

**JS BANK LIMITED**  
**NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING**

Notice is hereby given that the Sixteenth Annual General Meeting of the shareholders of JS Bank Limited (the “Bank”) will be held on Wednesday, March 30, 2022 at 10:00 a.m. at 15<sup>th</sup> Floor, The Center, Plot No.28, SB-5, Abdullah Haroon Road, Sadar, Karachi, to transact the following business

**ORDINARY BUSINESS:**

- i. To receive, consider and adopt the Annual Audited Standalone and Consolidated Financial Statements of the Bank for the year ended December 31, 2021 together with the Directors’ and Auditors’ Reports thereon.
- ii. To appoint Bank’s Auditors and fix their remuneration. Audit Committee and the Board of Directors have recommended the appointment of the retiring auditors, Messrs KPMG Taseer Hadi & Co., Chartered Accountants, who being eligible have offered themselves for re-appointment.
- iii. To elect seven (7) directors as fixed by the Board of the Bank under section 159(1) of the Companies Act, 2017 for three years commencing from March 30, 2022. The names of retiring directors, who are eligible to offer themselves for re-election, are as follows:

|                             |                           |
|-----------------------------|---------------------------|
| Mr. Kalim-ur-Rahman         | Mr. Adil Matcheswala      |
| Mr. Ashraf Nawabi           | Mr. G.M. Sikander         |
| Mr. Hassan Afzal            | Mr. Munawar Alam Siddiqui |
| Ms. Nargis Ali Akber Ghaloo | Mr. Sohail Aman           |

**SPECIAL BUSINESS:**

- iv. To consider and if thought fit, approve the conversion of rated, privately placed/listed (at the option and discretion of the Bank, pursuant to the Privately Placed Debt Securities’ Listing Regulations), unsecured, subordinated, Term Finance Certificates (“TFCs”) of PKR 2,500,000,000/- (Pak Rupees Two Billion Five Hundred Million) inclusive of a green shoe option of PKR 500 million (Pak Rupees Five Hundred Million Only) of the Bank into common shares if (i) directed by State Bank of Pakistan (“SBP”) on the occurrence of a point of non-viability as determined by SBP, or (ii) upon the occurrence of a pre-specified trigger point pursuant to Basel III Capital Instructions of SBP, or (iii) due to any inability to exercise the Lock-in Clause or Non-Cumulative features of TFCs, on such terms and conditions as may be determined by SBP, subject to a maximum of 400,647,739/- (Four Hundred Million Six Hundred Forty Seven Thousand Seven Hundred Thirty Nine Only) additional ordinary shares to be issued, and which ordinary shares shall be issued other than by way of rights in accordance with section 83(1)(b) of the Companies Act, 2017.

The resolutions to be passed by the members of the Bank as Special Resolutions are as under:

“**RESOLVED THAT** with respect to the Tier-2 capital raised by the Bank in the amount of up to PKR 2,500,000,000/- (Pak Rupees Two Billion Five Hundred Million) in the form of rated, privately placed/listed (at the option and discretion of the Bank, pursuant to the Privately Placed Debt Securities’ Listing Regulations), unsecured, subordinated, Term Finance Certificates (“TFCs”) as approved by the Board of Directors on August 25, 2021 and

in accordance with the directions under the 'Instructions for Basel III Implementation in Pakistan' ("**Basel III Regulations**") issued by the SBP, the TFCs may be converted into ordinary shares of the Bank (i) if so directed by SBP on the occurrence of a point of non-viability as determined by SBP, at a price equivalent to the market value of the shares of the Bank on the date of trigger of the point of non-viability as declared by SBP, or (ii) upon the occurrence of a pre-specified trigger point pursuant to Basel III Capital Instructions, at a price equivalent to the market value of the shares of the Bank on the date of occurrence of the pre-specified trigger point, or (iii) due to any inability to exercise the lock-in clause or non-cumulative features of the TFCs, on such terms and conditions as may be determined by SBP, in accordance with the applicable rules and regulations of SBP (collectively the "**Conversion Events**"), which ordinary shares shall be issued other than by way of rights in accordance with section 83(1)(b) of the Companies Act, 2017."

**"FURTHER RESOLVED** that the issuance of such shares upon the occurrence of any of the Conversion Events shall be subject to a cap of 400,647,739/- (Four Hundred Million Six Hundred Forty Seven Thousand Seven Hundred Thirty Nine Only) additional ordinary shares to be issued and shall further be subject to the approval of the Securities and Exchange Commission of Pakistan in accordance with section 83(1)(b) of the Companies Act, 2017."

**"FURTHER RESOLVED** that any two of the President & CEO, Chief Operating Officer, Chief Financial Officer, Company Secretary and Group Head Operations of the Bank (the "Authorized Representative"), be and are hereby authorized to take all steps necessary, ancillary, and incidental to the above-mentioned resolutions, as and when required, and are further authorized to sign, execute, and deliver all necessary documents, agreements, and letters on behalf of the Bank, as may be deemed appropriate and as may be required for the purposes above-mentioned."

- v. To consider and, if thought fit, pass with or without modification, the following resolutions as special resolution as envisaged under Section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, for the purpose of approving long term equity investment in the ordinary shares of its associated company BankIslami Pakistan Limited.

**"RESOLVED THAT** subject to obtention of approval of the State Bank of Pakistan ("SBP") as well as other regulatory approvals, consent and approval of the shareholders be and is hereby accorded in terms of Section 199 of the Companies Act, 2017, to make long term equity investment into and acquire 86,316,954 ordinary shares of BankIslami Pakistan Limited ("BIPL"), (constituting 7.79% paid-up capital) of BIPL, an associated company, from Emirates NBD Bank PJSC at a price of upto PKR 13.24 per share, making the aggregate sale consideration to stand at upto PKR 1,142,836,470.96.

**FURTHER RESOLVED that** formal applications be made to the SBP and the Competition Commission of Pakistan ("CCP") for approval of the proposed acquisition and investment of 7.79% paid up capital of BIPL;

**FURTHER RESOLVED** that any two of the President & CEO, Chief Operating Officer, Chief Financial Officer and/or Company Secretary of the Bank (the "Authorized Representative"), be and are hereby authorized to negotiate, finalize and execute all agreements and transaction

documents, appointing legal advisers and consultants, personal and written representations and submission of formal applications for approvals of the proposed investment from SBP and CCP, whenever required and signing all documents, deeds and agreement related thereto for achieving the above purposes, and to take any or all such necessary and ancillary actions and steps and do all such acts, deeds and things which may be required to give effect to this resolution and for making the investment of the above-mentioned amount in the purchase of the ordinary shares of BIPL.”

Karachi: March 9, 2022

By Order of the Board  
Ashraf Shahzad  
Company Secretary

**Notes:**

- a) Share transfer books of the Bank will remain closed from March 24, 2022 to March 30, 2022 (both days inclusive). Transfers received in order at Bank’s Independent Share Registrar, CDC Share Registrar Services Limited, CDC House, Shahra-e-Faisal, Karachi at the close of business on March 22, 2022 will be treated in time for purpose of attending and vote at the Meeting.
- b) A member of the Bank entitled to attend, and vote may appoint another member as his/her proxy to attend and vote instead of him/her.
- c) Proxies must be received at the Registered Office of the Bank not later than 48 hours before the time of the Meeting.
- d) Beneficial owners of the shares registered in the name of CDC Share Registrar Services Limited (CDCSRSL) and/or their proxies will have to follow the following guidelines as laid down by the Securities and Exchange Commission of Pakistan:

**For Attending the Meeting**

- In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with Participant ID number and the account number at the time of attending the Meeting.
- In case of corporate entity, the Board’s resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

**For Appointing Proxies**

- In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations shall submit the proxy form as per above requirements.
- The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- Proxy form must be received at the Registered Office of the Bank located at 1<sup>st</sup> Floor Shaheen Commercial Complex, Dr, Ziauddin Ahmed Road, Karachi, duly stamped and signed not less than 48 hours before the time of the meeting.
- In case of corporate entity, the Board’s resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Bank.

- Shareholders are requested to notify immediately for any change in their address to the Bank Registrar.
- e) Any person seeking to contest the election, whether retiring Director or otherwise, must file with the Company at its Registered Office the following documents not later than fourteen (14) days before the date of the meeting:
- The intention to offer himself/herself for the election of Directors in terms of Section 159(3) of the Companies Act, 2017 along with (a) consent on Form 28 (Consent to act as a Director) under Section 167 of the Companies Act, 2017; (b) a declaration under clause (3) of the Listed Companies (Code of Corporate Governance) Regulations 2019 that he/she is not serving as a director in more than seven (7) listed companies (including JS Bank Limited and excluding the listed subsidiaries of listed holding companies); and (c) a declaration that he/she is not ineligible to become a director in terms of Section 153 of the Companies Act, 2017 or under any circular/directive of the State Bank of Pakistan or any other applicable laws and regulations.
  - Person contesting as Independent Director shall also submit a declaration that he/she qualifies the criteria of eligibility and independence notified under the Companies Act, 2017 and rules and regulations issued thereunder.
  - Duly filled proforma for Fit and Proper Test and Questionnaire in the prescribed form along with an affidavit, recent photograph and copy of attested CNIC/passport to meet the requirement of State Bank of Pakistan's Prudential Regulation G-1 and Fit and Proper Test for Appointment of Directors. Elected director shall remain subject to the fit and proper test approval of the State Bank of Pakistan.
- f) Shareholders are requested to notify immediately for any change in their address.

**Notice to Shareholders who have not provided CNIC:**

The Companies (Distribution of Dividends) Regulations, 2017 requires that the dividend warrants should bear the Identification Number which includes: (i) in the case of a registered shareholder or an authorized person, the Computerized National Identity Card Numbers (CNIC); (ii) in the case of a minor, child registration number or juvenile card number; and (iii) in the case of corporate shareholders registration number or national tax number. The Identification Number of the shareholders is, therefore, mandatory for the issuance of dividend warrants and in the absence of such information, payment of dividend may be withheld in terms of the Companies (Distribution of Dividends) Regulations, 2017. Therefore, the shareholders who have not yet provided their Identification Numbers advised to provide their Identification Numbers (if not already provided) directly to our Independent Share Registrar at the address given herein above without any further delay.

**Placement of Financial Statements**

The Bank has placed the annual Audited Financial Statements for the year ended December 31 2021, along with the Auditors and Directors Reports on its website: [www.jsbl.com](http://www.jsbl.com).

Further, the Annual Report of the Bank for the year ended December 31, 2021 is dispatched to the shareholders through CD.

Under Section 223(6) of the Companies Act, 2017, listed companies are allowed to send the Audited Financial Statements etc., through an electronic mail system (e-mail). The members are hereby

requested to convey their consent via email on a standard request form which is available at the Bank's website i.e. [www.jsbl.com](http://www.jsbl.com). Please ensure that your email account has sufficient rights and space available to receive such email which may be greater than 1 MB in size. Members can request a hard copy of Audited Financial Statements which shall be provided free of cost within seven days from the date of requisition. Further, it is the responsibility of the member(s) to timely update the Share Registrar of any change in his (her/its/their) registered email address at the address of Company's Share Registrar mentioned above.

**Mandate for E-DIVIDENDS for shareholders**

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividends to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividends directly into their bank account, shareholders are requested to fill in the Electronic Credit Mandate Form available on Company's website and send it duly signed along with a copy of CNIC to the Registrar of the Company M/s. CDC Share Registrar Services Limited, CDC House, Shakra-e-Faisal, Karachi in case of physical shares. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to the shareholder's broker/participant/CDC account services.

**Deduction of Income Tax from Dividend at Revised Rates**

Pursuant to the provisions of the Finance Act deduction of income tax from dividend payments shall be made on the basis of filers and non-filers as follows:

| S.No | Nature of Shareholders          | Rate of deduction |
|------|---------------------------------|-------------------|
| 1    | Filers of Income Tax Return     | 15%               |
| 2    | Non-Filers of Income Tax Return | 30%               |

Income Tax will be deducted on the basis of Active Tax Payers List posted on the Federal Board of Revenue website. To enable the Bank to make tax deductions of the amount of cash dividend @15% instead of 30%, all shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into the ATL before the date for payment of the cash dividend otherwise tax on their cash dividend will be deducted @30% instead of 15%.

The Shareholders who have joint shareholdings held by filers and non-filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his shareholding. If the share is not ascertainable, then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Bank.

| Folio /CDC Account No | Total Shares | Principal Shareholder |                         | Joint Shareholder |                         |
|-----------------------|--------------|-----------------------|-------------------------|-------------------|-------------------------|
|                       |              | Name &CNIC            | Shareholding proportion | Name &CNIC        | Shareholding proportion |
|                       |              |                       |                         |                   |                         |

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence, as the case may be.

#### **Unclaimed Dividend/Shares**

Shareholders who could not collect their dividend/physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any.

#### **E-Voting**

Pursuant to SECP S.R.O. No. 43(I)/2016 dated January 22, 2016, members can also exercise their right to vote through e-voting by giving their consent in writing at least 10 days before the date of meeting to the Bank on the appointment by the Intermediary as a Proxy.

#### **Provision of Video Link Facility**

The Securities & Exchange Commission of Pakistan (SECP) vide its Notification # SMD/SE/2(20)/2021/117 dated December 15, 2021, has instructed companies to hold the general meeting physically and virtually to ensure maximum participation by the members. The Bank has therefore decided to also conduct Annual General Meeting via Zoom Video Link. The Bank has encouraged members to attend the general meeting through video conferencing with a view to protect the well-being of its members in view of the threats posed by the recent wave of COVID-19.

To attend and participate in the 16<sup>th</sup> AGM of the Bank through video link arrangement, members are requested to complete and fill the 'Video Link Facility Form' available at the Bank's website and provide all the requisite information at the following email address i.e. AGM@jsbl.com. The video link of the meeting will be sent to the members on their email addresses.

**Statement Under Section 134(3)  
of the Companies Act, 2017**

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of JS Bank Limited (the “**Bank**”) to be held on March 30, 2022.

**Special Business # iv**

The Bank on December 28, 2021 issued rated, privately placed/listed (*at the option and discretion of the Bank, pursuant to the Privately Placed Debt Securities’ Listing Regulations*), unsecured, subordinated, Term Finance Certificates (“**TFCs**”) of PKR 2,500,000,000/- (Pak Rupees Two Billion Five Hundred Million) as Tier - 2 Capital instrument (“**TFC Issue**”). The Basel III regulations as implemented vide SBP’s Circular BPRD Circular No. 06 dated August 15, 2013 (“**SBP Circular**”), which prescribes a loss absorption feature for Tier - 2 capital instruments pursuant to which the TFCs will be converted into ordinary shares of the Bank at the Point of Non-Viability (“**PONV**”) trigger event or at the breach of Common Equity Tier-2 (CET-1) trigger event as defined in the SBP Circular and as reproduced below. In accordance with the requirements of the SBP Circular, the Bank has agreed with the SBP for the issuance of maximum 400,647,739 (Four Hundred Million Six Hundred Forty Seven Thousand Seven Hundred Thirty Nine Only) shares against subject TFCs in case of the occurrence of a conversion event as per the terms of the TFCs and SBP Circular (the “**Conversion Events**”).

As per the requirements of Basel III under the aforementioned SBP Circular, the terms and conditions of the TFC Issue must have a provision of “loss absorbency” for it to be qualified as a Tier 2 Capital instrument.

The relevant portion of the Basel III Circular relating to “loss absorbency” is reproduced below:

*“A-5-3 Loss Absorbency of Non-Equity Capital Instruments at the Point of Non-Viability*

- i. The terms and conditions of all non-CET1 and Tier 2 instruments issued by banks must have a provision in their contractual terms and conditions that the instruments, at the option of the SBP, will either be fully and permanently converted into common share upon the occurrence of a non-viability trigger event called the Point of Non-Viability (PONV) as described below;*
- ii. The PONV trigger event is the earlier of;*
  - a. A decision made by SBP that a conversion is necessary without which the bank would become non-viable.*
  - b. The decision to make a public sector injection of capital, or equivalent support, without which the bank would have become non-viable, as determined by SBP.*
- iii. The issuance of any new shares as a result of the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.*
- iv. The amount of non-equity capital to be converted will be determined by the SBP.*
- v. Where an Additional Tier-1 capital instrument or Tier-2 capital instrument provides for conversion into ordinary shares, the terms of the instruments should include provision that*

*upon a trigger event the investors holding 5% or more of paid-up shares (ordinary or preferred) will have to fulfill fit and proper criteria (FPT) of SBP.*

- vi. The conversion terms of the instruments must contain pricing formula linked to the market value of common equity on or before the date of trigger event. However, to quantify the maximum dilution and to ensure that prior shareholder/ regulatory approvals for any future issue of the required number of shares is held, the conversion method must also include a cap on the maximum number of shares to be issued upon a trigger event.*
- vii. The conversion method should describe and take into account the order (hierarchy of claims) in which the instruments will absorb losses in liquidation/ gone concern basis. These terms must be clearly stated in the offer documents. However, such hierarchy should not impede the ability of the capital instrument to be immediately converted.*
- viii. There should be no impediments (legal or other) to the conversion i.e. the bank should have all prior authorizations (sufficient room in authorized capital etc.) including regulatory approvals to issue the common shares upon conversion.*
- ix. The contractual terms of all Additional Tier 1 and Tier 2 capital instruments must state that SBP will have full discretion in deciding/ declaring a bank as a non-viable bank. SBP will, however, form its opinion based on financial and other difficulties by which the bank may no longer remain a going concern on its own unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by a bank should be such that these are likely to result in financial losses and raising the CET1/MCR of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable. Such measures will include conversion of non-equity regulatory capital into common shares in combination with or without other measures as considered appropriate by the SBP."*

As per the loss absorbency conditions, upon the occurrence of PONV, SBP may at its option, fully and permanently convert the TFCs into common shares of the issuer, i.e. the Bank.

In light of the above-contemplated Conversion Events including the PONV, the Bank is required to obtain all approvals (in advance) for the issuance of such additional shares as stated hereinabove. It may further be noted that issuance of such additional shares shall further be subject to the approval of the Securities and Exchange Commission of Pakistan in accordance with section 83(1)(b) of the Companies Act, 2017.

The information required to be annexed to the notice is set out below:

|  |  |
|--|--|
| Name and brief profile of the banks/financial institutions to whom such shares are proposed to be issued | The shares will be issued to the TFC holders (at that time) in accordance with the directions of SBP at the time of trigger of PONV.   |
| Price at which the proposed shares will be issued  | The price of the shares shall be issued at the market value of the shares of the Bank, on the date of trigger of PONV as declared by SBP however, total no. of shares to be issued are capped at |



|  |  |
|--|--|
|  | 400,647,739 or such other number as may be agreed to in consultation with SBP.   |
| Purpose of the issue of shares other than right, utilization of the proceeds of the issue and benefits to the Bank and its shareholders with necessary details         | To convert the outstanding TFCs amount (in whole or part) into shares of the Bank, as per the directions of the SBP.   |
| Existing shareholding of the banks / financial institutions to whom the proposed shares will be issued   | Not Applicable   |
| Total shareholding of the banks / financial institutions after the proposed issue of shares  | Not Applicable   |
| Whether the banks/financial institutions have provided written consent for purchase of such shares   | The terms of the TFC Issuance Agreement dated for the TFC Issue contain the details regarding such conversion.   |
| Justification as to why proposed shares are to be issued otherwise than rights and not as rights shares  | This is in accordance with the requirements of the SBP vide its Circular No. 6 of Banking Policy and Regulation Department dated August 15, 2013 and further directions of SBP in this matter. |
| Justification, with details of the latest available market price and break-up value per share, if such price differs from par value.                                   | Not Applicable   |
| Details of the average market price during the last 3 (three) months and 6 (six) months preceding the board announcement as well as the latest available market price. | Not Applicable   |

The shares issued will rank pari passu in all respects with the existing shares of the Bank. The issue of shares other than by way of rights is subject to approval from the Securities and Exchange Commission of Pakistan.

None of the directors, whether directly or indirectly, is interested in the special resolution except to the extent of their shareholding in the bank.

#### **Special Business # v**

#### **Investment and Acquisition of 7.79% Ordinary Shares of BankIslami Pakistan Limited**

The Board of Directors of JS Bank Limited ('the Bank') in their meeting held on March 08, 2022, have resolved that subject to necessary approvals from the shareholders of the Bank by way of special resolution as required under Section 199 of the Companies Act, 2017, and permission from the State Bank of Pakistan, the Competition Commission of Pakistan and final consent from Emirates NBD BANK PJSC, consent and approval be and is hereby accorded to the Bank to invest into and acquire 86,316,954 shares of BankIslami Pakistan Limited ("BIPL"), (an associated entity) constituting to 7.79% paid-up capital of BIPL, from Emirates NBD BANK PJSC, at the rate of upto PKR 13.24 per share, making the aggregate sale consideration to stand at upto PKR 1,142,836,470.96;

BIPL is one of the premier Islamic banks of Pakistan, having a total deposit base of PKR 345 billion as of December 31, 2021. Its total asset size as per its balance sheet dated December 31, 2021 stands at PKR 408 billion. Currently, it has 340 branches across all cities of Pakistan. The Pakistan Credit Rating Agency (PACRA) has assigned a long-term credit rating of A+ and short term entity ratings of 'A1'.

Jahangir Siddiqui & Co. Limited ('JSCL') is the holding company of the Bank by virtue of 75.02% shareholding. JSCL holds 21.26% shares of BIPL. Consequently, JSCL has more than 20% direct interest over the voting shares of both entities which makes BIPL an associated entity of the Bank.

Post the proposed investment, the aggregate absolute holding of JSCL and the Bank, together, in BIPL shall stand at 29.04% paid up capital of BIPL.

Considering the fact that the Bank does not have any Islamic Banking operations or window, this acquisition shall allow it to have some (indirect) presence in the sector, which will help develop synergies which previously were not possible. Secondly, this will also help the Bank in benefiting from various Islamic financing avenues and transactions which previously could not be capitalized due to no presence of the Bank in the Islamic banking sector.

All legal, corporate and regulatory formalities will be fulfilled in consultation with the Legal Advisors.

**Nature of information required to be disclosed pursuant to the Companies (Investment in Associated Companies and Undertakings) Regulations, 2017, for investment in associated company M/s BankIslami Pakistan Limited is as follows:**

| Ref No. | Requirement  | Relevant Information  |
|---------|--|---|
|         | <b>(a) Disclosures for all types of investments</b>    |   |
|         | <b>(A) Details pertaining to the Associated Entity</b> |   |
| i       | name of associated company                             | BankIslami Pakistan Limited ('BIPL')  |
| ii      | basis of relationship                                  | The associated relationship is established based on the common shareholding of Jahangir Siddiqui & Co. Ltd. (JSCL), having 21.26% shareholding in BIPL and 75.02% shareholding in the Bank. Consequently, JSCL has more than 20% direct interest over the voting shares of both entities. |
| iii     | earnings per share for the last three years            | 2019: PKR 1.060 per share<br>2020: PKR 1.536 per share<br>2021: PKR 1.922 per share   |

|                                  |   |   |
|----------------------------------|---|---|
| iv                               | break-up value per share, based on latest audited financial statements  | PKR 20.30 per share as of December 31, 2021   |
| v                                | financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements   | <p style="text-align: right;">PKR Million</p> <p><u>Financial Position Dec. 31, 2021</u></p> <p>Total Assets: 408,390</p> <p>Islamic Financing, related assets and advances: 181,176</p> <p>Investments - net: 124,838</p> <p>Liabilities: 385,879</p> <p>Deposits and other accounts: 344,788</p> <p>Shareholders' equity 22,511</p> <p><u>Financial Performance - Dec. 31, 2021</u></p> <p>Total income 13,052</p> <p>Other expenses 9,623</p> <p>Profit before tax 3,397</p> <p>Profit after tax 2,131</p> |
| vi                               | <p>in case of investment in relation to a project of the associated company or associated undertaking that has not commenced operations, following further information, namely:-</p> <p>(I) description of the project and its history since conceptualization;</p> <p>(II) starting date and expected date of completion of work;</p> <p>(III) time by which such project shall become commercially operational;</p> <p>(IV) expected time by which the project shall start paying return on investment; and</p> <p>(V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and noncash amounts.</p> | N/A   |
| <b>B) General Disclosures: -</b> |   |   |
| i                                | maximum amount of investment to be made   | Upto PKR 1,142,836,470.96   |
| ii                               | purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment   | - To allow the Bank to have (indirect) presence in Islamic  |

|     |  |   |
|-----|--|---|
|     |  | <p>banking, which is not currently available with the Bank.</p> <p>- To benefit from the expected future growth of BIPL</p>   |
| iii | <p>sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:-</p> <p>(I) justification for investment through borrowings;</p> <p>(II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and</p> <p>(III) cost-benefit analysis</p> | <p>The Bank has sufficient resources to acquire 7.79% shares of BIPL from ENBD.</p>   |
| iv  | <p>salient features of the agreement(s), if any, with the associated company or associated undertaking with regards to the proposed investment</p>   | <p>None</p>   |
| v   | <p>direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration</p>   | <p>JSCL holding/parent company of JS Bank has the following direct and indirect interest in BIPL:</p> <p>a) JSCL hold 21.26% (235,684,306) shares of BIPL;</p> <p>b) JSCL has representation on the Board of BIPL.</p> <p>As per the information available with the Bank, major shareholders, sponsor and directors (or their relatives) of the Bank have no direct or indirect interest in the transaction or in BIPL except to the extent of their shareholding, if any, in BIPL.</p> |
| vi  | <p>in case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and</p>  | <p>N/A</p>  |
| vii | <p>any other important details necessary for the members to understand the transaction</p>   | <p>The founding shareholders of BIPL had agreed to a pre-emption right in case anyone, <i>inter se</i>, decides to divest. Accordingly, the entitlement of JSCL in the overall shares held by Emirates NBD Bank PSJC (ENBD)</p>   |

|   |  |  |
|---|--|--|
|   |  | stands at 7.79%. JSCL permitted the Bank to make this investment as per the proportional entitlement.<br><br>Final approval from the State Bank of Pakistan will be required for the Bank to consummate the investment.            |
| In case of equity investment, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made: |  |  |
| i   | maximum price at which securities will be acquired   | Upto PKR 13.24 per share   |
| ii  | in case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof | The price is close to the past 12 weeks' weighted average market price of the shares of BIPL.<br><br>Secondly, large number of shares are not available in the ready market and are therefore traded at a premium to market price. |
| iii   | maximum number of securities to be acquired  | 86,316,954 shares  |
| iv  | number of securities and percentage thereof held before and after the proposed investment  | Before: Nil<br>After: 86,316,954 shares (7.79%)  |
| v   | current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and                      | Market price March 7, 2022: PKR 10.25 per share<br>Average market price (Dec. 1, 2021 - Mar. 1, 2022): PKR 13.11 per share   |
| vi  | fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities.   | N/A  |

The Directors of the Bank undertake that they have carried out necessary due diligence for the proposed investment in BankIslami Pakistan Limited. The due diligence report is available for inspection at the registered office of the Bank.

All legal, corporate, and regulatory formalities will be fulfilled in consultation with the Legal Advisors.

No prejudice shall be caused to any existing shareholder and/or depositor of the Bank. On the contrary, the proposed acquisition will be in the best interest of the stakeholders as it

would give the Bank to venture into Islamic banking activities, thereby opening up new opportunities and diversification.

The Directors, including the Chief Executive Officer and other Key Executives (as defined in the applicable prudential regulations) of the Bank have no personal interest in the transaction directly or indirectly except to the extent of their and their spouse shareholdings held by them in the Bank.

**Statement under Regulation 4 (2) of the Companies (Investment in Associated Companies or Associated Undertaking) Regulation, 2012**

The Bank in its Annual General Meeting held on March 27, 2020 had approved long term equity investments of up to PKR 675 million in ordinary shares of each of the following associated companies of the Bank. The resolution is valid for a period of three years commencing from March 27, 2020.

| <b>S.No</b> | <b>Name of Company</b> | <b>Total Investment approved upto PKR</b> | <b>Amount of Investment till Dec. 31, 2021 PKR</b> | <b>Reasons for not making complete investment in the specified time</b> | <b>Material change in Financial Statement of Associated Companies</b> |
|-------------|------------------------|---|--|---|---|
| 1           | EFU Life Assurance Ltd | 675 million                               | 250 million  | Time remaining  | No  |