

Faysal Bank Limited
Faysal House
ST 02 Shahrah-e-Faisal
Karachi, Pakistan

Registered Office
Faysal House
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March 4, 2026



The General Manager
Pakistan Stock Exchange Limited (PSX),
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Dear Sir,

Sub: Notice of 31st Annual General Meeting of Faysal Bank Limited.

In term of Clause 5.6.9 (b) of the Rule Book of the Exchange.

We enclose herewith a Notice of 31st Annual General Meeting of Faysal Bank Limited will be held on March 26, 2026 at 10:00 a.m. at Karachi.

You may please inform the TRE certificate holders of the Exchange accordingly.

Yours truly,

Aurangzeb Amin
Company Secretary &
Head of Legal

Encl: as above

NOTICE OF THE THIRTY FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting (“AGM”) of Faysal Bank Limited (“FBL”) will be held on March 26, 2026, at 10:00 a.m. at Zaver Hall, Pearl Continental Hotel, Club Road, Civil Lines, Karachi, to transact the following businesses:

ORDINARY BUSINESS:

1. To confirm the Minutes of the 30th Annual General Meeting held on March 25, 2025.
2. To receive and adopt Unconsolidated & Consolidated Financial Statements and Statement of Compliance with Code of Corporate Governance of FBL for the year ended December 31, 2025, together with the Directors’ and Auditors’ Reports thereon.

In accordance with Section 223 of the Companies Act, 2017 and pursuant to the S.R.O. 389(I)/2023 dated March 21, 2023, the Financial Statements of the Bank for the year ended December 31, 2025, can be accessed through the following weblink and QR enabled code.

<https://www.faysalbank.com/investor-relations>



3. To consider and approve as recommended by the Board of Directors 20% Final Cash Dividend for the year ended December 31, 2025, in addition to 15% Interim Cash Dividend for the first quarter ended March 31, 2025, 15% Interim Cash Dividend for second quarter ended June 30, 2025, and 15% Interim Cash Dividend for third quarter ended September 30, 2025, already paid to the Shareholders.
4. To appoint External Auditors KPMG Taseer Hadi & Co., Chartered Accountants for the ensuing financial year 2026 at PKR 26,884,000/- (excluding sales tax and out of pocket expenses) of statutory audit, reviews, and certification fees.
5. Any other business with the permission of the Chair.

SPECIAL BUSINESS:

6. **To consider and approve the Amendments in the Directors Remuneration Policy for Non-Executive/Independent Directors of FBL for attending the Board and Sub-Committees Meetings, and revision in the scale of remuneration, and in that connection to pass the following resolution as Special Resolution, with or without modification, addition or deletion.**

“RESOLVED that in terms of the BPRD Circular Letter No. 24 dated December 12, 2025 by the State Bank of Pakistan, circulated with the Statement of Material Facts the amendments in the Directors Remuneration Policy of the Board of Directors of Faysal Bank Ltd., including the below mentioned revised scale of remuneration for attending board and committee meetings as recommended by the Board of Directors, be and hereby is approved.

For Board of Directors Meeting

All Directors including Board's Chairman – PKR: 1,200,000/-

Chairman of the Board will be entitled to an additional amount equivalent to 20%."

For all Committee Meetings

All Members, including Committee's Chair – PKR 1,200,000/-

Chairpersons of the Committees will be entitled to an additional amount equivalent to 20%."

7. **To consider and, if thought fit, to approve the issuance of Tier 2 Capital through issuance of redeemable capital, and in that connection to pass the following resolutions as Special Resolution, with or without modification, addition or deletion:**

"RESOLVED that the Bank, be and is hereby authorized to raise Tier 2 Capital through issuance of redeemable capital, in accordance with section 66 of the Companies Act, 2017, in the form of Shariah compliant Sukuk certificates, to be privately placed and / or subsequently listed pursuant to the Debt Securities Listing Regulations, up to the extent of PKR 7,000,000,000/- (Pak Rupees Seven Billion) inclusive of a green shoe option of up to PKR 2,000,000,000/- (Pak Rupees Two Billion) (the "Sukuk Issue"), to eligible institutional and other investors in terms of BPRD Circular Number 08 dated June 27, 2006 as amended vide BPRD Circular Number 06 of August 15, 2013 (as amended from time to time), read with all relevant rules, regulations, circulars and approvals of the State Bank of Pakistan ("SBP"), upon such terms and conditions as may be deemed appropriate by the authorized representatives of the Bank."

"FURTHER RESOLVED that Mr. Yousaf Hussain (President and Chief Executive Officer) and Mr. Tanveer (Chief Financial Officer) of the Bank, be and are hereby jointly and severally authorized to take all steps, necessary, ancillary and incidental to the above, 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 abovementioned."

8. **To consider and, if thought fit, approve conversion of the Sukuk Issue into ordinary shares of the Bank upon the occurrence of a conversion event as determined by the SBP, and in that connection to pass the following resolutions as Special Resolution, with or without modification, addition or deletion:**

"RESOLVED that in the event of conversion of the Sukuk Issue approved by the Board of Directors of the Bank, vide circulation on [January 15, 2026] and in accordance with requirements of the Instructions for Basel III Implementation in Pakistan, as issued pursuant to the circulars of the SBP (as may be amended from time to time), regarding loss absorbency, in the event the Sukuk Issue is converted into common shares upon the declaration by the SBP of the occurrence of a Point of Non-Viability event ("PONV"), such ordinary shares shall be issued other than by way of rights in accordance with the proviso provided under section 83(1)(b) of the Companies Act, 2017 ("Additional Shares")."

"RESOLVED that the issuance of such Additional Shares shall be based on the market value of the shares of the Bank on the date of trigger of PONV as declared by SBP and shall be subject to a cap of 107,000,000/- (One Hundred Seven Million) additional ordinary shares being issued and shall further be subject to approval of the Securities and Exchange Commission of Pakistan in accordance with the applicable provisions of the Companies Act, 2017."

"FURTHER RESOLVED that Mr. Yousaf Hussain (President and Chief Executive Officer) and Mr. Tanveer (Chief Financial Officer) of the Bank, be and are hereby jointly and severally authorized to take all steps, necessary, ancillary and incidental to the above, 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 abovementioned."

Karachi dated: March 4, 2026

By the order of the Board
Aurangzeb Amin
 Company Secretary & Head of Legal

Notes:

1. The Share Transfer Books of the Bank shall remain closed from **March 20, 2026, to March 26, 2026** (both days inclusive). Transfer received at the Share Registrar of the Bank, by the close of business on March 19, 2026, will be treated in time.
2. A member entitled to attend and vote at the Meeting may appoint another person as per his/her proxy to attend and vote for him/her provided that a corporation may appoint as its proxy a person who is not a member but is duly authorized by the corporation. Proxies must be received at the Registered Office of the Bank not later than 10:00 a.m. on March 24, 2026.

3. Participation in the AGM through Video link;

The General Meeting is being conducted as per the guidelines circulated by SECP, following arrangements have also been made by the Bank to facilitate the maximum participation of the shareholders in the AGM through video link facility, either in-person or through appointed proxies:

The shareholders interested to participate through video link are requested to please provide below information at Email: cdcsr@cdcsrsl.com and WhatsApp No. **0321-8200864** at the earliest but not later than close of business on March 24, 2026.

Full Name of Shareholder / Proxy Holder	Company	CNIC Number	Folio / CDC A/c No.	Email ID	Mobile Phone No.
	Faysal Bank Limited				

Please note that video link and login credentials will be shared with only those members / designated proxies whose e-mail and other required information are received in required time as mentioned above.

- a) Video-link for the meeting will be sent to members at their email addresses provided enabling them to attend the meeting on the given date and time.
- b) Login facility will be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to

log in and participate in the meeting proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.

- c) Shareholders may send their comments and suggestions relating to the agenda items of the AGM at least two (2) working days before the meeting, at the given email address cdcsr@cdcsrsl.com WhatsApp on **0321-8200864**. Shareholders are requested to mention their full name, CNIC # and Folio/CDC Account # for this purpose.
 - d) Shareholders are encouraged to participate in the meeting to consolidate their attendance and participation through proxies.
4. 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:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration detail are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- ii) In case of corporate entity, the 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 Meeting.

B. For appointing proxies:

- i) In case of individuals, the account holder or sub-account holder and /or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirement.
 - ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv) The proxy shall produce his/her original CINC or original passport at the time of the Meeting.
 - v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
5. Members are required to timely notify any change in their address to their respective CDC Participants (if shares are held electronically) or to the Share Registrar of the Bank (if shares are held in physical form) M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi.

6. Mandatory Requirement for Provision of IBAN and Valid CNIC for payment of Cash Dividend through Electronically:

In compliance with requirements of Companies Act, 2017 and the Companies (Distribution of Dividends) Regulations, 2017, the Company shall withheld dividend of those shareholders who have not yet provided correct and complete bank account details including valid IBAN of their respective bank accounts.

In order to receive cash dividend(s) withheld by the Bank as stated above, shareholders are requested to contact their Share Registrar at the above given address or their respective Participant / Investor Account Services of Central Depository Company of Pakistan (as the case may be) along with legible copy of their respective valid CNIC and provide their complete and correct bank account details including valid IBAN.

The Shareholders whose resident status is Non-Repatriable basis and who have Pakistan Origin Card / passport number will receive the dividends in their respective registered local IBAN account maintained in their folio / CDS Account subsequent to the initial payment run through Central Depository System or those whose resident status on 'Repatriable basis' maintained in Folio / CDS account will proceed in accordance with the SBP directives mentioned in Chapter 20 of the Foreign Exchange Manual.

It is also important to note that system errors or non-response on part of a shareholder's designated bank may also delay the dividend payment and in case of such delays shareholders are requested to contact the Company's Share Registrar.

Completion and correction of record:

Members are required to timely notify any change in their address to their respective CDC Participants (if shares are held electronically) or to the Share Registrar of the Bank (if shares are held in physical form) M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi.

7. Deduction of Withholding Tax:

Please note that the withholding tax will be deducted at the following rate based on "Active Taxpayer List" (ATL) available at FBR website:

1. Persons appearing in Active Taxpayers List: 15%
2. Persons not appearing in Active Taxpayers List: 30%.

Further, in case of joint shareholders, tax will be deducted as per their ratio/share (if any) intimated by the same to the Bank's Share Registrar, otherwise their shareholding treated as equal.

8. Requirement of Valid Tax Exemption Certificate for Claim of Exemption U/S 150 of the Income Tax Ordinance 2001:

If the FBL is available with valid exemption certificate issued u/s 159 of Income Tax Ordinance, 2001 or has filed a petition against the FBR for acquiring exemption certificate, in any relevant court, a copy of valid exemption certificate or certified true copy of the Stay

Order of Honorable Court along with latest Court proceedings (if any) would be required latest by March 19, 2026 in lieu of valid exemption certificate for non-deducting of withholding tax. In case of non-availability of the same or Court Order, tax shall be deducted accordingly.

9. Deduction of Zakat on Dividend issue:

The Zakat will be deducted from the dividends at source at the rate of 2.5% of the paid-up value of the shares (Rs. 10/- each) under Zakat and Ushr Laws and will be deposited within the prescribed period with the relevant authority. Please submit your Zakat Declaration Form (CZ 50) under Zakat and Ushr Ordinance 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 to the Bank's Share Registrar. Shareholders who hold shares with participants / CDC are advised to provide the above Forms through the concerned brokers / CDC.

10. Availability of Audited Financial Statements on Company's Website

The Company has placed the Audited Annual Financial Statements for the year ended December 31, 2025 along with Auditor's and Director's Reports thereon on its website: www.faysalbank.com

11. Transmission of Financial Statements

The Securities and Exchange Commission of Pakistan vide SRO No. 389(1) / 2023 dated March 21, 2023, has allowed listed companies to circulate their Annual Audited Financial Statements, (i.e., annual audited Balance Sheet and Profit & Loss accounts, Auditors Report and Directors' Report) along with the notice of 31st AGM to be held on March 26, 2026, to its shareholders, through QR code and web link (as mentioned above).

However, hard copy of the same will be provided on demand and members desiring to avail this facility may provide the requisite information to the Company Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi. Further, the financial statements along with the notice of AGM may also be circulated through email by the Bank's Registrar. Please note that the required documents will be send to the members on their registered email address only.

12. Deposit / Conversion of Physical Shares into Book-Entry Form:

The Securities and Exchange Commission of Pakistan ("SECP") through its letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised listed companies to adhere with the provision of the Section 72 of the Companies Act, 2017 (the "Act") requiring all the existing companies to replace shares issued by them in physical form with shares into Book-Entry form in a manner as may be specified and from the date notified by the SECP but not exceeding four (04) years from the date of the promulgation of the Act. Considering the aforesaid directive, FBL has also published a request on dated May 28, 2021 to ensure compliance with requirement of the Act and advised to open Investor Account directly with the Central Depository Company of Pakistan Limited ("CDC") or CDC-Sub-Account with any of the TREC Holder registered with Pakistan Stock Exchange Limited to place their physical shares into Book-Entry form. It will not only to secure the compliance of relevant rules and

regulations but will also speed up the process of disbursement of entitlement to the respective shareholders.

13. Claiming of Unclaimed / Unpaid Dividends and Share Certificates:

In compliance of Section 244 of the companies Act 2017, the Bank has already requested through individual letters to shareholders who have not yet claimed their outstanding cash dividends/ bonus shares, Shareholders are once again requested to lodge their claims for cash dividends, right /bonus shares kept with the Share Registrar and Transfer Agent of the Bank. On the address given above.

14. Registration on CDC's e-Services Web Portal:

Central Depository Company (CDC) has developed Centralized Cash Dividend Register (CCDR), an e-Services web portal which contains details pertinent to cash dividend paid, unpaid or withheld by listed companies. The CCDR will help to maintain history of dividends paid to shareholder by listed companies and access of all such information will be provided to the respective shareholders. The web portal will facilitate shareholders of listed companies in retrieving detail of cash dividends from CCDR and using the same for their record purposes. Shareholders may access CCDR via <https://csp.cdcaccess.com.pk> in addition, the Dividend / Zakat & Tax Deduction Report can also be obtained directly from Participant (Stock Broker) which has been provided to them on their CDS terminals. Moreover, shareholders may also receive copy of this report on their registered email addresses.

Prohibition of GIFTS

In compliance with section 185 of the Companies Act, 2017 and SRO 452(I)/2025 dated March 17, 2025 issued by SECP, it is hereby notified that no gifts in any form or manner, shall be distributed to shareholders at the Annual General Meeting.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 IN RESPECT OF SPECIAL BUSINESS

Agenda Item No. 6

To consider and approve Directors Remuneration Policy for Non-Executive/Independent Directors of FBL for attending the Board and Sub-Committees Meetings, which enumerates the scale of remuneration amongst other matters, and in that connection to pass the following resolution as Special Resolution, with or without modification, addition or deletion.

The Directors Remuneration Policy was initially approved by the shareholders in its 25th Annual General Meeting held on May 14, 2020, in compliance with the directions of the State Bank of Pakistan in BPRD Circular No. 03 dated August 17, 2019. Whereas the revision in the remuneration scale was last approved by the shareholders in 26th AGM held on March 29, 2021.

SBP through BPRD Circular Letter No. 14 dated December 12, 2025, has revised the limits for the directors' remuneration for attending Board and Committee meetings. The said Circular allows the remuneration of PKR 1.2 million for attending the board and its committee meetings of the

banks having asset size of PKR above 1.0 trillion or minimum PAT of 5 billion. Accordingly, it is stated that FBL meets both the criteria set by SBP.

In line with the above circular and keeping in view the overall economic and financial changes since March 2021 in the country which witnessed a massive decline in currency parity, a sharp price hikes / inflation, variation of policy rate and other challenges faced by the Banking industry resulted in eroding the directors' remuneration. Consequently, considering the same to be insufficient, the Regulator revised the directors' remuneration.

The BOD of FBL has specifically played very important role to meet these challenges including strategic direction, balance sheet footing/growth, and Profitability. Moreover, the bank was converted into a full-fledged Islamic bank, branch network was expended and a significant increase in profitability was achieved and asset size rose above PKR 1.8 trillion. Therefore, in view of the BPRD Circular Letter No. 14 of 2025, the Board of FBL, after deliberations, has recommended changes in the scale of remuneration paid to FBL's directors with immediate effect along with corresponding changes in Directors Remuneration Policy.

The changes in the Directors Remuneration Policy are given below:

Clause No.	Existing Text	Proposed Amended Text
1	<p>Objective</p> <p>1.4. The Policy shall at all times remain in accordance with, and subject to, the provisions of BPRD Circular No. 03 of 2019 of the State Bank of Pakistan ("Circular").</p>	<p>Objective</p> <p>1.4 The Policy shall at all times remain in accordance with, and subject to, the provisions of Corporate Governance Regulatory Framework (CGFR) 2021 issued by the State Bank of Pakistan, including any subsequent revisions thereto or any other regulations as may be issued by the State Bank of Pakistan (SBP) from time to time.</p>
2	<p>Remuneration of the Members of the Board of Directors</p> <p>2.1 The Board, and never an individual member of the Board, shall, from time to time, determine and approve such level of remuneration for the members of the Board, for attending the meetings of the Board or the meetings of the committees thereof, as may be within the limits for such remuneration as prescribed by the State Bank of Pakistan ("SBP") and determined to be an adequate measure of remuneration for the performance of relevant duties by such members.</p>	<p>Remuneration of the Members of the Board of Directors</p> <p>2.1 The Board, and never an individual member of the Board, shall, from time to time, determine and approve such level of remuneration for the members of the Board, for attending the meetings of the Board or the meetings of the committees thereof, as may be within the limits for such remuneration as prescribed by the SBP and determined to be an adequate measure of remuneration for the performance of relevant duties by such members.</p>

<p>3</p>	<p>Remuneration of the members of the Committees of the Board of Directors</p> <p>3.1. The Board shall, from time to time, determine and approve such level of remuneration for the members of the committees of the Board, for attending the meetings of such respective committees of the Board, as may be within the limits for such remuneration as prescribed by the State Bank of Pakistan (“SBP”) and determined to be an adequate measure of remuneration by the Board.</p>	<p>Remuneration of the members of the Committees of the Board of Directors</p> <p>3.1. The Board shall, from time to time, determine and approve the remuneration payable to the members of the Board / its committees for attending the meetings of Board & committees within the limits prescribed by “SBP” as deemed appropriate by the Board.</p>
<p>4</p>	<p>Limits prescribed by the State Bank of Pakistan</p> <p>4.2 As per the Circular those banks/DFIs which have above PKR 500 billion assets size or above PKR 1 billion after tax profit, (as per last audited annual accounts), which includes FBL, have a prescribed maximum limit of remuneration for a single board/ committee meeting up to PKR 800,000. Whilst, the Chairman of the Board or the Chairmen of committees may be paid an additional 20% keeping in the additional responsibilities and the work required at the said position.</p>	<p>Limits prescribed by the State Bank of Pakistan</p> <p>4.2. As per the BPRD Circular Letter No. 24 of 2025 amending the provisions of CGRF PR G-14(14) (2) (v) the banks/DFIs which have above PKR 1 Trillion assets size or above PKR 5 billion after tax profit, (as per last audited annual accounts), which includes FBL, have a revised maximum limit of remuneration for a single board/ committee meeting up to PKR 1,200,000/-. Whilst, the Chairman of the Board or the Chairmen of committees may be paid an additional 20% keeping in the additional responsibilities and the work required in the said position or for other assignments given to the Board members.</p>
	<p>4.3 Accordingly, each director will be paid PKR 800,000/- for attending a board meeting and PKR 800,000/- for an attending committee meeting, and the Chairman Board and the Chairmen of the Committees will get 20% additional.</p>	<p>4.3 Accordingly, each director will be paid PKR 1,200,000/- for attending a board meeting and a committee meeting, and the Chairman Board and the Chairpersons of the Committees will get 20% additional remuneration.</p>

Accordingly, the members are requested to consider and approve the amendments in the Board Remuneration Policy by adopting the below mentioned special resolution:

“RESOLVED that in terms of the BPRD Circular Letter No. 24 dated December 12, 2025 by the State Bank of Pakistan, circulated with the Statement of Material Facts the amendments in the Directors

Remuneration Policy of the Board of Directors of Faysal Bank Ltd., including the below mentioned revised scale of remuneration for attending board and committee meetings as recommended by the Board of Directors, be and hereby is approved.

For Board of Directors Meeting

*All Directors including Board's Chairman – PKR: 1,200,000/-
Chairman of the Board will be entitled to an additional amount equivalent to 20%."*

For all Committee Meetings

*All Members, including Committee's Chair – PKR 1,200,000/-
Chairpersons of the Committees will be entitled to an additional amount equivalent to 20%."*

The below statements set out the material facts concerning the proposed resolutions contained in Agenda items (7) and (8) above of the notice pertaining to the special business to be transacted at the Annual General Meeting of the Bank schedule on March 26, 2026.

Issuance of Sukuk

On [December 11, 2025] the Board of Directors of the Bank resolved to raise Shariah compliant subordinated Tier 2 Mudarabah based sukuk certificates through issuance of redeemable capital under Section 66 of the Companies Act, 2017, in the amount of up to PKR 7,000,000,000/- (Pak Rupees Seven Billion) inclusive of a green shoe option of PKR 2,000,000,000/- (Pak Rupees Two Billion) (the "Sukuk Issue" or the "Sukuk") to eligible investors in terms of BPRD Circular Number 08 dated June 27, 2006 and as updated vide BPRD Circular Number 06 of August 15, 2013 (as amended from time to time), read with all relevant rules, regulations, circulars and approvals of State Bank of Pakistan ("SBP"). The Sukuk Issue is intended to contribute towards the Bank's Tier 2 Capital for Capital Adequacy Requirements as per the guidelines set by the SBP.

Conversion of Sukuk into Ordinary Shares of the Bank upon the occurrence of a conversion event as determined by the State Bank of Pakistan

As per the requirements of Basel III under the aforementioned circulars, the terms and conditions of the Sukuk 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 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 a “Point of Non-Viability” event (“PONV”), SBP may at its option, direct the full or partial and permanent conversion of the Sukuk into common shares of the issuer, i.e. the Bank.

In light of the above contemplated conversion events, the Bank is required to obtain all approvals (in advance) for the issuance of such additional shares, which additional shares shall be issued based on the market value of the shares of the Bank (as at the relevant time) and shall be subject to a cap of 107,000,000/- (One Hundred Seven Million) additional ordinary shares being issued in aggregate. It may further be noted that issuance of such additional shares shall further be subject to approval of the Securities and Exchange Commission of Pakistan in accordance with Section 83(1)(b) of the Act.

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

Name of the persons to whom shares will be issued	The shares will be issued to the Sukuk 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 shares shall be 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 107,000,000/- (One Hundred Seven Million).
Purpose of the issue, utilization of the proceeds of the issue and benefits to the Company and its shareholders with necessary details	To convert the outstanding Sukuk amount (in whole or in part) into shares of the Bank in accordance with the directions of SBP.
Existing shareholding of the persons to whom the proposed shares will be issued	Not Applicable.
Total shareholding of the persons after the proposed issue of shares	Not Applicable.
Whether the persons have provided written consent for purchase of such shares	The terms of the Sukuk Issuance Agreement for the Sukuk 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 SBP vide its Circular No. 6 of Banking Policy and Regulation Department dated August 15, 2013.
Justification, with details of the latest available market price and break-up value per share, if such price differs from par value	Not Applicable.

The shares issued shall 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.

The Directors of the Bank have no vested interest, directly or indirectly, in the above business, save to the extent of their shareholding of the Bank.

“RESOLVED that the Bank, be and is hereby authorized to raise Tier 2 Capital through issuance of redeemable capital, in accordance with section 66 of the Companies Act, 2017, in the form of Shariah compliant Sukuk certificates, to be privately placed and / or subsequently listed pursuant to the Debt Securities Listing Regulations, up to the extent of PKR 7,000,000,000/- (Pak Rupees Seven Billion) inclusive of a green shoe option of up to PKR 2,000,000,000/- (Pak Rupees Two Billion) (the “Sukuk Issue”), to eligible institutional and other investors in terms of BPRD Circular Number 08 dated June 27, 2006 as amended vide BPRD Circular Number 06 of August 15, 2013 (as amended from time to time), read with all relevant rules, regulations, circulars and approvals of the State Bank of Pakistan (“SBP”), upon such terms and conditions as may be deemed appropriate by the authorized representatives of the Bank.”

"FURTHER RESOLVED that Mr. Yousaf Hussain (President and Chief Executive Officer) and Mr. Tanveer (Chief Financial Officer) of the Bank, be and are hereby jointly and severally authorized to take all steps, necessary, ancillary and incidental to the above, 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 abovementioned."

"RESOLVED that in the event of conversion of the Sukuk Issue approved by the Board of Directors of the Bank, vide circulation on [January 15, 2026] and in accordance with requirements of the Instructions for Basel III Implementation in Pakistan, as issued pursuant to the circulars of the SBP (as may be amended from time to time), regarding loss absorbency, in the event the Sukuk Issue is converted into common shares upon the declaration by the SBP of the occurrence of a Point of Non-Viability event ("PONV"), such ordinary shares shall be issued other than by way of rights in accordance with the proviso provided under section 83(1)(b) of the Companies Act, 2017 ("Additional Shares").

"RESOLVED that the issuance of such Additional Shares shall be based on the market value of the shares of the Bank on the date of trigger of PONV as declared by SBP and shall be subject to a cap of 107,000,000/- (One Hundred Seven Million) additional ordinary shares being issued and shall further be subject to approval of the Securities and Exchange Commission of Pakistan in accordance with the applicable provisions of the Companies Act, 2017."

"FURTHER RESOLVED that Mr. Yousaf Hussain (President and Chief Executive Officer) and Mr. Tanveer (Chief Financial Officer) of the Bank, be and are hereby jointly and severally authorized to take all steps, necessary, ancillary and incidental to the above, 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 abovementioned."