



**Meezan Bank**  
The Premier Islamic Bank

July 26, 2017

CS/PSE-12/065/2017

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

Dear Sir,

**6% RIGHT SHARES AT PREMIUM**

Further to our letter No. CS/PSE-12/062/2017 dated July 26, 2017, we enclose following documents required for the purpose of issuance of Right Shares:

1. The Statement regarding purpose of Right Issue, its benefits to the Bank, use of funds, risk factors associated with the Right Issue and Financial Projections for three years.
2. A certified copy of the resolutions for the Issuance of 6% Right Shares at premium of Rs. 40 passed by the Board for Directors in their 79<sup>th</sup> Meeting held on July 26, 2017.

Yours truly,

**Muhammad Sohail Khan**  
Company Secretary

**The Securities and Exchange Commission of Pakistan**  
Enforcement Division  
NIC Building,  
Jinnah Avenue,  
Blue Area,  
Islamabad.

Encls.



**STATEMENT OF PURPOSE, BENEFITS, USE OF FUNDS AND FINANCIAL PROJECTIONS UNDER RULE 5 OF COMPANIES (ISSUE OF CAPITAL) RULES, 1996**

<b>Quantum of the issue</b>	The issue size has been planned to be 6% (60 million shares) i.e. 6 shares for every 100 shares held.			
<b>Issue price per record</b>	Rs 50 per share including a premium of Rs 40 per share.			
<b>Purpose of Right Issue</b>	The purpose of the right issue is to strengthen the capital structure of the Bank, maintain a sound Capital Adequacy Ratio (CAR) well above the regulatory requirements of the State Bank of Pakistan (SBP) and Basel III accord and support the continuous growth of the Bank's business.			
<b>Benefits to the Bank and use of the proceeds of issue</b>	The funds received from Right Issue will be used for the benefit of the Bank's business. The Right Issue will help the Bank to maintain a stronger capital base and a comfortable CAR in compliance with the regulatory framework. Furthermore, higher CAR will provide additional comfort to depositors and other stakeholders and will enable the Bank to pursue its growth strategy smoothly, increase its existing business, tap new avenues and enhance the per party exposure limits.			
<b>Risk Factors associated with the Right Issue</b>	There are no significant risk factors associated with the right issue as the share is highly demanded in the market.			
<b>Financial Projections</b>	<i>Rs in Millions</i>			
	<b>Description</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
	Total Assets	736,694	840,292	954,597
	Gross income	27,975	32,051	36,454
	Administrative and other expenses	(17,798)	(20,322)	(22,852)
	Profit after Tax	6,272	7,624	8,841
	Note: The information given above reflects bonafide current business perceptions of the Directors as to the future performance of the Bank's business. Neither the Bank nor the Directors accept any responsibility for conclusions drawn or investment decisions made by any person based on the above information.			



**MEEZAN BANK LIMITED**  
**EXTRACT FROM THE DRAFT MINUTES OF THE 79<sup>th</sup>**  
**MEETING OF THE BOARD OF DIRECTORS OF MEEZAN BANK LTD.**  
**HELD ON JULY 26, 2017 IN KARACHI, PAKISTAN**

**Resolved** that the ordinary paid up share capital of Meezan Bank Limited (the "Bank") be increased from Rs 10,027,378,950 to Rs 10,629,021,680 by issue of further 60,164,273 ordinary shares of the Bank of Rs 10/- each to be offered to the shareholders of the Bank in proportion to the number of shares held by each shareholder (i.e. as right shares) at Rs 50 per share inclusive of Rs 40 as premium per share in the ratio of 6 right shares for every 100 existing ordinary share of Rs 10/- each (i.e. 6%), against payment to the Bank of value of the shares subscribed by the shareholders, which shares shall rank *pari passu* in all respect with the existing ordinary shares of the Bank (the "**Right Issue**").

**Further resolved**

That the following are the purpose of the Right Issue, use of the proceeds of the Right Issue and its benefits to the Bank and the risk factors associated with the Right Issue:

**Purpose of the Right Issue**

The purpose of the right issue is to strengthen the capital structure of the Bank, maintain a sound Capital Adequacy Ratio (CAR) well above the regulatory requirements of the State Bank of Pakistan (SBP) and Basel III accord and support the continuous growth of the Bank's business.

**Use of funds**

The funds received from Right Issue will be used for the benefit of the Bank's business and supporting regulatory ratio compliance requirements.

**Benefits to the Bank**

The Right Issue will help the Bank to maintain a stronger capital base and a comfortable CAR in compliance with the regulatory framework. Furthermore, higher CAR will provide additional comfort to depositors and other stakeholders and will enable the Bank to pursue its growth strategy smoothly, increase its existing business, tap new avenues and enhance the per party exposure limits.

**Risk Factors associated with the Right Issue**

There are no significant risk factors associated with the right issue as the share is highly demanded in the market.

A handwritten signature in blue ink, consisting of a stylized 'W' or 'V' shape with a long tail.



That the Right shares so issued shall not be eligible for interim dividend declared for the year ending on December 31, 2017.

That the letter of offer as prescribed under the Section 83 of the Companies Act, 2017, be and is approved, and any two directors be and are hereby authorized to sign the letter of offer, subject to changes, if any, directed by the Pakistan Stock Exchange and any other regulatory authority, and that copies of such letter of offer be filed with the Registrar of Companies and be sent to each of the shareholders.

That the financial plan 2017-2019 including the financial projections as presented to the Board be and is hereby approved and the Chief Executive officer and/ or the Company Secretary be and is hereby authorized to submit to the relevant authorities;

That the Chief Executive and / or Company Secretary be and is hereby authorized to announce book closure dates or any change therein and to prepare the Schedule for issue of right shares including date of payment, and to make any amendment in the said schedule, appointment of banker(s) to the issue, and to take all necessary actions, in this respect, required by Securities and Exchange Commission of Pakistan / Pakistan Stock Exchange Limited / State Bank of Pakistan / Central Depository Company of Pakistan Limited or any other authority;

That the Chief Executive and/ or Company Secretary be and is hereby authorized to appoint / negotiate with underwriters for allotment of unsubscribed portion of Right Shares in the manner prescribed under Companies Issue of Capital Rules 1996;

That the Chief Executive Officer and/or Company Secretary be and are hereby severally authorised to take all other necessary steps, including any ancillary or incidental actions to give effect to the above resolutions; and

That the fractional shares will be consolidated in the name of the Company Secretary and sold on the Pakistan Stock Exchange. The proceeds of such sale will be distributed to the members in accordance with their entitlements.

**Certified true copy**

**Muhammad Sohail Khan**  
Company Secretary

Karachi  
July 26, 2017