

Summit Bank

Ref: SMBL/CSD/2021/12-44

FORM-8

Date: 24.12.2021

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

Subject: Transmission of Half Yearly Report for the Period Ended June 30, 2021

Dear Sir,

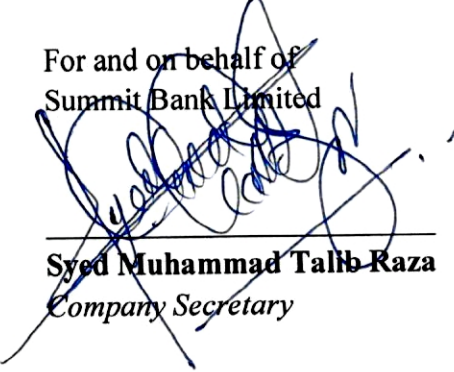
We have to inform you that the Half Yearly Report of Summit Bank Limited for the six months' period ended June 30, 2021 have been transmitted through PUCARS and is also available on Banks' website.

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

HALF YEARLY REPORT JUNE 2021



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 condensed interim financial statements and Auditors' Review Report for the half year ended June 30, 2021.

THE BANK'S PERFORMANCE

The highlights of the financial results for the half year ended June 30, 2021 are as follows:

	June 30, 2021
	Rupees in Millions
Financial Position	
Shareholders' Equity	(12,671)
Total Deposits	110,481
Total Assets	114,504
Advances – net	29,535
Investments – net	31,118
Financial Performance	
Net Interest Income and Non Markup Income (Total Income)	254
Non Markup Expenses	2,584
Provisions and write offs (net)	(356)
Loss before tax	(1,974)
Loss after tax	(1,340)
Basic and diluted loss per share - Rupees	(0.51)

The Loss before tax for June 30, 2021 reduced by 57% on YoY basis resulting in Rs. 1.974 billion for HY'1 of 2021 as compared to a Loss before tax of Rs. 4.612 billion for the half year ended June 30, 2020.

The volumetric reduction of advances together with lower yields on earning assets of the Bank over the course of the six-month period, at the back of lower policy rates resulted in the reduction of the Bank's interest income. This was partially offset by higher average investment volumes by Rs. 2.4 billion during HY'1 of 2021.

The Bank's interest expense registered a decrease of Rs. 1.332 billion over the corresponding period last year. Period end deposits amounted to Rs. 110.481 billion as at June 30, 2021. The average portfolio grew by Rs. 12.888 billion, or 14% as compared to June 2020. CASA to total deposit ratio was measured at 84.78%, improving by 3% from December 2020. The improvement in CASA mix as well as a sharp reduction in the policy rate led to the cost of deposits declining to 3.98% for the half year ended June 30, 2021 as against 6.58% for the corresponding period last year. On the borrowings side, the Bank's average borrowings decreased by Rs. 6.856 billion, with costs decreasing to 3.04% for the current period as against 6.39% for the comparative prior period.

Non-funded income reflected a decline of 18% over the corresponding period last year, primarily due to lower gains on securities and lower foreign exchange income earned.

Despite inflationary pressures, the Bank focused on operational efficiencies and the growth in total non-markup expenses was restricted at 3%. The total non-mark up expenses were reported at Rs. 2.584 billion as against Rs. 2.516 billion last year.

The Bank substantially reduced its total provisioning expense by Rs. 2.387 billion and recorded a reversal of Rs. 355.840 million for the half year ended June 30, 2021, against a total provision expense of Rs. 2.031 billion in the corresponding period last year. Provision against loans and advances for H1'21 was Rs. 257.963 million. Reversals in provisions for diminution in value of investments for H1'21 was recorded at Rs. 739.554 million mainly due to disposal of equity portfolio.

The Bank's net advances portfolio reduced to Rs. 29.534 billion as at June 30, 2021. Non-performing loans were Rs. 38.105 billion on June 30, 2021 as against Rs. 38.724 billion on December 31, 2020. The Bank's gross NPL ratio (Gross non-performing loans to Gross Advances) as of June 30, 2021 stood at 61.22% as against 60.29% on December 31, 2020, while the coverage ratio at June 30, 2021 improved to 85.78% (December 2020: 83.73%). At the half year end, the Bank's gross advances to deposits ratio (Gross Advances to Total Deposits) stands at 56.34% as compared to 63.04% on December 31, 2020.

As at June 30, 2021, the Bank has deferred tax assets (net) of Rs. 15.074 billion, this has been recognized on the basis of the management's best estimate that these would be realized against the future taxable profits.

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 the projected improvement in business results and compliance with applicable regulatory requirements.

CREDIT RATING

In the year 2019, VIS Credit Rating Company Limited suspended the Bank's medium to long-term rating of 'BBB -' (Triple B minus) and short term rating of 'A-3' (A-three) due to non-availability of updated information. VIS Credit Rating Company Limited would reassess the ratings once required information along with latest financials are made available. Moreover, the Bank's TFC rating was assigned 'D' (Default) due to non-payment of its latest mark-up payment on account of lock-in-clause invoked by the Bank under the applicable Regulations of the State Bank of Pakistan (SBP). The TFC holders of the Bank in their meeting held on October 22, 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 started on a positive note in FY21, with real GDP growth of 3.9% surpassing earlier projections. Industrial output rebounded well, as evident from a 14.6% growth in the Large Scale Manufacturing (LSM) Index during 11MFY'21. However, the spread of the COVID-19 Delta variant and an increasing monthly current account deficit highlighted the developing challenges for the economy.

On the external front, Pakistan reported a current account deficit of USD 1.85 billion for FY 2021 as compared to a deficit of USD 4.45 billion last year. Remittance flows have supported the current account, remaining sustainably above USD 2 billion per month for the entire year, rising by 27% to USD 29.4 billion. Exports have picked up pace, growing by 13.7% during FY'21 to historical highs. However, a steep rise in imports, driven by the resumption of economic activity and rising oil prices, has led to a widening of the trade deficit which increased by 33.3% to USD 28.2 billion.

As aggregate demand in the economy improved, imports rose at a higher rate as compared to exports. To support the balance of payments, Pakistan issued EURO bonds in the International market and raised USD 2.5 billion through these bonds. Moreover, SBP's Roshan Digital Account gained traction during the first half of 2021, with inflows crossing the USD 1.5 billion market by end of the second quarter of the financial year.

The stability on the external front led to an accumulation in FX reserves which rose to USD 23.3 billion by the end of June 2021. The improved FX reserves helped stabilize the exchange rate initially but the Rupee came under pressure towards the end of Q2'21, reversing gains made in Q1'21 and depreciating by 3% against the USD.

On the fiscal side, deficit for 9MFY'21 reduced to 3.6% of GDP from 3.8% in the same period last year.

The SBP has maintained that the increase in inflation witnessed at the start of 2021 was primarily due to supply-side factors, while core inflation continues to be relatively subdued, and inflation expectations still remain well anchored. Inflation fell from 11.1% year on year in April to 9.7% in June. Nonetheless, SBP decided to keep the policy rate at 7% in order to support growth in the economy.

MODIFICATIONS IN THE AUDITORS' REVIEW REPORT

The Bank's paid-up capital (net of losses), Capital Adequacy Ratio (CAR) and Leverage Ratio (LR) do not meet the requirements provided by State Bank of Pakistan (SBP) as at June 30, 2021. Further, the Bank's Liquidity Coverage is below the prescribed limits. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Bank's ability to continue as a going concern. However, the Bank is making continued efforts for necessary injection of capital and implementation of the Bank's plan to comply with applicable capital and liquidity requirements.

The Bank has recognized deferred tax asset of Rs. 15.074 billion which is considered realizable based on the financial projections of taxable profits in foreseeable future.

During the year 2018, Law Enforcement Agencies (LEAs) initiated its investigation on certain bank accounts alleged for money laundering activities in various banks including Summit Bank Limited. The matter is currently under NAB investigations and only partial references have been filed in the NAB Courts. The Bank has been and is committed to extending its full cooperation to the Law Enforcement Agencies in their investigations to the best extent possible. The Bank's management is of the view that such investigations will not affect the ongoing operations and functions of the Bank.

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

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

EVENTS AFTER THE BALANCE SHEET DATE

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

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

ACKNOWLEDGEMENT

On behalf of the Board, we would once again like to thank the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan 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
December 24, 2021
Karachi

بیلنس شیٹ کی تاریخ کے بعد ہونے والے واقعات

20 مئی 2021ء کو ایچ ای نصر عبداللہ حسین لوطہ (سرمایہ کار) کی جانب سے بینک کو ایک مہر اسلمہ موصول ہوا جس میں سرمایہ کار نے بینک میں تازہ سیالیت سبسکرائب کر کے بینک کے کنٹرولنگ اختیار حاصل کرنے کے ارادے کا اظہار کیا۔ سیکورٹیز ایکٹ، 2015ء اور فرسٹی کمیونٹی (ڈوننگ شیئرز اور ٹیک اوورز کا کافی حصول) ریگولیشنز، 2017ء کے اس طرح کے لین دین کے لیے قابل اطلاق تقاضوں کی تعمیل کرتے ہوئے، سرمایہ کار کی جانب سے انتظامی کنٹرول کے ساتھ بینک کے کم از کم 51 فیصد جاری کردہ اور ادا شدہ سرمائے کے بارے میں عوامی اعلان کیا گیا۔

سرمایہ کار نے یہ پیش کش 04 اکتوبر 2021ء کے بینک اور سرمایہ کار کے مابین ایس ایس اے کے طے کردہ معاہدے کے مطابق اب یکم اکتوبر 2021ء کو ایک مہر اسلمہ کے ذریعے بینک میں رعایتی قیمت پر رائٹس آف فرسٹ کے بغیر نئے ایکویٹی اوغال کے ذریعے 2.51 فی شیئرز پر نئے عام حصص کی مجوزہ سبسکرائبیشن کے لیے اپنی پیش کش جمع کرائی ہے۔ سرمایہ کار نے یہ پیش کش ایس ایس اے کے طے کردہ معاہدے کے مطابق پیش کی جسے بورڈ آف ڈائریکٹرز نے باضابطہ طور پر منظور کیا ہے۔ بینک کل 5,976.096 ملین نئے عام حصص جاری کرنے کا ارادہ رکھتا ہے۔

تعریف و توثیق

ہم، بورڈ کی جانب سے ایک بار پھر اسٹیٹ بینک آف پاکستان، سیکورٹیز اینڈ اینڈ اسٹیٹ کیٹیج کمیونٹی پاکستان، وزارت مایات اور دیگر ضوابطی حکام کی مسلسل رہنمائی اور معاونت پر شکر گزار ہیں۔ نیز ہم مسلسل معاونت پر ہمارے شیئرز ہولڈرز، ہمارے صارفین اور بینک کے عملے کا شکر یہ ادا کرنا چاہیں گے۔

فوزیہ حسین
ڈائریکٹر

نواد ماجد خان
صدر اور چیف ایگزیکٹو آفیسر

سمت بینک
24 دسمبر 2021ء
کراچی

ہیرونی محاذ پر، پاکستان نے مالی سال 2021ء کے لیے 1.85 ارب ڈالر کے جاری کھاتے کا خسارہ درج کیا ہے جبکہ گزشتہ برس 4.45 ارب ڈالر خسارہ تھا۔ تریبلٹ زری رقوم نے جاری کھاتے کو سہارا دیا، جو پورے سال کے لیے مستقل طور پر 1.85 ارب ڈالر فی مہینہ سے زائد ہے۔ اور 27 فیصد اضافے کے ساتھ 29.4 ارب ڈالر تک پہنچ گیا ہے۔ برآمدات میں تیزی آئی، اور مالی سال 2021ء کے دوران 13.7 فیصد اضافے سے تاریخ کی بلند ترین سطح پر پہنچ گئی ہیں۔ تاہم، اقتصادی سرگرمیوں کے دوبارہ شروع ہونے اور تیل کی بڑھتی ہوئی قیمتوں کی وجہ سے درآمدات میں زبردست اضافے کے نتیجے میں تجارتی خسارہ 33.3 فیصد اضافے سے 28.2 ارب ڈالر تک پہنچ گیا۔

جیسا کہ معیشت میں مجموعی طلب میں بہتری آئی، برآمدات کے مقابلے میں درآمدات بہت زیادہ بڑھ گئیں۔ ادائیگیوں کو توازن کو سہارا دینے کے لیے، پاکستان نے بین الاقوامی مارکیٹ میں یورو بانڈز جاری کیے اور ان بانڈز کے ذریعے 2.5 ارب ڈالر اکٹھے کیے ہیں۔ مزید برآں، اسٹیٹ کے روشن ڈیجیٹل اکاؤنٹ نے 2021ء کی پہلی ششماہی کے دوران کامیابی حاصل کی، جبکہ مالی سال کی دوسری سہ ماہی کے اختتام تک آمدن 1.5 ارب ڈالر کی مارکیٹ کو عبور کر گئی۔

ہیرونی محاذ پر استحکام کی وجہ سے زر مبادلہ کے ذخائر جمع ہوئے جو جون 2021ء کے آخر تک بڑھ کر 23.3 ارب ڈالر تک پہنچ گئے۔ بہتر زر مبادلہ ذخائر نے ابتدائی طور پر شرح مبادلہ کو مستحکم کرنے میں مدد کی لیکن مالی سال 21ء کی دوسری سہ ماہی کے آخر میں روپیہ دباؤ میں آ گیا، اور مالی سال 21ء کی پہلی سہ ماہی میں حاصل کیے گئے فوائد پلٹ گئے اور ڈالر کے مقابلے میں روپیہ کی قدر 3 فیصد گھٹ گئی۔

مالياتی پھولوسے، مالی سال 21ء کے 9 مہینوں کے لیے کے لیے خسارہ جی ڈی پی کے 3.6 فیصد تک کم ہو گیا جو گزشتہ برس کی اسی مدت میں 3.8 فیصد تھا۔

اسٹیٹ بینک کے مطابق 2021ء کے آغاز میں مہنگائی میں اضافہ بنیادی طور پر رسد سے متعلق عوامل کی وجہ سے تھا، جبکہ توجزی مہنگائی نسبتاً کم ہے، اور مہنگائی کی توقعات اب بھی خاصی سے برقرار ہیں۔ مہنگائی اپریل میں سال بہ سال 11.1 فیصد سے گھٹ کر جون میں 9.7 فیصد رہ گئی۔ بہر حال، اسٹیٹ بینک نے معیشت میں ترقی کو سہارا دینے کے لیے پالیسی ریت کو 7 فیصد پر رکھنے کا فیصلہ کیا۔

آڈیٹر کی جائزہ رپورٹ میں تبدیلیاں

30 جون 2021ء تک بینک کا واٹمنڈ سرمایہ (خالص خسارے)، شرح غلطی سرمایہ اور لیوراج کی شرح (LR) اسٹیٹ بینک آف پاکستان (SBP) کے تقاضوں پر پورے نہیں اترتے۔ مزید یہ کہ بینک کی سیالیت کی کو رج مقررہ حد سے کم ہے۔ یہ حالات مادی عدم یقینی کی موجودگی کی نشاندہی کرتے ہیں جو کہ بینک کے جاری کاروبار کے طور پر جاری رہنے کی صلاحیت کے بارے میں اہم ٹک پیدا کر سکتی ہے۔ تاہم، بینک سرمائے کے ضروری ادخال اور قابل اطلاق سرمائے اور سیالیت کے تقاضوں سے ہم آہنگ بینک کے منصوبے پر عمل درآمد کے لیے مسلسل کوششیں کر رہا ہے۔

بینک نے 15.074 ارب روپے کے مؤخر ٹیکس اثاثے کو تسلیم کیا ہے۔ جو مستقبل قریب میں قابل ٹیکس منافع کے مالی تخمینوں کی بنیاد پر قابل حصول سمجھا جاتا ہے۔

2018ء کے دوران، قانون نافذ کرنے والی ایجنسیوں (ایل ای اے) نے سٹ بینک لمیٹڈ سمیت بعض بینکوں میں مننی لانڈرنگ کی سرگرمیوں کے لیے مہینہ طور پر کچھ بینک اکاؤنٹس کی تحقیقات شروع کی۔ یہ معاملہ فی الحال نیب کے زیر تفتیش ہے اور نیب عدالتوں میں صرف جزوی ریفرنسز دائر کیے گئے ہیں۔ بینک قانون نافذ کرنے والی ایجنسیوں کو ان کی تحقیقات میں ہر ممکن حد تک مکمل تعاون فراہم کرنے کے لیے ہر عزم ہے اور رہے گا۔ بینک کی انتظامیہ کا خیال ہے کہ اس طرح کی تحقیقات بینک کے جاری آپریشن اور افعال کو متاثر نہیں کریں گی۔

بینک اس وقت غیر منقول جائیداد میں سرمایہ کاری کے حوالے سے بینکنگ کنٹریز آرڈیننس، 1962ء کی شقوں سے جزوی طور پر ہم آہنگ نہیں ہے۔ انتظامیہ نے اس ضمن میں ترمیم کے حصول کے لیے اس پر اپنی کا وہ حصہ بیچنے کے لیے منصوبہ بندی کی ہے جو قابل اطلاق قوانین سے ہم آہنگ نہیں ہے۔

ان معاملات کے حوالے سے آڈیٹر رپورٹ میں ترمیم کی گئی ہے، تاہم یہ رپورٹ معتبر ہے۔

نان فنڈز آمدنی میں گزشتہ برس کی اسی مدت کے مقابلے میں 18 فیصد کمی کی عکاسی کی گئی، جس کی بنیادی وجہ تسکات پرست فوائد اور زرمبادلہ آمدنی میں کمی ہے۔

مہنگائی کے دباؤ کے باوجود بینک نے آپریشنل استعداد پر توجہ مرکوز کی اور مجموعی غیر سودی اخراجات میں نمو 3 فیصد پر محدود رہی۔ مجموعی غیر سودی اخراجات 2.584 ارب روپے درج کیے گئے جبکہ گزشتہ برس کی اسی مدت کے دوران 2.516 ارب روپے درج کیے گئے تھے۔

بینک نے 30 جون 2021ء کو اختتام پذیر ہونے والی ششماہی کے دوران اپنے مجموعی تمویں کے اخراجات میں 2.387 ارب روپے کی نمایاں کمی کے ساتھ 355.840 ملین روپے کا اسٹریٹجی اور ایڈوانسز پر ہیک کی گئی جبکہ گزشتہ برس کی اسی مدت کے دوران 2.031 ارب روپے کے مجموعی تمویں اخراجات ہوئے تھے۔ 2021ء کی پہلی ششماہی کے لیے قرضوں اور ایڈوانسز پر ہیک کی گئی تمویں 257.963 ملین روپے تھی۔ 2021ء کی پہلی ششماہی کے لیے سرمایہ کاری کی قدر میں تھقلیل کے لیے تمویں پر اسٹریٹجی اور ایڈوانسز پر ہیک 739.554 ملین روپے درج کیے گئے جس کی بنیادی وجہ ایکویٹی جزدان کا ڈسپوزل تھا۔

30 جون 2021ء کو بینک کا خالص ایڈوانس کا جزدان 29.534 ارب روپے ہو گیا۔ 30 جون 2021ء کو غیر فعال قرضے 31 دسمبر 2020ء کے 38.724 ارب روپے کے مقابلے میں 38.105 ارب روپے ہو گئے۔ 30 جون 2021ء تک بینک کا مجموعی غیر فعال قرضوں کا تناسب (مجموعی غیر فعال قرضے اور مجموعی ایڈوانسز) 61.22 فیصد رہا جو 31 دسمبر 2020ء کو 60.29 فیصد تھا، جبکہ کوریج کا تناسب 30 جون 2021ء کو 85.78 فیصد ہو گیا۔ (دسمبر 2020ء: 83.73 فیصد)۔ ششماہی کے اختتام پر بینک کا مجموعی ایڈوانسز اور ڈپازٹ کا تناسب 56.34 فیصد تھا جبکہ 31 دسمبر 2021ء کو 63.04 فیصد تھا۔

30 جون 2021ء تک بینک 15.074 ارب روپے کے (خالص) موخر ٹیکس اثاثوں کا حامل ہے، جنہیں مستقبل میں قابل ٹیکس منافعوں پر حصول کے انتظامیہ کے بہترین تخمینے کی بنیاد پر تسلیم کیا گیا ہے۔

انتظامیہ اور بورڈ آف ڈائریکٹرز کو امید ہے کہ اگر کاروباری منصوبے میں بیان کردہ ترقی کے عوامل اور دیگر کلیدی مفروضے عملی شکل اختیار کر لیتے ہیں، تو بینک کاروباری نتائج میں متوقع بہتری اور قابل اطلاق ضوابطی تقاضوں پر عمل درآمد میں کامیاب ہو جائے گا۔

کرڈٹ ریٹنگ

2019ء کے دوران، وی آئی ایس کرڈٹ ریٹنگ کمپنی لمیٹڈ نے بینک کی درمیانی تا طویل مدتی ریٹنگ 'بی بی بی' (ٹریبل بی، انس) اور قلیل مدتی ریٹنگ 'اے-3' (اے-3) تھری) تازہ ترین معلومات کی عدم دستیابی کی وجہ سے معطل کر دی۔ وی آئی ایس کرڈٹ ریٹنگ کمپنی لمیٹڈ تازہ ترین ضروری مالی معلومات کے دستیاب ہونے پر ایک بار پھر ریٹنگ کا دوبارہ جائزہ لے گی۔ مزید یہ کہ، بینک کی ٹی ایف سی ریٹنگ کو ڈی (ڈیفالٹ) تفویض کیا گیا تھا کیونکہ کمپنی نے اسٹیٹ بینک آف پاکستان (SBP) کے قابل اطلاق ضوابط کے تحت بینک کی لاک ان دفعہ کے حوالے سے اپنی تازہ ترین سودی ادائیگی نہیں کی تھی۔ بینک کے ٹی ایف سی ہولڈرز نے 22 اکتوبر 2021ء کو ہونے والی اپنی میٹنگ میں ٹی ایف سی ایٹو کی مدت میں ایک سال کی مزید توسیع کی منظوری دی اور ساتھ ہی تمام انکشافی رقوم کی ادائیگیوں میں توسیع کے ساتھ عرصیت 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 ضوابطی تقاضوں کی تعمیل کو یقینی بنانے کے لیے مصروف عمل ہے۔

اقتصادی جائزہ

مالی سال 21ء کے دوران پاکستان کی معیشت کا آغاز مثبت انداز میں ہوا، جس میں حقیقی جی ڈی پی کی شرح 3.9 فیصد تھی جو قبل از تخمینے سے زیادہ تھی۔ صنعتی پیداوار میں بہتری آئی، جیسا کہ مالی سال 21ء کے 11 مہینوں کے دوران بڑے پیمانے کی اشیا سازی (ایل ایس ایم) اشارے میں 14.6 فیصد نمو سے ظاہر ہے۔ تاہم کوڈ 19 ڈی ڈیلٹا قسم کے پھیلاؤ اور بڑھتے ہوئے مہانہ جاری کھاتے کے خسارے نے معیشت کے لیے ابھرتے ہوئے چیلنجوں کو اجاگر کیا۔

ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے، ہم بینک کی 30 جون 2021ء کو اختتام پذیر ہونے والی ششماہی کے لیے ڈائریکٹرز کا جائزہ اور غیر آڈٹ شدہ جامع عبوری مالی گوشوارے اور آڈیٹرز کے جائزے کی رپورٹ پیش کرتے ہیں:

بینک کی کارکردگی

جون 2021ء کو اختتام پذیر ہونے والی ششماہی کے لیے بینک کے مالی نتائج کی جھلکیاں مندرجہ ذیل ہیں:

30 جون 2021ء	مالی صورت حال
روپے بلین میں	شیترز ہولڈرز کی ایکویٹی
(12,671)	مجموعی اثاثیں
110,481	مجموعی اثاثے
114,504	ایڈوانس-خالص
29,535	سرمایہ کاریاں-خالص
31,118	

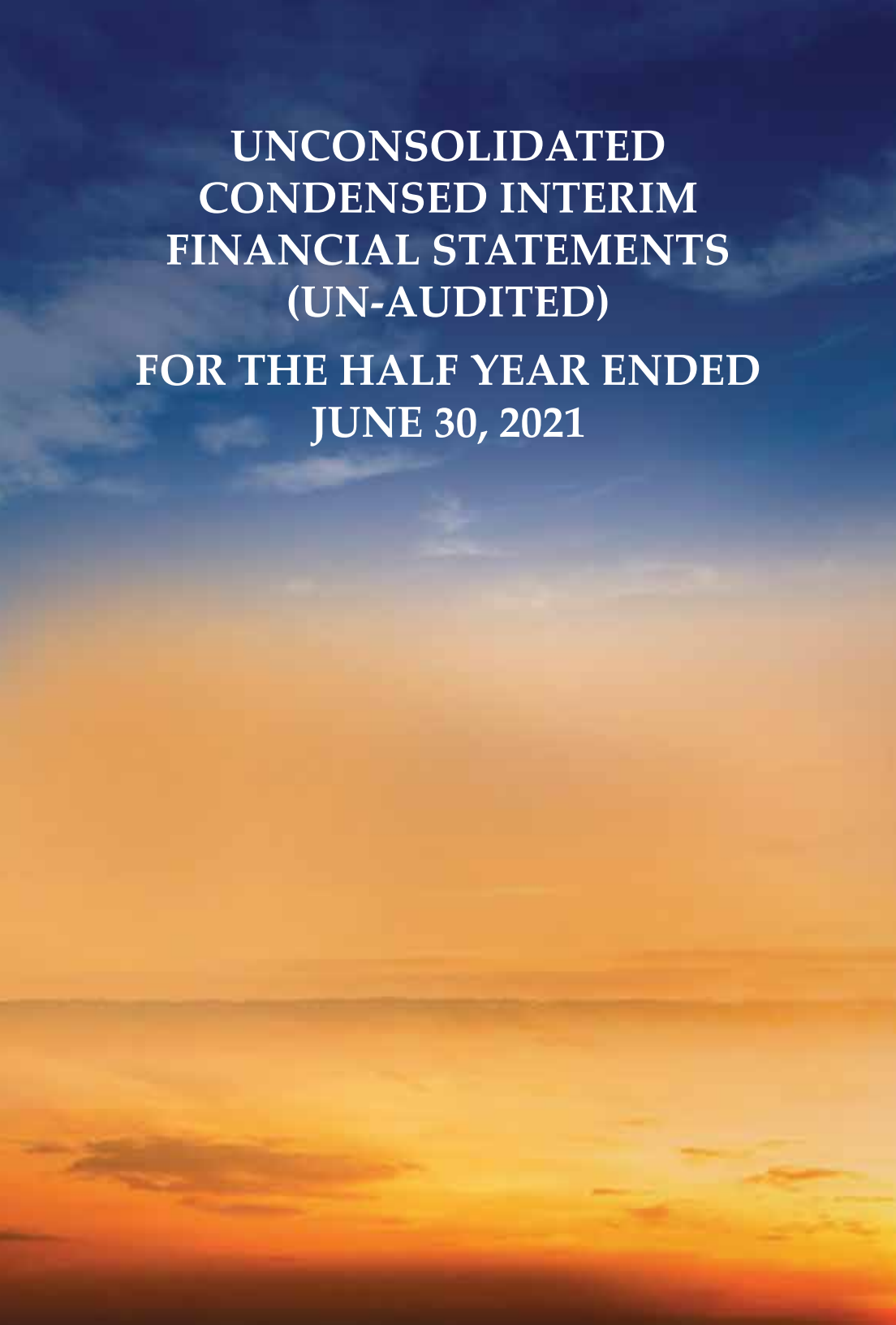
مالی کارکردگی

254	خالص سودی آمدنی اور غیر سودی آمدنی (مجموعی آمدنی)
2,584	غیر سودی اخراجات
(356)	پروویژنز اور رائٹ آفس (نیٹ)
(1,974)	خسارہ قبل از ٹیکس
(1,340)	خسارہ بعد از ٹیکس
(0.51)	خسارہ فی شیتز بنیادی اور سیال (diluted)-روپے

30 جون 2021ء کے لیے خسارہ قبل از ٹیکس 57 فیصد سال بسال گھٹ گیا نتیجتاً 2021ء کی پہلی ششماہی کے دوران 1.974 ارب روپے ہو گیا جبکہ 30 جون 2020ء کو اختتام پذیر ہونے والی ششماہی کے دوران خسارہ قبل از ٹیکس 4.612 ارب روپے تھا۔

گذشتہ چھ مہینوں کے دوران اسٹیٹ بینک کے پالیسی ریٹ میں کمی کے نتیجے میں بینک کی آمدنی کے اثاثوں کی پست یافت کے ساتھ ساتھ ایڈوانسز کے حجم میں نمایاں کمی ہو گئی جس کے نتیجے میں بینک کی سودی آمدنی گھٹ گئی۔ 2021ء کی پہلی ششماہی کے دوران بلند سرمایہ کاری حجم سے اس کی جزوی تلافی ہو گئی۔

بینک کے سودی اخراجات میں گزشتہ برس کی اسی مدت کے مقابلے میں 1.332 ارب روپے کی کمی درج کی گئی۔ 30 جون 2021ء پر اختتام مدت تک ذخائر کی رقم 110,481 ارب روپے تھی۔ اوسط کے لحاظ سے، مزدوں میں جون 2020ء کے مقابلے میں 12.888 ارب روپے، 14 فیصد کا اضافہ ہوا۔ سی اے ایس اے تاڈیٹ کے مجموعی تناسب کی پیمائش 84.78 فیصد پر کی گئی جو دسمبر 2020ء کے مقابلے میں 3 فیصد زائد تھی۔ 30 جون 2021ء کو سی اے ایس اے کے آئیزے میں بہتری کے ساتھ ساتھ پالیسی ریٹ میں تیزی سے کمی ڈپازٹس کی لاگت میں 3.98 فیصد کمی کا باعث بنی جبکہ گزشتہ برس کی اسی مدت کے دوران 6.58 فیصد تھا۔ قرض گیری کے لحاظ سے، موجودہ سہ ماہی کے لیے اخراجات میں ہونے والی 3.04 فیصد کمی کے ساتھ بینک کے اوسط قرضے میں 6.856 ارب روپے کی کمی ہوئی جب کہ گزشتہ برس کی اسی مدت کے دوران 6.39 فیصد تھے۔



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

**FOR THE HALF YEAR ENDED
JUNE 30, 2021**

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF SUMMIT BANK LIMITED
REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Summit Bank Limited (the Bank) as at June 30, 2021 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement and unconsolidated condensed interim statement of changes in equity and notes to the accounts for the six-months' period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three months ended June 30, 2021 and June 30, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months' period ended June 30, 2021.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements as of and for the half year ended June 30, 2021 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to the following matters:

- note no. 1.3 to the unconsolidated condensed interim financial statements. As more fully described in that note, the Bank has incurred a net loss of Rs. 1,340.464 million (June 30, 2020: Rs. 3,265.986 million) during the six months' period ended June 30, 2021, resulting in accumulated losses of Rs. 37,311.253 million (December 31, 2020: Rs. 36,074.905 million) and negative equity of Rs. 12,670.545 million (December 31, 2020: Rs. 11,187.471 million) as at June 30, 2021. Further, the Bank's paid-up capital (net of losses), Capital Adequacy Ratio (CAR) and Leverage Ratio (LR) do not meet the requirements provided by State Bank of Pakistan (SBP) as at June 30, 2021. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Bank's ability to continue as a going concern. However, the Bank is making continued efforts for necessary injection of capital and implementation of the Bank's Plan to comply with applicable capital requirements.
- note no. 13.1 to the unconsolidated condensed interim financial statements, where management has disclosed that the Bank has recognized deferred tax asset of Rs. 15,073.862 million (December 31, 2020: Rs. 14,279.245 million) which was considered realizable based on financial projections of taxable profits in foreseeable future.

- note no. 14.1 to the unconsolidated condensed interim financial statements, which states that, the Bank holds an immovable property which is partially in contravention with the provisions of Banking Companies Ordinance, 1962.
- note no. 22.4 to the unconsolidated condensed interim financial statements, which discloses that the National Accountability Bureau (NAB) is currently conducting an investigation against certain bank accounts alleged of involvement in illegal activities in various banks. The Bank management is of the view that such investigations will not affect the ongoing operations and functions of the Bank.

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

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

BAKER TILLY MEHMOOD IDREES QAMAR
CHARTERED ACCOUNTANTS

Karachi

Date: December 24, 2021

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	6	13,453,093	11,571,282
Balances with other banks	7	778,166	1,359,018
Lendings to financial institutions	8	3,483,329	-
Investments	9	31,117,525	27,903,360
Advances	10	29,534,604	31,783,279
Fixed assets	11	10,865,918	10,188,303
Intangible assets	12	73,981	90,459
Deferred tax assets	13	15,073,862	14,279,245
Other assets	14	10,123,304	10,482,933
		114,503,782	107,657,879
LIABILITIES			
Bills payable	16	2,115,725	2,402,870
Borrowings	17	6,947,417	7,668,886
Deposits and other accounts	18	110,481,368	101,887,584
Liabilities against assets subject to finance lease		-	-
Subordinated debt	19	1,495,515	1,495,515
Deferred tax liabilities		-	-
Other liabilities	20	6,134,302	5,390,495
		127,174,327	118,845,350
NET ASSETS		<u>(12,670,545)</u>	<u>(11,187,471)</u>
REPRESENTED BY			
Share capital - net		20,500,194	20,500,194
Reserves		(425,043)	(425,043)
Surplus / (deficit) on revaluation of assets	21	4,565,557	4,812,283
Accumulated losses		(37,311,253)	(36,074,905)
		<u>(12,670,545)</u>	<u>(11,187,471)</u>
CONTINGENCIES AND COMMITMENTS	22		

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2021

	Note	Quarter Ended		Half Year Ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
(Rupees in '000)					
Mark-up / return / interest earned	23	1,016,412	1,309,797	1,964,000	2,786,468
Mark-up / return / interest expensed	24	1,297,964	1,723,063	2,559,827	3,891,848
Net Mark-up / interest expense		(281,552)	(413,266)	(595,827)	(1,105,380)
NON MARK-UP / INTEREST INCOME					
Fee and commission income	25	125,735	102,373	236,737	229,618
Dividend income		21,009	-	21,009	14,831
Foreign exchange income		47,608	71,065	69,130	167,288
Income / (loss) from derivatives		-	-	-	-
Gain on securities	26	469,395	603,691	480,811	614,094
Other income	27	23,862	7,387	42,659	14,648
Total non-markup / interest income		687,609	784,516	850,346	1,040,479
Total income		406,057	371,250	254,519	(64,901)
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	28	1,295,166	1,270,737	2,580,183	2,515,716
Workers' welfare fund		-	-	-	-
Other charges	29	3,960	255	3,960	275
Total non-markup / interest expenses		1,299,126	1,270,992	2,584,143	2,515,991
Loss before provisions		(893,069)	(899,742)	(2,329,624)	(2,580,892)
(Reversals) / provisions and write offs - net	30	(648,219)	716,908	(355,840)	2,031,249
Extra ordinary / unusual items		-	-	-	-
LOSS BEFORE TAXATION		(244,850)	(1,616,650)	(1,973,784)	(4,612,141)
Taxation	31	(63,001)	(339,531)	(633,320)	(1,346,155)
LOSS AFTER TAXATION		(181,849)	(1,277,119)	(1,340,464)	(3,265,986)
(Rupees)					
Basic loss per share	32	(0.07)	(0.49)	(0.51)	(1.24)
Diluted loss per share	32	(0.07)	(0.49)	(0.51)	(1.24)

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2021

	Quarter ended		Half Year Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	----- (Rupees in '000) -----			
Loss after taxation for the period	(181,849)	(1,277,119)	(1,340,464)	(3,265,986)
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in (deficit) / surplus on revaluation of investments - net of tax	(321,803)	152,391	(186,942)	375,313
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement gain on defined benefit obligations	5,519	14,532	12,140	14,532
Movement in surplus on revaluation of operating fixed assets - net of tax	9,063	6,206	18,129	15,002
Movement in surplus on revaluation of non-banking assets - net of tax	(863)	-	14,063	-
	13,719	20,738	44,332	29,534
Total comprehensive loss	(489,933)	(1,103,990)	(1,483,074)	(2,861,139)

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2021**

	Share capital		Capital reserves		Surplus / (deficit) on revaluation of		Revenue reserve		Total
	Share premium	Statutory reserve	Reserve arising on amalgamation	Fixed / Non banking assets	Property held for sale	Investments	Accumulated losses		
	(Rupees in '000)								
Balance as at January 01, 2020 (Audited)	20,500,194	1,000,000	154,162	(1,579,205)	(56,201)	2,832,045	754,510	(29,203,728)	(5,598,223)
Loss after taxation for six months period ended June 30, 2020	-	-	-	-	-	-	-	(3,265,986)	(3,265,986)
Other comprehensive income - net of tax	-	-	-	375,313	15,002	-	-	14,332	404,847
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(42,860)	-	42,860	-
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	-	-	-	-
Balance as at July 01, 2020 (Un-audited)	20,500,194	1,000,000	154,162	(1,579,205)	319,112	2,804,187	754,510	(32,412,322)	(8,459,362)
Loss after taxation for the six months period ended December 31, 2020	-	-	-	-	-	-	-	(3,681,995)	(3,681,995)
Other comprehensive income - net of tax	-	-	-	192,576	789,225	-	-	(27,915)	953,886
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(47,327)	-	47,327	-
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	-	-	-	-
Balance as at January 01, 2021 (Audited)	20,500,194	1,000,000	154,162	(1,579,205)	511,688	3,546,085	754,510	(36,074,905)	(11,187,471)
Loss after taxation for six months period ended June 30, 2021	-	-	-	-	-	-	-	(1,340,464)	(1,340,464)
Other comprehensive income - net of tax	-	-	-	-	(186,942)	32,192	-	12,140	(142,610)
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(51,795)	-	51,795	-
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	(40,181)	-	40,181	-
Balance as at June 30, 2021 (Un-audited)	20,500,194	1,000,000	154,162	(1,579,205)	324,746	3,486,301	754,510	(37,311,253)	(12,670,545)

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

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

Note	June 30, 2021	June 30, 2020
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(1,973,784)	(4,612,141)
Less: Dividend income	(21,009)	(14,831)
	(1,994,793)	(4,626,972)
Adjustments:		
Depreciation on operating fixed assets	246,153	259,598
Depreciation on right-of-use assets	255,769	273,119
Depreciation on non-banking assets	60,058	21,874
Finance cost of lease liability	164,437	143,945
Amortization	18,931	30,991
(Reversals) / provisions and write-offs excluding recoveries	(354,631)	2,031,851
Charge for defined benefit plan	36,736	22,726
Charge for employees compensated absences	2,614	9,206
Gain on sale of fixed assets	(16,136)	(1,578)
Unrealised loss on revaluation of investments classified as held-for-trading securities - net	-	212
	413,931	2,791,944
	(1,580,862)	(1,835,028)
(Increase) / decrease in operating assets		
Lendings to financial institutions	(3,483,329)	(958,728)
Held-for-trading securities	-	458
Advances	1,990,712	4,385,152
Others assets (excluding advance taxation)	185,390	547,087
	(1,307,227)	3,973,969
(Decrease) / increase in operating liabilities		
Bills payable	(287,145)	631,476
Borrowings from financial institutions	(696,464)	833,238
Deposits	8,593,784	10,712,042
Other liabilities (excluding current taxation)	18,132	(491,345)
	7,628,307	11,685,411
Payment on account of staff retirement benefits	(103,552)	(139,773)
Income tax paid	(35,812)	(63,612)
Net cash generated from operating activities	4,600,854	13,620,967
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(2,762,214)	(11,546,715)
Dividends received	21,009	14,831
Investments in operating fixed assets	(208,214)	(38,094)
Investments in intangible assets	(7,849)	(696)
Proceeds from sale of fixed assets	16,645	1,731
Net cash used in investing activities	(2,940,623)	(11,568,943)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(334,267)	(344,179)
Net cash used in financing activities	(334,267)	(344,179)
Effect of exchange rate changes on cash and cash equivalents	(57,221)	116,667
Increase in cash and cash equivalents	1,268,743	1,824,512
Cash and cash equivalents at beginning of the period	12,949,298	6,256,644
Cash and cash equivalents at end of the period	14,218,041	8,081,156

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

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 Suoro Investments Limited, a company incorporated in Mauritius, holding 66.77% of the issued, subscribed and paid up capital of the Bank as at June 30, 2021.

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, 2020: 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 half year ended, the Bank has incurred a net loss of Rs. 1,340.464 million resulting in accumulated losses of Rs. 37,311.253 million and negative equity of Rs. 12,670.545 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 June 30, 2021. 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 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 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) 40, 'Investment Property' for banking companies till further instructions. 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. Moreover, the SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and has directed all the banks to implement IFRS 9 'Financial Instruments' with effect from January 01, 2022 vide BPRD Circular No. 24 of 2021 dated July 05, 2021.

Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim 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 condensed interim 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, 2020.
- 2.4 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period**

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2021. These are considered either not to be relevant or not to have any significant impact on the Bank's unconsolidated condensed interim financial statements.

- 2.5 Standards, interpretations of and amendments to existing accounting and reporting standards that are not yet effective**

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for the accounting periods as stated below:

<u>Standard, Interpretation or Amendment</u>	<u>Effective date (annual periods beginning on or after)</u>
Covid 19 related Rent concessions beyond June 30, 2021 - Amendment to IFRS 16	April 01, 2021
Reference to the Conceptual Framework - Amendments to IFRS 3	January 01, 2022
Property, Plant and Equipment: Proceeds before Intended use - Amendments to IAS 16	January 01, 2022
Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37	January 01, 2022
Annual improvement process IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter	January 01, 2022
Annual improvement process IFRS 9 Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
Annual improvement process IAS 41 Agriculture - Taxation in fair value measurements	January 01, 2022

Standard, Interpretation or Amendment	Effective date (annual periods)
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 01, 2023
Definition of Accounting estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
Sale or contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	January 01, 2023

2.6 Critical accounting estimates and judgments

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2020.

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, 2020.

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, 2020.

(Un-audited) (Audited)
June 30, December 31,
2021 2020
----- (Rupees in '000) -----

6. CASH AND BALANCES WITH TREASURY BANKS

In hand

Local currency	4,166,499	3,564,781
Foreign currency	392,459	545,313
	4,558,958	4,110,094

With State Bank of Pakistan in

Local currency current account	5,843,976	4,800,164
Foreign currency current account	461,761	440,983
Foreign currency deposit account	768,358	737,798
	7,074,095	5,978,945

With National Bank of Pakistan in Local currency current account 1,558,295 868,264

Prize bonds 261,745 613,979

13,453,093	11,571,282
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7. BALANCES WITH OTHER BANKS

In Pakistan

In current account	7,001	708
In deposit account	100,566	587
	107,567	1,295

Outside Pakistan

In current account	631,213	1,080,600
In deposit account	39,386	277,123
	670,599	1,357,723
	778,166	1,359,018

8. LENDINGS TO FINANCIAL INSTITUTIONS

Repurchase agreement lendings (Reverse Repo) 3,483,329 -

Less: provision held against Lendings to Financial Institutions - -

Lendings to Financial Institutions - net of provision **3,483,329** **-**

9. INVESTMENTS

9.1 Investments by type:

June 30, 2021 (Un-audited)				December 31, 2020 (Audited)			
Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value

Available-for-sale securities

Federal Government Securities

- Market Treasury Bills	19,638,198	-	6,768	19,644,966	15,325,444	-	1,935	15,327,379
- Pakistan Investment Bonds	308,125	-	504	308,629	299,441	-	9,466	308,907
- GoP Ijarah Sukuks	9,983,242	-	29,908	10,013,150	9,981,478	-	(60,428)	9,921,050
Shares								
- Fully paid up ordinary shares - Listed	2,588,043	(2,133,273)	462,429	917,199	4,147,681	(2,871,477)	836,239	2,112,443
- 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	1,596,300	(1,596,300)	-	-	1,597,650	(1,597,650)	-	-
- Sukuk Bonds	200,000	(200,000)	-	-	200,000	(200,000)	-	-
	34,362,773	(3,976,608)	499,609	30,885,774	31,600,559	(4,716,162)	787,212	27,671,609

Subsidiary 396,942 (165,191) - 231,751 396,942 (165,191) - 231,751

Total Investments 34,759,715 (4,141,799) 499,609 31,117,525 31,997,501 (4,881,353) 787,212 27,903,360

(Un-audited) (Audited)
June 30, 2021 December 31, 2020
----- (Rupees in '000) -----

9.1.1 Investments given as collateral - Market Value

Market Treasury Bills - 621,755

9.2 Provision for diminution in value of investments

Opening balance	4,881,353	4,555,673
Charge / reversals		
Charge for the period / year	-	328,380
Reversals for the period / year	(1,350)	(2,700)
Reversal on disposals	(738,204)	-
	(739,554)	325,680
Closing balance	4,141,799	4,881,353

9.3 Particulars of provision against debt securities

Category of classification	June 30, 2021 (Un-audited)		December 31, 2020 (Audited)	
	NPI	Provision	NPI	Provision

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

Domestic				
Loss	1,796,300	1,796,300	1,797,650	1,797,650

10. ADVANCES

Note	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
	----- (Rupees in '000) -----					
Loans, cash credits, running finances, etc.	20,674,344	21,994,199	37,220,902	37,785,580	57,895,246	59,779,779
Islamic financing and related assets	2,846,850	3,264,430	814,683	861,408	3,661,533	4,125,838
Bills discounted and purchased	614,068	247,788	68,935	77,089	683,003	324,877
Advances - gross	24,135,262	25,506,417	38,104,520	38,724,077	62,239,782	64,230,494
Provision against advances						
- Specific	-	-	(32,686,828)	(32,425,544)	(32,686,828)	(32,425,544)
- General	(18,350)	(21,671)	-	-	(18,350)	(21,671)
	(18,350)	(21,671)	(32,686,828)	(32,425,544)	(32,705,178)	(32,447,215)
Advances - net of provision	24,116,912	25,484,746	5,417,692	6,298,533	29,534,604	31,783,279

10.1 Particulars of advances (Gross)	(Un-audited)		(Audited)	
	June 30, 2021		December 31, 2020	
	----- (Rupees in '000) -----			
In local currency			61,611,995	63,968,988
In foreign currencies			627,787	261,506
			<u>62,239,782</u>	<u>64,230,494</u>

10.2 Advances include Rs. 38,104.520 million (December 31, 2020: Rs. 38,724.077 million) which have been placed under non-performing status as detailed below:

Category of Classification	June 30, 2021 (Un-audited)		December 31, 2020 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	----- (Rupees in '000) -----			
Domestic				
Other Assets Especially Mentioned	5,261	164	7,661	435
Substandard	14,109	3,211	136,591	11,094
Doubtful	615,467	266,264	401,317	57,849
Loss	37,469,683	32,417,189	38,178,508	32,356,166
	<u>38,104,520</u>	<u>32,686,828</u>	<u>38,724,077</u>	<u>32,425,544</u>

10.3 Particulars of provision against advances

	June 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	32,425,544	21,671	32,447,215	28,903,404	40,508	28,943,912
Charge for the period / year	1,190,913	-	1,190,913	4,970,989	-	4,970,989
Reversals	(929,629)	(3,321)	(932,950)	(608,556)	(18,837)	(627,393)
	261,284	(3,321)	257,963	4,362,433	(18,837)	4,343,596
Amounts written off	-	-	-	(840,293)	-	(840,293)
Closing balance	<u>32,686,828</u>	<u>18,350</u>	<u>32,705,178</u>	<u>32,425,544</u>	<u>21,671</u>	<u>32,447,215</u>

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%.

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. 5,094.279 million (December 31, 2020: Rs. 5,988.229 million). The positive impact on the profit and loss account arising from availing this benefit - net of tax amounts to Rs. 3,311.281 million (December 31, 2020: Rs. 3,892.349 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.

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
11. FIXED ASSETS			
Capital work-in-progress	11.1	131,270	4,626
Property and equipment		8,089,323	8,254,429
Right-of-use assets		2,645,325	1,929,248
		<u>10,865,918</u>	<u>10,188,303</u>
11.1 Capital work-in-progress			
Civil works and related payments / progress billings		1,613	-
Advances and other payments to suppliers and contractors		129,657	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)
		<u>131,270</u>	<u>4,626</u>
		(Un-audited)	
		June 30, 2021	June 30, 2020
		----- (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 - Net additions / (transfers)		126,644	(64,789)
Property and equipment			
Building improvements		-	42,695
Furniture and fixture		157	679
Electrical, office and computer equipment		25,413	59,456
Vehicles		56,000	53
		<u>81,570</u>	<u>102,883</u>
		<u>208,214</u>	<u>38,094</u>
11.3 Disposal of fixed assets			
The net book value of fixed assets disposed of during the period is as follows:			
Property and equipment			
Building improvements		-	21
Electrical, office and computer equipment		509	132
Vehicles		-	-
		<u>509</u>	<u>153</u>
11.4 Additions to right-of-use assets		<u>1,014,618</u>	<u>244,083</u>

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
Note	----- (Rupees in '000) -----	
12. INTANGIBLE ASSETS		
Capital work-in-progress	12.1 45,910	47,928
Intangible assets in use	12.2 28,071	42,531
	<u>73,981</u>	<u>90,459</u>
12.1 Capital work-in-progress		
Advances to suppliers and contractors	45,910	47,928
Advances against capital work in progress considered doubtful	142,522	141,224
Less: Provision held there against	(142,522)	(141,224)
	-	-
	<u>45,910</u>	<u>47,928</u>
12.2 Intangible assets in use		
Computer softwares	28,071	35,366
Core deposits	-	3,560
Brand name	-	3,605
	<u>28,071</u>	<u>42,531</u>
	<u>(Un-audited)</u>	
	June 30, 2021	June 30, 2020
	----- (Rupees in '000) -----	
12.3 Additions to intangible assets		
The following additions have been made to intangible assets during the period:		
Capital work-in-progress - Net transfers	(720)	(2,089)
Directly purchased	8,569	2,785
	<u>7,849</u>	<u>696</u>

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
- Unrealised loss on HFT Portfolio
- Provision against other assets

June 30, 2021 (Un-audited)			
At January 01, 2021	Recognised in profit and loss account	Recognised in other comprehensive income	At June 30, 2021
----- (Rupees in '000) -----			
7,847,641	913,839	-	8,761,480
6,878,619	(345)	-	6,878,274
1,708,474	(258,844)	-	1,449,630
43,107	-	-	43,107
46,247	(726)	-	45,521
-	-	-	-
149,656	-	-	149,656
16,673,744	653,924	-	17,327,668

Taxable Temporary Differences on

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

(275,524)	-	100,661	(174,863)
7,032	(9,840)	-	(2,808)
(1,105,287)	-	18,129	(1,087,158)
(406,274)	-	-	(406,274)
(280,316)	-	14,063	(266,253)
(334,130)	17,680	-	(316,450)
(2,394,499)	7,840	132,853	(2,253,806)
14,279,245	661,764	132,853	15,073,862

December 31, 2020 (Audited)

At January 01, 2020	Recognised in profit and loss account	Recognised in other comprehensive income	At December 31, 2020
----- (Rupees in '000) -----			

Deductible Temporary Differences on

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

5,889,304	1,958,337	-	7,847,641
5,826,396	1,052,223	-	6,878,619
1,594,486	113,988	-	1,708,474
43,107	-	-	43,107
38,358	7,889	-	46,247
108	(108)	-	-
4,294	2,738	-	7,032
149,656	-	-	149,656
13,545,709	3,135,067	-	16,680,776

Taxable Temporary Differences on

- Deficit on revaluation of investments
- 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	-	(305,786)	(275,524)
(1,026,325)	-	(78,962)	(1,105,287)
(406,274)	-	-	(406,274)
(156,349)	-	(123,967)	(280,316)
(380,630)	46,500	-	(334,130)
(1,939,316)	46,500	(508,715)	(2,401,531)
11,606,393	3,181,567	(508,715)	14,279,245

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) June 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
14. OTHER ASSETS		
	Note	
Income / mark-up accrued in local currency	662,448	836,128
Income / mark-up accrued in foreign currency	656	602
Advances, deposits, advance rent and other prepayments	284,501	344,303
Advance taxation (payments less provisions)	626,998	619,630
Non-banking assets acquired in satisfaction of claims	2,578,210	2,598,087
Branch adjustment account	12	-
Receivable from other banks against clearing and settlement	146,669	165,127
Mark to market gain on forward foreign exchange contracts	11,309	2,331
Acceptances	252,775	266,866
Receivable from brokers	54,180	-
Stationery and stamps on hand	8,446	8,529
Commission receivable on home remittance	10,849	17,186
Property - Held for sale	14.1 3,836,309	3,836,309
Others	484,914	463,985
	8,958,276	9,159,083
Less: Provision held against other assets	14.2 (756,478)	(637,837)
Other assets (net of provision)	8,201,798	8,521,246
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	760,722	800,903
Surplus on revaluation of property - held for sale	1,160,784	1,160,784
Other assets - total	10,123,304	10,482,933

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) June 30, 2021	(Audited) December 31, 2020
	----- (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	96,689	79,664
Non-banking assets acquired in satisfaction of claims	360,107	290,547
Commission receivable on guarantees	9,880	9,880
Receivable from Dewan Group	34,436	34,436
Account receivable - sundry claims	138,554	136,775
Receivable from Speedway Fondmetal (Pakistan) Limited	25,694	25,694
Others	89,729	59,452
	756,478	637,837

14.2.1 Movement in provision held against other assets

Opening balance	637,837	587,110
Charge for the period / year	119,822	50,727
Reversals	(1,181)	-
Closing balance	756,478	637,837

(Un-audited) (Audited)
June 30, 2021 December 31, 2020
----- (Rupees in '000) -----

15. CONTINGENT ASSETS

There were no contingent assets at the balance sheet date.

16. BILLS PAYABLE

In Pakistan	2,115,725	2,402,870
Outside Pakistan	-	-
	<u>2,115,725</u>	<u>2,402,870</u>

17. BORROWINGS

Secured

Borrowings from State Bank of Pakistan

- Under export refinance scheme	5,900,820	5,947,680
- Under Islamic Export Refinance Scheme (IERF)	300,000	300,000
- Under long-term financing facility	729,149	756,850
- Refinance facility for modernization of SMEs	4,230	4,500
	<u>6,934,199</u>	<u>7,009,030</u>

Repurchase agreement borrowings - 621,633

Total secured 6,934,199 7,630,663

Unsecured

Overdrawn nostro accounts 13,218 38,223

Total unsecured 13,218 38,223

6,947,417 7,668,886

18. DEPOSITS AND OTHER ACCOUNTS

	June 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
Customers						
Current deposits	35,710,670	1,418,486	37,129,156	30,040,249	1,300,925	31,341,174
Savings deposits	50,290,324	3,430,437	53,720,761	47,031,067	3,458,103	50,489,170
Term deposits	10,853,830	3,253,628	14,107,458	12,468,055	3,083,754	15,551,809
Others	2,259,310	24,776	2,284,086	2,328,540	25,136	2,353,676
	<u>99,114,134</u>	<u>8,127,327</u>	<u>107,241,461</u>	<u>91,867,911</u>	<u>7,867,918</u>	<u>99,735,829</u>
Financial institutions						
Current deposits	617,558	67,715	685,273	518,457	84,733	603,190
Savings deposits	2,130,536	5	2,130,541	1,094,517	5	1,094,522
Term deposits	424,093	-	424,093	454,043	-	454,043
Others	-	-	-	-	-	-
	<u>3,172,187</u>	<u>67,720</u>	<u>3,239,907</u>	<u>2,067,017</u>	<u>84,738</u>	<u>2,151,755</u>
	<u>102,286,321</u>	<u>8,195,047</u>	<u>110,481,368</u>	<u>93,934,928</u>	<u>7,952,656</u>	<u>101,887,584</u>

18.1 Deposits include Eligible Deposits of Rs. 70,678,517 million (December 31, 2020: Rs. 64,532,187 million) protected under Depositors Protection Mechanism introduced by the State Bank of Pakistan.

18.2 Deposits include USD 13.180 million (December 31, 2020: 13.180 million) held by H.E. Nasser Abdulla Hussain Lootha (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, 2020: October 27, 2021)

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.

20. OTHER LIABILITIES	(Un-audited)	(Audited)
	June 30, 2021	December 31, 2020
Note	----- (Rupees in '000) -----	
Mark-up / return / interest payable in local currency	1,227,712	1,119,107
Mark-up / return / interest payable in foreign currencies	161	155
Unearned income	9,210	10,822
Accrued expenses	97,287	88,405
Advance against sale of property	373,323	364,003
Acceptances	252,775	266,866
Unclaimed dividends	2,213	2,213
Mark to market loss on forward foreign exchange contracts	3,285	22,421
Payable to defined benefit plan	24,596	98,865
Charity fund balance	2,792	2,317
Branch adjustment account	-	101
Security deposits against lease	377,900	506,547
Payable to Bangladesh Bank	41,389	41,389
Payable to Rupali Bank - Bangladesh	16,293	16,293
Payable to vendors / creditors	242,149	214,310
Provision for compensated absences	130,057	132,130
Payable to Bank of Ceylon, Colombo	20,163	20,163
Retention money	2,895	2,895
Workers' welfare fund	13,360	13,360
Withholding taxes and government levies payable	16,586	16,716
Federal excise duty and sales tax payable	4,785	6,485
Commission payable on home remittances	4,907	9,575
Lease liability against right-of-use assets	2,894,271	2,092,254
Others	376,193	343,103
	6,134,302	5,390,495

21. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

Surplus / (deficit) on revaluation of

- Available for sale securities
- Fixed assets
- Non-banking assets acquired in satisfaction of claims
- Property - held for sale

9.1	499,609	787,212
	4,078,990	4,130,785
	760,722	800,903
	1,160,784	1,160,784
	6,500,105	6,879,684

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

- Available for sale securities
- Fixed assets
- Non-banking assets acquired in satisfaction of claims
- Property - held for sale

(174,863)	(275,524)
(1,087,158)	(1,105,287)
(266,253)	(280,316)
(406,274)	(406,274)
(1,934,548)	(2,067,401)
4,565,557	4,812,283

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
Note	----- (Rupees in '000) -----	
22. CONTINGENCIES AND COMMITMENTS		
-Guarantees	22.1 10,456,647	10,938,046
-Commitments	22.2 12,840,736	16,207,831
-Other contingent liabilities	22.3 21,241,569	18,337,923
	<u>44,538,952</u>	<u>45,483,800</u>
22.1 Guarantees:		
Financial guarantees	20,470	20,470
Performance guarantees	8,619,023	9,486,981
Other guarantees	1,817,154	1,430,595
	<u>10,456,647</u>	<u>10,938,046</u>
22.2 Commitments:		
Documentary credits and short-term trade-related transactions		
- letters of credit	1,674,492	2,428,147
Commitments in respect of:		
- forward foreign exchange contracts	22.2.1 5,483,543	5,711,514
- forward lending	22.2.2 5,386,209	7,302,916
- operating leases	22.2.3 10,987	36,057
Commitments for acquisition of:		
- operating fixed assets	106,241	2,338
- intangible assets	179,264	105,226
Other commitments	22.2.4 -	621,633
	<u>12,840,736</u>	<u>16,207,831</u>
22.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	5,383,014	5,229,005
Sale	100,529	482,509
	<u>5,483,543</u>	<u>5,711,514</u>

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
22.2.2	Commitments in respect of forward lending		
	Forward documentary bills	3,906,717	5,138,777
	Undrawn formal standby facilities, credit lines and other commitments to lend	22.2.2.1 1,479,492	2,164,139
		<u>5,386,209</u>	<u>7,302,916</u>

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

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
		----- (Rupees in '000) -----	
22.2.3	Commitments in respect of operating lease		
	Not later than one year	10,987	36,057
	Later than one year and not later than five years	-	-
	Later than five years	-	-
		<u>10,987</u>	<u>36,057</u>
22.2.4	Other commitments		
	Purchase (Repo)	-	621,633
22.3	Other contingent liabilities - claims against the Bank not acknowledged as debts	<u>21,241,569</u>	<u>18,337,923</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) Half year ended	
		June 30, 2021	June 30, 2020
Note		----- (Rupees in '000) -----	
23. MARK-UP / RETURN / INTEREST EARNED			
On:			
Loans and advances		963,091	1,609,913
Investments		986,471	1,141,510
Lendings to financial institutions		13,421	27,700
Balances with banks		1,017	7,345
		<u>1,964,000</u>	<u>2,786,468</u>
24. MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits		2,007,120	2,911,418
Borrowings		133,331	499,677
Subordinated debt		79,436	108,671
Cost of foreign currency swaps against foreign currency deposits / borrowings		175,503	228,137
Finance cost of lease liability		164,437	143,945
		<u>2,559,827</u>	<u>3,891,848</u>
25. FEE AND COMMISSION INCOME			
Branch banking customer fees		21,526	24,018
Consumer finance related fees		5,392	3,956
Card related fees (debit cards)		37,256	35,647
Credit related fees		1,973	2,783
Investment banking fees		27,212	9,666
Commission on trade		83,696	82,978
Commission on guarantees		50,010	56,145
Commission on cash management		1,602	560
Commission on remittances including home remittances		6,845	7,922
Commission on bancassurance		602	785
Alternate Delivery Channels		616	5,150
Others		7	8
		<u>236,737</u>	<u>229,618</u>
26. GAIN ON SECURITIES			
Realised	26.1	480,811	614,306
Unrealised - held for trading		-	(212)
		<u>480,811</u>	<u>614,094</u>
26.1 Realised gain on:			
Federal Government Securities		21,787	613,138
Shares		459,024	1,168
		<u>480,811</u>	<u>614,306</u>

		(Un-audited) Half year ended	
		June 30, 2021	June 30, 2020
Note		----- (Rupees in '000) -----	
27. OTHER INCOME			
Rent on property		10,733	9,171
Gain on sale of fixed assets - net		16,136	1,578
Gain on sale of ijarah assets		15,790	3,899
		<u>42,659</u>	<u>14,648</u>
28. OPERATING EXPENSES			
Total compensation expense	28.1	920,098	846,880
Property expense			
Rent and taxes		83,456	82,697
Insurance - property		2,792	2,012
Insurance - non banking assets		313	197
Utilities cost		115,489	92,862
Security (including guards)		97,395	98,011
Repair and maintenance (including janitorial charges)		65,590	62,807
Depreciation on owned fixed assets		144,928	136,624
Depreciation on right-of-use assets		255,769	273,119
Depreciation on non banking assets		60,058	21,874
		<u>825,790</u>	<u>770,203</u>
Information technology expenses			
Software maintenance		45,232	49,087
Hardware maintenance		42,845	48,494
Depreciation on computer equipments		33,937	49,133
Amortisation of computer softwares		11,766	13,305
Network charges		43,582	42,274
Insurance		439	1,123
		<u>177,801</u>	<u>203,416</u>
Other operating expenses			
Directors' fees and allowances		9,150	800
Fees and allowances to Shariah Board		7,230	2,645
Legal and professional charges		30,954	80,316
Outsourced services costs		80,440	72,857
Travelling and conveyance		82,342	69,360
NIFT clearing charges		13,019	11,190
Depreciation		67,288	73,841
Amortisation of core deposits and brand name		7,165	17,686
Training and development		1,135	1,667
Postage and courier charges		18,128	18,983
Communication		24,874	25,340
Stationery and printing		43,466	45,284
Marketing, advertisement and publicity		3,164	11,981
Brokerage and commission		13,456	12,397
Fee and subscription		27,974	39,722
Cash transportation and sorting charges		50,757	34,499
Entertainment		16,690	13,352
Insurance		64,403	63,768
Deposit insurance premium expense		37,648	51,680
Repair and maintenance		43,316	37,934
Auditors' remuneration		6,612	4,539
Others		7,283	5,376
		<u>656,494</u>	<u>695,217</u>
		<u>2,580,183</u>	<u>2,515,716</u>

		(Un-audited) Half year ended	
		June 30, 2021	June 30, 2020
		----- (Rupees in '000) -----	
28.1	Total compensation expense	Note	
	Fees and allowances etc.	7,747	14,543
	Managerial remuneration		
	i) Fixed	570,058	526,143
	ii) Variable		
	of which;		
	a) Cash bonus / awards etc.	1,765	2,333
	b) Incentives and commission	647	472
	Charge for defined benefit plan	36,736	22,726
	Contribution to defined contribution plan	36,587	32,072
	Charge for employees compensated absences	2,614	9,206
	Rent and house maintenance	181,445	165,395
	Utilities	40,301	36,802
	Medical	42,198	37,188
	Total	920,098	846,880
29.	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	3,860	275
	Penalties imposed by SECP	100	-
		3,960	275
30.	(REVERSALS) / PROVISIONS AND WRITE OFFS - NET		
	(Reversals) / provisions for diminution in value of investments	(739,554)	283,427
	Provisions against loans and advances	257,963	1,745,547
	Provision for capital work in progress	1,298	-
	Provisions against intangible assets	4,098	-
	Provision against other assets	118,641	1,905
	Fixed assets written off	14	-
	Bad debts written off directly	-	972
	Operational loss	2,909	-
	Recoveries against written off / charged off bad debts	(1,209)	(602)
		(355,840)	2,031,249
31.	TAXATION		
	Current	31.1 & 31.2 28,444	47,813
	Prior years	-	-
	Deferred	(661,764)	(1,393,968)
		(633,320)	(1,346,155)

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, 2019 i.e. tax year 2020.

In respect of assessments of Summit Bank Limited from tax years 2009 to tax year 2011, tax year 2013 and tax year 2014 the tax authorities disputed the Bank's treatment on certain issues and created an additional tax demand (net of rectification) of Rs. 203.22 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 the Bank's treatment on certain issues and created an 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 the 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 the 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) Half year ended	
		June 30, 2021	June 30, 2020
		----- (Rupees in '000) -----	
32. BASIC AND DILUTED LOSS PER SHARE	Note		
Loss for the period		<u>(1,340,464)</u>	<u>(3,265,986)</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>(0.51)</u>	<u>(1.24)</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>(0.51)</u>	<u>(1.24)</u>

32.1 There are no potential ordinary shares outstanding as of June 30, 2021.

		(Un-audited) Half year ended	
		June 30, 2021	June 30, 2020
		----- (Rupees in '000) -----	
33. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks		13,453,093	7,081,971
Balances with other banks		778,166	1,021,600
Overdrawn nostro accounts		(13,218)	(22,415)
		<u>14,218,041</u>	<u>8,081,156</u>

34. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than 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:

	June 30, 2021 (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	-	29,966,745	-	29,966,745
- Shares - Listed	917,199	-	-	917,199
Financial assets - disclosed but not measured at fair value				
Investments				
- Shares - Unlisted	-	-	3,070	3,070
Non-Financial assets - measured at fair value				
Operating fixed assets	-	-	7,640,715	7,640,715
Non banking assets acquired in satisfaction of claims	-	-	2,978,825	2,978,825
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	5,391,118	-	5,391,118
Forward sale of foreign exchange	-	100,609	-	100,609

December 31, 2020 (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	-	25,557,336	-	25,557,336
- Shares - Listed	2,112,443	-	-	2,112,443
Financial assets - disclosed but not measured at fair value				
Investments				
- Shares - Unlisted	-	-	3,070	3,070
Non-Financial assets - measured at fair value				
Operating fixed assets	-	-	7,785,642	7,785,642
Non banking assets acquired in satisfaction of claims	-	-	3,108,443	3,108,443
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	5,206,686	-	5,206,686
Forward sale of foreign exchange	-	480,280	-	480,280

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 half year ended June 30, 2021 (Unaudited)					
Corporate finance	Trading and sales	Branch Banking	Islamic	Others	Total
(Rupees in '000)					
Profit and Loss					
Net mark-up / return / profit	(868)	492,622	(1,118,755)	31,174	(595,827)
Inter segment revenue - net	-	(376,657)	-	376,657	-
Non mark-up / return / interest income	26,278	586,404	220,774	16,890	850,346
Total income	25,410	702,369	(897,981)	424,721	254,519
Segment direct expenses	4,031	229,333	2,150,474	140,246	2,584,143
Inter segment expense allocation	-	-	(240,073)	240,073	-
Total expenses	4,031	229,333	1,910,401	380,319	2,584,143
Provisions	-	(739,554)	360,976	22,738	(355,840)
Profit / (loss) before tax	21,379	1,212,590	(3,169,358)	21,664	(60,059)

As at June 30, 2021 (Unaudited)						
(Rupees in '000)						
Balance Sheet						
Cash and bank balances	-	6,757,375	6,157,462	1,316,422	-	14,231,259
Investments	-	22,995,389	1,394,735	6,495,650	231,751	31,117,525
Net inter segment lending	-	275,000	-	12,948,594	-	13,223,594
Lendings to financial institutions	-	3,483,329	-	-	-	3,483,329
Advances - performing	-	-	21,274,482	2,842,430	-	24,116,912
Advances - non-performing	-	-	5,374,867	42,825	-	5,417,692
Others	189,091	9,289,724	14,124,122	696,991	11,837,137	36,137,065
Total assets	189,091	42,800,817	48,325,668	24,342,912	12,068,888	127,727,376
Borrowings	-	13,218	6,634,199	300,000	-	6,947,417
Subordinated debt	16,345	849,192	629,978	-	-	1,495,515
Deposits and other accounts	-	-	90,310,548	20,170,820	-	110,481,368
Net inter segment borrowing	-	12,948,594	-	275,000	-	13,223,594
Others	5,222	271,997	5,878,121	1,817,626	277,061	8,250,027
Total liabilities	21,567	14,083,001	103,452,846	22,563,446	277,061	140,397,921
Equity	167,524	28,717,816	(55,127,178)	1,779,466	11,791,827	(12,670,545)
Total equity and liabilities	189,091	42,800,817	48,325,668	24,342,912	12,068,888	127,727,376
Contingencies and Commitments	-	4,942,948	15,010,975	3,057,955	21,527,074	44,538,952

For the half year ended June 30, 2020 (Unaudited)						
Corporate finance	Trading and sales	Branch Banking	Islamic	Others	Total	
----- (Rupees in '000) -----						
Profit and Loss						
Net mark-up / return / profit	(295)	466,320	(1,305,059)	(266,346)	-	(1,105,380)
Inter segment revenue - net	-	(808,142)	-	808,142	-	-
Non mark-up / return / interest income	9,750	840,127	209,315	(18,713)	-	1,040,479
Total income	9,455	498,305	(1,095,744)	523,083	-	(64,901)
Segment direct expenses	1,016	127,721	2,226,632	138,748	21,874	2,515,991
Inter segment expense allocation	-	-	(223,981)	223,981	-	-
Total expenses	1,016	127,721	2,002,651	362,729	21,874	2,515,991
Provisions	-	233,179	1,758,014	(10,192)	50,248	2,031,249
Profit / (loss) before tax	8,439	137,405	(4,856,409)	170,546	(72,122)	(4,612,141)

As at December 31, 2020 (Audited)						
----- (Rupees in '000) -----						
Balance Sheet						
Cash and Bank balances	-	6,246,813	5,678,196	1,005,291	-	12,930,300
Investments	-	19,841,125	1,394,734	6,435,750	231,751	27,903,360
Net inter segment lending	-	350,000	-	10,158,875	-	10,508,875
Lendings to financial institutions	-	-	-	-	-	-
Advances - performing	-	-	22,225,845	3,258,901	-	25,484,746
Advances - non-performing	-	-	6,185,150	113,383	-	6,298,533
Others	55,773	8,131,080	14,100,203	758,345	11,995,539	35,040,940
Total Assets	55,773	34,569,018	49,584,128	21,730,545	12,227,290	118,166,754
Borrowings	-	656,031	6,709,029	303,826	-	7,668,886
Subordinated debt	4,987	790,375	700,153	-	-	1,495,515
Deposits and other accounts	-	-	84,529,127	17,358,457	-	101,887,584
Net inter segment borrowing	-	10,158,875	-	350,000	-	10,508,875
Others	780	143,719	5,351,975	1,999,609	297,282	7,793,365
Total liabilities	5,767	11,749,000	97,290,284	20,011,892	297,282	129,354,225
Equity	50,006	22,820,018	(47,706,156)	1,718,653	11,930,008	(11,187,471)
Total equity and liabilities	55,773	34,569,018	49,584,128	21,730,545	12,227,290	118,166,754
Contingencies and Commitments	-	5,849,590	17,729,421	3,459,302	18,445,487	45,483,800

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:

	June 30, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Parent company	Key Directors management personnel	Subsidiary	Other related parties	Parent company	Directors management personnel	Subsidiary	Other related parties
	(Rupees in '000)							
Investments								
Opening balance	-	-	396,942	1,692,490	-	-	396,942	1,692,490
Investment made during the period / year	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-
Closing balance	-	-	396,942	1,692,490	-	-	396,942	1,692,490
Provision for diminution in value of investments	-	-	165,191	1,613,242	-	-	165,191	1,613,242
Advances								
Opening balance	-	295,706	-	675,185	-	-	265,793	660,792
Addition during the period / year	-	2,600	99,998	457,289	-	-	16,031	300,000
Repaid during the period / year	-	(28,455)	(99,998)	(2,404)	-	-	(37,659)	(293,617)
Transfer in / (out) - net	-	(18,501)	-	-	-	-	51,541	8,010
Closing balance	-	251,350	-	1,130,070	-	-	295,706	675,185
Provision held against advances	-	-	-	-	-	-	-	-

	June 30, 2021 (Un-audited)				December 31, 2020 (Audited)				
	Parent company	Key management personnel	Subsidiary	Other related parties	Parent company	Directors	Key management personnel	Subsidiary	Other related parties
	(Rupees in '000)								
Other Assets									
Interest / mark-up accrued	-	-	-	22,580	-	-	-	-	13,763
Other receivable	699	200	-	-	699	-	-	-	-
Provision held against other assets	-	-	-	-	-	-	-	-	-
Deposits and other accounts									
Opening balance	-	64,072	157,832	2,083,253	-	-	20,042	92,926	1,512,961
Received during the period / year	-	328,363	3,219,212	3,332,662	-	-	239,139	3,747,955	1,336,975
Withdrawn during the period / year	-	(331,383)	(3,178,740)	(3,348,846)	-	-	(231,713)	(3,683,049)	(1,598,647)
Transfer (out) / in - net	-	6,234	-	153	-	-	36,604	-	831,964
Closing balance	-	67,286	198,304	2,067,222	-	-	64,072	157,832	2,083,253
Other Liabilities									
Interest / mark-up payable	-	134	352	13,471	-	-	262	46	9740
Payable to defined benefit plan	-	-	-	30,799	-	-	-	-	98,865
Brokerage payable	-	-	3,055	-	-	-	-	127	-
Contingencies and Commitments									
Guarantees, letters of credit and acceptances	-	-	-	86,500	-	-	-	-	86,500
Commitments to extend credit	-	-	300,000	3,339	-	-	-	400,000	8,815

	For the half year ended June 30, 2021 (Un-audited)				For the half year ended June 30, 2020 (Un-audited)			
	Parent company	Directors management personnel	Subsidiary	Other related parties	Parent company	Directors management personnel	Subsidiary	Other related parties
	(Rupees in '000)							
Income								
Mark-up / return / interest earned	-	5,842	297	36,991	-	6,396	49	42,915
Fee and commission income	-	-	73	-	-	-	98	-
Other income	-	3	1,842	-	-	11	1,674	-
Expense								
Mark-up / return / interest expensed	-	592	708	59,542	-	508	869	63,972
Operating expenses:								
- Directors' fees and allowances	9,150	-	-	-	800	-	-	-
- Brokerage and commission	-	-	3,243	-	-	-	832	-
- Fee and subscription	-	387	-	-	-	446	-	-
- Managerial Remuneration	-	111,230	-	-	-	88,960	-	-
- Contribution to defined contribution plan	-	-	-	36,587	-	-	-	32,072
- Charge for defined benefit plan	-	-	-	36,736	-	-	-	22,726
Provision for diminution in value of investments	-	-	-	-	-	-	50,248	-

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)
June 30, December 31,
2021 2020
----- (Rupees in '000) -----

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses) (17,390,264) (16,153,916)

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier-1 (CET-1) Capital	(33,121,602)	(31,153,180)
Eligible Additional Tier-1 (ADT-1) Capital	-	-
Total Eligible Tier-1 Capital	(33,121,602)	(31,153,180)
Eligible Tier-2 Capital	-	-
Total Eligible Capital (Tier-1 + Tier-2)	<u>(33,121,602)</u>	<u>(31,153,180)</u>

Risk Weighted Assets (RWAs):

Credit Risk	51,465,361	53,767,663
Market Risk	5,366,224	7,764,588
Operational Risk	7,447,378	7,447,378

Total 64,278,963 68,979,629

Common Equity Tier-1 Capital Adequacy Ratio	-51.53%	-45.16%
Tier-1 Capital Adequacy Ratio	-51.53%	-45.16%
Total Capital Adequacy Ratio	<u>-51.53%</u>	<u>-45.16%</u>

Leverage Ratio (LR):

Eligible Tier-1 Capital	(33,121,602)	(31,153,180)
Total Exposures	116,471,039	123,539,402

Leverage Ratio -28.44% -25.22%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	39,323,802	29,821,667
Total Net Cash Outflow	22,040,953	17,116,667

Liquidity Coverage Ratio 178.41% 174.23%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	74,619,336	71,961,781
Total Required Stable Funding	52,385,031	56,670,046

Net Stable Funding Ratio 142.44% 126.98%

38. ISLAMIC BANKING BUSINESS

The Bank commenced its Islamic Banking Operations in Pakistan on March 07, 2014 and is operating with 14 (December 31, 2020: 14) Islamic banking branches and 35 (December 31, 2020: 35) Islamic banking windows at the end of the period.

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2021

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
Note	----- (Rupees in '000) -----	
ASSETS		
Cash and balances with treasury banks	1,179,095	1,004,828
Balances with other banks	137,327	463
Due from financial institutions	38.1 12,948,594	10,158,875
Investments	38.2 6,495,650	6,435,750
Islamic financing and related assets - net	38.3 2,885,255	3,372,284
Fixed assets	367,083	393,982
Intangible assets	1,303	2,415
Due from Head Office	-	-
Other assets	328,605	361,948
Total Assets	24,342,912	21,730,545
LIABILITIES		
Bills payable	308,516	246,818
Due to financial institutions	38.4 575,000	653,826
Deposits and other accounts	38.5 20,170,820	17,358,457
Due to Head Office	-	-
Subordinated debt	-	-
Deferred tax liabilities	34,670	14,449
Other liabilities	1,474,440	1,738,342
	22,563,446	20,011,892
NET ASSETS	1,779,466	1,718,653
REPRESENTED BY		
Islamic Banking Fund	1,000,000	1,000,000
Reserves	-	-
Surplus on revaluation of assets	64,388	26,834
Unappropriated / Unremitted profit	38.6 715,078	691,819
	1,779,466	1,718,653
CONTINGENCIES AND COMMITMENTS	38.7	

**ISLAMIC BANKING BUSINESS
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021**

	June 30, 2021	June 30, 2020
Note	----- (Rupees in '000) -----	
Profit / return earned	38.8 768,978	1,052,634
Profit / return expensed	38.9 361,147	510,838
Net Profit / return	407,831	541,796
Other income		
Fee and commission income	20,418	25,221
Dividend income	-	-
Foreign exchange loss	(15,800)	(40,162)
Income / (loss) from derivatives	-	-
Loss on sale of securities	(5,270)	(7,704)
Other income	17,542	3,932
Total other income	16,890	(18,713)
Total income	424,721	523,083
Other expenses		
Operating expenses	380,316	362,729
Workers' welfare fund	-	-
Other charges	3	-
Total other expenses	380,319	362,729
Profit before provisions	44,402	160,354
Provisions / (reversal) and write offs - net	22,738	(10,192)
Profit before taxation	21,664	170,546
Taxation	-	-
Profit after taxation	21,664	170,546

ISLAMIC BANKING BUSINESS
FOR THE HALF YEAR ENDED JUNE 30, 2021

	June 30, 2021 (Un-audited)			December 31, 2020 (Audited)			
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total	
38.1 Due from Financial Institutions	----- (Rupees in '000) -----						
<i>Unsecured</i>							
Bai Muajjal Receivable from other Financial Institutions	38.1.1	12,948,594	-	12,948,594	10,158,875	-	10,158,875
		12,948,594	-	12,948,594	10,158,875	-	10,158,875

38.1.1 This represents Bai Muajjal agreements with conventional operations of Summit Bank Limited and carries profit rate ranging from 5.75% to 8.00% per annum (December 31, 2020: 6.75% to 9.00% per annum).

38.2 Investments

	June 30, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value
----- (Rupees in '000) -----								
Investments by segments:								
Federal Government Securities:								
- GOP Ijarah Sukuks	6,494,973	-	677	6,495,650	6,494,443	-	(58,693)	6,435,750
Total Investments	6,494,973	-	677	6,495,650	6,494,443	-	(58,693)	6,435,750

	(Un-audited)		(Audited)	
	June 30, 2021	Note	December 31, 2020	Note
38.3 Islamic financing and related assets	----- (Rupees in '000) -----			
Ijarah	331,803		427,435	
Murabaha	1,712		6,343	
Running Musharakah	625,186		654,051	
Diminishing Musharakah	1,981,468		2,337,111	
Tijarah	699,998		699,998	
Advance against Ijarah	19,366		900	
Tijarah Inventory	2,000		-	
Gross Islamic financing and related assets	3,661,533		4,125,838	
Less: provision against Islamic financings				
- Specific	(771,858)		(748,025)	
- General	(4,420)		(5,529)	
	(776,278)		(753,554)	
Islamic financing and related assets - net of provision	2,885,255		3,372,284	

38.4 Due to financial institutions

<i>Secured</i>			
Acceptances from the SBP under Islamic Export Refinance Scheme		300,000	300,000
Total secured		300,000	300,000
<i>Unsecured</i>			
Overdrawn nostro accounts		-	3,826
Musharakah	38.4.1	275,000	350,000
Total unsecured		275,000	353,826
		575,000	653,826

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

38.5 Deposits

Customers

Current deposits
Savings deposits
Term deposits
Others

Financial Institutions

Current deposits
Savings deposits
Term deposits

	June 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
Customers						
Current deposits	7,512,224	431,690	7,943,914	5,408,764	487,500	5,896,264
Savings deposits	10,330,169	80,441	10,410,610	9,657,197	92,844	9,750,041
Term deposits	1,273,359	116,960	1,390,319	1,327,175	73,317	1,400,492
Others	152,312	-	152,312	174,553	-	174,553
	19,268,064	629,091	19,897,155	16,567,689	653,661	17,221,350
Financial Institutions						
Current deposits	74,543	125	74,668	77,807	127	77,934
Savings deposits	198,997	-	198,997	59,173	-	59,173
Term deposits	-	-	-	-	-	-
	273,540	125	273,665	136,980	127	137,107
	19,541,604	629,216	20,170,820	16,704,669	653,788	17,358,457

38.5.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 12,204.419 million (December 31, 2020: Rs. 9,820.715 million).

38.6 Islamic Banking Business Unappropriated Profit

Opening balance
Add: Islamic Banking profit for the period / year
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated profit

Closing balance

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----		
	691,819	542,751
	21,664	149,068
	1,595	-
	715,078	691,819

38.7 CONTINGENCIES AND COMMITMENTS

-Guarantees
-Commitments
-Other contingent liabilities

	1,957,352	2,137,420
	1,100,603	1,321,882
	-	-
	3,057,955	3,459,302

38.8 Profit / Return Earned of Financing, Investments and Placement

Profit earned on:
Financing
Investments
Placements
Balances with banks

	(Un-audited)	
	June 30, 2021	June 30, 2020
	161,428	211,617
	221,762	21,906
	385,484	819,016
	304	95
	768,978	1,052,634

38.9 Profit on Deposits and other Dues Expensed

Deposits and other accounts
Due to Financial Institutions
Finance cost of lease liability

	336,271	484,499
	12,098	11,845
	12,778	14,494
	361,147	510,838

38.10 CORRESPONDING FIGURES - ISLAMIC BANKING BUSINESS

Comparative information has been reclassified, restated, rearranged or additionally incorporated in these unconsolidated condensed interim financial statements, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period.

The effect of reclassification, restatement in comparative information presented in the unconsolidated condensed interim profit and loss account for the half year ended June 30, 2020 is as follows:

Head	(Rupees in '000)	From	To
Account maintenance and other relevant charges	1,519	Other income	Fee and commission income
Rent on locker	795	Other income	Fee and commission income
Recovery of expenses from customers	554	Other income	Fee and commission income
Bank charges	(383)	Other charges	Operating expenses

39. CORRESPONDING FIGURES

Comparative information has been reclassified, restated, rearranged or additionally incorporated in these unconsolidated condensed interim financial statements, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period.

The effect of reclassification, restatement in comparative information presented in the unconsolidated condensed interim profit and loss account for the half year ended June 30, 2020 is as follows:

Head	(Rupees in '000)	From	To
Account maintenance and other relevant charges	4,703	Other income	Fee and commission income
Rent on locker	6,078	Other income	Fee and commission income
Recovery of expenses from customers	4,996	Other income	Fee and commission income
Bank charges	(11,728)	Other charges	Operating expenses

40. DATE OF AUTHORIZATION OF ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on December 24, 2021 by the Board of Directors of the Bank.

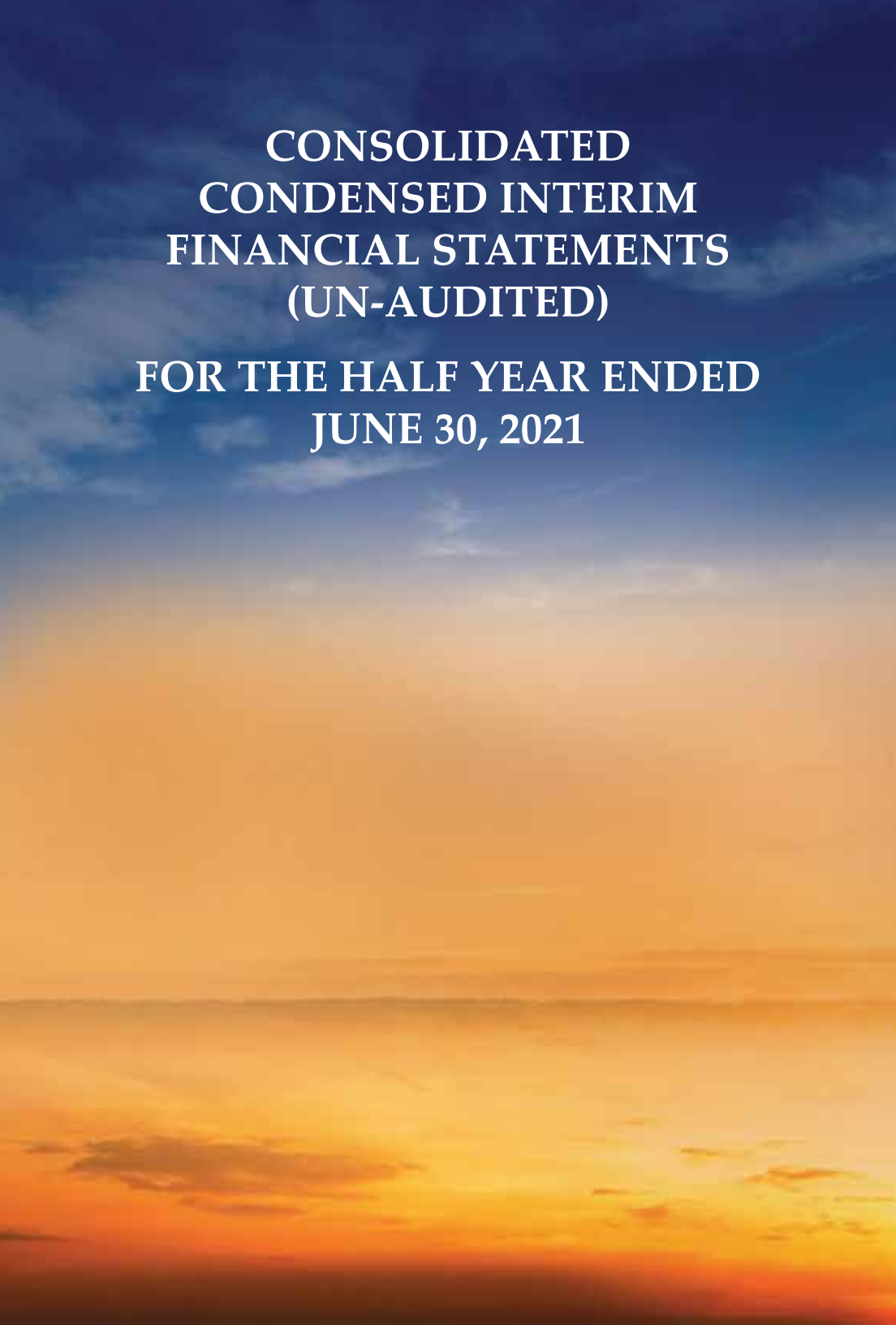
President / Chief Executive

Chief Financial Officer

Director

Director

Director



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

**FOR THE HALF YEAR ENDED
JUNE 30, 2021**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	6	13,453,094	11,571,283
Balances with other banks	7	780,113	1,364,826
Lendings to financial institutions	8	3,483,329	-
Investments	9	30,932,844	27,707,010
Advances	10	29,535,488	31,784,056
Fixed assets	11	10,901,938	10,225,804
Intangible assets	12	76,531	93,018
Deferred tax assets	13	15,021,740	14,227,494
Other assets	14	10,355,914	10,648,622
		114,540,991	107,622,113
LIABILITIES			
Bills payable	16	2,115,725	2,402,870
Borrowings	17	6,947,417	7,668,886
Deposits and other accounts	18	110,283,065	101,729,751
Liabilities against assets subject to finance lease		-	-
Subordinated debt	19	1,495,515	1,495,515
Deferred tax liabilities		-	-
Other liabilities	20	6,418,662	5,562,865
		127,260,384	118,859,887
NET ASSETS		<u>(12,719,393)</u>	<u>(11,237,774)</u>
REPRESENTED BY			
Share capital - net		20,500,194	20,500,194
Reserves		(425,043)	(425,043)
Surplus / (deficit) on revaluation of assets	21	4,596,316	4,831,373
Accumulated losses		(37,390,860)	(36,144,298)
		<u>(12,719,393)</u>	<u>(11,237,774)</u>
CONTINGENCIES AND COMMITMENTS	22		

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2021

	Note	Quarter Ended		Half Year Ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
----- (Rupees in '000) -----					
Mark-up / return / interest earned	23	1,016,996	1,310,858	1,965,342	2,789,094
Mark-up / return / interest expensed	24	1,297,712	1,722,526	2,559,449	3,890,911
Net mark-up / interest expense		(280,716)	(411,668)	(594,107)	(1,101,817)
NON MARK-UP / INTEREST INCOME					
Fee and commission income	25	145,777	117,316	276,628	262,575
Dividend income		21,009	-	21,009	14,831
Foreign exchange income		47,608	71,065	69,130	167,288
Income / (loss) from derivatives		-	-	-	-
Gain on securities	26	469,395	603,691	480,811	614,094
Other income	27	23,824	6,970	42,203	13,852
Total non-markup / interest income		707,613	799,042	889,781	1,072,640
Total income		426,897	387,374	295,674	(29,177)
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	28	1,317,959	1,294,997	2,627,603	2,566,672
Workers' welfare fund		-	-	-	-
Other charges	29	3,960	244	3,960	275
Total non-markup / interest expenses		1,321,919	1,295,241	2,631,563	2,566,947
Loss before provisions		(895,022)	(907,867)	(2,335,889)	(2,596,124)
(Reversals) / provisions and write offs - net Extra ordinary / unusual items	30	(648,219)	666,660	(355,840)	1,981,001
		-	-	-	-
LOSS BEFORE TAXATION		(246,803)	(1,574,527)	(1,980,049)	(4,577,125)
Taxation	31	(60,692)	(320,166)	(629,371)	(1,325,121)
LOSS AFTER TAXATION		(186,111)	(1,254,361)	(1,350,678)	(3,252,004)
----- (Rupees) -----					
Basic loss per share	32	(0.07)	(0.47)	(0.51)	(1.23)
Diluted loss per share	32	(0.07)	(0.47)	(0.51)	(1.23)

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2021

	Quarter ended		Half Year Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	----- (Rupees in '000) -----			
Loss after taxation for the period	(186,111)	(1,254,361)	(1,350,678)	(3,252,004)
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in (deficit) / surplus on revaluation of investments - net of tax	(308,130)	155,597	(175,273)	371,177
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement gain on defined benefit obligations	5,519	14,532	12,140	14,532
Movement in surplus on revaluation of operating fixed assets - net of tax	9,063	6,206	18,129	15,002
Movement in surplus on revaluation of non-banking assets - net of tax	(863)	-	14,063	-
	13,719	20,738	44,332	29,534
Total comprehensive loss	(480,522)	(1,078,026)	(1,481,619)	(2,851,293)

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2021**

	Share capital	Share premium	Statutory reserve	Capital reserves	Reserve arising on amalgamation	Investments	Fixed / Non banking assets	Property held for sale	Revenue reserve	Accumulated losses	Total
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 six months period ended June 30, 2020	-	-	-	-	-	-	-	-	(3,252,004)		(3,252,004)
Other comprehensive income - net of tax	-	-	-	-	-	371,177	15,002	-	14,532		400,711
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-		-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	(42,860)	-	-	42,860		-
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	-	-	-	-		-
Balance as at July 01, 2020 (Un-audited)	20,500,194	1,000,000	154,162	(1,579,205)	330,315	2,804,187	754,510	(32,481,338)	(8,517,175)		
Loss after taxation for the six months period ended December 31, 2020	-	-	-	-	-	-	-	-	(3,681,783)		(3,681,783)
Other comprehensive income - net of tax	-	-	-	-	-	200,463	789,225	-	(28,504)		96,184
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-		-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	-	-	-	47,327		-
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	-	-	-	-		-
Balance as at January 01, 2021 (Audited)	20,500,194	1,000,000	154,162	(1,579,205)	530,778	3,546,085	754,510	(36,144,298)	(11,237,774)		
Loss after taxation for six months period ended June 30, 2021	-	-	-	-	-	-	-	-	(1,350,678)		(1,350,678)
Other comprehensive income - net of tax	-	-	-	-	-	(175,273)	32,192	-	12,140		(130,941)
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-		-
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated losses	-	-	-	-	-	-	-	-	(51,795)		-
Transfer in respect of incremental depreciation from surplus on revaluation of non-banking assets to accumulated losses	-	-	-	-	-	-	-	-	(40,181)		-
Balance as at June 30, 2021 (Un-audited)	20,500,194	1,000,000	154,162	(1,579,205)	355,505	3,486,301	754,510	(37,390,840)	(12,719,393)		

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

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020
Note	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(1,980,049)	(4,577,125)
Less: Dividend income	(21,009)	(14,831)
	<u>(2,001,058)</u>	<u>(4,591,956)</u>
Adjustments:		
Depreciation on operating fixed assets	247,092	260,753
Depreciation on right-of-use assets	255,769	273,119
Depreciation on non-banking assets	60,243	22,063
Finance cost of lease liability	164,437	143,945
Amortization	18,940	31,004
(Reversals) / provisions and write-offs excluding recoveries	(354,631)	1,981,603
Charge for defined benefit plan	38,236	24,226
Charge for employees compensated absences	2,723	9,636
Gain on sale of fixed assets	(16,599)	(1,578)
Unrealised loss on revaluation of investments classified as held-for-trading securities - net	-	212
	<u>416,210</u>	<u>2,744,983</u>
	<u>(1,584,848)</u>	<u>(1,846,973)</u>
(Increase) / decrease in operating assets		
Lendings to financial institutions	(3,483,329)	(958,728)
Held-for-trading securities	-	458
Advances	1,990,605	4,385,336
Others assets (excluding advance taxation)	118,152	549,650
	<u>(1,374,572)</u>	<u>3,976,716</u>
(Decrease) / increase in operating liabilities		
Bills payable	(287,145)	631,476
Borrowings from financial institutions	(696,464)	833,238
Deposits	8,553,314	10,670,114
Other liabilities (excluding current taxation)	130,279	(447,059)
	<u>7,699,984</u>	<u>11,687,769</u>
Payment on account of staff retirement benefits	(105,318)	(141,328)
Income tax paid	(39,258)	(66,785)
Net cash generated from operating activities	<u>4,595,988</u>	<u>13,609,399</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(2,762,214)	(11,546,715)
Dividends received	21,009	14,698
Investments in operating fixed assets	(208,259)	(38,132)
Investments in intangible assets	(7,849)	(696)
Proceeds from sale of fixed assets	17,695	1,731
Net cash used in investing activities	<u>(2,939,618)</u>	<u>(11,569,114)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(334,267)	(344,179)
Net cash used in financing activities	<u>(334,267)</u>	<u>(344,179)</u>
Effect of exchange rate changes on cash and cash equivalents	(57,221)	116,667
Increase in cash and cash equivalents	<u>1,264,882</u>	<u>1,812,773</u>
Cash and cash equivalents at beginning of the period	12,955,107	6,273,411
Cash and cash equivalents at end of the period	<u>14,219,989</u>	<u>8,086,184</u>

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

President / Chief Executive

Chief Financial Officer

Director

Director

Director

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

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 Suoro Investments Limited, a company incorporated in Mauritius, holding 66.77% of the issued, subscribed and paid up capital of the Bank as at June 30, 2021.

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, 2020: 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 half year ended June 30, 2021, the Group has incurred net loss of Rs. 1,350.678 million resulting in accumulated losses of Rs. 37,390.860 million and negative equity of Rs. 12,719.393 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 June 30, 2021. 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 letter dated May 20, 2021 from H.E. Nasser Abdulla Hussain Lootah (The Investor) in which The Investor had communicated his intention to acquire at least controlling stake in the Bank by subscribing to fresh equity in the Bank. In compliance with the requirements of Securities Act, 2015 and Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 applicable to such transactions, this was followed by a public announcement by The Investor of the intention to acquire at least 51% of the issued and paid up capital of the Bank together with the management control.

The Investor has now submitted his offer via a letter dated October 01, 2021, as per the Share Subscription Agreement (SSA) dated October 04, 2021 entered between the Bank and The Investor for the proposed subscription of new ordinary shares in the Bank by way of fresh equity injection Without Rights Offering at a discounted price of Rs. 2.51 per share. The Investor presented the offer as set out in the 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 and International Accounting Standard (IAS) 40, 'Investment Property' for banking companies till further instructions. 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. Moreover, the SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and has directed all the banks to implement IFRS 9 'Financial Instruments' with effect from January 01, 2022 vide BPRD Circular No. 24 of 2021 dated July 05, 2021.

Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated 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, 2020.

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

There are certain new standards and interpretations of and amendments to existing accounting and reporting standards that have become applicable to the Group's accounting periods beginning on or after January 01, 2021. 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 consolidated condensed interim financial statements.

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

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for the accounting periods beginning as stated below:

<u>Standard, Interpretation or Amendment</u>	<u>Effective date (annual periods beginning on or after)</u>
Covid 19 related Rent concessions beyond June 30, 2021 - Amendment to IFRS 16	April 01, 2021
Reference to the Conceptual Framework - Amendments to IFRS 3	January 01, 2022
Property, Plant and Equipment: Proceeds before Intended use - Amendments to IAS 16	January 01, 2022
Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37	January 01, 2022
Annual improvement process IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter	January 01, 2022
Annual improvement process IFRS 9 Financial Instruments - Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
Annual improvement process IAS 41 Agriculture - Taxation in fair value measurements	January 01, 2022
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 01, 2023
Definition of Accounting estimates - Amendments to IAS 8	January 01, 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
Sale or contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	January 01, 2023

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, 2020.

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, 2020.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2020.

(Un-audited) (Audited)
June 30, December 31,
2021 2020
----- (Rupees in '000) -----

6. CASH AND BALANCES WITH TREASURY BANKS

In hand

Local currency	4,166,500	3,564,782
Foreign currency	392,459	545,313
	4,558,959	4,110,095

With State Bank of Pakistan in

Local currency current account	5,843,976	4,800,164
Foreign currency current account	461,761	440,983
Foreign currency deposit account	768,358	737,798
	7,074,095	5,978,945

With National Bank of Pakistan in Local currency current account

	1,558,295	868,264
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Prize bonds

	261,745	613,979
--	---------	---------

13,453,094	11,571,283
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7. BALANCES WITH OTHER BANKS

In Pakistan

In current account	8,947	6,457
In deposit account	100,567	646
	109,514	7,103

Outside Pakistan

In current account	631,213	1,080,600
In deposit account	39,386	277,123
	670,599	1,357,723
	780,113	1,364,826

8. LENDINGS TO FINANCIAL INSTITUTIONS

Repurchase agreement lendings (Reverse Repo)	3,483,329	-
Less: provision held against Lendings to Financial Institutions	-	-
Lendings to Financial Institutions - net of provision	3,483,329	-

9. INVESTMENTS

9.1 Investments by type:

June 30, 2021 (Un-audited)				December 31, 2020 (Audited)			
Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value

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

Available-for-sale securities

Federal Government Securities

- Market Treasury Bills	19,638,198	-	6,768	19,644,966	15,325,444	-	1,935	15,327,379
- Pakistan Investment Bonds	308,125	-	504	308,629	299,441	-	9,466	308,907
- GoP Ijarah Sukuks	9,983,242	-	29,908	10,013,150	9,981,478	-	(60,428)	9,921,050

Shares

- Fully paid up ordinary shares - Listed	2,592,709	(2,133,273)	493,188	952,624	4,152,347	(2,871,477)	855,329	2,136,199
- 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	1,596,300	(1,596,300)	-	-	1,597,650	(1,597,650)	-	-
- Sukuk Bonds	200,000	(200,000)	-	-	200,000	(200,000)	-	-

34,379,084 (3,976,608) 530,368 30,932,844 31,616,870 (4,716,162) 806,302 27,707,010

Total Investments

34,379,084 (3,976,608) 530,368 30,932,844 31,616,870 (4,716,162) 806,302 27,707,010

(Un-audited) (Audited)
June 30, December 31,
2021 2020
----- (Rupees in '000) -----

9.1.1 Investments given as collateral - Market Value

Market Treasury Bills	-	621,755
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9.2 Provision for diminution in value of investments

Opening balance	4,716,162	4,440,730
Charge / reversals		
Charge for the period / year	-	278,132
Reversals for the period / year	(1,350)	(2,700)
Reversal on disposals	(738,204)	-
	(739,554)	275,432
Closing balance	3,976,608	4,716,162

9.3 Particulars of provision against debt securities

Category of classification	June 30, 2021 (Un-audited)		December 31, 2020 (Audited)	
	NPI	Provision	NPI	Provision

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

Domestic				
Loss	1,796,300	1,796,300	1,797,650	1,797,650

10. ADVANCES

	Performing		Non Performing		Total	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Note	----- (Rupees in '000) -----					
Loans, cash credits, running finances, etc.	20,675,228	21,994,976	37,220,902	37,785,580	57,896,130	59,780,556
Islamic financing and related assets	2,846,850	3,264,430	814,683	861,408	3,661,533	4,125,838
Bills discounted and purchased	614,068	247,788	68,935	77,089	683,003	324,877
Advances - gross	24,136,146	25,507,194	38,104,520	38,724,077	62,240,666	64,231,271
Provision against advances						
- Specific	-	-	(32,686,828)	(32,425,544)	(32,686,828)	(32,425,544)
- General	(18,350)	(21,671)	-	-	(18,350)	(21,671)
	(18,350)	(21,671)	(32,686,828)	(32,425,544)	(32,705,178)	(32,447,215)
Advances - net of provision	24,117,796	25,485,523	5,417,692	6,298,533	29,535,488	31,784,056

	(Un-audited)	(Audited)
	June 30, 2021	December 31, 2020
	----- (Rupees in '000) -----	
10.1 Particulars of advances (Gross)		
In local currency	61,612,879	63,969,765
In foreign currencies	627,787	261,506
	62,240,666	64,231,271

10.2 Advances include Rs. 38,104.520 million (December 31, 2020: Rs. 38,724.077 million) which have been placed under non-performing status as detailed below:

Category of Classification	June 30, 2021 (Un-audited)		December 31, 2020 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	----- (Rupees in '000) -----			
Domestic				
Other Assets Especially Mentioned	5,261	164	7,661	435
Substandard	14,109	3,211	136,591	11,094
Doubtful	615,467	266,264	401,317	57,849
Loss	37,469,683	32,417,189	38,178,508	32,356,166
	38,104,520	32,686,828	38,724,077	32,425,544

10.3 Particulars of provision against advances

	June 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	32,425,544	21,671	32,447,215	28,903,404	40,508	28,943,912
Charge for the period / year	1,190,913	-	1,190,913	4,970,989	-	4,970,989
Reversals	(929,629)	(3,321)	(932,950)	(608,556)	(18,837)	(627,393)
	261,284	(3,321)	257,963	4,362,433	(18,837)	4,343,596
Amounts written off	-	-	-	(840,293)	-	(840,293)
Closing balance	32,686,828	18,350	32,705,178	32,425,544	21,671	32,447,215

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 Group has availed the Forced Sale Value (FSV) benefit of pledged stocks, mortgaged properties, plant and machinery, shares and Cash Margin/TDRs held as collateral against non-performing advances as allowed under the applicable Prudential Regulations issued by the State Bank of Pakistan. Had the benefit not been taken by the Bank, the specific provision against non-performing advances would have been higher by Rs. 5,094,279 million (December 31, 2020: Rs. 5,988,229 million). The positive impact on the profit and loss account arising from availing this benefit - net of tax amounts to Rs. 3,311,281 million (December 31, 2020: Rs. 3,892,349 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.

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
11. FIXED ASSETS	Note	----- (Rupees in '000) -----	
Capital work-in-progress	11.1	133,770	7,126
Property and equipment		8,122,843	8,289,430
Right-of-use assets		2,645,325	1,929,248
		<u>10,901,938</u>	<u>10,225,804</u>

11.1 Capital work-in-progress

Civil works and related payments / progress billings	4,113	2,500
Advances and other payments to suppliers and contractors	129,657	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)
	-	-
	<u>133,770</u>	<u>7,126</u>

(Un-audited)	
June 30, 2021	June 30, 2020
----- (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 - Net additions / (transfers)	126,644	(64,789)
Property and equipment		
Building improvements	-	42,695
Furniture and fixture	157	679
Electrical, office and computer equipment	25,459	59,456
Vehicles	56,000	53
	81,616	102,883
	<u>208,260</u>	<u>38,094</u>

11.3 Disposal of fixed assets

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

Property and equipment		
Building improvements	-	21
Electrical, office and computer equipment	509	132
Vehicles	587	-
	1,096	153
	<u>1,096</u>	<u>153</u>

11.4 Additions to right-of-use assets

<u>1,014,618</u>	<u>244,083</u>
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		(Un-audited) June 30, 2021	(Audited) December 31, 2020
Note		----- (Rupees in '000) -----	
12. INTANGIBLE ASSETS			
Capital work-in-progress	12.1	45,910	47,928
Intangible assets in use	12.2	30,621	45,090
		<u>76,531</u>	<u>93,018</u>
12.1 Capital work-in-progress			
Advances to suppliers and contractors		45,910	47,928
Advances against capital work in progress considered doubtful		142,522	141,224
Less: Provision held there against		(142,522)	(141,224)
		-	-
		<u>45,910</u>	<u>47,928</u>
12.2 Intangible assets in use			
Computer softwares		28,121	35,425
Core deposits		-	3,560
Brand name		-	3,605
Trading Rights Entitlement Certificate		2,500	2,500
		<u>30,621</u>	<u>45,090</u>
		(Un-audited)	
		June 30, 2021	June 30, 2020
		----- (Rupees in '000) -----	
12.3 Additions to intangible assets			
The following additions have been made to intangible assets during the period:			
Capital work-in-progress - Net transfers		(720)	(2,089)
Directly purchased		8,569	2,785
		<u>7,849</u>	<u>696</u>
12.4 There were no disposals in intangible assets during the current and prior period.			

13. DEFERRED TAX ASSETS

June 30, 2021 (Un-audited)			
At January 01, 2021	Recognised in profit and loss account	Recognised in other comprehensive income	At June 30, 2021
----- (Rupees in '000) -----			

Deductible Temporary Differences on

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

7,847,641	913,839	-	8,761,480
6,878,619	(345)	-	6,878,274
1,650,657	(258,844)	-	1,391,813
43,107	-	-	43,107
47,744	(739)	-	47,005
-	-	-	-
149,656	-	-	149,656
76	(76)	-	-
4,512	(327)	-	4,185
16,622,012	653,508	-	17,275,520

Taxable Temporary Differences on

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

(275,524)	-	100,661	(174,863)
7,032	(9,840)	-	(2,808)
(1,105,287)	-	18,129	(1,087,158)
(406,274)	-	-	(406,274)
(280,316)	-	14,063	(266,253)
(334,149)	17,725	-	(316,424)
(2,394,518)	7,885	132,853	(2,253,780)

14,227,494	661,393	132,853	15,021,740
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December 31, 2020 (Audited)			
At January 01, 2020	Recognised in profit and loss account	Recognised in other comprehensive income	At December 31, 2020
----- (Rupees in '000) -----			

Deductible Temporary Differences on

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

5,889,305	1,958,336	-	7,847,641
5,826,396	1,052,223	-	6,878,619
1,554,256	96,401	-	1,650,657
43,107	-	-	43,107
39,589	8,155	-	47,744
108	(108)	-	-
4,294	2,738	-	7,032
149,656	-	-	149,656
553	(477)	-	76
4,512	-	-	4,512
13,511,776	3,117,268	-	16,629,044

Taxable Temporary Differences on

- Deficit on revaluation of investments
- 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	-	(305,786)	(275,524)
(1,026,325)	-	(78,962)	(1,105,287)
(406,274)	-	-	(406,274)
(156,349)	-	(123,967)	(280,316)
(380,696)	46,547	-	(334,149)
(1,939,382)	46,547	(508,715)	(2,401,550)

11,572,394	3,163,815	(508,715)	14,227,494
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13.1 The net deferred tax asset has been recognized in accordance with the Group's accounting policy. The management, based on financial projections, estimates that sufficient taxable profits would be available in future against which the recognized deferred tax asset could be realized. The projections include certain key assumptions underlying management's estimation of profits. Any significant change in such assumptions may have effect on the recoverability of deferred tax asset. The management believes that it is probable that the Group would be able to achieve the profits and consequently, the recognized deferred tax asset will be fully realized in future.

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
		----- (Rupees in '000) -----	
14. OTHER ASSETS	Note		
Income / mark-up accrued in local currency		662,448	836,128
Income / mark-up accrued in foreign currency		656	602
Advances, deposits, advance rent and other prepayments		370,479	410,702
Advance taxation (payments less provisions)		660,376	653,140
Non-banking assets acquired in satisfaction of claims		2,596,529	2,616,591
Branch adjustment account		12	-
Receivable from other banks against clearing and settlement		146,669	165,127
Mark to market gain on forward foreign exchange contracts		11,309	2,331
Acceptances		252,775	266,866
Receivable from brokers		54,180	-
Stationery and stamps on hand		8,446	8,529
Commission receivable on home remittance		10,849	17,186
Commission receivable on brokerage		9,267	7,731
Property - Held for sale	14.1	3,836,309	3,836,309
Account receivable		142,840	96,717
Others		484,917	463,988
		<u>9,248,061</u>	<u>9,381,947</u>
Less: Provision held against other assets	14.2	<u>(813,653)</u>	<u>(695,012)</u>
Other assets (net of provision)		<u>8,434,408</u>	<u>8,686,935</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		760,722	800,903
Surplus on revaluation of property - held for sale		1,160,784	1,160,784
Other assets - total		<u><u>10,355,914</u></u>	<u><u>10,648,622</u></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) June 30, 2021	(Audited) December 31, 2020
		----- (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		96,689	79,664
Non-banking assets acquired in satisfaction of claims		360,107	290,547
Commission receivable on guarantees		9,880	9,880
Receivable from Dewan Group		34,436	34,436
Account receivable - sundry claims		195,729	193,950
Receivable from Speedway Fondmetal (Pakistan) Limited		25,694	25,694
Others		89,729	59,452
		<u>813,653</u>	<u>695,012</u>

14.2.1 Movement in provision held against other assets

Opening balance	695,012	650,249
Charge for the period / year	119,822	50,727
Reversals	(1,181)	(5,964)
Closing balance	<u>813,653</u>	<u>695,012</u>

15. CONTINGENT ASSETS

There were no contingent assets at the balance sheet date.

(Un-audited) (Audited)
June 30, December 31,
2021 2020
----- (Rupees in '000) -----

16. BILLS PAYABLE

In Pakistan	2,115,725	2,402,870
Outside Pakistan	-	-
	2,115,725	2,402,870

17. BORROWINGS

Secured

Borrowings from State Bank of Pakistan

- Under export refinance scheme	5,900,820	5,947,680
- Under Islamic Export Refinance Scheme (IERF)	300,000	300,000
- Under long-term financing facility	729,149	756,850
- Refinance facility for modernization of SMEs	4,230	4,500
	6,934,199	7,009,030

Repurchase agreement borrowings

- 621,633

Total secured

6,934,199 7,630,663

Unsecured

Overdrawn nostro accounts

13,218 38,223

Total unsecured

13,218 38,223

6,947,417 7,668,886

18. DEPOSITS AND OTHER ACCOUNTS

	June 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
Customers						
Current deposits	35,710,670	1,418,486	37,129,156	30,040,249	1,300,925	31,341,174
Savings deposits	50,290,324	3,430,437	53,720,761	47,031,067	3,458,103	50,489,170
Term deposits	10,853,830	3,253,628	14,107,458	12,468,055	3,083,754	15,551,809
Others	2,259,310	24,776	2,284,086	2,328,540	25,136	2,353,676
	99,114,134	8,127,327	107,241,461	91,867,911	7,867,918	99,735,829
Financial institutions						
Current deposits	610,884	67,715	678,599	369,795	84,733	454,528
Savings deposits	1,938,907	5	1,938,912	1,085,346	5	1,085,351
Term deposits	424,093	-	424,093	454,043	-	454,043
Others	-	-	-	-	-	-
	2,973,884	67,720	3,041,604	1,909,184	84,738	1,993,922
	102,088,018	8,195,047	110,283,065	93,777,095	7,952,656	101,729,751

18.1 Deposits include Eligible Deposits of Rs. 70,678.517 million (December 31, 2020: Rs. 64,532.187 million) protected under Depositors Protection Mechanism introduced by the State Bank of Pakistan.

18.2 Deposits include USD 13.180 million (December 31, 2020: 13.180 million) held by H.E. Nasser Abdulla Hussain Lootha (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, 2020: October 27, 2021)

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) June 30, 2021	(Audited) December 31, 2020
20. OTHER LIABILITIES		
	Note	----- (Rupees in '000) -----
Mark-up / return / interest payable in local currency	1,227,712	1,119,107
Mark-up / return / interest payable in foreign currencies	161	155
Unearned income	9,210	10,822
Accrued expenses	97,754	94,010
Advance against sale of property	373,323	364,003
Acceptances	252,775	266,866
Unclaimed dividends	2,213	2,213
Mark to market loss on forward foreign exchange contracts	3,285	22,421
Payable to defined benefit plan	24,596	98,865
Charity fund balance	2,792	2,317
Branch adjustment account	-	101
Security deposits against lease	387,651	508,291
Payable to Bangladesh Bank	41,389	41,389
Payable to Rupali Bank - Bangladesh	16,293	16,293
Payable to vendors / creditors	242,149	214,310
Provision for compensated absences	135,173	137,403
Payable to Bank of Ceylon, Colombo	20,163	20,163
Retention money	2,895	2,895
Workers' welfare fund	13,360	13,360
Withholding taxes and government levies payable	43,222	16,716
Federal excise duty and sales tax payable	4,785	6,485
Commission payable on home remittances	4,907	9,575
Lease liability against right-of-use assets	2,894,271	2,092,254
Account payable	242,390	159,360
Others	376,193	343,491
	<u><u>6,418,662</u></u>	<u><u>5,562,865</u></u>

21. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

Surplus / (deficit) on revaluation of

- Available for sale securities	9.1	530,368	806,302
- Fixed assets		4,078,990	4,130,785
- Non-banking assets acquired in satisfaction of claims		760,722	800,903
- Property - held for sale		1,160,784	1,160,784
		<u>6,530,864</u>	<u>6,898,774</u>

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

- Available for sale securities		(174,863)	(275,524)
- Fixed assets		(1,087,158)	(1,105,287)
- Non-banking assets acquired in satisfaction of claims		(266,253)	(280,316)
- Property - held for sale		(406,274)	(406,274)
		<u>(1,934,548)</u>	<u>(2,067,401)</u>
		<u><u>4,596,316</u></u>	<u><u>4,831,373</u></u>

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
Note	-----	-----
	(Rupees in '000)	
22. CONTINGENCIES AND COMMITMENTS		
-Guarantees	22.1 10,456,647	10,938,046
-Commitments	22.2 12,540,736	15,807,831
-Other contingent liabilities	22.3 21,241,569	18,337,923
	<u>44,238,952</u>	<u>45,083,800</u>
22.1 Guarantees:		
Financial guarantees	20,470	20,470
Performance guarantees	8,619,023	9,486,981
Other guarantees	1,817,154	1,430,595
	<u>10,456,647</u>	<u>10,938,046</u>
22.2 Commitments:		
Documentary credits and short-term trade-related transactions		
- letters of credit	1,674,492	2,428,147
Commitments in respect of:		
- forward foreign exchange contracts	22.2.1 5,483,543	5,711,514
- forward lending	22.2.2 5,086,209	6,902,916
- operating leases	22.2.3 10,987	36,057
Commitments for acquisition of:		
- operating fixed assets	106,241	2,338
- intangible assets	179,264	105,226
Other commitments	22.2.4 -	621,633
	<u>12,540,736</u>	<u>15,807,831</u>
22.2.1 Commitments in respect of forward foreign exchange contracts		
Purchase	5,383,014	5,229,005
Sale	100,529	482,509
	<u>5,483,543</u>	<u>5,711,514</u>

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
Note	----- (Rupees in '000) -----	
22.2.2 Commitments in respect of forward lending		
Forward documentary bills	3,906,717	5,138,777
Undrawn formal standby facilities, credit lines and other commitments to lend	22.2.2.1 1,179,492	1,764,139
	5,086,209	6,902,916

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

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
22.2.3 Commitments in respect of operating lease		
Not later than one year	10,987	36,057
Later than one year and not later than five years	-	-
Later than five years	-	-
	10,987	36,057

22.2.4 Other commitments

Purchase (Repo)	-	621,633
	-	621,633

22.3 Other contingent liabilities - claims against the Group not acknowledged as debts

	21,241,569	18,337,923
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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)	
		Half year ended	
		June 30, 2021	June 30, 2020
Note		----- (Rupees in '000) -----	
23.	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	Loans and advances	962,832	1,609,904
	Investments	986,471	1,141,510
	Lendings to financial institutions	13,421	27,700
	Balances with banks	2,618	9,980
		<u>1,965,342</u>	<u>2,789,094</u>
24.	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	Deposits	2,007,039	2,910,481
	Borrowings	133,034	499,677
	Subordinated debt	79,436	108,671
	Cost of foreign currency swaps against foreign currency deposits / borrowings	175,503	228,137
	Finance cost of lease liability	164,437	143,945
		<u>2,559,449</u>	<u>3,890,911</u>
25.	FEE AND COMMISSION INCOME		
	Branch banking customer fees	21,453	23,920
	Consumer finance related fees	5,392	3,956
	Card related fees (debit cards)	37,256	35,647
	Credit related fees	1,973	2,783
	Investment banking fees	27,212	9,666
	Commission on trade	83,696	82,978
	Commission on guarantees	50,010	56,145
	Commission on cash management	1,602	560
	Commission on remittances including home remittances	6,845	7,922
	Commission on bancassurance	602	785
	Alternate Delivery Channels	616	5,150
	Commission on brokerage	39,964	33,055
	Others	7	8
		<u>276,628</u>	<u>262,575</u>
26.	GAIN ON SECURITIES		
	Realised	26.1 480,811	614,306
	Unrealised - held for trading	-	(212)
		<u>480,811</u>	<u>614,094</u>
26.1	Realised gain on:		
	Federal Government Securities	21,787	613,138
	Shares	459,024	1,168
		<u>480,811</u>	<u>614,306</u>

		(Un-audited)	
		Half year ended	
		June 30, 2021	June 30, 2020
Note		----- (Rupees in '000) -----	
27. OTHER INCOME			
Rent on property		9,811	8,333
Gain on sale of fixed assets - net		16,599	1,578
Gain on sale of ijarah assets		15,790	3,899
Others		3	42
		<u>42,203</u>	<u>13,852</u>
28. OPERATING EXPENSES			
Total compensation expense	28.1	954,394	883,539
Property expense			
Rent and taxes		83,756	82,997
Insurance - property		2,792	2,012
Insurance - non banking assets		313	197
Utilities cost		116,823	94,112
Security (including guards)		97,395	98,011
Repair and maintenance (including janitorial charges)		66,277	63,485
Depreciation on owned fixed assets		144,944	136,641
Depreciation on right-of-use assets		255,769	273,119
Depreciation on non banking assets		60,243	22,063
		828,312	772,637
Information technology expenses			
Software maintenance		45,543	49,398
Hardware maintenance		42,995	48,650
Depreciation on computer equipments		34,080	49,290
Amortisation of computer softwares		11,775	13,318
Network charges		45,182	43,836
Insurance		439	1,123
		180,014	205,615
Other operating expenses			
Directors' fees and allowances		9,150	800
Fees and allowances to Shariah Board		7,230	2,645
Legal and professional charges		32,790	82,092
Outsourced services costs		80,602	73,019
Travelling and conveyance		84,113	70,936
NIFT clearing charges		13,019	11,190
Depreciation		68,068	74,822
Amortisation of core deposits and brand name		7,165	17,686
Training and development		1,135	1,667
Postage and courier charges		18,278	19,089
Communication		25,832	26,228
Stationery and printing		43,749	45,284
Marketing, advertisement and publicity		3,164	11,981
Brokerage and commission		10,216	11,939
Fee and subscription		28,145	39,856
Cash transportation and sorting charges		50,757	34,499
Entertainment		17,443	13,975
Insurance		65,755	65,123
Deposit insurance premium expense		37,648	51,680
Repair and maintenance		43,316	37,934
Auditors' remuneration		6,664	4,574
Others		10,644	7,862
		664,883	704,881
		<u>2,627,603</u>	<u>2,566,672</u>

		(Un-audited)	
		Half year ended	
		June 30, 2021	June 30, 2020
		----- (Rupees in '000) -----	
28.1	Total compensation expense	Note	
	Fees and allowances etc.	7,747	14,543
	Managerial remuneration		
	i) Fixed	597,430	555,680
	ii) Variable		
	of which:		
	a) Cash bonus / awards etc.	1,765	2,333
	b) Incentives and commission	3,072	3,029
	Charge for defined benefit plan	38,236	24,226
	Contribution to defined contribution plan	38,127	33,443
	Charge for employees compensated absences	2,723	9,636
	Rent and house maintenance	181,445	165,395
	Utilities	40,566	36,802
	Medical	43,283	38,180
	Employee old age benefit institution	-	272
	Total	954,394	883,539
29.	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	3,860	275
	Penalties imposed by SECP	100	-
		3,960	275
30.	(REVERSALS) / PROVISIONS AND WRITE OFFS - NET		
	(Reversals) / provisions for diminution in value of investments	(739,554)	233,179
	Provisions against loans and advances	257,963	1,745,547
	Provision against capital work in progress	1,298	-
	Provisions against intangible assets	4,098	-
	Provision against other assets	118,641	1,905
	Fixed assets written off	14	-
	Bad debts written off directly	-	972
	Operational loss	2,909	-
	Recoveries against written off / charged off bad debts	(1,209)	(602)
		(355,840)	1,981,001
31.	TAXATION		
	Current	31.1 & 31.2 32,022	51,260
	Prior years	-	-
	Deferred	(661,393)	(1,376,381)
		(629,371)	(1,325,121)

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, 2019 i.e. tax year 2020.

In respect of assessments of Summit Bank Limited from tax years 2009 to tax year 2011, tax year 2013 and tax year 2014 the tax authorities disputed the Bank's treatment on certain issues and created an additional tax demand (net of rectification) of Rs. 203.22 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 the Bank's treatment on certain issues and created an 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 the 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 the 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 consolidated financial statements.

		(Un-audited)	
		Half year ended	
		June 30, 2021	June 30, 2020
		----- (Rupees in '000) -----	
32.	BASIC AND DILUTED LOSS PER SHARE		
		Note	
	Loss for the period	<u>(1,350,678)</u>	<u>(3,252,004)</u>
		----- (Number of shares) -----	
	Weighted average number of ordinary shares - Basic	<u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupee) -----	
	Basic loss per share	<u>(0.51)</u>	<u>(1.23)</u>
		----- (Number of shares) -----	
	Weighted average number of ordinary shares - Diluted	<u>32.1</u> <u>2,638,151,060</u>	<u>2,638,151,060</u>
		----- (Rupee) -----	
	Diluted loss per share	<u>(0.51)</u>	<u>(1.23)</u>

32.1 There are no potential ordinary shares outstanding as of June 30, 2021.

		(Un-audited)	
		Half year ended	
		June 30, 2021	June 30, 2020
		----- (Rupees in '000) -----	
33.	CASH AND CASH EQUIVALENTS		
	Cash and balances with treasury banks	13,453,094	7,081,985
	Balances with other banks	780,113	1,026,614
	Overdrawn nostro accounts	(13,218)	(22,415)
		<u>14,219,989</u>	<u>8,086,184</u>

34. FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities 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:

	June 30, 2021 (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		- 29,966,745		- 29,966,745
- Shares - Listed	952,624	-		- 952,624
Financial assets - disclosed but not measured at fair value				
Investments				
- Shares - Unlisted			- 69,568	69,568
Non-Financial assets - measured at fair value				
Operating fixed assets			- 7,665,210	7,665,210
Non banking assets acquired in satisfaction of claims			- 2,997,144	2,997,144
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange		- 5,391,118		- 5,391,118
Forward sale of foreign exchange		- 100,609		- 100,609

On balance sheet financial instruments

December 31, 2020 (Audited)			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			

Financial assets - measured at fair value

Investments

- Federal Government Securities	-	25,557,336	-	25,557,336
- Shares - Listed	2,136,199	-	-	2,136,199

Financial assets - disclosed but not measured at fair value

Investments

- Shares - Unlisted	-	-	69,568	69,568
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Non-Financial assets - measured at fair value

Operating fixed assets	-	-	7,810,153	7,810,153
Non banking assets acquired in satisfaction of claims	-	-	3,126,947	3,126,947

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 Sukuk 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 SBR.
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 half year ended June 30, 2021 (Unaudited)						
Corporate finance	Trading and sales	Branch Banking	Islamic	Brokerage Business	Others	Total
----- (Rupees in '000) -----						
Profit and Loss						
Net mark-up / return / profit	(868)	492,622	(1,118,755)	31,174	1,720	(594,107)
Inter segment revenue - net	-	(376,657)	-	376,657	-	-
Non mark-up / return / interest income	26,278	586,404	215,616	16,890	44,593	889,781
Total income	25,410	702,369	(903,139)	424,721	46,313	295,674
Segment direct expenses	4,031	227,491	2,147,158	140,246	52,578	2,631,563
Inter segment expense allocation	-	-	(240,073)	240,073	-	-
Total expenses	4,031	227,491	1,907,085	380,319	52,578	2,631,563
Provisions	-	(739,554)	360,976	22,738	-	(355,840)
Profit / (loss) before tax	21,379	1,214,432	(3,171,200)	21,664	(6,265)	(1,980,049)

As at June 30, 2021 (Unaudited)						
----- (Rupees in '000) -----						
Balance Sheet						
Cash and bank balances	-	6,757,375	5,959,720	1,316,422	199,690	14,233,207
Investments	-	22,995,389	1,394,735	6,495,650	47,070	30,932,844
Net inter segment lending	-	275,000	-	12,948,594	-	13,223,594
Lendings to financial institutions	-	3,483,329	-	-	-	3,483,329
Advances - performing	-	-	21,274,482	2,842,430	884	24,117,796
Advances - non-performing	-	-	5,374,867	42,825	-	5,417,692
Others	189,091	9,289,724	14,124,122	696,991	280,487	36,356,123
Total assets	189,091	42,800,817	48,127,926	24,342,912	528,131	127,764,585
Borrowings	-	13,218	6,634,199	300,000	-	6,947,417
Subordinated debt	16,345	849,192	629,978	-	-	1,495,515
Deposits and other accounts	-	-	90,112,245	20,170,820	-	110,283,065
Net inter segment borrowing	-	12,948,594	-	275,000	-	13,223,594
Others	5,222	271,997	5,878,121	1,817,626	287,415	8,534,387
Total liabilities	21,567	14,083,001	103,254,543	22,563,446	287,415	140,483,978
Equity	167,524	28,717,816	(55,126,617)	1,779,466	240,716	(12,719,393)
Total equity and liabilities	189,091	42,800,817	48,127,926	24,342,912	528,131	127,764,585
Contingencies and Commitments	-	4,942,948	14,710,975	3,057,955	-	21,527,074
						44,238,952

For the half year ended June 30, 2020 (Unaudited)						
Corporate finance	Trading and sales	Branch Banking	Islamic	Brokerage Business	Others	Total
(Rupees in '000)						
Profit and Loss						
Net mark-up / return / profit	(295)	466,320	(1,305,059)	(266,346)	3,563	(1,101,817)
Inter segment revenue - net	-	(808,142)	-	808,142	-	-
Non mark-up / return / interest income	9,750	840,127	206,711	(18,713)	34,765	1,072,640
Total income	9,455	498,305	(1,098,348)	523,083	38,328	(29,177)
Segment direct expenses	1,016	127,721	2,224,028	138,748	53,560	2,566,947
Inter segment expense allocation	-	-	(223,981)	223,981	-	-
Total expenses	1,016	127,721	2,000,047	362,729	53,560	2,566,947
Provisions	-	233,179	1,758,014	(10,192)	-	1,981,001
Profit / (loss) before tax	8,439	137,405	(4,856,409)	170,546	(15,232)	(21,874)
						(4,577,125)

As at December 31, 2020 (Audited)						
(Rupees in '000)						
Balance Sheet						
Cash and Bank balances	-	6,246,813	5,520,536	1,005,291	163,469	12,936,109
Investments	-	19,841,125	1,394,734	6,435,750	35,401	27,707,010
Net inter segment lending	-	350,000	-	10,158,875	-	10,508,875
Lendings to financial institutions	-	-	-	-	-	-
Advances - performing	-	-	22,225,845	3,258,901	777	25,485,523
Advances - non-performing	-	-	6,185,150	113,383	-	6,298,533
Others	55,773	8,131,080	14,100,203	758,345	212,111	35,194,938
Total Assets	55,773	34,569,018	49,426,468	21,730,545	411,758	118,130,988
Borrowings	-	656,031	6,709,029	303,826	-	7,668,886
Subordinated debt	4,987	790,375	700,153	-	-	1,495,515
Deposits and other accounts	-	-	84,371,294	17,358,457	-	101,729,751
Net inter segment borrowing	-	10,158,875	-	350,000	-	10,508,875
Others	780	143,719	5,351,975	1,999,609	172,497	7,965,735
Total liabilities	5,767	11,749,000	97,132,451	20,011,892	172,497	129,368,762
Equity	50,006	22,820,018	(47,705,983)	1,718,653	239,261	(11,237,774)
Total equity and liabilities	55,773	34,569,018	49,426,468	21,730,545	411,758	118,130,988
Contingencies and Commitments	-	5,849,590	17,329,421	3,459,302	-	45,083,800

35.1.1 The Group does not have any operations outside Pakistan.

36. RELATED PARTY TRANSACTIONS

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

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

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

	June 30, 2021 (Un-audited)			December 31, 2020 (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	-	-	-	1,692,490
Investment made during the period / year	-	-	-	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-
Closing balance	-	-	1,692,490	-	-	-	1,692,490
Provision for diminution in value of investments	-	-	1,613,242	-	-	-	1,613,242
Advances							
Opening balance	-	295,706	675,185	-	-	265,793	660,792
Addition during the period / year	-	2,600	457,289	-	-	16,031	300,000
Repaid during the period / year	-	(28,455)	(2,404)	-	-	(37,659)	(293,617)
Transfer in / (out) - net	-	(18,501)	-	-	-	51,541	8,010
Closing balance	-	251,350	1,130,070	-	-	295,706	675,185
Provision held against advances	-	-	-	-	-	-	-

	June 30, 2021 (Un-audited)			December 31, 2020 (Audited)				
	Parent company	Directors	Key management personnel	Other related parties	Parent company	Directors	Key management personnel	Other related parties
	(Rupees in '000)							
Other Assets								
Interest / mark-up accrued	-	-	200	22,580	-	-	-	13,763
Other receivable	699	-	-	-	699	-	-	-
Provision against other assets	-	-	-	-	-	-	-	-
Deposits and other accounts								
Opening balance	-	-	64,072	2,083,253	-	-	20,042	1,512,961
Received during the period / year	-	-	328,363	3,332,662	-	-	239,139	1,336,975
Withdrawn during the period / year	-	-	(331,383)	(3,348,846)	-	-	(231,713)	(1,598,647)
Transfer (out) / in - net	-	-	6,234	153	-	-	36,604	831,964
Closing balance	-	-	67,286	2,067,222	-	-	64,072	2,083,253
Other Liabilities								
Interest / mark-up payable	-	-	134	13,471	-	-	262	9,740
Payable to defined benefit plan	-	-	-	24,596	-	-	-	98,865
Contingencies and Commitments								
Guarantees, letters of credit and acceptances	-	-	-	86,500	-	-	-	86,500
Commitments to extend credit	-	-	-	3,339	-	-	-	8,815

	For the half year ended June 30, 2021 (Un-audited)			For the half year ended June 30, 2020 (Un-audited)		
	Parent company	Key management personnel	Other related parties	Parent company	Key management personnel	Other related parties
	(Rupees in '000)					
Income						
Mark-up / return / interest earned	-	5,842	36,991	-	6,396	42,915
Fee and commission income	-	-	-	-	6	-
Other income	-	3	-	-	11	-
Expense						
Mark-up / return / interest expensed	-	592	59,542	-	508	63,972
Operating expenses:						
- Directors' fees and allowances	9,150	-	-	800	-	-
- Fee and subscription	-	1,188	-	-	446	-
- Managerial Remuneration	-	111,230	-	-	91,550	-
- Contribution to defined contribution plan	-	-	38,127	-	-	33,443
- Charge for defined benefit plan	-	-	38,236	-	-	24,226

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)
June 30, December 31,
2021 2020
----- (Rupees in '000) -----

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses) (17,469,871) (16,223,309)

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier-1 (CET-1) Capital	<u>(32,966,956)</u>	<u>(30,976,955)</u>
Eligible Additional Tier-1 (ADT-1) Capital	-	-
Total Eligible Tier-1 Capital	<u>(32,966,956)</u>	<u>(30,976,955)</u>
Eligible Tier-2 Capital	-	-
Total Eligible Capital (Tier-1 + Tier-2)	<u>(32,966,956)</u>	<u>(30,976,955)</u>

Risk Weighted Assets (RWAs):

Credit Risk	<u>51,558,940</u>	<u>54,458,731</u>
Market Risk	<u>5,366,224</u>	<u>7,764,588</u>
Operational Risk	<u>7,447,378</u>	<u>3,800,036</u>
Total	<u>64,372,542</u>	<u>66,023,355</u>

Common Equity Tier-1 Capital Adequacy Ratio	<u>-51.21%</u>	<u>-46.92%</u>
Tier-1 Capital Adequacy Ratio	<u>-51.21%</u>	<u>-46.92%</u>
Total Capital Adequacy Ratio	<u>-51.21%</u>	<u>-46.92%</u>

Leverage Ratio (LR):

Eligible Tier-1 Capital	<u>(32,966,956)</u>	<u>(30,976,955)</u>
Total Exposures	<u>103,728,296</u>	<u>138,078,420</u>
Leverage Ratio	<u>-31.78%</u>	<u>-22.43%</u>

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	<u>39,323,802</u>	<u>29,821,667</u>
Total Net Cash Outflow	<u>22,040,953</u>	<u>17,116,667</u>
Liquidity Coverage Ratio	<u>178.41%</u>	<u>174.23%</u>

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	<u>74,619,336</u>	<u>71,961,781</u>
Total Required Stable Funding	<u>52,385,031</u>	<u>56,670,046</u>
Net Stable Funding Ratio	<u>142.44%</u>	<u>126.98%</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, 2020: 14) Islamic banking branches and 35 (December 31, 2020: 35) Islamic banking windows at the end of the period.

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2021

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks		1,179,095	1,004,828
Balances with other banks		137,327	463
Due from financial institutions	38.1	12,948,594	10,158,875
Investments	38.2	6,495,650	6,435,750
Islamic financing and related assets - net	38.3	2,885,255	3,372,284
Fixed assets		367,083	393,982
Intangible assets		1,303	2,415
Due from Head Office		-	-
Other assets		328,605	361,948
Total Assets		24,342,912	21,730,545
LIABILITIES			
Bills payable		308,516	246,818
Due to financial institutions	38.4	575,000	653,826
Deposits and other accounts	38.5	20,170,820	17,358,457
Due to Head Office		-	-
Subordinated debt		-	-
Deferred tax liabilities		34,670	14,449
Other liabilities		1,474,440	1,738,342
		22,563,446	20,011,892
NET ASSETS		1,779,466	1,718,653
REPRESENTED BY			
Islamic Banking Fund		1,000,000	1,000,000
Reserves		-	-
Surplus on revaluation of assets		64,388	26,834
Unappropriated / Unremitted profit	38.6	715,078	691,819
		1,779,466	1,718,653
CONTINGENCIES AND COMMITMENTS	38.7		

**ISLAMIC BANKING BUSINESS
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021**

	June 30, 2021	June 30, 2020
Note	----- (Rupees in '000) -----	
Profit / return earned	38.8 768,978	1,052,634
Profit / return expensed	38.9 361,147	510,838
Net Profit / return	407,831	541,796
Other income		
Fee and commission income	20,418	24,667
Dividend income	-	-
Foreign exchange loss	(15,800)	(40,162)
Income / (loss) from derivatives	-	-
Loss on sale of securities	(5,270)	(7,704)
Other income	17,542	4,486
Total other income	16,890	(18,713)
Total income	424,721	523,083
Other expenses		
Operating expenses	380,316	362,729
Workers' welfare fund	-	-
Other charges	3	-
Total other expenses	380,319	362,729
Profit before provisions	44,402	160,354
Provisions / (reversal) and write offs - net	22,738	(10,192)
Profit before taxation	21,664	170,546
Taxation	-	-
Profit after taxation	21,664	170,546

**ISLAMIC BANKING BUSINESS
FOR THE HALF YEAR ENDED JUNE 30, 2021**

	June 30, 2021 (Un-audited)			December 31, 2020 (Audited)			
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total	
38.1 Due from Financial Institutions	Note ----- (Rupees in '000) -----						
<i>Unsecured</i>							
Bai Muajjal Receivable from other Financial Institutions	38.1.1	12,948,594	-	12,948,594	10,158,875	-	10,158,875
		12,948,594	-	12,948,594	10,158,875	-	10,158,875

38.1.1 This represents Bai Muajjal agreements with conventional operations of Summit Bank Limited and carries profit rate ranging from 5.75% to 8.00% per annum (December 31, 2020: 6.75% to 9.00% per annum).

38.2 Investments

	June 30, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value
Investments by segments:	(Rupees in '000)							
Federal Government Securities:								
- GOP Ijarah Sukuks	6,494,973	-	677	6,495,650	6,494,443	-	(58,693)	6,435,750
Total Investments	6,494,973	-	677	6,495,650	6,494,443	-	(58,693)	6,435,750

	(Un-audited)		(Audited)	
	June 30, 2021	2021	December 31, 2020	2020
38.3 Islamic financing and related assets	Note ----- (Rupees in '000) -----			
Ijarah	331,803		427,435	
Murabaha	1,712		6,343	
Running Musharakah	625,186		654,051	
Diminishing Musharakah	1,981,468		2,337,111	
Tijarah	699,998		699,998	
Advance against Ijarah	19,366		900	
Tijarah Inventory	2,000		-	
Gross Islamic financing and related assets	3,661,533		4,125,838	
Less: provision against Islamic financings				
- Specific	(771,858)		(748,025)	
- General	(4,420)		(5,529)	
	(776,278)		(753,554)	
Islamic financing and related assets - net of provision	2,885,255		3,372,284	

38.4 Due to financial institutions

<i>Secured</i>			
Acceptances from the SBP under Islamic Export Refinance Scheme		300,000	300,000
Total secured		300,000	300,000
<i>Unsecured</i>			
Overdrawn nostro accounts		-	3,826
Musharakah	38.4.1	275,000	350,000
Total unsecured		275,000	353,826
		575,000	653,826

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

38.5 Deposits	June 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
Customers						
Current deposits	7,512,224	431,690	7,943,914	5,408,764	487,500	5,896,264
Savings deposits	10,330,169	80,441	10,410,610	9,657,197	92,844	9,750,041
Term deposits	1,273,359	116,960	1,390,319	1,327,175	73,317	1,400,492
Others	152,312	-	152,312	174,553	-	174,553
	19,268,064	629,091	19,897,155	16,567,689	653,661	17,221,350
Financial Institutions						
Current deposits	74,543	125	74,668	77,807	127	77,934
Savings deposits	198,997	-	198,997	59,173	-	59,173
Term deposits	-	-	-	-	-	-
	273,540	125	273,665	136,980	127	137,107
	19,541,604	629,216	20,170,820	16,704,669	653,788	17,358,457

38.5.1 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 12,204.419 million (December 31, 2020: Rs. 9,820.715 million).

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	----- (Rupees in '000) -----	
38.6 Islamic Banking Business Unappropriated Profit		
Opening balance	691,819	542,751
Add: Islamic Banking profit for the period / year	21,664	149,068
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to accumulated profit	1,595	-
Closing balance	<u>715,078</u>	<u>691,819</u>
38.7 CONTINGENCIES AND COMMITMENTS		
-Guarantees	1,957,352	2,137,420
-Commitments	1,100,603	1,321,882
-Other contingent liabilities	-	-
	<u>3,057,955</u>	<u>3,459,302</u>
	----- (Rupees in '000) -----	
38.8 Profit / Return Earned of Financing, Investments and Placement		
Profit earned on:		
Financing	161,428	211,617
Investments	221,762	21,906
Placements	385,484	819,016
Balances with banks	304	95
	<u>768,978</u>	<u>1,052,634</u>
38.9 Profit on Deposits and other Dues Expensed		
Deposits and other accounts	336,271	484,499
Due to Financial Institutions	12,098	11,845
Finance cost of lease liability	12,778	14,494
	<u>361,147</u>	<u>510,838</u>

38.10 CORRESPONDING FIGURES - ISLAMIC BANKING BUSINESS

Comparative information has been reclassified, restated, rearranged or additionally incorporated in these consolidated condensed interim financial statements, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period.

The effect of reclassification, restatement in comparative information presented in the consolidated condensed interim profit and loss account for the half year ended June 30, 2020 is as follows:

Head	(Rupees in '000)	From	To
Account maintenance and other relevant charges	1,519	Other income	Fee and commission income
Rent on locker	795	Other income	Fee and commission income
Recovery of expenses from customers	554	Other income	Fee and commission income
Bank charges	(383)	Other charges	Operating expenses

39. CORRESPONDING FIGURES

Comparative information has been reclassified, restated, rearranged or additionally incorporated in these consolidated condensed interim financial statements, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period.

The effect of reclassification, restatement in comparative information presented in the consolidated condensed interim profit and loss account for the half year ended June 30, 2020 is as follows:

Head	(Rupees in '000)	From	To
Account maintenance and other relevant charges	4,703	Other income	Fee and commission income
Rent on locker	6,078	Other income	Fee and commission income
Recovery of expenses from customers	4,996	Other income	Fee and commission income
Bank charges	(11,740)	Other charges	Operating expenses

40. DATE OF AUTHORIZATION OF ISSUE

These consolidated condensed interim financial statements were authorised for issue on December 24, 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: 021-3224331 I-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. I. 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 1 - 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-I 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), Alfat 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 # 1004/1 & 1004-A/1 (5G/102-A & 5G/012-A/2), Saeedabad, Baldia, Mahajir Camp, Karachi
Tel: 021-32815092-94
Fax: 021-32815095

Shahrah-e-Faisal Branch

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

Shershah Branch

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

Soldier Bazar Branch

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

Steel Market Branch

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

Tariq Road Branch

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

Timber Market Branch

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

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. 2512/1, Phase-VI, Bedian Road,
Tala 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, Sufiabad, Lahore
Tel: 042- 35401751-3, 35401754
Fax: 042-35800094

Gulberg Branch

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

Ichra More Branch

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

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 Wway, 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/I, 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 Chaman, District Qila Abdullah, Baluchistan
Tel: 0826-618137-39
Fax: 0826-618143

DADU

Dadu Branch

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

DINA

Dina Branch

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

GAWADAR

Gawadar Branch

Plot Askani Hotel, Mullah Fazzul 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 # 1, Akbar Kayani
Plaza, G. T, Road, Gujjar Khan
Tel: 051-3516431-4 & 3516436
Fax: 051-3516435

HARIPUR

Haripur Branch

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

HAZRO

Hazro Branch

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

HYDERABAD

Bohri Bazar Hyderabad Branch

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

Latifabad No. 7 Branch

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

Market Chowk Branch

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

Qasimabad Branch

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

JACOBABAD

Jacobabad Branch

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

JEHLUM

Jhelum Branch

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

KAMBAR

Shahdad Kot Branch

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

KAMOKE

Kamoke - GT Road Branch

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

KANDH KOT

Kandh Kot Branch

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

KASUR

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

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

SARGODHA

Sargodha Branch

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

Satellite Town Branch

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

SHIKARPUR

Shikarpur Branch

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

SIALKOT

Kashmir Road Branch

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

Paris Road Branch

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

Small Industrial Area Branch

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

SWABI

Swabi Branch

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

TANDO ALLAH YAR

Tando Allah Yar Branch

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

TURBAT

Main Bazar Branch

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

WAH CANTT

Wah Cantt Branch

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

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



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