

MCB Bank Limited Cri I anka

Interim Financial Statements

Bank for Life Sri Lai	nka						-		••••	manolal State	<u>,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,</u>	
STATEMENT OF FINANCIAL POSITI		a operations (R '000		p Pakistan KR '000	STATEMENT OF COMPREHENSIVE INCO	OME Sri	i Lanka operatio LKR '000		p Pakistan KR '000	CASH FLOW STATEMENT S	ri Lanka operation	ns LKR '000
As at	30.09.2024	31.12.2023 Audited	30.09.2024	31.12.2023 Audited	For the period ended 30 th September	2024	2023	2024	2023	For the period ended 30 th September	2024	2023
Assets					Interest income	2,065,002	3,187,803	317,741,967	260,832,479			
Cash and cash equivalents	471,117	284,370	210,303,882	190,245,798	Interest expenses	(816,570)	(1,049,414)	(189,249,787)	(141,664,553)	Cash Flows From Operating Activities		
Balances with central banks	380,270	1,077,675	-	-	Net interest income	1,248,432	2,138,389	128,492,180	119,167,926	Interest and commission receipts	2,148,839	3,256,045
Placements with banks / Financial Institutions	3,099,689	4,160,047	158,169,810	127,520,254	Fee and commission income Fee and commission expenses	83,836 (18,546)	68,242 (19,177)	18,715,119	15,889,708	Interest payments	(816,570)	(1,049,414)
Derivative financial instruments		-	-	-	Net fee and commission income	65,290	49,065	18,715,119	15,889,708	Payments to employees	(326,352)	(340,096)
Financial assets recognized through profit or measured at fair value	rioss		44,000,000	2 402 225	Net gains/(losses) from trading	-	-	-	-	VAT on financial services and SSCL	(206,498)	(350,804
designated at fair value	-	-	14,863,290	2,492,235	Net fair value gains/(losses) on: financial assets at fair value through profit or loss	-	-	- 175,864	- 217,886	Receipts/(outgoings) from other operating activities	157,931	379,211
Financial assets at amortised cost	-		-	-	financial liabilities at fair value through profit or loss			173,004	217,000	Cash payments to employees and suppliers	(371,850)	(343,803
Loans and Advances to customers	10,609,604	4 9,546,297	770,011,641	670,673,495	Net gains/(losses) on derecognition of financial					Operating profit before changes in Operating	(,,	()
Debt and other financial instrument	-	-	41,895,910	59,136,761	assets:	-	-	-	-	Assets and Liabilities	585,500	1,551,139
Financial Assets measured at FVTOCI	10,958,589	12,933,560	1,586,506,987	1,302,892,842	at fair value through profit or loss at amortised cost		_	_		Increase in Operating Assets	555,555	1,001,100
Investments in associates and joint ventures	-	-	9,406,096	7,821,877	at fair value through other comprehensive income	-	-	-	-		607.405	004.404
Property, plant and equipment	397,291	435,348	93,253,914	88,738,550	Other operating income (net)	157,931	379,211	10,276,444	8,446,780	Balances with Central Bank of Sri Lanka	697,405	994,421
Goodwill and Intangible assets	27,724	31,944	2,683,514	1,859,032	Total operating income Impairment charges for loans and other losses	1,471,653 129,347	2,566,666 (154,735)	157,659,607 (817,825)	143,722,300 (1,796,507)	Financial assets at amortised cost - loans & advances	(933,960)	2,987,612
Deferred tax assets	240,760	208,383	-	-	Net operating income	1,601,000	2,411,930	156,841,782	141,925,793	Other Assets	(20,835)	(21,507)
Current tax assets	-	-	-	-	Personnel expenses	(326,352)	(340,096)	(23,127,114)	(19,900,384)	Increase/(Decrease) in Operating Liabilities		
Other assets	109,969	89,134	200,865,311	228,704,335	Depreciation and amortisation	(63,813)	(64,444)	(5,461,233)	(4,333,523)	Financial liabilities at amortised cost - due to depositors	(2,008,863)	(1,558,939)
Total assets	26,295,013	28,766,757	3,087,960,355	2,680,085,179	Other expenses Operating profit before VAT on financial Services	(353,303)	(324,626)	(25,885,542)	(21,691,103)	Other Liabilities	(140,938)	(501,970)
Liabilities					and Social Security Contribution levy	857,532	1,682,764	102,367,893	96,000,783	Net Cash Generated from Operations	(1,821,691)	3,450,756
Due to banks	1,358,325	1,901,503	293,821,386	224,402,848	Value Addedd Tax on Financial Services and	(206,498)	(350,804)					
Derivative financial instruments	-	-	-	-	SSCL			102,367,893	96,000,783	Income Tax Paid	(458,790)	(497,726)
Financial liabilities recognized through profit or loss					Operating profit after value added tax (VAT) Share of profits of associates and joint ventures	651,033 -	1,331,960	1,617,156	894,936		(,,	(, , , ,
measured at fair value	-	-	-	-	Profit before tax	651,033	1,331,960	103,985,049	96,895,719	Net Cash Flows Generated from Operating Activities	(2,280,482)	2,953,031
designated at fair value	-	-	-	-	Tax expense	(227,862)	(466,186)	(51,155,951)	(48,555,020)	Not obstit tows deficiated from operating Addition	(2,200,102)	_,,,,,,,,,,
Financial liabilities at amortised cost					Profit for the period	423,172	865,774	52,829,098	48,340,699			
due to depositors	14,704,449	16,713,312	2,303,822,433	2,009,828,619	Profit attributable to: Owners of the parent	423,172	865,774	52,708,744	48,233,600			
due to debt securities holders	-	-	-	-	Non-controlling interests			120,354	107,099	Cash Flows from Investing Activities		
due to other borrowers	104,538	-	12,726,851	11,261,632		423,172	865,774	52,829,098	48,340,699	Net proceeds from maturity and purchase of Financial Investment	ts 1,867,048	(6,051,007)
Debt securities issued	-		-	-	Items that will be reclassified to income					Proceed from maturity of other Placements with Banks	1,060,358	2,020,208
Retirement benefit obligations	69,421	79,586	-	-	statement					•		
Current tax liabilities Deferred tax liabilities	90,384	321,312	- 11,354,527	- 3,552,321	Foreign currency translation reserve - Gain /					Purchase of Property, Plant and Equipments	(21,536)	10,148
Other provisions	39,032	43,343	11,554,521	5,552,521	(Loss) on translation of Foreign Operation Net gains/(losses) on cash flow hedges	(137,952)	(227,572)	254,784	5,065,724	Dividends received from investment in subsidiaries and associate	S -	
Other liabilities	906,645		189,033,079	189,288,657	Net gains/(losses) on investments in Financial	-	-	-	-	Proceeds from Sale of Property, Plant and Equipment		
Total liabilities	17,272,793				Assets measured at fair value through other	(407.000)	107.001					
	,,	,	_,,	_,,	comprehensive income Share of profits of associates and joint ventures	(107,923)	187,021	(11,326)	- 117,643	Net Cash Flows generated from Investing Activities	2,905,869	(4,020,651)
Equity Stated capital / Assigned capital	2 000 500	2 000 500	11 050 600	14 050 600	Debt instruments at fair value through other			(11,520)	117,043			
Statutory reserve fund	3,969,508 351,155	3,969,508 329,997	11,850,600 106,898,190	11,850,600 101,129,809	comprehensive income	-	-	-	-	Cash flow from Financing Activities		
Retained earnings	3,672,124	3,270,111	39,762,274	25,740,282	Movement in share of surplus / deficit on revaluation of associated undertaking- net of tax		_	17,697,696	(2,032,804)	Capital Infusion from Head Office		
Other reserves	1,029,432		118,276,303	102,689,217	Less: Tax expense relating to items that will be			17,007,000	(2,002,004)	Profit transferred to head office		(307,153)
Total shareholders' equity	9,022,220		276,787,367	241,409,908	reclassified to income statement	32,377	(56,106)	-	-	Increase/(Decrease) of borrowings	(438,640)	1,451,249
Non-controlling interests			414,712	341,194	Items that will not be reclassified to income statement					3	(430,040)	1,701,270
Total equity	9,022,220	8,812,546	277,202,079	241,751,102	Change in fair value on investments in equity					Decrease of Securities Sold Under Repurchase Agreement	(400,400)	- 4 4 4 4 000
Total equity and liabilities	26,295,013		3,087,960,355	2,680,085,179	instruments designated at fair value through other			1,930,489		Net cash generated from/(used in) financing Activities	(438,460)	1,144,096
Contingent liabilities and commitments	7,722,595	8,434,555	774,893,748	865,207,325	comprehensive income Change in fair value attributable to change in the	-	-	1,930,469	-			
Number of Employees	114		17,001	16,828	Bank's own credit risk on financial liabilities					Net Increase in Cash and Cash Equivalents	186,747	76,476
Number of Employees Number of Branches	5	5	1,438	1,438	designated at fair value through profit or loss Re-measurement of post-employment benefit	-	-	-	-	Cash and Cash Equivalents at the Beginning of the Period		260,570
	J		1,-100	1,100	obligations			-	292,162	Cash and Cash Equivalents at the End of the Period	471,117	337,046
					Changes in revaluation surplus			-	(523,677)			
					Share of profits of associates and joint ventures Less: Tax expense relating to items that will not be	-	-	-	-	Reconciliation of cash and cash equivalents	471,117	337,046
					reclassified to income statement			-	-	Cash and cash equivalents	471,117	337,046
					Other comprehensive income for the period - net of taxes	(213,498)	(96,658)	19,871,643	2,919,048	·		201,010
Note: Amount stated are net of impairment, a	amortization and	depreciation			Total comprehensive income for the period	200 672	760 116	72 700 744	51 250 747			
and an old of impairment, a		25p. 00lation			. c.a. comprehensive income for the period	209,673	769,116	72,700,741	51,259,747	Figures in brackets indicate deductions.		

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GROUP CASH FLOW STATEMENT	Group Pakistan PKR '000				
For the period ended 30 th September	2024	2023			
Cash Flows From Operating Activities					
Profit before taxation	103,985,049	96,895,719			
Less: Dividend income and share of profit of associates	(3,637,525) 100,347,524	<u>(2,705,340)</u> 94,190,379			
Adjsutments:		, , ,			
Net mark-up / Interest Income	(128,492,180)	(119,167,926)			
Depreciation on property and equipment Depreciation on right of use assets	3,232,660 1,621,043	2,489,984 1,408,160			
Depreciation on right of use assets Depreciation on non-banking assets acquired in satisfaction of claims	14.007	17,909			
Amortization	593,523	417,470			
Credit loss allowance / provisions and write offs - net	817,825	1,796,507			
Worker welfare fund	2,060,107	1,932,563			
Gain on sale of non-banking assets acquired in satisfaction of claims - net	(42,500)	3,224			
Gain on sale of property and equipment - net	(192,398)	(81,659			
Charge for defined benefit plans - net	(309,544)	222,196			
Unrealized (gain) / loss on revaluation of investments - FVTPL	39,742	5,654			
Finance charges on lease liability against right-of-use assets	1,313,060	1,081,823			
Gain on termination of lease liability against right of use assets	(73,782)	(49,536			
	(19,070,913)	(15,733,252)			
Decrease / (Increase) in operating assets					
Lending to financial institutions	(32,960,290)	(46,137,626			
Securities classified as FVTPL	4,622,272	(164,989			
Advances	(107,514,111)	169,020,428			
Others assets (excluding advance taxation)	49,158,337 (86,693,792)	(9,072,726 113,645,087			
Increase / (decrease) in operating liabilities	, , ,				
Bills payable	(15,139,091)	(31,072,703			
Borrowings from financial institutions	71,482,304	(48,347,994			
Deposits Others liabilities (excluding current taxation)	293,993,814 5,687,155	366,380,453 15,737,011			
Others labilities (excluding current taxation)	356,024,182	302,696,767			
Mark-up / Interest Received	289,222,500	223.529.381			
Mark-up / Interest Received Mark-up / Interest Paid	(171,712,490)	(149,969,833			
Defined benefits paid	(257,200)	(203,890			
Income tax paid	(61,692,426)	(42,604,356			
Net cash flow from operating activities	305,819,861	431,359,904			
Cash flow from investing activities					
Net investment in securities classified as FVOCI	(255, 158, 697)	(312,670,315			
Net investment in securities classified as amortized cost	9,729,731	(13,218,997			
Dividends received	2,410,305	1,985,277			
Net investment in associates	(306,081)	(185,000			
Investments in property and equipment	(8,313,933)	(5,435,643			
Investments in intangible assets	(1,415,202)	(315,478			
Disposal of property and equipment	259,825	1,828,177			
Proceeds from sale of non-banking assets acquired insatisfaction of claims	182,500	132,000			
Investment in subsidiary	-	(649,925			
Effect of translation of net investment in foreign branches and subsidiaries Net cash flow used in investing activities	$\frac{254,793}{(252,356,759)}$	5,065,724 (323,464,180			
•					
Cash flow from financing activities Payment of lease liability against right-of-use-assets	(2.483.809)	(2,125,088			
Dividend paid	(31,794,483)	(22,874,084			
Net cashflow used in financing activities	(34,278,292)	(24,999,172			
Effects of credit loss allowance changes on cash and cash equivalents	63,001	_			
Effects of exchange rate changes on cash and cash equivalents	(114,129)	11,029,512			
Increase in cash and cash equivalents	19,133,682	93,926,064			
		50,020,004			
Cash and Cash equivalents at beginning of the period	226,327,052	124,293,692			

		(309,544 39,742 1,313,060	2	222,196 5,654 1,081,823	Balance as at 30 th September 2024 3,969,508 351,155	141,799	(8,198) 3,67	72,124
		(73,78 <u>2</u> (19,070,913	2)	(49,536) (15,733,252)	SELECTED PERFORMANCE INDICATORS	Sri La	anka Operation	
		(32,960,290 4,622,272		(46,137,626) (164,989)		As of 30.09.2024	As of 31.12.2023 Audited	30.0
		(107,514,111 49,158,337	1)	169,020,428 (9,072,726)	Regulatory Capital Adequacy (LKR in Million)		Addited	
		(86,693,792		113,645,087	Common Equity Tier 1	8,009	8,180	
		(15,139,091	1)	(31,072,703)	Core Tier 1 Capital	8,009	8,180	20
		71,482,304	4	(48,347,994)	Total Capital Base	8.139	8,313	26
		293,993,814 5,687,155 356,024,182	5	366,380,453 15,737,011 302,696,767	Regulatory Capital Ratio (%)	7,	-,-	
		289,222,500		223,529,381	Common Equity Tier 1 Capital Ratio (Minimum Requirement - 7.00%)	59.53	53.79	
		(171,712,490	0)	(149,969,833)	Tier 1 Capital Ratio (Minimum Requirement - 8.50%)	59.53	53.79	
		(257,200 (61,692,426 305,819,86	3)	(203,890) (42,604,356) 431,359,904	Total Capital Ratio (Minimum Requirement - 12.50%)	60.50	54.66	
		(255,158,697 9,729,73 ² 2,410,305	1	(312,670,315) (13,218,997) 1,985,277	Assets Quality - Loans Portfolio			
		(306,081	1)	(185,000)	Impaired Loans (Stage 3) Ratio (%)	1.81	3.41	
		(8,313,933 (1,415,202 259,825 182,500	2) 5	(5,435,643) (315,478) 1,828,177 132,000	Impairment (Stage 3) to Stage 3 Loans Ratio (%)	76.19	62.36	
		162,500	U	(649,925)	Profitability			
		254,793 (252,356,759		5,065,724 (323,464,180)	Interest Margin %	6.17	10.73	
		(202,000,100	-,	(020,101,100)	Return on Assets %	2.09	3.79	
		(2,483,809 (31,794,483		(2,125,088) (22,874,084)	Return on Equity %	6.31	11.09	
		(34,278,292	2)	(24,999,172)	Leverage Ratio (Minimum Requirement - 3%)	29.68	24.33	
		63,00 ⁻ (114,129 19,133,682 226,327,052	<u>9</u>) 2	11,029,512 93,926,064 124,293,692	Net Stable Funding Ratio (Minimum Requirement - 100%)	203.21	233.70	
		245,460,734	<u>≤</u> 4	218,219,756	Regulatory Liquidity			
			_		Statutory Liquid Assets Rs mn - DBU	11,625	15,309	
					Statutory Liquid Assets Rs mn - OBU	1,327	1,103	
					Statutory Liquid Assets Ratio % - Minimum requirement 20%			
		Gr	oup Pakist	an PKR '000	Domestic Banking Unit	82.95	103.31	
on e	Other Reserves	Retained Earnings	Minority Interest	Total	Off Shore Banking Unit	85.44	65.40	
2	52,822,594	102,689,217	341,194	241,751,102	Total Stock of High-Quality Liquid Assets (LKR in Million)	10,335	11,811	
	,,	,,	,	,	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1			

STATEMENT OF CHANGES IN EQUITY

Balance as at 01st January 2024

Profit for the year

Change in the foreign exchange reserve

Total comprehensive income for the year

Other comprehensive income (net of tax) Total comprehensive income for the year

Transfers to reserves during the period Share issue/increase of assigned capital Profit transferred to head office Others
Total transaction with equity holders

Gain on revaluation of property, plant & equipment

Assigned Capital

3,969,508

329,997

21,159

STATEMENT OF CHANGES IN EQUIT	Y				Gı	roup Pakistaı	n PKR '000
	Share Capital	Statutory Reserve	Revaluation Reserve	Other Reserves	Retained Earnings	Minority Interest	Total
alance as at 01st January 2024	11,850,600	48,307,215	25,740,282	52,822,594	102,689,217	341,194	241,751,102
mpact of adoption of IFRS 9			(5,116,113)	-	(90,204)		(5,206,317
rofit afer taxation for the year ended eptember 30, 2024					52.708.744	120.354	52.829.098
Other comprehensive income (net of tax)	-	-	-	-	-	-	-
ffect of translation of net investment in oreign branches and subsidiary Movement in Surplus / (deficit) on revaluation	-	-	-	243,467	-	(9)	243,458
f investments in equity instruments through VOCI - net of tax lovement in Surplus on associated	-	-	1,930,489	-	-	-	1,930,48
ndertaking - net of tax lovement in Surplus / (deficit) on revaluation	-	-	236,353	-	-	-	236,35
f debt investments through FVOCI - net of tax	-	-	17,461,343	-	-	-	17,461,343
otal comprehensive income for the year	-	-	19,628,185	243,467	-	(9)	19,871,643
ransfer to statutory reserve ransfer in respect of incremental depreciation	-	5,524,914	-	-	(5,524,914)	- ' '	-
om surplus on revaluation of fixed assets o unappropriated profit - net of tax	-	-	(110,918)	-	110,918		-
rplus realized on disposal of investments equity instruments through FVOCI - net of tax	-	-	(349,136)	-	349,136		-
rplus realized on disposal of revalued fixed sets - net of tax urplus realized on disposal of	-	-	(13,222)	-	13,222 16.804	-	-
on-banking assets - net of tax nal cash dividend	-	-	(16,804)	-	(10,665,540)		(10,665,540
terim cash dividend otal transactions with equity holders	-	5,524,914	(490,080)	-	(21,331,080) (37,031,454)		(21,331,080 (31,996,62 0
hare of dividend attributable to on-controlling interest		-	- ·	-	•	(46,827)	(46,827
alance as at 30 th September 2024	11,850,600	53,832,129	39,762,274	53,066,061	118,276,303	414,712	277,202,07

EXPLANATORY NOTES

Credit Ratings

Short Term - A1+ Long Term - AAA

- 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
- 2. Consolidated condensed Interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for Interim
 - International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified
 - Islamic Financial Accounting Standard (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;

450

700

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

financial reporting. The accounting and reporting standards as applicable in Pakistan for Interim financial reporting comprise of

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 IFAS 34 or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

Liquidity Coverage Ratio (%) - Rupee(Minimum Requirement - 100%)

Liquidity Coverage Ratio (%) - All currencies (Minimum Requirement - 100%)

410

732

Sri Lanka operations LKR '000

Exchange Equilization

1,033,783

Group

As of 31.12.2023

Audited

191,313

229,255

16.50

19.77

8,812,546

Retained

3,270,111

423,172

423,172

(21,159)

As of 30.09.2024

209,868 269,345

16.61

21.32

FVTOCI Reserve

67,349

Revaluation Reserve

141,799