

# PUBLIC NOTICE



Our attention has been drawn to a series of programs being conducted by a Television Channel starting from September 29, 2015 which appears to be purposely conducted to create a malicious mis-understanding in the minds of General public about our takeover of the defunct KASB Bank Limited (the 'KASB'), the business of BankIslami Pakistan Limited ('BIPL'), its shareholders, key Officers and market reputation. These programs are based on absolutely false information, deeply flawed analysis, documents which appear to be fabricated and twisted facts. We would like to inform BIPL has already served a notice to the said Television Channel and those who appeared on September 30, 2015 under the Defamation Ordinance 2002. In addition to that, BIPL has also filed a complaint with Pakistan Electronic Media Regulating Authority ('PEMRA') on October 03, 2015 to initiate action under PEMRA Ordinance 2002. A number of issues discussed in the programs are sub-judice in the honorable Sindh and Lahore High Courts, which as per Section 20 of the PEMRA Ordinance 2002 read with Rule 15(1) of the PEMRA Rules 2009 tantamount to contempt of Court. Further, the Honorable Islamabad High Court has already given a judgment on a number of issues discussed in these Programs while dismissing WP1274/2015 filed by the ex-sponsors of the KASB. Discussion of the same issues, albeit in a ridiculing manner, is a further ground of contempt of Court. BIPL is also initiating action for the same soon.

BIPL would like to specifically deny there exists any set of financial statements for the year ended December 31, 2014 which were 'approved' by either the shareholders of KASB or the State Bank of Pakistan or for that matter by the Auditors of the KASB, Ernst & Young. As a matter of fact, the financial statements which were subject of discussion in the set programs, were **NOT** approved by the shareholders and contained '*disclaimer*' by the Auditors, which is the worst opinion an Auditor can express on financial statements under the International Auditing Guidelines. Any further discussion with regard to financial position of the Bank, valuation of its subsidiaries and bad debts as on December 31, 2014 is imaginative, exaggerated, baseless, mis-leading and frivolous. We understand in addition to A.F. Ferguson and Company Chartered Accountants, valuation of the KASB was also conducted by two other reputable firms of Chartered Accountants, KPMG Taseer Hadi and Grant Thornton who too arrived at a negative net worth of the KASB. It is also denied KASB achieved Minimum Capital Requirement ('MCR') of Rs. 10 billion in 2008 or at any time in its history. It is also put on record KASB had the highest infection ratio in the entire Banking industry and almost all the major loans which subsequently went into default were duly approved by the Board, with whom lies the ultimate responsibility. Blaming then or any subsequent management exclusively is deeply regretted.

BIPL would also like to deny to the best of its knowledge and legal advice available, none of its Directors or key Officers have been involved in 'insider trading' as defined in the Securities Act 2015. BIPL, for information, follows a far more stringent definition of 'Related Party' which goes way beyond that defined in the law. Hence, a person who is internally defined as 'Related Party' may not be necessarily be a 'Related Party' as per legal definitions. It is further denied any member of the present government has ever been its Director or for that a sitting Federal Minister and/or his son materially owns shares in BIPL which are in its knowledge. It is also denied half of the shareholders in KASB were 'Chinese' nationals. BIPL would like to dis-own, the so-called Memorandum to the Board dated February 15, 2015 that was selectively shown on the screen. We are of the opinion it was either fabricated or materially mis-represented or materially altered document for which we are filing a separate case for production and subsequent verification. Falsification of documents of a Bank or for that matter its misappropriation is a serious matter which cannot be left un-attended. It is also denied there is any 'criminal conviction' (or pending) of its Chief Executive Officer ('CEO') in any court of law in Pakistan or abroad. On the contrary in the alleged Inquiry, the CEO has favourable judgements / orders from two High Courts.

BIPL as a responsible corporate citizen has at all times conducted its affairs according to the highest standards of transparency, honesty, integrity and professionalism. We are never reluctant to respond to queries or inquiry of any investigation agency and if there is any, they will have our fullest co-operation. That said, to protect our business, our shareholders, our clients and our employees, the financial sector in Pakistan and even the business environment, we will never submit to any harassment and blackmail of anyone. If we submit, perhaps next set of economic and regulatory decisions will be taken on talk shows or worst no decision will be taken which is fast becoming a national dilemma. Our resolution speaks of the confidence all of you have shown on us. We cannot thank you enough and we will not let you down. Our website and other social media sites are updated regularly for your information.

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