



CORPORATE GOVERNANCE REGULATORY FRAMEWORK



Corporate Governance Division
BANKING POLICY & REGULATIONS DEPARTMENT

Table of Contents

PART I: DEFINITIONS AND SCOPE	3
DEFINITIONS	3
SCOPE, APPLICATION AND LIMITATION	6
PART II: FIT & PROPER TEST (FPT) CRITERIA	7
G-1: FIT AND PROPER TEST	7
G-2: ELIGIBILITY CRITERIA	7
G-3: PRIOR SELF-ASSESSMENT BY BANK/DFI	8
G-4: CONFLICT OF INTEREST	8
G-5: SPONSOR SHAREHOLDERS	9
G-6: BOARD OF DIRECTORS	10
G-7: PRESIDENT/CEO	11
G-8: KEY EXECUTIVES	12
PART III: OTHER REQUIREMENTS RELATED TO CORPORATE GOVERNANCE	14
G-9: RESPONSIBILITIES OF DIRECTORS	14
G-10: BOARD COMMITTEES	15
G-11: RECORDING OF MINUTES OF BOARD MEETINGS	16
G-12: BOARD MEETINGS IN FOREIGN COUNTRIES	16
G-13: PERFORMANCE EVALUATION	17
G-14: REMUNERATION OF BOARD MEMBERS AND MANAGEMENT	17
G-15: DEALING WITH DIRECTORS, SPONSOR SHAREHOLDERS AND EMPLOYEES	18
G-16: CONTRIBUTIONS AND DONATIONS FOR CHARITABLE, SOCIAL, EDUCATIONAL AND PUBLIC WELFARE PURPOSES	19
G-17: CREDIT RATING	20
ANNEXURE A: CORPORATE GOVERNANCE RELATED REPORTING/ DISCLOSURE REQUIREMENTS .	21
ANNEXURE B: PROCEDURE FOR DEPOSIT OF SPONSOR SHARES INTO A BLOCKED ACCOUNT WITH CDC	24
ANNEXURE C: SHAREHOLDING INFORMATION TO BE SUBMITTED BY BANKS/DFIS	25
ANNEXURE D: INFORMATION OF VISIT OF THE PRESIDENT/CEO ABROAD	26
Annexure E: Declaration of Fidelity And Secrecy	27
ANNEXURE F: PROVISION OF CONTACT DETAILS	28

PART I: DEFINITIONS AND SCOPE

DEFINITIONS

For the purpose of this framework:

- a) **Associated Companies/ Associated Undertaking and Associated Person** shall have the same meanings as defined in Section 2(1)(4) of the Companies Act 2017.
- b) **Bank** means a banking company as defined in Section 5(c) of the Banking Companies Ordinance 1962.
- c) **Beneficial Ownership** shall have the same meanings as defined in Section 2(1)(7) of the Companies Act 2017.
- d) **Board** means board of directors as defined in Section 2(1)(8) of the Companies Act 2017.
- e) **President/Chief Executive Officer (CEO)**, in relation to bank/DFI means an individual who, subject to the control and directions of the board of directors, is entrusted with the whole, or substantially the whole, of the powers of management of the affairs of the bank/DFI occupying the position of President/CEO and includes Acting President/CEO or Executive assuming charge of the bank/DFI for interim period, Managing Director, Country Head in case of foreign bank operating in branch mode, by whatever name called, and whether under a contract of service or otherwise.
- f) **Conflict of Interest** a person shall be deemed to have an interest in a matter if he/she has any stake, pecuniary or otherwise, in such matter which could reasonably be regarded as giving rise to a conflict between his/her duty to objectively perform functions so that his/her ability to consider and decide any matter impartially or to give any advice without bias, may reasonably be regarded as impaired.
- g) **Control** shall have the same meanings as defined in sub-clause (i) of the explanation to Section 5(o) of the Banking Companies Ordinance, 1962.
- h) **DFI** means Development Financial Institutions notified under section 3-A of the Banking Companies Ordinance 1962.
- i) **Designated person & proscribed person** shall have the same meanings as defined in AML/ CFT/ CPF Regulations issued by SBP, as amended from time to time.
- j) **Director** means any natural person occupying the position of a director on the board of a bank/DFI and includes sponsor, non-executive (independent/nominee), executive and alternate director or by whatever name called, as defined below:
 - i. **Alternate Director** means a person who has been appointed by a director during his/her absence, as per provisions of the Section 174 of Companies Act 2017.
 - ii. **Executive Director** means a paid employee or executive in the concerned bank/DFI who is also a member of the board of directors of the bank/DFI.
 - iii. **Non-executive Director** means a director who is not entrusted with responsibilities of an administrative or managerial nature; and includes independent director and nominee director as given below:

- a. **Independent Director** means a non-executive director who qualifies the Criteria for Independent Director as defined in section 166 of the Companies Act 2017, provided that the term 'major shareholder' used in section 166 of *ibid* shall be replaced with the term 'sponsor shareholder' as defined in CGRF.
 - b. **Nominee Director** means a non-executive director nominated on the board of a bank/DFI by the government, sponsors, persons, company, institutions, creditors, etc. by virtue of shareholding and/or interest in the bank/DFI.
- iv. **Sponsor Director** means the member of the board of directors of a bank/DFI holding sponsor shares.
- k) **Family Member** shall have the same meaning as defined in Section 5(ff) of the Banking Companies Ordinance 1962.
 - l) **Financial Institutions** shall have the same meaning as defined in Section 2(1)(31) of the Companies Act 2017.
 - m) **Foreign Bank/ Foreign Banking Company** shall have the same meaning as defined in Section 5(ffa) of the Banking Companies Ordinance, 1962.
 - n) **Group** means persons, whether natural or juridical, if one of them or his/her family members or its subsidiary, have control or hold substantial interest over the other.
 - o) **Holding company** shall have the same meaning as defined in Section 2(1)(37) of the Companies Act 2017.
 - p) **Islamic Banking Institution (IBI)** includes full-fledged Islamic bank, Islamic banking subsidiary and dedicated Islamic banking branch(es) of a banking company where the entire business and operations are in compliance with the principles of Shariah and is licensed by the State Bank.
 - q) **Key Executives** means key executives of Banks/DFIs and include the following functional responsibilities:
 - i. Any executive, acting as second to President/CEO including Deputy CEO, Chief Operating Officer or by whatever name called
 - ii. Chief Financial Officer/Head of Finance/Head of Accounts
 - iii. Chief Internal Auditor/ Head of Internal Audit
 - iv. Country Treasurer/Head of Treasury
 - v. Chief Risk Officer/Head of Risk Management/Head of Credit
 - vi. Head of Operations
 - vii. Chief Compliance Officer/Head of Compliance
 - viii. Head of Human Resource
 - ix. Chief Information Officer/Head of Information Technology
 - x. Chief Information Security Officer
 - xi. Head of Islamic Banking
 - xii. Overseas Executives
 - xiii. Head of Corporate, SME, Consumer, Wholesale, Retail etc.
 - xiv. Company Secretary/Head of Legal Affairs
 - xv. Any other executive directly reporting to the President/CEO or to the key executive mentioned at s.no. i above.

(Note: The above list of key executives is not exhaustive and shall be reviewed from time to time by SBP)

- r) **Overseas Executives:** The executives who are responsible for overseas operations in branch/subsidiary mode and include the following:
- i. Head of overseas operations
 - ii. Country Head
 - iii. Regional Head (where a region is consisting of more than one foreign country),
 - iv. President & CEO/Head of subsidiary of banking company outside Pakistan
 - v. President & CEO of Joint Venture (where majority stake & authority to appoint President & CEO is with the bank incorporated in Pakistan)
- s) **Person** shall have the same meaning as defined in sub-clause (ii) of the explanation to Section 5(o) of the Banking Companies Ordinance 1962.
- t) **Promoter** shall have the same meaning as defined in Section 2(1)(50) of Companies Act 2017.
- u) **Public Sector Bank** means a bank or DFI whether public or private, which is directly or indirectly controlled by Government, beneficially owned or not less than fifty one percent of the voting powers are held with Government or a statutory body or in respect of which the Government or statutory body has otherwise power to elect appoint or nominate majority of its directors.
- v) **Related Party** shall have the same meaning as defined in sub-clause (c) of the Explanation to Section 208 of Companies Act 2017
- w) **Sponsor Shares** means 5% or more paid-up shares of a banking company, acquired by a person individually or in concert with his/her **family** members, group companies, subsidiaries, and affiliates/associates. Such acquisition of shareholding will include all the shares acquired by aforesaid person(s) including, inter alia, through (a) as original subscriber / promoter of the bank; (b) subsequent right / bonus issues; (c) market based acquisition deal; (d) reconstruction/restructuring of a bank carried out by SBP; (e) strategic sale through privatization (f) amalgamation of banking companies; or (g) any other mode of acquisition. All shares acquired by common shareholders, who are also sponsor shareholders, of amalgamating banking companies in amalgamation transaction shall be considered Sponsor Shares.
- Explanation: For the purpose of sponsor shares,** family members include his spouse, lineal ascendants and descendants and dependent brothers and sisters.
- x) **Sponsor Shareholders** mean all those shareholders of a bank/DFI holding sponsor shares.
- y) **Subsidiary** shall have the same meaning as defined in Section 2(1)(68) of the Companies Act 2017.
- z) **Substantial interest** shall have the same meaning as defined in Section 5(o) of the Banking Companies Ordinance 1962.

SCOPE, APPLICATION AND LIMITATION

- (1). The Corporate Governance Regulatory Framework (hereinafter referred to as Framework) is required to be followed by all banks/DFIs. All banks will also follow '**Listed Companies (Code of Corporate Governance) Regulations**' issued by the Securities & Exchange Commission of Pakistan (SECP) so long as any provision thereof does not conflict with any provision of the Banking Companies Ordinance 1962 or any Regulations and other instructions/guidelines issued by the State Bank of Pakistan (SBP) from time to time.
- (2). Though DFIs are not required to follow the Listed Companies (Code of Corporate Governance) Regulations, but it is expected that all DFIs will continue to follow the best practices on corporate governance. Further, DFIs established under **Joint Venture Agreements** shall ensure compliance with all provisions of the Framework, so long as any provision thereof is not in conflict with any provision of their respective Joint Venture Agreements. However, this relaxation for DFIs will not be construed as an exemption from any provision/requirement of the Banking Companies Ordinance 1962.
- (3). Public sector banks and DFIs other than Joint Ventures will also follow **Public Sector Companies (Corporate Governance) Rules, issued by SECP**, except as otherwise exempted by SECP, so long as any provision thereof does not conflict with any provision of the Banking Companies Ordinance, 1962 or any Regulations and other instructions/guidelines issued by SBP from time to time.
- (4). **Foreign banks** are required to adhere to the provisions of Framework, except as otherwise specified. However, as foreign banks do not have to form local boards, therefore, regulatory requirements related to board of directors will not be applicable to them.

PART II: FIT & PROPER TEST (FPT) CRITERIA

G-1: FIT AND PROPER TEST

- (1). The “Fit and Proper Test” (FPT) is applicable on the sponsor shareholders/beneficial owners, Board of Directors, President/CEO, and Key Executives of a bank/DFI. The fitness & propriety will be assessed on the following broad elements:
 - a. Eligibility
 - b. Integrity, Track Record & Reputation
 - c. Financial Credibility
 - d. Conflict of Interest
 - e. Qualification & Experience

- (2). The element (a) is applicable to all categories of individuals subject to FPT as prescribed in regulation G-2. The elements (b), (c) and (d) shall be considered while assessing the FPT of Sponsor Shareholders, Directors, President/CEO and Key Executives of a bank/DFI as prescribed in these regulations and FPT Proforma. The element (e) is applicable to Directors, President/CEO and Key Executives as prescribed in regulations G-6, G-7 and G-8, respectively.

G-2: ELIGIBILITY CRITERIA

- (1). A person shall not be eligible to become a Sponsor Shareholder/ Beneficial Owner, Director, President/CEO or Key executive of a bank/DFI, if the person:
 - a) is disqualified/ineligible under Banking Companies Ordinance 1962, Companies Act 2017 and other applicable laws, rules and regulations;
 - b) is in default of payment of dues owed to any financial institution in personal capacity;
 - c) is associated as executive director/sponsor director/nominee of the sponsor and/or President/CEO of a proprietary concern, partnership firm, or corporate body excluding public sector organization, which is in default of dues owed to any financial institution;
 - d) has contravened any of the requirements and standards of SBP or equivalent standards/requirements of other local or foreign regulatory authorities, professional bodies, or government bodies/agencies of such a nature that makes such person’s association with the bank/DFI undesirable;
 - e) is a designated person / proscribed person or is associated directly or indirectly with any designated person / proscribed person;
 - f) is convicted of or is associated directly or indirectly with any person convicted of any serious offence, including any Money Laundering/ Terrorism Financing offence or any predicate offence set out in Schedule I of the Anti-Money Laundering Act, 2010.

(Note: banks/DFIs shall ensure compliance with the requirements of the Companies Act 2017, as amended from time to time, with respect to beneficial owners)

G-3: PRIOR SELF-ASSESSMENT BY BANK/DFI

- (1). It is the primary responsibility of the bank/DFI and the interested person to ensure that the FPT criteria set forth in this framework is complied with. For this purpose, all banks/DFIs are required to develop internal Standard Operating Procedures (SOPs) to conduct prior self-assessment of their Sponsor shareholders (individual and companies), Directors, President/CEO and Key Executives in order to satisfy themselves that the proposed persons are eligible in light of the applicable laws, rules and regulations. Moreover, the SOPs shall also envisage appropriate screening procedures to ensure financial credibility, integrity, reputation and track record of the proposed persons.
- (2). Above SOPs shall be vetted by Internal Audit of the bank/DFI and approved by the Board of Directors/relevant board committee. Further, the banks/DFIs shall share compliance status regarding formation of SOPs with Banking Policy and Regulations Department (BPRD), SBP within six months from issuance of these regulations.
- (3). The banks/DFIs shall also maintain the record of such self-assessments conducted in line with SOPs for verification by SBP's team during on-site inspection.
- (4). The Banks/DFIs shall ensure antecedent verification from last employer(s) of President/CEO and key executives within four months of their FPT clearance or appointment, as the case may be.
- (5). The banks/DFIs shall obtain copies of educational degrees/certificates of Directors, President/CEO and key executives and get the same verified from relevant institutions/universities within four months of their FPT clearance or appointment, as the case may be. For this purpose, the banks/DFIs may also rely on the verification of educational degrees/certificates conducted by last employer(s), within last five years, subject to their confirmation in writing. This requirement is exempted for those board of directors who are government employees.
- (6). All the requests for seeking FPT clearance from SBP for Sponsor Shareholders, Directors and President/CEO of a bank/DFI shall be routed through the respective bank/DFI along with complete information on FPT Proforma and other documents as illustrated in **Annexure A**. For this purpose, the banks/DFIs must ensure that the FPT documents are properly filled in and are signed as per requirements mentioned in FPT Proforma and Annexure A.
- (7). All banks/DFIs shall convey any material change in the information of persons (earlier submitted at the time of FPT assessment) to SBP. However, the materiality of such change shall initially be assessed by the bank/DFI and in case it considers that such change could have an impact on the fitness and propriety of concerned person(s), the bank/DFI shall convey the same to SBP through email at cgd.bprd@sbp.org.pk.

G-4: CONFLICT OF INTEREST

- (1). All banks/DFIs shall have a formal written conflict of interest policy, duly approved by the Board of Directors, and an objective compliance process for implementing the policy, keeping in view the following minimum requirements:
 - a) All appointments in the board as well as President/CEO and Key Executives in the bank/DFI shall not create any conflict of interest situation.

- b) The sponsor shareholders, directors, president/CEO, key executives and other employees shall avoid conflict of interest in their activities with the bank/DFI and commitments to other organizations.
- c) No sponsor shareholder shall be appointed in the bank /DFI in any capacity except as director on the board, President/CEO and/or Executive Director of the bank/DFI, subject to compliance with FPT Criteria and other regulatory requirements.
- d) In addition to requirements of Section 20(IA) of BCO-1962, a bank/DFI shall not have as a director, President/CEO or key executive who is holding any public office (by whatever designation) or office of any political party, or is a member of Senate, National Assembly, Provincial Assembly or Local bodies.
- e) A director cannot serve on the board (including as a nominee director of the Government) of any other bank/DFI. However, this clause will not be applicable in case of Managing Director and other employees of National Investment Trust (NIT) nominated on the board of banks/DFIs, till privatization of NIT.
- f) No person can serve as a Director and/or President/CEO of a bank/DFI, if he/she is holding substantial interest or is working as Chairman, Director, CEO, Chief Financial Officer, Chief Internal Auditor, Financial Advisor, Research Analyst, Trader or member (by whatever name/designation called) of a:
 - (i). Exchange Company;
 - (ii). Stock Exchange
 - (iii). Corporate Brokerage firm/entity;
 - (iv). Credit Information Bureau;
 - (v). Any company/entity owned and controlled by the persons mentioned at (i) to (iv) above.

Explanation: A board member of Pakistan Stock Exchange (PSX) may be appointed as board member of any bank/DFI if he/she is an independent director of PSX, provided that he/she does not have any association with other categories mentioned above.

G-5: SPONSOR SHAREHOLDERS

- (1). In addition to relevant general requirements given in PR G-1 to G-4 above, the sponsor shareholders shall be evaluated in terms of “Guidelines & Criteria for setting up of a Commercial Bank”, “Criteria for Establishment of Islamic Commercial Bank” and “Criteria for setting up of Islamic banking subsidiaries by existing conventional banks” issued by SBP, as the case may be.
- (2). Bank/DFI must conduct prior self-assessment of prospective sponsor shareholder as per requirement of G-3 before submitting FPT documents to SBP for approval.
- (3). The sponsor shareholders are required to seek prior approval of SBP along with the information as per FPT Proforma and other information as required in terms of “Guidelines & Criteria for setting up of a Commercial Bank”, “Criteria for Establishment of Islamic Commercial Bank” and “Criteria for setting up of Islamic banking subsidiaries by existing

conventional banks” issued by SBP, as the case may be. Moreover, SBP’s prior approval is required for any change in the existing sponsor shareholdings.

- (4). The bank/DFI shall also ensure to give prior intimation to SBP before dealing with any investor, bank, institution or person for sale/purchase of sponsor shares of bank/DFI and seek SBP’s approval for allowing due diligence of the bank/DFI.
- (5). All locally incorporated banks are required to deposit sponsor shares and subsequently acquired shares in a blocked account with Central Depository Company of Pakistan (CDC) in a manner as prescribed in **Annexure B**.

G-6: BOARD OF DIRECTORS

(1). Board Composition:

- a. The board shall collectively have adequate knowledge, expertise and skill-mix commensurate with the business model, overall size, complexity and risk profile of the bank/DFI. Further, the board should collectively have a reasonable understanding of local, regional and, if appropriate, global economic and market forces and of the legal and regulatory environment.
- b. At least one-third of the total strength of the board of a bank/DFI (other than joint ventures between Government of Pakistan and Governments of other countries) should consist of Independent Directors.
- c. The banks/DFIs shall take necessary steps to ensure that the minority shareholders, as a class, are facilitated to contest election of directors by proxy solicitation.
- d. Moreover, while formulating the board, the following requirements shall be complied with:
 - i. The number of directors who are family members shall not exceed 25% of total board members.
 - ii. Maximum two members of a board of a bank/DFI including its President/CEO/MD can be the Executive Directors.
 - iii. At least one female director shall be appointed on the board who should not be a close relative of any other director or sponsor shareholder of the bank/DFI.
(Note: Close relative here means spouse(s), lineal ascendants and descendants and siblings.)

(2). Qualification & Experience:

- a. Minimum qualification for a person to be appointed as Director on the Board of a bank/DFI is graduation or equivalent.
- b. Board members must be professionals with experience of at least 5 years at a senior level in an active capacity.

(3). **Prior FPT Clearance by SBP:**

- a. The bank/DFI shall submit FPT documents of their board members, duly completed in all respect, for SBP clearance. The Director shall not assume the charge of respective office unless his/her FPT is cleared by SBP in writing.
- b. In case of re-appointment for the next term, a board member, to whom FPT clearance had earlier been granted by SBP in the previous consecutive term, may attend board/committee(s) meeting(s) during pendency of his/her fresh FPT clearance with SBP unless otherwise directed by SBP.

G-7: PRESIDENT/CEO

(1). **Age, Qualification and Experience:** A person to be appointed as President/CEO of a bank/DFI must have sufficient knowledge, skills and experience to fulfil his/her responsibilities effectively. Besides, he/she shall meet the following requirements:

- a. Must be between 40 to 65 years of age. Further, no person shall hold the office of the President/CEO after attaining the age of 65 years. However, any existing President/CEO who has already attained the age of 65 years or attaining the age of 65 years during his/her current tenure may continue as President/CEO till completion of the current tenure and may be eligible for another tenure of not more than three years or attaining the age of 70 years, whichever comes earlier, subject to compliance with all other applicable laws/rules/regulations including FPT requirements.
- b. Must have minimum qualification of graduation or equivalent. The President/CEO of an Islamic Bank should also preferably be having experience/training in Islamic Banking.
- c. Must be a career banker having at least 5 years of experience at senior level as Executive Vice President and above or equivalent in a bank/DFI. For DFIs, the senior level experience, preferably at CEO, Managing Partner or equivalent in capital markets, asset management, investment banking, public / private equity, venture capital, infrastructure or development financing is also acceptable. Moreover, He/she should have adequate knowledge, expertise and skill-mix related to the business model, overall size, complexity and risk profile of the bank/DFI.

(2). **Prior FPT Clearance by SBP**

- a. The bank/DFI shall submit FPT documents of the person proposed to be appointed/re-appointed as President/CEO, at least one month before start/completion of his/her term, as the case may be, for SBP clearance.
- b. The newly appointed President/CEO shall not assume the charge of the office of President/CEO until his/her FPT is cleared in writing by SBP.
- c. In case of re-appointment of President/CEO for consecutive term, he/she may continue the charge of his/her office while FPT clearance is pending with SBP, unless otherwise directed by SBP.
- d. Whenever the Board of Directors/relevant appointing/removing authority of a bank/DFI considers to remove its President/Chief Executive Officer/Country Head/Country Manager before the expiration of his/her term of office, SBP must invariably be informed within three working days of such decision and reasons thereof.

- e. The President/CEO, wherever decides to tender resignation before completion of his/her term of office, he/she must inform SBP at least one month before tendering the resignation.
- f. In case of vacation of the office of President/CEO not exceeding three months due to any plausible reason (including resignation, removal, etc.), the banks/DFIs may assign **acting charge** of President/CEO Office to manage the day-to-day affairs of the bank/DFI to any of the existing key executives, whose FPT has been cleared by SBP previously. On assuming such charge, the bank/DFI shall inform SBP in writing within three working days of the same.
- g. Beyond the three months period or otherwise, the banks/DFIs may assign **acting charge** of President/CEO office to a key executive who meets the FPT Criteria prescribed for the President/CEO. However, the Banks/DFIs shall duly submit FPT documents of such key executive within three working days of assumption of such charge to SBP for FPT clearance.

G-8: KEY EXECUTIVES

- (1). Key executives must have sufficient knowledge, skills and experience to fulfil their functions. The banks/DFIs shall define FPT Criteria (including minimum qualification and experience requirements) for each key executive position in their recruitment/promotion/HR policy, duly approved by the Board, or from relevant authority in case of foreign banks, while keeping in view any existing as well as future legal and regulatory requirements specifically mentioned for a particular key executive position. The qualification and experience requirements for a key executive position should be commensurate with the job requirements of the position.
- (2). While defining FPT Criteria, the following minimum qualification and experience requirements for the mentioned key executive positions shall be observed by banks/DFIs:
 - (i). Chief Risk Officer (CRO): the CRO should be a professional with extensive and in-depth knowledge of risk management and FI's business activities along with relevant competencies, qualifications, certifications and technical skills with at least 15 years of working experience (10 years for DFIs) in the field of credit and risk management in the financial industry.
 - (ii). Chief Internal Auditor: as given in BPRD Circular No. 02 of 2019
 - (iii). Chief Financial Officer and Company Secretary: for private banks/DFIs as given in Listed Companies (Code of Corporate Governance) Regulations, 2019 and for public sector banks/DFIs as given in Public Sector Companies (Corporate Governance) Rules, 2013

However, the above requirements as mentioned in G-8(2) are not applicable on foreign banks.

- (3). The appointment of key executives (other than overseas executives) will not require prior clearance by SBP. However, while appointing key executives, the Banks/DFIs must conduct prior-self assessment and ensure that they qualify FPT Criteria and comply with other applicable laws, rules and regulations in letter and spirit. The information on appointment of a Key Executive is required to be forwarded to SBP on prescribed FPT Proforma within seven days of assumption of the charge of the post by the incumbent. The information submitted may be checked on post facto basis by SBP's team during on-site inspection.

- (4). The appointment of overseas executives shall require prior clearance by SBP. The Banks/DFIs must conduct prior-self assessment before submitting their FPT documents to SBP for clearance.
- (5). A key executive position can be filled by an executive on acting/additional charge basis provided there is no conflict of interest in both the responsibilities. Further, acting/ additional charge shall be for a limited period of time as approved by the Board of Directors.
- (6). In a bank/DFI having small scale of overseas operations (i.e. less than or equal to ten percent of total assets of the bank/DFI) the key executive of overseas operations may have dual charge of any other key position, keeping in view that there is no conflict of interest.
- (7). Banks/DFIs should have an organization-wide rotation policy, duly approved by the Board, which should also cover rotation of the key executives.

PART III: OTHER REQUIREMENTS RELATED TO CORPORATE GOVERNANCE

G-9: RESPONSIBILITIES OF DIRECTORS

- (1). The board shall undertake and fulfill their duties & responsibilities keeping in view their obligations under all the applicable laws, rules and regulations. All members of the board should have a reasonable understanding of local, regional, global economic/market forces and legal/regulatory environment. In order to take informed decisions, the board members shall be cognizant of all the relevant laws, rules and regulations regarding their powers, duties and responsibilities. The Company Secretary of the Banks/DFIs shall provide to all Board members the extracts from the relevant laws, rules and regulations regarding their powers, duties and responsibilities and keep them updated of any revisions/amendments therein.
- (2). The board shall assume its role independent of the influence of the management and should know its responsibilities and powers in clear terms. The board shall focus on policymaking, direction, oversight, supervision of the affairs/business of the bank/DFI and shall not play any role in the day to-day operations, as the same is the role of the Management.
- (3). The board shall have a proper monitoring mechanism in place to oversee implementation of the overall governance framework with enhanced emphasis on effective risk oversight.
- (4). The board shall play a lead role in establishing corporate culture and values, overseeing control functions, ensuring transparent disclosure of information to relevant stakeholders etc.
- (5). The board shall approve and periodically monitor the objectives, strategies and overall business plans of the institution and shall oversee that the affairs of the institution are carried out prudently within the framework of existing laws, rules & regulations and high business ethics.
- (6). The board shall review and approve the overall organizational structure. In case of any change in the organizational structure, the rationale behind the change of organizational structure shall be discussed in detail in the Board meeting(s) and properly recorded in the minutes.
- (7). The board shall ensure that professional standards and corporate values are in place that promote high integrity among senior management and other employees in the form of a "Code of Conduct". The board shall also ensure that appropriate steps are taken for communication of the code of conduct to all employees including posting the same on the company's website. Further, the board shall ensure that adequate systems and controls for the identification and redressal of grievances arising from unethical practices are in place.
- (8). All members of the board shall attend Corporate Governance/Directors training, if not attended earlier, from a reputed institution within first year of their directorship, provided that a director having a minimum of 15 years of experience on the Board of a listed company, local and/or foreign, shall be exempted from the directors training program.
- (9). The board shall clearly define the authorities and key responsibilities of senior management (President/CEO and Key Executives) without delegating its policy-making powers and shall ensure that the management is in the hands of qualified personnel.

- (10). In view of the risk profile of the bank/DFI, the Board shall approve and ensure implementation of policies, including but not limited to, in the areas of Risk Management, Credit, Treasury & Investment, Internal Control System and Audit, IT Security, Human Resource /remuneration, Expenditure, Accounting, Disclosure, Succession Planning and any other operational/emerging area which the Board and/or the Management may deem appropriate from time to time. The Board shall also be responsible to review and update existing policies periodically and whenever circumstances justify.
- (11). The board shall not appoint an advisor in any capacity. However, the banks/DFIs may appoint a professional lawyer as legal advisor on retainership.
- (12). The board shall ensure the existence of an effective 'Management Information System' to remain fully informed of all key areas/functions and the associated risks. The company secretary is required to maintain the list of all MIS reports submitted to Board on periodical basis.
- (13). The board shall invariably approve the appointment, compensation package (including retirement benefits), promotion/demotion and renewal of the employment contracts of President/CEO and key executives.
- (14). The board shall meet frequently and the directors shall attend at least half of the meetings held in a financial year. The board shall ensure that it receives sufficient information from Management on the agenda items well in advance of each meeting enabling it to effectively participate in and contribute to each meeting.
- (15). The board shall receive the management letter from the external auditors without any delay and take appropriate action there against in consultation with the audit committee of the board. A copy of that letter should be submitted to the relevant Banking Supervision Department of SBP.

G-10: BOARD COMMITTEES

- (1). To share the load of activities, the board may form specialized committees with well-defined objectives, authorities and tenure. These committees, comprising of at least one non-executive board member or Independent Director, shall oversee areas like Audit, IT, Risk Management, Credit, HR/Recruitment/Remuneration and any other area of special interest. Such committees shall have written terms of reference that define their duties, authority and composition, and shall report to the full board. However, the committees of the board shall not indulge in day-to-day affairs/operations.
- (2). The Board of those banks, which are operating as subsidiary of a foreign bank and joint venture DFIs, if deemed absolutely necessary, may delegate authority to a relevant committee of the Board to review/approve credit facilities over and above minimum threshold as determined by the Board of Directors. Further, such Board Committee must be chaired by a director having relevant experience to review/approve credit facilities. However, the management shall not be absolved of its responsibility of properly scrutinizing the credit proposals in terms of Bank's/DFI's approved credit policy and managing such credit on day-to-day basis.
- (3). The Board Audit Committee (BAC) shall comprise of at least three directors including one independent director. The independent director shall be the chairperson of the committee. No executive director shall be the member of Board Audit Committee. Further, the board shall

ensure that at least one member of the BAC has relevant qualification and experience in the field of audit, accounting and finance.

- (4). The Board HR/Remuneration Committee shall have non-executive directors preferably independent directors in majority. In case, independent directors are not in majority then the chairmanship shall be with Independent Director. No executive director shall be a member of this committee.
- (5). The Board IT Committee of a bank shall have minimum of three (03) directors as its members with at least one member having relevant qualification or experience of IT. However, the requirement of Board IT Committee is not mandatory for DFIs.
- (6). The Chairman of the board may chair and/or be a member of any of the Board Committees except Audit and Risk Management Committees.

G-11: RECORDING OF MINUTES OF BOARD MEETINGS

- (1). The board must ensure accurate recording of minutes of board of directors and general meetings reflecting the key deliberations, rationale for each decision made, and any significant concerns or dissenting views. Further, minutes of the board meetings shall include details of matters decided/resolved through circulation.
- (2). The board shall ensure that the deliberations made by the participating board member(s) are duly reflected in the minutes of the meeting(s) using name-tags. Further, the note of dissent on any matter by board member(s), rejection or deferral of any proposal of the management must be fully elaborated in the minutes.
- (3). In the event of conflict of interest, the board shall ensure that details have been provided in minutes as to how they have complied with the organization's conflict of interest policy.
- (4). The bank/DFI shall submit duly certified copies of the draft minutes of the board of directors and general meetings within twenty-one days of the date of such meetings. In case there is any change in the approved minutes from the draft minutes submitted earlier, the bank/DFI shall also submit certified copies of the minutes within ten days of the approval. Further, any change from the draft minutes must be separately highlighted. For submission of minutes please see details in **Annexure A**.

G-12: BOARD MEETINGS IN FOREIGN COUNTRIES

- (1). All banks/DFIs are encouraged to make maximum use of video conferencing facilities for board meetings.
- (2). The banks/DFIs having substantial foreign shareholding (51% and above) can hold four board meetings abroad, preferably in the country of residence of foreign director(s).
- (3). The banks/DFIs having foreign shareholding of more than 40% but less than 51% can hold three board meetings abroad, preferably in the country of residence of the foreign director(s).
- (4). The banks/DFIs having foreign shareholding of upto 40% can hold one board meeting abroad preferably in the country of residence of the foreign director(s).
- (5). The banks/DFIs shall record valid reasons for holding the board meeting in a foreign country other than the country of residence of the foreign director(s).

- (6). The banks/DFIs can hold the board committees' meetings abroad at the same time of holding a board meeting, keeping in view the above limits. However, no separate committee meeting(s) shall be held abroad.
- (7). Banks/DFIs having no foreign shareholding are not allowed to hold board meetings abroad.

G-13: PERFORMANCE EVALUATION

- (1). The Chairman of board shall be responsible for the performance evaluation of all individual directors and overall board. All banks/DFIs shall ensure that performance evaluation is conducted annually whereas the same shall be undertaken by an external independent evaluator at least once in every three years¹.
- (2). The board of directors shall ensure fair and just performance evaluation of key executives.
- (3). The bank/DFI shall have proper documentation of the performance evaluation of senior management by the board and the subsequent decisions taken thereof.
- (4). The performance evaluation of board including Chairman and CEO of public sector banks shall be in accordance with Public Sector Companies (Corporate Governance) Rules issued by SECP.

G-14: REMUNERATION OF BOARD MEMBERS AND MANAGEMENT

- (1). The banks/DFIs shall develop fair, transparent and sound compensation policy, duly approved by the board, for their senior management that is aligned with risks, responsibilities and key performance indicators of the institution.²
- (2). The banks/DFIs shall pay a reasonable and appropriate remuneration to their board members, as per the following parameters:
 - (i). Board's Remuneration Committee shall formulate a comprehensive and transparent remuneration policy for the Chairman and other Directors, duly approved by the shareholders **preferably on pre facto** basis in the AGM/EOGM.
 - (ii). The Remuneration Policy shall be made with clear mandate and charter keeping in view the ownership structure, governance mechanism, risk profile, scope of operations, performance etc. Further, the remuneration policy shall be aligned with the performance evaluation of Directors.
 - (iii). No remuneration shall be paid to the Executive Directors except usual TA/DA as per the standard rules and regulations.
 - (iv). Remuneration shall be fixed in Pakistani rupees (PKR) invariably; nevertheless, payment of the same can be made to foreign directors in equivalent foreign currency(ies), where necessary.
 - (v). While determining remuneration of a director (including the Chairman) for attending a board and/or its committee meeting(s), following maximum limits shall be observed:

¹ As per BPRD Circular No. 11 of 2016 on Guidelines on Performance Evaluation of Board of Directors.

² As per BPRD Circular No. 1 of 2017 on Guidelines and Disclosures on Governance and Remuneration Practices

Category	Parameters to Determine Category	Maximum Limits of Remuneration for a Board/ Committee Meetings (per meeting)
First	Those banks/DFIs which have: Above Rs. 500 billion Assets Size OR Above Rs. 1 billion after tax profit (As per last audited annual accounts)	Up to Rs. 800,000
Second	All other banks/DFIs which do not fall in the first category	Up to Rs. 500,000

- (vi). The limits mentioned at (v) above are the maximum remuneration limits for attending a board /Committee meeting. All banks/DFIs may determine remuneration of their board (including the Chairman) taking into consideration their own governance structure and the level of responsibility & expertise of the directors while remaining within the maximum limits.
- (vii). The remuneration of a director for performing extra services, including the holding of the position of Chairman of board /committee, may additionally be determined with the approval of the shareholders, as the case may be, up to 20% of the remuneration set for him/her under clause (v) above, with proper justification in the remuneration policy.
- (viii). Travelling, boarding and lodging expenses of a Director for attending board and/or its committee meeting(s) and/or any relevant domestic training shall be paid by the bank/DFI at actuals. The remuneration policy shall clearly specify the parameters for such expenses whereas any additional costs shall be borne by the concerned Director.
- (ix). The remuneration policy shall adequately envisage provisions for accountability of the Directors for their conduct according to the scope of their responsibilities and scale of remuneration.
- (x). No consultancy or allied work shall be awarded to a Director or to the firm(s), institution(s) or company(ies) etc. in which he/she individually and/or in concert with other Directors of the same bank, holds substantial interest.
- (xi). Proper and transparent disclosure of remuneration and other benefit/facility provided to the board members shall be made in the annual financial statements.

G-15: DEALING WITH DIRECTORS, SPONSOR SHAREHOLDERS AND EMPLOYEES

- (1). The banks/DFIs shall not enter into leasing, renting and sale/purchase of any kind with their directors, employees or such persons who either individually or in concert with family members beneficially own 5% or more of the equity of the bank/DFI. This restriction does not apply in case of purchase of vehicles, laptops, mobile phone devices and Tablets (iPads etc.) by the executive directors, employees of the banks/DFIs which remained in their own use, provided such sale is covered under the employees service rules duly approved by the board of directors and is effected at least at book value on the date of such transaction.
- (2). The banks/DFIs shall not take unsecured exposure on, or take exposure against the guarantee of:
 - (i). any of their directors;

- (ii). any of the family members of any of their directors;
 - (iii). any firm or private company in which the bank/DFI or any of the persons referred to in (i) or (ii) are interested as director, proprietor or partner; or
 - (iv). any public limited company in which the bank/DFI or any of the persons as aforesaid are substantially interested; and
 - (v). their Chief Executive and shareholders holding 5% or more of the share capital of the bank/DFI, including their spouses, parents, and children or to firms and companies in which they are interested as partners, directors or shareholders holding 5% or more of the share capital of that concern.
- (3). Without the approval of the majority of the directors excluding the director concerned, the bank/DFI shall not take any exposure on:
- (i). any of their directors or individuals, firms or companies in which they or any of their directors, either directly in the borrowing entity or in any of its group companies, hold key management positions, or are interested as partner, director or guarantor, as the case may be, without the approval of the majority of the directors of that bank/DFI excluding the director concerned.
 - (ii). the President/CEO and shareholders holding 5% or more of the share capital, including their spouses, parents, and children or firms and companies in which they are interested as partners, directors or shareholders holding 5% or more of the share capital of that concern.

The facilities to the persons mentioned above shall be extended at market terms and conditions and be dealt with on arm's length basis. Further, no preferential treatment shall be given on deposits to the related parties.

G-16: CONTRIBUTIONS AND DONATIONS FOR CHARITABLE, SOCIAL, EDUCATIONAL AND PUBLIC WELFARE PURPOSES

- (1). All banks/DFIs shall strictly observe the following rules in the matter of making any donation/charity/contribution for charitable, social, educational or public welfare purposes:
- (i). The banks/DFIs shall develop policy/guidelines duly approved by the Board of Directors for making donations/contributions. The policy shall also be vetted by Shariah Board in case of Islamic banking institutions.
 - (ii). The total donations/contributions made by the bank/DFI during the year shall not exceed such amount as approved by their board of directors. Further, it is expected that banks/DFIs making these donations/contributions would have already met provisioning and capital adequacy requirements.
- (2). All donations or contributions to be made during the year must be specifically approved by the board of directors on pre or post facto basis as deemed appropriate. In case of foreign banks, the President/CEO/MD shall be the approving authority for this purpose.
- (3). The banks/DFIs are further directed to expressly disclose in their annual audited financial statements, the total donation/contribution made during the year along with names of donees, to whom total donations/ contributions were made in excess of Rs 100,000/. In case

of donations where any director or his/her family members have interest in the donee, the names of such directors, their interest in the donee and the names and addresses of all donees, shall also be given.

G-17: CREDIT RATING

- (1). With a view to safeguard the interest of prospective investors, depositors and creditors, it shall be mandatory for all banks/DFIs to have themselves credit rated by a credit rating agency on the approved panel of the SBP.
- (2). Foreign banks which are credit rated by M/s. Standard & Poor, Moody's Fitch-Ibca and Japan Credit Rating Agency (JCRA) having a minimum rating of A3/A- and above shall be exempted from the application of this requirement. All other foreign banks have to go through credit rating process in Pakistan.
- (3). The credit rating is an ongoing process i.e. credit rating shall be updated on a continuous basis from year to year, within six months from the date of close of each financial year and the rating report, complete in all respects, shall be submitted to Banking Policy & Regulations Department, SBP and made public within a period of seven days of the notification of rating by the credit rating agency. Further, the banks/DFIs will disclose their credit rating prominently in their published annual and quarterly financial statements.

ANNEXURE A: CORPORATE GOVERNANCE RELATED REPORTING/ DISCLOSURE REQUIREMENTS

1) FIT & PROPER TEST (FPT) DOCUMENTS

- i) FPT Proforma is designed for Sponsor Shareholders, Board of Directors, President/CEO and Key Executives.
- ii) Certified copies of original identification documents including passport(s), CNIC and/or equivalent identity card(s) of country(ies) of which the applicant holds a nationality.
- iii) All applicants must submit an affidavit on non-judicial paper from their respective country duly notarized by the Notary Public or Oath Commissioner as per Appendix-I given in FPT Proforma.
- iv) The proposed directors will submit a declaration as per Appendix-II given in FPT Proforma.
- v) The proposed independent directors will also submit declaration as per Appendix-III given in FPT Proforma.
- vi) Board/AGM Resolution and/or notification of the concerned authority for proposed appointment of the Board of Director(s) and President/CEO of the bank/DFI.
- vii) The proposed sponsors/major shareholders/beneficial owners shall also submit other Information as required in the “Guidelines & Criteria for Setting up a Commercial Bank” and “Criteria for Establishment of Islamic Commercial Banks”.
- viii) The proposing bank/DFI must complete the declaration as per Appendix-IV given in FPT Proforma in all cases.

2) FPT DOCUMENTS AND OTHER INFORMATION SUBMISSION PROCEDURES AND TIMELINES

{Note: The information to be submitted to SBP through email at cgd.bprd@sbp.org.pk shall be in PDF format using OCR (Optical Character Recognition) option}

- i) FPT Documents/information related to Board of Directors, President/CEO and Overseas Executives shall be submitted either through Company Secretary or Human Resources Department of the bank/DFI to Banking Policy and Regulations Department (BPRD) of SBP. However, all requests for seeking approval of SBP shall preferably be submitted at least one month in advance from the date of appointment. The scanned copies of FPT documents shall also be submitted via email at cgd.bprd@sbp.org.pk.
- ii) Any change in the information already submitted (at the time of FPT assessment) shall be communicated through email at cgd.bprd@sbp.org.pk.
- iii) On assigning **acting charge** of the office of President/CEO to a key executive, the bank/DFI shall inform SBP via email at cgd.bprd@sbp.org.pk within three working days of assumption of such charge.
- iv) On assigning of **acting charge** of the office of President/CEO to a qualified key executive, the bank/DFI shall submit FPT Documents/information either through Company Secretary or Human Resources Department of the bank/DFI to BPRD of SBP within three working days of assumption of such charge.
- v) As per Regulation G-8, the appointment of key executives (except overseas executives) shall not require prior clearance of SBP. However, Banks/DFIs shall submit FPT documents to SBP on prescribed Proforma within seven days of assumption of the charge of the post by the incumbent. The scanned copies of FPT documents shall also be submitted via email at cgd.bprd@sbp.org.pk.

- vi) **Reporting of Shareholding Information:** The Chairman, Managing Director or President/CEO of a bank/DFI shall furnish to the State Bank of Pakistan through the bank/DFI returns on yearly basis containing full particulars of the extent and value of his holding of shares, whether directly or indirectly, in the banking company and of any change to the extent of such holding or any variation in the rights attaching thereto as per Annexure C through email at cgd.bprd@sbp.org.pk within 15 days of the close of each calendar year.
- vii) **Reporting of President/CEO Visit Abroad:** Presidents/Chief Executives Officers (CEOs) of the banks/DFIs are required to intimate their program of traveling abroad to SBP as per Annexure D through email at cgd.bprd@sbp.org.pk at least Three (03) days before the travel date.

3) OTHER REPORTING REQUIREMENTS:

- i) **Intimation about Principal Office Under Rule 3(3) of the Banking Companies Rules, 1963:** Banks shall furnish the complete address and contact details of their principal office(s) to BPRD, SBP and shall also from time to time inform about any change in the address within one month of the change. This information may be submitted through email at cgd.bprd@sbp.org.pk and surface mail.
- ii) **Intimation about Principal Office by DFIs:** The DFIs shall also furnish the complete address and contact details of their principal office(s) to BPRD, SBP and shall also from time to time inform about any change in the address within one month of the change. This information may be submitted through email at cgd.bprd@sbp.org.pk and surface mail.
- iii) **Submission of Quarterly Returns Under Rule 4(1) (i-b) of the Banking Companies Rules, 1963 - List of Directors:** The banks shall furnish the names, contact numbers and addresses of their board of directors within seven days of completion of each quarter to BPRD, SBP through email at cgd.bprd@sbp.org.pk.
- iv) **Submission of List of Directors by DFIs:** the DFIs shall furnish the names, contact numbers and addresses of their board of directors within seven days of completion of each quarter to BPRD, SBP through email at cgd.bprd@sbp.org.pk.
- v) **Reporting of Contact Details of Executives:** The banks/DFIs shall furnish contact details of following positions, as per the format at **Annexure F**, through email at cgd.bord@sbp.org.pk within seven (7) working days of completion of each quarter:
 - (a) President/CEO/Managing Director/Country Manager
 - (b) Group Head Operations/Chief Operating Officer
 - (c) Group Head Compliance / Chief Compliance Officer
 - (d) Group Head Human Resources
 - (e) Company Secretary
 - (f) Contact Persons in case of emergency (Name & Designation)
- vi) **Reporting of minutes of board meetings:** The bank/DFI shall submit duly certified copies of the draft minutes of the Board of Directors and General meetings within twenty-one (21) days of the date of such meetings through Data Acquisition Portal (DAP) of State Bank of Pakistan. The bank/DFI shall also ensure to scan the certified copies of minutes in PDF format using OCR (optical Character Recognition) option, upload it on DAP after necessary encryption/ password protection and communicate the password to the relevant unit head of Banking Supervision Departments of SBP via email and cc to fi.minutes@sbp.org.pk.
- vii) **Section 33-A Fidelity & Secrecy- The Banking Companies Ordinance, 1962:** The Section 33-A of the Banking Companies Ordinance, 1962, inter alia, requires that every President, Chairman

& members of the Board of the banks/DFIs make a declaration of Fidelity and Secrecy. Accordingly, President, Chairman & members of the Board of all banks/DFIs will sign a declaration as per format given at Annexure E before assuming the office. In case of foreign banks, who are represented in Pakistan by their branch offices only, the declaration will be signed by the Country Managers. The declaration may please be kept in safe custody with the banks/DFIs.

ANNEXURE B: PROCEDURE FOR DEPOSIT OF SPONSOR SHARES INTO A BLOCKED ACCOUNT WITH CDC

As required under PR G-5(5), all locally incorporated banks shall deposit sponsor shares and subsequent acquired shares in a blocked account with CDC in the following manner:

- (1). Blocked account with CDC shall be opened by the sponsor shareholders of banks exclusively for deposit of the sponsor shares and subsequent right and bonus shares issued thereon.
- (2). Following procedure shall be followed by banks for deposit / transfer of sponsor shares into CDC account:
 - a. The existing sponsor shareholders who have already deposited their shares with SBP BSC shall:
 - i. Open account (sub-participant account or investor account) at CDC exclusively for depositing sponsor shares and subsequent bonus and right shares.
 - ii. Confirm the account number to SBP through company secretary of the bank.
 - iii. On receipt of above confirmation, SBP will allow the withdrawal of shares deposited with SBP BSC for deposit with CDC.
 - iv. The bank shall confirm the deposit of sponsor shares in the CDC account within 15 days of release of shares by SBP.
 - b. The prospective sponsor shareholders shall open CDC account (sub-participant account or investor account) and confirm the account number to SBP through Company Secretary of the bank at least 15 days prior to issuance/transfer of shares. Further, they shall arrange for confirmation of submission of shares in CDC account within 3 days of issuance of shares.
 - c. The sponsor shareholders who are yet to deposit their sponsor shares in a blocked account with CDC, shall either open a new account or identify an existing account and confirm the same through Company Secretary of the bank to SBP.
- (3). Charges for opening and operating the blocked account with CDC will be borne by the sponsor shareholders.
- (4). No withdrawal of the sponsor shares from the blocked account would be allowed without prior written permission of SBP.
- (5). These instructions shall not be applicable to the shareholding of Federal and Provincial governments in banks.

ANNEXURE C: SHAREHOLDING INFORMATION TO BE SUBMITTED BY BANKS/DFIS

The banks/DFIs are required to submit the following shareholding related returns/information:

S. No.	Subject	SBP's Circular/Letter Reference	Frequency	Required to Submit By	Variables Covered
1	Shareholding - Banks/Financial Institutions, Foreign Shareholding	BPRD Circular Letter No. 28 of 1999	Half Yearly	All Banks/NBFIs	Shareholding held by foreign individuals and entities
2	Shareholding of Banks/DFIs	BPD(PU-33)682-22(ii)/2004/13206 15-10-2004	Yearly	All Banks/DFIs/MFIs	Sponsor/ Foreign shareholding
3	Shareholding of Chairman or President/Managing Director/CEO, Directly or Indirectly in the Banking Company	BPRD Circular No. 4 of 2010	Yearly	All locally incorporated banks	shareholding held by Chairman, MD, President and CEO directly and indirectly (spouse, lineal ascendants and descendants)

The Formats of above returns are as per Excel format attached separately. Kindly note that the duly filled excel sheet must be submitted through email at cgd.bprd@sbp.org.pk along with scanned copy of the signed sheet.

ANNEXURE D: INFORMATION OF VISIT OF THE PRESIDENT/CEO ABROAD

Name of the Bank/DFI
Name of the President /Chief Executive

Duration of Visit (Dates)	Name of the Official Authorized as Acting/Officiating/Look-after Chief Executive (During Chief Executive's Absence)	Contact Address of the Acting/Officiating Chief Executive and his Office Phone No. , Mobile No., and email address.

Annexure E: Declaration of Fidelity And Secrecy

I, **(insert name)** on becoming [**President/ Chairman of the Board/ Director on the Board/Country Manager (in case of foreign banks' branches)**] of the **(insert name of bank/DFI)** in terms of Section 33-A of the Banking Companies Ordinance, 1962 do hereby solemnly & sincerely confirm/declare that I shall observe strict fidelity, secrecy and usage customary among bankers and all matters relating thereto and in particular shall not divulge or communicate any information relating to the affairs of its customers, which may come to my knowledge in discharging my duties directly or indirectly, except in circumstances in which it is in accordance with law, practice and usage customary among bankers.

Dated: _____

Signature: _____

Designation: _____

ANNEXURE F: PROVISION OF CONTACT DETAILS

Name of the Bank/DFI: _____
As of _____

No.	Position/Designation	Direct Landline Phone Number (Office)	Cell Phone Number (in use)	Fax Number	Email Address
1	President/CEO/Managing Director/Country Manager				
2	Group Head-Operations/Chief Operating Officer				
3	Group Head-Compliance/Chief Compliance Officer				
4	Group Head, Human Resources				
5	Company Secretary				
6	Contact Person in case of emergency (Name & Designation)				