



STATE BANK OF PAKISTAN
BANKING POLICY & REGULATIONS DEPARTMENT
I. I. CHUNDRIGAR ROAD
KARACHI

License No. BL-01(2009)

Date of issue: June 24, 2009

In exercise of the powers conferred upon State Bank of Pakistan (SBP) under Section 27 of Banking Companies Ordinance, 1962 (BCO), "**SILKBANK LIMITED**" (hereinafter referred to as "**the bank**") is hereby authorized to continue banking business in Pakistan. This License has been issued in lieu of License No. BL-05 dated August 16, 2005 issued to "**SAUDI PAK COMMERCIAL BANK LIMITED**", consequent upon change of its management and name to "**SILKBANK LIMITED**". The License shall be effective from March 31, 2008 and subject to the following terms and conditions:

- i) The bank shall be a public limited company and listed on the stock exchange(s).
- ii) The bank shall, at all times, maintain the minimum paid up capital as prescribed by SBP from time to time.
- iii) The bank shall, at all times, maintain Minimum Capital Adequacy Ratio on risk-weighted assets as prescribed by SBP from time to time.
- iv) The President/Chief Executive Officer (CEO) of the bank shall be a professional banker with no adverse reputation regarding integrity and performance. The appointment for the position of President/CEO, as and when made, shall be subject to the SBP's prior written approval in accordance with the criteria of "Fit & Proper Test" as prescribed by SBP and all other relevant instructions issued from time to time.
- v) The appointment and replacement of the director(s), as and when made, shall be subject to the SBP's prior written approval in accordance with the criteria of "Fit & Proper Test" as prescribed by SBP and all other relevant instructions/regulations issued from time to time.
- vi) The bank shall not open a new place of business without obtaining prior permission in writing from SBP.
- vii) The bank's sponsor shares shall remain deposited in blocked account with Central Depository Company of Pakistan Limited (CDC) in terms of BPRD Circular No. 4 of 2008. Any subsequent allotment/subscription, either in the form of right or bonus shares or in any other manner whatsoever, to the sponsor shareholders shall also be deposited with CDC in a similar manner. Further no borrowing/financial assistance of whatsoever nature shall be raised through lien, pledge, hypothecation etc on these sponsors' shares.
- viii) The sponsors and sponsors directors shall not dispose of their shares (subscribed or allotted/issued as right or bonus shares etc.) in any manner whatsoever for an



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initial period of 3 (three) years and, thereafter, only with the specific written approval of SBP.

- ix) Foreign investment, disinvestment and repatriation of dividends shall be subject to compliance of related foreign exchange laws, rules and regulations as prescribed by SBP from time to time.
- x) No alteration/amendment shall be made in Memorandum & Articles of Association of the bank without obtaining prior written approval from SBP.
- xi) All activities of bank shall be conducted in a professional, ethical and orderly manner pursuant to sound risk management systems.
- xii) The registered office of the bank shall be located in *Sindh. Islamabad, capital territory.*
- xiii) The bank shall, at all times, comply with all relevant laws/requirements including BCO, 1962, the State Bank of Pakistan Act, 1956, Foreign Exchange Regulations Act, 1947, Prudential Regulations and any other directives/orders issued by SBP, from time to time.
- xiv) In case, subsequent to issuance of license, any fact is found to have been misrepresented or misrepresented to SBP, or there is any contravention of the relevant laws, rules and regulations by the bank/sponsors/directors, SBP shall have the right to take appropriate action as it deems fit, which may include, but shall not be limited to, the cancellation of banking license of the bank.



M. Javed
(Muhammad Akhtar Javed)
Senior Joint Director