



Bank for Life

SE-100(5F)2018/50

May 03, 2018

The General Manager

Pakistan Stock Exchange Limited

Stock Exchange Building

Stock Exchange Road

Karachi

Dear Sir,

Re: **Disclosure of Material Information**

In accordance with applicable provisions of the Securities Act, 2015 and Clause 5.19.13(c) of the Rule Book of Pakistan Stock Exchange and in continuation of our previous disclosure disseminated vide our letter Ref. No. SE-100(5F)2018/44 dated April 23, 2018, MCB Bank Limited hereby conveys the following information:

"A Certified Copy of the Order of Honorable Lahore High Court, Lahore, dated May 02, 2018 sanctioning the Scheme of Compromises, Arrangements and Reconstruction (the "Scheme") between MCB Bank Limited and its wholly owned subsidiary, MCB Islamic Bank Limited is enclosed herewith.

The **Effective Date** of the Scheme is close of business on "**June 01, 2018**".

A disclosure form is also enclosed as **Annexure A** hereto.

You are requested to disseminate the above information to the Members of the Exchange accordingly.

Yours truly,

Fida Ali Mirza
Company Secretary

Encl: **As Above**

Cc: Corporate Supervision Division, SECP, NIC Building, Blue Area, Islamabad.
Director/HOD, Surveillance, Supervision and Enforcement Department, SECP, NIC Building, Blue Area, Islamabad.

-HA-

MCB Bank Limited

Registered Office: MCB Building, 15-Main Gulberg, Lahore - Pakistan, UAN: +92-42-111-000-111, Website: www.mcb.com.pk
Company Secretary Office: 6th Floor, MCB Building, 15-Main Gulberg, Lahore - Pakistan. Ph: +92-42-36041621 Fax: +92-42-35776616



**DISCLOSURE FORM
IN TERMS OF SECTIONS 96 AND 131 OF THE SECURITIES ACT, 2015**

Name & Address of Company:	MCB Bank Limited MCB Building, 15 - Main Gulberg, Jail Road, Lahore
Date of Report:	May 03, 2018
Contact Information	Mr. Fida Ali Mirza Company Secretary MCB Bank Limited MCB Building, 15 - Main Gulberg, Jail Road, Lahore Tel Number: +92-42-36041621 Fax Number: +92-42-35776616 Email Address: fida.mirza@mcb.com.pk

Please mark the appropriate box below (see General Instruction A.1 below before filing the details)

[*] Disclosure of Inside Information by listed company.

Public disclosure of inside information, which directly concerns the listed securities.

"A Certified Copy of the Order of Honorable Lahore High Court, Lahore, dated May 02, 2018 sanctioning the Scheme of Compromises, Arrangements and Reconstruction (the "Scheme") between MCB Bank Limited and its wholly owned subsidiary, MCB Islamic Bank Limited is enclosed herewith.

The **Effective Date** of the Scheme is close of business on "**June 01, 2018**".

The Company has duly caused this form/statement to be signed on its behalf by the undersigned hereunto duly authorized.



Fida Ali Mirza
Company Secretary

May 03, 2018



LAHORE HIGH COURT, LAHORE.

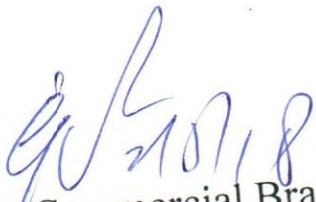
C.O. NO. 118405-2017

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Lahore High Court, Lahore

PRESENT:-

MR. JUSTICE SHAMAS MEHMOOD MIRZA

Order P.T.O.


Examiner Commercial Branch

ORDER SHEET
IN THE LAHORE HIGH COURT LAHORE
JUDICIAL DEPARTMENT.

C.O. No.118405 of 2017.

MCB Bank Limited

VERSUS

MCB Islamic Bank Limited.

S. No. of order/ proceedings	Date of order/ Proceedings	Order with signatures of Judge, and that of parties of counsel, where necessary
	20.04.2018.	M/s Imtiaz Rashid Siddique and Shaheryar Kasuri Advocates for petitioner. Hafiz Talaha Advocate for respondent/ SDECP.

This is a joint petition filed under sections 279 to 283 and 285(8) of the Companies Act, 2017 (the Act) read with SRO No. 840(1)/2017 dated 24.08.2017 issued by the Finance Division, Government of Pakistan seeking sanction of the scheme of compromise, rearrangement and reconstruction and transfer of the assets, liabilities and operation of Ninety (90) branches of MCB Bank Limited (petitioner No.1 herein) to its wholly owned subsidiary namely MCB Islamic Bank Limited, petitioner No.2 (hereinafter referred to as the **Scheme**). It is further stated in the Scheme that on the effective date, the conventional branches will stand converted to Islamic banking branches. The Scheme upon sanction will demerge, rearrange and transfer all assets, liabilities and operations of the 90 branches of MCB Bank Limited/petitioner No.1 to MCB Islamic Bank Limited/petitioner No.2.

2. This Court on 11.12.2017 directed for issuance of notices through proclamation in the newspaper daily "Jang" and daily "The Dawn" under Rules 61 of the Companies (Court) Rules, 1997, for

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 Lahore High Court, Lahore

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the purposes of informing the general public of the presentment of the Scheme *inter se* the petitioners and objections were invited from members, certificate holders and creditors as well as from any person having any interest in the affairs of the petitioners. In addition thereto, notices were also issued to the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, the Competition Commission of Pakistan and the secured creditors of the petitioners.

3. This Court through order dated 11.12.2017 also ordered for the holding of the extra-ordinary general meetings of the petitioners to ascertain the wishes of their respective members/certificate holders with reference to the Scheme. These meetings were directed to be held under the co-chairmanship of Mr. Aurangzeb Mirza, Advocate and Mr. Mian Asif, Advocate. The chairpersons were directed to preside over the meetings and to submit a report thereof.

4. In compliance with the order of this Court, public notices were issued in daily "The Dawn", daily "The Business Recorder" and daily "Jang" on 31.03.2018.

5. The chairpersons have filed their report on 15.03.2018, which is accompanied by the relevant record. According to the report, the extra-ordinary general meetings of the respective petitioners were scheduled and notified for 10.02.2018. In this regard, notices were issued to the shareholders of the Petitioners, which were also published on 19.01.2018 in dailies "Jang" and "The Dawn". The copies of the dispatched notices and names of the shareholders and

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C.O. No. 118405 of 2017
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enhanced value for their shareholders, (c) allow petitioner No.2 to harness and capitalize on the phenomenal opportunities of Islamic banking business, in Pakistan; the same will facilitate as well as expand Islamic banking operations within Pakistan, in accordance with the applicable rules and regulations of the State Bank of Pakistan, and (d) will result in increased value for shareholders in as much as the petitioner companies would have their own distinct characteristics and would offer different investment profiles.

9. As none of the stakeholders, regulators, creditors, shareholders of petitioner No.1 and petitioner No.2 and other interested parties have raised any objection to the Scheme, the modified Scheme annexed with the report of the Chairmen is hereby sanctioned. The approved Scheme shall form part of this order as Schedule "A". The Scheme shall take effect in accordance with section 282 of the Act. In consequence thereof, it is further ordered in terms of section 282(3) of the Act that the petitioner No.2 shall within 30 days after the date of issue of a certified copy of this order cause the delivery thereof to the Registrar of Companies for compliance.

10. The petition stands allowed on the above terms.

(Shams Mehmood Mirza)
Judge.

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Examiner: JIS (Commercial Branch)
Lahore High Court, Lahore

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Ganun-e-Shahadat Ordinance 1947

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Authorized Under Article 87 of
Ganun-e-Shahadat Ordinance 1947

IN THE HONOURABLE LAHORE HIGH COURT, LAHORE
[Company Jurisdiction]

C.O. No. 118405 /2017

In the matter of:

MCB Bank Limited
with its registered office at MCB House,
15-Main Gulberg,
Jail Road, Lahore.

..... Applicant No. 1

And

MCB Islamic Bank Limited
with its registered office at
T-59, DHA Phase II, Lahore.

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C.O. No.
Examiner: J/S (Commercial Bench)
Lahore High Court, Lahore

..... Applicant No.2

JOINT APPLICATION by the Applicants under sections 279 to 283 and 285 of the Companies Act, 2017 read with SRO No.840(I)/2017 dated 24.08.2017 and all other enabling provisions of law for sanction of the Scheme of Compromises, Arrangements and Reconstruction

Respectfully submitted:

1. The Applicants jointly move this application before this honourable Court, to obtain the sanction of the attached Scheme of Compromises, Arrangements and Reconstruction (the "Scheme"). The application is being moved before this honourable Court under sections 279 to 283 read with section 285(8) of the Companies Act, 2017 (the "Act of 2017") and SRO No. 840(I)/2017 dated 24.08.2017, issued by the Finance Division, Government of Pakistan. This honourable Court has thus, the jurisdiction to entertain the application and sanction the Scheme.
2. As per the terms and conditions entailed in the Scheme, the Demerged Undertaking of MCB Bank Limited ("MCB"), is to demerge and as a result thereof, merge/vest into MCB Islamic Bank Limited ("MIB").

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9. The provisions of the Competition Act, 2010 are inapplicable herein. The transaction inter se MCB and MIB, being between the holding and subsidiary companies, are excluded from the purview thereof.

In furtherance thereto, under the Act of 2017, in order to seek information and/or any objection/observation/comment with reference to the Scheme, this honourable Court may issue notices to:

- i. The Registrar of Companies, the Securities & Exchange Commission of Pakistan, Lahore;
- ii. The State Bank of Pakistan;
- iii. The secured creditors of the Applicants', as per the list attached herewith; and
- iv. The Public at Large.

The Applicants under the supervision of this honourable Court and/or any of its authorized representative(s) will accomplish the requirements, as contained in the SBP's letter dated 28.11.2017.

10. No Prejudice shall be caused to anyone if the Scheme is sanctioned, as the sanction of the Scheme will benefit and is in the interest of the Applicants, their shareholders, employees and the general public.

11. It is just and equitable that this honourable Court be pleased to confirm and sanction the Scheme with effect from March 15, 2018 or the date of sanction of the Scheme by this honourable Court, whichever is later.

PRAYER

In view of the afore, it is, therefore, most respectfully prayed that this honourable Court may be pleased:

- a. To direct that a joint meeting of the members of the Applicants be called, to consider and approve the Scheme attached herewith and the meeting so called may kindly be held under the supervision of this honourable Court.

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- b. To direct that notices through publication or otherwise of the said meeting be given to the members of the Applicants, the Registrar of Companies, the State Bank of Pakistan, the account holders/customers of the Demerged Undertaking, the creditors and the general public at large.
- c. Upon approval of the Scheme by the respective members of the Applicants, to approve and sanction the same.
- d. To pass all requisite vesting orders for giving effect to the Scheme of Compromises, Arrangements and Reconstruction including vesting orders pursuant to section 285(8) of the Companies Act, 2017 and relating to the transfer and amalgamation of the entire Demerged Undertaking, with MIB.
- e. To order that the cost and incidental expense to this application be paid by the Applicants as per the Scheme.
- f. To pass such further order or orders and to issue all consequential and necessary directions, as this honourable Court may deem fit and proper in the circumstances.

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C.O. No. 2018

Examiner: JIB (Commercial Branch) Lahore High Court, Lahore

Applicant No.1

Applicant No.2

FIDA ALI MIRZA
 COMPANY SECRETARY
 MCB BANK LIMITED
 Principal Office
 MCB Building, 6th Floor
 14, Main G. Street, Jail Road, Lahore.

Intiaz Rashid Siddiqui
 Intiaz Rashid Siddiqui
 Advocate Supreme Court

Cerbin

SYED IFTIKHAR HUSSAIN RIZVI
 Chief Financial Officer
 MCB ISLAMIC BANK LIMITED
 59 T-Block, DHA Phase-II, Lahore

Shehryar Kasuri
 Shehryar Kasuri
 Advocate Supreme Court

Raza Intiaz Siddiqui
 Raza Intiaz Siddiqui M. Humzah Sheikh

Jamshid Alam
 Jamshid Alam

Qadeer Kalyar
 Qadeer Kalyar

Sabeel T. Mann
 Sabeel T. Mann
 Advocate High Courts

Omar Tariq
 Omar Tariq

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 JIB (Commercial Branch) Lahore

IN THE HONOURABLE LAHORE HIGH COURT, LAHORE
[Company Jurisdiction]

C.O. No. 118405 /2017

For Private Use
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Lahore High Court, Lahore

In the matter of:

MCB Bank Limited
with its registered office at MCB House,
15-Main Gulberg,
Jail Road, Lahore.

..... Applicant No. 1

MCB Islamic Bank Limited
with its registered office at
T-59, DHA Phase II, Lahore.

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And
C.O. No.
Examiner: JS (Commercial Branch)
Lahore High Court, Lahore

..... Applicant No.2

JOINT APPLICATION by the Applicants under sections 279 to 283 and 285 of the Companies Act, 2017 read with SRO No.840(I)/2017 dated 24.08.2017 and all other enabling provisions of law for sanction of the Scheme of Compromises, Arrangements and Reconstruction

Respectfully submitted:

1. The Applicants jointly move this application before this honourable Court, to obtain the sanction of the attached Scheme of Compromises, Arrangements and Reconstruction (the "Scheme"). The application is being moved before this honourable Court under sections 279 to 283 read with section 285(8) of the Companies Act, 2017 (the "Act of 2017") and SRO No. 840(1)/2017 dated 24.08.2017, issued by the Finance Division, Government of Pakistan. This honourable Court has thus, the jurisdiction to entertain the application and sanction the Scheme.
2. As per the terms and conditions entailed in the Scheme, the Demerged Undertaking of MCB Bank Limited ("MCB"), is to demerge and as a result thereof, merge/vest into MCB Islamic Bank Limited ("MIB").

3. For the record of this honourable Court, MCB was incorporated on 09.07.1947, as a public limited company; the same is engaged in the business of banking and is listed on the Pakistan Stock Exchange. A copy of MCB's Memorandum and Articles of Association is attached herewith.

MCB has an authorized share capital of Rs.15,000,000,000 divided into 1,500,000,000 ordinary shares of Rs.10 each; its paid-up capital is Rs.11,850,600,060 divided into 1,185,060,006 ordinary shares of Rs.10 each. A copy of its last audited accounts for the period ended 31.12.2016 and accounts for the period ended 30.09.2017 are attached herewith. The latest copies of Form-29 with Form 'A' are also attached herewith.

This application is being instituted and filed by the duly authorized representative of MCB, Mr. Fida Ali Mirza, who is fully conversant with the facts of the case and is able to depose thereto.

4. MIB was incorporated on the 15.05.2014; it is a wholly owned subsidiary of MCB and is engaged in the business of Islamic banking. A copy of MIB's Memorandum and Articles of Association is attached herewith.

MIB has an authorized share capital of Rs.15,000,000,000 divided into 1,500,000,000 ordinary shares of Rs.10 each; its paid-up capital is Rs.10,000,000,000 divided into 1,000,000,000 ordinary shares of Rs.10 each. A copy of its last audited accounts for the period ended 31.12.2016 and accounts for the period ended 30.09.2017 are attached herewith. The latest copies of Form-29 with Form 'A' are also attached herewith.

This application is being instituted and filed by the duly authorized representative of MIB, Mr. Syed Iftikhar Hussain Rizvi, who is fully conversant with the facts of the case and is able to depose thereto.

5. The *raison d'etre* for moving the instant application before this honourable Court is that the Scheme, upon approval and subsequent implementation thereof, will streamline the branch network of MCB and at the same time,

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increase the existing branch network of MIB; the latter is striving to promote Islamic banking as per the strategy of the State Bank of Pakistan (the "SBP"). The Demerged Undertaking will stand converted from conventional banking operations, into Islamic banking operations on the Effective Date, subject to the approvals contained in the Scheme.

- 6. The strategy and the consequent Scheme, of the Applicants, have been analysed and perused by the SBP; a 'No Objection Certificate' dated 28.11.2017, by the SBP, has been issued in this regard.
- 7. The Scheme has been considered and approved by the respective Board of Directors, of the Applicants, in their board meetings held on October 25th, 2017 and October 24, 2017; the Scheme, has also been approved by the Shariah Board of MIB. Copies of the Board Resolutions passed therein and the approval of the Shariah Board are attached herewith. As per the Scheme, the same has to achieve the requirements set forth, by the SBP, as contained in the SBP's letter, referred afore.
- 8. The circumstances which justify and/or have necessitated the sanction of the Scheme are inter alia as follows:

GROUNDS

- a) As per the Scheme and the terms thereof, upon sanction of said Scheme, by this honourable Court, the Demerged Undertaking will be separated from MCB i.e. will be demerged and as a result thereof, will merge and/or vest into MIB against payment of consideration as provided therein, without any further act or deed or documents being required to be executed, registered or filed in respect thereof.

As a result of the segregation and consequent vesting of the Demerged Undertaking, from MCB into MIB, the latter will be poised to harness and capitalize upon the phenomenal opportunities of the Islamic banking business, in Pakistan. The same will facilitate as well

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as expand Islamic banking operations within Pakistan, in accordance with the applicable rules and regulations of the SBP.

- b) The implementation of the Scheme will allow (i) a better market image with reference to the Islamic banking business, (ii) facilitation of the customers who are desirous to only deal in Islamic banking and (iii) proper business and administrative regimes to be implemented by streamlining operations, assets and liabilities within MIB.
- c) In the context of the aforesaid, by way of this honourable Court's sanction of the Scheme, as a result thereof, the Demerged Undertaking will stand converted into Islamic banking branches on the Effective Date and merge into MIB; consequently, all of the assets as well as the liabilities associated with the Islamic branches will become the assets and liabilities of MIB. The same will substantially increase MIB's portfolio as an Islamic bank, will increase its outreach to a vast array of customers and in turn, MIB will achieve an optimum level of utilization with reference to its inherent potential.
- d) The sanction of the Scheme, by this honourable Court in addition to the afore-mentioned, will enable MIB to further penetrate the market vis-à-vis Islamic banking operations, will increase MIB's market share with respect to the relevant market, will lower its cost of operations, will allow MIB to gain higher competitiveness and will improve its profitability. The sanction of the Scheme and subsequent implementation thereof will also result in an efficient and economical management, control and running of the Demerged Undertaking, by MIB and will augment further development and growth of the Islamic banking business of MIB.
- e) There does not exist any investigation against the Applicants, under the provisions of the Act of 2017, before any forum or court.

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9. The provisions of the Competition Act, 2010 are inapplicable herein. The transaction inter se MCB and MIB, being between the holding and subsidiary companies, are excluded from the purview thereof.

In furtherance thereto, under the Act of 2017, in order to seek information and/or any objection/observation/comment with reference to the Scheme, this honourable Court may issue notices to:

- i. The Registrar of Companies, the Securities & Exchange Commission of Pakistan, Lahore;
- ii. The State Bank of Pakistan;
- iii. The secured creditors of the Applicants', as per the list attached herewith; and
- iv. The Public at Large.

The Applicants under the supervision of this honourable Court and/or any of its authorized representative(s) will accomplish the requirements, as contained in the SBP's letter dated 28.11.2017.

10. No Prejudice shall be caused to anyone if the Scheme is sanctioned, as the sanction of the Scheme will benefit and is in the interest of the Applicants, their shareholders, employees and the general public.

11. It is just and equitable that this honourable Court be pleased to confirm and sanction the Scheme with effect from March 15, 2018 or the date of sanction of the Scheme by this honourable Court, whichever is later.

PRAYER

In view of the afore, it is, therefore, most respectfully prayed that this honourable Court may be pleased:

- a. To direct that a joint meeting of the members of the Applicants be called, to consider and approve the Scheme attached herewith and the meeting so called may kindly be held under the supervision of this honourable Court.

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S.P. 1000 Court, Lahore

- b. To direct that notices through publication or otherwise of the said meeting be given to the members of the Applicants, the Registrar of Companies, the State Bank of Pakistan, the account holders/customers of the Demerged Undertaking, the creditors and the general public at large.
- c. Upon approval of the Scheme by the respective members of the Applicants, to approve and sanction the same.
- d. To pass all requisite vesting orders for giving effect to the Scheme of Compromises, Arrangements and Reconstruction including vesting orders pursuant to section 285(8) of the Companies Act, 2017 and relating to the transfer and amalgamation of the entire Demerged Undertaking, with MIB.
- e. To order that the cost and incidental expense to this application be paid by the Applicants as per the Scheme.
- f. To pass such further order or orders and to issue all consequential and necessary directions, as this honourable Court may deem fit and proper in the circumstances.

Applicant No.1

Applicant No.2

[Signature]
FIDA ALI MIRZA
 COMPANY SECRETARY
MCB BANK LIMITED
 Principal Office,
 MCB Building, 6th Floor
 15 Main Gulberg, Jail Road, Lahore.

[Signature]
SYED IFTIKHAR HUSSAIN RIZVI
 Chief Financial Officer
MCB ISLAMIC BANK LIMITED
 59 T-Block, DHA Phase-II, Lahore

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 Copy: MCB ISLAMIC BANK LIMITED, Lahore

[Signature]
Intiaz Rashid Siddiqui
 Advocate Supreme Court
[Signature]
Shehryar Kasuri
 Advocate Supreme Court

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C.O. No.
 Examiner: JIS (Commercial Branch)
 Lahore High Court, Lahore

[Signature]
Raza Intiaz Siddiqui M. Humzah Sheikh

[Signature]
Jamshid Alam

[Signature]
Qadeer Kalyar

[Signature]
Sabeel T. Mann
Advocate High Courts

[Signature]
Omar Tariq
 Authorized Under Article 87 of
 Qanun-e-Shahadat Order, 1988

SCHEME OF COMPROMISES, ARRANGEMENTS AND RECONSTRUCTION
(UNDER SECTION 279 TO 283 AND 285 OF THE COMPANIES ACT, 2017)

BETWEEN

Schedule A
JUDGE
20-04-18

MCB BANK LIMITED

AND

MCB ISLAMIC BANK LIMITED

TRUE COPY
G.O. No.
Examiner: JIS (Commercial Branch)
Lahore High Court, Lahore

ATTESTED
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Lahore High Court, Lahore

Scheme of Compromises, Arrangement and Reconstruction under Section 279 to 283 and 285 read with other enabling provisions of the Companies Act, 2017 for transfer of assets, liabilities and operations of 90 Branches of MCB Bank Limited to MCB Islamic Bank Limited.

Signature: *[Handwritten Signature]*
MCB BANK LIMITED
RESIDENT OFFICE
ISLAMIC BANK LIMITED
LAHORE

Signature: *[Handwritten Signature]*

Schedule

JUDGE
20-04-18

PRELIMINARY

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1. DEFINITIONS

1.1 In this Scheme of Compromises, Arrangement and Reconstruction (hereinafter referred to as the "Scheme"), unless the subject or context otherwise requires, the following expressions shall bear the meanings specified against them here below:

"Companies" mean MCB Bank Limited (MCB) and MCB Islamic Bank Limited (MIB) Collectively.

"Conversion Date" means the Effective Date on which the Demerged Undertaking of MCB will be converted into Islamic Banking Branches of MIB pursuant to the sanction of this Scheme as per terms given herein.

"Court" means the Lahore High Court, Lahore or any other Court for the time being having jurisdiction under the Companies Act, 2017 and /or applicable laws herein.

"SBP" means the State Bank of Pakistan, constituted under the State Bank of Pakistan Act, 1956.

"SECP" means the Securities and Exchange Commission of Pakistan, constituted under the Securities and Exchange Commission of Pakistan Act, 1997.

"CCP" means the Competition Commission of Pakistan, constituted under the Competition Act 2010.

"Stock Exchange" means the Pakistan Stock Exchange Limited, operating under the laws of Pakistan.

"Completion Date" means 120 days after the "Effective Date" or any date thereafter as may be mutually agreed between the two companies.

"Effective Date" means any date within 45 days of the sanction of this Scheme by the Court."

"Existing" means existing, outstanding or in force immediately prior to the Completion Date.

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Suman Maqsood



Syed Iftikhar Hussain Rizvi
Chief Financial Officer
MCB Islamic Bank Limited

Schedule A
JUDGE
20-04-18

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"Financial Statements" mean financial statements of MCB and MIB, respectively.

"MCB" means MCB Bank Limited; a public limited listed company of Pakistan, engaged in commercial banking and related services, with the following corporate information:

Registered Office : MCB House, 15- Main Gulberg, Jail Road, Lahore

Authorized Share Capital : PKR 15,000,000,000 divided into 1,500,000,000 ordinary shares of Rupees 10 each.

Issued, Subscribed and Paid up Share Capital : PKR 11,850,600,060 divided into 1,185,060,006 ordinary shares of Rupees 10 each.

"MIB" means MCB Islamic Bank Limited, a banking company incorporated in Pakistan as a wholly owned subsidiary of MCB and engaged in Islamic banking and related services, with the following corporate information:

Registered Office : T-59, Phase II, DHA, Lahore.

Authorized Share Capital : PKR 15,000,000,000 divided into 1,500,000,000 ordinary shares of Rupees 10 each.

Issued, Subscribed and Paid up Share Capital : PKR 10,000,000,000 divided into 1,000,000,000 ordinary shares of Rupees 10 each.

"Scheme" means this Scheme of Compromises, Arrangements and Reconstruction submitted to the Court for sanction or with or without any change(s) or modification(s) thereto as may be approved or ordered by the Court.

"Demerged Undertaking" means the banking business of ninety (90)

Fuzon maqool



Abul Kalam

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Syed Iftikhar Hussain Rizvi
Chief Financial Officer
MCB Islamic Bank Limited

Schedule A
JUDGE
20-04-18

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branches of MCB (listed at Annexure "A"), or their successors thereof converted into Islamic Banking Branches including and comprising of their earmarked movable assets, liabilities, operations, systems, staff and assets of Back office functions for example Centralized Clearing and Cash Houses at the ninety (90) branches on a going concern basis, and includes, without any limitation the following:

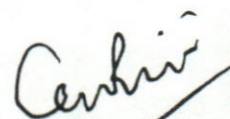
- (i) All types of Current, Saving and Term Deposit Accounts, as particularly detailed at Annexure "B" attached to this Scheme;
- (ii) All other business assets relating exclusively to the 90 Branches listed at Annexure "A" including the financing, accounts, financing facilities, systems excluding any immovable assets if any, as particularly detailed at Annexure "C";
- (iii) All liabilities including bills payable, taxes payable, due to financial institutions, deposits and other accounts including current accounts, saving accounts, term deposits and others, deposit from financial institutions - remunerative, deposits from financial institutions - non remunerative, deferred liabilities, other liabilities, contingencies etc., as more particularly described in Annexure "D";
- (iv) Without prejudice to the generality of the above, Demerged Undertaking shall include all rights, powers, authorities, privileges, contracts, benefits of Government, consents, sanctions and authorizations, licenses, liberties and all properties except immovable properties if any, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and where so ever situated, including in particular software and all other authorities, operation, licenses, rights or interests in or arising out of such property as may belong to or be in the possession or claim of MCB on the Effective Date, duties and obligations of MCB of whatever kind, including liabilities for payment of compensation in the event of retrenchment of employees and all books of accounts and documents relating exclusively to the 90 Branches being transferred by MCB to MIB as listed at Annexure "A".

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1.2 In this Scheme, unless the context otherwise requires:

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Saad Iftikhar Hussain Rizvi

Schedule A
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JUDGE
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- References to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations, entities etc;
 - The headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
 - References to one gender include all genders; and
 - Words in the singular shall include the plural and vice versa.
- 1.3 Any references in the Scheme to "upon the Scheme becoming effective" or "upon coming into effect" or "effectiveness of the Scheme" shall mean the completion date.
- 1.4 The Annexures attached hereto are integral part of this Scheme.

THE SCHEME

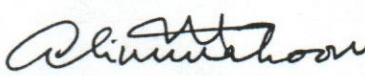
2. OBJECT OF THE SCHEME

- 2.1 The principal object of this Scheme is to segregate as well as to demerge the Demerged Undertaking of MCB and to merge as well as vest the same into MIB against payment of consideration as provided herein without further act or deed or documents being required to be executed, registered or filed in respect thereof. The Scheme on sanction and implementation will rationalize the branch network of MCB and increase the existing network of MIB, which is striving to promote Islamic banking as per strategy of the State Bank of Pakistan. The Demerged Undertaking will stand converted into Islamic banking branches on the Effective Date pursuant to the compliance of applicable regulatory permissions and sanction of this Scheme by SBP and the Court.

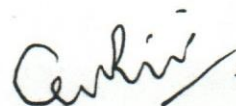
3. DEMERGER AND TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

- 3.1 Subject to the provisions of the Scheme and sanction thereof, the Demerged Undertaking, as defined in clause 1.1, with assets and liabilities presented in Annexure "B", "C" and "D" without further act or deed, be transferred to and vested in and is deemed to be transferred to and vested in MIB.

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Copy of this Scheme
Lahore High Court, Lahore


ISLAMIC BANK LIM
LAHORE


ISLAMIC BANK LIMITED
PRESIDENT
OFFICE



Syed Ifikhar Hussain Rizvi

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3.2 The transfer of assets and liabilities of Demerged Undertaking will be made at their book values on the Effective Date. The unaudited financial position of the Demerged Undertaking as of 30 September 2017 is presented at Annexure "E" which shall be subject to adjustments on the Effective Date and shall be certified by the auditors of the Company.

3.3 The transfer of Demerged Undertaking and continuance of business operations by MCB hereof shall not affect any transactions or proceedings already concluded by MCB in the ordinary course of business and after the transfer date to the end and MIB accepts on behalf of itself all acts, deeds and things done and executed by MCB.

3.4 Assets and liabilities being transferred to MIB shall form assets and liabilities of corresponding nature in the books of MIB.

4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

4.1 MIB shall undertake to, pay, perform and fulfill all contracts, engagements and obligations whatsoever of MCB regarding assets and liabilities including deposits and other accounts being transferred as at the Effective Date, and all contracts, deeds, bonds, agreements, powers of attorney, grants of legal representation and all other instruments of whatever kind, subsisting or having effect immediately before the Effective Date to which MCB may be a party or which shall be in favor of MCB as they were before the Effective Date and may be enforced or acted upon as fully and effectively as if instead of MCB, MIB had been a party thereto.

4.2 Agreements entered into by MCB with their respective bankers, deposit and account holders, companies, persons, agents, etc, if any, regarding assets and liabilities being transferred shall continue to be in full force and effect till their respective renewal dates and may be enforced by or against MIB.

5. LEGAL PROCEEDINGS

5.1 All causes, suits, appeals, petitions/revisions or other judicial, quasi-judicial and/or administrative proceedings of whatever nature by or against MCB relating to the Demerged Undertaking likely to arise and or subsisting and or pending on the Effective Date in or before any court, tribunal forum or other

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OF MCB

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LAHORE

ISLAMIC BANK LIMITED
PRESIDENT

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Syed Iftikhar Hussain Rizvi
Chief Financial Officer

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authority in relation to any person may or will be continued, prosecuted and enforced in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against MIB regarding assets and liabilities being transferred herein as if this Scheme had not been made, and the same will not suffer on any reason and or neither abate, be discontinued and or any way be prejudiced or affected by the provisions of this Scheme.

6. CONDUCT OF BUSINESS BY MCB TILL EFFECTIVE DATE

6.1 MCB, till the Effective Date:

(a) shall be deemed to have been carrying on and to be carrying on all business and activities relating to Demerged Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Demerged Undertaking for and on account of, and in trust for MIB;

(b) All profits and income accruing or arising to MCB from the Demerged Undertaking, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Demerged Undertaking based on the financial statements shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditures, as the case may be of MCB; and

(c) Any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Undertaking exercised by MCB shall be deemed to have been exercised by the Demerged Undertaking for and on behalf of, and in trust for and as an agent of MIB. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Demerged Undertaking that have been undertaken or discharged by MCB shall be deemed to have been undertaken for and on behalf of and as an agent for MIB.

6.2 Under the Scheme and till the Effective Date MCB undertakes that it will preserve and carry on the business of the Demerged Undertaking with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber of the Demerged Undertaking or any part thereof save and except:

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- (a) If the same is in its ordinary course of business as carried on by it as on the date of filing this scheme with the Court; or
- (b) If the same is expressly permitted by this Scheme; or
- (c) If the prior written consent has been obtained from the MIB's Board of Directors and/or representatives of MIB, duly authorized by Board of Directors of MIB.

6.3 As and from the Effective Date and till the Completion Date:

- (a) All debts and liabilities, raised and used, liabilities and obligations incurred, duties and obligations as on the close of business on Effective Date, whether or not provided in the books of the Demerged Undertaking, and all debts and liabilities raised and used, liabilities and obligations incurred, duties and obligations relating thereto which arise or accrue to MCB on or after the Effective Date in accordance with this Scheme, shall be deemed to be the debts and liabilities raised and used, liabilities and obligations incurred, duties and obligations of MIB to which that Demerged Undertaking is transferred and vested.
- (b) All assets of the Demerged Undertaking as on the date immediately preceding the Effective Date, whether or not included in the books relating thereto, and all assets relating thereto, which are acquired by MCB in relation to Demerged Undertaking, on or after the Effective Date, in accordance with this Scheme, shall be deemed to be the assets of MIB.
- (c) MCB shall continue to provide all Information Technology (IT) related services including but not limited to hosting and management of their Core Banking System, reporting systems, digital channels and other support systems till such time that MIB migrates the data from MCB system to MIB system.
- (d) MCB and MIB may execute Service Level Agreements during this phase to clearly set out the services required from MCB and MIB during this phase. This may involve support on Shariah compliance, IT, Infrastructure, Operations, staffing, product definitions etc.

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ISLAMIC BANK LIMITED
LAHORE

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Syed Iftikhar Hussain Rizvi
Chief Financial Officer

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6.4 On and from Completion Date, MCB shall stand released and discharged from all obligations to pay and discharge all obligations and liabilities relating to Demerged Undertaking transferred to and vested in MIB under this Scheme.

7. TRANSFER OF STAFF, WORKMEN AND EMPLOYEES

7.1 The employees of Demerged Undertaking shall become employees of MIB from the Effective Date subject to their acceptance of an employment offer from MIB. Any employee, who chooses not to join MIB or is not made an offer by MIB, shall remain an employee of MCB.

7.2 All staff retirement benefits on account of provident fund, benevolent scheme, pension fund, post-retirement medical benefit or any other amount of approved retirement benefits of the employees of Demerged Undertaking will be determined on the Effective Date and settled / paid to the respective employees covered under clause 7.1.

8. CONSIDERATION FOR DEMERGER AND TRANSFER

8.1 Upon coming in to effect of the Scheme and in consideration for the Demerged Undertaking, the payment of net worth as certified by the auditors of MCB shall be paid within 45 days from the Effective Date.

8.4 The statement of unaudited financial position of the Demerged Undertaking as of September 30, 2017 placed at Annexure "E" shall be subject to adjustment on Effective Date, if any, which shall be certified by the auditors of MCB.

8.5 Any questions that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Undertaking or arises out of the or operations of the vesting orders shall be decided by mutual agreement between the Boards of Directors of MCB and MIB and/or other representatives of MCB and MIB duly authorized by their respective Board of Directors.

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9. MODIFICATIONS / AMENDMENTS TO THE SCHEME

9.1 The respective board of directors of MCB and MIB have given their assent to any modification or amendment to this Scheme or to any terms and / or conditions which the Court and / or any other regulating authority under law may deem fit

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to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and / or carrying out the scheme and to do all acts, deed and things as may be necessary, desirable or expedient for putting this Scheme into effect.

9.2 For the purpose of giving effect to this Scheme or to any modification thereof, the Directors of MCB and MIB have authorized their respective Chief Executives to give such directions and / or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

10. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

10.1 This Scheme is subject to sanction by the Court, with or without any modification or addition thereto as may be imposed by the Court. This Scheme shall also be subject to:

- Approval by the respective board of directors of MCB and MIB;
- Passing of requisite resolution(s) under the applicable provisions of the Companies Act, 2017 by the shareholders of MCB and MIB;
- Endorsement by the SBP;
- Consents of depositors and customers of the Demerged Undertaking to be obtained as may be directed by the Court;
- Any other No Objection of the appropriate authorities concerned, as may be necessary and required but not limited to SECP and / or CCP;

11. EXPENSES CONNECTED WITH THE SCHEME

11.1 All costs, charges and expenses of MCB and MIB respectively in relation to or in connection with this scheme and of carrying out and implementing / completing the terms and provisions of this scheme and / or incidental to the completion of the objects of the scheme shall be borne and paid equally by MCB and MIB.

12. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

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12.1 In the event this Scheme is not sanctioned by the Court for any reason or if for any other reason this Scheme cannot be implemented by or before 31 December 2018 or within such further period or periods as may be agreed upon between MCB and MIB through their respective Board of Directors, this Scheme shall become null and void and in that event no rights or liabilities shall accrue to or be incurred inter se by the parties in terms of this Scheme.

13. COMPLETION DATE OF THE SCHEME

13.1 The Scheme, although operative from the effective date, shall take effect finally upon and from the date on which the last of the aforesaid sanctions or approvals or orders shall have been obtained, and such date shall be the completion date for the purpose of the scheme.

14. APPLICATION TO THE COURT

14.1 MCB and MIB shall make a joint application to the Court for sanctioning of this Scheme.

Date: _____

Lahore

Petitioner No. 1

For MCB Bank Limited

Petitioner No. 2

For MCB Islamic Bank Limited

Imran Maqsood
(PRESIDENT AND CHIEF EXECUTIVE)



Abumathoon
(PRESIDENT AND CHIEF EXECUTIVE)



Fida Ali Mirza
(COMPANY SECRETARY)

FIDA ALI MIRZA
COMPANY SECRETARY
MCB BANK LIMITED
Principal Office,
MCB Building, 6th Floor
15-Main Gulberg, Jail Road, Lahore.

TRUE COPY
C.O. No.
Examiners' IS (Commercial Branch)
Lahore High Court, Lahore

marwona Cheema
(COMPANY SECRETARY)



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