SILKBANK

CS - 238/STOCKS/2015
August 31, 2015

FORM 7

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

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

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

Silkbank Limited

Financial Results for the 2nd Quarter (half yearly) Ended June 30, 2015

Dear Sir,

We have to inform you that the Board of Directors of our Bank in their meeting held on Friday, August 28, 2015 at 12:00 noon (PST) at 22nd Floor Conference Room, Centre point, Off Shaheed-e-Millat Expressway, near KPT Interchange Korangi, recommended the following:

1)	**Cash Dividend**	**Nil**
2)	**Bonus Shares**	**Nil**
3)	**Right Shares**	**Nil**
4)	**Any Other Entitlement**	**Nil**

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

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

SILKBANK LIMITED

Encls: As above.

SILKBANK LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2015

	Note	June 30, 2015 Un-audited	December 31, 2014 Audited
		-------- Rupees in '000 --------	
ASSETS			
Cash and balances with treasury banks		**5,628,471**	5,102,984
Balances with other banks		**296,715**	139,478
Lendings to financial institutions	8	**4,742,054**	3,000,000
Investments - net	9	**28,764,889**	18,105,414
Advances - net	10	**58,777,918**	58,966,877
Operating fixed assets	11	**4,584,249**	4,563,290
Deferred tax assets - net	12	**4,008,403**	3,937,182
Other assets	13	**11,804,300**	8,833,892
		118,606,999	102,649,117
LIABILITIES			
Bills payable		**2,777,667**	2,153,091
Borrowings	14	**23,224,897**	21,742,246
Deposits and other accounts	15	**82,549,478**	68,770,255
Sub-ordinated loans		**-**	-
Liabilities against assets subject to finance lease		**15,688**	17,105
Deferred tax liabilities		**-**	-
Other liabilities	16	**1,653,077**	1,465,593
		110,220,807	94,148,290
NET ASSETS		**8,386,192**	8,500,827
REPRESENTED BY			
Share capital	17	**26,716,048**	26,716,048
Discount on issue of right shares		**(13,284,674)**	(13,284,674)
Reserves		**180,134**	180,134
Advance against share subscription	17.5	**2,000,000**	2,000,000
Convertible preference shares	18	**2,200,000**	2,200,000
Accumulated loss		**(9,546,124)**	(9,444,123)
		8,265,384	8,367,385
Surplus on revaluation of assets - net of tax	19	**120,808**	133,442
		8,386,192	8,500,827
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

DYA

SILKBANK LIMITED

President & CEO	Chairman	Director	Director

SILKBANK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - UNAUDITED
FOR THE HALF YEAR ENDED JUNE 30, 2015

	Note	Quarter ended June 30, 2015	Quarter ended June 30, 2014	Half Year ended June 30, 2015	Half Year ended June 30, 2014
		Rupees in '000			
Mark-up / return / interest earned	21	2,172,162	2,303,418	4,502,712	4,533,08
Mark-up / return / interest expensed	22	(1,470,793)	(1,443,445)	(3,019,767)	(2,790,72
Net mark-up / interest income		701,369	859,973	1,482,945	1,742,35
Reversal / (provision) against non-performing loans and advances - net	10.3	366,588	42,045	236,028	(28,711
General provision against consumer financing	10.3	(30,919)	(37,402)	(44,512)	(75,235
Recovery against written off loans		550	(2,399)	3,300	2,691
Provision for diminution in the value of investments - net	9.3	(5,344)	-	(5,344)	-
Impairment in the value of investments	9.4	(10,489)	(16,761)	(24,090)	(129,618
Bad debts written off directly		-	-	-	-
		320,386	(14,517)	165,382	(230,873
Net mark-up / interest income after provisions		1,021,755	845,456	1,648,327	1,511,486
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income		262,021	252,131	491,589	417,184
Dividend income		6,293	9,778	19,415	28,646
Income from dealing in foreign currencies		35,727	33,234	108,878	97,088
Gain on sale of securities - net		90,374	37,107	353,278	183,685
Unrealized (loss) / gain on revaluation of investments - held-for-trading		(2,251)	2,385	(2,303)	1,492
Other income		30,097	3,405	100,950	59,505
Total non-mark-up / interest income		422,261	338,040	1,071,807	787,600
		1,444,016	1,183,496	2,720,134	2,299,086
NON MARK-UP / INTEREST EXPENSES					
Administrative expenses		(1,324,400)	(1,130,316)	(2,525,179)	(2,203,889)
Other (provisions) / reversals - net	23	(349,204)	960	(349,204)	960
Other charges		(2,914)	(18,874)	(3,008)	(18,989)
Total non-mark-up / interest expenses		(1,676,518)	(1,148,230)	(2,877,391)	(2,221,918)
(LOSS) / PROFIT BEFORE TAXATION		(232,502)	35,266	(157,257)	77,168
Taxation					
- Current		-	-	-	-
- Prior		-	-	-	-
- Deferred		87,006	(29,473)	61,628	(4,535)
	12 & 24	87,006	(29,473)	61,628	(4,535)
(LOSS) / PROFIT AFTER TAXATION		(145,496)	5,793	(95,629)	72,633
		Rupee			
Earnings per share - basic		(0.05)	0.00	(0.04)	0.03
Earnings per share - diluted		(0.04)	0.00	(0.03)	0.03

SILKBANK LIMITED

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

President & CEO

Chairman

Director

Director

SILKBANK LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED
FOR THE HALF YEAR ENDED JUNE 30, 2015

	Quarter ended		Half year ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
	Rupees in '000			
(Loss) / profit after taxation	**(145,496)**	5,793	**(95,629)**	72,633
Other comprehensive income				
Items that will not be reclassified to profit and loss				
Remeasurement of defined benefit plan	**(10,996)**	5,231	**(10,996)**	5,231
Related tax effect	**3,849**	(1,831)	**3,849**	(1,831)
	(7,147)	3,400	**(7,147)**	3,400
Comprehensive income transferred to equity	**(152,643)**	9,193	**(102,776)**	76,033
Components of comprehensive income not reflected in equity				
Deficit on revaluation of assets	**(63,561)**	(642,432)	**(18,379)**	(594,930)
Deferred tax asset on revaluation of assets	**21,976**	224,852	**5,745**	208,225
	(41,585)	(417,580)	**(12,634)**	(386,705)

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

DYA

President & CEO

Chairman

Director

Director

SILKBANK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED
FOR THE HALF YEAR ENDED JUNE 30, 2015

	Share capital	Discount on issue of shares	Statutory reserves	Advance against shares subscription	Convertible preference shares	Accumulated loss	Total equity
	Rupees in '000						
Balance as at January 01, 2014 - Audited	26,716,048	(13,284,674)	162,762	-	2,200,000	(9,526,849)	6,267,287
Total comprehensive income for the half year ended June 30, 2014							
Profit after tax for the half year ended June 30, 2014 - Un-audited	-	-	-	-	-	72,633	72,633
Other comprehensive income	-	-	-	-	-	3,400	3,400
Total comprehensive income for the half year ended June 30, 2014 - Un-audited	-	-	-	-	-	76,033	76,033
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	-	-	-	1,860	1,860
Balance as at June 30, 2014 - Un-audited	26,716,048	(13,284,674)	162,762	-	2,200,000	(9,448,956)	6,345,180
Total comprehensive income for the half year ended December 31, 2014							
Profit after tax for the half year ended December 31, 2014 - Un-audited	-	-	-	-	-	14,227	14,227
Other comprehensive income	-	-	-	-	-	6,118	6,118
Total comprehensive income for the half year ended December 31, 2014	-	-	-	-	-	20,345	20,345
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	-	-	-	1,860	1,860
Advance against shares subscription	-	-	-	2,000,000	-	-	2,000,000
Transfer to statutory reserves	-	-	17,372	-	-	(17,372)	-
Balance as at December 31, 2014 - Audited	26,716,048	(13,284,674)	180,134	2,000,000	2,200,000	(9,444,123)	8,367,385
Total comprehensive income for the half year ended June 30, 2015							
Loss after tax for the half year ended June 30, 2015 - Un-audited	-	-	-	-	-	(95,629)	(95,629)
Other comprehensive income	-	-	-	-	-	(7,147)	(7,147)
Total comprehensive income for the half year ended June 30, 2015	-	-	-	-	-	(102,776)	(102,776)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	-	-	-	775	775
Balance as at June 30, 2015 - Un-audited	**26,716,048**	**(13,284,674)**	**180,134**	**2,000,000**	**2,200,000**	**(9,546,124)**	**8,265,384**

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

DYA

President & CEO | Chairman | Director | Director

SILKBANK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT - UNAUDITED
FOR THE HALF YEAR ENDED JUNE 30, 2015

	Note	June 30, 2015	June 30, 2014
		---------- Rupees in '000 ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(157,257)	77,168
Less: Dividend income		(19,415)	(28,646)
		(176,672)	48,522
Adjustments for non-cash items			
Depreciation		184,756	194,895
Amortization of intangible assets		44,838	41,625
Amortization of premium on investment		26,490	(1,265)
(Reversal) / provision against non-performing loans and advances - net	10.3	(236,028)	28,711
General provision against consumer financing	10.3	44,512	75,235
Provision for diminution / impairment in the value of investments	9.3 & 9.4	29,434	129,618
Unrealized loss / (gain) on revaluation of investments - held for trading	9.1	2,303	(1,492)
Share of profit from associate		(8,443)	(8,436)
Other provisions / (reversals)		324,204	(960)
Gain on sale of property and equipment		(726)	(1,506)
		411,340	456,425
		234,668	504,947
(Increase) / decrease in operating assets			
Lendings to financial institutions		(1,742,054)	(2,479,495)
Net investments in held-for-trading securities		2,485,524	2,428,762
Advances		380,475	(1,374,968)
Other assets		(3,147,075)	(1,381,793)
		(2,023,130)	(2,807,494)
Increase / (decrease) in operating liabilities			
Bills payable		624,576	(111,852)
Borrowings		1,482,651	(3,613,878)
Deposits		13,779,223	9,516,046
Other liabilities		149,485	(81,837)
		16,035,935	5,708,479
		14,247,473	3,405,932
Income tax paid		(120,476)	(69,804)
Net cash flows from operating activities		14,126,997	3,336,128
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investment in available-for-sale securities		(13,212,386)	(3,377,778)
Dividend received		19,355	26,983
Proceeds from sale of property and equipment		27,996	30,870
Net investment in operating fixed assets		(277,823)	(99,115)
Net cash flows used in investing activities		(13,442,858)	(3,419,040)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease obligation paid		(1,415)	-
Net cash flows used in financing activities		(1,415)	-
Net increase / (decrease) in cash and cash equivalents		682,724	(82,912)
Cash and cash equivalents at beginning of the half year		5,242,462	5,587,879
Cash and cash equivalents at end of the half year	25	5,925,186	5,504,967

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

President & CEO | Chairman | Director | Director

29. **DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on __________ by the Board of Directors of the Bank.

30. **GENERAL**

30.1 Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions for the purpose of comparison, which are as follows:

Statement	Rupees in (000)	------Reclassified-----	
		From	To
Profit and loss account	51,337	Other income	Fee, commission and brokerage

30.2 Figures have been rounded off to the nearest thousand rupees except stated otherwise.

DYA

President & CEO | Chairman | Director | Director