

Reproduced hereunder letter No.CSD/CI/25/2019-132 dated December 19, 2019 received from **SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN** regarding **Application for Further Issue of Shares by way of Other than Right under Section 83(1)b) of the Companies Act 2017 read with the Companies(Further Issue of Shares) Regulation 2018** For information of all concerned.

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No. CSD/CI/25/2019-132

December 19, 2019

Ms. Neelofar Hameed,  
Company Secretary,  
Habib Bank Limited,  
HBL Tower, 24th Floor, Plot No. G-4,  
Block No. 7, Clifton,  
Karachi



**Subject: Application for further issue of shares by way of other than right under section 83 (1) (b) of the Companies Act, 2017 read with the Companies (Further Issue of Shares) Regulations, 2018**

Dear Madam,

Please refer to letter of Habib Bank Limited ("the Bank") dated November 21, 2019 and previous correspondence regarding the aforementioned subject.

2. In this connection, I am pleased to inform you that the competent authority, on the basis of special resolution passed by the shareholders of the Bank in the extraordinary general meeting (EOGM) held on June 21, 2019 and approval of State Bank of Pakistan ("SBP") vide letter dated June 10, 2019, has allowed the Bank to issue upto 117, 280,041 shares, against conversion of Term Finance Certificates (TFCs) amounting to Rs. 15,000,000,000, by way of shares other than right under Section 83 of the Companies Act, 2017 to holders of subject TFCs on occurrence of trigger events.
3. The aforesaid approval is, however, subject to the following conditions:
- The conversion mechanism, conversion price, trigger events, sufficiency of shares to be converted, TFC holders to whom shares to be issued and all other features relevant to subject TFCs shall be governed by the terms and conditions and predefined events as disclosed to the shareholders, SBP and the Commission.
  - The Bank, within fourteen days from date of this letter, shall provide an undertaking to the effect that:
    - The Bank will, at all times, maintain sufficient cushion in the authorized capital atleast equal to the maximum cap on shares to be issued.
    - The Bank has and will continue to ensure that the nothing in applicable law, its memorandum and articles of association and conditions by relevant regulatory authorities restrict the legal form and manner of subject issue of shares.
  - The Bank shall inform the Commission within 07 days of the issuance of shares regarding the following:
    - number of shares issued;
    - list of TFC holders to whom shares are issued, their respective TFC holding and number of shares issued to each holder;
    - conversion price (complete working of determining the price);
    - total paid up capital after subject issue of shares.



- d) In case of any conflict regarding the terms of TFCs or conversion, the Bank shall not take any decision that is contrary to the disclosures made to the shareholders, SBP & the Commission.
- e) Any change in covenants, regulatory approvals or material information or event regarding the subject conversion of TFCs or effecting circumstance of the subject case shall be communicated to the Commission immediately;
- f) The aforesaid approval for issuance of shares is being given based on the documents/ information provided, relevant laws and regulations and hence the Commission bears no responsibility whatsoever for the (express or implied) agreements between the TFC holders and the Company.

4. It may be noted that the aforesaid is issued without prejudice to the relevant requirements of Securities Act, 2015, if applicable.

**Abid Hussain**  
Executive Director

**CC for Information:**

1. **State Bank of Pakistan**  
Banking Policy and Regulations Department, I.I Chundrigar Road, Karachi
2. **Chief Regulatory Officer, Pakistan Stock Exchange**  
Stock Exchange Building, Stock Exchange Road, Karachi-74000.
3. **Central Depository Company**  
CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahrah-e-Faisal, Karachi, 74400