



Offsite Supervision & Enforcement Department

**Detail of Significant Enforcement Actions by SBP August-2019**

(Rupees in Million)

| Sr.No | Date Of Action         | Institution        | Nature of Offence                                       | Action Taken  | Monetary Penalty |
|-------|------------------------|--------------------|---|---|------------------|
| 1     | 01-Aug-19<br>02-Aug-19 | Dubai Islamic Bank | Violations in the areas of AML/CFT, Asset Quality       | Monetary penalty was imposed mainly on deficiencies in the areas of AML/CFT. Moreover the bank has been advised timelines to rectify the operational lapses and improve the control environment to avoid recurrence of such lapses/violations in future.                          | 77.974           |
| 2     | 02-Aug-19<br>03-Aug-19 | Habib Bank Limited | Violations in the areas of AML/CFT, Consumer Protection | Monetary penalty was imposed mainly on deficiencies in the areas of AML/CFT and erroneous deduction of service charges from customers. The bank has been advised timelines to bring improvements in its systems/controls to avoid recurrence of such lapses/violations in future. | 320.08           |
| 3     | 03-Aug-19              | MCB Bank Limited   | Violations in the areas of AML/CFT, Asset Quality       | Monetary penalty was imposed mainly on deficiencies in the areas of AML/CFT. The bank has been advised timelines to improve the KYC/CDD processes and integrate eKYC system with core banking system.   | 159.152          |
| 4     | 03-Aug-19              | Silkbank Limited   | Violations in the areas of AML/KYC, Asset Quality       | Monetary penalty was imposed mainly on violations of non-surrendering of unclaimed deposits, non-classification of loans and adjustment lending. Moreover, the bank has been advised timelines to classify advances & create provision there against and conduct                  | 53.879           |



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|       |                |                      |  | internal inquiry on some of high value cash transactions and take action accordingly.  |                  |
| 5     | 03-Aug-19      | Bank Alfalah Limited | Violations in the areas of FX Operations                         | Monetary penalty was imposed mainly on violations of foreign exchange regulations such as restrictions to remit import advance payments, export documentation and non-submission of documents against advance payments.  | 52.795           |
| 6     | 03-Aug-19      | Allied Bank Limited  | Violations in the areas of AML/KYC, Asset Quality                | Monetary penalty was imposed on breach of various limits of Equity Investment/related party and deficiencies in customer due diligence process. The bank has been advised timelines to bring equity Investment and exposure to related party group within the prescribed limit and revise KYC/CDD process.   | 32.755           |
| 7     | 03-Aug-19      | Sindh Bank Limited   | Violations in the areas of AML/KYC, Asset Quality, FX Operations | Monetary penalty was imposed mainly on deficiencies in customer due diligence practices, imprudent lending practices, non-classification of loans. Moreover, in view of the strategic deficiencies in Transaction monitoring system & name screening process, the bank has been advised an action plan/timelines for replacement of their existing TMS and acquiring of name screening solution. | 15.088           |



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| 8     | 03-Aug-19      | Summit Bank Limited             | Violations in the areas of AML/KYC, Asset Quality                       | Monetary penalty was imposed mainly on deficiencies in customer due-diligence process, mis-utilization of loans and non classification of loans. The bank has been advised to timely update customer profiles & properly document the reasons of large value transactions.   | 13.072           |
| 9     | 05-Aug-19      | JS Bank Limited                 | Violations in the areas of AML/KYC, Asset Quality, Corporate Governance | Monetary penalty was imposed mainly on deficiencies in customer due-diligence process, mis-utilization and non classification of loans etc. The bank has been advised timelines to enhance its systems/process for customer risk profiling (CRP), transaction monitoring and identification of Politically Exposed Persons (PEPs). | 70.307           |
| 10    | 19-Aug-19      | Habib Metropolitan Bank Limited | Violations in the areas of FX Operations                                | Monetary penalty was imposed mainly on a violation of foreign exchange regulations relating to splitting of the import advance payments into smaller transactions.   | 10.000           |