

Summit Bank

Ref: SMBL/CSD/2021/11-17

FORM-8

Date: 22.11.2021

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

Subject: Transmission of Quarterly Report for the Period Ended September 30, 2020

Dear Sir,

We have to inform you that the Quarterly Report of Summit Bank Limited for the nine months' period ended September 30, 2020 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

COMMITTED TO YOU

Summit Bank Limited
Company Secretary Division
Summit Tower | Head Office
Level -11, Plot No. G-2, Block - 2, Clifton, Karachi - Pakistan
Direct : +9221-32410851 & 32473205 Fax : +9221-32472193 Website: www.summitbank.com.pk, UAN: 021-1111 24365

BUILDING TODAY SHAPING TOMORROW

QUARTERLY REPORT SEPTEMBER 2020



Summit **S** Bank
Committed to you

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CORPORATE INFORMATION

Board of Directors

Mr. Waseem Mehdi Syed
Chairman

Mr. Jawad Majid Khan
President & CEO

Mr. Wajahat Ahmed Baqai
Director

Mr. Zafar Iqbal Siddiqi
Director

Ms. Fauzia Hasnain
Director

Mr. Aziz Morris
Director

Board Audit Committee

Ms. Fauzia Hasnain
Chairperson

Mr. Wajahat Ahmed Baqai
Member

Mr. Zafar Iqbal Siddiqi
Member

Board Risk Management Committee

Mr. Wajahat Ahmed Baqai
Chairman

Ms. Fauzia Hasnain
Member

Mr. Aziz Morris
Member

Mr. Zafar Iqbal Siddiqi
Member

Board Human Resource & Remuneration Committee

Ms. Fauzia Hasnain
Chairperson

Mr. Zafar Iqbal Siddiqi
Member

Mr. Wajahat Ahmed Baqai
Member

Mr. Jawad Majid Khan
Member

Board Information Technology Committee

Mr. Zafar Iqbal Siddiqi
Chairman

Mr. Aziz Morris
Member

Mr. Waseem Mehdi Syed
Member

Board Compliance Committee

Mr. Wajahat Ahmed Baqai
Chairman

Mr. Waseem Mehdi Syed
Member

Mr. Aziz Morris
Member

Mr. Zafar Iqbal Siddiqi
Member

Chief Financial Officer

Mr. Salman Zafar Siddiqi

Company Secretary

Syed Muhammad Talib Raza

Auditors

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants

Legal Advisors

Hyat & Meerjees

Share Registrar

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

Head Office

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

Registered Office

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

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

VISION

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



MISSION

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



DIRECTORS' REVIEW

On behalf of the Board of Directors, we are pleased to present the Directors' Review of the Bank along with the un-audited financial statements for the nine months period ended September 30, 2020.

THE BANK'S PERFORMANCE

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

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

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

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

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

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

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

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

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

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

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

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

CREDIT RATING

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

ECONOMIC REVIEW

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

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

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

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

The equity market witnessed a strong rally over the September 2020 quarter and the KSE-100 index improved from 34,421 index points to 40,571 index points.

EVENTS AFTER THE BALANCE SHEET DATE

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

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

ACKNOWLEDGEMENT

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

Jawad Majid Khan
President and Chief Executive Officer

Fauzia Hasnain
Director

Summit Bank
November 19, 2021
Karachi

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

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

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

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

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

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

کرڈٹ ریٹنگ

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

اقتصادی جائزہ

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

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

ڈائریکٹرز کا جائزہ

بروز آف ڈائریکٹرز کی جانب سے، ہم بینک کی 30 ستمبر 2020ء کو اختتام پذیر ہونے والی سہ ماہی اور نو مہینوں کے لیے غیر آڈٹ شدہ مالی گوشوارے پیش کرتے ہیں:

کارکردگی کا جائزہ

30 ستمبر 2020ء کے لیے بینک کے مالی نتائج کی جھلکیاں مندرجہ ذیل ہیں:

30 ستمبر 2020ء

روپے ملین میں

(10,556)

99,667

112,689

34,091

33,363

مالی صورت حال

شیئرز ہولڈرز کی ایکویٹی

مجموعی اثاثیں

مجموعی اثاثے

ایڈوانس - خالص

سرمایہ کاریاں - خالص

مالی کارکردگی

خالص سودی آمدنی اور غیر سودی آمدنی (مجموعی آمدنی)

غیر سودی اخراجات

پروویڈنڈز اور رائٹ آفس (نیٹ)

خسارہ قبل از ٹیکس

خسارہ بعد از ٹیکس

خسارہ فی شیئر بنیادی اور سیال (diluted) - روپے

127

3,806

4,183

(7,862)

(5,514)

(2.09)

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

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

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

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

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

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

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

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

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director

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

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

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

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director

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

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

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

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

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

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director

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

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

I. STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

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

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

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

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for banking companies till further instructions. Moreover, the SBP vide BPRD Circular No. 4 of 2015, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' for banks through its notification S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

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

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

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

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

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

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

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

2.6 Critical accounting estimates and judgements

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

3. BASIS OF MEASUREMENT

3.1 Accounting convention

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

3.2 Functional and Presentation Currency

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the unconsolidated financial statements for the year ended December 31, 2019.

5. FINANCIAL RISK MANAGEMENT

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

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

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

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

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

5.1 Credit Risk Management

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

5.2 Liquidity Risk Management

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

5.3 Equity Risk Management

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

5.4 Operational Risk Management

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

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

5.5 Capital Adequacy Ratio (CAR)

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

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

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

8. LENDINGS TO FINANCIAL INSTITUTIONS

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

9. INVESTMENTS

9.1 Investments by type:

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

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

9.1.1 Investments given as collateral - Market Value

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

9.2 Provision for diminution in value of investments

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

9.3 Particulars of provision against debt securities

Category of classification

Domestic

Doubtful
Loss

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

9.4 Pursuant to the applicable Prudential Regulations, the Bank had availed the Forced Sale Value (FSV) benefit of securities / collaterals held against a non-performing investment. Had this FSV benefit not been availed by the Bank, the specific provision against investments as at September 30, 2020 would have been higher by Rs. Nil (December 31, 2019: Rs. 21.802 million). This had a net of tax positive impact of Rs. Nil (December 31, 2019: Rs. 14.171 million) on the profit and loss account. As per the applicable Prudential Regulations, the positive impact of FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

10. ADVANCES

	Performing		Non Performing		Total	
	(Un-audited) September 30, 2020	(Audited) December 31, 2019	(Un-audited) September 30, 2020	(Audited) December 31, 2019	(Un-audited) September 30, 2020	(Audited) December 31, 2019
Note	----- (Rupees in '000) -----					
Loans, cash credits, running finances, etc.	22,253,439	27,027,711	39,210,457	39,955,184	61,463,896	66,982,895
Islamic financing and related assets	3,279,233	3,767,335	901,845	809,541	4,181,078	4,576,876
Bills discounted and purchased	278,050	549,377	77,089	77,089	355,139	626,466
Advances - gross	25,810,722	31,344,423	40,189,391	40,841,814	66,000,113	72,186,237
Provision against advances						
- Specific	-	-	(31,884,909)	(28,903,404)	(31,884,909)	(28,903,404)
- General	(24,006)	(40,508)	-	-	(24,006)	(40,508)
	(24,006)	(40,508)	(31,884,909)	(28,903,404)	(31,908,915)	(28,943,912)
Advances - net of provision	25,786,716	31,303,915	8,304,482	11,938,410	34,091,198	43,242,325

10.1 Particulars of advances (Gross)

In local currency
In foreign currencies

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

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

Category of Classification

Domestic

Other Assets Especially Mentioned
Substandard
Doubtful
Loss

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

11.3 Transfer / Disposal of fixed assets

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

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

12. INTANGIBLE ASSETS

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

12.1 Capital work-in-progress

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

12.2 Intangible assets in use

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

12.3 Additions to intangible assets

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

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

13. DEFERRED TAX ASSETS

September 30, 2020 (Un-audited)			
At January 01, 2020	Recognised in profit and loss account	Recognised in other comprehensive income	At September 30, 2020
----- (Rupees in '000) -----			
Deductible Temporary Differences on			
- Tax losses carried forward	5,889,304	1,365,404	-
- Provision against advances, off balance sheet etc.	5,826,396	903,707	-
- Provision for impairment loss - Investment	1,594,486	114,224	-
- Provision against intangible assets	43,107	-	-
- Staff compensated absences	38,358	2,434	-
- Unrealized gain on forward exchange contracts	4,294	6,844	-
- Provision against other assets	149,656	-	-
	13,545,601	2,392,613	-
			15,938,214
Taxable Temporary Differences on			
- Deficit / (surplus) on revaluation of investments	30,262	-	(279,288)
- Unrealised loss on HFT Portfolio	108	(282)	-
- Surplus on revaluation of fixed assets	(1,026,325)	-	23,249
- Surplus on revaluation of property - held for sale	(406,274)	-	-
- Surplus on revaluation of non-banking assets	(156,349)	-	-
- Accelerated tax depreciation	(380,630)	24,420	-
	(1,939,208)	24,138	(256,039)
			(249,026)
			(174)
			(1,003,076)
			(406,274)
			(156,349)
			(356,210)
	11,606,393	2,416,751	(256,039)
			13,767,105
December 31, 2019 (Audited)			
At January 01, 2019	Recognised in profit and loss account	Recognised in other comprehensive income	At December 31, 2019
----- (Rupees in '000) -----			
Deductible Temporary Differences on			
- Tax losses carried forward	3,811,924	2,077,380	-
- Deficit on revaluation of investments	586,669	-	(556,407)
- Provision against advances, off balance sheet etc.	3,433,882	2,392,514	-
- Provision for impairment loss - Investment	1,145,074	449,412	-
- Provision against intangible assets	43,107	-	-
- Staff compensated absences	35,380	2,978	-
- Unrealised Loss on HFT Portfolio	-	108	-
- Unrealized gain on forward exchange contracts	3,078	1,216	-
- Provision against other assets	149,656	-	-
	9,208,770	4,923,608	(556,407)
			13,575,971
Taxable Temporary Differences on			
- Surplus on revaluation of fixed assets	(1,063,624)	-	37,299
- Surplus on revaluation of property - held for sale	(406,274)	-	-
- Surplus on revaluation of non-banking assets	(141,353)	-	(14,996)
- Accelerated tax depreciation	(382,530)	1,900	-
	(1,993,781)	1,900	22,303
			(1,969,578)
	7,214,989	4,925,508	(534,104)
			11,606,393

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

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

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

		(Un-audited) September 30, 2020	(Audited) December 31, 2019
		----- (Rupees in '000) -----	
14.2 Provision held against other assets			
Income / mark-up accrued in local currency		1,389	1,389
Advances, deposits, advance rent and other prepayments		79,664	79,664
Non banking assets acquired in satisfaction of claims		290,547	290,547
Commission receivable on guarantees		9,880	9,880
Receivable from Dewan Group		34,436	34,436
Account receivable - sundry claims		137,617	136,048
Receivable from Speedway Fondmetal (Pakistan) Limited		25,694	25,694
Others		59,452	9,452
		<u>638,679</u>	<u>587,110</u>

14.2.1 Movement in provision held against other assets

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

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

15. CONTINGENT ASSETS

There were no contingent assets at the balance sheet date.

16. BILLS PAYABLE

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

17. BORROWINGS

Secured

Borrowings from State Bank of Pakistan

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

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

Unsecured

Overdrawn nostro accounts

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

17.1 Particulars of borrowings with respect to currencies

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

18. DEPOSITS AND OTHER ACCOUNTS

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

Customers

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

Financial institutions

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

	91,751,264	7,915,932	99,667,196	82,543,573	6,023,917	88,567,490
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18.1 Deposits include Eligible Deposits of Rs. 63,882.633 million (December 31, 2019: Rs. 55,745.364 million) protected under Depositors Protection Mechanism introduced by the State Bank of Pakistan.

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

19. SUBORDINATED DEBT

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

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

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

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

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
Note	----- (Rupees in '000) -----	
20. OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	1,115,870	1,229,525
Mark-up / return / interest payable in foreign currencies	232	459
Unearned income	10,038	8,986
Accrued expenses	78,960	77,216
Advance against sale of property	432,331	476,544
Acceptances	296,989	453,864
Unclaimed dividends	2,213	2,213
Mark to market loss on forward foreign exchange contracts	31,892	18,348
Payable to defined benefit plan	24,289	134,673
Charity fund balance	1,920	504
Branch adjustment account	-	80
Security deposits against lease	531,913	639,574
Payable to Bangladesh Bank	41,389	41,389
Payable to Rupali Bank - Bangladesh	16,293	16,293
Payable to vendors / creditors	201,454	199,376
Provision for compensated absences	116,544	109,592
Payable to Bank of Ceylon, Colombo	20,163	20,163
Retention money	20,166	29,374
Workers' welfare fund	13,360	13,360
Withholding taxes and government levies payable	30,103	26,010
Federal excise duty and sales tax payable	5,259	10,135
Commission payable on home remittances	25,148	137,909
Lease liability against right-of-use assets	2,112,490	2,119,682
Others	356,930	324,871
	<u>5,485,946</u>	<u>6,090,140</u>
21. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS		
Surplus / (deficit) on revaluation of		
- Available for sale securities	9.1 711,502	(86,463)
- Fixed assets	3,501,582	3,568,007
- Non-banking assets acquired in satisfaction of claims	14 446,712	446,712
- Property - held for sale	14 1,160,784	1,160,784
	5,820,580	5,089,040
Deferred tax on surplus / (deficit) on revaluation of:		
- Available for sale securities	(249,026)	30,262
- Fixed assets	(1,003,076)	(1,026,325)
- Non-banking assets acquired in satisfaction of claims	(156,349)	(156,349)
- Property - held for sale	(406,274)	(406,274)
	(1,814,725)	(1,558,686)
	<u>4,005,855</u>	<u>3,530,354</u>
22. CONTINGENCIES AND COMMITMENTS		
- Guarantees	22.1 13,130,339	19,912,355
- Commitments	22.2 23,208,910	24,718,660
- Other contingent liabilities	22.3 18,395,269	11,632,928
	<u>54,734,518</u>	<u>56,263,943</u>
22.1 Guarantees:		
Financial guarantees	23,677	23,677
Performance guarantees	11,289,721	16,025,962
Other guarantees	1,816,941	3,862,716
	<u>13,130,339</u>	<u>19,912,355</u>

		(Un-audited) September 30, 2020	(Audited) December 31, 2019
	Note	----- (Rupees in '000) -----	
22.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit		2,105,363	6,953,447
Commitments in respect of:			
- forward foreign exchange contracts	22.2.1	6,617,217	5,507,866
- forward lending	22.2.2	6,762,466	6,598,509
- operating leases	22.2.3	50,005	46,310
Commitments for acquisition of:			
- operating fixed assets		2,491	75,637
- intangible assets		113,197	96,175
Other commitments	22.2.4	7,558,171	5,440,716
		<u>23,208,910</u>	<u>24,718,660</u>
22.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		6,226,391	4,815,225
Sale		390,826	692,641
		<u>6,617,217</u>	<u>5,507,866</u>
22.2.2 Commitments in respect of forward lending			
Forward documentary bills		4,694,061	4,465,388
Undrawn formal standby facilities, credit lines and other commitments to lend	22.2.2.1	2,068,405	2,133,121
		<u>6,762,466</u>	<u>6,598,509</u>
22.2.2.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.			
22.2.3 Commitments in respect of operating lease		(Un-audited) September 30, 2020	(Audited) December 31, 2019
		----- (Rupees in '000) -----	
Not later than one year		50,005	46,310
Later than one year and not later than five years		-	-
Later than five years		-	-
		<u>50,005</u>	<u>46,310</u>
22.2.4 Other commitments			
Purchase (Repo)		7,558,171	5,440,716
22.3 Other contingent liabilities - claims against the Bank not acknowledged as debts		<u>18,395,269</u>	<u>11,632,928</u>
22.4 During the year 2018, Law Enforcement Agencies (LEAs) initiated its investigation on certain bank accounts alleged for money laundering activities in various banks including Summit Bank Limited. The Honourable Supreme Court of Pakistan under Suo Moto Case HRC-39216-G, appointed a Joint Investigation Team (JIT) which was constituted to investigate the matter. On recommendation of JIT, the matter was referred by the Honourable Supreme Court to the National Accountability Bureau (NAB) for further investigation and filing of references in the National Accountability Courts. The matter is currently under NAB investigations and only partial references have been filed in the NAB Courts. The Bank has been and is committed to extending its full cooperation to the Law Enforcement Agencies in their investigations to the best extent possible and the matter is currently sub judice. These proceedings in the opinion of the management will not have any effect on the operations and functioning of the Bank.			
22.5 Contingency for tax payable			
Contingency related to tax payable is disclosed in note 31.2.			

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

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

		(Un-audited) Nine months ended	
		September 30, 2020	September 30, 2019
		----- (Rupees in '000) -----	
28.1	Total compensation expense	Note	
	Fees and allowances etc.	17,067	26,538
	Managerial remuneration		
	i) Fixed	793,463	763,668
	ii) Variable		
	of which;		
	a) Cash bonus / awards etc.	4,228	4,269
	b) Incentives and commission	846	1,323
	Charge for defined benefit plan	38,821	42,230
	Contribution to defined contribution plan	49,750	41,678
	Charge for employees compensated absences	12,732	10,499
	Rent and house maintenance	256,067	247,327
	Utilities	56,902	54,958
	Medical	58,800	57,285
	Total	<u>1,288,676</u>	<u>1,249,775</u>
29.	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	16,775	24,457
	Bank charges	16,737	16,618
		<u>33,512</u>	<u>41,075</u>
30.	PROVISIONS AND WRITE OFFS - NET		
	Provisions for diminution in value of investments	326,355	1,165,728
	Provisions against loans and advances	3,805,296	6,960,102
	Provision against other assets	51,569	2,531
	Fixed assets written off	48	-
	Bad debts written off directly	972	128
	Balance with other banks written off	-	30
	Recoveries against written off / charged off bad debts	(602)	-
		<u>4,183,638</u>	<u>8,128,519</u>
31.	TAXATION		
	Current	31.1 & 31.2 69,028	65,673
	Prior years	-	-
	Deferred	(2,416,751)	(4,074,871)
		<u>(2,347,723)</u>	<u>(4,009,198)</u>
31.1	This represents the provision for minimum taxation made in accordance with the requirements of section 113 of the Income Tax Ordinance, 2001. Therefore, reconciliation of tax expense and accounting profit / loss has not been disclosed.		
31.2	The Income Tax Returns of the Bank have been submitted up to and including the Bank's financial year ended December 31, 2018 i.e. tax year 2019.		
	In respect of assessments of Summit Bank Limited from tax year 2008 to tax year 2014, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand (net of rectification) of Rs. 230.52 million through amended assessment orders and the same have been paid / adjusted against available refunds.		
	In respect of assessments of Summit Bank Limited AJK Region from tax year 2013 to tax year 2017, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand of Rs. 9.684 million through amended assessment orders and the same have been paid / adjusted against advance tax paid.		
	In respect of assessments of ex-My Bank Limited (now Summit Bank Limited) from tax year 2003 to tax year 2011, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand of Rs. 456.62 million through amended assessment orders and the same have been paid / adjusted against available refunds.		
	In respect of assessments of ex-Atlas Bank Limited (now Summit Bank Limited) from tax year 2003 to tax year 2010, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand of Rs. 89.74 million through amended assessment orders and the same have been paid/adjusted against available refunds.		

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

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

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

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

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

34. FAIRVALUE MEASUREMENTS

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

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

34.1 Fair value of financial assets

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

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

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

September 30, 2020 (Un-audited)			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			

On balance sheet financial instruments

Financial assets - measured at fair value

Investments				
- Federal Government Securities	-	31,108,534	-	31,108,534
- Shares - Listed	2,021,146	-	-	2,021,146

Financial assets - disclosed but not measured at fair value

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

Non-Financial assets - measured at fair value

Operating fixed assets	-	-	7,242,987	7,242,987
Non banking assets acquired in satisfaction of claims	-	-	2,873,180	2,873,180

Off-balance sheet financial instruments - measured at fair value

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

December 31, 2019 (Audited)			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			

On balance sheet financial instruments

Financial assets - measured at fair value

Investments				
- Federal Government Securities	-	19,636,066	-	19,636,066
- Shares - Listed	1,830,984	-	-	1,830,984

Financial assets - disclosed but not measured at fair value

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

Non-Financial assets - measured at fair value

Operating fixed assets	-	-	7,375,471	7,375,471
Non banking assets acquired in satisfaction of claims	-	-	2,905,992	2,905,992

Off-balance sheet financial instruments - measured at fair value

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

Valuation techniques used in determination of fair value

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

35. SEGMENT INFORMATION

35.1 Segment Details with respect to business activities

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

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

For the nine months period ended September 30, 2019 (Un-audited)					
Corporate finance	Trading and sales	Branch banking	Islamic	Others	Total
(Rupees in '000)					
Profit and loss					
Net mark-up / return / profit	29,440	(821,786)	(5,249)	-	(797,899)
Inter segment revenue - net	(900,378)	-	900,378	-	-
Non mark-up / return / interest income	6,813	568,769	(56,894)	-	973,253
Total income	6,509	(302,169)	838,235	-	175,354
Segment direct expenses	1,589	232,895	3,521,343	212,831	4,001,550
Inter segment expense allocation	-	-	(189,404)	189,404	-
Total expenses	1,589	232,895	3,331,939	402,235	4,001,550
Provisions	-	1,165,728	6,306,111	656,680	8,128,519
Profit / (loss) before tax	4,920	(1,700,792)	(10,005,271)	(32,892)	(11,954,715)
As at December 31, 2019 (Audited)					
Corporate finance	Trading and sales	Branch banking	Islamic	Others	Total
(Rupees in '000)					
Balance Sheet					
Cash and bank balances	-	1,870,617	4,211,474	462,275	6,544,366
Investments	-	20,120,181	1,557,319	-	21,959,499
Net inter segment lending	-	-	-	14,001,113	14,001,113
Lendings to financial institutions	-	791,272	-	200,000	991,272
Advances - performing	-	-	27,548,061	3,755,854	31,303,915
Advances - non-performing	-	-	11,863,059	75,351	11,938,410
Others	36,596	4,068,744	16,416,347	735,424	33,138,076
Total assets	36,596	26,850,814	61,596,260	19,230,017	119,876,651
Borrowings	465	5,491,088	7,763,227	250,000	13,504,780
Subordinated debt	4,063	440,405	1,051,047	-	1,495,515
Deposits and other accounts	-	-	73,119,266	15,448,224	88,567,490
Net inter segment borrowing	-	14,001,113	-	1,989,042	14,001,113
Others	2,651	319,515	5,156,226	438,542	7,905,976
Total liabilities	7,179	20,252,121	87,089,766	17,687,266	125,474,874
Equity	29,417	6,598,693	(25,493,506)	1,542,751	(5,598,223)
Total equity and liabilities	36,596	26,850,814	61,596,260	19,230,017	119,876,651
Contingencies and Commitments	-	10,736,460	28,582,452	5,140,291	56,263,943

35.1.1 The Bank does not have any operations outside Pakistan.

36. RELATED PARTY TRANSACTIONS

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

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

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

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

	September 30, 2020 (Un-audited)				December 31, 2019 (Audited)			
	Parent company	Directors management personnel	Subsidiary	Other related parties	Parent company	Directors management personnel	Subsidiary	Other related parties
Other Assets	(Rupees in '000)							
Interest / mark-up accrued	-	-	-	11,320	-	-	-	11,320
Other receivable	699	94	-	-	699	375	-	-
Provision held against other assets	-	-	-	-	-	-	-	-
Deposits and other accounts								
Opening balance	-	20,042	92,926	1,512,961	-	18,463	102,458	1,769,716
Received during the period / year	-	181,200	3,209,113	1,229,835	-	-	7,270,665	852,565
Withdrawn during the period / year	-	(172,374)	(3,152,936)	(1,558,649)	-	-	(7,280,197)	(848,128)
Transfer (out) / in - net	-	38,423	-	830,523	-	(18,463)	78	(261,192)
Closing balance	-	67,291	149,103	2,014,670	-	-	92,926	1,512,961
Other Liabilities								
Interest / mark-up payable	-	488	58	10,689	-	-	103	16,293
Payable to defined benefit plan	-	-	-	24,289	-	-	-	134,673
Brokerage payable	-	-	342	-	-	-	127	-
Contingencies and Commitments								
Guarantees, letters of credit and acceptances	-	-	-	280,699	-	-	-	86,500
Commitments to extend credit	-	-	400,000	6,645	-	-	400,000	9,915

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

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

37. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

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

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses) (14,715,877) (9,282,739)

Capital Adequacy Ratio (CAR):

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

Risk Weighted Assets (RWAs):

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

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

Leverage Ratio (LR):

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

Liquidity Coverage Ratio (LCR):

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

Net Stable Funding Ratio (NSFR):

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

38. ISLAMIC BANKING BUSINESS

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

STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2020

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

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

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

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

Note

(Rupees in '000)

38.1 Due from Financial Institutions

Unsecured

Bai Muajjal Receivable from other

Financial Institutions

Musharakah

38.1.1	12,321,403	-	12,321,403	14,001,113	-	14,001,113
38.1.2	-	-	-	200,000	-	200,000
	12,321,403	-	12,321,403	14,201,113	-	14,201,113

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

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

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

(Rupees in '000)

38.2 Investments by segments:

Federal Government Securities:

- GOP Ijarah Sukuks

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

Total Investments

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

38.3 Islamic financing and related assets

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

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

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

Less: provision against Islamic financings

- Specific

- General

(749,042)	(734,190)
(6,100)	(11,481)
(755,142)	(745,671)

Islamic financing and related assets - net of provision

3,425,936 3,831,205

38.4 Due to financial institutions

Secured

Acceptances from the SBP under Islamic Export Refinance Scheme

300,000 250,000

Unsecured

Musharakah

38.4.1 1,000,000 -

1,300,000 250,000

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

38.5 Deposits

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

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

38.6 Islamic Banking Business Unappropriated Profit

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

38.7 CONTINGENCIES AND COMMITMENTS

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

38.8 Profit / Return Earned of Financing, Investments and Placement

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

38.9 Profit on Deposits and other Dues Expensed

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

39. DATE OF AUTHORISATION FOR ISSUE

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director

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

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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

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

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director

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

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

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

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director

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

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

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

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director

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

	Share capital		Capital reserves		Surplus / (deficit) on revaluation of			Revenue reserve	
	Share premium	Statutory reserve	Reserve arising on amalgamation	Investments	Fixed / Non banking assets	Property held for sale	Accumulated losses	Total	
	(Rupees in '000)								
Balance as at January 01, 2019 (Audited)	20,500,194	1,000,000	154,162	(1,579,205)	(1,072,442)	2,911,842	754,510	(19,947,568)	2,721,493
Loss after taxation for the nine months period ended September 30, 2019	-	-	-	-	-	-	-	(7,977,449)	(7,977,449)
Other comprehensive income - net of tax	-	-	-	-	474,066	26,812	-	-	500,878
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(75,706)	-	75,706	-
Surplus realized on disposal of fixed assets	-	-	-	-	-	(15,911)	-	15,911	-
Surplus realized on disposal of non-banking assets	-	-	-	-	-	(902)	-	902	-
Balance as at October 01, 2019 (Un-audited)	20,500,194	1,000,000	154,162	(1,579,205)	(598,376)	2,846,135	754,510	(27,832,498)	(4,755,078)
Loss after taxation for the three months period ended December 31, 2019	-	-	-	-	-	-	-	(1,509,469)	(1,509,469)
Other comprehensive income - net of tax	-	-	-	-	557,514	39,240	-	1,911	598,665
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(25,169)	-	25,169	-
Surplus realized on disposal of fixed assets	-	-	-	-	-	(28,161)	-	28,161	-
Surplus realized on disposal of non-banking assets	-	-	-	-	-	-	-	-	-
Balance as at January 01, 2020 (Audited)	20,500,194	1,000,000	154,162	(1,579,205)	(40,862)	2,832,045	754,510	(29,286,726)	(5,665,882)
Loss after taxation for the nine months period ended September 30, 2020	-	-	-	-	-	-	-	(5,498,302)	(5,498,302)
Other comprehensive income - net of tax	-	-	-	-	525,121	23,249	-	14,532	562,902
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(66,425)	-	66,425	-
Surplus realized on disposal of fixed assets	-	-	-	-	-	-	-	-	-
Surplus realized on disposal of non-banking assets	-	-	-	-	-	-	-	-	-
Balance as at September 30, 2020 (Un-audited)	20,500,194	1,000,000	154,162	(1,579,205)	484,259	2,788,869	754,510	(34,704,071)	(10,601,282)

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

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

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director

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

FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

I. STATUS AND NATURE OF BUSINESS

I.1 The Group comprises of:

I.1.1 Holding Company: Summit Bank Limited

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

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

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

I.1.2 Subsidiary

Summit Capital Private Limited - 100 % Shareholding

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

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

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

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

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

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

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

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

2. BASIS OF PRESENTATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

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

The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for banking companies till further instructions. Moreover, the SBP vide BPRD Circular No. 4 of 2015, dated February 25, 2015 has deferred the applicability of Islamic Financial Accounting Standards (IFAS) 3, Profit and Loss Sharing on Deposits. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' for banks through its notification S.R.O. 41 I(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

2.3 Basis of consolidation

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

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

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

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

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

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

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

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

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

2.8 Critical accounting estimates and judgements

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

3. BASIS OF MEASUREMENT

3.1 Accounting convention

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

3.2 Functional and Presentation Currency

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2019.

5. FINANCIAL RISK MANAGEMENT

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

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

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

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

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

5.1 Credit Risk Management

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

5.2 Liquidity Risk Management

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

5.3 Equity Risk Management

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

5.4 Operational Risk Management

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

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

5.5 Capital Adequacy Ratio (CAR)

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

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

8. LENDINGSTO FINANCIAL INSTITUTIONS

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

9. INVESTMENTS

9.1 Investments by type:

Held-for-trading securities

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

Available-for-sale securities

Federal Government Securities

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

Shares

- Fully paid up ordinary shares - Listed	4,152,347	(2,871,477)	763,419	2,044,289	4,152,347	(2,801,965)	495,065	1,845,447
- Fully paid up ordinary shares - Unlisted	14,475	(1,000)	-	13,475	14,475	(1,000)	-	13,475
- Preference shares - Unlisted	46,035	(46,035)	-	-	46,035	-	-	46,035

Non Government Debt Securities

- Term Finance Certificates	1,598,325	(1,598,325)	-	-	1,600,350	(1,437,765)	-	162,585
- Sukuk Bonds	200,000	(200,000)	-	-	200,000	(200,000)	-	-
	37,149,850	(4,716,837)	733,285	33,166,298	26,215,462	(4,440,730)	(71,124)	21,703,608

Total Investments

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

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

9.2 Provision for diminution in value of investments

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

9.3 Particulars of provision against debt securities

Category of classification

Domestic

Doubtful
Loss

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

9.4 Pursuant to the applicable Prudential Regulations, the Group had availed the Forced Sale Value (FSV) benefit of securities / collaterals held against a non-performing investment. Had this FSV benefit not been availed by the Group, the specific provision against investments as at September 30, 2020 would have been higher by Rs. Nil (December 31, 2019: Rs. 21.802 million). This had a net of tax positive impact of Rs. Nil (December 31, 2019: Rs. 14.171 million) on the profit and loss account. As per the applicable Prudential Regulations, the positive impact of FSV benefit is not available for distribution either as cash or stock dividend to shareholders and bonus to employees.

10. ADVANCES

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

10.1 Particulars of advances (Gross)

In local currency
In foreign currencies

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

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

Category of Classification

Domestic

Other Assets Especially Mentioned
Substandard
Doubtful
Loss

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

10.3 Particulars of provision against advances

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

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

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

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

10.3.3 As at December 31, 2019, the SBP had granted relaxation in provisioning requirements in respect of exposure in Dewan Group. Had this relaxation not been available, provision against loans and advances would have been higher by Rs. 205.502 million.

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

	(Un-audited)	
	September 30, 2020	September 30, 2019
(Rupees in '000)		
11.2 Additions to fixed assets		
The following additions have been made to fixed assets during the period:		
Capital work-in-progress	2,615	-
Property and equipment		
Building improvements	73,257	296,394
Furniture and fixture	1,823	64,528
Electrical, office and computer equipment	39,930	67,437
Vehicles	166	-
	115,176	428,359
Right-of-use assets	291,184	2,136,508
	408,975	2,564,867

11.3 Transfer / Disposal of fixed assets

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

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

12. INTANGIBLE ASSETS

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

12.1 Capital work-in-progress

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

12.2 Intangible assets in use

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

12.3 Additions to intangible assets

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

Directly purchased	2,785	12,116
--------------------	-------	--------

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

13. DEFERRED TAX ASSETS

Deductible Temporary Differences on

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

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

Taxable Temporary Differences on

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

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

December 31, 2019 (Audited)

Deductible Temporary Differences on

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

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

Taxable Temporary Differences on

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

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

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

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

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

	(Un-audited)	(Audited)	
	September 30,	December 31,	
	2020	2019	
14.2 Provision held against other assets	----- (Rupees 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 guarantees	9,880	9,880	
Receivable from Dewan Group	34,436	34,436	
Account receivable - sundry claims	200,757	199,188	
Receivable from Speedway Fondmetal (Pakistan) Limited	25,694	25,694	
Others	59,451	9,451	
	701,818	650,249	

14.2.1 Movement in provision held against other assets

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

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

There were no contingent assets at the balance sheet date.

6. BILLS PAYABLE

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

17. BORROWINGS

Secured

Borrowings from State Bank of Pakistan

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

Repurchase agreement borrowings **1,597,504** -

Total secured **14,692,796** 13,333,725

Unsecured

Overdrawn nostro accounts **44,083** 171,055

Total unsecured **44,083** 171,055

14,736,879 13,504,780

17.1 Particulars of borrowings with respect to currencies

In local currency **14,692,796** 13,333,725

In foreign currencies **44,083** 171,055

14,736,879 13,504,780

18. DEPOSITS AND OTHER ACCOUNTS

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

Customers

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

Financial institutions

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

91,602,161 **7,915,932** **99,518,093** 82,450,647 6,023,917 88,474,564

18.1 Deposits include Eligible Deposits of Rs. 63,882.633 million (December 31, 2019: Rs. 55,745.364 million) protected under Depositors Protection Mechanism introduced by the State Bank of Pakistan.

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

19. SUBORDINATED DEBT

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

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

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

Rating 'D' (Default).

Security Unsecured.

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

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

Call option The Bank had an option to call the TFCs subject to SBP's prior written approval, on any profit payment date after the 60th month from the last day of public subscription, with not less than 30 days prior notice to be given to the Trustee. The Call option once announced will not be revocable. Further, no premium will be paid to the TFC Holders in case the call option is exercised by the Bank.

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

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

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

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

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

		(Un-audited) Nine months ended	
		September 30, 2020	September 30, 2019
		----- (Rupees in '000) -----	
28.1	Total compensation expense	Note	
	Fees and allowances etc.	17,067	29,416
	Managerial remuneration		
	i) Fixed	826,651	797,940
	ii) Variable		
	of which;		
	a) Cash bonus / awards etc.	4,228	4,269
	b) Incentives and commission	4,194	3,738
	Charge for defined benefit plan	41,071	44,480
	Contribution to defined contribution plan	51,889	43,800
	Charge for employees compensated absences	13,750	10,640
	Rent and house maintenance	256,067	247,327
	Utilities	56,902	54,958
	Medical	60,223	58,546
	Employee old age benefit institution	406	377
	Total	<u>1,332,448</u>	<u>1,295,491</u>
29.	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	16,775	24,457
	Bank charges	16,751	16,648
		<u>33,526</u>	<u>41,105</u>
30.	PROVISIONS AND WRITE OFFS - NET		
	Provisions for diminution in value of investments	276,107	1,165,728
	Provisions against loans and advances	3,805,296	6,960,102
	Provision against other assets	51,569	2,531
	Fixed assets written off	48	-
	Bad debts written off directly	972	128
	Balance with other banks written off	-	30
	Recoveries against written off / charged off bad debts	(602)	-
		<u>4,133,390</u>	<u>8,128,519</u>
31.	TAXATION		
	Current	31.1 & 31.2	73,801
	Prior years		157
	Deferred		(4,074,871)
			<u>(2,325,664)</u>
			<u>(4,004,710)</u>
31.1	This represents the provision for minimum taxation made in accordance with the requirements of section 113 of the Income Tax Ordinance, 2001. Therefore, reconciliation of tax expense and accounting profit / loss has not been disclosed.		
31.2	The Income Tax Returns of the Bank and its subsidiary have been submitted up to and including financial year ended December 31, 2018 i.e. tax year 2019.		
	In respect of assessments of Summit Bank Limited from tax year 2008 to tax year 2014, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand (net of rectification) of Rs. 230.52 million through amended assessment orders and the same have been paid / adjusted against available refunds.		
	In respect of assessments of Summit Bank Limited AJK Region from tax year 2013 to tax year 2017, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand of Rs. 9.684 million through amended assessment orders and the same have been paid / adjusted against advance tax paid.		
	In respect of assessments of ex-My Bank Limited (now Summit Bank Limited) from tax year 2003 to tax year 2011, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand of Rs. 456.62 million through amended assessment orders and the same have been paid / adjusted against available refunds.		
	In respect of assessments of ex-Atlas Bank Limited (now Summit Bank Limited) from tax year 2003 to tax year 2010, the tax authorities disputed Bank's treatment on certain issues and created additional tax demand of Rs. 89.74 million through amended assessment orders and the same have been paid/adjusted against available refunds.		

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

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

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

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

		(Un-audited) Nine months ended	
		September 30, 2020	September 30, 2019
		----- (Rupees in '000) -----	
33.	CASH AND CASH EQUIVALENTS		
	Cash and balances with treasury banks	10,275,859	5,308,830
	Balances with other banks	934,543	914,779
	Overdrawn nostro accounts	(44,083)	(115,991)
		<u>11,166,319</u>	<u>6,107,618</u>

34. FAIRVALUE MEASUREMENTS

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

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

34.1 Fair value of financial assets

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

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

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

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

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

Valuation techniques used in determination of fair value

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

35. SEGMENT INFORMATION

35.1 Segment Details with respect to business activities

For the nine months period ended September 30, 2020 (Un-audited)							
Corporate finance	Trading and sales	Branch banking	Islamic	Brokerage business	Others	Total	
(Rupees in '000)							
Profit and loss							
Net mark-up / return / profit	(430)	767,295	(1,730,645)	(252,744)	4,362	-	(1,212,162)
Inter segment revenue - net	-	(1,048,975)	-	1,048,975	-	-	-
Non mark-up / return / interest income	14,290	1,045,591	296,2355	(15,125)	54,754	-	1,395,865
Total income	13,860	763,911	(1,434,290)	781,106	59,116	-	183,703
Segment direct expenses	1,655	343,295	3,216,836	208,169	71,512	32,812	3,874,279
Inter segment expense allocation	-	-	(342,312)	342,312	-	-	-
Total expenses	1,655	343,295	2,874,524	550,481	71,512	32,812	3,874,279
Provisions	-	276,107	3,797,812	59,471	-	-	4,133,390
Profit / (loss) before tax	12,205	144,509	(8,106,626)	171,154	(12,396)	(32,812)	(7,823,966)

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

For the nine months period ended September 30, 2019 (Un-audited)						
Corporate finance	Trading and sales	Branch banking	Islamic	Brokerage business	Others	Total
(Rupees in '000)						
Profit and loss						
Net mark-up / return / profit	(304)	29,440	(821,786)	(5,249)	6,447	(791,452)
Inter segment revenue - net	-	(900,378)	-	900,378	-	-
Non mark-up / return / interest income	6,813	568,769	451,897	(56,894)	38,051	1,008,636
Total income	6,509	(302,169)	(369,889)	838,235	44,498	217,184
Segment direct expenses	1,589	232,895	3,518,675	212,831	71,942	4,070,824
Inter segment expense allocation	-	-	(189,404)	189,404	-	-
Total expenses	1,589	232,895	3,329,271	402,235	71,942	4,070,824
Provisions	-	1,165,728	6,306,111	656,680	-	8,128,519
Profit / (loss) before tax	4,920	(1,700,792)	(10,005,271)	(220,680)	(27,444)	(11,982,159)

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

35.1.1 The Bank does not have any operations outside Pakistan.

36. RELATED PARTY TRANSACTIONS

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

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

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

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

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

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

37. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

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

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

Capital Adequacy Ratio (CAR):

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

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

Eligible Additional Tier-1 (ADT-1) Capital

- -

Total Eligible Tier-1 Capital

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

Eligible Tier-2 Capital

- -

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

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

Risk Weighted Assets (RWAs):

Credit Risk

57,963,954 70,219,585

Market Risk

6,410,960 6,972,343

Operational Risk

8,420,159 5,755,700

Total

72,795,073 82,947,628

Common Equity Tier-1 Capital Adequacy ratio

-40.97% -25.83%

Tier-1 Capital Adequacy Ratio

-40.97% -25.83%

Total Capital Adequacy Ratio

-40.97% -25.83%

Leverage Ratio (LR):

Eligible Tier-1 Capital

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

Total Exposures

125,542,586 138,078,420

Leverage Ratio

-23.75% -15.52%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

28,038,911 14,935,767

Total Net Cash Outflow

17,344,337 17,180,961

Liquidity Coverage Ratio

161.66% 86.93%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

71,737,593 66,795,162

Total Required Stable Funding

59,226,086 66,682,561

Net Stable Funding Ratio

121.12% 100.17%

38. ISLAMIC BANKING BUSINESS

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

STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2020

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

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

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

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

Note

(Rupees in '000)

38.1 Due from Financial Institutions

Unsecured

Bai Muajjal Receivable from other

Financial Institutions

Musharakah

38.1.1	12,321,403	-	12,321,403	14,001,113	-	14,001,113
38.1.2	-	-	-	200,000	-	200,000
	12,321,403	-	12,321,403	14,201,113	-	14,201,113

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

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

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

(Rupees in '000)

38.2 Investments by segments:

Federal Government Securities:

- GOP Ijarah Sukuks

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

Total Investments

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

38.3 Islamic financing and related assets

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

Note (Rupees in '000)

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

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

Less: provision against Islamic financings

- Specific

- General

(749,042)	(734,190)
(6,100)	(11,481)
(755,142)	(745,671)

Islamic financing and related assets - net of provision

3,425,936 3,831,205

38.4 Due to financial institutions

Secured

Acceptances from the SBP under Islamic Export Refinance Scheme

300,000 250,000

Total secured

300,000 250,000

Unsecured

Musharakah

38.4.1 1,000,000 -

Total unsecured

1,000,000 -

1,300,000 250,000

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

38.5 Deposits

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

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

	(Un-audited) September 30, 2020	(Audited) December 31, 2019
	----- (Rupees in '000) -----	
38.6 Islamic Banking Business Unappropriated Profit		
Opening balance	542,751	625,195
Add / (less): Islamic Banking profit / (loss) for the period / year	171,154	(82,444)
Closing balance	<u>713,905</u>	<u>542,751</u>
38.7 CONTINGENCIES AND COMMITMENTS		
-Guarantees	2,974,317	3,962,232
-Commitments	1,238,942	1,178,059
-Other contingent liabilities	-	-
	<u>4,213,259</u>	<u>5,140,291</u>
38.8 Profit / Return Earned of Financing, Investments and Placement		
	(Un-audited)	
	September 30, 2020	September 30, 2019
	----- (Rupees in '000) -----	
Profit earned on:		
Financing	364,117	553,368
Investments	59,131	-
Placements	1,070,398	914,314
Balances with banks	295	444
	<u>1,493,941</u>	<u>1,468,126</u>
38.9 Profit on Deposits and other Dues Expensed		
Deposits and other accounts	652,587	533,154
Due to Financial Institutions	23,261	16,699
Finance cost of lease liability	21,862	23,144
	<u>697,710</u>	<u>572,997</u>

39. DATE OF AUTHORISATION FOR ISSUE

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director

BRANCH NETWORK

CONVENTIONAL BANKING BRANCHES

KARACHI

Abdullah Haroon Road Branch

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

Adamjee Nagar Branch

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

Atrium Mall Branch

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

Badar Commercial Branch

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

Bahadur Shah Center Branch

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

Bahadurabad Branch

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

Barkat-e-Hyderi Branch

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

Burns Road Branch

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

Clifton Branch

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

Cloth Market Branch

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

Com-3, Clifton Branch, Karachi

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

Defence Branch

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

DHA Phase I Branch

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

DHA Phase IV Branch

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

Dhoraji Colony Branch

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

Ex. Dolmen City Branch

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

Electronic Market (Abdullah Haroon Road) Branch

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

Fish Harbour Branch

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

Garden East Branch

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

Gulistan-e-Jauhar - Branch 1

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

Gulistan-e-Jauhar - Branch 2

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

Gulshan-e-Iqbal - Branch 1

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

Gulshan-e-Iqbal - Branch 2

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

Hyderi Branch

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

I. I. Chundrigar Road Branch I - Unitower Branch

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

Jami Commercial, DHA Branch

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

Jamshed Quarters Branch

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

Jodia Bazar - Branch 1

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

Karachi Stock Exchange Branch

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

Karimabad Branch

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

Khayaban-e-Shahbaz Branch

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

Khayaban-e-Tanzeem Branch

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

Korangi Industrial Area Branch

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

Malir Cantt Branch

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

M. A. Jinnah Road Branch

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

Muhammad Ali Society Branch

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

Nazimabad (Gol Market) Branch

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

New Challi Branch

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

North Karachi Industrial Area Branch

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

PAF-Base Faisal Branch

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

Paper Market Branch

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

Plaza Quarters Branch

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

Ranchore Line Branch

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

Rizvia Society Branch

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

Sea View, Clifton Branch, Karachi

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

S.I.T.E. Branch

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

Saeedabad Branch

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

Shahrah-e-Faisal Branch

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

Shershah Branch

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

Soldier Bazar Branch

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

Steel Market Branch

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

Tariq Road Branch

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

Timber Market Branch

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

Water Pump Branch

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

LAHORE

Allama Iqbal Town Branch

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

Azam Cloth Market Branch

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

Badami Bagh Branch

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

Bahria Town Branch

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

Bedian Road Branch

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

Circular Road Branch

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

Darogawala Branch

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

DHA G Block Branch

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

DHA Phase - VI Branch

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

DHA Y Block Branch

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

Egerton Road Branch

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

Empress Road Branch

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

Faisal Town Branch

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

Ferozpur Road Branch

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

Gulberg Branch

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

Ichra More Branch

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

Johar Town Branch

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

Kashmir Block, Allama Iqbal Town Branch

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

Lahore - Cantt Branch

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

Lahore Stock Exchange Branch

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

Liberty Market Branch

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

Mall Road Branch

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

Model Town Branch

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

New Garden Town Branch

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

Shah Alam Gate Branch

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

Urdu Bazar Branch

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

Z Block DHA Branch

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

ISLAMABAD

Bahria Town Branch

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

Barah Koh Branch

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

Blue Area Branch

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

F-10 Markaz Branch

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

F-11 Markaz Branch

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

G-11 Markaz Branch

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

I-9 Markaz Branch

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

Stock Exchange Branch

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

Super Market Branch

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

RAWALPINDI

Raja Bazar Branch

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

Shamsabad Muree Road Branch

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

The Mall Road Branch, Rawalpindi

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

FAISALABAD

Jail Road Branch

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

Kotwali Road Branch

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

Liaquat Road Branch

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

Satiana Road Branch

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

Susan Road Branch

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

MULTAN

Abdali Road Branch

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

Hussain Agahi Road Branch

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

Qadafi Chowk Branch

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

Vehari Road Branch

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

SUKKUR

Marich Bazar Branch

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

Shikarpur Road Branch

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

Workshop Road Branch

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

GUJRANWALA

GT Road Branch

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

Gujranwala Branch

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

Wapda Town Branch

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

GUJRAT

GT Road Branch

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

Gujrat Branch

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

Katchery Chowk Branch

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

PESHAWAR

Deans Trade Center Branch

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

Fruit Market Branch

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

Hayatabad Branch

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

Main University Road Branch

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

Milad Chowk Branch

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

QUETTA

Fatima Jinnah Road Branch

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

Liaquat Bazar Branch

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

M. A. Jinnah Road Branch

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

Regal Chowk Branch

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

ABBOTTABAD

Abbottabad Branch

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

ATTOCK

Hassan Abdal Branch

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

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

AZAD KASHMIR

Dadyal Branch

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

Mirpur Azad Kashmir - Branch I

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

Mirpur Azad Kashmir Branch II

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

Muzzafarabad Branch

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

Shaheed Chowk Branch

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

CHAK GHANIAN

Chak Ghanian Branch

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

CHAKWAL

Chakwal Branch

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

Dalwal Branch

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

CHAMMAN

Chamman Branch

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

DADU

Dadu Branch

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

DINA

Dina Branch

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

GAWADAR

Gawadar Branch

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

GHOTKI

Ghotki Branch

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

GILGIT

Gilgit Branch

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

GUJAR KHAN

Gujar Khan Branch

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

HARIPUR

Haripur Branch

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

HAZRO

Hazro Branch

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

HYDERABAD

Bohri Bazar Hyderabad Branch

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

Latifabad No. 7 Branch

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

Market Chowk Branch

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

Qasimabad Branch

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

JACOBABAD

Jacobabad Branch

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

JEHLUM

Jhelum Branch

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

KAMBAR

Shahdad Kot Branch

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

KAMOKE

Kamoke - GT Road Branch

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

KANDH KOT

Kandh Kot Branch

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

KASUR

Kasur Branch

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

KHAIRPUR

Pacca Chang Branch

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

KOT ADDU

Kot Addu Branch

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

LALAMUSA

Lalamusa Branch

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

LARKANA

Larkana Branch

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

MANDI BAHAUDDIN

Mandi Bahauddin Branch

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

MANSEHRA

Mansehra Branch

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

MARDAN

The Mall Branch

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

MIRPURKHAS

Khipro Bus Stand Branch

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

Umer Kot Road Branch

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

MURIDKE

Muridke Branch

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

NAROWAL

Katchery Road Branch

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

NAWABSHAH

Nawabshah Branch

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

JAMSHORO

Nooriabad Branch

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

OKARA

Ghulam Mustafa Centre,

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

RABWAH

Rabwah Branch

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

RAHIM YAR KHAN

Rahim Yar Khan Branch

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

SADIQABAD

Sadiqabad Branch

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

SAHIWAL

High Street Branch

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

SARGODHA

Sargodha Branch

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

Satellite Town Branch

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

SHIKARPUR

Shikarpur Branch

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

SIALKOT

Kashmir Road Branch

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

Paris Road Branch

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

Small Industrial Area Branch

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

SWABI

Swabi Branch

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

TANDO ALLAH YAR

Tando Allah Yar Branch

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

TURBAT

Main Bazar Branch

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

WAH CANTT

Wah Cantt Branch

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

ISLAMIC BANKING BRANCHES

KARACHI

Fish Harbour Branch

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

I. I. Chundrigar Road Branch II

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

IBL Building Centre Shahrah-e-Faisal Branch

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

Super Highway Branch

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

Zamzama Branch

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

LAHORE

PIA Society Islamic Banking Branch

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

HUB

Hub Branch

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

CHILAS

Chilas Branch

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

SKARDU

Skardu Branch

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

ISLAMABAD

DHA Phase-2 Branch

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

Naval Anchorage Branch

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

CHITRAL

Chitral Branch

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

HYDERBAD

DHA Plaza Branch

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

RAWALPINDI

Bahria Town Branch Phase-IV

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

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

Summit *S* **Bank**

Committed to you

Plot No. G-2, Block 2, Clifton, Karachi.
UAN: 021-1111-24365, Toll Free: 0800-24365
www.summitbank.com.pk | info@summitbank.com.pk