

Notice of the Extraordinary General Meeting

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of **Samba Bank Limited** ("the Bank") shall be held at 10:00 am on Thursday, the 17th January, 2013, at Hotel Beach Luxury, Karachi, to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the 9th Annual General Meeting held on March 28, 2012.

SPECIAL BUSINESS:

2. To consider and approve capital restructuring through Reduction of the Share Capital of the Bank and Issuance of Right Shares and to pass the following special resolutions:

IT IS, THEREFORE, RESOLVED THAT the reduction of the share capital of the Bank, to the extent of PKR 6,252,347,656 (Pak Rupees Six billion two hundred fifty two million three hundred forty seven thousand six hundred and fifty six only) and to file a Petition under Section 96 of the Companies Ordinance, 1984, before the High Court of Sindh at Karachi in this respect be and is hereby approved;

IT IS, FURTHER RESOLVED THAT the issuance of 200,000,000 (Two hundred million) shares at PKR 10/- per share amounting to PKR 2,000,000,000 (Pak Rupees Two Billion only) by way of right issue under Section 86 of the Companies Ordinance, 1984 be and is hereby approved.

FURTHER RESOLVED THAT the Company Secretary and Chief Executive Officer of the Bank, be and are hereby jointly and / or severally authorized, to take all necessary steps, ancillary and incidental for the (i) reduction in capital of the Bank and (ii) issuance of right shares of the Bank, including but not limited to obtaining all requisite regulatory approvals; filing of all the requisite statutory forms and all other documents as may be required to be filed with the Securities and Exchange Commission of Pakistan, submitting all such documents as may be required with the State Bank of Pakistan, executing all such certificates, applications, notices, reports, letters and any other document or instrument including any amendments or substitutions to any of the foregoing as may be required in respect of the reduction in capital under Section 96 of the Companies Ordinance and issue of right shares under Section 86 of the Companies Ordinance and all other matters incidental or ancillary thereto.

RESOLVED THAT the Company Secretary or Chief Executive Officer of the Bank, be and are severally further authorized to file a Petition under Section 96 of the Companies Ordinance before the High Court of Sindh at Karachi in respect of reduction in capital of the Bank including but not limited to engaging of legal counsel, filing of affidavits and applications.

A copy of the statement as required under Section 160(1)(b) of the Companies Ordinance, 1984 setting out in detail the special business to be conducted in the extraordinary general meeting ("160(1)(b) Statement") is provided with this notice of the meeting. Further copies of the 160(1)(b) Statement may be obtained from the registered office of the Bank at 6th Floor, Sidco Avenue Centre, M.D.M. Wafai Road, Karachi during normal office hours on application prior to the meeting by the shareholders.

OTHER BUSINESS

To transact any other business of the Bank with the approval of the Chair.

By Order of the Board

Karachi
December 27, 2012

Saima Kamila Khan
Company Secretary

Notes:

1. The explanatory statement as required under section 160(1)(b) of the Companies Ordinance, 1984 is being sent to the shareholders along with a copy of this notice.
2. Share Transfer Books of the Bank will remain closed from 11-01-2013 to 17-01-2013 (both days inclusive). Transfer received in order at Bank's Registrar, M/s Famco Associates (Pvt.) Ltd, State Life Building No. 1-A, 1st Floor, I. I. Chundrigar Road, Karachi, 74000 upto close of business on 10-01-2013 will be considered in time for the purpose of Extraordinary General Meeting.
3. A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend vote and speak at the meeting instead of him/her. Proxies, in order to be effective, must be received at the Bank's Registered Office, not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
4. CDC account holders will be required to follow the under mentioned guidelines as laid down in Circular number 1 dated January 26, 2000 of the Securities and Exchange Commission of Pakistan for attending the meeting.
5. CDC shareholders, entitled to attend and vote at this meeting, must bring with them their Computerized National Identity Cards (CNIC)/Passport in original along with Participants' ID Numbers and their Account Numbers to prove his/her identity, and in case of Proxy, must enclose an attested copy of his/her CNIC or Passport.
6. In case of a corporate entity the Board of Directors' resolution/power of attorney with the specimen signature of the nominee shall be submitted with the proxy form to the company, and the same shall be produced in original at the time of the meeting to authenticate the identity of the nominee.
7. Shareholders are requested to notify any change in their addresses to the Bank's Shares Registrar, M/s Famco Associates (Pvt.) Ltd, State Life Building No. 1-A, 1st Floor, I. I. Chundrigar Road, Karachi, immediately.

Statement under Section 160(1)(b) of the Companies Ordinance, 1984

1. The Bank is operating as a banking company in Pakistan and its authorized capital is an amount of PKR 15,000,000,000 (Pak Rupees Fifteen billion only) divided into 1,500,000,000 (One billion five hundred million) shares having a face value of PKR 10 per share.
2. The total paid up and issued share capital of the Bank is an amount of PKR 14,334,734,140 (Pak Rupees Fourteen billion three hundred thirty four million seven hundred thirty four thousand one hundred and forty only) divided into 1,433,473,414 (One billion four hundred thirty three million four hundred seventy three thousand four hundred and fourteen) ordinary shares of PKR 10 each.
3. The Bank is proposing to restructure its capital by way of:
 - (i) Reduction in capital to the extent of PKR 6,252,347,656 (Pak Rupees Six billion two hundred fifty two million three hundred forty seven thousand six hundred and fifty six only) under Section 96 of the Companies Ordinance, 1984 ("Companies Ordinance").
 - (ii) Issue further capital by way of a right issue under Section 86 of the Companies Ordinance.
4. The main objective for capital restructuring which includes capital reduction and the subsequent issuance of further capital by way of right shares is to comply with the minimum capital requirements for years 2012 and 2013 as prescribed by the State Bank of Pakistan without increasing the authorized capital of the Bank. Since the existing paid-up capital of the Bank is almost equal to the authorized capital, the adjustment of accumulated losses amounting to PKR 6,252,347,656 (Pak Rupees Six billion two hundred fifty two million three hundred forty seven thousand six hundred and fifty six only) will reduce the paid-up capital which is no longer represented by the available assets. This would also result in the par value of the Bank's shares to be more closely reflective of the Bank's underlying assets and consequently the capital employed by the Bank's businesses.