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

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faysalbank

October 1, 2019

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

Dear Sir,

Sub: Notice of Extra Ordinary General Meeting (EOGM) of Faysal Bank Limited

In compliance of the Regulation No. 5.6.4(b) of the PSX, we enclose herewith a Notice of EOGM of Faysal Bank Limited along with Statement of Material Facts under Section 134 (3) of the Companies Act, 2017 will be held on October 24, 2019 at 9:00 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

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NOTICE OF THE EXTRA ORDINARY GENERAL MEETING

Notice is hereby given that the Extra Ordinary General Meeting of Faysal Bank Limited ("FBL") will be held on October 24, 2019 at 9:00 a.m. at Pearl Continental Hotel, Karachi to transact the following business:

SPECIAL BUSINESS:

1. **To consider and approve Capital Injection in Faysal Asset Management Ltd., (FAML) (a subsidiary of Faysal Bank Limited) in the amount of PKR 500 Million by Faysal Bank Limited and to pass the following Resolutions as Special Resolutions with or without modifications:**

   *"**RESOLVED** that a capital injection of PKR 500 Million by the way of right shares in the Faysal Asset Management Ltd., a subsidiary of Faysal Bank Ltd., as recommended for approval by the Members of the Board of Directors of the Bank, be and is hereby approved, subject to all applicable Regulatory approvals.*

   ***FURTHER RESOLVED** that for the purpose of giving effect to this Special Resolution; 1) the President & CEO singly or 2) the Company Secretary and / or 3) Chief Financial Officer of the Bank jointly be and are hereby authorized to take all necessary actions and do all acts, deeds and things in the matter."*

2. **To transact any other Business with the permission of the Chairman.**

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

Karachi dated: October 1, 2019

Notes:

1. The Share Transfer Books of the Bank shall remain closed from October 17, 2019 to October 24, 2019 (both days inclusive). Transfers received at the Office of our 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 by the close of business on October 16, 2019 will be treated in time for attending Extra Ordinary General Meeting (EOGM) will be held on October 24, 2019 at Karachi.

2. A member entitled to attend and vote at the Meeting may appoint another individual 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 less than 48 hours before the time of the holding of the Meeting.

3. Members are required to timely notify any change in their address to Bank's Shares Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi.

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.

For attending the Meeting:

5. 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.

6. 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.

For appointing proxies:

7. 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.

8. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

9. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

10. The proxy shall produce his/her original CINC or original passport at the time of the Meeting.

11. 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.

Consent for Video Conference Facility:

12. Members can also avail vide conference facility. In this regard, please fill the following and submit the registered address of the Company 10 days before holding of the EOGM.

13. If the Company receives consents from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the Meeting through video conference at least 10 days prior to date of the Meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

14. The Company will intimate members regarding venue of the video conference facility at least 10 days before the date of EOGM along with complete information necessary to enable them to access such facility.

"I/We________ of_______ being a member of Faysal Bank Limited, holder of _____ Ordinary Shares as per registered Folio # CDC ID & A/C No. _____ hereby opt for video conference facility at ________. My email address___________"

Signature of Shareholder

Statement of Material Facts under Section 134 (3) of the Companies Act 2017 relating to the Special Business

Capital Injection in Faysal Asset Management Ltd., (FAML) (a subsidiary of Faysal Bank Limited) in the amount of PKR 500 Million by Faysal Bank Limited and to pass the following Resolution as Special Resolution with or without modifications:

FAML is a strategic investment of FBL and has following synergies with the bank:

I. FAML provides an opportunity to FBL to provide a high-end product offering to its high cost depositors by marketing the FAML investment products thereby retaining mutually beneficial relationship with customers.
II. Having management control of an Asset Management Company (AMC) leads to completion of product suite for the bank as mutual funds investment is a basic product in all wealth management propositions offered by a bank to its priority customers i.e. High Net-worth individuals and corporates.
III. Asset Management is poised to continue higher growth trajectory as Pakistan's savings to GDP and Assets Under Management (AUM) to GDP ratios are very low as compared to other regional markets i.e. 5% in Pakistan as compared to over 25% in the Far East.
IV. In view of this growth potential, Asset Management has been a sought after investment avenue for all the major banks in Pakistan

In order to fully realize this potential FBL intends to invest additional capital of PKR 500 million in FAML. This capital injection will help FAML to grow its business by offering new products/funds and thereby increase its client base. This will also help FAML to improve its ratings and thereby make it more acceptable to the large corporate and institutional customers.

Nature of information required to be disclosed pursuant to the Companies (Investment in Associated Companies of undertakings) regulations, 2017 for investment in subsidiary company M/s. Faysal Asset Management Limited is as follows:

(a) Disclosures for all types of investments,-

(A) **Regarding associated company or associated undertaking:-**

(i)	name of associated company or associated undertaking;	Faysal Asset Management Limited
(ii)	basis of relationship;	Subsidiary Company
(iii)	earnings per share for the last three years;	FY 2019 PKR (1.90) Negative FY 2018 PKR (2.69) Negative FY 2017 PKR (5.32) Negative
(iv)	break-up value per share, based on latest audited financial statements;	PKR 6.57 per share based on audited financials for the year ended June 30, 2019.

(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

	June 30, 2019 Audited Rs. In '000	June 30, 2018 Audited Rs. In '000
Non-Current Assets	55,499	53,576
Current Assets	275,350	61,945
Total Assets	**330,849**	**115,521**
Share Capital	429,953	150,000
(Accumulated Losses)/Unappropriated Profit	(147,390)	(91,622)
Equity	282,563	58,378
Liabilities	48,286	57,143
Total Equity and Liabilities	330,849	115,521

Main items of Profit and Loss Account

	June 30, 2019 Audited Rs. In '000	June 30, 2018 Audited Rs. In '000
Total Income	114,932	122,871
Operating & Financial Expenses	161,877	154,108
Loss for the year before tax	(46,945)	(31,237)
Tax	(9,437)	(9,173)
Loss for the year after tax	**(56,382)**	**(40,410)**
Loss per share - Basic and diluted (Rs.)	**(1.90)**	**(2.69)**

FBL made an investment of PKR 280 million in FAML after acquiring an additional 70% shareholding in 2018. The management of FAML was also changed and a turnaround plan was prepared. Implementation of this plan is under way and it is gratifying to note that assets under management of all of its funds have increased from PKR 7.3 billion in November '18 to PKR 11.4 billion as at July '19 end.

(vi)	**in case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely,-**	Not applicable

	(I) description of the project and its history since conceptualization; (II) starting date and expected date of completion of work; (III) time by which such project shall become commercially operational; (IV) expected time by which the project shall start paying return on investment; and (V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non- cash amounts;	

(B) **General disclosures:-**

(i)	maximum amount of investment to be made;	PKR 500 million
(ii)	purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	FAML is a strategic investment of Faysal Bank Limited and has a lot of untapped business potential. In order to fully realize this potential FBL intends to invest additional capital of PKR 500 million in FAML. This capital injection will help FAML to offer new products/ funds and grow its client base. It will also help FAML to improve its ratings and attract investible funds from large corporate and institutional customers.
(iii)	sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,- (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	Faysal Bank will be utilizing its own funds for this investment.
(iv)	salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	Not applicable
(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	FBL had a 30% stake in FAML and in 2018 it acquired additional shareholding for PKR 314.94 million making FAML a 99.9% subsidiary. Subsequent to this acquisition, capital of PKR 280

	information/justification for any impairment or write offs; and	million was injected in FAML and a turnaround plan of FAML was prepared as the company was in losses. The plan included change of management, increase in product suite and funds, improving return to the investors by managing investment more efficiently, improving operational efficiencies, focusing on marketing and selling efforts especially utilizing synergies with Faysal Bank in this area. The plan is being successfully implemented and it is gratifying to note that AUMs have increased from PKR 7.3 billion in Nov '18 to PKR 11.4 billion as at July '19 end.
(vii)	any other important details necessary for the members to understand the transaction;	The purpose of the transaction is already explained in (ii) above.

C. **Equity Investment Related disclosures:-**

(i)	maximum price at which securities will be acquired;	At par value i.e. PKR 10/-
(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;	Equivalent to the value of PKR 500 million
(iv)	number of securities and percentage thereof held before and after the proposed investment;	<table><tr><th></th><th>Before Proposed Investment</th><th>After Proposed Investment</th></tr><tr><td>No. of shares held by Faysal Bank</td><td>42,993,333</td><td>92,933,333</td></tr><tr><td>% of shareholding</td><td>99.995%</td><td>99.998%</td></tr></table>
(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;	"PKR 37.46 per share under DCF method as per the valuation done by KPMG Taseer Hadi & Co. based on the Audited Financial Statements of FAML for the year ended June 30, 2019."

Keeping in view the above the following resolutions are to be approved:

*"**RESOLVED** that a capital injection of PKR 500 Million by the way of right shares in the Faysal Asset Management Ltd., a subsidiary of Faysal Bank Ltd., as recommended for approval by the Members of the Board of Directors of the Bank, be and is hereby approved, subject to all applicable Regulatory approvals.*

***FURTHER RESOLVED** that for the purpose of giving effect to this Special Resolution; 1) the President & CEO singly or 2) the Company Secretary and / or 3) Chief Financial Officer of the Bank jointly be and are hereby authorized to take all necessary actions and do all acts, deeds and things in the matter."*