



**NOTICE OF EXTRA-ORDINARY GENERAL MEETING  
AND SCHEME OF COMPROMISES,  
ARRANGEMENTS AND RECONSTRUCTION  
BETWEEN MCB BANK LIMITED  
AND MCB ISLAMIC BANK LIMITED**



# CORPORATE INFORMATION

## BOARD OF DIRECTORS:

|  |                 |
|--|-----------------|
| Mian Mohammad Mansha                     | Chairman        |
| Mr. Muhammad Tariq Rafi                  | Director        |
| Mian Umer Mansha                         | Director        |
| Mrs. Iqraa Hassan Mansha                 | Director        |
| Mr. Muhammad Ali Zeb                     | Director        |
| Mr. Mohd Suhail Amar Suresh Bin Abdullah | Director        |
| Mr. Yahya Saleem                         | Director        |
| Mr. Salman Khalid Butt                   | Director        |
| Mr. Shahzad Hussain                      | Director        |
| Mr. Masood Ahmed Puri                    | Director        |
| Shaikh Muhammad Jawed                    | Director        |
| Mr. Shoaib Mumtaz                        | President & CEO |

**Company Secretary:** Mr. Farid Ahmad

**Chief Financial Officer:** Mr. Hammad Khalid

**Registered Office:** MCB Building, 15-Main Gulberg, Jail Road, Lahore, Pakistan.

**Share Registrar and Transfer Agent:** **Head Office:**  
M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi, Pakistan.

**Branch Office:**  
M/s. THK Associates (Pvt.) Limited, Office No. 309, 3<sup>rd</sup> Floor, North Tower, LSE Building, 19-Shahrah-e-Aiwan-e-Iqbal, Lahore, Pakistan.

**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-Capital:** PKR 11,850,600,060 divided into 1,185,060,006 Ordinary Shares of Rupees 10 each

# NOTICE OF EXTRA-ORDINARY GENERAL MEETING

## IN THE MATTER OF SCHEME OF COMPROMISES, ARRANGEMENTS AND RECONSTRUCTION BETWEEN MCB BANK LIMITED AND MCB ISLAMIC BANK LIMITED UNDER SECTIONS 279 TO 283 AND 285 READ WITH OTHER ENABLING PROVISIONS OF THE COMPANIES ACT, 2017

Notice is hereby given that pursuant to the Order dated May 27, 2024, of the honorable Lahore High Court, Lahore passed in C.O. No. 29338 of 2024, an Extra-Ordinary General Meeting (“EOGM” / “Meeting”) of MCB Bank Limited (“MCB” / “Bank”) will be held on **Saturday, July 06, 2024**, at 11:00 AM, at Grand Ball Room-A, 4<sup>th</sup> Floor, The Nishat Hotel adjacent to Emporium Mall, Abdul Haq Road, Johar Town, Lahore, to transact the following **Special Business**:

To consider and if thought fit, to approve and adopt the Scheme of Compromises, Arrangements and Reconstruction (the “Scheme”) between MCB and its wholly owned subsidiary, MCB Islamic Bank Limited (“MIB”) by passing or otherwise the following resolution with requisite majority, with or without modification(s), addition(s) or deletion(s):

**“RESOLVED THAT the Scheme of Compromises, Arrangements and Reconstruction (the ‘Scheme’) between MCB Bank Limited and its members and its wholly owned subsidiary, MCB Islamic Bank Limited and its members, as placed before and considered by this Meeting, for inter alia, transfer of banking business including assets, liabilities and operations of 39 branches of MCB Bank Limited along with all rights and obligations pertaining thereto (‘Demerged Undertaking’) as detailed in the Scheme and vesting of the Demerged Undertaking with and into MCB Islamic Bank Limited in accordance with the Scheme be and is hereby, approved, adopted and agreed subject to any modification(s) or conditions as may be required/imposed by the honorable Lahore High Court, Lahore.”**

**“FURTHER RESOLVED THAT the President & CEO and/or the Company Secretary and/or the Chief Financial Officer of MCB Bank Limited, singly, be and are hereby authorized to take any steps/measures for the implementation and completion of the Scheme.”**

### Chairpersons of the Meeting

-sd-

**Mr. Muhammad Almas**  
Advocate Supreme Court  
410-Alfalah Building,  
Mall Road, Lahore  
0300-4166625  
[almas.advocate@gmail.com](mailto:almas.advocate@gmail.com)

**June 14, 2024**  
**Lahore**

-sd-

**Mr. Ali Hussain Gilani**  
Advocate High Court  
House No. 169, Block G-II,  
WAPDA Town, Lahore  
0334-2222010  
[ali.gilani@axislaw.pk](mailto:ali.gilani@axislaw.pk)

-sd-

**Farid Ahmad**  
Company Secretary  
MCB Bank Limited

### Notes:

1. The Statement under Section 281 of the Companies Act, 2017 (the “Act”) read with Statement of material facts under Section 134(3) of the Act (the “Statement”) setting forth, *inter alia*, the terms of the compromises, arrangements and reconstruction and explaining its effect, along with a copy of the Scheme of Compromises, Arrangements and Reconstruction (the “Scheme”) are being circulated along with Notice of EOGM to the members and other person(s) entitled to receive Notice of EOGM.
2. Copy of the Scheme can also be obtained, free of charge, from the Registered Office of MCB Bank Limited (“MCB”) located at MCB Building, 15-Main Gulberg, Jail Road, Lahore during usual business hours (09:00 a.m. to 05:30 p.m., Monday to Friday) by the members and other persons entitled to attend the EOGM by making application addressed to the Company Secretary-MCB, at MCB Building, 15-Main Gulberg, Jail Road, Lahore.
3. Copies of the Scheme, the Statement, the latest annual audited/quarterly financial statements of MCB along with all published or otherwise required accounts of all prior periods of MCB along with copies of its Memorandum and Articles of Association, Statement of net assets of Demerged Undertaking along with auditors factual findings report thereon, requisite approval(s)/and other related information/documents have been kept at the Registered Office of MCB which can be inspected during the business hours (09:00 a.m. to 05:30 p.m.) on any working day (Monday to Friday) from the date of publication of this notice till the day before the EOGM by the members and other persons entitled to attend the EOGM. In case of any difficulty, the same should be brought to the notice of the mentioned Chairpersons.
4. Notice of EOGM along with the Statement, the Scheme and the latest annual audited/quarterly financial statements have also been placed on website of MCB.
5. The Shares Transfer Books of MCB will remain closed from **July 01, 2024** to **July 06, 2024** (both days inclusive). Transfers received at MCB’s Share Registrar and Transfer Agent’s Office, i.e., M/s THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi, at the close of business hours on **June 28, 2024** will be treated as being in time for the purpose of attending, speaking and voting at EOGM.
6. A member entitled to attend and vote at EOGM may appoint another member as his/her proxy to attend and vote on his/her behalf at the EOGM. No person shall act as a proxy, who is not a member of the Bank. A corporate entity, being a member, may authorize through resolution of its board or other governing body, an individual to act as its representative and the individual so authorized shall be entitled to exercise the same powers on behalf of the corporate entity which he represents.
7. In order to be effective, the proxies and in case of corporate entity, a notarized /certified copy of the power of attorney or resolution of the board of directors or other governing body (if any) under which it is signed, must be deposited

at the Registered Office of the Bank not later than 48 hours (no account shall be taken of any part of the day that is not a working day) before the time for holding the Meeting, and must be duly stamped, signed and witnessed.

8. If a member appoints more than one proxy, and more than one instrument of proxy is deposited by a member, all such instruments of proxy shall be rendered invalid.
9. Proxy Forms, both in English and Urdu languages, are being sent to the members, along with Notice of EOGM. The Proxy Forms are also available on website of the Bank i.e., [www.mcb.com.pk](http://www.mcb.com.pk)
10. Central Depository Company of Pakistan (“CDC”) Account-holders will further have to follow the under mentioned guidelines as laid down by Circular No. 01, dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (“SECP”):

#### **For Attending the Meeting:**

- i. In case of individuals, the account-holder or sub-account-holder and/or the person whose registration details are uploaded as per the CDC Regulations, shall authenticate his identity by showing his original Computerized National Identity Card (“CNIC”) or original passport at the time of attending EOGM.
- ii. In case of corporate entity, the Board of Directors’ resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of EOGM.

#### **For Appointing of Proxies:**

- i. In case of individuals, the account-holder or sub-account-holder and their registration details are uploaded as per the CDC Regulations, shall submit the Proxy Form as per the above requirement.
- ii. The Proxy Form shall be witnessed by the two persons whose names, addresses and CNIC numbers shall be mentioned on the Proxy Form.
- iii. Attested copy of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the Proxy Form.
- iv. The proxy shall produce his/her original CNIC or passport at the time of the Meeting.
- v. In case of corporate entity, the Board of Directors’ resolution/power of attorney with specimen signature shall be submitted along with Proxy Form of the Bank.
11. Members having physical scrip of shares are requested to immediately notify the change, if any, in their registered addresses and e-mails, in writing, to the Share Registrar and Transfer Agent of the Bank, whereas, CDC Account holders are requested to contact their CDC Participant/CDC Investor Account Services.
12. The procedure for E-Voting and Voting through Ballot Paper, in accordance with the requirements of the Companies (Postal Ballot) Regulations, 2018

(“Postal Ballot Regulations”) as amended from time to time, is given below:

#### **Procedure for E-Voting:**

- a. E-Voting facility will be provided by M/s THK Associates (Private) Limited (“THK Associates”), the Share Registrar & Corporate Consultants, acting as E-Voting Service Provider, appointed by the Board of Directors;
- b. Details of E-Voting facility will be shared through an e-mail to those members of the Bank who have their valid CNIC numbers, cell numbers, and e-mail addresses (Registered email ID) available in the register of members of the Bank as of June 28, 2024. Members who intend to exercise their right of vote through E-voting shall provide their valid cell numbers and email addresses to THK Associates before the close of business hours June 28, 2024;
- c. Identity of the members intending to cast vote through E-Voting shall be authenticated through electronic signature or authentication for login;
- d. Members shall cast their votes for agenda item as mentioned in the Notice of EOGM online through the web portal provided by THK Associates from 09:00 AM {Pakistan Standard Time (“PST”)} July 03, 2024 till 5:30 PM (PST) July 05, 2024. Votes shall only be casted during this schedule; and
- e. A vote once cast by a member, shall not be allowed to be changed, subsequently.

#### **Procedure for Voting Through Ballot Paper:**

- a. Members may alternatively opt for voting through Postal Ballot. As per the requirements of Postal Ballot Regulations, the Ballot Paper will be published in the newspapers and will also be uploaded on Bank’s website [www.mcb.com.pk](http://www.mcb.com.pk) not later than seven days before the EOGM. The members must ensure that the Ballot Paper, duly filled-in, signed and accompanied with a copy of valid Computerized National Identity Card (“CNIC”) / copy of passport in case of foreigners must reach the Chairpersons of the EOGM through post at the following address and/or through email at [almas.advocate@gmail.com](mailto:almas.advocate@gmail.com) (Mr. Muhammad Almas) and at [ali.gilani@axislaw.pk](mailto:ali.gilani@axislaw.pk) (Mr. Ali Hussain Gilani). The Postal Ballot should reach the aforementioned office on or before 05:30 PM, July 05, 2024;

Mr. Muhammad Almas (Advocate Supreme Court),  
410-Alfalah Building, Mall Road, Lahore.  
0300-4166625  
[almas.advocate@gmail.com](mailto:almas.advocate@gmail.com)

Mr. Ali Hussain Gilani  
House No. 169, Block G-II, WAPDA Town, Lahore.  
0334-2222010  
[ali.gilani@axislaw.pk](mailto:ali.gilani@axislaw.pk)

Any Ballot Paper received after this time/date shall not be considered for voting;

- b. In case of an Individual, signature on Ballot Paper should match with signature on CNIC, NICOP/Passport (in case of foreigner); however, in case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper must be

accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution / Power of Attorney / Authorization Letter etc., in accordance with Section(s) 138/139 of the Act. In the case of foreign body corporate etc., all documents must be attested by the Consul General of Pakistan having jurisdiction over the member; and

- c. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written Ballot Paper will be rejected.

**Requirements to attend the EOGM through Video-Link**

As per the requirements of the SECP, the Bank is also providing Video-Link facility for participation in the EOGM. The members or their proxy holders who wish to attend the EOGM through Video-Link are required to register themselves by providing the following information along with valid CNIC/ Passport (both sides)/attested copy of board resolution/power of attorney as applicable through email at: [corporate.affairs@mcb.com.pk](mailto:corporate.affairs@mcb.com.pk) of the Bank on or before July 02, 2024.

| Name of Shareholder | Folio/CDC Account Number | Number of Shares Held | Valid CNIC/NTN/ Passport Number | Mobile Number and Email Address |
|---------------------|--------------------------|-----------------------|---------------------------------|---------------------------------|
|                     |                          |                       |                                 |                                 |

The members or their proxies who are registered after necessary verification shall be provided a Video-Link facility by the Bank on their email addresses.

**Statement under Section 281 (1) (a) read with Section 134 (3) of the Companies Act, 2017**

This Statement sets out material facts concerning the special business to be transacted at EOGM and the terms of the Scheme of Compromises, Arrangements and Reconstruction (“**Scheme**”) and explains its effect in particular, the material interest if any of the directors including the chief executive of MCB Bank Limited (“**MCB**”) whether in their capacity as such or as members or creditors or otherwise and the effect on those interests of compromise or arrangement and in so far as, it is different from the effect on the like interest of other persons and other ancillary information.

MCB and MCB Islamic Bank Limited (“**MIB**”) through Joint Petition (Civil Original No. 29338/2024) under Section 279 to 283 and 285 of the Companies Act, 2017 (the “**Act**”) filed with the honorable Lahore High Court, Lahore (the “**Court**”) have prayed for the sanction of the Scheme for *inter alia* demerger of 39 branches of MCB and merger of the same with and into MIB. The honorable Court vide its order dated May 27, 2024 has directed *inter alia* that separate meetings of the members of MCB and MIB may be convened under the supervision of the Chairpersons, appointed by the honorable Court, for seeking their approvals to the Scheme by passing the resolution proposed in the notice of the Meeting with requisite majority.

A copy of the Scheme has been enclosed with the Notice of EOGM circulated to the members. A copy of the same can be obtained from the Registered Office of MCB, free of charge during usual business hours (09:00 a.m. to 05:30 p.m. Monday to Friday) on application prior to the date of EOGM. The notice issued and published in

the newspapers is for convening the special meeting of the members as directed by the honorable Court for the purpose of presenting the proposed Scheme to the members and passing *inter alia* of resolution sanctioning the Scheme by a majority representing three-fourth in value of the issued ordinary shares held by the members as are present in person or by proxy and voting at the EOGM.

**The Scheme:**

The principal object of the Scheme is to separate and demerge banking business, operations, assets and liabilities of 39 branches of MCB i.e., Demerged Undertaking as detailed and defined in the Scheme and to transfer the Demerged Undertaking to MIB, which is wholly owned subsidiary of MCB against payment of net assets by MCB/MIB in cash without further act or documents being required to be executed, registered or filed in respect of such transfer, vesting and / or assumption.

The Scheme is subject to the sanction of the Lahore High Court, Lahore in its present form or with any modification therein or addition thereto as the honorable Court may approve.

**Approval of the Scheme:**

The resolution specified in the Notice of EOGM has to be passed by a majority representing three-fourth in value of the issued shares held by the shareholders present in person or by proxy and voting at the EOGM. Notice of EOGM along with Statement under Section 282(1)(a) read with Section 134(3) of the Act has been circulated to the members and other entitled persons. The sanctioning of the Scheme and the making of other appropriate orders in connection therewith will be considered by honorable Court after the members have approved the Scheme by requisite majority at the meetings of MCB and MIB convened for this purpose.

**Filing of the Scheme:**

A copy of the Scheme has been filed with the Registrar, Company Registration Office, Securities and Exchange Commission of Pakistan, Lahore.

**Proposed Terms adopted by the Board of Directors:**

The proposed terms of the Scheme drawn up and adopted by the Board of Directors of MCB and MIB are contained in the Scheme enclosed herewith.

**Report adopted by the Board of Directors:**

The Board of Directors of MCB and MIB have approved the Scheme enclosed herewith. MCB and MIB have only one class of members. The effect of the Scheme on the interests of Directors/CEO does not differ from the effect on the like interest of other members except as stated herein and under the Scheme and that the directors of MIB are nominee directors of MCB and independent directors.

**Consideration:**

Upon coming into effect of the Scheme and in consideration of 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.

### Statement of Net Assets:

The Statement of net assets of 39 branches as of March 31, 2024 duly certified by external auditors of MCB is enclosed. The net assets shall be subject to adjustments on the Effective Date and shall be certified by the auditors of MCB.

### Benefits of the Merger:

MIB having business of Islamic banking is a wholly owned subsidiary of MCB. The demerger of 39 branches from MCB will rationalize the branch network of MCB and increase the 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 with the applicable regulatory permissions and sanctions. The business performance and shareholders' value of both banks will be enhanced.

### Interest of Directors/Chief Executive:

All the Directors of MCB and MIB (who are nominees of MCB) are interested to the extent of their respective shareholdings (as applicable and mentioned herein) that are held by them in MCB and MIB. The directors who are performing full time executive functions are also interested to the extent of remuneration, benefits and allowances as per the respective policies of both banks.

The effect of the Scheme on the interests of Directors/CEO does not differ from the effect on the like interest of other members except as stated herein and under the Scheme.

No director of MCB and MIB will be relinquishing their respective offices in the said companies as a result of the sanction of the Scheme.

### Shareholding of Directors:

Following are the present shareholdings in MCB and MIB by the Directors / Presidents/CEOs of MCB and MIB (along with their spouses), respectively:

| DIRECTORS AND THEIR SPOUSES                             | SHAREHOLDINGS      |                    |
|---|--------------------|--------------------|
|   | MCB                | MCB Islamic        |
|   | As on May 07, 2024 | As on May 07, 2024 |
| <b>MCB Bank Limited</b>                                 |                    |                    |
| Mian Mohammad Mansha                                    | 10,007,834         | Nil                |
| Mrs. Naz Mansha (Spouse of Mian Mohammad Mansha)        | 28,680,944         | Nil                |
| Mr. Muhammad Tariq Rafi                                 | 35,691,395         | Nil                |
| Mrs. Nighat Tariq (Spouse of Mr. Muhammad Tariq Rafi)   | 5,715,093          | Nil                |
| Mian Umer Mansha  | 34,216,616         | Nil                |
| Mrs. Iqraa Hassan Mansha                                | 9,037,167          | Nil                |
| Mian Hassan Mansha (Spouse of Mrs. Iqraa Hassan Mansha) | 34,539,042         | Nil                |
| Mr. Muhammad Ali Zeb                                    | 550                | Nil                |
| Mr. Mohd Suhail Amar Suresh Bin Abdullah                | 884                | Nil                |
| Mr. Yahya Saleem  | 500                | Nil                |
| Mr. Salman Khalid Butt                                  | 49,000             | Nil                |
| Mr. Shahzad Hussain                                     | 500                | Nil                |
| Mr. Masood Ahmed Puri                                   | 1,000              | Nil                |
| Shaikh Muhammad Jawed                                   | 2,909              | Nil                |
| Mrs. Uneza Jawed (Spouse of Shaikh Muhammad Jawed)      | 3,242,251          | Nil                |
| Mr. Shoaib Mumtaz (President & CEO)                     | Nil                | Nil                |

| DIRECTORS AND THEIR SPOUSES                                | SHAREHOLDINGS      |                    |
|--|--------------------|--------------------|
|  | MCB                | MCB Islamic        |
|  | As on May 07, 2024 | As on May 07, 2024 |
| <b>MCB Islamic Bank Limited</b>                            |                    |                    |
| Mian Raza Mansha   | 25,938,069         | 01                 |
| Mrs. Ammil Raza Mansha (Spouse of Mian Raza Mansha)        | 22,804,177         | Nil                |
| Mr. Ibrahim Shamsi   | 77,518             | 01                 |
| Mrs. Rehma Ibrahim (Spouse of Mr. Ibrahim Shamsi)          | 278,610            | Nil                |
| Mr. Omair Safdar   | Nil                | 01                 |
| Ms. Seema Aziz   | Nil                | 01                 |
| Mr. Hammad Khalid  | Nil                | 01                 |
| Mr. Ahmed Ebrahim Hasham                                   | 150,333            | 01                 |
| Mrs. Anushey A.Hasham (Spouse of Mr. Ahmed Ebrahim Hasham) | 100,000            | Nil                |
| Mr. Jawaid Iqbal   | 5,024,067          | 01                 |
| Mr. Zargham Khan Durrani (President / CEO)                 | Nil                | Nil                |

## PRELIMINARY

### 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 (MCB Islamic Bank) collectively.

**"Conversion Date"** means the Effective Date on which the Demerged Undertaking of MCB will be converted into Islamic Banking Branches of MCB Islamic Bank 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.

**"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.

**"Financial Statements"** mean the last financial statements of MCB and MCB Islamic Bank, respectively.

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

|   |  |
|---|--|
| Registered Office:                            | MCB Building, 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. |

**"MCB Islamic Bank"** 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 20,000,000,000 divided into 2,000,000,000 ordinary shares of Rupees 10 each. |
| Issued, Subscribed and Paid up Share Capital: | PKR 15,550,000,000 divided into 1,555,000,000 ordinary shares of Rupees 10 each. |

**"Scheme"** means this Scheme of Compromises, Arrangements and Reconstruction with its Annexures/Attachments submitted to the Court for sanction 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 Thirty-Nine (39) branches of MCB (listed at Annexure "A"), or their successors thereof converted into Islamic Banking Branches on the Effective Date including and comprising of their earmarked assets, liabilities, operations, systems and staff at the Thirty-Nine (39) 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 Thirty-Nine (39) branches listed at Annexure "A" including systems, 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 thirty nine (39) Branches being transferred by MCB to MCB Islamic Bank as listed at Annexure "A"
- 1.2 In this Scheme, unless the context otherwise requires:
- 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 MCB Islamic Bank against payment of cash 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 MCB Islamic Bank, 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 MCB Islamic Bank.
- 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 March 31, 2024 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 MCB Islamic Bank accepts on behalf of itself all acts, deeds and things done and executed by MCB.
- 3.4 Assets and liabilities being transferred to MCB Islamic Bank shall form assets and liabilities of corresponding nature in the books of MCB Islamic Bank.

### 4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 4.1 MCB Islamic Bank shall undertake to, pay, perform and fulfill all contracts, engagements and obligations whatsoever of MCB regarding assets and liabilities including deposits and other accounts of Thirty-Nine (39) branches 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, MCB Islamic Bank 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 MCB Islamic Bank.

### 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 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 MCB Islamic



Bank 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 MCB Islamic Bank;
- (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 MCB Islamic Bank. 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 MCB Islamic Bank.

### **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:**

- (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 MCB Islamic Bank's Board of Directors and/or representatives of MCB Islamic Bank, duly authorized by Board of Directors of MCB Islamic Bank.

### **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 MCB Islamic Bank 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 MCB Islamic Bank.
- (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 MCB Islamic Bank migrates the data from MCB system to MCB Islamic Bank system.
- (d) MCB and MCB Islamic Bank may execute Service Level Agreements during this phase to clearly set out the services required from MCB and MCB Islamic Bank during this phase. This may involve support on Shari'ah compliance, IT, Infrastructure, Operations, staffing, product definitions etc.

### **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 MCB Islamic Bank under this Scheme.**

## **7. TRANSFER OF STAFF, WORKMEN AND EMPLOYEES**

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

### **8.2 The statement of unaudited financial position of the Demerged Undertaking as**

of March 31, 2024 placed at Annexure “E” shall be subject to adjustment on Effective Date, if any, which shall be certified by the auditors of MCB.

- 8.3 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 MCB Islamic Bank and/or representatives of MCB and MCB Islamic Bank duly authorized by their respective Board of Directors.

## **MISCELLANEOUS**

### **9. MODIFICATIONS / AMENDMENTS TO THE SCHEME**

- 9.1 The respective board of directors of MCB and MCB Islamic Bank 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 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 MCB Islamic Bank have authorized their respective Chief Executives / Company Secretaries / Chief Financial Officers to take such decisions and /or 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 MCB Islamic Bank;
  - Passing of requisite resolution(s) under the applicable provisions of the Companies Act, 2017 by the shareholders of MCB and MCB Islamic Bank;
  - 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;

### **11. EXPENSES CONNECTED WITH THE SCHEME**

- 11.1 All costs, charges and expenses of MCB and MCB Islamic Bank 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 MCB Islamic Bank.

### **12. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS**

- 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 December 31, 2024 or within such further period or periods as may be agreed upon between MCB and MCB Islamic Bank 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 Completion Date.

### **14. APPLICATION TO THE COURT**

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

## DETAIL OF BRANCHES

## ANNEXURE "A"

| Sr. | Province | City/Town/Village     | Branch Name                  | Branch Address  |
|-----|----------|-----------------------|------------------------------|---|
| 1   | Punjab   | Bahawalpur            | General Bus Stand Bahawalpur | Mouza Bindra, Multan Road, Near General Bus Stand, Bahawalpur   |
| 2   | Punjab   | Adda Chak No. 42/10-R | Niazi Chowk                  | Chak No. 42/10-R, Niazi Chowk, District Khanewal  |
| 3   | Punjab   | Maroot                | Ghalla Mandi Maroot          | Plot No. 35, Ghalla Mandi Maroot, Tehsil Fort Abbas, District Bahawalnagar  |
| 4   | Punjab   | Burewala              | Chungi No. 5 Burewala        | Mouza 439/E.B, Chungi No. 5, Burewala, District Vehari  |
| 5   | Punjab   | Dunga Bunga           | Dunga Bunga                  | Mouza Dunga Bashunian, Main Bahawalnagar-Haroonabad Road, Opposite Rural Health Centre, Dunga Bunga, Tehsil & District Bahawalnagar |
| 6   | Punjab   | Fazil Pur             | Fazil Pur                    | Mohallah Pir Atta Muhammad, Near Faisal Hospital, Indus Highway, Fazil Pur, Tehsil & District Rajanpur                              |
| 7   | Punjab   | Rahim Yar Khan        | Thalli Chowk Rahim Yar Khan  | Main Bypass Thalli Chowk, Tehsil & District Rahim Yar Khan  |
| 8   | Punjab   | Waisa                 | Waisa                        | Zakir Market, Village Waisa, Tehsil Hazro, District Attock  |
| 9   | Punjab   | Faisalabad            | Regency Arcade Branch        | Shop No. 10, 11, 41 & 42, Ground Floor, Regency Arcade, Faisalabad  |
| 10  | Punjab   | Lillah Town           | Lillah Town                  | Khushab Road, Lillah Town, Tehsil Pind Dadan Khan, District Jhelum  |
| 11  | Punjab   | Lahore                | Manga Mandi, Lahore          | Main Manga Mandi, Link Multan Road, Lahore  |
| 12  | Punjab   | Jaranwala             | Lahore Road Jaranwala        | Chak No. 240 More GB, Lahore Road, Jaranwala, Tehsil Jaranwala, District Faisalabad   |
| 13  | Punjab   | Kahuta                | Kahuta                       | Arshad Plaza, Rawalpindi Road, Near Kallar Chowk, Kahuta, Tehsil Kahuta, District Rawalpindi  |
| 14  | Punjab   | Harnoli               | Harnoli                      | Mouza Harnoli, Tehsil Piplan, District Mianwali   |
| 15  | Punjab   | Jabbi Sharif          | Branch Jabbi Sharif          | Village & PO Jabbi Sharif Tehsil & District Khushab   |
| 16  | Punjab   | Chak No.140-P         | Branch Chak No.140-P         | Chak No.140-P-PO Bunglow Manthar, District Rahim Yar Khan   |
| 17  | Punjab   | Bhalwal               | Bhalwal City                 | Chak No. 11/NB, Bhalwal City, Sargodha-Gujrat Road, Tehsil Bhalwal, District Sargodha   |
| 18  | Sindh    | Karachi               | Khayaban-e-Ittehad Karachi   | Plot No. 7-C/III, Survey No. 26, Khayaban-e-Ittehad, Phase-VII, Pakistan Defence Officers Housing Authority, Karachi                |
| 19  | Sindh    | Lakha Road            | Lakha Road                   | PO Lakha Road, Tehsil Mehrabpur, District Naushahro Feroze  |
| 20  | Sindh    | Ubauro                | Ubauro                       | Survey No. 772 & 714, Deh & Tapo Ubauro, Taluka Ubauro, District Ghotki   |
| 21  | Sindh    | Karachi               | Sharfabad Karachi            | Plot No. 12/23, Shop No. 4 & 5, Block-3, Karachi Memon Co-operative Housing Society, Sharfabad, Alamgir Road, Karachi               |
| 22  | Sindh    | Karachi               | Orangi Town Block No. 6      | Plot No. LS-17, Sector 6-E, Orangi Township, Karachi  |
| 23  | Sindh    | Deh Barudari          | Shaheed Fazil Rahoo          | Plot No. A-3, Deh Barudari, Main Bazar Bank Road, Shaheed Fazil Rahoo, District Badin   |
| 24  | Sindh    | Mirpur Khas           | Bank Road Branch Mirpurkhas  | Ground Floor, City Survey No. 709, 710, Ward "A", Mohallah Khari Quarters, Mirpur Khas  |

## DETAIL OF BRANCHES

## ANNEXURE "A"

|    |                             |                   |                                       |   |
|----|-----------------------------|-------------------|---------------------------------------|---|
| 25 | Sindh                       | Karachi           | Stadium Road Branch                   | Shops No. 2 & 3, Ground Floor, Plot No. SC-45, Chandni Chowk, KDA Scheme No. 7, Stadium Road, Karachi   |
| 26 | Sindh                       | Karachi           | Gulbahar Karachi                      | Plot No. 346 & 346/1, Ghosia Colony, Gulbahar, Karachi  |
| 27 | Sindh                       | Jamshoro          | Jamshoro                              | Survey No. 265, Deh Railo, Tappa Bada, Near Bismillah Centre, Jamshoro  |
| 28 | Sindh                       | Karachi           | Pakistan Steel (Pipri Pasmic) Karachi | Pakistan Steel Mills, Bin Qasim, Karachi  |
| 29 | Sindh                       | Ranipur           | Ranipur                               | Shop No. 555-556, National Highway, Ranipur, District Khairpur  |
| 30 | Sindh                       | Lakhi Ghulam Shah | Lakhi Ghulam Shah                     | Plot No. 443, Near National Highway, Lakhi Ghulam Shah, District Shikarpur  |
| 31 | Sindh                       | Nawabshah         | Sanghar Road Nawabshah                | Ground Floor Shop Nos. 1 & 2, Plot No. 20, Survey No. 164/3, Deh-86, Nusrat Chaudhry Centre, Sanghar Road, Nawabshah                          |
| 32 | Sindh                       | Karachi           | North Karachi                         | Plot No. AS-09, (ST-03), Sector 5-H, North Karachi, Township, Karachi   |
| 33 | Sindh                       | Karachi           | Eid Gah Karachi                       | Eid Gah, Opp. Khaliq Dina Hall, M.A. Jinnah Road, Karachi   |
| 34 | Sindh                       | Hyderabad         | Wadhu Wah Road Qasimabad Hyderabad    | Plot No. 6, R.S. No. 141/1, Shop No. 1, 2 & 3, Shafey Arcade, Momin Nagar Housing Scheme, Phase-II, Main Wadhu Wah Road, Qasimabad, Hyderabad |
| 35 | Sindh                       | Karachi           | Dastagir Karachi                      | R-50, Block-15, Dastagir Society, Federal 'B' Area, Karachi   |
| 36 | Khyber Pakhtunkhwa          | Marghuz           | Marghuz                               | Main Bazar, Garh Road, Marghuz, Mauza Marghuz Akakhel, Hadbast No. 23, Tehsil & District Swabi  |
| 37 | Khyber Pakhtunkhwa          | Shergarh          | Shergarh                              | Main Road, Shergarh, Bazar Shergarh, Tehsil Takht Bhai, District Mardan   |
| 38 | Islamabad Capital Territory | Islamabad         | Ghouri Town Islamabad                 | Ground Floor, Bin Khurshid Plaza, Main Commercial No. 14, Street No. 9-B, Ghouri Town, Phase-V, Islamabad                                     |
| 39 | Gilgit-Baltistan            | Hunza Ali Abad    | Hunza                                 | Ground Floor, New Jubilee Market, KKH Road, Ali Abad, Hunza   |

**ANNEXURE "B"****DEPOSITS AND OTHER ACCOUNTS OF 39 BRANCHES TO BE TRANSFERRED TO MCB ISLAMIC BANK LIMITED AS AT MARCH 31, 2024**

|                        | Rupees in '000'  |
|------------------------|------------------|
| Fixed deposits         | 1,250            |
| Saving deposits        | 2,853,305        |
| Current Accounts       | 5,719,106        |
| Margin & other deposit | 84,289           |
|                        | <u>8,657,950</u> |

-sd-  
CHIEF FINANCIAL OFFICER

**ANNEXURE "C"****ASSETS OF 39 BRANCHES TO BE TRANSFERRED TO MCB ISLAMIC BANK LIMITED AS AT MARCH 31, 2024**

|                                       | Rupees in '000' |
|---------------------------------------|-----------------|
| <b>ASSETS</b>                         |                 |
| Cash and balances with treasury banks | 455,339         |
| Operating fixed assets                | 161,584         |
| Other assets                          | 947             |
|                                       | <u>617,870</u>  |

-sd-  
CHIEF FINANCIAL OFFICER

**ANNEXURE "D"****LIABILITIES OF 39 BRANCHES TO BE TRANSFERRED TO MCB ISLAMIC BANK LIMITED AS AT MARCH 31, 2024**

|                             |              | Rupees in '000'  |
|-----------------------------|--------------|------------------|
| Bills payable               |              | 64,172           |
| Deposits and other accounts | Annexure - B | 8,657,950        |
| Other liabilities           |              | 100,721          |
|                             |              | <u>8,822,843</u> |

-sd-  
CHIEF FINANCIAL OFFICER

**ANNEXURE "E"****STATEMENT OF NET ASSETS OF 39 BRANCHES TO BE TRANSFERRED TO MCB ISLAMIC BANK LIMITED AS AT MARCH 31, 2024**

|                                       |              | Rupees in '000'    |
|---------------------------------------|--------------|--------------------|
| <b>ASSETS</b>                         |              |                    |
| Cash and balances with treasury banks |              | 455,339            |
| Operating fixed assets                |              | 161,584            |
| Other assets                          |              | 947                |
|                                       | Annexure - C | <u>617,870</u>     |
| <b>LIABILITIES</b>                    |              |                    |
| Bills payable                         |              | 64,172             |
| Deposits and other accounts           | Annexure - B | 8,657,950          |
| Other liabilities                     |              | 100,721            |
|                                       | Annexure - D | <u>8,822,843</u>   |
| <b>NET ASSETS</b>                     |              | <u>(8,204,973)</u> |

-sd-  
CHIEF FINANCIAL OFFICER

This page is intentionally left blank

This page is intentionally left blank

This page is intentionally left blank