

TRANSCENDING
towards
EXCELLENCE



Excellence

**TRANSCENDING
towards
EXCELLENCE**

Embedding our values in our services, we excel our way towards achieving what we aspire the most – to be the benchmark of excellence in premier banking.

Marking 2017 as a profitable year, we confidently stride while offering top-notch, innovative banking services, gradually rising for what we are destined.



Epicure



VISION

Benchmark of excellence in
Premier Banking.

MISSION

To be the leader in Premier
Banking; trusted by customers
for accessibility, service and
innovation. Be an employer of
choice, creating value for all
stakeholders.



CORE VALUES

Customer Focus

At Silkbank, the customer remains at the core of all activities. Service Quality is our key differentiator.

Integrity

At Silkbank, we are honest and upfront maintaining the highest level of personal and corporate integrity.

Teamwork

Teamwork is our key strength. Our success lies in unity.

Creativity

Out of the box thinking is the enabling factor for us to be recognized as an innovative organization.

Meritocracy

Merit remains our key primary criteria for rewarding performance.

Humility

Humility remains at the core of all our relationships.

The background features a minimalist design with a teal gradient at the top transitioning into a solid red area at the bottom. The red area contains soft, undulating red shapes resembling waves or folds of fabric.

TABLE OF CONTENTS

| | |
|---|-----|
| Consumer Banking | 01 |
| Emaan Islamic Banking | 03 |
| Branch Banking | 05 |
| Alternate Delivery Channels | 07 |
| Small and Medium Enterprises | 09 |
| Corporate and Investment Banking | 11 |
| Products and Services | 13 |
| Chairman's Message | 17 |
| President's Review | 19 |
| Corporate Information | 23 |
| Board of Directors | 27 |
| Senior Management Committee | 33 |
| The Management | 35 |
| Corporate Profile | 36 |
| Director's Report | 37 |
| Statement of Compliance with the Code of Corporate Governance | 59 |
| Statement of Internal Control | 61 |
| Notice of AGM | 63 |
| Auditors' Review | 65 |
| Independent Auditor's Report to the Members | 66 |
| Report of the Shari'a Board | 68 |
| Six Years Financial Highlights | 73 |
| Value Added Statement | 74 |
| Horizontal and Vertical Analysis | 75 |
| Graphical Presentation of Financial Progress | 77 |
| Statement of Financial Position | 83 |
| Profit and Loss Account | 84 |
| Statement of Comprehensive Income | 85 |
| Cash Flow Statement | 86 |
| Statement of Changes in Equity | 88 |
| Notes to the Financial Statements | 89 |
| Statement of Written-off Loans | 165 |
| Emaan Islamic Banking Business | 183 |
| Fulfilling our Responsibility | 189 |
| Additional Shareholders' Information | 193 |
| Pattern of Shareholding - CDC and Physical | 194 |
| Branch Network | 199 |
| Foreign Correspondents | 201 |
| Proxy Form | 204 |



CONSUMER BANKING

ASPIRING RELIABILITY

With time, we have held our values, only to strengthen our relationship with our customers. At Silkbank, we understand their evolving needs and ensure financial security with the provisioning of exceptional services; Ready Line, Personal Loan and Credit Cards, assuring their transcendence towards excellence.



EMAAN ISLAMIC BANKING

DELIVERING
THE FINEST

Evolving with the growing demand, we are transcending our Islamic Banking towards excellence by providing Sharia-compliant, innovative banking solutions, aiming to facilitate our customers. Valuing what you value the most, we adhere to your inner peace by delivering the finest.



BRANCH BANKING

EMBODYING DIVERSITY

Having an in-depth understanding of our customers' changing demands, our Branch Banking facilitates their day-to-day transactional requirements. From Current and Savings accounts to Term Deposits and Bancassurance, our varied products have especially been crafted to ease our customers' financial needs. With our highly-trained personnel and a wide branch network, we commit to transcend towards excellence by giving our customers an optimal experience.



ALTERNATE DELIVERY CHANNELS

ENSURING CONVENIENCE

For seamless banking, our transcending Alternate Delivery Channels, designed with excellence, provide customers with round the clock, innovative banking facilities. Our SilkDirect Internet Banking, SilkMobile, VISA Debit Card and Utility Bills Payment services give customers the convenience to bank from wherever they are and whatever the hour.



SMALL AND MEDIUM ENTERPRISES

PURSUING STRENGTH

For business ideas to be actualized and aspirations to grow, every business demands firm strength and reliability. We transcend the spirit of excellence in emerging businesses by providing them with an assortment of value-added services including Trade Service, Cash Management, M'Power, and SME Cash Ease, leading them to what they have envisioned.



CORPORATE AND INVESTMENT BANKING

DESIRING PROSPERITY

An affluent life is what our corporate clientele desire. With our expertise in Capital Management, Debt & Equity Advisory, and Mergers & Acquisitions guidance, we wrap our clients in the silken richness, ensuring their business to transcend towards excellence, as they progress towards prosperity.



PRODUCTS AND SERVICES

SERVING ROYALTY

An understanding of the ever-changing financial needs to ensure satisfying customer service is deeply-rooted within the culture of Silkbank. That is why the Bank provides best-in-class products, delivering utmost convenience, security and reliability. As we transcend towards our journey of attaining excellence, our exclusively designed products and services take us a step closer towards our vision.

Products and Services

Branch Banking

Silbank Current Accounts

Caters to a plethora of financial needs of a diverse customer base.

■ ALL-IN-ONE ACCOUNT

Provides the ultimate protection and security to customers with amazing banking and transactional benefits.

■ BUSINESS VALUE ACCOUNT

A unique business Current Account that provides customers with protection and transactional benefits tailored for any business. It is the first account that provides comprehensive business inventory coverage for up to Rs. 10 million.

■ ONLINE EXPRESS

Online Express gives the customer complete online solutions under one roof with a variety of tier-based transactional benefits.

■ SALARY PREMIUM ACCOUNT

An exceptional Current Account offering a host of financial conveniences, protection and lifestyle benefits with hassle-free salary processing.



■ ASAAN ACCOUNT

Provides financial convenience through the simplest process. All it takes is a CNIC, an initial deposit of Rs. 100 and a one-page form.

Silbank Savings Accounts

Silbank Savings products offer a host of attractive features and competitive returns with the convenience of a Current Account.

■ MUNAFA ROZANA

The only Savings Account in Pakistan that pays profit in cash daily. Profit on funds is calculated and paid into the customer's account on a daily basis.

■ PLS SAVINGS ACCOUNT

Provides the benefits of a Savings Account with the convenience of a Current Account.

■ SUPER SAVER ACCOUNT

Provides customers with the highest monthly returns on higher deposits and profit calculation on a daily profit basis with a monthly payout.

Silbank Term Deposit Accounts

■ SALANA MUNAFA ACCOUNT

Offers the highest profit with payout on maturity. Customers can also avail an overdraft facility of up to 90% with other transactional benefits.

■ SILKBANK MAHANA MUNAFA ACCOUNT

Offers the highest profit with a monthly payout. Customers can also avail an overdraft facility of up to 90% with other transactional benefits.

Bancassurance

Silbank offers one-window operation for customers to enjoy assorted insurance coverage/plans through a bouquet of products: Mehfooz Har Pal, Roshan Mustaqbil, Silk Health Plan, Sunehra Kal, Silk Health Line, and Silk Secure Takaful.

Alternate Delivery Channels

Direct Internet Banking

With Silbank Direct Internet Banking, customers can enjoy and manage their accounts anywhere, anytime.

Silbank Phone Banking

Why walk to the bank when you can talk to the Bank! Silbank Phone Banking officers ensure that the customers' financial needs are taken care of with ultimate accessibility, convenience and security, 24/7.

Silbank VISA Debit Card

Silbank VDC, with local and international acceptance, allows you to enjoy discounts of up to 50% on assorted merchants and outlets, nationwide.

SilkMobile

Experience banking on your smartphone with SilkMobile where Silbank stays with you all the while.



Utility Bills Payment Service

Customers can now use their Silkbanks VISA Debit Card at any Silkbanks ATM to pay their utility bills or top-up their mobile phones, round the clock, free of charge!

Corporate and Investment Banking

Corporate Banking

Corporate banking is a one-stop shop for clients ranging from local corporate to multinational companies. We understand customers' business needs, which is why we offer customized solutions. Our experienced team gives our corporate customers complete attention and ensures that they receive a premium service always.

Investment Banking

Silkbanks has an experienced and professional investment banking team that has been a prominent player in the market. We provide a complete array of Debit & Equity advisory and placement services through our vast distribution network of potential investors.

Middle Markets

Upholding the motto of "Yes we can", Silkbanks stretches to a nationwide network, fully equipped to the vast and extensive middle market customers. Structured working capital lines are provided along with Current/Savings Accounts in order to enhance trade volumes of medium enterprises, allowing them growth.



Consumer Banking

Personal Loan

Silkbanks offers the best Personal Loan for all your needs. Now you can apply for a fresh loan of up to Rs. 2 million. You can also transfer your outstanding loans from other banks and avail a wide range of benefits while enjoying the same monthly installment or even less. With Silkbanks Personal Loan, you can live up your dreams and enjoy life to the fullest. It is fast, convenient, flexible and affordable.

Silkbanks Ready Line

Ready Line is an evergreen Running Finance facility specifically designed to meet your emergency financial needs with credit facility of up to Rs. 2 million. It not only provides a peace of mind, but also helps customers meet their emergency cash needs and that too with the utmost convenience and freedom.

Silkbanks Credit Cards

The most innovative cards of the country, Silkbanks Credit Cards provide customers with 0% mark-up for an entire year upon transfer with Card Design Personalization and Customization. Silkbanks Credit Card customers can enjoy up to 50% discount on assorted merchants and outlets with the added facility of Extended Payment Plan (EPP).



Small and Medium Enterprises

M'Power

Silkbanks M'Power is a running finance facility, which is structured according to your preferences and provides the best solution to meet your financing needs with credit financing of up to Rs. 15 million. It helps you to leverage every business opportunity that comes your way and gives you a greater freedom to focus on every important aspect of your business's growth.

SME Cash Ease

SME Cash Ease (Local Bill Discounting Program) is a liquidity solution for SME level businesses to maintain a profitable working relationship with their client companies.

Emaan Islamic Banking

Emaan Islamic Banking, inaugurated in 2012 with 10 branches nationwide, is geared towards providing Shariah-compliant banking products along with a high level of customer satisfaction. Emaan Islamic Banking offers an array of products to meet the financial needs of customers, including Current Accounts, Savings Accounts, Term Deposits, Takaful and Saving Plans.



CHAIRMAN'S MESSAGE



Dear Shareholders,

In the year 2017, the Banking sectors' performance remained satisfactory in the country, as a result of improved advances and investment, a stable discount rate and a strong capital base. This can be attributed to better macroeconomic conditions which include monetary easing, consistent activity in large-scale manufacturing, improved security conditions and the achievement of a real GDP growth.

In the above background, Silkbank has also delivered another strong year of performance and posted a healthy profit. The strategic plans of the Bank were efficiently followed and successfully accomplished; particularly including the issuance of Privately Placed Term Finance Certificates, the expansion of its branch network from 83 branches to 123 branches and the launching of new businesses. The management team also remained focused on key operational areas i.e, improvement in services, maintaining a low-cost of funds, reducing non-earning assets, expense rationalization, as well as improving the customer franchise and employee management systems.

On its journey towards success in 2018, the Bank shall remain steadfast in its commitment of bringing better products and innovations to ensure a sustainable competitive advantage in the industry, improving processes and service excellence, developing even more effective management techniques to cope with the challenges of the time as well as delivering a strong business performance by building further on the strong foundation already achieved.

I am thankful for your continued goodwill & trust and look forward to seeing you at our 24th Annual General Meeting.



Munnawar Hamid, OBE
Chairman

PRESIDENT'S REVIEW



Dear Shareholders,

Pakistan has made significant progress in regaining macroeconomic stability over the past few years. Most economic growth indicators have shown marked improvement. Real GDP growth accelerated in FY17 to reach 5.28% versus 4.7% in FY16 - the highest in 10 years. This was driven by recovery in the agricultural sector as well as stronger manufacturing output. Momentum created over the past few years is likely to remain intact based on fixed capital investments made in the manufacturing, textile, cement, food and power generation sectors. An increasing trend in fixed investment expenditures bodes well for Pakistan's overall propensity to invest.

The State Bank of Pakistan maintained its policy rates at 5.75% in FY2017, enabling private sector credit expansion, which reflected a growth of 67% over the previous year; highest in recent years. The increase was notable in working capital and fixed investments, especially in food processing, construction, and consumer finance, besides other sectors as well. As a consequence, overall banking sector advances grew to Rs. 6,529 billion whereas investments picked up, reaching Rs. 8,541 billion with deposits at Rs. 12,361 billion.

Strong domestic demand and increasing oil prices pushed CPI inflation in December 2017 to 4.57%, with core inflation staying under 5.6%. Current account deficit stood at US\$ 7,691 million in December 2017. A lower than target tax collection further exacerbated the fiscal deficit.

The political instability seen over the last many months does put a dampening effect on our ability to steer our economic growth at an accelerated pace. We hope, the post elections scenario will bring greater political stability to maintain a high growth rate.

Silkbanks upwards growth trajectory from last year was maintained in 2017. Once again, an enormous effort was put in by all staff in delivering a profit after tax of Rs. 1.14 billion, which is an increase of 54% over 2016.

Silkbanks core strategy is driven by an endeavor to provide an exceptional service quality to its customers. Customer focus and delivering products and services designed around the needs of the customer will remain our foremost priority. With service quality as a key

PRESIDENT'S REVIEW

focus, Silkbanks invested into staff training with a focus on Service Excellence Programs which not only covers the entire customer facing staff but also the support functions. We continue to test our service quality delivery through Customer Satisfaction Surveys conducted annually. We also conduct, around the year Mystery Shopping Surveys covering 100% of our branch distribution network. We continuously monitor all aspects of our service delivery through Internal Service Measures Program (ISM) conducted Monthly. Our ISM program covers every aspect of the Bank's service delivery process. Our Customer Experience Managers also are entrusted with the task of coaching and development of branch staff against the areas for development identified by the surveys and other testing conducted. Our future outlook on service is to provide our customers an instant feedback option to evaluate our service quality both at the branches, as well as at our phone banking and internet banking services, to further enhance our ability to serve our customers better.

Branch Banking remains one of the most critical businesses for the Bank, serving over 165,000 customers, with almost 64% of the Bank's deposit base. Branch Banking's overall deposit portfolio closed at Rs. 71 billion reflecting a YTD increase of Rs. 13.5 billion. 2017 was also a year of great achievements for Bancassurance which has shown a 34% increase in revenues, whilst crossing the Rs. 100 million mark for the first time since inception.

Silkbanks VISA Debit Card (VDC) continued to show strong growth during 2017, with 34,000 new VDCs issued, increasing the total cards base to approx. 117,000. Alternate Distribution & e-delivery channels have added value to the product offerings of the Bank by enhancing the reach and accessibility of banking services.

Within a short span of 5 years Emaan Islamic has established a strong name in the market. The unit has proficiently managed its existing portfolio and reduced the cost of funds to further improve spreads. As a result, profit before tax of Rs. 406 million was generated against only Rs. 48 million in 2016. On the liability side, total deposits closed at Rs. 14.3 billion registering an increase of Rs. 3.4 billion, with Advances reflecting an outstanding growth of 113% closing at Rs. 17.5 billion.

Consumer Banking continued its focus on market penetration and improving its value proposition for customers. Consumer Banking products are now available in all major cities across the country. New cost-effective sales channels were also introduced with the launch of Tele-sales and an Online-acquisition channel. Silkbanks Consumer Assets continued to deliver high growth rates with total disbursements amounting to Rs. 2.95 billion in Personal Loan and Rs. 3.9 billion in Ready Line; the highest ever recorded among peer banks, closing at an ENR of Rs. 10.5 billion in 2017.

Silkbanks Credit Cards reaffirmed its status as the leading credit card issuer in Pakistan by crossing the 50,000 new cards acquisition barrier in 2017. Total cards booked for the year were 52,541 cards, which increased Cards in Force (CIF) to 129,189 cards, another milestone and a moment of pride for Silkbanks. Retail Spending on Credit Cards for the year was at Rs. 14.9 billion, with the highest spending ever recorded in a month of Rs. 1.4 billion in July 2017. The higher spend-pattern pushed the ENR to Rs. 3.6 billion, an increase of 28% over the previous year, firmly establishing Silkbanks as a major credit card issuer in Pakistan.

Corporate Banking Group (CBG) continued its focus on self-liquidating trade related transactions this year. The Trade business of the Bank increased by 10% to reach Rs. 33 billion, with yield on advances rising from 8.4% in FY16 to 8.6% in FY17, driving up the net revenue growth from funds by 16% YoY. Corporate deposits were

up 34% YoY, supported by the recently launched cash management initiative. SME business remained ahead on deposits by 62% and trade business by 26% as compared to 2016. New initiatives include diversification of the SME Relationship Business to a Product Program driven model and a Supply Chain Financing targeted through corporate banking relationships.

As Lead Advisors & Arranger, the Investment Banking Group (IBG) successfully raised Rs. 2 billion in Tier II Capital for the Bank. The privately placed TFCs contributed to enhance the Bank's Capital Adequacy Ratio (CAR), thus creating room for asset growth. IBG also actively participated in underwriting secondary market equity transactions to the extent of Rs. 330 million, thus earning attractive fee income for the Bank.

Silkbanks has established a strong trade finance services team. Our trade services staff are fully conversant with the local and international trade protocols and are well equipped to service our trade customers. We offer a complete spectrum of trade products designed to meet our customers' needs. We have broadly segmented our trade business into imports, exports and the guarantee business, manned by respective sector specialists, having the skill set and experience to provide a high quality of service to our customers, ensuring at the same time a strong adherence to the regulatory framework.

Special Assets Management Group (SAMG) has made a significant contribution to profit of Rs. 1.7 billion. Overall Bank's NPL to Advances ratio has fallen from 33.6% in 2008 to a low of 6.5% by year end 2017. OREO / Bank Owned Properties were sold at a price of Rs. 2.7 billion against the written down value of Rs. 2.1 billion, registering a profit of Rs. 639 million.

Risk Management Group (RMG) through a strong recovery stream of written off consumer loans, were instrumental in bolstering business growth during the year. RMG was also actively involved in liaising with the Small Medium Enterprise (SME) / Corporate Banking Group (CBG) to help structure large trade lines, with a view to enhance the non-funded business of the bank. RMG was also responsible for introducing the Facility-risk rating model at Silkbanks, which makes it one of the very few banks in Pakistan to introduce this concept while analyzing customer risk. The Bank has also allowed special discretionary powers to the SME Segment to expedite the overall approval process and disseminate credit products amongst the SME customers, in line with the SBP directives.

With the changing landscape in banking, a wave of digital technologies has started to transform the fulfillment process of the customer banking needs. The market is witnessing a shift from the current conventional delivery process to a virtual and automated banking services delivery. The launch of the digital banking platform is to get a share of the tech-savvy millennials segment of the population. The Digital Banking business unit has in a short period successfully developed a digital banking platform and also acquired branchless banking license from SBP, with a vision to penetrate targeted customer segments and enhance our reach by offering innovative digital financial products and services.

Silkbanks success in 2017 is a collaborative effort of the entire Silkbanks Team, each unique and dynamic in their skills and abilities. With a focus on customer service delivery, innovation and meritocracy we are confident that Silkbanks will maintain its upward trajectory in the years to come and be able to deliver the best quality service to its customers. We also thank our Customers, Board Members and Regulators for helping us during the year.

Yes we can!



Azmat Tarin
President & CEO



CORPORATE INFORMATION

PENNING SUCCESS

A proficient team with high ambitions can turn simple into magnificent. Such a team exists along the corporate ladder of Silkbank, working day and night to excel in its journey of transcending towards excellence. Courtesy to their hard work, the Bank has borne fruitful results in the year 2017, turning aspirations into reality.

CORPORATE INFORMATION

AS OF DECEMBER 31, 2017

| Board of Directors | |
|---------------------------|-------------------------|
| Munnawar Hamid, OBE | Chairman |
| Khalid Aziz Mirza | Director |
| Nasim Beg | Director |
| Rashid Akhtar Chughtai | Director |
| Shahzad Murad | Director |
| Shamsul Hasan | Director |
| Talha Saeed | Director |
| Tariq Iqbal Khan, FCA | Director |
| Zubair Nawaz Chattha | Director |
| Azmat Shahzad Ahmed Tarin | President & CEO |
| Shaukat Tarin | Advisor to the Chairman |

| Company Secretary | |
|----------------------|--|
| Faiz Ul Hasan Hashmi | |

| Chief Financial Officer | |
|-------------------------|--|
| Khurram Khan | |

| Audit Committee | |
|-----------------------|-----------|
| Shahzad Murad | Chairman |
| Nasim Beg | Member |
| Tariq Iqbal Khan, FCA | Member |
| Wajih Zaidi | Secretary |

| Risk Committee | |
|-----------------------|-----------|
| Shamsul Hasan | Chairman |
| Shahzad Murad | Member |
| Tariq Iqbal Khan, FCA | Member |
| Muhammad Atif Kauser | Secretary |

| IT Committee | |
|----------------------|-----------|
| Nasim Beg | Chairman |
| Zubair Nawaz Chattha | Member |
| Shamsul Hasan | Member |
| Asrar Hussain | Secretary |

Human Resources Committee

| | |
|------------------------|-----------|
| Khalid Aziz Mirza | Chairman |
| Munnawar Hamid, OBE | Member |
| Rashid Akhtar Chughtai | Member |
| Azmat Tarin | Member |
| Sanam Kohati Faiz | Secretary |

Auditors

Deloitte Yousuf Adil

Chartered Accountants

Legal Advisor

Ghani Law Associates

Registered Office

Silkbank Limited,
13-L, F-7 Markaz,
Islamabad.

Direct Tel: (051) 26080-26-27-28,

PABX: (051) 26080-77-78-79 Ext: 111

Fax: (051) 26080-29

Email: companysecretary@silkbank.com.pk

Website: www.silkbank.com.pk

Share Registrar

Central Depository Company of Pakistan Limited (CDCPL)

Share Registrar Department
CDC House, 99-B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal,
Karachi-74400.

Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275)

Fax: (92-21) 34326053

Email: info@cdcpak.com

Website: www.cdcPakistan.com

BOARD OF DIRECTORS



Sitting from left to right:

Munnawar Hamid, OBE
Chairman

Shaukat Tarin
Advisor to the Chairman

Standing from left to right:

Zubair Nawaz Chattha
Director

Azmat Tarin
President & CEO

Shahzad Murad
Director



Sitting from left to right:

Tariq Iqbal Khan
Director

Nasim Beg
Director

Standing from left to right:

Rashid Akhtar Chughtai
Director

Talha Saeed
Executive Director

Khalid Aziz Mirza
Director

PROFILE OF BOARD OF DIRECTORS

Mr. Munnawar Hamid, OBE - Chairman

Mr. Hamid was elected as an Independent Director and Chairman of the Board in March, 2008 and was re-elected as an Independent Director by the shareholders of the Bank. Mr. Hamid was also appointed as the Chairman by the Board in August, 2011, August, 2014, and August, 2017 and has held this position since then.

Mr. Hamid gained experience of commerce and industry while serving in a major chemicals company, ICI Pakistan Limited, as Chief Executive, as well as Chairman of a number of subsidiary companies of Global Corporations in Pakistan, which include ICI Pakistan and Pakistan PTA (now Lottee Pakistan PTA Ltd.). He has also served in London as a Global Senior Corporate Planner ICI PLC for its Pharmaceuticals, Agrochemicals and Seeds, and especially Chemical Businesses. Subsequently, he was appointed as an advisor to the CEO of ICI PLC London, for South Asia. Mr. Hamid has also been associated with a number of boards, high-level consultative bodies, public sector organizations, leading advanced educational institutions as well as the financial sector of Pakistan, and has over 45 years of experience in the fields of business & corporate management and operations. In October, 1997, he was appointed as an Officer in the Most Excellent Order of the British Empire (OBE) by HM, the Queen, for services to ICI and Economic Development in Pakistan. Mr. Hamid is a graduate from Punjab University, and also holds BA (Hons) and a Master's degree from Cambridge University (Gonville & Caius College), UK. Mr. Hamid is also currently a trustee on the Board of Trustees of the Aga Khan University.

Mr. Tariq Iqbal Khan - Director

Mr. Tariq Iqbal Khan was elected as an Independent Director on the Board of the Bank in December, 2010 and was also re-elected as a Director by the shareholders of the Bank in August, 2011, August, 2014 and in August, 2017 and has held this position since then. He is also a member of the Audit Committee of the Board. Mr. Khan is the ex-Chairman of National Investment Trust Limited. He has also served on various positions in Federal Board of Revenue (FBR) and Securities and Exchange Commission of Pakistan (SECP). Mr. Khan has also played a significant role as Pakistan Banks Association's Chairman. Mr. Khan is a Chartered

Accountant by profession, and has over 38 years of experience. He has served on the Boards of various other banks and companies. Currently, he holds directorship in the following listed companies:

| Name of Organization | Position Held |
|--|---------------|
| Listed Companies | |
| ■ Attock Refinery Limited | Director |
| ■ International Steels Limited | Director |
| ■ Lucky Cement Limited | Director |
| ■ National Refinery Limited | Director |
| ■ Packages Limited | Director |
| ■ Pakistan Oil Fields | Director |
| Name of Organization | Position Held |
| Unlisted Companies | |
| ■ FFC Energy Limited | Director |
| ■ CAS Management (Pvt.) Limited | Director |
| Non-Profit Organizations | |
| ■ Islamic International Medical Trust | Trustee |
| ■ High Altitude Sustainability Trust | Trustee |
| ■ Pakistan Academy of Engineering Endowment fund | |
| ■ Human Element Foundation | Trustee |

Mr. Shamsul Hasan - Director

Mr. Shamsul Hasan was appointed by the Board as a Non-Executive Director on the Board of the Bank in November, 2012 and was re-elected as an Independent Director by the shareholders of the Bank in August, 2014 and in August, 2017. He is also the Chairman of the Risk Committee and a member of IT Committee of the Board. Mr. Hasan is a senior investment and corporate banker. Prior to his joining the Bank, Mr. Hasan was the Managing Director and Chief Executive Officer of Pakistan Kuwait Investment Company (Pvt.) Ltd., a joint venture of Governments of Pakistan and Kuwait, from November, 2008 till August, 2011. Through his dynamic leadership, he completely turned around the company into a profitable organization. In 2011, Pakistan Kuwait Investment Company was given a Credit Rating of "AAA" by two independent credit rating agencies; it also achieved a very high Corporate Governance Rating.

Mr. Hasan has also worked as the Country Head of Corporate & Investment Banking Group of the then Saudi Pak Commercial Bank Limited. He has over 33 years of banking experience with other local and international banks, and has a proven track record of over 20 years' experience in senior management. He is a graduate of Pakistan Military Academy, Kakul. Mr. Hasan has extensive banking training and has attended various international management development programs, conducted by INSEAD France, National University of Singapore, Institute of Islamic Banking London and Euro Money London.

Mr. Khalid Aziz Mirza - Director

Mr. Khalid Aziz Mirza was elected as an Independent Director on the Board in August, 2014 and was re-elected by the shareholders of the Bank in August, 2017. He is also a member of the HR Committee of the Board. Mr. Mirza is a Masters of Commerce (M.Com) from University of Punjab, Lahore - Pakistan, and has about 52 years of work experience.

Mr. Mirza has served for 13 years in various positions in Investment Corporation of Pakistan (ICP), and Credit & Finance Corporation London. Subsequently, for about two decades, he remained on the professional executive staff of the International Finance Corporation (IFC) (Member, World Bank Group). Besides this, he has also served as the founding Chairman of Securities & Exchange Commission of Pakistan (three years); Sector Manager for Financial Sector Development, East Asia & Pacific Region, The World Bank, Washington DC, USA (about four years); Chairman and Chief Executive Monopoly Control Authority (one year); founding Chairman and Chief Executive Competition Commission of Pakistan (three years); and Member, Competition Appellate Tribunal (about eight months). Mr. Mirza joined the Lahore University of Management Sciences (LUMS) in 2010 and is at present a Professor of Practice. Mr. Mirza is also an Independent Director and Chairman of the Board of Orix Leasing Pakistan Limited & Awwal Modaraba and an Independent Director on the Boards of Medgulf Insurance, Bahrain as well as Murree Brewery Company Limited.

Significant among his regular consultancy assignments are Finance Consultant, WAPDA; Advisor, Investment Climate Reforms Unit, Government of Punjab; Evaluator, Investment Evaluation Unit, The World Bank Group; and Advisor to the Board of the Damen Support Programme, Lahore; an NGO dedicated to women empowerment through provision of microfinance.

Mr. Talha Saeed - Executive Director

Mr. Talha Saeed was appointed as an Executive Director on the Board of Silkbank in April, 2015 and was re-elected as an Executive Director by the shareholders of the Bank in August, 2017.

He has 29 years of well diversified experience at senior positions in leading financial institutions. He has held a number of important positions in NDFC, ANZ Grindlays Bank, Union Bank and Standard Chartered Bank. He is presently the Group Head of Wholesale Banking, looking after Corporate, Treasury, Financial Institutions, Investment Banking and Small & Medium Enterprises Business. Previously, he held the position of Group Head Retail Banking, looking after Branch Banking, Consumer Assets and Small & Medium Enterprises. He held the position of General Manager, Small & Medium Enterprises in Standard Chartered Bank. He was also a member of the Senior Management Committee in Standard Chartered Bank.

In addition to the above, Mr. Saeed has held the position of a Director on the Board of Lahore Stock Exchange and served as Convener of The Regulatory Affairs Committee of Lahore Stock Exchange. He is presently a Director on the board of Agritech Limited, a publically-listed fertilizer manufacturing unit. He has attended many training courses and workshops in Pakistan and abroad, and has also attended conferences on SME's, organized by International Finance Corporation (IFC). He is a certified trainer of IFC on SME banking. Some of the major achievements during his career are, pioneering programmed-based lending to SME's in Pakistan, setting up SME businesses from scratch in three banks, and setting up consumer business in Silkbank. Mr. Saeed holds a Master's degree in Economics from Quaid-i-Azam University, Islamabad and is a commerce graduate from Hailey College of Commerce. He is a fellow member of the Institute of Bankers in Pakistan and a Certified Director on the panel of Pakistan Institute of Corporate Governance. He is also a trainer for National Institute of Banking and Finance and State Bank of Pakistan for Small & Medium Enterprises Business. He has also conducted training on SME's in Islamic banking.

PROFILE OF BOARD OF DIRECTORS

Mr. Nasim Beg - Director

Mr. Nasim Beg was appointed as the nominee Director of M/s. Arif Habib Corporation Limited, on the Board of the Bank with effect from January 18, 2016 and was re-elected as a Director by the shareholders of the Bank in August, 2017.

Mr. Beg, a fellow member of the Institute of Chartered Accountants of Pakistan, is the Chief Executive Officer of Arif Habib Consultancy (Pvt.) Limited along with being the Vice Chairman of MCB-Arif Habib Savings & Investments Limited - an Asset Management Company that was conceived and set up by him and which he headed as Chief Executive till June, 2011. With over 47 years of experience in the business world including industry and the financial services (in and outside the country), Mr. Nasim Beg is one of the most highly experienced professionals of the country.

Before joining the Arif Habib Group, Mr. Beg served as the Deputy Chief Executive of NIT, which he joined during its troubled period and played an instrumental role in its modernization and turn around. He also served as the acting Chief Executive of NIT for a few months. He has also been associated at top-level positions with other asset management and investment advisory companies.

Mr. Beg has also held senior level responsibilities in the automobile industry. During his tenure as the Chief Executive of Polymer & Precision Engineers (now renamed Allied Precision Engineering) thereafter, as Chief Executive of Allied Motors Limited (formerly, Allied Tractors Limited), he set up a green field project for the manufacture of sophisticated indigenous components for the automotive industry under transfer of technology licenses with Japanese and European manufacturers. His initiation to the financial services business was with the Abu Dhabi Investment Company, UAE, where he was a part of the team that set up the company in 1977. He has also been a member of the Prime Minister's Economic Advisory Council (EAC).

Other Corporate Responsibilities

As CEO

- Arif Habib Consultancy (Pvt.) Limited

As Director

- Aisha Steel Mills Limited
- Arif Habib Dolmen REIT Management Limited (Non-Executive Chairman)
- MCB-Arif Habib Savings & Investments Limited (Executive Vice Chairman)
- Pakarab Fertilizers Limited
- Pakistan Opportunities Limited (Formerly, Pakistan Private Equity Management Limited)
- Power Cement Limited (Non-Executive Chairman)
- Safemix Concrete Limited
- Arif Habib Corporation Limited

Mr. Azmat Tarin - President & CEO

Mr. Tarin is the President & CEO of Silkbank since October, 2008. Prior to which, he was the Executive Director in Silkbank. He is also a member of the HR Committee of the Board. Mr. Tarin is a career banker with an experience of over 28 years. He started his career in Branch Operations in Lincoln Savings, California, in 1989.

Subsequently, he moved to Saudi American Bank in Riyadh, where he was involved in a project of centralizing operations. Mr. Tarin has also attended the Management Associate Program at the Saudi American Bank. His first banking assignment in Pakistan was with Union Bank Ltd. from 1999 to 2006 as Head of Retail Banking, where he was a part of the core team that turned the bank into one of the most profitable banks of the country. In addition, he served on the Board of Union Leasing from 2001 to 2006. He is also serving as a Director of Sinthos Capital Holding Ltd.

Mr. Tarin is a Master of Business Administration (MBA) in Management Sciences from Pepperdine University, Los Angeles, California.

Mr. Zubair Nawaz Chattha - Director

Mr. Zubair Nawaz Chattha has been associated with the family business since his early days. He bears an impressive profile detailing an unprecedented track record, bedecked and evenly interspersed with illustrious achievements and services on various fronts during his professional career.

From his educational record to professional acumen, Mr. Zubair Nawaz Chattha stands out par excellence. After completing his B.A, he went for a graduation in law and completed his LLB in 1992. He also holds degree of LLM. On the academic front, he has had renowned institutions among his alma maters, including University of Punjab, Lahore and Harvard Law School, USA.

Mr. Zubair Nawaz Chattha belongs to a business family owning businesses with the brand name "Gourmet" in Pakistan. After completing his education, he joined his family business with his father and brother. At the time, Gourmet was operating with sweets and bakers retail shops in Lahore and 3 production units. He introduced the idea of production of carbonated soft drinks under the brand name Gourmet. It was a tough decision to compete with well-established brands in the soft drink industry. It was his vision and commitment through which he was able to introduce Gourmet brand as an alternate option in the beverage industry which was previously dominated by multinationals.

He managed the portfolio of food related items and promoted the family brand "Gourmet" by introducing marketing and integration strategies. He was instrumental in setting up dairy and confectionary units and acquiring a sugar mill. He also introduced and promoted the "Conglomerate Diversification" by venturing into other business including Gourmet.

Petroleum, investment in banking sector through equity investment in Silkbanks, where the group holds 12.5% of the bank's paid up capital. And acquisition of News TV channel. His vision is to introduce "Gourmet" worldwide as a Pakistani Brand. He is, at present, planning to expand the business in UK and UAE.

Mr. Zubair joined Police Service Pakistan (PSP) through qualifying the competitive examination in 1995. After completing the training for PSP, he remained posted on various sensitive positions. All these public sector positions required highest level of administrative capabilities.

Mr. Zubair demonstrated extraordinary skill and expertise in handling complex situations on these assignments. During his service, he remained on leave in different periods for attending to the new gourmet projects. He resigned from government service and his resignation was accepted w.e.f August 1, 2016.

Mr. Rashid Akhtar Chughtai - Director

Mr. Rashid Akhtar Chughtai was elected as an Independent Director on the Board of the Bank in August, 2017. He is also a member of HR Committee of the Board.

Mr. Rashid Akhtar Chughtai is an Economist/Banker by profession and has over 43 years of experience. He has served on various positions in the Banking Industry and other companies. He has also served as the Deputy Governor of the State Bank of Pakistan, Chairman of Islamabad Stock Exchange, President & CEO of ZTBL & SME Bank Limited, and Director of National Commodity Exchange.

Mr. Chughtai holds a Master's degree in Economics from Peshawar University and other professional qualifications from different national and international bodies. He has further attended numerous international conferences, courses, seminars and meetings.

Mr. Shahzad Murad - Director

Mr. Shahzad Murad was appointed as an Independent Director on the Board of the Bank in September, 2017. He is also a member of Audit and Risk Committees of the Board.

Mr. Murad brings with him more than 40 years of experience in providing consultancy services and serving in various local as well as multinational banks. He has played significant roles as Chair of the Finance Committee & Co-Chair of the Tender Committee of Karachi Port Trust, CEO and Managing Director of NBP Leasing Ltd., CEO and Managing Director of Union Leasing Ltd., Advisor to Chairman of Union Bank Ltd. and Deputy Country Head of Oman International Bank.

Mr. Murad holds a degree in Bachelor of Arts from University of Punjab and is a Certified Director from ICAP. He also holds professional qualifications from different national and international bodies, has attended and conducted conferences, courses, seminars and meetings.

SENIOR MANAGEMENT COMMITTEE



Sitting from left to right:

Khurram Khan
Chief Financial Officer

Goharulayn Afzal
Chief Operating Officer

Khurram Adil Khan
Group Head Marketing

Standing from left to right:

Shuja Ahmed Alvi
Head of Investment Banking &
Regional Corporate Head (South)

Ali Kashif Rizvi
Head Treasury &
Financial Institutions

Javed Yousuf Edhi
Group Head Digital Bank
& Innovation

Uzman Naveed Chaudhary
Group Head Compliance,
ICD & Legal

Junaed Rayaz Chaudhry
Head Consumer Risk

Wajih Zaidi
Head Internal Audit



Sitting from left to right:

Kasim Feroze Khan
Director, Special Assets
& Projects

Talha Saeed
Executive Director-
Wholesale Banking

Shahram Raza Bakhtiari
Group Head Retail &
Consumer Banking

Standing from left to right:

Kamran Bashir
Group Head SAM & REAM

Rashid Pervaiz
Head of Branch Banking

Jawad Majid Khan
Group Head Islamic
Banking

Mansoor Mukhtar
Head SME Relationship

Muhammad Saqib Pal
Chief Risk Officer

THE MANAGEMENT

| | |
|-------------------------------|--|
| Azmat Tarin | President & CEO |
| Talha Saeed | Executive Director - Wholesale Banking |
| Goharulayn Afzal | Chief Operating Officer |
| Kasim Feroze Khan | Director, Special Assets & Projects |
| Muhammad Saqib Pal | Chief Risk Officer |
| Javed Yousuf Edhi | Group Head Digital Bank & Innovation |
| Jawad Majid Khan | Group Head Islamic Banking |
| Kamran Bashir | Group Head SAM & REAM |
| Shahram Raza Bakhtiari | Group Head Retail & Consumer Banking |
| Khurram Adil Khan | Group Head Marketing |
| Uzman Naveed Chaudhary | Group Head Compliance, ICD & Legal |
| Mansoor Mukhtar | Head SME Relationship |
| Mrs. Sanam Kohati Faiz | Head Human Resource |
| Ali Kashif Rizvi | Head Treasury & Financial Institutions |
| Junaed Riaz Chaudhary | Head Consumer Risk |
| Shuja Ahmed Alvi | Head of Investment Banking & Regional Corporate Head South |
| Khurram Khan | Chief Financial Officer |
| Wajih Zaidi | Head Internal Audit |
| Mallick Mustafa Imam | Head Process Re-engineering & Service Quality |
| Rashid Pervaiz | Head of Branch Banking |
| Faiz Ul Hasan Hashmi | Company Secretary |

CORPORATE PROFILE

Background:

Silkbank is a scheduled commercial bank listed on all stock exchanges in Pakistan with its Central Office located in Karachi. On September 15, 2001, under the supervision of SBP, the institution then known as Prudential Commercial Bank Limited was acquired by Saudi Pak Industrial and Agricultural Investment Company (Pvt.) Limited and renamed as Saudi Pak Commercial Bank Limited.

On March 31, 2008, a Consortium comprising International Finance Corporation, Bank Muscat S.A.O.G, Nomura European Investment Limited and Sinthos Capital Advisors (led by Mr. Shaukat Tarin and Mr. Sadeq Sayeed) acquired a majority stake in Saudi Pak Commercial Bank Limited, which was subsequently rebranded as Silkbank Limited on June 01, 2009.

Major shareholders of the Bank as on December 31, 2015 are Sinthos Capital comprising of Mr. Shaukat Tarin, Mr. Sadeq Sayeed and Mr. Azmat Tarin, M/s Arif Habib Corporation Limited, International Finance Corporation (IFC), Nomura European Investment Limited, Bank Muscat S.A.O.G and Mr. Zulqarnain Nawaz Chattha and Mr. Zubair Nawaz Chattha of Gourmet Group.

The Bank is engaged in providing financial services via 123 branches located in 39 cities throughout the country and offers a range of retail, consumer, corporate and Islamic products.

CONSORTIUM PARTNERS



**International
Finance Corporation**
World Bank Group

A member of the World Bank Group, IFC fosters sustainable economic growth in developing countries.



Largest bank of Oman with assets of over USD 15 billion, having significant presence in the Middle East.



A leading investment bank with network in over 30 countries and total assets of USD 221 billion. Recently acquired Lehman Brothers in Asia and Europe.



REPORTS AND STATEMENTS TO THE MEMBERS

A DISTINCT
STATURE

Years of best practices have earned us a high status in terms of growth, progress and leadership, reflecting well in the Reports and Statements of the year 2017. With a profitable portfolio representing our success, we proudly transcend towards excellence.

DIRECTOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

Dear Shareholders,

The Directors are pleased to present the 24th Annual Report and the audited financial statements for the year ended December 31, 2017.



Economic Review

Pakistan's economy has been continuously showing good signs. Major successes in the fourth quarter include stability of economic growth and inflation, enabling real GDP growth to reach 5.28% in 2016-17, which is the highest in the last ten years. The Capital market reached historically high levels (above the 52,000 points in April, 2017) outperforming its regional peers. The PSX, however, experienced a correction in the later-half of the year, despite its inclusion in the Emerging Markets Index by Morgan Stanley Capital International, due to political uncertainties but is expected to recover as conditions stabilize towards the second half of 2018. Headline inflation was 4.57%.

The Current Account deficit stood at US\$ 3,867 million in the last month of the quarter. The outgoing fiscal year has witnessed an impressive growth in Agricultural output as well as in the Services sector. The Agricultural sector met its growth target of 3.5% helped by Government's price support policies and increased credit disbursements, which rose from close to Rs. 600 billion in 2015/16 to Rs. 700 billion in the fourth quarter of 2017. The policy interest rate, which has been the lowest in decades at 5.75%, was particularly helpful for private sector credit which grew by 65.0% during the year, significantly strengthening productivity particularly as a result of capital investment in manufacturing, textile, cement, food and electricity generation sectors. This was one of the most encouraging developments in the economy which contributed significantly to GDP clearly indicating increasing trust and confidence of the business community in the overall investment climate of the country.

Banking Sector

Here again, as a result of growth in private sector credit, the most significant aspect was a very significant increase in advances by Rs. 136.42 billion during the year.

SILKBANK'S PERFORMANCE DURING 2017

Financial Performance

The Bank has posted after tax Profit of Rs. 1,135 million for the year ended December 31, 2017.

During this period, total deposits of the Bank grew by Rs. 23.49 billion to Rs. 110.28 billion and gross advances increased by Rs. 20.83 billion.

Summarized financial performance of Silkbank Limited for the year ended December 31, 2017, is as follows:

| Financial Performance | Rs. in million | |
|---|----------------|---------|
| | 2017 | 2016 |
| Net mark-up income | 5,486 | 4,349 |
| Reversal/(Provisions) impairment and others | (289) | 49 |
| Non mark-up income | 2,943 | 2,213 |
| Non mark-up expense | (6,754) | (5,326) |
| Profit/(Loss) before Tax | 1,386 | 1,285 |
| (Tax)/Reversal of tax | (251) | (547) |
| Profit/(Loss) after Tax | 1,135 | 738 |
| Rupee | | |
| Basic Earnings/(Loss) per share | 0.13 | 0.09 |

Though the Bank declared a healthy profit for the year, but due to the accumulated losses, your Directors are unable to declare any dividend for the year.

Silkbank continues to be backed by strong international sponsors, which include IFC (World Bank Group), Nomura European Investments, Bank Muscat and Mr. Shaukat Tarin. The sponsors have been further strengthened by the inclusion of Arif Habib Corporation Limited and the Gourmet group, and the consortium will continue to be led by Mr. Shaukat Tarin.



SECTORAL PERFORMANCE

Retail Banking

Branch Banking

Branch Banking remains one of the most critical businesses for the Bank, serving over 164,697 customers, and consisting of approximately 64.78% of the Bank's deposit base. It remained ahead throughout the year against budget as a result of maintaining a momentum right from the beginning and deposits increased by Rs. 13.858 billion to Rs. 71.460 billion. This included a significant growth of 64% in CASA of Rs. 8.922 billion (made up of Rs. 2.796 billion in Current and Rs. 6.126 billion in Savings).



All-In-One Account

All-In-One Account, which provides insurance coverage on ATM & over-the-counter cash snatching, mobile phone & vital documents snatching, home burglary as well as special auto-insurance rate has now more than 5,000 customers and a deposit base of Rs. 2.164 billion.



Business Value Account

Business Value Account, which provides inventory insurance of up to Rs. 10 million, has grown a deposit base of Rs. 400 million with more than 1,000 customers.

Munafa Rozana

Munafa Rozana, a Savings Account which pays profit in cash daily, achieved a deposit base of Rs. 3.810 billion with 10,034 customers during the year.

ADC Business

Silkbanks VISA Debit Card (VDC) continued to show strong growth during 2017 and added 33,923 new VDCs increasing the total card base to 117,138. VDC usage over Point of Sales (POS) during 2017 recorded a spend of Rs. 1.28 billion through 324,695 transactions, reflecting a growth of 4.1% & 5.9% respectively as compared to 2016, with the highest POS monthly spend of Rs. 120.60 million during December, 2017. Silkbanks ATMs dispensed a cash volume of Rs. 17.23 billion through 1,620,740 transactions during the year with a monthly usage volume of Rs. 1.44 billion.

Alternate Distribution & e-delivery channels have added value to the product offerings of the Bank and have enhanced the reach/accessibility of its banking services. SilkMobile registrations have reached to 35,516 customers, and new features are continuously being added to attract customers towards a greater usage of its digital platform. During July, 2017 a campaign, the "SilkMobile/Silkbanks Direct Internet Banking Enrollment Campaign", was launched to increase awareness of the Bank's digital channels. Another incentive campaign, the "Transact and Win Campaign", was also launched during October, 2017 with the objective of engaging customers through ADC products utilization and has increased utilization/spend volumes in the existing customer base.

Bancassurance

The year 2017 was a year of achievements for Bancassurance business, where revenue increased by 30% as compared to the last year. The business also crossed Rs. 100 million mark for the first time since its inception as the total business generated during the year reached above Rs. 114 million. The revenue for the year 2017 exceeded Rs. 70 million mark and YTD cancellations remained under control at 1%, reflecting the high quality of sales.



Wholesale Banking

Treasury & Financial Institutions

Money Market Desk posted a capital gain of Rs. 24 million from the sale and purchase of PIBs, T-bills & Sukuk. In addition, income from NRFF (arbitrage income) was recorded at around Rs. 34 million in a market where "spreads" had narrowed throughout the year. Performance of the foreign exchange desk remained in line with the budget at Rs. 140 million.

The Financial Institutions Department made available a vast international and domestic correspondent network which efficiently catered trade and payments business flows of Corporate, SME and Branch Banking customers, generating approximately Rs. 50 million in non-funded earnings. The unit was also instrumental in making available sufficient Treasury and Trade Finance credit lines with counterparty banks to adequately cover the Bank's FI risk and Country risk transactions.

DIRECTOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

■ Investment Banking Group (IBG)

During the year 2017, IBG advised on a Right Issue of Rs. 306 million for a packaging company as well as underwrote Rights Issues of Rs. 330 million for financial institutions. Additionally, IBG supported the issuance and successful closure of the Bank's Privately Placed Term Finance Certificate (PPTFCs) of Rs. 2.00 billion.

■ Corporate Banking & Middle Market

On the back of Avg. Advances of Rs. 35.3 billion, Net Revenue from the Fund for FY-2017 was recorded at Rs. 3.1 billion, higher by 25%, largely as a result of loans booked at wider spreads compared to the last year. Cumulative Net Revenue increased to Rs. 1 billion and with direct expenses increasing marginally by 12.1%, year-end EBIT was Rs. 458 million, double of the last year. On the liability side, deposits stood at Rs. 5.9 billion, an increase of 32% compared to the last year.

Consumer Banking

The Consumer Banking Division continues to perform exceptionally well over the last couple of years.

Unsecured Portfolio

The Unsecured Portfolio, which includes Personal Installment Loan, Ready Line and Credit Cards, has maintained its leadership position. At the end of the year, the ENR was Rs. 14.1 billion, and with the consequent increase in profitability, it contributed Rs. 1.29 billion to earnings before interest & taxes.

New sales channels e.g. Tele-sales and online acquisitions were added to the portfolio together with our expanded geographical footprint, with the addition of Multan, Hyderabad, Peshawar & Faisalabad.

Personal Loan

Silkbank Personal Loan, a monthly installment based loan, closed the year with 19,492 active customers and a total receivable of Rs. 5.1 billion.



During the year, the Bank mainly focused on market expansion. Many innovative campaigns were launched, offering value additions as a "pull" acquisition strategy for new customers. In addition, as part of retention strategy, targeted top-up promotions and credit limit enhancement programs were also launched to retain the existing good portfolio. As a result, the Personal Loan business posted an EBIT of Rs. 433 million for the year ended December 31, 2017.

Ready Line

Silkbank Ready Line, an unsecured running finance facility launched in July, 2011, has grown tremendously over the years and now has a receivable of Rs. 5.3 billion with 33,973 active borrowers at the end of 2017.

During the year, in order to capitalize on the first mover advantage, the Bank decided to launch an above the line (ATL) campaign to not only create awareness but also to increase market share. The campaign "Khwahishon ko chalne do" was a huge success and resulted in a significant increase in acquisition and ENR numbers. Apart from this, various other initiatives were undertaken to boost spend, improve VISA Debit Card activation, and channelize spend through Mobile & Internet banking. Various promotions on E-billing & SMS enrollment were kept running to maximize enrollment rates. All of the above have contributed positively in achieving an EBIT of Rs. 564 million.



Credit Cards

During the year 2017, Silkbank Credit Card reaffirmed its status as the leading credit card issuer in the country by acquiring 52,541 new cards, increasing the Cards in Force (CIF) to 129,189 cards. This momentum from sales was buoyed by rapidly strengthening the product proposition to include new alliances and discount offers while "The Treasure Chest" continued to offer customers exciting new deals. Periodic portfolio interventions and spend campaigns during the year helped increase spend to Rs. 14.9 billion, an increase of over 31% compared to 2016. Spend Stimulation Unit capped off the year by booking Rs. 2.09 billion in installment plans, increasing the total receivables to Rs. 3.61 billion. Overall, a host of attractive portfolio campaigns/interventions, discount deals & loyalty offers propelled the business's EBIT to Rs. 299 million, a very significant growth of 85% in 2017.

Secured Portfolio

Silkbank M'Power, a product secured against residential and commercial property stood at an ENR of Rs. 2,880 million. Fresh lending however is currently on hold.

Emaan Islamic Banking (Emaan)

Emaan Islamic achieved significant growth, generating a profit before tax (PBT) of Rs. 406 million compared to Rs. 48 million in 2016. The Deposit book stood at Rs. 14.2 billion at the end of 2017, showing a handsome increase of Rs. 3.36 billion, with a CASA/TD Ratio of 75:25. The Corporate/Advances book of Emaan Islamic also reached Rs. 17.53 billion with an increase of Rs. 9.3 billion during the year.



Technology

In compliance with SBP's instructions on "Enterprise Technology Governance & Risk Management Framework for Financial Institutions", the Board of Directors of the Bank has formed a Board IT Committee. The Board IT Committee will be mainly responsible for advising and reporting to the Board on the status of all technology activities and digital initiatives in the Bank, on the basis of a detailed periodic updates from the IT Steering Committee, (management) and consequently enable the Board to achieve the desired focus on Technology.

During the year, the IT department of the Bank undertook a number of technology based initiatives to support businesses, ensure regulatory compliance and enhance customer experiences. For onsite consumer verification, the Bank has established a Verification Management System, which increases efficiency on a real time basis in a paperless system. In order to further strengthen the monitoring of the Bank's Anti Money Laundering systems, the IT department has upgraded its system by including additional fields in the Inter Bank Funds Transfers facility.



Human Resource

In 2017, HR successfully launched Silkbank's Management Trainee Program for the first time. The Bank hired Management Trainees from leading business schools of Pakistan including IBA, LUMS and IoBM who are being rotated in different business segments i.e. Retail Banking, Islamic Banking, Wholesale Banking and Support Functions. HR has worked closely with business and placement offices of the Universities to source and select top candidate for this program. This program is a great step towards achieving our goal of becoming an employer of choice and will now be a permanent feature to strengthen the Bank's talent pipeline. During the year employee engagement activities continued with team building and training workshops.



Special Asset Management Group (SAMG)

The SAMG of the Bank once again exceeded its objectives during the year, contributing a net amount of Rs. 1,748 million to the P&L Account against a budgeted target of Rs. 1,551 million, and with a total NPL reduction of Rs. 903 million, it has reduced the NPL to Advances Ratio to as low as 6.1% as of December 31, 2017.

The Real Estate Asset Management team also successfully sold various Other Real Estate Owned (OREO)/Bank Owned properties in Karachi, Lahore & Islamabad with a substantial gain of Rs. 646 million against a target of Rs. 594 million.



DIRECTOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017



Customer Service & Quality (CS & Q)

Silkbank prides itself on its Premium Services as the staff constantly ensures a "smooth" and "delightful" service for its customers. The CS&Q Group has service standards in place for processing complaints which is supplemented by a well-defined complaint resolution process and a reliable Complaint Service Management System (CSMS), with a system defined escalation matrix to top management. Silkbank also has a robust record keeping and root cause analysis process, and an ability to track and report complaint resolution progress to customers. The Bank's focus on identifying the root cause of complaints enables it to take systemic corrective measures through process re-engineering initiatives and consequently establish permanent solutions. This is done by a monthly root cause analysis prepared by the Complaint Management Unit and shared with the stakeholders and senior management.

A Service Excellence Program and a Fair Treatment of Customer training program has been imparted to staff to underline and enable them to understand the importance of establishing a Culture of Service Excellence in the Bank, where the customer comes first establishing Silkbank as a Customer Driven Organization.

Corporate Social Responsibility

Silkbank has always been committed to serving businesses that don't just benefit our own networks, but primarily improve the society as a whole. We are committed to supporting programs that are associated, but not limited to Children's Health, Education & Physical Development, Arts & Literature, as well as Historical & Cultural Conservancy. We are also actively engaged in Corporate Initiatives that preserve the environment.



Board of Directors

An extra-ordinary general meeting was held in August, 2017, to elect the Board of the Bank ("Board") for the period of three years. The Board warmly welcomes the newly elected Directors and looking forward to their participation, and extends its appreciation to the retiring Directors for their valuable contribution to the Board. The composition of the Board as on December 31, 2017, is as under:

| Types of Director | No. of Directors |
|------------------------|------------------|
| Independent Director | 4 |
| Non-Executive Director | 4 |
| Executive Director | 1 |

Subsequent to the year end, the Director, Mr. Shamsul Hasan tendered his resignation from the Board on February 08, 2018. The Board extends its deepest appreciation to Mr. Shamsul Hasan for his valuable and extensive services to the Board during his tenure as Director and Chairman of the Risk Committee of the Board.

Directors' Training

The Board has been apprised of the revised Code of Corporate Governance 2017. Three Directors of the Bank have obtained the required certification, whereas, four Directors of the Bank stand exempted from the requirement of the said certification and the remaining Directors will obtain it within the prescribed time.



Performance Evaluation of Board of Directors

In compliance with the guidelines on performance evaluation of the Board of Directors, issued by the State Bank of Pakistan, a questionnaire formulated by the Pakistan Institute of Corporate Governance was placed before the Board. The questionnaire covered all aspects of Board structure, size, composition, responsibilities as well as the performance of individual directors and its committees. The results/feedbacks received from Directors on the basis of this questionnaire were compiled by means of quantitative techniques and have been considered by the Board to review its overall standards & performance.



Corporate and Financial Reporting Framework

The Board is committed to its responsibilities under the Code of Corporate Governance of the SECP. In doing so, it wishes to make the following statements:

- a) The financial statements prepared by the management of the Bank, present fairly its state of affairs, the result of its operation, cash flow and changes in equity.
- b) Proper books of account of the Bank have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored. Management's statement on internal control is enclosed herewith which is endorsed by the Board as required by the State Bank of Pakistan. The Board is ultimately responsible for the Bank's system of internal control and reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve objectives and by its nature can provide only reasonable and not absolute assurance against material misstatement or loss.

The process used by the Board to review the effectiveness of the system of internal control includes, inter alia, the following:

- i) An audit committee has been formed with approved terms of reference and reports to the Board. It reviews the approach adopted by the Bank's internal audit department, as well as the scope of and its relationship with the external auditors. It also receives reports from the internal audit, and any material control weakness that is identified is discussed and agreed actions are taken in areas of concern.
- ii) An organizational structure has been established which supports clear lines of communication and tiered levels of authority with the delegation of appropriate responsibility and accountability.
- iii) Business strategies agreed at divisional level are approved by the Board. In addition there is an annual budgeting and strategic planning process. These strategies are reviewed during the year to reflect any significant changes in the business environment.

iv) The principal features of control framework include:

- Evaluation and approval procedures for major capital expenditure and other transactions.
 - Regular reporting and monitoring of financial performance using operating statistics and monthly managements accounts which highlight key performance indicators and variance from budget and quarterly forecasts.
 - Review of the health, safety, environment and contingency management processes and other significant policies.
 - Further, reviews of the system of internal control are also carried out by the Internal Audit department and management conclusions on internal control are confirmed by divisional management to the Board.
 - There are no significant doubts upon the Bank's ability to continue as a going concern.
 - There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- f) The value of investments of Provident Fund and Gratuity Fund is Rs. 775.80 million and Rs. 405.09 million, respectively, as per the un-audited financial statements of these funds for the year ended December 31, 2016.

Risk Management Framework

Concerted efforts have been carried out over the years for improvements in the Risk Management function which have resulted in better control & risk environment plus creating an overall "Risk Culture" within the Bank. With the growing shift towards Basel Implementation and enhanced focus for management of risk on an integrated basis, following are some important aspects of the Risk Management Function at the Bank:-

a) Credit Risk

Managing of Credit Risk is considered one of the key functions at RMG. Independent Risk Management Units catering to the Corporate/Commercial/SME and Consumer segments are fully operational and clearly follow the laid out Procedures formulated in the form of Policies/Manuals and Product Programs. Credit Risk is thus continuously monitored by the respective sanctioning units. Broad based Credit Approval Authorities have also been delegated to various approvers for credit sign off. Credit Administration units are in place for all segments of the Bank, effectively handling all documentation and safe keeping. The Bank has developed in-house Obligor Risk Rating (ORR) models/systems for Corporate, Commercial and SMEs, which are regularly reviewed/updated.



DIRECTOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

Besides RMG also has a robust Early Warning System (EWS) reporting in place. RMG had also put in place a facility risk rating module on trial basis during 2017, which model has now been fully implemented on a bank wide basis and effectively measures the risk in relation to each facility granted to all customers. These processes are capable of identifying problem loans at an early stage for timely remedial actions. Results for establishing these systems are now beginning to reflect in the management letter issued by the external auditors and the annual reports complied by the SBP inspection teams through reduced instances of system and procedure failures.

Under Consumer Banking, a separate collection unit operates for follow up and recovery of loans. A centralized Special Assets Management Unit is also in place and is primarily responsible for handling the NPL accounts and recovery process. The unit is performing its task in a very professional and efficient manner. Besides various management committees of the Bank, Credit Risk is also overviewed by the Risk Committee of the Board on an ongoing basis. Regular guidance is sought from the Board on credit related matters and the findings are implemented in letter and spirit. Marked reduction in NPL portfolio has ensued resultantly.

b) Market Risk

A Middle Office function (independent of the Treasury) has been established within the Bank with the primary responsibility of monitoring the market risk function and onward reporting to the Head of Risk Management Group. Investment Committee (IC), Market Risk Policy Committee (MRPC) and Asset and Liabilities Committee (ALCO) are also functioning to supervise and approve Market Risk exposures. At Silbank, we have a well-defined Liquidity Policy, duly approved by the Board. Presently, various excel based tools are in use to generate MIS on Market Risk and reporting to the senior management and regulators. We have also successfully set up the "Web Tech System and T-Risk Module" which is capable of generating sophisticated modeling reports and independent monitoring of various treasury functions in a live environment.



c) Operational Risk

Under Operational Risk, appropriate Operational Policies and Procedures have been documented and disseminated for managing operational risk on a bank wide basis. Operational Risk Manual has since been prepared and approved by the Board. Risk Control self-assessment questionnaires have also been sent across to various segments of the Bank and based on their feedback, we plan to implement the process on a bank wide basis during the current year.



Operational Risk reporting under OLED has been initiated in the Bank and a detailed procedural guideline has been duly approved by the Senior Management. All segments and departments of the Bank have been advised for regular reporting. Workshops for the benefit and understanding of reporting units are being held for all related staff, enabling them to report all incidents to RMG for reporting and capturing of loss data within the Bank.

An Internal Control Unit is also operational with the primary task of over-viewing and ensuring implementation of various operational guidelines monitoring tools and reconciliation across the Bank. Additionally, an independent Internal Audit function is also in place within the Bank, reporting to the Audit Committee of the Board. A Proper Compliance Department is also functional, inter alia to ensure that all legal and regulatory requirements are properly addressed in addition to the implementation of Anti-money Laundering and Know Your Customer (AML/KYC) Policies.

In this respect, appropriate training to relevant staff has been imparted including training on strict monitoring of transactions and AML/KYC. Business Continuity Plan (BCP) is also in place to deal with any eventuality. Self-Assessment of Key Risk Indicators (KRI's) and compliance of standards, codes and guidelines is regularly carried out and documented.

Board of Director's Meetings during 2017

During the year 2017, following Board and its Committees meetings were held. Attendances by the Directors & President & CEO were as follows:

| Directors | Board Meetings | | Audit Committee Meetings | | Human Resource Committee Meetings | | Risk Committee Meetings | | IT Committee Meetings | |
|-------------------------------|----------------|----------|--------------------------|----------|-----------------------------------|----------|-------------------------|----------|-----------------------|----------|
| | Held | Attended | Held | Attended | Held | Attended | Held | Attended | Held | Attended |
| Mr. Munnawar Hamid, OBE | 5 | 5 | - | - | 5 | 5 | - | - | - | - |
| Mr. Adnan Afridi | 5 | 3 | 2 | 2 | - | - | 4 | 3 | - | - |
| Mr. Khalid Aziz Mirza | 5 | 5 | - | - | 5 | 5 | - | - | - | - |
| Mr. Nasim Beg | 5 | 3 | 4 | 4 | - | - | - | - | 2 | 2 |
| Mr. Rashid Akhtar Chughtai | 5 | 2 | - | - | 2 | 2 | - | - | - | - |
| Mr. Sadeq Sayeed | 5 | 2 | - | - | - | - | 4 | 2 | - | - |
| Mr. Shahzad Murad | 5 | 2 | 1 | 1 | - | - | 4 | 1 | - | - |
| Mr. Shamsul Hasan | 5 | 5 | - | - | - | - | 4 | 4 | 2 | 2 |
| Mr. Tariq Iqbal Khan, FCA | 5 | 5 | 4 | 4 | - | - | 4 | 2 | - | - |
| Mr. Talha Saeed | 5 | 4 | - | - | - | - | - | - | - | - |
| Mr. Zubair Nawaz Chattha | 5 | 3 | 1 | - | - | - | - | - | 2 | 2 |
| Mr. Azmat Shahzad Ahmed Tarin | 5 | 5 | - | - | 5 | 5 | - | - | - | - |

Leave of absence was granted to the Directors who could not attend the meeting.

Pattern of Shareholding

The pattern of shareholding as required under the Companies Act, 2017 and the Code of Corporate Governance is as follows:

Combined pattern of CDC and Physical Shareholding as at December 31, 2017

| S. No. | Categories of Shareholders | Number of Shareholders | Shares Held | Percentage % |
|--------|---|------------------------|----------------------|---------------|
| 01 | Directors and their spouse(s) and minor children | 9 | 439,569,686 | 4.84 |
| 02 | Associated Companies, Undertakings and Related Parties | 6 | 5,666,262,093 | 62.39 |
| 03 | Executives* | 15 | 40,945,198 | 0.45 |
| 04 | Public Sector Companies and Corporations | 7 | 45,786,652 | 0.50 |
| 05 | Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds | 7 | 3,394,278 | 0.04 |
| 06 | Mutual Funds | 1 | 20,880,417 | 0.23 |
| 07 | Foreign Companies | 1 | 18,226,818 | 0.20 |
| 08 | General Public - Foreign | 10 | 259,396,926 | 2.86 |
| 09 | General Public - Local | 8,390 | 2,143,079,514 | 23.60 |
| 10 | Others | 94 | 444,319,655 | 4.89 |
| | Total | 8,547.00 | 9,081,861,237 | 100.00 |

DIRECTOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

*In accordance with the Pakistan Stock Exchange (PSX), revised definition of the term "Executive" used in clause No. 5.19.11, (Corporate and Financial Reporting Framework) and No. 5.19.15, (Disclosure of Interest by a Director Holding Company's Shares) of Chapter 5 of PSX Rule Book, the Board of Directors of the Bank has passed a resolution in its 154th meeting held on October 28, 2016 & set the threshold for the term "Executive" as the CEO, COO, CFO, Head of Internal Audit and Company Secretary by whatever name called, and covering employees of the Bank of Grade - 8 and above.

The aggregate shares held by the Directors, Chief Executive and their spouse and minor children along with Associated Companies, Undertakings, Related Parties and Mutual Funds as at December 31, 2017

| S. No. | Categories of Shareholders | Number of Shares Held | Category-wise No. of Folios / CDC Acs. | Category-wise Shares Held | Percentage |
|--------|--|-----------------------|--|---------------------------|------------|
| S. No. | Directors, Chief Executive Officer and their Spouse and Minor Children | | 9 | 439,569,686 | 4.84 |
| 01 | Mr. Munnawar Hamid, OBE | 12,574 | | | |
| 02 | Mr. Khalid Aziz Mirza | 500 | | | |
| 03 | Mr. Shahzad Murad | 500,000 | | | |
| 04 | Mr. Tariq Iqbal Khan | 16,997 | | | |
| 05 | Mr. Shamsul Hasan | 500 | | | |
| 06 | Mr. Zubair Nawaz Chattha | 415,626,000 | | | |
| 07 | Mr. Azmat Tarin | 20,013,115 | | | |
| 08 | Farah Naz Tarin W/o Azmat Tarin | 200,000 | | | |
| 09 | Mrs. Saima Shahzad Murad W/o Shahzad Murad | 3,200,000 | | | |
| S. No. | Associated Companies, Undertakings and Related Parties (5% & above shareholding) | | 6 | 5,666,262,093 | 62.39 |
| 01 | Arif Habib Corporation Limited | 2,563,901,924 | | | 28.23 |
| 02 | Mr. Shaukat Tarin* | 1,049,091,791 | | | 11.55 |
| 03 | International Finance Corporation | 702,689,067 | | | 7.74 |
| 04 | Mr. Zulqarnain Nawaz Chattha. | 678,126,000 | | | 7.47 |
| 05 | Nomura European Investment Limited | 356,676,342 | | | 3.93 |
| 06 | Bank Muscat S.A.O.G | 315,776,969 | | | 3.48 |
| S. No. | Mutual Funds | | 1 | 20,880,417 | 0.23 |
| 01 | CDC - Trustee National Investment (Unit) Trust | 20,880,417 | | | |

*The total shareholding of Mr. Shaukat Tarin actually stands at 1,106,091,791 shares i.e. 12.18% in the Bank, out of which as of December 31, 2017, an amount of fifty seven million (57,000,000) shares of Mr. Shaukat Tarin have been kept with Pearl Securities Limited. During the year, there was no trading in Silkbank shares carried out by any of the Directors and Executives or their spouses and minor children.

Auditors

The present auditors, M/s. Deloitte Yousuf Adil, Chartered Accountants have completed the maximum period of five years and are not eligible for reappointment in accordance with the Code of Corporate Governance. The Audit Committee of the Board has recommended that M/s. Grant Thornton Anjum Rahman (GTAR), Chartered Accountants, who have consented to act as auditors, be appointed as the external auditors of the Bank for the year ended December 31, 2018.

Compliance with Minimum Capital requirement (MCR) and Capital Adequacy Ratio (CAR)

The Bank is compliant with the minimum capital requirement as prescribed by the State Bank of Pakistan. As at December 31, 2017, the capital of the Bank (net of losses and discount on shares) is Rs. 12.57 billion excluding general reserves of Rs. 554.90 million. Further, the CAR of the Bank as disclosed in note 42 is 10.98% against the minimum CAR requirement of SBP of 11.275%.

Based on the certain adjustments advised by the External Auditors, in the books of accounts of the Bank, the adjusted CAR of the Bank has fallen below the SBP requirements. The Bank has written a letter to SBP on March 5, 2018 requesting exemption from meeting the CAR requirements till June 30, 2018. Through this letter, the Bank has also communicated to SBP its plan for compliance with CAR requirements by June 30, 2018, which includes reduction in corporate exposures, improvement in profits, disposals of non-banking assets acquired in satisfaction of claims (NBAs) and issuance of Tier II capital. The Bank is confident of receiving the said exemption from SBP.

Credit Rating

The long term entity rating of the Bank is A- (Single A Minus) and the short term rating is A-2 (A-Two) as determined by "JCR VIS" Credit Rating Company Limited. The outlook on the assigned rating is "Stable".

Future Outlook

Going forward in 2018, customer service excellence would continue to be a primary objective and key differentiator for the Bank. The Bank will continue with productivity initiatives to control premises rent, utility & other operating expenses by using Artificial Intelligence. The Bank expects to increase new accounts through focused sales and marketing efforts with a major emphasis on improving core deposits ratio vs total deposits. At the same time, the Non-Earning Assets will continue to be reduced, by reducing OREO assets as well as Bank owned properties to accrue additional capital gains. The Bank will also continue to focus on the Customer Franchise by reducing the corporate bank book, exposure on evergreen and term facilities in the Corporate & SME segments and replacing them with short term trade finance and self-liquidating exposure. Efforts will also be made to revive the mortgage business in the current low interest rate scenario to provide further growth in the consumer banking business. Most importantly, the Bank will increasingly emphasize on its human capital by strengthening "a pay for performance culture" and improved succession planning process. In addition to the 35 new branches established in 2017 the Bank has also applied for an additional 40 branches to SBP, to continue increasing its geographical footprint.

In order to provide a platform to cater for the unbanked population, the Bank has prepared to establish digital banking to increase its outreach which is expected to be launched shortly. By introducing the "smart branch" concept, the Bank will also increase its distribution footprint and increase the number of branches at strategic locations all over the country, which should enhance the Bank's ability to mobilize deposits and subsequently lend and invest increasingly in earning assets.

With the successful implementation of the strategies outlined above, your Directors are hopeful that the profitable growth of the Bank will continue in the years to come.

Acknowledgement

We take this opportunity to express our deepest gratitude to our customers and business partners for their continued support and trust, and our sincere appreciation to the State Bank of Pakistan for their guidance and cooperation extended to the Bank.

For and on Behalf of the Board of
Silkbank Limited



Azmat Tarin
President & CEO



Munnawar Hamid, OBE
Chairman

Karachi, March 06, 2018

کم سے کم کمپنیوں کی ضروریات کے لیے بینک کے کمپنیوں کا موزوں تاسیب 10.98% ہے جو کوت 42 میں بیان کیا گیا ہے۔

پھر وہی آئندہ کے طرف سے بیان کی گئی مخصوص کوتیوں کی بنیاد پر بینک کے کمپنیوں کا موزوں تاسیب، اسٹیٹ بینک آف پاکستان کی ضروریات کے مقابلے میں گزگز ہے۔ بینک نے 5 مارچ، 2018 کو اسٹیٹ بینک آف پاکستان کو ایک خط لکھا جس میں یہ درخواست کی گئی کہ بینک کے کمپنیوں کے موزوں تاسیب کی ضروریات پوری کرنے کے لیے 30 جون، 2018 تک مهلت دی جائے۔ اس خط کے ذریعے بینک نے اسٹیٹ بینک آف پاکستان سے کمپنیوں کے موزوں تاسیب کی ضروریات کی 30 جون، 2018 تک محیل کرنے کے مصوبے کے بارے میں کمی گشتوں کی، منافع جات میں ترقی، نان مینگ اسٹیٹ بینک آف پاکستان کا اسپوزل شامل ہے جو کہ دعوؤں کی ادائیگی (NBAs) اور نیئر II کمپنیوں کے اجزاء سے حاصل کیے گئے۔ بینک، اسٹیٹ بینک آف پاکستان سے مذکورہ بالا استشا کی امید رکھتا ہے۔

کریڈٹ رینگ

بینک کی لامگ نرم اپنٹنی رینگ سفگل میں اسٹیٹ بینک کی جانب سے تعین کی گئی ہے۔ آٹھ لکھ یعنی قوع کی درجہ بندی مستحکم یعنی Stable نامزد کی گئی ہے۔

توقعات مستقبل

2018 میں آئے گے بڑھتے ہوئے، صارف کوشانہ خدمات پیش کرنا بینک کا بنیادی متعدد ہو گا۔ عمارت کے کرائے، یونیٹی اور مصنوعی اٹیلی جس کو استعمال کرتے ہوئے دیگر آپرینگ کے اخراجات کو سنجالنے کے لیے بینک پر دو کیوٹی کے اقدامات جاری کرے گا۔ بینک ڈپارٹ کے تاسیب ہتھاں گل ڈپارٹ میں ترقی پر زور دیتے ہوئے بیلو اور مارکیٹنگ کی کوششوں کے ذریعے نئے کاؤنٹنیز ہزارجاتے کی امید رکھتا ہے۔ اسی وقت OREO یونٹ کو کر کے نان آمن اسٹیٹ اور اسکے ساتھ ساتھ بینک کی خود کی ملکیت بھی کم ہو گی تاکہ اضافی کمپنیوں کی حاصل ہو۔ کارپوریٹ بینک بک، ایورگرین اسٹیٹ پوریت اور اس ایم ای سٹیٹس میں کی کر کے بینک کسٹمر فرچائز پر توجہ گئی اور ان کو شارت نرم فری فناں اور سیلف کو ٹوپیں ایکسپوٹر سے تداول کرے گا۔ کرنسٹ اونٹریو میں سورجیت برنس کو بحال کرنے کے لیے کوششوں کی جائیں گی تاکہ کنزی ہر بینک برنس میں مزید ترقی کی جاسکے۔ سب سے اہم یہ ہے کہ بینک نے اسٹیٹ بینک آف پاکستان سے مزید 40 برائچوں کے کھو لئے کی درخواست دی ہے تاکہ وہ ملک میں اپنی مزید برائچیوں ہزارجاتے ہوں۔

ان آبادیوں میں جہاں بینک کی رسمائی نہیں ہے، بینک نے ویکیل بینکنگ کے قیم کارادہ کیا ہے جس کا آغاز بہت جلد کر دیا جائے گا۔ ”اسارٹ برائچ“، کو تعارف کرو کر بینک اپنی ڈسٹری یونٹ کو بڑھانے گا اور ملک بھر میں اپنی برائچوں کی تعداد میں اضافہ کرے گا۔ جس کی بدوات بینک ڈپارٹ گروپ میں لا سکے گا اور نتیجتاً آمدن اسٹیٹس میں قرض اور سرمایہ کاری میں اضافہ ہو گا۔ مذکورہ بالا حکمت علیوں کے کامیاب نفاذ کے ساتھ آپ کے ذریعہ زائد امید کرتے ہیں کہ آنے والے سال میں بینک کی منافع بخش ترقی جاری رہے گی۔

اعتراف:

ہم اپنے صارفین اور کاروباری شرکت داروں کا تہذیل سے شکریہ ادا کرتے ہیں جنہوں نے ہمارے ساتھ مسلسل تعاون کا مظاہرہ کیا اور ہم پر اپنے اختداد کا اظہار کیا۔ ہم خلوص دل سے اسٹیٹ بینک آف پاکستان کے شکریہ ادا میں جس نے بینک کو اگر بڑھانے میں اپنی رہنمائی اور تعاون فراہم کیا۔

بورڈ کے لیے اور کی جانب سے
سلک بینک لمبینہ

Munawar Ahmad
منور حامد، اونی ای

چیئرمین

عظمت ترین

صدر اور سی ای او

کراچی، 06 مارچ، 2018

ڈائریکٹر پورٹ

31 دسمبر 2017ء کو ختم ہونے والے سال کیلئے

* پی ایس ایکس روپ بلک کے چھپر کے شش نمبر 19.11.5. (کارپوریٹ ایڈنچر فریم ورک) اور نمبر 19.15.5. (ڈائریکٹر ہولڈنگ کپنی کے شیئر کے ذریعے انتہست کا افشاہ ہوتا) میں استعمال ہوتے والی اصطلاح ”اگزیکیوٹو“ جو پاکستان انساک ایچیک کی طرف سے دوبارہ تعریف کی گئی ہے، کے مطابق، بینک کے بورڈ آف ڈائریکٹر نے اپنے ایک سوچوں ویس اجلاس میں ایک قرارداد منظور کی۔ یہ اجلاس 28 اکتوبر، 2016 کو منعقد ہوا تھا۔ اس اجلاس میں اصطلاح ”اگزیکیوٹو“ کو بطوری ای اور، اسی ایف اور، ہیئت آف انتہل آٹھ ایڈنچر کپنی کے گرینڈ 8 اور اس سے اور پر کے ملائیں کوشال کیا گیا۔

ڈائریکٹر، پنتھم اعلیٰ اور ان کے شریک حیات اور نابالغ بچوں مع مملکہ کمپنیوں، اٹھریکٹنگ، متعلقہ فریقین اور میوچل فنڈ رکی جانب سے 31 دسمبر، 2017 کے مطابق مجموعی طور پر پاس رکھے ہوئے حصے

| نمبر شمار | شیئر ہولڈر کی درجہ بندی | پاس رکھے شیئرز کی تعداد | فیورڈ اسی ای کاؤنٹ نمبر کی تعداد بخلاف درجہ بندی | بلحاظ درجہ بندی پاس رکھے شیئرز | نیصد % |
|------------------------------------|---|-------------------------|--|--------------------------------|--------|
| نمبر شمار | ڈائریکٹر، پنتھم اعلیٰ اور ان کے شریک حیات اور نابالغ بچے | 9 | | 439,569,686 | 4.84 |
| 01 | جناب مسٹر خادم ادیب ای | 12,574 | | | |
| 02 | جناب خالد عزیز رضا | 500 | | | |
| 03 | جناب شیراز اور مراد | 500,000 | | | |
| 04 | جناب طاق قابل خان | 16,997 | | | |
| 05 | جناب عجمیں | 500 | | | |
| 06 | جناب زبیر اور جنہ | 415,626,000 | | | |
| 07 | جناب علیت تریں | 20,013,115 | | | |
| 08 | محمد سفرح ناز تریں جناب علیت تریں | 200,000 | | | |
| 09 | محمد سعید احمدزادہ جناب شیراز اور مراد | 3,200,000 | | | |
| نمبر شمار | مملکہ کمپنی، اٹھریکٹنگ اور متعلقہ فریقین (5 فیصد اور نو ملک کوہہ پا ایشرز ہولڈنگ) | 6 | | 5,666,262,093 | 62.39 |
| 01 | مارف جیب کارپوریٹن ایڈنچر | 2,563,901,924 | | | |
| 02 | جناب عزیز تریں * | 1,049,091,791 | | | |
| 03 | انٹھٹھل نیس کارپوریشن | 702,689,067 | | | |
| 04 | جناب ذوالقریب نور اور جنہ | 678,126,000 | | | |
| 05 | نوور ایوب جنہیں انویسٹریس ایڈنچر | 356,676,342 | | | |
| 06 | پیک سٹھ ایسے ادی | 315,776,969 | | | |
| نمبر شمار | میوچل فنڈز | 1 | | 20,880,417 | 0.23 |
| نیٹ ایسی ای میٹھل اوسٹھ (بینٹ) برس | | 20,880,417 | | | 01 |

* جناب شوکت تریں کی گل شیئر ہولڈنگ 1,106,091,791 پینتی ہے۔ یعنی 12.18% بینک میں بحطابیں 31 دسمبر، 2017 جناب شوکت تریں کے 57,000,000 شیئرز پر یک پیورٹی ایڈنچر میں ہیں۔ سال کے دران ملک بینک کے ڈائریکٹر اور اگزیکیوٹو یا ان کے شریک حیات اور نابالغ بچوں کی طرف سے سلک بینک میں کوئی تجارت نہیں کی گئی۔

آٹھیز

موجودہ آٹھیز میسرز ڈیلوٹ یوسف عادل، چارڑا کاؤنٹنٹس نے اپنی پالخ سالہ مت مکمل کر لی ہے اور کوڈ آف کارپوریٹ گورننس کے مطابق دوبارہ تقرری کے الیٹ نہیں ہیں۔ بورڈ کی آٹھ کمیٹی نے میسرز ایس گراؤنڈ ٹھورنن انھرم جن (GTAR)، چارڑا کاؤنٹنٹس جنہوں نے بطور آٹھیز ڈیلوٹ کی ہے، کو 31 دسمبر 2018 کو ختم ہونے والے سال کے لیے بطور بینک کے ایکٹریٹ آٹھیز مقرر کرنے کی تجویز پیش کی ہے۔

کم سے کم کیپیٹل کی ضروریات اور کیپیٹل کے موزوں تناسب کی تجھیل

بینک، اٹیٹ بینک آف پاکستان کی طرف سے تجویز کردہ کم سے کم کیپیٹل کی ضروریات اور کیپیٹل کے موزوں تناسب کی تجھیل کرتا ہے۔

31 دسمبر، 2017 تک بینک کا کیپیٹل (شیئرز، لفصالات اور عایلات کا مجموعہ) 12.57 بلین روپے ہے، جو کہ 554.90 بلین روپے کے عمومی محفوظ سرمایہ کے علاوہ ہے۔ مزید یہ کہ، اٹیٹ بینک آف پاکستان کے 11.275%

سال 2017 کے دوران پورڈ آف ڈائریکٹریز کے اجلاس

سال 2017 کے دوران پورڈ اور اس کی کمیٹیز کے درج ذیل اجلاس متعقہ ہوئے۔ ڈائریکٹریز، صدر اور منتظم اعلیٰ کی جانب سے درج ذیل حاضریاں رہیں:

| آئی بی کمیٹی اجلاس | | رسک کمیٹی اجلاس | | انسانی وسائل کمیٹی اجلاس | | آڈٹ کمیٹی اجلاس | | پورڈ اجلاس | | ڈائریکٹریز |
|--------------------|-------|-----------------|-------|--------------------------|-------|-----------------|-------|------------|-------|--------------------------------|
| حاضری | اعقاد | حاضری | اعقاد | حاضری | اعقاد | حاضری | اعقاد | حاضری | اعقاد | |
| - | - | - | - | 5 | 5 | - | - | 5 | 5 | جناب منور حامد، اوبنی ای |
| - | - | 3 | 4 | - | - | 2 | 2 | 3 | 5 | جناب عبدالخان آفریدی |
| - | - | - | - | 5 | 5 | - | - | 5 | 5 | جناب خالد عزیز مرزا |
| 2 | 2 | - | - | - | - | 4 | 4 | 3 | 5 | جناب نسیم بیگ |
| - | - | - | - | 2 | 2 | - | - | 2 | 5 | جناب راشد نظر چھاتی |
| - | - | 2 | 4 | - | - | - | - | 2 | 5 | جناب صادق سید |
| - | - | 1 | 4 | - | - | 1 | 1 | 2 | 5 | جناب شہزاد مراد |
| 2 | 2 | 4 | 4 | - | - | - | - | 5 | 5 | جناب عسکر اکسن |
| - | - | 2 | 4 | - | - | 4 | 4 | 5 | 5 | جناب طارق اقبال خان، ایف تی اے |
| - | - | - | - | - | - | - | - | 4 | 5 | جناب طلحہ سعید احمد |
| 2 | 2 | - | - | - | - | - | 1 | 3 | 5 | جناب زبیر نواز چٹھ |
| - | - | - | - | 5 | 5 | - | - | 5 | 5 | جناب عظت شہزاد احمد تین |

غیر حاضری کی رخصت ان ڈائریکٹر کو دے دی گئی تھی جو اجلاس میں حاضر نہیں ہو سکتے تھے۔

شیئر ہولڈنگ کا اسلوب

کمپنیز ایکٹ 2017 اور کوڈ آف کارپوریٹ گرونگز کے تحت درکار شیئر ہولڈنگ کا اسلوب درج ذیل ہے:

سی ڈی سی کا مشترکہ اسلوب اور 31 دسمبر، 2017 کے مطابق حصہ کا طبعی قبضہ

| نمبر شمار | شیئر ہولڈنگ کی درجہ بندي | شیئر ہولڈنگ کے شریک حیات اور نابالغ بیچے | شیئر ہولڈنگ کی تعداد | حصہ داری | فیصد% |
|-----------|---|--|----------------------|----------|-------|
| 01 | ڈائریکٹریز اور ان کے شریک حیات اور نابالغ بیچے | 9 | 439,569,686 | 4.84 | |
| 02 | منسلک کمپنیز، اقران ایم اے اور مختلف فرمیں | 6 | 5,666,262,093 | 62.39 | |
| 03 | ائیگر یکٹور* | 15 | 40,945,198 | 0.45 | |
| 04 | پبلک سکلر کمپنیز اور کارپوریٹ شیئر | 7 | 45,786,652 | 0.50 | |
| 05 | میک، ڈیوپلمنٹ فائنس ائیٹیو ہنز، نان میکننگ فناں کمپنیز، انشور ایس کمپنیز، ہکافل، مصادرہ اور یونیشن فنڈز | 7 | 3,394,278 | 0.04 | |
| 06 | میو جل فنڈز | 1 | 20,880,417 | 0.23 | |
| 07 | فارن کمپنیز | 1 | 18,226,818 | 0.20 | |
| 08 | جزل پبلک - فارن | 10 | 259,396,926 | 2.86 | |
| 09 | جزل پبلک - لوکن | 8,390 | 2,143,079,514 | 23.60 | |
| 10 | ویگر | 94 | 444,319,655 | 4.89 | |
| | کل | 8,547.00 | 9,081,861,237 | 100.00 | |

ڈائریکٹر پورٹ

31 دسمبر 2017ء کو ختم ہونے والے سال کیلئے

(iii) خطر عمل (Operational Risk)

خطر عمل کے تحت، مناسب عملی پالسیز اور طریقہ کاربینک گیر بیانار پر خطر عمل کی نظم کاری کے لیے ضبط تحریر میں لائے جاتے ہیں اور شرکتی کی جانبے جاتے رہے ہیں۔ آپشن رسک بینکنگ قبے سے تیار ہے اور بورڈ کی جانب سے منظور کر لیا گیا ہے۔ رسک کنٹرول خود تجھیں سوانحے بینک کے کمی شعبوں کو سمجھ جا رہے ہیں اور ان کے جوابات کو بیانار کرہم سال روائی کے دروان بینک گیر سٹرچ پرخواز کا منصوبہ رکھتے ہیں۔



خطر عمل جو ایل ای ذی کے تحت رپورٹ کر رہا ہے، بینک میں شروع کیا گیا ہے مفصل گایڈ لائنز سینٹر میجنت کی طرف سے باقاعدہ منظوری گئی ہیں۔ بینک کے تمام سکمٹس اور ڈپارٹمنٹس کو ریگولر پورٹرگ کی بدایت دی جاتی ہے۔ تمام متفاہ عملی کے لیے فائدہ اور پورٹرگ پیش کی سمجھ کے لیے ورک شاپ دی جاتی ہیں تاکہ وہ آرام ہجی کہ تمام رپورٹ دے سکیں اور بینک کے گم شدہ ذیاں کو پکر سکیں۔

ایک اعلیٰ کنٹرول یونٹ بھی فعال ہے جس کا نبادی کام مختلف عملی رہنمای اصولوں کے نفاذ کو لینا ہے۔ علاوہ ازاں، ایک آزاد انترل آٹ فناش بھی بینک کے اندر موجود ہے جو بورڈ کی آٹ فناش کمیٹی کو گزارشات پیش کرتی ہے۔ ایک مناسب اور کامل کمیٹی انترل آٹ فناش (شبیرہ موافقت) بھی فعال ہے جو موہری جیزوں کے درمیان یہ بھی لینچیتی ہے کہ تمام قانونی اور انصافی شرائط کامل طور پر پوری کی جائیں اور اسکے علاوہ اختنی میں لائزرنگ اور اپنے صارف کو جائیں (AML/KYC) پالسیز کے نفاذ کو سمجھی لینچیتی ہے۔

اس سلسلے میں متفاہ عملی کو مناسب تربیت بیشول لین دین کی خفت گرانی پر اور اے ایل ایل/ کے وائی پر تربیت کی فراہمی کی جا رہی ہے۔ برنس کمپنیوٹی پلان (BCP) کسی بھی حادثے سے منٹھن کے لیے بھی موجود ہے۔ بیادی/ کلیدی خطر اشارے (KRI's) کی خود تجھیں اور معیارات، خاصیتوں اور رہنمای اصولوں کی موافقت بھی باقاعدگی سے جاری ہے اور انھیں ضبط تحریر میں لایا جا رہا ہے۔

موزو یوں بھی قائم کیا ہے، یہ ماڈل جو نہایت مؤثر انداز سے ہر صارف کو گئی سروکات کے سلسلے میں خطرات کی جا جج پڑتا ہے۔ یہ طریقہ کاربینک اند ادی اقدامات کے لیے جلد مرطہ ہی پر مسائل سے دوچار قرضہ جات کی نشاندہی کی الیت و صلاحیت رکھتے ہیں۔ ان نظام کے قیام کے لیے تاریخی اپ بیورڈ کی آڈیٹر کی جانب سے چاری کردہ مراسلہ نظم کاری/ انتظامیہ میں ظاہر ہونا شروع ہو گئے ہیں اور اس کے ساتھ ہی نظام اور طریقہ کاربکی ناکامیوں کی کم مٹاٹوں کے ذریعے بینک دولت پاکستان کی معافیتیوں کی جانب سے تالیف کیے گئے سالانہ پورٹر اس سے بھی ظاہر ہے۔

کنزی ہمر بینکنگ (صارف بینکاری) کے تحت، قرضہ جات کی پیروی اور وصولی کے لیے ایک علیحدہ بکنکشن یونٹ کام کرتا ہے۔ ایک مرکزی آپشن رسک میجنت یونٹ بھی قائم ہے اور یہ بینادی طور پر ایں پی ایل اکاؤنٹس اور وصولی کے عمل کی دیکھ بھال اور تدبیر کے لیے مددار ہے۔ یہ یونٹ ایک انتہائی پیشہ وار اور مستعدی سے اپنے فرائض انجام دیتا ہے۔ بینک کی مختلف میجنت کمپنیز کے علاوہ خطر پرضی ایک چاری و ماری عمل کی بیناد پر بورڈ کی رسک کمپنی کی جانب سے بھی زیر جائزہ رکھا جاتا ہے۔ قرضہ جات سے متعلقہ امور پر بورڈ کی طرف سے لگاتار ہنماں کی تلاش کی جاتی ہے اور اس کی تحقیقات کو لطفوں اور جذبوں سے ٹائف کیا جاتا ہے۔ این پی ایل میں نشان زندگانی (Portfolio) مشاورت کے عمل پر مبنی ہو چکا ہے۔

(ii) خطر بازار (Market Risk)

خطر بازار کے عمل کی گرافی اور اس کے بعد رسک میجنت گروپ کے سربراہ کو رپورٹ کی بینادی ذمہ داری کے ساتھ ایک آفس فیشن (فریڈری سے آزاد) قائم کر دیا گی۔ آفس میجنت کمپنی (IC)، بارکیٹ رسک پالیسی کمپنی (MRPC) اور ایسٹ ایڈ لاہور میجنت کمپنی (ALCO) بھی خطر بازار سرمایکاروں کی گرافی اور منظوری کے لیے کام کرتی ہے۔ سلک بینک میں ہمارے پاس ایک بالکل واضح بورڈ کی جانب سے مناسب طور پر منظوری گئی نر سیال کی پالیسی ہے۔ فی الواقع کمیکل پیٹنی نو لاخ طرز بازار پر ایم آئی ایس (MIS) کی تحقیق میں استعمال ہو رہے ہیں اور اسیں سینٹر انتظامیہ اور ضابطہ کاربکر رپورٹ کیا جاتا ہے۔ ہم نے کامیابی سے ”ویب بینک“ سٹم اورنی۔ رسک موزو یوں“ترسیب دیا ہے جو کہ نیس موزو یوں ایک ہنگامی کی صلاحیت رکھتا ہے اور ایک زندہ ماحول میں متفاہ مالیاتی سرگرمیوں اور تفاصیل کی آزادی گرافی کی الیت بھی رکھتا ہے۔



- برے کھوپل اخراجات اور دیگر ارزیکشنز کے لئے نہیں اور منظوری کے طریقے۔
 - آپ شنگ کی ثانیات اور مانع بیجنت اکاؤنٹس استعمال کرتے ہوئے مالیتی کارکردگی کی باضابطہ پورنگ اور مگر انی جو کارکردگی کے اہم پاؤ نہیں اور بجٹ اور سماں ہی پیش گئی میں تبدیلی کو اجاگرتی ہے۔
 - صحت، تناظر، باحوال اور پیجنت پروسسو اور دیگر اہم پالیسیز کا جائزہ۔
 - مزیدیکے، انٹرول کنٹرول سسٹم کے جائزے، انٹرل آؤٹ پارٹیٹ کی طرف سے لیے جاتے ہیں اور انٹرول کنٹرول پر پیجنت کے متانی بورڈ کو ڈیوپرٹ پیجنت کی طرف سے تقدیق کیے جاتے ہیں۔
 - میک کی قابلیت پر کوئی نمایاں ٹکوک نہیں ہیں۔
 - کار پوریٹ گونج کی پیکٹ سے کوئی مددیں نہیں گیا، جیسا کہ لینگ ریلویشن میں بیان کیا گیا ہے۔

(f) پوینٹ فنڈ اور پریمی کاراندیتی سرمایہ کا راندیت بالترتیب 775.80 ملین روپے اور 405.09 ملین روپے ہے۔
یہ 31 دسمبر، 2016 کو قائم ہونے والے سال کے لیے ان فنڈ کی ان آئندہ مالیاتی گوشواروں کے مطابق ہے۔

نظام کاری خطرات (Risk Management Framework)

نئم کاری خطرات کے عمل فعل کی بہتری کے لیے برہارس میں مسلسل کوششیں جاری ہیں جو پیکٹ میں بہتر اخیار و قابو اور ماحول خود میں ایک مجموعی ثقافت خطرہ کی تکمیل و تختیل پر مبنی ہوئے۔ میں اپنے نئم کاری خطرات کی طرف پر حصہ ملتی اور جامع بنیاد پر نئم کاری خطرات کے لیے زیاد توجہ کے ساتھ پیکٹ پر نئم کاری خطرات کے عمل کے کچھ اہم پکلو درج ذیل ہیں:



(i) خطر قرض (Credit Risk)

آرائیم جی میں خطر قرض کی نظم کاری ایک کلیدی و بنیادی عمل ہے۔ آزاد اور سک میجنت یونیٹ جو ادارہ جاتی / تحریکی / چھوٹے کاروباری اداروں (SME) اور صارفین کی شعبوں کو خدمات فراہم کرتے ہیں۔ مکمل طور پر فلیں اور صاف طور پر پالیسی کی مکمل بینوں اور پروڈکٹ پروگرامز میں وضع کیے گئے تشکیل شدہ طریقہ کاری کی ویڈی کرتے ہیں خطر قرض اس لیے مختلف منظوری دینے والے یونیٹ کی جانب سے مسلسل نگرانی کیے جاتے ہیں۔ بورڈ پرمنی کر پڑت خپڑے اپر اول احتراں کی واقعیت راحصل ہوتا ہے کہ وہ مختلف منظوری دینے والوں کو احتیاط رہتے ہیں کہ وہ قرض جات پر دھکھ شہست کریں۔ کریمٹ ایئنسٹریشن یونیٹ بینک کے تمام شعبہ جات کے لیے موجود ہوتے ہیں، جو تمام دستاویزات اور ان کو محفوظ رکھنے کے لیے منظم طور پر دیکھ بھال کرتے ہیں۔ بینک نے ادارہ جاتی تحریکی اور جھوٹے کاروباری صارفین کے لیے اندر وطن اتنا ہی اپنی رسمی رینگ (ORR) ماڈل افام قائم کر کے ہیں، جو یہ باقاعدگی سے جائزہ لیتے رہتے ہیں یا تازہ ترین صورت حال برقرار رکھتے ہیں۔ آرائیم جی کے علاوہ ایک زبردست اری اور نگک سٹم (EWS) رپورٹنگ کی موجودہ ہے۔ 2017 کے دوران آرائیم جی نے آرمائی نیادر ایک فیبلینی رسمی رینگ



کار پوریٹ اور فنا نشل رپورٹنگ فریم ورک

بپور، ایس ای سی بی کے گواؤف کار پور بیت گورننس کے تخت اپنی مددار بیوں کے لیے پُر عزم ہے۔ اس سلسلے میں وہ مندرجہ مل باتاں پیش کرنا چاہتا ہے:

- (a) بینک کی مبینہت کی طرف سے تیار کردہ فناشل گوشوارے، اسٹیٹ آف افیئر ز، اس کے آپریشن کے مبنائج، کیش، فلو اور امکوئی میں تبدیل فراہم کرتے ہیں۔

(b) بینک کے اکاؤنٹ کی باقاعدہ بکس میخین کی گئیں۔

(c) مالیاتی گوشاروں کی تیاری میں مناسب اکاؤنٹنگ پالسیز کا اطلاق ہوا اور اکاؤنٹنگ کا اندازہ قابلِ درجا و رجत افسیل کی خیار پہنچ۔

(d) مالیاتی گوشاروں کی تیاری میں انتریٹھنل فناشل روپرٹنگ اسٹینڈرڈز پر عمل کیا گیا اور اس میں سے کسی بھی شق کے اخراج کو افشا کیا گیا۔

(e) انتریٹھنل کا ستم ڈیزائن میں کافی عمدہ ہے اور بہت موثر انداز میں اس پر عمل کیا گیا اور نگرانی کی گئی۔ انتریٹھنل کشروں پر مبینہت کا بیان بیہاں موجود ہے جس کی صدقہ بورڈ نے کی ہے جو کہ اسٹیٹ بینک آف پاکستان کو مطلوب تھا۔ بورڈ حکمی طور پر بینک کے انتریٹھنل کشروں ستم اور اس کے موثر ہونے کا جائزہ لینے کے لیے ذمدار ہے۔ تاہم، یہ ستم پیچ کرنے کے لیے مرتب کیا گیا ہے نہ کہ مقدمہ میں ناکامی کے رسم کو فرم کرنے کے لیے اور اس کی غیریت میرے میں سے مغلظ اغلاط بیانی کے غلاف صرف محتولین یقین دہانی فراہم کرتی ہے۔

بوروکی جانب سے انقل کنٹرول سسٹم کے موثر ہونے کے جائزے کے لیے استعمال کردہ طریقے میں شامل ہیں:

- i) بورڈ کے لیے رینفرس کی شرائنا اور پورٹس کی منظوری کے لیے ایک آٹھ کمپنی تھیں۔ پہلی بیک کے انٹرل آٹھ پارٹمنٹ کی طرف سے اقتدار کردہ طریقے کا جائزہ لیتی ہے، ساتھ ہی اس کا اسکوپ اور یہ ورنی آٹیزز کے ساتھ تعلقات کا بھی جائزہ لیتی ہے۔ یا انٹرل آٹھ کی طرف سے روپورٹس بھی مصوب کرتی ہے اور کوئی بھی دیگر میری میں کشوول میں کمی ہس کی شاخت کی گئی اور اس پر انگلش ہوئی اور مختلف ایزاں میں ان پر کارروائی کی گئی۔

ii) ایک آگرنا تریش، اسٹر کچر قائم کیا جو کیوں نہیں اور اخباری کی درجہ بند یوں کے ساتھ مددار یوں اور احتساب کے میانگین کو پسپورٹ کرتا ہے۔

iii) ذی یونیٹ یوں پر منظور شدہ پرس اسٹریٹیجی بورڈ کی طرف سے منظور شدہ ہیں۔ ہر یہ کہ ایک سالانہ بچٹک اور اسٹریٹیجک پلانگ کا طریقہ موجود ہے۔ یا اسٹریٹیجک کاروباری ماحول میں نیلایاں تبدیلیوں کی عکاسی کرتی ہیں۔

iv) کشوول فریم ورک کی بناء ای خصوصیات مندرجہ ذیل ہیں:

بورڈ آف ڈائریکٹرز

اگست 2017 میں بورڈ آف دی پینک "بورڈ" کے تین سالہ دورانیہ پر مشتمل تقریر کے لیے ایک غیر معمولی جلاس کا انعقاد کیا گیا۔ بورڈ نے متن تقریر ہونے والے ائم کیمپرز کا گرجوٹھی سے استقبال کیا اور ان کی شرکت کے حوالے سے خوش آئندہ امکانات کا تمہارا کیا جو چدڑا ہے اور ہونے والے بورڈ بھرمان کی خدمات کو کبھی سراہا گیا۔ 31 دسمبر 2017 کو ہونے والے بورڈ کی تحریک بیانیہ تھی:

| ڈاٹ ایکٹریٹر کی تعداد | ڈاٹ ایکٹریٹر کی اقسام |
|-----------------------|------------------------|
| 4 | خود مختار ایکٹر |
| 4 | نان ایکٹر یا دو ایکٹر |
| 1 | اگلے ایکٹر یا دو ایکٹر |

سال 2017 کے اختتام کے بعد ایئر بیکٹر جات شس اچن نے 8 فروری 2018 کو اپنا اتفاقی بورڈ کو پیش کیا۔ بورڈ نے جات شس اچن کی خدمات کو بے حد سراہا جو انہوں نے بطور ایئر بیکٹر اور بورڈ کے رک کمیٹی کے چیئرمین کے طور پر انجام دیں۔

ڈاکٹر یکشون کی تربیت

بودہ کوڈ آف کار پوریٹ گورننس 2017 کی کامل تفصیلات سے آگاہ کیا گیا۔ پینک کے مبنی ڈائرنیکٹر نے مطلوبہ سرٹیفیکیشن حاصل کی جبکہ چار ڈائرنیکٹر سرٹیفیکیشن سے منشی قرار دیے گئے اور باقی ڈائرنیکٹر مقرر و ثابت میں یہ سرٹیفیکیشن حاصل کریں گے۔



پورڈ آف ڈائریکٹرز کی کارکردگی کا تخمینہ

امیٹ پینک آف پاکستان کی طرف سے جاری کردہ بورڈ آف ڈائریکٹری کا تجھیں لگانے کی گاہیز لائز کے مطابق پاکستان انٹیڈیٹ آف کار پوریٹ گوئیں کی جانب سے ایک سو لالا مر بورڈ کے سامنے پیش کیا گیا۔ سو لالا میں بورڈ کی ساخت، سائز، کپوریٹ، دسداریوں سے متعلق سبق موجود تھا، اس کے ساتھ ساتھ افرادی ڈائریکٹر اور اس کی کمیٹی کی کارکردگی بھی شامل تھی۔ اس سو لالا سے کی مدد و پر ڈائریکٹری طرف سے دصول کردہ تائیج فیڈبیک کو کوئی نیچے لے لیکر کے ذریعے مرتب کیا گی اور بورڈ کو اس کے قابل تراشینڈ روڑز اور کارکردگی کے جائزے کے لیے پیش کیا گیا۔

ڈائریکٹر پورٹ

دسمبر 2017ء کو ختم ہونے والے سال کیلئے 31



صارف کے لیے خدمات اور آن کام معیار

ایک سروس مکملینس پروگرام اور ایک فہرست یونیٹ آف سٹھرنری نیٹ گرپ پروگرام اساف کوفراہم کیا گیا تاکہ ان کو اس قابل بنایا جاسکے کہ وہ بینک میں لے گئے آف سروس مکملینس کو قائم کرنے کی احتیت کو سمجھیں جس میں پہلے نمبر پر صارف آتا ہے اور اس سے سکے بینک اپنے کمپویوٹر پر یون آر گانز یونیشن قائم ہوتا ہے۔

کار پورٹ سماجی ذمہ داری

سلک بیک بیویٹ سے اسی کاروباری خدمات سے جزا ہوا ہے جس کا مقدمہ صرف اپنے نیت و رکوبی فائدہ پہنچانا نہیں ہے بلکہ اپنے مجموعی طور پر معاشرے کی بہتری ہے۔ ہم ایسے پروگراموں کی معاونت ہو کر بچوں کی محنت عالمہ، تعلیم اور فزیکل ذہنی پامن، آرٹس اور لشکر، اس کے ساتھ ہمی تاریخی اور فقیری و رثی کی خلافت سے منسلک ہیں تاہم یہ سرگرمیاں بیکین مکح و دنبیں۔ اس کے ساتھ ہم ما جویات کی بقاء کے لیے کیے جانے والے سماجی اقدامات میں بھی بھرپور طرح سے کر گرم ہیں۔



ایمان اسلامک نے نمایاں ترقی حاصل کی ہے۔ 2016 میں 48 ملین روپے کے مقابلے میں 406 ملین روپے کا قابل از تجسس منافع حاصل کیا۔ 2017 کے آخر میں فضائل بک میں 14.2 ملین روپے ریکارڈ کیے گئے جو 3.36 ملین روپے معدود کرنٹ اکاؤنٹ میڈیم اکاؤنٹ اور فضائل بک میں مقام فتا کام کروالا گیا۔ اس مقدمہ کے بعد سال کے دوران 9.3 ملین روپے کے اضافے کے ساتھ ایمان اسلامک کی کارپوریٹ ایماؤنسنگ 17.53 ملین روپے تک پہنچ گئی ہے۔



مکنالوچی

"انٹر پرائز مکنالوچی گورنمنٹ ایڈریسک میجنت فرم ورک فونڈاٹشل اسٹیبلیشنز" پر امتیت بینک آف پاکستان کی پہلیات کے مطابق، بینک کے بورڈ آف ڈائریکٹرز نے بورڈ آئی ٹیکمینی کی نمایاںی ذمہ داری آئی ایسیئر میگ کمیٹی (میجنت) سے ہی تفصیلی مدقی آپہ میں کی بنیاد پر بینک میں تمام مکنالوچی ایکٹیو شیز اور ڈیجیٹل اقدامات کے ایٹھس کے بارے میں بورڈ امشورے دینا اور پورٹ کرنا ہوگا اور میجنت بورڈ کو اس قابل بنانا کہ وہ مکنالوچی پر مطلوب بوجددے سکے۔ سال کے دوران، بینک کے آئی ٹیکمیٹ پارٹسٹ نے مکنالوچی کی بنیاد پر کئی اقدامات اٹھائے تاکہ بینٹسروپورٹ کیا جاسکے، ریگولیٹری کمیٹیں کی یقین، دہانی ہوا درصافت کو بہتر سرویس فراہم کی جائیں۔ آن سارٹ کمزیوری کی تصدیق کے لیے بینک نے ایک ویریکیٹیشن میجنت سسٹم قائم کیا جس نے محل نام کی بنیاد پر پھر لیس سسٹم پر کارکردگی میں اضافہ کیا ہے۔ بینک کے ائمی میں لاٹر رنگ سٹریٹری مگر ان کو مزید محکم کرنے کے لیے آئی ٹیکمیٹ نے انٹر بینک فنڈ ورک اسٹریٹیشن میں اضافی میڈیا ریٹیل کر کے اپنے سسٹم اور آپ گرید کیا ہے۔



اسکیش ایسیٹ میجنت گروپ (SAMG)

دوران سال ایک بار پھر بینک کا اسکیش گروپ اس کے مقاصد اور اہداف کو عبور کر گیا اور اسی سال کے دوران 903 ملین روپے کے کل این پی ایل کی کے ساتھ 1,551 ملین روپے کے بجت شدہ بھف کے مقابلے میں پی یہڈاں 903 ملین روپے کے کل این پی ایل کی کے ساتھ 1,551 ملین روپے کے خالص رقم کا حصہ ہے۔ اسکیش گروپ کی اجتنامی کوششوں سے این پی ایل میں کی کا اہتمام ہوا اور 31 دسمبر، 2017 کے مطابق این پی ایل پہنست قرض جات تاب 6.75% کم ہوا۔ ریٹن امتیت ایسیٹ میجنت ٹائم نے کمی کا میابی سے 594 ملین روپے کی الگت کے مقابلے میں 646 ملین روپے کا قابل ذرمتنا فی (آمن) کے ساتھ کرایجی، لاہور اور اسلام آباد میں کمی اور ای او (OREO) / بینک کی خود کی ملکیتیوں کو فروخت کیا۔



ڈائریکٹر سرپورٹ

31 دسمبر 2017ء کو ختم ہونے والے سال کیلئے

سال کے دوران بینک کی مرکزی توجہ مارکیٹ کی توسعہ پر رہی۔ کمی بیدیکھو متعارف کروائی گئیں جو نئے صارفین کے حصول کے لیے حکمت عملی ہے۔ مزید یہ کہ، برقرار حکمت عملی کے حصے کے طور پر، نارکاؤنٹوپ آپ پر موہنگ اور کریٹ لائٹ میں اضافے کے پر گرامزی متعارف کروائے گئے تاکہ موجودہ اچھے پورٹفولیو کو برقرار کر کا جاسکے۔ نتیجتاً 31 دسمبر، 2017 کو ختم ہونے والے سال کے لیے پرنسل لون بنس نے 433 ملین روپے کے EBIT کا اعلان کیا ہے۔

ریڈی لاکن

سک بینک دیلی لائن ایک غیر محفوظ فناں فیلیٹی ہے جو جولائی 2011 میں متعارف کروائی گئی اور اب تک اس میں بے حد ترقی دیکھنے میں آئی ہے اور اب 2017 کے اختتام پر فیلیٹی 5.3 ملین روپے کے واجبات اور 33,973 اکیڈمیک قرض دار رکھتی ہے۔ سال کے دوران فرشت مودا لینڈ اور پر کمپنیاں کرنے کے حوالے سے بینک نے ایک اے ئی ایل (ATL) کمپنیاں متعارف کروانے کا فیصلہ کیا ہے جس کا مقصد رصرف آگئی بیدا کرنا بلکہ مارکیٹ شیئر بڑھانا بھی ہے۔ کمپنیں ”خواہشون کو حلنے دے“ نے بے انتہا کامیاب حاصل کی اور نتیجتاً حصوی اور ایں آرٹریز میں نمایاں ترقی ہوئی۔ اس کے علاوہ، کمی و گیر اقدامات اخراجے گئیں تاکہ ترقی بڑھے و مزید ایڈیٹ کارڈ اکیڈمیک شیئن میں ترقی پر موہنگ موبائل ایڈیٹ اکیڈمیک شیئن کے لیے جوتا ترزاً اسپینڈ بھی زیادہ ہے۔ از لومٹ ریش بڑھانے کے لیے ای بیگ اور اسیں ایک ایس از لومٹ کپنی پر موہنگ چالی گئیں۔ مذکورہ بالاتر مسٹر گرمیوں نے شبث اشتراط قائم کیے اور 564 ملین روپے کا EBIT حاصل ہوا۔



SILKBANK READY LINE

Khwahishon Ko Chatne Do

کریٹ کارڈ

سال 2017 کے دوران، سک بینک کریٹ کارڈ نے یہ دوبارہ ثابت کر دیا کہ وہ ملک کے صاف اول کے کریٹ کارڈ جاری کرنے والا ہے۔ 52,541 نئے کارڈ جاری کئے گئے جس سے کارڈ لون فورس 189,129 ملک بڑھ گئی۔ بڑھتی ہوئی میلز نے پر ڈی کٹ پر پورٹفولیو کو تحکم کیا اور نئے الائمنٹ اور ڈی کاؤنٹ آفرز شامل کی گئیں جبکہ ”دی ٹریور چیسٹ“ نے صارفین کے لیے زرداست نئی ڈیلمز آفرز جاری کیے۔ سال کے دوران مدتی پورٹفولیو اور اسپینڈ بھی بڑھنے لگیں۔ 14.9 ملین روپے کی اسپینڈ بڑھائی، جو کہ 2016 کے مقابلے میں 31 نیصد سے زائد کا اضافہ ہوا۔ اسپینڈ ایٹیلویشن یونٹ نے سال کے آخری 2.09 ملین روپے کی انشا نامہت پانزیکی بینک کی، مغلی واجبات میں 3.61 ملین روپے کا اضافہ ہوا۔ مجموع طور پر کش پورٹفولیو کمپنکو اشہر موہنگ، کاؤنٹ پر میلز اور لامی آفرز نے پرنس کی EBIT کو 299 ملین روپے تک بڑھایا جو کہ 2017 میں 85 نیصد کی نمایاں ترقی ہے۔

محفوظ پورٹفولیو

سک بینک ایگر یا ایک محفوظ پورٹفولیو کو کہتے ہے جو رہائشی اور تجارتی پارٹی کو محفوظ کرتی ہے۔ اس کا ای این آر 2 ملین روپے رہا۔ نئے قرض ایکی روک دیے گئے ہیں۔

اویسٹھٹ بینکنگ گروپ (IBG)

سال 2017 کے دوران، آئی بی جی ایک بینکنگ کمپنی کے لیے 306 ملین روپے کے رائٹ ایشوجاری کیے اور ساتھ ہی ناٹھ اسٹھیوٹھر کے لیے 330 ملین روپے کے رائٹ ایشوجاری کیے۔ مزید یہ کہ آئی بی جی 2 ملین روپے کے بینک کے پرائی ٹھلی پلیسٹ فناں سٹھیکن (PPTFCs) کے اجاء اور کامیاب بندش میں بھی تعاون کیا۔

کار پوریٹ بینکنگ ایڈیٹ مارکیٹ

35.3 ملین روپے کے اوست ایڈیٹ اسٹریکٹ بیاندہ پا میں سال 2017 کے لیے فنڈ سے اصل ریویو 3.1 ملین روپے ریکارڈ کیا جو کہ بچھے سال کے مقابلے میں زیادہ تمدح جات کے نتیجے میں 25 نیصد زیادہ تھا۔ جمیں اصل ریویو بڑھ کر 1 ملین روپے ہو گیا اور براہ راست اخراجات کے ساتھ 12.1 نیصد کے حساب سے بڑھ رہے، سال کے آخر میں EBIT 458 ملین روپے تھا جو کہ بچھے سال سے گناہک واجبات کے حوالے سے، ڈپاٹس 5.9 ملین روپے رہے جو کہ بچھے سال کے مقابلے میں 32 نیصد زیادہ تھے۔

کنزیور میر بینکنگ

بچھے دوساروں سے کنزیور میر بینکنگ ذی یو یون کی کارکردگی بے مثال رہی ہے۔

غیر محفوظ پورٹفولیو

غیر محفوظ پورٹفولیو میں پرنسل انشا نامہت لون، ریڈی لائن اور کریٹ کارڈ زشامل ہیں، ایک لینڈر شپ پوزیشن رکھتا ہے۔ سال کے آخر میں ایں آر 14.1 ملین روپے تھا اور منافع کے نتیجے میں 1.29 ملین روپے قابل از منافع اور سیکھر بڑھے۔ نئے بیلز چینلز میلز بیلز اور آن لائن معاملات، حیدر آباد، پشاور اور فیصل آباد میں توسعہ بھی پورٹفولیو میں شامل ہوئے۔

پرنسل لون

سک بینک پرنسل لون ایک ماہانہ انشا نامہت پونی لون ہے جو سال کے اختتام پر 19,492 ایکٹو صارفین اور 5.1 ملین روپے کے گل واجب الادار کرتا ہے۔



SILKBANK PERSONAL LOAN

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اے ڈی سی بنس

سلک بینک ویز اڈیٹ کارڈ (VDC) نے 2017 میں ملکیم پیداوار جاری رکھی۔ سال کے دوران 33,923 سچے ویز اڈیٹ کارڈ زچاری کیے گئے جس سے نوٹ کارڈ میں 117,138 میں 324,695 ٹرینزیشنز کیش 1.28 ملین روپے کی لاغت کا خرچ ریکارڈ کیا گیا، جو کہ 2016 کے مقابلے میں بالترتیب 4.4 فیصد اور 5.9 فیصد کا اضافے کی عکاسی کرتا ہے۔ 2 میونسپل POS پس سے زیاد خرچ کی لاغت 120.60 ملین روپے فی ماہ ریکارڈ کی گئی۔ سال 2017 کے دوران سلک بینک اپنے ایمیز سے 1,620,740 ٹرینزیشنز پر 17.23 ملین روپے تک لے گئے اور 1.44 ملین روپے فی ماہ کامباون استعمال ریکارڈ کیا گی۔

آلریزیٹ ڈسٹری یونیشن سرویس اور ای ڈیوری چنڈو نے بینک کی پروڈکٹ آفرز کی قدر و قیمت میں اضافہ کیا ہے اور بینکنگ سرویس میں سماں ٹائیا ہے۔ سلک بینک کے ساتھ چھڑ جو نے والے صارفین کی تعداد 35,516 تک پہنچ چکی ہے، اس سروس میں خصوصیات کا مکمل اضافہ ہوا ہے جس سے ذیکریل پیٹ فارم کی طرف صارفین کا رہنمائی بڑھتا جا رہا ہے۔ جولائی 2017 کے دوران ذیکریل چنڈو سے آگئی بڑھانے کے لیے "سلک بینک" اور "سلک ڈیزیکٹ ائریزیٹ بینکنگ" کی پیشہ کیا گئی۔ اگست 2017 کے دوران "ٹرینزیشنز ایڈیٹون گیمپین" کے نام سے صارفین کے لیے ایک محکم گیمپین چالائی گئی، جس کا مقصد اپنے ڈی پروڈکٹ کے استعمال کے ذریعے صارفین کی توجہ مبذول کرنا تھا۔ اس گیمپین سے پروڈکٹ کے استعمال/ موجودہ صارف میں کے اخراجاتی جگہ میں اضافہ ہوا۔

بینکا شورنس

سال 2017، بینکا شورنس کے لیے ایک کامیاب سال رہا، جس میں پہلے سال کے مقابلے میں 30 فیصد روپیہ بڑھا۔ آغاز سے لے کر اب تک پہلی بار برس 100 ملین مارک تک پہنچ گیا اور سال کے دوران 114 ملین روپے کا گل برس حاصل ہوا۔ سال 2017 کے لیے روپیہ 70 ملین روپے سے تجاوز کر گیا اور YTD کی منسوخ 1 فیصد کے ساتھ قابو میں رہی جو ہماری بہترین سلسلہ کوئی غلط ہر کرتا ہے۔



ہول سل بینکنگ

ٹریزی ری ایڈیٹ فناں انسٹی یونیورسٹری

مئی مارکیٹ ڈیک نے پی آئی پیز، ٹی بزر اور سو لگس کی خرید و فروخت سے 24 ملین روپے کے کچھل گین کا اعلان کیا۔ ہر یہ دیکہ ماین آریف ایف (میادر فوشی کی آمدی) کی آمدی 34 ملین روپے کے الگ بھگ ریکارڈ کی گئی جاں مارکیٹ میں اپریل یہ 100 ملین روپے سال کم سے کم رہے۔ فارلن ایکچھ ڈیک کی کارکردگی بجٹ کے مقابلے 140 ملین روپے کی رہی۔ فناں انسٹی یونیورسٹری نے میں الاقوامی اور مقامی سلپر ایک و سچ کے پیڈ ٹریننگز میں ورک بنایا جس نے کار پوریت، ایس ایم ای اور برائج بینکنگ صارفین کے ٹریزی ایڈیٹ مختلف برلن ٹکلو موثر طریقے سے چالایا اور نان فنڈ آمدی میں تقریباً 50 ملین روپے حاصل کیے۔ یہ یونٹ مناسب ٹریزی ایڈیٹ فناں کریڈٹ دستیاب کرنے میں بھی کامیاب رہا اور مقامی بینکوں کے ساتھ ڈیک کے ایف آئی ریک اور نلک کے ریک ٹریزی کیش کو پوری طرح چلانے میں کامیاب رہا۔

برائج بینکنگ، بینک کے لیے سب سے اہم کروڑا اکر رہا ہے۔ 164,697 سے زائد صارفین کو خدمات فراہم کر رہا ہے اور بینک کی ڈپاٹی میں 64.78 فیصد کا حصہ رکھتا ہے۔ سال کے آغاز سے برائج بینکنگ نے شاندار کارکردگی کے ساتھ اس کے ڈپاٹی بجٹ کے مقابلے میں پورے سال بہترین کامیابی حاصل کی۔ سال کے دوران، برائج بینکنگ ڈپاٹی میں 13.858 ملین روپے سے بڑھ کر 71.460 ملین روپے ہو گئے۔ 8.922 ملین روپے (2.796 ملین روپے کرت میں اور 6.126 ملین روپے بینکنگ کا ڈپاٹ) کی کرت اکاؤنٹ سیوگ اکاؤنٹ YTD گروپو، بیل پیداوار کے 64 فیصد کو ظاہر کرتی ہے۔



آل ان دون اکاؤنٹ

آل ان دون اکاؤنٹ، اے ڈی سی اکاؤنٹ پر جو ہر چھٹی گھنی رقم ہو باکل فون اور اہم دستاویزات کے چھمن جانے، گھر میں ذیکری ہونے پر انٹرنس کو رنج فراہم کرتا ہے اور اس کے ساتھ ساتھ مخصوص آئونٹرنس ریٹ اپ 5000 زائد صارفین پر مشتمل ہے اور ڈپاٹ میں 2.164 ملین روپے ہے۔



بنس ولیوا کاؤنٹ

برنس ولیوا کاؤنٹ 10 ملین روپے تک انٹرنس فراہم کرتا ہے اور اس کا ڈپاٹ میں 1,000 صارفین کے ساتھ 400 ملین روپے ہے۔

منافع روزانہ

منافع روزانہ ایک سیوگ اکاؤنٹ ہے جو روزانہ کی بیار پر تقاضہ منافع ادا کرتا ہے۔ سال کے دوران اس کی ڈپاٹ میں 10,034 صارفین کے ساتھ 3.810 ملین روپے ہے۔

31 دسمبر 2017ء کو ختم ہونے والے سال کیلئے

بینک سٹر

پرائیویٹ سکلر کریٹ میں ترقی کے نتیجے میں سب سے زیادہ نمایاں اضافی آئدی و انسر میں رہا جو کہ سال کے دوران
136.42 ملین روپے رہا۔

سال 2017 کے دوران سک بینک کی کارکردگی

مالیاتی کارکردگی

31 دسمبر، 2017ء کو ختم ہونے والے سال کے لیے بینک نے 1,135 ملین روپے کے بعد اگلیں منافع کا اعلان کیا ہے۔

اس مدت کے دوران، بینک کے گل ڈپارٹمنٹ 23.49 ملین روپے کے اضافے سے 110.28 ملین روپے ہو گئے اور جمیع آئدی و انسر 20.83 ملین روپے تک بڑھ گئے۔

31 دسمبر، 2017ء کو ختم ہونے والے سال کے لیے سک بینک لمبندی کی مالیاتی کارکردگی کا خلاصہ مندرجہ ذیل ہے:

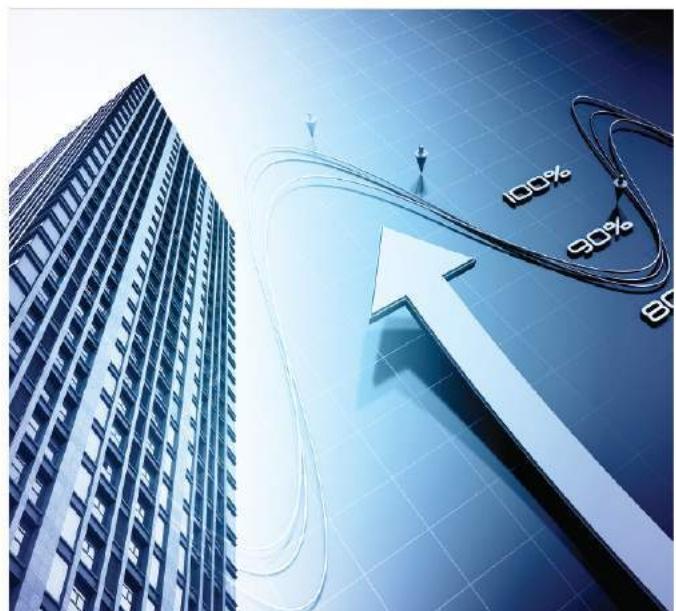
| روپے ملین میں | | مالیاتی کارکردگی |
|---------------|---------|-----------------------------------|
| 2016 | 2017 | |
| 4,349 | 5,486 | اصل مارک آپ آمدی |
| 49 | (289) | رپورسل (پر ڈویژن) (قصاص اور دیگر) |
| 2,213 | 2,943 | نام بارک آپ آمدی |
| (5,326) | (6,754) | نام بارک آپ اخراجات |
| 1,285 | 1,386 | قبل از ٹکس منافع / (قصاص) |
| (547) | (251) | (ٹکس) / رپورسل آف ٹکس |
| 738 | 1,135 | منافع / (قصاص) بعد از ٹکس |
| روپے | | |
| 0.09 | 0.13 | بنیادی آمدی / (قصاص) فنی شیفر |

اگرچہ بینک نے سال کے لیے ایک ابھی منافع کا اعلان کیا ہے لیکن تقدیرات کے باعث آپ کے ڈائریکٹر سال کے لیے کسی بھی قسم کے ڈیویڈنڈ کا اعلان کرنے سے قاصر ہے ہیں۔

سک بینک کوئی مشکلم میں الاقوامی اسپا نسرا حاصل ہیں جن میں آئی ایف سی (ولڈ ینک گروپ) نو مورا یورپ انٹرنیشنل، بینک مقتول اور جناب شوکت ترین صاحب۔ ان اسپا نسرا کو ہر یہ مشکلم معادن میں کا ساتھ حاصل ہے جن میں عارف جیب کار پوریشن لمبند اور گورمیگ گروپ شامل ہیں اور جناب شوکت ترین کی سر برادری حاصل ہے۔



معزز شیفر ہولڈرز، 31 دسمبر، 2017ء کو ختم ہونے والے سال کے لیے ڈائریکٹر چوہنیوں سالانہ پورٹ اور آئی ٹکلہ مالیاتی گوشوارے پیش کرنے میں خوشی حموں کرتے ہیں۔



معاشی جائزہ

پاکستان کی معاشی حالت میں مسلسل بہتری پہنچی جا رہی ہے۔ چوتھی سماں کی ڈی ٹی کا میا یوں میں معاشی ترقی کا اسکنکام اور 17-2016ء میں مہکائی جس کے باعث اصل ہی ڈی ٹی گروچ 5.28% فیصد تک پہنچی، جو کہ پچھلے دس سالوں میں سب سے زیادہ ہے۔ کمپنی مارکیٹ تاریخی سطح پر سب سے زیادہ ہے (اپریل 2017ء میں 52,000 کے زائد پاؤ انس) جو اس کے علاقائی ہم مرتبہ کے مقابلے میں بہتری ہے۔ پی ایس ایکس نے اگرچہ سال کی بعد کی ششماہی میں ایک چھپی نوت کی، علاوہ اس کے کو موجن ایشن کمپنی ائرپلٹ کے ذریعے اس کا امریجنگ مارکیٹ اندر میکس میں شامل ہونا، سایکی غیر تیکی کی وجہ سے، لیکن امید ہے کہ 2018 کی دوسرا سماں میں حالات متوازن ہونے پر بہتری آسکتی ہے۔ ہیئت لائن مہکائی 4.57% فیصد رہی۔

سماں کے آخری ماہ میں کرفٹ کا حفاظت کا خارجہ فنی یعنی 3,867 ملین یا میں ڈالر ہے۔ رخصت ہونے والے مالیاتی سال میں زراعت اور سرمایہ کلر میں غیر معمولی پیداوار ہوئی۔ حکومت کی پاؤں پیدارت پالیسی کے باعث زراعت کے شعبے میں 5.3% فیصد کی تاریخی پیداوار ہوئی اور کریٹ کی ادا میکی یونی ہجر کے 2015-2016ء میں 600 بلین روپے سے بڑھ کر 2017ء کی چوتھی سماں میں 700 بلین روپے ہو گئی۔ پاکیستان ائر سٹریٹ جو کہ دہائیوں سے سب سے کم رہا ہے اور 75.5% فیصد پر برق رہا ہے، پر ایجیٹ سکم کریٹ میں اضافے میں خاص طور پر معاون رہا۔ مالی سال 2017 کے لیے پارائیونٹ سکم کا کریٹ میں 65 فیصد کا اضافہ ہوا۔ جس سے بالخصوص میونی فیکٹری، ٹیکسکال، سینٹ، فوڈ بیکن کی پیداوار میں اضافہ ہوا ہوئی۔ یہ حیثیت میں زر دوست کامیابیوں میں سے ایک تھی جس کی بدوات جی ڈی ٹی میں بہتری آئی۔ اس کے باعث ملک کے تمام تر سرمایہ کارکارہ ماحول میں بڑی کوئی پراعتاد بڑھ رہا ہے۔

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED DECEMBER 31, 2017

This statement is being presented to comply with the Code of Corporate Governance ("the CCG") contained in Regulation No. 5.19 of Rule Book of Pakistan Stock Exchange Limited (PSX), for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

Silbank Limited (the Bank) has applied the principles contained in the CCG in the following manner:

1. The Bank encourages representation of Independent Non-Executive Directors and Directors representing minority interests on its Board of Directors (the Board). At present, the Board includes:

| Category | Names |
|-------------------------|---|
| Independent Directors | Mr. Khalid Aziz Mirza Mr. Shahzad Murad Mr. Shamsul Hasan* Mr. Rashid Akhtar Chughtai |
| Non-Executive Directors | Mr. Munnawar Hamid, OBE Mr. Nasim Beg Mr. Tariq Iqbal Khan, FCA Mr. Zubair Nawaz Chattha |
| Executive Directors | Mr. Talha Saeed Mr. Azmat Tarin |

*Mr. Shamsul Hasan has tendered his resignation from the Board of Directors of the Bank with effect from February 08, 2018.

The Independent Directors meet the criteria of independence under clause of 5.19.1(b) of Rule Book of PSX.

2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Bank.
3. All the resident Directors of the Bank are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. During the year, a casual vacancy occurred on the Board which was filled up by the Board within stipulated time.
5. The Bank has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Bank. A complete record of particulars of significant policies along with the dates on which these were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other Executive and Non-Executive Directors, have been taken by the Board.
8. The meetings of the Board were presided by the Chairman and, in his absence, by a Director elected by the Board for this purpose, and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers were appropriately recorded and circulated before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. All the Directors on the Board are fully conversant with their duties and responsibilities as Directors of the Bank. Three Directors have obtained certification from Pakistan Institute of Corporate Governance (PICG)/Institute of Chartered Accountants of Pakistan (ICAP), whereas, three directors of the Bank stand exempted from the requirement of the said certification. The remaining Directors will obtain required certification/exemption within the prescribed time.

10. The Board has approved appointment of Company Secretary, including his remuneration and terms and conditions of employment. Furthermore, no new appointments of CFO and Head of Internal Audit were made during the year.
11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Bank were duly endorsed by the CEO and CFO before approval of the Board.
13. The Directors, CEO and Executives do not hold any interest in the shares of the Bank other than that disclosed in the Pattern of Shareholding.
14. The Bank has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of three (3) members, two of whom are Non-Executive Directors and the Chairman of the Committee is an Independent Director who is not the chairman of the Board. During the year, the Audit Committee was reconstituted subsequent to the election of Directors held in the year. The first meeting of the Audit Committee subsequent to the election was conducted by the members whose candidatures were previously cleared by the SBP under Fit and Proper Test (FTP). This meeting was chaired by a director, who was declared as Non-Executive Director after the receipt of FPT approval from SBP. Subsequently, the Audit Committee was again reconstituted to comply with all requirements of the CCG.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Bank as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed a Human Resource and Remuneration Committee which comprised of four members, the CEO, two Independent Directors and one Non-Executive Director. During the year the Committee held five meetings, three of which were chaired by an Independent Director and two were chaired by a Non-Executive Director. Subsequently, the Board has reconstituted the Committee as "Board Nomination and Remuneration Human Resource Committee" comprising of three members, of whom two are Independent Directors, one is a Non-Executive Director and Chairman is an Independent Director.
18. The Board has set up an internal audit function with qualified and experienced professionals, who are duly conversant with the policies and procedures of the Bank.
19. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they, or any of the partners of the firm, their spouses and minor children, do not hold shares of the Bank and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Bank's securities, was determined and intimated to directors, employees and stock exchange.
22. The Bank has complied with the requirements relating to maintenance of register of persons having access to inside information by designated Senior Management Officer and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
23. Material/price sensitive information has been disseminated among all market participants at once, through the stock exchange.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

For and on Behalf of the Board of
Silkbank Limited



Azmat Tarin
President & CEO

Karachi, March 06, 2018



Munnawar Hamid, OBE
Chairman

SILKBANK LIMITED MANAGEMENT'S STATEMENT ON INTERNAL CONTROLS

AS OF DECEMBER 31, 2017

This statement is issued in compliance with the State Bank of Pakistan (SBP) BSD Circular No. 07 of 2004 on Internal Controls.

Maintaining effective controls is an integral part of the management and accountability function in Silkbank. The focus of internal control, both as a concept and a management tool, has evolved over the years to a broad-based risk assessment and mitigation system, covering all areas of operations in the Bank.

As part of the strategy to ensure effective monitoring and improvement of internal controls, the Bank has implemented the COSO framework of internal controls, in line with Regulatory guidelines (ICFR) and COSO implementation (BSD-7). With regular monitoring and improvement of the defined controls, the overall control environment in the Bank is now geared to provide reasonable assurance to the Bank's management and other stakeholders.

The Bank's Internal Controls System has been designed to provide reasonable assurance to the shareholders and the Board of Directors; however, these systems may not entirely eliminate the risk of misreporting and failure of certain controls under a changing environment. The Bank endeavors to follow the State Bank of Pakistan's guidelines on Internal Controls. During the year, the Management has further strengthened the day-to-day monitoring of control breaches for prompt corrective actions. Compliance and Internal Control Division conducted reviews of processes in branches to identify gaps in execution with special emphasis on the implementation of regulatory instructions. Internal Audit also performed audit activities to evaluate the implementation of controls and ensure the existence of an effective control environment throughout the bank.

Over the years, the management has been able to adopt strategy to ensure effective monitoring and improvement of internal controls. These include the following:

1. The Bank has adopted a statement of ethics and business practices that is signed by all directors and employees. Further, the compliance function also ensures Bank's compliance with all applicable laws, regulations and code of ethics.
2. An organizational structure has been established which supports clear lines of communication and tiered levels of authority and segregation of duties commensurate with accountability.
3. The Bank has established an effective Internal Audit structure, reporting directly to the Audit Committee of the Board.
4. An Internal Control Department is established to proactively monitor and validate Controls in line with Regulatory guidelines (ICFR) and COSO implementation (BSD-7).
5. The significant and material findings of the internal & external auditors and regulators were addressed on a priority basis by the management and their status was periodically reported to the Board Audit Committee.
6. The Bank has implemented various key policies and procedure guidelines/manuals covering all the areas of management and operations, including those related to Branch Banking Operations, Centralized Operations, Trade Business, Treasury, Credit Risk, HR, Finance, Compliance and Administration.
7. Management gives due consideration to the recommendations made by the internal and external auditors for improvements in the internal control system and takes action to implement such recommendations.
8. The management has established evaluation and approval procedures for all major capital expenditure and other transactions.

9. There is an annual budgeting and strategic planning process in the Bank. Financial forecasts are reviewed on a periodical basis to reflect on significant changes in the business environment. Regular reporting and monitoring of financial performance of the departments and the Bank as a whole has been implemented, using statistics and monthly management accounts to highlight key performance indicators and variance from budgets and forecasts.
10. The Bank has implemented various significant policies covering all the areas of operations, including those relating to employees welfare and contingency management processes.
11. Management also emphasizes on imparting of training to enhance knowledge and understanding of the Bank's internal policies and procedures and prudential regulations. This has greatly contributed towards strengthening of the control environment.
12. As required by SBP, the External Auditors were engaged by the Bank to prepare a Long Form Report (LFR) on Internal Controls over Financial Reporting (ICFR) for the year ending December 31, 2016, which was later submitted to SBP on March 31, 2017. During the year, Internal Control Division as well as Internal Audit carried out testing of the effectiveness of ICFR prevalent throughout the Bank.

The Bank is continuously making efforts to ensure that an effective and efficient Internal Controls System remains active and implemented through consistent and periodic monitoring that would help further strengthening of the overall control environment.

With the implementation of COSO framework (under the SBP guidelines on Internal controls) and regular monitoring of the defined controls, the overall control environment in the Bank is geared to provide reasonable assurance to the Bank's management, stakeholders and Board of Directors, which we believe will continue to further improve with time.



Azmat Tarin
President & CEO

Karachi, March 06, 2018

NOTICE OF THE 24TH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Fourth Annual General Meeting of Silkbank Limited will be held at Serena Hotel Islamabad, on Friday, March 30, 2018 at 10:30 a.m. to transact the following business:

Ordinary Business:

1. To confirm the minutes of Extra-Ordinary General Meeting (EOGM) held on August 11, 2017.
2. To receive, consider and adopt the audited financial statements of the Bank for the year ended December 31, 2017, together with the Directors' and Auditors' reports thereon.
3. To appoint auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

1. To consider transmission of the annual audited accounts through CD/DVD/USB instead of transmitting the same in hard copies and pass the following resolution, as special resolution, with or without modifications:

"Resolved that

the approval of members of the Bank, be and is hereby accorded to the Bank in terms of SRO No. 470(I)/2016 dated May 31, 2016 of the Securities and Exchange Commission of Pakistan, to circulate the annual audited financial statements, auditors' report and directors' report etc. ("annual audited accounts") to the members of the Bank through CD/DVD/USB at their registered addresses."

Any Other Business

To transact any other business with the permission of the Chair.

By the Order of the Board

**Faiz Ul Hasan Hashmi
Company Secretary**

Karachi, March 09, 2018

Statement of Material Facts under Section 134(3) of the Companies Act, 2017, relating to the Special Business:

The statement sets out the material facts relating to the Special Business to be transacted at the Annual General Meeting of Silkbank Limited, to be held on March 30, 2018, are as follows:

Transmission of Annual Audited Financial Statements through CD/DVD/USB

The Securities and Exchange Commission of Pakistan, vide its S.R.O. No. 470(I)/2016, dated May 31, 2016 has allowed listed companies to circulate the annual audited accounts to their members through CD/DVD/USB at their registered addresses instead of transmitting the same in hard copies. Therefore, the approval of members of the Bank is required in terms of the aforesaid S.R.O of the Securities and Exchange Commission of Pakistan. However, the Bank shall supply hard copies of the annual audited accounts to its members, on demand, at their registered addresses, free of cost, within one week of such demand upon receipt of a duly completed Request Form, which is available on the Bank's website, i.e. www.silkbank.com.pk.

The directors of the Bank are not interested, directly or indirectly, in this special business.

Notes:

1. Closure of Share Transfer Books:

The Share Transfer Books of the Bank will remain closed from March 22, 2018 to March 30, 2018 (both days inclusive). Share Transfers received at M/s. Central Depository Company of Pakistan Limited (CDC), Share Registrar Department CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 by the close of business hours (5:00 PM) on Wednesday, March 21, 2018, will be treated as being in time for the purpose of above entitlement to the transferees.

2. Participation in the Meeting:

All members of the Bank are entitled to attend the meeting and vote there in person or through a Proxy. A proxy duly appointed shall have such rights as respect to the speaking and voting at the meeting as are available to a member. The proxies shall produce their original CNICs or original passport at the time of the meeting.

Members can also avail video conference facility in Karachi, Lahore, Rawalpindi/Islamabad, Peshawar and Quetta. In this regard, please fill the enclosed Consent for video conference facility and submit to registered address of the Bank, seven (7) days before the holding of the Annual General Meeting.

If the Bank receives Consent from members, holding in aggregate 10% or more shareholding and residing at a geographical location, to participate in the meeting through video conference at least seven (7) days prior to the date of the meeting, the Bank will arrange a video conference facility in the city, subject to availability of such facility in that city.

The Bank will intimate members regarding the venue of video conference facility at least five (5) days before the date of the Annual General Meeting along with complete information necessary to enable them to access such facility.

3. For Appointing Proxy:

A member entitled to attend and vote at the AGM is entitled to appoint another member as a proxy to attend, speak and vote on his/her behalf. A corporation, being a member, may appoint its proxy or any of its official or any other person whether a member of the Bank or not. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

In order to be effective, a duly filled and signed Proxy Form must be received at the Registered Office of the Bank i.e. 13-L, F-7 Markaz, Islamabad, not less than forty eight (48) hours before the time for holding the meeting.

4. Members who have deposited their shares into CDC will further have to follow the undermentioned guidelines as laid down in circular 01 of 2000 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan:

For Attending the Meeting:

- i. In case of individuals, the Account Holder and/or Sub-account Holder whose registration details are uploaded as per the CDC regulations, shall authenticate his/her identity by showing his/her original, valid CNIC or original passport at the time of attending the meeting.
- ii. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

5. Change of Address:

Members are requested to immediately notify the change, if any, in their registered addresses to the Share Registrar M/s. Central Depository Company of Pakistan Limited (CDC), Share Registrar Department CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400.

6. Accounts of the Company for the year ended December 31, 2017, have been placed on the website of the Bank, www.silkbank.com.pk.

AUDITOR'S REVIEW



Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8 KCHSU,
Sharae Faisal, Karachi-75350, Pakistan

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Fax +92 (0) 21-3454 1314
Internet www.deloitte.com

Review Report to The Members on Statement of Compliance with the Best Practices of Code of Corporate Governance

We have reviewed the annexed Statement of Compliance with the best practices (the Statement) contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of Silkbank Limited (the Bank) for the year ended December 31, 2017 to comply with Regulation No. 5.19 of the Rule Book of Pakistan Stock Exchange Limited (PSX) where the Bank is listed.

The responsibility for compliance with the Code is that of the Board of the Bank. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Bank's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Bank's personnel and review of various documents prepared by the Bank to comply with the Code.

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Bank's corporate governance procedures and risks.

The Code requires the Bank to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement does not appropriately reflect the Bank's compliance, in all material respects, with the best practices contained in the Code as applicable to the Bank for the year ended December 31, 2017.

Further, we highlight below instance of non-compliance with the requirement of the Code as reflected in the paragraph reference where it is stated in the Statement:

| Paragraph reference | Description |
|---------------------|--|
| 15 | During the year, a meeting of audit committee was chaired by a director who was declared as non-executive director after the receipt of Fit and Proper Test (FPT) approval from SBP. Subsequent to the meeting, the Audit Committee was reconstituted to replace the chairman with a newly appointed independent director to achieve compliance with the Code. |

Chartered Accountants

Engagement Partner
Asad Ali Shah

Date: March 06, 2018
Place: Karachi

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS



Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8 KCHSU,
Sharae Faisal, Karachi-75350, Pakistan

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Auditors' Report to the Members

We have audited the annexed statement of financial position of Silkbank Limited (the Bank) as at December 31, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the 'financial statements') for the year then ended, in which are incorporated the unaudited certified returns from the branches except for ten branches which have been audited by us and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Bank's Board of Directors to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with approved accounting standards and the requirements of the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984). Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and after due verification, which in the case of loans and advances covered more than sixty percent of the total loans and advances of the Bank, we report that:

- a) in our opinion, proper books of account have been kept by the Bank as required by the Companies Ordinance, 1984 (XLVII of 1984), and the returns referred to above received from the branches have been found adequate for the purposes of our audit;
- b) in our opinion:
 - i) the statement of financial position and the profit and loss account together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984), and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the change disclosed in note 6 to the accompanying financial statements, with which we concur;
 - ii) the expenditure incurred during the year was for the purpose of the Bank's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Bank and the transactions of the Bank which have come to our notice have been within the powers of the Bank;
- c) in our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Banking Companies Ordinance, 1962 (LVII of 1962), and the Companies Ordinance, 1984 (XLVII of 1984), in the manner so required and give a true and fair view of the state of the Bank's affairs as at the December 31, 2017 and its true balance of profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We draw attention to the following matters:

- i. Note 1.2 to the financial statements, which highlights that the Bank has not been able to meet the Capital Adequacy Requirement (CAR) of 11.275%, which includes Capital Conversion Buffer (CCB) of 1.275%, as at December 31, 2017, as prescribed by the State Bank of Pakistan (SBP). The said note also describes plans of management to deal with the shortfall in CAR requirements. The Bank has applied to SBP to seek exemption from meeting the CAR requirements till June 30, 2018. Furthermore, the Bank may not be able to make a profit and principal payments in respect of Term Finance Certificates (TFCs) if there is a shortfall in CAR as compared to minimum prescribed CAR.
- ii. As disclosed in note 14.4 to the financial statements, on December 28, 2017, and December 29, 2017, the Bank, through a Broker (a related party), sold its equity securities portfolio having an aggregate market value of Rs. 798 million through off-market transactions in Negotiated Deal Market (NDM) at a price equivalent to the Bank's aggregate average cost of purchase of Rs. 1,059 million. The settlement date of these transactions was January 29, 2018 (i.e., on T+21 & T+22 basis). As a result of these transactions, the Bank did not have to record an impairment loss of Rs. 207 million (determined on the basis of significant or prolonged decline as per management estimates). Prior to the settlement of the transaction on January 29, 2018, the Bank provided financing to two directors of the Broker, however, management and the Broker have confirmed that the financing transaction is not linked to sale of equity shares transaction and the securities pledged against the financing are different from the equity securities sold by the Bank. Furthermore, management has confirmed that the Bank has not entered into any buyback/side agreement with the buyer or Broker, which has also been confirmed by the Broker.
- iii. As disclosed in note 11.4 to the financial statements, the Bank has advanced Islamic financing amounting to Rs. 14.218 billion to certain borrowers who are engaged primarily in general trading business, which are mainly secured against mortgage of undeveloped/underdeveloped properties in certain areas of Karachi and Gaddani. The market values of these properties amount to Rs. 25.068 billion (at the time of sanctioning of loans), which have been evaluated based on the valuation reports from the approved list of valuers of Pakistan Banks Association. The valuation of undeveloped/underdeveloped properties involve increased subjectivities and can vary from property to property depending on the developments taking place in and around the area of specific property. The Bank already has significant exposure in non-banking assets acquired in satisfaction of claims, as disclosed in note 14.2 to the financial statements, which also includes undeveloped/underdeveloped properties in the said areas with lower values (on per square yard basis), therefore, there is a risk of increase in exposure, if the borrowers default and the Bank settles the loan in exchange of properties.
- iv. As disclosed in note 14.2 to the financial statements, the aggregate carrying value of non-banking assets acquired in satisfaction of claims (NBAs) amounted to Rs. 10,875 million (net of impairment) as at December 31, 2017. This includes properties having aggregate carrying value of Rs. 7,914 million (including the property of Rs. 3,416 million sold on deferred payment basis, as disclosed in note 14.1), which are currently undeveloped/underdeveloped and, accordingly, their valuation involves a number of subjectivities. These properties have been evaluated based on valuation reports from the valuers on Pakistan Banks Association's list of approved valuers. While the Bank has disposed certain properties in the current year, the Bank's exposure in such assets still substantially exceeds the level prescribed by the State Bank of Pakistan under Regulations for Debt Property Swap. We are highlighting this matter owing to significant uncertainty with regard to the disposal and recovery of such assets in near future.

Our opinion is not qualified in respect of the above matters.

Chartered Accountants

Engagement Partner:

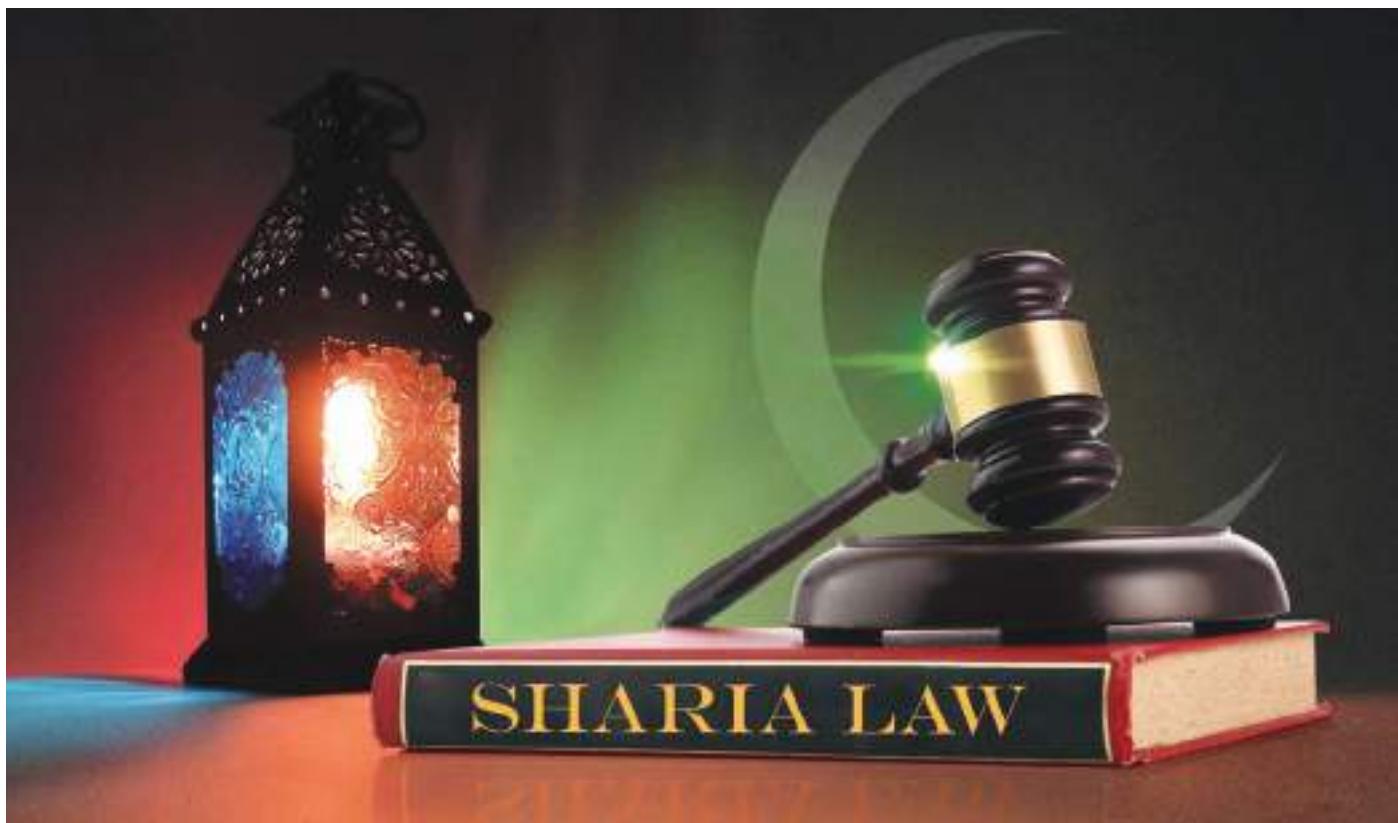
Asad Ali Shah

Date: March 06, 2018

Place: Karachi

REPORT OF THE SHARI'A BOARD EMAAN ISLAMIC BANKING, SILKBANK LTD.

FOR THE YEAR ENDED DECEMBER 31, 2017



While the Board of Directors (BOD) and Senior Management are solely responsible to ensure that the operations of Emaan Islamic Banking (EIB) are conducted in a manner that comply with Shari'a principles at all times, we are required to submit a report on the overall Shari'a compliance environment of EIB.

To form our opinion as expressed in this report, the Shari'a Compliance Department (SCD) of the Bank carried out reviews, on a test check basis, of each class of transactions, with the relevant documentation and process flows. Furthermore, we have also reviewed the report of the Internal Shari'a Review and Internal Shari'a Audit of various departments and branches for 2017. Based on the above and in light of the information submitted to the Shari'a Board (SB), we are of the view that:

- i. EIB has complied with Shari'a rules and principles in the light of fatawa, rulings and guidelines issued by the SB. Different Shari'a-compliant products were developed in collaboration with different departments of the Bank and approved by the SB. Furthermore, the SB reviewed and endorsed all relevant documents and material that were submitted to it for its approval. The SB also provided Shari'a advice and fatawa on structuring and documentation of various transactions.
- ii. EIB has complied with directives, regulations, instructions and guidelines related to Shari'a compliance issued by SBP in accordance, with the rulings of SBP's Shari'a Board.

REPORT OF THE SHARI'A BOARD EMAAN ISLAMIC BANKING, SILKBANK LTD.

FOR THE YEAR ENDED DECEMBER 31, 2017

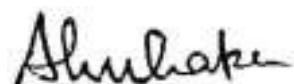
- iii. EIB has an approved Charity Policy to ensure that any earnings realized from sources or by means prohibited by Shari'a are credited to the Charity Account and are properly utilized.
- iv. The Schedule of Charges (SOCs) has been periodically reviewed and approved by the Shari'a Board after necessary amendments.
- v. The monthly distribution of profits amongst the shareholders and remunerative account holders has been made in line with the principles of Shari'a and SBP instructions on profit and loss distribution and pool management. All the profit calculations made on a monthly basis have been reviewed and approved from a Shari'a point of view.
- vi. The Bank has implemented a program for the training of the Bank's staff in areas of Islamic Banking and Finance, marked with the successful launch of a comprehensive five-day training program titled "Islamic Finance for Professionals - Level 1" in different cities. Moreover, the Shari'a Board members have conducted orientation sessions for the senior management of the Bank and a short orientation session for the BoD.
- vii. EIB has a Shari'a Compliance Department (SCD) in order to discharge its duties as prescribed in the Shari'a Governance Framework issued by SBP in an effective and efficient manner.
- viii. Shari'a Board confirms to have examined, through the Internal Shari'a Audit and Internal Shari'a Review activities, each class of transaction on sampling basis. The Shari'a Board has reviewed the reports of Internal Shari'a Audit and Internal Shari'a Review pertaining to the Bank's operations during the year, issued its directives and advised corrective measures on adverse review or audit findings. The Shari'a Board has found, in the light of these review and audit reports, that the financings and transactions of the EIB are substantially in conformity with Shari'a principles.
- ix. The financial statements of EIB for the year 2017 have been found to be in order.



Dr. Muhammad Qaseem
Chairman, Shari'a Board



Mufti Syed Adnan Kakakhail
Shari'a Board Member



Mufti Syed Abu Bakr
Resident Shari'a Board Member



“ Excellence is doing ordinary things extraordinarily well. ”



FINANCIAL STATEMENTS

For the year ended
December 31, 2017

WEAVING
FINESSÉ

Closing the fiscal year on a high note, Silkbank not just takes forward the glory of its perseverance and unrelenting efforts, but also an attitude that keeps the Bank in a continuous momentum to transcend towards excellence.

SIX YEARS FINANCIAL HIGHLIGHTS

Rupees in million

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---------------------------------|----------------|---------|---------|---------|--------|--------|
| Balance sheet | | | | | | |
| Share capital | 23,431 | 21,431 | 21,431 | 13,431 | 13,431 | 13,431 |
| Reserves | 555 | 328 | 180 | 180 | 163 | 163 |
| Deposits and other accounts | 110,278 | 86,787 | 81,098 | 68,770 | 69,433 | 69,050 |
| Sub-ordinated loans | 2,000 | - | - | - | - | - |
| Borrowings | 35,582 | 30,196 | 33,230 | 21,742 | 11,382 | 11,377 |
| Total Assets | 166,855 | 135,034 | 133,103 | 102,736 | 91,770 | 89,080 |
| Gross Advances | 90,138 | 69,312 | 67,045 | 64,417 | 61,470 | 54,079 |
| Advances - net of provisions | 85,851 | 64,803 | 61,074 | 58,967 | 56,038 | 49,060 |
| Non performing Advances | 5,860 | 5,820 | 8,520 | 8,222 | 9,872 | 10,817 |
| Investments - net of provisions | 38,267 | 37,488 | 35,513 | 18,105 | 14,853 | 12,735 |
| Equity | 13,181 | 12,055 | 14,577 | 8,501 | 6,675 | 5,373 |
| Provision Held | 4,287 | 4,510 | 5,971 | 5,450 | 5,432 | 5,018 |
| Provision Held / NPL | 73.16% | 77.48% | 70.08% | 66.29% | 55.02% | 46.39% |
| Provision Held / Total Advances | 4.76% | 6.51% | 8.91% | 8.46% | 8.84% | 9.28% |

PROFIT AND LOSS ACCOUNT

| | | | | | | |
|---|----------------|---------|---------|---------|---------|---------|
| Mark-up/return/interest earned | 11,670 | 9,959 | 8,933 | 9,429 | 7,622 | 8,584 |
| Mark-up/return/interest expensed | (6,184) | (5,610) | (5,834) | (5,969) | (5,463) | (6,681) |
| Net mark-up/ interest income | 5,486 | 4,349 | 3,100 | 3,460 | 2,160 | 1,902 |
| Provisions and Write off | (289) | 49 | (724) | (368) | (633) | 580 |
| Net mark-up / interest income/(loss) after provisions | 5,197 | 4,398 | 2,375 | 3,093 | 1,526 | 2,483 |
| Non-markup/interest income | 2,943 | 2,213 | 1,894 | 1,720 | 1,325 | 1,065 |
| Non-markup/interest expenses | (6,754) | (5,326) | (6,109) | (4,681) | (4,379) | (4,077) |
| Profit/(Loss) before Taxation | 1,387 | 1,285 | (1,840) | 131 | (1,528) | (529) |
| Profit/(Loss) after Taxation | 1,135 | 739 | (1,712) | 87 | (1,157) | (344) |

FINANCIAL RATIOS

| | | | | | | | |
|--|-------|--------------|-------|---------|-------|---------|--------|
| Income / Expense Ratio | Times | 1.248 | 1.232 | 0.817 | 1.107 | 0.796 | 0.728 |
| Return on average Equity (ROE) | % | 9.00 | 5.55 | (14.83) | 1.14 | (19.20) | (6.25) |
| Return on average Assets (ROA) | % | 0.75 | 0.55 | (1.45) | 0.09 | (1.28) | (0.38) |
| NPLs to Gross Advances ratio | % | 6.50 | 8.40 | 12.71 | 12.76 | 16.05 | 20.00 |
| Earning assets to Total Assets ratio | % | 79.55 | 76.28 | 77.27 | 77.94 | 77.70 | 75.66 |
| Earnings per share | Rs | 0.13 | 0.09 | (0.58) | 0.03 | (0.43) | (0.13) |
| Gross spread ratio (NIM/Gross interest income) | % | 47.01 | 43.67 | 34.70 | 36.70 | 28.33 | 22.16 |

NON FINANCIAL INFORMATION

| | | | | | | | |
|---------------------|--|-------------|------|------|------|------|------|
| Number of branches | | 123 | 88 | 88 | 88 | 85 | 85 |
| Number of employees | | 3711 | 3367 | 3153 | 2906 | 2750 | 2750 |

VALUE ADDED STATEMENT

| | 2017 Rs '000 | % | 2016 Rs '000 | % |
|---|------------------|------------|------------------|------------|
| STATEMENT OF VALUE ADDED | | | | |
| Value Added | | | | |
| Net Interest Income | 5,486,054 | 110 | 4,349,362 | 98 |
| Non Interest Income | 2,943,468 | 59 | 2,212,664 | 50 |
| Operating Expenses excluding staff costs, depreciation and amortization | (3,142,622) | (63) | (2,165,659) | (49) |
| Provision against advances, investments & others | (288,575) | (6) | 48,795 | 1 |
| Value added for distribution | 4,998,325 | 100 | 4,445,162 | 100 |
| To employees | | | | |
| Remuneration, provident fund and other benefits | 3,136,266 | 63 | 2,724,731 | 61 |
| To government | | | | |
| Income tax | 251,260 | 5 | 546,579 | 12 |
| To expansion and growth | | | | |
| Depreciation | 388,825 | | 353,860 | |
| Amortization | 86,686 | | 81,439 | |
| Retained Earnings | 1,135,288 | | 738,553 | |
| | 1,610,799 | 32 | 1,173,852 | 26 |
| | 4,998,325 | 100 | 4,445,162 | 100 |

HORIZONTAL ANALYSIS

| | 2017 Rs M | 17 Vs 16 % | 2016 Rs M | 16 Vs 15 % | 2015 Rs M | 15 Vs 14 % | 2014 Rs M | 14 Vs 13 % | 2013 Rs M | 13 Vs 12 % | 2012 Rs M | 12 Vs 11 % |
|---|----------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|
| Balance sheet | | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | | |
| Cash and balances with treasury banks | 8,413 | 14% | 7,371 | 0% | 7,344 | 44% | 5,103 | -5% | 5,362 | 34% | 4,007 | -10% |
| Balances with other banks | 218 | 149% | 88 | -55% | 194 | 39% | 139 | -38% | 226 | 163% | 86 | -9% |
| Lending to financial institutions | 8,621 | 1120% | 707 | -89% | 6,260 | 109% | 3,000 | 571% | 447 | -92% | 5,602 | 81% |
| Investments | 38,267 | 2% | 37,488 | 6% | 35,513 | 96% | 18,105 | 22% | 14,853 | 17% | 12,735 | -27% |
| Advances | 85,851 | 32% | 64,803 | 6% | 61,074 | 4% | 58,967 | 5% | 56,038 | 14% | 49,060 | -2% |
| Operating fixed assets | 4,177 | 2% | 4,101 | -9% | 4,497 | -1% | 4,563 | -3% | 4,692 | 1% | 4,637 | -3% |
| Deferred tax assets - net | 3,476 | -6% | 3,705 | -11% | 4,181 | 6% | 3,937 | 3% | 3,839 | 6% | 3,605 | 1% |
| Other assets | 17,832 | 6% | 16,771 | 19% | 14,040 | 57% | 8,921 | 41% | 6,314 | -32% | 9,348 | 29% |
| TOTAL ASSETS | 166,855 | 24% | 135,034 | 1% | 133,103 | 30% | 102,736 | 12% | 91,770 | 3% | 89,080 | -2% |
| LIABILITIES | | | | | | | | | | | | |
| Bills payable | 3,193 | -20% | 3,996 | 66% | 2,413 | 12% | 2,153 | -22% | 2,747 | 39% | 1,979 | 18% |
| Borrowings | 35,582 | 18% | 30,196 | -9% | 33,230 | 53% | 21,742 | 91% | 11,382 | 0% | 11,377 | -36% |
| Deposits and other accounts | 110,278 | 27% | 86,787 | 7% | 81,098 | 18% | 68,770 | -1% | 69,433 | 1% | 69,050 | 8% |
| Sub-ordinated loans | 2,000 | 100% | - | - | - | - | - | - | - | - | - | - |
| Liabilities against assets subject to finance lease | 7 | -36% | 11 | -24% | 14 | -17% | 17 | - | - | - | - | - |
| Other liabilities | 2,614 | 31% | 1,989 | 12% | 1,771 | 14% | 1,552 | 1% | 1,532 | 18% | 1,302 | -13% |
| TOTAL LIABILITIES | 153,673 | 25% | 122,979 | 4% | 118,526 | 26% | 94,235 | 11% | 85,095 | 2% | 83,708 | -2% |
| NET ASSETS | 13,181 | 9% | 12,055 | -17% | 14,577 | 71% | 8,501 | 27% | 6,675 | 24% | 5,372 | -5% |
| REPRESENTED BY | | | | | | | | | | | | |
| Share capital | 90,819 | 16% | 77,998 | 0% | 77,998 | 192% | 26,716 | - | 26,716 | - | 26,716 | - |
| Discount on issue of right shares | (67,387) | 19% | (56,567) | 0% | (56,567) | 326% | (13,285) | - | (13,285) | - | (13,285) | - |
| Reserves | 555 | 69% | 328 | 82% | 180 | - | 180 | 11% | 163 | - | 163 | 17% |
| Advance against proposed issue of right shares | - | -100% | 2,000 | - | 2,000 | - | 2,000 | - | - | - | - | - |
| Accumulated loss | (10,858) | 8% | (11,757) | -4% | (11,335) | -20% | (9,444) | 1% | (9,527) | -14% | (8,381) | -4% |
| Surplus on revaluation of assets - net of tax | 53 | 0% | 52 | -48% | 100 | -25% | 133 | -67% | 408 | 155% | 160 | 30% |
| Convertible preference shares | - | - | - | - | 2,200 | - | 2,200 | - | 2,200 | - | - | - |
| 13,181 | 9% | 12,055 | -17% | 14,577 | 71% | 8,501 | 27% | 6,675 | 24% | 5,373 | -5% | |
| PROFIT AND LOSS ACCOUNT | | | | | | | | | | | | |
| Mark-up/return/interest earned | 11,670 | 17% | 9,959 | 11% | 8,933 | -5% | 9,429 | 24% | 7,622 | -11% | 8,584 | 2% |
| Mark-up/return/interest expensed | (6,184) | -10% | (5,610) | 4% | (5,834) | 2% | (5,969) | -9% | (5,463) | 18% | (6,681) | -3% |
| Net mark-up/ interest income | 5,486 | 26% | 4,349 | 40% | 3,100 | -10% | 3,460 | 60% | 2,160 | 14% | 1,902 | 2% |
| Provisions and Write off | (289) | 691% | 49 | 107% | (724) | -97% | (368) | 42% | (633) | -209% | 580 | -78% |
| Net mark-up / interest income/(loss) after provisions | 5,197 | 18% | 4,398 | 85% | 2,375 | -23% | 3,093 | 103% | 1,526 | -39% | 2,483 | -45% |
| Non-markup/interest income | 2,943 | 33% | 2,213 | 17% | 1,894 | 10% | 1,720 | 30% | 1,325 | 24% | 1,065 | 26% |
| Non-markup/interest expenses | (6,754) | -27% | (5,326) | 13% | (6,109) | -30% | (4,681) | -7% | (4,379) | -7% | (4,077) | -2% |
| Profit/(Loss) before Taxation | 1,387 | 8% | 1,285 | 170% | (1,840) | -1500% | 131 | 109% | (1,528) | 189% | (529) | -139% |
| Taxation | (251) | 54% | (547) | -527% | 128 | 388% | (45) | -112% | 372 | 101% | 185 | 128% |
| Profit/(Loss) After Taxation | 1,135 | 254% | 739 | 57% | (1,712) | -2071% | 87 | 108% | (1,157) | -236% | (344) | -149% |

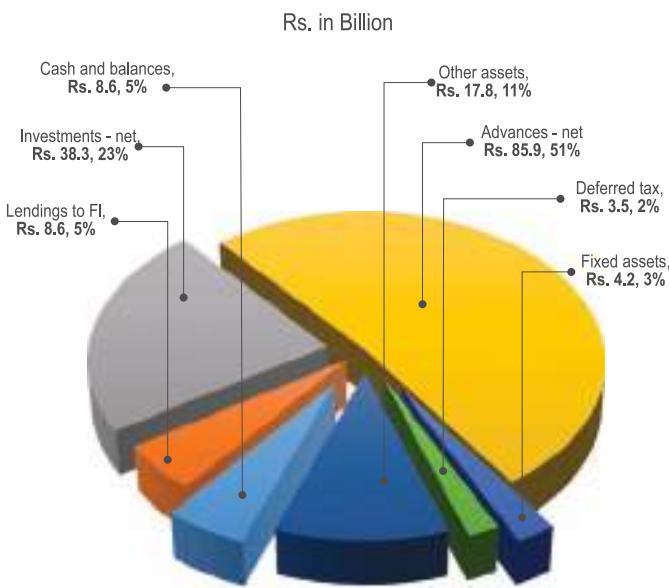
VERTICAL ANALYSIS

| | 2017 | | 2016 | | 2015 | | 2014 | | 2013 | | 2012 | |
|---|----------------|---------------|------------|---------------|----------------|--------------|-----------|--------------|----------------|--------------|--------------|------------|
| | Rs M | % | Rs M | % | Rs M | % | Rs M | % | Rs M | % | Rs M | % |
| Balance sheet | | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | | |
| Cash and balances with treasury banks | 8,413 | 5% | 7,371 | 5% | 7,344 | 6% | 5,103 | 5% | 5,362 | 6% | 4,007 | 4% |
| Balances with other banks | 218 | 0% | 88 | 0% | 194 | 0% | 139 | 0% | 226 | 0% | 86 | 0% |
| Lending to financial institutions | 8,621 | 5% | 707 | 1% | 6,260 | 5% | 3,000 | 3% | 447 | 0% | 5,602 | 6% |
| Investments | 38,267 | 23% | 37,488 | 28% | 35,513 | 27% | 18,105 | 18% | 14,853 | 16% | 12,735 | 14% |
| Advances | 85,851 | 51% | 64,803 | 48% | 61,074 | 46% | 58,967 | 57% | 56,038 | 61% | 49,060 | 55% |
| Operating fixed assets | 4,177 | 3% | 4,101 | 3% | 4,497 | 3% | 4,563 | 4% | 4,692 | 5% | 4,637 | 5% |
| Deferred tax assets - net | 3,476 | 2% | 3,705 | 3% | 4,181 | 3% | 3,937 | 4% | 3,839 | 4% | 3,605 | 4% |
| Other assets | 17,832 | 11% | 16,771 | 12% | 14,040 | 11% | 8,921 | 9% | 6,314 | 7% | 9,348 | 10% |
| TOTAL ASSETS | 166,855 | 100% | 135,034 | 100% | 133,103 | 100% | 102,736 | 100% | 91,770 | 100% | 89,080 | 100% |
| LIABILITIES | | | | | | | | | | | | |
| Bills payable | 3,193 | 2% | 3,996 | 3% | 2,413 | 2% | 2,153 | 2% | 2,747 | 3% | 1,979 | 2% |
| Borrowings | 35,582 | 21% | 30,196 | 22% | 33,230 | 25% | 21,742 | 21% | 11,382 | 12% | 11,377 | 13% |
| Deposits and other accounts | 110,278 | 66% | 86,787 | 64% | 81,098 | 61% | 68,770 | 67% | 69,433 | 76% | 69,050 | 78% |
| Sub-ordinated loans | 2,000 | 1% | - | 0% | - | 0% | - | 0% | - | 0% | - | 0% |
| Liabilities against assets subject to finance lease | 7 | 0% | 11 | 0% | 14 | 0% | 17 | 0% | - | 0% | - | 0% |
| Other liabilities | 2,614 | 2% | 1,989 | 1% | 1,771 | 1% | 1,552 | 2% | 1,532 | 2% | 1,302 | 1% |
| TOTAL LIABILITIES | 153,673 | 92% | 122,979 | 91% | 118,526 | 89% | 94,235 | 92% | 85,095 | 93% | 83,708 | 94 |
| NET ASSETS | 13,181 | 8% | 12,055 | 9% | 14,577 | 11% | 8,501 | 8% | 6,675 | 7% | 5,373 | 6% |
| REPRESENTED BY | | | | | | | | | | | | |
| Share capital | 90,819 | 54% | 77,998 | 58% | 77,998 | 59% | 26,716 | 26% | 26,716 | 29% | 26,716 | 30% |
| Discount on issue of rights shares | (67,387) | -40% | (56,567) | -42% | (56,567) | -42% | (13,285) | -13% | (13,285) | -14% | (13,285) | -15% |
| Reserves | 555 | 0% | 328 | 0% | 180 | 0% | 180 | 0% | 163 | 0% | 163 | 0% |
| Advance against proposed issue of right shares | - | 0% | 2,000 | 1% | 2,000 | 2% | 2,000 | 2% | - | - | - | - |
| Accumulated loss | (10,858) | -7% | (11,757) | -9% | (11,335) | -9% | (9,444) | -9% | (9,527) | -10% | (8,381) | -9% |
| Surplus on revaluation of assets - net of tax | 53 | 0% | 52 | 0% | 100 | 0% | 133 | 0% | 408 | 0% | 160 | 0% |
| Convertible preference shares | - | 0% | - | 0% | 2,200 | 2% | 2,200 | 2% | 2,200 | 2% | - | 0% |
| 13,181 | 8% | 12,055 | 9% | 14,577 | 11% | 8,501 | 8% | 6,675 | 7% | 5,373 | 6% | |
| PROFIT AND LOSS ACCOUNT | | | | | | | | | | | | |
| Mark-up/return/interest earned | 11,670 | 80% | 9,959 | 82% | 8,933 | 83% | 9,429 | 85% | 7,622 | 85% | 8,584 | 89% |
| Mark-up/return/interest expensed | (6,184) | -42% | (5,610) | -46% | (5,834) | -54% | (5,969) | -54% | (5,463) | -61% | (6,681) | -69% |
| Net mark-up/ interest income | 5,486 | 38% | 4,349 | 36% | 3,100 | 29% | 3,460 | 31% | 2,160 | 24% | 1,902 | 20% |
| Provisions and Write off | (289) | -2% | 49 | 0% | (724) | -7% | (368) | -3% | (633) | -7% | 580 | 6% |
| Net mark-up/interest income/(loss) after provisions | 5,197 | 36% | 4,398 | 36% | 2,375 | 22% | 3,093 | 28% | 1,526 | 17% | 2,483 | 26% |
| Non-markup/interest income | 2,943 | 20% | 2,213 | 18% | 1,894 | 17% | 1,720 | 15% | 1,325 | 15% | 1,065 | 11% |
| Non-markup/interest expenses | (6,754) | -46% | (5,326) | -44% | (6,109) | -56% | (4,681) | -42% | (4,379) | -49% | (4,077) | -42% |
| Profit/(Loss) before Taxation | 1,387 | 9% | 1,285 | 11% | (1,840) | -17% | 131 | 1% | (1,528) | -17% | (529) | -5% |
| Taxation | (251) | -2% | (547) | -4% | 128 | 1% | (45) | 0% | 372 | 4% | 185 | 2% |
| Profit/(Loss) After Taxation | 1,135 | 8% | 739 | 6% | (1,712) | -16% | 87 | 1% | (1,157) | -13% | (344) | -4% |

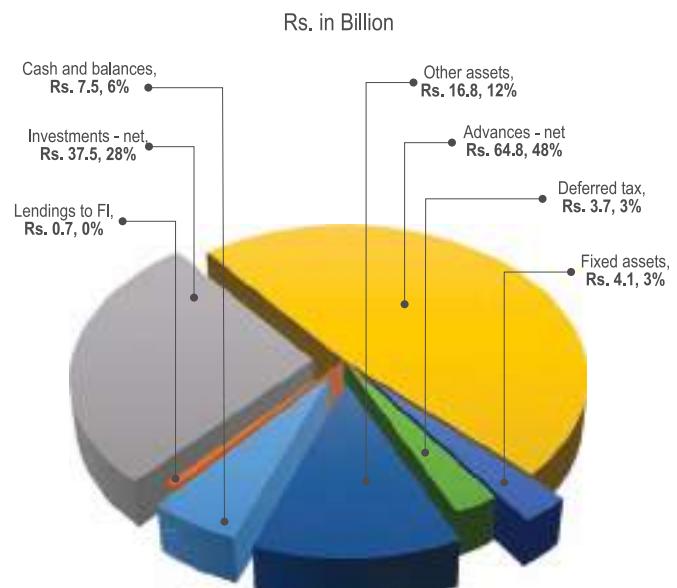
GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS



Total Assets 2017



Total Assets 2016

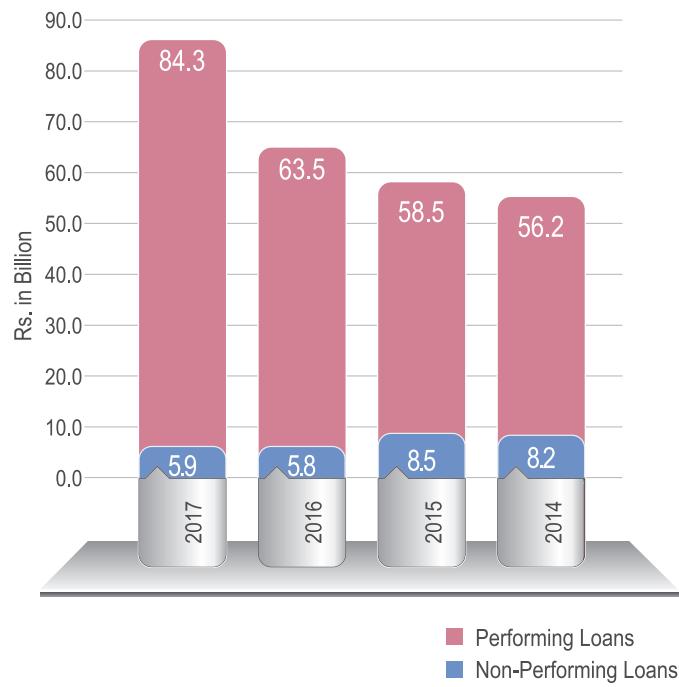


GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS

Earning Assets Vs. Non-Earning Assets



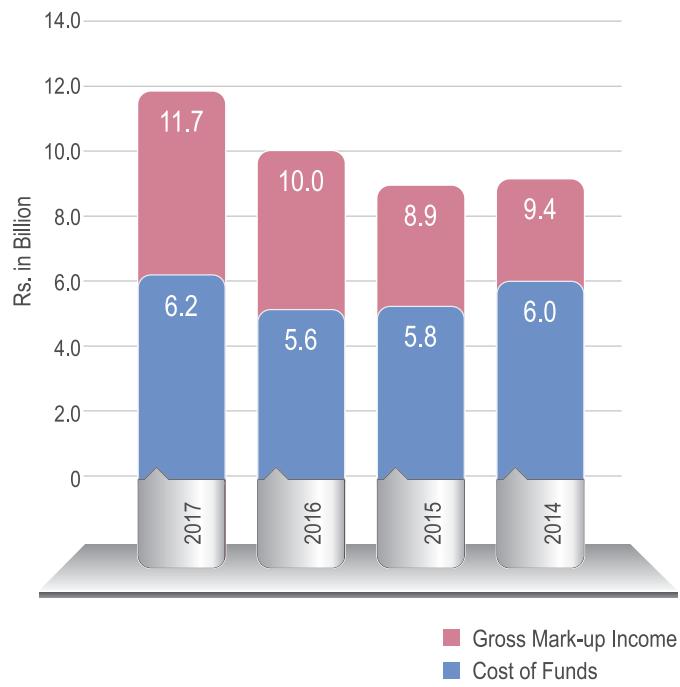
Performing Vs. Non-Performing Loans



CASA (Current & Saving Deposits)

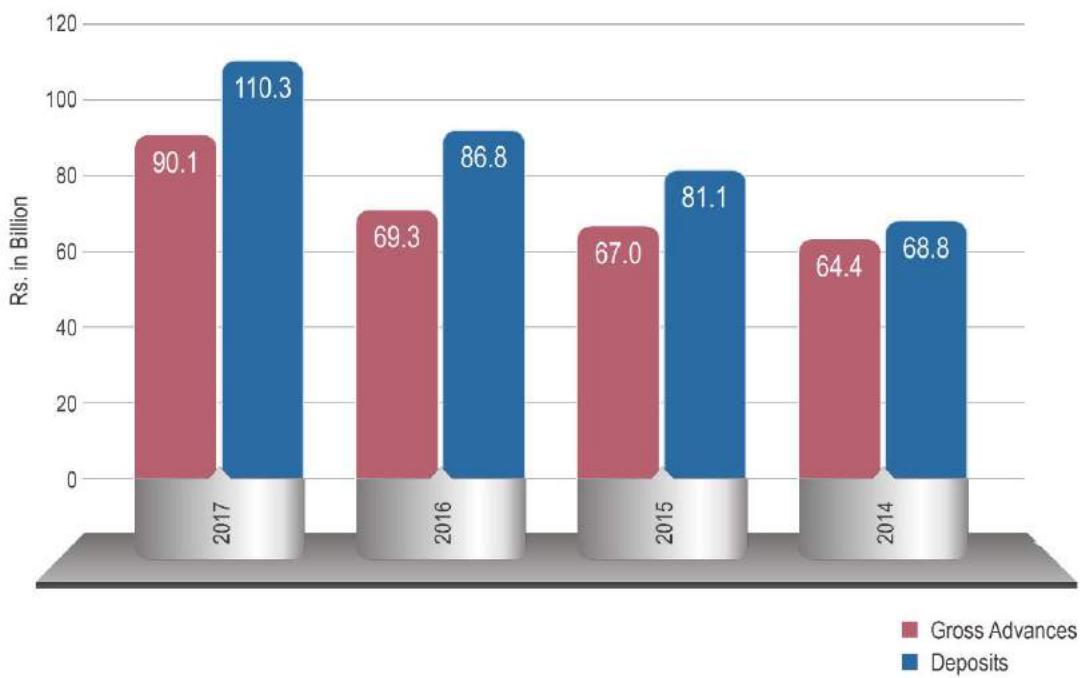


Mark-up Income Vs. Cost of Funds

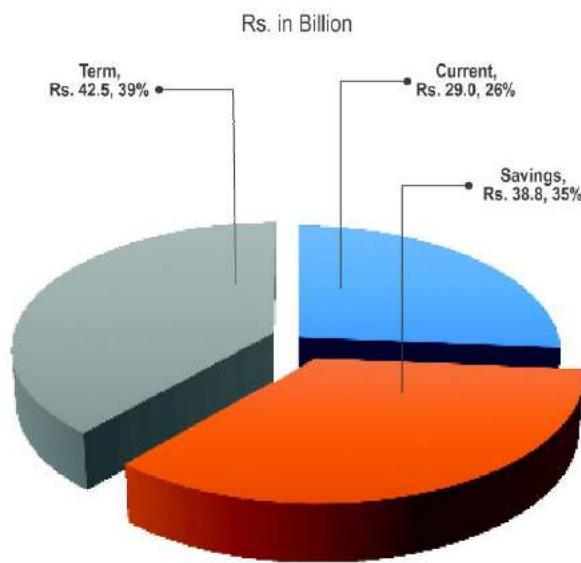


GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS

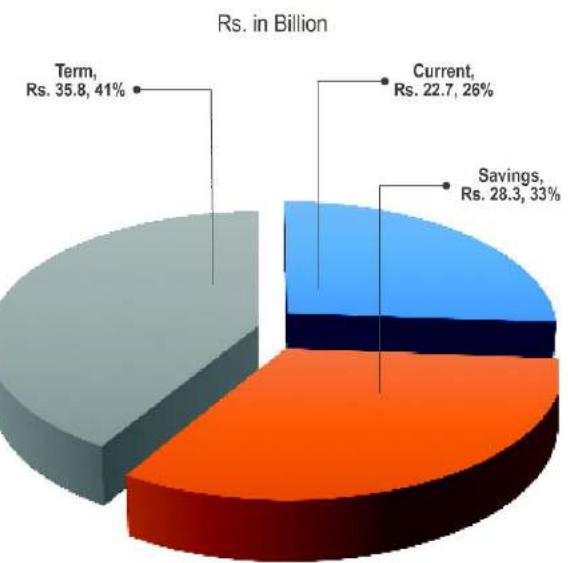
Gross Advances & Deposits



Deposit Mix FY 2017

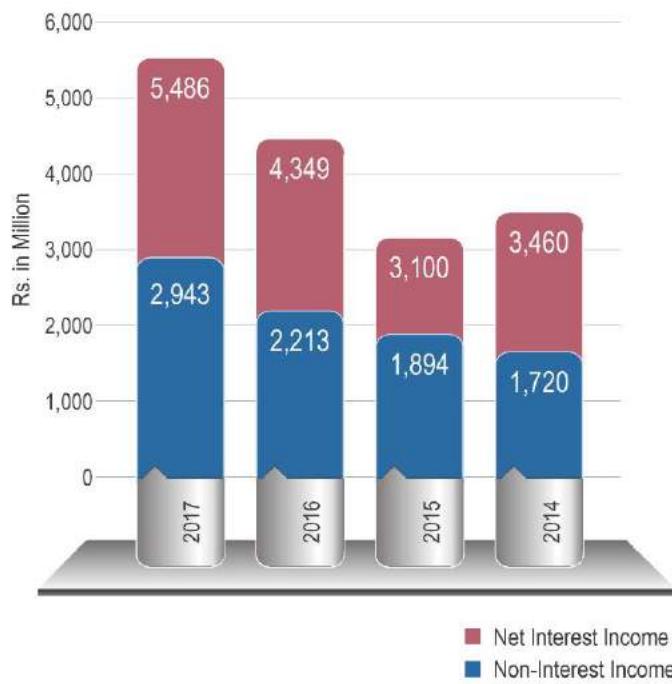


Deposit Mix FY 2016



GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS

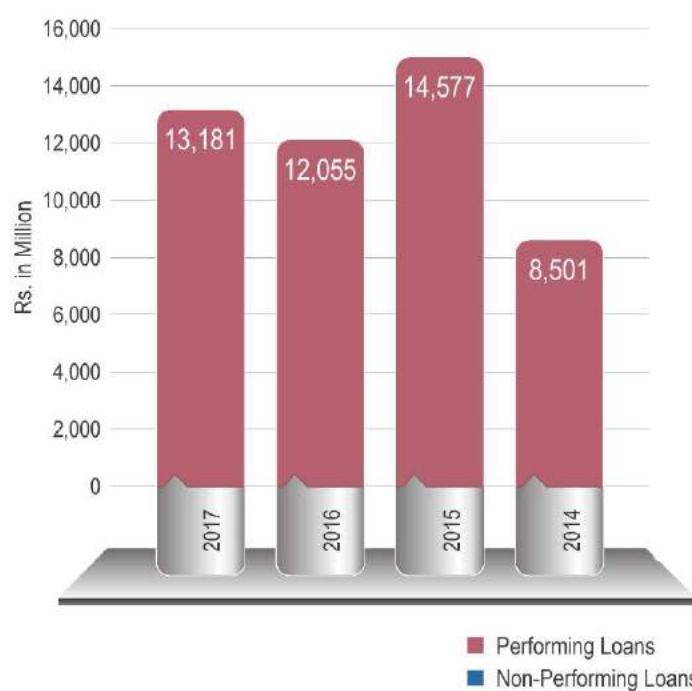
Revenue Composition



Profit / (Loss) After Tax

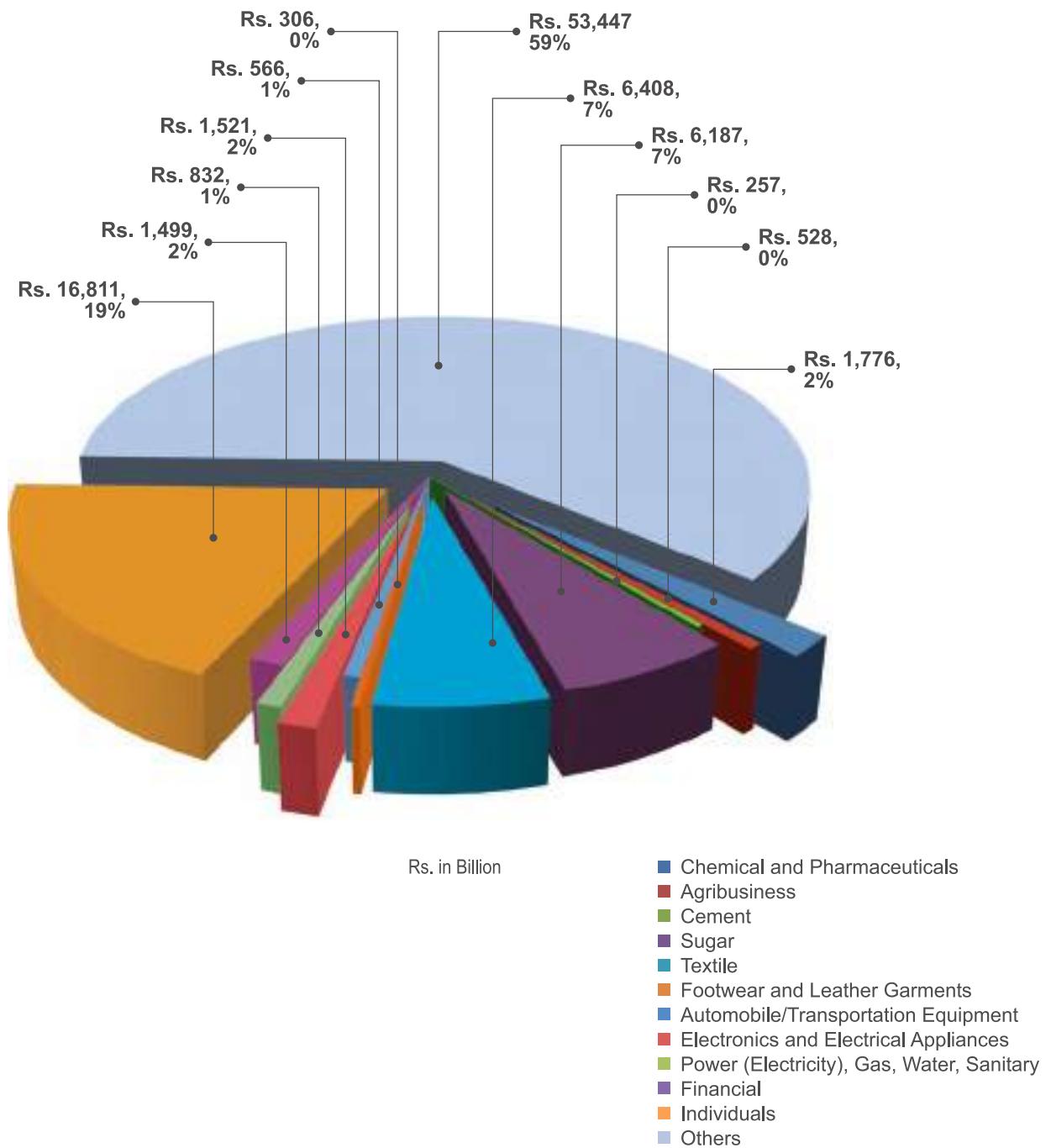


Shareholder Equity



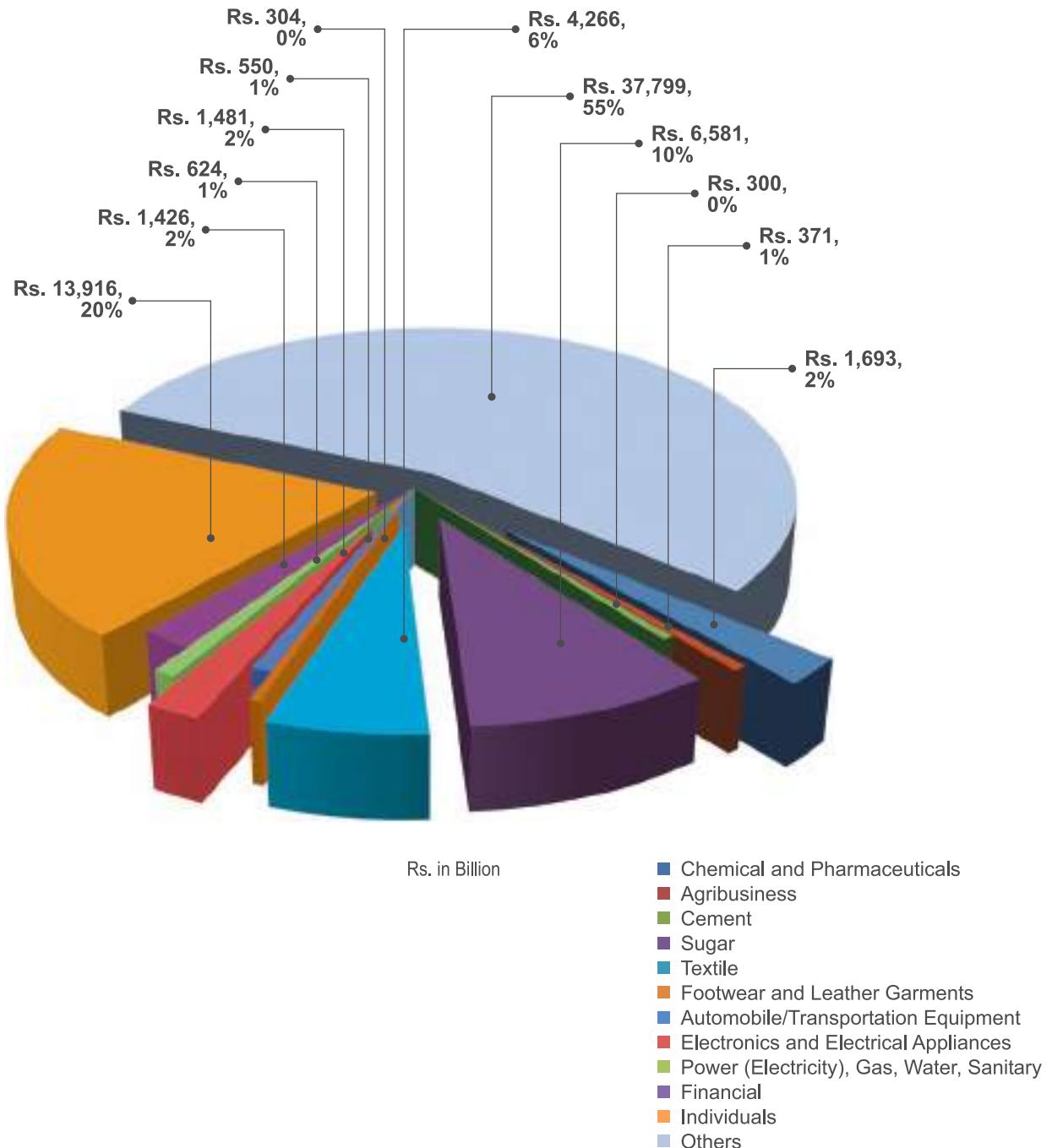
GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS

Sector Wise Advances - 2017



GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS

Sector Wise Advances - 2016



STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

| | Note | 2017 Rupees in '000 | 2016 |
|---|------|------------------------|--------------|
| ASSETS | | | |
| Cash and balances with treasury banks | 7 | 8,413,176 | 7,370,962 |
| Balances with other banks | 8 | 218,420 | 87,748 |
| Lendings to financial institutions | 9 | 8,620,649 | 706,572 |
| Investments - net | 10 | 38,266,735 | 37,488,482 |
| Advances - net | 11 | 85,850,715 | 64,802,628 |
| Operating fixed assets | 12 | 4,176,746 | 4,101,219 |
| Deferred tax assets - net | 13 | 3,476,129 | 3,704,745 |
| Other assets | 14 | 17,831,962 | 16,771,466 |
| | | 166,854,532 | 135,033,822 |
| LIABILITIES | | | |
| Bills payable | 15 | 3,192,981 | 3,996,044 |
| Borrowings | 16 | 35,582,000 | 30,195,702 |
| Deposits and other accounts | 17 | 110,277,807 | 86,787,423 |
| Sub-ordinated loans | 18 | 2,000,000 | - |
| Liabilities against assets subject to finance lease | 19 | 6,880 | 10,694 |
| Deferred tax liabilities | | - | - |
| Other liabilities | 20 | 2,613,518 | 1,989,371 |
| | | 153,673,186 | 122,979,234 |
| NET ASSETS | | 13,181,346 | 12,054,588 |
| REPRESENTED BY | | | |
| Share capital | 21 | 90,818,612 | 77,998,099 |
| Discount on issue of right shares | | (67,387,238) | (56,566,725) |
| Reserves | | 554,903 | 327,845 |
| Advance against shares subscription | | - | 2,000,000 |
| Accumulated loss | | (10,857,654) | (11,757,111) |
| | | 13,128,623 | 12,002,108 |
| Surplus on revaluation of assets - net of tax | 22 | 52,723 | 52,480 |
| | | 13,181,346 | 12,054,588 |
| CONTINGENCIES AND COMMITMENTS | 23 | | |

The annexed notes 1 to 47 and Annexures I and II form an integral part of these financial statements.

Khurram Khan
Chief Financial Officer

Azmat Tarin
CEO & President

Munnawar Hamid, OBE
Chairman

Shahzad Murad
Director

Nasim Beg
Director

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2017

| | Note | 2017 Rupees in '000 | 2016 Rupees in '000 |
|---|--------|------------------------|------------------------|
| Mark-up / return / interest earned | 25 | 11,670,271 | 9,959,053 |
| Mark-up / return / interest expensed | 26 | (6,184,217) | (5,609,691) |
| Net mark-up / interest income | | 5,486,054 | 4,349,362 |
| (Provision) / reversal of provision against non-performing loans and advances - net (specific) | 11.3 | (299,276) | 9,007 |
| (Provision) / reversal of provision against small enterprise and consumer financing - net (general) | 11.3 | (77,731) | 37,253 |
| Recovery against written off loans | | 111,155 | 26,219 |
| Provision for diminution in the value of investments - net | | - | - |
| Impairment in the value of investment | 10.6.2 | (22,723) | (23,684) |
| | | (288,575) | 48,795 |
| Net mark-up / interest income after provisions | | 5,197,479 | 4,398,157 |
| NON MARK-UP / INTEREST INCOME | | | |
| Fee, commission and brokerage income | | 1,516,926 | 1,241,599 |
| Dividend income | 27 | 47,611 | 58,911 |
| Income from dealing in foreign currencies | | 192,938 | 154,203 |
| Gain on sale of securities - net | 28 | 17,338 | 145,019 |
| Unrealized gain / (loss) on revaluation of investments - held-for-trading - net | 10.1 | 3,476 | (488) |
| Other income | 29 | 1,165,179 | 613,420 |
| Total non-mark-up / interest income | | 2,943,468 | 2,212,664 |
| | | 8,140,947 | 6,610,821 |
| NON MARK-UP / INTEREST EXPENSES | | | |
| Administrative expenses | 30 | (6,341,426) | (5,500,470) |
| Other (provisions) / reversals / (write offs) - net | 31 | (265,162) | 305,359 |
| Other charges | 32 | (147,811) | (130,578) |
| Total non-mark-up / interest expenses | | (6,754,399) | (5,325,689) |
| Extra-ordinary / unusual items | | 1,386,548 | 1,285,132 |
| PROFIT BEFORE TAXATION | | | |
| Taxation - Current | | - | - |
| - Prior years | | 5,399 | (47,848) |
| - Deferred | | (256,659) | (498,731) |
| | 33 | (251,260) | (546,579) |
| PROFIT AFTER TAXATION | | 1,135,288 | 738,553 |
| Rupee | | | |
| Basic earnings per share | 34 | 0.13 | 0.09 |
| Diluted earnings per share | 34 | 0.13 | 0.09 |

The annexed notes 1 to 47 and Annexures I and II form an integral part of these financial statements.

Khurram Khan
Chief Financial Officer

Azmat Tarin
CEO & President

Munnawar Hamid, OBE
Chairman

Shahzad Murad
Director

Nasim Beg
Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2017

| | Note | 2017 Rupees in '000 | 2016 Rupees in '000 |
|---|--------|------------------------|------------------------|
| Profit after taxation | | 1,135,288 | 738,553 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit and loss account | | | |
| Remeasurement (loss) / gain on defined benefit plan | 37.1.2 | (38,470) | 7,008 |
| Related tax effect | | 13,465 | (2,453) |
| | | (25,005) | 4,555 |
| Comprehensive income transferred to equity | | 1,110,283 | 743,108 |
| Components of comprehensive income not reflected in equity | | | |
| Net change in fair value of available-for-sale securities | | (42,592) | (59,204) |
| Related tax charge | | 14,907 | 20,722 |
| | | (27,685) | (38,482) |

The annexed notes 1 to 47 and Annexures I and II form an integral part of these financial statements.

Khurram Khan
Chief Financial Officer

Azmat Tarin
CEO & President

Munnawar Hamid, OBE
Chairman

Shahzad Murad
Director

Nasim Beg
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

| | Note | 2017 Rupees in '000 | 2016 Rupees in '000 |
|---|------|------------------------|------------------------|
| Profit before taxation | | 1,386,548 | 1,285,132 |
| Less: Dividend income | | (47,611) | (58,911) |
| | | 1,338,937 | 1,226,221 |
| Adjustments for non-cash items | | | |
| Depreciation | 12.2 | 388,825 | 353,860 |
| Depreciation on non-banking assets acquired in satisfaction of claims | 32 | 93,031 | 83,877 |
| Amortization of intangible assets | 12.4 | 86,686 | 81,439 |
| Amortization of premium on investment | | 223,147 | 287,119 |
| Provision / (reversal) against non-performing loans and advances - net | 11.3 | 299,276 | (9,007) |
| Provision / (reversal) against consumer financing - net | 11.3 | 77,731 | (37,253) |
| Impairment in the value of investments | | 22,723 | 23,684 |
| Unrealized (gain) / loss on revaluation of investments - held for trading - net | 10.1 | (3,476) | 488 |
| Share of profit from associate | 29 | (3,651) | (17,822) |
| Other provisions / (reversals) / write offs - net | 31 | 265,162 | (305,359) |
| Gain on sale of non-banking assets acquired in satisfaction of claims - net | 29 | (639,190) | (127,034) |
| Gain on sale of operating fixed assets - net | 29 | (11,316) | (201,566) |
| | | 798,948 | 132,426 |
| (Increase) / decrease in operating assets | | 2,137,885 | 1,358,647 |
| Lendings to financial institutions | | (7,914,077) | 5,553,872 |
| Net investments in held-for-trading securities | | (2,617,919) | 294,835 |
| Advances - net | | (21,425,094) | (3,682,161) |
| Other assets | | (3,286,563) | (2,788,173) |
| | | (35,243,653) | (621,627) |
| Increase / (decrease) in operating liabilities | | | |
| Bills payable | | (803,063) | 1,582,702 |
| Borrowings | | 5,386,298 | (3,034,480) |
| Deposits and other accounts | | 23,490,384 | 5,689,842 |
| Other liabilities | | 632,871 | 218,412 |
| | | 28,706,490 | 4,456,476 |
| Income tax paid | | (4,399,278) | 5,193,496 |
| | | (187,538) | (143,800) |
| Net cash flows from operating activities | | (4,586,816) | 5,049,696 |



Khurram Khan
Chief Financial Officer



Azmat Tarin
CEO & President



Munnawar Hamid, OBE
Chairman



Shahzad Murad
Director



Nasim Beg
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2017

| | Note | 2017 Rupees in '000 | 2016 |
|---|--------|------------------------|--------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Net investment in available-for-sale securities | | 1,569,868 | (2,623,126) |
| Dividend received | | 51,006 | 54,490 |
| Subscription of right shares - investment in associate | 10.9.1 | (11,537) | - |
| Proceeds on disposal of non-banking assets acquired in satisfaction of claims | 29.2 | 2,732,282 | 512,608 |
| Proceeds on disposal of operating fixed assets | 12.6 | 98,114 | 590,092 |
| Net investment in operating fixed assets | | (672,601) | (428,396) |
| Net cash flows from investing activities | | 3,767,132 | (1,894,332) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Redemption of convertible preference shares | | - | (2,200,000) |
| Profit paid on convertible preference shares | | - | (1,020,800) |
| Transaction cost on redemption of convertible preference shares | | - | (10,138) |
| Share issue cost | | (3,616) | - |
| Proceeds from issuance of subordinated loans | | 2,000,000 | - |
| Finance lease obligation paid - net | | (3,814) | (3,451) |
| Net cash flows from financing activities | | 1,992,570 | (3,234,389) |
| Increase / (decrease) in cash and cash equivalents | | 1,172,886 | (79,025) |
| Cash and cash equivalents at the beginning of the year | | 7,458,710 | 7,537,735 |
| Cash and cash equivalents at the end of the year | 35 | 8,631,596 | 7,458,710 |

The annexed notes 1 to 47 and Annexures I and II form an integral part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

| | Share capital | Discount on issue of shares | *Statutory reserves | Advance against shares subscription | Convertible preference shares | Accumulated loss | Total equity |
|--|----------------|-----------------------------|---------------------|-------------------------------------|-------------------------------|------------------|--------------|
| Note | Rupees in '000 | | | | | | |
| Balance as at January 01, 2016 | 77,998,099 | (56,566,725) | 180,134 | 2,000,000 | 2,200,000 | (11,334,916) | 14,476,592 |
| Total comprehensive income for the year 2016 | | | | | | | |
| Profit after tax for the year ended December 31, 2016 | - | - | - | - | - | 738,553 | 738,553 |
| Other comprehensive income | - | - | - | - | - | 4,555 | 4,555 |
| | - | - | - | - | - | 743,108 | 743,108 |
| Redemption of Convertible Preference Shares including profit | - | - | - | - | (2,200,000) | (1,020,800) | (3,220,800) |
| Transaction cost on redemption of Convertible Preference Shares | - | - | - | - | - | (10,138) | (10,138) |
| Transfer to statutory reserves | - | - | 147,711 | - | - | (147,711) | - |
| Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax | - | - | - | - | - | 13,346 | 13,346 |
| Balance as at December 31, 2016 | 77,998,099 | (56,566,725) | 327,845 | 2,000,000 | - | (11,757,111) | 12,002,108 |
| Total comprehensive income for the year 2017 | | | | | | | |
| Profit after tax for the year ended December 31, 2017 | - | - | - | - | - | 1,135,288 | 1,135,288 |
| Other comprehensive income | - | - | - | - | - | (25,005) | (25,005) |
| | - | - | - | - | - | 1,110,283 | 1,110,283 |
| Issuance of right shares at discount | 12,820,513 | (10,820,513) | - | (2,000,000) | - | - | - |
| Share issue cost | - | - | - | - | - | (3,616) | (3,616) |
| Transfer to statutory reserves | - | - | 227,058 | - | - | (227,058) | - |
| Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax | 22.2.1 | - | - | - | - | 4,571 | 4,571 |
| Transfer from surplus on revaluation of fixed assets account of disposal of assets - net of tax | 22.2.1 | - | - | - | - | 13,300 | 13,300 |
| Transfer from surplus on revaluation of non banking assets account of disposal of assets - net of tax | 22.3.1 | - | - | - | - | 1,977 | 1,977 |
| Balance as at December 31, 2017 | 90,818,612 | (67,387,238) | 554,903 | - | - | (10,857,654) | 13,128,623 |

* Statutory reserves represent amount set aside as per requirements of section 21 of the Banking Companies Ordinance, 1962.

The annexed notes 1 to 47 and Annexures I and II form an integral part of these financial statements.

Khurram Khan
Chief Financial Officer

Azmat Tarin
CEO & President

Munnawar Hamid, OBE
Chairman

Shahzad Murad
Director

Nasim Beg
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

1. STATUS AND NATURE OF BUSINESS

1.1 Silkbank Limited ("the Bank") was incorporated in Pakistan on April 04, 1994 as a public limited company under the Companies Ordinance, 1984. The Bank commenced commercial operations on May 7, 1995. The Bank's shares are quoted on Pakistan Stock Exchange Limited. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962. The Bank operates through 123 branches (2016: 88 branches) including 30 (2016: 10) Islamic banking branches in Pakistan. The Bank's registered office is located at Silkbank Building, 13-L, F-7 Markaz, Islamabad. The short-term and long-term credit ratings of the Bank rated by JCR-VIS Credit Rating Company Limited in June 2017 are 'A-2' and 'A-' respectively.

1.2 Major shareholders of the Bank as on December 31, 2017 are Sinthos Capital (comprising of Mr. Shaukat Tarin, Mr. Sadeq Sayeed and Mr. Azmat Tarin), Arif Habib Corporation Limited, International Finance Corporation (IFC), Nomura European Investment Limited, Bank Muscat S.A.O.G and Mr. Zulqarnain Nawaz Chatta / Mr. Zubair Nawaz Chatta of Gourmet Group and Mr. Atifullah Khan / Mr. Kifayat Ullah Khan / Mrs. Shahnaz Begum / Mr. Muhammad Abdullah Khan of the Bangash Family.

The State Bank of Pakistan (SBP) through its letter dated January 9, 2017 had allowed [to meet the Minimum Capital Requirements (MCR) and Capital Adequacy Ratio (CAR) requirements] the Bank to consider the advance against shares subscription of Rs. 2 billion, received from the Bangash Family, for the purpose of MCR and CAR as of December 31, 2016 subject to the conditions that the Bank will carry out the due diligence of the investors and issue the shares by January 31, 2017. Accordingly, the Bank issued 1,282,051,282 shares against the subscription amount of Rs. 2 billion to four investors (of the Bangash Family) on January 13, 2017. After the issuance of shares, the Bank was able to meet prescribed requirements of MCR.

As disclosed in note 18, during the year, the Bank has issued privately placed, unsecured subordinated Term Finance Certificates (TFCs) of the Bank aggregating to Rs. 2 billion. The TFCs were issued under section 120 of Companies Ordinance, 1984 and the Basel III guidelines issued by the SBP and will contribute towards the Tier II capital of the Bank for the purpose of CAR.

As at December 31, 2017, the equity of the bank is Rs. 13.13 billion. This includes share capital (net of losses and discount on shares) of Rs. 12.57 billion against the minimum requirement of Rs. 10 billion as prescribed by SBP. Further, the CAR of the Bank as disclosed in note 42 is 10.94% against the minimum CAR requirement of SBP of 11.275%. The CAR requirement of 11.275% is made up of minimum CAR of 10% plus 1.275% of Capital Conservation Buffer (CCB). While the Bank has met the minimum CAR requirement of 10%, it was not able to achieve the 1.275% required for CCB.

The Bank has requested exemption from SBP from meeting the CAR requirements till June 30, 2018. Through this request, the Bank has also communicated to SBP its plan for compliance with CAR requirements by June 30, 2018, which includes reduction in corporate exposures, improvement in profits, disposals of non-banking assets acquired in satisfaction of claims (NBAs) and issuance of Tier II capital. As disclosed in note 18, the Bank may not be able to make profit and principal payments in respect of TFCs if there is a shortfall in CAR on or before the next coupon date, as compared to minimum prescribed CAR.

Further, the SBP has allowed staggering of provision against a non-performing loan (refer note 11.3.3) amounting to Rs. 160 million. Had this benefit of staggering not been taken by the Bank, profit before tax and CAR would have been lower by Rs. 160 million and 0.10% respectively.

2. BASIS OF PRESENTATION

2.1 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by the banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon.

2.2 The Islamic Banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified under the provisions of the Companies Ordinance, 1984 except for the adoption of IFAS 3 'Profit & Loss Sharing on Deposits' as disclosed in note 3.4.

2.3 The financial results of the Islamic Banking branches have been included in these financial statements for reporting purposes, after eliminating material inter-branch transactions / balances. Key financial figures of the Islamic Banking branches are disclosed in Annexure II to these financial statements.

2.4 These financial statements have been prepared in Pakistani Rupee which is the functional and presentation currency of the Bank. The amounts are rounded off to the nearest thousand rupee, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

3. STATEMENT OF COMPLIANCE

- 3.1** These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved Accounting Standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the directives issued by SBP and the Securities and Exchange Commission of Pakistan (SECP). In case requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the directives issued by SBP and SECP shall prevail.
- 3.2** The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the SECP vide its Circular No. 23 dated October 04, 2017, these financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.
- 3.3** The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and IAS 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. Further, the SECP has deferred the applicability of IFRS-7 'Financial Instruments: Disclosures' on banks through S.R.O. 411(1) / 2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.
- 3.4** IFRS 8, 'Operating Segments' is effective for the Bank's accounting periods beginning on or after January 1, 2009. All banking companies in Pakistan are required to prepare their annual financial statements in line with the format prescribed under BSD Circular No. 4 dated February 17, 2006, 'Revised Forms of Annual Financial Statements' (as updated from time to time), effective from the accounting year ended December 31, 2006. The management of the Bank believes that as the SBP has defined the segment categorisation in the above mentioned circular, the SBP requirements prevail over the requirements specified in IFRS 8. Accordingly, segment information disclosed in these financial statements is based on the requirements laid down by the SBP.
- 3.5** The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of IAFS-3 for Profit & Loss Sharing on Deposits (IFAS-3) issued by the ICAP and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS). The standard will result in certain new disclosures in the financial statements of the Bank.

4. STANDARDS, AMENDMENTS AND INTERPRETATIONS OF APPROVED ACCOUNTING STANDARDS

4.1 Amendments to published approved accounting standards that are effective in the current year

The following amendments to published approved accounting standards are effective from January 1, 2017. These amendments are, either not relevant to the Bank's operations or are not expected to have significant impact on the Bank's financial statements other than certain additional disclosures.

- Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative.
- Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses.

4.2 New accounting standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following new accounting standards, interpretations and amendments to approved accounting standards are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are, either not relevant to the Bank's operations or are not expected to have significant impact on the Bank's financial statements other than certain additional disclosures:

- Amendments to IFRS 2 'Share-based Payment': Clarification of the classification and measurement of share-based payment transactions.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.

Effective from annual periods beginning on or after

January 1, 2018

January 01, 2018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

- | | |
|--|------------------|
| - IFRS 15 'Revenue' - This standard will supersede IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date. | July 01, 2018 |
| - IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'. | January 01, 2019 |

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 16 – Leases
- IFRS 17 – Insurance Contracts

The State Bank of Pakistan has issued BPRD Circular No. 02 of 2018 dated January 25, 2018, 'Revised Forms of Annual Financial Statements', effective from the accounting year ended December 31, 2018. The 'Revised Forms of Annual Financial Statements' have changed / added certain disclosures.

The Companies Act, 2017 applicable for period beginning on January 01, 2018 requires certain additional disclosures and section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the Companies Act, 2017. This would require change in accounting policy relating to surplus on revaluation of land and building to bring it in line with the requirements of IAS 16 'Property, plant and equipment'.

5. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention, except that certain fixed assets and non-banking assets acquired under satisfaction of claims are stated at revalued amounts less accumulated depreciation and accumulated impairment losses (where applicable) and certain investments and derivative financial instruments have been measured at fair value.

5.1 Use of critical accounting estimates and judgments

The preparation of these financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires management to exercise judgment in the application of its accounting policies. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to the Bank's financial statements or where judgment was exercised in application of accounting policies are as follows:

5.1.1 Provision against non-performing loans and advances and debt securities

The Bank reviews its loan portfolio and debt securities (classified as investments) to assess the amount of non-performing loans and advances and debt securities and determine provision required there-against on regular basis. While assessing this requirement, various factors including the past dues, delinquency in the account, financial position of the borrower, the forced sale value of collateral held and requirements of the Prudential Regulations are considered, except for loans and advances where relaxation has been allowed by SBP. For portfolio impairment, provision on consumer advances and small enterprise finance, the Bank follows the general provision requirements set out in Prudential Regulations issued by the SBP.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

5.1.2 Fair value of derivatives

The fair value of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant interest rates in-effect at the reporting date and the rates contracted.

5.1.3 Classification of investments

In classifying investments, the Bank follows the guidance provided in SBP circulars:

- Investments classified as 'held-for-trading' are securities which are acquired with an intention to trade by taking advantage of short term market / interest rate movements and are to be sold within 90 days of acquisition.
- Investments classified as 'held-to-maturity' are non-derivative financial assets with fixed or determinable payments and fixed maturity. In making this judgment, the Bank evaluates its intention and ability to hold such investment to maturity.
- The investments which are not classified as 'held-for-trading' or 'held-to-maturity' are classified as 'available-for-sale'.

5.1.4 Impairment of 'available-for-sale' equity investments

The Bank determines that 'available-for-sale' equity investments are impaired when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is significant or prolonged requires judgment. In making this judgment, the Bank evaluates, among other factors, the normal volatility in share price. In addition, the impairment may be appropriate when there is an evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology and operational / financial cash flows.

5.1.5 Defined benefit plan

The liability of the defined benefit plan (gratuity) is determined using actuarial advice using the Projected Unit Credit Method. The actuarial valuation involves making certain actuarial assumptions as disclosed in note 37. Actuarial assumptions are entity's best estimates of the variables that will determine the ultimate cost of providing post-employment benefits. Changes in these assumptions in future years may affect the liability / asset under the plan in those years.

5.1.6 Income taxes

In making the estimates for income taxes currently payable by the Bank, the management looks at the current income tax laws and the decisions of appellate authorities on certain issues in the past. For recovery of deferred tax asset recognised on unused tax losses, management projects and determines future taxable profits that are probable and will be available against which these unused tax losses can be utilised.

5.1.7 Depreciation, amortisation and revaluation of operating fixed assets

In making estimates of the depreciation / amortisation method, management uses the method which reflects the pattern in which economic benefits are expected to be consumed by the Bank. The method applied is reviewed at each financial year-end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method is changed to reflect the change in pattern. Such change is accounted for as change in accounting estimate in accordance with International Accounting Standard - 8, "Accounting Policies, Changes in Accounting Estimates and Errors". Further, the Bank estimates the revalued amount of land and buildings on a regular basis. The estimates are based on valuations carried out by independent professional valuers under the market conditions.

5.1.8 Fair value hierarchy of assets and liabilities

The fair value of the assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Bank categorizes fair value measurements within the following fair value hierarchy;

a) Level 1

These are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bank can access at the measurement date.

b) Level 2

These are inputs other than quoted prices included within Level 1 inputs that are observable for asset or liability, either directly or indirectly.

c) Level 3

These are unobservable inputs for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

5.1.9 Depreciation, amortisation and revaluation of non-banking assets acquired under satisfaction of claims

In making estimates of the depreciation method for non-banking assets acquired under satisfaction of claims, management uses the method which is consistent with depreciation method of operating fixed assets. Further, the Bank estimates the revalued amount of land and buildings on a regular basis. The estimates are based on valuations carried out by independent professional valuers listed on the panel of Pakistan Bank's Association (PBA), under the market conditions.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented except as mentioned below.

Effective from January 01, 2017, the Bank has changed its accounting policy prospectively for recording of non-banking assets acquired in satisfaction of claims to comply with the requirements of the 'Regulations for Debt Property Swap' (DPS Regulations) issued by SBP vide its BPRD Circular No. 1 of 2016 dated January 01, 2016. Non-banking assets acquired in satisfaction of claims are now carried at revalued amount less accumulated depreciation and impairment, if any. Previously, non-banking assets acquired in satisfaction of claims were carried at cost less depreciation and impairment, if any. In the previous year, the Bank had taken exemption from SBP for recognizing revaluation surplus arising on revaluation of non-banking assets acquired in satisfaction of claims as disclosed in note 6 to the annual audited financial statements for the year ended December 31, 2016.

Had there been no change in accounting policy, the net book value of non-banking assets acquired in satisfaction of claims and surplus on revaluation of assets would have been lower by Rs. 46 million and Rs. 40 million (net of tax) respectively and deferred tax assets would have been higher by Rs. 6 million.

6.1 Cash and cash equivalents

Cash and cash equivalents comprise cash and balances with treasury banks, balances with other banks in current and deposit accounts.

6.2 Lendings to / borrowings from financial institutions

The Bank enters into transactions of borrowings (re-purchase) from and lendings (reverse re-purchase) to financial institutions at contracted rates for a specified period of time. These are recorded as under:

6.2.1 Sale under repurchase obligations (repo)

Securities sold subject to a re-purchase agreement (repo) are retained in the financial statements as investments and the counter party liability is included in borrowings. The differential in sale and re-purchase value is accrued over the period of the agreement and recorded as expense.

6.2.2 Purchase under resale obligations (reverse repo)

Securities purchased under agreement to resell (reverse repo) are included in lendings to financial institutions. The differential between the contracted price and resale price is amortised over the period of the agreement and recorded as income.

Securities held as collateral are not recognised in the financial statements, unless these are sold to third parties, in which case the obligation to return them is recorded at fair value as a trading liability under borrowings from financial institutions.

6.2.3 Other lendings

Other lendings include term lendings and unsecured lendings to financial institutions.

All lendings are stated net of provision, if any. Mark-up / interest income on such lendings is recorded on time proportion basis using effective interest rate method except mark-up on impaired / delinquent lendings, which are recognised on receipt basis.

6.2.4 Other borrowings

Other borrowings including borrowings from SBP are recorded at proceeds received. Mark-up expense on such borrowings is charged to the profit and loss account on time proportion basis using effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

6.3 Trade and settlement date accounting

All 'regular way' purchases and sales of financial assets are recognised on the trade date, i.e., the date that the Bank commits to purchase or sell the assets. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulations or conventions in the market place.

6.4 Investments

The Bank classifies its investments as follows:

a) Held-for-trading

These are securities which are either acquired for generating profit from short-term fluctuations in market prices, interest rate movements, dealers' margin or are securities included in a portfolio in which a pattern of short-term profit taking exists.

b) Held-to-maturity

These are securities with fixed or determinable payments and fixed maturity in respect of which the Bank has the positive intent and ability to hold to maturity.

c) Available-for-sale

These are investments, other than investment in associate, which do not fall under the "held-for-trading" or "held-to-maturity" categories.

6.4.1 Initial measurement

Investments are initially recognised at acquisition cost, which in case of investments other than "held-for-trading" includes transaction costs associated with the investments.

6.4.2 Subsequent measurement

Held-for-trading

These are measured at subsequent reporting dates at fair value. Gains and losses on re-measurement are included in the profit and loss account.

Held-to-maturity

These are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

Available-for-sale

Quoted securities classified as available-for-sale investments are measured at subsequent reporting dates at fair value. Any surplus / deficit arising thereon is kept in a separate account shown in the statement of financial position below equity and taken to the profit and loss account when actually realised upon disposal or when the investment is considered to be impaired.

Unquoted equity securities are valued at the lower of cost and break-up value. The break-up value of these equity securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements. A decline in the carrying value is charged to the profit and loss account. A subsequent increase in the carrying value, upto the cost of investment, is credited to the profit and loss account. Investments in other unquoted securities are valued at cost less impairment losses, if any.

6.4.3 Investment in associates

Investment in associates in which the Bank has significant influence, but not control, over the financial and operating policies are accounted for using the equity method.

Companies where there are common directors but the Bank does not have significant influence are accounted for as ordinary investments.

Gains or losses on disposal of investments are included in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

Provision for diminution in the value of securities (except Participation Term Certificates and Term Finance Certificates) is made after considering impairment, if any, in their value. Impairment is recognised when there is an objective evidence of significant and prolonged decline in the value of such securities. Provisions for diminution in the value of debentures, Participation Term Certificates and Term Finance Certificates are made as per the requirements of the Prudential Regulations issued by the SBP.

6.5 Advances

Advances including Islamic financing are stated net of specific and general provisions. Specific and general provisions against advances are determined on the basis of Prudential Regulations and other directives issued by the SBP and charged to the profit and loss account. Provisions are held against identified as well as unidentified losses. Advances are written off when there are no realistic prospects of recovery.

6.5.1 Murabaha

Murabaha financings are reflected as receivables at the invoiced amount. The profit on that sale revenue not due for payment is deferred by recording a credit to the "Deferred Murabaha Income" account. Profit is taken to the profit and loss account over the period of the Murabaha. Goods purchased but remaining unsold at the reporting date are recorded as inventories.

6.5.2 Diminishing Musharaka

In Diminishing Musharaka financing, the Bank enters into Musharaka based on Shirkat-ul-milk for financing an agreed share of fixed asset (e.g. house, land, plant or machinery) with its customers and enters into periodic profit / rental payment agreement for the utilisation of the Bank's Musharaka share by the customer.

6.5.3 Musawammah

Musawammah financings are reflected as receivables at the invoiced amount. The profit on that sale revenue not due for payment is deferred by recording a credit to the "Deferred Musawammah Income" account. Profit is taken to the profit and loss account over the period of the Musawammah.

6.6 Operating fixed assets

6.6.1 Property and equipment

a) Owned assets

An item of property and equipment is initially recognised at cost which is equal to the fair value of consideration paid at the time of acquisition or construction of the asset.

Measurement subsequent to initial recognition

Property and equipment other than land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of fixed assets.

Land is stated at its revalued amount whereas buildings are stated at revalued amount less accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to the profit and loss account as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Surplus arising on revaluation is credited to the "Surplus on Revaluation of Fixed Assets" account. Deficit arising on subsequent revaluation of fixed assets is adjusted against the balance in the above-mentioned surplus account as allowed under the provisions of the Companies Ordinance, 1984. The surplus on revaluation of fixed assets to the extent of incremental depreciation charged on the related assets is transferred to equity.

Gains or losses on disposal of assets are taken to income currently, except that the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to unappropriated profit / accumulated loss.

Depreciation

Depreciation is computed over the useful lives of the related assets using straight line method so as to write down the cost

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

of assets to their residual values over their estimated useful lives at the rates given in note 12 to these financial statements. Depreciation on additions during the year is charged from the month of acquisition. Depreciation on disposals during the year is charged for the proportionate period with respect to number of months during which the assets remained in use. Same basis and estimates for depreciation are applied to owned assets and assets subject to finance lease.

Useful lives and residual values of assets are reviewed at each reporting date and adjusted if impact on depreciation is significant.

b) Leased assets

Assets held under finance lease are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The outstanding obligations under the lease arrangements are shown as a liability net of finance charges allocable to future periods. Depreciation on assets held under finance lease is charged in a manner consistent with that for depreciable assets which are owned by the Bank.

Finance charges are allocated to accounting periods so as to provide a constant periodic rate of return on the outstanding liability.

6.6.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. These are transferred to relevant category of property and equipment as and when the assets become available for use.

6.6.3 Intangible assets

These include computer software and are recorded initially at cost and subsequently stated at cost less any accumulated amortisation and accumulated impairment losses, if any.

These are amortised over their finite useful lives and amortisation is charged to the profit and loss account using the straight line method so as to write down the cost of the assets to their residual values over their estimated useful lives at the rates given in note 12 to these financial statements. Amortisation is charged from the month of acquisition. The useful lives and amortisation method are reviewed and adjusted, if appropriate, at each reporting date.

Costs associated with maintenance of computer software are recognised as an expense as and when incurred.

6.7 Income taxes

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

6.7.1 Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing laws for taxation on income earned. The current tax expense is calculated using prevailing tax rates or tax rates expected to apply to the taxable profits for the year at enacted tax rates. The charge for the current tax also includes adjustments, where considered necessary, relating to prior years arising from assessments made during the year for such years.

6.7.2 Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and amounts used for taxation purposes. In addition, the Bank also records deferred tax assets on available tax losses. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted at the date of statement of financial position.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Bank also recognises deferred tax asset / liability on deficit / surplus on revaluation of fixed assets and securities which is adjusted against the related deficit / surplus in accordance with the requirements of IAS 12 "Income Taxes".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

6.8 Impairment of non-financial assets

At each reporting date, the Bank reviews the carrying amounts of its non-financial assets other than deferred tax asset to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of the impairment loss, if any. Recoverable amount is the greater of net selling price and value in use. Whenever the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is taken to the profit and loss account except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation.

6.9 Provisions

Provisions are recognised when the Bank has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimates.

Provision against identified non-funded losses is recognised when identified and reasonable certainty exists for the Bank to settle the obligation. The loss is charged to the profit and loss account net of expected recovery and is classified under "other liabilities".

6.10 Staff retirement benefits

6.10.1 Defined contribution plan

The Bank operates an approved funded provident fund scheme for all its permanent employees. Equal monthly contributions are made, both by the Bank and its employees, to the fund at the rate of 8.33 percent of basic salaries of employees.

6.10.2 Defined benefit plan

The Bank operates an approved gratuity scheme for all its regular employees. Beginning from January 01, 2005, the entitlement of the employees commences on the completion of five years of service with the Bank. Projected Unit Credit Actuarial Cost Method has been used for actuarial valuation.

Re-measurement component, which is the net of actuarial gains and losses, is immediately recognised in other comprehensive income, whereas, service costs and net interest income / (expense) are charged to the profit and loss account.

6.10.3 Benefits for outsourced staff

The entitlement of outsourced employees is based on number of years of service. Upon completion of 1 year of service, gratuity expense equivalent to a month's salary (withdrawn) is accrued. After the first year, expense equivalent to a month's salary is further accrued in each year if the employee remains in service for major part of the year (181 days or more). Payments against liability are made to outsourcing agencies when eligible employee leaves service. Unpaid expense is included in "Other Liabilities".

6.11 Revenue recognition

- Mark-up / return / interest on advances and investments is recognised on accrual basis that takes into account effective yield on the assets except in case of advances classified under the Prudential Regulations issued by the SBP (as amended from time to time) on which mark-up / return / interest is recognised on receipt basis. Mark-up / return / interest on rescheduled / restructured advances and investments is recognised in accordance with the directives of the SBP.
- Profit on Diminishing Musharaka financings is recognised on accrual basis.
- Profit on Sukuk is recognised on accrual basis.
- Fees, brokerage and commission on letters of credit / guarantee and other services are amortised over the tenure of the respective facility, whereas account maintenance and service charges are recognised when realised.
- Dividend income is recognised when the right to receive the dividend is established.
- Gain / (loss) on sale of investments is credited / charged to the profit and loss account currently.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

6.12 Non-Banking Assets acquired in satisfaction of claims / Other Real Estate Owned (OREO)

At the time of acquisition of a non-banking asset, it is recognised on the basis of value determined by independent evaluators on the panel of PBA. At the time of settlement, the Bank obtains valuation report as per following criteria;

- For outstanding loans exceeding Rs. 2 million, only self-assessment is carried out,
- At least one valuation report for transaction amount up to Rs. 20 million,
- At least two valuation reports for transaction amount up to Rs. 50 million, and
- At least three valuation reports for transaction amount of more than 50 million.

Settlement value used for acquisition of non-banking assets is based on market value as per valuation report, however, settlement value is restricted to average of lowest two valuation reports obtained as per above criteria. Land acquired as non-banking assets is recorded in statement of financial position only when it is transferred in the name of the Bank and recorded in revenue records.

Provision against non-performing advances and suspended mark-up / return / interest is reversed on acquisition of non-banking assets, however, suspended mark-up is taken into profit and loss account only when it is realised in cash through sale of non-banking asset or otherwise.

Subsequent to initial recognition, these are stated at fair value less accumulated depreciation and impairment loss, if any.

Depreciation on non-banking assets is calculated in line with the depreciation method used for same class of assets in operating fixed assets.

Gains and losses on disposal of non-banking assets are recognised in the profit and loss account when the risks and rewards are transferred to the buyer.

6.13 Foreign currencies

6.13.1 Foreign currency transactions

Transactions in foreign currencies are translated to Rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in Rupee terms at the rates of exchange prevailing on the reporting date. Non-monetary assets and liabilities are translated using exchange rates that prevailed when the values were determined. Translation gains and losses are included in income currently.

Forward contracts other than contracts with the State Bank of Pakistan relating to foreign currency deposits are valued at forward rates applicable to the respective maturities of the relevant foreign exchange contracts.

Forward purchase contracts with the State Bank of Pakistan relating to foreign currency deposits are valued at the spot rate prevailing on the reporting date. The forward cover fee payable on such contracts is amortised over the term of the contracts.

6.13.2 Contingencies and commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the reporting date.

6.14 Financial instruments

6.14.1 Financial assets and liabilities

Financial assets and financial liabilities carried on the statement of financial position include cash and balances with treasury banks, balances with other banks, lendings to financial institutions, investments (excluding investment in associate), advances, certain other assets, borrowings from financial institutions, deposits, bills payable, liabilities against assets subject to finance lease and other liabilities. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

6.14.2 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value using valuation techniques. All derivative financial instruments are

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative financial instruments is taken to the profit and loss account.

6.15 Off-setting

Financial assets and financial liabilities are set-off and the net amount is reported in the financial statements when there is legally enforceable right to set-off and the Bank intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously.

6.16 Segment reporting

A segment is a distinguishable component of the Bank that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of the other segments. Segment information is presented as per the Bank's functional structure and guidance of the SBP. Following are the main business segments of the Bank:

6.16.1 Business segments

Wholesale Banking

Deposits, trade and other lending activities for corporates and financial institutions.

Treasury

This segment undertakes the Bank's treasury, money market and capital market activities. Treasury manages the asset and liability mix of the Bank and provides customers with products that meet their demand for management of liquidity, cash flow, interest rate fluctuations and foreign exchange risks.

Consumer / SME Banking

Wealth management, deposits, mortgages, auto finance, unsecured lending and SME lending (including SME trade).

All assets, liabilities, off balance sheet items and items of income and expenses are distributed in primary segments in accordance with the core functions performed by the business groups.

6.16.2 Geographical segment

The Bank conducts all its operations in Pakistan.

6.17 Deposits

Deposits are initially recorded at the amount of proceeds received. Mark-up accrued on deposits is recognised separately as part of other liabilities and is charged to the profit and loss account on a time proportionate basis.

6.18 Share capital

Ordinary shares are classified as equity and recognized at their face value. Discount on issue of shares is separately reported in statement of changes in equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

6.19 Earnings per share

The Bank presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

6.20 Fiduciary assets

Assets held in fiduciary capacity are not treated as assets of the Bank in the statement of financial position.

6.21 Subordinated loans

Subordinated loans are initially recorded at the amount of proceeds received. Mark-up on subordinated loans is charged to the profit and loss account over the period on an accrual basis and is recognised separately as part of other liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| | Note | 2017 | 2016 |
|---|------|------------------|-----------|
| | | Rupees in '000 | |
| 7. CASH AND BALANCES WITH TREASURY BANKS | | | |
| In hand | | | |
| Local currency | 7.1 | 1,747,448 | 1,870,307 |
| Foreign currencies | | 466,820 | 283,774 |
| | | 2,214,268 | 2,154,081 |
| With State Bank of Pakistan (SBP) in | 7.2 | | |
| Local currency - current account | 7.3 | 4,679,724 | 3,758,243 |
| Foreign currency - current account | | 408,339 | 349,467 |
| Foreign currency - deposit account | | 1,025,189 | 891,048 |
| | | 6,113,252 | 4,998,758 |
| With National Bank of Pakistan in | | | |
| Local currency - current account | | 85,656 | 218,123 |
| | | 8,413,176 | 7,370,962 |

7.1 This includes national prize bonds amounting to Rs. 1.84 million (2016: Rs. 2.97 million).

7.2 Deposits with SBP are maintained to comply with the statutory requirements of SBP issued from time to time.

7.3 This represents US Dollar settlement account maintained with SBP.

| | Note | 2017 | 2016 |
|---|------|------------------|---------|
| | | Rupees in '000 | |
| 8. BALANCES WITH OTHER BANKS | | | |
| In Pakistan | | | |
| In current accounts | | 116,411 | 9,250 |
| In deposit accounts | | 33 | 1,124 |
| Outside Pakistan | | | |
| In current accounts | | 101,976 | 77,374 |
| | | 218,420 | 87,748 |
| 9. LENDINGS TO FINANCIAL INSTITUTIONS | | | |
| Repurchase agreement lendings (Reverse repo) | 9.2 | 8,198,082 | 306,274 |
| Foreign placement | 9.3 | 422,567 | 400,298 |
| | | 8,620,649 | 706,572 |
| 9.1 Particulars of lending | | | |
| In local currency | | 8,198,082 | 306,274 |
| In foreign currencies | | 422,567 | 400,298 |
| | | 8,620,649 | 706,572 |
| 9.2 Securities held as collateral against lendings to financial institutions | | | |

| Note | 2017 | | | 2016 | | |
|---------------------------|---------------|-----------------------------|------------------|------------------|-----------------------------|---------|
| | Held by Bank | Further given as collateral | Total | Held by Bank | Further given as collateral | Total |
| | | | | Rupees in '000 | | |
| Market Treasury Bills | 9.2.1 / 9.2.2 | 1,808,544 | 5,259,538 | 7,068,082 | 306,274 | - |
| Pakistan Investment Bonds | 9.2.1 / 9.2.2 | 40,498 | 1,089,502 | 1,130,000 | - | - |
| | | 1,849,042 | 6,349,040 | 8,198,082 | 306,274 | - |
| | | | | | 306,274 | 306,274 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

- 9.2.1** These have been purchased under the reverse repurchase agreement at the mark-up rates ranging from 5.90% to 6.20% (2016: 6.15%) per annum with maturities upto March 2018.
- 9.2.2** The market value of collateral held against reverse repurchase agreement lendings as of December 31, 2017 is Rs. 8,275.66 million (2016: Rs. 319.88 million).
- 9.3** This has been placed with a foreign bank as pledge against issuance of Standby Letter of Credit (SBLC) favouring VISA at the interest rate of 0.65% (2016: 0.17%) per annum with maturity in November 2018.

10 INVESTMENTS - NET

| | Note | Rupees in '000 | | | | | |
|---|-------|-------------------|---------------------|-------------------|-------------------|---------------------|-------------------|
| | | 2017 | | | 2016 | | |
| | | Held by bank | Given as collateral | Total | Held by bank | Given as collateral | Total |
| 10.1 Investments by types: | | | | | | | |
| Held-for-trading securities | | | | | | | |
| - Pakistan Investment Bonds | 10.3 | 2,630,067 | - | 2,630,067 | - | - | - |
| - Shares in listed companies | | - | - | - | 12,636 | - | 12,636 |
| | | 2,630,067 | - | 2,630,067 | 12,636 | - | 12,636 |
| Available-for-sale securities | | | | | | | |
| - Market Treasury Bills | 10.3 | 10,273,974 | 8,286,497 | 18,560,471 | 11,052,340 | 15,807,762 | 26,860,102 |
| - Pakistan Investment Bonds | 10.3 | 83,880 | 12,908,809 | 12,992,689 | 574,723 | 8,476,758 | 9,051,481 |
| - GOP Ijara Sukuk | 10.3 | 3,703,816 | - | 3,703,816 | 983,045 | - | 983,045 |
| - Sukuk - Listed | 10.4 | 200,000 | - | 200,000 | - | - | - |
| - Term Finance Certificates - Listed | 10.5 | 87,500 | - | 87,500 | 100,000 | - | 100,000 |
| - Term Finance Certificates - Unlisted | 10.6 | 8,780 | - | 8,780 | 8,780 | - | 8,780 |
| - Shares in listed companies | | 25,604 | - | 25,604 | 391,190 | - | 391,190 |
| - Shares in unlisted companies | 10.7 | 5,680 | - | 5,680 | 5,680 | - | 5,680 |
| | | 14,389,234 | 21,195,306 | 35,584,540 | 13,115,758 | 24,284,520 | 37,400,278 |
| Held-to-maturity securities | | | | | | | |
| - Shares repurchase (fully provided) | | 74,910 | - | 74,910 | 74,910 | - | 74,910 |
| Associate | | | | | | | |
| - SPI Insurance Company Limited | 10.9 | 118,012 | - | 118,012 | 102,824 | - | 102,824 |
| Investments at cost | | | | | | | |
| | | 17,212,223 | 21,195,306 | 38,407,529 | 13,306,128 | 24,284,520 | 37,590,648 |
| Less: Provisions for diminution in values of investments | 10.10 | (89,370) | - | (89,370) | (89,370) | - | (89,370) |
| Investments - net of provision | | | | | | | |
| | | 17,122,853 | 21,195,306 | 38,318,159 | 13,216,758 | 24,284,520 | 37,501,278 |
| Unrealized gain / (loss) on revaluation of investments - held-for-trading - net | | 3,476 | - | 3,476 | (488) | - | (488) |
| (Deficit) / surplus on revaluation of available-for-sale securities - net | 22.1 | (1,323) | (53,577) | (54,900) | 27,986 | (40,294) | (12,308) |
| Total investments at market value | | 17,125,006 | 21,141,729 | 38,266,735 | 13,244,256 | 24,244,226 | 37,488,482 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| | | Note | 2017 Rupees in '000 | 2016 Rupees in '000 |
|--|---|----------------------|------------------------|-------------------------|
| 10.2 Investments by segments | | | | |
| Federal Government Securities | | | | |
| Market Treasury Bills | 10.3 | | 18,560,471 | 26,860,102 |
| Pakistan Investment Bonds | 10.3 | | 15,622,756 | 9,051,481 |
| GOP Ijara Sukuk | 10.3 | | 3,703,816 | 983,045 |
| | | | 37,887,043 | 36,894,628 |
| Term Finance Certificate, Debentures, Bonds and Participation Term Certificates | | | | |
| Sukuk - Listed | 10.4 | | 200,000 | - |
| Term Finance Certificates - Listed | 10.5 | | 87,500 | 100,000 |
| Term Finance Certificates - Unlisted | 10.6 | | 8,780 | 8,780 |
| | | | 296,280 | 108,780 |
| Fully paid-up ordinary shares | | | | |
| Listed companies | | | 25,604 | 403,826 |
| Unlisted companies | 10.7 | | 5,680 | 5,680 |
| | | | 31,284 | 409,506 |
| Other investments | | | | |
| Investment in associate | 10.9 | | 118,012 | 102,824 |
| Shares repurchase (fully provided) | | | 74,910 | 74,910 |
| | | | 192,922 | 177,734 |
| Investments at cost | | | 38,407,529 | 37,590,648 |
| Less : Provision for diminution in the value of investments | 10.10 | | (89,370) | (89,370) |
| Investments - net of provision | | | 38,318,159 | 37,501,278 |
| Unrealized gain / (loss) on revaluation of held-for-trading investments - net | | | 3,476 | (488) |
| (Deficit) / surplus on revaluation of available-for-sale securities - net | 22.1 | | (54,900) | (12,308) |
| Total investments at market value | | | 38,266,735 | 37,488,482 |
| 10.2.1 Strategic investments | | | | |
| Available-for-sale securities | | | | |
| Ordinary shares - Unlisted | 10.7 | | 5,680 | 5,680 |
| Associate | | | | |
| SPI Insurance Company Limited | 10.9.1 | | 118,012 | 102,824 |
| | | | 123,692 | 108,504 |
| 10.3 Particulars of Federal Government securities | | | | |
| | Note | Maturity period | Principal payment | Coupon rate / yield |
| | | | | Coupon mark-up/ payment |
| Market Treasury Bills | 10.3.1 | Feb 2018 to Jun 2018 | On maturity | 5.98% to 5.99% |
| Pakistan Investment Bonds | 10.3.2 | Mar 2018 to Jul 2022 | On maturity | 7.00% to 12.00% |
| GOP Ijara Sukuk | | Dec 2018 to Jun 2020 | On maturity | 5.24% to 6.10% |
| 10.3.1 | These include securities having face value of Rs. 740 million (2016: Rs. 704.5 million) pledged with United Bank Limited for Global Industrial and Defence Solutions, Pakistan as guarantor. | | | |
| 10.3.2 | These include securities having face value of Rs. 35 million (2016: 47.70 million) pledged with SBP as security to facilitate T.T. discounting facilities sanctioned to branches of the Bank. | | | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| | | 2017 | | 2016 | |
|---------------|--|---|------------------------------|-----------------------|-----------------|
| | | Credit rating | Amount | Credit rating | Amount |
| | | | Rupees in '000 | | Rupees in '000 |
| 10.4 | Sukuk - Listed | | | | |
| | Byco Petroleum Pakistan Limited | AAA | 200,000 | -- | -- |
| 10.4.1 | Particulars of Listed Sukuk | | | | |
| | Particulars | Redemption terms | Profit rate per annum | Profit payment | Maturity |
| | Byco Petroleum Pakistan Limited | In 12 quarterly instalments starting from April 2019 | 3M KIBOR + 1.05% | Quarterly | 18-Jan-22 |
| | | 2017 | | 2016 | |
| | | Credit rating | Amount | Credit rating | Amount |
| | | | Rupees in '000 | | Rupees in '000 |
| 10.5 | Term Finance Certificates - Listed | | | | |
| | Jahangir Siddiqui Company Limited | AA+ | 87,500 | AA+ | 100,000 |
| 10.5.1 | Particulars of Listed Term Finance Certificates | | | | |
| | Particulars | Redemption terms | Profit rate per annum | Profit payment | Maturity |
| | Jahangir Siddiqui Company Limited | In 8 semi-annual installments starting from December 2017 | 6M KIBOR + 1.65% | Semi-annually | 24-Jun-21 |
| | | 2017 | | 2016 | |
| | | Note | Credit rating | Amount | Credit rating |
| | | | | Rupees in '000 | Rupees in '000 |
| 10.6 | Term Finance Certificates - Unlisted | | | | |
| | Azgard Nine Limited (fully provided) | 10.6.1 | Unrated | 8,780 | Unrated |
| 10.6.1 | These represent zero coupon privately placed TFCs of Azgard Nine Limited (related party) acquired against mark-up settlement of Rs. 8.78 million on the credit facilities provided to Azgard Nine Limited. The amount is fully provided for in these financial statements. | | | | |
| 10.6.2 | This represents impairment on shares of Agritech Limited (related party), which were disposed off during the year in listed equity securities transaction, as disclosed in note 14.4. | | | | |
| 10.7 | These represent investment in shares of Pakistan Export Finance Guarantee Limited. The amount is fully provided for in these financial statements. | | | | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| 10.8 | Quality of 'available-for-sale' securities | Note | 2017 | | 2016 | |
|--|--|------|---------------|--------------------------------|---------------|--------------------------------|
| | | | Credit rating | Market value Rupees in '000 | Credit rating | Market value Rupees in '000 |
| Market Treasury Bills | | | Unrated | 18,558,146 | Unrated | 26,844,860 |
| Pakistan Investment Bonds | | | Unrated | 12,939,522 | Unrated | 9,003,567 |
| GOP Ijara Sukuk | | | Unrated | 3,697,391 | Unrated | 981,480 |
| Listed Sukus | | | | | | |
| Byco Petroleum Pakistan Limited | | | AAA | 201,250 | - | - |
| Listed Term Finance Certificates | | | | | | |
| Jahangir Siddiqui Company Limited | | | AA+ | 89,327 | AA+ | 103,111 |
| Unlisted Term Finance Certificates | | | | | | |
| Azgard Nine Limited - related party | 10.6.1 | | Unrated | - | Unrated | - |
| Shares in Listed Companies | | | | | | |
| Agritech Limited - related party | 10.6.2 | | -- | - | Unrated | 129,755 |
| AKD Capital Limited | | | Unrated | 29,544 | Unrated | 45,507 |
| Arif Habib Corporation Limited - related party | | | -- | - | Unrated | 25,168 |
| Dawood Hercules Chemicals Limited | | | -- | - | AA- | 4,330 |
| Engro Corporation Limited | | | -- | - | AA | 7,714 |
| Fauji Fertilizer Company Limited | | | -- | - | AA | 36,529 |
| Javedan Corporation Limited - related party | | | -- | - | Unrated | 95,818 |
| K-Electric Limited | | | -- | - | AA | 4,685 |
| Nishat Chunian Power Limited | | | -- | - | Unrated | 26,076 |
| Pakistan Telecommunication Limited | | | -- | - | Unrated | 54,005 |
| Sui Southern Gas Company Limited | | | -- | - | A+ | 10,905 |
| | | | | 29,544 | | 440,492 |
| Shares in Unlisted Companies | | | | | | |
| Pakistan Export Finance Guarantee Limited | 10.7 | | Unrated | - | Unrated | - |
| | | | | 35,515,180 | | 37,373,510 |

| 10.9 | Investment in associate | | | | | |
|--------|--|-------------------------|--------------|----------------------------------|------------------------|--------------------|
| | Name of Company | Chief Executive Officer | No.of Shares | Proportion of ownership interest | Place of incorporation | Principal activity |
| | SPI Insurance Company Limited | Mian M. A. Shahid | 10,613,969 | 23.08%(2016: 23.08%) | Pakistan | General Insurance |
| | | | | | 2017 | 2016 |
| | | | | | Note | Rupees in '000 |
| 10.9.1 | Movement in investment in associate | | | | | |
| | Investment at the beginning of the year | | | | 102,824 | 85,002 |
| | Share of profit | | | 29 | 3,651 | 17,822 |
| | Subscription of right shares | | | | 11,537 | - |
| | | | | | 15,188 | 17,822 |
| | | | | | 118,012 | 102,824 |

10.9.2 Summarised financial information in respect of associate based on latest available (un-audited) financial statements as at and for the nine months period September 30, 2017 is set out below:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

September 30, 2017 September 30, 2016
Rupees in '000

| | | |
|--|----------------|----------------|
| Total assets | 1,103,355 | 949,867 |
| Total liabilities | 596,737 | 507,700 |
| Net assets | <u>506,618</u> | <u>442,167</u> |
| Net premium revenue | 410,245 | 403,672 |
| Profit for the period (after tax) | 26,405 | 44,950 |

- 10.9.2.1** Summarized financial information of associate is based on financial information for the nine months ended September 30, 2017 because financial statements of associate for the year ended December 31, 2017 are not available at the time of authorisation for issue of these financial statements. There is no material difference between the proportionate share of net assets of associate and its carrying value accounted on equity method. Therefore, no reconciliation is required.

- 10.9.2.2** There is no share of commitments from associate as at September 30, 2017 and 2016.

| | 2017 | 2016 |
|--|----------------|---------------|
| | Rupees in '000 | |
| 10.10 Particulars of provision | | |
| Opening balance | 89,370 | 89,370 |
| Charge for the year | - | - |
| Reversals for the year | - | - |
| Write off | - | - |
| Closing balance | <u>89,370</u> | <u>89,370</u> |
| 10.11 Particulars of provision in respect of type and segment | | |
| Available-for-sale securities | | |
| Ordinary shares - Unlisted | 5,680 | 5,680 |
| Term Finance Certificates - Unlisted | 8,780 | 8,780 |
| | <u>14,460</u> | <u>14,460</u> |
| Held-to-maturity securities | | |
| Shares repurchase | 74,910 | 74,910 |
| | <u>89,370</u> | <u>89,370</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

10.12 Investment in Un-listed Shares, Listed and Unlisted Term Finance Certificates and Sukus

10.12.1 Investment in fully paid up Unlisted Ordinary Shares (fully provided)

| 2017 No. of ordinary shares | 2016 No. of ordinary shares | Paid up value per share (Rupees) | Name of investee | 2017 Rupees in '000 | 2016 Rupees in '000 |
|--------------------------------|--------------------------------|----------------------------------|---|------------------------|------------------------|
| 568,000 | 568,000 | 10 | Pakistan Export Finance Guarantee Limited | 5,680 | 5,680 |

10.12.2 Sukus - Listed

| Name of investee | No. of certificates held | Paid up value per certificate (Rupees) | 2017 Rupees in '000 | 2016 Rupees in '000 |
|---------------------------------|--------------------------|--|------------------------|------------------------|
| Byco Petroleum Pakistan Limited | 2,000 | 100,000 | 200,000 | - |

10.12.3 Term Finance Certificates - Listed

| Name of investee | No. of certificates held | Paid up value per certificate (Rupees) | 2017 Rupees in '000 | 2016 Rupees in '000 |
|-----------------------------------|--------------------------|--|------------------------|------------------------|
| Jahangir Siddiqui Company Limited | 20,000 | 5,000 | 87,500 | 100,000 |

10.12.4 Term Finance Certificates - Un-listed

| Name of investee | No. of certificates held | Paid up value per certificate (Rupees) | 2017 Rupees in '000 | 2016 Rupees in '000 |
|-------------------------------------|--------------------------|--|------------------------|------------------------|
| Azgard Nine Limited - related party | 1,756 | 5,000 | 8,780 | 8,780 |

11. ADVANCES - NET

| | Note | 2017 Rupees in '000 | 2016 Rupees in '000 |
|--|-----------------|------------------------|------------------------|
| Loans, cash credits, running finances, etc. | | | |
| In Pakistan | | 72,334,524 | 60,815,570 |
| Outside Pakistan | | - | - |
| | | 72,334,524 | 60,815,570 |
| Islamic financing and related assets | 11.1.3 & 11.1.4 | 17,527,355 | 8,222,658 |
| Bills discounted and purchased (excluding market treasury bills) | | | |
| Payable in Pakistan | | 125,839 | 83,647 |
| Payable outside Pakistan | | 150,066 | 190,310 |
| | | 275,905 | 273,957 |
| Advances - gross | | 90,137,784 | 69,312,185 |
| Provision against non-performing advances - specific | 11.3 | (3,730,789) | (4,031,008) |
| Provision against small enterprise and consumer advances - general | 11.3 | (556,280) | (478,549) |
| Advances net of provision | | 85,850,715 | 64,802,628 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| | Note | 2017 Rupees in '000 | 2016 Rupees in '000 |
|--|---|------------------------|------------------------|
| 11.1 Particulars of advances (Gross) | | | |
| 11.1.1 In local currency | | 90,137,784 | 69,312,185 |
| In foreign currencies | | <u>-</u> | <u>-</u> |
| | | 90,137,784 | 69,312,185 |
| 11.1.2 Short term (for upto one year) | | 42,228,867 | 33,946,240 |
| Long term (for over one year) | | 47,908,917 | 35,365,945 |
| | | 90,137,784 | 69,312,185 |
| 11.1.3 Islamic financing and related assets | Annexure -II | | |
| Murabaha | 11.1.3.1 | 1,017,436 | 1,228,192 |
| Musawammah | 11.1.3.2 | 642,768 | 887,155 |
| Diminishing Musharaka | | 15,867,151 | 6,107,311 |
| | 11.1.4 | 17,527,355 | 8,222,658 |
| 11.1.3.1 Murabaha | | | |
| Financing Advances | 11.1.3.1.1 | 910,838 | 683,057 |
| | | 106,598 | 545,135 |
| | | 1,017,436 | 1,228,192 |
| 11.1.3.1.1 Murabaha - gross | | | |
| Less: Deferred Murabaha Income | | 1,152,338 | 1,323,877 |
| Profit receivable shown in other assets | | (27,363) | (28,413) |
| Murabaha | | (107,539) | (67,272) |
| | | 1,017,436 | 1,228,192 |
| 11.1.3.2 Musawammah - gross | | | |
| Less: Deferred income | | 807,609 | 1,181,709 |
| Profit receivable shown in other assets | | (71,863) | (164,585) |
| Musawammah | | (92,978) | (129,969) |
| | | 642,768 | 887,155 |
| 11.1.4 | This includes financing amounting to Rs. 14.218 billion extended to certain performing borrowers primarily in general trading business, which are mainly secured against mortgage of undeveloped / underdeveloped properties, in certain areas of Karachi and Gadani. The market values of these properties amounting to Rs. 25.068 billion (at the time of sectioning of loans) have been evaluated based on the valuation reports from the approved list of valuers of Pakistan Banks' Association. | | |
| 11.2 | Advances include Rs. 5,860 million (2016: Rs. 5,820 million) which have been placed under non-performing status as detailed below: | | |

| Category of classification - specific | 2017 | | | 2016 | | |
|---------------------------------------|------------------------|-------------------------------------|-------------------|------------------------|-------------------------------------|-------------------|
| | Classified advances | Provision required (Domestic) | Provision held | Classified advances | Provision required (Domestic) | Provision held |
| | Rupees in '000 | | | | | |
| Sub-standard | 663,102 | 79,824 | 79,824 | 573,288 | 114,248 | 114,248 |
| Doubtful | 857,525 | 128,389 | 128,389 | 209,794 | 43,153 | 43,153 |
| Loss | 4,339,175 | 3,522,576 | 3,522,576 | 5,037,243 | 3,873,607 | 3,873,607 |
| | 5,859,802 | 3,730,789 | 3,730,789 | 5,820,325 | 4,031,008 | 4,031,008 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

11.3 Particulars of provision against non-performing advances

| Note | | 2017 | | | 2016 | | |
|-------------------------|-----------------|------------------|----------------|------------------|----------------|-----------|-------------|
| | | Specific | General | Total | Specific | General | Total |
| | | Rupees in '000 | | | Rupees in '000 | | |
| Opening balance | | 4,031,008 | 478,549 | 4,509,557 | 5,455,331 | 515,802 | 5,971,133 |
| Charge for the year | | 991,287 | 100,570 | 1,091,857 | 1,054,580 | 70,228 | 1,124,808 |
| Reversals | 11.3.1 & 11.3.2 | (692,011) | (22,839) | (714,850) | (1,063,587) | (107,481) | (1,171,068) |
| Net charge / (reversal) | | 299,276 | 77,731 | 377,007 | (9,007) | (37,253) | (46,260) |
| Amounts written off | 11.5 | (599,495) | - | (599,495) | (1,415,316) | - | (1,415,316) |
| Closing balance | | 3,730,789 | 556,280 | 4,287,069 | 4,031,008 | 478,549 | 4,509,557 |

11.3.1 This includes reversal of provision of Rs. 388 million (2016: Rs. 287 million) against certain non-performing loans due to sell off of debt / assignment of Bank's rights to a partnership concern (2016: a private company) under "Debt-Property Swap" transaction, as disclosed in note 14.2.

11.3.2 This also includes reversal of provision of Rs. 26 million (2016: Rs. 594 million) against non performing loans of certain borrowers under 'Debt Property Swap' transactions, as disclosed in note 14.3.

11.3.3 As at December 31, 2017, the Bank has availed benefit of relaxation provided by SBP vide its letter dated January 04, 2018 from the requirements of Regulation R-8 of Prudential Regulation for Corporate / Commercial Banking amounting to Rs. 160 million till September 30, 2018.

11.3.4 SBP vide various circulars has amended Prudential Regulations in respect of provisioning against non-performing advances under which the benefit of Forced Sale Value (FSV) has been allowed for plant and machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing advances upto five years from the date of classification.

As of December 31, 2017, total FSV benefit taken against all loans and advances amounts to Rs. 615 million (2016: Rs. 668 million), net of tax, which shall not be available for payment of cash or stock dividend / bonus to employees.

11.4 Particulars of provision for small enterprise and consumer advances - general

| | | 2017 | 2016 |
|------------------------|--|----------------|-----------|
| Rupees in '000 | | | |
| Opening balance | | 478,549 | 515,802 |
| Charge for the year | | 100,570 | 70,228 |
| Reversals | | (22,839) | (107,481) |
| Closing balance | | 77,731 | (37,253) |
| | | 556,280 | 478,549 |

11.4.1 As per Prudential Regulations for consumer financing issued by the SBP, percentage of reserve is linked to non-performing loans to gross loans ratio. Consequently, the general provision on consumer financing is maintained at 4% (2016: 4%) of unsecured portfolio of the Bank.

| 11.5 | Particulars of write offs | Note | 2017 | | 2016 | |
|---------------|---|------------|----------------|-----------|----------------|---|
| | | | Rupees in '000 | | Rupees in '000 | |
| 11.5.1 | Against provision | | 599,495 | 1,415,316 | - | - |
| | Directly charged to profit and loss account | | - | - | - | - |
| 11.5.2 | Write offs of Rs. 500,000 and above | | 228,035 | 957,533 | - | - |
| | Write offs of below Rs. 500,000 | Annexure I | 371,460 | 457,783 | - | - |
| | | | 599,495 | 1,415,316 | - | - |

11.5.3 Details of loan write off of Rs. 500,000 and above

In terms of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962 the statement in respect of written-off loans or any other financial relief of Rs. 500,000 or above allowed to a person(s) during the year ended December 31, 2017 is given in Annexure - I. However, these write-offs do not affect the Bank's right to recover the debts from these customers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| | Note | 2017 | 2016 |
|---|---|--------------------|------------------|
| | | Rupees in '000 | |
| 11.6 Particulars of loans and advances to directors, associated companies, etc. | | | |
| Debts due by directors, executives or officers of the Bank or any of them either severally or jointly with any other persons | | | |
| Balance at the beginning of the year | | 2,361,286 | 2,163,833 |
| Loans granted during the year | | 678,659 | 610,852 |
| Repayments / adjustments | | (399,605) | (413,399) |
| Balance at the end of the year | 11.6.1 | 2,640,340 | 2,361,286 |
| Debts due by companies or firms in which the directors of the Bank are / (were) interested as directors, partners or in the case of private companies as members | | | |
| Balance at the beginning of the year | | 1,045,134 | 1,677,659 |
| Loans granted during the year | | 2,956,130 | 1,952,181 |
| Repayments / adjustment | | (2,624,276) | (2,584,706) |
| Balance at the end of the year | | 1,376,988 | 1,045,134 |
| 11.6.1 | This includes loans of Rs. 33.47 million (2016: Rs. 56.36 million) and Rs. 25.35 million (2016: Rs. 34.04 million) given to President and Executive Director of the Bank. | | |
| Details of loans and advances to associates, subsidiary and other related parties are given in note 41. | | | |
| | Note | 2017 | 2016 |
| | | Rupees in '000 | |
| 12. OPERATING FIXED ASSETS | | | |
| Capital work-in-progress | 12.1 | 270,152 | 146,971 |
| Property and equipment | 12.2 | 3,704,089 | 3,711,255 |
| Intangible assets | 12.4 | 202,505 | 242,993 |
| | | 4,176,746 | 4,101,219 |
| 12.1 Capital work-in-progress | | | |
| Civil works | | 89,089 | 49,455 |
| Advances to suppliers and contractors | | 181,063 | 97,516 |
| | | 270,152 | 146,971 |
| 12.1.1 Movement in capital work-in-progress | | | |
| Opening balance | | 146,971 | 242,621 |
| Additions during the year | | 672,601 | 428,396 |
| Transferred to property, equipment and intangible assets | | (549,420) | (524,046) |
| Closing balance | | 270,152 | 146,971 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

12.2 Property and equipment

| | 2017 | | | | | | | | | | |
|---|------------------------|------------|-----------|-----------------------|--------------------------|------------------------|------------|---------------------|-------------------------|--|----------------------|
| | Cost / Revalued Amount | | | | Accumulated Depreciation | | | | | Net Book value as at December 31, 2017 | Rate of depreciation |
| | As at January 01, 2017 | Adjustment | Additions | Disposals / Write off | As at December 31, 2017 | As at January 01, 2017 | Adjustment | Charge for the year | (Disposals / Write off) | As at December 31, 2017 | |
| Rupees in '000 | | | | | | | | | | | |
| Owned assets | | | | | | | | | | | |
| Freehold Land - 12.2.1 | 72,339 | - | 4,343 | - | 76,682 | - | - | - | - | 76,682 | - |
| Leasehold Land - 12.2.1 & 12.3 | 1,907,321 | - | - | - | 1,907,321 | - | - | - | - | 1,907,321 | - |
| Buildings on leasehold land - 12.3 | 834,546 | - | - | (43,734) | 790,812 | 236,581 | - | 41,179 | (19,137) | 258,623 | 532,189 5% |
| Buildings on freehold land | 10,306 | - | 5,119 | - | 15,425 | 4,368 | - | 728 | - | 5,096 | 10,329 5% |
| Leasehold improvements | 1,086,726 | - | 122,676 | (114,563) | 1,094,839 | 689,115 | - | 90,612 | (83,518) | 696,209 | 398,630 10% |
| Furniture and fixtures | 339,017 | - | 25,516 | (24,189) | 340,344 | 205,149 | - | 27,530 | (19,558) | 213,121 | 127,223 10% |
| Other equipment | 553,313 | (103) | 64,875 | (24,285) | 593,800 | 406,160 | (103) | 45,977 | (22,671) | 429,363 | 164,437 20% |
| Computers and MIS equipment | 989,515 | 103 | 66,754 | (10,505) | 1,045,867 | 887,433 | 103 | 63,138 | (10,238) | 940,436 | 105,431 20% -33.33% |
| Vehicles | 599,452 | - | 213,939 | (145,823) | 667,568 | 263,987 | - | 115,619 | (86,414) | 293,192 | 374,376 20% |
| | 6,392,535 | - | 503,222 | (363,099) | 6,532,658 | 2,692,793 | - | 384,783 | (241,536) | 2,836,040 | 3,696,618 |
| Assets held under finance lease: | | | | | | | | | | | |
| Other Equipment | 20,215 | - | - | - | 20,215 | 8,702 | - | 4,042 | - | 12,744 | 7,471 20% |
| | 6,412,750 | - | 503,222 | (363,099) | 6,552,873 | 2,701,495 | - | 388,825 | (241,536) | 2,848,784 | 3,704,089 |
| | 2016 | | | | | | | | | | |
| | Cost / Revalued Amount | | | | Accumulated Depreciation | | | | | Net Book value as at December 31, 2016 | Rate of depreciation |
| | As at January 01, 2016 | Adjustment | Additions | (Disposals) | As at December 31, 2016 | As at January 01, 2016 | Adjustment | Charge for the year | (Disposals) | As at December 31, 2016 | |
| Rupees in '000 | | | | | | | | | | | |
| Owned assets | | | | | | | | | | | |
| Freehold Land - 12.2.1 | 326,484 | - | - | (254,145) | 72,339 | - | - | - | - | 72,339 | - |
| Leasehold Land - 12.2.1 & 12.3 | 1,907,321 | - | - | - | 1,907,321 | - | - | - | - | 1,907,321 | - |
| Buildings on leasehold land - 12.3 | 957,461 | - | - | (122,915) | 834,546 | 222,221 | 43,287 | (28,927) | 236,581 | 597,965 | 5% |
| Buildings on freehold land | 10,306 | - | - | - | 10,306 | 3,852 | - | 516 | - | 4,368 | 5,938 5% |
| Leasehold improvements | 980,648 | - | 120,523 | (14,445) | 1,086,726 | 611,768 | - | 90,787 | (13,440) | 689,115 | 397,611 10% |
| Furniture and fixtures | 278,547 | - | 60,648 | (178) | 339,017 | 181,646 | - | 23,663 | (160) | 205,149 | 133,868 10% |
| Other equipment | 460,900 | (4,613) | 102,334 | (5,308) | 553,313 | 382,532 | (1,418) | 29,480 | (4,434) | 406,160 | 147,153 20% |
| Computers and MIS equipment | 896,758 | 10,653 | 83,542 | (1,438) | 989,515 | 832,899 | 2,792 | 53,117 | (1,375) | 887,433 | 102,082 20% -33.33% |
| Vehicles | 595,971 | - | 114,801 | (111,320) | 599,452 | 227,907 | - | 108,967 | (72,887) | 263,987 | 335,465 20% |
| | 6,414,396 | 6,040 | 481,848 | (509,749) | 6,392,535 | 2,462,825 | 1,374 | 349,817 | (121,223) | 2,692,793 | 3,699,742 |
| Assets held under finance lease: | | | | | | | | | | | |
| Other equipment | 18,194 | (1) | 2,022 | - | 20,215 | 4,659 | - | 4,043 | - | 8,702 | 11,513 20% |
| | 6,432,590 | 6,039 | 483,870 | (509,749) | 6,412,750 | 2,467,484 | 1,374 | 353,860 | (121,223) | 2,701,495 | 3,711,255 |

12.2.1 These include land and buildings revalued in 2008 by Habib Associates, an independent valuer. The revaluation resulted in a surplus of Rs. 118.67 million. Had there been no revaluation, the carrying value of the revalued land and buildings would have been lower by Rs. 62.64 million (2016: Rs. 80.51 million). The Bank's land and buildings were again revalued in financial year 2015, however, no revaluation surplus or deficit was recorded as the revalued amounts were not materially different from carrying values.

12.3 On September 10, 2015, the Bank entered into an Agreement to Sell (the Agreement) for the previous Head Office Building of the Bank against sale consideration of Rs. 2,370 million. Pursuant to the terms of the Agreement, the Bank received a down payment of Rs. 118.50 million, which is currently reported in 'Other liabilities' (note 20). The remaining balance is required to be paid by the buyer within 5 years from the date of the Agreement. As per the terms of the Agreement, the buyer agreed to pay annual rent based on the outstanding amount of consideration from the date of receipt of approvals from relevant authorities, however, on June 28, 2016, the buyer has provided the consent to pay annual rent with effect from July 1, 2016. During the year, the Bank has recorded rental income amounting to Rs. 157 million (2016: Rs. 78.80 million) as other income (note 29.1). As per the terms of the Agreement, in case the buyer fails to pay the amount of rent or balance sale consideration, the advance received of 5% shall stand forfeited. Since the conditions to recognise disposal are not met, the Head Office Building has not been derecognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

12.4 Intangible assets

| | 2017 | | | | | | | | Net Book value as at December 31, 2017 | Rate of Amortization | | |
|-------------------|------------------------------|--------------------------|-------------------------------|------------------------------|--------------------------|------------------------|-------------------------------|---------|---|-------------------------|--|--|
| | Cost | | Accumulated Amortization | | | | | | | | | |
| | As at January 01, 2017 | Adjustment / Transfer | As at December 31, 2017 | As at January 01, 2017 | Adjustment / Transfer | Charge for the year | As at December 31, 2017 | | | | | |
| Rupees in '000 | | | | | | | | | | | | |
| Computer software | 824,376 | - | 46,198 | 870,574 | 581,383 | - | 86,686 | 668,069 | 202,505 | 10%-25% | | |

| | 2016 | | | | | | | | Net Book value as at December 31, 2016 | Rate of Amortization | | |
|-------------------|------------------------------|--------------------------|-------------------------------|------------------------------|--------------------------|------------------------|-------------------------------|---------|---|-------------------------|--|--|
| | Cost | | Accumulated Amortization | | | | | | | | | |
| | As at January 01, 2016 | Adjustment / Transfer | As at December 31, 2016 | As at January 01, 2016 | Adjustment / Transfer | Charge for the year | As at December 31, 2016 | | | | | |
| Rupees in '000 | | | | | | | | | | | | |
| Computer software | 790,239 | (6,039) | 40,176 | 824,376 | 501,318 | (1,374) | 81,439 | 581,383 | 242,993 | 10% -25% | | |

2017 **2016**

Rupees in '000

12.5 The gross carrying amount of fully depreciated assets that are still in use is as follows:

| | | |
|--|------------------|------------------|
| Furniture, electrical, office, computer equipment and others | 1,241,678 | 1,155,430 |
| Leasehold improvements | 266,364 | 213,234 |
| Vehicles | 63,899 | 50,711 |
| Intangible assets | 216,710 | 143,490 |
| | 1,788,651 | 1,562,865 |

12.6 Details of disposal of fixed assets - By negotiations / Bank policy

| Description | Date of capitalization | Date of disposal | Cost | Accumulated depreciation | Book value | Sale proceeds | Gain / (Loss) | Mode of disposal | Particulars of purchaser |
|---|------------------------|------------------------|----------------|--------------------------|------------|---------------|----------------|------------------|--------------------------------|
| Items having book value in aggregate more than Rs.250,000 or cost more than Rs.1,000,000 | | | | | | | | | |
| Rupees in '000 | | | | | | | | | |
| Building on leasehold land | | | | | | | | | |
| Business Arcade, Plot 27A Block 6 PECHS, Karachi | 8-Oct-07 | 8-Nov-17 | 43,734 | 19,137 | 24,597 | 32,500 | 7,903 | Indirect | Sajid Wazir Khan |
| Other Equipments | | | | | | | | | |
| Daikool Precision Ac Crac Units 165 Tons Capacitv Generator Fg Wilson 40 Kva Model P40 | 3-Jan-13 14-Jun-10 | 29-Dec-17 29-Dec-17 | 2,888 4,162 | 1,941 3,503 | 947 659 | - - | (947) (659) | Tender Tender | M. Shafi Rahi M. Shafi Rahi |
| | | | 7,050 | 5,444 | 1,606 | - | (1,606) | | |
| Vehicles | | | | | | | | | |
| Toyota Passp Model 2012 Chassis # 0114573 | 1-Oct-14 | 16-Jan-17 | 1,039 | 468 | 571 | 571 | - | Bank employee | Zainab Khan |
| Honda Civic Vti P/T Sr Chassis # Nfbfb 2668Dr105229 | 3-Apr-13 | 16-Jan-17 | 2,333 | 1,749 | 584 | 622 | 38 | Bank employee | Jamil A Khan |
| Toyota Altis Cvt Grande Chassis # Zre 172R-7008980 | 11-Jun-15 | 18-Jan-17 | 1,772 | 561 | 1,211 | 1,211 | - | Bank employee | Abbas Ali Chaudry |
| Honda Civic Chassis No Nfbfd-16757R103701 | 6-Mar-13 | 19-Jan-17 | 1,010 | 774 | 236 | 236 | - | Bank employee | Syed Tajjamul Mehdi |
| Honda City A/T Silver Mitalic Chassis # Nfbgm 1646Cr129096 | 27-Jul-12 | 1-Feb-17 | 1,638 | 1,501 | 137 | 137 | - | Bank employee | Muhammad Raizuddin |
| Mercedes Benz Chassis # Wdd204062A062418 | 27-Nov-12 | 6-Feb-17 | 2,332 | 1,982 | 350 | 350 | - | Bank employee | Shahram Raza Bakhtiar |
| Honda City Chassis # Nfbgm1646Fr168498 | 1-Jul-15 | 24-Feb-17 | 1,039 | 329 | 710 | 710 | - | Bank employee | Muhammad Ashraf |
| Toyota Altis Reg # Axe-019, Engine # Q008856 | 10-Apr-12 | 15-Mar-17 | 2,023 | 1,989 | 34 | 34 | - | Bank employee | Shuja Ahmed Alvi |
| Honda Civic Vti P/T Sr, Chassis # Nfbfb 2662Dr113956 | 21-Jan-14 | 20-Mar-17 | 2,416 | 1,530 | 886 | 886 | - | Bank employee | Talha Saeed |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| Description | Date of capitalization | Date of disposal | Cost | Accumulated depreciation | Book value | Sale proceeds | Gain / (Loss) | Mode of disposal | Particulars of purchaser |
|---|------------------------|-----------------------|-------|--------------------------|------------|---------------|---------------|------------------|---------------------------|
| Items having book value in aggregate more than Rs.250,000 or cost more than Rs.1,000,000 | | Rupees in '000 | | | | | | | |
| Honda City Silver Metallic | | | | | | | | | |
| Chassis # Nfbgm1548 Cr129294 | 20-Jul-12 | 24-Mar-17 | 1,176 | 1,098 | 78 | 78 | - | Bank employee | Abdul Rauf Mutti |
| Honda City Aspire 1.3 AT 1.3Cc | 24-Mar-17 | 29-Mar-17 | 1,327 | - | 1,327 | 1,327 | - | Bank employee | Syed Muneer Akhtar Zaidi |
| Suzuki Cultus Vxri | | | | | | | | | |
| Chassis # St410Pk530883 | 23-May-16 | 4-Apr-17 | 1,099 | 201 | 898 | 898 | - | Bank employee | Naveed Iqbal |
| Mercedes Benz Engine | | | | | | | | | |
| Chassis # Wdc 2030462 R252305 | 10-Apr-12 | 7-Apr-17 | 1,626 | 1,626 | - | - | - | Bank employee | Umair Bin Moin |
| Bmw316,Color White | | | | | | | | | |
| Chassis # Wba3A1206Dj720168 | 27-Aug-15 | 19-Apr-17 | 2,388 | 796 | 1,592 | 1,592 | - | Bank employee | Jawad Majid Khan |
| Suzuki Swift Dx | | | | | | | | | |
| Chassis # Rs413Pk10014078 | 11-Aug-15 | 5-May-17 | 1,039 | 329 | 710 | 710 | - | Bank employee | Muhammad Aun Abbas Khan |
| Suzuki Wagon R Vxl | | | | | | | | | |
| Chassis# Nfbfb2663Er118083 | 5-May-17 | 5-May-17 | 1,069 | - | 1,069 | 1,069 | - | Bank employee | Syed Zafferuddin Ahmed |
| Toyota Premio | | | | | | | | | |
| Chassis # Zrt260-3006765 | 23-May-13 | 8-May-17 | 2,102 | 1,682 | 420 | 420 | - | Bank employee | Muniza Sheikh |
| Honda City Silver Metalic | | | | | | | | | |
| Engine # L13Zl-3430802 | 11-Jun-12 | 23-May-17 | 1,176 | 1,156 | 20 | 20 | - | Bank employee | Syed Qasim Banuri |
| Honda Civic Vt Silver Metalic | | | | | | | | | |
| Chassis# Nfbfb2663Er118083 | 19-Jun-14 | 23-May-17 | 1,282 | 748 | 534 | 534 | - | Bank employee | Syed Fasih Haider Burney |
| Toyota Altis Bronze Mica | | | | | | | | | |
| Chassis# Zre171R-6010542 | 20-Sep-16 | 23-May-17 | 1,806 | 241 | 1,565 | 1,565 | - | Bank employee | Naveed Mushtaq |
| Suzuki Swift Dx | | | | | | | | | |
| Chassis # Rs413Pk10023819 | 24-Jun-14 | 5-Jun-17 | 1,282 | 748 | 534 | 534 | - | Bank employee | Gulzar Hussain |
| Suzuki Cultus Vxri | | | | | | | | | |
| Chassis # St410Pk502949 | 21-Jul-14 | 5-Jun-17 | 1,039 | 606 | 433 | 433 | - | Bank employee | Cheryl Tellis |
| Toyota Corolla Gli | | | | | | | | | |
| Chassis # Nze140-2142632 | 26-Jun-12 | 6-Jun-17 | 1,607 | 1,607 | - | - | - | Bank employee | Syed Asif Saeed |
| Toyota Land Cruiser Prado | | | | | | | | | |
| Chassis # Trj1205025816 | 6-May-16 | 6-Jun-17 | 2,406 | 521 | 1,885 | 1,885 | - | Bank employee | Kasim Feroze Khan |
| Honda City Aspire | | | | | | | | | |
| Chassis# Nfbgm155Xhr1 99010 | 7-Feb-17 | 7-Jun-17 | 1,129 | 75 | 1,054 | 1,054 | - | Bank employee | Waqar UI Hassan |
| Toyota Corolla Gli | | | | | | | | | |
| Chassis # Nze140- 2136073 | 21-Jun-12 | 8-Jun-17 | 1,176 | 1,176 | - | - | - | Bank employee | Muhammad Ashfaq Qureshi |
| Suzuki Cultus Vxri | | | | | | | | | |
| Chassis # St410Pk503426 | 15-Aug-14 | 8-Jun-17 | 1,039 | 589 | 450 | 450 | - | Bank employee | Rahim Sadruddin |
| Toyota Corolla Xli | | | | | | | | | |
| Reg # Led-10-5001 | 22-Jun-12 | 9-Jun-17 | 1,176 | 1,176 | - | - | - | Bank employee | Malik Mukhtar Ahmed |
| Toyota Corolla Gli | | | | | | | | | |
| Chassis # Nze140-2142617 | 27-Jun-12 | 13-Jun-17 | 1,176 | 1,176 | - | - | - | Bank employee | Javed Akhtar |
| Suzuki Swift Dx | | | | | | | | | |
| Chassis # Rs413Pk10025028 | 3-Sep-14 | 13-Jun-17 | 1,282 | 684 | 598 | 598 | - | Bank employee | Fakharuddin Siddiqui |
| Honda City,I-Vtec | | | | | | | | | |
| Chassis # Nfbgm154Bbr118844 | 31-Dec-14 | 19-Jun-17 | 1,039 | 519 | 520 | 520 | - | Bank employee | Omer Hayat |
| Honda City Aspire | | | | | | | | | |
| Chassis # Nfbgm2665Fr159797 | 14-Jan-15 | 19-Jun-17 | 1,282 | 620 | 662 | 662 | - | Bank employee | Sohail Rana Janjue |
| Bmw 730D | | | | | | | | | |
| Chassis # 65590 | 13-Mar-13 | 21-Jun-17 | 1,231 | 1,046 | 185 | 185 | - | Bank employee | Syed Wasif Ahmed Subzwari |
| Honda Civic | | | | | | | | | |
| Chassis # Nfbfb2660Fr126353 | 10-Jun-15 | 29-Jun-17 | 2,154 | 862 | 1,292 | 1,292 | - | Bank employee | Tariq Jawed Rajput |
| Toyota Corolla Altis 1800cc | | | | | | | | | |
| Chassis# 7406844 | 15-Jan-11 | 30-Jun-17 | 1,880 | 1,880 | - | 732 | 732 | Indirect | Naila Rabbi |
| Toyota Corolla 2.0D Model 2008 | | | | | | | | | |
| Engine # 4053520 | 26-Jun-12 | 4-Jul-17 | 1,176 | 1,176 | - | - | - | Bank employee | Waqas Ul Hassan |
| Honda City | | | | | | | | | |
| Chassis # 128930 | 26-Jun-12 | 6-Jul-17 | 1,176 | 1,176 | - | - | - | Bank employee | Saeed Ahmed Sheikh |
| Toyota Hilux Surf Blue | | | | | | | | | |
| Chassis # Tm210-0001281 | 14-Jan-15 | 6-Jul-17 | 2,388 | 1,194 | 1,194 | 1,194 | - | Bank employee | Uzman Naveed Chaudhary |
| Toyota Altis | | | | | | | | | |
| Chassis # Zre172R-700813 | 3-Sep-14 | 7-Jul-17 | 2,153 | 1,220 | 933 | 933 | - | Bank employee | Aman Kotak |
| Toyota Corolla Gli | | | | | | | | | |
| Chassis # Nze140- 2144606 | 30-Jul-12 | 7-Jul-17 | 1,176 | 1,176 | - | - | - | Bank employee | Sajid Hassan |
| Honda City Aspire | | | | | | | | | |
| Chassis # Nfbgm2561Er149459 | 3-Sep-14 | 12-Jul-17 | 1,282 | 726 | 556 | 556 | - | Bank employee | Shahzad Rafique |
| Toyota Altis | | | | | | | | | |
| Chassis # Zre141-4510060 | 26-Jun-12 | 13-Jul-17 | 2,022 | 2,022 | - | - | - | Bank Employee | Nadeem Qureshi |
| Suzuki Cultus Vxri | | | | | | | | | |
| Chassis # St410Pk517128 | 1-Aug-15 | 18-Jul-17 | 1,039 | 381 | 658 | 658 | - | Bank Employee | Muhammad Azeem Akhtar |
| Toyota Corolla Xli | | | | | | | | | |
| Chassis # Nze140-2046274 | 19-Sep-14 | 18-Jul-17 | 1,282 | 726 | 556 | 556 | - | Bank Employee | Aamir Hameed Cheema |
| Hona Civic Vti Oriel | | | | | | | | | |
| Chassis # Nfbfb266Er117137 | 26-May-14 | 20-Jul-17 | 2,156 | 1,365 | 791 | 791 | - | Bank Employee | Khurram Khan |
| Honda Civic Vti | | | | | | | | | |
| Chassis # Nfbfb2667Er119740 | 12-Aug-14 | 20-Jul-17 | 2,221 | 1,296 | 925 | 925 | - | Bank Employee | Anwar Ul Haq Majeed |
| Honda City | | | | | | | | | |
| Chassis # Nfbgm1642Dr144681 | 26-Nov-13 | 20-Jul-17 | 1,673 | 1,227 | 446 | 446 | - | Bank Employee | Farooq Ahmed |
| Honda Civic Vti | | | | | | | | | |
| Chassis # Nfbfb2668Fr123930 | 4-Mar-15 | 24-Jul-17 | 2,388 | 876 | 1,512 | 1,592 | 80 | Bank Employee | Umar Saeed Khan |
| Honda Civic I-Vtec 1.8Cc Oriel | | | | | | | | | |
| Chassis# Nfbfc666 2Hr009915 | 23-Jan-17 | 2-Aug-17 | 2,353 | 275 | 2,078 | 2,078 | - | Bank Employee | Atif Kauser |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| Description | Date of capitalization | Date of disposal | Cost | Accumulated depreciation | Book value | Sale proceeds | Gain / (Loss) | Mode of disposal | Particulars of purchaser |
|---|------------------------|------------------|--------|--------------------------|------------|---------------|---------------|-----------------------|---------------------------|
| Items having book value in aggregate more than Rs.250,000 or cost more than Rs.1,000,000 | | | | | | | | Rupees in '000 | |
| Toyota Corolla Gli Chassis # Nze170R-4061441 | 15-Jan-16 | 3-Aug-17 | 1,282 | 406 | 876 | 919 | 43 | Bank Employee | Muhammad Tariq Sabzwari |
| Suzuki Swift Dlx Chassis # Rs413Pk10029963 | 2-Dec-15 | 3-Aug-17 | 1,282 | 427 | 855 | 919 | 64 | Bank Employee | Kashif Khan |
| Suzuki Cultus Vxri Chassis # Sf410Pk494858 | 18-Dec-13 | 8-Aug-17 | 1,029 | 737 | 292 | 292 | - | Bank Employee | Manzoor Ahmed Qamar |
| Honda Civic I-Vtec Turbo Chassis# Gr000395 | 20-Jan-17 | 8-Aug-17 | 1,789 | 209 | 1,580 | 1,580 | - | Bank Employee | Abbas Ali Chaudhry |
| Toyota Corolla Altis Chassis # Zre171R-6001434 | 12-Feb-15 | 16-Aug-17 | 1,972 | 986 | 986 | 986 | - | Bank Employee | Muhammad Saeed Iqba |
| Suzuki Alto Model 2012 Chassis # Ha255-827428 | 12-Jan-15 | 16-Aug-17 | 1,039 | 537 | 502 | 502 | - | Bank Employee | Saleem Ahmed Siddiqui |
| Suzuki Cultus Vxri Chassis # Sf410Pk503137 | 29-Sep-14 | 16-Aug-17 | 1,039 | 606 | 433 | 433 | - | Bank Employee | Faheem Saleem |
| Suzuki Cultus Vxri Chassis # Sf410Pk503152 | 15-Aug-14 | 16-Aug-17 | 1,039 | 623 | 416 | 416 | - | Bank Employee | Mazhar Iqbal Baig |
| Suzuki Cultus Vxri Chassis # Sf410Pk495185 | 30-Dec-13 | 18-Aug-17 | 1,034 | 758 | 276 | 276 | - | Bank Employee | Sohail Anwar |
| Toyota Corolla Altis Cvt Grande Chassis # Zre172R-7008719 | 27-May-15 | 18-Aug-17 | 2,171 | 977 | 1,194 | 1,194 | - | Bank Employee | Mohsin Zia |
| Toyota Corolla Chassis No Zre141-4513788 Tc | 6-Mar-13 | 25-Aug-17 | 1,251 | 1,105 | 146 | 146 | - | Bank Employee | Ayesha Hammed |
| Suzuki Swift Dlx Chassis # Rs413Pk10032853 | 19-Sep-16 | 29-Aug-17 | 1,327 | 221 | 1,106 | 1,106 | - | Bank Employee | Salil Mumtaz Raja |
| Mercedes Benz Chassis # Wdd-222157-2A-179611 | 1-Jun-15 | 5-Sep-17 | 10,000 | 4,500 | 5,500 | 5,500 | - | Bank Employee | Azmat Tarin |
| Toyota Camray Chassis # Jtnbe40K40-3042328 | 9-Apr-13 | 6-Sep-17 | 2,102 | 1,857 | 245 | 245 | - | Bank Employee | Mureed Hussain |
| Honda Civic Chassis # Nfbfb2667Dr110454 | 5-Sep-13 | 12-Sep-17 | 2,121 | 1,697 | 424 | 424 | - | Bank Employee | Asad Humayun Chaudhry |
| Honda Civic Chassis # Nfbfb2665Dr105348 | 27-Mar-13 | 14-Sep-17 | 2,332 | 2,099 | 233 | 233 | - | Bank Employee | Ali Kashif Rizvi |
| Honda City Chassis # Nfbgm1542Cr129677 | 2-Aug-13 | 5-Oct-17 | 1,262 | 1,052 | 210 | 210 | - | Bank Employee | Syed Abdul Rasheed |
| Honda Civic Ivtec Chassis # Nfbfb265Xer114667 | 27-Feb-14 | 3-Oct-17 | 2,146 | 1,574 | 572 | 572 | - | Bank Employee | Syed Fahim Hassan |
| Honda Civic Chassis # Nfbfb2661Er119717 | 28-Nov-14 | 4-Oct-17 | 2,156 | 1,258 | 898 | 898 | - | Bank Employee | Shahbaz Khan |
| Suzuki Cultus Vxri Chassis # Sf410Pk517555 | 17-Aug-15 | 18-Oct-17 | 1,039 | 433 | 606 | 606 | - | Bank Employee | Syed Ahtisham Ali Tirmizi |
| Suzuki Cultus Vxri Chassis # Sf410Pk520900 | 1-Nov-15 | 12-Oct-17 | 1,039 | 225 | 814 | 814 | - | Bank Employee | Arsalan Ahmed Sheikh |
| Toyota Corolla Altis Cvt Grande Chassis # Zre172R7012711 | 27-Jan-16 | 3-Oct-17 | 2,340 | 780 | 1,560 | 1,560 | - | Bank Employee | Imra Aslam |
| Suzuki Wagonr Chassis # A1J310Pk10019549 | 19-Sep-16 | 4-Oct-17 | 1,024 | 205 | 819 | 819 | - | Bank Employee | Muhammad Waseem |
| Toyota Altis Grande 18Cc Chassis # Ze172R7018455 | 11-Nov-16 | 27-Oct-17 | 2,353 | 353 | 2,000 | 2,000 | - | Bank Employee | Ahmad Khan Malik |
| Honda Civic Chassis # Nfbfd1531Cr133500 | 17-Aug-12 | 31-Oct-17 | 1,689 | 1,689 | - | - | - | Bank Employee | Ejaz Ahmed Malik |
| Suzuki Cultus Vxri Chassis # Sf410Pk519696 | 21-Sep-15 | 24-Nov-17 | 1,039 | 416 | 623 | 623 | - | Bank Employee | Nadeem Altaf |
| Toyota Altis Grande Cvt Chassis # Zre172R7018008 | 1-Nov-16 | 29-Nov-17 | 1,129 | 226 | 903 | 903 | - | Bank Employee | Labiba Zainab Malik |
| Honda City Chassis # Nfbgm2669Hr200399 | 27-Feb-17 | 13-Nov-17 | 1,787 | 268 | 1,519 | 1,519 | - | Bank Employee | Danish Bin Inbsat |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| Description | Date of capitalization | Date of disposal | Cost | Accumulated depreciation | Book value | Sale proceeds | Gain / (Loss) | Mode of disposal | Particulars of purchaser |
|---|------------------------|------------------|----------------|--------------------------|---------------|---------------|---------------|------------------|--------------------------|
| Items having book value in aggregate more than Rs.250,000 or cost more than Rs.1,000,000 | | | | | | | | | |
| Rupees in '000 | | | | | | | | | |
| Daihatsu Move Chassis # 0029077 | 5-Jul-17 | 24-Nov-17 | 1,250 | 62 | 1,188 | 1,188 | - | Bank Employee | Sikander Hayat Khan |
| Suzuki Swift Dlx Engine # Pks13012965 | 28-Nov-12 | 7-Dec-17 | 1,176 | 1,176 | - | - | - | Bank Employee | Aqeel Mirza |
| Toyota Corolla Gli Chassis # Nze170R4000554 | 5-Aug-14 | 7-Dec-17 | 1,752 | 1,168 | 584 | 584 | - | Bank Employee | Akmal Naseem |
| Suzuki Cultus Vxi Chassis # Sf410Pk539290 | 6-Jan-17 | 14-Dec-17 | 1,129 | 132 | 997 | 997 | - | Bank Employee | Syed Ali Mehdi |
| Total | | | 72,253 | 36,930 | 35,323 | 35,510 | 187 | | |
| Items having book value in aggregate less than Rs.250,000 or cost less than Rs.1,000,000 | | | | | | | | | |
| Others | | | 52,511 | 50,467 | 2,044 | 6,106 | 4,062 | | |
| Grand Total | | | 237,489 | 150,691 | 86,798 | 98,114 | 11,316 | | |

- 12.6.1** Disposals to Bank's employees are made as per their terms of employment. Disposals during the year have been made to the President, Executive Director, Executives (as defined in note 38) and other staff. These include both resigned and active staff of the Bank.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| | | 2017 | 2016 |
|--|------|------------------|-----------|
| | Note | Rupees in '000 | |
| 13 DEFERRED TAX ASSETS - NET | | | |
| Deferred tax debits arising in respect of | | | |
| Provision for diminution in the value of investments | | 3,073 | 119,945 |
| Provision against non-performing advances | | 2,330,390 | 2,445,756 |
| Provision for WWF | | 33,688 | - |
| Provision against other assets | | 225,848 | 147,231 |
| Surplus on revaluation of investments | 22.1 | 19,215 | 4,308 |
| Depreciation on non-banking assets | | 52,070 | 29,317 |
| Unabsorbed tax depreciation | | 913,907 | 954,688 |
| Unabsorbed tax losses | | - | 154,154 |
| | | 3,578,191 | 3,855,399 |
| Deferred tax credits arising due to | | | |
| Accelerated tax depreciation | | (78,127) | (113,583) |
| Surplus on revaluation of property | 22.2 | (13,780) | (20,034) |
| Surplus on revaluation of non-banking assets | 22.3 | (6,583) | - |
| Remeasurement of defined benefit plan | | (3,572) | (17,037) |
| | | (102,062) | (150,654) |
| | | 3,476,129 | 3,704,745 |

13.1 Movement in temporary differences

| Balance at January 01, 2016 | Recognised in profit and loss | Recognised in equity | Balance at December 31, 2016 | Recognised in profit and loss | Recognised in equity | Balance at December 31, 2017 |
|-----------------------------------|-------------------------------------|-------------------------|------------------------------------|-------------------------------------|-------------------------|------------------------------------|
|-----------------------------------|-------------------------------------|-------------------------|------------------------------------|-------------------------------------|-------------------------|------------------------------------|

Rupees in '000

Deductible / (taxable) temporary differences on:

| | | | | | | | |
|---|------------------|------------------|---------------|------------------|------------------|---------------|------------------|
| Provision for diminution in value of investments | 111,654 | 8,291 | - | 119,945 | (116,872) | - | 3,073 |
| Provision against non-performing advances | 2,440,860 | 4,896 | - | 2,445,756 | (115,366) | - | 2,330,390 |
| Provision for WWF | - | - | - | - | 33,688 | - | 33,688 |
| Provision against other assets | 258,292 | (111,061) | - | 147,231 | 78,617 | - | 225,848 |
| (Deficit) / surplus on revaluation of investments | (16,414) | - | 20,722 | 4,308 | - | 14,907 | 19,215 |
| Depreciation on non-banking assets | - | 29,317 | - | 29,317 | 22,753 | - | 52,070 |
| Unabsorbed tax depreciation | 852,568 | 102,120 | - | 954,688 | (40,781) | - | 913,907 |
| Unused tax losses | 721,734 | (567,580) | - | 154,154 | (154,154) | - | - |
| Accelerated tax depreciation | (148,869) | 35,286 | - | (113,583) | 35,456 | - | (78,127) |
| Surplus on revaluation of fixed assets | (24,272) | - | 4,238 | (20,034) | - | 6,254 | (13,780) |
| Surplus on revaluation of non banking assets | - | - | - | - | - | (6,583) | (6,583) |
| Remeasurement of defined benefit plan | (14,584) | - | (2,453) | (17,037) | - | 13,465 | (3,572) |
| | 4,180,969 | (498,731) | 22,507 | 3,704,745 | (256,659) | 28,043 | 3,476,129 |

13.2 The Bank has an aggregate amount of deferred tax asset of Rs. 3,476 million (2016: Rs. 3,705 million) which represents management's best estimate of the probable benefits expected to be realised in future years in the form of reduced tax liability as the Bank would be able to set off the profits earned in those years against losses carried forward and other taxable temporary differences relating to prior years. The Bank has prepared five years financial projections for future taxable profits, which have been approved by the Board of Directors of the Bank, to assess the recoverability of deferred tax assets. The projections involve certain key management assumptions underlying the estimation of future taxable profits. The determination of future taxable profits is most sensitive to certain key assumptions such as growth of low cost deposits, growth in high yield consumer advances, investment returns, branch expansion plans, potential provision against assets, interest rates, cost of funds and expected recoveries of classified loans. Any significant change in such assumptions may have an effect on the recoverability of the deferred tax asset. Management believes that it is probable that the Bank will be able to achieve the profits and consequently, the deferred tax asset will be fully realised in future.

13.3 Status of tax and other details are disclosed in note 33 to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

14 OTHER ASSETS

| | Note | 2017 Rupees in '000 | 2016 Rupees in '000 |
|--|-------------|------------------------|------------------------|
| Income / mark-up accrued in local currency | | 2,962,780 | 1,946,711 |
| Income / mark-up accrued in foreign currencies | | 305 | 66 |
| Accrued rent | 12.3 & 14.1 | 346,187 | 163,588 |
| Advances, deposits, advance rent and other prepayments | | 490,786 | 537,306 |
| Advance taxation | | 742,359 | 549,422 |
| Net defined benefit asset | 37.1.1 | 10,207 | 48,677 |
| Non-banking assets acquired in satisfaction of claims | | 6,627,712 | 7,677,934 |
| Non-banking assets acquired in satisfaction of claims under agreement to sell with third parties | | 4,337,234 | 4,324,415 |
| Non-banking assets acquired in satisfaction of claims with buy back option with customers | | 468,493 | 1,058,192 |
| Branch adjustment account | 14.1 & 14.2 | 11,433,439 | 13,060,541 |
| Unrealised gain on derivative financial instruments | 14.6 | 40,487 | 121,480 |
| Receivable from sale of operating fixed assets | | 146,755 | 23,660 |
| Receivable from sale of non-banking assets | | - | 140,000 |
| acquired in satisfaction of claims | | 750,000 | - |
| Receivable from NCCPL | 14.4 | 1,229,610 | 239,028 |
| Others | | 309,408 | 346,727 |
| Less: Provision held against other assets | 14.5 | 18,462,323 | 17,177,206 |
| | | (630,361) | (405,740) |
| | | 17,831,962 | 16,771,466 |

14.1 On June 1, 2016, the Bank entered into an Agreement to Sell (the Agreement) for undeveloped lands having book value of Rs. 3,416 million against sale consideration of Rs. 3,416 million. Pursuant to the terms of the Agreement, the Bank received a down payment of Rs. 170.83 million, which is currently reported in 'Other liabilities' (note 20.3). The remaining balance is required to be paid by the buyer within 5 years from the date of receipt of certain approvals from relevant authorities, however, the Bank through a Supplementary Agreement to Sell (the Supplementary Agreement) dated June 24, 2016 amended the Agreement and removed the condition of approvals from relevant authorities. The balance sale consideration is payable within 5 years from August 01, 2016. Further, the buyer initially agreed to pay annual rent based on the outstanding amount of consideration from the date of receipt of approvals from relevant authorities, however, on July 29, 2016, the buyer has provided the consent to pay annual rent with effect from August 01, 2016. Accordingly, the Bank has recorded rental income of Rs. 194.75 million (2016: Rs. 81.14 million) as other income (note 29.1). The total accrued rent in this respect is Rs. 241.89 million (2016: Rs. 81.14 million) which is reported in 'Other assets'. As per the terms of the Agreement, in case the buyer fails to pay the amount of rent or balance sale consideration, the advance received of 5% shall stand forfeited. Since the conditions to recognise disposal are not met, the carrying value of such land has not been derecognised from non-banking assets acquired in satisfaction of claims.

14.2 During the year, the Bank acquired properties of Rs. 424 million (2016: Rs. 476 million) against which the debts previously fully provided aggregating to Rs. 500 million (2016: Rs. 779 million), including mark-up of Rs. 76 million (2016: Rs. 142 million) were assigned / sold / novated. These debts have been assigned / sold / novated at values offered by the seller of the properties. The impact on the profit and loss account of the Bank is Rs. 388 million (2016: Rs. 287 million) due to reversal of provisions (refer note 11.3.1).

These properties and certain other properties included in non-banking assets acquired in satisfaction of claims (NBAs) aggregating to Rs. 7,914 million (including the property of Rs. 3,416 million sold on deferred payment basis, as disclosed in note 14.1) are currently un-developed and have been evaluated based on the valuation reports from the valuers on Pakistan Banks' Association's list of approved valuers. The Bank's exposure in NBAs exceeds the prescribed limit of 2.5% of aggregate advances and investments (excluding investment in Government securities) as prescribed by SBP under regulation for Debt Property Swap. The Bank has developed a plan (which was submitted to the SBP) to dispose of these properties by the end of year 2018, to bring the exposure in prescribed limit.

14.3 During the year, the Bank acquired properties of Rs. 102 million (2016: 1,494 million) against debt swap transactions with various borrowers resulting in reversal of provision of Rs. 26 million (2016: Rs. 594 million) (refer note 11.3.2).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

14.4 This includes Rs. 1,059 million receivable from National Clearing Company of Pakistan Limited (NCCPL) against sale of listed equity securities portfolio of the Bank. On December 28, 2017 and December 29, 2017, the Bank, through a Broker (i.e., Arif Habib Limited, a related party), sold its equity securities portfolio having aggregate market value of Rs. 798 million through off-market transactions in Negotiated Deal Market (NDM) at a price equivalent to the Bank's aggregate average cost of purchase of Rs. 1,059 million. The settlement date of these transactions was January 29, 2018 (i.e., on T+21 & T+22 basis) and transfer of shares was completed after the receipt of funds from NCCPL. Further, it was agreed with the Broker that all shareholder's entitlements, i.e., dividends, bonus shares etc, if any, announced until the settlement of the transaction, will be passed through to the buyer(s). The Bank is not aware about the buyer as the relevant laws do not allow the Broker to disclose the identity of the buyer. Further, the Bank has not entered into any buyback / side agreement with the buyer or Broker, which has also been confirmed by the Broker.

As a result of above disposal transactions, the Bank did not have to record impairment loss of Rs. 207 million (determined on the basis of significant or prolonged decline as per management estimates)

| | Note | 2017 | 2016 |
|---|------|----------------|-----------|
| | | Rupees in '000 | |
| 14.5 Provisions against other assets | | | |
| Opening balance | | 405,740 | 723,056 |
| Charge for the year | | 323,157 | 98,536 |
| Reversals | | (84,036) | (415,852) |
| Net charge / (reversal) for the year | 31 | 239,121 | (317,316) |
| Reversal on disposal | | (14,500) | - |
| Closing balance | | 630,361 | 405,740 |

14.6 Unrealized gain on derivative financial instruments

| | Contract / Notional amount | | Unrealised gain | |
|----------------------------|----------------------------|-----------|-----------------|--------|
| | 2017 | 2016 | 2017 | 2016 |
| | Rupees in '000 | | | |
| Forward exchange contracts | 6,937,353 | 6,262,265 | 146,755 | 23,660 |

15 BILLS PAYABLE

| | | |
|------------------|-----------|-----------|
| In Pakistan | 3,192,981 | 3,996,044 |
| Outside Pakistan | - | - |

16. BORROWINGS

| | | |
|------------------|-------------------|-------------------|
| In Pakistan | 35,504,943 | 30,116,366 |
| Outside Pakistan | 77,057 | 79,336 |
| | 35,582,000 | 30,195,702 |

16.1 Particulars of borrowings with respect to currencies

| | | |
|-----------------------|-------------------|-------------------|
| In local currency | 35,504,943 | 30,116,366 |
| In foreign currencies | 77,057 | 79,336 |
| | 35,582,000 | 30,195,702 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| | Note | 2017 Rupees in '000 | 2016 Rupees in '000 |
|---|--------|------------------------|------------------------|
| 16.2 Details of borrowings secured / unsecured | | | |
| Secured | | | |
| Borrowings from State Bank of Pakistan (re-finance) | | | |
| Under Export refinance scheme | 16.2.1 | 1,505,571 | 1,633,241 |
| Repurchase agreement borrowings | 16.2.2 | <u>21,118,353</u> | 24,226,190 |
| | | <u>22,623,924</u> | 25,859,431 |
| Unsecured | | | |
| Call borrowings | 16.2.3 | 6,500,000 | 4,200,000 |
| Trading liability | | <u>6,349,040</u> | - |
| Overdrawn nostro accounts | | 77,057 | 79,336 |
| Overdrawn local bank accounts | | <u>31,979</u> | 56,935 |
| | | <u>12,958,076</u> | 4,336,271 |
| | | <u>35,582,000</u> | 30,195,702 |

- 16.2.1** The Bank has entered into agreements for financing with the State Bank of Pakistan (SBP) for extending export finance to customers. As per the agreements, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of the finance by directly debiting the current account maintained by the Bank with SBP. These borrowings are repayable within six months. These carry mark-up rates ranging from 1% to 2% (2016: 1% to 2%) per annum.
- 16.2.2** These represent funds borrowed from the local interbank money market against government securities carrying interest rate ranging between 5.82% to 6.05% (2016: 5.80% to 5.87% per annum with maturity upto January 2018).
- 16.2.3** These represent unsecured borrowings from the local money market carrying interest rate ranging from 6.45% to 6.50% (2016: 6.35% to 6.65%) per annum with maturities ranging from January 2018 to March 2018.

| | | 2017 Rupees in '000 | 2016 Rupees in '000 |
|---------------------------------------|--|------------------------|------------------------|
| 17 DEPOSITS AND OTHER ACCOUNTS | | | |
| Customers | | | |
| Fixed deposits | | 36,614,864 | 33,362,662 |
| Savings deposits | | <u>31,857,420</u> | 23,529,436 |
| Current accounts - non-remunerative | | <u>26,076,912</u> | 20,878,121 |
| Margin accounts - non-remunerative | | <u>1,431,960</u> | 1,065,919 |
| Others | | <u>1,463,318</u> | 718,503 |
| | | <u>97,444,474</u> | 79,554,641 |
| Financial institutions | | | |
| Remunerative deposits | | 12,778,661 | 7,160,154 |
| Non-remunerative deposits | | <u>54,672</u> | 72,628 |
| | | <u>12,833,333</u> | 7,232,782 |
| | | <u>110,277,807</u> | 86,787,423 |

| | | | |
|-------------------------------------|--|--------------------|------------|
| 17.1 Particulars of deposits | | | |
| In local currency | | 102,438,721 | 80,054,718 |
| In foreign currencies | | <u>7,839,086</u> | 6,732,705 |
| | | <u>110,277,807</u> | 86,787,423 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

18 SUB-ORDINATED LOANS

The Bank has issued privately placed, unsecured and subordinated Term Finance Certificates (TFCs) as instruments of redeemable capital under section 120 of Companies Ordinance, 1984 (now section 66 of Companies Act, 2017) and the Basel III guidelines issued by the SBP. The key features of the issue are as follows:

| | |
|---------------------------------|--|
| Issue amount | Rs. 2,000 million |
| Issue date | August 10, 2017 |
| Maturity date | Up to 8 years from date of issue |
| Rating | (A-) by JCR ("Single A minus") |
| Security | The instrument is unsecured and subordinated as to payment of principal and profit to all other indebtedness of the Bank, including deposits. |
| Profit payment frequency | Profit will be payable semi-annually in arrears on the outstanding principal amount and will be calculated on a 365 day year basis. |
| Redemption | 0.14% of the issue amount during the first 7 years and remaining 99.86% in last two equal semi-annual installments of 49.93% each. |
| Mark-up | 6 month KIBOR plus 1.85% per annum. |
| Call option | The Bank may call TFCs in part or in full, after 5 years from date of issue on any profit payment date, subject to SBP approval and with not less than 30 days prior notice to the Trustee and Investors. The call option once announced will be irrevocable. |
| Lock-in-clause | As per the lock-in requirement for Tier II issues, neither profit nor principal will be payable (even at maturity) in respect of the TFC, if such payment will result in a shortfall in the Bank's Minimum Capital Requirement ("MCR") or Capital Adequacy Ratio ("CAR") or results in an increase in any existing shortfall in MCR or CAR. |
| Loss absorbency clause | The instrument will be subject to loss absorbency and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rule, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by fair value per share of the Bank's common equity on the date of trigger of the non-viability event as declared by SBP, subject to a cap of 1,238,390,093 shares. |

18.1 As disclosed in note 1.2 to the financial statements the Bank has met the minimum CAR requirement of 10%, it was not able to achieve the 1.275% required for Capital Conservation Buffer (CCB). The Bank has made payment of profit on TFCs subsequent to the year end in February 2018, i.e., before the date of authorization of issue of these financial statements.

19 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

| | 2017 | | | 2016 | | |
|---|------------------------|--------------------------------------|-----------------------|------------------------|--------------------------------------|-----------------------|
| | Minimum lease payments | Financial charges for future periods | Principal outstanding | Minimum lease payments | Financial charges for future periods | Principal outstanding |
| Rupees in '000 | | | | | | |
| Not later than one year | 4,723 | 506 | 4,217 | 4,713 | 896 | 3,817 |
| Later than one year and not later than five years | 2,754 | 91 | 2,663 | 7,463 | 586 | 6,877 |
| | 7,477 | 597 | 6,880 | 12,176 | 1,482 | 10,694 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

- 19.1** The Bank has acquired solar panels (disclosed in note 12.2) under finance lease from NBP Leasing Limited. The lease term is 5 years and the discounting factor used is 6 months KIBOR + 4%.

| | Note | 2017 | 2016 |
|--|------|-----------------------|------------------|
| | | Rupees in '000 | |
| 20 OTHER LIABILITIES | | | |
| Mark-up / return / interest payable in local currency | | 657,445 | 493,753 |
| Mark-up / return / interest payable in foreign currencies | | 8,231 | 8,586 |
| Un-earned commission and income on bills discounted | | 61,036 | 59,809 |
| Accrued expenses | | 215,154 | 146,249 |
| Unrealized loss on derivative financial instruments | 20.1 | 75,449 | 74,805 |
| Provision against off-balance sheet obligations | 20.2 | 116,012 | 124,736 |
| Workers' Welfare Fund (WWF) | | 96,202 | 63,202 |
| Advance received against future sale of non banking assets | 20.3 | 407,264 | 344,323 |
| Advance received against future sale of operating fixed assets | 12.3 | 118,500 | 118,500 |
| Gratuity payable to outsourced staff | 30.2 | 27,292 | 22,580 |
| Deferred income against non-banking assets | | 146,762 | 133,324 |
| Islamic pool management reserve | 20.4 | 17,842 | - |
| Others | | 666,329 | 399,504 |
| | | 2,613,518 | 1,989,371 |

- 20.1 Unrealised loss on forward foreign exchange contracts**

| | Contract / Notional amount | | Unrealised loss | |
|----------------------------|----------------------------|-------------------|-----------------|---------------|
| | 2017 | 2016 | 2017 | 2016 |
| | Rupees in '000 | | | |
| Forward exchange contracts | 4,341,092 | 10,533,991 | 75,449 | 74,805 |

- 20.2 Movement in provision against off-balance sheet obligations**

| Opening balance | 124,736 | 124,736 |
|---------------------------|----------------|----------------|
| Charge for the year | - | - |
| Reversals during the year | (8,724) | - |
| Closing balance | 116,012 | 124,736 |

- 20.3** This includes advance amounting to Rs. 170.83 million received against future disposal of non-banking assets (land) measuring 122,311 square yards, as disclosed in note 14.1.
- 20.4** This includes equity portion of Profit Equalization Reserve amounting to Rs. 1.75 million (2016: Nil) which has been presented as a reserve in Annexure-II.

21. SHARE CAPITAL

21.1 Authorised capital

| 2017 | 2016 | 2017 | 2016 |
|------------------------------|------------|-------------------------------|--------------------|
| No. of shares in '000 | | Rupees in '000 | |
| 10,500,000 | 10,500,000 | Ordinary shares of Rs.10 each | 105,000,000 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

21.2 Issued, subscribed and paid up capital

| 2017 No. of shares in '000 | 2016 No. of shares in '000 | | 2017 Rupees in '000 | 2016 Rupees in '000 |
|-------------------------------|-------------------------------|---|------------------------|------------------------|
| 800,315 | 800,315 | Ordinary shares of Rs.10 each Fully paid in cash | 8,003,150 | 8,003,150 |
| 100,000 | 100,000 | Ordinary shares of Rs.10 each Fully paid in cash and issued at a discount of Rs. 2.5 per share | 1,000,000 | 1,000,000 |
| 1,771,290 | 1,771,290 | Ordinary shares of Rs.10 each Fully paid in cash and issued at a discount of Rs.7.5 per share | 17,712,898 | 17,712,898 |
| 6,410,256 | 5,128,205 | Ordinary shares of Rs.10 each Fully paid in cash and issued at a discount of Rs. 8.44 per share | 64,102,564 | 51,282,051 |
| 9,081,861 | 7,799,810 | | 90,818,612 | 77,998,099 |

22 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

Note

Surplus / (deficit) on revaluation of

| | | | |
|---------------------------------|------|---------------|---------------|
| - available-for-sale securities | 22.1 | (35,685) | (8,000) |
| - fixed assets | 22.2 | 48,863 | 60,480 |
| - non-banking assets | 22.3 | 39,545 | - |
| | | 52,723 | 52,480 |

22.1 (Deficit) / surplus on revaluation of available-for-sale securities

Federal Government securities

| | | | |
|---------------------------|--|-----------------|-----------------|
| Market Treasury Bills | | (2,324) | (15,242) |
| Pakistan Investment Bonds | | (53,168) | (47,914) |
| GOP Ijara Sukuk | | (6,425) | (1,565) |
| | | (61,917) | (64,721) |

Fully paid-up ordinary shares

| | | | |
|------------------|--|-------|--------|
| Listed companies | | 3,939 | 49,302 |
|------------------|--|-------|--------|

Term Finance Certificate, Debentures, Sukuk, Bonds and Participation Term Certificates

| | | | |
|------------------------------------|------|----------|----------|
| Sukuk - Listed | | 1,250 | - |
| Term Finance Certificates - Listed | | 1,828 | 3,111 |
| | | 3,078 | 3,111 |
| | | (54,900) | (12,308) |
| | | 19,215 | 4,308 |
| Related deferred tax asset | 10.1 | (35,685) | (8,000) |
| | 13 | | |

22.2 Surplus on revaluation of fixed assets

| | | | |
|--|--------|---------------|---------------|
| Surplus on revaluation of fixed assets | 22.2.1 | 62,643 | 80,514 |
| Related deferred tax liability | 13 | (13,780) | (20,034) |
| | | 48,863 | 60,480 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| | Note | 2017 Rupees in '000 | 2016 |
|---|--------|------------------------|------------|
| 22.2.1 Reconciliation of surplus on revaluation of fixed assets | | | |
| At the beginning of the year | | 80,514 | 93,860 |
| Surplus realized on account of incremental depreciation - net of tax | | (4,571) | (13,346) |
| Surplus realized on disposal of properties - net of tax | | (13,300) | - |
| At the end of the year | 12.2.1 | 62,643 | 80,514 |
| 22.3 Surplus on revaluation of non-banking assets | | | |
| Surplus on revaluation of non-banking assets acquired in satisfaction of claims | | 46,128 | - |
| Deferred tax liability recognised | 13 | (6,583) | - |
| At the end of the year | | 39,545 | - |
| 22.3.1 Reconciliation of surplus on revaluation of non-banking assets | | | |
| At the beginning of the year | | - | - |
| Surplus recognised during the year - net of tax | | 41,522 | - |
| Surplus realised on account of incremental depreciation - net of tax | | - | - |
| Surplus realised on disposal of properties - net of tax | | (1,977) | - |
| At the end of the year | | 39,545 | - |
| 23 CONTINGENCIES AND COMMITMENTS | | | |
| 23.1 Direct credit substitutes | | - | - |
| 23.2 Transaction-related contingent liabilities | | | |
| Guarantees favouring | | | |
| Government | | 11,309,593 | 10,823,354 |
| Banks and other financial institutions | | 2,025,890 | 727,023 |
| Others | | 2,612,982 | 2,741,080 |

23.2.1 This includes expired letter of guarantees aggregating to Rs. 3,764.75 million (2016: Rs. 2,901.86 million). Contingent liability against these guarantees will be reversed when original documents are received from customers.

| | Note | 2017 Rupees in '000 | 2016 |
|--|-----------------|------------------------|-----------|
| 23.3 Trade-related contingent liabilities | | | |
| Letters of credit and acceptances | | 7,978,011 | 4,354,980 |
| 23.4 Claims against the bank not acknowledged as debt | 23.4.1 & 23.4.2 | 414,317 | 326,102 |

23.4.1 These represent recovery suits filed by various parties in which the Bank is a direct or indirect defendant.

23.4.2 Suits for damages of Rs. 24.46 billion (2016: Rs. 24.34 billion) have been filed against the Bank by various borrowers / employees in respect of certain disputes relating to loans and advances. The management of the Bank and its legal counsel consider that the suits are a counterblast in response to the recovery suits filed by the Bank. The Bank and its legal counsel are confident that the cases will be dismissed as actual damages have to be proven in such suits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| | 2017 | 2016 |
|--|------------------|-------------------|
| | Rupees in '000 | |
| 23.5 Commitments in respect of forward contracts | | |
| Forward exchange contracts with State Bank of Pakistan, banks and other institutions | | |
| Sale | <u>2,798,688</u> | <u>5,894,494</u> |
| Purchase | <u>8,479,756</u> | <u>10,901,763</u> |
| 23.6 Claims against the bank by Competition Commission of Pakistan and Others | <u>35,640</u> | <u>35,640</u> |
| 23.7 Commitments in respect of | | |
| Property, civil work and equipment | <u>268,109</u> | <u>55,430</u> |
| Purchase of hardware / software | <u>132,306</u> | <u>34,507</u> |
| | <u>400,415</u> | <u>89,937</u> |

23.8 The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

24. DERIVATIVE INSTRUMENTS

A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price in one or more underlying financial instruments, reference rates or indices. The principal derivatives used by the Bank are forward foreign exchange contracts, foreign exchange swaps and equity futures. The Bank at present does not engage in structured derivative products such as Interest Rate Swaps, Forward Rate Agreements and Foreign Exchange Options.

A forward foreign exchange contract is an agreement to buy or sell a specified amount of foreign currency on a specified future date at an agreed rate. Equity futures are exchange traded contractual agreements to either buy or sell a specified security at a specific price and date in the future. A foreign exchange swap is used by the Bank if it has a need to exchange one currency for another currency on one day and then re-exchange those currencies at a later date.

The Bank enters into these contracts for the purpose of squaring currency / equity positions.

All derivatives are recognised at their fair value. Fair values are obtained from quoted market prices in active markets. Derivatives are carried in the balance sheet as assets when their fair value is positive and as liabilities when their fair value is negative.

Credit risk in respect of derivative financial instruments arises from the potential for a counterparty to default on its contractual obligations. The principal amount of the derivative contract does not represent real exposure to credit risk, which is limited to the positive fair value of instrument.

The details of commitments under forward foreign exchange contracts outstanding at year-end has been given in note 23.5.

The accounting policies used to recognise and disclose derivative instruments are given in note 6.14.2. The risk management framework of derivative instruments is given in note 43.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

25. MARK-UP / RETURN / INTEREST EARNED

On loans and advances to:

| | 2017 | 2016 |
|------------------------|----------------|-----------|
| | Rupees in '000 | |
| Customers | 9,129,809 | 7,403,007 |
| Financial institutions | - | - |

On investments in:

| | | |
|---|-------------------|------------------|
| Held-for-trading securities | 1,199,416 | 187,465 |
| Available-for-sale securities | 959,897 | 1,909,005 |
| Held-to-maturity securities | - | 27,110 |
| On deposits with financial institutions | 2,159,313 | 2,123,580 |
| On call money lendings | 2,986 | 2,350 |
| On securities purchased under resale agreements | 6,231 | 3,711 |
| | <u>371,932</u> | <u>426,405</u> |
| | <u>11,670,271</u> | <u>9,959,053</u> |

26. MARK-UP / RETURN / INTEREST EXPENDED

| | | |
|--|------------------|------------------|
| Customer deposits | 4,062,814 | 3,377,150 |
| Securities sold under repurchase agreements | 1,554,757 | 1,718,274 |
| Call borrowings | 313,766 | 215,614 |
| Borrowings from State Bank of Pakistan under Export Refinance Scheme | 25,782 | 44,392 |
| SWAP money market expense | 158,281 | 249,369 |
| Sub-ordinated loans | 63,123 | - |
| Others | 5,694 | 4,892 |
| | <u>6,184,217</u> | <u>5,609,691</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

27. DIVIDEND INCOME

Listed shares

| | 2017 | 2016 |
|---|----------------|---------------|
| | Rupees in '000 | |
| Adamjee Insurance Limited | 625 | - |
| AKD Capital Limited | 125 | 249 |
| Askari Bank Limited | 3,025 | 1,064 |
| Arif Habib Corporation Limited - related party | - | 995 |
| Attock Petroleum Limited | - | 795 |
| Bank Al-Falah Limited | - | 675 |
| Crescent Steel & Allied Products Limited | - | 127 |
| Dawood Hercules Chemicals Limited | - | 1,083 |
| DG Khan Cement Limited | - | 509 |
| Engro Corporation Limited | 1,310 | 2,845 |
| Engro Fertilizer Limited | 5,362 | 3,910 |
| Engro Foods Limited | 1,500 | - |
| Engro Powergen Qadirpur Limited | 600 | - |
| Fatima Fertilizer Company Limited - related party | 1,400 | 25 |
| Fauji Cement Company Limited | - | 100 |
| Fauji Fertilizer Bin Qasim Limited | 72 | 2,897 |
| Fauji Fertilizer Company Limited | 1,674 | 955 |
| Glaxosmithkline Pakistan Limited | - | 43 |
| Habib Bank Limited | 263 | - |
| Habib Metropolitan Bank Limited | 2,214 | - |
| HI-TECH Lubricants Limited | 175 | 1,364 |
| Hub Power Company Limited | - | 1,950 |
| Javedan Corporation Limited - related party | 7,935 | - |
| Kot Addu Power Company Limited | 5,543 | 5,830 |
| Lucky Cement Limited - related party | 1,000 | - |
| Maple Leaf Cement Factory Limited | - | 875 |
| MCB Bank Limited | 1,225 | 1,600 |
| Mughal Steel Limited | 60 | - |
| National Bank Of Pakistan Limited | 7,875 | 6,813 |
| Nishat Chunian Limited | 275 | - |
| Nishat Chunian Power Limited | 1,350 | 9,945 |
| Nishat Power Limited | - | 2,508 |
| Nishat Mills Limited | 218 | - |
| Oil & Gas Development Company Limited | 313 | 60 |
| Pak Elektron Limited | 675 | 375 |
| Pakistan Oilfields Limited - related party | - | 4,500 |
| Pakistan Petroleum Limited | 300 | - |
| Pakistan Refinery Limited | - | 16 |
| Pakistan Telecommunication Company Limited | - | 6,540 |
| Pakgen Power Limited | - | 163 |
| Pioneer Cement Company Limited | 563 | - |
| Sui Northern Gas Limited | 750 | - |
| Treet Corporation Limited | - | 100 |
| United Bank Limited | 1,184 | - |
| | 47,611 | 58,911 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| | Note | 2017 Rupees in '000 | 2016 Rupees in '000 |
|---|--------|------------------------|------------------------|
| 28. GAIN / (LOSS) ON SALE OF SECURITIES - NET | | | |
| Government securities | | | |
| Market Treasury Bills | | 14,615 | 21,408 |
| Pakistan Investment Bonds | | (38,074) | (35,097) |
| GOP Ijara Sukuk Bonds | | 47,319 | 56,949 |
| Shares - listed | | (6,522) | 101,759 |
| | | 17,338 | 145,019 |
| 29. OTHER INCOME | | | |
| Rent on property and non-banking assets | 29.1 | 382,030 | 168,271 |
| Rent on lockers | | 16,180 | 12,841 |
| Gain on sale of property and equipment - net | 12.6 | 11,316 | 201,566 |
| Gain from non-banking assets and profit from sale of or dealing with such assets - net | 29.2 | 639,190 | 127,034 |
| Postage, telex and other service charges recovered | | 39,566 | 28,207 |
| Share of profit from associate | 10.9.1 | 3,651 | 17,822 |
| Early loan termination charges | | 73,246 | 57,679 |
| | | 1,165,179 | 613,420 |

29.1 This includes rental income of Rs. 157.61 million (2016: Rs. 78.80 million) and Rs. 194.75 million (2016: Rs. 81.14 million) on balance sale consideration of the previous Head Office building (refer note 12.3) and certain non-banking assets (refer note 14.1), respectively.

29.2 Details of disposal of non-banking assets

| Nature of property | Address | Book value | Sale proceeds | Gain / (loss) |
|--------------------|---|------------|---------------|---------------|
| Rupees in '000 | | | | |
| Land and building | House #167, Street 70, Sector E11/3, Multi Professional Co-operative Housing Society, Islamabad | 29,091 | 32,500 | 3,409 |
| Open plot | Plot # 55, Khayaban-e-Jauhar, Sector I-10/3, Islamabad | 85,403 | 86,700 | 1,297 |
| Open plot | Plot # 25 measuring 5-marla 4-yards and Plot # 70 measuring 5-marla 13-yards situated at Al-Noor City, Mouza Rampur, Suraj Miani Road, Multan | 3,990 | 4,222 | 232 |
| Open plot | Land measuring 5-kanals & 16-Marlas, Mouza Bhabhalian, Main Raiwand Road, Lahore | 32,000 | 32,000 | - |
| Building | Property No. S50-R-20/20/G-3, Mian Plaza, Hall Road, Lahore | 13,195 | 13,860 | 665 |
| Open plot | Plot measuring 10,000 square yards, Survey No. 67, Deh Safooran, Tappo Songal, Karachi | 319,500 | 550,000 | 230,500 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| Nature of property | Address | Book value | Sale proceeds | Gain / (loss) |
|--------------------|---|------------------|------------------|----------------|
| | | Rupees in '000 | | |
| Commercial shops | 16 shops located at Second Floor, Block-D, Satellite Town, Crystal Mall Plaza, Rawalpindi | 14,340 | 13,500 | (840) |
| Showroom | Lower ground floor, Plot # 27, Pace Tower, Gulberg-II, Lahore | 104,071 | 120,000 | 15,929 |
| Apartment | Apartment No. 5 & 6 at ground floor, bearing property No. 51-C-II, Maisonette Apartments, Gulberg-III, Lahore. | 25,281 | 27,500 | 2,219 |
| Open plot | Property Khasra No.1010/1, Khewat No. 2726, Khatooni No. 2755 measuring 02-Kanals & 06-Marlas, 4-1/2-Sarsahi, situated in chak No. 212/RB, Liaqat Road and Tehsil City District Faisalabad. | 450,000 | 450,000 | - |
| Open plot | Plot # A-1,A-2,A-3,A-4 & C-2 Survey # 107, Deh Safooran, Malir, Karachi | 965,003 | 1,350,000 | 384,997 |
| Land and building | Plot # A-23, Sindh Industrial Trading Estate (S.I.T.E), Karachi | 51,218 | 52,000 | 782 |
| | | 2,093,092 | 2,732,282 | 639,190 |

| Note | 2017 | 2016 |
|------|----------------|------|
| | Rupees in '000 | |

30. ADMINISTRATIVE EXPENSES

| | | | |
|--|---------------|------------------|------------------|
| Salaries, allowances and other benefits | | 2,942,416 | 2,554,037 |
| Charge for defined benefit plan | 37.1.3 / 30.2 | 81,934 | 70,502 |
| Contribution to defined contribution plan | | 78,816 | 69,622 |
| Non-executive directors' fees | 38.1 | 33,100 | 30,570 |
| Rent, taxes, insurance, electricity, etc. | | 814,986 | 840,765 |
| Participation fee paid in respect of subordinated loan | | 28,775 | - |
| Guarantee commission paid in respect of CPS | | - | 20,350 |
| Legal and professional charges | | 473,607 | 365,552 |
| Communications | | 299,936 | 225,098 |
| Financial charges on leased assets | | 907 | 1,282 |
| Repairs and maintenance | | 309,081 | 259,058 |
| Stationery and printing | | 63,066 | 58,455 |
| Security charges | | 93,142 | 80,974 |
| Advertisement and publicity | | 307,780 | 185,694 |
| Depreciation | 12.2 | 388,825 | 353,860 |
| Amortization of intangible assets | 12.4 | 86,686 | 81,439 |
| Auditors' remuneration | 30.1 | 16,558 | 12,082 |
| Fuel and travelling expenses | | 116,380 | 124,848 |
| Brokerage and commission | | 13,336 | 15,009 |
| Subscriptions and newspapers | | 20,217 | 10,774 |
| Entertainment | | 43,937 | 41,967 |
| Others | | 127,941 | 98,532 |
| | | 6,341,426 | 5,500,470 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| | Note | 2017 Rupees in '000 | 2016 Rupees in '000 |
|---|--|--------------------------------|--------------------------------|
| 30.1 Auditors' remuneration | | | |
| Annual audit fee | | 4,968 | 4,320 |
| Half yearly review | | 1,904 | 1,656 |
| Special certifications | | 7,486 | 4,130 |
| Out-of-pocket expenses | | 2,200 | 1,976 |
| | | 16,558 | 12,082 |
| 30.2 | It includes gratuity expensed pertaining to outsourced staff amounting to Rs. 20.01 million (2016: 11.20 million). | | |
| 31. OTHER PROVISIONS / (REVERSALS) / WRITE OFFS - NET | | | |
| Provision / (reversal) against other assets - net | 14.5 | 239,121 | (317,316) |
| Reversal against other provisions | | (8,724) | - |
| Write offs | | 34,765 | 11,957 |
| | | 265,162 | (305,359) |
| 32. OTHER CHARGES | | | |
| Penalties imposed by SBP | 32.1 | 16,152 | 2,638 |
| Operational loss | | 5,628 | 17,836 |
| Worker's Welfare Fund | | 33,000 | 26,227 |
| Depreciation on non-banking assets acquired in satisfaction of claims | | 93,031 | 83,877 |
| | | 147,811 | 130,578 |
| 32.1 | These represent penalties imposed by SBP on various non-compliances related to rules and regulations. | | |
| 33. TAXATION | | 2017 Rupees in '000 | 2016 Rupees in '000 |
| Current | | | |
| - for the year | | - | - |
| - prior year | | (5,399) | 47,848 |
| Deferred | | | |
| - for the year | | 256,659 | 498,731 |
| - prior year | | - | - |
| | | 256,659 | 498,731 |
| | | 251,260 | 546,579 |
| 33.1 Relationship between tax expense and accounting profit | | | |
| Profit before tax | | 1,386,548 | 1,285,132 |
| Tax rate | | 35% | 35% |
| Tax at applicable rate | | 485,292 | 449,796 |
| Permanent difference | | (236,472) | (104,955) |
| Deferred tax asset / minimum tax credit written off / adjusted | | 1,875 | 193,503 |
| Others | | 565 | 8,235 |
| | | 251,260 | 546,579 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

33.2 The income tax returns of the Bank have been submitted up to Tax Year 2017. The Bank has filed appeals before Appellate Tribunal Inland Revenue (ATIR) against certain disallowances amounting to Rs. 1,996 million (December 31, 2016 : Rs. 1,996 million) made by Tax officer for assessment / tax year(s) 2000-2001, 2001-2002, 2002-2003 and 2004. The disallowances amounting to Rs. 682 million (December 31, 2016 : Rs. 682 million) in respect of tax years 2003 and 2006 are pending at CIR (A). Management is confident that the outcome of these appeals would be in favor of the Bank.

33.3 Income tax returns for tax years 2011 and 2014 were selected for audit. The proceedings of the audit are in process, no order has been passed by the relevant tax authorities. The proceedings u/s 161/205 of the Income Tax Ordinance regarding monitoring of withholding taxes pertaining to the tax years 2011 to 2014 were completed in prior years. Orders were issued by the Assessing Officer creating total tax demand of Rs. 39 million (already paid by the Bank) along with default surcharge of Rs. 17 million. The Bank's appeals against orders u/s 161/205 for tax years 2013 and 2014 before the Commissioner Inland Revenue (Appeals - II) were rejected after which appeals before the ATIR, Karachi have been filed, which are pending hearing. Management is confident that the outcome of these appeals would be in favor of the Bank.

33.4 The Bank's return in respect of AJK operations have been submitted up to and including Tax Year 2017. Certain appeals were filed before the various appellate and other forums which are either pending for adjudication or the proceedings initiated against the Bank have been dropped / withdrawn. Management is confident that the outcome of pending appeals would be in favor of the Bank.

| | 2017 | 2016 |
|---|------------------|------------------|
| 34. EARNINGS PER SHARE - BASIC AND DILUTED | | |
| Profit after taxation for the year - attributable to ordinary equity holders of the Bank for basic and diluted (Rupees in '000) | 1,135,288 | 738,553 |
| Weighted average number of basic outstanding ordinary shares during the year (Numbers in '000) | 9,040,522 | 7,921,215 |
| Weighted average number of diluted outstanding ordinary shares during the year (Numbers in '000) | 9,040,522 | 7,921,215 |
| Basic earnings per share (Rupee) | 0.13 | 0.09 |
| Diluted earnings per share (Rupee) | 0.13 | 0.09 |

34.1 During the year the Bank has issued right shares as disclosed in note 1.2. Due to this issue the prior weighted average number of shares have increased from 7,799,810,000 to 7,921,215,000. This has not resulted in a change in prior year Earning per share.

| | 2017 | 2016 |
|---------------------------------------|------|------------------|
| | Note | Rupees in '000 |
| 35. CASH AND CASH EQUIVALENTS | | |
| Cash and balances with treasury banks | 7 | 8,413,176 |
| Balances with other banks | 8 | 218,420 |
| | | 8,631,596 |
| | | 7,458,710 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

35.1 Reconciliation of liabilities arising from financing activities

| | Subordinated loans | Finance lease obligation | Total |
|--|-----------------------|--------------------------------|------------------|
| Rupees in '000 | | | |
| Balance as at January 01, 2017 | - | 10,694 | 10,694 |
| Issue of Subordinated loans | 2,000,000 | - | 2,000,000 |
| Repayment of finance lease obligation | - | (3,814) | (3,814) |
| Total liability related changes in financing activities | 2,000,000 | (3,814) | 1,996,186 |
| Balance as at December 31, 2017 | 2,000,000 | 6,880 | 2,006,880 |

36. STAFF STRENGTH

| | Note | 2017 Number of persons | 2016 Number of persons |
|--|------|---------------------------|---------------------------|
| Permanent | | 1,410 | 1,285 |
| Temporary / Contractual basis | | 72 | 95 |
| Bank's own staff strength at the end of the year | | 1,482 | 1,380 |
| Outsourced | 36.1 | 2,229 | 1,987 |
| Total staff strength | | 3,711 | 3,367 |

36.1 These exclude outsourced security guards and commission based agents.

37. STAFF RETIREMENT BENEFITS

37.1 Defined benefit plan

As disclosed in note 6.10.2, the Bank operates an approved funded gratuity scheme for all its regular employees. The entitlement of the employees commences on completion of five years with the Bank beginning from January 01, 2005. Projected Unit Credit Actuarial Cost Method has been used for actuarial valuation dated December 31, 2017. The financial statements of the fund are separately prepared and audited and are not included as part of these financial statements. Contribution funds are placed in bank account maintained with Silkbank in fixed deposit and super saver scheme at the rates ranging from 3.75% to 6.60%.

| | Note | 2017 Rupees in '000 | 2016 Rupees in '000 |
|---|--------|------------------------|------------------------|
| 37.1.1 Amount recognized in the balance sheet: | | | |
| Present value of defined benefit obligation | 37.1.2 | 523,307 | 433,989 |
| Less: Fair value of plan assets | 37.1.2 | (533,514) | (482,666) |
| Asset | 14 | (10,207) | (48,677) |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

37.1.2 Movement of present value of defined benefit obligation and fair value of plan assets

| | 2017 | | |
|--|---|------------------------------|-----------------|
| | Present value of defined benefit obligation | Fair value of plan assets | Total |
| Rupees in '000 | | | |
| As at January 1, 2017 | 433,989 | (482,666) | (48,677) |
| Current service cost | 65,334 | - | 65,334 |
| Interest cost / (income) | 35,051 | (38,463) | (3,412) |
| Bank's contributions | - | (61,922) | (61,922) |
| Benefits paid | (33,041) | 33,041 | - |
| Remeasurements recognised in other comprehensive income: | | | |
| Loss due to change in financial assumptions | 678 | - | 678 |
| Loss due to changes in experience adjustment | 21,296 | - | 21,296 |
| Return on plan assets excluding amounts included in interest income | - | 16,496 | 16,496 |
| As at December 31, 2017 | 21,974 | 16,496 | 38,470 |
| | 523,307 | (533,514) | (10,207) |
| | 2016 | | |
| | Present value of defined benefit obligation | Fair value of plan assets | Total |
| Rupees in '000 | | | |
| As at January 1, 2016 | 372,201 | (413,870) | (41,669) |
| Current service cost | 62,890 | - | 62,890 |
| Interest cost / (income) | 33,990 | (37,582) | (3,592) |
| Bank's contributions | - | (59,298) | (59,298) |
| Benefits paid | (25,704) | 25,704 | - |
| Remeasurements recognised in other comprehensive income: | | | |
| Gain due to change in financial assumptions | (2,251) | - | (2,251) |
| Gain due to changes in experience adjustment | (7,137) | - | (7,137) |
| Return on plan assets excluding amounts included in interest income | - | 2,380 | 2,380 |
| As at December 31, 2016 | (9,388) | 2,380 | (7,008) |
| | 433,989 | (482,666) | (48,677) |

37.1.3 Amount recognised in profit and loss account:

| | 2017 | 2016 |
|---|----------------|---------------|
| Note | Rupees in '000 | |
| Current service cost | 65,334 | 62,890 |
| Interest cost on defined benefit obligation | 35,051 | 33,990 |
| Interest income on plan assets | (38,463) | (37,582) |
| | 61,922 | 59,298 |

30

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| | Note | 2017 Rupees in '000 | 2016 |
|--|--|---|-------------------------------|
| 37.1.4 Remeasurements recognised in OCI for the year | | | |
| Actuarial loss / (gain) on obligation | | 21,974 | (9,388) |
| Actuarial loss on plan assets | | 16,496 | 2,380 |
| | | 38,470 | (7,008) |
| 37.1.5 Movement of net defined benefit asset: | | | |
| Net defined benefit asset at the beginning of the year | | (48,677) | (41,669) |
| Charge for the year | 37.1.3 | 61,922 | 59,298 |
| Remeasurements - loss / (gains) recognized in OCI | 37.1.4 | 38,470 | (7,008) |
| Bank's contributions | 37.1.2 | (61,922) | (59,298) |
| Net defined benefit asset at the end of the year | | (10,207) | (48,677) |
| 37.1.6 Actual return on plan assets | | 21,967 | 35,202 |
| 37.1.7 Principal actuarial assumptions | | 2017 | 2016 |
| Financial assumptions | | | |
| Discount factor used | | 8.25% | 8.00% |
| Expected increase in eligible pay * | | 7.25% | 7.00% |
| Demographic assumptions | | | |
| Mortality rates (for death in service) | | SLIC (2001-05)-1 | SLIC (2001-05)-1 |
| Rates of employee turnover | | Ultra Heavy Rates | Ultra Heavy Rates |
| Normal retirement age (years) | | 60 years | 60 years |
| * Salary increments were assumed to be given on January 01, each year. | | | |
| 37.1.8 | The discount rate of 8.25% (per annum compound) is representative of yields on Pakistan Investment Bonds and high quality term finance certificates. | | |
| 37.1.9 | The expected charge for the year 2018 is Rs. 73.74 million. | | |
| 37.1.10 | The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is: | | |
| | | Impact on defined benefit obligation | |
| | | Change in assumption | Increase in assumption |
| | | Decrease in assumption | |
| | | Rupees in '000 | |
| Discount rate | | 1% | (27,571) |
| Salary growth rate | | 1% | 33,275 |
| | | | 30,698 |
| | | | (30,377) |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the Projected Unit Credit Actuarial Cost Method at the end of the reporting period) has been applied as when calculating net defined benefit asset recognised within the statement of financial position.

2017 2016

Rupees in '000

37.1.11 Composition of fair value of plan assets

| | | |
|---------------------------------|----------------|---------|
| Pakistan Investment Bonds | 26,447 | 26,236 |
| Cash and bank balances | 105,664 | 47,089 |
| Term Deposits | 369,000 | 369,000 |
| Mutual Funds | 20,562 | 25,296 |
| National Investment Trust Units | 11,841 | 15,045 |
| | 533,514 | 482,666 |

37.2 Defined contribution plan

The Bank operates an approved funded contributory provident fund for all its permanent employees to which equal monthly contributions are made both by the Bank and the employees at the rate of 8.33% of basic salary. The financial statements of the fund are separately prepared and audited and are not included as part of these financial statements. Contribution funds are placed with bank account maintained with Silkbank in fixed deposit and super saver scheme at the rates ranging from 4% to 15%.

2017 2016

Note **Rupees in '000**

| | | | |
|---------------------|----|---------------|--------|
| Bank's contribution | 30 | 78,816 | 69,622 |
|---------------------|----|---------------|--------|

38. COMPENSATION OF DIRECTORS AND EXECUTIVES

| Note | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
|---|-----------------------------|--------|---------------------|--------|------------------|-----------|
| | President / Chief Executive | | Executive Directors | | Executives | |
| | Rupees in '000 | | | | | |
| Managerial remuneration | 41,137 | 39,178 | 17,902 | 17,202 | 731,417 | 623,474 |
| Contribution to defined contribution plan | 3,427 | 3,264 | 1,491 | 1,433 | 57,063 | 47,721 |
| Rent and house maintenance | 20,569 | 19,589 | 8,951 | 8,601 | 365,710 | 311,738 |
| Medical | 4,114 | 3,918 | 1,790 | 1,720 | 73,142 | 62,348 |
| Conveyance | 8,227 | 7,836 | 3,580 | 3,440 | 146,282 | 124,694 |
| Bonus and others | 17,052 | 5,169 | 3,518 | 2,888 | 204,151 | 130,301 |
| | 94,526 | 78,954 | 37,232 | 35,284 | 1,577,765 | 1,300,276 |
| Number of persons remained at end of year | 38.1 | 1 | 1 | 1 | 540 | 453 |

The Chief Executive, Executive Director and Executives are provided with free use of Bank provided cars. Executives mean employees, other than Chief Executive Officer and Directors, whose basic salary exceeds five hundred thousand rupees in a financial year.

38.1 As disclosed in note 30, the non-executive directors were paid Rs. 33.10 million (2016: Rs. 30.57 million) as meeting fee.

39. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of traded investments is based on quoted market prices. Fair value of unquoted equity investments other

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

than investments in associates is determined on the basis of break up value of these investments as per the latest available audited financial statements, less impairment if any.

Fair value of fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 6.5 to these financial statements.

The maturity and repricing profile and effective rates are stated in notes 43.2.3, 43.3.3 and 43.3.4 respectively.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short-term in nature or in the case of customer loans and deposits are frequently re-priced.

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).

39.1

The table below analyses the financial and non-financial assets carried at fair values, by fair value hierarchy. For financial assets, the Bank essentially carries its investments in debt and equity securities at fair values. Valuation of investments is carried out as per guidelines specified by the SBP. In case of non-financial assets, the Bank has adopted revaluation model (as per IAS 16) in respect of land and building.

| | 2017 | | | |
|---|---------|------------|------------|------------|
| | Level 1 | Level 2 | Level 3 | Total |
| On balance sheet financial instruments | | | | |
| Rupees in '000 | | | | |
| Financial assets measured at fair value | | | | |
| Held for trading securities | | | | |
| - Pakistan Investment Bonds | - | 2,633,543 | - | 2,633,543 |
| - Shares in listed companies | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Available-for-sale Securities | | | | |
| - Market Treasury Bills | - | 18,558,147 | - | 18,558,147 |
| - Pakistan Investment Bonds | - | 12,939,521 | - | 12,939,521 |
| - GOP Ijara Sukuk | - | 3,697,391 | - | 3,697,391 |
| - Sukuk Listed | - | 201,250 | - | 201,250 |
| - Term Finance Certificates - Listed | - | 89,328 | - | 89,328 |
| - Shares in listed companies | 29,543 | - | - | 29,543 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Non-financial assets measured at fair value | | | | |
| Operating fixed assets - land and buildings | - | 2,526,521 | 2,526,521 | |
| Non-banking assets acquired in satisfaction of claims | - | 10,875,165 | 10,875,165 | |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Off balance sheet financial instruments | | | | |
| Foreign exchange option purchased (notional value) | - | 8,479,756 | - | 8,479,756 |
| Foreign exchange option sold | - | 2,798,688 | - | 2,798,688 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| | 2016 | | | | | | | |
|---|----------------|-------------------|-------------------|-------------------|--|--|--|--|
| | Level 1 | Level 2 | Level 3 | Total | | | | |
| On balance sheet financial instruments | Rupees in '000 | | | | | | | |
| Financial assets measured at fair value | | | | | | | | |
| Held for trading securities | | | | | | | | |
| - Pakistan Investment Bonds | - | - | - | - | | | | |
| - Shares in listed companies | 12,148 | - | - | 12,148 | | | | |
| | <u>12,148</u> | <u>-</u> | <u>-</u> | <u>12,148</u> | | | | |
| Available-for-sale Securities | | | | | | | | |
| - Market Treasury Bills | - | 26,844,860 | - | 26,844,860 | | | | |
| - Pakistan Investment Bonds | - | 9,003,567 | - | 9,003,567 | | | | |
| - GOP Ijara Sukuk | - | 981,480 | - | 981,480 | | | | |
| - Sukuk Listed | - | - | - | - | | | | |
| - Term Finance Certificates - Listed | - | 103,111 | - | 103,111 | | | | |
| - Shares in listed companies | 440,492 | - | - | 440,492 | | | | |
| | <u>440,492</u> | <u>36,933,018</u> | <u>-</u> | <u>37,373,510</u> | | | | |
| Non-financial assets measured at fair value | | | | | | | | |
| Operating fixed assets - land and buildings | - | 2,583,563 | 2,583,563 | 2,583,563 | | | | |
| Non-banking assets acquired in satisfaction of claims | - | 12,675,801 | 12,675,801 | 12,675,801 | | | | |
| | <u>-</u> | <u>15,259,364</u> | <u>15,259,364</u> | <u>15,259,364</u> | | | | |
| Off balance sheet financial instruments | | | | | | | | |
| Foreign exchange option | - | 10,901,763 | - | 10,901,763 | | | | |
| purchased (notional value) Foreign exchange option sold | - | 5,894,494 | - | 5,894,494 | | | | |

The valuation techniques used for above assets are same as disclosed in note 6.4.1, 6.4.2 & 12.2.1 of these financial statements.

The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred. There were no transfers between levels 1 and 2 during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

40. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

For management purposes, the Bank is organized into following major business segments:

- Wholesale Banking *
- Treasury*
- Consumer / SME Banking *

All assets, liabilities, off balances sheet items, and items of income and expense are distributed in primary segments in accordance with the core functions performed by the business groups.

| | Wholesale banking | Treasury (Trading) | Consumer/SME banking | Total |
|--|------------------------------|-------------------------------|---------------------------------|--------------|
| | Rupees in '000 | | | |
| 2017 | | | | |
| Total income - net | 1,171,443 | 398,697 | 6,859,382 | 8,429,522 |
| Total expenses | (1,242,979) | (179,583) | (5,620,412) | (7,042,974) |
| Net Income | (71,536) | 219,114 | 1,238,970 | 1,386,548 |
| Taxation | | | | (251,260) |
| Net income after taxation | | | | 1,135,288 |
| Segment assets (gross) | 59,059,250 | 49,311,931 | 63,490,151 | 171,861,332 |
| Segment non performing loans | 4,015,408 | - | 1,844,394 | 5,859,802 |
| Segment provision required | 3,225,914 | 5,680 | 1,775,206 | 5,006,800 |
| Segment liabilities | 12,445,319 | 34,221,220 | 107,006,647 | 153,673,186 |
| Segment return on net assets (ROA) (%) | -0.12% | 0.20% | 0.94% | |
| Segment cost of funds (%) | 4.76% | 5.91% | 3.96% | |
| 2016 | | | | |
| Total income - net | 707,009 | 563,680 | 5,291,337 | 6,562,026 |
| Total expenses | (425,219) | (175,137) | (4,676,538) | (5,276,894) |
| Net income | 281,790 | 388,543 | 614,799 | 1,285,132 |
| Taxation | | | | (546,579) |
| Net income after taxation | | | | 738,553 |
| Segment assets (gross) | 50,720,160 | 42,411,849 | 46,906,480 | 140,038,489 |
| Segment non performing loans | 3,469,479 | - | 2,350,846 | 5,820,325 |
| Segment provision required | 3,165,498 | 89,370 | 1,749,799 | 5,004,667 |
| Segment liabilities | 12,075,831 | 28,500,995 | 82,402,408 | 122,979,234 |
| Segment return on net assets (ROA) (%) | 0.71% | 0.85% | 1.32% | |
| Segment cost of funds (%) | 6.18% | 6.58% | 3.99% | |

* These include Islamic Banking Business (for details refer Annexure II).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

41. RELATED PARTY TRANSACTIONS

Related parties comprise directors, major shareholders of the Bank and the companies owned by such shareholders, entities owned by the directors of the Bank, companies where directors of the Bank also hold directorship, associate, key employees, entities that have key management personnel in common and employee benefit plan and defined contribution plan. Transactions with related parties are carried out in the normal course of business at agreed terms other than those transactions which are made under the terms of employment. Majority of the transactions with related parties comprise loans and advance, deposits, issuance of letters of credit and guarantees. Advances for the house building, conveyance and for personal use have also been provided to the staff and executives at reduced rates in accordance with the employment and pay policy and such advances have not been disclosed in the following schedule. Facility of group life insurance and hospitalisation insurance is also provided to staff and executives. In addition to this, executives of the Bank have been provided with Bank maintained cars. Transactions with associate and key management personnel are also executed substantially on the same terms or as per the employment terms. Details of transactions with related parties and balances with them as at the year-end are as follows:

| | 2017 | | | 2016 | | |
|--|-------------------|-------------------------------------|---|-------------------|-------------------------------------|---|
| | CEO and Directors | Key management personnel and Others | Associated companies and common directorships | CEO and Directors | Key management personnel and Others | Associated companies and common directorships |
| Balances | | | | | | Rupees in '000 |
| Loans | | | | | | |
| Loans outstanding at the beginning of the year | 248 | 131,749* | 1,045,134 | 150 | 4,070* | 1,677,659 |
| Loans given during the year | 68,464 | 27,917* | 2,956,130 | 866 | 142,248* | 1,952,181 |
| Loans repaid / adjusted during the year | (66,823) | (156,493)* | (2,624,276) | (768) | (14,569)* | (2,584,706) |
| Loans outstanding at the end of the year | 1,889 | 3,173* | 1,376,988 | 248 | 131,749* | 1,045,134 |
| Deposits | | | | | | |
| Deposits at the beginning of the year | 18,191 | 242,775** | 1,212,842 | 18,090 | 1,070,143** | 3,205,349 |
| Deposits received during the year | 317,162 | 4,256,352** | 6,859,228 | 357,954 | 6,189,246** | 2,557,555 |
| Deposits repaid / adjusted during the year | (327,052) | (3,924,284)** | (6,195,600) | (357,853) | (7,016,614)** | (4,550,062) |
| Deposits at the end of the year | 8,301 | 574,843** | 1,876,470 | 18,191 | 242,775** | 1,212,842 |
| Investments - Shares | | | | | | |
| At the beginning of the year | - | - | 323,557 | - | - | 231,763 |
| Investment made during the year | - | - | 365,096 | - | - | 429,421 |
| Investments redeemed / impaired / adjusted during the year | - | - | (570,641) | - | - | (337,627) |
| Investments at the end of the year | - | - | 118,012 | - | - | 323,557 |
| Contingencies and commitments | | | | | | |
| Letter of Credit | - | - | 446,954 | - | - | 2,822 |
| Transactions | | | | | | |
| Short term employment benefits | 126,840 | 364,988 | - | 109,543 | 297,923 | - |
| Contribution to defined benefit plan | 4,918 | 12,808 | - | 4,696 | 11,059 | - |
| Mark-up earned on advances | 99 | 15,254* | 101,636 | 66 | 10,808* | 106,047 |
| Mark-up paid on deposits | 345 | 25,331** | 63,584 | 545 | 8,178** | 69,067 |
| Services rendered | - | 152,231*** | 36,812 | - | 147,146*** | 43,673 |
| Meeting fee of non-executive directors | 33,110 | - | - | 30,570 | - | - |
| Share of profit from Associate | - | - | 3,651 | - | - | 17,822 |
| Dividend Income | - | - | 10,335 | - | - | 6,315 |
| Gain /(loss) on sale of securities | - | - | 9,073 | - | - | (3,539) |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

41.1 Deposits of employees' Provident Fund and employees' Gratuity Fund Rs. 1,004 million (2016: 1,115 million) carries mark-up at the rates ranging from 3.75% to 15% (2016: 4% to 15%).

41.2 Balances pertaining to parties that were related at the beginning of the year but ceased to be so related during any part of the current year are not reflected as part of the closing balance of the current period. The same are accounted for through the movement presented above.

* This includes balances pertaining to Advisor to the Chairman of the Board (the Advisor) including opening balance of Rs. 130 million (2016: Nil), loan drawdowns of Rs. Nil (2016: Rs. 130 million), loan repayments of Rs. 130 million (2016: Nil) and closing balance of Rs. Nil (2016: Rs. 130 million). Markup earned by the Bank during the year on these loans was Rs. 14 million (2016: Rs. 10 million).

** This includes balances pertaining to the Advisor including opening balance of Rs. 2.4 million (2016: 27.2 million), deposits made during the year of Rs. 3,197 million (2016: Rs. 3,569 million), amounts withdrawn during the year amounting to Rs. 3,192 million (2016: Rs. 3,594 million) and closing balance of Rs. 18.1 million (2016: Rs. 2.4 million). Markup paid by the Bank during the year on these deposits was Rs. 0.3 million (2016: Rs. 1.6 million).

*** This represents annual remuneration paid to the Advisor for providing services to the Bank in accordance with the renewed terms of agreement entered into between the Bank and the Advisor for a period of three years commencing from August 2017. In addition, the Advisor is provided with free use of Bank maintained car.

42. CAPITAL ASSESSMENT AND ADEQUACY

42.1 Scope of Applications

The Basel-III Framework is applicable to the Bank on a stand alone basis and the Bank has adopted the Standardised approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk while using the simple approach for Credit Risk Mitigation as per SBP guidelines. Saudi Pak Insurance Company Limited (SPICL) is an associate of the Bank which has not been considered for consolidation both under accounting and regulatory scope of consolidation. The Bank owns 23.08% investment in shares of SPICL due to which the Bank has acquired significant influence, but not control, over financial and operating policies of SPICL.

42.1.1 Capital management

Objective of Capital Management:

The Bank manages its capital to attain following objectives and goals:

- To comply with statutory capital requirements set by regulators and comparable with peers;
- Ensuring sufficient liquidity to support its financial obligations and execute its operating and strategic plans;
- Maintaining healthy liquidity reserves and access to capital;
- To mitigate all expected and un expected losses to keep institution a going concern so it can continue to provide adequate return to shareholders; and
- To extend credit to support growth in business even in adverse and stressed economic environment.

Statutory minimum capital & capital adequacy requirements

The State Bank of Pakistan (SBP) vide BSD Circular No. 7 dated April 15, 2009 set the Minimum Capital Requirement (MCR) for Banks of Rs. 10 billion (net of losses) for all locally incorporated banks to be achieved up to December 31, 2013. The Banks are also required to maintain a Capital Adequacy Ratio (CAR) of at least 10% plus capital conservation buffer of 1.275% of the risk weighted exposures of the Bank. The capital of the Bank (net of losses and discount on shares) as of December 31, 2017 amounted to Rs. 12.57 billion excluding general reserves of Rs. 555 million and CAR of 10.94%.

The Capital Adequacy Ratio of the Bank is subject to the Basel III capital adequacy guidelines stipulated by SBP through its BPRD Circular No. 06 of 2013 dated August 15, 2013 (as amended). These Instructions are effective from December 31, 2013 in a phased manner with full implementation intended by December 31, 2019. Under Basel III guidelines, banks are required to maintain the following ratios on an ongoing basis.

Phase-in arrangement and full implementation of the minimum capital requirements:

Under Basel III guidelines banks are required to maintain the following ratios on an ongoing basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| Ratio | Year | | | | | | As on Dec 31 2019 |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | |
| CET I | 5.00% | 5.50% | 6.00% | 6.00% | 6.00% | 6.00% | 6.00% |
| ADT I | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% | 1.50% |
| Tier 1 | 6.50% | 7.00% | 7.50% | 7.50% | 7.50% | 7.50% | 7.50% |
| Total Capital | 10.00% |
| *CCB | - | - | 0.25% | 0.65% | 1.275% | 1.90% | 2.50% |
| Total Capital plus CCB | 10.00% | 10.00% | 10.25% | 10.65% | 11.28% | 11.90% | 12.50% |

*Capital Conservation Buffer (CCB) Consisting of CET1 only

*Capital Conservation Buffer (CCB) Consisting of CET1 only

Bank's regulatory capital is analyzed into two tiers.

Common Equity Tier 1 capital (CET1), which includes fully paid up capital, balance in share premium account / discount on issue of shares, general reserves, statutory reserves as per the financial statements and net unappropriated profits after all regulatory adjustments applicable on CET1.

The deduction from Tier 1 capital includes mainly:

- (i) Book value of intangibles
- (ii) Threshold deductions applicable from 2014 on deferred tax assets
- (iii) Significant minority investment in banking and other financial entities

Tier 2 capital, which includes subordinated debt instruments, share premium of issuance of subordinated debt instruments, general provisions for loan losses (up to a maximum of 1.25% of credit risk weighted assets), net of tax reserves on revaluation of fixed assets and securities up to a maximum of 45% of the balance and (80% of the remaining revaluation reserves of 55%) and foreign exchange translation reserves after all regulatory adjustments applicable on Tier-2.

The deductions from Tier 2 include mainly:

- (i) Significant minority investment in banking and other financial entities

Banking operations are categorised as either trading book or banking book and risk-weighted assets are determined according to specified requirements of SBP that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures. The total risk-weighted exposures comprise of the credit risk, market risk and operational risk.

The Bank uses reputable and SBP approved rating agencies for deriving risk weight to specific credit exposures. These are applied consistently across the Bank credit portfolio for both on-balance sheet and off-balance sheet exposures.

For domestic claims, External Credit Assessment Institutions (ECAs) recommended by the State Bank of Pakistan (SBP), namely Pakistan Credit Rating Agency Limited (PACRA) and JCR-VIS Credit Rating Company Limited (JCR-VIS) are used. For claims on foreign entities, ratings assigned by Standard and Poor's, Fitch and Moody's are used. Foreign exposures not rated by any of the aforementioned rating agencies are categorised as unrated.

| Exposures | 2017 | | | | |
|-----------------|------|-------|-----|-------|---------|
| | JCR | PACRA | S&P | FITCH | Moody's |
| Corporate Banks | ✓ | ✓ | - | - | - |
| | ✓ | ✓ | ✓ | ✓ | ✓ |

SBP indicative mapping process as instructed in SBP circular "Minimum Capital Requirements for Banks and DFIs" (indicated in table below) was used to map alphanumeric ratings of PACRA, JCR-VIS, S&P's, Moody's, Fitch Ratings, and numeric scores of ECAs, to SBP rating grades.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

Mapping to SBP Ratings Grades

Long-term rating grade mapping

| SBP Rating Grade | PACRA | JCR-VIS | FITCH | S&P | MOODY'S | ECA Scores |
|-------------------------|----------------|----------------|----------------|----------------|----------------|-------------------|
| 1 | AAA | AAA | AAA | AAA | Aaa | 1 |
| | AA+ | AA+ | AA+ | AA+ | Aa1 | |
| | AA | AA | AA | AA | Aa2 | |
| | AA- | AA- | AA- | AA- | Aa3 | |
| 2 | A+ | A+ | A+ | A+ | A1 | 2 |
| | A | A | A | A | A2 | |
| | A- | A- | A- | A- | A3 | |
| 3 | BBB+ | BBB+ | BBB+ | BBB+ | Baa1 | 3 |
| | BBB | BBB | BBB | BBB | Baa2 | |
| | BBB- | BBB- | BBB- | BBB- | Baa3 | |
| 4 | BB+ | BB+ | BB+ | BB+ | Ba1 | 4 |
| | BB | BB | BB | BB | Ba2 | |
| | BB- | BB- | BB- | BB- | Ba3 | |
| 5 | B+ | B+ | B+ | B+ | B1 | 5,6 |
| | B | B | B | B | B2 | |
| | B- | B- | B- | B- | B3 | |
| 6 | CCC+ and Below | CCC+ and Below | CCC+ and Below | CCC+ and Below | Caa1 and Below | 7 |

Short-term ratings grades

| SBP Rating Grade | PACRA | JCR-VIS | FITCH | S&P | MOODY'S |
|-------------------------|--------------|----------------|--------------|----------------|----------------|
| S1 | A-1 | A-1 | F1 | A-1+, A-1 | P-1 |
| S2 | A-2 | A-2 | F2 | A-2 | P-2 |
| S3 | A-3 | A-3 | F3 | A-3 | P-3 |
| S4 | Others | Others | Others | Others | Others |

| | | 2017 | 2016 |
|--|------|----------------|------|
| | Note | Rupees in '000 | |
| 42.2 Capital Adequacy Ratio (CAR) | | | |

Common Equity Tier 1 capital (CET1): Instruments and reserves

| | | | |
|--|--------|--------------|--------------|
| 1 Fully Paid-up Capital | | 90,818,612 | 79,998,099 |
| 2 Balance in Share Premium Account | | - | - |
| 3 Reserve for issue of Bonus Shares | | - | - |
| 4 Discount on Issue of shares | | (67,387,238) | (56,566,725) |
| 5 General/ Statutory Reserves | | 554,903 | 327,845 |
| 6 Gain/(Losses) on derivatives held as Cash Flow Hedge | | - | - |
| 7 Unappropriated/unremitted profits/ (losses) | 42.2.5 | (11,735,591) | (12,635,048) |
| 8 Minority Interests arising from CET1 capital instruments issued to third parties by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group) | | - | - |

9 CET 1 before Regulatory Adjustments

| | | | |
|---|--------|------------|------------|
| 10 Total regulatory adjustments applied to CET1 | 42.2.1 | 12,250,686 | 11,124,171 |
| Adjustment to CET1 due to insufficient AT1 | 42.2.2 | 2,062,101 | 1,824,578 |
| capital and T2 capital to cover adjustments | | 11,801 | 20,565 |

11 Common Equity Tier 1

Additional Tier 1 (AT 1) Capital

| | | |
|--|---|---|
| 12 Qualifying Additional Tier-1 capital instruments plus any related share premium | - | - |
| 13 of which: Classified as equity | - | - |
| 14 of which: Classified as liabilities | - | - |
| 15 Additional Tier-1 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group AT 1) | - | - |
| 16 of which: instrument issued by subsidiaries subject to phase out | - | - |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| | Note | 2017 | 2016 |
|---|--------|-------------------|-------------------|
| | | Rupees in '000 | |
| 17 AT1 before regulatory adjustments | | - | - |
| 18 Total regulatory adjustment applied to AT1 capital | 42.2.2 | - | - |
| 19 Additional Tier 1 capital after regulatory adjustments | | - | - |
| 20 Additional Tier 1 capital recognised for capital adequacy | | - | - |
| 21 Tier 1 Capital (CET1 + admissible AT1) (11+20) | | 10,176,784 | 9,279,028 |
| Tier 2 Capital | | - | - |
| 22 Qualifying Tier 2 capital instruments under Basel III plus any related share premium | | - | - |
| 23 Tier 2 capital instruments subject to phase-out arrangement issued under pre-Basel 3 rules | | 2,000,000 | - |
| 24 Tier 2 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group tier 2) | | - | - |
| 25 of which: instruments issued by subsidiaries subject to phase out | | - | - |
| 26 General provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets | | 556,280 | 478,549 |
| 27 Revaluation Reserves (net of taxes) | | 793,092 | 725,725 |
| 28 of which: Revaluation reserves on fixed assets | | 824,852 | 731,965 |
| 29 of which: Unrealised gains / losses on AFS | | (31,760) | (6,240) |
| 30 Foreign Exchange Translation Reserves | | - | - |
| 31 Undisclosed/Other Reserves (if any) | | - | - |
| 32 T2 before regulatory adjustments | | 3,349,372 | 1,204,274 |
| 33 Total regulatory adjustment applied to T2 capital | 42.2.3 | 11,801 | 20,565 |
| 34 Tier 2 capital (T2) after regulatory adjustments | | 3,337,571 | 1,183,709 |
| 35 Tier 2 capital recognised for capital adequacy | | 3,337,571 | 1,183,709 |
| 36 Portion of Additional Tier 1 capital recognised in Tier 2 capital | | - | - |
| 37 Total Tier 2 capital admissible for capital adequacy | | 3,337,571 | 1,183,709 |
| 38 TOTAL CAPITAL (T1 + admissible T2) (21+37) | | <u>13,514,355</u> | <u>10,462,737</u> |
| 39 Total Risk Weighted Assets (RWA) | 42.5 | 123,475,380 | 98,099,652 |
| Capital Ratios and buffers (in percentage of risk weighted assets) | | | |
| 40 CET1 to total RWA | | 8.24% | 9.46% |
| 41 Tier-1 capital to total RWA | | 8.24% | 9.46% |
| 42 Total capital to total RWA | | 10.94% | 10.67% |
| 43 Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement) | | - | - |
| 44 of which: capital conservation buffer requirement | | - | - |
| 45 of which: countercyclical buffer requirement | | - | - |
| 46 of which: D-SIB or G-SIB buffer requirement | | - | - |
| 47 CET1 available to meet buffers (as a percentage of risk weighted assets) | | - | - |
| National minimum capital requirements prescribed by SBP | | | |
| 48 CET1 minimum ratio | | 6.00% | 6.00% |
| 49 Tier 1 minimum ratio | | 7.50% | 7.50% |
| 50 Total capital minimum ratio | | 11.28% | 10.00% |
| Leverage Ratio | | | |
| Tier 1 Capital | | 10,176,783 | 9,279,028 |
| Total Exposures | | 190,833,864 | 154,726,047 |
| Leverage Ratio | | 5.33% | 6.00% |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| Regulatory Adjustments and Additional Information | | 2017 | 2016 |
|--|--|--|-----------|
| | | Rupees in '000 | Amounts |
| | | Amount subject to Pre- Basel III treatment | Amount |
| 42.2.1 Common Equity Tier 1 capital: Regulatory adjustments | | | |
| 1 | Goodwill (net of related deferred tax liability) | - | - |
| 2 | All other intangibles (net of any associated deferred tax liability) | 241,901 | 245,219 |
| 3 | Shortfall in provisions against classified assets | - | - |
| 4 | Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | - | 92,492 |
| 5 | Defined-benefit pension fund net assets | - | - |
| 6 | Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities | - | - |
| 7 | Cash flow hedge reserve | - | - |
| 8 | Investment in own shares/ CET1 instruments | - | - |
| 9 | Securitization gain on sale | - | - |
| 10 | Capital shortfall of regulated subsidiaries | - | - |
| 11 | Deficit on account of revaluation from bank's holdings of fixed assets/ AFS | - | - |
| 12 | Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | - | - |
| 13 | Significant investments in the common stocks of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | - | - |
| 14 | Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability) | - | - |
| 15 | Amount exceeding 15% threshold | 1,820,200 | 1,486,867 |
| 16 | of which: significant investments in the common stocks of financial entities | - | - |
| 17 | of which: deferred tax assets arising from temporary differences | - | - |
| 18 | National specific regulatory adjustments applied to CET1 capital | - | - |
| 19 | Investments in TFCs of other banks exceeding the prescribed limit | - | - |
| 20 | Any other deduction specified by SBP (mention details) | - | - |
| 21 | Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions | - | - |
| 22 | Total regulatory adjustments applied to CET1 (sum of 1 to 21) | 2,062,101 | 1,824,578 |
| 42.2.2 Additional Tier-1 & Tier-1 Capital: regulatory adjustments | | | |
| 23 | Investment in mutual funds exceeding the prescribed limit [SBP specific adjustment] | - | - |
| 24 | Investment in own AT1 capital instruments | - | - |
| 25 | Reciprocal cross holdings in Additional Tier 1 capital instruments of banking, financial and insurance entities | - | - |
| 26 | Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | - | - |
| 27 | Significant investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation | - | - |
| 28 | Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from additional tier-1 capital | 11,801 | 20,565 |
| 29 | Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions | - | - |
| 30 | Total regulatory adjustment applied to AT1 capital (sum of 23 to 29) | 11,801 | 20,565 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| Regulatory Adjustments and Additional Information | 2017 | | 2016 |
|--|----------------|--|-----------|
| | Rupees in '000 | | |
| | Amount | Amount subject to Pre- Basel III treatment | Amount |
| 42.2.3 Tier 2 Capital: regulatory adjustments | | | |
| 31 Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital | 11,801 | | 20,565 |
| 32 Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities | - | | - |
| 33 Investment in own Tier 2 capital instrument | - | | - |
| 34 Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | - | | - |
| 35 Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation | - | | - |
| 36 Total regulatory adjustment applied to T2 capital (sum of 31 to 35) | 11,801 | | 20,565 |
| 42.2.4 Additional Information | | | |
| Risk Weighted Assets subject to pre-Basel III treatment | | | |
| 37 Risk weighted assets in respect of deduction items (which during the transitional period will be risk weighted subject to Pre-Basel III Treatment) | - | | - |
| (i) of which: deferred tax assets | - | | 61,662 |
| (ii) of which: Defined-benefit pension fund net assets | - | | - |
| (iii) of which: Recognised portion of investment in capital of banking, financial and insurance entities where holding is less than 10% of the issued common share capital of the entity | - | | - |
| (iv) of which: Recognised portion of investment in capital of banking, financial and insurance entities where holding is more than 10% of the issued common share capital of the entity | - | | - |
| Amounts below the thresholds for deduction (before risk weighting) | | | |
| 38 Non-significant investments in the capital of other financial entities | 118,871 | | 103,111 |
| 39 Significant investments in the common stock of financial entities | 118,011 | | 102,824 |
| 40 Deferred tax assets arising from temporary differences (net of related tax liability) | - | | - |
| Applicable caps on the inclusion of provisions in Tier 2 | | | |
| 41 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap) | 556,280 | | 478,549 |
| 42 Cap on inclusion of provisions in Tier 2 under standardized approach | 1,385,094 | | 1,089,031 |
| 43 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) | - | | - |
| 44 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach | - | | - |
| 42.2.5 In view of the repurchase of the property, SBP while recognising the sale as a sale, vide their letter dated August 24, 2011, has advised the Bank to reclassify 50% of the gain realised on sale of the said property (including amount transferred from revaluation surplus to accumulated loss) for capital adequacy calculation purposes as part of Tier-2 capital with treatment similar to revaluation reserves. Initially revaluation reserves upto 45% were allowed, however since the B-3 deductions has commenced from December 2014, the recognition of the remaining revaluation (55%) has been gradually allowed. On December 2017, the Bank has also recognised (80% of the remaining revaluation reserves of 55%). Accordingly, an amount of Rs. 877.937 million has been transferred from accumulated loss to revaluation reserve as Tier II Capital for capital adequacy calculation. | | | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

42.3 Capital Structure Reconciliation

| Step I | Balance sheet of the published financial statements | Under regulatory scope of consolidation |
|---|--|--|
| | As at December 31, 2017 | |
| | Rupees in '000 | |
| Assets | | |
| Cash and balances with treasury banks | 8,413,176 | 8,413,176 |
| Balances with other banks | 218,420 | 218,420 |
| Lending to financial institutions | 8,620,649 | 8,620,649 |
| Investments | 38,266,735 | 38,266,735 |
| Advances - net | 85,850,715 | 85,850,715 |
| Operating fixed assets | 4,176,746 | 4,176,746 |
| Deferred tax assets | 3,476,129 | 3,476,129 |
| Other assets | 17,831,962 | 17,831,962 |
| Total assets | 166,854,532 | 166,854,532 |
| Liabilities and equity | | |
| Bills payable | 3,192,981 | 3,192,981 |
| Borrowings | 35,582,000 | 35,582,000 |
| Deposits and other accounts | 110,277,807 | 110,277,807 |
| Sub-ordinated loans | 2,000,000 | 2,000,000 |
| Liabilities against assets subject to finance lease | 6,880 | 6,880 |
| Deferred tax liabilities | - | - |
| Other liabilities | 2,613,518 | 2,613,518 |
| Total liabilities | 153,673,186 | 153,673,186 |
| Share capital/ Head office capital account | 90,818,612 | 90,818,612 |
| Discount on issue of right shares | (67,387,238) | (67,387,238) |
| Reserves | 554,903 | 554,903 |
| Convertible preference shares | - | - |
| Unappropriated / Unremitted profit / (losses) | (10,857,654) | (10,857,654) |
| Total equity | 13,128,623 | 13,128,623 |
| Surplus on revaluation of assets | 52,723 | 52,723 |
| Total liabilities and equity | 166,854,532 | 166,854,532 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| Step II | Balance sheet of the published financial statements | Under regulatory scope of consolidation | Reference |
|---|--|--|-----------|
| | As at December 31, 2017 | | |
| | Rupees in '000 | | |
| Assets | | | |
| Cash and balances with treasury banks | 8,413,176 | 8,413,176 | |
| Balances with other banks | 218,420 | 218,420 | |
| Lending to financial institutions | 8,620,649 | 8,620,649 | |
| Investments | 38,266,735 | 38,266,735 | |
| "of which: Non-significant investments in the capital instruments of banking financial and insurance entities exceeding 10% threshold" | - | - | a |
| "of which: significant investments in the capital instruments issued by banking, financial and insurance entities exceeding regulatory threshold" | - | - | b |
| of which: Mutual Funds exceeding regulatory threshold | - | - | c |
| "of which: reciprocal crossholding of capital instrument (separate for CET1, AT1, T2)" | - | - | d |
| of which: others (mention details) | 85,850,715 | 85,850,715 | e |
| Advances | | | |
| shortfall in provisions/ excess of total EL amount over eligible provisions under IRB" | - | - | f |
| general provisions reflected in Tier 2 capital | 556,280 | 556,280 | g |
| Fixed Assets | 4,176,746 | 4,176,746 | |
| Deferred Tax Assets | 3,476,129 | 3,476,129 | |
| of which: DTAs that rely on future profitability excluding those arising from temporary differences | - | - | h |
| of which: DTAs arising from temporary differences exceeding regulatory threshold | 3,476,129 | 3,476,129 | i |
| Other assets | 17,831,962 | 17,831,962 | |
| of which: Goodwill | - | - | j |
| of which: Intangibles | 241,901 | 241,901 | k |
| of which: Defined-benefit pension fund net assets | - | - | l |
| Total assets | 166,854,532 | 166,854,532 | |
| Liabilities & equity | | | |
| Bills payable | 3,192,981 | 3,192,981 | |
| Borrowings | 35,582,000 | 35,582,000 | |
| Deposits and other accounts | 110,277,807 | 110,277,807 | |
| Sub-ordinated loans | 2,000,000 | 2,000,000 | |
| of which: eligible for inclusion in AT1 | - | - | m |
| of which: eligible for inclusion in Tier 2 | 2,000,000 | 2,000,000 | n |
| Liabilities against assets subject to finance lease | 6,880 | 6,880 | |
| Deferred tax liabilities | - | - | |
| of which: DTLs related to goodwill | - | - | o |
| of which: DTLs related to intangible assets | - | - | p |
| of which: DTLs related to defined pension fund net assets | - | - | q |
| of which: other deferred tax liabilities | - | - | r |
| Other liabilities | 2,613,518 | 2,613,518 | |
| Total liabilities | 153,673,186 | 153,673,186 | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| Step II | Balance sheet of the published financial statements | Under regulatory scope of consolidation | Reference |
|---|--|--|-----------|
| As at December 31, 2017 | | | |
| | Rupees in '000 | | |
| of which: amount eligible for CET1 | 90,818,612 | 90,818,612 | s |
| of which: amount eligible for AT1 | - | - | t |
| Discount on issue of right shares | (67,387,238) | (67,387,238) | |
| Reserves | 554,903 | 554,903 | |
| of which: portion eligible for inclusion in CET1(provide breakup) | 554,903 | 554,903 | u |
| of which: portion eligible for inclusion in Tier 2 | - | - | v |
| Convertible preference shares | - | - | |
| Unappropriated profit/ (losses) | (10,857,654) | (10,857,654) | w |
| Minority Interest | | | |
| of which: portion eligible for inclusion in CET1 | - | - | x |
| of which: portion eligible for inclusion in AT1 | - | - | y |
| of which: portion eligible for inclusion in Tier 2 | - | - | z |
| Surplus on revaluation of assets | 52,723 | 52,723 | |
| of which: Revaluation reserves on Fixed Assets | 48,863 | 48,863 | aa |
| of which: Revaluation of Non Banking Assets | 39,545 | 39,545 | |
| of which: Unrealised Gains / Losses on AFS | (35,685) | (35,685) | |
| In case of Deficit on revaluation (deduction from CET1) | | | ab |
| Total liabilities & equity | 166,854,532 | 166,854,532 | |

| Basel III Disclosure Template (with added column) | Step III | Component of regulatory capital reported by bank | Source based on reference number from step 2 |
|--|----------|--|--|
| As at December 31, 2017 | | | |
| | | Rupees in '000 | |
| Common Equity Tier 1 capital (CET1): Instruments and reserves | | | |

| | | | |
|----|--|--------------|------------------|
| 1 | Fully Paid-up Capital/ Capital deposited with SBP | 90,818,612 | |
| 2 | Balance in Share Premium Account | (67,387,238) | (s) |
| 3 | Reserve for issue of Bonus Shares | - | |
| 4 | General/ Statutory Reserves | 554,903 | |
| 5 | Gain/(Losses) on derivatives held as Cash Flow Hedge | - | (u) |
| 6 | Unappropriated/unremitted profits/ (losses) | (11,735,591) | (w) |
| 7 | Minority Interests arising from CET1 capital instruments issued to third party by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group) | - | (x) |
| 8 | CET 1 before Regulatory Adjustments | 12,250,686 | |
| | Common Equity Tier 1 capital: Regulatory adjustments | | |
| 9 | Goodwill (net of related deferred tax liability) | - | (j) - (o) |
| 10 | All other intangibles (net of any associated deferred tax liability) | 241,901 | (k) - (p) |
| 11 | Shortfall of provisions against classified assets | - | (f) |
| 12 | Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | - | {(h) - (r)} * x% |
| 13 | Defined-benefit pension fund net assets | - | {(l) - (q)} * x% |
| 14 | Reciprocal cross holdings in CET1 capital instruments | - | (d) |
| 15 | Cash flow hedge reserve | - | |
| 16 | Investment in own shares/ CET1 instruments | - | |
| 17 | Securitization gain on sale | - | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| Basel III Disclosure Template (with added column) | | Component of regulatory capital reported by bank | Source based on reference number from step 2 |
|--|--|---|---|
| Step III | | As at December 31, 2017 | |
| | | Rupees in '000 | |
| 18 | Capital shortfall of regulated subsidiaries | - | |
| 19 | Deficit on account of revaluation from bank's holdings of fixed assets/ AFS | - | (ab) |
| 20 | Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | - | a) - (ac) - (ae) |
| 21 | Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | - | (b) - (ad) - (af) |
| 22 | Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability) | 1,820,200 | (i) |
| 23 | Amount exceeding 15% threshold | - | |
| 24 | of which: significant investments in the common stocks of financial entities | - | |
| 25 | of which: deferred tax assets arising from temporary differences | - | |
| 26 | National specific regulatory adjustments applied to CET1 capital | - | |
| 27 | of which: Investment in TFCs of other banks exceeding the prescribed limit | - | |
| 28 | of which: Any other deduction specified by SBP (mention details) | - | |
| 29 | Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions | 11,801 | |
| 30 | Total regulatory adjustments applied to CET1 (sum of 9 to 29) | 2,073,902 | |
| 31 | Common Equity Tier 1 | 10,176,784 | |
| Additional Tier 1 (AT 1) Capital | | | |
| 32 | Qualifying Additional Tier-1 instruments plus any related share premium | - | |
| 33 | of which: Classified as equity | - | (t) |
| 34 | of which: Classified as liabilities | - | (m) |
| 35 | Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1) | - | (y) |
| 36 | of which: instrument issued by subsidiaries subject to phase out | - | |
| 37 | AT1 before regulatory adjustments | - | |
| Step III | | Component of regulatory capital reported by bank | Source based on reference number from step 2 |
| | | As at December 31, 2017 | |
| | | Rupees in '000 | |
| Additional Tier 1 Capital: regulatory adjustments | | | |
| 38 | Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment) | - | |
| 39 | Investment in own AT1 capital instruments | - | |
| 40 | Reciprocal cross holdings in Additional Tier 1 capital instruments | - | |
| 41 | Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | - | (ac) |
| 42 | Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation | - | (ad) |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| | Step III | Component of regulatory capital reported by bank | Source based on reference number from step 2 |
|---|--|---|---|
| | | As at December 31, 2017 | |
| | | Rupees in '000 | |
| 43 | Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-1 capital | - | |
| 44 | Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions | - | |
| 45 | Total of Regulatory Adjustment applied to AT1 capital (sum of 38 to 44) | - | |
| 46 | Additional Tier 1 capital | - | |
| 47 | Additional Tier 1 capital recognised for capital adequacy | - | |
| 48 | Tier 1 Capital (CET1 + admissible AT1) (31+47) | 10,176,784 | |
| Tier 2 Capital | | | |
| 49 | Qualifying Tier 2 capital instruments under Basel III plus any related share premium | - | (n) |
| 50 | Capital instruments subject to phase out arrangement from tier (Pre-Basel III instruments) | 2,000,000 | |
| 51 | Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2) | - | (z) |
| 52 | of which: instruments issued by subsidiaries subject to phase out | - | |
| 53 | General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets | 556,280 | (g) |
| 54 | Revaluation Reserves | 793,092 | |
| 55 | of which: Revaluation reserves on fixed assets | 824,852 | portion of (aa) |
| 56 | of which: Unrealised Gains/ Losses on AFS | (31,760) | |
| 57 | Foreign Exchange Translation Reserves | - | (v) |
| 58 | Undisclosed/ Other Reserves (if any) | - | |
| 59 | T2 before regulatory adjustments | 3,349,372 | |
| Tier 2 Capital: regulatory adjustments | | | |
| 60 | Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital | 11,801 | |
| 61 | Reciprocal cross holdings in Tier 2 instruments | - | |
| 62 | Investment in own Tier 2 capital instrument | - | |
| 63 | Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | - | (ae) |
| 64 | Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation | - | (af) |
| 65 | Amount of Regulatory Adjustment applied to T2 capital (sum of 60 to 64) | 11,801 | |
| 66 | Tier 2 capital (T2) | 3,337,571 | |
| 67 | Tier 2 capital recognised for capital adequacy | 3,337,571 | |
| 68 | Excess Additional Tier 1 capital recognised in Tier 2 capital | - | |
| 69 | Total Tier 2 capital admissible for capital adequacy | 3,337,571 | |
| 70 | TOTAL CAPITAL (T1 + admissible T2) (48+69) | 13,514,355 | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

42.4 Main Features Template of Regulatory Capital Instruments

| Disclosure template for main features of regulatory capital instruments | | | |
|---|--|------------------------------|---|
| | Main Features | Instrument - 2 | Common Shares |
| 1 | Issuer | Silbank Limited | Silbank Limited |
| 2 | Unique identifier (eg PSX Symbol or Bloomberg identifier etc.) | SILK | SILK |
| 3 | Governing law(s) of the instrument Regulatory treatment | Relevant Capital Market Laws | Relevant Capital Market Laws |
| 4 | Transitional Basel III rules | Common Equity Tier I | Tier-II |
| 5 | Post-transitional Basel III rules | Common Equity Tier I | Tier-II |
| 6 | Eligible at solo/ group / group & solo | - | - |
| 7 | Instrument type | Ordinary Shares | Term Finance Certificate |
| 8 | Amount recognised in regulatory capital (Currency in PKR thousands, as of reporting date) | Rs. (Thousand) 77,998,089 | Rs. (Thousand) 2,000,000 |
| 9 | Par value of instrument | PKR 10 | PKR 5,000 |
| 10 | Accounting classification | Shareholders' Equity | Subordinated Loan |
| 11 | Original date of issuance | 1994 | 10-Aug-17 |
| 12 | Perpetual or dated | - | Dated |
| 13 | Original maturity date | - | 10-Aug-25 |
| 14 | Issuer call subject to prior supervisory approval | - | Yes |
| 15 | Optional call date, contingent call dates and redemption amount | - | After 5 year |
| 16 | Subsequent call dates, if applicable Coupons / dividends | - | On each coupon payment date after 60 months from the date of issue. Semi-annually |
| 17 | Fixed or floating dividend/ coupon | - | Floating |
| 18 | coupon rate and any related index/ benchmark | - | 6 month KIBOR plus 1.85% per annum |
| 19 | Existence of a dividend stopper | - | No |
| 20 | Fully discretionary, partially discretionary or mandatory | - | Mandatory |
| 21 | Existence of step up or other incentive to redeem | - | None |
| 22 | Noncumulative or cumulative | - | N/A |
| 23 | Convertible or non-convertible | - | Convertible |
| 24 | If convertible, conversion trigger (s) | - | Upon occurrence of Point of Non Viability (PONV), as defined by SBP's Basel III instructions. |
| 25 | If convertible, fully or partially | - | Fully or Partially: To be determined as per SBP's Basel III instructions |
| 26 | If convertible, conversion rate | - | To be determined in the case of trigger event. |
| 27 | If convertible, mandatory or optional conversion | - | To be determined as per SBP's Basel III instructions |
| 28 | If convertible, specify instrument type convertible into | - | Common Equity Tier I |
| 29 | If convertible, specify issuer of instrument it converts into | - | Silbank Limited |
| 30 | Write-down feature | - | Yes |
| 31 | If write-down, write-down trigger(s) | - | Upon occurrence of Point of Non Viability (PONV), as defined by SBP's Basel III instructions. |
| 32 | If write-down, full or partial | - | Full or Partial: To be determined as per SBP's Basel III instructions |
| 33 | If write-down, permanent or temporary | - | Permanent or Temporary: To be determined by SBP's Basel III instructions |
| 34 | If temporary write-down, description of write-up mechanism | - | Subject to regulatory instructions/approval. |
| 35 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument | - | Subordinate to all other debts, including deposits. |
| 36 | Non-compliant transitioned features | - | No |
| 37 | If yes, specify non-compliant features | - | N/A |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

42.5 Risk Weighted Assets

The capital requirements for the banking group as per the major risk categories should be indicated in the manner given below:-

| | Capital Requirements | | Risk Weighted Assets | |
|---|----------------------|-------------------|----------------------|-------------------|
| | December 31, 2017 | December 31, 2016 | December 31, 2017 | December 31, 2016 |
| Credit Risk | | | | |
| On-Balance sheet | | | | |
| Portfolios subject to standardised approach (Simple or Comprehensive) | | | | |
| e.g. Cash & cash equivalents | - | - | - | - |
| Sovereign | - | - | - | - |
| Public Sector entities | - | - | - | - |
| Banks | 47,928 | 17,984 | 425,083 | 179,835 |
| Corporate | 6,641,385 | 4,223,826 | 58,903,636 | 42,238,264 |
| Retail | 1,906,441 | 1,386,519 | 16,908,565 | 13,865,185 |
| Residential Mortgages | 97,812 | 77,414 | 867,513 | 774,143 |
| Past Due loans | 328,686 | 226,235 | 2,915,178 | 2,262,345 |
| Deferred tax asset | 365,109 | 283,544 | 3,238,218 | 2,835,435 |
| Operating Fixed Assets | 443,654 | 385,600 | 3,934,845 | 3,856,000 |
| Other assets | 1,847,870 | 1,674,835 | 16,389,095 | 16,748,346 |
| Portfolios subject to Internal Rating Based (IRB) Approach | | | | |
| e.g. Corporate, Sovereign, Corporate, Retail, Securitization etc. | | | | |
| Off-Balance sheet | | | | |
| Non-market related | | | | |
| e.g. Financial guarantees, acceptances, performance related commitments, trade related etc. | 805,417 | 433,139 | 7,143,391 | 4,331,386 |
| Market related | | | | |
| e.g. Foreign Exchange contracts/ derivatives etc. | 9,243 | 3,151 | 81,975 | 31,512 |
| Equity Exposure Risk in the Banking Book | | | | |
| Under simple risk weight method | - | - | - | - |
| e.g. Listed, Unlisted | - | - | - | - |
| Under Internal models approach | - | - | - | - |
| Market Risk | | | | |
| Capital Requirement for portfolios subject to Standardised Approach | | | | |
| Interest rate risk | 53,133 | 19,165 | 471,248 | 191,646 |
| Equity position risk | 6,662 | 90,528 | 59,088 | 905,279 |
| Foreign Exchange risk | - | - | - | - |
| Capital Requirement for portfolios subject to Internal Models Approach | | | | |

Equity Exposure Risk in the Banking Book

| | | | | |
|---------------------------------|---|---|---|---|
| Under simple risk weight method | - | - | - | - |
| e.g. Listed, Unlisted | - | - | - | - |
| Under Internal models approach | - | - | - | - |

Market Risk

Capital Requirement for portfolios subject to Standardised Approach

| | | | | |
|-----------------------|--------|--------|---------|---------|
| Interest rate risk | 53,133 | 19,165 | 471,248 | 191,646 |
| Equity position risk | 6,662 | 90,528 | 59,088 | 905,279 |
| Foreign Exchange risk | - | - | - | - |

Capital Requirement for portfolios subject to Internal Models Approach

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| | Capital Requirements | | Risk Weighted Assets | |
|---|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2017 | December 31, 2016 | December 31, 2017 | December 31, 2016 |
| Operational Risk | | | | |
| Capital Requirement for operational risks | 1,368,508 | 988,028 | 12,137,545 | 9,880,276 |
| TOTAL | 13,921,848 | 9,809,968 | 123,475,380 | 98,099,652 |

| Capital Adequacy Ratios | December 31, 2017 | | December 31, 2016 | |
|-------------------------------------|--------------------------|---------------|--------------------------|---------------|
| | Required | Actual | Required | Actual |
| CET1 to total RWA | 6.00% | 8.24% | 6.00% | 9.46% |
| Tier-1 capital to total RWA | 7.50% | 8.24% | 7.50% | 9.46% |
| Total capital to total RWA | 10.00% | 10.94% | 10.00% | 10.67% |
| Total capital plus CCB to total RWA | 11.28% | 10.94% | 10.65% | 10.67% |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

43. RISK MANAGEMENT

The business of banking is dependent upon acceptance and management of financial risk. It involves identification, measurement, monitoring and controlling risks with a view to ensure that:

- adequate capital is available as a buffer;
- exposures remain within the limits prescribed by the Board of Directors; and
- risk taking decisions are in line with business strategy and objectives set by the Board.

The Bank is exposed to a number of risks, which it manages at different levels.

The main categories of risks are:

Credit risk

The risk of losses because counterparties fail to meet all or part of their obligations towards the Bank.

The Bank has established an appropriate credit risk structure and culture whereby policies are reviewed and revamped to maintain sound credit granting procedures, maintaining appropriate credit administration, measurement, monitoring processes and adequate controls.

Risk Management structure includes Credit Approval, Credit Administration, Centralised Processing, Credit Monitoring and Basel III functions reporting to the Risk Management Group Head. Senior and experienced officials are heading each risk category.

The Bank manages credit risk through:

- establishment of acceptable risk levels;
- sound procedures and controls for the management of risk assets and credit documentation;
- target market planning and overall market intelligence; and
- accurate and detailed information about the borrower, its financial position and operations of the Bank.

Market risk

The risk of losses because the market value of the Bank's assets and liabilities will vary with changes in market conditions.

Market risk measures and controls are applied at the portfolio level and limits and other controls are applied to particular books and to specific portfolios. Controls and established parameters are applied to prevent any undue risk concentrations in the trading book and include controls on exposure to individual market risk factors and on positions in securities of individual issuers.

Treasury Middle Office (TMO) performs market risk management activities. TMO is jointly responsible with Treasury Front Office for drawing, reviewing market risk policies (fund management, treasury investment) and processes, monitoring and implementation; and escalating any deviation to ALCO / MRPC.

Operational risk

The risk of losses from inadequate or failed internal processes, people and systems or external events. This definition includes legal risks but excludes strategic and reputational risks.

The Bank has in place robust, duly approved various policies, procedures and a Business Continuity Plan. These are continuously reviewed to strengthen operational controls.

Risk policy sets minimum standards and requires all business units to identify and assess risks. The business units are responsible for day-to-day monitoring of operational risks and for limiting losses as a result thereof. The business units must report operational risk events in the management reporting system. Risk Management Unit has developed a loss database for recording of these events which will be utilised towards building a database to mitigate operational risk.

Liquidity risk

The risk of losses because the Bank's normal liquidity reserves are not sufficient to meet its obligations.

The Bank's approach to liquidity risk management is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Fund Management Policy is formulated keeping in view SBP's guidelines on risk management and Basel III principles on sound liquidity management.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

The ALCO/ MRPC is responsible for managing the composition of assets and liabilities management of liquidity, timely identification of sources of market and liquidity risk, pricing of deposits and advances, deciding on the required maturity profile and the mix of incremental assets and liabilities, defining the interest rate view of the Bank and deciding on future strategies for treasury, reviewing and articulating the funding policy; and evaluating the market and liquidity risks involved in launching of new products.

43.1 Credit risk

43.1.1 Credit risk management objectives and policies

Credit risk is the risk that a counterparty will not settle its obligation in accordance with the terms of approval or agreed terms.

Credit exposures include both individual borrowers and groups of connected counterparties and portfolios in the banking and trading books.

Credit Risk Policy and Management Group (CRP&MG) is structured to effectively analyse, monitor and manage credit risk through its policies and procedures that are closely aligned with the Bank's business plan, SBP's Prudential Regulations and Basel III requirements.

Sanctioning authority and approval levels for all facilities is conferred by the Board of Directors upon various functionaries of the Bank and is circulated for information of all concerned through circulars issued by CRP&MG. Credit Sanctioning Powers / Authority Levels in terms of BOD approval, as enhanced / amended from time to time, relate to the total exposure of a customer or a customer group and not to specific loans.

43.1.2 Credit risk rating

Credit risk rating is an important tool in monitoring and controlling credit risk. In order to facilitate early identification of changes in risk profiles, credits with deteriorating ratings will be subject to additional oversight and monitoring, for example, through more frequent visits from Relationship Managers and inclusion on a watch list that is regularly reviewed by senior management. The internal risk ratings can be used by line management in different departments to track the current characteristics of the credit portfolio.

In the light of the requirements specified by SBP and in view of Basel III Accord, the Bank has to assess soundness and appropriateness of internal credit risk measurement and management system. The Bank needs to build the foundation for the IRB (Internal Rating Based) Approach and construct data warehouse confirming to the data criteria of Basel III.

In the absence of standard and reliable financial statements to realistically evaluate the strength of a company for assigning ORR, the Bank has to resort to other pragmatically emphasised quantitative / qualitative factors, which have traditionally been considered for extending credit. The Quantitative Evaluation is based on financial indicators, while Qualitative Evaluation is based on subjective factors.

43.1.3 Objectives of Internal Credit Risk Rating (ORR)

Usually credit ratings are aimed at achieving one or more of the following:

- Internal capital allocation
- Internal risk reporting
- Portfolio management
- The setting of credit risk concentration limits
- Developing risk-based pricing benchmarks

The Bank's initial objective of ORR is to generate accurate and consistent ratings for credit portfolio of the Bank. Credit / Obligor risk ratings are summary indicators of the degree of risk inherent in the Bank's individual credit exposures. A credit rating represents an assessment of the probability of default attached to a given counterparty to meet debt servicing and other repayment obligations on a timely basis. At the Bank, a system has been developed and successfully implemented to assign Credit / Obligor Risk Ratings to each borrower.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

43.1.4 Segmental information

43.1.4.1 Segments by class of business

| | 2017 | | | | | |
|---|---------------------|---------|-------------------|---------|----------------------------------|---------|
| | Advances (Gross) | | Deposits | | Contingencies and commitments | |
| | Rupees in '000 | Percent | Rupees in '000 | Percent | Rupees in '000 | Percent |
| | (Note 11) | | (Note 17) | | (Note 23) | |
| Chemical and pharmaceuticals | 1,776,008 | 2.0% | 1,336,442 | 1.2% | 270,204 | 0.7% |
| Agribusiness | 528,039 | 0.6% | 108,438 | 0.1% | 2,000 | 0.0% |
| Cement | 256,569 | 0.3% | 112,916 | 0.1% | 211,164 | 0.6% |
| Sugar | 6,186,908 | 6.9% | 2,083 | 0.0% | 450,000 | 1.2% |
| Textile | 6,408,482 | 7.1% | 415,905 | 0.4% | 556,330 | 1.5% |
| Footwear and leather garments | 306,175 | 0.3% | 5,725 | 0.0% | 21,362 | 0.1% |
| Automobile and transportation equipment | 565,691 | 0.6% | 47,453 | 0.0% | 423,565 | 1.2% |
| Electronics and electrical appliances | 1,521,313 | 1.7% | 52,893 | 0.0% | 1,381,036 | 3.8% |
| Power (electricity), Gas, Water, Sanitary | 831,896 | 0.9% | 5,540,335 | 5.0% | 852,934 | 2.4% |
| Financial | 1,498,986 | 1.7% | 12,165,293 | 11.0% | 14,125,445 | 39.2% |
| Insurance | - | 0.0% | 668,037 | 0.6% | - | 0.0% |
| Individuals | 16,810,757 | 18.7% | 50,409,112 | 45.7% | 105,659 | 0.3% |
| Exports / Imports & Trading | 17,087,564 | 19.0% | 1,268,101 | 1.1% | 1,016,649 | 2.8% |
| Hotel & Resorts | 787,469 | 0.9% | 73,715 | 0.1% | 28,326 | 0.1% |
| Telecommunications | 334,243 | 0.4% | 618,577 | 0.6% | 543,390 | 1.5% |
| Real estate | 16,102,207 | 17.9% | 1,217,414 | 1.2% | 810,811 | 2.3% |
| Others | 19,135,477 | 21.0% | 36,235,368 | 32.9% | 15,256,416 | 42.3% |
| | 90,137,784 | 100% | 110,277,807 | 100% | 36,055,291 | 100% |

| | 2016 | | | | | |
|---|---------------------|---------|-------------------|---------|----------------------------------|---------|
| | Advances (Gross) | | Deposits | | Contingencies and commitments | |
| | Rupees in '000 | Percent | Rupees in '000 | Percent | Rupees in '000 | Percent |
| | (Note 11) | | (Note 17) | | (Note 23) | |
| Chemical and pharmaceuticals | 1,693,268 | 2.4% | 45,191 | 0.1% | 394,633 | 1.1% |
| Agribusiness | 371,171 | 0.5% | 1,025 | 0.0% | - | 0.0% |
| Cement | 299,902 | 0.4% | 157,853 | 0.2% | 194,550 | 0.5% |
| Sugar | 6,580,777 | 9.5% | 24,373 | 0.0% | 5,071 | 0.0% |
| Textile | 4,265,549 | 6.2% | 427,316 | 0.5% | 473,268 | 1.3% |
| Footwear and leather garments | 304,034 | 0.4% | 28,990 | 0.0% | 57,553 | 0.2% |
| Automobile / transportation equipment | 549,611 | 0.8% | 5,492 | 0.0% | 39,090 | 0.1% |
| Electronics and electrical appliances | 1,481,406 | 2.1% | 126,167 | 0.1% | 508,150 | 1.4% |
| Power (electricity), Gas, Water, Sanitary | 624,417 | 0.9% | 3,461,196 | 4.0% | 338,910 | 0.9% |
| Financial | 1,426,161 | 2.1% | 7,198,137 | 8.3% | 19,121,350 | 53.3% |
| Insurance | - | 0.0% | 34,644 | 0.0% | - | 0.0% |
| Individuals | 13,916,461 | 20.1% | 41,498,428 | 47.8% | 344,090 | 1.0% |
| Exports / Imports & Trading | 1,810,137 | 2.6% | 1,041,708 | 1.2% | 1,265,760 | 3.5% |
| Hotel & Resorts | 1,088,081 | 1.6% | 23,190 | 0.0% | 110,176 | 0.3% |
| Telecommunications | 348,432 | 0.5% | 860,342 | 1.0% | 613,412 | 1.7% |
| Real estate | 9,534,530 | 13.8% | 77,748 | 0.1% | 378,113 | 1.1% |
| Others | 25,018,248 | 36.1% | 31,775,623 | 36.6% | 12,050,247 | 33.6% |
| | 69,312,185 | 100% | 86,787,423 | 100% | 35,894,373 | 100% |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

43.1.4.2 Segment by sector

| | 2017 | | | | | |
|---------------------|---------------------|-------------|--------------------|-------------|----------------------------------|-------------|
| | Advances (Gross) | | Deposits | | Contingencies and commitments | |
| | Rupees in '000 | Percent | Rupees in '000 | Percent | Rupees in '000 | Percent |
| Public / Government | - | 0% | 19,059,827 | 17% | 11,242,313 | 31% |
| Private | 90,137,784 | 100% | 91,217,980 | 83% | 24,812,978 | 69% |
| | 90,137,784 | 100% | 110,277,807 | 100% | 36,055,291 | 100% |

| | 2016 | | | | | |
|---------------------|---------------------|-------------|-------------------|-------------|----------------------------------|-------------|
| | Advances (Gross) | | Deposits | | Contingencies and commitments | |
| | Rupees in '000 | Percent | Rupees in '000 | Percent | Rupees in '000 | Percent |
| Public / Government | - | 0% | 15,026,499 | 17% | 10,823,354 | 30% |
| Private | 69,312,185 | 100% | 71,760,924 | 83% | 25,071,019 | 70% |
| | 69,312,185 | 100% | 86,787,423 | 100% | 35,894,373 | 100% |

43.1.4.3 Details of non-performing advances and specific provisions by class of business segment

| | 2017 | | 2016 | |
|---|------------------------|-------------------------------|------------------------|-------------------------------|
| | Classified advances | Specific provision held | Classified advances | Specific provision held |
| | Rupees in '000 | | | |
| Agribusiness | 9,786 | 8,293 | 34,796 | 30,032 |
| Textile | 2,014,537 | 1,441,190 | 1,661,123 | 1,432,163 |
| Chemical and pharmaceuticals | 71,412 | 22,890 | 188,151 | 132,453 |
| Cement | 59,786 | 54,796 | 59,786 | 54,289 |
| Sugar | 6,500 | 6,500 | - | - |
| Footwear and leather garments | 50,476 | 33,471 | 106,937 | 42,160 |
| Automobile and transportation equipment | 516,971 | 516,650 | 526,466 | 526,146 |
| Electronics and electrical appliances | 596,031 | 412,278 | 673,940 | 429,689 |
| Exports / Imports | 375,005 | 240,291 | 390,349 | 241,203 |
| Financial | 87,076 | 87,076 | 87,076 | 87,076 |
| Services | 203,021 | 155,199 | 191,411 | 41,748 |
| Individuals | 1,166,748 | 527,844 | 1,308,508 | 635,846 |
| Real estate | 41,396 | 33,414 | - | - |
| Others | 661,057 | 190,897 | 591,782 | 378,203 |
| | 5,859,802 | 3,730,789 | 5,820,325 | 4,031,008 |

43.1.4.4 Details of non-performing advances and specific provisions by sector

| | 2017 | | 2016 | |
|---------------------|------------------------|-----------------------|------------------------|-----------------------|
| | Classified advances | Specific provision | Classified advances | Specific provision |
| | Rupees in '000 | | | |
| Public / Government | - | - | - | - |
| Private | 5,859,802 | 3,730,789 | 5,820,325 | 4,031,008 |
| | 5,859,802 | 3,730,789 | 5,820,325 | 4,031,008 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

43.1.4.5 Geographical segment analysis

| | 2017 | | | |
|----------------|---------------------------|--------------------------|------------------------|----------------------------------|
| | Profit before taxation | Total assets employed | Net assets employed | Contingencies and commitments |
| Rupees in '000 | | | | |
| Pakistan | 1,386,548 | 166,854,532 | 13,181,346 | 36,055,291 |
| 2016 | | | | |
| | Profit before taxation | Total assets employed | Net assets employed | Contingencies and commitments |
| Rupees in '000 | | | | |
| Pakistan | 1,285,132 | 135,033,822 | 12,054,588 | 35,894,373 |

43.2 Market risk

Market risk is defined as the potential loss in market value of a given portfolio that can be expected to be incurred arising from changes in market prices, namely interest rates, foreign exchange rates and equity prices.

The Bank is exposed to market risk in its trading investment portfolio because the values of its trading positions are sensitive to changes in market prices and rates.

The Bank has a well established framework for market risk management with the Treasury Investment Policy, Liquidity Policy and Market Risk Management Policy. The Bank has major objective of protecting and increasing net interest income in the short run and market value of the equity in the long run for enhancing the shareholders wealth. Further, it defines the contours of the way the Bank's market risk is managed within defined parameters and with prescriptive guidelines on the tools, techniques and processes.

The Asset Liability Committee (ALCO), Market Risk Policy Committee (MRPC) and Investment Committee is entrusted with key decision making in establishing market risk related strategies and monitoring there-against. The Committee decides on product pricing, mix of assets, liabilities, stipulates liquidity and interest rate risk limits, monitors them, articulates the Bank's interest rate view and determines the business strategy of the Bank.

Management of interest rate risk of the Banking Book is primarily focused on interest and fair value through Re-pricing Gap Analysis, Analysis of the Net Interest Income Sensitivity, Duration, Value-at-Risk (VaR) and Fair Value Sensitivity. The management of interest rate risk of the trading book is achieved through mark-to-market practice and exposure analysis. On a periodic basis, risk monitoring reports are prepared for senior management to gain an accurate understanding of Bank's risk position. Mathematical model like Stress-Testing is carried out at least biannually.

The Middle Office in Risk Management Group has an independent reporting structure on risk aspects and helps management in determining compliance in terms of exposure analysis, tracking of limits, funding and various other risk sensitive market parameters.

43.2.1 Foreign exchange risk

Currency risk is the risk of loss arising from the fluctuation of exchange rates. Bank's currency risk is first controlled through a substantially matched funding policy. The Bank utilises appropriate hedging instruments, such as forward foreign exchange (FX) contracts, currency swaps to effectively hedge and manage currency risks.

The majority of foreign currency exposure is in the US dollar. Bank is carefully monitoring the net foreign currency exposure and the effect of exchange rate fluctuation by conducting mark to market sensitivity and stress testing on a regular basis as well as utilizing the currency forward FX contracts to control the risk. Besides, the Bank has Foreign Exchange Stop Loss Limit based on Daily Value-at-Risk (VaR) to manage the loss absorption capacity of the Bank.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

Pakistan Rupee
 United States Dollar
 Great Britain Pound
 Japanese Yen
 Euro
 Other currencies

| | 2017 | | | |
|-----------------------|--------------------|--------------------|-------------------------|-------------------------------|
| | Assets | Liabilities | Off-balance sheet items | Net foreign currency exposure |
| Rupees in '000 | | | | |
| Pakistan Rupee | 164,400,112 | 145,617,249 | (5,672,938) | 13,109,925 |
| United States Dollar | 2,181,359 | 6,795,139 | 4,672,220 | 58,440 |
| Great Britain Pound | 180,559 | 701,647 | 520,516 | (572) |
| Japanese Yen | 1,675 | 161 | - | 1,514 |
| Euro | 80,116 | 558,990 | 480,202 | 1,328 |
| Other currencies | 10,711 | - | - | 10,711 |
| | 166,854,532 | 153,673,186 | | 13,181,346 |

Pakistan Rupee
 United States Dollar
 Great Britain Pound
 Japanese Yen
 Euro
 Other currencies

| | 2016 | | | |
|-----------------------|--------------------|--------------------|-------------------------|-------------------------------|
| | Assets | Liabilities | Off-balance sheet items | Net foreign currency exposure |
| Rupees in '000 | | | | |
| Pakistan Rupee | 133,009,805 | 116,114,154 | (4,962,684) | 11,932,967 |
| United States Dollar | 1,825,176 | 5,778,124 | 4,066,246 | 113,298 |
| Great Britain Pound | 114,033 | 714,143 | 599,695 | (415) |
| Japanese Yen | - | 105 | 895 | 790 |
| Euro | 78,729 | 372,708 | 295,848 | 1,869 |
| Other currencies | 6,079 | - | - | 6,079 |
| | 135,033,822 | 122,979,234 | | 12,054,588 |

43.2.2 Equity position risk

The Bank is exposed to equity price changes on its investments in Trading Book. These equity exposures are primarily related to market price movements in local equity market index. Changes in the overall value of equity trading book are recorded through profit and loss account. Bank's Investment Committee approves the investment stocks and their limits. It also reviews the portfolio with mark to market position on regular basis. Stop loss limits have been approved and are monitored on a regular basis.

43.2.3 Mismatch of interest rate sensitive assets and liabilities

| 2017 | | | | | | | | | | | |
|---|---------------------|----------------------------------|---------------------|---------------------|-------------------------|---------------------|--------------------|--------------------|---------------------|--------------------|--------------------------------------|
| Effective Yield / Interest rate | Total | Exposed to Yield / Interest risk | | | | | | | | | Not exposed to yield / interest risk |
| | | Up to 1 month | Over 1 to 3 months | Over 3 to 6 months | Over 6 months to 1 year | Over 1 to 2 years | Over 2 to 3 years | Over 3 to 5 years | Over 5 to 10 years | Above 10 years | |
| Rupees in '000 | | | | | | | | | | | |
| On-balance sheet financial instruments | | | | | | | | | | | |
| Assets | | | | | | | | | | | |
| Cash and balances with treasury banks | 8,413,176 | - | - | - | - | - | - | - | - | - | 8,413,176 |
| Balances with other banks | 218,420 | - | - | - | - | - | - | - | - | - | 218,420 |
| Lendings to financial institutions | 5.97% | 8,620,649 | 6,036,894 | 2,161,188 | - | 422,567 | - | - | - | - | - |
| Investments - net | 5.78% | 38,266,735 | - | 9,634,812 | 17,823,000 | 153,583 | 5,836,055 | 149,909 | 4,521,820 | - | - |
| Advances - net | 11.35% | 85,850,715 | 5,851,288 | 30,728,862 | 7,262,960 | 6,864,016 | 2,474,052 | 2,722,656 | 7,332,274 | 18,140,643 | 3,245,433 |
| Other assets | 5,435,637 | - | - | - | - | - | - | - | - | - | 5,435,637 |
| | 146,805,332 | 11,888,182 | 42,524,862 | 25,085,960 | 7,440,166 | 8,310,107 | 2,872,565 | 11,854,094 | 18,140,643 | 3,245,433 | 15,443,320 |
| Liabilities | | | | | | | | | | | |
| Bills payable | 3,192,981 | - | - | - | - | - | - | - | - | - | 3,192,981 |
| Borrowings | 5.81% | 35,582,000 | 31,972,292 | 3,287,367 | 213,304 | - | - | - | - | - | 109,037 |
| Deposits and other accounts | 3.98% | 110,277,807 | 11,664,461 | 44,492,306 | 10,098,546 | 13,029,739 | 415,307 | 333,186 | 608,907 | 303,654 | 303,213 |
| Subordinate Loans | 8% | 2,000,000 | - | 200 | - | 200 | 400 | 400 | 800 | 1,998,000 | 29,028,488 |
| Liabilities against assets subject to finance lease | 6.880 | 335 | 679 | 1,041 | 2,162 | 2,663 | - | - | - | - | - |
| Other liabilities | 1,509,335 | - | - | - | - | - | - | - | - | - | 1,509,335 |
| | 152,569,003 | 43,637,088 | 47,780,552 | 10,312,891 | 13,032,101 | 418,370 | 333,586 | 609,707 | 2,301,654 | 303,213 | 33,839,841 |
| On-balance sheet gap | (5,763,671) | (31,748,906) | (5,255,690) | 14,773,069 | (5,591,935) | 7,891,737 | 2,538,979 | 11,244,387 | 15,838,989 | 2,942,220 | (18,396,521) |
| Total Yield / Interest Risk Sensitivity Gap | (5,763,671) | (31,748,906) | (5,255,690) | 14,773,069 | (5,591,935) | 7,891,737 | 2,538,979 | 11,244,387 | 15,838,989 | 2,942,220 | (18,396,521) |
| Cumulative Yield / Interest Risk Sensitivity gap | (31,748,906) | (37,004,596) | (22,231,527) | (27,823,462) | (19,931,725) | (17,392,746) | (6,148,359) | (9,690,630) | (12,632,850) | (5,763,671) | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| Effective Yield / Interest rate | Total | Exposed to Yield / Interest risk | | | | | | | | | Not exposed to yield / interest risk | | |
|---|--------|----------------------------------|--------------------------|--------------------------|-------------------------------|-------------------------|-------------------------|-------------------------|--------------------------|-------------------|--|--|--|
| | | Up to 1 month | Over 1 to 3 months | Over 3 to 6 months | Over 6 months to 1 year | Over 1 to 2 years | Over 2 to 3 years | Over 3 to 5 years | Over 5 to 10 years | Above 10 years | | | |
| Rupees in '000 | | | | | | | | | | | | | |
| On-balance sheet financial instruments | | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | | |
| Cash and balances with treasury banks | 0.00% | 7,370,962 | - | - | - | - | - | - | - | - | 7,370,962 | | |
| Balances with other banks | | 87,748 | - | - | - | - | - | - | - | - | 87,748 | | |
| Lendings to financial institutions | 6.19% | 706,572 | 306,274 | - | - | 400,298 | - | - | - | - | - | | |
| Investments - net | 5.90% | 37,488,482 | - | - | 1,948,158 | 29,484,404 | 3,091,523 | 981,480 | 706,047 | 814,721 | 462,149 | | |
| Advances - net | 12.42% | 64,802,628 | 3,407,215 | 28,716,531 | 6,573,541 | 7,789,142 | 1,432,423 | 1,670,896 | 4,905,734 | 7,567,815 | 2,260,781 | | |
| Other assets | | 2,513,053 | - | - | - | - | - | - | - | - | 2,513,053 | | |
| | | 112,969,445 | 3,713,489 | 28,716,531 | 8,521,699 | 37,673,844 | 4,523,946 | 2,652,376 | 5,611,781 | 8,382,536 | 2,260,781 | | |
| Liabilities | | | | | | | | | | | | | |
| Bills payable | | 3,996,044 | - | - | - | - | - | - | - | - | 3,996,044 | | |
| Borrowings | 5.81% | 30,195,702 | 24,232,185 | 3,616,448 | 2,210,798 | - | - | - | - | - | 136,271 | | |
| Deposits and other accounts | 3.98% | 86,787,423 | 8,452,535 | 31,279,018 | 8,883,861 | 6,941,205 | 283,626 | 224,050 | 462,295 | 219,226 | 218,908 | | |
| Liabilities against assets subject to finance lease | | 10,694 | 304 | 615 | 942 | 1,956 | 4,216 | 2,661 | - | - | - | | |
| Other liabilities | | 1,208,796 | - | - | - | - | - | - | - | - | 1,208,796 | | |
| | | 122,198,659 | 32,685,024 | 34,896,081 | 11,095,601 | 6,943,161 | 287,842 | 226,711 | 462,295 | 219,226 | 218,908 | | |
| On-balance sheet gap | | | | | | | | | | | | | |
| Total Yield / Interest Risk Sensitivity Gap | | (9,229,214) | (28,971,535) | (6,179,550) | (2,573,902) | 30,730,683 | 4,236,104 | 2,425,665 | 5,149,486 | 8,163,310 | 2,041,873 | | |
| Cumulative Yield / Interest Risk Sensitivity gap | | | | | | | | | | | | | |
| | | (9,229,214) | (28,971,535) | (6,179,550) | (2,573,902) | 30,730,683 | 4,236,104 | 2,425,665 | 5,149,486 | 8,163,310 | 2,041,873 | | |
| | | | | | | | | | | | | | |
| | | (28,971,535) | (35,151,085) | (37,724,987) | (6,994,304) | (2,758,200) | (332,535) | 4,816,951 | 12,980,261 | 15,022,134 | (9,229,214) | | |

| Reconciliation to total assets | 2017 | | 2016 | | Reconciliation to total liabilities | 2017 | | 2016 | |
|---|--------------------|--|----------------|--|---|--------------------|--|----------------|--|
| | Rupees in '000 | | Rupees in '000 | | | Rupees in '000 | | Rupees in '000 | |
| Balance as per statement of financial position | 166,854,532 | | 135,033,822 | | Balance as per statement of financial position | 153,673,186 | | 122,979,234 | |
| Less: Non-financial assets | | | | | Less: Non-financial liabilities | | | | |
| Operating fixed assets | 4,176,746 | | 4,101,219 | | Other liabilities | 1,104,183 | | 780,575 | |
| Deferred tax assets | 3,476,129 | | 3,704,745 | | | | | | |
| Other assets | 12,396,325 | | 14,258,413 | | | | | | |
| | 20,049,200 | | 22,064,377 | | | | | | |
| Total financial assets | 146,805,332 | | 112,969,445 | | Total financial liabilities | 152,569,003 | | 122,198,659 | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

43.3 Liquidity risk

The risk of losses because the Bank's normal liquidity reserves are not sufficient to meet its obligations.

Bank's approach to liquidity risk management is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due. The Fund Management Policy is formulated keeping in view SBP's guidelines on risk management and Basel II principles on sound liquidity management.

The Bank has an Asset and Liability Management Committee (ALCO) and a Market Risk Policy Committee (MRPC) that are part of the framework for management of risk.

The ALCO / MRPC is responsible for managing the composition of assets and liabilities management of liquidity, timely identification of sources of market and liquidity risk, pricing of deposits and advances, deciding on the required maturity profile and the mix of incremental assets and liabilities, defining the interest rate view of the bank and deciding on future strategies for treasury, reviewing and articulating the funding policy; and evaluating the market and liquidity risks involved in launching of new products.

Liquidity contingency funding plans have been drawn up to ensure that alternative funding strategies are in place when any of the indicators being monitored enter into the warning or stress zone and can be implemented on a timely basis to minimize the liquidity risks that may arise upon the occurrence of an unanticipated change in market conditions.

43.3.1 Liquidity Coverage Ratio (LCR)

The purpose of this disclosure is to provide the information pursuant to Basel III Liquidity Standards issued under BPRD circular # 08 dated June 23, 2016. This supplements the disclosure in the Risk Management sections as well as related information in the Notes to the Financial Statements. This public disclosure should be read in conjunction with the Bank's Financial Statements as of December 31, 2017.

The Liquidity Coverage Ratio "LCR" ensures that the Bank maintains sufficient unencumbered High-Quality Liquid Assets ("HQLA") to survive a significant liquidity stress scenario over a 30-day horizon. LCR reporting to SBP commenced from January 31, 2017 on a monthly basis. Minimum requirement is set at 90% as of December 31, 2017 and shall increase to 100% by December 31, 2018.

Liquidity Coverage Ratio (LCR) refers to the highly liquid assets held by the bank to meet its short term obligations. LCR is used as a tool to manage liquidity risk. LCR has two components: high quality liquid asset (HQLA) and total net cash outflows. HQLA comprises of those assets that can be readily sold or employed as collateral for obtaining fund. HQLA structure has been divided into:

- 1) Cash and treasury balance,
- 2) Marketable securities,
- 3) Corporate debt securities with credit rating,
- 4) Non-financial equity shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

| | | Total un-weighted value (average) | Total un-weighted value (average) |
|-----------------------------------|---|--|--|
| | | Rupees in '000 | |
| High Quality Liquid Assets | | | |
| 1 | Total high quality liquid assets (HQLA) | 27,511,009 | 27,452,651 |
| Cash Outflows | | | |
| 2 | Retail deposits and deposits from small business customers of which: | | |
| 2.1 | stable deposit | - | - |
| 2.2 | Less stable deposit | 32,487,886 | 3,248,789 |
| 3 | Unsecured wholesale funding of which: | | |
| 3.1 | Operational deposits (all counterparties) | 46,219 | 11,555 |
| 3.2 | Non-operational deposits (all counterparties) | 25,927,336 | 2,592,734 |
| 3.3 | Unsecured debt | 55,653,357 | 26,727,154 |
| 4 | Secured wholesale funding | | |
| 5 | Additional requirements of which: | | |
| 5.1 | Outflows related to derivative exposures and other collateral requirements | - | - |
| 5.2 | Outflows related to loss of funding on debt products | - | - |
| 5.3 | Credit and Liquidity facilities | 8,378,312 | 742,688 |
| 6 | Other contractual funding obligations | 657,445 | 657,445 |
| 7 | Other contingent funding obligations | 23,926,475 | 1,196,324 |
| | Total Cash Outflows | 147,077,029 | 35,176,689 |
| Cash Inflows | | | |
| 8 | Secured lending | 5,905,039 | 3,637,918 |
| 9 | Inflows from fully performing exposures | - | - |
| 10 | Other Cash inflows | - | - |
| | Total Cash Inflows | 5,905,039 | 3,637,918 |
| Total Adjusted Value | | | |
| | Total HQLA | 27,452,651 | |
| | Total Net Cash Outflows | 31,538,771 | |
| | Liquidity Coverage Ratio | 87.04% | |
| a | unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows) | | |
| b | Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows) | | |
| | Adjusted values must be calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (i.e. cap on level 2B and level 2 assets for HQLA and cap on inflows) | | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

43.3.2 Net Stable Funding Ratio (NSFR)

The objective of NSFR is to reduce funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress.. The ratio is defined as the amount of available stable funding (ASF) relative to amount of required stable funding (RSF) against on & off balance sheet items.

| ASF item | Unweighted value by residual maturity | | | | Weighted Value |
|---|---------------------------------------|------------|--------------------|------------|--------------------|
| | No Maturity | < 6 Months | 6 Months to 1 Year | > 1 Year | |
| | Rupees in '000 | | | | |
| 1 Capital: | | | | | |
| 1.1 Regulatory capital | 13,181,346 | - | - | - | 13,181,346 |
| 1.2 Other capital instruments | - | - | - | 2,000,000 | 2,000,000 |
| 2 Retail deposits and deposit from small business customers: | | | | | |
| 2.1 Stable deposits | - | - | - | - | - |
| 2.2 Less stable deposits | - | 53,900,280 | 5,515,817 | - | 53,474,487 |
| 3 Wholesale funding: | | | | | |
| 3.1 Operational deposits | - | 46,219 | - | - | 23,110 |
| 3.2 Other wholesale funding | - | 64,124,254 | 16,475,939 | - | 40,300,097 |
| 4 Other liabilities: | | | | | |
| 4.1 NSFR derivative liabilities | - | - | - | - | - |
| 4.2 All other liabilities and equity not included in other categories | - | - | - | 11,610,682 | - |
| Total ASF | | | | | 108,979,040 |
| RSF item | | | | | |
| 5 Total NSFR high-quality liquid assets (HQLA) | - | 8,413,176 | 3,697,391 | 34,131,211 | - |
| 6 Deposits held at other financial institutions for operational purposes | | | | | |
| 7 Performing loans and securities: | | | | | |
| 7.1 Performing loans to financial institutions secured by Level 1 HQLA | - | - | - | 8,198,082 | 819,808 |
| 7.2 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions | - | 218,420 | - | - | 32,763 |
| 7.3 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which: | - | - | - | 2,521,976 | 1,639,285 |
| 7.4 With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk | - | - | - | 81,030,937 | 68,876,297 |
| 7.5 Securities that are not in default and do not qualify as HQLA including exchange-traded equities | - | 422,567 | 29,544 | - | 226,056 |
| 8 Other assets: | | | | | |
| 8.1 Physical traded commodities, including gold | - | - | - | - | - |
| 8.2 Assets posted as initial margin for derivative contracts | - | - | - | - | - |
| 8.3 NSFR derivative assets | - | - | - | - | - |
| 8.4 NSFR derivative liabilities before deduction of variation margin posted | - | - | - | - | - |
| 8.5 All other assets not included in the above categories | - | - | - | 28,191,226 | 28,191,226 |
| 9 Off-balance sheet items | - | - | 400,415 | 32,256,422 | 1,632,842 |
| Total RSF | | | | | 101,418,277 |
| Net Stable Funding Ratio (%) | | | | | 107.46% |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

43.3.3 Maturities of assets and liabilities - based on working prepared by the Asset and Liability Management Committee (ALCO)

The maturities of Deposits and Cash and Balances with Treasury Banks are determined on the basis of study conducted by the Bank based on past years data and the analysis reviewed by the ALCO from time to time.

| | Total | Up to 1 month | Over 1 to 3 months | Over 3 to 6 months | Over 6 months to 1 year | Over 1 to 2 years | Over 2 to 3 years | Over 3 to 5 years | Over 5 to 10 years | Above 10 years |
|--|-------|---------------|--------------------|--------------------|-------------------------|-------------------|-------------------|-------------------|--------------------|----------------|
|--|-------|---------------|--------------------|--------------------|-------------------------|-------------------|-------------------|-------------------|--------------------|----------------|

Rupees in '000

Assets

| | | | | | | | | | | |
|---------------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Cash and balances with treasury banks | 8,413,176 | 699,976 | 217,060 | 153,961 | 618,368 | 1,120,635 | 1,120,635 | 2,241,270 | 1,120,635 | 1,120,636 |
| Balances with other banks | 218,420 | 218,420 | - | - | 422,567 | - | - | - | - | - |
| Lendings to financial institutions | 8,620,649 | 6,036,894 | 2,161,188 | - | 17,823,000 | 183,127 | 5,836,055 | 149,909 | 4,639,832 | - |
| Investments - net | 38,266,735 | - | 9,634,812 | - | 4,777,627 | 6,194,712 | 6,298,143 | 8,198,775 | 20,587,296 | 24,216,652 |
| Advances - net | 85,850,715 | 4,578,646 | 4,412,106 | 4,777,627 | 208,837 | 417,675 | 835,349 | 835,349 | 1,670,699 | 6,586,758 |
| Operating fixed assets | 4,176,746 | 69,612 | 139,225 | - | - | 216,707 | 511,770 | - | 129,500 | - |
| Deferred tax assets - net | 3,476,129 | - | - | - | - | - | - | - | - | 2,618,152 |
| Other assets | 17,831,962 | 2,449,742 | 1,024,981 | 1,118,810 | 2,070,681 | 2,635,985 | 2,520,873 | 5,070,857 | 233,748 | 706,285 |
| Total Assets | 166,854,532 | 14,053,290 | 17,589,372 | 24,082,235 | 10,123,837 | 17,237,937 | 12,825,541 | 34,339,454 | 25,571,035 | 11,031,831 |

Liabilities

| | | | | | | | | | | |
|---|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|
| Bills payable | 3,192,981 | 831,452 | 86,210 | 245,221 | 245,221 | 678,509 | 269,807 | 418,919 | 209,460 | 208,182 |
| Borrowings | 35,582,000 | 32,081,328 | 3,287,367 | 213,305 | - | - | - | - | - | - |
| Deposits and other accounts | 110,277,807 | 15,602,692 | 12,575,208 | 11,242,828 | 17,773,694 | 8,944,959 | 8,862,837 | 17,668,210 | 8,833,305 | 8,774,074 |
| Subordinated Loans | 2,000,000 | - | 200 | - | 200 | 400 | 400 | 800 | 1,998,000 | - |
| Liabilities against assets subject to finance lease | 6,880 | 335 | 679 | 1,041 | 2,162 | 2,663 | - | - | - | - |
| Other liabilities | 2,613,518 | 669,237 | 69,391 | 197,379 | 197,379 | 546,133 | 217,317 | 337,189 | 168,594 | 210,899 |
| Total Liabilities | 153,673,186 | 49,185,044 | 16,019,055 | 11,899,774 | 18,218,656 | 10,172,664 | 9,350,361 | 18,425,118 | 11,209,359 | 9,193,155 |

Net assets

| | | | | | | | | | | |
|---|-------------------|---------------------|------------------|-------------------|--------------------|------------------|------------------|-------------------|-------------------|------------------|
| Share capital | 90,818,612 | - | - | - | - | - | - | - | - | - |
| Discount on issue of shares | (67,387,238) | - | - | - | - | - | - | - | - | - |
| Reserves | 554,903 | - | - | - | - | - | - | - | - | - |
| Advance against shares subscription | - | - | - | - | - | - | - | - | - | - |
| Accumulated loss | (10,857,654) | - | - | - | - | - | - | - | - | - |
| Surplus on revaluation of assets - net of tax | 52,723 | - | - | - | - | - | - | - | - | - |
| Total Net assets | 13,181,346 | (35,131,754) | 1,570,317 | 12,182,461 | (8,094,819) | 7,065,273 | 3,475,180 | 15,914,336 | 14,361,676 | 1,838,676 |

2016

| | Total | Up to 1 month | Over 1 to 3 months | Over 3 to 6 months | Over 6 months to 1 year | Over 1 to 2 years | Over 2 to 3 years | Over 3 to 5 years | Over 5 to 10 years | Above 10 years |
|--|-------|---------------|--------------------|--------------------|-------------------------|-------------------|-------------------|-------------------|--------------------|----------------|
|--|-------|---------------|--------------------|--------------------|-------------------------|-------------------|-------------------|-------------------|--------------------|----------------|

Rupees in '000

Assets

| | | | | | | | | | | |
|---------------------------------------|--------------------|------------------|-------------------|------------------|-------------------|------------------|------------------|-------------------|------------------|------------------|
| Cash and balances with treasury banks | 7,370,962 | 613,258 | 190,171 | 134,889 | 541,766 | 981,813 | 981,813 | 1,963,626 | 981,813 | 981,813 |
| Balances with other banks | 87,748 | 87,748 | - | - | 400,298 | - | - | - | - | - |
| Lendings to financial institutions | 706,572 | 306,274 | - | - | - | - | - | - | - | - |
| Investments - net | 37,488,482 | - | 12,148 | 1,948,163 | 29,924,897 | 3,091,523 | 981,480 | 715,554 | 814,717 | - |
| Advances - net | 64,802,628 | 3,467,034 | 28,776,349 | 6,633,360 | 7,849,960 | 1,492,242 | 1,730,715 | 5,025,371 | 7,567,816 | 2,260,781 |
| Operating fixed assets | 4,101,219 | 68,354 | 136,707 | 205,061 | 410,122 | 820,244 | 1,640,487 | - | - | - |
| Deferred tax assets - net | 3,704,745 | - | - | - | 241,585 | 570,521 | 194,271 | - | - | 2,698,368 |
| Other assets | 16,771,466 | 1,694,254 | 735,051 | 923,980 | 1,779,954 | 2,826,582 | 2,733,348 | 5,406,253 | 115,166 | 556,878 |
| Total Assets | 135,033,822 | 6,236,922 | 29,850,426 | 9,845,453 | 41,147,582 | 9,782,925 | 7,247,600 | 14,945,562 | 9,479,512 | 6,497,840 |

Liabilities

| | | | | | | | | | | |
|---|--------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
| Bills payable | 3,996,044 | 1,040,570 | 107,893 | 306,896 | 306,896 | 849,159 | 337,667 | 524,281 | 262,140 | 260,542 |
| Borrowings | 30,195,702 | 24,368,456 | 3,616,448 | 2,210,798 | - | - | - | - | - | - |
| Deposits and other accounts | 86,787,423 | 11,516,971 | 32,202,811 | 9,205,857 | 16,048,331 | 3,024,451 | 2,964,875 | 5,943,944 | 2,960,051 | 2,920,132 |
| Liabilities against assets subject to finance lease | 10,694 | 304 | 615 | 942 | 1,956 | 423,065 | 423,065 | 259,532 | 130,603 | - |
| Other liabilities | 1,989,371 | 518,429 | 53,754 | 152,901 | 152,901 | - | - | - | - | 129,806 |
| Total Liabilities | 122,979,234 | 37,444,730 | 35,981,521 | 11,877,394 | 16,510,084 | 4,300,891 | 3,473,583 | 6,727,757 | 3,352,794 | 3,310,480 |

Net assets

| | | | | | | | | | | |
|---|-------------------|---------------------|--------------------|--------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
| Share capital | 77,998,099 | (56,566,725) | - | - | - | - | - | - | - | - |
| Discount on issue of shares | - | 327,845 | - | - | - | - | - | - | - | - |
| Reserves | - | - | - | - | - | - | - | - | - | - |
| Convertible preference shares | - | - | - | - | - | - | - | - | - | - |
| Advance against shares subscription | 2,000,000 | (11,757,111) | - | - | - | - | - | - | - | - |
| Accumulated loss | - | - | - | - | - | - | - | - | - | - |
| Surplus on revaluation of assets - net of tax | 52,480 | - | - | - | - | - | - | - | - | - |
| Total Net assets | 12,054,588 | (31,207,808) | (6,131,095) | (2,031,941) | 24,637,498 | 5,482,034 | 3,774,017 | 8,217,805 | 6,126,718 | 3,187,360 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

43.3.4 Maturities of assets and liabilities - based on contractual maturity of these assets and liabilities of the Bank

2017

| | Total | Up to 1 month | Over 1 to 3 months | Over 3 to 6 months | Over 6 months to 1 year | Over 1 to 2 years | Over 2 to 3 years | Over 3 to 5 years | Over 5 to 10 years | Above 10 years |
|---|--------------------|---------------------|--------------------|--------------------|-------------------------|-------------------|-------------------|-------------------|--------------------|------------------|
| Rupees in '000 | | | | | | | | | | |
| Assets | | | | | | | | | | |
| Cash and balances with treasury banks | 8,413,176 | 8,413,176 | - | - | - | - | - | - | - | - |
| Balances with other banks | 218,420 | 218,420 | - | - | - | - | - | - | - | - |
| Lendings to financial institutions | 8,620,649 | 6,036,894 | 2,161,188 | 17,823,000 | 183,127 | 5,836,055 | 149,909 | 4,639,832 | - | - |
| Investments - net | 38,266,735 | - | 9,634,812 | 4,412,106 | 6,194,712 | 6,298,143 | 8,198,775 | 20,587,296 | 24,216,652 | 6,586,758 |
| Advances - net | 85,850,715 | 4,578,646 | 139,225 | 208,837 | 417,675 | 835,349 | 835,349 | 1,670,699 | - | - |
| Operating fixed assets | 4,176,746 | 69,612 | - | - | 216,707 | 511,770 | - | 129,500 | - | 2,618,152 |
| Deferred tax assets - net | 3,476,129 | - | - | - | 2,635,985 | 2,520,873 | - | 5,070,857 | 233,748 | 706,285 |
| Other assets | 17,831,962 | 2,449,742 | 1,024,981 | 1,118,810 | 2,070,681 | - | - | - | - | - |
| | 166,854,532 | 21,766,490 | 17,372,312 | 23,928,274 | 9,505,469 | 16,117,302 | 11,704,906 | 32,098,184 | 24,450,400 | 9,911,195 |
| Liabilities | | | | | | | | | | |
| Bills payable | 3,192,981 | 3,192,981 | - | - | - | - | - | - | - | - |
| Borrowings | 35,582,000 | 32,081,328 | 3,287,367 | 213,305 | - | - | - | - | - | - |
| Deposits and other accounts | 110,277,807 | 15,602,692 | 12,575,208 | 11,242,828 | 17,773,694 | 8,944,959 | 8,862,837 | 17,668,210 | 8,833,305 | 8,774,074 |
| Subordinated Loans | 2,000,000 | - | 200 | - | 200 | 400 | 400 | 800 | 1,998,000 | - |
| Liabilities against assets subject to finance lease | 6,880 | 335 | 679 | 1,041 | 2,162 | 2,663 | - | - | - | - |
| Other liabilities | 2,613,518 | 669,237 | 69,391 | 197,379 | 197,379 | 546,133 | 217,317 | 337,189 | 168,594 | 210,899 |
| | 153,673,186 | 51,546,573 | 15,932,845 | 11,654,553 | 17,973,435 | 9,494,155 | 9,080,554 | 18,006,199 | 10,999,899 | 8,984,973 |
| Net assets | 13,181,346 | (29,780,083) | 1,439,467 | 12,273,721 | (8,467,966) | 6,623,147 | 2,624,352 | 14,091,985 | 13,450,501 | 926,222 |
| Share capital | 90,818,612 | - | - | - | - | - | - | - | - | - |
| Discount on issue of shares | (67,387,238) | - | - | - | - | - | - | - | - | - |
| Reserves | 554,903 | - | - | - | - | - | - | - | - | - |
| Advance against shares subscription | - | - | - | - | - | - | - | - | - | - |
| Accumulated loss | (10,857,654) | - | - | - | - | - | - | - | - | - |
| Surplus on revaluation of assets - net of tax | 52,723 | - | - | - | - | - | - | - | - | - |
| | 13,181,346 | | | | | | | | | |

2016

| | Total | Up to 1 month | Over 1 to 3 months | Over 3 to 6 months | Over 6 months to 1 year | Over 1 to 2 years | Over 2 to 3 years | Over 3 to 5 years | Over 5 to 10 years | Above 10 years |
|---|--------------------|---------------------|--------------------|--------------------|-------------------------|-------------------|-------------------|-------------------|--------------------|------------------|
| Rupees in '000 | | | | | | | | | | |
| Assets | | | | | | | | | | |
| Cash and balances with treasury banks | 7,370,962 | 7,370,962 | - | - | - | - | - | - | - | - |
| Balances with other banks | 87,748 | 87,748 | - | - | - | - | - | - | - | - |
| Lending to financial institutions | 706,572 | 306,274 | - | - | 400,298 | - | - | - | - | - |
| Investments - net | 37,488,482 | - | 12,148 | 1,948,163 | 29,924,897 | 3,091,523 | 981,480 | 715,554 | 814,717 | - |
| Advances - net | 64,802,628 | 3,191,748 | 8,222,363 | 3,515,312 | 4,320,984 | 5,402,471 | 5,353,693 | 16,082,895 | 13,938,930 | 4,774,232 |
| Operating fixed assets | 4,101,219 | 68,353 | 136,707 | 205,061 | 410,122 | 820,244 | 820,244 | 1,640,488 | - | - |
| Deferred tax assets - net | 3,704,745 | - | - | - | 241,585 | 570,521 | 2,826,507 | 194,271 | 5,406,102 | 115,091 |
| Other assets | 16,771,466 | 1,694,009 | 734,937 | 923,804 | 1,780,940 | - | 2,733,273 | - | - | 2,698,368 |
| | 135,033,822 | 12,719,094 | 9,106,155 | 6,592,340 | 37,078,826 | 12,711,266 | 9,888,690 | 24,039,310 | 14,868,738 | 8,029,403 |
| Liabilities | | | | | | | | | | |
| Bills payable | 3,996,044 | 3,996,044 | - | - | - | - | - | - | - | - |
| Borrowings | 30,195,702 | 24,368,456 | 3,616,448 | 2,210,798 | - | - | - | - | - | - |
| Deposits and other accounts | 86,787,423 | 11,503,749 | 8,011,018 | 9,740,311 | 17,628,355 | 6,707,103 | 6,647,527 | 13,309,248 | 6,642,703 | 6,597,409 |
| Liabilities against assets subject to finance lease | 10,694 | 2,784 | 289 | 821 | 821 | 2,272 | 906 | 1,403 | 259,552 | 701 |
| Other liabilities | 1,989,371 | 518,468 | 53,758 | 152,912 | 152,912 | 423,097 | 168,243 | - | 130,612 | 697 |
| | 122,979,234 | 40,389,501 | 11,681,513 | 12,104,842 | 17,782,088 | 7,132,472 | 6,816,676 | 13,570,203 | 6,774,016 | 129,817 |
| Net assets | 12,054,588 | (27,670,407) | (2,575,358) | (5,512,502) | 19,296,738 | 5,578,794 | 3,072,014 | 10,469,107 | 8,094,722 | 1,301,480 |
| Share capital | 77,998,093 | (56,566,725) | 327,845 | - | - | - | - | - | - | - |
| Discount on issue of shares | - | - | - | - | - | - | - | - | - | - |
| Reserves | - | - | - | - | - | - | - | - | - | - |
| Convertible preference shares | 2,000,000 | (11,757,111) | - | - | - | - | - | - | - | - |
| Advance against shares subscription | - | - | - | - | - | - | - | - | - | - |
| Accumulated loss | - | - | - | - | - | - | - | - | - | - |
| Surplus on revaluation of assets - net of tax | 52,480 | - | - | - | - | - | - | - | - | - |
| | 12,054,588 | | | | | | | | | |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

43.4 Operational risk

The risk of losses owing to deficient or erroneous internal procedures, human or system errors, or external events. The Bank has in place robust, duly approved various policies, procedures and a Business Continuity Plan. These are continuously reviewed to strengthen operational controls. Risk policy sets minimum standards and requires all business units to identify and assess risks. The business units are responsible for day-to-day monitoring of operational risks and for limiting losses as a result thereof. They also report operational risk events in the management reporting system.

Operational risk tolerance levels, however, have not been established but a broad strategic operational risk direction is in place. This process will move further with the implementation of Internal Control Systems (COSO compliant in process) and Operational Risk Management. Presently, this risk is effectively managed through robust operational policies and procedures.

44. TRUST ACTIVITIES

The Bank is not engaged in any significant trust activities. However, the Bank acts as security agent of investment portfolio services as custodian on behalf of its customers.

45. ISLAMIC BANKING BUSINESS (IBB)

In order to meet the guidelines for Sharia compliance in Islamic Banking Institutions (IBIs), statement of financial position and profit and loss account of IBB are given in Annexure - II. Further detailed disclosures are also given in the said annexure to comply with instructions issued by SBP to improve transparency and standardisation in IBIs' profit and loss distribution, policies and practices. Instructions in this regard were issued by the SBP vide IBD Circular No. 3 dated November 19, 2012 and BSD Circular No.3 dated January 22, 2013.

46. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on March 06, 2018 by the Board of Directors of the Bank.

47. GENERAL

47.1 These financial statements have been prepared in accordance with the revised format for financial statements of banks issued by the SBP through BSD circular letter No.4 dated February 17, 2006.

47.2 Captions in respect of which no amounts exist may not be reproduced in these financial statements except in case of statement of financial position and profit and loss account.

Khurram Khan
Chief Financial Officer

Azmat Tarin
CEO & President

Munnawar Hamid, OBE
Chairman

Shahzad Murad
Director

Nasim Beg
Director

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2017

Rupees in '000

| Write off Date | Party Name | Address | Name of the individuals / Partners/Directors (with C.N.I.C. No.) | Father's / Mother's / Husband Name | Outstanding Liabilities at beginning of year | | | | Principal Written-off | Interest / Mark-up written-off | Other Financial Relief Provided | Total (9+10+11=12) |
|----------------|-----------------------------|---|--|------------------------------------|--|--------------------|-------|---------------|-----------------------|--------------------------------|---------------------------------|--------------------|
| | | | | | Principal | Interest / Mark-up | Other | Total 5+6+7=8 | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| 31-Jan-17 | Hussain Younas Karbalai | House # : 211-B Block # : Block B Shabbilabadi Tipu Street : Area : Sultan Road Nearest Land Mark : City : Karachi | HUSSAIN YOUNAS KARBALAI CNIC : 42201-0279747-3 | Younas Hatim Karbalai | 428 | 81 | - | 509 | 422 | 81 | - | 503 |
| 31-Jan-17 | Sanaullah | Flat # B-18, Block # : Block # 5 Boat View Aptt, Street : Area : Boat Basin, Clifton Nearest Land Mark : City : Karachi | SANAULLAH CNIC : 42201-3400267-7 | Ahmed Hussain | 731 | 134 | - | 865 | 731 | 134 | - | 865 |
| 31-Jan-17 | Naeem Ahmed Khalid | House # : 09 Block # : Shah Khalid Colony, Chaklala C Street : 05 Area : Mohalla Baiturehman Nearest Land Mark : City : Rawalpindi | NAEEM AHMED KHALID CNIC : 37405-4394017-9 | Chaudhry Muhammad Iqbal | 810 | 148 | - | 958 | 801 | 148 | - | 949 |
| 31-Jan-17 | Herman Raza | House # : 30-A Block # : 13 Aitchison Street Street : Area : Bilawal Hostel, Room # 3 Nearest Land Mark : City : Nr Bilwal Chowk, 1 Km Rawind Road Lahore | HERMAN RAZA CNIC : 37405-4192907-3 | Arif Mahmood Raza | 371 | 158 | - | 529 | 355 | 148 | - | 503 |
| 31-Jan-17 | Iffat Manzoor | House # : 297 Block # : E2 Johar Town Lahore Street : Area : Nearest Land Mark : City : Lahore | IFFAT MANZOOR CNIC : 35202-2356121-4 | Khalid Mahmood Akhtar | 934 | 190 | - | 1,124 | 933 | 190 | - | 1,123 |
| 31-Jan-17 | Muhammad Khurram Ehsan Khan | House # : E 13 / 13 Block # : V-9, Abid Road Street : Area : Hassan Lane Cavalry Ground Nearest Land Mark : City : Lahore | MUHAMMAD KHURRAM EHSAN KHAN CNIC : 35201-3512717-9 | Shan Muhammad Khan | 1,236 | 250 | - | 1,486 | 1,236 | 250 | - | 1,486 |
| 31-Jan-17 | Ali Mehmood | House # : 1 Block # : Main Sufiabad Street Near Haji Street : Area : Sufi Darbar Nr Descon Head Nearest Land Mark : City : Quarter Ferozpur Road Lahore | ALI MEHMOOD CNIC : 36302-2793996-7 | Shaikh Muhammad Hanif | 479 | 98 | - | 577 | 479 | 98 | - | 577 |
| 31-Jan-17 | Zulfiqar Malik | House # : 322-A Block # : Block F Gulshan Ravi Street : Area : Nearest Land Mark : City : Lahore | ZULFIQAR MALIK CNIC : 35202-4433142-5 | Muhammad Qayoom Malik | 464 | 97 | - | 561 | 464 | 97 | - | 561 |
| 31-Jan-17 | Azra Perveen | House # : 48, Block # : St#51, Pakistani Chowk, Ichra Street : Area : Nearest Land Mark City : Lahore | AZRA PERVEEN CNIC : 35202-3746063-2 | Muhammad Aslam | 623 | 127 | - | 750 | 623 | 127 | - | 750 |
| 31-Jan-17 | Marryam Sohail Rana | House # : 6 Block # : St#5 Sohail Public School Street : Area : Afshan Park Shadi Pura Nearest Land Mark : City : Daroga Wala Lahore | MARRYAM SOHAIL RANA CNIC : 35202-2715402-4 | Sohail Rana | 774 | 163 | - | 937 | 773 | 163 | - | 936 |
| 28-Feb-17 | Rehan Hasnain | House # : R-10 Block # : Jinnah Housing Street : Project Area : Malir Halt Wireless Gate Nearest Land Mark : City : Karachi | REHAN HASNAIN CNIC : 42501-1559994-3 | S M Husnain | 374 | 268 | - | 642 | 374 | 268 | - | 642 |
| 28-Feb-17 | Atta Ullah | House # : 210 Block # : Shahnawaz Goth Pipri Street : Area : Bin Qasim Town Nearest Land Mark : City : Karachi | ATTU ULLAH CNIC : 43202-4349770-5 | Jan Muhammad | 430 | 358 | - | 788 | 430 | 358 | - | 788 |
| 28-Feb-17 | Ali Faisal | House # : A-235 Block # : Street 11 Block L Street : Area : North Nazimabad Nearest Land Mark : Near My Computer Shop City : Karachi | ALI FAISAL CNIC : 42101-1771671-5 | Muhammad Ibrahim | 658 | 513 | - | 1,171 | 658 | 513 | - | 1,171 |
| 28-Feb-17 | Khawaja Ghulam Mujtaba | House # : A-84 Block # : Block 04 Street : Area : Gulistan-E-Johar Nearest Land Mark : Near Kamran Chowranghi City : Karachi | KHAWAJA GHULAM MUJTABA CNIC : 42201-5895824-5 | Khawaja Ghulam Ahmed | 698 | 522 | - | 1,220 | 698 | 522 | - | 1,220 |
| 28-Feb-17 | Abdul Aziz Hassan | Flat # C-24 Block # : Empire Center Block-19 Street : Area : Gulshan-E-Johar Nearest Land Mark : City : Karachi | ABDUL AZIZ HASSAN CNIC : 42201-1153151-3 | Ali Muhammad | 276 | 228 | - | 504 | 276 | 228 | - | 504 |
| 28-Feb-17 | Arshad Masood | Flat No B-501 Block # : Baseera Tower 5Th Floor Street : Area : Gulistan-E-Johar Blik 17 Nearest Land Mark : Near Johar Moor City : Karachi | ARSHAD MASOOD CNIC : 42201-7820554-9 | Mohammad Rafiq Ahmed | 421 | 311 | - | 732 | 421 | 311 | - | 732 |
| 28-Feb-17 | Naushad Ul Haq | House # : A-157 Block # : Rafam-E-Aam Society Street : Area : Malir Halt Nearest Land Mark : City : Karachi | NAUSHAD UL HAQ CNIC : 42201-4097601-1 | Inam Ul Haq | 914 | 644 | - | 1,558 | 914 | 644 | - | 1,558 |
| 28-Feb-17 | Nawazish Akbar | Flat C-2 Block # : Ground Floor Dr Zia Uddin Hosp Street : Area : # 33 Keamari Campus Nearest Land Mark : Behind K PT Hospital Keamari City : Karachi | NAWAZISH AKBAR CNIC : 42301-9546402-1 | Mir Akbar | 1,333 | 854 | - | 2,187 | 1,333 | 854 | - | 2,187 |
| 28-Feb-17 | Sanam Naz Rajpar | Flat # 05 Block # : Plot # 14-C Street - 12 Badar Comm Area Phase-5 Street : Area : 5 Dha Nearest Land Mark : Near Kesc Office City : Karachi | SANAM NAZ RAJPAR CNIC : 42401-8483221-0 | Khalid Mahmood Rajpar | 481 | 261 | - | 742 | 481 | 261 | - | 742 |
| 28-Feb-17 | Muhammad Sheraz | Flat B-10 Block # : Street : Shujauddin Area : Center Garden East Nearest Land Mark : Supar Wala Street City : Karachi | MUHAMMAD SHERAZ CNIC : 42201-4876355-7 | Muhammad Shehzad | 453 | 219 | - | 672 | 453 | 219 | - | 672 |
| 28-Feb-17 | Fayaz Hussain Shah | Flat # 405 Block # : Block-H, 4Th Street : Floor Decent Garden, Area : Gulistan-E-Johar, Block-7 Nearest Land Mark : Near Johar Square City : Karachi | FAYAZ HUSSAIN SHAH CNIC : 42201-5332978-7 | Niaz Hussain Shah | 689 | 416 | - | 1,105 | 689 | 416 | - | 1,105 |

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2017

| Write off Date | Party Name | Address | Name of the individuals / Partners/Directors (with C.N.I.C. No.) | Father's / Mother's / Husband Name | Outstanding Liabilities at beginning of year | | | | Principal Written-off | Interest / Mark-up written-off | Other Financial Relief Provided | Total (9+10+11=12) |
|----------------|-------------------------|---|--|------------------------------------|--|--------------------|-------|---------------|-----------------------|--------------------------------|---------------------------------|--------------------|
| | | | | | Principal | Interest / Mark-up | Other | Total 5+6+7=8 | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| 28-Feb-17 | Muhammad Haroon Qureshi | House #: Plot # 9/1 Block #: Street : Area : Liaquatabad Nearest Land Mark : City : Karachi | MUHAMMAD HAROON QURESHI CNIC : 42201-0639706-9 | Masoom Ali Qureshi | 449 | 284 | - | 733 | 449 | 284 | - | 733 |
| 28-Feb-17 | Baseer Ali Durani | House # : B 53 Block # : Block 13 Street : Area : Gulshan-E-Iqbal Nearest Land Mark : Near Al Aqsa Mosque City : Karachi | BASEER ALI DURANI CNIC : 42201-9829149-1 | Shabeer Ahmed | 479 | 228 | - | 707 | 479 | 228 | - | 707 |
| 28-Feb-17 | Ghulam Mustafa Morejo | House # : D-134 / 1 Block # : C A Adony Street : Area : Air Port Nearest Land Mark : City : Karachi | GHULAM MUSTAFA MOREJO CNIC : 42501-1370773-3 | Haji Muhammad Dino Morejo | 519 | 194 | - | 713 | 519 | 194 | - | 713 |
| 28-Feb-17 | Hina Iqbal | Flat # : 306 Block # : 4Th Floor Ahmed Residency Blk Street : Area : Gulistan-E-Johar Nearest Land Mark : City : Karachi | HINA IQBAL CNIC : 42501-5337894-0 | Iqbal Gul Riaz | 555 | 102 | - | 657 | 550 | 90 | - | 620 |
| 28-Feb-17 | Mazhar Javed | House # : 286-B Block # : Street : St 24 Area : Gutzar E Quidal Nearest Land Mark : City : Rawalpindi | MAZHAR JAVED CNIC : 61101-6350348-9 | Ghulam Asghar | 572 | 193 | - | 765 | 572 | 193 | - | 765 |
| 28-Feb-17 | Hammad Khalid | House # : 46 Block # : D-lvi Street : Area : Wapda Town Nearest Land Mark : City : Lahore | HAMMAD KHALID CNIC : 35202-9980349-9 | Khalid Sharif Chaudhry | 1,030 | 559 | - | 1,589 | 1,000 | 511 | - | 1,511 |
| 28-Feb-17 | Shafiq Ahmad | House # : 141-A Block # : Street : Area : Gulistan Town Bhagat Pura Nearest Land Mark : Near Towel Factory City : Lahore | SHAFIQ AHMAD CNIC : 35202-2326541-5 | Muhammad Hanif | 649 | 451 | - | 1,100 | 649 | 451 | - | 1,100 |
| 28-Feb-17 | Musawar Iqbal | House # : Street # 46 Block # : Disposal Road Street : Wahdat Area : Colony Nearest Land Mark : City : Gujranwala | MUSAWAR IQBAL CNIC : 34101-2598740-5 | Bashir Ahmed | 771 | 357 | - | 1,128 | 771 | 357 | - | 1,128 |
| 28-Feb-17 | Muhammad Rehman Ullah | House # : St 03 Block # : H 07, Noshali Park Street : Area : Shafi Town Rajh Garh Nearest Land Mark : City : Lahore | MUHAMMAD REHMAN ULLAH CNIC : 35202-2583797-7 | Ch Rehmat Ullah | 930 | 304 | - | 1,234 | 930 | 304 | - | 1,234 |
| 28-Feb-17 | Waqas Zahoor | House # : 90 Block # : Sultan Town 1 Km Street : Area : Raiwind Road Nearest Land Mark : City : Lahore | WAQAS ZAHOOR CNIC : 13101-4079593-7 | Zahoor Ahmed Khan | 291 | 249 | - | 540 | 291 | 249 | - | 540 |
| 28-Feb-17 | Muhammad Tahir Mehmood | House # : 155, Block # : Green Park Khuda Baksh Colony Street : Area : New Airport Road Cantt Nearest Land Mark : City : Lahore | MUHAMMAD TAHIR MEHMOOD CNIC : 35201-7028287-7 | Ch Abdul Sattar | 993 | 835 | - | 1,828 | 993 | 835 | - | 1,828 |
| 28-Feb-17 | Muhammad Farooq Azam | House # : 1, Block # : Street : St No. 9, Area : Jinah Park Gulberg II, Nearest Land Mark : City : Lahore. | MUHAMMAD FAROOQ AZAM CNIC : 33104-2123901-7 | Muhammad Abdullah | 390 | 194 | - | 584 | 368 | 185 | - | 553 |
| 28-Feb-17 | Tahir Amin | House # : H-152A Block # : State Life Cooperative Housing Street : Area : Nearest Land Mark : City : Lahore | TAHIR AMIN CNIC : 35201-2594462-9 | Muhammad Amin Qadri | 1,000 | 490 | - | 1,490 | 1,000 | 490 | - | 1,490 |
| 28-Feb-17 | Maqsood Hussain | House # : 183-A Block # : Uet Housing Society Street : Area : Nearest Land Mark : City : Lahore | MAQSOOD HUSSAIN CNIC : 35202-0277089-1 | Muhammad Ali | 580 | 187 | - | 767 | 580 | 187 | - | 767 |
| 28-Feb-17 | Zahid Shahzad | House # : 143 Block # : Block D Street : Area : Taj Pura Scheme Nearest Land Mark : City : Lahore | ZAHID SHAHZAD CNIC : 35201-1305408-5 | Ahmed Din | 417 | 232 | - | 649 | 413 | 221 | - | 634 |
| 28-Feb-17 | Abdul Hameed | House # : 10 Block # : St # 3, Afzal Park Street : Area : Near Bloom Field School Nearest Land Mark : City : Harbane Pura Lahore | ABDUL HAMEED CNIC : 35201-1693635-9 | Hassan Muhammad Chaudhary | 419 | 171 | - | 590 | 419 | 171 | - | 590 |
| 28-Feb-17 | Shabbir Ahmed | House # : 28 Block # : St # 25 Street : Area : Shahdra Nearest Land Mark : City : Lahore | SHABBIR AHMED CNIC : 35401-0611393-1 | Basharat Ali | 407 | 129 | - | 536 | 407 | 129 | - | 536 |
| 28-Feb-17 | Qaiser Ali | House # : 245-C Block # : Askari X Street : Area : Near Airport Nearest Land Mark : City : Lahore | QAISER ALI CNIC : 35201-8159187-7 | Aslam Ali | 1,076 | 241 | - | 1,317 | 1,076 | 241 | - | 1,317 |
| 28-Feb-17 | Zeeshan Ahmed | House # : 225-E Block # : Muhallah Street : Area : Rehman Pura Nearest Land Mark : City : Lahore | ZEESHAN AHMED CNIC : 35202-7070913-9 | Muhammad Ismail | 598 | 122 | - | 720 | 598 | 122 | - | 720 |
| 28-Feb-17 | Fauzia Arif | House # : 192-H Block # : Valencia Housing Society Street : Area : Nearest Land Mark : City : Lahore | FAUZIA ARIF CNIC : 35202-5298295-4 | Muhammad Arif Imran | 775 | 226 | - | 1,001 | 775 | 226 | - | 1,001 |
| 28-Feb-17 | Safdar Ali | Flat# 10 2Nd Floor Block # : Malik Plaza Nizam Block Street : Area : Allama Iqbal Town Nearest Land Mark : City : Nr Darbar Baba Sultan Shah Lahore | SAFDAR ALI CNIC : 31101-4939853-9 | Muhammad Shafi | 734 | 169 | - | 903 | 734 | 169 | - | 903 |
| 28-Feb-17 | Ali Aziz | House # : 2811, Block # : Khatooni No Alpine St, Street : Area : Cavalry Ground, Nearest Land Mark : City : Lahore | ALI AZIZ CNIC : 35202-1255619-3 | Aziz Ahmed Khan | 707 | 159 | - | 866 | 707 | 159 | - | 866 |
| 28-Feb-17 | Asghari Mirza | House # : 5 Block # : Wheat Main Road Street : Area : Mughal Pura Nearest Land Mark : City : Lahore | ASGHARI MIRZA CNIC : 35201-1565218-0 | Mirza Waseem Baig | 440 | 80 | - | 520 | 440 | 80 | - | 520 |

Contd.

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2017

Rupees in '000

| Write off Date | Party Name | Address | Name of the individuals / Partners/Directors (with C.N.I.C. No.) | Father's / Mother's / Husband Name | Outstanding Liabilities at beginning of year | | | | Principal Written-off | Interest / Mark-up written-off | Other Financial Relief Provided | Total (9+10+11=12) |
|----------------|----------------------------|--|--|-------------------------------------|--|--------------------|-------|---------------|-----------------------|--------------------------------|---------------------------------|--------------------|
| | | | | | Principal | Interest / Mark-up | Other | Total 5+6+7=8 | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| 28-Feb-17 | Muhammad Azeem | House #: 11 Block #: St # 11 Canal Park Nr Street : Area : Forces Academy Kamra Raja Estate Nearest Land Mark : City : Lahore | MUHAMMAD AZEEM CNIC : 33303-8058173-1 | Naseer Ahmed | 571 | 116 | - | 687 | 571 | 116 | - | 687 |
| 28-Feb-17 | Qaloob Qadir | House #: E-1297/2 Block #: Street No 9 Block G Street : Area : Nishat Colony Nearest Land Mark : City : Lahore | QALOOB QADIR CNIC : 35201-0646856-9 | Nasrullah Khan | 492 | 102 | - | 594 | 492 | 102 | - | 594 |
| 28-Mar-17 | Robina Shaheen | Flat#515 Block #: Ordinance Estate Street : Area : Sarfaraz Rafiqi Road Nearest Land Mark : City : Lahore | ROBINA SHAHEEN CNIC : 38403-9553654-8 | Ghulam Hussain | 576 | 119 | - | 695 | 576 | 119 | - | 695 |
| 28-Mar-17 | Muhammad Abbas Qasim | House #: E-338/9-A Block #: St # 2 Pir Colony Street : Area : Railway Academy Walton Nearest Land Mark : City : Lahore | MUHAMMAD ABBAQ QASIM CNIC : 35201-6758876-9 | Ishrat Hussain | 449 | 93 | - | 542 | 449 | 93 | - | 542 |
| 28-Mar-17 | Qadeer Ahmad | House #: 26-S-2-B, Block #: Mujadid Alif Sari Street Purji Street : Area : New Mozang, Nearest Land Mark : City : Lahore | QADEER AHMAD CNIC : 36104-4432618-5 | Bashir Ahmed | 440 | 90 | - | 530 | 440 | 90 | - | 530 |
| 28-Mar-17 | Malik Shaukat Iqbal | House #: Block #: Atta Manzil Mohammad Street Street : Area : Boston Colony P.O.Nearest Land Mark : City : Kot Lakhpat Lahore | MALIK SHAUKAT IQBAL CNIC : 35202-6927987-9 | Malik Abdul Rehman | 424 | 77 | - | 501 | 424 | 77 | - | 501 |
| 28-Mar-17 | Hassan Hameed | House #: 35-F-1 Block #: Wapda Town Street : Area : Nr Habib Bank Nearest Land Mark : City : Lahore | HASSAN HAMEED CNIC : 35202-3937373-7 | Abdul Hameed | 913 | 166 | - | 1,079 | 913 | 166 | - | 1,079 |
| 28-Mar-17 | Ammar Sultan | House #: 2 Block #: Street Shaheen Apartment Street : Area : Nr Bhatta Chowk Nearest Land Mark : City : Main Air Port Road Nr Mughal Market Lahore | AMMAR SULTAN CNIC : 13302-4812641-1 | Sultan Mehmood | 1,130 | 229 | - | 1,359 | 1,130 | 229 | - | 1,359 |
| 28-Mar-17 | Muhammad Asim Ashraf | House #: 26 / 693 Block #: Cantt Bazar Street : Area : Dina Road Nearest Land Mark : Near Sir Syed School City : Karachi | MUHAMMAD ASIM ASHRAF CNIC : 42201-0874526-9 | Muhammad Ashraf Awan | 591 | 122 | - | 713 | 590 | 122 | - | 712 |
| 28-Mar-17 | Bilal Mehboob | House #: 46 Block #: Block C-1 Mohallah China Street : Area : Scheme Link Band Road Nearest Land Mark : City : Cantt Lahore | BILAL MEHBOOB CNIC : 35201-1450513-7 | Mehboob Hussain | 523 | 109 | - | 632 | 522 | 109 | - | 631 |
| 28-Mar-17 | Mian Amir Ghani | House #: 17 Block #: Sector-J Street : Area : Phase-V, Dha Cantt Nearest Land Mark : City : Lahore | MIAN AMIR GHANI CNIC : 35200-4289073-3 | Mian Noor Ul Ghani | 1,478 | 435 | - | 1,913 | 1,477 | 435 | - | 1,912 |
| 28-Mar-17 | Khurshid Ahmed | House #: A-471 Block #: Street No 9 Block L Street : Area : North Nazimabad Nearest Land Mark : Comprehensive Girls School City : Karachi | KHURSHID AHMED CNIC : 42201-7261272-3 | Aziz Ahmed Siddiqui | 675 | 111 | - | 786 | 674 | 111 | - | 785 |
| 28-Mar-17 | Abid Sharif | House #: 110, Block #: Block M, Street : Area : Model Town Ext, Nearest Land Mark : City : Lahore | ABID SHARIF CNIC : 35202-3014962-3 | Ch Muhammad Sharif | 950 | 241 | - | 1,191 | 949 | 241 | - | 1,190 |
| 28-Mar-17 | Adil Hussein | House #: 6-A-1, Block #: 7TH Central Street Street : Area : Phase II, Dha Nearest Land Mark : City : Karachi | ADIL HUSSEIN CNIC : 42301-4699517-5 | Azhar Hussain | 1,514 | 315 | - | 1,829 | 1,512 | 315 | - | 1,827 |
| 28-Mar-17 | Syed Jafar Raza | House #: 14 Block #: Bank Colony Street 12 Street : Area : Simli Dam Road, Bharat Kali Nearest Land Mark : City : Islamabad | SYED JAFAR RAZA CNIC : 61101-1768512-5 | Syed Akbar Ali Shah | 1,715 | 350 | - | 2,065 | 1,709 | 350 | - | 2,059 |
| 28-Mar-17 | Imtiaz Hussain Awan | Room#9 Block #: Rangers Boq Mess Street : Area : Zarar Shaheed Rd Cantt Nearest Land Mark : City : Lahore | IMTIAZ HUSSAIN AWAN CNIC : 31303-2453293-3 | Muhammad Khan | 467 | 97 | - | 564 | 457 | 97 | - | 554 |
| 4-Apr-17 | Muhammad Aleem Tariq | House #: 338 B Block #: 15 Block Township Street : Area : Sector B-1 Near B.K.Crng Nearest Land Mark : City : Lahore | MUHAMMAD ALEEM TARIQ CNIC : 38405-928075-5 | Shafiq Ahmad | 500 | 96 | - | 596 | 485 | 96 | - | 581 |
| 29-Apr-17 | Muhammad Jawad | Flat # B-103 Block #: 1St Floor Sana Tower Street : Area : Firdos Colony Nazimabad # 01 Nearest Land Mark : City : Karachi | MUHAMMAD JAWAD CNIC : 42101-4585077-1 | Muhammad Habib | 533 | 110 | - | 643 | 533 | 110 | - | 643 |
| 29-Apr-17 | Raja Kamran Sidique Janjua | House #: 45, Block #: Riaz Qureshi Road, Jhawary Street : Area : Kamalabadi Nearest Land Mark : City : Rawalpindi | RAJA KAMRAN SIDIQUE JANJUA CNIC : 37405-0462579-3 | Janjua Raja Muhammad Sidique Janjua | 726 | 150 | - | 876 | 726 | 150 | - | 876 |
| 29-Apr-17 | Kevin Iqbal Masih | House #: 52 Block #: Professor Rd Bahar Colony # 01 Street : Area : Kottakhpatt Nearest Land Mark : City : Lahore | KEVIN IQBAL MASIH CNIC : 33301-2105061-7 | Kartar Messay | 433 | 86 | - | 519 | 433 | 86 | - | 519 |
| 29-Apr-17 | Nadeem Aslam Rana | House #: 1 Block #: St # 1 Street : Area : Amrit Street, Ichhra Nearest Land Mark : City : Lahore | NADEEM ASLAM RANA CNIC : 35202-3063648-5 | Muhammad Aslam Rana | 616 | 128 | - | 744 | 615 | 128 | - | 743 |
| 29-Apr-17 | Ali Farrukh Kazmi | House #: 305 Block #: Abdali Road Street : Area : Iqra Hostel For Boys Nearest Land Mark : City : Islam Pura Lahore | ALI FARRUKH KAZMI CNIC : 38403-8878221-7 | Alamdar Hussain Kazmi | 613 | 123 | - | 736 | 613 | 123 | - | 736 |
| 29-Apr-17 | Rana Amer Rashid | House #: 52-A-1 Block #: Pgechs College Road Near Street : Area : Township Near Butt Chowk Nearest Land Mark : City : Lahore | RANA AMER RASHID CNIC : 35202-7767434-5 | Rana Abdul Rashid | 753 | 149 | - | 902 | 753 | 149 | - | 902 |

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2017

Rupees in '000

| Write off Date | Party Name | Address | Name of the individuals / Partners/Directors (with C.N.I.C. No.) | Father's / Mother's / Husband Name | Outstanding Liabilities at beginning of year | | | | Principal Written-off | Interest / Mark-up written-off | Other Financial Relief Provided | Total (9+10+11=12) |
|----------------|----------------------------------|---|--|-------------------------------------|--|--------------------|-------|---------------|-----------------------|--------------------------------|---------------------------------|--------------------|
| | | | | | Principal | Interest / Mark-up | Other | Total 5+6+7=8 | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| 29-Apr-17 | Muhammad Shakeel Gujjar | House # : 76 A Block # : St#2 Abu Baket Street Street : Area : Gakro Town Nr Bm Factory Nearest Land Mark : City : Ferozpur Road Lahore | MUHAMMAD SHAKEEL GUJAR CNIC : 34302-5993238-7 | Muhammad Sharif | 451 | 93 | - | 544 | 451 | 93 | - | 544 |
| 29-Apr-17 | Muhammad Rashid Malik | House # : 198 Block # : St # 16 Chah Din Park Street : Area : Daroga Wala Nearest Land Mark : Nr Elite Grammer School City : Lahore | MUHAMMAD RASHID MALIK CNIC : 35201-1664056-1 | Muhammad Rasheed | 442 | 82 | - | 524 | 442 | 82 | - | 524 |
| 31-May-17 | Syed Khurram Abbas | House # : 9 Plot Block # : Street 4 - A, Chakala Scheme Street : Area : Chaudhary Walayat Colony Nearest Land Mark : City : Rawalpindi | SYED KHURRAM ABBAS CNIC : 38403-4491519-3 | Syed Mushtaq Hussain Shah | 492 | 94 | - | 586 | 492 | 94 | - | 586 |
| 31-May-17 | Hafiza | House # : 119 Block # : Professor Road Street : Bahri Colony Area : Kot Lakhpat Nearest Land Mark : City : Lahore | HAFIZA CNIC : 37405-0503180-4 | Emanuel Shahzad | 533 | 99 | - | 632 | 533 | 99 | - | 632 |
| 31-May-17 | Anwer Ali Balouch | House # : B-44 Block # : Iqbal Block Old Driven Cooper Street : Area : Near Johar Complex Nearest Land Mark : City : Karachi | ANWER ALI BALOUCH CNIC : 42501-4645748-9 | Abdullah Baloch | 568 | 112 | - | 680 | 568 | 112 | - | 680 |
| 31-May-17 | Zeenat Gill | House # : 90/B Block # : Block D Street : Area : St # 2 , Youhanabad Nearest Land Mark : City : Feroze Pur Rd, Lahore | ZEENAT GILL CNIC : 35201-1541150-0 | Clarence Gill | 485 | 90 | - | 575 | 476 | 90 | - | 566 |
| 31-May-17 | Imran Raheem Sheikh | Room # 310 Block # : Punjab Lawer Hostel 7 Street : Area : Begum Road Nearest Land Mark : City : Mozang Lahore | IMRAN RAHEEM SHEIKH CNIC : 31202-8692097-5 | Sheikh Abdul Raheem Anjum | 424 | 86 | - | 510 | 422 | 86 | - | 508 |
| 31-May-17 | Raza Khalid | House # : 522 Block # : B Block Sabzazar Street Area : Multan Road Nearest Land Mark : City : Lahore | RAZA KHALID CNIC : 35202-6554306-9 | Khalid Sarfraz | 416 | 84 | - | 500 | 416 | 84 | - | 500 |
| 31-May-17 | Rizwan Hameed Chaudhary | House # : 04, Block # : Al Park, Peco Road, Street : Area : Township, Nearest Land Mark : City : Lahore | RIZWAN HAMEED CHAUDHARY CNIC : 35202-2774173-7 | Abdul Hameed Chaudhary | 1,008 | 208 | - | 1,216 | 1,007 | 208 | - | 1,215 |
| 31-May-17 | Shah Awal Khair | House # : 587 Block # : Block L Sabzazar Scheen Street : Area : Multan Road Nearest Land Mark : City : Lahore | SHAH AWAL KHAIR CNIC : 35202-5272837-3 | Syed Mubarak Ali Shah | 426 | 88 | - | 514 | 426 | 88 | - | 514 |
| 31-May-17 | Rawal | House # : 702 Block # : St # 6-A Makkah Colony Street : Area : Gulberg-Iii Nearest Land Mark : City : Lahore | RAWAL CNIC : 35202-5770984-9 | Bashir Masih | 737 | 137 | - | 874 | 735 | 137 | - | 872 |
| 30-Jun-17 | Abbas Ali Maka | House # : Block # : House Kh 413-14-16-19 Street : Gall 8 Area : Chappar Mir Chana Po Tarfa Nearest Land Mark : City : Islamabad | ABBAS ALI MAKHA CNIC : 61101-0176042-5 | Ghulam Muhammad Maka | 506 | 91 | - | 597 | 506 | 91 | - | 597 |
| 30-Jun-17 | Muhammad Munawar | Flat 1 Block # : Plot 419 Block 4 Sector A-1 Street : Area : Township Nearest Land Mark : City : Lahore | MUHAMMAD MUNAWAR CNIC : 35202-6509949-7 | Ghulam Muhamamd | 1,062 | 196 | - | 1,258 | 1,060 | 196 | - | 1,256 |
| 30-Jun-17 | Atiya Hassan Rizvi | Flat # 110 Block # : Blk-4 Al Khizra Heights Street : Area : Gulistan-E-Johar Nearest Land Mark : City : Karachi | ATIYA HASSAN RIZVI CNIC : 37405-0570596-2 | Syed Salman Haider Naqvi | 500 | 103 | - | 603 | 500 | 103 | - | 603 |
| 30-Jun-17 | Muqqadus Mehmood | House # : 21 Block # : Main Harfay Street Street : Area : Cantt Nearest Land Mark : City : Rawalpindi | MUQQADUS MEHMOOD CNIC : 37405-8631458-9 | Mehmood Ahmed | 727 | 132 | - | 859 | 726 | 132 | - | 858 |
| 30-Jun-17 | Muhammad Zahid Hussain | House # : 3 A Block # : St No 15 Jahangir St Sadqat P Street : Area : Sanda Khurd Nearest Land Mark : City : Lahore | MUHAMMAD ZAHID HUSSAIN CNIC : 35202-7270459-3 | Muhammad Ashiq | 496 | 102 | - | 598 | 496 | 102 | - | 598 |
| 30-Jun-17 | Usman Akram Khan | House # : 241 Block # : Block 1 Sector C2 Township Street : Area : Nearest Land Mark : City : Lahore | USMAN AKRAM KHAN CNIC : 35202-4046954-3 | Muhammad Akram Khan | 600 | 126 | - | 726 | 599 | 126 | - | 725 |
| 28-Jul-17 | Muhammad Nadeem Iqbal | House # : 434 Block # : Johar Town Street : Area : Nearest Land Mark : City : Lahore | MUHAMMAD NADEEM IQBAL CNIC : 35202-8994079-7 | Muhammad Iqbal | 462 | 95 | - | 557 | 462 | 95 | - | 557 |
| 28-Jul-17 | Riaz Ahmed | House # : B-5&6 Block # : 1St Floor, Survey # 102, Al Karim Street : Area : Aftablad, Green Town Nearest Land Mark : City : Karachi | RIAZ AHMED CNIC : 45206-5625936-1 | Abdul Hameed Gul | 515 | 97 | - | 612 | 515 | 97 | - | 612 |
| 28-Jul-17 | Mirza Ali Yar Baig | House # : 117 Block # : Lawreks Colony Street : Csi Area : Nishar Park Nearest Land Mark : Mughal Pura City : Lahore | MIRZA ALI YAR BAIG CNIC : 35201-9372806-9 | Mirza Akram Baig | 603 | 108 | - | 711 | 603 | 108 | - | 711 |
| 28-Jul-17 | Zulfiqar Ali | Room # 27 Block # : Block-C1 Interfloor Ltd Street : Area : Hd-lii Hostel 8-Km Manga Nearest Land Mark : City : Rawind Rd Lahore | ZULFIQAR ALI CNIC : 35403-3593391-7 | Abdul Ghaffar | 427 | 77 | - | 504 | 427 | 77 | - | 504 |
| 28-Jul-17 | Muhammad Nadeem Irshad | House # : A-153 Block # : Blk-N Street : Area : North Nazimabad Nearest Land Mark : City : Karachi | MUHAMMAD NADEEM IRSHAD QURESHI CNIC : 42101-1472527 | Qureshi Muhammad Irshad Qureshi | 447 | 79 | - | 526 | 431 | 79 | - | 510 |
| 28-Jul-17 | Mirza Muhammad Umair Akhtar Baig | Flat # 202 Block # : 2Nd Floor Building-16C Street- Street : Area : Phase-6 Dha Nearest Land Mark : City : Karachi | MIRZA MUHAMMAD UMAIR AKHTAR BAIG CNIC : 35201-4892635-1 | Mirza Muhammad Saleem Akhtar Mughal | 447 | 79 | - | 526 | 447 | 79 | - | 526 |

Contd.

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2017

Rupees in '000

| Write off Date | Party Name | Address | Name of the individuals / Partners/Directors (with C.N.I.C. No.) | Father's / Mother's / Husband Name | Outstanding Liabilities at beginning of year | | | | Principal Written-off | Interest / Mark-up written-off | Other Financial Relief Provided | Total (9+10+11=12) |
|----------------|-------------------------|--|--|------------------------------------|--|--------------------|-------|---------------|-----------------------|--------------------------------|---------------------------------|--------------------|
| | | | | | Principal | Interest / Mark-up | Other | Total 5+6+7=8 | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| 28-Jul-17 | Musarrat Mushraq | House #: G4 / 4 Block #: Street : Area : Nazimabad-4 Nearest Land Mark : City : Karachi | MUSARRAT MUSHRAQ CNIC : 42101-8413789-8 | Akhter Hussain | 498 | 103 | - | 601 | 498 | 103 | - | 601 |
| 28-Jul-17 | Din Muhammad Nasir | House #: 27 Block #: Darbar St # 2 Bhatti Colony Street : Area : Link Model Town Nearest Land Mark : City : Lahore | DIN MUHAMMAD NASIR CNIC : 35202-7926939-5 | Sail Khan | 742 | 153 | - | 895 | 739 | 153 | - | 892 |
| 28-Jul-17 | Ayesha Khan | House #: 3 Block #: Block B Faisal Town Street : Area : Nearest Land Mark : City : Lahore | AYESHA KHAN CNIC : 35202-2932535-2 | Muhammad Mazhar Iqbal | 447 | 87 | - | 534 | 447 | 87 | - | 534 |
| 28-Jul-17 | Shahbaz Mirza | House #: 557-A Block #: Street : Area : Askari II, Bedian Road Nearest Land Mark : City : Lahore | SHAHBAZ MIRZA CNIC : 35201-7956789-7 | Ghulam Hussain | 571 | 118 | - | 689 | 570 | 118 | - | 688 |
| 29-Aug-17 | Fahmida Iqbal | House #: C8 112 Block #: Street : Malik Sadiq Lane Area : Shafley Valley Nearest Land Mark : Near Milat Property Centre City : Range Road Rawalpindi | FAHMIDA IQBAL CNIC : 37405-1732350-4 | Muhammad Iqbal Khan | 918 | 209 | - | 1,127 | 896 | 209 | - | 1,105 |
| 29-Aug-17 | Muhammad Khalid Mehmood | House #: 40 Block #: Naseerabad Mohallah Street : Area : Aurangzeb Road Cantt Nearest Land Mark : City : Lahore | MUHAMMAD KHALID MEHMOOD CNIC : 35200-1486987-3 | Mehmood Choudhry Muhammad Amin | 469 | 93 | - | 562 | 468 | 93 | - | 561 |
| 29-Aug-17 | Waheeda Anjum | House #: Zainab Trust Block #: Hospital Street Area : Multan Road Nearest Land Mark : City : Lahore | WAHEEDA ANJUM CNIC : 35202-5513332-0 | Malik Abdul Hameed | 469 | 93 | - | 562 | 469 | 93 | - | 562 |
| 29-Aug-17 | Shahzad | House #: 285 Block #: St# 18 Kot Bahal Singh Opposite Street : Area : Jawa Sweets Rainward Nearest Land Mark : City : Lahore | SHAHZAD CNIC : 35202-8247970-7 | Khadim Hussain | 1,093 | 216 | - | 1,309 | 1,081 | 216 | - | 1,297 |
| 29-Aug-17 | Umm E Farwa Zaidi | House #: A-67/3 Block #: Gulberg III Street : Area : Nearest Land Mark : City : Lahore | UMM E FARWA ZAIDI CNIC : 42301-5064899-4 | Syed Zafar Husnain Zaidi | 1,354 | 265 | - | 1,619 | 1,332 | 265 | - | 1,597 |
| 29-Aug-17 | Shafqat Ullah Anjum | House #: 254 Block #: St# 14 Ali Block Street : Area : Sector B, Bahria Town, Nearest Land Mark : City : Lahore | SHAFQAT ULLAH ANJUM CNIC : 35201-5131078-9 | Fazal Ullah | 542 | 106 | - | 648 | 537 | 106 | - | 643 |
| 29-Aug-17 | Muhammad Shoib | House #: 113-E Block #: Qasim Pura Husain Abbad Nr Street : Area : Boota Fruit Shop Nearest Land Mark : City : Lahore | MUHAMMAD SHOAIB CNIC : 34101-1880887-1 | Syed Islam Ur Rehman | 1,500 | 317 | - | 1,817 | 1,500 | 317 | - | 1,817 |
| 29-Aug-17 | Qamar Zaman | House #: 319-K Block #: Phase 1 Main Ghazi Road Street : Area : Dha Nearest Land Mark : City : Lahore | QAMAR ZAMAN CNIC : 34301-1768071-7 | Muhammad Boota | 744 | 153 | - | 897 | 744 | 153 | - | 897 |
| 29-Aug-17 | Rashid Mahmood | House #: 124 Block #: New Zaidi House Lda Street : Area : Shahjalal Ichra Nearest Land Mark : City : Lahore | RASHID MAHMOOD CNIC : 35101-4723575-7 | Muhammad Sadiq | 500 | 111 | - | 611 | 500 | 111 | - | 611 |
| 7-Sep-17 | Farid Khumar | House #: 895 Block #: Block 3 Street : Area : Sector DII Green Town Nearest Land Mark : City : Lahore | FARID KHUMAR CNIC : 35202-2610997-7 | Ghulam Rasool Khan | 500 | 106 | - | 606 | 498 | 106 | - | 604 |
| 29-Sep-17 | Zulfiqar Ali Kehar | House #: 59 A Block #: Dr Akhan Road Street : Area 1 : Pir Jamshed Colony Nearest Land Mark : Near Ghousia Masjid City : Rawalpindi | ZULFIQAR ALI KEHAR CNIC : 37405-0473395-3 | Shah Nawaz Kehar | 568 | 105 | - | 673 | 568 | 105 | - | 673 |
| 29-Sep-17 | Naveed Hameed | House #: 96 Block #: Block L Street : Area : Model Town Nearest Land Mark : City : Lahore | NAVEED HAMEED CNIC : 35101-6329829-7 | Abdul Hameed | 446 | 87 | - | 533 | 440 | 87 | - | 527 |
| 29-Sep-17 | Afzal Mehmood | House #: 14 Block #: St # 2 Nr Jamia Usmania Masjid Street : Area : Bund Road Nearest Land Mark : City : Lahore | AFZAL MEHMOOD CNIC : 35201-1492278-5 | Nazir Ahmad | 616 | 113 | - | 729 | 616 | 113 | - | 729 |
| 29-Sep-17 | Asim Afzal Ahmad | House #: 15-A Block #: Abbat Road Nr Street : Area : Janki Devi Hospital Nearest Land Mark : City : Lahore | ASIM AFZAL AHMAD CNIC : 35102-9919937-5 | Afzal Ahmad | 976 | 199 | - | 1,175 | 976 | 199 | - | 1,175 |
| 29-Sep-17 | Muhammad Javed Siddiqui | House #: A-716 Block #: Sec-11-A Street : Area : North Karachi Nearest Land Mark : Near Tower House City : Karachi | MUHAMMAD JAVED SIDDIQUI CNIC : 42101-1383387-7 | Muhammad Farooq Siddiqui | 660 | 135 | - | 795 | 659 | 135 | - | 794 |
| 29-Sep-17 | Faiz Alam | House #: 52 - A 3 Block #: Block A Street : Area : Satellite Town Nearest Land Mark : City : Rawalpindi | FAIZ ALAM CNIC : 37405-0489637-1 | Khan Alam | 597 | 117 | - | 714 | 594 | 117 | - | 711 |
| 29-Sep-17 | Raja Nasim Yousaf | House #: 123 Block #: Street : St 6 Area : Ground Floor, Rawal Town Nearest Land Mark : City : Islamabad | RAJA NASIM YOUSAF CNIC : 82203-1179843-5 | Muhammad Yousaf | 686 | 140 | - | 828 | 685 | 140 | - | 825 |
| 29-Sep-17 | Khusnoor Hussain | House #: 14 Block #: Street : Street 62 Area : F-6/3 Nearest Land Mark : City : Islamabad | KHUSNOOR HUSSAIN CNIC : 82101-5344183-5 | Muhammad Farooq Khan | 469 | 86 | - | 555 | 467 | 86 | - | 553 |
| 29-Sep-17 | Muhammad Abdohoo Abdali | House #: 643-D Block #: Canal View Housing Society Street : Area : Thokar Niaz Baig Nearest Land Mark : City : Lahore | MUHAMMAD ABDOOH ABDALI CNIC : 35202-3052587-5 | Chudhary Rehmat Ali | 518 | 102 | - | 620 | 518 | 102 | - | 620 |

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2017

Rupees in '000

| Write off Date | Party Name | Address | Name of the individuals / Partners/Directors (with C.N.I.C. No.) | Father's / Mother's / Husband Name | Outstanding Liabilities at beginning of year | | | | Principal Written-off | Interest / Mark-up written-off | Other Financial Relief Provided | Total (9+10+11=12) |
|----------------|-----------------------------|--|--|------------------------------------|--|--------------------|-------|---------------|-----------------------|--------------------------------|---------------------------------|--------------------|
| | | | | | Principal | Interest / Mark-up | Other | Total 5+6+7=8 | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| 29-Sep-17 | Muhammad Shafi | House # : Qaurter # 5 Block # : Roshen Street # 2 Street : Area : New Mozang Nr Alam Medical Nearest Land Mark : City : Complex Lahore | MUHAMMAD SHAFI CNIC : 35401-1550925-7 | Faqeer Muhammad | | | | | 648 | 128 | - | 776 |
| 29-Sep-17 | Muhammad Nadeem Noor | House # : Block # : Mohala Murlaza Abad Opp Raiwa Street : Area : Jamia Masjid Abdul Latif Gali Nearest Land Mark : City : Bismillah Hair Dresser Lahore | MUHAMMAD NADEEM NOOR CNIC : 35202-9760105-9 | Muhammad Saddique | | | | | 605 | 119 | - | 724 |
| 29-Sep-17 | Khalid Mehmood | House # : 22-A Block # : 1St Floor Room 12 Aitchison Street : Area : Society Near Vander Dyl College Nearest Land Mark : City : Of Management Information Technology Raiwind Road Lahore | KHALID MEHMOD CNIC : 34101-4649623-7 | Muhammad Sadiq | | | | | 611 | 119 | - | 730 |
| 29-Sep-17 | Muhammad Azam Yaseen | House # : 63 Block # : St # 94/A Street : Area : Pilchi Peer Shadra Town Nearest Land Mark : City : Lahore | MUHAMMAD AZAM YASEEN CNIC : 35202-6424170-7 | Malik Muhammad Yaseen | | | | | 984 | 202 | - | 1,186 |
| 29-Sep-17 | Muhammad Yaqoob | House # : 1A Block # : St # 32, Yousaf Street Street : Area : Al Mumtaz Road Nearest Land Mark : City : Sammabat Lahore | MUHAMMAD YAQOOB CNIC : 35202-5339633-1 | Muhammad Din | | | | | 496 | 102 | - | 598 |
| 11-Jan-17 | Muhammad Qamar Shahzad Shah | House # : 567 Block # : Block-B Street : Area : Johar Town Nearest Land Mark : City : Lahore | MUHAMMAD QAMAR SHAHZAD SHAH CNIC : 31203-7985057-9 | Mukhtar Ahmed Shah | | | | | 900 | 451 | - | 1,351 |
| 11-Jan-17 | Khalid Asghar Ali | House # : D-16/A Block # : Rufi Fountain Block-19 Street : Area : Gulistan-E-Johar Nearest Land Mark : City : Karachi | KHALID ASGHAR ALI CNIC : 42301-1614044-1 | Asghar Ali | | | | | 394 | 459 | - | 853 |
| 11-Jan-17 | Abdul Basit Jamal | House # : 168, Block # : Block A Street : Area : Sabzazar Multan Road Nearest Land Mark : City : Lahore | ABDUL BASIT JAMAL CNIC : 35202-7453475-3 | A Ali Sajid | | | | | 850 | 752 | - | 1,602 |
| 16-Feb-17 | Rashid Javed | House # : 311 E Block # : Sector 4 A Street : Area : Khayaban E Sirsyed Nearest Land Mark : City : Rawalpindi | RASHID JAVED CNIC : 37405-512744-5 | Javed Ahmed Khan | | | | | 1,050 | 257 | - | 1,307 |
| 16-Feb-17 | Muhammad Amir Awani | House # : 438 Block # : Kamran Block Street : Area : Allama Iqbal Town Nearest Land Mark : City : Lahore | MUHAMMAD AMIR AWANI CNIC : 35202-2830467-9 | Malik Ghulam Muhammad | | | | | 930 | 481 | - | 1,411 |
| 16-Feb-17 | Khalid Zulfiqar Qureshi | Flat # : 19 Block # : Block A Corps Street : Area : Habib Road Nearest Land Mark : City : Lahore Cantt | KHALID ZULFIQAR QURESHI CNIC : 37405-8891179-3 | Zulfiqar Hussain Qureshi | | | | | 882 | 287 | - | 1,169 |
| 16-Feb-17 | Muhammad Riaz Ahmad | House # : 101 C Block # : Gate No 1 Street : Area : Valencia Town Nearest Land Mark : City : Lahore | MUHAMMAD RIAZ AHMAD CNIC : 35202-6225191-9 | Muhammad Saeed | | | | | 870 | 303 | - | 1,173 |
| 16-Feb-17 | Burera Iqbal | House # : 5 Block # : Street # 106 Mian Park Near Street : Area : Ghas Mandi Baghbanpura Nearest Land Mark : City : Lahore | BURERA IQBAL CNIC : 35202-2290480-2 | Muhammad Iqbal Khan | | | | | 812 | 330 | - | 1,142 |
| 16-Feb-17 | Muhammad Furqan Bucha | House # : 29 Block # : St # 1 Street : Area : Phase 2, Block V Nearest Land Mark : City : Dha - Lahore Cantt | MUHAMMAD FURQAN BUCHA CNIC : 35202-2874673-9 | Muhammad Tariq Bucha | | | | | 740 | 507 | - | 1,247 |
| 16-Feb-17 | Abdul Waheed | House # : 304 Block # : Pak Block Street : Area : Allama Iqbal Town Nearest Land Mark : City : Lahore | ABDUL WAHEED CNIC : 33201-8713412-9 | Muhammad Sadiq | | | | | 738 | 299 | - | 1,037 |
| 16-Feb-17 | Sajid Bashir | House # : 1316 Block # : LIN Khalid Bashir Street : Area : Hussain Shah Lane Back Side Nearest Land Mark : City : Cmht Cantt Lahore | SAJID BASHIR CNIC : 34501-5649207-1 | Bashir Ahmed | | | | | 700 | 166 | - | 866 |
| 16-Feb-17 | Malik Sikandar Abbas | House # : 350 Block # : K-2 Street : Area : Wapda Town Nearest Land Mark : City : Lahore | MALIK SIKANDAR ABBAS CNIC : 34603-1170455-1 | Malik Mohammad Yaqoob | | | | | 692 | 675 | - | 1,367 |
| 16-Feb-17 | Sohail Anees | House # : 51-D Block # : Ijaz St, D-1 Street : Area : Gulshan Ravi Nearest Land Mark : City : Lahore | SOHAİL ANEES CNIC : 35202-2508938-7 | Abdul Aziz | | | | | 580 | 289 | - | 869 |
| 16-Feb-17 | Muhammad Riaz Butt | House # : 31-A Block # : Union Park Street : Area : Opp 31-A, Rahat Park, Sammabat Nearest Land Mark : City : Lahore | MUHAMMAD RIAZ BUTT CNIC : 35202-7610797-9 | Mohammad Hassan Butt | | | | | 521 | 266 | - | 787 |
| 16-Feb-17 | Imran Ahmed | House # : A-86 Block # : Hoor Market Street : Area : Nazimabad No 2 Nearest Land Mark : City : Karachi | IMRAN AHMED CNIC : 42101-1762119-3 | Shaikh Atta Ullah | | | | | 500 | 126 | - | 626 |
| 16-Feb-17 | Mohammad Maajid Amray | House # : 165/N Block # : Phase I Street : Area : Dha Nearest Land Mark : City : Lahore | MOHAMMAD MAAJID AMRAY CNIC : 42201-0976720-1 | Rukhsar Ahmed | | | | | 598 | 815 | - | 1,413 |
| 16-Feb-17 | Malik Naseer Ahmed | House # : 1309 Block # : St # 32 Street : Area : Awami Villas, Bahria Orchard Nearest Land Mark : City : Raiwind Road Lahore | MALIK NASEER AHMED CNIC : 37101-1794638-3 | Nek Alam | | | | | 473 | 190 | - | 663 |

Contd.

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2017

Rupees in '000

| Write off Date | Party Name | Address | Name of the individuals / Partners/Directors (with C.N.I.C. No.) | Father's / Mother's / Husband Name | Outstanding Liabilities at beginning of year | | | | Principal Written-off | Interest / Mark-up written-off | Other Financial Relief Provided | Total (9+10+11=12) |
|----------------|--------------------------|---|--|------------------------------------|--|--------------------|-------|---------------|-----------------------|--------------------------------|---------------------------------|--------------------|
| | | | | | Principal | Interest / Mark-up | Other | Total 5+6+7=8 | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| 16-Feb-17 | Khawaja Adnan Khamis | House #: 129 M Block #: Johar Town S street : Area : Lahore Nearest Land Mark : City : Lahore | KHAWAJA ADNAN KHAMIS CNIC : 33100-9620722-9 | Khawaja Tariq Khamis | 462 | 114 | - | 576 | 462 | 114 | - | 576 |
| 16-Feb-17 | Rana Mudassar Abbas Khan | House #: I-H 365 Block #: Paf Falkan Street : Area : Complex Gulberg Iii Nearest Land Mark : City : Nr Central Point Lahore | RANA MUDASSAR ABBAS KHAN CNIC : 36401-9890178-5 | Muhammad Azeem Khan | 440 | 126 | - | 566 | 440 | 126 | - | 566 |
| 16-Feb-17 | Chaudry Naveed Ijaz | House #: 244 Block #: St #4 Raza Block Street : Area : Allama Iqbal Town Nearest Land Mark : City : Lahore | CHAUDRY NAVEED IJAZ CNIC : 35202-2301170-7 | Ch Ijaz Ahmed | 391 | 239 | - | 630 | 391 | 239 | - | 630 |
| 16-Feb-17 | Bilal Zahid | House #: 358 Block #: Block-E Street : Area : Punjab Society Ghazi Rd Nearest Land Mark : City : Lahore | BILAL ZAHID CNIC : 35404-1791636-3 | Chudhray Muhammad Zahid | 368 | 133 | - | 501 | 368 | 133 | - | 501 |
| 16-Feb-17 | Syed Taufiq Mannan | House #: A-211 Block #: Block-L Street Area : North Nazimabad Nearest Land Mark : City : Karachi | SYED TAUFIQ MANNAN : CNIC : 42101-2781343-5 | Muhammad Abdul Mannan | 367 | 181 | - | 548 | 367 | 181 | - | 548 |
| 16-Feb-17 | Umair Saeed | House #: 821 Block #: Shadman Colony Street : Area : Jail Road Nearest Land Mark : City : Lahore | UMAIR SAEEED CNIC : 35202-4016601-3 | Saeed Nasir | 323 | 257 | - | 580 | 323 | 257 | - | 580 |
| 16-Feb-17 | Syed Tayyab Ali | House #: 130 Block #: D/2 Street : Area : Wapda Town Nearest Land Mark : City : Lahore | SYED TAYYAB ALI CNIC : 36502-1242600-5 | Syed Naqi Haider | 333 | 274 | - | 607 | 317 | 274 | - | 591 |
| 28-Feb-17 | Qurban Ali | House #: C-45 Block #: Phase-II Street : Area : Gulshan-E-Hadeed Nearest Land Mark : City : Karachi | QURBAN ALI CNIC : 44107-8329095-1 | Anwar Ali | 534 | 123 | - | 657 | 534 | 123 | - | 657 |
| 28-Feb-17 | Hameed Raza Panjwani | Flat# A-9 Block #: Al-Asad Apartment Block-3 Street : Area : Pechs Nearest Land Mark : Near Imam Bargah Mehfil-E-Murt City : Karachi | HAMEED RAZA PANJWANI CNIC : 42201-2356599-3 | Fida Hussain Panjwani | 420 | 104 | - | 524 | 420 | 104 | - | 524 |
| 28-Feb-17 | Shahzad Agha | House #: D-101 Block #: Block-B Street : Area : North Nazimabad Nearest Land Mark : Near Zia Uddin Hospital City : Karachi | SHAHZAD AGHA CNIC : 42101-0695209-1 | Noor Nabi Agha | 484 | 121 | - | 605 | 484 | 121 | - | 605 |
| 28-Feb-17 | Rehan Abbas | House #: G31 Block #: Street : Street 21 Area : Shahzad Town Nearest Land Mark : City : Islamabad | REHAN ABBAS CNIC : 61101-5949734-5 | Muhammad Abbas Chohan | 423 | 113 | - | 536 | 423 | 113 | - | 536 |
| 28-Feb-17 | Naeem Ahmad | House #: 107 Block #: F-2 Block Street : Area : Wapda Town Nearest Land Mark : City : Lahore | NAEEM AHMAD CNIC : 35202-2832173-3 | Abdul Raheem | 168 | 471 | - | 639 | 118 | 471 | - | 589 |
| 28-Feb-17 | Imtiaz Hussain Shah | House #: 79 Block #: Sikandar Block Street : Area : Allama Iqbal Town Nearest Land Mark : City : Lahore | IMTIAZ HUSSAIN SHAH CNIC : 35202-2198207-5 | Manzoor Hussain Shah | 352 | 745 | - | 1,097 | 352 | 745 | - | 1,097 |
| 28-Feb-17 | Ammad Khalil | House #: 133 Block #: Block H2 Street : Area : Johar Town Nearest Land Mark : City : Lahore | AMMAD KHALIQ CNIC : 33100-8508540-9 | Abdul Khalil | 365 | 494 | - | 859 | 365 | 494 | - | 859 |
| 28-Feb-17 | Waleed Riaz Shafi | House #: F-20 Block #: R-2 Street : Area : Johar Town Nearest Land Mark : City : Lahore | WALEED RIAZ SHAFI CNIC : 34603-6302805-3 | Muhammad Riaz | 1,245 | 1,192 | - | 2,437 | 1,245 | 1,192 | - | 2,437 |
| 28-Feb-17 | Shahid Iqbal | House #: 142 Block #: Block D II Street : Area : Wapda Town Nearest Land Mark : City : Lahore | SHAHID IQBAL CNIC : 34101-2457558-9: | Muhammad Iqbal Khan | 324 | 981 | - | 1,305 | 150 | 981 | - | 1,131 |
| 28-Feb-17 | Salman Zaheer | House #: 8/1 D Block #: Old Officer Colony Street : Area : Ziar Shahheed Road Nearest Land Mark : City : Nr Leeds Grammer School Lahore | SALMAN ZAHEER CNIC : 35201-0840968-5 | Mohammad Zaheer | 1,471 | 600 | - | 2,071 | 1,471 | 600 | - | 2,071 |
| 28-Feb-17 | Sohail Nadeem | House #: 322 Block #: Street : Area : Askari 11, Bedian Road Nearest Land Mark : City : Lahore Cantt | SOHAİL NADEEM CNIC : 35200-0403503-3 | Muhammad Yousa | 475 | 148 | - | 623 | 469 | 148 | - | 617 |
| 28-Feb-17 | Munawar Ahmad Anees | House #: 245 E Block #: Phase 01 Street : Area : Dha Nearest Land Mark : City : Lahore | MUNAWAR AHMAD ANEES CNIC : 44058-6320320-1 | Shiekh Zia Ul Haq | 1,435 | 756 | - | 2,191 | 1,435 | 756 | - | 2,191 |
| 28-Feb-17 | Muhammad Nawaz Khan | House #: 113-B Block #: Askari 5 Street : Area : Gulberg 3 Nearest Land Mark : City : Lahore | MUHAMMAD NAWAZ KHAN CNIC : 37102-1273924-5 | Allah Yar Khan | 853 | 290 | - | 1,143 | 803 | 290 | - | 1,093 |
| 28-Feb-17 | Muhammad Saleem Khan | House #: 63 A, Block #: Allama Iqbal Road Garhi Shaghur Street : Area : Nr Pso Pump Nearest Land Mark : City : Lahore | MUHAMMAD SALEEM KHAN CNIC : 35202-4498645-7 | Muhammad Niaz Khan | 542 | 134 | - | 676 | 542 | 134 | - | 676 |
| 28-Feb-17 | Aamir Chaudhary | House #: 55 C Block #: Block B Street : Area : State Lila Housing Society Nearest Land Mark : City : Nr Dha Phase V, Lahore | AAMIR CHAUDHARY CNIC : 54400-0390447-3 | Chaudhary Ghulam Sarwar | 1,119 | 313 | - | 1,432 | 1,119 | 313 | - | 1,432 |
| 28-Feb-17 | Sumra Inbisaat | House #: F-B-1 Block #: Street : Area : Wahdat Colony Nearest Land Mark : City : Lahore | SUMRA INBISAAT CNIC : 35202-2243457-2 | Muhammad Afzal | 400 | 100 | - | 500 | 400 | 100 | - | 500 |

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2017

Rupees in '000

| Write off Date | Party Name | Address | Name of the individuals / Partners/Directors (with C.N.I.C. No.) | Father's / Mother's / Husband Name | Outstanding Liabilities at beginning of year | | | | Principal Written-off | Interest / Mark-up written-off | Other Financial Relief Provided | Total (9+10+11=12) |
|----------------|-------------------------|---|--|------------------------------------|--|--------------------|-------|---------------|-----------------------|--------------------------------|---------------------------------|--------------------|
| | | | | | Principal | Interest / Mark-up | Other | Total 5+6+7=8 | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| 28-Feb-17 | Irfan Qayyum | House # : 381/25 Block #: St # 8, Block C Street : Area : Defense Link Road Nearest Land Mark : City : N Sheezan Bakery, Lahore | IRFAN QAYYUM CNIC : 35201-1706596-9 | Abdul Qayyum | 510 | 124 | - | 634 | 510 | 124 | - | 634 |
| 28-Feb-17 | Ahmed Nawaz Shakir | House # : 36 Block #: Ali Block Street : Area : Awan Town Nearest Land Mark : City : Multan Road Lahore | Ahmed Nawaz Shakir CNIC : 35202-6987452-3 | Zulfqar Ali Bajwa | 678 | 156 | - | 834 | 678 | 156 | - | 834 |
| 28-Feb-17 | Miraj Ahmed | House # : 30-C-1 Block #: High Court Society Street : Area : Johar Town Nearest Land Mark : City : Lahore | MIRAJ AHMED CNIC : 35202-2338875-3 | Muhammad Ameen | 752 | 191 | - | 943 | 752 | 191 | - | 943 |
| 28-Feb-17 | Faisal Javed | House # : 18-E Block #: Ittikhah Street Nadeem Street : Area : Rasheed Road Samanabad Nearest Land Mark : City : Lahore | FAISAL JAVED CNIC : 35202-9305129-9 | Javed Ahmed | 430 | 91 | - | 521 | 430 | 91 | - | 521 |
| 7-Mar-17 | Alamdar Hasnain Mehdi | House # : 416 Apartment Block #: 4Th Floor Street : Area : Silver Oaks, F-10 Marizak Nearest Land Mark : City : Islamabad | ALAMDAR HASNAIN MEHDI CNIC : 37405-1493477-1 | Hasnain Mehdi | 709 | 543 | - | 1,252 | - | 543 | - | 543 |
| 31-Mar-17 | Maqbool Mughal | Flat #: C-1 Block #: Marry Foundation Block-3 Street : Area : Clifton Nearest Land Mark : Near Behind Bilawal House City : Karachi | MAQBOOL MUGHAL CNIC : 42301-8237040-7 | Hussain Bux Mughal | 485 | 97 | - | 582 | 485 | 97 | - | 582 |
| 31-Mar-17 | Nazir Ahmed | House # : 160, Block #: Street : St # 24, Area : I-91, Nearest Land Mark : City : Islamabad | NAZIR AHMED CNIC : 45201-9530140-1 | Muhammad Usman Sahito | 741 | 155 | - | 896 | 741 | 155 | - | 896 |
| 31-Mar-17 | Ayaz Salman | House # : 444 Block #: St # 24 Block-E Street : Area : Eme Society Nearest Land Mark : City : Lahore | AYAZ SALMAN CNIC : 81302-4942917-7 | Farrukh Salman | 582 | 118 | - | 700 | 582 | 118 | - | 700 |
| 31-Mar-17 | Minhaj Ul Ghani | House # : R-496 Block #: Sector 11-C, Adam Town Street : Area : North Karachi Up More Nearest Land Mark : Opp Dhaka Bakery City : Karachi | MINHAJ UL GHANI CNIC : 42101-6034579-3 | Abdul Ghani | 860 | 173 | - | 1,033 | 860 | 173 | - | 1,033 |
| 29-Apr-17 | Afzaal Musarat Siddique | House # : E-158 Block #: St # 10, New Iqbal Park Street : Area : Riffa Range Road Nearest Land Mark : City : Lahore | AFZAAL MUSARAT SIDDIQUE CNIC : 35201-8638706-7 | Musarat Hussain Siddiqui | 1,426 | 315 | - | 1,741 | 1,426 | 315 | - | 1,741 |
| 29-Apr-17 | Raheel Naseem Qureshi | House # : 43-B Block #: Pgshs Street : Area : Old Defence Road Nearest Land Mark : City : Lahore | RAHEEL NASEEM QURESHI CNIC : 35202-7367495-5 | Naseem Ayyaz Qureshi | 443 | 87 | - | 530 | 443 | 87 | - | 530 |
| 29-Apr-17 | Syed Muhammad Talha | House # : A-45 Block #: Sector Z-6 Street : Area : Gulshan-E-Maymar Nearest Land Mark : Rest House City : Karachi | SYED MUHAMMAD TALHA CNIC : 42401-2019989-1 | Syed Sharafat Ali Nadeem | 1,199 | 237 | - | 1,436 | 1,199 | 237 | - | 1,436 |
| 29-Apr-17 | Mavia Ali Farooq | House # : R-416 Block #: Sector14/A Shadman Town Street : Area : North Khi Nearest Land Mark : City : Karachi | MAVIA ALI FAROOQ CNIC : 42101-9297527-5 | Farooq Aslam | 685 | 137 | - | 822 | 685 | 137 | - | 822 |
| 29-Apr-17 | Munawwar Ud Din | House # : R-200 Block #: Sector 7-D-3 Street : Area : North Karachi Nearest Land Mark : Near Andamore City : Karachi | MUNAWWAR UD DIN CNIC : 42101-5778604-5 | Aziz Ud Din | 430 | 87 | - | 517 | 430 | 87 | - | 517 |
| 29-Apr-17 | Khalida Parveen | Apartment No. : S-4 Block #: Al Raz Apartments 163-F Bloc Street : Area : PECHS Block 3 Nearest Land Mark : Near Kuc Sport Complex City : Karachi | KHALIDA PARVEEN CNIC : 42201-1141972-6 | Muhammad Ramzan Awan | 699 | 138 | - | 837 | 699 | 138 | - | 837 |
| 29-Apr-17 | Qasim Majeed | House # : 298 Block #: St # 65, Street : Area : E-113 Nearest Land Mark : City : Islamabad | QASIM MAJEED CNIC : 42201-5092331-1 | Abdul Majeed Khan | 1,000 | 193 | - | 1,193 | 1,000 | 193 | - | 1,193 |
| 29-Apr-17 | Yasir Ubaid Khan | House # : 222 Block #: Hunza Block Street : Area : Allama Iqbal Town Nearest Land Mark : City : Lahore | YASIR UBAID KHAN CNIC : 35202-2787780-7 | Ubaid Ur Rehman | 706 | 137 | - | 843 | 706 | 137 | - | 843 |
| 29-Apr-17 | Farhan Khawar Butt | House # : 12 Block #: St # 19 Dev Samaj Road Street : Area : Islampura Nearest Land Mark : City : Lahore | FARHAN KHAWAR BUTT CNIC : 35202-4444048-9 | Khawar Hussain Butt | 477 | 96 | - | 573 | 477 | 96 | - | 573 |
| 29-Apr-17 | Bilal Shabbir | House # : 213-C Block #: Ahmed Block Street : Area : New Garden Town Nearest Land Mark : City : Lahore | BILAL SHABBIR CNIC : 35202-8373263-9 | Shabbir Hussain | 640 | 127 | - | 767 | 640 | 127 | - | 767 |
| 29-Apr-17 | Samina Ali | House # : 53-D Block #: State Life Society Street : Area : Dha Nearest Land Mark : City : Lahore | SAMINA ALI CNIC : 35201-1427620-4 | Syed Naeem Hussain | 475 | 94 | - | 569 | 475 | 94 | - | 569 |
| 5-May-17 | Tariq Fakhri | House # : 4 Block #: Block-E Street : Area : Eme Sector Dha Multan Rd Nearest Land Mark : City : Lahore | TARIQ FAKHRI CNIC : 34302-1262080-1 | Jamal Sadia | 1,842 | 631 | - | 2,473 | 92 | 631 | - | 723 |
| 31-May-17 | Muhammad Yousaf | House # : 149 Block #: 1St Floor Nishat Block Allama Street : Area : Nearest Land Mark : City : Lahore | MUHAMMAD YOUSAF CNIC : 36202-0607807-5 | Fazal Elahi | 440 | 91 | - | 531 | 440 | 91 | - | 531 |

Contd.

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2017

Rupees in '000

| Write off Date | Party Name | Address | Name of the individuals / Partners/Directors (with C.N.I.C. No.) | Father's / Mother's / Husband Name | Outstanding Liabilities at beginning of year | | | | Principal Written-off | Interest / Mark-up written-off | Other Financial Relief Provided | Total (9+10+11=12) |
|----------------|--------------------------------|---|--|------------------------------------|--|--------------------|-------|---------------|-----------------------|--------------------------------|---------------------------------|--------------------|
| | | | | | Principal | Interest / Mark-up | Other | Total 5+6+7=8 | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| 31-May-17 | Muhammad Raza | House #: 26/2 Block #: Race Course Road Street : Area : Gor Nr Race Course Cng Nearest Land Mark : City : Lahore | MUHAMMAD RAZA CNIC : 35202-3825575-9 | Hassan Raza | 500 | 109 | - | 609 | 500 | 109 | - | 609 |
| 31-May-17 | Abib Ullah Khan | House #: D 348 Block #: Street : Area : 6th Road Satellite Town Nearest Land Mark : Near Suzuki Motors City : Rawalpindi | HABIB ULLAH KHAN CNIC : 37405-2166809-5 | Saleem Ullah Khan | 599 | 118 | - | 717 | 599 | 118 | - | 717 |
| 31-May-17 | Adeel Akram | House #: 42-S-2/6-A Block #: Gazi Park New Sheraz Park Street : Area : Millat Road, Pakki Thaffi Nearest Land Mark : City : Samman Abad, Lahore | ADEEL AKRAM CNIC : 35403-7394584-3 | Muhammad Akram | 630 | 117 | - | 747 | 630 | 117 | - | 747 |
| 31-May-17 | Syed Mohiuddin Hasan | House #: B-69 Block #: Block-2 Street : Area : Pechi Nearest Land Mark : Near Noor Masjid City : Karachi | SYED MOHIUDDIN HASAN CNIC : 42201-773020-5 | Syed Fakhru-Hasan (Late) | 692 | 151 | - | 843 | 692 | 151 | - | 843 |
| 31-May-17 | Muhammad Rizwan | House #: R-258 Block #: Block-19 Street : Area : F-B Area Nearest Land Mark : Near Power House City : Karachi | MUHAMMAD RIZWAN CNIC : 42101-1924654-5 | Bintul Hussain | 1,097 | 213 | - | 1,310 | 1,097 | 213 | - | 1,310 |
| 30-Jun-17 | Azhar Rasheed | House #: E/3, Block #: Officer Colony, Zara Shahid Street : Area : Lahore Cantt Nearest Land Mark : City : Lahore | AZHAR RASHEED CNIC : 35201-9938703-7 | Abdur Rasheed Qureshi | 844 | 844 | - | 1,688 | 844 | 165 | - | 1,009 |
| 30-Jun-17 | Rizwan Ur Rahman Khan | Fiat No A-306 Block #: 3Rd Floor Saima Classic Block Street : Area : Gulshan-E-Iqbal Nearest Land Mark : Near Johar Moor City : Karachi | RIZWAN UR RAHMAN KHAN CNIC : 42201-1222303-1 | Alzal-ul-Rehman Khan | 702 | 702 | - | 1,404 | 702 | 135 | - | 837 |
| 30-Jun-17 | Muhammad Nadeem Irshad Qureshi | House #: A-153 Block #: Block N Street No 8 Street : Area : North Nazimabad Nearest Land Mark : Near Mateen Food City : Karachi | MUHAMMAD NADEEM IRSHAD QURESHI CNIC : 42101-1472252-7 | Muhammad Irshad Qureshi | 650 | 650 | - | 1,300 | 650 | 129 | - | 779 |
| 30-Jun-17 | Kashif Mehmood | House #: 182 Block #: Block-F1 Street : Area : Wapda Town Nearest Land Mark : City : Lahore | KASHIF MEHMOOD CNIC : 35202-8125438-5 | Pervez Mehmood | 699 | 699 | - | 1,398 | 635 | 157 | - | 792 |
| 30-Jun-17 | Iqbal Hameed | House #: 1 Block #: Nishat Chunian Dying Unit Street : Area : 4 Km Manga Mandi Rainwind Road Nearest Land Mark : City : Lahore | IQBAL HAMEED CNIC : 33100-0713505-1 | Abdul Hameed Ahmed | 591 | 591 | - | 1,182 | 591 | 114 | - | 705 |
| 30-Jun-17 | Ghulam Mohiuddin Khan | House #: R-769 Block #: Sec-9 Street : Area : North Karachi Nearest Land Mark : Near Disco Mor City : Karachi | GHULAM MOHIUDDIN KHAN CNIC : 42101-3032653-5 | Ghulam Hayder Khan | 591 | 591 | - | 1,182 | 591 | 117 | - | 708 |
| 30-Jun-17 | Muzaffar Hussain | House #: 32 Block #: Block # 14 Street : Area : Sector B-1, Township Nearest Land Mark : City : Lahore | MUZAFFAR HUSSAIN CNIC : 35202-2768670-1 | Abdul Ghafoor | 513 | 513 | - | 1,026 | 513 | 115 | - | 628 |
| 5-Jul-17 | Muhammad Umer Khalid Kashmiri | Flat No.: 803 Block #: 8Th Floor, Blk-D, Street : Area : Saima Mall & Residency Daimia Nearest Land Mark : Near Millennium Mall City : Karachi | MUHAMMAD UMER KHALID KASHMIRI CNIC : 35201-1569495-5 | Muhammad Khalid Kashmiri | 624 | 813 | - | 1,437 | 145 | 496 | - | 641 |
| 5-Jul-17 | Hamim Fiza Akhtar Khan | House #: 480 H Block #: Street : Area : Gulshan Ravi Nearest Land Mark : City : Lahore | HAMIM FIZA AKHTAR KHAN CNIC : 35202-2508618-3 | Mehmood Ahmed Akhter Khan | 703 | 686 | - | 1,389 | 150 | 660 | - | 810 |
| 28-Jul-17 | Muhammad Arif | House #: Hafiz Street Block #: Ggia Moosa Street : Area : Shahdara Nearest Land Mark : City : Lahore | MUHAMMAD ARIF CNIC : 35202-3041550-7 | Malik Allah Rakha | 620 | 127 | - | 747 | 620 | 127 | - | 747 |
| 28-Jul-17 | Faysal Abdul Hameed | Flat # M-4 Block #: 1st Floor Block-B Sonia Aptl Street : Area : Fatima Jinnah Colony Jamshad R Nearest Land Mark : City : Karachi | FAYSAL ABDUL HAMEED CNIC : 42201-9823730-7 | Abdul Hameed | 695 | 137 | - | 832 | 695 | 137 | - | 832 |
| 28-Jul-17 | Zahid Aziz | House #: Block #: Mohallah Civil Line Street : Area : Ferzwala Nearest Land Mark : Near Dera Asghar City : Gujranwala | ZAHID AZIZ CNIC : 34101-2555861-7 | Aziz Ahmed | 554 | 112 | - | 666 | 554 | 112 | - | 666 |
| 28-Jul-17 | Tariq Mahmood | House #: R-363 Block #: Block-8 Street : Area : F-B Area Nearest Land Mark : City : Karachi | TARIQ MAHMOOD CNIC : 42101-1515243-5 | Mahmood Ali | 453 | 89 | - | 542 | 453 | 89 | - | 542 |
| 28-Jul-17 | Tayyeb Mahmood | House #: 150 B Block #: New Chauburji Street : Area : Park Nearest Land Mark : City : Lahore | TAYYEB MAHMOOD CNIC : 35202-1230126-7 | Khalid Mehmood | 550 | 109 | - | 659 | 550 | 109 | - | 659 |
| 28-Jul-17 | Tariq Aziz | House #: Block #: H # 286-A St # 27, Street : Area : F-11/2 Nearest Land Mark : City : Islamabad | TARIO AZIZ CNIC : 34101-2400279-1 | Abdul Aziz | 738 | 143 | - | 881 | 738 | 143 | - | 881 |
| 28-Jul-17 | Shafqat Ullah Anjum | House #: 258 Block #: Street 14, Ali Block, Street : Area : Sector-B, Bahria Town Nearest Land Mark : City : Lahore | SHAFQAT ULLAH ANJUM CNIC : 35201-5131078-9 | Fazal Ullah | 800 | 150 | - | 950 | 800 | 150 | - | 950 |
| 29-Aug-17 | Muhammad Jahan Zaib Bhatti | House #: 147 Block #: Block-D, Upper Portion Street : Area : Psiar Society Nearest Land Mark : City : College Road Near Al Hamad Chowk Lahore | MUHAMMAD JAHAN ZAIB BHATTI CNIC : 36302-0347839-7 | Muhammad Rafi Bhatti | 956 | 190 | - | 1,146 | 955 | 190 | - | 1,145 |

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2017

Rupees in '000

| Write off Date | Party Name | Address | Name of the individuals / Partners/Directors (with C.N.I.C. No.) | Father's / Mother's / Husband Name | Outstanding Liabilities at beginning of year | | | | Principal Written-off | Interest / Mark-up written-off | Other Financial Relief Provided | Total (9+10+11=12) |
|----------------|-------------------------------|---|--|------------------------------------|--|--------------------|-------|---------------|-----------------------|--------------------------------|---------------------------------|--------------------|
| | | | | | Principal | Interest / Mark-up | Other | Total 5+6+7=8 | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| 29-Aug-17 | Sunail Shafique | House #: 171 Block #: St# 10 Street : Area : Mohallah New Super Town Walton Nearest Land Mark : City : Lahore Cantt | SUNAIL SHAFIQUE CNIC : 35201-1338702-1 | Shafiq-Uz-Zaman | 750 | 144 | - | 894 | 750 | 144 | - | 894 |
| 29-Aug-17 | Iftikhar Ghani | House #: Block #: Room No 255,Pc Hotel Street : Area : Nearest Land Mark : City : Lahore | IFTIKHAR GHANI CNIC : 37405-3437754-5 | Abdul Ghani | 696 | 138 | - | 834 | 696 | 138 | - | 834 |
| 29-Aug-17 | Munawar Hussain i Jalban | House #: B-68 Block #:Street 8 Block No 2 Chappel Su Street : Area : Safora Chowranghi Nearest Land Mark : Near Kiran Hospital City : Karachi | MUNAWAR HUSSAIN JALBANI CNIC : 61101-5687914-3 | Shah Muhammad Jalbani | 600 | 118 | - | 718 | 600 | 118 | - | 718 |
| 29-Aug-17 | Muhammad Ismail Rehman | House #: 125 Block #: St#12 Street : Area : Upper Mall Nearest Land Mark : City : Lahore | MUHAMMAD ISMAIL REHMAN CNIC : 35202-2474253-3 | Haji Muhammad Mujeeb Ur Rehman | 570 | 117 | - | 687 | 570 | 117 | - | 687 |
| 29-Aug-17 | Rehan Ur Rab Siddique | House #: 224 Block #: L Block Upper Portion Street : Area : Sabzabar Nearest Land Mark : City : Lahore | REHAN UR RAB SIDDIQUE CNIC : 35202-7308698-5 | Maltoob Ur Rab Siddiqi | 570 | 119 | - | 689 | 570 | 119 | - | 689 |
| 29-Aug-17 | Azmat Hussain Siddiqui | House #: 1916 Block #: Blk-02 Aziz Abad Street : Area : F B Area Nearest Land Mark : City : Karachi | AZMAT HUSSAIN SIDDQUI CNIC : 42101-6612733-5 | Sharafat Hussain Siddiqui | 500 | 111 | - | 611 | 500 | 111 | - | 611 |
| 29-Sep-17 | Muhammad Ejaz | House #: 477 Block #: New Iqbal Abad Street : Area : Drig Road Nearest Land Mark : Opp Methodist School City : Karachi | MUHAMMAD EAJAZ CNIC : 38201-2308119-3 | Muhammad Razzaq | 449 | 88 | - | 537 | 449 | 88 | - | 537 |
| 29-Sep-17 | Saleha Jahanzeb | House #: 121-D Block #: Pcsir Staff Phase Street : Area : College Road Nearest Land Mark : City : Lahore | SALEHA JAHANZEB CNIC : 35202-0402680-2 | Muhammad Jahanzeb Bhatti | 550 | 107 | - | 657 | 550 | 107 | - | 657 |
| 29-Sep-17 | Naseem Yousaf | House #: 449 Block #: Street 15 Street : Area : Shahzad Town Nearest Land Mark : City : Islamabad | NASEEM YOUSAF CNIC : 82203-1179843-5 | Muhammad Yousaf | 550 | 108 | - | 658 | 550 | 108 | - | 658 |
| 29-Sep-17 | Ali Malik | House #: 368 Block #: Hunza Block Street : Area : Allama Iqbal Town Nearest Land Mark : City : Lahore | ALI MALIK CNIC : 35202-0927491-1 | Malik Abdul Aleem | 1,000 | 195 | - | 1,195 | 1,000 | 195 | - | 1,195 |
| 29-Sep-17 | Bilal Rasheed | House #: 59 A Block #: Street : Area : Bahria Town Nearest Land Mark : City : Lahore | BILAL RASHEED CNIC : 35200-5776220-7 | Abdul Rasheed | 1,377 | 270 | - | 1,647 | 1,377 | 270 | - | 1,647 |
| 4-Jan-17 | Abbas Dosten Hote | House #: 13 Lane No 2 Sector-H Dha Phase-II Near Dha Round About Islamabad | ABBAKS DOSTEN HOTE CNIC : 61101-2304192-5 | Pervaiz Saleem Hote | - | 475 | 100 | 575 | - | 475 | 100 | 575 |
| 1-Feb-17 | Muhammad Farooq | House #: 51 St # 1 Raya Golf & Country Club Phase 6 Dha Lahore | MUHAMMAD FAROOQ CNIC : 35201-1261612-1 | Abdul Rahim | 425 | 188 | 31 | 644 | 425 | 188 | 31 | 644 |
| 1-Feb-17 | Muhammad Suleman | House #: 67 Gulshan Ravi Rehman Park Near Super Market Lahore | MUHAMMAD SULEMAN CNIC : 35202-6759425-3 | Imran Ashraf | 387 | 321 | 62 | 770 | 387 | 321 | 62 | 770 |
| 1-Feb-17 | Muhammad Shafiq Siddique | House #: 75 Block 02 College Road Township Near Lagna Chowk Lahore | MUHAMMAD SHAFIQ SIDDIQUE CNIC : 35202-6900988-7 | M Siddique | 380 | 314 | 68 | 762 | 380 | 314 | 68 | 762 |
| 1-Feb-17 | Muhammad Asghar Butt | House #: 02 Street# 135 Nisbat Road Gwali Mandi Near Ghafoor Shahi Hall Lahore | MUHAMMAD ASGHAR BUTT CNIC : 35202-3014932-9 | M Akram Butt | 377 | 548 | 159 | 1,084 | 377 | 548 | 159 | 1,084 |
| 1-Feb-17 | Abdul Wassey Mehmood | Housa #: FI-9/1 Mehood Villas Block 16 Gulshan E Iqbal Near Bait Ul Mukarram Masjid Karachi | ABDUL WASSEY MEHMOOD CNIC : 42201-9164619-3 | Mehmood Babar Faisal | 156 | 263 | 93 | 512 | 156 | 263 | 93 | 512 |
| 1-Feb-17 | Muhammad Imran Ahmed Siddiqui | House #: 620 1St Floor Area 37-B, Landhi No 1 Near Choti Market Karachi | MUHAMMAD IMRAN AHMED SIDDQUI CNIC : 42201-0359920-9 | M Shakeel Ahmed Siddiqui | 379 | 448 | 96 | 923 | 379 | 448 | 96 | 923 |
| 1-Feb-17 | Zain Ul Abdin | Banglow No 2 Site Staff Colony Site Jamia Binoria Near Police Station Karachi | ZAIN UL ABDIN CNIC : 42401-9521306-7 | Gulam Sarwar Khan Jagiran | 418 | 325 | 63 | 806 | 418 | 325 | 63 | 806 |
| 1-Feb-17 | M Dilshad Hussain Jafri | House #: B-22 Block 15 Gulistan-E-Johar Near Continental Bakery Karachi | M DILSHAD HUSSAIN JAFRI CNIC : 42101-1724555-5 | Shamshad Hussain Jafri | 367 | 267 | 61 | 695 | 367 | 267 | 61 | 695 |
| 1-Feb-17 | Muhammad Waseem | Flat# 202 2nd Floor, Qasr-E-Fatima Building Nuzrat Road Garden East Karachi | MUHAMMAD WADEEM CNIC : 42201-5821561-5 | Muhammad Umer | 337 | 170 | - | 507 | 337 | 170 | - | 507 |
| 1-Feb-17 | Fayyaz Ali Shah | Flat# 910, Block 2 C-Breeze Heights Clifton Near Blawal House Karachi | FAYYAZ ALI SHAH CNIC : 42301-4929816-3 | Turab Ali Shah | 603 | 168 | 16 | 787 | 603 | 168 | 16 | 787 |
| 1-Feb-17 | Muhammad Kashif Iqbal | Flat No A-18 Asmat Komer Block,7 F B Area Near Telephone Exchange Karachi | MUHAMMAD KASHIF IQBAL CNIC : 42101-9198070-5 | M Iqbal Sheikh | 850 | 211 | 19 | 1,080 | 850 | 211 | 19 | 1,080 |

Contd.

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2017

Rupees in '000

| Write off Date | Party Name | Address | Name of the individuals / Partners/Directors (with C.N.I.C. No.) | Father's / Mother's / Husband Name | Outstanding Liabilities at beginning of year | | | | Principal Written-off | Interest / Mark-up written-off | Other Financial Relief Provided | Total (9+10+11=12) |
|----------------|--------------------|--|--|------------------------------------|--|--------------------|-------|---------------|-----------------------|--------------------------------|---------------------------------|--------------------|
| | | | | | Principal | Interest / Mark-up | Other | Total 5+6+7=8 | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| 1-Feb-17 | Ali Gohar | Flat No A-012 1St Floor Sawana City Block 13-D-3 Gulshan-E-Iqbal Near Waseem Baag Karachi | ALI GOHAR CNIC : 51505-7222963-1 | Alim Khan | 522 | 107 | 8 | 637 | 522 | 107 | 8 | 637 |
| 1-Feb-17 | Syed Farrukh Raza | H # 19-B Khayaban E Khalid Phase 8 Dha Khi Karachi | SYED FARRUHK RAZA CNIC : 42101-1703297-9 | S Waqaad Raza | 349 | 128 | 30 | 507 | 349 | 128 | 30 | 507 |
| 2-Mar-17 | Ameer Hamza Goya | H# 02-1/1 Goya Mension Kharadar Old Town Nawab Mohabbat Khan G Road Karachi | AMEER HAMZA GOYA CNIC : 42301-2337108-9 | Ahmed Haji Muhammad | 664 | 169 | 22 | 855 | 664 | 169 | 22 | 855 |
| 2-Mar-17 | S M Haider Abbas | House # 374, Block # 09 Gulistan-E-Johar Peer Sabgatullah Shah Rashidi Goth Opp Siddiqui Estate Agency Behind Pink Residency Karachi | S M HAIDER ABBAS CNIC : 42201-8002285-7 | Syed Afsar Hussain Kazmi | 544 | 116 | 112 | 772 | 544 | 116 | 112 | 772 |
| 2-Mar-17 | Faisal Saeed | House No 209 Street No 3 Usman Block Phase 8 Behria Town Rawalpindi | FAISAL SAEED CNIC : 37405-3110711-3 | Saeed Ahmed Choudhry | 750 | 538 | 83 | 1,371 | 750 | 538 | 83 | 1,371 |
| 2-Mar-17 | Hidayat Ullah | Afridi House 199 Block-E Tajpura Scheme Cantt Lahore | HIDAYAT ULLAH CNIC : 21201-9622553-5 | Toor Aman | 841 | 431 | 44 | 1,316 | 841 | 431 | 44 | 1,316 |
| 2-Mar-17 | Ch Siddique Warsi | House No 02 Block No B Khyber Road Soan Gardan Islamabad | CH SIDDIQUE WARSI CNIC : 37405-2038499-7 | Chaudhry Fazal Karim | 514 | 175 | 25 | 714 | 514 | 175 | 25 | 714 |
| 2-Mar-17 | S Yasir Hussain | House # B 55 Block 6 Gulshan-E-Iqbal Near Gulshan Police Station Karachi | S YASIR HUSSAIN CNIC : 42301-3069288-1 | S Shahid Hussain | 383 | 133 | 28 | 544 | 383 | 133 | 28 | 544 |
| 2-Mar-17 | Sajjad Haider | House No 265-E Street # 25 Melad Street Sehar Road Mughal Pura Near Shalmari Link Road Lahore | SAJJAD HAIDER CNIC : 35202-2822424-7 | Muhammad Boota | 219 | 252 | 97 | 568 | 219 | 252 | 97 | 568 |
| 2-Mar-17 | Akeel Asghar | House No 86 F Punjab Co Operative Housing Society Lahore Cantt Near Ghazi Road Lahore | AKEEL ASGHAR CNIC : 35202-2684431-5 | M Asghar Siddiqui | 456 | 155 | 28 | 639 | 456 | 155 | 28 | 639 |
| 2-Mar-17 | Karim H Chatoor | House No 197 Aminabad Colony Of Martin Road Near P.I.B Colony Karachi | KARIM H CHATOOR CNIC : 35200-6742103-9 | Hassan Ali Chatoor | 795 | 421 | 47 | 1,263 | 795 | 421 | 47 | 1,263 |
| 2-Mar-17 | Misbah Ul Haq | House No B 27 Paf Block B Korangi Crossing Baiti Colony Near Cortomint Dispensary Karachi | MISBAH UL HAQ CNIC : 42201-0801208-5 | Ahsan Ul Haq | 387 | 250 | 35 | 672 | 387 | 250 | 35 | 672 |
| 2-Mar-17 | Mushtaq Ahmed | House # 43 1St Floor Sector 4D New Abadi New Saeedabad Baldia Town Near Q Bal Masjid Karachi | MUSHTAQ AHMED CNIC : 36602-0977573-3 | Shah Ali | 379 | 104 | 22 | 505 | 379 | 104 | 22 | 505 |
| 2-Mar-17 | S Baddar Bin Shuja | Flat # 101 1St Floor Chapal Beach Arcade # 2 Block 4 Clifton Opp Hyper Star Karachi | S BADDAR BIN SHUJA CNIC : 31202-3421656-3 | Syed Muhammad Shuja | 522 | 162 | 28 | 712 | 522 | 162 | 28 | 712 |
| 2-Mar-17 | Haris Mushtaq | H # S/30 Lane 12A Khayaban E Badban Phase 7 , Dha Near Shell Pump Karachi | HARIS MUSHTAQ CNIC : 42301-1805060-5 | Asif Mushtaq | 365 | 119 | 30 | 514 | 365 | 119 | 30 | 514 |
| 2-Mar-17 | Faisal A Rasheed | Plot# 171-C Flat# E3 2Nd Floor Bloc 3 Pechs Near Rabi Centre Karachi | FAISAL A RASHEED CNIC : 42201-3875152-1 | Abdul Rasheed Karim | 354 | 351 | 80 | 785 | 354 | 351 | 80 | 785 |
| 2-Mar-17 | Shahbaz M Raza | House # 44 Street # 02 Kot Khawaja Saeed Lahore | SHAHBAZ M RAZA CNIC : 35202-0771557-5 | Raza Hashim | 402 | 145 | 26 | 573 | 402 | 145 | 26 | 573 |
| 2-Mar-17 | Waseem Abbas | House # 101/1 Green Park Badhian Road New Air Port Near Bhatta Chowk Lahore | WASEEM ABBAS CNIC : 35201-3464588-1 | Abdul Rasheed | 355 | 163 | 60 | 578 | 355 | 163 | 60 | 578 |
| 2-Mar-17 | Liaquat Ali | H # 2 St # 134 Muallah Mian Muhammad Din Colony Near Baghbanpura Lahore | LIAQUAT ALI CNIC : 35201-8843211-1 | Muhammad Ali | 393 | 124 | 28 | 545 | 393 | 124 | 28 | 545 |
| 2-Mar-17 | Malik Ahmad Khan | House# 128 Abu Bakar Block New Garden Town Lahore | MALIK AHMAD KHAN CNIC : 35202-7242738-3 | Malik Muhammad Ali Khan | 441 | 186 | 46 | 673 | 441 | 186 | 46 | 673 |
| 3-Apr-17 | Muhammad Siddique | H No 27 St No 6 Office Colony Cavalry Ground Lahore | MUHAMMAD SIDDIQUE CNIC : 35201-1286702-9 | Ghulam Muhammad | 401 | 116 | 16 | 533 | 401 | 116 | 16 | 533 |
| 3-Apr-17 | Mubashar Ali | H No 489 Nishtar Block Allama Iqbal Town Near Dr Ameen Clinic Lahore Lahore | MUBASHAR ALI CNIC : 36302-1190391-1 | Muhammad Aslam Javed | 455 | 150 | 46 | 651 | 455 | 150 | 46 | 651 |
| 2-May-17 | Muhammad Jahangir | H # 154 Block B Revenue Society Johar Town Lahore | MUHAMMAD JAHANGIR CNIC : 35202-4667342-9 | Muhammad Nazir | 991 | 336 | 33 | 1,360 | 991 | 336 | 33 | 1,360 |
| 2-May-17 | Arslan Shafiq | House # 116 Mehran Block Allama Iqbal Town Lahore | ARSLAN SHAFIQ CNIC : 34602-1308690-7 | M Shafiq Ashraf | 480 | 148 | 31 | 659 | 480 | 148 | 31 | 659 |
| 2-May-17 | Muhammad Hasnain | Flat # 508 Jiwani Homes , 5Th Floor Garden East Soldier Bazar No 3 Behind KMC Market Karachi | MUHAMMAD HASNAIN CNIC : 42301-2676479-7 | Raza Ali | 606 | 193 | 25 | 824 | 606 | 193 | 25 | 824 |

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2017

Rupees in '000

| Write off Date | Party Name | Address | Name of the individuals / Partners/Directors (with C.N.I.C. No.) | Father's / Mother's / Husband Name | Outstanding Liabilities at beginning of year | | | | Principal Written-off | Interest / Mark-up written-off | Other Financial Relief Provided | Total (9+10+11=12) |
|----------------|-----------------------------------|---|--|------------------------------------|--|--------------------|-------|---------------|-----------------------|--------------------------------|---------------------------------|--------------------|
| | | | | | Principal | Interest / Mark-up | Other | Total 5+6+7=8 | | | | |
| 1 | 2 | | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 2-May-17 | Shehzad Agha | H # D - 101 Block B North Nazimabad Near Hyderi Market Madina Masjid Karachi | SHEHZAD AGHA CNIC : 42101-0695209-1 | Noor Nabi Agha | 457 | 48 | 5 | 510 | 457 | 48 | 5 | 510 |
| 2-May-17 | Ejaz Tauseef | House # B-30 Block-9 Gulshan E Iqbal Karachi | EJAZ TAUSEEF CNIC : 42201-2527763-7 | Mohammad Tauseef Shamsi | 1,138 | 115 | 5 | 1,258 | 1,138 | 115 | 5 | 1,258 |
| 1-Jun-17 | Faraz Ahmed Qureshi | House # 63/2 Saba Avenue Road Phase 5, Dha Near Pizza Hut / Cafe Zouq Karachi | FARAZ AHMED QURESHI CNIC : 42301-4756669-9 | Maqbool Ahmed | 1,019 | 385 | 34 | 1,438 | 1,019 | 385 | 34 | 1,438 |
| 1-Jun-17 | Imran Shahid | House # R-896 Block # 15 B Area Near Bara Dari Karachi | IMRAN SHAHD CNIC : 42101-1749524-9 | Shahid Akhtar | 673 | 241 | 24 | 938 | 673 | 241 | 24 | 938 |
| 1-Jun-17 | Hamid Ali | House # G-601/A St # 10 Dav College Road Rawalpindi | HAMID ALI CNIC : 37405-0251301-3 | Abdul Hameed | 495 | 165 | 25 | 685 | 495 | 165 | 25 | 685 |
| 1-Jun-17 | Mumtaz Ali | House Number 347 Ameenabadi Colony Pib Colony Karachi | MUMTAZ ALI CNIC : 42000-0548973-9 | Ashiq Ali | 658 | 184 | 40 | 882 | 658 | 184 | 40 | 882 |
| 4-Jul-17 | Qadeer Hussain | House # 94, Street # 38 Overseas A, Bahria Town Lahore | QADEER HUSSAIN CNIC : 34202-8165651-3 | Muhammad Hussain Shah | 1,088 | 356 | 44 | 1,488 | 1,088 | 356 | 44 | 1,488 |
| 4-Jul-17 | Syed Abu Talib | H # B 123 Block 13 D/2 Gulshan E Iqbal Near Faiz E Muhammad Masjid Karachi | SYED ABU TALIB CNIC : 42201-0281227-3 | Syed Abdul Hai | 412 | 119 | 25 | 556 | 412 | 119 | 25 | 556 |
| 2-Aug-17 | Ashraf | Grand Residency # 2 B 7 St # 2 Bath Island Clifton Near French Embassy Karachi | ASHRAF CNIC : 91509-0117898-4 | Pervez Shamsuddin Dardeia | 491 | 227 | 44 | 762 | 491 | 227 | 44 | 762 |
| 2-Aug-17 | Naeem Yaseen | H No 29-B PIA Cooperative Housing Society Near Shaheed Khanum Hospital Lahore Lahore | NAEEM YASEEN CNIC : 36601-8410800-7 | Gulam Yaseen | 643 | 200 | 39 | 882 | 643 | 200 | 39 | 882 |
| 2-Aug-17 | Ahsan Ahmed Qureshi | House No 83/2, Saba Avenue Phase 5 Dha Near Cafe Zouq / Pizza Hut Karachi | AHSAN AHMED QURESHI CNIC : 42104-7280263-9 | Maqbool Ahmed Qureshi | 704 | 316 | 40 | 1,060 | 704 | 316 | 40 | 1,060 |
| 2-Aug-17 | Muhammad Arif | Flat # B519, Block B, Billys Paradise, Ph 2, Gulistan E Johar Block 18, Nea Perfume Chowk, Karachi, Karachi | MUHAMMAD ARIF CNIC : 42301-5221253-3 | Muhammad Ismail | 741 | 232 | 28 | 1,001 | 741 | 232 | 28 | 1,001 |
| 2-Aug-17 | Safdar Bashir | Flat # 1 1St Floor Building 11-E, Staff Line # Phase li Ext Khayaban E Jami Dha Karachi | SAFDAR BASHIR CNIC : 42301-6790083-7 | Bashir Ahmed | 840 | 267 | 29 | 1,136 | 840 | 267 | 29 | 1,136 |
| 2-Aug-17 | S Muhammad Ali Shah | House # 793-B Ravi Block Allama Iqbal Town Lahore | S MUHAMMAD ALI SHAH CNIC : 35202-9465099-7 | Syed Jamil Shah | 1,328 | 437 | 28 | 1,793 | 1,328 | 437 | 28 | 1,793 |
| 2-Aug-17 | Bilal Ala Ud Din | H # 29 Block D Nfc Socity Near Wapda Town Lahore | BILAL ALA UD DIN CNIC : 35201-7272949-5 | Ala Ud Din | 374 | 95 | 34 | 503 | 374 | 95 | 34 | 503 |
| 6-Sep-17 | Sana Ur Rehman | H # 330 Block Cc St # 5 Phase Iv Dha Lahore | SANA UR REHMAN CNIC : 35202-5122768-7 | Raza Ur Rehman | - | 347 | 302 | 649 | - | 347 | 302 | 649 |
| 6-Sep-17 | Syed Masood Aziz | H No B-199 Block 3 Gulistan E Johar Karachi | SYED MASOOD AZIZ CNIC : 42201-4784857-9 | Syed Abdul Aziz | 150 | 592 | 50 | 792 | 150 | 592 | 50 | 792 |
| 5-Sep-17 | Faisal Masood Khan | H # 30/6 Link 12 Sarwar Road Cantt Near Rahat Bakery Lahore | FAISAL MASOOD KHAN CNIC : 37406-5016166-7 | Masood Ali Khan | 762 | 56 | 2 | 820 | 762 | 56 | 2 | 820 |
| 5-Sep-17 | Sohail Masood | H # 4 Asif Park Allama Iqbal Road Garhi Shahu Behind Asif Center Lahore | SOHAİL MASOOD CNIC : 35202-6942274-5 | Masood Ahmad Malik | 394 | 108 | 20 | 522 | 394 | 108 | 20 | 522 |
| 5-Sep-17 | Akhter Ali Umran | Flat# B-402 Erum Shopping Mall Block 13 Gulistan E Jauhar Opp Mcb Karachi | AKHTER ALI UMRANI CNIC : 42201-0472179-3 | Wali Muhammad | 527 | 190 | 44 | 761 | 527 | 190 | 44 | 761 |
| 30-Jun-17 | Khurram Islam | H D-80 4 Clifton Karachi | KHURRAM ISLAM CNIC : 42301-6711958-7 | Islam Ullah Khan | 375 | 270 | - | 645 | 375 | 270 | - | 645 |
| 30-Jun-17 | Sagheer Khan | House # 3, B-103, Arif View Sector 5-K | SAGHEER KHAN CNIC : 42101-5884167-7 | Peer Khan | 322 | 199 | - | 521 | 322 | 199 | - | 521 |
| 6-Jan-17 | Muhammad Asif Paracha | House # 138, Street # 19, Sector F-11/2, Rawalpindi / Islamabad | Muhammad Asif Paracha CNIC : 37405-6535165-9 | Ghulam Farid Paracha | - | 2,130 | - | 2,130 | - | 2,130 | - | 2,130 |
| 31-Jan-17 | Svass Foods Products (Shewak Ram) | Flat # 201 2Nd Floor, Clifton Town, Plot # 9-C Stadium Lane # 4, Phase V Karachi | Svass Foods Products (Shewak Ram) CNIC : 42301-5158299-7 | Kasi Ram | - | 945 | - | 945 | - | 945 | - | 945 |
| 30-Jan-17 | Liquat Saeed Lodhi | A-J 1/2 , Jacob Lines Housing Complex, Karachi | Liquat Saeed Lodhi CNIC : 42201-4069909-7 | Sair Ahmed Khan Lodhi | - | 18,560 | - | 18,560 | - | 18,560 | - | 18,560 |
| 26-Jan-17 | Japan Belt House (Imran Nazir) | 61-Badami Bagh, Lahore | Japan Belt House (Imran Nazir) CNIC : 35202-3280390-3 | Nazir Ahmed | - | 2,004 | - | 2,004 | - | 2,004 | - | 2,004 |
| 12-Apr-17 | Muhammad Asghar | 973, 20, Shehzada, Shaheed Gujranwala | Muhammad Asghar CNIC : 34101-6214945-3 | Muhammad Ramzan | - | 1,759 | - | 1,759 | - | 1,759 | - | 1,759 |
| 28-Apr-17 | Muhammad Tahir | House No. C-11,, , Block 17, F.B.Area, Rahimabad, Main Super Highway, Scheme 16 Karachi | Muhammad Tahir CNIC : 35202-2002468-7 | Raja Rehmat Khan | - | 6,440 | - | 6,440 | - | 6,440 | - | 6,440 |

Contd.

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2017

Rupees in '000

| Write off Date | Party Name | Address | Name of the individuals / Partners/Directors (with C.N.I.C. No.) | Father's / Mother's / Husband Name | Outstanding Liabilities at beginning of year | | | | Principal Written-off | Interest / Mark-up written-off | Other Financial Relief Provided | Total (9+10+11=12) |
|----------------|-------------------------|--|--|------------------------------------|--|--------------------|-------|---------------|-----------------------|--------------------------------|---------------------------------|--------------------|
| | | | | | Principal | Interest / Mark-up | Other | Total 5+6+7=8 | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| 4-May-17 | Ziad Hamid | House # 604, X Block, , Lahore | ZIAD HAMID CNC : 35201-1662909-7 | Khawaja Hamid Sadiq | 2,133 | 4,686 | - | 6,819 | 2,133 | 4,686 | - | 6,819 |
| 17-May-17 | Mohammad Imran | Gali Abdul Wahid Wali, Mohallah Bawaliwala, Noshera Road Gujranwala | MOHAMMAD IMRAN CNC : 34101-7250901-9 | Mohammad Shafique | - | 5,703 | - | 5,703 | - | 5,703 | - | 5,703 |
| 22-May-17 | Standard Steel | House # 4, St. # 7, Bhogwal, Baghbanpura, Lahore | Standard Steel CNC : 35201-7143635-3 | Mian Muhammad Riaz | - | 2,814 | - | 2,814 | - | 2,814 | - | 2,814 |
| 5-Jun-17 | Aliya Zahid Khan | Khasra #1895, St. # 01 Yaseen Road, Karim Park Near Shell Petrol Pump, Lahore | Aliya Zahid Khan CNC : 35200-1482505-4 | Zahid Akhtar Hamayun | - | 3,257 | - | 3,257 | - | 3,257 | - | 3,257 |
| 6-Sep-17 | Syed Ali Raza | House # 152, Street # 48, Sector F-10/4, Rawalpindi / Islamabad | SYED ALI RAZA CNC : 61101-5566868-7 | Syed Wajid Ali | - | 5,342 | - | 5,342 | - | 5,342 | - | 5,342 |
| 31-Oct-17 | Muhammad Boota | House # : 58 Block # : Colony Mills 3.5 Km Manga Mand Street : Area : Raiwind Road Nearest Land Mark : City : Lahore | MUHAMMAD BOOTA CNC : 35103-5745491-7 | Barkat Ali | 882 | 172 | - | 1,054 | 882 | 172 | - | 1,054 |
| 31-Oct-17 | Irfan Qayyum Sheikh | House # : 365 Block # : Block Q Street : Area : Model Town Nearest Land Mark : City : Lahore | IRFAN QAYYUM SHEIKH CNC : 35202-5837562-3 | Sheikh Abdul Qayum | 477 | 97 | - | 574 | 477 | 97 | - | 574 |
| 31-Oct-17 | Imtiaz Rehmat | House # : 38-E Block # : St # 177-A Madina Colony Street : Area : Baghban Pura Nearest Land Mark : City : Lahore | IMTIAZ REHMAT CNC : 35201-7398566-9 | Choudhary Rehmat Ali | 678 | 138 | - | 816 | 678 | 138 | - | 816 |
| 31-Oct-17 | Muhammad Yousuf | Fiat # A-3 Block # : 3rd Floor Al Hamra Marказ Plot Street : Area : Nazimabad # 2 Nearest Land Mark : Near Rose Men Saloon City : Karachi | MUHAMMAD YOUSUF CNC : 42101-5509809-9 | Ismail | 661 | 134 | - | 795 | 660 | 134 | - | 794 |
| 31-Oct-17 | Muhammad Nadeem Qureshi | House # : A-140 Block # : Block-J Street : Area : North Nazimabad Nearest Land Mark : Sakhni Hassan City : Karachi | MUHAMMAD NADEEM QURESHI CNC : 42101-8570497-7 | M Qutub Ud Din Qureshi | 878 | 180 | - | 1,058 | 878 | 180 | - | 1,058 |
| 31-Oct-17 | Ghulam Abbas | House # : 2787 Block # : Lane 2, Mukaram Town Street : Area : Misrial Road Nearest Land Mark : Yasir Public School City : Rawalpindi | GHULAM ABBAS CNC : 37105-0264361-3 | Ahmed Khan | 469 | 86 | - | 555 | 468 | 86 | - | 554 |
| 31-Oct-17 | Anif Khokhar Masih | House # : E-607 Block # : St No1 Khan Colony Street : Area : Near Ganda Nala Cantt Nearest Land Mark : City : Lahore | ARIF KHOKHAR MASIH CNC : 35201-0197093-7 | Suba Khokhar | 480 | 98 | - | 578 | 479 | 98 | - | 577 |
| 31-Oct-17 | Abdel Wahab Suleman | Apartment No 14 Block # : Block 33 Sector C Street : Area : Askari XI Nearest Land Mark : City : Bedian Road Lahore | ABDEL WAHAB SULEMAN CNC : 35201-0681080-3 | Muhammad Suleman | 443 | 91 | - | 534 | 442 | 91 | - | 533 |
| 30-Nov-17 | Muhammad Tariq | House # : 3/4-F Block # : Tunisia Line Street : Area : Saddar Nearest Land Mark : 602 Army Work Shop City : Karachi | MUHAMMAD TARIQ CNC : 42000-0373862-3 | Muhammad Rafiq | 1,631 | 333 | - | 1,964 | 1,631 | 333 | - | 1,964 |
| 30-Nov-17 | Muhammad Tanveer | House # : 963/I Block # : St # 12, Ghaffar Kiani Road Street : Area : Aziz Abad, Tench Bhatta Nearest Land Mark : City : Rawalpindi | MUHAMMAD TANVEER CNC : 37402-1879657-5 | Muhammad Meharban | 781 | 160 | - | 941 | 781 | 160 | - | 941 |
| 30-Nov-17 | Muhammad Sufiyan | Flat No 01 Block # : Plot 7 1st Floor Street : Area : Salman Arcade Commercial Area Nearest Land Mark : City : Tech Society Canal Bank Road Lahore | MUHAMMAD SUFIYAN CNC : 36502-0638740-9 | Muhammad Rasheed | 726 | 149 | - | 875 | 726 | 149 | - | 875 |
| 30-Nov-17 | Mirza Asif Ali Jah | House # : R 604 Block # : Blk-16 Street : Area : F B Area Nearest Land Mark : Near Heart Hospital City : Karachi | MIRZA ASIF ALI JAH CNC : 42101-8639489-1 | Mirza Muhammad Ali Jah | 683 | 122 | - | 805 | 683 | 120 | - | 803 |
| 30-Nov-17 | Umar Nazir | House # : F 7/1 Block # : Salman Arcade Street : Area : Tech Society Canal Bank Road Nearest Land Mark : City : Lahore | UMAR NAZIR CNC : 34104-3286715-7 | Nazir Hussain | 571 | 117 | - | 688 | 571 | 116 | - | 687 |
| 30-Nov-17 | Hanan Mariam | House # : Block # : 5-Tufail Road Street : Area : Nearest Land Mark : City : Cantt Lahore | HANAN MARIAM CNC : 35201-8939089-6 | Muhammad Tariq Javaid | 500 | 104 | - | 604 | 500 | 104 | - | 604 |
| 30-Nov-17 | Arshad Mahmood Khan | House # : 68 Block # : Khaiaban-I-Zohra Pia Road Street : Area : Nr Punjab Pharmacy Nearest Land Mark : City : Lahore | ARSHAD MAHMOOD KHAN CNC : 45101-0618335-5 | Muhammad Afzal Khan | 450 | 102 | - | 552 | 450 | 102 | - | 552 |
| 30-Nov-17 | Muhammad Noman | House # : 3 Block # : St No 2 Sunny Park Fateh Garh Street : Area : More Opp Shabda School Nearest Land Mark : City : Lahore | MUHAMMAD NOMAN CNC : 36402-7511469-5 | Khawar Nawaz | 480 | 98 | - | 578 | 480 | 98 | - | 578 |
| 30-Nov-17 | Chaudhary Adnan Aslam | House # : 142 Block # : Block A Eme Society Dha Phase Street : Area : 12 Nearest Land Mark : City : Lahore | CHAUDHARY ADNAN ASLAM CNC : 38403-280961-5 | Chaudhary Muhammad Aslam | 480 | 98 | - | 578 | 480 | 97 | - | 577 |

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2017

Rupees in '000

| Write off Date | Party Name | Address | Name of the individuals / Partners/Directors (with C.N.I.C. No.) | Father's / Mother's / Husband Name | Outstanding Liabilities at beginning of year | | | | Principal Written-off | Interest / Mark-up written-off | Other Financial Relief Provided | Total (9+10+11=12) |
|----------------|-------------------------|---|--|------------------------------------|--|--------------------|-------|---------------|-----------------------|--------------------------------|---------------------------------|--------------------|
| | | | | | Principal | Interest / Mark-up | Other | Total 5+6+7=8 | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| 30-Nov-17 | Khurram Shehzad | House # : 214 Block # : Shadman Colony Street : Area : Near Sawaira Store Nearest Land Mark : City : Lahore | KHURRAM SHEHZAD CNIC : 35202-4548878-9 | Muhammad Haneef | 450 | 96 | - | 546 | 450 | 96 | - | 546 |
| 30-Nov-17 | Muhammad Imran Shahzad | House # : 319 Block # : Sector A 2 Block No 4 Street : Area : Near Township Nearest Land Mark : City : Lahore | MUHAMMAD IMRAN SHAHZAD CNIC : 38404-7934237-5 | Muhammad Mumtaz Zaidi | 505 | 92 | - | 597 | 505 | 92 | - | 597 |
| 30-Nov-17 | Basharat Ali | House # : 05 Block # : St No 20 Wali Park Bagwan Pura Street : Area : Nearest Land Mark : Eid Millad E Nabi Wali Masjid City : Lahore | BASHARAT ALI CNIC : 34201-0354017-5 | Muhammad Ashraf | 428 | 88 | - | 516 | 428 | 87 | - | 515 |
| 30-Nov-17 | Ghulam Abbas | House # : Jannat Colony Block # : Bhalley Banewal Post Office Street : Area : P/O Imamia Colony Nearest Land Mark : City : Lahore | GHULAM ABBAS CNIC : 35401-1691403-5 | Muhammad Ramzan | 430 | 87 | - | 517 | 430 | 87 | - | 517 |
| 30-Nov-17 | Hafiz Nomani Ahmad Khan | House # : 718-B Block # : Faisal Town Street : Area : Nearest Land Mark : City : Lahore | HAFIZ NOMAN AHMAD KHAN CNIC : 38403-5549057-1 | Tanveer Ahmad Khan | 464 | 85 | - | 549 | 464 | 75 | - | 539 |
| 30-Dec-17 | Sheikh Umer Sohail | House # : 27/2 Block # : Street # 14, Khayaban-E-Shams Street : Area : Phase-V Dha Clifton Nearest Land Mark : Near Bank Alhabib City : Karachi | SHEIKH UMER SOHAİL CNIC : 42301-5935699-1 | Sheikh Sohail Nisar | 428 | 80 | - | 508 | 427 | 80 | - | 507 |
| 30-Dec-17 | Umar Naeem | House # : 91 Block # : D Punjab Govt Employees Street : Area : Corporative Housing Society Nearest Land Mark : City : Phase 2 Lahore | UMAR NAEEM CNIC : 31101-1651900-9 | Rana Muhammad Naeem Anjum | 443 | 90 | - | 533 | 443 | 90 | - | 533 |
| 30-Dec-17 | Abdul Basit | House # : 705 Block # : Huma Block Allama Iqbal Town Street : Area : Nearest Land Mark : City : Lahore | ABDUL BASIT CNIC : 35202-9820630-9 | Muhammad Ashraf | 678 | 139 | - | 817 | 678 | 139 | - | 817 |
| 30-Dec-17 | Kashif Munir | House # : Block # : Plot # 67 Block # 4 Karim Park Street : Area : Opposite Farooqi Girls School Nearest Land Mark : City : Lahore | KASHIF MUNIR CNIC : 36302-5997586-3 | Munir Hussain | 537 | 110 | - | 647 | 537 | 110 | - | 647 |
| 30-Dec-17 | Rana Ahmad Saeed | House # : P 16 S 52 Block # : Rasheed St Ibrahim Road Street : Area : Islam Gunj Nearest Land Mark : City : Lahore | RANA AHMAD SAED CNIC : 35202-1515038-9 | Muhammad Arshad Rana | 1,191 | 246 | - | 1,437 | 1,191 | 246 | - | 1,437 |
| 30-Dec-17 | Imran Ali | House # : 285 Block # : S 1 # 18 Kot Bahar Singh Opposi Street : Area : Jawa Sweets Raiwind Nearest Land Mark : City : Lahore | IMRAN ALI CNIC : 35201-8499052-7 | Ghulam Nabi | 1,269 | 222 | - | 1,491 | 1,268 | 222 | - | 1,490 |
| 30-Dec-17 | Furqan Ali | House # : 196 Block # : St #57, Swabian House Street : Area : G-9/4 Nearest Land Mark : City : Islamabad | FURQAN ALI CNIC : 35202-8343221-7 | Naymat Ali | 664 | 122 | - | 786 | 652 | 122 | - | 774 |
| 30-Dec-17 | Waseem Nawaz | House # : 10 Block # : Rajpoot Rd # 50 Muhalla Gulzar Street : Area : Colony Neelam Chowk Nearest Land Mark : City : Lahore | WASEEM NAWAZ CNIC : 35201-6282403-5 | Muhammad Shah Nawaz | 620 | 103 | - | 723 | 620 | 103 | - | 723 |
| 30-Dec-17 | Muhammad Murad Khan | House # : 17 Block # : Ground Floor St No 34 Street : Area : Korang Town Nearest Land Mark : City : Islamabad | MUHAMMAD MURAD KHAN CNIC : 37405-0393451-9 | Muhammad Shmishad Khan | 581 | 106 | - | 687 | 577 | 106 | - | 683 |
| 30-Dec-17 | Tariq Bashir Sindhu | House # : 2/23 Block # : Mian Park Main Walton Road Nr Street : Area : Toyota Motors Nearest Land Mark : City : Lahore | TARIQ BASHIR SINDHU CNIC : 35202-9250902-1 | Muhammad Bashir Sindhu | 546 | 100 | - | 646 | 545 | 100 | - | 645 |
| 30-Dec-17 | Alamzeb | House # : 170 Block # : St # 73 Street : Area : G-9/3 Nearest Land Mark : City : Islamabad | ALAMZEB CNIC : 16101-1164641-9 | Wali Muhammad | 487 | 88 | - | 575 | 487 | 88 | - | 575 |
| 30-Dec-17 | Ahsan Abid | House # : 14-F Block # : Ali View Garden Street : Area : Phase 3, Bedian Road Nearest Land Mark : City : Lahore | AHSAN ABID CNIC : 35202-2827385-3 | Abid Aziz | 470 | 83 | - | 553 | 470 | 83 | - | 553 |
| 30-Dec-17 | Rana Shabbir Haider | House # : 403 Block # : Block 1 Street : Area : Johar Town Nearest Land Mark : City : Lahore | RANA SHABBIR HAIDER CNIC : 35202-2517196-1 | Rana Nazeer Ahmed | 885 | 160 | - | 1,045 | 885 | 160 | - | 1,045 |
| 30-Dec-17 | Ghulam Ali | House # : 95-A Block # : Fazal Street Near Bismillah Street : Area : Bakers Store Gari Shahu Nearest Land Mark : City : Lahore | GHULAM ALI CNIC : 38402-5220969-3 | Sultan Ali | 638 | 92 | - | 730 | 637 | 92 | - | 729 |
| 31-Oct-17 | Shehzad Nadeem | House # : 90 Block # : A-3 Street : Area : Johar Town Nearest Land Mark : City : Lahore | SHEHZAD NADEEM CNIC : 35202-3384441-7 | Mohammad Zubair | 678 | 137 | - | 815 | 678 | 137 | - | 815 |
| 31-Oct-17 | Muhammad Sohail | Flat # 3 Block # : Mian Azam House Taj Pura Street : Area : Near Government Bakery Nearest Land Mark : City : Lahore | MUHAMMAD SOHAİL CNIC : 36203-3693326-1 | Muhammad Iqbal | 484 | 97 | - | 581 | 484 | 97 | - | 581 |
| 31-Oct-17 | Muhammad Saleem | House # : H No Dk 70 Block # : Street : St 6 Area : Farooqueezam Road Blål Colony Nearest Land Mark : Near Adrees Karyana Store City : Rawalpindi | MUHAMMAD SALEEM CNIC : 37405-6027942-7 | Muhammad Hanif | 479 | 101 | - | 580 | 479 | 101 | - | 580 |

Contd.

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2017

Rupees in '000

| Write off Date | Party Name | Address | Name of the individuals / Partners/Directors (with C.N.I.C. No.) | Father's / Mother's / Husband Name | Outstanding Liabilities at beginning of year | | | | Principal Written-off | Interest / Mark-up written-off | Other Financial Relief Provided | Total (9+10+11=12) |
|----------------|------------------------------|--|--|------------------------------------|--|--------------------|-------|---------------|-----------------------|--------------------------------|---------------------------------|--------------------|
| | | | | | Principal | Interest / Mark-up | Other | Total 5+6+7=8 | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| 31-Oct-17 | Fehmeeda Rehmat | House #: 17, Block #: Street 3 Street : Area : G-7/3-2, Fathers Colony Near Nearest Land Mark : Near Service Morr, City : Islamabad | FEHMEEDA REHMAT CNIC : 61101-8015160-8 | Malik Rehmat Manzoor | 532 | 105 | - | 637 | 532 | 105 | - | 637 |
| 31-Oct-17 | Muhammad Faheem Asghar | House #: 532 Block #: Pak Block Street : Area : Allama Iqbal Town Nearest Land Mark : City : Lahore | MUHAMMAD FAHEEM ASGHAR CNIC : 31303-8460981-9 | Asghar Ali Javed | 627 | 123 | - | 750 | 627 | 123 | - | 750 |
| 31-Oct-17 | Syed Ali Mohsin Naqvi | House #: 362 Block #: E-Block Pia Society Street : Area : Nr Wapda Town Nearest Land Mark : City : Lahore | SYED ALI MOHSIN NAQVI CNIC : 35202-3199080-1 | Syed Zia Hussain Naqvi | 883 | 174 | - | 1,057 | 883 | 174 | - | 1,057 |
| 31-Oct-17 | Danish Sharif Khan | House #: 4B Block #: 10/3 Street : Area : Nazimabad-4 Nearest Land Mark : City : Karachi | DANISH SHARIF KHAN CNIC : 42101-0909013-1 | Muhammad Sharif | 1,100 | 213 | - | 1,313 | 1,100 | 213 | - | 1,313 |
| 30-Nov-17 | Haris Shams | House #: 518/1 Block #: Block Z Street : Area : Loh Cantt Nearest Land Mark : City : Lahore | HARIS SHAMS CNIC : 35201-1609491-1 | Shams Ur Rehman | 584 | 121 | - | 705 | 584 | 121 | - | 705 |
| 30-Nov-17 | Muhammad Khurram Ahsan Khan | House #: E13/13 Block #: V-9, Hassan Lane, Abid Rd Street : Area : Cavalry Ground Lahore Cantt Nearest Land Mark : City : Lahore | MUHAMMAD KHURRAM AHSAN KHAN CNIC : 35201-3512717-9 | Shan Muhammad Khan | 513 | 106 | - | 619 | 513 | 106 | - | 619 |
| 30-Nov-17 | Muhammad Shahid | House #: 439 Block #: Ponch Rd Street : Area : Sammabat Nearest Land Mark : City : Lahore | MUHAMMAD SHAHID CNIC : 32301-3100847-1 | Masitay Khan | 610 | 118 | - | 728 | 610 | 118 | - | 728 |
| 30-Nov-17 | Muhammad Naeem | House #: 20/A Block #: 1St Floor Room No 12 Alchison Street : Area : Society Fatima Masjid Trg Nearest Land Mark : City : Street Opp Raiwind Road Lahore | MUHAMMAD NAEEM CNIC : 35202-7019459-7 | Jan Muhammad | 739 | 145 | - | 884 | 739 | 145 | - | 884 |
| 30-Dec-17 | Salman Qayyum | House #: 59 Block #: Badar Block Street : Area : Allama Iqbal Town Nearest Land Mark : City : Lahore | SALMAN QAYYUM CNIC : 61101-9490068-5 | Abdul Qayyum | 620 | 124 | - | 744 | 620 | 124 | - | 744 |
| 30-Dec-17 | Syed Faisal Jamal | House #: A-634 Block #: Block L Street : Area : North Nazimabad Nearest Land Mark : Near UBL Bank City : Karachi | SYED FAISAL JAMAL CNIC : 42101-9491113-1 | Syed Nasir Jamal | 453 | 88 | - | 541 | 453 | 88 | - | 541 |
| 30-Dec-17 | Muhammad Abdohoo Abdali | House #: 547 Block #: P Block B Cana View Housing Street : Area : Society Thokar Niaz Baig Nearest Land Mark : City : Lahore | MUHAMMAD ABDOOHO ABDALI CNIC : 35202-3052587-5 | Chaudhry Rahmat Ali | 469 | 94 | - | 563 | 469 | 94 | - | 563 |
| 30-Dec-17 | Zulfiqar Malik | House #: 322-A Block #: Block-F Street : Area : Gulshan-E-Ravi Nearest Land Mark : City : Lahore | ZULFIQAR MALIK CNIC : 35202-4433142-5 | Muhammad Qayyum Malik | 474 | 94 | - | 568 | 474 | 94 | - | 568 |
| 30-Dec-17 | Shahid Hussain Abro | Flat # 41 Block #: Humayun House Street : Area : Garden West Nearest Land Mark : Fawara Chowk City : Karachi | SHAHID HUSSAIN ABRO CNIC : 43207-0851967-1 | Khadim Hussain Abro | 699 | 130 | - | 829 | 699 | 130 | - | 829 |
| 30-Dec-17 | Muzammal Mugarrab Chattha | House #: 164-T Block #: Phase II Near Lalik Chowk Street : Area : Dha Nearest Land Mark : City : Cantt Lahore | MUZAMMAL MUQARRAB CHATTHA CNIC : 34301-5555072-9 | Mugarrab Hussain | 737 | 145 | - | 882 | 737 | 145 | - | 882 |
| 30-Dec-17 | Syed Mobashir Bokhary | House #: 256 Block #: Ff1, Street : Area : Dha Nearest Land Mark : City : Lahore | SYED MOBASHIR BOKHARY CNIC : 35201-1273873-7 | Syed Maqsood Shah | 776 | 164 | - | 940 | 776 | 164 | - | 940 |
| 30-Dec-17 | Muhammad Awais Akram | House #: 543 Block #: Kamran Block Alama Iqbal Street : Area : Town Nearest Land Mark : City : Lahore | MUHAMMAD AWIAS AKRAM CNIC : 35202-2477497-7 | Muhamamd Akram Khan | 1,000 | 198 | - | 1,198 | 1,000 | 198 | - | 1,198 |
| 30-Dec-17 | Muhammad Iftikhar Younas | House #: 143 Block #: Abpara Housing Society Street : Area : 16 Km Multan Rd Nr Eme Society Nearest Land Mark : City : Lahore | MUHAMMADIFTIKHAR YOUNAS CNIC : 35202-3622939-7 | Muhammad Younas | 1,075 | 210 | - | 1,285 | 1,075 | 210 | - | 1,285 |
| 3-Oct-17 | Hasan Mahmood Zuberi | House No B 63 Block 12 Gulistan E Johar Near Rado Tower Karachi | HASAN MAHMOOD ZUBERI CNIC : 42201-8603731-7 | Mahmud Ul Zafar | 365 | 126 | 30 | 521 | 365 | 126 | 30 | 521 |
| 3-Oct-17 | Ali Malik | 368 Humza Block Allama Iqbal Town Lahore | ALI MALIK CNIC : 35202-0927491-1 | Malik Abdul Aleem | 471 | 156 | 29 | 656 | 471 | 156 | 28 | 655 |
| 3-Oct-17 | Nadeem Ahmed Khan | House # 03 Street # 04 Bani Gala Near Masjid Al Farooq Islamabad | NADEEM AHMED KHAN CNIC : 61101-1395940-1 | Muhammad Munir Khan | 363 | 118 | 30 | 511 | 363 | 118 | 30 | 511 |
| 3-Oct-17 | Syed Adeel Akhter | House # R-514 Sector # 15-A/3 Buffer Zone North Nazimabad Town Near Mehmoodia Masjid Karachi | SYED ADEEL AKHTER CNIC : 42101-8613546-3 | Syed Jawaid Akhter | 409 | 115 | 32 | 556 | 409 | 115 | 32 | 556 |
| 3-Oct-17 | Sardar Muhammad Usman Almani | House No 209/2/28Th Street Kt-E-Roomi Phase 8 Dha Cas School Karachi | SARDAR MUHAMMAD USMAN ALMANI CNIC : 45302-6169351-1 | M Alam Almani | 469 | 176 | 27 | 672 | 469 | 176 | 27 | 672 |

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2017

Rupees in '000

| Write off Date | Party Name | Address | Name of the individuals / Partners/Directors (with C.N.I.C. No.) | Father's / Mother's / Husband Name | Outstanding Liabilities at beginning of year | | | | Principal Written-off | Interest / Mark-up written-off | Other Financial Relief Provided | Total (9+10+11=12) |
|----------------|--------------------------------|---|--|---|--|--------------------|-------|---------------|-----------------------|--------------------------------|---------------------------------|--------------------|
| | | | | | Principal | Interest / Mark-up | Other | Total 5+6+7=8 | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| 3-Oct-17 | Muhammad Saleem Jan | House No 18/1-A Golf Course Road No 2 Phase 4, Dha Near Nishat Shaheed Park Karachi | MUHAMMAD SALEEM JAN CNIC : 42301-2703834-1 | Jan Muhammad Usman | 818 | 194 | 31 | 1,043 | 818 | 194 | 31 | 1,043 |
| 1-Nov-17 | Muhammad Ayaz Khan | H# 85 St # 59 I 8/3 Islamabad | MUHAMMAD AYAZ KHAN CNIC : 61101-9256543-7 | Sher Zaman Khan | 399 | 88 | 29 | 516 | 399 | 88 | 29 | 516 |
| 1-Nov-17 | Rafiq Ahmad | H# 39 Adila Road Milat Colony Near Lillah Cng Station Rawalpindi | RAFIQ AHMAD CNIC : 38403-8597175-9 | Mian Muhammad | 408 | 94 | 37 | 539 | 408 | 94 | 37 | 539 |
| 1-Nov-17 | Ather Javed | House # 349, Street # 30 Sector - 2 Gulshanbad Adyala Road Rawalpindi | ATHER JAVED CNIC : 61101-8328623-7 | Noor Muhammad | 729 | 79 | 5 | 813 | 729 | 79 | 5 | 813 |
| 1-Nov-17 | Arshad Iqbal | H # 102 Phase I Iqbal Avenue Housing Society Near Shaukat Khanum Hospital Johar Town Lahore | ARSHAD IQBAL CNIC : 35202-2925908-9 | M Ibrahim | 718 | 116 | 8 | 842 | 718 | 116 | 8 | 842 |
| 1-Nov-17 | Aamir Tauseer Elahi | H # 18 St # 06 Medical Hosing Scheme Near So20 Water Park Lahore | AAMIR TAUQEER ELAHI CNIC : 34201-5957914-9 | Fazal Elahi | 695 | 229 | 30 | 954 | 695 | 229 | 30 | 954 |
| 1-Nov-17 | Umer Mushtaq Butt | H # 20 Block C3 Gulberg II Lahore | UMER MUSHTAQ BUTT CNIC : 35202-1146321-5 | Mushtaq Ahmed Butt | 587 | 197 | 28 | 812 | 587 | 197 | 28 | 812 |
| 1-Nov-17 | Malik Junaid Iftikhar | House # 1019 Street # 45 Sector E-11/3 Islamabad | MALIK JUNAIDIFTIKHAR CNIC : 61101-2031135-1 | M Iftikhar Hussain Javed | 643 | 194 | 49 | 886 | 643 | 194 | 49 | 886 |
| 1-Nov-17 | Hasan Aseff Kayani | House# 137 Street# 2 Cavalry Ground Cantt Lahore | HASAN ASEFF KAYANI CNIC : 35201-1537896-9 | Asif Rashid | 494 | 146 | 45 | 685 | 494 | 146 | 45 | 685 |
| 1-Nov-17 | Saima | H# C-4/7 C Area Malir Colony Opp Liaquat College Karachi | SAIMA CNIC : 42401-1776529-0 | Muhammad | 367 | 123 | 28 | 518 | 367 | 123 | 28 | 518 |
| 1-Nov-17 | Shoaib Qamar | Survey # 37 H # 418 Jannat Ul Barkat Society Malir Model Colony Near Bohri Jamat Khana Karachi | SHOAIB QAMAR CNIC : 42201-0327904-1 | Qamar Iqbal | 375 | 98 | 35 | 508 | 375 | 98 | 35 | 508 |
| 4-Dec-17 | Muhammad Aleem Khan | House No C-17 Block-D North Nazimabad Near Five Star Chorangi Karachi | MUHAMMAD ALEEM KHAN CNIC : 42101-1398114-5 | Muhammad Khan | 1,195 | 340 | 32 | 1,567 | 1,195 | 340 | 32 | 1,567 |
| 4-Dec-17 | Saleem Akhtar | House # 239-A Block G Gulshan Ravi Near Medina Park Lahore | SALEEM AKHTAR CNIC : 35202-3029555-3 | Sh M Shafi | 448 | 137 | 30 | 615 | 448 | 137 | 30 | 615 |
| 4-Dec-17 | Muhammad Khizar Fayyaz | H # 506 , Block-D , Pwd Colony , Lohi Bheer , Islamabad | MUHAMMAD KHIZAR FAYYAZ CNIC : 42501-1938411-5 | Fayyaz Ahmed | 501 | 53 | 9 | 563 | 501 | 53 | 9 | 563 |
| 4-Dec-17 | Arif Ullah Khan | H # 45- G Punjab Small Industries Society Near Allied School Lahore | ARIF ULLAH KHAN CNIC : 11201-0396544-3 | Bahdar Sher | 633 | 213 | 24 | 870 | 633 | 213 | 24 | 870 |
| 4-Dec-17 | Danish Tanveer | House No 67-A Fcc Syed Maratab Ali Road Gulberg IV Lahore | DANISH TANVEER CNIC : 37201-1576048-7 | Kh Muhammad Tanveer | 485 | 132 | 25 | 642 | 485 | 132 | 25 | 642 |
| 4-Dec-17 | Khalid Zafar | H # 524 St # 104 1-8/4 Islamabad Near Habibi Restaurant Islamabad | KHALID ZAFAR CNIC : 37405-2216116-1 | Zafar Ahmad | 606 | 190 | 27 | 823 | 606 | 190 | 26 | 822 |
| 19-Dec-17 | Nusrat Ullah Khan | House No. C-84, Anum Homes, Jamia Millia Road,Mallr | Nusrat Ullah Khan CNIC : 42201-4765053-3 | Liaquat Ullah Khan | - | 1,204 | - | 1,204 | - | 1,204 | - | 1,204 |
| 31-Jan-17 | Daha Coton Traders | Shah Jamal Jatoi Road, Head Bakaini Tehsil Jatoi District Muzafergarh. | Mian Shoaib Ashiq Daha CNIC : 32302-1733630-9 | Mian Ashiq Husain | 2,266 | 5,577 | - | 7,843 | - | 4,872 | - | 4,872 |
| 26-Apr-17 | Arzoo Motor Industries Pvt Ltd | House No. 3/A, Block H, Gulberg III, Lahore | Humera Shafique CNIC : 35202-2649051-6 M. Shafique Chaudhary CNIC : 35202-2812241-3 | W/o M Shafique Ch. Ch Faqir Muhammad | 1,496 | 7,923 | - | 9,419 | - | 7,923 | - | 7,923 |
| 5-May-17 | Sheikh Enterprises | Suit No. 3, 1st Floor, Mian Center, 20-Abbot Road, Lahore. | Sheikh Saud Shehzad CNIC : 35202-6347111-1 | Sheikh Muhammad Dawood | 3,993 | 4,960 | - | 8,953 | 1,993 | 4,960 | - | 6,953 |
| 21-Apr-17 | Cresent Printing Press | 4-Rasool Park Lahore | Mrs. Khawar Zareen CNIC : 35202-7478907-6 Samim Omer Siddiqui CNIC : 35202-7372759-9 | W/o Muhammad Saifdar Siddiqui Muhammad Saifdar Siddiqui | 7,197 | 2,035 | - | 9,232 | - | 2,032 | - | 2,032 |
| 11-May-17 | Monnoo Dairies (Pvt) Ltd | 91-E/1, Gulberg-III, Hali Road, Lahore, 37-KM Chiniot Jhang Road, Meghni Bhawana, Tehsil & Distt Chiniot. | Muhammad Irfan Monnoo CNIC : 35202-1264929-1 Mrs. Rukhsana Monnoo CNIC : 35202-5138840-0 | S/o Mian Muhammad Rafi Monnoo W/o Muhammad Irfan Monnoo | 7,917 | 1,169 | - | 9,086 | 7,917 | 1,169 | - | 9,086 |
| 15-Jun-17 | Tradesia International | 14-B Canal Park, Bambawala Road, Daska, Sialkot. | Riffat Mahmood Qazi CNIC : 34601-6405243-1 | S/o Saleem Ullah | 9,000 | 3,292 | - | 12,292 | - | 3,092 | - | 3,092 |
| 4-Aug-17 | Dar Engineering | Naz Street, Mohallah Rangpura, Gujrat. | Shaheen Akhtar Dar CNIC : 34201-4670943-5 | Chaudhary Muhammad Latif | 1,987 | 898 | - | 2,885 | - | 898 | - | 898 |

Contd.

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2017

Rupees in '000

| Write off Date | Party Name | Address | Name of the individuals / Partners/Directors (with C.N.I.C. No.) | Father's / Mother's / Husband Name | Outstanding Liabilities at beginning of year | | | | Principal Written-off | Interest / Mark-up written-off | Other Financial Relief Provided | Total (9+10+11=12) |
|----------------|----------------------------|---|---|--|--|--------------------|-------|---------------|-----------------------|--------------------------------|---------------------------------|--------------------|
| | | | | | Principal | Interest / Mark-up | Other | Total 5+6+7=8 | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| 29-Sep-17 | Adli Packages | 67-89 Industrial Estate, Multan | Abdul Ghaffar CNIC : 91400-0194673-9 Abdul Jabar CNIC : 36302-3966403-7 | S/o Niaz Muhammad S/o Niaz Muhammad | 27,382 | 5,861 | - | 33,243 | - | 5,861 | - | 5,861 |
| 29-Sep-17 | Agri Farm Services | 53-C, Dhup Sari Road, Near Chungi No-1, Multan 77-Industrial Estate, Multan | Aamir Aziz Malik CNIC : 36302-9139512-3 Amna Mustafa Dogar CNIC : 35301-1894332-0 | S/o Malik Aziz-ur- Rehman W/o Aamir Aziz Malik | 13,637 | 5,431 | - | 19,068 | - | 5,431 | - | 5,431 |
| 29-Sep-17 | Al Mehboob Oil Industries | Al Mehboob Oil Industries | Muhammad Shaharyar CNIC : 42301-195948-9 Kabiruddin Soleja CNIC : 42301-1872049-1 | Mr. Kabiruddin Mr. Mairajuddin | 49,000 | 5,903 | - | 54,903 | - | 5,903 | - | 5,903 |
| 29-Sep-17 | Al-Rehman Enterprises | Chungi # 6, Near Toyota Multan Motors, Bosan Road, Multan NEIL Coat, Bosan Road, Multan | Asad Farooq Khan Khakwani CNIC : 36302-8413451-9 M. Farooq Khan Khakwani CNIC : NA Mrs. Sumra Nahid CNIC : 36302-3478609-8 | M. Farooq Khan Khakwani Shah Nawaz Khan W/o M. Farooq Khan Khakwani | 7,499 | 3,025 | - | 10,524 | - | 3,025 | - | 3,025 |
| 29-Sep-17 | Arshad Industries | House # 134-B, Model Town, B Post Office, Ghalla Mandi, Bahawalpur | Muhammad Arshed CNIC : 31202-9138097-5 | Chadheray Barkat Ullah | 4,800 | 2,194 | - | 6,994 | - | 2,194 | - | 2,194 |
| 29-Sep-17 | Awais Steel Traders | 188- Loha Market, Landa Bazar, Lahore, House # 258, Block-GG, Phase # IV, DHA, Lahore. | Sheikh Awais Ahmed CNIC : 35202-4180299-3 | Sheikh Ahmed Din | 24,998 | 5,435 | - | 30,433 | - | 5,435 | - | 5,435 |
| 29-Sep-17 | AZM Chemical Company | AZM Chemical Company | Syed Wajahat Hussain Zaidi CNIC : 42201-0967845-9 | Syed Muhammad Aslam Zaidi | 88,970 | 12,777 | - | 101,747 | - | 12,777 | - | 12,777 |
| 29-Sep-17 | Farooq Centre | Farooq Centre | NA | NA | 8,891 | 1,397 | - | 10,288 | - | 1,397 | - | 1,397 |
| 29-Sep-17 | Ghosia Machinery Store | Bus Stop, Salamat Pura, Daroghwala and G.T. Road, Lahore.185-E-1, Johar Town, Lahore. | Mr. Salman Farooq CNIC : 35402-8056427-7 | Muhammad Farooq | 24,998 | 1,875 | - | 26,873 | - | 1,875 | - | 1,875 |
| 29-Sep-17 | Ivy Interface | Ivy Interface | Farid Hassan Ali CNIC : 42301-1024659-3 Suhai Sarwa | Hassan Ali Khan K. M. Sarwar | 15,734 | 1,317 | - | 17,051 | - | 1,317 | - | 1,317 |
| 29-Sep-17 | Lakk Developers Pvt Ltd | House # 1, Ahmed Yar Lakk Estate, Opp. Block V-II, DHA, Lahore.Savoy Hotel, 237-A-3, Gurumangat Road, Gulberg-III, Lahore | Maher Ahmed Shuja-ur-Rehman Lakk CNIC : 35200-5045667-7 Mrs. Farzana Shuja-ur-Rehman Lakk CNIC : 35201-8678610-8 Malook Begum CNIC : 38403-9106017-0 | Maher Ahmed Yar Khan Lakk Maher Ahmed Shuja ur Rehman Lakk Maher Ahmed Yar Khan Lakk | 35,999 | 5,426 | - | 41,425 | - | 5,426 | - | 5,426 |
| 29-Sep-17 | Mudassar & Co. | Grain Market, Rahim Yar Khan | Mudassar Hussain Ch CNIC : 31303-9852645-1 | Muhammad Hussain | 5,077 | 2,786 | - | 7,863 | - | 2,786 | - | 2,786 |
| 29-Sep-17 | Iqbal & Co. (Munir Ahmed) | Main Saeed Wala, Jaranwala Road, More Khunda, Tehsil & District Nankana. | Sheikh Munir Ahmed CNIC : 35402-8056427-7 | S/o Sheikh M. Siddique | 9,498 | 3,837 | - | 13,335 | - | 3,837 | - | 3,837 |
| 29-Sep-17 | Muzammil Traders | Grain Market, Rahim Yar Khan | Muzammil Hussain CNIC : 31303-7451248-1 | Muhammad Hussain | 15,500 | 1,446 | - | 16,946 | - | 1,446 | - | 1,446 |
| 29-Sep-17 | New Haq Traders | Railway Road, Samundri Market, Gojra District Toba Tek Singh | Agdas Mehmood CNIC : 33301-2082034-7 | Abdul Ghani | 3,896 | 2,379 | - | 6,275 | - | 2,379 | - | 2,379 |
| 29-Sep-17 | Pace Pesticides | 5,6,7,8 1st Floor, Trust Plaza, Multan 212 BlockJ, Shah Rukh-e-Alam Colony, Multan | Muhammad Ayyaz Saleem CNIC : 36302-1916351-5 Muhammad Naeem CNIC : 36302-2020084-3 Humera Begum CNIC : 36302-9465425-2 | S/o Muhammad Sharif S/o Muhammad Sahrif W/o Muhammad Ayyaz Saleem | 3,416 | 503 | - | 3,919 | - | 503 | - | 503 |
| 29-Sep-17 | Plyfo Industries | 5 KM, Gujranwala Road, Ali Pur Chatta | Abdul Ghani Gill CNIC : 34104-2287813-5 Abdul waheed Gill CNIC : 34104-2310743-5 Masood Rana Gill CNIC : 34104-2261018-9 | Imam Deen Gill Imam Deen Gill Imam Deen Gill | 9,220 | 2,362 | - | 11,582 | - | 2,362 | - | 2,362 |
| 29-Sep-17 | Saud Builders & Developers | Saud Builders & Developers | Saud Ahmed Khan CNIC : 41303-9644484-1 | Malook Ahmed | 25,000 | 5,428 | - | 30,428 | - | 5,428 | - | 5,428 |
| 29-Sep-17 | Smmar International | E-28, Walton Road, Lahore | Arif Rehman CNIC : 35201-6255777-5 Shazia Arif CNIC : NA | Mirza Abdul Rahim | 32,029 | 3,163 | - | 35,192 | - | 3,163 | - | 3,163 |

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2017

Rupees in '000

| Write off Date | Party Name | Address | Name of the individuals / Partners/Directors (with C.N.I.C. No.) | Father's / Mother's / Husband Name | Outstanding Liabilities at beginning of year | | | | Principal Written-off | Interest / Mark-up written-off | Other Financial Relief Provided | Total (9+10+11=12) |
|----------------|--------------------------------|---|--|--|--|--------------------|-------|---------------|-----------------------|--------------------------------|---------------------------------|--------------------|
| | | | | | Principal | Interest / Mark-up | Other | Total 5+6+7=8 | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| 29-Sep-17 | Super Crop, Sceinces | 13-B, Khayaban-e-Sarwar, D.G. Khan House # 26, Block-N, D.G Khan | Mian Abdul Rehman CNIC : 32102-4515727-5 Saadat Ali Arshed CNIC : 32102-1946809-1 | Noorang Khan Din Muhammad | 6,800 | 1,831 | - | 8,631 | - | 1,831 | - | 1,831 |
| 29-Sep-17 | Universal Plus Enterprises | 1.5 KM Mata Road, Raja Jang, Tehsil & District Kasur. | Manzoor Ahmed Khan CNIC : 35102-0567558-1 Ihsan Ul Haq CNIC : 35202-7008905-5 | Maqsood Khan Mukhtar Ahmed Akhtar | 11,749 | 1,890 | - | 13,639 | - | 1,890 | - | 1,890 |
| 6-Oct-17 | Haji Karim Dino & Zulfigar Ali | Village Abad Lakha, Airport Road, Sukkur, Sindh | Ashfaq Ahmed Butt CNIC : 35202-9007425-3 Khurram Shahzad Butt CNIC : 35202-3841556-1 Ghulam Hyder Butt CNIC : 35202-6870324-9 | Ghulam Nabi Butt Ghulam Nabi Butt Ghulam Nabi Butt | 9,997 | 1,777 | - | 11,774 | - | 1,777 | - | 1,777 |
| 29-Nov-17 | Gold Auto Industry | H No. 2, Street # 1, Mohalla Muhammad Pura Jattan crown Park, Bagharpura, Lahore, | Haji Muhammad Ramzan CNIC : 35202-2796526-9 | Ch Charagh Din. | 7,999 | 1,799 | - | 9,798 | - | 1,798 | - | 1,798 |
| 29-Dec-17 | Al-Hamid Trading | 5th Floor, PIDC House, Dr. Ziauddin Ahmed Road, Karachi. | Mubinullah Khan CNIC: 501-70-104840 | Mohsinullah Khan | 3,261 | 1,474 | - | 4,735 | - | 1,474 | - | 1,474 |
| 16-Jan-17 | Metal Art Enterprises | 38-B, ALI TOWN, RAIWIND ROAD, LAHORE | Mr. Sohail Akhter Awan CNIC: 35202-2543865-5 | Mr. Muhammad Zakariya | - | 6,942 | - | 6,942 | - | 4,442 | - | 4,442 |
| 31-May-17 | Aftab Enterprises | 28-C-I, Nespak Society, Near Ghazi Chowk, Township College Road, Lahore | Mr. Aftab Ahmed Gondal CNIC: 35202-7225620-1 | Ch. Muhammad Inayat Gondal | 13,861 | 8,946 | - | 22,807 | - | 9,622 | - | 9,622 |
| 30-Dec-17 | Imran Ijaz | NA | CNIC: 35202-8579400-3 | NA | 898 | 15 | - | 913 | 898 | - | - | 898 |
| | | | | | 717,217 | 252,606 | 3,280 | 973,103 | 228,035 | 245,752 | 3,278 | 477,065 |

EMAAN ISLAMIC BANKING BUSINESS

FOR THE YEAR ENDED DECEMBER 31, 2017

Annexure - II

The Bank is operating with 30 Islamic Banking branches at the end of 2017 (2016: 10). The statement of financial position and profit and loss account of these branches as at December 31, 2017 and for the year are as follows:

| | Note | 2017 | 2016 |
|---|-----------|-------------------|------------|
| | | Rupees in '000 | |
| A) STATEMENT OF FINANCIAL POSITION | | | |
| ASSETS | | | |
| Cash and balances with treasury banks | | 1,019,435 | 1,094,979 |
| Balances with other banks | | 24,445 | 24,214 |
| Due from financial institutions | | - | 919,857 |
| Investments | | 1,670,391 | 981,480 |
| Islamic financing and related assets | A-2.1 | 17,527,355 | 8,222,658 |
| Operating fixed assets | | 213,197 | 94,118 |
| Other assets | | 814,011 | 1,299,245 |
| | | 21,268,834 | 12,636,551 |
| LIABILITIES | | | |
| Bills payable | | 609,142 | 491,048 |
| Due to financial institutions | | - | - |
| Deposits and other accounts | | | |
| - Current accounts | | 4,344,680 | 2,772,405 |
| - Saving accounts | | 2,080,377 | 1,510,460 |
| - Term deposits | | 3,517,899 | 2,432,477 |
| - Others | | 71,759 | 38,015 |
| - Deposit from financial institutions - remunerative | | 4,241,823 | 4,147,991 |
| - Deposits from financial institutions - non-remunerative | | - | 39 |
| Other liabilities | | 3,808,701 | 51,207 |
| | | 18,674,381 | 11,443,642 |
| NET ASSETS | | 2,594,453 | 1,192,909 |
| REPRESENTED BY: | | | |
| Islamic Banking Fund | | 2,325,000 | 1,325,000 |
| Reserves | | - | - |
| Unappropriated profit / (Accumulated loss) | | 275,943 | (130,526) |
| Deficit on revaluation of assets | | 2,600,944 | 1,194,474 |
| | | (6,491) | (1,565) |
| | | 2,594,453 | 1,192,909 |
| Contingencies and commitments | A-2.2 | | |
| A-2.1 Islamic financing and related assets | | | |
| Murabaha | A-2.1.1 | 1,017,436 | 1,228,192 |
| Musawammah | A-2.1.2 | 642,768 | 887,155 |
| Diminishing Musharaka | | 15,867,151 | 6,107,311 |
| | | 17,527,355 | 8,222,658 |
| A-2.1.1 Murabaha | | | |
| Financing / receivables | | 910,838 | 683,057 |
| Advances | | 106,598 | 545,135 |
| | A-2.1.1.1 | 1,017,436 | 1,228,192 |

EMAAN ISLAMIC BANKING BUSINESS

FOR THE YEAR ENDED DECEMBER 31, 2017

Annexure - II

| | 2017 | 2016 |
|---|------------------|------------------|
| | Rupees in '000 | |
| A-2.1.1.1 Murabaha - gross | 1,152,338 | 1,323,877 |
| Less: Deferred income | (27,363) | (28,413) |
| Profit receivable shown in other assets | (107,539) | (67,272) |
| | 1,017,436 | 1,228,192 |
| A-2.1.2 Musawammah - gross | 807,609 | 1,181,709 |
| Less: Deferred income | (71,863) | (164,585) |
| Profit receivable shown in other assets | (92,978) | (129,969) |
| | 642,768 | 887,155 |
| A-2.2 Contingencies and commitments | | |
| Guarantees favoring | | |
| Government | - | 12,118 |
| Banking companies and other financial institutions | 1,512,849 | 1,255,214 |
| Others | - | - |
| Commitments in respect of forward exchange contracts | | |
| Forward exchange contracts with State Bank of Pakistan, banks and other institutions | 66,289 | - |
| Sale | 66,289 | - |
| Purchase | 1,513,433 | 1,255,925 |
| Commitments in respect of | | |
| Property, civil work and equipment | 172,479 | - |
| B) REMUNERATION TO SHARIA BOARD | 10,371 | 9,750 |
| C) During the year no charity was credited to Charity Fund account nor any payment made out of it. | | |

EMAAN ISLAMIC BANKING BUSINESS

FOR THE YEAR ENDED DECEMBER 31, 2017

Annexure - II

D) PROFIT AND LOSS ACCOUNT

| | Note | 2017 | 2016 |
|--|------|------------------|------------------|
| | | Rupees in '000 | |
| Profit / return earned on financings, investments and placements | | 1,274,327 | 717,486 |
| Return on deposits and others dues expensed | | (490,666) | (347,484) |
| Net spread earned | | 783,661 | 370,002 |
| Other income | | | |
| Fees, commission and brokerage income | | 24,380 | 8,180 |
| Income / (loss) from dealing in foreign currencies | | 14,830 | (122) |
| Gain / (loss) on sale of securities | | 929 | (601) |
| Other income | | 6,547 | 5,486 |
| | | 46,686 | 12,943 |
| | | 830,347 | 382,945 |
| Other expenses | | | |
| Administrative expenses | | (410,484) | (334,223) |
| Other provisions / write offs - net | | (4,989) | - |
| Other charges | 32 | (8,404) | (351) |
| | | (423,877) | (334,574) |
| Profit before taxation | | 406,470 | 48,371 |

E) DISCLOSURES

The number and nature of pools maintained by the IBD along with their key features and risk and reward characteristics are as follows:

Emaan Islamic Banking, the Islamic Banking Division (IBD) of Silkbank Limited, has a well-defined profit and loss distribution and pool management framework for creation of one or more pools of assets to be financed by different types of deposits. Currently, the IBD has the policy of maintaining a single Mudaraba Pool. All funds obtained through Islamic Banking operations are being invested in this Common Mudaraba Pool. The key features and risk / reward features of the same are given below:

Key features

The Account Holder, in his capacity as the fund provider (called Rabbul Mal in Fiqh terminology) authorises the IBD acting as the investment manager (called Mudarib in Fiqh terminology) to invest the Account Holder's funds on the basis of an unrestricted Mudaraba agreement in line with rules and principles of Shari'a.

Under the unrestricted Mudaraba agreement, the IBD in its capacity as the fund manager invests the funds accepted from Account Holders in Shari'a compliant financing and investments. The IBD receives a pre-agreed percentage (Mudarib Share) of the profit generated from these activities.

In line with the principles of commingling Modaraba, where the Mudarib is permitted to commingle its own funds with the funds received on the basis of the Modaraba, and to comply with the regulations of the SBP on creation of an Islamic Banking Fund (the "IBF"), Silkbank had created an Islamic Banking Fund of Rs. 425 million which was subsequently increased to Rs. 2,325 million and has been deposited in its common Modaraba pool.

EMAAN ISLAMIC BANKING BUSINESS

FOR THE YEAR ENDED DECEMBER 31, 2017

Annexure - II

Risk and reward characteristics

The profit is shared between the Rabbul Mal and the Mudarib as per the agreed ratio, while the loss, if any, is borne by the Rabbul Mal in proportion to his invested amount unless the Mudarib is found to be negligent or in breach of the terms and conditions of the Mudaraba Agreement.

In case of commingling of the Mudarib's own funds with the funds of the Account Holders, the Mudarib shall get the full profit of its own funds and bear the entire loss thereof.

Profit (or loss) for the Account Holder is calculated on the basis of a weightage system which takes into consideration the size of funds, its period and profit payment frequency (details of the weightages are available in all the branches and Silkbank's website). The bigger the size of the fund and the longer the tenor, the higher would be the weightage allocated to the fund for profit distribution.

Profit Rate and Weightages announcement period

The profit sharing ratio, profit rate and weightages are announced monthly. Although SBP allows to revise the profit sharing ratio and weightages for the period concerned, EIB has revised the Profit Sharing Ratio (PSR) only once during the year 2017. The weightages, however, were not revised and remained same during the year 2017.

Avenues / sectors of economy / business where Modaraba based deposits have been deployed.

Madaraba based funds have been deployed to diversified sectors and avenues of the economy / business mainly to: Government, Financial Institutions, Construction, Telecommunication, Manufacturing and Services sectors.

Parameters used for allocation of profit, charging expenses and provisions etc. along with a brief description of their major components

The profit of deposit pool is calculated on the earning assets booked by utilising the funds from the pool. No general or administrative nature of expense is charged to the pool. The profit of the pool is shared among the members of the pool on pre-defined mechanism based on the weightages announced before the profit calculation period.

Profit and loss distribution in Common Mudaraba Pool

2017

| General Depositors Pool | Mudarib Share - net of Hiba and including the Mudarib Fee ('000) | Mudarib Share - net of Hiba and including the Mudarib Fee (%) | Amount of Mudarib share transferred to depositors through Hiba ('000) | Profit Rate and Weightages announcement period | Mudarib share transferred to depositors through Hiba (%) | Profit Rate earned (%) | Profit Rate distributed (%) |
|-------------------------|--|---|---|--|--|------------------------|-----------------------------|
| Common Mudaraba Pool | 388,211 | 31.42% | - | Monthly | 0.00% | 9.45% | 5.21% |

2016

| General Depositors Pool | Mudarib Share - net of Hiba and including the Mudarib Fee ('000) | Mudarib Share - net of Hiba and including the Mudarib Fee (%) | Amount of Mudarib share transferred to depositors through Hiba ('000) | Profit Rate and Weightages announcement period | Mudarib share transferred to depositors through Hiba (%) | Profit Rate earned (%) | Profit Rate distributed (%) |
|-------------------------|--|---|---|--|--|------------------------|-----------------------------|
| Common Mudaraba Pool | 173,511 | 26.39% | 28,055 | Monthly | 16.17% | 9.95% | 4.60% |



HIGHLIGHTS AND ACHIEVEMENTS

SHINING EXCEPTIONALLY

Our vision to transcend towards excellence has kept us motivated throughout the year 2017, making our journey reflect our endless commitment and dedication in providing an evolutionary banking experience. At Silkbank, we believe that our success goes parallel to our customers, hence ending a milestone year with a satisfied customer-base.

FULFILLING OUR RESPONSIBILITIES



Atraaf Urdu Essay Writing Competition

Monthly Atraaf, in partnership with Silkbank, arranged an Urdu Essay Writing Competition, in which students from numerous universities and colleges participated from across the country. The event was attended by many known personalities, which included Mr. Toshikazu Isomura (Consul General, Consulate General of Japan in Karachi), Prof. Dr. Syed Shabib ul Hassan (Vice Chancellor, Hamdard University), Dr. Syed Jaffer Ahmed, Prof. Farhat Azeem, Prof. Dr. Engr. Jamal Naqvi, Justice (R) Haziqul Khairi, and the famous actor, Mr. Talat Hussain.

Mr. Toshikazu Isomura (Consul General, Consulate General of Japan in Karachi) expressed his gratitude in Urdu for being invited to the event and congratulated Atraaf & Silkbank for organizing the event.

Mr. Shaukat Tarin (Advisor to Chairman, Silkbank) expressed his views on the importance of Urdu language and its revival, assuring that Silkbank will always assist in organizing such events for promotion of Urdu Literature in the coming years.



Us Gali Na Jawin

Unlike most mainstream banks, focusing on sports, movies and entertainment, we at Silkbanks believe in associations with meaningful causes. 'Us Gali Na Jawin' is a 55 minute solo stand-up performance by none other than the maestro himself; Mr. Shakeel. The play, which is inspired by Intizar Hussain's literary notes, addresses the major social issues of our country and shares ideas and initiatives to overcome these concerns. As part of our CSR program, Silkbanks believes in serving businesses that not just benefit our networks, but primarily improves the society as a whole.



Leisure Leagues

Football is a popular sport worldwide with a huge fan-following from Pakistan. Silkbanks, in collaboration with World Group and Nokia, organized a football event 'Ronaldinho and Friends', with a purpose of reviving the much-loved sport nationwide.

The event was welcomed with enthusiasm by the football-loving youth of Pakistan, as it featured 8 international football superstars including David James, George Boateng, Luis Bova, Nicolas Anelka, Robert Pires, Roberto Carlos, Ranaldinho, and Ryann Giggs.

This nationwide initiative created a platform for the local talent of Pakistan to not only showcase their capabilities on the grounds of international standards, but also make a name for themselves in

the international world of football. These exciting matches left a message that Pakistan is a sports loving country; encouraging international engagements.

Silkbanks continues to be a part of initiatives that add value and growth of international sports in Pakistan.



IBA Career Fair

In March 2017, IBA Placement Department organized a Career Fair with over 50 companies participating in a daylong event. We received more than 400 resumes for the Management Trainee Program, Internships and lateral positions. We briefed students about the products & services of Silkbanks and also counselled them for their upcoming professional life, leaving a positive impression of the Bank and making it an employer of choice. Other companies, mainly banks, that participated in the Career Fair included HBL, UBL, SCB, Bank Alfalah, Citibank, Bank Al Habib, JS Bank, Habib Metropolitan Bank, Allied Bank, Meezan Bank, and Al Baraka Bank. This also provided us with an excellent networking platform within the industry.

We also met with the IBA Placement office representatives and discussed the potential hiring of MTs & Interns in Silkbanks from all leading business schools of Pakistan. We will continue to participate in such events which promote Employer Branding and support us in making Silkbanks an 'Employer of Choice'.





SHAREHOLDING INFORMATION

ILLUMINATING
BRILLIANCE

The trust of shareholders plays an essential part in taking the organization to heights. At Silkbank, we truly hold our shareholders in high esteem, making their interests our priority. The figures of 2017 reflect growth, making it a prosperous year for them. And together with high spirits to reach new statures, we transcend towards excellence.

ADDITIONAL SHAREHOLDERS' INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

COMBINED PATTERN OF CDC & PHYSICAL SHAREHOLDINGS AS AT DECEMBER 31, 2017

| No. | Categories/Sub-Categories of Shareholders | Number of Shares Held | Category-Wise No. of Folios/ CDC Account | Category-Wise Shares Held | Percentage |
|-----|--|-----------------------|--|---------------------------|-------------------|
| 01 | DIRECTORS, CHIEF EXECUTIVE OFFICER AND THEIR SPOUSE(S) AND | | 9 | 439,569,686 | 4.84 |
| | Mr. Munnawar Hamid, OBE | 12,574 | | | |
| | Mr. Khalid Aziz Mirza | 500 | | | |
| | Mr. Shahzad Murad | 500,000 | | | |
| | Mr. Tariq Iqbal Khan | 16,997 | | | |
| | Mr. Shamsul Hasan | 500 | | | |
| | Mr. Zubair Nawaz Chattha | 415,626,000 | | | |
| | Mr. Azmat Tarin | 20,013,115 | | | |
| | Mrs. Farah Naz Tarin W/o Azmat Tarin | 200,000 | | | |
| | Mrs. Saima Shahzad Murad W/o Shahzad Murad | 3,200,000 | | | |
| 02 | ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES | | 6 | 5,666,262,093 | 62.39 |
| | Arif Habib Corporation Limited | 2,563,901,924 | | | 28.23 |
| | Mr. Shaukat Tarin* | 1,049,091,791 | | | 11.55 |
| | International Finance Corporation | 702,689,067 | | | 7.74 |
| | Mr. Zulqarnain Nawaz Chattha | 678,126,000 | | | 7.47 |
| | Nomura European Investment Limited | 356,676,342 | | | 3.93 |
| | Bank Muscat S.A.O.G | 315,776,969 | | | 3.48 |
| 03 | EXECUTIVES | | 15 | 40,945,198 | 0.45 |
| 04 | PUBLIC SECTOR COMPANIES AND CORPORATIONS | | 7 | 45,786,652 | 0.50 |
| 05 | BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS | | 7 | 3,394,278 | 0.04 |
| 06 | MUTUAL FUNDS | | 1 | 20,880,417 | 0.23 |
| 07 | General Public Foreign | | 10 | 259,396,926 | 2.86 |
| 08 | Foreign Companies | | 1 | 18,226,818 | 0.20 |
| 09 | Others | | 94 | 444,319,655 | 4.89 |
| 10 | General Public Local | | 8,390 | 2,143,079,514 | 23.60 |
| | TOTAL | | 8,540 | 9,081,861,237 | 100.00 |
| | SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE BANK | | | | |
| | TOTAL PAID UP CAPITAL OF THE BANK | | | 9,081,861,237 Shares | |
| | 5% OF THE PAID UP CAPITAL OF THE BANK | | | 454,093,061 Shares | |
| | NAME(S) OF SHAREHOLDERS(S) | | NO. OF SHARES HELD | | PERCENTAGE |
| | Arif Habib Corporation Limited | | 2,563,901,924 | | 28.23 |
| | Mr. Shaukat Tarin* | | 1,049,091,791 | | 11.55 |
| | International Finance Corporation | | 702,689,067 | | 7.74 |
| | Mr. Zulqarnain Nawaz Chattha | | 678,126,000 | | 7.47 |
| | Nomura European Investment Limited | | 356,676,342 | | 3.93 |
| | Bank Muscat S.A.O.G | | 315,776,969 | | 3.48 |

* The total shareholding of Mr. Shaukat Tarin actually stands at 1,106,091,791 shares, i.e. 12.18% in the Bank, out of which as of December 31, 2017, an amount of fifty seven million (57,000,000) shares of Mr. Shaukat Tarin have been kept with Pearl Securities Limited. During the year, there was no trading in Silkbank shares carried out by any of the Directors and Executives or their spouses and minor children.

PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2017

SILKBANK LIMITED

COMBINED PATTERN OF CDC & PHYSICAL SHAREHOLDINGS AS AT DECEMBER 31, 2017

| No. of Shareholders | Shareholdings' Slab | | Total Shares Held |
|---------------------|---------------------|--|-------------------|
| 506 | 1 to 100 | | 12,754 |
| 723 | 101 to 500 | | 297,368 |
| 695 | 501 to 1000 | | 652,266 |
| 2047 | 1001 to 5000 | | 6,471,625 |
| 1096 | 5001 to 10000 | | 9,280,370 |
| 446 | 10001 to 15000 | | 5,821,146 |
| 380 | 15001 to 20000 | | 7,076,943 |
| 287 | 20001 to 25000 | | 6,786,072 |
| 173 | 25001 to 30000 | | 4,937,318 |
| 143 | 30001 to 35000 | | 4,798,565 |
| 100 | 35001 to 40000 | | 3,858,450 |
| 72 | 40001 to 45000 | | 3,104,470 |
| 253 | 45001 to 50000 | | 12,552,804 |
| 74 | 50001 to 55000 | | 3,872,154 |
| 73 | 55001 to 60000 | | 4,273,639 |
| 56 | 60001 to 65000 | | 3,546,738 |
| 55 | 65001 to 70000 | | 3,784,638 |
| 48 | 70001 to 75000 | | 3,544,424 |
| 24 | 75001 to 80000 | | 1,881,295 |
| 39 | 80001 to 85000 | | 3,261,299 |
| 21 | 85001 to 90000 | | 1,868,440 |
| 13 | 90001 to 95000 | | 1,214,252 |
| 244 | 95001 to 100000 | | 24,359,735 |
| 40 | 100001 to 105000 | | 4,088,834 |
| 30 | 105001 to 110000 | | 3,261,136 |
| 25 | 110001 to 115000 | | 2,816,950 |
| 28 | 115001 to 120000 | | 3,330,217 |
| 21 | 120001 to 125000 | | 2,591,803 |
| 12 | 125001 to 130000 | | 1,542,986 |
| 11 | 130001 to 135000 | | 1,468,381 |
| 19 | 135001 to 140000 | | 2,622,048 |
| 6 | 140001 to 145000 | | 856,277 |
| 34 | 145001 to 150000 | | 5,090,008 |
| 11 | 150001 to 155000 | | 1,673,209 |
| 14 | 155001 to 160000 | | 2,216,056 |
| 12 | 160001 to 165000 | | 1,969,000 |
| 22 | 165001 to 170000 | | 3,723,589 |
| 6 | 170001 to 175000 | | 1,040,651 |
| 10 | 175001 to 180000 | | 1,780,733 |
| 7 | 180001 to 185000 | | 1,279,274 |
| 6 | 185001 to 190000 | | 1,133,526 |
| 10 | 190001 to 195000 | | 1,927,426 |
| 64 | 195001 to 200000 | | 12,792,259 |
| 16 | 200001 to 205000 | | 3,245,148 |
| 11 | 205001 to 210000 | | 2,290,404 |
| 10 | 210001 to 215000 | | 2,133,000 |

| No. of Shareholders | Shareholdings' Slab | | Total Shares Held |
|---------------------|---------------------|--|-------------------|
| 8 | 215001 to 220000 | | 1,739,361 |
| 2 | 220001 to 225000 | | 446,167 |
| 6 | 225001 to 230000 | | 1,372,204 |
| 1 | 230001 to 235000 | | 234,490 |
| 8 | 235001 to 240000 | | 1,911,428 |
| 3 | 240001 to 245000 | | 728,000 |
| 15 | 245001 to 250000 | | 3,744,568 |
| 4 | 250001 to 255000 | | 1,006,697 |
| 2 | 255001 to 260000 | | 516,000 |
| 2 | 260001 to 265000 | | 528,000 |
| 3 | 265001 to 270000 | | 805,466 |
| 8 | 270001 to 275000 | | 2,192,664 |
| 6 | 275001 to 280000 | | 1,675,744 |
| 2 | 280001 to 285000 | | 565,450 |
| 3 | 285001 to 290000 | | 863,460 |
| 3 | 290001 to 295000 | | 879,500 |
| 33 | 295001 to 300000 | | 9,891,961 |
| 7 | 300001 to 305000 | | 2,117,806 |
| 3 | 305001 to 310000 | | 925,946 |
| 3 | 310001 to 315000 | | 934,391 |
| 2 | 315001 to 320000 | | 639,500 |
| 4 | 320001 to 325000 | | 1,296,736 |
| 6 | 325001 to 330000 | | 1,966,661 |
| 1 | 330001 to 335000 | | 332,500 |
| 12 | 335001 to 340000 | | 4,074,826 |
| 2 | 340001 to 345000 | | 687,319 |
| 8 | 345001 to 350000 | | 2,792,219 |
| 3 | 350001 to 355000 | | 1,055,638 |
| 2 | 355001 to 360000 | | 717,685 |
| 2 | 360001 to 365000 | | 726,000 |
| 2 | 365001 to 370000 | | 731,513 |
| 3 | 370001 to 375000 | | 1,123,332 |
| 4 | 375001 to 380000 | | 1,513,470 |
| 2 | 380001 to 385000 | | 761,500 |
| 1 | 385001 to 390000 | | 390,000 |
| 1 | 390001 to 395000 | | 391,000 |
| 16 | 395001 to 400000 | | 6,397,222 |
| 4 | 400001 to 405000 | | 1,604,960 |
| 2 | 405001 to 410000 | | 813,019 |
| 3 | 420001 to 425000 | | 1,271,382 |
| 2 | 425001 to 430000 | | 857,500 |
| 1 | 430001 to 435000 | | 435,000 |
| 1 | 435001 to 440000 | | 435,302 |
| 5 | 445001 to 450000 | | 2,250,000 |
| 2 | 450001 to 455000 | | 903,500 |
| 2 | 455001 to 460000 | | 913,248 |

PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2017

SILKBANK LIMITED

COMBINED PATTERN OF CDC & PHYSICAL SHAREHOLDINGS AS AT DECEMBER 31, 2017

| No. of Shareholders | Shareholdings' Slab | Total Shares Held |
|---------------------|---------------------|-------------------|
| 4 | 460001 to 465000 | 1,849,557 |
| 1 | 465001 to 470000 | 470,000 |
| 3 | 470001 to 475000 | 1,418,051 |
| 1 | 475001 to 480000 | 480,000 |
| 1 | 480001 to 485000 | 482,928 |
| 3 | 485001 to 490000 | 1,462,499 |
| 4 | 490001 to 495000 | 1,976,500 |
| 30 | 495001 to 500000 | 14,991,036 |
| 1 | 500001 to 505000 | 504,811 |
| 6 | 505001 to 510000 | 3,059,640 |
| 4 | 510001 to 515000 | 2,044,699 |
| 1 | 515001 to 520000 | 516,940 |
| 3 | 520001 to 525000 | 1,574,717 |
| 2 | 525001 to 530000 | 1,057,000 |
| 1 | 530001 to 535000 | 531,315 |
| 2 | 545001 to 550000 | 1,096,000 |
| 3 | 550001 to 555000 | 1,655,454 |
| 1 | 560001 to 565000 | 565,000 |
| 1 | 565001 to 570000 | 569,500 |
| 1 | 570001 to 575000 | 573,992 |
| 2 | 575001 to 580000 | 1,154,510 |
| 2 | 580001 to 585000 | 1,166,000 |
| 2 | 585001 to 590000 | 1,177,110 |
| 1 | 590001 to 595000 | 593,517 |
| 8 | 595001 to 600000 | 4,798,000 |
| 1 | 600001 to 605000 | 604,102 |
| 1 | 615001 to 620000 | 620,000 |
| 3 | 620001 to 625000 | 1,868,500 |
| 1 | 625001 to 630000 | 630,000 |
| 1 | 630001 to 635000 | 635,000 |
| 1 | 635001 to 640000 | 636,336 |
| 1 | 640001 to 645000 | 640,787 |
| 6 | 645001 to 650000 | 3,895,500 |
| 2 | 650001 to 655000 | 1,304,823 |
| 1 | 655001 to 660000 | 655,500 |
| 3 | 670001 to 675000 | 2,017,038 |
| 4 | 675001 to 680000 | 2,719,640 |
| 1 | 685001 to 690000 | 690,000 |
| 1 | 690001 to 695000 | 693,233 |
| 5 | 695001 to 700000 | 3,494,000 |
| 2 | 700001 to 705000 | 1,402,511 |
| 1 | 705001 to 710000 | 706,000 |
| 1 | 725001 to 730000 | 725,970 |
| 1 | 730001 to 735000 | 734,000 |
| 1 | 745001 to 750000 | 745,500 |
| 1 | 750001 to 755000 | 750,500 |

| No. of Shareholders | Shareholdings' Slab | Total Shares Held |
|---------------------|---------------------|-------------------|
| 1 | 760001 to 765000 | 761,500 |
| 1 | 765001 to 770000 | 765,744 |
| 8 | 795001 to 800000 | 6,400,000 |
| 1 | 800001 to 805000 | 804,000 |
| 3 | 835001 to 840000 | 2,518,500 |
| 2 | 840001 to 845000 | 1,683,500 |
| 1 | 845001 to 850000 | 850,000 |
| 2 | 850001 to 855000 | 1,703,829 |
| 1 | 855001 to 860000 | 859,801 |
| 1 | 860001 to 865000 | 865,000 |
| 1 | 865001 to 870000 | 866,000 |
| 2 | 875001 to 880000 | 1,756,000 |
| 1 | 880001 to 885000 | 881,900 |
| 1 | 890001 to 895000 | 890,259 |
| 3 | 895001 to 900000 | 2,700,000 |
| 1 | 915001 to 920000 | 919,082 |
| 1 | 920001 to 925000 | 924,229 |
| 1 | 930001 to 935000 | 934,835 |
| 1 | 945001 to 950000 | 950,000 |
| 1 | 955001 to 960000 | 959,820 |
| 2 | 960001 to 965000 | 1,926,500 |
| 1 | 970001 to 975000 | 974,599 |
| 2 | 990001 to 995000 | 1,987,500 |
| 17 | 995001 to 1000000 | 16,997,781 |
| 2 | 1000001 to 1005000 | 2,001,920 |
| 1 | 1015001 to 1020000 | 1,020,000 |
| 1 | 1020001 to 1025000 | 1,025,000 |
| 1 | 1025001 to 1030000 | 1,026,000 |
| 1 | 1095001 to 1100000 | 1,100,000 |
| 1 | 1110001 to 1115000 | 1,111,041 |
| 1 | 1170001 to 1175000 | 1,172,500 |
| 2 | 1200001 to 1205000 | 2,401,975 |
| 1 | 1215001 to 1220000 | 1,220,000 |
| 1 | 1240001 to 1245000 | 1,240,492 |
| 2 | 1255001 to 1260000 | 2,515,070 |
| 1 | 1340001 to 1345000 | 1,345,000 |
| 3 | 1345001 to 1350000 | 4,046,905 |
| 1 | 1355001 to 1360000 | 1,359,764 |
| 1 | 1375001 to 1380000 | 1,376,789 |
| 1 | 1395001 to 1400000 | 1,397,161 |
| 1 | 1410001 to 1415000 | 1,410,994 |
| 1 | 1415001 to 1420000 | 1,416,000 |
| 1 | 1420001 to 1425000 | 1,421,000 |
| 2 | 1435001 to 1440000 | 2,879,581 |
| 1 | 1475001 to 1480000 | 1,477,000 |
| 2 | 1495001 to 1500000 | 3,000,000 |

PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2017

SILKBANK LIMITED

COMBINED PATTERN OF CDC & PHYSICAL SHAREHOLDINGS AS AT DECEMBER 31, 2017

| No. of Shareholders | Shareholdings' Slab | | Total Shares Held |
|---------------------|---------------------|------------|-------------------|
| 1 | 1500001 | to 1505000 | 1,500,100 |
| 1 | 1515001 | to 1520000 | 1,518,824 |
| 2 | 1540001 | to 1545000 | 3,086,450 |
| 2 | 1545001 | to 1550000 | 3,098,866 |
| 2 | 1570001 | to 1575000 | 3,146,420 |
| 1 | 1625001 | to 1630000 | 1,627,500 |
| 1 | 1645001 | to 1650000 | 1,650,000 |
| 2 | 1655001 | to 1660000 | 3,320,000 |
| 2 | 1675001 | to 1680000 | 3,356,500 |
| 1 | 1695001 | to 1700000 | 1,699,701 |
| 1 | 1700001 | to 1705000 | 1,700,022 |
| 1 | 1715001 | to 1720000 | 1,718,945 |
| 1 | 1745001 | to 1750000 | 1,747,116 |
| 1 | 1830001 | to 1835000 | 1,833,663 |
| 1 | 1865001 | to 1870000 | 1,869,671 |
| 1 | 1875001 | to 1880000 | 1,877,599 |
| 1 | 1890001 | to 1895000 | 1,892,500 |
| 2 | 1895001 | to 1900000 | 3,798,000 |
| 1 | 1900001 | to 1905000 | 1,905,000 |
| 1 | 1950001 | to 1955000 | 1,954,657 |
| 1 | 1965001 | to 1970000 | 1,965,500 |
| 1 | 1970001 | to 1975000 | 1,972,281 |
| 8 | 1995001 | to 2000000 | 16,000,000 |
| 1 | 2010001 | to 2015000 | 2,015,000 |
| 1 | 2040001 | to 2045000 | 2,041,500 |
| 1 | 2055001 | to 2060000 | 2,057,402 |
| 1 | 2095001 | to 2100000 | 2,100,000 |
| 1 | 2275001 | to 2280000 | 2,276,500 |
| 1 | 2280001 | to 2285000 | 2,282,046 |
| 1 | 2400001 | to 2405000 | 2,400,018 |
| 1 | 2485001 | to 2490000 | 2,486,827 |
| 1 | 2495001 | to 2500000 | 2,500,000 |
| 1 | 2720001 | to 2725000 | 2,722,176 |
| 1 | 2740001 | to 2745000 | 2,744,500 |
| 1 | 2750001 | to 2755000 | 2,751,788 |
| 1 | 2795001 | to 2800000 | 2,800,000 |
| 1 | 2860001 | to 2865000 | 2,863,153 |
| 1 | 2920001 | to 2925000 | 2,925,000 |
| 1 | 2990001 | to 2995000 | 2,991,000 |
| 1 | 2995001 | to 3000000 | 3,000,000 |
| 1 | 3060001 | to 3065000 | 3,062,000 |
| 1 | 3140001 | to 3145000 | 3,143,056 |
| 1 | 3195001 | to 3200000 | 3,200,000 |
| 1 | 3295001 | to 3300000 | 3,300,000 |
| 1 | 3395001 | to 3400000 | 3,399,603 |
| 1 | 3560001 | to 3565000 | 3,565,000 |

| No. of Shareholders | Shareholdings' Slab | | Total Shares Held |
|---------------------|---------------------|-------------|-------------------|
| 1 | 3580001 | to 3585000 | 3,581,000 |
| 1 | 3710001 | to 3715000 | 3,713,500 |
| 1 | 3835001 | to 3840000 | 3,836,147 |
| 1 | 3900001 | to 3905000 | 3,901,000 |
| 1 | 4065001 | to 4070000 | 4,065,500 |
| 1 | 4280001 | to 4285000 | 4,280,918 |
| 1 | 4640001 | to 4645000 | 4,644,500 |
| 1 | 4740001 | to 4745000 | 4,743,500 |
| 2 | 4995001 | to 5000000 | 10,000,000 |
| 1 | 5015001 | to 5020000 | 5,016,419 |
| 1 | 5435001 | to 5440000 | 5,436,324 |
| 1 | 5620001 | to 5625000 | 5,621,089 |
| 1 | 5995001 | to 6000000 | 6,000,000 |
| 1 | 6175001 | to 6180000 | 6,176,082 |
| 1 | 6280001 | to 6285000 | 6,283,209 |
| 1 | 6710001 | to 6715000 | 6,713,173 |
| 1 | 6835001 | to 6840000 | 6,839,054 |
| 1 | 6960001 | to 6965000 | 6,963,676 |
| 1 | 7150001 | to 7155000 | 7,150,500 |
| 1 | 7260001 | to 7265000 | 7,261,124 |
| 1 | 7580001 | to 7585000 | 7,584,500 |
| 1 | 7615001 | to 7620000 | 7,618,500 |
| 1 | 8390001 | to 8395000 | 8,392,000 |
| 1 | 8795001 | to 8800000 | 8,800,000 |
| 1 | 9995001 | to 10000000 | 10,000,000 |
| 1 | 10905001 | to 10910000 | 10,909,000 |
| 1 | 11780001 | to 11785000 | 11,782,500 |
| 1 | 12540001 | to 12545000 | 12,543,796 |
| 1 | 12925001 | to 12930000 | 12,927,719 |
| 1 | 13000001 | to 13005000 | 13,002,000 |
| 1 | 13170001 | to 13175000 | 13,174,061 |
| 1 | 13395001 | to 13400000 | 13,400,000 |
| 1 | 14190001 | to 14195000 | 14,193,500 |
| 1 | 15230001 | to 15235000 | 15,233,500 |
| 1 | 16465001 | to 16470000 | 16,467,577 |
| 1 | 18225001 | to 18230000 | 18,226,818 |
| 1 | 20880001 | to 20885000 | 20,880,417 |
| 1 | 21815001 | to 21820000 | 21,818,500 |
| 1 | 23795001 | to 23800000 | 23,797,288 |
| 1 | 24720001 | to 24725000 | 24,724,029 |
| 1 | 24995001 | to 25000000 | 25,000,000 |
| 1 | 28675001 | to 28680000 | 28,676,471 |
| 1 | 31960001 | to 31965000 | 31,962,500 |
| 1 | 36225001 | to 36230000 | 36,228,668 |
| 1 | 37495001 | to 37500000 | 37,500,000 |
| 1 | 53020001 | to 53025000 | 53,020,288 |

PATTERN OF SHAREHOLDING

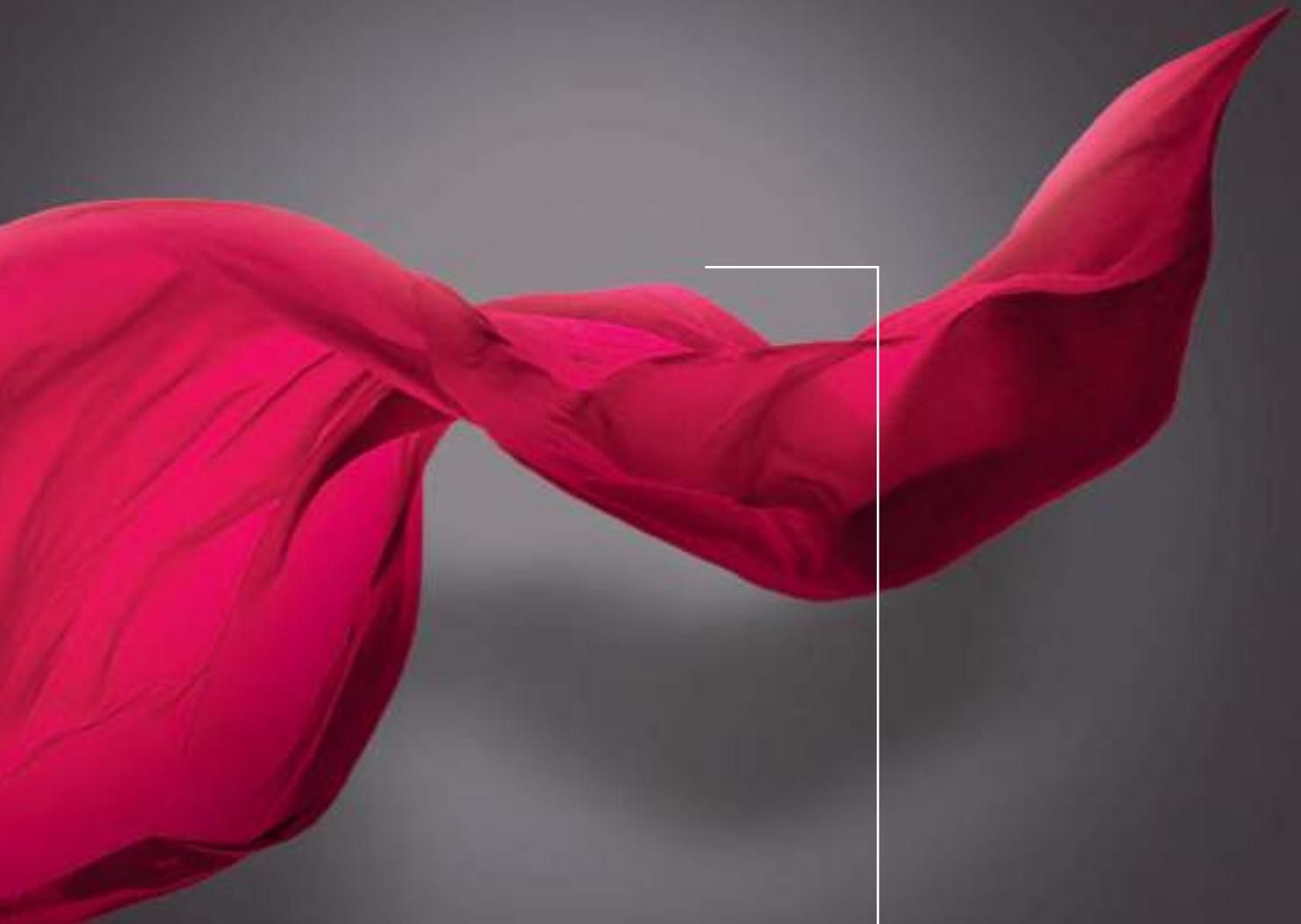
AS AT DECEMBER 31, 2017

SILKBANK LIMITED

COMBINED PATTERN OF CDC & PHYSICAL SHAREHOLDINGS AS AT DECEMBER 31, 2017

| No. of Shareholders | Shareholdings' Slab | Total Shares Held |
|---------------------|------------------------|-------------------|
| 1 | 55880001 to 55885000 | 55,882,353 |
| 1 | 56995001 to 57000000 | 57,000,000 |
| 1 | 77335001 to 77340000 | 77,335,346 |
| 1 | 82495001 to 82500000 | 82,498,616 |
| 1 | 86345001 to 86350000 | 86,349,442 |
| 1 | 114605001 to 114610000 | 114,607,807 |
| 1 | 122865001 to 122870000 | 122,868,193 |
| 1 | 152380001 to 152385000 | 152,382,353 |
| 1 | 252060001 to 252065000 | 252,061,010 |
| 1 | 253995001 to 254000000 | 254,000,000 |

| No. of Shareholders | Shareholdings' Slab | Total Shares Held |
|---------------------|--------------------------|----------------------|
| 1 | 315775001 to 315780000 | 315,776,969 |
| 4 | 320510001 to 320515000 | 1,282,051,282 |
| 1 | 356675001 to 356680000 | 356,676,342 |
| 1 | 364995001 to 365000000 | 365,000,000 |
| 1 | 415625001 to 415630000 | 415,626,000 |
| 1 | 678125001 to 678130000 | 678,126,000 |
| 1 | 702685001 to 702690000 | 702,689,067 |
| 1 | 2563900001 to 2563905000 | 2,563,901,924 |
| 8547 | | 9,081,861,237 |



“ Excellence isn’t
a one-week or
one-year ideal.
It’s a constant. ”

BRANCH NETWORK

ISLAMIC BANKING (SOUTH)

Shahbaz Shoukat
Branch Manager
Shahrah-e-Faisal Branch,
47-A, Dar-ul-Aman Housing Society,
P.E.C.H.S., Block 7/8,
Shahrah-e-Faisal, Karachi.
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(021) 34523099, 34521766
Fax: (021) 34533110

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Branch Manager
Clifton Branch,
Show Room No. 1, Plot No. D-69,
Block 7, Clifton, Karachi.
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(021) 35860637
Fax: (021) 35371839

Kamran Mahboob
Branch Manager
Quetta Branch,
M. A. Jinnah Road, Quetta.
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Fax: (081) 2866204

Syed Azim Raza
Branch Manager
University Road Branch,
Shop SB 07/1, Block 13-C, Ali
Centre, Gulshan-e-Iqbal, University
Road, Karachi.
Tel: (021) 34822024-8

Abu Tehseen
Branch Manager
Gulistan-e-Johar Branch,
Shop 10 & 11, Farhan Classic, Block
12, Gulistan-e-Johar, Karachi.
Tel: (021) 34383361

Qamar Ali Khan
Branch Manager
M.A.C.H.S. Branch,
Shop No. 2F, Muhammad Ali
Jauhar, Memorial Cooperative
Housing Society, Karachi.
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Allah Ditto
Branch Operation Manager
Nawabshah Branch,
Muhalia Latifabad, Near Habib
Masjid, Camp No. 2, Dour Road,
Nawabshah.
Tel: (024) 4360386-9

Urooj Fatima
Branch Manager
Saba Avenue Branch,
Saba Avenue, 59-C,
Shahbaz Lane No. 4, Phase-VI,
DHA, Karachi.
Tel: (021)

Raja M Farooq
Branch Operation Manager
Tariq Road Branch,
Plot No. 313-C, Central Commercial
Area, Block-2, Karachi.
Tel: (021) 34383362-5

Pervaiz Khan
Branch Operation Manager
Khayaban-e-Shujaat DHA Branch,
Bukhari Commercial, 22C/1,
Lane 13, Bukhari Commercial,
Phase-VI, DHA, Karachi.
Tel: (021) 35845121-5

Anjum Rafiq
Branch Manager
Faisalabad Branch,
6C-Z-101, Susan Road,
Madina Town, Faisalabad.
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Fax: (041) 8503416

Ussama Salman Anwar
Branch Manager
DHA T Block Branch,
50 Commercial Area, Phase-II,
DHA, Lahore.
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(042) 35748848
Fax: (042) 35707637

Muhammad Ali
Branch Manager
Gulberg Mini Market, Q Block
Branch,
6-Q Block, Gulberg-II, Lahore.
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Fax: (042) 35764076

Ali Bokhari
Branch Manager
College Road Branch,
523, Block 15, Sector B/1,
College Road, Township, Lahore.
Tel: (042) 35217563-5

Zulfiquar Ali Nasir
Branch Manager
Allama Iqbal Town Branch,
9, Olympia Street, Main Boulevard,
Allama Iqbal Town, Lahore.
Tel: (042) 37800752

Muhammad Mubashir
Branch Manager
Circular Road Branch,
51, S-E, Voora Building,
Circular Road, Lahore.
Tel: (042) 37379517,
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Fax: (042) 37379519

Adnan Ijaz
Acting Branch Manager
Mall Road Branch,
No. 23, The Mall, Opp. Lahore
High Court, Lahore.
Tel: (042) 37234579

Shahid Anjum
Branch Manager
Multan Branch,
No. 23 & 24, A-Block,
Model Town, Multan.
Tel: (061) 6522413

Ms. Rubina Hassan
Branch Manager
Gulberg Branch,
Plot No. 16/2, Property No. 16,
Old No. 88, Main Gulberg-II, Lahore.
Tel: (042) 35776942

ISLAMIC BANKING (NORTH)

Sonia Usman
Branch Manager
F-8 Markaz Branch,
Plot No. 8-C, Shahwaiq Centre,
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Fax: (051) 2287454

Mohsin Ali
Branch Manager
Chaklala Scheme 3 Branch,
Plot No. 46, Commercial Area,
Chaklala, Scheme-III, Rawalpindi.
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(051) 5766151-52, 5153953
Fax: (051) 5766150

Qazi Basharat-ul-Haq
Branch Manager
Abbottabad Branch,
Plot No. 7838, Opp. Daewoo
Terminal, Mandian, Manshera Road,
Abbottabad, KPK.
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PABX: (0992) 385978-79
Fax: (0992) 385976

Shakil Sardar
Branch Manager
Mardan Branch,
Silkbank Building, Mall Road,
Saddar Bazar, Mardan.
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(0937) 867455
Dir: (0937) 867557
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Ayaz Malik
Branch Manager
G-11 Markaz Branch,
Al Rehman Mall, Plot No. 33,
G-11 Markaz, Islamabad.
Tel: (051) 2364501-10,

Zarar Saeed Khan
Branch Manager
DHA Phase-II Branch,
Plot No. 64, Sector E,
Jinnah Boulevard, DHA Phase-II,
Islamabad.
Tel: (051) 5419440, 5419435

Atif Haroon
Branch Operations Manager
Jamrud Road Branch,
Shop No. 1, 2, 3, 4, Arbab Plaza,
Near Shell Petrol Pump,
Jamrud Road, Peshawar.
Tel: (091) 5611827

Muhammad Ilyas
Branch Manager
Muzaffarabad Branch,
Khasra No. 973, Moza Tariqabad,
Tehsil and District, Muzaffarabad.
Tel: (05822) 447260

Azhar Yousuf
Branch Manager
Chitta Batta Branch,
Khasra No. 967, Mouza Chitta
Batta, Tehsil and District, Mansehra.
Tel: (0997) 550722-4

Shakeel Akhtar
Branch Manager
Haripur Branch,
Khata/Khatoon No. 637-722,
Khasra No. 1862/152, 1865/152
And Khata/Khatoon No. 890/1028,
Khasra No. 1860/154, 1864/154,
Mouza Pandak, Tehsil and District,
Haripur.
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Saddam Haider
Branch Manager
Saddar Branch,
Survey No. 167/1, Mall 1, Mall Road,
Opp. AFIC, Rawalpindi.
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KARACHI REGION A & B

Ahmed Adeel Ibrahim
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Boat Basin Branch,
GPC-4, First Floor, Block-5,
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Muhammad Akmal Naseem
Area Manager
Karachi Main Branch,
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111-00-7455, Ext. 100
Fax: (021) 32275245

Sawera Adnan
Area Manager
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Ground Floor, ZN Tower,
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Co-operative Housing Society,
Block 3, K.C.H.S., Union Limited,
Bahadurabad, Karachi.
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(021) 34123416-20
Fax: (021) 34145182

Junaid Anam
Acting Branch Manager
Khalid Bin Waleed Road Branch,
Shop No. 1, 2, 3 & 4,
Plot No. 151-A, Khalid Bin Waleed
Road/Allama Iqbal Road, Block 2,
P.E.C.H.S., Karachi.
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(021) 34306521-23
Fax: (021) 34306524

Shahid Hussain Khan
Acting Branch Manager
M.A. Jinnah Road Branch,
Plot No. 40, Sheet No. 7,
Situated on Serai Quarters,
Off M.A. Jinnah Road, Karachi.
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Fax: (021) 32601312

Mehboob Afridi
Area Manager
Khayaban-e-Ittehad Branch,
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Main Khayaban-e-Ittehad,
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(021) 35312044, Ext. 207

Muhammad Abid
Branch Manager
Hyderabad Branch,
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Fax: (022) 2781192

Mir Adnan Jalil Brohi
Branch Manager
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Block 10/A, Saima Classic,
Main Rashid Minhas Road,
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Fax: (021) 34989654

Muhammad Ali
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Main University Road,
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Block 6, F. B. Area, K.D.A.
Scheme 16, Karachi.
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Fax: (021) 36342904

Salman Aslam
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Gulshan Chowrang Branch,
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Kamran Khatri
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DHA Shahbaz Branch,
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DHA, Karachi.
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Syed Fasih Haider Burney
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Karachi.
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(021) 35388018-20
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Korangi Industrial Area,
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Branch Manager
Quetta Branch,
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Quetta.
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Asghar Ali
Branch Manager
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GPC-4, Block-5, K.D.A., Scheme
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Fax: (021) 35301114

Naveed Anjum Syal
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DHA 26th Street Branch,
26th Street, Plot No. 23-C, Street
No. 37, Tauheed Commercial Area,
Phase-V, DHA, Karachi.
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(021) 35871479, Ext. 407
Fax: (021) 35871540

Muhammad Farroukh
Branch Manager
Saddar Branch,
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Abdullah Haroon Road, Karachi.
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Saleem Ahmed Siddiqui
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S.I.T.E. Branch,
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Industrial Trading Estate, Karachi.
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Syed Barkat Ali Shah
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P.E.C.H.S. Branch,
Shop No. S.5B, Al-Tijarah Center,
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Fax: (021) 34392040

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North Nazimabad Branch,
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Fax: (021) 36643263

Chaudhry Zafar Iqbal
Branch Manager
Badar Commercial Branch,
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Street No. 10, Phase-V, DHA,
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LAHORE EAST

Muhammad Naeem Dar
Regional General Manager
Main Branch,
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14 - Egerton Road, Lahore.
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Fax: (042) 36279272

Sheikh Moeen Rafiq
Branch Manager
Peco Road Branch,
57-1, B/1 Township,
Peco Road, Lahore.
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Amir Ilyas
Branch Manager
Allama Iqbal Town Branch,
6-Hunza Block,
Allama Iqbal Town, Lahore.
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(042) 37809314-15
Fax: (042) 37805866

Ghulam Rasool
Branch Manager
Thokar Niaz Baig Branch,
7-B, Judicial Colony, Raiwind Road,
Thokar Niaz Baig, Lahore.
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Fax: (042) 35314048

Umer Khan
Branch Manager
Shadman Town Branch,
119-A, Colony No. 1,
Shadman Town, Lahore.
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(042) 37420095
Fax: (042) 37420048

Muhammad Ghufran
Area / Chief Manager
Kotwali Road Branch,
Kotwali Road, Faisalabad.
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Fax: (041) 2619984

Abu Sufyan
Acting Operation Manager
Sheikhupura Branch,
Sharif Plaza, Main Lahore-Sargodha
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Fax: (056) 3810059

Saeed Ahmed Khan Niazi
Branch Manager
Sargodha Branch,
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Sargodha.
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| | | | | |
|--|---|--|--|--|
| Jamil Ahmed Branch Manager Johar Town Branch, Block 15, M.M.A., Johar Town, Lahore. Tel: (042) 35240990-92 Fax: (042) 35240993 | Nadeem Khawaja Area / Branch Manager Sialkot Branch, 70, Paris Road, Sialkot. Tel: (052) 4266778, 4597489, (052) 4597491 Fax: (052) 4589002 | MULTAN REGION | ISLAMABAD REGION | RAWALPINDI REGION |
| Farrukh Iqbal Branch Manager Shahalam Market Branch, 15-B, Shahalam Market, Lahore. Tel: (042) 37376186, (042) 37376780-82 Fax: (042) 37376183 | Farrukh Zafar Branch Manager Gujrat Branch, B-17/1553-R, Near Eidgah Masjid, G.T. Road, Gujrat. Tel: (053) 3531466, 3536262, (053) 3535144, 3531472 Fax: (053) 3531732 | Muhammad Raza Ali Regional General Manager Multan Branch, 10-A, Bosan Road, Gulgasht, Multan. Tel: (061) 6750260 Fax: (061) 6750253 | Mohsin Zia Regional General Manager Building No. 13-L, F-7 Markaz, Islamabad. Tel: (051) 2608121, 2656613 | Syed Qasim Rizvi Regional General Manager Laraib Plaza, Ground Floor, I-8 Markaz, Islamabad. Tel: (051) 4861000, 4861001-2 Fax: (051) 4861003 |
| Aqeel Mirza Branch Manager Raiwind Branch, Railway Road, Adjacent Red Chilli Restaurant, Raiwind. Tel: (042) 35393815, (042) 35393811-13 Fax: (042) 35393814 | Ayesha Hameed Branch Manager Gulberg Branch, 97-A/D-1, PEC Building, Liberty Roundabout, Gulberg III, Lahore. Tel: (042) 35878010-11, 35878351 Fax: (042) 35878012 | Amjad Altaf Branch Manager Bawhalpur Branch, Near Fawwara Chowk, Off Ahmedpur East Road, Bawhalpur. Tel: (062) 2876184, 2877520-21 Fax: (062) 2877531 | Muhammad Farooq Sarwar Area / Branch Manager Islamabad Main Branch, 93-Razia Sharif Plaza, Blue Area, Islamabad. Tel: (051) 2344663, (051) 2344662, 2802061-63 Fax: (051) 2344664 | Naveed Amjad Ali Branch Manager Rawalpindi Main Branch, Plot No. 60-A, Shop No. 11, Survey No. 265, Canning Road, Rawalpindi Cantt. Tel: (051) 5794165, 5512104-6 Fax: (051) 5524560 |
| Liaquat Ali Branch Manager Pull-111 Branch (Sargodha), Pull-111, Faisalabad Road, Sargodha. Tel: (048) 3791980-82 Fax: (048) 3791983 | Taifur Hamid Area / Branch Manager Garden Town Branch, Flat 1-4, Usman Block, New Garden Town, Lahore. Tel: (042) 35940306-9, 35940300 Fax: (042) 35940301 | Afshan Noreen Branch Manager Dera Ghazi Khan Branch, Block 13, Hospital Chowk, Opp. DHQ Hospital, Railway Road, Dera Ghazi Khan. Tel: (064) 2466682 Fax: (064) 2466683 | Rouf Jamal Area Manager Multan Branch, 10-A, Bosan Road, Gulgasht, Multan. Tel: (061) 6750251, 6750255, (061) 6750256 Fax: (061) 6750253 | Khurram Hanif Area / Branch Manager Westridge Branch, Plot No. 488-491, Westridge Bazar Road, Westridge-1, Rawalpindi. Tel: (051) 5491544, 5491540-2 Fax: (051) 5491543 |
| Mahmood A. Sheikh Branch Manager WAPDA Town Branch, 11-G, PIA Housing Society, (WAPDA Town Roundabout), Lahore. Tel: (042) 35188525, 35188520 Fax: (042) 35188519 | M. Taqi Raza Branch Manager Model Town Branch, 16, Bank Square Market, Model Town, Lahore. Tel: (042) 35915580-81, (042) 35915587 Fax: (042) 35915583 | Saira Raza Branch Manager Sahiwal Branch, Khasra No. 4998, Khawet No. 07, Kharoain No. 07, Jail Road, Civil Lines, Sahiwal. Tel: (040) 4222642, 4224184 Fax: (040) 4222915 | Tahir Ayub Khan Branch Manager F-10 Markaz Branch, Building No. 5-C, Unit No. 7 & 8, VIP Plaza, F-10 Markaz, Islamabad. Tel: (051) 2103104-6 Fax: (051) 2103108 | Asif Siddique Butt Area / Branch Manager Bahria Town Branch, Plot No. 92, Civic Centre, Bahria Town, Rawalpindi. Tel: (051) 5731705, 5731702-3 Fax: (051) 5731704 |
| Sheikh Ahmed Mumtaz Branch Manager Badami Bagh Branch, 203 Grain Market, Badami Bagh, Lahore. Tel: (042) 37731353 Fax: (042) 37731355 | Andleeb Hussain Branch Manager Mandi Bahauddin Branch, 7/40, Sultan Plaza, Chowk Bab-e-Faroog, Mandi Bahauddin. Tel: (0546) 507060, 507054-55 Fax: (0546) 507059 | Muhammad Ali Chughtai Branch Manager Fortress Stadium Branch, 13, Bridge Shop, Fortress Stadium, Lahore Cantt, Lahore. Tel: (042) 36623384-86, (042) 36623380 Fax: (042) 36623387 | Sajid Hassan Khan Area / Branch Manager E-11 Markaz Branch, Plot No. 3, E-11/3 Markaz, Islamabad. Tel: (051) 2228750, 2228746-48 Fax: (051) 2228749 | Muhammad Usman Qureshi Area / Branch Manager Rawalpindi Satellite Town Branch, Ground Floor, Munir Arcade, B-215, 4th Road, Satellite Town, Rawalpindi. Tel: (051) 4571383, 4571384, Fax: (051) 4571387 PABX: (051) 4571381-82 |
| Wasif Khalid Malik Branch Manager Circular Road Branch, 73, Circular Road, Lahore. Tel: (042) 37658564 Fax: (042) 37673831 | Ramiz Hassan Farooqui Branch Manager Kalma Chowki Branch, Plot No. 27-Tipu Block, New Garden Town, Main Ferozepur Road, Lahore. Tel: (042) 35857131-33, (042) 35857245 Fax: (042) 35857262 | Muhammad Arif Irfan Area Manager Larkana Branch, Station Road, Ground Floor, Sapna Hotel, Larkana. Tel: (074) 4059499 Fax: (074) 4059599 | Adil Jatoi Branch Manager Sukkur Branch, Husaini Road, Sukkur. Tel: (071) 5619141-43 Fax: (071) 5619151 | Sidra Tanveer Acting Branch Manager Bahria Town Phase-VIII Branch, 194, Tarar Arcade, Main Boulevard, Commercial Hub, Rawalpindi. Tel: (051) 5426597 Fax: (051) 5426594 |
| Muhammad Asif Sabir Branch Manager DHA Rahbar Branch, Khasra No. 1388, Defence Road, Opp. DHA Rahbar, Lahore. Tel: N/A Fax: N/A | Asif Kamal Area / Branch Manager Cavalry Ground Branch, 20-Commercial Area, Cavalry Ground, Lahore. Tel: (042) 36610273-6, 36610280 Fax: (042) 36610279 | Mustafa Haider Branch Manager Qasim Branch (Multan), 76, Qasim Road, S.P. Chowk, Multan. Tel: (061) 4587711 Fax: (061) 4586880 | Abdul Haseeb Jan Branch Manager Khyber Bazar Branch, Haji Khan Building, Suikarno Square, Khyber Bazar, Peshawar. Tel: (091) 9213883, 2552832 Fax: (091) 2552481 | Khurram Ali Malik Area / Branch Manager Mirpur (Azad Kashmir) Branch, 82-D, Allama Iqbal Road, Sector B-4, Mirpur, Azad Kashmir. Tel: (05827) 446415, (05827) 446414, 446559 Fax: (05827) 445145 |
| Wajid Nawaz Branch Manager Kasur Branch, Khasra No. 5982, Ahmad Shah Colony, Shahbaz Khan Road, Kasur. Tel: (049) 2760406 Fax: N/A | Ali Iftikhar Cheema Branch Manager DHA Phase-6 Branch, 47 MB, Phase-6 DHA, Lahore. Tel: (042) 37180149, Ext. 102 Dir: (042) 37180147 | Muhammad Akmal Abbasi Branch Manager Rahim Yar Khan Branch, 26-Shahi Road, Rahim Yar Khan. Tel: (068) 5884345, 5881302 Fax: (068) 5879408 | Nazakat Abbas Shah Branch Manager Gith Baraber Multan Branch, Opp. DHA, Multan. Tel: (061) 4745053, 4745051 Fax: (061) 4745053 | Raja Matloob Hussain Branch Manager Dadyal Branch, Plot No. 315, Rajput Plaza, Main Rawalpindi Road, Opp. Old Tehsil Headquarter Hospital, Dadyal (AJK). Tel: (05827) 465741, 465736-8 Fax: (05827) 465739 |
| Muhammad Nisar Branch Manager Mano Road Branch, Glamor Adda, Opp. Glamour Textile Mill, Moaza 65, Chack Manga Road, Raiwind. Tel: (042) 35395202-3-4 Fax: N/A | Rauf ur Rehman Lodhi Branch Manager DHA Phase-5 Branch, 74-CCA, Phase-5C, DHA, Lahore. Tel: (042) 35695673-75 Dir: (042) 35695661 | Muhammad Amman Ullah Customer Relationship Manager Etihad Sugar Mills Branch, Etihad Sugar Mills Ltd., Mauza Karamabod, Tehsil-Zila, Rahim Yar Khan. Tel: NA Fax: NA | Aamir Waqas Branch Operation Manager Okara Branch, 1-A/4-L, M.A. Jinnah Road, Okara. Tel: (044) 2510753, 2510754 Fax: (044) 2510754 | Muhammad Bilal Zahoor Branch Manager Jhelum Branch, Plot No. 8, Pasval Plaza, G.T.S. Square, Jhelum City, Jhelum. Tel: (0544) 624971, 623973-75 Fax: (0544) 623976 |
| Khurram Hafeez Branch Manager Satiana Branch, P-719, Batala Colony, Satiana Road, Faisalabad. Tel: N/A Fax: N/A | Malik Muhammad Umar Tariq Branch Manager Batapur Branch, Main G.T. Road, Batapur, Lahore Lines. Tel: (042) 36580381-83 Dir: (042) 36580387 Fax: (042) 36580384 | Muhammad Akhtar Branch Operation Manager Sadiqabad Branch, Building No. 235, Hayadari Market, Mandi Sadiqabad, Allama Iqbal Road, Sadiqabad, Dist. Rahim Yar Khan. Tel: NA Fax: NA | Haroon Pasha Acting Branch Manager I-8 Markaz Branch, Plot No. 6, Laraib Plaza, Sector I-8 Markaz, Islamabad. Tel: (051) 4861302-4, 4102163 Fax: (051) 4861300 | Wajid Hussain Branch Manager Gujjar Khan Branch, Ward No. 5, Main G.T. Road, Gujjar Khan. Tel: (0513) 510026, 512866-71 Fax: (0513) 512872 |
| LAHORE WEST | Nawazish Ali Hashmi Branch Manager Gujranwala Branch, Plot No. 100 & 102, Mohallah Bhatia Nagar, Near PSO Petrol Pump, G.T. Road, Gujranwala. Tel: (055) 3250214, 3731269, (055) 3856268-70 Fax: (055) 3856271 | Salman Salahuddin Area / Branch Manager Defence Branch, 320-Z Block, DHA, Lahore. Tel: (042) 35693080, (042) 35692930-33 Fax: (042) 35693010 | Qasim Malik Branch Manager Mansehra Branch, Javed Khan Plaza, Sarwarabad, Silk Route, Tehsil and District, Mansehra. Tel: (0997) 440409-10, 440408 | Naheed Intiaz Branch Manager Dina Branch, Chaudhary Street, Mangla Road, Dina. Tel: (0544) 635011, 635013-16 Fax: (0544) 636987 |

FOREIGN CORRESPONDENTS

Afghanistan

Habib Bank Ltd.

Argentina

Royal Bank of Scotland
Deutsche Bank AG

Australia

JP Morgan
Westpac Banking Corp.

Austria

Royal Bank of Scotland
Raiffeisen Bank International AG
UniCredit Bank Austria
Deutsche Bank AG

Bahrain

Arab Investment Bank
Al Baraka Islamic Bank
BMI Bank B.S.C.
Habib Bank Ltd.
United Bank Ltd.
National Bank of Pakistan

Bangladesh

Habib Bank Ltd.
Bank Alfaalh

Belgium

Habib Bank Ltd.
Commerzbank AG
KBC Bank N.V.
Fortis Bank S.A/N.V
Royal Bank of Scotland
Deutsche Bank AG

Brazil

Deutsche Bank AG

Bulgaria

Citibank N.A.
United Bulgarian Bank

Canada

Habib Canadian Bank
Royal Bank of Scotland

China

Agricultural Bank of China
Commerzbank AG
Bank of Jiangsu Co., Ltd.
Bank of Communication
Royal Bank of Scotland
Bank of China
China Construction Bank
China Everbright Bank
Deutsche Bank AG
Industrial and Comm'l Bank of China
Laishang Bank Co., Ltd.
JP Morgan
Shenzhen Development Bank Co., Ltd.
Bank of New York Mellon
Wells Fargo Bank N.A.
WestLB AG

Czech Republic

Commerzbank AG
Royal Bank of Scotland

Denmark

Danske Bank A/S

Egypt

Mashreqbank PSC
Al Baraka Bank Egypt

Finland

Skandinaviska Enskilda Banken

France

Commerzbank AG
National Bank of Pakistan
UBAF
Habib Bank Ltd.
BNP Paribas S.A.

Germany

Commerzbank AG
Danske Bank A/S
Deutsche Bank AG
National Bank of Pakistan
SEB AG
Landesbank Baden-Wurttemberg
Suedwestbank AG
UniCredit Bank AG
JP Morgan

Hungary

K&H Bank Zrt
Magyarorszagi Volksbank RT
CIB Bank Ltd.
Commerzbank AG
Deutsche Bank AG

Hong Kong

Bank of America
BNP Paribas Fortis Bank
DBS Bank
Citibank N.A.
Deutsche Bank AG
Habib Finance Int'l Ltd.
HBZ Finance Ltd.
Intesa Sanpaolo
National Bank of Pakistan
Mashreqbank PSC
JP Morgan
Royal Bank of Scotland
UBAF
Wells Fargo Bank N.A.
WestLB AG

India

Mashreqbank PSC
Royal Bank of Scotland
Deutsche Bank AG
JP Morgan

Indonesia

Royal Bank of Scotland
JP Morgan
Deutsche Bank AG

Ireland

National Irish Bank

Italy

Commerzbank AG
Royal Bank of Scotland
Banca Di Roma S.P.A.
Banco Di Napoli S.P.A.
Banco Popolare SOC
Banco Popolare Di Novara S.P.A
Banco Popolare Di Verona SGSP
Banca Monte Parma
Banca Carige S.P.A.

Banca UBAE

Iccrea Banca
Deutsche Bank AG
Intesa Sanpaolo
Mizuho Corporate Bank Ltd.
UniCredit Banca S.P.A.
UniCredit Corporate Banking S.P.A.
UBI Banca
Cassa di Risparmio in Bologna
Veneto Banca SCPA

Japan

National Bank of Pakistan
Citibank N.A.
Bank of New York
JP Morgan
Mizuho Corporate Bank Ltd.
Sumitomo Mitsui Banking Corp.
UBAF
Royal Bank of Scotland
Wells Fargo Bank N.A.
Commerzbank AG

Kazakhstan

BTA Bank JSC

Kuwait

Gulf Bank K.S.C.
Al Ahli Bank of Kuwait K.S.C.
National Bank of Kuwait
Citibank N.A.
Mashreqbank PSC

Korea

Deutsche Bank AG
Korea Exchange Bank
Korea Development Bank
Kookmin Bank
JP Morgan
National Bank of Pakistan
Shinhan Bank
Suhyup Bank
UBAF
Royal Bank of Scotland
Busan Bank
Wells Fargo Bank N.A.
Woori Bank

Lebanon

Habib Bank Ltd.

Malaysia

Citibank N.A.
Royal Bank of Scotland
JP Morgan

Mexico

Banco Del Bajio S.A.
Banco JP Morgan

Mauritius

Habib Bank Ltd.
Mauritius Commercial Bank Ltd.

Morocco

Attijariwafa Bank

Nepal

Himalayan Bank Ltd.

Netherlands

Commerzbank AG
Royal Bank of Scotland
Deutsche Bank AG

Habib Bank Ltd.

Royal Bank of Scotland
BNP Paribas Fortis Nederland NV

Norway

Nordea Bank Norge Asa
DNB Nor Bank ASA

New Zealand

Westpac Banking Corporation

Oman

Habib Bank Ltd.
Oman International Bank
Bank Muscat

Poland

Nordea Bank Polska S.A.
Royal Bank of Scotland
Deutsche Bank AG

Philippines

JP Morgan
Mizuho Corporate Bank

Portugal

Banco BPI S.A.
Deutsche Bank AG

Qatar

United Bank Limited
Doha Bank
BNP Paribas Fortis Bank
Mashreqbank PSC

Romania

Piraeus Bank

Russia

Citibank N.A.
Commerzbank AG

Saudi Arabia

JP Morgan
National Commercial Bank
Saudi Hollandi Bank
Deutsche Bank AG
Bank Muscat
National Bank of Pakistan
The Saudi British Bank

Singapore

Royal Bank of Scotland
Bank of America
DBS Bank
Commerzbank AG
Deutsche Bank AG
Citibank N.A.
Habib Bank Ltd.
JP Morgan
Mizuho Corporate Bank
National Bank of Kuwait
Rabo Bank
Sumitomo Mitsui Banking Corporation
Ltd.
WestLB AG
UBAF

South Africa

Habib Overseas Bank Ltd.
HBZ Bank Ltd.
FirstRand Bank

Serbia

UniCredit Bank AG
Raiffeisen Bank

Slovakia

Commerzbank AG

Spain

Commerzbank
Fortis Bank S.A.
Banco Popular Espanol, S.A.
Bankinter S.A.
Caja Mediterraneo
Caja Espana de Inversiones
Caixa D'estalvis

Sri Lanka

Muslim Commercial Bank Ltd.
Deutsche Bank
Habib Bank Ltd.
Hatton National Bank

Sweden

Nordea Bank
Skandinaviska Enskilda Banken
Svenska Handelsbanken
Royal Bank of Scotland
Danske Bank

Switzerland

Banque Cantonale Vaudoise
Habib Bank AG Zurich

BNP Paribas
Credit Agricole (Suisse) S.A.
Habibsons Bank
Royal Bank of Scotland
United Bank AG
Citibank N.A.
Commerzbank AG
Deutsche Bank AG

Taiwan

Bank of New York
Bank of America
Deutsche Bank AG
Royal Bank of Scotland
JP Morgan
Wells Fargo Bank N.A.

Thailand

Bank of Ayudhya Public Company Ltd.
Export Import Bank of Thailand
Royal Bank of Scotland
Citibank N.A.
Deutsche Bank AG
JP Morgan

Turkey

Royal Bank of Scotland
Habib Bank Ltd.
Deutsche Bank AG
Turkiye Vakiflar Bankasi T.A.O
Turkiye Garanti Bankasi AS
Turk Ekonomi Bankasi AS

U.A.E.

Citibank N.A.
Dubai Islamic Bank
Deutsche Bank AG
Emirates NBD Bank
Emirates Islamic Bank
United Bank Ltd.
Habib Bank Ltd.
Mashreq Bank PSC
Royal Bank of Scotland
National Bank of Fujairah
Habib Bank AG Zurich
Noor Islamic Bank
Commerzbank AG

U.K.

ABC International Bank PLC
Bank of America
Clydesdale Bank
Deutsche Bank
Habib Bank AG Zurich
Habib UK
Commerzbank AG
Mashreq Bank PSC
Northern Bank
JP Morgan
Royal Bank of Scotland
Citibank N.A.
United National Bank

U.S.A.

Royal Bank of Scotland
Bank of America
Bank of New York Mellon

Bank of the West

Citibank N.A.
Commerzbank AG
Deutsche Bank Trust Co.
Doha Bank
Habib American Bank
Habib Bank Ltd.
Intesa Sanpaolo SPA
JP Morgan
Mashreqbank PSC
Mizuho Corporate Bank Ltd.
M & I Bank
National Bank of Pakistan
Sumitomo Mitsui Banking Corporation
Union Bank of California
Valley National Bank
U.S. Bank Minneapolis
Union Bank N.A.
United Bank Ltd.
Wells Fargo Bank N.A.

Vietnam

JP Morgan
Deutsche Bank AG

NOTES



Affix
Correct
Postage

**Silkbank Limited
Registered Office:
13-L, F-7 Markaz,
Islamabad.**

Form of Proxy
Annual General Meeting

SILKBANK 

I/We _____ S/o _____
r/o _____ being a member(s)
of Silkbank Limited, holding _____ ordinary shares, hereby appoint
_____ S/o _____ r/o _____ or failing
him/her _____ S/o _____ r/o _____
as my/our proxy in my/our absence to attend and vote for me/us in my/our behalf at Annual General Meeting of the Bank to be held on
Friday, March 30, 2018 and/or adjournment thereof.

As witness, my/our hand(s) seal this on the _____ day of _____ 2018.

Signed by the said _____

In presence of 1. _____

2. _____

Folio No. / CDC Account No.

Signature on
Revenue Stamp
of Appropriate Value

The signature should agree with the specimen registered with the Bank.

Important Instructions:

1. The Proxy form, duly completed and signed, must be received at the Registered Office of the Bank not less than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he/she himself/herself is a member of the Bank, except that a corporate entity may appoint any person who is not a member.
3. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the Bank, all such instrument of proxy shall be rendered invalid.
4. In case of proxy for an individual CDC shareholder, attested copies of CNIC or the passport, account and participant's ID number of the beneficial owner along with the proxy is required to be furnished with the proxy form.
5. In case of corporate entity, the Board of Directors' resolution/power of attorney with the specimen signature shall be submitted (unless it has been provided earlier) along with the proxy form of the Bank.

Consent for video conference facility
Annual General Meeting

I/We _____ S/o _____ r/o _____
being a member(s) of Silkbank Limited, holder of _____ Ordinary Share(s) as per register Folio/CDS
Account No. _____ hereby opt for video conference facility at _____ to attend Annual General Meeting of the
Bank to be held on **Friday, March 30, 2018**.

Signature on Revenue Stamp
of Appropriate Value



Silkbank Building, 3rd Floor, 18-C, Kaghan Road, F-8 Markaz, Capital Territory, Islamabad.

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