

# PROTECTING DREAMS



HALF YEARLY REPORT | 2016

**SILKBANK**   
Yes we can

# Protecting Dreams

Dreams open a doorway into the future. Dreams are the subconscious manifestation of the desire to turn the ordinary into extraordinary. At Silkbank, we value the dreams of our customers and work towards realization of those dreams through developing financial products and services. From excellence in service to innovative products, we endeavor to provide the best banking experience to our customers.

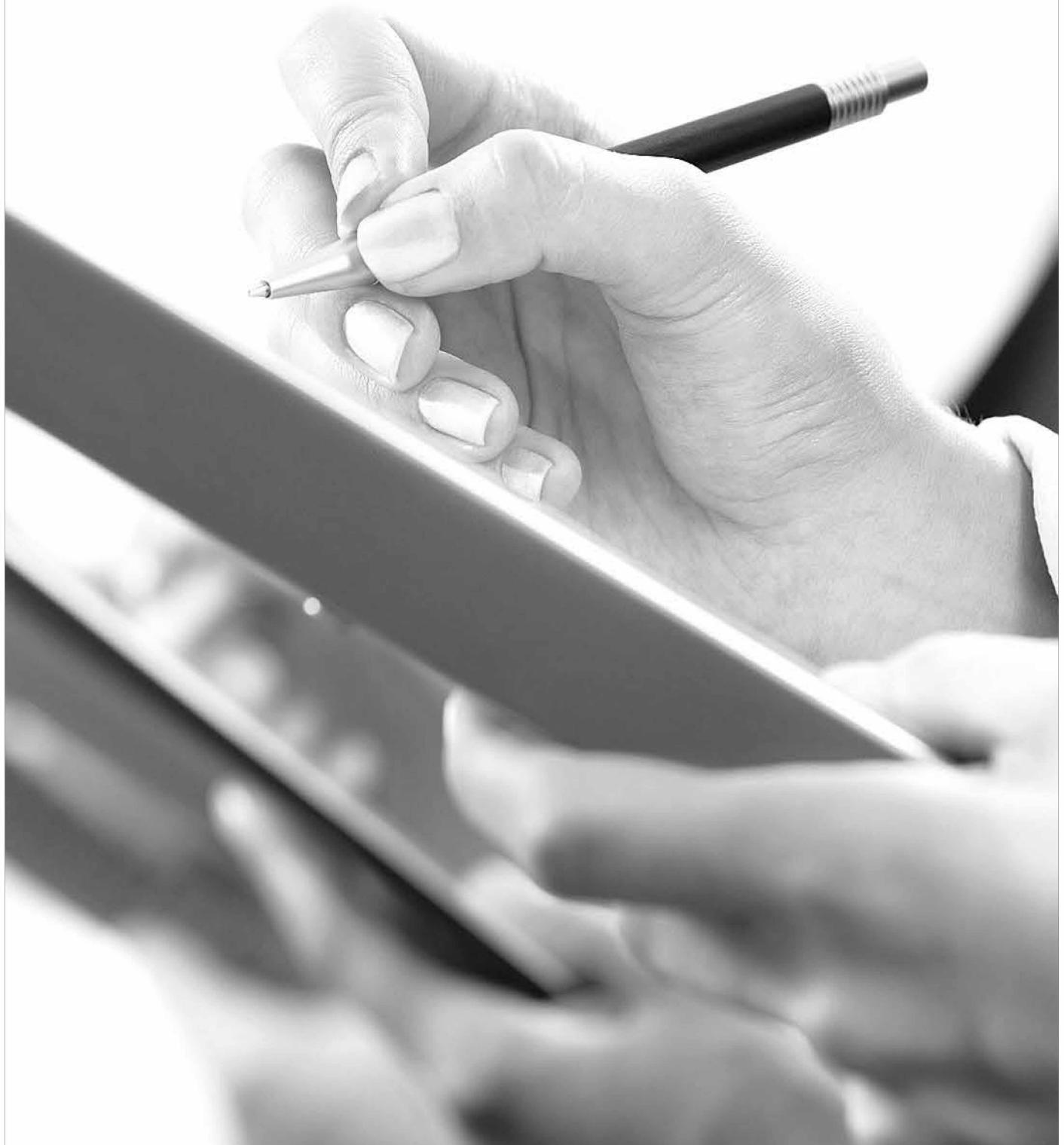




**SILKBANK**   
Yes we can

# Contents

Vision, Mission, Core Values	03
Corporate Information	05
Products and Services	09
Director's Review Report	13
Auditor's Review Report	19
Condensed Interim Statement of Financial Position	23
Condensed Interim Profit and Loss Account Unaudited	24
Condensed Interim Statement of Comprehensive Income Unaudited	25
Condensed Interim Statement of Changes in Equity Unaudited	26
Condensed Interim Cash Flow Statement Unaudited	27
Notes to the Condensed Interim Financial Statements Unaudited	28
Branch Network	47
Foreign Correspondents	49



**SILKBANK**   
Yes we can

# Vision

Benchmark of Excellence in Premier Banking.

# Mission

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

## Core Values

### Customer Focus

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

### Integrity

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

### Teamwork

Teamwork is our key strength ... our success is 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.



**SILKBANK**   
Yes we can

# Corporate Information

For the Half year ended June 30, 2016





**SILKBANK**   
Yes we can

# Corporate Information

## Board of Directors

Munnawar Hamid, OBE	Chairman
Nasim Beg	Director
Adnan Afridi	Director
Khalid Aziz Mirza	Director
Sadeq Sayeed	Director
Shamsul Hasan	Director
Tariq Iqbal Khan, FCA	Director
Talha Saeed Ahmed	Director
Azmat Shahzad Ahmed Tarin	President & CEO
Shaukat Tarin	Advisor to the Chairman

## Company Secretary

Uzman Naveed Chaudhary

## Chief Financial Officer

Khurram Khan

## Audit Committee

Tariq Iqbal Khan, FCA	Chairman
Adnan Afridi	Member
Nasim Beg	Member
Wajih Zaidi	Secretary

## Risk Committee

Shamsul Hasan	Chairman
Sadeq Sayeed	Member
Talha Saeed Ahmed	Member
Muhammad Atif Kauser	Secretary

### **Human Resources Committee**

Munnawar Hamid, OBE	Chairman
Khalid Aziz Mirza	Member
Azmat Shahzad Ahmed Tarin	Member
Sanam Kohati Faiz	Secretary

### **Auditors**

Deloitte Yousuf Adil  
Chartered Accountants

### **Legal Advisor**

Ghani Law Associates

### **Registered Office**

Silkbank Building, 3<sup>rd</sup> Floor, 18-C, Kaghan Road, F-8, Markaz,  
Islamabad Capital Territory, Islamabad.

Direct Tel.: 051-2287575

PABX: 051-2287448-49

Fax: 051-2287576

Email: [companysecretary@silkbank.com.pk](mailto:companysecretary@silkbank.com.pk)

Website: [www.silkbank.com.pk](http://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](mailto:info@cdcpak.com)

Website: [www.cdcPakistan.com](http://www.cdcPakistan.com)

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

#### ■ BUSINESS VALUE ACCOUNT

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

#### ■ ONLINE EXPRESS

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

#### ■ SALARY PREMIUM ACCOUNT

An exceptional Current Account offering a host of financial convenience, 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 monthly payout. Customers can also avail an overdraft facility of up to 90% with other transactional benefits.

## 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

### Direct 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 customers' financial needs are taken care of with ultimate accessibility, convenience and security, 24/7.



### Silkbank VISA Debit Card

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

## **Utility Bills Payment Service**

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

## **Corporate and Investment Banking**

### **Corporate Banking**

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

### **Investment Banking**

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

### **Middle Markets**

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



## **Consumer Banking**

### **Personal Loan**

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

### **Silkbanks Ready Line**

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

## **Silkbanks Credit Cards**

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



## **Small and Medium Enterprises**

### **M'Power**

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

### **SME Cash Ease**

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

## **Emaan Islamic Banking**

Emaan Islamic Banking inaugurated in 2012 with 10 branches nationwide is geared towards providing Shariah-compliant banking products along with 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.



# Reports & Statements to the Members

For the Half year ended June 30, 2016





**SILKBANK**   
Yes we can

# Director's Report

For the Half year ended  
June 30, 2016

Dear Shareholders,

We are pleased to present the financial statements of the Bank for the half year ended June 30, 2016.



## Economic Review

Economic conditions of Pakistan have seen an improvement, helped by lowered international oil prices and a steady implementation of reform programs. This has resulted in the rating agencies (Moody's and S&P) improving their outlook for the country over the past year. Pakistan has been able to complete successful reviews with IMF which has further strengthened the confidence of international investors and has placed Pakistan on their radar screen as a future investment destination. The capital market reached historic levels and based on the strong market fundamentals, the Pakistan stock exchange rejoined the MSCI Emerging Market Index, in June 2016. This reclassification is expected to fundamentally change the dynamics of the Pakistan equity market.

GDP growth is slowly recovering supported by a favorable slump in international oil prices and fast-growing remittances. Despite a poor performance of the agriculture sector, GDP growth accelerated to 4.2% in FY15 and is expected to reach 4.5% in FY16.

Preliminary data for the first half of FY16 shows industrial growth accelerating on the back of a higher activity in large-scale manufacturing and construction, the latter being driven primarily by the China Pakistan Economic Corridor (CPEC) infrastructure and energy projects.

## Banking Sector

The Policy Rate remained unchanged at 5.75% in the recent Monetary Policy Statement and banking sector spreads slipped to 5.13%.

In June 2016, Banking deposits stood at Rs. 10,060 billion. Growth in deposits remains respectable, despite an imposition of withholding tax (WHT) on banking transactions for non-filers, and were up 10% on an year on year basis (YoY) versus 13% in the previous year with the expectation that it may reach 12% during the year.

Investments in Government securities remained the major attraction for banks as total investment of Rs. 7,543



billion was up 12% year to date (YTD) and 30% YoY in June 2016, whereas advances were Rs. 5,114 billion. NPLs stood at Rs. 630 billion as at June 2016, up 5.8% from a year ago, and Investment to Deposit Ratio surged to 75% in June 2016 as compared to 64% in June 2015, as banks continued to invest in risk-free Government securities.

Banking sector advances grew by 7% (an 8-year high) during the first half of 2016 led by an unchanged 5.75% interest rate and an improving macroeconomic situation. As a result, the advance to deposit ratio increased to 51% in June 2016 as compared to 50% in June 2015. There is an expectation that this momentum will continue and growth in advances will cross 10% in 2016 versus 7% in 2015.

## Financial Performance

The Bank has posted after tax profit of Rs. 345.30 million for the Half Year ended June 30, 2016.

During this period, total deposits of the Bank grew by Rs. 3.785 billion to Rs. 84.88 billion and gross advances decreased by Rs. 149 million.

**Summarized financial performance of Silkbank Limited for the period ended June 30, 2016 is as follows:**

	Rs. in 'million'
Profit before tax	536.15
Tax - Current	-
Prior	-
Deferred	(190.85)
Profit after tax	345.30
	Rupee
Earnings per share - Basic	0.04
Earnings per share - Diluted	0.04



## **Business Performance**

### **Branch Banking**

Branch Banking accounts for over 137,773 customers and at Rs. 58.966 billion represents approximately 70% of the Bank's deposit. Branch Banking Strategy has continued to focus on reducing cost of funds and has improved the deposit mix by 8% during the first half of 2016.



### **All-In-One Current Account**

This provides insurance coverage on ATM and over-the-counter cash snatching, mobile phone and vital documents snatching, home burglary, and further allows auto-insurance on minimal rates, and has now 3,354 customers and a deposit base of Rs. 1.408 billion.



### **Business Value Account**

Business Value Account, a current account specifically designed for businessmen providing inventory insurance for up to Rs. 10 million, has now a deposit base of Rs. 0.529 billion with 969 customers.

### **Online Express**

Online Express, a current account allowing unlimited transactions across the country absolutely free, has a total deposit of Rs. 14.330 billion with 66,795 customers.



### **MunafaRozana**

Munafa Rozana, a unique savings account which pays profit in cash daily, has a deposit base of Rs. 3.991 billion with 8,993 customers.

### **Home Remittance**

The Bank is performing phenomenally well in this market. The business recorded a total of 79,454 transactions and disbursed Rs. 5.84 billion in the second quarter of 2016. Further expansion by adding new exchange companies continues.

### **ADC Business**

Silkbank VISA Debit Card continues to show good growth in the second quarter of 2016 with the current base of 112,724 cards. The debit card usage over Point of Sales and ATM showed an increase of 9.09% and 4.70% respectively as compared to the second quarter of 2015. Alternate Distribution Services and e-delivery channels have added value to the product offerings of Silkbank, and enhanced reach and accessibility of banking services. SilkMobile registrations have reached 21,198 customers, as new features in the bucket are continuously added.

### **Bancassurance**

The Bancassurance business recorded a total revenue of Rs. 18.00 million during the second quarter of 2016, while the total revenue on June 30, 2016 was Rs. 29.91 million.

## **Consumer Banking**

### **Unsecured**

Initiatives taken and progress made in the second quarter of 2016 are well in line with the Bank's overall strategy not only to ensure budgetary targets but also to show growth in profitability. Going forward, in 2016, the Bank is well positioned to expand its reach by tapping the potential of other cities namely Hyderabad, Faisalabad and Peshawar in 2016, and further augment Branch Banking presence in these cities. Apart from geographical expansion, the Bank will also be launching Tele Sales and Corporate Sales, as two new acquisition channels, in order to complement reach and rationalize the cost of acquisition.

### **Personal Loan**

Silkbank Personal Loan has 19,405 active customers with a total receivable of Rs. 4.717 billion.



Keeping in view the existing market trends and as a part of our business strategy, multiple sales and customer promotions have been devised to target acquisition, customer loyalty, retention and volume growth etc. The Bank is also offering 100% processing fee waiver for its existing customers whose loans mature after successful completion of loan tenures which helps the Bank to re-attract customers with a good credit history. In addition, there is a focus on loan Top-ups which helps improve portfolio yield and retain the profitable customers for a longer term.

### Ready Line

Silkbank Ready Line achieved a sizeable market share in the last four years, and the current outstanding balance stands at Rs. 4.106 billion with 28,005 numbers of active borrowers. In order to maintain market leadership position, special focus was on building Ending Net Receivables (ENR) growth for utilization-based products and two innovative spend campaigns were launched. International destination promotion is in progress and has been aggressively communicated to all target markets through mediums including digital marketing, print media, radio, social media, flyers and ATM screens etc.



### Credit Cards:

Silkbank Credit Cards continued to register steady growth during the second quarter of 2016, and the total cards base stood at 81,513 cards and Ending Net Receivables (ENR) at Rs. 2.74 billion on June 30, 2016.

### Secured

#### M'Power

M'Power, a product secured against residential and commercial property, has a total of 465 active borrowers with receivables of Rs. 3.157 billion. Currently, fresh lending in M'Power is on hold to enable greater focus on high-yielding products.

#### Emaan Islamic Banking

During the first half of 2016, Emaan Islamic deposits registered a healthy growth of Rs. 1.896 billion showing a YTD growth of 28.72%. The total deposit book of Emaan Islamic stands at Rs. 8.501 billion with a CASA to Term Deposit ratio of 72:28, on June 30, 2016. The cost of funds has reduced to 3.55% and advances increased to Rs. 5.254 billion, in the same period.



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

The Bank is compliant with the MCR and CAR requirements as prescribed by the State Bank of Pakistan. As reported earlier, the Bank received Rs. 10 billion (Rupees ten billion) in its Right Shares Subscription Account as of December 31, 2015. This includes an advance of Rs. 2.00 billion from certain strategic investors, in respect of whom the Bank, as required by SBP, is in the process of obtaining an NoC from the relevant authorities as well as all other legal requirements, before finally accepting this investment.

### Credit Rating

As of June 30, 2016, the JCR-VIS Credit Rating Company Limited has reaffirmed the Long-Term entity rating of Silkbank as A- (Single A Minus) and Short-Term rating as A-2 (A-Two). Outlook on the assigned ratings is "Stable".

### Future Outlook

Going forward in 2016, the Bank shall continue to pursue its already announced goals to be the top service provider in the Banking industry and at the same time expand, supported by the inflow of the new capital, reduce non-earning assets, further nationalize costs through productivity initiatives, improve customers franchise quality and grow higher earning assets.

### Acknowledgement

We once again take this opportunity to express our deepest gratitude to our customers and business partners for their continued support and trust, and our sincere appreciation to the State Bank of Pakistan for their guidance and cooperation extended to the Bank. We are also equally thankful to our associates, staff and colleagues for their committed services to the Bank, and look forward to their continued support.

For and on Behalf of the Board  
of Silkbank Limited

A handwritten signature in black ink, appearing to read "Munawar Hamid".

Munawar Hamid, OBE  
Chairman  
Karachi, August 26, 2016

سے ٹرم ڈپاٹ کی شرح 72:28 کے ساتھ 8.501 بیلین روپے رہے۔ اسی مدت کے دوران فنڈز کی الگت میں نیشنل کی اور ڈیکٹی ادائیگیوں میں 5.254 بیلین روپے کا اضافہ ہوا۔



کم سے کم دو کار سریاں (MCR) اور سریاں کی شرح موزوںیت (CAR) کی قیمت بیک، اسٹیٹ بیک آف پاکستان کی بدائیت کے مطابق دو کار MCR اور CAR کی قیمت کرہا ہے۔ جیسا کہ پہلے بتایا گیا کہ بیک نے 31 دسمبر 2015 تک اپنے رائٹ شیرس سکرپشن کا ذکر میں 10 بیلین روپے موجود ہے۔ اس جمیع رقم میں 2 بیلین روپے کی وہ ڈیکٹی ادائیگیوں بھی شامل ہیں جو جنمیں حکومت عملی کے حال سریاں کاروں کی جانب سے موجود ہوئیں، اس سلسلے میں بیک، اسٹیٹ بیک آف پاکستان کی بدائیت کے مطابق اس سریاں کاروں کی قبولیت کو تجھی خلی دینے سے قبل مختلف اتفاقیہز سے NOC حاصل کرنے اور ساتھ ہی دیگر تمام قانونی لوازمات کی تکمیل کے مرحلہ میں ہے۔

#### کریٹریٹریٹنگ

30 جون 2016 کو JCR-VIS کریٹریٹریٹ کمپنی لمبڑی کا جاب سے بیک کی طریل مدنی ملکیتی وجہ بندی (A-اے متنی) اور قیل مدنی وجہ بندی 2-A (اے ٹو) کو برقرار رکھا گیا ہے۔ بحیثیت جموی، بیک کی وجہ بندی "دھرم" ہے۔

#### ستقبل کا پیش مظہر

2016 میں بھی بیک، سٹیٹریٹ کے لیے اعلیٰ ترین خدمات کا فراہم کنندہ بنتے کے لیے اپنے تکمیدہ معاصر کے حصول کی جانب بیک قدری جاری رکھے گا اور ساتھ ساتھ میں سرمائے کی آمد، غیر منافع بخش اٹاؤں کی تخفیف، بیداری اور ادیانتی اقدامات کی مدد سے لگاؤں میں کمی، سٹریٹریٹ کے معیار میں بہتری اور زیادہ منافع بخش اٹاؤں میں اضافے کے ساتھ و محت میں بھی پاتا چلا جائے گا۔

#### اعلمہ ارٹرکر

ہم بیک سے اپنے سٹریٹریٹ اور بیس پاٹنزر کی جانب سے مسلسل تعاون اور اتحاد کے ائمہار پران کے ٹھیکر گزار رہیں۔ ہم اسٹیٹ بیک آف پاکستان کی بھی خراب تجھیں بیکتے ہیں کہ انہوں نے بیک کے لیے اپنی رہنمائی اور تعاون فراہم کیا۔ ہم اپنے تمام شرکاٹ داروں، اسافر اور ساتھ کام کرنے والوں کی جانب سے بیک کے لیے انجام دی جانے والی شاندار خدمات کو کمی سراچے ہیں اور امید کرتے ہیں کہ ہم سب ساتھیں کر آنکھوں بھی ترقی کی تھی کی تھی مازال طکریں گے۔

سک بیک لمبڑی کے بورڈ کی جانب سے اور بورڈ کے لیے

Munawar Ahmad

مورخید،

چیئرمین

کراچی، 26 اگست 2016



#### ریٹیلی لائن

سک بیک ریٹیلی لائن، گریٹر چاربرسول میں زیر دست مارکیٹ شیر حاصل کر جوکی ہے اور اس کا موجودہ واجب الادا بیلنس 4.106 بیلین روپے ہے اور موجودہ قرض خواہوں کی تعداد 28,005 ہے۔ مارکیٹ لینڈر کی شیشیت برقرار رکھنے کے لیے خصوصی تجویز، استفادہ جاتی پر اڑاکش کے لیے اختتامی بیک و مولیوں (ENR) میں اختلاف پر مرکوز رہی اور دوختی اخراجی اپنے بیک کے بیٹھنے کا آغاز کیا گیا۔ میں الاقوایی مارکیٹ میں رسانی کی پر موشن جاری ہے اور مختلف ذراائع بیولوں ڈیکٹیل مارکیٹ، پرٹ میڈیا، ریٹیل پوسٹل میڈیا، فلاٹنر اور اے نی ایم اسکریپر وغیرہ کے ذریعے تمام نارگٹ مارکیٹس میں اس کی ترویج پری ہفتہ میں کی جا رہی ہے۔



Your Cash  
is Ready to  
be Served

#### کریٹریٹ کارڈز

2016 کی دوسری سالی کے دوران سک بیک کریٹریٹ کارڈز کے تحت مکالم اضافہ جاری رہا اور 30 جون 2016 کو کارڈز کی جمیع احتراود میں 81,513 اور اختتامی بیک و مولیاں (ENR) 2.74 بیلین روپے تک جا پہنچیں۔

#### متفوظ

#### M'Power

M'Power، ایک ایسی پر اڈکت ہے جو کہ رہائشی اور تجارتی پارٹی کے تحت تجھیقات فراہم کرتی ہے۔ اس پر اڈکت کے جمیع طور پر 465 غالف قرض خواہ ہیں اور اس میں 3.157 بیلین روپے داجب الوصول ہیں۔ فی الوقت، M'Power کے تحت میں قرضوں کی فراہمی روک دی گئی ہے تاکہ دیگر زیادہ منافع بخش پر اڈکن پر بھر پر تجویز کو مکمل بنایا جاسکے۔

#### ایمان اسلام بیکنگ

2016 کی پہلی ششماہی کے دوران، ایمان اسلام بیکنگ فی بیکس میں 1.896 بیلین روپے کا نامیاب اضافہ ہوا جس میں YTD میں اضافہ 28.72 نصف رہا۔ 30 جون 2016 کو ایمان اسلام بیکنگ کے جمیع فی بیکس CASA

## کاروباری کارکردگی

### برانچ بینکنگ

برانچ بینکنگ 137,773 کشمکش کے ساتھ 58,966 میں روپے کے ذخیرہ کی حامل ہے جس سے تقریباً 7 فیصد بیکٹ ڈپاٹ کا انتہا ہوتا ہے۔ برانچ بینکنگ کی حکمت عملی کشمکش کی لائگ کو کرنے پر مسلسل مرکوز ہے اور 2016 کی پہلی ششماہی کے دوران ڈپاٹ کس میں 8 فیصد کا اضافہ ہوا ہے۔

### بیون بینکنگ

منافع روزانہ ایک کشمکش سیکنڈ اکاؤنٹ ہے جو کہ منافع کی نظر قریب روزانہ کی بنیاد پر دیتا ہے۔ اس کے اب تک 8,993 کشمکش روزاں اور 3.991 میں روپے کے ذخیرہ ہیں۔



### ADC بیٹس

سک بینک دینہ اٹھیٹ کا رکہ کی ترقی کا سفر 2016 کی دوسرا سماں میں بھی مسلسل چاری ہے اور کارڈ کی موجودہ تعداد بڑھ کر 112,724 ہو چکی ہے۔ 2015 کی دوسرا سماں کے مقابلے میں پانچ آف سک اور اسے ائم پر ڈپیٹ کارڈ کے استعمال میں بالترتیب 4.70 فیصد اور 5.84 میں روپے قیمتی کیے گئے۔ تباہل و مزید یوں سروز اور اکٹھر ایک ڈیجیٹی جگہ نے سک بینک کی پیش کردہ پروڈکٹس کی قدر اور بینک سروز بک رسائی اور کھولت میں اضافہ کیا ہے۔ سک بینک پر کشمکش کی رجسٹریشن 21,198 تک پہنچ چکی ہے، اس کے علاوہ مزید پاہوٹ فیڈر کا اضافہ بھی مسلسل چاری ہے۔

### بینک اشورس

سال 2016 کی دوسرا سماں کے دوران بینک اشورس کے بیٹس نے 18.00 میں روپے کی مجموعی آمدنی کا بیٹس ریکارڈ کیا جبکہ 30 جون 2016 تک مجموعی آمدنی 29.91 میں روپے تھی۔

## کنزیوم بینکنگ

### غیر محفوظ

2016 کی دوسرا سماں میں کیئے جانے والے اقدامات اور ترقی، نصف بیجٹ کے ہدایف کی تجسس بکس منافع جات میں اضافے کے لیے لیے گئے بینک کی مجموعی حکمت عملی سے ہم آہنگ ہے۔ سال 2016 کے آئندہ دنوں میں بینک دوسرا شہر ہو جیسا کہ جید آباد، فیصل آباد اور پشاور میں اپنا ٹیکسٹ ورک وکیج کرنے اور ان شہروں میں مزید ذیلی برانچ بینکنگ کے اضافے اور قیام کے لیے کربوں ہے۔ جغرافیائی توسعے سے ساتھ محفوظ بینک، ٹیلی سلار اور کارپورٹ سلار کے دینے حصیلی ذرائع ہمی تعارف کر رہا ہے، تاکہ رابطہ اور ہم تکی کو متوجہ بنانے کے ساتھ تھیسی لائگ کو کم کیا جاسکے۔

### پر ٹیل لون

سک بینک پر ٹیل لون کے موجودہ کشمکش کی تعداد 19,405 ہے جبکہ اس میں مجموعی طور پر 4.717 میں روپے واحد الوصول ہیں۔ موجودہ بارکٹ کے رجحانات اور اپنی کاروباری حکمت عملی کے پوش نظر کشمکش کے حصوں، وفاداری اور اسی اپنے ساتھ ملک رکھنے اور ان کی تعداد میں اضافے وغیرہ کے لیے مختلف توہین کی سلار اور کشمکش پرو ہمیٹھیں دی گئی ہیں۔ بینک، اپنے آن موجودہ کشمکش کے لیے فیس سے 100 فیصد اضافہ بھی پیش کر رہا ہے جن کے قرضوں کی مدت کا میاں سے تجسس پنیر ہو چکی ہے، اس طرح بینک کو اچھی اعتمادی ساکھ کے حامل کشمکش کو دوبارہ لائے میں مدد لے گی۔ مزید برآں، اون تاپ ایکس پر بھی توچر کو زہر ہے جس سے پورٹ فلیو کے منافع میں اضافہ اور منافع بخیل کشمکش کو بھی مدت تک اپنے ساتھ ملک رکھنے میں مدد لے گی۔

**آل ان دون کرت اکاؤنٹ**  
یاے ائم اور کارڈ میں پر نظر قم کے چینے جانے، موبائل فون اور ایم دستاویزات کے چینے جانے، گھر میں ہونے والی چوری یا ذہنی اور اس کے علاوہ گاڑیوں کی اشتوں کم ترین شرح پر فراہم کرتا ہے، جس کے اب تک 3,354 کشمکش اور 1.408 میں روپے کے ذخیرہ ہیں۔



### بیٹس ویچنگ اکاؤنٹ

بیٹس ویچنگ اکاؤنٹ، ایک ایسا کرت اکاؤنٹ ہے جو خاص طور پر کاروباری افراد کے لیے بنایا گیا ہے، جو کہ 10 میں روپے تک کی اونٹری اشتوں فراہم کرتا ہے، جس کے اب تک 969 کشمکش جذبہ ہیں اور 529 میں روپے کے ذخیرہ ہیں۔

### آن لائن ایکسپریس

آن لائن ایکسپریس ایک کرت اکاؤنٹ ہے جو کہ ملک بھر میں غیر محدود مدت ترازوں کی شہرت دیتا ہے۔ اس کا کوتھ کرت مجموعی طور پر 66,795 کشمکش اور 14.330 میں روپے کے ذخیرہ ہیں۔

**Take the Express Route  
to Unlimited Free Transactions!**



### ONLINE EXPRESS

CURRENT ACCOUNT

# ڈائریکٹر کی رپورٹ

شہادت نمبر 30 جون 2016

## عزیز حصہ یافتگان

ہم انتہائی سرت کے ساتھ 30 جون 2016 کو شہادتی کے اختتام پر بینک کی مالیاتی گوشوارے پیش کر رہے ہیں۔



گورنمنٹ سکیو ریٹریٹ میں سرمایہ کاری بینکس کے لیے سب سے زیادہ کشش کا باعث رہی، جیسا کہ 2016 میں 7,543 ملین روپے کی مجموعی سرمایہ کاری ایئرٹریٹ (YTD) 12 فیصد اور سال پر سال (YoY) 30 فیصد زیادہ رہی، جبکہ پیشگی ادا تینگز 5,114 ملین روپے رہی۔ جون 2016 کو NPLs میں 630 ملین روپے ریکارڈ کیے گئے جو کہ گورنمنٹ سال کے مقابلے میں 5.8 فیصد زیادہ تھے۔ بینک کی جانب سے بالآخر گورنمنٹ سکیو ریٹریٹ میں مسلسل سرمایہ کاری کے باعث، سرمایہ کاری فیاض تراست جون 2016 میں بڑھ کر 75 فیصد ہو گیا جو کہ جون 2015 میں 64 فیصد تھا۔

2016 کی بینلی شہادتی کے دوران 7.75 فیصد کی غیر تھنچ پر یورپ شرح سودا اور بہتر ہوئی۔ مکروہ اتنا کہ صورتحال کی بدولت بینکنگ کے شعبے کی پیشگی ادا تینگز میں (گزشت 8 سالوں میں بلند ترین) 7 فیصد کا اضافہ ہوا۔ سبقتہ، پیشگی ادا تینگز فیاض تراست جون 2015 کے 50 فیصد کے مقابلے میں بڑھ کر جون 2016 میں 51 فیصد ہو گیا۔ تو قہبہ کے اضافے کا پر رجحان چاری رسمے کا اور 2015 کی 7 فیصد شرح کے مقابلے میں 2016 میں پیشگی ادا تینگز 10 فیصد کی شرح کوئی عبور کر جائیں گی۔

## مالیاتی کارکردگی

بینک نے 30 جون 2016 کو ختم شدہ شہادتی میں بینک کی کیوٹی کے بعد 45.30 ملین روپے کا منافع کیا۔ اس مدت کے دوران بینک کے مجموعی ڈپاٹس 3,785 ملین روپے کے اضافے کے ساتھ 84.88 ملین روپے کے تھنچی گئے جو کہ گروہ پیشگی ادا تینگز میں 149 ملین روپے کی کمی تو قہبہ ہوئی۔

30 جون 2016 کو شہادتی کے اختتام پر سلک بینک لمبیڈی مالیاتی کارکردگی کا اجمالی جائزہ پیش خدمت ہے:

روپے (ملین میں)	تمام اضافے
536.15	بعد ازاں منافع
-	نیکیں موجودہ
-	مزروع
(190.85)	نر اندا
345.30	بعد ازاں منافع
روپے	نی حصہ منافع - بینک
0.04	نی حصہ منافع - واپسی
0.04	نی حصہ منافع - واپسی



## محاذی جائزہ

پاکستان کے محاذی حالات میں، تیل کی بین الاقوامی قیمتیں میں کمی اور اصلاحاتی پروگرام کے مستقل نفاذ کی بدولت بہتری دیکھتے ہیں آئی ہے۔ نتیجتاً گورنمنٹ سال کے دوران میں عزیز کے حوالے سے بینک اینجینئر (Moody's, S&P) کا احتظاظ نظر ہبھر ہوا ہے۔ پاکستان نے آئی ایف کے تجویزیوں کو کامیابی سے مکمل کیا ہے جس سے میں الاقوامی سرمایہ کاروں کا اعتماد عزیز ملک ہوا اور انہوں نے پاکستان کو تین میں سرمایہ کاری کے لیے سازگار سرگزی میں کاٹ پر ترقی دے سکی ہے۔ کوچل ماکریٹ نے تاریخ ساز ترقی حاصل کی ہے اور مختسب ماکریٹ بیناولوں پر جون 2016 میں پاکستان اسٹاک اینجینئر (MSCI) اینجینئر مارکیٹ انکیس میں وہ بارہ شویں اختیار کر لی ہے۔ تو قہبہ کے یہ ازسر لو درجہ بندی، پاکستان ایکوئی مارکیٹ کی روایات کو کامل طور پر بدل دیا گی۔

تیل کی بین الاقوامی قیمتیوں میں خوکھوار کی اور بینکنگ میں تیزی سے اضافے کی بدولت جی ڈی پی گرچھے میں رفتہ رفتہ ای ایسی ہے۔ زراعت کے شعبے میں ناچس کارکردگی کے باوجود مالی سال 2015 میں جی ڈی پی گرچھے میں 4.2 فیصد کا اضافہ ہوا اور مالی سال 2016 میں یا اضافہ 4.5 فیصد تک متوجہ ہے۔

مالی سال 2016 کی بینلی شہادتی کے ابتدائی اعداد و مثار کے مطابق ہر سے یعنی کمی میونکچنگ اور کنٹرکشن میں زبردست سرگزیوں کی بدولت یہ ترقی صرفی ترقی و کیفیت میں آئی، جس میں موخر الذکر (کنٹرکشن کے شعبے) کا استظام بخیادی طور پر چاکپا اکستان اتنا کہ کوریڈور (CPEC) انفراسٹرکچر اور توانائی کے پرائیس کے تحت عمل میں لایا گیا۔

## بینکنگ کا شعبہ

حالیہ مالیاتی پاکیستانیٹ میں پالسی کی شرح بخیر کی تبدیلی کے 75.7 فیصد رہی اور بینکنگ کے شعبے میں اس پر یہ زکم کو کر 5.13 فیصد ہو گئے۔

جون 2016 میں بینکنگ ڈپاٹ 10,060 ملین روپے رہے۔ ڈپاٹ میں اضافاتی فائلر کے لیے بینکنگ ٹرانزیکشنز پر دو ولڈنگ بینکس (WHT) مالکیت کی جانے کے باوجود قابلیت قدر رہا اور ان میں گزٹر سال کے 13 فیصد کے مقابلے میں مالی سال پر سال (YoY) کی جیادہ پر 10 فیصد اضافہ ہوا۔ تو قہبہ کے کروں سال، یہ شرح بڑھ کر 12 فیصد ہو جائے گی۔



# Auditors' Report to the Members on Review of Interim Financial Information



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

Telephone +92 (0) 21-3454 6494-7  
Fax +92 (0) 21-3454 1314  
Internet [www.deloitte.com](http://www.deloitte.com)

## Introduction

We have reviewed the accompanying condensed interim statement of financial position of Silkbank Limited (the Bank) as at June 30, 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity together with the notes forming part thereof for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

## Scope of Review

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

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended June 30, 2016, is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

## Emphasis of Matter

We draw attention to the following matters:

- a) Note 12 to the interim financial information relating to deferred tax assets where management has disclosed that the Bank, based on financial projections for taxable profits for five years, which have been approved by the Board of Directors, will be able to realise the net deferred tax assets of Rs. 4,022 million. The preparation of projections involve management's assumptions regarding future business and economic conditions and therefore any significant change in such assumptions or actual outcome that is different from assumptions, may have an effect on the realisability of the deferred tax assets in future.

- b) Note 13 to the interim financial information, which highlights significant increase in the non-banking assets (NBAs) acquired in satisfaction of claims during the period and the aggregate carrying value of such assets amounted to Rs. 11,856 million (net of impairment) as at June 30, 2016. Further, there is limited disposal of such assets in the current period and previous year(s). We are highlighting this matter owing to significant uncertainty with regard to the disposal and recovery of such assets in near future.

Our conclusion is not qualified in respect of above matters.

### **Other matter**

The figures of the condensed interim profit and loss account and the condensed interim statement of comprehensive income for the quarters ended June 30, 2016 and 2015 have not been reviewed and we do not express a conclusion on them, as we are required to review only the cumulative figures for the half year ended June 30, 2016.

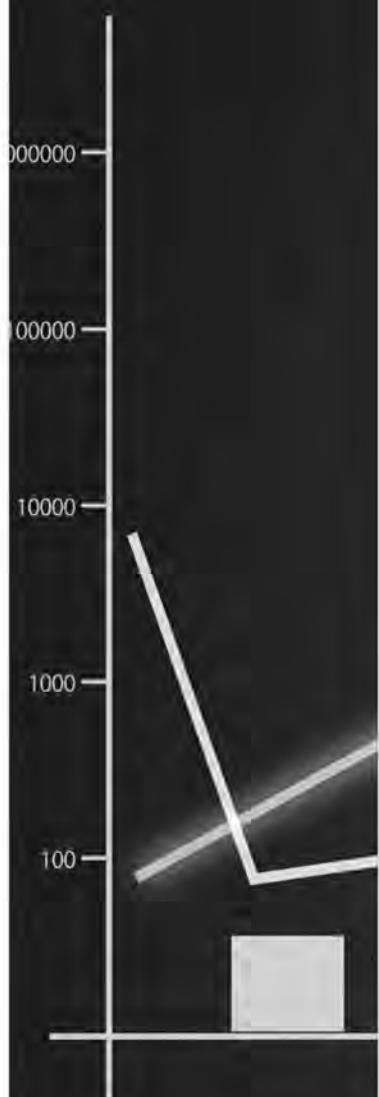
### **Chartered Accountants**

**Engagement Partner:**  
Syed Asad Ali Shah

**Place :** Karachi  
**Date :** August 26, 2016

# Financial Statements

For the Half year ended June 30, 2016





**SILKBANK**   
Yes we can

# Condensed Interim Statement of Financial Position

as at June 30, 2016

	Note	June 30, 2016 Un-audited	December 31, 2015 Audited
		Rupees in '000	
<b>ASSETS</b>			
Cash and balances with treasury banks		7,048,814	7,343,670
Balances with other banks		166,697	194,065
Lendings to financial institutions	8	4,917,143	6,260,444
Investments - net	9	47,574,254	35,512,864
Advances - net	10	61,026,081	61,074,207
Operating fixed assets	11	4,162,414	4,496,648
Deferred tax assets - net	12	4,021,607	4,180,969
Other assets	13	15,494,107	14,040,004
		<b>144,411,117</b>	<b>133,102,871</b>
<b>LIABILITIES</b>			
Bills payable		2,778,906	2,413,342
Borrowings	14	43,040,813	33,230,182
Deposits and other accounts	15	84,883,529	81,097,581
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		12,463	14,145
Deferred tax liabilities		-	-
Other liabilities	16	2,053,135	1,770,959
		<b>132,768,846</b>	<b>118,526,209</b>
<b>NET ASSETS</b>			
		<b>11,642,271</b>	<b>14,576,662</b>
<b>REPRESENTED BY</b>			
Share capital	17	77,998,099	77,998,099
Discount on issue of right shares		(56,566,725)	(56,566,725)
Reserves		180,134	180,134
Advance against shares subscription	1.3	2,000,000	2,000,000
Convertible preference shares	18	-	2,200,000
Accumulated loss		(12,009,265)	(11,334,916)
		<b>11,602,243</b>	<b>14,476,592</b>
Surplus on revaluation of assets - net of tax	19	40,028	100,070
		<b>11,642,271</b>	<b>14,576,662</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	20		

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.

Azmat Tarin  
President & CEO

Munnawar Hamid, OBE  
Chairman

Tariq Iqbal Khan  
Director

Shamsul Hasan  
Director

# Condensed Interim Profit and Loss Account - Unaudited

for the half year ended June 30, 2016

Note	Quarter ended		Half year ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Mark-up / return / interest earned	<b>2,536,766</b>	2,172,162	<b>5,113,251</b>	4,502,712
Mark-up / return / interest expensed	(1,486,653)	(1,470,793)	(2,923,619)	(3,019,767)
<b>Net Mark-up / interest income</b>	<b>1,050,113</b>	701,369	<b>2,189,632</b>	1,482,945
(Provision) / reversal against non-performing loans and advances - net	(129,119)	366,588	(322,184)	236,028
General provision against consumer financing	(18,321)	(30,919)	(25,082)	(44,512)
Recovery against written off loans	4,074	550	5,074	3,300
Provision for diminution in the value of investments - net	-	(5,344)	-	(5,344)
Impairment in the value of investments	(4,822)	(10,489)	(10,654)	(24,090)
Bad debts written off directly	-	-	-	-
<b>Net mark-up / interest income after provisions</b>	<b>(148,188)</b>	320,386	<b>(352,846)</b>	165,382
	<b>901,925</b>	1,021,755	<b>1,836,786</b>	1,648,327
<b>NON MARK-UP / INTEREST INCOME</b>				
Fee, commission and brokerage income	<b>299,834</b>	262,021	<b>605,950</b>	491,589
Dividend income	4,528	6,293	28,408	19,415
Income from dealing in foreign currencies	<b>52,252</b>	35,727	<b>96,372</b>	108,878
Gain on sale of securities - net	<b>19,983</b>	90,374	<b>61,846</b>	353,278
Unrealized gain / loss on revaluation of investments - held-for-trading	356	(2,251)	(90)	(2,303)
Other income	<b>118,577</b>	30,097	<b>148,566</b>	100,950
<b>Total non mark-up / interest income</b>	<b>495,530</b>	422,261	<b>941,052</b>	1,071,807
	<b>1,397,455</b>	1,444,016	<b>2,777,838</b>	2,720,134
<b>NON MARK-UP / INTEREST EXPENSES</b>				
Administrative expenses	(1,273,167)	(1,324,400)	(2,611,179)	(2,525,179)
Other reversals / (provisions) - net	<b>144,901</b>	(349,204)	<b>413,433</b>	(349,204)
Other charges	(43,638)	(2,914)	(43,944)	(3,008)
<b>Total non mark-up / interest expenses</b>	<b>(1,171,904)</b>	(1,676,518)	<b>(2,241,690)</b>	(2,877,391)
<b>PROFIT / (LOSS) BEFORE TAXATION</b>	<b>225,551</b>	(232,502)	<b>536,148</b>	(157,257)
<b>Taxation</b>				
- Current	-	-	-	-
- Prior	-	-	-	-
- Deferred	(82,057)	87,006	(190,850)	61,628
	(82,057)	87,006	(190,850)	61,628
<b>PROFIT / (LOSS) AFTER TAXATION</b>	<b>143,494</b>	(145,496)	<b>345,298</b>	(95,629)
			<b>Rupee</b>	
Earnings per share - basic	<b>0.02</b>	(0.05)	<b>0.04</b>	(0.04)
Earnings per share - diluted	<b>0.02</b>	(0.04)	<b>0.04</b>	(0.03)

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.

Azmat Tarin  
President & CEO

Munnawar Hamid  
Chairman

Tariq Iqbal Khan  
Director

Shamsul Hasan  
Director

# Condensed Interim Statement of Comprehensive Income - Unaudited

for the half year ended June 30, 2016

	Quarter ended	Half year ended	
	June 30, 2016	June 30, 2015	June 30, 2016
Rupees in '000			
<b>Profit / (loss) after taxation</b>	<b>143,494</b>	(145,496)	<b>345,298</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit and loss</i>			
Remeasurement of defined benefit plan	505	(10,996)	505
Related effect tax	(176)	3,849	(176)
	329	(7,147)	329
<b>Comprehensive income transferred to equity</b>	<b>143,823</b>	(152,643)	<b>345,627</b>
<b>Components of comprehensive income not reflected in equity</b>			
Surplus / (deficit) on revaluation of available-for-sale securities	38,240	(62,785)	(80,744)
Related tax effect	(13,385)	21,976	28,260
	24,855	(40,809)	(52,484)

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.

Azmat Tarin  
President & CEO

Munnawar Hamid, OBE  
Chairman

Tariq Iqbal Khan  
Director

Shamsul Hasan  
Director

# Condensed Interim Statement of Changes in Equity - Unaudited

for the half year ended June 30, 2016

	Share Capital	Discount on Issue of Shares	Statutory Reserves	Advance against shares subscription	Convertible Preference Shares	Accumulated Loss	Total Equity
Rupees in '000							
<b>Balance as at January 01, 2015 - Audited</b>	26,716,048	(13,284,674)	180,134	2,000,000	2,200,000	(9,444,123)	8,367,385
<b>Total comprehensive income for the half year ended June 30, 2015</b>	-	-	-	-	-	(95,629)	(95,629)
Loss after tax for the half year ended June 30, 2015 - Un-audited	-	-	-	-	-	(7,147)	(7,147)
Other comprehensive Income - Un-audited	-	-	-	-	-	-	-
<b>Total comprehensive income for the half year ended June 30, 2015 - Un-audited</b>	-	-	-	-	-	(102,776)	(102,776)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation- net of tax	-	-	-	-	-	775	775
<b>Balance as at June 30, 2015 - Un-audited</b>	26,716,048	(13,284,674)	180,134	2,000,000	2,200,000	(9,546,124)	8,265,384
<b>Total comprehensive income for the half year ended December 31, 2015</b>	-	-	-	-	-	(1,615,976)	(1,615,976)
Loss after tax for the half year ended December 31, 2015 - Un-audited	-	-	-	-	-	(1,655)	(1,655)
Other comprehensive income - Un-audited	-	-	-	-	-	-	-
<b>Total comprehensive income for the half year ended December 31, 2015 - Un-audited</b>	-	-	-	-	-	(1,617,631)	(1,617,631)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation- net of tax	-	-	-	-	-	1,720	1,720
Share subscription money for issuance of right shares	-	-	-	8,000,000	-	-	8,000,000
Issuance of right shares at discount	51,282,051	(43,282,051)	-	(8,000,000)	-	-	-
Share issue cost	-	-	-	-	-	(172,881)	(172,881)
<b>Balance as at December 31, 2015 - Audited</b>	77,998,099	(56,566,725)	180,134	2,000,000	2,200,000	(11,334,916)	14,476,592
<b>Total comprehensive income for the half year ended June 30, 2016</b>	-	-	-	-	-	345,298	345,298
Profit after tax for the half year ended June 30, 2016 - Un-audited	-	-	-	-	-	329	329
Other comprehensive Income - Unaudited	-	-	-	-	-	-	-
<b>Total comprehensive income for the half year ended June 30, 2016 - Un-audited</b>	-	-	-	-	-	345,627	345,627
Redemption of Preference Convertible Preference Shares including profit (note 18)	-	-	-	-	(2,200,000)	(1,020,800)	(3,220,800)
Transaction cost on redemption of Convertible Preference Shares	-	-	-	-	-	(10,138)	(10,138)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	-	-	-	10,962	10,962
<b>Balance as at June 30, 2016 - Un-audited</b>	77,998,099	(56,566,725)	180,134	2,000,000	-	(12,009,265)	11,602,243

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.

Azmat Tarin  
President & CEO

Munnawar Hamid, OBE  
Chairman

Tariq Iqbal Khan  
Director

Shamsul Hasan  
Director

# Condensed Interim Cash Flow Statement - Unaudited

for the half year ended June 30, 2016

	Note	June 30, 2016	June 30, 2015
Rupees in '000			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (loss) before taxation		536,148	(157,257)
Less : Dividend income		(28,408)	(19,415)
<b>Adjustments for non-cash items</b>		507,740	(176,672)
Depreciation on fixed assets		173,394	184,756
Depreciation on non-banking assets		41,560	-
Amortization of intangible assets		39,331	44,838
Amortization of premium / discount on investment - net		211,020	26,490
Provision / (reversal) against non-performing loans and advances - net	10.3	322,184	(236,028)
General provision against consumer financing	10.3	25,082	44,512
Provision for diminution / Impairment in the value of investments	9.6	10,654	29,434
Unrealized loss on revaluation of investments - held-for-trading	9.1	90	2,303
Share of profit from associate		(8,314)	(8,443)
Other reversals / (provisions)		(413,433)	324,204
Gain on sale of property and equipment		(128,588)	(726)
		272,980	411,340
		780,720	234,668
<b>(Increase) / Decrease in operating assets</b>			
Lendings to financial institutions		1,343,301	(1,742,054)
Net investments in held-for-trading securities		(1,061,399)	2,485,524
Advances		(299,140)	380,475
Other assets		(1,010,400)	(3,147,075)
		(1,027,638)	(2,023,130)
<b>Increase / (Decrease) in operating liabilities</b>			
Bills payable		365,564	624,576
Borrowings		9,810,631	1,482,651
Deposits		3,785,948	13,779,223
Other liabilities		282,176	149,485
		14,244,319	16,035,935
Income tax paid		13,997,401	14,247,473
<b>Net cash flows from operating activities</b>		(71,200)	(120,476)
		13,926,201	14,126,997
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net investment in available-for-sale securities		(11,294,184)	(13,212,386)
Dividend received		28,282	19,355
Proceeds from sale of property and equipment		409,582	27,996
Net investment in operating fixed assets		(159,485)	(277,823)
<b>Net cash flows used in investing activities</b>		(11,015,805)	(13,442,858)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Redemption of Convertible Preference Shares		(2,200,000)	-
Profit paid on redemption of Convertible Preference Shares		(1,020,800)	-
Transaction cost paid on redemption of Convertible Preference Shares		(10,138)	-
Finance lease obligation paid		(1,682)	(1,415)
<b>Net cash flows used in financing activities</b>		(3,232,620)	(1,415)
<b>Net (decrease) / increase in cash and cash equivalents</b>		(322,224)	682,724
Cash and cash equivalents at the beginning of the half year		7,537,735	5,242,462
<b>Cash and cash equivalents at the end of the half year</b>	26	7,215,511	5,925,186

The annexed notes 1 to 31 form an integral part of these condensed interim financial statements.

Azmat Tarin  
President & CEO

Munnawar Hamid, OBE  
Chairman

Tariq Iqbal Khan  
Director

Shamsul Hasan  
Director

# Notes To The Condensed Interim Financial Statements - Unaudited

for the half year ended June 30, 2016

## 1 STATUS AND NATURE OF BUSINESS

- 1.1 Silkbank Limited ("the Bank") was incorporated in Pakistan on April 04, 1994 as a public limited company under the Companies Ordinance, 1984. The Bank commenced commercial operations on May 07, 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 88 branches (December 31, 2015: 88 branches) including 10 (December 31, 2015 : 10) Islamic banking branches in Pakistan. The Bank's registered office is located at Silkbank Building, Kaghan Road, F-8 Markaz, Islamabad. The short-term and long-term credit ratings of the Bank rated by JCR-VIS Credit Rating Company Limited in June 2016 are 'A-2' and 'A-' respectively.
- 1.2 Major shareholders of the Bank as on June 30, 2016 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.
- 1.3 In order to meet the capital requirements prescribed by the State Bank of Pakistan (SBP), the Bank in 2014, had announced Rights Issue of Rs. 10 billion through issuance of 6,410,256,410 rights shares at Rs. 1.56 per share (at a discount of Rs. 8.44 per share). The Bank received Rs. 10 billion (including Rs. 2 billion received in December 2014 from certain investors) in its rights shares Subscription Account (maintained with the Bank) out of which the Bank has issued shares for Rs. 8 billion in the financial year ended December 31, 2015.

The amount of Rs. 2 billion received from certain investors in December 2014 is being reported in the financial statements as 'advance against shares subscription' and is being considered by the Bank for the purpose of MCR and CAR. The SBP vide its letter no. BPRD/BA&CP/644/24214/2014 dated December 10, 2014 had allowed the Bank to consider this advance received for Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) purposes subject to certain conditions (i.e., issue of shares and adjustment of finance facility of one of the investors), for which the SBP had allowed the timeline until March 31, 2015. Further, the SBP had advised the Bank to ensure formal due diligence of the prospective investors.

The SBP through its letter No. BPRD/BA&CP/644/4133/2016 dated February 17, 2016 advised (since individual shareholding of such prospective investors is below 5% threshold) the Bank to decide the matter of share issuance to prospective investors in the light of Bank's internal policies, directions from the Board of Directors and compliance with all applicable laws, rules and regulations. Further, the SBP has advised the Bank to obtain NOC from the relevant quarters and ensure compliance of the terms and conditions embodied in their letter dated December 11, 2014 before finalizing the decision of share issuance to prospective investors. In order to obtain the NOC, the management approached the relevant authority through their letter no. CS-79/NAB/2016 dated March 3, 2016 for obtaining NOC in respect of prospective investors. In response, the authority through its letter no. F. No. 5(26)DO/(R )/IM-1/NAB dated May 18, 2016 provided the list of pending matters / cases against the prospective investors. Subsequently, the Bank through its letter no. CS-181/SBP/2016 dated May 19, 2016 forwarded the response received from the authority to SBP to seek their decision on issuance of shares against the advance received. SBP has not yet responded to the Bank's letter of May 19, 2016.

The Bank is still considering the advance against shares subscription of Rs. 2 billion towards MCR and CAR on the basis that the amount is placed in a SBP specified account and cannot be returned without SBP approval and SBP has not required the Bank to discontinue the treatment of the said amount in any other manner.

The capital of the Bank (net of losses and discount on shares) as of June 30, 2016 amounted to Rs. 11.42 billion including advance against shares subscription of Rs. 2 billion and excluding general reserves of Rs. 180 million. Further, the CAR of the Bank, including the above advance, as reported in June 30 quarterly report to SBP is 10.90%.

## 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 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

# Notes To The Condensed Interim Financial Statements - Unaudited

for the half year ended June 30, 2016

condensed interim financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon.

- 2.2** These condensed interim financial statements have been prepared in Pakistani Rupee which is the reporting and functional currency of the Bank.
- 2.3** 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 and notified under the provisions of the Companies Ordinance, 1984 except for the adoption of IFAS-3 'Profit & Loss Sharing on Deposits'.
- 2.4** The financial results of the Islamic Banking branches have been included in these condensed interim financial statements for reporting purposes, after eliminating material inter-branch transactions / balances. Key financial figures of the Islamic Banking branches are disclosed in Note 29 to these condensed interim financial statements.

## **3 BASIS OF MEASUREMENT**

These condensed interim financial statements comprising of condensed interim statement of financial position, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with explanatory notes have been prepared under the historical cost convention except that certain fixed assets 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.

These condensed interim financial statements have been prepared following the accrual basis of accounting except for the cash flow statement.

## **4 STATEMENT OF COMPLIANCE**

These condensed interim financial statements of the Bank for the half year ended June 30, 2016 have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved Accounting Standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the directives issued by SBP and Securities and Exchange Commission of Pakistan (SECP). In case requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the directives issued by SBP and SECP shall prevail.

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. The SECP has deferred applicability of IFRS-7 "Financial Instruments: Disclosures" on banks through S.R.O 411(1) / 2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of Islamic Financial Accounting Standard-3 for Profit & Loss Sharing on Deposits (IFAS-3) issued by the Institute of Chartered Accountants of Pakistan 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 condensed interim financial statements of the Bank.

The disclosures made in these condensed interim financial statements are limited based on the format prescribed by the SBP vide BSD circular letter No. 2 dated May 12, 2004 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and do not include all the information required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended December 31, 2015.

# Notes To The Condensed Interim Financial Statements - Unaudited

for the half year ended June 30, 2016

## 5 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are same as those followed in the preparation of the annual financial statements of the Bank for the year ended December 31, 2015 except as mentioned below:

### Non-banking assets acquired in satisfaction of claims

The SBP vide BPRD Circular no. 1 of 2016 dated January 01, 2016 issued Regulations for Debt Property Swap (DPS) Regulations through which it required the banks to record depreciation on relevant non-banking assets acquired in satisfaction of claims (NBAs) and record such assets at revalued amounts. Accordingly, the Bank has recorded depreciation amounting to Rs. 42 million on relevant NBAs and will record the NBAs at revalued amount at year-end. Previously, NBAs were carried at cost less impairment loss (if any). Had there been no change in the accounting policy, NBAs and profit before taxation would have been higher by Rs. 42 million.

## 6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis and methods used for critical accounting estimates and judgments adopted in these condensed interim financial statements are same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2015.

## 7 FINANCIAL RISK MANAGEMENT

The Bank's Financial Risk Management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2015.

	Note	June 30, 2016 Un-audited	December 31, 2015 Audited
		Rupees in '000	
<b>8 LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Repurchase agreement lendings (Reverse repo)	8.1	4,602,640	5,946,221
Foreign placement	8.2	314,503	314,223
		<b>4,917,143</b>	<b>6,260,444</b>

- 8.1** These have been purchased under the resale agreements at mark-up rates ranging from 5.95% to 6.45% (December 31, 2015: 6.40% to 6.45%) per annum with maturities in July 2016.
- 8.2** These have been placed with a foreign bank as pledge against issuance of SBLC favouring VISA at the interest rate of 0.28% (December 31, 2015: 0.26%) per annum with maturity in August 2016.

# Notes To The Condensed Interim Financial Statements - Unaudited

for the half year ended June 30, 2016

## 9 INVESTMENTS - NET

Note	June 30, 2016 - (Un-audited)			December 31, 2015 - Audited		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total

Rupees in '000

### 9.1 INVESTMENTS BY TYPES

#### Held-for-trading securities

Pakistan Investment Bonds	730,542	-	730,542	45,923	260,257	306,180
GOP Ijara Sukus	602,943	-	602,943	-	-	-
Ordinary shares in listed companies	35,386	-	35,386	-	-	-
	1,368,871	-	1,368,871	45,923	260,257	306,180

#### Available-for-sale securities

Market Treasury Bills	9.3	5,927,331	26,828,025	32,755,356	4,428,514	19,108,191	23,536,705
Pakistan Investment Bonds	9.4	1,565,638	9,126,285	10,691,923	1,910,522	6,052,915	7,963,437
GOP Ijara Sukus		1,040,000	-	1,040,000	2,100,000	-	2,100,000
Term Finance Certificates - Listed		100,000	-	100,000	27,967	-	27,967
Term Finance Certificates - Unlisted	9.5	8,780	-	8,780	27,038	-	27,038
Shares in listed companies	9.6	1,044,930	-	1,044,930	913,332	-	913,332
Shares in unlisted companies		5,680	-	5,680	5,680	-	5,680
		9,692,359	35,954,310	45,646,669	9,413,053	25,161,106	34,574,159

#### Held-to-maturity securities

Other Federal Government securities	9.7	513,796	-	513,796	513,796	-	513,796
Shares repurchase (fully provided)		74,910	-	74,910	74,910	-	74,910
		588,706	-	588,706	588,706	-	588,706

#### Investment in associate

SPI Insurance Company Limited		93,316	-	93,316	85,002	-	85,002
-------------------------------	--	--------	---	--------	--------	---	--------

#### Investments at cost

Less : Provisions for diminution in value of Investments	9.8	11,743,252	35,954,310	47,697,562	10,132,684	25,421,363	35,554,047
--	-----	------------	------------	------------	------------	------------	------------

#### Investments - net of provision

Unrealized (loss) / gain on revaluation of investments - held-for-trading		11,653,882	35,954,310	47,608,192	10,043,314	25,421,363	35,464,677
---	--	------------	------------	------------	------------	------------	------------

#### (Deficit) / surplus on revaluation of Available- for-sale securities

19.1	(90)	-	(90)	43	1,248	1,291
------	------	---	------	----	-------	-------

#### Total Investments

	(56,317)	22,469	(33,848)	39,549	7,347	46,896
	11,597,475	35,976,779	47,574,254	10,082,906	25,429,958	35,512,864

# Notes To The Condensed Interim Financial Statements - Unaudited

for the half year ended June 30, 2016

	Note	June 30, 2016 Un-audited	December 31, 2015 Audited
		Rupees in '000	
<b>9.2 INVESTMENTS BY SEGMENTS</b>			
<b>Federal Government Securities</b>			
Market Treasury Bills	9.3	<b>32,755,356</b>	23,536,705
Pakistan Investment Bonds	9.4	<b>11,422,465</b>	8,269,617
GOP Ijara Sukuk		<b>1,642,943</b>	2,100,000
Other Federal Government securities	9.7	<b>513,796</b>	513,796
		<b>46,334,560</b>	34,420,118
<b>Term Finance Certificate, Debentures, Bonds and Participation Term Certificates</b>			
Term Finance Certificates - Listed	9.5	<b>100,000</b>	27,967
Term Finance Certificates - Unlisted		<b>8,780</b>	27,038
		<b>108,780</b>	55,005
<b>Fully paid-up ordinary shares</b>			
Listed companies	9.6	<b>1,080,316</b>	913,332
Unlisted companies		<b>5,680</b>	5,680
		<b>1,085,996</b>	919,012
<b>Other Investments</b>			
Investment in Associate		<b>93,316</b>	85,002
Shares repurchase (fully provided)		<b>74,910</b>	74,910
		<b>168,226</b>	159,912
<b>Investments at cost</b>			
Less : Provision for diminution in the value of investments	9.8	<b>47,697,562</b>	35,554,047
<b>Investments - net of provision</b>		<b>(89,370)</b>	(89,370)
		<b>47,608,192</b>	35,464,677
Unrealized (loss) / gain on revaluation of held-for-trading securities		<b>(90)</b>	1,291
(Deficit) / surplus on revaluation of available-for-sale securities	19.1	<b>(33,848)</b>	46,896
<b>Total Investments</b>		<b>47,574,254</b>	35,512,864

- 9.3** These include securities having face value of Rs. 693 million (December 31, 2015: Rs. 760 million) pledged with various financial institutions. Out of these, securities having face value of Rs. 693 million (December 31, 2015: Rs. 693 million) have been pledged with Global Industrial and Defence Products (GIDS), Pakistan as guarantor. Further, securities having face value of Rs. 67 million were pledged as at December 31, 2015, with United Bank Limited on account of issuance of letter of guarantee (for guarantee commission) favoring Arif Habib Corporation Limited being the guarantor for issuance of Bank's convertible preference shares which have been redeemed by the Bank during the period.
- 9.4** These include securities having face value of Rs. 47.70 million (December 31, 2015: 47.70 million) pledged with SBP and National Bank of Pakistan as security to facilitate T.T. discounting facility to branches of the Bank.
- 9.5** These include zero coupon Privately Placed TFCs of Azgard Nine Limited acquired against markup settlement of Rs. 8.78 million on the credit facilities provided to Azgard Nine Limited. The amount is fully provided for in these condensed interim financial statements.
- 9.6** During the period, the Bank had to acquire 1,528,403 shares of Agritech Limited for Rs. 54 million (Rs. 35 per share), as a result of exercise of Put Option by National Bank of Pakistan (NBP) in accordance with the terms of Investors Buy-Back Agreement dated July 26, 2012 entered into between various banks / financial institutions including the Bank. The market value of these shares as at June 30, 2016 was Rs. 8.59 per share resulting in an impairment loss of Rs. 40.36 million required to be recorded by the Bank during the current period. However, SBP vide its letter no. BPRD/BRD(Policy)/2016-14898 relaxed the provisions of Regulation R-8 of the Prudential Regulations and the Bank is now allowed to record provision in a phased manner, i.e., 10%, 25%, 50%, 75% and 100% as at June 30, 2016, September 30, 2016, December 31, 2016, March 31, 2017 and June 30, 2017 respectively. Consequently, the Bank has recorded an impairment loss of Rs. 4.03 million in these condensed interim financial statements. Had the above relaxation not been availed, profit before tax for the period would have been lower by Rs. 36.33 million.

In addition to above, the Bank also has 8,704,640 shares of Agritech Limited for which the Bank has recorded the required impairment being the difference between the original cost and its market value as at June 30, 2016.

# Notes To The Condensed Interim Financial Statements - Unaudited

for the half year ended June 30, 2016

- 9.7** This represents Bai Maujal agreement entered into with Ministry of Finance, Government of Pakistan through SBP, whereby the Bank sold GOP Ijarah Sukuks on deferred payment basis. The average return on this transaction is 5.995% (December 31, 2015: 5.995%). The balance is due to mature by November 17, 2016.

	Note	June 30, 2016 Un-audited	December 31, 2015 Audited
		Rupees in '000	
<b>9.8</b>	<b>Particulars of provision for diminution in value of investments</b>		
	<b>Opening balance</b>	<b>89,370</b>	<b>84,026</b>
	Charge for the period / year	-	8,780
	Reversal for the period / year	-	(3,436)
	Write off	-	5,344
	<b>Closing balance</b>	<b>89,370</b>	<b>89,370</b>
<b>10</b>	<b>ADVANCES - NET</b>		
	Loans, cash credits, running finances, etc.		
	In Pakistan	<b>61,167,869</b>	<b>61,896,411</b>
	Outside Pakistan	<b>61,167,869</b>	<b>61,896,411</b>
	Islamic Financing and related assets	10.1	5,254,768
			4,647,752
	Bills discounted and purchased (excluding treasury bills)		
	Payable in Pakistan	<b>161,478</b>	<b>169,893</b>
	Payable outside Pakistan	<b>312,278</b>	<b>331,284</b>
		<b>473,756</b>	<b>501,177</b>
	<b>Advances - gross</b>	<b>66,896,393</b>	<b>67,045,340</b>
	Provision against non-performing advances - specific	10.3	(5,329,428)
	Provision against consumer finance - general	10.3	(540,884)
	<b>Advances - net of provision</b>	<b>61,026,081</b>	<b>61,074,207</b>
<b>10.1</b>	<b>Islamic financing and related assets</b>	29	
	Murabaha	10.1.1	3,062,937
	Musawammah		887,155
	Diminishing Musharaka		1,304,676
			<b>5,254,768</b>
<b>10.1.1</b>	<b>Murabaha</b>		
	Financing		2,358,069
	Advances		704,868
			<b>3,062,937</b>
			2,410,098
			870,654
			<b>3,280,752</b>

# Notes To The Condensed Interim Financial Statements - Unaudited

for the half year ended June 30, 2016

- 10.2** Advances include Rs. 7,895 million (December 31 2015: Rs. 8,520 million) which have been placed under non-performing status as detailed below:

Category of classification - specific	June 30, 2016 - (Un-audited)			December 31, 2015 - Audited		
	Classified Advances	Provision required (Domestic)	Provision held	Classified Advances	Provision required (Domestic)	Provision held
Rupees in '000						
Sub-standard	264,343	53,596	53,596	962,278	121,076	121,076
Doubtful	1,336,217	370,936	370,936	738,233	129,494	129,494
Loss	6,294,797	4,904,896	4,904,896	6,819,402	5,204,761	5,204,761
	<b>7,895,357</b>	<b>5,329,428</b>	<b>5,329,428</b>	<b>8,519,913</b>	<b>5,455,331</b>	<b>5,455,331</b>

- 10.3** Particulars of provision against non-performing advances:

Note	June 30, 2016 - (Un-audited)			December 31, 2015 - Audited		
	Specific	General	Total	Specific	General	Total
Rupees in '000						
<b>Opening balance</b>	<b>5,455,331</b>	<b>515,802</b>	<b>5,971,133</b>	<b>5,022,650</b>	<b>427,612</b>	<b>5,450,262</b>
Charge for the period / year	906,177	25,082	931,259	1,986,292	88,190	2,074,482
Reversals for the period / year <small>10.3.1 &amp; 10.3.2</small>	(583,993)	-	(583,993)	(1,396,999)	-	(1,396,999)
Net charge for the period / year	322,184	25,082	347,266	589,293	88,190	677,483
Amounts written off	(448,087)	-	(448,087)	(156,612)	-	(156,612)
<b>Closing balance</b>	<b>5,329,428</b>	<b>540,884</b>	<b>5,870,312</b>	<b>5,455,331</b>	<b>515,802</b>	<b>5,971,133</b>

- 10.3.1** This includes reversal of provision of Rs. 287 million against certain non-performing loans due to sell off of debt / assignment of Bank's rights to a private company under 'Debt-Property Swap' transaction, as disclosed in note 13.2.
- 10.3.2** This also includes reversal of provision of Rs. 222 million against non-performing loan of a borrower under 'Debt-Property Swap' transaction, as disclosed in note 13.3.
- 10.3.3** As at June 30, 2016, the Bank has availed benefit of relaxation provided by SBP vide its various letters from the requirements Regulation R-8 of Prudential Regulations amounting to Rs. 130 million and Rs. 615 million till September 30, 2016 and September 30, 2017 respectively.
- 10.3.4** SBP vide various circulars has amended Prudential Regulations in respect of provisioning against non-performing advances under which the benefit of Forced Sale Value (FSV) has been allowed for plant and machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties held as collateral against non-performing advances for five years from the date of classification.
- As of June 30, 2016, total FSV benefit taken against all loans and advances amounts to Rs. 1,095 million (December 31, 2015: Rs. 1,253 million), net of tax, which is not available for payment of cash or stock dividend.
- 10.3.5** General provision represents provision made equal to 1.5% of the consumer secured performing portfolio, 5% of the consumer unsecured performing portfolio and 1% on small enterprises performing portfolio as required by the Prudential Regulations issued by the State Bank of Pakistan for Consumer and Small Enterprises Financing.

# Notes To The Condensed Interim Financial Statements - Unaudited

for the half year ended June 30, 2016

		Note	June 30, 2016 Un-audited	December 31, 2015 Audited
			Rupees in '000	
<b>11. OPERATING FIXED ASSETS</b>				
Property and equipment	11.3		3,629,367	3,965,106
Intangible assets			248,215	288,921
Capital work-in-progress			284,832	242,621
			<b>4,162,414</b>	<b>4,496,648</b>

**11.1** Following additions (including transfers from CWIP) / disposals have been made to / from property and equipment at cost:

Note	June 30, 2016 (Un-audited)		June 30, 2015 (Un-audited)	
	Additions	Disposals	Additions	Disposals
Freehold land	11.4	-	180,000	-
Building - leasehold	11.4	-	114,904	-
Leasehold improvements		39,801	40	33,285
Furniture and fixtures		3,227	178	5,365
Other equipment		25,717	711	32,403
Computers and MIS equipment		16,799	732	21,173
Vehicles		28,452	35,310	107,911
		<b>113,996</b>	<b>331,875</b>	<b>200,137</b>
				<b>66,038</b>
				<b>66,848</b>

**11.2 Additions to intangible assets**

Computer software	<b>3,279</b>	-	42,335	-
-------------------	--------------	---	--------	---

**11.3** During the year ended December 31, 2015, the Bank entered into an Agreement to Sell (the Agreement) for previous Head Office Building of the Bank. Pursuant to the Agreement, the Bank received a down payment, which is currently classified in 'Other liabilities' (note16). The remaining balance is required to be paid by the buyer within 5 years from the effective date of the Agreement, which is dependent on certain approvals that are currently pending. During the repayment period the buyer will also pay rent based on the outstanding amount of consideration. Since the agreement is not yet effective and the conditions to recognize disposal are not met, the Head Office Building has not been derecognized and is currently classified in property and equipment.

**11.4** During the period, the Bank sold property comprising of land and building having carrying value of Rs. 221 million for sale consideration of Rs. 340 million resulting in a gain of Rs. 119 million, which is included in other income.

		Note	June 30, 2016 Un-audited	December 31, 2015 Audited
			Rupees in '000	
<b>12 DEFERRED TAX ASSETS - NET</b>				
<b>Deferred tax debits arising in respect of</b>				
Provision for diminution / impairment in the value of investments			<b>115,384</b>	<b>111,654</b>
Provision against non-performing advances			<b>2,573,927</b>	<b>2,440,860</b>
Provision against other assets			<b>113,590</b>	<b>258,292</b>
Unabsorbed tax depreciation			<b>852,568</b>	<b>852,568</b>
Deficit on revaluation of investments	19.1		<b>11,846</b>	-
Unused tax losses			<b>500,446</b>	<b>721,734</b>
			<b>4,167,761</b>	<b>4,385,108</b>
<b>Deferred tax credits arising due to</b>				
Accelerated tax depreciation			<b>(110,525)</b>	<b>(148,869)</b>
Surplus on revaluation of investments	19.1		<b>-</b>	<b>(16,414)</b>
Surplus on revaluation of property and equipment	19.3		<b>(20,869)</b>	<b>(24,272)</b>
Remeasurement of defined benefit plan			<b>(14,760)</b>	<b>(14,584)</b>
			<b>(146,154)</b>	<b>(204,139)</b>
			<b>4,021,607</b>	<b>4,180,969</b>

# Notes To The Condensed Interim Financial Statements - Unaudited

for the half year ended June 30, 2016

- 12.1** The Bank has an aggregate amount of deferred tax asset of Rs. 4,022 million (December 31, 2015: Rs. 4,181 million) which represents management's best estimate of the probable benefits expected to be realised in future years in the form of reduced tax liability as the Bank would be able to set off the profits earned in those years against losses carried forward and other taxable temporary differences relating to prior years. The Bank has prepared five years financial projections for future taxable profits, which have been approved by the Board of Directors, 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 recent capital injection, growth of low cost deposits, growth in high yield consumer advances, investment returns, potential provision against assets, interest rates, cost of funds and expected recoveries of classified loans. Any significant change in such assumptions may have an effect on the recoverability of the deferred tax asset. Management believes that it is probable that the Bank will be able to achieve the profits projected in the projection and, consequently, the deferred tax asset will be fully realised in future.

		Note	June 30, 2016 Un-audited	December 31, 2015 Audited
			Rupees in '000 -----	
<b>13</b>	<b>OTHER ASSETS</b>			
	Income / mark-up accrued in local currency		2,228,385	2,112,288
	Income / mark-up accrued in foreign currencies		88	1,159
	Advances, deposits, advance rent and other prepayments		532,142	552,487
	Advance Taxation		524,670	453,470
	Net defined benefit asset		42,174	41,669
	Non-banking assets acquired in satisfaction of claims	13.1	<b>11,966,405</b>	10,896,597
	Non-banking assets acquired in satisfaction of claims with buy back options with customer	13.1	<b>176,994</b>	388,465
			13.2 & 13.3	12,143,399
	Branch adjustment account		-	2,364
	Unrealized gain on derivative financial instruments		30,243	26,845
	Others		302,629	287,716
			<b>15,803,730</b>	14,763,060
	Less : Provision held against other assets	13.5	(309,623)	(723,056)
	<b>Other Assets - Net of Provision</b>		<b>15,494,107</b>	14,040,004
<b>13.1</b>	Aggregate market value of non-banking assets acquired in satisfaction of claims		<b>12,352,329</b>	11,982,158

- 13.2** During the period, the Bank acquired properties of Rs. 535 million against which debts previously partially / fully provided aggregating to Rs. 779 million (including mark-up of Rs. 142 million) were assigned / sold / novated. The debts have been assigned / sold / novated at the values offered by the seller of the properties. The impact on the profit and loss account of the Bank is Rs. 339 million due to reversal of provision against classified facilities of Rs. 287 million and recognition of suspended markup of Rs. 52 million (refer note 10.3.1). These properties and certain other properties included in non-banking assets acquired in satisfaction of claims aggregating to Rs. 9,078 million are currently un-developed and have been evaluated based on the valuation reports from valuers on Pakistan Banks Association's list of approved valuers.
- 13.3** During the period, the Bank acquired a property amounting to Rs. 500 million against debt property swap transaction with the borrower. Resulting in reversal of provision of Rs. 222 million (refer note 10.3.2).
- 13.4** During the period, the Bank entered into an 'Agreement to Sell' with a buyer to sell certain properties for a sale consideration of Rs. 3,416 million. The buyer has paid an advance of Rs. 171 million as disclosed in note 16.1. The remaining balance is required to be paid by the buyer within 5 years from the effective date of the Agreement, which is dependent on certain approvals that are currently pending. During the repayment period the buyer will also pay rent on the outstanding amount of consideration. Since the agreement is not yet effective and the conditions to recognize disposal are not met, the properties have not been derecognized.

# Notes To The Condensed Interim Financial Statements - Unaudited

for the half year ended June 30, 2016

	Note	June 30, 2016 Un-audited	December 31, 2015 Audited
		----- Rupees in '000 -----	
<b>13.5 Provisions against other assets</b>			
Opening balance		<b>723,056</b>	23,419
Charge for the period / year		-	<b>699,637</b>
Reversals during the period / year		(413,433)	-
<b>Net charge for the period / year</b>		<b>(413,433)</b>	699,637
Amounts written off		-	-
<b>Closing balance</b>		<b>309,623</b>	<b>723,056</b>
<b>14. BORROWINGS</b>			
<b>14.1 Details of borrowings secured / unsecured</b>			
<b>Secured</b>			
Borrowings from State Bank of Pakistan (re-finance) Export refinance scheme		<b>2,203,292</b>	2,099,670
Repurchase agreement borrowings	14.1.1	<b>35,954,310</b>	25,639,264
		<b>38,157,602</b>	27,738,934
<b>Unsecured</b>			
Call borrowings	14.1.2	<b>3,000,000</b>	2,080,000
Borrowing from other financial institutions		-	59,848
Trading liability		<b>1,800,477</b>	3,295,643
Overdrawn Nostro accounts		<b>82,734</b>	55,757
		<b>4,883,211</b>	<b>5,491,248</b>
		<b>43,040,813</b>	<b>33,230,182</b>
<b>14.1.1</b>	These represents funds borrowed from the local interbank money market against government securities carrying interest rate ranging between 5.81% to 5.94% (December 31, 2015: 6.11% to 6.50%) per annum with maturities upto July 2016.		
<b>14.1.2</b>	These represents unsecured borrowings from local money market carrying interest rate of 6.65% (December 31, 2015: 6.95% to 7.50%) per annum with maturities upto July 2016.		
<b>15. DEPOSITS AND OTHER ACCOUNTS</b>			
<b>Customers</b>			
Fixed deposits		<b>31,427,382</b>	34,140,750
Savings deposits		<b>21,753,660</b>	20,257,192
Current accounts - non-remunerative		<b>23,891,513</b>	21,472,804
Margin accounts - non-remunerative		<b>1,320,446</b>	987,425
Others		<b>1,260,800</b>	823,770
		<b>79,653,801</b>	<b>77,681,941</b>
<b>Financial institutions</b>			
Remunerative deposits		<b>5,135,873</b>	3,368,691
Non-remunerative deposits		<b>93,855</b>	46,949
		<b>5,229,728</b>	<b>3,415,640</b>
		<b>84,883,529</b>	<b>81,097,581</b>

# Notes To The Condensed Interim Financial Statements - Unaudited

for the half year ended June 30, 2016

	Note	June 30, 2016 Un-audited	December 31, 2015 Audited
		Rupees in '000	
<b>16. OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		449,339	487,424
Mark-up / return / interest payable in foreign currencies		4,288	9,787
Un-earned commission and income on bills discounted		69,578	61,739
Accrued expenses		78,720	94,116
Unrealised loss on derivative financial instruments		88,413	45,542
Branch adjustment account		35,660	-
Provision against off-balance sheet obligations		124,736	124,736
Workers' welfare fund (WWF) payable		36,975	36,975
Advance received against future sale of non-banking assets	16.1	281,613	150,718
Advance received against future sale of fixed assets	11.3	118,500	118,500
Payable to defined benefit plan and gratuity to outsourced staff		26,220	36,123
Others		739,093	605,299
		<b>2,053,135</b>	<b>1,770,959</b>

**16.1** This includes advance amounting to Rs. 171 million received against future disposal of non-banking assets (land) measuring 122,311 square yards as disclosed in note 13.4.

## 17 SHARE CAPITAL

### 17.1 Authorised capital

June 30, 2016 Un-audited	December 31, 2015 Audited	June 30, 2016 Un-audited	December 31, 2015 Audited
No. of shares in '000		Rupees in '000	
<b>10,500,000</b>	<b>10,500,000</b>	Ordinary shares of Rs.10 each	<b>105,000,000</b>

### 17.2 Issued, subscribed and paid up share capital

June 30, 2016 Un-audited	December 31, 2015 Audited	June 30, 2016 Un-audited	December 31, 2015 Audited
No. of shares in '000		Rupees in '000	
<b>800,315</b>	<b>800,315</b>	Ordinary shares of Rs.10 each Fully paid in cash	<b>8,003,150</b>
<b>100,000</b>	<b>100,000</b>	Ordinary shares of Rs.10 each Fully paid in cash and issued at a discount of Rs. 2.5 per share	<b>1,000,000</b>
<b>1,771,290</b>	<b>1,771,290</b>	Ordinary shares of Rs.10 each Fully paid in cash and issued at a discount of Rs. 7.5 per share	<b>17,712,898</b>
<b>5,128,205</b>	<b>5,128,205</b>	Ordinary shares of Rs.10 each Fully paid in cash and issued at a discount of Rs. 8.44 per share	<b>51,282,051</b>
<b>7,799,810</b>	<b>7,799,810</b>		<b>77,998,099</b>

**17.3** The SBP required each commercial bank to: (a) hold the minimum level of the regulatory capital (net of losses) to be raised to Rs. 10 billion (net of losses and share discount) by December 31, 2013 and (b) maintain a ratio of total regulatory capital to the risk-weighted asset (the "Basel ratio") at or above the internationally agreed minimum of 10% (refer note 1.3).

# Notes To The Condensed Interim Financial Statements - Unaudited

for the half year ended June 30, 2016

- 17.4** The Bank had approved issuance of right shares @ 311.00226% on December 2, 2009 at a discount of Rs. 7.5 per share have face value of Rs. 10 each to generate net additional capital of Rs. 7 billion. Out of these right shares, an amount of Rs. 2.572 billion was unsubscribed. SECP had granted three years extension for subscription of the rights, in line with tenor of convertible preference shares (refer note 18). Subsequent to the year end on January 27, 2016, the Board of Directors of the Bank passed a resolution to exercise call option in respect of convertible preference shares (refer note 18) and resultantly has cancelled the unsubscribed rights. The Bank has intimated the cancellation of unsubscribed rights shares to SECP on January 27, 2016.

## 18 CONVERTIBLE PREFERENCE SHARES

The Bank had issued 880 million Convertible Preference Shares (CPS) in March 2013 at issue price of Rs. 2.50 per share aggregating to paid-up amount of Rs. 2,200 million. The CPS had three year tenor and were convertible into ordinary shares of the Bank at the conversion of 1:1. The subscriber had an option to exercise the put option at the end of the tenor through which they can sell their CPS to Arif Habib Corporation Limited (the Guarantor) at the strike price of Rs. 3.70 per CPS. The Bank was entitled to exercise Call Option, which was exercisable in full or in parts at any time after one year from the issue date subject to subscription of right shares. On January 27, 2016, the Bank exercised the call option to redeem CPS and made payment of 3,221 million including mark-up / profit payment of Rs. 1,021 million, which was recorded directly in statement of changes in equity, as it pertained to the redemption of equity instrument. The Bank also incurred transaction cost of Rs. 10 million on the redemption of PNCPS, which was also recorded directly in statement of changes in equity.

	Note	June 30, 2016 Un-audited	December 31, 2015 Audited
		Rupees in '000	
<b>19 SURPLUS ON REVALUATION OF ASSETS - NET OF TAX</b>			
(Deficit) / Surplus on revaluation of			
- available-for-sale securities	19.1	(22,002)	30,482
- fixed assets	19.3	62,030	69,588
		<b>40,028</b>	<b>100,070</b>
<b>19.1 (Deficit) / surplus on revaluation of available for sale securities</b>			
<b>Federal Government Securities</b>			
Market Treasury Bills		20,741	573
Pakistan Investment Bonds		6,422	15,251
GOP Ijara Sukuk		(2,764)	22,600
<b>Fully paid-up ordinary shares</b>			
Listed companies	19.2	(58,247)	8,581
<b>Term Finance Certificate, Debentures, Bonds and Participation Term Certificates</b>			
Term Finance Certificates	9.1 / 9.2	-	(109)
Related deferred tax asset / (liability)	12	(33,848) 11,846 <b>(22,002)</b>	46,896 (16,414) <b>30,482</b>

# Notes To The Condensed Interim Financial Statements - Unaudited

for the half year ended June 30, 2016

- 19.2** This includes deficit on revaluation of shares of Agritech Limited amounting to Rs. 36.30 million which is not recognised as impairment loss due to relaxation provided by SBP (refer note 9.6).

		June 30, 2016 Un-audited	December 31, 2015 Audited
	Note	Rupees in '000	
<b>19.3</b>	<b>Surplus on revaluation of fixed assets</b>		
	Surplus on revaluation of fixed assets	<b>82,899</b>	93,860
	Related deferred tax liability	12 <b>(20,869)</b>	<b>(24,272)</b>
		<b>62,030</b>	69,588
<b>20</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>20.1</b>	<b>Transaction-related contingent liabilities</b>		
	Guarantees favouring		
	- Government	<b>10,689,300</b>	8,867,132
	- Banking companies and other financial institutions	<b>1,495,368</b>	1,449,818
	- Others	<b>1,776,765</b>	1,748,182
<b>20.2</b>	<b>Trade-related contingent liabilities</b>		
	Letters of Credit & Acceptances	<b>4,897,263</b>	4,085,903
<b>20.3</b>	<b>Claims against the bank not acknowledged as debt</b>	<b>381,579</b>	342,051
<b>20.4</b>	<b>Claims against the bank by Competition Commission of Pakistan &amp; Others</b>	<b>35,640</b>	35,640
<b>20.5</b>	Suits for damages of Rs. 25.57 billion (December 31, 2015: Rs. 25.63 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.		
		June 30, 2016 Un-audited	December 31, 2015 Audited
		Rupees in '000	
<b>20.6</b>	<b>Commitments in respect of forward contracts</b>		
	Forward exchange contracts with State Bank of Pakistan, banks and other institutions		
	Sale	<b>8,168,785</b>	4,347,910
	Purchase	<b>13,037,101</b>	9,302,422
<b>20.7</b>	<b>Commitments in respect of</b>		
	Property civil work & equipment	<b>113,509</b>	120,728
	Purchase of hardware / software	<b>2,786</b>	44,821
		<b>116,295</b>	165,549

# Notes To The Condensed Interim Financial Statements - Unaudited

for the half year ended June 30, 2016

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

	June 30, 2016 Un-audited	June 30, 2015 Un-audited
	Rupees in '000	
<b>21 MARK-UP / RETURN / INTEREST EARNED</b>		
On loans and advances to:		
Customers	<b>3,661,429</b>	3,501,635
On investments in:		
Held-for-trading securities	55,173	56,049
Available-for-sale securities	1,148,087	814,207
Held-to-maturity securities	15,317	-
	<b>1,218,577</b>	870,256
On deposits with financial institutions	1,431	150
On call money lendings	35	109
On securities purchased under resale agreements	231,779	130,562
	<b>5,113,251</b>	4,502,712
<b>22 MARK-UP / RETURN / INTEREST EXPENDED</b>		
Deposits	1,674,383	2,091,639
Securities sold under repurchase agreements	1,020,923	494,761
Call Borrowings	61,510	204,539
Borrowings from SBP under export re-finance scheme	26,819	72,048
SWAP money market expense	137,519	153,510
Others	2,465	3,270
	<b>2,923,619</b>	3,019,767
<b>23 DIVIDEND INCOME</b>		
Allied Bank Limited	-	485
Askari Bank Limited	1,064	1,100
Attock Cement Limited	-	743
Bank Al-Falah Limited	675	-
Bank Al-Habil Limited	-	351
Crescent Steel & Allied Products Limited	127	-
Engro Chemicals Limited	-	620
Engro Corporation Limited	125	-
Engro Fertilizers Limited	-	300
Fauji Cement Limited	-	1,150
Fauji Fertilizer Bin Qasim Limited	2,898	1,631
Glaxosmithkline Pakistan Limited	43	-
HI-TECH Lubricants Limited	1,364	-
Kot Addu Power Company Limited	3,217	-
MCB Bank Limited	-	60
National Bank of Pakistan	6,813	4,254
Nishat Chunian Power Limited	2,000	1,220
Nishat Power Limited	2,459	333
Oil & Gas Development Company Limited	60	-
Pakistan Oilfields Limited	4,500	1,842
Pakistan Petroleum Limited	-	475
Pakistan Reinsurance Company Limited	-	1,063
Pakistan State Oil Company Limited	-	600
Pakistan Telecommunication Company Limited	3,063	1,800
Pioneer Cement Limited	-	281
Shell Pakistan Limited	-	920
Thal Limited	-	187
	<b>28,408</b>	19,415

# Notes To The Condensed Interim Financial Statements - Unaudited

for the half year ended June 30, 2016

Details of transactions with related parties and balances with them as at the period-end / year-end, other than disclosed elsewhere in these condensed interim financial statements, are as follows:

	June 30, 2016 (Un-audited)			December 31, 2015 - Audited		
	Chief Executive and Directors	Key Management Personnel & Others	Associated Companies & Common Directorship	Chief Executive and Directors	Key Management Personnel & Others	Associated Companies & Common Directorship
<b>Balances</b>						<b>Rupees in '000</b>
<b>Loans</b>						
Loans outstanding at the beginning of the period / year	150	4,070	1,677,659	3,599	2,742	1,190,282
Loans given during the period / year	21,595	147,743	1,640,019	15,210	4,297	4,424,337
Loans repaid / adjusted during the period / year	(20,915)	(20,477)	(1,549,318)	(18,659)	(2,969)	(3,936,960)
<b>Loans outstanding at the end of the period / year</b>	<b>830</b>	<b>131,336</b>	<b>1,768,380</b>	<b>150</b>	<b>4,070</b>	<b>1,677,659</b>
<b>Deposits</b>						<b>Rupees in '000</b>
Deposits outstanding at the beginning of the period / year	18,090	1,070,143	3,205,349	13,846	136,117	1,492,381
Deposits received during the period / year	258,661	5,604,998	1,247,515	364,138	8,962,558	11,875,907
Deposits repaid / adjusted during the period / year	(259,774)	(5,991,074)	(3,330,077)	(359,894)	(8,028,532)	(10,162,939)
<b>Deposits outstanding at the end of the period / year</b>	<b>16,977</b>	<b>684,067</b>	<b>1,122,787</b>	<b>18,090</b>	<b>1,070,143</b>	<b>3,205,349</b>
<b>Investments - Shares</b>						<b>Rupees in '000</b>
At the beginning of the period / year	-	-	231,763	-	-	176,748
Investment made during the period / year	-	-	184,904	-	-	113,610
Investments redeemed / impaired / adjusted during the period / year	-	-	(197,044)	-	-	(58,595)
<b>Investments at the end of the period / year</b>	<b>-</b>	<b>-</b>	<b>219,623</b>	<b>-</b>	<b>-</b>	<b>231,763</b>

	June 30, 2016 (Un-audited)			June 30, 2015 - Audited		
	Chief Executive and Directors	Key Management Personnel & Others	Associated Companies & Common Directorship	Chief Executive and Directors	Key Management Personnel & Others	Associated Companies & Common Directorship

	<b>Rupees in '000</b>					
<b>Transactions</b>						
Short term employees benefits	56,553	179,017	-	57,709	159,672	-
Termination benefits	4,642	12,338	-	3,697	12,113	-
Mark-up earned on advances	38	4,060	54,592	149	500	50,985
Mark-up paid on deposits	237	4,631	34,988	402	2,431	78,716
Services rendered / goods received	-	73,113	19,392	-	69,759	59,968
Meeting fee of non-executive directors	15,365	-	-	10,373	-	-
Share of profit from Associate	-	-	8,315	-	-	8,443

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

# Notes To The Condensed Interim Financial Statements - Unaudited

for the half year ended June 30, 2016

## 28 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	June 30, 2016 - Unaudited			
	Wholesale Banking	Treasury	Consumer / SME Banking	Total
Rupees in '000				
Total income - net of mark up expenses	281,930	328,793	2,519,961	3,130,684
Total non-mark up expenses including provisions	(314,377)	(87,598)	(2,192,561)	(2,594,536)
Profit / (loss) before taxation	(32,447)	241,195	327,400	536,148
Taxation				(190,850)
Profit after taxation				345,928
Segment assets (Gross)	50,303,974	54,860,990	45,515,458	150,680,422
Segment non performing loans	4,995,960	-	2,899,397	7,895,357
Segment provision	3,718,675	89,370	2,461,260	6,269,305
Segment liabilities	8,570,591	43,020,772	81,177,483	132,768,846
Segment return on net asset (ROA) (%)	-0.18%	3.81%	1.75%	
Segment cost of funds (COF) (%)	4.18%	6.68%	4.13%	
	June 30, 2015 - Unaudited			
	Wholesale Banking	Treasury	Consumer / SME Banking	Total
Rupees in '000				
Total income - net of mark up expenses	485,397	646,880	1,422,475	2,554,752
Total non-mark up expenses including provisions	(229,410)	(99,438)	(2,383,161)	(2,712,009)
Profit / (loss) before taxation	255,987	547,442	(960,686)	(157,257)
Taxation				61,628
Loss after taxation				(95,629)
Segment return on net asset (ROA) (%)	1.96%	14.47%	-7.43%	
Segment cost of funds (COF) (%)	5.42%	10.00%	5.69%	
	December 31, 2015 - Audited			
	Wholesale Banking	Treasury	Consumer / SME Banking	Total
Rupees in '000				
Segment assets (Gross)	45,961,910	44,351,345	49,573,175	139,886,430
Segment non performing loans	4,764,859	-	3,755,054	8,519,913
Segment provision	4,066,852	-	2,716,707	6,783,559
Segment liabilities	8,478,603	31,302,406	78,745,200	118,526,209
Segment return on net asset (ROA) (%)	-2.68%	10.22%	-7.23%	
Segment cost of funds (COF) (%)	4.84%	8.55%	5.11%	

## 29 ISLAMIC BANKING BUSINESS

The Bank is operating with 10 (December 2015 : 10) Islamic Banking branches as of June 30, 2016.

# Notes To The Condensed Interim Financial Statements - Unaudited

for the half year ended June 30, 2016

	Note	June 30, 2016 Un-audited	December 31, 2015 Audited
		Rupees in '000 -----	
<b>A) STATEMENT OF FINANCIAL POSITION</b>			
<b>ASSETS</b>			
Cash and balances with treasury banks		<b>716,806</b>	533,473
Balances with other banks		11,676	17,765
Due from financial institutions		2,254,537	-
Investments		1,266,062	1,119,446
Islamic financing and related assets	10.1 / A-1.1	5,254,768	4,647,752
Operating fixed assets		92,588	98,639
Other assets		866,108	2,022,102
<b>Total Assets</b>		<b>10,462,545</b>	<b>8,439,177</b>
<b>LIABILITIES</b>			
Bills payable		740,088	632,237
Due to financial institutions		-	-
Deposits and other accounts			
-Current accounts		2,060,702	1,233,157
-Saving accounts		1,252,439	1,448,097
-Term deposits		2,423,955	1,836,938
-Others		31,787	40,531
-Deposits from financial institutions - remunerative		2,732,691	2,046,009
-Deposits from financial institutions - non - remunerative		25	60
Other liabilities		62,266	50,395
<b>Total Liabilities</b>		<b>9,303,953</b>	<b>7,287,424</b>
<b>NET ASSETS</b>		<b>1,158,592</b>	<b>1,151,753</b>
<b>REPRESENTED BY</b>			
Islamic banking fund		1,325,000	1,325,000
Reserves		(166,303)	(178,897)
Accumulated loss		(1,158,697)	1,146,103
(Deficit) / surplus on revaluation of assets		(105)	5,650
		<b>1,158,592</b>	<b>1,151,753</b>
<b>Contingencies and commitments</b>	A-1.2		
<b>A-1.1 ISLAMIC FINANCING AND RELATED ASSETS</b>			
Murabaha		3,062,937	3,280,752
Musawammah		887,155	943,000
Diminishing Musharaka		1,304,676	424,000
		<b>5,254,768</b>	<b>4,647,752</b>
<b>A-1.2 CONTINGENCIES AND COMMITMENTS</b>			
<b>Guarantees favouring</b>			
- Government		12,118	27,656
- Banking companies and other financial institutions		1,257,402	1,221,567
- Others		-	100,000
<b>Commitments in respect of forward exchange contracts</b>			
Forward exchange contracts with State Bank of Pakistan, banks and other institutions		210,004	-
- Sale		1,470,027	471,961

# Notes To The Condensed Interim Financial Statements - Unaudited

for the half year ended June 30, 2016

	June 30, 2016 Un-audited	June 30, 2015 Un-audited
	----- Rupees in '000 -----	
<b>B) REMUNERATION TO SHARIA ADVISOR / BOARD</b>	<b>4,917</b>	<b>1,421</b>
C) During the period no charity credited to Charity Fund Account nor any payment made out of it.		
<b>D) PROFIT AND LOSS ACCOUNT</b>		
Profit / return earned on financings, investments and placements	333,174	46,716
Return on deposits and others dues expensed	(179,960)	(177,361)
<b>Net spread earned</b>	<b>153,214</b>	<b>(130,645)</b>
<b>Other Income</b>		
Fees, commission and brokerage income	4,452	1,648
Income / loss from dealing in foreign currencies	978	(10,555)
Gain / (loss) on sale of securities	4	(2)
Unrealized loss on revaluation of investments - held-for-trading	(425)	-
Other income	3,022	1,500
<b>Total other income / (loss)</b>	<b>8,031</b>	<b>(7,409)</b>
	161,245	(138,054)
<b>Other Expenses</b>		
Administrative expenses	(148,651)	(140,726)
<b>Profit / (loss) before tax</b>	<b>12,594</b>	<b>(278,780)</b>

## 30 GENERAL

- 30.1 Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions for the purpose of comparison, which are as follows:

Statement	Rupees in (000)	Recalassified	
		From	To
Statement of financial position	513,796	Lendings to financial institutions	Investments - net
Statement of financial position	3,704	Lendings to financial institutions	Other assets
Statement of financial position	(34,388)	Other liabilities	Other assets

- 30.2 During the period, SECP has directed all listed companies vide its letter no. SMD/CIW/Misc./02/2014 dated April 21, 2016 to disclose all type of advances, deposits, revenue, bank balances, profits, gain / loss, dividend income and income from exchange gain from Shariah permissible modes. Requirements of the said circular are complied in note 23 and note 29 to the condensed interim financial statements.

- 30.3 Figures have been rounded off to the nearest thousand rupees except stated otherwise.

## 31 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on August 26, 2016 by the Board of Directors of the Bank.

Azmat Tarin  
President & CEO

Munnawar Hamid, OBE  
Chairman

Tariq Iqbal Khan  
Director

Shamsul Hasan  
Director

# Branch Network

## PRIORITY BANKING

**Shahbaz Khan**  
**Head of Priority Banking**  
 Silbank Limited Building No. GPC  
 10, Block 5, Clifton, Near BBC  
 Tonight, Karachi.  
 Tel: (021) 35148235  
 Fax: (021) 35301923

**Sana Butt**  
**Area/Branch Manager**  
 Bahadurabad Branch, Ground Floor,  
 ZN Tower, Plot No. 106, Bahadur  
 Yar Jung Co-operative Housing  
 Society, Block-3, K.C.H.S., Union  
 Limited, Bahadurabad, Karachi.  
 Tel: (021) 34933277,  
 (021) 34123416-20  
 Fax: (021) 34145182

**Asghar Ali**  
**Branch Manager**  
 Building No. GPC 10, Block 5, Clifton,  
 Near BBC Tonight, Karachi.  
 Tel: (021) 35301912  
 (021) 35301905  
 (021) 35301909  
 Fax: (021) 35301923

**Tahir Mirza**  
**Area/Branch Manager**  
 Defence Branch, Property No. 39/C,  
 Shahbaz Commercial Area,  
 Khayaban-e-Sohrabzadah, Phase-VI,  
 D.H.A., Karachi.  
 Tel: (021) 35844001  
 (021) 35341145-47  
 Fax: (021) 35844001

**Syed Ahtisham Tirmizi**  
**Branch Manager**  
 26th Street Branch,  
 Plot No. 23-C, Street 37,  
 Tauseef Commercial Area,  
 Phase-V D.H.A., Karachi.  
 Tel: (021) 35871492  
 (021) 35871524  
 Fax: (021) 35871540

**Ch. Zafar Iqbal**  
**Branch Manager**  
 Khalid Bin Waleed Road Branch,  
 Shop No. 1, 2, 3 & 4,  
 Plot No. 151-A, Khalid Bin Waleed  
 Road/Alami Iqbal Road,  
 Block 2, P.E.C.H.S., Karachi.  
 Tel: (021) 34306528  
 (021) 34306523-23  
 Fax: (021) 34306524

**Muhammad Khalid Choudhry**  
**Branch Manager**  
 M. A. Jinnah Road Branch,  
 Plot No. 40, Sheet No. 7,  
 Situated on Serai Quarters,  
 Off. M. A. Jinnah Road, Karachi.  
 Tel: (021) 32601308-09  
 Fax: (021) 32601311

**Muhammad Ali Chughtai**  
**Area/Branch Manager**  
 Defence Branch,  
 320, Block-Z, Commercial Area,  
 Phase-III, Lahore.  
 Tel: (042) 35693080  
 (042) 35692300-33  
 Fax: (042) 35693010

**Kibria Sana**  
**Branch Manager**  
 F-7 Markaz Branch, Building  
 No. 13-L, F-7 Markaz, Islamabad.  
 Tel: (051) 2608118  
 (051) 2608075,  
 (051) 2608077-79  
 Fax: (051) 2653887

**Sajid Hassan Khan**  
**Area/Branch Manager**  
 Rawalpindi Main Branch,  
 Aslam Plaza, 60 Main Adamjee  
 Road, Saddar, Rawalpindi Cantt.  
 Tel: (051) 5794165  
 (051) 5512104-6  
 Fax: (051) 5524560

## ISLAMIC BANKING

**Shahar Yar Khalid**  
**Branch Manager**  
 Shahrah-e-Faisal Branch,  
 47-A, Darul-Uman Housing Society,  
 P.E.C.H.S., Block 7/B,  
 Shahrah-e-Faisal, Karachi.  
 Mobile: 0333-3939543  
 Tel: (021) 34533106-9  
 (021) 34523099,  
 (021) 34521766  
 Fax: (021) 34533110

**Qamar Ali Khan**  
**Branch Manager**  
 Clifton Branch, Show Room No. 1,  
 Plot No. D-69, Block 7, Clifton,  
 Karachi.  
 Mobile: 0301-8278353  
 Tel: (021) 35371841-42  
 (042) 35860837  
 Fax: (021) 3571839

**Anjum Rafiq**  
**Branch Manager**  
 Madina Town Branch,  
 6C-2-101, Susan Road,  
 Madina Town, Faisalabad.  
 Mobile: 0300-8668591  
 Tel: (041) 8503411-13  
 (041) 8503414  
 Fax: (041) 8503416

**Muhammad Kaleem Sabir**  
**Area Manager**  
 T-Block, D.H.A. 88 Sector CCA,  
 Block T, Phase-II C, D. H. A.,  
 Lahore.  
 Mobile: 0332-4420230  
 Tel: (042) 35748849  
 (042) 35748850  
 (042) 35707636  
 Fax: (042) 35707637

**Osama Sohail**  
**Area Manager**  
 Gulberg Minar Market, Q Block  
 6-Q Block, Gulberg-II, Lahore.  
 Mobile: 0321-4454984  
 Tel: (042) 35751536-7  
 (042) 35752855  
 Fax: (042) 35764076

**Sonia Usman**  
**Branch Manager**  
 F-8 Markaz Branch, Plot No. 18-C,  
 Kaghan Road, Islamabad.  
 Mobile: 0302-001500  
 Tel: (051) 2287450  
 (051) 2287455-67  
 Fax: (051) 2287454

**Mohsin Ali**  
**Branch Manager**  
 Chaklala Scheme 3 Branch,  
 Plot No. 46, Commercial Area,  
 Chaklala Scheme-III, Rawalpindi.  
 Mobile: 0331-5049497  
 Tel: (051) 5766147  
 (051) 5766151-52  
 (051) 5153953  
 Fax: (051) 5766150

**Kamran Mehbob**  
**Branch Manager**  
 Quetta Branch, M. A. Jinnah Road,  
 Quetta.  
 Mobile: 0333-7842350  
 Tel: (081) 2866201-03  
 Fax: (081) 2866204

**Qazi Basharat-ul-Haq**  
**Branch Manager**  
 Abbottabad Branch,  
 Plot No. 7838, Opp. Daewoo  
 Terminal, Mandian, Manshera Road,  
 Abbottabad, PKP.  
 Mobile: 0345-955384  
 Dir.: (0992) 385975,  
 PABX: (0992) 385978-79  
 Fax: (0992) 385976

**Ateeb Hamid**  
**Branch Manager**  
 Mardan Branch,  
 Silbank Building, Mall Road,  
 Saddar Bazar, Mardan.  
 Mobile: 0334-1818111  
 Tel: (0937) 867555  
 (0937) 867554  
 (0937) 867455  
 Dir.: (0937) 867557  
 Fax: (0937) 867556

## KARACHI REGION

**Asad Humayun**  
**Regional General Manager**  
 100-C, 11th Commercial Street,  
 Main Khayaban-e-Itehad,  
 Phase-II Ext. D.H.A., Karachi.  
 Tel: (021) 35312191  
 (021) 35312044 (Ext. 215)

**Muhammad Akmal Naseem**  
**Area Manager**  
 Karachi Main Branch, Saima Tower,  
 I. I. Chundrigar Road, Karachi.  
 Tel: (021) 32275243  
 111-00-7455 (Ext. 100)  
 Fax: (021) 32275245

**Syed Fasih Halder Burney**  
**Area Manager**  
 Korangi Road Branch, Plot No. 5-C,  
 A-Commercial Market, D.H.A.,  
 Phase-II, Main Korangi Road,  
 Karachi.  
 Tel: (021) 35395844  
 (021) 35388018-20  
 (021) 35388021  
 Fax: (021) 35804342

**Shoukat Ali**  
**Branch Manager**  
 Korangi Industrial Area Branch,  
 Plot No. 25/1, Sector 23, Korangi  
 Industrial Area, Near Suzuki South,  
 Karachi.  
 Tel: (021) 35067201  
 (021) 35067215  
 (021) 35067205  
 Fax: (021) 35067201

**Shahzad A. Durrahi**  
**Branch Manager**  
 Quetta Branch, Ferdousi Building,  
 Jinnah Road, Quetta.  
 Tel: (081) 2824061  
 (081) 2821773

**Mehboob Afridi**  
**Area Manager**  
 Khayaban-e-Itehad Branch,  
 100-C, 11th Commercial Street,  
 Main Khayaban-e-Itehad,  
 Phase-II Ext. D.H.A., Karachi.  
 Tel: (021) 35312144  
 (021) 35312044 (Ext. 207)

**Vejha Ahsan Nagi**  
**Branch Manager**  
 D.H.A. Phase-IV Branch,  
 91-E, 9th Commercial Street,  
 Phase-IV, D.H.A., Karachi.  
 Tel: (021) 35313012  
 (021) 35313018  
 Fax: (021) 35301114

**Muhammad Abid**  
**Branch Manager**  
 Hyderabad Branch, F-17, Badri  
 Manzil, Opp. Old City George,  
 Risala Road, Hyderabad.  
 Tel: (022) 2728370  
 (022) 2761440  
 Fax: (022) 2761192

**Abu Tseseen**  
**Branch Manager**  
 Gulshan-e-Iqbal Branch,  
 Block 10/A, Salma Classic,  
 Main Reshid Minhas Road,  
 Gulshan-e-Iqbal, Karachi.  
 Tel: (021) 34891139  
 (021) 34899552-3  
 Fax: (021) 34899654

**Muhammad Kashif Khan**  
**Branch Manager**  
 S.I.T.E. Branch, Plot No. B-9, C-1,  
 Unit No. 2, Sindh Industrial Trading  
 Estate, Karachi.  
 Tel: (021) 32586673  
 (021) 32550281  
 Fax: (021) 32550279

**Aamir Ali Gul**  
**Branch Manager**  
 University Road Branch,  
 Plot No. B-9/10, Block 18,  
 Main University Road, Karachi.  
 Tel: (021) 34829590  
 (021) 34828561  
 Fax: (021) 34829592

**Saleem Ahmed Siddiqui**  
**Branch Manager**  
 North Nazimabad Branch, Ajwa  
 Residency, Showroom No. 3-5,  
 Ground Floor, Plot No. B-1, Block-L,  
 North Nazimabad (Near Five Star  
 Roundabout), Karachi.  
 Tel: (021) 36643280  
 (021) 36643275-76  
 Fax: (021) 36643263

**Sahibzada Muhammad Asif Afridi**  
**Branch Manager**  
 Sohrab Goth Branch, Al-Asif  
 Square, Sohrab Goth, Karachi.  
 Tel: (021) 36340974  
 (021) 36342889  
 (021) 36345827  
 Fax: (021) 36343704

**Syed Barkat Ali Shah**  
**Acting Branch Manager**  
 P.E.C.H.S. Branch,  
 Shop No. 11, Business Arcade,  
 Plot No. 27-A, Block 6, P.E.C.H.S.,  
 Shahrah-e-Faisal, Karachi.  
 Tel: (021) 3492041-42  
 Fax: (021) 3492040

**Allah Ditta**  
**Branch Operation Manager**  
 Port Qasim Branch, Plot No. CP  
 26/1, Commercial Area, Port  
 Operation Zone, Port Qasim, Karachi.  
 Tel: (021) 3473024  
 (021) 34730240

**Pervaiz Khan**  
**Branch Manager**  
 F. B. Area Branch, Plot No. C-31/A,  
 Ground Floor, Block 6, F. B. Area,  
 K.D.A. Scheme 16, Karachi.  
 Tel: (021) 36342995  
 (021) 36342905-8  
 Fax: (021) 36342904

**Mahmood Ahmed**  
**Branch Manager**  
 Jodha Bazar Branch, 6/16 Virjee  
 Street, Jodha Bazar, Karachi.  
 Tel: (021) 32436915  
 (021) 32463863  
 Fax: (021) 32414049

**Zahid Hussain**  
**Branch Manager**  
 Cloth Market Branch, Khandwala  
 Building, Fahree Matri Road,  
 Cloth Market, Kharadar, Karachi.  
 Tel: (021) 32201908  
 (021) 32201042  
 Fax: (021) 32201860

## ISLAMABAD REGION

**Syed Qasim Rizvi**  
**Regional General Manager**  
 13-L, F-7 Markaz, Islamabad.  
 Tel: (051) 2608025  
 (051) 2608028  
 Fax: (051) 2608027

**Muhammad Farooq Sarwar**  
**Area/Branch Manager**  
 Islamabad Main Branch, 93-Riazia  
 Sherif Plaza, Blue Area, Islamabad.  
 Tel: (051) 2344663  
 (051) 2344862  
 (051) 2602081-63  
 Fax: (051) 2344664

**Asad Sajjad**  
**Area/Branch Manager**  
 Peshawar Main Branch, Lamsy  
 Arcade, I-C, Fakhru-e-Alam Road,  
 Peshawar Cantt.  
 Tel: (091) 5276290  
 (091) 5278122  
 (091) 5278938

**Khurram Ali Mallik**  
**Area/Branch Manager**  
 Mirpur (Azad Kashmir) Branch,  
 82-D, Allama Iqbal Road,  
 Sector B-4, Mirpur, Azad Kashmir.  
 Tel: (05827) 446415  
 (05827) 446414  
 (05827) 446559  
 Fax: (05827) 445145

**Muhammad Bilal Zahoor**  
**Branch Manager**  
 Jhelum Branch, Plot No. 8, Paswei  
 Plaza, G.T.S. Square,  
 Jehlum City, Jehlum.  
 Tel: (0544) 624971  
 (0544) 623973-75  
 Fax: (0544) 623976

**Abdul Haseeb Jan**  
**Branch Manager**  
 Khyber Bazaar Branch, Hajji Khan  
 Building, Sackamo Square,  
 Khyber Bazaar, Peshawar.  
 Tel: (091) 2912883  
 (091) 2552832  
 Fax: (091) 2552481

**Khurram Hanif**  
**Area/Branch Manager**  
 I-8 Markaz Branch, Plot No. 6,  
 Larab Plaza, Sector I-8 Markaz,  
 Islamabad.  
 Tel: (051) 4861302-4  
 (051) 4102163  
 Fax: (051) 4861300

**Fakhar Uddin Siddiqui**

**Branch Manager**  
 F-11 Markaz Branch, Plot No. 25-D,  
 F-11 Markaz, Islamabad.

**Irfan Anwar**  
**Branch Manager**  
 G-9 Markaz Branch, 4-B Karachi  
 Company, G-9 Markaz, Islamabad.

**Naveed Amjad**  
**Branch Manager**  
 Rawalpindi Satellite Town Branch,  
 D-321, Fifth Road, Satellite Town,  
 Rawalpindi.

**Irfan Anwar**  
**Branch Manager**  
 Attock Branch, B-2, Pleader Lane,  
 Attock City, Tehsil & District Attock.

**Zaheer Anwar Iqbal**  
**Branch Manager**  
 Gujer Khan Branch, Ward No. 5  
 Main G. T. Road, Gujer Khan.

**Naeem Imtiaz**  
**Branch Manager**  
 Dina Branch, Chaudhary Street,  
 Mangla Road, Dina.  
 Tel: (0544) 835011  
 (0544) 635013-18  
 Fax: (0544) 636987

**Nasir Islam**  
**Branch Manager**  
 Raja Bazar Branch, C-235-36  
 Chemist Chowk, Bohar Bazar,  
 Rawalpindi.

**Zainab Khan**  
**Branch Manager**  
 E-11 Markaz Branch, Plot No. 3,  
 E-11/3 Markaz, Islamabad.

**Alif Kamal**  
**Branch Manager**  
 Dadyal Branch, Plot No. 315, Rajput  
 Plaza, Main Rawalpindi Road, Opp.  
 Old Tehsil Headquarter Hospital  
 Dadyal (AJK).

**Fayyaz**  
**Branch Manager**  
 Dadyal Branch, Plot No. 315, Rajput  
 Plaza, Main Rawalpindi Road, Opp.  
 Old Tehsil Headquarter Hospital  
 Dadyal (AJK).

**Ammar Ahmed**  
**Branch Manager**  
 Westridge Branch, Plot No. 488-491, Westridge Bazar Road, Westbridge-1, Rawalpindi.  
 Tel: (051) 5491544  
 (051) 5491540-2  
 Fax: (051) 5491543

**Asif Siddique Butt**  
**Area/Branch Manager**  
 Bahria Town Branch, Plot No. 91, Civic Centre, Bahria Town, Rawalpindi.  
 Tel: (051) 5731705  
 (051) 5731702-3  
 Fax: (051) 5731704

**Naveed Qaiser**  
**Branch Manager**  
 Hazro Branch, Plot No. B-II, 382/A, Allah Wala Chowk, Circular Road, Mohallah Abdul, Hazro.  
 Tel: (057) 2313296  
 (057) 2313292-94  
 Fax: (057) 2313295

#### LAHORE EAST

**Muhammad Ahmad Khan Malik**  
**Regional General Manager**  
 Silkbank House, 14-Egerton Road, Lahore.  
 Tel: (042) 36302317  
 Fax: (042) 36279272

**Muhammad Naeem Dar**  
**Area/Chief Manager**  
 Main Branch, Silkbank House, 14-Egerton Road, Lahore.  
 Tel: (042) 36309055  
 Fax: (042) 36279272

**Sheikh Moeen Rafiq**  
**Branch Manager**  
 Peco Road Branch, 57-1, B/1 Township, Peco Road, Lahore.  
 Tel: (042) 35125404-6  
 (042) 35125400  
 (042) 35125401  
 Fax: (042) 35125403

**Muhammad Azeem Akhtar**  
**Branch Manager**  
 Allama Iqbal Town Branch, 6-Hunza Block, Allama Iqbal Town, Lahore.  
 Tel: (042) 37809309  
 (042) 3780914-15  
 Fax: (042) 37805866

**Ghulam Rasool**  
**Branch Manager**  
 Thokar Niaz Balig Branch, 7-B, Judicial Colony, Rawwind Road, Thokar Niaz Balig, Lahore.  
 Tel: (042) 35314045-46  
 (042) 35314049  
 Fax: (042) 35314048

**Umer Khan**  
**Branch Manager**  
 Shadman Town Branch, 119-A, Colony No. 1, Shadman Town, Lahore.  
 Tel: (042) 37420045-47  
 (042) 37420095  
 Fax: (042) 37420048

**Muhammad Ghufran**  
**Area/Branch Manager**  
 Kotwali Road Branch, Kotwali Road, Faisalabad.  
 Tel: (041) 2619973  
 (041) 2643604  
 Fax: (041) 2619984

**Nadeem Altaf**  
**Branch Manager**  
 Sheikhupura Branch, Sharif Plaza, Main Lahore - Sargodha Road, Sheikhupura.  
 Tel: (058) 3813529  
 (058) 3812665  
 Fax: (058) 3810599

**Saeed Ahmed Khan Niazi**  
**Branch Manager**  
 Sargodha Branch, Khayam Chowk, Gulberg Park, Sargodha.  
 Tel: (048) 3768101-2  
 Fax: (048) 3768103

**Waseem Ahmed Khan**  
**Branch Manager**  
 Johar Town Branch, Block 15, M. A. Johar Town, Lahore.  
 Tel: (042) 35240990-92  
 Fax: (042) 35240993

**Imran Willam**  
**Acting Branch Manager**  
 Shahalam Market Branch, 15-B, Shahalam Market, Lahore.  
 Tel: (042) 37376186  
 (042) 37376780-82  
 Fax: (042) 37376183

**Mahmood A. Khan**  
**Branch Manager (A)**  
 Raiwind Branch, Railway Road, Adjacent Red Chilli Restaurant, Raiwind.  
 Tel: (042) 35393815  
 (042) 35393811-13  
 Fax: (042) 35393814

**Liaquat Ali**  
**Branch Manager**  
 Puli-111 Branch (Sargodha), Puli-111, Sargodha/Faisalabad Road, Sargodha.  
 Tel: (048) 3791980-82  
 Fax: (048) 3791983

**Mahmood A. Sheikh**  
**Branch Manager**  
 WAPDA Town Branch, 11-G, PIA Housing Society, (WAPDA Town Roundabout), Lahore.  
 Tel: (042) 35188525  
 (042) 35188520  
 Fax: (042) 35188527

**Sheikh Ahmed Mumtaz**  
**Branch Manager**  
 Badami Bagh Branch, 203 Grain Market, Badami Bagh, Lahore.  
 Tel: (042) 37731353  
 Fax: (042) 37731355

**Wasif Khalid Malik**  
**Branch Manager**  
 Circular Road Branch, 73, Circular Road, Lahore.  
 Tel: (042) 37658564  
 Fax: (042) 37678381

#### LAHORE WEST

**Sardar Kamran Nakai**  
**Regional General Manager**  
 R.G. M. Office, 97-A/D-1, P.E.C. Building, Liberty Market, Gulberg, Lahore.  
 Mob: 0333-4211383  
 Tel: (042) 35875010-11  
 (042) 35784402  
 Fax: (042) 35878012

**Nawazish Ali Hashmi**  
**Branch Manager**  
 Gujranwala Branch, Plot No. 100 & 102, Mohallah Bhatia Nagar Near PSO Petrol Pump, G.T. Road, Gujranwala.  
 Tel: (055) 3250214  
 (055) 3731269  
 (055) 386288-70  
 Fax: (055) 3856271

**Nadeem Khawaja**  
**Area/Branch Manager**  
 Sialkot Branch, 70, Parie Road, Sialkot.  
 Tel: (052) 4266778  
 (052) 4597489  
 (052) 4597491  
 Fax: (052) 4589002

**Farrukh Zafar**  
**Branch Manager**  
 Gujarat Branch, B-17/1553-R-R, Near Eidgah Masjid, G. T. Road, Gujarat.  
 Tel: (053) 3531466  
 (053) 3536262  
 (053) 3535144  
 (053) 3531472  
 Fax: (053) 3531732

**Ayesha Hameed**  
**Branch Manager**  
 Gujrat Branch, 97-A/D-1, P. E. C. Building, Liberty Roundabout, Gulberg III, Lahore.  
 Tel: (042) 35878010-11  
 (042) 35878351  
 Fax: (042) 35878012

**Talfur Hamid**  
**Area/Branch Manager**  
 Garden Town Branch, Flat 1-4, Usman Block, New Garden Town, Lahore.  
 Tel: (042) 35940306-9  
 (042) 35940300  
 Fax: (042) 35940301

**M. Taqi Raza**  
**Branch Manager**  
 Model Town Branch, 16, Bank Square Market, Model Town, Lahore.  
 Tel: (042) 35915580-81  
 (042) 35915587  
 Fax: (042) 35915583

**Majid Aziz**  
**Branch Manager**  
 Mandi Bahauddin Branch, 7/40, Sultan Plaza, Chowk Bab-e-Faroog, Mandi Bahauddin.  
 Tel: (0546) 507060  
 (0546) 507054-55  
 Fax: (0546) 507059

**Ali Bokhary**  
**Branch Manager**  
 Fortress Stadium Branch, 13, Bridge Shop, Fortress Stadium, Lahore Cantt, Lahore.  
 Tel: (042) 36623384-86  
 (042) 36623380  
 Fax: (042) 36623387

**Ramiz Hassan Farooqui**  
**Branch Manager**  
 Plot No. 27-Tipu Block, New Garden Town, Main Ferozepur Road, Lahore.  
 Tel: (042) 35857131-33  
 (042) 35857245  
 Fax: (042) 35857252

**Asif Kamal**  
**Area/Branch Manager**  
 Cavalry Ground Branch, 20-Commercial Area, Cavalry Ground, Lahore.  
 Tel: (042) 36610273-8  
 (042) 36810280  
 Fax: (042) 36610279

**Imran Ejaz**  
**Branch Manager**  
 Batapur Branch, Main G.T. Road, Batapur Lahore Lines, Lahore.  
 Tel: (042) 36580381-83  
 Dir: (042) 36580387  
 Fax: (042) 36580384

#### MULTAN REGION

**Muhammad Raza Ali**  
**Regional General Manager**  
 10-A, Bosan Road, Gulgash, Multan.  
 Tel: (061) 6750260  
 Fax: (061) 6750253

**Amjad Altaf**  
**Branch Manager**  
 Bahawalpur Branch, Near Fawwara Chowk, Off. Ahmedpur East Road, Bahawalpur.  
 Tel: (062) 2876184  
 (062) 2877520-21  
 Fax: (062) 2877531

**Afshan Noreen**  
**Branch Manager**  
 Dera Ghazi Khan Branch, Block 13, Hospital Chowk, Opp. DHQ Hospital, Railway Road, Dera Ghazi Khan.  
 Tel: (064) 2466882  
 Fax: (064) 2466683

**Rouf Jamal**  
**Area Manager**  
 Multan Branch, 10-A, Bosan Road, Gulgash, Multan.  
 Tel: (061) 6750251  
 (061) 6750255  
 (061) 6750256  
 Fax: (061) 6750253

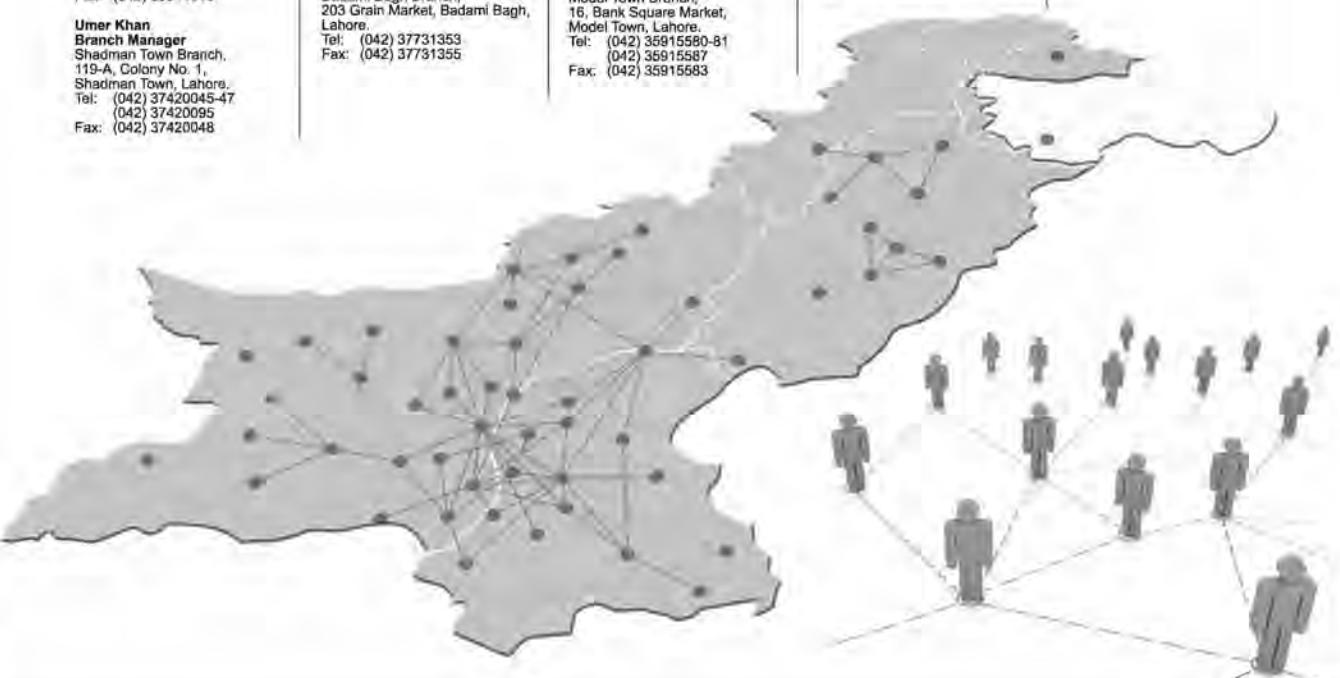
**Zulfiquar Ali Nasir**  
**Branch Manager**  
 Sahiwal Branch, Khasra No. 4988, Khawat No. 07, Kharooni No. 07, Jall Road, Civil Lines, Sahiwal.  
 Tel: (040) 4222642  
 (040) 4224184  
 Fax: (040) 4222915

**Adil Jatoi**  
**Branch Manager**  
 Sukkur Branch, Hussaini Road, Sukkur.  
 Tel: (071) 5619141-43  
 Fax: (071) 5619151

**Muhammad Arif Irfan**  
**Area Manager**  
 Larkana Branch, Pakistan Chowk, Larkana.  
 Tel: (074) 4059499  
 Fax: (074) 4059599

**Mustafa Halder**  
**Branch Manager**  
 Qasim Branch (Multan), 76, Qasim Road, S. P. Chowk, Multan.  
 Tel: (061) 4587711  
 Fax: (061) 4586880

**Muhammad Akmal Abbasi**  
**Branch Manager**  
 Rahim Yar Khan Branch, 26-Shahi Road, Rahim Yar Khan.  
 Tel: (068) 5884345, 5881302  
 Fax: (068) 5879408



# Foreign Correspondents

<b>Afghanistan</b>	<b>Egypt</b>	<b>Deutsche Bank AG</b>	<b>Deutsche Bank AG</b>
Habib Bank Ltd.	Mashreqbank PSC	Intesa Sanpaolo	Habib Bank Ltd.
<b>Argentina</b>	Al Baraka Bank Egypt	Mizuho Corporate Bank Ltd.	Royal Bank of Scotland
Royal Bank of Scotland		UniCredit Banca S.P.A.	BNP Paribas Fortis Netherland NV
Deutsche Bank AG		UniCredit Corporate Banking S.P.A.	
<b>Australia</b>		UBI Banca	
JP Morgan	Skandinaviska Enskilda Banken	Cassa di Risparmio in Bologna	
Westpac Banking Corp.		Veneto Banca SCPA	
<b>Austria</b>			
Royal Bank of Scotland	<b>Finland</b>	<b>Japan</b>	<b>Norway</b>
Raiffeisen Bank International AG	Skandinaviska Enskilda Banken	National Bank of Pakistan	Nordea Bank Norge ASA
UniCredit Bank Austria		Citibank N.A.	DNB Nor Bank ASA
Deutsche Bank AG		Bank of New York	
<b>Bahrain</b>		JP Morgan	
Arab Investment Bank	<b>France</b>	Mizuho Corporate Bank Ltd.	
Al Baraka Islamic Bank	Commerzbank AG	Sumitomo Mitsui Banking Corp.	
BMI Bank B.S.C.	National Bank of Pakistan	UBAF	
Habib Bank Ltd.	UBAF	Royal Bank of Scotland	
United Bank Ltd.	Habib Bank Ltd.	Wells Fargo Bank N.A.	
National Bank of Pakistan	BNP Paribas SA	Commerzbank AG	
<b>Bangladesh</b>			
Habib Bank Ltd.	<b>Germany</b>	<b>Kazakhstan</b>	<b>Poland</b>
Bank Al Falah	Commerzbank AG	BTA Bank JSC	Nordea Bank Polska SA
<b>Belgium</b>	Danske Bank A/S		Royal Bank of Scotland
Habib Bank Ltd.	Deutsche Bank AG		Deutsche Bank AG
Commerzbank AG	National Bank of Pakistan		
KBC Bank N.V.	SEB AG	<b>Kuwait</b>	<b>Philippines</b>
Fortis Bank S.A./N.V.	Landesbank Baden-Wurttemberg	Gulf Bank K.S.C.	JP Morgan
Royal Bank of Scotland	Suedwestbank AG	Al Ahli Bank of Kuwait K.S.C.	Mizuho Corporate Bank
Deutsche Bank AG	UniCredit Bank AG	National Bank of Kuwait	
<b>Brazil</b>	JP Morgan	Citibank N.A.	
Deutsche Bank AG	<b>Hungary</b>	Mashreqbank PSC	
<b>Bulgaria</b>	K&H Bank Zrt.		
Citibank N.A.	Megyaryorszag Volksbank RT	<b>Korea</b>	<b>Portugal</b>
United Bulgarian Bank	CIB Bank Ltd.	Deutsche Bank AG	Banco BPI SA
<b>Canada</b>	Commerzbank AG	Korea Exchange Bank	Deutsche Bank AG
Habib Canadian Bank	Deutsche Bank AG	Korea Development Bank	
Royal Bank of Scotland		Kookmin Bank	
<b>China</b>		JP Morgan	
Agricultural Bank of China	Mashreqbank PSC	National Bank of Pakistan	
Commerzbank AG	Royal Bank of Scotland	Shinhan Bank	
Bank of Jiangsu Co Ltd.	Deutsche Bank AG	Suhuyup Bank	
Bank of Communication	JP Morgan	UBAF	
Royal Bank of Scotland		Royal Bank of Scotland	
Bank of China		Busan Bank	
China Construction Bank		Wells Fargo Bank N.A.	
China Everbright Bank		Woori Bank	
Deutsche Bank AG			
Industrial and Comm'l Bank of China		<b>Kosovo</b>	<b>Qatar</b>
Laishang Bank Co. Ltd.		Raiffeisen Bank	United Bank Limited
JP Morgan			Doha Bank
Shenzhen Development Bank Co Ltd.		<b>Lebanon</b>	BNP Paribas Fortis Bank
Bank of New York Mellon		Habib Bank Ltd.	Mashreqbank PSC
Wells Fargo Bank N.A.			
WestLB AG		<b>Malaysia</b>	
<b>Czech Republic</b>		Citibank N.A.	
Commerzbank AG		Royal Bank of Scotland	
Royal Bank of Scotland		JP Morgan	
<b>Denmark</b>			
Danske Bank A/S	<b>Indonesia</b>	<b>Mexico</b>	<b>Romania</b>
	Royal Bank of Scotland	Banco Del Bajío S.A.	Piraeus Bank
	JP Morgan	Banco JP Morgan	
	Deutsche Bank AG		
<b>Ireland</b>		<b>Mauritius</b>	<b>Russia</b>
National Irish Bank		Habib Bank Ltd.	Citibank N.A.
<b>Italy</b>		Mauritius Commercial Bank Ltd.	Commerzbank AG
Commerzbank AG			
Royal Bank of Scotland		<b>Morocco</b>	
Banca Di Roma S.P.A.		Attijariwafa Bank	
Banco Di Napoli S.P.A.			
Banco Popolare SOC		<b>Nepal</b>	
Banco Popolare Di Novara S.P.A.		Himalayan Bank Ltd.	
Banco Popolare Di Verona SGSP			
Banca Monte Parma		<b>Netherlands</b>	
Banca Carige S.P.A.		Commerzbank AG	
Banca UBAE		Royal Bank of Scotland	
Icrea Banca			

**Serbia**  
 UniCredit Bank AG

**Slovakia**  
 Commerzbank AG

**Spain**  
 Commerzbank  
 Fortis Bank S.A.  
 Banco Popular Espanol, S.A.  
 Bankinter SA  
 Caja Mediterraneo  
 Caja Espana de Inversiones  
 Caxia D'estalvis

**Sri Lanka**  
 Muslim Commercial Bank Ltd.  
 Deutsche Bank  
 Habib Bank Ltd.  
 Hatton National Bank

**Sweden**  
 Nordea Bank  
 Skandinaviska Enskilda Banken  
 Svenska Handelsbanken  
 Royal Bank of Scotland  
 Danske Bank

**Switzerland**  
 Banque Cantonale Vaudoise  
 Habib Bank AG Zurich

**BNP Paribas**  
 Credit Agrocole (Suisse) SA  
 Habibsons Bank  
 Royal Bank of Scotland  
 United Bank AG  
 Citibank N.A.  
 Commerzbank AG  
 Deutsche Bank AG

**Taiwan**  
 Bank of New York  
 Bank of America  
 Deutsche Bank AG  
 Royal Bank of Scotland  
 JP Morgan  
 Wells Fargo Bank N.A.

**Thailand**  
 Bank of Ayudha Public Company Ltd.  
 Export Import Bank of Thailand  
 Royal Bank of Scotland  
 Citibank N.A.  
 Deutsche Bank AG  
 JP Morgan

**Turkey**  
 Royal Bank of Scotland  
 Habib Bank Ltd.  
 Deutsche Bank AG  
 Turkiye Vakiflar Bankasi T.A.O  
 Turkiye Garanti Bankasi AS  
 Turk Ekonomi Bankasi AS

**U.A.E.**  
 Citibank N.A  
 Dubai Islamic Bank  
 Deutsche Bank AG  
 Emirates NBD Bank  
 Emirates Islamic Bank  
 United Bank Ltd.  
 Habib Bank Ltd.  
 Mashreq Bank PSC  
 Royal Bank of Scotland  
 National Bank of Fujairah  
 Habib Bank AG Zurich  
 Noor Islamic Bank  
 Commerzbank AG

**U.K.**  
 ABC International Bank PLC  
 Bank of America  
 Clydesdale Bank  
 Deutsche Bank  
 Habib Bank AG Zurich  
 Habib UK  
 Commerzbank AG  
 Mashreq Bank PSC  
 Northern Bank  
 JP Morgan  
 Royal Bank of Scotland  
 Citibank N.A  
 United National Bank

**U.S.A.**  
 Royal Bank of Scotland  
 Bank of America

Bank of New York Mellon  
 Bank of the West  
 Citibank N.A  
 Commerzbank AG  
 Deutsche Bank Trust Co.  
 Doha Bank  
 Habib American Bank  
 Habib Bank Ltd.  
 Intesa Sanpaolo SPA  
 JP Morgan  
 Mashreqbank PSC  
 Mizuho Corporate Bank Ltd.  
 M & I Bank  
 National Bank of Pakistan  
 Sumitomo Mitsui Banking Corporation  
 Union Bank of California  
 Valley National Bank  
 U.S. Bank Minneapolis  
 Union Bank N.A.  
 United Bank Ltd.  
 Wells Fargo Bank N.A

**Vietnam**  
 JP Morgan  
 Deutsche Bank AG



## Notes

