



STATE BANK OF PAKISTAN
BANKING POLICY & REGULATIONS DEPARTMENT
I. I. CHUNDRIGAR ROAD
KARACHI

License No. BL(i)-01 (2014)

Date of issue: June 12, 2014

In exercise of the powers conferred upon State Bank of Pakistan (SBP) under Section 27 of Banking Companies Ordinance (BCO), 1962, SBP is pleased to grant the banking license to **MCB Islamic Bank Limited** (hereinafter referred to as "**the Bank**"), subject to the following terms and conditions:

- i) The Bank shall be a public limited company and listed on the stock exchange/s.
- ii) The Bank is authorized to conduct Shariah compliant banking business only.
- iii) Decision of the Bank's Shariah Advisor (Shariah Board w.e.f. 1st October, 2014) will be binding on the Bank and in case of any difference of opinion with SBP; the interpretation/decision of SBP's Shariah Board will prevail.
- iv) The Bank shall, at all times, maintain the minimum paid up capital as prescribed by SBP from time to time.
- v) The Bank shall, at all times, maintain Minimum Capital Adequacy Ratio on risk-weighted assets as prescribed by SBP from time to time.
- vi) The President/CEO of the Bank shall be a professional banker with no adverse reputation regarding his integrity and performance. The appointment for the position of President/CEO, as and when made, shall be subject to the prior written approval in accordance with the criteria of "Fit & Proper Test" as prescribed by SBP and all other relevant instructions issued from time to time.
- vii) A director of the Bank shall not hold office of a director in any other bank/DFI. Similarly, an employee of the Bank shall not hold office of director (except nominee director) or any other position in another financial institution/organization of similar nature.
- viii) The Board of Directors of the Bank shall be appointed in such manner and subject to compliance of such eligibility criteria as may be prescribed by SBP from time to time. Furthermore, the appointment of the Board's members shall be subject to SBP's prior written approval in accordance with the criteria of "Fit & Proper Test" as prescribed by SBP and all other relevant instructions issued from time to time.
- ix) The Bank shall not open a place of business as defined in relevant provisions of BCO, 1962 and the Branch Licensing Policy (BLP) prescribed by SBP, as amended from time to time, without obtaining prior permission, in writing, from SBP.

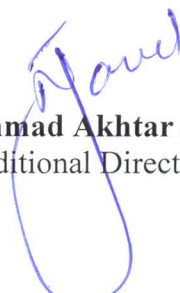


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- x) The Bank shall deposit sponsors' shares in blocked account with Central Depository Company of Pakistan Limited (CDC) in terms of BPRD Circular No. 4 of 2008 as amended from time to time. Any subsequent allotment/subscription, either in the form of right, bonus shares or in any other manner whatsoever, to the sponsor shareholders shall also be deposited with CDC in similar manner.
- xi) The sponsor(s) and sponsor director(s) shall not dispose off their shares (issued as right/bonus or in any other form) in any manner whatsoever for an initial period of 3 (three) years and, thereafter, only with the specific written approval of SBP.
- xii) No borrowing/financial assistance of whatsoever nature shall be raised through lien, pledge, hypothecation etc. on the sponsors' shares.
- xiii) No alteration/amendment shall be made in Memorandum & Articles of Association of the Bank without obtaining prior written approval from SBP.
- xiv) The Bank's policy framework shall duly comply with the SBP's regulations/guidelines etc. as issued from time to time.
- xv) All activities of the Bank shall be conducted in a professional, ethical and orderly manner pursuant to sound risk management systems.
- xvi) The Registered Office of the Bank shall be located in Lahore and shall not be changed without prior approval of SBP.
- xvii) Before launching any new product, the Bank will prepare procedure manuals for the same, duly approved by the Shariah Advisor (Shariah Board w.e.f. 1st October, 2014) as well as the Board of Directors and a certificate in this regard will be submitted to SBP along with structure and salient features.
- xviii) The Bank shall, at all times, comply with all relevant laws/requirements including BCO, 1962, the State Bank of Pakistan Act, 1956, Prudential Regulations and any other directives/orders issued by SBP, from time to time.


(Muhammad Akhtar Javed)
Additional Director