

## **NBP continues to support FIA's inquiry related to Hascol**

Karachi, January 26, 2022: “As has been reported in the press, FIA is conducting an inquiry on Hascol Petroleum’s banking arrangements with NBP as well as several private and other public sector banks. NBP has been and continues to cooperate fully with the FIA on this investigation and make available all relevant records and transactional history including arranging meetings with its employees who have managed the Hascol relationship with NBP.

NBP’s own stance on the Hascol event has been documented in a submission made to the SBP in December 2021 and subsequently provided to the FIA. The fundamental challenges identified by NBP, stemmed from a material negative re-statement of the company’s financial records with acknowledgement of fraud by Hascol management at that time. Credit decisions made by banks were based on a set of audited financials which were different and as the fraud unfolded, two of the company’s auditor’s resigned citing financial irregularities within Hascol. While all the OMCs incurred losses during the Covid crisis due to a rapid decline in demand, fall in oil prices and the Rupee’s devaluation, Hascol’s issues were exacerbated by its financial fragility due to high leverage and over-valued assets.

NBP continues to support the FIA inquiry to its rightful conclusion in consultation with its Board and primary regulator, the SBP.”

For further information:

Rizwan Khan

Corporate & Marketing Communications

0345 2382331

[rizwan@cmc.com.pk](mailto:rizwan@cmc.com.pk)