Meezan Bank
The Premier Islamic Bank

Best Bank in Pakistan
Recognized by Pakistan Banking Awards

April 25, 2019 CS/PSX-14/086/2019

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

Dear Sir,

السَّلَامُ عَلَيْكُم

Free Reserve Certificate

Further to our letter No. CS/PSX-14/080/2019 dated April 25, 2019, we enclose free reserve certificate for 10% Bonus Shares issued by our external Auditors M/s. EY Ford Rhodes, Chartered Accountants (a member firm of Ernst & Young Global Limited).

Yours truly,

Muhammad Sohail Khan
Company Secretary

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

Pakistan Stock Exchange Limited
RECEIVED
26 APR 2019
T.M.A.D.
Formerly Karachi Stock Exchange Limited

Encl: As above

Meezan Bank Ltd.
Head Office: Meezan House, C-25, Estate Avenue, SITE, Karachi - Pakistan.
PABX: (92-21) 38103500 UAN:111-331-331 & 111-331-332 www.meezanbank.com

EY
Building a better working world

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

AC/MR/461/19
25 April 2019

The Chief Executive Officer
Meezan Bank Limited (the Bank)
Karachi

Dear Sir

CERTIFICATE ON RESIDUAL FREE RESERVES AS REQUIRED UNDER RULE 4 OF THE COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2018

We have been requested to provide you with a certificate on the annexed computation of residual free reserves for the purpose of issue of bonus shares by the bank, as required under the Rule 4 of the Companies (Further Issue of Shares) Regulations, 2018.

Scope of Certificate

This certificate is issued in terms of the requirement of Rule 4 read with the definition of free reserves as contained in Rule 3 (2) of the Companies (Further Issue of Shares) Regulations, 2018.

Management's Responsibility

It is the management responsibility to ensure compliance with the Rule 4 of the Companies (Further Issue of Shares) Regulations, 2018. The responsibility for preparation and fair presentation of statement of Free Reserve is primarily that of the management of the Bank. The management's responsibilities include causing the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of Bank and prevention and detection of frauds and irregularities. This certification does not relieve the management of its responsibilities.

Auditors' Responsibility

Our responsibility is to certify that the free reserves retained after the proposed issues of bonus shares are more than 15 percent of the increased paid-up capital, in accordance with the 'Guidelines for issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to trace the amounts reported in the Statement of Free Reserves to the un-audited financial statements of the Bank for the period ended 31 March 2019 and checking whether Free Reserves are computed in accordance with the requirement of Rule 4 of the Companies (Further Issue of Shares) Regulations, 2018

Certificate

Based on procedures mentioned above, we certify that the Free Reserves in terms of meaning given in the Companies (Further Issue of Shares) Regulation, 2018 retained after the proposed issue of bonus shares as reported in the Statement of Free Reserves as at 31 March 2019 are more than 15 percent of the enhanced paid-up Capital. Further, the contingent liabilities outstanding as at 31 March 2019 falling within the scope of paragraph 14 of International Accounting Standard 37 "Provisions, Contingent liabilities and Contingent Assets", if any, have been deducted while calculating the minimum residual reserves of 15 Percent.

Eyn

EY
Building a better working world

Restriction on use and distribution

This certificate is issued in accordance with requirements of Rule 4 of the Companies (Further Issue of Shares) Regulations 2018 and on the specific request of the management of the Bank and is not to be used for any other purpose. This certificate may be submitted to Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange. Accordingly, this should not be distributed to any other party without the prior written consent from us. This certificate is restricted to the facts stated herein.

Yours faithfully

EY Ford Rhodes

EY Ford Rhodes

Chartered Accountants

Karachi

Page 2 of 4

Annexure to Auditors (EY Ford Rhodes) Certificate
No. AC/MR/461/19 dated April 25, 2019

MEEZAN BANK LTD.

COMPUTATION OF FREE RESERVE REQUIRED UNDER COMPANIES (ISSUE OF CAPITAL) RULES, 1996
AND COMPANIES (FURTEHR ISSUE OF SHARES) REGULATIONS, 2018
FOR THE PERIOD ENDED MARCH 31, 2019
10% BONUS SHARES ANNOUNCED BY THE BOARD OF DIRECTORS OF THE BANK ON APRIL 25, 2019

Description	No. of Shares	Rupees
Share Capital as of March 31,2019	1,169,192,384	11,691,923,840
10% -Bonus Issue approved by the Board of Directors on April 25, 2019	116,919,238	1,169,192,380
Enhanced capital	1,286,111,622	12,861,116,220
Required free reserve @ 15% of enhanced capital		**1,929,167,433**
Reserve as of March 31, 2019		
Capital reserves		15,379,617,000
Revenue reserves		13,820,393,000
Free reserve as per financial statements as of March 31, 2019		29,200,010,000
Less: Issuance of bonus shares		(1,169,192,380)
Less: Interim Cash dividend 10% simoultaneously declared		(1,169,192,380)
Less: Forsed Sale Value benefit- net of tax (note 10.8.2 of the March 2019 Financial Statements)		(11,310,000)
Free reserve after issuance of bonus shares		**26,850,315,240**
Required free reserve @ 15% of enhanced capital		1,929,167,433
Excess of Free Reserve over minimum requirements under Issue of Capital Rules, 1996		**24,921,147,807**

MEEZAN BANK LIMITED

Annexure to Auditors (EY Ford Rhodes) Certificate
No. AC/MR/461/19 dated April 25, 2019

MEEZAN BANK LTD.

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MEEZAN BANK LIMITED

EXTRACT FROM THE DRAFT MINUTES OF THE 86th MEETING OF THE BOARD OF DIRECTORS OF MEEZAN BANK LTD. HELD ON APRIL 25, 2019 IN KARACHI, PAKISTAN

"Quote"

Agenda No. B-2 **Separate Un Audited Accounts (Unconsolidated & Consolidated), Directors' Review and Related Parties Transactions for the quarter ended March 31, 2019.**

After deliberations the Board approved the quarterly accounts for the quarter ended March 31, 2019, 10% interim cash dividend and10% Bonus Shares and passed the following resolutions:

> ***"Resolved further that the interim cash dividend @ Rupee 1/- per share i.e. 10% and 10% Bonus Shares in the proportion of 1 share for every 10 shares held i.e. 10% for the quarter ended March 31, 2019 be and are hereby approved.***
>
> ***Resolved further that the Members' Register will remain closed from May 13, 2019 to May 20, 2019 (both days inclusive) for determining the names of the persons entitled to above 10% interim cash dividend and 10% Bonus Shares."***

"Unquote"

Certified true copy

Muhammad Sohail Khan
Company Secretary

Karachi
April 25, 2019