

Note: Amount stated are net of impairement and depreciation

Interim Financial Statements

12,011,037

1,322,991 126,394

Total comprehensive income for the period

STATEMENT OF FINANCIAL POSITIO	N Sri Lanka operations LKR 000		PI	p Pakistan KR 000	STATEMENT OF COMPREHENSIVE INCO	ME STIL	Sri Lanka operations LKR 000	
As at	30.09.2022	31.12.2021 Audited	30.09.2022	31.12.2021 Audited	For the nine months ended 30th September	2022	2021	2022
Assets					Interest income	2,058,669	984,871	153,350,018
Cash and cash equivalents	199,918	220,254	165,282,562	175,922,469	Interest expenses	(678,816)	(430,705)	(86,110,868)
Balances with central banks	1,036,963	866,541	36,389,220	-	Net interest income	1,379,853	554,167	67,239,150
Placements with banks / Financial Institutions	6.041,558	2,674,180	62,701,197	63,171,439	Fee and commission income	43,318	97,760	11,284,635
Derivative financial instruments		-	-		Fee and commission expenses	(16,305)	(12,759)	<u> </u>
Financial assets recognized through profit or los	S				Net fee and commission income	27,013	85,001	11,284,635
measured at fair value		-	2,430,800	1,255,085	Net gains/(losses) from trading Net fair value gains/(losses) on:	-	-	-
designated at fair value	-	-	-,,	-	financial assets at fair value through profit or loss	-	-	-
Financial assets at amortised cost		-						
Loans and Advances to customers	11,706,604	12,385,467	679,641,838	686,388,652	financial liabilities at fair value through profit or loss	-	-	-
Debt and other financial instrument		815,028	36,116,360	24,426,134	Net gains/(losses) on derecognition of financial			(105.151)
Financial Assets measured at FVTOCI	7,140,774	8,637,800	1,097,463,248	1,031,604,010	assets: at fair value through profit or loss	-	-	(165,151)
Investments in associates and joint ventures	7,140,774	0,007,000	5,148,306	5,283,282	at amortised cost			
•	205 540				at fair value through other comprehensive income	-	-	-
Property, plant and equipment	385,540	428,704	62,804,331	62,351,545	Other operating income (net)	259,658	165,520	9,805,896
Goodwill and Intangible assets	20,926	31,945	1,733,342	1,838,136	Total operating income	1,666,524	804,687	88,329,681
Deferred tax assets	27,320	21,812	4,204,240	-	Impairment charges for loans and other losses	(176,051)	(74,482)	(1,298,217)
Current tax assets	-	50,332	·	-	Net operating income	1,490,473	730,205	89,627,898
Other assets	124,926	90,521	100,045,051	69,880,727	Personnel expenses Depreciation and amortisation	(286,010)	(250,011)	(16,245,121) (3,071,977)
Total Assets	26,684,528	26,222,585	2,253,960,495	2,122,121,479	Other expenses	(64,500) (265,813)	(74,625) (232,692)	(17,063,064)
Liabilities					Operating profit before VAT on financial Services	874,149	172,887	53,247,736
Due to banks	18,667	1,497,685	195,624,213	270,453,627	Value Addedd Tax(VAT) on Financial Services	(179,585)	(51,937)	-
Derivative financial instruments	-	6,152	-	-	Operating profit after value added tax (VAT)	694,564	120,949	53,247,736
Financial liabilities recognized through profit or lo	88	-,			Share of profits of associates and joint ventures	-		522,009
That out has made to be grade an eaght promise to					Profit before tax Tax expense	694,564 (208,369)	120,949 (27,848)	53,769,745 (33,101,126)
measured at fair value	-	-	-	-	Profit for the period	486,195	93,101	20,668,619
designated at fair value	_	_	_	_				
Financial liabilities at amortised cost					Profit attributable to:			
	15.822,951	16,344,311	1,733,403,582	1,534,586,671	Owners of the parent	486,195	93,101	20,722,081
Due to depositors	13,022,931	10,344,311	1,733,403,362	1,554,560,071	Non-controlling interests	486,195	93,101	20,668,619
Due to debt securities holders	005 000	400.040	7.450.400	10 115 055	-	480,193	93,101	20,008,019
Due to other borrowers	985,002	162,812	7,159,426	12,445,255	Items that will be reclassified to income			
Debt securities issued	-	70.400			statement			
Retirement benefit obligations	82,425	72,128	-	-	Foreign currency translation reserve - Gain /	054.220		
Current tax liabilities	96,853	-	-	-	(Loss) on translation of Foreign Operation Net gains/(losses) on cash flow hedges	854,239	64,102	1,096,554
Deferred tax liabilities	-	-	-	-	Net gains/(losses) on cash flow nedges Net gains/(losses) on investments in Financial	-	-	-
Other provisions	7,354	7,930	-	-	Assets measured at fair value through other			
Other liabilities	1,340,719	1,150,960	144,854,504	127,067,266	comprehensive income	(22,951)	(40,538)	-
Total liabilities	18,353,970	19,241,978	2,081,041,725	1,944,552,819	Share of profits of associates and joint ventures	-	-	99
				_	Debt instruments at fair value through other comprehensive income			
Equity					Movement in share of surplus / deficit on	-	-	-
Stated capital/Assigned capital	3,969,508	3,969,508	11,850,600	11,850,600	revaluation of associated undertaking- net of tax			(9,745,423)
Statutory reserve fund	269,215	244,905	39,884,365	37,729,718	Less: Tax expense relating to items that will be			,
Retained earnings	2,781,357	2,319,471	66,803,379	64,697,360	reclassified to income statement	5,508	9,729	
Other reserves	1,310,479	446,723	53,645,533	62,539,563	Items that will not be reclassified to income statement			
Total shareholders' equity	8,330,558	6,980,608	172,183,877	176,817,241	Change in fair value on investments in equity	-	-	-
	0,000,000	0,000,000	734,893	751,419	instruments designated at fair value through other			
Non-controlling interests	9 330 559	e 000 e00 -			comprehensive income	-	-	-
Total equity	8,330,558	6,980,608	172,918,770	177,568,660	Change in fair value attributable to change in the			
Total equity and liabilities	26,684,528	26,222,585	2,253,960,495	2,122,121,479	Bank's own credit risk on financial liabilities			
					designated at fair value through profit or loss Re-measurement of post-employment benefit	-	-	
Contingent liabilities and commitments	5,691,398	7,731,208	756,627,338	643,516,382	obligations	-		164,273
					Changes in revaluation surplus	-	-	(173,085)
					Share of profits of associates and joint ventures	-	-	-
Number of Employees	111	140	14,098	15,961	Less: Tax expense relating to items that will not be			
Number of Branches	6	8	1,439	1,437	reclassified to income statement Other comprehensive income for the period,	-	-	-
					o and comprehensive income for the period,			

n	CASH FLOW STATEMENT	Sri Lanka operati	ons LKR 000
21	For the Period ended 30th September 2022	2022	2021
25 78)	Cash Flows From Operating Activities		
7	Interest and commission receipts	2,101,987	736,850
	Interest payments	(678,816)	(296,591)
-	Receipts/(outgoings) from other operating activities	259,658	81,426
	Cash payments to employees and suppliers	(812,214)	(421,952)
	Operating profit before changes in Operating	(012,211)	(121,002)
	Assets and Liabilities	870,615	99,734
	Increase in Operating Assets		
	Increase in Operating Assets	(170 422)	(260 204)
	Deposits held for Regulatory or Monetary Control Purposes Financial assets at amortised cost - loans & advances	(170,423)	(269,294)
	Other Assets	502,813	1,632,022
		(34,405)	15,687
	Increase/(Decrease) in Operating Liabilities	(524.250)	/E 000 E1E\
	Deposits from customers	(521,360)	(5,002,515)
	Other Liabilities	1,224,322	68,708
	Net Cash Generated from Operations	1,871,562	(3,455,659)
	Income Tax Paid	210,981	(64,870)
	Net Cash Flows Generated from Operating Activities	1,660,581	(3,520,529)
	Cash Flows from Investing Activities		
	Net proceeds from maturity and purchase of Financial Investments	2,289,103	2,974,227
	Proceed from maturity of other Placements with Banks	(3,367,378)	1,981,169
	Purchase of Property, Plant and Equipments	54,185	39,380
	Proceeds from Sale of Property, Plant and Equipment		_
	Net Cash Flows generated from Investing Activities	(1,024,090)	4,994,776
	Cash flow from Financing Activities		
	Capital Infusion from Head Office	-	
	Profit transferred to head office		_
	Increase/(Decrease) of borrowings	(656,827)	(1,525,953)
	Decrease of Securities Sold Under Repurchase Agreement	(555,52.)	(1,020,000)
	Net cash generated from/(used in) financing Activities	(656,827)	(1,525,953)
	Net Increase in Cash and Cash Equivalents	(20,336)	(51,705)
	Cash and Cash Equivalents at the Beginning of the year	220,254	289,328
	Cash and Cash Equivalents at the End of the year	199,918	237,623
1)	Reconciliation of cash and cash equivalents	400.046	007.000
	Cash and cash equivalents	199,918	237,623
7)		199,918	237,623
	Figures in brackets indicate deductions		
43	Figures in brackets indicate deductions.		

GROUP CASH FLOW STATEMENT	Group Pak	Group Pakistan PKR 000		
For the Period ended 30th September 2022	2022	2021		
Cash Flows From Operating Activities				
Profit before taxation	53,769,745	38,270,319		
Less: Dividend income and share of profit of associates	(1,958,124)	(1,442,071		
2000 Divisoria modification of professional	51,811,621	36,828,248		
Adjsutments:				
Depreciation of fixed assets	2,028,644	1,608,704		
Depreciation on right of use assets	1,336,823	915,482		
Depreciation on non-banking assets acquired in satisfaction of claims	17,736	28,08		
Amortisation	436,768	232,50		
Provisions / (reversals) and write offs - net	(1,298,217)	(3,499,19		
Fixed assets written off	-	-		
Worker welfare fund	1,075,925	785,40		
Gain on sale of non-banking assets acuired in satisfaction of claims	(6,817)	(551,33		
Gain on sale of fixed assets	(50,417)	(46,043		
Gain on conversion of Ijarah agreements	(11,604)	077.40		
(Reversal)/ charge for defined benefit plans	143,859	377,43		
unrealised loss on revaluation of investments classified as held for trading	(13,855)	15,66		
Interest expensed on lease liability against right-of-use assets	1,026,198	765,95		
Gain on termination of lease liability against right of use assets	(53,704)	(52,42		
	56,442,960	37,408,479		
Decrease / (increase) in operating assets				
Lending to financial institutions	(22,084,087)	(8,888,88)		
Held-for-trading securities	(1,161,860)	(4,095,50		
Advances	8,494,163	(15,502,80		
Others assets (excluding advance taxation)	(24,786,182)	294,35		
	(39,537,966)	(28,192,84		
Increase in operating liabilities				
Bills payable	(14,718,006)	(11,693,833		
Borrowings from financial institutions	(78,540,271)	26,939,834		
Deposits	198,816,911	167,078,93		
Others liabilities (excluding current taxation)	15,801,828	6,867,57		
Defind benefits paid	121,360,462 (177,211)	189,192,51 (187,98		
Income tax paid	(19,515,639)	(15,813,993		
Net cash flow from operating activities	118,572,606	182,406,169		
Cash flow from investing activities				
Net investments in available-for-sale securities	(83,391,124)	(159,305,764		
Net investments in held-to-maturity securities	(11,762,898)	(6,017,458		
Net cash inflow on amalgamation	-			
Proceeds from divestment in a subsidiary	-	-		
Dividends received	1,588,347	1,257,82		
Investments in fixed assets	(3,171,845)	(2,005,20		
Investments in intangible assets	(234,877)	(292,95		
Proceeds from sale of fixed assets	78,796	199,04		
Proceeds from sale of non-banking assets acquired insatisfaction of claims	153,500	1,887,10		
Proceeds from divestment in a subsidiary / Investment in subsidiary	-	-		
Effect of translation of net investment in foreign branches and subsidiaries	1,096,554	490,83		
Net cash flow used in investing activities	(95,643,547)	(163,786,57		
Cash flow from financing activities				
Payments of subordinated debt	-			
Payment of lease liability against right-of-use-assets	(1,864,867)	(1,288,454		
Dividend paid	(16,294,236)	(28,737,24		
Net cashflow used in financing activities	(18,159,103)	(30,025,698		
Effects of exchange rate changes on cash and cash equivalents	9,559,736	3,419,96		
Increase in cash and cash equivalents	14,329,692	(7,986,13		
Cash and Cash equivalents at beginning of the period	187,234,399	142,393,893		
Cash and Cash equivalents at end of the period	201,564,091	134,407,75		
	201,004,001	,401,10		

Cash and Cash equivalents at end of the pend	od				_	201,364,091	134,407,733
STATEMENT OF CHANGES IN E	QUITY					Group Pak	istan 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	18,600,000	43,939,563	64,697,360	751,419	177,568,660
Total comprehensive income for the year							
Profit for the year	-	-	-		20,615,157	53,462	20,668,619
Other comprehensive income (net of tax)	-	-		(8,821,954)	164,273	99	(8,657,582)
Total comprehensive income for the year	•	-		(8,821,954)	20,779,430	53,561	12,011,037
Share Issued			-			-	-
Transfers to reserves during the period		2,154,647			(2, 154, 647)		
Profit transferred to head office					-		
Final cash dividend	-		-		(5,925,300)	(70,087)	(5,995,387)
Interim Cash dividends					(10,665,540)		(10,665,540)
Others				(72,076)	72,076		-
Total transactions with equity holders		2,154,647	•	(72,076)	(18,673,411)	(70,087)	(16,660,927)
Balance as at 30th September 2022	11,850,600	39,884,365	18,600,000	35,045,533	66,803,379	734,893	172,918,770

	Assigned Capital	Reserve Fund	Revaluation Reserve for FVTOCI	Available for Sale Reserve for FVTOCI	Retained Earnings	Exchange Equilization Reserves	Tota
Balance as at 01 January 2022 Change in the foreign exchange reserve	3,969,508	244,905	72,918	(3,215)	2,319,471 -	377,021 26,959	6,980,60 9 26,959
Total comprehensive income for the year							
Profit for the year		-			486,195	-	486,19
Other comprehensive income (net of tax)		-		(17,443)	-	854,239	836,79
Total comprehensive income for the year	· .	-		(17,443)	486,195	854,239	1,322,99
Gain on revaluation of property, plant & equipment						-	
Fransfers to reserves during the period		24.310			(24,310)	-	
hare issue/increase of assigned capital	-		-				-
Profit transferred to head office	-	-	-	-	-	-	-
Others		-	-	-			-
Total transactions with equity holders	·	24,310	:	·	(24,310)		
Balance as at 30th September 2022	3,969,508	269,215	72,918	(20,658)	2,781,357	1,258,220	8,330,55

Balance as at 30th September 2022	3,969,508	269,215	72,918	(20,658) 2,7	81,357 1,258,2	8,330,559
SELECTED PERFORMANCE INDICATORS			Sri	Lanka Operation		Group
Selected Performance Indicators			As of 30.09.2022	As of 31.12.2021	As of 30.09.2022	As of 31.12.2021
Regulatory Capital Adequacy (LKR in Millior	1)					
Common Equity Tier 1			3,115	6,688		
Core Tier 1 Capital			3,115	6,688	150,375	150,354
Total Capital Base			3,427	6,859	162,251	169,604
Regulatory Capital Ratio (%)						
Common Equity Tier 1 Capital Ratio (Minimum	Requirement -7.0	0%)	19.84	45.83		
Tier 1 Capital Ratio (Minimum Requirement - 8.5	50%)		19.84	45.83	15.5	15.1
Total Capital Ratio (Minimum Requirement - 12.	.50%)		21.83	47.00	16.7	17.0
Assets Quality - Loans Portfolio						
Impaired Loans (Stage 3) Ratio (%)			4.94	5.02		
Impairment (Stage 3) to Stage 3 Loans Ratio (%)		50.03	48.40		
Profitability						
Interest Margin %			6.9	1.0		
Return on Assets %			2.4	0.2		
Retum on Equity %			8.3	8.0		
Leverage Ratio (Minimum Requirement -3%)			11.42	24.7		
Net Stable Funding Ratio (Minimum Requiren	nent -100%)		192.8	189.7		
Regulatory Liquidity						
Statutory Liquid Assets Rs mn -DBU			11,406	11,521		
Statutory Liquid Assets Rs mn - OBU			1,677	828		
Statutory Liquid Assets Ratio % -Minimum red	quirement 20%					
Domestic Banking Unit			80.5	70.2		
Off Shore Banking Unit			86.8	69.5		
Total Stock of High-Quality Liquid Assets (LKR	in Million)		6,910.8	9,077.0		
Liquidity Coverage Ratio (%)- Rupee(Minimum l Liquidity Coverage Ratio (%)- All currencies (Mi			908.6 639.2	312.0 258.7		

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, 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 gain 8.23 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

- 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 Unaudited financial statements of the bank unless stated as Audited

(sgd) Apiramy Jeyarajah Department Head - Finance Control 30th November 2022

(sgd) Tahir Riaz Country General Manager 30 November 2022 Group by PACRA Short Term - A1+ Long Term - AAA Exchange rate: Pak Rs. 1 = LKR 1.593 (30th September 2022)

Fort - Pettah - Maradana - Wellawatta Kandy - Kollupitiya