



Bank Alfalah

April 29, 2020

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

SUBJECT: UPDATION OF DOCUMENTATION

Dear Sir:

Further to our correspondence dated April 23, 2020, please find enclosed the additional documents with regards to calling Tier 2 instrument (TFC V) issued in Feb 2013 for the information of the TFC holders.

1. Approval received from the State Bank of Pakistan to call TFC V
2. First Supplemental Trust Deed executed between Bank Alfalah and The Trustees
3. Board Resolution authorizing the Bank's management to call TFC V

You may please inform the TREC holders accordingly.

Yours sincerely,

For and on behalf of
Bank Alfalah Limited

Aasim Wajid Jawad
Group Head – Strategy, Transformation & CE

CC:

Director / HOD
Surveillance, Supervision and Enforcement Department
Securities and Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue
Blue Area, Islamabad

For and on behalf of
Bank Alfalah Limited

Muhammad Akram Sawleh
Company Secretary, Head Legal &
Corporate Affairs



STATE BANK OF PAKISTAN
BANKING POLICY & REGULATIONS DEPARTMENT
I. I. CHUNDRIGAR ROAD
KARACHI

No. BPRD/BA&CPD/616/006312/20

April 20, 2020

The Chief Executive Officer
Bank Alfalah Limited
B.A. Building
I.I. Chudrigar Road
Karachi.

Dear Sir,

Request to Exercise Call Option on Tier 2 eligible TFCs – Bank Alfalah Limited

Please refer to your letter dated March 2, 2020 wherein SBP has been requested to allow the bank to call, in entirety, its Rated, Listed, Unsecured, Subordinated Tier 2 eligible Term Finance Certificates (TFCs) of Rs. 5 billion (BAFL TFC - V) issued in February 2013.

In this regard, it is advised that State Bank of Pakistan (SBP) has no objection to Bank Alfalah's proposal of exercising call option on its above referred TFCs, provided the bank is legally authorized to do so and ensures full compliance with the applicable laws, rules and regulations.

Yours truly

-Sd/-

(Uzair Ashfaq)
Deputy Director

FIRST SUPPLEMENTAL TRUST DEED

Executed By and Between

BANK ALFALAH LIMITED

(As the Issuer)

And

PAK BRUNEI INVESTMENT COMPANY LIMITED

(As the Trustee)

Executed at Karachi on January 20, 2020



MOHSIN TAYEBALY & CO.

Corporate Legal Consultants | Barristers & Advocates
High Courts & Supreme Court



SYED NISAR AHMED STAMP VENDOR
L No 78 Room 11 1st Floor, opposite A. Act,
Denso Hall, Saddar Town, Karachi.

20 JAN 2020

RUPEES ONE HUNDRED ONLY

SR No. 23372 Date
Issued to with Address M. WARIS KHAN
Through with Address ADVOCATE
Purpose LED # 15113-LC
Value Rs. 100

Stamp Vendor Signature:
Do Not use Divorced & will Purpose and then you
Will not Responsible for any illegal / Fake Art.

FIRST SUPPLEMENTAL TRUST DEED

This **FIRST SUPPLEMENTAL TRUST DEED** is executed at Karachi on January 20, 2020 (hereinafter referred to as the "First Supplemental");

BY AND BETWEEN

1. **BANK ALFALAH LIMITED**, a banking company incorporated under the laws of the Islamic Republic of Pakistan and having its registered office at B.A. Building, I.I. Chundrigar Road, Karachi (hereinafter referred to as the "Issuer" which expression shall unless repugnant to the context include its successors-in-interest and permitted assigns);

AND

2. **PAK BRUNEI INVESTMENT COMPANY LIMITED**, a development finance institution incorporated under the laws of the Islamic Republic of Pakistan and having its registered office at Horizon Vista, Commercial-10, Block No. 4, Scheme No. 5, Clifton, Karachi, Pakistan (hereinafter referred to as the "Trustee" which expression shall unless repugnant to the context include its successors-in-interest and permitted assigns).

(The Issuer and the Trustee are hereinafter collectively referred to as the "Parties").

WHEREAS:

- A. The Issuer and the Trustee have entered into a Trust Deed dated December 24, 2012 (the "Trust Deed") pursuant to which the Issuer has issued redeemable capital in the aggregate amount of PKR 5,000,000,000/- (Pak Rupees Five Billion) in the nature of a listed, rated, un-secured and subordinated Term Finance Certificates (the "TFCs") to eligible institutional and other investors (the "TFC Issue").
- B. In accordance with the provisions of the Trust Deed, the Issuer wishes to modify certain terms and conditions applicable in respect of the TFCs.



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High Courts & Supreme Court

- C. Pursuant to the Extraordinary Resolution passed by the TFC Holders on January 15, 2020, the Trustee is empowered to enter into this First Supplemental.

NOW THEREFORE, THIS FIRST SUPPLEMENTAL WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:

1. All capitalized terms used herein and specifically not defined in this First Supplemental shall have the same meaning as ascribed thereto in the Trust Deed.
2. The following definitions shall be added under Clause 1.1 of the Trust Deed:

"DST Regulations" means the Debt Securities Trustee Regulations, 2017 issued by the SECP (as amended or replaced from time to time);
3. Clause 2.6.1 of the Trust Deed shall stand replaced and superseded by the following:

"2.6.1 The Trustee shall not retire or resign from the trusteeship under this Trust Deed except (i) where the Trustee ceases to be a registered debt securities trustee under the DST Regulations or (ii) for any other reason, by way of written notice to the Issuer and the TFC Holders of at least 90 (ninety) days in writing and approval of the SECP. Any such retirement or resignation shall not be effective until and unless a replacement trustee is duly appointed by the Issuer in accordance with the provisions of Clause 2.6.3 below."
4. Clause 2.6.2(b) of the Trust Deed shall stand replaced and superseded by the following:

"(b) if the Issuer is required by any provision of law or any rules and regulations formulated thereunder to appoint a trustee other than the Trustee;"
5. The following shall be inserted as Clause 2.11 of the Trust Deed:

"2.11 Debt Securities Trustee Regulations, 2017"

2.11.1 The Issuer and the Trustee confirm that the TFC Issue shall be subject to the terms and conditions contained in the DST Regulations, including all rights and obligations of the Trustee pursuant to the same. The Issuer confirms that it shall provide the Trustee with all necessary information from time to time to ensure that the Trustee is able to comply with its obligations under the DST Regulations and all applicable provisions, including but not limited to Schedule-I of the DST Regulations shall be deemed to be incorporated in this Trust Deed by reference."
6. The term "**Companies Ordinance, 1984**" wheresoever appearing and used in the Trust Deed shall stand appropriately replaced by "**Companies Act, 2017**" and the reference to specific sections shall be construed accordingly.
7. The following shall be inserted as Clause 3.14 of the Trust Deed:

"3.14 Call Option"

*3.14.1 Subject to receipt of written approval from SBP and compliance with its minimum capital requirements and capital adequacy ratio, the Issuer will have an option to redeem in full (hereinafter referred to as "**Call Option**", as detailed below) or part (hereinafter referred to as the "**Partial Call Option**") the outstanding face value of the TFCs in terms of Clauses 3.14.2 to 3.14.7 below.*



- 3.14.2 The Call Option or the Partial Call Option may be exercised by the Issuer after obtaining written approval from SBP at any time on or after a period of 60 (sixty) months from the Issue Date by giving to the TFC Holders and the Trustee at least 21 (twenty-one) days' prior notice in writing, specifying the Redemption Date on which the Issuer will redeem ("**Option Redemption Date**") all of the then outstanding TFCs (Call Option) or a portion of the then outstanding TFCs (Partial Call Option) by payment of the amount(s) calculated in accordance with the provisions of the Clauses 3.14.3 to 3.14.7 below, whereupon the TFC Holders shall be bound to so accept the redemption.
- 3.14.3 In case of the exercise of the Call Option, the Issuer will pay (a) the Redemption Amount of the scrip of the TFC maturing for payment on the Option Redemption Date and (b) the outstanding Issue Price allocated to then outstanding TFCs (excluding the TFC scrip for which payment of the Redemption Amount will be made).
- 3.14.4 In case of Partial Call Option, the TFCs shall be redeemed from each TFC Holder pro rata based on the total number of Sets of TFCs held by such TFC Holder. The actual number of Sets of TFCs so redeemable from each of the TFC Holders shall be determined by rounding off the amount payable in respect of early redemption of such TFCs to the closest PKR 100,000/- (Pak Rupees One Hundred Thousand) Provided, however, that if any TFC Holder is holding only one Set of TFCs not exceeding PKR 5,000/- (Pak Rupees five thousand) in face value the same shall be redeemed as a whole or retained in its entirety at the discretion of the TFC Holder. Provided further, that in case of Partial Call Option, all those TFCs held by TFC Holders, each holding one set of TFC having a face value not exceeding PKR 5,000/- (Pak Rupees five thousand) and opted for early redemption, shall be redeemed in full first and the remaining amount of the Partial Redemption Amount (defined below) shall be utilized for early redemption of the remaining TFCs on a pro-rata basis.
- 3.14.5 The notice for the exercise of the Partial Call Option above shall specify the portion of the outstanding Issue Price intended to be redeemed ("**Partial Redemption Amount**").
- 3.14.6 In case of exercise of the Partial Call Option the Issuer will pay on the Option Redemption Date (a) the Redemption Amount of the scrip of the TFC maturing for payment on the Option Redemption Date and (b) the Partial Redemption Amount.
- 3.14.7 Any notice of Call Option or Partial Call Option, once issued shall be irrevocable. In case of any dispute as to the amounts payable by the Issuer to the TFC Holders upon exercise of Call Option or the Partial Call Option, the determination of the Trustee in this regard, save for manifest error, shall be final and binding on the Issuer and the respective TFC Holders."
8. The following shall stand inserted as Paragraph 27 of the Terms and Conditions contained in the Trust Deed:

"27. Call Option

- 27.1 Subject to receipt of written approval from SBP and compliance with its minimum capital requirements and capital adequacy ratio, the Issuer will have an option to redeem in full (hereinafter referred to as "**Call Option**", as detailed below) or part (hereinafter referred to as the "**Partial Call Option**") the outstanding face value of the TFCs in terms of Clauses 27.2 to 27.7 below.
- 27.2 The Call Option or the Partial Call Option may be exercised by the Issuer after obtaining written approval from SBP at any time on or after a period of 60 (sixty) months from the Issue Date by giving to the TFC Holders and the Trustee at least 21 (twenty-one) days'



prior notice in writing, specifying the Redemption Date on which the Issuer will redeem ("**Option Redemption Date**") all of the then outstanding TFCs (Call Option) or a portion of the then outstanding TFCs (Partial Call Option) by payment of the amount(s) calculated in accordance with the provisions of the Clauses 27.3 to 27.7 below, whereupon the TFC Holders shall be bound to so accept the redemption.

- 27.3 In case of the exercise of the Call Option, the Issuer will pay (a) the Redemption Amount of the scrip of the TFC maturing for payment on the Option Redemption Date and (b) the outstanding Issue Price allocated to then outstanding TFCs (excluding the TFC scrip for which payment of the Redemption Amount will be made).
- 27.4 In case of Partial Call Option, the TFCs shall be redeemed from each TFC Holder pro rata based on the total number of Sets of TFCs held by such TFC Holder. The actual number of Sets of TFCs so redeemable from each of the TFC Holders shall be determined by rounding off the amount payable in respect of early redemption of such TFCs to the closest PKR 100,000/- (Pak Rupees One Hundred Thousand) Provided, however, that if any TFC Holder is holding only one Set of TFCs not exceeding PKR 5,000/- (Pak Rupees five thousand) in face value the same shall be redeemed as a whole or retained in its entirety at the discretion of the TFC Holder. Provided further, that in case of Partial Call Option, all those TFCs held by TFC Holders, each holding one set of TFC having a face value not exceeding PKR 5,000/- (Pak Rupees five thousand) and opted for early redemption, shall be redeemed in full first and the remaining amount of the Partial Redemption Amount (defined below) shall be utilized for early redemption of the remaining TFCs on a pro-rata basis.
- 27.5 The notice for the exercise of the Partial Call Option above shall specify the portion of the outstanding Issue Price intended to be redeemed ("**Partial Redemption Amount**").
- 27.6 In case of exercise of the Partial Call Option the Issuer will pay on the Option Redemption Date (a) the Redemption Amount of the scrip of the TFC maturing for payment on the Option Redemption Date and (b) the Partial Redemption Amount.
- 27.7 Any notice of Call Option or Partial Call Option, once issued shall be irrevocable. In case of any dispute as to the amounts payable by the Issuer to the TFC Holders upon exercise of Call Option or the Partial Call Option, the determination of the Trustee in this regard, save for manifest error, shall be final and binding on the Issuer and the respective TFC Holders."
9. This First Supplemental shall form an integral part of the Trust Deed and therefore subject to the modifications contained in this First Supplemental, the terms and conditions of the Trust Deed shall continue to subsist and be as effective as before the execution of these presents and shall be valid, effective and binding on the Issuer as if the provisions of the Trust Deed were set forth in this First Supplemental.
10. This First Supplemental shall be governed by and construed in accordance with the laws of the Islamic Republic of Pakistan.



IN WITNESS WHEREOF the Parties have executed this First Supplemental through their attorneys/Authorised Representatives on the day, month and year first above written.

In presence of the following Witnesses:

Aasim W. Jawad
For and on behalf of
BANK ALFALAH LIMITED

Name: AASIM W. JAWAD

Designation: GROUP HEAD - STRATEGY, TRANSFORMATION
PLACE

CNIC No.: 42301-4112260-1



Anjum HAZ
For and on behalf of
BANK ALFALAH LIMITED

Name: ANJUM HAZ

Designation: CHIEF FINANCIAL OFFICER

CNIC No.: 42201-0260078-6

1 Signature: Zain Alam

Name: ZAIN ALAM

CNIC No.: 42201-506180-3

2 Signature: Imran Bashir

Name: IMRAN BASHIR

CNIC No.: 42201-9868237-1



In presence of the following Witnesses:

Syed Arif Hussain
For and on behalf of
PAK BRUNEI INVESTMENT COMPANY LIMITED

Name: SYED KASHIF SAIF

Designation: Exec. Officer Head Finance

CNIC No.: 4220178202877 4220197958642

Signature: Syed Arif Hussain

Name: Syed Arif Hussain

CNIC No.: 42401-0215155-5

Signature: P. Madani Hussain

Name: P. Madani Hussain

CNIC No.: 42501-1484796-5



Bank Alfalah

RE-AFFIRMATION OF BOARD RESOLUTION PASSED ON AUGUST 26, 2018

CERTIFIED THAT the below underquoted Board Resolution, passed by the Board of Directors of Bank Alfalah Limited ("the Bank") in its meeting held on August 26, 2018 at Abu Dhabi, has been re-affirmed by all Board members of the Bank, including the Chairman. The said Board Resolution was circulated to the Board on 17th January 2020 along with a Note (*copy attached*) of the Group Head, Strategy, Transformation & CE.

QUOTE

"BOARD RESOLUTION

RESOLVED THAT as recommended by Board Strategy & Finance Committee, subject to compliance with applicable laws/regulations and after obtaining necessary corporate and regulatory approvals, the Management of Bank Alfalah Limited ("the Bank") be and is hereby authorized to recall TFC V Tier 2 instrument of PKR 5 Billion (issued by the Bank in 2013).

FURTHER RESOLVED THAT that the Chief Executive Officer, Chief Financial Officer, Group Head, Strategy and Company Secretary, be and are hereby jointly (any two of them acting jointly) authorized to take any and all actions as may be required from time to time for the purposes of recalling of the abovementioned TFC V Tier 2 instrument including, but not limited to, appointing advisors and consultants and incurring required/necessary expenses and to do all other acts, deeds and things as may be necessary and incidental in the matter."

UNQUOTE

Karachi
23rd January 2020

Muhammad Akram Sawleh
Company Secretary