

CS - 384
October 1, 2009

The General Manager
Karachi Stock Exchange (G) Ltd.
Off: I. I. Chundrigar Road
Karachi.

Recapitalization Plan - Silkbank Limited


Dear Sir,

The Board of Directors of Silkbank Limited (Bank) have given in-principle approval to reduce the capital of the Bank from an amount Rs. 9,003,315,000/= (Pak Rupees nine billion three million one hundred fifty thousand only) divided into 900,331,500 ordinary shares of Rs. 10/= (Pak Rupees ten only) each to an amount of Rs. 1,815,358,000/= (Pak Rupees one billion eight hundred fifteen billion three hundred fifty eight thousand only) divided into 181,535,800 ordinary shares of Rs. 10/= (Pak Rupees ten only) each subject to the approval of the regulators and the sanction of the Honorable High Court of the Sindh at Karachi.

The Board of Directors have also agreed that subsequent to the reduction in share capital of the Bank, the bank will conduct an issue of shares by way of rights issue in accordance with the provisions of Section 86 of the Companies Ordinance, 1984 ,

The Bank hereby notifies the Karachi Stock Exchange (G) Limited that the Bank has received in-principle approvals of the Board of Directors for the reduction in Share Capital and to conduct Rights Issue. We also hereby inform you that the major shareholders of the Bank, Nomura Investments, IFC and Bank Muscat have already given their approval for the recapitalization plan. The recapitalization will enable the Bank to meet the capital requirement of Rs 6 billion stipulated by SBP.

Yours truly


Syed Liaquat Ali
Company Secretary