

CS- 071/ PSX /2020  
June 30, 2020

**FORM 7**

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

**Silkbank Limited**  
**Financial Results for the Quarter Ended March 31<sup>st</sup>, 2020**

Dear Sir,

We have to inform you that the Board of Directors of our Bank in their meeting held on Tuesday, June 30, 2020 at 01:00 pm at 22<sup>nd</sup> Floor Conference Room, Centre Point Building, Off. Shaheed-e-Millat Expressway, near KPT Interchange Korangi, Karachi recommended the following:

- |  |          |
|--|----------|
| 1. <b><u>Cash Dividend:</u></b>                          | Nil      |
| 2. <b><u>Bonus Shares:</u></b>                           | Nil      |
| 3. <b><u>Right Shares:</u></b>                           | Nil      |
| 4. <b><u>Any Other Entitlement/Corporate Action:</u></b> | Nil      |
| 5. <b><u>Any Other Price-Sensitive Information:</u></b>  | Attached |

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

The First Quarterly Report of the Bank for the period ended March 31<sup>st</sup>, 2020, will be transmitted through PUCARS separately, within the specified time.

Yours truly,

  
**Faiz Ul Hasan Hashmi**  
Company Secretary

**Enclosure:** As above.

**Silkbank Limited**

Central Office: 22nd Floor, Centre Point Off: Shaheed-e-Millat  
Expressway, Near KPT Interchange Korangi, Karachi-74900

PABX / UAN: 021-111-00-7455 Fax: 021-35805787

Website: [www.silkbank.com.pk](http://www.silkbank.com.pk)

"Say No To Corruption"

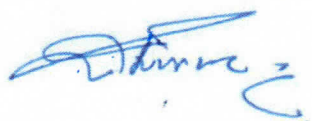
**SILKBANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2020**

		March 31, 2020 Un-audited	December 31, 2019 Audited
	Note	Rupees in '000	
<b>ASSETS</b>			
Cash and balances with treasury banks	8	12,018,975	11,838,682
Balances with other banks	9	1,145,541	1,168,163
Lendings to financial institutions	10	13,796,311	18,101,837
Investments	11	82,520,933	36,245,350
Advances	12	102,778,737	105,374,947
Fixed assets	13	5,670,953	5,910,389
Intangible assets	14	225,426	217,077
Deferred tax assets	15	4,128,159	4,864,227
Other assets	16	20,420,316	19,737,679
Asset held for sale	17	2,229,729	2,229,729
		244,935,080	205,688,080
<b>LIABILITIES</b>			
Bills payable	18	1,449,196	2,483,658
Borrowings	19	60,551,320	31,973,231
Deposits and other accounts	20	159,318,442	148,853,513
Liabilities against assets subject to finance lease		-	-
Subordinated debt	21	2,206,218	2,125,418
Deferred tax liabilities		-	-
Other liabilities	22	9,270,153	9,480,373
		232,795,329	194,916,193
<b>NET ASSETS</b>		<b>12,139,751</b>	<b>10,771,887</b>
<b>REPRESENTED BY</b>			
<b>Shareholders' equity</b>			
Share capital - net	23	23,431,374	23,431,374
Reserves		820,890	820,890
Surplus on revaluation of assets - net of tax	24	2,203,981	256,510
Accumulated loss		(14,316,494)	(13,736,887)
		12,139,751	10,771,887

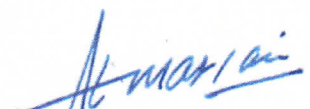
**CONTINGENCIES AND COMMITMENTS**

25

The annexed notes 1 to 45 form an integral part of these financial statements.



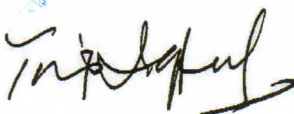
Chief Financial Officer



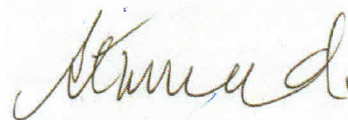
President & Chief Executive Officer



Director



Director

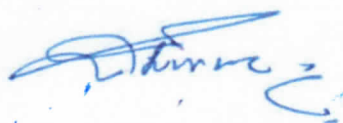


Director

**SILKBANK LIMITED****CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - UNAUDITED  
FOR THE QUARTER ENDED MARCH 31, 2020**

	Note	March 31, 2020	March 31, 2019
Mark-up / return / profit / interest earned	27	5,730,288	4,615,882
Mark-up / return / profit / interest expensed	28	(5,645,876)	(2,860,326)
<b>Net Mark-up / return / profit / interest income</b>		<b>84,412</b>	<b>1,755,556</b>
<b>NON MARK-UP / INTEREST INCOME</b>			
Fee and commission income	29	603,456	504,591
Dividend income		-	-
Foreign exchange (loss) / income		(596,690)	79,076
Income from derivatives		741,102	29,914
Gain / (loss) on securities	30	922,177	(17,028)
Other income	31	58,282	119,402
<b>Total non-markup / interest income</b>		<b>1,728,327</b>	<b>715,955</b>
<b>Total income</b>		<b>1,812,739</b>	<b>2,471,511</b>
<b>NON MARK-UP / INTEREST EXPENSES</b>			
Operating expenses	32	(1,836,840)	(1,902,770)
Workers Welfare Fund		-	(2,231)
Other charges	33	(12,359)	(110,767)
<b>Total non-markup / interest expenses</b>		<b>(1,849,199)</b>	<b>(2,015,768)</b>
<b>(Loss) / Profit before provisions, extra ordinary / unusual item and taxation</b>		<b>(36,460)</b>	<b>455,743</b>
Provisions and write offs - net	34	(856,612)	(346,418)
Extra ordinary / unusual items		-	-
<b>(LOSS) / PROFIT BEFORE TAXATION</b>		<b>(893,072)</b>	<b>109,325</b>
Taxation	35	312,571	(40,535)
<b>(LOSS) / PROFIT AFTER TAXATION</b>		<b>(580,501)</b>	<b>68,790</b>
<b>Basic and Diluted (Loss) / Earnings Per Share</b>	36	<b>(0.06)</b>	<b>0.01</b>

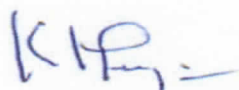
The annexed notes 1 to 45 form an integral part of these financial statements.



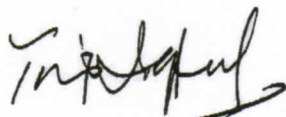
Chief Financial Officer



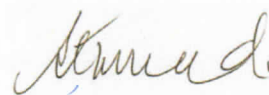
President & Chief Executive Officer



Director



Director



Director



CS - 071/ PSX /2020  
June 30, 2020

**FORM 25**

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

**Material Information**

Dear Sir,

The Bank has declared its results for the 3<sup>rd</sup> quarter ended September 30<sup>th</sup>, 2019, the Annual Accounts of 2019 and the 1<sup>st</sup> quarter ended March 31<sup>st</sup>, 2020, to the Exchange reflecting a decline trend in losses.

The Bank's progress in 2019 was curtailed due to decline in real estate prices on account of the economic situation of the country. The unexpected ban on construction of high rise buildings in Karachi by the Supreme Court of Pakistan for a certain period of time adversely affected the Real Estate projects financed by the Bank. The spread of the Corona Virus pandemic and the resultant lockdown also contributed towards hardship of the real estate sector. As a result, the Bank had to classify lucrative Real Estate loans on prudent basis, with a concrete recovery plan in place.

Furthermore, the SBP during its last inspection identified a security shortfall in the real estate portfolio of the Bank. However, with the support of SBP, the shortfall so identified has been more than adequately covered through additional collateral valued by SBP nominated valuers.

The Bank expects substantial payment against these loans in 2020, which would make these accounts regular and improve the bottom line of the Bank. Letters of Intent evidencing the future sale of major real estate portfolio of the Bank already stand executed, and timelines established.

The Bank is pleased to report that in the declining interest rate scenario, the Bank has built up its PIB portfolio to ride the yield curve and record capital gains. The said fixed return PIB portfolio currently stands at Rs. 91 billion approximately.

**Silkbank Limited**

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

"Say No To Corruption"

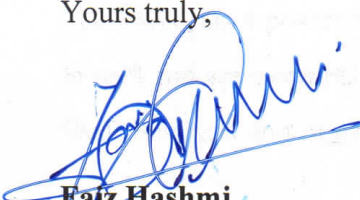
As a result of the declining interest rate in 2019 / 2020, the Bank after booking of approximately Rs. 1.5 billion from September 30<sup>th</sup>, 2019 to March 31<sup>st</sup>, 2020, has further booked an unreported gain of over Rs. 4.4 billion and Mark to Market of Rs.1.5 billion approximately in second quarter ended June 30<sup>th</sup>, 2020, on its PIB portfolio.

The realization of capital gains in PIB's, along with regularization of real estate portfolio, will not only ensure substantial profits during 2020, but also will go a long way in improving the capital position of the Bank.

The Bank has a positive outlook for 2020 as its Retail & Consumer Banking businesses continue to well and are a central part of the future strategy. Additional focus on mortgage and auto finance, SME business and digital footprint will strengthen the profitability further.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours truly,



**Faiz Hashmi**  
**Company Secretary**

**Copy to:**

**Director / HOD**

Surveillance, Supervision and Enforcement Department  
Securities and Exchange Commission of Pakistan  
NIC Building, 63 Jinnah Avenue Blue Area.  
Islamabad.

**Silkbank Limited**

**Central Office:** 22nd Floor, Centre Point Off: Shaheed-e-Millat  
Expressway, Near KPT Interchange Korangi, Karachi-74900  
**PABX / UAN:** 021-111-00-7455 **Fax:** 021-35805787  
**Website:** [www.silkbank.com.pk](http://www.silkbank.com.pk)