

CS - 191/ PSX /2017
July 21, 2017

FORM 25

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

Clarification

Dear Sir,

In accordance with Section 15D of the Securities & Exchange Ordinance, 1969 and Clause 5.19.13 (c) (Code of Corporate Governance) of the Rule Book of the Exchange, we hereby convey the following clarification in continuation of our announcement on PSX dated July 19, 2017.

This is with regard to the article published today, in The News captioned “Silkbank to convert TFCs into Ordinary Shares”.

Silkbank categorically maintains that the news pertaining to the conversion of the TFCs is absolutely false and baseless and the matter has been taken up with the newspaper.

The notice of the Extra-ordinary General Meeting published by the Bank, contained a standard State Bank of Pakistan requirement of obtaining the shareholders’ approval for conversion of TFCs into ordinary shares **only in the event at the Point Of Non Viability, if required by SBP**. The Bank maintains that the said notice did not imply that the PONV has been triggered requiring conversion into ordinary shares.

We reiterate that this is a standard SBP requirement under Basel III guidelines, for all Tier II instruments and part of the SBP approval for the issuance of TFCs by the banks/financial institutions, under BPRD Circular #6 of 2013 dated August 15, 2013.

Silkbank posted a healthy Profit before tax of PKR 1.3Bn in FY16 and continued to post a profit before tax of PKR 214 Mn in Q1, 17. The Bank is fully compliant of the minimum capital requirement of PKR 10 Bn, as set by SBP.

We maintain that the purpose of the TFC issue is to contribute towards Tier II capital for complying with the Capital Adequacy requirements prescribed by SBP under the Basel III framework and the funds raised will be utilized towards the Bank’s business operations.

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

Yours sincerely,



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

Silkbank Limited

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