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Board of Directors
Munnawar Hamid, OBE  Chairman
Arshad Ghafur  Director
Humayun Bashir  Director
Javed Hamid  Director
Mohammad Ahmed Mannan  Director
Sadeq Sayeed  Director
Tariq Iqbal Khan, FCA  Director
Azmat Tarin  President & CEO

Company Secretary
Uzaman Naveed Chaudhary

Chief Financial Officer
Syed Ammar Ali Zaidi

Audit Committee
Humayun Bashir  Chairman
Javed Hamid  Member
Sadeq Sayeed  Member

Risk Committee
Tariq Iqbal Khan, FCA  Chairman
Arshad Ghafur  Member
Mohammad Ahmed Mannan  Member

Human Resources Committee
Munnawar Hamid, OBE  Chairman
Humayun Bashir  Member
Javed Hamid  Member
Azmat Tarin  Member

Auditors
KPMG Taseer Hadi & Co.  Chartered Accountants

Legal Advisor
Cornelius, Lane & Mufti

Registered Office
Silkbank Limited
Silkbank Building, I.I. Chundrigar Road, Karachi.
Telephone No.: +92 21-111-00-7455 Ext. 413 & 414
E-mail: companysecretary@silkbank.com.pk
Fax No.: +92 21-32460464 & 32462902
Website: www.silkbank.com.pk

Share Registrar
Noble Computer Services (Pvt.) Limited
First Floor, House of Habib Building (Siddiqsons Tower)
3-Jinnah Cooperative Housing Society, Main Shahrah-e-Faisal
Karachi – 75350
Phone: + 92 21 34325482-87
Fax: + 92 21 34325442
E-mail: ncsi@noble-computers.com
Website: www.noble-computers.com
Dear Shareholders,

We are pleased to present the un-audited financial statements of Silkbank Limited for the 3rd quarter ended September 30, 2012.

Economic Review

The start of 2012 saw multiple challenges in terms of domestic, economic and geopolitical trends. However, with the re-opening of NATO supply route and the release of US $ 1.12 billion as coalition support funds by the US, a surplus in current account of US $ 0.9 billion was recorded for July-August 2012 compared to a deficit of US $ 0.26 billion in the same period last year. As a result of relative stability on the external front, the exchange rate lost only 0.3% during the third quarter, closing at Rs. 94.81 v/s USD, as opposed to a 4.9% depreciation during the period January to June. Furthermore, inflation which averaged at 11.1% in first half of 2012, eased to 9.2% in the third quarter of 2012 as a result of lower gas prices and controlled food inflation. Consequently, the State Bank of Pakistan decided to cut the discount rate by 150 bps in August 2012 to 10.5%.

However, the growing loan repayments to the IMF continue to be a concern on the external front, while persistent fiscal pressures and excessive Government borrowing from private Banks in the run-up to the elections, remains a challenge for overall economic growth.

Financial Performance

The Bank has posted a loss of Rs. 63 million after tax during the period.

During this period, total deposits of the Bank grew by Rs 3.33 billion to Rs 67.41 billion and advances decreased by Rs 263 million. Significant recoveries of Rs 514 million against written off loans have been made during the period.

Summarized financial performance of Silkbank Limited for the period ended September 30, 2012 is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Rs. in Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit / (loss) before tax</td>
<td>(168)</td>
</tr>
<tr>
<td>Tax - Current</td>
<td></td>
</tr>
<tr>
<td>- Prior</td>
<td>(62)</td>
</tr>
<tr>
<td>- Deferred</td>
<td>167</td>
</tr>
<tr>
<td>Profit / (loss) after tax</td>
<td>(63)</td>
</tr>
<tr>
<td>(Loss) per share</td>
<td>(0.02)</td>
</tr>
</tbody>
</table>
Business Performance

Branch Banking remains one of the most critical businesses for the Bank, accounting for over 145,000 customers and approx 75% of the Bank’s deposit base. During the third quarter of 2012, Branch Banking strategy has been focused on reducing Cost of Funds on deposits, by modifying the deposit mix, negotiating with large depositors to reduce deposit rates and replacing high cost deposits with low cost CASA deposits. As a result, the deposit mix has improved significantly, reducing the Bank’s reliance on expensive term deposits, leading to lower cost of funds.

The Bank’s new products such as All-in-One, Business Value Account & Munafa Rozana have ensured that the Bank continues to offer unique products in the market. Branch Banking has also consistently managed to excel in both mystery shopping and internal service measures tracking to show the high level of customer loyalty and satisfaction aimed for by the Bank.

The Bank is emerging as a major player in the growing remittances business which has grown as per plan during the third quarter and the business is well-poised to take a leadership role in this market.

- **Silkbank VISA Debit Card**
  
  Our VISA Debit Card continues to show strong growth, with its dynamic card design and alliances with major merchants across Pakistan. A historic key milestone of 100,000 cards issuance was achieved in this quarter. Quarterly Point of Sales (POS) performance has also shown an increase of 14% between September 2011 and September 2012 and the Alternate Delivery Channels (ADC) business continues to be an important tool in achieving cost reduction, customer loyalty and service positioning.

- **Bancassurance**
  
  The Bancassurance business has been augmented by the addition of new products in the third quarter, and the first Takaful products, namely Silk Secure Takaful and Silk Education Takaful were launched, in collaboration with Dawood Family Takaful Limited. Another exclusive plan, the Silk Retirement Plan, underwritten by EFU Life Assurance Ltd, offering a guaranteed pension, was also launched this quarter.

- **Consumer Assets**
  
  The Bank strategy to focus on its Consumer Asset products, as the generator of stable margins, continues to build the asset book size. Currently the Bank is offering a combination of both secured and unsecured products and the Consumer Asset portfolio witnessed a good quarterly growth.

- **Silkbank VISA Credit Card**
  
  Silkbank’s journey towards a robust overall performance crossed an important milestones in the third quarter, with the commercial launch of Silkbank’s VISA Credit Cards. The Card has been launched, in Karachi, Lahore, Rawalpindi & Islamabad, combining some of the most innovative features in the industry to provide the highest level of customer convenience. It offers the unique proposition of 0% APR on Balance Transfer, a facility to design personal card and a 2% cash back on retail transactions.

- **Emaan Islamic Banking**
  
  We are also pleased to announce that at the end of the third quarter of 2012, the Bank has officially converted seven conventional branches into “Emaan Islamic banking branches”. The Bank has received an overwhelming response from the market and the Islamic Banking portfolio reached a figure of Rs. 667 million in its very first month. Going forward, the Bank plans to explore opportunities including but not limited to Islamic Auto Finance, Credit Cards, Personal Goods Finance, Investment in Sukuk, Corporate Risk Booking and further increase in the Islamic Branch Network. The Bank is confident that going forward, the acceleration in Islamic banking business will strongly complement the overall growth objectives of the Bank.
**Silk Webtrade**

In the coming month, the Bank has completed preparations to launch “Silk Webtrade”, a state of the art web based service to cater to the needs of trade finance customers, enabling them to electronically access trade related services including LC opening/Amendments/Imports Contract registrations/ Export Advance Payment processing, bills collection and purchases etc. Customers will enjoy quick access and secured control through this portal which will eventually save them and the Bank substantial time, work and consequently cost.

The management continues to take all possible measures to address the impact of the economic slowdown and intends to focus on further available growth opportunities, supported by ongoing product innovation based on changing customer needs and strict monitoring of the Bank's credit portfolio.

**Credit Rating**

The long term entity rating of the Bank is A- (Single A Minus) and the short term rating is A-3 (A-Three) as determined by JCR-VIS. This rating however has been put under a rating watch as "Developing".

**Future Outlook**

Issuance of Perpetual, Non-Cumulative, Convertible, Preference Shares ("PNCP") of the Bank for meeting Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR).

As stated in the Half Yearly Report, the Board had allowed Management to seek approval from the SBP for the issuance of PNCPs. We are now pleased to inform you that the State Bank of Pakistan vide its letter No. BSD/ CS/ 11653/12 dated October 4, 2012 has granted its in-principal approval for the issuance of PNCPs of Rs. 2,400 million (inclusive of a Green Shoe Option of Rs. 1,000 million) by the Bank, by way of issue of capital other than a Rights Issue. This will enable the Bank to issue 960 million PNCPs at an indicative face value of PKR 2.50 each to qualified institutional investors and high net worth individuals, which will convert into common shares after three years from the date of issue. Proceeds from the Issue (a total of Rs. 2,400 million) will contribute towards Tier - I Capital of the Bank for the purpose of calculating Minimum Capital Requirements and Capital Adequacy Ratio as stipulated by the State Bank of Pakistan (SBP) from time to time and will be utilized in on-going business operations of the Bank. As a result it is expected that the Bank's credit rating will improve, giving a further impetus to the Bank's market position and consequent growth in all business units, especially Consumer and Islamic Banking, as well as growth of Deposits and Assets especially in the Middle Market, eventually leading the Bank to become a profitable full service Commercial Bank.

**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. We are also equally thankful to our associates, staff and colleagues for their committed services to the Bank and look forward to their continued support.

For and on Behalf of the Board of
Silkbank Limited

Munnawar Hamid, OBE
Chairman

Karachi,
October 24, 2012
Condensed Interim Statement of Financial Position
As at September 30, 2012

September 30, 2012

Un-audited

Note Rupees in '000

ASSETS
Cash and balances with treasury banks
Balances with other banks
Lendings to financial institutions - net
Investments - net
Advances - net
Operating fixed assets
Deferred tax assets - net
Other assets

4,328,168
448,938
3,143,245
12,056,484
49,673,170
4,711,987
3,670,995
8,605,767
86,638,754

December 31, 2011

Audited

4,436,142
94,322
3,100,803
17,547,840
49,936,279
4,755,911
3,569,417
7,229,763
90,670,277

LIABILITIES
Bills payable
Borrowings from financial institutions
Deposits and other accounts
Liabilities against assets subject to finance lease
Deferred tax liabilities
Other liabilities

1,137,276
10,966,452
67,406,080
- -
- -
1,459,380
1,498,720

80,969,188
85,031,776

NET ASSETS

5,669,566
5,638,507

REPRESENTED BY
Share capital
Reserves
Discount on issue of right shares
Accumulated loss
Surplus on revaluation of assets

26,716,048
139,013
(13,284,674)
(8,096,227)
195,406

26,716,048
139,013
(13,284,674)
(8,054,519)
122,639

5,669,566
5,638,507

CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.
### Condensed Interim Profit and Loss Account - Unaudited
For The Period Ended September 30, 2012

<table>
<thead>
<tr>
<th>Note</th>
<th>Quarter ended</th>
<th>Nine Months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>July 01, to September 30, 2012</td>
<td>January 01, to September 30, 2012</td>
</tr>
<tr>
<td></td>
<td>July 01, to September 30, 2011</td>
<td>January 01, to September 30, 2011</td>
</tr>
<tr>
<td>Rupees in '000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Mark-up / return / interest earned**
- 2012: 2,125,355
- 2011: 2,183,228

**Mark-up / return / interest expensed**
- 2012: 1,839,162
- 2011: 1,682,961

**Net Mark-up / Interest Income**
- 2012: 486,193
- 2011: 500,267

**Provision / (Reversal) against non-performing loans and advances - net**
- 2012: 152,131
- 2011: (321,029)

**Provision against Consumer Financing**
- 2012: 8,302
- 2011: 12,962

**Recovery against written off loan**
- 2012: (750)
- 2011: (700)

**Provision for diminution in the value of investments - net**
- 2012: 6,3
- 2011: 13

**Impairment in the value of Investment**
- 2012: 24,219
- 2011: (1,409)

**Bad debts written off directly**
- 2012: 9
- 2011: -

**Net Mark-up / Interest Income after provisions**
- 2012: 183,911
- 2011: (310,176)

**NON MARK-UP / INTEREST INCOME**

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee, commission and brokerage income</td>
<td>96,701</td>
<td>92,379</td>
<td>315,733</td>
<td>283,593</td>
</tr>
<tr>
<td>Dividend Income</td>
<td>8,956</td>
<td>10,135</td>
<td>35,053</td>
<td>38,956</td>
</tr>
<tr>
<td>Income from dealing in foreign currencies</td>
<td>52,978</td>
<td>38,066</td>
<td>155,371</td>
<td>109,835</td>
</tr>
<tr>
<td>Gain / (loss) on sale of securities - net</td>
<td>43,469</td>
<td>(8,014)</td>
<td>64,634</td>
<td>43,239</td>
</tr>
<tr>
<td>Unrealized gain / (loss) on revaluation of investments - held for trading</td>
<td>490</td>
<td>345</td>
<td>(52)</td>
<td>162</td>
</tr>
<tr>
<td>Other Income</td>
<td>84,479</td>
<td>57,163</td>
<td>197,003</td>
<td>134,760</td>
</tr>
<tr>
<td><strong>Total non-mark-up/interest income</strong></td>
<td>287,073</td>
<td>190,074</td>
<td>767,742</td>
<td>610,545</td>
</tr>
<tr>
<td><strong>Total non-mark-up/interest income</strong></td>
<td>589,355</td>
<td>1,000,517</td>
<td>2,849,653</td>
<td>3,086,247</td>
</tr>
</tbody>
</table>

**NON MARK-UP / INTEREST EXPENSES**

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative expenses</td>
<td>1,055,659</td>
<td>943,359</td>
<td>3,139,297</td>
<td>2,759,439</td>
</tr>
<tr>
<td>Other (reversal) / provisions / write offs</td>
<td>(35,000)</td>
<td>(5,135)</td>
<td>(128,000)</td>
<td>(73,668)</td>
</tr>
<tr>
<td>Other charges</td>
<td>-</td>
<td>31</td>
<td>6,862</td>
<td>1,591</td>
</tr>
<tr>
<td><strong>Total non-mark-up / Interest expenses</strong></td>
<td>1,020,659</td>
<td>938,255</td>
<td>3,018,159</td>
<td>2,687,362</td>
</tr>
</tbody>
</table>

**LOSS / PROFIT BEFORE TAXATION**
- (431,304) | 62,262 | (168,506) | 398,885 |

**Income tax expense**

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxation - Current</td>
<td>12,089</td>
<td>14,046</td>
<td>61,928</td>
<td>69,701</td>
</tr>
<tr>
<td>- Prior</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Deferred</td>
<td>(261,704)</td>
<td>(167,492)</td>
<td>118,451</td>
<td></td>
</tr>
<tr>
<td><strong>Loss / profit after taxation</strong></td>
<td>(181,689)</td>
<td>48,216</td>
<td>(62,942)</td>
<td>210,733</td>
</tr>
</tbody>
</table>

**Loss / earnings per share - Basic and Diluted**
- (0.07) | 0.02 | (0.02) | 0.08 |

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.
Condensed Interim Statement of Comprehensive Income - Unaudited
For The Period Ended September 30, 2012

<table>
<thead>
<tr>
<th></th>
<th>Quarter ended</th>
<th>Nine Months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>July 01, to</td>
<td>January 01, to</td>
</tr>
<tr>
<td></td>
<td>September 30,</td>
<td>September 30,</td>
</tr>
<tr>
<td></td>
<td>2012</td>
<td>2012</td>
</tr>
<tr>
<td></td>
<td>July 01, to</td>
<td>January 01, to</td>
</tr>
<tr>
<td></td>
<td>September 30,</td>
<td>September 30,</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>2011</td>
</tr>
<tr>
<td>(Loss) / Profit for</td>
<td>(181,689)</td>
<td>(62,942)</td>
</tr>
<tr>
<td>the period</td>
<td>48,216</td>
<td>210,733</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>(181,689)</td>
<td>(62,942)</td>
</tr>
<tr>
<td>transferred to</td>
<td>48,216</td>
<td>210,733</td>
</tr>
<tr>
<td>equity</td>
<td>(181,689)</td>
<td>(62,942)</td>
</tr>
<tr>
<td>Components of</td>
<td>48,216</td>
<td>210,733</td>
</tr>
<tr>
<td>comprehensive income</td>
<td>(181,689)</td>
<td>(62,942)</td>
</tr>
<tr>
<td>not reflected in</td>
<td>48,216</td>
<td>210,733</td>
</tr>
<tr>
<td>equity</td>
<td>(181,689)</td>
<td>(62,942)</td>
</tr>
<tr>
<td>Surplus on</td>
<td>242,084</td>
<td>138,681</td>
</tr>
<tr>
<td>revaluation of assets</td>
<td>(84,729)</td>
<td>(42,941)</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>157,355</td>
<td>93,488</td>
</tr>
<tr>
<td>(liabilities) on</td>
<td>94,974</td>
<td>50,547</td>
</tr>
<tr>
<td>revaluation of assets</td>
<td>157,355</td>
<td>94,974</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.
### CASH FLOW FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Loss) / Profit for the period</td>
<td>(168,506)</td>
<td>398,885</td>
</tr>
<tr>
<td>Dividend Income</td>
<td>(35,053)</td>
<td>(38,956)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(203,559)</strong></td>
<td><strong>359,929</strong></td>
</tr>
</tbody>
</table>

**Adjustments for non-cash items**

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>286,020</td>
<td>296,078</td>
</tr>
<tr>
<td>Amortization of premium on investment</td>
<td>72,508</td>
<td>172,887</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>52,576</td>
<td>64,339</td>
</tr>
<tr>
<td>Provision / (Reversal) against non-performing loans and advances - net</td>
<td>(223,365)</td>
<td>(1,064,392)</td>
</tr>
<tr>
<td>Provision against consumer financing</td>
<td>27,257</td>
<td>84,722</td>
</tr>
<tr>
<td>Recover against written off loan</td>
<td>(514,521)</td>
<td>-</td>
</tr>
<tr>
<td>Provision for diminution in the value of investments - net</td>
<td>4,375</td>
<td>-</td>
</tr>
<tr>
<td>Impairment in the value of investment</td>
<td>24,219</td>
<td>30,422</td>
</tr>
<tr>
<td>Unrealized loss on revaluation of investments - held for trading</td>
<td>52</td>
<td>(162)</td>
</tr>
<tr>
<td>Provision for Gratuity</td>
<td>12,512</td>
<td>14,472</td>
</tr>
<tr>
<td>Other (reversal) / written back</td>
<td>(128,000)</td>
<td>(73,668)</td>
</tr>
<tr>
<td>Gain on sale of operating fixed assets</td>
<td>(21,126)</td>
<td>(1,679)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(407,493)</strong></td>
<td><strong>(477,180)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Increase) / Decrease in operating assets</td>
<td>(611,052)</td>
<td>(117,251)</td>
</tr>
</tbody>
</table>

**Increase / (Decrease) in operating liabilities**

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lendings to financial institutions</td>
<td>(42,442)</td>
<td>(908,545)</td>
</tr>
<tr>
<td>Net investments in Held-for-Trading securities</td>
<td>(1,580)</td>
<td>16,878</td>
</tr>
<tr>
<td>Advances</td>
<td>459,217</td>
<td>(29,304)</td>
</tr>
<tr>
<td>Other assets</td>
<td>(725,815)</td>
<td>(2,891,991)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(310,620)</strong></td>
<td><strong>(3,812,962)</strong></td>
</tr>
</tbody>
</table>

**CASH FLOW FROM INVESTING ACTIVITIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Investment in Available-for-Sale securities</td>
<td>3,321,515</td>
<td>(220,743)</td>
</tr>
<tr>
<td>Net Investment in Held-to-Maturity securities</td>
<td>2,261,182</td>
<td>434,582</td>
</tr>
<tr>
<td>Dividend Received</td>
<td>27,385</td>
<td>33,174</td>
</tr>
<tr>
<td>Sale proceeds of operating fixed assets disposed off</td>
<td>95,054</td>
<td>21,888</td>
</tr>
<tr>
<td>Investment in operating fixed assets</td>
<td>(399,800)</td>
<td>(2,751,899)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,305,336</strong></td>
<td><strong>(2,482,998)</strong></td>
</tr>
</tbody>
</table>

**Increase in cash and cash equivalents**

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in cash and cash equivalents</td>
<td>246,642</td>
<td>363,717</td>
</tr>
<tr>
<td>Cash and cash equivalents at January 01,</td>
<td>4,530,464</td>
<td>4,073,879</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at September 30,</strong></td>
<td><strong>4,777,106</strong></td>
<td><strong>4,437,596</strong></td>
</tr>
</tbody>
</table>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.
## Condensed Interim Statement of Changes in Equity
For The Period Ended September 30, 2012

<table>
<thead>
<tr>
<th></th>
<th>Share Capital</th>
<th>Discount on Issue of Shares</th>
<th>*Statutory Reserves</th>
<th>Accumulated Profit / (Loss)</th>
<th>Total Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance as at January 01, 2011</strong></td>
<td>26,716,048</td>
<td>(13,284,674)</td>
<td>-</td>
<td>(8,614,289)</td>
<td>4,817,085</td>
</tr>
<tr>
<td><strong>Total comprehensive Income for the period</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit after tax for the half year ended September 30, 2011</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>210,733</td>
<td>210,733</td>
</tr>
<tr>
<td>Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,788</td>
<td>2,788</td>
</tr>
<tr>
<td>Transfer to Statutory reserve</td>
<td>-</td>
<td>-</td>
<td>32,503</td>
<td>(32,503)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive Income for the period</strong></td>
<td>26,716,048</td>
<td>(13,284,674)</td>
<td>32,503</td>
<td>(8,433,271)</td>
<td>5,030,606</td>
</tr>
<tr>
<td>Profit after tax for the half year ended December 31, 2011</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>484,330</td>
<td>484,330</td>
</tr>
<tr>
<td>Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>932</td>
<td>932</td>
</tr>
<tr>
<td>Transfer to Statutory reserve</td>
<td>-</td>
<td>-</td>
<td>106,510</td>
<td>(106,510)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance as at December 31, 2011</strong></td>
<td>26,716,048</td>
<td>(13,284,674)</td>
<td>139,013</td>
<td>(8,054,519)</td>
<td>5,515,868</td>
</tr>
<tr>
<td><strong>Total comprehensive Income for the period</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss after tax for the half year ended September 30, 2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(62,942)</td>
<td>(62,942)</td>
</tr>
<tr>
<td>Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,790</td>
<td>2,790</td>
</tr>
<tr>
<td>Transfer from surplus on revaluation of fixed assets on account of sale of assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>18,444</td>
<td>18,444</td>
</tr>
<tr>
<td><strong>Balance as at September 30, 2012</strong></td>
<td>26,716,048</td>
<td>(13,284,674)</td>
<td>139,013</td>
<td>(8,066,227)</td>
<td>5,474,160</td>
</tr>
</tbody>
</table>

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

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.
Notes to the Condensed Interim Financial Statements - Unaudited
For The Period Ended September 30, 2012

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 07, 1995. It's shares are quoted on all the Stock Exchanges in Pakistan. The Bank is engaged in banking services as described in the Banking Companies Ordinance, 1962. It operates through 85 branches (December 31, 2011: 85) including 7 Islamic branches (commenced its operations on September 03, 2012) in Pakistan with the registered office located at Silkbank Building, I.I. Chundrigar Road, Karachi. The short term and long term credit rating of the Bank rated by JCR-VIS Credit Rating Company Limited in October 2012 is ‘A-3’ (A-Three) and ‘A-’ (Single A Minus) respectively.

1.2 Majority shareholding 82.406 % in the Bank as on September 30, 2012 is held by a consortium comprising of International Finance Corporation (IFC), Nomura European Investment Limited, Bank Muscat S.A.O.G and executives of the Sinthos Capital Advisors Limited. As a result of rights issue which are in process of subscription, the majority shareholding in the Bank may change upon full subscription towards the rights.

1.3 The Bank had a short fall of Rs. 2.67 billion as on September 30, 2012 in meeting the minimum capital requirement (MCR) of Rs. 8 billion (net of losses) as required under BSD circular No. 7 of 2009 applicable at December 31, 2011. The Bank had issued rights shares at a discount to generate a net capital of Rs. 7 billion. The right issue had partly remained unsubscribed and at present the Bank has unpaid rights of Rs. 2.572 billion. The Bank has obtained exemption from the State Bank of Pakistan for subscription of unpaid rights shares for meeting the Minimum Capital Requirement (MCR) and the Capital Adequacy Ratio (CAR) till December 31, 2012.

2. BASIS OF MEASUREMENT

This condensed interim financial information comprise condensed interim statement of financial position, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with explanatory notes have been prepared under the historical cost convention except that certain fixed assets are stated at revalued amounts, certain investments are stated at market value, derivative financial instruments have been marked to market and certain staff retirement benefits are carried at present value.

This condensed interim financial information has been prepared following the accrual basis of accounting except for the cash flow information.

3. STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Bank as of September 30, 2012 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting, provisions of the Companies Ordinance, 1984, Banking Companies Ordinance,1962 and directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.

The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP vide BSD circular letter No. 2 dated May 12, 2004 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and do not include all the information required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended December 31, 2011.

The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002. Further, according to the notification of SECP dated April 28, 2008, the IFRS - 7 "Financial Instruments: Disclosures" has not been made applicable for banks. 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 of various circulars issued by SBP.
4. ACCOUNTING POLICIES
The accounting policies and methods of computation adopted for preparation of these condensed interim financial statements are same as those followed in the preparation of the annual financial statements of the Bank for the year ended December 31, 2011.

5. FINANCIAL RISK MANAGEMENT
The Bank’s Financial Risk Management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2011.

6. INVESTMENTS - NET

<table>
<thead>
<tr>
<th>Held by bank</th>
<th>Given as collateral</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rupees in '000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As at September 30, 2012 - Unaudited
7,566,509 | 4,489,975 | 12,056,484 |

As at December 31, 2011 - Audited
7,011,369 | 10,536,271 | 17,547,640 |

<table>
<thead>
<tr>
<th>September 30, 2012 - (Unaudited)</th>
<th>December 31, 2011 - (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Held by bank</td>
<td>Given as collateral</td>
</tr>
<tr>
<td>Rupees in '000</td>
<td></td>
</tr>
</tbody>
</table>

6.1 Investments by Types:
- Held for Trading Securities
  - Ordinary Shares of Listed companies: 1,580

Available-for-Sale Securities
- Market Treasury Bills: 2,080,926 |
- Pakistan Investment Bonds: 1,535,413 |
- GOP Ijara Sukuk: 1,605,603 |
- Investment in Commercial Paper: 91,415 |
- Units of Mutual Fund - closed end: 17,896 |
- Preference Shares - Listed: 10,000 |
- Term Finance Certificates - Listed: 348,010 |
- Term Finance Certificates - Unlisted: 621,251 |
- Ordinary Shares - Listed: 933,022 |
- Ordinary Shares - Unlisted: 5,080 |

Total available-for-sale securities: 7,249,216 |

- Held to Maturity Securities
  - Pakistan Investment Bonds: 88,805 |
  - Term Finance Certificate - Listed: 17,500 |
  - Shares repo: 74,910 |

Total held-to-maturity securities: 181,215 |

- Investment in associates: 42,126 |

- Investments at cost: 7,474,137 |

Loss: Provision for diminution in the value of investments: (90,938) |

Investments - net of provision: 7,383,199 |

Unrealized loss on revaluation of investments held for trading: (52) |

Surplus / (deficit) on revaluation of available-for-sale securities: 183,362 |

Total investments: 7,566,509
## 6.2 Investments by segments

### Federal Government Securities
- Pakistan investment bonds: 2,624,302 (2012) vs. 5,628,326 (2011)
- GOP Ijara Sukuks: 1,605,603 (2012) vs. 3,041,258 (2011)

### Fully paid-up ordinary shares
- Unlisted companies: 5,680 (2012) vs. 37,026 (2011)

### Term finance certificates
- Term finance certificates - Unlisted: 621,251 (2012) vs. 802,686 (2011)

### Other Investments
- Units of Mutual fund - closed end: 17,886 (2012) vs. 11,233 (2011)
- Preference shares - Listed: 10,000 (2012) vs. 15,000 (2011)
- Investment in associates: 42,126 (2012) vs. 45,000 (2011)
- Shares repo: 74,910 (2012) vs. 74,910 (2011)

### Investment at Cost
- Provision for diminution in the value of investments: (90,938) (2012) vs. (86,563) (2011)

### Investments - net of provision
- Unrealized (loss) on revaluation of held for trading investments: (52)
- Surplus / (deficit) on revaluation of available for sale investments: 183,362 vs. (7,753)

### Total Investments
- 12,056,484 (2012) vs. 17,547,840 (2011)

## 6.3 Particulars of provision

### Opening balance
86,563 vs. 83,578

### Charge for the period / year
4,375 vs. 2,985

### Reversals
- 4,375 vs. 2,985

### Write off
- 4,375 vs. 2,985

### Closing balance
90,938 vs. 86,563

## 7. ADVANCES - NET

### Loans, cash credits, running finances, etc.
- In Pakistan: 53,789,320 vs. 54,367,573
- Outside Pakistan: - vs. -

### Bills discounted and purchased (excluding treasury bills)
- Payable in Pakistan: 97,061 vs. 209,611
- Payable outside Pakistan: 859,615 vs. 732,178

### Advances - gross
- 956,676 vs. 941,789
- 54,745,996 vs. 55,309,362

### Provision against non-performing advances - specific
- 7.2 (4,934,321) vs. (5,261,835)

### Provision against consumer finance- general
- 7.2 (138,505) vs. (111,248)

### Advances - net of provision
- 49,673,170 vs. 49,936,279
7.1 Advances include Rs.11,997 million (2011: Rs.11,023 million) which have been placed under non-performing status as detailed below:

<table>
<thead>
<tr>
<th>Category of classification - specific</th>
<th>September 30, 2012 - (Un-audited)</th>
<th>December 31, 2011 - (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Classified Advances</td>
<td>Provision required (Domestic)</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>---------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>Substandard</td>
<td>1,449,579</td>
<td>95,575</td>
</tr>
<tr>
<td>Doubtful</td>
<td>2,002,998</td>
<td>352,928</td>
</tr>
<tr>
<td>Loss</td>
<td>8,543,957</td>
<td>4,486,448</td>
</tr>
<tr>
<td></td>
<td>11,996,534</td>
<td>4,934,321</td>
</tr>
</tbody>
</table>

7.2 Particulars of provision against non-performing advances:

<table>
<thead>
<tr>
<th>September 30, 2012 - (Un-audited)</th>
<th>December 31, 2011 - (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Specific</td>
</tr>
<tr>
<td>Opening balance</td>
<td>5,261,835</td>
</tr>
<tr>
<td>Charge for the period</td>
<td>781,387</td>
</tr>
<tr>
<td>Reversals</td>
<td>(1,004,752)</td>
</tr>
<tr>
<td>Net charge / (reversals) for the period</td>
<td>(223,365)</td>
</tr>
<tr>
<td>Amounts written off</td>
<td>(104,149)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>4,934,321</td>
</tr>
</tbody>
</table>

7.3 General provision against consumer finance loans represents provision made equal to 1.5% of the fully secured performing portfolio and 5% of the unsecured performing portfolio as required by the Prudential Regulations issued by the SBP for Consumer Financing.

8. OPERATING FIXED ASSETS

8.1 Following additions / disposals have been made to / from property and equipment

<table>
<thead>
<tr>
<th>September 30, 2012 - (Un-audited)</th>
<th>September 30, 2011 - (Un-audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Additions</td>
</tr>
<tr>
<td></td>
<td>Rupees in '000</td>
</tr>
<tr>
<td>Freehold Land</td>
<td>-</td>
</tr>
<tr>
<td>Leasehold Land</td>
<td>-</td>
</tr>
<tr>
<td>Building- Leasehold</td>
<td>-</td>
</tr>
<tr>
<td>Building- Freehold Land</td>
<td>-</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>1,400</td>
</tr>
<tr>
<td>Furniture &amp; Fixture</td>
<td>1,856</td>
</tr>
<tr>
<td>Other Equipment</td>
<td>5,499</td>
</tr>
<tr>
<td>Computers</td>
<td>49,982</td>
</tr>
<tr>
<td>Vehicles</td>
<td>162,941</td>
</tr>
<tr>
<td></td>
<td>221,678</td>
</tr>
</tbody>
</table>

8.2 Additions and disposals to intangible assets

| 57,956 | - | 22,642 | - |
8.3 Gain on disposal

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2012 (Un-audited)</th>
<th>September 30, 2011 (Un-audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sale Proceed</td>
<td>Book Value</td>
</tr>
<tr>
<td>Vehicle</td>
<td>34,204</td>
<td>33,333</td>
</tr>
<tr>
<td>Land and building</td>
<td>60,850</td>
<td>40,595</td>
</tr>
<tr>
<td></td>
<td>95,054</td>
<td>73,928</td>
</tr>
</tbody>
</table>

9. SHARE CAPITAL

9.1 Authorised capital

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Un-audited</td>
<td>Audited</td>
</tr>
<tr>
<td>No. of shares in '000</td>
<td>4,000,000</td>
<td>4,000,000</td>
</tr>
</tbody>
</table>

Ordinary shares of Rs.10 each

<table>
<thead>
<tr>
<th></th>
<th>September 30, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Un-audited</td>
<td>Audited</td>
</tr>
<tr>
<td>No. of shares in '000</td>
<td>800,315</td>
<td>800,315</td>
</tr>
<tr>
<td>Ordinary shares of Rs.10 each Fully paid in cash</td>
<td>8,003,150</td>
<td>8,003,150</td>
</tr>
<tr>
<td>100,000</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>Ordinary shares of Rs.10 each Fully paid in cash and issued at a discount of Rs. 2.5 per share</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>1,771,290</td>
<td>1,771,290</td>
<td></td>
</tr>
<tr>
<td>Ordinary shares of Rs.10 each Fully paid in cash and issued at a discount of Rs. 7.5 per share</td>
<td>17,712,898</td>
<td>17,712,898</td>
</tr>
<tr>
<td>2,671,605</td>
<td>2,671,605</td>
<td></td>
</tr>
<tr>
<td>26,716,048</td>
<td>26,716,048</td>
<td></td>
</tr>
</tbody>
</table>
10. **SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS**

<table>
<thead>
<tr>
<th>Note</th>
<th>September 30, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1</td>
<td>Surplus / (deficit) on revaluation of securities</td>
<td>119,185</td>
</tr>
<tr>
<td>10.2</td>
<td>Surplus on revaluation of property and equipments</td>
<td>76,221</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>195,406</strong></td>
</tr>
</tbody>
</table>

10.1 **Surplus / (deficit) on revaluation of securities**

- Federal Government securities: 77,076 (18,776)
- Quoted Securities: 106,286 (11,023)
- Deferred tax asset recognised: 183,362 (7,753)
- **Total Surplus / (deficit) on revaluation of securities**: 119,185 (5,039)

10.2 **Surplus on revaluation of property and equipments**

- Surplus on revaluation of properties: 104,723 157,157
- Deferred tax (liability) recognised: (28,502) (29,479)
- **Total Surplus on revaluation of property and equipments**: 76,221 127,678

10.3 **Reconciliation of surplus on revaluation of property**

<table>
<thead>
<tr>
<th>Description</th>
<th>September 30, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>At beginning of the period</td>
<td>157,157</td>
<td>160,877</td>
</tr>
<tr>
<td>Surplus realized on account of incremental depreciation (net of tax)</td>
<td>(2,790)</td>
<td>(3,720)</td>
</tr>
<tr>
<td>Surplus realized on disposal of property and equipment</td>
<td>(49,644)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>104,723</strong></td>
<td><strong>157,157</strong></td>
</tr>
</tbody>
</table>

11. **CONTINGENCIES AND COMMITMENTS**

11.1 **Transaction-related contingent liabilities**

- Guarantees favouring Government: 7,547,246 7,657,988
- Banking companies and other financial institutions: 551,964 206,948
- Others: 1,366,636 1,648,697

11.2 **Trade-related contingent liabilities**

- Letters of Credit & Acceptances: 4,805,717 4,412,150

11.3 **Claims against the bank not acknowledged as debt**: 350,043 348,243

11.4 **Claims against the bank by Competition Commission of Pakistan & Others**: 24,000 -

11.5 **Commitments in respect of Forward Exchange contracts with State Bank of Pakistan, banks and other institutions**

<table>
<thead>
<tr>
<th>Description</th>
<th>September 30, 2012</th>
<th>September 30, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale</td>
<td>5,940,132</td>
<td>3,179,611</td>
</tr>
<tr>
<td>Purchase</td>
<td>7,775,196</td>
<td>7,376,571</td>
</tr>
</tbody>
</table>

11.6 **Commitments in respect of Property civil work & equipment**

<table>
<thead>
<tr>
<th>Description</th>
<th>September 30, 2012</th>
<th>September 30, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property civil work &amp; equipment</td>
<td>9,097</td>
<td>3,395</td>
</tr>
<tr>
<td>Purchase of hardware / software</td>
<td>73,505</td>
<td>106,768</td>
</tr>
<tr>
<td><strong>Total Commitments in respect of</strong></td>
<td><strong>82,602</strong></td>
<td><strong>110,163</strong></td>
</tr>
</tbody>
</table>

12. **CASH AND CASH EQUIVALENTS**

<table>
<thead>
<tr>
<th>Description</th>
<th>September 30, 2012</th>
<th>September 30, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and balance with treasury banks</td>
<td>4,328,168</td>
<td>4,342,145</td>
</tr>
<tr>
<td>Balance with other banks</td>
<td>448,938</td>
<td>95,451</td>
</tr>
<tr>
<td><strong>Total Cash and Cash Equivalents</strong></td>
<td><strong>4,777,106</strong></td>
<td><strong>4,437,596</strong></td>
</tr>
</tbody>
</table>
13. TAXATION

The income tax returns of the Bank have been submitted up to tax year 2011. The Bank has filed appeals before (ATIR) against certain disallowances amounting to Rs. 1,996 million made by TO for assessment / tax year(s) 2000-2001, 2001-2002, 2002-2003 and 2004. The disallowances amounting to Rs. 682 million in respect of tax year 2003 and 2006 are pending at CIR (A). The management is confident that the outcome of these appeals would be in favor of the Bank.

14. 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, key employees and entities that have key management personnel in common.

Transactions with the related parties are executed substantially on the same terms, including mark-up rates and collaterals as those prevailing at the time for comparable transaction with the unrelated parties and do not involve more than a normal risk (i.e. under the Comparable Uncontrolled Price Method).

Other than those transactions which are made under the terms of employment, the majority of the transactions with related parties comprise loans and advance, deposits, issuance of letter of credits and guarantees.

Advances for the house building, conveyance and for personal use have also been provided to the staff and executives at the 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 hospitalization insurance is also provided to staff and executives. In addition to this, executives of the Bank have been provided with Bank maintained car.

Details of transactions with related parties and balances with them as at the period and were as follows:

<table>
<thead>
<tr>
<th>September 30, 2012 - (Un-audited)</th>
<th>December 31, 2011 - (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Key Management Personnel and Others</td>
</tr>
<tr>
<td>Directors</td>
<td>Rupees in '000</td>
</tr>
<tr>
<td>Loans at the beginning of the period</td>
<td>21,399</td>
</tr>
<tr>
<td>Loans given during the period</td>
<td>-</td>
</tr>
<tr>
<td>Loans repaid during the period</td>
<td>(21,399)</td>
</tr>
<tr>
<td>Loans outstanding at the end of the period</td>
<td>-</td>
</tr>
<tr>
<td>Deposits</td>
<td>18,535</td>
</tr>
<tr>
<td>Deposits at the beginning of the period</td>
<td>247,945</td>
</tr>
<tr>
<td>Deposits received during the period</td>
<td>(257,492)</td>
</tr>
<tr>
<td>Deposits at the end of the period</td>
<td>8,988</td>
</tr>
</tbody>
</table>

Transitions

<table>
<thead>
<tr>
<th>September 30, 2012 - (Un-audited)</th>
<th>September 30, 2011 - (Un-audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term employees benefits</td>
<td>41,841</td>
</tr>
<tr>
<td>Termination benefits</td>
<td>3,110</td>
</tr>
<tr>
<td>Mark-up earned on loans</td>
<td>83</td>
</tr>
<tr>
<td>Mark-up paid on deposits</td>
<td>410</td>
</tr>
<tr>
<td>Services rendered / goods supplied</td>
<td>-</td>
</tr>
<tr>
<td>Software procured</td>
<td>-</td>
</tr>
</tbody>
</table>
15. **ISLAMIC BANKING BUSINESS**

The Bank is operating with 7 (2011: Nil) Islamic Banking branches as of September 30, 2012.

| Note | ASSETS | | LIABILITIES | | NET ASSETS |
|------|--------|------------------|------------------|------------------|
|      | September 30, 2012 | December 31, 2011 | Un-audited Rupees in '000 | Audited |
| Cash and balances with treasury banks | 45,644 | - | - | - |
| Balances with and Due from Financial Institutions | 700,633 | - | - | - |
| Investments | 266,134 | - | - | - |
| Financing and Receivables | | | | |
| Murabaha | - | - | - | - |
| Ijara | - | - | - | - |
| Musharaka | - | - | - | - |
| Diminishing Musharaka | - | - | - | - |
| Sairm | - | - | - | - |
| Other Islamic Modes | - | - | - | - |
| Operating fixed assets | 84,477 | - | - | - |
| Other assets | 17,625 | - | - | - |
| **Total Assets** | 1,114,513 | - | - | - |
| Bills payable | 15,841 | - | - | - |
| Due to Financial Institutions | - | - | - | - |
| Deposits and other accounts | | | | |
| Current Accounts | 106,683 | - | - | - |
| Saving Accounts | 94,423 | - | - | - |
| Term Deposits | 441,054 | - | - | - |
| Others | - | - | - | - |
| Deposit from Financial Institutions - Remunerative | 20,000 | - | - | - |
| Deposits from Financial Institutions - Non-Remunerative | - | - | - | - |
| | 662,140 | - | - | - |
| Due to Head Office | - | - | - | - |
| Other liabilities | 17,098 | - | - | - |
| **Total Liabilities** | 695,079 | - | - | - |
| **REPRESENTED BY** | | | | |
| Islamic Banking Fund | 425,000 | - | - | - |
| Reserves | - | - | - | - |
| Unappropriated/ Unremitted profit | (8,314) | - | - | - |
| Surplus/ (Deficit) on revaluation of assets | 416,686 | - | - | - |
| 2,748 | - | - | - | - |
| **CONTINGENCIES AND COMMITMENTS** | | | | |
| **11.** | | | | |
| **CHARITY FUND** | | | | |
| Opening Balance | - | - | - | - |
| Additions during the period | - | - | - | - |
| Payments/Utilization during the period | - | - | - | - |
| Closing Balance | - | - | - | - |

16. **DATE OF AUTHORISATION FOR ISSUE**
The financial statements were authorised for issuance on October 24, 2012 by the Board of Directors of the Bank.

17. **GENERAL**

Figures have been rounded off to the nearest thousand rupees.