

CS - 268/STOCKS/2014
August 27, 2014

FORM 7

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

The General Manager
Lahore Stock Exchange (Guarantee) Limited
19, Khyaban-e- Aiwan Iqbal
Lahore.

The General Manager
Islamabad Stock Exchange (Guarantee) Limited
ISE Tower, 55-B, Jinnah Avenue
Islamabad.

Silkbank Limited

Financial Results for the 2nd Quarter (half yearly) Ended June 30, 2014.

Dear Sir,

We have to inform you that the Board of Directors of our Bank in their meeting held on August 27, 2014 (Wednesday) at 10:00 AM at 2nd Floor, Silkbank Building, I. I. Chundrigar Road, Karachi recommended the following:

| | | |
|----|------------------------------|---|
| 1) | Cash Dividend | Nil |
| 2) | Bonus Shares | Nil |
| 3) | Right Shares | Amount Rs. 10 billion No. of Right Shares 6,410,256,410 Price Rs. 1.56 per share Discount of Rs. 8.44 per share. Percentage – 240% |
| 4) | Any Other Entitlement | Nil |

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

We would further inform the Exchange that the Board of Directors of Silkbank Limited have approved Right Shares Issue of Rs. 10 billion (6,410,256,410 Right Shares at Rs. 1.56 per share, at a discount of Rs. 8.44 per share), under the provisions of Section 86 of the Companies Ordinance, 1984, subject to the approval of the shareholders and regulatory authorities.

Silkbank Limited
Central Office Karachi:
Silkbank Building, I.I. Chundrigar Road, Karachi-pakistan
Tel: (021) 111-00-7455, Fax: (021) 32460464
Website: www.silkbank.com.pk

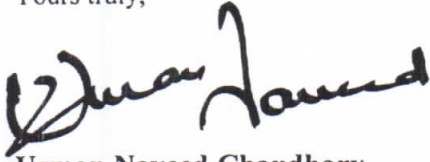
In order to obtain shareholders' approval for the issuance of Right Shares at a discount to par value, a formal Notice of Extra Ordinary General Meeting containing the complete details of right shares alongwith dates of book closure will be sent to the stock exchanges prior to sending it to the shareholders.

The above information is being provided in accordance with the Listing Regulation No. 35 under the Code of Corporate Governance - 2012.

You may circulate the same among the members of the Exchange.

We will be sending you 200 copies of printed accounts for distribution amongst the members of the Exchange in due course of time.

Yours truly,



Uzman Naveed Chaudhary
Company Secretary/ Head of Investor Relations
& Legal Affairs

Encls: As above.

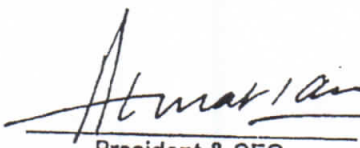
Annexure 'A'

SILKBANK LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2014

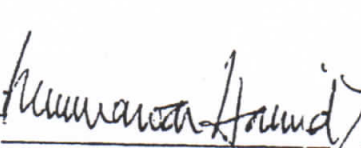
| | | June 30, 2014 Un-audited | December 31, 2013 Audited |
|---|----|--------------------------------|---------------------------------|
| | | ----- Rupees in '000 ----- | |
| ASSETS | | | |
| Cash and balances with treasury banks | | 5,331,015 | 5,351,695 |
| Balances with other banks | | 173,952 | 2,26,184 |
| Lendings to financial Institutions | | 2,926,354 | 446,859 |
| Investments - net | 8 | 15,090,778 | 14,853,257 |
| Advances - net | 9 | 57,278,424 | 56,007,402 |
| Operating fixed assets | 10 | 4,524,783 | 4,691,552 |
| Deferred tax assets - net | 11 | 4,040,937 | 3,839,078 |
| Other assets | 12 | 7,803,619 | 6,344,168 |
| | 13 | 97,169,862 | 91,770,195 |
| LIABILITIES | | | |
| Bills payable | | 2,635,548 | 2,747,400 |
| Borrowings | 14 | 7,768,097 | 11,381,975 |
| Deposits and other accounts | 15 | 78,949,498 | 69,433,452 |
| Sub-ordinated loans | | - | - |
| Liabilities against assets subject to finance lease | | - | - |
| Deferred tax liabilities | | - | - |
| Other liabilities | 16 | 1,450,343 | 1,532,180 |
| | | 90,803,486 | 85,095,007 |
| NET ASSETS | | 6,366,376 | 6,675,188 |
| REPRESENTED BY | | | |
| Share capital | | 26,716,048 | 26,716,048 |
| Discount on issue of right shares | 17 | (13,284,674) | (13,284,674) |
| Reserves | | 162,762 | 162,762 |
| Convertible preference shares | 18 | 2,200,000 | 2,200,000 |
| Accumulated loss | | (9,448,956) | (9,526,849) |
| Surplus on revaluation of assets - net of tax | 19 | 6,345,180 | 6,267,287 |
| | | 21,196 | 407,901 |
| | | 6,366,376 | 6,675,188 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 20 | | |

The annexed notes 1 to 29 form an integral part of this condensed interim financial information.

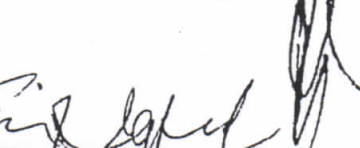
MCA 21




 President & CEO



 Chairman



 Director



 Director



SILKBANK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - UNAUDITED
FOR THE HALF YEAR ENDED JUNE 30, 2014

| | Note | Quarter ended | | Half Year ended | |
|---|---------|--|--|--|--|
| | | April 01, 2014 to June 30, 2014 | April 01, 2013 to June 30, 2013 | January 01, 2014 to June 30, 2014 | January 01, 2013 to June 30, 2013 |
| Rupees in '000 | | | | | |
| Mark-up / return / interest earned | 21 | 2,303,418 | 1,964,620 | 4,533,084 | 3,786,554 |
| Mark-up / return / interest expensed | 22 | (1,443,445) | (1,401,979) | (2,790,725) | (2,801,842) |
| Net mark-up / interest income | | 859,973 | 562,641 | 1,742,359 | 984,712 |
| Reversal / (provision) against non-performing loans and advances - net | 10.3 | 42,045 | 10,767 | (28,711) | 10,742 |
| Provision against consumer financing | 10.3 | (37,402) | (28,662) | (75,235) | (49,846) |
| Recovery against written off loan | | (2,399) | 200 | 2,691 | 3,434 |
| Provision / (reversal) for diminution in the value of investments - net | 9.3 | - | - | - | - |
| Impairment in the value of investments | 9.4 | (16,761) | (9,627) | (129,618) | (40,851) |
| Bad debts written off directly | | - | - | - | - |
| | | (14,517) | (27,322) | (230,873) | (76,521) |
| Net mark-up / interest income after provisions | | 845,456 | 535,319 | 1,511,486 | 908,191 |
| NON - MARK-UP / INTEREST INCOME | | | | | |
| Fee, commission and brokerage income | | 200,794 | 150,461 | 365,847 | 279,211 |
| Dividend income | | 9,778 | 7,465 | 28,646 | 31,756 |
| Income from dealing in foreign currencies | | 33,234 | 38,746 | 97,088 | 88,995 |
| Gain on sale of securities - net | | 37,107 | 61,591 | 183,685 | 133,599 |
| Unrealized gain / (loss) on revaluation of investments - held for trading | | 2,385 | (2,277) | 1,492 | (2,277) |
| Other income | | 54,742 | 51,434 | 110,842 | 90,392 |
| Total non-mark-up / interest income | | 338,040 | 307,420 | 787,600 | 621,676 |
| | | 1,183,496 | 842,739 | 2,299,086 | 1,529,867 |
| NON - MARK-UP / INTEREST EXPENSES | | | | | |
| Administrative expenses | | (1,130,316) | (1,101,359) | (2,203,889) | (2,142,819) |
| Other reversals | | 960 | 119,000 | 960 | 119,000 |
| Other charges | | (18,874) | (649) | (18,989) | (849) |
| Total non-mark-up / interest expenses | | (1,148,230) | (983,008) | (2,221,918) | (2,024,668) |
| PROFIT / (LOSS) BEFORE TAXATION | | 35,266 | (140,269) | 77,168 | (494,801) |
| Income tax expense | | | | | |
| Taxation - Current | | - | - | - | - |
| - Prior | | - | - | - | - |
| - Deferred | | (29,473) | (4,785) | (4,535) | 130,329 |
| | 12 & 24 | (29,473) | (4,785) | (4,535) | 130,329 |
| PROFIT / (LOSS) AFTER TAXATION | | 5,793 | (145,054) | 72,633 | (364,472) |
| Earnings / (loss) per share - basic and diluted | | | | | |
| | | 0.00 | (0.05) | 0.03 | (0.14) |

The annexed notes 1 to 29 form an integral part of this condensed interim financial information.

Amar Singh
 President & CEO

Humayun Ahmad
 Chairman

M. S. K. Singh
 Director

M. S. K. Singh
 Director

