



Bank for Life

MCB Bank Limited

Company Secretary Office  
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SE-100(5F)2019/35

July 03, 2019

**The General Manager**  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
**KARACHI.**

Dear Sir,

**Subject: Delisting of 2<sup>nd</sup> Issue of Term Finance Certificate of MCB Bank Limited**  
**(Symbol: MCBTFC2)**

With reference to your letter No. PSX/GEN-2655 dated June 20, 2019, we enclose herewith the Auditors' Certificate confirming the early redemption of entire outstanding principal along with profit payment in respect of Listed, Rated, Subordinated and Unsecured Term Finance Certificate ("TFC") Issue of MCB Bank Limited (successor of NIB Bank Limited) (hereinafter referred as "Issuer") amounting to PKR 4,198 Million (Pak Rupees Four Billion One Hundred Ninety-Eight Million) issued on June 19, 2014 and certifying that all obligations of the Issuer for redemption of said TFCs have been fully and finally discharged.

Further, all TFCs holders have been informed through Public Notice published in Daily newspaper of English and Urdu Language as well as individually addressed letters that the Issuer has either dispatched the Banker Cheques or credited the amount of 10<sup>th</sup> Redemption of principal and profit payment along with final payment through exercising "Call Option" to redeem full outstanding amount of the subject TFC Issue to the entitled TFC holders on June 19, 2019.

We hope that the given formalities would suffice the requirements to delist the subject TFCs.

Yours truly,

  
**Fida Ali Mirza**  
Company Secretary

Encl: As above

17/19



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Chartered Accountants  
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The Company Secretary  
MCB Bank Limited  
MCB House  
15 Main Jail Road, Gulberg  
Lahore

Our ref: LA-1A-230-19

Contact: M. Rehan Chughtai

01 July 2019

Dear Sir

**Report on factual findings with respect to payment of principal and mark-up of Listed, Rated, Subordinated and Unsecured, Term Finance Certificates (TFCs) Issued under Trust Deed dated 10th March 2014 with Pak Brunei Investment Company Limited ("the Trust Deed")**

We have been requested to provide you with a report on factual findings on payment of principal and mark up by MCB Bank Limited (the "Issuer") on 19 June 2019 relating to TFCs, of aggregate amount of Rs. 4,112,897,917 net of tax and zakat as detailed in Annexure "A" which the management of the Issuer has asserted to us, represents completely discharge of both redemption and non-redemption obligations of the Issuer under the Trust Deed.

We have performed the procedures agreed with you and enumerated below with respect to payment of principal and mark up of aggregate amount of Rs. 4,112,897,917 net of tax and zakat by the Issuer on 19 June 2019 relating to TFCs as detailed in Annexure "A". Management is responsible to prepare and present the attached Annexure "A" and our responsibility is to perform the procedures on said Annexure as agreed with you and enumerated below. Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed upon procedures engagement for the purpose of submission to Pak Brunei Investment Company Limited (the Trustee) under the Trust Deed, Central Depository Company and Pakistan Stock Exchange, and are summarised as follows:

- 1 Agreed the outstanding principal amount of TFCs amounting to Rs 3,891,018,537, as mentioned in Annexure "A" with the detail provided by THK Associates Private Limited vide its letter referenced THK/MCB-TFC-2/2019 dated 18 June 2019;
- 2 Agreed the amount of mark-up payable on TFCs amounting to Rs 229,523,188, as mentioned in Annexure "A" with the detail provided by THK Associates Private Limited vide its letter referenced THK/MCB-TFC-2/2019 dated 18 June 2019;
- 3 Traced the payment of principal amount of TFCs and related mark-up amounting to Rs. 4,112,897,917 net of tax and zakat, in copies of paid cheques, RTGS statement of the Issuer dated 19 June 2019, copy of bank statement of TFC holder for direct transfer and interbank fund transfer in transaction detail report dated 19 June 2019 as provided to us by the management of Issuer and as mentioned in Annexure "A";
- 4 Complete discharge of Redemption and Non-Redemption obligations under Trust Deed based on procedures as mentioned in 1 to 3 above.

*Q. Usik*



KPMG Taseer Hadi & Co.

We report our findings below:

- a) With respect to item no. 1 above, we found that the outstanding principal amount of TFCs amounting to Rs 3,891,018,537, as mentioned in Annexure "A" agrees with the detail provided by THK Associates Private Limited vide its letter referenced THK/MCB-TFC-2/2019 dated 18 June 2019;
- b) With respect to item no. 2 above, we found that mark-up payable on TFCs amounting to Rs 229,523,188, as mentioned in Annexure "A" agrees with the detail provided by THK Associates Private Limited vide its letter referenced THK/MCB-TFC-2/2019 dated 18 June 2019;
- c) With respect to item no. 3 above, we found that payment of principal amount of TFCs and related mark-up, amounting to Rs 4,112,897,917 net of tax and zakat, as mentioned in Annexure "A" agree with copies of paid cheques, RTGS statement of the Issuer dated 19 June 2019, copy of bank statement of TFC holder for direct transfer and interbank fund transfer in transaction detail report dated 19 June 2019 as provided to us by the management of Issuer; and
- d) With respect to item no. 4 above, we found that based on the procedures mentioned in 1 to 3 above, redemption and non-redemption obligations of the Issuer have been completely discharged under the Trust Deed.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standard on Review Engagements, we do not express any assurance on complete discharge of Redemption and Non Redemption Obligations of TFCs Issued under the Trust Deed.

Had we performed additional procedures or had we performed an audit or review of discharge of Redemption and Non Redemption Obligations of TFCs Issued under the Trust Deed in accordance with International Standards on Auditing or International Standard on Review Engagement, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for onward submission to the Trustee, Central Depository Company and Pakistan Stock Exchange and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to discharge of Redemption and Non Redemption Obligations of TFCs Issued under the Trust Deed and does not extend to any financial statements of the Issuer, taken as a whole.

This assignment has been carried out based on an understanding that you will indemnify and hold harmless KPMG Taseer Hadi & Co. Chartered Accountants, its partners, agents and employees from, and against, any and all costs, expenses, losses, claims, demands, actions, suits, or proceedings paid, incurred, or suffered or made or initiated against them by any third party arising out of, or in connection with this report. We accept no responsibility or liability to any other party to whom the report may be shown or into whose hands it may come. Furthermore, we accept no responsibility or liability for any losses occasioned to any other party as a result of reliance on this report.

Yours faithfully