

Interim Finalcial Statements

Dank for Life												
	Swi Lamka	onerations	Charle	Dakistan								
STATEMENT OF FINANCIAL POSITIO		operations R 000	Group PKF	Pakistan k 000	STATEMENT OF COMPREHENSIVE INCO	OME Sri l	Lanka operation LKR 000	s Group PKF	Pakistan R 000	CASH FLOW STATEMENT	Sri Lanka operat	tions LKR 000
As at	31.03.2022	31.12.2021 Audited	31.03.2022	31.12.2021 Audited	Three months ended 31st March	2022	2021	2022	2021	For the period ended 31st December	2022	2021
Assets					Interest income	443,767	324,672	42,688,643	30,601,487	Cash Flows From Operating Activities		
Cash and cash equivalents	664,449	220,254	153,255,626	175,922,469	Interest expenses	(178,556)	(153,756)	(23,330,894)	(14,303,321)	Interest and commission receipts	454,531	362,473
Balances with central banks	938,618	866,541	CO 7E4 700	CO 474 400	Net interest income Fee and commission income	265,210 10,764	170,916 37,801	19,357,749 3,548,604	16,298,166 3,636,522	Interest and commission receipts	(178,556)	(153,756)
Placements with banks / Financial Institutions Derivative financial instruments	5,093,753	2,674,180	69,751,733	63,171,439	Fee and commission expenses	(3,606)	(3,652)	-	-	Receipts/(outgoings) from other operating activities	1,215	59,534
Financial assets recognized through profit or loss	-	ν.■.	-	y .	Net fee and commission income	7,158	34,149	3,548,604	3,636,522	50-760 NO ASSET COLO. NO NO NO	(215,324)	(224,082)
measured at fair value		-	<u> </u>	1,255,085	Net gains/(losses) from trading Net fair value gains/(losses) on:	-	-	∪ _	-	Cash payments to employees and suppliers	(210,024)	(224,002)
designated at fair value	F=		=	* 50% 50°	financial assets at fair value through profit or loss		255 255	292,850	375,904	Operating profit before changes in Operating	C4 0CE	44.400
Financial assets at amortised cost	-				financial liabilities at fair value through profit or loss					Assets and Liabilities	61,865	44,169
Loans and Advances to customers	11,351,589	12,385,467	683,348,613	686,388,652	Net gains/(losses) on derecognition of financial	· · · · · · · · · · · · · · · · · · ·	1670	(5	5≅.			
Debt and other financial instrument Financial Assets measured at FVTOCI	- 8,449,101	815,028 8,637,800	22,619,326 1,175,571,608	24,426,134 1,031,604,010	assets:	32	r <u>u</u>	772	02			
Investments in associates and joint ventures	-	0,037,000	5,399,701	5,283,282	at fair value through profit or loss at amortised cost		(E) (V2)	-				
Property, plant and equipment	413,590	428,704	62,354,094	62,351,545						Increase in Operating Assets		
Goodwill and Intangible assets	27,203	31,945	1,776,011	1,838,136	at fair value through other comprehensive income Other operating income (net)	1 215	- 59,534	2,034,097	- 062 115	Deposits held for Regulatory or Monetary Control Purposes	(72,077)	133,541
Deferred tax assets	13,566	21,812	220,087	:=:	Total operating income	1,215 273,583	264,599	25,233,300	962,115 21,272,707	Financial assets at amortised cost - loans & advances	28 1/2 10 mg	7.0
Current tax assets	48,944	50,332.00		•	Impairment charges for loans and other losses	11,637	(19,004)	992,388	213,343		1,045,515	975,326
Other assets	115,687	90,521	71,004,446	69,880,727	Net operating income Personnel expenses	285,220 (91,758)	245,595 (93,987)	26,225,688 (5,310,650)	21,486,050 (4,831,978)	Other Assets	(25,166)	(103,007)
Total assets	27,116,500	26,222,585	2,245,301,245	2,122,121,479	Depreciation and amortisation	(21,341)	(25,535)	(1,153,582)	(1,150,718)	Increase/(Decrease) in Operating Liabilities	1 555 101	(2.262.400)
					Other expenses	(77,103)	(78,115)	(4,618,746)	(4,106,146)	Deposits from customers	1,555,421	(3,363,498)
Liabilities					Operating profit before VAT on financial Services	95,018	47,958	15,142,710	11,397,208	Other Liabilities	513,623	55,669
Due to banks	397,635	1,497,685	342,938,464	270,453,627	Value Addedd Tax(VAT) on Financial Services	(24,703)	(22,794)	* ************************************		Net Cash Generated from Operations	3,079,181	(2,257,799)
Derivative financial instruments Financial liabilities recognized through profit or	-	6,152	-	I	Operating profit after value added tax (VAT) Share of profits of associates and joint ventures	70,316	25,164	15,142,710 204,471	11,397,208 276,544	Income Tour Daild	/4E0 000\	(22.045)
loss					Profit before tax	70,316	25,164	15,347,181	11,673,752	Income Tax Paid	(152,232)	(33,845)
measured at fair value					Tax expense	(17,579)	(7,046)	(6,241,532)	(4,624,167)	Not Cook Floors Commented from Commenting Auticities	0.000.040	<u> </u>
designated at fair value					Profit for the period	52,737	18,118	9,105,649	7,049,585	Net Cash Flows Generated from Operating Activities	2,926,949	(2,291,644)
Financial liabilities at amortised cost					Profit attributable to:	294425_cm. v 52,466455 5rd 6						
due to depositors	17,899,732	16,344,311	1,616,577,266	1,534,586,671	Owners of the parent Non-controlling interests	52,737	18,118	9,082,889 22,760	7,011,920 37,665	Cash Flows from Investing Activities		
due to debt securities holders due to other borrowers	189,239	162,812	2 042 526	12,445,255	-	52,737	18,118	9,105,649	7,049,585	Net proceeds from maturity and purchase of Financial Investment		2,102,440
Debt securities issued	109,239	102,012	3,042,536	12,445,255	Items that will be reclassified to income					Proceed from maturity of other Placements with Banks	(2,419,573)	2,448,671
Retirement benefit obligations		72,128	0	1,982,169	statement					Purchase of Property, Plant and Equipments	19,856	23,822
Current tax liabilities	•		•		Foreign currency translation reserve - Gain / (Loss) on translation of Foreign Operation	404 744	04.074	14 107	(24.772)			
Deferred tax liabilities	•	•	•	1,578,782	Net gains/(losses) on cash flow hedges	494,714	91,274 -	14,187 -	(21,773) -	Proceeds from Sale of Property, Plant and Equipment	15 4	
Other provisions	11,008	7,930		722 222272	Net gains/(losses) on investments in Financial					Net Cash Flows generated from Investing Activities	(1,409,132)	4,574,933
Other liabilities	1,076,518	1,150,960	106,447,397	123,506,315	Assets measured at fair value through other comprehensive income	(13,142)	(24,610)	_	=			
Total liabilities	19,574,132	19,241,978	2,069,005,663	1,944,552,819	Share of profits of associates and joint ventures	-	-			Cash flow from Financing Activities		
					Debt instruments at fair value through other comprehensive income	1920	(7 <u>00</u>	023	600	Capital Infusion from Head Office	-	-
Equity					Movement in share of surplus / deficit on		(₹	# 5	<u>.</u>	Profit transferred to head office	<u> </u>	:
Stated capital/Assigned capital	3,969,508	3,969,508	11,850,600	11,850,600	revaluation of associated undertaking- net of tax	Yes.	TOM:	(3,212,934)	(3,633,984)	Increase/(Decrease) of borrowings	(1,073,623)	(2,359,744)
Statutory reserve fund	247,542	244,905	84,790,125	37,729,718	Less: Tax expense relating to items that will be reclassified to income statement	3,154	5,906			Decrease of Securities Sold Under Repurchase Agreement	1/2	
Retained earnings Other reserves	2,369,571 955,747	2,319,471 446,723	66,967,625 11,983,127	64,697,360 62,539,563	Items that will not be reclassified to income					Net cash generated from/(used in) financing Activities	(1,073,623)	(2,359,744)
Total shareholders' equity	7,542,368	6,980,608	175,591,477	176,817,241	statement Change in fair value on investments in equity	9 5			10 7 50			3
Non-controlling interests	-	-	704,105	751,419	instruments designated at fair value through other					Net Increase in Cash and Cash Equivalents	444,195	(76,455)
Total equity	7,542,368	6,980,608	176,295,582	177,568,660	comprehensive income Change in fair value attributable to change in the		(Cash and Cash Equivalents at the Beginning of the year	220,254	289,328
Total equity and liabilities	27,116,500	26,222,585	2,245,301,245	2,122,121,479	Bank's own credit risk on financial liabilities					Cash and Cash Equivalents at the End of the year	664,449	212,873
Ocation and Habilities and committee and	0.700.455	7 704 000	007 070 450	C40 F4C 000	designated at fair value through profit or loss Re-measurement of post-employment benefit	(**	(1 14)	(1,184,593)	(817,094)			
Contingent liabilities and commitments	9,766,155	7,731,208	687,373,153	643,516,382	obligations	: =	o =	8.	-	Reconciliation of cash and cash equivalents		
					Changes in revaluation surplus	:=:	18	×=	-	Cash and cash equivalents	664,449	212,874
Number of Employees	117	140	15,955	15,961	Share of profits of associates and joint ventures Less: Tax expense relating to items that will not be	1.00	·=	() 	·=		664,449	212,874
Number of Branches	7	8	1,436	1,437	reclassified to income statement	=		i a	=			
					Other comprehensive income for the period, net of taxes	484,726	72,570	(4,383,340)	(4,472,851)	Figures in brackets indicate deductions.		
Note: Amount stated are net of impairement and de	epreciation							MEX. III S				
					Total comprehensive income for the period	537,463	90,688	4,722,309	2,576,734			

GROUP CASH FLOW STATEMENT	Group P	Group Pakistan PKR 000		
Cash Flows From Operating Activities	2022	2021		
Profit before taxation	15,347,181	11,673,752		
Less: Dividend income and share of profit of associates	(903,233)	(624,484)	Balance as at 01 January 202	
	14,443,948	11,049,268	Change in the foreign exchang	
Adjsutments: Depreciation of fixed assets	655,047	613,317	Total comprehensive income	
Depreciation on right of use assets	370,120	408,609	Profit for the year	
Depreciation on non-banking assets acquired in satisfaction of claims	5,986	9,360	Other comprehensive income (Total comprehensive income	
Amortisation	122,429	119,432		
Provisions / (reversals) and write offs - net	(992,388)	(213,343)	Gain on revaluation of property Transfers to reserves during the	
Fixed assets written off	(00_,000)	-	Share issue/increase of assign	
Worker welfare fund	306,068	230,258	Profit transferred to head offic Others	
Gain on sale of non-banking assets acuired in satisfaction of claims	(11,448)	31,550	Total transactions with equity	
Gain on sale of fixed assets	_	-	Balance as at 31st March 202	
Gain on conversion of Ijarah agreements		——————————————————————————————————————	Bararice as at 01st March 202	
(Reversal)/ charge for defined benefit plans	87,000	87,000	SELECTED PERFORMA	
unrealised loss on revaluation of investments classified as held for trading	163	(107,067)		
Interest expensed on lease liability against right-of-use assets	319,645	359,708	D 14 0 4 1 4 1	
Gain on termination of lease liability against right of use assets	(33,911)	(19,853)	Regulatory Capital Adequad	
	15,272,659	12,568,239	Common Equity Tier 1 Core Tier 1 Capital	
			Total Capital Base	
Decrease / (increase) in operating assets			Regulatory Capital Ratio (%	
Lending to financial institutions	(28,022)	(3,819,956)	Regulatory Capital Radio (70)	
Held-for-trading securities	(8,624,166)	(6,141,200)	Common Equity Tier 1 Capita	
Advances	3,702,089	33,849,476	Tier 1 Capital Ratio (Minimum	
Others assets (excluding advance taxation)	(2,847,646) (7,797,745)	5,382,122 29,270,442	Total Capital Ratio (Minimum	
Increase in operating liabilities	(1,101,140)	20,210,112	Assets Quality - Loans Por	
Bills payable	-12,576,898	(12,739,976)	Gross Non - performing Ratio	
Borrowings from financial institutions	49,974,554	24,812,440	Net Non - performing Ratio	
Deposits	81,990,595	25,780,774	not then penerming than	
Others liabilities (excluding current taxation)	8,830,720	450,037	Impaired Loans (Stage 3) Ra	
	128,218,971	38,303,275	Impairment (Stage 3) to Stag	
Defind benefits paid Income tax paid	(68,615) (6,049,943)	(65,768) (3,620,061)		
Net cash flow from operating activities	122,100,413	76,456,127	Profitability	
			Interest Margin %	
Cash flow from investing activities			Return on Assets %	
Net investments in available-for-sale securities	-138,993,039	(78,252,501)	Return on Equity %	
Net investments in held-to-maturity securities	1,801,182	4,726,170	l D. 4. /4. /4 D	
Net cash inflow on amalgamation Proceeds from divestment in a subsidiary	2 -		Leverage Ratio (Minimum R	
Dividends received	642,101	244,208	Net Stable Funding Ratio (M	
Investments in fixed assets	(971,587)	(575,566)	Production to the production of the Assessment o	
Investments in intangible assets	(71,320)	(144,091)	Regulatory Liquidity	
Proceeds from sale of fixed assets	14,788	22,862	Statutory Liquid Assets Rs m	
Proceeds from sale of non-banking assets acquired insatisfaction of claims	87,800	-	Statutory Liquid Assets Rs m	
Proceeds from divestment in a subsidiary	-		Statutory Liquid Assets Rati	
Effect of translation of net investment in foreign branches and subsidiaries	(1,170,419)	(817,094)	Domestic Banking Unit	
Net cash flow used in investing activities	(138,660,494)	(74,796,012)	Off Shore Banking Unit	
		**************************************	Total Stock of High-Quality Li	
Cash flow from financing activities			Liquidity Coverage Ratio (%)-	
Payments of subordinated debt			Liquidity Coverage Ratio (%)-	
Payment of lease liability against right-of-use-assets	(607,002)	(581,361)		
Dividend paid	(5,620,419)	(17,495,742)	Credit Ratings	
Net cashflow used in financing activities	(6,227,421)	(18,077,103)	MCB Sri Lanka - [SL] A + stal	
Effects of exchange rate changes on each and each equivalents	(565.466)	(1 031 002)		

Cash and Cash equivalents at beginning	197	,359,601	162,627,544				
Cash and Cash equivalents at end of t	181	,481,547	144,278,654				
TEMENT OF CHANGES IN E	QUITY					Group Pa	akistan PKR 000
	Share capital	Statutory Reserve	Revaluation Reserve	Other Reserves	Retained earnings	Minority Interest	Total
Balance as at 01 January 2022	11,850,600	37,729,718	15,225,689	47,313,874	64,697,360	751,419	177,568,660
otal comprehensive income for the year Profit for the year Other comprehensive income (net of tax)			- (3,212,934)	- (1,170,419)	9,082,889	22,760 13	9,105,649 (4,383,340)
otal comprehensive income for the year	3-2	7 <u>-</u>	(3,212,934)	(1,170,419)	9,082,889	22,773	4,722,309
hare Issued	(4)	120	922	¥		-	12 3
ransfers to reserves during the period	2000	916,952	9#6	<u> </u>	(916,952)	₩	(4)
rofit transferred to head office	₩ 3	(=))=(2	2	=	
nal cash dividend terim Cash dividends	\$ \$	5€	:=:	-	(5,925,300)	(70,087)	(5,995,387)
thers		::=:	(39,628)		39,628	-	·
otal transactions with equity holders	3 - 3	916,952	(39,628)	-	(6,802,624)	(70,087)	(5,995,387)
Balance as at 31st March 2022	11,850,600	38,646,670	11,973,127	46,143,455	66,977,625	704,105	176,295,582

STATEMENT OF CHANGES IN EQUITY					Sri	Lanka operation	ons LKR 000
	Assigned Capital	Reserve Fund	Revaluation Reserve	Available for Sale Reserve for FVTOCI	Retained Earnings	Exchange Equilization Reserves	Total
Balance as at 01 January 2022 Change in the foreign exchange reserve	3,969,508	244,905	72,918	(3,215)	2,319,471 -	377,020 24,298	6,980,608 24,298
Total comprehensive income for the year					50 707		50.707
Profit for the year Other comprehensive income (net of tax)	V = 1 0660	1=	55%	(9,988)	52,737	- 494,714	52,737 484,726
Total comprehensive income for the year				(9,988)	52,737	494,714	537,463
Gain on revaluation of property, plant & equipment			-				<u> </u>
Transfers to reserves during the period	100	2,637	:= #	-	(2,637)	=	=
Share issue/increase of assigned capital	; ≡		•		NE VIECE EC		-
Profit transferred to head office	<u>22</u>	~	9	-			·
Others	0.000	15				1006	
Total transactions with equity holders	-	2,637			(2,637)	-	
Balance as at 31st March 2022	3,969,508	247,542	72,918	(13,203)	2,369,571	896,032	7,542,368

	1.0,200	7 =,000,01					
SELECTED PERFORMANCE INDICATORS	Sri Lanka Operation			Group			
Regulatory Capital Adequacy (LKR in Million)	As of 31.03.2022	As of 31.12.2021	As of 31.03.2022	As of 31.12.2021			
Common Equity Tier 1	6,680	6,688					
Core Tier 1 Capital	6,680	6,688	148,262	150,354			
Total Capital Base	6,849	6,859	164,190	169,604			
Regulatory Capital Ratio (%)		2,42 8 8		8 5 % 8			
Common Equity Tier 1 Capital Ratio (Minimum Requirement -7.00%)	47.23	45.83					
Tier 1 Capital Ratio (Minimum Requirement - 8.50%)	47.23	45.83	13.8	15.1			
Total Capital Ratio (Minimum Requirement - 12.50%)	48.42	47.00	15.2	17.0			
Assets Quality - Loans Portfolio							
Gross Non - performing Ratio %(net of Interest in Suspense)	7.18	6.96					
Net Non - performing Ratio %(net of interest in suspense & Provisions)	4.37	4.37					
Impaired Loans (Stage 3) Ratio (%)	5.65	5.02					
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	46.67	48.40					
Profitability							
Interest Margin %	4.0	1.0					
Return on Assets %	0.8	0.2					
Return on Equity %	2.6	8.0					
Leverage Ratio (Minimum Requirement -3%)	24.10	24.7					
Net Stable Funding Ratio (Minimum Requirement -100%)	218.0	189.7					
Regulatory Liquidity							
Statutory Liquid Assets Rs mn -DBU	12,198	11,521					
Statutory Liquid Assets Rs mn - OBU	1,484	828					
Statutory Liquid Assets Ratio % -Minimum requirement 20%							
Domestic Banking Unit	67.95	70.2					
Off Shore Banking Unit	57.5	69.5					
Total Stock of High-Quality Liquid Assets (LKR in Million)	9,300.5	9,077.0					
Liquidity Coverage Ratio (%)- Rupee(Minimum Requirement - 100%)	644.0	312.0					
Liquidity Coverage Ratio (%)- All currencies (Minimum Requirement - 100%)	635.9	258.7					

stable by ICRA Lanka Limited

Group by PACRA Short Term - A1+ Long Term - AAA

Exchange rate: Pak Rs. 1 = LKR 1.607 (31st March 2022)

Credit Ratings

EXPLANATORY NOTES

1. There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Financial statements for the year ended December 31, 2021

2. Other operating income includes the swap cost incurred from buying and selling two currencies at two different maturities amounting to LKR NIL (Year 2021 - 0.618 Mn) 3. 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, 2017; - 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 through various circulars.

Exchange rate: Pak Rs. 1 = 1.607 (31st March 2022)

MCB Sri Lanka - [SL] A + stable by ICRA Lanka Limited

Effects of exchange rate changes on cash and cash equivalents

Increase in cash and cash equivalents

(565,466)

(15,878,054)

(1,931,902)

(18,348,890)