

Notice of Extraordinary General Meeting

Notice is hereby given that the Extraordinary General Meeting ("EOGM") of Habib Bank Limited (the "Bank") will be held on Thursday, May 30, 2024, at 03:00 p.m. at HBL Tower, Islamabad, to transact the following business:

Special Business:

1. To approve and authorize equity investment in HBL Microfinance Bank Limited ("HBL MfB") of up to Rs. 6 Billion, to be completed till December 31, 2024, subject to the approval of the State Bank of Pakistan, and if deemed fit, pass the following resolutions as Special Resolutions with or without modification(s):

"RESOLVED THAT Habib Bank Limited ("the Bank") be and is hereby authorised to invest up to Rs. 6 billion, to be completed till December 31, 2024, in HBL Microfinance Bank Limited, subject to the approval of the State Bank of Pakistan."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Bank or such person or persons as may be authorised by the Board of Directors of the Bank, be and each of them is hereby authorised to do all such acts, deeds and things and to execute and deliver for and on behalf and in the name of the Bank all such deeds, agreements, declarations and undertakings as may be necessary or required or as they or any of them may think fit for or in connection with the aforesaid investment, including without limiting the generality of the foregoing, any approval, sanction or permission required thereof or in connection therewith."

The information as required under Section 134(3) of the Companies Act, 2017 is annexed.

The Directors of the Bank have no direct or indirect interest in the above-mentioned resolutions except in their capacity as directors of the Bank.

Any Other Business:

2. To consider any other business with the permission of the Chair.

By Order of the Board

May 9, 2024
Karachi

Uzman Naveed Chaudhary
Company Secretary

Notes:

1. The Register of Members and the Share Transfer Books will remain closed from May 24, 2024 to May 30, 2024 (both days inclusive) for the purpose of the EOGM.
2. Only those persons whose names appear in the Register of Members of the Bank as at May 23, 2024, will be entitled to attend and vote at the EOGM.
3. A Member/shareholder entitled to attend and vote at the EOGM may appoint another Member as 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 authorised 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 EOGM.
4. Members are requested to notify immediately any changes in their registered address to Banks' Share Registrar, CDC Share Registrar Services Limited, CDC House 99-B, Block 'B', Sindhi Muslim Cooperative Housing Society (S.M.C.H.S), Main Shahra-e-Faisal, Karachi - 74400.
5. CDC Account Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000, issued by the SECP.

A. Requirements for attending the Extraordinary General Meeting:

- i. In the case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, shall authenticate his/her identity by showing his/her valid original Computerized National Identity Card (CNIC) or original Passport at the time of attending the EOGM.
- ii. In case of a corporate entity, unless provided earlier, the Board of Directors' resolution/power of attorney, with specimen signature of the nominee, shall be produced at the time of the EOGM.

B. Requirements for appointing Proxies:

- iii. In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, shall submit the proxy form as per the above requirement.
- iv. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the said form.
- v. Attested copies of the valid CNICs or the Passports of the beneficial owner(s) and the proxy shall be furnished with the proxy form.
- vi. The proxy shall produce his/her valid original CNIC or original Passport at the time of the EOGM.
- vii. In case of a corporate entity, the Board of Directors' resolution/power of attorney, with specimen signature of the nominee, shall be submitted to the Bank along with the proxy form unless the same has been provided earlier.

C. Participation in EOGM through Electronic Means:

SECP vide its Circulars, issued from time to time, has directed the listed companies to hold general meetings through video link, webinar, zooming etc. in addition to the requirements of holding physical meeting.

Accordingly, the EOGM would be held at the venue and via webinar to comply with the SECP instructions. Members/shareholders interested in attending the Bank's EOGM through webinar are requested to get themselves registered by sending their particulars to the Company Secretary of the Bank, at the designated email address (general.meetings@hbl.com), mentioning their names, folio number and email address by the close of business hours on May 27, 2024. The webinar link would be provided to the registered shareholders. The shareholders are also encouraged to send their comments/suggestions, related to the agenda item of the EOGM on the above - mentioned email address by May 29, 2024.

D. Postal Ballot / E-voting:

In accordance with the Companies (Postal Ballot) Regulations 2018 ("Regulations"), the right to vote through electronic voting facility ("e-Voting") and voting by post ("Postal Ballot") shall be provided to every member of the Bank for Special Business in the manner and subject to conditions contained in the Regulations.

For this Special Business Agenda, facility of Postal Ballot/e-Voting is arranged for the members/shareholders through the Bank's Share Registrar, M/s CDC Share Registrar Services Limited (E-voting Service Provider). In accordance with the Regulation 11 of the Regulations, the Board has appointed M/s BDO Ebrahim & Co., Chartered Accountants, a QCR rated audit firm, to act as the Scrutinizer of the Bank for the EOGM for the purpose of the Special Business Agenda and to undertake other responsibilities as defined in said Regulations.

a) Procedure for e-Voting

- i. Details of e-voting facility will be shared through email by CDC Share Registrar Services Limited (being the e-Voting service provider) with those members of the Bank who have their valid CNIC numbers, cell numbers and email addresses available in the register of members of the Bank by close of business on May 27, 2024.
- ii. The web address, login details, password, date of casting e-Vote and other necessary details will be communicated to members via email and the security codes will be communicated to the members through SMS by e-Voting service provider.
- iii. Identity of the Members intending to cast vote through e-Voting shall be authenticated through electronic signature or authentication for login.
- iv. Members shall cast their votes for Agenda Item no.1, online at any time from May 27, 2024 to May 29, 2024, till 5:00 p.m. (PST).
- v. Once the vote on the resolution is casted by a member, the said member will not be subsequently allowed to change it.

b) Procedure for voting through Postal Ballot

- i. Members may alternatively opt for voting through postal ballot, attached at the bottom of this notice. The same has also been made available on the Bank's website (<https://www.hbl.com/investor-relations/investor-relations/notices>).
- ii. Members shall ensure that duly filled and signed ballot paper, along with a copy of Computerized National Identity Card (CNIC), is received by the Chairman of the meeting through post at HBL Corporate Office F-14, Block-5, Clifton, Karachi or email at general.meetings@hbl.com on or before May 29, 2024, during working hours.
- iii. The signature on the ballot paper should match with the signature on CNIC.
- iv. In case of foreign shareholders (individuals), a copy of valid passport as identification document in lieu of CNIC will be required. In case of representatives of a body corporate, corporation and Federal/Provisional Government, a Power of Attorney or other authority/board resolution as identification document alongwith valid CNIC/passport copy will be required.
- v. Incomplete, unsigned, incorrect, defaced, torn, mutilated, overwritten ballot paper will be rejected.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017, RELATING TO THE SPECIAL BUSINESS REFERRED TO IN THE NOTICE ABOVE:

This Statement sets out the material facts pertaining to the Special Business to be transacted at the Extraordinary General Meeting of Habib Bank Limited (the "Bank/HBL") to be held on May 30, 2024.

Special Businesses:

Agenda Item 1 - Approval of Investment of up to Rs. 6 Billion in HBL Microfinance Bank Limited:

HBL Microfinance Bank Limited (HBL MfB) is a subsidiary of HBL, in which HBL's shareholding is 79.92%. HBL MfB's principal business is to provide microfinance services to the poor and underserved segments of society. Since HBL's initial investment, HBL MfB has performed well and has grown its balance sheet significantly and today stands as the largest microfinance bank in the country. To support its further growth, HBL MfB is planning to issue rights shares up to Rs. 6 billion, subject to approval of the State Bank of Pakistan and HBL being the parent, is willing to subscribe to the rights issue and take up any portion of unsubscribed rights

For this purpose, the Board of Directors have recommended that the Members consider and, if deemed fit, pass the Special Resolution with or without modification set forth at Agenda Item 1 of this Notice.

Information required under Section 199 (3) of the Companies Act, 2017 and regulation 3 of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 is given as under:

(A) Disclosure regarding associated company																													
(i)	Name of Associated Company or Associated Undertaking	HBL Microfinance Bank Limited (HBL MfB).																											
(ii)	Basis of Relationship	Habib Bank Limited (HBL) holds shareholding of 79.92% in HBL MfB.																											
(iii)	Earnings / (Loss) per Share for the last three years	2021: Rs. 4.25 per share 2022: Rs. 2.37 per share 2023: Rs. 0.61 per share																											
(iv)	Break-up value per Share, based on last audited financial statements	2021: Rs. 21.31 per share 2022: Rs. 23.08 per share 2023: Rs. 21.12 per share																											
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<p>The financial information is shown in the table below.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th colspan="2" style="text-align: right;">Rupees in million</th> </tr> <tr> <th></th> <th style="text-align: center;">2022</th> <th style="text-align: center;">2023</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td style="text-align: right;">12,527.94</td> <td style="text-align: right;">13,279.65</td> </tr> <tr> <td>Operating Expense</td> <td style="text-align: right;">8,145.11</td> <td style="text-align: right;">9,824.29</td> </tr> <tr> <td>Operating Profit</td> <td style="text-align: right;">4,382.83</td> <td style="text-align: right;">3,455.36</td> </tr> <tr> <td>Customer Deposits</td> <td style="text-align: right;">116,063.37</td> <td style="text-align: right;">128,233.73</td> </tr> <tr> <td>Customer Loans & Advances – net</td> <td style="text-align: right;">85,376.63</td> <td style="text-align: right;">97,524.59</td> </tr> <tr> <td>Cash, Balances with Banks and Investment</td> <td style="text-align: right;">45,792.54</td> <td style="text-align: right;">45,673.04</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">13,226.36</td> <td style="text-align: right;">14,214.54</td> </tr> </tbody> </table>		Rupees in million			2022	2023	Revenue	12,527.94	13,279.65	Operating Expense	8,145.11	9,824.29	Operating Profit	4,382.83	3,455.36	Customer Deposits	116,063.37	128,233.73	Customer Loans & Advances – net	85,376.63	97,524.59	Cash, Balances with Banks and Investment	45,792.54	45,673.04	Equity	13,226.36	14,214.54
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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, following further information, namely		Not Applicable
	I	Description of the project and its history since conceptualization	Not Applicable
	II	Starting date and expected date of completion of work	Not Applicable
	III	Time by which such project shall become commercially operational	Not Applicable
	IV	Expected time by which the project shall start paying return on investment	Not Applicable
	V	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts.	Not Applicable

(B) General Disclosures:

(i)	Maximum amount of investment to be made		The amount of investment would be up to Rs. 6 billion to be completed till December 31, 2024.
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment		The rights issue will help HBL MfB to maintain a stronger capital base and provide sufficient headroom in its Capital Adequacy Ratio (CAR) to ensure compliance with the regulatory framework. The higher CAR will provide additional comfort to stakeholders and will enable HBL MfB to pursue its growth strategy, continuing to provide access to finance for the underserved segments of society and remote areas of the country. The funds generated through the rights issue will be used for HBL MfB's on-going business expansion and growth plans as permitted by its Memorandum & Articles of Association in line with applicable laws and regulations. This is an equity investment in a subsidiary and is a long-term investment.
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:		Funds generated through HBL's own business.
	(I)	Justification for investment through borrowings	Not Applicable
	(II)	Detail of collateral, guarantees provided and assets pledged for obtaining such funds	Not Applicable
	(III)	Cost of benefit analysis	Not Applicable
(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		HBL holds shareholding of 79.92% in HBL MfB. The Aga Khan Fund for Economic Development (AKFED) is the parent company of the HBL. The Aga Khan Agency for Microfinance (AKAM) holds 12.05% shareholding and the Aga Khan Rural Support Program (AKRSP) holds 4.46% shareholding. The Directors of the Bank have no direct or indirect interest except in their stated capacity as Directors of the Bank.
(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.		Since the last approval of equity investment in 2020, HBL MfB's balance sheet has grown two times with advances and deposits increasing at a CAGR of 33% and 28% respectively. The operating profit has grown at a CAGR of 13%. The net assets of HBL MfB have grown from Rs. 6.688 billion in 2020 to Rs. 14.215 billion as at December 31, 2023.
(vii)	Any other important details necessary for the members to understand the transaction		Not Applicable

(C) Additional disclosure regarding Equity Investment:

(i)	Maximum price at which securities will be acquired		Par i.e. Rs. 10 per share.
(ii)	In case the purchase price is higher than fair value in case of unlisted securities, justification thereto		Not Applicable
(iii)	Maximum number of securities to be acquired		600,000,000
(iv)	Number of securities and percentage thereof held before and after the proposed investment.		HBL's current holding is 537,931,035 (79.92%) shares in HBL MfB. On a pro-rata basis, HBL's shareholding will remain the same, i.e. 79.92% and the number of shares held will rise to 1,017,455,143. In case none of the other shareholders subscribe, HBL will take up any portion of unsubscribed rights. HBL's shareholding in HBL MfB would become 89.38% and number of shares will rise to 1,137,931,035.
(v)	Fair value of the security		In progress. Will be presented at the meeting, if requested.



Form of Proxy

I/We _____
of _____
being member(s) of Habib Bank Limited holding _____
Ordinary shares hereby appoint _____
of _____ vide Folio/CDC Account No. _____ or failing
him/her _____ of _____ who is also member of
Habib Bank Limited vide Folio/CDC Account No. _____ as my/our proxy in my/our absence
to attend, speak and vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Bank to be held
on Thursday, May 30, 2024 at HBL Tower, Islamabad and at any adjournment thereof.

As witness my/our hand/seal this _____ day of _____ 2024.

Signed by the said _____

In the presence of 1. _____
2. _____

Signature on
Five Rupees
Revenue Stamp

Folio/CDC Account No.

This signature should agree with the
specimen registered with the Bank.

Important:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Bank at 9th Floor, Habib Bank Tower, Jinnah Avenue, Blue Area, Islamabad, not less than 48 hours before the time of holding the Extraordinary General Meeting.
2. No person shall act as proxy unless he/she himself/herself is a member of the Bank except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Bank, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders/Corporate Entities:

In addition to the above, the following requirements have to be met:

- a. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- b. Attested copies of the CNICs or the passports of the beneficial owner(s) and the proxy shall be furnished with the Proxy Form.
- c. The proxy shall present his/her original CNIC or original passport at the time of the Extraordinary General Meeting.
- d. In case of a corporate entity, the Board of Directors' resolution/power of attorney, including the specimen signature of the nominee, shall be submitted to the Bank along with the Proxy Form unless the same has been provided earlier.



Ballot paper for voting through post for the Special Business at Extraordinary General Meeting to be held on Thursday, May 30, 2024, at 03:00 p.m. (PST) at HBL Tower, Islamabad

Website: <https://www.hbl.com>

(The Members shall ensure that duly filled and signed ballot paper is received by the Chairman of the meeting through post at the HBL Corporate Office F-14, Block-5, Clifton, Karachi or email at general.meetings@hbl.com on or before May 29, 2024, during working hours.)

Name of shareholder/joint shareholders	
Registered Address	
Number of shares held and folio number	
CNIC Number (copy to be attached)	
Additional information and enclosures (In case of representative of body corporate, corporation and Federal Government.)*	

I/We hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the box below:

Agenda No.	Nature and Description of Resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1	<p>Special Resolutions:</p> <p>"RESOLVED THAT Habib Bank Limited ("the Bank") be and is hereby authorised to invest up to Rs. 6 billion, to be completed till December 31, 2024, in HBL Microfinance Bank Limited, subject to the approval of the State Bank of Pakistan."</p> <p>"RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Bank or such person or persons as may be authorised by the Board of Directors of the Bank, be and each of them is hereby authorised to do all such acts, deeds and things and to execute and deliver for and on behalf and in the name of the Bank all such deeds, agreements, declarations and undertakings as may be necessary or required or as they or any of them may think fit for or in connection with the aforesaid investment, including without limiting the generality of the foregoing, any approval, sanction or permission required thereof or in connection therewith."</p>			

Signature of shareholder(s)

Place: _____

Date: _____

NOTES:

- Members shall ensure that duly filled and signed ballot paper, along with a copy of Computerized National Identity Card (CNIC), is received by the Chairman of the meeting through post at the HBL Corporate Office F-14, Block-5, Clifton, Karachi or email at general.meetings@hbl.com on or before May 29, 2024, during working hours. Any postal ballot received after this date, will not be considered for voting.
- Copy of CNIC should be enclosed with the postal ballot form.
- Signature on postal ballot should match with signature on CNIC.
- *In case of foreign shareholders (individuals), a copy of valid passport as identification document in lieu of CNIC will be required. In case of representatives of a body corporate, corporation and Federal/Provisional Government, a Power of Attorney or other authority/board resolution as identification document alongwith valid CNIC/passport copy will be required.
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, overwritten ballot paper will be rejected.

HBL ٹاور، اسلام آباد میں 30 مئی 2024، بروز جمعرات، دوپہر 03:00 بجے منعقد ہونے والے غیر معمولی اجلاس میں خصوصی امور کے لیے ڈاک کے ذریعے ووٹ ڈالنے کا بیلٹ پیپر

(پُر اور دستخط کیے ہوئے بیلٹ پیپر HBL کارپوریشن آفس F-14، بلاک 5، کنٹنن، کراچی میں ڈاک یا general.meetings@hbl.com پر ای میل کے ذریعے 29 مئی 2024 کو یا اس سے پہلے اجلاس کے چیئرمین تک پہنچ جائیں۔)

شیر ہولڈر / جو انٹ شیئر ہولڈرز کے نام
رجسٹرڈ ایڈریس
شیرز کی تعداد اور فولیو نمبر
CNIC نمبر (نقل منسلک کریں)
* اضافی معلومات اور ضمیمہ جات (ہاڈی کارپوریٹ، کارپوریشن اور وفاقی حکومت کے نمائندے کی صورت میں)

میں / ہم مذکورہ قرارداد پر بذریعہ بیلٹ متعلقہ خانے میں (✓) کا نشان لگا کر اپنی حمایت یا مخالفت کا اظہار کر رہا / رہی ہوں / رہے ہیں۔

امینڈمنٹ نمبر	قرارداد کی نوعیت اور وضاحت	عام شیرز کی تعداد جن کے لیے ووٹ دیا جا رہا ہے	میں / ہم اس قرارداد کے حامی ہیں (حمایت)	میں / ہم اس قرارداد کے خلاف ہیں (مخالفت)
1	خصوصی امور ”قرار پایا کہ، حبیب بینک لمیٹڈ (“بینک”) HBL مائیکرو فنانس بینک لمیٹڈ میں 6 ارب روپے تک کی سرمایہ کاری کا اختیار ہے جو 31 دسمبر 2024ء تک مکمل ہوگا، جو اسٹیٹ بینک آف پاکستان کی منظوری سے مشروط ہے۔“ ”یہ بھی قرار پایا کہ، مذکورہ بالا قرارداد کے نفاذ کے لیے بینک کے بورڈ آف ڈائریکٹرز کی جانب سے بینک کے بورڈ آف ڈائریکٹرز یا کسی فرد یا افراد کو اختیار دیا جاسکتا ہے اور ان میں سے ہر ایک کو ایسے تمام افعال، اقدامات اور معاملات کی انجام دہی اور بینک کی جانب سے اور بینک کے نام پر ایسے تمام افعال، معاہدوں، اعلان اور حلف ناموں پر عمل درآمد اور بحالانے کا اختیار دیا جاتا ہے جنہیں مذکورہ بالا سرمایہ کاری کے لیے وہ یا ان میں سے کوئی ایک ضروری بالا زمی سمجھے، بشمول مذکورہ بالا کی عمومیت کو محدود کیے بغیر، کوئی منظوری یا اجازت جو اس کے لیے یا اس ضمن میں درکار ہو۔“			

شیر ہولڈر (ز) کے دستخط:

مقام:

تاریخ:

نوٹ:

- پُر اور دستخط کیے ہوئے بیلٹ پیپر HBL کارپوریشن آفس F-14، بلاک 5، کنٹنن، کراچی میں ڈاک یا general.meetings@hbl.com پر ای میل کے ذریعے 29 مئی 2024 کو یا اس سے پہلے اجلاس کے چیئرمین تک پہنچ جائیں۔
- پوسٹل بیلٹ فارم کے ساتھ CNIC کی نقل منسلک کی جائے گی۔
- پوسٹل بیلٹ پر دستخط CNIC جیسے ہونے چاہئیں۔
- * غیر ملکی شیر ہولڈرز (انفرادی) کی صورت میں شناختی کارڈ کے بدلے شناختی دستاویز کے طور پر موثر پاسپورٹ کی کاپی درکار ہوگی۔ کسی ہاڈی کارپوریٹ، کارپوریشن اور وفاقی / صوبائی حکومت کے نمائندوں کی صورت میں، شناختی دستاویز کے طور پر پاسپورٹ آف اٹارنی یا دیگر اٹارنی / بورڈ کی قرارداد کے ساتھ موثر شناختی کارڈ / پاسپورٹ کی کاپی دینی ہوگی۔
- ناکمل، غیر دستخط شدہ، غلط، مسخ، دھندلے، کٹے بھٹے، تحریر پر تحریر والا بیلٹ پیپر مسترد کر دیا جائے گا۔