

Press Release

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Silkbank announces Rs.337 million profit for HY11

Karachi, August 29, 2011: Silkbank has announced half yearly results for the period ended June 30, 2011. The Bank's profit before tax increased from Rs. 21.5 million in June 30, 2010 to Rs. 337 million in June 30, 2011 depicting an astounding growth of 1467%. The profit announcement reflects a turnaround of Silkbank with continuous earnings for the first two quarters of 2011. The management is confident that strong growth in balance sheet and revenues along with recoveries of non performing advances will continue and the Bank will close the full year 2011 on a strong footing. The bank has, since the acquisition of Saudipak Bank, launched several successful asset and liability products which will significantly improve future balance sheet spreads.

The total deposits of the bank grew by an impressive Rs 7.9 billion to Rs 63.6 billion. This reflects a growth of 14% which outstrips the banking industry growth of 9% during the same period. Current deposits grew by Rs. 2.5 billion (32%) and CASA contributed Rs. 4.2 billion (53.2%) during the period. Advances increased by Rs 2.7 billion and investments recorded an increase of Rs 1.3 billion during the first half of the year. The Bank's recovery efforts on nonperforming loans resulted in significant reversal in provisions for the six month period ended June 30, 2011.

The Bank's total income after provisions increased by 74.4% from Rs. 1,196 million in June 2010 to Rs. 2,085 million in June 2011. Silkbank declared earnings of Rs. 0.06 per share for HY11.

Saudi Pak Commercial Bank was acquired in March 2008 by a consortium comprising of IFC, Bank Muscat, Nomura International and Sinthos Capital, and was rebranded as Silkbank Limited in 2009. The bank is a key player in premier banking, trusted by customers for accessibility, service and innovation.