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State Bank grants Banking Licence to Barclays Bank

The State Bank of Pakistan today granted a banking licence to Barclays Bank Plc, UK to conduct banking business in Pakistan. Dr Shamshad Akhtar, Governor, SBP handed over the licence to Mr. Ahmed Khizer Khan, Chief Executive, Emerging Markets, Global Retail and Commercial Banking, Barclays Bank at a simple ceremony held at SBP, Karachi.

Speaking on the occasion, Dr Akhtar said the entry of Barclays in Pakistan will not only strengthen the banking system of the country but will also bring a significant amount of foreign direct investment and technology to launch innovative financial products.

The Governor highlighted the speed and efficiency with which both the SBP and Barclays have concluded this deal. She added that given Barclays' extensive network and experience, she looks forward to Barclays as a partner in development of Pakistan which will gear itself in due course to enhancing the competition and efficiency in the banking system.

Dr Akhtar said the entry of Barclays in Pakistan reflects the confidence of foreign banks in Pakistan's banking system. She further said that in line with the recently released Financial Stability Review, Pakistan's banking system has illustrated its capability to be strong and robust system which has great prospects and potential to grow given the retail market of this country as captured by its population base and growing per capita incomes. Pakistan's banking assets in last 5 years have grown from Rs 2,223 billion to Rs 4,884 billion; advances from Rs 1,062 billion to Rs 2,603 billion; and deposits from Rs 1,678 billion to Rs 3,691 billion, she added.

Mr. Khizer announced the appointment of Mr Mohsin Nathani as the Country Head and Managing Director of Barclays in Pakistan.

Barclays will be established in Pakistan as a foreign banking company and operate in branch mode with a capital of US\$100 million and will initially set up 10 branches in various cities of the country. The issuance of licence to Barclays will add to the presence of foreign banks. It will be the 7th foreign bank operating in Pakistan in branch mode in addition to a number of foreign banks having locally incorporated subsidiaries. As per the agreements of the licence, Barclays will need to comply with the SBP guidelines, if it plans for conversion of its status from branch mode to a local subsidiary.

Barclays has established a track record of successful and sustainable banking operations across the world. The Pakistani operations will benefit significantly from the synergies and knowledge that Barclays, as one of the largest financial services providers, can offer. Further, their presence in the market will translate into superior customer service and also contribute to financial inclusion and modernization.

Barclays Bank Plc, the second largest global bank by assets size with regulatory capital of US\$68.138 billion, is a subsidiary company of Barclays Plc. Barclays Plc is listed in London, New York and Tokyo. Barclays Bank is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The bank operates in over 50 countries employing 123,000 people and has customer/client base of over 27 million. Barclays Bank and its companies operate 3913 branches in over 50 countries.
