

October 21, 2025

TL2025/1021/1A

President
National Bank of Pakistan
Karachi

Subject: Complaint Against Serious Allegations of Loss of £12 million in sale of UBL shares to Bestway Group in violation of PLRA Rules, and Failure to bring the Exchange to Pakistan, Causing Loss at least Rs 3.45 billion as determined by the Auditor General of Pakistan

Dear Sir,

Transparency International Pakistan has received a complaint against serious allegations of loss of £12 million in sale of UBL shares to Bestway Group in violation of PLRA Rules, and failure to bring the Exchange to Pakistan.

The complainant has made the following allegations:

1. The divestment of NBP's Shareholding in UNBL, UK and the resulting non-repatriation of sale proceeds GBP 22.900 million amounting to equivalent of Rs.8,198.200 million.
2. The SBP letter dated March 13, 2024, required National Bank of Pakistan (NBP) to submit a certificate from an external auditor and a Proceeds Realization Certificate within 30 days of a transaction involving the sale of NBP's shares in United National Bank Limited (UNBL) to the Bestway Group. The SBP later reiterated the need for compliance with local and host country laws and foreign exchange regulations.
3. The SBP, in its letter dated April 3, 2024, advised NBP that its final approval for the sale was subject to compliance with applicable laws and regulations, and instructed NBP to repatriate the sale proceeds and file a Proceeds Realization Certificate with the SBP Exchange Policy Department. Rule 20 of PPRA Rules, 2004, stipulates that procuring agencies shall use open competitive bidding as the principal method of procurement for goods, services, and works.
4. During audit of National Bank of Pakistan (Head Office) for the year 2023, it was observed that:
 - a. The management sold its 45% shareholding in United National Bank Limited, UK (UNBL) to the Bestway Group for GBP 22.900 million, despite UNBL's positive financial performance. Subsequently, management hired a valuator to assess the value of the property and a law firm for legal services without open competitive bidding. The property/assets value which was directly associated with shares price was potentially undervalued at GBP 25 million by valuator, resulted bank deprived the competitive price of shareholding, considering its prime location and heritage value. Management was of the view that Bestway Group was inexperienced for managing the banking operations, but UK regulator approved the control in favor of Bestway.
 - b. The Board approved the sale in its 356th emergent meeting on December 21, 2023. NBP obtained a No Objection Certificate from the SBP on March 13, 2024, requiring compliance with applicable laws and repatriation of sale proceeds. The Bestway Group credited GBP 22.900 million to NBP's Bahrain account on July 4, 2024, but the proceeds were not repatriated to Pakistan. The management requested permission to retain the sale proceeds at NBP Bahrain Branch to cover NBP NY closure costs.



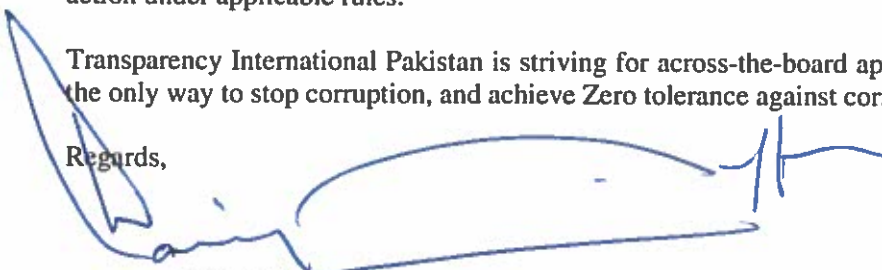
- c. Audit is of the view that the sale of NBP's shareholding was not conducted in a transparent and prudent manner due to lack of open competitive bidding, inadequate due diligence, which had resulted in a potential undervaluation of the asset, with the sale price of GBP 22.900 million being lower than the book value (GBP 30 million) and estimated market value (GBP 35 million), thereby potentially causing a loss to the bank. Furthermore, the non-repatriation of sale proceeds to Pakistan and retention of same as covering closure cost of NBP NY branch, despite the directions from the SBP, raises concerns about non-compliance with regulatory requirements.
5. The matter was reported to the management in November, 2024. The management in its reply stated that:
- a. The decision of divestment was taken by the NBP BOD after considering all the aspects and proceeds with approval from SBP. There is no requirement of obtaining Ministry of Finance approval for making any divestment decision by the Bank. The reply is not tenable because the management considered its divestment lower than potential share value by assessing the property value at lower side. Further, being administrative ministry i.e. Ministry of Finance it was mandatory to get concurrence for this deal. The decision was made in haste within 20 days i.e. offer letter was received on 07-12-2023 and BOD granted approval of divestment on 27-12-2023.
- b. Divestment proceeds of UNBL were utilized in line with the SBP approval dated 25-07-2024. The reply is not tenable because the management did not repatriate the sale proceeds in Pakistan as per SBP NOC dated 13-03-2024.
6. Despite requests and subsequent reminders on 25.11.2024, 06.1.2025 and 13.01.2025, DAC meeting was not convened by the PAO.

Transparency International Pakistan Comments and Recommendations

Transparency International Pakistan has reviewed the allegations of the complaint, prima facie, the allegations seem correct. TI Pakistan requests the President NBP to investigate the allegations and take action under applicable rules.

Transparency International Pakistan is striving for across-the-board application of Rule of Law, which is the only way to stop corruption, and achieve Zero tolerance against corruption.

Regards,


Advocate Daniyal Muzaffar,
Trustee/Legal Advisor
Transparency International Pakistan

Copies forwarded for the information with request to take action under their mandate to:

1. PSPM, PM House, Islamabad
2. Governor, State Bank of Pakistan, Islamabad
3. Federal Minister, Ministry of Finance and Revenue, Islamabad
4. Chairman, PMIC, Islamabad
5. Registrar, Supreme Court of Pakistan, Islamabad



Note:

This is to clarify that Transparency International Pakistan is not a complainant, it acts as a whistleblower and operate under Article 19-A, of the Constitution of Pakistan which gives the right to public to know how government is being run by public officers. Article 19-A makes the right to access of information pertaining to a public authority a fundamental right, and a three member bench in case of Mukhtar Ahmad Ali vs the Registrar, Supreme Court of Pakistan, Islamabad, headed by Chief Justice Qazi Faez Isa in the landmark judgment on 16 October 2023, in CP No. 3532/2023, has declared that

“What previously may have been on a need-to-know basis Article 19A of the Constitution has transformed it to a right-to-know, and the Access to information is no longer a discretion granted through occasional benevolence, but is now a fundamental right available with every Pakistani which right may be invoked under Article 19A of the Constitution”