



Bank Alfalah

LDN/CA/24  
27<sup>th</sup> February 2024

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

Dear Sir,

**NOTICE OF THE 32<sup>ND</sup> ANNUAL GENERAL MEETING**

We enclose a copy of Notice of the 32<sup>nd</sup> Annual General Meeting (“AGM”) of Bank Alfalah Limited (“the Bank”) to be held on Wednesday, 20<sup>th</sup> March 2024 at 11:00 am at Karachi, for circulation amongst the TRE Certificate Holders of the Exchange.

The above Notice of AGM will be published in English and Urdu languages in the newspapers of 28<sup>th</sup> February 2024 and we shall forward you clippings of the same.

Yours truly,

**Muhammad Akram Sawleh**  
Company Secretary

Encls: as above

## NOTICE OF THE 32ND ANNUAL GENERAL MEETING

NOTICE is hereby given that the 32<sup>nd</sup> Annual General Meeting (“AGM”) of Bank Alfalah Limited (“the Bank”) will be held on Wednesday, 20<sup>th</sup> March 2024 at 11:00 AM at Movenpick Hotel, Karachi as well as through electronic means/ web link to transact the following businesses:

### **Ordinary Business:**

1. To confirm Minutes of the 31<sup>st</sup> Annual General Meeting held on 20<sup>th</sup> March 2023.
2. To receive, consider and adopt the audited Annual Accounts of the Bank for the year ended 31<sup>st</sup> December 2023 together with Chairman’s Review Report, Directors’ Report and Auditors’ Report thereon including post-facto approval of remuneration paid to the non-executive directors for attending Board and Board Committees meetings as reported under Note No. 40 of the Annual Accounts, in compliance with SBP’s Regulatory Framework.

The Annual Report 2023 including Financial Statements of the Bank for the year ended 31<sup>st</sup> December 2023 has been placed at Bank’s website at [www.bankalfalah.com/financial-reports/](http://www.bankalfalah.com/financial-reports/) .

3. To approve, as recommended by the Board of Directors, payment of Final cash dividend at the rate of PKR 5/- per share i.e. 50% for the year ended 31<sup>st</sup> December 2023. This is in addition to the Interim Cash Dividend already paid by the Bank at the rate of PKR 3/- per share i.e. 30%.
4. To appoint auditors of the Bank for the year ending 31<sup>st</sup> December 2024 and to fix their remuneration.
5. To transact any other business with the permission of the Chair.

### **Special Business:**

#### **Ordinary Resolution:**

6. To obtain consent of shareholders as per requirements of SRO 389(I)/2023 dated 21<sup>st</sup> March 2023 for circulation of the annual report, including but not limited to, annual balance sheet, profit & loss account, auditor’s report, and directors’ report etc. to the members, through QR enabled code and weblink and to pass the following ordinary resolution:

“**RESOLVED THAT** in terms of SRO 389(I)/2023 dated 21<sup>st</sup> March 2023 issued by the Securities & Exchange Commission of Pakistan, the Bank Alfalah Limited (“the Bank”) be and is hereby authorized to circulate the annual report, including but not limited to, annual balance sheet, profit & loss account, auditor’s report, and directors’ report etc. (“**annual audited financial statements**”), to its members through QR enabled code and weblink.”

#### **Special Resolution:**

7. To consider and, if thought fit, pass the following resolutions as Special Resolutions, with or without modification(s), in accordance with Sections 199 of the Companies Act, 2017, read together with the Companies

(Investment in Associated Companies or Associated Undertakings) Regulations, 2017 and other applicable laws, for the purposes of approving and authorizing further investment in the aggregate amount of upto PKR 1,200,000,000/- (Pak Rupees one billion two hundred million only) by the Bank in its subsidiary, Alfalah CLSA Securities (Private) Limited ("**Alfalah CLSA**"), by purchasing and / or subscribing to additional ordinary shares of Alfalah CLSA, at a price of up to PKR 10/- (Pak Rupees Ten only) per ordinary share.

**"RESOLVED THAT** in accordance with Section 199 of the Companies Act, 2017, read together with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 and other applicable laws, and subject to obtaining of all necessary regulatory approvals, the Bank be and is hereby authorized to make further investments in the aggregate amount of upto PKR 1,200,000,000/- (Pak Rupees one billion two hundred million only) in its subsidiary, Alfalah CLSA Securities (Private) Limited ("**Alfalah CLSA**"), by purchasing and / or subscribing to additional ordinary shares at a price of up to PKR 10/- (Pak Rupees Ten only) per share.

**FURTHER RESOLVED THAT** such investment may be made by the Bank for an indefinite period, in such manner as deemed appropriate by the Authorized Persons from time to time, and the Board is further empowered and authorized to dispose of such investment(s) or any portion thereof as deemed fit by the Board, from time to time.

**FURTHER RESOLVED THAT** the Chief Executive Officer, Chief Financial Officer, Group Head, Strategy, Transformation, CE and VC, the Company Secretary and the Chief Risk Officer of the Bank ("**Authorized Persons**"), or any person(s) authorized by them, be and are hereby jointly or severally authorized to:

- (i) determine the manner in which, along with actual amount of investment required to be made from time to time along with the price per share (subject to maximum price and amount as stated above);
- (ii) invest the necessary amounts, from time to time to purchase and / or subscribe to further ordinary shares of Alfalah CLSA; and
- (iii) generally to do all acts, deeds and things and sign all such documents, applications etc. and take any and all actions from time to time as may be required for the fulfilment of the above resolutions along with all matters ancillary and incidental thereto including obtaining all necessary approvals, filing and submitting all the requisite statutory forms, applications and other documents and completing all legal formalities."

The Statement of material facts under Section 134(3) of the Companies Act, 2017 in respect of the aforesaid Special Businesses to be considered at the Annual General Meeting is being sent to the members along with the Notice.

Karachi

By Order of the Board

Dated: 28<sup>th</sup> February 2024

**QR enabled code and weblink:**

**MUHAMMAD AKRAM SAWLEH**

Company Secretary

[www.bankalfalah.com/financial-reports/](http://www.bankalfalah.com/financial-reports/)



## NOTES:

### 1. Closure of Share Transfer Books

The Share Transfer Books of the Bank will be closed from 15<sup>th</sup> March 2024 to 20<sup>th</sup> March 2024 (both days inclusive). Transfers received at the office of the Share Registrar of the Bank, M/s. F. D. Registrar Services (Pvt.) Limited, Room No. 1705, 17<sup>th</sup> Floor, Saima Trade Tower "A", I.I. Chundrigar Road, Karachi-74000 Phone: (92-21) 32271905-6 and (92-21) 32213243 Fax: (92-21) 32621233 before the close of business on 14<sup>th</sup> March 2024 will be treated in time for the purpose of above entitlement to the transferees and of attending the meeting.

Shareholders having shares in physical form are requested to notify any change in their address and/or email address, to our Share Registrar, in writing, whereas CDC account holders are requested to contact their CDC Participant/CDC Investor Account Services.

### 2. Participation in AGM through electronic means:

The shareholders who wish to participate through online platform/facility (either in person or through proxy) are requested to please provide below information at Bank's designated Email: cosec@bankalfalah.com, at least 48 hours before the time of AGM.

Folio/CDC Account No.	Name	CNIC No.	Cell No.	Email address

The login details will be sent to such shareholders through email enabling them to join the AGM on given time through web/internet.

### 3. Members' Right to Appoint Proxy

Members appointing proxies are requested to submit their proxy forms along with attested copies of proxy's CNIC/Passport mentioning folio/CDC account # of proxy holder at the Office of Share Registrar of the Bank, not less than 48 hours before the time of the Meeting. A corporation appointing a proxy must also submit their proxy forms along with a Power of Attorney or other authority (if any) under which it is signed, or notarized copy of such Power of Attorney.

### 4. Payment of Cash Dividend Electronically (e-Dividend)/Dividend Mandate

In accordance with the Companies (Distribution of Dividends) Regulations, 2017, the Bank is required to withhold dividend payment of those shareholders who have not yet provided their dividend mandate/bank account details and/or CNIC details. Such shareholders are requested to provide their CNIC details and/or their dividend mandate information including 1) IBAN number 2) Title of Bank Account; 3) Bank Account number; 4) Bank Code and Branch Code; 5) Bank Name, Branch Name and Address; 6) Cell Number; 7) CNIC number; and 8) Email Address to Bank's Share Register (if shares are held physically), whereas CDC account holders are requested to contact their CDC Participant/CDC Investor Account Services.

### 5. Un-claimed Dividends/ Shares

In accordance with Section 244 of the Companies Act, 2017 and the Unclaimed Shares, Modaraba Certificates, Dividend, Other Instruments and Undistributed Assets Regulations, 2017, the companies are required to deposit cash dividends to the credit of the Federal Government and shares to the Commission, which are undelivered/ unclaimed for a period of three (3) years or more from the date it is due and payable. The notices to this fact have already been dispatched to the relevant shareholders. Shareholders who have not yet collected/received their dividends/shares are advised to contact our Share Registrar for details.

Attention is sought from those shareholders who have not yet provided their complete and correct information such as address, CNIC number, email, cell number and/or bank mandate etc. They are again requested to furnish the required information to the Share Registrar at the earliest.

### 6. Withholding Tax on dividends

Withholding Tax on cash dividend of those shareholders, whose name will not appear (at the time of issuance/process of dividend) in the Active Taxpayers List, will be subject to higher rate of tax deduction as required under prevailing Income Tax Laws. Corporate shareholders are also required to update their NTN number in CDC records or provide copy of their NTN certificate to Bank's Share Registrar (if shares are held in physical form).

## 7. Tax in case of Joint Shareholders

In accordance with the instructions of Federal Board of Revenue, the tax on dividend income of joint holders of shares will be deducted in accordance with their shareholding proportion or in equal proportion, if such proportion is not provided. Therefore, shareholders are requested to provide, if not provided earlier, shareholding proportion of each joint shareholder(s) to the Bank's Share Registrar latest by 14<sup>th</sup> March 2024 in the following manner:

Folio / CDC A/c No.	Name of Shareholders (Joint Holders)	No. of shares (proportion)	CNIC No. (valid copy attached)	Signature
	1)			
	2)			
	.....			
Total Shares				

## 8. Conversion of Physical Shares into Book Entry Form

As per provisions of Section 72(2) of the Companies Act, 2017 and as per the instructions issued by SECP vide its Letter No. CSD/ED/Misc./2016-639-640 date March 26, 2021, every existing company is required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission. Respective shareholders are requested to arrange to convert their physical shares into book-entry-form. For this purpose, the shareholder shall be required to have an account either with Central Depository Company of Pakistan Limited (CDC) or with any Trading Rights Entitlement Certificate holder of Pakistan Stock Exchange Limited/CDC Participant.

The benefits associated with the Book-Entry-Form Shares includes "readily available for trading, whereas trading of physical scrips is currently not permitted", "no risk of damaged, lost, forged or duplicate certificates", "reduced stamp duty on physical to book-entry-form transfers", "Instantaneous transfer of ownership", "Instant receipt/credit of dividends and other corporate entitlements (i.e. bonus, rights and new issues etc.)" and convenient pledging of securities etc.

## STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 PERTAINING TO THE SPECIAL BUSINESSES BEING TRANSACTED

### Agenda Item No. 6:

#### **Transmission of 'Annual Audited Financial Statements' through QR enabled code and weblink**

The Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated 21<sup>st</sup> March 2023 ('SRO') has allowed listed companies to circulate the annual balance sheet and profit and loss account, auditor's report, directors' report, etc. ('annual audited financial statements') to its members through QR enabled code and weblink, subject to compliance with certain conditions mentioned in the SRO. One of the conditions requires that consent of shareholders should be obtained for the same in general meeting.

The consent of shareholders is being sought to authorize the Bank to circulate the annual balance sheet and profit and loss account, auditor's report, directors' report, etc. (included in the annual reports) to its members through QR enabled code and weblink. The Bank will also circulate the annual audited financial statements, through email, to such members whose email addresses are available in the Members' Register at the time of dispatch of Notices of Annual General Meetings. Further, the Bank will, supply the hard copies of the annual audited financial statements (included in the annual reports) to the members, on demand, free of cost upon receipt of a Request. A specimen of Request Form is available at the website of the Bank <https://www.bankalfalah.com/investor-relations/request-form-for-hard-copy-annual-audited-accounts/>.

## **Agenda Item No. 7:**

### **Further Investment in Alfalah CLSA Securities (Private) Limited**

Alfalah CLSA Securities (Private) Limited ("**Alfalah CLSA**"), is an subsidiary and associated company of Bank Alfalah Limited ("**Bank**") and the Bank intends to further invest, by way of by purchasing and / or subscribing to ordinary shares of Alfalah CLSA in the aggregate amount of up to PKR 1,200,000,000/- (Pak Rupees one billion two hundred million only), at a price of up to PKR 10/- (Pak Rupees Ten only) per ordinary share. The investment is expected to strengthen the balance sheet and financial position of Alfalah CLSA's thereby enabling it to operate and better compete in the market.

Consequently, the Bank is seeking approval from its shareholders for investments in its associated company i.e. Alfalah CLSA, through passing of the special resolutions (with or without modification(s)) provided in agenda item no. 7 of the notice, in accordance with Section 199 of the Companies Act, 2017 read together with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

The Board of Directors has recommended that the members of the Bank pass the resolutions (as detailed in the notice) to permit the said transaction.

For the purposes of compliance with Section 199 of the Companies Act, 2017 ("**Act**") read with Regulation 3(3) of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 ("**Regulations**"), the Board of Directors of the Company have conducted the necessary due diligence for the proposed investment. It is also important to highlight that the external audit for the year ended 31 December 2023 is under way.

In compliance with the relevant provisions of the Act and the Regulations, the requisite information/disclosure regarding the proposed investment is as under:

<b>Sr. No.</b>	<b>Description</b>	<b>Relevant Information</b>
<b>(a)</b>	<b>Disclosure for all types of investments</b>	
<b>(A)</b>	<b>Regarding associated company or associated undertaking: -</b>	
(i)	Name of associated company or associated undertaking	Alfalah CLSA Securities (Private) Limited
(ii)	Basis of relationship	Alfalah CLSA is an associated company of the Bank by virtue of the Bank holding and controlling 62.5% of the voting power of Alfalah CLSA.
(iii)	Earnings / (Loss) per share for the last three years (PKR)	<b>2021:</b> PKR 1.53/- <b>2022:</b> PKR 0.19/- <b>2023 (as per unaudited accounts as at December 31, 2023):</b> PKR (28.34)/-
(iv)	Break-up value per share, based on the latest audited financial statements	PKR (19.64)/-, based on the unaudited financial statements for the year ended December 31 <sup>st</sup> , 2023.

(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements; and	<p>As per the unaudited financial statements for the year ended December 31<sup>st</sup>, 2023.</p> <p>Main items of Balance Sheet:</p> <table border="1" data-bbox="659 239 1417 495"> <thead> <tr> <th>Description</th> <th>PKR in Million</th> </tr> </thead> <tbody> <tr> <td>Non-Current Assets</td> <td>60.86</td> </tr> <tr> <td>Current Assets</td> <td>1,421.55</td> </tr> <tr> <td>Equity</td> <td>(785.78)</td> </tr> <tr> <td>Liabilities</td> <td>2,268.18</td> </tr> </tbody> </table> <p>Main items of Profit and Loss Account:</p> <table border="1" data-bbox="659 600 1417 856"> <thead> <tr> <th>Description</th> <th>PKR in Million</th> </tr> </thead> <tbody> <tr> <td>Net Turnover</td> <td>706.15</td> </tr> <tr> <td>Gross Profit</td> <td>217.38</td> </tr> <tr> <td>Profit before tax</td> <td>(1,091.64)</td> </tr> <tr> <td>Profit after tax</td> <td>(1,133.60)</td> </tr> </tbody> </table>	Description	PKR in Million	Non-Current Assets	60.86	Current Assets	1,421.55	Equity	(785.78)	Liabilities	2,268.18	Description	PKR in Million	Net Turnover	706.15	Gross Profit	217.38	Profit before tax	(1,091.64)	Profit after tax	(1,133.60)
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(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations.	Not applicable.																				
<b>(B) General Disclosures: -</b>																						
(i)	maximum amount of investment to be made;	The aggregate purchase price for acquisition of shares is up to PKR 1,200,000,000/- (Pak Rupees one billion two hundred million only)																				
(ii)	purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	<p>To support and strengthen the balance sheet and financial position of Alfalah CLSA's thereby enabling it to operate and better compete in the market.</p> <p>The proposed investment will also increase the Bank's effective ownership in Alfalah CLSA.</p> <p>The Board has not fixed any period for the investment and is intended to be held for an indefinite period.</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 investment shall be made from the Banks's internal cash flows.</p> <p>(i) Not Applicable (ii) Not Applicable (iii) Not Applicable</p>																				
(iv)	salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	Not applicable, as the shares will be subscribed pursuant to Alfalah CLSA's rights issue announcement. Accordingly, no agreement will be entered into between the Bank and Alfalah CLSA.																				

(v)	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;	None.																														
(vi)	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>The Bank subscribed to 97.91% of the issued and paid-up share capital of Alfalah CLSA at the time of incorporation of Alfalah CLSA in 2003. In 2018, the Bank booked an impairment loss of PKR 42.98 Mn pertaining to its investment in Alfalah CLSA which is currently being carried in the Bank's book. In 2019, the Bank entered into an agreement in which certain strategic investors acquired shares in Alfalah CLSA by way of a rights issue diluting the Bank's holding to 61.2% of the issued and paid-up share capital of Alfalah CLSA. The Bank acquired additional shares from minority shareholders in 2022, taking its holding to 62.5%.</p> <p>The company has reported profits in 2020, 2021 and 2022. The company has also expanded its operations in Lahore, Islamabad, Rawalpindi, and Multan. It has also recently received approval for fixed income and foreign exchange interbank brokerage license.</p> <p>The Bank has recently taken steps to address certain challenges relating to trade receivables uncovered within Alfalah CLSA. These steps were required in order to stabilize the Company and steer Alfalah CLSA towards a growth trajectory. In light of the challenges faced by Alfalah CLSA and the measures adopted in response thereto, the booking of an impairment charge of PKR 262.24 Mn for 2023 was necessary in the Bank's book for a fair and accurate depiction of Alfalah CLSA's affairs. It is expected that as a result of the equity investment, Alfalah CLSA will not only benefit from a strong balance sheet and financial position but also be positioned to better compete in the market. The new investment will also solidify the Bank's majority stake and demonstrates the Bank's unwavering commitment to Alfalah CLSA, its customers and stakeholders.</p> <p>The performance of Alfalah CLSA in the last five (5) financial years can be ascertained from the information in the table below:</p> <table border="1" data-bbox="646 1129 1507 1885"> <thead> <tr> <th>Particulars</th> <th>FY 2023 (unaudited)</th> <th>FY 2022</th> <th>FY 2021</th> <th>FY 2020</th> <th>FY 2019</th> </tr> </thead> <tbody> <tr> <td>Turnover (PKR Mn)</td> <td>706</td> <td>461</td> <td>318</td> <td>238</td> <td>134</td> </tr> <tr> <td>Growth (%)</td> <td>53%</td> <td>45%</td> <td>34%</td> <td>77%</td> <td>3%</td> </tr> <tr> <td>Profit before Tax (PKR Mn)</td> <td>(1,092)</td> <td>(12)</td> <td>74</td> <td>42</td> <td>(28)</td> </tr> <tr> <td>Equity (PKR Mn)</td> <td>(786)</td> <td>341</td> <td>335</td> <td>277</td> <td>238</td> </tr> </tbody> </table>	Particulars	FY 2023 (unaudited)	FY 2022	FY 2021	FY 2020	FY 2019	Turnover (PKR Mn)	706	461	318	238	134	Growth (%)	53%	45%	34%	77%	3%	Profit before Tax (PKR Mn)	(1,092)	(12)	74	42	(28)	Equity (PKR Mn)	(786)	341	335	277	238
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Equity (PKR Mn)	(786)	341	335	277	238																											
(v)	any other important details necessary for the members to understand the transaction.	None.																														



<b>(b)</b>	<b>In case of equity investment: -</b>	
(i)	maximum price at which securities will be acquired;	Up to PKR 10/- per ordinary 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;	Not Applicable
(iii)	maximum number of securities to be acquired;	up to 1,200,000,000 ordinary shares (each having a face value of PKR 10 each).
(iv)	number of securities and percentage thereof held before and after the proposed investment;	Bank Alfalah Limited holds 24,999,956 ordinary shares of Alfalah CLSA which entitled it to 62.5% shareholding in Alfalah CLSA.  After the investment, Bank Alfalah Limited shall hold up to 1,224,999,956 (including through nominees) ordinary shares of Alfalah CLSA increasing its shareholding to upto 98.8% of the share capital of Alfalah CLSA.
(v)	current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	Not Applicable.
(vi)	fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities.	Break-up value per share PKR (19.64) as per unaudited financial statements as at 31 December 2023 as external audit for the year ended 31 December 2023 is under way.

None of the directors of the Bank have any direct or indirect interest in the above said Special Businesses.