

STATE BANK OF PAKISTAN

BRANCH LICENSING POLICY

2016

BANKING POLICY & REGULATIONS DEPARTMENT

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Prologue

The provision of financial services in rural and underserved areas is the key priority of the State Bank of Pakistan viz a viz to balance the distribution of branch network amongst different segments of the country. The Branch Licensing Policy (BLP) is one of the important tools available to SBP for allowing guided expansion of the banking system keeping in view requirements of the system and also provides an insight into rationalization of the branch network. The purpose of BLP is to provide regulatory framework for the opening places of banking business with focus to augment the outreach.

The opening of new branches and shifting of existing branches of banks is governed by the provisions of Section 28 of the Banking Companies Ordinance, 1962. In terms of these provisions, banks cannot, without the prior permission in writing of the SBP, open a new place of business in any part of Pakistan or abroad or change, otherwise than within the same city, town or village, the location of the existing place of business. Section 28 (3) of the Banking Companies Ordinance lays down that before giving the permission under this section, the SBP may required to be satisfied under section 40 or otherwise regarding such aspects of the company's affairs as the State Bank may deem necessary. The opening of new branches of microfinance banks is governed under Section 8 of Microfinance Institutions Ordinance, 2001. In terms of these provisions the microfinance institution may, with the approval of the State Bank, establish branch offices at such other place, or places, in the specified area as it may think fit. Further, the Development Financial Institutions (DFIs) as notified under Section 3-A of the BCO, 1962 may open branches/sales service centers in terms of Branch Licensing Policy. As Section 28 of BCO is not applicable to DFIs therefore no formal license is issued to these institutions. However, a standardized and formal permission letter is issued. Branches in Export Processing Zones though offshore units are also considered in terms of Rule 10, 11 of Export Processing Authority Rules, 1981 and provisions of BLP.

Chapter 1

Objective and Scope of Branch Licensing Policy (BLP)

1.1 Objective

The objective the BLP is to enhance the outreach of banking facilities to the population of Pakistan with specific focus on rural and underserved areas.

1.2 Scope of BLP

- (a) BLP is applicable to all banks (conventional and Islamic Banks) scheduled under section, 37 of the State Bank of Pakistan Act 1956 and licensed under Banking Companies Ordinance 1962 (BCO, 1962). The BLP is applicable to the following institutions as well:-
- (i) Development Financial Institutions (DFIs) or any other institutions as notified under section 3-A of the BCO, 1962.
 - (ii) Microfinance Banks (MFBs) licensed under Microfinance Institutions Ordinance 2001. The permission for opening of new places of business to MFBs is granted under section 8 of the Microfinance Institutions Ordinance, 2001.
- (b) The BLP covers opening, shifting and closure of places of banking business at all the geographical locations of Pakistan, Gilgit Baltistan (GB) and Azad Jammu & Kashmir (AJ&K).

Chapter 2

Domestic New Places of Business

2.1. Annual Branch Expansion Plan (ABEP)

- (a) Banks/MFBs/DFIs (hereinafter referred to as “Licensed Institutions”) desirous to open new places of business (Branches, Sub-branches, MFB booths, Sales & Service Centers, Service Centers) during a calendar year shall submit ABEP to State Bank of Pakistan (SBP) for consideration and approval, by 31st October of each preceding calendar year.
- (b) The ABEP should indicate the number and types of places of business proposed to be opened including up-gradation of permanent booths into sub-branches or branches in big cities, other than big cities, rural & underserved areas and un-banked areas on prescribed format (Annexure-I). In case of MFBs, the number and type of place of business should be submitted on prescribed format (Annexure-M-1).
- (c) Commercial Banks (conventional & Islamic) while applying for new branches/sub-branches under ABEP shall ensure the tier wise geographical distribution as given in Table-1.

Table-1

Tier	Description
I	Big cities
II	Other than big cities
III	Rural and Underserved Areas (RUAs)
IV	Un-banked areas

For this purpose, the following year-wise distribution against each geographical tier shall be followed for next five years. Moreover, banks opening less than twenty branches under a particular ABEP will be required to open minimum one branch in Un-banked areas i.e. Tier IV.

Table-2*

ABEP Year	Tier 1 (Big Cities)	Tier II (Other Cities)	Tier III (RUAs)	Tier IV (Un-Banked)
2017	52 %	27%	16%	5%
2018	49%	29%	17%	5%
2019	46%	31%	18%	5%
2020	43%	33%	19%	5%
2021	40%	35%	20%	5%

* The distribution is for new branches planned to be opened ever year.

- (d) SBP’s decision on individual licensed institution’s ABEP will be conveyed to the concerned institutions generally by 31st December. ABEP will only be considered if it is submitted within due date, complete in all respect.

- (e) The places of business approved in-principle under a particular ABEP shall lapse in case a formal application for issuance of license is not submitted by 30th November of the related year. Similarly, a license issued under a given ABEP shall expire where a licensed place is not opened within three months of issuance of a license or by 31st December of the respective year, which ever comes earlier.
- (f) At the time of preparing ABEPs, licensed institutions should plan a strategy to rationalize their existing branch network (especially branches operating in close proximity) for provision of banking facilities to the masses.
- (g) All licensed institutions as a part of their corporate social responsibility shall make arrangements at designated branches for special persons suffering from any disability. Moreover, the banks shall make necessary arrangements/processes for facilitation of banking services to deaf and dumb persons for the available & offered banking services. For the purpose banks shall publicize at which branch such services are available.
- (h) In cases of newly established commercial banks / MFBs/ DFIs, merger/acquisition/restructuring of banks/ MFBs /DFIs, and in case of improvement in the financial health as reflected by the composite rating of On-site/Off-site rating by SBP, may request for opening of new place of business during the year. Such requests may be considered as a special case in terms of the BLP.
- (i) MFBs shall formulate an elaborate branch opening / selection policy which, inter alia, contain the level of services to be offered, criteria for identification of the location and premises, deployment of resources, expansion, shifting, and closing of branches etc. The policy should be approved by the Board of Directors and copy of the approved policy be submitted to State Bank of Pakistan for information.

2.2. Evaluation of ABEP

- (a) The individual ABEPs of licensed institutions will be evaluated keeping in view the needs of the financial system. The in-principle approvals for new places of business will be allowed on annual basis.
- (b) The licensed institutions should assess the needs of the population of the area to be served by the proposed places of business at time of preparing ABEP and should submit details as required under para 2.1 (a).
- (c) The licensed institutions having latest on-site and/or off-site composite ratings by SBP of at least "Fair" would be eligible to open new place of business. Moreover, for commercial banks the distribution for new branches under ABEP would be as per Table-2 above.
- (d) The requests of ineligible licensed institutions may be considered on case to case basis during the year, if the same will be received with the objective of promoting Islamic banking, expansion in predominantly rural areas and places where dire need of banking facilities exists. However, SBP will take final decision on such requests after taking into account all other factors in terms of BLP.
- (e) The parameters relevant to the approval or otherwise of an ABEP will include among others, adequacy of its capital structure (meeting the prevailing MCR and CAR), efforts and track record of the bank for financial inclusion and outreach (in case of MFBs opening of at least 80% branches/booths in the last ABEP), overall compliance with the applicable laws, rules, regulations etc.
- (f) In case of foreign banks desirous to open new place of business, in addition to the above evaluation process, performance of their existing branches, level of commitment to the local market, sound international reputation, provision of range of banking services, new investment by their head office etc, will also form the additional basis for evaluation of their ABEPs.

2.3 Substitution/Shifting of Branches/Sub-Branches

- (a) No change in ABEPs is generally acceptable during the year. However, the requests for changes / amendments in ABEPs will be considered in exceptional circumstances where licensed institutions have provided cogent and logical reasons for the changes / amendments in the ABEPs, or the institutions have shown their firmed up plans to open branches in RUAs.
- (b) As mentioned in (a) above, substitution/shifting of branches/sub-branches may be allowed to places of a similar population group or Tiers as detailed in Table-3

Table-3

Tier*	Substitution/Shifting allowed	Substitution/Shifting not allowed
Tier I	Within the same Tier or downwards.	-
Tier II		Upwards
Tier III		Upwards
Tier IV	Within the same Tier	Upwards

* as given in table-1

2.4. Issuance of Licenses/Permission Letters

- a) After approval of ABEPs by SBP, the licensed institutions are required to apply to SBP for license/permission to open each new branch/sub-branch, MFB Booths. The licensed institutions shall approach SBP with a formal application on relevant prescribed format (Annexure- II & II- A for banks, Annexure-M-II for MFBs and Annexure-VIII for DFIs) for issuance of licenses/permission letters.
- b) The requests for opening of new places of business, among other things, should indicate the proposed safety and security measures for banking operations as well as for customers while providing various products and services at the proposed places.
- c) The licensed institutions should approach for a new branch/sub-branch, MFB booth license only after finalization of exact location i.e. execution of tenancy/lease agreement for the proposed branch. In addition to the certification required under the above-mentioned Annexures, licensed institutions should also provide clearance of the AJ&K and GB Government with request for opening of a new branch/sub-branch in AJ&K and GB.
- d) National Bank of Pakistan (NBP) may request for opening of chest branch (es) at a new place under ABEP and on, as and when required basis duly supported by a clearance certificate from the Accounts Department of SBP Banking Services Corporation.

2.5. Sub-branches

- (a) Commercial Banks can open sub-branches, which will allow them another option for enhancing their outreach to underserved areas and population. The sub-branches will be a conduit of a branch to which it is affiliated. The functions to be undertaken at sub-branches are given at glossary section.
- (b) Commercial Banks will not be allowed to downgrade any of their existing branches into sub-branches. However, they can up-grade a booth into a sub-branch & a sub-branch into a full-fledged branch only after approval under their ABEP and in terms of BLP.
- (c) The up-gradation of a sub-branch into a full-fledged branch shall be subject to the condition that the intended sub-branch has been functioning for a minimum period of three years or achieved breakeven whichever comes earlier

and non occurrence of serious fraud & forgery during last three years (Serious fraud as defined in BPRD Circular No. 03 of 2014). At the time of up-gradation of sub-branches into full-fledged branches under ABEP the percentage of RUA branches will be implemented on a total basis.

- (d) Commercial Banks will be allowed to open sub-branches subject to criteria mentioned at section-2.2 above, centralization of processing of all the transactions at sub-branches to a controlling branch, existence of appropriate systems & controls and adequate security arrangements.
- (e) The commercial banks will ensure compliance with all the laws, rules regulations and SBP instructions issued from time to time, which may affect the existence/ operations of the sub-branch.
- (f) A signboard stating the name of the bank at sub-branch also state under the commercial bank's name in clear bold words that "This is a sub-branch/limited function branch of.....Bank" in English as well as in Urdu.

2.6. Sales & Service Centers (Banks)/Service Centers (MFBs)

- (a) Licensed institutions shall preferably request to SBP for opening of Sales and Service Centers (SSCs)/Services Centers (SCs) at the time of submission of ABEP. However, keeping in view the convenience of the customers, individual requests may also be considered during the year on case to case basis. The functions to be performed at SSCs/SCs are given at glossary section.
- (b) The opening of SSCs/SCs will be subject to the following conditions:
 - i. A signboard stating the name of the commercial Bank/MFB at Sales & Service Centre/Service Center should also state under the commercial bank's/MFB's name in clear bold words that "This is not a branch ofcommercial Bank/MFB" in English as well as in Urdu. Moreover, the SSCs will also display the name of the controlling branch along with names of contact persons and their contact numbers on notice board or any prominent place in the branch.
 - ii. Comply with all the laws, rules regulations and SBP instructions issued from time to time, which may affect the existence/ operations of the SSCs/SCs.
 - iii. SSC/SCs should be linked with a specified bank branch/ central monitoring unit/Regional office/concerned department at Head Office.
 - iv. The SCs shall not offer savings/deposit mobilization services and will not maintain overnight record or cash.
 - v. The record shall be maintained at the licensed branch within a radius of 50 Km under which the SC would operate.
 - vi. Once the SC achieves a certain level of outreach, MFB may convert it into MFB Booth/full-fledged branch after seeking written approval of SBP preferably under ABEP.

2.7. Opening of Booths

2.7.1. Permanent Booths

- (a) Licenses will be issued to the commercial banks for opening of permanent booth(s) on case to case basis during the year. Commercial banks will be required to apply to SBP for permission to open permanent booths on prescribed format (Annexure- II & II-A) along with specific recommendation of the concerned institution/department. The permanent booths can be opened within the premises of educational institutions,

large corporations, factories, Embassies, Consulates, Foreign Missions, Hospitals, Government Departments and other institutions. The functions to be performed at permanent booths are given at glossary section.

- (b) All the transactions at the permanent booth will be centralized at some bank branch.
- (c) The commercial banks will ensure compliance with all the laws, rules, regulations and SBP instructions issued from time to time, which may affect the existence/ operations of the permanent booth.

2.7.2. Temporary Booths

- (a) Temporary booths can be opened without prior permission of SBP under section 28(2) of BCO, 1962, for a period not exceeding one month.
- (b) Temporary booths planned to be opened for more than a month but not exceeding '3' months will require prior written approval of SBP. Any booth planned for more than '3' months will be considered under policy for "permanent booth".
- (c) Temporary booths will be opened subject to the condition that branches of the same commercial bank are not functioning at any of the proposed places/centers.
- (d) The date of opening/closing of temporary booths should be intimated to SBP within seven days from the date of opening/closing of these booths on the prescribed format (Annexure- IV)

2.7.3. MFB Booths

- (a) MFBs may be granted license to open permanent booth(s) for deposit taking/withdrawal, issuance of DD/TT/ MT/ Pay Order etc, receiving of utility bills, disbursement & recovery of micro loans.
- (b) MFBs will be required to apply to SBP for opening of permanent booths approved under ABEP on the prescribed format (Annexure- M-II). However, account opening & issuance of account number and other formalities including Know Your Customer (KYC) and Customer Due Diligence (CDD) shall be performed by the controlling branch (not by the permanent booth).

Chapter 3

Branches in Export Processing Zone (EPZ)

- (a) The request for opening of new branch by foreign and Pakistani banks in EPZ will be considered, in terms of Rule 10 and 11 of Export Processing Zone Authority Rules of 1981 and other instructions/SROs issued by Government of Pakistan from time to time as well as the prescribed eligibility criteria in the BLP. Rule 10 and 11 of Export Processing Zone Authority Rules of 1981 are given as under:

Rule 10. Issue of licenses to banks to open branches, etc.-

(1) Licenses for opening of branches in a Zone to banks may be issued by the State Bank of Pakistan hereafter in this rule and rule 11 referred to as the Bank. Provided that the Bank may, with a view to obtaining statistical data about the operations of the branches, call such periodical returns from such branches from time to time as it may think fit.

Rule 11. Dealings in foreign exchange, etc.-

(1) The Bank may issue licenses to the branches for transacting foreign exchange business in the Zones.

(2) The rules applicable to the import into, and export from, Pakistan of Pakistani currency shall apply to the import into, and export from, the Zones to the tariff area.

(3) Foreign currency notes and other foreign currency. Provided that all such foreign currency notes shall, immediately after entry, be surrendered to an authorized dealer in the tariff area.

- (b) The commercial banks will be required to apply to SBP for permission to open branches at EPZs on prescribed format (Annexure- II & II-A) along with the recommendation of the concerned EPZ Authority. The commercial banks may approach SBP, any time during the year, for opening of branches in EPZ. Such requests will be considered on case to case basis.

Chapter 4

Banking Services through Bank Vans

4.1 Purpose

- (a) The commercial banks are allowed to offer banking services through bank vans with prior written approval of SBP, request for which can be submitted on prescribed format (Annexure- V).
- (b) The main purpose of mobile van banking should be the retail delivery of financial services at the door steps. It shall be occasional and covering areas within 50 kilometer radius of the licensed branch preferably for agricultural; calamity hit areas and for other pressing situations.

4.2 Activities under Mobile Van Banking

- (a) Commercial banks may offer temporary banking services for collection and disbursement of cash to the account holders / customers.
- (b) The mobile bank vans may also provide banking services relating to home remittances and collection of utility bills.
- (c) No other banking activities under mobile van banking are allowed to be carried out other than that specified above. However, any commercial bank desirous to offer some other banking service through bank van shall approach State Bank of Pakistan for prior approval.

4.3 Pre-requisites for Mobile Van Banking

While providing mobile van banking facilities commercial banks shall ensure following arrangements;

- a) Availability of mode of communication (mobile phone etc.) with the nearest base branch;
- b) Mobile Banking Unit (MBU) will move within the specified territorial limits as per schedule decided by the management of the area;
- c) Proper security arrangements for the safety of cash/documents and staff;
- d) Use of systems/technology, where possible;
- e) Specifically trained mobile banking staff should be detailed;
- f) For the awareness of the people, the banks should make arrangements for dissemination of visit schedule of MBU;
- g) Insurance arrangements for mobile team and assets;

The banks shall intimate SBP '7' days before MBU becomes operational.

Chapter 5

Mobile Banking Services through Microfinance Banks

The license to open a branch in a particular area shall also mean permission to undertake mobile banking through mobile teams /vans, in the areas / locations within District / City Government limits in which the bank has a licensed branch or areas/location within a radius of 50 K.M. of licensed branch. The MFBs shall however, design the mobile banking operations in a way, which ensures cost effectiveness and financial viability of the operation.

5.1 Strategy and Plans

- (a) The MFBs shall ensure standardization while providing mobile banking services and shall prepare a bank-wide Mobile Banking Strategy in consultation with its field staff highlighting its objectives, services to be offered, frequency of visits, insurance, security, control mechanisms, the operating cost and record keeping etc. A copy of the complete strategy shall be submitted to SBP for information. The strategy shall be reviewed semiannually in the light of field experiences and other developments in the sector.
- (b) The branch managers shall prepare quarterly mobile banking plan keeping in view the demographic statistics of the areas to be served and the overall mobile banking strategy of the bank. The branch manager will assign areas to mobile teams, which will be rotated in the teams periodically. Each mobile team shall prepare weekly plans & schedule of its visits and get it approved by the branch/hub manager. The manager shall ensure that the teams' plans/schedules are in line with the branch's mobile banking plan and the bank's overall mobile banking strategy and shall ensure its strict compliance. The branch and mobile team plan shall be available in the branch for review of internal /external audit teams and SBP inspection teams etc.

5.2 Operations

- i. Mobile banking staff shall record the details of their field visits before leaving the bank.
- ii. Mobile staff shall take previous day's closing account balances for next day's field visit and get it authenticated by the authorized officer / branch manager.
- iii. The bank shall issue identification cards to the Mobile Officers, which would be displayed / shown to the clients in case of need.
- iv. While opening Deposit and Loan Accounts etc., due care shall be observed in identification of clients as prescribed under PRs for MFBs. The branch manager or his/her designated officer other than the officer who opened the account shall randomly make physical/field verification of at least 25% of the deposit/loan accounts within one month of opening of accounts.
- v. All cash deposits received shall be recorded on the passbook available with the depositors and similarly the collection against loans shall be acknowledged by proper receipts.
- vi. The clients shall be provided with Statement of Accounts at regular intervals (quarterly/half yearly or some other period).

5.3 Security

- i. The net cash collected shall either be deposited in the branch of a Correspondent Bank, having account of the bank or deposited in the branch on the same day. The deposit slip and other documents used for recording various transactions during the day should also be submitted to the concerned branch on the same day.

- ii. The field visits shall be conducted in daylight and the mobile officer will return to the branch by evening of the same day.
- iii. Adequate insurance cover shall be made available for cash-in-transit, vehicles, and staff.
- iv. The Mobile Banking Teams shall be required to have all the emergency numbers of law enforcement/security agencies, hospitals, fire stations etc., to be utilized in case of any emergency and/or untoward incident.
- v. The schedule of visits of different mobile teams shall be kept secret by the branch manager and be divulged to the concerned mobile teams on fortnightly basis. As far as possible different routes be used by the mobile team while visiting a place more than once in a fortnight.
- vi. An armed security guard should accompany the bank officers visiting the mobile banking sites.

5.4 Audit & Control

- i. All officers on Mobile duty should return to the Branch on the same day by evening, and deposit the collected cash at the Branch duly acknowledged by a responsible officer. All mobile banking transactions shall be reviewed by a duly authorized officer/Branch Manager and recorded in the branch ledgers etc. on the same day.
- ii. The bank shall use standard printed vouchers to record mobile banking transactions. It shall develop control mechanism, which should inter-alia ensure safekeeping of the vouchers books, voucher books issue and utilization record and safe keeping of counter folios.
- iii. No officer shall retain cash at home overnight.
- iv. Internal Audit Department shall develop appropriate mechanism / system to ensure compliance with the relevant guidelines and also to minimize the risks inherent in the mobile banking operations. The scope of Internal Audit and their periodic audit plans shall comprehensively cover the mobile banking activities/records.
- v. Branch Manager shall accompany the mobile teams occasionally and shall also do some independent verification of balances in loans and deposits with bank's records and record his/her observations.
- vi. The bank shall have an appropriate policy for rotation of mobile staff.
- vii. The mobile team shall maintain logbook etc. having complete record of the vehicle running along with proper authorization.

Chapter 6

Automated Teller Machines (ATMs)

- (a) Licensed institutions are free to install ATMs for serving their depositors/customers. For the purpose, they can install ATMs within branch premises (on-site) and at off-site places, can operate Mobile ATM or use third party ATMs. However, banks should take prior permission from PSD, SBP before closing down any of their ATMs. All the information regarding opening/shifting/closure of ATMs (On-site/Off-site) shall be submitted to SBP as per *Master Circular on Payment Systems Data* (PSD Circular No. 03 of 2016) on quarterly basis. The use of various ATM options will be subject to the following conditions:
- i. Before extending the facility of cash & cheque deposits through ATMs to the customers, banks must develop and put in place a well defined procedure, including disputes resolutions mechanism (particularly mismatch of actual and written amount and counterfeit notes) and forward a copy of this to Payment System Department, SBP for information.
 - ii. Banks shall ensure proper security at ATMs and specifically for off-site and Mobile ATMs to avoid any untoward incidents.
- (b) Licensed institutions are allowed to operate Mobile ATMs for payment of cash to their account holders. Operation of Mobile ATMs, will be subject to following:-
- i. No extra charges other than the existing charges will be deducted from the customers using Mobile ATM services.
 - ii. Mobile ATM should not be used for carrying out advertisement campaign other than that of the bank concerned.
 - iii. The Mobile ATM will operate within jurisdiction of the city/ Town specified in their intimation letter.
- (c) Licensed Institutions can also utilize the services of third party ATM (network), in terms of guidelines on outsourcing arrangements issued vide BPRD Circular No. 9 of 2007. Besides the above requirements and those of the outsourcing policy, licensed institutions will observe the following conditions:-
- i. The service provider will take the responsibility of supply, installation and maintenance of the ATMs.
 - ii. The service provider will bear the fixed and recurring cost of connectivity.
 - iii. The service provider will not get involved in any type of customers/account holders information.
 - iv. The concerned bank will be responsible to resolve the disputes arising out of transactions on the third party ATM.
 - v. The cost per transaction from clients of other banks should not be more than agreed amount for inter-switch transactions.
- (d) In order to improve the coverage ratio of ATMs (the number of ATMs per branch) and to meet the minimum international standards, it has been decided as under:
- i. Effective from CY 2013 onwards, all banks shall add one ATM in their network against each new branch to be opened in a CY.
 - ii. The banks having less than 1:1 ATM per branch ratio shall cover their existing gap in 5 years starting from CY 2013 @ 20% each year. For this purpose, all the banks shall submit a five year plan latest by November 30, 2012. The progress in this regard would be reported to SBP on quarterly basis.
 - iii. To address operational problems being currently faced by banks relating to ATMs, separate instructions would be shortly issued by the Payment Systems Department, SBP.
 - iv. Non-compliance to these directives (i. to iii) would make the concerned bank(s) ineligible for future branch expansion in addition to any other appropriate penal action under the relevant law.

Chapter 7

Shifting and Closure of Offices

7.1 Shifting

- (a) Commercial banks/MFBs may relocate their existing places of business without prior approval of SBP within the same city/town/village. Banks/MFBs shall submit a certificate from their approving authority indicating that both the existing and proposed premises are within the same territorial limits of the same city/town/village within 15 days from the date of shifting on prescribed format (Annexure- VI for commercial banks & Annexure-M-III for MFBs). To this effect authentication/undertaking/confirmation is required, given by the head of security of the concerned bank that adequate security arrangements have been made in the premises following at least Security guidelines issued by PBA.
- (b) For shifting of a place of business from one city, town or village to other, city, town or village, commercial banks/MFBs are required prior written permission from SBP as per criteria mentioned Table-3 above. Such a request should be submitted on the prescribed format (as per Annexure- II- A & VII for commercial banks & Annexure-M-II & M-III for MFBs). NBP will be required to obtain prior clearance from Accounts Department, SBP BSC as well, before shifting of any of their branches conducting treasury function.
- (c) For shifting of Utility Bills Collection Booths (UBCBs) including shifting into branch premises, commercial banks will be required to obtain prior approval of SBP, provided such shifting may not attract public complaints. In case a booth is shifted into branch premises the bank will open a separate counter in the said branch for collection of utility bills and surrender license of the booth to SBP for cancellation. Commercial Banks/MFBs are free to shift their sales and service centers/service centers and ATMs. However, they should submit intimation seven days before shifting of sales & service centre/service center. Intimation of ATMs should be submitted to PSD as per Master Circular of Payment Systems Data of March 11, 2016 on quarterly basis.
- (d) DFIs notified under section 3A of BCO 1962 will be free to shift their place of business, intimation for which should be made to SBP within '15' days of shifting on prescribed format (Annexure- IX).

7.2 Closure

- (a) The commercial banks/MFBs will be free to close any of their existing places of business operating in banked areas, without obtaining prior permission of SBP. Intimation, for closure shall be sent by the concerned commercial banks/MFBs within 15 days from the date of closure on prescribed format (Annexure- VII for commercial banks and Annexure-M-IV for MFBs) along with original license for cancellation. For closure of UBCBs, commercial banks will be required to obtain prior approval of SBP. Such requests will be considered on merit.
- (b) The commercial banks/MFBs can close their Sales & Service Centre/Service Centers, MFB booths, MBUs without prior permission from SBP, under intimation to SBP '7' days before closure of the same. However, commercial banks/MFBs will be required to close their ATMs with prior permission from PSD, SBP.
- (c) DFIs will be free to close their place of business, intimation for which should be made to SBP within 15 days of closure on prescribed format (Annexure- IX) along with original permission letter for cancellation.

7.3 General

- (a) Un-banked area branch/sub-branch, MFB branch can only be shifted/closed with the prior written permission of SBP. While closing/shifting branches, permanent booths, MFB booths or other similar counters

operating within a radius of 5 K.M. may not be treated at par with the branches/sub branches, as these are not substitutes.

- (b) Licensed institutions, while shifting/closing of their places of business should ensure that the public is informed well in advance, at least 4 weeks prior to shifting/closure through local print media. Particularly, they should send written notifications to all their customers/clients informing them about the shifting/closure, along with the transitory arrangements for their convenience. Similarly, in case of change of name due to merger, acquisition, restructuring or any other reason, licensed institution, should make arrangements for informing about the change along with the reasons to all their customers through individual letters. However, licensed institutions are exempted from notifying the shifting of their branches/sub-branches, MFB branch/booth in local print media, if the distance between the existing and proposed place is less than 500 meters (0.5 km).
- (c) Licensed institutions while shifting/closing their place of business shall exercise due care the rights of senior citizens/women. The institutions shall preferably identify the accounts of senior citizens/women well before shifting/closing of any branch and try their best to relocate/close the same into nearest branch in close proximity. Also, the licensed institutions shall take extra steps to inform/ guide senior citizens/women enabling them to resume their business relationship with the bank through new place of business.

Chapter 8

Actions on Violations of BLP, Display of Name, Timelines, and Others

8.1 Action on Violation of BLP

- (a) Violation of the BLP requirements, delayed submission of information, misrepresentation of facts or concealment of material information laid down in the policy may result in penal action against the Banks/DFIs or the concerned official under Section 83 of the BCO, 1962 or any other instruction issued from time to time.
- (b) In addition, anything found in violation of the policy or any other relevant law or involvement in unauthorized business may also result in SBP directing any licensed institution to close down its particular office, Sales & Service Centre, MBU and ATM. Any branch, sub-branch or permanent booth closed down by the banks in violation of Branch Licensing Policy will have to be reopened and will be liable to penal action.
- (c) In case of non-compliance/violation of any of the provisions of the BLP, the MFB shall render itself liable to pay fine at the prescribed scale. The license may be revoked in case it subsequently transpires that the MFB had made material misrepresentation of facts or concealment of material information and the responsible official(s) shall personally be liable for penal action.

8.2 Timelines

Licensed institutions shall observe timelines for submission of ABEP, permission for new place of business and various intimations under the BLP complete in all respect as given at Annexure-A.

8.3 Display of Name

Every place of business of licensed institutions shall carry a name which should be prominently displayed outside the place of business with the name of licensed institutions on Signboard/Signage. Further, Signboard of conventional banking branches having Islamic banking windows shall contain words "Islamic Banking Window" with logo covering at maximum ¼th portion of the board. The branch shall also display a prominent notice on entrance stating "Islamic banking services also available" to clearly indicate the nature of branch to customers.

8.4 Others

- (a) For policy options where prior written approval of SBP is required, the licensed institutions should ensure submission of request/application, complete in all respect, well in time, which should allow SBP a period of two to three weeks for processing.
- (b) In case of any temporary shifting or closure of branch/sub-branch owing to some disturbance in the branch locality or any other unforeseen incident, bank should immediately arrange to inform SBP in writing about the same along with time period for which temporary shifting or closure will continue. However, temporary shifting/closure due to some planned activities would require the commercial banks/DFIs to invariably comply with all the requirements of 7.3 (b) of the policy

Chapter 9

Processing, Annual & Shifting Fee

- (a) In line with international practice, processing fees will be charged from all the institutions for opening of new place of business in the shape of branches/sub-branches. The processing fee structure is set out in Table-4.

Table-4

S. No	ITEM	FEE
1	Processing fee for: -New Branch -New Sub-branch -Islamic Banking Window (IBW)	Rs.100,000/- per branch Rs.50,000/- per sub-branch Rs.50,000/- per IBW
2	Shifting fee: Shifting to and within big cities	Rs. 25,000/- per branch
3	Annual Fee for: i) Conventional & Islamic banking licenses: a) banks having 50 or less branches b) banks having more than 50 branches ii) Conventional & Islamic banking branches operating in big cities. iii) IBWs operating in conventional banking branches of big cities	Rs. 1,000,000/- per bank Rs. 2,000,000/- per bank Rs. 50,000/- per branch Rs. 25,000/- per IBW
4	Duplicate License Fee	Rs.50,000/- per duplicate license (against original ones lost/ destroyed at bank's end)

- i. The bank shall invariably submit processing fee with their respective ABEP.
- ii. The proposed ABEP, without the amount of processing fees will not be entertained. The Processing fee will be non-refundable.
- iii. The annual fee for banks and branches as indicated above will be payable by 7th January each calendar year.
- iv. The fee for shifting of branches will be payable at the time of submission of the requested for the purpose. It will be applicable for shifting of branches to and within big cities.
- v. The above fee can be paid either through the bank's authority letter for debiting their current account maintained with SBP Banking Services Corporation (Bank) duly signed by the bank's authorized signatory or through cheque in the name of SBP. The fee so collected will be non-refundable.
- vi. Processing, annual and shifting fees will not be applicable on branches of MFBs/DFIs.
- vii. The cantonment area falling within the city limits will be considered as areas falling within the jurisdiction of city limits, for the purposes of this policy.

Acronyms

ABEP	Annual Branch Expansion Plan
AJ&K	Azad Jammu & Kashmir
ATM	Automated Teller Machine
BCO	Banking Companies Ordinance
BID	Banking Inspection (On-site) Department
BLP	Branch Licensing Policy
BPRD	Banking Policy & Regulations Department
CM	Chief Manager
DFI	Development Financial Institution
EPZ	Export Processing Zone
MBUs	Mobile Banking Units
MFBs	Microfinance Banks
MFIs	Microfinance Institutions
NOC	No Objection Certificate
SBP	State Bank of Pakistan
THQs	Tehsil Head Quarters
UBCBs	Utility Bills Collection Booths
PRs	Prudential Regulations
RUAs	Rural/Underserved Areas
IBWs	Islamic Banking Windows

Glossary

The following terms are clarified for the sake of general understanding and standardization only.

- a) **Place of business** includes the following:-
- i) **For banks**; branches, sub-branches, booths, Mobile Banking Units (**MBUs**), Automated Teller Machines (**ATMs**) and Sales & Service Centers (**SSCs**).
 - ii) **For DFIs**; branches and Sales & Service Centers.
 - iii) **For MFBs**; branches, booths, ATMs, MBUs and Service Centers/small outlets
- b) **Licensed Institutions**: Bank, DFIs & MFBs are hereinafter jointly referred to as Licensed Institutions except where separately mentioned.
- c) **Rural and Underserved Areas (RUAs)**: RUAs means villages and small towns and also includes those Tehsil Headquarters where no branch of any bank already exists. Besides the aforesaid definition of RUAs, any district having less than 10 Islamic Banking Branches (IBBs) will be termed as underserved with respect to Islamic banking facilities.
- d) **Unbanked Area**: a place/area shall deem to be an un-banked place if no branch of any other bank is operating within radius of 5 K.M.
- e) **Big Cities**: The big cities include Karachi, Lahore, Hyderabad, Islamabad, Rawalpindi, Peshawar, Quetta, Faisalabad, Multan, Sialkot, Gujranwala, Sargodha, Gujrat, Sheikhupura, Rahimyar Khan, Jhang, Mirpur (AJK) & Attock.
- f) **Commercial Banks**: means Conventional & Islamic Banks
- g) **Full-Fledged Branches** can perform all permissible functions in the branch.
- h) **Sub-Branches** can perform any of the following functions:
- i. Limited general banking functions viz cash receipt and payment, issuance and encashment of DD, TT, MT, pay order, traveler cheques & locker facility etc. However, account opening & issuance of account number and other formalities including Know Your Customer (KYC) and Customer Due Diligence (CDD) shall be performed by the controlling branch (not by sub-branch).
 - ii. The general banking functions may also include the functions performed at permanent booths as stated in section '2.7.1'.
 - iii. As an exception to the point (i) above, the banks will only be allowed to open "Asaan Accounts" at Sub-branches. Nonetheless, the banks will ensure to comply with all the relevant rules and regulations including "Guidelines on Low Risk Account with Simplified Due Diligence" issued vide BPRD Circular No. 11 of 2015.
 - iv. Disbursement & recovery of agri/rural financing, group based lending, lodgment & settlement of insurance claims of agri/rural loans and to create awareness amongst the rural consumer about agri/rural finance products & services.
- i) **Sales and Service Centers** can perform the following functions:
- I. Product information and queries: These SSCs can provide information relating to various deposit or credit products/ services of the bank through printed brochures to the potential /existing customers including deposit schemes, credit card, personal car loans, home loans etc.
 - II. Customer Support: The SSCs can also facilitate customers
 - a. in filling application forms for banking products,
 - b. by providing guidance for completion of documentation required for various purposes; and
 - c. for lodging other requests and complaints relating to the banking products.

- III. Drop box facility for collection of cheques.
 - IV. ATM, Kiosk facility etc.
 - V. No banking activity in any manner whatsoever shall be undertaken at the site of the SSCs, which includes acceptance of deposits, withdrawals of money over the counter, disbursement of loans / credit against any product in any manner, though banks may house their back office staff at SSCs. Further, SSCs will be strictly forbidden to engage in account opening & issuance of account number and other formalities including KYC and CDD
- j) **Permanent Booths** can perform the following functions:
- i. Receiving utility bills, Government dues/revenue/cash, collection of fees/dues of educational institutions, collection and disbursements of loans to farmers, receiving cash from patients of hospitals, visa application/visa fee or other related receipt functions (in the form of cash/DD/PO etc.) on the recommendations of the concerned Government Departments, & other institutions.
 - ii. Providing limited banking facilities (i.e. cash payment and receipt of cash and cheques/demand draft/pay order only) in the premises of Embassies, Consulates, Foreign Missions and International Financial Institutions in Pakistan, on their specific request.
 - iii. For exchange of foreign currency subject to normal exchange control regulations at the port of entry in Pakistan.
 - iv. Payment to Home Remittance beneficiaries via cash, demand draft and pay orders. In addition, such Home Remittance Payment Centers (permanent booths) would also be allowed to perform the functions of Sales & Service Centers.
 - v. The permanent booths will be opened subject to the condition that no business other than specified above will be undertaken at the place of business.
- k) **Temporary Booths** can undertake the activities specified hereunder
- i. For the purpose of affording banking facilities to the public on the occasion of an exhibition, a conference, a *mela* or any other like occasion, a temporary place of business in such locality where that bank already has a place of business.
 - ii. For making 'on spot' payment to growers of agricultural commodities during the crop season and large scale payments for sowing, harvesting, farm and non-farm payments as also to the persons in the calamity hit areas.
 - iii. For providing limited banking facilities to the participants of international seminars, trade fairs, exhibitions, sporting and cultural events, conferences and to members of National/Provincial Assemblies and Senate when in session.
 - iv. For providing banking facilities to the Hajj Pilgrims, i.e. sale/purchase of Hajj Notes relating to foreign currency, travelers' cheques to the intending/returning Hajjis during Hajj season
- l) **Sales & Service Centers (SSCs)**: SSCs are allowed to commercial banks and DFIs.
- m) **Service Centers (SCs)**: SCs are allowed to Microfinance Banks. The SCs shall have minimum infrastructure manned by 2-3 bank staff and shall, inter alia, be mandated to; a) create awareness in the area about banks' products; b) form community organizations/groups; and c) provide loans to clients.

ANNEXURES

Timelines

S. No.	Action	Timelines		
1.	Last date for submission of ABEP	By 31 st October each year (Annexure-I for banks/DFIs and Annexure-M-I for MFBs) which will enable SBP to finalize the decision on ABEP by end December each year. Given the processing involved and to allow the Banks/DFIs/MFBs to start opening branches in a timely manner, no ABEP will be entertained after 31 st October each year.		
2.	Last date for submission of applications seeking branch and sub-branch licenses approved under ABEP	By 30 th November each year on prescribed format.		
		Intimation for		
		Opening	Shifting	Closing
3.	Branches, Sub-branches and permanent booths	Within 15 days of opening	Within 15 days	Within 15 days
4.	Temporary booth	Within 7 days	--	Within 7 days of closing
5.	Sales & Service Centres	Before 7 days	Before 7 days	Within 7 days
6.	Mobile Banking	Before 7 days	--	Within 7 days

Note: The above timelines are applicable on banks/DFIs, however, MFBs will only observe timeline set for submission of ABEP. MFBs will observe other timelines according to the instructions given in the policy.

(ON LETTER HEAD OF THE BANK/DFI)

ANNUAL BRANCH EXPANSION PLAN

1. Name of Bank/DFI.....
2. Address (Registered Office/Head office/Principal Office).....
3. Number and list of branches incurring losses consecutively for the last three years.
4. The existing position of places of business as of date of submission of ABEP.

Sr.	Item	<u>Number</u>
a.	Branches	
b.	Sub Branches	
c.	Permanent Booths	
d.	Sales and Service Centers	
e.	ATMs(onsite, offsite, third party, mobile)	

5. Proposed places of business (in Pakistan and Azad Jammu & Kashmir)

S. No.	Item	Big cities	Other than big cities	Rural & underserved Areas (RUAs)	Unbanked Areas
a.	Branches				
b.	Sub Branches				
c.	Sale and service centre				

- a. Branches
 - b. Sub Branches
 - c. Sale and service centre
6. Reasons for not opening of branches, if any, during the previous plan.
 7. Any other relevant information

Date.....

(Authorized Signature with seal)
(not below the Group head)

Name:
Designation:
Contact No:

Annexure- II

(ON LETTER HEAD OF THE BANK)

The Director,
Banking Policy & Regulations
Department, State Bank of Pakistan,
Karachi.

Dear Sir,

Application for permission to open a new place of business

under Section 28 of Banking Companies Ordinance, 1962.

We hereby apply for permission to open a new place of business in terms of Section 28 of the Banking Companies Ordinance, 1962. We give below the necessary information for the purpose.

1. **Name of the bank:**
2. **Location of bank:**
 - i) Registered office /Head office
 - ii) Principal Office
3. **Paid up capital:**
4. **Capital Adequacy Ratios:**
5. **Whether the banking company is**
 - i) Listed or
 - ii) unlisted
6. **Date of incorporation:**
7. **Date of commencement of business:**
8. **Existing position of offices:**

Licenses issued under ABEP- (Current year)		No. of offices (domestic) as of (on date of application)							
		Licensed					Others		
No. of offices opened	No. of offices to be opened	Commercial banking	Islamic Banking	Sub-branches	Booths	Total	Sales & Service Centres	ATMs	Total

9. **Exact location of the proposed office:**
10. **Name & License No. of Controlling Branch** (In case of Sub-branch and Permanent booth)
11. **System of supervision and control over the proposed Office:**

Give a brief description of the system of supervision and control which will be exercised over the proposed office.
12. **Forward an up-to-date copy of the:**
 - i. **Memorandum and Articles of Association ****
 - ii. **Annual /Half yearly/quarterly accounts whichever is latest.****

*** (not required, if latest copy already sent to SBP)*

12. Loss making offices of the bank

No. of loss making offices for one years	
No. of loss making offices for three years	

13. Detailed feasibility report of the proposed office as per Survey Report is enclosed.(Annexure-II-A)

Date.....

(Authorized Signature with seal)
(not below the Group Head)

Name:
Designation:
Contact No:

ON LETTER HEAD OF THE BANK

SURVEY REPORT

1. **Name of the proposed office.**
2. **Exact location of the proposed office:**
 - i) Shop/Plot/Khasra/Khatooni/Khewat #
 - ii) City/Village Name.
 - iii) Tehsil Headquarter /Tehsil/Town/Taluka Name.
 - iv) District Name.
3. **Headquarters:**
 - i) Tehsil/Taluka H.Q
 - ii) Sub-Division H.Q.
 - iii) District H.Q.
 - iv) Divisional H.Q
4. **Category of place:**
 - i) Rural/Urban
 - ii) Banked/un-banked
5. **Does the place fall within the area of Municipal/Town Committee or Cantonment Board (Give name).**
6. **Is suitable premises available? If not what arrangements are proposed to be made.**
7. **Names and location of nearest banks' offices with approximate distance in meters from the proposed place.**

Sr. No. NAME OF THE OFFICES DISTANCE (Meters)

Applicant Bank's offices
Other Bank's offices
i)
ii)
iii)
iv)

8. **If the place is covered by the Mobile Banking Unit of any bank, give Particulars.**
9. **The population (as per latest census) of:**
 - (a) the area to be served by the proposed office
 - (b) the City/ Town/ village (proposed place)
10. **The volume and value of Agricultural/mineral and industrial production and imports and exports of the area of operation of the proposed office are as under:-**

(Rs. in million)

COMMODITY PRODUCTION			IMPORTS		EXPORTS	
Commodity	Volume	Value	Volume	Value	Volume	Value

11. **If there are any schemes for Agricultural, Mineral or Industrial Development**, give their details and probable effects on the volume and value of present production, imports and exports.

12. **If the existing banking facilities are considered inadequate, give reasons.**

13. **State reasons for the proposed office and give statistical and other data, as under:**

a) Business Potential:

i) Industrial area (brief description of factories/mills and/or special projects).

ii) Commercial area (No. of shops and/or other business activities including important items of exports and imports.

iii) Agricultural area (brief description of agricultural production).

b) Prospects: Year-wise estimate of business, which the proposed office expects to attract/undertake within 3 years of its operation.**

(Rs. in million)

Head	1st Year	2nd Year	3rd Year
i) Amount of Deposits			
ii) Amount of Advances			
iii) Volume of inland remittance			
iv) Volume of Foreign remittance			
v) Volume of Bills business			
vi) Volume of Imports			
vii) Volume of exports			
viii) Future prospects of Development			

c) Estimated period within which the proposed office is expected to become a profitable unit.**

14. **Income (source-wise) which the office expects to earn within 3 years of its operation.* ***

(Rs. in million)

Source	1st Year	2nd Year	3rd Year
i) Interest/Return on Advances			
ii) Interest on/Return on funds placed with Head Office			
iv) Commission etc.			

15. **Estimated recurring expenditure for the proposed office.****

(Rs. in million)

Source	Estimated recurring expenditure for the proposed office.
a) Interest/Return on various type of deposits.	
b) Staff	
c) Premises	
d) Furniture & Fixture	
e) Stationery	
f) Advertisement	
g) Other expenses	
Total	

16. **Profit/loss anticipated.**

Signature of the Survey Officer

i. Name: _____

ii. Designation: _____

iii. Date of Survey: _____

17. **Certificates:**

- a. Certified that the names of the proposed office is in accordance with the Census/Municipal/Town Committee and/or Revenue Records.

Signature of the Survey Officer

- b. Certified that the location of the proposed office is in no way violating the Town Planning Regulations of the respective authorities.

Signature of the Survey Officer

For un-banked area offices only:

- c. Certified that no bank's office is operating within the territorial limits of the proposed place.

Signature of the Survey Officer
(Not below the rank of OG-II)

- d. Certified by the head of security of the concerned bank that adequate security arrangement has been made in the premises following at least Security guidelines issued by PBA.

Signature of the Head of Security

e. Certified that the bank has not entered into leasing/ renting with its director, officer, employee or such person who either individually or in concert with family members beneficially own 5% or more of the equity of the bank while acquiring premises of the office for the purpose.

Signature of the Regional Chief

i. Name: _____

ii. Designation: _____

iii. Date: _____

18. Signature of the Departmental Head at head office recommending opening of the office

i. Name: _____

ii. Designation: _____

iii. Date: _____

** In case of sub branches, permanent booth these items may reflect the position keeping in view the services to be offered by the category of offices.

ON LETTER HEAD OF THE BANK

**PARTICULARS OF SALES & SERVICE CENTRE TO BE OPENED UNDER
AUTHORITY OF SECTION 2.5 OF THE BRANCH LICENSING POLICY**

1. Name of bank.
2. Name of the proposed Sales & Service Centre.
3. Exact location of the proposed Sales & Service Centre:
 - i) Shop/Plot/Khasra/Khatooni/Khewat #
 - ii) City/Village Name.
 - iii) Tehsil/Town/Taluka Name.
 - iv) District Name.
4. List of products & services being offered at Sales & Service Centre.
5. List of other facilities at Sales & Service Centre i,e, ATM, Drop Box and kiosks etc.
6. Date of opening of Sales & Service Centre.
7. Name and exact address of the base branch.

8. **Certificates:**

- i) Certified that the name of the proposed Sales & Service Centre is in accordance with the Census/Municipal/Town Committee and/or Revenue Records.
- ii) Certified that the location of the proposed Sales & Service Centre is in no way violating the Town Planning Regulations of the respective authorities.
- iii) Certified that the bank has not entered into leasing/ renting with its director, officer, employee or such person who either individually or in concert with family members beneficially own 5% or more of the equity of the bank while acquiring premises of the office for the purpose.

Signature of the Regional Chief.

i. Name: _____

ii. Designation: _____

iii. Date: _____

9. Counter Signature of an Officer not below the rank of SVP of the HO or equivalent

i. Name: _____

ii. Designation: _____

iii. Date: _____

ON LETTER HEAD OF THE BANK/MFB

OPENING /CLOSING OF TEMPORARY BOOTHS

1. Name of the bank
2. Exact location.
3. Period of operation:
 - i) Opened on _____
 - ii) Closed on _____
4. A copy of the request of the concerned authority on the basis of which the temporary place of business was opened is enclosed.

(Authorized Signatures with seal)

i. Name: _____

ii. Designation: _____

iii. Date: _____

ON LETTER HEAD OF THE BANK

**PARTICULARS OF MOBILE BANKING TO BE COMMENCED UNDER
AUTHORITY OF CHAPTER '3' OF THE BRANCH LICENSING POLICY**

1. Name of bank _____
2. Name and address of the base/feeding/supervisory branch through which proposed Mobile Banking Unit will operate: _____

3. Purpose for which Mobile Banking Unit required:
 - a) Agricultural
 - b) Calamity hit areas
 - c) Temporary counters for disbursement of cash at the premises of institutions/business.
 - d) Any emergency situation (specify).
 - e) any other
4. Territorial limits/ area to be served by Mobile Banking Unit:
 - i. City/Town/Village Name.
 - ii. Tehsil/Town/Taluka Name.
 - iii. District Name.
5. List of products & services to be offered through Mobile Banking Unit.
6. Date of commencement of Mobile Banking Unit.
7. Copy of visit schedule of Mobile Banking Unit approved by the management.
8. Identify the arrangements made in respect of following:
 - i) Communication with the nearest base branch.
 - ii) Security and safety of cash/documents and staff.
 - iii) Dissemination of schedule of mobile banking unit to general public of the target area.
 - iv) Insurance for mobile team and assets.

Signature of the Regional Chief.

- i. Name: _____
- ii. Designation: _____
- iii. Date: _____

9. Counter Signature of an Officer not of the below the rank of Sr. Vice President of the Head Office or equivalent:

- i. Name: _____
- ii. Designation: _____
- iii. Date: _____

ON LETTER HEAD OF THE BANK
PARTICULARS OF THE OFFICE(S) SHIFTED

1. Name of the bank _____
2. Name of the office shifted _____
3. Name of the proposed office after shifting (if changed) _____
4. License No. _____ Dated _____
5. Exact location of the proposed office at existing place:
 - i) Shop/Plot/Khasra/Khatooni/Khewat #
 - ii) City/Village Name.
 - iii) Tehsil/Town/Taluka Name.
 - iv) District Name.
6. Exact location where the office is proposed to be shifted:
 - i) Shop/Plot/Khasra/Khatooni/Khewat #
 - ii) City/Village Name.
 - iii) Tehsil/Town/Taluka Name.
 - iv) District Name
7. Category of proposed place:
 - i) Rural/Urban
 - ii) Banked/un-banked
8. Headquarters where the office is proposed to be shifted:
 - i) Tehsil/Taluka H.Q
 - ii) Sub-Division H.Q
 - iii) District H.Q.
 - iv) Divisional H.Q
9. Distance between the old and new office premises _____
10. Date of shifting _____
11. Reasons necessitating the shifting (in detail)

-
12. Working results of the office at the old place, i.e. deposits advances and profit & loss accounts for the last three financial years
 13. No of Accounts (category-wise) as at the end of last financial year and on the date of shifting.
 14. Name, location and distance (in meters) of the nearest offices of other banks and the banks' own nearest offices from the existing premises:

Bank	Name of the bank	Name of branch	Distance (Meters)
a) Applicant bank's offices			
b) Other Bank's offices			

15. Name, location and distance (in meters) of the nearest offices of other banks/DFIs and the banks' own nearest offices from the proposed premises.

Bank	Name of the bank	Name of office	Distance (meters)
a) Applicant bank's offices			
b) Other Bank's offices			

16. Certified that location of new premises does not violate the Town Planning Regulations of the concerned authority.

17. Certified that both the existing and proposed Premises are within the same City/Town/Village.

18. Certified by the Head of Security of the concerned bank that adequate security arrangement has been made in the premises following at least Security guidelines issued by PBA.

Signature of the Head of Security

19. Certified that the bank has not entered into leasing/ renting with its director, officer, employee or such person who either individually or in concert with family members beneficially own 5% or more of the equity of the bank while acquiring premises of the office for the purpose.

(Signature of Officer Incharge Branch with date)

Counter Signature of an Officer not of the below the rank of Sr. Vice President of the Head Office or equivalent:

Name: _____

Designation: _____

Date: _____

ON LETTER HEAD OF THE BANK

PARTICULARS OF THE BRANCH/SUB-BRANCH/PERMANENT BOOTH CLOSED

1. Name of the bank. _____
2. Name of the Branch/Sub-Branch/Permanent Booth. _____
3. Exact location of the Branch/Booth closed _____
4. Status (Banked/Un-Banked) _____
5. License No. _____ Dated _____
6. Date of Closure _____
7. Reasons necessitating closure (in detail) _____
8. Working results viz. Deposits, Advances Profit/Loss and Number of Accounts(Category-wise) as at end of the last financial year and on the date of closure _____
9. Name, location and distance (in meters) of the nearest offices of other banks and the banks' own nearest offices from the existing premises:

Bank	Name of the	Name of branch	Distance (Meters)
a) Applicant bank's offices			
b) Other Bank's			

10. Certified that the closure of above office will not render the area unbanked under the branch licensing policy in force.

11. License No. _____ Dated _____ is enclosed for cancellation.
Encl: (as above)

Signature of the Regional Chief

i. Name: _____

ii. Designation: _____

(Signature of an Officer not
below the Group Head)

ON LETTER HEAD OF THE DFI

**BRANCH OPENING FORM
(Development Financial Institutions)**

PART - I

1. Name of DFI _____
2. Total number of branches _____
3. Paid-up Capital _____
4. Total Deposits _____
5. Capital Adequacy Ratio _____
6. Weekly position of Liquidity Ratio during the preceding 12 months _____

PART - II

1. Name of the proposed branch _____
2. Exact location of the proposed branch (also mention any other name of _____ which the place is popularly known, _____ if any) with complete address

3. Year-wise estimate of business, which the proposed branch expects to attract/undertake within 3 years of its operation.

	1st Year	2nd Year	3rd Year
--	----------	----------	----------

- i) Amount of Deposits (COIs/CODs)
- ii) Amount of Advances
- iii) Volume of other business of the branch (Item-wise)

4. Income (source-wise) which the branch expects to earn within 3 years of its operation.

Source	1st Year	2nd Year	3rd Year
--------	----------	----------	----------

- a) Interest/Return on advances
- b) Other sources, give details

Total:

5. Estimated recurring expenditure for the proposed branch
- a) Interest/Return on various types of COIs/CODs
 - b) Staff
 - c) Premises
 - d) Furniture & Fixture
 - e) Stationary
 - f) Advertisement
 - g) Other expenses
- Total:

6. Profit/loss anticipated

Signature of the CEO

ON LETTER HEAD OF THE DFI

**BRANCH SHIFTING/CLOSING FORM
(Development Financial Institutions)**

1. Name of the DFI _____

2. Name of the Branch _____
(Complete address)

2. In case of Shifting:

a. Date of shifting _____

b. Exact location of premises to which
Shifted _____

c. Reasons necessitating the shifting (in detail)

4. In case of Closing

a. Name of Branch _____

b. Date of Opening _____

c. Date of Closing _____

d. Reasons necessitating the Closing (in detail) _____

e. Permission for opening of branch bearing No.....dated
.....enclosed in original for cancellation.

(Counter signature of an officer not below
the rank of Sr. Vice President of the Head
Office or equivalent with date)

(Signature of officer incharge
of the branch with date)

ANNUAL BRANCH EXPANSION PLAN
(MICRO FINANCE BANK)

1. Name of Micro Finance Bank and Address
2. Whether the MFB is public or private limited Company
3. Date of Incorporation
4. Date of Commencement of Business
5. Management (Names and addresses of the businesses of the Directors)
6. Existing Branches / Places of Business
 - Detail of total number of branches as per “Table-1”
 - Detail of Branches incurring losses as per “Table-2”
 - Detail of branches operational for three or less than three years as on the date of submission of ABEP as per “Table 3”
 - Total number of service centers
 - Total number of booths
 - ATMs (onsite, offsite, third party, mobile)
7. Proposed branch offices / Places of business

S. No.	Name(s) and Address(es) of the proposed branches	Areas to be covered			Urban	Rural	Name(s) and Address(es) of the proposed Service Centers/controlling branch	
		Province	District	Tehsil			Names & address: SCs	Controlling branch
1	2	3	4	5	6	7	8	9

TABLE '1'
(Attachment to Annexure-M- I)

Detail of Operative Branch Offices

Name and address of the Branch	Area of Operations			Date of Starting Operations	
	Province	District	Tehsil	Opening	Relocation
1	2	3	4	5	6

TABLE '2'
(Attachment to Annexure-M-I)

Detail of Branch Offices Incurring Losses

Name and address of the Branch	Areas of Operations			Date of Opening	No of years branch is incurring losses consequently consecutively
	Province	District	Tehsil		
1	2	2			3

Amount of loss Incurred	Deposits	Advances		Remarks
		Regular	Classifies	
As per latest Balance sheet				
4	5	6	7	8

BRANCH OPENING FORM
(NAME OF THE MICRO FINANCE INSTITUTION)

PART –1

1. Name of the Microfinance Bank
2. *Existing Branches / Places of Business*
 - a. Total number of branches
 - b. Total number of service centers
 - c. Total number of booths
 - d. *ATMs (onsite off-site, third party, mobile)*
3. Paid up capital.
4. Adjusted Capital (as per last SBP Inspection Report).
5. Total Deposits.
6. Capital as % of deposits
7. Fortnightly position of liquidity ratio during the preceding 12 months

FORTNIGHT ENDED

LIQUIDITY RATIO PART

PART–II

1. Name of the proposed branch / booth
2. Exact Location of the proposed branch (also mention any other name by which the place is popularly known, if any) with postal address.
3.
 - i) Tehsil / Taluka
 - ii) District
 - iii) *Province*
4. Category of place: Rural/Urban
5. Name & License Number of Controlling Branch (in case of MFB permanent booth)
6. Whether suitable premises available? If not what arrangements are proposed to be made
7. Name and Location of nearest MFI/MFB branch with approximate distance in meters/kilometers from the proposed place of the branch.

Name of the Branch / Place of business	Distance (in meters/kilometers)
<ol style="list-style-type: none">1. Micro Finance Bank/ NGO-MFIs2. Other Commercial Bank / NBFC.<ol style="list-style-type: none">i)ii)iii)iv)	

8. If the place is covered by the Mobile Banking Unit of any bank / MFB/ MFI, give particulars

9. Population of the area of

- i. Approximate population of the area, the proposed branch plans to serve
- ii. Latest published Poverty Statistics of the area

10. Brief on potential of business in the areas to be served and MFB shall offer various products and range of services in the proposed areas

11. Year-wise estimate of business, which the proposed branch expects to attract/undertake within 3 years of its operation.

(Rs. In Thousands)

S. No.	Particulars	1st Year	2nd Year	3rd Year
a.	No. of borrowers to be mobilized while using individual lending methodology - Male - Female			
b.	No. of borrowers to be mobilized while using group lending methodology - Male - Female			
c.	Amount of Advances - Male - Female			
d.	Average Rate of Interest / return to be charged on advances			
e.	Number of Savers / Depositors Male Female			
f.	Average Rate of profit proposed to be allowed on various types of Savings / Deposits			
g.	Amount of Savings / Deposits - Male - Female			

12. Income (source wise)

S. No.	Particulars	1st Year	2nd Year	3rd Year
a.	Interest / return on advances			
b.	*Other sources			
	Total:			

* Other sources may be defined

13. Estimated recurring expenditure for the proposed branch

S. No.	Particulars	1st Year	2 nd Year	3rd Year
a.	Interest/return on various types of Deposits			
b.	Staff Salaries and Benefits			
c.	Premises-Rent etc.			
d.	Traveling Expenses			
e.	Vehicle Running & Maintenance			
f.	Capacity Building Trainings etc.			
g.	Stationary			
h.	Advertisement			
i.	Other expenses			
	Total:			

14. Profit/Loss anticipated (10-11)

1st Year	2nd Year	3rd Year

15. Social Mobilization Cost to be financed through MSDF / other resources.

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16. Profit / Loss with access to MSDF resources (12+13)

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17. Estimated period (if beyond three years) within which the proposed branch is expected to become a profitable unit and give details

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Signature of the Survey Officer

1. Name: _____
2. Designation: _____
3. Date of Survey: _____

18. **Certificates**

a) Certified that the name of the proposed branch is in accordance with the Census/Municipal/Town Committee and/or Revenue Records

Signature of the Survey Officer

b) Certified that the location of the proposed branch shall in no way violate the Town Planning Regulations of the respective authorities

c) Certified that the bank has not entered into leasing/ renting with its director, officer, employee or such person who either individually or in concert with family members beneficially own 5% or more of the equity of the bank while acquiring premises of the office for the purpose.

Signature of the Survey Officer

d) Certified by the head of security of the concerned bank that adequate security arrangement has been made in the premises following at least Security guidelines issued by PBA.

Signature of the Head of Security

Signature of the Officer recommending Opening of the Branch

1. Name: _____
2. Designation: _____
3. Date: _____

Annexure-M-III

PARTICULARS OF THE BRANCH SHIFTED
(Micro Finance Bank)

1. Name of the Microfinance Bank _____
2. Name of Branch/Booth shifted: _____
3. License No. _____ Dated _____
4. Premises from which shifted _____
5. Exact location of the premises to which shifted with postal address: _____
6. i) Tehsil/ taluka
ii) District
iii) Province
7. Distance between old and new office premises
8. Category of proposed place: Rural/Urban
9. Date of Shifting: _____
10. Reasons necessitating the shifting (in detail) _____
11. Distance (in meters/kilo meters) of the old premises with nearest branches of other MFBs/MFIs/Commercial Banks/NBFIs

	MFBs/MFIs/ Commercial Banks/NBFIs	NAME OF BRANCH	Distance (in meters/kilometers)
(a)			
(b)			

12. Distance (in meters/kilo meters) of the new premises from the nearest branches of other Microfinance Banks / Institutions.

	MFBs/NGO-MFIs/Commercial Banks/NBFIs	NAME OF BRANCH	Distance (in meters/kilometers)
(a)			
(b)			

13. Certified by the Head of Security of the concerned bank that adequate security arrangement has been made in the premises following at least Security guidelines issued by PBA.

Signature of the Head of Security

14. Certified that both the existing and proposed Premises are within the same City/Town/Village.

15. Certified that location of new premises does not violate the Town Planning Regulations of the concerned authority.

(Counter Signature of
Chief Operating Officer)

(Signature of Officer
In charge of the Branch
with date)

PARTICULARS OF THE BRANCH / BOOTH CLOSED

(Micro Finance Bank)

1. Name of the Micro Finance Bank: _____
 2. Name of the Branch / Booth closed: _____
 3. License No. _____ Dated: _____
 4. Date of Closure: _____
 5. Reason necessitating closure (in detail): _____
-
6. Working results viz. Deposits and Number of Depositors, Advances and Number of Borrowers, COs formed and their Membership, Profit/Loss and Number of Accounts (Category wise) as at end of the last financial year and on the date of closure).: _____
 7. Distance of nearby Microfinance Bank branches from the closed branch / Booth.
 8. License No. _____ Dated _____ is sent herewith for cancelation.

Encl: As above.

Signature of
Chief Operating Officer