

The General Manager,
Pakistan Stock Exchange Ltd.,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Dear Sir,


NOTICE OF 69TH ANNUAL GENERAL MEETING

We enclose a photocopy of the Notice of the 69th Annual General Meeting of National Bank of Pakistan to be held on Thursday the 29th March, 2018, at 09:15 A.M. at Grand Ball Room, Pearl Continental Hotel, Karachi for circulation amongst your members.

The enclosed notice is being published on **Thursday, the 8th March 2018**, in the newspapers.

Thanking you,

Yours sincerely,


(S. M. Ali Zamin)
Secretary (Board)

Encl: (a.a.)

NOTICE OF 69TH ANNUAL GENERAL MEETING

Notice is hereby given that **69th Annual General Meeting** (“AGM”) of National Bank of Pakistan (the “**Bank**”) will be held on **Thursday the 29th March, 2018 at 9:15 A.M. (PST)**, at **Grand Ball Room, Pearl Continental Hotel, Karachi**.

The following business will be transacted in the meeting:

Ordinary Business:

1. To confirm the minutes of the Extraordinary General Meeting of Shareholders held on 15th May, 2017, at Karachi.
2. To receive, consider and adopt the Annual Audited Financial Statements of National Bank of Pakistan and Consolidated Accounts of National Bank of Pakistan and its Subsidiaries for the year ended 31st December, 2017, together with the Directors’ & Auditors’ Reports thereon.
3. To appoint auditors for the year ending 31st December, 2018 and fix their remuneration. The Board of Directors has recommended re-appointment of Messrs Grant Thornton Anjum Rahman Chartered Accountants and appointment of Messrs Deloitte Yousuf Adil, Chartered Accountants to be the auditors of the Bank for the year ending 31st December, 2018, in place of the retiring auditors namely Messrs Grant Thornton Anjum Rahman, Chartered Accountants and Messrs EY Ford Rhodes, Chartered Accountants at the same fee as paid to the retiring auditors.

Special Business:

4. To approve KPIs / criteria for Performance Bonus of the President, NBP.
5. To transact any other business with the permission of the Chairman.

By Order of the Board

Sd/-
S.M. Ali Zamin
Secretary (Board)

Karachi

Dated: March 08, 2018

Notes:

- i) The Share Transfer Books of the Bank shall remain closed from 22-03-2018 to 29-03-2018 (both days inclusive). Transfers received at Messrs Central Depository Company of Pakistan Limited, CDC House 99-B, Block “B”, SMCHS, Main Shahra-e-Faisal, Karachi – 74400, the Bank’s Registrar and Share Transfer Agent, at the close of the business on 21-03-2018 will be treated in time for purpose of attending the meeting.
- ii) A member eligible to attend and vote at the AGM is entitled to appoint another member as a proxy to attend and vote on his / her behalf. The Government of Pakistan, State Bank of Pakistan and any Corporation(s), being a member of the Bank, may nominate any person as its representative to attend the AGM under authority of a Power of Attorney or a Board of Directors’ Resolution. Proxies or nominations, in order to be effective and valid, must be received at the office of the Bank’s Registrar / Share Transfer Agent, Messrs Central Depository Company of Pakistan Limited, CDC House 99-B, Block “B”, SMCHS, Main Shahra-e-Faisal, Karachi – 74400, not later than 48 hours before the time of holding the AGM.

- iii) CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan:
- a. For Attending the Meeting:
 - In case of Individuals, the account holder or sub-account holder shall authenticate his / her identity by showing his Original Computerized National Identity Card (“CNIC”) or original Passport at the time of attending the meeting,
 - In case of corporate entity, the Original or duly authenticated Board of Directors’ 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.
 - b. For Appointing Proxies:
 - In case of individuals, the account holder or sub-account holder shall submit the proxy form as per the above requirement.
 - The Proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be furnished with the proxy form.
 - The proxy shall produce his /her original CNIC or original passport at the time of the Meeting.
 - In case of corporate entity, the Original or duly authenticated Board of Directors’ resolution/ power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) along with proxy form to Messrs Central Depository Company of Pakistan Limited.
 - iv) CDC Account Holders and Sub-account Holders, whose Registration details are available in Share Book Detail Report shall have to produce respective Original Computerized National Identity Cards (CNICs) or Original Passports for the purpose of identification to participate in the Annual General Meeting. Such Account Holders and Sub Account Holders should know the CNIC Numbers and CDC Account Number of the respective partner and should bring the same along with them. In case of Proxy, the person should positively attach the attested copy of the CNIC or Passport. In case of corporate member’s representative, usual documents should be accompanied for the same purpose.
 - v) Members are requested to immediately notify any change in their addresses to the Bank’s Registrar and Share Transfer Agent, Messrs Central Depository Company of Pakistan Limited.
 - vi. **COLLECTION OF THE UNCLAIMED / UNDELIVERED DIVIDEND WARRANTS/BONUS SHARES CERTIFICATES LYING WITH THE SHARE REGISTRAR:**

As directed by SECP vide letter # SMD/CIW/Misc./14/2009 dated October 11, 2011, shareholders are requested to please contact / coordinate with Bank’s Share Registrar for collection of unclaimed / undelivered Dividend Warrants/Bonus Share Certificates.

vii. **TRANSMISSION OF ANNUAL FINANCIAL STATEMENTS THROUGH EMAIL:**

In pursuance of the directions given by SECP vide SRO 787 (1)/2014 dated September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through email instead of receiving the same by Post are advised to give their formal consent along with their valid email addresses on a standard request form which is available at the Bank's website i.e. www.nbp.com.pk and send the said form duly filled in and signed along with copy of his / her CNIC / Passport to the Bank's Share Registrar. Please note that giving email address for receiving of Annual Financial Statements instead of receiving the same by post is optional. In case you do not wish to avail this facility please ignore this notice and, in such case, Annual Financial Statements will be sent at your registered address on CD as approved in 68th Annual General Meeting held on 30th March, 2017.

STATEMENT OF MATERIAL FACTS.

This statement sets out material facts concerning the special business given in agenda item No.04 of the Notice, to be transacted in the 69th AGM of NBP's shareholders to be held on 29th March, 2018.

Item No.4

TO APPROVE KPIS / CRITERIA FOR PERFORMANCE BONUS OF THE PRESIDENT, NBP

- A. Mr. Saeed Ahmad has taken over the charge as President / CEO of NBP vide Ministry of Finance Notification No. F.1(9)Bkg-III/2017-537 dated March 22, 2017 and the ending date of his term has been defined as January 01, 2019 vide Ministry of Finance Corrigendum No. F.1(9)Bkg-III/2017-561 dated March 27, 2017. Accordingly, his compensation package was recommended by the Board of Directors (BoD) and subsequently approved by shareholders in Extraordinary General Meeting held on May 15, 2017 in terms of Section 11(3) (a) of the Banks (Nationalization) Act, 1974.
- B. In the aforesaid compensation package it was approved that "the performance bonus to the President, based on Key Performance Indicators in comparison with the peer commercial banks, shall be recommended by the Board to the shareholders for approval". Key Performance Indicators of NBP against peer commercial banks for the financial year 2017 are as mentioned herein vide Table-1:
- C. It is therefore proposed that the annual performance bonus of the President, may be computed by using the Key Performance Indicators (KPIs) and formulae subject to the entitlement conditions prescribed as follows:

(Table-1)

S. No	Item	Total Points	NBP	HBL	UBL	MCB	ABL	Average	NBP as % of Avg. Peer Banks' Perf.	NBP Multiples
		A	B	C	D	E	F	$G=(C+D+E+F)/4$	$H=B/G$	$J = A \times H$
1	After-tax Return Assets	10								
2	Growth in CASA deposits	10								
3	Regulatory Penalties as % of Avg. Assets	10								
4	%age change in Loan Infection Ratio	10								
5	Change in Operating Cost-to-Income Ratio	10								
	Total	50								

The entitlement to the performance bonus shall be subject to the following conditions:

- Minimum points achieved under column J of Table-1 must not be less than 30 points.
- The points shall be computed based on the annual audited financials of NBP and its peer banks excluding impact of any one-off item.

The amount of annual performance bonus shall be computed as under:

Amount of performance bonus = [No. of days of service during the year /365] X [(points achieved as per column "J" / 50) X (Rs. 30 million)]

The disbursement of annual performance bonus shall be subject to approval of the computation of points and amount of bonus by the Board of Directors.

- D. The Board recommended the following resolution to the shareholders for approval:

"RESOLVED THAT proposal contained in Para-C above, as recommended by Board HR & R Committee and the Board of Directors to the shareholders in terms of Section 11(3) (a) of the Banks (Nationalization) Act, 1974, be and is hereby approved."

(The President/CEO of NBP is interested party in Item No.4 to the extent of criteria for determining the performance bonus for the President/CEO of the Bank.)