

TRANSCENDING
towards
EXCELLENCE



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towards
EXCELLENCE

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

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





VISION

Benchmark of excellence in Premier Banking.

MISSION

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



CORE VALUES

Customer Focus

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

Integrity

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

Teamwork

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

Creativity

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

Meritocracy

Merit remains our key primary criteria for rewarding performance.

Humility

Humility remains at the core of all our relationships.



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CONSUMER BANKING

ASPIRING RELIABILITY

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



EMAAN ISLAMIC BANKING

DELIVERING
THE FINEST

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



BRANCH BANKING

EMBODYING DIVERSITY

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



ALTERNATE DELIVERY CHANNELS

ENSURING CONVENIENCE

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



SMALL AND MEDIUM ENTERPRISES

PURSUING STRENGTH

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



CORPORATE AND INVESTMENT BANKING

DESIRING PROSPERITY

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



PRODUCTS AND SERVICES

SERVING ROYALTY

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

Products and Services

Branch Banking

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 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.

Bancassurance

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

Alternate Delivery Channels

Direct Internet Banking

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

Silkbank Phone Banking

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

Silkbank VISA Debit Card

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

SilkMobile

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



Utility Bills Payment Service

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

Corporate and Investment Banking

Corporate Banking

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

Investment Banking

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

Middle Markets

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



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 Shariah-compliant banking products along with a high level of customer satisfaction. Emaan Islamic Banking offers an array of products to meet the financial needs of customers, including Current Accounts, Savings Accounts, Term Deposits, Takaful and Saving Plans.



CHAIRMAN'S MESSAGE



Dear Shareholders,

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

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

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

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



Munnawar Hamid, OBE
Chairman

PRESIDENT'S
REVIEW



Dear Shareholders,

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

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

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

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

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

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

PRESIDENT'S REVIEW

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Yes we can!



Azmat Tarin
President & CEO



CORPORATE INFORMATION

PENNING SUCCESS

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

CORPORATE INFORMATION

AS OF DECEMBER 31, 2017

Board of Directors

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

Company Secretary

Faiz Ul Hasan Hashmi

Chief Financial Officer

Khurram Khan

Audit Committee

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

Risk Committee

Shamsul Hasan	Chairman
Shahzad Murad	Member
Tariq Iqbal Khan, FCA	Member
Muhammad Atif Kauser	Secretary

IT Committee

Nasim Beg	Chairman
Zubair Nawaz Chattha	Member
Shamsul Hasan	Member
Asrar Hussain	Secretary

Human Resources Committee

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

Auditors

Deloitte Yousuf Adil
Chartered Accountants

Legal Advisor

Ghani Law Associates

Registered Office

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

Share Registrar

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

BOARD OF DIRECTORS



Sitting from left to right:

Munnawar Hamid, OBE
Chairman

Shaukat Tarin
Advisor to the Chairman

Standing from left to right:

Zubair Nawaz Chattha
Director

Azmat Tarin
President & CEO

Shahzad Murad
Director



Sitting from left to right:

Tariq Iqbal Khan
Director

Nasim Beg
Director

Standing from left to right:

Rashid Akhtar Chughtai
Director

Talha Saeed
Executive Director

Khalid Aziz Mirza
Director

PROFILE OF BOARD OF DIRECTORS

Mr. Munnawar Hamid, OBE - Chairman

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

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

Mr. Tariq Iqbal Khan - Director

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

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

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

Mr. Shamsul Hasan - Director

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

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

Mr. Khalid Aziz Mirza - Director

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

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

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

Mr. Talha Saeed - Executive Director

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

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

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

PROFILE OF BOARD OF DIRECTORS

Mr. Nasim Beg - Director

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

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

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

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

Other Corporate Responsibilities

As CEO

- Arif Habib Consultancy (Pvt.) Limited

As Director

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

Mr. Azmat Tarin - President & CEO

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

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

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

Mr. Zubair Nawaz Chattha - Director

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

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

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

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

Petroleum, investment in banking sector through equity investment in 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 43 years of experience. He has served on various positions in the Banking Industry and other companies. He has also served as the Deputy Governor of the State Bank of Pakistan, Chairman of Islamabad Stock Exchange, President & CEO of ZTBL & SME Bank Limited, and Director of National Commodity Exchange.

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

Mr. Shahzad Murad - Director

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

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

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

SENIOR MANAGEMENT COMMITTEE



Sitting from left to right:

Khurram Khan
Chief Financial Officer

Goharulayn Afzal
Chief Operating Officer

Khurram Adil Khan
Group Head Marketing

Standing from left to right:

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

Ali Kashif Rizvi
Head Treasury &
Financial Institutions

Javed Yousuf Edhi
Group Head Digital Bank
& Innovation

Uzman Naveed Chaudhary
Group Head Compliance,
ICD & Legal

Junaed Rayaz Chaudhry
Head Consumer Risk

Wajih Zaidi
Head Internal Audit



Sitting from left to right:

Kasim Feroze Khan
Director, Special Assets
& Projects

Talha Saeed
Executive Director-
Wholesale Banking

Shahram Raza Bakhtiari
Group Head Retail &
Consumer Banking

Standing from left to right:

Kamran Bashir
Group Head SAM & REAM

Rashid Pervaiz
Head of Branch Banking

Jawad Majid Khan
Group Head Islamic
Banking

Mansoor Mukhtar
Head SME Relationship

Muhammad Saqib Pal
Chief Risk Officer

THE MANAGEMENT

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

CORPORATE PROFILE

Background:

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

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

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

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

CONSORTIUM PARTNERS



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



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



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



REPORTS AND STATEMENTS TO THE MEMBERS

A DISTINCT STATURE

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

DIRECTOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

Dear Shareholders,

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



Economic Review

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

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

Banking Sector

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

SILKBANK'S PERFORMANCE DURING 2017

Financial Performance

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

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

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

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

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

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



SECTORAL PERFORMANCE

Retail Banking

Branch Banking

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



All-In-One Account

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



Business Value Account

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

Munafa Rozana

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

ADC Business

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

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

Bancassurance

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



Wholesale Banking

Treasury & Financial Institutions

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

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

DIRECTOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

■ Investment Banking Group (IBG)

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

■ Corporate Banking & Middle Market

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

Consumer Banking

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

Unsecured Portfolio

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

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

Personal Loan

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



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

Ready Line

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

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



Credit Cards

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

Secured Portfolio

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

Emaan Islamic Banking (Emaan)

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



Technology

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

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



Human Resource

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



Special Asset Management Group (SAMG)

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

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



DIRECTOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017



Customer Service & Quality (CS & Q)

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

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

Corporate Social Responsibility

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



Board of Directors

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

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

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

Directors' Training

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



Performance Evaluation of Board of Directors

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



Corporate and Financial Reporting Framework

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

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

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

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

iv) The principal features of control framework include:

- Evaluation and approval procedures for major capital expenditure and other transactions.
- Regular reporting and monitoring of financial performance using operating statistics and monthly managements accounts which highlight key performance indicators and variance from budget and quarterly forecasts.
- Review of the health, safety, environment and contingency management processes and other significant policies.
- Further, reviews of the system of internal control are also carried out by the Internal Audit department and management conclusions on internal control are confirmed by divisional management to the Board.
- There are no significant doubts upon the Bank's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

f) The value of investments of Provident Fund and Gratuity Fund is Rs. 775.80 million and Rs. 405.09 million, respectively, as per the un-audited financial statements of these funds for the year ended December 31, 2016.

Risk Management Framework

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

a) Credit Risk

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



DIRECTOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

Besides RMG also has a robust Early Warning System (EWS) reporting in place. RMG had also put in place a facility risk rating module on trial basis during 2017, which model has now been fully implemented on a bank wide basis and effectively measures the risk in relation to each facility granted to all customers. These processes are capable of identifying problem loans at an early stage for timely remedial actions. Results for establishing these systems are now beginning to reflect in the management letter issued by the external auditors and the annual reports 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. A centralized Special Assets Management Unit is also in place and is primarily responsible for handling the NPL accounts and recovery process. The unit is performing its task in a very professional and efficient manner. Besides various management committees of the Bank, Credit Risk is also overviewed by the Risk Committee of the Board on an ongoing basis. Regular guidance is sought from the Board on credit related matters and the findings are implemented in letter and spirit. Marked reduction in NPL portfolio has ensued resultantly.

b) Market Risk

A Middle Office function (independent of the Treasury) has been established within the Bank with the primary responsibility of monitoring the market risk function and onward reporting to the Head of Risk Management Group. Investment Committee (IC), Market Risk Policy Committee (MRPC) and Asset and Liabilities Committee (ALCO) are also functioning to supervise and approve Market Risk exposures. At 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.



c) Operational Risk

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



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

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

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

Board of Director's Meetings during 2017

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

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

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

Pattern of Shareholding

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

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

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

DIRECTOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

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

Auditors

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

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

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

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

Credit Rating

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

Future Outlook

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

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

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

Acknowledgement

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



Azmat Tarin
President & CEO

Karachi, March 06, 2018

**For and on Behalf of the Board of
Silkbank Limited**



Munnawar Hamid, OBE
Chairman

کم سے کم کئیل کی ضروریات کے لیے بینک کے کئیل کا موزوں تناسب 10.98% ہے جو کہ نوٹ 42 میں بیان کیا گیا ہے۔

بیرونی آڈیٹرز کے طرف سے بیان کی گئی مخصوص کنونٹینوں کی بنیاد پر بینک کے اکاؤنٹس کی کتب میں تصدیق کردہ بینک کے کئیل کا موزوں تناسب، اسٹیٹ بینک آف پاکستان کی ضروریات کے مقابلے میں گر گیا ہے۔ بینک نے 5 مارچ، 2018 کو اسٹیٹ بینک آف پاکستان کو ایک خط لکھا جس میں درخواست کی گئی کہ بینک کو کئیل کے موزوں تناسب کی ضروریات پوری کرنے کے لیے 30 جون، 2018 تک مہلت دی جائے۔ اس خط کے ذریعے بینک نے اسٹیٹ بینک آف پاکستان سے کئیل کے موزوں تناسب کی ضروریات کی 30 جون، 2018 تک تکمیل کرنے کے منصوبے کے بارے میں بھی گفتگو کی، جس میں کارپوریٹ ایکسپوزررز میں کمی، منافع جات میں ترقی، نان بینکنگ ایسٹس کا ڈیپوزل شامل ہے جو کہ مجموعی کی ادائیگی (NBAs) اور ٹریزر II کئیل کے اجراء سے حاصل کیے گئے۔ بینک، اسٹیٹ بینک آف پاکستان سے مذکورہ بالا استثنا کی امید رکھتا ہے۔

گریڈ ریٹنگ

بینک کی لاگت ٹرم ایٹنیٹی ریٹنگ منگل اے مائیس (A-) اور شارٹ ٹرم ریٹنگ اے مائیس ٹو (A-2) ”جی آر وی آئی ایس“ گریڈ ریٹنگ کمپنی لمیٹڈ کی جانب سے متعین کی گئی ہیں۔ آؤٹ لک یعنی توقع کی درجہ بندی مستحکم یعنی Stable نازدی کی گئی ہے۔

توقعات مستقبل

2018 میں آگے بڑھتے ہوئے، صارف کو شاد انداز خدمات پیش کرنا بینک کا بنیادی مقصد ہوگا۔ عمارت کے کرائے، پمپنگ اور مصنوعی اٹھیلی جنس کو استعمال کرتے ہوئے دیگر آپریٹنگ کے اخراجات کو سنبھالنے کے لیے بینک پر ڈیکلیوٹیٹی کے اقدامات جاری کرے گا۔ بینک ڈپازٹ کے تناسب بہت زیادہ ڈپازٹس میں ترقی پر زور دیتے ہوئے سیکز اور مارکیٹنگ کی کوششوں کے ذریعے نئے اکاؤنٹس بڑھانے کی امید رکھتا ہے۔ اسی وقت OREO ایسٹس کو کم کر کے نان آمدن ایسٹس اور اسکے ساتھ ساتھ بینک کی خودی ملکیت بھی کم ہوگی تاکہ اضافی کئیل گین حاصل ہو۔ کارپوریٹ بینک بک، ایورگرین ایکسپوزر اور کارپوریٹ اور ایس ایم ای سیگمنٹس میں کمی کر کے بینک کسٹمر فریجناز پر توجہ دے گا اور ان کو شارٹ ٹرم ٹریڈ فنانس اور سیلف گلوڈ بینک ایکسپوزر سے تبادلہ کرے گا۔ کرنٹ لوآنرمنٹ سمیر یو میں مورگج برنس کو بحال کرنے کے لیے کوششیں کی جائیں گی تاکہ کنزیومر بینکنگ برنس میں مزید ترقی کی جاسکے۔ سب سے اہم یہ ہے کہ بینک "a pay for performance culture" اور improved succession planning process کو مستحکم کر کے اپنے ہیومن کئیل پر مزید توجہ دے گا۔ 2017 میں 35 نئی برانچوں کے اضافے کے ساتھ بینک نے اسٹیٹ بینک آف پاکستان سے مزید 40 برانچوں کے کھولنے کی درخواست دی ہے تاکہ وہ ملک میں اپنی مزید برانچیں بڑھا سکے۔

ان آبادیوں میں جہاں بینک کی رسائی نہیں ہے، بینک نے ڈیجیٹل بینکنگ کے قیام کا ارادہ کیا ہے جس کا آغاز بہت جلد کر دیا جائے گا۔ "اسمارٹ برانچ" کو متعارف کروا کر بینک اپنی ڈسٹری بیوشن کو بڑھائے گا اور ملک بھر میں اپنی برانچوں کی تعداد میں اضافہ کرے گا۔ جس کی بدولت بینک ڈپازٹس گردش میں لاسکے گا اور نتیجتاً آمدن ایسٹس میں قرض اور سرمایہ کاری میں اضافہ ہوگا۔ مذکورہ بالا حکمت عملیوں کے کامیاب نفاذ کے ساتھ آپ کے ڈائریکٹرز امید کرتے ہیں کہ آنے والے سال میں بینک کی منافع بخش ترقی جاری رہے گی۔

اعتراف

ہم اپنے صارفین اور کاروباری شراکت داروں کا تہ دل سے شکریہ ادا کرتے ہیں جنہوں نے ہمارے ساتھ مسلسل تعاون کا مظاہرہ کیا اور ہم پر اپنے اعتماد کا اظہار کیا۔ ہم غلوص دل سے اسٹیٹ بینک آف پاکستان کے شکر گزار ہیں جس نے بینک کو آگے بڑھانے میں اپنی رہنمائی اور تعاون فراہم کیا۔

بورڈ کے لیے اور کی جانب سے

سلک بینک لمیٹڈ

Aman Khan

عظمت ترین

صدر اور سی ای او

کراچی، 06 مارچ، 2018

Munir Ahmad

منور حامد، او بی ای

چیئر مین

ڈائریکٹرز رپورٹ

31 دسمبر 2017ء کو ختم ہونے والے سال کیلئے

* پی ایس ایکس رول بک کے چیپٹر کے شیٹ نمبر 11، 19، 5 (کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک) اور نمبر 15، 19، 5 (ڈائریکٹرز ہولڈنگ کمپنی کے شیئرز کے ذریعے انٹرسٹ کا اہتمام ہونا) میں استعمال ہونے والی اصطلاح "ایگزیکٹو" جو پاکستان اسٹاک ایکسچینج کی طرف سے دوبارہ تعریف کی گئی ہے، کے مطابق، بینک کے بورڈ آف ڈائریکٹرز نے اپنے ایک سو چوبیس ویں اجلاس میں ایک قرارداد منظور کی۔ یہ اجلاس 28 اکتوبر، 2016 کو منعقد ہوا تھا۔ اس اجلاس میں اصطلاح "ایگزیکٹو" کو بطوری ای او، سی او او، سی ایف او، ہیڈ آف انٹرنل آڈٹ اینڈ کمپنی بیکری کہا گیا اور بینک کے گریڈ 18 اور اس سے اوپر کے ملازمین کو شامل کیا گیا۔

ڈائریکٹرز، منتظم اعلیٰ اور ان کے شریک حیات اور نابالغ بچوں مع منسلک کمپنیوں، انڈر ٹیکنگز، متعلقہ فریقین اور میوچل فنڈز کی جانب سے 31 دسمبر، 2017 کے مطابق مجموعی طور پر پاس رکھے ہوئے تھے

نمبر شمار	شیئرز ہولڈرز کی درجہ بندی	پاس رکھے شیئرز کی تعداد	فولیوڈا سی ڈی سی اکاؤنٹ نمبر کی تعداد بلحاظ درجہ بندی	بلحاظ درجہ بندی پاس رکھے شیئرز	فیصد %
نمبر شمار	ڈائریکٹرز، منتظم اعلیٰ اور ان کے شریک حیات اور نابالغ بچے		9	439,569,686	4.84
01	جناب منور حامد، او بی ای	12,574			
02	جناب خالد عزیز مرزا	500			
03	جناب شہزاد اوس مراد	500,000			
04	جناب طارق اقبال خان	16,997			
05	جناب خس الحسن	500			
06	جناب زبیر نواز چٹھہ	415,626,000			
07	جناب عظمت قرین	20,013,115			
08	مختار مد فرح ناز قرین زوجہ جناب عظمت قرین	200,000			
09	مختار مد صائمہ شہزاد مراد زوجہ جناب شہزاد مراد	3,200,000			
نمبر شمار	منسلک کمپنیز، انڈر ٹیکنگز اور متعلقہ فریقین (5 فیصد اور مذکورہ بالا شیئرز ہولڈنگ)		6	5,666,262,093	62.39
01	عارف حبیب کارپوریشن لمیٹڈ	2,563,901,924			28.23
02	جناب شوکت ترین	1,049,091,791			11.55
03	انٹرنیشنل ٹالس کارپوریشن	702,689,067			7.74
04	جناب ذوالقرنین نواز چٹھہ	678,126,000			7.47
05	نومورا اینڈ جین انویسٹمنٹ لمیٹڈ	356,676,342			3.93
06	بینک مسٹرا ایس اے او جی	315,776,969			3.48
نمبر شمار	میوچل فنڈز		1	20,880,417	0.23
01	سی ڈی سی ٹریڈنٹیل انویسٹمنٹ (پبٹ) ٹرسٹ	20,880,417			

* جناب شوکت ترین کی گھل شیئرز ہولڈنگ 1,106,091,791 رہتی ہے۔ یعنی 12.18% بینک میں برعکس 31 دسمبر، 2017 جناب شوکت ترین کے 57,000,000 شیئرز پر لیکچور سٹیٹس لمیٹڈ میں ہیں۔ سال کے دوران سٹاک بینک کے ڈائریکٹرز اور ایگزیکٹو یا ان کے شریک حیات اور نابالغ بچوں کی طرف سے سٹاک بینک میں کوئی تجارت نہیں کی گئی۔

آڈیٹرز

موجودہ آڈیٹرز میسرز ڈیوٹس ایف او، چارٹرڈ اکاؤنٹنٹس نے اپنی پانچ سالہ مدت مکمل کر لی ہے اور کوڈ آف کارپوریٹ گورننس کے مطابق دوبارہ تقرری کے اہل نہیں ہیں۔ بورڈ کی آڈٹ کمیٹی نے میسرز ایس گرانٹ تھورنٹن انجمن رجسٹرڈ (GTAR)، چارٹرڈ اکاؤنٹنٹس جنسوں نے بطور آڈیٹرز پیش کی ہے، 31 دسمبر، 2018 کو ختم ہونے والے سال کے لیے بطور بینک کے ایکسٹرنل آڈیٹرز مقرر کرنے کی تجویز پیش کی ہے۔

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

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

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

سال 2017 کے دوران بورڈ آف ڈائریکٹرز کے اجلاس

سال 2017 کے دوران بورڈ اور اس کی کمیٹی کے درج ذیل اجلاس منعقد ہوئے۔ ڈائریکٹرز، صدر اور منتظم اعلیٰ کی جانب سے درج ذیل حاضریاں رہیں:

آئی ٹی کمیٹی اجلاس		رسک کمیٹی اجلاس		انسانی وسائل کمیٹی اجلاس		آڈٹ کمیٹی اجلاس		بورڈ اجلاس		ڈائریکٹرز
حاضری	انعقاد	حاضری	انعقاد	حاضری	انعقاد	حاضری	انعقاد	حاضری	انعقاد	
-	-	-	-	5	5	-	-	5	5	جناب منور حامد، او بی ای
-	-	3	4	-	-	2	2	3	5	جناب عدنان آفریدی
-	-	-	-	5	5	-	-	5	5	جناب خالد عزیز مرزا
2	2	-	-	-	-	4	4	3	5	جناب نسیم بیگ
-	-	-	-	2	2	-	-	2	5	جناب راشد اختر چغتائی
-	-	2	4	-	-	-	-	2	5	جناب صادق سید
-	-	1	4	-	-	1	1	2	5	جناب شہزاد مراد
2	2	4	4	-	-	-	-	5	5	جناب شمس الحسن
-	-	2	4	-	-	4	4	5	5	جناب طارق اقبال خان، ایف سی اے
-	-	-	-	-	-	-	-	4	5	جناب ظہیر سعید احمد
2	2	-	-	-	-	-	1	3	5	جناب زہیر نواز چٹھہ
-	-	-	-	5	5	-	-	5	5	جناب عظمت شہزاد احمد ترین

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

شیر ہولڈنگ کا اسلوب

کمپنی ایکٹ 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، 2017 کے مطابق حصص کا طبعی قبضہ

نمبر شمار	شیر ہولڈنگ کی درجہ بندی	شیر ہولڈرز کی تعداد	حصص داری	فیصد %
01	ڈائریکٹرز اور ان کے شریک حیات اور نابالغ بچے	9	439,569,686	4.84
02	مشکلہ کمپنیز، اقرارے اور متعلقہ فریقین	6	5,666,262,093	62.39
03	ایگزیکٹوز*	15	40,945,198	0.45
04	پبلک سیکر کمپنیز اور کارپوریٹرز	7	45,786,652	0.50
05	پبلک، ڈیولپمنٹ فنانس انشٹیٹیوشنز، نان بینکنگ فنانس کمپنیز، انشورنس کمپنیز، کال، ہضارپ اور پینشن فنڈز	7	3,394,278	0.04
06	میوچل فنڈز	1	20,880,417	0.23
07	فارن کمپنیز	1	18,226,818	0.20
08	جنرل پبلک - فارن	10	259,396,926	2.86
09	جنرل پبلک - لوکل	8,390	2,143,079,514	23.60
10	دیگر	94	444,319,655	4.89
	کل	8,547.00	9,081,861,237	100.00

(iii) خطر عمل (Operational Risk)

خطر عمل کے تحت، مناسب عملی پالیسیوں اور طریقہ کار بینک گیر بنیاد پر خطر عمل کی نظم کاری کے لیے ضبط تحریر میں لائے جاتے ہیں اور نثر بھی کیے جاتے رہے ہیں۔ آپریشنل رسک مینول تب سے تیار ہے اور بورڈ کی جانب سے منظور کر لیا گیا ہے۔ رسک کنٹرول خود تحقیقی سوالنامے بینک کے کئی شعبوں کو بھیجے جا رہے ہیں اور ان کے جوابات کو بنیاد بنا کر ہم سال رواں کے دوران بینک گیر سطح پر نفاذ کا منصوبہ رکھتے ہیں۔



خطر عمل جو اوپن ای ڈی کے تحت رپورٹنگ کر رہا ہے، بینک میں شروع کیا گیا ہے مفصل گائیڈ لائنز سینئر مینجمنٹ کی طرف سے باقاعدہ منظور کی گئی ہیں۔ بینک کے تمام سٹیکولٹس اور ڈپارٹمنٹس کو ریگولر رپورٹنگ کی ہدایت دی جاتی ہے۔ تمام متعلقہ عملے کے لیے نوآباد اور رپورٹنگ پوزیشن کی سمجھ کے لیے ورک شاپ دی جاتی ہیں تاکہ وہ آراہیم جی کو تمام رپورٹ دے سکیں اور بینک کے کم شدہ ڈیٹا کو پکڑ سکیں۔

ایک انٹرنل کنٹرول یونٹ بھی فعال ہے جس کا بنیادی کام مختلف عملی رہنما اصولوں کے نفاذ کو یقینی بنانا ہے۔ علاوہ ازیں، ایک آزاد انٹرنل آڈٹ فنکشن بھی بینک کے اندر موجود ہے جو بورڈ کی آڈٹ کمیٹی کو گزارشات پیش کرتی ہے۔ ایک مناسب اور مکمل کمپلائنس ڈپارٹمنٹ (شعبہ موافقت) بھی فعال ہے جو دوسری چیزوں کے درمیان یہ بھی یقینی بناتا ہے کہ تمام قانونی اور انضباطی شرائط مکمل طور پر پوری کی جائیں اور اسکے علاوہ انٹرنل منی لانڈرنگ اور اپنے صارف کو جاننے (AML/KYC) پالیسیوں کے نفاذ کو بھی یقینی بناتا ہے۔

اس سلسلے میں متعلقہ عملے کو مناسب تربیت بشمول لین دین کی سخت نگرانی پر اور ای ایم ایل کے وائی سی پرتربیت کی فراہمی کی جا رہی ہے۔ بزنس کنٹینیوٹی پلان (BCP) کسی بھی حادثے سے نمٹنے کے لیے بھی موجود ہے۔ بنیادی/کلیدی خطر اشارے (KRI's) کی خود تحقیقی اور معیارات، مضابطوں اور رہنما اصولوں کی موافقت بھی باقاعدگی سے جاری ہے اور انہیں ضبط تحریر میں لایا جا رہا ہے۔

ڈائریکٹرز رپورٹ

31 دسمبر 2017ء کو ختم ہونے والے سال کیلئے

موڈیول بھی قائم کیا ہے، یہ ماڈل جو نہایت مؤثر انداز سے ہر صارف کو دی گئی سہولت کے سلسلے میں خطرات کی جانچ پڑتال کرتا ہے۔ یہ طریقہ کار بروقت انسدادی اقدامات کے لیے جلد مرسلے ہی پر مسائل سے دوچار قرضہ جات کی نشاندہی کی اہلیت و صلاحیت رکھتے ہیں۔ ان نظام کے قیام کے لیے نتائج اب بیرونی آڈٹرز کی جانب سے جاری کردہ مراسلہ نظم کاری/انتظامیہ میں ظاہر ہونا شروع ہو گئے ہیں اور اس کے ساتھ ہی نظام اور طریقہ کار کی ناکامیوں کی کم مثالوں کے ذریعے بینک دولت پاکستان کی معائنہ کمیٹیوں کی جانب سے تالیف کیے گئے سالانہ رپورٹس سے بھی ظاہر ہیں۔

کنٹریویر بیکنگ (صارف بینکاری) کے تحت، قرضہ جات کی بیرونی اور وصولی کے لیے ایک علیحدہ کمیٹیوں پوزیشن قائم کرتا ہے۔ ایک مرکزی ایگزیکٹو ایجنٹس مینجمنٹ یونٹ بھی قائم ہے اور یہ بنیادی طور پر این پی ایل کاؤنٹس اور وصولی کے عمل کی دیکھ بھال اور تدبیر کے لیے ذمہ دار ہے۔ یہ یونٹ ایک انتہائی پیشہ ورانہ اور مستعدی سے اپنے فرائض انجام دیتا ہے۔ بینک کی مختلف مینجمنٹ کمیٹیوں کے ساتھ خطر قرض ایک جاری و ساری عمل کی بنیاد پر بورڈ کی رسک کمیٹی کی جانب سے بھی زیر جائزہ رکھا جاتا ہے۔ قرضہ جات سے متعلقہ امور پر بورڈ کی طرف سے لگاتار رہنمائی تلاش کی جاتی ہے اور اس کی تحقیقات کو لفظوں اور جزیوں سے نافذ کیا جاتا ہے۔ این پی ایل میں نشان زد محفوظ (Portfolio) مشاورت کے عمل پر منتج ہو چکا ہے۔

(ii) خطر بازار (Market Risk)

خطر بازار کے عمل کی نگرانی اور اس کے بعد رسک مینجمنٹ گروپ کے سربراہ کو رپورٹ کی بنیادی ذمہ داری کے ساتھ بینک کے اندر ہی ایک ملڈ آفس فنکشن (ٹریڈری سے آزاد) قائم کر دیا گیا۔ انویسٹمنٹ کمیٹی (IC)، مارکیٹ رسک پالیسی کمیٹی (MRPC) اور ایسٹ ایڈ لائیکٹیو کمیٹی (ALCO) بھی خطر بازار سرمایہ کاروں کی نگرانی اور منظوری کے لیے کام کرتی ہے۔ سبک بینک میں ہمارے پاس ایک بالکل واضح بورڈ کی جانب سے مناسب طور پر منظور کی گئی زر سیال کی پالیسی ہے۔ فی الوقت کئی ایکسل پیٹی ٹولز خطر بازار پر ایم آئی ایس (MIS) کی تخلیق میں استعمال ہو رہے ہیں اور انہیں سینئر انتظامیہ اور ضابطے کار کو رپورٹ کیا جاتا ہے۔ ہم نے کامیابی سے ”ویب بینک سسٹم اور ٹی۔رسک موڈیول“ ترتیب دیا ہے جو کہ نفس موڈیولنگ رپورٹس کی تشکیل کی صلاحیت رکھتا ہے اور یہ ایک زندہ ماحول میں مختلف مالیاتی سرگرمیوں اور تقاضا کی آزادی نگرانی کی اہلیت بھی رکھتا ہے۔



■ بڑے کھیل اخراجات اور دیگر ٹرانزیکشنز کے لیے تخمینہ اور منظوری کے طریقے۔

■ آپریٹنگ کی شماریات اور ماہانہ منجمنٹ اکاؤنٹس استعمال کرتے ہوئے مالیاتی کارکردگی کی باضابطہ پورنگ اور گمرانی جو کارکردگی کے اہم پوائنٹس اور سہ ماہی پیش گوئی میں تبدیلی کو اجاگر کرتی ہے۔

■ صحت، حفاظت، ماحول اور منجمنٹ پروسسز اور دیگر اہم پالیسیز کا جائزہ۔

■ مزید یہ کہ، انٹرنل کنٹرول سسٹم کے جائزے، انٹرنل آڈٹ ڈپارٹمنٹ کی طرف سے لیے جاتے ہیں اور انٹرنل کنٹرول پریمنجمنٹ کے نتائج بورڈ کوڈیورٹیل منجمنٹ کی طرف سے تصدیق کیے جاتے ہیں۔

■ بینک کی قابلیت پر کوئی نمایاں شکوک نہیں ہیں۔

■ کارپوریٹ گورننس کی پریکٹس سے کوئی مٹیل نکالائیں گیا، جیسا کہ سٹیک ریگولیشن میں بیان کیا گیا ہے۔

(f) پروڈنٹ فنڈ اور گریجویٹ فنڈ کی سرمایہ کارانہ قیمت باترتیب 775.80 ملین روپے اور 405.09 ملین روپے ہے۔ یہ 31 دسمبر، 2016 کو ختم ہونے والے سال کے لیے ان فنڈز کی آن آڈیٹ مالیاتی گوشواروں کے مطابق ہے۔

بیٹ نطم کاری خطرات (Risk Management Framework)

نطم کاری خطرات کے عمل و فعل کی بہتری کے لیے سہ ماہی سے مسلسل کوششیں جاری ہیں جو بینک میں بہتر اختیار و قابو اور ماحول خطرہ مع ایک مجموعی، ثقافت، تخلیق و تخلیق پر متوجہ ہوا ہے۔ سٹیک ہولڈرز کی طرف سے بڑھتی ہوئی منتقلی اور جامع بنیاد پر نطم کاری خطرات کے لیے زیادہ توجہ کے ساتھ بینک پر نطم کاری خطرات کے عمل کے کچھ اہم پہلو درج ذیل ہیں:



(i) خطر قرض (Credit Risk)

آرام جی میں خطر قرض کی نطم کاری ایک کلیدی و بنیادی عمل ہے۔ آزار رسک منجمنٹ یونٹس جو ادارہ جاتی / تجارتی / چھوٹے کاروباری اداروں (SME) اور صارفین کے شعبوں کو خدمات پیش کرتے ہیں۔ مکمل طور پر فصل ہیں اور صاف طور پر پالیسی کی نطم کاری اور پروڈکٹ پروگرامز میں وضع کیے گئے تفصیلی شدہ طریقہ کار کی پیروی کرتے ہیں خطر قرض اس لیے متعلقہ منظوری دینے والے یونٹس کی جانب سے مسلسل گمرانی کیے جاتے ہیں۔ بورڈ پرمی کریڈٹ اپروول اتھارٹی کو اختیار حاصل ہوتا ہے کہ وہ مختلف منظوری دینے والوں کو اختیار دیتے ہیں کہ وہ قرضہ جات پر دستخط ثبت کریں۔ کریڈٹ ایڈمنسٹریشن یونٹ بینک کے تمام شعبہ جات کے لیے موجود ہوتے ہیں، جو تمام دستاویزات اور ان کو محفوظ رکھنے کے لیے موثر طور پر دیکھ بھال کرتے ہیں۔ بینک نے ادارہ جاتی، تجارتی اور چھوٹے کاروباری صارفین کے لیے اندرون خانہ ہی اوپننگ رسک ریٹنگ (ORR) ماڈل / نظام قائم کر رکھے ہیں، جو بڑی باقاعدگی سے جائزہ لیتے رہتے ہیں یا تاثر ترین صورت حال برقرار رکھتے ہیں۔ آرام جی کے علاوہ ایک زبردست ارنل وارنٹ سسٹم (EWS) رپورٹنگ بھی موجود ہے۔ 2017 کے دوران آرام جی نے آزمائشی بنیاد پر ایک فیڈبک سسٹم رسک ریٹنگ



کارپوریٹ اور فنانشل رپورٹنگ فریم ورک

بورڈ، ایس ای سی پی کے کوڈ آف کارپوریٹ گورننس کے تحت اپنی ذمہ داریوں کے لیے پرمزم ہے۔ اس سلسلے میں وہ مندرجہ ذیل بیانات پیش کرنا چاہتا ہے:

(a) بینک کی منجمنٹ کی طرف سے تیار کردہ فنانشل گوشوارے، اسٹیٹ آف افیئرز، اس کے آپریشن کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی فراہم کرتے ہیں۔

(b) بینک کے اکاؤنٹ کی باقاعدہ ٹیکس میٹینس کی گئیں۔

(c) مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیز کا اطلاق ہوا اور اکاؤنٹنگ کا اندازہ قابل وجہ اور محتاط فیصلے کی بنیاد پر ہوا۔

(d) مالیاتی گوشواروں کی تیاری میں انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز پر عمل کیا گیا اور اس میں سے کسی بھی شق کے اخراج کو افشاء کیا گیا۔

(e) انٹرنل کنٹرول سسٹم ڈیزائن میں کافی عہدہ ہے اور بہت موثر انداز میں اس پر عمل کیا گیا اور گمرانی کی گئی۔ انٹرنل کنٹرول پریمنجمنٹ کا بیان یہاں موجود ہے جس کی تصدیق بورڈ نے کی ہے جو کہ اسٹیٹ بینک آف پاکستان کو مطلوب تھا۔ بورڈ جتنی طور پر بینک کے انٹرنل کنٹرول سسٹم اور اس کے موثر ہونے کا جائزہ لینے کے لیے ذمہ دار ہے۔ تاہم، یہ سسٹم سچ کرنے کے لیے مرتب کیا گیا ہے نہ کہ مقصد میں ناکامی کے رسک کو ختم کرنے کے لیے اور اس کی نوعیت میٹرل سے متعلق غلط بیانی کے خلاف صرف معقول یقین دہانی فراہم کرتی ہے۔

بورڈ کی جانب سے انٹرنل کنٹرول سسٹم کے موثر ہونے کے جائزے کے لیے استعمال کردہ طریقے میں شامل ہیں:

(i) بورڈ کے لیے ریفرنس کی شرائط اور رپورٹس کی منظوری کے لیے ایک آڈٹ کمیٹی تشکیل دی گئی ہے۔ یہ کمیٹی بینک کے انٹرنل آڈٹ ڈپارٹمنٹ کی طرف سے اختیار کردہ طریقے کا جائزہ لیتی ہے، ساتھ ہی اس کا اسکوپ 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 میٹرل کنٹرول میں جس کی شناخت کی گئی اور اس پر گفتگو ہوئی اور متعلقہ ایریا میں ان پر کارروائی کی گئی۔

(ii) ایک آرگنائزیشن اسٹرکچر قائم کیا گیا جو کمیونیکیشن اور اتھارٹی کی درجہ بندیوں کے ساتھ ذمہ داریوں اور احتساب کے ذیلی گیشن کو سپورٹ کرتا ہے۔

(iii) ڈیویژنل لیول پر منظور شدہ ہنس اسٹریٹجیز بورڈ کی طرف سے منظور شدہ ہیں۔ مزید یہ کہ ایک سالانہ چیلنج اور اسٹریٹجیک پلاننگ کا طریقہ موجود ہے۔ یہ اسٹریٹجیز کاروباری ماحول میں نمایاں تبدیلیوں کی عکاسی کرتی ہیں۔

(iv) کنٹرول فریم ورک کی بنیادی خصوصیات مندرجہ ذیل ہیں:

ڈائریکٹرز رپورٹ

31 دسمبر 2017ء کو ختم ہونے والے سال کیلئے

بورڈ آف ڈائریکٹرز

اگست 2017 میں بورڈ آف ڈی پیٹک "بورڈ" کے تین سالہ دورانیہ پر مشتمل تقرر کے لیے ایک غیر معمولی اجلاس کا انعقاد کیا گیا۔ بورڈ نے نئے تقرر ہونے والے ڈائریکٹرز کا گرجوشی سے استقبال کیا اور ان کی شرکت کے حوالے سے خوش آئند امکانات کا اظہار کیا جبکہ ریٹائر ہونے والے بورڈ ممبران کی خدمات کو بھی سراہا گیا۔ 31 دسمبر 2017 کو ہونے والے بورڈ کی تکمیل یوں تھی:

ڈائریکٹرز کی تعداد	ڈائریکٹرز کی اقسام
4	خود مختار ڈائریکٹرز
4	نان ایگزیکٹو ڈائریکٹرز
1	ایگزیکٹو ڈائریکٹرز

سال 2017 کے اختتام کے بعد ڈائریکٹرز جناب شمس الحسن نے 8 فروری 2018 کو اپنا استعفی بورڈ کو پیش کیا۔ بورڈ نے جناب شمس الحسن کی خدمات کو بے حد سراہا جو انہوں نے بطور ڈائریکٹر اور بورڈ کے رسک کمیٹی کے چیئر مین کے طور پر انجام دیں۔

ڈائریکٹرز کی تربیت

بورڈ کو ڈی آف کارپوریٹ گورننس 2017 کی مکمل تفصیلات سے آگاہ کیا گیا۔ بینک کے تین ڈائریکٹرز نے مطلوبہ سرٹیفیکیشن حاصل کی جبکہ چار ڈائریکٹرز سرٹیفیکیشن سے مستثنیٰ قرار دیئے گئے اور باقی ڈائریکٹرز مقررہ وقت میں یہ سرٹیفیکیشن حاصل کریں گے۔



بورڈ آف ڈائریکٹرز کی کارکردگی کا تخمینہ

اسٹیٹ بینک آف پاکستان کی طرف سے جاری کردہ بورڈ آف ڈائریکٹرز کی کارکردگی کا تخمینہ لگانے کی گائیڈ لائنز کے مطابق پاکستان اسٹیٹیوٹ آف کارپوریٹ گورننس کی جانب سے ایک سوالنامہ بورڈ کے سامنے پیش کیا گیا۔ سوالنامہ میں بورڈ کی ساخت، سائز، کمپوزیشن، ذمہ داریوں سے متعلق سب موجود تھا، اس کے ساتھ ساتھ انفرادی ڈائریکٹرز اور اس کی کمیٹی کی کارکردگی بھی شامل تھی۔ اس سوالنامہ کی بنیاد پر ڈائریکٹرز کی طرف سے وصول کردہ نتائج / فیڈ بیک کو کوآپریٹو ٹیکنیکس کے ذریعے مرتب کیا گیا اور بورڈ کو اس کے تمام ٹرانسپیرینٹ راز اور کارکردگی کے جائزے کے لیے پیش کیا گیا۔



صارف کے لیے خدمات اور ان کا معیار

سٹیک بینک اپنی پریکٹس سرورسز اور عملے پر فخر کرتا ہے جو اپنے صارفین کو مسلسل ایک "ہموار" اور "خوش آئندہ" خدمات فراہم کر رہا ہے۔ سی ایس ایچ کیو گروپ شکایات کے حل کے لیے خدمات کا بہترین معیار فراہم کرتے ہیں جو کہ شکایت کے حل کا ایک واضح طریقہ اور ایک قابل اعتماد کیمپینٹ سرورس مینجمنٹ سسٹم رکھتے ہیں۔ سٹیک بینک ایک مستحکم ریٹائرڈ کیمپینٹ اور ڈوٹ کا زائینا لیسس پروسس بھی رکھتا ہے اور صارفین کی شکایات کو ٹریک کرنے اور شکایات کے حل کی کارروائی کی بھی صلاحیت رکھتا ہے۔ شکایات کی ڈوٹ کا زائینا لیسس پر بینک کی توجہ اسے اس قابل بناتی ہے کہ وہ بذریعہ پروسس ری انجینئرنگ اقدامات، سسٹیمک کرکٹو اقدامات اٹھائے اور نتیجتاً مستقل حل قائم کرے۔ یہ ایک ماہانہ ڈوٹ کا زائینا لیسس کے ذریعے کیمپینٹ مینجمنٹ یونٹ کی طرف سے تیار کیا جاتا ہے اور اسٹیک ہولڈرز اور سینیٹر مینجمنٹ کے ساتھ شیئر کیا جاتا ہے۔

ایک سرورس ایکسیلینس پروگرام اور ایک فیڈ بیک ٹریٹمنٹ آف کسٹمر ٹریٹنگ پروگرام اسٹیک کو فراہم کیا گیا تاکہ ان کو اس قابل بنایا جاسکے کہ وہ بینک میں کسٹمر آف سرورس ایکسیلینس کو قیام کرنے کی اہمیت کو سمجھ سکیں جس میں پہلے نمبر پر صارف آتا ہے اور اس سے سٹیک بینک ہیلو کسٹمر ڈریون آرگنائزیشن قائم ہوتا ہے۔

کارپورٹ سماجی ذمہ داری

سٹیک بینک ہمیشہ سے ایسی کاروباری خدمات سے جڑا ہوا ہے جس کا مقصد صرف اپنے نیٹ ورک کو ہی فائدہ پہنچانا نہیں ہے بلکہ پہلے مجموعی طور پر معاشرے کی بہتری ہے۔ ہم ایسے پروگراموں کی معاونت جو کہ بچوں کی صحت عامہ، تعلیم اور فیکل ڈیولپمنٹ، آرٹس اور لٹریچر، اس کے ساتھ ہی تاریخی اور ثقافتی ورثے کی حفاظت سے منسلک ہیں تاہم یہ سرگرمیاں ہمیں تک محدود نہیں۔ اس کے ساتھ ہی ہم ماحولیات کی بقاء کے لیے کیے جانے والے سماجی اقدامات میں بھی بھرپور طرح سے سرگرم ہیں۔



ایمان اسلامک نے نمایاں ترقی حاصل کی ہے۔ 2016 میں 48 ملین روپے کے مقابلے میں 406 ملین روپے کا قبل ازینکس منافع حاصل کیا۔ 2017 کے آخر میں ڈپازٹ بلگ میں 14.2 ملین روپے ریکارڈ کیے گئے جو 3.36 بلین روپے معرکٹ اکاؤنٹ سیونگ اکاؤنٹ/ٹرم ڈپازٹ کے 75:25 کے تناسب کے ساتھ ایک بہترین اضافہ ہے۔ سال کے دوران 9.3 بلین روپے کے اضافے کے ساتھ ایمان اسلامک کی کارپوریٹ/ایڈوانسز بلگ 17.53 بلین روپے تک پہنچ گئی ہے۔

انسانی وسائل

2017 میں سلک بینک کے ایچ آر نے پہلی بار اپنے مینجمنٹ ٹرینی پروگرام کا کامیاب آغاز کیا۔ بینک نے ملک کے بہترین بزنس اسکولوں بشمول IBA، LUMS اور IoBM سے مینجمنٹ ٹرینی تقرری کے جنہیں مختلف بزنس سیکٹرز مثلاً ریشیل بینکنگ، اسلامک بینکنگ، ہول سیل بینکنگ اور سپورٹ فنکشنز میں وقتاً فوقتاً کام کروایا گیا۔ اس مقصد کے لیے ایچ آر نے بزنس اور ملازمت کا تقرر کرنے والے یونیورسٹیوں کے دفاتر کے ساتھ مل کر کام کیا تاکہ اس پروگرام میں ناپ امیدواروں کا تقرر کیا جاسکے۔ یہ پروگرام اپنے مقاصد کے حصول میں ایک انتہائی اہم قدم ہے جو ہمارے لیے سن پینڈ آج رہنے میں ہماری مدد کرے گا تاکہ ہم یہ پروگرام اب مستقل بنیادوں پر جاری ہوگا جس سے بینک کے ٹیلنٹ کو مزید تقویت ملے گی۔ گذشتہ سال ملازمین کے ساتھ کئی سرگرمیاں بھی جاری رہیں جس میں ٹیم بلڈنگ اور ٹریننگ ورک شاپس شامل تھیں۔



ٹیکنالوجی

”انٹرنیشنل ٹیکنالوجی گورنمنٹ اینڈ رسک مینجمنٹ فریم ورک فورٹیفائیڈ انشینیویشن“ پراسٹیٹ بینک آف پاکستان کی ہدایات کے مطابق، بینک کے بورڈ آف ڈائریکٹرز نے بورڈ آف ٹیکنالوجی کمیٹی تشکیل دی۔ بورڈ آف ٹیکنالوجی کمیٹی کی بنیادی ذمہ داری آئی ٹی اسٹریٹجی کمیٹی (مینجمنٹ) سے لی گئی تھی۔ کمیٹی مدتی آپڈیشنس کی بنیاد پر بینک میں تمام ٹیکنالوجی ایکٹیویٹیز اور ڈیجیٹل اقدامات کے اسٹریٹجی کے بارے میں بورڈ کو مشورے دینا اور رپورٹ کرنا ہوگا اور نتیجتاً بورڈ کو اس قابل بنانا کہ وہ ٹیکنالوجی پر مطلوبہ توجہ دے سکے۔ سال کے دوران، بینک کے آئی ٹی ڈپارٹمنٹ نے ٹیکنالوجی کی بنیاد پر کئی اقدامات اٹھائے تاکہ بزنس کو سپورٹ کیا جاسکے، ریگولیشنز کی کمیپلائنس کی یقین دہانی ہو اور صارف کو بہتر سروس فراہم کی جاسکے۔ آن سائٹ کنزیومر کی تصدیق کے لیے بینک نے ایک ویری فیکیشن سسٹم قائم کیا ہے جس نے ریجنل ٹائم کی بنیاد پر پچیس سسٹم پر کارکردگی میں اضافہ کیا ہے۔ بینک کے انٹرنیٹس ایپڈیشنس سسٹم کی گہرائی کو مزید مستحکم کرنے کے لیے آئی ٹی ڈپارٹمنٹ نے انٹرنیٹ کنڈرڈ اسٹریٹجی میں اضافی فیڈبک شامل کر کے اپنے سسٹم کو آپ گریڈ کیا ہے۔

اسپیشل ایسیٹ مینجمنٹ گروپ (SAMG)

دوران سال ایک بار پھر بینک کا اسپیشل گروپ اس کے مقاصد اور ہدف کو عبور کر گیا اور اسی سال کے دوران 903 ملین روپے کے کل این پی ایل کی کے ساتھ 1,551 ملین روپے کے بجٹ شدہ ہدف کے مقابلے میں پی اینڈ ایل اکاؤنٹ کی طرف 1,748 ملین روپے کی خالص رقم کا حصہ ڈالا۔ اسپیشل گروپ کی اجتماعی کوششوں سے این پی ایل میں کمی کا اہتمام ہوا اور 31 دسمبر، 2017 کے مطابق این پی ایل بہ نسبت قرض جات تناسب 6.1 فیصد تک کم ہوا۔ ریٹیل اسٹیٹ ایسیٹ مینجمنٹ ٹیم نے بھی کامیابی سے 594 ملین روپے کی لاگت کے مقابلے میں 646 ملین روپے کا قابل ذکر منافع (آمدن) کے ساتھ کراچی، لاہور اور اسلام آباد میں کئی آداری اور (OREO) / بینک کی خود کی ملکیتوں کو فروخت کیا۔



ڈائریکٹرز رپورٹ

31 دسمبر 2017ء کو ختم ہونے والے سال کیلئے

سال کے دوران بینک کی مرکزی توجہ مارکیٹ کی توسیع پر رہی۔ کئی جدید کمپیوٹرز متعارف کروائی گئیں جو نئے صارفین کے حصول کے لیے حکمت عملی ہے۔ مزید یہ کہ، برقرار حکمت عملی کے حصے کے طور پر، نارنگلڈ ٹوپ آپ پروموشنز اور کریڈٹ لٹ میں اضافے کے پروگرام بھی متعارف کروائے گئے تاکہ موجودہ اچھے پورٹفولیو کو برقرار رکھا جاسکے۔ نتیجتاً 31 دسمبر، 2017 کو ختم ہونے والے سال کے لیے پرسل لون بزنس نے 433 ملین روپے کے EBIT کا اعلان کیا ہے۔

ریڈی لائن

سک بینک ریڈی لائن ایک غیر محفوظ فنانس فیسلٹی ہے جو جولائی 2011 میں متعارف کروائی گئی اور اب تک اس میں بے حد ترقی دیکھنے میں آئی ہے اور اب 2017 کے اختتام پر یہ فیسلٹی 5.3 ملین روپے کے واجبات اور 33,973 ایکویٹری دار رکھتی ہے۔ سال کے دوران فرسٹ مورڈرائڈ وائٹ پیسج پر کئی نئے کرڈٹ کے حوالے سے بینک نے ایک اے ٹی ایل (ATL) کمپنیاں متعارف کروانے کا فیصلہ کیا ہے جس کا مقصد صرف آگاہی پیدا کرنا بلکہ مارکیٹ شیئر بڑھانا بھی ہے۔ کمپنیاں ”خواہشوں کو چلنے دو“ نے اپنا کامیابی حاصل کی اور نتیجتاً حصولی اور امی این آر نمبرز میں نمایاں ترقی ہوئی۔ اس کے علاوہ، کئی دیگر اقدامات اٹھائے گئے تاکہ خرچ بڑھے، ویزا ڈیپٹ کارڈز کیلئے شیئر میں ترقی ہو اور موبائل اینڈ انٹرنیٹ بینکنگ کے ذریعے جیٹا سڈ اسپینڈ بھی زیادہ سے زیادہ ہو۔ انرولمنٹ ریش بڑھانے کے لیے ای بلنگ اور ایس ایم ایس انرولمنٹ پر کئی پروموشنز چلائی گئیں۔ مذکورہ بالا تمام سرگرمیوں نے مثبت اثرات قائم کیے اور 564 ملین روپے EBIT حاصل ہوا۔



SILKBANK READY LINE

Khwahishon Ko Chalne Do

کنز یومر بینکنگ

پچھلے دو سالوں سے کنز یومر بینکنگ ڈیویژن کی کارکردگی بے مثال رہی ہے۔

غیر محفوظ پورٹفولیو

غیر محفوظ پورٹفولیو جس میں پرسل انسٹلمنٹ لون، ریڈی لائن اور کریڈٹ کارڈز شامل ہیں، ایک لیڈرشپ پوزیشن رکھتا ہے۔ سال کے آخر میں ای این آر 14.1 بلین روپے تھا اور منافع کے نتیجے میں 1.29 بلین روپے قبل از منافع اور ٹیکسز بڑھے۔ نئے سبز چھتروں، ٹیلی سبز اور آن لائن معاملات، حیدرآباد، پشاور اور فیصل آباد میں توسیع بھی پورٹفولیو میں شامل ہوئے۔

کریڈٹ کارڈز

سال 2017 کے دوران، سک بینک کریڈٹ کارڈز نے دوبارہ ثابت کر دیا کہ وہ ملک کے صف اول کے کریڈٹ کارڈز جاری کنندہ ہے۔ 52,541 نئے کارڈز جاری کئے گئے جس سے کارڈز ان فوٹس 129,189 تک بڑھ گئی۔ بڑھتی ہوئی سائز نے پروڈکٹ پروپوزیشن کو مستحکم کیا اور نئے الائمنٹس اور ڈسکاؤنٹ آفرز شامل کی گئیں جبکہ ”دی ڈریٹر چیٹ“ نے صارفین کے لیے زبردست نئی ڈیلز آفرز جاری رکھیں۔ سال کے دوران مدتی پورٹفولیو اور اسپینڈ کمپنیز نے 14.9 بلین روپے کی اسپینڈ بڑھائی، جو کہ 2016 کے مقابلے میں 31 فیصد سے زائد کا اضافہ ہوا۔ اسپینڈ اسٹیبلیشن پونٹ نے سال کے آخر تک 2.09 بلین روپے کی انسٹلمنٹ پلانز کی بلنگ کی گئی واجبات میں 3.61 بلین روپے کا اضافہ ہوا۔ مجموعی طور پر ہڈ کشش پورٹفولیو کمپیٹیشن/ انٹرویشن، ڈسکاؤنٹ ڈیلز اور لائسنس آفرز نے بزنس کی EBIT 299 کو 2017 میں 85 فیصد کی نمایاں ترقی ہے۔

محفوظ پورٹفولیو

سک بینک ایم پا اور ایک محفوظ پروڈکٹ ہے جو رہائشی اور تجارتی پراپرٹی کو محفوظ کرتی ہے۔ اس کا امی این آر 2,880 ملین روپے رہا۔ نئے قرضے اچھی روک دیئے گئے ہیں۔

پرسل لون

سک بینک پرسل لون ایک ماہانہ انسٹلمنٹ پرمی لون ہے جو سال کے اختتام پر 19,492 ایکٹو صارفین اور 5.1 بلین روپے کے کُل واجب الادا رکھتا ہے۔



SILKBANK PERSONAL LOAN

اے ڈی سی بزنس

سلک بینک ویزا ڈی بیٹ کارڈ (VDC) نے 2017 میں مستحکم پیداوار جاری رکھی۔ سال کے دوران 33,923 نئے ویزا ڈی بیٹ کارڈ جاری کیے گئے جس سے نوٹن کارڈز میں 117,138 کا اضافہ ہوا۔ سال 2017 کے دوران پوائنٹ آف سیل پرویزا ڈی بیٹ کارڈ کے استعمال سے بذریعہ 324,695 ٹرانزیکشنز 1.28 ملین روپے کی لاگت کا خرچہ رکھا گیا گیا، جو کہ 2016 کے مقابلے میں بااثریت 4.1 فیصد اور 5.9 فیصد کا اضافہ کی عکاسی کرتا ہے۔ دسمبر 2017 کے دوران POS پر سب سے زیادہ خرچ کی لاگت 120.60 ملین روپے فی ماہ ریکارڈ کی گئی۔ سال 2017 کے دوران سلک بینک اے ڈی ایبز سے 1,620,740 ٹرانزیکشنز پر 17.23 ملین روپے نکالے گئے اور 1.44 ملین روپے فی ماہ کا ماہانہ استعمال ریکارڈ کیا گیا۔

آٹو اینڈ ڈیپازٹس پروڈکٹ اور سی آر ڈی ایف پروڈکٹ کے فروغ کی قدر و قیمت میں اضافہ کیا ہے اور بینکنگ سروسز کی رسائی کو آسان بنایا ہے۔ سلک موبائل کے ساتھ رجسٹر ہونے والے صارفین کی تعداد 35,516 تک پہنچ چکی ہے، اس سروس میں مزید خصوصیات کا مسلسل اضافہ ہو رہا ہے جس سے ڈیجیٹل پلیٹ فارم کی طرف صارفین کا رجحان بڑھتا جا رہا ہے۔ جولائی 2017 کے دوران ڈیجیٹل چینلز سے آگاہی بڑھانے کے لیے "سلک موبائل/سلک بینک ڈائریکٹ انٹرنیٹ بینکنگ انروٹنٹ کمپین" متعارف کروائی گئی۔

اکتوبر 2017 کے دوران "ٹرانزیکٹ اینڈ انوٹنٹ کمپین" کے نام سے صارفین کے لیے ایک محرک کمپین چلائی گئی، جس کا مقصد اے ڈی سی پروڈکٹس کے استعمال کے ذریعے صارفین کی توجہ مبذول کروانا تھا۔ اس کمپین سے پروڈکٹ کے استعمال/موجودہ صارفین کے اخراجات میں تخفیف میں اضافہ ہوا۔

بینک شائرس

سال 2017، بینک شائرس بزنس کے لیے ایک کامیاب سال رہا، جس میں پچھلے سال کے مقابلے میں 30 فیصد ریونیو بڑھا۔ آغاز سے لے کر اب تک پہلی بار بزنس 100 ملین مارک تک پہنچ گیا اور سال کے دوران 114 ملین روپے کا کل بزنس حاصل ہوا۔ سال 2017 کے لیے ریونیو 70 ملین روپے سے تجاوز کر گیا اور YTD کی منسوخی 1 فیصد کے ساتھ قابو میں رہی جو ہماری بہترین سیکورٹائی کو ظاہر کرتا ہے۔



ہول سیل بینکنگ

ٹریڈری اینڈ ٹرانس انشٹیٹیوٹس

مٹی مارکیٹ ڈیک نے پی آئی بی، ٹی بیز اور سوگس کی خرید و فروخت سے 24 ملین روپے کے کسٹبل گین کا اعلان کیا۔ مزید یہ کہ، آئی آر ایف ایف (مبادلہ فروشی کی آمدنی) کی آمدنی 34 ملین روپے کے گنگ بھگ ریکارڈ کی گئی جہاں مارکیٹ میں "اسپیڈ" پورے سال سے کم رہے۔ فارن ایکچینج ڈیک کی کارکردگی بجٹ کے مطابق 140 ملین روپے رہی۔ فنانشل انشٹیٹیوٹس پارٹنٹ نے بین الاقوامی اور مقامی سطح پر ایک وسیع کرسپڈ نڈ اینڈ نیٹ ورک بنایا جس نے کارپوریٹ، ایس ایم ای اور برانچ بینکنگ صارفین کے ٹریڈ اینڈ ہنڈل بزنس فلو کو مؤثر طریقے سے چلایا اور نائن فنڈ ڈ آمدنی میں تقریباً 50 ملین روپے حاصل کیے۔ یہ یونٹ مناسب ٹریڈری اینڈ ٹریڈ فائنڈ کریڈٹ دستیاب کرنے میں بھی کامیاب رہا اور مقامی بینکوں کے ساتھ بینک کے ایف آئی رسک اور ملک کے رسک ٹرانزیکشنز کو پوری طرح چلانے میں کامیاب رہا۔

برانچ بینکنگ، بینک کے لیے سب سے اہم کردار ادا کرتا ہے۔ 164,697 سے زائد صارفین کو خدمات پیش کر رہا ہے اور بینک کی ڈپازٹ میں 64.78 فیصد کا حصہ رکھتا ہے۔ سال کے آغاز ہی سے برانچ بینکنگ نے شاندار کارکردگی کے ساتھ اس کے ڈپازٹ بجٹ کے مقابلے میں پورے سال بہترین کامیابی حاصل کی۔ سال کے دوران، برانچ بینکنگ ڈپازٹس 13,858 ملین روپے سے بڑھ کر 71,460 ملین روپے ہو گئے۔ 8,922 ملین روپے (2,796 ملین روپے کرنٹ میں اور 6,126 ملین روپے سیوننگ اکاؤنٹ) کی کرنٹ اکاؤنٹ سیونگ اکاؤنٹ YTD گروٹھ، کل پیداوار کے 64 فیصد کو ظاہر کرتی ہے۔



آل ان ون اکاؤنٹ

آل ان ون اکاؤنٹ، اے ڈی ایف اور اکاؤنٹ پر چھٹی گئی رقم موبائل فون اور اہم دستاویزات کے چھن جانے، گھر میں ڈکیتی ہونے پر انشورنس کوریج فراہم کرتا ہے اور اس کے ساتھ ساتھ مخصوص آٹو انشورنس ریٹ اب 5000 سے زائد صارفین پر مشتمل ہے اور ڈپازٹ میں 2,164 ملین روپے ہے۔



بزنس ویلیو اکاؤنٹ

بزنس ویلیو اکاؤنٹ 10 ملین روپے تک انوینٹری انشورنس فراہم کرتا ہے اور اس کا ڈپازٹ میں 1,000 صارفین کے ساتھ 400 ملین روپے ہے۔

منافع روزانہ

منافع روزانہ ایک سیونگ اکاؤنٹ ہے جو روزانہ کی بنیاد پر منافع ادا کرتا ہے۔ سال کے دوران اس کی ڈپازٹ میں 10,034 صارفین کے ساتھ 3,810 ملین روپے ہے۔

ڈائریکٹرز رپورٹ

31 دسمبر 2017ء کو ختم ہونے والے سال کیلئے

معزز شیئرز ہولڈرز،

31 دسمبر 2017ء کو ختم ہونے والے سال کے لیے ڈائریکٹرز جو بیسویں سالانہ رپورٹ اور آڈیٹڈ مالیاتی گوشوارے پیش کرنے میں خوشی محسوس کرتے ہیں۔



معاشی جائزہ

پاکستان کی معاشی حالت میں مسلسل بہتری دیکھی جا رہی ہے۔ چوتھی سہ ماہی کی بڑی کامیابیوں میں معاشی ترقی کا استحکام اور 17-2016 میں مزید ترقی جس کے باعث اصل جی ڈی پی گروتھ 5.28 فیصد تک پہنچی، جو کہ پچھلے دس سالوں میں سب سے زیادہ ہے۔ کینجیل مارکیٹ تاریخی سطح پر سب سے زیادہ رہی (اپریل 2017 میں 52,000 سے زائد پوائنٹس) جو اس کے علاقائی ہم مرتبہ کے مقابلے میں بہتری ہے۔ پی ایس ایف نے اگرچہ سال کی بعد کی ششماہی میں ایک تھجھ کوٹ کی، علاوہ اس کے کہ مورگن اسٹینلی کینجیل انٹرنیشنل کے ذریعے اس کا امرجنگ مارکیٹس انڈیکس میں شامل ہونا، سیاسی غیر یقینی کی وجہ سے، لیکن امید ہے کہ 2018 کی دوسری سہ ماہی میں حالات متوازن ہونے پر بہتری آسکتی ہے۔ ہینڈ لائن مہنگائی 4.57 فیصد رہی۔

سہ ماہی کے آخری ماہ میں کرنٹ اکاؤنٹ کا خسارہ منفی یعنی 3,867 ملین یو ایس ڈالر رہا۔ رخصت ہونے والے مالیاتی سال میں زراعت اور سرورسٹیکٹر میں غیر معمولی پیداوار ہوئی۔ حکومت کی پرائس سپورٹ پالیسی کے باعث زراعت کے شعبے میں 3.5 فیصد کی نارگٹ پیداوار ہوئی اور کریڈٹ کی ادائیگی بڑھی جو کہ 16-2015 میں 600 ملین روپے سے بڑھ کر 2017 کی چوتھی سہ ماہی میں 700 ملین روپے ہو گئی۔ پالیسی انٹرسٹ ریٹ جو کہ ہائیک سے سب سے کم رہا ہے اور 5.75 فیصد پر برقرار ہے، پرائیویٹ سیکٹر کریڈٹ میں اضافے میں خاص طور پر معاون رہا۔ مالی سال 2017 کے لیے پرائیویٹ سیکٹر کریڈٹ میں 65 فیصد کا اضافہ ہوا۔ جس سے بالخصوص مینوفیکچرنگ، ٹیکسٹائل، سینٹ، فوڈ، بجلی کی پیداوار میں مستحکم پیداوار ہوئی۔ یہ معیشت میں زبردست کامیابیوں میں سے ایک تھی جس کی بدولت جی ڈی پی میں بہتری آئی۔ اس کے باعث ملک کے تمام تر سرمایہ کارانہ ماحول میں بزنس کیونٹی پر اعتماد بڑھ رہا ہے۔

بینکنگ سیکٹر

پرائیویٹ سیکٹر کریڈٹ میں ترقی کے نتیجے میں سب سے زیادہ نمایاں اضافہ ایڈوانسز میں رہا جو کہ سال کے دوران 136.42 بلین روپے رہا۔

سال 2017 کے دوران سلک بینک کی کارکردگی

مالیاتی کارکردگی

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

اس مدت کے دوران، بینک کے گنڈاڈ پائرس 23.49 ملین روپے کے اضافے سے 110.28 ملین روپے ہو گئے اور مجموعی ایڈوانسز 20.83 بلین روپے تک بڑھ گئے۔

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

روپے 'ملین' میں		مالیاتی کارکردگی
2016	2017	
4,349	5,486	اصل مارک آپ آمدنی
49	(289)	ریورسل / (پروویژن) نقصان اور دیگر
2,213	2,943	نان مارک آپ آمدنی
(5,326)	(6,754)	نان مارک آپ اخراجات
1,285	1,386	قبل از ٹیکس منافع / (نقصان)
(547)	(251)	(ٹیکس) / ریورسل آف ٹیکس
738	1,135	منافع / (نقصان) بعد از ٹیکس
روپے		
0.09	0.13	بنیادی آمدنی / (نقصان) فی شیئر

اگرچہ بینک نے سال کے لیے ایک اچھے منافع کا اعلان کیا ہے لیکن جمع شدہ نقصانات کے باعث آپ کے ڈائریکٹرز سال کے لیے کسی بھی قسم کے ڈیویڈنڈ کا اعلان کرنے سے قاصر رہے ہیں۔

سلک بینک کو کئی مستحکم بین الاقوامی اسپانسرز حاصل ہیں جن میں آئی ایف سی (ورلڈ بینک گروپ)، نو موریا یورپین انڈسٹریز، بینک مسقط اور جناب شوکت ترین صاحب۔ ان اسپانسرز کو مزید مستحکم معاہدوں کا ساتھ حاصل ہے جن میں عارف حبیب کارپوریشن لمیٹڈ اور گورنمنٹ گروپ شامل ہیں اور جناب شوکت ترین کی سربراہی حاصل ہے۔



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

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

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

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

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

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

For and on Behalf of the Board of
Silkbank Limited



Azmat Tarin
President & CEO



Munnawar Hamid, OBE
Chairman

Karachi, March 06, 2018

SILKBANK LIMITED MANAGEMENT'S STATEMENT ON INTERNAL CONTROLS

AS OF DECEMBER 31, 2017

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

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

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

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

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

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

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

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

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

Karachi, March 06, 2018



Azmat Tarin
President & CEO

NOTICE OF THE 24TH ANNUAL GENERAL MEETING

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

Ordinary Business:

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

Special Business:

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

"Resolved that

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

Any Other Business

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

By the Order of the Board

Faiz Ul Hasan Hashmi
Company Secretary

Karachi, March 09, 2018

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

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

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

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

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

Notes:

1. Closure of Share Transfer Books:

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

2. Participation in the Meeting:

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

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

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

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

3. For Appointing Proxy:

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

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

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

For Attending the Meeting:

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

5. Change of Address:

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

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

AUDITOR'S REVIEW



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

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

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

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

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

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

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

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

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

Chartered Accountants

Engagement Partner
Asad Ali Shah

Date: March 06, 2018
Place: Karachi

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS



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

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Auditors' Report to the Members

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We draw attention to the following matters:

- i. Note 1.2 to the financial statements, which highlights that the Bank has not been able to meet the Capital Adequacy Requirement (CAR) of 11.275%, which includes Capital Conversion Buffer (CCB) of 1.275%, as at December 31, 2017, as prescribed by the State Bank of Pakistan (SBP). The said note also describes plans of management to deal with the shortfall in CAR requirements. The Bank has applied to SBP to seek exemption from meeting the CAR requirements till June 30, 2018. Furthermore, the Bank may not be able to make a profit and principal payments in respect of Term Finance Certificates (TFCs) if there is a shortfall in CAR as compared to minimum prescribed CAR.
- ii. As disclosed in note 14.4 to the financial statements, on December 28, 2017, and December 29, 2017, the Bank, through a Broker (a related party), sold its equity securities portfolio having an aggregate market value of Rs. 798 million through off-market transactions in Negotiated Deal Market (NDM) at a price equivalent to the Bank's aggregate average cost of purchase of Rs. 1,059 million. The settlement date of these transactions was January 29, 2018 (i.e., on T+21 & T+22 basis). As a result of these transactions, the Bank did not have to record an impairment loss of Rs. 207 million (determined on the basis of significant or prolonged decline as per management estimates). Prior to the settlement of the transaction on January 29, 2018, the Bank provided financing to two directors of the Broker, however, management and the Broker have confirmed that the financing transaction is not linked to sale of equity shares transaction and the securities pledged against the financing are different from the equity securities sold by the Bank. Furthermore, management has confirmed that the Bank has not entered into any buyback/side agreement with the buyer or Broker, which has also been confirmed by the Broker.
- iii. As disclosed in note 11.1.4 to the financial statements, the Bank has advanced Islamic financing amounting to Rs. 14.218 billion to certain borrowers who are engaged primarily in general trading business, which are mainly secured against mortgage of undeveloped/underdeveloped properties in certain areas of Karachi and Gaddani. The market values of these properties amount to Rs. 25.068 billion (at the time of sanctioning of loans), which have been evaluated based on the valuation reports from the approved list of valuers of Pakistan Banks Association. The valuation of undeveloped/underdeveloped properties involve increased subjectivities and can vary from property to property depending on the developments taking place in and around the area of specific property. The Bank already has significant exposure in non-banking assets acquired in satisfaction of claims, as disclosed in note 14.2 to the financial statements, which also includes undeveloped/underdeveloped properties in the said areas with lower values (on per square yard basis), therefore, there is a risk of increase in exposure, if the borrowers default and the Bank settles the loan in exchange of properties.
- iv. As disclosed in note 14.2 to the financial statements, the aggregate carrying value of non-banking assets acquired in satisfaction of claims (NBAs) amounted to Rs. 10,875 million (net of impairment) as at December 31, 2017. This includes properties having aggregate carrying value of Rs. 7,914 million (including the property of Rs. 3,416 million sold on deferred payment basis, as disclosed in note 14.1), which are currently undeveloped/underdeveloped and, accordingly, their valuation involves a number of subjectivities. These properties have been evaluated based on valuation reports from the valuers on Pakistan Banks Association's list of approved valuers. While the Bank has disposed certain properties in the current year, the Bank's exposure in such assets still substantially exceeds the level prescribed by the State Bank of Pakistan under Regulations for Debt Property Swap. We are highlighting this matter owing to significant uncertainty with regard to the disposal and recovery of such assets in near future.

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

Chartered Accountants

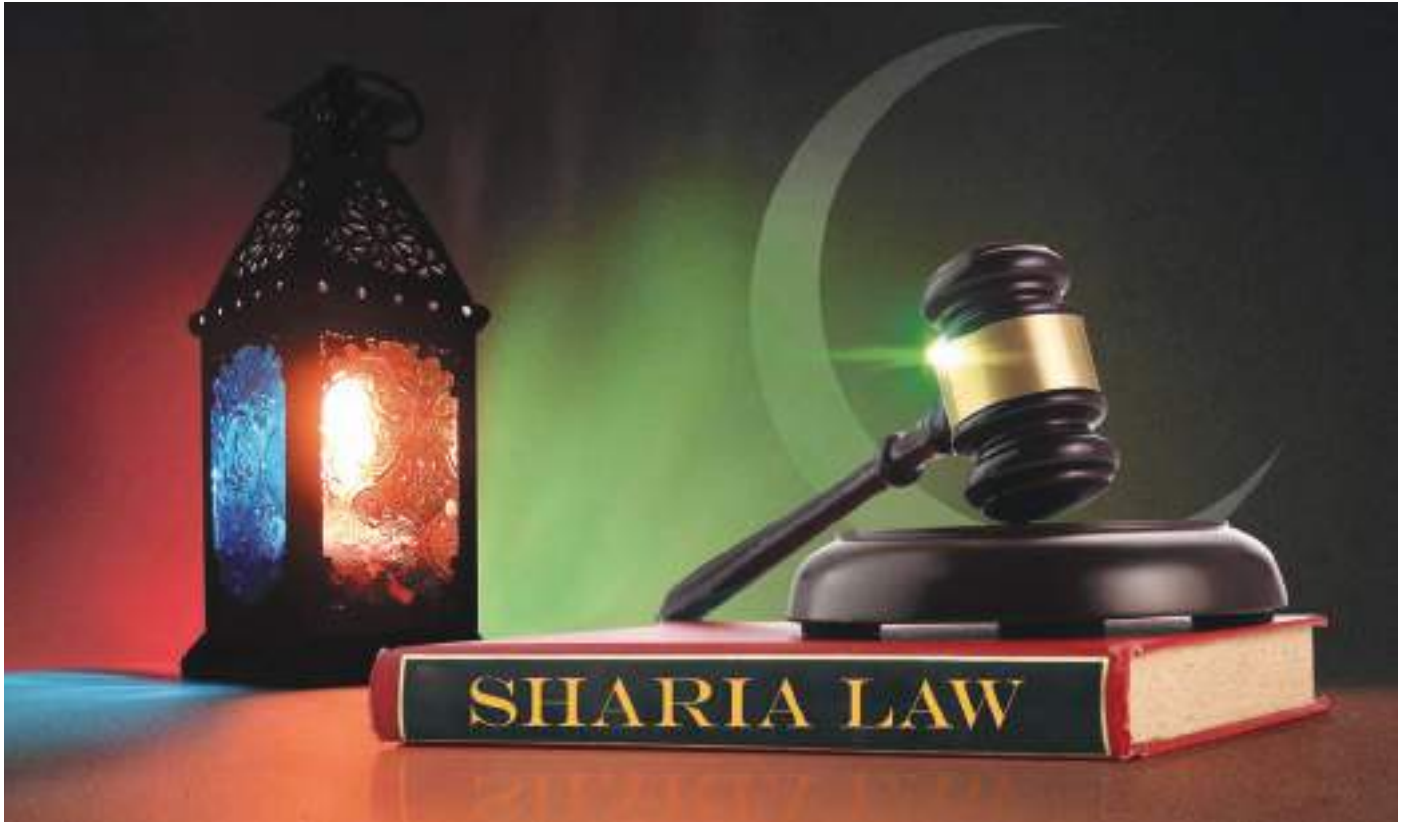
Engagement Partner:

Asad Ali Shah

Date: March 06, 2018

Place: Karachi

REPORT OF THE SHARI'A BOARD EMAAN ISLAMIC BANKING, SILKBANK LTD. FOR THE YEAR ENDED DECEMBER 31, 2017



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

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

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

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

FOR THE YEAR ENDED DECEMBER 31, 2017

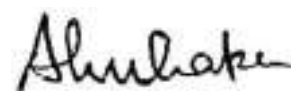
- iii. EIB has an approved Charity Policy to ensure that any earnings realized from sources or by means prohibited by Shari'a are credited to the Charity Account and are properly utilized.
- iv. The Schedule of Charges (SOCs) has been periodically reviewed and approved by the Shari'a Board after necessary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



Dr. Muhammad Qaseem
Chairman, Shari'a Board



Mufti Syed Adnan Kakakhail
Shari'a Board Member



Mufti Syed Abu Bakr
Resident Shari'a Board Member



“ Excellence is doing ordinary things extraordinarily well. ”



FINANCIAL STATEMENTS

For the year ended
December 31, 2017

WEAVING FINESSE

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

SIX YEARS FINANCIAL HIGHLIGHTS

Rupees in million

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

PROFIT AND LOSS ACCOUNT

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

FINANCIAL RATIOS

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

NON FINANCIAL INFORMATION

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

VALUE ADDED STATEMENT

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

HORIZONTAL ANALYSIS

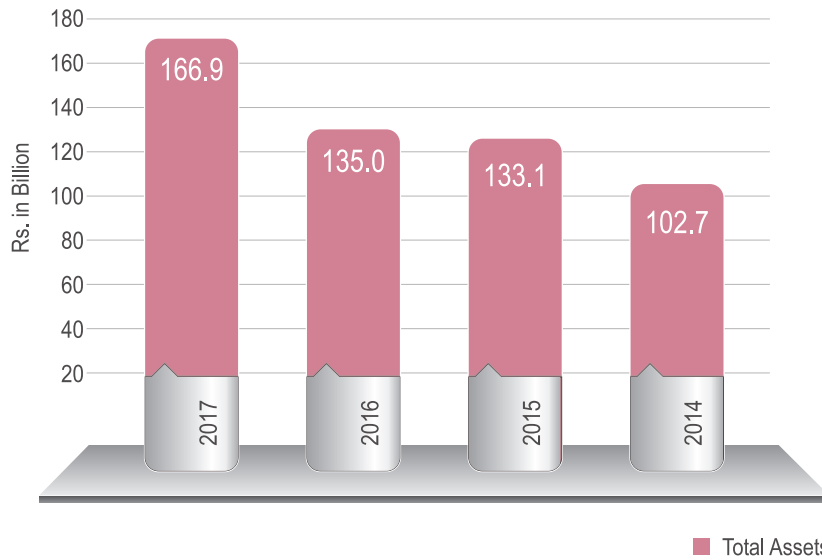
	2017 Rs M	17 Vs 16 %	2016 Rs M	16 Vs 15 %	2015 Rs M	15 Vs 14 %	2014 Rs M	14 Vs 13 %	2013 Rs M	13 Vs 12 %	2012 Rs M	12 Vs 11 %
Balance sheet												
ASSETS												
Cash and balances with treasury banks	8,413	14%	7,371	0%	7,344	44%	5,103	-5%	5,362	34%	4,007	-10%
Balances with other banks	218	149%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

VERTICAL ANALYSIS

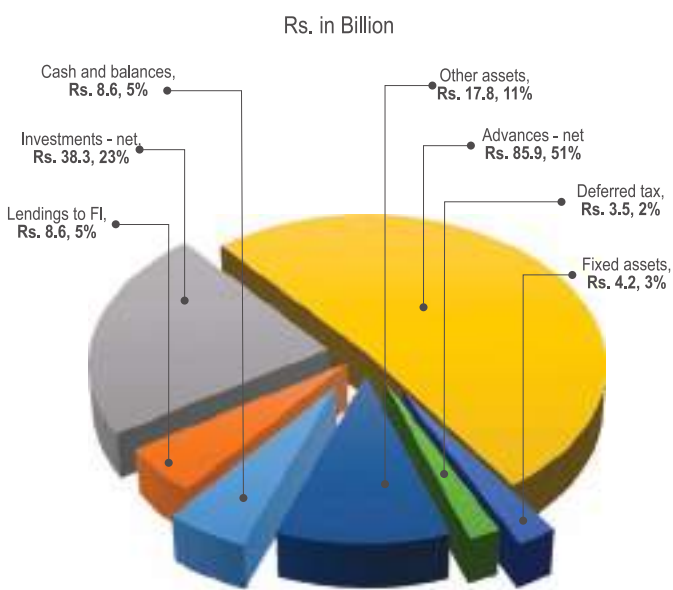
	2017		2016		2015		2014		2013		2012	
	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%
Balance sheet												
ASSETS												
Cash and balances with treasury banks	8,413	5%	7,371	5%	7,344	6%	5,103	5%	5,362	6%	4,007	4%
Balances with other banks	218	0%	88	0%	194	0%	139	0%	226	0%	86	0%
Lending to financial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

GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS

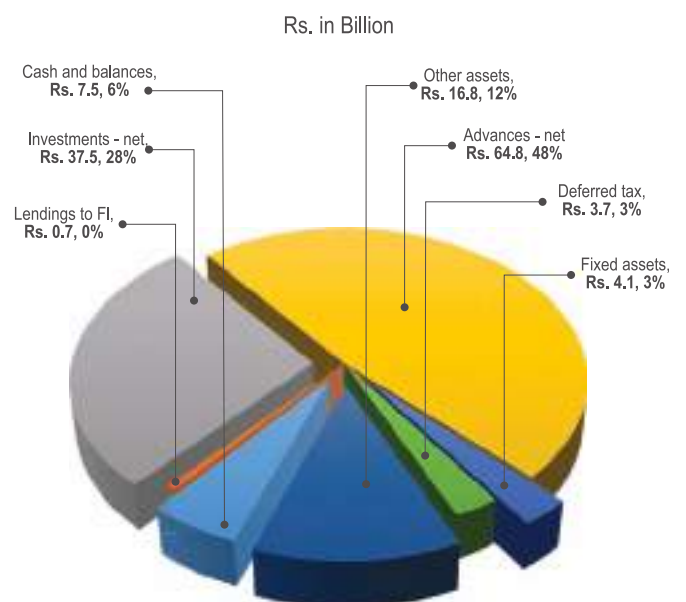
Total Assets



Total Assets 2017



Total Assets 2016

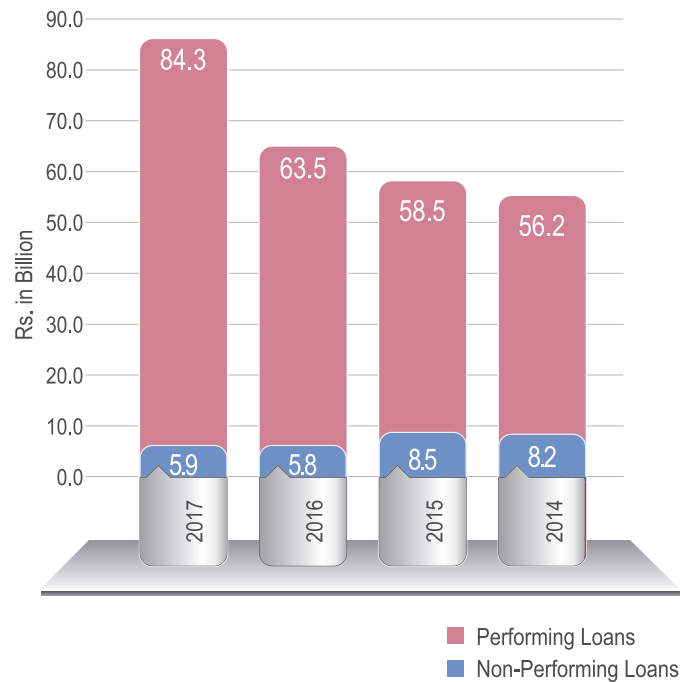


GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS

Earning Assets Vs. Non-Earning Assets



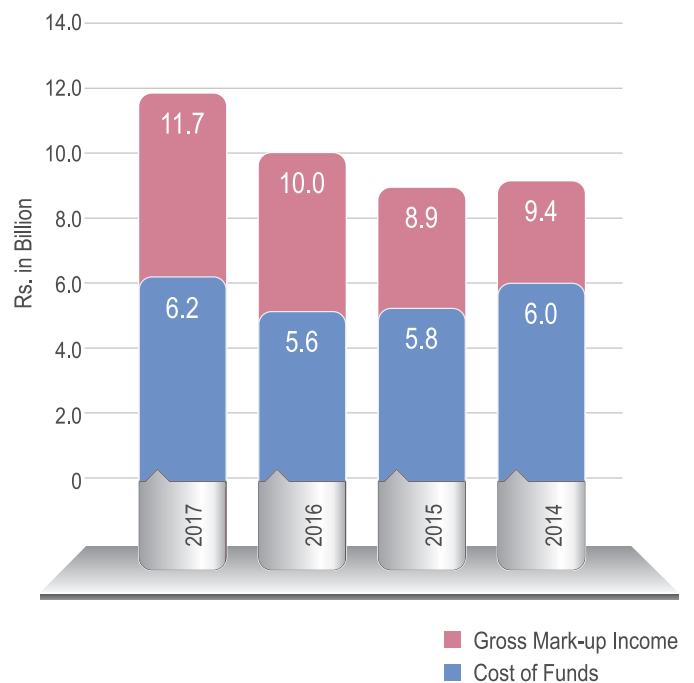
Performing Vs. Non-Performing Loans



CASA (Current & Saving Deposits)

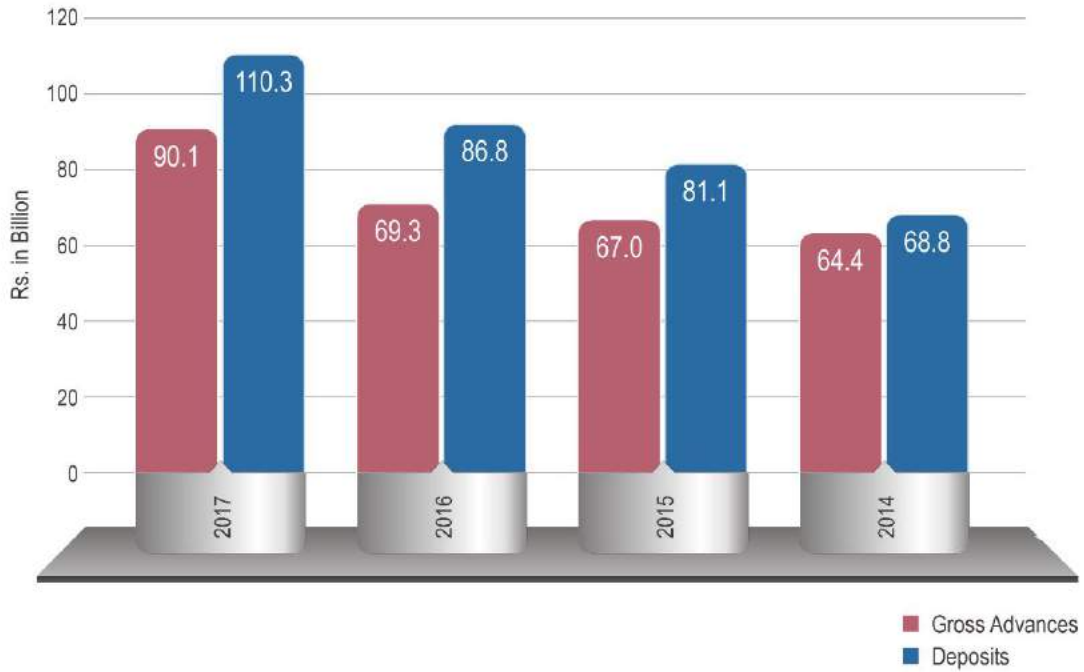


Mark-up Income Vs. Cost of Funds

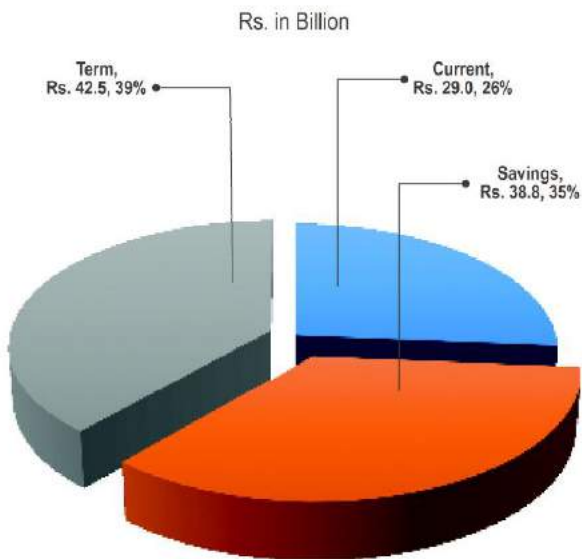


GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS

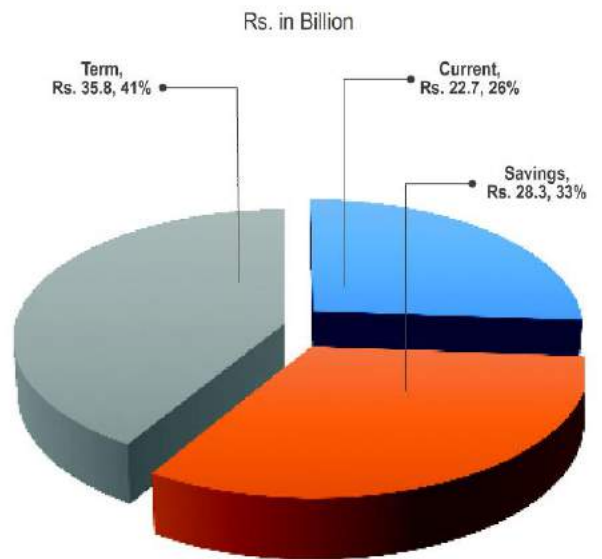
Gross Advances & Deposits



Deposit Mix FY 2017

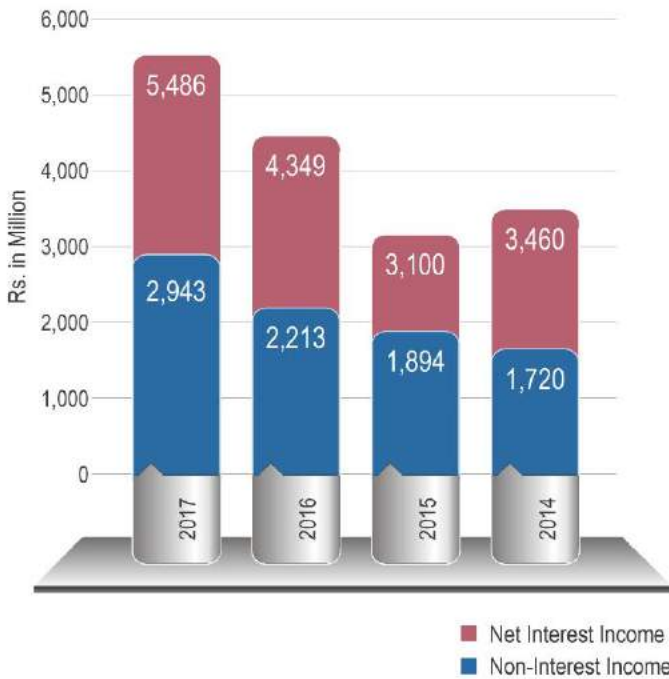


Deposit Mix FY 2016

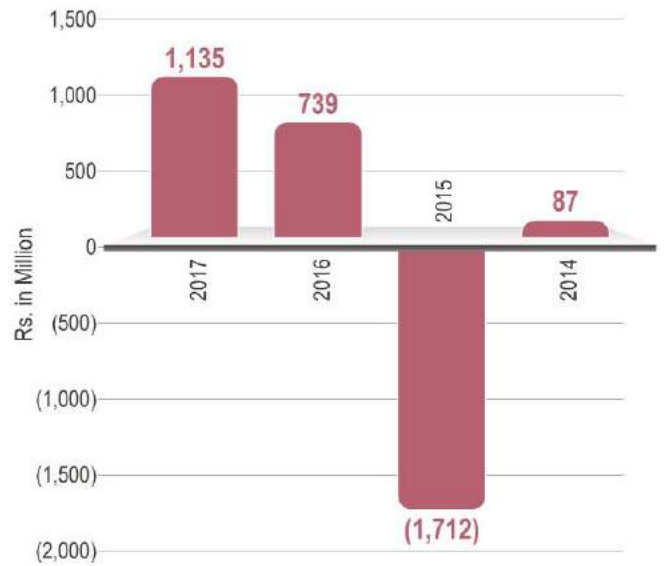


GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS

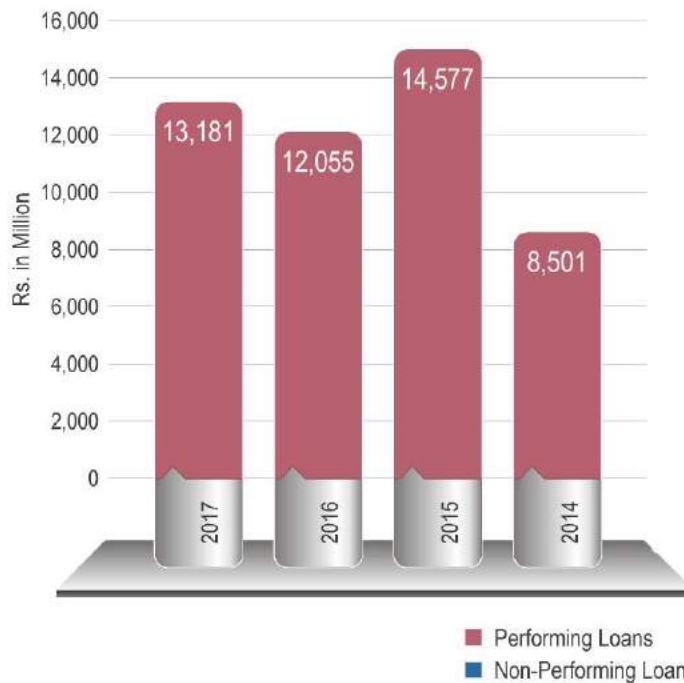
Revenue Composition



Profit / (Loss) After Tax

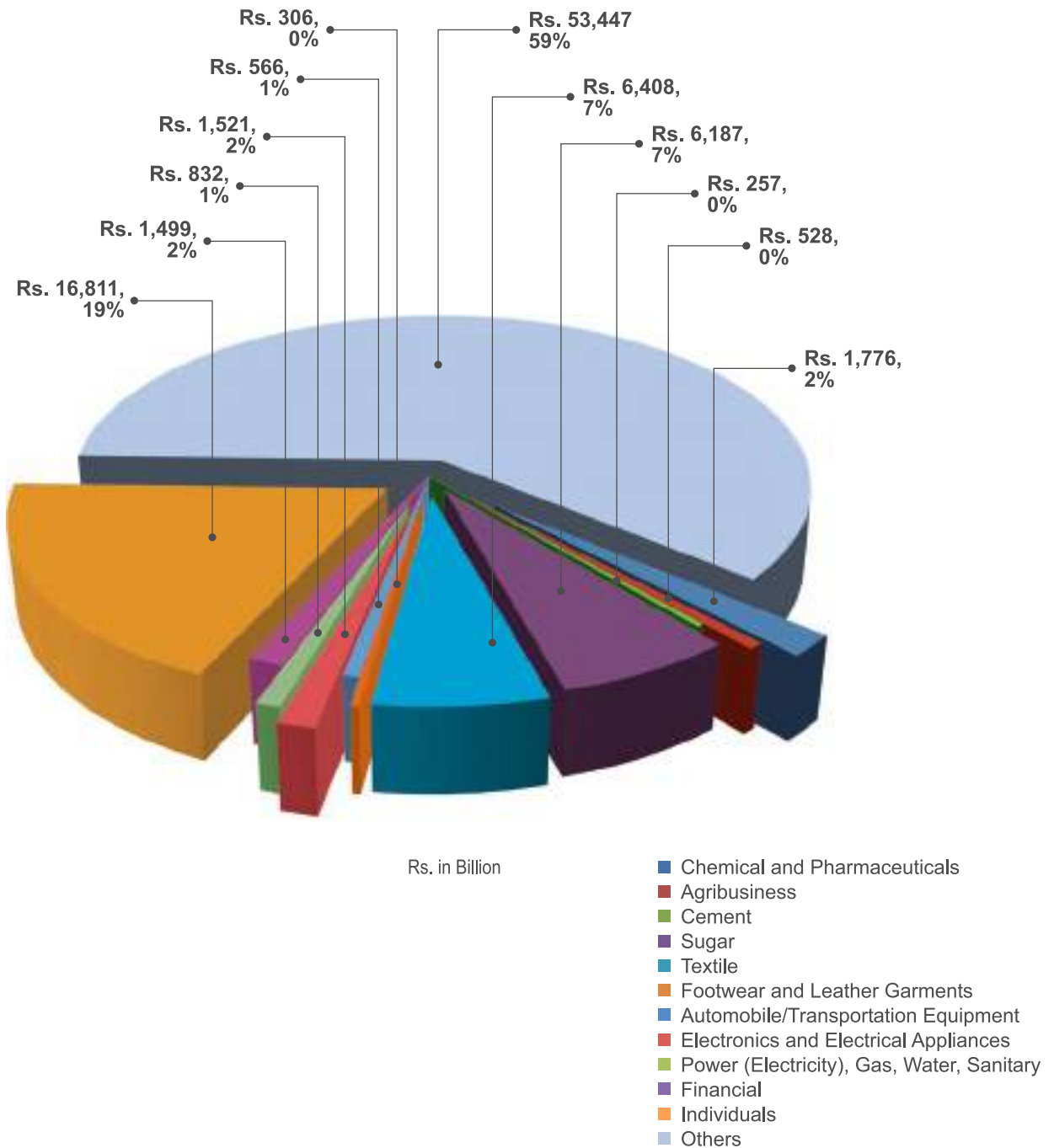


Shareholder Equity



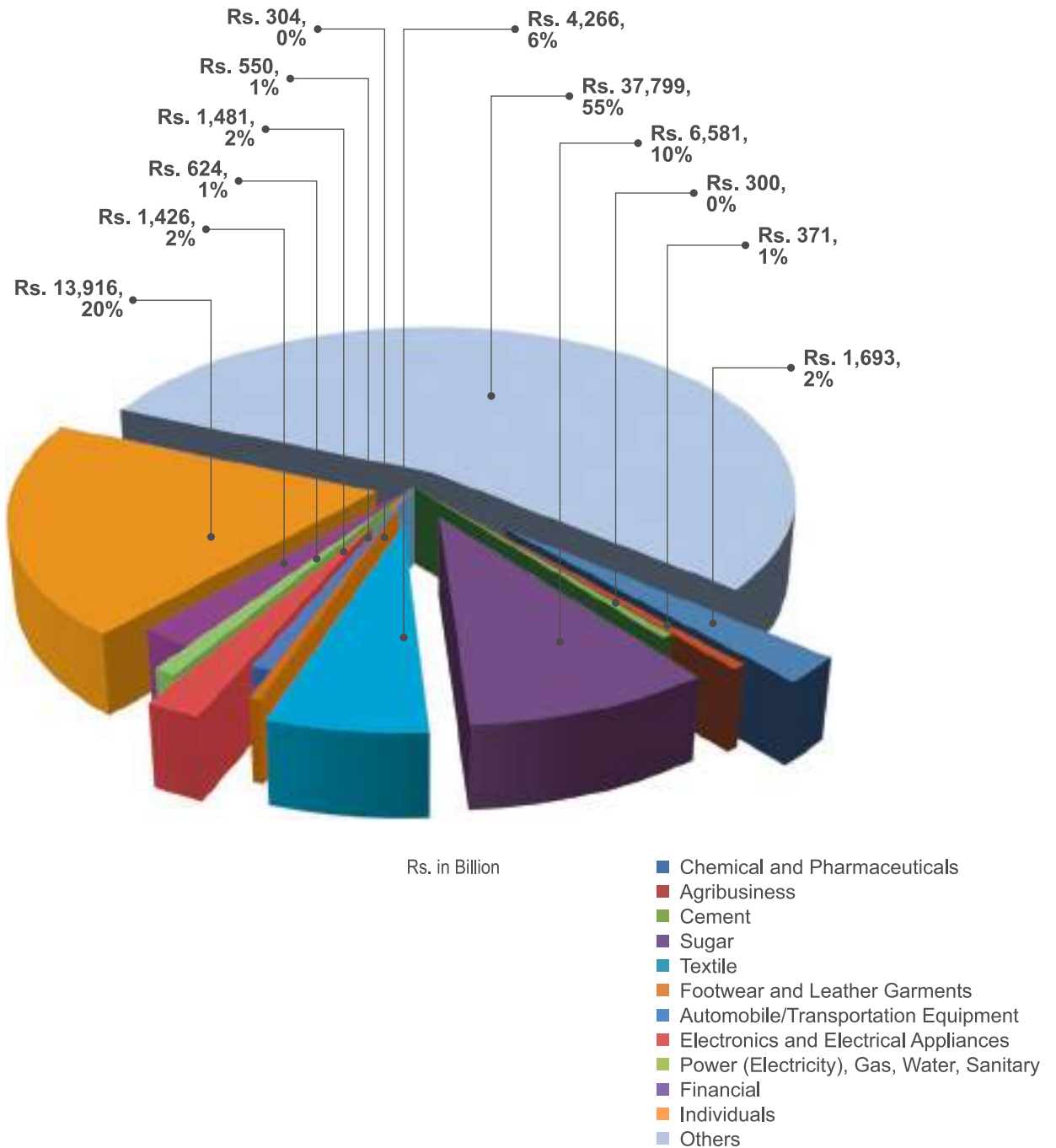
GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS

Sector Wise Advances - 2017



GRAPHICAL PRESENTATION OF FINANCIAL PROGRESS

Sector Wise Advances - 2016



STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

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

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



Khurram Khan
Chief Financial Officer



Azmat Tarin
CEO & President



Munnawar Hamid, OBE
Chairman



Shahzad Murad
Director



Nasim Beg
Director

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED DECEMBER 31, 2017

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

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



Khurram Khan
Chief Financial Officer



Azmat Tarin
CEO & President



Munnawar Hamid, OBE
Chairman



Shahzad Murad
Director



Nasim Beg
Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2017

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

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



Khurram Khan
Chief Financial Officer



Azmat Tarin
CEO & President



Munnawar Hamid, OBE
Chairman



Shahzad Murad
Director



Nasim Beg
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2017

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



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CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2017

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

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



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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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



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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

1. STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

2. BASIS OF PRESENTATION

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

3. STATEMENT OF COMPLIANCE

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

4. STANDARDS, AMENDMENTS AND INTERPRETATIONS OF APPROVED ACCOUNTING STANDARDS

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

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

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

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

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

- | | Effective from annual periods beginning on or after |
|--|--|
| - Amendments to IFRS 2 'Share-based Payment': Clarification of the classification and measurement of share-based payment transactions. | January 1, 2018 |
| - IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency. | January 01, 2018 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

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

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

5. BASIS OF MEASUREMENT

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

5.1 Use of critical accounting estimates and judgments

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

5.1.2 Fair value of derivatives

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

5.1.3 Classification of investments

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

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

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

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

5.1.5 Defined benefit plan

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

5.1.6 Income taxes

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

5.1.7 Depreciation, amortisation and revaluation of operating fixed assets

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

5.1.8 Fair value hierarchy of assets and liabilities

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

a) Level 1

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

b) Level 2

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

c) Level 3

These are unobservable inputs for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

6.1 Cash and cash equivalents

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

6.2 Lendings to / borrowings from financial institutions

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

6.2.1 Sale under repurchase obligations (repo)

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

6.2.2 Purchase under resale obligations (reverse repo)

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

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

6.2.3 Other lendings

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

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

6.2.4 Other borrowings

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

6.3 Trade and settlement date accounting

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

6.4 Investments

The Bank classifies its investments as follows:

a) Held-for-trading

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

b) Held-to-maturity

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

c) Available-for-sale

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

6.4.1 Initial measurement

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

6.4.2 Subsequent measurement

Held-for-trading

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

Held-to-maturity

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

Available-for-sale

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

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

6.4.3 Investment in associates

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

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

6.5 Advances

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

6.5.1 Murabaha

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

6.5.2 Diminishing Musharaka

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

6.5.3 Musawammah

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

6.6 Operating fixed assets

6.6.1 Property and equipment

a) Owned assets

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

Measurement subsequent to initial recognition

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

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

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

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

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

Depreciation

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

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FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

b) Leased assets

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

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

6.6.2 Capital work-in-progress

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

6.6.3 Intangible assets

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

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

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

6.7 Income taxes

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

6.7.1 Current

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

6.7.2 Deferred

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

6.8 Impairment of non-financial assets

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

6.9 Provisions

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

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

6.10 Staff retirement benefits

6.10.1 Defined contribution plan

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

6.10.2 Defined benefit plan

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

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

6.10.3 Benefits for outsourced staff

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

6.11 Revenue recognition

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

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

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

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

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

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

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

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

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

6.13 Foreign currencies

6.13.1 Foreign currency transactions

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

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

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

6.13.2 Contingencies and commitments

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

6.14 Financial instruments

6.14.1 Financial assets and liabilities

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

6.14.2 Derivative financial instruments

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

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

6.15 Off-setting

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

6.16 Segment reporting

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

6.16.1 Business segments

Wholesale Banking

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

Treasury

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

Consumer / SME Banking

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

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

6.16.2 Geographical segment

The Bank conducts all its operations in Pakistan.

6.17 Deposits

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

6.18 Share capital

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

6.19 Earnings per share

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

6.20 Fiduciary assets

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

6.21 Subordinated loans

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

7.3 This represents US Dollar settlement account maintained with SBP.

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

9.2 Securities held as collateral against lendings to financial institutions

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

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9.2.1 These have been purchased under the reverse repurchase agreement at the mark-up rates ranging from 5.90% to 6.20% (2016: 6.15%) per annum with maturities upto March 2018.

9.2.2 The market value of collateral held against reverse repurchase agreement lendings as of December 31, 2017 is Rs. 8,275.66 million (2016: Rs. 319.88 million).

9.3 This has been placed with a foreign bank as pledge against issuance of Standby Letter of Credit (SBLC) favouring VISA at the interest rate of 0.65% (2016: 0.17%) per annum with maturity in November 2018.

10 INVESTMENTS - NET

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

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FOR THE YEAR ENDED DECEMBER 31, 2017

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

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	2017		2016	
	Credit rating	Amount Rupees in '000	Credit rating	Amount Rupees in '000
10.4 Sukuk - Listed				
Byco Petroleum Pakistan Limited	AAA	200,000	--	-

10.4.1 Particulars of Listed Sukuk

Particulars	Redemption terms	Profit rate per annum	Profit payment	Maturity
Byco Petroleum Pakistan Limited	In 12 quarterly instalments starting from April 2019	3M KIBOR + 1.05%	Quarterly	18-Jan-22

	2017		2016	
	Credit rating	Amount Rupees in '000	Credit rating	Amount Rupees in '000
10.5 Term Finance Certificates - Listed				
Jahangir Siddiqui Company Limited	AA+	87,500	AA+	100,000

10.5.1 Particulars of Listed Term Finance Certificates

Particulars	Redemption terms	Profit rate per annum	Profit payment	Maturity
Jahangir Siddiqui Company Limited	In 8 semi-annual installments starting from December 2017	6M KIBOR + 1.65%	Semi-annually	24-Jun-21

	2017		2016	
	Credit rating	Amount Rupees in '000	Credit rating	Amount Rupees in '000
Note				

10.6 Term Finance Certificates - Unlisted

Azgard Nine Limited (fully provided)	10.6.1	Unrated	8,780	Unrated	8,780
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10.6.1 These represent zero coupon privately placed TFCs of Azgard Nine Limited (related party) acquired against mark-up settlement of Rs. 8.78 million on the credit facilities provided to Azgard Nine Limited. The amount is fully provided for in these financial statements.

10.6.2 This represents impairment on shares of Agritech Limited (related party), which were disposed off during the year in listed equity securities transaction, as disclosed in note 14.4.

10.7 These represent investment in shares of Pakistan Export Finance Guarantee Limited. The amount is fully provided for in these financial statements.

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10.8 Quality of 'available-for-sale' securities

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

10.9 Investment in associate

Name of Company	Chief Executive Officer	No. of Shares	Proportion of ownership interest	Place of incorporation	Principal activity
SPI Insurance Company Limited	Mian M. A. Shahid	10,613,969	23.08%(2016: 23.08%)	Pakistan	General Insurance

10.9.1 Movement in investment in associate

	Note	2017 Rupees in '000	2016
Investment at the beginning of the year		102,824	85,002
Share of profit	29	3,651	17,822
Subscription of right shares		11,537	-
		15,188	17,822
		<u>118,012</u>	<u>102,824</u>

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

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

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

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

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

2017 2016
Rupees in '000

10.10 Particulars of provision

Opening balance	89,370	89,370
Charge for the year	-	-
Reversals for the year	-	-
Write off	-	-
Closing balance	89,370	89,370

10.11 Particulars of provision in respect of type and segment

Available-for-sale securities

Ordinary shares - Unlisted	5,680	5,680
Term Finance Certificates - Unlisted	8,780	8,780
	14,460	14,460

Held-to-maturity securities

Shares repurchase	74,910	74,910
	89,370	89,370

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

10.12.2 Sukuks - Listed

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

10.12.3 Term Finance Certificates - Listed

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

10.12.4 Term Finance Certificates - Un-listed

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

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

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FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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FOR THE YEAR ENDED DECEMBER 31, 2017

11.3 Particulars of provision against non-performing advances

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

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

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

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

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

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

11.4 Particulars of provision for small enterprise and consumer advances - general	2017	2016
	Rupees in '000	
Opening balance	478,549	515,802
Charge for the year	100,570	70,228
Reversals	(22,839)	(107,481)
	77,731	(37,253)
Closing balance	556,280	478,549

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

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

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

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

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

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FOR THE YEAR ENDED DECEMBER 31, 2017

12.2 Property and equipment

	2017										Net Book value as at December 31, 2017	Rate of depreciation
	Cost / Revalued Amount				Accumulated Depreciation				As at December 31, 2017			
	As at January 01, 2017	Adjustment	Additions	Disposals / Write off	As at December 31, 2017	As at January 01, 2017	Adjustment	Charge for the year		(Disposals / Write off)		
Owned assets	Rupees in '000											
Freehold Land - 12.2.1	72,339	-	4,343	-	76,682	-	-	-	-	-	76,682	-
Leasehold Land - 12.2.1 & 12.3	1,907,321	-	-	-	1,907,321	-	-	-	-	-	1,907,321	-
Buildings on leasehold land - 12.3	834,546	-	-	(43,734)	790,812	236,581	-	41,179	(19,137)	258,623	532,189	5%
Buildings on freehold land	10,306	-	5,119	-	15,425	4,368	-	728	-	5,096	10,329	5%
Leasehold improvements	1,086,726	-	122,676	(114,563)	1,094,839	689,115	-	90,612	(83,518)	696,209	398,630	10%
Furniture and fixtures	339,017	-	25,516	(24,189)	340,344	205,149	-	27,530	(19,558)	213,121	127,223	10%
Other equipment	553,313	(103)	64,875	(24,285)	593,800	406,160	(103)	45,977	(22,671)	429,363	164,437	20%
Computers and MIS equipment	989,515	103	66,754	(10,505)	1,045,867	887,433	103	63,138	(10,238)	940,436	105,431	20%-33.33%
Vehicles	599,452	-	213,939	(145,823)	667,568	263,987	-	115,619	(86,414)	293,192	374,376	20%
	6,392,535	-	503,222	(363,099)	6,532,658	2,692,793	-	384,783	(241,536)	2,836,040	3,696,618	
Assets held under finance lease:												
Other Equipment	20,215	-	-	-	20,215	8,702	-	4,042	-	12,744	7,471	20%
	6,412,750	-	503,222	(363,099)	6,552,873	2,701,495	-	388,825	(241,536)	2,848,784	3,704,089	

	2016										Net Book value as at December 31, 2016	Rate of depreciation
	Cost / Revalued Amount				Accumulated Depreciation				As at December 31, 2016			
	As at January 01, 2016	Adjustment	Additions	(Disposals)	As at December 31, 2016	As at January 01, 2016	Adjustment	Charge for the year		(Disposals)		
Owned assets	Rupees in '000											
Freehold Land - 12.2.1	326,484	-	-	(254,145)	72,339	-	-	-	-	-	72,339	-
Leasehold Land - 12.2.1 & 12.3	1,907,321	-	-	-	1,907,321	-	-	-	-	-	1,907,321	-
Buildings on leasehold land - 12.3	957,461	-	-	(122,915)	834,546	222,221	-	43,287	(28,927)	236,581	597,965	5%
Buildings on freehold land	10,306	-	-	-	10,306	3,852	-	516	-	4,368	5,938	5%
Leasehold improvements	980,648	-	120,523	(14,445)	1,086,726	611,768	-	90,787	(13,440)	689,115	397,611	10%
Furniture and fixtures	278,547	-	60,648	(178)	339,017	181,646	-	23,663	(160)	205,149	133,868	10%
Other equipment	460,900	(4,613)	102,334	(5,308)	553,313	382,532	(1,418)	29,480	(4,434)	406,160	147,153	20%
Computers and MIS equipment	896,758	10,653	83,542	(1,438)	989,515	832,899	2,792	53,117	(1,375)	887,433	102,082	20%-33.33%
Vehicles	595,971	-	114,801	(111,320)	599,452	227,907	-	108,967	(72,887)	263,987	335,465	20%
	6,414,396	6,040	481,848	(509,749)	6,392,535	2,462,825	1,374	349,817	(121,223)	2,692,793	3,699,742	
Assets held under finance lease:												
Other equipment	18,194	(1)	2,022	-	20,215	4,659	-	4,043	-	8,702	11,513	20%
	6,432,590	6,039	483,870	(509,749)	6,412,750	2,467,484	1,374	353,860	(121,223)	2,701,495	3,711,255	

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

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

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12.4 Intangible assets

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

Rupees in '000

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

2017 **2016**

Rupees in '000

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

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

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

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

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Description	Date of capitalization	Date of disposal	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of purchaser
Items having book value in aggregate more than Rs.250,000 or cost more than Rs.1,000,000					Rupees in '000				
Honda City Silver Metallic Chassis # Nfbgm1548 Cr129294	20-Jul-12	24-Mar-17	1,176	1,098	78	78	-	Bank employee	Abdul Rauf Mufti
Honda City Aspire 1.3 AT 1.3Cc	24-Mar-17	29-Mar-17	1,327	-	1,327	1,327	-	Bank employee	Syed Muneer Akhtar Zaidi
Suzuki Cultus Vxri Chassis # Sf410Pk530883	23-May-16	4-Apr-17	1,099	201	898	898	-	Bank employee	Naveed Iqbal
Mercedes Benz Engine Chassis # Wdc 2030462 R252305	10-Apr-12	7-Apr-17	1,626	1,626	-	-	-	Bank employee	Umair Bin Moin
Bmw316,Color White Chassis # Wba3A1206Dj720168	27-Aug-15	19-Apr-17	2,388	796	1,592	1,592	-	Bank employee	Jawad Majid Khan
Suzuki Swift DLX Chassis # Rs413Pk10014078	11-Aug-15	5-May-17	1,039	329	710	710	-	Bank employee	Muhammad Aun Abbas Khan
Suzuki Wagon R Vxl	5-May-17	5-May-17	1,069	-	1,069	1,069	-	Bank employee	Syed Zafferuddin Ahmed
Toyota Premio Chassis # Zrt260-3006765	23-May-13	8-May-17	2,102	1,682	420	420	-	Bank employee	Muniza Sheikh
Honda City Silver Metallic Engine # L13Zi-3430802	11-Jun-12	23-May-17	1,176	1,156	20	20	-	Bank employee	Syed Qasim Banuri
Honda Civic Vti Silver Metallic Chassis# Nfbfb2663Er118083	19-Jun-14	23-May-17	1,282	748	534	534	-	Bank employee	Syed Fasih Haider Burney
Toyota Altis Bronze Mica Chassis# Zre171R-6010542	20-Sep-16	23-May-17	1,806	241	1,565	1,565	-	Bank employee	Naveed Mushtaq
Suzuki Swift DLX Chassis # Rs413Pk10023819	24-Jun-14	5-Jun-17	1,282	748	534	534	-	Bank employee	Gulzar Hussain
Suzuki Cultus Vxri Chassis # Sf410Pk502949	21-Jul-14	5-Jun-17	1,039	606	433	433	-	Bank employee	Cheryl Tellis
Toyota Corolla Gli Chassis # Nze140-2142632	26-Jun-12	6-Jun-17	1,607	1,607	-	-	-	Bank employee	Syed Asif Saeed
Toyota Land Cruiser Prado Chassis # Trj1205025816	6-May-16	6-Jun-17	2,406	521	1,885	1,885	-	Bank employee	Kasim Feroze Khan
Honda City Aspire Chassis# Nfbgm155Xhr1 99010	7-Feb-17	7-Jun-17	1,129	75	1,054	1,054	-	Bank employee	Waqar UI Hassan
Toyota Corolla Gli Chassis # Nze140- 2136073	21-Jun-12	8-Jun-17	1,176	1,176	-	-	-	Bank employee	Muhammad Ashfaq Qureshi
Suzuki Cultus Vxri Chassis # Sf410Pk503426	15-Aug-14	8-Jun-17	1,039	589	450	450	-	Bank employee	Rahim Sadruddin
Toyota Corolla Xli Reg # Led-10-5001	22-Jun-12	9-Jun-17	1,176	1,176	-	-	-	Bank employee	Malik Mukhtar Ahmed
Toyota Corolla Gli Chassis # Nze140-2142617	27-Jun-12	13-Jun-17	1,176	1,176	-	-	-	Bank employee	Javied Akhtar
Suzuki Swift DLX Chassis # Rs413Pk10025028	3-Sep-14	13-Jun-17	1,282	684	598	598	-	Bank employee	Fakharuddin Siddiqui
Honda City,I-Vtec Chassis # Nfbgm154Bbr118844	31-Dec-14	19-Jun-17	1,039	519	520	520	-	Bank employee	Omer Hayat
Honda City Aspire Chassis # Nfbgm2665Fr159797	14-Jan-15	19-Jun-17	1,282	620	662	662	-	Bank employee	Sohail Rana Janjue
Bmw 730D Chassis # 65590	13-Mar-13	21-Jun-17	1,231	1,046	185	185	-	Bank employee	Syed Wasif Ahmed Subzwari
Honda Civic Chassis # Nfbfb2660Fr126353	10-Jun-15	29-Jun-17	2,154	862	1,292	1,292	-	Bank employee	Tariq Jawed Rajput
Toyota Corolla Altis 1800cc Chassis# 7406844	15-Jan-11	30-Jun-17	1,880	1,880	-	732	732	Indirect	Naaila Rabbi
Toyota Corolla 2.0D Model 2008 Engine # 4053520	26-Jun-12	4-Jul-17	1,176	1,176	-	-	-	Bank employee	Waqas UI Hassan
Honda City Chassis # 128930	26-Jun-12	6-Jul-17	1,176	1,176	-	-	-	Bank employee	Saeed Ahmed Sheikh
Toyota Hilux Surf Blue Chassis # Trn210-0001281	14-Jan-15	6-Jul-17	2,388	1,194	1,194	1,194	-	Bank employee	Uzman Naveed Chaudhary
Toyota Altis Chassis # Zre172R-700813	3-Sep-14	7-Jul-17	2,153	1,220	933	933	-	Bank employee	Aman Kotak
Toyota Corolla Gli Chassis # Nze140- 2144606	30-Jul-12	7-Jul-17	1,176	1,176	-	-	-	Bank employee	Sajid Hassan
Honda City Aspire Chassis #Nfbgm2561Er149459	3-Sep-14	12-Jul-17	1,282	726	556	556	-	Bank employee	Shahzad Rafique
Toyota Altis Chassis # Zre141-4510060	26-Jun-12	13-Jul-17	2,022	2,022	-	-	-	Bank Employee	Nadeem Qureshi
Suzuki Cultus Vxri Chassis # Sf410Pk517128	1-Aug-15	18-Jul-17	1,039	381	658	658	-	Bank Employee	Muhammad Azeem Akhtar
Toyota Corolla Xli Chassis # Nze140-2046274	19-Sep-14	18-Jul-17	1,282	726	556	556	-	Bank Employee	Aamir Hameed Cheema
Hona Civic Vti Oriol Chassis #Nfbfb266Er117137	26-May-14	20-Jul-17	2,156	1,365	791	791	-	Bank Employee	Khurram Khan
Honda Civic Vti Chassis # Nfbfb2667Er119740	12-Aug-14	20-Jul-17	2,221	1,296	925	925	-	Bank Employee	Anwar UI Haq Majeed
Honda City Chassis # Nfbgm1642Dr144681	26-Nov-13	20-Jul-17	1,673	1,227	446	446	-	Bank Employee	Farooq Ahmed
Honda Civic Vti Chassis # Nfbfb2668Fr123930	4-Mar-15	24-Jul-17	2,388	876	1,512	1,592	80	Bank Employee	Umar Saeed Khan
Honda Civic I-Vtec 1.8Cc Oriol Chassis# Nfbfc666 2Hr009915	23-Jan-17	2-Aug-17	2,353	275	2,078	2,078	-	Bank Employee	Atif Kauser

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FOR THE YEAR ENDED DECEMBER 31, 2017

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

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FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

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

13.1 Movement in temporary differences

	Balance at January 01, 2016	Recognised in profit and loss	Recognised in equity	Balance at December 31, 2016	Recognised in profit and loss	Recognised in equity	Balance at December 31, 2017
Rupees in '000							
Provision for diminution in value of investments	111,654	8,291	-	119,945	(116,872)	-	3,073
Provision against non-performing advances	2,440,860	4,896	-	2,445,756	(115,366)	-	2,330,390
Provision for WWF	-	-	-	-	33,688	-	33,688
Provision against other assets	258,292	(111,061)	-	147,231	78,617	-	225,848
(Deficit) / surplus on revaluation of investments	(16,414)	-	20,722	4,308	-	14,907	19,215
Depreciation on non-banking assets	-	29,317	-	29,317	22,753	-	52,070
Unabsorbed tax depreciation	852,568	102,120	-	954,688	(40,781)	-	913,907
Unused tax losses	721,734	(567,580)	-	154,154	(154,154)	-	-
Accelerated tax depreciation	(148,869)	35,286	-	(113,583)	35,456	-	(78,127)
Surplus on revaluation of fixed assets	(24,272)	-	4,238	(20,034)	-	6,254	(13,780)
Surplus on revaluation of non banking assets	-	-	-	-	-	(6,583)	(6,583)
Remeasurement of defined benefit plan	(14,584)	-	(2,453)	(17,037)	-	13,465	(3,572)
	4,180,969	(498,731)	22,507	3,704,745	(256,659)	28,043	3,476,129

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

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

14.6 Unrealized gain on derivative financial instruments

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

	2017	2016
	Rupees in '000	
15 BILLS PAYABLE		
In Pakistan	3,192,981	3,996,044
Outside Pakistan	-	-
	3,192,981	3,996,044
16. BORROWINGS		
In Pakistan	35,504,943	30,116,366
Outside Pakistan	77,057	79,336
	35,582,000	30,195,702
16.1 Particulars of borrowings with respect to currencies		
In local currency	35,504,943	30,116,366
In foreign currencies	77,057	79,336
	35,582,000	30,195,702

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	2017 Rupees in '000	2016
16.2 Details of borrowings secured / unsecured			
Secured			
Borrowings from State Bank of Pakistan (re-finance)			
Under Export refinance scheme	16.2.1	1,505,571	1,633,241
Repurchase agreement borrowings	16.2.2	21,118,353	24,226,190
		22,623,924	25,859,431
Unsecured			
Call borrowings	16.2.3	6,500,000	4,200,000
Trading liability		6,349,040	-
Overdrawn nostro accounts		77,057	79,336
Overdrawn local bank accounts		31,979	56,935
		12,958,076	4,336,271
		35,582,000	30,195,702
16.2.1	The Bank has entered into agreements for financing with the State Bank of Pakistan (SBP) for extending export finance to customers. As per the agreements, the Bank has granted SBP the right to recover the outstanding amount from the Bank at the date of maturity of the finance by directly debiting the current account maintained by the Bank with SBP. These borrowings are repayable within six months. These carry mark-up rates ranging from 1% to 2% (2016: 1% to 2%) per annum.		
16.2.2	These represent funds borrowed from the local interbank money market against government securities carrying interest rate ranging between 5.82% to 6.05% (2016: 5.80% to 5.87% per annum with maturity upto January 2018).		
16.2.3	These represent unsecured borrowings from the local money market carrying interest rate ranging from 6.45% to 6.50% (2016: 6.35% to 6.65%) per annum with maturities ranging from January 2018 to March 2018.		
17 DEPOSITS AND OTHER ACCOUNTS			
Customers			
Fixed deposits		36,614,864	33,362,662
Savings deposits		31,857,420	23,529,436
Current accounts - non-remunerative		26,076,912	20,878,121
Margin accounts - non-remunerative		1,431,960	1,065,919
Others		1,463,318	718,503
		97,444,474	79,554,641
Financial institutions			
Remunerative deposits		12,778,661	7,160,154
Non-remunerative deposits		54,672	72,628
		12,833,333	7,232,782
		110,277,807	86,787,423
17.1 Particulars of deposits			
In local currency		102,438,721	80,054,718
In foreign currencies		7,839,086	6,732,705
		110,277,807	86,787,423

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

18 SUB-ORDINATED LOANS

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

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

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

19 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

20.1 Unrealised loss on forward foreign exchange contracts

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

20.2 Movement in provision against off-balance sheet obligations	2017	2016
	Rupees in '000	
Opening balance	124,736	124,736
Charge for the year	-	-
Reversals during the year	(8,724)	-
Closing balance	<u>116,012</u>	<u>124,736</u>

- 20.3** This includes advance amounting to Rs. 170.83 million received against future disposal of non-banking assets (land) measuring 122,311 square yards, as disclosed in note 14.1.

- 20.4** This includes equity portion of Profit Equalization Reserve amounting to Rs. 1.75 million (2016: Nil) which has been presented as a reserve in Annexure-II.

21. SHARE CAPITAL

21.1 Authorised capital

2017	2016		2017	2016
No. of shares in '000			Rupees in '000	
<u>10,500,000</u>	<u>10,500,000</u>	Ordinary shares of Rs.10 each	<u>105,000,000</u>	<u>105,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

21.2 Issued, subscribed and paid up capital

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

22		Note	2017	2016
SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			Rupees in '000	
Surplus / (deficit) on revaluation of				
	- available-for-sale securities	22.1	(35,685)	(8,000)
	- fixed assets	22.2	48,863	60,480
	- non-banking assets	22.3	39,545	-
			52,723	52,480
22.1	(Deficit) / surplus on revaluation of available-for-sale securities			
Federal Government securities				
	Market Treasury Bills		(2,324)	(15,242)
	Pakistan Investment Bonds		(53,168)	(47,914)
	GOP Ijara Sukuk		(6,425)	(1,565)
			(61,917)	(64,721)
Fully paid-up ordinary shares				
	Listed companies		3,939	49,302
Term Finance Certificate, Debentures, Sukuk, Bonds and Participation Term Certificates				
	Sukuk - Listed		1,250	-
	Term Finance Certificates - Listed		1,828	3,111
			3,078	3,111
	Related deferred tax asset	10.1	(54,900)	(12,308)
		13	19,215	4,308
			(35,685)	(8,000)
22.2	Surplus on revaluation of fixed assets			
	Surplus on revaluation of fixed assets	22.2.1	62,643	80,514
	Related deferred tax liability	13	(13,780)	(20,034)
			48,863	60,480

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	Note	2017 Rupees in '000	2016
22.2.1 Reconciliation of surplus on revaluation of fixed assets			
At the beginning of the year		80,514	93,860
Surplus realized on account of incremental depreciation - net of tax		(4,571)	(13,346)
Surplus realized on disposal of properties - net of tax		(13,300)	-
At the end of the year	12.2.1	<u>62,643</u>	<u>80,514</u>
22.3 Surplus on revaluation of non-banking assets			
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		46,128	-
Deferred tax liability recognised	13	(6,583)	-
At the end of the year		<u>39,545</u>	<u>-</u>
22.3.1 Reconciliation of surplus on revaluation of non-banking assets			
At the beginning of the year		-	-
Surplus recognised during the year - net of tax		41,522	-
Surplus realised on account of incremental depreciation - net of tax		-	-
Surplus realised on disposal of properties - net of tax		(1,977)	-
At the end of the year		<u>39,545</u>	<u>-</u>
23 CONTINGENCIES AND COMMITMENTS			
23.1 Direct credit substitutes		-	-
23.2 Transaction-related contingent liabilities			
Guarantees favouring			
Government		11,309,593	10,823,354
Banks and other financial institutions		2,025,890	727,023
Others		2,612,982	2,741,080
23.2.1			
This includes expired letter of guarantees aggregating to Rs. 3,764.75 million (2016: Rs. 2,901.86 million). Contingent liability against these guarantees will be reversed when original documents are received from customers.			
		2017	2016
	Note	Rupees in '000	
23.3 Trade-related contingent liabilities			
Letters of credit and acceptances		<u>7,978,011</u>	<u>4,354,980</u>
23.4			
Claims against the bank not acknowledged as debt	23.4.1 & 23.4.2	<u>414,317</u>	<u>326,102</u>
23.4.1			
These represent recovery suits filed by various parties in which the Bank is a direct or indirect defendant.			
23.4.2			
Suits for damages of Rs. 24.46 billion (2016: Rs. 24.34 billion) have been filed against the Bank by various borrowers / employees in respect of certain disputes relating to loans and advances. The management of the Bank and its legal counsel consider that the suits are a counterblast in response to the recovery suits filed by the Bank. The Bank and its legal counsel are confident that the cases will be dismissed as actual damages have to be proven in such suits.			

NOTES TO THE FINANCIAL STATEMENTS

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	2017	2016
	Rupees in '000	
23.5 Commitments in respect of forward contracts		
Forward exchange contracts with State Bank of Pakistan, banks and other institutions		
Sale	<u>2,798,688</u>	<u>5,894,494</u>
Purchase	<u>8,479,756</u>	<u>10,901,763</u>
23.6 Claims against the bank by Competition Commission of Pakistan and Others	<u>35,640</u>	<u>35,640</u>
23.7 Commitments in respect of		
Property, civil work and equipment	<u>268,109</u>	55,430
Purchase of hardware / software	<u>132,306</u>	34,507
	<u>400,415</u>	<u>89,937</u>
23.8 The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.		

24. DERIVATIVE INSTRUMENTS

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
	Rupees in '000	
25. MARK-UP / RETURN / INTEREST EARNED		
On loans and advances to:		
Customers	9,129,809	7,403,007
Financial institutions	-	-
On investments in:		
Held-for-trading securities	1,199,416	187,465
Available-for-sale securities	959,897	1,909,005
Held-to-maturity securities	-	27,110
	2,159,313	2,123,580
On deposits with financial institutions	2,986	2,350
On call money lendings	6,231	3,711
On securities purchased under resale agreements	371,932	426,405
	11,670,271	9,959,053
26. MARK-UP / RETURN / INTEREST EXPENSED		
Customer deposits	4,062,814	3,377,150
Securities sold under repurchase agreements	1,554,757	1,718,274
Call borrowings	313,766	215,614
Borrowings from State Bank of Pakistan under Export Refinance Scheme	25,782	44,392
SWAP money market expense	158,281	249,369
Sub-ordinated loans	63,123	-
Others	5,694	4,892
	6,184,217	5,609,691

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

29.2 Details of disposal of non-banking assets

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

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

	Note	2017 Rupees in '000	2016 Rupees in '000
30. ADMINISTRATIVE EXPENSES			
Salaries, allowances and other benefits		2,942,416	2,554,037
Charge for defined benefit plan	37.1.3 / 30.2	81,934	70,502
Contribution to defined contribution plan	37.2	78,816	69,622
Non-executive directors' fees	38.1	33,100	30,570
Rent, taxes, insurance, electricity, etc.		814,986	840,765
Participation fee paid in respect of subordinated loan		28,775	-
Guarantee commission paid in respect of CPS		-	20,350
Legal and professional charges		473,607	365,552
Communications		299,936	225,098
Financial charges on leased assets		907	1,282
Repairs and maintenance		309,081	259,058
Stationery and printing		63,066	58,455
Security charges		93,142	80,974
Advertisement and publicity		307,780	185,694
Depreciation	12.2	388,825	353,860
Amortization of intangible assets	12.4	86,686	81,439
Auditors' remuneration	30.1	16,558	12,082
Fuel and travelling expenses		116,380	124,848
Brokerage and commission		13,336	15,009
Subscriptions and newspapers		20,217	10,774
Entertainment		43,937	41,967
Others		127,941	98,532
		6,341,426	5,500,470

NOTES TO THE FINANCIAL STATEMENTS

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

NOTES TO THE FINANCIAL STATEMENTS

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- 33.2** The income tax returns of the Bank have been submitted up to Tax Year 2017. The Bank has filed appeals before Appellate Tribunal Inland Revenue (ATIR) against certain disallowances amounting to Rs. 1,996 million (December 31, 2016 : Rs. 1,996 million) made by Tax officer for assessment / tax year(s) 2000-2001, 2001-2002, 2002-2003 and 2004. The disallowances amounting to Rs. 682 million (December 31, 2016 : Rs. 682 million) in respect of tax years 2003 and 2006 are pending at CIR (A). Management is confident that the outcome of these appeals would be in favor of the Bank.
- 33.3** Income tax returns for tax years 2011 and 2014 were selected for audit. The proceedings of the audit are in process, no order has been passed by the relevant tax authorities. The proceedings u/s 161/205 of the Income Tax Ordinance regarding monitoring of withholding taxes pertaining to the tax years 2011 to 2014 were completed in prior years. Orders were issued by the Assessing Officer creating total tax demand of Rs. 39 million (already paid by the Bank) along with default surcharge of Rs. 17 million. The Bank's appeals against orders u/s 161/205 for tax years 2013 and 2014 before the Commissioner Inland Revenue (Appeals - II) were rejected after which appeals before the ATIR, Karachi have been filed, which are pending hearing. Management is confident that the outcome of these appeals would be in favor of the Bank.
- 33.4** The Bank's return in respect of AJK operations have been submitted up to and including Tax Year 2017. Certain appeals were filed before the various appellate and other forums which are either pending for adjudication or the proceedings initiated against the Bank have been dropped / withdrawn. Management is confident that the outcome of pending appeals would be in favor of the Bank.

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

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

	Note	2017 Rupees in '000	2016
35. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	7	<u>8,413,176</u>	7,370,962
Balances with other banks	8	<u>218,420</u>	87,748
		<u>8,631,596</u>	<u>7,458,710</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

35.1 Reconciliation of liabilities arising from financing activities

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

36. STAFF STRENGTH

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

36.1 These exclude outsourced security guards and commission based agents.

37. STAFF RETIREMENT BENEFITS

37.1 Defined benefit plan

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

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

	2017		
	Present value of defined benefit obligation	Fair value of plan assets	Total
	Rupees in '000		
As at January 1, 2017	433,989	(482,666)	(48,677)
Current service cost	65,334	-	65,334
Interest cost / (income)	35,051	(38,463)	(3,412)
Bank's contributions	-	(61,922)	(61,922)
Benefits paid	(33,041)	33,041	-
Remeasurements recognised in other comprehensive income:			
Loss due to change in financial assumptions	678	-	678
Loss due to changes in experience adjustment	21,296	-	21,296
Return on plan assets excluding amounts included in interest income	-	16,496	16,496
	21,974	16,496	38,470
As at December 31, 2017	523,307	(533,514)	(10,207)

	2016		
	Present value of defined benefit obligation	Fair value of plan assets	Total
	Rupees in '000		
As at January 1, 2016	372,201	(413,870)	(41,669)
Current service cost	62,890	-	62,890
Interest cost / (income)	33,990	(37,582)	(3,592)
Bank's contributions	-	(59,298)	(59,298)
Benefits paid	(25,704)	25,704	-
Remeasurements recognised in other comprehensive income:			
Gain due to change in financial assumptions	(2,251)	-	(2,251)
Gain due to changes in experience adjustment	(7,137)	-	(7,137)
Return on plan assets excluding amounts included in interest income	-	2,380	2,380
	(9,388)	2,380	(7,008)
As at December 31, 2016	433,989	(482,666)	(48,677)

37.1.3 Amount recognised in profit and loss account:

	Note	2017 Rupees in '000	2016
Current service cost		65,334	62,890
Interest cost on defined benefit obligation		35,051	33,990
Interest income on plan assets		(38,463)	(37,582)
	30	61,922	59,298

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

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		Rupees in '000	
Discount rate	1%	(27,571)	30,698
Salary growth rate	1%	33,275	(30,377)

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

	2017	2016
	Rupees in '000	
37.1.11 Composition of fair value of plan assets		
Pakistan Investment Bonds	26,447	26,236
Cash and bank balances	105,664	47,089
Term Deposits	369,000	369,000
Mutual Funds	20,562	25,296
National Investment Trust Units	11,841	15,045
	533,514	482,666

37.2 Defined contribution plan

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

	Note	2017	2016
		Rupees in '000	
Bank's contribution	30	78,816	69,622

38. COMPENSATION OF DIRECTORS AND EXECUTIVES

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

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

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

39. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

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

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

	2017			
	Level 1	Level 2	Level 3	Total
Rupees in '000				
On balance sheet financial instruments				
Financial assets measured at fair value				
Held for trading securities				
- Pakistan Investment Bonds	-	2,633,543	-	2,633,543
- Shares in listed companies	-	-	-	-
	-	2,633,543	-	2,633,543
Available-for-sale Securities				
- Market Treasury Bills	-	18,558,147	-	18,558,147
- Pakistan Investment Bonds	-	12,939,521	-	12,939,521
- GOP Ijara Sukuk	-	3,697,391	-	3,697,391
- Sukuk Listed	-	201,250	-	201,250
- Term Finance Certificates - Listed	-	89,328	-	89,328
- Shares in listed companies	29,543	-	-	29,543
	29,543	35,485,637	-	35,515,180
Non-financial assets measured at fair value				
Operating fixed assets - land and buildings	-	-	2,526,521	2,526,521
Non-banking assets acquired in satisfaction of claims	-	-	10,875,165	10,875,165
	-	-	13,401,686	13,401,686
Off balance sheet financial instruments				
Foreign exchange option purchased (notional value)	-	8,479,756	-	8,479,756
Foreign exchange option sold	-	2,798,688	-	2,798,688

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

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

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

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40. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

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

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

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

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

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41. RELATED PARTY TRANSACTIONS

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

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

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

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

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

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

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

42. CAPITAL ASSESSMENT AND ADEQUACY

42.1 Scope of Applications

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

42.1.1 Capital management

Objective of Capital Management:

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

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

Statutory minimum capital & capital adequacy requirements

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

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

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

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

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

*Capital Conservation Buffer (CCB) Consisting of CET1 only

*Capital Conservation Buffer (CCB) Consisting of CET1 only

Bank's regulatory capital is analyzed into two tiers.

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

The deduction from Tier 1 capital includes mainly:

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

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

The deductions from Tier 2 include mainly:

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

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

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

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

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

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

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Mapping to SBP Ratings Grades

Long-term rating grade mapping

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

Short-term ratings grades

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

	Note	2017	2016
		Rupees in '000	
42.2 Capital Adequacy Ratio (CAR)			
Common Equity Tier 1 capital (CET1): Instruments and reserves			
1 Fully Paid-up Capital		90,818,612	79,998,099
2 Balance in Share Premium Account		-	-
3 Reserve for issue of Bonus Shares		-	-
4 Discount on Issue of shares		(67,387,238)	(56,566,725)
5 General/ Statutory Reserves		554,903	327,845
6 Gain/(Losses) on derivatives held as Cash Flow Hedge		-	-
7 Unappropriated/unremitted profits/ (losses)	42.2.5	(11,735,591)	(12,635,048)
8 Minority Interests arising from CET1 capital instruments issued to third parties by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)		-	-
9 CET 1 before Regulatory Adjustments		12,250,686	11,124,171
10 Total regulatory adjustments applied to CET1	42.2.1	2,062,101	1,824,578
Adjustment to CET1 due to insufficient AT1 capital and T2 capital to cover adjustments	42.2.2	11,801	20,565
11 Common Equity Tier 1		10,176,784	9,279,028
Additional Tier 1 (AT 1) Capital			
12 Qualifying Additional Tier-1 capital instruments plus any related share premium		-	-
13 of which: Classified as equity		-	-
14 of which: Classified as liabilities		-	-
15 Additional Tier-1 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group AT 1)		-	-
16 of which: instrument issued by subsidiaries subject to phase out		-	-

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

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

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Regulatory Adjustments and Additional Information		2017	2016
		Rupees in '000	Rupees in '000
		Amount	Amount
		subject to Pre- Basel III treatment	
42.2.3 Tier 2 Capital: regulatory adjustments			
31	Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-BaseI III treatment which, during transitional period, remain subject to deduction from tier-2 capital	11,801	20,565
32	Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities	-	-
33	Investment in own Tier 2 capital instrument	-	-
34	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
35	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-
36	Total regulatory adjustment applied to T2 capital (sum of 31 to 35)	11,801	20,565
42.2.4 Additional Information			
	Risk Weighted Assets subject to pre-BaseI III treatment		
37	Risk weighted assets in respect of deduction items (which during the transitional period will be risk weighted subject to Pre-BaseI III Treatment)	-	-
(i)	of which: deferred tax assets	-	61,662
(ii)	of which: Defined-benefit pension fund net assets	-	-
(iii)	of which: Recognised portion of investment in capital of banking, financial and insurance entities where holding is less than 10% of the issued common share capital of the entity	-	-
(iv)	of which: Recognised portion of investment in capital of banking, financial and insurance entities where holding is more than 10% of the issued common share capital of the entity	-	-
	Amounts below the thresholds for deduction (before risk weighting)		
38	Non-significant investments in the capital of other financial entities	118,871	103,111
39	Significant investments in the common stock of financial entities	118,011	102,824
40	Deferred tax assets arising from temporary differences (net of related tax liability)	-	-
	Applicable caps on the inclusion of provisions in Tier 2		
41	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	556,280	478,549
42	Cap on inclusion of provisions in Tier 2 under standardized approach	1,385,094	1,089,031
43	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	-
44	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	-

42.2.5 In view of the repurchase of the property, SBP while recognising the sale as a sale, vide their letter dated August 24, 2011, has advised the Bank to reclassify 50% of the gain realised on sale of the said property (including amount transferred from revaluation surplus to accumulated loss) for capital adequacy calculation purposes as part of Tier-2 capital with treatment similar to revaluation reserves. Initially revaluation reserves upto 45% were allowed, however since the B-3 deductions has commenced from December 2014, the recognition of the remaining revaluation (55%) has been gradually allowed. On December 2017, the Bank has also recognised (80% of the remaining revaluation reserves of 55%). Accordingly, an amount of Rs. 877.937 million has been transferred from accumulated loss to revaluation reserve as Tier II Capital for capital adequacy calculation.

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42.3 Capital Structure Reconciliation

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

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FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

Basel III Disclosure Template (with added column) Step III	Component of regulatory capital reported by bank	Source based on reference number from step 2
	As at December 31, 2017	
	Rupees in '000	

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

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

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Basel III Disclosure Template (with added column) Step III	Component of regulatory capital reported by bank	Source based on reference number from step 2
	As at December 31, 2017	
	Rupees in '000	

18	Capital shortfall of regulated subsidiaries	-	
19	Deficit on account of revaluation from bank's holdings of fixed assets/ AFS	-	(ab)
20	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	a) - (ac) - (ae)
21	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	(b) - (ad) - (af)
22	Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	1,820,200	(i)
23	Amount exceeding 15% threshold	-	
24	of which: significant investments in the common stocks of financial entities	-	
25	of which: deferred tax assets arising from temporary differences	-	
26	National specific regulatory adjustments applied to CET1 capital	-	
27	of which: Investment in TFCs of other banks exceeding the prescribed limit	-	
28	of which: Any other deduction specified by SBP (mention details)	-	
29	Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions	11,801	
30	Total regulatory adjustments applied to CET1 (sum of 9 to 29)	2,073,902	
31	Common Equity Tier 1	10,176,784	

Additional Tier 1 (AT 1) Capital

32	Qualifying Additional Tier-1 instruments plus any related share premium		
33	of which: Classified as equity	-	(t)
34	of which: Classified as liabilities	-	(m)
35	Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	-	(y)
36	of which: instrument issued by subsidiaries subject to phase out	-	
37	AT1 before regulatory adjustments	-	

Step III	Component of regulatory capital reported by bank	Source based on reference number from step 2
	As at December 31, 2017	
	Rupees in '000	

Additional Tier 1 Capital: regulatory adjustments

38	Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	-	
39	Investment in own AT1 capital instruments	-	
40	Reciprocal cross holdings in Additional Tier 1 capital instruments	-	
41	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(ac)
42	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(ad)

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Step III	Component of regulatory capital reported by bank	Source based on reference number from step 2
	As at December 31, 2017	
	Rupees in '000	
43	-	
44	-	
45	-	
46	-	
47	-	
48	10,176,784	
Tier 2 Capital		
49	-	(n)
50	2,000,000	
51	-	(z)
52	-	
53	556,280	(g)
54	793,092	
55	824,852	portion of (aa)
56	(31,760)	
57		(v)
58		
59	3,349,372	
Tier 2 Capital: regulatory adjustments		
60	11,801	
61	-	
62	-	
63	-	(ae)
64	-	(af)
65	11,801	
66	3,337,571	
67	3,337,571	
68	-	
69	3,337,571	
70	13,514,355	

NOTES TO THE FINANCIAL STATEMENTS

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42.4 Main Features Template of Regulatory Capital Instruments

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

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42.5 Risk Weighted Assets

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

	Capital Requirements		Risk Weighted Assets	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Credit Risk				
On-Balance sheet				
Portfolios subject to standardised approach (Simple or Comprehensive)				
e.g. Cash & cash equivalents	-	-	-	-
Sovereign	-	-	-	-
Public Sector entities	-	-	-	-
Banks	47,928	17,984	425,083	179,835
Corporate	6,641,385	4,223,826	58,903,636	42,238,264
Retail	1,906,441	1,386,519	16,908,565	13,865,185
Residential Mortgages	97,812	77,414	867,513	774,143
Past Due loans	328,686	226,235	2,915,178	2,262,345
Deferred tax asset	365,109	283,544	3,238,218	2,835,435
Operating Fixed Assets	443,654	385,600	3,934,845	3,856,000
Other assets	1,847,870	1,674,835	16,389,095	16,748,346

Portfolios subject to Internal Rating Based (IRB) Approach
e.g. Corporate, Sovereign, Corporate, Retail, Securitization etc.

Off-Balance sheet

Non-market related				
e.g. Financial guarantees, acceptances, performance related commitments, trade related etc.	805,417	433,139	7,143,391	4,331,386
Market related				
e.g. Foreign Exchange contracts/ derivatives etc.	9,243	3,151	81,975	31,512

Equity Exposure Risk in the Banking Book

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

Market Risk

Capital Requirement for portfolios subject to Standardised Approach

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

Capital Requirement for portfolios subject to Internal Models Approach

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

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

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43. RISK MANAGEMENT

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

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

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

The main categories of risks are:

Credit risk

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

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

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

The Bank manages credit risk through:

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

Market risk

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

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

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

Operational risk

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

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

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

Liquidity risk

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

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

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

43.1 Credit risk

43.1.1 Credit risk management objectives and policies

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

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

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

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

43.1.2 Credit risk rating

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

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

43.1.3 Objectives of Internal Credit Risk Rating (ORR)

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

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

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

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43.1.4 Segmental information

43.1.4.1 Segments by class of business

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

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

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FOR THE YEAR ENDED DECEMBER 31, 2017

43.1.4.2 Segment by sector

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

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

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

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

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

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

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43.1.4.5 Geographical segment analysis

	2017			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies and commitments
Rupees in '000				
Pakistan	1,386,548	166,854,532	13,181,346	36,055,291

	2016			
	Profit before taxation	Total assets employed	Net assets employed	Contingencies and commitments
Rupees in '000				
Pakistan	1,285,132	135,033,822	12,054,588	35,894,373

43.2 Market risk

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

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

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

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

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

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

43.2.1 Foreign exchange risk

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

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

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

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

43.2.2 Equity position risk

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

43.2.3 Mismatch of interest rate sensitive assets and liabilities

Effective Yield / Interest rate	Total	2017 Exposed to Yield / Interest risk									Not exposed to yield / interest risk
		Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	
		Rupees in '000									
On-balance sheet financial instruments											
Assets											
Cash and balances with treasury banks	8,413,176	-	-	-	-	-	-	-	-	-	8,413,176
Balances with other banks	218,420	-	-	-	-	-	-	-	-	-	218,420
Lendings to financial institutions	5.97% 8,620,649	6,036,894	2,161,188	-	422,567	-	-	-	-	-	-
Investments - net	5.78% 38,266,735	-	9,634,812	17,823,000	153,583	5,836,055	149,909	4,521,820	-	-	147,556
Advances - net	11.35% 85,850,715	5,851,288	30,728,862	7,262,960	6,864,016	2,474,052	2,722,656	7,332,274	18,140,643	3,245,433	1,228,531
Other assets	5,435,637	-	-	-	-	-	-	-	-	-	5,435,637
	146,805,332	11,888,182	42,524,862	25,085,960	7,440,166	8,310,107	2,872,565	11,854,094	18,140,643	3,245,433	15,443,320
Liabilities											
Bills payable	3,192,981	-	-	-	-	-	-	-	-	-	3,192,981
Borrowings	5.81% 35,582,000	31,972,292	3,287,367	213,304	-	-	-	-	-	-	109,037
Deposits and other accounts	3.98% 110,277,807	11,664,461	44,492,306	10,098,546	13,029,739	415,307	333,186	608,907	303,654	303,213	29,028,488
Subordinate Loans	8% 2,000,000	-	200	-	200	400	400	800	1,998,000	-	-
Liabilities against assets subject to finance lease	6,880	335	679	1,041	2,162	2,663	-	-	-	-	-
Other liabilities	1,509,335	-	-	-	-	-	-	-	-	-	1,509,335
	152,569,003	43,637,088	47,780,552	10,312,891	13,032,101	418,370	333,586	609,707	2,301,654	303,213	33,839,841
On-balance sheet gap	(5,763,671)	(31,748,906)	(5,255,690)	14,773,069	(5,591,935)	7,891,737	2,538,979	11,244,387	15,838,989	2,942,220	(18,396,521)
Total Yield / Interest Risk Sensitivity Gap	(5,763,671)	(31,748,906)	(5,255,690)	14,773,069	(5,591,935)	7,891,737	2,538,979	11,244,387	15,838,989	2,942,220	(18,396,521)
Cumulative Yield / Interest Risk Sensitivity gap		(31,748,906)	(37,004,596)	(22,231,527)	(27,823,462)	(19,931,725)	(17,392,746)	(6,148,359)	9,690,630	12,632,850	(5,763,671)

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2016

Effective Yield / Interest rate	Total	Exposed to Yield / Interest risk								Not exposed to yield / interest risk		
		Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years		Above 10 years	
Rupees in '000												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	0.00%	7,370,962	-	-	-	-	-	-	-	-	-	7,370,962
Balances with other banks		87,748	-	-	-	-	-	-	-	-	-	87,748
Lendings to financial institutions	6.19%	706,572	306,274	-	-	400,298	-	-	-	-	-	-
Investments - net	5.90%	37,488,482	-	-	1,948,158	29,484,404	3,091,523	981,480	706,047	814,721	-	462,149
Advances - net	12.42%	64,802,628	3,407,215	28,716,531	6,573,541	7,789,142	1,432,423	1,670,896	4,905,734	7,567,815	2,260,781	478,550
Other assets		2,513,053	-	-	-	-	-	-	-	-	-	2,513,053
		112,969,445	3,713,489	28,716,531	8,521,699	37,673,844	4,523,946	2,652,376	5,611,781	8,382,536	2,260,781	10,912,462
Liabilities												
Bills payable		3,996,044	-	-	-	-	-	-	-	-	-	3,996,044
Borrowings	5.81%	30,195,702	24,232,185	3,616,448	2,210,798	-	-	-	-	-	-	136,271
Deposits and other accounts	3.98%	86,787,423	8,452,535	31,279,018	8,883,861	6,941,205	283,626	224,050	462,295	219,226	218,908	29,822,699
Liabilities against assets subject to finance lease		10,694	304	615	942	1,956	4,216	2,661	-	-	-	-
Other liabilities		1,208,796	-	-	-	-	-	-	-	-	-	1,208,796
		122,198,659	32,685,024	34,896,081	11,095,601	6,943,161	287,842	226,711	462,295	219,226	218,908	35,163,810
On-balance sheet gap		(9,229,214)	(28,971,535)	(6,179,550)	(2,573,902)	30,730,683	4,236,104	2,425,665	5,149,486	8,163,310	2,041,873	(24,251,348)
Total Yield / Interest Risk Sensitivity Gap		(9,229,214)	(28,971,535)	(6,179,550)	(2,573,902)	30,730,683	4,236,104	2,425,665	5,149,486	8,163,310	2,041,873	(24,251,348)
Cumulative Yield / Interest Risk Sensitivity gap			(28,971,535)	(35,151,085)	(37,724,987)	(6,994,304)	(2,758,200)	(332,535)	4,816,951	12,980,261	15,022,134	(9,229,214)

	2017	2016
	Rupees in '000	
Reconciliation to total assets		
Balance as per statement of financial position	166,854,532	135,033,822
Less: Non-financial assets		
Operating fixed assets	4,176,746	4,101,219
Deferred tax assets	3,476,129	3,704,745
Other assets	12,396,325	14,258,413
	20,049,200	22,064,377
Total financial assets	146,805,332	112,969,445

	2017	2016
	Rupees in '000	
Reconciliation to total liabilities		
Balance as per statement of financial position	153,673,186	122,979,234
Less: Non-financial liabilities		
Other liabilities	1,104,183	780,575
Total financial liabilities	152,569,003	122,198,659

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43.3 Liquidity risk

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

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

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

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

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

43.3.1 Liquidity Coverage Ratio (LCR)

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

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

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

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

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	Total un-weighted value (average)	Total un-weighted value (average)
	Rupees in '000	
High Quality Liquid Assets		
1 Total high quality liquid assets (HQLA)	27,511,009	27,452,651
Cash Outflows		
2 Retail deposits and deposits from small business customers of which:		
2.1 stable deposit	-	-
2.2 Less stable deposit	32,487,886	3,248,789
3 Unsecured wholesale funding of which:		
3.1 Operational deposits (all counterparties)	46,219	11,555
3.2 Non-operational deposits (all counterparties)	25,927,336	2,592,734
3.3 Unsecured debt	55,653,357	26,727,154
4 Secured wholesale funding		
5 Additional requirements of which:		
5.1 Outflows related to derivative exposures and other collateral requirements	-	-
5.2 Outflows related to loss of funding on debt products	-	-
5.3 Credit and Liquidity facilities	8,378,312	742,688
6 Other contractual funding obligations	657,445	657,445
7 Other contingent funding obligations	23,926,475	1,196,324
Total Cash Outflows	147,077,029	35,176,689
Cash Inflows		
8 Secured lending	5,905,039	3,637,918
9 Inflows from fully performing exposures	-	-
10 Other Cash inflows	-	-
Total Cash Inflows	5,905,039	3,637,918
	Total Adjusted Value	
Total HQLA		27,452,651
Total Net Cash Outflows		31,538,771
Liquidity Coverage Ratio		87.04%

- a unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows)
- b Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows)

Adjusted values must be calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (i.e. cap on level 2B and level 2 assets for HQLA and cap on inflows)

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43.3.2 Net Stable Funding Ratio (NSFR)

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

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

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

2017										
Total	Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	
Rupees in '000										
Assets										
Cash and balances with treasury banks	8,413,176	699,976	217,060	153,961	618,368	1,120,635	1,120,635	2,241,270	1,120,635	1,120,636
Balances with other banks	218,420	218,420	-	-	-	-	-	-	-	-
Lendings to financial institutions	8,620,649	6,036,894	2,161,188	-	422,567	-	-	-	-	-
Investments - net	38,266,735	-	9,634,812	17,823,000	183,127	5,836,055	149,909	4,639,832	-	-
Advances - net	85,850,715	4,578,646	4,412,106	4,777,627	6,194,712	6,298,143	8,198,775	20,587,296	24,216,652	6,586,758
Operating fixed assets	4,176,746	69,612	139,225	208,837	417,675	835,349	835,349	1,670,699	-	-
Deferred tax assets - net	3,476,129	-	-	-	216,707	511,770	-	129,500	-	2,618,152
Other assets	17,831,962	2,449,742	1,024,981	1,118,810	2,070,681	2,635,985	2,520,873	5,070,857	233,748	706,285
	166,854,532	14,053,290	17,589,372	24,082,235	10,123,837	17,237,937	12,825,541	34,339,454	25,571,035	11,031,831
Liabilities										
Bills payable	3,192,981	831,452	86,210	245,221	245,221	678,509	269,807	418,919	209,460	208,182
Borrowings	35,582,000	32,081,328	3,287,367	213,305	-	-	-	-	-	-
Deposits and other accounts	110,277,807	15,602,692	12,575,208	11,242,828	17,773,694	8,944,959	8,862,837	17,668,210	8,833,305	8,774,074
Subordinated Loans	2,000,000	-	200	-	200	400	400	800	1,998,000	-
Liabilities against assets subject to finance lease	6,880	335	679	1,041	2,162	2,663	-	-	-	-
Other liabilities	2,613,518	669,237	69,391	197,379	197,379	546,133	217,317	337,189	168,594	210,899
	153,673,186	49,185,044	16,019,055	11,899,774	18,218,656	10,172,664	9,350,361	18,425,118	11,209,359	9,193,155
Net assets	13,181,346	(35,131,754)	1,570,317	12,182,461	(8,094,819)	7,065,273	3,475,180	15,914,336	14,361,676	1,838,676
Share capital	90,818,612	-	-	-	-	-	-	-	-	-
Discount on issue of shares	(67,387,238)	-	-	-	-	-	-	-	-	-
Reserves	554,903	-	-	-	-	-	-	-	-	-
Advance against shares subscription	-	-	-	-	-	-	-	-	-	-
Accumulated loss	(10,857,654)	-	-	-	-	-	-	-	-	-
Surplus on revaluation of assets - net of tax	52,723	-	-	-	-	-	-	-	-	-
	13,181,346	-	-	-	-	-	-	-	-	-

2016										
Total	Up to 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	
Rupees in '000										
Assets										
Cash and balances with treasury banks	7,370,962	613,258	190,171	134,889	541,766	981,813	981,813	1,963,626	981,813	981,813
Balances with other banks	87,748	87,748	-	-	-	-	-	-	-	-
Lendings to financial institutions	706,572	306,274	-	-	400,298	-	-	-	-	-
Investments - net	37,488,482	-	12,148	1,948,163	29,924,897	3,091,523	981,480	715,554	814,717	-
Advances - net	64,802,628	3,467,034	28,776,349	6,633,360	7,848,960	1,492,242	1,730,715	5,025,371	7,567,816	2,260,781
Operating fixed assets	4,101,219	68,354	136,707	205,061	410,122	820,244	820,244	1,640,487	-	-
Deferred tax assets - net	3,704,745	-	-	-	241,585	570,521	-	194,271	-	2,698,368
Other assets	16,771,466	1,694,254	735,051	923,980	1,779,954	2,826,582	2,733,348	5,406,253	115,166	556,878
	135,033,822	6,236,922	29,850,426	9,845,453	41,147,582	9,782,925	7,247,600	14,945,562	9,479,512	6,497,840
Liabilities										
Bills payable	3,996,044	1,040,570	107,893	306,896	306,896	849,159	337,667	524,281	262,140	260,542
Borrowings	30,195,702	24,368,456	3,616,448	2,210,798	-	-	-	-	-	-
Deposits and other accounts	86,787,423	11,516,971	32,202,811	9,205,857	16,048,331	3,024,451	2,964,875	5,943,944	2,960,051	2,920,132
Liabilities against assets subject to finance lease	10,694	304	615	942	1,956	4,216	2,661	-	-	-
Other liabilities	1,989,371	518,429	53,754	152,901	152,901	423,065	168,380	259,532	130,603	129,806
	122,979,234	37,444,730	35,981,521	11,877,394	16,510,084	4,300,891	3,473,583	6,727,757	3,352,794	3,310,480
Net assets	12,054,588	(31,207,808)	(6,131,095)	(2,031,941)	24,637,498	5,482,034	3,774,017	8,217,805	6,126,718	3,187,360
Share capital	77,998,099	-	-	-	-	-	-	-	-	-
Discount on issue of shares	(56,566,725)	-	-	-	-	-	-	-	-	-
Reserves	327,845	-	-	-	-	-	-	-	-	-
Convertible preference shares	-	-	-	-	-	-	-	-	-	-
Advance against shares subscription	2,000,000	-	-	-	-	-	-	-	-	-
Accumulated loss	(11,757,111)	-	-	-	-	-	-	-	-	-
Surplus on revaluation of assets - net of tax	52,480	-	-	-	-	-	-	-	-	-
	12,054,588	-	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

43.4 Operational risk

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

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

44. TRUST ACTIVITIES

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

45. ISLAMIC BANKING BUSINESS (IBB)

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

46. DATE OF AUTHORIZATION FOR ISSUE

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

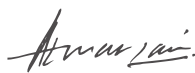
47. GENERAL

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

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



Khurram Khan
Chief Financial Officer



Azmat Tarin
CEO & President



Munnawar Hamid, OBE
Chairman



Shahzad Murad
Director



Nasim Beg
Director

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

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

Rupees in '000

Write off Date	Party Name	Address	Name of the individuals / Partners/Directors (with C.N.I.C. No.)	Father's / Mother's / Husband Name	Outstanding Liabilities at beginning of year				Principal Written-off	Interest / Mark-up written-off	Other Financial Relief Provided	Total (9+10+11=12)
					Principal	Interest / Mark-up	Other	Total 5+6+7=8				
1	2		3	4	5	6	7	8	9	10	11	12
31-Jan-17	Hussain Younas Karbalai	House #: 211-B Block #: Block B Shabbiabad Tipu Street : Area : Sultan Road Nearest Land Mark : City : Karachi	HUSSAIN YOUNAS KARBALAI CNIC : 42201-0279747-3	Younas Hatim Karbalai	428	81	-	509	422	81	-	503
31-Jan-17	Sanaullah	Flat # B-18, Block #: Block # 5 Boat View Appt, Street : Area : Boat Basin, Clifton Nearest Land Mark : City : Karachi	SANAULLAH CNIC : 42201-3400267-7	Ahmed Hussain	731	134	-	865	731	134	-	865
31-Jan-17	Naeem Ahmed Khalid	House #: 09 Block #: Shah Khalid Colony, Chaklala C Street : 05 Area : Mohalla Baturehman Nearest Land Mark : City : Rawalpindi	NAEEM AHMED KHALID CNIC : 37405-4394017-9	Chaudry Muhammad Iqbal	810	148	-	958	801	148	-	949
31-Jan-17	Herman Raza	House #: 30-A Block #: 13 Atchison Street Street : Area : Bilawal Hostel, Room # 3 Nearest Land Mark : City : Nr Bilwal Chowk, 1 Km Raiwind Road Lahore	HERMAN RAZA CNIC : 37405-4192907-3	Anif Mahmood Raza	371	158	-	529	355	148	-	503
31-Jan-17	Iffat Manzoor	House #: 297 Block #: E2 Johar Town Lahore Street : Area : Nearest Land Mark : City : Lahore	IFFAT MANZOOR CNIC : 35202-2356121-4	Khalid Mahmood Akhtar	934	190	-	1,124	933	190	-	1,123
31-Jan-17	Muhammad Khurram Ehsan Khan	House #: E 13 / 13 Block #: V-9, Abid Road Street : Area : Hassan Lane Cavalry Ground Nearest Land Mark : City : Lahore	MUHAMMAD KHURRAM EHSAN KHAN CNIC : 35201-3512717-9	Shan Muhammad Khan	1,236	250	-	1,486	1,236	250	-	1,486
31-Jan-17	Ali Mehmood	House #: 1 Block #: Main Sufiabad Street Near Haji Street : Area : Sufi Darbar Nr Descon Head Nearest Land Mark : City : Quarter Ferozpur Road Lahore	ALI MEHMOOD CNIC : 36302-2793996-7	Shaikh Muhammad Hanif	479	98	-	577	479	98	-	577
31-Jan-17	Zulfiqar Malik	House #: 322-A Block #: Block F Gulshan Ravi Street : Area : Nearest Land Mark : City : Lahore	ZULFIQAR MALIK CNIC : 35202-4433142-5	Muhammad Qayoom Malik	464	97	-	561	464	97	-	561
31-Jan-17	Azra Perveen	House #: 48, Block #: St#51, Pakistani Chowk, Ichra Street : Area : Nearest Land Mark : City : Lahore	AZRA PERVEEN CNIC : 35202-3746063-2	Muhammad Aslam	623	127	-	750	623	127	-	750
31-Jan-17	Mariyam Sohail Rana	House #: 6 Block #: St#5 Sohail Public School Street : Area : Afshan Park Shadi Pura Nearest Land Mark : City : Daroga Wala Lahore	MARRYAM SOHAIL RANA CNIC : 35202-2715402-4	Sohail Rana	774	163	-	937	773	163	-	936
28-Feb-17	Rehan Hasnain	House #: R-10 Block #: Jinnah Housing Street : Puroject Area : Malir Halt Wireless Gate Nearest Land Mark : City : Karachi	REHAN HASNAIN CNIC : 42501-1559994-3	S M Husnain	374	268	-	642	374	268	-	642
28-Feb-17	Atta Ullah	House #: 210 Block #: Shah Nawaz Goth Pipri Street : Area : Bin Qasim Town Nearest Land Mark : City : Karachi	ATTA ULLAH CNIC : 43202-4349770-5	Jan Muhammad	430	358	-	788	430	358	-	788
28-Feb-17	Ali Faisal	House #: A-235 Block #: Street 11 Block L Street : Area : North Nazimabad Nearest Land Mark : Near My Computer Shop City : Karachi	ALI FAISAL CNIC : 42101-1771671-5	Muhammad Ibrahim	658	513	-	1,171	658	513	-	1,171
28-Feb-17	Khawaja Ghulam Mujtaba	House #: A-94 Block #: Block 04 Street : Area : Gullistan-E-Johar Nearest Land Mark : Near Kamran Chowrangi City : Karachi	KHAWAJA GHULAM MUJTABA CNIC : 42201-5895824-5	Khawaja Ghulam Ahmed	698	522	-	1,220	698	522	-	1,220
28-Feb-17	Abdul Aziz Hassan	Flat # C-24 Block #: Empire Center Block-19 Street : Area : Gulistan-E-Johar Nearest Land Mark : City : Karachi	ABDUL AZIZ HASSAN CNIC : 42201-1153151-3	Ali Muhammad	276	228	-	504	276	228	-	504
28-Feb-17	Arshad Masood	Flat No B-501 Block #: Baseera Tower 5Th Floor Street : Area : Gulistan-E-Johar Bk 17 Nearest Land Mark : Near Johar Moor City : Karachi	ARSHAD MASOOD CNIC : 42201-7820554-9	Mohammad Rafiq Ahmed	421	311	-	732	421	311	-	732
28-Feb-17	Naushad Ul Haq	House #: A-157 Block #: Rafam-E-Aam Society Street : Area : Malir Hault Nearest Land Mark : City : Karachi	NAUSHAD UL HAQ CNIC : 42201-4097601-1	Inam Ul Haq	914	644	-	1,558	914	644	-	1,558
28-Feb-17	Nawazish Akbar	Flat # C-2 Block #: Ground Floor Dr Zia Uddin Hosp Street : Area : # 33 Keamari Campus Nearest Land Mark : Behind K P T Hospital Keamari City : Karachi	NAWAZISH AKBAR CNIC : 42301-9546402-1	Mir Akbar	1,333	854	-	2,187	1,333	854	-	2,187
28-Feb-17	Sanam Naz Rajpar	Flat # 05 Block #: Plot # 14-C Street - 12 Badar Comm Area Phase-5 Street : Area : 5 Dha Nearest Land Mark : Near Kesc Office City : Karachi	SANAM NAZ RAJPAR CNIC : 42401-8483221-0	Khalid Mahmood Rajpar	481	261	-	742	481	261	-	742
28-Feb-17	Muhammad Sheraz	Flat B-10 Block #: Street : Shujaudjinn Area : Center Garden East Nearest Land Mark : Supari Wala Street City : Karachi	MUHAMMAD SHERAZ CNIC : 42201-4876355-7	Muhammad Shehzad	453	219	-	672	453	219	-	672
28-Feb-17	Fayaz Hussain Shah	Flat No. 405 Block #: Block-H, 4Th Street : Floor Decent Garden, Area : Gulistan-E-Johar, Block-7 Nearest Land Mark : Near Johar Square City : Karachi	FAYAZ HUSSAIN SHAH CNIC : 42201-5332978-7	Niaz Hussain Shah	689	416	-	1,105	689	416	-	1,105

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

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

Rupees in '000

Write off Date	Party Name	Address	Name of the individuals / Partners/Directors (with C.N.I.C. No.)	Father's / Mother's / Husband Name	Outstanding Liabilities at beginning of year				Principal Written-off	Interest / Mark-up written-off	Other Financial Relief Provided	Total (9+10+11=12)
					Principal	Interest / Mark-up	Other	Total 5+6+7=8				
1	2		3	4	5	6	7	8	9	10	11	12
28-Feb-17	Muhammad Haroon Qureshi	House #: Plot # 9/ 81 Block #: Street : Area : Liaquatabad Nearest Land Mark : City : Karachi	MUHAMMAD HAROON QURESHI CNIC : 42201-0639706-9	Masoom Ali Qureshi	449	284	-	733	449	284	-	733
28-Feb-17	Baseer Ali Durani	House #: B 53 Block #: Block 13 Street : Area : Gulshan-E-Iqbal Nearest Land Mark : Near Al Aqsa Mosque City : Karachi	BASEER ALI DURANI CNIC : 42201-9829149-1	Shabeer Ahmed	479	228	-	707	479	228	-	707
28-Feb-17	Ghulam Mustafa Morejo	House #: D-134 / 1 Block #: C A Adony Street : Area : Air Port Nearest Land Mark : City : Karachi	GHULAM MUSTAFA MOREJO CNIC : 42501-1370773-3	Haji Muhammad Dino Morejo	519	194	-	713	519	194	-	713
28-Feb-17	Hina Iqbal	Flat # 306 Block #: 4Th Floor Ahmed Residency Blk Street : Area : Gulistan-E-Johar Nearest Land Mark : City : Karachi	HINA IQBAL CNIC : 42501-5337894-0	Iqbal Gul Riaz	555	102	-	657	530	90	-	620
28-Feb-17	Mazhar Javed	House #: 286-B Block #: Street : St 24 Area : Gulzar E Quaid Nearest Land Mark : City : Rawalpindi	MAZHAR JAVED CNIC : 61101-6350348-9	Ghulam Asghar	572	193	-	765	572	193	-	765
28-Feb-17	Hammad Khalid	House #: 46 Block #: D-111 Street : Area : Wapda Town Nearest Land Mark : City : Lahore	HAMMAD KHALID CNIC : 35202-9980349-9	Khalid Sharif Chaudhry	1,030	559	-	1,589	1,000	511	-	1,511
28-Feb-17	Shafiq Ahmad	House #: 141-A Block #: Street : Area : Gulistan Town Bhagat Pura Nearest Land Mark : Near Towel Factory City : Lahore	SHAFIQ AHMAD CNIC : 35202-2326541-5	Muhammad Hanif	649	451	-	1,100	649	451	-	1,100
28-Feb-17	Musawar Iqbal	House #: Street # 46 Block #: Disposal Road Street : Wahdat Area : Colony Nearest Land Mark : City : Gujranwala	MUSAWAR IQBAL CNIC : 34101-2596740-5	Bashir Ahmed	771	357	-	1,128	771	357	-	1,128
28-Feb-17	Muhammad Rehman Ullah	House #: St 03 Block #: H 07, Noshali Park Street : Area : Shafi Town Rajh Garh Nearest Land Mark : City : Lahore	MUHAMMAD REHMAN ULLAH CNIC : 35202-2583797-7	Ch Rehmat Ullah	930	304	-	1,234	930	304	-	1,234
28-Feb-17	Waqas Zahoor	House #: 90 Block #: Sultan Town 1 Km Street : Area : Raiwind Road Nearest Land Mark : City : Lahore	WAQAS ZAHOOR CNIC : 13101-4079593-7	Zahoor Ahmed Khan	291	249	-	540	291	249	-	540
28-Feb-17	Muhammad Tahir Mehmood	House #: 155, Block #: Green Park Khuda Baksh Clony Street : Area : New Airport Road Cantt Nearest Land Mark : City : Lahore	MUHAMMAD TAHIR MEHMOOD CNIC : 35201-7028287-7	Ch Abdul Sattar	993	835	-	1,828	993	835	-	1,828
28-Feb-17	Muhammad Farooq Azam	House #: 1, Block #: Street : St No. 9, Area : Jinnah Park Gulberg li, Nearest Land Mark : City : Lahore.	MUHAMMAD FAROOQ AZAM CNIC : 33104-2123901-7	Muhammad Abdullah	390	194	-	584	368	185	-	553
28-Feb-17	Tahir Amin	House #: H-152A Block #: State Life Cooperative Housing Street : Area : Nearest Land Mark : City : Lahore	TAHIR AMIN CNIC : 35201-2594462-9	Muhammad Amin Qadri	1,000	490	-	1,490	1,000	490	-	1,490
28-Feb-17	Maqsood Hussain	House #: 183-A Block #: Uet Housing Society Street : Area : Nearest Land Mark : City : Lahore	MAQSOOD HUSSAIN CNIC : 35202-0277089-1	Muhammad Ali	580	187	-	767	580	187	-	767
28-Feb-17	Zahid Shahzad	House #: 143 Block #: Block D Street : Area : Taj Pura Scheme Nearest Land Mark : City : Lahore	ZAHID SHAHZAD CNIC : 35201-1305408-5	Ahmed Din	417	232	-	649	413	221	-	634
28-Feb-17	Abdul Hameed	House #: 10 Block #: St # 3, Afzal Park Street : Area : Near Bloom Field School Nearest Land Mark : City : Harbance Pura Lahore	ABDUL HAMEED CNIC : 35201-1693635-9	Hassan Muhammad Chaudhary	419	171	-	590	419	171	-	590
28-Feb-17	Shabbir Ahmed	House #: 28 Block #: St # 25 Street : Area : Shadhra Nearest Land Mark : City : Lahore	SHABBIR AHMED CNIC : 35401-0611393-1	Basharat Ali	407	129	-	536	407	129	-	536
28-Feb-17	Qaiser Ali	House #: 245-C Block #: Askari X Street : Area : Near Airport Nearest Land Mark : City : Lahore	QAISER ALI CNIC : 35201-8159187-7	Aslam Ali	1,076	241	-	1,317	1,076	241	-	1,317
28-Feb-17	Zeeshan Ahmed	House #: 225-E Block #: Muhallah Street : Area : Rehman Pura Nearest Land Mark : City : Lahore	ZEEZHAN AHMED CNIC : 35202-7070913-9	Muhammad Ismail	598	122	-	720	598	122	-	720
28-Feb-17	Fauzia Arif	House #: 192-H Block #: Valencia Housing Society Street : Area : Nearest Land Mark : City : Lahore	FAUZIA ARIF CNIC : 35202-5298295-4	Muhammad Arif Imran	775	226	-	1,001	775	226	-	1,001
28-Feb-17	Safdar Ali	Flat # 10 2Nd Floor Block #: Malik Plaza Nizam Block Street : Area : Allama Iqbal Town Nearest Land Mark : City : Nr Darbar Baba Sultan Shah Lahore	SAFDAR ALI CNIC : 31101-4939853-9	Muhammad Shafi	734	169	-	903	734	169	-	903
28-Feb-17	Ali Aziz	House #: 2811, Block #: Khatooni No Alpine St. Street : Area : Cavalry Ground, Nearest Land Mark : City : Lahore	ALI AZIZ CNIC : 35202-1255619-3	Aziz Ahmed Khan	707	159	-	866	707	159	-	866
28-Feb-17	Asghari Mirza	House #: 5 Block #: Wheat Main Road Street : Area : Mughal Pura Nearest Land Mark : City : Lahore	ASGHARI MIRZA CNIC : 35201-1565218-0	Mirza Waseem Baig	440	80	-	520	440	80	-	520

Contd.

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

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

Rupees in '000

Write off Date	Party Name	Address	Name of the individuals / Partners/Directors (with C.N.I.C. No.)	Father's / Mother's / Husband Name	Outstanding Liabilities at beginning of year				Principal Written-off	Interest / Mark-up written-off	Other Financial Relief Provided	Total (9+10+11=12)
					Principal	Interest / Mark-up	Other	Total 5+6+7=8				
1	2		3	4	5	6	7	8	9	10	11	12
28-Feb-17	Muhammad Azeem	House # : 11 Block # : St # 11 Canal Park Nr Street : Area : Forces AcadmyKamal Raja Estate Nearest Land Mark : City : Lahore	MUHAMMAD AZEEM CNIC : 33303-8058173-1	Naseer Ahmed	571	116	-	687	571	116	-	687
28-Feb-17	Qalooob Qadir	House # : E- 1297/2 Block # : Street No 9 Block G Street : Area : Nishat Colony Nearest Land Mark : City : Lahore	QALOOB QADIR CNIC : 35201-0646856-9	Nasrullah Khan	492	102	-	594	492	102	-	594
28-Mar-17	Robina Shaheen	Flat#5/1/5 Block # : Ordinance Estate Street : Area : Sarfaraz Rafiqi Road Nearest Land Mark : City : Lahore	ROBINA SHAHEEN CNIC : 38403-9553654-8	Ghulam Hussain	576	119	-	695	576	119	-	695
28-Mar-17	Muhammad Abbas Qasim	House # : E 398/8-A Block # : St # 2 Pir Colony Street : Area : Railway Academy Walton Nearest Land Mark : City : Lahore	MUHAMMAD ABBAS QASIM CNIC : 35201-6758876-9	Ishrat Hussain	449	93	-	542	449	93	-	542
28-Mar-17	Qadeer Ahmad	House # : 26-S-2-B, Block # : Mujaddid Alif Sani Street Punj Street : Area : New Mozang, Nearest Land Mark : City : Lahore	QADEER AHMAD CNIC : 36104-4432618-5	Bashir Ahmed	440	90	-	530	440	90	-	530
28-Mar-17	Malik Shaukat Iqbal	House # : Block # : Atta Manzil Mohammad Street Street : Area : Bostan Colony P.O Nearest Land Mark : City : Kot Lakhpat Lahore	MALIK SHAUKAT IQBAL CNIC : 35202-6927987-9	Malik Abdul Rehman	424	77	-	501	424	77	-	501
28-Mar-17	Hassan Hameed	House # : 35 F-1 Block # : Wapda Town Street : Area : Nr Habib Bank Nearest Land Mark : City : Lahore	HASSAN HAMEED CNIC : 35202-3937373-7	Abdul Hameed	913	166	-	1,079	913	166	-	1,079
28-Mar-17	Ammar Sultan	House # : 2 Block # : Street Shaheen Apartment Street : Area : Nr Bhatta Chowk Nearest Land Mark : City : Main Air Port Road Nr Mughal Market Lahore	AMMAR SULTAN CNIC : 13302-4812641-1	Sultan Mehmood	1,130	229	-	1,359	1,130	229	-	1,359
28-Mar-17	Muhammad Asim Ashraf	House # : 26 / 693 Block # : Cantt Bazar Street : Area : Drg Road Nearest Land Mark : Near Sir Syed School City : Karachi	MUHAMMAD ASIM ASHRAF CNIC : 42201-0874526-9	Muhammad Ashraf Awan	591	122	-	713	590	122	-	712
28-Mar-17	Bilal Mehboob	House # : 46 Block # : Block C-1 Mohallah China Street : Area : Scheme Link Band Road Nearest Land Mark : City : Cantt Lahore	BILAL MEHBOOB CNIC : 35201-1450513-7	Mehboob Hussain	523	109	-	632	522	109	-	631
28-Mar-17	Mian Amir Ghani	House # : 17 Block # : Sector-J Street : Area : Phase-V, Dha Cantt Nearest Land Mark : City : Lahore	MIAN AMIR GHANI CNIC : 35200-4289073-3	Mian Noor Ul Ghani	1,478	435	-	1,913	1,477	435	-	1,912
28-Mar-17	Khurshid Ahmed	House # : A-471 Block # : Street No 9 Block L Street : Area : North Nazimabad Nearest Land Mark : Comprehensive Girls School City : Karachi	KHURSHID AHMED CNIC : 42201-7261272-3	Aziz Ahmed Siddiqui	675	111	-	786	674	111	-	785
28-Mar-17	Abid Sharif	House # : 110, Block # : Block M, Street : Area : Model Town Ext, Nearest Land Mark : City : Lahore	ABID SHARIF CNIC : 35202-3014962-3	Ch Muhammad Sharif	950	241	-	1,191	949	241	-	1,190
28-Mar-17	Adil Hussein	House # : 6-A-1, Block # : 7Th Central Street Street : Area : Phase II, Dha Nearest Land Mark : City : Karachi	ADIL HUSSEIN CNIC : 42301-4699517-5	Azhar Hussain	1,514	315	-	1,829	1,512	315	-	1,827
28-Mar-17	Syed Jafar Raza	House # : 14 Block # : Bank Colony, Street 12 Street : Area : Simli Dam Road, Bhara Kahu Nearest Land Mark : City : Islamabad	SYED JAFAR RAZA CNIC : 61101-1768512-5	Syed Akbar Ali Shah	1,715	350	-	2,065	1,709	350	-	2,059
28-Mar-17	Imtiaz Hussain Awan	Room#9 Block # : Rangers Boq Mess Street : Area : Zarar Shaheed Rd Cantt Nearest Land Mark : City : Lahore	IMTIAZ HUSSAIN AWAN CNIC : 31303-2453293-3	Muhammad Khan	467	97	-	564	457	97	-	554
4-Apr-17	Muhammad Aleem Tariq	House # : 338 B Block # : 15 Block Township Street : Area : Sector B-1 Near B.K Cng Nearest Land Mark : City : Lahore	MUHAMMAD ALEEM TARIQ CNIC : 38405-9928075-5	Shafiq Ahmad	500	96	-	596	485	96	-	581
29-Apr-17	Muhammad Jawad	Flat # B-103 Block # : 1St Floor Sana Tower Street : Area : Firdos Colony Nazimabad # 01 Nearest Land Mark : City : Karachi	MUHAMMAD JAWAD CNIC : 42101-4595077-1	Muhammad Habib	533	110	-	643	533	110	-	643
29-Apr-17	Raja Kamran Sidique Janjua	House # : 45, Block # : Riaz Qureshi Road , Jhawary Street : Area : Kamalabad Nearest Land Mark : City : Rawalpindi	RAJA KAMRAN SIDIQUE JANJUA CNIC : 37405-0462579-3	Janjua Raja Muhammad Sidique Janjua	726	150	-	876	726	150	-	876
29-Apr-17	Kevin Iqbal Masih	House # : 52 Block # : Professor Rd Bahar Clony # 01 Street : Area : Kottakhpat Nearest Land Mark : City : Lahore	KEVIN IQBAL MASIH CNIC : 33301-2105061-7	Kartar Messay	433	86	-	519	433	86	-	519
29-Apr-17	Nadeem Aslam Rana	House # : 1 Block # : St # 1 Street : Area : Amrat Street, Ichhra Nearest Land Mark : City : Lahore	NADEEM ASLAM RANA CNIC : 35202-3063648-5	Muhammad Aslam Rana	616	128	-	744	615	128	-	743
29-Apr-17	Ali Farrukh Kazmi	House # : 305 Block # : Abdali Road Street : Area : Iqra Hostel For Boys Nearest Land Mark : City : Islam Pura Lahore	ALI FARRUKH KAZMI CNIC : 38403-8878221-7	Alamdard Hussain Kazmi	613	123	-	736	613	123	-	736
29-Apr-17	Rana Amer Rashid	House # : 52-A-I Block # : Pgechs College Road Near Street : Area : Township Near Butt Chowk Nearest Land Mark : City : Lahore	RANA AMER RASHID CNIC : 35202-7767434-5	Rana Abdul Rashid	753	149	-	902	753	149	-	902

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

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

Rupees in '000

Write off Date	Party Name	Address	Name of the individuals / Partners/Directors (with C.N.I.C. No.)	Father's / Mother's / Husband Name	Outstanding Liabilities at beginning of year				Principal Written-off	Interest / Mark-up written-off	Other Financial Relief Provided	Total (9+10+11=12)
					Principal	Interest / Mark-up	Other	Total 5+6+7=8				
1	2	3	4	5	6	7	8	9	10	11	12	
29-Apr-17	Muhammad Shakeel Gujar	House #: 76 A Block #: St#2 Abu Baket Street Street : Area : Galko Town Nr Bm Factory Nearest Land Mark : City : Ferozpur Road Lahore	MUHAMMAD SHAKEEL GUJAR CNIC : 34302-6993238-7	Muhammad Sharif	451	93	-	544	451	93	-	544
29-Apr-17	Muhammad Rashid Malik	House #: 198 Block #: St # 16 Chah Din Park Street : Area : Daroga Wala Nearest Land Mark : Nr Elite Grammer School City : Lahore	MUHAMMAD RASHID MALIK CNIC : 35201-1664056-1	Muhammad Rasheed	442	82	-	524	442	82	-	524
31-May-17	Syed Khurram Abbas	House #: 9 Plot Block #: Street 4 - A, Chakala Scheme Street : Area : Chaudhary Walyat Colony Nearest Land Mark : City : Rawalpindi	SYED KHURRAM ABBAS CNIC : 38403-4491519-3	Syed Mushtaq Hussain Shah	492	94	-	586	492	94	-	586
31-May-17	Hafiza	House #: 119 Block #: Professor Road Street : Bahar Colony Area : Kot Lakhpat Nearest Land Mark : City : Lahore	HAFIZA CNIC : 37405-0503180-4	Emanuel Shahzad	533	99	-	632	533	99	-	632
31-May-17	Anwer Ali Balouch	House #: B-44 Block #: Iqbal Block Old Driven Coopera Street : Area : Near Johar Complez Nearest Land Mark : City : Karachi	ANWER ALI BALOUCH CNIC : 42501-4645748-9	Abdullah Baloch	568	112	-	680	568	112	-	680
31-May-17	Zeenat Gill	House #: 90/B Block #: Block D Street : Area : St # 2, Youhanabad Nearest Land Mark : City : Feroze Pur Rd, Lahore	ZEENAT GILL CNIC : 35201-1541150-0	Clarence Gill	485	90	-	575	476	90	-	566
31-May-17	Imran Raheem Sheikh	Room # 310 Block #: Punjab Laver Hostel 7 Street : Area : Begum Road Nearest Land Mark : City : Mozang Lahore	IMRAN RAHEEM SHEIKH CNIC : 31202-8692097-5	Sheikh Abdul Raheem Anjum	424	86	-	510	422	86	-	508
31-May-17	Raza Khalid	House #: 522 Block #: B Block Sabzazar Street Area : Mullan Road Nearest Land Mark : City : Lahore	RAZA KHALID CNIC : 35202-8554306-9	Khalid Sarfraz	416	84	-	500	416	84	-	500
31-May-17	Rizwan Hameed Chaudhary	House #: 04, Block #: Ali Park, Peco Road, Street : Area : Township, Nearest Land Mark : City : Lahore	RIZWAN HAMEED CHAUDHARY CNIC : 35202-2774173-7	Abdul Hameed Chaudhary	1,008	208	-	1,216	1,007	208	-	1,215
31-May-17	Shah Awal Khair	House #: 587 Block #: Block L Sabzazar Schem Street : Area : Mullan Road Nearest Land Mark : City : Lahore	SHAH AWAL KHAIR CNIC : 35202-5272837-3	Syed Mubarak Ali Shah	426	88	-	514	426	88	-	514
31-May-17	Rawal	House #: 702 Block #: St # 6-A Makkah Colony Street : Area : Gulberg-III Nearest Land Mark : City : Lahore	RAWAL CNIC : 35202-5770984-9	Bashir Masih	737	137	-	874	735	137	-	872
30-Jun-17	Abbas Ali Maka	House #: Block #: House Kh 413-14-16-19 Street : Gali 8 Area : Chappar Mir Chana Po Talai Nearest Land Mark : City : Islamabad	ABBAS ALI MAKKA CNIC : 61101-0176042-5	Ghulam Muhammad Maka	506	91	-	597	506	91	-	597
30-Jun-17	Muhammad Munawar	Flat 1 Block #: Plot 419 Block 4 Sector A-I Street : Area : Township Nearest Land Mark : City : Lahore	MUHAMMAD MUNAWAR CNIC : 35202-8509949-7	Ghulam Muhammad	1,062	196	-	1,258	1,060	196	-	1,256
30-Jun-17	Atiya Hassan Rizvi	Flat # 110 Block #: BIK-4 Al Khizra Heights Street : Area : Gullistan-E-Johar Nearest Land Mark : City : Karachi	ATIYA HASSAN RIZVI CNIC : 37405-0570596-2	Syed Salman Haider Naqvi	500	103	-	603	500	103	-	603
30-Jun-17	Muqqadus Mehmood	House #: 21 Block #: Main Hafay Street Street : Area : Cantt Nearest Land Mark : City : Rawalpindi	MUQQADUS MEHMOOD CNIC : 37405-8631458-9	Mehmood Ahmed	727	132	-	859	726	132	-	858
30-Jun-17	Muhammad Zahid Hussain	House #: 3 A Block #: St No 15 Jahangir St Sadaqat P Street : Area : Sanda Khurd Nearest Land Mark : City : Lahore	MUHAMMAD ZAHID HUSSAIN CNIC : 35202-7270459-3	Muhammad Ashiq	496	102	-	598	496	102	-	598
30-Jun-17	Usman Akram Khan	House #: 241 Block #: Block 1 Sector C2 Township Street : Area : Nearest Land Mark : City : Lahore	USMAN AKRAM KHAN CNIC : 35202-4046954-3	Muhammad Akram Khan	600	126	-	726	599	126	-	725
28-Jul-17	Muhammad Nadeem Iqbal	House #: 434 Block #: Johar Town Street : Area : Nearest Land Mark : City : Lahore	MUHAMMAD NADEEM IQBAL CNIC : 35202-8994078-7	Muhammad Iqbal	462	95	-	557	462	95	-	557
28-Jul-17	Riaz Ahmed	House #: B-8&6 Block #: 1St Floor, Survey # 102, Al Karim Street : Area : Asifabad, Green Town Nearest Land Mark : City : Karachi	RIAZ AHMED CNIC : 45206-5625936-1	Abdul Hameed Gul	515	97	-	612	515	97	-	612
28-Jul-17	Mirza Ali Yar Baig	House #: 117 Block #: Lawreks Colony Street : Gsli Area : Nishtar Park Nearest Land Mark : Mughal Pura City : Lahore	MIRZA ALI YAR BAIG CNIC : 35201-9372806-9	Mirza Akram Baig	603	108	-	711	603	108	-	711
28-Jul-17	Zulfiqar Ali	Room # 27 Block #: Block-C I nterloop Ltd Street : Area : Hd-III Hostel 8-Km Manga Nearest Land Mark : City : Raiwind Rd Lahore	ZULFIQAR ALI CNIC : 35403-3593391-7	Abdul Chaffar	427	77	-	504	427	77	-	504
28-Jul-17	Muhammad Nadeem Irshad	House #: A-153 Block #: BIK-N Street : Area : North Nazimabad Nearest Land Mark : City : Karachi	MUHAMMAD NADEEM IRSHAD QURESHI CNIC : 42101-1472252-7	Qureshi Muhammad Irshad Qureshi	447	79	-	526	431	79	-	510
28-Jul-17	Mirza Muhammad Umair Akhtar Baig	Flat # 202 Block #: 2Nd Floor Building-16C Street : Area : Phase-6 Dha Nearest Land Mark : City : Karachi	MIRZA MUHAMMAD UMAIR AKHTAR BAIG CNIC : 35201-4892635-1	Mirza Muhammad Saleem Akhtar Mughal	447	79	-	526	447	79	-	526

Contd.

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

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

Rupees in '000

Write off Date	Party Name	Address	Name of the individuals / Partners/Directors (with C.N.I.C. No.)	Father's / Mother's / Husband Name	Outstanding Liabilities at beginning of year				Principal Written-off	Interest / Mark-up written-off	Other Financial Relief Provided	Total (9+10+11=12)
					Principal	Interest / Mark-up	Other	Total 5+6+7=8				
1	2		3	4	5	6	7	8	9	10	11	12
28-Jul-17	Musarrat Mushtaq	House #: G-4 / 4 Block #: Street : Area : Nazimabad-4 Nearest Land Mark : City : Karachi	MUSARRAT MUSHTAQ CNIC : 42101-8413789-8	Akhter Hussain	498	103	-	601	498	103	-	601
28-Jul-17	Din Muhammad Nasir	House #: 27 Block #: Darbar St # 2 Bhatti Colony Street : Area : Link Model Town Nearest Land Mark : City : Lahore	DIN MUHAMMAD NASIR CNIC : 35202-7926939-5	Sail Khan	742	153	-	895	739	153	-	892
28-Jul-17	Ayesha Khan	House #: 3 Block #: Block B Faisal Town Street : Area : Nearest Land Mark : City : Lahore	AYESHA KHAN CNIC : 35202-2932535-2	Muhammad Mazhar Iqbal	447	87	-	534	447	87	-	534
28-Jul-17	Shahbaz Mirza	House #: 557-A Block #: Street : Area : Askari II, Bedian Road Nearest Land Mark : City : Lahore	SHAHBAZ MIRZA CNIC : 35201-7956789-7	Ghulam Hussain	571	118	-	689	570	118	-	688
29-Aug-17	Fahmida Iqbal	House #: Cb 81-12 Block #: Street : Malik Sadiq Lane Area : Shalley Valley Nearest Land Mark : Near Millat Property Centre City : Range Road Rawalpindi	FAHMIDA IQBAL CNIC : 37405-1732350-4	Muhammad Iqbal Khan	918	209	-	1,127	896	209	-	1,105
29-Aug-17	Muhammad Khalid Mehmood	House #: 40 Block #: Naseerabad Mohallah Street : Area : Aurangzeb Road Cantt Nearest Land Mark : City : Lahore	MUHAMMAD KHALID MEHMOOD CNIC : 35200-1486987-3	Mehmood Choudhry Muhammad Amin	469	93	-	562	468	93	-	561
29-Aug-17	Waheeda Anjum	House #: Zainab Trust Block #: Hospital Street : Area : Multan Road Nearest Land Mark : City : Lahore	WAHEEDA ANJUM CNIC : 35202-5513332-0	Malik Abdul Hameed	469	93	-	562	469	93	-	562
29-Aug-17	Shahzad	House #: 285 Block #: St # 18 Kot Bahal Singh Opposi Street : Area : Jawa Sweets Rawind Nearest Land Mark : City : Lahore	SHAHZAD CNIC : 35202-8247970-7	Khadim Hussain	1,093	216	-	1,309	1,081	216	-	1,297
29-Aug-17	Umm E Farwa Zaidi	House #: A-67/3 Block #: Gulberg Iii Street : Area : Nearest Land Mark : City : Lahore	UMM E FARWA ZAIDI CNIC : 42301-5064899-4	Syed Zafar Husnain Zaidi	1,354	265	-	1,619	1,332	265	-	1,597
29-Aug-17	Shafqat Ullah Anjum	House #: 254 Block #: St# 14 Ali Block Street : Area : Sector B, Bahria Town, Nearest Land Mark : City : Lahore	SHAFQAT ULLAH ANJUM CNIC : 35201-5131078-9	Fazal Ullah	542	106	-	648	537	106	-	643
29-Aug-17	Muhammad Shoab	House #: 113-E Block #: Qasim Pura Husnain Ababd Nr Street : Area : Boota Fruit Shop Nearest Land Mark : City : Lahore	MUHAMMAD SHOAB CNIC : 34101-1880887-1	Syed Islam Ur Rehman	1,500	317	-	1,817	1,500	317	-	1,817
29-Aug-17	Qamar Zaman	House #: 318-K Block #: Phase 1 Main Ghazi Road Street : Area : Dha Nearest Land Mark : City : Lahore	QAMAR ZAMAN CNIC : 34301-1768071-7	Muhammad Boola	744	153	-	897	744	153	-	897
29-Aug-17	Rashid Mahmood	House #: 124 Block #: New Zaidi House Lda Street : Area : Shahjamal Ichra Nearest Land Mark : City : Lahore	RASHID MAHMOOD CNIC : 35101-4723575-7	Muhammad Sadiq	500	111	-	611	500	111	-	611
7-Sep-17	Farid Khumar	House #: 895 Block #: Block 3 Street : Area : Sector Dii Green Town Nearest Land Mark : City : Lahore	FARID KHUMAR CNIC : 35202-2610997-7	Ghulam Rasool Khan	500	106	-	606	498	106	-	604
29-Sep-17	Zulfiqar Ali Kehar	House #: 59 A Block #: Dr Aq Khan Road Street : Street 1 Area : Pir Jamshed Colony Nearest Land Mark : Near Chousia Masjid City : Rawalpindi	ZULFIQAR ALI KEHAR CNIC : 37405-0473395-3	Shah Nawaz Kehar	568	105	-	673	568	105	-	673
29-Sep-17	Naveed Hameed	House #: 96 Block #: Block L Street : Area : Model Town Nearest Land Mark : City : Lahore	NAVEED HAMEED CNIC : 35101-6329829-7	Abdul Hameed	446	87	-	533	440	87	-	527
29-Sep-17	Afzal Mehmood	House #: 14 Block #: St # 2 Nr Jamia Usmania Masjid Street : Area : Bund Road Nearest Land Mark : City : Lahore	AFZAL MEHMOOD CNIC : 35201-1492278-5	Nazir Ahmad	616	113	-	729	616	113	-	729
29-Sep-17	Asim Afzal Ahmad	House #: 15-A Block #: Abbat Road Nr Street : Area : Janki Devi Hospital Nearest Land Mark : City : Lahore	ASIM AFZAL AHMAD CNIC : 35102-9919937-5	Afzal Ahmad	976	199	-	1,175	976	199	-	1,175
29-Sep-17	Muhammad Javed Siddiqui	House #: A-716 Block #: Sec-11-A Street : Area : North Karachi Nearest Land Mark : Near Tower House City : Karachi	MUHAMMAD JAVED SIDDIQUI CNIC : 42101-1383387-7	Muhammad Farooq Siddiqui	660	135	-	795	659	135	-	794
29-Sep-17	Faiz Alam	House #: 52 - A 3 Block #: Block A Street : Area : Satellite Town Nearest Land Mark : City : Rawalpindi	FAIZ ALAM CNIC : 37405-0489637-1	Khan Alam	597	117	-	714	594	117	-	711
29-Sep-17	Raja Nasim Yousaf	House #: 123 Block #: Street : St 6 Area : Ground Floor, Rawal Town Nearest Land Mark : City : Islamabad	RAJA NASIM YOUSAF CNIC : 82203-1179843-5	Muhammad Yousaf	686	140	-	826	685	140	-	825
29-Sep-17	Khusnood Hussain	House #: 14 Block #: Street : Street 62 Area : F-6/3 Nearest Land Mark : City : Islamabad	KHUSNOOD HUSSAIN CNIC : 82101-5344183-5	Muhammad Farooq Khan	469	86	-	555	467	86	-	553
29-Sep-17	Muhammad Abdohoo Abdali	House #: 643-D Block #: Canal View Housing Society Street : Area : Thokar Niaz Baig Nearest Land Mark : City : Lahore	MUHAMMAD ABDHOHO ABDALI CNIC : 35202-3052587-5	Chudhary Rehmat Ali	518	102	-	620	518	102	-	620

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

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Rupees in '000

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					Principal	Interest / Mark-up	Other	Total 5+6+7=8					
1	2		3		4	5	6	7	8	9	10	11	12
29-Sep-17	Muhammad Shafi	House #: Gaurter # 5 Block #: Roshen Street # 2 Street : Area : New Mozang Nr Alam Medical Nearest Land Mark : City : Complex Lahore	MUHAMMAD SHAFI CNIC : 35401-1550925-7	Faqeer Muhammad		648	128	-	776	645	128	-	773
29-Sep-17	Muhammad Nadeem Noor	House #: Block #: Mohala Murtaza Abad Opp Railwa Street : Area : Jamia Masjid Abdul Latif Gali Nearest Land Mark : City : Bismillah Hair Dresser Lahore	MUHAMMAD NADEEM NOOR CNIC : 35202-9760105-9	Muhammad Saddique		605	119	-	724	602	119	-	721
29-Sep-17	Khalid Mehmood	House #: 22-A Block #: 1St Floor Room 12 Aitchison Street : Area : Society Near Vander Dyl Colleg Nearest Land Mark : City : Of Management Information Technology Raiwind Road Lahore	KHALID MEHMOOD CNIC : 34101-4649623-7	Muhammad Sadiq		611	119	-	730	611	119	-	730
29-Sep-17	Muhammad Azam Yaseen	House #: 63 Block #: St # 94/A Street : Area : Pilihi Peer Shadra Town Nearest Land Mark : City : Lahore	MUHAMMAD AZAM YASEEN CNIC : 35202-6424170-7	Malik Muhammad Yaseen		984	202	-	1,186	983	202	-	1,185
29-Sep-17	Muhammad Yaqoob	House #: 1A Block #: St # 32, Yousaf Street Street : Area : Al Mumtaz Road Nearest Land Mark : City : Sannabad Lahore	MUHAMMAD YAQOOB CNIC : 35202-5339633-1	Muhammad Din		496	102	-	598	488	102	-	590
11-Jan-17	Muhammad Qamar Shahzad Shah	House #: 567 Block #: Block-B Street : Area : Johar Town Nearest Land Mark : City : Lahore	MUHAMMAD QAMAR SHAHZAD SHAH CNIC : 31203-7985057-9	Mukhtar Ahmed Shah		900	451	-	1,351	134	451	-	585
11-Jan-17	Khalid Asghar Ali	House #: D-16/A Block #: Rufi Fountain Block-19 Street : Area : Gulistan-E-Johar Nearest Land Mark : City : Karachi	KHALID ASGHAR ALI CNIC : 42501-1614044-1	Asghar Ali		394	459	-	853	94	459	-	553
11-Jan-17	Abdul Basit Jamal	House #: 168, Block #: Block A Street : Area : Sabzazar Mullan Road Nearest Land Mark : City : Lahore	ABDUL BASIT JAMAL CNIC : 35202-7453475-3	A Ali Sajid		850	752	-	1,602	150	752	-	902
16-Feb-17	Rashid Javed	House #: 311 E Block #: Sector 4 A Street : Area : Khayaban E Sirsyed Nearest Land Mark : City : Rawalpindi	RASHID JAVED CNIC : 37405-5712744-5	Javed Ahmed Khan		1,050	257	-	1,307	1,050	257	-	1,307
16-Feb-17	Muhammad Amir Awan	House #: 438 Block #: Kamran Block Street : Area : Allama Iqbal Town Nearest Land Mark : City : Lahore	MUHAMMAD AMIR AWAN CNIC : 35202-2830467-9	Malik Ghulam Muhammad		930	481	-	1,411	930	481	-	1,411
16-Feb-17	Khalid Zulfiqar Qureshi	Flat # 19 Block #: Block A Corps Street : Area : Habib Road Nearest Land Mark : City : Lahore Cantt	KHALID ZULFIQAR QURESHI CNIC : 37405-8891179-3	Zulfiqar Hussain Qureshi		882	287	-	1,169	882	287	-	1,169
16-Feb-17	Muhammad Riaz Ahmad	House #: 101 C Block #: Gate No 1 Street : Area : Valancia Town Nearest Land Mark : City : Lahore	MUHAMMAD RIAZ AHMAD CNIC : 35202-6225191-9	Muhammad Saheed		870	303	-	1,173	870	303	-	1,173
16-Feb-17	Burera Iqbal	House #: 5 Block #: Street # 106 Mian Park Near Street : Area : Ghas Mandi Baghbanpura Nearest Land Mark : City : Lahore	BURERA IQBAL CNIC : 35202-2290480-2	Muhammad Iqbal Khan		812	330	-	1,142	812	330	-	1,142
16-Feb-17	Muhammad Furqan Bucha	House #: 29 Block #: St # 1 Street : Area : Phase 2, Block V Nearest Land Mark : City : Dha - Lahore Cantt	MUHAMMAD FURQAN BUCHA CNIC : 35202-2874673-9	Muhammad Tariq Bucha		740	507	-	1,247	740	507	-	1,247
16-Feb-17	Abdul Waheed	House #: 304 Block #: Pak Block Street : Area : Allama Iqbal Town Nearest Land Mark : City : Lahore	ABDUL WAHEED CNIC : 33201-8713412-9	Muhammad Sadiq		738	299	-	1,037	738	299	-	1,037
16-Feb-17	Sajid Bashir	House #: 1316 Block #: L/N Khalid Bashir Street : Area : Hussain Shah Lane Back Side Nearest Land Mark : City : Cmh Cantt Lahore	SAJID BASHIR CNIC : 34501-5649207-1	Bashir Ahmed		700	166	-	866	700	166	-	866
16-Feb-17	Malik Sikandar Abbas	House #: 350 Block #: K-2 Street : Area : Wapda Town Nearest Land Mark : City : Lahore	MALIK SIKANDAR ABBAS CNIC : 34603-1170455-1	Malik Mohammad Yaqoob		692	675	-	1,367	692	675	-	1,367
16-Feb-17	Sohail Anees	House #: 51-D Block #: Jaz St, D-II Street : Area : Gulshan Ravi Nearest Land Mark : City : Lahore	SOHAIL ANEES CNIC : 35202-2508938-7	Abdul Aziz		580	289	-	869	580	289	-	869
16-Feb-17	Muhammad Riaz Butt	House #: 31-A Block #: Union Park Street : Area : Opp 31-A, Rahat Park, Sannabad Nearest Land Mark : City : Lahore	MUHAMMAD RIAZ BUTT CNIC : 35202-7610797-9	Mohammad Hassan Butt		521	266	-	787	521	266	-	787
16-Feb-17	Imran Ahmed	House #: A-66 Block #: Hoor Market Street : Area : Nazimabad No 2 Nearest Land Mark : City : Karachi	IMRAN AHMED CNIC : 42101-1762119-3	Shaikh Atta Ullah		500	126	-	626	500	126	-	626
16-Feb-17	Mohammad Maajid Amray	House #: 165/N Block #: Phase I Street : Area : Dha Nearest Land Mark : City : Lahore	MOHAMMAD MAAJID AMRAY CNIC : 42201-0976720-1	Rukhsar Ahmed		598	815	-	1,413	498	815	-	1,313
16-Feb-17	Malik Naseer Ahmed	House #: 1309 Block #: St # 32 Street : Area : Awami Villas, Bahria Orchard Nearest Land Mark : City : Raiwind Road Lahore	MALIK NASEER AHMED CNIC : 37101-1794638-3	Nek Alam		473	190	-	663	473	190	-	663

Contd.

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

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

Rupees in '000

Write off Date	Party Name	Address	Name of the individuals / Partners/Directors (with C.N.I.C. No.)	Father's / Mother's / Husband Name	Outstanding Liabilities at beginning of year				Principal Written-off	Interest / Mark-up written-off	Other Financial Relief Provided	Total (9+10+11=12)
					Principal	Interest / Mark-up	Other	Total 5+6+7=8				
1	2		3	4	5	6	7	8	9	10	11	12
16-Feb-17	Khawaja Adnan Khamis	House #: 129 M Block #: Johar Town Street : Area : Lahore Nearest Land Mark : City : Lahore	KHAWAJA ADNAN KHAMIS CNIC : 33100-9620722-9	Khawaja Tariq Khamis	462	114	-	576	462	114	-	576
16-Feb-17	Rana Mudassar Abbas Khan	House #: H-365 Block #: Paf Falkan Street : Area : Complex Gulberg Iii Nearest Land Mark : City : Nr Central Point Lahore	RANA MUDASSAR ABBAS KHAN CNIC : 36401-9890178-5	Muhammad Azæem Khan	440	126	-	566	440	126	-	566
16-Feb-17	Chaudry Naveed Ijaz	House #: 244 Block #: St # 4 Raza Block Street : Area : Allama Iqbal Town Nearest Land Mark : City : Lahore	CHAUDRY NAVEED IJAZ CNIC : 35202-2301170-7	Ch Ijaz Ahmed	391	239	-	630	391	239	-	630
16-Feb-17	Bilal Zahid	House #: 358 Block #: Block-E Street : Area : Punjab Society Ghazi Rd Nearest Land Mark : City : Lahore	BILAL ZAHID CNIC : 35404-1791636-3	Chudhry Muhammad Zahid	368	133	-	501	368	133	-	501
16-Feb-17	Syed Taufiq Mannan	House #: A-211 Block #: Block-L Street Area : North Nazimabad Nearest Land Mark : City : Karachi	SYED TAUFIQ MANNAN : CNIC : 42101-2781343-5	Muhammad Abdul Mannan	367	181	-	548	367	181	-	548
16-Feb-17	Umair Saeed	House #: 821 Block #: Shadman Colony Street : Area : Jail Road Nearest Land Mark : City : Lahore	UMAIR SAEED CNIC : 35202-4016601-3	Saeed Nasir	323	257	-	580	323	257	-	580
16-Feb-17	Syed Tayyab Ali	House #: 130 Block #: D/2 Street : Area : Wapda Town Nearest Land Mark : City : Lahore	SYED TAYYAB ALI CNIC : 36502-1242600-5	Syed Naqi Haider	333	274	-	607	317	274	-	591
28-Feb-17	Qurban Ali	House #: C-45 Block #: Phase-II Street : Area : Gulshan-E-Hadeed Nearest Land Mark : City : Karachi	QURBAN ALI CNIC : 44107-8329095-1	Anwar Ali	534	123	-	657	534	123	-	657
28-Feb-17	Hameed Raza Panjwani	Flat# A-9 Block #: Al-Asad Apartment Block-3 Street : Area : Pechs Nearest Land Mark : Near Imam Bargah Mehfil-E-Murt City : Karachi	HAMEED RAZA PANJWANI CNIC : 42201-2356599-3	Fida Hussain Panjwani	420	104	-	524	420	104	-	524
28-Feb-17	Shahzad Agha	House #: D-101 Block #: Block-B Street : Area : North Nazimabad Nearest Land Mark : Near Zia Uddin Hospital City : Karachi	Shahzad Agha CNIC : 42101-0695209-1	Noor Nabi Agha	484	121	-	605	484	121	-	605
28-Feb-17	Rehan Abbas	House #: 631 Block #: Street : Street 21 Area : Shahzad Town Nearest Land Mark : City : Islamabad	REHAN ABBAS CNIC : 61101-5949734-5	Muhammad Abbas Chohan	423	113	-	536	423	113	-	536
28-Feb-17	Naeem Ahmad	House #: 107 Block #: F-2 Block Street : Area : Wapda Town Nearest Land Mark : City : Lahore	NAEEM AHMAD CNIC : 35202-2832173-3	Abdul Raheem	168	471	-	639	118	471	-	589
28-Feb-17	Imtiaz Hussain Shah	House #: 79 Block #: Sikandar Block Street : Area : Allama Iqbal Town Nearest Land Mark : City : Lahore	IMTIAZ HUSSAIN SHAH CNIC : 35202-2198207-5	Manzoor Hussain Shah	352	745	-	1,097	352	745	-	1,097
28-Feb-17	Ammad Khaliq	House #: 133 Block #: Block H2 Street : Area : Johar Town Nearest Land Mark : City : Lahore	AMMAD KHALIQ CNIC : 33100-8508540-9	Abdul Khaliq	365	494	-	859	365	494	-	859
28-Feb-17	Waleed Riaz Shafi	House #: 520 Block #: R-2 Street : Area : Johar Town Nearest Land Mark : City : Lahore	WALEED RIAZ SHAFI CNIC : 34603-6302805-3	Muhammad Riaz	1,245	1,192	-	2,437	1,245	1,192	-	2,437
28-Feb-17	Shahid Iqbal	House #: 142 Block #: Block D Iii Street : Area : Wapda Town Nearest Land Mark : City : Lahore	SHAHID IQBAL CNIC : 34101-2457558-9	Muhammad Iqbal Khan	324	981	-	1,305	150	981	-	1,131
28-Feb-17	Salman Zaheer	House #: 8/1 D Block #: Old Officer Colony Street : Area : Zazar Shaheed Road Nearest Land Mark : City : Nr Leeds Grammer School Lahore	SALMAN ZAHEER CNIC : 35201-0840968-5	Mohammad Zaheer	1,471	600	-	2,071	1,471	600	-	2,071
28-Feb-17	Sohail Nadeem	House #: 322 Block #: Street : Area : Askari 11, Bedian Road Nearest Land Mark : City : Lahore Cantt	SOHAIL NADEEM CNIC : 35200-0403503-3	Muhammad Yousaf	475	148	-	623	469	148	-	617
28-Feb-17	Munawar Ahmad Anees	House #: 245 E Block #: Phase 01 Street : Area : Dha Nearest Land Mark : City : Lahore	Munawar Ahmad Anees CNIC : 84058-6320320-1	Shiekh Zia Ul Haq	1,435	756	-	2,191	1,435	756	-	2,191
28-Feb-17	Muhammad Nawaz Khan	House #: 113-B Block #: Askari 5 Street : Area : Gulberg 3 Nearest Land Mark : City : Lahore	MUHAMMAD NAWAZ KHAN CNIC : 37102-1273924-5	Allah Yar Khan	853	290	-	1,143	803	290	-	1,093
28-Feb-17	Muhammad Saleem Khan	House #: 63 A Block #: Allama Iqbal Road Garhi Shaghu Street : Area : Nr Pso Pump Nearest Land Mark : City : Lahore	MUHAMMAD SALEEM KHAN CNIC : 35202-4498645-7	Muhammad Niaz Khan	542	134	-	676	542	134	-	676
28-Feb-17	Aamir Chaudhary	House #: 56 C Block #: Block B Street : Area : State Life Housing Society Nearest Land Mark : City : Nr Dha Phase V, Lahore	AAMIR CHAUDHARY CNIC : 54400-0390447-3	Chaudhary Ghulam Sanwar	1,119	313	-	1,432	1,119	313	-	1,432
28-Feb-17	Sumra Inbisaat	House #: F-B-1 Block #: Street : Area : Wahdat Colony Nearest Land Mark : City : Lahore	SUMRA INBISAAT CNIC : 35202-2243457-2	Muhammad Afzal	400	100	-	500	400	100	-	500

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

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

Rupees in '000

Write off Date	Party Name	Address	Name of the individuals / Partners/Directors (with C.N.I.C. No.)	Father's / Mother's / Husband Name	Outstanding Liabilities at beginning of year				Principal Written-off	Interest / Mark-up written-off	Other Financial Relief Provided	Total (9+10+11=12)
					Principal	Interest / Mark-up	Other	Total 5+6+7=8				
1	2	3	3	4	5	6	7	8	9	10	11	12
28-Feb-17	Irfan Qayyum	House #: 381/25 Block #: St # 8, Block C Street : Area : Defence Link Road Nearest Land Mark : City : Nr Sheezan Bakery, Lahore	IRFAN QAYYUM CNIC : 35201-1706596-9	Abdul Qayyum	510	124	-	634	510	124	-	634
28-Feb-17	Ahmed Nawaz Shakir	House #: 36 Block #: Ali Block Street : Area : Awan Town Nearest Land Mark : City : Multan Road Lahore	Ahmed Nawaz Shakir CNIC : 35202-6987452-3	Zulfiqar Ali Bajwa	678	156	-	834	678	156	-	834
28-Feb-17	Miraj Ahmed	House #: 30-C-1 Block #: High Court Society Street : Area : Johar Town Nearest Land Mark : City : Lahore	MIRAJ AHMED CNIC : 35202-2338875-3	Muhammad Ameen	752	191	-	943	752	191	-	943
28-Feb-17	Faisal Javed	House #: 18-E Block #: Iftikhar Street Nadeem Street : Area : Rasheed Road Samanabad Nearest Land Mark : City : Lahore	FAISAL JAVED CNIC : 35202-9305129-9	Javed Ahmed	430	91	-	521	430	91	-	521
7-Mar-17	Alamdar Hasnain Mehdi	House #: 416 Apartment Block #: 4Th Floor Street : Area : Silver Oaks, F-10 Markaz Nearest Land Mark : City : Islamabad	ALAMDAR HASNAIN MEHDI CNIC : 37405-1493477-1	Hasnain Mehdi	709	543	-	1,252	-	543	-	543
31-Mar-17	Maqbool Mughal	Flat #: C-1 Block #: Marry Foundation Block-3 Street : Area : Clifton Nearest Land Mark : Near Behind Bilawal House City : Karachi	MAQBOOL MUGHAL CNIC : 42301-8237040-7	Hussain Bux Mughal	485	97	-	582	485	97	-	582
31-Mar-17	Nazir Ahmed	House #: 160, Block #: Street : St # 24, Area : I-9/1, Nearest Land Mark : City : Islamabad	NAZIR AHMED CNIC : 45201-9530140-1	Muhammad Usman Sahito	741	155	-	896	741	155	-	896
31-Mar-17	Ayaz Salman	House #: 444 Block #: St # 24 Block-E Street : Area : Eme Society Nearest Land Mark : City : Lahore	AYAZ SALMAN CNIC : 81302-4942917-7	Farukh Salman	582	118	-	700	582	118	-	700
31-Mar-17	Minhaj Ul Ghani	House #: R-496 Block #: Sector 11-C, Adam Town Street : Area : North Karachi Up More Nearest Land Mark : Opp Dhaka Bakery City : Karachi	MINHAJ UL GHANI CNIC : 42101-6034579-3	Abdul Ghani	860	173	-	1,033	860	173	-	1,033
29-Apr-17	Afzaal Musarat Siddique	House #: E-158 Block #: St # 10, New Iqbal Park Street : Area : Rifle Range Road Nearest Land Mark : City : Lahore	AFZAAL MUSARAT SIDDIQUE CNIC : 35201-8638706-7	Musarat Hussain Siddiqui	1,426	315	-	1,741	1,426	315	-	1,741
29-Apr-17	Raheel Naseem Qureshi	House #: 43-B Block #: Pghs Street : Area : Old Defence Road Nearest Land Mark : City : Lahore	RAHEEL NASEEM QURESHI CNIC : 35202-7367495-5	Naseem Ayyaz Qureshi	443	87	-	530	443	87	-	530
29-Apr-17	Syed Muhammad Talha	House #: A-45 Block #: Sector Z-6 Street : Area : Gulshan-E-Maymar Nearest Land Mark : Rest House City : Karachi	SYED MUHAMMAD TALHA CNIC : 42401-2019889-1	Syed Sharafat Ali Nadeem	1,199	237	-	1,436	1,199	237	-	1,436
29-Apr-17	Mavia Ali Farooq	House #: R-416 Block #: Sector14/A Shadman Town Street : Area : North Khi Nearest Land Mark : City : Karachi	MAVIA ALI FAROOQ CNIC : 42101-9297527-5	Farooq Aslam	685	137	-	822	685	137	-	822
29-Apr-17	Munawwar Ud Din	House #: R-200 Block #: Sector 7-D-3 Street : Area : North Karachi Nearest Land Mark : Near Andamore City : Karachi	MUNAWWAR UD DIN CNIC : 42101-5778604-5	Aziz Ud Din	430	87	-	517	430	87	-	517
29-Apr-17	Khalida Parveen	Appartment No. : S-4 Block #: Al Riaz Appartments 163-F Bloc Street : Area : PECHS Block 3 Nearest Land Mark : Near Kuc Sport Complex City : Karachi	KHALIDA PARVEEN CNIC : 42201-1141972-6	Muhammad Ramzan Awan	699	138	-	837	699	138	-	837
29-Apr-17	Qasim Majeed	House #: 296 Block #: St # 65, Street : Area : E-11/3 Nearest Land Mark : City : Islamabad	QASIM MAJEED CNIC : 42201-5092331-1	Abdul Majeed Khan	1,000	193	-	1,193	1,000	193	-	1,193
29-Apr-17	Yasir Ubaid Khan	House #: 222 Block #: Hunza Block Street : Area : Allama Iqbal Town Nearest Land Mark : City : Lahore	YASIR UBAID KHAN CNIC : 35202-2787780-7	Ubaid Ur Rehman	706	137	-	843	706	137	-	843
29-Apr-17	Farhan Khawar Butt	House #: 12 Block #: St # 19 Dev Samaj Road Street : Area : Islampura Nearest Land Mark : City : Lahore	FARHAN KHAWAR BUTT CNIC : 35202-4444048-9	Khawar Hussain Butt	477	96	-	573	477	96	-	573
29-Apr-17	Bilal Shabbir	House #: 213-C Block #: Ahmed Block Street : Area : New Garden Town Nearest Land Mark : City : Lahore	BILAL SHABBIR CNIC : 35202-8373263-9	Shabbir Hussain	640	127	-	767	640	127	-	767
29-Apr-17	Samina Ali	House #: 53-D Block #: State Life Society Street : Area : Dha Nearest Land Mark : City : Lahore	SAMINA ALI CNIC : 35201-1427620-4	Syed Naeem Hussain	475	94	-	569	475	94	-	569
5-May-17	Tariq Fakhri	House #: 4 Block #: Block-E Street : Area : Eme Sector Dha Multan Rd Nearest Land Mark : City : Lahore	TARIQ FAKHRI CNIC : 34302-1262080-1	Jamal Sadla	1,842	631	-	2,473	92	631	-	723
31-May-17	Muhammad Yousaf	House #: 149 Block #: 1St Floor Nishat Block Allama Street : Area : Nearest Land Mark : City : Lahore	MUHAMMAD YOUSAF CNIC : 36202-0607807-5	Fazal Elahi	440	91	-	531	440	91	-	531

Contd.

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

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Rupees in '000

Write off Date	Party Name	Address	Name of the individuals / Partners/Directors (with C.N.I.C. No.)	Father's / Mother's / Husband Name	Outstanding Liabilities at beginning of year				Principal Written-off	Interest / Mark-up written-off	Other Financial Relief Provided	Total (9+10+11=12)
					Principal	Interest / Mark-up	Other	Total 5+6+7=8				
1	2		3	4	5	6	7	8	9	10	11	12
31-May-17	Muhammad Raza	House #: 26/2 Block #: Race Course Road Street : Area : Gor Nr Race Course Cng Nearest Land Mark : City : Lahore	MUHAMMAD RAZA CNIC : 35202-3825575-9	Hassan Raza	500	109	-	609	500	109	-	609
31-May-17	Habib Ullah Khan	House #: D 348 Block #: Street : Area : 6Th Road Satellite Town Nearest Land Mark : Near Suzuki Motors City : Rawalpindi	HABIB ULLAH KHAN CNIC : 37405-2166809-5	Saleem Ullah Khan	599	118	-	717	599	118	-	717
31-May-17	Adeel Akram	House #: 42-S-2/6-A Block #: Gazi Park New Sheraz Park Street : Area : Millat Road, Pakki Thatti Nearest Land Mark : City : Samman Abad, Lahore	ADEEL AKRAM CNIC : 35403-7394584-3	Muhammad Akram	630	117	-	747	630	117	-	747
31-May-17	Syed Mohiuddin Hasan	House #: B-69 Block #: Block-2 Street : Area : Pechs Nearest Land Mark : Near Noor Masjid City : Karachi	SYED MOHIUDDIN HASAN CNIC : 42201-0773020-5	Syed Fakhr-ul-Hasan (Late)	692	151	-	843	692	151	-	843
31-May-17	Muhammad Rizwan	House #: R-258 Block #: Block-19 Street : Area : F.B Area Nearest Land Mark : Near Power House City : Karachi	MUHAMMAD RIZWAN CNIC : 42101-1924654-5	Bintul Hussain	1,097	213	-	1,310	1,097	213	-	1,310
30-Jun-17	Azhar Rasheed	House #: E/3, Block #: Officer Colony, Zarar Shaheed Street : Area : Lahore Cantt Nearest Land Mark : City : Lahore	AZHAR RASHEED CNIC : 35201-9938703-7	Abdur Rasheed Qureshi	844	844	-	1,688	844	165	-	1,009
30-Jun-17	Rizwan Ur Rahman Khan	Fiat No A-306 Block #: 3Rd Floor Saima Classic Block Street : Area : Gulshan-E-Iqbal Nearest Land Mark : Near Johar Moor City : Karachi	RIZWAN UR RAHMAN KHAN CNIC : 42201-1223303-1	Afzal-ul-Rehman Khan	702	702	-	1,404	702	135	-	837
30-Jun-17	Muhammad Nadeem Irshad Qureshi	House #: A-153 Block #: Block N Street No 8 Street : Area : North Nazimabad Nearest Land Mark : Near Mateen Food City : Karachi	MUHAMMAD NADEEM IRSHAD QURESHI CNIC : 42101-147252-7	Muhammad Irshad Qureshi	650	650	-	1,300	650	129	-	779
30-Jun-17	Kashif Mehmood	House #: 182 Block #: Block-F1 Street : Area : Wapda Town Nearest Land Mark : City : Lahore	KASHIF MEHMOOD CNIC : 35202-8125438-5	Pervez Mehmood	699	699	-	1,398	635	157	-	792
30-Jun-17	Iqbal Hameed	House #: 1 Block #: Nishat Chunian Dying Unit Street : Area : 4 Km Manga Mandi Raiwind Road Nearest Land Mark : City : Lahore	IQBAL HAMEED CNIC : 33100-0713505-1	Abdul Hameed Ahmed	591	591	-	1,182	591	114	-	705
30-Jun-17	Ghulam Mohiuddin Khan	House #: A-789 Block #: Sec-9 Street : Area : North Karachi Nearest Land Mark : Near Disco Mor City : Karachi	GHULAM MOHIUDDIN KHAN CNIC : 42101-3032653-5	Ghulam Hayder Khan	591	591	-	1,182	591	117	-	708
30-Jun-17	Muzaffar Hussain	House #: 32 Block #: Block # 14 Street : Area : Sector B-1, Township Nearest Land Mark : City : Lahore	MUZAFFAR HUSSAIN CNIC : 35202-2768670-1	Abdul Ghafoor	513	513	-	1,026	513	115	-	628
5-Jul-17	Muhammad Umer Khalid Kashmiri	Fiat No: 803 Block #: 8Th Floor, Bk-D, Street : Area : Saima Mall & Residency Dalmia Nearest Land Mark : Near Millennium Mall City : Karachi	MUHAMMAD UMER KHALID KASHMIRI CNIC : 35201-1569495-5	Muhammad Khalid Kashmiri	624	813	-	1,437	145	496	-	641
5-Jul-17	Hamim Fiza Akhtar Khan	House #: 480 H Block #: Street : Area : Gulshan Ravi Nearest Land Mark : City : Lahore	HAMIM FIZA AKHTAR KHAN CNIC : 35202-2508618-3	Mehmood Ahmed Akhter Khan	703	686	-	1,389	150	660	-	810
28-Jul-17	Muhammad Arif	House #: Hafiz Street Block #: Ggia Moosa Street : Area : Shahdara Nearest Land Mark : City : Lahore	MUHAMMAD ARIF CNIC : 35202-3041550-7	Malik Allah Rakha	620	127	-	747	620	127	-	747
28-Jul-17	Faysal Abdul Hameed	Fiat # M-4 Block #: 1st Floor Block-B Sonia Appt Street : Area : Falima Jinnah Colony Jamshad R Nearest Land Mark : City : Karachi	FAYSAL ABDUL HAMEED CNIC : 42201-9823730-7	Abdul Hameed	695	137	-	832	695	137	-	832
28-Jul-17	Zahid Aziz	House #: Block #: Mohallah Civil Line Street : Area : Ferozwala Nearest Land Mark : Near Dera Asghar City : Gujranwala	ZAHID AZIZ CNIC : 34101-2555861-7	Aziz Ahmed	554	112	-	666	554	112	-	666
28-Jul-17	Tariq Mahmood	House #: R-353 Block #: Block-8 Street : Area : F.B Area Nearest Land Mark : City : Karachi	TARIQ MAHMOOD CNIC : 42101-1515243-5	Mahmood Ali	453	89	-	542	453	89	-	542
28-Jul-17	Tayyeb Mahmood	House #: 150 B Block #: New Chauburji Street : Area : Park Nearest Land Mark : City : Lahore	TAYYEB MAHMOOD CNIC : 35202-1230126-7	Khalid Mehmood	550	109	-	659	550	109	-	659
28-Jul-17	Tariq Aziz	House #: Block #: H # 286-A St # 27, Street : Area : F-11/2 Nearest Land Mark : City : Islamabad	TARIQ AZIZ CNIC : 34101-2400279-1	Abdul Aziz	738	143	-	881	738	143	-	881
28-Jul-17	Shafqat Ullah Anjum	House #: 258 Block #: Street 14, Ali Block, Street : Area : Sector-B, Bahria Town Nearest Land Mark : City : Lahore	SHAFQAT ULLAH ANJUM CNIC : 35201-5131078-9	Fazal Ullah	800	150	-	950	800	150	-	950
29-Aug-17	Muhammad Jahan Zaib Bhatti	House #: 147 Block #: Block-D, Upper Portion Street : Area : Pcsir Society Nearest Land Mark : City : College Road Near Al Hamad Chowk Lahore	MUHAMMAD JAHAN ZAIB BHATTI CNIC : 36302-0347839-7	Muhammad Rafi Bhatti	956	190	-	1,146	955	190	-	1,145

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

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

Rupees in '000

Write off Date	Party Name	Address	Name of the individuals / Partners/Directors (with C.N.I.C. No.)	Father's / Mother's / Husband Name	Outstanding Liabilities at beginning of year				Principal Written-off	Interest / Mark-up written-off	Other Financial Relief Provided	Total (9+10+11=12)
					Principal	Interest / Mark-up	Other	Total 5+6+7=8				
1	2	3	4	5	6	7	8	9	10	11	12	
29-Aug-17	Sunail Shafique	House #: 171 Block #: St# 10 Street : Area : Mohallah New Super Town Walton Nearest Land Mark : City : Lahore Cantt	SUNAIL SHAFIQUE CNIC : 35201-1338702-1	Shafiq-Uz-Zaman	750	144	-	894	750	144	-	894
29-Aug-17	Iftikhar Ghani	House #: Block #: Room No 255, Pc Hotel Street : Area : Nearest Land Mark : City : Lahore	IFTIKHAR GHANI CNIC : 37405-343754-5	Abdul Ghani	696	138	-	834	696	138	-	834
29-Aug-17	Munawar Hussain i Jaiban	House #: B-88 Block #: Street 8 Block No 2 Chappel Su Street : Area : Safora Chowrangj Nearest Land Mark : Near Kiran Hospital City : Karachi	MUNAWAR HUSSAIN JALBANI CNIC : 61101-5687914-3	Shah Muhammad Jalbani	600	118	-	718	600	118	-	718
29-Aug-17	Muhammad Ismail Rehman	House #: 125 Block #: St#12 Street : Area : Upper Mall Nearest Land Mark : City : Lahore	MUHAMMAD ISMAIL REHMAN CNIC : 35202-2474253-3	Haji Muhammad Mujeeb Ur Rehman	570	117	-	687	570	117	-	687
29-Aug-17	Rehan Ur Rab Siddique	House #: 224 Block #: L Block Upper Portion Street : Area : Sabzazar Nearest Land Mark : City : Lahore	REHAN UR RAB SIDDIQUE CNIC : 35202-7308698-5	Malloob Ur Rab Siddiqi	570	119	-	689	570	119	-	689
29-Aug-17	Azmat Hussain Siddiqui	House #: 1916 Block #: Bll-02 Aziz Abad Street : Area : F B Area Nearest Land Mark : City : Karachi	AZMAT HUSSAIN SIDDIQUI CNIC : 42101-6612733-5	Sharafat Hussain Siddiqui	500	111	-	611	500	111	-	611
29-Sep-17	Muhammad Ejaz	House #: 477 Block #: New Iqbal Abad Street : Area : Drig Road Nearest Land Mark : Opp Methodist School City : Karachi	MUHAMMAD EAJAZ CNIC : 38201-2308119-3	Muhammad Razzaq	449	88	-	537	449	88	-	537
29-Sep-17	Saleha Jahanzeb	House #: 121-D Block #: Psir Staff Phase Street : Area : College Road Nearest Land Mark : City : Lahore	SALEHA JAHANZEB CNIC : 35202-0402680-2	Muhammad Jahanzeb Bhatti	550	107	-	657	550	107	-	657
29-Sep-17	Naseem Yousaf	House #: 449 Block #: Street 15 Street : Area : Shahzad Town Nearest Land Mark : City : Islamabad	NASEEM YOUSAF CNIC : 82203-1179843-5	Muhammad Yousaf	550	108	-	658	550	108	-	658
29-Sep-17	Ali Malik	House #: 368 Block #: Hunza Block Street : Area : Allama Iqbal Town Nearest Land Mark : City : Lahore	ALI MALIK CNIC : 35202-0927491-1	Malik Abdul Aleem	1,000	195	-	1,195	1,000	195	-	1,195
29-Sep-17	Bilal Rasheed	House #: 59 A Block #: Street : Area : Bahria Town Nearest Land Mark : City : Lahore	BILAL RASHEED CNIC : 35200-5776220-7	Abdul Rasheed	1,377	270	-	1,647	1,377	270	-	1,647
4-Jan-17	Abbas Dosten Hote	House #: 13 Lane No 2 Sector-H Dha Phase-II Near Dha Round About Islamabad	ABBAS DOSTEN HOTE CNIC : 61101-2304192-5	Pervaiz Saleem Hote	-	475	100	575	-	475	100	575
1-Feb-17	Muhammad Farooq	House #: 51 St.# 1 Raya Golf & Cuntry Club Phase 6 Dha Lahore	MUHAMMAD FAROOQ CNIC : 35201-1261612-1	Abdul Rahim	425	188	31	644	425	188	31	644
1-Feb-17	Muhammad Suleman	House #: 67 Gulshan Ravi Rehman Park Near Super Market Lahore	MUHAMMAD SULEMAN CNIC : 35202-6759425-3	Imran Ashraf	387	321	62	770	387	321	62	770
1-Feb-17	Muhammad Shafiq Siddique	House #: 75 Block 02 Sector C-1 College Road Township Near Lagna Chowk Lahore	MUHAMMAD SHAFIQ SIDDIQUE CNIC : 35202-6900988-7	M Siddique	380	314	68	762	380	314	68	762
1-Feb-17	Muhammad Asghar Butt	House #: 02 Street# 135 Nisbat Road Gawal Mandi Near Ghafoor Shadi Hall Lahore	MUHAMMAD ASGHAR BUTT CNIC : 35202-3014932-9	M Akram Butt	377	548	159	1,084	377	548	159	1,084
1-Feb-17	Abdul Wassey Mehmood	House #: Fl-9/1 Mehood Villas Block 16 Gulshan E Iqbal Near Bait Ul Mukarram Masjid Karachi	ABDUL WASSEY MEHMOOD CNIC : 42201-9164619-3	Mehmood Babar Faisal	156	263	93	512	156	263	93	512
1-Feb-17	Muhammad Imran Ahmed Siddiqui	House #: 620 1St Floor Area 37-B, Landhi No 1 Near Choti Market Karachi	MUHAMMAD IMRAN AHMED SIDDIQUI CNIC : 42201-0359920-9	M Shakeel Ahmed Siddiqui	379	448	96	923	379	448	96	923
1-Feb-17	Zain Ul Abdin	Banglow No 2 Site Staff Colony Site Jamia Binoria Near Police Station Karachi	ZAIN UL ABDIN CNIC : 42401-9521306-7	Gulam Sarwar Khan Jagiran	418	325	63	806	418	325	63	806
1-Feb-17	M Dilshad Hussain Jafri	House #: B-22 Block 15 Gulistan-E-Johar Near Continental Bakery Karachi	M DILSHAD HUSSAIN JAFRI CNIC : 42101-1724555-5	Shamshad Hussain Jafri	367	267	61	695	367	267	61	695
1-Feb-17	Muhammad Waseem	Flat# 202 2nd Floor, Qasr-E-Fatima Building Nuzrat Road Garden East Karachi	MUHAMMAD WASEEM CNIC : 42201-5821561-5	Muhammad Umer	337	170	-	507	337	170	-	507
1-Feb-17	Fayyaz Ali Shah	Flat # 910, Block 2 C-Breeze Heights Clifton Near Bilawal House Karachi	FAYYAZ ALI SHAH CNIC : 42101-4929816-3	Turab Ali Shah	603	168	16	787	603	168	16	787
1-Feb-17	Muhammad Kashif Iqbal	Flat No A-18 Asmat Korner Block,7 F B Area Near Telephone Exchange Karachi	MUHAMMAD KASHIF IQBAL CNIC : 42101-9196070-5	M Iqbal Sheikh	850	211	19	1,080	850	211	19	1,080

Contd.

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

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

Rupees in '000

Write off Date	Party Name	Address	Name of the individuals / Partners/Directors (with C.N.I.C. No.)	Father's / Mother's / Husband Name	Outstanding Liabilities at beginning of year				Principal Written-off	Interest / Mark-up written-off	Other Financial Relief Provided	Total (9+10+11=12)
					Principal	Interest / Mark-up	Other	Total 5+6+7=8				
1	2		3	4	5	6	7	8	9	10	11	12
1-Feb-17	Ali Gohar	Flat No A-012 1st Floor Sawana City Block 13-D-3 Gulshan-E-Iqbal Near Waseem Baag Karachi	ALI GOHAR CNIC : 51505-722963-1	Alim Khan	522	107	8	637	522	107	8	637
1-Feb-17	Syed Farrukh Raza	H # 19-B Khayaban E Khalid Phase 8 Dha Khi Karachi	SYED FARRUKH RAZA CNIC : 42101-1703297-9	S Waqaad Raza	349	128	30	507	349	128	30	507
2-Mar-17	Ameer Hamza Goya	H# 02-2/1 Goya Mension Kharadar Old Town Nawab Mohabbat Khan G Road Karachi	AMEER HAMZA GOYA CNIC : 42301-2337108-9	Ahmed Haji Muhammad	664	169	22	855	664	169	22	855
2-Mar-17	S M Haider Abbas	House # 374,Block # 09 Gulistan-E-Johar Peer Sabgatullah Shah Rashidi Goth Opp Siddiqui Estate Agency Behind Pink Residency Karachi	S M HAIDER ABBAS CNIC : 42201-8002285-7	Syed Afsar Hussain Kazmi	544	116	112	772	544	116	112	772
2-Mar-17	Faisal Saeed	House No 209 Street No 3 Usman Block Phase 8 Behria Town Rawalpindi	FAISAL SAEED CNIC : 37405-3110711-3	Saeed Ahmed Choudhry	750	538	83	1,371	750	538	83	1,371
2-Mar-17	Hidayat Ullah	Afridi House 199 Block-E Tajpura Scheme Cantt Lahore	HIDAYAT ULLAH CNIC : 21201-9622553-5	Toor Aman	841	431	44	1,316	841	431	44	1,316
2-Mar-17	Ch Siddique Warsi	House No 02 Block No B Khyber Road Soan Garden Islamabad	CH SIDDIQUE WARSI CNIC : 37405-0238499-7	Chaudhry Fazal Karim	514	175	25	714	514	175	25	714
2-Mar-17	S Yasir Hussain	House # B 55 Block 6 Gulshan-E-Iqbal Near Gulshan Police Station Karachi	S YASIR HUSSAIN CNIC : 42301-3069288-1	S Shahid Hussain	383	133	28	544	383	133	28	544
2-Mar-17	Sajjad Haider	House No 26/5-E Street # 25 Melad Street Sehar Road Mughal Pura Near Shalimar Link Road Lahore	SAJJAD HAIDER CNIC : 35202-2822424-7	Muhammad Boota	219	252	97	568	219	252	97	568
2-Mar-17	Akeel Asghar	House No 86 F Punjab Co Operative Housing Society Lahore Cantt Near Ghazi Road Lahore	AKEEL ASGHAR CNIC : 35202-2684431-5	M Asghar Siddiqui	456	155	28	639	456	155	28	639
2-Mar-17	Karim H Chatoor	House No 197 Aminabad Colony Of Martin Road Near P.I.B Colony Karachi	KARIM H CHATOOR CNIC : 35200-6742103-9	Hassan Ali Chatoor	795	421	47	1,263	795	421	47	1,263
2-Mar-17	Misbah Ul Haq	House No B 27 Paf Block B Korangi Crossing Bahai Colony Near Contomint Dispensary Karachi	MISBAH UL HAQ CNIC : 42201-0801208-5	Ahsan Ul Haq	387	250	35	672	387	250	35	672
2-Mar-17	Mushtaq Ahmed	House # 43 1st Floor Sector 4D New Abadi New Saeedabad Baldia Town Near Q Bail Masjid Karachi	MUSHTAQ AHMED CNIC : 36602-0977573-3	Shah Ali	379	104	22	505	379	104	22	505
2-Mar-17	S Baddar Bin Shuja	Flat # 101 1st Floor Chappal Beach Arcade # 2 Block 4 Clifton Opp Hyper Star Karachi	S BADDAR BIN SHUJA CNIC : 31202-3421656-3	Syed Muhammad Shuja	522	162	28	712	522	162	28	712
2-Mar-17	Haris Mushtaq	H # S/30 Lane 12A Khayaban E Badban Phase 7 , Dha Near Shell Pump Karachi	HARIS MUSHTAQ CNIC : 42301-1805060-5	Asif Mushtaq	365	119	30	514	365	119	30	514
2-Mar-17	Faisal A Rasheed	Plot# 171-C Flat# E3 2Nd Floor Bloc 3 Pechs Near Rabi Centre Karachi	FAISAL A RASHEED CNIC : 42201-3875152-1	Abdul Rasheed Karim	354	351	80	785	354	351	80	785
2-Mar-17	Shahbaz M Raza	House # 44 Street # 02 Kot Khawaja Saeed Lahore	SHAHBAZ M RAZA CNIC : 35202-0771557-5	Raza Hashim	402	145	26	573	402	145	26	573
2-Mar-17	Waseem Abbas	House # 101/1 Green Park Badhian Road New Air Port Near Bhatta Chowk Lahore	WASEEM ABBAS CNIC : 35201-3464588-1	Abdul Rasheed	355	163	60	578	355	163	60	578
2-Mar-17	Liaquat Ali	H # 2 St # 134 Muhallah Mian Muhammad Din Colony Near Baghbanpura Lahore	LIAQUAT ALI CNIC : 35201-8843211-1	Muhammad Ali	393	124	28	545	393	124	28	545
2-Mar-17	Malik Ahmad Khan	House# 128 Abu Bakar Block New Garden Town Lahore	MALIK AHMAD KHAN CNIC : 35202-7242738-3	Malik Muhammad Ali Khan	441	186	46	673	441	186	46	673
3-Apr-17	Muhammad Siddique	H No 273 St No 6 Office Colony Cavalry Groud Lahore	MUHAMMAD SIDDIQUE CNIC : 35201-1286702-9	Ghulam Muhammad	401	116	16	533	401	116	16	533
3-Apr-17	Mubashar Ali	H No 489 Nishtar Block Allama Iqbal Town Near Dr Ameen Clinic Lahore Lahore	MUBASHAR ALI CNIC : 36302-1190391-1	Muhammad Aslam Javed	455	150	46	651	455	150	46	651
2-May-17	Muhammad Jahangir	H # 154 Block B Revenue Society Johar Town Lahore	MUHAMMAD JAHANGIR CNIC : 35202-4667342-9	Muhammad Nazir	991	336	33	1,360	991	336	33	1,360
2-May-17	Arslan Shafiq	House # 116 Mehran Block Allama Iqbal Town Lahore	ARSLAN SHAFIQ CNIC : 34602-1308690-7	M Shafiq Ashraf	480	148	31	659	480	148	31	659
2-May-17	Muhammad Hasnain	Flat # 508 Jiwani Homes , 5Th Floor Garden East Soldier Bazar No 3 Behind KMC Market Karachi	MUHAMMAD HASNAIN CNIC : 42301-2676479-7	Raza Ali	606	193	25	824	606	193	25	824

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

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Rupees in '000

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					Principal	Interest / Mark-up	Other	Total 5+6+7=8				
1	2	3	3	4	5	6	7	8	9	10	11	12
2-May-17	Shehzad Agha	H # D - 101 Block B North Nazimabad Near Hyderi Market Madina Masjid Karachi	SHEHZAD AGHA CNIC : 42101-0695208-1	Noor Nabi Agha	457	48	5	510	457	48	5	510
2-May-17	Ejaz Tauseef	House # B-30 Block-9 Gulshan E Iqbal Karachi	EJAZ TAUSEEF CNIC : 42201-2527763-7	Mohammad Tauseef Shamsi	1,138	115	5	1,258	1,138	115	5	1,258
1-Jun-17	Faraz Ahmed Qureshi	House # 83/2 Saba Avenue Road Phae 5 , Dha Near Pizza Hut / Cafe Zouq Karachi	FARAZ AHMED QURESHI CNIC : 42301-4756669-9	Maqbool Ahmed	1,019	385	34	1,438	1,019	385	34	1,438
1-Jun-17	Imran Shahid	House # R-896 Block # 15 F.B Area Near Bara Dari Karachi	IMRAN SHAHID CNIC : 42101-1749524-9	Shahid Akhtar	673	241	24	938	673	241	24	938
1-Jun-17	Hamid Ali	House # G-601/A St # 10 Dav College Road Rawalpindi	HAMID ALI CNIC : 37405-0251301-3	Abdul Hameed	495	165	25	685	495	165	25	685
1-Jun-17	Mumtaz Ali	House Number 347 Ameenabad Colony Pib Colony Karachi	MUMTAZ ALI CNIC : 42000-0548973-9	Ashiq Ali	658	184	40	882	658	184	40	882
4-Jul-17	Qadeer Hussain	House # 94, Street # 38 Overseas A, Bahria Town Lahore	QADEER HUSSAIN CNIC : 42302-6165651-3	Muhammad Hussain Shah	1,088	356	44	1,488	1,088	356	44	1,488
4-Jul-17	Syed Abu Talib	H # B 123 Block 13 D/2 Gulshan E Iqbal Near Faiz E Muhammad Masjid Karachi	SYED ABU TALIB CNIC : 42201-0281227-3	Syed Abdul Hai	412	119	25	556	412	119	25	556
2-Aug-17	Ashraf	Grand Residency # 2 B 7 St # 2 Bath Island Clifton Near French Embassy Karachi	ASHRAF CNIC : 91509-0117898-4	Pervez Shamsuddin Dardeia	491	227	44	762	491	227	44	762
2-Aug-17	Naeem Yaseen	H No 29-B Pia Cooperative Housing Society Near Shaukat Khanum Hospital Lahore Lahore	NAEEM YASEEN CNIC : 36601-8410800-7	Gulam Yaseen	643	200	39	882	643	200	39	882
2-Aug-17	Ahsan Ahmed Qureshi	House No 83/2, Saba Avenue Phase 5 Dha Near Cafe Zouq / Pizza Hutt Karachi	AHSAN AHMED QURESHI CNIC : 41304-7280263-9	Maqbool Ahmed Qureshi	704	316	40	1,060	704	316	40	1,060
2-Aug-17	Muhammad Arif	Flat # B519, Block B, Bilys Paradise, Ph 2, Gulistan E Joher Block 18, Nea Perfume Chowk, Karachi, Karachi	MUHAMMAD ARIF CNIC : 42301-5221253-3	Muhammad Ismail	741	232	28	1,001	741	232	28	1,001
2-Aug-17	Safdar Bashir	Flat # 1 1St Floor Building 11-E, Staff Line # Phase II Ext Khayaban E Jami Dha Karachi	SAFDAR BASHIR CNIC : 42301-4790883-7	Bashir Ahmed	840	267	29	1,136	840	267	29	1,136
2-Aug-17	S Muhammad Ali Shah	House # 793-B Ravi Block Allama Iqbal Town Lahore	S MUHAMMAD ALI SHAH CNIC : 35202-9465099-7	Syed Jamil Shah	1,328	437	28	1,793	1,328	437	28	1,793
2-Aug-17	Bial Ala Ud Din	H # 29 Block D Nfc Socity Near Wapda Town Lahore	BILAL ALA UD DIN CNIC : 35201-7272949-5	Ala Ud Din	374	95	34	503	374	95	34	503
6-Sep-17	Sana Ur Rehman	H # 330 Block Cc St # 5 Phase Iv Dha Lahore	SANA UR REHMAN CNIC : 35202-5122768-7	Raza Ur Rehman	-	347	302	649	-	347	302	649
6-Sep-17	Syed Masood Aziz	H No B-199 Block 3 Gulistan E Johar Karachi	SYED MASOOD AZIZ CNIC : 42201-4784657-9	Syed Abdulm Aziz	150	592	50	792	150	592	50	792
5-Sep-17	Faisal Masood Khan	H # 30/6 Link 12 Sarwar Road Cantt Near Rahat Bakery Lahore	FAISAL MASOOD KHAN CNIC : 37406-5016166-7	Masood Ali Khan	762	56	2	820	762	56	2	820
5-Sep-17	Sohail Masood	H # 4 Asif Park Allama Iqbal Road Garhi Shahu Behind Asif Center Lahore	SOHAIL MASOOD CNIC : 35202-6342274-5	Masood Ahmad Malik	394	108	20	522	394	108	20	522
5-Sep-17	Akhter Ali Umrani	Flat# B-402 Erum Shopping Mall Block 13 Gulistan E Jauhar Opp Mcb Karachi	AKHTER ALI UMRANI CNIC : 42201-0472179-3	Waili Muhammad	527	190	44	761	527	190	44	761
30-Jun-17	Khurram Islam	H D-80 4 Clifton Karachi	KHURRAM ISLAM CNIC : 42301-6711958-7	Islam Ullah Khan	375	270	-	645	375	270	-	645
30-Jun-17	Sagheer Khan	House # 3, B-103, Arif View Sector 5-K	SAGHEER KHAN CNIC : 42101-5884167-7	Peer Khan	322	199	-	521	322	199	-	521
6-Jan-17	Muhammad Asif Paracha	House # 138, Street # 19, Sector F-11/2, Rawalpindi / Islamabad	Muhammad Asif Paracha CNIC : 37405-6535165-9	Ghulam Farid Paracha	-	2,130	-	2,130	-	2,130	-	2,130
31-Jan-17	Svass Foods Products (Shewak Ram)	Plot # 201 2Nd Floor, Clifton Town, Plot # 9-C Stadium Lane # 4, Phase V Karachi	Svass Foods Products (Shewak Ram) CNIC : 42301-5158299-7	Kasi Ram	-	945	-	945	-	945	-	945
30-Jan-17	Liquat Saeed Lodhi	A-1/12, , Jacob Lines Housing Complex, Karachi	Liquat Saeed Lodhi CNIC : 42201-4069909-7	Sair Ahmed Khan Lodhi	-	18,560	-	18,560	-	18,560	-	18,560
26-Jan-17	Japan Belt House (Imran Nazir)	61-Badami Bagh, Lahore	Japan Belt House (Imran Nazir) CNIC : 35202-3280390-3	Nazir Ahmed	-	2,004	-	2,004	-	2,004	-	2,004
12-Apr-17	Muhammad Asghar	973, 20, Shehzada, Shaheed Gujranwala	Muhammad Asghar CNIC : 34101-6214945-3	Muhammad Ramzan	-	1,759	-	1,759	-	1,759	-	1,759
28-Apr-17	Muhammad Tahir	House No. C-11, , Block 17, F.B.Area, Rahimabad, Main Super Highway, Scheme 16 Karachi	Muhammad Tahir CNIC : 35202-2002468-7	Raja Rehmat Khan	-	6,440	-	6,440	-	6,440	-	6,440

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STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

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					Principal	Interest / Mark-up	Other	Total 5+6+7=8				
1	2		3	4	5	6	7	8	9	10	11	12
4-May-17	Ziad Hamid	House # 604, X Block, , Lahore	ZIAD HAMID CNIC : 35201-1662909-7	Khawaja Hamid Sadiq	2,133	4,686	-	6,819	2,133	4,686	-	6,819
17-May-17	Mohammad Imran	Gali Abdul, Wahid Wali, Mohallah Bawiwala, Noshera Road Gujranwala	MOHAMMAD IMRAN CNIC : 34101-7250901-9	Mohammad Shafique	-	5,703	-	5,703	-	5,703	-	5,703
22-May-17	Standard Steel	House # 4, St. # 7, Bhogiwal, Baghbanpura, Lahore	Standard Steel CNIC : 35201-7143635-3	Mian Muhammad Riaz	-	2,814	-	2,814	-	2,814	-	2,814
5-Jun-17	Aliya Zahid Khan	Khasra #1895, St. # 01 Yaseen Road, Karim Park Near Shell Petrol Pump, Lahore	Aliya Zahid Khan CNIC : 35200-1482505-4	Zahid Akhtar Hamayun	-	3,257	-	3,257	-	3,257	-	3,257
6-Sep-17	Syed Ali Raza	House # 152, Street # 48, Sector F-10/4, Rawalpindi / Islamabad	SYED ALI RAZA CNIC : 61101-5566868-7	Syed Wajid Ali	-	5,342	-	5,342	-	5,342	-	5,342
31-Oct-17	Muhammad Boota	House # : 58 Block # : Colony Mills 3.5 Km Manga Mand Street : Area : Raiwind Road Nearest Land Mark : City : Lahore	MUHAMMAD BOOTA CNIC : 35103-5745491-7	Barkat Ali	882	172	-	1,054	882	172	-	1,054
31-Oct-17	Irfan Qayyum Sheikh	House # : 365 Block # : Block Q Street : Area : Model Town Nearest Land Mark : City : Lahore	IRFAN QAYYUM SHEIKH CNIC : 35202-5837562-3	Sheikh Abdul Qayyum	477	97	-	574	477	97	-	574
31-Oct-17	Imtiaz Rehmat	House # : 38-E Block # : St # 177-A Madina Colony Street : Area : Baghban Pura Nearest Land Mark : City : Lahore	IMTIAZ REHMAT CNIC : 35201-7938566-9	Choudhary Rehmat Ali	678	138	-	816	678	138	-	816
31-Oct-17	Muhammad Yousuf	Flat # A-3 Block # : 3Rd Floor Al Hamra Markaz Plot Street : Area : Nazimabad # 2 Nearest Land Mark : Near Rose Men Saloon City : Karachi	MUHAMMAD YOUSUF CNIC : 42101-5509809-9	Ismail	661	134	-	795	660	134	-	794
31-Oct-17	Muhammad Nadeem Qureshi	House # : A-140 Block # : Block-J Street : Area : North Nazimabad Nearest Land Mark : Sakhi Hassan City : Karachi	MUHAMMAD NADEEM QURESHI CNIC : 42101-8570497-7	M Qutub Ud Din Qureshi	878	180	-	1,058	878	180	-	1,058
31-Oct-17	Ghulam Abbas	House # : 2787 Block # : Lane 2, Mukaram Town Street : Area : Mistral Road Nearest Land Mark : Yasir Public School City : Rawalpindi	GHULAM ABBAS CNIC : 37105-0284361-3	Ahmed Khan	469	86	-	555	468	86	-	554
31-Oct-17	Arif Khokhar Masih	House # : E-607 Block # : St No1 Khan Colony Street : Area : Near Ganda Nala Cantt Nearest Land Mark : City : Lahore	ARIF KHOKHAR MASHI CNIC : 35201-0197093-7	Suba Khokhar	480	98	-	578	479	98	-	577
31-Oct-17	Abdel Wahab Suleman	Appartment No 14 Block # : Block 33 Sector C Street : Area : Askari XI Neares Land Mark : City : Bedian Road Lahore	ABDEL WAHAB SULEMAN CNIC : 35201-0681080-3	Muhammad Suleman	443	91	-	534	442	91	-	533
30-Nov-17	Muhammad Tariq	House # : 3/4-F Block # : Tunisia Line Street : Area : Saddar Nearest Land Mark : 602 Army Work Shop City : Karachi	MUHAMMAD TARIQ CNIC : 42000-0373862-3	Muhammad Rafiq	1,631	333	-	1,964	1,631	333	-	1,964
30-Nov-17	Muhammad Tanveer	House # : 963/I Block # : St # 12, Ghaffar Kiani Road Street : Area : Aziz Abad, Tench Bhatta Nearest Land Mark : City : Rawalpindi	MUHAMMAD TANVEER CNIC : 37402-1879657-5	Muhammad Meharban	781	160	-	941	781	160	-	941
30-Nov-17	Muhammad Sufiyan	Flat No 01 Block # : Plot 7 1St Floor Street : Area : Salman Arcade Commercial Area Nearest Land Mark : City : Tech Society Canal Bank Road Lahore	MUHAMMAD SUFIYAN CNIC : 36502-0638740-9	Muhammad Rasheed	726	149	-	875	726	149	-	875
30-Nov-17	Mirza Asif Ali Jah	House # : R 604 Block # : Blk-16 Street : Area : F B Area Nearest Land Mark : Near Heart Hospital City : Karachi	MIRZA ASIF ALI JAH CNIC : 42101-8639489-1	Mirza Muhammad Ali Jah	683	122	-	805	683	120	-	803
30-Nov-17	Umar Nazir	House # : F 7/I Block # : Salman Arcade Street : Area : Tech Society Canal Bank Road Nearest Land Mark : City : Lahore	UMAR NAZIR CNIC : 34104-3286715-7	Nazir Hussain	571	117	-	688	571	116	-	687
30-Nov-17	Hanan Mariam	House # : Block # : 5-Tufail Road Street : Area : Nearest Land Mark : City : Cantt Lahore	HANAN MARIAM CNIC : 35201-8939089-6	Muhammad Tariq Javaid	500	104	-	604	500	104	-	604
30-Nov-17	Arshad Mahmood Khan	House # : 68 Block # : Khaiabani-Zohra Pia Road Street : Area : Nr Punjab Pharmacy Nearest Land Mark : City : Lahore	ARSHAD MAHMOOD KHAN CNIC : 45101-0618393-5	Muhammad Afzal Khan	450	102	-	552	450	102	-	552
30-Nov-17	Muhammad Noman	House # : 3 Block # : St No 2 Sunny Park Fateh Garh Street : Area : More Opp Shadab School Nearest Land Mark : City : Lahore	MUHAMMAD NOMAN CNIC : 36402-7511469-5	Khawar Nawaz	480	98	-	578	480	98	-	578
30-Nov-17	Chaudhary Adnan Aslam	House # : 142 Block # : Block A Eme Society Dha Phase Street : Area : 12 Nearest Land Mark : City : Lahore	CHAUDHARY ADNAN ASLAM CNIC : 38403-7280961-5	Chaudhary Muhammad Aslam	480	98	-	578	480	97	-	577

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

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

Rupees in '000

Write off Date	Party Name	Address	Name of the individuals / Partners/Directors (with C.N.I.C. No.)	Father's / Mother's / Husband Name	Outstanding Liabilities at beginning of year				Principal Written-off	Interest / Mark-up written-off	Other Financial Relief Provided	Total (9+10+11=12)
					Principal	Interest / Mark-up	Other	Total 5+6+7=8				
1	2		3		5	6	7	8	9	10	11	12
30-Nov-17	Khurram Shehzad	House #: 214 Block #: Shadman Colony Street : Area : Near Sawaira Store Nearest Land Mark : City : Lahore	KHURRAM SHEHZAD CNIC : 35202-4548878-9	Muhammad Haneef	450	96	-	546	450	96	-	546
30-Nov-17	Muhammad Imran Shahzad	House #: 319 Block #: Sector A 2 Block No 4 Street : Area : Near Township Nearest Land Mark : City : Lahore	MUHAMMAD IMRAN SHAHZAD CNIC : 38404-7934237-5	Muhammad Mumtaz Zaidi	505	92	-	597	505	92	-	597
30-Nov-17	Basharat Ali	House #: 05 Block #: St No 20 Wali Park Bagwan Pura Street : Area : Nearest Land Mark : Eid Millad E Nabi Wali Masjid City : Lahore	BASHARAT ALI CNIC : 34201-0354017-5	Muhammad Ashraf	428	88	-	516	428	87	-	515
30-Nov-17	Ghulam Abbas	House #: Jannat Colony Block #: Bhalley Banewal Post Office Street : Area : P/O Inamia Colony Nearest Land Mark : City : Lahore	GHULAM ABBAS CNIC : 35401-1691403-5	Muhammad Ramzan	430	87	-	517	430	87	-	517
30-Nov-17	Hafiz Noman Ahmad Khan	House #: 718-B Block #: Faisal Town Street : Area : Nearest Land Mark : City : Lahore	HAFIZ NOMAN AHMAD KHAN CNIC : 38403-5549057-1	Tarveer Ahmad Khan	464	85	-	549	464	75	-	539
30-Dec-17	Sheikh Umer Sohail	House #: 272 Block #: Street # 14, Khayaban-E-Shamsh Street : Area : Phase-V Dha Clifton Nearest Land Mark : Near Bank Alhabib City : Karachi	SHEIKH UMER SOHAIL CNIC : 42301-5935699-1	Sheikh Sohail Nisar	428	80	-	508	427	80	-	507
30-Dec-17	Umar Naeem	House #: 91 Block #: D Punjab Govt Employees Street : Area : Corporative Housing Society Nearest Land Mark : City : Phase 2 Lahore	UMAR NAEEM CNIC : 31101-1651900-9	Rana Muhammad Naeem Anjum	443	90	-	533	443	90	-	533
30-Dec-17	Abdul Basit	House #: 705 Block #: Huma Block Allama Iqbal Town Street : Area : Nearest Land Mark : City : Lahore	ABDUL BASIT CNIC : 35202-9820630-9	Muhammad Ashraf	678	139	-	817	678	139	-	817
30-Dec-17	Kashif Munir	House #: Block #: Plot # 67 Block # 4 Karim Park Street : Area : Opposite Farooqi Girls School Nearest Land Mark : City : Lahore	KASHIF MUNIR CNIC : 36302-5997586-3	Munir Hussain	537	110	-	647	537	110	-	647
30-Dec-17	Rana Ahmad Saeed	House #: P 16 S 52 Block #: Rasheed St Ibrahim Road Street : Area : Islam Gunj Nearest Land Mark : City : Lahore	RANA AHMAD SAEED CNIC : 35202-1515038-9	Muhammad Arshad Rana	1,191	246	-	1,437	1,191	246	-	1,437
30-Dec-17	Imran Ali	House #: 285 Block #: St # 18 Kot Bahar Singh Opposi Street : Area : Jawa Sweats Raiwind Nearest Land Mark : City : Lahore	IMRAN ALI CNIC : 35201-8499052-7	Ghulam Nabi	1,269	222	-	1,491	1,268	222	-	1,490
30-Dec-17	Furqan Ali	House #: 196 Block #: St #57, Swabian House Street : Area : G-9/4 Nearest Land Mark : City : Islamabad	FURQAN ALI CNIC : 35202-8343221-7	Naymat Ali	664	122	-	786	652	122	-	774
30-Dec-17	Waseem Nawaz	House #: 10 Block #: Rajpoot Rd # 50 Muhalla Gulzar Street : Area : Colony Neelem Chowk Nearest Land Mark : City : Lahore	WASEEM NAWAZ CNIC : 35201-6282403-5	Muhammad Shah Nawaz	620	103	-	723	620	103	-	723
30-Dec-17	Muhammad Murad Khan	House #: 17 Block #: Ground Floor St No 34 Street : Area : Korang Town Nearest Land Mark : City : Islamabad	MUHAMMAD MURAD KHAN CNIC : 37405-0393451-9	Muhammad Shmshad Khan	581	106	-	687	577	106	-	683
30-Dec-17	Tariq Bashir Sindhu	House #: 2/23 Block #: Mian Park Main Walton Road Nr Street : Area : Toyota Motors Nearest Land Mark : City : Lahore	TARIQ BASHIR SINDHU CNIC : 35202-9250902-1	Muhammad Bashir Sindhu	546	100	-	646	545	100	-	645
30-Dec-17	Alamzeb	House #: 170 Block #: St # 73 Street : Area : G-9/3 Nearest Land Mark : City : Islamabad	ALAMZEB CNIC : 16101-1164641-9	Wail Muhammad	487	88	-	575	487	88	-	575
30-Dec-17	Ahsan Abid	House #: 14-F Block #: Ali View Garden Street : Area : Phase 3, Bedian Road Nearest Land Mark : City : Lahore	AHSAN ABID CNIC : 35202-2827385-3	Abid Aziz	470	83	-	553	470	83	-	553
30-Dec-17	Rana Shabbir Haider	House #: 403 Block #: Blocke 1 Street : Area : Johar Town Nearest Land Mark : City : Lahore	RANA SHABIB HAIDER CNIC : 35202-2517196-1	Rana Nazeer Ahmed	885	160	-	1,045	885	160	-	1,045
30-Dec-17	Ghulam Ali	House #: 95-A Block #: Fazal Street Near Bismillah Street : Area : Bakers Store Gari Shahu Nearest Land Mark : City : Lahore	GHULAM ALI CNIC : 38402-5220969-3	Sultan Ali	638	92	-	730	637	92	-	729
31-Oct-17	Shehzad Nadeem	House #: 90 Block #: A-3 Street : Area : Johar Town Nearest Land Mark : City : Lahore	SHEHZAD NADEEM CNIC : 35202-3384441-7	Mohammad Zubair	678	137	-	815	678	137	-	815
31-Oct-17	Muhammad Sohail	Flat # 3 Block #: Mian Azam House Taj Pura Street : Area : Near Gourmment Bakery Nearest Land Mark : City : Lahore	MUHAMMAD SOHAIL CNIC : 36203-3693326-1	Muhammad Iqbal	484	97	-	581	484	97	-	581
31-Oct-17	Muhammad Saleem	House #: H No Dk 70 Block #: Street : St 6 Area : Farooqezam Road Bial Colony Nearest Land Mark : Near Adrees Karyana Store City : Rawalpindi	MUHAMMAD SALEEM CNIC : 37405-6027942-7	Muhammad Hanif	479	101	-	580	479	101	-	580

Contd.

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

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

Rupees in '000

Write off Date	Party Name	Address	Name of the individuals / Partners/Directors (with C.N.I.C. No.)	Father's / Mother's / Husband Name	Outstanding Liabilities at beginning of year				Principal Written-off	Interest / Mark-up written-off	Other Financial Relief Provided	Total (9+10+11=12)
					Principal	Interest / Mark-up	Other	Total 5+6+7=8				
1	2		3	4	5	6	7	8	9	10	11	12
31-Oct-17	Fehmeeda Rehmata	House #: 17, Block #: Street 3 Street : Area : G-7/3-2, Fathers Colony Nearest Land Mark : Near Service Morr, City : Islamabad	FEHMEEDA REHMATA CNIC : 61101-8015160-8	Malik Rehmata Manzoor	532	105	-	637	532	105	-	637
31-Oct-17	Muhammad Faheem Asghar	House #: 532 Block #: Pak Block Street : Area : Allama Iqbal Town Nearest Land Mark : City : Lahore	MUHAMMAD FAHEEM ASGHAR CNIC : 31303-846091-9	Asghar Ali Javed	627	123	-	750	627	123	-	750
31-Oct-17	Syed Ali Mohsin Naqvi	House #: 362 Block #: E-Block Pia Society Street : Area : Nr Wapda Town Nearest Land Mark : City : Lahore	SYED ALI MOHSIN NAQVI CNIC : 35202-3199080-1	Syed Zia Hussain Naqvi	883	174	-	1,057	883	174	-	1,057
31-Oct-17	Danish Sharif Khan	House #: 4B Block #: 10/3 Street : Area : Nazimabad-4 Nearest Land Mark : City : Karachi	DANISH SHARIF KHAN CNIC : 42101-0909013-1	Muhammad Sharif	1,100	213	-	1,313	1,100	213	-	1,313
30-Nov-17	Haris Shams	House #: 518/1 Block #: Block Z Street : Area : Loch Society Cantt Nearest Land Mark : City : Lahore	HARIS SHAMS CNIC : 35201-1609491-1	Shams Ur Rehman	584	121	-	705	584	121	-	705
30-Nov-17	Muhammad Khurram Ahsan Khan	House #: E13/13 Block #: V-9, Hassan Lane, Abid Rd Street : Area : Cavalary Ground Lahore Cantt Nearest Land Mark : City : Lahore	MUHAMMAD KHURRAM AHSAN KHAN CNIC : 35201-3512717-9	Shan Muhammad Khan	513	106	-	619	513	106	-	619
30-Nov-17	Muhammad Shahid	House #: 439 Block #: Ponch Rd Street : Area : Sannabad Nearest Land Mark : City : Lahore	MUHAMMAD SHAHID CNIC : 32301-3100847-1	Masitay Khan	610	118	-	728	610	118	-	728
30-Nov-17	Muhammad Naeem	House #: 20/A Block #: 1St Floor Room No 12 Aitchison Street : Area : Society Fatima Masjid Trg Nearest Land Mark : City : Street Opp Raiwind Road Lahore	MUHAMMAD NAEEM CNIC : 35202-7019459-7	Jan Muhammad	739	145	-	884	739	145	-	884
30-Dec-17	Saiman Qayyum	House #: 59 Block #: Badar Block Street : Area : Allama Iqbal Town Nearest Land Mark : City : Lahore	SALMAN QAYYUM CNIC : 61101-8490068-5	Abdul Qayyum	620	124	-	744	620	124	-	744
30-Dec-17	Syed Faisal Jamal	House #: A-634 Block #: Block L Street : Area : North Nazimabad Nearest Land Mark : Near Uubi Bank City : Karachi	SYED FAISAL JAMAL CNIC : 42101-9491113-1	Syed Nasir Jamal	453	88	-	541	453	88	-	541
30-Dec-17	Muhammad Abdooho Abdali	House #: 547 Block #: P Block B Cana View Housing Street : Area : Society Thokar Niazi Baig Nearest Land Mark : City : Lahore	MUHAMMAD ABDOOHO ABDALI CNIC : 35202-3052587-5	Chaudhry Rahmat Ali	469	94	-	563	469	94	-	563
30-Dec-17	Zulfiqar Malik	House #: 322-A Block #: Block-F Street : Area : Gulshan-E-Ravi Nearest Land Mark : City : Lahore	ZULFIQAR MALIK CNIC : 35202-4433142-5	Muhammad Qayyum Malik	474	94	-	568	474	94	-	568
30-Dec-17	Shahid Hussain Abro	Fiat # 41 Block #: Humayun House Street : Area : Garden West Nearest Land Mark : Fawara Chowk City : Karachi	SHAHID HUSSAIN ABRO CNIC : 43207-0851967-1	Khadim Hussain Abro	699	130	-	829	699	130	-	829
30-Dec-17	Muzammal Muqarrab Chattha	House #: 164-T Block #: Phase li Near Laik Chowk Street : Area : Dha Nearest Land Mark : City : Cantt Lahore	MUZAMMAL MUQARRAB CHATTHA CNIC : 34301-555072-9	Muqarrab Hussain	737	145	-	882	737	145	-	882
30-Dec-17	Syed Mobashir Bokhary	House #: 256 Block #: Ft1, Street : Area : Dha Nearest Land Mark : City : Lahore	SYED MOBASHIR BOKHARY CNIC : 35201-1273873-7	Syed Maqsood Shah	776	164	-	940	776	164	-	940
30-Dec-17	Muhammad Awais Akram	House #: 543 Block #: Kamran Block Allama Iqbal Street : Area : Town Nearest Land Mark : City : Lahore	MUHAMMAD AWAIS AKRAM CNIC : 35202-2477497-7	Muhammad Akram Khan	1,000	198	-	1,198	1,000	198	-	1,198
30-Dec-17	Muhammad Iftikhar Younas	House #: 143 Block #: Abpara Housing Society Street : Area : 16 Km Multan Rd Nr Erme Society Nearest Land Mark : City : Lahore	MUHAMMAD IFTIKHAR YOUNAS CNIC : 35202-3622939-7	Muhammad Younas	1,075	210	-	1,285	1,075	210	-	1,285
3-Oct-17	Hasan Mahmood Zuberi	House No B 63 Block 12 Gulistan E Johar Near Rado Tower Karachi	HASAN MAHMOOD ZUBERI CNIC : 42201-8603731-7	Mahmud Ul Zafar	365	126	30	521	365	126	30	521
3-Oct-17	Ali Malik	368 Humza Block Allama Iqbal Town Lahore	ALI MALIK CNIC : 35202-0927491-1	Malik Abdul Aleem	471	156	29	656	471	156	28	655
3-Oct-17	Nadeem Ahmed Khan	House # 03 Street # 04 Bani Gala Near Masjid Al Farooq Islamabad	NADEEM AHMED KHAN CNIC : 61101-1395940-1	Muhammad Munir Khan	363	118	30	511	363	118	30	511
3-Oct-17	Syed Adeel Akhter	House # R-514 Sector # 15-A/3 Buffer Zone North Nazimabad Town Near Mehmoodia Masjid Karachi	SYED ADEEL AKHTER CNIC : 42101-0135460-3	Syed Jawaid Akhter	409	115	32	556	409	115	32	556
3-Oct-17	Sardar Muhammad Usman Almani	House No 209/2/2 28Th Street Kh-E-Roomi Phase 8 Dha Cas School Karachi	SARDAR MUHAMMAD USMAN ALMANI CNIC : 45302-6169351-1	M Alam Almani	469	176	27	672	469	176	27	672

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

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Rupees in '000

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					Principal	Interest / Mark-up	Other	Total 5+6+7=8				
1	2		3	4	5	6	7	8	9	10	11	12
3-Oct-17	Muhammad Saleem Jan	House No 18/1-A Golf Course Road No 2 Phase 4, Dha Near Nishat Shaheed Park Karachi	MUHAMMAD SALEEM JAN CNIC : 42301-2703834-1	Jan Muhammad Usman	818	194	31	1,043	818	194	31	1,043
1-Nov-17	Muhammad Ayaz Khan	H # 85 St # 59 I 8/3 Islamabad	MUHAMMAD AYAZ KHAN CNIC : 61101-9256543-7	Sher Zaman Khan	399	88	29	516	399	88	29	516
1-Nov-17	Rafiq Ahmad	H# 39 Adiala Road Milat Colony Near Lillah Cng Station Rawalpindi	RAFIQ AHMAD CNIC : 38403-8597175-9	Mian Muhammad	408	94	37	539	408	94	37	539
1-Nov-17	Ather Javed	House # 349, Street # 30 Sector - 2 Gulshanabad Adyaila Road Rawalpindi	ATHER JAVED CNIC : 61101-8328623-7	Noor Muhammad	729	79	5	813	729	79	5	813
1-Nov-17	Arshad Iqbal	H # 102 Phase I Iqbal Avenue Housing Society Near Shaukat Khanam Hospital Johar Town Lahore	ARSHAD IQBAL CNIC : 35202-2925908-9	M Ibrahim	718	116	8	842	718	116	8	842
1-Nov-17	Aamir Tauqeer Elahi	H # 18 St # 06 Medical Hosing Scheme Near So20 Water Park Lahore	AAMIR TAUQEER ELAHI CNIC : 34201-5967914-9	Fazal Elahi	695	229	30	954	695	229	30	954
1-Nov-17	Umer Mushtaq Butt	H # 20 Block C3 Gulberg Iii Lahore	UMER MUSHTAQ BUTT CNIC : 35202-1146321-5	Mushtaq Ahmed Butt	587	197	28	812	587	197	28	812
1-Nov-17	Malik Junaid Iftikhar	House # 1019 Street # 45 Sector E-11/3 Islamabad	MALIK JUNAID IFTIKHAR CNIC : 61101-2031135-1	M Iftikhar Hussain Javed	643	194	49	886	643	194	49	886
1-Nov-17	Hasan Aseff Kayani	House# 137 Street# 2 Cavalry Ground Cantt Lahore	HASAN ASEFF KAYANI CNIC : 35201-1537896-9	Asif Rashid	494	146	45	685	494	146	45	685
1-Nov-17	Saima	H# C-4/7 C Area Malir Colony Opp Liaquat College Karachi	SAIMA CNIC : 42401-1776529-0	Muhammad	367	123	28	518	367	123	28	518
1-Nov-17	Shoaib Qamar	Survey # 37 H # 41/8 Jannat Ul Barkat Society Malir Model Colony Near Bohri Jamat Khana Karachi	SHOAIB QAMAR CNIC : 42201-0327904-1	Qamar Iqbal	375	98	35	508	375	98	35	508
4-Dec-17	Muhammad Aleem Khan	House No C-17 Block-D North Nazimabad Near Five Star Chorangi Karachi	MUHAMMAD ALEEM KHAN CNIC : 42101-1398114-5	Muhammad Khan	1,195	340	32	1,567	1,195	340	32	1,567
4-Dec-17	Saleem Akhtar	House # 239-A Block G Gulshan Ravi Near Madina Park Lahore	SALEEM AKHTAR CNIC : 35202-3029555-3	Sh M Shafi	448	137	30	615	448	137	30	615
4-Dec-17	Muhammad Khizar Fayyaz	H # 506 , Block- D , Pwd Colony , Lohi Bheer , Islamabad	MUHAMMAD KHIZAR FAYYAZ CNIC : 42501-1938411-5	Fayyaz Ahmed	501	53	9	563	501	53	9	563
4-Dec-17	Arif Ullah Khan	H # 45- G Punjab Small Industries Society Near Allied School Lahore	ARIF ULLAH KHAN CNIC : 11201-0396544-3	Bahdar Sher	633	213	24	870	633	213	24	870
4-Dec-17	Danish Tanveer	House No 67-A Fcc Syed Maratab Ali Road Gulberg Iv Lahore	DANISH TANVEER CNIC : 37201-1576048-7	Kh Muhammad Tanveer	485	132	25	642	485	132	25	642
4-Dec-17	Khalid Zafar	H # 524 St # 104 1-8/4 Islamabad Near Habibi Restaurant Islamabad	KHALID ZAFAR CNIC : 37405-2216116-1	Zafar Ahmad	606	190	27	823	606	190	26	822
19-Dec-17	Nusrat Ullah Khan	House No. C-84, Anum Homes, Jamia Miilia Road, Malir	Nusrat Ullah Khan CNIC : 42201-4765053-3	Liaquat Ullah Khan	-	1,204	-	1,204	-	1,204	-	1,204
31-Jan-17	Daha Colon Traders	Shah Jamal Jatoti Road, Head Bakaini Tehsil Jatoti District Muzafargarh.	Mian Shoaib Ashiq Daha CNIC : 32302-1733630-9	Mian Ashiq Husain	2,266	5,577	-	7,843	-	4,872	-	4,872
26-Apr-17	Arzoo Motor Industries Pvt Ltd	House No. 3/A, Block H, Gulberg III, Lahore	Humera Shafique CNIC : 35202-2649051-6 M. Shafique Chaudhary CNIC : 35202-2812241-3	W/o M Shafique Ch. Ch Faqir Muhammad	1,496	7,923	-	9,419	-	7,923	-	7,923
5-May-17	Sheikh Enterprises	Suit No. 3, 1st Floor, Mian Center, 20- Abbot Road, Lahore.	Sheikh Saud Shehzad CNIC : 35202-6347111-1	Sheikh Muhammad Dawood	3,993	4,960	-	8,953	1,993	4,960	-	6,953
21-Apr-17	Crescent Printing Press	4-Rasool Park Lahore	Mrs. Khawar Zareen CNIC : 35202-7478907-6 Samim Omer Siddiqui CNIC : 35202-7372759-9	W/o Muhammad Safdar Siddiqui Muhammad Safdar Siddiqui	7,197	2,035	-	9,232	-	2,032	-	2,032
11-May-17	Monnoo Dairies (Pvt) Ltd	91-E/1, Gulberg-III, Hall Road, Lahore. 37-4KM Chiniot Jhang Road, Megini Bhawana, Tehsil & Distt Chiniot.	Muhammad Irfan Monnoo CNIC : 35202-1264929-1 Mrs. Rukhsana Monnoo CNIC : 35202-5138840-0	S/o Mian Muhammad Rafi Monnoo W/o Muhammad Irfan Monnoo	7,917	1,169	-	9,086	7,917	1,169	-	9,086
15-Jun-17	Tradesia International	14-B Canal Park, Bambanwala Road, Daska, Sialkot.	Riffat Mehmood Qazi CNIC : 34601-6405243-1	S/o Saleem Ullah	9,000	3,292	-	12,292	-	3,092	-	3,092
4-Aug-17	Dar Engineering	Naz Street, Mohallah Rangpura, Gujrat.	Shaheen Akhtar Dar CNIC : 34201-4670943-5	Chaudhary Muhammad Latif	1,987	898	-	2,885	-	898	-	898

Contd.

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

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

Rupees in '000

Write off Date	Party Name	Address	Name of the individuals / Partners/Directors (with C.N.I.C. No.)	Father's / Mother's / Husband Name	Outstanding Liabilities at beginning of year				Principal Written-off	Interest / Mark-up written-off	Other Financial Relief Provided	Total (9+10+11=12)
					Principal	Interest / Mark-up	Other	Total 5+6+7=8				
1	2		3	4	5	6	7	8	9	10	11	12
29-Sep-17	Adli Packages	67-69 Industrial Estate, Multan	Abdul Ghaffar CNIC : 91400-0194673-9 Abdul Jabbar CNIC : 36302-3966403-7	S/o Niaz Muhammad S/o Niaz Muhammad	27,382	5,861	-	33,243	-	5,861	-	5,861
29-Sep-17	Agri Farm Services	53-C, Dhup Sari Road, Near Chungi No-1, Multan 77-Industrial Estate, Multan	Aamir Aziz Malik CNIC : 36302-9139512-3 Amna Mustafa Dogar CNIC : 35301-1894332-0	S/o Malik Aziz-ur- Rehman W/o Aamir Aziz Malik	13,637	5,431	-	19,068	-	5,431	-	5,431
29-Sep-17	Al Mehboob Oil Industries	Al Mehboob Oil Industries	Muhammad Shaharyar CNIC : 42301-3195948-9 Kabeeruddin Sojla CNIC : 42301-1872049-1	Mr. Kabeeruddin Mr. Mairajuddin	49,000	5,903	-	54,903	-	5,903	-	5,903
29-Sep-17	Al-Rehman Enterprises	Chungi # 6, Near Toyola Multan Motors, Bosan Road, Multan NEIL Coat, Bosan Road, Multan	Asad Farooq Khan Khakwani CNIC : 36302-8413451-9 M. Farooq Khan Khakwani CNIC : NA Mst. Surriya Nahid CNIC : 36302-3478609-8	M. Farooq Khan Khakwani Shah Nawaz Khan W/o M. Farooq Khan Khakwani	7,499	3,025	-	10,524	-	3,025	-	3,025
29-Sep-17	Arshad Industries	House # 134-B, Model Town, B Post Office, Ghala Mandi, Bahawalpur	Muhammad Arshad CNIC : 31202-9138097-5	Chadhy Barkat Ullah	4,800	2,194	-	6,994	-	2,194	-	2,194
29-Sep-17	Awais Steel Traders	188- Loha Market, Landa Bazar, Lahore. House # 258, Block-GG, Phase # IV, DHA, Lahore.	Sheikh Awais Ahmed CNIC : 35202-4180299-3	Sheikh Ahmed Din	24,998	5,435	-	30,433	-	5,435	-	5,435
29-Sep-17	AZM Chemical Company	AZM Chemical Company	Syed Wajahat Hussain Zaidi CNIC : 42201-0967845-9	Syed Muhammad Aslam Zaidi	88,970	12,777	-	101,747	-	12,777	-	12,777
29-Sep-17	Farooq Centre	Farooq Centre	NA	NA	8,891	1,397	-	10,288	-	1,397	-	1,397
29-Sep-17	Ghosia Machinery Store	Bus Stop, Salam Pura, Daroghawala and G. T. Road, Lahore.185-E-1, Johar Town, Lahore.	Mr. Salman Farooq CNIC : 35402-8056427-7	Muhammad Farooq	24,998	1,875	-	26,873	-	1,875	-	1,875
29-Sep-17	Ivy Interface	Ivy Interface	Farid Hassan Ali CNIC : 42301-1024659-3 Suhail Sarwa	Hassan Ali Khan K. M. Sanwar	15,734	1,317	-	17,051	-	1,317	-	1,317
29-Sep-17	Lakk Developers Pvt Ltd	House # 1, Ahmed Yar Lakk Estate, Opp. Block V-II, DHA, Lahore.Savoey Hotel, 237-A-3, Gurmangat Road, Gulberg-III, Lahore	Maher Ahmed Shuja-ur-Rehman Lakk CNIC : 35200-5045667-7 Mrs. Farzana Shuja-ur-Rehman Lakk CNIC : 35201-8678610-8 Matloob Begum CNIC : 38403-9106017-0	Maher Ahmed Yar Khan Lakk Maher Ahmed Shuja ur Rehman Lakk Maher Ahmed Yar Khan Lakk	35,999	5,426	-	41,425	-	5,426	-	5,426
29-Sep-17	Mudassar & Co.	Grain Market, Rahim Yar Khan	Mudassar Hussain Ch CNIC : 31303-9852645-1	Muhammad Hussain	5,077	2,786	-	7,863	-	2,786	-	2,786
29-Sep-17	Iqbal & Co. (Munir Ahmed)	Main Saeed Wala, Jaranwala Road, More Khunda, Tehsil & District Nankana.	Sheikh Munir Ahmed CNIC : 35402-8056427-7	S/o Sheikh M. Siddique	9,498	3,837	-	13,335	-	3,837	-	3,837
29-Sep-17	Muzammil Traders	Grain Market, Rahim Yar Khan	Muzammil Hussain CNIC : 31303-7451248-1	Muhammad Hussain	15,500	1,446	-	16,946	-	1,446	-	1,446
29-Sep-17	New Haq Traders	Railway Road, Samundri Market, Gojra District Toba Tek Singh	Aqdas Mehmood CNIC : 33301-2082034-7	Abdul Ghani	3,896	2,379	-	6,275	-	2,379	-	2,379
29-Sep-17	Pace Pesticides	5,6,7,8 1st Floor, Trust Plaza, Multan 212 BlockJ, Shah Rukh-e-Alam Colony, Multan	Muhammad Ayyaz Saleem CNIC : 36302-1918351-5 Muhammad Naeem CNIC : 36302-2020084-3 Humera Begum CNIC : 36302-6465425-2	S/o Muhammad Sharif S/o Muhammad Sahrif W/o Muhammad Ayyaz Saleem	3,416	503	-	3,919	-	503	-	503
29-Sep-17	Plyfo Industries	5 KM, Gujranwala Road, Ail Pur Chatta	Abdul Ghani Gill CNIC : 34104-2287813-5 Abdul waheed Gill CNIC : 34104-2310743-5 Masood Rana Gill CNIC : 34104-2261018-9	Imam Deen Gill Imam Deen Gill Imam Deen Gill	9,220	2,362	-	11,582	-	2,362	-	2,362
29-Sep-17	Saud Builders & Developers	Saud Builders & Developers	Saud Ahmed Khan CNIC : 41303-9644484-1	Matloob Ahmed	25,000	5,428	-	30,428	-	5,428	-	5,428
29-Sep-17	Smmar International	E-28, Walton Road, Lahore	Arif Rehman CNIC : 35201-8255777-5 Shazia Arif CNIC : NA	Mirza Abdul Rahim	32,029	3,163	-	35,192	-	3,163	-	3,163

STATEMENT OF WRITTEN-OFF LOANS

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

ANNEXURE - I

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

Rupees in '000

Write off Date	Party Name	Address	Name of the individuals / Partners/Directors (with C.N.I.C. No.)	Father's / Mother's / Husband Name	Outstanding Liabilities at beginning of year				Principal Written-off	Interest / Mark-up written-off	Other Financial Relief Provided	Total (9+10+11=12)
					Principal	Interest / Mark-up	Other	Total 5+6+7=8				
1	2		3	4	5	6	7	8	9	10	11	12
29-Sep-17	Super Crop, Sciences	13-B, Khayaban-e-Sarwar, D.G. Khan House # 26, Block-N, D.G Khan	Mian Abdul Rehman CNIC : 32102-4515727-5 Saadat Ali Arshed CNIC : 32102-1946809-1	Noorang Khan Din Muhammad	6,800	1,831	-	8,631	-	1,831	-	1,831
29-Sep-17	Universal Plus Enterprises	1.5 KM Mala Road, Raja Jang, Tehsil & District Kasur.	Manzoor Ahmed Khan CNIC : 35102-0567558-1 Ihsan Ul Haq CNIC : 35202-7008905-5	Maqsood Khan Mukhtar Ahmed Akhtar	11,749	1,890	-	13,639	-	1,890	-	1,890
6-Oct-17	Haji Karim Dino & Zulfqar Ali	Village Abad Lakha, Airport Road, Sukkur, Sindh	Ashfaq Ahmed Butt CNIC : 35202-9007425-3 Khuram Shahzad Butt CNIC : 35202-3841556-1 Ghulam Hyder Butt CNIC : 35202-6870324-9	Ghulam Nabi Butt Ghulam Nabi Butt Ghulam Nabi Butt	9,997	1,777	-	11,774	-	1,777	-	1,777
29-Nov-17	Gold Auto Industry	H No. 2, Street # 1, Mohalla Muhammad Pura Jattan crown Park, Baghanpura, Lahore.	Haji Muhammad Ramzan CNIC : 35202-2796526-9	Ch Charagh Din.	7,999	1,799	-	9,798	-	1,798	-	1,798
29-Dec-17	Al-Hamd Trading	5th Floor, PIDC House, Dr. Ziauddin Ahmed Road, Karachi.	Mubinullah Khan CNIC: 501-70-104840	Mohsinullah Khan	3,261	1,474	-	4,735	-	1,474	-	1,474
16-Jan-17	Metal Art Enterprises	38-B, ALI TOWN, RAIWIND ROAD, LAHORE	Mr. Sohail Akhter Awan CNIC: 35202-2543865-5	Mr. Muhammad Zakariya	-	6,942	-	6,942	-	4,442	-	4,442
31-May-17	Aftab Enterprises	28-C-1, Nespak Society, Near Ghazi Chowk, Township College Road, Lahore	Mr. Aftab Ahmed Gondal CNIC: 35202-7225620-1	Ch. Muhammad Inayat Gondal	13,861	8,946	-	22,807	-	9,622	-	9,622
30-Dec-17	Imran Ijaz	NA	CNIC: 35202-8579400-3	NA	898	15	-	913	898	-	-	898
					717,217	252,606	3,280	973,103	228,035	245,752	3,278	477,065

EMAAN ISLAMIC BANKING BUSINESS

FOR THE YEAR ENDED DECEMBER 31, 2017

Annexure - II

The Bank is operating with 30 Islamic Banking branches at the end of 2017 (2016: 10). The statement of financial position and profit and loss account of these branches as at December 31, 2017 and for the year are as follows:

	Note	2017 Rupees in '000	2016
A) STATEMENT OF FINANCIAL POSITION			
ASSETS			
Cash and balances with treasury banks		1,019,435	1,094,979
Balances with other banks		24,445	24,214
Due from financial institutions		-	919,857
Investments		1,670,391	981,480
Islamic financing and related assets	A-2.1	17,527,355	8,222,658
Operating fixed assets		213,197	94,118
Other assets		814,011	1,299,245
		21,268,834	12,636,551
LIABILITIES			
Bills payable		609,142	491,048
Due to financial institutions		-	-
Deposits and other accounts			
- Current accounts		4,344,680	2,772,405
- Saving accounts		2,080,377	1,510,460
- Term deposits		3,517,899	2,432,477
- Others		71,759	38,015
- Deposit from financial institutions - remunerative		4,241,823	4,147,991
- Deposits from financial institutions - non-remunerative		-	39
Other liabilities		3,808,701	51,207
		18,674,381	11,443,642
NET ASSETS		2,594,453	1,192,909
REPRESENTED BY:			
Islamic Banking Fund		2,325,000	1,325,000
Reserves		-	-
Unappropriated profit / (Accumulated loss)		275,943	(130,526)
		2,600,944	1,194,474
Deficit on revaluation of assets		(6,491)	(1,565)
		2,594,453	1,192,909
Contingencies and commitments	A-2.2		
A-2.1 Islamic financing and related assets			
Murabaha	A-2.1.1	1,017,436	1,228,192
Musawammah	A-2.1.2	642,768	887,155
Diminishing Musharaka		15,867,151	6,107,311
		17,527,355	8,222,658
A-2.1.1 Murabaha			
Financing / receivables		910,838	683,057
Advances		106,598	545,135
	A-2.1.1.1	1,017,436	1,228,192

EMAAN ISLAMIC BANKING BUSINESS

FOR THE YEAR ENDED DECEMBER 31, 2017

Annexure - II

	2017	2016
	Rupees in '000	
A-2.1.1.1 Murabaha - gross	1,152,338	1,323,877
Less: Deferred income	(27,363)	(28,413)
Profit receivable shown in other assets	(107,539)	(67,272)
	<u>1,017,436</u>	<u>1,228,192</u>
A-2.1.2 Musawammah - gross	807,609	1,181,709
Less: Deferred income	(71,863)	(164,585)
Profit receivable shown in other assets	(92,978)	(129,969)
	<u>642,768</u>	<u>887,155</u>
A-2.2 Contingencies and commitments		
Guarantees favoring		
Government	-	12,118
Banking companies and other financial institutions	1,512,849	1,255,214
Others	-	-
Commitments in respect of forward exchange contracts		
Forward exchange contracts with State Bank of Pakistan, banks and other institutions		
Sale	66,289	-
Purchase	1,513,433	1,255,925
Commitments in respect of		
Property, civil work and equipment	172,479	-
B) REMUNERATION TO SHARIA BOARD	<u>10,371</u>	<u>9,750</u>

C) During the year no charity was credited to Charity Fund account nor any payment made out of it.

EMAAN ISLAMIC BANKING BUSINESS

FOR THE YEAR ENDED DECEMBER 31, 2017

Annexure - II

D) PROFIT AND LOSS ACCOUNT

	Note	2017	2016
		Rupees in '000	
Profit / return earned on financings, investments and placements		1,274,327	717,486
Return on deposits and others dues expensed		(490,666)	(347,484)
Net spread earned		783,661	370,002
Other income			
Fees, commission and brokerage income		24,380	8,180
Income / (loss) from dealing in foreign currencies		14,830	(122)
Gain / (loss) on sale of securities		929	(601)
Other income		6,547	5,486
		46,686	12,943
Other expenses		830,347	382,945
Administrative expenses		(410,484)	(334,223)
Other provisions / write offs - net		(4,989)	-
Other charges	32	(8,404)	(351)
		(423,877)	(334,574)
Profit before taxation		406,470	48,371

E) DISCLOSURES

The number and nature of pools maintained by the IBD along with their key features and risk and reward characteristics are as follows:

Emaan Islamic Banking, the Islamic Banking Division (IBD) of Silkbank Limited, has a well-defined profit and loss distribution and pool management framework for creation of one or more pools of assets to be financed by different types of deposits. Currently, the IBD has the policy of maintaining a single Mudaraba Pool. All funds obtained through Islamic Banking operations are being invested in this Common Mudaraba Pool. The key features and risk / reward features of the same are given below:

Key features

The Account Holder, in his capacity as the fund provider (called Rabbul Mal in Fiqh terminology) authorises the IBD acting as the investment manager (called Mudarib in Fiqh terminology) to invest the Account Holder's funds on the basis of an unrestricted Mudaraba agreement in line with rules and principles of Shari'a.

Under the unrestricted Mudaraba agreement, the IBD in its capacity as the fund manager invests the funds accepted from Account Holders in Shari'a compliant financing and investments. The IBD receives a pre-agreed percentage (Mudarib Share) of the profit generated from these activities.

In line with the principles of commingling 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 had created an Islamic Banking Fund of Rs. 425 million which was subsequently increased to Rs. 2,325 million and has been deposited in its common Mudaraba pool.

EMAAN ISLAMIC BANKING BUSINESS

FOR THE YEAR ENDED DECEMBER 31, 2017

Annexure - II

Risk and reward characteristics

The profit is shared between the Rabbul Mal and the Mudarib as per the agreed ratio, while the loss, if any, is borne by the Rabbul Mal in proportion to his invested amount unless the Mudarib is found to be negligent or in breach of the terms and conditions of the Mudaraba Agreement.

In case of commingling of the Mudarib's own funds with the funds of the Account Holders, the Mudarib shall get the full profit of its own funds and bear the entire loss thereof.

Profit (or loss) for the Account Holder is calculated on the basis of a weightage system which takes into consideration the size of funds, its period and profit payment frequency (details of the weightages are available in all the branches and Silkbank's website). The bigger the size of the fund and the longer the tenor, the higher would be the weightage allocated to the fund for profit distribution.

Profit Rate and Weightages announcement period

The profit sharing ratio, profit rate and weightages are announced monthly. Although SBP allows to revise the profit sharing ratio and weightages for the period concerned, EIB has revised the Profit Sharing Ratio (PSR) only once during the year 2017. The weightages, however, were not revised and remained same during the year 2017.

Avenues / sectors of economy / business where 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, Telecommunication, Manufacturing and Services sectors.

Parameters used for allocation of profit, charging expenses and provisions etc. along with a brief description of their major components

The profit of deposit pool is calculated on the earning assets booked by utilising the funds from the pool. No general or administrative nature of expense is charged to the pool. The profit of the pool is shared among the members of the pool on pre-defined mechanism based on the weightages announced before the profit calculation period.

Profit and loss distribution in Common Mudaraba Pool

2017

General Depositors Pool	Mudarib Share - net of Hiba and including the Mudarib Fee ('000)	Mudarib Share - net of Hiba and including the Mudarib Fee (%)	Amount of Mudarib share transferred to depositors through Hiba ('000)	Profit Rate and Weightages announcement period	Mudarib share transferred to depositors through Hiba (%)	Profit Rate earned (%)	Profit Rate distributed (%)
Common Mudaraba Pool	388,211	31.42%	-	Monthly	0.00%	9.45%	5.21%

2016

General Depositors Pool	Mudarib Share - net of Hiba and including the Mudarib Fee ('000)	Mudarib Share - net of Hiba and including the Mudarib Fee (%)	Amount of Mudarib share transferred to depositors through Hiba ('000)	Profit Rate and Weightages announcement period	Mudarib share transferred to depositors through Hiba (%)	Profit Rate earned (%)	Profit Rate distributed (%)
Common Mudaraba Pool	173,511	26.39%	28,055	Monthly	16.17%	9.95%	4.60%



HIGHLIGHTS AND ACHIEVEMENTS

SHINING EXCEPTIONALLY

Our vision to transcend towards excellence has kept us motivated throughout the year 2017, making our journey reflect our endless commitment and dedication in providing an evolutionary banking experience. At Silkbank, we believe that our success goes parallel to our customers, hence ending a milestone year with a satisfied customer-base.

FULLFILLING OUR RESPONSIBILITIES



Atraaf Urdu Essay Writing Competition

Monthly Atraaf, in partnership with Silkbank, arranged an Urdu Essay Writing Competition, in which students from numerous universities and colleges participated from across the country. The event was attended by many known personalities, which included Mr. Toshikazu Isomura (Consul General, Consulate General of Japan in Karachi), Prof. Dr. Syed Shabib ul Hassan (Vice Chancellor, Hamdard University), Dr. Syed Jaffer Ahmed, Prof. Farhat Azeem, Prof. Dr. Engr. Jamal Naqvi, Justice (R) Haziqul Khairi, and the famous actor, Mr. Talat Hussain.

Mr. Toshikazu Isomura (Consul General, Consulate General of Japan in Karachi) expressed his gratitude in Urdu for being invited to the event and congratulated Atraaf & Silkbank for organizing the event.

Mr. Shaukat Tarin (Advisor to Chairman, Silkbank) expressed his views on the importance of Urdu language and its revival, assuring that Silkbank will always assist in organizing such events for promotion of Urdu Literature in the coming years.



Us Gali Na Jawin

Unlike most mainstream banks, focusing on sports, movies and entertainment, we at Silkbank believe in associations with meaningful causes. 'Us Gali Na Jawin' is a 55 minute solo stand-up performance by none other than the maestro himself; Mr. Shakeel. The play, which is inspired by Intizar Hussain's literary notes, addresses the major social issues of our country and shares ideas and initiatives to overcome these concerns. As part of our CSR program, Silkbank believes in serving businesses that not just benefit our networks, but primarily improves the society as a whole.



Leisure Leagues

Football is a popular sport worldwide with a huge fan-following from Pakistan. Silkbank, in collaboration with World Group and Nokia, organized a football event 'Ronaldinho and Friends', with a purpose of reviving the much-loved sport nationwide.

The event was welcomed with enthusiasm by the football-loving youth of Pakistan, as it featured 8 international football superstars including David James, George Boateng, Luis Bova, Nicolas Anelka, Robert Pires, Roberto Carlos, Randalinho, and Ryann Giggs.

This nationwide initiative created a platform for the local talent of Pakistan to not only showcase their capabilities on the grounds of international standards, but also make a name for themselves in

the international world of football. These exciting matches left a message that Pakistan is a sports loving country; encouraging international engagements.

Silkbank continues to be a part of initiatives that add value and growth of international sports in Pakistan.



IBA Career Fair

In March 2017, IBA Placement Department organized a Career Fair with over 50 companies participating in a daylong event. We received more than 400 resumes for the Management Trainee Program, Internships and lateral positions. We briefed students about the products & services of Silkbank and also counselled them for their upcoming professional life, leaving a positive impression of the Bank and making it an employer of choice. Other companies, mainly banks, that participated in the Career Fair included HBL, UBL, SCB, Bank Alfalah, Citibank, Bank Al Habib, JS Bank, Habib Metropolitan Bank, Allied Bank, Meezan Bank, and Al Baraka Bank. This also provided us with an excellent networking platform within the industry.

We also met with the IBA Placement office representatives and discussed the potential hiring of MTs & Interns in Silkbank from all leading business schools of Pakistan. We will continue to participate in such events which promote Employer Branding and support us in making Silkbank an 'Employer of Choice'.





SHAREHOLDING INFORMATION

ILLUMINATING BRILLIANCE

The trust of shareholders plays an essential part in taking the organization to heights. At Silkbank, we truly hold our shareholders in high esteem, making their interests our priority. The figures of 2017 reflect growth, making it a prosperous year for them. And together with high spirits to reach new statures, we transcend towards excellence.

ADDITIONAL SHAREHOLDERS' INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2017

SILKBANK LIMITED

COMBINED PATTERN OF CDC & PHYSICAL SHAREHOLDINGS AS AT DECEMBER 31, 2017

No.	Categories/Sub-Categories of Shareholders	Number of Shares Held	Category-Wise No. of Folios/ CDC Account	Category-Wise Shares Held	Percentage
01	DIRECTORS, CHIEF EXECUTIVE OFFICER AND THEIR SPOUSE(S) AND		9	439,569,686	4.84
	Mr. Munnawar Hamid, OBE	12,574			
	Mr. Khalid Aziz Mirza	500			
	Mr. Shahzad Murad	500,000			
	Mr. Tariq Iqbal Khan	16,997			
	Mr. Shamsul Hasan	500			
	Mr. Zubair Nawaz Chattha	415,626,000			
	Mr. Azmat Tarin	20,013,115			
	Mrs. Farah Naz Tarin W/o Azmat Tarin	200,000			
	Mrs. Saima Shahzad Murad W/o Shahzad Murad	3,200,000			
02	ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES		6	5,666,262,093	62.39
	Arif Habib Corporation Limited	2,563,901,924			28.23
	Mr. Shaukat Tarin*	1,049,091,791			11.55
	International Finance Corporation	702,689,067			7.74
	Mr. Zulqarnain Nawaz Chattha	678,126,000			7.47
	Nomura European Investment Limited	356,676,342			3.93
	Bank Muscat S.A.O.G	315,776,969			3.48
03	EXECUTIVES		15	40,945,198	0.45
04	PUBLIC SECTOR COMPANIES AND CORPORATIONS		7	45,786,652	0.50
05	BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS		7	3,394,278	0.04
06	MUTUAL FUNDS		1	20,880,417	0.23
07	General Public Foreign		10	259,396,926	2.86
08	Foreign Companies		1	18,226,818	0.20
09	Others		94	444,319,655	4.89
10	General Public Local		8,390	2,143,079,514	23.60
	TOTAL		8,540	9,081,861,237	100.00
	SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE BANK				
	TOTAL PAID UP CAPITAL OF THE BANK	9,081,861,237 Shares			
	5% OF THE PAID UP CAPITAL OF THE BANK	454,093,061 Shares			
	NAME(S) OF SHAREHOLDERS(S)	NO. OF SHARES HELD		PERCENTAGE	
	Arif Habib Corporation Limited	2,563,901,924		28.23	
	Mr. Shaukat Tarin*	1,049,091,791		11.55	
	International Finance Corporation	702,689,067		7.74	
	Mr. Zulqarnain Nawaz Chattha	678,126,000		7.47	
	Nomura European Investment Limited	356,676,342		3.93	
	Bank Muscat S.A.O.G	315,776,969		3.48	

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

PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2017

SILKBANK LIMITED

COMBINED PATTERN OF CDC & PHYSICAL SHAREHOLDINGS AS AT DECEMBER 31, 2017

No. of Shareholders	Shareholdings' Slab	Total Shares Held
506	1 to 100	12,754
723	101 to 500	297,368
695	501 to 1000	652,266
2047	1001 to 5000	6,471,625
1096	5001 to 10000	9,280,370
446	10001 to 15000	5,821,146
380	15001 to 20000	7,076,943
287	20001 to 25000	6,786,072
173	25001 to 30000	4,937,318
143	30001 to 35000	4,798,565
100	35001 to 40000	3,858,450
72	40001 to 45000	3,104,470
253	45001 to 50000	12,552,804
74	50001 to 55000	3,872,154
73	55001 to 60000	4,273,639
56	60001 to 65000	3,546,738
55	65001 to 70000	3,784,638
48	70001 to 75000	3,544,424
24	75001 to 80000	1,881,295
39	80001 to 85000	3,261,299
21	85001 to 90000	1,868,440
13	90001 to 95000	1,214,252
244	95001 to 100000	24,359,735
40	100001 to 105000	4,088,834
30	105001 to 110000	3,261,136
25	110001 to 115000	2,816,950
28	115001 to 120000	3,330,217
21	120001 to 125000	2,591,803
12	125001 to 130000	1,542,986
11	130001 to 135000	1,468,381
19	135001 to 140000	2,622,048
6	140001 to 145000	856,277
34	145001 to 150000	5,090,008
11	150001 to 155000	1,673,209
14	155001 to 160000	2,216,056
12	160001 to 165000	1,969,000
22	165001 to 170000	3,723,589
6	170001 to 175000	1,040,651
10	175001 to 180000	1,780,733
7	180001 to 185000	1,279,274
6	185001 to 190000	1,133,526
10	190001 to 195000	1,927,426
64	195001 to 200000	12,792,259
16	200001 to 205000	3,245,148
11	205001 to 210000	2,290,404
10	210001 to 215000	2,133,000

No. of Shareholders	Shareholdings' Slab	Total Shares Held
8	215001 to 220000	1,739,361
2	220001 to 225000	446,167
6	225001 to 230000	1,372,204
1	230001 to 235000	234,490
8	235001 to 240000	1,911,428
3	240001 to 245000	728,000
15	245001 to 250000	3,744,568
4	250001 to 255000	1,006,697
2	255001 to 260000	516,000
2	260001 to 265000	528,000
3	265001 to 270000	805,466
8	270001 to 275000	2,192,664
6	275001 to 280000	1,675,744
2	280001 to 285000	565,450
3	285001 to 290000	863,460
3	290001 to 295000	879,500
33	295001 to 300000	9,891,961
7	300001 to 305000	2,117,806
3	305001 to 310000	925,946
3	310001 to 315000	934,391
2	315001 to 320000	639,500
4	320001 to 325000	1,296,736
6	325001 to 330000	1,966,661
1	330001 to 335000	332,500
12	335001 to 340000	4,074,826
2	340001 to 345000	687,319
8	345001 to 350000	2,792,219
3	350001 to 355000	1,055,638
2	355001 to 360000	717,685
2	360001 to 365000	726,000
2	365001 to 370000	731,513
3	370001 to 375000	1,123,332
4	375001 to 380000	1,513,470
2	380001 to 385000	761,500
1	385001 to 390000	390,000
1	390001 to 395000	391,000
16	395001 to 400000	6,397,222
4	400001 to 405000	1,604,960
2	405001 to 410000	813,019
3	420001 to 425000	1,271,382
2	425001 to 430000	857,500
1	430001 to 435000	435,000
1	435001 to 440000	435,302
5	445001 to 450000	2,250,000
2	450001 to 455000	903,500
2	455001 to 460000	913,248

PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2017

SILKBANK LIMITED

COMBINED PATTERN OF CDC & PHYSICAL SHAREHOLDINGS AS AT DECEMBER 31, 2017

No. of Shareholders	Shareholdings' Slab	Total Shares Held
4	460001 to 465000	1,849,557
1	465001 to 470000	470,000
3	470001 to 475000	1,418,051
1	475001 to 480000	480,000
1	480001 to 485000	482,928
3	485001 to 490000	1,462,499
4	490001 to 495000	1,976,500
30	495001 to 500000	14,991,036
1	500001 to 505000	504,811
6	505001 to 510000	3,059,640
4	510001 to 515000	2,044,699
1	515001 to 520000	516,940
3	520001 to 525000	1,574,717
2	525001 to 530000	1,057,000
1	530001 to 535000	531,315
2	545001 to 550000	1,096,000
3	550001 to 555000	1,655,454
1	560001 to 565000	565,000
1	565001 to 570000	569,500
1	570001 to 575000	573,992
2	575001 to 580000	1,154,510
2	580001 to 585000	1,166,000
2	585001 to 590000	1,177,110
1	590001 to 595000	593,517
8	595001 to 600000	4,798,000
1	600001 to 605000	604,102
1	615001 to 620000	620,000
3	620001 to 625000	1,868,500
1	625001 to 630000	630,000
1	630001 to 635000	635,000
1	635001 to 640000	636,336
1	640001 to 645000	640,787
6	645001 to 650000	3,895,500
2	650001 to 655000	1,304,823
1	655001 to 660000	655,500
3	670001 to 675000	2,017,038
4	675001 to 680000	2,719,640
1	685001 to 690000	690,000
1	690001 to 695000	693,233
5	695001 to 700000	3,494,000
2	700001 to 705000	1,402,511
1	705001 to 710000	706,000
1	725001 to 730000	725,970
1	730001 to 735000	734,000
1	745001 to 750000	745,500
1	750001 to 755000	750,500

No. of Shareholders	Shareholdings' Slab	Total Shares Held
1	760001 to 765000	761,500
1	765001 to 770000	765,744
8	795001 to 800000	6,400,000
1	800001 to 805000	804,000
3	835001 to 840000	2,518,500
2	840001 to 845000	1,683,500
1	845001 to 850000	850,000
2	850001 to 855000	1,703,829
1	855001 to 860000	859,801
1	860001 to 865000	865,000
1	865001 to 870000	866,000
2	875001 to 880000	1,756,000
1	880001 to 885000	881,900
1	890001 to 895000	890,259
3	895001 to 900000	2,700,000
1	915001 to 920000	919,082
1	920001 to 925000	924,229
1	930001 to 935000	934,835
1	945001 to 950000	950,000
1	955001 to 960000	959,820
2	960001 to 965000	1,926,500
1	970001 to 975000	974,599
2	990001 to 995000	1,987,500
17	995001 to 1000000	16,997,781
2	1000001 to 1005000	2,001,920
1	1015001 to 1020000	1,020,000
1	1020001 to 1025000	1,025,000
1	1025001 to 1030000	1,026,000
1	1095001 to 1100000	1,100,000
1	1110001 to 1115000	1,111,041
1	1170001 to 1175000	1,172,500
2	1200001 to 1205000	2,401,975
1	1215001 to 1220000	1,220,000
1	1240001 to 1245000	1,240,492
2	1255001 to 1260000	2,515,070
1	1340001 to 1345000	1,345,000
3	1345001 to 1350000	4,046,905
1	1355001 to 1360000	1,359,764
1	1375001 to 1380000	1,376,789
1	1395001 to 1400000	1,397,161
1	1410001 to 1415000	1,410,994
1	1415001 to 1420000	1,416,000
1	1420001 to 1425000	1,421,000
2	1435001 to 1440000	2,879,581
1	1475001 to 1480000	1,477,000
2	1495001 to 1500000	3,000,000

PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2017

SILKBANK LIMITED

COMBINED PATTERN OF CDC & PHYSICAL SHAREHOLDINGS AS AT DECEMBER 31, 2017

No. of Shareholders	Shareholdings' Slab	Total Shares Held
1	1500001 to 1505000	1,500,100
1	1515001 to 1520000	1,518,824
2	1540001 to 1545000	3,086,450
2	1545001 to 1550000	3,098,866
2	1570001 to 1575000	3,146,420
1	1625001 to 1630000	1,627,500
1	1645001 to 1650000	1,650,000
2	1655001 to 1660000	3,320,000
2	1675001 to 1680000	3,356,500
1	1695001 to 1700000	1,699,701
1	1700001 to 1705000	1,700,022
1	1715001 to 1720000	1,718,945
1	1745001 to 1750000	1,747,116
1	1830001 to 1835000	1,833,663
1	1865001 to 1870000	1,869,671
1	1875001 to 1880000	1,877,599
1	1890001 to 1895000	1,892,500
2	1895001 to 1900000	3,798,000
1	1900001 to 1905000	1,905,000
1	1950001 to 1955000	1,954,657
1	1965001 to 1970000	1,965,500
1	1970001 to 1975000	1,972,281
8	1995001 to 2000000	16,000,000
1	2010001 to 2015000	2,015,000
1	2040001 to 2045000	2,041,500
1	2055001 to 2060000	2,057,402
1	2095001 to 2100000	2,100,000
1	2275001 to 2280000	2,276,500
1	2280001 to 2285000	2,282,046
1	2400001 to 2405000	2,400,018
1	2485001 to 2490000	2,486,827
1	2495001 to 2500000	2,500,000
1	2720001 to 2725000	2,722,176
1	2740001 to 2745000	2,744,500
1	2750001 to 2755000	2,751,788
1	2795001 to 2800000	2,800,000
1	2860001 to 2865000	2,863,153
1	2920001 to 2925000	2,925,000
1	2990001 to 2995000	2,991,000
1	2995001 to 3000000	3,000,000
1	3060001 to 3065000	3,062,000
1	3140001 to 3145000	3,143,056
1	3195001 to 3200000	3,200,000
1	3295001 to 3300000	3,300,000
1	3395001 to 3400000	3,399,603
1	3560001 to 3565000	3,565,000

No. of Shareholders	Shareholdings' Slab	Total Shares Held
1	3580001 to 3585000	3,581,000
1	3710001 to 3715000	3,713,500
1	3835001 to 3840000	3,836,147
1	3900001 to 3905000	3,901,000
1	4065001 to 4070000	4,065,500
1	4280001 to 4285000	4,280,918
1	4640001 to 4645000	4,644,500
1	4740001 to 4745000	4,743,500
2	4995001 to 5000000	10,000,000
1	5015001 to 5020000	5,016,419
1	5435001 to 5440000	5,436,324
1	5620001 to 5625000	5,621,089
1	5995001 to 6000000	6,000,000
1	6175001 to 6180000	6,176,082
1	6280001 to 6285000	6,283,209
1	6710001 to 6715000	6,713,173
1	6835001 to 6840000	6,839,054
1	6960001 to 6965000	6,963,676
1	7150001 to 7155000	7,150,500
1	7260001 to 7265000	7,261,124
1	7580001 to 7585000	7,584,500
1	7615001 to 7620000	7,618,500
1	8390001 to 8395000	8,392,000
1	8795001 to 8800000	8,800,000
1	9995001 to 10000000	10,000,000
1	10905001 to 10910000	10,909,000
1	11780001 to 11785000	11,782,500
1	12540001 to 12545000	12,543,796
1	12925001 to 12930000	12,927,719
1	13000001 to 13005000	13,002,000
1	13170001 to 13175000	13,174,061
1	13395001 to 13400000	13,400,000
1	14190001 to 14195000	14,193,500
1	15230001 to 15235000	15,233,500
1	16465001 to 16470000	16,467,577
1	18225001 to 18230000	18,226,818
1	20880001 to 20885000	20,880,417
1	21815001 to 21820000	21,818,500
1	23795001 to 23800000	23,797,288
1	24720001 to 24725000	24,724,029
1	24995001 to 25000000	25,000,000
1	28675001 to 28680000	28,676,471
1	31960001 to 31965000	31,962,500
1	36225001 to 36230000	36,228,668
1	37495001 to 37500000	37,500,000
1	53020001 to 53025000	53,020,288

PATTERN OF SHAREHOLDING

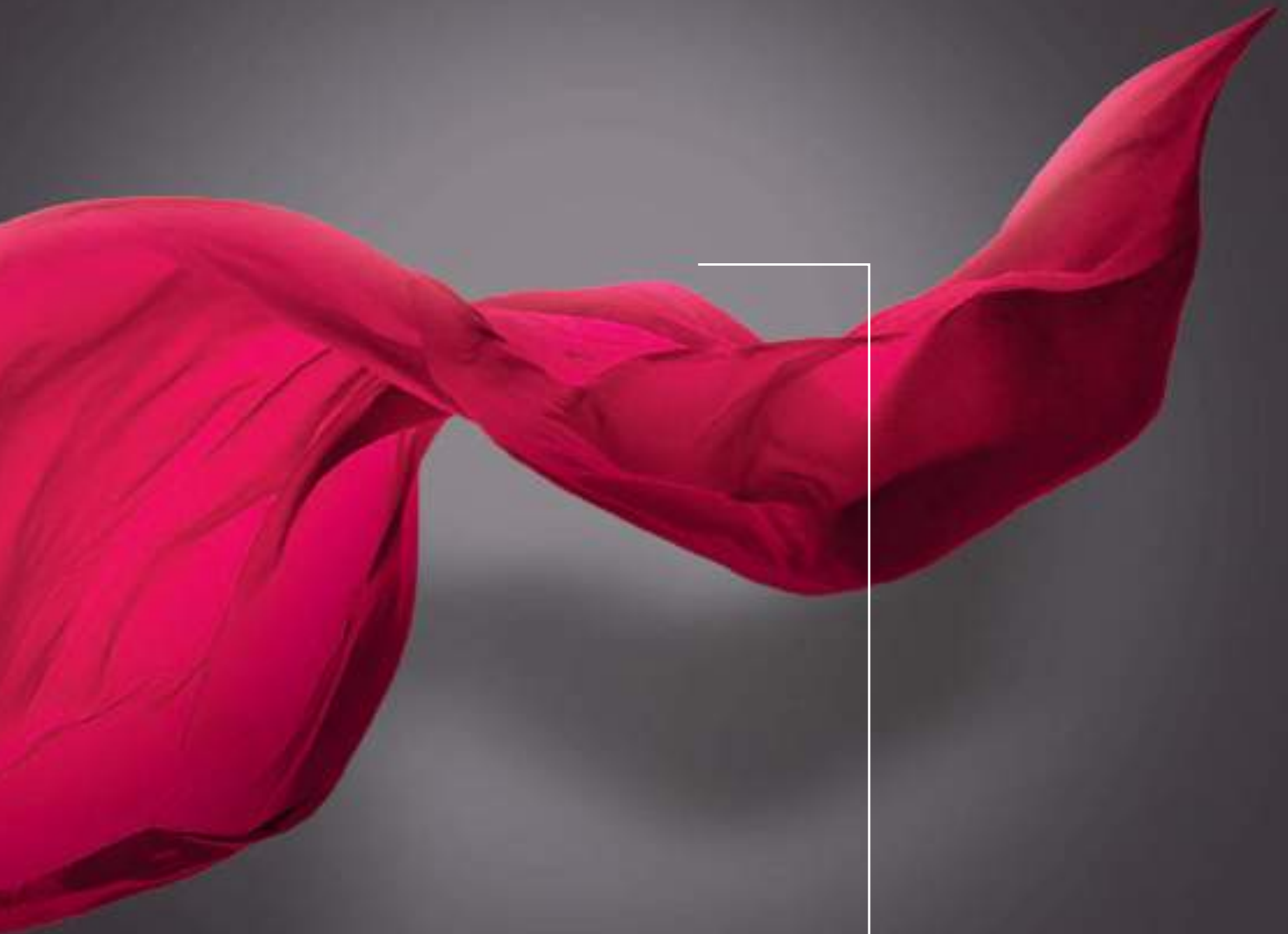
AS AT DECEMBER 31, 2017

SILKBANK LIMITED

COMBINED PATTERN OF CDC & PHYSICAL SHAREHOLDINGS AS AT DECEMBER 31, 2017

No. of Shareholders	Shareholdings' Slab	Total Shares Held
1	55880001 to 55885000	55,882,353
1	56995001 to 57000000	57,000,000
1	77335001 to 77340000	77,335,346
1	82495001 to 82500000	82,498,616
1	86345001 to 86350000	86,349,442
1	114605001 to 114610000	114,607,807
1	122865001 to 122870000	122,868,193
1	152380001 to 152385000	152,382,353
1	252060001 to 252065000	252,061,010
1	253995001 to 254000000	254,000,000

No. of Shareholders	Shareholdings' Slab	Total Shares Held
1	315775001 to 315780000	315,776,969
4	320510001 to 320515000	1,282,051,282
1	356675001 to 356680000	356,676,342
1	364995001 to 365000000	365,000,000
1	415625001 to 415630000	415,626,000
1	678125001 to 678130000	678,126,000
1	702685001 to 702690000	702,689,067
1	2563900001 to 2563905000	2,563,901,924
8547		9,081,861,237



“Excellence isn’t
a one-week or
one-year ideal.
It’s a constant.”

BRANCH NETWORK

ISLAMIC BANKING (SOUTH)

Shahbaz Shoukat Branch Manager
Shahrah-e-Faisal Branch,
 47-A, Dar-ul-Aman Housing Society,
 P.E.C.H.S., Block 7/8,
 Shahrah-e-Faisal, Karachi.
 Tel: (021) 34533106-9,
 (021) 34523099, 34521766
 Fax: (021) 34533110

Vaqar Hussain Khan Branch Manager
Clifton Branch,
 Show Room No. 1, Plot No. D-69,
 Block 7, Clifton, Karachi.
 Tel: (021) 35371841-42,
 (021) 35860637
 Fax: (021) 35371839

Kamran Mahboob Branch Manager
Quetta Branch,
 M. A. Jinnah Road, Quetta.
 Tel: (081) 2866201-03
 Fax: (081) 2866204

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

Abu Tehseen Branch Manager
Gulistan-e-Johar Branch,
 Shop 10 & 11, Farhan Classic, Block
 12, Gulistan-e-Johar, Karachi.
 Tel: (021) 34383361

Qamar Ali Khan Branch Manager
M.A.C.H.S. Branch,
 Shop No. 2F, Muhammad Ali
 Jauhar, Memorial Cooperative
 Housing Society, Karachi.
 Tel: (021) 34321643-7

Allah Ditto Branch Operation Manager
Nawabshah Branch,
 Muhalla Latifabad, Near Habib
 Masjid, Camp No. 2, Dourr Road,
 Nawabshah.
 Tel: (021) 4360386-9

Urooj Fatima Branch Manager
Saba Avenue Branch,
 Saba Avenue, 59-C,
 Shahbaz Lane No. 4, Phase-VI,
 DHA, Karachi.
 Tel: (021)

Raja M Farooq Branch Operation Manager
Tariq Road Branch,
 Plot No. 313-C, Central Commercial
 Area, Block-2, Karachi.
 Tel: (021) 34383362-5

Pervaiz Khan Branch Operation Manager
Khayaban-e-Shujaat DHA Branch,
 Bukhari Commercial, 22C/1,
 Lane 13, Bukhari Commercial,
 Phase-VI, DHA, Karachi.
 Tel: (021) 35845121-5

ISLAMIC BANKING (CENTRAL)

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

Ussama Salman Anwar Branch Manager
DHA T Block Branch,
 50 Commercial Area, Phase-II,
 DHA, Lahore.
 Tel: (042) 35707635-6 (113),
 (042) 35748848
 Fax: (042) 35707637

Muhammad Ali Branch Manager
Gulberg Mini Market, Q Block Branch,
 6-Q Block, Gulberg-II, Lahore.
 Tel: (042) 35751536-7, 35754273
 Fax: (042) 35764076

Ali Bokhari Branch Manager
College Road Branch,
 523, Block 15, Sector B/1,
 College Road, Township, Lahore.
 Tel: (042) 35217563-5

Zulfiqar Ali Nasir Branch Manager
Allama Iqbal Town Branch,
 9, Olympia Street, Main Boulevard,
 Allama Iqbal Town, Lahore.
 Tel: (042) 37800752

Muhammad Mubashir Branch Manager
Circular Road Branch,
 51, S-E, Voora Building,
 Circular Road, Lahore.
 Tel: (042) 37379517,
 (042) 37379427, Ext. 102
 Fax: (042) 37379519

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

Shahid Anjum Branch Manager
Multan Branch,
 No. 23 & 24, A-Block,
 Model Town, Multan.
 Tel: (061) 6522413

Ms. Rubina Hassan Branch Manager
Gulberg Branch,
 Plot No. 16/2, Property No. 16,
 Old No. 88, Main Gulberg-II, Lahore.
 Tel: (042) 35776942

ISLAMIC BANKING (NORTH)

Sonia Usman Branch Manager
F-8 Markaz Branch,
 Plot No. 8-C, Shahwaiz Centre,
 Johar Road, Islamabad.
 Tel: (051) 2287450, 2287455-57
 Fax: (051) 2287454

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

Qazi Basharat-ul-Haq Branch Manager
Abbottabad Branch,
 Plot No. 7838, Opp. Daewoo
 Terminal, Mandian, Manshera Road,
 Abbottabad, KPK.
 Dir: (0992) 385971,
 PABX: (0992) 385978-79
 Fax: (0992) 385976

Shakil Sardar Branch Manager
Mardan Branch,
 Silkbank Building, Mall Road,
 Saddar Bazar, Mardan.
 Tel: (0937) 867555, 867554
 (0937) 867455
 Dir: (0937) 867557
 Fax: (0937) 867556

Ayaz Malik Branch Manager
G-11 Markaz Branch,
 Al Rehman Mall, Plot No. 33,
 G-11 Markaz, Islamabad.
 Tel: (051) 2364501-10,

Zarar Saeed Khan Branch Manager
DHA Phase-II Branch,
 Plot No. 64, Sector E,
 Jinnah Boulevard, DHA Phase-II,
 Islamabad.
 Tel: (051) 5419440, 5419435

Atif Haroon Branch Operations Manager
Jamrud Road Branch,
 Shop No. 1, 2, 3, 4, Arbab Plaza,
 Near Shell Petrol Pump,
 Jamrud Road, Peshawar.
 Tel: (091) 5611827

Muhammad Ilyas Branch Manager
Muzaffarabad Branch,
 Khasra No. 973, Moza Tariqabad,
 Tehsil and District, Muzaffarabad.
 Tel: (05822) 447260

Azhar Yousuf Branch Manager
Chitta Batta Branch,
 Khasra No. 967, Mouza Chitta
 Batta, Tehsil and District, Mansehra.
 Tel: (0997) 550722-4

Shakeel Akhtar Branch Manager
Haripur Branch,
 Khata/khatooni No. 637-722,
 Khasra No. 1862/152, 1865/152
 And Khata/khatooni No. 890/1028,
 Khasra No. 1860/154, 1864/154,
 Mouza Pandak, Tehsil and District,
 Haripur.
 Tel: (0995) 627215-7

Saddam Haider Branch Manager
Saddar Branch,
 Survey No. 167/1, Mall 1, Mall Road,
 Opp. AFIC, Rawalpindi.
 Tel: (051) 5701401

KARACHI REGION A & B

Ahmed Adeel Ibrahim Regional General Manager
Boat Basin Branch,
 GPC-4, First Floor, Block-5,
 B.B.Q. Tonight, Karachi.
 Tel: (021) 35148236, 35148235

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

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

Junaid Anam Acting Branch Manager
Khalid Bin Waleed Road Branch,
 Shop No. 1, 2, 3 & 4,
 Plot No. 151-A, Khalid Bin Waleed
 Road/Allama Iqbal Road, Block 2,
 P.E.C.H.S., Karachi.
 Tel: (021) 34306526,
 (021) 34306521-23
 Fax: (021) 34306524

Shahid Hussain Khan Acting Branch Manager
M.A. Jinnah Road Branch,
 Plot No. 40, Sheet No. 7,
 Situated on Serai Quarters,
 Off M.A. Jinnah Road, Karachi.
 Tel: (021) 32601308-09
 Fax: (021) 32601312

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

Muhammad Abid Branch Manager
Hyderabad Branch,
 F-17, Badri Manzil, Opp.
 Old Cafe George, Risala Road,
 Hyderabad.
 Tel: (022) 2728370, 2781440
 Fax: (022) 2781192

Mir Adnan Jalil Brohi Branch Manager
Gulshan-e-Iqbal Branch,
 Block 10/A, Saima Classic,
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The Saudi British Bank

Singapore

Royal Bank of Scotland
Bank of America
DBS Bank
Commerzbank AG
Deutsche Bank AG
Citibank N.A.
Habib Bank Ltd.
JP Morgan
Mizuho Corporate Bank
National Bank of Kuwait
Rabo Bank
Sumitomo Mitsui Banking Corporation Ltd.
WestLB AG
UBAF

South Africa

Habib Overseas Bank Ltd.
HBZ Bank Ltd.
FirstRand Bank

Serbia

UniCredit Bank AG
Raiffeisen Bank

Slovakia

Commerzbank AG

Spain

Commerzbank
Fortis Bank S.A.
Banco Popular Espanol, S.A.
Bankinter S.A.
Caja Mediterraneo
Caja Espana de Inversiones
Caixa D'estalvis

Sri Lanka

Muslim Commercial Bank Ltd.
Deutsche Bank
Habib Bank Ltd.
Hatton National Bank

Sweden

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

Switzerland

Banque Cantonale Vaudoise
Habib Bank AG Zurich

BNP Paribas
Credit Agricole (Suisse) S.A.
Habibsons Bank
Royal Bank of Scotland
United Bank AG
Citibank N.A.
Commerzbank AG
Deutsche Bank AG

Taiwan

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

Thailand

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

Turkey

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

U.A.E.

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

U.K.

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

U.S.A.

Royal Bank of Scotland
Bank of America
Bank of New York Mellon

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

Vietnam

JP Morgan
Deutsche Bank AG

Affix
Correct
Postage

SILKBANK 

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

Form of Proxy
Annual General Meeting



I/We _____ S/o _____
r/o _____ being a member(s)
of Silkbank Limited, holding _____ ordinary shares, hereby appoint
_____ S/o _____ r/o _____ or failing
him/her _____ S/o _____ r/o _____
as my/our proxy in my/our absence to attend and vote for me/us in my/our behalf at Annual General Meeting of the Bank to be held on
Friday, March 30, 2018 and/or adjournment thereof.

As witness, my/our hand(s) seal this on the _____ day of _____ 2018.

Signed by the said _____

In presence of 1. _____

2. _____

Folio No. / CDC Account No.

Signature on
Revenue Stamp
of Appropriate Value

The signature should agree with the specimen registered with the Bank.

Important Instructions:

1. The Proxy form, duly completed and signed, must be received at the Registered Office of the Bank not less than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he/she himself/herself is a member of the Bank, except that a corporate entity may appoint any person who is not a member.
3. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the Bank, all such instrument of proxy shall be rendered invalid.
4. In case of proxy for an individual CDC shareholder, attested copies of CNIC or the passport, account and participant's ID number of the beneficial owner along with the proxy is required to be furnished with the proxy form.
5. In case of corporate entity, the Board of Directors' resolution/power of attorney with the specimen signature shall be submitted (unless it has been provided earlier) along with the proxy form of the Bank.



Consent for video conference facility
Annual General Meeting

I/We _____ S/o _____ r/o _____
being a member(s) of Silkbank Limited, holder of _____ Ordinary Share(s) as per register Folio/CDS
Account No. _____ hereby opt for video conference facility at _____ to attend Annual General Meeting of the
Bank to be held on **Friday, March 30, 2018**.

Signature on Revenue Stamp
of Appropriate Value



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

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