



External Relations Department

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Press Release

No question of refusing details of written off loans arises

Apropos debate on written off loans that arises intermittently in print and electronic media, certain facts need to be put on record that will enhance quality of such debates thus enabling viewers/readers to analyze things in true perspective.

State Bank has never refused to furnish information about written off loans of banks to the parliament. In fact, this information is always available publicly as it is mandatory for banks to disclose, as a part of their financial statements, the names of persons and amounts written off of Rs.500,000/- and above every year.

The recent demand of information by the Senate (upper house of the parliament) was about the names of borrowers of Rs. 5 million or more who obtained loans from a bank during the last five years along with the number of cases recovered and waived off.

SBP clearly responded that none of the loan was waived off by the concerned bank out of the loans of Rs. 5 million or more disbursed during the aforesaid period. Further, information about number of loans disbursed by the bank during the last five years and recovery of loans was also furnished to Senate in consolidated form.

However, the names of individual borrowers of that bank, who availed loans during last five years and no write off involved in these cases, were not shared due to legal provisions of Section 33-A of the Banking Companies Ordinance, 1962 and Section 9 of Protection of Economic Reforms Act 1992 which bar sharing of customers' individual information.

Section 33-A of the Banking Companies Ordinance, 1962, titled as Fidelity and secrecy, stipulates that—(1) Subject to sub-section (4), every bank and financial institution shall, except as otherwise required by law, observe the practices and usage customary among bankers and, in particular, shall not divulge any information relating to the affairs of its customers except in circumstances in which it is, in accordance with law, practice and usage customary among bankers, necessary or appropriate for a bank to divulge such information.



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Whereas Section 9 of Protection of Economic Reforms Act 1992, titled Secrecy of banking transaction, says that secrecy of bonafide banking transaction shall be strictly observed by all banks and financial institutions, by whosoever owned, controlled or managed.

SBP wishes to make it clear to all that it strongly believes in maintaining transparency in its affairs and stands ready for any accountability by the representatives of public in Parliament. Further, SBP has been and shall remain providing all information permissible under the law.
