

JS BANK LIMITED
NOTICE OF TWELFTH ANNUAL GENERAL MEETING

Notice is hereby given that the Twelfth Annual General Meeting of the shareholders of JS Bank Limited (the “Bank”) will be held on Thursday, March 29, 2018 at 9:45 a.m. at Defence Hall, Defence Authority Creek Club, Karachi, to transact the following business

ORDINARY BUSINESS:

1. To receive, consider and adopt the Annual Audited Standalone and Consolidated Financial Statements of the Bank for the year ended December 31, 2017 together with the Directors’ and Auditors’ Reports thereon.
2. To appoint the Auditors of the Bank for the year ending December 31, 2018 till the conclusion of the next Annual General Meeting and fix their remuneration. Messrs. EY Ford Rhodes, Chartered Accountants (a Member firm of Ernst & Young Global Limited) are eligible to offer themselves for re-appointment as Auditors.
3. To consider and approve final cash dividend on preference shares @ 12% p.a. (i.e. PKR 1.20 per preference share) subject to deduction of income tax, to the Preference Shareholders for the year ended December 31, 2017, as recommended by the Board of Directors.

SPECIAL BUSINESS:

4. Increase in Authorized Capital

To consider and if thought fit, to increase the Authorized Share Capital of the Bank from PKR 20,000,000,000 to PKR 25,000,000,000 and to pass the following special resolutions with or without modifications:

“RESOLVED THAT, subject to approval of the State Bank of Pakistan, the Authorized Share Capital of the Bank be increased from PKR 20,000,000,000 (Rupees Twenty Billion) divided into 1,850,000,000 Ordinary Shares of PKR 10/- each and 150,000,000 Preference Shares of PKR 10/- each to PKR 25,000,000,000/- (Rupees Twenty Five Billion) divided into 2,350,000,000 (Two Billion Three Hundred Fifty Million) Ordinary Shares of PKR 10 each and 150,000,000 (One Hundred Fifty Million) Preference Shares of PKR 10/- each with such rights, preferences, privileges and conditions as are specified in the Articles of Association of the Bank.”

FURTHER RESOLVED THAT, the text of Clause V of the Memorandum of Association and Article 6 of the Articles of Association be and are hereby substituted with the following, respectively:

Clause V of the Memorandum of Association

“The Authorized Share Capital of the Company is PKR 25,000,000,000/- (Rupees Twenty Five Billion) divided into 2,350,000,000 (Two Billion Three Hundred Fifty Million) Ordinary Shares of PKR 10 each and 150,000,000 (One Hundred Fifty Million) Preference Shares of PKR 10/- each with such rights, preferences, privileges and conditions as are specified in the Articles of Association of the Company.”

Article 6 of the Articles of Association

“The Capital of the Company is PKR 25,000,000,000/- (Rupees Twenty Five Billion) divided into 2,350,000,000 (Two Billion Three Hundred Fifty Million) Ordinary Shares of PKR 10 each and 150,000,000 (One Hundred Fifty Million) Preference Shares of PKR 10/- each with such rights, preferences, privileges and conditions as are specified in these Articles.”

FURTHER RESOLVED THAT, the Company Secretary be and is hereby authorized and empowered on behalf of the Bank to take all steps and actions necessary, ancillary and incidental for the increase in authorised capital of the Bank and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of giving effect to the special resolution in letter and spirit, including but not limited to paying the fee to the SECP for the increase in authorised capital and submission of Form 7.

5. Amendment in Memorandum of Association

To consider and if thought fit, amend Clause 2 of Memorandum of Association of the Bank and to pass following special resolution with or without modifications:

“RESOLVED THAT, subject to the approval of the State Bank of Pakistan and the Securities & Exchange Commission of Pakistan, Clause 2 of Memorandum of Association of the Bank be and is hereby amended by inserting following new sub clause (g) and accordingly renumbering existing sub clauses from (g) to (t):

(g) To act as ‘banker to the issue’ under the provisions of Section 63 of the Securities Act, 2015 read with the Regulations 2(1)(iv) and 6(3) of Public Offering (Regulated Securities Activities Licensing) Regulations 2017 , as may be amended from time to time.

Karachi: March 7, 2018

By Order of the Board
Ashraf Shahzad
Company Secretary

Notes:

1. Share transfer books of the Bank will remain closed from March 22, 2018 to March 28, 2018 (both days inclusive). Transfers received in order at Bank’s Independent Share Registrar, Central Depository Company of Pakistan Limited, CDC House, Shahra-e-Faisal, Karachi at the close of business on March 21, 2018 will be treated in time for purposes of payment of the final cash dividend (subject to approval of the members) and to attend and vote at the Meeting.
2. A member of the Bank entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her.
3. Proxies must be received at the Registered Office of the Bank not later than 48 hours before the time of the Meeting.

4. Beneficial owners of the shares registered in the name of Central Depository Company of Pakistan (CDC) and/or their proxies will have to follow the following guidelines as laid down by the Securities and Exchange Commission of Pakistan:

For Attending the Meeting

- In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with Participant ID number and the account number at the time of attending the Meeting.
- In case of corporate entity, the Board's 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.

For Appointing Proxies

- In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Bank.
- Shareholders are requested to notify immediately for any change in their address.

Notice to Shareholders who have not provided CNIC:

The directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(I)/2012 dated 5 July 2012 requires that the dividend warrants should bear the Computerized National Identity Card Numbers (CNIC) of the registered shareholders or the authorized person except in the case of minor(s) and corporate shareholders. CNIC number of the shareholders is, therefore, mandatory for the issuance of dividend warrants and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs are advised to provide the attested copies of their CNICs (if not already provided) directly to our Independent Share Registrar at the address given herein above without any further delay.

Placement of Financial Statements

The Bank has placed the annual Audited Financial Statements for the year ended December 31 2017, along with the Auditors and Directors Reports on its website: www.jsbl.com.

Mandate for E-DIVIDENDS for shareholders

In order to make the process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged where shareholders can get amount of dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated 5 April 2013 has advised all Listed Companies to adopt e-dividend mechanism. In view of the above, you are hereby encouraged to provide a dividend mandate in favour of e-dividend by providing dividend mandate form duly filled in and signed.

Deduction of Income Tax from Dividend at Revised Rates

Pursuant to the provisions of the Finance Act deduction of income tax from dividend payments shall be made on the basis of filers and non-filers as follows:

S.no	Nature of Shareholders	Rate of deduction
1	Filers of Income Tax Return	15%
2	Non-Filers of Income Tax Return	20%

Income Tax will be deducted on the basis of Active Tax Payers List posted on the Federal Board of Revenue website.

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence, as the case may be.

Statement Under Section 134(3) of the Companies Act, 2017

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of JS Bank Limited (the “**Bank**”) to be held on March 29, 2018.

Increase in authorized Capital

JS Bank Limited on December 29, 2017 issued Privately Placed Term Finance Certificates (PPTFC) as Tier II Capital. Basel III as implemented vide SBP’s Circular BPRD Circular No. 06 dated August 15, 2013 (“SBP Circular”), which prescribes a mandatory loss absorption feature for Tier II capital instruments pursuant to which the PPTFCs will be mandatorily converted into Ordinary Shares of the Bank at the Point of Non-Viability (PONV) trigger event as defined in the Basel III regulations. In accordance with the requirements of SBP Circular, the Bank has agreed with the SBP for the issuance of a maximum of 320 million shares against PPTFC in case of the occurrence of a PONV trigger event and the Bank is required to ensure there are no impediments to the conversion of the PPTFCs, such that the Bank is required to ensure there is sufficient room in the authorized capital of the Bank and all necessary authorizations for conversion are obtained prior to the conversion of the PPTFCs into Ordinary Shares.

In order to create sufficient room in the authorized capital of the Bank, to enable mandatory conversion of PPTFCs into ordinary shares on the PONV trigger event, it is proposed to increase the authorized capital of the Bank from PKR 20,000,000,000/- (Rupees Twenty Billion) to PKR

25,000,000,000 (Rupees Twenty Five Billion) divided into 2,350,000,000 (Two Billion Three Hundred Fifty Million) Ordinary Shares of PKR 10 each and 150,000,000 (One Hundred Fifty Million) Preference Shares of PKR 10/- each. Total increase in authorized capital will be by PKR 5 Billion (500 Million Ordinary Shares).

Amendment in Memorandum of Association

The Securities & Exchange Commission of Pakistan (SECP) has granted license to JS Bank Limited to act as Banker to the Issue under the provisions of regulations 6(3) of Public Offering (Regulated Securities Activities Licensing) Regulations 2017 subject to the condition that the Bank shall amend its Memorandum of Association to incorporate a specific clause authorizing the Bank to act as Banker to the Issue and provide the certified true copy of the amended Memorandum of Association & Articles of Association of the Bank to SECP latest by June 30, 2018.

Statement under Regulation 4 (2) of the Companies (Investment in Associated Companies or Associated Undertaking) Regulation, 2012

The Bank in its Annual General Meeting held on March 29, 2017 had approved long term equity investments of up to PKR 675 million in ordinary shares of each of the following associated/subsidiary companies of the Bank. The resolution is valid for a period of three years commencing from March 29, 2017.

S.No	Name of Company	Total Investment approved upto PKR	Amount of Investment till Dec. 31,2017 PKR	Reasons for not making complete investment in the specified time	Material change in Financial Statement of Associated Companies
1	EFU Life Assurance Ltd	675 million	190.6 million	Time remaining	No
2	EFU General Insurance Ltd.	675 million	489 million	Time remaining	No