SILKBANK

CS- 277/ PSX /2018
October 25, 2018

FORM 7

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

Silkbank Limited

Announcement of Financial Results for the Third Quarter Ended September 30th, 2018

Dear Sir,

We have to inform you that the Board of Directors of Silkbank Limited in their meeting held on Thursday, October 25, 2018 at 12:00 p.m. at 22nd Floor Board Room, Centre Point Building, Off. Shaheed-e-Millat Expressway, near KPT Interchange Korangi, recommended the following:

1) **Cash Dividend:** **Nil**
2) **Bonus Shares:** **Nil**
3) **Right Shares:** **Nil**
4) **Any Other Entitlement/Corporate Action:** **Nil**
5) **Any Other Price-Sensitive Information: Please refer to the attached material information**

The financial results approved by the Board of Directors of Silkbank Limited are attached as Annexure – A

The Third Quarterly Report of the Bank for the period ended September 30th, 2018 will be transmitted through PUCARS separately, within the specified time.

Yours truly,

Faiz Ul Hasan Hashmi
Company Secretary

Enclosure: As above.

SILKBANK LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2018

	Note	September 30, 2018 Un-audited	December 31, 2017 Audited
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks		**9,195,407**	8,413,176
Balances with other banks		**305,929**	218,420
Lendings to financial institutions		**2,022,007**	8,620,649
Investments - net	8	**26,213,704**	38,266,735
Advances - net	9	**99,435,802**	85,850,715
Operating fixed assets		**4,219,166**	4,176,746
Deferred tax assets - net		**3,076,598**	3,476,129
Other assets		**16,841,865**	17,831,962
		161,310,478	166,854,532
LIABILITIES			
Bills payable		**2,045,758**	3,192,981
Borrowings		**17,494,413**	35,582,000
Deposits and other accounts	10	**122,330,628**	110,277,807
Sub-ordinated loans	11	**1,999,600**	2,000,000
Liabilities against assets subject to finance lease		**3,758**	6,880
Deferred tax liabilities		**-**	-
Other liabilities		**3,110,319**	2,613,518
		146,984,476	153,673,186
NET ASSETS		**14,326,002**	13,181,346
REPRESENTED BY			
Share capital	12	**90,818,612**	90,818,612
Discount on issue of right shares		**(67,387,238)**	(67,387,238)
Reserves		**554,903**	554,903
Accumulated loss		**(9,608,787)**	(10,857,654)
		14,377,490	13,128,623
(Deficit) / surplus on revaluation of assets - net of tax	13	**(51,488)**	52,723
		14,326,002	13,181,346
CONTINGENCIES AND COMMITMENTS	14		

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

Chief Financial Officer | **President & Chief Executive Officer**

Director | **Director** | **Director**

SILKBANK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - UNAUDITED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

	Note	Quarter ended		Nine months ended	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
		Rupees in '000			
Mark-up / return / interest earned	15	4,129,982	3,081,997	11,215,835	8,240,001
Mark-up / return / interest expensed	16	(2,479,948)	(1,634,365)	(6,252,694)	(4,189,961)
Net Mark-up / interest income		1,650,034	1,447,632	4,963,141	4,050,040
(Provision) / reversal against non-performing loans and advances - net (specific)	9.3	(328,140)	181,980	(1,007,332)	(80,099)
Provision against small enterprise and consumer financing - net (general)	9.3	(30,495)	(29,396)	(95,893)	(57,162)
Recovery against written off loans		53,410	32,113	142,870	71,468
Impairment in the value of investments		-	-	-	(22,723)
		(305,225)	184,697	(960,355)	(88,516)
Net mark-up / interest income after provisions		1,344,809	1,632,329	4,002,786	3,961,524
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income		375,558	388,956	1,275,488	1,073,477
Dividend income		-	5,794	-	28,038
Income from dealing in foreign currencies		78,656	46,582	199,473	118,657
(Loss) / gain on sale of securities - net		(42,296)	(13,041)	(60,067)	35,396
Unrealized (loss) / gain on revaluation of investments - held-for-trading - net		(3,257)	1,884	(2,853)	1,232
Other income		562,227	151,401	1,296,170	643,977
Total non mark-up / interest income		970,888	581,576	2,708,211	1,900,777
		2,315,697	2,213,905	6,710,997	5,862,301
NON MARK-UP / INTEREST EXPENSES					
Administrative expenses		(1,589,991)	(1,664,685)	(4,845,164)	(4,635,792)
Other (provisions) / reversals / (write offs) - net		(884)	(83,385)	(1,705)	(85,982)
Other charges		(40,793)	(46,316)	(106,880)	(107,252)
Total non mark-up / interest expenses		(1,631,668)	(1,794,386)	(4,953,749)	(4,829,026)
		684,029	419,519	1,757,248	1,033,275
Extra-ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		684,029	419,519	1,757,248	1,033,275
Taxation - Current		(28,815)	-	(66,996)	-
- Prior		-	-	-	-
- Deferred		(165,856)	(146,888)	(454,984)	(282,384)
		(194,671)	(146,888)	(521,980)	(282,384)
PROFIT AFTER TAXATION		489,358	272,631	1,235,268	750,891
		Rupee			
Earnings per share - basic and diluted		0.05	0.03	0.14	0.08

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

Chief Financial Officer | **President & Chief Executive Officer**

Director | **Director** | **Director**

SILKBANK

CS – 278/ PSX/2018
October 25, 2018

The General Manager
Karachi Stock Exchange Ltd
Stock Exchange Building
I. I. Chundrigar Road
Karachi.

Material Information

Dear Sir,

The Board of Silkbank Limited in its 165th meeting held on October 25th, 2018, was pleased to approve the alignment of the Bank's share capital with its equity, through reduction in the number of shares, under Section 89 of the Companies Act, 2017.

The reduction in the number of shares shall positively affect the book value per share (BPS), earnings per share (EPS) and dividend per share (DPS) ratios of the Bank, by adjusting the accumulated accounting losses and discounts allowed on various Right issues by the Bank. The resulting book value per share will more closely reflect the value of the Bank's underlying assets.

As required under section 14(1) of the Banking Companies Ordinance, 1962, the subscribed and paid up shares of the Bank should not be less than 50% of shares constituting its authorized capital. In order to comply with the provisions of this section, the Board of Directors of the Bank has recommended to the shareholders, realignment of the authorized share capital of the Bank as well.

Consequent to the approval for reduction in the number of shares of the Bank, the Board has also authorized the Bank to alter its clause V of Memorandum of Association and Article 4 of Article of Association of the Bank to give effect to the reduction in the number of issued shares. In this regard, the Board has decided to call upon a shareholder's meeting for obtaining approval of the shareholders. A formal Notice of extra ordinary general meeting will be sent to the PSX, shareholders and all other relevant regulatory authorities separately.

The above information is being provided in accordance with the regulation No. 5.6.1 under the Rule Book of PSX.

You may circulate the same amongst the members of the Exchange.

Yours truly

Faiz Ul Hasan Hashmi
Company Secretary

Silkbank Limited
Central Office: 22nd Floor, Centrepoint Off: Shaheed-e-Millat Expressway, Near KPT Interchange Korangi, Karachi-74900
PABX / UAN: 021-111-00-7455 **Fax:** 021-35805787
Website: www.silkbank.com.pk