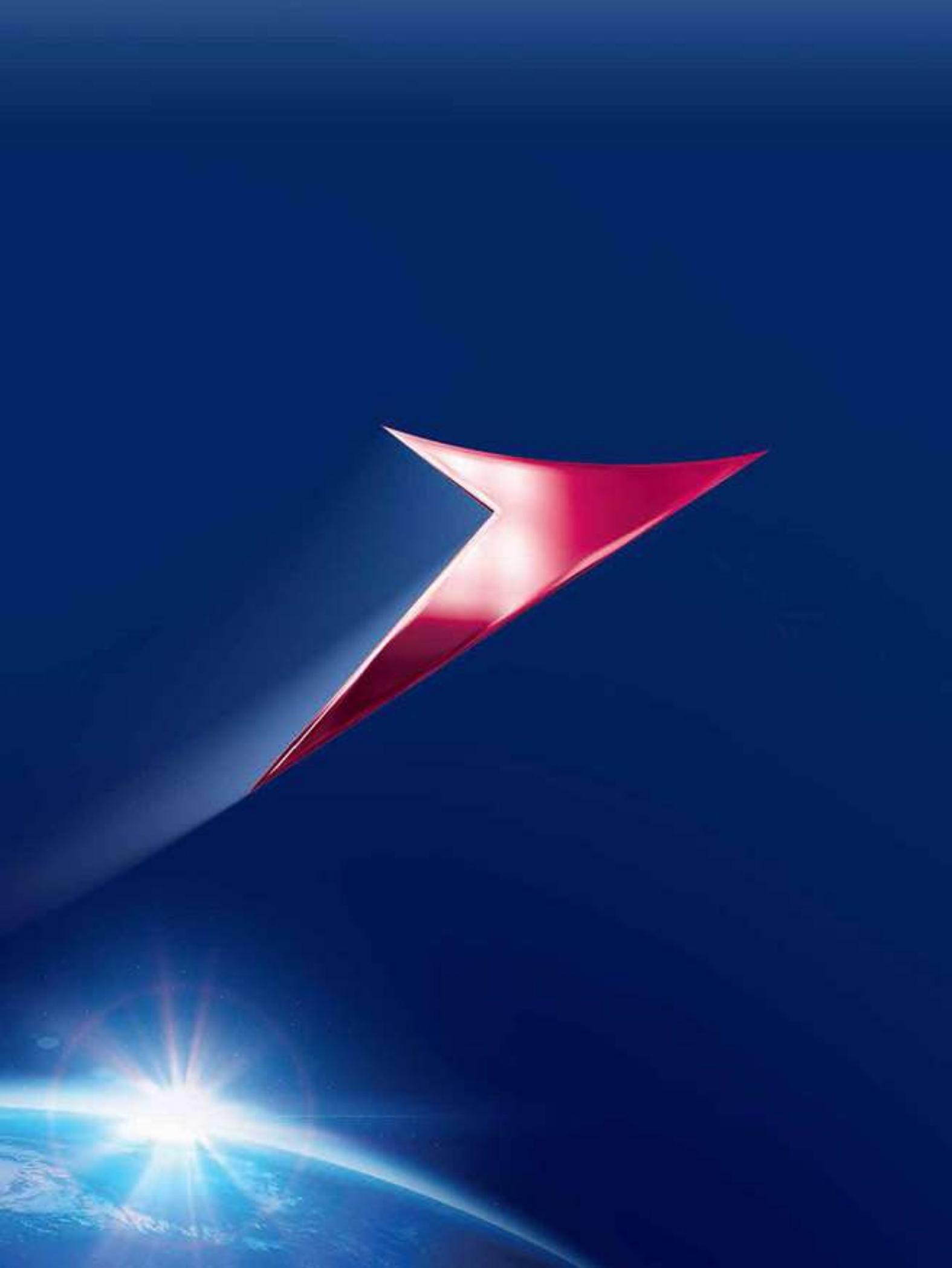


Excellence & Beyond



EXCELLENCE & BEYOND

Excellence is what we aspire for, live and deliver. It is the driving force in everything we do, taking us closer to our vision - to be the "Benchmark of Excellence in Premier Banking."

We have completed a decade in the banking industry and continue in our commitment to Service Quality, bringing the most innovative banking products and services to our customers. Excellence in Service Quality remains at the core of our business philosophy, ensuring at the same time that our products and processes cater to the diversified financial needs of our valued customers.

We look beyond from where we stand today - aspiring to achieve greater heights.

Soar

to the Peaks





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.

Values

Defining Our Strength





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.

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Rise

Beyond Brilliance



CONSUMER BANKING

At Silkbank, we strive for a better understanding of our customer needs, offering them an array of premium, unique and innovative lifestyle products for an inspired living. Our quest, to always remain a step ahead, propels us to do more for our customers. Our commitment is rewarded as we record the highest number of acquisitions for Ready Line, Personal Loans and Credit Cards for the year 2018.

We look forward to many more milestones, cementing and strengthening the relationship with our customers.



with Commitment
Grow





EMAAN ISLAMIC BANKING

Our foremost purpose is to adhere to the belief of our customers, providing them inner peace through our well-structured and designed Shari'a-compliant products and services, while ensuring excellence in Service Quality.

We envision to grow with our customers by staying true to our commitment of continuously adding innovative products to our portfolio and increasing our distribution footprint.

Blossom

to Perfection





BRANCH BANKING

From day to day transactional needs to long-term financial security, our Branch Banking Business provides excellent solutions to our customers. From Current and Savings accounts to Term Deposits and Bancassurance, our products have been especially crafted to help customers manage their finances with ease. Our highly-trained personnel reflect our commitment to a high quality service delivery through our branch footprint.

with Convenience
Progress





ALTERNATE DELIVERY CHANNELS

The customer needs do not necessarily follow working hours and this has led us to structure our services around our customers' convenience. Our Alternate Delivery Channels allow our customers to bank from "Wherever" they are and "Whenever" they want, making the Bank always accessible whatever the hour through SilkDirect Internet Banking, SilkMobile, VISA Debit Cards and Utility Bills Payment Services.

with Pursuance

Evolve





SMALL AND MEDIUM ENTERPRISES

Every business requires financial stability and prosperity. At Silkbank, we help our customers evolve their businesses in pursuance of realizing their dreams. We not just lend solutions, but also act as their trusted advisors, providing them a richer experience through our value-added services, including Trade Services, Cash Management, M'Power and SME Cash Ease.

through Prosperity

shine

A large, brilliant-cut diamond is shown resting on a small pile of smaller diamonds. The diamonds are set against a dark, textured background that appears to be sand or gravel.



CORPORATE AND INVESTMENT BANKING

We know what it requires to take our corporate clientele closer to their ambitions. Our high quality and trusted Relationship Banking, driven by our expertise in Debt & Equity Advisory Services, Capital Management, and Mergers & Acquisitions guidance, reflects our commitment to manage and exceed our customer expectations, as they progress towards greater prosperity.

with Extraordinaire
Ascend





PRODUCTS AND SERVICES

We believe that our success runs parallel with our customers' ascent. We strive to design our products and services to meet the specific financial needs of our customers, delivering convenience, accessibility and security at all times. We remain persistent in our commitment to deliver excellence in our products and services in the years to come.

PRODUCTS AND SERVICES

Branch Banking

Silkbank 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 PLUS 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.

Silkbank Savings Accounts

Silkbank 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.

Silkbank 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.

■ FLEXI MUNAFA TERM DEPOSIT

Silkbank introduced Flexi Munafa Term Deposit product for individual customers that provides them with a flexible, convenient and secure platform to save and earn profits. This product offers customers with upfront, monthly and yearly Profit Payout options on competitive rates.



Bancassurance

Silkbank 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

SilkDirect Internet Banking

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

Silkbank Phone Banking

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

SilkMobile

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

Silkbank Debit Cards

Silkbank successfully upgraded its VISA Debit Card from magnetic stripe to EMV compliant card. This step will further strengthen the security of customer transactions performed at ATM and POS. We have also added PayPak, VISA Gold and VISA Platinum Debit cards in our product suite. Now the customer will have an option of choosing a debit card that matches their usage requirements.



Utility Bills Payment Service

Customers can now use their Silkbank VISA Debit Card at any Silkbank 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

Silkbank 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", Silkbank 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 to grow.



Consumer Banking

Personal Loan

Silkbank 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 Silkbank Personal Loan, you can live up your dreams and enjoy life to the fullest. It is fast, convenient, flexible and affordable.

Silkbank 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.

Silkbank Credit Cards

The most innovative cards of the country, Silkbank Credit Cards provide customers with 0% mark-up for an entire year upon transfer with Card Design Personalization and Customization. Silkbank 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

Silkbank's 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 is geared towards providing Shari'a-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.



Message
Chairman's



Dear Shareholders,

Despite the challenges at the economic front, Silkbank has exhibited strong performance during the year. Both deposits and advances recorded a handsome increase, having a positive impact on the profit and loss account. These results reflect the management's continuing commitment in meeting the expectations of the stakeholders.

The Board continued to operate effectively in discharging its obligations. During the year, the performance of the Board was evaluated by the Institute of Corporate Governance (PICG), based on the guidelines issued by the State Bank of Pakistan. The PICG findings have been fully explained in the Board of Directors Report. Overall, the performance of the Board and its Committees as well as each individual Director has remained satisfactory.

Going forward in 2019, the Bank will continue its efforts to further improve the performance and enhance stakeholders' value. With the implementation of its strategies, your Directors are of the view that the growth and profit trajectory of the Bank will continue in the years to come.

I am thankful for your continued goodwill and trust.



Munnawar Hamid, OBE
Chairman

Review
President's



The year 2018 ended with a mixed performance of the economy, inflation remained below the target for the fourth consecutive year. In the same vein, growth in private sector credit was strong and investments edged up in terms of GDP. At the same time, a sharp deceleration in revenue growth compared to expenditure and an increased dependence on imports to meet the growing domestic demand, led to widening of the twin deficit to unsustainable levels. The real GDP growth was broad-based, as all the three major sectors; agriculture, industry and services, contributed towards the acceleration in growth. The agricultural sector, in particular, performed fairly well at the back of record crop yields and growth in the livestock sector. The industrial sector grew by 5.8 percent during FY18, slightly higher than the 5.4 percent growth achieved in FY17.

Current account deficit along with depreciation in the exchange rate, led to an increase in public debt accumulation during FY18. Compared to an 8.8 percent increase in FY17, public debt grew by 16.5 percent during FY18. Out of the PKR 3.5 trillion debt accumulation during FY18, PKR 1.1 trillion was due to revaluation losses on account of the depreciation of the US dollar against major currencies and depreciation of PKR against the US dollar. As a result, the gross public debt rose to 72.5 percent of GDP as of end-June 2018 from 67.0 percent at end-June 2017.

In the above context, the real GDP growth target of 6.2 percent for FY19 appears ambitious. The industrial sector, in particular, may witness a slowdown due to an expected reduction in consumer demand. More specifically, consumer durables and construction and allied industries may witness slower growth in production.

Current expenditure grew by 12.6 percent during FY18 compared to a 10.7 percent increase in the previous year, with the major impetus coming from higher provincial current expenditure. However, growth in federal current expenditure decelerated slightly to 9.1 percent in FY18 from 10.4 percent in the previous year.

Meanwhile, revenue growth significantly decelerated to 5.9 percent in FY18 from 11.0 percent in FY17. This deceleration was mainly led by a sharp contraction in non-tax revenue. Against this, the growth in the tax revenue was broad-based with both the FBR and provincial taxes picking up pace during FY18. The FBR tax collection grew by 14.3 percent in FY18 compared to an 8.0 percent increase in the previous year. This also reflects one-off receipts from the tax amnesty scheme announced for the registration of undeclared domestic and foreign assets.

Private sector credit to GDP ratio rose to an 8-year high of 17.4 percent. It is important to note that despite the increase in recent years, private sector credit to GDP ratio in Pakistan at the end of FY18 is much lower than the peak of 27.2 percent just a decade ago. This ratio stands lower compared to regional economies, such as India (49.5 percent), Bangladesh (47.6 percent), and Sri Lanka (45.7 percent).

Meanwhile, budgetary borrowings from the banking system remained elevated during FY18 with the government borrowing around PKR 2.2 trillion in Q3-FY18 alone. The growth in the asset base of the banking sector has moderated during FY18, primarily, due to a decline in net-investments. The overall risk profile of the banking sector has improved in FY18, mainly, due to strengthening capital adequacy and improving asset quality.

Capital Adequacy Ratio (CAR) has inched up to 15.9 percent and NPLs to loans ratio has come down to 7.9 percent; lowest since FY08. Banks' after-tax earnings, however, have declined by 14.7 percent, mainly due to a lower gain on sale of securities, one-off provisions and an increase in administrative expenses.

Post-election political environment gained stability towards the end of 2018, as economic constancy remained the focus of the new government. There was an increase in macro sectors of the economy with massive CPEC Investment.

Silkbanks' upwards growth trajectory from last year was maintained in 2018. Once again, a dedicated effort was put in by all staff in delivering a profit after tax of Rs. 1,330 billion, which is an increase of 17% over the previous year.

Customer experience will continue to be the key differentiator; hence our focus will be to meet and exceed customer expectations, identifying problem areas and service recovery. To name a few, the Bank introduced customer-centric processes such as credit card self-pick up and appointment delivery of returned cards, ATM functionality over the weekends and holidays, cash counter timeliness and an effective floor management to provide a fulfilling customer service experience.

PRESIDENT'S REVIEW

On the Call Center side, our performance has gone through major transformation during 2018 and resulted in improvement of service levels and customer feedback. During the first quarter of 2018, call center service levels declined to 30% but due to restructuring in July 2018 onwards, the service levels increased to 90% in the last quarter of the year 2018. Calls abandoned ratio also improved from a high of 22% to 1% along with customer feedback improving from 70% to 95%. The Complaint Management unit accomplished a response ratio of more than 90%, whereby the complaint aging trend depicted a decrease from 43% in January, 2018 to 7% in December, 2018.

Branch Banking segment had a stellar 2018, surpassing in almost all KPI's. The deposit growth in Branch Banking segment surpassed the overall industry deposit growth throughout the year, which is a testimony to the dedication and the passion of the entire team to take the performance to the next level. Branch Banking maintained its position ahead of budgeted targets throughout Q4, with total deposits reaching PKR 78 billion by December 31, 2018. An overall healthy deposit growth of PKR 12 billion was achieved during the year 2018. Branch Banking also remained ahead of its yearly P&L budgeted figures by PKR 127 million, with an EBIT of 414 million against a budget of PKR 287 million, higher by 44% over plan. Widening the product suite was also amongst the many reasons for this accomplishment. A new product, Flexi Munafa Term Deposit was also launched towards the last quarter of the year to generate steady deposits. The entire team responded to this initiative and was able to bring in PKR 1.99 billion in the last quarter of 2018.

Silkbanks VISA Debit Card (VDC) continued to show strong growth during 2018, and added 36,383 new VDCs, increasing the total card base to 135,389. VDC usage over Point of Sales (POS) during 2018 recorded a spend of PKR 1.48 billion against 391,260 transactions, reflecting a growth of 16.53% & 20.50% respectively, as compared to 2017, with the highest POS monthly spend of PKR 136.24 million during June, 2018. Silkbanks ATMs dispensed a cash volume of PKR 21.16 billion through 1,921,892 transactions during the year, with a monthly average usage volume of PKR 1.76 billion.

Bancassurance Business has shown a consistent growth in the year 2018 as well, the team stands at a double digit growth of 11% against the previous year. Total business issued in 2018 was recorded at PKR 126.41 million versus PKR 114.08 million in 2017. The total revenue generated in 2018 is PKR 65 million and YTD cancellations remained under control at 2%, depicting the quality of booked business. Our product basket became more customer-centric with the addition of two new insurance partners. Branch productivity has progressively increased through various promotional initiatives with Bancassurance Business closing Q4-18 with an issued premium of PKR 40 million as compared to PKR 26 million in Q4-17.

Emaan Islamic Banking had an outstanding performance in 2018 and successfully generated a Profit Before Tax (PBT) of PKR 822 million. On the deposits side, Emaan Islamic Banking registered a growth of PKR 16,703 million versus last year, reflecting a 117% change. Further, 89.28% of the deposit growth was achieved in CASA, with the deposits closing at PKR 30,960 million at the year end. On the advances side, a growth of PKR 9,374 million was registered, translating into an increase of 53.48% and closed the book at PKR 26,902 million. A significant increase in customer relationships was achieved by solicitation of 6,446 accounts, taking the total customer base to 22,992. Focus on Service Quality was maintained throughout the year as a key differentiating factor.

Consumer Banking consolidated its focus around market development in 2018, with initiatives including the launch of Employee Banking Program and Branch Banking Cross-sell Channel, which helped to expand our reach into untapped segments. The new initiatives helped our unsecured Ending Net Receivables (ENR) increase to PKR 18 billion in 2018. On the marketing front, Silkbanks consumer products were prominently featured in print and electronic media throughout the year, which further strengthened our brand awareness and invigorated market interest in our consumer products.

Silkbanks Consumer Assets continued to deliver high growth rates with total disbursements amounting to PKR 3.7 billion in Personal Loans and PKR 3.8 billion in Ready Line. The ENR mix for these products have crossed PKR 13 billion on a combined basis, which resulted in taking our market share to 38% amongst our peer banks. Consumer assets closed the year with a profit figure of PKR 1.27 billion, exceeding the assigned targets.

Silkbanks Credit Cards business continued to show its potential in 2018, where for the first time since its launch, ENR grew by PKR 1 billion during the year to PKR 4.5 billion, while spend increased by 25% from the previous year to PKR 19 billion in 2018. Silkbanks acquired 50,000 new credit cards in 2018 and was the market leader in fresh acquisitions for the third consecutive year. Portfolio health indicators reflected a positive trend, with the utilization rate increasing from 23% to 27% and the activation rate from 75% to 84%. Silkbanks Credit Cards launched its first ever TVC, "For a Million Reasons", which created market awareness and positive word of mouth. Silkbanks now offers value deals and discounts at more than 300 alliance partners, which is more than any other card product in the market. The credit card product offering has also been enhanced with other initiatives, namely, the addition of instant cashback redemption at selected partner outlets, enhancement of cashback value proposition and credit protector insurance plan, supplementary card booking via helpline and launch of credit card referral program.

Corporate Banking Group (CBG) continued its focus on self-liquidating trade related transactions in 2018. The trade business of the Bank increased by 14% to reach PKR 37.7 billion, with yield on advances rising from 8.8% in FY17 to 9.4% in FY18, generating net revenue from funds of PKR 756 million. Corporate deposits were up 14%, versus last year, supported well by cash management initiatives.

SME Business reflected an 8% increase in advances versus last year. EBIT reflected an impressive 24% increase over the previous year. The SME Business also financed its book up to 61% of the assets portfolio.

Silkbanks Trade Processing Services team is well versed in local and international trade protocols, providing high quality service to our trade customers. The trade business is broadly segmented into imports, exports and the guarantee business, manned by respective sector specialists, having the skill set as well as experience to provide prompt and timely service to our customers. It is also ensured at the same time that strong adherence to the regulatory framework is maintained.

The Premises Unit remained focused on branch optimization. This incorporates identifying and developing high potential branches at minimal costs, yet keeping intact the look and feel of Silkbank. New branch projects were completed well within time with quality work and cost effectiveness. Through the branch optimization projects, which included both relocation and renovation of the existing infrastructure, the premises unit succeeded in annual savings of PKR 16 million approximately.

During the year 2018, SAMG's contribution was remarkable with a positive P&L impact of PKR 1,533 million against a budgeted amount of PKR 1,269 million. Also, SAMG was able to bring down the overall NPL to advances ratio from 33.63% in 2008 to as low as 6.45% by the end of the year 2018. The team was also successful in recovering PKR 23 million out of the written off loans. OREO & Bank owned properties were disposed off at a price of PKR 2,516 million, reflecting a gain of PKR 880 million.

Risk Management Group (RMG) was instrumental in ensuring that all business segments operated within the confines of the internal policy and the SBP guidelines. Tailor-made solutions were also offered by RMG for large business deals, especially keeping in mind the risk and reward factor. In addition, aided by a strong recovery stream of written off consumer loans, RMG played a pivotal role in boosting business growth during the year. RMG maintained a liaison with the Business Units to help structure self-liquidating trade lines, with a view to enhance non-funded business for the Bank. RMG also upgraded the "Obligor Risk Rating" model for Corporate and Commercial Customers by releasing its revised version 1.3. The department also kept a close watch on the accounts identified as having developed "Potential Weaknesses". Business units were required to provide quarterly updates on such accounts, which were then comprehensively reviewed by RMG and strategies going forward were deliberated upon with all stakeholders. As per practice, this list was also shared with the Risk Committee of the Board during the quarterly meeting and their input was sought for implementation. In addition to the above, RMG ensured smooth SBP Inspections.

In the world of automated technologies, Silkbank IT department excelled in providing extensive support to the newly established 35 branches across Pakistan. The new branches include 20 Emaan Islamic and 15 Conventional branches. A major milestone was achieved with successful implementation of Core Banking System (T-24 Release upgrade from R08 to R16). The upgraded system's Go-Live date was February 5, 2018, resulting in improved performance of the T-24 system functionality. As per the mandate of SBP, successful deployment of GoAML, Issuance of EMV VISA Debit chip card, IT Governance & Risk Management Framework were completed in target time by 30-6-2018. During the year, IT has also delivered several value-added products to the business teams, which included Employee Banking, Flexi Advance Profit, Instant Points Redemption as part of the Credit Card Loyalty Program and Local Biller & its acceptance in SilkMobile. The first year end closing was successfully completed on T-24 Upgraded Release R16 for the fiscal year 2018 and also achieved progressive balancing of GLs in T-24 as well as in Oracle Financial of all Conventional and Islamic Branches. Alternate Distribution & e-delivery channels kept on adding value to the product offerings of the Bank and have enhanced the accessibility of its banking services. SilkMobile registrations have reached 49,640 customers, and with the ongoing addition of new features, our digital platform will continue its strong momentum.

In 2018, Human Resources remained focused on employee engagement and development by arranging various training sessions for team building, performance management and service excellence. Employee Engagement activities were also carried out during the year, increasing morale and motivation of the employees. To promote the Bank as a brand and achieve the status of Employer of Choice, the HRD participated in job fairs organized by leading business institutes of the country and recruited more than 100 students in the summer internship program to provide them with the professional experience and develop a pipeline of future hires. The Bank also participated in the annual salary survey, which helped in determining comparative compensation levels besides understanding the market positioning among our peer banks. This will align our compensation structure with market standards, which will help in top talent retention.

Silkbank's Marketing Services Department serves as the brand custodian of the Bank. This entails ensuring conformity to the corporate and brand guidelines of Silkbank for a consistent look and feel across the footprint and the different delivery channels. Moreover, the unit also provided the necessary marketing and promotional support to the businesses. The Marketing Services Team is also entrusted with the task of monitoring the print and electronic media and take affirmative action to ensure that the clientele and the public at large, view Silkbank from a positive perspective. During the year 2018, the Marketing Services Team successfully supported several business campaigns, as well as ran press releases across all media, especially after the closure of quarterly and annual accounts.

Silkbank's success in 2018 is attributed to the dedicated and collaborative efforts of the entire Silkbank Team. The Bank has always been committed to grow its business in a way that is beneficial and sustainable for its employees, as well as for the communities it operates in. Silkbank extended its support to various causes which included education and health, besides empowering youth and sports development. Silkbank also continued its efforts in becoming an eco-friendly institution through energy conservation and a paperless environment. With greater focus on customer service delivery, innovation and meritocracy, we are confident that Silkbank will keep its growth momentum in the years to come and will continue to provide an exceptional level of service to its customers.

We would also like to express our gratitude to our customers and also to our Board Members, Regulators and all other stakeholders for their invaluable support and guidance during the year.

Yes we can!



Azmat Tarin
President & CEO

Perseverance

towards Success





CORPORATE INFORMATION

Significant benchmarks can only be attained by a skilled and dedicated team, having a clear vision to steer forward towards a common goal. Silkbank takes pride in having such a team, committed and dedicated to contribute to the advancement of the organization. This dedication and commitment resulted in the Bank achieving excellent results in the year 2018.

CORPORATE INFORMATION

AS OF DECEMBER 31, 2018

Board of Directors	
Munnawar Hamid	Chairman
Khalid Aziz Mirza	Director
Nasim Beg	Director
Rashid Akhtar Chughtai	Director
Shahzad Enver Murad	Director
Talha Saeed Ahmed	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	
Syed Liaquat Ali	

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

Risk Committee	
Tariq Iqbal Khan, FCA	Acting Chairman / Member
Shahzad Enver Murad	Member
Muhammad Atif Kauser	Secretary

IT Committee	
Nasim Beg	Chairman
Zubair Nawaz Chattha	Member
Javed Yousuf Edhi	Secretary

Human Resources Committee

Khalid Aziz Mirza	Chairman
Munawar Hamid	Member
Rashid Akhtar Chughtai	Member
Kaleem Ahmed	Secretary

Auditors

M/s. Grant Thornton Anjum Rahman (GTAR)
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:

Khalid Aziz Mirza
Director

Shaukat Tarin
Advisor to the Chairman

Standing from left to right:

Zubair Nawaz Chattha
Director

Azmat Tarin
President & CEO



Sitting from left to right:

Tariq Iqbal Khan
Director

Nasim Beg
Director

Standing from left to right:

Rashid Akhtar Chughtai
Director

Talha Saeed Ahmed
Executive Director

Shahzad Enver Murad
Director

PROFILE OF BOARD OF DIRECTORS

Mr. Khan is a Chartered Accountant by profession, and has over 39 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	
■ International Steels Limited	Director
■ National Refinery Limited	Director
■ Packages Limited	Director
■ Pakistan Oil Fields	Director
Unlisted Companies	
■ FFC Energy Limited	Director
Non-Profit Organizations	
■ Islamic International Medical Trust	Trustee
■ High Altitude Sustainability Trust	Trustee
■ Pakistan Academy of Engineering Endowment Fund	Trustee
■ Human Element Foundation	Trustee

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 chairman 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 53 years of work experience.

Mr. Mirza 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 investment 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 at present, is a Professor of Practice.

Mr. Munnawar Hamid, OBE - Chairman

Mr. Munnawar Hamid was elected as an Independent Director and Chairman of the Board in March, 2008 and was re-elected as a 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 held this position till January, 2019.

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 and the Financial Sector of Pakistan, and has over 46 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. 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 and Risk 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. 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; and Evaluator, Investment Evaluation Unit, The World Bank Group.

Mr. Talha Saeed Ahmed - 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 30 years of well diversified experience at senior positions in leading financial institutions. He has held a number of important appointments 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 publicly-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 his 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.

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.

After having studied at the Cadet College Hasanabdal, he qualified as a Chartered Accountant in 1970, and also holds a Bachelor's degree in Commerce from Karachi University.

Mr. Nasim Beg was the founder Chief Executive of Arif Habib Consultancy and was the founder Chief Executive (now Vice Chairman) of MCB-Arif Habib Savings & Investments Limited (formerly Arif Habib Investments Limited), a leading Asset Management Company of Pakistan.

Mr. Beg serves on the Board of Silkbank Limited as well as on the Boards of several Arif Habib Group companies and apart from being Chairman of the REIT Management Company, he also chairs the Board of Power Cement Limited.

Mr. Beg has a work experience of 48 years in the manufacturing industry, as well as the financial sector, in domestic as well as international markets. He was a part of the task force set up by the Securities & Exchange Commission of Pakistan (SECP) to develop the Voluntary Pension System. Mr. Beg was the founder Chairman of the SECP sponsored Institute of Capital Markets and was a member of the Prime Minister's Economic Advisory Council.

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 a career banker with an experience of over 29 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.

PROFILE OF BOARD OF DIRECTORS

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 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 businesses including Gourmet Petroleum, investment in banking sector through equity investment in Silkbank, 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 44 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 Enver Murad - Director

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

Mr. Murad brings with him more than 41 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 and has attended and conducted conferences, courses, seminars and meetings.



“Excellence
is the gradual result of
always **striving**
to do better. ”



SENIOR MANAGEMENT COMMITTEE

Sitting from left to right:

Goharulayn Afzal
Chief Operating Officer

Khurram Khan
Chief Financial Officer -
Conventional Banking

Uzman Naveed Chaudhary
Group Head Compliance,
ICD & Legal

Syed Liaquat Ali
Group Head Finance /
Chief Financial Officer

Standing from left to right:

Kaleem Ahmed
Head of Human Resources

Junaed Rayaz Chaudhry
Head of Consumer Risk

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

Javed Yousuf Edhi
Group Head IT &
Digital Banking

Ali Kashif Rizvi
Head of Treasury &
Financial Institutions



Sitting from left to right:

Shahram Raza Bakhtiari
Director - Retail Banking

Kamran Bashir
Group Head SAM & REAM

Rashid Pervaiz
Head of Branch Banking

Kasim Feroze Khan
Director - Special Assets
& Projects

Standing from left to right:

Jawad Majid Khan
Director - Islamic
Banking

Talha Saeed Ahmed
Executive Director -
Wholesale Banking

Mansoor Mukhtar
Head of SME Relationship

Wajih Zaidi
Head of Internal Audit

Muhammad Saqib Pal
Chief Risk Officer

THE MANAGEMENT

Azmat Tarin	President & CEO
Talha Saeed Ahmed	Executive Director - Wholesale Banking
Goharulayn Afzal	Chief Operating Officer
Kasim Feroze Khan	Director - Special Assets & Projects
Shahram Raza Bakhtiar	Director - Retail Banking
Jawad Majid Khan	Director - Islamic Banking
Muhammad Saqib Pal	Chief Risk Officer
Javed Yousuf Edhi	Group Head Information Technology & Digital Banking
Kamran Bashir	Group Head SAM & REAM
Uzman Naveed Chaudhary	Group Head Compliance, ICD & Legal
Mansoor Mukhtar	Head of SME Relationship
Kaleem Ahmed	Head of Human Resources
Ali Kashif Rizvi	Head of Treasury & Financial Institutions
Junaed Rayaz Chaudhry	Head of Consumer Risk
Shuja Ahmed Alvi	Head of Investment Banking & Regional Corporate Head (South)
Syed Liaquat Ali	Group Head Finance / Chief Financial Officer
Khurram Khan	Chief Financial Officer - Conventional Banking
Wajih Zaidi	Head of Internal Audit
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



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.

over Impediments

Triumph





REPORTS AND STATEMENTS TO THE MEMBERS

For almost a decade, Silkbank, through perseverance and hard work, steered the institution through impediments and difficulties. The resolve and resilience of the team paid off, reflecting well in the financial results of 2018.

DIRECTOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2018

Dear Shareholders,

The Directors are pleased to present the 25th Annual Report and the audited financial statements for the year ended December 31, 2018.



Economic Review

The FY-18 ended with a mixed performance of the economy. The real economic activity gained further momentum and inflation remained below the target for the fourth consecutive year. In the same vein, growth in private sector credit was strong and investment edged up in terms of GDP. However, a sharp deceleration in revenue growth compared to expenditure and an increased dependence on imports to meet the growing domestic demand, led to widening in the twin deficit to unsustainable levels.

The real GDP growth was broad-based, as all the three sectors—agriculture, industry and services, contributed towards the acceleration in growth. Current account deficits along with depreciation of exchange rate, led to an increase in public debt. As a result, the gross public debt rose to 72.5% of GDP as at the end of June, 2018 from 67.0% at the end of June, 2017. In this context, the real GDP growth target of 6.2% for FY-19 appears unachievable. The industrial sector, in particular, may witness a slowdown due to an expected reduction in consumer demand. More specifically, construction-allied and consumer durable industries may witness slower growth.

Revenue growth decelerated to 5.9% in FY-18 from 11.0% in FY-17. This deceleration was mainly led by a sharp contraction in non-tax revenue. Against this, the growth in the tax revenue was broad-based with both the FBR and provincial taxes picking up pace significantly during FY-18. This also reflects one-off receipts from the tax amnesty scheme announced for the registration of undeclared domestic and foreign assets.

Banking Sector

Private sector credit to GDP ratio rose to an 8-year high of 17.4%. It is important to note that despite the increase in recent years, private sector credit to GDP ratio in Pakistan at the end of FY-18 is much lower than the peak of 27.2% a decade ago.

Budgetary borrowings from the banking system remained high during FY-18. The government borrowed around Rs. 2.2 trillion in Q3-FY-18.

The growth in the asset base of the banking sector has moderated during FY-18, primarily, due to a decline in net-investments. The overall risk profile of the banking sector has improved in FY-18, mainly, due to strengthening capital adequacy and improved asset quality.

SILKBANK'S PERFORMANCE DURING 2018

Financial Performance

The Bank has posted an after tax Profit of Rs. 1,329.93 million for the year ended December 31, 2018.

During this period, total deposits of the Bank grew by Rs. 22.38 billion to Rs. 132.66 billion and gross advances increased by Rs. 13.43 billion to Rs. 103.56 billion.

Summarized financial performance of Silkbank Limited for the year ended December 31, 2018, is as follows:

Financial Performance	Rs. in million	
	2018	2017
Net mark-up income	6,605	5,486
Reversal / (Provisions) impairment and others	(1,269)	(554)
Non mark-up income	3,415	2,943
Non mark-up expense	(6,874)	(6,489)
Profit / (Loss) before Tax	1,877	1,386
(Tax) / Reversal of tax	(547)	(251)
Profit / (Loss) after Tax	1,330	1,135
Rupee		
Basic Earnings / (Loss) per share	0.15	0.13



DIRECTOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2018

SECTORAL PERFORMANCE

Retail Banking

Branch Banking

Branch Banking remains one of the most critical businesses for the Bank, serving over 175,574 customers, and consisting of approximately 59% of the Bank's deposit base. Branch Banking maintained its position ahead of budgeted targets throughout the year. Total deposits as at December 31, 2018 stood at Rs. 78 billion, an overall healthy deposit growth of approximately Rs. 12 billion achieved during the year 2018. Accordingly, Branch Banking remained ahead of its P&L budgeted figures by Rs. 127 million (Actual EBIT Rs. 414 million against a budget of Rs. 287 million) i.e. 44% ahead of budgeted numbers.

The trajectory seems to be heading in the right direction and we hope to see Branch Banking produce even better results in the coming years.



ADC Business

Silkbank VISA Debit Card ("VDC") continued to show a strong growth during 2018, and added 36,383 new VDCs, increasing the total card base to 135,389. VDC usage over Point of Sales (POS) during 2018 recorded a spend of Rs. 1.48 billion with 391,260 transactions, reflecting a growth of 16.53% & 20.50% respectively as compared to 2017. The highest POS monthly spend of Rs. 136.24 million was recorded during June, 2018. Silkbank ATMs dispensed a cash volume of Rs. 21.16 billion through 1,921,892 transactions during the year, with a monthly Average usage volume of Rs. 1.76 billion.

Alternate Distribution & e-delivery channels have added value to the product offerings of the Bank and have enhanced the reach and accessibility of its banking services. SilkMobile registrations have reached to 49,640 customers, and new features are continuously being added to attract customers towards a greater usage of its digital platform.



Bancassurance

Bancassurance Business has shown a consistent growth in the year 2018 and stands at a double digit growth of 11% from the last year's performance. Total business Issued in 2018 was Rs. 126 million as compared to the issued business of Rs. 114 million in 2017. With the addition of two new insurance partners, our product basket became more customer-centric. Branch productivity has significantly increased through various attractive promos and a drive of "Participation from All", and total proposals generated in 2018 were 1,299 as compared to 1,071 of 2017.



DIRECTOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2018

Wholesale Banking

Treasury & Financial Institutions

Money Market Desk posted capital gains of Rs. 24 million from 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" narrowed throughout the year. Performance of the foreign exchange desk remained in line with budget at Rs. 140 million.

Through international and local correspondent banking network and arrangements, Financial Institutions (FI) Department made available treasury, trade and payment solutions for Conventional and Emaan Islamic Banking during the year 2018, generating Rs. 57 million as non-funded earnings.

FI also made available ample credit lines with counterparty institutions, resulting in smooth absorption of credit transactions under country and FI risks on account of Treasury, Trade Finance and Guarantee Businesses.

Corporate Banking Group

On the back of average advances of Rs. 40.00 billion, the net advances increased from Rs. 35.3 billion, an increase of 13.3%. Consequently, YoY-18 net revenue increased to Rs. 3.92 billion, higher by 26.4%. Trade volumes showed an expansion of Rs. 4.5 billion with 14% increment and stood at Rs. 37.7 billion in FY-18 from Rs. 33.1 billion in FY-2017.

Consumer Banking

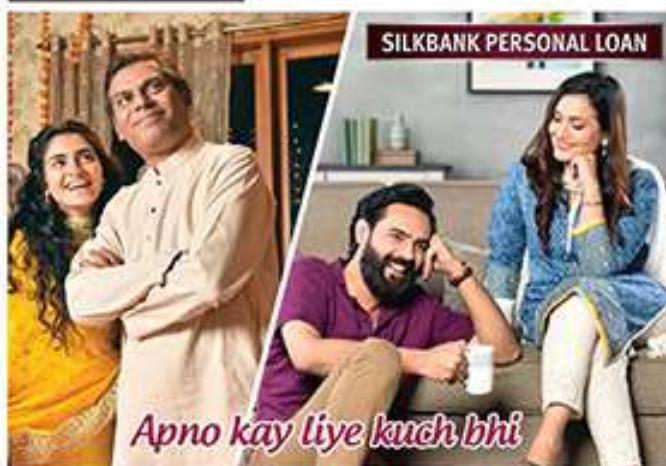
The Consumer Banking Division continues to perform exceptionally well, maintaining its growth momentum.

Unsecured Portfolio

In 2018, Consumer Banking Division kept its focus on market development and expansion. From launching the employee banking to expanding our reach into untapped markets, which also included branch banking cross-sell channel, various initiatives were undertaken throughout the year.

Personal Loans and Ready Line has continued with its tradition of overachievement by registering beyond expected numbers in terms of profitability and acquisitions during 2018. The Consumer Banking Division booked additional 11,842 accounts in Personal Loans and 16,299 in Ready Line. The total disbursed amounts were Rs. 3.66 billion in Personal Loans and Rs. 3.84 billion in Ready Line. The Consumer Banking Division has crossed Rs. 13 billion ENR mark in PIL and RL combined, which resulted in Silkbank dominating the market with a 38% share among its peers.

Personal Loan



During the year 2018, the Consumer Banking Division decided to launch the first ever Above the Line (ATL) campaign in Personal Loan as an expansion initiative. The campaign, "Apno Kay Liye Kuch Bhi", was a great success and aided in increasing acquisition, product awareness as well as gaining market share.

In line with our goals, pull acquisition strategy was utilized to attract customers through numerous campaigns. Simultaneously, to retain the existing customers, campaigns such as top-up promotions and credit limit enhancement programs were launched. As a result of these concerted efforts, the Bank has an active customer base of 23,595, taking the total to Rs. 6.41 billion.

Ready Line



During the year 2018, the Consumer Banking Division undertook various spend enhancement initiatives which included tactical promotions, cashback campaigns, VISA Debit Card activation, balance transfers, etc. The Consumer Banking Division also kept its focus on promoting digital mediums like SilkDirect Internet Banking and SilkMobile. Apart from these, e-billing and SMS alerts were also promoted. As a result, we were able to close 2018 with Ready Line ENR of Rs. 6.63 billion.

After the success of our campaign, "Khwahishon ko chalne do" in 2017, we decided to re-run this Above the Line (ATL) campaign in order to expand our market and increase top of the mind awareness. At the end of the year 2018, Ready Line had an active customer base of 41,945.

DIRECTOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2018

Credit Cards

The year 2018 has been an outstanding year for Silkbanks Credit Cards, where for the first time since the launch of the Credit Card business, the ENR has grown by Rs. 1 billion to Rs. 4.5 billion, with spend of Rs. 19 billion, registering a year on year growth of 25%. Silkbanks added 50,000 new credit cards in 2018 and was the market leader in fresh acquisitions for the third consecutive year. In terms of portfolio health indicators, the utilization rate increased to 27% from 23%, while credit card activation rate increased to 84% from 75%. During 2018, Silkbanks Credit Cards launched its first ever TVC, "For a Million Reasons", which created market awareness and a positive image. Silkbanks rose above its competitors by offering value deals and discounts at 300+ alliance partners, which was more than any other card product in the market. The product offering was also enhanced with numerous other initiatives, namely, the addition of instant cashback redemption at selected partner outlets, enhancement of cashback value proposition and credit protector insurance plan, supplementary card booking via helpline and launch of credit card referral program.

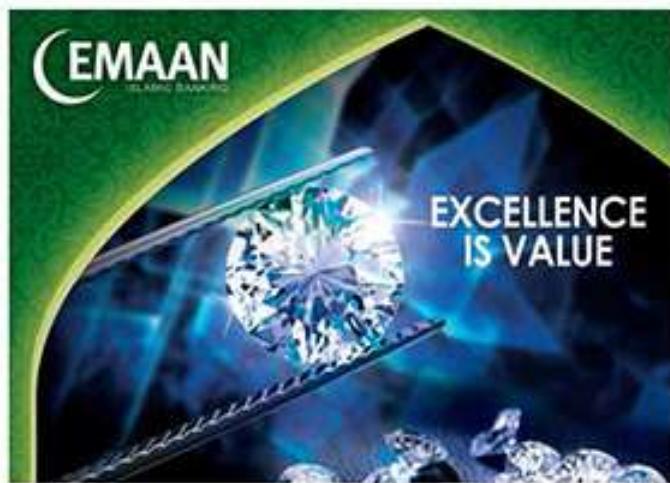


Secured Portfolio

Silkbanks M'Power, a running finance facility secured against residential and commercial properties, stands at an ENR of Rs. 2.36 billion with 325 active customers. Even though the acquisition was put on hold due to current SME related economic challenges as well as foreclosure issues, we were still able to overachieve the annual profitability target by Rs. 42 million.

Emaan Islamic Banking

Emaan Islamic Banking performed outstandingly in 2018, successfully generating a profit before tax (PBT) of Rs. 822 million. On the liability side, Emaan Islamic Banking registered a growth of Rs. 16,703 million (117%). CASA grew by 89.28% and the deposit book was closed at Rs. 30,960 million. Advances side registered a growth of Rs. 9,374 million and closed at Rs. 26,902 million. Focus on Service & Quality was maintained throughout the year.



Technology

A number of technology based initiatives were taken to support businesses, regulatory compliance and enhance customer services quality in 2018. During the year, extensive support was provided to newly established 35 branches across Pakistan. A major milestone was achieved with successful implementation of Core Banking System (T-24 Release upgrade from R08 to R16). The Bank successfully deployed Go-AML as per the mandate of SBP. Moreover, in compliance of SBP instructions, IT Governance & Risk Management Framework was completed within targeted time and all policies and related documents were approved / recommended by the Board IT Committee and duly approved by the Board of Directors for implementation and compliance.

Human Resources

Human Resources remained focused on employees' engagement and development and arranged various training sessions for team building, performance management and service excellence, enhancing the skill set for employees and improving the overall culture of the Bank. Employee Engagement activities were also carried out during the year, increasing morale and engagement of the employees. To promote the Bank as a brand and achieve the status of Employer of Choice, the Bank participated in job fairs organized by leading business institutes of the country and recruited more than 100 students in the summer internship program to provide them the professional experience and develop a pipeline for future hiring. The Bank also participated in the annual salary survey, which helped in determining compensation levels and understanding market positioning among the peer banks. This would ultimately facilitate in retaining top talent and aligning the compensation structure with market standards.



DIRECTOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2018

Special Asset Management Group (SAMG)

During the year, a remarkable impact on Profit & Loss account of Rs. 1,533 million was contributed by SAMG against a budgeted amount of Rs. 1,269 million.

The Real Estate Asset Management team also successfully sold various Other Real Estate Owned (OREO) / Bank Owned properties at a price of Rs. 2,516 million against the written down value of Rs. 1,636 million, posting a gain of Rs. 880 million.



Customer Service & Quality (CS & Q)

The Bank's focus was on customer retention and loyalty, focusing on customers' problems and service recovery. The Bank has introduced customer-centric processes like Credit Card self-pick up and appointment delivery of returned cards, ATM functionality over weekends and holidays, cash counter guidelines to serve customers within defined service level and has improved upon floor management for customer guidance.



Corporate Social Responsibility & Impact of Business on Environment

The Bank clearly understands its responsibility in protecting the environment and conserving natural resources. The Bank is cognizant of the environmental consequences of its actions and work towards developing a sustainable business model that benefits all stakeholders.

Prior to the issuance of guidelines on green banking by the SBP, the Bank already had an SEMS Policy (Social and Environmental Management Systems Policy) in place since 2009, to ensure that the Bank's existing portfolio should be based on environmentally friendly industries and projects. The SEMS Policy includes social & environmental screening of the different types of financing, project categories, applicable requirements, social and environmental procedures, controls and reporting. The SEMS Policy will continue to be applicable in addition to the Central Bank's suggested framework for green banking initiatives.

Moreover, in 2014, the Bank installed solar systems which are currently being used by 36 branches to feed essential power requirements, which include ATM, IT systems, essential lighting and alarm systems. These branches use solar power during the daytime and switch automatically to the national grid at night. During power outages, these branches rely on solar energy to provide back-up support. The Bank plans to convert all its ATM booths to green ATMs eventually. These hybrid systems also help the Bank to save electricity during weekends and public holidays as the branches switch to solar power to save fuel cost. The credit approval process for Corporate Banking is being carried out through work-stream, a paperless system, for the last ten years. SilkDirect app called DigiSilk, is currently launched on a trial basis for staff only.

The Bank, over the years, has been increasingly substituting manual systems with automated solutions in its endeavor towards a paperless environment. The Bank is in the process of digitization of its processes which will almost entirely eliminate paper for account opening and booking of both retail lending products as well as deposit accounts.

DIRECTOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2018

Board of Directors

During the year, Mr. Shamsul Hasan was appointed as Deputy Governor of State Bank of Pakistan and therefore, tendered his resignation. To fill the vacant position, the Board appointed Mr. Salman Tarin as Director of the Bank. The Board subsequently appointed Mr. Azmat Shahzad Ahmed Tarin, President & CEO of the Bank, as a Director of the Bank effective January 23, 2019, subject to the approval of the SBP.

Mr. Munnawar Hamid, Chairman of the Board, upon completing his 3 terms as an independent director of the Bank, tendered his resignation, requesting the Board to appoint an independent director as the new Chairman of the Board of the Bank. The Board accepted his resignation with effect from January 02, 2019.

The Board extends its deepest appreciation to Mr. Munnawar Hamid and Mr. Shamsul Hasan for their valuable and consistently high quality contribution to the Board and Board Committees. This went a long way in the effective direction of the successful development and management of the Bank through its various difficulties over the years, towards what is expected now to be a prosperous future. At present, the composition of the Board is as follows:

Types of Director	No. of Directors
Independent Director	3
Non-Executive Director	4
Executive Director	1

Names of the persons who, at any time during the financial year, were directors of the Bank:

1. Mr. Khalid Aziz Mirza
2. Mr. Nasim Beg
3. Mr. Rashid Akhtar Chughtai
4. Mr. Shahzad Enver Murad
5. Mr. Tariq Iqbal Khan, FCA
6. Mr. Talha Saeed Ahmed
7. Mr. Zubair Nawaz Chattha
8. Mr. Munnawar Hamid, OBE*
9. Mr. Shamsul Hasan*

*As stated above, Mr. Munnawar Hamid, OBE & Mr. Shamsul Hasan have resigned from the Board.



Composition of Board Committees

In accordance with the SBP guidelines, the Board has formed the following Committees, composition of which are as follows:

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

Risk Committee	
Tariq Iqbal Khan, FCA	Acting Chairman / Member
Shahzad Enver Murad	Member
Muhammad Atif Kauser	Secretary

IT Committee	
Nasim Beg	Chairman
Zubair Nawaz Chattha	Member
Javed Yousuf Edhi	Secretary

Human Resources Committee	
Khalid Aziz Mirza	Chairman
Mr. Munnawar Hamid*	Member
Rashid Akhtar Chughtai	Member
Kaleem Ahmed	Secretary

*As stated above, Mr. Munnawar Hamid, OBE has resigned from the Board with effect from January 02, 2019.

DIRECTOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2018

Performance Evaluation of the Board of Directors

In compliance with the guidelines on performance evaluation of the Board of Directors, issued by the State Bank of Pakistan, the Board appointed Pakistan Institute of Corporate Governance (PICG) as an external evaluator to carry out performance evaluation exercise for the Board of Directors of the Bank for the year 2018.

The PICG has conducted performance evaluation exercise which was divided into two parts: Board as a whole (which also includes the Board Committees) and individual director evaluation (undertaken by the Chairman). Apart from these, the Board members were also provided an opportunity to give their opinion on any emerging issue.

As per the PICG results of the Board evaluation, the evidence provided was satisfactory about the balance and performance of the Board and its Committees and the effectiveness and commitments of each Director.



The rating criteria set by PICG for the Board evaluation was as follows:

- **Excellent:** All board members perform or ensure that all factors within this question are always done. (9+ 10+)
- **Good:** All board members perform or ensure that all factors within this question are always done. (8+)
- **Satisfactory:** Most board members perform or ensure that most of the factors within this question are done some of the times. (6+7+)
- **Need Improvement:** Only a few board members perform or ensure that the factors within this question are done. (4+ 5+)
- **Unsatisfactory:** Most of the board members do not perform or ensure that factors within this question are done. (3+)

Results / Ratings by the PICG:

■ Board as a whole

Following are the ratings on the broad topics covered in a questionnaire on evaluation of Board as a whole, assigned by the PICG:

S.No.	Board As A Whole	Ratings
01.	Strategic Planning	9.2
02.	Board and CEO Effectiveness	9
03.	Board Information	8.6
04.	Board Procedures	8.5
05.	Chairman	9.9
06.	Independent Director	8.7
07.	Control Environment	8.4
08.	Board Compensation	7.7

■ Committee in General – 9.3

S.No.	Board Committees	Ratings
01.	Audit Committee	9.2
02.	IT Committee	8.8
03.	Risk Management	8.9
04.	Nomination & Human Resources	8.7

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:

DIRECTOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2018

- 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 approvals 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. 763.00 million and Rs. 554.000 million, respectively, as per the un-audited financial statements of these funds for the year ended December 31, 2018.

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 Slikbank Limited:

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. Additionally, Credit Administration units are in place for all segments of the Bank, effectively taking care of all the 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: resultantly, RMG has upgraded The Obligor Risk Rating model for Corporate and Commercial Customers by releasing the revised version 1.3. Besides this, RMG also has a robust Early Warning System (EWS) reporting in place. RMG had also put in place a facility, Risk Rating model, which now stands 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 compiled 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, which was responsible for a strong recovery stream of written off consumer loans, thus ensuring a pivotal role in bolstering business growth for the Bank during the year. 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 professional and efficient manner. RMG has also kept a close watch on the accounts identified as having developed "Potential Weaknesses". Business units are required to provide quarterly updates on such accounts which are then comprehensively reviewed by RMG, and strategies going forward are debated upon with all stakeholders. As per practice, this list is also shared with the Risk Committee of the board during the quarterly meeting and their input is invariably sought for implementation.

DIRECTOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2018

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 the NPL portfolio has ensued resultantly.

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.

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.

After successful implementation of the framework, we have now started collection of the required loss event data on monthly basis, and are now dealing with the issues hands on. This data is the first step towards forming the historical pool which will help in improving our procedures further. Board's Risk Committee is regularly updated on the progress being made in this regard.

An Internal Control Unit is also operational with the primary task of overviewing and ensuring implementation of various operational guidelines and 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.

Directors' Training

All Directors on the Board are fully conversant with their duties and responsibilities as Directors of the Bank. 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.



DIRECTOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2018

Board of Directors' & Committees' Meetings during 2018

During the year 2018, following Board and its Committees meetings were held. Attendances by the Directors & President & CEO were as follows:

Directors	Board Meetings		Audit Committee Meetings		Human Resources Committee Meetings		Risk Committee Meetings		IT Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr. Munnawar Hamid, OBE	6	6	-	-	5	5	-	-	-	-
Mr. Khalid Aziz Mirza	6	6	-	-	5	5	-	-	-	-
Mr. Nasim Beg	6	6	4	4	-	-	-	-	4	4
Mr. Rashid Akhtar Chughtai	6	6	-	-	5	5	-	-	-	-
Mr. Shahzad Enver Murad	6	6	4	4	-	-	4	4	-	-
Mr. Tariq Iqbal Khan, FCA	6	6	4	4	-	-	4	4	-	-
Mr. Talha Saeed Ahmed	6	6	-	-	-	-	-	-	-	-
Mr. Zubair Nawaz Chattha	6	3	-	-	-	-	-	-	4	4
Mr. Azmat Shahzad Ahmed Tariq	6	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, 2018

S. No.	Categories of Shareholders	Number of Shareholders	Shares Held	Percentage %
01	Directors, Chief Executive Officer 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*	13	39,271,471	0.43
04	Public Sector Companies and Corporations	5	48,362,496	0.53
05	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds	7	3,453,278	0.04
06	Mutual Funds	1	20,880,417	0.23
07	Foreign Companies	1	95,000	0.00
08	General Public – Foreign	21	156,623,496	1.72
09	General Public – Local	7,890	2,279,286,170	25.10
10	Others	91	428,057,130	4.71
	Total:	8,044	9,081,861,237	100.00

DIRECTOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2018

*In accordance with the Pakistan Stock Exchange (PSX), definition of the term "Executive" used in clause No. 5.6.1 (d) (Disclosure of Price-Sensitive Information To The Exchange) 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, 2018 & 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(s) and minor children along with Associated Companies, Undertakings Related Parties and Mutual Funds as at December 31, 2018

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(s) and Minor Children		9	439,569,686	4.84
01	Mr. Munnawar Hamid, OBE	12,574			
02	Mr. Khalid Aziz Mirza	500			
03	Mr. Rashid Akhter Chughtai	500			
04	Mr. Shahzad Enver Murad	500,000			
05	Mr. Tariq Iqbal Khan	16,997			
06	Mr. Zubair Nawaz Chattha	415,826,000			
07	Mr. Azmat Tarin	20,013,115			
08	Mrs. Farah Naz Tarin W/o Azmat Tarin	200,000			
09	Mrs. Saima Shahzad Murad W/o Shahzad Enver 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, 2018, an amount of fifty seven million (57,000,000) shares of Mr. Shaukat Tarin have been kept with Pearl Securities Limited.

During the year, Mr. Khurram Ali Malik, Area Manager – Branch Banking of Silkbank Limited, has purchased 3,000 shares from the open market. The Bank has reported the same to the Pakistan Stock Exchange in compliance of clause No. 5.6.1. (d) of PSX Regulations. Apart from this, there was no other trading in Silkbank shares carried out by any of the Directors and Executives or their spouses and minor children during the year.

Auditors

The retiring auditors, being eligible, offer themselves for re-appointment till the conclusion of the next Annual General Meeting. The Audit Committee of the Board has recommended M/s. Grant Thornton Anjum Rahman (GTAR), Chartered Accountants, the retiring auditors, as the statutory auditors of the Bank for the financial year 2019.

DIRECTOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2018

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

As at December 31, 2018, the equity of the Bank is Rs. 14.45 billion excluding deficit on revaluation of assets. This includes share capital (net of losses and discount on shares) of Rs. 13.63 billion against the minimum requirement of Rs. 10 billion as prescribed by SBP. Further, the Capital Adequacy Ratio (CAR) of the Bank is 10.92% against the minimum CAR requirement of State Bank of Pakistan (SBP) of 11.90%. The CAR requirement of 11.90% is made up of minimum CAR of 10% plus 1.90% of Capital Conservation Buffer (CCB).

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 2019, in addition to implementing the Bank's declared strategy to improve profitability by greater coverage, asset performance and productivity, efforts will be made to build core deposit base which will complement overall Bank's strategy to reduce reliance on SFS deposit and simultaneously, dilute cost of funds. Therefore, focus will be on bringing in small tickets CASA NTBs. The Bank now further intends to issue another Tier-II instrument in 2019, preferably on the Islamic side, to bring further improvement in the CAR and the funds so raised, will be utilized towards the Bank's business operations and further expansion during 2019. The Bank would further focus on disposal of OREO assets and reduction of evergreen lines / corporate portfolio and improve upon short-term trade lines.

Efforts will also be made to revive aggressively, the mortgage assets business 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, the Bank intends to continue increasing its geographical footprint.

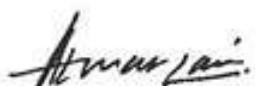
In order to provide a platform to cater for the unbanked population, the Bank has prepared to establish digital banking to increase its outreach, which is expected to be launched shortly. By introducing the "smart branch" concept, the Bank will also increase its distribution footprint and increase the 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

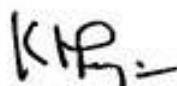
We take this opportunity to express our deepest gratitude to our customers and business partners for their continued support and trust, and our sincere appreciation to the State Bank of Pakistan and other regulators for their guidance and cooperation extended to the Bank.

For and on Behalf of the Board of
Silkbank Limited



Azmat Tarin
President & CEO

Karachi, February 28, 2019



Khalid Aziz Mirza
Chairman

ڈاکٹر پورٹ

31 دسمبر 2018ء کو ختم ہونے والے سال کیلئے

کم سے کم کھپول کی ضروریات اور کھپول کے موزوں تناسب کی محیل

31 دسمبر، 2018 کے ویک کی تعداد 14.45 ملین روپے پر 2018ء کی اولاد 14.75 ملین کی قیمت کا درجہ بند کیا گیا۔ اس میں ایمیٹ ویک آف پاکستان کی طرف سے جو گرد 10 ملین روپے کی کم کے ضرورت کے مقابلے میں 13.63 ملین روپے شیر کوچل (شیزز پرنسپال اورڈر کا نام) شامل ہے۔ جزو یہ کم ایمیٹ ویک آف پاکستان کے 11.90% کی کم کے کوچل کے مزدود حساب کی ضروریات کے مقابلے میں ویک کے کوچل کا مزدود حساب 10.92% ہے۔

کتبہ

ویک کی اگر در پھٹنی رینگ تکلی بے نہیں (A-1) اور شارت لارم پہنچے مانسہ (A-2) "یعنی آرڈنی آئی ایئی" کریکٹ رینگ کھلی ہوئی یا اس سے محسوس کی گئی جس آلات کے نمونے قبیلے کی مدد میں اعلیٰ سطھ سمنی Stable جو رکی گئی ہے۔

مقالات معمولی

2019 میں آئے بڑھتے ہوئے، ووپک کی اعلان کردہ سخت ملی ہر طبقہ میں کرتے ہوئے بڑی کوئی تباہی، اسکا جات کی کارکرگی اور بڑی دلکشی کے اثر میں منافی جات میں پھری لانے کے لیے اکٹھیں کی جائیں گی جو کہ کارکرات میں مال کی جائے جاوائیں ایسے اکٹھیں پر اکٹھ کرنے کے لیے ووپک کی قائم ترقیاتی ملی ہی جیل کے گاہر نہ لڑکی لائک کم کرے گا۔ اس لیے ہماری تجویز جات پر پرکار ہے گی کہ نہ چھوٹے اکٹھ CASA NTBs میں ۱۲ جائیں۔ 2019 میں اب ووپک خود میں افسوس نہ کرے گا اسکے لیے، خاص طور پر اسکے شعبے میں، ہر کچھ کو سوچوں جس سب میں بڑی پھری لائی جائے کارکر نہ کوئی حلاجی پابندی جو ووپک کے پس اپنے شرمن استعمال کیے جائیں گا اور 2019 کے دروانہ ہر 3 کی چائے کی۔ ووپک OREO ویس کو ٹائم کرنے اور اور گرین اسٹریکٹ کا پروپرٹی کرنے اور اپل میں اولیا اسٹریکٹ کی بڑی لائے بر جائیدادیں گا۔

مروج پرنسپلز بیس کامپال کرنے کے لیے ایک مشتملی کی پابندیں گی جو کہ تجزیہ مردی کی نظر میں خوبیتی کی پابندی۔ اس سے اہم ہے کہ یونیک "a pay for performance culture" اور improved succession planning

ان آزادیوں میں جہاں ویک کر رہا تھا نہیں ہے، ویک نے ویکنگ ویکنگ کے قیام کا ارادہ کیا ہے جس کا آغاز بہت جلد کروایا جائے گا۔ "اسارت ہر اجع" کو خلاف کرنا کریک اپنی اسری بیویوں کو بیویوں میں گاہر لکھ بھر میں اپنی بیویوں کی تعداد میں اضافہ کرے گا۔ جس کی پڑوت ویک نہیں کر دیں سماں کے ارتقیباً آمنہ نہیں میں ترقی پور رہیا کاری میں اضافہ ہو گا۔

امراز

۶۰ پہنچ مارچن اور کاروباری ترقیات حاصل کا تمدن سے ٹھریا ادا کرتے چیز ہمتوں نے ٹھری سل تھاں کا مظہر کیا اور ہم ہر اپنے اکٹھ کا اعتماد کیا۔ ہم طوں دل سے اسیت ویک آف پاکستان اور دنگر گئی یورپ کے ٹھریز اور ہیں ہمتوں نے ویک کو اگے بڑھانے میں اپنی رہنمائی اور تعلق فراہم کیا۔

سکھ پیک کے بہادر کے لیے اور اس کی چاپ سے

KIP

خالد عزیز مرزا
جیئر میں

Amaraji.

مکتبہ ترین

صلدر اور سی اگی اور

28 فروری، 2019

ڈائریکٹر پورٹ

31 دسمبر 2018ء کو ختم ہونے والے سال کیلئے

مپی انسائیکلیس دل بک کے چھپر 5 کے شن نمبر (d) 5.6.1 (اگر کوئی جو پاکستان اسٹاک ہبکچ کی طرف سے تحریف کی گئی ہے، کے مطابق، جبکے برواؤ اف ڈائریکٹر زیر انتظام کا انتظام ہوتا ہے) میں استعمال ہونے والی اصطلاح "اگر کوئی جو پاکستان اسٹاک ہبکچ کی طرف سے تحریف کی گئی ہے، کے مطابق، جبکے برواؤ اف ڈائریکٹر زیر انتظام کے ایک سوچون ویس اجلاس میں ایک قرارداد منظور کی۔ یہ اجلاس 28 اکتوبر، 2016 کو منعقد ہوا تھا۔ اس اجلاس میں اصطلاح "اگر کوئی جو پاکستان اسٹاک ہبکچ کی طرف سے تحریف کی گئی ہے، کے مطابق، آٹھ آٹھ سوچون ویس اجلاس میں ایک قرارداد منظور کیا گیا اور جبکے گرین ٹی اور اس سے اور کے مطابق میں کوشش کیا گیا۔

ڈائریکٹر پورٹ ملکی اور ان کے شریک حیات اور نہایت بچپن مع منکر کپیوں، افریقی تکوڑوں، مختلف فریقین اور میں جل فٹڈر کی جانب سے 31 دسمبر، 2018 کے مطابق جموں خود پر پاس رکھے ہوئے حصے

نمبر شمار	شیخوپورہ کی وجہ پر میان	پاس رکھے شریک حیات اور نہایت بچپن	فولبرز ای ذی ای اکاؤنٹ نمبر بجا لایا وجہ پر میان	نمبر بجا لایا وجہ پر میان	نیصد %	شیخوپورہ کی وجہ پر میان
نمبر شمار	ڈائریکٹر پورٹ ملکی اور ان کے شریک حیات اور نہایت بچپن	439,569,686	9		4.84	
01	جہاں خدا مدد اولیٰ ہے	12,574				
02	جہاں خدا مدد اور میرزا ہے	500				
03	جہاں خدا مدد اور جعلی ہے	500				
04	جہاں خدا اور میرزا ہے	500,000				
05	جہاں خدا مدد اور جعلی ہے	16,997				
06	جہاں خدا اور جعلی ہے	415,626,000				
07	جہاں خدا اور جعلی ہے	20,013,115				
08	جہاں خدا اور جعلی ہے	200,000				
09	جہاں خدا اور جعلی ہے	3,200,000				
نمبر شمار	شلک کپیوں، افریقی تکوڑوں اور مختلف فریقین (فیصلہ اور مذکورہ بالا شیخوپورہ)	5,666,262,093	6		62.39	
01	دال میس کارپوریٹ میلڈن	2,563,901,924				
02	جہاں خدا مدد اور میرزا ہے	1,049,091,791				
03	جہاں خدا مدد اور جعلی ہے	702,889,067				
04	جہاں خدا مدد اور جعلی ہے	678,126,000				
05	جہاں خدا مدد اور جعلی ہے	356,676,342				
06	جہاں خدا مدد اور جعلی ہے	315,776,969				
نمبر شمار	سیکٹل فٹڈر	20,880,417	1		0.23	
01	سیکٹل فٹڈر	20,880,417				

* جاپ ٹوکت ترین کیلی شیخوپورہ (1,106,091,791) 1.09% 12.18% ہے۔ یعنی 31 دسمبر، 2018 کے ٹوکت ترین کے تدوین میں (57,000,000) شیخوپورہ کی وجہ پر میلانہ میں ہے۔

سال کے درمیان، جہاں خدمتی لیک، ایران ہبکچ ویک، برائی ہبکچ نے اپنے کریٹ سے 3,000 شیخوپورہ کے نام کیک نے لیا۔ میں کے خدا ہبکچ کے شن نمبر (d) 5.6.1 کی جیبل میں اس بات کی اطاعت پاکستان اسٹاک ہبکچ کو دی۔ اس کے علاوہ، سک ویک کے ڈائریکٹر زادہ اگر کوئی جو پورٹ ملکی اور ان کے شریک حیات اور نہایت بچپن کی طرف سے سک ویک میں کوئی تحریت نہیں کی گئی۔

آڈیٹر

ریکارڈ ہونے والے آڈیٹر کی میثیت سے، اگر سالانہ اجلاسی عالم کے انتظامیک دہارہ تقریب کے لیے خود کو ٹھیک کیا ہے۔ بہرہ کی آٹھ کمیٹی نے اسی سال 2019 کے لیے ریکارڈ ہونے والے آڈیٹر، میرزا ایس گرافٹ ٹراؤن ایگزیکٹو میٹنگ (GTAR) پھارڈا کا ٹھیک کر کے ہوئی آڈیٹر کے لیے جوچ کیا ہے۔

ڈائریکٹر پورٹ

2018 کے دوران پورڈ آف ڈائریکٹرز اور کمیشنر کے اجلاس

سال 2018 کے درمیان مدد و معاونت میں ایسا کمی پیدا کیا گی کہ اتر کشمیر مدد و معاونت میں الی اور کشمیر مدد و معاونت میں ایسا کمی پیدا کیا گی۔

ڈائریکٹر		بیندا جلاس		آئٹ کمی اجلاس		انسانی وسائل کمی اجلاس		رسک کمی اجلاس		آلی کمی اجلاس	
حاضری	انتقاد	حاضری	انتقاد	حاضری	انتقاد	حاضری	انتقاد	حاضری	انتقاد	حاضری	انتقاد
-	-	-	-	5	5	-	-	6	6		جناب سور حامد، اولیٰ ای
-	-	-	-	5	5	-	-	6	6		جناب خالد عزیز مرزا
4	4	-	-	-	-	4	4	6	6		جناب یحییٰ بیک
-	-	-	-	5	5	-	-	6	6		جناب راشد اختر چھائی
-	-	4	4	-	-	4	4	6	6		جناب شفراز اور مراد
-	-	4	4	-	-	4	4	6	6		جناب طارق اقبال خان، الیف سی اے
-	-	-	-	-	-	-	-	6	6		جناب مظہر سید حمر
4	4	-	-	-	-	-	-	3	6		جناب ذیبر فراز چھٹپتی
-	-	-	-	-	-	-	-	5	6		جناب عفت شہزادہ عمر تین

غیر ماضی کی رخصت اندازیکٹرزوں کو دی گئی تھی جو اچلاں میں حاضر ہیں ہو سکتے ہیں۔

شیر ہولڈنگ کا اسلوب

کینز ایکٹ 2017 اور کارپوریٹ گرنس کے تحت درکاری شہری بولنگ کا اسلوب دینے والی ہے:
کی ڈی اس کا خرچ کا سلوب اور 31 دسمبر، 2018 کے طبق حصہ کا طبق قبضہ

نمبر%	صدمیہ	شیرکتیہ کی تعداد	شیرکتیہ کی وجہ پر یا	برابر
4.84	439,569,686	9	لارڈز، چپا بگر کھلا میرزادان کے فریکس ہاتھ ادا نہیں	01
62.39	5,666,262,093	6	ملک کھلڑا اتران سے احمد آباد پریس	02
0.43	39,271,471	13	اگر بکھر	03
0.63	48,362,496	5	پیک سکر کھلڑا پریس	04
0.04	3,453,278	7	وکس بری چوتھا تالیم خود ہاتھ کا گھٹاں کھلڑا پیشہ وس کھلڑا ہاتھ پار پار پیشہ وس کھلڑا	05
0.23	20,880,417	1	سینکل کھلڑا	06
0.00	95,000	1	ڈین کھلڑا	07
1.72	156,623,496	21	جزل پیک_قہان	08
25.10	2,279,286,170	7890	جزل پیک_بلک	09
4.71	428,057,130	91	دک	10
100.00	9,081,881,237	8,044	گل	

ڈاکٹر یکٹزر پورٹ

31 دسمبر 2018ء کو شتم ہونے والے سال کیلئے

پہلے کی خصیت کیجیز کے مطابق، ایک پاری دوسری ملں کی بنیاد پر کمیٹیت دسک کا اپنڈو کی رسک کشی نے بھی موہری چارہ دے لایا ہے۔ کمیٹی سے حفظ حالات پر بڑا کی طرف سے باقاعدہ رہنمائی ماحصل کی چالی ہے اور اتنا بھی پر لے لے اور اپرٹ سے مل کر باہم ہے۔ تجسس اس نے الی پر بڑو یونیورسٹی کی واقعیت برپا کی۔

۱۰



ڈائریکٹر کی تربت

آرٹسٹ رک

آپر جنگل رک کے تحت، مدرسہ محل پاپیسیز اور طبقہ کار بیک گرفتار ہوا پر جنگل رک کو حکم کرنے کے لئے بنداخی میں لائے جاتے ہیں اور شرمنگی کے لئے جاتے رہے ہیں۔ آپر جنگل رک بیک ہی سے چار ہائے اور ایک ڈکی جاہب سے محفوظ کر لیا گیا ہے۔ رک کنڑ وال خود قبضہ سالانے والے بیک کے کمی شہروں کو بھیجے جا رہے ہیں اور ان کے جملات کو فتح کرنا کرہم سالہاں کے درمیان بیک کیں گے اور ان کا مخصوص رک کے ہے۔



ڈائریکٹر پورٹ

31 دسمبر 2018ء کو شتم ہونے والے سال کیلئے



کنون و ریاست کے تحت ترقیات کی طبقی کے اڑے میں ہر چوپ چوپ کرنے اور موہلی کے لئے ایک مددگار بخش
ہوت کام کرتا ہے، جو کھلے گئے کنون و ریاست کی ایک خوبصوری کے لیے دسدار ہے اس طرح، سال کے
واہان، پوچ کی برس کر جنمی تھاون کرنے میں ایک مرکزی کاردار کرنے کا تھاں ہے اسی طرزی اکٹھ
ہمیں جوست پخت گئی تھی ہے جو اپنی طور پر ان پی ایسا کاوش اور صورتی کے عمل کی وجہ بھال کے لیے دسدار
ہے۔ پہنچ ایک اپنائی چیز میں اس امور مخصوصی سے پہنچ جاتا ہے۔ آرے ہمیں ان کاوش پر بھی گمراہ نظر
رکھتا ہے جن میں پہنچل دیکھ سسیں۔ میر۔ پہنچ اپنی کافی کاوش پر سسیں آپ اپنے اس امور کو احمد کر جائیں۔
آرے ہمیں کھل دھر جاؤ کہ اور اس طبق اللہ تعالیٰ کے ساتھ آگے جائے میں بحث میں بحث میں بحث کیا جائے
گا۔ جوہل کی طرح پورت گی سماں اچھاں کے دراں ہر کوئی رسک سکھی کر کھانی جائے گی اور ان کی تقدیر کو قبول
کر میں ہمارا کہاے گا۔

((1)) بڑا کے لئے ریلوے کی فرائکا اور پروپرٹی کی حکمرانی کے لئے ایک آنکھ تھیں دی گئی۔ یہ کلکی ویک کے اعزیز آنکھ پورا ملک کی طرف سے انتخاب کردہ طبیعت کا ہائی لینگی ہے۔ ماہمہی ان کا اسکپ اور پورا ملک آنکھ کے ساتھ تھات کا بھی ہائی لینگی ہے۔ یہ اعزیز آنکھ طرف سے پروپرٹی کی حکمرانی کی مولں کرتی ہے اور کوئی بھی دیگر ملکیں مکمل میں کی جس کی میادوت کی کمی اور ان پر پکڑ کر اول اور حلقہ ایسا ایش ان پر کارروائی کی گئی۔

((ii)) ایک آرگمنٹ پیش امنیت کو حرم کیا گیا کیونکہ یہ اور اخراجی کی وجہ پر عدالت کے ساتھ ذمہ دار ہیں اور احتساب کلائی یعنی کوئی نوادرت کرتا ہے۔

(iii) ذیع جال بول پے حکمر شدہ بولیں اسٹریچر بولدا کی طرف سے حکمر شدہ ہیں۔ جو جی کے کیمپ سلانڈ چک کا اور اسٹریچر پیٹ کا ملٹری سووچرے پیاسا سڑک کا رہا کارہی احوال میں ملایاں جائیں گے جو کی مکاہی کرتی ہے۔

(۷) کفر دل فریم و ک ک جزوی خصوصات مددجذبی هست:

● پرے کھجور اخراجات اور دیگر فراز بچھن کے لئے جوخت اور حکومتی سکے طبع۔

■ اپریل میں کی شروعات اور ماہنامہ تجارت اکادمیک اسٹڈیز کرتے ہوئے ہائیکور کارگی کی پانچ بار پریمیم اور گول جو کارکردگی کے اہم ایشیا سڑک پریمیم کیلئے عین چیز کی ادائیگی کا اکارنی ہے۔

▪ سنت، حقیقت، داخل، اور تجسس پر مسر اور دیگر امور پاپیسے کا جائزہ۔

▪ حربیہ کے، اعلیٰ کھروں سلم کے چاہئے، اعلیٰ آٹھ فی بیس٪ کی طرف سے لیے جاتے ہیں اور اعلیٰ کھروں پر تجسس کے تین چھوٹے کوڑے کو دل میختک کی طرف سے تحریق کے چاہئے۔

• جوک کی قابلیت پر کوئی فہدیں ملکوں نہیں آ جائے۔

- کار پوریت گرد جس کی بریکنیس سے کوئی میری مل لانا اپنی کار لیکن رکھ لائیں میں بیان کیا گیا ہے۔

(۱) پریورٹی خلاصہ کر سمجھنے والے اسکی سرمایہ کا نام و قیمت اخراجی 783.00 ملین روپے، اگرچہ 554.00 ملین روپے ہے۔
۳۱ دسمبر، 2018 کو تمثیل نہ کیا گیا۔ اس لیے اس کے لیے اسیں خلاصہ کرنے والوں کی طرف اعلانیں کیے جاتی ہیں۔

درستگاه فریم و رک

رسک مجہنت کے مل دھل کی بھری کے لیے رہا ہے سسل کوشش چاری ہیں جس کے نتیجے میں ویک میں بھر کر دل اور رسک کے ماحل ایک بھری "رسک پڑی" کی تخلیق و تحقیق ہوتی ہے۔ مل کی تخلیق کی طرف بڑھتی تھی اور جایا پر رسک مجہنت کے لیے بھر پر تجدید چیز ہوئے رسک پڑک کے رسک مجہنت کے مل کے کچھ اہم پہلو درمیانیں:

ڈائریکٹر پورٹ

31 دسمبر 2018ء کو ختم ہونے والے سال کیلئے

بورو آف ڈائریکٹرز کی کارکروگی کا تجھیش

بورو آف ڈائریکٹرز کی کارکروگی کا تجھید کرنے کے لیے ملحت ویک آپ پاکستان کی طرف سے جاری کردہ ہدایہ اسکریپٹ قیمت میں برداشت سال 2018 کے لیے ویک کے برابر آف ڈائریکٹرز کی کارکروگی کا تجھید کرنے کے لیے پاکستان انسٹیٹیوٹ آف کارپورٹ گرنس (PICG) کا پھر جزوی تین ماہی مقرر کیا۔

پاکستان انسٹیٹیوٹ آف کارپورٹ گرنس نے کارکروگی کا تجھید کرنے کے لیے ملحت ویک آپ میں حصہ کیا ہے۔ پھر اسکے میں (جس میں برداشت ڈائریکٹری میں شامل ہیں) انسٹیٹیوٹ آف ڈائریکٹرز کی کارکروگی کا تجھید (چھترمن کی طرف سے اسے لیا جائے) اس کے مطابق، پورا کیا کیا ہے مرتقی دیا گیا کہ، اگر ہے اسے ممالک پر اپنی راستے دیں۔

پاکستان انسٹیٹیوٹ آف کارپورٹ گرنس کی طرف سے جمادی کے تجھیش کے طبق، پورا اس کی کمیٹری اور ہر اکٹوبر کی ملاجیت اور اسداریں کے اذان اور کارکروگی سے خلصہ اس کو ختم کر دیتے ہیں۔



کارپورٹ اور فناضل رپورٹ فریم ورک

بورو آپس ایسی لیے کی کوڈ آف کارپورٹ گرنس کے تحت اپنی اسداریں کے لیے نہ ہم ہے۔ اس طبق میں،
مشینجھیلیں ایسا ہے کہ:

پاکستان انسٹیٹیوٹ آف کارپورٹ گرنس کی طرف سے جمادی کے تجھیش کے طبق، جمادی کا معاشرہ مدد جذبی رہے۔

■ شامانہ کارکروگی: بہزاد کے نامہ بہران میں مل کیا یا بین دایا کر اصول نے اس سوال کے نامہ جواب کی
بھروسہ محیل کی ہے۔ (9+10+)

■ انجمنی کارکروگی: بہزاد کے نامہ بہران میں مل کیا یا بین دایا کر اصول نے اس سوال کے نامہ جواب کی
بھروسہ محیل کی ہے۔ (8+)

■ اہمیان انکوں کارکروگی: بہزاد کے نامہ بہران میں مل کیا یا بین دایا کر اصول نے اس سوال کے نامہ
جواب کی بھروسہ محیل کی ہے۔ (6+7+)

■ بہزادی کی تحریرات: بہزاد کے صرف چھ بہران میں مل کیا یا بین دایا کر اصول نے اس سوال کے جواب کی
بھروسہ محیل کی ہے۔ (4+5+)

■ غیر اہمیان انکوں کارکروگی: بہزاد کے نامہ بہران میں مل کیا یا بین دایا کر اصول نے اس سوال کے
جواب کی بھروسہ محیل کی ہے۔ (3+)

پاکستان انسٹیٹیوٹ آف کارپورٹ گرنس کی طرف سے فراہم کردہ
تاجیج / درجہ بنیادیں

• مکمل پورٹ

پاکستان انسٹیٹیوٹ آف کارپورٹ گرنس کی طرف سے مکمل پورٹ کی کارکروگی کا تجھید کرنے کے لیے مصالحے میں
دیے گئے مصالحے پر وہ عدالتیں مدد جذبیں ہیں:

درجہ بنیادیں	مکمل پورٹ	نمبر
9.2	حکومی ملکی مخصوص	01
9	بہزاد اور ایسی ای اوکی مصالحہ	02
8.8	بہزاد کی معلومات	03
8.5	بہزاد کے ملکہ کار	04
9.9	خفر من	05
8.7	خود ہائزر	06
8.4	کھروں ہائل	07
7.7	بہزاد کے مصالحے	08

• عمومی کمیٹی - 9.3

درجہ بنیادیں	بہزاد کی کمیٹی	نمبر
9.2	آوت کمیٹی	01
8.8	آلی کمیٹی	02
8.9	رسکٹیجٹ	03
8.7	ہمروگی اور ہرگز نہ سودا	04

- (a) ویک کی میٹنگ کی طرف سے جو کہ، خاطل گھوڑا سے، اسٹیٹ آف خفر دہاں کے اپنے کمیٹی کیاں تھاں
انکھیں میں جو ہی نہ رہا کہ 2 ہیں۔
- (b) ویک کے کام کی ڈیمکس مکھی کی گئی۔
- (c) مالیتی کوہاڑاں کی جو دی میں مالیت پر چھپل دکھل رہے تھے، پر چھپل دکھل رہے تھے اس میں سے کسی بھی اونک کے خارج
کو اونک کیا گیا۔
- (d) اعلیٰ کھروں کا سلم زندگان میں کافی صد ہے اور بہت موڑ رہا اس میں اس پر مل کیا گیا اور گردنی کی۔ اعلیٰ
کھروں پر تجھنک کا یاداں بھاں سمجھا ہے تھا کی تھیں بہت ہے کہ ویک کے کام کی میٹنگ ویک آپ پاکستان کو
مطلب ہے۔ بہزادی کی طرف پر ویک کے اعلیٰ کھروں سلم اور اس کے موڑ رہے کام کی میٹنگ کے لیے دسوار
ہے۔ ہم یہ سلم پر کام کرنے کے لیے وہ کام کیا ہے کہ مھریں، ہم کام کر دیں کہ ویک کو کام کرنے کے لیے دسوار کی
دھمکی ٹھریں سے خلص ہند پیان کے خال مرف متحمل ہیں وہاں فراہم کرنے ہے۔ بہزادی کا ہاں سے اعلیٰ
کھروں سلم کے موڑ رہے کے ہاوے کے لیے استعمال کر دیجئے ہیں۔

ڈائریکٹر پورٹ

31 دسمبر 2018ء کو ختم ہونے والے سال کیلئے

بودھ آف ڈائریکٹر

سال کے دروازہ جب تک شش مہینہ کا انتی پیک آف پاکستان کا اپنی اگر و ترقی کیا گی اور اس لیے ان کا استھان بھیں کیا
میں نے اسی کوپن کرنے کے لیے ہمارے جانب ملکیت ہے جو پیک کا اگر و ترقی کیا۔ اس کے بعد ہمارے پیک
کے صفت اور اسی ای اجنبی طبقت فخر اور امدادیں کو پیک کا اگر و ترقی کیا ہے 23 جولائی، 2019 سے میں اس کی
پیک آف پاکستان کی خدمتی سے مدد ہوں۔

جناب خود مادہ جو پیک کے خبر میں چیز، بھروسہ پیک کے خواہ اگر و ترقی 3 درجہ کرنے پر انہوں نے استھان
ٹیکنیکی ایجاد سے مدد ہوتے ہوئے اس کی اگر و ترقی کا ایک خواہ اگر و ترقی کے پر اکا ایک خبر میں ترقی کیا ہے۔ ہمارے
آن کا استھان خود کریا جو 02 جولائی، 2019 سے موڑ ہے۔

ہمارے جانب مادہ جو پیک کے خبر میں چیز، بھروسہ پیک کے لیے ہمارے سلسلہ الی میار کی نہات ٹیکنیکی
کرنے پر تمہارے خوبیوں کی خدمت کیا۔ پہلے سالوں میں پیک کو ٹیکنیکی خدمات کے بعد، پیک کی کامیاب
لیے پیک اور پیک کے لیے پاکستانی خدمتیں۔ جس کی بدولت ایک خواہ اگر و ترقی کی اُتھی ہے۔ اس وقت، ہمارے
کی کپوزیشن مدد ہے۔

ڈائریکٹر کی تعداد	ڈائریکٹر کی تعداد
خود کا اگر و ترقی	3
پاکستانی اگر و ترقی	4
ایجمنیکو اگر و ترقی	1

اُن اشخاص کے نام، جو مالیاتی سال کے دوران کی بھی وقت
پیک کے ڈائریکٹر ہیں:

- 1۔ جناب خالد عزیز مرزا
- 2۔ جناب نجم پیک
- 3۔ جناب راشد اختر چہل
- 4۔ جناب قمر الدین مرزا
- 5۔ جناب طارق اقبال قمان، الف سی اے
- 6۔ جناب طوسیدہ ام
- 7۔ جناب زیر الدین امداد
- 8۔ جناب خود حمدہ اربی ای
- 9۔ جناب شش مہینہ

*میسا کار پیمان کیا گیا ہے، جناب خود حمدہ اربی ای نے ہمارے استھان سے رہا ہے۔

سے موڑ ہے۔

*میسا کار پیمان کیا گیا ہے، جناب خود حمدہ اربی ای اور جناب شش مہینہ نے ہمارے استھان سے رہا ہے۔



بودھ آف ڈائریکٹر

بودھ آف ڈائریکٹر کی کپوزیشن
اسٹیٹ پیک اک پاکستان کی گاہیں اکٹھ کے مطابق، ہمارے مدد ہڈیل کیپیٹھیل دی ہیں، جن کی کپوزیشن
مدد ہڈیل ہے:

آٹھ کمی	آٹھ کمی
خود میں	جناب قمر الدین مرزا
مر	جناب نجم پیک
مر	جناب طارق اقبال قمان، الف سی اے
مکری	جناب زیر الدین امداد

رہ کمی	رہ کمی
وام خام خود میں / ام	جناب طارق اقبال قمان، الف سی اے
مر	جناب قمر الدین مرزا
مکری	جناب زیر الدین امداد

آلی کمی	آلی کمی
خود میں	جناب نجم پیک
مر	جناب طارق اقبال
مکری	جناب طارق اقبال قمان، الف سی اے

دوسرے پورے کمی	دوسرے پورے کمی
خود میں	جناب نماد من مرزا
مر	جناب نماد من
مر	جناب طارق اقبال
مکری	جناب کامبر

*میسا کار پیمان کیا گیا ہے، جناب خود حمدہ اربی ای نے ہمارے استھان سے رہا ہے۔ 02 جولائی، 2019 سے موڑ ہے۔



ڈاکٹر زرپورٹ

31 دسمبر 2018ء کو شتم ہونے والے سال کیلئے

اسکول ایسیٹ مینجمنٹ گروپ (SAMG)

سال کے درمیان، پیراٹ اچانگ لاس اکاؤنٹ پر ایک اچلی اور کڑا قم ہوا۔ اسکی رسمیت میکنٹ گروپ کی طرف سے 1,269 میشنز وہاں کے گھبٹ کی تھائی میں 1,533 میشنز دینا چاہیا۔

رہائشی اسٹیٹز اس سید جنگل کیمپ نے بھی کوئی دیگر رہائشی اسٹیٹز کی لیکھت (OREO) / ووک کی لیکھت کی جانشیداں کو 1,838 میٹھن درپہل کی تحریری قیمت کے مقابلے میں 2,516 میٹھن درپہل کی قیمت پر کامیابی کے ساتھ فروخت کیا، جس سے 880 میٹھن درپہل کی اضافی رہائشی اسٹیٹز ہوئے۔

کار اور بیٹ کا جی ذمہ داری اور ما حول بر کار و مار کا اثر

وکل احوال کی حفاظت اور قدرتی را بخوبی کرنے کے حوالے سے اپنی امور ایجاد سے مغلبی واقع ہے۔ وکل اپنے ایک ہرگز کے احیان میں سے واقع ہے اور ایک مشہود بریس، والی نہاتے کے لئے کام کروتا ہے جس سے قائم شکر اور خلاصہ کو کوچھ تبدیل کر دیتا ہے۔

اسیٹ پیک آپ پاکستان کی طرف سے کریں جو کنگ پر گائیڈ ایئر کے اخراج سے تعلق رکھتے ہی 2009 سے ایک پالسی (SEMIS) اور بڑی اور بڑی میل جنگ سلم پالسی) احمد یونے ہے تاکہ یہ میشین را دعے کر کنگ کے سروچارہ وہ نہ ہو جو کا انحصار داخل رہت مصنوعی اور پرستی میکس ہو چکا ہے۔ SEMS پالسی میں مختلف حجم کی کارکنگ، پر دیجیکٹ کیفیت، قابلِ اطلاع ضروریات، ہاتھی اور ماہولیاتی طرز کا درست کرکٹر اور پرستی کی سماںی اور اخراجی لاملا سے معاشر کیا جائے۔ SEMS پالسی میں کریں جو کنگ کے اقدامات کے لیے بندول پیک کی طرف سے گوچ کر کر اپنے بڑے کے سامنے ہل اخراج رکھے گی۔

جزیرہ کر، 2014 میں، جنک نے ششی قائم تحریک کی اخراجی طور پر 35 بامچیں میں پاہ کی اہم ضربات کو پا کر رہا ہے۔ ان ضربات میں اپنے ایم ۳۰۱ ای سلوٹ ضربہ کی دھنیاں ادا کارم سلوٹ شال ہیں۔ یہ بامچیں دن کے واقعات میں شکی یا معمولی وقایت کی اسکم پر تو نتیجی گروپ پر سچھا ہو جاتا ہے۔ پاہ پلائی کی بندش کے واقعات، یہ بامچیں یک اپنے پھرست کے لئے شکی کوہاں کی پڑی ہیں۔ جنک کا یہ ضرر ہے کہ وہ اپنے دن اپنے ایل ایز لدوان، یہ بامچیں یک اپنے پھرست کے لئے شکی کوہاں کی پڑی ہیں۔ جنک کا یہ ضرر ہے کہ وہ اپنے دن اپنے ایل ایز کا ریسائیل ایکسٹریم چیزیں پھرست کرے گا۔ جو اس کا سلسلہ ہو جائے تو یہ ایک ایڈج زارہم تحریکات کے درمیان بکھار کی پچھت میں بھی مدد چاہے کر جائیں یا بامچیں کی لاگت پھانے کے لئے شکی کوہاں کی پر سچھا ہو جاتی ہیں۔ کاربونٹ ڈنکل کے لیے کریبت کی خوبی کے محل میں کی جعلیں کی افراد نے حصہ لیا۔ پھر ان سماں سے ایسا ستم پڑا جاہے جس میں کافکہ اسٹھان کم ہے۔ سکھ ایکٹ اپ پر جو کارائیں سک کہاں ہے۔ سماں میں مرغ مٹے کے لئے دنکل کی نہار پر حادث کر لے گا ہے۔

کی مالوں سے پہل کا خدا کے کم سے کم استھان کر رہا گی کرنے کے لیے دنیا قابو کی اور جدید طور ہمیں تبدیل کرنے کی کوشش کر رہا ہے۔ پہل کا پسروں کا بھائی میں لائے کے مرطبلے میں ہے جس کی مدد سے اکاؤنٹ کھولنے،
رنچل لینڈ نگر یا اونٹس اسٹیٹ اسٹوڈنٹس مالوں کے لیے کام کا استھان ترقیاتی مدارجے ہے۔



صارف کی خدمات اور آن کا معمار

پیک کی تجویز مارف کرو کے اور فدا داری بڑا رکھے پر، صاف کے سماں اور سروں کی عالی پر کرازدہی۔ پیک نے کلہ بیٹک پر سسر حارف کرایا ہے کہیت کارا سلف پک آپ اور دامیں کیے گئے کارا زکی اپنے کھنڈ نامدی، نخ کے انتظام اور تمیل کے طور میں اپنی امکنی خوبیت، صارفین کو داشت کرہ سروں بیلہ کے معماں بیش کا خرچ جنمائی کی فرمائی اور مارف کی رہنمائی کے لیے بھجت میں بھجنی ہے۔





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کریٹ کارڈز

سک پیچ کر بیٹ کاروں کے لیے سال 2018 ایک مہینہ میں ہر 19 ٹین روپے کے فرقے کے راستہ 1.5 ملین روپے سے 4.5 ملین روپے تک بڑھ گئی، جس سے گرفتاری میں 25% کا اضافہ رکھ رہا۔ 2018 میں سک پیچ 2 لے 50,000 کاروں پر اچاری کیے اور 23 لاکھ سالوں سے صورتیات میں بارگات یونڈر کی جیتھے مال کی۔ پرلو ٹو ٹو ٹیکنالوجیز کے لامائے، استعمال کی شرح 23% سے 27% تک بڑھ گئی، جبکہ بکریت کاروں کی تکمیل میں کی شرح 75% سے 78% تک بڑھ گئی ہے۔ 2018 کے دروان، سک پیچ کر بیٹ کاروں اپنے پہلی وی کرشن "For a Million Reasons" کا آغاز کیا جس سے بارگات میں پرلاکٹ سے آگاہی مالیں ہوئیں اور اس کی بیٹھ تحریر مانندے آئی۔ سک پیچ نے دنیا بڑا اک 300+ اکنس پر پارکر رہا تھا، اکثر کے اپنے مقامی بھوکل سے آگے بڑھا، جو بارگات میں کسی بھی کاروں پر لاکٹ کے مقابلے میں زیادہ تھا۔ اس پرلاکٹ آفرگ سے کسی رنگ اقدامات میں اضافہ نہیں ہوا، جس میں سماحت پارکر آؤٹ لائس پر اسٹیٹ کیش بیک روپی ٹھنڈن کا اضافہ بیکس پر لیج پر ڈیزائن کا اضافہ اور کریمیٹ پر ٹکلر انٹریس پیمانے والیں کے مقابلے میں ترقی کیا ہے۔

میکنالوگ

سال 2018 میں پرنسپر اور نگاری کیلائی منس کے ساتھ مدد و معاون ہونے اور صاف کفر اسلام سروں کے معیار کو پڑھانے کے لئے بین الاقوامی کی پنجادوی کمی اقدامات اٹھائے گے۔ سال کے درواز، پاکستان ہر میں قائم ہوتے والی 35 نئی برائیوں کو سچ توان اسلام کیلائی کی جو روکنگ سسٹم (T-24, R08) سے R16 کم آپنے دیکھ لیا گیا کہ اس کا

انسانی و سایر

انسانی سماں کی خاص تجویز طازہ میں میں رہتا اور ان کی ترقی بڑھاتا ہے جس کے لئے کسی ترقی سیستھم کیے گے۔ ان سیستھم کا تصدیق ہم بلڈنگ، کارکر دی گئی کوٹھم کرنے اور شام اور سوں فراہم کرنے تھے جنکی وجہ سے طازہ میں کی محارت میں اضافہ ہوا اور پیچ کے قدر ترقی پڑھتی تھی۔ اسال کے دروداں، طازہ میں سرگرمیوں کی بھی مل میں آؤ ایسا جس سے ان کا حوصلہ ہوا اور آپس میں رہتا بھی تھا۔ پیچ کو کلور ایک پر ادا کروائی دینے اور طازہ میں کی پیدا کا آخر پیچ کی جیتھت مسائل کرنے کے لئے پیچ نے ایسے کیا تھا۔ پیور میں حصہ لیا جو پک کے مدد سے اپنی اشیائیں کی طرف سے ٹھلم کیے گئے تھے اور 100 سے زائد طبقاتیں کو سراہن شپ پر دکام افریز کیے گئے جو اس ایس پیور میں موجود تھے۔ فراہم کیا کیا اور اس طرح مختلف میں مذاہست کی اساس میں کوئی کرنے کے لئے امیدواروں کی ایک فرشت مسائل ہوئی۔ پیچ نے سماں اور بلڈنگ میں بھی حصہ لیا جس سے معاونت کے لیے لولہ کو جاتے تھے اور ہم مردی بڑھن کے دروداں پارکت پڑھنے والیں کو کہتے میں مددی۔ جس کی بدولت ٹاپ پیٹھ کو رکھتے اور معاوضوں کو پارکت اسٹینڈرڈ اڑکے مطابق کرنے میں سماتھ مسائل ہوئیں۔



مختونہ بولنے والے

سک پیچ ایم پا در، ایک چاری کافی سبھلئی ہے جو رہائی اور تحریقی چانکیاں دلوں کو محفوظ رکھتی ہے۔ اس کا ای این آر 2.38 میٹر روپے ہے اور 1325 گنڈا مارکن مرنگی ہے۔ اگر یہ ایسی ایم ای سے حصیل مالی صاحبی تبلیغزدگی اور پاپندی کے سائل کی وجہ سے حوصلہ رکھ لگی ہے، پڑی گی ام 2.42 میٹر روپے کے سالانہ بناش کے ہاتھ کرت کر لے جائے۔

ایمان اسلامک بینکنگ

سال 2018 میں بینان اسلامک نے 10 جاپ کار کرگی کا ملکہ رکھ کر اکامیونی کے ساتھ 822 میٹن روپے کا صاف قشی اور 3 ممالک کیا۔ بھلپی کے لئے سے، بینان اسلامک نے 16,703 میٹن روپے (117%) کی کروچہ جزیری۔ کرف آؤٹ سیوگ آؤٹ میں 89.28% کا اتنا جزا اور پاٹ پک 30,960 میٹن روپے پر بندھا۔ ایڈ انسرس میں 9,374 میٹن روپے کی کروچہ کا رہا جو اور یہ 26,902 میٹن روپے پر بندھا۔ پھر سے سال مردی اور معیار پر ماس تجویدی گئی۔



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ہول سیل بینکنگ

ٹریڈری اور نسل انسپیکٹر ہنز



سال 2018 کے دروازے، سکھن مروہ بکنگ لائچرمن نے پرنس اون میں بلوور برکٹ میں ایکی خوشقدی کے لئے محلہ ہڈاٹنی ایل (ATL) کھمل کے ڈریکٹر فیصلہ کیا۔ کھملن "انہوں کے لئے کوئی" نے بڑی کامیابی حاصل کی جس سے حضور مسیح علیہ السلام کے سارے اسرائیلیوں کے لئے تحریر حاصل ہوا۔ کرب شریف کی حضوری تقریباً میلاد میں مددی۔

ہمارے مقام کے علاقوں کی کمکوں کے ذریعے مارچن کی تجویزیں کرنے کے لیے حوصل کی دستیابی کی مکملی کا استعمال کیا جائے۔ اس کے ساتھ ۲۰،۰۰،۰۰۰ مارچن کو رکھنے کے لیے بھی کمکوں چیزیں ہیں۔ اپنے پورے ہوا کر کیتیں تھیں کہ جن ماحنے کے پورے گزارنا کا آئندہ روز کی گیا۔ ان حکومتی شعبوں کے تین میں، پہلے کے پڑی ۱23,585 ایکٹو مارچن موجود ہیں اور ۶.41 ملین روپے میں شامل کردے ہیں۔

ریڈی اگن



سال 2018 کے درمیان، سکرپرچاک گروپ جن نے خرچ میں اضافے کے کمی اقدامات اٹھائے جس میں گلکھیل پر ہو ہو، بیش روپ کھو، دین ایجاد کارا ایکٹریشن، بیٹھنے والے اخفرز، ویرے شالیں ہیں۔ سکرپرچاک گروپ جن نے اپنی تجربہ ایکٹلیں میدے کر کر فروخت دیتے ہیں، پر ہی رکورڈ کمی چھسک ادا کرکت اغذیہ چکاگ اور رک سک سہا ہیں۔ جن کے علاوہ، ابی، جنگ، اور ایس ایم ایل اس کمی فروخت دیا گیا تھا، جن کے 6.83 ملین روپے کے رخصی لائن ای این آر کے ساتھ 2018 کا کامیابی کے ساتھ اعلان کریا۔

2017 میں "ماری سکھن" تراویشون کو پہلے دو "کامیابی" کے بعد، ہم نے اپنی رائکت کی لمحجع اور آگئی بڑی محاسنے کے لیے اس سکھن کو دوبارہ خلاصہ کا فیصلہ کیا۔ 2018 کے انتظام پر، بڑی لائن کے ایکٹو سارٹن کی تعداد 11,945 تھی۔

منی مارکٹ ایک نے پی آئی ہے، لی بلڈ اور سوسکس کی خریداری کو 24 میں رہو پے کے حاصل سرگزی (Capital Gain) کا اعلان کیا۔ مارکٹ میں این آر ایچ ایف (M&A لی فرٹ کی امنی) کی اعلان 34 میں رہو پے کے گھر بکر کا دادی کی بھی، جوں ہر سے سال اپنے چوتھے "کم" سے کم رہے۔ غیرہی چوتھے 140 میں رہوے کے ساتھ بھی جوں کھلا جائیں گے۔

سال 2018 کے درمیان تکمیل انجینئرنگ ہوپ پارکسٹ نے وادیٰ اور اخان اسلامک ہائیکوک کے لیے بیان الائقی اور
ستادی کریم پڑھنڈ پارکسٹ پرکریم پارکسٹ کے ذریعے جزوی تجارت اور ادائیگی کے مظلوم رہام کیے جس سے
بلاورہن بلڈ آفی 57 میٹر پر جمعیت کے لئے بڑھتے گے۔

دشمنی ہوئے کا ذریعہ پرانی اٹھنیوں کے ساتھ وہی کمیٹ لائز و حیب کیس جس کے تینیں ملک میں کمیٹ لائز بخشن کامیابی سے ہوئے اور فوجی، ارمنی، اوس اور گرجی پر بڑے پیارے دشمنیوں کے خلاف بھی کامیابی کے ساتھ کھنکولیں ہے۔

کارپوریٹ بینکنگ گروپ

40.0 میلین روپے کے احتساب میں اسکی تباہ پر نسبت المثلہ انسر 35.3 میلین روپے سے 5% کے جو 13.3% 26.4% کے اضافے کے رہا ہے۔ اس لئے سال 2018 میں اس سطح پر بیجٹ کر 3.92 میلین روپے ہو گی جو 33.1 کے زیاد ہے۔ فوجی میں 4.5 میلین روپے کی تباہ ہوئی۔ متنی 14% کا اضافہ اور ماں سال 2017 کے میلین روپے کے مقابلے میں ماں سال 2018 میں 37.7 میلین روپے پر رقم آئے۔

کنزِ بوم پینگنگ

کسی پرستکنگ ذمہ دار نے اپنی فیر معمولی کا کرداری بھاری رکھی اور ترقی کی راہ پر گامزد ہے۔

غیر محفوظ پورٹولو

2018ء میں، کنزمن پریمینکٹ لیوچن نے اپنی آجودا رکٹ لائی ٹھرست اور جس سپر پر کوزر کی سائیپلائی پیکاٹ کے آغاز سے لے کر ان پہلو دارکٹ میں مداری سائیپ ہوئے تھے، جس میں برانچی پیکاٹ کے کراس سل میکرو بگی شامل تھے۔ اسی طرز پر اورے سال میں ہر طرح کی پیش قدمی کی گئی۔

2018 کے درمان، دنائی اور حصا لیات کے لاملا سے پر عل لوزن اور بیوی ایک نے خود تھا اسے ڈھ کر جمع شد
ماہل کر کے صرف سے زیادہ حصول کی رہائت کو برقرار رکھا ہے۔ کجھ مر جانکے طبیعت میں پر عل لوزن کے
11,842 کا وکش اور بیوی ایک نے 116,299 کا اخراج ہوا۔ اگلی ادا کردہ رقم میں 3.66 میلین روپے
پر عل لوزن میں اور 3.84 میلین روپے بیوی ایک میں ماہل کیے۔ کجھ مر جانکے طبیعت میں PIL اور RLL میں
کر 13 میلین روپے کا ایک ایسا حاصل کیا جس کے تینیں میں تک دیکھ پڑے ہم مر جانکے میں 38% شیخ کے ساتھ
دریکٹ میں سب سے آگئے ہے۔

ڈاکٹر یکٹر زر پورٹ

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سیکورل کار کر دگی

برائے نجی بینکنگ



پینکا شورنی

بیکار خرید پولیس نے سال 2018 میں یہاں گرفتار کا مظاہر کیا ہے اور بچپن سال کی کارکری کے مقابلے میں اس سال اس کی ولی احمد گرفتار ہجت بنی 11% اور 2017 میں جاری کیا گیا پولیس 114 لینن روپے تھا جوکہ 2018 میں اس کی ولی 126 لینن روپے رہا۔ دو حصے انہوں پانچڑی کے مقابلے کے ساتھ، ہماری پانچڑی اسکے مقابلے میں بیکار ہو گئی ہے۔ ہماری پانچڑی کی تبدیلی کی وجہ کیونکہ پانچڑی پر مدد و مبارکہ ایجاد پر مدد و مبارکہ فرم آں تباہیں صدک ہو گیں۔

اگر 2018 میں اس پولیز پر 299,121 جزوں کا حصہ ہے تو 2017 میں ان کی تعداد 1,071 تھی۔



اے ڈی ای بنس

سک پیک و جو اینڈ کارڈ ("VDC") نے 2018 میں سکم پیک اور چارپائی ریکارڈ 38,383 میلے دنیا کی
کارڈ چارپائی کے جس سے اُن کارڈز میں 135,389 کارڈز ہے۔ 2018 کے دریافت، پی ایکٹ اسکل پر جو
فوج کارڈ کے استعمال سے پڑی یہ 391,260 لارڈ بھتیجے 1.48 ملین روپے کی لاگت کا فرقہ رکارڈ کیا گیا، جوکہ
2017 کے مقابلے میں ہاتھیب 16.53% اور 20.50% اضافے کی طرفی کرتا ہے۔ جو 2018 کے دریافت
POS پر سے تراویہ فرقہ کی لاکت 136.24 ملین روپے نہ رکاردا کی گی۔ مال کے دریافت سکپیک
اے ای ایل سے 1,921,892 لارڈ بھتیجے 21.16 ملین روپے کا لائے گئے اور 1.76 ملین روپے کا اصطدھانہ
استعمال رکارڈ کیا گی۔ اگری بیتھ میں سر برداری ای ایل سکم پر دو اکٹ آفرز کی قدر ویت میں اضافہ کیا



ڈائریکٹر یورٹ

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31 دسمبر، 2018 کو تمہارے والے سال کے لیے ادا کریکٹر یونیورسیٹی سالانہ یونیورسٹی آئی ایل کھوارے چل کر لئے گئی تھیں جو کسی کو نہیں۔



میاں کی حافظہ

میں ای لیلی کی اصل کرکٹ و سچے میڈیا اور جو کوئی تینوں سالکار یعنی زراعت، صنعت اور خدمات نے ترقی پہنچانے میں حصہ لیا۔ کرفٹ اکاؤنٹ فلائی شس میں چالے کی شرح میں کمی کی وجہ سے ماہی قرض میں اضافہ ہوا۔ تینجا، بھروسی میں ای ترقی، ہجن، 2017 کے انتام پر 67.0% 67 قابو ہجوان، 2018 کے انتام پر ہی ای لیلی کے 72.5% 72.5 گلے گیا۔ اس لامانہ سے، ماں سال، 2019 کے لیے ایلی ای لیلی کا کرکٹ ہجڑہ گر 6.2% 6.2% ہے، ہجڑل حصہ لامانہ ہے۔ کسی ہر کی طبقہ میں حجج کی کے ہائی صنعتی شعبے میں خاص طور پر کوئی بھی چاہکتی ہے۔ جو پر کہ خاص طور پر، کسر کش لامانہ اور دیر ماہی سے خرچ والی صنعتوں کی ترقی میں کمی ای ترقی اور کمی ہے۔

ہال سال 2017 میں ریچنگ کر تھے 11.0% تھی جبکہ ال سال 2018 میں کم کر کر 5.9% ہو گئی۔ اس کی کی خاص وجہ ان لگبھیں ریچنگ میں ہوتے والی رخص کی تھی۔ اس کے پر بھی لگبھیں ریچنگ کی ترقی و سعی اپناؤ جی جس میں ایف بی آر اور سوپاہی نیکسز دوڑوں شامل تھے جس کے باعث ال سال 2018 کے وہاں ترقی کی تقدیر میں نیلائون ٹریڈر پر اضافہ ہوا۔ یہ غیر اعلان کردہ تکمیلی اور غیر ملکی اعلاؤں کی رہنمائی کے لیے اعلان کردہ لگبھیں سماں ایکسپریس پلا انہاد و سہولتی کی بھی حاصل کرنا ہے۔



بیکنگ سکر

میں ڈی لی کے قابض میں پرائیویٹ سکرپٹریٹ 8 سالوں میں سب سے زیاد 17.4% ہے جبکہ اس اسٹریٹجی پر دنیا بھر میں اتنا نئے کے واحد، مالی سال، 2018 کے اکاؤنٹز کا کشان میں ڈی لی کے قابض میں پرائیویٹ سکرپٹریٹ کے میں 27.2% کے مقابلے میں بہت زیاد رکم ہے۔

بالآخر 2018 کے مطابق اسلام کے بھت سے حکومتی شہزادوں ہے۔ بالآخر 2018 کی تحریکی سائی میں تحریکت لے لئی 2.2 فریڈنڈن ہے اور قریبی تقریباً۔

ماں سال 2018 کے دوران وکیگھ سکھر کے اہل کوں کی پیاری دینی درستی کی ترقی ہوئی ہے جو کہ پیاری طور پر، خاص سر برپا کاروں میں کی کی جاتی ہے۔ ماں سال 2018 میں وکیگھ سکھر قائم تر رک پر دنگل میں بھرپوری آئی ہے جس کی نیپوری ہجہ میں سر برپا کی تحریک کے حمایت کے لئے اہل کوں کے میعادیں بخوبی ہے۔

2018 کے دوران سلک ہنگ کی گا رکر دگی

مالیاتی کارکردگی

کیا ہے۔ 31 جولائی، 2018 کو تم اپنے دل سال کے لیے ویک نے 1,329.93 میلیون روپے کے بھارکس حلقہ کا اعلان

اگر مدت کے درمیان، جوک کے کل اپارٹمنٹ 22.38 میلین روپے سے کم 132.66 میلین روپے کا رہا تو
ایسا نہیں 13.43 میلین روپے سے کم 103.56 میلین روپے کا رہا۔

31: سبتمبر 2018 کو تمہرے ڈالے مال کے لیے اسکے پیک لائچنڈ کا ایال کار کرگی کا خاص صدور ہے۔

ماليٰ تيٰ کارکرڊي	بڊ پئے ملڪن میں	
2017	2018	
5,486	6,605	پاڪ، ارکانپاٽ ميل
(554)	(1,269)	ريسل (بوجو جو) میں تھان اونڈگر
2,943	3,415	ہن، ہن ارکانپاٽ ميل
(8,489)	(8,874)	عن، ہن ارکانپاٽ اخراجات
1,386	1,877	کل ریگس ہائچ (تھان)
(251)	(547)	(عین)، ارکانپاٽ ریسل
1,135	1,330	ہماز ریگس ہائچ (تھان)
بڊ		
0.13	0.15	نی شرخ زیادی آمدی (تھان)

STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

FOR THE YEAR ENDED DECEMBER 31, 2018

This statement is being presented to comply with the regulation 40 of the Listed Companies (Code of Corporate Governance) Regulations, 2017, setting out the status of compliance of Silkbank Limited (The Bank) with the requirements of Regulations.

The Bank has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 8 as per the following:

- a. Male: 8
- b. Female: 0

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Khalid Aziz Mirza Mr. Shahzad Enver Murad 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 Ahmed

*Mr. Munnawar Hamid has tendered his resignation from the Board of Directors of the Bank with effect from January 02, 2019.

3. The Directors have confirmed that none of them is serving as a director on more than five listed companies, including this Bank.
4. 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.
5. 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 they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. All the Directors on the Board are fully conversant with their duties and responsibilities as Directors of the Bank. The following three Directors have obtained Directors' Training Program certification from Pakistan Institute of Corporate Governance (PICG) / Institute of Chartered Accountants of Pakistan (ICAP):

- 1) Mr. Shahzad Enver Murad
- 2) Mr. Tariq Iqbal Khan, FCA
- 3) Mr. Talha Saeed Ahmed

Whereas, the following four Directors of the Bank stand exempted from the requirement of the said certification.

- 1) Mr. Khalid Aziz Mirza
- 2) Mr. Munnawar Hamid, OBE
- 3) Mr. Nasim Beg
- 4) Mr. Rashid Akhtar Chughtai

The remaining Directors will obtain required certification within the prescribed time.

- The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
- CFO and CEO duly endorsed the financial statements before the approval of the Board.
- The Board has formed committees comprising of members given below:

- a) Audit Committee

Shahzad Enver Murad	Chairman
Nasim Beg	Member
Tariq Iqbal Khan, FCA	Member
Wajih Zaidi	Secretary
- b) Nomination, Remuneration & Human Resources Committee

Khalid Aziz Mirza	Chairman
Munnawar Hamid, OBE*	Member
Rashid Akhtar Chughtai	Member
Kaleem Ahmed	Secretary

*Mr. Munnawar Hamid has tendered his resignation from the Board of Directors of the Bank with effect from January 02, 2019.

- c) Risk Management Committee

Tariq Iqbal Khan, FCA	Acting Chairman / Member
Shahzad Enver Murad	Member
Muhammad Atif Kauser	Secretary
- d) Information Technology Committee

Nasim Beg	Chairman
Zubair Nawaz Chattha	Member
Javed Yousuf Edhi	Secretary

- The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- The frequency of meetings of the committee were as per following:

a) Audit Committee	Quarterly
b) Nomination, Remuneration & Human Resources Committee	Quarterly
c) Risk Management Committee	Quarterly
d) Information Technology Committee	Quarterly
- The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Bank.
- 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 and registered with Audit Oversight Board of Pakistan, 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.
- The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- We confirm that all other requirements of the Regulations have been complied with.

For and on Behalf of the Board of
Silkbank Limited

Azmat Tarin
President & CEO

Karachi, February 28, 2019

Khalid Aziz Mirza
Chairman

SILKBANK LIMITED MANAGEMENT'S STATEMENT ON INTERNAL CONTROLS

AS OF DECEMBER 31, 2018

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 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 compliance function 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 significant change 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.

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, February 28, 2019

NOTICE OF THE 25th ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Fifth Annual General Meeting of Silkbank Limited will be held at Serena Hotel, Islamabad, on Saturday, March 30, 2019 at 10:00 a.m. to transact the following business:

Ordinary Business:

1. To confirm the minutes of Extra-Ordinary General Meeting (EOGM) held on November 30, 2018.
2. To receive, consider and adopt the audited financial statements of the Bank for the year ended December 31, 2018, 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.

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, 2019

Notes:

1. Closure of Share Transfer Books:

The Share Transfer Books of the Bank will remain closed from March 22, 2019 to March 30, 2019 (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 Thursday, March 21, 2019, 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 address 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, 2018, have been placed on the website of the Bank, <http://www.silkbank.com.pk>.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Silkbank Limited (the Bank), which comprise the statement of financial position as at December 31, 2018, and the profit and loss account and the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, along with unaudited certified returns received from the branches which have been audited by us and notes to the financial statements, including a summary of significant accounting policies and other explanatory information 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 the audit.

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 and the statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and, give the information required by the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at December 31, 2018 and of the profit and the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to the following matters

- i) Note 1 to the financial statements, highlights that the Bank has not been able to meet the Capital Adequacy Requirement (CAR) of 11.9%, which includes Capital Conversion Buffer (CCB) of 1.9% as at December 31, 2018, as prescribed by the State Bank of Pakistan (SBP). The said note also describes plans of management to deal with shortfall in CAR requirements. The Bank has applied to SBP to seek exemption from meeting the CAR requirement till September 30, 2019. Furthermore, the Bank may not be able to make a profit and principal payments of Term Finance Certificates (TFCs) if there is a shortfall in CAR as compared to minimum prescribed CAR.
- ii) As disclosed in note 15.1.2 to the financial statements, the aggregate carrying value of non banking assets acquired in satisfaction of claims (NBAs) amounted to Rs. 9,234 million as at December 31, 2018. This includes underdeveloped / undeveloped properties having aggregate carrying value of Rs. 6,607 million (including the property of Rs. 3,416 million sold on deferred payment basis as disclosed in note 15). Further, the Bank exposure in such assets still substantially exceed the level prescribed by 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.
- iii) As disclosed in note 11 to the financial statements, the Bank has advanced Islamic financing amounting to Rs. 19,437.65 (2017: Rs. 14,218) to certain borrowers who are engaged in primarily general trading business, which are mainly secured against mortgage of underdeveloped / undeveloped properties. The valuations of underdeveloped / undeveloped properties involve increased subjectivities and can vary from property to property depending upon developments taking in and around the surrounding areas. The Bank already has significant exposure in non banking assets acquired in satisfaction of claims, as disclosed in note 15 to the financial statements which also includes similar type of properties, therefore there is a risk of increase in exposure, if the borrowers default and the Bank settles the loan in exchange of properties.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

- iv) As disclosed in note 15.5 to the financial statements relating to sale of land and resulting capital gain. The ultimate outcome of the matter stated therein cannot presently be determined and no provision of any loss that may result has been made in the financial statements for the reasons discussed in the aforesaid note.

Our opinion is not qualified in respect of above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

Key Audit Matters	How our audit addressed the key audit matters
Impairment / assessment of advances As at December 31, 2018, loans and advances to customer amounting to Rs. 103.56 billion and the corresponding allowances for impairment / losses Rs. 5,212.17 million. The assessment of impairment of loans and advances to customer involves significant judgment. The management adopts an impairment assessment in accordance with the requirement of Prudential Regulations issued by State Bank of Pakistan. In view of the significance of the amount of loans and advances of Rs. 103.5 billion representing 59.53 % of total asset and provision of Rs. 5,212.17 million, impairment of loans and advances is considered a key audit matter. Relevant disclosures are provided in note 11.	We evaluated the design and operating effectiveness of key controls related to the credit approval process, post approval credit management, loan grading system, collateral monitoring and loan impairment assessment, including testing of relevant data quality and information systems. We adopted risk based sampling approach in our loan review procedures. We assessed the customer repayment capacity and evaluated the Bank's loan classification, taking into consideration post lending annual review report, customer financial information, collateral valuation report and other information available. We assessed the impairment model and considered management assumptions of loss identification period and impact of macro-economic changes. Further, we evaluated and tested the design and operating effectiveness of internal controls related to disclosure of advances, credit risk and impairment allowance.
Gratuity obligation valuation As described in note 5.1.5 and note 21 to the financial statements, the Bank operates an approved defined benefit plan. The Bank recorded a net retirement obligation amounting to Rs. 49.491 million (2017: Rs. 27.292 million). The gratuity valuation is dependent on market conditions and assumptions made. The risk specifically relates to the following key assumptions; discount rate, inflation expectations and other assumptions. The setting of these assumptions is complex and requires the exercise of significant actuarial assumptions.	We obtained detailed understanding and evaluated the design and implementation of controls that the Bank has established in relation to the book keeping process. We reviewed the data provided to actuary and results derived to obtain sufficient and appropriate audit evidence over the assumptions and valuation. We evaluated qualification of actuary. In testing the gratuity valuation, we reviewed the key actuarial assumptions used, both financial and demographic, and considered the methodology utilized to derive these assumptions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Key Audit Matters	How our audit addressed the key audit matters
<p>Change in accounting policy as a result of changes in the Companies Act, 2017, and changes in the format for the financial statements issued by the State Bank of Pakistan (SBP)</p> <p>As referred in note 6.1 to the financial statements, the Companies Act, 2017 (the Act) became applicable which changed the accounting treatment and presentation of surplus on revaluation of fixed assets. Previously, the deficit arising on revaluation of fixed assets was adjusted against the total balance in the surplus account, or if there was no surplus, it was charged to profit and loss account. Surplus was also presented in the financial statements below equity. As per the revised changes, deficit arising on any particular item of fixed asset; first it is adjusted against surplus of that particular asset, if any available, and then the remaining amount is charged to profit and loss account instead against adjusting of surplus of any other items of fixed assets.</p> <p>Due to the above, the Bank changed its accounting policy to account for surplus on revaluation of land and building and there is no impact on the relating to current and prior years.</p> <p>As referred in note 6.1 to the financial statements, SBP vide BPRD Circular No. 02 of 2018 dated January 25, 2018 has amended the format of annual financial statements of banks that requires the Bank to change the classification of certain items of balance sheet and profit and loss account.</p> <p>We have considered the above as key audit matter due to change in policy of the Bank.</p>	<p>We assessed the procedures performed by management for identification of the changes required in the financial statements due to application of the Act and the revised format of the financial statements.</p> <p>In respect of the change in accounting policy for the accounting and presentation of surplus on revaluation in respect of investments and land and building as referred in note 6 to the financial statements; we assessed the accounting implication and ensured disclosures in the financial statements were in accordance with the applicable accounting and reporting standards as applicable in Pakistan.</p>
<p>Information Technology</p> <p>The Bank's key financial accounting and reporting processes are highly dependent on the automated controls over the Bank information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.</p> <p>We have focused on user access management, segregation of duties and controls over system change over key financial accounting and reporting systems.</p>	<p>We tested a sample of key controls operating over the Information Technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.</p> <p>We obtained management's evaluation of the access rights granted to applications relevant to financial accounting and reporting systems and tested resolution of a sample of exceptions. We also assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights.</p>

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Key Audit Matters	How our audit addressed the key audit matters
<p>Presentation of legal risks in the financial statements</p> <p>The Bank has 123 branches in different locations in Pakistan and in the normal course of business, potential exposures may arise from general legal proceedings, guarantees, recovery suits, product liability, government and regulatory investigation etc.</p> <p>The level of judgment required to establish the level of provisioning, increases the risk that provisions and contingent liabilities may not appropriately provided against or adequately disclosed.</p> <p>Accordingly, the matter is considered to be a key audit matter.</p> <p>Management's disclosures with regard to contingent liabilities are presented in note 24 of the financial statements.</p>	<p>On all significant legal cases, we assessed the correspondence with Bank's external counsel accompanied by discussion and formal confirmation from that counsel. In addition, we read the summary of litigation matter provided by Bank's legal counsel team and discussed each of the material cases noted to determine the Bank's assessment of the likelihood and magnitude of any liability that may arise.</p> <p>In order to determine the facts and circumstances of the individual cases, we performed inspection of relevant documents and we inquired with the Bank's internal and external legal counsel. We assessed the material assumptions made and key judgments applied including the evaluation of disconfirming evidence. Specifically, for matters where potential obligations existed but the exposure was considered less than probable, we considered audit evidence regarding the lack of recognition and the disclosure thereof.</p> <p>We evaluated the recognition and valuation of material provisions and contingent liabilities of the Bank based on facts and circumstances available regarding compliance with the accounting standards.</p> <p>We read where applicable, external legal or regulatory advice sought by the Bank and reviewed related correspondence and minutes of Board of Directors and Audit Committee.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

The management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in the other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, the requirements of Banking Companies Ordinance, 1962 and the Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Bank / branches as required by the Companies Act, 2017 (XIX of 2017) and the returns referred above from the branches have been found adequate for the purpose of our audit;
- b) the statement of financial position, profit and loss account and the statement of comprehensive income, statement of changes in equity and cash flow statement (together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 and the Companies Act, 2017(XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were in accordance with the objects and powers of the Bank / branches and the transactions of the Bank / branches which have come to our notice have been within the powers of the Bank / branches; and
- d) 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.

We confirm that for the purpose of our audit we have covered more than sixty percent of the total loans and advances of the Bank.

Other Matter

The financial statements of the Bank for the year ended December 31, 2017 were audited by another firm of auditors who in their report dated March 06, 2018 expressed an unmodified opinion.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Shaukat Naseeb**.

**Grant Thornton Anjum Rahman
Karachi**

Date: March 08, 2019

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SILKBANK LIMITED ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **Silkbank Limited** (the Bank) for the year ended December 31, 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Bank. Our responsibility is to review whether the Statement of Compliance reflects the status of the Bank's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

As a 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 of Directors' 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 risk.

The Regulations require the Bank to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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 of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Bank's process for identification of related parties and that 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 of Compliance does not appropriately reflect the Bank's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Bank for the year ended December 31, 2018.

**Grant Thornton Anjum Rahman
Chartered Accountants**

Karachi
Dated: March 08, 2019

**Muhammad Shaukat Naseeb
Engagement Partner**

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

FOR THE YEAR ENDED DECEMBER 31, 2018



March 01, 2019

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 2018. 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 by 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.

REPORT OF THE SHARI'A BOARD EMAAN ISLAMIC BANKING, SILKBANK LTD. FOR THE YEAR ENDED DECEMBER 31, 2018

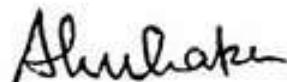
- ii. EIB has complied with directives, regulations, instructions and guidelines related to Shari'a compliance issued by SBP in accordance with the rulings of SBP's Shari'a Board.
- iii. EIB has an approved Charity Policy to ensure that any earnings realized from sources or by means prohibited by Shari'a are credited to the Charity Account and are properly utilized.
- iv. The Schedule of Charges (SOCs) have 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.
- vi. The Bank has implemented a program for the training of the Bank's staff in areas of Islamic Banking and Finance 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 to ensure compliance with 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, 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 substantively in conformity to Shari'a principles.



Dr. Muhammad Qaseem
Chairman, Shari'a Board



Mufti Syed Adnan Kakakhali
Shari'a Board Member



Mufti Syed Abu Bakr
Resident Shari'a Board Member

شريعة بورڈ کی رپورٹ

ایمان اسلام بینکنگ، سلک بینک لمیٹڈ

31 دسمبر، 2018 کو ختم ہونے والے سال کے لئے



کم مارچ، 2019

اگرچہ پہلاں ایک تجزیہ اسلامی کی زندگی ہے کہ اس ساتھ ایک نئی کامیابی اسلامی بورڈ کی خدمات کے طور پر ادا کی جائیں ہے۔ ہم ایمان اسلام بینک کے شریعہ بورڈ کی زندگی

کے بعد، جوئی شریعہ کیا تھیں، اصل پایہ پر ہوتی تھی کہ اسے۔

درستہ قائم اکتنے کے لیے جیسا کہ اس پرست میں یاد کیا گیا ہے، شریعہ کیا تھیں پیداوارت نے ہر جم کے مذاہلات کے حلقہ درجہ ایک انتدار طریقہ کا اقتضاء کا اثر اٹھی جیسا ہے۔ جوئی شریعہ ہم نے 2018 کے درمیان پوچک کی

ماہیں اور ملکی شعبہ ہاتھ کا شریعہ کیا تھیں چاکروں پر شریعہ کی ایک جاگہ کوہاں ایمان کی خواہی پر ایسی راستے پر ہے کہ

i. ایمان اسلام بینک نے شریعہ بورڈ کی طرف سے ہماری کردہ قانونی مذاہلات اور ہدایات کو خود کرنا۔ ملکی شعبہ ہاتھ کی طرف سے ہماری اکشن کیا جائے گا۔ جوئی شریعہ پر ایسیں یہیں کے گذام حد

دستاویزات اور مواد کا چاکرہ دیا جائے گا۔

ii. ایمان اسلام بینک نے پیداوارت پاکستان کی طرف سے شریعہ کیا تھیں سے حفظ ہدایات مذاہلات کی پیمانے کی گئے ہے۔

iii. ایمان اسلام بینک نے شریعہ بورڈ کی طرف سے ایک خرچاں پائیں ہے جس کے تحت اس ساتھ ایک نیا ہدایت کیا جائے گا کہ کسی بھی فیر فری بھریجے سے مالک کی ای امنی کی صفت کا ذمہ میں ڈالا جائے گا اس کا سب سب بھریجے سے فرق کیا جائے گا۔

iv. شیخوں اکٹھاں پر ایک ایسا ورثہ کو ملائی جائے گا کہ شریعہ بورڈ نے ہماری کیا تھیں۔

v. پوچک کے شریعہ بورڈ نے ایمان اسلام بینک کی طرف سے ہماری کردہ قانونی مذاہلات اور پیداوارت پاکستان کی طرف سے ہماری کردہ ہدایات کی روشنی میں ڈالی گئی ہے۔

vi. پیداوارت شعبہ ہاتھ کی ایک ایسا ورثہ کے لیے اسلامی چیکاری اور ہدایات سے حصہ بھیجنے اور ایک ایسا کام کیا جائے گا کہ اس کے طبق پوچک کے ایمان اسلام بینک ایک تجزیہ کی شریعہ بورڈ کی جانب سے اسلامی چیکاری سے مالکیت کیا جائے گی۔

vii. ہدایات پاکستان کی ہاں سے ہماری کردہ قانونی مذاہلات اور پیداوارت کی طرف سے ہماری کردہ ہدایات کے لیے ایمان اسلام بینک بینک نے شریعہ کیا تھیں پیداوارت مذہبی ہے۔

viii. شریعہ بورڈ نے پہلے سال کے سامنے ایمان شریعہ کیا تھیں جا کہ ایک شریعہ اکٹھ کی رہیں کا چاکرہ دیا جائے اور ملکی شعبہ ہاتھ کی ایسے یہیں کہ ایمان اسلام بینک بینک کے ای مذاہلات اور پر کریں جائیں۔

Ahsan ul Haque

مشیحہ احمد احمد
رئیس شریعہ بورڈ

Adnan

مشیحہ عدنان کاظمی
شریعہ بورڈ

ڈاکٹر اکبر حشمت
دھرمین، شریعہ بورڈ

Embrace Impeccable Success





FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

When the vision is clear, ambitions are high, and dedication is unmatched, the results are impeccable. Silkbank's decade-long journey reflects its unrelenting efforts that have made the Bank triumph, closing the last two fiscal years on a high note. The Bank continues to build on its strength, reflecting a strong revenue growth momentum.

SIX YEARS FINANCIAL HIGHLIGHTS

	Rupees in million					
	2018	2017	2016	2015	2014	2013
BALANCE SHEET						
Share capital	23,431	23,431	21,431	21,431	13,431	13,431
Reserves	821	555	328	180	180	163
Deposits and other accounts	132,664	110,278	86,787	81,098	68,770	69,433
Sub-ordinated loans	2,000	2,000	-	-	-	-
Borrowings	18,052	35,582	30,196	33,230	21,742	11,382
Total Assets	173,677	166,855	135,034	133,103	102,736	91,770
Gross Advances	103,566	90,138	69,312	67,045	64,417	61,470
Advances - net of provisions	98,354	85,851	64,803	61,074	58,967	56,038
Non performing advances	6,675	5,860	5,820	8,520	8,222	9,872
Investments - net of provisions	28,925	38,267	37,488	35,513	18,105	14,853
Equity	14,387	13,181	12,055	14,577	8,501	6,675
Provision Held	5,212	4,287	4,510	5,971	5,450	5,432
Provision Held / NPL	78.08%	73.16%	77.48%	70.08%	66.29%	55.03%
Provision Held / Total Advances	5.03%	4.76%	6.51%	8.81%	8.46%	8.84%
PROFIT AND LOSS ACCOUNT						
Mark-up / return / interest earned	15,596	11,670	9,959	8,933	9,429	7,622
Mark-up / return / interest expensed	(8,991)	(6,184)	(5,610)	(5,834)	(5,969)	(5,463)
Net mark-up / interest earned	6,605	5,486	4,349	3,100	3,460	2,160
Provisions and Write off	(1,269)	(554)	354	(1,487)	(330)	(521)
Net mark-up / Interest income / (loss) after provisions	5,337	4,932	4,704	1,612	3,131	1,639
Non-markup / interest income	3,415	2,943	2,213	1,894	1,720	1,325
Non-markup / Interest expenses	(6,875)	(6,489)	(5,631)	(5,346)	(4,719)	(4,491)
(Loss) / Profit before Taxation	1,877	1,387	1,285	(1,840)	131	(1,528)
(Loss) / Profit After Taxation	1,330	1,135	739	(1,712)	87	(1,157)
FINANCIAL RATIOS						
Income / Expense Ratio	Times	1.458	1.299	1.165	0.934	1.098
Return on Average Equity (ROE)	%	9.65	9.00	5.55	(14.83)	1.14
Return on Average Assets (ROA)	%	0.78	0.75	0.55	(1.45)	0.09
NPLs to Gross Advances ratio	%	6.45	6.50	8.40	12.71	12.76
Earning Assets to Total Assets ratio	%	80.55	79.55	76.28	77.27	77.94
Earnings per share	Rs	0.15	0.13	0.09	(0.58)	0.03
Gross spread ratio (NIM/Gross Interest income)	%	42.35	47.01	43.67	34.70	36.70
NON FINANCIAL INFORMATION						
Number of branches		123	123	88	88	85
Number of employees		4,112	3,711	3,367	3,153	2,906
						2,750

VALUE ADDED STATEMENT

		2018		2017	
		Rs '000	%	Rs '000	%
STATEMENT OF VALUE ADDED					
Value Added					
Net Interest Income		6,605,478	115	5,486,054	120
Non Interest Income		3,414,872	60	2,943,468	64
Operating Expenses excluding staff costs, depreciation and amortization		(3,028,225)	(53)	(3,300,454)	(72)
Provision against advances, investments & others		(1,268,673)	(22)	(553,737)	(12)
Value added for distribution		5,723,452	100	4,575,331	100
To employees					
Remuneration, provident fund and other benefits		3,377,501	59	2,713,272	59
To government					
Income tax		546,895	10	251,260	5
To expansion and growth					
Depreciation		397,742		388,825	
Amortization		71,381		86,686	
Retained Earnings		1,329,933		1,135,288	
		1,799,056	31	1,610,799	35
		5,723,452	100	4,575,331	100

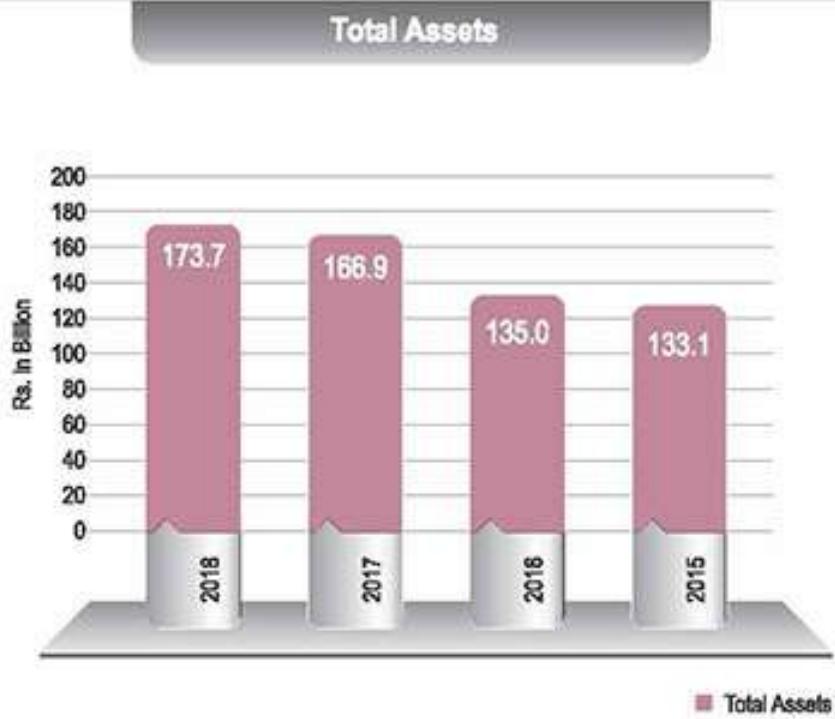
HORIZONTAL ANALYSIS

	2018 Rs M	18 Vs 17 %	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 %
Balance sheet												
ASSETS												
Cash and balances with treasury banks	8,872	5%	8,413	14%	7,371	0%	7,344	44%	5,103	-5%	5,362	34%
Balances with other banks	310	42%	218	149%	88	-55%	194	39%	139	-38%	226	163%
Lendings to financial institutions	12,612	46%	8,621	1120%	707	-89%	6,260	109%	3,000	571%	447	-92%
Investments	28,925	-24%	38,267	2%	37,488	6%	35,513	96%	18,105	22%	14,853	17%
Advances	98,354	15%	85,851	32%	64,803	6%	61,074	4%	58,967	5%	56,038	14%
Fixed assets	3,981	0%	3,974	3%	3,858	-8%	4,208	-1%	4,235	-1%	4,284	3%
Intangible assets	227	12%	203	-17%	243	-16%	289	-12%	329	-19%	406	-15%
Deferred tax assets	3,059	-12%	3,476	-6%	3,705	-11%	4,181	6%	3,937	3%	3,839	6%
Other assets	17,337	-3%	17,832	6%	16,771	19%	14,040	57%	8,921	41%	6,314	-32%
TOTAL ASSETS	173,677	4%	166,855	24%	135,034	1%	133,103	30%	102,736	12%	91,770	3%
LIABILITIES												
Bills payable	2,867	-10%	3,193	-20%	3,996	66%	2,413	12%	2,153	-22%	2,747	39%
Borrowings	18,052	-48%	35,582	18%	30,196	-9%	33,230	53%	21,742	91%	11,382	0%
Deposits and other accounts	132,684	20%	110,278	27%	88,787	7%	81,098	18%	68,770	-1%	69,433	1%
Liabilities against assets subject to finance lease	3	-61%	7	-36%	11	-24%	14	-17%	17	100%	-	0%
Subordinated debt	2,000	0%	2,000	100%	-	0%	-	0%	-	0%	-	0%
Deferred tax liabilities	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
Other liabilities	3,705	42%	2,614	31%	1,989	12%	1,771	14%	1,552	1%	1,532	18%
TOTAL LIABILITIES	159,290	4%	153,673	26%	122,979	4%	118,526	26%	94,235	11%	85,095	2%
NET ASSETS	14,387	9%	13,181	9%	12,055	-17%	14,577	71%	8,501	27%	6,675	24%
REPRESENTED BY												
Share capital	23,431	0%	23,431	0%	21,431	0%	21,431	60%	13,431	0%	13,431	0%
Advance against shares subscription	-	0%	-	-100%	2,000	0%	2,000	0%	2,000	100%	-	0%
Convertible preference shares	-	0%	-	0%	-	-100%	2,200	0%	2,200	0%	2,200	100%
Reserves	821	48%	555	69%	328	82%	180	0%	180	11%	163	0%
(Deficit) / surplus on revaluation of assets - net of tax	(68)	-229%	53	0%	52	-48%	100	-25%	133	-87%	406	155%
Accumulated loss	(9,797)	10%	(10,858)	8%	(11,757)	-4%	(11,335)	-20%	(9,444)	1%	(9,527)	-14%
14,387	9%	13,181	9%	12,055	-17%	14,577	71%	8,501	27%	6,675	24%	
PROFIT AND LOSS ACCOUNT												
Mark-up / return / interest earned	15,596	34%	11,670	17%	9,959	11%	8,933	-5%	9,429	24%	7,622	-11%
Mark-up / return / interest expensed	(8,991)	-45%	(6,184)	-10%	(5,610)	4%	(5,834)	2%	(5,969)	-9%	(5,463)	18%
Net mark-up / interest earned	6,605	20%	5,486	26%	4,349	40%	3,100	-10%	3,460	60%	2,160	14%
Provisions and Write off	(1,269)	-129%	(554)	-256%	354	124%	(1,487)	-351%	(330)	37%	(521)	-171%
Net mark-up / interest income / (loss) after provisions	5,337	8%	4,932	5%	4,704	192%	1,612	-48%	3,131	91%	1,639	-38%
Non-markup / interest income	3,415	16%	2,943	33%	2,213	17%	1,894	10%	1,720	30%	1,325	24%
Non-markup / interest expenses	(6,875)	-6%	(6,489)	-15%	(5,631)	-5%	(5,346)	-13%	(4,719)	-5%	(4,491)	-6%
(Loss) / Profit before Taxation	1,877	35%	1,387	8%	1,285	170%	(1,840)	-1500%	131	109%	(1,528)	189%
Taxation	(547)	-118%	(251)	54%	(547)	-527%	128	388%	(45)	-112%	372	101%
(Loss) / Profit After Taxation	1,330	17%	1,135	54%	739	143%	(1,712)	-2071%	87	108%	(1,157)	-236%

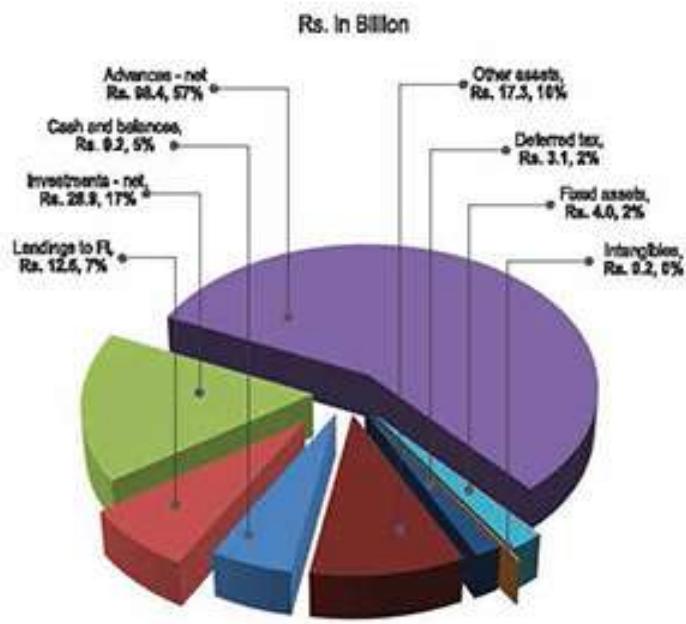
VERTICAL ANALYSIS

	2018		2017		2016		2015		2014		2013	
	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%
Balance sheet												
ASSETS												
Cash and balances with treasury banks	6,872	5%	8,413	5%	7,371	5%	7,344	6%	5,103	5%	5,362	6%
Balances with other banks	310	0%	218	0%	88	0%	194	0%	139	0%	226	0%
Lendings to financial institutions	12,612	7%	8,621	5%	707	1%	6,280	5%	3,000	3%	447	0%
Investments	28,925	17%	38,207	23%	37,488	26%	35,513	27%	18,105	18%	14,853	16%
Advances	98,354	57%	85,851	51%	64,803	48%	61,074	46%	58,967	57%	58,038	61%
Fixed assets	3,981	2%	3,974	2%	3,858	3%	4,208	3%	4,235	4%	4,284	5%
Intangible assets	227	0%	203	0%	243	0%	289	0%	329	0%	408	0%
Deferred tax assets	3,059	2%	3,478	2%	3,705	3%	4,181	3%	3,937	4%	3,839	4%
Other assets	17,337	10%	17,832	11%	16,771	12%	14,040	11%	8,921	9%	6,314	7%
TOTAL ASSETS	173,677	100%	166,855	100%	135,034	100%	133,103	100%	102,736	100%	91,770	100%
LIABILITIES												
Bills payable	2,867	2%	3,193	2%	3,996	3%	2,413	2%	2,153	2%	2,747	3%
Borrowings	18,052	10%	35,582	21%	30,196	22%	33,230	25%	21,742	21%	11,382	12%
Deposits and other accounts	132,664	76%	110,278	66%	86,787	64%	81,098	61%	68,770	67%	69,433	76%
Liabilities against assets subject to finance lease	3	0%	7	0%	11	0%	14	0%	17	0%	-	0%
Subordinated debt	2,000	1%	2,000	1%	-	0%	-	0%	-	0%	-	0%
Deferred tax liabilities	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
Other liabilities	3,705	2%	2,614	2%	1,989	1%	1,771	1%	1,552	2%	1,532	2%
TOTAL LIABILITIES	159,290	92%	153,673	92%	122,979	91%	118,526	89%	94,235	92%	85,095	93%
NET ASSETS	14,387	8%	13,181	8%	12,055	9%	14,577	11%	8,501	8%	6,675	7%
REPRESENTED BY												
Share capital	23,431	13%	23,431	14%	21,431	16%	21,431	16%	13,431	13%	13,431	15%
Advance against shares subscription	-	0%	-	0%	2,000	1%	2,000	2%	2,000	2%	-	0%
Convertible preference shares	-	0%	-	0%	-	0%	2,200	2%	2,200	2%	2,200	2%
Reserves	821	0%	555	0%	328	0%	180	0%	180	0%	163	0%
(Deficit) / surplus on revaluation of assets - net of tax	(68)	0%	53	0%	52	0%	100	0%	133	0%	408	0%
Accumulated loss	(9,797)	-6%	(10,858)	-7%	(11,757)	-9%	(11,335)	-9%	(9,444)	-9%	(9,527)	-10%
14,387	8%	13,181	8%	12,055	9%	14,577	11%	8,501	8%	6,675	7%	
PROFIT AND LOSS ACCOUNT												
Mark-up / return / interest earned	15,595	82%	11,670	80%	9,959	82%	8,933	83%	9,429	85%	7,622	85%
Mark-up / return / interest expensed	(8,991)	-47%	(6,184)	-42%	(5,610)	-46%	(5,834)	-54%	(5,969)	-54%	(5,463)	-61%
Net mark-up / interest income	6,605	35%	5,486	38%	4,349	36%	3,100	29%	3,460	31%	2,160	24%
Provisions and Write off	(1,269)	-7%	(554)	-4%	354	3%	(1,487)	-14%	(330)	-3%	(521)	-6%
Net mark-up / interest income / (loss) after provisions	5,337	28%	4,932	34%	4,704	39%	1,612	15%	3,131	28%	1,639	18%
Non-markup / interest income	3,415	18%	2,943	20%	2,213	18%	1,894	17%	1,720	15%	1,325	15%
Non-markup / interest expenses	(6,875)	-36%	(6,489)	-44%	(5,631)	-46%	(5,348)	-49%	(4,719)	-42%	(4,491)	-50%
(Loss) / Profit before Taxation	1,877	10%	1,387	9%	1,285	11%	(1,840)	-17%	131	1%	(1,528)	-17%
Taxation	(547)	-3%	(251)	-2%	(547)	-4%	128	1%	(45)	0%	372	4%
(Loss) / Profit After Taxation	1,330	7%	1,135	8%	739	6%	(1,712)	-16%	87	1%	(1,157)	-13%

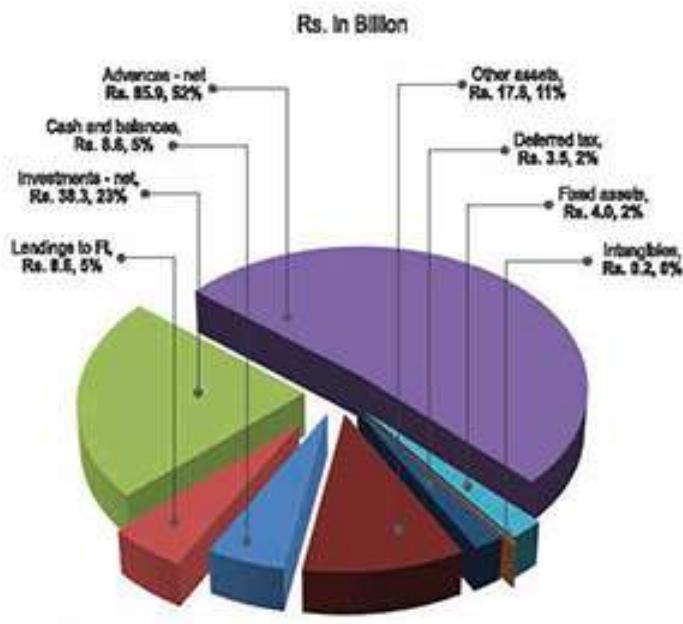
GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS



Total Assets 2018

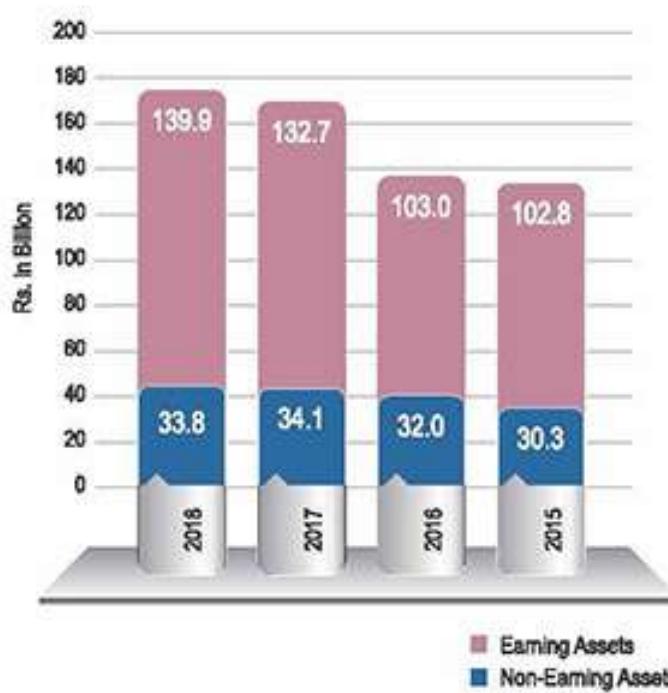


Total Assets 2017

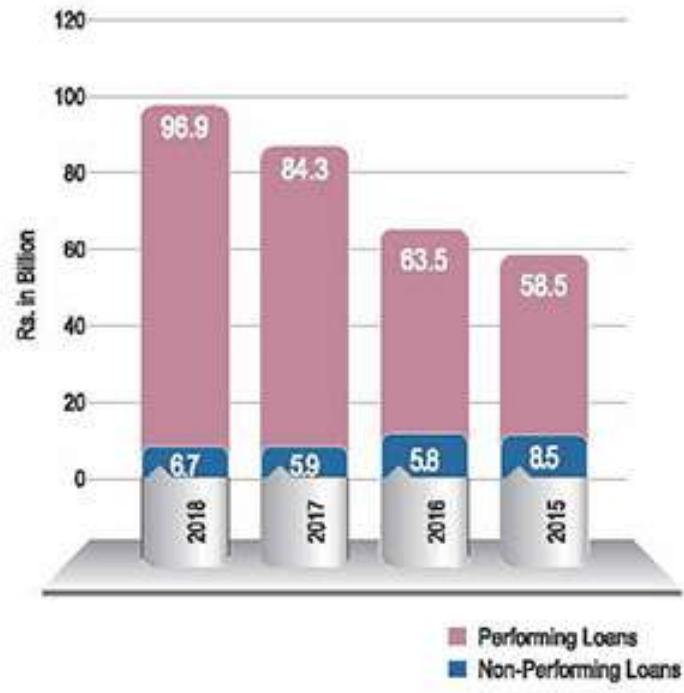


GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS

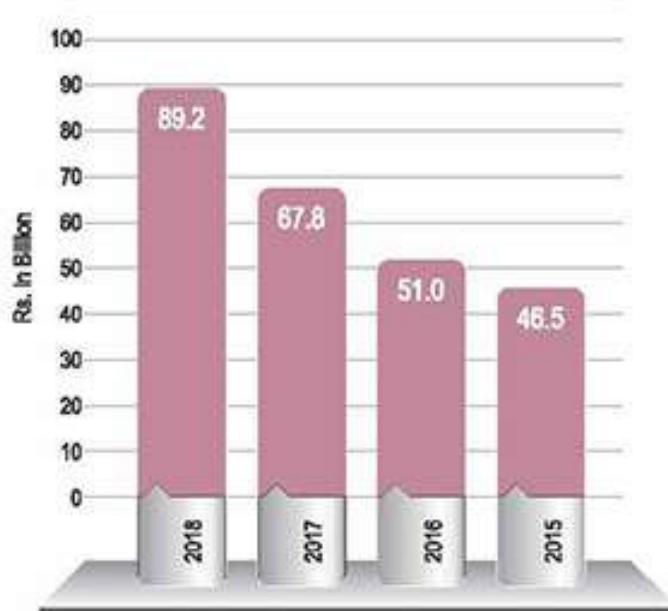
Earning Assets Vs. Non-Earning Assets



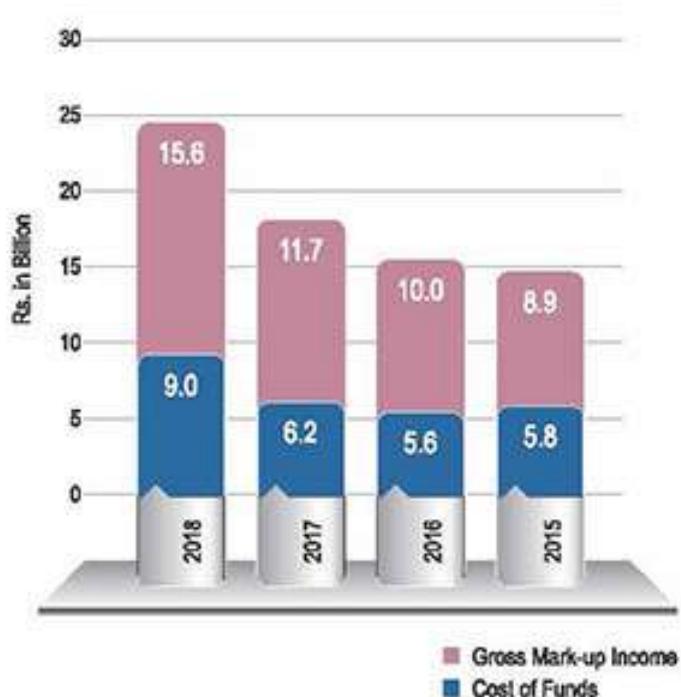
Performing Vs. Non-Performing Loans



CASA (Current & Saving Deposits)

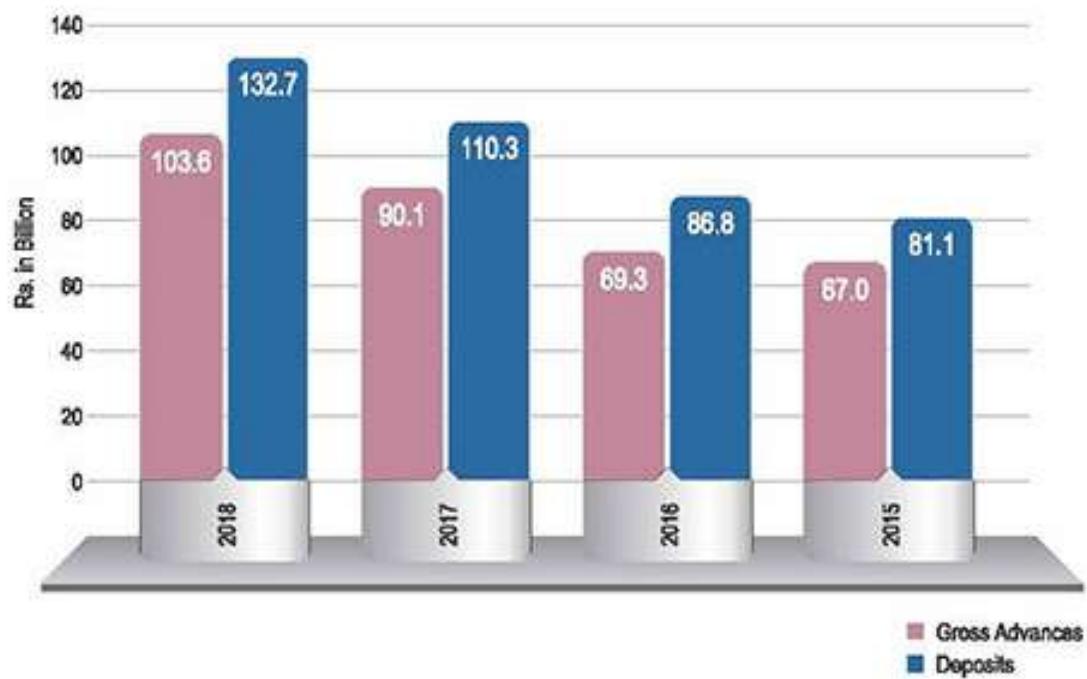


Mark-up Income Vs. Cost of Funds

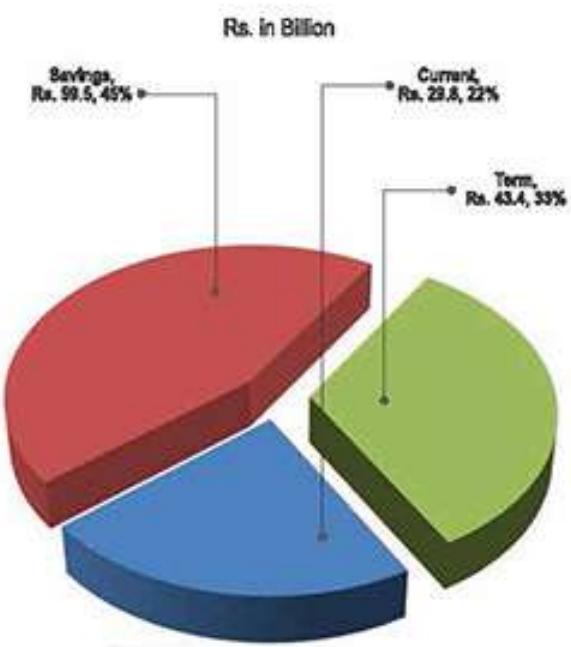


GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS

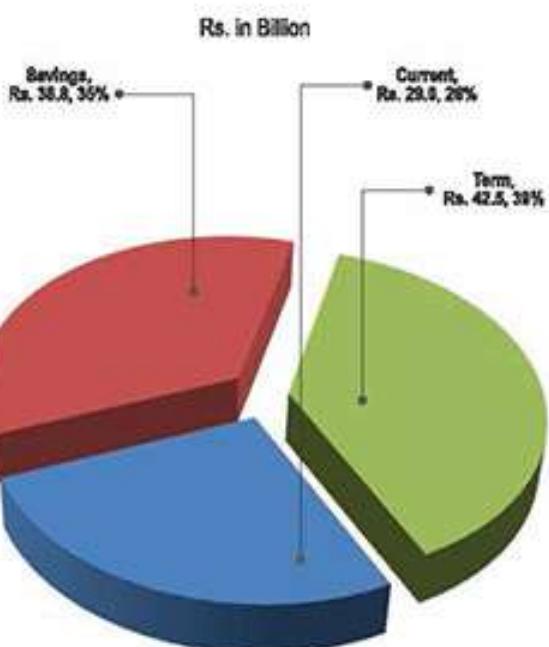
Gross Advances & Deposits



Deposit Mix FY 2018

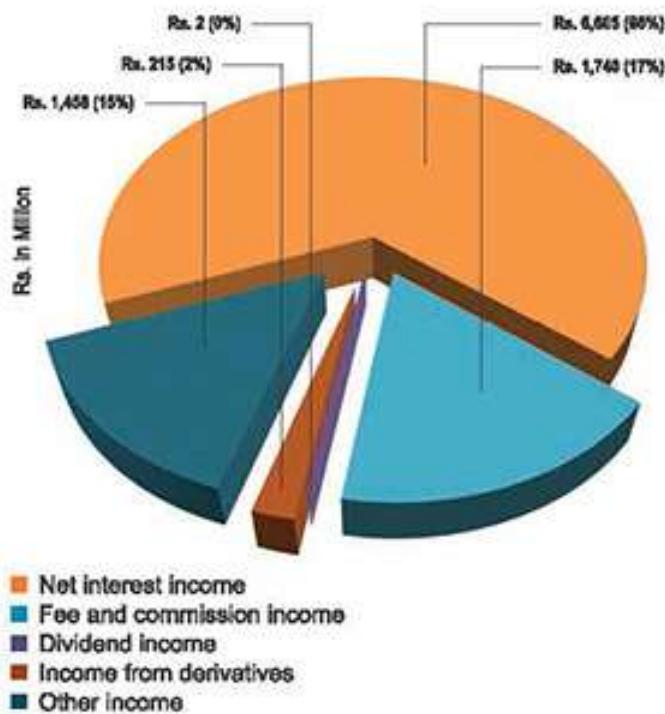


Deposit Mix FY 2017

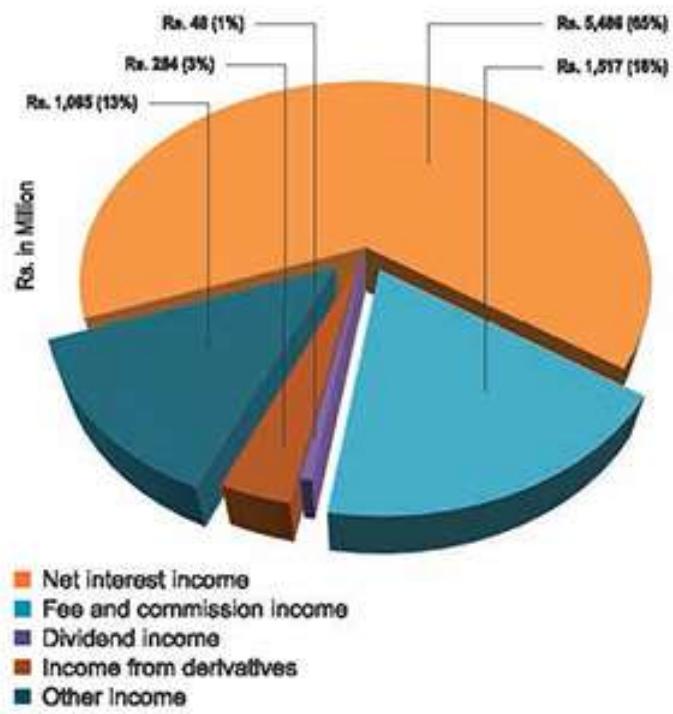


GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS

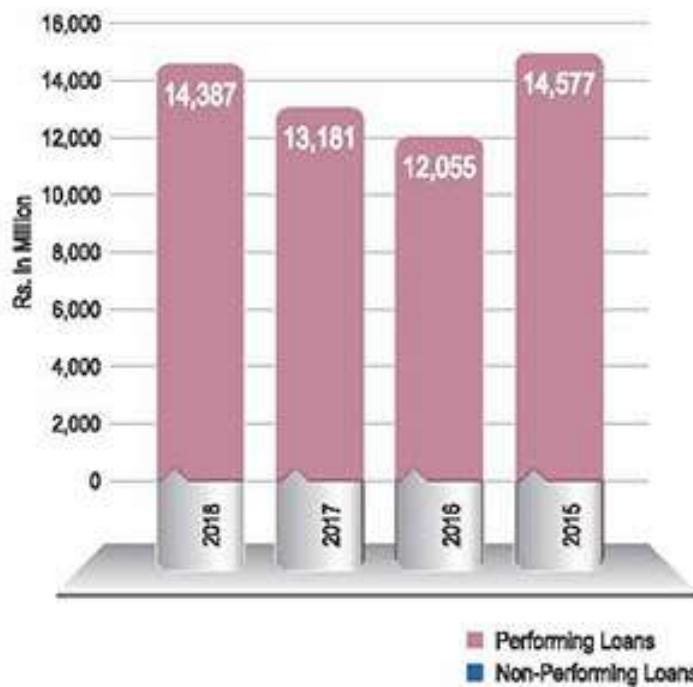
Revenue Composition 2018



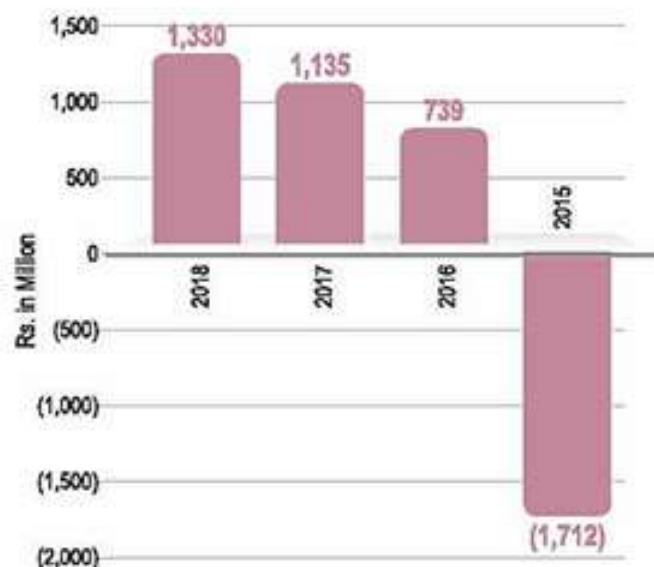
Revenue Composition 2017



Shareholder Equity

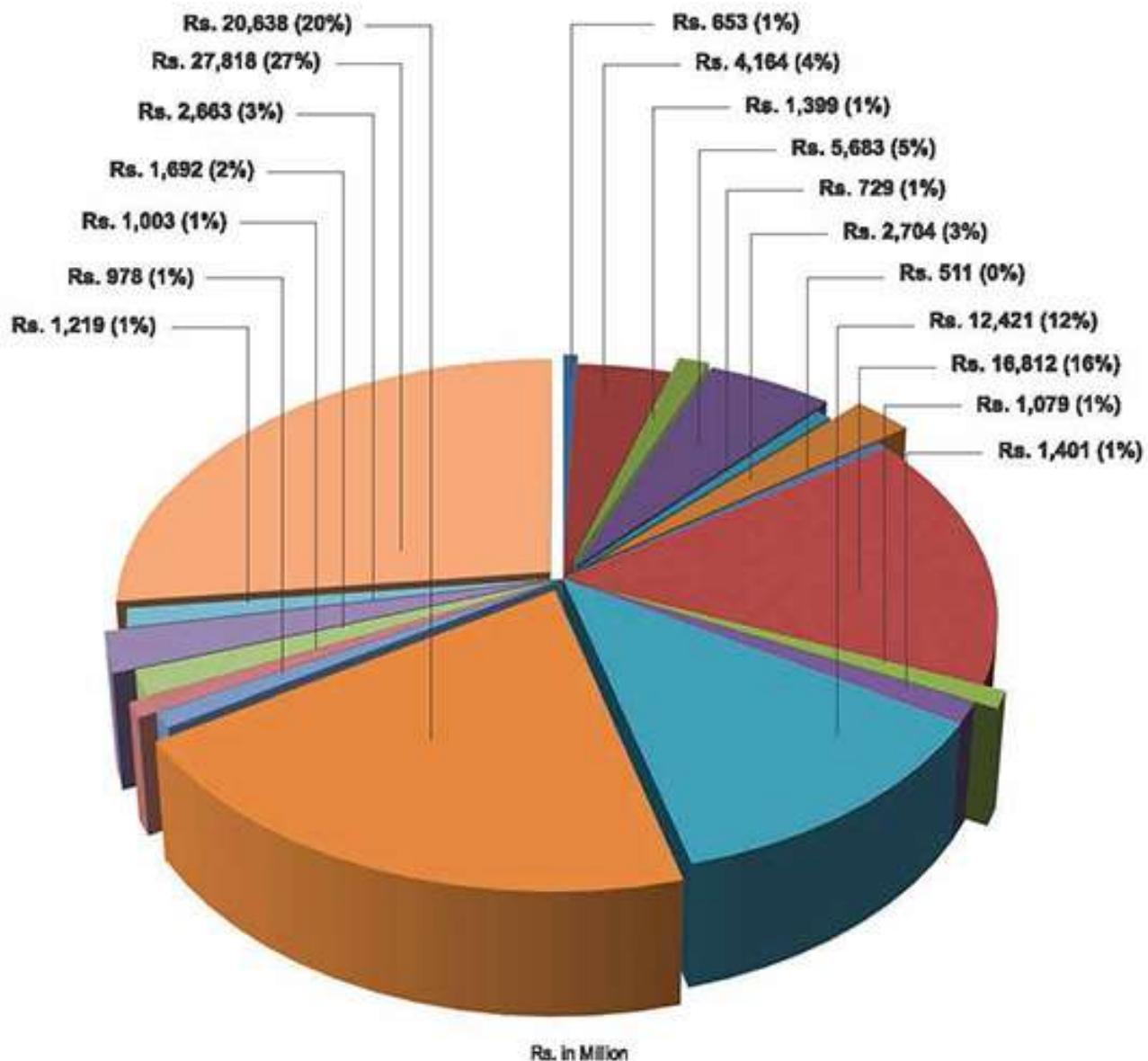


Profit / (Loss) After Tax



GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS

Sector Wise Advances - 2018



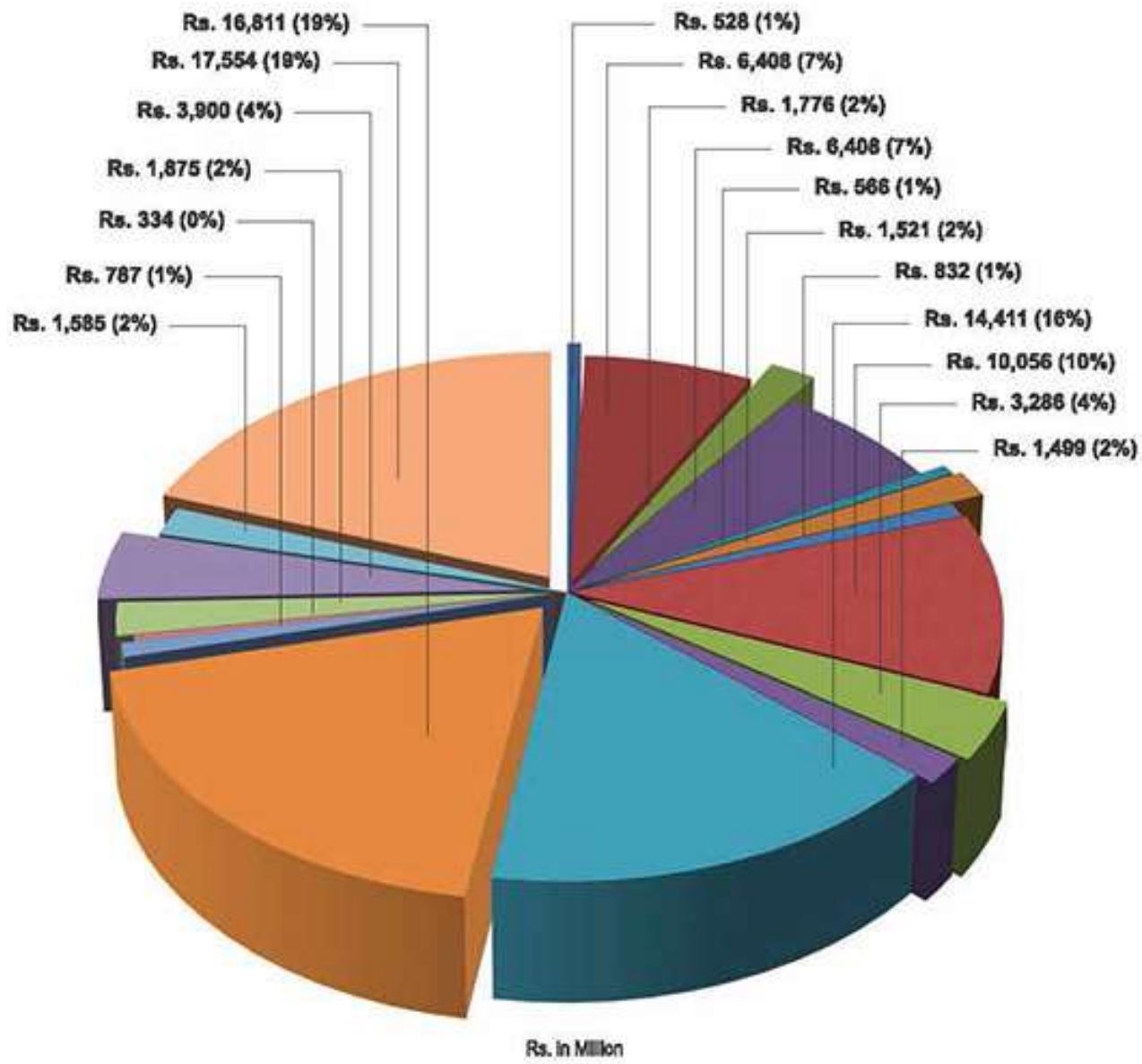
- Agriculture, Forestry, Hunting and Fishing
- Textile
- Chemical and Pharmaceuticals
- Sugar
- Automobile and transportation equipment
- Electronics and electrical appliances

- Power (electricity), Gas, Water, Sanitary
- Wholesale and Retail Trade
- Transport, communication and travelling
- Financial
- Services
- Individuals

- Hotel & Resorts
- Telecommunications
- Food and beverages
- Iron, steel & engineering
- Education
- Others

GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS

Sector Wise Advances - 2017



- Agriculture, Forestry, Hunting and Fishing
- Textile
- Chemical and Pharmaceuticals
- Sugar
- Automobile and transportation equipment
- Electronics and electrical appliances

- Power (electricity), Gas, Water, Sanitary
- Wholesale and Retail Trade
- Transport, communication and travelling
- Financial
- Services
- Individuals

- Hotel & Resorts
- Telecommunications
- Food and beverages
- Iron, steel & engineering
- Education
- Others

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

	Note	2018 Rupees in '000	2017 Rupees in '000
ASSETS			
Cash and balances with treasury banks	7	8,871,567	8,413,176
Balances with other banks	8	309,994	218,420
Lendings to financial institutions	9	12,612,156	8,620,649
Investments	10	28,924,993	38,266,735
Advances	11	98,354,002	85,850,715
Fixed assets	12	3,981,271	3,934,845
Intangible assets	13	226,840	241,901
Deferred tax assets	14	3,058,647	3,476,129
Other assets	15	17,337,316	17,831,962
		173,676,786	166,854,532
LIABILITIES			
Bills payable	16	2,866,568	3,192,981
Borrowings	17	18,051,854	35,582,000
Deposits and other accounts	18	132,664,084	110,277,807
Liabilities against assets subject to finance lease	19	2,663	6,880
Subordinated debt	20	1,999,600	2,000,000
Deferred tax liabilities		-	-
Other liabilities	21	3,705,270	2,613,518
		159,290,039	153,673,186
NET ASSETS		14,386,747	13,181,346
REPRESENTED BY			
Shareholders' equity			
Share capital - net	22	23,431,374	23,431,374
Reserves		820,890	554,903
(Deficit) / surplus on revaluation of assets - net of tax	23	(68,207)	52,723
Accumulated loss		(9,797,310)	(10,857,654)
		14,386,747	13,181,346
CONTINGENCIES AND COMMITMENTS	24		

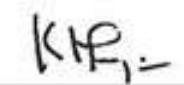
The annexed notes 1 to 50 and annexure I and II form an integral part of these financial statements.



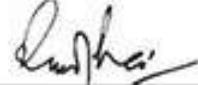
Syed Liaquat Ali
Chief Financial Officer



Azmat Tarin
President & CEO



Khalid Aziz Mirza
Director



Rashid Akhtar Chughtai
Director



Shahzad Enver Munad
Director

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018 Rupees In '000	2017 Rupees In '000
Mark-up / return / profit / interest earned	26	15,596,213	11,670,271
Mark-up / return / profit / interest expensed	27	(8,990,735)	(6,184,217)
Net Mark-up / return / profit / interest income		6,605,478	5,486,054
NON MARK-UP / INTEREST INCOME			
Fee and commission income	28	1,739,877	1,516,926
Dividend income	29	2,190	47,611
Foreign exchange income / (loss)		135,950	(90,638)
Income from derivatives		214,517	283,576
(Loss) / gain on securities	30	(63,671)	20,814
Other Income	31	1,386,009	1,165,179
Total non-markup / Interest Income		3,414,872	2,943,468
Total income		10,020,350	8,429,522
NON MARK-UP/INTEREST EXPENSES			
Operating expenses	32	(6,781,153)	(6,434,457)
Workers Welfare Fund		(38,303)	(33,000)
Other charges	33	(55,393)	(21,780)
Total non-markup / interest expenses		(6,874,849)	(6,489,237)
Profit before provisions, extra ordinary / unusual item and taxation		3,145,501	1,940,285
Provisions and write offs - net	34	(1,268,673)	(553,737)
Extra ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		1,876,828	1,386,548
Taxation	35	(546,895)	(251,260)
PROFIT AFTER TAXATION		1,329,933	1,135,288
		Rupee	
Basic and Diluted Earnings Per Share	36	0.15	0.13

The annexed notes 1 to 50 and annexure I and II form an integral part of these financial statements.

Syed Liaquat Ali
Chief Financial Officer

Azmat Tarin
President & CEO

Khalid Aziz Mirza
Director

Rashid Akhtar Chughtai
Director

Shahzad Enver Murad
Director

STATEMENT OF COMPREHENSIVE INCOME

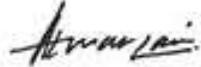
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
	Rupees in '000	
Profit after taxation for the year	1,329,933	1,135,288
Other comprehensive (loss) / Income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in deficit on revaluation of investments - net of tax	(109,225)	(27,685)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement loss on defined benefit obligations - net of tax	(20,609)	(25,005)
Movement in surplus on revaluation of operating fixed assets - net of tax	(2,326)	(11,617)
Movement in surplus on revaluation of non-banking assets - net of tax	(9,379)	39,545
	(32,314)	2,923
Total comprehensive income	1,188,394	1,110,526

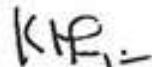
The annexed notes 1 to 50 and annexure I and II form an integral part of these financial statements.



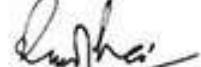
Syed Liaquat Ali
Chief Financial Officer



Azmat Tarin
President & CEO



Khalid Aziz Mirza
Director



Rashid Akhtar Chughtai
Director



Shahzad Enver Munad
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

	Share Capital	Advance against shares subscription	Surplus / (deficit) on revaluation of		Capital Reserve	Revenue Reserve	Total Equity
			Investments	Fixed / Non Banking Assets			
Note							Rupees in '000
Opening balance as at January 01, 2017	21,431,374	2,000,000	(8,000)	60,480	327,845	(11,757,111)	12,054,588
Profit after taxation for the year ended December 31, 2017	-	-	-	-	-	1,135,288	1,135,288
Other comprehensive (loss) / income - net of tax	-	-	(27,685)	27,928	-	(25,005)	(24,762)
Transfer to statutory reserves	-	-	-	-	227,058	(227,058)	-
Issuance of right shares at discount	2,000,000	(2,000,000)	-	-	-	-	-
Share issue cost	-	-	-	-	-	(3,616)	(3,616)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	23.1	-	-	-	-	4,571	4,571
Transfer from surplus on revaluation of fixed assets on account of disposal of assets	23.1	-	-	-	-	13,300	13,300
Transfer from surplus on revaluation of non-banking assets on account of disposal of assets - net of tax	23.2	-	-	-	-	1,977	1,977
Closing balance as at December 31, 2017	23,431,374	-	(35,685)	88,408	554,903	(10,857,654)	13,181,346
Profit after taxation for the year ended December 31, 2018	-	-	-	-	-	1,329,933	1,329,933
Other comprehensive loss - net of tax	-	-	(109,225)	(11,705)	-	(20,609)	(141,539)
Transfer to statutory reserves	-	-	-	-	265,987	(265,987)	-
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	23.1	-	-	-	-	3,579	3,579
Transfer from surplus on revaluation of non-banking assets on account of disposal of assets - net of tax	23.2	-	-	-	-	13,065	13,065
Transfer from surplus on revaluation of non-banking assets on account of transferred to fixed assets - net of tax	23.2	-	-	-	-	363	363
Closing balance as at December 31, 2018	23,431,374	-	(144,910)	78,703	820,890	(9,797,310)	14,386,747

* Statutory reserves represent amount set aside as per requirements of section 21 of the Banking Companies Ordinance, 1982.

The annexed notes 1 to 50 and annexure I and II form an integral part of these financial statements.

Syed Liaquat Ali
Chief Financial Officer

Azmat Tarin
President & CEO

Khalid Aziz Mirza
Director

Rashid Akhtar Chughtai
Director

Shahzad Enver Murad
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2018

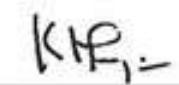
	Note	2018	2017
		Rupees In '000	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		1,876,828	1,386,548
Less: Dividend income		(2,190)	(47,611)
		1,874,638	1,338,937
Adjustments:			
Depreciation on fixed assets	12.2 & 32	397,741	388,825
Depreciation on non-banking assets	32	80,351	93,031
Amortization of intangible assets	13.1 & 32	71,381	86,686
Amortization of premium on investments - net		181,059	223,147
Provisions against loans & advances	34	1,455,209	377,007
Gain on sale of fixed assets	31	(9,714)	(11,316)
Impairment in the value of investments	34	-	22,723
Unrealized loss / (gain) on revaluation of investments - held-for-trading	10.1 & 30	2,423	(3,476)
Share of profit from associate	31	(8,642)	(3,651)
Gain on sale of non-banking assets acquired in satisfaction of claims	31	(872,008)	(639,190)
Provision against other assets - net	34	-	239,121
Reversal against off balance sheet items	34	-	(8,724)
Write offs against fixed assets	34	2,612	34,765
		1,300,412	798,948
		3,175,050	2,137,885
(Increase) / decrease in operating assets			
Lendings to financial institutions		(3,991,507)	(7,914,077)
Net investments in held-for-trading securities		(7,426,216)	(2,617,919)
Advances		(13,958,496)	(21,425,094)
Other assets (excluding advance taxation)		(421,712)	(3,286,563)
		(25,797,931)	(35,243,653)
(Decrease) / increase in operating liabilities			
Bills payable		(326,413)	(803,063)
Borrowings		(17,530,146)	5,386,298
Deposits		22,386,277	23,490,384
Other liabilities (excluding current taxation)		1,070,253	632,871
		5,599,971	28,706,490
Income tax paid		(17,022,910)	(4,399,278)
Net cash flow used in operating activities		(279,150)	(187,538)
		(17,302,060)	(4,586,816)



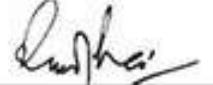
Syed Liaquat Ali
Chief Financial Officer



Azmat Tarin
President & CEO



Khalid Aziz Mirza
Director



Rashid Akhtar Chughtai
Director



Shahzad Enver Munad
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018	2017
		Rupees In '000	
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in available-for-sale securities		16,419,182	1,569,868
Subscription of right shares - Investment in associate		-	(11,537)
Dividend income received		3,215	51,006
Net investment in fixed assets and intangible assets		(596,669)	(672,601)
Proceeds on disposal of non-banking assets acquired in satisfaction of claims		1,912,637	2,732,282
Proceeds on disposal of fixed assets		118,277	98,114
Net cash flow from investing activities		17,856,642	3,767,132
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issuance of subordinated debts		-	2,000,000
Redemption of subordinated debts		(400)	-
Share issue cost		-	(3,616)
Finance lease obligation paid		(4,217)	(3,814)
Net cash flow used in financing activities		(4,617)	1,992,570
Increase in cash and cash equivalents		549,965	1,172,886
Cash and cash equivalents at the beginning of the year		8,631,596	7,458,710
Cash and cash equivalents at the end of the year	37	9,181,561	8,631,596

The annexed notes 1 to 50 and annexure I and II form an integral part of these financial statements.

Syed Liaquat Ali
Chief Financial Officer

Azmat Tarin
President & CEO

Khalid Aziz Mirza
Director

Rashid Akhtar Chughtai
Director

Shahzad Enver Murad
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

1 STATUS AND NATURE OF BUSINESS

Silkbank Limited ("the Bank") was incorporated in Pakistan on April 04, 1994 as a public limited company under the Companies Act, 2017. 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 (2017: 123 branches) including 30 (2017: 30) 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 2018 are 'A-2' and 'A-' respectively.

Major shareholders of the Bank as on December 31, 2018 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. Zulqamain Nawaz Chatta / Mr. Zubair Nawaz Chatta of Gourmet Group.

As at December 31, 2018, the equity of the Bank is Rs. 14.45 billion excluding deficit on revaluation of assets. This includes share capital (net of losses and discount on shares) of Rs. 13.63 billion against the minimum requirement of Rs. 10 billion as prescribed by SBP. Further, the Capital Adequacy Ratio (CAR) of the Bank is, 10.92% against the minimum CAR requirement of State Bank of Pakistan (SBP) of 11.90%. The CAR requirement of 11.90% is made up of minimum CAR of 10% plus 1.90% of Capital Conservation Buffer (CCB).

The Bank has requested exemption from SBP for meeting the CAR requirement till September 30, 2019. Through this request, the Bank has also communicated to SBP its plan for compliance with CAR requirement by September 30, 2019, which includes reduction in assets, improvement in profit, reduction in non-earning assets and issuance of Tier II capital.

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 Act, 2017 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.

3 STATEMENT OF COMPLIANCE

- 3.1** These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:
- The accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as are notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017;
 - Directives issued by the SBP and the Securities and Exchange Commission of Pakistan ("SECP") from time to time.

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

- 3.2** 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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.

- 3.3** 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 letter No. 02 of 2018 dated January 25, 2018, 'Revised Forms of Annual Financial Statements' (as updated from time to time), effective from the accounting year ended December 31, 2018. 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.
- 3.4** The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of IFAS-3 for Profit & Loss Sharing on Deposits 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 TO ACCOUNTING AND REPORTING STANDARDS

- 4.1** Standards, amendments and interpretations to the published standards that are relevant to the Bank and adopted in the current year

The Bank has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
- IFRS 2 - Classification and Measurement of Share-based Payment Transaction (Amendments to IFRS 2)	January 01, 2018
- IFRS 1 and IAS 28 - Annual Improvements to IFRSs 2014-2016	January 01, 2018
- IFRIC 22 - Foreign Currency Transactions and Advance Consideration	January 01, 2018

Adoption of the above revisions, amendments and interpretations of the standards have no significant effect on the amounts for the year ended December 31, 2018.

- 4.2** Standards, amendments to published standards and interpretations that are effective but not relevant

The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on January 01, 2018 are considered not to be relevant or to have any significant effect on the Bank's financial reporting and operations and are therefore not presented here.

- 4.3** Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Bank

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
- IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Postponed
- IFRS 15 - Revenue from Contracts with Customers	July 01, 2018
- IFRS 16 - Leases	January 01, 2019
- IFRIC 23 - Uncertainty over Income Tax Treatments	January 01, 2019

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FOR THE YEAR ENDED DECEMBER 31, 2018

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
- IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	January 01, 2019
- Annual improvements to IFRSs 2015 - 2017 Cycle	January 01, 2019
- IFRS 9 - Prepayment Features with Negative Compensation (Amendments to IFRS 9)	January 01, 2019
- IAS 19 - Plan Amendment, Curtail or Settlement (Amendments to IAS 19)	January 01, 2019
- IFRS 9 - Financial Instruments: Classification and Measurement	July 01, 2019
- IAS 1 / IAS 8 - Definition of Material (Amendments to IAS 1 and IAS 8)	January 01, 2020
- Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
- IFRS 3 - IFRS Definition of a business (Amendments to IFRS 3)	January 01, 2020
- IFRS 11 - Joint Venture - (Amendments to IFRS 11)	January 01, 2019

The Bank is in the process of assessing the impact of these standards, amendments and interpretations to the published standards on the financial statements of the Bank.

4.4 Standards, amendments and Interpretations to the published standards that are not yet notified by SECP

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

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
- IFRS 14 - Regulatory Deferral Accounts	January 01, 2018
- IFRS 17 - Insurance Contracts	January 01, 2021

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 and net obligations in respect of defined benefit scheme are carried at their present value.

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.

5.1 Use of critical accounting estimates and judgments

The preparation of these financial statements in conformity with accounting and reporting 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 underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These 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 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:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

5.1.1 Provision against non-performing loans and advances and debt securities (note 10.3.2 and note 11.3)

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 issued by the SBP 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 Regulation.

5.1.2 Fair value of derivatives (note 25)

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 (note 10.1)

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 investments 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 (note 39)

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 39. Actuarial assumptions are Bank'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 (note 35)

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, amortization and revaluation of fixed assets (note 12 and note 13)

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 IAS - 8, "Accounting Policies, Changes in Accounting Estimates and Errors" as more fully explained in note 12.4 and 13.2, during the year management has revised the depreciation and amortisation rates of certain items of property and equipment and computer software respectively. 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 Banks' Association (PBA), under the market conditions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

5.1.8 Fair value hierarchy of assets and liabilities (note 42)

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:

Level 1:

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

Level 2:

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

Level 3:

These are unobservable inputs for the asset or liability.

5.1.9 Depreciation, amortisation and revaluation of non-banking assets acquired under satisfaction of claims (note 15.1)

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 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 PBA, under the market conditions.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are consistent with those of the previous financial year, except for changes in note 6.1:

6.1 Change in accounting policies

The Companies Ordinance, 1984 was repealed through the enactment of the Companies Act, 2017. However, as directed by the Securities and Exchange Commission of Pakistan vide Circular No. 23 dated October 04, 2017, the financial reporting requirements of the Companies Act, 2017 were only made applicable for reporting periods starting from January 01, 2018.

Consequent to the enactment of the Companies Act, 2017 the Bank has changed its policy for accounting for deficit arising on revaluation of fixed assets. The Bank's previous accounting policy, in accordance with the repealed Companies Ordinance, 1984, required that a deficit arising on revaluation of a particular property was to be adjusted against the total balance in the surplus account or, if no surplus existed, was to be charged to the profit and loss account as an impairment of the asset. The Companies Act, 2017 removed the specific provisions is now to be accounted for in accordance with IFRS, which requires that such deficit can not be adjusted against surplus in another property, but is taken to the profit and loss account as an impairment.

There is no impact relating to current and prior years.

The SBP vide BPRD Circular No. 02 of 2018 dated January 25, 2018 has amended the format of annual financial statements of banks. All banks are directed to prepare their annual financial statements on the revised format effective from the accounting year ending December 31, 2018. Accordingly, the Bank has prepared these financial statements on the new format prescribed by the State Bank of Pakistan.

- (Deficit) / surplus on revaluation of assets (note 23) amounting to Rs. 68.21 million as deficit as at December 31, 2018 (2017: Rs. 52.72 million as surplus) which were previously shown below equity as required by the repealed Companies Ordinance, 1984 has now been included as part of equity;
- Intangibles (note 13) amounting to Rs 226.84 million (2017: Rs 241.90 million) which were previously shown as part of fixed assets (note 12) are now shown separately on the statement of financial position;
- Income from derivatives amounting to Rs 214.52 million (2017: Rs 283.58 million) which was previously shown as part of foreign exchange income / (loss) has now been shown as part of Income from derivatives in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

- Impairment in the value of investments, provisions against loans & advances, provision against non-banking assets, reversal against off balance sheet items, write offs against fixed assets, recovery of written off / charged off bad debts amounting to (Rs. 1,268.67 million) (2017: Rs. 553.78 million) respectively which were previously shown separately in the profit and loss account have now been shown as part of other provisions / write-offs in note 34.

6.2 Cash and cash equivalents

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

6.3 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:

6.3.1 Sale under repurchase agreements (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.

6.3.2 Purchase under resale agreements (reverse repo)

Securities purchased under agreement to resale (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.

6.3.3 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.

6.3.4 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.

6.4 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.

6.5 Investments

The Bank classifies its investments as follows:

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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.

6.5.1 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.

6.5.2 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 other comprehensive income 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.

6.5.3 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.

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

6.5.5 Impairment

Provision for diminution in the value of securities (except Debentures, 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.

6.6 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.

6.6.1 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

6.6.2 Diminishing Musharaka

In Diminishing Musharaka financing, the Bank enters into Musharaka based on Shirkat-ul-milk for financing an agreed share of fixed asset (for example; 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.

6.6.3 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.

6.7 Fixed assets

6.7.1 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 property and equipment.

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. A deficit arising on revaluation of a particular asset is now to be accounted for in accordance with IFRS, which requires that such deficit can not be adjusted against surplus for any other asset, but is to be taken to the profit and loss account as an impairment. 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 of assets to their residual values over their estimated useful lives at the rates given in note 12.2 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.

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6.7.2 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.

6.8 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 13.1 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.

6.9 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.

6.9.1 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.

6.9.2 Prior

The charge for prior years represents adjustments to the tax charge for prior years, arising from assessments, changes in estimates, and retrospectively applied changes to law, made during the current year.

6.9.3 Deferred

Deferred tax is recognised 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 reporting date.

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".

6.10 Impairment of non-financial assets

At each reporting date, the Bank reviews the carrying amounts of its non-financial assets other than deferred tax assets 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.

6.11 Provision from claims under guarantees

A provision for claims under guarantees is recognised when intimated and reasonably certain exists that the Bank will settle the obligation. The charge to the profit and loss is stated net of expected recoveries and the obligation is recognised in other liabilities.

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6.12 Other provisions

Other 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".

6.13 Staff retirement benefits

6.13.1 Defined contribution plan

The Bank operates an approved funded provident fund scheme (the Fund) 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.

6.13.2 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.

6.13.3 Benefits for contractual staff

The entitlement of contractual 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".

6.14 Revenue recognition

Revenue is recognised to the extent that the economic benefits associated with a transaction will flow to the Bank and the revenue can be reliably measured. The following recognition criteria must be met before revenue is recognised. Revenue is recognised:

- Mark-up / return / interest on advances, investments, lending to financial institutions and balances with other banks 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.
- Rent on property and non-banking assets is recognised on the accrual basis.
- Gain and loss on sale of investments is credited / charged to the profit and loss account currently.

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6.15 Non-banking assets acquired in satisfaction of claims / Other Real Estate Owned (OREO)

At the time of acquisition of non-banking asset, it is recognized on the basis of value determined by independent evaluators on the panel of PBA. At the time of settlement, The Bank carries out valuation as per following criteria;

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

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.

6.16 Foreign currencies

6.16.1 Foreign currency transactions

Transactions in foreign currencies are translated into Pakistani rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in Pakistani 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 profit and loss account.

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

Forward purchase contracts with the SBP 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.

6.16.2 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.

6.17 Financial instruments

6.17.1 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.

NOTES TO THE FINANCIAL STATEMENTS

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6.17.2 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 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.

6.18 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.

6.19 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:

6.19.1 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.

6.19.2 Geographical segment

The Bank conducts all its operations in Pakistan.

6.20 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.

6.21 Share capital

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

6.22 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.

6.23 Fiduciary assets

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

6.24 Subordinated debts

Subordinated debts are initially recorded at the amount of proceeds received. Mark-up on subordinated debts 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, 2018

	Note	2018 Rupees in '000	2017 Rupees in '000
7 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		1,829,723	1,745,611
Foreign currencies		581,068	486,820
		2,410,791	2,212,431
With State Bank of Pakistan in			
Local currency current account	7.1	4,496,567	4,679,724
Foreign currency current account		630,335	408,339
Foreign currency deposit account	7.2	1,210,071	1,025,189
		6,336,973	6,113,252
With National Bank of Pakistan in			
Local currency current account		121,213	85,656
National Prize Bonds		2,590	1,837
		8,871,567	8,413,176

7.1 Deposits with SBP are maintained to comply with the statutory requirements of SBP issued from time to time (section 22 of the Banking Companies Ordinance, 1962).

7.2 This represents account maintained with SBP to comply with Special Cash Reserve requirement (FE-25 scheme, as prescribed by SBP). It carries interest rates ranging from 0.56% to 1.35% (2017: 0% to 0.37%).

	Note	2018 Rupees in '000	2017 Rupees in '000
8 BALANCES WITH OTHER BANKS			
In Pakistan			
In current account		88,815	116,411
In deposit account		64	33
		88,879	116,444
Outside Pakistan			
In current account		221,115	101,976
		309,994	218,420
9 LENDINGS TO FINANCIAL INSTITUTIONS			
Repurchase agreement lendings (Reverse repo)	9.2	11,665,534	8,198,082
Foreign placement	9.3	946,622	422,567
		12,612,156	8,620,649
9.1 Particulars of lending			
In local currency		11,665,534	8,198,082
In foreign currencies		946,622	422,567
		12,612,156	8,620,649

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

9.2 Securities held as collateral against lendings to financial institutions

	Note	2018			2017		
		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	1,982,801	-	1,982,801	1,808,544	5,259,538	7,068,082
Pakistan Investment Bonds	9.2.1&9.2.2	2,839,616	6,843,117	9,682,733	40,498	1,089,502	1,130,000
Total		4,822,417	6,843,117	11,665,534	1,849,042	6,349,040	8,198,082

9.2.1 These have been purchased under the reverse repurchase agreement at the mark-up rates ranging from 8.45% to 10.45% (2017: 5.90% to 6.20%) per annum with maturities upto February 2019.

9.2.2 The market value of securities held as collateral against reverse repurchase agreement lendings as of December 31, 2018 is Rs. 11,626.93 million (2017: Rs. 8,275.66 million).

9.3 These have been placed with a foreign bank as pledge against issuance of Standby Letter of Credit (SBLC) favouring VISA at the interest rate of 1.50% (2017: 0.65%) per annum with maturity from January 2019 to November 2019.

10 INVESTMENTS

	Note	2018				2017				
		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	
10.1 Investments by type:										
Held-for-trading securities										
Market Treasury Bills		10,053,860	-	(2,423)	10,051,437	2,630,067	-	-	3,476 2,633,543	
Pakistan Investment Bonds		10,053,860	-	(2,423)	10,051,437	2,630,067	-	-	3,476 2,633,543	
Available-for-sale securities										
Market Treasury Bills	10.4	4,354,202	-	(2,697)	4,351,505	18,560,471	-	(2,324)	18,556,147	
Pakistan Investment Bonds	10.4	10,253,483	-	(207,218)	10,046,265	12,992,689	-	(53,168)	12,939,521	
GOP Jara Sukuk	10.4	3,862,276	-	(10,629)	3,851,647	3,703,816	-	(6,425)	3,697,391	
Shares - Listed	10.4	137,851	-	(2,482)	135,369	25,604	-	3,939	29,543	
Shares - Unlisted	10.4	5,680	(5,680)	-	-	5,680	(5,680)	-	-	
Sukuk - Listed	10.4	299,527	-	714	300,241	200,000	-	1,250	201,250	
Term Finance Certificates - Listed	10.4	62,500	-	(625)	61,875	87,500	-	1,628	89,328	
Term Finance Certificates - Unlisted	10.4	8,780	(8,780)	-	-	8,780	(8,780)	-	-	
		18,084,299	(14,460)	(222,937)	18,746,902	35,584,540	(14,460)	(54,900)	35,515,180	
Held-to-maturity securities										
Shares repurchase (fully provided)	10.5	74,910	(74,910)	-	-	74,910	(74,910)	-	-	
Associates										
SPI Insurance Company Limited	10.6	126,654	-	-	126,654	118,012	-	-	118,012	
Total Investments		29,239,723	(89,370)	(225,360)	28,924,993	36,407,529	(89,370)	(51,424)	35,266,735	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

10.2	Investments by Segments:	2018				2017			
		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
		Note	Rupees in '000						
Federal Government Securities									
Market Treasury Bills		14,408,062	-	(5,120)	14,402,942	18,580,471	-	(2,324)	18,558,147
Pakistan Investment Bonds		10,253,483	-	(207,218)	10,046,265	15,622,756	-	(49,892)	15,573,064
GOP Ijarat Sukuk		3,862,276	-	(10,629)	3,851,647	3,703,818	-	(6,425)	3,697,391
		28,523,821	-	(222,967)	28,300,854	37,887,043	-	(58,441)	37,828,602
Shares									
Listed companies		137,851	-	(2,482)	135,369	25,604	-	3,939	29,543
Unlisted companies		5,680	(5,680)	-	-	5,680	(5,680)	-	-
		143,531	(5,680)	(2,482)	135,369	31,284	(5,680)	3,939	29,543
Non Government Debt Securities									
Sukuk - listed		299,527	-	714	300,241	200,000	-	1,250	201,250
Term Finance Certificates - listed		62,500	-	(625)	61,875	87,500	-	1,828	89,328
Term Finance Certificates - unlisted		8,780	(8,780)	-	-	8,780	(8,780)	3,078	290,578
		370,807	(8,780)	89	362,116	295,280	(8,780)	3,078	290,578
Shares repurchase (fully provided)	10.5	74,910	(74,910)	-	-	74,910	(74,910)	-	-
Associates									
SPI Insurance Company Limited	10.6	126,854	-	-	126,854	118,012	-	-	118,012
Total Investments		28,239,723	(89,370)	(225,300)	28,024,993	38,407,529	(89,370)	(51,424)	38,288,735

10.2.1	Investments given as collateral	2018		2017	
		Rupees in '000			
Market Treasury Bill				-	8,285,451
Pakistan Investment Bonds				6,468,112	12,856,278
				6,468,112	21,141,729
10.3 Provision for diminution in value of investments					
10.3.1 Opening balance				89,370	89,370
Charge / (reversals)					
Charge for the year					
Reversals for the year					
Amounts written off					
Closing balance				89,370	89,370

10.3.2	Particulars of provision against debt securities	2018				2017			
		Category of classification	Non Performing Investments	Provision	Non Performing Investments	Provision	Non Performing Investments	Provision	Non Performing Investments
			Rupees in '000						
Substandard			-	-	-	-	-	-	-
Doubtful			-	-	-	-	-	-	-
Loss			83,690	83,690	83,690	83,690	83,690	83,690	83,690
Total			83,690	83,690	83,690	83,690	83,690	83,690	83,690

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

10.4 Quality of Available for Sale Securities

Details regarding quality of Available for Sale (AFS) securities are as follows:

		2018	2017
		Cost	
Federal Government Securities - Government guaranteed	Note	Rupees in '000	
Market Treasury Bills		4,354,202	18,560,471
Pakistan Investment Bonds	10.4.1	10,253,483	12,992,689
Ijara Sukus		3,862,276	3,703,816
		18,469,961	35,256,976
Shares			
Listed Companies			
Chemical and pharmaceuticals		5	-
Services		25,604	25,604
Others		112,242	-
		137,851	25,604
		2018	2017
		Cost	Breakup value
Unlisted Companies		Rupees In '000	
Pakistan Export Finance Guarantee Limited (fully provided)		5,680	-
		5,680	-
		2018	2017
		Cost	
Non Government Debt Securities	Note	Rupees in '000	
Listed			
- AAA		200,000	200,000
- AA+		62,500	87,500
- AA		99,527	-
		362,027	287,500
Unlisted			
- Unrated (fully provided)	10.4.2	8,780	8,780

10.4.1 These include securities having face value of Rs. 740 million (December 31, 2017: Rs. Nil) pledged with United Bank Limited for Global Industrial and Defence Solutions, Pakistan as Guarantor. Further, securities having face value of Rs. 35 million (December 31, 2017: Rs. 35 million) pledged with SBP as security to facilitate Telegraphic Transfer discounting facilities sanctioned to branches of the Bank.

10.4.2 These represent zero coupon privately placed TFCs of Azgard Nine Limited (related party) acquired against markup settlement of Rs. 8.78 million on the credit facilities provided to Azgard Nine Limited.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
	Rupees in '000	
10.5 Particulars relating to Held to Maturity securities are as follows:		
Others		
Shares repurchase (fully provided)	74,910	74,910
10.6 Investment in associate		
	Name of company	Proportion of ownership interest
SPI Insurance Company Limited		23.08% (2017: 23.08%)
		Pakistan
		September 30, September 30, 2018 2017
		Rupees In '000
Total assets	1,233,082	1,103,355
Total liabilities	690,926	596,737
Revenue	367,299	422,692
Profit after taxation	19,707	26,405
Total comprehensive income	(864)	-
	2018	2017
	Rupees In '000	
10.6.1 Movement in Investment in associate		
Investment at the beginning of the year	118,012	102,824
Share of profit	8,642	3,651
Subscription of right shares	-	11,537
Investment at the end of the year	126,654	118,012
10.6.2	Summarized financial information of associate is based on financial information for nine months ended September 30, 2018 because financial statements of associate for the year ended December 31, 2018 are not available at the time of authorization of issue of these financial statements. There is no difference between the proportionate share of net assets of associate and its carrying value accounted on equity method therefore no reconciliation is required.	
10.6.3	There is no share of contingencies and commitments from associate as at September 30, 2018 and 2017.	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

11 ADVANCES - NET

	Note	Performing		Non Performing		Total	
		2018	2017	2018	2017	2018	2017
Rupees in '000							
Loans, cash credits, running finances, etc.		69,879,752	66,481,372	6,356,874	5,853,152	76,246,626	72,334,524
Islamic financing and related assets	11.5	26,600,182	17,527,355	301,516	-	26,901,698	17,527,355
Bills discounted and purchased		411,194	269,255	6,650	6,650	417,844	275,905
Advances - gross		96,891,128	84,277,982	6,675,040	5,859,802	103,566,168	90,137,784
Provision against advances	11.3	-	-	4,524,443	3,730,789	4,524,443	3,730,789
- Specific		687,723	556,280	-	-	687,723	556,280
- General		687,723	556,280	4,524,443	3,730,789	5,212,166	4,287,069
Advances - net of provision		96,203,405	83,721,702	2,150,597	2,129,013	98,354,002	85,850,715

11.1 Particulars of advances (gross)

	2018	2017
	Rupees In '000	
In local currency	103,562,141	90,137,784
In foreign currencies	4,027	-
	103,566,168	90,137,784

11.2 Advances include Rs. 6,675 million (2017: Rs. 5,860 million) which have been placed under non-performing status as detailed below:

Category of classification - specific	2018		2017	
	Non	Non	Performing	Non
	Performing	Provision	Performing	Provision
Loans				
Domestic				
Substandard	983,161	127,978	663,102	79,824
Doubtful	521,267	49,873	857,525	128,389
Loss	5,170,612	4,346,592	4,339,175	3,522,576
Total	6,675,040	4,524,443	5,859,802	3,730,789

11.3 Particulars of provision against advances

	2018			2017		
	Specific	General	Total	Specific	General	Total
	Rupees In '000					
Opening balance	3,730,789	556,280	4,287,069	4,031,008	478,549	4,509,557
Charge for the year	1,417,628	131,443	1,549,071	991,287	100,570	1,091,857
Reversals	(93,862)	-	(93,862)	(692,011)	(22,839)	(714,850)
	1,323,766	131,443	1,455,209	299,276	77,731	377,007
Amounts written off	(530,112)	-	(530,112)	(599,495)	-	(599,495)
Closing balance	4,524,443	687,723	5,212,166	3,730,789	556,280	4,287,069

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

11.3.1 Particulars of provision against advances

	2018			2017		
	Specific	General	Total	Specific	General	Total
Rupees in '000						
In local currency	4,524,443	687,723	5,212,166	3,730,789	556,280	4,287,069
In foreign currencies	-	-	-	-	-	-
	4,524,443	687,723	5,212,166	3,730,789	556,280	4,287,069

11.3.2 This includes reversal of provision of Rs. 1.5 million (2017: Rs. 414 million) against non-performing loans of certain borrowers under 'Debt Property Swap' transactions, as disclosed in note 15.3.

11.3.3 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.

11.3.4 As of December 31, 2018, the Bank has availed FSV benefits against all non performing advances. Had the benefit not been taken by the Bank, profit after tax would have been lower by Rs. 731 million (2017: Rs. 615 million), which shall not be available for payment of cash or stock dividend / bonus to employees.

11.3.5 As per Prudential Regulation for consumer financing issued by the SBP, percentage of reserve is linked to non-performing loans to gross loans ratio. Consequently, the general provisioning on consumer financing is maintained at 4% (2017: 4%) of unsecured portfolio of the Bank.

		2018	2017
	Note	Rupees in '000	
11.4 Particulars of write offs:			
11.4.1 Against Provisions	11.3	530,112	599,495
Directly charged to profit & loss account		-	-
		530,112	599,495
11.4.2 Domestic			
Write offs of Rs. 500,000 and above	11.4.3	177,821	228,035
Write offs of Below Rs. 500,000		352,291	371,460
		530,112	599,495
11.4.3 Detail 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 rupees five hundred thousand or above allowed to a person(s) during the year ended is given in annexure I.

11.5 Information related to Islamic financing and related assets is given in annexure II and is an integral part of the financial statements.

		2018	2017
	Note	Rupees in '000	
12 FIXED ASSETS			
Capital work-in-progress	12.1	63,641	230,756
Property and equipment	12.2	3,917,630	3,704,089
		3,981,271	3,934,845
12.1 Capital work-in-progress			
Civil works		22,427	89,089
Advances to suppliers and contractors		41,214	141,667
		63,641	230,756

NOTES TO THE FINANCIAL STATEMENTS

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12.2 Property and equipment

2018

	Owned	Leased	Total
	Rupees in '000		
At January 1, 2018			
Cost / Revalued amount	76,682	1,907,321	15,425
Accumulated depreciation	-	-	(5,096)
Net book value	76,682	1,907,321	10,329
Year ended December 2018			
Opening net book value	76,682	1,907,321	10,329
Additions	-	-	49,993
Disposals	(76,682)	-	-
Write offs	-	-	(140)
Depreciation charge	-	-	(28,785)
Closing net book value	76,682	1,907,321	9,558
At December 31, 2018			
Cost / Revalued amount	-	1,907,321	15,425
Accumulated depreciation	-	-	(5,867)
Net book value	-	1,907,321	9,558
Rate of depreciation	-	-	5%
	5%	10%	14.29%-33.33%
	10%	20%	10%-20%
			20%

2017

	Owned	Leased	Total
	Rupees in '000		
At January 1, 2017			
Cost / Revalued amount	72,339	1,907,321	10,306
Accumulated depreciation	-	-	(4,368)
Net book value	72,339	1,907,321	5,938
Year ended December 2017			
Opening net book value	72,339	1,907,321	5,938
Additions	4,343	-	5,119
Disposals	-	-	(24,597)
Write offs	-	-	(4,445)
Depreciation charge	-	-	(728)
Closing net book value	76,682	1,907,321	10,329
At December 31, 2017			
Cost / Revalued amount	76,682	1,907,321	15,425
Accumulated depreciation	-	-	(5,096)
Net book value	76,682	1,907,321	10,329
Rate of depreciation	-	-	5%
	5%	10%	20%-33.33%
	20%	10%-20%	20%

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. 59.06 million (2017: Rs. 62.64 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

- 12.2.2** 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 21). 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. 157.61 million (2017: Rs. 157.61 million) as disclosed in note 31.1. 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 previous Head Office Building has not been derecognised.

	2018	2017
	Rupees in '000	
12.3 The cost of fully depreciated property and equipment that are still in use is as follows:		
Furniture, electrical, office, computer equipment and others	1,263,836	1,241,678
Leasehold improvements	360,089	266,364
Vehicles	69,528	63,899
	1,693,453	1,571,941

- 12.4** In January 2018, remaining useful lives of certain Banks' assets were reviewed by the management. The revised and previous remaining useful lives of individual significant components are as under:

	Average useful life	
	2018	2017
ATM Machine	7 years	5 years
Other computer equipments except laptop	5 years	3 years

- 12.4.1** The effect of these changes on depreciation expense in current year is as follows:

	2018	2017
	Rupees in '000	
Decrease in depreciation expense		
ATM Machine	3,262	
Other computer equipments except laptop	28,561	

NOTES TO THE FINANCIAL STATEMENTS

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

Particulars of Assets	Date of capitalization	Date of disposal	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of purchaser
Rupees In '000									
Items having Book value in aggregate more than Rs. 250,000 or Cost more than Rs.1,000,000									
Land and buildings									
Plot No 12A Khata No 17601697 Khatooni No 2633 Model Town Opposite Circuit House Bahawalpur	1-Jul-10	28-Sep-18	76,682	-	76,682	85,000	8,318	Indirect	Abdul Rashid Khan
Vehicles									
Toyota Land Cruiser V8 Armoure Model 2013	2-Jun-13	9-Feb-18	30,000	28,000	2,000	2,000	-	As per Company Policy	Azmat Tarin
Toyota Corolla GLI AT Model 2015	27-Feb-15	21-Feb-18	1,646	1,077	769	769	-	As per Company Policy	Kashif Feroze Khan
Toyota Prius Model 2010	1-Dec-15	14-Mar-18	1,771	738	1,033	1,033	-	As per Company Policy	Adnan Kakakhil
Honda Civic iVTEC 180CC OREL Model 2017	6-Feb-17	4-Apr-18	2,513	544	1,969	1,969	-	As per Company Policy	Sanam Kohati Faiz
Honda Civic iVTEC OREL 180CC Model 2017	10-Feb-17	11-Jun-18	2,353	627	1,726	1,726	-	As per Company Policy	Azim Hafeez Qureshi
Toyota Corolla GLI AT Silver Model 2015	21-Sep-15	2-Aug-18	1,846	1,077	769	769	-	As per Company Policy	Shahnam Razai Balhdari
Toyota Fortuner AT Model 2017	12-Jun-17	2-Aug-18	2,513	586	1,927	1,927	-	As per Company Policy	Shahnam Razai Balhdari
Honda Civic VTi Model 2015	10-Aug-15	11-Sep-18	2,154	1,328	826	826	-	As per Company Policy	Jahangir Afzar
Suzuki Vitara Model 2017	11-Sep-17	6-Sep-18	2,513	461	2,052	2,052	-	As per Company Policy	Syed Aamer Hussain
Toyota Altis AT 16CC Model 2016	5-Sep-16	26-Oct-18	1,882	784	1,098	1,098	-	As per Company Policy	Jawed Majid Khan
Audi A6 180CC Model 2016	17-May-17	26-Oct-18	2,513	712	1,801	1,801	-	As per Company Policy	Jawed Majid Khan
Honda Civic iVTEC	31-Aug-15	6-Nov-18	2,156	1,401	755	755	-	As per Company Policy	Muhammad Sharqia Rasheed
Toyota Corolla GLI AT Model 2015	18-Dec-15	6-Nov-18	1,772	1,034	738	738	-	As per Company Policy	Asaf Akhtar
Toyota Corolla Altis CVT	11-May-16	6-Nov-18	2,383	1,192	1,191	1,191	-	As per Company Policy	Khurram Adil Khan
Toyota Corolla GLI AT Model 2016	9-Aug-16	6-Nov-18	1,883	839	1,024	1,024	-	As per Company Policy	Khurram Adil Khan
Suzuki Vitara Model 2017	20-Sep-17	14-Nov-18	2,383	551	1,812	1,812	-	As per Company Policy	Muneeb Hussain
Toyota Fortuner Model 2017	8-Aug-18	6-Nov-18	5,500	275	5,225	5,225	-	As per Company Policy	Shahnam Razai Balhdari
Honda Civic iVTEC Model 2014	24-Jun-14	6-Jul-18	2,146	1,753	393	393	-	As per Company Policy	Ahmed Qureshi
Honda Civic VTi Oriel	31-Oct-13	3-Aug-18	2,388	2,308	80	80	-	As per Company Policy	Junaid Rayez Chaudhry
Toyota Corolla CVT I Model 2014	26-Nov-14	6-Dec-18	1,846	1,508	338	338	-	As per Company Policy	Muhammad Saqib Pal
Honda Civic Model 2005	8-Aug-16	17-Jan-18	1,129	320	809	809	-	As per Company Policy	Muhammad Omair
Toyota Altis AT 16CC Model 2017	6-Sep-17	29-Jan-18	1,327	88	1,239	1,239	-	As per Company Policy	Saeed Ahmed Sheikh
Honda City MT Model 2015	14-Oct-15	20-Feb-18	1,282	577	705	791	86	As per Company Policy	Shahzad Ahmed Durrani
Honda Civic VTi PT Oriel Model 2015	1-Jun-15	6-Mar-18	2,146	1,180	966	966	-	As per Company Policy	Zeehan Feroza Syed Kamal Mohyuddin
Honda Civic VTi PT Oriel Model 2014	8-Jul-14	13-Apr-18	2,146	1,609	537	537	-	As per Company Policy	
Toyota Corolla GLI Model 2014	24-Oct-14	10-Apr-18	1,753	1,198	566	566	-	As per Company Policy	Kashif Khan
Toyota Corolla GLI Model 2015	3-Sep-15	21-May-18	1,282	684	598	598	-	As per Company Policy	Qamer Ali Khan
Honda City	2-Feb-16	7-May-18	1,287	584	713	713	-	As per Company Policy	Shehzad Villani
Honda City AT 1300C Model 2016	3-May-18	3-May-18	1,250	-	1,250	1,250	-	As per Company Policy	Abid Sikander
Honda City MT Model 2016	1-Jul-15	31-May-18	1,282	728	566	566	-	As per Company Policy	Azim Rafique
Honda City iVTEC 1300C Model 2016	14-Oct-18	7-Jun-18	1,287	324	973	1,103	130	As per Company Policy	Amir Ali Gul
Toyota Corolla Altis CVT Grande Model 2015	22-May-15	23-Jul-18	1,771	1,121	650	650	-	As per Company Policy	Rouf Jemal
Honda City iVTEC Model 2012	23-Sep-15	13-Jul-18	1,282	705	577	577	-	As per Company Policy	Muhammad Mubeeshi
Toyota Corolla GLI MT 1300C Model 2016	5-Oct-18	13-Jul-18	1,327	420	907	907	-	As per Company Policy	Mohammad Rahman Sharif
Suzuki Wagon R VXi Model 2017	8-Aug-17	6-Jul-18	1,094	201	893	893	-	As per Company Policy	Farrukh Qadri
Suzuki Swift DLX Model 2017	7-Dec-17	16-Jul-18	1,250	125	1,125	1,125	-	As per Company Policy	Kamran Khatl
Suzuki Cultus VXRI	26-Jul-16	15-Aug-18	1,099	421	678	678	-	As per Company Policy	M Khalid Chaudhry
Toyota Corolla GLI Model 2015	19-Aug-18	9-Aug-18	1,099	440	659	659	-	As per Company Policy	Muhammad Kamran Zia
Honda Civic VTi Model 2013	15-Aug-16	15-Aug-18	1,099	440	659	659	-	As per Company Policy	Rahim Rashid
Toyota Altis AT 1600C Model 2016	25-Sep-16	6-Aug-18	1,755	655	1,103	1,103	-	As per Company Policy	Naheed Butt
Suzuki Cultus VXRI Model 2017	16-Jan-18	2-Aug-18	1,250	125	1,125	1,125	-	As per Company Policy	Muhammad Kamran Seeed Anwar
Honda City iVTEC PT	20-Aug-18	28-Aug-18	1,250	-	1,250	1,250	-	As per Company Policy	Asif Kamali
Toyota Corolla Altis Grande CVT Model 2015	1-Aug-15	6-Sep-18	1,282	726	566	566	-	As per Company Policy	Muhammad Atmal Abbasi
Suzuki Cultus VXRI Color Silky Silver Model 2017	8-Oct-17	28-Sep-18	1,250	229	1,021	1,021	-	As per Company Policy	Bridget Anthony Muhammad Asif Azeez
Honda City PT Model 2015	3-Jun-15	22-Oct-18	1,653	1,102	551	551	-	As per Company Policy	

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FOR THE YEAR ENDED DECEMBER 31, 2018

Particulars of Assets	Date of capitalization	Date of disposal	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of purchaser
Rupees In '000									
Toyota Corolla Altis Model 2015	17-Sep-15	19-Oct-18	2,153	1,327	826	826	-	As per Company Policy	Syed Zubair Ali Abbasi
Honda Civic iVTEC Model 2017	11-Dec-17	10-Oct-18	2,363	992	1,961	1,961	-	As per Company Policy	Naveed Mushtaq
Toyota Corolla Altis AT Model 2015	14-Sep-15	7-Nov-18	1,771	1,121	650	650	-	As per Company Policy	Muhammad Farooq
Honda Civic iVTEC Oriel Model 2016	7-Nov-16	12-Nov-18	2,363	941	1,412	1,412	-	As per Company Policy	Syed Mohammad Casim Rizvi
Suzuki Cultus VXR Model 2017	18-Oct-17	19-Nov-18	1,250	271	979	979	-	As per Company Policy	Hamid Muhammad Khan Gauri
Toyota Corolla GLI AT 13CC Model 2017	1-Aug-17	26-Dec-18	1,807	482	1,325	1,325	-	As per Company Policy	Syed Raza Ali
Suzuki Swift DLX 13CC Model 2014	11-Oct-17	5-Dec-18	1,250	125	1,125	1,125	-	As per Company Policy	Cazi Moazzam
Honda Civic iVTEC Oriel Model 2014	7-Mar-18	3-Dec-18	1,250	187	1,063	1,063	-	As per Company Policy	Sehra Raza
Suzuki Swift DLX Model 2013	19-Dec-12	18-Jan-18	1,231	1,231	-	-	-	As per Company Policy	Anthony Almeida
Honda Civic iVTEC	12-Mar-13	4-Jun-18	2,093	2,023	70	70	-	As per Company Policy	Sardar Kamran Nakai
Honda City iVTEC Model 2013	26-May-14	29-Jun-18	1,282	940	342	342	-	As per Company Policy	Vajha Ahsan
Toyota Corolla GLI Model 2014	26-Jun-14	14-Feb-18	1,039	762	277	277	-	As per Company Policy	Akram Ali Abro
Suzuki Cultus VXR Model 2015	8-Apr-15	16-Feb-18	1,039	589	450	450	-	As per Company Policy	Muhammad Asif Afridi
Toyota Corolla GLI MT	27-Feb-13	22-Mar-18	1,890	1,890	-	-	-	As per Company Policy	Muhammad Ghafur
Toyota Corolla GLI Model 2010	6-Feb-14	5-Mar-18	1,049	622	227	282	55	As per Company Policy	Abdul Qadir Gheuri
Toyota Corolla XLi Model 2014	3-Sep-14	6-Mar-18	1,039	693	346	364	18	As per Company Policy	Muhammad Iman
Suzuki Cultus VXR	13-Mar-13	13-Apr-18	1,010	993	17	17	-	As per Company Policy	Muhammad Bilal Zahoor
Suzuki Cultus VXR Model 2015	15-Jul-15	13-Apr-18	1,039	571	468	468	-	As per Company Policy	Hira Abbasi
Daihatsu Mira Model 2012	2-Jun-15	21-May-18	1,039	906	433	433	-	As per Company Policy	Khalil Ullah Siddiqui
Suzuki Cultus VXR Model 2014	21-Jul-14	25-Jun-18	1,039	814	225	225	-	As per Company Policy	Muhammad Ali Khan
Suzuki Cultus VXR Model 2015	22-May-15	22-Jun-18	1,039	641	398	398	-	As per Company Policy	Rao Rafiqat Ali
Suzuki Cultus VXR Model 2015	10-Jul-15	7-Jun-18	1,039	571	468	468	-	As per Company Policy	Khalid Pervaiz
Honda City iVTEC PT	29-May-13	6-Jun-18	1,010	1,010	-	-	-	As per Company Policy	Shahzad Shoukat
Suzuki Cultus VXR Model 2014	27-Dec-13	6-Jun-18	1,034	945	66	66	-	As per Company Policy	Faisal Hameed
Suzuki Swift Dxi Model 2015	22-May-15	6-Jun-18	1,039	656	381	381	-	As per Company Policy	Sheikh Mobin Rafiq
Suzuki Swift Dx Model 2015	16-Jun-15	19-Jul-18	1,039	641	398	398	-	As per Company Policy	Agha Hussain Raza
Suzuki Cultus VXR Model 2015	23-Jun-15	13-Jul-18	1,034	638	396	396	-	As per Company Policy	Fatima Reesa Rana
Suzuki Cultus VXR Model 2014	15-Jul-14	29-Aug-18	1,039	649	190	190	-	As per Company Policy	Syed Abu Tahseen
Honda Civic VTi PT Oriel SR	22-Jul-14	8-Aug-18	2,221	1,814	407	407	-	As per Company Policy	Zahid Ilyas Abbasi
Honda City PT Model 2014	14-Nov-14	2-Aug-18	1,262	961	321	321	-	As per Company Policy	Sadia Zirak
Honda Civic iVTEC PT Model 2012	28-Jul-15	8-Aug-18	1,282	791	491	491	-	As per Company Policy	Zeeshan Pervaiz
Suzuki Cultus VXR Model 2015	1-Aug-15	24-Aug-18	1,039	623	416	416	-	As per Company Policy	Bushra Haqqi
Toyota Corolla GLI Model 2009	5-Jun-14	4-Sep-18	1,039	853	156	156	-	As per Company Policy	Zeeshan Zubair
Suzuki Wagon R VXL Model 2015	22-May-15	6-Sep-18	1,004	609	335	335	-	As per Company Policy	Abdul Waheed
Suzuki Swift DX Model 2012	11-Jun-15	25-Sep-18	1,039	675	364	364	-	As per Company Policy	Nadeem Ahmed Khanzada
Honda Civic iVTEC PT	8-Oct-13	24-Oct-18	2,146	2,146	-	-	-	As per Company Policy	Sohail Ahmed Awan
Suzuki Cultus VXR	11-Oct-13	24-Oct-18	1,019	1,019	-	-	-	As per Company Policy	Abid Hussain
Honda Civic VTi Oriel	10-Oct-13	11-Oct-18	1,262	1,262	-	-	-	As per Company Policy	Nawazish Ali Hashmi
Honda City MT Model 2015	1-Jan-16	25-Oct-18	1,039	571	468	468	-	As per Company Policy	Adnan Malik
Honda Civic iVTEC Model 2014	24-Sep-14	13-Nov-18	2,146	1,756	358	358	-	As per Company Policy	Saeed Muhammad Khan
Total			163,672	97,039	68,833	68,902	269		
Items having Book value in aggregate less than Rs. 250,000 or Cost less than Rs. 1,000,000									
Others			12,322	12,074	248	1,375	1,127		
Grand Total			252,676	109,113	143,563	153,277	8,714		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

- 12.6** Disposals to Bank's employees are made as per their terms of employment. These include both resigned and active staff of the Bank.

		Note	2018 Rupees in '000	2017
13	INTANGIBLE ASSETS			
	Capital work-in-progress		65,167	39,396
	Software	13.1	161,673	202,505
			<u>226,840</u>	<u>241,901</u>
13.1	Software			
	At January 1			
	Cost		870,574	824,376
	Accumulated amortisation		(668,069)	(581,383)
	Net book value		<u>202,505</u>	<u>242,993</u>
	Year ended December			
	Opening net book value		202,505	242,993
	Additions		30,549	46,198
	Amortisation charge		(71,381)	(86,686)
	Closing net book value		<u>161,673</u>	<u>202,505</u>
	At December 31			
	Cost		900,933	870,574
	Accumulated amortisation		(739,260)	(668,069)
	Net book value		<u>161,673</u>	<u>202,505</u>
	Rate of amortisation		10%	10%-25%
	Useful life (in years)		5-10	4-10
13.1.1	The cost of fully amortised software still in use		<u>217,949</u>	<u>216,710</u>
13.2	In January 2018, remaining useful life of certain items of Banks' software was reviewed by the management. The revised and previous remaining useful life of software is as under:			

Average useful life

Oracle financial	10 years	5 years
Harmony	10 years	5 years
Digital Bank Application	10 years	5 years

- 13.2.1** The effect of these changes on amortisation expense in current year is as follows:

	2018 Rupees in '000
Decrease in amortisation expense	
Oracle financial	2,611
Harmony	132
Digital Bank Application	303

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

14 DEFERRED TAX ASSETS

		2018			
		At Jan 1	Recognised in P&L A/C	Recognised in OCI	At Dec 31
Deductible Temporary Differences on		Note			
		Rupees in '000			
- Post retirement employee benefits		-	-	7,525	7,525
- Deficit on revaluation of investments	23	19,215	-	58,812	78,027
- Provision for diminution in value of investments		3,073	-	-	3,073
- Provision against non-performing advances		2,330,390	(3,028)	-	2,327,362
- Provision against Workers' Welfare Fund (WWF)		33,688	13,406	-	47,094
- Provision against other assets		225,848	(2,480)	-	223,368
- Depreciation on non-banking assets		52,070	13,785	-	65,855
- Unabsorbed tax depreciation		913,907	(474,271)	-	439,636
		3,578,191	(452,588)	66,337	3,191,940
Taxable Temporary Differences on					
- Post retirement employee benefits		(3,572)	-	3,572	-
- Surplus on revaluation of non-banking assets	23.2	(6,583)	-	4,049	(2,534)
- Surplus on revaluation of fixed assets	23.1	(13,780)	-	1,253	(12,527)
- Accelerated tax depreciation		(78,127)	(40,105)	-	(118,232)
		(102,062)	(40,105)	8,874	(133,293)
		3,476,129	(492,693)	75,211	3,058,647
2017					
		At Jan 1	Recognised in P&L A/C	Recognised in OCI	At Dec 31
		Rupees in '000			
Deductible Temporary Differences on					
- Tax losses carried forward		154,154	(154,154)	-	-
- Deficit on revaluation of investments		4,308	-	14,907	19,215
- Provision for diminution in value of investments		119,945	(116,872)	-	3,073
- Provision against non-performing advances		2,445,756	(115,366)	-	2,330,390
- Provision against Workers' Welfare Fund (WWF)		-	33,688	-	33,688
- Provision against other assets		147,231	78,617	-	225,848
- Depreciation on non-banking assets		29,317	22,753	-	52,070
- Unabsorbed tax depreciation		954,688	(40,781)	-	913,907
		3,855,399	(292,115)	14,907	3,578,191
Taxable Temporary Differences on					
- Post retirement employee benefits		(17,037)	-	13,465	(3,572)
- Surplus on revaluation of non banking assets		-	-	(6,583)	(6,583)
- Surplus on revaluation of fixed assets		(20,034)	-	6,254	(13,780)
- Accelerated tax depreciation		(113,583)	35,456	-	(78,127)
		(150,654)	35,456	13,136	(102,062)
		3,704,745	(256,659)	28,043	3,476,129

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

14.1 The Bank has an aggregate amount of deferred tax assets of Rs. 3,059 million (December 31, 2017: Rs. 3,476 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 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 assets. 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.

14.2 Status of tax and other details are disclosed in note 35 to these financial statements.

		Note	2018 Rupees in '000	2017
15 OTHER ASSETS				
Income / mark-up accrued in local currency - net of provision			4,738,974	2,962,780
Income / mark-up accrued in foreign currency - net of provision			412	305
Accrued rent	12.2.2&15.2		531,254	346,187
Advances, deposits, advance rent and other prepayments			640,333	490,786
Advance taxation (payments less provisions)			967,307	742,359
Net defined benefit assets	39.4		-	10,207
Non-banking assets acquired in satisfaction of claims			5,585,886	6,581,584
Non-banking assets acquired in satisfaction of claims under agreement to sale third parties			4,018,263	4,337,234
Non-banking assets acquired in satisfaction of claims with buy back option with customers			191,158	468,493
Branch adjustment account	15.1&15.3		9,795,307	11,387,311
Mark to market gain on forward foreign exchange contracts			110,813	40,487
Receivable from sale of operating fixed assets			180,579	146,755
Receivable from sale of non-banking assets acquired in satisfaction of claims			35,000	-
Receivable from NCCPL	15.5		518,250	750,000
Others			-	1,229,610
Less: Provision held against other assets	15.4		409,661	309,408
Other assets - net of provisions			17,927,890	18,416,195
Surplus on revaluation of non-banking assets acquired in satisfaction of claims			(623,274)	(630,361)
Other assets - total			17,304,616	17,785,834
15.1 Market value of Non-banking assets acquired in satisfaction of claims	15.1.2		9,233,733	10,839,165

15.1.1 The valuation of non-banking assets acquired in satisfaction of the claims were carried out by Eastern Consultants (Pvt.) Ltd., Minaco and Jays Associates from among the approved list of valuer of Pakistan Banker's Association as at November 2018.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018 Rupees in '000	2017 Rupees in '000
15.1.2 Non-banking assets acquired in satisfaction of claims			
Opening balance		10,839,165	12,675,801
Additions		83,791	525,926
Revaluation		-	46,128
Disposals	15.1.3	(1,558,879)	(2,093,092)
Transferred to fixed assets		(49,993)	-
Depreciation		(80,351)	(93,031)
Impairment		-	(222,567)
Closing balance		9,233,733	10,839,165
15.1.3 Gain on disposal of Non-banking assets acquired in satisfaction of claims			
Disposal proceeds		2,430,887	2,732,282
less			
- Cost		1,644,162	2,133,638
- Impairment / Depreciation		(98,348)	(42,523)
- Surplus on revaluation		13,065	1,977
Gain		1,558,879	2,093,092
		872,008	639,190
15.2	On June 01, 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 21.2). 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 (2017: Rs. 194.75 million) as disclosed in (note 31.1). The total accrued rent in this respect is Rs. 276.64 million (2017: Rs. 241.89 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.		
15.3	During the year, the Bank acquired properties of Rs. 51 million (2017: Rs. 526 million) against debt swap transactions with certain borrowers resulting in reversal of provision against loan and advances of Rs. 1.5 million (2017: Rs. 414 million) (refer note 11.3.2).		
15.4 Provision held against other assets		2018 Rupees in '000	2017 Rupees in '000
Non banking assets acquired in satisfaction of claims		594,274	594,274
Advances, deposits, advance rent and other prepayments		21,000	21,000
Others		8,000	15,087
Total		623,274	630,361

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		2018	2017
		Rupees In '000	
15.4.1	Movement in provision held against other assets		
	Opening balance	630,361	405,740
	Charge for the year	-	323,157
	Reversals	-	(84,036)
	Net charge for the year	-	239,121
	Reversal on disposal / write off	(7,087)	(14,500)
	Closing balance	623,274	630,361
15.5	This amount includes receivable amounting to Rs. 202 million against sale of NBA property to customer amounting to Rs. 700 million. The Bank has financed the transaction by extending a secured loan to above customer amounting to Rs. 500 million. Due to pending completion of transfer formalities, the balance of sale proceeds of Rs. 202 million is still outstanding. However, the buyer has arranged third party deposits amounting to Rs. 200 million which is held with the Bank as security, against which lien has been marked in favour of the Bank.		
16	BILLS PAYABLE	Note	2018
	In Pakistan	2,866,568	3,192,981
	Outside Pakistan	-	-
		2,866,568	3,192,981
17	BORROWINGS		
	Secured		
	Borrowings from State Bank of Pakistan		
	under export refinance scheme	17.1.1	1,647,067
	Repurchase agreement borrowings	17.1.2	6,500,646
	Total secured		8,147,713
			1,505,571
			21,118,353
			22,623,924
	Unsecured		
	Call borrowings	17.1.3	3,000,000
	Trading liability	17.1.2	6,843,117
	Overdrawn nostro accounts		61,024
	Overdrawn local bank accounts		-
	Total unsecured		9,904,141
			6,500,000
			6,349,040
			77,057
			31,979
			12,958,076
			35,582,000

- 17.1.1** The Bank has entered into agreements for financing with the 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% (2017: 1% to 2%) per annum.
- 17.1.2** These represent funds borrowed from the local Interbank money market against government securities carrying interest rate ranging between 10.10% to 10.20% (2017: 5.82% to 6.05%) per annum with maturity upto January 2019.
- 17.1.3** These represent unsecured borrowings from the local money market carrying interest rate ranging upto 10.75% (2017: 6.45% to 6.50%) per annum with maturity in February 2019.

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	2018	2017
	Rupees in '000	
17.2 Particulars of borrowings with respect to Currencies		
In local currency	17,990,830	35,504,943
In foreign currencies	61,024	77,057
	18,651,854	35,582,000

18 DEPOSITS AND OTHER ACCOUNTS

	2018			2017		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
Rupees in '000						
Customers						
Current deposits	21,844,736	3,838,921	25,683,657	22,455,301	3,621,511	26,076,812
Savings deposits	43,582,478	2,644,764	46,227,242	28,680,868	2,187,552	31,867,420
Term deposits	29,069,219	2,979,435	32,048,654	34,605,963	2,039,901	36,644,864
Margin deposits	2,477,667	-	2,477,667	1,431,960	-	1,431,960
Others	1,475,238	-	1,475,238	1,463,318	-	1,463,318
	103,449,338	9,653,129	113,112,467	89,626,410	7,816,064	97,444,474
Financial Institutions						
Current deposits	134,845	5,917	140,262	49,680	4,992	54,672
Savings deposits	13,819,824	18,129	13,837,954	6,879,285	16,000	6,895,315
Term deposits	1,373,370	-	1,373,370	5,683,346	-	5,683,346
	14,527,589	24,037	14,551,626	12,812,311	21,062	12,833,333
	122,976,927	9,687,157	132,664,084	102,438,721	7,839,064	110,277,807

	2018	2017
	Rupees in '000	
18.1 Composition of deposits		
- Individuals	51,437,400	50,726,252
- Government (Federal and Provincial)	23,571,375	13,914,035
- Public Sector Entities	10,433,978	8,045,789
- Banking Companies	2,694,251	4,000,652
- Non-Banking Financial Institutions	12,457,375	8,832,681
- Private Sector	32,669,705	27,656,386
	132,664,084	110,277,807

18.2 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 55.01 billion (2017: Rs. 44.74 billion).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

19 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2018			2017		
	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	2,755	92	2,663	4,723	506	4,217
Later than one year and upto five years	-	-	-	2,754	91	2,663
	2,755	92	2,663	7,477	597	6,880

- 19.1** The Bank has acquired solar panels (refer 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%. The lease term would be expired in July 2019.

20 SUBORDINATED DEBT

The Bank has issued privately placed, unsecured and subordinated Term Finance Certificates (TFCs) as instruments of redeemable capital under section 66 of the 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-VIS Credit Rating Company Limited ('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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

- 20.1** As disclosed in note 1 to the financial statements, the Bank has met the minimum CAR requirement of 10%, it was not able to achieve the 1.9% required for Capital Conservation Buffer (CCB). The Bank has made payment of profit on TFCs subsequent to the year end in February 2019, i.e., before the date of authorization of issue of these financial statements.

	Note	2018 Rupees in '000	2017 Rupees in '000
21 OTHER LIABILITIES			
Mark-up / return / Interest payable in local currency		790,382	657,445
Mark-up / return / Interest payable in foreign currencies		22,884	8,231
Unearned commission and income on bills discounted		46,079	61,036
Accrued expenses		123,679	215,154
Mark to market loss on forward foreign exchange contracts		30,094	75,449
Payable to defined benefit plan - permanent staff	39.4	21,499	-
Payable to defined benefit plan - contractual staff		27,992	27,292
Provision against off-balance sheet obligations	21.1	116,012	116,012
Workers' Welfare Fund (WWF)		134,504	96,202
Advance received against future sale of non banking assets	21.2	412,644	407,264
Advance received against future sale of operating fixed assets	12.2.2	118,500	118,500
Deferred income against non-banking assets		111,283	146,762
Islamic pool management reserve		4,676	17,842
Non checking account		399,364	230,716
PRI remitting account		654,498	54,819
Others		691,180	380,794
		3,705,270	2,613,518

21.1 Provision against off-balance sheet obligations

Opening balance	116,012	124,736
Charge for the year	-	-
Reversals	-	(8,724)
Amount written off	-	(8,724)
Closing balance	116,012	116,012

- 21.2** This includes advance amounting to Rs. 170.83 million (2017: Rs. 170.83 million) received against future disposal of non-banking assets (land) measuring 122,311 square yards as disclosed in note 15.2.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

22. SHARE CAPITAL - NET

22.1 Authorised capital

2018 No. of shares in '000	2017 No. of shares in '000		2018 Rupees in '000	2017 Rupees in '000
<u>10,500,000</u>	<u>10,500,000</u>	Ordinary shares of Rs. 10 each	<u>105,000,000</u>	<u>105,000,000</u>

22.2 Issued, subscribed and paid up capital

2018 No. of shares in '000	2017 No. of shares in '000		2018 Ordinary shares of Rs. 10 each	2017 Ordinary shares of Rs. 10 each
9,081,861	9,081,861	Fully paid in cash	90,818,612	90,818,612
-	-	Less: Discount on issue of shares	(67,347,238)	(67,347,238)
<u>9,081,861</u>	<u>9,081,861</u>		<u>23,431,374</u>	<u>23,431,374</u>

22.3 Arif Habib Corporation Limited (Ive, associated company) held 2,563,901,924 (2017: 2,563,901,924) shares which represents 26.23% (2017: 26.23%) of the equity stake of the company.

23 (DEFICIT)/SURPLUS ON REVALUATION OF ASSETS - NET OF TAX

(Deficit)/surplus on revaluation of

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

2018 2017
Note Rupees in '000

10.1	<u>(222,937)</u>	<u>(54,900)</u>
23.1	<u>59,064</u>	<u>62,643</u>
23.2	<u>32,700</u>	<u>46,128</u>
	<u>(131,173)</u>	<u>53,871</u>

Deferred tax on deficit/ (surplus) on revaluation of

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

14	<u>78,827</u>	<u>19,215</u>
23.1	<u>(12,527)</u>	<u>(13,780)</u>
23.2	<u>(2,534)</u>	<u>(6,583)</u>
	<u>62,906</u>	<u>(1,148)</u>
	<u>(63,207)</u>	<u>62,723</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018 Rupees in '000	2017 Rupees in '000
23.1 Surplus on revaluation of fixed assets			
Surplus on revaluation of fixed assets as at January 1		62,643	80,514
Recognised during the year		-	-
Realised on disposal during the year - net of deferred tax		-	(8,845)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(2,326)	(2,972)
Related deferred tax liability on incremental depreciation charged during the year		(1,253)	(1,599)
Related deferred tax liability on surplus realised on disposal		-	(4,655)
Surplus on revaluation of fixed assets as at December 31		59,064	62,643
Less: related deferred tax liability on:			
- revaluation as at January 1		(13,780)	(20,034)
- revaluation recognised during the year		-	-
- surplus realised on disposal during the year		-	4,655
- incremental depreciation charged during the year		1,253	1,599
	14	(12,527)	(13,780)
		46,537	48,863
23.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims			
Surplus on revaluation as at January 1		46,128	-
Recognised during the year		-	49,171
Realised on disposal during the year - net of deferred tax		(9,143)	(1,977)
Realised on transferred to fixed assets during the year - net of deferred tax		(236)	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		-	-
Related deferred tax liability on incremental depreciation charged during the year		-	-
Related deferred tax liability on surplus realised on disposal		(3,922)	(1,066)
Related deferred tax liability on surplus realised on transferred to fixed assets		(127)	-
Surplus on revaluation of non-banking assets acquired in satisfaction of claims as at December 31		32,700	46,128
Less: related deferred tax liability on:			
- revaluation as at January 1		(6,583)	-
- revaluation recognised during the year		-	(7,649)
- surplus realised on disposal during the year		3,922	1,066
- surplus realised on transferred to fixed assets during the year		127	-
- incremental depreciation charged during the year		-	-
	14	(2,534)	(6,583)
		30,166	39,545

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018 Rupees In '000	2017
24 CONTINGENCIES AND COMMITMENTS			
Guarantees	24.1	13,284,395	15,948,465
Commitments	24.2	32,925,445	19,656,870
Contingent liabilities	24.3	1,143,864	449,957
		47,353,704	36,055,292
24.1 Guarantees:			
Financial guarantees		547,993	1,334,784
Performance guarantees		9,081,896	9,621,586
Other guarantees		3,654,506	4,992,095
		13,284,395	15,948,465
24.2 Commitments:			
Documentary credits and short-term trade-related transactions:			
- letters of credit		6,046,372	7,978,011
Commitments in respect of:			
- forward foreign exchange contracts	24.2.1	15,409,082	11,278,444
- forward government securities transactions	24.2.2	11,416,204	-
Commitments for acquisition of:			
- operating fixed assets		14,668	268,109
- intangible assets		39,119	132,306
		32,925,445	19,656,870
24.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		10,847,908	8,479,756
Sale		4,561,174	2,798,688
		15,409,082	11,278,444
24.2.2 Commitments in respect of forward government securities transactions			
Purchase		-	-
Sale		11,416,204	-
		11,416,204	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

- 24.2.3** 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.

	2018	2017
	Rupees In '000	
24.3 Contingent liabilities:		
Claims against the Bank not acknowledged as debt	1,108,224	414,317
Claims against the Bank by Competition Commission of Pakistan & others	35,640	35,640
	1,143,864	449,957

- 24.3.1** Suits for damages of Rs. 24.45 billion (2017: Rs. 24.46 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.

- 24.4** For contingencies relating to taxation refer note 35.2-35.4.

25 DERIVATIVE INSTRUMENTS

25.1 Product Analysis

Counterparties

Hedging

- Banks
- Other entities

Total

		2018
		Forward Contracts
	Notional Principal	Mark to Market gain / (loss)
Rupees in '000		
Counterparties		
Hedging		
- Banks	26,125,805	125,602
- Other entities	561,370	24,883
Total	26,686,975	150,485

Counterparties

Rupees in '000

Hedging

- Banks
- Other entities

Total

		2017
		Forward Contracts
	Notional Principal	Mark to Market gain / (loss)
Rupees in '000		
Counterparties		
Hedging		
- Banks	10,617,323	60,656
- Other entities	439,819	10,650
Total	11,057,142	71,306

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

25.2 Maturity Analysis

Remaining Maturity	No. of Contracts	Notional Principal	Mark to Market			2018 Rupees in '000
			Negative	Positive	Net	
			Rupees in '000			
Upto 1 month	83	14,235,255	19,158	96,205	77,047	
1 to 3 months	48	6,653,693	7,662	72,381	64,719	
3 to 6 months	21	5,772,072	3,274	10,763	7,489	
6 month to 1 year	2	25,955	-	1,230	1,230	
	154	26,686,975	30,094	180,579	150,485	

Remaining Maturity	No. of Contracts	Notional Principal	Mark to Market			2017 Rupees in '000
			Negative	Positive	Net	
			Rupees in '000			
Upto 1 month	60	10,181,731	75,147	135,951	60,804	
1 to 3 month	18	629,647	214	6,072	5,858	
3 to 6 months	6	206,562	88	2,488	2,400	
6 month to 1 year	3	39,202	-	2,244	2,244	
	87	11,057,142	75,449	146,755	71,306	

25.3 Risk management related to derivatives is discussed in note 47.5.

26	MARK-UP / RETURN / PROFIT / INTEREST EARNED	2018		2017	
		Rupees In '000			
	On:				
	Loans and advances	12,184,084		9,129,809	
	Investments	2,679,603		2,159,313	
	Lendings to financial institutions	729,751		379,984	
	Balances with banks	2,775		1,165	
		15,596,213		11,670,271	
27	MARK-UP / RETURN / PROFIT / INTEREST EXPENDED				
	Deposits	6,075,206		4,062,814	
	Borrowings	2,596,688		1,894,305	
	Subordinated debt	177,203		63,123	
	Cost of foreign currency swaps against foreign currency deposits / borrowings	134,963		158,281	
	Others	6,675		5,694	
		8,990,735		6,184,217	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

		2018	2017
		Rupees In '000	
28	FEE & COMMISSION INCOME		
Branch banking customer fees		177,753	173,819
Card related fees (debit and credit cards)		894,177	742,850
Credit related fees		249,167	187,962
Investment banking fees		396	8,945
Commission on trade		150,588	146,447
Commission on guarantees		107,442	116,289
Commission on remittances including home remittances		17,250	23,725
Commission on bancassurance		77,058	74,310
Others		66,046	42,579
		1,739,877	1,516,926
29	DIVIDEND INCOME		
Adamjee Insurance Limited		-	625
AKD Capital Limited		-	125
Askari Bank Limited		-	3,025
Engro Corporation Limited		-	1,310
Engro Fertilizer Limited		-	5,362
Engro Foods Limited		-	1,500
Engro Powergen Qadirpur Limited		-	600
Fatima Fertilizer Company Limited - related party		-	1,400
Fauji Fertilizer Bin Qasim Limited		-	72
Fauji Fertilizer Company Limited		-	1,674
Habib Bank Limited		-	263
Habib Metropolitan Bank Limited		-	2,214
Hi-TECH Lubricants Limited		-	175
Javedan Cement Limited - related party		2,190	7,935
Kot Addu Power Company Limited		-	5,543
Lucky Cement Limited - related party		-	1,000
MCB Bank Limited		-	1,225
Mughal Steel Limited		-	60
National Bank Of Pakistan Limited		-	7,875
Nishat Chunian Limited		-	275
Nishat Chunian Power Limited		-	1,350
Nishat Mills Limited		-	218
Oil & Gas Development Company Limited		-	313
Pak Elektron Limited		-	675
Pakistan Petroleum Limited		-	300
Pioneer Cement Company Limited		-	563
Sui Northern Gas Limited		-	750
United Bank Limited		-	1,184
		2,190	47,611

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

		Note	2018	2017
			Rupees in '000	
30	(LOSS) / GAIN ON SECURITIES			
	Realised	30.1	(61,248)	17,338
	Unrealised - held for trading	10.1	(2,423)	3,476
			(63,671)	20,814
30.1	Realised (loss) / gain on:			
	Federal Government Securities		(63,656)	23,860
	Shares		2,408	(6,522)
			(61,248)	17,338
31	OTHER INCOME			
	Rent on property and non-banking assets	31.1	368,088	382,030
	Gain on sale of fixed assets - net		9,714	11,316
	Gain on sale of non-banking assets - net	15.1.3	872,008	639,190
	Rent on lockers		16,637	16,180
	Postage, telex and other service charges recovered		48,496	39,566
	Share of profit from associate		8,642	3,651
	Early loan termination charges		62,424	73,246
			1,386,009	1,165,179
31.1	This includes rental income of Rs. 157.61 million (2017: Rs. 157.61 million) and Rs. 194.75 million (2017: Rs. 194.75 million) on balance sale consideration of the previous Head Office building (refer note 12.2.2) and certain non-banking assets (refer note 15.2), respectively.			
32	OPERATING EXPENSES			
	Total compensation expense	32.1	3,377,501	2,713,272
	Property expense			
	Rent & taxes		763,238	611,330
	Insurance on non banking assets acquired in satisfaction of claims		1,255	-
	Utilities cost		198,783	196,575
	Security (Including guards)		106,938	93,142
	Repair & maintenance (including janitorial charges)		68,660	53,967
	Depreciation on buildings		140,856	132,519
	Depreciation on non banking assets acquired in satisfaction of claims		80,351	93,031
	Professional charges		11,863	145,916
			1,371,944	1,326,480
	Information technology expenses			
	Software maintenance		120,538	128,128
	Hardware maintenance		59,891	56,809
	Depreciation		42,184	63,138
	Amortisation		71,381	86,686
	Website development charges		269	667
			294,263	335,428
	Balances carried forward		5,043,708	4,375,180

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018	2017
		Rupees in '000	
Balances brought forward		5,043,708	4,375,180
Other operating expenses			
Directors' fees and allowances		36,585	33,100
Fees and allowances to Shariah Board		12,816	10,371
Participation fee paid in respect of subordinated debt		-	28,775
Legal & professional charges		289,664	308,377
Outsourced services costs	32.2	26,617	384,150
Travelling & conveyance		86,629	89,420
NIFT clearing charges		12,993	10,852
Depreciation		214,701	193,168
Training & development		30,020	22,516
Postage & courier charges		32,756	28,954
Communication		226,075	217,654
Stationery & printing		69,223	60,566
Marketing, advertisement & publicity		268,263	307,780
Auditors' remuneration	32.3	25,331	16,558
Insurance (including deposit protection)		65,051	34,738
Repairs & maintenance		80,417	94,256
Financial charges on leased assets		505	907
Brokerage and commission		11,478	13,336
Subscriptions and news papers		19,039	20,217
Entertainment		45,378	44,148
Vehicle running & maintenance		25,134	23,900
Card related expenses (debit and credit cards)		116,996	90,413
Security		22,878	20,863
Others		18,896	4,258
		1,737,445	2,059,277
		6,781,153	6,434,457
32.1 Total compensation expense			
Fees and allowances etc		12,546	3,403
Managerial remuneration			
i) Fixed		1,401,851	1,064,193
ii) Cash bonus / awards etc.		584,147	552,258
Charge for defined benefit plan		125,511	81,934
Contribution to defined contribution plan		86,837	78,816
Rent and house maintenance		683,604	525,731
Utilities		3,357	1,205
Medical		139,213	107,348
Conveyance		294,102	236,744
Insurance		44,302	48,587
EOBI bank contribution		306	3,333
Others		1,725	9,720
Total		3,377,501	2,713,272

32.2 Total cost for the year included in other operating expenses relating to outsourced activities is Rs. 26.62 million (2017: Rs. 384.15 million) pertains to the payment to companies incorporated in Pakistan.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018	2017
		Rupees in '000	
32.3 Auditors' remuneration			
Audit fee		6,872	6,872
Fee for other statutory certifications		6,941	7,486
Special certifications and sundry advisory services		9,600	-
Out-of-pocket expenses		1,918	2,200
		25,331	16,558
33 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		32,966	16,152
Operational loss		22,427	5,628
		55,393	21,780
34 PROVISIONS & WRITE OFFS - NET			
Impairment in the value of investments	10.3.1	-	22,723
Provisions against loans & advances	11.3	1,455,209	377,007
Provision against other assets - net	15.4.1	-	239,121
Reversal against off balance sheet items	21.1	-	(8,724)
Write offs against fixed assets	12.2	2,612	34,765
Recovery of written off / charged off bad debts		(189,148)	(111,155)
		1,268,673	553,737
35 TAXATION			
Current		54,202	-
Prior years		-	(5,399)
Deferred		492,693	256,659
		546,895	251,260
35.1 Relationship between tax expense and accounting profit			
Profit before tax		1,876,828	1,386,548
Tax rate		39%	35%
Tax at applicable rate		731,963	485,292
Permanent difference		(193,499)	(236,472)
Deferred tax asset / minimum tax credit written off / adjusted		-	1,875
Others		8,431	565
		546,895	251,260

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

35.2 The income tax returns of the Bank have been submitted up to Tax Year 2018. The Bank has filed appeals before Appellate Tribunal Inland Revenue (ATIR) against certain disallowances amounting to Rs. 1,996 million (2017: 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 (2017: Rs. 682 million) in respect of Tax Years 2003 and 2006 are pending at Commissioner Inland Revenue (Appeals). Management is confident that the outcome of these appeals would be in favor of the Bank.

35.3 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, 2001 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.

35.4 The Bank's return in respect of AJK operations have been submitted up to and including Tax Year 2018. 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.

		Note	2018 Rupees in '000	2017 Rupees in '000
36	BASIC AND DILUTED EARNINGS PER SHARE			
	Profit for the year		1,329,933	1,135,288
	Weighted average number of ordinary shares		9,081,881	9,040,522
	Basic and Diluted Earnings Per Share (Rupee)		0.15	0.13
37	CASH AND CASH EQUIVALENTS			
	Cash and balance with treasury banks	7	8,871,567	8,413,176
	Balance with other banks	8	309,994	218,420
			9,181,561	8,631,596
38	STAFF STRENGTH			Number of persons
	Permanent		1,428	1,410
	On Bank contract		2,684	72
	Bank's own staff strength at the end of the year		4,112	1,482
	Outsourced	38.1	-	2,229
	Total staff strength		4,112	3,711

38.1 During the year, all the outsourced service employees were transferred to the Bank contracts.

39 DEFINED BENEFIT PLAN

39.1 General description

As disclosed in note 6.13.2, the Bank operates an approved funded gratuity scheme for all its regular employees. The

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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, 2018. The financial statements of the fund are separately prepared and audited and are not included as part of these financial statements. Contributed funds are placed in separate bank accounts maintained with the Bank in fixed deposit and super saver scheme at the rates ranging from 4% to 10% (2017: 3.75% to 6.60%).

39.2 Number of employees under the scheme

The number of employees covered under the following defined benefit schemes are:

	2018	2017
	Number of employees	
Gratuity fund	1,428	1,410

39.3 Principal actuarial assumptions

The actuarial valuations have been carried out as at December 31, 2018 using the following significant assumptions:

	Note	2018	2017
Financial assumptions			
Discount rate	39.3.1	13.25%	8.25%
Expected rate of return on plan assets		0.74%	4.46%
Expected rate of salary increase		12.25%	7.25%
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 1st January each year.

- 39.3.1 The discount rate of 13.25% (per annum compound) is representative of yields on Pakistan Investment Bonds and high quality Term Finance Certificates.

	Note	2018	2017
		Rupees in '000	
39.4 Reconciliation of payable to / (receivable from) defined benefit plans			
Present value of obligations		607,536	523,307
Fair value of plan assets		(586,037)	(533,514)
Payable / (receivable)		21,499	(10,207)

39.5 Movement in defined benefit obligations

Obligations at the beginning of the year	523,307	433,989
Current service cost	74,938	65,334
Interest cost	42,960	35,051
Benefits paid by the Bank	(55,439)	(33,041)
Re-measurement loss	39.8.2	21,770
Obligations at the end of the year	607,536	21,974

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	Note	2018 Rupees In '000	2017
39.6 Movement in fair value of plan assets			
Fair value at the beginning of the year		533,514	482,666
Interest income on plan assets		43,770	38,463
Contribution by the Bank - net		74,128	61,922
Benefits paid by the Bank		(55,439)	(33,041)
Re-measurements: Net return on plan assets over interest loss	39.8.2	(9,936)	(16,496)
Fair value at the end of the year		586,037	533,514
39.7 Movement in (receivable) / payable under defined benefit schemes			
Opening balance		(10,207)	(48,677)
Charge / (reversal) for the year		74,128	61,922
Contribution by the Bank - net		(74,128)	(61,922)
Re-measurement loss / (gain) recognised in OCI during the year		31,706	38,470
Closing balance		21,499	(10,207)
39.8 Charge for defined benefit plans			
39.8.1 Cost recognised in profit and loss			
Current service cost		74,938	65,334
Net interest on defined benefit asset / liability		(810)	(3,412)
		74,128	61,922
39.8.2 Re-measurements recognised in OCI during the year			
Loss on obligation			
-Financial assumptions		15,162	678
-Experience adjustment		6,608	21,296
Return on plan assets over interest loss		9,936	16,496
Total re-measurements recognised in OCI		31,706	38,470
39.9 Components of plan assets			
Cash and cash equivalents - net		28,477	105,664
Government Securities		159,693	26,447
Term Deposit Receipt		369,000	369,000
National Investment Trust Units		10,086	11,841
Mutual Funds		18,781	20,562
		586,037	533,514

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- 39.9.1** The significant risk associated with the plan assets are disclosed in note 39.15.

39.10 Sensitivity analysis

Sensitivity analysis should be disclosed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit obligations under the various employee benefit schemes. The increase / (decrease) in the present value of defined benefit obligations as a result of change in each assumption should be summarised as illustrated below:

	2018 Rupees in '000
1% increase in discount rate	(30,897)
1% decrease in discount rate	34,226
1 % increase in expected rate of salary increase	37,078
1 % decrease in expected rate of salary increase	(33,996)

- 39.11** Expected contributions to be paid to the fund in the next financial year 85,353

- 39.12** Expected charge for the next financial year 85,353

39.13 Maturity profile	2018	2017
The weighted average duration of the obligation (in years)	5.34	5.50

39.14 Funding policy

An implicit, though not formally expressed objective is that the liabilities under the scheme in respect of members in service on the valuation date on a going concern basis and having regard to projected future salary increases, should be covered by the fund on the valuation date, the total book reserve as of the valuation date, future contributions to the fund, future additions to the book reserve and future projected investment income of the fund.

As far as possible, there is an implicit objective that the contribution to the fund should remain reasonably stable as a percentage of salaries, under the Actuarial Cost Method employed.

- 39.15** The significant risk associated with the staff retirement benefit schemes may be:

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Asset volatility

The Defined Benefit Gratuity Fund is invested heavily in cash or cash like investments which carry minute volatility risk. Around thirty percent is invested in PIB's which will be maturing next year which is giving rise to reinvestment risk. Only five percent is invested in mutual funds giving rise. The asset class is volatile with reference to the yield on this class. This risk should be viewed together with change in the bond yield risk to market volatility risk for this asset class. There is no corporate bond exposure. Thus, no settlement risk.

Changes in bond yields

There are two dimensions to the changes in bond yields: first, as described above; second, the valuation of the gratuity liability is discounted with reference to these bond yields. So any increase in bond yields will lower the gratuity liability and vice versa, but, it will also lower the asset values.

Inflation risk

The salary inflation is the major risk that the gratuity fund liability carries. In a general economic sense and in a longer view, there is a case that if bond yields increase, the change in salary inflation generally offsets the gains from the decrease in discounted gratuity liability. But viewed with the fact that asset values will also decrease, the salary inflation does, as an overall effect, increases the net liability of the Bank.

Life expectancy / withdrawal rate

The gratuity is paid off at the maximum of age 60. The Life expectancy is in almost minimal range and is quite predictable in the ages when the employee is in the accredited employment of the Bank for the purpose of the gratuity. Thus, the risk of life expectancy is almost negligible. However, had a post-retirement benefit been given by the Bank like monthly pension, post-retirement medical etc., this would have been a significant risk which would have been quite difficult to value even by using advance mortality improvement models. The withdrawal risk is dependent upon the: benefit structure; age and retention profile of the staff; the valuation methodology; and long-term valuation assumptions. In this case, it is not a significant risk.

Retention risk

The risk that employee will not be motivated to continue the service or start working with the Bank if no market comparable retirement benefit is provided.

Final salary risk

The risk, for defined benefit gratuity, that any disproportionate salary merit increases in later service years will give rise to multiplicative increase in the gratuity liability as such increase is applicable to all the past years of service.

Model risk

The defined benefit gratuity liability is usually actuarially valued each year. Further, the assets in the Gratuity Funds are also marked to market. This two-tier valuation gives rise to the model risk.

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Operational Risk related to a separate entity

Retirement benefits are funded through a separate trust fund which is a different legal entity than the Bank. Generally, the protocols, processes and conventions used throughout the Bank are not applicable or are not actively applied to the retirement benefit funds. This gives rise to some specific operational risks.

Compliance risk

The risk that retirement benefits offered by the Bank does not comply with minimum statutory requirements.

Legal / political risk

The risk that the legal / political environment changes and the Bank is required to offer additional or different retirement benefits than what the Bank projected.

Concentration risk of Investment in self

Though the gratuity fund is a separate entity, 70% of the Fund is invested or placed with the Bank itself giving rise to a concentration risk that gratuity fund may not be able to payoff its liability if Bank defaults.

40 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 separate bank accounts maintained with the Bank in fixed deposit and super saver scheme at the rates ranging from 4% to 15% (2017: 4% to 15%).

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41 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

41.1 Total Compensation Expense

Items	Directors			Members Shariah Board	President / CEO	Key Management Personnel	2018
	Chairman	Executives (other than CEO)	Non- Executives				Rupees in '000
Fees and allowance	6,185	-	30,400	10,365	-	-	-
Managerial remuneration	-	18,526	-	1,154	42,882	558,468	
Contribution to defined contribution plan	-	1,543	-	72	3,572	41,490	
Rent & house maintenance	-	9,263	-	577	21,441	279,234	
Utilities	-	-	-	-	3,171	-	
Medical	-	1,853	-	115	4,288	56,094	
Conveyance	-	3,705	-	231	8,576	111,693	
Car	-	-	-	302	-	-	
Bonus and Others	-	4,879	-	-	15,000	131,960	
Total	6,185	39,769	30,400	12,816	98,930	1,178,939	
Number of Persons	1	1	5	3	1	214	
2017							
Items	Directors			Members Shariah Board	President / CEO	Key Management Personnel	
	Chairman	Executives (other than CEO)	Non- Executives				(Restated)
Fees and allowances	5,550	-	27,550	7,320	-	-	-
Managerial remuneration	-	17,902	-	1,576	41,137	467,372	
Contribution to defined contribution plan	-	1,491	-	120	3,427	36,486	
Rent & house maintenance	-	8,951	-	788	20,569	233,687	
Utilities	-	361	-	-	2,052	-	
Medical	-	1,790	-	158	4,114	46,737	
Conveyance	-	3,840	-	315	8,227	93,474	
Bonus and Others	-	2,897	-	94	15,000	143,984	
Total	5,550	37,232	27,550	10,371	94,526	1,021,740	
Number of Persons	1	1	7	3	1	184	

- 41.1.1** The comparative figures of key management personnel has been restated pursuant to change in definition of executive by the Companies Act, 2017. The Companies Act, 2017 revising definition of executive from individual with an annual basic salary exceeding Rs. 0.5 million to individual with an annual basic salary exceeding Rs. 1.2 million.

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41.2 Remuneration paid to Directors for participation in Board and Committee Meetings

2018

Sr. No.	Name of Director	Meeting fees and allowances paid					
		Board Committees					
		Board meetings	Human Resource Committee	Risk Committee	Audit Committee	IT Committee	Total Amount Paid
Rupees in '000							
1	Mr. Munnawar Hamid	3,810	2,375	-	-	-	6,185
2	Mr. Khalid Aziz Mirza	2,850	2,375	-	-	-	5,225
3	Mr. Shehzad Enver Murad	2,850	-	1,900	1,900	-	6,650
4	Mr. Nasim Beg	2,850	-	-	1,900	1,900	6,650
5	Mr. Tariq Iqbal Khan	2,850	-	1,900	1,900	-	6,650
6	Mr. Rashid Akhtar Chughtai	2,850	2,375	-	-	-	5,225
Total		18,060	7,125	3,800	5,700	1,900	36,585

2017

Sr. No.	Name of Director	Meeting fees and allowances paid					
		Board Committees					
		Board meetings	Human Resource Committee	Risk Committee	Audit Committee	IT Committee	Total Amount Paid
Rupees in '000							
1	Mr. Munnawar Hamid	3,175	2,375	-	-	-	5,550
2	Mr. Adnan Afridi	1,425	-	1,425	950	-	3,800
3	Mr. Khalid Aziz Mirza	2,375	2,375	-	-	-	4,750
4	Mr. Tariq Iqbal Khan	2,375	-	950	1,900	-	5,225
5	Mr. Nasim Beg	1,900	-	-	1,900	950	4,750
6	Mr. Rashid Akhtar Chughtai	950	950	-	-	-	1,900
7	Mr. Shamsul Hasan	2,375	-	1,900	-	950	5,225
8	Mr. Shehzad Enver Murad	950	-	475	475	-	1,900
Total		15,525	5,700	4,750	5,225	1,900	33,100

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41.3 Remuneration paid to Shariah Board Members

Items	Chairman	Resident Members	Non-Resident Member(s)	2018		2017	
Rupees In '000							
Fees and Allowances	8,000	2,365	-	6,400	920	-	-
b. Managerial Remuneration							
i) Fixed	-	1,154	-	-	1,576	-	-
ii) Cash Bonus / Awards	-	-	-	-	94	-	-
Contribution to defined contribution plan	-	72	-	-	120	-	-
Rent & house maintenance	-	577	-	-	788	-	-
Medical	-	115	-	-	158	-	-
Conveyance	-	231	-	-	315	-	-
Car	-	302	-	-	-	-	-
Total Amount	8,000	4,816	-	6,400	3,971	-	-
Total Number of Persons	1	2	-	1	2	-	-

42 FAIR VALUE MEASUREMENTS

The fair value of traded investments is based on quoted market prices. Fair value of unquoted equity investments other than investments in associates is determined on the basis of break up value of these investments as per the latest available audited financial statements.

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 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.

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.

42.1 Fair value of financial assets

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

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

	Carrying Value	Level 1	Level 2	Level 3	Total
Rupees In '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments:					
Federal Government Securities					
Market Treasury Bills	14,402,942	-	14,402,942	-	14,402,942
Pakistan Investment Bonds	10,046,265	-	10,046,265	-	10,046,265
GOP Ijara Sukuk	3,851,647	-	3,851,647	-	3,851,647
Shares					
Listed companies	135,369	135,369	-	-	135,369
Non-Government Debt Securities					
Sukuk - listed	300,241	-	300,241	-	300,241
Term Finance Certificates - listed	61,875	-	61,875	-	61,875
	28,798,339	135,369	28,662,970	-	28,798,339
Financial assets - disclosed but not measured at fair value					
Cash and balances with treasury banks	8,871,567	-	-	-	-
Balances with other banks	309,994	-	-	-	-
Lendings to financial institutions	12,612,156	-	-	-	-
Advances	98,354,002	-	-	-	-
Other assets	6,004,469	-	-	-	-
	126,152,188	-	-	-	-
	154,950,527	135,369	28,662,970	-	28,798,339
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	10,847,908	-	10,847,908	-	10,847,908
Forward sale of foreign exchange	4,561,174	-	4,561,174	-	4,561,174
Forward purchase of government securities transactions	-	-	-	-	-
Forward sale of government securities transactions	11,416,204	-	11,416,204	-	11,416,204

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	Carrying Value	2017			Total
		Level 1	Level 2	Level 3	
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments:					
Federal Government Securities					
Market Treasury Bills	18,558,147	-	18,558,147	-	18,558,147
Pakistan Investment Bonds	15,573,064	-	15,573,064	-	15,573,064
GOP Ijara Sukuk	3,697,391	-	3,697,391	-	3,697,391
Shares					
Listed companies	29,543	29,543	-	-	29,543
Non-Government Debt Securities					
Sukuk - listed	201,250	-	201,250	-	201,250
Term Finance Certificates - listed	89,328	-	89,328	-	89,328
	38,148,723	29,543	38,119,180	-	38,148,723
Financial assets - disclosed but not measured at fair value					
Cash and balances with treasury banks	8,413,176	-	-	-	-
Balances with other banks	218,420	-	-	-	-
Lendings to financial institutions	8,620,649	-	-	-	-
Advances	85,850,715	-	-	-	-
Other assets	5,435,637	-	-	-	-
	108,538,597	-	-	-	-
	146,687,320	29,543	38,119,180	-	38,148,723
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	8,479,756	-	8,479,756	-	8,479,756
Forward sale of foreign exchange	2,798,688	-	2,798,688	-	2,798,688
Forward purchase of government securities transactions	-	-	-	-	-
Forward sale of government securities transactions	-	-	-	-	-

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Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3 are:

Item	Valuation approach and input used
Market Treasury Bills and Pakistan Investment Bonds	Fair values are derived using the PKRV rates.
GOP Ijara Sukus	Fair values of GoP Ijarah Sukus are derived using the PKISRV rates announced by the Financial Market Association (FMA) through Reuters. These rates denote an average of quotes received from eight different pre-defined / approved dealers / brokers.
Shares - listed	Fair values of investments in listed shares are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.
Sukus - listed and Term Finance Certificates - listed	Investments in debt securities i.e. term finance certificates and sukuk certificates issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and exchange Commission of Pakistan.
Foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by the State Bank of Pakistan.

42.2 Fair value of non-financial assets

Information about the fair value hierarchy of Bank's non-financial assets as at the end of the reporting period are as follows:

	2018				
	Carrying Value	Level 1	Level 2	Level 3	Total
	Rupees in '000				
Operating fixed assets - land and buildings	2,458,687	-	-	2,458,687	2,458,687
Non-banking assets acquired in satisfaction of claims	9,233,733	-	-	9,233,733	9,233,733
	11,692,420	-	-	11,692,420	11,692,420
2017					
	Carrying Value	Level 1	Level 2	Level 3	Total
	Rupees in '000				
	2,526,521	-	-	2,526,521	2,526,521
Operating fixed assets - land and buildings	10,839,165	-	-	10,839,165	10,839,165
Non-banking assets acquired in satisfaction of claims	13,365,686	-	-	13,365,686	13,365,686

- 42.2.1** Certain categories of fixed assets (land and buildings) and non banking assets acquired in satisfactions of claims are carried at revalued amounts (level 3 measurement) determined by professional valuers based on their assessment of the market values as disclosed in note 12.2.1 and note 15.1.1

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43 SEGMENT INFORMATION

43.1 Segment Details with respect to Business Activities

	2018			
	Consumer / SME	Whole Sale Banking	Treasury	Total
Rupees in '000				
Profit and Loss Account				
Net mark-up / return / profit	6,780,924	(85,183)	(90,263)	6,605,478
Inter segment revenue - net	-	-	-	-
Non mark-up / return / interest income	1,649,310	1,541,655	223,907	3,414,872
Total Income	8,430,234	1,456,472	133,644	10,020,350
Segment direct expenses	(3,968,863)	(2,826,178)	(79,682)	(6,874,723)
Inter segment expense allocation	(1,473,083)	1,571,362	(98,405)	(126)
Total expenses	(5,441,946)	(1,254,816)	(178,087)	(6,874,849)
Provisions	(601,833)	(666,840)	-	(1,268,673)
Profit before tax	2,386,455	(465,184)	(44,443)	1,876,828
Statement of Financial Position				
Cash & Bank balances	221,951	2,227,938	6,731,672	9,181,561
Investments	-	83,690	28,841,303	28,924,993
Net inter segment lending	84,558,293	9,519,178	93,706,490	187,783,961
Lendings to financial institutions	946,622	-	11,665,534	12,612,156
Advances - performing	56,914,787	34,761,616	2,559	91,678,962
Advances - non-performing	1,652,645	5,022,395	-	6,675,040
Others	1,904,091	22,695,161	4,822	24,604,074
Total Assets	146,198,389	74,309,978	140,952,380	361,460,747
Borrowings	510,367	1,136,700	16,404,787	18,051,854
Subordinated debt	-	1,999,600	-	1,999,600
Deposits & other accounts	117,574,889	15,089,195	-	132,664,084
Net inter segment borrowing	22,764,494	40,308,260	124,711,207	187,783,961
Others	3,023,639	3,502,267	48,595	6,574,501
Total Liabilities	143,873,389	62,036,022	141,164,589	347,074,000
Equity	2,325,000	12,063,245	(1,498)	14,386,747
Total Equity & Liabilities	146,198,389	74,099,267	141,163,091	361,460,747
Contingencies & Commitments	1,108,224	19,420,194	26,825,286	47,353,704

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	2017			
	Consumer / SME	Whole Sale Banking	Treasury	Total
Rupees in '000				
Profit and Loss Account				
Net mark-up / return / profit	5,488,090	(41,583)	39,547	5,486,054
Inter segment revenue - net	-	-	-	-
Non mark-up / return / interest income	1,418,822	1,321,231	203,415	2,943,468
Total Income	6,906,912	1,279,648	242,962	8,429,522
Segment direct expenses	(3,402,048)	(1,556,459)	(79,047)	(5,037,554)
Inter segment expense allocation	(1,450,441)	99,690	(100,932)	(1,451,683)
Total expenses	(4,852,489)	(1,456,769)	(179,979)	(6,489,237)
Provisions	(490,130)	(63,607)	-	(553,737)
Profit before tax	1,564,293	(240,728)	62,983	1,386,548
Statement of Financial Position				
Cash & Bank balances	-	2,214,268	6,417,328	8,631,596
Investments	3,697,391	83,690	34,485,654	38,266,735
Net inter segment lending	76,710,329	3,965,888	65,598,149	146,274,366
Lendings to financial institutions	422,567	-	8,198,082	8,620,649
Advances - performing - net	44,131,758	39,569,660	20,284	83,721,702
Advances - non-performing - net	702,972	1,426,041	-	2,129,013
Others	1,161,593	24,316,094	7,150	25,484,837
Total Assets	126,826,610	71,575,641	114,726,647	313,128,898
Borrowings	428,872	1,076,700	34,076,428	35,582,000
Subordinated debt	-	2,000,000	-	2,000,000
Deposits & other accounts	100,724,751	9,553,056	-	110,277,807
Net inter segment borrowing	20,602,520	44,995,629	80,676,217	146,274,366
Others	4,092,263	1,657,745	63,371	5,813,379
Total Liabilities	125,848,406	59,283,130	114,816,016	299,947,552
Equity	2,325,000	10,892,031	(35,685)	13,181,346
Total Equity & Liabilities	128,173,406	70,175,161	114,780,331	313,128,898
Contingencies & Commitments	414,317	24,362,531	11,278,444	36,055,292

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.

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45 RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, subsidiaries, associates, joint ventures, employee benefit plans and its directors and key management personnel.

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

Majority of the transactions with related parties comprise loans and advances, 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.

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

	2018				2017			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
Rupees in '000								
Investments								
Opening balance	-	-	118,012	-	-	-	102,824	220,733
Investment made / share profit during the year	-	-	8,642	230,535	-	-	15,188	349,908
Investment redeemed / disposed off during the year	-	-	-	(118,289)	-	-	-	(570,641)
Closing balance	-	-	126,654	112,246	-	-	118,012	-
Advances								
Opening balance	1,889	3,172	-	1,376,989	248	1,748	-	1,175,135
Addition during the year	69,606	48,446	-	4,034,041	68,484	27,917	-	2,956,130
Repaid during the year	(82,410)	(44,182)	-	(4,288,157)	(68,823)	(26,493)	-	(2,754,276)
Closing balance	9,085	7,456	-	1,122,873	1,889	3,172	-	1,376,989
Provision held against advances	-	-	-	130,608	-	-	-	130,608
Other Assets								
Interest / mark-up accrued	167	-	-	36,750	-	-	-	33,221
Insurance claim receivable	-	-	16,334	-	-	-	28,958	-
Prepaid insurance	-	-	12,449	-	-	-	13,064	-
Deposits and other accounts								
Opening balance	8,301	118,117	18,308	2,314,888	18,191	132,732	15,906	1,306,979
Received during the year	578,977	915,019	125,002	10,712,767	317,162	601,883	153,387	10,360,330
Withdrawn during the year	(581,658)	(968,844)	(125,054)	(11,003,970)	(327,052)	(816,498)	(150,965)	(9,352,421)
Closing balance	5,620	64,292	18,256	2,023,685	8,301	118,117	18,308	2,314,888
Other Liabilities								
Interest / mark-up payable	-	-	16	23,825	11	64	444	21,354
Contingencies and Commitments								
Other contingencies	-	-	-	-	-	-	-	446,954
Income								
Mark-up / return / Interest earned	300	1,467	-	95,270	99	901	-	115,989
Dividend income	-	-	-	2,190	-	-	-	10,335
Net gain on sale of securities	-	-	-	311	-	-	-	9,073
Share of profit from associate	-	-	8,642	-	-	-	3,651	-
Expense								
Mark-up / return / interest paid	327	3,389	930	81,435	345	2,206	819	85,890
Services rendered	-	-	-	147,659	-	-	-	152,231
Short term employment benefits	133,584	345,975	-	-	126,840	364,988	-	-
Contribution to Defined benefit Plan	5,115	10,954	-	-	4,918	12,808	-	-
Meeting fee	36,585	-	-	-	33,100	-	-	-
Insurance premium paid	-	-	41,815	-	-	-	38,812	-
Insurance claims settled	-	-	16,689	-	-	-	2,938	-

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FOR THE YEAR ENDED DECEMBER 31, 2018

46 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement

Paid-up capital (net of losses)

2018 2017
Rupees in '000

13,634,064 **12,573,720**

Capital Adequacy Ratio

Eligible Common Equity Tier 1 Capital

11,626,548 **10,176,784**

Eligible Additional Tier 1 Capital

- **-**

Total Eligible Tier 1 Capital

11,626,548 **10,176,784**

Eligible Tier 2 Capital

3,401,387 **3,337,571**

Total Eligible Capital (Tier 1 + Tier 2)

15,027,935 **13,514,355**

Risk Weighted Assets

Credit Risk

121,482,278 **110,807,499**

Market Risk

540,950 **530,336**

Operational Risk

15,554,275 **12,137,545**

Total

137,577,503 **123,475,380**

Common Equity Tier 1 Capital Adequacy ratio

8.45% **8.24%**

Tier 1 Capital Adequacy Ratio

8.45% **8.24%**

Total Capital Adequacy Ratio

10.92% **10.94%**

The State Bank of Pakistan (SBP) vide BSD Circular No. 7 dated April 15, 2009 set the Minimum Capital Requirement (MCR) of Rs. 10 billion (net of losses) for all locally incorporated banks to be achieved up to December 31, 2013. The capital of the Bank (net of losses and discount on shares) as of December 31, 2018 amounted to Rs. 13.63 billion excluding general reserves of Rs. 821 million.

The Bank is also required to maintain the following minimum Capital Adequacy Ratios (CAR) as at December 31, 2018:

- Common Equity Tier 1 (CET1) ratio of 7.90% including Capital Conservation Buffer (CCB) of 1.90%
- Tier 1 ratio of 9.40% including CCB of 1.90%
- Total Capital Adequacy Ratio (CAR) of 11.90% including CCB of 1.90%

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. SPI Insurance Company Limited 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 SPI Insurance Company Limited due to which the Bank has acquired significant influence, but not control, over financial and operating policies of SPI Insurance Company Limited.

2018 2017

Rupees in '000

Leverage Ratio

Tier-1 Capital

11,626,548 **10,176,784**

Total Exposures

193,845,360 **190,833,884**

Leverage Ratio

6.00% **5.33%**

Liquidity Coverage Ratio

Total High Quality Liquid Assets

28,934,249 **27,452,651**

Total Net Cash Outflow

33,405,053 **31,538,771**

Liquidity Coverage Ratio

86.41% **87.04%**

Net Stable Funding Ratio (NSFR)

Total Available Stable Funding

116,179,685 **108,979,040**

Total Required Stable Funding

111,666,311 **101,418,277**

Net Stable Funding Ratio

104.04% **107.46%**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

- 46.1** The full disclosures on the CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS as per SBP instructions issued from time to time are placed on the website. The link to the full disclosure is available at <http://www.silkbank.com.pk/page/financial-reports/>

47 RISK MANAGEMENT

The principal risks associated with the banking business are credit risk, market risk, liquidity risk and operational risk. The business of banking is dependent upon acceptance and management of financial risk. It involves identification, measurement, monitoring and controlling of risks with a view to ensure that:

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

47.1 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.

Credit risk management objectives and policies are:

- 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 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 concerned through circulars issued by CRP&MG. Credit Sanctioning Powers / Authority Levels in terms of BOD approval, as enhanced / amended from time to time, related to the total exposure of a customer or a customer group and not to specific loans.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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.

The objectives of Internal Credit Risk Rating (ORR) are:

- 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.

47.1.1 Lendings to financial institutions

Credit risk by public / private sector	Gross lendings		Non-performing lendings		Provision held	
	2018	2017	2018	2017	2018	2017
	Rupees In '000					
Public / Government						
Private	12,612,156	8,620,649	-	-	-	-
	12,612,156	8,620,649	-	-	-	-

47.1.2 Investment in debt securities

Credit risk by industry sector	Gross investments		Non-performing investments		Provision held	
	2018	2017	2018	2017	2018	2017
	Rupees In '000					
Textile	8,780	8,780	8,780	8,780	8,780	8,780
Financial	74,910	74,910	74,910	74,910	74,910	74,910
Energy	200,000	200,000	-	-	-	-
Service	62,500	87,500	-	-	-	-
Government	28,523,821	37,887,043	-	-	-	-
Others	99,527	-	-	-	-	-
	28,969,538	38,258,233	83,690	83,690	83,690	83,690

Credit risk by public / private sector	Gross investments		Non-performing Investments		Provision held	
	2018	2017	2018	2017	2018	2017
	Rupees In '000					
Public / Government	28,523,821	37,887,043	-	-	-	-
Private	445,717	371,190	83,690	83,690	89,370	89,370
	28,969,538	38,258,233	83,690	83,690	89,370	89,370

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

47.1.3 Advances

Credit risk by Industry sector	Gross advances		Non-performing advances		Provision held	
	2018	2017	2018	2017	2018	2017
	Rupees in '000					
Agriculture, Forestry, Hunting and Fishing	652,808	528,039	9,786	20,350	8,791	15,038
Mining and Quarrying	25,159	31,307	-	-	-	-
Textile	4,164,431	6,408,482	2,009,018	2,025,734	1,791,338	1,452,387
Chemical and Pharmaceuticals	1,398,893	1,776,008	62,631	76,112	19,307	25,499
Cement	149,704	256,569	59,786	59,786	56,043	54,796
Sugar	5,682,782	6,408,482	5,500	6,500	5,500	6,500
Footwear and Leather garments	307,681	306,175	17,807	53,626	10,758	36,621
Automobile and transportation equipment	728,733	565,691	513,471	516,971	513,151	516,650
Electronics and electrical appliances	2,704,092	1,521,313	591,112	600,529	464,408	415,181
Real Estate and Construction	24,394,294	16,102,207	108,354	41,396	31,711	33,414
Power (electricity), Gas, Water, Sanitary	511,278	831,896	-	-	-	-
Wholesale and Retail Trade	16,811,842	10,055,802	252,502	48,790	40,702	42,790
Exports / Imports	156,059	309,273	908,455	719,205	414,738	257,420
Transport, communication and travelling	1,079,372	3,285,921	296,366	-	52,077	-
Financial	1,400,748	1,498,986	87,076	87,076	87,076	87,076
Insurance	-	-	-	-	-	-
Services	12,421,045	14,410,794	289,520	306,153	167,240	200,293
Individuals	20,637,902	16,810,757	1,109,531	1,166,748	659,882	527,844
Hotel & Resorts	977,507	787,489	-	1,000	-	1,000
Telecommunications	1,003,267	334,243	-	-	-	-
Printing and Publishing	120,192	205,658	-	-	-	-
Hospital and medical	32,587	53,864	-	-	-	-
Food and beverages	1,692,020	1,875,400	-	72,215	-	45,158
Rubber and plastics products	450,099	282,247	-	-	-	-
Iron, steel & engineering	2,862,816	3,899,978	-	57,611	-	13,122
Education	1,219,130	1,584,528	-	-	-	-
Others	2,181,727	6,695	354,125	-	201,721	-
	103,566,168	90,137,784	6,675,040	5,859,802	4,524,443	3,730,789

Credit risk by public / private sector	Gross advances		Non-performing advances		Provision held	
	2018	2017	2018	2017	2018	2017
	Rupees in '000					
Public / Government	-	-	-	-	-	-
Private	103,566,168	90,137,784	6,675,040	5,859,802	4,524,443	3,730,789
	103,566,168	90,137,784	6,675,040	5,859,802	4,524,443	3,730,789

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

47.1.4 Contingencies and Commitments

	2018	2017
	Rupees in '000	
Credit risk by industry sector		
Agriculture, Forestry, Hunting and Fishing	215	2,000
Textile	393,663	556,330
Chemical and Pharmaceuticals	224,055	270,204
Cement	224,366	211,184
Sugar	-	450,000
Footwear and Leather garments	187,769	21,362
Automobile and transportation equipment	51,335	423,565
Electronics and electrical appliances	449,226	1,381,036
Real Estate and Construction	1,794,782	810,811
Power (electricity), Gas, Water, Sanitary	222,166	852,934
Wholesale and Retail Trade	861,458	-
Exports / Imports	34,932	1,016,649
Financial	30,028,189	14,125,445
Insurance	360	-
Services	6,732,626	8,783,268
Individuals	1,063,854	105,659
Hotel & Resorts	86,248	28,326
Telecommunications	270,493	543,390
Printing and Publishing	82,961	88,516
Transport, communication and travelling	109,835	197,748
Hospital and medical	165,154	154,363
Food and beverages	869,952	167,158
Rubber and plastics products	265,755	111,417
Others	3,234,310	4,753,947
	47,353,704	36,055,292
Credit risk by public / private sector		
Public / Government	8,977,014	11,242,313
Private	38,376,690	24,812,979
	47,353,704	36,055,292

47.1.5 Concentration of Advances

The bank top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 24,332 million (2017: Rs. 22,255 million) are as following:

	2018	2017
	Rupees In '000	
Funded	24,332,292	20,154,912
Non Funded	-	2,100,000
Total Exposure	24,332,292	22,254,912

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The sanctioned limits against these top 10 exposures aggregated to Rs. 24,343 (2017: Rs. 22,402 million)

Total funded classified therein	2018		2017	
	Non Performing Loans	Provision held	Non Performing Loans	Provision held
	Rupees in '000			
Substandard	983,161	127,978	663,102	79,824
Doubtful	521,267	49,873	857,525	128,389
Loss	5,170,612	4,346,592	4,339,175	3,522,576
Total	6,675,040	4,524,443	5,859,802	3,730,789

47.1.6 Advances - Province / Region-wise Disbursement & Utilization

Province / Region	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Rupees In '000							
Punjab	89,456,057	57,595,443	31,860,614	-	-	-	-
Sindh	36,685,347	4,420,745	32,264,602	-	-	-	-
KPK including FATA	202,035	65,480	81,496	55,059	-	-	-
Balochistan	160	-	-	-	160	-	-
Islamabad	18,942,292	10,480,301	4,880,574	-	-	3,581,417	-
AJK including Gilgit-Baltistan	290	100	-	-	-	-	190
Total	145,286,181	72,562,069	69,087,286	55,059	160	3,581,417	190

Province / Region	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Rupees In '000							
Punjab	77,592,708	46,244,404	23,617,338	55,384	531,045	7,142,443	2,094
Sindh	42,955,353	17,138,995	21,701,157	1,857	-	4,113,344	-
KPK including FATA	175,263	170,852	4,411	-	-	-	-
Balochistan	-	-	-	-	-	-	-
Islamabad	7,103,474	3,576,267	3,525,513	-	-	1,694	-
AJK including Gilgit-Baltistan	186,369	70,781	115,563	-	-	25	-
Total	128,013,167	67,201,299	48,963,982	57,241	531,045	11,257,506	2,094

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47.2 Market Risk

Market Risk is the risk of loss in earnings and capital due to adverse changes in interest rates, foreign exchange rates, equity prices and market conditions. Thus market risk can be further described into Interest Rate Risk, Foreign Exchange Risk and Equity Position Risk.

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.

47.2.1 Balance sheet split by trading and banking books

	2018			2017		
	Banking book	Trading book	Total	Banking book	Trading book	Total
Rupees in '000						
Cash and balances with treasury banks	8,871,567	-	8,871,567	8,413,176	-	8,413,176
Balances with other banks	309,994	-	309,994	218,420	-	218,420
Lendings to financial institutions	12,612,156	-	12,612,156	8,620,649	-	8,620,649
Investments	18,873,556	10,051,437	28,924,993	35,633,192	2,633,543	38,266,735
Advances	98,354,002	-	98,354,002	85,850,715	-	85,850,715
Fixed assets	3,981,271	-	3,981,271	3,934,845	-	3,934,845
Intangible assets	226,840	-	226,840	241,901	-	241,901
Deferred tax assets	3,058,647	-	3,058,647	3,476,129	-	3,476,129
Other assets	17,337,316	-	17,337,316	17,831,962	-	17,831,962
	163,625,349	10,051,437	173,676,786	154,220,989	2,633,543	166,854,532

47.2.2 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 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.

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FOR THE YEAR ENDED DECEMBER 31, 2018

	2018				2017			
	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure
Rupees in '000								
Pakistan Rupee	170,013,005	149,237,016	(8,252,471)	14,523,518	164,400,112	145,817,249	(5,872,938)	13,109,925
United States Dollar	3,162,382	8,582,494	5,201,684	(218,428)	2,181,359	6,795,139	4,672,220	58,440
Great Britain Pound Sterling	212,342	723,529	514,873	3,686	180,559	701,647	520,516	(572)
Euro	229,600	747,000	519,764	2,384	80,116	558,990	480,202	1,328
Japanese Yen	5,697	-	-	5,697	1,875	161	-	1,514
Other currencies	53,560	-	16,150	69,710	10,711	-	-	10,711
	173,876,786	159,290,039	-	14,388,747	168,854,532	153,873,186	-	13,181,346

	2018		2017	
	Banking book	Trading book	Banking book	Trading book
Rupees in '000				
Impact of 1% change in foreign exchange rates on Profit and loss account				
+1% change	1,367	-	713	-
-1% change	(1,367)	-	(713)	-

47.2.3 Equity position Risk

The risk arising from taking long or short positions, in the trading book, in the equities and all instruments that exhibit market behavior similar to equities. 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.

	2018		2017	
	Banking book	Trading book	Banking book	Trading book
Rupees in '000				
Impact of 5% Change in equity prices on Other comprehensive income				
+5% change	6,768	-	1,477	-
-5% change	(6,768)	-	(1,477)	-

47.2.4 Yield / Interest Rate Risk in the Banking Book (IRRBB)-Basel II Specific

The effects of interest rate changes on both earnings and economic value in ways that are consistent with the scope of its activities. The Bank should highlight explanation of its current and anticipated levels of interest rate risk exposure. The key assumptions for interest rate risk management are:

- Determine the range of potential interest rate movements over which the bank will measure its exposure i.e. from simple parallel movement assumption to more complex rate scenarios
- Ensure that risk is measured over a reasonable range of potential rate changes including meaningful stress scenarios.
- Consider a variety of factors such as the shape and level of the current term structure of interest rate, historical and implied volatilities of interest rates.
- Estimate time to reduce or unwind unfavorable risk positions.
- Select scenarios that provide wide range of risk estimates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018		2017	
	Banking book	Trading book	Banking book	Trading book
Rupees in '000				
Impact of 1% change interest rates on				
Profit and loss account				
+1% change		- 28,544		- (9,466)
-1% change		- (28,544)		9,466
Other comprehensive income				
+1% change	464,661		(590,283)	
-1% change	(464,661)		590,283	

47.2.5 Mismatch of interest rate sensitive assets and liabilities

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	8,471,587	1,270,871	-	-	-	-	-	-	-	-	-	7,681,406		
Balances with other banks	309,364											309,364		
Lendings to financial institutions	7.20%	12,412,158	9,027,367	2,277,988	41,929	729,831	-	-	-	-	-	-		
Investments	6.88%	28,824,393	11,343,182	6,444,234	6,555,708	-	147,413	712,750	20	2,844,583	-	262,623		
Advances - net	52.47%	88,354,002	13,327,653	48,389,781	19,037,046	17,358,878	1,296,874	1,004,208	1,708,313	1,385,963	2,048,115	1,158,790		
Other assets		4,739,396										4,739,396		
	153,712,896	35,797,583	48,131,194	25,069,783	18,124,739	1,364,287	1,716,859	1,708,333	4,251,548	2,048,115	14,128,889			
Liabilities														
Bills payable		3,066,368										3,066,368		
Borrowings	7.28%	10,501,354	12,819,118	4,241,736	-	-	-	-	-	-	-	-		
Deposits and other accounts	4.83%	132,664,684	17,576,881	58,721,873	11,827,244	12,254,827	408,888	397,384	379,314	380,794	386,278	29,778,823		
Liability against assets subject to finance lease	10.91%	2,663	371	731	1,181	360	-	-	-	-	-	-		
Subordinated loans	3.88%	1,269,800	-	-	-	400	400	400	800	1,917,683	-	3,796,273		
Other liabilities		3,766,270	-	-	-	-	-	-	-	-	-	-		
	150,250,839	31,367,420	62,364,168	11,828,386	12,251,817	488,288	397,754	880,114	3,388,354	396,278	36,348,881			
	(4,477,541)	4,329,173	(13,033,096)	11,841,386	5,809,882	875,801	1,219,205	829,219	1,632,182	1,838,037	(22,219,872)			
On-balance sheet gap														
Commitments in respect of forward exchange contracts - Purchase														
Commitments in respect of forward exchange contracts - Sale														
Commitments in respect of forward government securities transactions - Purchase														
Commitments in respect of forward government securities transactions - Sale														
Off-balance sheet gap														
Total Yield / Interest Risk Sensitivity Gap		16,196,399	(13,266,830)	18,400,009	5,838,278	475,801	1,219,205	829,219	1,632,182	1,838,037	(22,219,872)			
Cumulative Yield / Interest Risk Sensitivity gap		(4,196,399)	(17,263,226)	(343,226)	5,072,058	5,048,009	7,207,264	8,096,483	8,118,373	11,377,312	(16,642,466)			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

Effective Yield / Interest rate	Total	2017									Not exposed to yield / interest risk	
		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												
Assets												
Cash and balances with treasury banks		6,413,178	-	-	-	-	-	-	-	-	6,413,178	
Balances with other banks		218,420	-	-	-	-	-	-	-	-	218,420	
Lendings to financial institutions	5.97%	8,826,648	8,036,694	2,161,188	-	422,567	-	-	-	-	-	
Investments - ext.	5.78%	38,266,726	-	8,034,612	17,823,000	153,583	5,896,056	149,909	4,521,820	-	147,556	
Advances - net	11.35%	85,850,715	5,851,258	30,728,862	7,262,960	8,894,216	2,474,052	2,722,856	7,332,274	18,140,643	1,228,531	
Other assets		5,435,537	-	-	-	-	-	-	-	-	5,435,537	
		146,805,332	11,868,182	42,524,862	26,086,960	7,440,196	8,310,107	2,872,856	11,854,094	18,140,643	3,245,433	
Liabilities												
Bills payable		3,192,981	-	-	-	-	-	-	-	-	3,192,981	
Borrowings	5.81%	35,882,000	31,872,292	3,287,367	213,304	-	-	-	-	-	108,037	
Deposits and other accounts	3.98%	150,277,607	11,664,451	44,492,306	10,988,546	13,029,799	415,307	333,196	608,907	303,654	303,213	
Utilities against assets subject to finance lease	10.47%	6,880	335	679	1,041	2,182	2,863	-	-	-	29,029,488	
Sub-ordinated loans	8.00%	2,000,000	-	200	-	200	400	400	600	1,058,000	-	
Other liabilities		1,539,335	-	-	-	-	-	-	-	-	1,539,335	
		152,586,003	43,837,068	47,782,562	10,312,861	13,032,101	418,370	333,586	609,707	2,301,654	303,213	
On-balance sheet gap		(5,761,671)	(31,748,900)	(5,256,860)	14,773,009	(5,581,906)	7,861,737	2,538,979	11,244,387	15,838,889	2,942,220	
Commitments in respect of forward exchange contracts - Purchase		6,333,453	7,817,134	361,564	116,573	36,202	-	-	-	-	-	
Commitments in respect of forward exchange contracts - Sale		(2,722,866)	(2,364,857)	(261,083)	(90,966)	-	-	-	-	-	-	
Off-balance sheet gap		6,609,704	5,462,617	93,491	24,504	39,202	-	-	-	-	-	
Total Yield / Interest Risk Sensitivity Gap			26,296,389	(5,162,229)	14,797,633	(5,582,732)	7,861,737	2,538,979	11,244,387	15,838,889	2,942,220	
Cumulative Yield / Interest Risk Sensitivity gap			(26,296,389)	(31,458,816)	(18,860,965)	(22,213,696)	(14,321,961)	(11,762,962)	(538,996)	15,300,394	18,342,814	
											(163,907)	

	2018		2017			2018		2017	
	Rupees In '000		Rupees In '000			Rupees In '000		Rupees In '000	
Reconciliation to total assets									
Balance as per statement of financial position	173,676,786		166,854,532						
Less: Non-financial assets									
Fixed assets	3,981,271		3,934,845						
Intangible assets	226,840		241,901						
Deferred tax assets	3,058,647		3,476,129						
Other assets	12,597,930		12,396,325						
	19,864,688		20,049,200						
Total financial assets	153,812,098		146,805,332						
Reconciliation to total liabilities									
Balance as per statement of financial position									
Less: Non-financial liabilities									
Other liabilities									
Total financial liabilities	159,290,039		152,569,003						

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

Yield Risk is the risk of decline in earnings due to adverse movement of the yield curve. Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates.

The objective of interest rate risk management is to formalise risk decision-making and risk management processes, which includes identification, measurement, monitoring and control of interest rate risk across the bank and establishing governance roles around interest rate risk management.

47.3 Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from 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. Operational Risk-Disclosures Basel II Specific

47.3.1 Operational Risk-Disclosures Basel II Specific

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.

47.4 Liquidity risk

The risk of losses normally reflected due to unavailability of funds to meet short term demands, as the Bank's normal statutory 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 minimise the liquidity risks that may arise upon the occurrence of an unanticipated change in market conditions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

47.4.1 Maturities of Assets and Liabilities - based on contractual maturity of the assets and liabilities of the Bank

2018

Total	Up to 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 month	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 Years
Rupees in '000													
Assets													
Cash and balances with treasury banks	4,071,367	36,073	180,832	87,372	150,034	142,348	190,886	225,163	180,321	85,021	724,887	724,887	2,428,458
Balances with other banks	308,364	1,743	16,642	4,298	8,711	7,058	5,073	12,648	5,003	5,003	41,291	41,291	62,362
Lending to financial institutions	12,812,158	-	4,206,747	4,363,349	417,026	2,277,069	-	-	725,632	-	147,413	174,825	306,260
Investments	53,324,393	-	902,342	10,950,346	5,075,363	586,819	8,102,312	-	-	1,025,046	10,870,636	7,061,151	26,273,853
Advances	88,354,023	29,194,396	620,806	680,321	1,367,189	3,214,326	3,828,847	5,217,208	671,012	3,025,046	10,870,636	8,454,860	-
Fixed assets	3,881,271	2,152	13,888	15,271	32,177	66,308	66,308	108,364	190,084	190,084	706,254	706,254	1,085,142
Intangible assets	228,949	124	748	872	1,000	1,781	-	1,781	11,342	11,342	45,368	45,368	62,362
Deferred tax assets	1,058,647	-	-	-	-	-	-	-	367,033	367,033	367,033	367,033	2,324,271
Other assets	17,357,718	20,892	163,978	68,058	1,160,880	2,068,078	2,622,995	687,443	127,193	503,023	1,318,330	1,318,330	401,323
	173,071,716	20,892,073	6,163,978	5,773,341	14,425,411	13,303,323	7,117,207	13,029,097	1,164,153	4,709,896	12,163,179	16,368,065	31,068,789
Liabilities													
Bills payable	2,066,908	88,798	412,788	180,341	104,030	88,710	77,387	226,512	364,073	364,073	180,847	180,847	276,384
Borrowings	11,021,364	-	13,345,805	-	5,296	521,061	3,066,800	375,712	-	-	-	-	375,712
Deposits and other accounts	13,664,364	82,068,906	3,066,800	1,811,221	6,034,327	3,476,143	4,977,196	12,100,868	4,567,144	7,706,066	867,372	867,372	1,078,265
Utilities against assets subject to finance lease	2,663	-	-	-	-	171	174	177	1,195	396	-	-	-
Sub-ordinated debts	1,000,000	-	-	-	-	-	-	-	-	-	400	400	800
Other liabilities	3,706,270	80,872	368,234	121,388	168,321	44,304	51,133	208,476	160,384	160,384	402,674	402,674	507,748
	19,396,329	82,068,973	17,215,861	2,066,800	7,432,626	7,413,961	8,462,318	12,011,868	4,567,144	8,161,162	1,379,365	1,438,143	2,068,828
Net assets	14,306,747	(32,032,897)	(11,020,864)	2,074,594	7,362,791	8,838,324	1,028,309	407,225	(3,016,716)	(3,471,323)	15,383,486	15,487,922	23,038,960
Share capital - net	23,431,374	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	828,893	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated loss	(9,707,210)	-	-	-	-	-	-	-	-	-	-	-	-
Deficit on revaluation of assets - net of tax	(86,207)	-	-	-	-	-	-	-	-	-	-	-	-
	14,306,747	-	-	-	-	-	-	-	-	-	-	-	-

2017

Total	Up to 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 month	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 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	-	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	8,822,549	-	3,714,875	440,201	1,074,718	2,161,188	-	-	422,567	-	153,003	8,564,006	7,311,361
Investments	36,286,725	-	-	-	-	736,175	6,113,165	17,625,000	-	-	176,195	176,195	-
Advances	88,354,715	26,723,225	263,571	323,480	4,457,895	2,415,139	2,738,892	3,468,351	844,732	967,024	8,228,824	11,827,774	17,891,862
Fixed assets	3,334,345	228	15,456	15,456	33,118	66,237	66,237	150,318	150,712	150,712	794,848	794,848	-
Intangible assets	241,301	113	738	738	1,688	3,375	3,375	49,521	10,125	10,125	40,501	40,501	-
Deferred tax assets	3,470,129	-	-	-	-	-	-	-	-	-	417,135	417,135	2,541,658
Other assets	17,001,962	50,896	306,497	132,658	410,957	1,064,372	1,064,372	2,214,962	625,142	625,142	1,567,866	1,567,866	5,411,317
	100,864,322	37,407,984	4,320,296	919,382	6,060,157	6,445,486	9,922,841	24,116,817	5,879,711	13,04,394	14,325,829	16,513,438	32,702,365
Liabilities													
Bills payable	3,192,981	3,192,981	-	-	-	-	-	-	-	-	-	-	-
Borrowings	35,982,000	-	31,967,382	4,800	758,098	837,757	2,213,305	-	-	-	-	-	-
Deposits and other accounts	115,277,627	67,781,228	3,405,150	1,206,762	-	4,038,888	4,475,721	9,860,780	8,196,523	4,743,263	68,374	28,532	1,600
Utilities against assets subject to finance lease	6,880	180	959	372	343	189	189	511	707	707	427	427	673
Sub-ordinated debts	3,000,000	-	-	-	200	-	200	400	400	-	800	800	1,106,800
Other liabilities	2,873,518	40,904	207,803	87,025	119,451	33,843	33,843	176,864	76,372	76,372	264,857	264,857	566,714
	112,673,196	71,017,323	36,961,104	1,302,098	878,570	5,710,737	6,722,268	10,043,300	8,277,202	4,700,542	564,856	1,154,028	1,775,967
Net assets	12,181,346	(31,608,436)	(31,342,818)	(382,477)	8,154,587	734,749	3,298,579	14,073,462	(8,364,491)	(3,298,540)	14,271,557	15,308,412	30,631,578
Share capital - net	23,431,374	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	554,893	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated loss	(10,857,454)	-	-	-	-	-	-	-	-	-	-	-	-
Surplus on revaluation of assets - net of tax	52,723	-	-	-	-	-	-	-	-	-	-	-	-
	12,181,346	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

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47.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Bank

2018

	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	8,671,387	459,836	240,310	225,562	179,862	734,807	734,807	2,428,458	3,534,504	735,485
Balances with other banks	300,984	25,793	13,671	12,548	10,108	41,291	41,291	82,582	41,291	41,291
Lendings to financial institutions	12,812,196	1,927,304	2,277,869	21,829	725,832	-	-	-	-	-
Investments	26,824,985	11,343,152	8,162,963	8,654,310	-	147,413	774,625	300,266	2,844,363	131,354
Advances	56,364,062	13,034,828	16,867,136	7,481,713	5,168,547	13,453,718	10,461,289	22,054,211	7,057,788	1,628,454
Fixed assets	3,382,271	6,719	132,799	109,964	396,127	794,254	794,254	1,395,144	-	-
Intangible assets	225,449	3,831	7,561	11,342	22,884	41,368	41,368	90,396	-	-
Deferred tax assets	3,368,647	-	-	-	-	-	367,027	367,027	2,224,572	-
Other assets	17,337,316	1,347,342	4,168,173	667,443	688,795	1,301,358	7,185,511	401,328	325,329	783,185
Total assets	173,076,796	29,204,858	23,513,042	15,222,226	7,168,913	16,052,238	26,326,243	38,200,508	16,322,919	7,315,503
Liabilities										
Bills payable	2,364,558	746,454	562,166	236,132	806,546	186,947	186,947	326,564	538,547	167,472
Borrowings	16,391,854	13,871,543	4,180,791	-	-	-	-	-	-	-
Deposits and other accounts	120,864,084	19,538,567	11,658,417	15,890,369	14,618,757	12,079,852	11,079,319	34,043,345	11,372,713	11,065,498
Liabilities against assets subject to finance lease	2,883	371	781	1,511	386	-	-	-	-	-
Sub-ordinated debts	1,998,620	-	200	-	200	400	400	800	1,207,600	-
Other liabilities	3,704,229	716,824	36,366	298,076	217,129	401,274	401,274	387,748	401,274	401,274
Total liabilities	120,260,029	34,071,338	16,100,303	15,480,338	15,148,022	12,051,773	12,051,773	25,207,388	54,962,340	12,580,478
Net assets	14,386,767	(5,870,526)	7,413,089	(298,263)	(1,008,706)	3,410,165	7,714,003	13,042,226	1,291,579	(5,448,478)
Share capital - net	33,421,374	-	-	-	-	-	-	-	-	-
Reserves	554,903	-	-	-	-	-	-	-	-	-
Accumulated loss	(1,797,210)	-	-	-	-	-	-	-	-	-
Deficit on revaluation of assets - net of tax	(88,287)	-	-	-	-	-	-	-	-	-
Total	14,386,767	(5,870,526)	7,413,089	(298,263)	(1,008,706)	3,410,165	7,714,003	13,042,226	1,291,579	(5,448,478)

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	8,412,176	656,978	371,021	543,258	274,275	1,120,636	1,120,636	2,241,276	1,120,636	1,121,476
Balances with other banks	256,420	234,420	-	-	-	-	-	-	-	-
Lendings to financial institutions	8,820,649	8,036,894	2,161,188	-	422,367	-	-	-	-	-
Investments	26,266,735	-	9,034,613	17,623,000	161,127	5,006,055	146,908	4,639,831	-	-
Advances	56,350,715	4,721,428	6,142,308	5,483,545	8,138,889	5,772,228	7,872,880	20,711,130	23,745,873	5,381,328
Fixed assets	3,304,345	66,226	132,475	158,216	267,424	794,848	794,848	1,588,896	-	-
Intangible assets	24,901	3,375	8,750	49,621	22,261	40,321	40,321	81,002	-	-
Deferred tax assets	2,470,129	-	-	-	-	417,125	417,125	-	-	2,041,469
Other assets	17,851,962	1,300,386	2,071,324	2,173,229	1,295,981	1,462,883	3,142,209	5,341,708	233,748	794,627
Total assets	158,954,532	15,051,616	20,519,907	26,042,167	8,673,219	11,057,150	11,358,037	26,131,630	25,102,268	5,338,290
Liabilities										
Bills payable	3,192,961	401,460	581,681	245,221	578,509	209,460	209,460	418,919	209,460	208,821
Borrowings	26,582,000	31,972,250	3,267,367	322,341	-	-	-	-	-	-
Deposits and other accounts	110,277,807	13,386,379	13,723,603	12,386,206	14,350,118	9,021,163	9,390,042	18,722,619	9,386,309	1,296,078
Liabilities against assets subject to finance lease	8,880	305	679	1,041	2,182	2,880	-	-	-	-
Sub-ordinated debts	2,000,000	-	200	-	200	400	400	800	1,998,000	-
Other liabilities	2,813,118	600,521	148,701	200,707	556,341	171,437	171,437	342,674	171,437	170,354
Total liabilities	153,573,186	48,800,977	17,342,321	13,165,516	15,786,300	9,886,123	9,771,408	18,485,212	11,730,408	3,075,813
Net assets	15,181,546	(33,794,361)	3,177,586	12,376,651	(7,113,111)	5,261,207	3,566,639	15,646,618	13,365,850	263,477
Share capital - net	23,451,374	-	-	-	-	-	-	-	-	-
Reserves	554,903	-	-	-	-	-	-	-	-	-
Accumulated loss	(10,897,660)	-	-	-	-	-	-	-	-	-
Surplus on revaluation of assets - net of tax	52,723	-	-	-	-	-	-	-	-	-
Total	15,181,546	(33,794,361)	3,177,586	12,376,651	(7,113,111)	5,261,207	3,566,639	15,646,618	13,365,850	263,477

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

47.5 Derivative Risk

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 recognized 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 notes 24.2.1 and 24.2.2.

The accounting policies used to recognise and disclose derivative instruments are given in note 6.17.2. The risk management framework of derivative instruments is given in note 47.

48 ISLAMIC BANKING BUSINESS (IBB)

48.1 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.

49 DATE OF AUTHORIZATION FOR ISSUE

49.1 The financial statements were authorized for issue on February 28, 2019 by the Board of Directors of the Bank.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

50 GENERAL

- 50.1** These financial statements have been prepared in accordance with the revised format for financial statements of banks issued by the SBP through BPRD circular letter No.02 of 2018 dated January 25, 2018.
- 50.2** 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.

Syed Liaquat Ali
Chief Financial Officer

Azmat Tarin
President & CEO

Khalid Aziz Mirza
Director

Rashid Akhtar Chughtai
Director

Shahzad Enver Murad
Director

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2018

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2018

Written-off Date	Party Name	Address	Name of the Individual / Partners/ Directors (with C.N.I.C. No.)	Father's / Mother's / Husband Name	Outstanding Liabilities at beginning of year				Principal Written-off	Interest / Margin written-off	Other Financial Relief Provided	Total (10+11+12)
					Principal	Interest / Margin	Other	Total (5+6+7+8)				
1	2		3	4	5	6	7	8	9	10	11	12
23-Feb-18	Khan Brothers	Albas Verka, Khan Zada Street, Subzg II, Lahore.	Abdul Waheed (Deceased) CNC 3202-002001-3 Shabir Khan CNC 3202-241397-4	Sid Qasim Khan Abdul Naseer Khan	1,300	2,100	-	3,400	-	2,100	-	2,100
14-Mar-18	Mr. Shabir Aman Goods Transport Company	5th Road, Rahim Dohri, Gujrat, Sindh	Mohammed Umar CNC 5400-3654185-3	Sher Mohammad	1,000	1,700	-	2,700	-	1,400	-	1,400
3-May-18	Century Pharmaceuticals (Pvt) Limited	5-C, 1st Floor, 2nd East Street, Phase-I, DHA, Karachi.	Syed Abdul Khader Jaffri CNC 4201-015011-4 Syed Yafya Abdul Jaffri CNC 4201-025467-1 Mr. Sayeed Ali Abbasi CNC 4201-004795-0 Ahmed Ali Khader Jaffri CNC 4201-025602-2 Syed Nasir Ali Jaffri CNC 4201-007101-7 Syed Asad Ali Jaffri CNC 4201-0071772-3	Syed Moin Hossain Jaffri Syed Md. Hassan Jaffri Syed Abid Ahmed Jaffri Syed Ali Anwar Jaffri Syed Nasir Ali Jaffri Syed Md. Hassan Jaffri	3,745	12,479	-	14,224	1,200	10,479	-	10,479
4-Jun-18	Mehak Enterprise	2/4, Arun Building, Dhaan-e-Palak, Karachi	Naveed Paracha CNC 107-79-022798	Abdul Qadir Paracha	8,540	944	-	9,484	5,540	944	-	9,484
10-Sep-18	W.H.Traders	BS-Circular Road, Lahore	Mian Masdar Ali CNC 3022-4556179-1	Mian Masdar Ali	11,473	702	-	12,275	-	702	-	702
20-Sep-18	Gencic City	1015-A Pined Plaza, New Chakl, Multan Town Name, Lahore	Mian Masdar Ali CNC 3022-4556179-1 Mian Nagood Ali CNC 3022-142945-6	Mian Masdar Ali	4,307	945	-	5,252	-	945	-	945
1-Nov-18	Babar & Company	S/B/M. Muhammad Shah, Unit Shrinwari Road, Lahore. Hediyat ul Khuda Colony No. 5, Dera Nangar, District Lahore	Shahid Ehsan Ahmed CNC 3022-631988-3	Shahid Dean Ehsan	1,586	1,279	-	2,865	-	945	-	945
31-Oct-18	Mehdi Petrol Pvt Ltd.	New Steel Market, near Rajput Chowk, G-11 Road, Gujranwala	Mohamed Ahsan Shahid CNC 34101-022958-2 Mohamed Ahsan CNC 34101-258864-1	Shahid Ahsan Shahid	29,872	7,344	-	37,216	-	4,548	-	4,548
31-Oct-18	Venug & Sons.	3D-E, Aslam Housing Scheme, Subzg II, Lahore. M-31, Concrete Residance Opposite Sleek Plaza, Offt, Karachi	Rahmat Khan Verdig CNC 1101-102254-1 Abba Khan Verdig CNC 1101-102254-2	Rahmat Khan Rahmat Khan Verdig	10,004	10,000	-	20,004	-	3,365	-	3,365
23-Oct-18	Shawar Trading International	Minar, 2nd Cross Street, Ph-2, DHA, Karachi	Syed Imran CNC 4201-088865-3	Mohamed N. Saad	20,506	671	-	21,177	-	671	-	671
5-Nov-18	GHADIANWALI	HOUSE NO. 4 & 5 GHADIANWAL ROAD MODEL, TOWNSHIP SAWALHPUR	GHADIANWALI CNC 3102-035467-2	WAJID MARZOOGAHMED	4,398	1,362	-	5,760	-	2,173	-	2,173
5-Dec-18	SALAR WAZOOR	HOUSE NO. 457 ST # 13 SECTOR 1A KARACHI	SALAR WAZOOR CNC 3022-632368-8	WAZOOR AHMED WAZI	943	207	21	1,271	943	207	21	1,271
5-Jan-19	ABRAHAM KHAN	HOUSE NO. 22 SECTOR 3-J KARACHI 113 NEAR LUCKY STREET MARKET	ABRAHAM KHAN CNC 4201-036107-4	ABDULLAH KHAN	912	58	5	975	912	58	5	975
5-Jan-19	AMIR WAZOOR	FLAT NO. 6-11TH FLOOR NEHBOOD PARK VENUE BLOCK # 02 NADAFIA NO 3 NEAR NHMADAS HOSPITAL, KARACHI	AMIR WAZOOR CNC 4201-036107-3	WAZOOR HASSAN	368	100	35	503	368	100	35	503
5-Jan-19	RAWA NAZIM SABRARI	HOUSE NO. 12-B NEW MUSLIM TOWN LAHORE INNAKH ROAD	RAWA NAZIM SABRARI CNC 3022-071205-4	M.SABRARI KHAN	641	67	6	714	641	67	6	714
5-Jan-19	YASSER ALI BHAI	HOUSE NO. 64 R PHASE 1 DHA.	YASSER ALI BHAI CNC 3022-047294-5	SYED MUHAMMAD GRAFOOR	426	125	28	559	426	125	28	559
5-Jan-19	GAZI WAHEED UDDEEN	HOUSE NO. A-106, SECTOR 11A, GULZAIR E USMAN NORTH KARACHI NEAR USMAN PUBLIC SCHOOL,	GAZI WAHEED UDDEEN CNC 4201-795695-2	QASIM MUHAMMAD QAWAR UDDEEN	830	238	35	1,103	830	238	35	1,103
5-Jan-19	Abid Oyeen	HOUSE NO. 981, SECTOR 2, LAHORE.	ABID OYEEN CNC 3022-258811-3	MUHAMMAD ISMAIL	-	1,260	-	1,260	-	1,260	-	1,260
5-Jan-19	Intra Bsc	HOUSE NO. 73 BLOCK F- CHINNA BLOCK STREET : AREA ULAMA QASMI TOWNSHIP NEAR ARREST LAND MARK - CITY : LAHORE	Intra Bsc CNC 3022-457946-3	GAZI WAHEED	598	79	-	676	598	79	-	676
10-Jan-19	Zain Javed	HOUSE NO. 43, BLOCK H, LAHORE	ZAIN JAVED CNC 3022-291880-3	KHAWAJA QASIM QATOOR	-	26,540	-	26,540	-	26,417	-	26,417

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2018

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2018

Rupees in '000

Written Off Date	Party Name	Address	Name of the Individuals / Partners/ Directors (with C.N.C. No.)	Father's / Mother's / Husband Name	Outstanding Liabilities at beginning of year:				Principal Written-off	Interest / Margin written-off	Other Financial Relief Provided	Total (No. 10+11+12)
					Principal	Interest / Margin	Other	Total 5+6+7+8				
1	2	3	4	5	6	7	8	9	10	11	12	
31-Dec-18	ALI NAQI NAWAZ KHAN	HOUSE NO. 11 BLOCK F, 10000 ROAD STREET : AREA: 4TH MAIN STREET OLD ANNAWALI NEAREST LAND MARK: CITY: LAHORE	ALI NAQI NAWAZ KHAN CNC: 3020-140469-3	IQBAL MD NOOR ALI KHAN	1,145	231	-	1,376	1,145	231	-	1,376
31-Dec-18	MUHAMMAD ZAHEER ASGHAR	HOUSE NO. 1 BLOCK F, ST NO 7 NO VALLEY RASHID PARK STREET : AREA: 10TH MAIN STREET LAND MARK: CITY: LAHORE	MUHAMMAD ZAHEER ASGHAR CNC: 3020-202005-1	MUHAMMAD ZAHEER ASGHAR	507	129	-	636	507	129	-	636
31-Dec-18	ISLAM ABDI SAIR	HOUSE NO. 16 F BLOCK F, STREET: AREA: 41ST 1 MAIN MARKET NEAREST LAND MARK: CITY: LAHORE	ISLAM ABDI SAIR CNC: 3020-417221-1	ISLAM ABDI SAIR	591	125	-	716	591	125	-	716
31-Dec-18	RANA SHABIR HADER	HOUSE NO. 403 BLOCK # 1, BLOCK #1, STREET: AREA: JAHANGIR TOWN NEAREST LAND MARK: CITY: LAHORE	RANA SHABIR HADER CNC: 3020-297758-1	RANA SHABIR HADER	403	82	-	584	403	82	-	584
31-Dec-18	RANA SHABIR HADEED	HOUSE NO. 16 BLOCK F: 312 RASCOOL ST BRAM ROAD STREET : AREA: ISLAM GULZ MARGEST LAND MARK: CITY: LAHORE	RANA SHABIR HADEED CNC: 3020-173034-8	RANA SHABIR HADEED	300	88	-	388	300	88	-	388
31-Dec-18	SAMEER MAHMUD KHAN	HOUSE NO. 26 BLOCK # 1: WASSON RD STREET : AREA: NEAREST LAND MARK: CITY: LAHORE	SAMEER MAHMUD KHAN CNC: 3020-639925-1	SAMEER MAHMUD KHAN	748	146	-	904	748	146	-	904
31-Dec-18	ABDUL REHMAN	HOUSE NO. 343 BLOCK # 1, KABDOOK STREET : AREA: SABZADA SHEREE NEAREST LAND MARK: CITY: LAHORE	ABDUL REHMAN CNC: 3020-030305-3	JAVED KHAN	850	127	-	977	850	127	-	977
31-Dec-18	WAESIM	HOUSE NO. 268 BLOCK # 1-E BLOCK, ST # 8 STREET : AREA: 4TH FLOOR, CANTT NEAREST LAND MARK: CITY: LAHORE	WAESIM CNC: 3020-266095-8	MUHAMMAD ZUBAIR	1,386	216	-	1,611	1,386	216	-	1,611
31-Dec-18	MRWAJU	HOUSE NO. 265 BLOCK # 1-ST # 16 KOT BAHAI SINGH OFFICES STREET : AREA: JAWA SWEETS RAMNOH NEAREST LAND MARK: CITY: LAHORE	MRWAJU CNC: 3020-849805-7	MRWAJU	1,980	340	-	2,320	1,980	340	-	2,320
31-Dec-18	SHREES BUDHO	PLAT NO. 903 BLOCK # 1-7TH FLOOR MA CENTER STREET # 1 STREET : AREA: REGAL CROWN SAGAR NEAREST LAND MARK: NEAR KAREEM CENTER CITY: KARACHI	SHREES BUDHO CNC: 4120-417801-8	MUHAMMAD	468	102	-	570	468	102	-	570
31-Dec-18	PARKH NEAR	PLAT NO. 801 FLOOR P1 TOWER CANT BAZAAR STREET : AREA: CRASH ROAD NEAREST LAND MARK: CITY: KARACHI	PARKH NEAR CNC: 4220-178614-8	GEORGE NEAR	400	96	-	500	400	96	-	500
31-Dec-18	MUHAMMAD MOFI	HOUSE # 1- PLAT # K1 BLOCK # 1- MEROF FOUNTAIN APARTMENT SLOC STREET : AREA: CLIFTON NEAREST LAND MARK: BEARNA HOUSE CITY: KARACHI	MUHAMMAD MOFI CNC: 4220-228815-8	ISLAMUL HAQ	818	126	-	944	818	126	-	944
31-Dec-18	MELLSA HASROON	HOUSE # 17B BLOCK # 1: LINE # 2, STREET AREA: ULADAR ESTATE, NEAREST LAND MARK: NEAR SADIQ CITY: RAWALPINDI	MELLSA HASROON CNC: 3740-888801-2	HASROON QASIM	498	102	-	600	498	102	-	600
31-Dec-18	ZOHAB ULIAH FARLUK	HOUSE # 363-C BLOCK # 1: ASKAR 16 STREET : AREA: NEAREST LAND MARK: CITY: LAHORE CANTT	ZOHAB ULIAH FARLUK CNC: 3020-473269-8	SHABD FARLUK	594	110	-	704	594	110	-	704
31-Dec-18	MUHAMMAD MIAN	HOUSE # 5 BLOCK # 1: MUH NOOR DR INI GALI RAJWA STREET : AREA: RASHID ROAD NEAREST LAND MARK: CITY: LAHORE	MUHAMMAD MIAN CNC: 4220-038468-1	MUHAMMAD MIAN	430	90	-	520	430	90	-	520
31-Dec-18	NASRAN PERAZ	HOUSE # 127 BLOCK # 1: JAWAHAR SHABRAH STREET : AREA: NISHTA COLONY NEAR NISHAT NEAREST LAND MARK: CITY: GIRLS COLLEGE FERIZPUR ROAD LAHORE	NASRAN PERAZ CNC: 3020-407704-7	ZAFAR PERAZ	850	158	-	1,028	850	158	-	1,028
31-Dec-18	MRWAJU ZAHAN	HOUSE # 264 BLOCK # 1: MUHALLA SHABRAH STREET : AREA: MAIN MARKET SHAWNAHAD NEAREST LAND MARK: CITY: LAHORE	MRWAJU ZAHAN CNC: 3020-999915-1	ABDUL NABOOD GURISHI	406	91	-	507	406	91	-	507
31-Dec-18	ABDUL YUNYARD	HOUSE # 1- QUARTER NO 5 BLOCK # 1: ASKAR JAHI MAJID STREET : AREA: MAIN MARKET SHAWNAHAD NEAREST LAND MARK: CITY: LAHORE	ABDUL YUNYARD CNC: 3020-403321-3	FARZAN	402	78	-	500	402	78	-	500

Contd.

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2018

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2018

Rupees in '000

Wife of Date	Party Name	Address	Name of the Individual / 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 (10+11+ 12)
					5	6	7	8				
1	2	3	4	5	6	7	8	9	10	11	12	
1-Feb-18	SHOKAISUL RAUF	HOUSE # 148 RAMER MERO DR STREET NEAR SHAKHA TOWN	SHOKAISUL RAUF CNC: 3645-989847-7	SHOKAISUL HN	1,20	32	38	1,60	1,20	32	38	1,60
1-Feb-18	SYED AFIA QAEMI	HOUSE # 282 END FLOOR PAV BLOCK ALMAKAISAL TOWN	SYED AFIA QAEMI CNC: 3225-262688-7	SYED AHSIQ QAEMI	56	14	28	77	56	14	28	77
1-Feb-18	YASSEI RAZ	HOUSE # 13 NEW BANK STREET ISLAMABAD COLONY PHOC THOCT SAMANABAD PHOC THATTI SAMANABAD	YASSEI RAZ CNC: 3025-013449-1	RAZAHMED	30	13	22	54	30	13	22	54
1-Feb-18	RAZAHMED	HOUSE # C-35 BLOCK 11 F 3 AREA NEAR SKAFA NAJUD	RAZAHMED CNC: 4211-027281-1	NASEEM JANO	42	14	34	80	42	14	34	80
1-Feb-18	MARS QAYUM	HOUSE # 158A, # 158, sector 17/A ISLAMABAD	MARS QAYUM CNC: 3221-188404-6	ABDUL QAYUM	58	14	18	71	58	14	18	71
1-Feb-18	Emraan Logistic Through Muhammad Keval Wani	HOUSE # A441 BLOCK 15 KWACHI	Muhammad Keval Wani CNC: 4281-031536-3	MUHAMMAD NOOR	-	2,00	-	2,00	-	2,00	-	2,00
28-Feb-18	ALI SAID BUKHARI	HOUSE # 18 BLOCK 1 BLOCK 3 STREET : AREA : MODEL TOWN NEAREST LAND MARK : CITY : LAHORE	ALI SAID BUKHARI CNC: 3225-274281-7	SYED HANAFIA RASHID	47	13	-	50	47	13	-	50
28-Feb-18	MUHAMMAD ASIM TAHR	HOUSE # 1- HOUSE 10 BLOCK 2 STREET 44 STREET : AREA : KORANG TOWN NEAREST LAND MARK : CITY : ISLAMABAD	MUHAMMAD ASIM TAHR CNC: 1781-369900-3	MUHAMMAD TAHR ISKAR	44	17	-	52	44	17	-	52
28-Feb-18	FARHAN ASLAM	HOUSE # 875 BLOCK 4 BLOCK 4 STREET : AREA : BAZAAR BOKHE, MULAN ROAD NEAREST LAND MARK : CITY : LAHORE	FARHAN ASLAM CNC: 3225-252781-7	MUHAMMAD ASLAM IQAN	58	14	-	62	58	14	-	62
28-Feb-18	REHMAN KHAN	HOUSE # 1 BLOCK # 151, 15 STREET : AREA : ASLSAIBI ROAD, MUGHALPUR NEAREST LAND MARK : CITY : LAHORE	REHMAT KHAN CNC: 3221-049661-3	ZAIN KHAN	40	13	-	50	40	13	-	50
28-Feb-18	Sardar Sher Ali	HOUSE # 1- FLAT NO 111 BLOCK # 3RD FLOOR MARHALI ON 15 STREET : AREA : CLIFTON NEAREST LAND MARK : CITY : KARACHI	SARDAR SHER ALI CNC: 4221-254325-1	SARDAR SHER ALI	97	12	-	1,10	97	12	-	1,10
28-Feb-18	JUNAO QASIM	HOUSE # 375 BLOCK 8 SECTOR 8 STREET : AREA : AKBAR 8 NEAREST LAND MARK : CITY : LAHORE GANTT	JUNAO QASIM CNC: 3221-148207-3	MARYAM QASIM	1,18	20	-	1,38	1,18	20	-	1,38
28-Feb-18	MUHAMMAD MUHAMMAD	HOUSE # 3 BLOCK # 37 NO 1 HAJI PARK 333A STREET : AREA : TERSIZIUR ROAD CHOKA AMR NEAREST LAND MARK : CITY : SOH U NELL PETROL PUMP LAHORE	MUHAMMAD MUHAMMAD CNC: 3613-153303-3	MUHAMMAD HUSSAIN	47	12	-	50	47	12	-	50
28-Feb-18	MUHAMMAD ISHTAQ	HOUSE # 96 REA BLOCK 8 BLOCK 1 JUDGE COLONY STREET : AREA : PHASE 1 NEAREST LAND MARK : CITY : LAHORE	MUHAMMAD ISHTAQ CNC: 3221-054000-6	MUHAMMAD ISHTAQ	42	11	-	50	42	11	-	50
28-Feb-18	AQIF TASEEM KHAN	HOUSE # 1 BLOCK # 1 HALI STREET STREET : AREA : ABDO ROAD ISLAM PURA NEAREST LAND MARK : CITY : LAHORE	AQIF TASEEM KHAN CNC: 3225-252781-8	MUHAMMAD TASEEM KHAN	50	13	-	50	50	13	-	50
28-Feb-18	MUHAMMAD NAZEM	HOUSE # 1 NO 29A BLOCK # 1ST FLOOR ROOM 1 ATTOCKSON SOC STREET : AREA : 102 STREET GYM COLLEGE RANKHO NEAREST LAND MARK : CITY : KARACHI	MUHAMMAD NAZEM CNC: 3225-271408-7	JIN MUHAMMAD	60	13	-	1,00	60	13	-	1,00
28-Feb-18	SHAKIR AHMED	HOUSE # 1-GARFLAT NO 210 BLOCK 8 PLOT NO 100 51 GULI NO 4 STREET : AREA : MI QAZIARE ROAD NEAREST LAND MARK : NEAR OPP FOOD CENTRE CITY : KARACHI	SHAKIR AHMED CNC: 3411-058870-8	SHAKIR MUHAMMAD TUFAIL	58	13	-	71	58	13	-	71
28-Feb-18	ABDUL ALI SHAIKH	HOUSE # 1-B-14, BLOCK # 1 E BLOCK, STREET : AREA : SATELLITE TOWN NEAREST LAND MARK : CITY : KARACHI	ABDUL ALI SHAIKH CNC: 3765-054076-7	ABDUL ALI SHAIKH	74	12	-	87	74	12	-	87
28-Feb-18	SYED ALI JAHAD	HOUSE # 4-3 BLOCK 1ST NO 18 ANNS KARH STREET : AREA : ISLAM PURA NEAREST LAND MARK : CITY : LAHORE	SYED ALI JAHAD CNC: 3221-048988-7	SYED MUSRI ALI SHAIKH	60	13	-	80	60	13	-	80
28-Feb-18	SHARIF BHAWAZI	HOUSE # 4-3 BLOCK 2- B PARCARE HOUSING SOCIETY STREET : AREA : NEAREST LAND MARK : CITY : LAHORE	SHARIF BHAWAZI CNC: 3463-046201-6	MUHAMMAD BASHIR	40	10	-	50	40	10	-	50
28-Feb-18	SYED SAID IQRAM	HOUSE # 1 NO 12 C BLOCK # 1 COMMERCIAL PLAZA 2ND FLOOR STREET : AREA : ADIBS TOWN KTH RAHMAH ROAD NEAREST LAND MARK : CITY : LAHORE	SYED SAID IQRAM CNC: 3225-026835-6	SAID IQRAM	90	10	-	1,00	90	10	-	1,00

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2018

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2018

Rupees in '000

Written Off Date	Party Name	Address	Name of the Individuals / Partners/Directors (with C.N.C.C. No.)	Father's / Mother's / Husband Name	Outstanding Liabilities at beginning of year:				Principal Written-off	Interest / Margin written-off	Other Financial Relief Provided	Total (No.11+12)
					Principal	Interest / Margin	Other	Total 5+6+7+8				
1	2	3	4	5	6	7	8	9	10	11	12	
5-Mar-18	KHALILAHMED	HOUSE # 14/1 ST # 23 PHASE VI OFF KARAWALA E MOHABD CHANER MAID EAU	KHALILAHMED CMC 4201-109448-3	AMIRUL HAQ	436	152	30	628	64	152	30	820
5-Mar-18	MISAR RAHED	HOUSE # 14/1 BLOCK # 1 CHA SECTOR # 1/1/E MULTAJ ROAD	MISAR RAHED CMC 3623-488648-8	MUHAMMAD IQBAL KHAN	454	58	18	520	44	58	18	527
1-Mar-18	ABOUR REHMAN	House # 15 Street # 30 OT/10 Minutes Nearest Land Mark G-11 Naran	ABOUR REHMAN CMC 4201-942084-7	SULEMAN	216	188	21	425	61	188	21	725
5-Mar-18	MUHAMMAD ASIF	FLAT#401 SAMANA CORNER BLOCK 30 QUILTAWA-E-JOHAR NEAR JOSHAR MOR	MUHAMMAD ASIF CMC 3623-443828-7	AYYASAT AU	891	428	58	1,377	91	428	58	1,477
5-Mar-18	SABRY MOHSIN	HOUSE # 528 BLOCK # 02 JOHN TOWN LAHORE	SABRY MOHSIN CMC 3623-043647-4	MOHSIN LALI	467	156	23	646	47	156	23	847
28-Mar-18	Fazil Syed	HOUSE # 7 AL HABIB COLONY OPPOSITE ALLMA ISLAM TOWN LAHORE	Fazil Syed CMC 3623-440885-7	MUHAMMAD ILYAS IQBAL	10,279	3,103	-	13,381	-	3,103	-	13,381
30-Mar-18	Hajra Afzal	HOUSE # 1-1027, KATRI # 1 PURA WAZIR KHAN / ISLAMABAD	Hajra Afzal CMC 3743-043625-3	BHERDAWAN	4,300	2,154	-	6,454	-	2,154	-	6,454
30-Mar-18	NASIR AHMED	HOUSE # 1-HOUSE # A-E BLOCK # 1 STREET # 4 BISH STREET : AREA: NORTH NAZIMOGH NEAREST LAND MARK: CITY: KARACHI	NASIR AHMED CMC 4201-177988-3	ABDUL QWAID	406	102	-	508	64	102	-	508
30-Mar-18	UNAR BHANZAD	HOUSE # 1-18 BLOCK # 4 PAKARAB HOUSING SOCIETY STREET : AREA: NEAREST LAND MARK : CITY: LAHORE	UNAR BHANZAD CMC 3623-046381-6	MUHAMMAD BASHIR	469	86	-	535	49	86	-	536
30-Mar-18	RAJAUQI HUSSAIN	HOUSE F-1-A-14 BLOCK # F-14/4 IDA SCHOOLS-13 STREET : AREA: GULSTANG-JOHAR NEAREST LAND MARK:WANDER CMC PUMP & BISULUV CITY KARACHI	RAJAUQI HUSSAIN CMC 4201-108513-8	RAJA MUHAMMAD HUSSAIN	300	90	-	390	90	90	-	390
30-Mar-18	CHARMENDAR ISKANDER	HOUSE # 1- FLAT NO 5 BLOCK # 3RD FLOOR PLOT NO 7-C STREET N STREET : AREA: CHARMIAN 5 NEAREST LAND MARK : CITY: KARACHI	CHARMENDAR ISKANDER CMC 4201-028610-7	WIAWALI	1,400	277	-	1,677	1,400	277	-	1,677
30-Mar-18	REHAN ALI	HOUSE # 281 BLOCK # 57 # 15 STREET : AREA: KOT BHAL SINGH, PAKWAN CITY NEAREST LAND MARK : CITY: NR JAHAN SWEETS & SABERS LAHORE	REHAN ALI CMC 3623-269103-7	KHALIL MUHAMMAD	1,345	271	-	2,317	1,345	271	-	2,317
30-Mar-18	HAFIZ ALI HUSSAIN BUKHARI	HOUSE # 1-36 BLOCK # 1 C BLOCK JASBIR TOWN CHA BANK STREET : AREA: NR BAFRA TOWN NEAREST LAND MARK : CITY: LAHORE	HAFIZ ALI HUSSAIN BUKHARI CMC 3623-217815-7	IFTIQAR ALI BUKHARI	438	81	-	519	48	81	-	519
30-Mar-18	SAEED SABIR	HOUSE # 1- BLOCK # 17 A STREET : AREA: SABIR MANZIL NEAREST LAND MARK : CITY: BRAHMIN SHANDRAN TOWN LAHORE	SAEED SABIR CMC 3623-226088-1	MUHAMMAD SABIR	471	86	-	557	471	86	-	557
30-Mar-18	SYED SADA HUSSAIN RZA	HOUSE # 182 BLOCK # 4 CHAVILLAS STREET AREA: PHASE # 1, BLOCK-C CHA NEAREST LAND MARK : CITY : LAHORE	SYED SADA HUSSAIN RZA CMC 4201-082108-5	SYED WAJID HUSSAIN RZA	424	70	-	515	40	70	-	515
30-Mar-18	NASEEM NASEEM	HOUSE # 14 BLOCK # 1 BANK Wali Gali Naseem Pura Street : AREA: PURA BANK GALI PULL NEAREST LAND MARK : CITY: MUGHAL PAKISTAN	NASEEM NASEEM CMC 3623-467294-8	NASEEM HUSSAIN	300	108	-	518	500	108	-	518
30-Mar-18	SHAMALANADEEM	HOUSE # 14 BLOCK # 1-ST NO 13 MASQEEN PURA UL PULL STREET AREA: MUGHAL PURA NEAREST LAND MARK: CITY: LAHORE	SHAMALANADEEM CMC 3623-710410-2	NASEEM NASEEM	300	83	-	583	500	83	-	583
30-Mar-18	SARRAZ AHMED MAULIK	HOUSE # 13 A BLOCK # 1 PHASE II NEW CANAL PARK FRONT STREET : AREA: RAILWAY HOUSING HARIBANPURA NEAREST LAND MARK : CITY: LAHORE	SARRAZ AHMED MAULIK CMC 3623-921004-5	GHULAM YASIR	316	80	-	596	314	80	-	594
30-Mar-18	ROZNA KHAN	HOUSE # 1-18 BLOCK # 1 STREET NO 4-D STREET : AREA: MAHOB COLONY QUILANG # NEAREST LAND MARK : CITY : LAHORE	ROZNA KHAN CMC 3623-010485-3	MUHAMMAD ARIFIAQ	326	87	-	513	326	87	-	513
30-Mar-18	FAWAD HUSSAIN	HOUSE # 1-18 BLOCK # 1 STREET NO 4-D STREET : AREA: MAHOB COLONY QUILANG # NEAREST LAND MARK : CITY : LAHORE	FAWAD HUSSAIN CMC 3623-010485-3	RAZAHMAD	347	118	-	765	346	118	-	764

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STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2018

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2018

Rupees in '000

Wise of Date	Party Name	Address	Name of the Individual / 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 (1+2+3+4)
					Principal	Interest / Mark-up	Other	Total				
1	2	3	4	5	6	7	8	9	10	11	12	
30-Mar-18	SHABWA TABASSUM	HOUSE # 212 BLOCK # 2 BLOCK # 3 PUNJAB SOCIETY MR STREET : AREA : BUTT CHOKI COLLEGE ROAD NEAREST LAND MARK : PUNJAB SOCIETY TOWNSHIP LAHORE	SHABWA TABASSUM CNC: 3025-258021-2	MUHAMMAD YOUSAF	694	103	-	796	694	103	-	796
30-Mar-18	MUHAMMAD AHMAD	HOUSE # 402 BLOCK # 4 ASIAN # 2 BLOCK # 1 GULBERG STREET : AREA : CARROT NEAREST LAND MARK : CITY : LAHORE	MUHAMMAD AHMAD QURESHI CNC: 3025-258415-7	JAVED QASIM QURESHI	777	161	-	938	777	161	-	938
30-Mar-18	SHABDA MEHBOOB	HOUSE # 4-FLAT # 4-A BLOCK # 1ST FLOOR, SHALOM AVENUE 8D STREET : AREA : NORTH KARIMNAGAR NEAREST LAND MARK : MATTEN PODS CITY : KARACHI	SHABDA MEHBOOB CNC: 4205-262219-8	MUHAMMAD TAMEER IQBAL	888	147	-	1,036	887	147	-	1,034
30-Mar-18	ABRAHAM	HOUSE # 155 A BLOCK # 1 SET SOCIETY STREET : AREA : NEAREST LAND MARK : CITY : LAHORE	ABRAHAM CNC: 3025-258679-3	LAQTHAAB	1,262	179	-	1,441	1,261	179	-	1,441
30-Mar-18	SYED TAMEER HASSAN	HOUSE # 211 BLOCK # 2 BLOCK # 2 STREET : AREA : QUDSIQI NEAREST LAND MARK : CITY : LAHORE	SYED TAMEER HASSAN CNC: 3025-462634-1	SYED MUSTAQ HASSAN	1,307	202	-	1,509	1,307	202	-	1,509
30-Mar-18	KONAK HAMID SAJWA	HOUSE # 12 A BLOCK # 1 ST ALIJI STREET : AREA : F-101 NEAREST LAND MARK : CITY : SAWAAB	KONAK HAMID SAJWA CNC: 3101-408206-5	HAMID UD-DEEN SAJWA	2,000	303	-	2,303	2,000	303	-	2,303
2-Apr-18	Zainul Ishaq Dar	GILL WASIQ SIDDIQIA, UCHI, LAHORE	ZAINUL ISHAQ DAR CNC: 34151-258791-7	GHULAM Ishaq Dar	420	873	-	13,03	-	873	-	13,03
2-Apr-18	RASHID AHMAD	HOUSE # 25 CNCHG 15 PLOT 516N ROAD SHAKER E MILLAT NEAR KSC OFFICE	RASHID AHMAD CNC: 4251-0488734-7	AHMAD ISMAIL	-	57	85	142	-	57	85	142
2-Apr-18	MUHAMMAD MEHWOOD	5-105-13/F PLAT NO 21 NEW SUPER TOWN SEHT MAN BULEVARD DEFENCE LAHORE	MUHAMMAD MEHWOOD CNC: 3015-189204-8	MUHAMMAD YASIR CHAUDHRY	807	101	40	948	807	101	40	948
2-Apr-18	MESAHI UL HAQUE	HOUSE # 105 CLASSIC COMFORT MILAT HATRI RAHEE SOCIETY NEAR THE BROAST NEAR THE BROAST	MESAHI UL HAQUE CNC: 4221-121242-5	MUZARRA UL HAQUE	124	36	1	161	124	36	1	161
2-Apr-18	USMAN ANWAR	HOUSE # 1 ST KARIM STREET MUSLIM ROAD SAMANAAB	USMAN ANWAR CNC: 3025-258477-8	MUHAMMAD RYALD	58	74	29	101	58	74	29	101
20-Apr-18	BUSHRA RAHU MUHAMMAD	HOUSE # 1-4 BLOCK # 1 ST # STREET : AREA : SALAKAT MUHAMMAD NEAREST LAND MARK : CITY : NO 1 IN ROAD LAHORE	BUSHRA RAHU MUHAMMAD CNC: 3025-106024-8	RAHU MUHAMMAD	49	79	-	128	49	79	-	128
20-Apr-18	AMANAT ALI	HOUSE # 1 BLOCK # 1 ST# ITTEHAD COLONY STREET : AREA : NR 10 DEPARTMENT GANCH RAHRI NEAREST LAND MARK : CITY : SADQI LAHORE	AMANAT ALI CNC: 3621-048272-3	RAHMAN	475	89	-	563	475	89	-	563
20-Apr-18	Zia ul Rehman Toor	HOUSE # 1-3-4 BLOCK # 1 STREET : STREET NO 10 SECTOR : SECTOR 1-4 NEAREST LAND MARK : CITY : SAWAAB	ZIA UL REHMAN TOOR CNC: 34151-252574-7	ABDUL REHMAN TOOR	494	83	-	577	494	83	-	577
20-Apr-18	AMRIB KHAD	HOUSE # 1-AB BLOCK # 1 BLOCK # 13-0-1 STREET : AREA : GULSHAN-E-KHALID NEAREST LAND MARK : CITY : KARACHI	AMRIB KHAD CNC: 42151-2287913-3	SYED MUHAMMAD SHAO	525	103	-	628	525	103	-	628
20-Apr-18	ADWA MIR BOOB WATO	HOUSE # 1000 BLOCK # 1 STREET # 42 BLOCK # 2 PHASE II STREET : AREA : OXFORD OFFICE GHAZI ROAD DR NEAREST LAND MARK : CITY : LAHORE	ADWA MIR BOOB WATO CNC: 3025-981728-8	MAKATHIR MOHAMMAD	560	115	-	685	560	115	-	685
20-Apr-18	ALI AMER KHAN	HOUSE # 17 BLOCK # 1 JAWED BLOCK STREET : AREA : NEW GREEN TOWN NEAREST LAND MARK : CITY : LAHORE	ALI AMER KHAN CNC: 3025-597055-8	AMER SHUAIB KHAN	566	104	-	1,130	566	104	-	1,130
20-Apr-18	KHAWAR NISHEEMOOD	HOUSE # 179 BLOCK # 1 BLOCK # 11 UND MARK : CITY : LAHORE	KHAWAR NISHEEMOOD CNC: 3025-022026-7	KHALID MEHWOD	401	84	-	585	401	84	-	585
20-Apr-18	ZAUROD MAN	HOUSE # 4-92-D BLOCK # 1 RAFTOG STREET : AREA : JOHAR TOWN NEAREST GOLDEN STREET : AREA : LINE 14 NEAREST LAND MARK : CITY : LAHORE	ZAUROD MAN CNC: 4221-030003-3	ABDUR RD MAN	498	84	-	582	498	84	-	582
20-Apr-18	MUHAMMAD ZEESHAN	HOUSE # 1-85 BLOCK # 1 SECTOR 5B-2 AREA STREET : AREA : NORTH KARIMAGH NEAREST LAND MARK : KARIM 1 MINUT GHORIKA CITY : KARACHI	MUHAMMAD ZEESHAN CNC: 4241-751205-7	SHWALIHEED	496	107	-	603	496	107	-	603

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					Principal	Interest / Margin	Other	Total 5+6+7+8				
1	2	3	4	5	6	7	8	9	10	11	12	
30-Apr-18	MUHAMMAD NAWAZ	HOUSE # 458 BLOCK 8 SECTOR C-2 GREEN TOWN STREET : AREA: NEAREST LAND MARK : CITY: LAHORE	MUHAMMAD NAWAZ CNC: 3620-361264-5	MUHAMMAD ASHRAF	436	86	-	522	64	96	-	562
30-Apr-18	ABDULKHAN BUTT	HOUSE # 2600 BLOCK # 9, FALT NO 3 BLOCK 3 STREET : AREA: SIR EYED AL HAMAM COLONY NEAREST LAND MARK : CITY: IQBAL TOWN LAHORE	ABDULKHAN BUTT CNC: 3620-1477194-5	ABDUL SHAKUR BUTT	300	91	-	391	56	91	-	391
30-Apr-18	UDAYAKRAN	HOUSE # 1 BLOCK 1 : STREET NO 17 MUSLIM PARK STREET : AREA: SHADMAN TOWN OFF PRADHA KOTI NEAREST LAND MARK : CITY: LAHORE	UDAYAKRAN CNC: 3620-3474034-4	MUHAMMAD AGRAM	317	136	-	623	107	136	-	623
30-Apr-18	JAWID SAFIULLAH	HOUSE # 1 BLOCK 4 : FLAT NO 04 DIL ARCADE STREET : AREA: MEDICAL HOUSING SOCIETY NEAREST LAND MARK : CITY: B-112 ISLAMABAD	JAWID SAFIULLAH CNC: 1320-4644574-8	SAFIULLAH JAW	508	89	-	594	56	89	-	594
30-Apr-18	MUHAMMAD AGRAM	HOUSE # 1 BLOCK 1 STREET # 1 STATION STREET : AREA: SHADMAN TOWN NEAREST LAND MARK : CITY: LAHORE	MUHAMMAD AGRAM CNC: 3620-2574034-5	ABARAJ	383	140	-	524	80	140	-	523
30-Apr-18	TAWFIQ ASLAM	HOUSE # 1-A-13 BLOCK 1 : 1ST FLOOR UNIT 101 REHMAN HI STREET : AREA: QUDIAWIA-420A NEAREST LAND MARK NEAR BIRD PARK CITY: KARACHI	TAWFIQ ASLAM CNC: 4220-398593-5	MUHAMMAD ASLAM KHAN	795	154	-	954	74	154	-	957
30-Apr-18	SABA TAHER	HOUSE # 211 BLOCK 10 STREET : AREA: NAJAFIATOWN NEAREST LAND MARK : CITY: LAHORE	SABA TAHER CNC: 3600-8503034-8	MUHAMMAD TAHER KHAN	391	140	-	1,138	91	140	-	1,138
30-Apr-18	ALI RIZWAN HUSSAIN	HOUSE # 1-FLAT # 401 BLOCK 9 : CORNICHE RESIDENCE 4TH FLOOR, STREET : AREA: CLIFTON BLOCK 4 NEAREST LAND MARK : BEACH, HOUSE CITY: KARACHI	ALI RIZWAN HUSSAIN CNC: 4200-9432014-5	REHWAZER HUSSAIN	1,332	246	-	1,578	121	246	-	1,577
30-Apr-18	HASSAN ASIF KHAN	HOUSE # 120 BLOCK 1 : ST 12 CAVALRY GROUND STREET : AREA: NEAREST LAND MARK : CITY: CAVALRY LAHORE	HASSAN ASIF KHAN CNC: 3620-153788-8	ASIF RASHID	1,022	236	-	1,267	122	236	-	1,267
2-May-18	Habib Ahmed Kapoor	HOUSE # 1001, BLOCK 1, DAULAH COOPERATIVE HOUSING SOCIETY KARACHI	Habib Ahmed Kapoor CNC: 4200-211036-7	GULMOHAMMAD DAFOOR	-	658	-	658	-	658	-	658
2-May-18	MUHAMMAD HAROON	HOUSE NO 3-ST # 13 MUHALA CAPTAIN JAWAL ROAD TAWFIK PARK SAGDA KALAN NEAR DERA MEHWAR SHAWALI	MUHAMMAD HAROON CNC: 3620-219529-7	MUHAMMAD MUNIR	703	76	7	786	703	76	7	785
2-May-18	SHAHID GULZAR	HOUSE # 18 BLOCK J PHASE 10KA	SHAHID GULZAR CNC: 3620-540399-7	SHAHID MUHAMMAD GULZAR	391	207	15	613	61	207	15	613
2-May-18	GHOUSE MOHID UDDIN	FLAT # A 406, ROH HEAVEN, NEAR KASHIF FOOD & CITY LARK, 15-01, GULSHAN-E-KRISHNA	GHOUSE MOHID UDDIN CNC: 4200-082393-5	MINBAGL QURESHI	307	116	40	543	307	116	40	543
2-May-18	ASAD LUQAN	Flat no 102, 3rd floor, area 2nd residency tree lane, near green tree bank	ASAD LUQAN CNC: 4200-7300294-8	LUQAN SAIDI ALI	302	133	38	533	302	133	38	533
2-May-18	MUHAMMAD AHMAD QURESHI	HOUSE # 12H BLOCK 9-N BLOCK MODEL TOWN EXTENSION STREET : AREA: NEAREST LAND MARK : CITY: LAHORE	MUHAMMAD AHMAD QURESHI CNC: 3620-294198-7	JAWID QASIM QURESHI	749	194	-	944	749	194	-	944
25-May-18	FASAL MUJAHID AHMED	HOUSE # 45-C BLOCK 9-A BLOCK MODEL PHASE 2 STREET : AREA: RISING ROAD NEAREST LAND MARK : CITY: LAHORE	FASAL MUJAHID CNC: 3620-298103-3	MARYAMAH MED	460	85	-	525	460	85	-	525
25-May-18	ALI QULI	HOUSE # 1-PLOT # 04-C BLOCK 9-2ND FLOOR 34TH COMMERCIAL STREET : AREA: STREET PHASE 2 EOT DHANI ARREST LAND MARK : NEAR MASTERS JADE CITY : KARACHI	ALI QULI CNC: 4200-071244-5	SHAMAN QULI	430	95	-	525	430	95	-	524
25-May-18	QASIM ALI	HOUSE # 5-EM BLOCK 9 : EEN VALUE HOMES STREET : AREA: MULSAN ROAD ET NO 715 NEAREST LAND MARK CITY:LAHORE	QASIM ALI CNC: 3600-039429-5	CHAUDHARY AHMED ALI	491	98	-	590	491	98	-	590
25-May-18	BALHASSAN	HOUSE # 340 BLOCK # 1 BLOCK STREET : AREA: JOHN TOWN NEAREST LAND MARK : CITY: LAHORE	BALHASSAN CNC: 3610-388180-3	MUHAMMAD ALI	890	126	-	1,016	890	126	-	1,016

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FOR THE YEAR ENDED DECEMBER 31, 2018

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STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2018

Wise of Date	Party Name	Address	Name of the Individual / 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 (1+2+3+4)
					Principal	Interest / Mark-up	Other	Total				
1	2	3	4	5	6	7	8	9	10	11	12	
31-May-18	MUHAMMAD ASAD JAVED	HOUSE # 5 BLOCK # ST # 1 STREET AREA: SECTOR I, RAKOOL PARK NEAREST LAND MARK: CITY: ABBAS TOWN LAHORE	MUHAMMAD ASAD JAVED CNC: 3020-6346257	KHALID JAVED	500	134	-	634	60	134	-	804
31-May-18	SHAZAARSHAD KHAN	HOUSE # 121 BLOCK # STREET NO 2 FILDON COMPLEX STREET: AREA: SHAHEED E MILAT ROAD NEAREST LAND MARK: CITY: KARACHI	SHAZAARSHAD KHAN CNC: 1108-0148524	ARSHAD KHAN	700	107	-	807	74	107	-	984
31-May-18	AMAN ISLAM	HOUSE # FLAT# 4 BLOCK # 4 BLOCS # 4 AND 5 NEAR APARTMENT STREET : AREA: CLIFTON NEAREST LAND MARK: NEAR TEEN DAHAR CITY : KARACHI	AMAN ISLAM CNC: 4201-4370374	BHERU LAL ISLAM	1,700	346	-	2,046	1,700	346	-	2,046
31-May-18	MUHAMMAD ISHTIAQ	HOUSE # 4-AZ BLOCK # 6 COMSATS STAFF COLONY STREET : AREA: DEFENCE ROAD OFF PAVING ROAD NEAREST LAND MARK: CITY: LAHORE	MUHAMMAD ISHTIAQ CNC: 17101-0380087	SAWAIR KHAN	400	72	-	472	40	72	-	504
31-May-18	MUHAMMAD SHAFIQ BASHIR	HOUSE # - FLAT NO 5-7 BLOCK # 1 BLOCS 1-2 SUNRISE APARTMENT STREET : AREA: CLIFTON NEAREST LAND MARK: NEAR ZAUZOON HOSPITAL CITY : KARACHI	MUHAMMAD SHAFIQ BASHIR CNC: 3105-8434767	OMAIDI BASHIR KHAN	404	67	-	571	40	67	-	638
31-May-18	ISRAA KHAN	HOUSE # 3-B BLOCK # 4 - OLYMPIA STREET HUA BLOCK STREET : AREA: ALIAMA MODEL TOWN NEAREST LAND MARK: CITY: LAHORE	ISRAA KHAN CNC: 34101-4623214	MUHAMMAD ISHQBEEED	471	106	-	577	471	106	-	577
31-May-18	MAMOONA	HOUSE # 75-76 BLOCK # 21 ACRE SCHEME NEAR STREET : AREA: BAHAWALI WAZIR NEAREST LAND MARK: SAMNABAD CITY : LAHORE	MAMOONA CNC: 3020-6183214	MAMDOOR ISLAM	500	129	-	629	50	129	-	629
31-May-18	JAWAD KHANNAJ	HOUSE # 10 BLOCK # 4 OFFICERS COLONY STREET : AREA: HO PUNJAB RANGERS LAHORE ZAFAR NEAREST LAND MARK: CITY: SHANED ROAD LAHORE	JAWAD KHANNAJ CNC: 3020-6680167	QAD MUKER G-ON	538	86	-	624	538	86	-	624
31-May-18	ALI ARSLAN	HOUSE # 10 BLOCK # ST NO 2 SAGED COLONY WAQAT RD STREET : AREA: UHORE NEAREST LAND MARK: CITY: LAHORE	ALI ARSLAN CNC: 3020-6179657	MUHAMMAD ALI	500	103	-	603	50	103	-	603
31-May-18	SHAHID HUSSAIN QURESHI	HOUSE # 13-G BLOCK # 1 STREET : AREA: GUJARIB ENDNEST LAND MARK: CITY: LAHORE	SHAHID HUSSAIN QURESHI CNC: 3020-6527545	AHMED HUSSAIN QURESHI	674	103	-	777	674	103	-	777
31-May-18	SHERAZ SHABBIR	HOUSE # A-1 BLOCK # 1 PLOT # ST-16 BUK # 6 STREET : AREA: GULSHAN-E-UHAR NEAREST LAND MARK: FA CRICKET ACADEMY CITY : KARACHI	SHERAZ SHABBIR CNC: 4201-1629073	SHWMMANIR	777	103	-	880	777	103	-	880
31-May-18	SAJID NASEEM	HOUSE # 1031 BLOCK # 1 NEW SUPER TOWN BEHIND TIVASI STREET : AREA: BANKMAN BUILDING DHAKA NEAREST LAND MARK: CITY: LAHORE	SAJID NASEEM CNC: 3020-6182750	MUHAMMAD UOF	500	103	-	603	50	103	-	603
31-May-18	SHARQIAHED	HOUSE # FLAT NO AA-210 BLOCK # 3 COUNTRY TRADE STREET : AREA: BUDA-2-A-3 SCHEME-31 NEAREST LAND MARK: GULZARA-E-HARI POLICE STATION CITY : KARACHI	SHARQIAHED CNC: 4201-4812701	QADIR SHARQIAHED	1,246	24	-	1,270	1,246	24	-	1,270
31-May-18	NASEEM PERVIZ SIDQUE	HOUSE # A-401 BLOCK # 1 BLDG 2ND FLOOR STREET : AREA: NORTH NAZ BLDG NEAREST LAND MARK: CITY: LAHORE	NASEEM PERVIZ SIDQUE CNC: 4201-9840466	MASOOB HUSSAIN SIDQUE	827	137	-	964	827	137	-	964
31-May-18	ABDUL ULLAH	HOUSE # 75 BLOCK # ST-1A-BAS COLONY STREET : AREA: THOKHAR NAZ BLDG NEAREST LAND MARK: CITY: LAHORE	ABDUL ULLAH CNC: 3020-6187963	RASER SHARIF	1,201	178	-	1,379	1,201	178	-	1,379
3-Jun-18	AMIN RAHEEED	WF3442, BLOCK#2 PUNJAB GOVT. EMPLOYEE COOPERATIVE HOUSING SOCIETY JINAH TOWN	AMIN RAHEEED CNC: 3020-6182921	OMAIDI RAHEEED	306	106	36	358	306	106	36	358
3-Jun-18	AWSTERAU	HOUSE NO 30, 1ST FLOOR STREET NO 0 STA LAUNCH NO 04 NEAR JUBILEE SNACK FAST FOOD	AWSTERAU CNC: 4201-9827041	AMRRAU	406	101	28	535	406	101	28	535

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2018

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2018

Rupees in '000

Written Off Date	Party Name	Address	Name of the Individuals / Partners/Directors (with C.N.C.C. No.)	Father's / Mother's / Husband Name	Outstanding Liabilities at beginning of year:				Principal Written-off	Interest / Margin written-off	Other Financial Relief Provided	Total (No. 10+11+12)
					Principal	Interest / Margin	Other	Total 5+6+7+8				
1	2	3	4	5	6	7	8	9	10	11	12	
27-Jun-18	SOHN SARFAT	HOUSE # 2 BLOCK # ST # 42, BLOCK/C STREET : AREA: BAHAR IBN ROAD NEAREST LAND MARK : CITY : LAHORE GATE	SOHN SARFAT CNC: 34021-2200108-9	WILK SARFAT ALI	40	8	-	52	40	8	-	52
27-Jun-18	SOHN ZAHRA KHAN	HOUSE # 302 BLOCK # WEST WENT STATE BLOCK/C STREET : AREA: 10 KHASIA CLIFTON NEAREST LAND MARK NEAR SAWALI HOUSE CITY:KARACHI	SOHN ZAHRA KHAN CNC: 42021-6447850-7	ZAFIR HUZNA KHAN	65	10	-	82	65	10	-	82
27-Jun-18	MUHAMMAD ALI	HOUSE # 1 FLAT # 4B-1 BLOCK # TABA APART 4TH FLOOR STREET : AREA: JAWAHIR NEAREST LAND MARK : 24TH CHOKI CITY:KARACHI	MUHAMMAD ALI CNC: 42021-740605-8	SALEEM RAZA	400	87	-	487	400	87	-	487
27-Jun-18	SAID NADEEM	HOUSE # 1127 BLOCK # 3 ST NO 31 UPPER POKTON NEW STREET : AREA: SUPER TOWN NEAREST LAND MARK : CITY : LAHORE	SAID NADEEM CNC: 36221-652755-6	MUHAMMAD LATIF	300	80	-	380	300	80	-	380
27-Jun-18	MUHAMMAD NAZR KHAN	HOUSE # 101 BLOCK # RAM BLOCK ALMA STREET : AREA: IDEAL TOWN 2ND FLOOR NEAREST LAND MARK : CITY : LAHORE	MUHAMMAD NAZR KHAN CNC: 36221-141365-6	MUHAMMAD AMEER KHAN	800	120	-	790	800	120	-	790
27-Jun-18	ZAFAR MEHMOOD KHOSAR	HOUSE # 1021 BLOCK # PHASE 5 5 BLOCK STREET : AREA: DHAK NEAREST LAND MARK : CITY : LAHORE	ZAFAR MEHMOOD KHOSAR CNC: 34021-647226-8	ABDUL LATIF KHOSAR	764	102	-	864	764	102	-	864
27-Jun-18	NADEEM WABBOOL QASHTI	HOUSE # 2-A/B BLOCK # 2 INNAKA VILLAGE GARDEN STREET : AREA: MOOSI COLONY NEAREST LAND MARK : SIALKOT DISTRICT CITY : KARACHI	NADEEM WABBOOL QASHTI CNC: 31021-674805-3	WABBOOL AHMED	1,201	362	-	1,563	1,201	362	-	1,563
27-Jun-18	ZAFIQ QARAJI	HOUSE # 411 FOR BLOCK/C STREET : AREA: NEW ADDA KHORE PUR ROAD NEAREST LAND MARK : NEAR MADINA GENERAL STORE CITY : ISLAMABAD	ZAFIQ QARAJI CNC: 42021-101265-7	SHAIW NAZAR	352	126	-	480	352	126	-	480
27-Jun-18	NADEEM ASLAM	HOUSE # 21 BLOCK # SHIVNAGAR CHURGI STREET : AREA: NEAR ASLAM HAUZ KHANA NEAREST LAND MARK : CITY : LAHORE	NADEEM ASLAM CNC: 36221-651601-3	MUHAMMAD ASLAM	400	86	-	500	400	86	-	500
27-Jun-18	UMER QADRI	HOUSE # 25 1/A BLOCK # ASKARI HEIGHTS STREET : AREA: ASKARI 1 NEAREST LAND MARK : CITY : LAHORE	UMER QADRI CNC: 36221-650005-8	ALIM QADRI SHAH	672	138	-	810	672	138	-	810
27-Jun-18	ZAREEN KHUSAR	HOUSE # FLAT # 13 BLOCK # LOAISAN BLOCK 4 STREET : LAND MARK : CITY : LAHORE	ZAREEN KHUSAR CNC: 32021-680024-2	NAVEED SAWAL	588	126	-	714	588	126	-	714
27-Jun-18	FASAL WADAR	HOUSE # 202-C BLOCK # 1 STREET : AREA: PHASE 3 POCHIS NEAREST LAND MARK : CITY : LAHORE	FASAL WADAR CNC: 36221-282096-6	RAWANDAR UL HASAN	404	83	-	500	404	83	-	500
27-Jun-18	SHAAZAD KHAN	HOUSE # 25-B BLOCK # 1 PUNJAB SOCIETY GHAZI ROAD STREET : AREA: DIANEAREST LAND MARK : CITY:LAHORE	SHAAZAD KHAN CNC: 36221-215986-4	ASIF NASOON KHAN	603	100	-	703	603	100	-	703
27-Jun-18	MANZOOR HUSSAIN	HOUSE # 41 BLOCK # 31 2 NADRA TOWN M STREET : AREA: BABA ZAFAR SCHME RUND ROAD NEAREST LAND MARK : CITY : LAHORE	MANZOOR HUSSAIN CNC: 34021-310404-1	NASR HUSSAIN	400	88	-	500	400	88	-	500
27-Jun-18	ZEEBAKAMALI MALIK	HOUSE # C 1ST BLOCK # MOVALA NATIONAL BANK COLONY STREET : AREA: SAWNAKH NEAREST LAND MARK : CITY : LAHORE	ZEEBAKAMALI MALIK CNC: 36221-610005-7	MUHAMMAD AHN MALIK	1,065	275	-	1,340	1,065	275	-	1,340
28-Jun-18	Javed Gulam Reesi	APP# 201 201 2ND FLOOR, PLZ NO 102-A, BLOCK/C PEDDA KARACHI	Javed Gulam Reesi CNC: 42021-470301-4	KWANJU GHULAM REESI	4,331	1,027	-	5,358	4,331	1,027	-	5,358
28-Jun-18	Anna Munawar Awan	HOUSE # 96 1ST FLOOR, WAKI SEPARATED ROAD, SECTOR 04-A, RABIA PHD ISLAMABAD	Anna Munawar Awan CNC: 61101-189754-6	WILK MUNAWAR KHAN AWWA	1,500	2,025	-	3,525	1,500	2,025	-	3,525
28-Jun-18	HASSAN ADUL RAUF SHEIKH	HOUSE # E-46 BLOCK # E-104/18 OFFICERS MESS STREET : AREA: INF BASE SHAFRAT FASIL NEAREST LAND MARK : CITY : KARACHI	HASSAN ADUL RAUF SHEIKH CNC: 32021-610205-3	ABDUL RAUF SHEIKH	400	76	-	500	400	76	-	500

Contd.

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2018

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2018

Rupees In '000

Wise of Date	Party Name	Address	Name of the Individual / Partners/ Directors (with C.N.C. No.)	Father's / Mother's / Husband Name	Outstanding Liabilities at beginning of year				Principal Written-off	Interest / Margin written-off	Other Financial Relief Provided	Total (10+11+12)
					Principal	Interest / Margin	Other	Total				
1	2	3	4	5	6	7	8	9	10	11	12	
21-06-18	FASIZAT DAHRA	HOUSE # 41 BLOCK # ST NO 1 ZUBAR ROAD BAHN PARK STREET AREA: RAJAHAN NEAREST LAND MARK: CITY: LAHORE	FASIZAT DAHRA CMC 3025-488048-8	MUHAMMAD RAZIQ	106	75	-	181	431	75	-	504
21-06-18	KIRAN SALAWAT	HOUSE # 4 BLOCK # 4 BUTI STREET DELIGUSA COLONY STREET AREA: KASHMARASID KOTLA KHAN KHAN NEAREST LAND MARK: CITY: LAHORE	KIRAN SALAWAT CMC 3021-788015-4	SALAWAT WASEEM IDOOR	439	138	-	577	436	138	-	544
21-06-18	TALIB ABBAS	HOUSE # 4-115 BLOCK # 4-BLOCK 4A STREET AREA: GULSTAN-E-OMRAN NEAREST LAND MARK: TIME BROD CITY: KARACHI	TALIB ABBAS CMC 4251-437079-3	SYED ABD HUSSAN ZADEH	400	92	-	502	449	92	-	541
21-06-18	ABDUL REHMAN	HOUSE # 4 BLOCK # ST # 11 KOTLY PEER ABDUL QAMAR STREET AREA: BAGHARA PURA NEAREST LAND MARK: CITY: LAHORE	ABDUL REHMAN CMC 3021-488032-1	ABDUL WAHEED	407	103	-	510	457	103	-	560
21-06-18	ABDUL QADIQUE	HOUSE # 4-5-9-E BLOCK # 3RD FUR STREET AREA: GULSTAN-E-OMRAN, MALKI 15 NEAREST LAND MARK: JAMILA NAZIR HOSPITAL CITY: KARACHI	ABDUL QADIQUE CMC 4251-313721-3	NADIR RUSIAN	407	72	-	500	407	72	-	528
21-06-18	ANUM RANA	HOUSE # 108 BLOCK # 1-KASHMER BLOCK ALI MUSA TOWN STREET AREA: NEAREST LAND MARK: CITY: LAHORE	ANUM RANA CMC 3021-047795-2	RANA MARSOOR AHMED	400	98	-	500	479	98	-	579
21-06-18	SYED SHAFQAT ALI	HOUSE # 4-47B BLOCK # 4-AKHIANA STREET # 4 BHARI TOWN STREET AREA: GULSHAN RANA NEAREST LAND MARK: CITY: LAHORE	SYED SHAFQAT ALI CMC 3023-084496-6	SYED MUHAMMAD REHAD ALI	401	99	-	500	401	99	-	500
21-06-18	MOHSEN WAJEED	HOUSE # 4-36-A BLOCK # J-JOHAR TOWN NR PAKISTAN STREET AREA: SCHOOL OF DESIGN & DESIGN NEAR NEAREST LAND MARK: CITY: MC DONALD LAHORE	MOHSEN WAJEED CMC 3022-013105-2	ABDU WAHEED	313	127	-	440	313	127	-	500
21-06-18	DEEPIKAJALI	HOUSE # 4-32 BLOCK # ST # 2 STREET AREA: MOHALLA NAWAB NADAR NEAREST LAND MARK: CITY: MUNIB BAZAR GATE SHAHJAHANABAD LAHORE	DEEPIKAJALI CMC 3021-751045-1	MUHAMMAD SADIQ	318	85	-	403	318	85	-	503
21-06-18	MUHAMMAD FAHEEM ISHWAR KHAN	HOUSE # 4-A BLOCK # 4-CARBAR STREET STREET AREA: LIAK ROAD MODEL TOWN NEAREST LAND MARK: CITY: LAHORE	MUHAMMAD FAHEEM ISHWAR KHAN CMC 4251-037045-8	MUHAMMAD NAZIM	304	108	-	412	303	108	-	512
21-06-18	JAWAD WAJED AHMED	HOUSE # 4-36 BLOCK # 4-BLOCK 4 STREET AREA: RAHOUING SOCIETY NEAR YARSHI NEAREST LAND MARK: CITY: TOWN LAHORE	JAWAD WAJED AHMED CMC 3022-099026-1	CHAUDHRY WAJED AHMED	304	130	-	434	304	130	-	500
21-06-18	MUHAMMAD JAWAD FEROZ KHAN	HOUSE # 4-04 BLOCK # 4-BLOCK 8 PECHI STREET AREA: JAWAD KHAN TOWN NEAREST LAND MARK: CITY: KARACHI	MUHAMMAD JAWAD FEROZ KHAN CMC 4251-047702-1	FEROZ KHAN ASIF KHAN	2,000	330	-	2,330	2,000	330	-	2,330
21-Aug-18	MUHAMMAD HAMMAD ISHWAR KHAN	HOUSE # 4-20A BLOCK # 4-GULSHAN CLINIC STREET AREA: GULSHAN E RAM MR SERGE SHOE NEAREST LAND MARK: CITY: LAHORE	MUHAMMAD HAMMAD ISHWAR KHAN CMC 3024-711995-3	SADIQ JAWAD KHAN	438	89	-	527	438	89	-	527
21-Aug-18	MUHAMMAD KAMRAN	HOUSE # 4-12 BLOCK # 5-BLOCK 5 STREET AREA: ALI PARK ALI BODDIO STREET NEAREST LAND MARK: CITY: PARKER HOMES KOT LALPIT LAHORE	MUHAMMAD KAMRAN CMC 0101-084021-1	SHAHZAD KHAN	479	85	-	563	479	85	-	563
21-Aug-18	ABIF TAWFIQ DURAN	HOUSE # 4- BLOCK # 4-STREET AREA: PEACE BOYS HOTEL NEAREST LAND MARK: CITY: BEGUM TOWN MOR. FEROZPOR ROAD LAHORE	ABIF TAWFIQ DURAN CMC 17191-824676-3	MUHAMMAD ISHAR DURAN	408	95	-	503	408	95	-	503
21-Aug-18	ATIA KHANUM	HOUSE # 4-14 BLOCK # ST # 4 SHAH JAHAN ROAD BIL 6 STREET AREA: MR BANK AL RAMS NEAREST LAND MARK: CITY: LAHORE	ATIA KHANUM CMC 3022-079015-8	MUHAMMAD IRSHAD BUTT	317	98	-	415	317	98	-	415
21-Aug-18	SHARNAJ JAWAD KHANISHM	HOUSE # 25A BLOCK # 4-ST # 26 GHADA ABID MAIN BAZAR STREET AREA: NEAR SHABD PAN SHOP NEAREST LAND MARK: CITY: LAHORE	SHARNAJ JAWAD KHANISHM CMC 3041-282960-1	MUHAMMAD JALLAISYER KHANISHM	206	115	-	321	206	115	-	321

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2018

SILKBANK LIMITED

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					Principal	Interest / Margin	Other	Total 5+6+7+8				
1	2	3	4	5	6	7	8	9	10	11	12	
26-Aug-18	FASALI MR.	HOUSE # 466 BLOCK F STREET AREA: ST 16 SECTOR 8 ASKARI XI NEAREST LAND MARK : CITY LAHORE	FASALI MR. CNO: 3400-026065-3	FASALI MR.	150	15	-	130	10	55	-	130
26-Aug-18	MUBASHIRU	HOUSE F-5-16 BLOCK F : BLOCK 13 STREET : AREA: 73 AREA NEAREST LAND MARK : MI WATER PUMP ROUND ABOUT CITY : KARACHI	MUBASHIRU CNO: 4201-026138-3	MUBASHIRU	160	16	-	130	10	56	-	130
26-Sep-18	ASAD WAHMOOD	HOUSE # 1-FLAT NO 3 BLOCK F : BLOCK 65 SECTOR C STREET : AREA: ASKARI 11 NEAREST LAND MARK : CITY : LAHORE	ASAD WAHMOOD CNO: 3700-026702-6	ASAD WAHMOOD	140	20	-	120	10	50	-	120
26-Sep-18	SYED MAHEED NADER	HOUSE # 1-C-545-1 BLOCK 8 : BLK 14 STREET : AREA: SULTANAH-JOHAR NEAREST LAND MARK : CITY : KARACHI	SYED MAHEED NADER CNO: 4201-027179-7	SYED SALIM NADER	130	20	-	100	10	30	-	100
26-Sep-18	SYED MUHAMMAD FARHAN	HOUSE # 1-B-538 BLOCK F : BL-15 STREET : AREA: 73 AREA NEAREST LAND MARK : JAWED NAWAB CITY : KARACHI	SYED MUHAMMAD FARHAN CNO: 4201-026421-1	SYED MUHAMMAD ISHAQUE	120	15	-	90	10	30	-	90
26-Sep-18	ASAD RAZA	HOUSE # 1 ROOM 21 OFFICER BLOCK # OFFICER BLOCK 65P PUNJAB POLICE STREET : AREA: TELECOMMUNICATION LEGAL TELECOM NEAREST LAND MARK : CITY : GURBANI KHANA LIVRE	ASAD RAZA CNO: 3401-026601-4	ASAD RAZA	40	5	-	30	10	15	-	30
26-Sep-18	MUHAMMAD RAHN	HOUSE # 42 BLOCK A : ST 16 NOHALLA STREET : AREA: MR DARBAR MAN MIR DAYAN PURA NEAREST LAND MARK : CITY : LAHORE	MUHAMMAD RAHN CNO: 3200-026026-1	MUHAMMAD RAHN	40	10	-	30	10	10	-	30
26-Sep-18	NADEEM AHMED QURESHI	HOUSE F-1-FLAT NO 15 BLOCK F : 5TH FLOOR EDEN HEIGHTS JAH ROAD STREET : AREA: MAN QULIBER NEAREST LAND MARK : CITY : LAHORE	NADEEM AHMED QURESHI CNO: 3201-026262-5	NADEEM AHMED QURESHI	70	15	-	50	10	25	-	50
26-Sep-18	WAIS ALI	HOUSE # 1-B-2 BLOCK 4 : ST 4 DS PEER COLONY WALTON STREET : AREA: ROAD CANTT NEAREST LAND MARK : CITY : LAHORE	WAIS ALI CNO: 3202-026666-4	WAIS ALI	40	10	-	30	10	10	-	30
26-Sep-18	ZAHID WAHMOOD	HOUSE F-42 BLOCK F : ST NO 15 CHAW STREET STREET : AREA: HAJ PARK CHAWA CHOKH RA NEAREST LAND MARK : CITY : CHAW LAHORE CANTT	ZAHID WAHMOOD CNO: 3401-027165-5	ZAHID WAHMOOD	40	10	-	30	10	10	-	30
26-Sep-18	KAUSSAR NASEEM	HOUSE # 423 BLOCK 8 : PADALI COLONY STREET : AREA: JOHAR NEAREST LAND MARK : CITY : LAHORE	KAUSSAR NASEEM CNO: 3202-027165-2	KAUSSAR NASEEM	40	10	-	30	10	10	-	30
26-Jul-18	DANISHAHMED QURESHI	HOUSE # 17111 BLOCK 8 : 34TH STREET STREET : AREA: PHASE-4, EXT 2, KANNEST LAND MARK : CITY : KARACHI	DANISHAHMED QURESHI CNO: 4201-027134-5	DANISHAHMED QURESHI	70	15	-	50	10	15	-	50
26-Jul-18	MUHAMMAD NABIR CHAUDHRY	HOUSE # 18-A BLOCK F : EDUCATION TOWN STREET : AREA: 14/14/14 ROAD NEAREST LAND MARK : CITY : LAHORE	MUHAMMAD NABIR CHAUDHRY CNO: 3202-026716-3	MUHAMMAD NABIR CHAUDHRY	70	10	-	50	10	10	-	50
26-Jul-18	SAEED IQBAL SADIO	HOUSE # 1 BLOCK F : QUAD EAZAM COLONY UMBRI STREET : AREA: QPO CHMAGL CAMP NEAREST LAND MARK : CITY : BAWALPINDI	SAEED IQBAL SADIO CNO: 3700-026629-8	SAEED IQBAL SADIO	50	10	-	30	10	10	-	30
26-Jul-18	SHAFIQUEAHMED	HOUSE # 1-10 BLOCK F : STREET : AREA: FIRST FLOOR PMML MAN HOTEL NEAREST LAND MARK : CITY : LAHORE	SHAFIQUEAHMED CNO: 3204-026215-6	SHAFIQUEAHMED	40	5	-	30	10	10	-	30
26-Jul-18	IRFAN IQBAL	HOUSE # 1-B BLOCK F : AL RAHEEM GARDENS STREET : AREA: PHASE 4 GT ROAD DWARKA NEAREST LAND MARK : CITY : LAHORE	IRFAN IQBAL CNO: 3202-026666-8	IRFAN IQBAL	40	5	-	30	10	10	-	30
26-Aug-18	SHAHZAD	HOUSE # 265 BLOCK F : STREET # 16, KOT BAHAL BHOG STREET : AREA: QPP JARR STREET RAMNOH ROAD NEAREST LAND MARK : CITY : LAHORE	SHAHZAD CNO: 3202-026797-7	SHAHZAD	10	10	-	70	10	10	-	70
26-Sep-18	SHAHZAD ALI	HOUSE # 1-MD BLOCK F : PUNJAB CORPORATE STREET : AREA: HOUSING SOCIETY NEAREST LAND MARK : CITY : LAHORE	SHAHZAD ALI CNO: 3202-026634-7	SHAHZAD ALI	50	10	-	30	10	10	-	30

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FOR THE YEAR ENDED DECEMBER 31, 2018

SILKBANK LIMITED

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Writ-off Date	Party Name	Address	Name of the Individual / 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 (1+2+3+4)
					Principal	Interest / Mark-up	Other	Total (5+6+7+8)				
1	2	3	4	5	6	7	8	9	10	11	12	
29-Sep-18	ARIF ZAMAN	HOUSE # 165 BLOCK F, BLOCK # 1, SEABROOK APARTMENT, STREET: AREA: CLIFTON NEAREST LAND MARK: NEAR ZAIDI HOSPITAL CITY: KARACHI	ARIF ZAMAN CNC: 4221-408940-2	WAHLIA DA BUX	584	156	-	1,000	584	156	-	1,000
29-Sep-18	SOHAIL AYUB	HOUSE # 165 BLOCK F - H BLOCK, GABRATIAN STREET - AREA: LAJAT CHOKH VILLAT NEAREST LAND MARK: CITY: ROAD LAHORE	SOHAIL AYUB CNC: 3221-237079-1	SHEDDAD MUHAMMAD ISKANDAR	739	148	-	907	739	148	-	907
29-Sep-18	SYED ALI ASGHAR JAFFERY	HOUSE # 37 BLOCK 9 - JAWAL HOMES NEAR STREET: AREA: NASH-E-KAWNAQ NEAREST LAND MARK: CITY: LAHORE	SYED ALI ASGHAR JAFFERY CNC: 3221-029041-8	SYED HUSSEIN KHUSAIN JAFFERY	311	134	-	735	311	134	-	735
4-Aug-18	MASOUD AHMED KHAN	HOUSE # 493 STREET 14 SAIFAN VILLAS SABAQ TOWN LAHORE	MASOUD AHMED KHAN CNC: 3221-379134-8	CHOKDAH WANI KHAN	481	134	27	502	481	134	27	502
4-Aug-18	MUHAMMAD FARHAN	FLAT # 4-H RAZA SQUARE 1ST FLOOR, BLOCK # 12 GULBRAHIM 6-QMAL NEAR AL-ZAFIR PARK KARACHI	MUHAMMAD FARHAN CNC: 4221-232617-1	MUHAMMAD YASIR	401	62	47	500	401	62	47	500
4-Aug-18	SHEIKH NAMEED	HOUSE # 192 STREET NO 19-G-101 NEAR Q-11 MAROON GLAMASIA	SHEIKH NAMEED CNC: 3221-387034-8	SHOOGI BASHIR KHAN	584	381	29	1,004	584	381	29	1,004
4-Aug-18	KHALID SALEEM	HOUSE # 5 FEROZ LANE PISHWARI ROAD RAMPAKCI CANTT RAMPAKCI	KHALID SALEEM CNC: 3221-391886-1	SADQUI	-	407	43	500	-	407	43	500
2-Aug-18	SHAHZAD KHAN	HOUSE # 8-H-3 NESSAR COLONY CANTT LAHORE	SHAHZAD KHAN CNC: 3221-024101-7	ABDU RD SHAHZAD KHAN	486	111	41	607	486	111	41	607
2-Aug-18	SOHAL	HOUSE # 1546, SECTOR 15-XAL TAKI TOWN NORTH KARACHI NEAR ALAMIA PLAZA KARACHI	SOHAL CNC: 4221-871026-3	QAQUA AJ	473	103	28	603	473	103	28	603
2-Aug-18	ARIF ZAMAN	FLAT # 4-H SEABROOK APARTMENTS BLOCK # 1 CLIFTON NEAR ZAIDI HOSPITAL KARACHI	ARIF ZAMAN CNC: 4221-408940-2	WAHLIA DA BUX	410	142	29	580	410	142	29	580
4-Aug-18	Mohamed Ashraf	STREET # 02, MOULAH TIBAULABAD	Mohamed Ashraf CNC: 3121-658861-8	MUHAMMAD HUSAIN	1,066	76	-	1,144	1,066	76	-	1,144
4-Aug-18	Amin Hussain	HOUSE # 154, STREET # 17, SECTOR F-12L	Amin Hussain CNC: 3121-674264-1	ZAIDAH Y MUHAMMAD HUSAIN	-	2,899	-	2,899	-	2,899	-	2,899
13-Sep-18	Muztahid Zafar Dar	HOUSE # 102-C, ASKARI HOUSING, NOOR ALLAHIA QMAL INTERNATIONAL AIRPORT	Muztahid Zafar Dar CNC: 3221-729903-3	ZAFARULLAH DAR	-	16,175	-	16,175	-	16,175	-	16,175
13-Sep-18	Rasheed Ali Zaidi	HOUSE # 101, 10TH E-8 QUATT, PRASAC	Rasheed Ali Zaidi CNC: 4221-797564-3	SYED HASBAN ABDULLAH ZAIKI LATE	-	7,880	-	7,880	-	7,880	-	7,880
29-Oct-18	SHABRAHMEED	HOUSE # 1703 MC-47N BLOCK # 2ND FLOOR STREET: AREA: GREEN TOWNSHIP NEAREST LAND MARK: AREA: 401 SHABRAHMEED MEDICAL STORE CITY: KARACHI	SHABRAHMEED CNC: 3221-287114-7	SABRULI	571	715	-	1,200	571	715	-	1,200
29-Oct-18	ADIL YAHYI	HOUSE # 1- BLOCK # 1- ST # 5 MONA COLONY, DIP SHAD 1 STREET: AREA: DORDGAH NEAREST LAND MARK: CITY: LAHORE	ADIL YAHYI CNC: 3221-182264-7	MUHAMMAD YAHYI	474	93	-	567	474	93	-	567
29-Oct-18	SOHAL QAISER	HOUSE # 1-H-2 BLOCK # 2ND FLOOR, SECTOR 4-E STREET: AREA: NEW KARACHI NEAREST LAND MARK: ALTAJAH WAJID MADINA COLONY CITY: KARACHI	SOHAL QAISER CNC: 3221-187064-1	MUHAMMAD QAISER	407	86	-	500	407	86	-	500
29-Oct-18	ABDUL RASHED	HOUSE # 1619 BLOCK # 5E-4-E MONA COLONY STREET: AREA: NEW KARACHI NEAREST LAND MARK: YOUSUF FOOD CENTER CITY: KARACHI	ABDUL RASHED CNC: 4221-612766-8	ABDUL WAHEED	574	137	-	1,001	574	137	-	1,001
29-Oct-18	MUHAMMAD ARSHAD IQBAL	HOUSE # 1- FLAT 1023 II BLOCK # 10-B FLOR SHABRAHMEED STREET: AREA: BUS 2 CLIFTON NEAREST LAND MARK: ADWAJAH HOSPITAL CITY: KARACHI	MUHAMMAD ARSHAD IQBAL CNC: 3221-214255-3	QHUN MUHAMMAD IQBAL	496	84	-	580	496	84	-	580

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2018

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2018

Rupees in '000

Written Off Date	Party Name	Address	Name of the Individuals / Partners/Directors (with C.N.C.C. No.)	Father's / Mother's / Husband Name	Outstanding Liabilities at beginning of year:				Principal Written-off	Interest / Margin written-off	Other Financial Relief Provided	Total (No. 10+11+12)
					Principal	Interest / Margin	Other	Total 5+6+7+8				
1	2	3	4	5	6	7	8	9	10	11	12	
29-Oct-18	HUSSAIN SADIQATEHAR GUJ.	HOUSE # 302 BLOCK F, DARS COLONY STREET : AREA: NEEMAR 8TH NEAREST LAND MARK : PARCO E. ADNIK NAZI CITY : JARRACH	HUSSAIN SADIQATEHAR GUJ. CMC 42401-5418043-3	KHAW BODNAW	500	102	-	602	500	102	-	602
29-Oct-18	ABDUL ISKANDER	HOUSE # 255-A BLOCK # 1 ST # 22 STREET : AREA: 1-7 NEAREST LAND MARK : CITY : ISLAMABAD	ABDUL ISKANDER CMC 51101-040867-7	MUHAMMAD MAHZUZ ISKANDER	75	100	-	175	75	100	-	175
29-Oct-18	MUHAMMAD ASIF IQBAL	HOUSE # 1-FAZI HB BLOCK # 2 CROWN PLAZA 2ND FLOOR STREET : AREA: G-15 NEAREST LAND MARK : CITY : ISLAMABAD	MUHAMMAD ASIF IQBAL CMC 3701-072261-7	JAMIL IQBAL	92	107	-	199	92	107	-	199
29-Oct-18	MALIK ARSHAD AMIN	HOUSE # 12 E, BLOCK # 1 PHASE 1 NR. DHAULI GAS STREET : AREA: CO-OPERATIVE HOUSING NEAREST LAND MARK : CITY: SOCIETY LAHORE	MALIK ARSHAD AMIN CMC 32014-14734-4	MALIK SHOAIKH AMIN	500	102	-	602	500	102	-	602
29-Oct-18	MUHAMMAD SAEEED	HOUSE # 1-28 BLOCK # 27 H1 GULSTAN COLONY GANDHI STREET : AREA: MAMR SACHI 1-7 NEAREST LAND MARK : CITY : LAHORE	MUHAMMAD SAEEED CMC 32021-147425-5	MORAL DIN	82	104	-	186	82	104	-	186
29-Oct-18	MUHAMMAD TARIQ	HOUSE # 25 BLOCK # 4 NEAR CHUBBIA PARK MATA ROAD STREET : AREA: NR WISID AL HILAH NEAREST LAND MARK : CITY : LAHORE	MUHAMMAD TARIQ CMC 32023-320865-7	ABDUL WAHEED	800	106	-	906	800	106	-	906
29-Oct-18	FAISAL MUJTAHID	HOUSE # 386 BLOCK # 1 ST NO. 31 STREET : AREA: SECTOR E ASKARI 11 NEAREST LAND MARK : CITY : LAHORE	FAISAL MUJTAHID CMC 34001-300679-7	MUJTAHIDA MUJTAHID	800	146	-	1,036	800	146	-	1,036
29-Oct-18	SYED ARAFAHU SURKHI	HOUSE # 4-25 BLOCK # 1-1 BLOCK JAHAR TOWN STREET : AREA: NEAREST LAND MARK : CITY : LAHORE	SYED ARAFAHU SURKHI CMC 42051-77927-3	SULTANA SURKHI SURKHI	300	108	-	418	300	108	-	418
30-Nov-18	SYED TAWFIQ HADER	HOUSE # 1-26 BLOCK # 1 SUKHA STREET AREA: GULLISTAN-E-JOHAR NEAREST LAND MARK : NEAR DARYA SEWA HOSPITAL CITY : JARRACH	SYED TAWFIQ HADER CMC 42051-280671-7	SYED SALIM HADER	400	103	-	503	400	103	-	503
30-Nov-18	SYED NOMAN AHMED RAHMAN	HOUSE # 1-BLOCK # 1 BLOCK H2 STREET : AREA: JOHN TOWN NEAREST LAND MARK : CITY : LAHORE	SYED NOMAN AHMED RAHMAN CMC 42051-4001321-9	MUSTAQIMAH RAHMAN	400	95	-	495	400	95	-	495
30-Nov-18	MUHAMMAD UMAR CHOTIA	HOUSE # 1-BLOCK # 1-1 VILLAS STREET : AREA: CARDO ROAD SWALI NEAREST LAND MARK : CITY: NAKAZ ISLAMABAD	MUHAMMAD UMAR CHOTIA CMC 37035-070621-7	RASHID ALI CHOTIA	1,000	175	-	1,175	800	175	-	1,175
30-Nov-18	HAIDER RASHEED FAROOQI	HOUSE # 1-500 BLOCK # 1-1 NARVI SERVICE ROAD STREET : AREA: G-102 NEAREST LAND MARK : NEAR MRDX CHOKI CITY : ISLAMABAD	HAIDER RASHEED FAROOQI CMC 32051-240913-7	HAIDER RASHEED FAROOQI	400	101	-	501	400	101	-	501
30-Nov-18	SYED SAMIR HUSSAIN SHAH	HOUSE # 1-BUS NO 1-B BLOCK # 1 TALUKDAHIAN ARCADE STREET : AREA: FROUDS MARKET GULSHAN E 8 NEAREST LAND MARK : CITY : LAHORE	SYED SAMIR HUSSAIN SHAH CMC 32023-402464-3	SYED ABDU HUSSAIN SHAH	1,000	208	-	1,208	1,000	208	-	1,208
30-Nov-18	ASTER NASREEN	HOUSE # 1-26 BLOCK # 1 DAUGHAST BAHRI COLONY STREET : AREA: KOT LANKOT NEAREST LAND MARK : CITY : LAHORE	ASTER NASREEN CMC 32021-302268-8	JOHN PETERSON	500	107	-	607	500	107	-	607
30-Nov-18	AAMIR AHMAD RAZ	HOUSE # 1-18 BLOCK # 1-1 BLOCK 1 SECTOR 03 STREET : AREA: GREEN TOWN NEAREST LAND MARK : CITY : LAHORE	AAMIR AHMAD RAZ CMC 32021-840374-5	RAZAHMAD	900	179	-	1,079	800	179	-	1,079
30-Nov-18	SHABANA AZIZ	HOUSE # 1-15-E BLOCK # 1 STREET # 3 GULSHAN COLONY STREET : AREA: NEAREST LAND MARK : CITY : CANTT LAHORE	SHABANA AZIZ CMC 32023-402367-2	GAD ZAHRA IL QORN	400	88	-	488	400	88	-	488
30-Nov-18	MUHAMMAD BRAHEEM	HOUSE # 470 BLOCK # 1 BLOCK C1 JOHAR TOWN STREET : AREA: NEAREST LAND MARK : CITY : LAHORE	MUHAMMAD BRAHEEM CMC 32021-790424-7	MUHAMMAD RAHUL	700	143	-	843	700	143	-	843

Contd.

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2018

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2018

Writ. off Date	Party Name	Address	Name of the Individual / 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 (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	Rupees In '000
10-Nov-18	SAJJADASHRAF	HOUSE # 157 BLOCK # D BLOCK ST NO 10 WAKHAR COLONY STREET - AREA: NEAR GLOBAL VISION NEAREST LAND MARK: CITY: LAHORE	SAJJADASHRAF CNC 3020-987004-3	ASHRAF DAU	600	125	-	725	600	125	-	725
27-Dec-18	MUDDASIRAHMAD QEDDA	HOUSE # 1 BLOCK # 1 STREET : AREA: NEAR HAMEED SAGHAN NEAREST LAND MARK : CITY: ISLAM COLONY NEAR BELLAHOTEL AND BANK ALTAJAH WALI GAZI RAMZIND ROAD LAHORE	MUDDASIRAHMAD CHEEMA CNC 3020-142604-3	KHODI HUSSEN CHEEMA	400	81	-	481	400	81	-	481
27-Dec-18	KHAWARABAS	HOUSE # 1-37 BLOCK # 12 STREET : AREA: INAPTA TOWN NEAREST LAND MARK : CITY: LAHORE	KHAWARABAS CNC 3021-937467-7	OLDARHUSSAIN BHAI	700	104	-	804	700	104	-	804
27-Dec-18	MUHAMMAD HASSAN DEHSO	HOUSE # 3-H BLOCK # 151 FUL RONWING SOCTY STREET : AREA: BUKT GUZIANKE JAHAN NEAREST LAND MARK: ADJACENT TO RSNAWAH HOSPITAL CITY: KARACHI	MUHAMMAD HASSAN DEHSO CNC 4101-642514-7	DEHSO MUHAMMAD	540	107	-	647	540	107	-	647
27-Dec-18	ZEESHAN ALI KHAN	HOUSE # A-C BLOCK # 8 SUKHWAN TOWN BLK 10-A STREET : AREA: GULPAN 1 ISQAL NEAREST LAND MARK : USQANTA RESTAURANT CITY: KARACHI	ZEESHAN ALI KHAN CNC 4201-98645-8	SHAFQ ALI KHAN	702	140	-	842	702	140	-	842
27-Dec-18	MUHAMMAD SALEM	HOUSE # 1-3 BLOCK # 1 STREET 3 STREET : AREA: GHOSHA TOWN LAKHARI ROAD NEAREST LAND MARK: NEAR BANK MERRAGE HILL CITY: ISLAMABAD	MUHAMMAD SALEM CNC 4204-029432-3	ALIWAJID BROS	547	112	-	659	547	112	-	659
27-Dec-18	ASF JOHN	HOUSE # 1-15-A BLOCK # 1 PATA VILLA CHOKI ANNA STREET : AREA: HUMA NEAREST LAND MARK : CITY: ISLAMABAD	ASF JOHN CNC 8101-028164-1	ROBIN GHOSH	438	91	-	529	438	91	-	529
27-Dec-18	NASEEM AHMED	HOUSE # 1-10 F KM BLOCK # 1ST FLOOR, SALDAD APP STREET : AREA: E-15 NEAREST LAND MARK : CITY: ISLAMABAD	NASEEM AHMED CNC 8101-027105-8	NOOR MUHAMMAD	479	94	-	564	479	94	-	564
27-Dec-18	MUHAMMAD RAHMAN JAHAN NAZ	HOUSE # 384-H BLOCK # 1 MORALA CHULSTAN STREET : AREA: NEAREST LAND MARK : CITY: RAWALPINDI	MUHAMMAD RAHMAN JAHAN NAZ CNC 3705-148891-3	ADMIR ULLAH JAHAN NAZ	402	78	-	540	402	78	-	540
27-Dec-18	ANES JAWID	HOUSE # 259-267 BLOCK # 1 NAMIK CHOK # 1 MEHTAR TOWN STREET : AREA: LODHAR BADAN ROAD NEAREST LAND MARK : CITY: NEAR SHEHZAD SMART HOSPITAL LAHORE	ANES JAWID CNC 3021-739467-7	YOUNAS JAWID	500	100	-	600	500	100	-	600
27-Dec-18	AMNA ISMAIL	HOUSE # 1-208 BLOCK # D BLOCK STREET : AREA: PAKWAN HOUSING NEAREST LAND MARK : CITY: SOCIETY LAHORE	AMNA ISMAIL CNC 3021-942665-3	AHMAD JAWAN	474	94	-	568	474	94	-	568
27-Dec-18	UMERA J	HOUSE # 1-B BLOCK # 1-XIV BUILDING STREET : AREA: NEAR KPS ACADEMY NEAREST LAND MARK : CITY: PONCH ROAD CHOBBI CHOK LAHORE	UMERA J CNC 3010-381607-1	SHOUQAT JAWAN	408	97	-	505	408	97	-	505
27-Dec-18	MTAZ HUSSAIN	HOUSE # 1 BLOCK # 1 ST NO 14 STREET : AREA: BAWALA-SHALWAR NEAREST LAND MARK : CITY: TOWN IRSHADIA STORE LABBAU LAHORE	MTAZ HUSSAIN CNC 3021-942694-6	RAZ HUSSAIN	446	91	-	537	446	91	-	537
27-Dec-18	SUMBAL JAWID	HOUSE # 1 BLOCK # 1 AL RASHID ELMAT STREET : AREA: NEW SHAK KHAN COLONY NEARNEST LAND MARK : CITY: MR CHOWKARIGARH LAHORE	SUMBAL JAWID CNC 3020-986264-8	SEAL JAWID	700	106	-	806	700	106	-	806
27-Dec-18	TARIQ MASHRIQ	HOUSE # 1-251-4 BLOCK # 1 MODE COLONY STREET : AREA: NEAREST LAND MARK : CITY: LAHORE	TARIQ MASHRIQ CNC 3021-037037-1	AGARWAL	650	134	-	784	650	134	-	784
27-Dec-18	MAUD NAJAF	HOUSE # 140/H BLOCK # 1 STREET : AREA: A BLOCK SHW REHDAI ALW COLONY NEAREST LAND MARK : CITY: MULANA	MAUD NAJAF CNC 3020-942235-1	HAQ NAJAF	400	100	-	500	400	100	-	500
27-Dec-18	SYED JAMIL ASGHAR NAQI	HOUSE # 250 BLOCK # 1/E/B BLOCK # 1 STREET : AREA: PRO-HOUSING SOCIETY NEAREST LAND MARK : CITY: ISL	SYED JAMIL ASGHAR NAQI CNC 3705-116693-7	SYED DALE ASGHAR NAQI	1467	216	-	1683	1467	216	-	1683

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2018

SILKBANK LIMITED

ANNEXURE - I

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Rupees in '000

Write off Date	Party Name	Address	Name of the Individuals / Partners/ Directors (with C.N.C. No.)	Father's / Mother's / Husband Name	Outstanding Liabilities at beginning of year:				Principal Written-off	Interest / Margin written-off	Other Financial Relief Provided	Total (No. 11+12)
					Principal	Interest / Margin	Other	Total 5+6+7+8				
1	2		3	4	5	6	7	8	9	10	11	12
27-Dec-18	SANA UMAR	HOUSE # 6 BLOCK # 37 32 KAREEM ST MURRAJA PEER G STREET AREA: JAHRA NEAREST LAND MARK: CITY LAHORE	SANA UMAR CNC: 3020-091405-6	UMAR SULTAN	306	108	-	754	565	108	-	104
29-Oct-18	GABER ALI	HOUSE # 32 BLOCK # 1 BLOCK 1 STREET : AREA: GHIS LINE VILLAS NEAREST LAND MARK: CITY: MILITARY COLLEGE ROAD LAHORE	GABER ALI CNC: 3020-094008-8	GABER ALI	750	108	-	868	750	108	-	868
29-Oct-18	PASHWALI	HOUSE # 13 BLOCK # 1 STREET 18 STREET : AREA: MURRAJA CHAWO INJI NEAREST LAND MARK: CITY: CALDHOLI WALK, BAND ROAD LAHORE	PASHWALI CNC: 34101-000403-5	ASHRAF ALI QADRI	380	107	-	867	580	107	-	867
29-Oct-18	AUGUSTINE OLIVERA	HOUSE # 1 FLAT # 7 BLOCK # 1 AL-MUSTAFI 1ST FLOOR WINFIELD STREET : AREA: STREET ADAMIA NEAREST LAND MARK: NEAR JASBAN PLAZA OFF CITY: KARACHI	AUGUSTINE OLIVERA CNC: 42001-011003-3	PETER OLIVERA	815	120	-	795	815	120	-	795
29-Oct-18	WAHID IQBAL KHAN	HOUSE # 42 BLOCK # 1 PHASE NO 5 KIRANAIA-E-SHAHEEN STREET : AREA: DHA NEAREST LAND MARK : CITY: KARACHI	WAHID IQBAL KHAN CNC: 42001-020004-1	WAHID MOHAMMAD IQBAL KHAN	573	115	-	868	573	115	-	868
29-Oct-18	MUHAMMAD ANSEL IQBAL	HOUSE # 358 BLOCK # X DHARIA PHASE II STREET : AREA: NEAREST LAND MARK CITY: LAHORE	MUHAMMAD ANSEL IQBAL CNC: 3020-092005-7	MUHAMMAD IQBAL MRDX	396	206	-	1,196	396	206	-	1,196
29-Oct-18	ADWAH HASSAN	HOUSE # 15-A BLOCK # 1 FLAG LANE STREET : AREA: SHAWA-E-TASAL NEAREST LAND MARK : NEAR ISLAMIP CENTRE CITY : KARACHI	ADWAH HASSAN CNC: 81101-000204-7	GUHLIHD	825	184	-	1,089	825	184	-	1,089
29-Oct-18	MOOR JAHANGIR HASBANI	HOUSE # 1420 BLOCK # 1 PRO ROAD EXTENT ON STREET : ST 15-A AREA: NATIONAL POLICE FORMATION NEAREST LAND MARK : CITY : ISLAMABAD	MOOR UL ABBEY HASBANI CNC: 42001-001002-3	ABDUL RAHMAN MUHAMMAD HASBANI	784	151	-	935	784	151	-	935
30-Nov-18	ABID KHAN	HOUSE # 275A BLOCK # 2 ST NO 22 STREET : AREA: E-1 NEAREST LAND MARK : CITY : ISLAMABAD	ABID KHAN CNC: 81101-040007-7	MUHAMMAD NAWAZ KHAN	584	114	-	678	584	114	-	678
30-Nov-18	MRAN ISMAIL	HOUSE # 255A BLOCK # 1 QADRI STREET ZAHID DOON RD STREET : AREA: KAWINA WALA SADAQAH NEAREST LAND MARK : CITY: LAHORE	MRAN ISMAIL CNC: 3020-000403-8	ABDUL RASHED ISMAIL	300	106	-	706	300	106	-	706
30-Nov-18	SONIA WAICCO	HOUSE # 1 BLOCK # 1 USAMA VILLAS BD INDIAF CENTR STREET : AREA: GHAR SHAUJAH ALUMIA CRAD ROAD NEAREST LAND MARK : CITY: LAHORE	SONIA WAICCO CNC: 3020-094021-6	WAICCO SONIA WAICCO	465	98	-	563	465	98	-	563
30-Nov-18	SYED SHAFI KHAN	HOUSE # 1 FLAT NO 14 BLOCK # 3RD FLOOR ISLAM PARADE FROUD STREET : AREA: MARIN GULBERG II NEAREST LAND MARK : CITY: LAHORE	SYED SHAFI KHAN SHAH CNC: 3020-002004-3	SYED ABDUSSALAM SHAH	484	87	-	561	484	87	-	561
30-Nov-18	MUHAMMAD SYED	HOUSE # 25 BLOCK # 1 DHAIRGAR PARK MR WADIL STREET : AREA: AL HAAL MULTA ROAD NEAREST LAND MARK : CITY: LAHORE	MUHAMMAD SYED CNC: 3020-020005-7	ABDUL HAMEED	738	140	-	966	738	140	-	966
27-Dec-18	JAMIL AHMED	HOUSE # 3D-15B BLOCK # 1 FALCON COMPLEX STREET : AREA: MAUL CANTT NEAREST LAND MARK : NEAR CMK COMPLEX MALLARY HO CITY : KARACHI	JAMIL AHMED CNC: 30201-110005-3	KAWAJA RAEEF AHMED	1366	281	-	1,648	1366	281	-	1,648
27-Dec-18	MUZAFAH MAGEED	HOUSE # 14 BLOCK # 1 PHASE 1 ARROS TOWN STREET : AREA: RAKIND ROAD NEAREST LAND MARK : CITY: LAHORE	MUZAFAH MAGEED CNC: 30201-027005-5	ABDUL MAGEED	850	175	-	1,025	850	175	-	1,025
27-Dec-18	ASHQAR HASSAN	HOUSE # 185 BLOCK # 1 UPRIS MALL ZAFARIA STREET : AREA: BASTI SAYYEDI DHAI NEAREST LAND MARK : CITY: LAHORE	ASHQAR HASSAN CNC: 34001-040201-5	HASSAN HASSAN	532	107	-	649	532	107	-	649
27-Dec-18	ZAINODIN ASIF	HOUSE # 3-57 BLOCK # 1 STEEL TOWN STREET : AREA: BN QASIM NEAREST LAND MARK : CITY: KARACHI	ZAINODIN ASIF CNC: 42001-094007-7	SHABIB UDDEEN	523	107	-	630	523	107	-	630

Contd.

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2018

SILKBANK LIMITED

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					Principal	Interest / Mark-up	Other	Total (5+6+7+8)				
1	2	3	4	5	6	7	8	9	10	11	12	
27-Dec-18	MUHAMMAD MOAZZAM SABER	HOUSE # 1012 BLOCK F, ST # 2 STREET AREA: SUPER TOWN CANIT NEAREST LAND MARK: CITY: LAHORE	MUHAMMAD MOAZZAM SABER CNIC: 3505-788614-1	SADIQ AHMED	500	100	-	600	500	100	-	600
27-Dec-18	ZEHNAB ALI KHAN	HOUSE # 7-B BLOCK 4 SADQAH KDA OVERSEAS SOCIETY STREET: AREA: SUKHA SUSTAIN-E-JAH NEAREST LAND MARK: NEAR HILL TOP BRICKET CITY: KARACHI	ZEHNA ALI KHAN CNIC: 42101-653692-8	SADIQ ALI KHAN	500	100	-	600	500	100	-	600
27-Dec-18	MUHAMMAD UMAR CHOTNA	HOUSE # P-23-S-M BLOCK 8 VILLAS OMHO ROAD STREET: AREA: NEAREST LAND MARK: CITY: Faisalabad	MUHAMMAD UMAR CHOTNA CNIC: 35105-074261-7	ARSHAD ALI CHOTNA	400	90	-	500	400	90	-	500
27-Dec-18	MUHAMMAD SAJAD	HOUSE # 4 JH-1002, OLD KHAIR ROAD STREET: AREA: JANG SADDAM NEAREST LAND MARK: NEAR SULTANA FOUNDATION CITY: ISLAMABAD	MUHAMMAD SAJAD CNIC: 31101-182123-3	MUHAMMAD SAJAD	400	90	-	500	400	90	-	500
27-Dec-18	LAZ HASSAN AKA	HOUSE # 35-3 BLOCK # 9 NO: 9 ALI BABA SHAI ROAD STREET: AREA: AL FAISAL TOWN CANIT NEAREST LAND MARK: CITY: LAHORE	LAZ HASSAN AKA CNIC: 3621-102480-7	LAZ HASSAN AKA	400	100	-	500	400	100	-	500
27-Dec-18	HAMZA ZAFAR	HOUSE # 1821B BLOCK 9 JAGH TARA WALA INSIDE STREET: AREA: LOWRI GATE NEAREST LAND MARK: CITY: LAHORE	HAMZA ZAFAR CNIC: 35021-203626-7	HAMZA ZAFAR	400	90	-	500	400	90	-	500
10-Dec-18	GHASF SARDAR	HOUSE # 108-A 1 JOHAT NATION	GHASF SARDAR CNIC: 3641-188466-1	GHASF SARDAR MUHAMMAD	700	200	30	1,000	700	200	30	1,000
10-Dec-18	EHTERAZ KHAN	HOUSE # 25 SALI TOWNSHIP QAD CHOKH JORFI PUL QAWI INDUSTRIAL AREA NEAR ASIF QAD CHOKH LAHORE	EHTERAZ KHAN CNIC: 3602-652646-5	MASOOD	200	100	30	300	200	100	30	300
10-Dec-18	AYAQASUM	FLAT # 1 YACOOS KHANIMA BUILDING FLAT # 1912 4TH FLOOR SAMERIDGE ROAD NEAR YOUSAF BAKERY BIMPURA	AYAQASUM CNIC: 4201-461614-8	MASUM	200	20	30	250	200	20	30	250
10-Dec-18	GULZAB	HOUSE # 425 ST # 02 GROUND PORTION 0-11C	GULZAB CNIC: 31101-107963-3	ABAS KHAN	400	100	30	500	400	100	30	500
10-Dec-18	EYD MUSTANSAR SHAH	HOUSE # C-16-GOR E-SAHANI PUR HOUSE NEAR MODANG CHENG	EYD MUSTANSAR SHAH CNIC: 35023-400123-3	AMMAR H SHAH FAROOQ	300	100	20	400	300	100	20	400
10-Dec-18	FIRZAL ALI MR	HOUSE # 30-ST 36-09 ADARIA SEWAN ROAD NEAR NAMEZI SWRIF INTERCHANGE LAHORE	FIRZAL ALI MR CNIC: 34023-226266-3	FIRZAL ALI MR	400	100	30	500	400	100	30	500
10-Dec-18	EYD AMIR RAJZ	HOUSE # 8-175, Sector 15-A, Block 2m, Near Green Shopping Center,	EYD AMIR RAJZ CNIC: 42101-141093-8	EYD MIZAN RAZA RIZVI	400	100	30	500	400	100	30	500
10-Dec-18	ZAHID WAHEED	HOUSE 14-A ST # 02 F-03	ZAHID WAHEED CNIC: 31101-188136-8	ABDUL WAHEED BUTT	300	100	30	400	300	100	30	400
24-Dec-18	MUHAMMAD ANEQ	HOUSE # 8-402 BLOCK 13 WATER PUMP F TARIKA NEAR FAZOG DADHI MAGZIB 100	MUHAMMAD ANEQ CNIC: 42101-074361-5	MUHAMMAD ASLAM	300	100	30	400	300	100	30	400
24-Dec-18	SADAF KHAN	HOUSE # 1-A-2 ST # 01 MEHWISH ABDO NEAR KARIF STEEL WELDING WORKS Faisalabad	SADAF KHAN CNIC: 3602-641107-4	MUHAMMAD ASHIQ	400	100	30	500	400	100	30	500
24-Dec-18	ASAD AHMED JALAU	HOUSE # 10-F BLOCK # 9 P ECH 8 NEAR PAMLA BAKERY	ASAD AHMED JALAU CNIC: 4201-073006-	HAKEM AHMED JALAU	300	100	30	400	300	100	30	400
30-Dec-18	MUHAMMAD NASEED	HOUSE # 1-854 STREET 7A OFFICERS COLONY CAMPUS GROUND NEAR SHEN'S HOTEL MALLON ROAD	MUHAMMAD NASEED CNIC: 35023-795326-8	ABDU WAHEED	400	100	30	500	400	100	30	500
30-Dec-18	EYD FAIZK ALAM	FRONI HOUSE MAIN DOURA ROAD SECTOR F-13 NEAR BLINDS ABILITY SCHOOL	EYD FAIZK ALAM CNIC: 31101-900066-3	EYD DAWEER ALAM DAUD	300	100	10	400	300	100	10	400
30-Dec-18	AMIRRAHED	HOUSE # 401-1ST 0202 STREET PHIZ VILLA	AMIRRAHED CNIC: 4201-6496134-8	SALEEM TARG AHMED	300	100	10	400	300	100	10	400
30-Dec-18	SAEED MUHAMMAD	HOUSE # 1-854 JALAL IBRAHIM SOCIETY MALL NEAR KURCHI IRWAN	SAEED MUHAMMAD CNIC: 4201-882247-7	MUHAMMAD	300	60	40	300	300	60	40	300

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2018

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2018

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 Liability at beginning of year*				Principal Written-off	Interest / Margin written-off	Other Financial Relief Provided	Total (8+9+11+12)
					Principal	Interest / Margin	Other	Total 5+6+7+8				
								9	10	11	12	
12-Oct-18	Ehsan Ahmed	NOVALIAH, D2, TOWN 6 ROAD, GUJARWALA.	Ehsan Ahmed CNC: 34102-4019453-1	MUHAMMAD HUSSAIN	-	3,200	-	3,200	-	3,200	-	3,200
30-Nov-18	Kawaja Muhammad Iqra	HOUSE # 344, BLOCK A, GHA, PHASE-II, LAHORE	Kawaja Muhammad Iqra CNC: 32202-2586573-1	KAWAJA MUHAMMAD SARDAR	-	4,200	-	4,200	-	4,200	-	4,200
12-Oct-18	Lahore Trader	New Al Farid Road N NO# 8-C MULLAH SHAIKHWALA TOWN BHATOI CHOKI GATE, LAHORE.	Lahore Trader CNC: 32201-4797943-1	MUHAMMAD ASIRW	-	3,101	-	3,101	-	3,101	-	3,101
6-Nov-18	Muhammad Shahid Javed	HOUSE # 263-S-C, LAHORE	Muhammad Shahid Javed CNC: 32202-4126774-1	MUHAMMAD YOUSAF	-	801	-	801	-	801	-	801
					32,424	10,180	1,444	44,048	17,671	50,215	1,444	53,275

SILKBANK LIMITED

ISLAMIC BANKING BUSINESS

ANNEXURE - II

The Bank is operating with 30 Islamic Banking branches at the end of 2018 (2017: 30).

The statement of financial position of these branches as at December 31, 2018 are as follows:

	Note	2018	2017
		Rupees in '000	
ASSETS			
Cash and balances with treasury banks		1,894,122	1,019,435
Balances with other banks		36,507	24,445
Due from financial institutions		-	-
Investments	1	3,851,647	1,670,391
Islamic financing and related assets - net	2	26,901,698	17,527,355
Fixed assets		294,044	211,611
Intangible assets		1,125	1,586
Due from Head Office		-	-
Other assets		2,233,329	814,011
		<u>35,212,472</u>	<u>21,268,834</u>
LIABILITIES			
Bills payable		480,421	609,142
Due to financial institutions		-	-
Deposits and other accounts	3	30,960,225	14,256,538
Due to Head Office		-	-
Other liabilities		359,176	3,808,701
		<u>31,799,822</u>	<u>18,674,381</u>
NET ASSETS			
		<u>3,412,650</u>	<u>2,594,453</u>
REPRESENTED BY			
Islamic banking fund		2,325,000	2,325,000
Reserves		-	-
Deficit on revaluation of assets		(10,629)	(6,491)
Unappropriated profits	5	1,098,279	275,944
		<u>3,412,650</u>	<u>2,594,453</u>
CONTINGENCIES AND COMMITMENTS			
		6	

SILKBANK LIMITED

ISLAMIC BANKING BUSINESS

ANNEXURE - II

The profit and loss account of the Bank's Islamic banking branches for the year ended December 31, 2018 is as follows:

	Note	2018 Rupees in '000	2017 Rupees in '000
Profit / return earned	7	2,506,353	1,274,327
Profit / return expensed	8	(1,047,968)	(490,666)
Net Profit / return		1,458,385	783,661
Other Income			
Fee and commission income		28,373	24,380
Foreign exchange income		18,895	(84,963)
(Loss) / income from derivatives		(9,868)	99,793
Gain on securities		43	929
Other income		12,072	6,547
Total other income		49,515	46,686
Total income		1,507,900	830,347
Other expenses			
Operating expenses		(667,790)	(410,484)
Workers Welfare Fund		(16,782)	(8,295)
Other charges		(172)	(109)
Total other expenses		(684,744)	(418,888)
Profit before provisions		823,156	411,459
Provisions and write offs - net		(821)	(4,989)
Profit for the year		822,335	406,470

	2018				2017			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								

1 Investments by segments:

Federal Government

Securities:

Ijarah Sukuk	3,862,276	-	(10,629)	3,851,647	1,676,882	-	(6,491)	1,670,391
Total Investments	3,862,276	-	(10,629)	3,851,647	1,676,882	-	(6,491)	1,670,391

SILKBANK LIMITED

ISLAMIC BANKING BUSINESS

ANNEXURE - II

	Note	2018	2017
		Rupees in '000	
2 Islamic financing and related assets - net			
Murabaha	2.1	2,165,705	1,017,436
Musawammah		127,343	642,768
Diminishing Musharaka		24,608,650	15,867,151
Gross Islamic financing and related assets		26,901,698	17,527,355
Less: provision against Islamic financings			
- Specific		-	-
- General		-	-
Islamic financing and related assets - net of provision		26,901,698	17,527,355
2.1 Murabaha			
Murabaha financing	2.1.1	1,907,705	910,838
Advances for Murabaha		258,000	106,598
		2,165,705	1,017,436
2.1.1 Murabaha receivable - gross	2.1.2	2,333,482	1,045,740
Less: Deferred murabaha income	2.1.4	(159,048)	(27,363)
Less: Profit receivable shown in other assets	2.1.3	(266,729)	(107,539)
Murabaha financings		1,907,705	910,838
2.1.2 The movement in Murabaha financing during the year is as follows:			
Opening balance		1,045,740	765,750
Sales during the year		2,068,203	1,998,887
Adjusted during the year		(780,461)	(1,718,897)
Closing balance		2,333,482	1,045,740
2.1.3 Murabaha sale price		2,174,434	1,018,376
Murabaha purchase price		(1,907,705)	(910,837)
		266,729	107,539
2.1.4 Deferred murabaha income			
Opening balance		27,363	15,420
Arising during the year		266,322	138,617
Less: Recognised during the year		(134,637)	(126,674)
Closing balance		159,048	27,363

SILKBANK LIMITED

ISLAMIC BANKING BUSINESS

ANNEXURE - II

2.2 Advances include Rs. 301.52 million (2017: Nil) which have been placed under non-performing status as detailed below.

	2018	2017
	Non Performing Provision Loans	Non Performing Provision Loans
Rupees in '000		
Substandard	114,687	-
Doubtful	186,829	-
Loss	-	-
Total	301,516	-

- 2.3** 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.
- 2.4** As of December 31, 2018, the Bank has availed FSV benefits against all non performing advances. Had the benefit not been taken by the Bank, profit would have been lower by Rs.122 million (2017: Nil), which shall not be available for payment of cash or stock dividend / bonus to employees.

3 Deposits

	2018			2017		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
Rupees in '000						
Customers						
Current deposits	2,348,847	320,404	2,669,251	3,777,484	567,196	4,344,680
Savings deposits	14,189,530	321,442	14,510,972	1,946,935	133,442	2,080,377
Term deposits	3,975,426	1,191,260	5,166,686	2,557,479	960,420	3,517,899
Margin deposits	29,433	-	29,433	54,036	-	54,036
Others	52,384	-	52,384	17,723	-	17,723
	20,595,620	1,833,106	22,428,726	8,353,657	1,661,058	10,014,715
Financial Institutions						
Current deposits	4,045	447	4,493	-	-	-
Savings deposits	8,370,906	-	8,370,906	4,218,007	-	4,218,007
Term deposits	156,100	-	156,100	23,816	-	23,816
	8,531,052	447	8,531,499	4,241,823	-	4,241,823
	29,126,672	1,833,553	30,960,225	12,595,480	1,661,058	14,256,538

SILKBANK LIMITED

ISLAMIC BANKING BUSINESS

ANNEXURE - II

	2018 Rupees In '000	2017 Rupees In '000
3.1 Composition of deposits		
- Individuals	6,720,973	7,291,013
- Government / Public Sector Entities	14,058,849	929,000
- Banking Companies	2,665	37
- Non-Banking Financial Institutions	8,528,834	4,241,786
- Private Sector	1,649,804	1,884,702
	30,960,325	14,256,538
3.2	This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 7.11 billion (2017: Rs. 5.81 billion)	
4 Charity Fund		
Opening Balance	-	-
Received from customers on account of delayed payment:	1,000	-
Payments / utilisation during the year:	-	-
Closing Balance	1,000	-
5 Islamic Banking Business Unappropriated Profit / Accumulated (loss)		
Opening Balance	275,944	(130,526)
Add: Islamic Banking profit for the period	822,335	406,470
Closing Balance	1,098,279	275,944
6 Contingencies and Commitments		
Guarantees	937,732	1,512,849
Commitments	1,613,863	1,752,201
	2,550,795	3,265,050
7 Profit / return earned of financing, investments and placement		
Earned on:		
Financing	2,411,556	1,202,661
Investments	94,797	67,430
Placements	-	4,236
	2,506,353	1,274,327
8 Profit on Deposits and other Dues Expensed		
Deposits and other accounts	991,658	440,015
Due to Financial Institutions	10,275	41,651
Cost of foreign currency swaps against foreign currency deposits / borrowings	46,035	-
	1,047,968	490,666

SILKBANK LIMITED

ISLAMIC BANKING BUSINESS

ANNEXURE - II

9 Pool Management

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 Mudaraba, where the Mudarib is permitted to commingle its own funds with the funds received on the basis of the Mudaraba, and to comply with the regulations of the SBP on creation of an Islamic Banking Fund (the "IBF"), Silkbank has created an Islamic Banking Fund of Rs. 2,325 million and deposited the same in its common Mudaraba pool.

Risk & Rewards 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 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 tenure, 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 when change is required. Although SBP allows to revise the profit sharing ratio & weightages for the period concerned, EIB has revised the Profit Sharing Ratio (PSR) during the year 2018 and announces the same on website and notice boards of branches.

Avenues / sectors of economy / business where Mudaraba based deposits have been deployed

Mudaraba based funds have been deployed to diversified sectors and avenues of the economy / business mainly to Government, Financial Institutions, Construction, Manufacturing and Services sectors.

SILKBANK LIMITED

ISLAMIC BANKING BUSINESS

ANNEXURE - II

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

2018

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	598,534	23.96%	193,552	Monthly	32.34%	9.53%	6.86%

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	368,211	31.42%	-	Monthly	0.00%	9.45%	5.21%

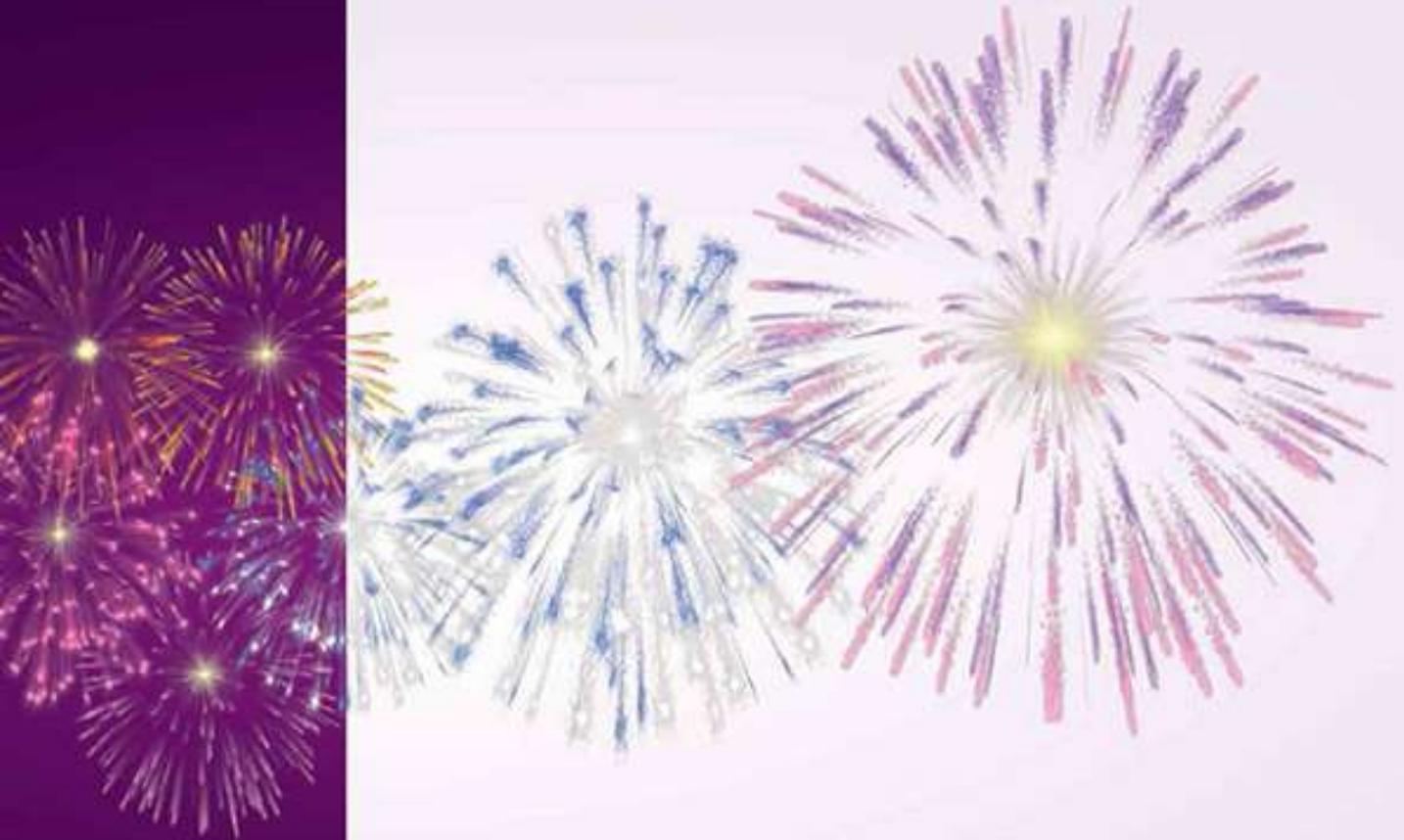


“Excellence
endures and sustains.
It goes **beyond**
motivation into the
realms of inspiration.”

Every Year & Beyond

Celebrate





HIGHLIGHTS AND ACHIEVEMENTS

We are determined to achieve excellence and that has made it possible for us to showcase a decade full of achievements. This also resulted in the celebration of success at the conclusion of the year 2018. We are committed to deliver the best banking experience to our customers and make every coming year a milestone.

FULFILLING OUR RESPONSIBILITIES



Atraaf Urdu Essay Writing Competition

Monthly Atraaf, in partnership with Silkbank, organized an Urdu essay writing competition, in which students from several 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. Haseeb-ur-Rehman (Senator), Dr. Wajih Uddin (Chancellor, Jinnah University) and Qazi Asad Abid (Director, Ibrat Group).

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 the 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 the Urdu Literature in the coming years.



Career Fairs & Internship Programs

In 2018, Human Resources remained focused on employee engagement and development, whereby various training sessions including but not limited to team building, performance management and service excellence were arranged, which helped in enhancing the skill set of the employees. Employee Engagement activities were also carried out during the year, increasing morale and engagement of the employees. To promote ourselves as a brand and achieve the status of Employer of Choice, we participated in job fairs organized by leading business institutes of the country, and recruited more than 100 students in our Summer Internship Program to give them the professional experience and develop a pipeline for future hiring. The Bank also participated in the Annual Salary Survey, which helped in determining compensation levels and understanding market positioning among the peer banks that will facilitate in retaining top talent and aligning the compensation structure with market standards in the longer run.

Silkbank also participated in the Career Fairs organized by IBA, IoBM and Iqra University, where we received an overwhelming response. We briefed students about the career opportunities we offer, to which they expressed great interest in joining Silkbank. We also took this opportunity to brief students about the services and products we offer in Retail, Islamic and Wholesale Banking and counseled them for their upcoming professional life, portraying a healthy and positive image of our Bank.



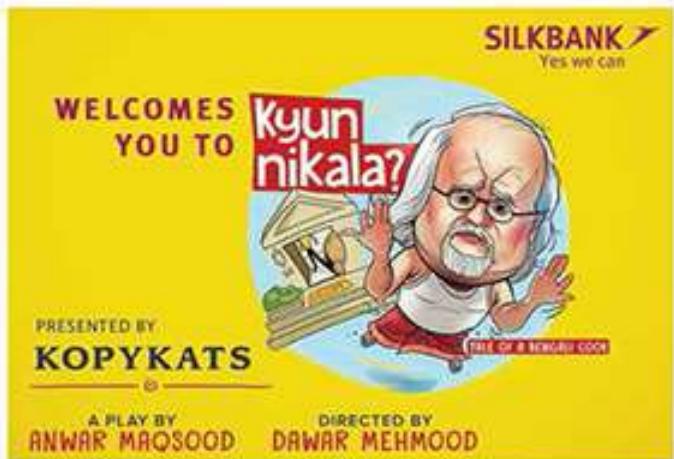
Akhuwat Sufi Night

Silkbank, as a part of its CSR activity, was one of the sponsors of the fundraising Sufi Night organized by Akhuwat on November 17, 2018, at NJV Building in Karachi. All the proceeds were used to sponsor the cost of NJV's newly launched free hostel facilities for the underprivileged children across Pakistan who receive free education and boarding.



Kyun Nikala Stage Play

Silkbank believes in associating itself with meaningful causes. 'Kyun Nikala', is a stage play written by none other than the maestro himself, Mr. Anwar Maqsood. The play was inspired by the then current political scenario of the country. As part of our CSR program, Silkbank believes in serving businesses that not only benefits our networks, but also mend the society as a whole.



Leisure Leagues

Silkbank, In collaboration with World Group and Nokia, sponsored a football event, 'Ronaldinho and Friends', In Portugal. The event had 8 International football superstars, Including David James, George Boateng, Luis Boa, Nicolas Anelka, Robert Pires, Roberto Carlos, Ronaldinho and Ryan Giggs.

Silkbank is proud to take part in initiatives that allow Pakistan to be represented on a global front. This not only delivers a message of peace, but also portrays a positive image of the country.

Silkbank has always encouraged such activities and will continue to do so in future as well.



One Day Salary to Damer Basha and Mohmand Dams Fund

Silkbank always stands with the idea of contributing for a good cause and betterment of Pakistan. Therefore, with the consent of its employees, the Bank contributed one day salary to the Damer Basha and Mohmand Dams Fund.



Other events:

1. Forman Christian College Alumni Sponsorship
2. Quaid-e-Azam University Reunion Sponsorship
3. Corporate Table for OAKS Fundraiser for NICH
4. IBA Alumni Reunion Sponsorship
5. Distinguished Secretaries' Society of Pakistan



the Trust
Elevate

The background features a dark, slightly cloudy sky. In the lower right quadrant, a white airplane is captured in mid-flight, angled upwards towards the top right. On the ground below, a runway is visible, marked by a series of small, glowing orange lights. Another airplane is seen from a side-on perspective, positioned on the runway near the bottom center of the frame.



SHAREHOLDING INFORMATION

The confidence of our shareholders in the Bank is valuable and their interests are kept paramount. It is their trust that has driven us through the years, eventually leading to growth and profitability. With the Silkbanks Team's spirit high and morale touching the sky, we are dedicated to reinforce the trust of our stakeholders by bringing greater prosperity and growth in the future.

ADDITIONAL SHAREHOLDERS' INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2018

SILKBANK LIMITED

COMBINED PATTERN OF CDC & PHYSICAL SHAREHOLDINGS AS AT DECEMBER 31, 2018

No.	Categories / Sub-Categories of Shareholders	Number of Shares Held	Category Wise No. of Folios / CDC Accounts	Category Wise Shares Held	Percentage
01	DIRECTORS, CHIEF EXECUTIVE OFFICER AND THEIR SPOUSE(S) AND MINOR CHILDREN		9	439,569,686	4.84
	Mr. Muneawar Hamid, OBE	12,574			
	Mr. Khalid Aziz Mirza	500			
	Mr. Rashid Akhtar Chughtai	500			
	Mr. Shahzad Enver Murad	500,000			
	Mr. Tariq Iqbal Khan	16,997			
	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 Enver Murad	3,200,000			
02	ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES		8	5,668,262,093	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		13	39,271,471	0.43
04	PUBLIC SECTOR COMPANIES AND CORPORATIONS		5	47,337,496	0.52
05	BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS		9	4,735,778	0.05
06	MUTUAL FUNDS		1	20,880,417	0.23
07	General Public Foreign		21	156,623,496	1.72
08	Foreign Companies		1	95,000	0.00
09	Others		90	427,799,630	4.71
10	General Public Local		7,890	2,279,286,170	25.10
	TOTAL		8,045	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, 2018, an amount of fifty seven million (57,000,000) shares of Mr. Shaukat Tarin have been kept with Pearl Securities Limited. During the year, Mr. Khurram Ali Malik, Area Manager - Branch Banking, of Silkbank Limited, has purchased 3,000 shares from the open market. The Bank has reported the same to the Pakistan Stock Exchange in compliance of clause No. 5.6.1. (d) of PSX Regulations. Apart from this, there was no other trading in Silkbank shares carried out by any of the Directors and Executives or their spouses and minor children during the year.

PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2018

SILKBANK LIMITED

COMBINED PATTERN OF CDC & PHYSICAL SHAREHOLDINGS AS AT DECEMBER 31, 2018

No. of Shareholders	Shareholdings' Slab		Total Shares Held	No. of Shareholders	Shareholdings' Slab		Total Shares Held
480	1 to	100	12,434	6	215001 to	220000	1,302,861
712	101 to	500	292,563	5	220001 to	225000	1,121,511
677	501 to	1000	636,249	8	225001 to	230000	1,824,204
1890	1001 to	5000	5,986,278	2	230001 to	235000	468,990
1015	5001 to	10000	8,586,403	7	235001 to	240000	1,672,947
419	10001 to	15000	5,412,821	3	240001 to	245000	730,000
356	15001 to	20000	6,629,995	16	245001 to	250000	3,992,739
267	20001 to	25000	6,302,649	4	250001 to	255000	1,006,697
166	25001 to	30000	4,749,136	1	255001 to	260000	257,500
135	30001 to	35000	4,519,113	3	260001 to	265000	792,000
103	35001 to	40000	3,962,897	3	265001 to	270000	801,823
68	40001 to	45000	2,934,979	6	270001 to	275000	1,642,664
218	45001 to	50000	10,824,872	7	275001 to	280000	1,955,744
64	50001 to	55000	3,357,836	2	280001 to	285000	565,450
59	55001 to	60000	3,439,241	1	285001 to	290000	287,960
51	60001 to	65000	3,223,971	1	290001 to	295000	294,000
50	65001 to	70000	3,433,775	28	295001 to	300000	8,391,961
42	70001 to	75000	3,100,627	7	300001 to	305000	2,116,406
30	75001 to	80000	2,353,256	2	305001 to	310000	615,946
35	80001 to	85000	2,926,767	4	310001 to	315000	1,249,391
19	85001 to	90000	1,686,247	4	315001 to	320000	1,277,500
16	90001 to	95000	1,494,752	5	320001 to	325000	1,621,500
212	95001 to	100000	21,158,363	4	325001 to	330000	1,312,434
36	100001 to	105000	3,677,717	1	330001 to	335000	332,000
35	105001 to	110000	3,801,628	13	335001 to	340000	4,411,380
21	110001 to	115000	2,369,016	2	340001 to	345000	687,319
30	115001 to	120000	3,568,687	8	345001 to	350000	2,795,219
21	120001 to	125000	2,596,303	2	350001 to	355000	700,638
11	125001 to	130000	1,413,986	2	355001 to	360000	717,185
15	130001 to	135000	2,002,371	2	360001 to	365000	721,500
20	135001 to	140000	2,762,320	2	365001 to	370000	736,013
8	140001 to	145000	1,139,128	4	370001 to	375000	1,498,332
40	145001 to	150000	5,991,008	4	375001 to	380000	1,518,470
12	150001 to	155000	1,834,708	2	380001 to	385000	765,000
10	155001 to	160000	1,580,475	2	385001 to	390000	780,000
10	160001 to	165000	1,642,946	1	390001 to	395000	395,000
17	165001 to	170000	2,873,619	14	395001 to	400000	5,595,500
7	170001 to	175000	1,215,648	1	400001 to	405000	401,960
11	175001 to	180000	1,962,016	1	405001 to	410000	405,500
8	180001 to	185000	1,467,274	5	420001 to	425000	2,116,882
6	185001 to	190000	1,137,342	2	425001 to	430000	860,000
6	190001 to	195000	1,155,758	1	430001 to	435000	435,000
53	195001 to	200000	10,592,668	1	435001 to	440000	440,000
13	200001 to	205000	2,639,640	1	440001 to	445000	441,017
8	205001 to	210000	1,663,904	10	445001 to	450000	4,497,500
8	210001 to	215000	1,703,000	2	455001 to	460000	917,445

PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2018

SILKBANK LIMITED

COMBINED PATTERN OF CDC & PHYSICAL SHAREHOLDINGS AS AT DECEMBER 31, 2018

No. of Shareholders	Shareholdings' Slab	Total Shares Held
4	460001 to 465000	1,848,325
1	465001 to 470000	470,000
3	470001 to 475000	1,418,051
1	475001 to 480000	480,000
2	480001 to 485000	963,428
2	485001 to 490000	972,499
3	490001 to 495000	1,481,500
24	495001 to 500000	11,993,156
2	500001 to 505000	1,006,311
9	505001 to 510000	4,589,140
4	510001 to 515000	2,046,193
1	515001 to 520000	520,000
3	520001 to 525000	1,574,717
2	525001 to 530000	1,057,000
2	530001 to 535000	1,065,261
1	535001 to 540000	540,000
3	540001 to 545000	1,631,302
1	545001 to 550000	546,000
2	550001 to 555000	1,102,846
1	560001 to 565000	565,000
1	565001 to 570000	569,500
1	570001 to 575000	573,992
3	575001 to 580000	1,736,636
1	580001 to 585000	582,500
2	585001 to 590000	1,177,110
1	590001 to 595000	595,000
10	595001 to 600000	5,998,000
1	600001 to 605000	604,102
1	620001 to 625000	621,000
1	625001 to 630000	627,500
2	640001 to 645000	1,281,787
6	645001 to 650000	3,890,000
2	650001 to 655000	1,307,556
1	660001 to 665000	663,500
2	665001 to 670000	1,336,000
2	670001 to 675000	1,343,486
4	675001 to 680000	2,719,640
2	685001 to 690000	1,376,336
1	690001 to 695000	693,233
5	695001 to 700000	3,495,000
3	700001 to 705000	2,107,481
1	705001 to 710000	708,500
1	715001 to 720000	720,000
1	725001 to 730000	725,970
3	760001 to 765000	2,288,500
1	765001 to 770000	765,744

No. of Shareholders	Shareholdings' Slab	Total Shares Held
1	785001 to 790000	786,000
1	790001 to 795000	791,000
6	795001 to 800000	4,800,000
1	805001 to 810000	806,000
1	825001 to 830000	826,000
2	830001 to 835000	1,666,000
2	835001 to 840000	1,679,000
2	845001 to 850000	1,699,801
1	860001 to 865000	865,000
1	875001 to 880000	880,000
4	895001 to 900000	3,596,000
1	900001 to 905000	904,500
1	920001 to 925000	924,229
1	930001 to 935000	934,835
2	955001 to 960000	1,919,810
1	960001 to 965000	965,000
1	970001 to 975000	974,599
1	980001 to 985000	983,000
2	990001 to 995000	1,987,500
24	995001 to 1000000	23,997,781
2	1000001 to 1005000	2,002,329
1	1005001 to 1010000	1,008,087
1	1010001 to 1015000	1,015,000
1	1015001 to 1020000	1,020,000
1	1020001 to 1025000	1,025,000
1	1025001 to 1030000	1,026,000
1	1065001 to 1070000	1,065,500
1	1095001 to 1100000	1,100,000
1	1110001 to 1115000	1,111,041
1	1170001 to 1175000	1,172,500
2	1195001 to 1200000	2,400,000
1	1200001 to 1205000	1,200,475
1	1210001 to 1215000	1,210,259
1	1215001 to 1220000	1,220,000
1	1240001 to 1245000	1,240,492
2	1255001 to 1260000	2,515,070
1	1295001 to 1300000	1,297,056
1	1305001 to 1310000	1,306,500
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	1,377,215
2	1395001 to 1400000	2,797,161
1	1400001 to 1405000	1,400,440
1	1410001 to 1415000	1,410,994
1	1415001 to 1420000	1,416,000

PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2018

SILKBANK LIMITED

COMBINED PATTERN OF CDC & PHYSICAL SHAREHOLDINGS AS AT DECEMBER 31, 2018

No. of Shareholders	Shareholdings' Slab		Total Shares Held
1	1435001	to 1440000	1,439,641
1	1455001	to 1460000	1,455,500
4	1495001	to 1500000	5,999,880
1	1500001	to 1505000	1,500,100
1	1540001	to 1545000	1,543,529
2	1545001	to 1550000	3,098,866
1	1570001	to 1575000	1,572,920
1	1575001	to 1580000	1,576,789
1	1600001	to 1605000	1,603,500
1	1645001	to 1650000	1,650,000
2	1655001	to 1660000	3,320,000
2	1675001	to 1680000	3,356,500
1	1680001	to 1685000	1,683,494
1	1695001	to 1700000	1,699,701
1	1700001	to 1705000	1,700,022
1	1735001	to 1740000	1,739,500
1	1745001	to 1750000	1,747,116
1	1750001	to 1755000	1,753,663
1	1770001	to 1775000	1,770,500
1	1785001	to 1790000	1,788,824
1	1800001	to 1805000	1,802,000
1	1815001	to 1820000	1,819,500
1	1865001	to 1870000	1,869,671
1	1875001	to 1880000	1,877,599
1	1950001	to 1955000	1,954,657
1	1965001	to 1970000	1,965,500
7	1995001	to 2000000	14,000,000
1	2010001	to 2015000	2,015,000
1	2055001	to 2060000	2,057,402
1	2095001	to 2100000	2,100,000
1	2230001	to 2235000	2,230,500
1	2280001	to 2285000	2,282,046
1	2400001	to 2405000	2,400,018
1	2495001	to 2500000	2,500,000
1	2515001	to 2520000	2,518,500
1	2535001	to 2540000	2,540,000
1	2545001	to 2550000	2,550,000
1	2740001	to 2745000	2,744,500
1	2745001	to 2750000	2,750,000
1	2750001	to 2755000	2,751,788
1	2860001	to 2865000	2,863,153
1	2920001	to 2925000	2,925,000
1	2990001	to 2995000	2,991,000
1	3060001	to 3065000	3,062,000
1	3095001	to 3100000	3,100,000
1	3195001	to 3200000	3,200,000

No. of Shareholders	Shareholdings' Slab		Total Shares Held
1	3295001	to 3300000	3,300,000
1	3395001	to 3400000	3,399,603
1	3415001	to 3420000	3,419,082
1	3560001	to 3565000	3,565,000
1	3580001	to 3585000	3,581,000
1	3900001	to 3905000	3,901,000
1	4065001	to 4070000	4,065,500
1	4075001	to 4080000	4,076,176
1	4280001	to 4285000	4,280,918
1	4415001	to 4420000	4,417,056
1	4740001	to 4745000	4,743,500
1	4805001	to 4810000	4,807,000
1	4995001	to 5000000	5,000,000
1	5015001	to 5020000	5,016,419
1	5090001	to 5095000	5,090,500
1	5385001	to 5390000	5,386,827
1	5620001	to 5625000	5,621,089
1	5640001	to 5645000	5,644,500
1	5995001	to 6000000	6,000,000
1	6175001	to 6180000	6,176,082
1	6260001	to 6265000	6,263,000
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	7260001	to 7265000	7,261,124
1	7345001	to 7350000	7,350,000
1	7495001	to 7500000	7,500,000
1	7615001	to 7620000	7,618,500
1	8215001	to 8220000	8,216,128
1	8270001	to 8275000	8,272,281
1	9595001	to 9600000	9,600,000
1	9995001	to 10000000	10,000,000
1	10065001	to 10070000	10,066,500
1	10435001	to 10440000	10,436,324
1	11780001	to 11785000	11,782,500
1	12540001	to 12545000	12,543,796
1	12925001	to 12930000	12,927,719
1	13170001	to 13175000	13,174,061
1	14005001	to 14010000	14,009,000
1	14095001	to 14100000	14,096,500
1	15230001	to 15235000	15,233,500
1	16465001	to 16470000	16,467,577
1	20880001	to 20885000	20,880,417
1	22415001	to 22420000	22,418,500
1	23795001	to 23800000	23,797,288

PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2018

SILKBANK LIMITED

COMBINED PATTERN OF CDC & PHYSICAL SHAREHOLDINGS AS AT DECEMBER 31, 2018

No. of Shareholders	Shareholdings' Slab	Total Shares Held
1	24720001 to 24725000	24,724,029
1	24995001 to 25000000	25,000,000
1	28675001 to 28680000	28,676,471
1	34560001 to 34565000	34,563,000
1	36225001 to 36230000	36,228,668
1	37495001 to 37500000	37,500,000
1	55880001 to 55885000	55,882,353
1	56995001 to 57000000	57,000,000
1	62995001 to 63000000	63,000,000
1	77335001 to 77340000	77,335,348
1	86345001 to 86350000	86,349,442
1	114605001 to 114610000	114,607,807
1	124365001 to 124370000	124,368,193

No. of Shareholders	Shareholdings' Slab	Total Shares Held
1	152380001 to 152385000	152,382,353
1	253995001 to 254000000	254,000,000
1	271555001 to 271560000	271,559,626
1	315775001 to 315780000	315,776,969
4	320510001 to 320515000	1,282,051,282
1	356675001 to 356680000	356,676,342
1	415625001 to 415630000	415,626,000
1	418020001 to 418025000	418,020,288
1	678125001 to 678130000	678,126,000
1	702685001 to 702690000	702,689,067
1	2563900001 to 2563905000	2,563,901,924
8051		9,081,861,237



“Excellence
is the unlimited ability
to **improve** the
quality of what you
have to **offer. ”**

BRANCH NETWORK

ISLAMIC BANKING (SOUTH)

Qamer Iqbal
Acting Branch Manager
Shahzad-e-Faisal Branch,
47-A, Dend-Amen Housing Society,
P.E.C.H.S., Block 7/B,
Shahzad-e-Faisal, Karachi.
Tel: (021) 34533106-9,
(021) 34523099, 34521786
Fax: (021) 34533110

Vaqa Hussain Khan
Area Manager
Clifton Branch,
Show Room No. 1, Plot No. D-69,
Block 7, Clifton, Karachi.
Tel: (021) 36371641-42,
(021) 35866037
Fax: (021) 36371639

Kamran Mehbوب
Branch Manager
Quetta Branch,
M. A. Jinnah Road, Quetta.
Tel: (081) 2688201-03
Fax: (081) 2688204

Syed Asim Raza
Branch Manager
University Road Branch,
Shop SB-07/1, Block 13-C, All
Centre, Gulshan-e-Iqbal, University
Road, Karachi.
Tel: (021) 34822024-8

Majid Hussain Junejo
Branch Manager
Gulistan-e-Johar Branch,
Shop No. 11, Farhan Classic, Block
12, Gulistan-e-Johar, Karachi.
Tel: (021) 34383381

M. Kashif Jadi
Branch Manager
M.A.C.H.S. Branch,
Shop No. 29, Muhammad Ali
Jauhar, Memorial Cooperative
Housing Society, Karachi.
Tel: (021) 34321643-7

Allah Dil
Branch Operations Manager
Newabshah Branch,
Muhammad Latibabad, Near Hebb
Masjid, Camp No. 2, Durr Road,
Newabshah.
Tel: (024) 4380386

Saad Ahmed Biddiqui
Area Manager
Sabe Avenue Branch,
Sabe Avenue, 59-C,
Shahbaz Lane No. 4, Phase-VI,
DHA, Karachi.
Tel: (021) 36704741-42

Muhammad Salman
Branch Manager
Tariq Road Branch,
Plot No. 313-C, Central Commercial
Area, Block 2, Karachi.
Tel: (021) 3438338-5

Akbar Ali Rudani
Branch Manager
Khayaban-e-Shujeh DHA Branch,
Bukhari Commercial, 22C/1,
Lane 13, Bukhari Commercial,
Phase-VI, DHA, Karachi.
Tel: (021) 35845121-5, 35845122

ISLAMIC BANKING (NORTH)

Anjum Rafiq
Branch Manager
Faislabad Branch,
Plot No. 17, Block A, Opp. Radio
Station, D Ground, People's Colony,
Faislabad.
Tel: (041) 85034111-13, 8503414
Fax: (041) 8503416

Uasama Salman Anwar
Branch Manager
DHA T Block Branch,
50 Commercial Area, Phase-II,
DHA, Lahore.
Tel: (042) 35707637-8 (113),
(042) 35748848
Fax: (042) 35707637

Muhammad Ali
Branch Manager
Gulberg Mini Market, Q Block
Branch,
6-Q Block, Gulberg Hill, Lahore.
Tel: (042) 35751536-7, 35754273
Fax: (042) 35764078

Farhan Zahid
Acting Branch Manager
College Road Branch,
523, Block 15, Sector 8/1,
College Road, Township, Lahore.
Tel: (042) 35217553-5-6-7

Nadia Naseem
Branch Manager
Allama Iqbal Town Branch,
9, Olympia Street, Main Boulevard,
Allama Iqbal Town, Lahore.
Tel: (042) 37800752,
(042) 37800741-44

M. Noman Qureshi
Acting Branch Manager
Circular Road Branch,
51, S-E, Voon Building,
Circular Road, Lahore.
Tel: (042) 37379517,
(042) 37379527, Ext. 102
Fax: (042) 37379519

Adnan Iqaz
Branch Manager
Mall Road Branch,
No. 23, The Mall, Opp. Lahore
High Court, Lahore.
Tel: (042) 37234579

Muhammad Imran Habib
Branch Manager
Multan Branch,
No. 23 & 24, A-Block,
Model Town, Multan.
Tel: (061) 65224113

Ma. Rubina Hassan
Branch Manager
Gulberg Branch,
Plot No. 162, Property No. 16,
Old No. 88, Man Gaber-E-Lahore.
Tel: (042) 35776942

ISLAMIC BANKING (NORTH)

Sonia Usman
Branch Manager
F-8 Markaz Branch,
Plot No. 8-C, Shahzad-e-Centre,
Johar Road, Islamabad.
Tel: (051) 2287480, 2287455-57
Fax: (051) 2287454

Mohsin Ali
Branch Manager
Chaklala Scheme-III Branch,
Plot No. 46, Commercial Area,
Chaklala Scheme-III, Rawalpindi.
Tel: (051) 5766147,
(051) 5766151-52, 5153953
Fax: (051) 5766150

Gazi Basharat-ul-Haq
Branch Manager
Abbottabad Branch,
Plot No. 7338, Opp. Dawood
Terminai, Mandan, Mansehra Road,
Abbottabad, KPK.
Dir: (092) 385971,
PAIS: (092) 385978-79
Fax: (092) 385976

Shakil Sardar
Branch Manager
Mardan Branch,
Silkbank Building, Mall Road,
Saddar Bazaar, Mardan.
Tel: (0937) 867555, 867554
(0937) 887455
Dir: (0937) 887357
Fax: (0937) 867556

Ayza 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: (061) 5419440, 5419435

Muhammad Haris Syas
Branch Manager
Jinnud Road Branch,
Shop No. 1, 2, 3, 4, Arbab Plaza,
Near Shell Petrol Pump,
Jinnud Road, Peshawar.
Tel: (091) 5611866, 5611827

Muhammad Syas
Branch Manager
Muzaffarabad Branch,
Khara No. 973, Moza Tarqabab,
Tehsil and District, Muzaffarabad.
Tel: (05822) 447260, 447265

Azhar Yousaf
Branch Manager
Chitta Battu Branch,
Khara No. 967, Moza Chitta
Battu, Tehsil and District, Muzaffarabad.
Tel: (0997) 550722-4

Shakil Akhtar
Branch Manager
Haripur Branch,
Khatia/Khatoni No. 637-722,
Khara No. 1562/152, 1565/152
And Khata/Khatoni No. 890/1028,
Khara No. 1562/154, 1564/154,
Moza Pandek, Tehsil and District,
Haripur.
Tel: (0995) 627215-7

Saddam Halder
Branch Manager
Saddar Branch,
Survey No. 157/1, Mall 1, Mall Road,
Opp. AFIC, Rawalpindi.
Tel: (051) 5701451

KARACHI SOUTH

Ahmed Adeel Ibrahim
Regional General Manager
Boat Basin Branch,
GPC-4, First Floor, Block-5,
B.B.Q. Tonight, Karachi.
Tel: (021) 36146236, 36146235

Muhammad Ajmal Naseem
Area Manager
Karachi Main Branch,
Salma Tower, I.I. Chundrigar Road,
Karachi.
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111-00-7456, Ext. 100
Fax: (021) 32275245

Sawars Adnan
Branch Manager
Bahadurabad Branch,
Ground Floor, ZN Tower,
Plot No. 108, Bahadur Ya Jung
Co-operative Housing Society,
Block 3, K.C.H.S., Union Limited,
Bahadurabad, Karachi.
Tel: (021) 34933277,
(021) 34123416-20
Fax: (021) 34145182

Zubair Patel
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.
Tel: (021) 34306526,
(021) 34306521-23
Fax: (021) 34306524

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SILKBANK 
Yes we can

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Export Import Bank of Thailand

Turkey

Habib Bank Ltd.

Turkiye Vakiflar Bankasi T.A.O
Turkiye Garanti Bankasi AS
Turk Ekonomi Bankasi AS
Albaraka Turk Participation Bank
Aktif Yatirim Bankasi

U.A.E.

Citibank N.A.
Dubai Islamic Bank
Emirates NBD Bank
Emirates Islamic Bank
United Bank Ltd.
Habib Bank Ltd.
Mashreq Bank PSC
National Bank of Fujairah
Habib Bank AG Zurich
Noor Islamic Bank
Commerzbank AG
MCB
Axis Bank

U.K.

ABC International Bank PLC
Bank of America
Clydedale Bank
Habib Bank AG Zurich
Habib UK
Commerzbank AG
Mashreq Bank PSC
Northern Bank
JP Morgan
Citibank N.A.

U.S.A.

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

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.
Woori Bank

Vietnam

JP Morgan

NOTES

SILKBANK

Attach
Correct
Postage

**Silkbanks Limited
Registered Office:
13-L, F-7 Markaz,
Islamabad.**

Form of Proxy
Annual General Meeting

SILKBANK 

I / We _____ S/o / D/o _____
t/o _____ being a member(s)
of Silkbank Limited, holding _____ ordinary shares, hereby appoint
S/o / D/o _____ t/o _____
or failing him / her _____ S/o / D/o _____ t/o _____
as my / our proxy in my / our absence to attend and vote for me / us on my / our behalf at Annual General Meeting of the Bank to be held
on Saturday, March 30, 2019 and / or adjournment thereof.

As witness, my / our hand(s) seal this on the _____ day of _____ 2019.

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 forty eight (48) hours before the time of holding the meeting.
2. No person shall act as a 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 is deposited by a member with the Bank, all such instruments of proxy shall be rendered invalid.
4. In case of a 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 a 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 / D/o _____ t/o _____
being a member(s) of Silkbank Limited, holder of _____ Ordinary Share(s) as per registered Folio / CDS
Account No. _____, hereby opt for video conference facility at _____ to attend Annual General Meeting of the
Bank to be held on Saturday, March 30, 2019.

Note:

This consent, duly completed and signed, must be received at the Registered Office
of the Bank at least seven (7) days before the date of the meeting.

Signature on Revenue Stamp
of Appropriate Value

Registered Office:
13-L, F-7 Markaz, Islamabad.
 021-111-100-777
 www.silkbank.com.pk
 /silkbankpk

