Interim Financial Statements

Bank for Life												
STATEMENT OF FINANCIAL POSITION		ka operations LKR 000		Pakistan R 000	STATEMENT OF COMPREHENSIVE INCOME		ka operations .KR 000		Pakistan 1000	CASH FLOW STATEMENT	Sri Lanka operati	ions LKR 000
As at	30. 09.2020	31.12.2019 AUDITED	30.09.2020	31.12.2019 AUDITED	For the Nine months ended 30th September	2020	2019	2020	2019	For the period ended 30th September	2020	2019
ASSETS						. 750 070	0.070.000			Cash Flows From Operating Activities		
Cash and cash equivalents	154,347	267,190	135,197,401	142,957,358	Interest income	1,753,378	2,372,828	114,516,948	105,533,314	Interest and commission receipts	1,829,085	2,471,567
Balances with central banks	773,522	1,280,647	00 000 101		Interest expenses	(897,402)	(1,144,617)	(00),0.0)	(59,508,698)	Interest payments	(897,402)	(1,144,617)
Placements with banks	1,846,319	1,295,306	33,666,161	27,432,622		855,976	1,228,211	58,799,908		Receipts/(outgoings) from other operating activities	80,577	(81,040)
Derivative financial instruments	327	-	22.000.504	10 606 674	Fee and commission income	75,706	98,740	8,791,768	9,048,543	Cash payments to employees and suppliers	(653,804)	(793,803)
Financial assets held-for-trading Financial assets at amortised cost	-	-	33,868,594	10,626,674	Fee and commission expenses	75 700				Operating profit before changes in Operating	-	
Loans and Advances to customers	15,282,073	21.089.579	523,264,691	548,472,860	Net fee and commission income	75,706	98,740	8,791,768	9,048,543	Assets and Liabilities	358,455	452,107
Debt and other financial instrument	3,517,412		20,266,153	37,132,032	Net trading income/(expenses)	-	•	-	-			
Dept and other infancial institution	0,017,412	2,204,401	20,200,100	07,102,002	Net gain/(loss) from financial instruments designed at fair value	-	-	-	-	Increase in Operating Assets		
Investment securities at FVTOCI	7,425,255	4,292,837	927,568,231	705,407,226	through profit or loss	-		-	-	Deposits held for Regulatory or Monetary Control Purposes	507,125	308,574
	,,	-			Net gain/(loss) from financial investments	- 00 577	(04.040)		-	Financial assets at amortised cost - loans & advances	5,719,303	157,058
Investments in associates and joint ventur	es -		4,129,558	4,275,658	Other operating income (net)	80,577	(81,040)	5,771,570	2,974,167	Other Assets	(10,993)	255,585
Property, plant and equipment	419,354	455,294	63,264,224	64,201,807		1,012,259	1,245,911	73,363,246	58,047,326	Increase/(Decrease) in Operating Liabilities		
Intangible assets	21,467	28,415	1,779,408	1,978,975	Impairment charges for loans and other losses	(88,203)	(32,151)	(5,189,574)	(1,823,093)	Deposits from customers	(3,901,462)	(304,222)
Current tax Assets	-	-	-	-	Net operating income	924,057	1,213,761	68,173,672	56,224,233	Other Liabilities	65,594	204,257
Deferred tax assets	-	-	-	-	Personnel expenses	(242,062)	(240,964)	-	-	Net Cash Generated from Operations	2,738,021	1,073,360
Other assets	124,407	113,740	53,060,154	69,729,659	Depreciation and amortisation	(84,427)	(61,071)	(3,101,674)	(1,406,333)			
					Other expenses	(247,770)	(391,264)	(26,157,046)	(27,702,225)	Income Tax Paid	(104,689)	(130,547)
Total assets	29,564,484	31,107,439	1,796,064,575	1,612,214,871	Operating profit before VAT & NBT on financial Services	349,798	520,462	38,914,952	27,115,675	Not On the Florida Control of the Control of Control		
l inhiliding					Value Addedd Tax(VAT) & Nation Buildingxax (NBT) on	(79,545)	(100,504)	•		Net Cash Flows Generated from Operating Activities	2,633,333	942,814
Liabilities Due to banks	3,421,916	1,273,593	79,668,834	64,598,453	Financial Services	070 050	440.050			Cash Flows from Investing Activities		
Derivative financial instruments	7,364	143,396	73,000,004	04,000,400	Operating profit after value added tax (VAT)	270,253	419,958	38,914,952	27,115,675	Net proceeds from maturity and purchase		
Financial Liabilities at amortised cost	7,004	140,000	_		Share of profits of associates and joint ventures	-	-	518,852	374,289	of Financial Investments	(4,336,687)	(1,185,997)
- Due to depositors	18,144,145	22,045,607	1,364,405,515	1,226,593,025	Profit before tax	270,253	419,958	39,433,804	27,489,964	Proceed from maturity of other Placements with Banks	(551,012)	(397,743)
Other borrowings	93,280	142,968	52,209,104	28,261,515	Tax expense	(70,266)	(109,473)	(15,921,924)	(11,327,158)	Purchase of Property, Plant and Equipments	42,888	47,069
Current tax liabilities	10,979	54,479	-,,	-	Profit for the period	199,988	310,485	23,511,880	16,162,806	Proceeds from Sale of Property, Plant and Equipment	12,000	17,000
Deferred tax liabilities	24,677	15,600	6,980,081	6,214,223						Net Cash Flows generated from Investing Activities	(4.844.812)	(1,536,671)
Provision	19,832	12,489	-	-	Profit attributable to:	100.000	0.40, 405	00 400 705		100 04011 10110 9011014104 11011111110011119 71011111100	(1,011,012)	(1,000,011,
Other liabilities	1,040,478	869,313	104,524,315	115,200,838	Owners of the parent	199,988	310,485	23,406,735	16,152,480	Cash flow from Financing Activities		
Total liabilities	22,762,672	24,557,447	1,607,787,849	1,440,868,054	Non-controlling interests	-		105,145	10,326	Capital Infusion from Head Office	_	
Equity	-		-			199,988	310,485	23,511,880	16,162,806	Profit transferred to head office	-	-
Stated capital/Assigned capital	3,969,508	3,969,508	11,850,600	11,850,600	Other comprehensive income/(expenses)			(4.700.400)		Increase/(Decrease) of borrowings	2,098,635	580,137
Statutory reserve fund	242,185	232,186	80,910,812	31,683,134	Actuarial gains and losses on defined benefit plans	-		(1,738,103)	(534,194)	Decrease of Securities Sold Under Repurchase Agreement		-
Retained earnings	2,216,508	2,026,520	63,718,782	56,108,779	Foreign currency translation reserve - Gain / (Loss) on	23,119	(3,957)	13,019	50,566	Net cash generated from/(used in) financing Activities	2,098,635	580,137
Other reserves	373,611	321,779	30,986,011	70,963,901	translation of Foreign Operation			0.400.004			-	
Total shareholders' equity	6,801,812	6,549,993	187,466,205 810,521	170,606,414 740,403	Net Change in Fair Value of Available-for-	28,713	26,448	6,439,804	1,683,289	Net Increase in Cash and Cash Equivalents	(112,844)	(13,721)
Non-controlling interests	6 901 912	E E49 993	188,276,726		Sale Financial Assets					Cash and Cash Equivalents at the Beginning of the year	267,190	221,412
Total equity Total equity and liabilities			1,796,064,575		Surplus from revaluation of Property, plant & equipment		-	-	-	Cash and Cash Equivalents at the End of the year	154,346	207,691
Contingent liabilities and commitments				865,456,042	Surplus on revaluation of non-banking assets - net of ta	ax -	-	-	-			
Contingent habilities and commitments	10,001,070	14,777,000	7 10,07 0,47 1	000,400,042	Effect of translation of net investment in		-	699,468	1,228,029	Reconciliation of cash and cash equivalents		
Number of Employees	139	141	15,234	15,564	foreign branches and subsidiaries			-		Cash and cash equivalents	154,347	207,691
Number of Branches	8		1,413	1,410	Share of profits of associates and joint ventures						154,347	207,691
			.,	-,	Less: Tax expense/(income) relating to			(440 540)	(10 4 4 5 7)	Figures in brackets indicate deductions.		
					components of other comprehensive income			(110,516)	(104,157)			
					Other comprehensive income for the period,	51,832	22,492	5,303,672	2,323,533			
					net of taxes					_		
					Total comprehensive income for the period	251,819	332,976	28,815,55	2 18,486,339) _		

	lotal comprehensive ind	ome for the period	251,619 332,970 26,613,332 10	,400,339						
GROUP CASH FLOW STATEMENT	Grou	p Pakistan PKR 000	STATEMENT OF CHANGES IN EQUITY					Sr	i Lanka operat	ions LKR 000
For the period ended 30th September	2020	2019		Assigned Capital	Reserve Fund	Revaluation Reserve	FVTOCI	Retained Earnings	Exchange Equilization	Total
Cook Flavor Franc Onausting Activities									Reserves	
Cash Flows From Operating Activities	20,422,004	07 400 004	D-l	2.000.500	000 400	60,000	44.044	0.000.500	241,488	0.540.000
Profit before taxation	39,433,804	27,489,964	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	(1,148,062)	(1,202,784)	Total comprehensive income for the year							
• • • • • • • • • • • • • • • • • • • •	38,285,742	26,287,180	Profit for the year	_	-		-	199,988	-	199,988
Adjustments:			Other comprehensive income (net of tax)			_	28,713		23,119	51,832
Depreciation of fixed assets	1,787,456	1,642,213	, , ,							
Depreciation on right of use assets	1,291,383	1,193,657	Total comprehensive income for the year		-	-	28,713	199,988	23,119	251,819
Depreciation on non-banking assets acquired in satisfaction of claims	22,835	34,815	Gain on revaluation of property, plant & equipment	-	-	-		-	-	-
Amortisation	350,371	290,609	Transfers to reserves during the period	_	9,999	-	_	(9,999)	_	-
Provisions / (reversals) and write offs - net	5,189,574	1,823,093	= -		0,000			(0,000)		
Worker welfare fund	767,073	551,441	Share issue/increase of assigned capital	-	-	-	-	-	-	-
Gain on sale of non-banking assets acuired in satisfaction of claims	-	-	Profit transferred to head office	-	-	-	-	-	-	-
Gain on sale of fixed assets	(47,799)	(76,803)	Others	_	-	-	_	-	-	-
(Reversal)/ charge for defined benefit plans	263,546	9,825	Total transactions with equity holders		0.000			(0.000)		
unrealised loss on revaluation of investments classified as held for trading	(54,426)	41,815	Total transactions with equity holders		9,999			(9,999)		
Interest expensed on lease liability against right-of-use assets	1,358,910	-				-	-			
Gain on sale of shares in associates	-	-	Balance as at 30th September 2020	3,969,508	242,185	69,080	39,923	2,216,508	264,607	6,801,812
	49,214,665	31,797,845								
Decrease / (increase) in operating assets										
Lending to financial institutions	3,092,317	24,957,038	SELECTED PERFORMANCE INDICATORS			Sri La	nka Operatio	n	Gr	oup
Held-for-trading securities	(23,187,494)	3,977,983				As of	Δ	s of	As of	As of
Advances	19,819,131	19,110,736				30.09.2020	31.12.2		0.09 .2020	31.12.2019
Others assets (excluding advance taxation)	17,625,452	(9,060,999)								
,	17 340 406	20 004 750	Regulatory Capital Adequacy (LKR in Million)							

SELECTED PERFORMANCE INDICATORS	Sri Lank	ca Operation	G	roup
	As of 30.09.2020	As of 31.12.2019	As of 30.09 .2020	As of 31.12.2019
Regulatory Capital Adequacy (LKR in Million)				
Common Equity Tier 1	6,369	6,362		
Core Tier 1 Capital	6,369	6,362	144,338	132,504
Total Capital Base	6,245	6,077	185,209	161,007
Regulatory Capital Ratio (%)	•	,	•	,
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 2020 -7.00%)	36.58	31.65		
Tier 1 Capital Ratio (Minimum Requirement - 2020 -8.50%)	36.58	31.65	16.1	14.7
Total Capital Ratio (Minimum Requirement - 2020 - 12.50%)	35.87	30.24	20.6	17.8
Assets Quality - Loans Portfolio				
Gross Non - performing Ratio %(net of Interest in Suspense)	4.85	3.49	8.91	8.4
Net Non - performing Ratio %(net of interest in suspense & Provisions)	4.01	3.03	9.75	9.1
Profitability				
Interest Margin %	3.7	5.0	3.45	4.0
Return on Assets %	0.9	1.2	1.84	1.5
Return on Equity %	3.9	5.4	20.63	16.7
Leverage Ratio (Minimum Requirement -3%)	16.5	16.6		
Net Stable Funding Ratio (Minimum Requirement - 2020 -90%)	161.0	131.0		
Regulatory Liquidity				
Statutory Liquid Assets Rs mn -DBU	10,836	7,071		
Statutory Liquid Assets Rs mn - OSBU	2,288	702		
Statutory Liquid Assets Ratio % -Minimum requirement 20%				
Domestic Banking Unit	57.9	33.3		
Off Shore Banking Unit	66.4	33.8		
Total Stock of High-Quality Liquid Assets (LKR in Million)	7,712.0	5,095.3		
Liquidity Coverage Ratio (%)- Rupee(Minimum Requirement - 2020)	546.0	187.7		
Liquidity Coverage Ratio (%)- All currencies (Minimum Requirement - 2020)	198.8	167.0		

	17,349,406	38,984,758
Increase in operating liabilities		
Bills payable	(1,632,724)	(6,588,807)
Borrowings from financial institutions	40,119,333	(13,451,483)
Deposits	137,812,490	103,872,366
Others liabilities (excluding current taxation)	(20,546,262)	2,912,467
	155,752,837	86,744,543
Defind benefits paid	(233,433)	(238,381)
Income tax paid	(10,328,829)	(2,375,252)
Net cash flow from operating activities	211,754,646	154,913,513
Cash flow from investing activities		
Net investments in available-for-sale securities	(211,785,245)	(122,338,902)
Net investments in held-to-maturity securities	16,768,806	(329,608)
Net cash inflow on amalgamation	-	-
Proceeds from divestment in an associate	-	-
Dividends received	601,932	840,739
Investments in fixed assets	(1,917,693)	(4,083,725)
Investments in intangible assets	(141,486)	(578,679)
Proceeds from sale of fixed assets	64,846	141,417
Proceeds from sale of non-banking assets acquired insatisfaction of claims	39,000	40,000
Investments in non-banking assets acquired in satisfaction of claims	-	(64,445)
Effect of translation of net investment in foreign branches and subsidiaries	712,471	1,228,029
Net cash flow used in investing activities	(195,657,369)	(125,145,174)
Cash flow from financing activities		
Payments of subordinated debt	-	(3,891,019)
Payment of lease liability against right-of-use-assets	(1,645,992)	(807,025)
Dividend paid	(11,784,023)	(14,108,885)
Net cashflow used in financing activities	(13,430,015)	(18,806,929)
Effects of exchange rate changes on cash and cash equivalents	3,189,458	3,835,293
Increase in cash and cash equivalents	5,856,720	14,796,703
Cash and Cash equivalents at beginning of the period	159,797,050	117,721,724
	165,653,770	132,518,427
STATEMENT OF CHANGES IN EQUITY	Gro	up Pakistan PKR 000
Assigned Statutory Royaluation	n Other Retained Mi	nority Total

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,

2. Other operating income includes the swap cost incurred from buying and selling two currencies at two different maturities amounting to SLRS 70.965 Mn (Year 2019 -SLRS 154.053 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."

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.

33,986,646 30,986,011

Capital

11,850,600

11,850,600

Reserve

31,683,134

2,303,512

2,303,512

Reserve

24,752,206

6,329,288

(95,483)

(95,483)

6,329,288

Reserves

46,211,695

712,471

712,471

Interest

740,403

105,145

(35,043)

- (14,058,629) (35,043) (11,885,643)

16

56,108,779

23,406,735

(1,738,103)

(2,303,512)

(11,850,600)

95,483

46,924,166 63,718,782 810,521 188,276,726

21,668,632 105,161

171,346,817

23,511,880

5,303,672

28,815,552

(11,885,643)

(sgd) Apiramy Jeyarajah

Department Head - Finance Control
30th November 2020

Balance as at 01 January 2020

Profit for the year

Final cash dividend

Others

Interim Cash dividends

Total comprehensive income for the year

Other comprehensive income (net of tax)

Transfers to reserves during the period

Total transactions with equity holders

Balance as at 30th September 2020

Total comprehensive income for the year

Country General Manager 30th November 2020

Credit Ratings MCB Sri Lanka - [SL] A + stable by ICRA Lanka Limited Group by PACRA Short Term - A1+ Long Term - AAA

Exchange rate: Pak Rs. 1 = 1.115 LKR

MCB Bank Limited Fort - Pettah - Maradana - Wellawatta Kandy - Kattankudy - Galle - Kollupitiya