



Press Release

April 30, 2015

For immediate release

SECP suspends trading in the shares of KASB Bank Limited

ISLAMABAD, April 30: The Securities and Exchange Commission of Pakistan (SECP) issued directions on April 30, 2015 (Thursday) to all the three stock exchanges to immediately suspend the trading in the shares of the KASB Bank Limited.

The trading was suspended in the interest of investors as the regulator observed an abnormally high volume in the shares of KASB Bank Limited in last few days. The SECP will ensure settlement of all traded shares of KASB Bank Limited as per rules.

On initial enquiry, it was observed that there were rumors in the KSE about the change in management and control of the Bank from existing management to some Chinese investor, which is generating excessive volume in the market. SECP issued direction to the Bank on April 23, 2015 to clarify the true position about the speculated change in management through the stock exchanges before opening of the market on April 24, 2015.

On direction of the SECP, the Bank clarified through notice to the stock exchanges that the Bank has not received any directive from any concerned quarters about the future course of action for the Bank or about the management changes that are being speculated and rumored and that the Bank is presently operating under the conditions of the moratorium imposed on it by the Federal Government. This clarification was disseminated to the investors on the websites of the Stock Exchanges on April 24, 2015 at 9:24 A.M. i.e. before opening of the market at 9:30 A.M.

However, it has been observed that despite clarification from the Bank the trading volume in the shares of the Bank remained very high as compared to its normal trading pattern. On April 29, 2015 Bank Islami Pakistan Limited and KASB Bank made announcement through stock exchanges that the State Bank of Pakistan has started the process of amalgamation of KASB Bank with and into Bank Islami at a token nominal value and that the scheme shall be considered by the board of directors of Bank Islami in its meeting at 2:00 p.m. Bank Islami after the conclusion of its BOD meeting placed the scheme of amalgamation on its website through which it was learnt that keeping in view the negative breakup value consideration of Rs.1,000 only was determined for the entire shareholding of KASB Bank.

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It is important to note that in terms of prudential regulations issued by SBP entire shareholding of sponsors of the Bank which stood at 1.65 billion shares out of 1.95 billion shares, which is around 85% of the total paid up capital of the Bank, remained in blocked account and they were not available for trading at any time.