,901 12,102,679 8,305,175 126,119,379 (1,469,588)



		For the ha	alf year ended Ju	ıne 30, 2018 (l	Un-audited)	
	Corporate finance	Trading and sales	Branch banking	Islamic	Others	Total
			(Rup	ees in '000)		
Profit & Loss		454.004.	505 (03 I	400 200 I		
Net mark-up /return / profit	-	656,834	505,683	429,322	-	1,591,839
Inter segment revenue - net		6,401		(6,401)	- 144040	- 1 152 722
Non mark-up / return / interest income Total Income	14	370,480 1.033,715	601,362 1,107,045	36,029 458,950	144,848	1,152,733 2,744,572
l otal income	14	1,033,713	1,107,045	458,750	144,040	2,/44,5/2
Segment direct expenses	6	336.365	2.335.199	145,155	22,156	2.838.881
Inter segment expense allocation	-	-	(201,952)	201,952	-	-
Total expenses	6	336,365	2,133,247	347,107	22,156	2,838,881
Provisions	-	856,194	2,617,155	2,493	(26,992)	3,448,850
Profit / (loss) before tax	8	(158,844)	(3,643,357)	109,350	149,684	(3,543,159)
		As	at December 3	1, 2018 (Audi	ted)	
	Corporate finance	Trading and sales	Branch banking	Islamic	Others	Total
			(Rup	ees in '000)		
Balance Sheet						
Cash and bank balances	-	2,090,681	3,601,854	347,536	-	6,040,071
Investments	-	16,774,074	2,200,302	-	281,999	19,256,375
Net inter segment lending	-	700,000	-	10,722,364	-	11,422,364
Lendings to financial institutions	-	-	-		-	-
Advances - performing	-	-	40,814,032	5,862,800	-	46,676,832
- non-performing			13,768,955	800,090		14,569,045
Others	4,010	4,059,629	11,199,049	592,337	12,230,644	28,085,669
Total Assets	4,010	23,624,384	71,584,192	18,325,127	12,512,643	126,050,356
Borrowings	3	11,076,822	8,165,029	250,000	-	19,491,854
Subordinated debt	678	579,924	914,913	-	-	1,495,515
Deposits and other accounts	-	-	69,463,371	15,212,719	-	84,676,090
Net inter segment borrowing	-	10,722,364	-	700,000	-	11,422,364
Others	497	514,859	4,743,509	537,213	415,852	6,211,930
Total liabilities	1,178	22,893,969	83,286,822	16,699,932	415,852	123,297,753
Equity	2,832	730,415	(11,702,630)	1,625,195	12,096,791	2,752,603
Total Equity and liabilities	4,010	23,624,384	71,584,192	18,325,127	12,512,643	126,050,356
Contingencies and Commitments		13,475,014	31,689,074	6,125,410	11,941,246	63,230,744
		•		•		

36.1.1 The Bank does not have any operations outside Pakistan.



37. RELATED PARTY TRANSACTIONS

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

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

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

		Jun	une 30, 2019 (Un-audited)	audited)			Decer	December 31, 2018 (Audited)	(Audited)	
	Parent company	Directors	Key Directors management personnel	Subsidiary	Other related parties	Parent company	Directors	Key Directors management Subsidiary	Subsidiary	Other related parties
					(Rupe	(Rupees in '000)				
Balances with other banks In current accounts		•						•		26,457
Investments Opening balance Investment made during the period / year				396,942	396,942 1,713,990				396,942	1,803,185
Investment redeemed / disposed off during the penod / year Transfer in / (out) - net					(21,500)					(133,317)
Closing balance				396,942	1,692,490				396,942	1,713,990
Provision for diminution in value of investments				114,943	114,943 1,607,067				114,943	1,539,327
Advances Opening balance			259,303		932,302			409,534	•	1,213,053
Addition during the period / year Repaid during the period / year			73,474 (55,744)		408,415 (407,694)			32,134 (180,248)	52,168 (52,168)	3,635,109 (3,915,860)
Transfer in / (out) - net			(43,228)	•	(232,991)			(2,117)		
Closing balance			233,805		700,032			259,303		932,302
Provision held against advances				•	167,422		•	•		•



		June	June 30, 2019 (Un-audited)	audited)			Decei	December 31, 2018 (Audited)	(Audited)	
	Parent company		Key Directors management personnel	Subsidiary	Other related parties	Parent company	Directors	Parent Company Directors management Subsidiary personnel	Subsidiary	Other related parties
					(Rupees in '000)	- (000, ui sa				
Other Assets Interest / mark-up accrued Other receivable	669		2,361		18,378	- 578		758 2,002		22,292 758
Deposits and other accounts Opening balance		18.463	13.421	102.458	917.697.1		32,259	162.291	128.456	860.510
Received during the period / year	•		151,182	1,907,184	257,860		23,465	566,173	7,046,626	16,458,586
Withdrawn during the period / year	٠	•	(153,316)	(1,925,318)	$\overline{}$	•	(37,261)	(191,909)	(7,072,624)	(15,549,380)
Transfer in / (out) - net	•	- (18,463)	1,060		(250,336)	•	•	(13,882)	•	•
Closing balance			12,347	84,324	1,328,255		18,463	13,421	102,458	1,769,716
Other Liabilities										
Interest / mark-up payable	•	•	161	312	12,997	•	611	325	207	11,855
Payable to staff retirement fund	•	•	•	•	115,19	'	•	•	•	33,358
Brokerage payable to Summit Capital Private Limited	•	•	•	112	•	•	•	•	<u>8</u>	•
Payable to Rupali Bank Limited	•	•		•	•	•	•	•		16,293
Contingencies and Commitments										
Guarantees, letters of credit and acceptances	•	•	•	•	248,500		•	•	•	918,975
Commitments to extend credit	•	•	•	400,000	269,655		•	•	400,000	230,337



	Forth	ne half year	For the half year ended June 30, 2019 (Un-audited)	0, 2019 (Un-a	udited)	For th	ne half year	For the half year ended June 30, 2018 (Un-audited)	0, 2018 (Un-a	udited)
	Parent company	Directors	Key Directors management Subsidiary personnel	Subsidiary	Other related parties	Parent company	Directors	Key Directors management personnel	Subsidiary	Other related parties
					(Rupees in '000)	(000, ui				
Income										
Mark-up / return / interest earned	•	•	4,780	•	40,513	•	•	8,976	•	53,020
Fee and commission income	'	•	•	9.5	•	'	•	•	•	•
Dividend income	'	•	•	•	•	'	•	•	•	612
Loss on securities	'	•	•	•	•	'	•	•	•	(7,505)
Foreign exchange income	•	•	•	•	•	•		•	•	7,499
Other income	•	•	80	1,522	•	•	•	•	1,449	'
Expense										
Mark-up / return / interest paid	•	808	372	1,433	78,157	•	446	408	235	8,410
Operating expenses:										
- Rent and taxes	'	•	•	•	•	'	•	•	•	17,301
- Directors' fees and allowances	'	550	•	•	•	'	1,900	•	•	•
 Legal and professional charges 	'	•	•	•	•	'	•	•	•	265
 Training and development 	'	•	•	•	•	'	•	•	•	1,687
- Marketing, advertisement and publicity	'	•	•	•	•	'	•	•	•	001
 Brokerage and commission 	'	•	•	160	•	'	•	•	1,945	•
 Fee and subscription 	'	•	1,104	•	•	'	•	1,361	•	750
- Managerial Remuneration	'	•	84,737	•	•	'	•	92,178	•	•
Contribution to defined contribution plan	'	•	•	•	26,483	'	•	•	•	36,201
Charge for defined benefit plan	'	•	•	•	28,153	'	•	•	•	30,645
Provision / (reversal of provision) for										
diminution in value of Investments	•	•	•	•	73,416	'		'	(26,992)	8,247

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



(Un-audited) (Audited)

	June 30, I	(Audited) December 31, 2018
CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	(Rupees in	n '000)
Minimum Capital Requirement (MCR): Paid-up capital (net of losses)	(4,287,416)	21,617
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier I (CET I) Capital Eligible Additional Tier I (ADT I) Capital	(14,376,166)	(7,962,104)
Total Eligible Tier 1 Capital Eligible Tier 2 Capital	(14,376,166)	(7,962,104)
Total Eligible Capital (Tier I + Tier 2)	(14,376,166)	(7,962,104)
Risk Weighted Assets (RWAs): Credit Risk	80,613,305	82,548,281
Market Risk	5,428,367	8,129,085
Operational Risk	8,564,851	8,564,851
Total	94,606,523	99,242,217
Common Equity Tier Capital Adequacy ratio	-15.20%	-8.02%
Tier I Capital Adequacy Ratio	-15.20%	-8.02%
Total Capital Adequacy Ratio	-15.20%	-8.02%
Leverage Ratio (LR):		
Eligible Tier-I Capital	(14,376,166)	(7,962,104)
Total Exposures	144,616,845	183,954,593
Leverage Ratio	-9.94%	-4.33%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	13,850,344	27,495,433
Total Net Cash Outflow	18,291,427	31,044,717
Liquidity Coverage Ratio	75.72%	88.57%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	72,611,450	72,435,261
Total Required Stable Funding	71,796,126	82,307,865
Net Stable Funding Ratio	101.14%	88.01%

38.



39. ISLAMIC BANKING BUSINESS

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

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2019

		(Un-audited) June 30, 2019	(Audited) December 31, 2018
	Note	(Rupees	in '000)
ASSETS			
Cash and balances with treasury banks		450,362	269,475
Balances with other banks		31,368	78,061
Due from financial institutions	39. I	11,902,679	10,722,364
Investments		-	-
Islamic financing and related assets - net	39.2	4,891,792	6,662,890
Fixed assets		318,065	121,507
Intangible assets		5,750	6,861
Due from Head Office		-	-
Other assets		330,215	463,969
Total Assets		17,930,231	18,325,127
LIABILITIES			
Bills payable		163,800	125,319
Due to financial institutions	39.3	450,000	950,000
Deposits and other accounts	39.4	15,227,422	15,212,719
Due to Head Office		-	-
Subordinated debt		-	-
Deferred tax liabilities - net		-	-
Other liabilities		627,277	411,894
		16,468,499	16,699,932
NET ASSETS		1,461,732	1,625,195
NET ASSETS		1,401,732	1,023,173
REPRESENTED BY			
Islamic Banking Fund		1,000,000	1,000,000
Reserves		-	-
Surplus on revaluation of assets		_	_
Unappropriated / unremitted profit		461,732	625,195
		1,461,732	1,625,195



ISLAMIC BANKING BUSINESS PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE PERIOD ENDED JUNE 30, 2019

Profit / return earned 39.6 931,468 819,846 Profit / return expensed 39.7 363,595 396,925 Net Profit / return 567,873 422,921 Other income 24,916 48,510 Fee and commission income - - Dividend income - - Foreign exchange loss (132,359) (16,635) Income / (loss) from derivatives - - Loss on sale of securities (3,090) (903) Other income (105,539) 36,029 Total other (loss) / income (105,539) 36,029 Total Income 462,334 458,950 Other expenses 339,126 346,303 Operating expenses 339,126 346,303 Workers' welfare fund - - - Other charges 247 804 Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 <th></th> <th>Note</th> <th>June 30, 2019 (Rupees</th> <th>June 30, 2018 in '000)</th>		Note	June 30, 2019 (Rupees	June 30, 2018 in '000)
Net Profit / return 567,873 422,921 Other income 24,916 48,510 Fee and commission income	Profit / return earned	39.6	931,468	819,846
Other income 24,916 48,510 Dividend income - - Foreign exchange loss (132,359) (16,635) Income / (loss) from derivatives - - Loss on sale of securities (3,090) (903) Other income (105,539) 36,029 Total other (loss) / income (105,539) 36,029 Total Income 462,334 458,950 Other expenses Operating expenses 339,126 346,303 Workers' welfare fund - - - Other charges 247 804 Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350	Profit / return expensed	39.7	363,595	396,925
Tee and commission income Dividend income Dividend income Commission Commissi	Net Profit / return		567,873	422,921
Dividend income	Other income			
Dividend income	Fee and commission income		24,916	48,510
Income / (loss) from derivatives	Dividend income		- 1	-
Loss on sale of securities (3,090) (903) Other income 4,994 5,057 Total other (loss) / income (105,539) 36,029 Total Income 462,334 458,950 Other expenses 339,126 346,303 Workers' welfare fund - - Other charges 247 804 Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - -	Foreign exchange loss		(132,359)	(16,635)
Other income 4,994 5,057 Total other (loss) / income (105,539) 36,029 Total Income 462,334 458,950 Other expenses 339,126 346,303 Workers' welfare fund - - Other charges 247 804 Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - - -	Income / (loss) from derivatives		- 1	-
Total other (loss) / income (105,539) 36,029 Total Income 462,334 458,950 Other expenses 339,126 346,303 Workers' welfare fund - - Other charges 247 804 Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - - -	Loss on sale of securities		(3,090)	(903)
Total Income 462,334 458,950 Other expenses 339,126 346,303 Workers' welfare fund - - Other charges 247 804 Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - - -	Other income		4,994	5,057
Other expenses 339,126 346,303 Workers' welfare fund - - Other charges 247 804 Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - - -	Total other (loss) / income		(105,539)	36,029
Operating expenses 339,126 346,303 Workers' welfare fund - - Other charges 247 804 Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - - -	Total Income		462,334	458,950
Workers' welfare fund Other charges 247 804 Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - -	Other expenses			
Other charges 247 804 Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - -	Operating expenses		339,126	346,303
Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - - -	Workers' welfare fund		-	-
Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - -	Other charges		247	804
Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - -	Total other expenses		339,373	347,107
(Loss) / profit before taxation (163,463) 109,350 Taxation - -	Profit before provisions		122,961	111,843
Taxation	Provisions and write offs - net		286,424	2,493
	(Loss) / profit before taxation		(163,463)	109,350
(Loss) / profit after taxation (163,463) 109,350	Taxation		-	-
	(Loss) / profit after taxation		(163,463)	109,350



June 3	0, 2019 (Ur	-audited)	Decemb	per 31, 2018	(Audited
In Local Currency	In Foreign currencies	l I otal		In Foreign currencies	
		Runees in 'C	000)		

(Un-audited) (Audited)

450,000

950,000

Note

39.1 Due from financial institutions

Bai Muajjal Receivable

39

39

from other Financial Institutions

39.1.1 11,902,679 - **11,902,679** 10,722,364

- 10,722,364

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

			(On additted	, (Addited)
			June 30,	December 31,
			2019	2018
9.2	Islamic financing and related assets	Note	(Rupee:	s in '000)
	ljarah		776,335	919,439
	Murabaha		13,944	
	Running Musharakah		678,960	1,007,981
	Diminishing Musharakah		3,043,010	3,721,717
	Istisna		31,403	11 ' ' 1
	Tijarah		739,045	1,056,823
	Advance against Murabaha		-	4,042
	Advance against Diminishing Musharakah		-	500
	Gross Islamic financing and related assets		5,282,697	6,758,349
	Less: provision against Islamic financings			
	- Specific		385,498	82,573
	- General		5,407	12,886
			390,905	95,459
	Islamic financing and related assets - net of provision		4,891,792	6,662,890
9.3	Due to financial institutions			
	Secured			
	Acceptances from the SBP under Islamic Export Refinance Scheme		250,000	250,000
	Unsecured			
	Musharakah 3	9.3.1	200,000	700,000



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

39.4	Deposits	June 30), 2019 (Un-a	udited)	Decemb	er 31, 2018 (Audited)
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
				- (Rupees in '0	00)		
	Customers			•			
	Current deposits	5,398,447	690,494	6,088,941	4,865,906	541,588	5,407,494
	Savings deposits	7,113,412	191,869	7,305,281	7,700,010	127,458	7,827,468
	Term deposits	1,135,915	205,521	1,341,436	1,038,665	95,320	1,133,985
	Margin accounts	271,718	-	271,718	581,337	-	581,337
		13,919,492	1,087,884	15,007,376	14,185,918	764,366	14,950,284
	Financial Institutions						
	Current deposits	80,504	123	80,627	96,313	107	96,420
	Savings deposits	139,419	-	139,419	156,015	-	156,015
	Term deposits	-	-	-	10,000	-	10,000
		219,923	123	220,046	262,328	107	262,435
		14,139,415	1,088,007	15.227.422	14.448.246	764,473	15.212.719

39.4.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs 10,936.551 million (2018: Rs. 8,885.304 million).

1	39.5	CONTINGENCIES AND COMMITMENTS Guarantees Commitments Other contingent liabilities	(Un-audited) June 30, I 2019 (Rupees i 4,361,276 822,524	December 31, 2018 in '000)
June 30, 2019 2018 2018 2019 2018 2019 2018 2019 2018 2019 2018 2019 2018 2019 2018 2019 2018 2019 2018 2019 2018 2019 2018 2019 2018 2019 2018 2019			5,183,800	6,125,410
2019 2018				
39.6 Profit/Return Earned of Financing, Investments and Placement Profit earned on: Financing Investments Flacements Fla				
Profit earned on: Financing 382,543 447,409 Investments - 258,005 Placements 548,642 114,432 Balances with banks 283 - 931,468 819,846 293,468 819,846 Deposits and other Dues Expensed Deposits and other accounts 339,624 396,925 Due to Financial Institutions 8,302 - Finance cost of Lease Liability 15,669 -			(Rupees i	in '000)
Financing 382,543 447,409 Investments - 258,005 Placements 548,642 114,432 Balances with banks 283 - 931,468 819,846 39.7 Profit on Deposits and other Dues Expensed Deposits and other accounts 339,624 396,925 Due to Financial Institutions 8,302 - Finance cost of Lease Liability 15,669 -	39.6	Profit/Return Earned of Financing, Investments and Placement		
Investments		Profit earned on:		
Placements 548,642 114,432 Balances with banks 283 - 931,468 819,846 39.7 Profit on Deposits and other Dues Expensed Deposits and other accounts 339,624 396,925 Due to Financial Institutions 8,302 - Finance cost of Lease Liability 15,669 -		Financing	382,543	447,409
Balances with banks 283 -		Investments	-	258,005
39.7 Profit on Deposits and other Dues Expensed Deposits and other accounts Due to Financial Institutions Finance cost of Lease Liability 15,669 319,846 819,846 339,624 396,925 15,669 -			548,642	114,432
39.7 Profit on Deposits and other Dues Expensed Deposits and other accounts Due to Financial Institutions Finance cost of Lease Liability 15,669 -		Balances with banks	283	-
Deposits and other accounts Due to Financial Institutions Finance cost of Lease Liability 339,624 8,302 - 15,669 -			931,468	819,846
Due to Financial Institutions 8,302 - Finance cost of Lease Liability 15,669 -	39.7	Profit on Deposits and other Dues Expensed		
Finance cost of Lease Liability 15,669 -		Deposits and other accounts	339,624	396,925
<u> </u>		Due to Financial Institutions	8,302	-
363,595 396,925		Finance cost of Lease Liability	15,669	-
			363,595	396,925



June 30, 2019) (Audited) December 31, 2018 s in '000)
625,195	541,772
(163,463)	83,423
461,732	625,195
	June 30, 2019 (Rupee: 625,195 (163,463)

40 DATE OF AUTHORISATION FOR ISSUE

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

President / Chief Executive	Chief Financial Officer	Director	Director	Director

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2019



CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

		(Un-audited)	(Audited)
		June 30,	December 31,
		2019	2018
	Note	(Rupee:	s in '000)
ASSETS			
Cash and balances with treasury banks	7	7,217,462	5,043,105
Balances with other banks	8	942,342	1,008,279
Lendings to financial institutions	9	1,983,560	-
Investments	10	19,343,392	19,007,773
Advances	11	50,925,669	61,246,803
Fixed assets	12	10,554,494	8,751,339
Intangible assets	13	181,480	209,418
Deferred tax assets	14	9,362,420	7,180,595
Other assets	15	11,977,227	12,150,539
		112,488,046	114,597,851
LIABILITIES			
Bills payable	17	1,840,613	1,881,107
Borrowings	18	14,843,109	19,491,854
Deposits and other accounts	19	89,306,679	84,573,632
Liabilities against assets subject to finance lease			-
Subordinated debt	20	1,495,515	1,495,515
Deferred tax liabilities			-
Other liabilities	21	6,524,016	4,434,250
		114,009,932	111,876,358
NET ASSETS		(1,521,886)	2,721,493
DEDDECENTED DV			
REPRESENTED BY			
Share capital - net		20,500,194	20,500,194
Reserves		(425,043)	(425,043)
Surplus / (deficit) on revaluation of assets	22	2,679,839	2,593,910
Accumulated losses		(24,276,876)	(19,947,568)
		(1,521,886)	2,721,493
		(1,321,000)	2,721,773
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 40 form an integral part of these consolidated condensed interim financial statements.

President / Chief Executive	Chief Financial Officer	Director	Director	Director



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

FOR THE QUARTER AND HALFYEAR ENDED JUNE 30, 2019

		Quarter	Ended	Half Year	Ended
		June 30,	June 30,	June 30,	June 30,
		2019	2018	2019	2018
	Note		(Rupees	in '000)	
Mark-up / return / interest earned	24	1,386,308	2,495,741	2,963,375	5,337,042
Mark-up / return / interest expensed	25	1,657,498	1,721,207	3,167,971	3,742,866
Net mark-up / interest (expense) / income	23	(271,190)	774,534	(204,596)	1,594,17
NON MARK-UP / INTEREST INCOM	E				
Fee and commission income	26	166,026	317,600	352,328	569,883
Dividend income		90	1,699	18,411	5,42
Foreign exchange income		142,281	241,088	257,469	412,60
ncome from derivatives					
(Loss) / gain on securities	27	(1,093)	(8,331)	(2,648)	5,92
Other income	28	45,743	152,301	81,476	199,08
Fotal non-markup / interest income		353,047	704,357	707,036	1,192,91
Fotal income		81,857	1,478,891	502,440	2,787,09
NON MARK-UP / INTEREST EXPENS	SES				
Operating expenses	29	1,283,162	1,441,109	2,649,180	2,863,24
Norkers' welfare fund		-	-	-	
Other charges	30	12,425	10,506	16,891	23,84
Total non-markup / interest expenses		1,295,587	1,451,615	2,666,071	2,887,08
Loss) / profit before provisions		(1,213,730)	27,276	(2,163,631)	(99,99
Provisions and write offs - net Extra ordinary / unusual items	31	2,892,135	3,140,186	4,422,150	3,475,84
LOSS BEFORE TAXATION		(4,105,865)	(3,112,910)	(6,585,781)	(3,575,83
Taxation	32	(1,367,815)	383,667	(2,189,189)	257,947
LOSS AFTER TAXATION		(2,738,050)	(3,496,577)	(4,396,592)	(3,833,78
			(Ru	pees)	
Basic loss per share	33	(1.04)	(1.32)	(1.67)	(1.45
Diluted loss per share	33	(1.04)	(1.32)	(1.67)	(1.4
The annexed notes 1 to 40 form an integral pa	rt of these co	nsolidated condense	d interim financial	statements.	
President / Chief Financial	Officer	Director	Direct		Director



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

FOR THE QUARTER AND HALFYEAR ENDED JUNE 30, 2019

	Quarter		Half yea	
	June 30,	June 30,	June 30,	June 30,
	2019	2018	2019	2018
		(Rupees in	n '000)	
		` .	,	
Loss after taxation for the period	(2,738,050)	(3,496,577)	(4,396,592)	(3,833,785)
Other comprehensive income / (loss)				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in deficit on revaluation of investments - net of tax	(88,941)	171,956	135,233	266,933
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of operating				10.040
fixed assets - net of tax	8,829	9,934	17,664	19,869
Movement in surplus on revaluation of non-banking assets - net of tax	_	(49,585)	316	(51,592)
assets - Het Of tax	8,829	(39,651)	17,980	(31,723)
Total comprehensive loss	(2,818,162)	(3,364,272)	(4,243,379)	(3,598,575)

The annexed notes 1 to 40 form an integral part of these consolidated condensed interim financial statements.

President / Chief Executive	Chief Financial Officer	Director	Director	Director



Director

153,213

50,471 902 15.911

(50,471)

(15,911) 2,862,538 (902)

154,162

000,000

20,500,194

17,980

135,233

(4,396,592) (4,396,592)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALFYEAR ENDED JUNE 30, 2019

		,	Capital reserve	/e	Surplus / (Do	Surplus / (Deficit) on revaluation of	aluation of	Revenue	
	Share capital	Share premium	Statutory reserve	Reserve arising on amalgamation	Reserve arising on Investments malgamation	Fixed / non banking assets	Property held for sale	Property Accumulated neld for sale losses	Total
				(Rupe	(Rupees in '000)				
Balance as at January 01, 2018 (Audited)	20,500,194	1,000,000	154,162	(1,579,205)	(761,937)	2,288,117	•	(11,337,838)	10,263,493
Loss after taxation for the six months period ended June 30, 2018 Other comprehensive income - net of tax					266,933	(31,723)		(3,833,785)	(3,833,785)
Transfer to statutory reserve	•	•	•	•	•		•	•	
I ransfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses		٠	•			(56,766)	,	56,766	•
Balance as at July 01, 2018 (Un-audited)	20,500,194	1,000,000	154,162	(1,579,205)	(495,004)	2,199,628		(15,114,857)	6,664,918
Loss after taxation for the six months period ended December 31, 2018 Other comprehensive income - net of tax					. (577,438)	806,658	754,510	(4,957,205) 30,050	(4,957,205) 1,013,780
Transfer to statutory reserve Transfer in respect of incremenal depreciation from surplus	•	•	•	•		•	•	•	•
on revaluation of fixed assets to accumulated losses	•	•	•	•	•	(56,766)	•	56,766	•
Surplus realized on disposal of non-banking assets		-	'	'		(37,678)	'	37,678	'
Balance as at January 01, 2019 (Audited)	20,500,194 1,000,000	1,000,000	154,162	(1,579,205)	154,162 (1,579,205) (1,072,442) 2,911,842	2,911,842	754,510	754,510 (19,947,568)	2,721,493

	The annexed notes 1 to 40 form an integral part of these consolidated condensed interim financial statements.

Director	
Director	
Chief Financial Officer	
President/	Chief Evecutive

Fransfer in respect of incremental depreciation from surplus

Loss after taxation for the six months period

Other comprehensive income - net of tax Fransfer to statutory reserve ended June 30, 2019

on revaluation of fixed assets to accumulated losses Surplus realized on disposal of fixed assets Balance as at June 30, 2019 (Un-audited)

Surplus realized on disposal of non-banking assets



CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED

CONSOLIDATED CONDENSED INTERIM	I CASH FLOW STA	TEMENT (UN	I-AUDITED))
FOR THE HALFYEAR ENDED JUNE 30, 2019			June 30,	June 30,
			2019	2018
		Note	(Rupees	in '000)
CASH FLOW FROM OPERATING ACTIVITIES				ŕ
Loss before taxation			(6,585,781)	(3,575,838)
Less: Dividend income			(18,411)	(5,424)
			(6,604,192)	(3,581,262)
Adjustments:				
Depreciation on operating fixed assets			276,436	348,341
Depreciation on right-of-use assets			257,828	-
Depreciation on non-banking assets			22,067	21,927
Finance cost of lease liability			138,329	-
Amortization			31,058	30,436
Charge for defined benefit plan			29,653	32,127
Charge for employees compensated absences			7,140	7,500
Provision and write-offs excluding recoveries			4,422,150	3,476,670
Gain on sale of fixed assets			(30,901)	(2,326)
Gain on disposal of non-banking assets - net			1	(144,848)
Unrealised loss on revaluation of investments classified				
as held-for-trading securities - net			388	19,726
			5,154,148	3,789,553
			(1,450,044)	208,291
Decrease / (increase) in operating assets				
Lendings to financial institutions			(1,983,560)	1,177,128
Held-for-trading securities			(6,098)	(62,267)
Advances			6,510,527	(6,758,873)
Others assets (excluding advance taxation)			149,799	(538,752)
			4,670,668	(6,182,764)
Decrease / (increase) in operating liabilities				
Bills Payable			(40,494)	(601,804)
Borrowings from financial institutions			(4,923,641)	(20,703,264)
Deposits			4,733,047	4,355,535
Other liabilities (excluding current taxation)			57,148	(720,261)
			(173,940)	(17,669,794)
Payments on account of staff retirement benefits			(12,959)	(62,065)
Income tax paid			(59,453)	(110,937)
Net cash generated from / (used in) operating activities	S		2,974,272	(23,817,269)
CASH FLOW FROM INVESTING ACTIVITIES				
Net investments in available-for-sale securities			(729,843)	25,057,233
Dividends received			18,278	9,444
Investments in fixed assets			(85,095)	(426,796)
Investments in intangible assets			(3,120)	-
Proceeds from sale of fixed assets			140,370	4,771
Proceeds from sale of non-banking assets			10,000	848,033
Net cash (used in) / generated from investing activities			(649,410)	25,492,685
CASH FLOW FROM FINANCING ACTIVITIES				
Payment of lease liability against right-of-use assets			(491,338)	-
Payments of subordinated debt				(345)
Net cash used in financing activities			(491,338)	(345)
Effect of exchange rate changes on cash and cash equivalent			228,432	447,040
Increase in cash and cash equivalents			2,061,956	2,122,111
Cash and cash equivalents at beginning of the period			5,816,602	15,516,820
Cash and cash equivalents at end of the period		34	7,878,558	17,638,931
The annexed notes 1 to 40 form an integral part of these consolidated	l condensed interim financial stat	tements.		
President / Chief Financial Officer	Director	Director		rector
Chief Executive	D	2.1.000	D.	



NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALFYEAR ENDED JUNE 30, 2019

I. STATUS AND NATURE OF BUSINESS

1.1 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 June 30, 2019.

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

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

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

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 half year, the Group has incurred net loss of Rs. 4,396.592 million resulting in accumulated losses of Rs. 24,276.876 million and negative equity of Rs. 1,512.886 million. As per the applicable laws and regulations, the Group is required to maintain Minimum Paid-up Capital (net of losses) (MCR) of Rs. 10 billion, Capital Adequacy Ratio (CAR) at 11.90% (inclusive of Capital Conservation Buffer of 1.90%), Leverage Ratio (LR) at 3.00%, Liquidity Coverage Ratio (LCR) at 100% and Net Stable Funding Ratio (NSFR) at 100% as of December 31, 2018. However, the paid up capital of the Bank (net of losses), CAR and LR are negative, while LCR is below prescribed levels as at June 30, 2019. Subsequently, from June 30, 2020 onwards, the Group achieved compliance with the applicable LCR requirements.



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

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

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

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

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

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

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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



- 2.2 These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:
 - International Accounting Standard (IAS) 34 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Banking Companies Ordinance, 1962 and Companies Act, 2017.
 - Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

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

2.3 Basis of consolidation

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

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

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

- 2.4 Key financial figures of the Islamic banking branches are disclosed in note 39 to these consolidated condensed interim financial statements.
- 2.5 The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34 'Interim Financial Reporting' and do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2018.
- 2.6 Standards, interpretations of and amendments to existing accounting standards that have become effective in the current period

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



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

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

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

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

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

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

3. BASIS OF MEASUREMENT

3.1 Accounting convention

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

3.2 Functional and Presentation Currency

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

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



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Changes in accounting policies

4.1.1 Change in reporting format

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

4.1.2 Leases

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

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

Un-audited
June 30, January 01,
2019 2019
----- (Rupees in '000) ------

Lease Liability

2,008,784 2,075,149

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

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



	Un-au	dited
	June 30, 2019 (Rupees	January 01, 2019 in '000)
	` '	,
Right-of-use Assets	2,103,965	2,207,128
Effect of change in Accounting policy Impact on Statement of Financial Position		
Increase in fixed assets - ROU Assets	2,103,965	2,207,128
Decrease in other assets - Advances, Deposits and Prepayments	(206,647)	(131,979)
Increase in other assets - Advance Taxation	-	-
Increase in other liabilities - Lease Liability in respect of ROU Assets	(2,008,784)	(2,075,149)
(Decrease) / Increase in net assets	(111,466)	_
Impact on Profit and Loss Account		
Increase in mark-up expense	(138,329)	
	(138,329)	-
	Un-aud	lited
	June 30,	January 01,
	2019	2019
		in '000)
(Increase) / decrease in administrative expenses:		
-Depreciation of ROU Assets	(257,828)	_1
-Rent expense	284,691	
-Neilt expense	26,863	
	20,003	
Increase in loss before tax	(111,466)	-
Taxation		
Increase in loss after tax	(111,466)	-

Loss per share for the half year ended June 30, 2019 is Re 0.04 per share higher as a result of the adoption of IFRS 16.

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

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

4.1.3 IFRS 15 - Revenue from Contracts with Customers

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

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



(Audited)

December 31.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

During the current period, the management of the Group has revised its estimate of the useful lives of building on leasehold land. The management has decreased the depreciation rates from 5% per annum to 2.5% to 5% per annum. The revision has been made after taking into account the expected pattern of recovery of economic benefits associated with the use of these assets. The revision has been accounted for as a change in accounting estimate as defined in International Accounting Standard 8, 'Accounting Policies, Changes in Accounting Estimate and Errors'. Had the revision in useful lives in respect of building on leasehold land not been made, depreciation expense for the period would have been higher by Rs. 127.003 million and consequently the profit before tax would have been lower by the same amount.

6. FINANCIAL RISK MANAGEMENT

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

		June 30,	December 31,
		2019	2018
7.	CASH AND BALANCES WITH TREASURY BANKS	(Rupee	s in '000)
	In hand		
	Local currency	2,825,213	2,699,678
	Foreign currency	263,157	190,719
	MCI CO D. I. CD III .	3,088,370	2,890,397
	With State Bank of Pakistan in		
	Local currency current account	993,103	1,011,453
	Foreign currency current account	403,971	302,719
	Foreign currency deposit account	192,645	125,904
	With National Bank of Pakistan in	1,589,719	1,440,076
	Local currency current account	1,073,977	703,743
	Prize bonds	1,465,396	8,889
		7,217,462	5,043,105
8.	BALANCES WITH OTHER BANKS		
	In Pakistan		
	In current account	52,191	31,759
	In deposit account	59,057	92,378
	Outside Pakistan	111,248	124,137
	In current account	124,464	368,270
	In deposit account	706,630	515,872
	·	831,094	884,142
		942,342	1,008,279
9.	LENDINGS TO FINANCIAL INSTITUTIONS		
	Repurchase agreement lendings(Reverse Repo)	1,983,560	:
	Less: Provision held against Lending to Financial Institutions	-	_
	Lendings to Financial Institutions - net of provision	1,983,560	-
			:

(Un-audited)

lune 30.



INVESTMENTS

10.1 Investments by type:

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

5,710

(388)

Held-for-trading securities Shares

Available-for-sale securities

6,098

- Federal Government Securities Market Treasury Bills
- Pakistan Investment Bonds
- GoP Ijarah Sukuks

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

Non Government Debt Securiti

- Term Finance Certificates
- Sukuk Bonds

Total Investments

	2,460,819	-	(31)	2,460,788	1,377,071	-	29	1,377,100
	13,828,047	-	(1,211,795)	12,616,252	13,969,584	-	(1,233,323)	12,736,261
	2,250,000	-	(89,775)	2,160,225	2,250,000	-	(40,275)	2,209,725
ed	4,152,347	(2,453,061)	(148,968)	1,550,318	4,152,347	(1,947,196)	(385,542)	1,819,609
sted	14,475	(1,000)	-	13,475	14,475	(1,000)	-	13,475
	46,035	-	-	46,035	46,035	-	-	46,035
ies								
	1,601,700	(1,111,111)	-	490,589	1,611,998	(1,008,500)	-	603,498
	200,000	(200,000)	-	-	402,070	(200,000)	-	202,070
	24,553,423	(3,765,172)	(1,450,569)	19,337,682	23,823,580	(3,156,696)	(1,659,111)	19,007,773
	24,559,521	(3,765,172)	(1,450,957)	19,343,392	23,823,580	(3,156,696)	(1,659,111)	19,007,773

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

10.1.1 Investments given as collateral - Market Value

Market Treasury Bills					
Pakistan Investment Bonds					
GoP Ijarah Sukuks					
Ordinary shares-Listed					
Ordinary shares-Listed					

1,464,404	1,718,824		
7,381,922	12,119,364		

10.2 Provision for diminution in value of investments

Opening balance

Closing balance

Charge / reversals

Charge for the period / year Reversals for the period / year

3.1	56,696	
٠,٠	30,070	

393,726 5,235,762

288,030

2,036,030

1,208,500

1,208,500

8,190,815

2,209,725

610,376	1,120,666
(1,900)	-
608,476	1,120,666
3,765,172	3,156,696

10.3 Particulars of provision against debt securities

Category of classification

Domestic

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

1,520,134 1,311,111 1,520,134 1,311,111 1,522,034

1,522,034

10.4 Pursuant to the applicable Prudential Regulations, the Group has availed the Forced Sale Value (FSV) benefit of securities / collaterals held against a non-performing investment. Had this benefit of FSV not been availed by the Bank, the specific provision against investments would have been higher by Rs. 209.023 million (December 31, 2018: Rs. 313.534 million), this has a net of tax positive impact of Rs. 135.865 million (December 31, 2018: Rs. 203.797 million) on the profit and loss account. As per the applicable Prudential Regulations, the positive benefit of FSV is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.



II. ADVANCES

	Perfor	ming	Non Per	forming	To	tal	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	
	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,	
	2019	2018	2019	2018	2019	2018	
Note			(Rupees	in '000)			
	31,383,639	39,213,887	38,812,628	35,141,957	70,196,267	74,355,844	
39.2	4,303,888	5,875,686	978,809	882,663	5,282,697	6,758,349	
	758,023	1,635,173	47,089	47,089	805,112	1,682,262	
	36,445,550	46,724,746	39,838,526	36,071,709	76,284,076	82,796,455	

Provision against advances

- Specific 11.2 - General

Loans, cash credits, running finances, etc. Islamic financing and related assets Bills discounted and purchased Advances - gross

Advances - net of provision

-	-	(25,312,843)	(21,502,664)	(25,312,843)	(21,502,664)
(45,564)	(46,988)	-	-	(45,564)	(46,988)
(45,564)	(46,988)	(25,312,843)	(21,502,664)	(25,358,407)	(21,549,652)
36,399,986	46,677,758	14,525,683	14,569,045	50,925,669	61,246,803

11.1 Particulars of advances (Gross)

In local currency
In foreign currencies

(Un-audited) (Audited)

11.2 Advances include Rs. 39,838.526 million (December 31, 2018: Rs. 36,071.709 million) which have been placed under non-performing status as detailed below.

Category of Classification	June 30, 2019	June 30, 2019 (Un-audited)		December 31, 2018 (Audited)	
	Non		Non		
	Performing	Provision	Performing	Provision	
	Loans		Loans		
		(Rupees in '000)			
Domestic					
Other Assets Especially Mentioned	140,144	2,247	505,380	721	
Substandard	2,251,727	512,712	5,479,696	460,682	
Doubtful	6,160,938	1,127,101	7,709,088	1,609,889	
Loss	31,285,717	23,670,783	22,377,545	19,431,372	
	39.838.526	25.312.843	36.071.709	21,502,664	

11.3 Particulars of provision against advances

	June 30, 2019 (Un-audited)			December 31, 2018 (Audited)			
	Specific	General	Total	Specific	General	Total	
	(Rupees in '000)						
Opening balance	21,502,664	46,988	21,549,652	14,909,014	30,250	14,939,264	
Charge for the period / year	4,171,959	(1,424)	4,170,535	7,247,738	16,738	7,264,476	
Reversals	(360,017)	-	(360,017)	(622,642)	-	(622,642)	
	3,811,942	(1,424)	3,810,518	6,625,096	16,738	6,641,834	
Amounts written off	(1,763)	-	(1,763)	(31,446)		(31,446)	
Closing balance	25,312,843	45,564	25,358,407	21,502,664	46,988	21,549,652	
· ·							

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

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

11.3.2 The Bank has availed the benefit of Forced Sale Value (FSV) of pledged stocks, mortgaged properties, plant and machinery, shares and Cash Margin /TDRs held as collateral against non-performing advances as allowed under the applicable Prudential Regulations issued by the State Bank of Pakistan. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 9,500.470 million (December 31, 2018: Rs. 5,944.384 million). The positive impact on the Profit and Loss Account arising from availing this benefit - net of tax amounts to Rs. 16,753.06 million (December 31, 2018: Rs. 3,863.850 million). As per the applicable Prudential Regulations, the positive impact of FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

The SBP has granted relaxation in provisioning requirements in respect of exposure in Dewan Group. Had this relaxation not been available, provision against loans and advances would have been higher by Rs. 205.502 million (December 31, 2018; Rs. 205.502 million).



			(Un-audited) June 30, 2019	(Audited) December 31, 2018
12	FIXED ASSETS	Note	(Rupee	s in '000)
	Capital work-in-progress	12.1	218,331	395,722
	Property and equipment		8,232,198	8,355,617
	Right-of-use assets	4.1.2	2,103,965	
			10,554,494	8,751,339
12.1	Capital work-in-progress			
	Civil works and related payments / progress billings		187,352	390,698
	Advances and other payments to suppliers and contractors		30,979	5,024
	Advances and other payments against capital work in progress considered doubtfu	I	1,158,340	1,158,340
	Less: Provision held there against		(1,158,340)	(1,158,340)
			-	-
			218,331	395,722
			(Un-audited)	(Un-audited)
			June 30,	June 30,
			2019	2018
12.2	Additions to fixed assets		(Rupees	in '000)
	The following additions have been made to fixed assets during the period:			
	The following additions have been made to fixed assets during the period.			
	Property and equipment			
	Building improvements		170,434	8,392
	Furniture and fixture		63,053	2,447
	Electrical, office and computer equipment		29,032	49,869
	Vehicle		-	1,793
			262,519	62,501
	Right-of-use assets - net		2,103,965	-
			2,366,484	62.501
			2,330,704	32,301
12.3	Transfer / Disposal of fixed assets			
	Capital work-in-progress		177,391	734,723
	The net book value of fixed assets disposed off during the period is as follows:			
	Leasehold land		104,010	
	Building improvements		143	.
	Building on leasehold land		89	.
	Furniture and fixture		18	106
	Electrical, office and computer equipment		3,661	2,345
	Vehicles		1,548	
			109,469	2,451
	Total		286,860	737,174
			200,000	737,177



Committed to you

			(Un-audited) June 30,	(Audited) December 31,
			2019	2018
		Note	(Rupee:	s in '000)
13.	INTANGIBLE ASSETS			
	Capital work-in-progress	13.1	46,161	53,488
	Intangible Assets	13.2	135,319	155,930
			181,480	209,418
13.1	Capital work-in-progress			
	Advances to suppliers and contractors		46,161	53,488
	Advances against capital work in progress considered doubtful		141,224	141,224
	Less: Provision held there against		(141,224)	(141,224)
			-	-
			46,161	53,488
13.2	Intangible Assets			
	Computer softwares		70,712	73,637
	Core deposits		35,040	45,534
	Brand name		25,181	32,373
	Trading Rights Entitlement Certificate		4,386	4,386
			135,319	155,930
			(Un-audited)	(Un-audited)
			June 30,	June 30,
			2019	2018
			(Rupees	in '000)
	The following additions have been made to intangible assets during the period:			
	Directly purchased		10,414	807
12.4	The second of the second secon			

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

14. DEFERRED TAX ASSETS

Deductible Temporary Differences or	Deductible	Temporary	Differences	on
-------------------------------------	------------	-----------	-------------	----

- Tax losses carried forward
- Deficit on revaluation of investments
- Provision against advances, off balance sheet etc.
- Provision for impairment loss investment
- Provision against intangible assets
- Staff compensated absences
- Unrealized loss on HFT portfolio
- Provision against other assets
- Minimum tax
- Alternative corporate tax

Taxable Temporary Differences on

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

June 30, 2019 (Un-audited)				
At January 01, 2019	Recognised in profit and loss account	Recognised in Other Comprehensive Income	At June 30, 2019	
(Rupees in '000)				

3,811,925	888,481	-	4,700,406
586,668	-	(73,309)	513,359
3,433,882	1,213,831	-	4,647,713
1,104,844	212,966	-	1,317,810
43,107	-	-	43,107
36,027	(1,531)	-	34,496
-	136	-	136
149,656	-	-	149,656
773	-	-	773
4,512	-	-	4,512
9,171,394	2,313,883	(73,309)	11,411,968

.,,	_,,	(,,	,,
(1,063,624)	-	17,667	(1,045,957)
(406,274)	-	-	(406,274)
(141,352)	-	316	(141,036)
(382,627)	9,946	-	(372,681)
3,078	(86,678)	-	(83,600)
(1,990,799)	(76,732)	17,983	(2,049,548)
7,180,595	2,237,151	(55,326)	9,362,420



At January 01, 2018 Recognised in Other Comprehensive Income 1, 2018 Recognised in Other Comprehensive Income 31, 2018 Recognised in Other Comprehensive Income 1, 2018 Recognised in Ot

Deductible Temporary Differences on

- Tax losses carried forward
- Deficit on revaluation of investments
- Provision against advances, off balance sheet etc.
- Provision for impairment loss investment
- Provision against intangible assets
- Staff compensated absences
- Unrealized loss on HFT portfolio
- Provision against other assets
- Minimum tax
- Alternative corporate tax

Taxable Temporary Differences on

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

	ioss account	Income			
(Rupees in '000)					
4,103,555	(291,630)	-	3,811,925		
427,093	-	159,575	586,668		
1,309,930	2,123,952	-	3,433,882		
712,611	392,233	-	1,104,844		
43,107	-	-	43,107		
36,592	(565)	-	36,027		
5,560	(5,560)	-	-		
149,656	-	-	149,656		
827	(54)	-	773		
4,512	-	-	4,512		
6,793,443	2,218,376	159,575	9,171,394		
(452,385)	-	(611,239)	(1,063,624)		
-	-	(406,274)	(406,274)		
(151,972)	-	10,620	(141,352)		
(398,779)	16,152	-	(382,627)		
(30,429)	33,507	-	3,078		
(1,033,565)	49,659	(1,006,893)	(1,990,799)		
5,759,878	2,268,035	(847,318)	7,180,595		

December 31, 2018 (Audited)

14.1 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. The management believes that it is probable that the Group would be able to achieve the profits and consequently, the recognized deferred tax asset will be fully realized in future.

OTHER ASSETS	Note	(Un-audited) June 30, 2019 (Rupees	(Audited) December 31, 2018 in '000)
Income / Mark-up accrued in local currency		1,589,417	1,631,155
Income / Mark-up accrued in foreign currency		2,762	2,805
Advances, deposits, advance rent and other prepayments		305,300	502,044
Advance taxation (payments less provisions)		613,016	601,525
Non-banking assets acquired in satisfaction of claims		2,790,775	2,821,941
Branch adjustment account		-	20
Mark to market gain on forward foreign exchange contracts		238,856	-
Acceptances		962,315	1,118,180
Receivable from brokers		-	5,038
Stationery and stamps on hand		9,005	8,999
Receivable from other banks against clearing and settlement		23,270	-
Commission receivable on home remittance		163,682	134,985
Commission receivable on brokerage		-	6,477
Property - held for sale		3,838,719	3,838,719
Account receivable		92,380	127,275
Others		435,391	435,115
		11,064,888	11,234,278
Less: Provision held against other assets	15.1	(651,408)	(648,388)
Other Assets - net of provision		10,413,480	10,585,890
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		402,963	403,865
Surplus on revaluation of property - held for sale		1,160,784	1,160,784
Other Assets - total		11,977,227	12.150.539
Other Assets - total		11,777,227	12,130,337

15.



Committed to you

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

15.2	Provision held against other assets	(Un-audited) June 30, 2019 (Rupees	(Audited) December 31, 2018 in '000)
	Income / Mark-up accrued in local currency	1,389	1,389
	Advances, deposits, advance rent and other prepayments	79,664	79,664
	Non banking assets acquired in satisfaction of claims	290,547	290,547
	Commission receivable on guarantee	9,880	9,880
	Receivable from Dewan Group	34,436	34,436
	Account Receivable - Sundry Claims	200,346	197,279
	Receivable from Speedway Fondmetal (Pakistan) Limited	25,694	25,694
	Others	9,452	9,499
		651,408	648,388
15.2.1	Movement in provision held against other assets		
	Opening balance	648,388	552,547
	Charge for the period / year	3,067	96,499
	Reversals	-	(564)
	Amount written off	(47)	(94)
	Closing balance	651,408	648,388
16.	CONTINGENT ASSETS		
	There were no contingent assets at the balance sheet date.		
17.	BILLS PAYABLE		
	In Pakistan	1,840,613	1,881,107
	Outside Pakistan	1,840,613	1,881,107
18.	BORROWINGS	1,040,013	1,001,107
	Secured		
	Borrowings from State Bank of Pakistan - Under export refinance scheme	6,947,790	6,792,628
	- Under Islamic Export Refinance Scheme (IERF)	250,000	250,000
	- Under long-term financing facility	933,564	756,323
	- Refinance facility for modernization of SMEs	6,538	3,363
	- Repurchase agreement borrowings	5,230,547	8,163,360
		13,368,439	15,965,674
	Repurchase agreement borrowings	1,193,424	1,000,000
	Foreign bills - rediscounted		608,830
	Total secured	14,561,863	17,574,504
	Unsecured		
	Call borrowings	-	1,911,000
	Overdrawn nostro accounts	281,246	6,350
	Total unsecured	281,246	1,917,350
		14,843,109	19,491,854
18.1	Particulars of borrowings with respect to Currencies		
	In local currency	14,561,863	18,876,674
	In foreign currencies	281,246	615,180
		14,843,109	19,491,854
		,,	., . ,



19. DEPOSITS AND OTHER ACCOUNTS

June 3	0, 2019 (Un-a	audited)	December 31, 2018 (Audited)		
In local currency	In Foreign currencies		In local currency	In Foreign currencies	Total
(Rupees in '000)					

Customers

Current deposits Savings deposits Term deposits Others

(Rupees in '000)					
29,869,276	1,696,886	31,566,162	27,684,415	1,539,251	29,223,666
35,793,957	1,917,861	37,711,818	34,873,064	1,605,157	36,478,221
9,069,994	2,874,585	11,944,579	8,624,571	1,579,424	10,203,995
3,475,365	25,170	3,500,535	4,579,025	21,838	4,600,863
78,208,592	6,514,502	84,723,094	75,761,075	4,745,670	80,506,745

Financial Institutions

Current deposits
Savings deposits
Term deposits
Others

886,699	120,633	1,007,332	932,005	126,472	1,058,477
2,694,587	5	2,694,592	2,208,069	4	2,208,073
881,661	-	881,661	800,337	-	800,337
-	-	-	-	-	-
4,462,947	120,638	4,583,585	3,940,411	126,476	4,066,887
82,671,539	6,635,140	89,306,679	79,701,486	4,872,146	84,573,632

19.1 Deposits include Eligible Deposits of Rs. 62,657.570 million (December 31, 2018: 55,944.727 million) protected under Depositors Protection Mechanism introduced by the State Bank of Pakistan.

20. SUBORDINATED DEBT

Issue amount Issue date Rs.1,500,000,000 October 27, 2011

Maturity date October 27, 2020 (December 31, 2018: October 27, 2019)

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

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

Rating 'D' (Default).

Security Unsecured

Redemption / Profit payment frequency

The redemption / profit payment details are mentioned in the above maturity date clause.

clause.

Mark-up Base rate (6 months KIBOR - ask side) plus 325 bps

Call option

The Bank had an option to call the TFC's subject to SBP's prior written approval, on any profit payment date after the 60th month from the last day of public

subscription, with not less than 30 days prior notice to be given to the Trustee. The Call option once announced will not be revocable. Further, no premium will be paid to the TFC Holders in case the call option is exercised by the Bank.

to the FFC Floiders in case the can option is exercised by the Bank.

Neither interest nor principal can be paid (even at maturity) if such payments will result in a shortfall in the Group's Minimum Capital Requirements (MCR) or Capital Adequacy Ratio (CAR) or increase in the existing shortfall in MCR and CAR.

S

Lock-in-clause



(Un-audited) (Audited)

Committed to you

			June 30, 2019	December 31, 2018
21.	OTHER LIABILITIES	Note	(Rupee	s in '000)
	Mark-up / return / interest payable in local currency		1,184,428	827,767
	Mark-up / return / interest payable in foreign currency		886	7,780
	Unearned income		9,324	15,223
	Accrued expenses		111,747	201,796
	Advance against sale of property		474,732	438,852
	Acceptances		962,315	1,118,180
	Unclaimed dividends		2,213	2,213
	Mark to market loss on forward foreign exchange contracts		51,796	8,793
	Branch adjustment account		57 61,511	33,358
	Payable to defined benefit plan			33,336 844
	Charity fund balance Security deposits against lease		56 724,448	790,621
	Payable to Bangladesh Bank		41,389	41,389
	Payable to Rupali Bank - Bangladesh		16,293	16,293
	Payable to vendors / creditors		120,474	126,321
	Provision for compensated absences		101,420	105,739
	Payable to Bank of Ceylon, Colombo		20,163	20,163
	Retention money		20,408	6,671
	Workers' welfare fund		13,360	13,360
	Withholding taxes and government levies payable		34,110	13,481
	Federal excise duty and sales tax payable		5,270	10,254
	Payable to other banks against clearing and settlement		-	137
	Commission payable on home remittances		130,933	125,375
	Lease liability against right of use assets	4.1.2	2,008,784	-
	Account payable		48,127	92,312
	Others		379,772	417,328
			6,524,016	4,434,250
22.	SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS			
	Surplus / (deficit) on revaluation of:			
	- Available for sale securities	10.1	(1,450,569)	(1,659,111)
	- Fixed assets		3,646,572	3,712,954
	- Non-banking assets acquired in satisfaction of claims	15	402,963	403,865
	- Property - held for sale	15	1,160,784	1,160,784
			3,759,750	3,618,492
	Deferred tax on surplus / (deficit) on revaluation of:			
	- Available for sale securities		513,360	586,669
	- Fixed assets		(1,045,960)	(1,063,624)
	- Non-banking assets acquired in satisfaction of claims		(141,037)	(141,353)
	- Property - held for sale		(406,274)	(406,274)
			(1,079,911)	(1,024,582)
			2,679,839	2,593,910
23.	CONTINGENCIES AND COMMITMENTS			
	Guarantees	23.1	19,457,142	19,970,337
	Commitments	23.2	23,838,753	31,199,152
	Other contingent liabilities	23.3	10,825,176	11,661,255
	-		54,121,071	62,830,744
23.1	Guarantees:			
	Financial guarantees		23,677	23,677
	Performance guarantees		14,897,026	14,891,050
	Other guarantees		4,536,439	5,055,610
	•		19,457,142	19,970,337



			June 30,	(Audited) December 31,
			2019	2018
		Note	(Rupee:	s in '000)
23.2	Commitments:			•
	Documentary credits and short-term trade-related transactions			
	- letters of credit		2,390,961	6,604,310
	Commitments in respect of:			
	- forward foreign exchange contracts	23.2.1	5,760,036	4,315,349
	- forward lending	23.2.2	8,943,835	7,667,231
	- operating leases	23.2.3	37,138	3,164,673
	Commitments for acquisition of:			
	- operating fixed assets		158,828	140,560
	- intangible assets		123,984	143,669
	Other commitments	23.2.4	6,423,971	9,163,360
			23,838,753	31,199,152
23.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase		5,181,404	3,404,992
	Sale		578,632	910,357
			5,760,036	4,315,349
23.2.2	Commitments in respect of forward lending			
	Forward documentary bills		4,395,729	3,458,501
	Undrawn formal standby facilities, credit lines and other commitments to lend	23.2.2.1	4,548,106	4,208,730
			8,943,835	7,667,231
23.2.2.1	These represent commitments that are irrevocable because they cannot be withdomed the risk of incurring significant penalty or expense.	awn at th	ne discretion of t	he Group without
			(Un-audited)	(Audited)
			June 30,	December 31,
			2019	2018
			(Rupee:	s in '000)
23.2.3	Commitments in respect of operating leases			
	Not later than one year		37,138	652,360
	Later than one year and not later than five years		-	1,636,820
	Later than five years		37,138	3,164,673
			37,138	3,104,0/3
23.2.4	Other commitments			
	Purchase (Repo)		6,423,971	9,163,360

(Un-audited) (Audited)

10,825,176

11,661,255

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

23.5 Contingency for tax payable

acknowledged as debts

Contingency related to tax payable is disclosed in note 32.2.

Other contingent liabilities - claims against the Group not

23.3



(Un-audited)

Committed to yo

		(Un-audited)	
		Half year	
		June 30,	June 30,
		2019	2018
	Note	(Rupees in	'000)
24.	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	Loans and advances	2,335,479	3,150,573
	Investments	589,188	1,925,060
	Lendings to financial institutions	25,847	252,280
	Balances with banks	12,861	9,129
		2,963,375	5,337,042
25.	MARK-UP / RETURN / INTEREST EXPENSED		
23.	PIARR-OF / RETORN / INTEREST EXPENSED		
	Deposits	2,141,086	2,490,264
	Borrowings	577,337	1,055,762
	Subordinated debt	99,617	70,776
	Cost of foreign currency swaps against foreign currency deposits / borrowings	211,602	126,064
	Finance cost of lease liability	138,329	-
		3,167,971	3,742,866
26.	FEE AND COMMISSION INCOME		
	Branch banking customer fees	2,765	35,281
	Consumer finance related fees	1,614	3,993
	Card related fees (debit cards)	42,790	44,414
	Credit related fees	5,693	12,047
	Investment banking fees	1,716	3,431
	Commission on trade	113,059	226,086
	Commission on guarantees	77,294	102,461
	Commission on cash management	1,982	1,784
	Commission on remittances including home remittances	29,481	49,352
	Commission on bancassurance	1,633	1,922
	Commission on Benazir Income Support Programme	38,409	34,653
	Alternate delivery channels	10,030	17,710
	Commission on brokerage	25,692	36.103
	Others	170	646
	Oulers	170	010
		352,328	569,883
27.	(LOSS) / GAIN ON SECURITIES		
	Realised 27.1	(2,260)	25,647
	Unrealised - held for trading	(388)	(19,726)
		(2,648)	5,921
27.1	Realised (loss) / gain on:		
	Federal Government Securities	(2.503)	2 275
	Federal Government Securities Shares	(2,583) 323	3,275 22,246
	Mutual Funds	323	22,2 4 6 99
	Non Government Debt Securities	-	99 27
	Non Government Dept Securities	-	27
		(2,260)	25,647



			(Un-aud Half year	
28.	OTHER INCOME	Note	June 30, 2019	June 30, 2018
28.	OTHER INCOME	Note	(Rupees i	in 000)
	Rent on property / locker		6,411	15,721
	Gain on sale of fixed assets - net		30,901	2,326
	Gain on sale of non banking assets - net			144,848
	Gain on sale of ijarah assets		1,797 34,291	980 16,234
	Account maintenance and other relevant charges Recovery of expenses from customers		7,749	18,234
	Others		327	183
	Culers	-		
29.	OPERATING EXPENSES	:	81,476	199,082
	Total compensation expense	29.1	857,575	1,059,240
	Property expense		,	
	Rent and taxes	[82,068	400,545
	Insurance - property		2,525	3,846
	Insurance - non banking assets		80	426
	Utilities cost		112,508	103,798
	Security (including guards)		81,444	84,622
	Repair and maintenance (including janitorial charges)		51,403	46,925
	Depreciation on owned fixed assets		145,662	211,447
	Depreciation on right-of-use assets		257,828	-
	Depreciation on non banking assets	ļ	22,067 755,585	21,923 873,532
	Information technology expenses	,		
	Software maintenance		25,788	25,993
	Hardware maintenance		31,141	21,437
	Depreciation		55,630	65,763
	Amortisation core deposits and brand name		13,372	12,799
	Network charges Insurance		45,191 96	48,476 218
		l	171,218	174,686
	Other operating expenses	1		
	Directors' fees and allowances		550	1,900
	Fees and allowances to Shariah Board Legal and professional charges		2,400 162,982	2,400 45,534
	Outsourced services costs		64,475	67,903
	Travelling and conveyance		76,554	80,535
	NIFT clearing charges		14,226	16,764
	Depreciation on computer equipments		75,144	71,089
	Amortisation of computer softwares		17,686	17,686
	Training and development		2,819	3,873
	Postage and courier charges		23,394	24,326
	Communication		23,066	32,619
	Stationery and printing		53,050	45,075
	Marketing, advertisement and publicity		12,773	90,743
	Brokerage and commission		1,717	9,203
	Fee and Subscription		60,685	42,285
	Cash transportation and sorting charges		48,416	51,284
	Entertainment Insurance		16,383 120,707	17,586 83,721
	Repair and maintenance		36,544	26,771
	Auditors' remuneration		9,841	7,069
	Others		41,390	17,423
		ι	864,802	755,789
		-	2,649,180	2,863,247



Committed to you

			(Un-audited)	
			Half year	ended
		_	June 30, 2019	June 30, 2018
29.I	Total compensation expense	Note	(Rupees in	n '000)
	Fees and Allowances etc.		15,675	18,481
	Managerial Remuneration		,	
	i) Fixed		531,561	652,549
	ii) Variable of which;		55.,55.	002,017
	a) Cash Bonus / Awards etc.		3,334	4,520
	b) Incentives and commission		2,823	6,987
	Charge for defined benefit plan		29,653	32,127
	Contribution to defined contribution Plan		27,902	36,523
	Charge for employees compensated absences		7,140	7,500
	Rent & house maintenance		163,798	205,953
	Utilities		36,397	45,763
	Medical		39,057	48,570
	Employee old age benefit institution		235	267
	Total	_	857,575	1,059,240
	lotal	_	037,373	1,037,240
30.	OTHER CHARGES			
	Penalties imposed by State Bank of Pakistan		8,378	10,431
	Bank charges		8,513	13,409
		_	16,891	23,840
31.	PROVISIONS AND WRITE OFFS - NET			
	Provisions for diminution in value of investments		608,476	854,975
	Provisions against loans & advances		3,810,518	1,457,406
	Fixed assets written off		-	3,061
	Provision against other assets		3,067	93,987
	Provision against fixed asset		-	1,063,606
	Bad debts written off directly		89	3,635
	Recovery of written off / charged off bad debts		-	(828)
		_	4,422,150	3,475,842
32.	TAXATION			
	Current 32	2.1 & 32.2	47,962	81,362
	Prior years		-	-
	Deferred	_	(2,237,151)	176,585
		_	(2,189,189)	257,947

- 32.1 This represents the provision for minimum taxation made in accordance with the requirements of section 113 of the Income Tax Ordinance, 2001. Therefore, reconciliation of tax expense and accounting profit / loss has not been disclosed.
- 32.2 The Income Tax Returns of the Bank and its subsidiary have been submitted up to and including financial year ended December 31, 2017 i.e. tax year 2018.

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

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



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

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

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

(Lin-audited)

			(Un-aud	dited)
			Half year	ended
			June 30,	June 30,
			2019	2018
33.	BASIC AND DILUTED LOSS PER SHARE	Note	(Rupees	in '000)
	Loss for the period		(4,396,592)	(3,833,785)
			Number o	of shares
	Weighted average number of ordinary shares		2,638,151,060	2,638,151,060
			(Rupe	ees)
	Basic loss per share		(1.67)	(1.45)
	Weighted average number of ordinary shares (adjusted		Number o	f shares
	for the effects of all dilutive potential ordinary shares)	33.1	2,638,151,060	2,638,151,060
			(Rupe	ees)
	Diluted loss per share		(1.67)	(1.45)
33.I	There are no potential ordinary shares outstanding as of June 30, 2019.			
			(Un-aud	
			Half year	
			June 30, 2019	June 30, 2018
2.4	CACH AND CACH FOUNTAL FAITS			
34.	CASH AND CASH EQUIVALENTS		(Rupees i	II UUU)
	Cash and balances with treasury banks		7,217,462	14,973,488
	Balances with other banks		942,342	2,675,717
	Overdrawn nostro accounts		(281,246)	(10,274)
			7,878,558	17,638,931

35. FAIR VALUE MEASUREMENTS

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

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



35.1 Fair value of financial assets

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

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

liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are

observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market

data (i.e. unobservable inputs).

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

	June 30, 2019 (Un-audited)			l)
	Level I	Level 2	Level 3	Total
On balance sheet financial instruments		(Rupee	s in '000)	
Financial assets - measured at fair value				
Federal Government Securities		17,237,265		17,237,265
Shares - Listed	1,556,028			1,556,028
Non-Government Debt Securities	-	-		-
Financial assets - disclosed but not measured at fair value				
Investments				
- Shares - Unlisted	-	-	62,940	62,940
Non-Financial assets - measured at fair value				
Operating fixed assets	-	-	7,527,227	7,527,227
Non banking assets acquired in satisfaction of claims	-	-	2,903,191	2,903,191
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	5,438,522	-	5,438,522
Forward sale of foreign exchange	-	648,966	-	648,966
	D	scombor 31	2019 (Audite	ad)
		ecember 31,		ed) Total
On balance sheet financial instruments	Level I	Level 2	Level 3	Total
On balance sheet financial instruments Financial assets - measured at fair value Investments	Level I	Level 2	Level 3	Total
Financial assets - measured at fair value Investments Federal Government Securities	Level I	Level 2	Level 3	Total
Financial assets - measured at fair value Investments Federal Government Securities Shares - Listed	Level I	Level 2(Rupee	Level 3	Total 16,323,086 1,819,609
Financial assets - measured at fair value Investments Federal Government Securities	Level I	Level 2 (Rupee	Level 3	Total
Financial assets - measured at fair value Investments Federal Government Securities Shares - Listed	Level I	Level 2(Rupee	Level 3	Total 16,323,086 1,819,609
Financial assets - measured at fair value Investments Federal Government Securities Shares - Listed Non-Government Debt Securities Financial assets - disclosed but not measured	Level I	Level 2(Rupee	Level 3	Total 16,323,086 1,819,609
Financial assets - measured at fair value Investments Federal Government Securities Shares - Listed Non-Government Debt Securities Financial assets - disclosed but not measured at fair value Investments	Level I	Level 2(Rupee	Level 3 s in '000)	16,323,086 1,819,609 12,489
Financial assets - measured at fair value Investments Federal Government Securities Shares - Listed Non-Government Debt Securities Financial assets - disclosed but not measured at fair value Investments - Shares - Unlisted	Level I	Level 2(Rupee	Level 3 s in '000)	16,323,086 1,819,609 12,489
Financial assets - measured at fair value Investments Federal Government Securities Shares - Listed Non-Government Debt Securities Financial assets - disclosed but not measured at fair value Investments - Shares - Unlisted Non-Financial assets - measured at fair value	Level I	Level 2(Rupee	Level 3 s in '000)	16,323,086 1,819,609 12,489
Financial assets - measured at fair value Investments Federal Government Securities Shares - Listed Non-Government Debt Securities Financial assets - disclosed but not measured at fair value Investments - Shares - Unlisted Non-Financial assets - measured at fair value Operating fixed assets	Level I	Level 2(Rupee	Level 3 s in '000) - - 62,940 7,616,204	16,323,086 1,819,609 12,489 62,940 7,616,204
Financial assets - measured at fair value Investments Federal Government Securities Shares - Listed Non-Government Debt Securities Financial assets - disclosed but not measured at fair value Investments - Shares - Unlisted Non-Financial assets - measured at fair value Operating fixed assets Non banking assets acquired in satisfaction of claims Off-balance sheet financial instruments - measured	Level I	Level 2(Rupee	Level 3 s in '000) - - 62,940 7,616,204	16,323,086 1,819,609 12,489 62,940 7,616,204



Valuation techniques used in determination of fair value

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

36.

36.1

		For	the half year e	nded June 30,	, 2019 (Un-au	dited)	
	Corporate finance	Trading and sales	Branch banking	Islamic	Brokerage business	Others	Total
			(F	Rupees in '000	0)		
Profit & Loss							
Net mark-up / return / profit	(196)	(118,746)	(114,847)	25,636	3,557	-	(204,596
Inter segment revenue - net	-	(542,237)	-	542,237	-	-	-
Non mark-up / return / interest income	7,157	368,045	410,734	(105,539)	,	-	707,036
Total Income	6,961	(292,938)	295,887	462,334	30,196	-	502,440
Segment direct expenses	1,150	167,448	2,278,183	149,969	47,366	21,955	2,666,071
Inter segment expense allocation	-	-	(189,404)	189,404	-	-	-
Total expenses	1,150	167,448	2,088,779	339,373	47,366	21,955	2,666,071
Provisions	-	608,477	3,527,249	286,424	-	-	4,422,150
Profit / (loss) before tax	5,811	(1,068,863)	(5,320,141)	(163,463)	(17,170)	(21,955)	(6,585,781
				20 2010 (11	P. D		
	_			30, 2019 (U			
	Corporate finance	Trading and sales	Branch banking	Islamic	Brokerage business	Others	Total
			(F	Rupees in '000	0)		
Balance Sheet							
Cash and Bank balances	-	1,786,628	5,792,134	481,730	99,312	-	8,159,804
Investments	-	17,425,584	1,885,324	-	32,484		19,343,392
Net inter segment lending	-	200,000	-	11,902,679	-	-	12,102,679
Lendings to financial institutions	-	1,983,560		.		-	1,983,560
Advances - performing	-	-	32,100,730	4,298,481	775	-	36,399,986
- non-performing			13,932,372	593,311			14,525,683
Others Total assets	30,230 30,230	5,026,813 26,422,585	71,017,901	654,030 17,930,231	196,922 329,493	8,860,285 8,860,285	32,075,621 124,590,725
					,		
Borrowings	363	6,560,427	8,032,319	250,000	-	-	14,843,109
Subordinated debt	2,946	406,417	1,086,152	_	-	-	1,495,515
Deposits and other accounts	-	-	74,079,257	15,227,422	-	-	89,306,679
Net inter segment borrowing	-	11,902,679	-	200,000	-	-	12,102,679
Others	1,334	441,324	6,346,653	791,077	59,566	724,675	8,364,629
Total liabilities	4,643	19,310,847	89,544,381	16,468,499	59,566	724,675	126,112,611
Equity	25,587	7,111,738	(18,526,480)	1,461,732	269,927	8,135,610	(1,521,886
Total Equity and liabilities	30,230	26,422,585	71,017,901	17,930,231	329,493	8,860,285	124,590,725
Contingencies and Commitments		12.184.007	25,645,276	5.183.800	_	11.107.988	54.121.071



		For	the half year en	ded June 30,	2018 (Un-au	dited)	
	Corporate finance	Trading and sales	Branch banking	Islamic	Brokerage business	Others	Total
			(R	upees in '000))		
Profit & Loss	(22)	((2.070	504071	122.021	2 227		1.504.174
Net mark-up / return / profit	(32)	663,979	504,971	422,921	2,337	-	1,594,176
Inter segment revenue - net		6,401		(6,401)			
Non mark-up / return / interest income	46	369,078	599,329	36,029	43,585	144,848	1,192,915
Total Income	14	1,039,458	1,104,300	452,549	45,922	144,848	2,787,09
Segment direct expenses	229	228,183	2,238,607	346,303	51,609	22,156	2,887,087
Inter segment expense allocation	-	-	(201,952)	201,952	-	-	
Total expenses	229	228,183	2,036,655	548,255	51,609	22,156	2,887,087
Provisions	-	827,983	2,645,366	2,493	-	-	3,475,842
Profit / (loss) before tax	(215)	(16,708)	(3,577,721)	(98,199)	(5,687)	122,692	(3,575,838
			As at Decer	nber 31, 201	8 (Audited)		
	Corporate finance	Trading and sales	Branch banking	Islamic	Brokerage business	Others	Total
			(R	upees in '000	0)		
Balance Sheet							
Cash and Bank balances	-	2,090,681	3,499,928	347,536	113,239	-	6,051,384
Investments	-	16,774,074	2,200,302	-	33,397	-	19,007,77
Net inter segment lending	-	700,000	-	10,722,364	-	-	11,422,36
Lendings to financial institutions	-	-	-	-	-	-	
Advances - performing	-	-	40,814,032	5,862,800	926	-	46,677,75
- non-performing	-	-	13,768,955	800,090	-	-	14,569,04
Others	4,010	4,059,629	11,199,049	592,337	247,164	12,189,702	28,291,89
Total assets	4,010	23,624,384	71,482,266	18,325,127	394,726	12,189,702	126,020,21
Borrowings	3	11,076,822	8,165,029	250,000	-	-	19,491,85
Subordinated debt	678	579,924	914,913	-	-	-	1,495,51
Deposits and other accounts	-	-	69,360,913	15,212,719	-	-	84,573,63
Net inter segment borrowing	-	10,722,364	-	700,000	-	-	11,422,36
Others	497	514,859	4,743,509	537,213	103,611	415,668	6,315,35
Total liabilities	1,178	22,893,969	83,184,364	16,699,932	103,611	415,668	123,298,722
Equity	2,832	730,415	(11,702,098)	1,625,195	291,115	11,774,034	2,721,493
Total Equity and liabilities	4,010	23,624,384	71,482,266	18,325,127	394,726	12,189,702	126,020,21
		13.475.014	31.289.074	6.125.410		11.941.246	62.830.74

36.1.1 The Group does not have any operations outside Pakistan.



RELATED PARTY TRANSACTIONS

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

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

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

		June 30, 2	June 30, 2019 (Un-audited)	()		December	December 31, 2018 (Audited)	(pa
	Parent company	Directors	Key Directors management personnel	Other related parties	Parent company	Directors	Key Directors management personnel	Other related parties
			(Rupees in '000)	(Rup	ees in '000) .			
Balances with other banks In current accounts	,							26,457
Investments Opening balance	•		٠	1.713.990	•	'		1.803.185
Investment made during the period / year	•	•			•	,	•	54,983
Investment redeemed / disposed off during the period / year		•	•	•		•	,	(133,317)
Transfer in / (out) - net	•	•	•	(21,500)	•	•	•	(10,861)
Closing balance		•		1,692,490	'	•		1,713,990
Provision for diminution in value of investments	•	•		1,607,067	•	•		1,539,327
Advances								
Opening balance	•	•	259,303	932,302	•	•	409,534	1,213,053
Addition during the period / year	•	•	73,474	408,415	•	•	32,134	3,635,109
Repaid during the period / year	•	•	(55,744)	(407,694)	•	•	(180,248)	(3,915,860)
Transfer in / (out) - net	•	•	(43,228)	(232,991)	'	'	(2,117)	
Closing balance	'	•	233,805	700,032	'		259,303	932,302
Provision held against advances	'	•	•	167,422	'	'	•	

37.



		June 30, 20	June 30, 2019 (Un-audited)	()		December	December 31, 2018 (Audited)	(þa
	1		Key	Other			Key	Other
	Parent	Directors	Directors management	related	Parent	Directors	Directors management	related
	(mbd)		personnel	parties	combany		personnel	parties
				(Rup	ees in '000)		(Rupees in '000)	
Other Assets								
Interest / mark-up accrued	•	•	•	18,378		•	758	22,292
Other receivable	669	•	2,361	•	578	•	2,002	757
Deposits and other accounts								
Opening balance	•	18,463	13,421	1,769,716		32,259	67,291	860,510
Received during the period / year	•	•	151,182	257,860	•	23,465	566,173	16,458,586
Withdrawn during the period / year	•	•	(153,316)	(448,985)		(37,261)	(191,909)	(15,549,380)
Transfer in / (out) - net	•	(18,463)	1,060	(250,336)	'	•	(13,882)	•
Closing balance			12,347	1,328,255	'	18,463	13,421	1,769,716
Other Liabilities								
Interest / mark-up payable	•	•	161	12,997	'	611	325	11,855
Payable to staff retirement fund	•	•	•	115,13		•	•	33,358
Payable to Rupali Bank Limited		•			•	'		16,293
Contingencies and Commitments								
Guarantees, letters of credit and acceptances	•	•	•	248,500			•	918,975
Commitments to extend credit	•	•	•	265,655		•	•	230,337



8,247	•	•	'	73,416	•	•	•
32,145	•	•	'	29,653	•	•	'
37,683	•	•	'	27,902	•	•	•
•	94,741	•	'	•	87,446	•	•
750	1,361	•		•	1,104	•	•
001	•	•	'	•	•	•	•
1,687	•	•	'	•	•	•	•
265	•	•	'	•	•	•	
•	•	1,900		•	•	550	•
17,301	٠	,	'	•	•	'	'
8,410	408	446	'	78,157	372	808	•
1	•	•	'	•	8	•	•
7,499	•	•	'	•	•	•	•
(7,505)	•	•		•	•	•	•
612	•	•		•	•	•	•
•	29	•	'	•	=	•	
53,020	8,976	'	'	40,513	4,780		'
	(Rupees in '000)		(000, ui	(Rupees			
parties	personnel		company	parties	personnel		company
related	Directors management	Directors	rarent	related	Directors management		rarent
Other	Key		-	Other	Key		
(Un-audited)	For the half year ended June 30, 2018 (Un-audited)	f year ende	For the hal	(Un-audited)	For the half year ended June 30, 2019 (Un-audited)	ılf year ende	For the ha

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

Provision for diminution in value of Investments

Contribution to defined contribution plan

- Managerial Remuneration

- Fee and subscription

Charge for defined benefit plan

- Marketing, advertisement and publicity

Training and development

Directors' fees and allowances
 Legal and professional charges

Mark-up / return / interest paid

Expense

Operating expenses:
- Rent and taxes

Income

Mark-up / return / interest earned

Fee and commission income

Foreign exchange income

Other income

Dividend income Loss on securities



(Un-audited) (Audited)

	(Un-audited) June 30,	December 31,
	2019	2018
CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	(Rupees	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	(4,355,887)	(26,579)
Carifol Adams as Batic (CAR)		
Capital Adequacy Ratio (CAR): Eligible Common Equity Tier 1 (CET 1) Capital	(14,419,356)	(7,731,810)
Eligible Additional Tier I (ADT I) Capital	(14,417,330)	(7,731,010)
Total Eligible Tier I Capital	(14,419,356)	(7,731,810)
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier I + Tier 2)	(14,419,356)	(7,731,810)
Risk Weighted Assets (RWAs):		
Credit Risk	80,787,529	82,555,930
Market Risk	5,428,367	8,129,083
Operational Risk	8,564,851	8,723,054
Total	94,780,747	99,408,067
Common Equity Tier 1 Capital Adequacy ratio	-15.21%	-7.78%
Tier I Capital Adequacy Ratio	-15.21%	-7.78%
Total Capital Adequacy Ratio	-15.21%	-7.78%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	(14,419,356)	(7,731,810)
Total Exposures	144,203,037	184,103,481
Leverage Ratio	-10.00%	-4.20%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	13,850,344	27,495,433
Total Net Cash Outflow	18,291,427	31,044,717
Liquidity Coverage Ratio	75.72%	88.57%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	72,611,450	72,435,261
Total Required Stable Funding	71,796,126	82,307,865
Net Stable Funding Ratio	101.14%	88.01%

38.



39. ISLAMIC BANKING BUSINESS

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

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2019

	Nata	(Un-audited) June 30, 2019	(Audited) December 31, 2018
ASSETS	Note	(Rupees	in 000)
Cash and balances with treasury banks		450,362	269,475
Balances with other banks		31,368	78,061
Due from financial institutions	39.1	11,902,679	10,722,364
Investments		-	-
Islamic financing and related assets - net	39.2	4,891,792	6,662,890
Fixed assets		318,065	121,507
Intangible assets		5,750	6,861
Due from Head Office		-	-
Other assets		330,215	463,969
Total Assets		17,930,231	18,325,127
LIABILITIES			
Bills payable		163,800	125,319
Due to financial institutions	39.3	450,000	950,000
Deposits and other accounts	39.4	15,227,422	15,212,719
Due to Head Office		-	-
Subordinated debt Deferred tax liabilities - net		-	-
Other liabilities		/27 277	411.004
Other liabilities		627,277 16,468,499	16,699,932
		10,400,477	10,077,732
NET ASSETS		1,461,732	1,625,195
REPRESENTED BY			
Islamic Banking Fund		1,000,000	1,000,000
Reserves		-	-
Surplus on revaluation of assets		-	-
Unappropriated / unremitted profit		461,732	625,195
		1,461,732	1,625,195



ISLAMIC BANKING BUSINESS PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE PERIOD ENDED JUNE 30, 2019

Profit / return earned 39.6 931,468 819,846 Profit / return expensed 39.7 363,595 396,925 Net Profit / return 567,873 422,921 Other income 24,916 48,510 Fee and commission income - - Dividend income - - Foreign exchange loss (132,359) (16,635) Income / (loss) from derivatives - - Loss on sale of securities (3,090) (903) Other income (105,539) 36,029 Total other (loss) / income (105,539) 36,029 Total Income 462,334 458,950 Other expenses 339,126 346,303 Operating expenses 339,126 346,303 Workers' welfare fund - - - Other charges 247 804 Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 <th></th> <th>Note</th> <th>June 30, 2019 (Rupees</th> <th>June 30, 2018 in '000)</th>		Note	June 30, 2019 (Rupees	June 30, 2018 in '000)
Net Profit / return 567,873 422,921 Other income Fee and commission income 24,916 48,510 Dividend income - - - Foreign exchange loss (132,359) (16,635) Income / (loss) from derivatives - - - Loss on sale of securities (3,090) (903) Other income 4,994 5,057 Total other (loss) / income (105,539) 36,029 Total Income 462,334 458,950 Other expenses 339,126 346,303 Workers' welfare fund - - Other charges 247 804 Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350	Profit / return earned	39.6	931,468	819,846
Other income 24,916 48,510 Dividend income - - Foreign exchange loss (132,359) (16,635) Income / (loss) from derivatives - - Loss on sale of securities (3,090) (903) Other income (105,539) 36,029 Total other (loss) / income (105,539) 36,029 Total Income 462,334 458,950 Other expenses Operating expenses 339,126 346,303 Workers' welfare fund - - - Other charges 247 804 Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350	Profit / return expensed	39.7	363,595	396,925
Tee and commission income Dividend income Dividend income Commission Commissi	Net Profit / return		567,873	422,921
Dividend income	Other income			
Dividend income	Fee and commission income		24,916	48,510
Income / (loss) from derivatives	Dividend income		- 1	-
Loss on sale of securities (3,090) (903) Other income 4,994 5,057 Total other (loss) / income (105,539) 36,029 Total Income 462,334 458,950 Other expenses 339,126 346,303 Workers' welfare fund - - Other charges 247 804 Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - -	Foreign exchange loss		(132,359)	(16,635)
Other income 4,994 5,057 Total other (loss) / income (105,539) 36,029 Total Income 462,334 458,950 Other expenses 339,126 346,303 Workers' welfare fund - - Other charges 247 804 Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - - -	Income / (loss) from derivatives		- 1	-
Total other (loss) / income (105,539) 36,029 Total Income 462,334 458,950 Other expenses 339,126 346,303 Workers' welfare fund - - Other charges 247 804 Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - - -	Loss on sale of securities		(3,090)	(903)
Total Income 462,334 458,950 Other expenses 339,126 346,303 Workers' welfare fund - - Other charges 247 804 Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - - -	Other income		4,994	5,057
Other expenses 339,126 346,303 Workers' welfare fund - - Other charges 247 804 Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - - -	Total other (loss) / income		(105,539)	36,029
Operating expenses 339,126 346,303 Workers' welfare fund - - Other charges 247 804 Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - - -	Total Income		462,334	458,950
Workers' welfare fund Other charges 247 804 Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - -	Other expenses			
Other charges 247 804 Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - -	Operating expenses		339,126	346,303
Total other expenses 339,373 347,107 Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - - -	Workers' welfare fund		-	-
Profit before provisions 122,961 111,843 Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - -	Other charges		247	804
Provisions and write offs - net 286,424 2,493 (Loss) / profit before taxation (163,463) 109,350 Taxation - -	Total other expenses		339,373	347,107
(Loss) / profit before taxation (163,463) 109,350 Taxation - -	Profit before provisions		122,961	111,843
Taxation	Provisions and write offs - net		286,424	2,493
	(Loss) / profit before taxation		(163,463)	109,350
(Loss) / profit after taxation (163,463) 109,350	Taxation		-	-
	(Loss) / profit after taxation		(163,463)	109,350



June 30	0, 2019 (Ur	-audited)	Decemb	per 31, 2018	(Audited
	In Foreign currencies	Lotal		In Foreign currencies	
		(Rupees in '(000)		

Note

39.1 Due from financial institutions

Bai Muajjal Receivable

from other Financial Institutions

39.1.1 11,902,679 - **11,902,679** 10,722,364

702,679 10,722,364 - 10,722,364

450,000

950,000

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

39.2	Islamic financing and related assets	Note	(Un-audited) June 30, E 2019 (Rupees i	December 31, 2018
	ljarah		776,335	919,439
	Murabaha		13,944	16,444
	Running Musharakah		678,960	1,007,981
	Diminishing Musharakah		3,043,010	3,721,717
	İstisna		31,403	31,403
	Tijarah		739,045	1,056,823
	Advance against Murabaha		-	4,042
	Advance against Diminishing Musharakah		-	500
	Gross Islamic financing and related assets		5,282,697	6,758,349
	Less: provision against Islamic financings - Specific		385,498	82,573
	- General		5,407	12,886
			390,905	95,459
	Islamic financing and related assets - net of provision		4,891,792	6,662,890
39.3	Due to financial institutions			
	Secured			
	Acceptances from the SBP under Islamic Export Refinance Scheme		250,000	250,000
	Unsecured			
	Musharakah	39.3.1	200,000	700,000



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

39.4	Deposits	June 30), 2019 (Un-a	udited)	Decemb	per 31, 2018 (Audited)
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
				- (Rupees in '0	00)		
	Customers			•			
	Current deposits	5,398,447	690,494	6,088,941	4,865,906	541,588	5,407,494
	Savings deposits	7,113,412	191,869	7,305,281	7,700,010	127,458	7,827,468
	Term deposits	1,135,915	205,521	1,341,436	1,038,665	95,320	1,133,985
	Margin accounts	271,718	-	271,718	581,337	-	581,337
		13,919,492	1,087,884	15,007,376	14,185,918	764,366	14,950,284
	Financial Institutions						
	Current deposits	80,504	123	80,627	96,313	107	96,420
	Savings deposits	139,419	-	139,419	156,015	-	156,015
	Term deposits	-	-	-	10,000	-	10,000
		219,923	123	220,046	262,328	107	262,435
		14,139,415	1,088,007	15,227,422	14,448,246	764,473	15,212,719

39.4.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs 10,936.551 million (2018: Rs. 8,885.304 million).

39.5	CONTINGENCIES AND COMMITMENTS Guarantees Commitments Other contingent liabilities	2019	(Audited) December 31, 2018 in '000) 4,478,490 1,646,920
		5,183,800	6,125,410
		(Un-au	
		June 30, 2019	June 30, 2018
		,	in '000)
39.6	Profit/Return Earned of Financing, Investments and Placement		
	Profit earned on:		
	Financing	382,543	447,409
	Investments	-	258,005
	Placements	548,642	114,432
	Balances with banks	283	-
		931,468	819,846
39.7	Profit on Deposits and other Dues Expensed		
	Deposits and other accounts	339,624	396,925
	Due to Financial Institutions	8,302	-
	Finance cost of Lease Liability	15,669	-
		363,595	396,925



		` ,) (Audited) December 31, 2018	
39.8		(Rupees	(Rupees in '000)	
37.0	Islamic banking business unappropriated profit			
	Opening balance	625,195	541,772	
	(Less) / add: Islamic banking (loss) / profit for the period	(163,463)	83,423	
	Closing balance	461,732	625,195	

DATE OF AUTHORISATION FOR ISSUE 40

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

President / Chief Executive	Chief Financial Officer	Director	Director	Director
HALFYEAR	LY REPORT JUNE 2019			



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

DHA Phase IV Branch

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

Dhoraji Colony Branch

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

Ex. Dolmen City Branch

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

Electronic Market (Abdullah Haroon Road) Branch

Shop No I & 2, Plot # 19, Ghafoor Chambers, Preedy Quarters, Saddar, Karachi Tel: 021-3271614-8 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. I. Gulistan-e-Jauhar, Karachi Tel: 021-34022259, 34613674, 34016488-9 Fax: 021-34022639



Gulshan-e-Iqbal - 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 I, FB Area, Karimabad, Karachi Tel: 021-36826646-48

Fax: 021-36826649

Khayaban-e-Shahbaz Branch

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

Khayaban-e-Tanzeem Branch

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

Korangi Industrial Area Branch

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

Fax: 021-35114282

M.A. Jinnah Road Branch

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

Tel: 021-32218395, 32218409, 32218428

Fax: 021-32218376

Muhammad Ali Society Branch

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

Fax: 021-34186045

Nazimabad (Gol Market) Branch

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

Fax: 021-36620264

New Challi Branch

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

Fax: 021 - 32422051

North Karachi Industrial Area Branch

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

Fax: 021-36975919

Sea View, Clifton Branch, Karachi

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

Fax: 021 - 3572023

PAF-Base Faisal Branch

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

Paper Market Branch

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

Fax: 021-32639670

Plaza Ouarters 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

Tarig Road Branch

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

Timber Market Branch

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

Malir Cantt Branch

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

Water Pump Branch

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

Com-3, Clifton Branch, Karachi

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

LAHORE

DHA Phase-VI Branch

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

Allama Iqbal Town Branch

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

Azam Cloth Market Branch

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

Badami Bagh Branch

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

Bahria Town Branch

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

Bedian Road Branch

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

Circular Road Branch

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

Darogawala Branch

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

DHA G Block Branch

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



DHAY Block Branch

163, Block Y, Phase III, DHA Lahore Cantt

Tel: 042-35692531-36 Fax: 042-35692690

Egerton Road Branch

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

Fax: 042-36364542

Faisal Town Branch

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

Ferozepur Road Branch

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

Fax: 042-35800094

Gulberg Branch

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

Ichra More Branch

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

Iohar 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 # I, 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-1 I 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, Gujranwala Tel: 055-4800204-06 Fax: 055-4800203

GUJRAT

GT Road Branch

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

Gujrat Branch

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

Katchery Chowk Branch

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

PESHAWAR

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

Fruit Market Branch

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

Hayatabad Branch

Shop# 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 Jinnah Road, Quetta Tel: 081-2301094-95

Fax: 081-2301096

Liaquat Bazar Branch

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

M.A. Jinnah Road Branch

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

Regal Chowk Branch

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

ABBOTTABAD

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

ATTOCK

Hassan Abdal Branch

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



Fateh Jang Branch

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

AZAD KASHMIR

Dadyal Branch

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

Mirpur Azad Kashmir - Branch I

NS Tower 119 F/I, Kotli Road Mirpur, Azad Kashmir Tel: 05827- 437193-97 Fax: 05877-437192

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

Gujar Khan Branch

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



HARIPUR

Haripur Branch

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

HAZRO

Hazro Branch

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

HYDERABAD

Bohri Bazar Hyderabad Branch

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

Latifabad No. 7 Branch

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

Market Chowk Branch

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

Qasimabad Branch

Shop No. 23, 24 & 25, Rani Arcade, 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: 0233-875118

MURIDKE

Muridke Branch

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

NAROWAL

Katchery Road Branch

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

NAWABSHAH

Nawabshah Branch

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

GAWADAR

Gawadar Branch

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

JAMSHORO

Nooriabad Branch

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

Fax: 025-4670434

GILGIT - Rural

Gilgit Branch

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

OKARA

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

Fax: 044-2525356



RABWAH

Rabwah Branch

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

RAHIM YAR 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, Sadiqabad Tel: 068- 5951303 & 5951301-2 Fax: 068-5951300

SAHIWAL

High Street Branch

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

SARGODHA

Sargodha Branch

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

Satellite Town Branch

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

SHIKARPUR

Shikarpur Branch

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

SIALKOT

Kashmir Road Branch

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

Paris Road Branch

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

Small Industrial Area Branch

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

SWABI

Swabi Branch

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

TANDO ALLAHYAR

Tando Allah Yar Branch

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

TURBAT

Main Bazar Branch

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

WAH CANTT

Wah Cantt Branch

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

Fax: 051-4902240



ISLAMIC BANKING BRANCHES

KARACHI

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

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

Tel: 021-32438212, 32472176, 32471796

Fax: 021-32438218

Super Highway Branch

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

Fax: 021-36830162

Fish Harbour Branch

Plot No. L - 2. Block""L"" Fish Harbour, Dockyard Road,

West Wharf, Karachi PABX: 021-32312166-68

Fax: 021-32312165

Zamzama Branch

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

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

IBL Building Centre, Shahrah-e-Faisal, Branch

Ground Floor IBL Building Center at Plot No. 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 Al Nahayaan, Sector-A, DHA Phase-2, Near Al Ghurair, Main Boulevard, Islamabad

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

CHITRAL - RURAL

Chitral Branch

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

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

