



November 14, 2014

Imposition of Moratorium on KASB Bank Limited

In order to protect the interest of depositors and other stakeholders and due to financial health and other circumstances of KASB Bank Limited. (“the bank”), the Federal Government, on the application of the State Bank of Pakistan and in exercise of the powers conferred upon it under the Section 47 of the Banking Companies Ordinance, 1962, has placed KASB Bank Ltd. under moratorium for a period of six (06) months with effect from close of business as of November 14, 2014. Consequently, the payment of certain debts and obligations from the bank would be suspended while it would continue to receive all payments/ recoveries due to the bank.

The Federal Government has directed the State Bank of Pakistan to consider reconstruction or amalgamation of the bank as per the provisions of the Banking Companies Ordinance, 1962 within six months.

It is the endeavour of the State Bank of Pakistan to ensure smooth functioning of banks in the best interest of depositors. Keeping this in view, payment to the depositors of the bank having account balance of up to Rs. 300,000/- per depositor per account on the date of placing of the bank under moratorium will not be affected. In this manner, more than 92.33 % of total account holders will be able to operate their accounts. The account holders with balance of more than Rs 300,000/- as of effective date, however, would be able to withdraw upto the above permitted threshold only.

The State Bank of Pakistan has always worked to safeguard the interests of depositors as well as the banking system of the country. The overall banking system is well capitalized and functioning smoothly. KASB Bank Ltd. consists of just 0.6% of the total assets of all banks and the State Bank of Pakistan will ensure a resolution of the same in the best interest of the depositors and the banking system.