

## MCB BANK LIMITED

					Sri Lan	ka						
STATEMENT OF FINANCIAL POSITION		nka operations LKR 000	Group Pk	Pakistan (R 000	STATEMENT OF COMPREHENSIVE INCOME		operations R 000		Pakistan R 000	CASH FLOW STATEMENT	Sri Lanka operati	ons LKR 000
As at	31.03.2020	31.12.2019 AUDITED	31.03.2020	31.12.2019 AUDITED	For the Three months ended 31 March	2020	2019	2020	2019	For the period ended 31st March	2020	2019
ASSETS Cash and cash equivalents	180.847	267,190	112,366,406	142,957,358	Interest income	654,733	760,708	41,656,568	29,336,108	Cash Flows From Operating Activities		
Balances with central banks	685,883	1,280,647	, 0 0 0 , . 0 0	142,007,000		(363,097)	(364,908)	(24,370,786)		Interest and commission receipts	679,724	796,877
Placements with banks	1,544,963	1,295,306	30,901,852	27,432,622	Net interest income	291,636	395,800		14,338,692	Interest payments	(363,097)	(364,908)
Derivative financial instruments	116,037	-	-	,,	Fee and commission income	24,992	36,170	3,125,528	3,063,815	Receipts/(outgoings) from other operating activities	63	(25,202)
Financial assets held-for-trading	-	-	-	-	Fee and commission expenses	-	-			Cash payments to employees and suppliers	(228,511)	(231,714)
Financial assets at amortised cost	-	-	16,022,625	10,542,688	Net fee and commission income	24,992	36,170	3,125,528	3,063,815	Operating profit before changes in Operating	88,180	475.052
Loans and Advances to customers	20,065,454	21,089,579	541,280,969	548,472,860	Net trading income/(expenses)	-	(05.000)	834,559	461,665	Assets and Liabilities	00,100	175,053
Debt and other financial instrument					Other operating income (net)	63	(25,202)	207,313	265,397	Increase in Operating Assets		
	3,371,767	2,284,431	32,393,702	32,663,856	Total operating income	316,691	406,768	21,453,182	18,129,569	Deposits held for Regulatory or Monetary Control Purposes	594,764	(28,454)
Investment securities at FVTPL		4 000 00=	704 407 600		Impairment charges for loans and other losses	3,598	10,001	(779,656)	448,170	Financial assets at amortised cost - loans & advances	1,027,722	290,267
	5,004,989	4,292,837	791,427,629	709,959,388	Net operating income	320,289	416,769	20,673,526	18,577,739	Other Assets	(103,079)	214,411
Investments in associates and joint ventur		455.004	3,878,600 63,986,871	4,275,658	Personnel expenses	(86,746)	(82,988)	-	- (0.1.5.15)	Increase/(Decrease) in Operating Liabilities	(100,070)	217,711
Property, plant and equipment	453,606	455,294 28,415	1,936,140	64,201,807	Depreciation and amortisation	(19,225)	(22,221)	(1,123,051)	(644,547)	Deposits from customers	(1,050,589)	664,482
Intangible assets	26,231 100,782	113,740	65,374,134	1,978,975 69,729,659	Other expenses	(94,487)	(89,473)	(8,695,257)	(9,045,941)	Other Liabilities	(274,771)	(271,984)
Other assets	100,702	113,740	00,074,104	09,729,009	Operating profit before VAT & NBT on					Net Cash Generated from Operations	282,227	1,043,775
Total assets	31,550,559	31,107,439	1,659,568,928	1,612,214,871	financial Services	119,831	222,087	10,855,218	8,887,251		,	,,
10(4) 4336(3	= 1,000,000	01,101,100	, , ,	.,012,211,011	Value Addedd Tax(VAT) & Nation Building	(00.050)	(0= 000)			Income Tax Paid	(36,577)	(40,598)
Liabilities					Tax (NBT) on Financial Services	(28,053)	(37,032)	-	-		, , ,	( , ,
Due to banks	3,124,189	1,273,593	73,690,887	64,598,453	Operating profit after value added tax (VAT)	91,778	185,055	10,855,218	8,887,251	Net Cash Flows Generated from Operating Activities	245,651	1,003,176
Derivative financial instruments	-	143,396	-	-	Share of profits of associates and joint ventures	-	-	260,896	157,543	, ,		
Financial Liabilities at amortised cost					Profit before tax	91,778	185,055	11,116,114	9,044,794	Cash Flows from Investing Activities		
- Due to depositors	20,995,018	22,045,607	1,271,950,183	1,226,593,025	Tax expense	(29,108)	(46,264)	(4,505,932)	(4,034,572)	Net proceeds from maturity and purchase		
Other borrowings	1,981	142,968	20,209,512	28,261,515	Profit for the period	62,670	138,791	6,610,182	5,010,222	of Financial Investments	(1,795,819)	(712,859)
Current tax liabilities	45,841	54,479	-	-						Proceed from maturity of other Placements with Banks	(249,656)	(338,829)
Deferred tax liabilities	16,768	15,600	10,531,117	6,214,223	Profit attributable to:					Purchase of Property, Plant and Equipments	3,873	23,310
Provision	12,224	12,489	100 000 050	-	Owners of the parent	62,670	138,791	6,623,914	4,986,133	Proceeds from Sale of Property, Plant and Equipment		-
Other liabilities	666,011	869,313	102,628,050 1,479,009,749	115,200,838	Non-controlling interests	-	-	(13,732)	24,089	Net Cash Flows generated from Investing Activities	(2,041,603)	(1,028,377)
Total liabilities	24,862,033	24,557,447	1,473,003,743	1,440,868,054		62,670	138,791	6,610,182	5,010,222			
Equity Stated capital/Assigned capital	3,969,508	3,969,508	11,850,600	11,850,600	Other comprehensive income/(expenses)					Cash flow from Financing Activities		
Statutory reserve fund	235,320	232,186	32,335,037	31,683,134	Actuarial gains and losses on defined benefit plans	-	-	-	-	Capital Infusion from Head Office	-	-
Retained earnings	2,086,056	2,026,520	56,178,259	56,108,779	Foreign currency translation reserve - Gain / (Loss) on		(			Profit transferred to head office	4 700 000	- (45.404)
Other reserves	397,642	321,779	79,503,639	70,963,901	translation of Foreign Operation	72,194	(35,356)	-	-	Increase/(Decrease) of borrowings	1,709,608	(15,104)
Total shareholders' equity	6,688,526	6,549,993	179,867,535	170,606,414	Net Change in Fair Value of Available-for-					Decrease of Securities Sold Under Repurchase Agreement	4 700 000	(45.404)
Non-controlling interests	-	-	691,644	740,403	Sale Financial Assets	3,669	6,682		-	Net cash generated from/(used in) financing Activities	1,709,608	(15,104)
Total equity	6,688,526	6,549,993	180,559,179	171,346,817	Surplus from revaluation of Property, plant & equipment		-	7,949,586	619,382	Not Increase in Cook and Cook Equivalents	(96.343)	(40.204)
Total equity and liabilities			1,659,568,928	1,612,214,871	Surplus on revaluation of non-banking assets - net of tax	X -	-	612,937	347,757	Net Increase in Cash and Cash Equivalents	(86,343) 267,190	(40,304) 221,412
Contingent liabilities and commitments	15,387,559	14,777,059	697,737,487	865,456,042						Cash and Cash Equivalents at the Beginning of the year Cash and Cash Equivalents at the End of the year	180,847	181,107
					foreign branches and subsidiaries	-	-	-	-	Cash and Cash Equivalents at the Life of the year	100,047	101,107
Number of Employees	142		15,470		Less: Tax expense/(income) relating to					Reconciliation of cash and cash equivalents		
Number of Branches	8	8	1,410	1,410	components of other comprehensive income	-	-	-	-	Cash and cash equivalents	180,847	181,107
					Other comprehensive income for the period,					out and out of o	180,847	181,107
Note: Amount stated are net of impairement and depreci	ation				net of taxes	75,863	(28,673)	8,562,523	967,139	Figures in brackets indicate deductions.		,1
					Total comprehensive income for the period	138,533	110,118	15,172,705	5,977,361	-		
						TENAGNIT-G	CUANCE	C IN FOLLIES			Cat Land	LI/D-000-
GROUP CASH FLOW STATEMENT					Group Pakistan PKR 000	TEMENT C	F CHANGE	S IN EQUITY	A	rigned Perceyo Poyolyation EVOCI Betain	Sri Lanka operati	
For the period ended 31st March					2020 2019					signed Reserve Revaluation FVOCI Retain Capital Fund Reserve Reserve Earnir		Total

	Total comprehensive inc	ome for the period	138,533 110,118 15,172,705 5,97	7,361	s in brackets indic	ate deductions.				
GROUP CASH FLOW STATEMENT	Grou	Pakistan PKR 000	STATEMENT OF CHANGES IN EQUITY						Lanka operat	
For the period ended 31st March	2020	2019		Assigned Capital	Reserve Fund	Revaluation Reserve	FVOCI Reserve	Retained Earnings	Exchange Equilization Reserves	Total
Cash Flows From Operating Activities										
Profit before taxation	11,116,114	9,044,794	Balance as at 01 January 2020	3,969,508	232,186	69,080	11,211	2,026,520	241,488	6,549,993
Less: Dividend income and share of profit of associates	(461,222)	(359,884)	Total comprehensive income for the year							
	10,654,892	8,684,910	Profit for the year		_			62,670		62,670
Adjustments:			•				3,669	02,010	72,194	75,863
Depreciation of fixed assets	583,177	546,044	Other comprehensive income (net of tax)				,	-	,	,
Depreciation on right of use assets	422,219	-	Total comprehensive income for the year		-	-	3,669	62,670	72,194	138,533
Depreciation on non-banking assets acquired in satisfaction of claims	8,074	12,062	Gain on revaluation of property, plant & equipment	-	-	-	-	-	-	-
Amortisation	109,581	86,441	Transfers to reserves during the period	-	3,134	-	-	(3,134)	-	-
Provisions / (reversals) and write offs - net	779,656	(448,170)	Share issue/increase of assigned capital	_	_	_	_	_	_	_
Worker welfare fund	217,299	182,997	·							
Gain on sale of fixed assets	(17,386)	(21,247)	Profit transferred to head office	-	-	-	-	-	-	-
(Reversal)/ charge for defined benefit plans	57,000	42,000	Others	-	-	-	-	-	-	-
unrealised loss on revaluation of investments classified as held for trading	(3,514)	19,691	Total transactions with equity holders	-	3,134	-	-	(3,134)	-	-
Interest expensed on lease liability against right-of-use assets	375,369	-								
Gain on sale of shares in associates	-	-	Balance as at 31st March 2020	3,969,508	235,320	69.080	14.880	2,086,057	313,682	6,688,526
	13,186,367	9,104,728	Dalance as at 51st march 2020	3,303,300	233,320	03,000	14,000	2,000,007	313,002	0,000,320
Decrease / (increase) in operating assets	(, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,									
Lending to financial institutions	(4,061,675)	(163,187,629)	SELECTED PERFORMANCE INDICATORS			Sri Lan	ka Operatior	1	Gro	NIID.
Held-for-trading securities	(5,395,951)	8,108,313	SELECTED PERFORMANCE INDICATORS			JII Laii				Jup
Advances	7,148,673	4,431,305				As of	A	s of	As of	As of
Others assets (excluding advance taxation)	4,120,539	(1,433,636)				31.03.2020	31.12.2	019 3	1.03.2020	31.12.2019
4 11 11 11 11 11 11 11 11 11 11 11 11 11	1,811,586	(152,081,647)	Regulatory Capital Adequacy (LKR in Million)							
Increase in operating liabilities	(0.000.507)	(5.550.005)	Common Equity Tier 1			6,364	6	362		
Bills payable	(3,826,537)	(5,558,365)	Core Tier 1 Capital			6,364		362	133,760	132,504
Borrowings from financial institutions	(666,437)	(145,663,225)	Total Capital Base			6,052		077	171,112	161,007
Deposits	45,357,158	21,664,213	Regulatory Capital Ratio (%)			0,002	Ο,	VII	,=	,
Others liabilities (excluding current taxation)	(10,100,686)	(3,951,921)	Common Equity Tier 1 Capital Ratio (Minimum Requirement - 2	2020 -7 00%)		30.49	31	1.65		
D. C. d. b C(c d.	30,763,498	(133,509,298)	Tier 1 Capital Ratio (Minimum Requirement - 2019 -8.50%)			30.49		1.65	14.4	14.7
Defind benefits paid	(82,171)	(84,302)	Total Capital Ratio (Minimum Requirement - 2019- 12.50%)			28.99		).24	18.4	17.8
Income tax paid	(3,125,477)	(1,218,549)	Assets Quality - Loans Portfolio			<del>-</del>				
Net cash flow from operating activities	42,553,803	(277,789,068)	Gross Non - performing Ratio %(net of Interest in Suspense)			3.66	3	3.49	8.62	8.4
Cash flow from investing activities			Not Non performing Patio %/ not of interest in suspenses & E	Provisions)		3 16	-	5 U.3	0.31	0.1

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7,148,673	4,431,305		As of	As of	As of	As of
4,120,539	(1,433,636)		31.03.2020	31.12.2019	31.03.2020	31.12.2019
1,811,586	(152,081,647)					
		Regulatory Capital Adequacy (LKR in Million)	0.004	0.000		
(3,826,537)	(5,558,365)	Common Equity Tier 1	6,364	6,362	400 700	400 504
(666,437)	(145,663,225)	Core Tier 1 Capital	6,364	6,362	133,760	132,504
45,357,158	21,664,213	Total Capital Base	6,052	6,077	171,112	161,007
(10,100,686)	(3,951,921)	Regulatory Capital Ratio (%)	20.40	24.05		
30,763,498	(133,509,298)	Common Equity Tier 1 Capital Ratio (Minimum Requirement - 2020 -7.00%)	30.49	31.65	44.4	44.7
(82,171)	(84,302)	Tier 1 Capital Ratio (Minimum Requirement - 2019 -8.50%)	30.49	31.65	14.4	14.7
(3,125,477)	(1,218,549)	Total Capital Ratio (Minimum Requirement - 2019- 12.50%)	28.99	30.24	18.4	17.8
42,553,803	(277,789,068)	Assets Quality - Loans Portfolio	2.00	2.40	0.00	0.4
		Gross Non - performing Ratio %(net of Interest in Suspense)	3.66	3.49	8.62	8.4
(81,461,963)	286,578,698	Net Non - performing Ratio %(net of interest in suspense & Provisions)	3.16	3.03	9.31	9.1
12,259,730	(1,247,596)	Profitability	2.7	5.0	4.00	4.0
-	-	Interest Margin %	3.7	5.0 1.2	4.23 1.62	4.0
101,023	105,852	Return on Assets %	0.8		1.62 17.96	1.5
(557,401)	(1,737,240)	Return on Equity %	3.8	5.4	17.90	16.7
(68,504)	(126,597)	Leverage Ratio (Minimum Requirement -3%)	16.1	16.6		
27,190	25,082	Net Stable Funding Ratio (Minimum Requirement - 2019 -100%)	146.0	131.0		
_	-	Regulatory Liquidity	8,856	7.074		
-	-	Statutory Liquid Assets Rs mn -DBU	1,438	7,071 702		
612,921	331,715	Statutory Liquid Assets Rs mn - OSBU Statutory Liquid Assets Ratio % -Minimum requirement 20%	1,430	702		
(69,087,004)		Domestic Banking Unit	42.2	33.3		
		Off Shore Banking Unit	49.8	33.8		
-	-	Total Stock of High-Quality Liquid Assets (LKR in Million)	5,210.6	5,095.3		
(527,673)	-	Liquidity Coverage Ratio (%)- Rupee(Minimum Requirement - 2020 - 100%)	319.0	187.7		
(5,829,391)	(46,327)	Liquidity Coverage Ratio (%)- All currencies (Minimum Requirement - 2020 - 100%)	255.4	167.0		
(6,357,064)	(46,327)	Equicity Servings ratio (70) 7 ill carronoles (minimum requirement 2020 - 100 /0)	200.4	107.0		
-	-	EXPLANATORY NOTES				
(32,890,265)	6,094,519	1. There were no change to the Associating Policies and methods of a secretary delices and	a nublication of the A	Financial states:	for the year and - 1 D	acombar 21
162,986,508	121,557,017	There were no changes to the Accounting Policies and methods of computation since the sound of the Accounting Policies and methods of computation since the sound of the Accounting Policies and methods of computation since the sound of the Accounting Policies and methods of computation since the sound of the Accounting Policies and methods of computation since the sound of the Accounting Policies and methods of computation since the sound of the Accounting Policies and methods of computation since the sound of the Accounting Policies and methods of computation since the sound of the Accounting Policies and methods of computation since the sound of the Accounting Policies and methods of the Accounting Polici	ne publication of the Annua	i Financiai statements	for the year ended De	ecember 31,
400,000,040	407.054.500	2019.				

STATEMENT OF CHANGES IN EQUITY						Group Pak	tistan PKR 000
	Assigned Capital	Statutory Reserve	Revaluation Reserve	Other Reserves	Retained Earnings	Minority Interest	Total
Balance as at 01 January 2020	11,850,600	31,683,134	24,752,206	46,211,695	56,108,779	740,403	171,346,817
Total comprehensive income for the year							
Profit for the year	-	-	-	-	6,623,914	(13,732)	6,610,182
Other comprehensive income (net of tax)	-	-	7,949,586	612,921	-	16	8,562,523
Total comprehensive income for the year	-	-	7,949,586	612,921	6,623,914	(13,716)	15,172,705
Transfers to reserves during the period	-	651,903	-	-	(651,903)	-	
Final cash dividend	-	-	-	-	(5,925,300)	-	(5,925,300)
Interim Cash dividends	-	-	-	-	-	-	
Others	-	-	(22,769)	-	22,769	(35,043)	(35,043)
Total transactions with equity holders	-	651,903	(22,769)	-	(6,554,434)	(35,043)	(5,960,343)
Balance as at 31st March 2020	11,850,600	32,335,037	32,679,023	46,824,616	56,178,259	691,644	180,559,179

2. Other operating income includes the swap cost incurred from buying and selling two currencies at two different maturities amounting to SLRS 43.375 Mn (Year 2019 -52.378 Mn)

3. Bank has recorded allocation of head office expenses of SLRS 25.95 Mn, under the other expenses. (March 2019 not accounted).

4. Consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim

financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of: - International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act,

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;

- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and - Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP)

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IAS 34 or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

The State Bank of Pakistan has deferred the applicability of International Financial Reporting Standard (IFRS) 9, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. The Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of IFRS-7 "Financial Instruments: Disclosures" on banks through S.R.O 411(1) /2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated condensed financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan

We, the undersigned, being the Country General Manager and Department Head - Finance Control of MCB Bank Limited jointly certify that (a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka (b) the information contained in these statements have been extracted from the un-audited financial statements of the bank unless stated as Audited.

(sgd) Apiramy Jeyarajah
Department Head - Finance Control 29th June 2020

Net investments in available-for-sale securities

Proceeds from sale of non-banking assets acquired insatisfaction of claims Investments in non-banking assets acquired in satisfaction of claims Effect of translation of net investment in foreign branches and subsidiaries

Net investments in held-to-maturity securities

Proceeds from divestment in an associate

Net cash flow used in investing activities

Payment of lease liability against right-of-use-assets

Cash and Cash equivalents at beginning of the period

Cash and Cash equivalents at end of the period

Effects of exchange rate changes on cash and cash equivalents

Cash flow from financing activities Payments of subordinated debt

Net cashflow used in financing activities

Increase in cash and cash equivalents

Dividends received

Dividend paid

Investments in fixed assets

Investments in intangible assets Proceeds from sale of fixed assets

> (sgd) Aali Shafi Country General Manager 29th June 2020

130,096,243

127,651,536

MCB Sri Lanka - [SL] A + stable by ICRA Lanka Limited Group by PACRA Short Term - A1+ Long Term - AAA Exchange rate: Pak Rs. 1 = LKR 1.135 (31st March 2020)

through various circulars.

**Credit Ratings** 

## MCB BANK LIMITED

Fort - Pettah - Maradana - Wellawatta Kandy - Kattankudy - Galle - Kollupitiya