

# Excellence & Beyond

Annual Report 2018 | Excellence & Beyond

**SILKBANK**   
Yes we can

**Registered Office:**  
13-L, F-7 Markaz, Islamabad.  
☎ 021-111-100-777  
🌐 [www.silkbank.com.pk](http://www.silkbank.com.pk)  
📘 /silkbankpk

Annual  
Report  
2018



## EXCELLENCE & BEYOND

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

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

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



# Soar

to the Peaks



## VISION

Benchmark of excellence in Premier Banking.

## MISSION

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



# Values

Defining Our Strength



## CORE VALUES

### **Customer Focus**

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

### **Integrity**

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

### **Teamwork**

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

### **Creativity**

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

### **Meritocracy**

Merit remains our key primary criteria for rewarding performance.

### **Humility**

Humility remains at the core of all our relationships.



# Table of Contents



Consumer Banking	01
Emaan Islamic Banking	03
Branch Banking	05
Alternate Delivery Channels	07
Small and Medium Enterprises	09
Corporate and Investment Banking	11
Products and Services	15
Chairman's Message	17
President's Review	19
Corporate Information	25
Board of Directors	27
Senior Management Committee	33
The Management	35
Corporate Profile	36
Director's Report	39
Statement of Compliance with the Listed Companies (CCG)	63
Statement of Internal Control	65
Notice of AGM	67
Independent Auditors' Report to the Members	69
Independent Auditor's Review Report to the Members (CCG)	75
Report of the Shari'a Board	76
Six Years Financial Highlights	81
Value Added Statement	82
Horizontal and Vertical Analysis	83
Graphical Presentation of Financial Progress	85
Statement of Financial Position	91
Profit and Loss Account	92
Statement of Comprehensive Income	93
Statement of Changes in Equity	94
Cash Flow Statement	95
Notes to the Financial Statements	97
Statement of Written-off Loans	167
Islamic Banking Business	183
Fulfilling Our Responsibilities	193
Additional Shareholders' Information	197
Pattern of Shareholding - CDC and Physical	198
Branch Network	203
Foreign Correspondents	205
Proxy Form	208



# Rise

Beyond Brilliance

## CONSUMER BANKING

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

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



with Commitment  
**Grow**



## EMAAN ISLAMIC BANKING

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

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



# Blossom

to Perfection



## BRANCH BANKING

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



# Progress

with Convenience



## ALTERNATE DELIVERY CHANNELS

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



# Evolve with Pursuance



## SMALL AND MEDIUM ENTERPRISES

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



# Shine

● through Prosperity



## CORPORATE AND INVESTMENT BANKING

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

**SILKBANK**   
Yes we can



# Ascend

with Extraordinaire



## PRODUCTS AND SERVICES

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



# PRODUCTS AND SERVICES

## Branch Banking

### Silkbank Current Accounts

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

- **ALL-IN-ONE ACCOUNT**  
Provides the ultimate protection and security to customers with amazing banking and transactional benefits.
- **BUSINESS VALUE ACCOUNT**  
A unique business Current Account that provides customers with protection and transactional benefits tailored for any business. It is the first account that provides comprehensive business inventory coverage for up to Rs. 10 million.
- **ONLINE EXPRESS**  
Online Express gives the customer complete online solutions under one roof with a variety of tier-based transactional benefits.
- **SALARY PREMIUM PLUS ACCOUNT**  
An exceptional Current Account offering a host of financial conveniences, protection and lifestyle benefits with hassle-free salary processing.
- **ASAAN ACCOUNT**  
Provides financial convenience through the simplest process. All it takes is a CNIC, an initial deposit of Rs. 100 and a one-page form.

### Silkbank Savings Accounts

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

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

### ■ FLEXI MUNAFI TERM DEPOSIT

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



### Bancassurance

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

## Alternate Delivery Channels

### SilkDirect Internet Banking

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

### Silkbank Phone Banking

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

### SilkMobile

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

### Silkbank Debit Cards

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



### Utility Bills Payment Service

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

## Corporate and Investment Banking

### Corporate Banking

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

### Investment Banking

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

### Middle Markets

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



## Consumer Banking

### Personal Loan

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

### Silkbank Ready Line

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

### Silkbank Credit Cards

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



## Small and Medium Enterprises

### M'Power

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

### SME Cash Ease

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

## Emaan Islamic Banking

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





# Message Chairman's



## Dear Shareholders,

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

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

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

I am thankful for your continued goodwill and trust.



**Munnawar Hamid, OBE**  
Chairman



# Review President's



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

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

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

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

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

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

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

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

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

Silkbank's upwards growth trajectory from last year was maintained in 2018. Once again, a dedicated effort was put in by all staff in delivering a profit after tax of Rs. 1.330 billion, which is an increase of 17% over the previous year.

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



## PRESIDENT'S REVIEW

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

Branch Banking segment had a stellar 2018, surpassing in almost all KPI's. The deposit growth in Branch Banking segment surpassed the overall industry deposit growth throughout the year, which is a testimony to the dedication and the passion of the entire team to take the performance to the next level. Branch Banking maintained its position ahead of budgeted targets throughout Q4, with total deposits reaching PKR 78 billion by December 31, 2018. An overall healthy deposit growth of PKR 12 billion was achieved during the year 2018. Branch Banking also remained ahead of its yearly P&L budgeted figures by PKR 127 million, with an EBIT of 414 million against a budget of PKR 287 million, higher by 44% over plan. Widening the product suite was also amongst the many reasons for this accomplishment. A new product, Flexi Munafa Term Deposit was also launched towards the last quarter of the year to generate steady deposits. The entire team responded to this initiative and was able to bring in PKR 1.98 billion in the last quarter of 2018.

Silkbank VISA Debit Card ("VDC") continued to show strong growth during 2018, and added 36,383 new VDCs, increasing the total card base to 136,389. VDC usage over Point of Sales (POS) during 2018 recorded a spend of PKR 1.48 billion against 391,260 transactions, reflecting a growth of 18.53% & 20.50% respectively, as compared to 2017, with the highest POS monthly spend of PKR 136.24 million during June, 2018. Silkbank ATMs dispensed a cash volume of PKR 21.16 billion through 1,921,892 transactions during the year, with a monthly average usage volume of PKR 1.76 billion.

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

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

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

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

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

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

SME Business reflected an 8% increase in advances versus last year. EBIT reflected an impressive 24% increase over the previous year. The SME Business also financed its book up to 81% of the assets portfolio.

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

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

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

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

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

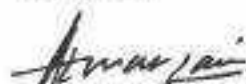
In 2018, Human Resources remained focused on employee engagement and development by arranging various training sessions for team building, performance management and service excellence. Employee Engagement activities were also carried out during the year, increasing morale and motivation of the employees.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

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

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

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

Yes we can!



Azmat Tarin  
President & CEO



# Perseverance

towards Success



## CORPORATE INFORMATION

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



# CORPORATE INFORMATION

AS OF DECEMBER 31, 2018

## Board of Directors

Munnawar Hamid	Chairman
Khalid Aziz Mirza	Director
Nasim Beg	Director
Rashid Akhtar Chughtai	Director
Shahzad Enver Murad	Director
Talha Saeed Ahmed	Director
Tariq Iqbal Khan, FCA	Director
Zubair Nawaz Chattha	Director
Azmat Shahzad Ahmed Tarin	President & CEO
Shaukat Tarin	Advisor to the Chairman

## Company Secretary

Faiz Ul Hasan Hashmi

## Chief Financial Officer

Syed Liaquat Ali

## Audit Committee

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

## Risk Committee

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

## IT Committee

Nasim Beg	Chairman
Zubair Nawaz Chattha	Member
Javed Yousuf Edhi	Secretary

## Human Resources Committee

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

## Auditors

M/s. Grant Thornton Anjum Rahman (GTAR)  
Chartered Accountants

## Legal Advisor

Ghani Law Associates

## Registered Office

Silkbank Limited,  
13-L, F-7 Markaz,  
Islamabad.  
Direct Tel: (051) 26080-26-27-28,  
PABX: (051) 26080-77-78-79 Ext: 111  
Fax: (051) 26080-29  
Email: companysecretary@silkbank.com.pk  
Website: www.silkbank.com.pk

## Share Registrar

Central Depository Company of Pakistan Limited (CDCPL)  
Share Registrar Department  
CDC House, 99-B, Block 'B',  
S.M.C.H.S., Main Shahra-e-Faisal,  
Karachi-74400.  
Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275)  
Fax: (92-21) 34326053  
Email: info@cdcpak.com  
Website: www.cdcpakistan.com





## BOARD OF DIRECTORS

Sitting from left to right:

**Khalid Aziz Mirza**  
Director

**Shaukat Tarin**  
Advisor to the Chairman

Standing from left to right:

**Zubair Nawaz Chattha**  
Director

**Azmat Tarin**  
President & CEO



Sitting from left to right:

**Tariq Iqbal Khan**  
Director

**Nasim Beg**  
Director

Standing from left to right:

**Rashid Akhtar Chughtai**  
Director

**Talha Saeed Ahmed**  
Executive Director

**Shahzad Enver Murad**  
Director



## PROFILE OF BOARD OF DIRECTORS

### Mr. Munnawar Hamid, OBE - Chairman

Mr. Munnawar Hamid was elected as an Independent Director and Chairman of the Board in March, 2008 and was re-elected as a Director by the shareholders of the Bank. Mr. Hamid was also appointed as the Chairman by the Board in August, 2011, August, 2014, and August, 2017 and held this position till January, 2019.

Mr. Hamid gained experience of commerce and industry while serving in a major chemicals company, ICI Pakistan Limited, as Chief Executive, as well as Chairman of a number of subsidiary companies of Global Corporations in Pakistan, which include ICI Pakistan and Pakistan PTA (now Lottee Pakistan PTA Ltd.). He has also served in London as a Global Senior Corporate Planner ICI PLC for its Pharmaceuticals, Agrochemicals and Seeds, and especially, Chemical Businesses. Subsequently, he was appointed as an advisor to the CEO of ICI PLC London, for South Asia. Mr. Hamid has also been associated with a number of Boards, high-level consultative bodies, Public Sector Organizations, leading Advanced Educational Institutions and the Financial Sector of Pakistan, and has over 46 years of experience in the fields of business & corporate management and operations. In October, 1997, he was appointed as an Officer in the Most Excellent Order of the British Empire (OBE) by HM, the Queen, for services to ICI and Economic Development in Pakistan. Mr. Hamid is a graduate from Punjab University, and also holds BA (Hons) and a Master's degree from Cambridge University (Gonville & Caius College), UK.

### Mr. Tariq Iqbal Khan - Director

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

Mr. Khan is a Chartered Accountant by profession, and has over 39 years of experience. He has served on the Boards of various other banks and companies. Currently, he holds directorship in the following listed companies:

Name of Organization	Position Held
<b>Listed Companies</b>	
■ International Steels Limited	Director
■ National Refinery Limited	Director
■ Packages Limited	Director
■ Pakistan Oil Fields	Director
<b>Unlisted Companies</b>	
■ FFC Energy Limited	Director
<b>Non-Profit Organizations</b>	
■ Islamic International Medical Trust	Trustee
■ High Altitude Sustainability Trust	Trustee
■ Pakistan Academy of Engineering Endowment Fund	Trustee
■ Human Element Foundation	Trustee

### Mr. Khalid Aziz Mirza - Director

Mr. Khalid Aziz Mirza was elected as an Independent Director on the Board in August, 2014 and was re-elected by the shareholders of the Bank in August, 2017. He is also a chairman of the HR Committee of the Board. Mr. Mirza is a Masters of Commerce (M.Com) from University of Punjab, Lahore - Pakistan, and has about 53 years of work experience.

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

Mr. Mirza is also an Independent Director and Chairman of the Board of Orix Leasing Pakistan Limited & Awwal Modaraba and an Independent Director on the Boards of Medgulf Insurance, Bahrain as well as Murree Brewery Company Limited.

Significant among his regular consultancy assignments are Finance Consultant, WAPDA; Advisor, Investment Climate Reforms Unit, Government of Punjab; and Evaluator, Investment Evaluation Unit, The World Bank Group.

### Mr. Talha Saeed Ahmed - Executive Director

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

He has 30 years of well diversified experience at senior positions in leading financial institutions. He has held a number of important appointments in NDFC, ANZ Grindlays Bank, Union Bank and Standard Chartered Bank. He is presently the Group Head of Wholesale Banking, looking after Corporate, Treasury, Financial Institutions, Investment Banking and Small & Medium Enterprises Business. Previously, he held the position of Group Head Retail Banking, looking after Branch Banking, Consumer Assets and Small & Medium Enterprises. He held the position of General Manager, Small & Medium Enterprises in Standard Chartered Bank. He was also a member of the Senior Management Committee in Standard Chartered Bank.

In addition to the above, Mr. Saeed has held the position of a Director on the Board of Lahore Stock Exchange and served as Convener of The Regulatory Affairs Committee of Lahore Stock Exchange. He is presently a Director on the Board of Agritech Limited, a publically-listed fertilizer manufacturing unit. He has attended many training courses and workshops in Pakistan and abroad, and has also attended conferences on SME's, organized by International Finance Corporation (IFC). He is a certified trainer of IFC on SME banking. Some of his major achievements during his career are, pioneering programmed-based lending to SME's in Pakistan, setting up SME businesses from scratch in three banks, and setting up consumer business in Silkbank.

Mr. Saeed holds a Master's degree in Economics from Quaid-i-Azam University, Islamabad and is a Commerce graduate from Hailey College of Commerce. He is a fellow member of the Institute of Bankers in Pakistan and a Certified Director on the panel of Pakistan Institute of Corporate Governance. He is also a trainer for National Institute of Banking and Finance and State Bank of Pakistan for Small & Medium Enterprises Business. He has also conducted training on SME's in Islamic banking.

### Mr. Nasim Beg - Director

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

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

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

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

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

### Mr. Azmat Tarin - President & CEO

Mr. Tarin is the President & CEO of Silkbank since October, 2008. Prior to which, he was the Executive Director in Silkbank. He is a career banker with an experience of over 29 years. He started his career in Branch Operations in Lincoln Savings, California, in 1989.

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

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



## PROFILE OF BOARD OF DIRECTORS

### Mr. Zubair Nawaz Chattha - Director

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

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

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

He managed the portfolio of food related items and promoted the family brand "Gourmet" by introducing marketing and integration strategies. He was instrumental in setting up dairy and confectionary units and acquiring a sugar mill. He also introduced and promoted the "Conglomerate Diversification" by venturing into other businesses including Gourmet Petroleum, Investment in banking sector through equity investment in Silkbank, where the group holds 12.5% of the bank's paid up capital and acquisition of News TV channel. His vision is to introduce "Gourmet" worldwide as a Pakistani Brand. He is, at present, planning to expand the business in UK and UAE.

Mr. Zubair joined Police Service Pakistan (PSP) through qualifying the competitive examination in 1995. After completing the training for PSP, he remained posted on various sensitive positions. All these public sector positions required highest level of administrative capabilities. Mr. Zubair demonstrated extraordinary skill and expertise in handling complex situations on these assignments. During his service, he remained on leave in different periods for attending to the new gourmet projects. He resigned from government service and his resignation was accepted w.e.f August 1, 2016.

### Mr. Rashid Akhtar Chughtai - Director

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

Mr. Rashid Akhtar Chughtai is an Economist / Banker by profession and has over 44 years of experience. He has served on various positions in the Banking Industry and other companies. He has also served as the Deputy Governor of the State Bank of Pakistan, Chairman of Islamabad Stock Exchange, President & CEO of ZTBL & SME Bank Limited, and Director of National Commodity Exchange.

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

### Mr. Shahzad Enver Murad - Director

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

Mr. Murad brings with him more than 41 years of experience in providing consultancy services and serving in various local as well as multinational banks. He has played significant roles as Chair of the Finance Committee & Co-Chair of the Tender Committee of Karachi Port Trust, CEO and Managing Director of NBP Leasing Ltd., CEO and Managing Director of Union Leasing Ltd., Advisor to Chairman of Union Bank Ltd. and Deputy Country Head of Oman International Bank.

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



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





## SENIOR MANAGEMENT COMMITTEE

Sitting from left to right:

**Goharulayn Afzal**  
Chief Operating Officer

**Khurram Khan**  
Chief Financial Officer -  
Conventional Banking

**Uzman Naveed Chaudhary**  
Group Head Compliance,  
ICD & Legal

**Syed Liaquat Ali**  
Group Head Finance /  
Chief Financial Officer

Standing from left to right:

**Kaleem Ahmed**  
Head of Human Resources

**Junaed Rayaz Chaudhry**  
Head of Consumer Risk

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

**Javed Yousuf Edhi**  
Group Head IT &  
Digital Banking

**Ali Kashif Rizvi**  
Head of Treasury &  
Financial Institutions

Sitting from left to right:

**Shahram Raza Bakhtlari**  
Director - Retail Banking

**Kamran Bashir**  
Group Head SAM & REAM

**Rashid Pervaz**  
Head of Branch Banking

**Kasim Feroze Khan**  
Director - Special Assets  
& Projects

Standing from left to right:

**Jawad Majid Khan**  
Director - Islamic  
Banking

**Talha Saeed Ahmed**  
Executive Director -  
Wholesale Banking

**Mansoor Mukhtar**  
Head of SME Relationship

**Wajih Zaidi**  
Head of Internal Audit

**Muhammad Saqib Pal**  
Chief Risk Officer



## THE MANAGEMENT

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

## CORPORATE PROFILE

### Background:

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

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

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

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

### CONSORTIUM PARTNERS



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



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



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



over Impediments

# Triumph



## REPORTS AND STATEMENTS TO THE MEMBERS

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



## DIRECTOR'S REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2018

Dear Shareholders,

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



### Economic Review

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

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

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

### Banking Sector

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

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

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

### SILKBANK'S PERFORMANCE DURING 2018

#### Financial Performance

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

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

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

Financial Performance	Rs. in million	
	2018	2017
Net mark-up income	8,805	5,486
Reversal / (Provisions) impairment and others	(1,269)	(554)
Non mark-up income	3,415	2,943
Non mark-up expense	(6,874)	(6,489)
Profit / (Loss) before Tax	1,877	1,386
(Tax) / Reversal of tax	(547)	(251)
Profit / (Loss) after Tax	1,330	1,135
	Rupee	
Basic Earnings / (Loss) per share	0.15	0.13



## DIRECTOR'S REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2018

### SECTORAL PERFORMANCE

#### Retail Banking

##### Branch Banking

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

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



##### ADC Business

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

Alternate Distribution & e-delivery channels have added value to the product offerings of the Bank and have enhanced the reach and accessibility of its banking services. SilkMobile registrations have reached to 49,840 customers, and new features are continuously being added to attract customers towards a greater usage of its digital platform.



#### Bancassurance

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





## DIRECTOR'S REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2018

### Wholesale Banking

#### Treasury & Financial Institutions

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

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

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

#### Corporate Banking Group

On the back of average advances of Rs. 40.00 billion, the net advances increased from Rs. 35.3 billion, an increase of 13.3%. Consequently, YoY-18 net revenue increased to Rs. 3.92 billion, higher by 26.4%. Trade volumes showed an expansion of Rs. 4.5 billion with 14% increment and stood at Rs. 37.7 billion in FY-18 from Rs. 33.1 billion in FY-17.

### Consumer Banking

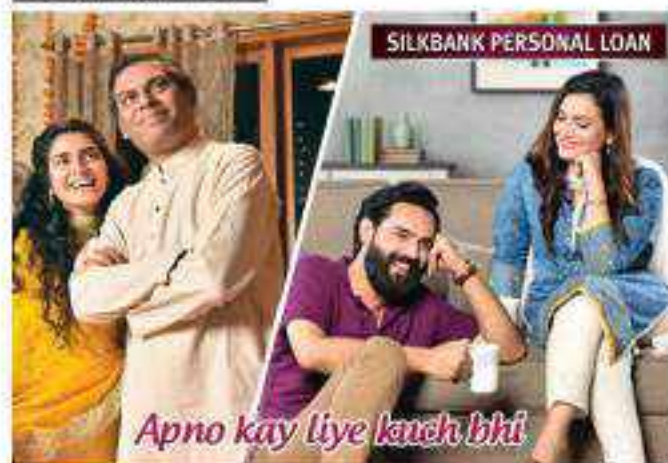
The Consumer Banking Division continues to perform exceptionally well, maintaining its growth momentum.

#### Unsecured Portfolio

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

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

#### Personal Loans



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

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

#### Ready Line



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

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

## DIRECTOR'S REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2018

#### Credit Cards

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

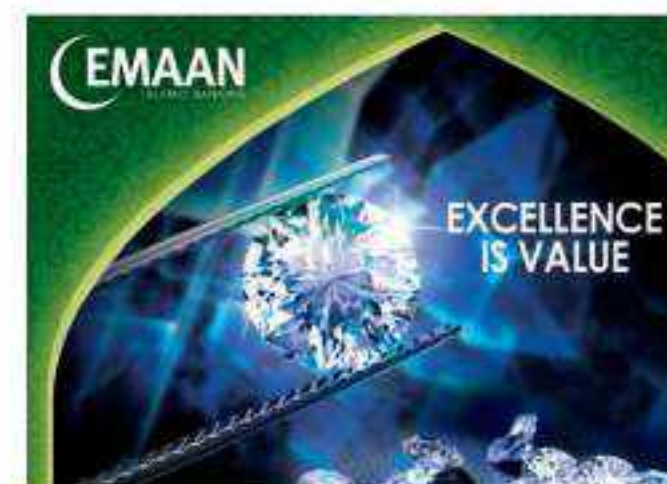


#### Secured Portfolio

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

#### Emaan Islamic Banking

Emaan Islamic Banking performed outstandingly in 2018, successfully generating a profit before tax (PBT) of Rs. 822 million. On the liability side, Emaan Islamic Banking registered a growth of Rs. 16,703 million (117%). CASA grew by 89.28% and the deposit book was closed at Rs. 30,960 million. Advances side registered a growth of Rs. 9,374 million and closed at Rs. 28,902 million. Focus on Service & Quality was maintained throughout the year.



### Technology

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

### Human Resources

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





## DIRECTOR'S REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2018

### Special Asset Management Group (SAMG)

During the year, a remarkable impact on Profit & Loss account of Rs. 1,533 million was contributed by SAMG against a budgeted amount of Rs. 1,260 million.

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



### Customer Service & Quality (CS & Q)

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



### Corporate Social Responsibility & Impact of Business on Environment

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

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

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

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

## DIRECTOR'S REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2018

### Board of Directors

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

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

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

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

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

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

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



### Composition of Board Committees

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

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

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

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

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

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



# DIRECTOR'S REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2018

## Performance Evaluation of the Board of Directors

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

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

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



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

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

## Results / Ratings by the PICG:

### ■ Board as a whole

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

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

### ■ Committee in General – 9.3

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

## Corporate and Financial Reporting Framework

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

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

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

# DIRECTOR'S REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2018

- i) An audit committee has been formed with approved terms of reference and reports to the Board. It reviews the approach adopted by the Bank's internal audit department, as well as the scope of and its relationship with the external auditors. It also receives reports from the internal audit, and any material control weakness that is identified, is discussed and agreed actions are taken in areas of concern.
- ii) An organizational structure has been established which supports clear lines of communication and tiered levels of authority with the delegation of appropriate responsibility and accountability.
- iii) Business strategies agreed at divisional level are approved by the Board. In addition, there is an annual budgeting and strategic planning process. These strategies are reviewed during the year to reflect any significant changes in the business environment.
- iv) The principal features of control framework include:
  - Evaluation and approvals procedures for major capital expenditure and other transactions.
  - Regular reporting and monitoring of financial performance using operating statistics and monthly managements accounts which highlight key performance indicators and variance from budget and quarterly forecasts.
  - Review of the health, safety, environment and contingency management processes and other significant policies.
  - Further, reviews of the system of internal control are also carried out by the Internal audit department and management conclusions on internal control are confirmed by divisional management to the Board.
  - There are no significant doubts upon the Bank's ability to continue as a going concern.
  - There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- f) The value of investments of Provident Fund and Gratuity Fund is Rs. 763.00 million and Rs. 554.000 million, respectively, as per the un-audited financial statements of these funds for the year ended December 31, 2018.

## Risk Management Framework

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

## Credit Risk

Managing of credit risk is considered one of the key functions at RMG. Independent Risk Management Units catering to the Corporate / Commercial / SME and Consumer segments are fully operational and clearly follow the laid out Procedures formulated in the form of policies / Manuals and Product Programs. Credit Risk is thus continuously monitored by the respective sanctioning units. Broad-based Credit Approval Authorities have also been delegated to various approvers for credit sign off. Additionally, Credit Administration units are in place for all segments of the Bank, effectively taking care of all the documentation and safe keeping. The Bank has developed in-house Obligor Risk Rating (ORR) models / systems for Corporate, Commercial and SMEs, which are regularly reviewed / updated: resultantly, RMG has upgraded The Obligor Risk Rating model for Corporate and Commercial Customers by releasing the revised version 1.3. Besides this, RMG also has a robust Early Warning System (EWS) reporting in place. RMG had also put in place a facility, Risk Rating model, which now stands fully implemented on a bank-wide basis and effectively measures the risk in relation to each facility granted to all customers. These processes are capable of identifying problem loans at an early stage for timely remedial actions. Results for establishing these systems are now beginning to reflect in the management letter issued by the external auditors and the annual reports compiled by the SBP Inspection teams through reduced instances of system and procedure failures.



Under Consumer Banking, a separate collection unit operates for follow up and recovery of loans, which was responsible for a strong recovery stream of written off consumer loans, thus ensuring a pivotal role in bolstering business growth for the Bank during the year. A centralized Special Assets Management Unit is also in place and is primarily responsible for handling the NPL accounts and recovery process. The unit is performing its task in a professional and efficient manner. RMG has also kept a close watch on the accounts identified as having developed "Potential Weaknesses". Business units are required to provide quarterly updates on such accounts which are then comprehensively reviewed by RMG, and strategies going forward are debated upon with all stakeholders. As per practice, this list is also shared with the Risk Committee of the board during the quarterly meeting and their input is invariably sought for implementation.



## DIRECTOR'S REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2018

Besides various management committees of the Bank, Credit Risk is also overviewed by the Risk Committee of the Board on an ongoing basis. Regular guidance is sought from the Board on credit related matters and the findings are implemented in letter and spirit. Marked reduction in the NPL portfolio has ensued resultantly.

### Market Risk



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

### Operational Risk

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

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

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

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

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

### Directors' Training

All Directors on the Board are fully conversant with their duties and responsibilities as Directors of the Bank. Three Directors of the Bank have obtained the required certification whereas, four Directors of the Bank stand exempted from the requirement of the said certification and the remaining Directors will obtain it within the prescribed time.



## DIRECTOR'S REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2018

### Board of Directors' & Committees' Meetings during 2018

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

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

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

### Pattern of Shareholding

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

#### Combined pattern of CDC and Physical Shareholding as at December 31, 2018

S. No.	Categories of Shareholders	Number of Shareholders	Shares Held	Percentage %
01	Directors, Chief Executive Officer and their spouse(s) and minor children	9	439,569,686	4.84
02	Associated Companies, undertakings and related parties	6	5,666,262,093	62.39
03	Executives*	13	39,271,471	0.43
04	Public Sector Companies and Corporations	5	48,362,496	0.53
05	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds	7	3,453,278	0.04
06	Mutual Funds	1	20,880,417	0.23
07	Foreign Companies	1	95,000	0.00
08	General Public – Foreign	21	156,623,496	1.72
09	General Public – Local	7,890	2,279,286,170	25.10
10	Others	91	428,057,130	4.71
	Total:	8,044	9,081,861,237	100.00



## DIRECTOR'S REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2018

\*In accordance with the Pakistan Stock Exchange (PSX), definition of the term "Executive" used in clause No. 5.6.1 (d) (Disclosure of Price-Sensitive Information To The Exchange) of Chapter 5 of PSX Rule Book, the Board of Directors of the Bank has passed a resolution in its 154<sup>th</sup> meeting held on October 28, 2018 & set the threshold for the term "Executive" as the CEO, COO, CFO, Head of Internal Audit and Company Secretary by whatever name called, and covering employees of the Bank of Grade - 8 and above.

**The aggregate shares held by the Directors, Chief Executive and their spouse(s) and minor children along with Associated Companies, Undertakings Related Parties and Mutual Funds as at December 31, 2018**

S. No.	Categories of Shareholders	Number of Shares Held	Category Wise No. of Folios / CDC Acs	Category Wise Shares Held	Percentage
<b>S. No.</b>	<b>Directors, Chief Executive Officer and their Spouse(s) and Minor Children</b>		<b>9</b>	<b>439,569,686</b>	<b>4.84</b>
01	Mr. Munawar Hamid, OBE	12,574			
02	Mr. Khalid Aziz Mirza	500			
03	Mr. Rashid Akhter Chughtai	500			
04	Mr. Shahzad Enver Murad	500,000			
05	Mr. Tariq Iqbal Khan	16,997			
06	Mr. Zubair Nawaz Chattha	415,626,000			
07	Mr. Azmat Tarin	20,013,115			
08	Mrs. Farah Naz Tarin W/o Azmat Tarin	200,000			
09	Mrs. Salma Shahzad Murad W/o Shahzad Enver Murad	3,200,000			
<b>S. No.</b>	<b>Associated Companies, Undertakings and Related Parties (5% &amp; above shareholding)</b>		<b>6</b>	<b>5,666,262,093</b>	<b>62.39</b>
01	Arif Habib Corporation Limited	2,563,901,924			<b>28.23</b>
02	Mr. Shaukat Tarin*	1,049,091,791			<b>11.55</b>
03	International Finance Corporation	702,669,067			<b>7.74</b>
04	Mr. Zuqarnain Nawaz Chattha	678,126,000			<b>7.47</b>
05	Nomura European Investment Limited	356,676,342			<b>3.93</b>
06	Bank Muscat S.A.O.G	315,776,969			<b>3.48</b>
<b>S. No.</b>	<b>Mutual Funds</b>		<b>1</b>	<b>20,880,417</b>	<b>0.23</b>
01	COC - Trustee National Investment (Unit) Trust	20,880,417			

\*The total shareholding of Mr. Shaukat Tarin actually stands at 1,106,091,791 shares, i.e. 12.18% in the Bank, out of which as of December 31, 2018, an amount of fifty seven million (57,000,000) shares of Mr. Shaukat Tarin have been kept with Pearl Securities Limited.

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

### Auditors

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

## DIRECTOR'S REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2018

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

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

### Credit Rating

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

### Future Outlook

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

Efforts will also be made to revive aggressively, the mortgage assets business to provide further growth in the Consumer Banking business. Most importantly, the Bank will increasingly emphasize on its human capital by strengthening "a pay for performance culture" and improved succession planning process. In addition to the 35 new branches, the Bank intends to continue increasing its geographical footprint.

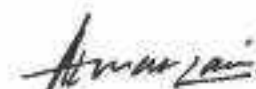
In order to provide a platform to cater for the unbanked population, the Bank has prepared to establish digital banking to increase its outreach, which is expected to be launched shortly. By introducing the "smart branch" concept, the Bank will also increase its distribution footprint and increase the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

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

### Acknowledgement

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

For and on Behalf of the Board of  
Silkbank Limited



Azmat Tarin  
President & CEO



Khalid Aziz Mirza  
Chairman

Karachi, February 28, 2019



## ڈائریکٹر کی رپورٹ

31 دسمبر، 2018 کو ختم ہونے والے سال کے لیے ڈائریکٹری رپورٹ

پلیٹس ایکس راول پک کے چھوڑنے کے مشق نمبر 5.8.1(d) (پچھلے کورپس سٹیبل انٹرمیشن کا اختتام ہوتا) میں استعمال ہونے والی اصطلاح "انٹریگز کینو" جو پاکستان اسلام آباد پچھلے کی طرف سے تعریف کی گئی ہے، کے مطابق، چیک کے بارے میں آف ڈائریکٹرز نے اپنے ایک سوچاوت میں اس بات پر اتفاق کیا کہ اگرچہ انٹریگز کینو کی اصطلاح "انٹریگز کینو" کو بطور سی ای ای اور سی ای ایف اور ہینڈ آف اعلیٰ ڈسٹریکٹ کمیٹی سیکریٹری کہا گیا اور چیک کے گریڈ 8 اور اس سے نیچے کے ملازمین کو شامل کیا گیا۔

ڈائریکٹر، تنظیم اعلیٰ اور ان کے شریک حیات اور نابالغ بچوں مع مشککہ کمپنیں، انڈیا ٹیکسٹائلز، متعلقہ فریقین اور میو جیل فنڈز کی جانب سے 31 دسمبر، 2018 کے مطابق مجموعی طور پر پاس رکھے ہوئے حصص

[illegible]

\* جناب شوکت ترین کی کل شہر ہولڈنگ 1,106,091,791 روپے تک ہے۔ یعنی 12.18% ہولڈنگ میں بھلائی 31 دسمبر 2018 تک جناب شوکت ترین کے متعلقہ ملین (57,000,000) شہر ترین کی کل شہر ہولڈنگ میں ہیں۔

[illegible]

آلہ

رباعی نمبر ہونے والے آؤپڑز نے اہل سونے کی حیثیت سے اگلے سالانہ اجلاس عام کے اختتام تک وہاں مقوری کے لیے خود کو وقف کیا ہے۔ بیورو کی آؤٹ سٹیلی نے سال 2019 کے لیے رپورٹ نمبر ہونے والے آؤپڑز، میسرز ایس گرانٹ، انجمن ریلن (GTAR)، چارٹرڈ اکاؤنٹنٹس کو پینک کے قانونی آؤپڑز کے لیے تجویز کیا ہے۔

## ڈائریکٹر کی رپورٹ

**31 دسمبر، 2018** کو ختم ہونے والے سال کے لیے ڈائریکٹر کی رپورٹ

کم سے کم کھپائوں کی ضروریات اور کھپائوں کے معیاروں کی تکمیل

31 دسمبر 2018 تک بینک کی کمپنی 14.45 بلین روپے سے زیادہ اثاثوں کی قیمت کا درجہ رکھنے والی سب سے زیادہ اثاثوں والی بینک پاکستان بینک آف پاکستان کی طرف سے تجویز کردہ 10 بلین روپے کی کم سے کم ضرورت کے مطابق 13.63 بلین روپے کا شیئر کھول (شیئرز پبلک ٹھکانہ اور انحصار کا خاتمہ) شامل ہے۔ مزید یہ کہ اثاثہ بینک آف پاکستان کے 11.90% کی کم سے کم کھول کے سوا سب کی ضروریات کے مطابق بینک کے کھول کا سواں حصہ 10.92% ہے۔ 11.90% کے کھول کے سوا سب کی ضرورت 10% کی کم سے کم کھول کے سوا سب 1.90% کے کھول کے سوا سب (CCB) پر مشتمل ہے۔

کریکٹ ریٹنگ

یہ ایک اچھے نرم پختہ مٹھلے کے ساتھ (A-۱) اور شربت نرم پختہ سے (A-2) "جسے آرائشی کٹیں" کرکٹ دھچک ٹھولی لٹھلی کا باب سے عین کی گئی ہیں۔ آؤں تک تھکی تو قحط کی وجہ بندگی محمد بنی Stable حرکت کی ہے۔

توقات مستقبل

[illegible]

improved succession planning اور "a pay for performance culture" سے کہیں کہیں بہتر ہو جائے گا۔

ان آداب میں جہاں جنگ کی رسوائی تھی ہے وہ جنگ نے ڈھنگل و جنگ کے قیام کا اثر دیا ہے جس کا آغاز بہت جلد کر دیا جائے گا۔ "اساتذہ برحق" کو خوف کرا کر جنگ اپنی دشمنی پوچھ کر دیا جائے گا اور ملک بھر میں اپنی برائیوں کی تعداد میں اضافہ کرے گا۔ جس کی وجہ سے جنگ اپنا رخ کر دے گا۔ جس کا اثر سرکاری اور سرکاری کی مخالفت ہو گا۔

لہذا وہ بال حکمت عملیوں کے کامیاب بنانے کے ساتھ آپ کے انٹرنیٹ سروسز پر کرتے ہیں کہ انہوں نے ہمارے سامنے ایک نیا رخ پیش کرتی ہوئی ہے۔

المتراف

ہم اپنے مزارعین اور کاروباری کثرت داخل کا تہہ مل سے شکر گزار کرتے ہیں، خصوصاً انے ادارے ماحول کا نظہرہ رکھا اور ہم پر اپنے اساتذہ کا تہہرہ کیا۔ ہم غلوں مل سے اطمینان و یک آفت پاکستان اور دیگر ملکی ادارے شکر گزار ہیں، خصوصاً نے یک ک کو آگے بڑھانے میں اپنی رہنمائی اور تعاون لرا ہم کیا۔

سک پیگ کے پورا کے لچا اور اس کی جانہ سے

KH-

خالد عزیز مرزا  
چتر گن

Amazani.

عظمت ترین

صدر اور کی ای

کراچی، 28 فروری، 2019



## ڈائریکٹر کی رپورٹ

31 دسمبر، 2018 کو ختم ہونے والے سال کے لیے ڈائریکٹر کی رپورٹ

بینک کی مختلف منجمنٹ کمیٹیز کے علاوہ ایک جاری رسائی عمل کی بنیاد پر کریڈٹ رسک کا پورڈ کی رسک کمیٹی نے بھی عمومی جائزہ لیا ہے۔ کریڈٹ سے متعلق معاملات پر پورڈ کی طرف سے باقاعدہ رہنمائی حاصل کی جاتی ہے اور نتائج پر لیٹر اور اسپرٹ سے عمل کیا جاتا ہے۔ نتیجہً ان پالیسیوں پر عمل کی توقع ہوتی ہے۔

### مارکیٹ رسک



مارکیٹ رسک کے عمل کی نگرانی اور اس کے بعد ہیڈ آف رسک منجمنٹ گروپ کو پورڈ کرنے کی بنیادی ذمہ داری کے ساتھ بینک کے اندر ہی ایک عملی فنکشن (ٹریڈری سے آزاد) قائم کر دیا گیا ہے۔ انویسٹمنٹ کمیٹی (IC)، مارکیٹ رسک پالیسی کمیٹی (MRPC) اور ایسٹ اینڈ لائیکویٹی کمیٹی (ALCO) بھی مارکیٹ رسک کی نگرانی اور منظر کی لیے کام کرتی ہے۔ رسک بینک میں ہمارے پاس ایک بالکل واضح پورڈ کی جانب سے مناسب طور پر چھوڑی گئی تھوڑی سی پالیسی ہے۔ فی الوقت، ایکس پریس کی ڈیٹا مارکیٹ رسک پرائیم آئی ایس (MIS) کی تشکیل میں استعمال ہو رہے ہیں اور انہیں سینئر انتظامیہ اور ضابطے کار کو رپورٹ کیا جاتا ہے۔ ہم نے کامیابی سے ”نوبل سسٹم“ اور فی رسک موڈول ”ترتیب دیا ہے جو کہ فیس موڈولنگ رپورٹس کی تشکیل کی صلاحیت رکھتا ہے اور یہ ایک لائیو ماحول میں مختلف ٹریڈری سرگرمیوں کی خود مختار نگرانی کی اہلیت بھی رکھتا ہے۔

### آپریٹنگ رسک

آپریٹنگ رسک کے تحت مناسب عملی پالیسی اور طریقہ کار بینک کے بنیادی آپریٹنگ رسک کو منظم کرنے کے لیے مضبوطی میں لائے جاتے ہیں اور انہیں کیے جاتے رہے ہیں۔ آپریٹنگ رسک میں جو کچھ سے تیار ہے اور پورڈ کی جانب سے منظور کر لیا گیا ہے۔ رسک کنٹرول خود مختار سوانحیہ بینک کے کئی شعبوں کو پیچھے جا رہے ہیں اور ان کے جوابات کو بنیاد بنا کر ہم سال رواں کے دوران بینک کے عمل پر نفاذ کا منصوبہ رکھتے ہیں۔

آپریٹنگ رسک جو اعلیٰ ای ڈی کے تحت رپورٹنگ کر رہا ہے، بینک میں شروع کیا گیا ہے اور منظم کیا گیا ہے۔ بینک میں بینک منجمنٹ کی طرف سے باقاعدہ چھوڑی گئی ہیں۔ بینک کے تمام شعبوں اور ڈیپارٹمنٹس کو رپورٹنگ کی ہدایت دے دی گئی ہے۔ تمام حلقے ملے کے لیے فوٹو اور رپورٹنگ پورڈ کی بجائے کے لیے ورک شاپ دی جاتی ہیں تاکہ وہ آرمائی کو تمام واقعات کی رپورٹ دے سکیں اور بینک کے کم شدہ ریسک کو پکڑ سکیں۔

قریب ورک کے کامیاب نفاذ کے بعد ہم نے ورک رگسٹر معلومات کی مابین بنیاد پر وصولی کا کام شروع کر دیا ہے اور اب عملی طور پر مسائل کا حل نکال رہے ہیں۔ ان معلومات کی وصولی سے تاریخی معلومات ملے گی جو ہمارے طریقہ کار کو مزید بہتر بنانے میں مددگار ثابت ہوگی۔ اس سلسلے میں ہونے والی ترقی سے بینک کی رسک کمیٹی کو باقاعدہ آپ ڈیٹ کیا جا رہا ہے۔

ایک انٹر نیشنل پورڈ بھی فعال ہے جس کا بنیادی کام مختلف عملی رہنما اصولوں کا عمومی جائزہ لینا اور اس کے نفاذ کو یقینی بنانا ہے۔ مزید یہ کہ ایک خود مختار انٹر نیشنل آڈٹ فنکشن بھی بینک کے اندر موجود ہے جو پورڈ کی آڈٹ کمیٹی کو رپورٹ کرتا ہے۔ ایک مناسب اور مکمل کلائنٹس ڈیپارٹمنٹ بھی فعال ہے جو دیگر امور کے ساتھ ساتھ یہ بھی یقینی بناتا ہے کہ انٹرنیٹ لائبریری اور Know your Customer Policies کے نفاذ کے ساتھ ساتھ تمام قانونی اور ضابطوں کی ضروریات کو مناسب طور پر پورا کیا جا چکا ہے۔

اس سلسلے میں متعلقہ ملے کو مناسب تربیت بشمول لین وین کی تحت نگرانی پر ہمارے ایم ایل کے ذیلی ہی تربیت کی فراہمی کی جارہی ہے۔ کسی بھی بنیادی صورت حال سے نمٹنے کے لیے برٹس کمیٹی پلان (BCP) بھی موجود ہے۔ اہم رسک انٹیلیجنس کی خود مختاری اور معیارات، ضابطوں اور رہنما اصولوں کی تشکیل بھی باقاعدگی سے جاری ہے اور انہیں مضبوطی میں لایا جا رہا ہے۔

### ڈائریکٹر کی تربیت

پورڈ کے تمام ڈائریکٹرز بحیثیت بینک کے ڈائریکٹرز اپنے فرہنگ اور ذمہ داریوں سے ہمراہ واقف ہیں۔ بینک کے نئے ڈائریکٹرز نے مطلوبہ سرٹیفیکیشن حاصل کی ہے جبکہ بینک کے چار ڈائریکٹرز کو اس سرٹیفیکیشن کی ضرورت سے مستثنیٰ قرار دیا گیا ہے اور باقی ڈائریکٹرز ضروری وقت پر یہ سرٹیفیکیشن حاصل کریں گے۔



## ڈائریکٹر کی رپورٹ

31 دسمبر، 2018 کو ختم ہونے والے سال کے لیے ڈائریکٹر کی رپورٹ

2018 کے دوران پورڈ آف ڈائریکٹرز اور کمیٹی کے اجلاس

سال 2018 کے دوران، مندرجہ ذیل پورڈ اور اس کی کمیٹیوں کے اجلاس منعقد کیے گئے۔ ڈائریکٹرز، جسٹس اور اس کی کمیٹیوں کے اجلاس منعقد کیے گئے۔

ڈائریکٹرز	پورڈ اجلاس		آڈٹ کمیٹی اجلاس		انسانی وسائل کمیٹی اجلاس		رسک کمیٹی اجلاس		آئی ٹی کمیٹی اجلاس	
	حاضر	غائب	حاضر	غائب	حاضر	غائب	حاضر	غائب	حاضر	غائب
جناب منور حامد او بی ائی	6	6	-	-	5	5	-	-	-	-
جناب خالد عزیز مرزا	6	6	-	-	5	5	-	-	-	-
جناب نسیم بیگ	6	6	4	4	-	-	-	-	4	4
جناب راشد اختر چغتائی	6	6	-	-	5	5	-	-	-	-
جناب شہزاد انور مراد	6	6	4	4	-	-	4	4	-	-
جناب طارق اقبال خان، ایف سی اے	6	6	4	4	-	-	4	4	-	-
جناب طلحہ سعید راجہ	6	6	-	-	-	-	-	-	-	-
جناب ذہیر نواز چغتہ	6	3	-	-	-	-	-	-	4	4
جناب صلیح شہزاد اختر مرین	6	5	-	-	-	-	-	-	-	-

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

### شیر ہولڈنگ کا اسلوب

کمیٹی ریکٹ 2017 اور کوڈ آف کارپوریٹ گورننس کے تحت درکار شیر ہولڈنگ کا اسلوب درج ذیل ہے:

سی ڈی سی کا مشترکہ اسلوب اور 31 دسمبر، 2018 کے مطابق حصص کا ملکی قبضہ

قبردار	شیر ہولڈنگ کی ذمہ داریاں	شیر ہولڈنگ کی تعداد	حصص ہولڈ	نمبر %
01	ڈائریکٹرز، چیف ایگزیکٹو آفیسر اور ان کے شریک حیات اور تالیف ہے	9	439,569,686	4.84
02	منسلک کمیٹی، قرضہ دہندگان اور حلقہ فزیشن	6	5,666,262,093	62.39
03	ایگزیکٹوز	13	39,271,471	0.43
04	بینک بینکر کمیٹی اور کارپوریٹ	5	48,362,496	0.53
05	ٹیکس، ایڈجسٹمنٹ ٹیکس، انٹیلیجنس، ڈان لیننگ ڈائریکٹرز، فائونڈیشن کمیٹی، ماحول، مضارب اور مشن فلو	7	3,453,278	0.04
06	میڈیکل فلو	1	20,680,417	0.23
07	قانونی کمیٹی	1	95,000	0.00
08	جنرل بینک - فارن	21	156,623,496	1.72
09	جنرل بینک - لوکل	7890	2,279,286,170	25.10
10	دیگر	91	428,057,130	4.71
	کل	8,044	9,081,861,237	100.00



# ڈائریکٹر کی رپورٹ

31 دسمبر، 2018 کو ختم ہونے والے سال کے لیے ڈائریکٹر کی رپورٹ

## بورڈ آف ڈائریکٹرز کی کارکردگی کا تعین

بورڈ آف ڈائریکٹرز کی کارکردگی کا تعین کرنے کے لیے اسٹیٹ بینک آف پاکستان کی طرف سے جاری کردہ گائیڈ لائنز کی تعمیل میں بورڈ نے سال 2018 کے لیے بینک کے بورڈ آف ڈائریکٹرز کی کارکردگی کا تعین کرنے کے لیے پاکستان اسٹیٹ بینک آف کارپوریٹ گورننس (PICG) کی رپورٹ پر مبنی گائیڈ لائنز کا مقرر کیا۔

پاکستان اسٹیٹ بینک آف کارپوریٹ گورننس نے کارکردگی کا تعین کرنے کے عمل کو درجہ بندی میں تقسیم کیا: پورا مکمل بورڈ (جس میں بورڈ ممبرز بھی شامل ہیں) اور انفرادی ڈائریکٹر کی کارکردگی کا تعین (جنہیں بینک کی طرف سے ملے لیا)۔ اس کے علاوہ، بورڈ کے کارکنان کو بھی یہ موقع دیا گیا کہ وہ باہر سے ہونے والے مسائل پر اپنی رائے دیں۔

پاکستان اسٹیٹ بینک آف کارپوریٹ گورننس کی طرف سے بورڈ کے تعین کے نتائج کے مطابق، بورڈ اور اس کی کمیٹیوں اور ڈائریکٹر کی صلاحیت اور ذمہ داریوں کے قوانین اور کارکردگی سے متعلق فراہم کردہ حوث اطمینان بخش تھے۔



پاکستان اسٹیٹ بینک آف کارپوریٹ گورننس کی طرف سے بورڈ کے تعین کے لیے درجہ بندی کا معیار مستند قرار دیا۔

- شمار کارکردگی: بورڈ کے تمام ممبران نے عمل کیا یا یقین دلا یا کہ انہوں نے اس سوال کے تمام جواب کی پیشہ پیش کی ہے۔ (9+10)
- اچھی کارکردگی: بورڈ کے تمام ممبران نے عمل کیا یا یقین دلا یا کہ انہوں نے اس سوال کے تمام جواب کی پیشہ پیش کی ہے۔ (8+)
- اطمینان بخش کارکردگی: بورڈ کے زیادہ تر ممبران نے عمل کیا یا یقین دلا یا کہ انہوں نے اس سوال کے زیادہ تر جواب کی پیشہ پیش کی ہے۔ (6+7+)
- بہتری کی ضرورت: بورڈ کے صرف چند ممبران نے عمل کیا یا یقین دلا یا کہ انہوں نے اس سوال کے جواب کی پیشہ پیش کی ہے۔ (4+5+)
- غیر اطمینان بخش کارکردگی: بورڈ کے زیادہ تر ممبران نے عمل نہیں کیا یا یقین نہیں دلا یا کہ انہوں نے اس سوال کے جواب کی پیشہ پیش کی ہے۔ (3+)

# پاکستان اسٹیٹ بینک آف کارپوریٹ گورننس کی طرف سے فراہم کردہ نتائج / درجہ بندی

## مکمل بورڈ

پاکستان اسٹیٹ بینک آف کارپوریٹ گورننس کی طرف سے مکمل بورڈ کی کارکردگی کا تعین کرنے کے لیے سوالنامے میں دیے گئے سوالات پر درجہ بندی کے مطابق درجہ بندی ملے ہیں:

نمبر شمار	مکمل بورڈ	درجہ بندی
01	بینک کے عملی کام میں	9.2
02	بورڈ اور اس کی اکی صلاحیت	9
03	بورڈ کی معلومات	8.6
04	بورڈ کے طریقہ کار	8.5
05	نہجیتیں	9.9
06	غیر بینک ڈائریکٹر	8.7
07	کنٹرول ماحول	8.4
08	بورڈ کے مسائل	7.7

## عمومی کمیٹی - 9.3

نمبر شمار	بورڈ کی کمیٹیاں	درجہ بندی
01	آڈٹ کمیٹی	9.2
02	آئی ٹی کمیٹی	8.8
03	ریسک مینجمنٹ	8.8
04	ناجوزگی اور پیوٹن ریسورسز	8.7

## کارپوریٹ اور فنانشل رپورٹنگ فریم ورک

بورڈ، ایس ای سی پی کے بورڈ آف کارپوریٹ گورننس کے تحت اپنی ذمہ داریوں کے لیے ہر ممبر نے اس سلسلے میں درجہ بندی کی وضاحت کی ہے:

- بینک کی مینجمنٹ کی طرف سے تیار کردہ فنانشل رپورٹس، اسٹیٹ آف انکوارنس کے ممبران کے نتائج پیش کردہ ان کی پیشہ پیش کی ہے۔
- بینک کے آڈٹ کے باقاعدہ ممبران کی تسمین کی گئی۔
- مالیاتی رپورٹوں کی تیاری میں مناسب اکاؤنٹنگ پالیسی کا اطلاق ہوا اور اکاؤنٹنگ کا اعادہ قابل دہ اور محفوظ فیصلے کی بنیاد پر ہوا۔
- مالیاتی رپورٹوں کی تیاری میں انٹرنل کنٹرول رپورٹنگ اسٹینڈرڈز پر عمل کیا گیا اور اس میں سے کسی بھی قسم کے خرابی کو ملحوظ کیا گیا۔
- انٹرنل کنٹرول کا سسٹم ذمہ داری میں کافی عمدہ ہے اور بہت مؤثر انداز میں اس پر عمل کیا گیا اور گہرائی کی گئی۔ انٹرنل کنٹرول پر مینجمنٹ کا یقین یہاں موجود ہے جس کی تصدیق بورڈ نے کی ہے جو کہ اسٹیٹ بینک آف پاکستان کو مطلوب تھا۔ بورڈ کو بھی یہ بینک کے انٹرنل کنٹرول سسٹم اور اس کے مؤثر ہونے کا جائزہ لینے کے لیے ذمہ دار ہے۔ تاہم، یہ سسٹم کچھ کرنے کے لیے عرصہ کا کام کر رہا ہے کہ ممبران کی کارکردگی کے لیے اس کی نوعیت میں ملے سے متعلق غلط فہمی کے خلاف ممبران میں یقین دہانی فراہم کرتی ہے۔ بورڈ کی جانب سے انٹرنل کنٹرول سسٹم کے مؤثر ہونے کے جائزے کے لیے استعمال کردہ طریقے میں شامل ہیں:

# ڈائریکٹر کی رپورٹ

31 دسمبر، 2018 کو ختم ہونے والے سال کے لیے ڈائریکٹر کی رپورٹ

(i) بورڈ کے لیے ریٹرنس کی شرائط اور پورٹس کی صفوری کے لیے ایک آڈٹ کمیٹی تشکیل دی گئی۔ یہ کمیٹی بینک کے انٹرنل آڈٹ ڈیپارٹمنٹ کی طرف سے اختیار کردہ طریقے کا جائزہ لیتی ہے، ساتھ ہی اس کا اسٹاکپ اور بیرونی آڈیٹرز کے ساتھ تعلقات کا بھی جائزہ لیتی ہے۔ یہ انٹرنل آڈٹ کی طرف سے رپورٹس بھی وصول کرتی ہے اور کوئی بھی دیگر ممبر مل کنٹرول میں کسی قسم کی شہادت کی گئی اور اس پر شکوک ہوئی اور متعلقہ امور میں ان پر کارروائی کی گئی۔

(ii) ایک آرگنائزیشنل سٹرکچر قائم کیا گیا جو کہ مینجمنٹ اور انٹرنل کی درجہ بندیوں کے ساتھ ذمہ داریوں اور اسٹاکپ کے عملیاتی ممبران کو پورٹ کرتا ہے۔

(iii) ڈی جیٹل لیڈر پر مشتمل ورکشاپ بورڈ کی طرف سے منظور شدہ ہیں۔ مزید یہ کہ ایک سٹاک ہولڈنگ اور اسٹریٹجک پلاننگ کا طریقہ موجود ہے۔ یہ اسٹریٹجی کاروباری ماحول میں نمایاں تبدیلیوں کی عکاسی کرتی ہیں۔

(iv) کنٹرول فریم ورک کی بنیادی خصوصیات مستند قرار دی گئی ہیں:

- بڑے کھول اخراجات اور دیگر نوزائیکٹرز کے لیے تعینات اور صفوری کے طریقے۔
- آپریٹنگ کی ضروریات اور ماحول مینجمنٹ اکاؤنٹس استعمال کرتے ہوئے مالیاتی کارکردگی کی پیمائش رپورٹنگ اور گہرائی جو کارکردگی کے اہم پیمائش اور بجٹ اور سرمایہ کاری میں تبدیلیوں کا جائزہ کرتی ہے۔
- صحت، حفاظت، ماحول اور مینجمنٹ پروسسز اور دیگر اہم پیمائش کا جائزہ۔
- مزید یہ کہ، انٹرنل کنٹرول سسٹم کے جائزے، انٹرنل آڈٹ ڈیپارٹمنٹ کی طرف سے لیے جاتے ہیں اور انٹرنل کنٹرول پر مینجمنٹ کے نتائج بورڈ کو ڈیجیٹل مینجمنٹ کی طرف سے تصدیق کیے جاتے ہیں۔
- بینک کی قابلیت پر کوئی نمایاں شکوک نہیں ہیں۔
- کارپوریٹ گورننس کی پیمائش سے کوئی ممبر مل کا انکوارنس کیا، جیسا کہ سٹاک ریکولیشن میں بیان کیا گیا ہے۔

(v) پریزنٹیشن اور گریڈنگ کا فریم ورک سرباپکا راند جست، باخریب 763.00 ملین روپے اور 554.00 ملین روپے ہے۔ یہ 31 دسمبر، 2018 کو ختم ہونے والے سال کے لیے ان کٹ ڈی آئی آئیٹ مالیتی کو خواہوں کے مطابق ہے۔

## ریسک مینجمنٹ فریم ورک

ریسک مینجمنٹ کے عمل، فعل کی بہتری کے لیے برہا برہی سے مسلسل کوششیں جاری ہیں جس کے نتیجے میں بینک میں بہتر کنٹرول اور ریسک کے ماحول میں ایک مجموعی "ریسک کلچر" کی تشکیل و تخلیق ہوئی ہے۔ باطل کی تیل کی طرف بڑھتی ہوئی تیل اور جامع بنیاد پر ریسک مینجمنٹ کے لیے ممبران کو توجہ دیتے ہوئے سٹاک بینک کے ریسک مینجمنٹ کے عمل کے کچھ اہم پہلو درج ذیل ہیں:

## کریڈٹ ریسک

آرام بی میں کریڈٹ ریسک کی مینجمنٹ ایک اہم عمل ہے۔ غور و نظر ریسک مینجمنٹ پالیسی جو ادارہ جاتی / تجارتی / ہونے کاروباری اداروں (SME) اور صارفین کے شعبوں کو خدمات پیش کرتے ہیں۔ مکمل طور پر فعل میں اور صاف طور پر پالیسی کی شکل میں جو ادارہ پر ڈاکٹ پر درجہ بندی وضع کیے گئے تشکیل شدہ طریقہ کار کی بنیاد پر کرتے ہیں۔ اس لیے کریڈٹ ریسک متعلقہ صفوری دینے والے پالیسی کی جانب سے مسلسل گہرائی کیے جاتے ہیں۔ بورڈ پالیسی کریڈٹ اپروڈل انٹرنل کو اختیار حاصل ہوتا ہے کہ وہ مختلف صفوری دینے والوں کو اختیار دیتے ہیں کہ وہ خرد جہت پر ملاحظہ کریں۔ کریڈٹ ایڈمنسٹریشن پالیسی بینک کے تمام شعبہ جات کے لیے موجود ہوتے ہیں، جو تمام ذمہ داریات اور ان کو محفوظ رکھنے کے لیے مؤثر طور پر دیکھ بھال کرتے ہیں۔ بینک نے کارپوریٹ، کرنٹس اور ایس ایم ای سی صارفین کے لیے انڈیون ٹائمنی اور بینکر ریسک ریننگ (ORR) ماڈل قائم کر رکھے ہیں، جن کا پوری ماڈل سے جائزہ لیا جاتا ہے، آپ ڈیٹ کیا جاتا ہے۔ نتیجہ آرام بی نے 1.3 کا نظریاتی شدہ ورژن نکال کر کارپوریٹ اور کرنٹس صارفین کے لیے انٹرنل ریسک ریننگ ماڈل کو آپ گریڈ کر دیا ہے۔ اس کے علاوہ آرام بی کی پاس ایک زبردست آرٹیکل وارنٹنگ سسٹم (EWS) رپورٹنگ بھی موجود ہے۔ آرام بی نے ایک فیملی ریسک ریننگ ڈیٹا بھی قائم کیا ہے جس پر بینک کے بڑے حصے میں مکمل طور پر عمل درآمد شروع ہو چکا ہے اور یہ نہایت مؤثر انداز میں ہر صارف کوئی کئی مہلت کے سلسلے میں ضروریات کی جانچ پڑتال کرتا ہے۔ یہ طریقہ کار بروقت انداز دہی اوقات کے لیے ابتدائی مرحلے کی پر مسائل سے دور چار ضروریات کی نشاندہی کی اہلیت و صلاحیت رکھتے ہیں۔ ان سسٹم کے قیام کے لیے نتائج اپ ہر دینی آؤڈز کی جانب سے جاری کردہ مینجمنٹ لیٹر میں ظاہر ہونا شروع ہو گئے ہیں اور اس کے ساتھ ہی سسٹم اور طریقہ کار کی ناکامیوں کی کم کردہ مثالوں کے ذریعے اسٹیٹ بینک آف پاکستان کی تفتیشی ٹیم کی طرف سے مروجہ کردہ ملاحظہ پورٹس میں بھی ظاہر ہوتے ہیں۔



کنزیروینٹنگ کے تحت خرد جہت کی دہائی کے بارے میں مزید پوچھ گچھ کرنے اور وصولی کے لیے ایک علیحدہ کمیٹی پوز کام کرتا ہے، جو گھسے گئے کنزیرو کے خرد جہت کی ایک ٹھوس وصولی کے لیے ذمہ دار ہے۔ اس طرح سال کے دوران، بینک کی بڑی گروٹھ میں تعاون کرنے میں ایک مرکزی کردار ادا کرنے کا یقین دلاتا ہے۔ ایک مرکزی انٹرنل ایسٹس مینجمنٹ پوز بھی قائم ہے جو بنیادی طور پر این بی ایل اکاؤنٹس اور وصولی کے عمل کی دیکھ بھال کے لیے ذمہ دار ہے۔ یہ پوز ایک انتہائی پیشہ ورانہ اور مستعدی سے اپنے فریضہ انجام دیتا ہے۔ آرام بی ان اکاؤنٹس پر بھی گہری نظر رکھتا ہے جن میں "نئے پوزیشنل" دیکھ سکتے ہیں۔ پوزیشن کمان اکاؤنٹس پر سرمایہ آپ ڈیٹس فراہم کرنا جو کہ آرام بی مکمل طور پر جائزہ لے گا اور تمام اسٹیک ہولڈرز کے ساتھ آگے ہانپنے والی حکمت عملیوں پر بحث کرنا یا جائے گا۔ پیشہ طریقہ سے فیصلہ بھی سرمایہ اسٹاکس کے دوران بورڈ کی ریسک کمیٹی کو دکھائی جائے گی اور ان کی تجاویز کو تعمیل عمل میں شامل کیا جائے گا۔







## 59



31 دسمبر، 2018 کو ختم ہونے والے سال کے لیے ڈائریکٹری رپورٹ

معزز شیئر ہولڈرز،

31 دسمبر، 2018 کو شتم ہونے والے سال کے لیے انٹرنیشنل یو این سالانہ رپورٹ اور انجیلز مالمیق کو شوا سے پیش کرنے میں خوشی محسوس کرتے ہیں۔



معاشی جائزہ

مالی سال 2018 کے اختتام پر معیشت کی کارکردگی مطلوب رہی۔ اصل معاشی سرگرمی میں حریف اضافہ ہوا اور چھ مہینے متواتر سال کے لیے نوکری کی ڈارٹ سے کم رہی۔ اس طرح، پرائیویٹ سیکٹر کی ڈارٹ میں مستحکم تر ترقی ہوئی اور جی ڈی پی کے لحاظ سے سرکاری کاروبار بھی۔ تاہم، ان اخراجات کے مقابلے میں بیڑیوں میں بہت نمایاں کمی ہوئی اور جی ڈی پی کو گھریلو طلب کو پورا کرنے کے لیے درآمدات پر انحصار بڑھ گیا جس سے غیر مستحکم مہنگائی کی طرف توجہ مبذول میں داخل ہو رہی ہے۔

جی ڈی پی کی اصل گروتھ سبب الجیا جی کی کہ تینوں ٹیکسز یعنی زرعت، صنعت اور خدمات نے قریبی دو ہالے میں صلیا۔ کرنٹ اکاؤنٹ ڈیفیٹ میں شرح تبادلے کی شرح میں کمی کی وجہ سے مالی قرض میں اضافہ ہوا۔ نتیجتاً مجموعی عوامی قرض، جون، 2017 کے اختتام پر 67.0% تھا اور جون، 2018 کے اختتام پر جی ڈی پی کے 72.5% تک بڑھ گیا۔ اس لحاظ سے، مالی سال، 2019 کے لیے اصل جی ڈی پی کا گروتھ ٹارگٹ جو 6.2% ہے، ناقابل حصول نظر آتا ہے۔ سیکٹر بھر کی طلب میں متوجہ کی کے باعث صنعتی شعبے میں اضافہ طور پر کی دیکھی جا سکتی ہے۔ مزید یہ کہ خاص طور پر، کنسٹرکشن، لائبریری اور سہا ایشیے طرف مالی منتقلی میں کمی واقع ہو سکتی ہے۔

مالی سال 2017 میں ریونیو گروہ %11.0 تھی جبکہ مالی سال 2018 میں کم ہو کر %5.9 ہو گئی۔ اس کی خاص وجہ ان ٹیکس ریونیو میں جوئے والی دھنچ کی کمی، اس کے برعکس ٹیکس ریونیو کی حتمی وصولیہ اچھی جس میں ایف بی آر اور صوبائی انجینسروں کی شامل تھی، جس کے باعث مالی سال 2018 کے دوران حتمی کی رفتار میں نمایاں طور پر اضافہ ہوا۔ غیر اعلان کردہ ٹیکس اور غیر ملکی اثاثوں کی رجسٹریشن کے لیے اعلان کردہ ٹیکس معافی اسکیم سے بلاعدادی مہسروں کی بھی مدد کی گئی۔

بیکنگ مسکر

جی ڈی پی کے تناسب میں پراچینٹ ٹیکٹر کرپٹ 8 سالوں میں سب سے زیادہ یعنی 17.4% یا سارا اہم بات پرتوجہ دیا گیا ہے، اہم ہے کہ حالیہ سالوں میں اضافے سے باوجود، مالی سال 2018ء کے اختتام پر پاکستان میں جی ڈی پی تناسب میں پراچینٹ ٹیکٹر کرپٹ 27.2% کے مقابلے میں بہت زیادہ کم ہے۔

مالی سال 2018 کے دوران، بین الاقوامی سطح پر مسکن کی قیمتوں میں اضافہ ہوا ہے۔ مالی سال 2018 کی تیسری سہ ماہی میں حکومت نے تقریباً 2.2 بلین روپے کا قرض لیا۔

مالی سال 2018 کے دوران بینکنگ سیکٹر کے اثاثوں کی بنیاد میں دو سو اسی کروڑ روپے کی ترقی ہوئی ہے جو کہ بنیادی طور پر، خاص سرامیک یا برائیں میں کی کہ وجہ سے مالی سال 2018 میں بینکنگ سیکٹر کی تقاسم ترسک پر وفاق میں بھرتی آئی ہے جس کی بنیادی وجہ اصل سرامیک کی محاذ جیت ہے۔

2018 کے دوران سہلک بینک کی کارکردگی

## مالیاتی کارکردگی

31 دسمبر، 2018 کو ختم ہونے والے سال کے لیے بینک نے 1,329.93 ملین روپے کے بعد از گیس منافع کا اعلان کیا ہے۔

اس مدت کے دوران، بینک کے کل ڈپازٹس 22.38 بلین روپے سے بڑھ کر 132.66 بلین روپے ہو گئے اور مجموعی نیٹو اثاثہ 13.43 بلین روپے سے بڑھ کر 103.56 بلین روپے ہو گئے۔

31 کو ختم ہونے والے سال کے لیے سبک دینے والی مالیتی کا مجموعہ کا ۲

روپے ملین میں		مالیاتی کارکردگی
2017	2018	
5,488	8,505	قائمیں مارک آپ آمدنی
(554)	(1,269)	دیجیٹل (دیجیٹل) میں بھرتی اور دیگر
2,943	3,415	ٹران مارک آپ آمدنی
(8,489)	(8,874)	ٹران مارک آپ اخراجات
1,386	1,877	فیس (کنٹینر منافع) (تفصیل)
(251)	(547)	(کنٹینر) / (کنٹینر) کارپوریٹ
1,135	1,330	بعد از فیس منافع (تفصیل)
روپے		
0.13	0.15	فی شیئر بنیادی آمدنی (تفصیل)



## ڈائریکٹر کی رپورٹ

**31 دسمبر، 2018 کو ختم ہونے والے سال کے لیے ڈائریکٹر کی رپورٹ**

## سیکورل کارکردگی

رشیل بینکنگ

برامج بینکنگ

برامج بینکنگ بینک کے لیے سب سے اہم کارہائے کارہا ہے۔ 175,574 سے لاکھ سالانہ کو خدمات پیش کر رہا ہے اور بینک کی فزائٹ میں تقریباً 59% حید کا حصہ رکھتا ہے۔ پورے سال، برامج بینکنگ جنرل مارکیٹس سے آگے رہی۔ 31 دسمبر 2018 تک بینک کے کل فزائٹ 78 ملین روپے رہے، جس سے سال 2018 کے دوران تقریباً 12 ملین روپے کی اضافی فزائٹ حاصل ہوئی۔ 127.4 ملین روپے (287 ملین روپے کے لیے میل EBIT 414 ملین روپے) کے ساتھ برامج بینکنگ اپنے پرافٹ اینڈ لاس کے مجموعہ نمبرز سے آگے رہی، یعنی مجموعہ نمبرز سے آگے 44%۔

یہ راست ایک ثابت سمت میں آگے بڑھتا نظر آتا ہے اور ہم اس پر کرتے ہیں کہ آنے والے سالوں میں براچی ویکنگ میں مزید بہتر نتائج حاصل ہوتے۔



## اے ڈی سی بزنس

سنگ بینک ویزا ایسٹ کا کارڈ ("VDC") نے 2018 میں مجموعی عیادہ کار چارجز کی رقم اور 36,383 نئے ویزا ایسٹ کارڈز چارجز کیے جس سے لوگوں کا کارڈز میں 135,389 کا اضافہ ہوا۔ 2018 کے دوران، اپنا ایسٹ اس کیل پر ویزا ایسٹ کا کارڈ کے استعمال سے بڑھ رہا۔ 381,260 فرانز بشپٹر 1.48 ملین روپے کی الاگت کا خرچہ کارڈز کیا گیا، جو کہ 2017 کے مقابلے میں باقریب 16.53% اور 20.50% اضافے کی عکاسی کرتا ہے۔ جن جن 2018 کے دوران POS پر سب سے زیادہ خرچ کی الاگت 136.24 ملین روپے فی ماہ کارڈز کی رقم۔ سال کے دوران سنگ بینک اسے آئی ایس آر 1,821,892 فرانز بشپٹر پر 21.18 ملین روپے کا لگے اور 1.76 ملین روپے کا اوسط ماہ استعمال کارڈز کیا گیا۔ انٹرنیٹ ڈسٹری بیوٹرز سرورس اور وائی فائی کی جھوٹی برڈز آفر کی قدر و قیمت میں اضافہ کیا

ہے اور بینکنگ سروسز تک رسائی کو آسان بنادیا ہے۔ ملک میں آئل ریفائنریز میں 49,840 صارفین کا اندراج ہو چکا ہے اور اس سروس میں مزید بھی خصوص



## بینک کا شورٹس

بیکہا خوں میں برسنے سال 2018 میں یکساں گرجھ کا مظاہرہ کیا ہے اور پچھلے سال کا کارکردگی کے مقابلے میں اس سال اس کی ڈبل ڈیجیٹ گرتھ یعنی 11% ہوئی۔ 2017 میں جاری کیا گیا برسن 114 ملین روپے تھا جبکہ 2018 میں کل برسن 126 ملین روپے رہا۔ دسے انڈسٹری پائٹول کے اضافے کے ساتھ، گاندی پائٹولس اب خرید کسٹر سینٹرک ہو گیا ہیں۔ پانچا کرپٹ کمیٹی نے برزیدر کے کنٹرول پروڈر اور پیکل اور رائے پانڈیشن کو فروم آل "گمیاں" ملک دی اور 2018 میں کل پروڈر 1,299 جڑے ہوئے عک 2017 میں ان کی تعداد 1,074 تھی۔





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

FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

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

- Male: 8
- Female: 0

2. The composition of the Board is as follows:

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

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

- The Directors have confirmed that none of them is serving as a director on more than five listed companies, including this Bank.
- The Bank has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures.
- The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Bank. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
- The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
- The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- All the Directors on the Board are fully conversant with their duties and responsibilities as Directors of the Bank. The following three Directors have obtained Directors' Training Program certification from Pakistan Institute of Corporate Governance (PICG) / Institute of Chartered Accountants of Pakistan (ICAP):

- Mr. Shahzad Enver Murad
- Mr. Tariq Iqbal Khan, FCA
- Mr. Talha Saeed Ahmed

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

- Mr. Khalid Aziz Mirza
- Mr. Munnawar Hamid, OBE
- Mr. Nasim Beg
- Mr. Rashid Akhtar Chughtai

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

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

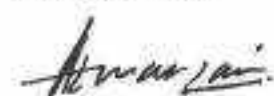
- Audit Committee**  
Shahzad Enver Murad Chairman  
Nasim Beg Member  
Tariq Iqbal Khan, FCA Member  
Wajih Zaidi Secretary
- Nomination, Remuneration & Human Resources Committee**  
Khalid Aziz Mirza Chairman  
Munnawar Hamid, OBE\* Member  
Rashid Akhtar Chughtai Member  
Kaleem Ahmed Secretary

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

- Risk Management Committee**  
Tariq Iqbal Khan, FCA Acting Chairman / Member  
Shahzad Enver Murad Member  
Muhammad Atif Kauser Secretary
- Information Technology Committee**  
Nasim Beg Chairman  
Zubair Nawaz Chattha Member  
Javed Yousuf Edhi Secretary

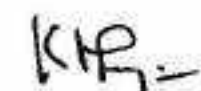
- The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- The frequency of meetings of the committee were as per following:
  - Audit Committee Quarterly
  - Nomination, Remuneration & Human Resources Committee Quarterly
  - Risk Management Committee Quarterly
  - Information Technology Committee Quarterly
- The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Bank.
- The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Bank and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
- The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- We confirm that all other requirements of the Regulations have been complied with.

For and on Behalf of the Board of  
Silkbank Limited



Azmat Tarin  
President & CEO

Karachi, February 28, 2019



Khalid Aziz Mirza  
Chairman



# SILKBANK LIMITED MANAGEMENT'S STATEMENT ON INTERNAL CONTROLS

AS OF DECEMBER 31, 2018

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

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

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

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

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

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

9. There is an annual budgeting and strategic planning process in the Bank. Financial forecasts are reviewed on a periodical basis to reflect significant change in the business environment. Regular reporting and monitoring of financial performance of the departments and the Bank as a whole has been implemented, using statistics and monthly management accounts to highlight key performance indicators and variance from budgets and forecasts.

10. The Bank has implemented various significant policies covering all the areas of operations, including those relating to employees welfare and contingency management processes.

11. Management also emphasizes on imparting of training to enhance knowledge and understanding of the Bank's internal policies and procedures and prudential regulations. This has greatly contributed towards strengthening of the control environment.

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

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

Karachi, February 28, 2019



Azmat Tarin  
President & CEO



# NOTICE OF THE 25<sup>th</sup> ANNUAL GENERAL MEETING

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

## Ordinary Business:

1. To confirm the minutes of Extra-Ordinary General Meeting (EOGM) held on November 30, 2018.
2. To receive, consider and adopt the audited financial statements of the Bank for the year ended December 31, 2018, together with the Directors' and Auditors' reports thereon.
3. To appoint auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

## Any Other Business:

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

By the Order of the Board

Faiz Ul Hasan Hashmi  
Company Secretary

Karachi, March 09, 2019

## Notes:

### 1. Closure of Share Transfer Books:

The Share Transfer Books of the Bank will remain closed from March 22, 2019 to March 30, 2019 (both days inclusive). Share Transfers received at M/s. Central Depository Company of Pakistan Limited (CDC), Share Registrar Department CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 by the close of business hours (5:00 PM) on Thursday, March 21, 2019, will be treated as being in time for the purpose of above entitlement to the transferees.

### 2. Participation in the Meeting:

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

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

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

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

### 3. For Appointing Proxy:

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

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

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

### For Attending the Meeting:

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

### 5. Change of Address:

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

6. Accounts of the Company for the year ended December 31, 2018, have been placed on the website of the Bank, <http://www.silkbank.com.pk>.



# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

## Report on the Audit of the Financial Statements

### Opinion

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

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

### Basis for Opinion

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

### Emphasis of Matters

We draw attention to the following matters

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

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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

Our opinion is not qualified in respect of above matters.

### Key Audit Matters

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

Following are the Key Audit Matters:

Key Audit Matters	How our audit addressed the key audit matters
<b>Impairment / assessment of advances</b>  As at December 31, 2018, loans and advances to customer amounting to Rs. 103.56 billion and the corresponding allowances for impairment / losses Rs. 5,212.17 million.  The assessment of impairment of loans and advances to customer involves significant judgment. The management adopts an impairment assessment in accordance with the requirement of Prudential Regulations issued by State Bank of Pakistan.  In view of the significance of the amount of loans and advances of Rs. 103.5 billion representing 59.53 % of total asset and provision of Rs. 5,212.17 million, impairment of loans and advances is considered a key audit matter. Relevant disclosures are provided in note 11.	We evaluated the design and operating effectiveness of key controls related to the credit approval process, post approval credit management, loan grading system, collateral monitoring and loan impairment assessment, including testing of relevant data quality and information systems.  We adopted risk based sampling approach in our loan review procedures.  We assessed the customer repayment capacity and evaluated the Bank's loan classification, taking into consideration post lending annual review report, customer financial information, collateral valuation report and other information available.  We assessed the impairment model and considered management assumptions of loss identification period and impact of macro-economic changes.  Further, we evaluated and tested the design and operating effectiveness of internal controls related to disclosure of advances, credit risk and impairment allowance.
<b>Gratuity obligation valuation</b>  As described in note 5.1.5 and note 21 to the financial statements, the Bank operates an approved defined benefit plan. The Bank recorded a net retirement obligation amounting to Rs. 49,491 million (2017: Rs. 27,292 million). The gratuity valuation is dependent on market conditions and assumptions made. The risk specifically relates to the following key assumptions; discount rate, inflation expectations and other assumptions. The setting of these assumptions is complex and requires the exercise of significant actuarial assumptions.	We obtained detailed understanding and evaluated the design and implementation of controls that the Bank has established in relation to the book keeping process.  We reviewed the data provided to actuary and results derived to obtain sufficient and appropriate audit evidence over the assumptions and valuation.  We evaluated qualification of actuary.  In testing the gratuity valuation, we reviewed the key actuarial assumptions used, both financial and demographic, and considered the methodology utilized to derive these assumptions.



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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

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

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

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

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

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

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

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



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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

### Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Bank / branches as required by the Companies Act, 2017 (XIX of 2017) and the returns referred above from the branches have been found adequate for the purpose of our audit;
- b) the statement of financial position, profit and loss account and the statement of comprehensive income, statement of changes in equity and cash flow statement (together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 and the Companies Act, 2017(XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were in accordance with the objects and powers of the Bank / branches and the transactions of the Bank / branches which have come to our notice have been within the powers of the Bank / branches; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

### Other Matter

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

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

Grant Thornton Anjum Rahman  
Karachi

Date: March 08, 2019



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

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

The responsibility for compliance with the Regulations is that of the Board of Directors of the Bank. Our responsibility is to review whether the Statement of Compliance reflects the status of the Bank's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Bank's personnel and review of various documents prepared by the Bank to comply with the Regulations.

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

The Regulations require the Bank to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Bank's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Bank's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Bank for the year ended December 31, 2018.

**Grant Thornton Anjum Rahman**  
Chartered Accountants

Karachi  
Dated: March 08, 2019

**Muhammad Shaukat Naseeb**  
Engagement Partner

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



March 1, 2019

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

To form our opinion as expressed in this report, the Shari'a Compliance Department (SCD) of the Bank carried out reviews, on a test check basis, of each class of transactions, with the relevant documentation and process flows. Furthermore, we have also reviewed the report of the Internal Shari'a Review and Internal Shari'a Audit of various departments and branches for 2018. Based on the above and in light of the information submitted to the Shari'a Board (SB), we are of the view that:

- i. EIB has complied with Shari'a rules and principles in the light of fatawa, rulings and guidelines issued by the SB. Different Shari'a-compliant products were developed by different departments of the Bank and approved by the SB. Furthermore, the SB reviewed and endorsed all relevant documents and material that were submitted to it for its approval.



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

FOR THE YEAR ENDED DECEMBER 31, 2018

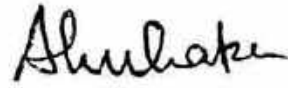
- ii. EIB has complied with directives, regulations, instructions and guidelines related to Shari'a compliance issued by SBP in accordance with the rulings of SBP's Shari'a Board.
- iii. EIB has an approved Charity Policy to ensure that any earnings realized from sources or by means prohibited by Shari'a are credited to the Charity Account and are properly utilized.
- iv. The Schedule of Charges (SOCs) have been periodically reviewed and approved by the Shari'a Board after necessary amendments.
- v. The monthly distribution of profits amongst the shareholders and remunerative account holders has been made in line with the principles of Shari'a and SBP instructions on profit and loss distribution and pool management.
- vi. The Bank has implemented a program for the training of the Bank's staff in areas of Islamic Banking and Finance in different cities. Moreover, the Shari'a Board members have conducted orientation sessions for the senior management of the Bank and a short orientation session for the BOD.
- vii. EIB has a Shari'a Compliance Department to ensure compliance with the Shari'a Governance Framework issued by SBP in an effective and efficient manner.
- viii. Shari'a Board confirms to have examined, through the Internal Shari'a Audit and Internal Shari'a Review, each class of transaction on sampling basis. The Shari'a Board has reviewed the reports of Internal Shari'a Audit and Internal Shari'a Review pertaining to the Bank's operations during the year, issued its directives and advised corrective measures on adverse review or audit findings. The Shari'a Board has found, in the light of these review and audit reports, that the financings and transactions of the EIB are substantively in conformity to Shari'a principles.



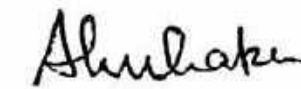
Dr. Muhammad Gaseem  
Chairman, Shari'a Board



Mufti Syed Adnan Kakakhail  
Shari'a Board Member



Mufti Syed Abu Bakr  
Resident Shari'a Board Member



مفتی سید انور  
رہنما شریعہ بورڈ



مفتی سید عدنان کا کاخیل  
شریعت بورڈ



ڈاکٹر محمد حمید  
جیئرین شریعت بورڈ

# شریعت بورڈ کی رپورٹ ایمان اسلامک بینکنگ، سلک بینک لمیٹڈ 31 دسمبر، 2018 کو ختم ہونے والے سال کے لیے



یکم مارچ، 2019

اگرچہ بورڈ آف ڈائریکٹرز اور انتظامیہ کی ذمہ داری ہے کہ وہ اس بات کو یقینی بنائیں کہ ایمان اسلامک بینکنگ کی سرگرمیاں ہمیشہ شریعت کے اصولوں اور شریعت بورڈ کی ہدایات کے مطابق ہوں۔ ہم، ایمان اسلامک بینکنگ کے شریعت بورڈ کی مجلسِ امداری ہے کہ وہ مجموعی شریعت کیپلائس، اعمال پر ایک دہرہ پرت حق کر دے۔

مائے کام کرنے کے لیے جیسا کہ اس رپورٹ میں بیان کیا گیا ہے، شریعت کیپلائس ڈپارٹمنٹ نے ہر قسم کے معاملات کے مختلف دستاویزات اور طریقہ کار کے کاغذات کا آڈٹ کیا اور ان کی غلطیوں پر جائزہ لیا۔ مزید برآں، ہم نے 2018 کے دوران بینک کی برانچوں اور مختلف شعبہ جات کا شریعت کیپلائس جائزہ اور شریعت بورڈ کیپلائس کا بھی جائزہ لیا اور ان کی غلطیوں پر جائزہ دیا ہے۔

- i۔ ایمان اسلامک بینکنگ نے شریعت بورڈ کی طرف سے جاری کردہ فتاویٰ، احکامات اور ہدایات کو غور کیا اور مختلف شعبہ جات کی طرف سے تیار کردہ پراکٹس کی شریعت بورڈ نے منظوری دی۔ مزید برآں، شریعت بورڈ نے پیش کیے گئے تمام حلقہ دستاویزات اور مواد کا جائزہ لیا اور منظوری دی۔
- ii۔ ایمان اسلامک بینکنگ نے بینک دولت پاکستان کی طرف سے شریعت کیپلائس سے متعلق ہدایات، احکامات کی پاسداری کی ہے۔
- iii۔ ایمان اسلامک بینکنگ میں شریعت بورڈ کی طرف سے ایک خیراتی پالیسی ہے جس کے تحت اس بات کو یقینی بنایا جاتا ہے کہ کسی بھی خیراتی طریقے سے حاصل کی گئی آمدنی کمزور کاؤٹ میں ڈالا جائے اور مناسب طریقے سے خرچ کیا جائے۔
- iv۔ شریعت بورڈ آف چارٹرڈ اکاؤنٹنٹس کا جائزہ لے کر مناسب ذمہ کے بعد شریعت بورڈ نے منظوری کی۔
- v۔ بینک کے شیئر ہولڈرز، مالکان اور اکاؤنٹ ہولڈرز میں منافع کی تقسیم شریعت کے اصولوں اور بینک دولت پاکستان کی طرف سے جاری کردہ مختلف ہدایات کی روشنی میں کی گئی ہے۔
- vi۔ بینک نے مختلف شعبوں میں اپنے عملے کے لیے اسلامی بینکاری اور مالیات سے متعلق ٹریننگ/تربیت کا انتظام کیا۔ اس کے علاوہ بینک کے مالی اہلکاران اور بورڈ آف ڈائریکٹرز کو شریعت بورڈ کی جانب سے اسلامی بینکاری سے آگاہی کے لیے ٹریننگ دی گئی۔
- vii۔ بینک دولت پاکستان کی جانب سے جاری کردہ شریعت بورڈ کی طرف سے جاری کردہ شریعت بورڈ پر مبنی فریم ورک پر مبنی عملدرآمد کو یقینی بنانے کے لیے ایمان اسلامک بینکنگ میں شریعت کیپلائس ڈپارٹمنٹ موجود ہے۔
- viii۔ شریعت بورڈ نے پچھلے سال کے دوران شریعت کیپلائس جائزہ اور شریعت آڈٹ کی رپورٹس کا جائزہ لیا اور مناسب اقدامات جو پڑ گئے۔ ان رپورٹس کی روشنی میں شریعت بورڈ کی رائے ہے کہ ایمان اسلامک بینکنگ کے مالی معاملات اور سرگرمیاں مجموعی طور پر شریعت کے مطابق ہیں۔



# Embrace

Impeccable Success



## FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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



## SIX YEARS FINANCIAL HIGHLIGHTS

	Rupees in million					
	2018	2017	2016	2015	2014	2013
<b>BALANCE SHEET</b>						
Share capital	23,431	23,431	21,431	21,431	13,431	13,431
Reserves	821	555	328	180	180	183
Deposits and other accounts	132,664	110,278	88,787	81,098	98,770	69,433
Sub-ordinated loans	2,000	2,000	-	-	-	-
Borrowings	18,052	35,582	30,196	33,230	21,742	11,382
Total Assets	173,677	166,855	135,034	133,103	102,738	91,770
Gross Advances	103,566	90,138	69,312	67,045	84,417	61,470
Advances - net of provisions	98,354	85,851	64,803	61,074	58,967	56,038
Non performing advances	6,875	5,860	5,820	6,520	8,222	9,872
Investments - net of provisions	28,925	38,287	37,488	35,513	18,105	14,853
Equity	14,387	13,181	12,055	14,577	8,501	8,875
Provision Held	5,212	4,287	4,510	5,971	5,450	5,432
Provision Held / NPL	78.08%	73.16%	77.48%	70.08%	66.29%	55.03%
Provision Held / Total Advances	5.03%	4.76%	6.51%	8.91%	8.46%	8.84%
<b>PROFIT AND LOSS ACCOUNT</b>						
Mark-up / return / Interest earned	15,596	11,670	9,959	8,933	9,429	7,822
Mark-up / return / Interest expensed	(8,991)	(6,184)	(5,610)	(5,834)	(5,969)	(5,463)
Net mark-up / Interest earned	6,605	5,486	4,349	3,100	3,460	2,160
Provisions and Write off	(1,269)	(554)	354	(1,467)	(330)	(521)
Net mark-up / Interest income / (loss) after provisions	5,337	4,932	4,704	1,612	3,131	1,839
Non-markup / Interest income	3,415	2,943	2,213	1,894	1,720	1,325
Non-markup / Interest expenses	(6,875)	(6,489)	(5,631)	(5,346)	(4,719)	(4,491)
(Loss) / Profit before Taxation	1,877	1,387	1,285	(1,840)	131	(1,528)
(Loss) / Profit After Taxation	1,330	1,135	739	(1,712)	87	(1,157)
<b>FINANCIAL RATIOS</b>						
Income / Expense Ratio	Times	1.458	1.299	1.185	0.934	1.098
Return on Average Equity (ROE)	%	9.65	9.00	5.55	(14.83)	1.14
Return on Average Assets (ROA)	%	0.78	0.75	0.55	(1.45)	0.09
NPLs to Gross Advances ratio	%	6.45	6.50	8.40	12.71	12.78
Earning Assets to Total Assets ratio	%	80.55	79.55	76.28	77.27	77.94
Earnings per share	Rs	0.15	0.13	0.09	(0.58)	0.03
Gross spread ratio (NIM/Gross interest income)	%	42.35	47.01	43.67	34.70	35.70
<b>NON FINANCIAL INFORMATION</b>						
Number of branches		123	123	88	88	85
Number of employees		4,112	3,711	3,367	3,153	2,908

## VALUE ADDED STATEMENT

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



## HORIZONTAL ANALYSIS

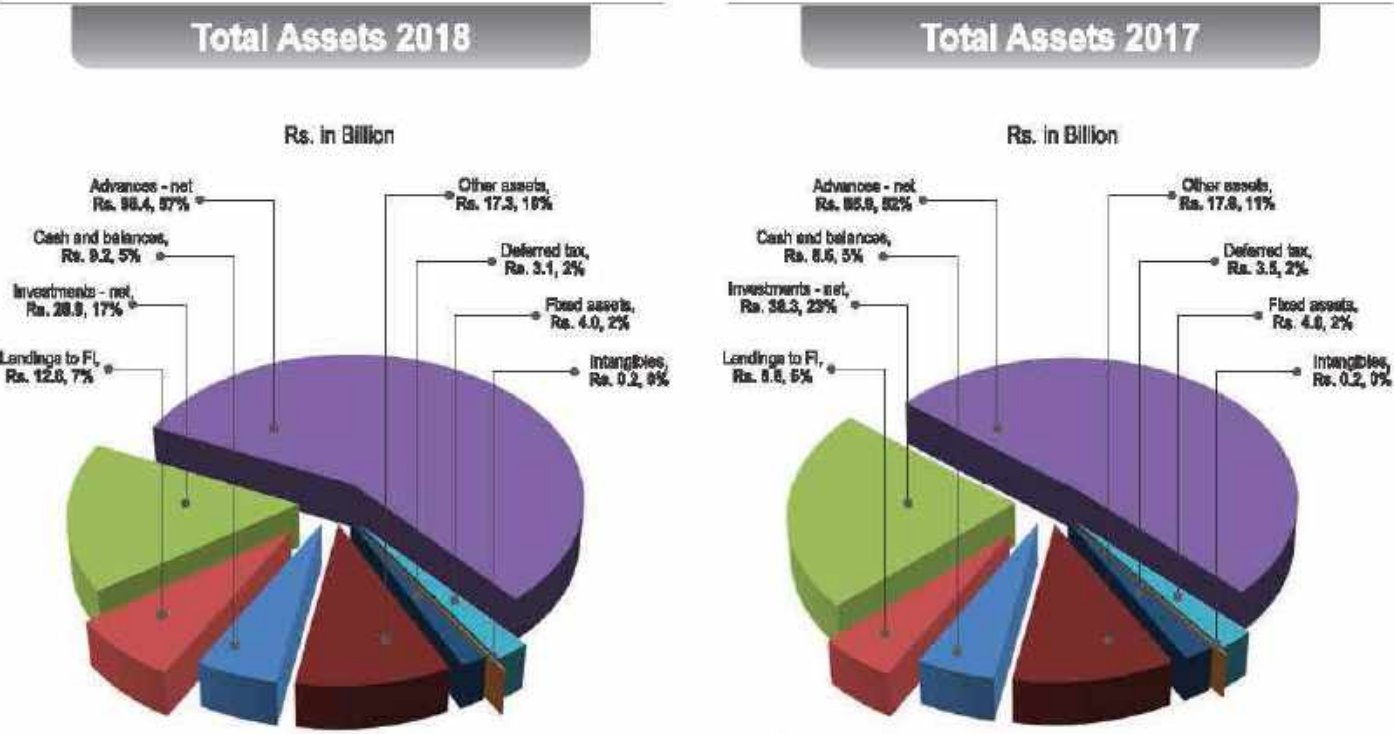
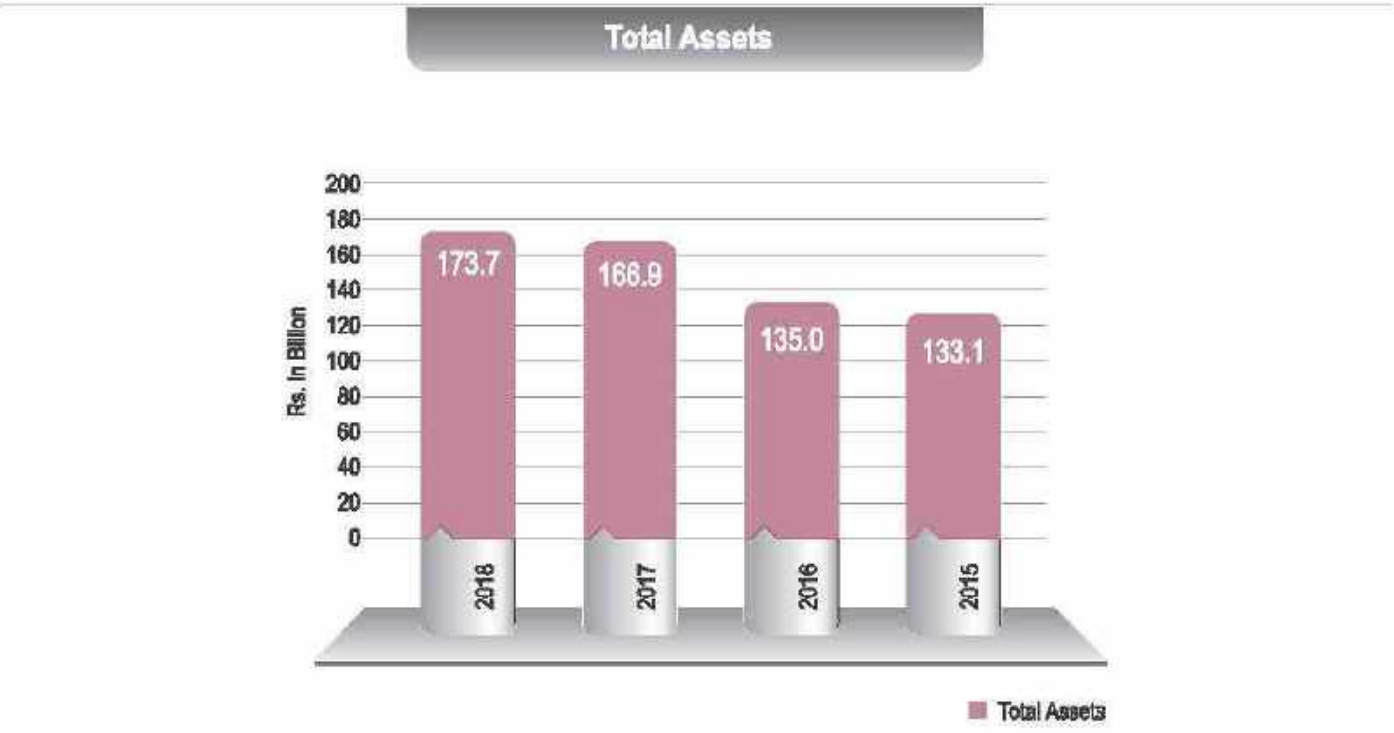
	2018	16 Vs 17	2017	17 Vs 16	2016	16 Vs 15	2015	15 Vs 14	2014	14 Vs 13	2013	13 Vs 12
	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%
<b>Balance sheet</b>												
<b>ASSETS</b>												
Cash and balances with treasury banks	8,872	5%	8,413	14%	7,371	0%	7,344	44%	5,103	-5%	5,362	34%
Balances with other banks	310	42%	218	149%	88	-55%	194	39%	139	-38%	228	163%
Lendings to financial institutions	12,612	46%	8,621	1120%	707	-89%	8,280	108%	3,000	571%	447	-92%
Investments	28,925	-24%	38,267	2%	37,488	8%	35,513	96%	18,105	22%	14,853	17%
Advances	88,354	15%	65,851	32%	64,803	8%	61,074	4%	58,967	5%	56,038	14%
Fixed assets	3,981	0%	3,974	-3%	3,858	-8%	4,208	-1%	4,235	-1%	4,284	3%
Intangible assets	227	12%	203	-17%	243	-16%	289	-12%	329	-19%	408	-15%
Deferred tax assets	3,059	-12%	3,478	-6%	3,705	-11%	4,181	6%	3,937	3%	3,839	6%
Other assets	17,337	-3%	17,832	8%	16,771	19%	14,040	57%	8,921	41%	8,314	-32%
<b>TOTAL ASSETS</b>	<b>173,677</b>	<b>4%</b>	<b>166,855</b>	<b>24%</b>	<b>136,034</b>	<b>1%</b>	<b>133,103</b>	<b>30%</b>	<b>102,736</b>	<b>-12%</b>	<b>91,770</b>	<b>3%</b>
<b>LIABILITIES</b>												
Bills payable	2,867	-10%	3,193	-20%	3,998	68%	2,413	12%	2,153	-22%	2,747	39%
Borrowings	18,052	-48%	35,582	18%	30,196	-8%	33,230	53%	21,742	91%	11,382	0%
Deposits and other accounts	132,664	20%	110,278	27%	86,787	7%	81,098	18%	68,770	-1%	69,433	1%
Liabilities against assets subject to finance lease	3	-61%	7	-38%	11	-24%	14	-17%	17	100%	-	0%
Subordinated debt	2,000	0%	2,000	100%	-	0%	-	0%	-	0%	-	0%
Deferred tax liabilities	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
Other liabilities	3,705	42%	2,614	31%	1,989	12%	1,771	14%	1,552	1%	1,532	18%
<b>TOTAL LIABILITIES</b>	<b>159,290</b>	<b>4%</b>	<b>153,673</b>	<b>25%</b>	<b>122,979</b>	<b>4%</b>	<b>118,528</b>	<b>26%</b>	<b>94,235</b>	<b>11%</b>	<b>85,085</b>	<b>2%</b>
<b>NET ASSETS</b>	<b>14,387</b>	<b>9%</b>	<b>13,181</b>	<b>9%</b>	<b>12,055</b>	<b>-17%</b>	<b>14,577</b>	<b>71%</b>	<b>8,501</b>	<b>27%</b>	<b>6,675</b>	<b>24%</b>
<b>REPRESENTED BY</b>												
Share capital	23,431	0%	23,431	9%	21,431	0%	21,431	60%	13,431	0%	13,431	0%
Advance against shares subscription	-	0%	-	-100%	2,000	0%	2,000	0%	2,000	100%	-	0%
Convertible preference shares	-	0%	-	0%	-	-100%	2,200	0%	2,200	0%	2,200	100%
Reserves	821	48%	555	69%	328	82%	180	0%	180	11%	163	0%
(Deficit) / surplus on revaluation of assets - net of tax	(68)	-220%	53	0%	52	-48%	100	-25%	133	-67%	408	155%
Accumulated loss	(9,797)	10%	(10,858)	8%	(11,757)	-4%	(11,335)	-20%	(9,444)	1%	(9,527)	-14%
	<b>14,387</b>	<b>9%</b>	<b>13,181</b>	<b>9%</b>	<b>12,055</b>	<b>-17%</b>	<b>14,577</b>	<b>71%</b>	<b>8,501</b>	<b>27%</b>	<b>6,675</b>	<b>24%</b>
<b>PROFIT AND LOSS ACCOUNT</b>												
Mark-up / return / interest earned	15,596	34%	11,670	17%	9,959	11%	8,933	-5%	9,429	24%	7,822	-11%
Mark-up / return / interest expensed	(8,991)	-45%	(8,184)	-10%	(5,610)	4%	(5,834)	2%	(5,989)	-9%	(5,463)	18%
Net mark-up / interest earned	6,605	20%	5,486	26%	4,349	40%	3,100	-10%	3,440	60%	2,359	14%
Provisions and Write off	(1,269)	-129%	(554)	-250%	354	124%	(1,487)	-351%	(330)	37%	(521)	-171%
Net mark-up / interest income / (loss) after provisions	5,337	8%	4,932	5%	4,704	192%	1,612	-48%	3,131	91%	1,839	-38%
Non-markup / interest income	3,415	16%	2,943	33%	2,213	17%	1,894	10%	1,720	30%	1,325	24%
Non-markup / interest expenses	(6,875)	-6%	(8,489)	-13%	(5,631)	-6%	(5,346)	-13%	(4,719)	-6%	(4,491)	-6%
(Loss) / Profit before Taxation	1,877	35%	1,387	8%	1,285	170%	(1,840)	-1500%	131	108%	(1,528)	189%
Taxation	(547)	-118%	(251)	54%	(547)	-527%	128	388%	(45)	-112%	372	101%
<b>(Loss) / Profit After Taxation</b>	<b>1,330</b>	<b>17%</b>	<b>1,135</b>	<b>54%</b>	<b>739</b>	<b>143%</b>	<b>(1,712)</b>	<b>-2071%</b>	<b>87</b>	<b>108%</b>	<b>(1,157)</b>	<b>-236%</b>

## VERTICAL ANALYSIS

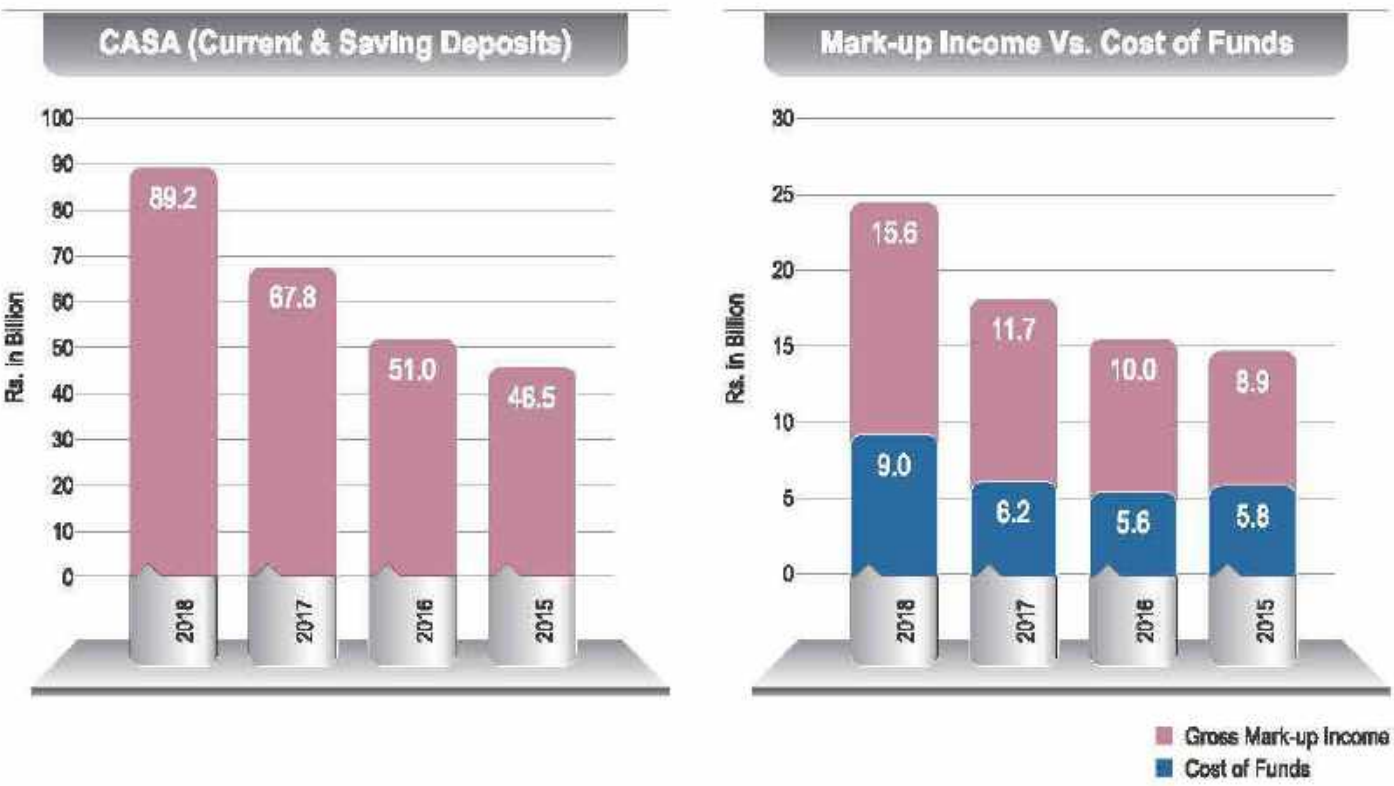
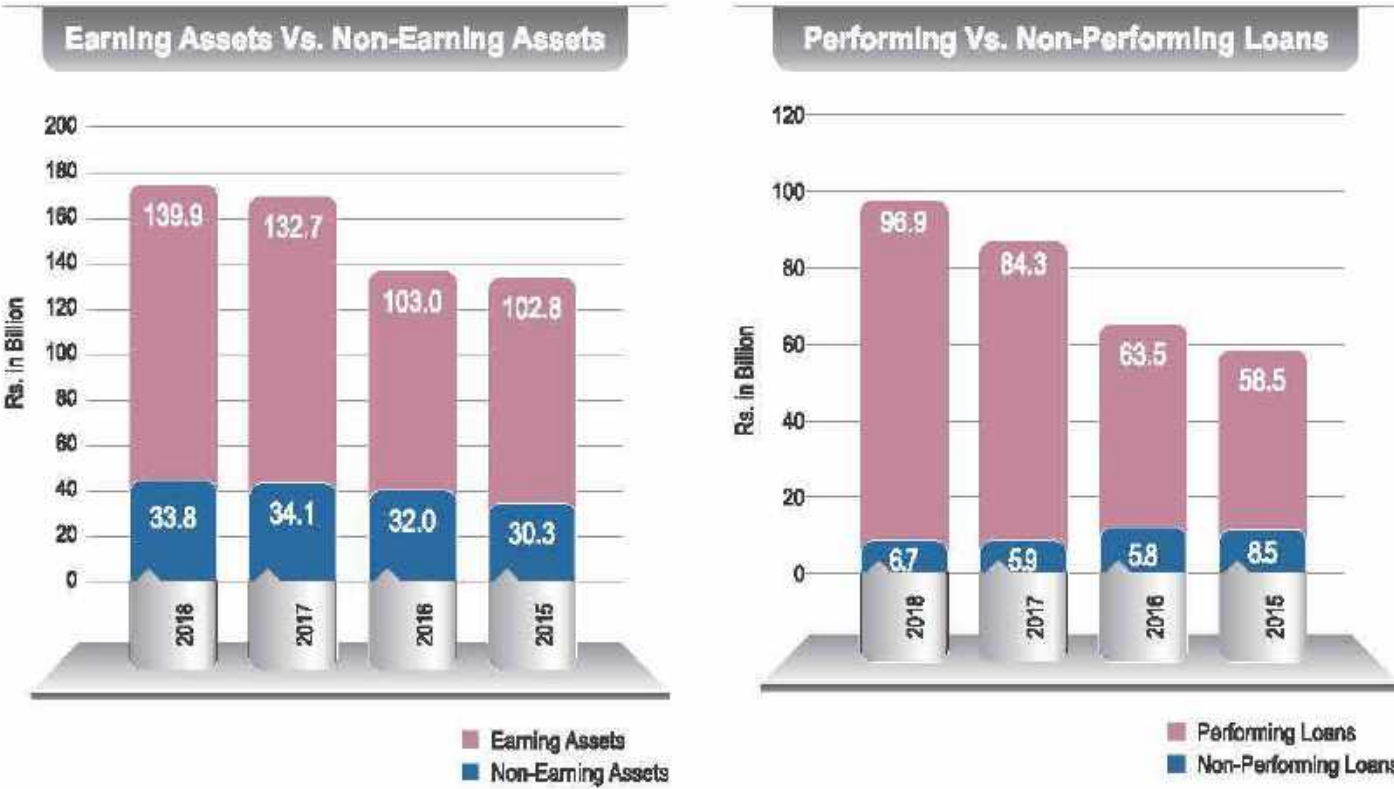
	2018		2017		2016		2015		2014		2013	
	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%
<b>Balance sheet</b>												
<b>ASSETS</b>												
Cash and balances with treasury banks	8,872	5%	8,413	5%	7,371	5%	7,344	6%	5,103	6%	5,362	6%
Balances with other banks	310	0%	218	0%	88	0%	194	0%	139	0%	228	0%
Lendings to financial institutions	12,612	7%	8,621	5%	707	1%	8,280	8%	3,000	3%	447	0%
Investments	28,925	17%	38,267	23%	37,488	28%	35,513	27%	18,105	18%	14,853	16%
Advances	88,354	57%	65,851	51%	64,803	48%	61,074	46%	58,967	57%	56,038	61%
Fixed assets	3,981	2%	3,974	2%	3,858	3%	4,208	3%	4,235	4%	4,284	5%
Intangible assets	227	0%	203	0%	243	0%	289	0%	329	0%	408	0%
Deferred tax assets	3,059	2%	3,478	2%	3,705	3%	4,181	3%	3,937	4%	3,839	4%
Other assets	17,337	10%	17,832	11%	16,771	12%	14,040	11%	8,921	9%	8,314	7%
<b>TOTAL ASSETS</b>	<b>173,677</b>	<b>100%</b>	<b>166,855</b>	<b>100%</b>	<b>136,034</b>	<b>100%</b>	<b>133,103</b>	<b>100%</b>	<b>102,736</b>	<b>100%</b>	<b>91,770</b>	<b>100%</b>
<b>LIABILITIES</b>												
Bills payable	2,867	2%	3,193	2%	3,998	3%	2,413	2%	2,153	2%	2,747	3%
Borrowings	18,052	10%	35,582	21%	30,196	22%	33,230	26%	21,742	21%	11,382	12%
Deposits and other accounts	132,664	76%	110,278	66%	86,787	64%	81,098	61%	68,770	67%	69,433	76%
Liabilities against assets subject to finance lease	3	0%	7	0%	11	0%	14	0%	17	0%	-	0%
Subordinated debt	2,000	1%	2,000	1%	-	0%	-	0%	-	0%	-	0%
Deferred tax liabilities	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
Other liabilities	3,705	2%	2,614	2%	1,989	1%	1,771	1%	1,552	2%	1,532	2%
<b>TOTAL LIABILITIES</b>	<b>159,290</b>	<b>92%</b>	<b>153,673</b>	<b>92%</b>	<b>122,979</b>	<b>91%</b>	<b>118,528</b>	<b>89%</b>	<b>94,235</b>	<b>92%</b>	<b>85,085</b>	<b>93%</b>
<b>NET ASSETS</b>	<b>14,387</b>	<b>8%</b>	<b>13,181</b>	<b>8%</b>	<b>12,055</b>	<b>9%</b>	<b>14,577</b>	<b>11%</b>	<b>8,501</b>	<b>8%</b>	<b>6,675</b>	<b>7%</b>
<b>REPRESENTED BY</b>												
Share capital	23,431	13%	23,431	14%	21,431	16%	21,431	16%	13,431	13%	13,431	15%
Advance against shares subscription	-	0%	-	0%	2,000	1%	2,000	2%	2,000	2%	-	0%
Convertible preference shares	-	0%	-	0%	-	0%	2,200	2%	2,200	2%	2,200	2%
Reserves	821	0%	555	0%	328	0%	180	0%	180	0%	163	0%
(Deficit) / surplus on revaluation of assets - net of tax	(68)	0%	53	0%	52	0%	100	0%	133	0%	408	0%
Accumulated loss	(9,797)	-6%	(10,858)	-7%	(11,757)	-9%	(11,335)	-9%	(9,444)	-9%	(9,527)	-10%
	<b>14,387</b>	<b>8%</b>	<b>13,181</b>	<b>8%</b>	<b>12,055</b>	<b>9%</b>	<b>14,577</b>	<b>11%</b>	<b>8,501</b>	<b>8%</b>	<b>6,675</b>	<b>7%</b>
<b>PROFIT AND LOSS ACCOUNT</b>												
Mark-up / return / interest earned	15,596	82%	11,670	80%	9,959	82%	8,933	83%	9,429	85%	7,822	85%
Mark-up / return / interest expensed	(8,991)	-47%	(8,184)	-42%	(5,610)	-46%	(5,834)	-54%	(5,989)	-54%	(5,463)	-61%
Net mark-up / interest income	6,605	35%	5,486	38%	4,349	38%	3,100	26%	3,440	31%	2,359	24%
Provisions and Write off	(1,269)	-7%	(554)	-4%	354	3%	(1,487)	-14%	(330)	-3%	(521)	-8%
Net mark-up / interest income / (loss) after provisions	5,337	28%	4,932	34%	4,704	39%	1,612	15%	3,131	28%	1,839	18%
Non-markup / interest income	3,415	18%	2,943	20%	2,213	18%	1,894	17%	1,720	16%	1,325	15%
Non-markup / interest expenses	(6,875)	-36%	(8,489)	-44%	(5,631)	-46%	(5,346)	-49%	(4,719)	-42%	(4,491)	-50%
(Loss) / Profit before Taxation	1,877	10%	1,387	9%	1,285	11%	(1,840)	-17%	131	1%	(1,528)	-17%
Taxation	(547)	-3%	(251)	-2%	(547)	-4%	128	1%	(45)	0%	372	4%
<b>(Loss) / Profit After Taxation</b>	<b>1,330</b>	<b>7%</b>	<b>1,135</b>	<b>8%</b>	<b>739</b>	<b>6%</b>	<b>(1,712)</b>	<b>-16%</b>	<b>87</b>	<b>1%</b>	<b>(1,157)</b>	<b>-13%</b>



# GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS



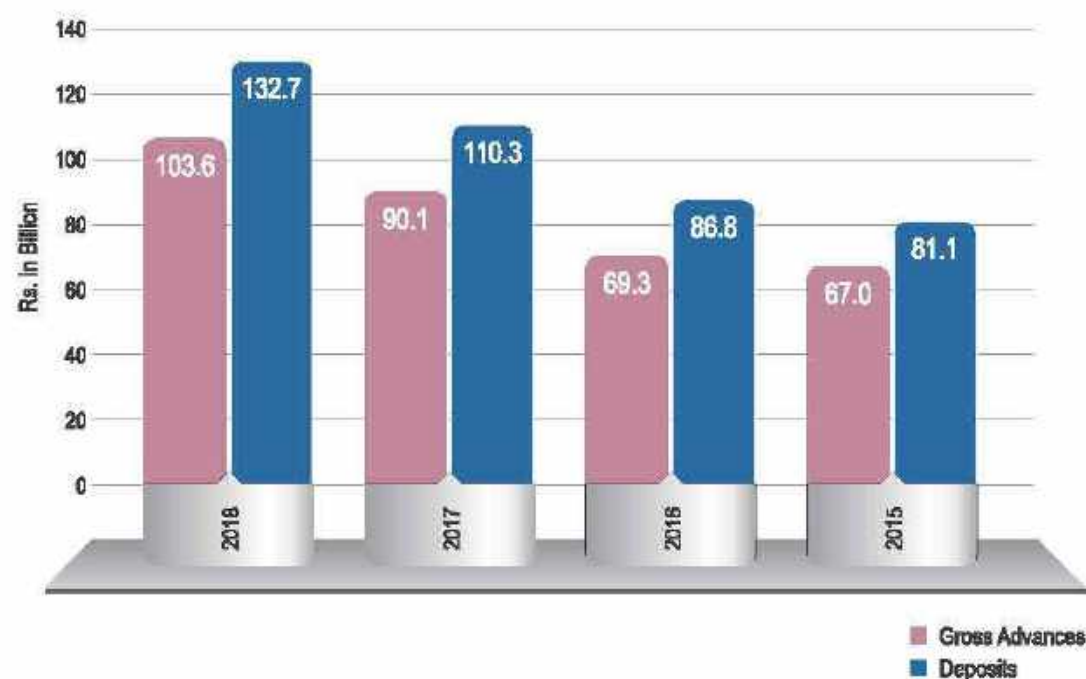
# GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS



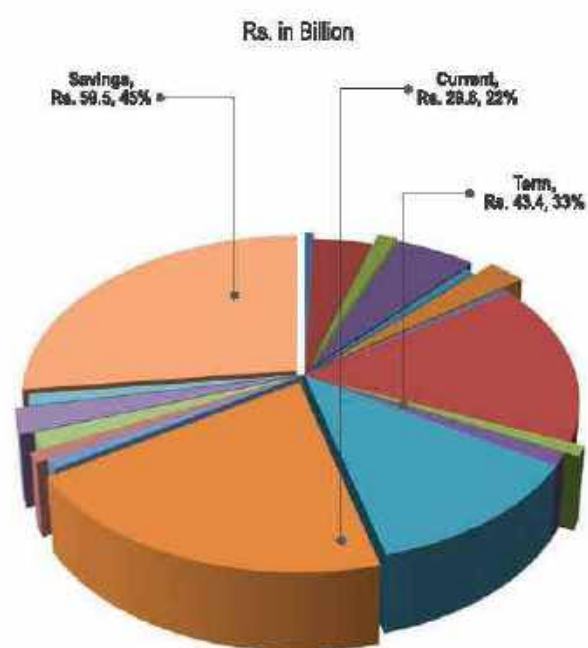


## GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS

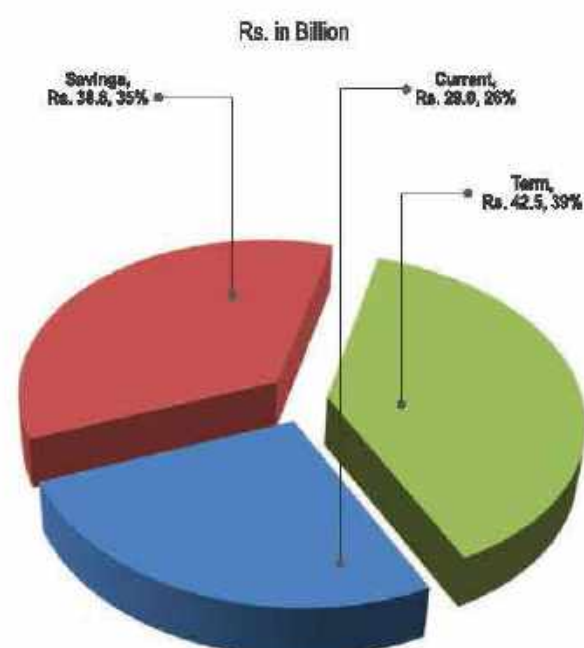
Gross Advances & Deposits



Deposit Mix FY 2018

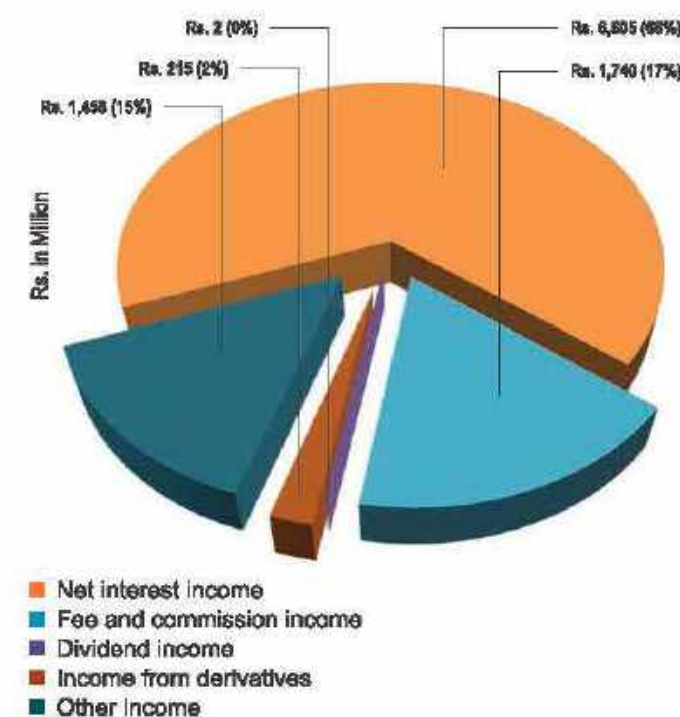


Deposit Mix FY 2017

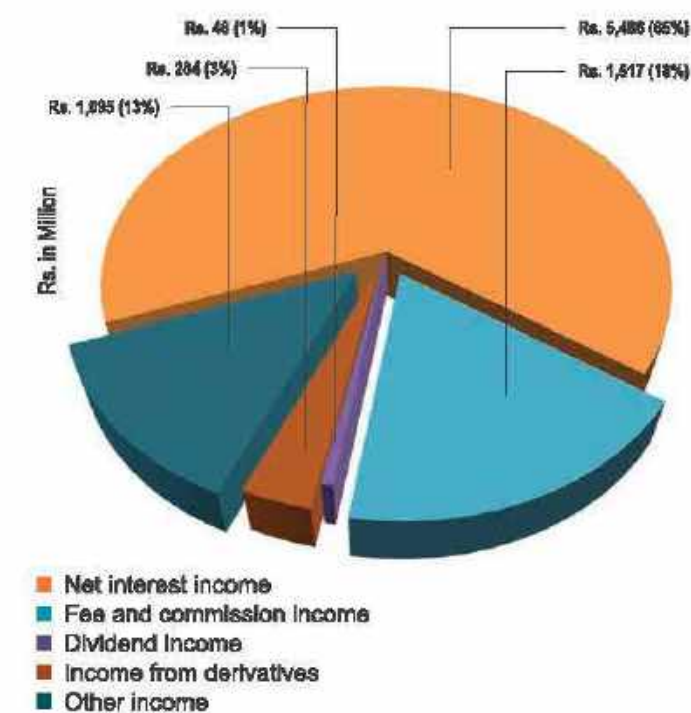


## GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS

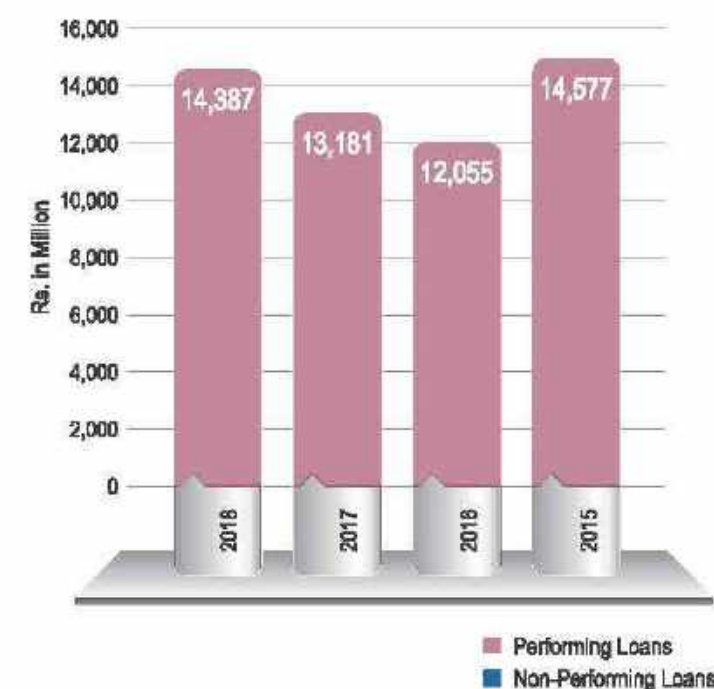
Revenue Composition 2018



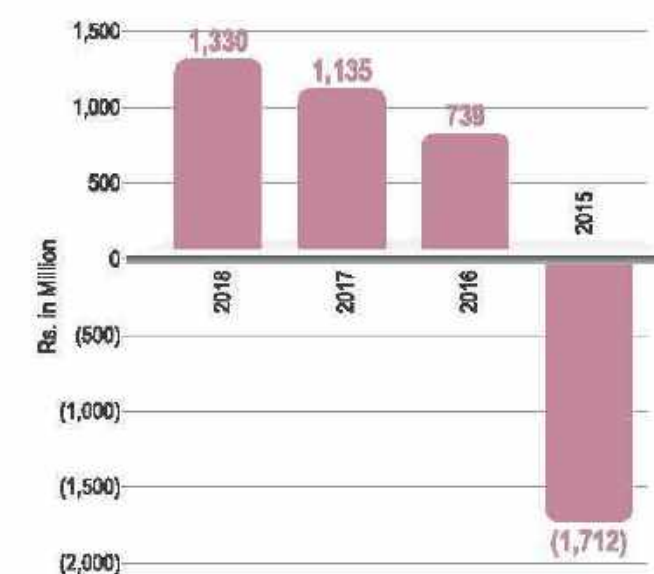
Revenue Composition 2017



Shareholder Equity



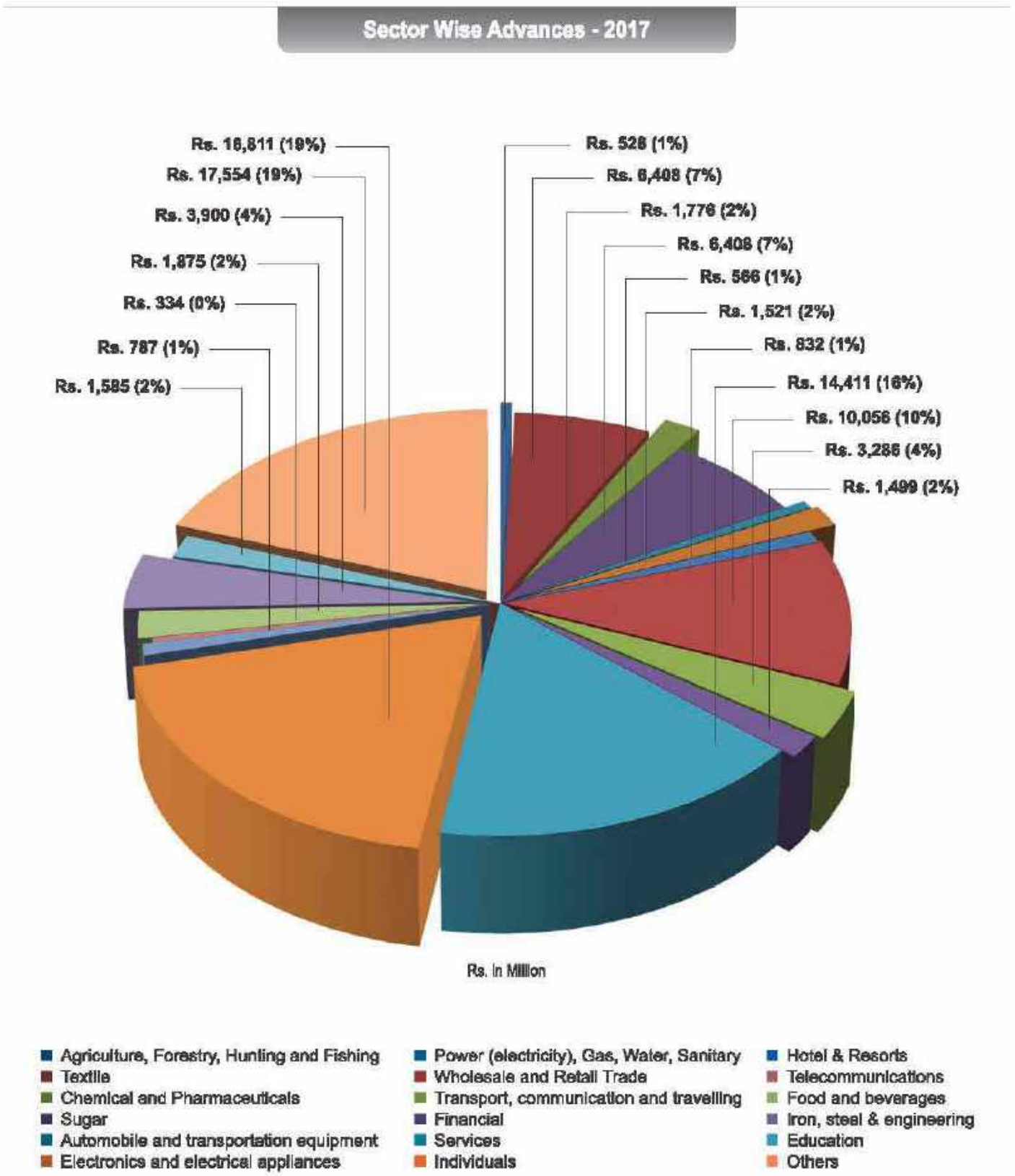
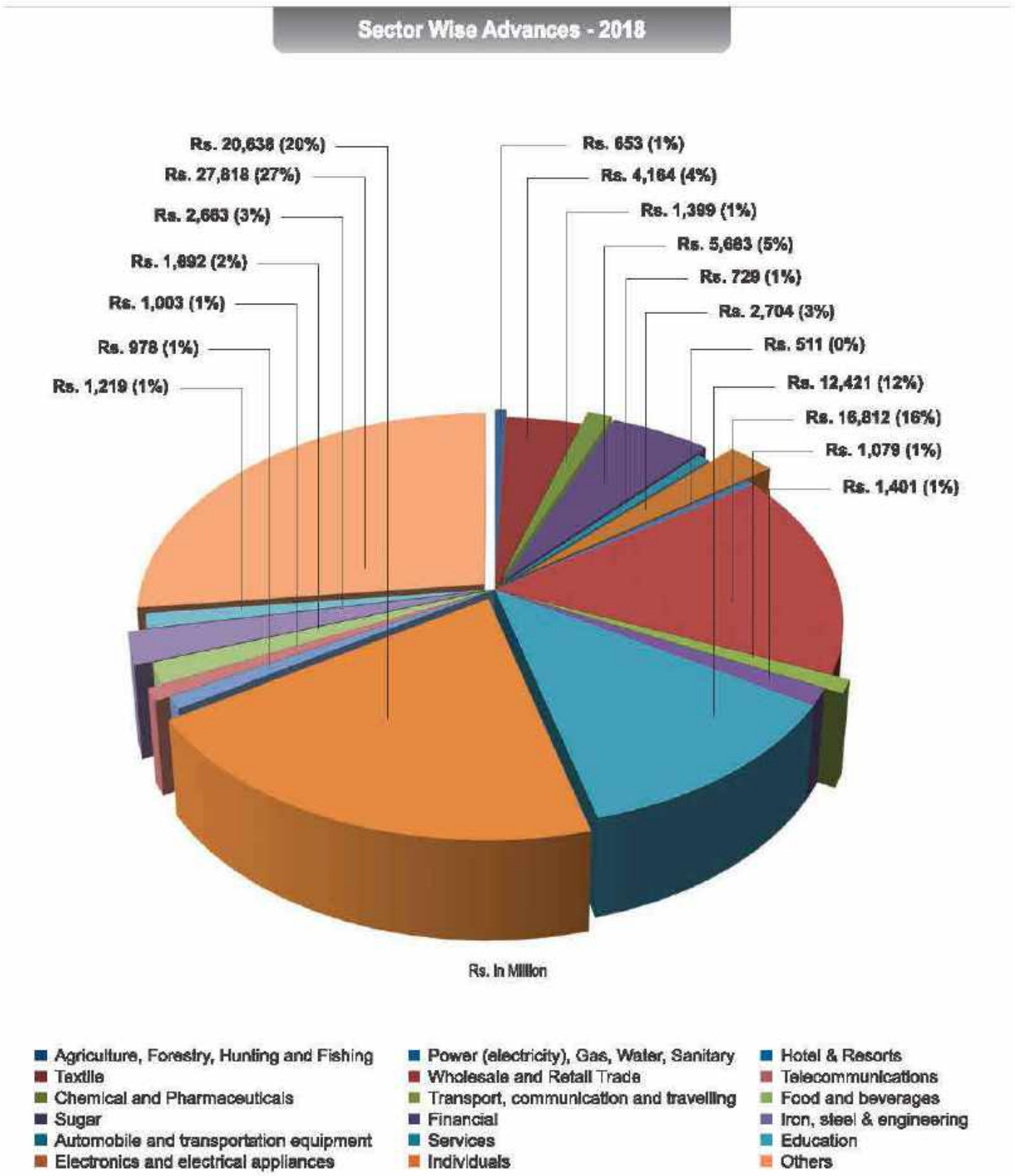
Profit / (Loss) After Tax





# GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS

# GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS





# STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

	Note	2018 Rupees in '000	2017
<b>ASSETS</b>			
Cash and balances with treasury banks	7	8,871,567	8,413,176
Balances with other banks	8	309,994	218,420
Lendings to financial institutions	9	12,612,156	8,620,649
Investments	10	28,924,993	38,266,735
Advances	11	98,354,002	65,850,715
Fixed assets	12	3,981,271	3,934,845
Intangible assets	13	226,840	241,901
Deferred tax assets	14	3,058,647	3,476,129
Other assets	15	17,337,316	17,831,962
		<b>173,876,786</b>	<b>166,854,532</b>
<b>LIABILITIES</b>			
Bills payable	16	2,866,568	3,192,981
Borrowings	17	18,051,854	35,582,000
Deposits and other accounts	18	132,664,084	110,277,807
Liabilities against assets subject to finance lease	19	2,663	6,880
Subordinated debt	20	1,999,600	2,000,000
Deferred tax liabilities		-	-
Other liabilities	21	3,705,270	2,813,518
		<b>159,290,039</b>	<b>153,673,186</b>
<b>NET ASSETS</b>		<b>14,386,747</b>	<b>13,181,346</b>
<b>REPRESENTED BY</b>			
<b>Shareholders' equity</b>			
Share capital - net	22	23,431,374	23,431,374
Reserves		820,890	554,903
(Deficit) / surplus on revaluation of assets - net of tax	23	(68,207)	52,723
Accumulated loss		(9,797,310)	(10,857,654)
		<b>14,386,747</b>	<b>13,181,346</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	24		

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

# PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018 Rupees in '000	2017
Mark-up / return / profit / interest earned	26	15,596,213	11,870,271
Mark-up / return / profit / interest expensed	27	(8,990,735)	(6,184,217)
<b>Net Mark-up / return / profit / interest income</b>		<b>6,605,478</b>	<b>5,486,054</b>
<b>NON MARK-UP / INTEREST INCOME</b>			
Fee and commission income	28	1,739,877	1,516,926
Dividend income	29	2,190	47,611
Foreign exchange income / (loss)		135,950	(90,638)
Income from derivatives		214,517	283,576
(Loss) / gain on securities	30	(63,671)	20,814
Other income	31	1,386,009	1,165,179
<b>Total non-markup / interest income</b>		<b>3,414,872</b>	<b>2,943,468</b>
<b>Total income</b>		<b>10,020,350</b>	<b>8,429,522</b>
<b>NON MARK-UP/INTEREST EXPENSES</b>			
Operating expenses	32	(6,781,153)	(6,434,457)
Workers Welfare Fund		(38,303)	(33,000)
Other charges	33	(55,393)	(21,780)
<b>Total non-markup / interest expenses</b>		<b>(6,874,849)</b>	<b>(6,489,237)</b>
<b>Profit before provisions, extra ordinary / unusual item and taxation</b>		<b>3,145,501</b>	<b>1,940,285</b>
Provisions and write offs - net	34	(1,268,673)	(553,737)
Extra ordinary / unusual items		-	-
<b>PROFIT BEFORE TAXATION</b>		<b>1,876,828</b>	<b>1,386,548</b>
Taxation	35	(546,895)	(251,260)
<b>PROFIT AFTER TAXATION</b>		<b>1,329,933</b>	<b>1,135,288</b>
<b>Rupee</b>			
Basic and Diluted Earnings Per Share	36	<b>0.15</b>	<b>0.13</b>

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

 Syed Liaquat Ali  
Chief Financial Officer
  Azmat Tarin  
President & CEO
  Khalid Aziz Mirza  
Director
  Rashid Akhtar Chughtai  
Director
  Shahzad Enver Murad  
Director

 Syed Liaquat Ali  
Chief Financial Officer
  Azmat Tarin  
President & CEO
  Khalid Aziz Mirza  
Director
  Rashid Akhtar Chughtai  
Director
  Shahzad Enver Murad  
Director



## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

	Share Capital	Advance against shares subscription	Surplus / (deficit) on revaluation of		Capital Reserve	Revenue Reserve	Total Equity
			Investments	Fixed / Non Banking Assets	Statutory Reserve*	Accumulated loss	
	Rupees in '000						
<b>Opening balance as at January 01, 2017</b>	21,431,374	2,000,000	(8,000)	60,480	327,845	(11,757,111)	12,054,588
Profit after taxation for the year ended December 31, 2017	-	-	-	-	-	1,135,288	1,135,288
Other comprehensive (loss) / income - net of tax	-	-	(27,685)	27,928	-	(25,005)	(24,762)
Transfer to statutory reserves	-	-	-	-	227,058	(227,058)	-
Issuance of right shares at discount	2,000,000	(2,000,000)	-	-	-	-	-
Share issue cost	-	-	-	-	-	(3,616)	(3,616)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax 23.1	-	-	-	-	-	4,571	4,571
Transfer from surplus on revaluation of fixed assets on account of disposal of assets 23.1	-	-	-	-	-	13,300	13,300
Transfer from surplus on revaluation of non-banking assets on account of disposal of assets - net of tax 23.2	-	-	-	-	-	1,977	1,977
<b>Closing balance as at December 31, 2017</b>	23,431,374	-	(35,685)	88,408	554,903	(10,857,654)	13,181,346
Profit after taxation for the year ended December 31, 2018	-	-	-	-	-	1,329,933	1,329,933
Other comprehensive loss - net of tax	-	-	(109,225)	(11,705)	-	(20,609)	(141,539)
Transfer to statutory reserves	-	-	-	-	265,987	(265,987)	-
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax 23.1	-	-	-	-	-	3,579	3,579
Transfer from surplus on revaluation of non-banking assets on account of disposal of assets - net of tax 23.2	-	-	-	-	-	13,065	13,065
Transfer from surplus on revaluation of non-banking assets on account of transferred to fixed assets - net of tax 23.2	-	-	-	-	-	363	363
<b>Closing balance as at December 31, 2018</b>	23,431,374	-	(144,910)	76,703	820,890	(9,797,310)	14,386,747

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

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

Syed Liaquat Ali  
Chief Financial Officer

Azmat Tarin  
President & CEO

Khalid Aziz Mirza  
Director

Rashid Akhtar Chughtai  
Director

Shahzad Enver Murad  
Director

Syed Liaquat Ali  
Chief Financial Officer

Azmat Tarin  
President & CEO

Khalid Aziz Mirza  
Director

Rashid Akhtar Chughtai  
Director

Shahzad Enver Murad  
Director



## CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018 Rupees in '000	2017 Rupees in '000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		1,876,828	1,386,548
Less: Dividend income		(2,190)	(47,611)
		1,874,638	1,338,937
<b>Adjustments:</b>			
Depreciation on fixed assets	12.2 & 32	397,741	388,825
Depreciation on non-banking assets	32	80,351	93,031
Amortization of intangible assets	13.1 & 32	71,381	86,886
Amortization of premium on investments - net		181,058	223,147
Provisions against loans & advances	34	1,455,209	377,007
Gain on sale of fixed assets	31	(9,714)	(11,316)
Impairment in the value of investments	34	-	22,723
Unrealized loss / (gain) on revaluation of investments - held-for-trading	10.1 & 30	2,423	(3,476)
Share of profit from associate	31	(8,642)	(3,651)
Gain on sale of non-banking assets acquired in satisfaction of claims	31	(872,008)	(639,190)
Provision against other assets - net	34	-	239,121
Reversal against off balance sheet items	34	-	(8,724)
Write offs against fixed assets	34	2,612	34,765
		1,300,412	798,948
		3,175,050	2,137,885
<b>(Increase) / decrease in operating assets</b>			
Lendings to financial institutions		(3,991,507)	(7,914,077)
Net investments in held-for-trading securities		(7,426,216)	(2,617,919)
Advances		(13,958,496)	(21,425,094)
Other assets (excluding advance taxation)		(421,712)	(3,288,563)
		(25,797,931)	(35,243,653)
<b>(Decrease) / increase in operating liabilities</b>			
Bills payable		(326,413)	(803,063)
Borrowings		(17,530,146)	5,386,298
Deposits		22,386,277	23,490,384
Other liabilities (excluding current taxation)		1,070,253	632,871
		5,599,971	28,706,490
		(17,022,910)	(4,399,278)
Income tax paid		(279,150)	(187,538)
<b>Net cash flow used in operating activities</b>		<b>(17,302,060)</b>	<b>(4,586,816)</b>

## CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018 Rupees in '000	2017 Rupees in '000
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net investment in available-for-sale securities		16,419,182	1,569,868
Subscription of right shares - investment in associate		-	(11,537)
Dividend income received		3,215	51,008
Net investment in fixed assets and intangible assets		(596,669)	(672,601)
Proceeds on disposal of non-banking assets acquired in satisfaction of claims		1,912,637	2,732,282
Proceeds on disposal of fixed assets		118,277	98,114
<b>Net cash flow from investing activities</b>		<b>17,856,642</b>	<b>3,767,132</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of subordinated debts		-	2,000,000
Redemption of subordinated debts		(400)	-
Share issue cost		-	(3,616)
Finance lease obligation paid		(4,217)	(3,814)
<b>Net cash flow used in financing activities</b>		<b>(4,617)</b>	<b>1,992,570</b>
<b>Increase in cash and cash equivalents</b>		<b>549,965</b>	<b>1,172,886</b>
Cash and cash equivalents at the beginning of the year		8,631,596	7,458,710
<b>Cash and cash equivalents at the end of the year</b>	37	<b>9,181,561</b>	<b>8,631,596</b>

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

Syed Liaquat Ali  
Chief Financial Officer

Azmat Tarin  
President & CEO

Khalid Aziz Mirza  
Director

Rashid Akhtar Chughtai  
Director

Shahzad Enver Murad  
Director

Syed Liaquat Ali  
Chief Financial Officer

Azmat Tarin  
President & CEO

Khalid Aziz Mirza  
Director

Rashid Akhtar Chughtai  
Director

Shahzad Enver Murad  
Director



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 1 STATUS AND NATURE OF BUSINESS

Silkbank Limited ("the Bank") was incorporated in Pakistan on April 04, 1994 as a public limited company under the Companies Act, 2017. The Bank commenced commercial operations on May 7, 1995. The Bank's shares are quoted on Pakistan Stock Exchange Limited. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962. The Bank operates through 123 branches (2017: 123 branches) including 30 (2017: 30) Islamic banking branches in Pakistan. The Bank's registered office is located at Silkbank Building, 13-L, F-7 Markaz, Islamabad. The short-term and long-term credit ratings of the Bank rated by JCR-VIS Credit Rating Company Limited in June 2018 are 'A-2' and 'A-' respectively.

Major shareholders of the Bank as on December 31, 2018 are Sinthos Capital (comprising of Mr. Shaukat Tarin, Mr. Sadeq Sayeed and Mr. Azmat Tarin), Arif Habib Corporation Limited, International Finance Corporation (IFC), Nomura European Investment Limited, Bank Muscat S.A.O.G and Mr. Zulqamain Nawaz Chatta / Mr. Zubair Nawaz Chatta of Gourmet Group.

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

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

## 2 BASIS OF PRESENTATION

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

2.2 The Islamic banking branches of the Bank have complied with the requirements set out under the Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and notified under the provisions of the Companies Act, 2017 except for the adoption of IFAS-3 'Profit & Loss Sharing on Deposits' as disclosed in note 3.4.

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

## 3 STATEMENT OF COMPLIANCE

3.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- The accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accounts of Pakistan (ICAP), as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017;
- Directives issued by the SBP and the Securities and Exchange Commission of Pakistan ("SECP") from time to time.

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

3.2 The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and IAS 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. Further, the SECP has deferred the applicability of IFRS 7 'Financial Instruments: Disclosures' on banks through

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

S.R.O. 411(1) / 2006 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

3.3 IFRS 8, 'Operating Segments' is effective for the Bank's accounting periods beginning on or after January 1, 2009. All banking companies in Pakistan are required to prepare their annual financial statements in line with the format prescribed under BSD circular letter No. 02 of 2018 dated January 25, 2018, 'Revised Forms of Annual Financial Statements' (as updated from time to time), effective from the accounting year ended December 31, 2018. The management of the Bank believes that as the SBP has defined the segment categorisation in the above mentioned circular, the SBP requirements prevail over the requirements specified in IFRS 8. Accordingly, segment information disclosed in these financial statements is based on the requirements laid down by the SBP.

3.4 The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has deferred applicability of IFAS-3 for Profit & Loss Sharing on Deposits issued by the ICAP and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for institutions offering Islamic Financial Services (IFS). The standard will result in certain new disclosures in the financial statements of the Bank.

## 4 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO ACCOUNTING AND REPORTING STANDARDS

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

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

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

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

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

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

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

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

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## Standard or Interpretation

## Effective Date (Annual periods beginning on or after)

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

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

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

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

## Standard or Interpretation

## Effective Date (Annual periods beginning on or after)

- IFRS 14 - Regulatory Deferral Accounts	January 01, 2016
- IFRS 17 - Insurance Contracts	January 01, 2021

## 5 BASIS OF MEASUREMENT

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

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

## 5.1 Use of critical accounting estimates and judgments

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

## 5.1.2 Fair value of derivatives (note 25)

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

## 5.1.3 Classification of investments (note 10.1)

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

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

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

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

## 5.1.5 Defined benefit plan (note 39)

The liability of the defined benefit plan (gratuity) is determined using actuarial advice using the Projected Unit Credit Method. The actuarial valuation involves making certain actuarial assumptions as disclosed in note 39. Actuarial assumptions are Bank's best estimates of the variables that will determine the ultimate cost of providing post-employment benefits. Changes in these assumptions in future years may affect the liability / asset under the plan in those years.

## 5.1.6 Income taxes (note 35)

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

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

In making estimates of the depreciation / amortisation method, management uses the method which reflects the pattern in which economic benefits are expected to be consumed by the Bank. The method applied is reviewed at each financial year-end and if there is a change in the expected pattern of consumption of the future economic benefits embodied in the assets, the method is changed to reflect the change in pattern. Such change is accounted for as change in accounting estimate in accordance with IAS - 8, "Accounting Policies, Changes in Accounting Estimates and Errors" as more fully explained in note 12.4 and 13.2, during the year management has revised the depreciation and amortisation rates of certain items of property and equipment and computer software respectively. Further, the Bank estimates the revalued amount of land and buildings on a regular basis. The estimates are based on valuations carried out by independent professional valuers listed on the panel of Pakistan Banks' Association (PBA), under the market conditions.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

### Level 1:

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

### Level 2:

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

### Level 3:

These are unobservable inputs for the asset or liability.

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

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

## 6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 6.1 Change in accounting policies

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

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

There is no impact relating to current and prior years.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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

## 6.2 Cash and cash equivalents

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

## 6.3 Lendings to / borrowings from financial institutions

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

### 6.3.1 Sale under repurchase agreements (repo)

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

### 6.3.2 Purchase under resale agreements (reverse repo)

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

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

### 6.3.3 Other lendings

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

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

### 6.3.4 Other borrowings

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

## 6.4 Trade and settlement date accounting

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

## 6.5 Investments

The Bank classifies its investments as follows:

### Held-for-trading

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

### Held-to-maturity

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## Available-for-sale

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

### 6.5.1 Initial measurement

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

### 6.5.2 Subsequent measurement

#### Held-for-trading

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

#### Held-to-maturity

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

## Available-for-sale

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

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

### 6.5.3 Investment in associates

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

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

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

### 6.5.5 Impairment

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

## 6.6 Advances

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

### 6.6.1 Murabaha

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 6.6.2 Diminishing Musharaka

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

## 6.6.3 Musawammah

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

## 6.7 Fixed assets

### 6.7.1 Property and equipment

#### a) Owned assets

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

#### Measurement subsequent to initial recognition

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

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

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

Surplus arising on revaluation is credited to the "Surplus on Revaluation of Fixed Assets" account. A deficit arising on revaluation of a particular asset is now to be accounted for in accordance with IFRS, which requires that such deficit can not be adjusted against surplus for any other asset, but is to be taken to the profit and loss account as an impairment. The surplus on revaluation of fixed assets to the extent of incremental depreciation charged on the related assets is transferred to equity.

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

#### Depreciation

Depreciation is computed over the useful lives of the related assets using straight line method so as to write down the cost of assets to their residual values over their estimated useful lives at the rates given in note 12.2 to these financial statements. Depreciation on additions during the year is charged from the month of acquisition. Depreciation on disposals during the year is charged for the proportionate period with respect to number of months during which the assets remained in use. Same basis and estimates for depreciation are applied to owned assets and assets subject to finance lease.

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

#### b) Leased assets

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

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 6.7.2 Capital work-in-progress

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

## 6.8 Intangible assets

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

These are amortised over their finite useful lives and amortisation is charged to the profit and loss account using the straight line method so as to write down the cost of the assets to their residual values over their estimated useful lives at the rates given in note 13.1 to these financial statements. Amortisation is charged from the month of acquisition. The useful lives and amortisation method are reviewed and adjusted, if appropriate, at each reporting date.

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

## 6.9 Income taxes

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

### 6.9.1 Current

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

### 6.9.2 Prior

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

### 6.9.3 Deferred

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

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

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

## 6.10 Impairment of non-financial assets

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

## 6.11 Provision from claims under guarantees

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 6.12 Other provisions

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

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

## 6.13 Staff retirement benefits

### 6.13.1 Defined contribution plan

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

### 6.13.2 Defined benefit plan

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

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

### 6.13.3 Benefits for contractual staff

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

## 6.14 Revenue recognition

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

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

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

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

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

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

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

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

## 6.16 Foreign currencies

### 6.16.1 Foreign currency transactions

Transactions in foreign currencies are translated into Pakistani rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in Pakistani Rupee terms at the rates of exchange prevailing on the reporting date. Non-monetary assets and liabilities are translated using exchange rates that prevailed when the values were determined. Translation gains and losses are included in profit and loss account.

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

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

### 6.16.2 Contingencies and commitments

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

## 6.17 Financial instruments

### 6.17.1 Financial assets and liabilities

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 6.17.2 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value using valuation techniques. All derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative financial instruments is taken to the profit and loss account.

## 6.18 Off-setting

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

## 6.19 Segment reporting

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

### 6.19.1 Business segments

#### Wholesale Banking

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

#### Treasury

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

#### Consumer / SME Banking

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

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

### 6.19.2 Geographical segment

The Bank conducts all its operations in Pakistan.

## 6.20 Deposits

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

## 6.21 Share capital

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

## 6.22 Earnings per share

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

## 6.23 Fiduciary assets

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

## 6.24 Subordinated debts

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018 Rupees in '000	2017
<b>7 CASH AND BALANCES WITH TREASURY BANKS</b>			
<b>In hand</b>			
Local currency		1,829,723	1,745,611
Foreign currencies		581,068	466,820
		2,410,791	2,212,431
<b>With State Bank of Pakistan in</b>			
Local currency current account	7.1	4,496,567	4,679,724
Foreign currency current account		630,335	408,339
Foreign currency deposit account	7.2	1,210,071	1,025,189
		6,336,973	6,113,252
<b>With National Bank of Pakistan in</b>			
Local currency current account		121,213	85,656
National Prize Bonds		2,590	1,837
		8,871,567	8,413,176

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 9.2 Securities held as collateral against lendings to financial institutions

		2018			2017		
		Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
Note		Rupees in '000					
Market Treasury Bills	9.2.1&9.2.2	1,982,801	-	1,982,801	1,808,544	5,259,538	7,068,082
Pakistan Investment Bonds	9.2.1&9.2.2	2,839,816	6,843,117	9,682,733	40,498	1,089,502	1,130,000
<b>Total</b>		4,822,417	6,843,117	11,665,534	1,849,042	6,349,040	8,198,082

9.2.1 These have been purchased under the reverse repurchase agreement at the mark-up rates ranging from 8.45% to 10.45% (2017: 5.90% to 8.20%) per annum with maturities upto February 2019.

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

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

## 10 INVESTMENTS

### 10.1 Investments by type:

#### Held-for-trading securities

Market Treasury Bills	10,053,880	-	(2,423)	10,051,457	-	-	-	-
Pakistan Investment Bonds	-	-	-	-	2,630,067	-	3,476	2,633,543
	10,053,880	-	(2,423)	10,051,457	2,630,067	-	3,476	2,633,543

#### Available-for-sale securities

Market Treasury Bills	10.4	4,354,202	-	(2,887)	4,351,315	18,580,471	-	(2,324)	18,558,147
Pakistan Investment Bonds	10.4	18,253,483	-	(207,215)	18,046,268	12,952,689	-	(53,168)	12,909,521
GOP (Jana Sukuka)	10.4	3,862,278	-	(19,629)	3,851,647	3,703,816	-	(8,425)	3,697,391
Shares - Listed	10.4	137,851	-	(2,482)	135,369	25,804	-	3,959	29,543
Shares - Unlisted	10.4	5,880	(5,880)	-	-	5,880	(5,880)	-	-
Sukuka - Listed	10.4	259,527	-	714	260,241	200,000	-	1,250	201,250
Term Finance Certificates - Listed	10.4	62,590	-	(625)	61,965	67,560	-	1,828	69,328
Term Finance Certificates - Unlisted	10.4	8,780	(8,780)	-	-	8,780	(8,780)	-	-
		18,984,299	(14,480)	(222,937)	18,746,882	35,584,540	(14,480)	(54,900)	35,515,160

#### Held-to-maturity securities

Shares repurchase (fully provided)	10.5	74,810	(74,810)	-	-	74,810	(74,810)	-	-
------------------------------------	------	--------	----------	---	---	--------	----------	---	---

#### Associates

SPI Insurance Company Limited	10.6	126,654	-	-	126,654	118,012	-	-	118,012
-------------------------------	------	---------	---	---	---------	---------	---	---	---------

<b>Total Investments</b>		29,230,723	(89,370)	(223,360)	28,924,993	36,407,529	(89,370)	(51,424)	36,266,735
--------------------------	--	------------	----------	-----------	------------	------------	----------	----------	------------



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

		2018				2017			
10.2	Investments by Segments:	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
		Rupees in '000							
		Note							
Federal Government Securities									
	Market Treasury Bills	14,468,062	-	(5,129)	14,462,942	18,560,471	-	(2,324)	18,558,147
	Pakistan Investment Bonds	10,253,483	-	(207,218)	10,046,265	15,822,798	-	(49,892)	15,773,004
	GOP Jara Sukuka	3,862,278	-	(10,829)	3,851,447	3,703,818	-	(8,425)	3,695,391
		28,583,821	-	(222,967)	28,360,854	37,887,043	-	(58,441)	37,828,602
Shares									
	Listed companies	137,851	-	(2,482)	135,369	25,604	-	3,939	29,543
	Unlisted companies	5,680	(5,680)	-	-	5,680	(5,680)	-	-
		143,531	(5,680)	(2,482)	135,369	31,284	(5,680)	3,939	29,543
Non Government Debt Securities									
	Sukuka - listed	299,527	-	714	300,241	200,000	-	1,250	201,250
	Term Finance Certificates - listed	62,500	-	(625)	61,875	87,500	-	1,628	89,328
	Term Finance Certificates - unlisted	8,780	(8,780)	-	-	8,780	(8,780)	-	-
		370,807	(8,780)	89	362,118	296,280	(8,780)	3,078	290,578
	Shares repurchase (fully provided)	74,910	(74,910)	-	-	74,910	(74,910)	-	-
Associates									
	SPI Insurance Company Limited	126,654	-	-	126,654	118,012	-	-	118,012
	<b>Total Investments</b>	29,238,723	(89,370)	(225,305)	28,924,048	38,407,529	(89,370)	(51,424)	38,288,735

## 10.2.1 Investments given as collateral

	2018	2017
Rupees in '000		
Market Treasury Bill	-	8,285,451
Pakistan Investment Bonds	6,468,112	12,856,278
	6,468,112	21,141,729

## 10.3 Provision for diminution in value of investments

### 10.3.1 Opening balance

	2018	2017
Charge / (reversals)		
Charge for the year	-	-
Reversals for the year	-	-
Amounts written off	-	-
<b>Closing balance</b>	<b>89,370</b>	<b>89,370</b>

### 10.3.2 Particulars of provision against debt securities

Category of classification	2018		2017	
	Non Performing Investments	Provision	Non Performing Investments	Provision
Rupees in '000				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	83,690	83,690	83,690	83,690
<b>Total</b>	<b>83,690</b>	<b>83,690</b>	<b>83,690</b>	<b>83,690</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 10.4 Quality of Available for Sale Securities

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

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

		2018	2017
		Cost	
	Note	Rupees in '000	
<b>Federal Government Securities - Government guaranteed</b>			
Market Treasury Bills		4,354,202	18,560,471
Pakistan Investment Bonds	10.4.1	10,253,483	12,992,689
Ijara Sukuks		3,862,278	3,703,818
		18,469,961	35,256,978
<b>Shares</b>			
<b>Listed Companies</b>			
Chemical and pharmaceuticals		5	-
Services		25,604	25,604
Others		112,242	-
		137,851	25,604

## Unlisted Companies

Pakistan Export Finance Guarantee Limited (fully provided)

	2018		2017	
	Cost	Breakup value	Cost	Breakup value
Rupees in '000				
	5,680	-	5,680	-
	5,680	-	5,680	-

## Non Government Debt Securities

### Listed

	2018	2017
- AAA	200,000	200,000
- AA+	62,500	87,500
- AA	99,527	-
	362,027	287,500

### Unlisted

	2018	2017
- Unrated (fully provided)	8,780	8,780

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

**10.4.2** These represent zero coupon privately placed TFCs of Azgard Nine Limited (related party) acquired against markup settlement of Rs. 8,78 million on the credit facilities provided to Azgard Nine Limited.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
	Rupees in '000	
<b>10.5 Particulars relating to Held to Maturity securities are as follows:</b>		
<b>Others</b>		
Shares repurchase (fully provided)	74,910	74,910
<b>10.6 Investment in associate</b>		
Name of company	Proportion of ownership interest	Country of incorporation
SPI Insurance Company Limited	23.08% (2017: 23.08%)	Pakistan
	September 30, 2018	September 30, 2017
	Rupees in '000	
Total assets	1,233,082	1,103,355
Total liabilities	690,926	596,737
Revenue	367,299	422,692
Profit after taxation	19,707	26,405
Total comprehensive income	(864)	-

	2018	2017
	Rupees in '000	
<b>10.6.1 Movement in investment in associate</b>		
Investment at the beginning of the year	118,012	102,824
Share of profit	8,642	3,651
Subscription of right shares	-	11,537
	8,642	15,188
Investment at the end of the year	126,654	118,012

**10.6.2** Summarized financial information of associate is based on financial information for nine months ended September 30, 2018 because financial statements of associate for the year ended December 31, 2018 are not available at the time of authorization of issue of these financial statements. There is no difference between the proportionate share of net assets of associate and its carrying value accounted on equity method therefore no reconciliation is required.

**10.6.3** There is no share of contingencies and commitments from associate as at September 30, 2018 and 2017.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

		Performing		Non Performing		Total	
		2018	2017	2018	2017	2018	2017
	Note	Rupees in '000					
Loans, cash credits, running finances, etc.		69,879,752	66,481,372	6,366,874	5,853,152	76,246,626	72,334,524
Islamic financing and related assets	11.5	26,600,182	17,627,355	301,516	-	26,901,698	17,527,355
Bills discounted and purchased		411,194	269,255	6,850	6,850	417,844	275,905
Advances - gross		96,891,128	84,277,982	6,675,040	5,859,802	103,566,168	90,137,784
Provision against advances	11.3						
- Specific		-	-	4,524,443	3,730,789	4,524,443	3,730,789
- General		687,723	556,280	-	-	687,723	556,280
		687,723	556,280	4,524,443	3,730,789	5,212,166	4,287,069
Advances - net of provision		96,203,405	83,721,702	2,150,597	2,129,013	98,354,002	85,850,715

	2018	2017
	Rupees in '000	
<b>11.1 Particulars of advances (gross)</b>		
In local currency	103,562,141	90,137,784
In foreign currencies	4,027	-
	103,566,168	90,137,784

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

	2018		2017	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	Rupees in '000			
<b>Domestic</b>				
Substandard	983,161	127,978	863,102	79,824
Doubtful	521,267	49,873	857,525	128,389
Loss	5,170,612	4,346,592	4,339,175	3,522,576
<b>Total</b>	6,675,040	4,524,443	5,859,802	3,730,789

	2018			2017		
	Specific	General	Total	Specific	General	Total
	Rupees in '000					
<b>Opening balance</b>	3,730,789	566,280	4,287,069	4,031,008	478,549	4,509,557
Charge for the year	1,417,628	131,443	1,549,071	991,287	100,570	1,091,857
Reversals	(93,862)	-	(93,862)	(692,011)	(22,839)	(714,850)
	1,323,766	131,443	1,455,209	299,276	77,731	377,007
Amounts written off	(530,112)	-	(530,112)	(599,495)	-	(599,495)
<b>Closing balance</b>	4,524,443	687,723	5,212,166	3,730,789	556,280	4,287,069



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 11.3.1 Particulars of provision against advances

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

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

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

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

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

## 11.4 Particulars of write offs:

	Note	2018 Rupees in '000	2017 Rupees in '000
<b>11.4.1</b> Against Provisions Directly charged to profit & loss account	11.3	530,112	599,495
		-	-
		530,112	599,495
<b>11.4.2</b> Domestic Write offs of Rs. 500,000 and above Write offs of Below Rs. 500,000	11.4.3	177,821 352,291	228,035 371,460
		530,112	599,495

## 11.4.3 Detail of loan write off of Rs. 500,000 and above

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 the Statement in respect of written-off loans or any other financial relief of rupees five hundred thousand or above allowed to a person(s) during the year ended is given in annexure I.

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

## 12 FIXED ASSETS

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 12.2 Property and equipment

	2018									
	Owned							Leased		
	Freehold land	Leasehold land	Building on Freehold land	Building on Leasehold land	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Leasehold Improvements	Solar Panel System	Total
	Rupees in '000									
At January 1, 2018										
Cost / Revalued amount	76,682	1,907,321	15,425	790,812	340,344	1,639,667	667,568	1,094,839	20,215	6,552,871
Accumulated depreciation	-	-	(5,096)	(258,623)	(213,121)	(1,369,799)	(293,192)	(696,209)	(12,744)	(2,848,788)
Net book value	76,682	1,907,321	10,329	532,189	127,223	269,868	374,376	398,630	7,471	3,704,083
Year ended December 2018										
Opening net book value	76,682	1,907,321	10,329	532,189	127,223	269,868	374,376	398,630	7,471	3,704,083
Additions	-	-	-	49,993	66,690	215,023	255,594	170,157	-	757,457
Disposals	(76,682)	-	-	-	(140)	(115)	(66,626)	-	-	(143,568)
Write offs	-	-	-	-	(2)	-	-	(2,610)	-	(2,612)
Depreciation charge	-	-	(771)	(40,374)	(28,765)	(97,080)	(126,996)	(99,712)	(4,043)	(397,741)
Closing net book value	-	1,907,321	9,558	541,808	165,006	387,696	436,348	466,465	3,428	3,917,630
At December 31, 2018										
Cost / Revalued amount	-	1,907,321	15,425	840,805	404,085	1,841,700	758,526	1,243,543	20,215	7,031,620
Accumulated depreciation	-	-	(5,867)	(298,997)	(239,079)	(1,454,004)	(322,178)	(777,078)	(16,787)	(3,113,999)
Net book value	-	1,907,321	9,558	541,808	165,006	387,696	436,348	466,465	3,428	3,917,630
Rate of depreciation	-	-	5%	5%	10%	14.29%-33.33%	20%	10%-20%	20%	

	2017									
	Owned								Leased	
	Freehold land	Leasehold land	Building on Freehold land	Building on Leasehold land	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Leasehold Improvements	Solar Panel System	Total
	Rupees in '000									
At January 1, 2017										
Cost / Revalued amount	72,339	1,907,321	10,306	834,546	339,017	1,542,828	599,452	1,086,726	20,215	6,412,750
Accumulated depreciation	-	-	(4,368)	(236,581)	(205,149)	(1,293,593)	(263,987)	(689,115)	(8,702)	(2,701,495)
Net book value	72,339	1,907,321	5,938	597,965	133,868	249,235	335,465	397,611	11,513	3,711,255
Year ended December 2017										
Opening net book value	72,339	1,907,321	5,938	597,965	133,868	249,235	335,465	397,611	11,513	3,711,255
Additions	4,343	-	5,119	-	25,516	131,629	213,939	122,676	-	503,222
Disposals	-	-	-	(24,597)	(186)	(1,881)	(58,566)	(1568)	-	(86,798)
Write offs	-	-	-	-	(4,445)	-	(843)	(28,477)	-	(34,765)
Depreciation charge	-	-	(728)	(41,179)	(27,530)	(109,115)	(115,619)	(90,612)	(4,042)	(388,825)
Closing net book value	76,682	1,907,321	10,329	532,189	127,223	269,868	374,376	398,630	7,471	3,704,089
At December 31, 2017										
Cost / Revalued amount	76,682	1,907,321	15,425	790,812	340,344	1,639,667	667,568	1,094,839	20,215	6,552,873
Accumulated depreciation	-	-	(5,096)	(258,623)	(213,121)	(1,369,799)	(293,192)	(696,209)	(12,744)	(2,848,784)
Net book value	76,682	1,907,321	10,329	532,189	127,223	269,868	374,376	398,630	7,471	3,704,089
Rate of depreciation	-	-	5%	5%	10%	20%-33.33%	20%	10%-20%	20%	

**12.2.1** These include land and buildings revalued in 2008 by Habib Associates, an independent valuer. The revaluation resulted in a surplus of Rs. 118.67 million. Had there been no revaluation, the carrying value of the revalued land and buildings would have been lower by Rs. 59.06 million (2017: Rs. 62.64 million). The Bank's land and buildings were again revalued in financial year 2015, however, no revaluation surplus or deficit was recorded as the revalued amounts were not materially different from carrying values.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

**12.2.2** On September 10, 2015, the Bank entered into an Agreement to Sell (the Agreement) for the previous Head Office Building of the Bank against sale consideration of Rs. 2,370 million. Pursuant to the terms of the Agreement, the Bank received a down payment of Rs. 118.50 million, which is currently reported in 'other liabilities' (note 21). The remaining balance is required to be paid by the buyer within 5 years from the date of the Agreement. As per the terms of the Agreement, the buyer agreed to pay annual rent based on the outstanding amount of consideration from the date of receipt of approvals from relevant authorities, however, on June 28, 2016, the buyer has provided the consent to pay annual rent with effect from July 1, 2016. During the year, the Bank has recorded rental income amounting to Rs. 157.81 million (2017: Rs. 157.81 million) as disclosed in note 31.1. As per the terms of the Agreement, in case the buyer fails to pay the amount of rent or balance sale consideration, the advance received of 5% shall stand forfeited. Since the conditions to recognise disposal are not met, the previous Head Office Building has not been derecognised.

## 12.3 The cost of fully depreciated property and equipment that are still in use is as follows:

Furniture, electrical, office, computer equipment and others  
Leasehold improvements  
Vehicles

	2018	2017
	Rupees in '000	
	1,263,836	1,241,678
	360,089	266,364
	69,528	63,899
	1,693,453	1,571,941

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

ATM Machine  
Other computer equipments except laptop

	Average useful life	
	2018	2017
	7 years	5 years
	5 years	3 years

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

### Decrease in depreciation expense

ATM Machine  
Other computer equipments except laptop

	2018
	Rupees in '000
	3,262
	28,561

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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

Particulars of Assets	Date of capitalization	Date of disposal	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of purchaser
Rupees in '000									
<b>Items having Book value in aggregate more than Rs. 250,000 or Cost more than Rs.1,000,000</b>									
<b>Land and buildings</b>									
Plot No 12A Khata No 17601067 Khattori No 2633 Model Town Opposite Chrouh House Bahawalpur	1-Jul-10	28-Sep-18	76,682	-	76,682	85,000	8,318	Indirect	Asad Raza Khan
<b>Vehicles</b>									
Toyota Land Cruiser V8 Amara Model 2013	2-Jun-13	3-Feb-18	98,000	28,000	2,000	2,000	-	As per Company Policy	Azmat Tariq
Toyota Corolla GLI AT Model 2015	27-Feb-15	21-Feb-18	1,648	1,077	769	769	-	As per Company Policy	Kashif Feroze Khan
Toyota Prius Model 2010	1-Dec-15	14-Mar-18	1,771	738	1,033	1,033	-	As per Company Policy	Ahmad Kabir Khan
Honda Civic IVTEC 1800 CCRL Model 2017	5-Feb-17	4-Apr-18	2,513	564	1,949	1,949	-	As per Company Policy	Sarwan Khalid Pata
Honda Civic IVTEC ORIEL 1800 Model 2017	10-Feb-17	11-Jun-18	2,363	627	1,736	1,736	-	As per Company Policy	Asim Haseeb Qureshi
Toyota Corolla GLI AT Silver Model 2010	21-Sep-15	2-Aug-18	1,649	1,077	769	769	-	As per Company Policy	Shahram Raza
Toyota Fortuner AT Model 2017	12-Jun-17	2-Aug-18	2,513	589	1,927	1,927	-	As per Company Policy	Shahram Raza
Honda Civic VTI Model 2015	10-Aug-15	11-Sep-18	2,164	1,328	836	836	-	As per Company Policy	Jahangir Akbar
Suzuki Vitara Model 2017	11-Sep-17	8-Sep-18	2,513	481	2,032	2,032	-	As per Company Policy	Syed Asim Hussain
Toyota Ails AT 1800 Model 2010	5-Sep-15	28-Oct-18	1,692	794	1,000	1,000	-	As per Company Policy	Jawed Majid Khan
Audi A8 1800 Model 2018	17-May-17	28-Oct-18	2,513	712	1,801	1,801	-	As per Company Policy	Jawed Majid Khan
Honda Civic IVTEC	31-Aug-15	8-Nov-18	2,158	1,401	757	757	-	As per Company Policy	Muhammad Sharif Rashid
Toyota Corolla GLI AT Model 2015	18-Dec-15	6-Nov-18	1,772	1,034	738	738	-	As per Company Policy	Asif Akhtar
Toyota Corolla Ails CVT	11-May-16	6-Nov-18	2,383	1,182	1,201	1,201	-	As per Company Policy	Khursam Adil Khan
Toyota Corolla GLI AT Model 2016	9-Aug-16	8-Nov-18	1,883	899	1,024	1,024	-	As per Company Policy	Khursam Adil Khan
Suzuki Vitara Model 2017	20-Sep-17	14-Nov-18	2,363	561	1,812	1,812	-	As per Company Policy	Muhammad Hussain
Toyota Fortuner Model 2017	8-Aug-18	8-Nov-18	5,805	275	5,525	5,525	-	As per Company Policy	Shahram Raza
Honda Civic IVTEC Model 2014	24-Jun-14	6-Jul-18	2,148	1,703	445	445	-	As per Company Policy	Asim Qureshi
Honda Civic VTI Oris	31-Oct-13	3-Aug-18	2,388	2,308	80	80	-	As per Company Policy	Jawed Raza Chaudhry
Toyota Corolla DVT Model 2014	28-Nov-14	8-Dec-18	1,648	1,508	140	140	-	As per Company Policy	Muhammad Saqib Pata
Honda Civic Model 2005	8-Aug-16	17-Jan-18	1,129	320	809	809	-	As per Company Policy	Muhammad Omar
Toyota Ails AT 1800 Model 2017	6-Sep-17	29-Jun-18	1,327	99	1,229	1,229	-	As per Company Policy	Saeed Ahmad Sheikh
Honda City MT Model 2015	14-Oct-15	23-Feb-18	1,282	577	705	705	-	As per Company Policy	Shahad Ahmad Durrani
Honda Civic VTI PT Oris Model 2015	1-Jun-15	6-Mar-18	2,148	1,180	968	968	-	As per Company Policy	Zawshan Feroze
Honda Civic VTI PT Oris Model 2014	8-Jul-14	13-Apr-18	2,148	1,630	518	517	-	As per Company Policy	Syed Kamal Mohyuddin
Toyota Corolla GLI Model 2014	24-Oct-14	10-Apr-18	1,703	1,185	518	518	-	As per Company Policy	Kashif Khan
Toyota Corolla GLI Model 2015	3-Sep-15	21-May-18	1,282	684	598	598	-	As per Company Policy	Qasim Ali Khan
Honda City	3-Feb-16	7-May-18	1,287	684	713	713	-	As per Company Policy	Shahad Ahmad Durrani
Honda City PT 1300 Model 2018	3-May-18	3-May-18	1,250	-	1,250	1,250	-	As per Company Policy	Abd Sattar
Honda City MT Model 2015	1-Jul-15	31-May-18	1,282	729	553	553	-	As per Company Policy	Asim Raza
Honda City IVTEC 1300 Model 2018	14-Oct-16	7-Jun-18	1,297	324	973	1,103	130	As per Company Policy	Asim Ali Qazi
Toyota Corolla Ails CVT Granda Model 2015	22-May-15	23-Jul-18	1,771	1,121	650	650	-	As per Company Policy	Rauf Jamil
Honda City IVTEC Model 2012	23-Sep-15	13-Jul-18	1,282	705	577	577	-	As per Company Policy	Muhammad Mubashir
Toyota Corolla GLI MT 1300 Model 2015	5-Oct-15	13-Jul-18	1,327	420	907	907	-	As per Company Policy	Muhammad
Suzuki Wagon R VXL Model 2017	8-Aug-17	6-Jul-18	1,094	201	893	893	-	As per Company Policy	Rahman Sharif
Suzuki Cultus VXR Model 2017	7-Dec-17	16-Jul-18	1,260	125	1,135	1,135	-	As per Company Policy	Farrukh Qasim
Suzuki Cultus VXR	28-Jul-16	15-Aug-18	1,099	421	678	678	-	As per Company Policy	Kamran Khatri
Toyota Corolla GLI Model 2015	18-Aug-16	9-Aug-18	1,099	440	659	659	-	As per Company Policy	Muhammad Kamran Zia
Honda Civic VTI Model 2013	18-Aug-16	15-Aug-18	1,099	440	659	659	-	As per Company Policy	Rahman Rashid
Toyota Ails AT 1800 Model 2016	28-Sep-16	8-Aug-18	1,768	683	1,103	1,103	-	As per Company Policy	Naveed Butt
Suzuki Cultus VXR Model 2017	16-Jan-18	2-Aug-18	1,260	125	1,135	1,135	-	As per Company Policy	Muhammad Kamran
Honda City IVTEC PT	20-Aug-18	26-Aug-18	1,290	-	1,290	1,290	-	As per Company Policy	Muhammad Saeed Anwar
Toyota Corolla Ails Granda CVT Model 2015	1-Aug-15	9-Sep-18	1,202	720	482	482	-	As per Company Policy	Rauf Kamal
Toyota Corolla GLI AT Model 2015	2-Jul-15	10-Sep-18	1,099	475	623	623	-	As per Company Policy	Muhammad Akmal Akbar
Suzuki Cultus VXR Color Silky Silver Model 2017	8-Oct-17	28-Sep-18	1,250	229	1,021	1,021	-	As per Company Policy	Bridge Anthony
Honda City PT Model 2015	3-Jun-15	23-Oct-18	1,652	1,102	551	551	-	As per Company Policy	Muhammad Raif Raza



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2018

Particulars of Assets	Date of capitalization	Date of disposal	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of purchaser
Rupees in '000									
Toyota Corolla Altis Model 2015	17-Sep-15	18-Oct-15	2,153	1,327	826	826	-	As per Company Policy	Syed Zubair Ali Akbar
Honda Civic INTEC Model 2017	11-Oct-17	10-Oct-18	2,353	392	1,961	1,961	-	As per Company Policy	Naveed Mushtaq
Toyota Corolla Altis AT Model 2015	14-Sep-15	7-Nov-15	1,771	1,121	650	650	-	As per Company Policy	Muhammad Farooq
Honda Civic INTEC Ortel Model 2015	7-Nov-15	12-Nov-15	2,353	941	1,412	1,412	-	As per Company Policy	Syed Mohammad Qasim Rizvi
Suzuki Celerio VXR Model 2017	15-Oct-17	15-Nov-18	1,250	271	979	979	-	As per Company Policy	Hamid Muhammad Khan Ghauri
Toyota Corolla GLI AT 1300 Model 2017	1-Aug-17	26-Dec-15	1,937	422	1,515	1,515	-	As per Company Policy	Syed Raza Ali
Suzuki Swift DLX 1300 Model 2014	11-Oct-17	5-Dec-15	1,250	125	1,125	1,125	-	As per Company Policy	Qazi Moazzam
Honda Civic INTEC Ortel Model 2014	7-Mar-18	3-Dec-15	1,250	187	1,063	1,063	-	As per Company Policy	Saira Raza
Suzuki Swift DLX Model 2013	19-Dec-12	18-Jan-15	1,231	1,231	-	-	-	As per Company Policy	Anthony Almeida
Honda Civic INTEC	12-Mar-13	4-Jan-15	2,093	2,093	70	70	-	As per Company Policy	Sardar Kamran Nakai
Honda City INTEC Model 2013	26-May-14	29-Jan-15	1,282	940	342	342	-	As per Company Policy	Vajha Anson
Toyota Corolla GLI Model 2014	26-Jun-14	14-Feb-15	1,039	782	257	257	-	As per Company Policy	Akram Ali Akram
Suzuki Celerio VXR Model 2015	8-Apr-15	16-Feb-15	1,039	385	654	654	-	As per Company Policy	Bahzade
Toyota Corolla GLI MT	27-Feb-13	22-Mar-15	1,990	1,990	-	-	-	As per Company Policy	Muhammad Asif Akbar
Toyota Corolla GLI Model 2010	5-Feb-14	5-Mar-15	1,049	822	227	227	36	As per Company Policy	Abdul Qadir Ghauri
Toyota Corolla XLI Model 2014	3-Sep-14	5-Mar-15	1,039	992	47	394	18	As per Company Policy	Muhammad Imran
Suzuki Celerio VXR	13-Mar-13	13-Apr-15	1,039	992	17	17	-	As per Company Policy	Muhammad Bilal Zahoor
Suzuki Celerio VXR Model 2015	15-Jul-15	15-Apr-15	1,039	571	468	468	-	As per Company Policy	Ibra Akbar
Daihatsu Mira Model 2012	2-Jun-15	21-May-15	1,039	605	434	434	-	As per Company Policy	Khalid Ullah Siddiqui
Suzuki Celerio VXR Model 2014	21-Jul-14	25-Jun-15	1,039	814	225	225	-	As per Company Policy	Muhammad Ali Khan
Suzuki Celerio VXR Model 2015	22-May-15	22-Jun-15	1,039	641	398	398	-	As per Company Policy	Rao Rafiqul Ali
Suzuki Celerio VXR Model 2015	10-Jul-15	7-Jun-15	1,039	571	468	468	-	As per Company Policy	Khalid Pervez
Honda City INTEC PT	29-May-13	8-Jul-15	1,010	1,010	-	-	-	As per Company Policy	Shahbaz Shoukat
Suzuki Celerio VXR Model 2014	27-Dec-13	8-Jul-15	1,034	948	86	86	-	As per Company Policy	Faisal Hameed
Suzuki Swift Dlx Model 2015	22-May-15	8-Jul-15	1,039	608	431	431	-	As per Company Policy	Shahid Mobin Rafiq
Suzuki Swift Dlx Model 2015	15-Jun-15	19-Jul-15	1,039	641	398	398	-	As per Company Policy	Agha Hussain Raza
Suzuki Celerio VXR Model 2015	23-Jun-15	13-Jul-15	1,034	638	396	396	-	As per Company Policy	Faiza Raza Raza
Suzuki Celerio VXR Model 2014	18-Jul-14	25-Aug-15	1,039	649	390	390	-	As per Company Policy	Syed Abu Talib
Honda Civic VTI PT Ortel SR	22-Jul-14	8-Aug-15	2,221	1,014	1,207	1,207	-	As per Company Policy	Zaid Iqbal Akbar
Honda City PT Model 2014	14-Nov-14	2-Aug-15	1,282	991	291	291	-	As per Company Policy	Sadia Zinn
Honda Civic INTEC PT Model 2012	28-Jul-15	8-Aug-15	1,282	791	491	491	-	As per Company Policy	Zaheer Pervez
Suzuki Celerio VXR Model 2015	1-Aug-15	24-Aug-15	1,039	623	416	416	-	As per Company Policy	Bashir Haq
Toyota Corolla GLI Model 2009	5-Jan-14	4-Sep-15	1,039	983	56	56	-	As per Company Policy	Zaheer Zuber
Suzuki Wagon R VXL Model 2015	22-May-15	8-Sep-15	1,034	999	35	35	-	As per Company Policy	Abdul Wahid
Suzuki Swift DK Model 2012	11-Jun-15	25-Sep-15	1,039	675	364	364	-	As per Company Policy	Nadeem Ahmed Khan
Honda Civic INTEC PT	8-Oct-13	24-Oct-15	2,148	2,148	-	-	-	As per Company Policy	Sohail Ahmed Awan
Suzuki Celerio VXR	11-Oct-13	24-Oct-15	1,019	1,019	-	-	-	As per Company Policy	Abid Hussain
Honda Civic VTI Ortel	10-Oct-13	11-Oct-15	1,282	1,282	-	-	-	As per Company Policy	Naveed Ali Hassan
Honda City MT Model 2015	1-Jan-15	25-Oct-15	1,039	571	468	468	-	As per Company Policy	Adnan Malik
Honda Civic INTEC Model 2014	24-Sep-14	13-Nov-15	2,148	1,788	359	359	-	As per Company Policy	Syed Muhammad Khan
<b>Total</b>			<b>163,672</b>	<b>97,339</b>	<b>66,333</b>	<b>66,333</b>	<b>269</b>		
Items having Book value in aggregate less than Rs. 250,000 or Cost less than Rs. 1,000,000									
Others			12,322	12,074	248	1,375	1,127		
<b>Grand Total</b>			<b>252,678</b>	<b>106,113</b>	<b>143,563</b>	<b>153,277</b>	<b>8,714</b>		

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2018

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

### 13 INTANGIBLE ASSETS

Capital work-in-progress  
Software

#### 13.1 Software

##### At January 1

Cost  
Accumulated amortisation  
Net book value

##### Year ended December

Opening net book value  
Additions  
Amortisation charge  
Closing net book value

##### At December 31

Cost  
Accumulated amortisation  
Net book value

Rate of amortisation

Useful life (in years)

**13.1.1** The cost of fully amortised software still in use

**13.2** In January 2018, remaining useful life of certain items of Banks' software was reviewed by the management. The revised and previous remaining useful life of software is as under:

	Average useful life	
Oracle financial	10 years	5 years
Harmony	10 years	5 years
Digital Bank Application	10 years	5 years

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

##### Decrease in amortisation expense

Oracle financial  
Harmony  
Digital Bank Application

2018  
Rupees in '000

2,811  
132  
303



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 14 DEFERRED TAX ASSETS

### Deductible Temporary Differences on

- Post retirement employee benefits
- Deficit on revaluation of investments
- Provision for diminution in value of investments
- Provision against non-performing advances
- Provision against Workers' Welfare Fund (WWF)
- Provision against other assets
- Depreciation on non-banking assets
- Unabsorbed tax depreciation

### Taxable Temporary Differences on

- Post retirement employee benefits
- Surplus on revaluation of non-banking assets
- Surplus on revaluation of fixed assets
- Accelerated tax depreciation

Note	2018			
	At Jan 1	Recognised in P&L A/C	Recognised in OCI	At Dec 31
	Rupees in '000			
	-	-	7,525	7,525
23	19,215	-	58,812	78,027
	3,073	-	-	3,073
	2,330,390	(3,028)	-	2,327,362
	33,688	13,406	-	47,094
	225,848	(2,480)	-	223,368
	52,070	13,785	-	65,855
	913,907	(474,271)	-	439,636
	3,578,191	(452,588)	66,337	3,191,940
	(3,572)	-	3,572	-
23.2	(6,583)	-	4,049	(2,534)
23.1	(13,780)	-	1,253	(12,527)
	(78,127)	(40,105)	-	(118,232)
	(102,062)	(40,105)	8,874	(133,293)
	3,476,129	(492,693)	75,211	3,058,647

Note	2017			
	At Jan 1	Recognised in P&L A/C	Recognised in OCI	At Dec 31
	Rupees in '000			
	154,154	(154,154)	-	-
	4,308	-	14,907	19,215
	119,945	(116,872)	-	3,073
	2,445,756	(115,366)	-	2,330,390
	-	33,688	-	33,688
	147,231	78,617	-	225,848
	29,317	22,753	-	52,070
	954,688	(40,781)	-	913,907
	3,855,399	(292,115)	14,907	3,578,191

### Taxable Temporary Differences on

- Post retirement employee benefits
- Surplus on revaluation of non banking assets
- Surplus on revaluation of fixed assets
- Accelerated tax depreciation

	(17,037)	-	13,465	(3,572)
	-	-	(8,583)	(8,583)
	(20,034)	-	6,254	(13,780)
	(113,583)	35,456	-	(78,127)
	(150,854)	35,456	13,136	(102,062)
	3,704,745	(256,659)	28,043	3,476,129

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

14.1 The Bank has an aggregate amount of deferred tax assets of Rs. 3,059 million (December 31, 2017: Rs. 3,476 million) which represents management's best estimate of the probable benefits expected to be realised in future years in the form of reduced tax liability as the Bank would be able to set off the profits earned in those years against taxable temporary differences relating to prior years. The Bank has prepared five years financial projections for future taxable profits, which have been approved by the Board of Directors of the Bank, to assess the recoverability of deferred tax assets. The projections involve certain key management assumptions underlying the estimation of future taxable profits. The determination of future taxable profits is most sensitive to certain key assumptions such as growth of low cost deposits, growth in high yield consumer advances, investment returns, branch expansion plans, potential provision against assets, interest rates, cost of funds and expected recoveries of classified loans. Any significant change in such assumptions may have an effect on the recoverability of the deferred tax assets. Management believes that it is probable that the Bank will be able to achieve the profits and consequently, the deferred tax asset will be fully realised in future.

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

## 15 OTHER ASSETS

- Income / mark-up accrued in local currency - net of provision
- Income / mark-up accrued in foreign currency - net of provision
- Accrued rent
- Advances, deposits, advance rent and other prepayments
- Advance taxation (payments less provisions)
- Net defined benefit assets
- Non-banking assets acquired in satisfaction of claims
- Non-banking assets acquired in satisfaction of claims under agreement to sale third parties
- Non-banking assets acquired in satisfaction of claims with buy back option with customers

- Branch adjustment account
- Mark to market gain on forward foreign exchange contracts
- Receivable from sale of operating fixed assets
- Receivable from sale of non-banking assets acquired in satisfaction of claims
- Receivable from NCCPL
- Others

- Less: Provision held against other assets
- Other assets - net of provisions
- Surplus on revaluation of non-banking assets acquired in satisfaction of claims

### Other assets - total

Note	2018 Rupees in '000	2017
	4,738,974	2,962,780
	412	305
12.2.2&15.2	531,254	346,187
	640,333	490,786
	967,307	742,359
39.4	-	10,207
	5,585,886	6,581,584
	4,018,263	4,337,234
	191,158	468,493
15.1&15.3	9,795,307	11,387,311
	110,813	40,487
	180,579	146,755
	35,000	-
15.5	518,250	750,000
	-	1,229,610
	409,661	309,408
	17,927,890	18,416,195
15.4	(623,274)	(630,361)
	17,304,616	17,785,834
	32,700	46,128
	17,337,316	17,831,962
15.1.2	9,233,733	10,839,165

15.1 Market value of Non-banking assets acquired in satisfaction of claims

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018 Rupees in '000	2017
<b>15.1.2 Non-banking assets acquired in satisfaction of claims</b>			
Opening balance		10,839,165	12,675,801
Additions		83,791	525,926
Revaluation		-	46,128
Disposals	15.1.3	(1,558,879)	(2,093,092)
Transferred to fixed assets		(48,993)	-
Depreciation		(80,351)	(93,031)
Impairment		-	(222,567)
Closing balance		9,233,733	10,839,165
<b>15.1.3 Gain on disposal of Non-banking assets acquired in satisfaction of claims</b>			
Disposal proceeds		2,430,887	2,732,282
less:			
- Cost		1,644,162	2,133,638
- Impairment / Depreciation		(98,348)	(42,523)
- Surplus on revaluation		13,065	1,977
		1,558,879	2,093,092
Gain		872,008	639,190
<b>15.2</b>	On June 01, 2016, the Bank entered into an Agreement to Sell (the Agreement) for undeveloped lands having book value of Rs. 3,416 million against sale consideration of Rs. 3,416 million. Pursuant to the terms of the Agreement, the Bank received a down payment of Rs. 170.83 million, which is currently reported in 'other liabilities' (note 21.2). The remaining balance is required to be paid by the buyer within 5 years from the date of receipt of certain approvals from relevant authorities, however, the Bank through a Supplementary Agreement to Sell (the Supplementary Agreement) dated June 24, 2016 amended the Agreement and removed the condition of approvals from relevant authorities. The balance sale consideration is payable within 5 years from August 01, 2016. Further, the buyer initially agreed to pay annual rent based on the outstanding amount of consideration from the date of receipt of approvals from relevant authorities, however, on July 29, 2016, the buyer has provided the consent to pay annual rent with effect from August 01, 2016. Accordingly, the Bank has recorded rental income of Rs. 194.75 million (2017: Rs. 194.75 million) as disclosed in (note 31.1). The total accrued rent in this respect is Rs. 276.64 million (2017: Rs. 241.89 million) which is reported in 'other assets'. As per the terms of the Agreement, in case the buyer fails to pay the amount of rent or balance sale consideration, the advance received of 5% shall stand forfeited. Since the conditions to recognise disposal are not met, the carrying value of such land has not been derecognised from non-banking assets acquired in satisfaction of claims.		
<b>15.3</b>	During the year, the Bank acquired properties of Rs. 51 million (2017: Rs. 526 million) against debt swap transactions with certain borrowers resulting in reversal of provision against loan and advances of Rs. 1.5 million (2017: Rs. 414 million) (refer note 11.3.2).		
<b>15.4 Provision held against other assets</b>			
Non banking assets acquired in satisfaction of claims		594,274	594,274
Advances, deposits, advance rent and other prepayments		21,000	21,000
Others		8,000	15,087
		623,274	630,361

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

		2018 Rupees in '000	2017
<b>15.4.1 Movement in provision held against other assets</b>			
Opening balance		630,361	405,740
Charge for the year		-	323,157
Reversals		-	(84,036)
Net charge for the year		-	239,121
Reversal on disposal / write off		(7,087)	(14,500)
Closing balance		623,274	630,361
<b>15.5</b>	This amount includes receivable amounting to Rs. 202 million against sale of NBA property to customer amounting to Rs. 700 million. The Bank has financed the transaction by extending a secured loan to above customer amounting to Rs. 500 million. Due to pending completion of transfer formalities, the balance of sale proceeds of Rs. 202 million is still outstanding. However, the buyer has arranged third party deposits amounting to Rs. 200 million which is held with the Bank as security, against which lien has been marked in favour of the Bank.		
<b>16 BILLS PAYABLE</b>	Note	2018 Rupees in '000	2017
In Pakistan		2,866,568	3,192,981
Outside Pakistan		-	-
		2,866,568	3,192,981
<b>17 BORROWINGS</b>			
<b>Secured</b>			
Borrowings from State Bank of Pakistan under export refinance scheme	17.1.1	1,647,067	1,505,571
Repurchase agreement borrowings	17.1.2	6,500,646	21,118,353
<b>Total secured</b>		8,147,713	22,623,924
<b>Unsecured</b>			
Call borrowings	17.1.3	3,000,000	6,500,000
Trading liability	17.1.2	6,843,117	6,349,040
Overdrawn nostro accounts		61,024	77,067
Overdrawn local bank accounts		-	31,979
<b>Total unsecured</b>		9,904,141	12,958,078
		18,051,854	35,582,002
<b>17.1.1</b>	The Bank has entered into agreements for financing with the SBP for extending export finance to customers. As per the agreements, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of the finance by directly debiting the current account maintained by the Bank with SBP. These borrowings are repayable within six months. These carry mark-up rates ranging from 1% to 2% (2017: 1% to 2%) per annum.		
<b>17.1.2</b>	These represent funds borrowed from the local interbank money market against government securities carrying interest rate ranging between 10.10% to 10.20% (2017: 5.82% to 6.05%) per annum with maturity upto January 2019.		
<b>17.1.3</b>	These represent unsecured borrowings from the local money market carrying interest rate ranging upto 10.75% (2017: 6.45% to 6.50%) per annum with maturity in February 2019.		



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
	Rupees in '000	
<b>17.2 Particulars of borrowings with respect to Currencies</b>		
In local currency	17,990,830	35,504,843
In foreign currencies	61,024	77,057
	<b>18,051,854</b>	<b>35,582,000</b>

## 18 DEPOSITS AND OTHER ACCOUNTS

	2018			2017		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	Rupees in '000					
<b>Customers</b>						
Current deposits	21,844,736	3,838,921	25,683,657	22,455,301	3,621,611	26,076,912
Savings deposits	43,582,478	2,844,764	46,427,242	29,669,868	2,187,552	31,857,420
Term deposits	39,069,219	2,979,435	42,048,654	34,605,963	2,008,901	36,614,864
Margin deposits	2,477,667	-	2,477,667	1,431,960	-	1,431,960
Others	1,475,238	-	1,475,238	1,463,318	-	1,463,318
	<b>108,449,338</b>	<b>9,663,120</b>	<b>118,112,458</b>	<b>89,626,410</b>	<b>7,818,064</b>	<b>97,444,474</b>
<b>Financial institutions</b>						
Current deposits	134,345	5,917	140,262	49,680	4,992	54,672
Savings deposits	13,019,874	18,120	13,037,994	6,879,285	16,030	6,895,315
Term deposits	1,373,370	-	1,373,370	5,883,346	-	5,883,346
	<b>14,527,589</b>	<b>24,037</b>	<b>14,551,626</b>	<b>12,812,311</b>	<b>21,022</b>	<b>12,833,333</b>
	<b>122,976,927</b>	<b>9,687,157</b>	<b>132,664,084</b>	<b>102,438,721</b>	<b>7,839,086</b>	<b>110,277,807</b>

	2018	2017
	Rupees in '000	
<b>18.1 Composition of deposits</b>		
- Individuals	51,437,400	50,728,252
- Government (Federal and Provincial)	23,571,375	13,014,035
- Public Sector Entities	10,433,978	6,045,769
- Banking Companies	2,094,251	4,000,652
- Non-Banking Financial Institutions	12,457,375	8,832,681
- Private Sector	32,669,705	27,856,398
	<b>132,664,084</b>	<b>110,277,807</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 19 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2018			2017		
	Minimum lease payments	Financial charges for future periods	Principal outstanding	Minimum lease payments	Financial charges for future periods	Principal outstanding
	Rupees in '000					
Not later than one year	2,755	92	2,663	4,723	506	4,217
Later than one year and upto five years	-	-	-	2,754	91	2,663
	<b>2,755</b>	<b>92</b>	<b>2,663</b>	<b>7,477</b>	<b>597</b>	<b>6,880</b>

**19.1** The Bank has acquired solar panels (refer note 12.2) under finance lease from NBP Leasing Limited. The lease term is 5 years and the discounting factor used is 6 months KIBOR + 4%. The lease term would be expired in July 2019.

## 20 SUBORDINATED DEBT

The Bank has issued privately placed, unsecured and subordinated Term Finance Certificates (TFCs) as instruments of redeemable capital under section 86 of the Companies Act, 2017 and the Basel III guidelines issued by the SBP. The key features of the issue are as follows:

<b>Issue amount</b>	Rs. 2,000 million
<b>Issue date</b>	August 10, 2017
<b>Maturity date</b>	Up to 8 years from date of issue
<b>Rating</b>	(A-) by JCR-VIS Credit Rating Company Limited ('Single A minus')
<b>Security</b>	The instrument is unsecured and subordinated as to payment of principal and profit to all other indebtedness of the Bank, including deposits.
<b>Profit payment frequency</b>	Profit will be payable semi-annually in arrears on the outstanding principal amount and will be calculated on a 365 day year basis.
<b>Redemption</b>	0.14% of the issue amount during the first 7 years and remaining 99.86% in last two equal semi-annual installments of 49.93% each.
<b>Mark-up</b>	6 month KIBOR plus 1.85% per annum.
<b>Call option</b>	The Bank may call TFCs in part or in full, after 5 years from date of issue on any profit payment date, subject to SBP approval and with not less than 30 days prior notice to the Trustee and investors. The call option once announced will be irrevocable.
<b>Lock-in clause</b>	As per the lock-in requirement for Tier II issues, neither profit nor principal will be payable (even at maturity) in respect of the TFC, if such payment will result in a shortfall in the Bank's Minimum Capital Requirement (MCR) or Capital Adequacy Ratio (CAR) or results in an increase in any existing shortfall in MCR or CAR.
<b>Loss absorbency clause</b>	The instrument will be subject to loss absorbency and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a point of non-viability event as defined by SBP's Basel III Capital Rule, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by fair value per share of the Bank's common equity on the date of trigger of the non-viability event as declared by SBP, subject to a cap of 1,236,390,093 shares.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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

	Note	2018 Rupees in '000	2017
<b>21 OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		790,382	857,445
Mark-up / return / interest payable in foreign currencies		22,884	8,231
Unearned commission and income on bills discounted		46,079	61,036
Accrued expenses		123,679	215,154
Mark to market loss on forward foreign exchange contracts		30,094	75,449
Payable to defined benefit plan - permanent staff	39.4	21,499	-
Payable to defined benefit plan - contractual staff		27,992	27,292
Provision against off-balance sheet obligations	21.1	116,012	116,012
Workers' Welfare Fund (WWF)		134,504	96,202
Advance received against future sale of non banking assets	21.2	412,644	407,264
Advance received against future sale of operating fixed assets	12.2.2	118,500	118,500
Deferred income against non-banking assets		111,283	146,762
Islamic pool management reserve		4,676	17,842
Non checking account		399,364	230,716
PRI remitting account		654,498	54,819
Others		691,180	380,794
		<b>3,705,270</b>	<b>2,613,518</b>
<b>21.1 Provision against off-balance sheet obligations</b>			
Opening balance		116,012	124,736
Charge for the year		-	-
Reversals		-	(8,724)
		-	(8,724)
Amount written off		-	-
Closing balance		<b>116,012</b>	<b>116,012</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 22 SHARE CAPITAL- NET

### 21.2 Authorised capital

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

### 22.2 Issued, subscribed and paid up capital

2018 No. of shares in '000	2017 No. of shares in '000		2018 Rupees in '000	2017 Rupees in '000
9,081,861	9,081,861	Ordinary shares of Rs. 10 each	90,818,612	90,818,612
-	-	Fully paid in cash	(67,387,238)	(67,387,238)
9,081,861	9,081,861	Less: Discount on issue of shares	23,431,374	23,431,374

**22.3** Arif Habib Corporation Limited i.e. associated company held 2,563,901,924 (2017: 2,563,901,924) shares which represents 28.23% (2017: 28.23%) of the equity stake of the company

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

### (Deficit) / surplus on revaluation of

- Available for sale securities	10.1	(222,937)	(54,900)
- Fixed assets	23.1	59,064	62,643
- Non-banking assets acquired in satisfaction of claims	23.2	32,700	46,128
		<b>(131,173)</b>	<b>53,871</b>

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

- Available for sale securities	14	78,027	19,215
- Fixed assets	23.1	(12,527)	(13,780)
- Non-banking assets acquired in satisfaction of claims	23.2	(2,534)	(6,583)
		<b>62,966</b>	<b>(1,148)</b>
		<b>(68,207)</b>	<b>52,723</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018 Rupees in '000	2017 Rupees in '000
<b>23.1 Surplus on revaluation of fixed assets</b>			
Surplus on revaluation of fixed assets as at January 1		62,643	80,514
Recognised during the year		-	-
Realised on disposal during the year - net of deferred tax		-	(8,645)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		(2,326)	(2,972)
Related deferred tax liability on incremental depreciation charged during the year		(1,253)	(1,599)
Related deferred tax liability on surplus realised on disposal		-	(4,655)
Surplus on revaluation of fixed assets as at December 31		59,064	62,643
Less: related deferred tax liability on:			
- revaluation as at January 1		(13,780)	(20,034)
- revaluation recognised during the year		-	-
- surplus realised on disposal during the year		-	4,655
- incremental depreciation charged during the year		1,253	1,599
	14	(12,527)	(13,780)
		46,537	48,863
<b>23.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims</b>			
Surplus on revaluation as at January 1		46,128	-
Recognised during the year		-	49,171
Realised on disposal during the year - net of deferred tax		(9,143)	(1,977)
Realised on transferred to fixed assets during the year - net of deferred tax		(236)	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		-	-
Related deferred tax liability on incremental depreciation charged during the year		-	-
Related deferred tax liability on surplus realised on disposal		(3,922)	(1,066)
Related deferred tax liability on surplus realised on transferred to fixed assets		(127)	-
Surplus on revaluation of non-banking assets acquired in satisfaction of claims as at December 31		32,700	48,128
Less: related deferred tax liability on:			
- revaluation as at January 1		(6,583)	-
- revaluation recognised during the year		-	(7,649)
- surplus realised on disposal during the year		3,922	1,066
- surplus realised on transferred to fixed assets during the year		127	-
- incremental depreciation charged during the year		-	-
	14	(2,534)	(6,583)
		30,166	39,545

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018 Rupees in '000	2017 Rupees in '000
<b>24 CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	24.1	13,284,395	15,948,465
Commitments	24.2	32,925,445	19,656,870
Contingent liabilities	24.3	1,143,864	449,957
		47,353,704	36,055,292
<b>24.1 Guarantees:</b>			
Financial guarantees		547,993	1,334,784
Performance guarantees		9,081,896	9,621,586
Other guarantees		3,654,506	4,992,095
		13,284,395	15,948,465
<b>24.2 Commitments:</b>			
Documentary credits and short-term trade-related transactions:			
- letters of credit		6,046,372	7,878,011
Commitments in respect of:			
- forward foreign exchange contracts	24.2.1	15,409,082	11,278,444
- forward government securities transactions	24.2.2	11,416,204	-
Commitments for acquisition of:			
- operating fixed assets		14,668	268,109
- intangible assets		39,119	132,306
		32,925,445	19,656,870
<b>24.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		10,847,908	8,479,756
Sale		4,561,174	2,798,688
		15,409,082	11,278,444
<b>24.2.2 Commitments in respect of forward government securities transactions</b>			
Purchase		-	-
Sale		11,416,204	-
		11,416,204	-



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

**24.3.1** Suits for damages of Rs. 24.45 billion (2017: Rs. 24.46 billion) have been filed against the Bank by various borrowers / employees in respect of certain disputes relating to loans and advances. The management of the Bank and its legal counsel consider that the suits are a counterblast in response to the recovery suits filed by the Bank. The Bank and its legal counsel are confident that the cases will be dismissed as actual damages have to be proven in such suits.

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

## 25 DERIVATIVE INSTRUMENTS

### 25.1 Product Analysis

#### Counterparties

#### Hedging

- Banks  
- Other entities

#### Total

2018	
Forward Contracts	
Notional Principal	Mark to Market gain / (loss)
Rupees in '000	
26,125,605	125,602
561,370	24,683
<b>26,686,975</b>	<b>150,485</b>

#### Counterparties

#### Hedging

- Banks  
- Other entities

#### Total

2017	
Forward Contracts	
Notional Principal	Mark to Market gain / (loss)
Rupees in '000	
10,617,323	80,656
439,819	10,650
<b>11,057,142</b>	<b>71,306</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 25.2 Maturity Analysis

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

			2017		
Remaining Maturity	No. of Contracts	Notional Principal	Mark to Market		
			Negative	Positive	Net
Rupees in '000					
Upto 1 month	60	10,181,731	75,147	135,951	60,804
1 to 3 month	18	629,847	214	6,072	5,858
3 to 6 months	6	206,562	88	2,488	2,400
6 month to 1 year	3	39,202	-	2,244	2,244
	87	11,057,142	75,449	148,755	71,306

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

## 26 MARK-UP / RETURN / PROFIT / INTEREST EARNED

### On:

	2018	2017
	Rupees in '000	
Loans and advances	12,184,084	9,129,809
Investments	2,679,603	2,159,313
Lendings to financial institutions	729,751	379,984
Balances with banks	2,775	1,165
	<b>15,596,213</b>	<b>11,670,271</b>

## 27 MARK-UP / RETURN / PROFIT / INTEREST EXPENSED

	2018	2017
	Rupees in '000	
Deposits	6,075,206	4,062,814
Borrowings	2,596,688	1,894,305
Subordinated debt	177,203	63,123
Cost of foreign currency swaps against foreign currency deposits / borrowings	134,963	158,281
Others	6,675	5,694
	<b>8,990,735</b>	<b>6,184,217</b>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
	Rupees in '000	
<b>28 FEE &amp; COMMISSION INCOME</b>		
Branch banking customer fees	177,753	173,819
Card related fees (debit and credit cards)	894,177	742,850
Credit related fees	249,187	187,962
Investment banking fees	396	8,945
Commission on trade	150,588	148,447
Commission on guarantees	107,442	116,289
Commission on remittances including home remittances	17,250	23,725
Commission on bancassurance	77,058	74,310
Others	66,046	42,579
	<b>1,739,877</b>	<b>1,516,926</b>
<b>29 DIVIDEND INCOME</b>		
Adamjee Insurance Limited	-	625
AKD Capital Limited	-	125
Askari Bank Limited	-	3,025
Engro Corporation Limited	-	1,310
Engro Fertilizer Limited	-	5,362
Engro Foods Limited	-	1,500
Engro Powergen Qadirpur Limited	-	600
Fatima Fertilizer Company Limited - related party	-	1,400
Fauji Fertilizer Bin Qasim Limited	-	72
Fauji Fertilizer Company Limited	-	1,674
Habib Bank Limited	-	283
Habib Metropolitan Bank Limited	-	2,214
HI-TECH Lubricants Limited	-	175
Javedan Cement Limited - related party	2,190	7,935
Kot Addu Power Company Limited	-	5,543
Lucky Cement Limited - related party	-	1,000
MCB Bank Limited	-	1,225
Mughal Steel Limited	-	60
National Bank Of Pakistan Limited	-	7,875
Nishat Chunian Limited	-	275
Nishat Chunian Power Limited	-	1,350
Nishat Mills Limited	-	218
Oil & Gas Development Company Limited	-	313
Pak Elektron Limited	-	675
Pakistan Petroleum Limited	-	300
Pioneer Cement Company Limited	-	583
Sui Northern Gas Limited	-	750
United Bank Limited	-	1,184
	<b>2,190</b>	<b>47,611</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018	2017
		Rupees in '000	
<b>30 (LOSS) / GAIN ON SECURITIES</b>			
Realised	30.1	(61,248)	17,338
Unrealised - held for trading	10.1	(2,423)	3,476
		<b>(63,671)</b>	<b>20,814</b>
<b>30.1 Realised (loss) / gain on:</b>			
Federal Government Securities		(53,656)	23,860
Shares		2,408	(6,522)
		<b>(51,248)</b>	<b>17,338</b>
<b>31 OTHER INCOME</b>			
Rent on property and non-banking assets	31.1	368,086	382,030
Gain on sale of fixed assets - net		9,714	11,318
Gain on sale of non-banking assets - net	15.1.3	872,008	639,190
Rent on lockers		16,637	16,180
Postage, telex and other service charges recovered		48,496	39,566
Share of profit from associate		8,642	3,651
Early loan termination charges		62,424	73,246
		<b>1,386,009</b>	<b>1,165,179</b>
<b>31.1</b>	This includes rental income of Rs. 157.61 million (2017: Rs. 157.61 million) and Rs. 194.75 million (2017: Rs. 194.75 million) on balance sale consideration of the previous Head Office building (refer note 12.2.2) and certain non-banking assets (refer note 15.2), respectively.		
<b>32 OPERATING EXPENSES</b>			
Total compensation expense	32.1	3,377,501	2,713,272
<b>Property expense</b>			
Rent & taxes		763,236	611,330
Insurance on non banking assets acquired in satisfaction of claims		1,255	-
Utilities cost		198,783	196,575
Security (including guards)		106,938	93,142
Repair & maintenance (including janitorial charges)		68,660	53,967
Depreciation on buildings		140,856	132,519
Depreciation on non banking assets acquired in satisfaction of claims		80,351	93,031
Professional charges		11,863	145,916
		<b>1,371,944</b>	<b>1,326,480</b>
<b>Information technology expenses</b>			
Software maintenance		120,538	128,128
Hardware maintenance		59,891	56,809
Depreciation		42,184	63,138
Amortisation		71,381	86,686
Website development charges		269	667
		<b>294,263</b>	<b>335,428</b>
<b>Balances carried forward</b>		<b>5,043,708</b>	<b>4,375,180</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018 Rupees in '000	2017
<b>Balances brought forward</b>		<b>5,043,708</b>	<b>4,375,180</b>
<b>Other operating expenses</b>			
Directors' fees and allowances		36,585	33,100
Fees and allowances to Shariah Board		12,816	10,371
Participation fee paid in respect of subordinated debt		-	28,775
Legal & professional charges		289,664	308,377
Outsourced services costs	32.2	26,617	384,150
Travelling & conveyance		86,629	89,420
NIFT clearing charges		12,993	10,852
Depreciation		214,701	193,168
Training & development		30,020	22,516
Postage & courier charges		32,756	28,954
Communication		226,075	217,654
Stationery & printing		69,223	60,568
Marketing, advertisement & publicity		268,263	307,780
Auditors' remuneration	32.3	25,331	16,558
Insurance (including deposit protection)		65,051	34,738
Repairs & maintenance		80,417	94,256
Financial charges on leased assets		505	907
Brokerage and commission		11,478	13,336
Subscriptions and news papers		19,039	20,217
Entertainment		45,378	44,148
Vehicle running & maintenance		25,134	23,900
Card related expenses (debit and credit cards)		116,996	90,413
Security		22,878	20,863
Others		18,896	4,258
		<b>1,737,445</b>	<b>2,059,277</b>
		<b>6,781,153</b>	<b>6,434,457</b>
<b>32.1 Total compensation expense</b>			
Fees and allowances etc		12,546	3,403
Managerial remuneration			
i) Fixed		1,401,851	1,064,193
ii) Cash bonus / awards etc.		584,147	552,258
Charge for defined benefit plan		125,511	81,934
Contribution to defined contribution plan		86,837	78,816
Rent and house maintenance		683,604	525,731
Utilities		3,357	1,205
Medical		139,213	107,348
Conveyance		294,102	236,744
Insurance		44,302	48,587
EOBI bank contribution		306	3,333
Others		1,726	9,720
<b>Total</b>		<b>3,377,501</b>	<b>2,713,272</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018 Rupees in '000	2017
<b>32.3 Auditors' remuneration</b>			
Audit fee		6,872	6,872
Fee for other statutory certifications		6,941	7,486
Special certifications and sundry advisory services		9,800	-
Out-of-pocket expenses		1,918	2,200
		<b>25,331</b>	<b>16,558</b>
<b>33 OTHER CHARGES</b>			
Penalties imposed by State Bank of Pakistan		32,986	16,152
Operational loss		22,427	5,628
		<b>55,393</b>	<b>21,780</b>
<b>34 PROVISIONS &amp; WRITE OFFS - NET</b>			
Impairment in the value of investments	10.3.1	-	22,723
Provisions against loans & advances	11.3	1,455,209	377,007
Provision against other assets - net	15.4.1	-	239,121
Reversal against off balance sheet items	21.1	-	(8,724)
Write offs against fixed assets	12.2	2,612	34,765
Recovery of written off / charged off bad debts		(189,148)	(111,155)
		<b>1,268,673</b>	<b>553,737</b>
<b>35 TAXATION</b>			
Current		54,202	-
Prior years		-	(5,399)
Deferred		492,693	256,659
		<b>546,895</b>	<b>251,260</b>
<b>35.1 Relationship between tax expense and accounting profit</b>			
Profit before tax		1,878,828	1,386,548
Tax rate		39%	35%
Tax at applicable rate		731,983	485,282
Permanent difference		(193,499)	(236,472)
Deferred tax asset / minimum tax credit written off / adjusted		-	1,875
Others		8,431	565
		<b>546,895</b>	<b>251,260</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

**35.2** The income tax returns of the Bank have been submitted up to Tax Year 2018. The Bank has filed appeals before Appellate Tribunal Inland Revenue (ATIR) against certain disallowances amounting to Rs. 1,996 million (2017: Rs. 1,996 million) made by Tax officer for Assessment / Tax Year(s) 2000-2001, 2001-2002, 2002-2003 and 2004. The disallowances amounting to Rs. 682 million (2017: Rs. 682 million) in respect of Tax Years 2003 and 2006 are pending at Commissioner Inland Revenue (Appeals). Management is confident that the outcome of these appeals would be in favor of the Bank.

**35.3** Income tax returns for Tax Years 2011 and 2014 were selected for audit. The proceedings of the audit are in process, no order has been passed by the relevant tax authorities. The proceedings u/s 161/205 of the Income Tax Ordinance, 2001 regarding monitoring of withholding taxes pertaining to the Tax Years 2011 to 2014 were completed in prior years.

Orders were issued by the Assessing Officer creating total tax demand of Rs. 39 million (already paid by the Bank) along with default surcharge of Rs. 17 million. The Bank's appeals against orders u/s 161/205 for Tax Years 2013 and 2014 before the Commissioner Inland Revenue (Appeals - II) were rejected after which appeals before the ATIR, Karachi have been filed, which are pending hearing. Management is confident that the outcome of these appeals would be in favor of the Bank.

**35.4** The Bank's return in respect of AJK operations have been submitted up to and including Tax Year 2018. Certain appeals were filed before the various Appellate and other forums which are either pending for adjudication or the proceedings initiated against the Bank have been dropped / withdrawn. Management is confident that the outcome of pending appeals would be in favor of the Bank.

	Note	2018 Rupees in '000	2017
<b>36 BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit for the year		1,329,933	1,135,288
Weighted average number of ordinary shares		9,081,881	9,040,522
Basic and Diluted Earnings Per Share (Rupee)		0.15	0.13
<b>37 CASH AND CASH EQUIVALENTS</b>			
Cash and balance with treasury banks	7	8,871,587	8,413,176
Balance with other banks	8	309,994	218,420
		9,181,581	8,631,596

<b>38 STAFF STRENGTH</b>		Number of persons	
Permanent		1,428	1,410
On Bank contract		2,684	72
Bank's own staff strength at the end of the year		4,112	1,482
Outsourced	38.1	-	2,229
Total staff strength		4,112	3,711

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

## 39 DEFINED BENEFIT PLAN

### 39.1 General description

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

entitlement of the employees commences on completion of five years with the Bank beginning from January 01, 2005. Projected Unit Credit Actuarial Cost Method has been used for actuarial valuation dated December 31, 2018. The financial statements of the fund are separately prepared and audited and are not included as part of these financial statements. Contributed funds are placed in separate bank accounts maintained with the Bank in fixed deposit and super saver scheme at the rates ranging from 4% to 10% (2017: 3.75% to 6.60%).

## 39.2 Number of employees under the scheme

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

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

## 39.3 Principal actuarial assumptions

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

	Note	2018	2017
<b>Financial assumptions</b>			
Discount rate	39.3.1	13.25%	8.25%
Expected rate of return on plan assets		0.74%	4.46%
Expected rate of salary increase		12.25%	7.25%
<b>Demographic assumptions</b>			
Mortality rates (for death in service)		SLIC (2001-05)-1	SLIC (2001-05)-1
Rates of employee turnover		Ultra Heavy Rates	Ultra Heavy Rates
Normal retirement age (years)		60 years	60 years

\* Salary increments were assumed to be given on 1st January each year.

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

	Note	2018 Rupees in '000	2017
<b>39.4 Reconciliation of payable to / (receivable from) defined benefit plans</b>			
Present value of obligations		607,536	523,307
Fair value of plan assets		(586,037)	(533,514)
Payable / (receivable)		21,499	(10,207)
<b>39.5 Movement in defined benefit obligations</b>			
Obligations at the beginning of the year		523,307	433,989
Current service cost		74,938	65,334
Interest cost		42,960	35,051
Benefits paid by the Bank		(55,439)	(33,041)
Re-measurement loss	39.8.2	21,770	21,974
Obligations at the end of the year		607,536	523,307



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018 Rupees in '000	2017
<b>39.6 Movement in fair value of plan assets</b>			
Fair value at the beginning of the year		533,514	482,886
Interest income on plan assets		43,770	38,463
Contribution by the Bank - net		74,128	61,922
Benefits paid by the Bank		(55,439)	(33,041)
Re-measurements: Net return on plan assets over interest loss	39.8.2	(9,936)	(16,496)
Fair value at the end of the year		586,037	533,514
<b>39.7 Movement in (receivable) / payable under defined benefit schemes</b>			
Opening balance		(10,207)	(48,677)
Charge / (reversal) for the year		74,128	61,922
Contribution by the Bank - net		(74,128)	(61,922)
Re-measurement loss / (gain) recognised in OCI during the year		31,706	38,470
Closing balance		21,499	(10,207)
<b>39.8 Charge for defined benefit plans</b>			
<b>39.8.1 Cost recognised in profit and loss</b>			
Current service cost		74,838	65,334
Net interest on defined benefit asset / liability		(810)	(3,412)
		74,128	61,922
<b>39.8.2 Re-measurements recognised in OCI during the year</b>			
Loss on obligation			
- Financial assumptions		15,162	678
- Experience adjustment		6,608	21,296
Return on plan assets over interest loss		9,936	16,496
Total re-measurements recognised in OCI		31,706	38,470
<b>39.9 Components of plan assets</b>			
Cash and cash equivalents - net		28,477	105,864
Government Securities		159,693	26,447
Term Deposit Receipt		369,000	369,000
National Investment Trust Units		10,086	11,841
Mutual Funds		18,781	20,562
		586,037	533,514

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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

## 39.10 Sensitivity analysis

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

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

**39.11** Expected contributions to be paid to the fund in the next financial year

85,353

**39.12** Expected charge for the next financial year

85,353

## 39.13 Maturity profile

The weighted average duration of the obligation (in years)

2018	2017
5.34	5.50

## 39.14 Funding policy

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

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

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## Asset volatility

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

## Changes in bond yields

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

## Inflation risk

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

## Life expectancy / withdrawal rate

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

## Retention risk

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

## Final salary risk

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

## Model risk

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## Operational Risk related to a separate entity

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

## Compliance risk

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

## Legal / political risk

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

## Concentration risk of Investment in self

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

40

## DEFINED CONTRIBUTION PLAN

The Bank operates an approved funded contributory provident fund for all its permanent employees to which equal monthly contributions are made both by the Bank and the employees at the rate of 8.33% of basic salary. The financial statements of the fund are separately prepared and audited and are not included as part of these financial statements. Contribution funds are placed with separate bank accounts maintained with the Bank in fixed deposit and super saver scheme at the rates ranging from 4% to 15% (2017: 4% to 15%).



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 41 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

### 41.1 Total Compensation Expense

2018						
Items	Directors			Members Shariah Board	President / CEO	Key Management Personnel
	Chairman	Executives (other than CEO)	Non- Executives			
Rupees in '000						
Fees and allowance	6,185	-	30,400	10,365	-	-
Managerial remuneration	-	18,526	-	1,154	42,882	558,468
Contribution to defined contribution plan	-	1,543	-	72	3,572	41,490
Rent & house maintenance	-	9,263	-	577	21,441	279,234
Utilities	-	-	-	-	3,171	-
Medical	-	1,853	-	115	4,288	56,094
Conveyance	-	3,705	-	231	8,576	111,893
Car	-	-	-	302	-	-
Bonus and Others	-	4,879	-	-	15,000	131,960
Total	6,185	39,769	30,400	12,816	98,930	1,178,939
Number of Persons	1	1	5	3	1	214

2017						
Items	Directors			Members Shariah Board	President / CEO	Key Management Personnel
	Chairman	Executives (other than CEO)	Non- Executives			
Rupees in '000						
Fees and allowances	5,550	-	27,550	7,320	-	-
Managerial remuneration	-	17,902	-	1,576	41,137	467,372
Contribution to defined contribution plan	-	1,491	-	120	3,427	36,486
Rent & house maintenance	-	8,951	-	788	20,569	233,687
Utilities	-	361	-	-	2,052	-
Medical	-	1,790	-	158	4,114	46,737
Conveyance	-	3,840	-	315	8,227	93,474
Bonus and Others	-	2,897	-	94	15,000	143,984
Total	5,550	37,232	27,550	10,371	94,528	1,021,740
Number of Persons	1	1	7	3	1	184

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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

2018							
Sr. No.	Name of Director	Meeting fees and allowances paid					
		Board Committees					
		Board meetings	Human Resource Committee	Risk Committee	Audit Committee	IT Committee	Total Amount Paid
Rupees in '000							
1	Mr. Munnawar Hamid	3,810	2,375	-	-	-	5,185
2	Mr. Khalid Aziz Mirza	2,850	2,375	-	-	-	5,225
3	Mr. Shehzad Enver Murad	2,850	-	1,900	1,900	-	6,650
4	Mr. Nasim Beg	2,850	-	-	1,900	1,900	6,650
5	Mr. Tariq Iqbal Khan	2,850	-	1,900	1,900	-	6,650
6	Mr. Rashid Akhtar Chughtai	2,850	2,375	-	-	-	5,225
Total		18,060	7,125	3,800	5,700	1,900	36,585

2017							
Sr. No.	Name of Director	Meeting fees and allowances paid					
		Board Committees					
		Board meetings	Human Resource Committee	Risk Committee	Audit Committee	IT Committee	Total Amount Paid
Rupees in '000							
1	Mr. Munnawar Hamid	3,175	2,375	-	-	-	5,550
2	Mr. Adnan Afridi	1,425	-	1,425	950	-	3,800
3	Mr. Khalid Aziz Mirza	2,375	2,375	-	-	-	4,750
4	Mr. Tariq Iqbal Khan	2,375	-	950	1,900	-	5,225
5	Mr. Nasim Beg	1,900	-	-	1,900	950	4,750
6	Mr. Rashid Akhtar Chughtai	950	950	-	-	-	1,900
7	Mr. Shamsul Hasan	2,375	-	1,900	-	950	5,225
8	Mr. Shehzad Enver Murad	950	-	475	475	-	1,900
Total		15,525	5,700	4,750	5,225	1,900	33,100



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 41.3 Remuneration paid to Shariah Board Members

Items	2018			2017		
	Chairman	Resident Members	Non-Resident Member(s)	Chairman	Resident Members	Non-Resident Member(s)
Rupees in '000						
Fees and Allowances	8,000	2,385	-	6,400	920	-
b. Managerial Remuneration						
i) Fixed	-	1,154	-	-	1,576	-
ii) Cash Bonus / Awards	-	-	-	-	94	-
Contribution to defined contribution plan	-	72	-	-	120	-
Rent & house maintenance	-	577	-	-	788	-
Medical	-	115	-	-	158	-
Conveyance	-	231	-	-	315	-
Car	-	302	-	-	-	-
Total Amount	8,000	4,816	-	6,400	3,971	-
Total Number of Persons	1	2	-	1	2	-

## 42 FAIR VALUE MEASUREMENTS

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

Fair value of fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

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

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

### 42.1 Fair value of financial assets

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

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3:** Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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

	2018				
	Carrying Value	Level 1	Level 2	Level 3	Total
	Rupees in '000				
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments:					
Federal Government Securities					
Market Treasury Bills	14,402,942	-	14,402,942	-	14,402,942
Pakistan Investment Bonds	10,048,285	-	10,048,285	-	10,048,285
GOP Ijara Sukuks	3,851,647	-	3,851,647	-	3,851,647
Shares					
Listed companies	135,369	135,369	-	-	135,369
Non-Government Debt Securities					
Sukuks - listed	300,241	-	300,241	-	300,241
Term Finance Certificates - listed	61,875	-	61,875	-	61,875
	28,798,339	135,369	28,662,970	-	28,798,339
Financial assets - disclosed but not measured at fair value					
Cash and balances with treasury banks	8,871,567	-	-	-	-
Balances with other banks	309,994	-	-	-	-
Lendings to financial institutions	12,612,156	-	-	-	-
Advances	98,354,002	-	-	-	-
Other assets	6,004,469	-	-	-	-
	126,152,188	-	-	-	-
	154,950,527	135,369	28,662,970	-	28,798,339
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	10,847,908	-	10,847,908	-	10,847,908
Forward sale of foreign exchange	4,561,174	-	4,561,174	-	4,561,174
Forward purchase of government securities transactions	-	-	-	-	-
Forward sale of government securities transactions	11,416,204	-	11,416,204	-	11,416,204



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	2017				
	Carrying Value	Level 1	Level 2	Level 3	Total
	Rupees in '000				
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments:					
Federal Government Securities					
Market Treasury Bills	18,558,147	-	18,558,147	-	18,558,147
Pakistan Investment Bonds	15,573,064	-	15,573,064	-	15,573,064
GOP Ijara Sukuks	3,697,391	-	3,697,391	-	3,697,391
Shares					
Listed companies	29,543	29,543	-	-	29,543
Non-Government Debt Securities					
Sukuks - listed	201,250	-	201,250	-	201,250
Term Finance Certificates - listed	89,328	-	89,328	-	89,328
	38,148,723	29,543	38,119,180	-	38,148,723

## Financial assets - disclosed but not measured at fair value

Cash and balances with treasury banks	8,413,176	-	-	-	-
Balances with other banks	218,420	-	-	-	-
Lendings to financial institutions	8,620,849	-	-	-	-
Advances	85,850,715	-	-	-	-
Other assets	5,435,637	-	-	-	-
	108,538,587	-	-	-	-
	146,687,320	29,543	38,119,180	-	38,148,723

## Off-balance sheet financial instruments - measured at fair value

Forward purchase of foreign exchange	8,479,756	-	8,479,756	-	8,479,756
Forward sale of foreign exchange	2,798,688	-	2,798,688	-	2,798,688
Forward purchase of government securities transactions	-	-	-	-	-
Forward sale of government securities transactions	-	-	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

## 42.2 Fair value of non-financial assets

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

	2018			
	Carrying Value	Level 1	Level 2	Level 3
	Rupees in '000			
Operating fixed assets - land and buildings	2,458,687	-	-	2,458,687
Non-banking assets acquired in satisfaction of claims	9,233,733	-	-	9,233,733
	11,692,420	-	-	11,692,420

	2017			
	Carrying Value	Level 1	Level 2	Level 3
	Rupees in '000			
Operating fixed assets - land and buildings	2,526,521	-	-	2,526,521
Non-banking assets acquired in satisfaction of claims	10,839,165	-	-	10,839,165
	13,365,686	-	-	13,365,686

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 43 SEGMENT INFORMATION

### 43.1 Segment Details with respect to Business Activities

2018			
Consumer / SME	Whole Sale Banking	Treasury	Total

Rupees in '000

#### Profit and Loss Account

Net mark-up / return / profit	6,780,924	(85,183)	(90,263)	6,605,478
Inter segment revenue - net	-	-	-	-
Non mark-up / return / interest income	1,649,310	1,541,655	223,907	3,414,872
Total income	8,430,234	1,456,472	133,644	10,020,350
Segment direct expenses	(3,968,863)	(2,826,178)	(79,682)	(6,874,723)
Inter segment expense allocation	(1,473,083)	1,571,362	(98,405)	(128)
Total expenses	(5,441,946)	(1,254,816)	(178,087)	(6,874,849)
Provisions	(601,833)	(666,840)	-	(1,268,673)
<b>Profit before tax</b>	<b>2,386,455</b>	<b>(465,184)</b>	<b>(44,443)</b>	<b>1,876,828</b>

#### Statement of Financial Position

Cash & Bank balances	221,951	2,227,938	6,731,672	9,181,561
Investments	-	83,690	28,841,303	28,924,993
Net inter segment lending	84,558,293	9,519,178	93,706,490	187,783,961
Lendings to financial institutions	946,622	-	11,665,534	12,612,156
Advances - performing	56,914,787	34,761,816	2,559	91,678,962
Advances - non-performing	1,652,645	5,022,395	-	6,675,040
Others	1,904,091	22,695,161	4,822	24,604,074
<b>Total Assets</b>	<b>146,198,389</b>	<b>74,309,978</b>	<b>140,952,380</b>	<b>361,460,747</b>
Borrowings	510,367	1,136,700	16,404,787	18,051,854
Subordinated debt	-	1,999,600	-	1,999,600
Deposits & other accounts	117,574,889	15,089,195	-	132,664,084
Net inter segment borrowing	22,764,494	40,308,280	124,711,207	187,783,961
Others	3,023,639	3,502,267	48,595	6,574,501
<b>Total Liabilities</b>	<b>143,873,389</b>	<b>62,036,022</b>	<b>141,164,589</b>	<b>347,074,000</b>
Equity	2,325,000	12,053,245	(1,498)	14,386,747
<b>Total Equity &amp; liabilities</b>	<b>146,198,389</b>	<b>74,099,267</b>	<b>141,163,091</b>	<b>361,460,747</b>
Contingencies & Commitments	1,108,224	19,420,194	26,825,286	47,353,704

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

2017			
Consumer / SME	Whole Sale Banking	Treasury	Total

Rupees in '000

#### Profit and Loss Account

Net mark-up / return / profit	5,488,090	(41,583)	39,547	5,486,054
Inter segment revenue - net	-	-	-	-
Non mark-up / return / interest income	1,418,822	1,321,231	203,415	2,943,468
Total income	6,906,912	1,279,648	242,962	8,429,522
Segment direct expenses	(3,402,048)	(1,556,459)	(79,047)	(5,037,554)
Inter segment expense allocation	(1,450,441)	99,690	(100,932)	(1,451,683)
Total expenses	(4,852,489)	(1,456,769)	(179,979)	(6,489,237)
Provisions	(490,130)	(63,607)	-	(553,737)
<b>Profit before tax</b>	<b>1,564,293</b>	<b>(240,728)</b>	<b>62,983</b>	<b>1,386,548</b>

#### Statement of Financial Position

Cash & Bank balances	-	2,214,268	6,417,328	8,631,596
Investments	3,897,391	83,690	34,485,654	38,266,735
Net inter segment lending	76,710,329	3,965,888	65,598,149	146,274,366
Lendings to financial institutions	422,567	-	8,198,082	8,620,649
Advances - performing - net	44,131,758	39,569,660	20,284	83,721,702
Advances - non-performing - net	702,972	1,426,041	-	2,129,013
Others	1,161,593	24,316,094	7,150	25,484,837
<b>Total Assets</b>	<b>126,828,610</b>	<b>71,575,641</b>	<b>114,726,647</b>	<b>313,128,898</b>
Borrowings	428,872	1,076,700	34,076,428	35,582,000
Subordinated debt	-	2,000,000	-	2,000,000
Deposits & other accounts	100,724,751	9,553,056	-	110,277,807
Net inter segment borrowing	20,802,520	44,995,629	80,676,217	146,274,366
Others	4,082,263	1,657,745	63,371	5,813,379
<b>Total liabilities</b>	<b>125,848,408</b>	<b>59,283,130</b>	<b>114,816,016</b>	<b>299,947,552</b>
Equity	2,325,000	10,892,031	(35,685)	13,181,346
<b>Total Equity &amp; liabilities</b>	<b>128,173,408</b>	<b>70,175,161</b>	<b>114,780,331</b>	<b>313,128,898</b>
Contingencies & Commitments	414,317	24,362,531	11,278,444	36,055,292

## 44 TRUST ACTIVITIES

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 45 RELATED PARTY TRANSACTIONS

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

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

Majority of the transactions with related parties comprise loans and advances, deposits, issuance of letters of credit and guarantees. Advances for the house building, conveyance and for personal use have also been provided to the staff and executives at reduced rates in accordance with the employment and pay policy and such advances have not been disclosed in the following schedule. Facility of group life insurance and hospitalisation insurance is also provided to staff and executives. In addition to this, executives of the Bank have been provided with Bank maintained cars.

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

	2018				2017			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
	Rupees in '000							
<b>Investments</b>								
Opening balance	-	-	118,012	-	-	-	102,824	220,733
Investment made / share profit during the year	-	-	8,642	230,535	-	-	15,188	348,908
Investment redeemed / disposed off during the year	-	-	-	(118,288)	-	-	-	(570,641)
Closing balance	-	-	126,654	112,248	-	-	118,012	-
<b>Advances</b>								
Opening balance	1,889	3,172	-	1,376,989	248	1,748	-	1,175,135
Addition during the year	68,806	48,448	-	4,034,041	58,464	27,917	-	2,866,139
Repaid during the year	(82,410)	(44,162)	-	(4,288,157)	(66,823)	(26,493)	-	(2,754,276)
Closing balance	9,085	7,458	-	1,122,873	1,889	3,172	-	1,376,989
Provision held against advances	-	-	-	130,608	-	-	-	130,608
<b>Other Assets</b>								
Interest / mark-up accrued	167	-	-	36,750	-	-	-	33,221
Insurance claim receivable	-	-	16,334	-	-	-	28,968	-
Prepaid insurance	-	-	12,448	-	-	-	13,064	-
<b>Deposits and other accounts</b>								
Opening balance	8,301	118,117	18,308	2,314,888	18,181	132,732	15,806	1,306,879
Received during the year	578,977	915,919	125,002	10,712,767	317,182	801,893	153,367	10,360,330
Withdrawn during the year	(581,858)	(968,844)	(125,054)	(11,803,970)	(327,052)	(816,488)	(150,965)	(9,352,421)
Closing balance	5,020	64,292	18,256	2,023,685	8,301	118,117	18,308	2,314,888
<b>Other Liabilities</b>								
Interest / mark-up payable	-	-	16	23,825	11	64	444	21,354
<b>Contingencies and Commitments</b>								
Other contingencies	-	-	-	-	-	-	-	446,854
<b>Income</b>								
Mark-up / return / interest earned	300	1,467	-	95,270	99	901	-	115,989
Dividend income	-	-	-	2,190	-	-	-	10,335
Net gain on sale of securities	-	-	-	311	-	-	-	9,073
Share of profit from associate	-	-	8,642	-	-	-	3,661	-
<b>Expense</b>								
Mark-up / return / interest paid	327	3,389	930	81,435	345	2,206	819	85,890
Services rendered	-	-	-	147,859	-	-	-	152,231
Short term employment benefits	133,584	345,975	-	-	126,840	364,988	-	-
Contribution to Defined benefit Plan	5,115	10,964	-	-	4,918	12,808	-	-
Meeting fee	38,588	-	-	-	33,100	-	-	-
Insurance premium paid	-	-	41,815	-	-	-	36,812	-
Insurance claims settled	-	-	16,889	-	-	-	2,938	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 46 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

### Minimum Capital Requirement

Paid-up capital (net of losses)

### Capital Adequacy Ratio

Eligible Common Equity Tier 1 Capital

Eligible Additional Tier 1 Capital

Total Eligible Tier 1 Capital

Eligible Tier 2 Capital

Total Eligible Capital (Tier 1 + Tier 2)

### Risk Weighted Assets

Credit Risk

Market Risk

Operational Risk

Total

Common Equity Tier 1 Capital Adequacy ratio

Tier 1 Capital Adequacy Ratio

Total Capital Adequacy Ratio

2018 2017

Rupees in '000

Paid-up capital (net of losses)	13,634,864	12,573,720
Eligible Common Equity Tier 1 Capital	11,626,548	10,176,784
Eligible Additional Tier 1 Capital	-	-
Total Eligible Tier 1 Capital	11,626,548	10,176,784
Eligible Tier 2 Capital	3,401,387	3,337,571
Total Eligible Capital (Tier 1 + Tier 2)	15,027,935	13,514,355
Credit Risk	121,482,278	110,807,499
Market Risk	540,950	530,336
Operational Risk	15,554,275	12,137,545
Total	137,577,503	123,475,380
Common Equity Tier 1 Capital Adequacy ratio	8.45%	8.24%
Tier 1 Capital Adequacy Ratio	8.45%	8.24%
Total Capital Adequacy Ratio	10.92%	10.94%

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

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

- Common Equity Tier 1 (CET1) ratio of 7.90% including Capital Conservation Buffer (CCB) of 1.90%
- Tier 1 ratio of 8.40% including CCB of 1.90%
- Total Capital Adequacy Ratio (CAR) of 11.90% including CCB of 1.90%

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

2018 2017

Rupees in '000

### Leverage Ratio

Tier-1 Capital

Total Exposures

Leverage Ratio

### Liquidity Coverage Ratio

Total High Quality Liquid Assets

Total Net Cash Outflow

Liquidity Coverage Ratio

### Net Stable Funding Ratio (NSFR)

Total Available Stable Funding

Total Required Stable Funding

Net Stable Funding Ratio

Tier-1 Capital	11,626,548	10,176,784
Total Exposures	193,845,360	190,833,864
Leverage Ratio	6.00%	5.33%
Total High Quality Liquid Assets	28,934,249	27,452,651
Total Net Cash Outflow	33,405,053	31,538,771
Liquidity Coverage Ratio	86.41%	87.04%
Total Available Stable Funding	116,179,685	108,979,040
Total Required Stable Funding	111,666,311	101,418,277
Net Stable Funding Ratio	104.04%	107.46%



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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

## 47 RISK MANAGEMENT

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

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

### 47.1 Credit Risk

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

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

Risk Management structure includes credit approval, credit administration, centralised processing, credit monitoring and Basel III functions reporting to the Risk Management Group Head. Senior and experienced officials are heading each risk category.

The Bank manages credit risk through:

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

Credit risk management objectives and policies are:

- Credit risk is the risk that a counterparty will not settle its obligation in accordance with the terms of approval or agreed terms.
- Credit exposures include both individual borrowers and groups of connected counterparties and portfolios in the banking and trading books.
- Credit Risk Policy and Management Group (CRP&MG) is structured to effectively analyse, monitor and manage credit risk through its policies and procedures closely aligned with the Bank's business plan, SBP's Prudential Regulations and Basel III requirements.
- Sanctioning authority and approval levels for all facilities is conferred by the Board of Directors upon various functionaries of the Bank and is circulated through circulars issued by CRP&MG. Credit Sanctioning Powers / Authority Levels in terms of BOD approval, as enhanced / amended from time to time, related to the total exposure of a customer or a customer group and not to specific loans.

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

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

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

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

### 47.1.1 Lendings to financial institutions

Credit risk by public / private sector	Gross lendings		Non-performing lendings		Provision held	
	2018	2017	2018	2017	2018	2017
	Rupees in '000					
Public / Government	-	-	-	-	-	-
Private	12,812,156	8,620,649	-	-	-	-
	12,812,156	8,620,649	-	-	-	-

### 47.1.2 Investment in debt securities

Credit risk by industry sector	Gross investments		Non-performing investments		Provision held	
	2018	2017	2018	2017	2018	2017
	Rupees in '000					
Textile	8,780	8,780	8,780	8,780	8,780	8,780
Financial	74,910	74,910	74,910	74,910	74,910	74,910
Energy	200,000	200,000	-	-	-	-
Service	82,500	87,500	-	-	-	-
Government	28,523,821	37,887,043	-	-	-	-
Others	98,627	-	-	-	-	-
	28,969,538	38,258,233	83,690	83,690	83,690	83,690

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 47.1.3 Advances

Credit risk by industry sector	Gross advances		Non-performing advances		Provision held	
	2018	2017	2018	2017	2018	2017
Rupees in '000						
Agriculture, Forestry, Hunting and Fishing	652,868	528,039	9,786	20,350	8,791	15,038
Mining and Quarrying	25,159	31,307	-	-	-	-
Textile	4,184,431	6,408,482	2,009,018	2,025,734	1,791,338	1,452,387
Chemical and Pharmaceuticals	1,398,893	1,776,008	62,631	76,112	19,307	25,499
Cement	149,704	256,569	59,786	59,786	56,043	54,796
Sugar	5,882,782	6,408,482	5,900	6,500	5,500	6,500
Footwear and Leather garments	307,681	306,175	17,807	53,826	10,758	36,621
Automobile and transportation equipment	728,733	565,691	513,471	516,971	513,151	516,650
Electronics and electrical appliances	2,704,092	1,521,313	591,112	600,529	484,408	415,181
Real Estate and Construction	24,304,294	16,102,207	108,354	41,396	31,711	33,414
Power (electricity), Gas, Water, Sanitary	511,278	831,896	-	-	-	-
Wholesale and Retail Trade	16,811,842	10,055,802	252,502	48,790	40,702	42,790
Exports / Imports	156,059	309,273	908,455	719,205	414,738	257,420
Transport, communication and travelling	1,079,372	3,285,921	296,366	-	52,077	-
Financial	1,400,748	1,498,986	87,076	87,076	87,076	87,076
Insurance	-	-	-	-	-	-
Services	12,421,045	14,410,794	289,520	306,153	167,240	200,293
Individuals	20,637,902	16,810,757	1,109,631	1,166,748	659,882	527,844
Hotel & Resorts	977,507	787,489	-	1,000	-	1,000
Telecommunications	1,003,267	334,243	-	-	-	-
Printing and Publishing	120,192	205,658	-	-	-	-
Hospital and medical	32,587	53,864	-	-	-	-
Food and beverages	1,692,020	1,875,400	-	72,215	-	45,158
Rubber and plastics products	450,099	282,247	-	-	-	-
Iron, steel & engineering	2,662,816	3,899,978	-	57,611	-	13,122
Education	1,219,130	1,584,528	-	-	-	-
Others	2,181,727	6,895	354,125	-	201,721	-
	103,566,168	90,137,784	6,675,040	5,859,802	4,524,443	3,730,789

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 47.1.4 Contingencies and Commitments

### Credit risk by industry sector

	2018	2017
Rupees in '000		
Agriculture, Forestry, Hunting and Fishing	215	2,000
Textile	393,663	556,330
Chemical and Pharmaceuticals	224,055	270,204
Cement	224,366	211,184
Sugar	-	450,000
Footwear and Leather garments	187,769	21,362
Automobile and transportation equipment	51,335	423,585
Electronics and electrical appliances	449,226	1,381,038
Real Estate and Construction	1,794,782	810,811
Power (electricity), Gas, Water, Sanitary	222,166	852,934
Wholesale and Retail Trade	861,458	-
Exports / Imports	34,932	1,016,649
Financial	30,028,189	14,125,445
Insurance	360	-
Services	6,732,626	9,783,268
Individuals	1,063,854	105,659
Hotel & Resorts	86,248	28,326
Telecommunications	270,493	543,390
Printing and Publishing	82,861	88,518
Transport, communication and travelling	109,835	197,748
Hospital and medical	165,154	154,363
Food and beverages	869,952	167,158
Rubber and plastics products	265,755	111,417
Others	3,234,310	4,753,947
	47,353,704	36,055,292

### Credit risk by public / private sector

	2018	2017
Public / Government	8,977,014	11,242,313
Private	38,376,690	24,812,979
	47,353,704	36,055,292

## 47.1.5 Concentration of Advances

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

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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

	2018		2017	
	Non Performing Loans	Provision held	Non Performing Loans	Provision held
Rupees in '000				
Substandard	983,161	127,978	863,102	79,824
Doubtful	521,267	49,873	857,525	128,389
Loss	5,170,612	4,346,592	4,339,175	3,522,576
Total	6,675,040	4,524,443	5,859,802	3,730,789

## 47.1.6 Advances - Province / Region-wise Disbursement & Utilization

Province / Region	Disbursements	2018 Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit- Baltistan
		Rupees in '000					
Punjab	89,456,057	57,595,443	31,860,614	-	-	-	-
Sindh	36,685,347	4,420,745	32,264,602	-	-	-	-
KPK including FATA	202,035	65,480	81,496	55,059	-	-	-
Balochistan	160	-	-	-	160	-	-
Islamabad	18,942,292	10,480,301	4,880,574	-	-	3,581,417	-
AJK including Gilgit-Baltistan	290	100	-	-	-	-	190
Total	145,286,181	72,562,069	69,037,286	55,059	160	3,581,417	190

Provinces / Region	Disbursements	2017 Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
		Rupees in '000					
Punjab	77,592,738	46,244,404	23,617,336	55,364	531,045	7,142,443	2,094
Sindh	42,955,353	17,138,985	21,701,157	1,857	-	4,113,344	-
KPK including FATA	175,263	170,852	4,411	-	-	-	-
Balochistan	-	-	-	-	-	-	-
Islamabad	7,103,474	3,576,267	3,525,513	-	-	1,694	-
AJK including Gilgit-Baltistan	186,369	70,781	115,563	-	-	25	-
Total	128,013,167	67,201,299	48,983,982	57,241	531,045	11,257,506	2,094

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 47.2 Market Risk

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

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

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

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

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

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

## 47.2.1 Balance sheet split by trading and banking books

	2018			2017		
	Banking book	Trading book	Total	Banking book	Trading book	Total
Rupees in '000						
Cash and balances with treasury banks	8,871,567	-	8,871,567	8,413,178	-	8,413,178
Balances with other banks	309,894	-	309,894	218,420	-	218,420
Lendings to financial institutions	12,612,158	-	12,612,158	8,620,649	-	8,620,649
Investments	18,873,556	10,051,437	28,924,993	35,633,192	2,633,543	38,266,735
Advances	98,354,002	-	98,354,002	85,850,715	-	85,850,715
Fixed assets	3,981,271	-	3,981,271	3,834,845	-	3,834,845
Intangible assets	226,840	-	226,840	241,901	-	241,901
Deferred tax assets	3,058,647	-	3,058,647	3,476,129	-	3,476,129
Other assets	17,337,316	-	17,337,316	17,831,962	-	17,831,962
	163,625,349	10,051,437	173,676,786	164,220,969	2,633,543	166,854,532

## 47.2.2 Foreign Exchange Risk

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

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018				2017			
	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure
Rupees in '000								
Pakistan Rupee	170,013,005	140,237,018	(6,252,471)	14,323,518	164,400,112	145,817,249	(5,672,938)	13,109,925
United States Dollar	3,162,382	8,582,494	5,201,684	(218,428)	2,181,359	8,795,135	4,672,220	58,440
Great Britain Pound Sterling	212,342	723,529	514,573	3,686	183,558	701,847	520,516	(572)
Euro	229,600	747,000	518,764	2,364	80,116	558,390	480,202	1,328
Japanese Yen	5,897	-	-	5,897	1,675	161	-	1,514
Other currencies	53,560	-	15,150	69,710	10,711	-	-	10,711
	173,678,796	150,290,039	-	14,386,747	166,854,532	153,673,186	-	13,181,346

Impact of 1% change in foreign exchange rates on  
Profit and loss account  
+1% change  
-1% change

	2018		2017	
	Banking book	Trading book	Banking book	Trading book
Rupees in '000				
+1% change	1,367	-	713	-
-1% change	(1,367)	-	(713)	-

## 47.2.3 Equity position Risk

The risk arising from taking long or short positions, in the trading book, in the equities and all instruments that exhibit market behavior similar to equities. The Bank is exposed to equity price changes on its investments in Trading Book. These equity exposures are primarily related to market price movements in local equity market index. Changes in the overall value of equity trading book are recorded through profit and loss account. Bank's Investment Committee approves the investment stocks and their limits. It also reviews the portfolio with mark to market position on regular basis. Stop loss limits have been approved and are monitored on a regular basis.

Impact of 5% Change in equity prices on  
Other comprehensive income  
+5% change  
-5% change

	2018		2017	
	Banking book	Trading book	Banking book	Trading book
Rupees in '000				
+5% change	6,768	-	1,477	-
-5% change	(6,768)	-	(1,477)	-

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

Impact of 1% change interest rates on  
Profit and loss account  
+1% change  
-1% change  
Other comprehensive income  
+1% change  
-1% change

	2018		2017	
	Banking book	Trading book	Banking book	Trading book
Rupees in '000				
+1% change	-	28,544	-	(9,466)
-1% change	-	(28,544)	-	9,466
+1% change	464,661	-	(590,283)	-
-1% change	(464,661)	-	590,283	-

## 47.2.5 Mismatch of Interest rate sensitive assets and liabilities

2018											
Effective Yield / Interest rate	Total	Exposed to Yield / Interest risk									Not exposed to yield / interest risk
		Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	
Rupees in '000											
On-balance sheet financial instruments											
Assets											
Cash and balances with treasury banks	8,971,847	1,750,271	-	-	-	-	-	-	-	-	7,661,496
Balance with other banks	389,894	-	-	-	-	-	-	-	-	-	389,894
Lending to financial institutions	12,912,136	9,527,307	2,777,380	91,823	795,401	-	-	-	-	-	-
Investments	28,824,943	11,943,192	8,484,134	5,856,793	-	147,419	712,756	26	2,944,353	-	382,823
Advances - net	99,564,022	13,037,333	49,398,191	19,037,945	17,388,076	1,216,814	1,864,298	1,785,119	1,365,903	2,940,113	1,195,790
Other assets	4,735,388	-	-	-	-	-	-	-	-	-	4,735,388
	153,853,290	25,127,803	61,125,194	25,885,763	18,124,799	1,364,237	1,778,053	1,785,133	4,276,266	2,940,113	14,128,499
	7.25%										
Liabilities											
Bills payable	2,686,939	-	-	-	-	-	-	-	-	-	2,686,939
Borrowings	10,991,894	19,170,113	4,241,738	-	-	-	-	-	-	-	-
Deposits and other accounts	133,864,094	17,074,331	58,725,073	11,897,344	12,214,027	488,899	387,264	675,114	380,194	380,379	26,776,833
Liabilities against assets subject to finance lease	2,603	371	131	1,191	380	-	-	-	-	-	-
Subordinated loans	5,999,029	-	-	-	400	400	400	400	1,007,606	-	-
Other liabilities	3,785,279	-	-	-	-	-	-	-	-	-	3,785,279
	156,288,039	31,387,429	62,846,146	11,898,365	12,215,617	489,299	387,754	880,114	2,385,194	380,379	30,448,861
	10.91%										
	8.04%										
On-balance sheet gap											
	(5,477,845)	4,326,173	(13,623,650)	12,641,346	5,909,082	875,937	1,370,299	429,219	1,025,192	1,559,734	(23,219,772)
Commitments in respect of forward exchange contracts - Purchase											
	12,947,808	2,686,528	3,749,400	4,171,754	27,186	-	-	-	-	-	-
Commitments in respect of forward exchange contracts - Sale											
	(4,361,174)	(2,428,907)	(502,194)	(1,611,063)	-	-	-	-	-	-	-
Commitments in respect of forward government securities transactions - Purchase											
	-	-	-	-	-	-	-	-	-	-	-
Commitments in respect of forward government securities transactions - Sale											
	(11,491,230)	(9,396,280)	(2,480,390)	-	-	-	-	-	-	-	-
Off-balance sheet gap											
	(5,184,616)	(9,215,772)	(708,429)	(2,639,341)	27,186	-	-	-	-	-	-
Total Yield / Interest Risk Sensitivity Gap											
	(5,184,616)	(13,865,620)	(16,496,239)	(3,467,587)	5,936,268	875,937	1,370,299	429,219	1,025,192	1,559,734	(23,219,772)
Comprehensive Yield / Interest Risk Sensitivity Gap											
	(5,184,616)	(17,200,220)	(19,245,639)	(6,138,931)	5,936,268	5,948,239	1,287,204	1,394,482	9,115,679	11,617,412	(10,642,480)



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

		2017										Net exposure to yield / interest risk
Effective Yield / interest rate	Total	Exposed to Yield / Interest risk										
		Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years		
Rupees in '000												
<b>Assets</b>												
Cash and balances with money banks		5,415,176	-	-	-	-	-	-	-	-	5,415,176	
Balance with other banks		215,420	-	-	-	-	-	-	-	-	215,420	
Lending to financial institutions	5.91%	5,526,649	5,526,649	2,181,186	-	422,367	-	-	-	-	-	
Investments - net	5.78%	38,596,736	-	5,524,812	17,303,030	500,380	5,638,350	549,509	4,571,520	-	147,396	
Advances - net	11.35%	85,666,715	5,891,288	38,729,882	7,262,390	8,864,016	2,474,582	2,722,656	7,332,274	15,146,940	3,245,435	
Other assets		5,435,857	-	-	-	-	-	-	-	-	5,435,857	
		146,805,332	11,628,182	42,524,882	25,385,390	7,448,186	8,318,107	2,872,685	11,854,354	15,146,940	3,245,435	
<b>Liabilities</b>												
Bills payable		3,182,381	-	-	-	-	-	-	-	-	3,182,381	
Deposits	5.81%	26,080,800	31,872,282	3,281,287	213,324	-	-	-	-	-	109,037	
Deposits and other accounts	5.86%	110,277,837	11,884,481	44,482,336	10,586,546	13,329,739	415,387	335,186	898,387	803,854	303,213	
Liabilities against assets subject to finance lease	10.47%	8,880	305	679	1,041	2,182	2,860	-	-	-	-	
Subordinated loans	9.99%	2,000,000	-	286	-	280	480	-	360	1,998,209	-	
Other liabilities		1,829,338	-	-	-	-	-	-	-	-	1,829,338	
		122,289,823	43,857,068	47,780,592	10,712,891	13,332,101	418,323	335,586	899,187	2,201,854	303,213	
<b>Off-balance sheet gap</b>		15,763,571	51,748,069	5,296,896	14,775,289	5,561,030	7,891,737	2,538,679	11,244,387	15,638,969	2,942,222	
<b>Commitments in respect of forward exchange contracts - Purchase</b>												
		4,330,450	7,817,124	381,254	111,973	38,252	-	-	-	-	-	
<b>Commitments in respect of forward exchange contracts - Sale</b>												
		1,723,886	2,384,891	288,593	80,889	-	-	-	-	-	-	
<b>Off-balance sheet gap</b>		5,638,794	5,462,517	669,847	192,862	38,252	-	-	-	-	-	
<b>Total Yield / Interest Risk Sensitivity Gap</b>												
		28,295,389	15,182,238	14,797,692	5,550,731	7,691,737	2,538,679	11,244,387	15,638,969	2,242,222	18,266,521	
<b>Cumulative Yield / Interest Risk Sensitivity gap</b>												
		28,295,389	31,468,615	46,266,307	51,817,038	59,508,775	67,200,512	78,444,900	94,083,869	96,286,091	114,552,612	

	2018	2017
Rupees in '000		
<b>Reconciliation to total assets</b>		
Balance as per statement of financial position	173,876,786	166,854,532
<b>Less: Non-financial assets</b>		
Fixed assets	3,981,271	3,934,845
Intangible assets	226,840	241,901
Deferred tax assets	3,058,647	3,476,129
Other assets	12,597,930	12,396,325
	19,864,688	20,049,200
<b>Total financial assets</b>	153,812,098	146,805,332

	2018	2017
Rupees in '000		
<b>Reconciliation to total liabilities</b>		
Balance as per statement of financial position	159,290,039	153,673,186
<b>Less: Non-financial liabilities</b>		
Other liabilities	-	1,104,183
<b>Total financial liabilities</b>	159,290,039	152,569,003

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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

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

## 47.3 Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events

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

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

### 47.3.1 Operational Risk-Disclosures Basel II Specific

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

## 47.4 Liquidity risk

The risk of losses normally reflected due to unavailability of funds to meet short term demands, as the Bank's normal statutory liquidity reserves are not sufficient to meet its obligations.

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

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

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

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



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2018

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

	2018													
	Total	Up to 1 day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
	Rupees in '000													
<b>Assets</b>														
Cash and balances with treasury banks	8,071,807	36,971	105,852	87,172	155,834	142,348	558,894	225,191	88,201	88,851	734,897	134,887	2,425,489	3,888,865
Balances with other banks	366,884	1,180	10,142	4,889	5,711	7,698	5,673	12,848	5,813	5,813	41,291	41,291	62,982	82,814
Lending to financial institutions	12,812,158	-	4,995,747	4,943,940	417,820	1,077,889	-	81,381	-	735,832	-	-	-	-
Investments	26,354,382	-	892,342	-	10,368,840	5,075,383	558,894	5,324,383	-	147,813	774,628	300,289	2,571,227	6,494,989
Advances	86,254,382	29,194,884	622,859	883,251	1,987,188	5,214,308	3,623,842	5,211,286	671,812	3,125,858	12,879,608	7,081,191	26,273,858	6,494,989
Fixed assets	3,881,271	2,183	13,889	19,271	33,177	48,388	88,388	188,384	188,384	188,384	736,254	736,254	1,895,142	-
Intangible assets	228,848	184	188	879	1,888	3,781	3,781	11,343	11,343	45,388	45,388	98,888	98,888	-
Deferred tax assets	3,881,271	-	-	-	-	-	-	-	-	-	387,838	387,838	3,394,571	-
Other assets	17,237,315	24,882	103,879	48,888	1,188,888	2,284,878	3,322,882	887,442	127,882	558,888	1,218,328	7,188,811	485,888	1,798,215
	178,676,785	79,356,874	6,188,887	6,779,240	14,656,411	15,353,355	7,117,237	13,658,887	1,184,188	4,788,888	13,188,178	18,888,888	21,388,788	16,782,882
<b>Liabilities</b>														
Bills payable	2,888,888	88,888	412,188	188,241	154,888	88,788	71,247	222,182	184,872	184,872	188,847	188,847	278,884	278,884
Borrowings	13,881,884	-	13,848,881	3,388	131,881	3,848,888	378,212	-	-	-	-	-	-	-
Deposits and other accounts	132,884,884	82,884,884	3,888,888	1,811,221	5,884,331	3,478,882	4,871,388	12,188,888	4,881,244	7,788,888	987,272	888,888	1,207,388	1,771,888
Liabilities against assets subject to finance lease	2,888	-	-	-	871	214	277	1,381	388	-	-	-	-	-
Subordinated debt	1,888,888	-	-	-	-	-	288	-	288	-	-	-	-	-
Other liabilities	3,788,271	88,872	348,254	129,280	188,334	48,884	51,133	258,478	188,884	188,884	488,271	488,271	887,248	887,248
	188,288,888	82,888,874	17,218,881	2,388,131	1,882,888	7,418,881	3,482,881	12,871,881	4,881,881	5,181,881	1,278,881	1,481,881	3,388,881	4,888,881
<b>Net assets</b>	14,888,247	15,488,881	11,288,884	3,878,109	1,882,523	5,878,574	1,888,356	887,229	1,888,196	2,471,388	11,888,488	18,487,888	20,888,888	11,788,188
Share capital - net	35,471,374	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	888,888	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated loss	(8,787,318)	-	-	-	-	-	-	-	-	-	-	-	-	-
Deficit on revaluation of assets - net of tax	(88,288)	-	-	-	-	-	-	-	-	-	-	-	-	-
	14,888,247	-	-	-	-	-	-	-	-	-	-	-	-	-

	2017													
	Total	Up to 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
Rupees in '000														
<b>Assets</b>														
Cash and balances with treasury banks	8,413,178	8,413,178	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	218,428	218,428	-	-	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	8,605,648	-	3,714,678	487,281	1,814,718	2,181,188	422,887	-	-	-	-	-	-	-
Investments	38,288,728	-	-	-	-	732,175	17,823,888	-	-	151,580	2,984,088	178,188	7,311,821	-
Advances	85,884,715	28,713,025	282,871	328,488	4,487,889	2,415,138	2,735,680	5,448,301	844,732	887,484	8,328,024	9,027,774	17,841,882	5,888,888
Fixed assets	1,884,888	2,288	18,488	18,488	32,113	88,227	88,227	188,227	188,712	188,712	794,588	794,588	1,888,888	-
Intangible assets	241,881	112	188	188	1,888	3,781	3,781	40,221	10,128	10,128	48,581	48,581	91,081	-
Deferred tax assets	3,478,128	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	17,881,882	36,878	348,187	112,888	918,887	1,884,372	1,884,372	3,214,882	885,182	885,182	1,587,588	3,188,288	5,471,277	1,887,871
	188,884,882	37,887,888	4,128,288	218,182	6,284,157	6,415,488	5,582,881	14,118,817	1,678,711	1,984,888	14,628,028	18,888,128	31,752,388	2,882,382
<b>Liabilities</b>														
Bills payable	3,182,881	3,182,881	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	38,288,000	-	31,887,288	4,888	798,888	687,737	2,212,308	-	-	-	-	-	-	-
Deposits and other accounts	118,277,887	87,781,228	3,488,188	1,288,712	-	5,888,888	4,478,131	5,888,788	8,188,882	4,713,288	88,244	28,882	1,888	5,428,888
Liabilities against assets subject to finance lease	6,888	-	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt	2,888,888	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	2,878,518	888,221	348,254	129,280	188,334	48,884	51,133	258,478	188,884	188,884	488,271	488,271	887,248	887,248
	188,678,188	119,888,881	38,881,184	1,288,888	6,284,157	6,415,488	5,582,881	14,118,817	1,678,711	1,984,888	14,628,028	18,888,128	31,752,388	2,882,382
<b>Net assets</b>	13,187,248	15,888,881	11,288,884	3,878,109	1,882,523	5,878,574	1,888,356	887,229	1,888,196	2,471,388	11,888,488	18,487,888	20,888,888	11,788,188
Share capital - net	35,471,374	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	888,888	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated loss	(8,787,318)	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus on revaluation of assets - net of tax	88,288	-	-	-	-	-	-	-	-	-	-	-	-	-
	13,187,248	-	-	-	-	-	-	-	-	-	-	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2018

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

	2018											
	Total	Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years		
Rupees in '000												
<b>Assets</b>												
Cash and balances with treasury banks	8,071,807	488,888	248,378	225,191	178,882	734,897	734,897	1,428,489	1,188,888	734,888		
Balances with other banks	366,884	88,888	13,871	13,871	13,871	41,291	41,291	62,982	41,291	41,291		
Lending to financial institutions	12,812,158	8,071,388	2,077,888	31,288	734,882	-	-	-	-	-		
Investments	26,354,382	7,142,188	8,188,888	8,024,282	-	147,813	774,628	300,289	2,571,227	-		
Advances	86,254,382	5,848,888	11,887,138	1,481,213	1,188,847	11,418,785	13,481,288	32,884,211	7,887,788	1,424,484		
Fixed assets	3,881,271	41,718	132,788	188,884	388,137	788,388	788,388	1,888,142	-	-		
Intangible assets	228,848	241	7,881	11,342	22,884	45,388	45,388	98,388	-	-		
Deferred tax assets	3,881,271	-	-	-	-	387,388	387,388	387,388	3,394,388	-		
Other assets	17,237,315	1,941,242	4,888,172	887,442	888,788	1,218,328	7,188,811	485,888	1,798,215	-		
	123,878,788	28,884,888	23,813,842	15,222,882	1,188,813	19,888,288	29,888,142	38,888,188	18,888,818	1,718,882		
<b>Liabilities</b>												
Bills payable	2,888,888	748,884	188,188	288,182	888,148	888,147	888,147	278,884	188,887	187,475		
Borrowings	13,881,884	13,871,143	4,188,781	-	-	-	-	-	-	-		
Deposits and other accounts	132,884,884	82,884,884	11,888,887	14,813,888	14,813,787	12,879,888	11,879,818	34,843,242	11,879,718	11,888,888		
Liabilities against assets subject to finance lease	2,888	-	-	-	-	-	-	-	-	-		
Subordinated debt	1,888,888	-	-	-	-	-	-	-	-	-		
Other liabilities	3,788,271	112,872	348,254	129,280	188,334	48,884	51,133	258,478	188,884	188,884		
	158,288,888	118,888,881	18,188,881	15,222,882	15,222,882	12,879,888	11,879,818	34,843,242	11,879,718	11,888,888		
<b>Net assets</b>	14,888,247	15,488,881	11,288,884	3,878,109	1,882,523	5,878,574	1,888,356	887,229	1,888,196	2,471,388		
Share capital - net	35,471,374	-	-	-	-	-	-	-	-	-		
Reserves	888,888	-	-	-	-	-	-	-	-	-		
Accumulated loss	(8,787,318)	-	-	-	-	-	-	-	-	-		
Surplus on revaluation of assets - net of tax	88,288	-	-	-	-	-	-	-	-	-		
	14,888,247	-	-	-	-	-	-	-	-	-		

	2017										
	Total	Up to 1 Month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	
Rupees in '000											
<b>Assets</b>											
Cash and balances with monetary bodies	8,475,376	696,976	375,021	345,266	274,070	1,120,858	1,138,095	2,341,076	1,100,656	1,101,478	
Reserves with other banks	274,420	214,420	-	-	-	-	-	-	-	-	
Lendings to financial institutions	8,620,940	6,638,694	2,161,148	-	622,947	-	-	-	-	-	
Investments	38,238,136	-	3,834,613	17,823,030	165,121	5,336,056	146,906	4,558,631	-	-	
Advances	65,050,715	4,721,428	6,142,328	1,480,543	8,138,988	3,777,278	7,571,880	20,731,130	25,743,872	5,381,238	
Fixed assets	3,894,946	46,234	132,475	168,936	307,424	766,648	1,688,696	-	-	-	
Intangible assets	241,301	2,518	6,130	40,521	20,251	40,501	40,501	31,023	-	-	
Deferred tax assets	3,476,126	-	-	-	-	417,130	417,130	417,130	-	8,641,665	
Other assets	17,291,682	1,308,295	3,071,264	1,176,526	1,236,681	1,400,363	3,142,226	5,361,798	281,246	704,827	
	166,654,522	13,052,616	30,519,907	28,043,187	8,673,218	15,257,150	12,538,087	35,131,606	26,100,236	8,836,290	
<b>Liabilities</b>											
Bills payable	3,185,981	831,452	101,681	246,221	678,009	206,462	239,480	418,919	258,603	258,601	
Borrowings	38,581,000	31,673,282	3,267,367	303,341	-	-	-	-	-	-	
Deposits and other accounts	118,237,307	13,368,378	15,123,693	12,396,236	14,566,116	9,477,162	8,386,042	15,122,616	1,983,508	9,236,078	
Liabilities against assets subject to finance lease	6,080	536	673	1,041	2,142	2,363	-	-	-	-	
Subordinated debt	2,006,000	-	200	-	299	408	400	400	1,886,000	-	
Other liabilities	2,873,576	886,521	348,701	226,761	555,341	171,452	171,582	342,674	171,452	170,554	
	153,614,156	49,846,917	17,242,321	15,166,376	13,796,106	9,865,123	8,771,180	39,446,212	11,258,426	9,471,813	
<b>Net assets</b>	13,191,366	28,768,365	3,177,586	12,876,811	(7,122,887)	5,391,927	3,766,897	15,685,394	15,841,810	283,477	
<b>Share capital - net</b>											
Reserves	29,431,374	-	-	-	-	-	-	-	-	-	
Accumulated loss	654,303	-	-	-	-	-	-	-	-	-	
Surplus on revaluation of assets - net of tax	13,781,348	-	-	-	-	-	-	-	-	-	



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 47.5 Derivative Risk

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

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

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

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

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

The details of commitments under forward foreign exchange contracts outstanding at year-end has been given in notes 24.2.1 and 24.2.2.

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

## 48 ISLAMIC BANKING BUSINESS (IBB)

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

## 49 DATE OF AUTHORIZATION FOR ISSUE

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

## 50 GENERAL

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

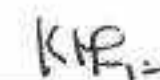
50.2 Captions in respect of which no amounts exist may not be reproduced in these financial statements except in case of statement of financial position and profit and loss account.



Syed Liaquat Ali  
Chief Financial Officer



Azmat Tarin  
President & CEO



Khalid Aziz Mirza  
Director



Rashid Akhtar Chughtai  
Director



Shahzad Enver Murad  
Director



# STATEMENT OF WRITTEN-OFF LOANS

## FOR THE YEAR ENDED DECEMBER 31, 2018

SILKBANK LIMITED

ANNEXURE - I

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

Rupees in '000

Write off Date	Party Name	Address	Name of the Individual / Partnership/ Directors (With C.U.C. No.)	Father's / Mother's / Husband's Name	Outstanding Liabilities at beginning of year				Principal Written-off	Interest / Mark-up Waived-off	Other Financial Relief Provided	Total (9+10+11+12)
					Principal	Interest / Mark-up	Other	Total (5+6+7+8)				
1	2		3	4	5	6	7	8	9	10	11	12
25-Feb-18	Shah Brothers	Palera Market, 10th Gate Road, Suburg B, Lahore	Asif/Muhammad (Consolidated) CMC 3202-32271-3 Suburg Road CMC 3202-32181-3	Saf/Ush/Roy Asif/Muhammad Ghani	2,300	3,150	-	4,450	-	2,150	-	2,150
1-Mar-18	AKS, Shale Arseni Cooks Transport Company	18th Road, National Canal, Gurgaon, Haryana	Muhammad Ahsan CMC 3400-34018-18	Shah Muhammad	5,500	1,138	-	6,638	-	1,400	-	5,838
2-May-18	Century Pharmaceuticals (Private) Limited	15-C, 16th Floor, 23rd Street, Phase 1, DHA, Karachi	Dr. Ahsan Ali Asif CMC 4201-42011-150 Dr. Yousaf Ali Asif CMC 4201-42043-1 Mr. Yousaf Ali Asif CMC 4201-42043-1 Mr. Yousaf Ali Asif CMC 4201-42043-1 Mr. Yousaf Ali Asif CMC 4201-42043-1 Mr. Yousaf Ali Asif CMC 4201-42043-1 Mr. Yousaf Ali Asif CMC 4201-42043-1	Dr. Yousaf Ali Asif Dr. Yousaf Ali Asif Dr. Yousaf Ali Asif Dr. Yousaf Ali Asif Dr. Yousaf Ali Asif Dr. Yousaf Ali Asif Dr. Yousaf Ali Asif	3,140	10,470	-	13,610	2,000	10,470	-	11,510
4-Sep-18	Maral Enterprises	24, Anwar El-Din, Shalimar, Lahore, Karachi	Fahad Fawad CMC 310-31022-24	Maral Fawad Fawad	8,500	800	-	9,300	2,500	800	-	4,600
28-Sep-18	RHT Textiles	85, Orsley Road, Lahore	Min Mueen Ali CMC 3002-30021-85	Min Mueen Ali	15,475	750	-	16,225	-	350	-	70
28-Sep-18	Gemini City	10/10 R Faisal Road, Near Chak, Model Town, Lahore	Min Mueen Ali CMC 3002-30021-10/10 Min Mueen Ali CMC 3002-30021-10/10	Min Mueen Ali	4,300	900	-	5,200	-	300	-	900
1-Nov-18	Elkies & Company	Saf Muhammad Shah, 1st Chak, Lahore, Faisalabad, Gidder Nahar Rd 5, DHA, Lahore	Dr. Shah Muhammad CMC 3002-30021-10/10	Dr. Shah Muhammad	1,300	1,070	-	2,370	-	300	-	300
11-Dec-18	Madh Pabla Pvt Ltd	1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th, 14th, 15th, 16th, 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th, 27th, 28th, 29th, 30th, 31st, 32nd, 33rd, 34th, 35th, 36th, 37th, 38th, 39th, 40th, 41st, 42nd, 43rd, 44th, 45th, 46th, 47th, 48th, 49th, 50th, 51st, 52nd, 53rd, 54th, 55th, 56th, 57th, 58th, 59th, 60th, 61st, 62nd, 63rd, 64th, 65th, 66th, 67th, 68th, 69th, 70th, 71st, 72nd, 73rd, 74th, 75th, 76th, 77th, 78th, 79th, 80th, 81st, 82nd, 83rd, 84th, 85th, 86th, 87th, 88th, 89th, 90th, 91st, 92nd, 93rd, 94th, 95th, 96th, 97th, 98th, 99th, 100th, 101st, 102nd, 103rd, 104th, 105th, 106th, 107th, 108th, 109th, 110th, 111st, 112nd, 113th, 114th, 115th, 116th, 117th, 118th, 119th, 120th, 121st, 122nd, 123rd, 124th, 125th, 126th, 127th, 128th, 129th, 130th, 131st, 132nd, 133rd, 134th, 135th, 136th, 137th, 138th, 139th, 140th, 141st, 142nd, 143rd, 144th, 145th, 146th, 147th, 148th, 149th, 150th, 151st, 152nd, 153rd, 154th, 155th, 156th, 157th, 158th, 159th, 160th, 161st, 162nd, 163rd, 164th, 165th, 166th, 167th, 168th, 169th, 170th, 171st, 172nd, 173rd, 174th, 175th, 176th, 177th, 178th, 179th, 180th, 181st, 182nd, 183rd, 184th, 185th, 186th, 187th, 188th, 189th, 190th, 191st, 192nd, 193rd, 194th, 195th, 196th, 197th, 198th, 199th, 200th, 201st, 202nd, 203rd, 204th, 205th, 206th, 207th, 208th, 209th, 210th, 211st, 212nd, 213th, 214th, 215th, 216th, 217th, 218th, 219th, 220th, 221st, 222nd, 223rd, 224th, 225th, 226th, 227th, 228th, 229th, 230th, 231st, 232nd, 233rd, 234th, 235th, 236th, 237th, 238th, 239th, 240th, 241st, 242nd, 243rd, 244th, 245th, 246th, 247th, 248th, 249th, 250th, 251st, 252nd, 253rd, 254th, 255th, 256th, 257th, 258th, 259th, 260th, 261st, 262nd, 263rd, 264th, 265th, 266th, 267th, 268th, 269th, 270th, 271st, 272nd, 273rd, 274th, 275th, 276th, 277th, 278th, 279th, 280th, 281st, 282nd, 283rd, 284th, 285th, 286th, 287th, 288th, 289th, 290th, 291st, 292nd, 293rd, 294th, 295th, 296th, 297th, 298th, 299th, 300th, 301st, 302nd, 303rd, 304th, 305th, 306th, 307th, 308th, 309th, 310th, 311st, 312nd, 313th, 314th, 315th, 316th, 317th, 318th, 319th, 320th, 321st, 322nd, 323rd, 324th, 325th, 326th, 327th, 328th, 329th, 330th, 331st, 332nd, 333rd, 334th, 335th, 336th, 337th, 338th, 339th, 340th, 341st, 342nd, 343rd, 344th, 345th, 346th, 347th, 348th, 349th, 350th, 351st, 352nd, 353rd, 354th, 355th, 356th, 357th, 358th, 359th, 360th, 361st, 362nd, 363rd, 364th, 365th, 366th, 367th, 368th, 369th, 370th, 371st, 372nd, 373rd, 374th, 375th, 376th, 377th, 378th, 379th, 380th, 381st, 382nd, 383rd, 384th, 385th, 386th, 387th, 388th, 389th, 390th, 391st, 392nd, 393rd, 394th, 395th, 396th, 397th, 398th, 399th, 400th, 401st, 402nd, 403rd, 404th, 405th, 406th, 407th, 408th, 409th, 410th, 411st, 412nd, 413th, 414th, 415th, 416th, 417th, 418th, 419th, 420th, 421st, 422nd, 423rd, 424th, 425th, 426th, 427th, 428th, 429th, 430th, 431st, 432nd, 433rd, 434th, 435th, 436th, 437th, 438th, 439th, 440th, 441st, 442nd, 443rd, 444th, 445th, 446th, 447th, 448th, 449th, 450th, 451st, 452nd, 453rd, 454th, 455th, 456th, 457th, 458th, 459th, 460th, 461st, 462nd, 463rd, 464th, 465th, 466th, 467th, 468th, 469th, 470th, 471st, 472nd, 473rd, 474th, 475th, 476th, 477th, 478th, 479th, 480th, 481st, 482nd, 483rd, 484th, 485th, 486th, 487th, 488th, 489th, 490th, 491st, 492nd, 493rd, 494th, 495th, 496th, 497th, 498th, 499th, 500th, 501st, 502nd, 503rd, 504th, 505th, 506th, 507th, 508th, 509th, 510th, 511st, 512nd, 513th, 514th, 515th, 516th, 517th, 518th, 519th, 520th, 521st, 522nd, 523rd, 524th, 525th, 526th, 527th, 528th, 529th, 530th, 531st, 532nd, 533rd, 534th, 535th, 536th, 537th, 538th, 539th, 540th, 541st, 542nd, 543rd, 544th, 545th, 546th, 547th, 548th, 549th, 550th, 551st, 552nd, 553rd, 554th, 555th, 556th, 557th, 558th, 559th, 560th, 561st, 562nd, 563rd, 564th, 565th, 566th, 567th, 568th, 569th, 570th, 571st, 572nd, 573rd, 574th, 575th, 576th, 577th, 578th, 579th, 580th, 581st, 582nd, 583rd, 584th, 585th, 586th, 587th, 588th, 589th, 590th, 591st, 592nd, 593rd, 594th, 595th, 596th, 597th, 598th, 599th, 600th, 601st, 602nd, 603rd, 604th, 605th, 606th, 607th, 608th, 609th, 610th, 611st, 612nd, 613th, 614th, 615th, 616th, 617th, 618th, 619th, 620th, 621st, 622nd, 623rd, 624th, 625th, 626th, 627th, 628th, 629th, 630th, 631st, 632nd, 633rd, 634th, 635th, 636th, 637th, 638th, 639th, 640th, 641st, 642nd, 643rd, 644th, 645th, 646th, 647th, 648th, 649th, 650th, 651st, 652nd, 653rd, 654th, 655th, 656th, 657th, 658th, 659th, 660th, 661st, 662nd, 663rd, 664th, 665th, 666th, 667th, 668th, 669th, 670th, 671st, 672nd, 673rd, 674th, 675th, 676th, 677th, 678th, 679th, 680th, 681st, 682nd, 683rd, 684th, 685th, 686th, 687th, 688th, 689th, 690th, 691st, 692nd, 693rd, 694th, 695th, 696th, 697th, 698th, 699th, 700th, 701st, 702nd, 703rd, 704th, 705th, 706th, 707th, 708th, 709th, 710th, 711st, 712nd, 713th, 714th, 715th, 716th, 717th, 718th, 719th, 720th, 721st, 722nd, 723rd, 724th, 725th, 726th, 727th, 728th, 729th, 730th, 731st, 732nd, 733rd, 734th, 735th, 736th, 737th, 738th, 739th, 740th, 741st, 742nd, 743rd, 744th, 745th, 746th, 747th, 748th, 749th, 750th, 751st, 752nd, 753rd, 754th, 755th, 756th, 757th, 758th, 759th, 760th, 761st, 762nd, 763rd, 764th, 765th, 766th, 767th, 768th, 769th, 770th, 771st, 772nd, 773rd, 774th, 775th, 776th, 777th, 778th, 779th, 780th, 781st, 782nd, 783rd, 784th, 785th, 786th, 787th, 788th, 789th, 790th, 791st, 792nd, 793rd, 794th, 795th, 796th, 797th, 798th, 799th, 800th, 801st, 802nd, 803rd, 804th, 805th, 806th, 807th, 808th, 809th, 810th, 811st, 812nd, 813th, 814th, 815th, 816th, 817th, 818th, 819th, 820th, 821st, 822nd, 823rd, 824th, 825th, 826th, 827th, 828th, 829th, 830th, 831st, 832nd, 833rd, 834th, 835th, 836th, 837th, 838th, 839th, 840th, 841st, 842nd, 843rd, 844th, 845th, 846th, 847th, 848th, 849th, 850th, 851st, 852nd, 853rd, 854th, 855th, 856th, 857th, 858th, 859th, 860th, 861st, 862nd, 863rd, 864th, 865th, 866th, 867th, 868th, 869th, 870th, 871st, 872nd, 873rd, 874th, 875th, 876th, 877th, 878th, 879th, 880th, 881st, 882nd, 883rd, 884th, 885th, 886th, 887th, 888th, 889th, 890th, 891st, 892nd, 893rd, 894th, 895th, 896th, 897th, 898th, 899th, 900th, 901st, 902nd, 903rd, 904th, 905th, 906th, 907th, 908th, 909th, 910th, 911st, 912nd, 913th, 914th, 915th, 916th, 917th, 918th, 919th, 920th, 921st, 922nd, 923rd, 924th, 925th, 926th, 927th, 928th, 929th, 930th, 931st, 932nd, 933rd, 934th, 935th, 936th, 937th, 938th, 939th, 940th, 941st, 942nd, 943rd, 944th, 945th, 946th, 947th, 948th, 949th, 950th, 951st, 952nd, 953rd, 954th, 955th, 956th, 957th, 958th, 959th, 960th, 961st, 962nd, 963rd, 964th, 965th, 966th, 967th, 968th, 969th, 970th, 971st, 972nd, 973rd, 974th, 975th, 976th, 977th, 978th, 979th, 980th, 981st, 982nd, 983rd, 984th, 985th, 986th, 987th, 988th, 989th, 990th, 991st, 992nd, 993rd, 994th, 995th, 996th, 997th, 998th, 999th, 1000th, 1001st, 1002nd, 1003rd, 1004th, 1005th, 1006th, 1007th, 1008th, 1009th, 1010th, 1011st, 1012nd, 1013th, 1014th, 1015th, 1016th, 1017th, 1018th, 1019th, 1020th, 1021st, 1022nd, 1023rd, 1024th, 1025th, 1026th, 1027th, 1028th, 1029th, 1030th, 1031st, 1032nd, 1033rd, 1034th, 1035th, 1036th, 1037th, 1038th, 1039th, 1040th, 1041st, 1042nd, 1043rd, 1044th, 1045th, 1046th, 1047th, 1048th, 1049th, 1050th, 1051st, 1052nd, 1053rd, 1054th, 1055th, 1056th, 1057th, 1058th, 1059th, 1060th, 1061st, 1062nd, 1063rd, 1064th, 1065th, 1066th, 1067th, 1068th, 1069th, 1070th, 1071st, 1072nd, 1073rd, 1074th, 1075th, 1076th, 1077th, 1078th, 1079th, 1080th, 1081st, 1082nd, 1083rd, 1084th, 1085th, 1086th, 1087th, 1088th, 1089th, 1090th, 1091st, 1092nd, 1093rd, 1094th, 1095th, 1096th, 1097th, 1098th, 1099th, 1100th, 1101st, 1102nd, 1103rd, 1104th, 1105th, 1106th, 1107th, 1108th, 1109th, 1110th, 1111st, 1112nd, 1113th, 1114th, 1115th, 1116th, 1117th, 1118th, 1119th, 1120th, 1121st, 1122nd, 1123rd, 1124th, 1125th, 1126th, 1127th, 1128th, 1129th, 1130th, 1131st, 1132nd, 1133rd, 1134th, 1135th, 1136th, 1137th, 1138th, 1139th, 1140th, 1141st, 1142nd, 1143rd, 1144th, 1145th, 1146th, 1147th, 1148th, 1149th, 1150th, 1151st, 1152nd, 1153rd, 1154th, 1155th, 1156th, 1157th, 1158th, 1159th, 1160th, 1161st, 1162nd, 1163rd, 1164th, 1165th, 1166th, 1167th, 1168th, 1169th, 1170th, 1171st, 1172nd, 1173rd, 1174th, 1175th, 1176th, 1177th, 1178th, 1179th, 1180th, 1181st, 1182nd, 1183rd, 1184th, 1185th, 1186th, 1187th, 1188th, 1189th, 1190th, 1191st, 1192nd, 1193rd, 1194th, 1195th, 1196th, 1197th, 1198th, 1199th, 1200th, 1201st, 1202nd, 1203rd, 1204th, 1205th, 1206th, 1207th, 1208th, 1209th, 1210th, 1211st, 1212nd, 1213th, 1214th, 1215th, 1216th, 1217th, 1218th, 1219th, 1220th, 1221st, 1222nd, 1223rd, 1224th, 1225th, 1226th, 1227th, 1228th, 1229th, 1230th, 1231st, 1232nd, 1233rd, 1234th, 1235th, 1236th, 1237th, 1238th, 1239th, 1240th, 1241st, 1242nd, 1243rd, 1244th, 1245th, 1246th, 1247th, 1248th, 1249th, 1250th, 1251st, 1252nd, 1253rd, 1254th, 1255th, 1256th, 1257th, 1258th, 1259th, 1260th, 1261st, 1262nd, 1263rd, 1264th, 1265th, 1266th, 1267th, 1268th, 1269th, 1270th, 1271st, 1272nd, 1273rd, 1274th, 1275th, 1276th, 1277th, 1278th, 1279th, 1280th, 1281st, 1282nd, 1283rd, 1284th, 1285th, 1286th, 1287th, 1288th, 1289th, 1290th, 1291st, 1292nd, 1293rd, 1294th, 1295th, 1296th, 1297th, 1298th, 1299th, 1300th, 1301st, 1302nd, 1303rd, 1304th, 1305th, 1306th, 1307th, 1308th, 1309th, 1310th, 1311st, 1312nd, 1313th, 1314th, 1315th, 1316th, 1317th, 1318th, 1319th, 1320th, 1321st, 1322nd, 1323rd, 1324th, 1325th, 1326th, 1327th, 1328th, 1329th, 1330th, 1331st, 1332nd, 1333rd, 1334th, 1335th, 1336th, 1337th, 1338th, 1339th, 1340th, 1341st, 1342nd, 1343rd, 1344th, 1345th, 1346th, 1347th, 1348th, 1349th, 1350th, 1351st, 1352nd, 1353rd, 1354th, 1355th, 1356th, 1357th, 1358th, 1359th, 1360th, 1361st, 1362nd, 1363rd, 1364th, 1365th, 1366th, 1367th, 1368th, 1369th, 1370th, 1371st, 1372nd, 1373rd, 1374th, 1375th, 1376th, 1377th, 1378th, 1379th, 1380th, 1381st, 1382nd, 1383rd, 1384th, 1385th, 1386th, 1387th, 1388th, 1389th, 1390th, 1391st, 1392nd, 1393rd, 1394th, 1395th, 1396th, 1397th, 1398th, 1399th, 1400th, 1401st, 1402nd, 1403rd, 1404th, 1405th, 1406th, 1407th, 1408th, 1409th, 1410th, 1411st, 1412nd, 1413th, 1414th, 1415th, 1416th, 1417th, 1418th, 1419th, 1420th, 1421st, 1422nd, 1423rd, 1424th, 1425th, 1426th, 1427th, 1428th, 1429th, 1430th, 1431st, 1432nd, 1433rd, 1434th, 1435th, 1436th, 1437th, 1438th, 1439th, 1440th, 1441st, 1442nd, 1443rd, 1444th, 1445th, 1446th, 1447th, 1448th, 1449th, 1450th, 1451st, 1452nd, 1453rd, 1454th, 1455th, 1456th, 1457th, 1458th, 1459th, 1460th, 1461st, 1462nd, 1463rd, 1464th, 1465th, 1466th, 1467th, 1468th, 1469th, 1470th, 1471st, 1472nd, 1473rd, 1474th, 1475th, 1476th, 1477th, 1478th, 1479th, 1480th, 1481st, 1482nd, 1483rd, 1484th, 1485th, 1486th, 1487th, 1488th, 1489th, 1490th, 1491st, 1492nd, 1493rd, 1494th, 1495th, 1496th, 14										



## STATEMENT OF WRITTEN-OFF LOANS

**SILKBANK LIMITED**

## ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2016

Rupees in '000

Wkts of Date	Party Name	Address	Name of the Individual / Partnership / Firm (With D.N.U.C. No.)	Father's / Mother's / Husband's Name	Outstanding Liabilities at beginning of year				Principal written off	Interest / Markup written off	Other Principal Paid	Total Paid in FY 12
					Principal	Interest / Markup	Other	Total Paid in FY 12				
1	2		3	4	5	6	7	8	9	10	11	12
1-Feb-12	SHAKH MULL RAO	HOUSE # 56 MARKY MARKYIN STREET NEW BHELWADA TOWN	SHAKH MULL RAO CMC 3241-02844-7	SHAKH MULL RAO	1,200	302	36	1,538	1,200	333	16	1,549
1-Feb-12	EYED MARGHAMED	HOUSE # 200 2ND FLOOR PHE BLOCK ALLAH KHAL TOWN	EYED MARGHAMED CMC 3202-02365-7	EYED MARGHAMED	96	94	26	216	96	94	26	216
1-Feb-12	YASER RAZ	HOUSE # 15 NEW MARK STREET BLANBAG COLONY EAST TWITE SHANNING PHEO THAIT SHANNING	YASER RAZ CMC 3202-03448-1	RAZ AHMAD	369	195	22	586	369	195	22	586
1-Feb-12	RAZ AHMED	HOUSE # 1-8 BLOCK 12 FAWARA NEAR SHAKHS MARG	RAZ AHMED CMC 3211-00190-1	MUSAMMAD	442	126	54	622	442	126	54	622
1-Feb-12	HAFIZ QUTUB	HOUSE # 100 A, v. 10, wds, 1TH BLANBAG	HAFIZ QUTUB CMC 3201-12842-5	ABUL QUTUB	149	147	19	315	149	147	19	315
1-Feb-12	Dragon Lights Travel Nusantara Kuala Lumpur	HOUSE # 441 BLOCK 10, KUNING	Muhammad Nabil Bala CMC 4261-02154-3	MUHAMMAD NABIL	-	2,000	-	2,000	-	2,000	-	2,000
20-Feb-12	ALI-SHAED BUKHARI	HOUSE # 10 BLOCK 6- BLOCKS STREET AREA, MOUL TOWN NEAREST LAND MARK, CITY LAHORE	ALI-SHAED BUKHARI CMC 3202-03448-7	EYED MARGHAMED	979	90	-	1,069	490	51	-	541
25-Feb-12	MUHAMMAD ASH TOH	HOUSE # 1008 23 BLOCK 0- STREET 44 STREET AREA, KOWAT TOWN NEAREST LAND MARK, CITY ISLAMABAD	MUHAMMAD ASH TOH CMC 1201-30080-3	MUHAMMAD Tahir Khan	234	57	-	291	234	57	-	291
25-Feb-12	PARVIZ KOLAM	HOUSE # 375 BLOCK 4- BLOCK 1 STREET AREA, SHAKHS BOWME, MULAN ROAD NEAREST LAND MARK, CITY LAHORE	PARVIZ KOLAM CMC 3202-02795-7	MUHAMMAD KOLAM KHAN	549	104	-	653	549	104	-	653
25-Feb-12	REHANT KISH	HOUSE # 1 BLOCK 1- 11, 34 STREET AREA, BASHI KOLAM ALI PURA NEAREST LAND MARK, CITY LAHORE	REHANT KISH CMC 3201-14043-3	ZAHID KISH	420	55	-	475	420	55	-	475
25-Feb-12	Saleh Sher Ali	HOUSE # 140 10 11 BLOCK 6- 3RD FLOOR MARIAN ALLI VOTABLE STREET AREA, CLIFTON NEAREST LAND MARK, CITY PARACHI	Saleh Sher Ali CMC 4261-02154-3	SADAF ABDEL AZIZ KHAN	307	107	-	414	307	107	-	414
25-Feb-12	JUNAID QASIM	HOUSE # 375 BLOCK 4- SECTION 2 STREET AREA, AKWAS-3 NEAREST LAND MARK, CITY LAHORE GATE	JUNAID QASIM CMC 3201-14043-3	MUHAMMAD ALI	1,139	220	-	1,429	1,139	220	-	1,429
25-Feb-12	MUHAMMAD MUNIR	HOUSE # 3 BLOCK 4- 3RD MC 1 SATWANE 10 10 STREET AREA, FORGE PUS ROAD DRING KANS NEAREST LAND MARK, CITY BIGHI SHELL PETROL PUMP LAHORE	MUHAMMAD MUNIR CMC 3103-12320-3	MUHAMMAD MUHAMMAD	447	92	-	539	447	92	-	539
25-Feb-12	MUHAMMAD SHYAM	HOUSE # 35 10 10 BLOCK 4 BLOCK JUCIAL COLONY STREET AREA PHASE 1 NEAREST LAND MARK, CITY LAHORE	MUHAMMAD SHYAM CMC 3201-06435-6	MUHAMMAD SHYAM	432	36	-	468	432	36	-	468
25-Feb-12	ACF TASHIR KHAN	HOUSE # 1 BLOCK 4- 3RD STREET STREET AREA- ABAD ROAD SUMA PURA NEAREST LAND MARK, CITY LAHORE	ACF TASHIR KHAN CMC 3203-02947-6	MUHAMMAD TASHIR KHAN	330	136	-	466	330	136	-	466
25-Feb-12	MUHAMMAD NAZEM	HOUSE # 610 2ND BLOCK 6- 1ST FLOOR ROOM 3 AUTO BISH 100 STREET AREA TRU STREET OFF COLLEGE TOWN NEAREST LAND MARK, CITY ROAD LAHORE	MUHAMMAD NAZEM CMC 3202-03448-7	JAM M. MUHAMMAD	373	163	-	536	373	163	-	536
25-Feb-12	LAZ AHMED	HOUSE # 1 DARUL HOD 211 BLOCK 6- 1ST FLOOR 5 GALL MC STREET AREA MINGAZARI ROAD NEAREST LAND MARK: NEW CITY FOOD GATE CITY GHARH	LAZ AHMED CMC 3101-43810-9	SHAH MUHAMMAD TUNAL	360	128	-	488	360	128	-	488
25-Feb-12	AMAZ ALI SHAH	HOUSE # 1 405 4 BLOCK 4- 10 BLOCK STREET AREA, SATELLITE TOWN NEAREST LAND MARK, CITY SHANILIND	AMAZ ALI SHAH CMC 1402-04470-7	ASGHAR ALI SHAH	734	112	-	846	734	112	-	846
25-Feb-12	EYED ALI JUNAID	HOUSE # 3 BLOCK 4TH 10 10 MARK MARK STREET AREA, SUMA PURA NEAREST LAND MARK, CITY LAHORE	EYED ALI JUNAID CMC 3202-04480-7	EYED NAZIR ALI SHAH	630	125	-	755	630	125	-	755
25-Feb-12	UMAR S HAZID	HOUSE # 17 BLOCK 6- 0 PHE NEAR BOUNG SOCIETY STREET AREA NEAREST LAND MARK, CITY LAHORE	UMAR S HAZID CMC 3143-14552-3	MUHAMMAD SAGHIR	400	30	-	430	400	30	-	430
25-Feb-12	EYED SAUD MASH	HOUSE # 1140 71 COLONY COMMERCIAL PLAZA 2ND FLOOR STREET AREA, AKWAS TOWN 1TH PARKING ROAD NEAREST LAND MARK, CITY LAHORE	EYED SAUD MASH CMC 3202-12842-5	OSAM ALI	800	190	-	990	800	190	-	990

## STATEMENT OF WRITTEN-OFF LOANS

**SILKBANK LIMITED**

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2016

Rupees in '000

[illegible]

Contd



# STATEMENT OF WRITTEN-OFF LOANS FOR THE YEAR ENDED DECEMBER 31, 2018

SILKBANK LIMITED

ANNEXURE - I

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

Rupees in '000

Write off Date	Party Name	Address	Name of the Individual / Partnership/Division (With C.U.C. No.)	Father's / Mother's / Husband's Name	Outstanding Liabilities at beginning of year				Principal Written off	Interest / Markup written off	Other Financial Relief Provided	Total (9+10+11)
					Principal	Interest / Markup	Other	Total (5+6+7+8)				
1	2		3	4	5	6	7	8	9	10	11	12
30-Mar-18	SABINA TABASSUM	HOUSE F-27 BLOCK F BLOCK 4 SPINNA SOCIETY W/ STREET AREA: ROTT GUM COLLEGE ROAD NEAREST LAND MARK: PUNAB SOCIETY TOWNSHIP LAHORE	SABINA TABASSUM CMC 3030-28811-2	MUHAMMAD YOUSAF	96	128	-	786	84	12	-	798
30-Mar-18	MUHAMMAD AMIR	HOUSE F-401 BLOCK F: AMANKI BLOCK 1 SURFAR STREET AREA: DWTI NEAREST LANDMARK: CITY LAHORE	MUHAMMAD AMIR QURESHI CMC 3030-28416-7	JAVED QASIM QURESHI	117	161	-	818	118	14	-	950
30-Mar-18	SHANAZ MERRIS	HOUSE F-FLAT 4A4 BLOCK 8-1ST FLOOR SHALWAN AVENUE BLD 3 STREET AREA: WORTH HAZARD NEAREST LAND MARK: MCKENNA FORDS CITY LAHORE	SHANAZ MERRIS CMC 4388-06027-8	MUHAMMAD SHAYKHAN	368	147	-	1,031	341	147	-	1,525
30-Mar-18	RAJAZ AHMED	HOUSE F-101 BLOCK F: GET SOCIETY STREET AREA: NEAREST LAND MARK: CITY LAHORE	RAJAZ AHMED CMC 3030-28806-3	USAF AHMED	1,262	173	-	1,222	1,081	136	-	1,227
30-Mar-18	EYES TWINKER HUSSAN	HOUSE F-121 BLOCK F: BLOCK 42 STREET AREA: QUADEEN NEAREST LAND MARK: CITY LAHORE	EYES TWINKER HUSSAN CMC 3030-48529-1	EYES TWINKER HUSSAN	1,237	232	-	1,068	1,337	232	-	1,569
30-Mar-18	KOMAL HANIS SHARMA	HOUSE F-12A BLOCK F: ST 10-36 STREET AREA: 14TH HAZARD LAND MARK: CITY LAHORE	KOMAL HANIS SHARMA CMC 3110-40036-7	HANIS LOOB SHARMA	2,330	333	-	2,333	2,503	333	-	2,836
1-Apr-18	Javed Isha Qr	GALL MANSER SCORPUS, UNCH, MANDI QUADEEN	Javed Isha Qr CMC 3030-28793-7	GHULAKHADI MA	4,340	1,013	-	1,358	-	1,013	-	1,371
1-Apr-18	SABIR AHMED	HOUSE F-21 DWG 2 TPU SUDAN ROAD SHARIF 2 MALL NEAREST OFFICE	SABIR AHMED CMC 4281-04879-7	AMIR SAMI	-	372	85	387	-	372	85	387
1-Apr-18	MUHAMMAD MERRIS	1-105-154 FLAT 10-11 NEW SUPER TOWN BLD 3 MAN ROULETTE 30 FLOOR LAHORE	MUHAMMAD MERRIS CMC 3110-18504-4	MUHAMMAD YASIR QURESHI	507	151	40	698	607	91	40	828
1-Apr-18	MISHRI ULAY KHAN	HOUSE F-102 CLASSIC COMFORT HALL BLD 10-11 NEW SUPER TOWN BLD 3 MAN ROULETTE 30 FLOOR LAHORE	MISHRI ULAY KHAN CMC 4281-10090-3	MISHRI ULAY KHAN	134	15	5	154	134	15	5	269
1-Apr-18	USMAN KHAN	HOUSE F-101 BLOCK F: STREET AREA: 14TH HAZARD LAND MARK: CITY LAHORE	USMAN KHAN CMC 3030-28417-3	MUHAMMAD YASIR QURESHI	525	14	20	559	525	14	20	559
30-Apr-18	SUDHANU MUHAMMAD	HOUSE F-101 BLOCK F: ST 1 STREET AREA: SALWAT HAZARD NEAREST LAND MARK: CITY LAHORE	SUDHANU MUHAMMAD CMC 3030-18525-4	SAU MUHAMMAD	48	15	-	63	148	15	-	163
30-Apr-18	HANAFI ALI	HOUSE F-1 BLOCK F: 10TH FLOOR COLONY STREET AREA: 14TH HAZARD NEAREST LAND MARK: CITY LAHORE	HANAFI ALI CMC 3030-18403-3	KHAN KHAN	475	15	-	490	475	15	-	490
30-Apr-18	Zaheer Abbas Tari	HOUSE F-101 BLOCK F: STREET AREA: 14TH HAZARD NEAREST LAND MARK: CITY LAHORE	Zaheer Abbas Tari CMC 3030-18403-3	ABDUL RAHMAN TARI	84	15	-	99	84	15	-	99
30-Apr-18	AMIR AHMED	HOUSE F-101 BLOCK F: BLOCK 114-1 STREET AREA: SALWAN HAZARD NEAREST LAND MARK: CITY LAHORE	AMIR AHMED CMC 4281-10090-3	EYES MUHAMMAD SHAN	525	14	-	539	525	14	-	539
30-Apr-18	KOMAL MERRIS	HOUSE F-101 BLOCK F: STREET 8 12 BLOCK 2-THIRD 8 STREET AREA: OPP HAZARD STREET ROAD NEAREST LAND MARK: CITY LAHORE	KOMAL MERRIS CMC 3030-18403-3	MUHAMMAD YASIR QURESHI	380	113	-	493	380	113	-	493
30-Apr-18	ALI AMIR QAM	HOUSE F-101 BLOCK F: AMIRI BLOCK STREET AREA: NEW SPIDER TOWN NEAREST LAND MARK: CITY LAHORE	ALI AMIR QAM CMC 3030-28416-7	AMIR SHALWAN	368	147	-	1,031	341	147	-	1,525
30-Apr-18	MUHAMMAD MERRIS	HOUSE F-101 BLOCK F: BLOCK 8 12 LAND MARK: CITY LAHORE	MUHAMMAD MERRIS CMC 3030-18403-3	KHAN KHAN	475	15	-	490	475	15	-	490
30-Apr-18	ZAFER KHAN	HOUSE F-101 BLOCK F: 11TH FLOOR STREET AREA: JAWA TOWN NEAREST COLONY STREET AREA: LINE 11 NEAREST LAND MARK: CITY LAHORE	ZAFER KHAN CMC 4281-10090-3	ABDUL RAHMAN	48	15	-	63	148	15	-	163
30-Apr-18	MUHAMMAD ZEESHAN	HOUSE F-101 BLOCK F: SECTION 8-4 AREA STREET AREA: NORTH HAZARD NEAREST LAND MARK: NEAR 11TH FLOOR NEAREST CITY LAHORE	MUHAMMAD ZEESHAN CMC 4281-10090-3	SHAN KHAN	48	15	-	63	148	15	-	163



FOR THE YEAR ENDED DECEMBER 31, 2018

## ANNEXURE - I

SILKBANK LIMITED

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2016

Rupees in '000

Write off Date	Party Name	Address	Name of the Individuals / Partners/Shareholders (with C.U.C. No.)	Father's /Mother's / Husband Name	Outstanding Liabilities at beginning of year				Period ended - 31/03/2019	Interest / Mark-up set-off	Other Financial Relief Provided	Total (Gross/Net)
					Principal	Interest / Mark-up	Other	Total (5+6+7+8)				
1	2		3	4	5	6	7	8	9	10	11	12
21-Jan-18	BOHAI SARAF	HOUSE F- 11 BLOCK F- 87 RD, BLOCK D STREET, AREA : SARAF SHARADA NEAREST LAND MARK : CITY : LAHORE	BOHAI SARAF CNC: 3001-0001568	BAIK SARAF (A)	473	86	-	559	443	86	-	529
21-Jan-18	ROHAI ZAMAR KHAN	HOUSE F- 102 BLOCK F- WEST 4TH FLOOR BLOCK 4 STREET, AREA : KHANNA GOLF COURSE NEAREST LAND MARK: NEAR KHAJ DALIANI HOUSE CITY: LAHORE	ROHAI ZAMAR KHAN CNC: 4001-0400067	FARAH UL ZAMAR KHAN	479	145	-	624	479	145	-	624
21-Jan-18	MUHAMMAD ALI	HOUSE F- 101 BLOCK F- 15 BLOCK F, SHAHPURI 4TH FLOOR, STREET AREA : KHANNUAR NEAREST LAND MARK: JAFI CHAK CITY: LAHORE	MUHAMMAD ALI CNC: 4000-1400058	SALIM KHAN	480	87	-	567	480	87	-	567
21-Jan-18	SAJID NADEEM	HOUSE F- 1121 BLOCK F- 87 RD (1) UPPER PORTION NEW STREET, AREA: SURF TOWN NEAREST LAND MARK : CITY : LAHORE	SAJID NADEEM CNC: 3030-0037019	MUHAMMAD LATIF	480	90	-	569	480	90	-	569
21-Jan-18	MUHAMMAD NAZIR KHAN	HOUSE F- 8TH BLOCK F- 8TH BLOCK ALAM STREET AREA : KHALI TOWN 2ND FLOOR NEAREST LAND MARK : CITY : LAHORE	MUHAMMAD NAZIR KHAN CNC: 3001-1100064	MUHAMMAD AHSAN KHAN	480	126	-	606	480	126	-	606
21-Jan-18	ZAHIR MEHMOOD KHORRAM	HOUSE F- 1021 BLOCK F- PHASE 5B BLOCK 5 STREET AREA : ZHAR NEAREST LAND MARK : CITY : LAHORE	ZAHIR MEHMOOD KHORRAM CNC: 3001-0470263	ABUL LATIF KHORRAM	779	102	-	881	779	102	-	881
21-Jan-18	NAEEM MASOOD CHISHTI	HOUSE F- 120 BLOCK F- ANNAI MOHLE JARDEN STREET AREA : MOHLE COLONY NEAREST LAND MARK : BLA BLA BLA CITY : KARACHI	NAEEM MASOOD CHISHTI CNC: 3000-2400063	MASOOD AHMED	1,501	302	-	2,213	1,501	302	-	2,213
21-Jan-18	ELIJAH KHAN	HOUSE F- 10 FLOOR BLOCK F- STREET AREA : NEW ROAD KARACHI ROAD NEAREST LAND MARK : NEAR KARACHI INTERNATIONAL CITY : ISLAMABAD	ELIJAH KHAN CNC: 4001-0010264	SHAHID KHAN	582	138	-	720	582	138	-	720
21-Jan-18	NADEEM ASLAM	HOUSE F- 3-1 BLOCK F- SHANWARI DUBBING STREET AREA : NEAR ASLAM KHAN NEAR NEAREST LAND MARK : CITY : LAHORE	NADEEM ASLAM CNC: 3030-0100019	MUHAMMAD ASLAM	480	90	-	570	480	90	-	570
21-Jan-18	UMED ALAM	HOUSE F- 25-1 BLOCK F- ANNAI MOHLE STREET AREA : ANNAI MOHLE NEAREST LAND MARK : CITY : LAHORE	UMED ALAM CNC: 3001-0000019	ALAM CHAK KHAN	507	138	-	645	507	138	-	645
21-Jan-18	ZAFER KHAN	HOUSE F- FLAT F- 13 BLOCK F : DAVANUM BLOCK F- STREET : LAND MARK : CITY : LAHORE	ZAFER KHAN CNC: 3030-0000042	SHAHID KHAN	520	138	-	658	520	138	-	658
21-Jan-18	FARAH KHAN	HOUSE F- 20-2 BLOCK F- STREET AREA : PHASE 5 PHOTOS NEAREST LAND MARK : CITY : LAHORE	FARAH KHAN : CNC: 3030-0000065	FARAH KHAN UL HASAN	484	90	-	574	471	85	-	556
21-Jan-18	SHAKIR AGHA KHAN	HOUSE F- 25-5 BLOCK F- PHASE SOCIETY PHASE ROAD STREET AREA : DM NEAREST LAND MARK : CITY: LAHORE	SHAKIR AGHA KHAN CNC: 3030-0100064	ABDUL MASOOD KHAN	383	110	-	493	383	110	-	493
21-Jan-18	MASOOD KHAN	HOUSE F- 11 BLOCK F- 37 RD KHAN TOWN 4TH STREET AREA : BANGA ZAR SCHEME BUNG ROAD NEAREST LAND MARK : CITY : LAHORE	MASOOD KHAN CNC: 3000-1100041	RAZVI KHAN	480	86	-	566	480	86	-	566
21-Jan-18	ZETISHAH AMIN KHAN	HOUSE F- 1-12 BLOCK F- MOHALLA NATIONAL BANK COLONY STREET AREA : SARHADD NEAREST LAND MARK : CITY : LAHORE	ZETISHAH AMIN KHAN CNC: 3030-0100067	MUHAMMAD AMIN KHAN	1,685	375	-	2,411	1,685	375	-	2,411
21-Jan-18	Jamil Chohan Samad	APT NO-20 2ND FLOOR, PLOT NO 10 P, BLOCK 2, PHOTOS KHAN	Jamil Chohan Samad CNC: 4001-0000045	MARSHAL GULAM FAKOOL	1,601	1,601	-	3,202	-	800	-	4,002
21-Jan-18	Ahsan Khawar Ahsan	HOUSE F-5B, 1ST FLOOR, MAIN SHAHINWADI ROAD, SECTOR G-4N, BANAPART (ISLAMABAD)	Ahsan Khawar Ahsan CNC: 4101-0000014	BAIK MURAMMAD KHAN KHAN	1,600	2,025	-	3,625	-	1,600	-	5,225
21-Jan-18	HUSAIN ABUL RAUF SHIBI	HOUSE F- 1-6 BLOCK F- BLK-6B OFFICERS QUARTERS STREET AREA : 16P BASE CAMPUS FASHAN NEAREST LAND MARK : CITY : KARACHI	HUSAIN ABUL RAUF SHIBI CNC: 3030-0100063	ABUL RAUF SHIBI	405	76	-	481	405	76	-	481

Contd.



FOR THE YEAR ENDED DECEMBER 31, 2018

## ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2016

Rupees in '000

Write off Date	Party Name	Address	Name of the Individual / Partnership/Company (with C.U.C. No.)	Father's / Mother's / Husband's Name	Outstanding Liability at Beginning of year				Principals Written off	Interest / Mark-up written off	Other Principal Paid/Provided	Total (9+10+11+12)
					Principal	Interest / Mark-up	Other	Total (5+6+7+8)				
1	2		3	4	5	6	7	8	9	10	11	12
31-03-15	RAJESH KUMAR	HOUSE F-48 BLOCK F-01 VOT TOWER ROAD BAHAM PARK STREET- AREA: KADURAI NEAREST LAND MARK: CITY : LAKSHI	RAJESH KUMAR CMC 3030 0000048	MEENAKSHI DEVI	400	75	-	475	421	75	-	496
31-03-15	SHIVA SUNDAR	HOUSE F-5 BLOCK F-01/11 STREET: DUDURAI COLONY STREET- AREA: KADURAI NEAREST LAND MARK: CITY : LAKSHI	SHIVA SUNDAR CMC 3030 0000048	SALWATI SUNDAR SUNDAR	400	100	-	500	438	100	-	538
31-03-15	THIRU KESAV	HOUSE F-9 BLOCK F-01/11 BLOCK-15 STREET- AREA: GULSHAN-2 NEAREST LAND MARK: THE BROAD CITY : KADURAI	THIRU KESAV CMC 4081 0000050	SYED AHMED HUSSAIN DADA	400	50	-	450	448	50	-	500
31-03-15	ABUL FATHIM	HOUSE F-5 BLOCK F-01/11 KOTLA PETH MOULI NEAREST STREET- AREA: KADURAI NEAREST LAND MARK: CITY : LAKSHI	ABUL FATHIM CMC 3030 0000050	ABUL HAJEED	401	100	-	501	447	100	-	547
31-03-15	ABUL FAHQUE	HOUSE F-5 BLOCK F-01/11 KOTLA PETH STREET- AREA: GULSHAN-2 NEAREST LAND MARK: THE BROAD CITY : KADURAI	ABUL FAHQUE CMC 4081 0000050	HASIR HUSSEIN	401	72	-	473	407	72	-	479
31-03-15	ABUL HASAN	HOUSE F-10 BLOCK F-01/11 KADURAI ALAND KOTLA TOWN STREET- AREA: KADURAI NEAREST LAND MARK: CITY : LAKSHI	ABUL HASAN CMC 3030 0000050	ABUL HASAN DADA	400	30	-	430	475	30	-	505
31-03-15	SYED SHAFAT ALI	HOUSE F-47 BLOCK F-01/11 KADURAI STREET F-7 SHAFAT TOWN STREET- AREA: GULSHAN-2 NEAREST LAND MARK: CITY : LAKSHI	SYED SHAFAT ALI CMC 3030 0000050	SYED MUHAMMAD SYED ALI	401	80	-	481	447	80	-	527
31-03-15	MOSYR MAJED	HOUSE F-30 BLOCK F-01/11 KADURAI TOWN NEAREST STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	MOSYR MAJED CMC 3030 0000050	ABUL HAJEED	310	107	-	417	312	107	-	419
31-03-15	DL SHAFAT	HOUSE F-10 BLOCK F-01/11 STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	DL SHAFAT CMC 3030 0000050	MUHAMMAD SADE	375	30	-	405	350	30	-	380
31-03-15	MUHAMMAD FATHIM KHAM	HOUSE F-11 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : LAKSHI	MUHAMMAD FATHIM KHAM CMC 4081 0000050	MUHAMMAD HAJEED	304	100	-	404	304	100	-	404
31-03-15	ABUL HAJEED AHMED	HOUSE F-30 BLOCK F-01/11 KADURAI TOWN NEAREST STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL HAJEED AHMED CMC 3030 0000050	ABUL HAJEED AHMED	300	100	-	400	300	100	-	400
31-03-15	MUHAMMAD ABUL FATHIM	HOUSE F-04 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	MUHAMMAD ABUL FATHIM CMC 4081 0000050	FATHIM AHMED AHMED	4300	300	-	4600	3000	300	-	4900
31-Aug-15	MUHAMMAD HAJEED KHAM	HOUSE F-20 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : LAKSHI	MUHAMMAD HAJEED KHAM CMC 3030 0000050	SARAFAT AHMED	400	50	-	450	438	50	-	488
31-Aug-15	MUHAMMAD HAJEED KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	MUHAMMAD HAJEED KHAM CMC 3030 0000050	SHAFAT AHMED	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL FATHIM KHAM	HOUSE F-10 BLOCK F-01/11 KADURAI STREET STREET- AREA: KADURAI NEAREST LAND MARK: CITY : KADURAI	ABUL FATHIM KHAM CMC 3030 0000050	MUHAMMAD SYED KHAM	400	30	-	430	475	30	-	505
31-Aug-15	ABUL											

FOR THE YEAR ENDED DECEMBER 31, 2018

ANNEXURE - I

STATEMENT OF WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF DURING THE YEAR 2016

Rupees in '000

In Rupees in 1000												
Write off Date	Party Name	Address	Name of the Individuals / Partnership Firms (with C.U.I.C. No.)	Father's / Mother's / Husband's Name	Outstanding Liabilities at beginning of year				Prepaid income	Interest / Dividend / Other income	Other Financial Asset	Total (9+10+11)
					Principal	Interest / Dividend / Other income	Other	Total (6+7+8)				
1	2		3	4	5	6	7	8	9	10	11	12
31-Aug-11	RAJAL ALMER	HOUSE # 56 BLOCK # STREET AREA 25 IN SECTOR 10 NEAREST LAND MARK : CITY : LAHORE	RAJAL ALMER CNC 3489-320256-8	SHIBU ALMER	1,147	196	-	1,343	1,343	186	-	1,529
31-Aug-11	MUSAB KHILJI	HOUSE # 1-06 BLOCK # BLOCK 10 STREET AREA 10 NEAREST LAND MARK : MINSTER PUMP ROUND ABOUT CITY : GHAZI	MUSAB KHILJI CNC 4211-428115-3	MARFOOZ ALI	1,402	198	-	1,600	1,600	158	-	1,758
31-Sep-11	ASAD MAMOOD	HOUSE # 111111 BLOCK # BLOCK 15 SECTOR 1 STREET AREA 10 NEAREST LAND MARK : CITY : LAHORE	ASAD MAMOOD CNC 3701-387102-9	SHERAZ KHAN	1,413	281	-	1,694	1,694	281	-	1,975
31-Sep-11	EYES MARIAM HADIS	HOUSE # 1-06 BLOCK # BLOCK 14 STREET AREA 10 NEAREST LAND MARK : CITY : GHAZI	EYES MARIAM HADIS CNC 4201-427116-7	EYES SALEM HADIS	1,319	380	-	1,699	1,697	387	-	1,984
31-Sep-11	EYES MUHAMMAD FARHAN	HOUSE # 1-06 BLOCK # BLOCK 14 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : GHAZI	EYES MUHAMMAD FARHAN CNC 4201-428116-3	EYES MUHAMMAD SHAHE	529	88	-	617	617	88	-	705
31-Sep-11	ASAD RAZA	HOUSE # 1-06 BLOCK # BLOCK 14 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : GHAZI	ASAD RAZA CNC 3401-340007-9	RAJAL AMIR	443	88	-	531	443	88	-	531
31-Sep-11	MUHAMMAD AMIR	HOUSE # 12 BLOCK # 37 IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	MUHAMMAD AMIR CNC 3521-352025-1	MUHAMMAD ISHAK	436	151	-	587	436	151	-	587
31-Sep-11	MADRID AHMED GURISH	HOUSE # 1-06 BLOCK # BLOCK 14 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	MADRID AHMED GURISH CNC 3521-352025-1	MUHAMMAD AMIR GURISH	737	175	-	912	736	175	-	911
31-Sep-11	MARSA	HOUSE # 1-06 BLOCK # BLOCK 14 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	MARSA CNC 3521-352025-1	ASAD ALI	428	107	-	535	427	107	-	534
31-Sep-11	DAVID MAMOOD	HOUSE # 12 BLOCK # 37 IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	DAVID MAMOOD CNC 3521-352025-1	MUHAMMAD SOOQIE	400	120	-	520	400	120	-	520
31-Sep-11	KASIM MAMOOD	HOUSE # 12 BLOCK # 37 IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	KASIM MAMOOD CNC 3521-352025-1	SHARIF AHMED	451	108	-	559	451	108	-	559
31-Sep-11	MUSAB AHMED GURISH	HOUSE # 12 BLOCK # 37 IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	MUSAB AHMED GURISH CNC 3521-352025-1	MUSAB AHMED GURISH	736	151	-	887	736	151	-	887
31-Sep-11	MUHAMMAD NASH CHAUDHRY	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	MUHAMMAD NASH CHAUDHRY CNC 3521-352025-1	MUHAMMAD NASH CHAUDHRY	736	151	-	887	736	151	-	887
31-Sep-11	SADAT RAZA SADI	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SADAT RAZA SADI CNC 3521-352025-1	SADAT RAZA SADI	919	108	-	1,027	919	108	-	1,027
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	MUSAB KHILJI	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	MUSAB KHILJI CNC 3521-352025-1	MUSAB KHILJI	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR 10 STREET AREA 10 NEAREST LAND MARK : NEAREST LAND MARK : CITY : LAHORE	SHARIF AHMED CNC 3521-352025-1	MUHAMMAD AMIR	400	120	-	520	400	120	-	520
31-Sep-11	SHARIF AHMED	HOUSE # 15A BLOCK # 15A IN SECTOR										

Contd.



# STATEMENT OF WRITTEN-OFF LOANS

## FOR THE YEAR ENDED DECEMBER 31, 2018

SILKBANK LIMITED

ANNEXURE - I

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

Rupees in '000

Write off Date	Party Name	Address	Name of the Individual / Partnership/ Director (With C.U.C. No.)	Father's / Mother's / Husband's Name	Outstanding Liabilities at beginning of year				Principal Written-off	Interest Waived-off	Other Financial Relief Provided	Total (9+10+11)
					Principal	Interest / Markup	Other	Total (5+6+7)				
1	2	3	4	5	6	7	8	9	10	11	12	
28-Sep-18	ARY ZAMAN	HOUSE # 64 BLOCK # 1 BLOCK 1, 3RD FLOOR APARTMENT STREET - AREA: CLIFTON NEAREST LAND MARK: NEAR DACCOR HOSPITAL CITY: KARACHI	ARY ZAMAN CNO: 4201-98846-7	MAULIK KHAN	98	185	-	1,383	88	18	-	1,585
28-Sep-18	SCHALADAN	HOUSE # 17A BLOCK # 1 BLOCK 1, 3RD FLOOR APARTMENT STREET - AREA: CLIFTON NEAREST LAND MARK: NEAR DACCOR HOSPITAL CITY: KARACHI	SCHALADAN CNO: 3020-37779-1	SHAHID MUHAMMAD BIKH	190	148	-	881	138	148	-	881
28-Sep-18	SYED ALI ABBAS JAFRI	HOUSE # 37 BLOCK # 1 JAWA HILLS NEAR STREET - AREA: NASH - 3RD FLOOR NEAREST LAND MARK: CITY: LAHORE	SYED ALI ABBAS JAFRI CNO: 3021-42041-6	SYED YUSUF HUSSAIN JAFRI	87	126	-	78	87	126	-	78
4-Jul-18	MUHAMMAD KHAN	HOUSE # 102 STREET # 102H VILLAS SAHIB TOWN LAHORE	MUHAMMAD KHAN CNO: 3021-31171-0	CH KHAN NIST KHAN	48	124	37	60	48	124	37	60
4-Jul-18	MUHAMMAD NISAN	FLOOR # 3A HAZI SQUARE 1ST FLOOR BLOCK # 11 GULSHAN-2 NEAR ALAMIN PARK KARACHI	MUHAMMAD NISAN CNO: 4201-28879-1	MUHAMMAD NISAN	42	52	47	138	42	52	47	138
4-Jul-18	SHAHID HANES	HOUSE # 87 STREET # 15 G-10 NEAR G-10 MARKET LAHORE	SHAHID HANES CNO: 3021-37779-1	SHAHID HANES	89	281	39	1,384	89	281	39	1,384
5-Jul-18	SHALID SALEEM	HOUSE # 3 FLOOR 1ST FLOOR ROAD KARACHI NEAR G-10 MARKET LAHORE	SHALID SALEEM CNO: 3021-37779-1	SADIKU	-	407	48	138	-	407	48	138
14-Aug-18	SHAKIR KHAN	HOUSE # 34 NEAR COLONY DART LAHORE	SHAKIR KHAN CNO: 3021-37779-1	ABUL REHMAN KHAN	48	95	41	80	48	95	41	80
14-Aug-18	SCHAL	HOUSE # 8A BLOCK # 10A ALAMIN PARK KARACHI	SCHAL CNO: 4201-31171-0	LAQUNALI	472	150	38	660	472	150	38	660
14-Aug-18	ARY ZAMAN	FLOOR # 3A HAZI SQUARE 1ST FLOOR BLOCK # 11 GULSHAN-2 NEAR ALAMIN PARK KARACHI	ARY ZAMAN CNO: 4201-98846-7	MAULIK KHAN	40	142	38	180	40	142	38	180
14-Aug-18	Muhammad Ahsan	STREET # 102, NEAR VILLAS SAHIB TOWN LAHORE	Muhammad Ahsan CNO: 3021-37779-1	MUHAMMAD HUSSAIN	1,380	75	-	1,455	1,380	75	-	1,455
14-Aug-18	Ahmed Hameed	HOUSE # 10A STREET # 10A, SECTION F-10	Ahmed Hameed CNO: 3021-37779-1	CHAUHRY MUHAMMAD HUSSAIN	-	1,380	-	1,380	-	1,380	-	1,380
13-Sep-18	Muhammad Qadir	HOUSE # 35-C, 1ST FLOOR, SOCIETY-10, NEAR ALAMIN PARK INTERNATIONAL AIRPORT	Muhammad Qadir CNO: 3021-37779-1	ZAFAR UL KHAN	-	15,175	-	15,175	-	15,175	-	15,175
13-Sep-18	Imam Ahsan Zaid	HOUSE # 10A, STREET # 10A, SECTION F-10	Imam Ahsan Zaid CNO: 4201-31171-0	SYED HUSSAIN ABUL KHAN	-	1,380	-	1,380	-	1,380	-	1,380
26-Oct-18	SHAHID HANES	HOUSE # 87 STREET # 15 G-10 NEAR G-10 MARKET LAHORE	SHAHID HANES CNO: 3021-37779-1	SADIKU	57	155	-	182	57	155	-	182
26-Oct-18	ARYAN KHAN	HOUSE # 10A BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ARYAN KHAN CNO: 3021-37779-1	MUHAMMAD HUSSAIN	47	15	-	187	47	15	-	187
26-Oct-18	SHALID SALEEM	HOUSE # 3 FLOOR 1ST FLOOR ROAD KARACHI NEAR G-10 MARKET LAHORE	SHALID SALEEM CNO: 3021-37779-1	MUHAMMAD HUSSAIN	47	15	-	187	47	15	-	187
26-Oct-18	ABUL HANES	HOUSE # 87 STREET # 15 G-10 NEAR G-10 MARKET LAHORE	ABUL HANES CNO: 3021-37779-1	SADIKU	57	155	-	182	57	155	-	182
26-Oct-18	MUHAMMAD HUSSAIN	HOUSE # 87 STREET # 15 G-10 NEAR G-10 MARKET LAHORE	MUHAMMAD HUSSAIN CNO: 3021-37779-1	SADIKU	57	155	-	182	57	155	-	182

# STATEMENT OF WRITTEN-OFF LOANS

## FOR THE YEAR ENDED DECEMBER 31, 2018

SILKBANK LIMITED

ANNEXURE - I

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

Rupees in '000

Rupees in 1000												
Write off Date	Party Name	Address	Name of the Individual / Partnership/ Director (with C.U.C. No.)	Father's / Mother's / Husband's Name	Outstanding Liabilities at beginning of year				Principal Written-off	Interest Waived-off	Other Financial Relief Provided	Total (9+10+11)
					Principal	Interest Waived-off	Other	Total				
1	2	3	4	5	6	7	8	9	10	11	12	
26-Oct-18	HUSSAIN SHAKIR KHAN	HOUSE # 10A BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	HUSSAIN SHAKIR KHAN CNO: 4201-98846-7	MUHAMMAD HUSSAIN	40	142	-	182	40	142	-	182
26-Oct-18	ARYAN KHAN	HOUSE # 10A BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ARYAN KHAN CNO: 3021-37779-1	MUHAMMAD HUSSAIN	75	10	-	85	75	10	-	85
26-Oct-18	MUHAMMAD ASIF KHAN	HOUSE # 10A BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	MUHAMMAD ASIF KHAN CNO: 3021-37779-1	JAWA KHAN	50	187	-	1,380	50	187	-	1,380
26-Oct-18	MAULIK KHAN	HOUSE # 22A BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	MAULIK KHAN CNO: 3021-37779-1	MAULIK KHAN	58	102	-	68	58	102	-	68
26-Oct-18	MUHAMMAD SALEEM	HOUSE # 22A BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	MUHAMMAD SALEEM CNO: 3021-37779-1	MUHAMMAD SALEEM	912	58	-	874	912	58	-	874
26-Oct-18	MUHAMMAD SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	MUHAMMAD SYED CNO: 3021-37779-1	ABDUL SYED	420	108	-	528	420	108	-	528
26-Oct-18	RYAN KHAN	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	RYAN KHAN CNO: 3021-37779-1	MUHAMMAD SYED	385	148	-	533	385	148	-	533
26-Oct-18	SYED WAHAB ALI BUKARI	HOUSE # 10A BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	SYED WAHAB ALI BUKARI CNO: 4201-98846-7	SYED WAHAB ALI BUKARI	500	158	-	658	500	158	-	658
30-Nov-18	SYED WAHAB ALI BUKARI	HOUSE # 10A BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	SYED WAHAB ALI BUKARI CNO: 4201-98846-7	SYED WAHAB ALI BUKARI	485	108	-	593	485	108	-	593
30-Nov-18	SYED WAHAB ALI BUKARI	HOUSE # 10A BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	SYED WAHAB ALI BUKARI CNO: 4201-98846-7	MUHAMMAD SYED	482	85	-	567	482	85	-	567
30-Nov-18	MUHAMMAD SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	MUHAMMAD SYED CNO: 3021-37779-1	ABDUL SYED	1,200	175	-	1,375	1,200	175	-	1,375
30-Nov-18	MUHAMMAD SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	MUHAMMAD SYED CNO: 3021-37779-1	MUHAMMAD SYED	912	58	-	970	912	58	-	970
30-Nov-18	SYED WAHAB ALI BUKARI	HOUSE # 10A BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	SYED WAHAB ALI BUKARI CNO: 4201-98846-7	SYED WAHAB ALI BUKARI	1,200	308	-	1,508	1,200	308	-	1,508
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692	590	102	-	692
30-Nov-18	ABDUL SYED	HOUSE # 25 BLOCK # 10A 1ST FLOOR COLONY DART LAHORE	ABDUL SYED CNO: 3021-37779-1	ABDUL SYED	590	102	-	692				







## STATEMENT OF WRITTEN-OFF LOANS

**SILKBANK LIMITED**

## ANNEXURE - I

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

Rupees in '000

[illegible]

## STATEMENT OF WRITTEN-OFF LOANS

SILKBANK LIMITED

ANNEXURE - I

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

Roubles in '000

Write off Date	Party Name	Address	Name of the Individuals / Partners/Directors (with C.N.I.C. No.)	Father's / Mother's / Husband Name	Classifying Liabilities at beginning of year				Period ended on	Interest / Mark-up written off	Other Financial Liabilities	Total (9+10+11)
					Principal	Interest / Mark-up	Other	Total (5+6+7+8)				
1	2	3	4	5	6	7	8	9	10	11	12	
13-Oct-18	Ejaz Ahmed	MCHALLAN, DAL TORRI, G.T. ROAD, BULBULWALA	Ejaz Ahmed CNIC: 34132-410915-1	MOHAMMAD HUSSAIN	-	5,000	-	5,000	-	5,000	-	5,000
30-Nov-18	Raveeq Varamani/Ejaz	HOUSE # 24, BLOCK 8, PH-3 SIDE-B, LAHORE	Raveeq Muhammad Ejaz CNIC: 30352-28873-1	RIZVIAJAH/MOHAMMAD SHYKAR	-	4,300	-	4,300	-	4,300	-	4,300
13-Oct-18	Lahore Trade	House No. Part Road PHASE 8-C MEDIAN 3-961 DSHARF TOWN SHENITA CHENK GARTI LAHORE.	Lahore Trade CNIC: 33311-107796-1	MUHAMMAD ASHFAQ	-	5,171	-	5,171	-	5,171	-	5,171
5-Nov-18	Mohammad Shahid Javed	HOUSE # 250-A-G1, LAHORE	Mohammad/Shahid Javed CNIC: 30333-018774-8	MOHAMMAD YOUSUF	-	381	-	381	-	381	-	381
					334,216	111,080	1,444	446,740	111,021	196,071	1,444	339,225



# SILKBANK LIMITED

## ISLAMIC BANKING BUSINESS

### ANNEXURE - II

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

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

	Note	2018 Rupees in '000	2017 Rupees in '000
<b>ASSETS</b>			
Cash and balances with treasury banks		1,894,122	1,019,435
Balances with other banks		36,507	24,445
Due from financial institutions		-	-
Investments	1	3,851,647	1,670,391
Islamic financing and related assets - net	2	26,901,698	17,527,355
Fixed assets		294,044	211,611
Intangible assets		1,125	1,586
Due from Head Office		-	-
Other assets		2,233,329	814,011
		<b>35,212,472</b>	<b>21,268,834</b>
<b>LIABILITIES</b>			
Bills payable		480,421	609,142
Due to financial institutions		-	-
Deposits and other accounts	3	30,980,225	14,256,538
Due to Head Office		-	-
Other liabilities		359,176	3,808,701
		<b>31,799,822</b>	<b>18,674,381</b>
<b>NET ASSETS</b>		<b>3,412,650</b>	<b>2,594,453</b>
<b>REPRESENTED BY</b>			
Islamic banking fund		2,325,000	2,325,000
Reserves		-	-
Deficit on revaluation of assets		(10,629)	(6,491)
Unappropriated profits	5	1,098,279	275,944
		<b>3,412,650</b>	<b>2,594,453</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6		

# SILKBANK LIMITED

## ISLAMIC BANKING BUSINESS

### ANNEXURE - II

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

	Note	2018 Rupees in '000	2017 Rupees in '000
Profit / return earned	7	2,506,353	1,274,327
Profit / return expensed	8	(1,047,968)	(490,666)
Net Profit / return		<b>1,458,385</b>	<b>783,661</b>
<b>Other Income</b>			
Fee and commission income		28,373	24,380
Foreign exchange income		18,895	(84,963)
(Loss) / income from derivatives		(9,868)	99,793
Gain on securities		43	929
Other income		12,072	6,547
Total other income		<b>48,515</b>	<b>46,686</b>
<b>Total income</b>		<b>1,507,900</b>	<b>830,347</b>
<b>Other expenses</b>			
Operating expenses		(667,790)	(410,484)
Workers Welfare Fund		(16,782)	(8,295)
Other charges		(172)	(109)
<b>Total other expenses</b>		<b>(684,744)</b>	<b>(418,888)</b>
<b>Profit before provisions</b>		<b>823,156</b>	<b>411,459</b>
Provisions and write offs - net		(821)	(4,989)
<b>Profit for the year</b>		<b>822,335</b>	<b>406,470</b>

	2018				2017			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
1 Investments by segments:								
Federal Government Securities:								
Ijarah Sukuks	3,862,276	-	(10,629)	3,851,647	1,676,882	-	(6,491)	1,670,391
<b>Total Investments</b>	<b>3,862,276</b>	<b>-</b>	<b>(10,629)</b>	<b>3,851,647</b>	<b>1,676,882</b>	<b>-</b>	<b>(6,491)</b>	<b>1,670,391</b>



# SILKBANK LIMITED

## ISLAMIC BANKING BUSINESS

### ANNEXURE - II

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

# SILKBANK LIMITED

## ISLAMIC BANKING BUSINESS

### ANNEXURE - II

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

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

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

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

### 3 Deposits

	2018	2017
	In Local Currency	In Foreign Currencies
	Total	Total
	Rupees in '000	

#### Customers

Current deposits	2,348,847	320,404	2,669,251	3,777,484	567,196	4,344,680
Savings deposits	14,189,530	321,442	14,510,972	1,946,935	133,442	2,080,377
Term deposits	3,975,426	1,191,260	5,166,686	2,557,479	960,420	3,517,899
Margin deposits	29,433	-	29,433	54,036	-	54,036
Others	52,384	-	52,384	17,723	-	17,723
	<b>20,595,620</b>	<b>1,833,106</b>	<b>22,428,726</b>	<b>8,353,657</b>	<b>1,661,058</b>	<b>10,014,715</b>

#### Financial Institutions

Current deposits	4,046	447	4,493	-	-	-
Savings deposits	8,370,906	-	8,370,906	4,218,007	-	4,218,007
Term deposits	156,100	-	156,100	23,816	-	23,816
	<b>8,531,052</b>	<b>447</b>	<b>8,531,499</b>	<b>4,241,823</b>	<b>-</b>	<b>4,241,823</b>
	<b>29,126,672</b>	<b>1,833,553</b>	<b>30,960,225</b>	<b>12,595,480</b>	<b>1,661,058</b>	<b>14,256,538</b>



# SILKBANK LIMITED

## ISLAMIC BANKING BUSINESS

### ANNEXURE - II

#### 3.1 Composition of deposits

	2018	2017
	Rupees in '000	
- Individuals	6,720,073	7,201,013
- Government / Public Sector Entities	14,058,849	929,000
- Banking Companies	2,665	37
- Non-Banking Financial Institutions	8,528,834	4,241,786
- Private Sector	1,649,804	1,884,702
	<b>30,980,225</b>	<b>14,256,538</b>

3.2 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 7.11 million (2017: Rs. 5.81 million)

#### 4 Charity Fund

##### Opening Balance

Received from customers on account of delayed payment  
Payments / utilisation during the year

2018 2017  
Rupees in '000

	-	-
Received from customers on account of delayed payment	1,000	-
Payments / utilisation during the year	-	-
	<b>1,000</b>	<b>-</b>
Closing Balance	<b>1,000</b>	<b>-</b>

#### 5 Islamic Banking Business Unappropriated Profit / Accumulated (loss)

Opening Balance	275,944	(130,526)
Add: Islamic Banking profit for the period	822,335	406,470
Closing Balance	<b>1,098,279</b>	<b>275,944</b>

#### 6 Contingencies and Commitments

Guarantees	937,732	1,512,849
Commitments	1,613,063	1,752,201
	<b>2,550,795</b>	<b>3,265,050</b>

#### 7 Profit / return earned of financing, investments and placement

##### Earned on:

Financing	2,411,556	1,202,661
Investments	94,797	67,430
Placements	-	4,236
	<b>2,506,353</b>	<b>1,274,327</b>

#### 8 Profit on Deposits and other Dues Expensed

Deposits and other accounts	991,658	449,015
Due to Financial Institutions	10,275	41,851
Cost of foreign currency swaps against foreign currency deposits / borrowings	46,035	-
	<b>1,047,968</b>	<b>490,866</b>

# SILKBANK LIMITED

## ISLAMIC BANKING BUSINESS

### ANNEXURE - II

#### 9 Pool Management

The number and nature of pools maintained by the IBD along with their key features and risk and reward characteristics are as follows:

Emaan Islamic Banking, the Islamic Banking Division (IBD) of Silkbank Limited, has a well-defined profit and loss distribution and pool management framework for creation of one or more pools of assets to be financed by different types of deposits. Currently, the IBD has the policy of maintaining a single Mudaraba Pool. All funds obtained through Islamic Banking operations are being invested in this Common Mudaraba Pool. The key features and risk / reward features of the same are given below:

##### Key Features

The Account Holder, in his capacity as the fund provider (called Rabbul Mal in Fiqh terminology) authorises the IBD acting as the investment manager (called Mudarib in Fiqh terminology) to invest the Account Holder's funds on the basis of an unrestricted Mudaraba agreement in line with rules and principles of Shari'a.

Under the unrestricted Mudaraba agreement, the IBD in its capacity as the fund manager invests the funds accepted from Account Holders in Shari'a compliant financing and investments. The IBD receives a pre-agreed percentage (Mudarib Share) of the profit generated from these activities.

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

##### Risk & Rewards Characteristics

The profit is shared between the Rabbul Mal and the Mudarib as per the agreed ratio, while the loss, if any, is borne by the Rabbul Mal in proportion to his invested amount unless the Mudarib is found to be negligent or in breach of the terms and conditions of the Mudaraba Agreement.

In case of commingling of the Mudarib's own funds with the funds of the Account Holders, the Mudarib shall get the full profit of its own funds and bear the entire loss thereof.

Profit for the Account Holder is calculated on the basis of a weightage system which takes into consideration the size of funds, its period and profit payment frequency (details of the weightages are available in all the branches and Silkbank's website). The bigger the size of the fund and the longer the tenure, the higher would be the weightage allocated to the fund for profit distribution.

##### Profit Rate and Weightages announcement period

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

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

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



# SILKBANK LIMITED

## ISLAMIC BANKING BUSINESS

### ANNEXURE - II

**Parameters used for allocation of profit, charging expenses and provisions etc. along with a brief description of their major components**

The profit of deposit pool is calculated on the earning assets booked by utilising the funds from the pool. No general or administrative nature of expense is charged to the pool. The profit of the pool is shared among the members of the pool on pre-defined mechanism based on the weightages announced before the profit calculation period.

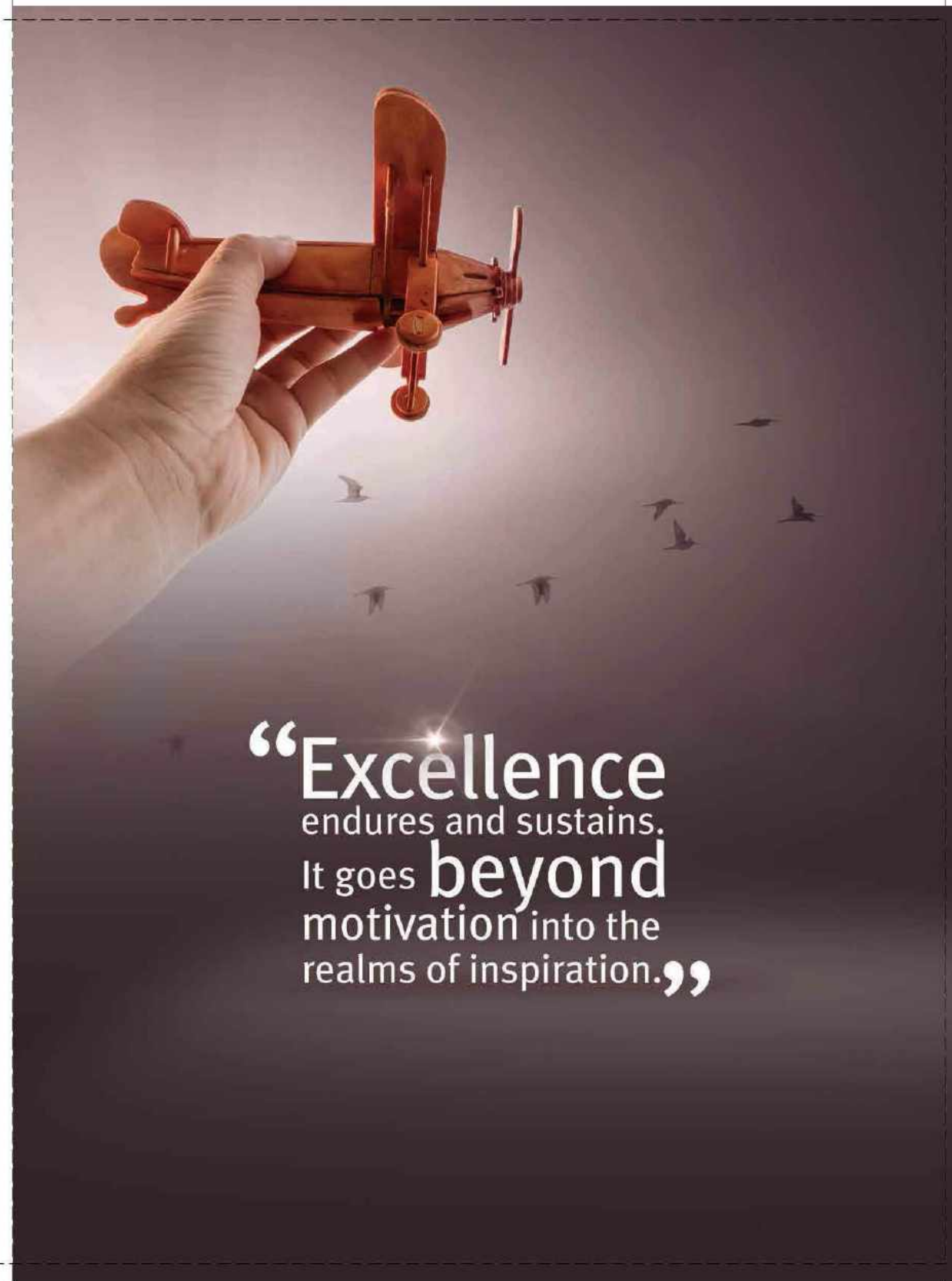
#### Profit and loss distribution in Common Mudaraba Pool

2018

General Depositors Pool	Mudarib Share - net of Hiba and including the Mudarib Fee ('000)	Mudarib Share - net of Hiba and including the Mudarib Fee (%)	Amount of Mudarib share transferred to depositors through Hiba ('000)	Profit Rate and Weightages announcement period	Mudarib share transferred to depositors through Hiba (%)	Profit Rate earned (%)	Profit Rate distributed (%)
Common Mudaraba Pool	588,534	23.96%	193,552	Monthly	32.34%	9.53%	8.88%

2017

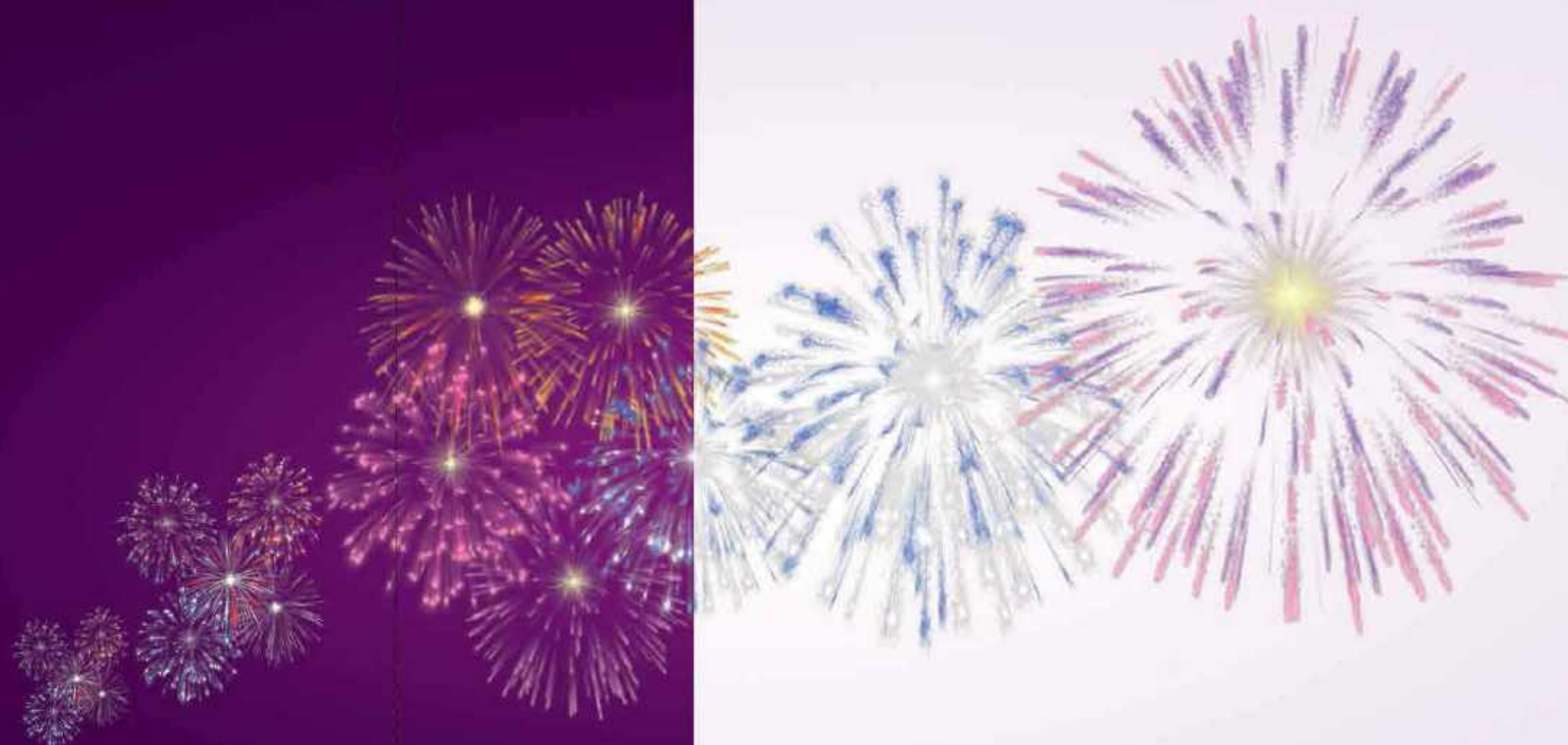
General Depositors Pool	Mudarib Share - net of Hiba and including the Mudarib Fee ('000)	Mudarib Share - net of Hiba and including the Mudarib Fee (%)	Amount of Mudarib share transferred to depositors through Hiba ('000)	Profit Rate and Weightages announcement period	Mudarib share transferred to depositors through Hiba (%)	Profit Rate earned (%)	Profit Rate distributed (%)
Common Mudaraba Pool	388,211	31.42%	-	Monthly	0.00%	9.45%	5.21%



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



Every Year & Beyond  
**Celebrate**



## HIGHLIGHTS AND ACHIEVEMENTS

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



## FULFILLING OUR RESPONSIBILITIES



### Atraaf Urdu Essay Writing Competition

Monthly Atraaf, in partnership with Silkbank, organized an Urdu essay writing competition, in which students from several universities and colleges participated from across the country. The event was attended by many known personalities, which included Mr. Toshikazu Isomura (Consul General, Consulate General of Japan in Karachi), Prof. Haseeb-ur-Rehman (Senator), Dr. Wajih Uddin (Chancellor, Jinnah University) and Qazi Asad Abid (Director, Ibrat Group).

Mr. Toshikazu Isomura (Consul General, Consulate General of Japan in Karachi) expressed his gratitude in Urdu for being invited to the event and congratulated Atraaf & Silkbank for organizing the event.

Mr. Shaukat Tarin (Advisor to the Chairman, Silkbank) expressed his views on the importance of Urdu language and its revival, assuring that Silkbank will always assist in organizing such events for promotion of the Urdu Literature in the coming years.



### Career Fairs & Internship Programs

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

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



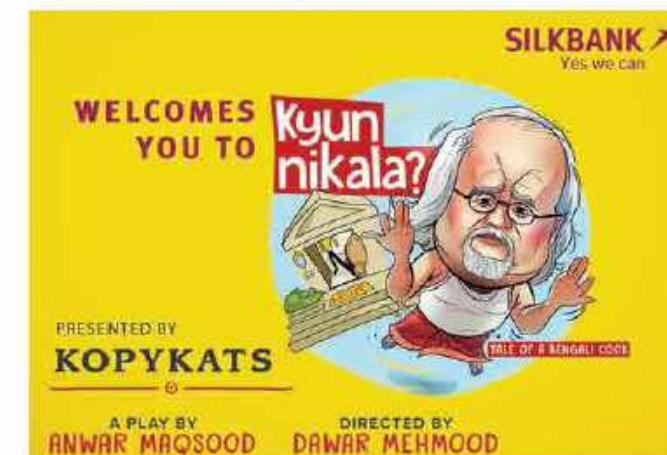
### Akhuwat Sufi Night

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



### Kyun Nikala Stage Play

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



### Leisure Leagues

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

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

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



### One Day Salary to Diamer Basha and Mohmand Dams Fund

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



### Other events:

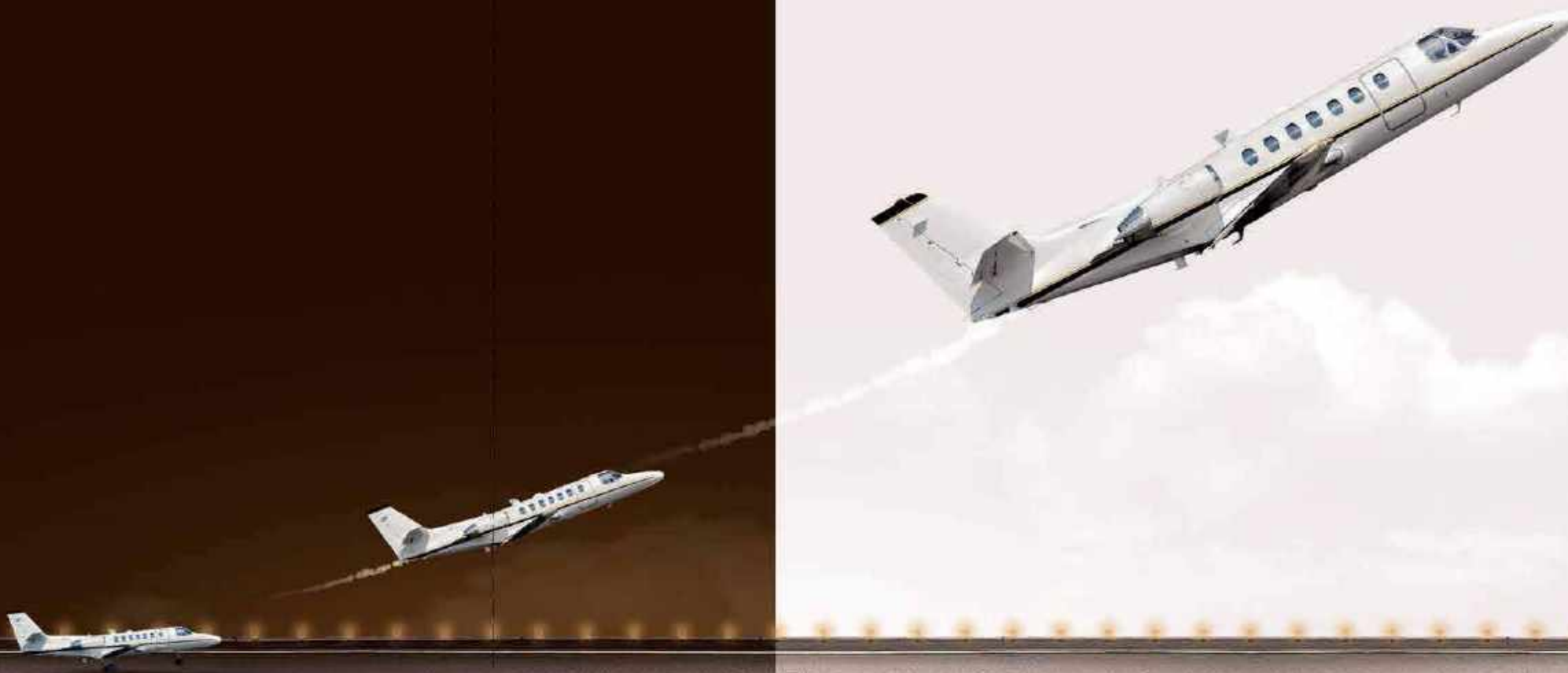
1. Forman Christian College Alumni Sponsorship
2. Quaid-e-Azam University Reunion Sponsorship
3. Corporate Table for OAKS Fundraiser for NICH
4. IBA Alumni Reunion Sponsorship
5. Distinguished Secretaries' Society of Pakistan





# Elevate

the Trust



**SILKBANK**   
Yes we can

## SHAREHOLDING INFORMATION

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



## ADDITIONAL SHAREHOLDERS' INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

### SILKBANK LIMITED

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

No.	Categories / Sub-Categories of Shareholders	Number of Shares Held	Category Wise No. of Folios / CDC Accounts	Category Wise Shares Held	Percentage
01	<b>DIRECTORS, CHIEF EXECUTIVE OFFICER AND THEIR SPOUSE(S) AND MINOR CHILDREN</b>		9	439,589,886	4.84
	Mr. Munawar Hamid, OBE	12,574			
	Mr. Khalid Aziz Mirza	500			
	Mr. Rashid Akhtar Chughtai	500			
	Mr. Shahzad Enver Murad	500,000			
	Mr. Tariq Iqbal Khan	16,997			
	Mr. Zubair Nawaz Ghattha	415,629,000			
	Mr. Azmat Tarin	20,013,115			
	Mrs. Farah Naz Tarin W/o Azmat Tarin	200,000			
	Mrs. Salma Shahzad Murad W/o Shahzad Enver Murad	3,200,000			
02	<b>ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES</b>		5	5,666,262,093	62.39
	Arif Habib Corporation Limited	2,583,901,824			28.23
	Mr. Shaukat Tarin*	1,049,091,791			11.55
	International Finance Corporation	702,699,067			7.74
	Mr. Zulqarnain Nawaz Ghattha	678,126,000			7.47
	Nomura European Investment Limited	356,676,342			3.93
	Bank Muscat S.A.O.G	315,776,969			3.48
03	<b>EXECUTIVES</b>		13	39,271,471	0.43
04	<b>PUBLIC SECTOR COMPANIES AND CORPORATIONS</b>		5	47,337,495	0.52
05	<b>BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS</b>		9	4,735,778	0.05
06	<b>MUTUAL FUNDS</b>		1	29,880,417	0.23
07	<b>General Public Foreign</b>		21	156,623,496	1.72
08	<b>Foreign Companies</b>		1	95,000	0.00
09	<b>Others</b>		90	427,799,630	4.71
10	<b>General Public Local</b>		7,890	2,279,286,170	25.10
	<b>TOTAL</b>		8,045	9,081,861,237	100.00
	<b>SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE BANK</b>				
	<b>TOTAL PAID UP CAPITAL OF THE BANK</b>	9,081,861,237 Shares			
	<b>5% OF THE PAID UP CAPITAL OF THE BANK</b>	454,093,061 Shares			
	<b>NAME(S) OF SHAREHOLDERS(S)</b>	<b>NO. OF SHARES HELD</b>		<b>PERCENTAGE</b>	
	Arif Habib Corporation Limited	2,583,901,824		28.23	
	Mr. Shaukat Tarin*	1,049,091,791		11.55	
	International Finance Corporation	702,699,067		7.74	
	Mr. Zulqarnain Nawaz Ghattha	678,126,000		7.47	
	Nomura European Investment Limited	356,676,342		3.93	
	Bank Muscat S.A.O.G	315,776,969		3.48	

\*The total shareholding of Mr. Shaukat Tarin actually stands at 1,106,091,791 shares, i.e. 12.16% in the Bank, out of which as of December 31, 2018, an amount of fifty seven million (57,000,000) shares of Mr. Shaukat Tarin have been kept with Pearl Securities Limited. During the year, Mr. Khuram Ali Malik, Area Manager - Branch Banking, of Silkbank Limited, has purchased 3,000 shares from the open market. The Bank has reported the same to the Pakistan Stock Exchange in compliance of clause No. 5.5.1. (d) of PSX Regulations. Apart from this, there was no other trading in Silkbank shares carried out by any of the Directors and Executives or their spouses and minor children during the year.

## PATTERN OF SHAREHOLDING AS AT DECEMBER 31, 2018

### SILKBANK LIMITED

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

No. of Shareholders	Shareholdings' Slab	Total Shares Held	No. of Shareholders	Shareholdings' Slab	Total Shares Held
480	1 to 100	12,434	6	215001 to 220000	1,302,861
712	101 to 500	292,563	5	220001 to 225000	1,121,511
677	501 to 1000	636,249	8	225001 to 230000	1,824,204
1890	1001 to 5000	5,985,278	2	230001 to 235000	488,990
1015	5001 to 10000	8,585,403	7	235001 to 240000	1,672,947
419	10001 to 15000	5,412,821	3	240001 to 245000	730,000
356	15001 to 20000	6,629,995	16	245001 to 250000	3,992,739
267	20001 to 25000	6,302,649	4	250001 to 255000	1,006,697
166	25001 to 30000	4,749,136	1	255001 to 260000	257,500
135	30001 to 35000	4,519,113	3	260001 to 265000	792,000
103	35001 to 40000	3,962,897	3	265001 to 270000	801,823
68	40001 to 45000	2,934,979	6	270001 to 275000	1,842,854
218	45001 to 50000	10,824,872	7	275001 to 280000	1,955,744
64	50001 to 55000	3,357,836	2	280001 to 285000	565,450
59	55001 to 60000	3,439,241	1	285001 to 290000	287,960
51	60001 to 65000	3,223,971	1	290001 to 295000	294,000
50	65001 to 70000	3,433,775	28	295001 to 300000	8,391,961
42	70001 to 75000	3,100,627	7	300001 to 305000	2,116,406
30	75001 to 80000	2,353,256	2	305001 to 310000	615,946
35	80001 to 85000	2,926,767	4	310001 to 315000	1,249,391
19	85001 to 90000	1,686,247	4	315001 to 320000	1,277,500
16	90001 to 95000	1,494,752	5	320001 to 325000	1,621,500
212	95001 to 100000	21,158,363	4	325001 to 330000	1,312,434
36	100001 to 105000	3,677,717	1	330001 to 335000	332,000
35	105001 to 110000	3,801,628	13	335001 to 340000	4,411,380
21	110001 to 115000	2,369,016	2	340001 to 345000	687,319
30	115001 to 120000	3,568,687	8	345001 to 350000	2,795,219
21	120001 to 125000	2,596,303	2	350001 to 355000	700,638
11	125001 to 130000	1,413,986	2	355001 to 360000	717,185
15	130001 to 135000	2,002,371	2	360001 to 365000	721,500
20	135001 to 140000	2,762,320	2	365001 to 370000	736,013
8	140001 to 145000	1,139,128	4	370001 to 375000	1,498,332
40	145001 to 150000	5,991,008	4	375001 to 380000	1,518,470
12	150001 to 155000	1,834,708	2	380001 to 385000	765,000
10	155001 to 160000	1,580,475	2	385001 to 390000	780,000
10	160001 to 165000	1,642,946	1	390001 to 395000	395,000
17	165001 to 170000	2,873,619	14	395001 to 400000	5,595,500
7	170001 to 175000	1,215,648	1	400001 to 405000	401,960
11	175001 to 180000	1,962,016	1	405001 to 410000	405,500
8	180001 to 185000	1,467,274	5	420001 to 425000	2,116,882
6	185001 to 190000	1,137,342	2	425001 to 430000	860,000
6	190001 to 195000	1,155,758	1	430001 to 435000	435,000
53	195001 to 200000	10,592,868	1	435001 to 440000	440,000
13	200001 to 205000	2,639,640	1	440001 to 445000	441,017
8	205001 to 210000	1,663,904	10	445001 to 450000	4,497,500
8	210001 to 215000	1,703,000	2	455001 to 460000	917,445



## PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2018

SILKBANK LIMITED

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

No. of Shareholders	Shareholdings' Slab	Total Shares Held
4	460001 to 465000	1,848,325
1	465001 to 470000	470,000
3	470001 to 475000	1,418,051
1	475001 to 480000	480,000
2	480001 to 485000	963,428
2	485001 to 490000	972,499
3	490001 to 495000	1,481,500
24	495001 to 500000	11,993,156
2	500001 to 505000	1,006,311
9	505001 to 510000	4,589,140
4	510001 to 515000	2,046,193
1	515001 to 520000	520,000
3	520001 to 525000	1,574,717
2	525001 to 530000	1,057,000
2	530001 to 535000	1,065,261
1	535001 to 540000	540,000
3	540001 to 545000	1,831,302
1	545001 to 550000	546,000
2	550001 to 555000	1,102,846
1	560001 to 565000	565,000
1	565001 to 570000	569,500
1	570001 to 575000	573,992
3	575001 to 580000	1,736,636
1	580001 to 585000	582,500
2	585001 to 590000	1,177,110
1	590001 to 595000	595,000
10	595001 to 600000	5,998,000
1	600001 to 605000	604,102
1	620001 to 625000	621,000
1	625001 to 630000	627,500
2	640001 to 645000	1,281,787
6	645001 to 650000	3,890,000
2	650001 to 655000	1,307,556
1	660001 to 665000	663,500
2	665001 to 670000	1,336,000
2	670001 to 675000	1,343,486
4	675001 to 680000	2,719,840
2	685001 to 690000	1,376,336
1	690001 to 695000	693,233
5	695001 to 700000	3,495,000
3	700001 to 705000	2,107,481
1	705001 to 710000	708,500
1	715001 to 720000	720,000
1	725001 to 730000	725,970
3	730001 to 735000	2,288,500
1	765001 to 770000	765,744

No. of Shareholders	Shareholdings' Slab	Total Shares Held
1	785001 to 790000	786,000
1	790001 to 795000	791,000
6	795001 to 800000	4,800,000
1	805001 to 810000	806,000
1	825001 to 830000	826,000
2	830001 to 835000	1,666,000
2	835001 to 840000	1,679,000
2	845001 to 850000	1,699,801
1	860001 to 865000	865,000
1	875001 to 880000	880,000
4	885001 to 890000	3,596,000
1	900001 to 905000	904,500
1	920001 to 925000	924,229
1	930001 to 935000	934,835
2	955001 to 960000	1,919,810
1	960001 to 965000	965,000
1	970001 to 975000	974,599
1	980001 to 985000	983,000
2	990001 to 995000	1,987,500
24	995001 to 1000000	23,997,781
2	1000001 to 1005000	2,002,329
1	1005001 to 1010000	1,008,087
1	1010001 to 1015000	1,015,000
1	1015001 to 1020000	1,020,000
1	1020001 to 1025000	1,025,000
1	1025001 to 1030000	1,026,000
1	1065001 to 1070000	1,065,500
1	1095001 to 1100000	1,100,000
1	1110001 to 1115000	1,111,041
1	1170001 to 1175000	1,172,500
2	1195001 to 1200000	2,400,000
1	1200001 to 1205000	1,200,475
1	1210001 to 1215000	1,210,259
1	1215001 to 1220000	1,220,000
1	1240001 to 1245000	1,240,492
2	1255001 to 1260000	2,515,070
1	1295001 to 1300000	1,297,056
1	1305001 to 1310000	1,306,500
1	1340001 to 1345000	1,345,000
3	1345001 to 1350000	4,046,905
1	1355001 to 1360000	1,359,764
1	1375001 to 1380000	1,377,215
2	1395001 to 1400000	2,797,161
1	1400001 to 1405000	1,400,440
1	1410001 to 1415000	1,410,994
1	1415001 to 1420000	1,416,000

## PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2018

SILKBANK LIMITED

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

No. of Shareholders	Shareholdings' Slab	Total Shares Held
1	1435001 to 1440000	1,439,641
1	1455001 to 1460000	1,455,500
4	1495001 to 1500000	5,999,880
1	1500001 to 1505000	1,500,100
1	1540001 to 1545000	1,543,529
2	1545001 to 1550000	3,098,866
1	1570001 to 1575000	1,572,920
1	1575001 to 1580000	1,576,789
1	1600001 to 1605000	1,603,500
1	1645001 to 1650000	1,650,000
2	1655001 to 1660000	3,320,000
2	1675001 to 1680000	3,356,500
1	1680001 to 1685000	1,683,494
1	1695001 to 1700000	1,699,701
1	1700001 to 1705000	1,700,022
1	1735001 to 1740000	1,739,500
1	1745001 to 1750000	1,747,116
1	1750001 to 1755000	1,753,663
1	1770001 to 1775000	1,770,500
1	1785001 to 1790000	1,788,824
1	1800001 to 1805000	1,802,000
1	1815001 to 1820000	1,819,500
1	1865001 to 1870000	1,869,671
1	1875001 to 1880000	1,877,599
1	1950001 to 1955000	1,954,657
1	1965001 to 1970000	1,965,500
7	1995001 to 2000000	14,000,000
1	2010001 to 2015000	2,015,000
1	2055001 to 2060000	2,057,402
1	2095001 to 2100000	2,100,000
1	2230001 to 2235000	2,230,500
1	2280001 to 2285000	2,282,046
1	2400001 to 2405000	2,400,018
1	2495001 to 2500000	2,500,000
1	2515001 to 2520000	2,518,500
1	2535001 to 2540000	2,540,000
1	2545001 to 2550000	2,550,000
1	2740001 to 2745000	2,744,500
1	2745001 to 2750000	2,750,000
1	2750001 to 2755000	2,751,788
1	2860001 to 2865000	2,863,153
1	2920001 to 2925000	2,925,000
1	2990001 to 2995000	2,991,000
1	3080001 to 3085000	3,082,000
1	3095001 to 3100000	3,100,000
1	3195001 to 3200000	3,200,000

No. of Shareholders	Shareholdings' Slab	Total Shares Held
1	3295001 to 3300000	3,300,000
1	3395001 to 3400000	3,399,603
1	3415001 to 3420000	3,419,082
1	3580001 to 3585000	3,585,000
1	3580001 to 3585000	3,581,000
1	3900001 to 3905000	3,901,000
1	4065001 to 4070000	4,065,500
1	4075001 to 4080000	4,076,176
1	4280001 to 4285000	4,280,918
1	4415001 to 4420000	4,417,056
1	4740001 to 4745000	4,743,500
1	4805001 to 4810000	4,807,000
1	4995001 to 5000000	5,000,000
1	5015001 to 5020000	5,016,419
1	5090001 to 5095000	5,090,500
1	5385001 to 5390000	5,386,827
1	5620001 to 5625000	5,621,089
1	5640001 to 5645000	5,644,500
1	5995001 to 6000000	6,000,000
1	6175001 to 6180000	6,176,082
1	6280001 to 6285000	6,283,000
1	6280001 to 6285000	6,283,209
1	6710001 to 6715000	6,713,173
1	6835001 to 6840000	6,839,054
1	6960001 to 6965000	6,963,676
1	7260001 to 7265000	7,261,124
1	7345001 to 7350000	7,350,000
1	7495001 to 7500000	7,500,000
1	7615001 to 7620000	7,618,500
1	8215001 to 8220000	8,216,128
1	8270001 to 8275000	8,272,281
1	9595001 to 9600000	9,600,000
1	9995001 to 10000000	10,000,000
1	10065001 to 10070000	10,066,500
1	10435001 to 10440000	10,436,324
1	11780001 to 11785000	11,782,500
1	12540001 to 12545000	12,543,796
1	12925001 to 12930000	12,927,719
1	13170001 to 13175000	13,174,061
1	14005001 to 14010000	14,009,000
1	14095001 to 14100000	14,096,500
1	15230001 to 15235000	15,233,500
1	16465001 to 16470000	16,467,577
1	20880001 to 20885000	20,880,417
1	22415001 to 22420000	22,418,500
1	23795001 to 23800000	23,797,288



## PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2018

SILKBANK LIMITED

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

No. of Shareholders	Shareholdings' Slab	Total Shares Held
1	24720001 to 24725000	24,724,029
1	24995001 to 25000000	25,000,000
1	28675001 to 28680000	28,676,471
1	34560001 to 34565000	34,563,000
1	36225001 to 36230000	36,228,668
1	37495001 to 37500000	37,500,000
1	55880001 to 55885000	55,882,353
1	56995001 to 57000000	57,000,000
1	62995001 to 63000000	63,000,000
1	77335001 to 77340000	77,335,346
1	86345001 to 86350000	86,349,442
1	114605001 to 114610000	114,607,807
1	124365001 to 124370000	124,368,193

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



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



# BRANCH NETWORK

## ISLAMIC BANKING (SOUTH)

**Gamer Iqbal**  
Acting Branch Manager  
Shahmeh-e-Faisal Branch,  
P.E.C.H.S., Block 7B,  
Shahmeh-e-Faisal, Karachi.  
Tel: (021) 3453100-9,  
(021) 34523089, 34521796  
Fax: (021) 34533110

**Yaqar Hussain Khan**  
Area Manager  
Clifton Branch,  
Shah Road No. 1, Plot No. D-6B,  
Block 7, Clifton, Karachi.  
Tel: (021) 34521441-42,  
(021) 34560937  
Fax: (021) 34521438

**Kamran Hashim**  
Branch Manager  
Quetta Branch,  
M.A. Jinnah Road, Quetta.  
Tel: (081) 2950204-03  
Fax: (081) 2950204

**Syed Asim Raza**  
Branch Manager  
University Road Branch,  
Shop 58/77, Block 13-C, All  
Centre, Gulshan-e-Iqbal, University  
Road, Karachi.  
Tel: (021) 34522024-8

**Majid Hussain Junjo**  
Branch Manager  
Gulistan-e-Johar Branch,  
Shop 10 & 11, Fathimah Centre, Block  
12, Gulistan-e-Johar, Karachi.  
Tel: (021) 34538361

**M. Kasim Jada**  
Branch Manager  
N.A.C.H.S. Branch,  
Shop No. 2F, Muhammad Ali  
Jauhar, Memorial Cooperative  
Housing Society, Karachi.  
Tel: (021) 34521943-7

**Aliak Dito**  
Branch Operations Manager  
Nasirabad Branch,  
Muhammad Ali Jauhar,  
Main Road, Dour Road,  
Nasirabad.  
Tel: (042) 4383886

**Saad Ahmed Siddique**  
Area Manager  
Saba Avenue Branch,  
Saba Avenue, 56-C,  
Shahbaz Lane No. 4, Phase-VI,  
DHA, Karachi.  
Tel: (021) 38704741-42

**Muhammad Salim**  
Branch Manager  
Tariq Road Branch,  
Plot No. 315-C, Commercial  
Area, Block 2, Karachi.  
Tel: (021) 34538362-3

**Akbar Ali Rindani**  
Branch Manager  
Khayaban-e-Shujaat DHA Branch,  
Bukhari Commercial, 220F,  
Lane 13, Bukhari Commercial,  
Phase-VI, DHA, Karachi.  
Tel: (021) 35845121-5, 35845122

## ISLAMIC BANKING (CENTRAL)

**Anjum Raza**  
Branch Manager  
Faisalabad Branch,  
Plot No. 17, Block-A, Opp. Rafiq  
Station, D Ground, People's Colony,  
Faisalabad.  
Tel: (041) 8523411-13, 8523414  
Fax: (041) 8523416

**Usama Salim Anwar**  
Branch Manager  
DHA T Block Branch,  
93 Commercial Area, Phase-II,  
DHA, Lahore.  
Tel: (042) 35708307-8 (113),  
(042) 35748848  
Fax: (042) 35708337

**Muhammad Ali**  
Branch Manager  
Gulberg Mini Market, G Block  
Branch,  
G-3 Block, Gulberg-II, Lahore.  
Tel: (042) 35751536-7, 35754273  
Fax: (042) 35754278

**Farhan Zahid**  
Acting Branch Manager  
College Road Branch,  
525, Block 15, Sector B7,  
College Road, Township, Lahore.  
Tel: (042) 35217563-5-6-7

**Nadia Noorwan**  
Branch Manager  
Alama Iqbal Town Branch,  
8, Olympic Street, Main Boulevard,  
Alama Iqbal Town, Lahore.  
Tel: (042) 37800752,  
(042) 37800741-44

**M. Noman Qureshi**  
Acting Branch Manager  
Circular Road Branch,  
61, S.E. Woods Building,  
Circular Road, Lahore.  
Tel: (042) 37379517,  
(042) 37379427, Ext. 102  
Fax: (042) 37379519

**Adnan Ijaz**  
Branch Manager  
Mall Road Branch,  
No. 23, The Mall, Opp. Lahore  
High Court, Lahore.  
Tel: (042) 37254779

**Muhammad Imran Habib**  
Branch Manager  
Nasirabad Branch,  
No. 23 & 24, A-Block,  
Model Town, Multan.  
Tel: (061) 8522411-13

**Ms. Rubina Hassan**  
Branch Manager  
Gulberg Branch,  
Plot No. 182, Property No. 18,  
Old No. 35, Main Gulberg-II, Lahore.  
Tel: (042) 35776942

## ISLAMIC BANKING (NORTH)

**Sonika Uman**  
Branch Manager  
F-4 Market Branch,  
Plot No. 8-C, Shahmeh Centre,  
Johar Road, Islamabad.  
Tel: (051) 2287450, 2287455-57  
Fax: (051) 2287454

**Mohsin Ali**  
Branch Manager  
Chakdala Scheme-II Branch,  
Plot No. 46, Commercial Area,  
Chakdala Scheme-II, Rawalpindi.  
Tel: (051) 5785147,  
(051) 5785151-52, 5153053  
Fax: (051) 5785150

**Qasr Bashir-ul-Haq**  
Branch Manager  
Abbottabad Branch,  
Plot No. 7838, Opp. Dargah  
Tarnali, Mandial, Mandial Road,  
Abbottabad, KPK.  
Dir: (0922) 369871,  
PA&X: (0922) 369878-79  
Fax: (0922) 369878

**Shakil Sander**  
Branch Manager  
Harden Branch,  
Sikandar Building, Mail Road,  
Saddar Bazar, Mandial.  
Tel: (0937) 867555, 867554  
(0937) 867456  
Dir: (0937) 867557  
Fax: (0937) 867556

**Ayaz Malik**  
Branch Manager  
G-11 Market Branch,  
Al Rafiq Mall, Plot No. 33,  
G-11 Market, Islamabad.  
Tel: (051) 2364501-10,

**Zameer Saad Khan**  
Branch Manager  
DHA Phase-II Branch,  
Plot No. 64, Sector E,  
Jinnah Boulevard, DHA Phase-II,  
Islamabad.  
Tel: (051) 5419440, 5419438  
Fax: (051) 5419440

**Muhammad Haris Ilyas**  
Branch Manager  
Jamrud Road Branch,  
Shop No. 1, 2, 3, 4, Adab Plaza,  
Near Ghaffar Petrol Pump,  
Jamrud Road, Peshawar.  
Tel: (091) 5511895, 5511827

**Muhammad Iyaz**  
Branch Manager  
Muzaffarabad Branch,  
Khana No. 973, Muzaffarabad,  
Tehsil and District, Muzaffarabad.  
Tel: (09822) 447260, 447265

**Ashraf Yousaf**  
Branch Manager  
Chitta Batta Branch,  
Khana No. 967, Mouza Chitta  
Batta, Tehsil and District, Muzaffarabad.  
Tel: (0987) 650722-4

**Shabeel Akhtar**  
Branch Manager  
Haripur Branch,  
Khana No. 937-722,  
Khana No. 1822152, 1809152  
And Khana No. 8901028,  
Khana No. 1892154, 1894154,  
Mouza Pandak, Tehsil and District,  
Haripur.  
Tel: (0985) 827215-7

**Saddam Haider**  
Branch Manager  
Saddar Branch,  
Survey No. 1677, Mail 1, Mail Road,  
Opp. A.P.C. Rawalpindi.  
Tel: (051) 5701451

## KARACHI SOUTH

**Ahmed Adil Ibrahim**  
Regional General Manager  
Road Basin Branch,  
GPC-A, 1st Floor, Block-5,  
D.B.Q. Tower, Karachi.  
Tel: (021) 3414236, 3414238

**Muhammad Akmal Nazeem**  
Area Manager  
Karachi Main Branch,  
Saima Tower, I.I. Chundrigar Road,  
Karachi.  
Tel: (021) 32275243,  
111-50-7455, Ext. 100  
Fax: (021) 32275245

**Sameer Adnan**  
Branch Manager  
Shahdabad Branch,  
Ground Floor, 2B Tower,  
Plot No. 104, Bahadur Yar Jung  
Co-operative Housing Society,  
Block 3, K.C.H.S., Union Limited,  
Bahadurabad, Karachi.  
Tel: (021) 34932277,  
(021) 34123416-20  
Fax: (021) 34145182

**Zubair Patel**  
Branch Manager  
Khadija Bte. Walid Road Branch,  
Shay No. 1, 2, 3 & 4, Plot No.  
151-A, Khadija Bte. Walid  
Road/Alama Iqbal Road, Block 2,  
P.E.C.H.S., Karachi.  
Tel: (021) 34308526,  
(021) 34308521-23  
Fax: (021) 34308524

**Shahid Hussain Khan**  
Branch Manager  
M.A. Jinnah Road Branch,  
Plot No. 40, Sheet No. 7,  
Situated on Sindh Quarters,  
Off M.A. Jinnah Road, Karachi.  
Tel: (021) 32801306-09  
Fax: (021) 32801312

**Mohsin Afridi**  
Branch Manager  
Khayaban-e-Nisbat Branch,  
100-C, 11th Commercial Street,  
Main Khayaban-e-Nisbat,  
Phase-II Ext. DHA, Karachi.  
Tel: (021) 3512116,  
(021) 3512124, Ext. 207

**Muhammad Ahsan**  
Branch Manager  
Hyderabad Branch,  
F-17, Bacha Manzil, Opp.  
Old Cafe George, Baska Road,  
Hyderabad.  
Tel: (022) 2728370, 2781440  
Fax: (022) 2781182

**Syed Sarfaraz Ahmed**  
Branch Manager  
Gulshan-e-Iqbal Branch,  
Block 10A, Saima Centre,  
Main Road/Minha Road,  
Gulshan-e-Iqbal, Karachi.  
Tel: (021) 34991133, 3498652-3  
Fax: (021) 3498654

**Muhammad Ali**  
Branch Manager  
University Road Branch,  
Plot No. B-9/10, Block 18,  
Main University Road,  
Gulshan-e-Iqbal, Karachi.  
Tel: (021) 34829590, 34829591  
Fax: (021) 34829592

**Muhammad Tanveer**  
Branch Manager  
Sohrab Goth Branch,  
N-Vall Square, Sohrab Goth,  
Karachi.  
Tel: (021) 36340574,  
(021) 36340584  
Fax: (021) 36343704

**Syed Muhammad Salim**  
Branch Manager  
F.B. Area Branch,  
Plot No. C-319A, Ground Floor,  
Block 6, F.B. Area, K.D.A.  
Scheme 16, Karachi.  
Tel: (021) 36342885, 36342885-8  
Fax: (021) 36342884

**Saiman Aslam**  
Branch Manager  
Gulshan-e-Chowangi Branch,  
Plot No. 13, 23, Block 8,  
Gulshan-e-Iqbal, Karachi.  
Tel: (021) 34803517, 34803518

**Jamil Anam**  
Acting Branch Manager  
Cloth Market Branch,  
Khawaja Building,  
Fakhr-e-Mal Road, Cloth Market,  
Karachi, Karachi.  
Tel: (021) 32201428, 32201042  
Fax: (021) 32201880

**Tahir H. Mirza**  
Branch Manager  
DHA Shahbaz Branch,  
Plot No. 20-C, Ground Floor,  
Shahbaz Commercial, Lane-2,  
DHA, Karachi.  
Tel: (021) 35341145,  
(021) 35344002, Ext. 418  
Fax: (021) 35344001

**Syed Fasih Haider Bursay**  
Area Manager  
Korangi Road Branch,  
Plot No. 8-C, A-Commercial Market,  
DHA, Phase-I, Main Korangi Road,  
Karachi.  
Tel: (021) 38385844, 38385821,  
(021) 38385818-20  
Fax: (021) 38384342

**Khalid Ali**  
Branch Manager  
Korangi Industrial Area Branch,  
Plot No. 25F, Sector 23,  
Korangi Industrial Area,  
Near to Suzuki South, Karachi.  
Tel: (021) 38387201, 38387215,  
(021) 38387205, 38387275  
Fax: (021) 38387201

**Eliaz A. Khan**  
Branch Manager  
Quetta Branch,  
Firdous Building, Jinnah Road,  
Quetta.  
Tel: (081) 2824081,  
(081) 2821773, Ext. 412

**Aaghar Ali**  
Branch Manager  
Boat Basin Branch,  
GPC-A, Block 6, K.D.A. Scheme  
No. 6, Kharoshan Clifton, Karachi.  
Tel: (021) 35301909,  
(021) 35301923, Ext. 401

**Nazir Hussain Nazir**  
Branch Manager  
Khayaban-e-Nisbat Branch,  
C-25, Khayaban-e-Nisbat,  
Phase VI, DHA, Karachi.  
Tel: (021) 35170871

**Naveed Anjum Syal**  
Branch Manager  
DHA 25th Street Branch,  
25th Street, Plot No. 23-C, Street  
No. 37, Teahad Commercial Area,  
Phase-V, DHA, Karachi.  
Tel: (021) 35871482,  
(021) 35871479, Ext. 407  
Fax: (021) 35871480

**Muhammad Ghaffar**  
Area / Chief Manager  
Korangi Road Branch,  
Korangi Road, Faisalabad.  
Tel: (041) 2918973, 2943504  
Fax: (041) 2918984

**Ghulam Farid**  
Acting Branch Manager  
Sheikhupura Branch,  
Sheikh Pura, Main Lahore -  
Sargodha Road, Sheikhupura.  
Tel: (055) 3810529, 3810535  
Fax: (055) 3810532

**Muhammad Farooq**  
Branch Manager  
Saddar Branch,  
Plot No. B-9/10, Block 18,  
Main University Road,  
Gulshan-e-Iqbal, Karachi.  
Tel: (021) 3278532-5, 32785330

**Saleem Ahmed Siddique**  
Branch Manager  
S.I.T.E. Branch,  
Plot No. B/9, C-1, Unit No. 2, Shih  
Industrial Trading Estate, Karachi.  
Tel: (021) 32586673, 32586282

**Mir Adnan Jafri Breh**  
Branch Manager  
P.E.C.H.S. Branch,  
Shop No. 9, 5B, Al-Tajirah Center,  
32, 1A, Block No. 9, P.E.C.H.S.,  
Shahmeh-e-Faisal, Karachi.  
Tel: (021) 34362040-41-42  
Fax: (021) 34362040

**Syed Imran Kazmi**  
Area Manager  
North Nazimabad Branch,  
Ayaz Road/Shop No. 3-5,  
Ground Floor, Block-L,  
North Nazimabad (Near Five Star  
Roundabout), Karachi.  
Tel: (021) 38543280,  
(021) 38543275-76  
Fax: (021) 38543283

**Chaudhry Zafar Iqbal**  
Branch Manager  
Cloth Market Branch,  
Khawaja Building,  
Fakhr-e-Mal Road, Cloth Market,  
Karachi, Karachi.  
Tel: (021) 32201428, 32201042  
Fax: (021) 32201880

**Mahmood A. Shabbir**  
Branch Manager  
WAPDA Town Branch,  
WAPDA Town Roundabout,  
Lahore.  
Tel: (042) 35188523, 35188520  
Fax: (042) 35188519

**Syed Qasim Ali Rizvi**  
Regional General Manager  
Silkbank House,  
14 - Gorton Road, Lahore.  
Tel: (042) 36273272  
Fax: (042) 36273272

**Muhammad Nazeem Dar**  
Area / Chief Manager  
Main Branch,  
Silkbank House,  
14 - Gorton Road, Lahore.  
Tel: (042) 36273272  
Fax: (042) 36273272

**Sheikh Mobeen Rafe**  
Branch Manager  
Peco Road Branch,  
Plot No. 1, B-1 Townships,  
Peco Road, Lahore.  
Tel: (042) 3612544-6, 36125400  
(042) 3612541  
Fax: (042) 36125403

**Muhammad Hamid**  
Branch Manager  
Alama Iqbal Town Branch,  
B-Harza Block,  
Alama Iqbal Town, Lahore.  
Tel: (042) 3785308,  
(042) 3785314-15  
Fax: (042) 3785308

**Ghulam Rasool**  
Branch Manager  
Thekar Niaz Bhai Branch,  
7-B, Judicial Colony, Rahwind Road,  
Thekar Niaz Bhai, Lahore.  
Tel: (042) 36314045-46, 36314049  
Fax: (042) 36314048

**Umar Khan**  
Branch Manager  
Shadman Town Branch,  
119-A, Colony No. 1,  
Shadman Town, Lahore.  
Tel: (042) 3742045-47,  
(042) 3742046  
Fax: (042) 37420448

**Muhammad Ghaffar**  
Area / Chief Manager  
Korangi Road Branch,  
Korangi Road, Faisalabad.  
Tel: (041) 2918973, 2943504  
Fax: (041) 2918984

**Ghulam Farid**  
Acting Branch Manager  
Sheikhupura Branch,  
Sheikh Pura, Main Lahore -  
Sargodha Road, Sheikhupura.  
Tel: (055) 3810529, 3810535  
Fax: (055) 3810532

**Saeed Ahmed Khan Mazi**  
Branch Manager  
Sargodha Branch,  
Khayaban Chowk, Gulberg Park,  
Sargodha.  
Tel: (048) 3788101-2  
Fax: (048) 3788103

**Jamil Ahmad**  
Area / Chief Manager  
Johar Town Branch,  
Block 15, M.M.A., Johar Town,  
Lahore.  
Tel: (042) 3624089-92  
Fax: (042) 36240893

**Farrukh Iqbal**  
Branch Manager  
Shahmeh Market Branch,  
15-B, Shahmeh Market, Lahore.  
Tel: (042) 37376186,  
(042) 37376783-82  
Fax: (042) 37376183

**Aqel Mirza**  
Branch Manager  
Rahwind Branch,  
Rahwind Road, Near  
Lahore Frigate, Rahwind.  
Tel: (042) 35303513,  
(042) 35303511-13  
Fax: (042) 35303514

**Liaquat Ali**  
Branch Manager  
Pul-Hi Branch (Sargodha),  
Pul-Hi, Faisalabad Road,  
Sargodha.  
Tel: (048) 3791880-83  
Fax: (048) 3791883

**Mahmood A. Shabbir**  
Branch Manager  
WAPDA Town Branch,  
WAPDA Town Roundabout,  
Lahore.  
Tel: (042) 35188523, 35188520  
Fax: (042) 35188519

**Sheikh Ahmed Mumtaz**  
Branch Manager  
Badami Bagh Branch,  
203 Gagan Market, Badami Bagh,  
Lahore.  
Tel: (042) 37731363  
Fax: (042) 37731365

**Wasef Khalid Malik**  
Branch Manager  
Circular Road Branch,  
73, Circular Road, Lahore.  
Tel: (042) 37858564  
Fax: (042) 37858561

**Muhammad Aali Sebr**  
Branch Manager  
DHA Rahbar Branch,  
Khana No. 1388, Defence Road,  
Opp. DHA Rahbar, Lahore.  
Tel: (042) 37731363  
Fax: (042) 37731365

**Inam Ali Shafi**  
Branch Manager  
Kasur Branch,  
Khana No. 5882, Ahmad Shah  
Colony, Shahmeh Khan Road, Kasur.  
Tel: (049) 2780406

**Shumaila Javed**  
Branch Manager  
Sahra Town Branch,  
57-B, Commercial Sector C,  
Sahra Town, Lahore.  
Tel: (042) 3682312, Ext. 102  
Fax: (042) 3682312

**Muhammad Omar Farooq**  
Branch Manager  
Cavalry Ground Branch,  
20 Commercial Area,  
Cavalry Ground, Lahore.  
Tel: (042) 36810273-6, 36810280  
Fax: (042) 36810279

**Ali Iftikhar Cheema**  
Branch Manager  
DHA Phase-6 Branch,  
27 MS, Phase 6 DHA, Lahore.  
Tel: (042) 37180148, Ext. 102  
Dir: (042) 37180147

**Rauf ur Rehman Lodhi**  
Branch Manager  
DHA Phase-6 Branch,  
27 MS, Phase 6 DHA, Lahore.  
Tel: (042) 36810273-6, 36810280  
Fax: (042) 36810279

**Muhammad Aftab Gani**  
Branch Manager  
Bahawalpur Branch,  
Main G.T. Road, Bahawalpur,  
Lahore Lines.  
Tel: (042) 36810273-6, 36810280  
Fax: (042) 36810279

**Nawaz Ali Hashmi**  
Area / Branch Manager  
Gujranwala Branch,  
Plot No. 100 & 102,  
Mohallah Bhada Nagar,  
Near P.S.D. Petrol Pump,  
G.T. Road, Gujranwala.  
Tel: (055) 3250214, 3791289,  
(055) 3856256-70  
Fax: (055) 3856271

**Nadeem Khan**  
Area / Branch Manager  
Sialkot Branch,  
70, Park Road, Sialkot.  
Tel: (052) 4266778, 42667489,  
(052) 42667491  
Fax: (052) 42667492

**Haseem Khalid Ghuman**  
Branch Manager  
Gujrat Branch,  
Amir Far Building, G.T. Road,  
Gujrat.  
Tel: (051) 3730166-72  
Fax: (051) 3730173

**Aysha Hameed**  
Branch Manager  
Gulberg Branch,  
87-A-D-1, PEC Building,  
Block 13, Hospital Chowk,  
Gulberg II, Lahore.  
Tel: (042) 35875010-11, 35875031  
Fax: (042) 35875012

**Tahir Hamid**  
Area / Branch Manager  
Garden Town Branch,  
Plot 1-A, Garden Town, Lahore.  
Tel: (042) 35840306-9, 35840300  
Fax: (042) 35840301

**M. Tariq Raza**  
Branch Manager  
Model Town Branch,  
16, Bank Square Market,  
Model Town, Lahore.  
Tel: (042) 35815540-41,  
(042) 35815547  
Fax: (042) 35815543

**Umar Ahmad Wariach**  
Branch Manager  
Mandi Bahauddin Branch,  
740, Sahar Plaza,  
Chowk Bap-e-Farooq,  
Mandi Bahauddin.  
Tel: (0546) 507080, 507054-55  
Fax: (0546) 507080

**Muhammad Aftab Irfan**  
Area Manager  
Larkana Branch,  
Sahar Plaza, Ground Floor,  
Sahar Plaza, Larkana.  
Tel: (042) 3682312, Ext. 102  
Fax: (042) 3682312

**Ramiz Hassan Farooq**  
Branch Manager  
Kalma Chowk Branch,  
Plot No. 27-Town Block,  
New Garden Town,  
Main Ferozpur Road, Lahore.  
Tel: (042) 35875131-32,  
(042) 35875245  
Fax: (042) 35875242

**Muhammad Omar Farooq**  
Branch Manager  
Cavalry Ground Branch,  
20 Commercial Area,  
Cavalry Ground, Lahore.  
Tel: (042) 36810273-6, 36810280  
Fax: (042) 36810279

**Ali Iftikhar Cheema**  
Branch Manager  
DHA Phase-6 Branch,  
27 MS, Phase 6 DHA, Lahore.  
Tel: (042) 37180148, Ext. 102  
Dir: (042) 37180147

**Rauf ur Rehman Lodhi**  
Branch Manager  
DHA Phase-6 Branch,  
27 MS, Phase 6 DHA, Lahore.  
Tel: (042) 36810273-6, 36810280  
Fax: (042) 36810279

**Muhammad Aftab Gani**  
Branch Manager  
Bahawalpur Branch,  
Main G.T. Road, Bahawalpur,  
Lahore Lines.  
Tel: (042) 36810273-6, 36810280  
Fax: (042) 36810279

**Muhammad Aftab Gani**  
Branch Manager  
Bahawalpur Branch,  
Main G.T. Road, Bahawalpur,  
Lahore Lines.  
Tel: (042) 36810273-6, 36810280  
Fax: (042) 36810279



# FOREIGN CORRESPONDENTS

## Afghanistan

Habib Bank Ltd.

## Australia

JP Morgan  
Westpac Banking Corp.

## Austria

Raffaelsen Bank International AG  
Commerzbank

## Bahrain

Al Baraka Islamic Bank  
BMI Bank B.S.C.  
Habib Bank Ltd.  
United Bank Ltd.  
National Bank of Pakistan  
Kuwait Turkish Participation Bank Inc.

## Bangladesh

Habib Bank Ltd.  
Bank Alfalah  
Sonali Bank Ltd.

## Belgium

Habib Bank Ltd.  
Commerzbank AG  
KBC Bank N.V.

## Brazil

JP Morgan

## Bulgaria

United Bulgarian Bank

## Canada

Habib Canadian Bank

## China

Agricultural Bank of China  
Commerzbank AG  
Bank of Beijing  
Bank of Jiangsu Co. Ltd.  
Bank of Communication  
China Citic Bank  
Shanghai Pudong Development Bank  
Bank of China  
China Construction Bank  
China Everbright Bank  
Industrial and Comm'l Bank of China  
Liaohang Bank Co. Ltd.  
JP Morgan  
Shenzhen Development Bank Co. Ltd.  
Bank of New York Mellon  
Wells Fargo Bank  
WestLB AG  
Axis Bank

## Czech Republic

Commerzbank AG  
LBSW Bank

## Denmark

Danske Bank A/S

## Egypt

Mashreqbank PSC  
Al Baraka Bank Egypt

## Finland

Skandinaviska Enskilda Banken

## France

Commerzbank  
National Bank of Pakistan  
Habib Bank Ltd.

## Germany

Commerzbank AG  
Danske Bank  
Deutsche Bank AG  
National Bank of Pakistan  
SEB AG  
Landesbank Baden-Württemberg  
Suedwestbank AG  
JP Morgan

## Hungary

K&H Bank Zrt  
Magyarországi Városvédelési Rendszer  
Commerzbank AG

## Hong Kong

Bank of America  
BNP Paribas Fortis Bank  
DBS Bank  
Commerzbank  
Habib Finance Int'l Ltd.  
HBZ Finance Ltd.  
Intesa Sanpaolo  
National Bank of Pakistan  
Mashreqbank PSC  
JP Morgan  
Axis Bank  
WestLB AG

## India

Mashreqbank PSC  
JP Morgan  
Axis Bank

## Indonesia

JP Morgan

## Ireland

National Irish Bank

## Italy

Commerzbank AG  
Royal Bank of Scotland  
Banca Di Roma S.P.A.  
Banca Di Napoli S.P.A.  
Banca Popolare SOC  
Banca Popolare Di Novara S.P.A.  
Banca Popolare Di Verona SGSP  
Banca Monte Parma  
Banca Carige S.P.A.  
Banca UBAE  
Intesa Sanpaolo  
Mizuho Corporate Bank Ltd.  
UniCredit Banca S.P.A.  
UniCredit Corporate Banking S.P.A.  
UBI Banca  
Cassa di Risparmio in Bologna  
Veneto Banca SCRA

## Japan

National Bank of Pakistan  
Citibank  
Bank of New York  
JP Morgan  
Mizuho Corporate Bank Ltd.  
Sumitomo Mitsui Banking Corp.  
Wells Fargo Bank  
Commerzbank AG

## Kazakhstan

STA Bank JSC

## Kuwait

Gulf Bank K.S.C.  
Al Ahli Bank of Kuwait K.S.C.  
National Bank of Kuwait  
Mashreqbank PSC

## Korea

Korea Exchange Bank  
Korea Development Bank  
Kookmin Bank  
JP Morgan  
National Bank of Pakistan  
Shinhan Bank  
Suhyup Bank  
Busan Bank  
Woori Bank

## Kosovo

Raffaelsen Bank

## Lebanon

Habib Bank Ltd.

## Malaysia

JP Morgan  
Mizuho Corp. Bank

## Mexico

Banco Del Bajío S.A.  
Banco JP Morgan

## Mauritius

Habib Bank Ltd.

## Morocco

Attijawala Bank

## Nepal

Himalayan Bank Ltd.

## Netherlands

Commerzbank AG  
Habib Bank Ltd.  
ING Bank

## Norway

DNB Nor Bank ASA

## New Zealand

Westpac Banking Corporation

## Oman

Habib Bank Ltd.  
Oman International Bank  
Bank Muscat

## Poland

Norddea Bank Polska S.A.

## Philippines

JP Morgan  
Mizuho Corporate Bank

## Portugal

Banco SPI S.A.

## Qatar

United Bank Limited  
Doha Bank  
BNP Paribas Fortis Bank  
Mashreqbank PSC

## Romania

Piraeus Bank

## Russia

Citibank  
Commerzbank AG

## Saudi Arabia

JP Morgan  
National Commercial Bank  
Saudi Holland Bank  
Bank Muscat  
National Bank of Pakistan  
The Saudi British Bank

## Singapore

Bank of America  
DBS Bank  
Commerzbank AG  
Citibank N.A.  
BNP Paribas Fortis Bank  
Habib Bank Ltd.  
JP Morgan  
Mizuho Corporate Bank  
National Bank of Kuwait  
Rabo Bank  
Sumitomo Mitsui Banking  
Corporation Ltd.  
WestLB AG  
Axis Bank

## South Africa

Habib Overseas Bank Ltd.  
HBZ Bank Ltd.  
FirstRand Bank

## Serbia

UniCredit Bank AG

## Slovakia

Commerzbank AG

## Spain

Commerzbank  
Fortis Bank S.A.  
Banco Popular Espanol S.A.  
Bankinter S.A.  
Caja Mediterraneo  
Caja Espana de Inversiones  
Caja d'Estalvis

## Sri Lanka

Muslim Commercial Bank Ltd.  
Habib Bank Ltd.  
Hutton National Bank  
Axis Bank

## Sweden

Skandinaviska Enskilda Banken  
Svenska Handelsbanken  
Danske Bank

## Switzerland

Banque Cantonale Vaudoise  
Habib Bank AG Zurich  
BNP Paribas Fortis Bank  
Arab Bank  
Habibsons Bank  
United Bank AG

## Taiwan

Bank of New York  
Bank of America  
JP Morgan  
Wells Fargo

## Thailand

Bank of Ayudhya Public Company Ltd.  
Export Import Bank of Thailand

## Turkey

Habib Bank Ltd.

Türkiye Vakıflar Bankası T.A.O.  
Türkiye Garanti Bankası AS  
Türk Ekonomi Bankası AS  
Albaraka Turk Participation Bank  
Aktif Yatırım Bankası

## U.A.E.

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

## U.K.

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

## U.S.A.

Bank of America  
Bank of New York Mellon  
Bank of the West  
Citibank N.A.  
Commerzbank AG  
Deutsche Bank Trust Co.  
Doha Bank  
Habib American Bank

Intesa Sanpaolo SPA  
JP Morgan  
Mashreqbank PSC  
Mizuho Corporate Bank Ltd.  
M & I Bank  
National Bank of Pakistan  
Sumitomo Mitsui Banking  
Corporation  
Union Bank of California  
Valley National Bank  
U.S. Bank Minneapolis  
Union Bank N.A.  
United Bank Ltd.  
Wells Fargo Bank N.A.  
Woori Bank

## Vietnam

JP Morgan



NOTES

Horizontal lines for notes.





**Form of Proxy**  
Annual General Meeting



I / We \_\_\_\_\_ S/o / D/o \_\_\_\_\_  
do \_\_\_\_\_ being a member(s)  
of Silkbank Limited, holding \_\_\_\_\_ ordinary shares, hereby appoint  
\_\_\_\_\_ S/o / D/o \_\_\_\_\_ do \_\_\_\_\_  
or failing him / her \_\_\_\_\_ S/o / D/o \_\_\_\_\_ do \_\_\_\_\_  
as my / our proxy in my / our absence to attend and vote for me / us on my / our behalf at Annual General Meeting of the Bank to be held  
on Friday, March 29, 2019 and / or adjournment thereof.

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

Signed by the said \_\_\_\_\_

In presence of 1. \_\_\_\_\_

2. \_\_\_\_\_

Folio No. / CDC Account No. \_\_\_\_\_

Signature on  
Revenue Stamp  
of Appropriate Value

The signature should agree with the  
specimen registered with the Bank.

**Important Instructions:**

1. The Proxy form, duly completed and signed, must be received at the Registered Office of the Bank not less than forty eight (48) hours before the date of holding the meeting.
2. No person shall act as a proxy unless he / she himself / herself is a member of the Bank, except that a corporate entity may appoint any person who is not a member.
3. If a member appoints more than one proxy and more than one instrument of proxy is deposited by a member with the Bank, all such instruments of proxy shall be rendered invalid.
4. In case of a proxy for an individual CDC shareholder, attested copies of CNIC or the passport, account and participant's ID number of the beneficial owner along with the proxy is required to be furnished with the proxy form.
5. In case of a corporate entity, the Board of Directors' resolution / power of attorney with the specimen signature shall be submitted (unless it has been provided earlier) along with the proxy form of the Bank.

**Consent for video conference facility**  
Annual General Meeting

I / We \_\_\_\_\_ S/o / D/o \_\_\_\_\_ do \_\_\_\_\_  
being a member(s) of Silkbank Limited, holder of \_\_\_\_\_ Ordinary Share(s) as per registered Folio / CDC  
Account No. \_\_\_\_\_, hereby opt for video conference facility at \_\_\_\_\_ to attend Annual General Meeting of the  
Bank to be held on Friday, March 29, 2019.

**Note:**

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

Signature on Revenue Stamp  
of Appropriate Value