

**JS BANK LIMITED**  
**NOTICE OF ELEVENTH ANNUAL GENERAL MEETING**

Notice is hereby given that the Eleventh Annual General Meeting of the shareholders of JS Bank Limited (the "Bank") will be held on Wednesday, March 29, 2017 at 9:30 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, 2016 together with the Directors' and Auditors' Reports thereon.
2. To appoint the Auditors of the Bank for the year ending December 31, 2017 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, 2016, 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 15,000,000,000 to PKR 20,000,000,000 and to pass the following special resolutions:

**"RESOLVED THAT**, subject to approval of the State Bank of Pakistan, the Authorized Share Capital of the Bank be increased from PKR 15,000,000,000 divided into 1,350,000,000 Ordinary Shares of PKR 10/- each and 150,000,000 Preference Shares of PKR 10/- each to PKR 20,000,000,000/- (Rupees Twenty Billion) divided into 1,850,000,000 (One Billion Eight 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 texts 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 20,000,000,000/- (Rupees Twenty Billion) divided into 1,850,000,000 (One Billion Eight 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 20,000,000,000/- (Rupees Twenty Billion) divided into 1,850,000,000 (One Billion Eight 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 differential incorporation fee be paid to the SECP along with submission of Form 7 for which the Company Secretary be and is hereby authorized to fulfill all the formalities for recording increase in the Authorized Capital.

#### **5. Investment in EFU Life Assurance Limited**

To consider and if thought fit, to pass the following resolutions as Special Resolutions with or without any modifications, addition or deletion:

“**RESOLVED** that, the shareholders’ resolution dated March 27, 2015 authorising long term equity investment by JS Bank Limited (“Bank”) in EFU Life Assurance Limited of up to a limit of PKR 500 million that was partly utilized by purchasing 982,000 shares of the total amount of PKR 190.59 million, be and is hereby amended to authorise the Bank under Section 208 of the Companies Ordinance, 1984 (as may be revised or restated) to make a total long term equity investment in EFU Life Assurance Limited of up to PKR 675 Million (inclusive of investment of PKR 190.59 million already made by the Bank) by way of purchase of further Ordinary Shares of EFU Life Assurance Limited from time to time from the secondary market at the prevailing market price, of the total purchase price equivalent of PKR 484.41 million, so as to make the total equity investment in EFU Life upto PKR 675 million, subject to compliance with all legal requirements.

**FURTHER RESOLVED** that the above resolution shall be valid for a period of three years from the date of passing of the said Special Resolution.

**FURTHER RESOLVED** that all other resolutions passed in relation to the long term equity investment by the Bank in EFU Life Assurance Limited vide shareholders’ resolution dated March 27, 2015 be and are hereby confirmed and ratified without any amendments, except that the total investment in EFU Life Assurance shall be upto PKR 675 million (with further purchase of shares at market price), instead of upto PKR 500 million that was approved at the Ninth Annual General Meeting.”

#### **6. Investment in EFU General Insurance Limited**

To consider and if thought fit, to pass the following resolutions as Special Resolutions with or without any modification, addition or deletion:

“**RESOLVED** that, the shareholders’ resolution dated March 27, 2015 authorising long term equity investment by JS Bank Limited (“Bank”) in EFU General Insurance Limited of up to a limit of PKR 500 million that was partly utilized by purchasing 3,943,875 shares of the total amount of PKR 488.98 million, be and is hereby amended to authorise the Bank under Section 208 of the Companies Ordinance, 1984 (as may be revised or restated) to make a total long term equity investment in EFU General Insurance Limited of up to PKR 675 million (inclusive of investment of PKR 488.98 million already made by the Bank) by way of purchase of further Ordinary Shares of EFU General Insurance Limited from time to time from the secondary market at the prevailing market price, of the total purchase price equivalent of PKR 186.02 million, so as to make the total equity investment in EFU General Insurance Limited upto PKR 675 million, subject to compliance with all legal requirements.

**FURTHER RESOLVED** that the above resolution shall be valid for a period of three years from the date of passing of the said Special Resolution.

**FURTHER RESOLVED** that all other resolutions passed in relation to the long term equity investment by the Bank in EFU General Insurance Limited vide shareholders' resolution dated March 27, 2015 be and are hereby confirmed and ratified without any amendments, except that the total investment in EFU General Insurance Limited shall be upto PKR 675 million (with further purchase of shares at market price), instead of upto PKR 500 million that was approved at the Ninth Annual General Meeting."

Karachi: March 7, 2017

By Order of the Board  
Ashraf Shahzad  
Company Secretary

**Notes:**

1. Share transfer books of the Bank will remain closed from March 22, 2017 to March 28, 2017 (both days inclusive). Transfers received in order at Bank's Independent Share Registrar, Technology Trade (Pvt.) Limited, Dagia House, 241-C, Block 2, PECHS, Karachi at the close of business on March 21, 2017 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 less 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 2016, along with the Auditors and Directors Reports on its website: [www.jsbl.com](http://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, 2014, 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	12.5%
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 160 (1)(b)  
of the Companies Ordinance, 1984**

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, 2017.

**Increase in authorized Capital**

JS Bank Limited on December 14, 2016 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 467,836,257 shares against PPTFC in case of the occurrence of a PNOV 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 15,000,000,000/- (Rupees Fifteen Billion) to PKR 20,000,000,000 (Rupees Twenty Billion) divided into 1,850,000,000 (One Billion Eight 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).

**Investment in EFU Life Assurance Limited**

- The shareholders of the Bank in their meeting held on March 27, 2015 authorized the Bank, under Section 208 of the Companies Ordinance, 1984, to make long term equity investment in the associated company, EFU Life Assurance Limited, up to a maximum amount of PKR 500 million.
- Out of the approved limit of PKR 500 million, the Bank made an investment of PKR 190.59 million by purchasing 982,000 Ordinary Shares of EFU Life Assurance Limited, leaving an unutilized limit of PKR 309.41 million.
- The Board of Directors of the Bank in their meeting held on February 23, 2017 resolved to further increase long term equity investment in the associated company, EFU Life Assurance Limited from the approved limit of PKR 500 million to PKR 675 million, so as to make a total long term equity investment in EFU Life Assurance Limited up to PKR 675 Million (inclusive of investment of PKR 190.59 million already made by the Bank) by way of purchase of further Ordinary Shares of EFU Life Assurance Limited from time to time from the secondary market at the prevailing market price, aggregating to the purchase price equivalent of PKR 484.41 million, subject to the consent and approval of members under Section 208 of the Companies Ordinance, 1984 and fulfillment of other legal requirements.
- EFU Life Assurance Limited is currently an associated company of the Bank by virtue of 20.05% shareholding of Jahangir Siddiqui & Co. Limited ("JSCL") the holding company of

the Bank and 0.80% shareholding of Energy Infrastructure Holding (Private) Limited ("EIHL"), a wholly owned subsidiary of the JSCL. At the time of the shareholders' resolution dated March 27, 2015, the Bank was an associated company of EFU Life Assurance Limited by virtue of common directorship and 20.05% shareholding of JSCL and 0.80% of EIHL.

- The Bank seeks the approval of the shareholders for increasing the investment limits approved vide shareholders' resolution dated March 27, 2015 to enable the Bank to make a total long term equity investment of up to PKR 675 million (instead of PKR 500 million as earlier approved) in EFU Life Assurance Limited by way of purchase of further Ordinary Shares of EFU Life Assurance Limited at the prevailing market price. All other terms and conditions of the proposed long term equity investment as approved by the shareholders vide shareholders' resolution dated March 27, 2015 shall remain unaltered.
- Except for the 20.05% shareholding of JSCL and 0.80% shareholding of EIHL, the directors, sponsors, majority shareholders of the Bank and their relatives have no vested interest, directly or indirectly, in EFU Life Assurance Limited and the proposed investment therein, except to the extent of their/spouses' shareholdings in the investee company.
- The directors submit that they have carried out the necessary due diligence for the proposed investment in EFU Life Assurance Limited. The duly signed recommendation of the due diligence report and latest audited and reviewed financial statements of EFU Life Assurance Limited will be available to the members for inspection in the Annual General Meeting to be held on March 29, 2017.
- EFU Life Assurance Limited has no interest in the Bank, except that it is an associate company of the Bank. The directors, sponsors and majority shareholders of EFU Life Assurance Limited have no interest except to the extent of their/spouses' shareholdings, if any in the Bank.

Information Required under Regulation 3 (1) (a) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012.

S. No	Description	Information Required
1	Name of associated company	EFU Life Assurance Limited ("EFUL")
2	Criteria for Associated relationship	EFUL is an associated company of JS Bank Limited by virtue of 20.05% shareholding of Jahangir Siddiqui & Co. Limited (the Holding Company of JS Bank Limited) and 0.80% shareholding of Energy Infrastructure Holding (Private) Limited, a wholly owned subsidiary of Holding Company, in EFUL.
3	Purpose, benefit and period of Investment	Long-term investment for the benefit of the Bank and to earn dividend and capital appreciation in the long run
4	Maximum amount of Investment	Upto PKR 675 million (increase of up to PKR 175 million from PKR 500 million as earlier approved)
5	Maximum price at which securities to be acquired.	Not more than the price quoted on Pakistan Stock Exchange on the date of each purchase
6	Maximum number of securities to be acquired.	Such number of shares, the purchase price of which his equivalent the amount of PKR 675 million (less PKR190.59 million already utilized) i.e. equivalent of the balance amount of PKR 484.41 million

7	Number of securities and percentage thereof held before and after the proposed investment	Present shareholding: 982,000 shares, representing 0.982% of the issued capital of the investee company. Number of shares and the percentage after the proposed investment will depend upon the prevailing market price at the time of acquisition of shares
8	Average of the preceding 12 weekly average price of the security intended to be acquired.	PKR 212 per share (from Nov. 15, 2016 to Feb.15, 2017)
9	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	PKR 34.1 per share as per audited financial statements as on Dec. 31, 2015. Which are the last audited financial statement available on the date of issuance of this notice.
10	Earnings per share of the associated company for the last 3 years	Dec. 31 2016 PKR 18.73 Dec. 31, 2015 PKR 14.75 Dec 31, 2014 PKR 9.51
11	Sources of funds from which securities will be acquired:  • Justification for investment through borrowings  • Details of guarantees & assets pledged for obtaining such funds	Own funds and borrowings.  The gains/returns/dividend are expected to be higher than the cost of funds.  Not Applicable
12	Salient features of all agreements entered into with the associated company or associated undertaking or with the financial institution (s) with regards to proposed transfer of liabilities	Purchase of shares is from the secondary market. Therefore, this is not applicable.
13	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives in the associated company and the proposed transaction	Except being associated company of JSCL and EIHL, the Directors, sponsors, majority shareholders of the Bank and their relatives have no vested interest in the associated company or the proposed investment except to the extent of their and their spouses' shareholdings in the associated company, if any.

#### Investment in EFU General Insurance Limited

- The shareholders of the Bank in their meeting held on March 27, 2015 authorized the Bank, under Section 208 of the Companies Ordinance, 1984, to make long term equity investment in the associated company, EFU General Insurance Limited, up to a maximum amount of PKR 500 million.
- Out of the approved limit of PKR 500 million, the Bank made an investment of PKR 488.98 million by purchasing 3,943,875 Ordinary Shares of EFU General Insurance Limited, leaving an unutilized limit of PKR 11.02 million.

S. No	Description	Information Required
1	Name of associated company	EFU General Insurance Limited
2	Criteria for Associated relationship	EFU General Insurance Limited is an associated undertaking of the Bank by virtue of 20.60% shareholding of Jahangir Siddiqui & Co. Limited, the holding company of JS Bank Limited, and 1.72% shareholding of Energy Infrastructure Holding (Private) Limited and 0.35% shareholding of JS Infocom Limited (both wholly owned subsidiaries of the Holding Company of the Bank).
3	Purpose, benefit and period of Investment	Long-term investment for the benefit of the Bank and to earn dividend and capital appreciation in the long run.
4	Maximum amount of Investment	Upto PKR 675 million (increase by upto PKR 175 million from PKR 500 million as earlier approved)
5	Maximum price at which securities to be acquired.	Not more than the price quoted on Pakistan Stock Exchange on the date of each purchase
6	Maximum number of securities to be acquired.	Such number of shares, the purchase price of which is equivalent the amount of PKR 675 million (less PKR 488.98 million already utilized) i.e. equivalent of the balance amount of PKR 186.02 million.
7	Number of securities and percentage thereof held before and after the proposed investment	Present shareholding: 3,943,875 shares, representing 2.465% of the issued capital of the investee company. Number of shares and the percentage after the proposed investment will depend upon the prevailing market price at the time of acquisition of shares.
8	Average of the preceding 12 weekly average price of the security intended to be acquired	PKR 148 (from Nov. 15, 2016 to Feb. 15, 2017)
9	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	PKR 99.04 per share as per audited financial Statements as on Dec. 31, 2015. Which are the last audited financial statement available on date of Issuance of this notice..
10	Earnings per share of the associated company for the last 3 years	Dec. 31, 2016 PKR 11.96 Dec. 31, 2015 PKR 20.17 Dec. 31, 2014 PKR 11.43
11	Sources of funds from which securities will be acquired:  <ul style="list-style-type: none"> <li>• Justification for investment through borrowings</li> <li>• Details of guarantees &amp; assets pledged for obtaining such funds</li> </ul>	Own funds and borrowings.  The gains/returns/dividend are expected to be higher than the cost of funds.  Not Applicable

12	Salient features of all agreements entered into with the associated company or associated undertaking or with the financial institution (s) with regards to proposed transfer of liabilities	Purchase of shares is from the secondary market. Therefore, this is not applicable
13	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives in the associated company and the proposed transaction	Except for associated company of Jahangir Siddiqui & Co., the Directors, sponsors, majority shareholders of the Bank and their relatives have no vested interest in the associated company or the proposed investment except to the extent of their and their spouses' shareholdings in the associated company, if any.

- The Board of Directors of the Bank in their meeting held on February 23, 2017 resolved to further increase long term equity investments in the associated company, EFU General Insurance Limited from the approved limit of PKR 500 million to PKR 675 million, so as to make a total long term equity investment in EFU General Insurance Limited up to PKR 675 Million (inclusive of investment of PKR 488.98 million already made by the Bank) by way of purchase of further Ordinary Shares of EFU General Insurance Limited from time to time from the secondary market at the prevailing market price, aggregating to the purchase price equivalent of PKR 186.02 million, subject to the consent and approval of members under Section 208 of the Companies Ordinance, 1984 and fulfillment of other legal requirements.
- EFU General Insurance Limited is currently an associated undertaking of the Bank by virtue of 20.60% shareholding of Jahangir Siddiqui & Co. Limited, the holding company of JS Bank Limited, and 1.72% shareholding of Energy Infrastructure Holding (Private) Limited and 0.35% shareholding of JS Infocom Limited (both wholly owned subsidiaries of the Holding Company of the Bank). At the time of the shareholders' meeting dated March 27, 2015, the Bank was an associated company of EFU General Insurance Limited by virtue of common directorship.
- The Bank seeks the approval of the shareholders for increasing the investment limits approved vide shareholders' resolution dated March 27, 2015 to enable the Bank to make a total long term equity investment of up to PKR 675 million (instead PKR 500 million as earlier approved) in EFU General Insurance Limited by way of purchase of further Ordinary Shares of EFU General Insurance Limited at the prevailing market price. All other terms and conditions of the proposed long term equity investment as approved by the shareholders vide shareholders' resolution dated March 27, 2015 shall remain unaltered.
- Except for the 20.60% shareholding of Jahangir Siddiqui & Co. Limited, 1.72% shareholding of Energy Infrastructure Holding (Private) Limited and 0.35% shareholding of JS Infocom Limited (both wholly owned subsidiaries of the Holding Company of the Bank), the directors, sponsors, majority shareholders of the Bank and their relatives have no vested interest, directly or indirectly, in EFU General Insurance Limited and the proposed investment therein, except to the extent of their/spouses' shareholdings in the investee company.
- The directors submit that they have carried out the necessary due diligence for the proposed investment in EFU General Insurance Limited. The duly signed recommendation of the due diligence report and latest audited and reviewed financial statements of EFU General Insurance Limited will be available to the members for inspection in the Annual General Meeting to be held on March 29, 2017.

- EFU General Insurance Limited has no interest in the Bank except that it is an associated company of the Bank. The directors, sponsors and majority shareholders of EFU General Insurance Limited have no interest except to the extent of their/spouses' shareholdings, if any in the Bank.

Information Required under Regulation 3 (1) (a) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012:

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 27, 2015 had approved long term equity investments of up to PKR 500 million in ordinary shares of the following associated/subsidiary companies of the Bank. The resolution is valid for a period of three years commencing from March 27, 2015.

S.No	Name of Company	Total Investment approved upto PKR	Amount of Investment till Dec. 31,2016 PKR	Reasons for not making complete investment in the specified time	Material change in Financial Statement of Associated Companies
1	EFU Life Assurance Ltd	500 million	190.6 million	Time remaining	No
2	EFU General Insurance Ltd.	500 million	489 million	Time remaining	Paid up capital increased on issue of 25% bonus shares in 2016