



Bank Alfalah

**MINUTES OF THE 33RD ANNUAL GENERAL MEETING (AGM)
OF THE SHAREHOLDERS OF BANK ALFALAH LIMITED**

Date : **20th March 2025**
Time : **10:30 AM**
Venue : **Movenpick Hotel, Karachi.**

Participants: Mr. Abdulla K. Al Mutawa - Shareholder and Director
(through weblink): Mr. Khalid Mana Saeed Al Otaiba - Shareholder and Director
Mr. Efstratios Georgios Arapoglou - Shareholder and Director
Mr. Khalid Qurashi - Shareholder and Director
Dr. Ayesha Khan - Shareholder and Director

(in-person) Mr. Atif Aslam Bajwa - Shareholder (for self and as proxy for HH Nahayan Mabarak Al Nahayan; HE Suroor Bin Mohammad Al Nahyan; HE Sheikh Saeed Bin Mohammad Al Nahyan; Mr. Abdulla Nasser Hawaileel; M/s. Electro Mechanical Co. LLC; Dhabi One Investments Services LLC; HE Sheikh Mohammed Bin Butti Al Hamid; H.E Shaikh Saif Mohamed Bin Butti Al Hamed; Jubilee General Insurance Company Limited; CDC - Trustee NBP Stock Fund; CDC - Trustee NBP Balanced Fund; CDC - Trustee NBP Sarmaya Izafa Fund; CDC - Trustee NBP Financial Sector Fund; Trustee Of Bank Alfalah Ltd. Employees Gratuity Fund Trust; Trustee Of Bank Alfalah Ltd. Employees Provident Fund Trust; Trustee-Bank Alfalah Limited Employees Provident Fund Trust; National Bank of Pakistan; CDC-Trustee UBL Stock Advantage Fund; CDC - Trustee UBL Asset Allocation Fund; CDC - Trustee UBL Retirement Savings Fund - Equity Sub Fund; CDC



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- Trustee UBL Financial Sector Fund and Allied Bank Limited, shareholders), and Director/CEO.

(The total attendance of shareholders through video link, in person and by proxies were 660)

IN ATTENDANCE: Mr. Muhammad Akram Sawleh, Company Secretary (CS)
Ms. Anjum Hai, Chief Financial Officer (Shareholder and CFO)

OTHER

PARTICIPANT: Mr. Noman Abbas Sheikh - Partner of A.F. Ferguson and Co. Chartered Accountants Auditors of the Bank.

PROCEEDINGS:

Mr. Atif Bajwa, Chief Executive Officer and Director (“the **CEO**”) of Bank Alfalah Limited (“the **Bank**”), informed the shareholders that due to other pressing engagements, the Chairman H.H. Sheikh Nahayan Mabarak Al Nahayan, could not come to chair this Annual General Meeting (“**AGM**”); however, His Highness has sent his best wishes to the shareholders. The shareholders were further informed that Mr. Abdulla Nasser Hawaileel Al Mansoori and Mr. Gyorgy Tamas Ladics, Directors were also not able to attend this AGM due to other commitments and pre-occupations. It was proposed that an ordinary resolution may be passed by the shareholders for grant of leave of absence to them.

Upon motion duly proposed by Mr. Muhammad Wasi (CDC Account No: 07344-8121) and seconded by Mr. Muhammad Faisal Dilawar (CDC A/c. No. 04259-9362), the following resolution was unanimously passed for grant of leave of absence and the Company Secretary read out the Resolution:

“RESOLVED that leave of absence be and is hereby granted to H.H. Sheikh Nahayan Mabarak Al Nahayan, Mr. Abdulla Nasser Hawaileel Al Mansoori and Mr. Gyorgy Tamas Ladics, Directors of Bank Alfalah Limited to attend the 33rd Annual General Meeting being held on 20th March 2025.”

The Company Secretary proposed that Mr. Atif Bajwa, Chief Executive Officer and Director, be requested to chair the 33rd AGM of the Bank. Upon the motion duly proposed and seconded by the shareholders, Ms. Nafeesa Dada (CDC A/c. 03277-27101) and Mr. Muhammad Siddiq Khokhar (CDC A/c. 05116-13310), Mr. Atif Bajwa took the chair and welcomed the shareholders to the 33rd Annual General Meeting of the Bank.

The CEO informed that the attendance of shareholders present and connected through video link to this AGM has been recorded and the Quorum for the meeting was complete. The Company Secretary informed that 660 shareholders were present through video link, in person and/or by proxies and they together hold 68.18% of the total shareholding of the Bank. The Chairman of the meeting thereafter called the meeting to be in order.



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The proceedings commenced with the recitation of the Holy Quran by Mr. Akram Sawleh, Company Secretary. After the recitation of the Holy Quran, the Notice and Agenda of the meeting were taken up for consideration.

NOTICE OF THE MEETING:

The Company Secretary informed the shareholders that the Notice and Agenda for this meeting had already been dispatched to the members and published in the daily newspapers, Business Recorder and Express on 27th February 2025 in their Karachi, Lahore and Islamabad editions. He requested the shareholders that the Notice and Agenda of this meeting may be considered as read. As proposed by Mr. Muhammad Ali (CDC A/c. No. 04366-1788) and seconded by Mr. Muhammad Farooq (CDC A/c. No. 06445-8237), the Notice and Agenda of the 33rd AGM were considered as read.

ORDINARY BUSINESS:

1. TO CONFIRM MINUTES OF THE EXTRA-ORDINARY GENERAL MEETING HELD ON 27TH MAY 2024 AT KARACHI

It was informed by the CEO that the copies of the draft Minutes of Extra Ordinary General Meeting held on 27th May 2024 at Karachi were made available for the shareholders at the entrance of the meeting hall. The minutes were also sent to the State Bank of Pakistan (“SBP”) and Pakistan Stock Exchange. He enquired whether the members wished for him to read the Minutes or the same may be considered as read. The members agreed that the same be considered as read.

Upon motion duly proposed by Mr. Muhammad Farooq (CDC A/c. No. 06445-8237) and seconded by Mr. Usman Ali (CDC A/c. No. 06445-27732), the following resolution was unanimously passed:

The Company Secretary read out the Resolution for confirmation of the Minutes.

“RESOLVED that the Minutes of the Extra-Ordinary General Meeting held on 27th May 2024 at Karachi, be and are hereby confirmed.”

Thereafter, the Chairman of the meeting signed the Minutes.

2. TO RECEIVE, CONSIDER AND ADOPT THE AUDITED ANNUAL ACCOUNTS OF THE BANK FOR THE YEAR ENDED 31ST DECEMBER 2024 TOGETHER WITH CHAIRMAN’S REVIEW REPORT, DIRECTORS’ REPORT AND AUDITORS’ REPORTS THEREON INCLUDING APPROVAL OF REMUNERATION PAID TO THE NON-EXECUTIVE DIRECTORS FOR ATTENDING BOARD AND BOARD COMMITTEES’ MEETINGS



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The Chairman of the meeting said that the next agenda is to receive, consider and adopt the audited Annual Accounts of the Bank for the year ended 31st December 2024, together with the Chairman's Review Report, Directors', and Auditors' Reports thereon ("**the Reports**"), including approval of remuneration paid to the non-executive directors for attending Board and Board Committees meetings reported in Note 42 of the Annual Accounts. The said Reports on the Annual Accounts for the year ended 31st December 2024 were taken as read.

The Chairman requested the CFO to highlight the salient features of the audited annual accounts of the Bank for the year ended 31st December 2024.

The CFO, Miss Anjum Hai informed the shareholders that the year 2024 was another year of growth for the Bank despite many challenges faced by the Banking industry this year. She highlighted the key milestone and achievements in 2024, i.e. the Bank has achieved the highest long term rating which is "AAA" credit rating Pakistan Credit Rating Agency (PACRA). This rating reflects Bank's strong financial risk profile. We have continued with our growth strategy and our branch network is now stands at 1,153 and out of which 37% branches are Islamic. We opened 129 branches during 2024. She added that our deposits grew to PKR 2.137 trillion increasing by 2.5% from last year. This was impacted by repositioning of our deposit profile as the industry was affected by the tax implications associated with ADR during the year. However, we focused on building our average deposits which grew by 23% while average current accounts also increased by 11%. Our market share for deposits stood 6.4%. CA mix was 38.2% at the close of the year and CASA was 79.2%. With regards to the advances, the Bank adopted an aggressing strategy whereby gross advances depicted growth of 49% in gross advances and amounted to PKR 1.2 trillion at the end of the year. Bank's advances related market share was at 8.1%. She further informed that our strategy for advances was also influenced by ADR taxation and this phenomenon also impacted the net income of last quarter for all banks. Our trade market share was maintained at 8.4% with 13% growth in volumes. We remained the 2nd highest player in the market for the remittance with our market share moved to 15.6% with a volumetric grown of 45%.

The CFO apprised the shareholders that the Bank has achieved various awards during the year, one of these was "Best Bank for Digital Excellence" for third year in a row and "Best Bank for Customer Engagement" from Pakistan Banking Association We were also amongst Top 25 companies announced by Pakistan Stock Exchange and were also ranked amongst the Top 10 best performing stocks in Asia Pacific regions for 2024.

The shareholders were informed that the profit after tax was PKR 38.3 billion showing a growth of 5% over last year. The Bank maintained its profitability and posted growth despite pressure on spreads on account of reductions in interest rates and higher taxation. During the year, the Government had increased tax rates by 5% on banking industry, which impacted the Bank's profitability by PKR 4.2 billion. However, we were able to sustain our bottom line numbers because of our growth in revenues generated through non-funded income streams. The Capital Gain increased by PKR 13 bn over last year and fee commission was also up by 11%. The NII was impacted because of spreads compression, nevertheless we were able to maintain it at a stable level because of volumetric growth. The expenses grew due to a number of factors. The main factors were high inflation, branch expansion, new hiring, new initiatives where we are investing in digital and new technologies as well as in marketing for brand building and



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Corporate Social Responsibility. Cost to income was at 49%, while provisions decreased due to higher recoveries. Bank's our NPL ratio improved was 3.7% and NPL coverage stood at 111%, our ADR was 54% and the CAR remained very strong at 17.96%. Bank's EPS was 24.3. The Bank has paid three Interim Cash Dividend @ 60% and now a Final Cash Dividend @ 25% is being proposed which is a separate agenda item.

After the CFO's briefing on the Audited Annual Accounts for the year 2024, the Chairman of the meeting invited questions, from the shareholders.

Mr. Usman Ali (CDC A/c. No. 06445-27732) appreciated the Bank's financial results of the year 2024, however, he said that in his opinion provisions were lower and profitability had declined compared to the previous year. He enquired about the reasons thereof. He also enquired about the status of the fraud activities in the subsidiary of the Bank, Alfalah Securities.

The CFO stated that in the year 2024, the Bank's recovery against provided loans remained very good, while on the other hand reduction in interest rates caused spread compression to the Bank as well as the whole banking industry. She added that due to the high taxation, the profitability was also impacted. With regard to the Alfalah Securities Limited ("ASL"), the CEO said that it is a separate entity where, the Bank is a major shareholder. The businesses of ASL are being managed by its Managing Director. Unfortunately, the operations of ASL have generated a loss. He added that we are looking for all possible remedial steps to be taken in accordance with the law. The CEO said that appropriate legal actions against the responsible persons/culprits are being taken in accordance with the law to set an example for others. The CEO further said that we realize that we are not getting significant returns in this business and is not fruitful to hold this business, therefore, the management of the Bank, upon having Board's approval has decided to sell the Company, subject to shareholders' approval being sought in this AGM, as a Special Business. He however, said that the recovery efforts will continue.

Mr. Muhammad Farooq (CDC A/c. No. 06445-8237) appreciated the Management for the good financial results as well as the interim and final dividends. He expressed his best wishes for rather higher profitability in the coming years.

Upon an enquiry raised by Mr. Muhammad Raziuddin Monem (CDC A/c. No. 06452-020900) regarding the index of annual report and comparative figures, the CFO replied that index is already available on the 2nd page of the Annual Report 2024, while the data in respect of comparison of figures with that of the previous years are already provided, as per the accounting disclosure requirement. She added that we have even provided financial data for the past six years in the Annual Report.

With regard to the future outlook of the Bank as asked by Mr. Monem, the CEO responded that he may refer to the Chairman's, Directors Reports and other relevant information sections of the Annual Report. There is also a section on Outlook in the Annual Report 2024 on page No. 309. He added that the sections relating to the Environment, Social and Governance are also available in the Annual Report.



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There were no further questions/comments, the Chairman of the meeting requested the shareholders to consider approving the annual audited accounts for the year ended 31st December 2024.

Upon motion duly proposed by Mr. Muhammad Siddiq Khokhar (CDC A/c. 05116-13310) and seconded by Usman Ali (CDC A/c. No. 06445-27732), the shareholders passed the following Resolution unanimously and the Company Secretary read out the Resolution.

“RESOLVED that as recommended by the Board of Directors of Bank Alfalah Limited (“the Bank”), the audited unconsolidated statement of financial position as at 31st December 2024, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with notes thereon for the year 1st January 2024 to 31st December 2024, the Chairman’s Review Report and the Directors’ Report presented to this meeting and the Auditors’ Report read before this meeting, be received and adopted.

RESOLVED FURTHER that as recommended by the Board of Directors of the Bank, the audited consolidated statement of financial position as at 31st December 2024, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with notes thereon for the year 1st January 2024 to 31st December 2024 presented to this meeting and the Auditors’ Report read before this meeting, be received and adopted.

RESOLVED FURTHER that the remuneration paid to the non-executive directors of the Bank for attending Board and Board Committees meetings reported in Note 42 of the Annual Accounts, be and is hereby approved.”

3. TO APPROVE AS RECOMMENDED BY THE BOARD OF DIRECTORS, PAYMENT OF FINAL CASH DIVIDEND AT THE RATE OF RS. 2.5/- PER SHARE i.e. 25%

The Chairman informed the shareholders that the next Agenda item of this meeting is to approve payment of final cash dividend @ Rs.2.5/- per share, i.e. 25%, as recommended by the Board of Directors. He also informed the shareholders that this final cash dividend is in addition to the three interim cash dividends already paid by the Bank @ 20% each (cumulative 85% i.e. Rs. 8.5/- per share up to 31st December 2024). The shareholders were invited for their comments on this agenda item.

There were no comments. Upon motion duly proposed by Muhammad Farooq (CDC A/c. No. 06445-8237) and seconded by Mr. Adam A Habib (CDC Account No: 06122-42358), the shareholders passed the following Resolution unanimously.

The Company Secretary read out the Resolution proposed for the approval of the cash dividend.



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“RESOLVED that as recommended by the Board of Directors of Bank Alfalah Limited (“the Bank”), payment of final cash dividend @ Rs. 2.5/- per share i.e. 25%, in addition to the three Interim Cash Dividends already paid by the Bank @ 20% each (cumulative 85% i.e. Rs. 8.5/- per share up to 31st December 2024), be paid to the shareholders, whose names appear on the Register of Members as at close of business on 11th March 2025.

RESOLVED FURTHER that the Chief Executive Officer, Chief Financial Officer and the Company Secretary of the Bank be and are hereby authorized jointly and/or severally to take all actions and do all acts, deeds and things as may be necessary in the matter of payment of the above cash dividend.”

4. TO APPOINT AUDITORS OF THE BANK FOR THE YEAR 2025 AND FIX THEIR REMUNERATION

The Chairman informed the shareholders that the present auditors of the Bank, Messrs A. F. Ferguson & Co. (PWC), expressed their willingness to continue to act as auditors of the Bank for the year 2025 at the fee/remuneration PKR 47,140,000/- excluding applicable taxes and out of pocket expenses (which will be billed at actual) plus any new certification / review requirements, including tax and other consultancies and IFRS-9 related engagements for matters which are applicable from 2025.

CFO while replying to the queries raised by Mr. Usman Ali (CDC A/c. No. 06445-27732) and Mr. Muhammad Raziuddin Monem (CDC A/c. No. 06452-020900) said that the Auditors' fees are being increased by 17% due to increased workload due to increased regulatory requirements in the banking sector.

There was no comment on this Agenda item. Upon motion duly proposed by Mr. Muhammad Ali (CDC Account No: 04366-1788) and seconded by Mr. S M Iradat Jawed Khan (CDC A/c. No. 010231-12774), the shareholders passed the following Resolution unanimously for the appointment of auditors of the Bank for the year 2025 and fixed their remuneration.

The Company Secretary read out the following Resolution:

“RESOLVED that M/s. A. F. Ferguson & Co. (PWC), Chartered Accountants, be and are hereby appointed as Statutory Auditors of Bank Alfalah Limited for the year 2025 at the fee/remuneration of PKR 47,140,000/- excluding applicable taxes and out of pocket expenses (which will be billed at actual) plus any new certification / review requirements, including tax and other consultancies and IFRS-9 related engagements for matters which are applicable from 2025. These will be billed separately at mutually agreed fee.”



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5. SPECIAL BUSINESSES - TO APPROVE AND AUTHORIZE THE BANK TO SELL ITS ENTIRE SHAREHOLDING IN ALFALAH SECURITIES (PRIVATE) LIMITED (SUBSIDIARY OF THE BANK)

The CEO said that we now proceed to the Special Business i.e., to approve and authorize the Bank in accordance with Section 183(3)(b) of the Companies Act, 2017 to sell its entire shareholding in its subsidiary, Alfalah Securities (Private) Limited (“Alfalah Securities”) that is 324,999,912 shares constituting 95.59% of the issued and paid up share capital of Alfalah Securities to M/s. Optimus Capital Management (Private) Limited, for an amount equivalent to the sum of PKR 313,042,698/-, subject to adjustment based on the net equity as of the closing date.

The CEO said that the required information of the agenda has already been provided in the Statement of Material Facts already sent to the members along with Notice of the AGM. While in view of the regulatory requirements, the Bank has provided Postal Ballot and e-Voting facility to its shareholders and appointed M/s. S. M. Suhail & Co. Chartered Accountants as Scrutinizer for the processing and compilation of results of e-Voting and Postal Ballot.

The CEO further said that the ballot paper was also sent to all shareholders and PSX along with the AGM notice and was published in leading newspapers as well as on the Bank’s website, while e-voting arrangements were made by the Bank’s Share Registrar to enable shareholders to cast their vote for the said special business.

Accordingly, shareholders have participated through postal ballot as well as e-voting and have provided their dissenting or accepting votes to the said special business.

The CEO requested the shareholders present at the meeting to show dissent or acceptance to the said special business. The CEO also invited the shareholders queries in respect of the special business.

All the shareholders presented in the meeting were agreed with the special business agenda to authorize the Bank to sell its entire shareholding held in its subsidiary company. The Scrutinizer and the Share Registrar noted the same and accordingly prepare the results and provided the same to the Chairman of the meeting.

The Chairman of the meeting, i.e., the CEO thanked the shareholders for their patience and cooperation and announced that a total of 1,075,598,380 votes were cast. Out of which no vote was found invalid, and 3,401 votes were against the agenda i.e., 0.00%, while 1,075,594,979 votes were in favor of the agenda, i.e., 100.00%.

The CEO added that in view of the above results, the resolutions stand approved by the shareholders of the Bank. The text of the resolutions have already been sent to the shareholders along with Notice of AGM and the same may be deemed as read.

As there was no comment from any of the members, upon motion duly proposed by Mr. Muhammad Farooq (CDC A/c. No. 06445-8237) and seconded by Mr. Khalid Moin Usmani (CDC A/c. 04143-7245), the following Resolutions was passed by the shareholders:



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“RESOLVED THAT pursuant to Section 183(3) of the Companies Act, 2017, Bank Alfalah Limited (“the Bank”) be and is hereby authorized to sell its entire shareholding in its subsidiary, Alfalah Securities (i.e. 324,999,912 shares constituting 95.59% of the issued and paid up share capital of Alfalah Securities) to Optimus Capital Management (Private) Limited for an amount equivalent to the sum of PKR 313,042,698/- (Pak Rupees Three Hundred and Thirteen Million, Forty-Two Thousand, Six Hundred and Ninety-Eight Only), subject to adjustment based on the net equity as of the closing date.

FURTHER RESOLVED THAT the Chief Executive Officer, the Chief Financial Officer and Group Head Strategy, Transformation, Customer Experience & VC Investments of the Bank and the Company Secretary of the Bank (“Authorized Representatives”) be and are hereby jointly and severally, authorized to take all necessary steps and to do all such acts deeds and things for and on behalf of, and in the name of the Bank, as may be necessary or required as they may think fit for or in connection with or incidental for the purposes of the above-mentioned resolution, as well as carry out any other act, deed, matter or step which may be ancillary and / or incidental to the above and necessary to fully achieve the objects of the aforesaid resolution and / or the proposed transaction

FURTHER RESOLVED THAT all actions taken by the Authorized Representatives and / or the Board of Directors of the Bank in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects.”

There being no other matter to discuss, the Chairman thanked the shareholders and the Directors for their cooperation in concluding the meeting successfully and passing the Resolutions.

The meeting concluded with a vote of thanks to the Chair by the Company Secretary.

CHAIRMAN