

DRAFT MINUTES OF 29th ANNUAL GENERAL MEETING OF FAYSAL BANK LIMITED (FBL) HELD AT 10:00 AM ON MARCH 06, 2024, GRAND BALLROOM, PERAL CONTINENTAL HOTEL – CLUB ROAD, KARACHI.

The Attendance of the Meeting was as under:

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| 1 | Mian Muhammad Younis | Meeting Chair / Chairman of the Board |
| 2 | Mr. Ahmed Abdulrahim Mohamed Bucheery | Vice Chairman of the Board |
| 4 | Mr. Imtiaz Ahmad Pervez | Director |
| 5 | Mr. Juma Hasan Ali Abul | Director |
| 6 | Mr. Abdulla Abdulaziz Ali Taleb | Director |
| 7 | Mr. Ali Munir | Director |
| 8 | Mr. Abdulelah Ebrahim Mohamed AlQasimi | Director |
| 9 | Ms. Fatima Asad Khan | Through Video Conference |
| 10 | Mr. Mohsin Tariq | Director |
| 11 | Mr. Yousaf Hussain | President & CEO and representing FBL's Sponsor Shareholders namely, Ithmaar Bank B.S.C., Faisal Finance (Luxembourg) S.A, DMI (Jersey) LTD., MFAI (Jersey) Ltd., and other shareholders through proxies reflecting 75.64 % Shareholding. |
| 12 | Syed Majid Ali | Chief Financial Officer (CFO) |
| 13 | Mr. Aurangzeb Amin | Company Secretary & Head Legal (CS) |
| 16 | Zeeshan Rashid | Partner, M/s. KPMG Taseer Hadi & Co Chartered Accountants External Auditors of FBL for the year 2024. |

The proceedings began with the recitation from the Holy Quran by the Chairman of the Board.

The Chairman gave a welcoming note to the shareholders in which he began with welcoming and participation of the shareholders in the AGM. He said that they are very thankful to almighty Allah for His blessing and grace, for the continuous success of the FBL's journey as Alhamdulillah', FBL has completed one year as an Islamic bank after a long journey of joint efforts made by the Board of Directors and the management along with full support of the Regulators and shareholders. In this first year of Islamic Banking, FBL made record profit. Keeping in view the same, FBL had announced dividends accordingly and will also continue its efforts for the improvement in the shareholders' value and returns in the future.

The Vice Chairman also praised and welcomed the shareholders for their participation in the AGM and for their continuous support in the success of the FBL's journey for the last several years. He said that they are all very thankful to the Almighty Allah for His Blessing without which it was not possible to achieve such a phenomenal growth in the banking industry. Further, observed that this was a joint effort made by the shareholders toward the success and achieving their targets efficiently and effectively. He appreciated the performance of FBL's management, and in particular keeping in view the initiative of dividend payouts to the shareholders. Beside achieving the goal of conversion, FBL grew tremendously, and FBL now has more than 700 branches and wished for more to come in the foreseeable future.

Proceeding further, CS apprised that 133 Members and Proxyholders representing 1,276,086,669 shares of PKR 10/- each of total of 1,517,696,525 paid up Shares of FBL which represent 84.08% Shareholding. This includes the Members attending the AGM through the specified online Zoom portal. In addition, the Members were facilitated to send their comments, if any, and communicate their decision on an agenda item through e-voting, WhatsApp No. 0321-8200864, and email cdcsr@cdcsrsl.com.

CS informed the Chairman that the attendance in the Meeting is recorded on the Attendance Register and the quorum is duly complied with the requirement of Section 135 of the Companies Act, 2017 and Article 73 of the Articles of Association of FBL.

NOTICE OF THE MEETING:

CS informed the Members/Shareholders that the Notice and Agenda of the Annual General Meeting (AGM) were published in leading newspapers namely "Business Recorder" and "Nawa-I-Waqt" of Karachi, Lahore & Islamabad editions of February 14, 2024, and the same were also dispatched to all the Members in CDs form.

The Chairman asked the Members if the same may be considered as read, which was agreed. Accordingly, upon motion duly proposed by a Member Mr. Muhammad Hanif (CDC ID No 10231-10745) and seconded by Mr. Muhammad Farooq (CDC ID No. 7450-5595), it was unanimously:

***"RESOLVED** that the Notice and Agenda of the Annual General Meeting, be and hereby is considered as read."*

ORDINARY BUSINESS

1. To confirm the minutes of the Extra Ordinary General Meeting (EOGM) held on May 11, 2023.

The Chairman took up the first item on the agenda and asked CS to present the same.

CS informed the Members that draft Minutes of EOGM held on May 11, 2023, were dispatched to all the Members along with the notice in CD form. The Chairman asked the Members that the Minutes be considered as read and whether they had any comments or observation on the Minutes. In response the Members expressed their satisfaction with the draft Minutes of the EOGM. Also, several Members expressed their concurrence and approval of the Minutes through WhatsApp messages as well.

Thereafter, upon motion duly proposed by a Member, Mr. Usman Ali (CDC ID No. 3277-84477) and seconded by another Member Malik Bakhtiar Aziz (CDC ID No. 3277-99796) the said Minutes were considered as read and adopted and the following Resolution was passed unanimously:

***"RESOLVED** that the Minutes of the Extra Ordinary General Meeting held on May 11, 2023, at, Karachi be and hereby are confirmed and adopted."*

2. To receive and adopt Unconsolidated & Consolidated Financial Statements and Statement of Compliance with Code of Corporate Governance of FBL for the year ended December 31, 2023, together with the Directors' and Auditors' Reports thereon.

The Chairman took up the second Agenda Item which was the Annual Audited Unconsolidated & Consolidated Financial Statements of FBL for the year ended December 31, 2023 (FY-2023) together with Directors' and Auditors' Reports thereon along with the Statement of Compliance with the Code of Corporate Governance which were placed before the Members for their approval. The Chairman asked CFO to present the Financial Statements for the FY 2023.

CFO apprised the Members that the Unconsolidated & Consolidated Financial Statements of FBL for the year ended December 31, 2023, have been duly audited by FBL's external auditors namely M/s. KPMG Taseer Hadi & Co, Chartered Accountants. This was their first year of audit and they have issued a clean opinion. The said Financial Statements have

been recommended by the Board of Directors in its 160th Board Meeting held on February 07, 2024, for the approval of the Shareholders.

Next CFO apprised the Members that the FBL has shown a very good performance in FY-2023 as a first year of Islamic banking there was a growth of 28% in Balance Sheet amounting to approx. PKR 300 Billion and as such total assets increased from PKR 1.1 Trillion to 1.4 Trillion. There was 28% growth in financing i.e., PKR 126 Billion in an environment where the economic conditions were not very supportive, tremendous growth in Deposits of 30% crossing the milestone of PKR 1 Trillion which is higher than the market growth. Advances to Deposit Ratio (ADR) was at 57%, which is quite healthy as compared to other banks. This higher ADR reflects the philosophy of the bank to use depositors' money for the economic development of the country. Despite difficult economic situation, infection ratio decreases from 4.6% to 3.8% along with the recovery of 87% in this regard. Capital Adequacy Ratio (CAR) was at a comfortable level of 17.5%, which is well above the regulatory requirement of 11.5%.

Next CFO apprised the Members that FBL has declared 40% cash dividend during the FY-2023, opened 22 new branches taking total branch network to 722. Cost to Income ratio is also showing a declining trend and was at 47%. Going forward FBL will continue to expand its footprints and have plan to open more than 100 new branches in FY-2024.

Upon completion of the presentation on Financial Statements the Chairman invited queries and comments on the Financial Statements.

Mr. Usman Ali (CDC ID No. 3277-84477) queried about the dividend payout and in response, CFO stated that the methodology to propose the dividend in the banking sector is quite different in comparison to other sectors of the economy. Banks have to consider certain regulatory requirements to comply with and must consider the requirements of capital for future growth as well while making decision on cash dividend payout. Secondly, the dividends levels should be set where the bank can comfortably pay dividends on consistent basis.

Mr. Usman further queried about the loss on Securities and operating expenses and in response, CFO commented that there are two types of losses in this regard. One is related to loss on disposal of equity securities and other is related to disinvestment in PIBs and T-Bills. Ignoring these losses, there is a growth of 38% in NFI. For operating expenses, CFO responded that this was an impact of inflation and devaluation in Pak rupee as certain payments / expenses are dollar denominated.

At this juncture Mr. Muhammad Hanif (CDC ID No. 10231-10745) praised and appreciated the work done by the FBL with respect to the conversion from conventional banking to an Islamic banking and wished best of luck to the management to the success of FBL's journey and welcomed the payout in terms of cash dividends throughout the year.

Mr. Usman Ahmed (CDC ID No. 01339-38216) queried about the spreads and market share and in response CFO commented that there is a significant improvement in the spreads secondly, the market share of FBL in terms of Islamic Banking is more than 10% and is growing over every year. FBL will play its role as a second largest Islamic Bank in the market. However, Meezan has an advantage being a first Islamic bank since from 2002. He further reiterated deposit growth in FBL was 30% as against the industry deposit growth of 22%, this resulted in a growth in FBL market share.

Mr. Usman further queried about the growth strategy keeping in view the inflation and other economic trends in the country. In response, CFO commented that the management is working on the growth of current deposits to generate markup income. Further, management is focused on controlling expenses and for this they are willing to incur capital expenditure to make savings from the operational side. This strategy also supports ESG and Go-Green initiatives. Additionally, the management is continuously working on the automation to save time and cost and is moving to solar energy wherever possible.

At this juncture, Shareholders requested to disbursement the dividend payout before the month of Ramadan and in response, CS commented that the management will try its level best to accommodate the same subject to the fulfilment of all the relevant regulatory requirements.

Mr. Muhamad Hanif (CDC ID No. 10231-10745) also praised and appreciated the work done by FBL with respect to the conversion from conventional banking to an Islamic banking and wished best of luck to the management to the success of FBL's journey and welcomed the foreign Sponsor Shareholders and their participation in AGM and the payout in terms of cash dividends that the FBL has given throughout the year. Further, he talked about the cost incurred on marketing side which is higher than 2022.

Thereafter, upon motion duly proposed by a Member, Mr. Usman Ali (Folio No. 3277-84477), and seconded by another Member Mr. Abdul Hai (CDC ID No. 10629-197569), the following Resolutions were passed by majority:

***"RESOLVED** that the Unconsolidated & Consolidated Annual Audited Financial Statements of the Bank for the year ended December 31, 2023, together with Directors' and Auditors' Reports thereon, be and are hereby approved."*

***"FURTHER RESOLVED** that the Statement of Compliance with Code of Corporate Governance duly signed by Chairman and Auditors' Review Report to the Members on Statement of Compliance with the Code of Corporate Governance, be and are hereby approved."*

- 3. To consider and approve as recommended by the Board of Directors 20% Final Cash Dividend for the year ended December 31, 2023, in addition to 10% Interim Cash Dividend for the Second Quarter (half year) ended June 30, 2023, and 10% Interim Cash Dividend for the third quarter ended September 30, 2023, already paid to the Shareholders.**

The Chairman took up the third Agenda Item which was the recommendation of the Board of Directors for a final cash dividend of 20% for the year ended December 31, 2023, in addition to 10% interim cash dividend for the Second Quarter (half year) ended June 30, 2023, and 10% interim cash dividend for the third quarter ended September 30, 2023, already paid to the shareholders.

Thereafter, upon motion duly proposed by a Member, Mr. Usman Ali (CDC ID No. 3277-84477), and seconded by another Member Mr. Muhammad Qasim (CDC ID No. 208-543), the following Resolutions were passed by majority:

***"RESOLVED** that the payment of 20% Final Cash Dividend for the year ended December 31, 2023, as recommended by Board of Directors in its meeting held on February 07, 2024 to all entitled shareholders of Faysal Bank Limited be and is hereby approved in addition to 10% Interim Cash Dividend for the Second Quarter (half year) ended June 30, 2023, and 10% Interim Cash Dividend for the third quarter ended September 30, 2023, already paid to the Shareholders.*

***FURTHER RESOLVED** that the Company Secretary and/or CFO of the Bank be and are hereby singly authorized to do all acts, deeds and things relating to payment of 20% Final Cash Dividend for the year ended December 31, 2023, to all entitled Shareholders of the Faysal Bank Ltd."*

- 4. To appoint External Auditors KPMG Taseer Hadi & CO, Chartered Accountants for the ensuing financial year 2024 at PKR 16,750,000/- (excluding sales tax and out of pocket expenses capped at 10%) of statutory audit, reviews and certification fees.**

The Chairman took up the fourth Agenda Item which was the appointment of External Auditors for the financial year 2024.

CS informed that the Board Audit & Corporate Governance Committee (BACGC) of the Bank at its Meeting held on February 05, 2024, had recommended to the Board of Directors (BOD) for the re-appointment of M/s. KPMG Taseer Hadi & Co., Chartered Accountants (KPMG TH), as an External Auditors of FBL for the year 2024. Next on the recommendation from the BACGC, the Board of Directors of FBL in its Meeting held on February 07, 2024, recommended the re-appointment of KPMG TH as an External Auditors of FBL for the consideration and approval of the Members for the year 2024 till the next Annual General Meeting of FBL. The Members adopted the recommendation of the Board of Directors for the appointment of KPMG TH as an External Auditors of the Bank for the year 2024 at a remuneration of PKR 16,750,000/- (excluding out of pocket expenses and sales tax) for the audit fee, review and certifications .

Mr. Muhammad Hanif (CDC ID No. 10231-10745) queried about the fee of the re-appointed external auditors and in response, CFO stated that the recommended fee is 15% higher than current year and such an increase is justifiable keeping in view the growth in Balance Sheet of bank, inflationary pressures and devaluation of PKR.

Thereafter, upon motion duly proposed by a Member Mr. Usman Ali (CDC ID No. 3277-84477) and seconded by Mr. Mr. Zohaib Anwar (CDC ID No. 01651-35510) the following resolution was passed unanimously:

***“RESOLVED** that as recommended by the Board Audit & Corporate Governance Committee and Board of Directors of Faysal Bank Limited, M/s. KPMG Taseer Hadi & Co., Chartered Accountants, be and are hereby appointed as External Auditors of the Bank for the ensuing financial year 2024 at remuneration of PKR. 16,750,000/- (excluding sales tax and out of pocket expenses capped at 10%) of statutory audit, reviews and certification fees from the conclusion of this Annual General Meeting and hold the office till conclusion of the next AGM in 2025.”*

5. There was no other general business to consider or transact.

SPECIAL BUSINESS:

6. **To consider and approve the Transmission of Annual Audited Financial Statements / Annual Report to the Shareholders through QR Enabled Code and Weblink in that connection to pass the following Resolutions as Special Resolution, with or without modification, addition or deletion.**

The Chairman took up the sixth Agenda Item which was the approval of transmission of financial statements / annual report to the shareholders through QR-Enabled code under the direction of SECP.

CS next submitted that as per the new amendments in the regulatory requirements, the FBL is allowed to disseminate financial statements / annual reports to the shareholders through QR enabled code which requires approval from the shareholders.

Thereafter, upon motion duly proposed by a Member, Mr. Sufyan Hussain (CDC ID No 14746-167416), and seconded by another Member Mr. Usman Ghani (CDC ID No. 03277-123093), the following Resolutions were passed by majority:

***“RESOLVED** that in terms of SRO 389(1)/2023 dated March 21, 2023, of Securities and Exchange Commission of Pakistan, transmission of Annual Audited Financial Statements to the Shareholders of the Bank through QR enabled code and weblink be and is hereby approved.*

***“RESOLVED** that with the adoption of more advanced mode, the transmission of Annual Audited Financial Statements through CD/DVD/USB be and hereby be discontinued.*

“RESOLVED that the Bank shall provide hard or soft copies of complete Annual Audited Financial Statements along with the other requisite documents free of cost to those Shareholders who have made a written request to the Bank in this regard.

“RESOLVED that the Company Secretary and/or Chief Financial officer of the Bank be and are hereby singly authorized to do all acts, deeds and things in connection and ancillary thereto as may be required or expedient to give effect to the spirit and intent of the above resolutions.

“FURTHER RESOLVED that the Chief Executive Officer and or Company Secretary of the Bank be and are hereby singly authorized and empowered to give effect to the above resolution effect any amendments as may be required by Regulators and to do all acts, deeds and things that may be necessary or required and to sign such documents and take such steps from time to time as and when necessary.

7. To Consider and approve the amount of remuneration paid to the Non-Executive/Independent Directors of FBL during the year 2023 for attending the Board/Sub-Committees Meetings and in that connection to pass the following resolution as Special Resolution, with or without modification, addition or deletion.

The Chairman took up the next Agenda Item and asked CS to present the same.

CS apprised the Members that a comprehensive detail of remuneration paid to the Directors was given in Note 38.2 of the Annual Audited Financial Statements for the year ended December 31, 2023.

Mr. Muhammad Hanif (CDC ID No. 10231-10745) queried about the remuneration paid to the Board of Directors and in response, CS stated that the same is in line with regulatory requirement however, the remuneration of the same is increased due to the meetings conducted other than the required Board and sub-committee. He further queried and emphasized on the remuneration scales of the employees of FBL and in response, P&CEO responded that being an Islamic Bank the FBL always trying to keep balance among the shareholders, employees, and other stakeholders. In this regard, the FBL has made a major adjustment in the pay scale of their employees in the last year to maintain a desired level and will also have direction from the Board to maintain the same in future as well.

With the above, the discussion on the agenda item concluded and upon proposal from a Member Mr. Muhammad Hanif (CDC ID No. 10231-10745) and Mr. Usman Ali (CDC ID No 3277-84477), the following resolution was passed unanimously.

“RESOLVED that the remuneration paid to the Chairman, Non-Executive and Independent Directors of Faysal Bank Limited for attending Board meetings and meetings of the Board Committees i.e. Recruitment, Nomination and Remuneration Committee; Board Risk Management Committee; Board Audit & Corporate Governance Committee; Board Strategy Committee and Board IT Committee as disclosed in Note No. 38.2 of the Annual Audited Unconsolidated Financial Statements of the Bank for the year ended December 31, 2023 is submitted to the shareholders for approval on a post facto basis, be and is hereby approved.”

Thereafter, CS, with the permission of the Chair, requested the shareholders to start the balloting on the agenda items number 6 & 7. He further stated that such requirement would be executed considering the requirement of SECP where all the businesses classified as a ‘Special Businesses’ under the companies Act, 2017, need to be conducted balloting, both E-voting and postal balloting in-person as well. For this purpose, the share Registrar (CDCSRL) of FBL is appointed to conduct the entire balloting in this regard.

Upon completion of the vote counting process the CDCSRL handed over the results to the Chairman for announcing the same to the Members. Afterwards, the Chairman announced the results which are as follows:

- For Agenda Item number 6:

| Description | No. of shareholders | %age of casted Votes | %age of Paid-up Capital |
|----------------|---------------------|----------------------|-------------------------|
| Votes in favor | 130 | 99.99% | 84.08% |
| Votes Against | 3 | 0.0001% | 0.0001% |

- For Agenda Item number 7:

| Description | No. of shareholders | %age of casted Votes | %age of Paid-up Capital |
|----------------|---------------------|----------------------|-------------------------|
| Votes in favor | 114 | 99.98% | 84.079% |
| Votes Against | 19 | 0.0013% | 0.0011% |

8. To transact any other Business with the permission of the Chairman.

There being no other business to consider or transact, the meeting concluded with a vote of thanks to the Chair.

Company Secretary & Head Legal

Chairman of the Meeting