

JS Bank Limited

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JSB-070-23
April 26, 2023

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road,
Karachi

Subject: Declaration of Right Shares

Dear Sir,

We have to inform you that the Board of Directors in their meeting held on April 26, 2023 at 12:00 noon at 20th Floor, The Centre, Saddar, Karachi have decided to issue 17 Right Shares for every 100 Shares held i.e. 17% at par of Rs. 10 per share.

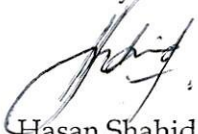
The share Transfer Books of the company will be closed from May 29, 2023 to June 05, 2023 (both days inclusive) to determine the entitlement of Right Shares.

Transfer received at the Transfers received by the Bank's Independent Share Registrar, CDC Share Registrar Services Limited, CDC House, Shahra-e-Faisal, Karachi at the close of business on May 26, 2023 will be treated in time for the purpose of entitlement of Right Shares to the Transferees.

The Board resolution approving the above-mentioned Rights Issue and containing all the necessary details as required under Regulation 3(1)(iii) of the Companies (Further Issue of Shares Regulations), 2020 is attached herewith.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Sincerely,



Hasan Shahid
Company Secretary

C.C. Director/ Head of Department
Surveillance, Supervision and Enforcement Division
Securities and Exchange Commission of Pakistan
63 Jinnah Avenue, NIC Building
Blue Area, Islamabad.

**EXTRACT OF THE MINUTES OF THE 108TH MEETING
OF THE BOARD OF DIRECTORS
OF JS BANK LIMITED
HELD ON APRIL 26, 2023
AT 20th FLOOR, THE CENTRE, KARACHI**

At the duly convened meeting of the Board of Directors of JS Bank Limited (the "Bank") held at 20th Floor, The Centre, Saddar, Karachi at 12:00 noon, on 26th day of April 2023, the following resolution was tabled and unanimously passed:-

RESOLVED THAT subject to passing of a resolution of the members of the Bank by way of special majority, consideration for the public offer for a minimum 24.88% ordinary shares of BankIslami Pakistan Limited ("BIPL") (as required to be made under the applicable regulations) shall be in cash which shall be computed as per the methodology prescribed in the pertinent regulations;

RESOLVED FURTHER THAT the change in consideration for the public offer portion at the Extraordinary General Meeting of the Bank proposed to be convened and held on May 19, 2023, at 10:30 am at Karachi (place), as embodied in the draft Notice of Extraordinary General Meeting along-with a statement of material facts in respect of the Special Business under Section 134(3) of the Companies Act, 2017, placed before the Board, which be and are hereby approved.

RESOLVED FURTHER THAT in order to pay for the public offer of the 24.88% shares of BIPL, 220,568,925 Two Hundred Twenty Million Five Hundred Sixty-Eight Thousand Nine Hundred Twenty-Five Only) Right Shares (of a face value of Rs.10/- each) be offered to the existing shareholders of the Bank by way of rights (i.e. 17% rights issue) at par value of Rs.10/- per share, in proportion to their respective shareholdings in the ratio of 0.17 i.e. 17 Right Shares for every 100 Ordinary Shares held by the shareholders ("Rights Issue") in accordance with the provisions of Section 83 of the Companies Act, 2017, and the Companies (Further Issue of Shares) Regulations, 2020 (as may be amended or replaced). The purpose and benefit of the intended Rights Issue and the underlying risk factors associated with the Rights issue along-with justification for issuance of Right Shares at par value are given in Exhibit I.

RESOLVED FURTHER THAT the Rights Issue shall be firmly underwritten by underwriters to be appointed by the Bank, who shall not be associated companies or associated undertakings of the Bank. The sponsors and directors of the Bank will be required to commit to subscribe their entire entitlement of 75.18% of the Rights Issue, consequent to which the Bank shall ensure that only the balance portion of 24.82% of the Rights Issue is firmly underwritten as required under Regulation 3(1)(vi) of the Companies (Further Issue of Shares) Regulations, 2020.

RESOLVED FURTHER THAT Fractional Rights Shares shall not be offered and all fractions less than a share shall be consolidated and disposed of by the Directors as and how they may deem appropriate in exercise of powers under Regulation 3(1)(ii) of Companies (Further Issue of Shares) Regulations, 2020 and the proceeds from such disposition shall be paid to such of the entitled shareholders as may have accepted this offer.

RESOLVED FURTHER THAT all formalities pertaining to listing of the Right Shares as prescribed by the Pakistan Stock Exchange (PSX) and issuance of the Right Shares in book entry form (as prescribed by Central Depository Company of Pakistan Limited (CDC)) be fulfilled.



RESOLVED FURTHER THAT after fulfillment of all other corporate and regulatory formalities, including the requirements of the PSX, Letter of Rights (in the form and substance required as per The Companies (Further Issue of Shares) Regulations, 2020) along with accompanying circular be issued to the existing shareholders to allow them to subscribe the offered Rights Shares in proportion to their existing shareholding in the Bank at the ratio of 17 Right Shares per 100 Ordinary Shares held by them, which Letter of Rights shall be signed by two directors of the Bank, as required under Section 83(2) of the Companies Act, 2017.

RESOLVED FURTHER THAT any two of the President & CEO, Chief Operating Officer and Company Secretary be and are hereby jointly and severally authorized to fulfill all legal, corporate and procedural formalities in connection with the above, including dissemination of material information to PSX, signing the circular accompanying the Letter of Rights as required under Section 83(3) of the Companies Act, 2017, issuance of the Notice of EOGM and personal and written representations to PSX and CDC whenever required for achieving the above purposes as well as to open and operate bank accounts for the purposes of right subscriptions and to transfer the proceeds from the said accounts to the other bank accounts of the Bank, appoint legal adviser, underwriters, Bankers to the Issue and to finalize all terms of the underwriting arrangement.

A handwritten signature in black ink, appearing to be "S. D. Singh", written over the printed text "Company Secretary".

Company Secretary

April 26, 2023

EXHIBIT I

Purpose, Utilization of the Proceeds, Benefits & Risks of the Rights Share Issue

1. *The purpose of the Right Share issue is to raise financing for the Bank to enable it to make strategic investments and pay for the shares of BIPL which may be tendered during the public offer process.*
2. *The proceeds from the right issue will therefore be used primarily for making consideration payment to such public shareholders of BIPL who would tender their shares to the Bank during the intended public offer, which has to be given in accordance with the provisions of Listed Companies (Substantial Acquisition of Voting Shares & Takeovers) Regulations, 2020. If any proceeds are left over after making consideration payments during the public offer process, they shall be used for the general business and operations of the Bank.*
3. *The Right Share Issue will be highly beneficial for the Bank, as it would ensure that the Bank does not have to liquidate its two profitable and established subsidiaries, namely JS Global Capital Limited ('JSGCL') and JS Investments Limited ('JSIL') which are engaged in securities brokerage and asset management business respectively. The retention of these subsidiaries will ensure that the Bank is able to continue as a full-fledged financial service provider, which includes not only its own banking operations but also its securities brokerage and asset management arm run through its two subsidiaries.*
4. *Additionally, this change in public offer consideration (which has necessitated the rights issue) will also help the Bank facilitate various institutional shareholders of BIPL including the mutual fund industry who have approached the Bank with their concerns for Islamic consideration and request that they had anticipated cash consideration for the public offer portion.*
5. *No risk factors for the offer of Right Shares appear to arise for the Bank, as the issue will be fully and firmly underwritten. Additionally, the sponsors and directors of the Bank will need to commit to take up their portion, which ensures that the issue will be taken up and subscribed for in full.*
6. *As per the audited financial statements for the year ended December 31, 2022, the breakup value per share for the Bank is PKR 16.61/share. Effectively, Right Shares being offered at par would be very beneficial for the shareholders, as the real value of the shares of the Bank is much higher than the par value of PKR 10/- each at which it is offered.*
7. *There are no additional investment risks beyond investing in equity securities as the right issue is being offered at par value of PKR 10/- per share. However, normal risks associated with the business would remain, which is the case in every investment.*
8. *There is no minimum subscription amount specified for the Rights Issue. Additionally, no ABSA facility is being offered by the Bank in this issue.*
9. *Board of Directors has considered all applicable laws and regulations applicable in the said Rights Issue and shall ensure that the Bank will comply with all such applicable laws and regulations at all times in consonance with the said issue.*



10. *There are no additional investment risks beyond investing in equity securities as the right issue is being offered at par value of PKR 10/- per share. However, normal risks associated with the business would remain, which is the case in every investment.*
11. *Board of directors have considered all applicable laws and regulations applicable in the said Rights Issue and shall ensure that the Bank will comply with all such applicable laws and regulations at all times in consonance with the said issue.*

A handwritten signature in black ink, consisting of a large, stylized loop followed by a short horizontal stroke.