

PSX-100(5F)2021/21
April 15, 2021

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

Dear Sir,

Sub: **CERTIFIED TRUE COPY OF MINUTES OF 73RD ANNUAL GENERAL MEETING**
MCB BANK LIMITED

In pursuance of Rule No. 5.7.2 (a) of the Rule Book of Pakistan Stock Exchange Limited, please find enclosed herewith Certified True Copy of the Minutes of 73rd Annual General Meeting of the Bank held on Saturday, March 27, 2021 at 11:00 AM (PST) through Video Link Facility, for your perusal and record.

Yours sincerely,



Fida Ali Mirza
Company Secretary

Encl: As above

**MINUTES OF 73rd ANNUAL GENERAL MEETING
OF MCB BANK LIMITED, HELD ON SATURDAY, MARCH 27, 2021**

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The following were present:

- | | |
|--------------------------------|-----------------|
| 1. Mian Mohammad Mansha | Chairman |
| 2. Mr. Muhammad Tariq Rafi | Director |
| 3. Mr. Muhammad Ali Zeb | Director |
| 4. Mr. Mohd Suhail Amar Suresh | Director |
| 5. Mr. Salman Khalid Butt | Director |
| 6. Mr. Masood Ahmad Puri | Director |
| 7. Mr. Shahzad Hussain | Director |
| 8. Mr. Shariffuddin Bin Khalid | Director |
| 9. Mr. Imran Maqbool | President & CEO |

**CERTIFIED TO BE A TRUE COPY
For MCB BANK LIMITED**

Secretary

- | | |
|--|---|
| 10. Attendance
(as per enclosed Attendance Sheet) | 33 Members
(either present <u>in Person</u> or by <u>Proxies</u> through <u>Video-Link</u>) |
| 11. Mr. Chong Khai Siang | Representing Bugis Investments (Mauritius) Pte. Ltd. |
| 12. Mr. Hammad Izz Hamid | Representing Deutsche Bank AG |
| 13. Mr. Ameet Kumar | Representing Citibank NA |
| 14. Mr. Fahad Baig | Representing Standard Chartered Bank |
| 15. Mr. Muhammad Zubair | Representing NITL |
| 16. Mr. Kashif Hafeez | Representing Atlas Stock Market & APF-Equity Sub-Fund |
| 17. Mr. Fida Ali Mirza | Company Secretary |
| 18. Mr. Hammad Khalid | Chief Financial Officer |
| 19. Mr. Rehan Chughtai | Partner (KPMG Taseer Hadi & Co., Chartered Accountants) |
| 20. Mr. Burhan Arshad | Manager (KPMG Taseer Hadi & Co., Chartered Accountants) |

PROCEEDINGS:

The 73rd Annual General Meeting (hereinafter referred to as "AGM" or the "Meeting") of the Shareholders (hereinafter also referred to as "Members") of MCB Bank Limited (hereinafter referred to as "MCB" or the "Bank"), held on Saturday, March 27, 2021 at 11:00 AM (PST) through Video Link facility. With the permission of the Chair, the Secretary commenced the proceedings of the Meeting with recitation from the Holy Quran.

Mian Mohammad Mansha, the Chairman of the Board of Directors presided over the Meeting.

At the outset, the Secretary stated that as per the Notice of AGM sent to the Members as well as published in the newspapers on March 05, 2021, the Meeting was scheduled to be held physically at The Nishat Hotel, Emporium Mall, Lahore, as well as through Video Link facility. However, in view of threat posed by Corona Virus ("COVID-19") pandemic, as complete ban was imposed on all types of indoor gatherings in Lahore, by the Government of Punjab, the Primary and Secondary Healthcare Department vide its Notification No. SO(G)/P&SHD/4-1/2021, dated March 13, 2021; therefore, the Meeting was being held through video-link. In this regard, the Securities and Exchange Commission of Pakistan ("SECP") through its Circular No. 06, dated March 03, 2021 had already allowed the companies which were facing practical difficulties in holding general meetings physically to convene such meetings through electronic mode.



He apprised that the Bank had published an advertisement in the newspapers (both in English and Urdu languages) i.e. the Daily (i) Jang, (ii) Business Recorder, (iii) Nawa-e-Waqt, (iv) Dawn and (v) Express; all dated March 25, 2021, having nationwide circulation and also informed to the PSX, again advised the Shareholders to attend the AGM only through Video Link facility.

The Secretary apprised the Members that 33 Members/Directors representing 86.8136% voting securities (1,028,792,904 Ordinary Shares), either present in person or by proxies through Video-Link, attended the Meeting which fulfilled the quorum requirements.

The requisite quorum being present, the Chairman declared the Meeting to be duly constituted and commenced the formal proceedings of the Meeting. He then welcomed the Members at the AGM of the Bank.

The Secretary informed the Members that Mr. S. M. Muneer, Vice Chairman/Director due to his sickness and Mian Umer Mansha, Director; Mrs. Iqraa Hassan Mansha, Director and Mr. Yahya Saleem, Director, owing to being outside Pakistan for their prior business commitments, had conveyed their inability to attend the Meeting. The Members excused their absence as being due to reasonable cause.

He mentioned that the documents including the Register of Contract or Arrangements were kept at the Meeting for inspection by the Members.

Thereafter, the business of the Meeting, as per the Notice of AGM thereof, was taken up as under:

Agenda Item No. 01

Approval/Confirmation of the Minutes of AGM held on March 19, 2020:

The Secretary placed before the Members, the Minutes of Annual General Meeting ("AGM") held on March 19, 2020. There being no comments, the Minutes were unanimously approved by the Members signifying their approval as a fair presentation of the proceedings of the AGM. The following resolution was placed before the Members:

"RESOLVED THAT the Minutes of Annual General Meeting held on March 19, 2020 be and are hereby confirmed/approved."

The Chairman declared that the aforesaid Ordinary Resolution had been carried unanimously on a show of hands.

Agenda Item No. 02

Consideration and Adoption of the Annual Audited Separate and Consolidated Financial Statements of the Bank together with the Directors' and Auditors' Reports thereon and Chairman's Review for the year ended December 31, 2020:

The Secretary stated that the Annual Audited Separate and Consolidated Financial Statements of the Bank together with the Directors' and Auditors' Reports thereon and Chairman's Review for the year ended December 31, 2020 (hereinafter referred as "Annual Audited Accounts 2020") had already been dispatched to all the Members of the Bank.

After this brief update, the Secretary invited the Chief Financial Officer ("CFO") who, with the permission of the Chair, presented the key points of Annual Audited Accounts 2020 and elucidated the salient features of the financial results and overall financial position of the Bank.



He then highlighted financial position and performance of the Bank as follows:

- **Total Assets of the Bank were reported at PKR 1,757.5 billion, increased by 15.99% over YE19**
 - Gross Advances of PKR 513.55 billion – decreased by 4.90%
 - ✓ Industry share in advances (gross) at 5.69% (Dec 2019: 6.21%)
 - ✓ Non-Performing Loans at PKR 51.19 billion
 - Infection ratio of the Bank at 9.97% (Dec 2019: 9.15%),
 - Coverage ratio at 98.87% (Dec 2019: 87.73%)
 - Net Investments of PKR 1,015.87 billion – Increased by 35.67%
 - ✓ T-Bills increased by PKR 202.25 billion and PIBs increased by PKR 57.01 billion
- **Total Liabilities were closed at PKR 1,567.36 billion, increased by 16.43% over YE19**
 - Deposits of PKR 1,289.50 billion – increased by 12.64%
 - ✓ Current deposits +15%, Savings deposits +16%, Term deposits -17% over Dec 2019
 - ✓ Market share in deposits 6.91% (Dec 2019: 7.45%), Industry deposits increased by 22.17%
 - Borrowings of PKR 164.00 billion – increased by 83.23%
- **Net Assets of the Bank stood at PKR 190.10 billion with an increase of 12.54% from YE19**
 - ✓ Shareholder's Equity increased to PKR 162.38 billion, rise of 11.82% from YE19
- **Profit (before tax) of the Bank stood at PKR 48.25 billion, (+20.3%),**
- **Profit (after tax) stood at PKR 29.04 billion, (+21.1%)**
 - Net interest income of PKR 71.33 billion – increase of 19.7%
 - ✓ Mark-up income -1.6% to PKR 136.08 billion
 - ✓ Mark-up expense – 17.7% to PKR 64.74 billion
 - Non-interest income of PKR 18.14 billion – increase of 8.7%
 - ✓ Gain on securities PKR + 2.5 billion (+300%)
 - ✓ Dividend income PKR – 167 million (- 12%)
 - ✓ Fee, Commission Income PKR -352 million (-3%)
 - ✓ Foreign Exchange Income PKR - 369 million (-13%)
 - Admin Exp. (before pension cost) of PKR 32.99 billion – decrease by 0.39%.
 - Provision charged against advances PKR 7.5 billion
 - Net reversal against investments of PKR 50 million.
- **Ratios**
 - EPS at December 2020 : PKR 24.50 (December 2019 : PKR 20.23),
 - ROE : 18.88%; ROA: 1.77%

CFO stated that the total asset base of the Bank on a standalone basis was reported at PKR 1.757 trillion, increasing by PKR 242 billion over December 2019. He added that the earning asset mix as at December 31, 2020 depicted a clear shift towards investments with net advances decreasing by approximately PKR 33.7 billion with a significant increase in investment base to the tune of PKR 267 billion. On the advances side, Corporate Portfolio depicted a drop of PKR 16.4 billion followed by retail segment decrease of PKR 7.6 billion. He mentioned that the momentum gained in the third quarter in consumer financing segment propelled the growth in consumer advances by PKR 2.598 billion, translating into 10% increase over last year. On the investment front, he stated the Treasury Bills ("T-Bills") and the Pakistan Investment Bonds ("PIBs") portfolio was reported at PKR 948 billion with a significant uptick of PKR 202 billion in T-Bills and PKR 57 billion in PIBs, highlighting the Bank's view on the anticipated interest rate movement. Cash and Balances with Banks including statutory reserve requirements were reported at PKR 146 billion.

On the liabilities side, he stated that the deposit base of the Bank grew to PKR 1.289 trillion reflecting an unprecedented increase of PKR 144.7 billion over December 2019, translating into a 12.64% growth. He mentioned that the equity of the Bank improved by 11.82% over 2019 to PKR 162.38 billion with improvements in the ROE ratio to 18.88% and ROA to 1.77% on a standalone basis.

While explaining Non-Performing Loans ("NPLs"), CFO apprised the Board Members that the NPL base of the Bank was reported at PKR 51.189 billion, reflecting an increase of PKR 981 million in the fourth quarter 2020 with YoY increase of PKR 1.765 billion over last year. He mentioned that on the consumer financing front, the recovery and collection teams were able to control the surge in NPLs reported in the second quarter 2020, thereby normalizing the infection ratio in line with the historical trends.

He added that the Bank's un-encumbered general reserves were reported at PKR 4.565 billion, after taking a net charge of PKR 4 billion in the year 2020, which would provide due insulation and coverage in the periods to come. He also stated that the Bank had set a very steep recovery target of PKR 3.1 billion for the year 2021 and had recovered NPLs amounting to PKR 2.4 billion in the year 2020. As an update on one of the key synergistic value of the merger of NIB Bank Limited ("Ex-NIB") with and into MCB Bank was that the Bank stands to recover PKR 6.03 billion, summing up to a recovery percentage of 20% over the last three year period.

On the investment side, CFO stated that after registering a major shift in the concentration levels of our portfolios in 2019, the Bank further added PKR 202 billion to its T-bill base with PKR 57 billion net addition to PIB base. He also stated that on the equity front, the Bank reported a base of PKR 26.6 billion as at December 31, 2020.

On the deposits side, he mentioned that the Bank reported a base of PKR 1.289 trillion, a growth of PKR 144.7 billion in absolute terms translating into a 12.64% growth over the year end. He also stated that the Bank added PKR 64.8 billion to its current account translating into a 15% increase, thereby reporting the concentration levels at 38% based on absolute volumes. On savings account, he stated that the Bank added PKR 99 billion with concentration of 55%, taking the overall CASA level to 92.96%.

On the Profit & Loss Account side, CFO stated that the impact of the strategically placed investments reflected in our gross markup income, being maintained at similar levels last year, despite the significant cut in interest rate of 625bps. He added that the gross markup expense was down by PKR 13.934 billion, whereas, net markup income of the Bank reflected a decent increase of 20% over 2019.

He mentioned that Non-Interest Income block of the Bank was reported at PKR 18.136 billion for the YE20 as opposed to PKR 16.679 billion for YE19 with realization of capital gains on money market instruments being the major factor. He added that the fee, commission line posted a healthy recovery in the third and fourth quarter, just shy of last year number by 3%. He added that operating expenses reported at PKR 129 million less than last year. Cost to income ratio of the Bank stands improved to 36.87% on a standalone basis as opposed to 43.4% in last year 2019.

CFO stated that the profit before provisions was up by a decent 31% and ahead of the budgetary target by 14%, whereas, the Profit before Tax ("PBT") number of PKR 48.249 billion reflects a growth of 20.3% over last year 2019 and in excess of the budgetary number by 2%. He mentioned that the Profit after Tax ("PAT") of the Bank had grown by an impressive 21% over corresponding period last year. He stated that the PBT of PKR 48 billion for the YE20 was the ever highest profitability of the Bank as compared to PKR 42 billion for the year 2015.

CFO also presented highlights on the consolidated Financial Statements of MCB Bank and its subsidiaries for the year ended December 31, 2020 as follows:

- **Profit (before tax) of the Group reported at PKR 49.32 billion, an increase of 22.8% over December 2019**
 - Net interest income of PKR 75.84 billion – increased by 19.0%
 - Non-interest income of PKR 19.27 billion – increased by 10.0%
 - Admin Expenses (excl. impact of pension cost) of PKR 38.10B – decreased by 0.1%
 - Share of profit of associates (PBT) of PKR 573 million – increased by 68.7%



- **Net Assets of the Group closed at PKR 192.99 billion with an increase of 12.6% over YE19**

- Total Assets of the Group closed at PKR 1,891.28 billion, increase of 17.3 % over YE19
 - Gross Advances at PKR 598.36 billion – increased by 1.1%
 - Net Investments at PKR 1,036.22 billion – increased by 36.8%
- Total Liabilities closed at PKR 1,698.28 billion increase of 17.9% over YE19
 - Deposits at PKR 1,388.74 billion – increased by 13.2%
 - Borrowings of PKR 184.58 billion – increased by 98.8%
- Shareholder's Equity (including NCI) stands at PKR 164.19 billion – increased by 12.0%.

- **Key Ratios**

- ROA 1.69% - (Dec 2019: 1.50%)
- ROE 19.02% - (Dec 2019: 16.66%)
- Cost to Income Ratio 40.06% - (Dec 2019: 46.94%)
- EPS PKR 24.82 - (Dec 2019: PKR 20.14)
- Book value (per share) PKR 138.55- (Dec 2019: PKR 123.70)

The Chairman then sought the comments of the Members on annual financial results of the Bank and the CFO responded the queries raised by the Members to their satisfaction. The Members recognized the services of the Board of Directors for its visionary approach and collective wisdom reflecting in sound financial position of the Bank. They placed on record their appreciation for increasing the final cash dividend and securing historical financial results by the Bank for the year ended December 31, 2020. They were also pleased with the solid asset base of the Bank which registered remarkable growth of 16% over the last year and also profitability of the Bank for the year under review as compared to the financial results of last year.

In view of the above, the following Ordinary Resolution was placed before the Meeting for approval and adoption:

"RESOLVED THAT the Annual Audited Separate and Consolidated Financial Statements of MCB Bank Limited together with Directors' and Auditors' Reports thereon and Chairman's Review for the year ended December 31, 2020 be and are hereby received, considered, approved and adopted."

The aforesaid resolution was put to the Meeting and was passed unanimously. The Chairman declared that the Ordinary Resolution has been carried unanimously, on a show of hands.

Agenda Item No. 03

Appointment of External Auditors and fix their remuneration:

The Secretary apprised the Members that the existing Statutory Auditors of the Bank, namely, M/s KPMG Taseer Hadi & Company, Chartered Accountants, Lahore, had completed their five-year term and in accordance with the provisions of Section 246(2) of the Companies Act, 2017 shall stand retired at the conclusion of 73rd Annual General Meeting ("AGM") of the Bank. Further, the Clause 33(1) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 requires that:

*"It is **mandatory** that all listed companies in the financial sector shall change their external auditors every five years"*

He mentioned that in view of the foregoing regulatory provision, M/s KPMG Taseer Hadi & Co., Chartered Accountants, the retiring auditors of the Bank would not be eligible for appointment. He added that M/s A. F. Ferguson & Co., Chartered Accountants, Lahore, being eligible, have offered themselves for appointment and consented to act as Statutory Auditors of the Bank.



He then presented the remuneration structure for 2020 for External Auditors along with the proposed remuneration for 2021 as follows:

Operation	Name of External Auditors	Audit Fee for 2020	Audit Fee for 2021- Proposed	Difference
Domestic Operation	M/s A. F. Ferguson & Co. Chartered Accountants	PKR 16,500,000	PKR 16,500,000	No Change

(Excluding charges for other services not prohibited by listing rules and out of pocket expenses on actual basis with cap of 10% of audit fee and applicable sales tax)

He added that on the recommendations of the Board's Audit Committee, the Board of Directors in its meeting held on February 10, 2021 had recommended the appointment of the auditors by the Members of the Bank.

The following Ordinary Resolution was placed before the Members for their approval:

"RESOLVED THAT M/s A. F. Ferguson & Co., Chartered Accountants, be and are hereby appointed to hold the office of Statutory Auditors of MCB Bank Limited (the 'Bank') from the conclusion of this meeting till the conclusion of next Annual General Meeting, at an annual remuneration of PKR 16,500,000/-, excluding charges for other services not prohibited by listing regulations of PSX and out of pocket expenses on actual basis with cap of 10% of audit fee and applicable sales tax."

The aforesaid resolution was put to the Meeting and the Chairman declared that the Ordinary Resolution had been carried unanimously, on a show of hands.

Agenda Item No. 04

Approval of Final Cash Dividend-2020:

The Secretary apprised the Members that the Board of Directors had recommended the payment of Final Cash Dividend @ 150% i.e., PKR 15.00 per share, having face value of PKR 10/- in addition to 50% i.e., PKR 5.00 per share first Interim Cash Dividend already declared and paid, thus total 200% i.e., PKR 20.00 per share for the year ended December 31, 2020. He added that as the Share Transfer Books of the Bank were closed from March 16, 2021 to March 27, 2021 (both days inclusive) for the determination of entitlement of dividend; therefore, Final Cash Dividend would be paid to those Members whose names were appearing on the Register of Members of the Bank at the close of business on March 15, 2021.

The following Ordinary Resolutions were placed before the Members for their approval:

- i. ***"RESOLVED THAT as recommended by the Board of Directors, the payment of Final Cash Dividend @ 150% i.e., PKR 15.00 per share in addition to Interim Cash Dividend @ 50% i.e. PKR 5.00 for the First Quarter-2020 already declared and paid; thus total 200% i.e. PKR 20.00 per share for the year ended December 31, 2020, to be paid to the members whose names were appearing on the Register of Members at the close of business on March 15, 2021 be and is hereby approved."***
- ii. ***"FURTHER RESOLVED THAT the Company Secretary be and is hereby authorized to complete all formalities for issuance of Final Cash Dividend for the year ended December 31, 2020."***

The Chairman declared the aforesaid Ordinary Resolution carried unanimously, on a show of hands.



Agenda Item No. 05

Election of Directors:

The Secretary apprised the Members that in terms of Section 159 (1) of the Companies Act, 2017 (the "Act"), the Board of Directors of MCB Bank Limited ("MCB" or the "Bank") in its Meeting held on February 10, 2021 fixed the number of directors of the Bank to be elected at 12 (Twelve) for the next term of three years commencing from March 27, 2021. He added that pursuant to Section 159(4) of the Act, the following persons had filed with the Bank, notices of their intention to offer themselves for election of Directors of the Bank at the 73rd Annual General Meeting ("AGM") of the Bank:

- | | |
|------------------------------|--|
| 1. Mian Mohammad Mansha. | 7. Mr. Mohd Suhail Amar Suresh bin Abdullah. |
| 2. Mr. S. M. Muneer. | 8. Mr. Yahya Saleem. |
| 3. Mr. Muhammad Tariq Rafi. | 9. Mr. Salman Khalid Butt. |
| 4. Mian Umer Mansha. | 10. Mr. Masood Ahmed Puri. |
| 5. Mrs. Iqraa Hassan Mansha. | 11. Mr. Shahzad Hussain. |
| 6. Mr. Muhammad Ali Zeb. | 12. Mr. Shariffuddin Bin Khalid. |

He informed the Members that the Statement under Section 166 (3) of Act in respect of Independent Directors was annexed to the Notice of AGM and the following persons are the Independent Directors of the Bank:

- | | |
|----------------------------|---------------------------|
| 1. Mr. Yahya Saleem. | 3. Mr. Shahzad Hussain. |
| 2. Mr. Salman Khalid Butt. | 4. Mr. Masood Ahmed Puri. |

He then mentioned that since the number of persons who offered themselves for election was not more than twelve (12) as fixed by the Board of Directors under Section 159 (1) of the Act; therefore, subject to clearance by the State Bank of Pakistan, the above named persons stand elected as Directors of the Bank for next three years commencing from March 27, 2021.

The Members passed the following resolutions:

- i. ***"RESOLVED THAT subject to clearance by the State Bank of Pakistan, the following twelve (12) persons who have filed notices of their intention to offer themselves for election of the Board of Directors of MCB Bank Limited (the 'Bank') under Section 159 (4) of the Companies Act, 2017, be and are hereby elected unopposed as Directors of the Bank for the term of next three years commencing from March 27, 2021."***

- | | |
|------------------------------|--|
| 1. Mian Mohammad Mansha. | 7. Mr. Mohd Suhail Amar Suresh bin Abdullah. |
| 2. Mr. S. M. Muneer. | 8. Mr. Yahya Saleem. |
| 3. Mr. Muhammad Tariq Rafi. | 9. Mr. Salman Khalid Butt. |
| 4. Mian Umer Mansha. | 10. Mr. Masood Ahmed Puri. |
| 5. Mrs. Iqraa Hassan Mansha. | 11. Mr. Shahzad Hussain. |
| 6. Mr. Muhammad Ali Zeb. | 12. Mr. Shariffuddin Bin Khalid. |

- ii. ***"FURTHER RESOLVED THAT the Company Secretary be and is hereby authorized to undertake all such actions, execute all such documents and do all such things for and on behalf of the Bank including filing of requisite returns with the Registrar of Companies, the Securities & Exchange Commission of Pakistan and to comply with all other regulatory requirements in respect of election of directors."***



SPECIAL BUSINESS:

Agenda Item No. 06

Winding Up of a Subsidiary of MCB Bank Limited:

The Secretary apprised the Members that the M/s Financial & Management Services (Pvt.) Limited ("FMSL" or the "Company") was a subsidiary company of MCB Bank Limited ("MCB" or the "Bank"). He added that MCB was holding 95.90% of total issued paid up share capital of FMSL, transferred from NIB Bank Limited ("Ex-NIB") by virtue of amalgamation with and into MCB on July 07, 2017. He mentioned that FMSL had no assets and liabilities and was in dormant status with no accounting transaction(s) since March 25, 2009. He also stated that MCB, being a holding company was bearing regulatory expenses including audit fee since then; therefore, the Board of Directors of the Bank had approved the voluntary winding up of the Company. He added that as per the requirements of Section 183(3)(b) of the Companies Act, 2017 (the "Act"), the Bank was seeking approval of the Members of the Bank for the winding up of the Company.

He then requested the Members to approve the voluntary winding up of the Company in terms of Section 183(3)(b) of the Act.

In view of the above, the following Ordinary Resolutions were placed before the Members for their review and approval:

- i. ***"RESOLVED THAT pursuant to the provisions of the Section 183 (3)(b) of the Companies Act, 2017 (the 'Act') and other applicable provisions of the laws, rules and regulations, for the time being in force, the approval of the Members of MCB Bank Limited (the 'Bank') be and is hereby accorded for the voluntary winding up of M/s Financial & Management Services (Pvt.) Limited (the 'Company'), a subsidiary of the Bank, subject to compliance with all applicable legal requirements by the Company."***
- ii. ***"FURTHER RESOLVED THAT the Company Secretary and/or Chief Financial Officer of the Bank be and are hereby jointly/severally empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s) and to complete all the regulatory, legal and other formalities including filing of application(s) to the SECP, the SBP or any other authority as may be necessary or incidental or expedient for the purpose of implementing the aforesaid resolution."***

The above mentioned resolutions were placed before the Members and passed unanimously. The Chairman declared that the Ordinary Resolutions had been carried unanimously.

At the end of the formal proceedings of the Meeting and with the permission of the Chair, the Secretary invited the attention of Shareholders towards certain important Circulars/Notifications

The Secretary stated that Section 242 of the Companies Act, 2017 (the "Act") requires that the listed companies shall pay cash dividend only through electronic mode directly into the bank account designated by the shareholders. He added that in this regard, the Companies (Distribution of Dividends) Regulations, 2017, also required that the payment of cash dividend shall only be made to the shareholders who have provided copies of their valid CNIC/NICOP/Passport (in the case of Individuals) and NTN (in the case of Corporate Entities) as well as valid details of designated International Bank Account Number ("IBAN"). Therefore, in order to comply with the regulatory requirements, the Bank had withheld and would be withholding the payment of cash dividend to

those shareholders who have not yet provided copies of their valid CNIC/NICOP/NTN/Passport and details of valid IBAN. In this regard, MCB Bank Limited ("MCB" or the "Bank") had already communicated through its various letters addressed to the shareholders individually along with newspapers publications requesting to provide such essential information. He then requested the Members that those who had not yet provided such information were again requested to fill the required fields of MCB's letter enclosed with the Notice of 73rd Annual General Meeting ("AGM") and the same was also available on website of the Bank.

With regard to unclaimed/unpaid dividends and shares certificates, the Secretary requested the shareholders to en-cash their unclaimed/unpaid cash dividends warrants already available with them or make a claim for cash dividends, right and bonus shares kept by the Share Registrar and Transfer Agent of the Bank. He added that in compliance of Section 244 of the Act, the Bank through its letter sent to the concerned shareholders along with the Notice of 73rd AGM had also requested to enable the Bank to comply with the provisions of the said regulatory requirements

He further stated that the Section 72 of the Act requires that all the existing companies to replace shares issued by them in Physical Shares with shares to be issued in the Book-Entry Form in a manner as may be specified and from the date notified by the Securities and Exchange Commission of Pakistan ("SECP") but not exceeding four years from the date of the promulgation of the Act and shall have shares in book-entry form only. He then requested the Shareholders having physical shareholding are requested to open Investor Account directly with Central Depository Company of Pakistan Limited ("CDC") or CDC sub-account with any of the brokers to replace their physical shares into book-entry form. It would facilitate the shareholders in many ways including safe custody of shares, no loss of shares, avoidance of formalities required for the issuance of duplicate shares, better rate in open market and readily available for sale and purchase at stock exchange. He mentioned that the Shareholders may contact the Share Registrar and Transfer Agent of the Bank for the conversion of Physical shares into Book-Entry Form.

He also stated that the Honorable Lahore High Court, Lahore, in its decision had advised that the Mutual Funds as approved by the Federal Board of Revenue ("FBR"), would not be required to provide exemption certificate under Section 159 of the Income Tax Ordinance, 2001 ("Ordinance") to claim tax immunity as per clause (47B) of Part-IV of the Second Schedule to the Ordinance. He added that therefore, MCB through its letter to respective companies had requested to provide either approval certificate from FBR or in the absence of the said certificate, valid exemption certificate under Section 159 (1) of the Ordinance issued by the concerned Commissioner of Income Tax authorities. In case of non-availability of approval / exemption certificate(s), the deduction of advance tax on dividend would be made as per the relevant provisions of the Ordinance. He further stated that where the entity had filed a petition against the FBR for want of exemption certificate, in any relevant court, a certified true copy of the stay order of honorable court along with all latest court proceedings would be required in lieu of valid tax exemption certificate.

He mentioned that as per the provisions of the Section 150 of the Ordinance, the withholding tax on dividend was as follows:

- For Filers of Income Tax Returns: 15%
- For Non-Filers of Income Tax Returns: 30%

In case of Joint-Shareholders, tax would be deducted as per ratio of their respective share in the ownership. In this regard, the FBR had provided the Active Tax-Payer List ("ATL") for identification on the basis of NTN/CNIC number; hence, in case of non-availability of valid NTN/CNIC number with Bank's Share Registrar and Transfer Agent, the Shareholder would be treated as 'Non-Filer' and accordingly tax at the rate of 30% would be deducted. He then requested Shareholders who had not yet provided such information to ensure that their valid NTN/CNIC number should be available with

the Share Registrar and Transfer Agent of the Bank; however, Shareholders having CDC Accounts should provide their valid NTN/CNIC number to their respective CDC participants.

With regard to deduction of withholding tax on joint account holder(s), he requested that the joint account holders whose shareholding details as to principal shareholder had not yet been determined for deduction of withholding tax on upcoming dividends of the Bank, to furnish to Share Registrar and Transfer Agent of the Bank, the shareholding details of his/herself as principal shareholder and his/her joint holder(s) enabling the Bank to compute withholding tax of each shareholder; in case of non-receipt of such information each joint account holder would be assumed to hold equal proportion of shares and the deduction would be made, accordingly.

He also stated that SECP through its Notification No. SRO 787 (I)/2014, dated September 08, 2014, had allowed companies to circulate annual audited financial statements along with Notice of AGM to its members through email. Further, as per the requirements of the SECP Notification No. SRO 470 (I)/2016, dated May 31, 2016, the Bank had circulated its annual accounts to shareholders through electronic medium, i.e., DVD at their registered addresses instead of transmitting the said annual accounts in hard copies. However, in case a shareholder required a hard copy of annual accounts, the same could be obtained from the Bank, free of cost, within one week of the request. In this regard, a Standard Request Form had already been placed on website of the Bank for shareholders to communicate the need of hard copies of annual accounts instead of sending the same through DVD. A shareholder may also prefer to receive hard copies for all future annual accounts.

Lastly, he apprised that as per the latest Register of Members, some of the shareholders were maintaining more than one folio under the same particulars; therefore, carrying two different folios might be a hassle for the shareholders to reconcile their holding, fulfill the different formalities for each folio and receiving of same information in multiple times. He therefore requested the shareholders to merge their different folios into one folio and convert them into Book-Entry Form so that better services could be provided.

The Secretary then expressed his gratitude to the Chairman, the Board Members, the President, Executives of the Bank; Representatives of the External Auditors and the valued Shareholders of the Bank for giving their precious time and due consideration.

The Chairman concluded the Meeting with a vote of thanks to all the participants.

-Sd-

COMPANY SECRETARY

April 08, 2021
Lahore

**CERTIFIED TO BE A TRUE COPY
For MCB BANK LIMITED**

Secretary

-Sd-

CHAIRMAN

