

QUARTERLY REPORT MARCH 31, 2020



Our Vision

To be the leading financial services provider, partnering with our customers for a more prosperous and secure future

Our Mission

We are a team of committed professionals, providing innovative and efficient financial solutions to create and nurture long-term relationships with our customers. In doing so, we ensure that our shareholders can invest with confidence in us

Our Values

The standards and principles which determine our behavior and how we interact with our customers and each other

Credit Rating Long-Term AAA (Triple A) Short –Term A1+ (A one plus) By PACRA



Corporate Profile

Board of Directors

Mian Mohammad Mansha	Chairman
Mr. S.M. Muneer	Vice-Chairman
Mr. Muhammad Tariq Rafi	Director
Mian Umer Mansha	Director
Mrs. Iqraa Hassan Mansha	Director
Mr. Muhammad Ali Zeb	Director
Mr. Mohd Suhail Amar Suresh bin Abdullah	Director
Mr. Yahya Saleem	Director
Mr. Salman Khalid Butt	Director
Mr. Masood Ahmed Puri	Director
Mr. Shahzad Hussain	Director
Mr. Shariffuddin bin Khalid	Director
Mr. Imran Maqbool	President & CEO

Audit Committee

Mr. Shahzad Hussain	Chairman
Mian Umer Mansha	Member
Mr. Muhammad Ali Zeb	Member
Mr. Shariffuddin bin Khalid	Member

Chief Financial Officer:	Mr. Hammad Khalid
Company Secretary:	Mr. Fida Ali Mirza
Auditors:	M/s. KPMG Taseer Hadi & Co. Chartered Accountants
Legal Advisors:	M/s. Khalid Anwer & Co. Advocates & Legal Consultants
Registered /Principal Office:	MCB House, 15-Main Gulberg, Jail Road, Lahore Pakistan
[•] Registrar's and Share Registration Office(s):	Head Office: M/s. THK Associates (Pvt.) Limited 1 st Floor, 40-C, Block 6, P.E.C.H.S., Karachi Pakistan
	Branch Office: M/s. THK Associates (Pvt.) Limited Siddique Trade Centre, Office No. PL-29, PL Floor, 72 Main Boulevard Gulberg -2, Lahore, Pakistan.

Directors' Report - March 2020



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On behalf of the Board of Directors, weare pleased to place before you, the unconsolidated condensed interim financial statements of MCB Bank Limited (MCB) for the three months period ended March31, 2020.

Introduction

The COVID - 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rate by 225 basis points to 11% in March 2020 and again by 200 basis points to 9% on April 16, 2020. Moreover, few schemes covering principal deferments, loan restructuring and salary re-financing have been announced to provide overall relief to borrowers in these testing times.

The Bank is closely monitoring the situation and has invoked required actions to ensure the safety and security of Bank staff whileuninterrupted service to its large customer base. The senior management of the Bank is continuously monitoring the situation and is taking timely decisions to resolve any concerns. The risks and related measures adopted by the Bank to mitigate the impact associated with the outbreak of COVID-19 are detailed in note 6 of the unconsolidated financial statements.

Performance Review

	Rs. in Million
Profit Before Taxation Taxation	10,865 4,346
Profit After Taxation	6,519
Un-appropriated Profit Brought Forward	55,778
Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to unappropriated profit - net of tax	22
	55,800
Profit Available for Appropriation	62,319
Appropriations:	
Statutory Reserve	652
Final Cash Dividend at Rs. 5.0 per share - December 2019	5,925
Total Appropriations	6,557
Un-appropriated Profit Carried Forward	55,742

MCB's Profit After Tax (PAT) for the three months period ended March 31, 2020 increased by 28% to Rs. 6.519 billion. The strategic maturity profiling of the investments based on the anticipated interest rate calls resulted in a gradual shift from shorter to longer term investments over the last 12 months period, thereby capitalizing on the significant opportunity available. Net interest income rose to Rs. 16.31 billion, 21% higher than the corresponding last period. Analysis of the interest earning assets highlights that income on advances increased by Rs. 1.8 billion, primarily on account of increase in yield of 176bps. On the investment side, gross markup income increased by Rs. 10.94 billion, due to increased average volume by Rs. 207 billion and improved yield of 312bps. On the interest bearing liabilities side, the cost of deposits increased by 197bps as compared to corresponding last period.

On the operating expenses side excluding pension fund, despite the surge in inflationary pressures, the Bank was able to contain the growth in administrative expenses and reported a net decrease of Rs. 24 million as compared to corresponding last period. The control in administrative expense base is resultant of the expense management drive undertaken by the Bank in 2019. The stock market has responded to the COVID-19 pandemic with worrying volatility; resultantly, Bank has recorded a charge of Rs. 765 million against equity investment portfolio. The quality of the loan book is duly reflected in a muted net charge of Rs. 47.3 million for the first quarter 2020.

On the financial position side, the total asset base of the Bank on an unconsolidated basis was reported at Rs. 1.56 trillion depicting an increase of 3% over December 2019. Analysis of the asset mix highlights that net investments increased by Rs. 88

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billion (12%) whereas gross advances decreased by Rs 15.5 billion (-3%) over December 2019.

The Non-performing loan (NPLs) base of the Bank recorded a marginal increase of Rs. 511 million and was reported at Rs. 49.93 billion. The Increase was primarily on account of currency devaluation impact of foreign currency denominated NPLs with no significant accretion in the number of cases. The Bank has not taken FSV benefit in calculation of specific provision. The coverage and infection ratios of the Bank were reported at 87.30% and 9.52% respectively.

On the liabilities side, the deposit base of the Bank registered an increase of Rs. 39.38 billion (+3.44%) over December 2019 whereas CASA base increase by 5.35%.

Return on Assets and Return on Equity improved to 1.70% and 17.88% respectively, whereas book value per share was reported at Rs. 123.57.

While complying with the regulatory capital requirements, The Bank's total Capital Adequacy Ratio is 19.51% against the requirement of 11.50% (including capital conservation buffer of 1.50% as reduced under the BPRD Circular Letter No. 12 of 2020). Quality of the capital is evident from Bank's Common Equity Tier-1 (CET1) to total risk weighted assets ratio which comes to 15.38% against the requirement of 6.00%. Bank's capitalization also resulted in a leverage ratio of 6.94% which is well above the regulatory limit of 3.0%. The Bank reported Liquidity Coverage Ratio (LCR) of 218.11% and Net Stable Funding Ratio (NSFR) of 157.55% against requirement of 100.

The Board of Directors has declared interim cash dividend of Rs 5 per share. Earnings per share (EPS) for the period ended March 31, 2020 was Rs. 5.50 per share as compared to Rs. 4.29 for comparative period.

Ratings

The Bank enjoys highest local credit ratings of AAA/A1+ categories for long term and short term respectively, based on PACRA notification dated June 27, 2019.

Economy Review

The first quarter of 2020 proved to be challenging for the government due to the outbreak of Novel Coronavirus in Pakistan and the subsequent lock down in the country. The macro-economic variables took a hit in the last month of the quarter despite continued efforts of the government and central bank to combat issues on both, domestic and external fronts.

On the external front, during the first two months of 2020, exports declined by 2.5% while imports contracted by 5%. Workers' remittances, on the other hand, showed a significant growth of 15%, consequently, the current account deficit dropped by 35%. During the first eight months of FY20, current account deficit declined by 71%. In spite of the consistent improvement in the current account, the pressure on the foreign exchange reserves increased towards the end of the quarter because of uncertainty surrounding the impact of coronavirus on the economy. Out of the total investment of USD 3.49bn in government debt during the current fiscal year, foreign investors divested USD 1.8bn in March, 2020. On account of the portfolio outflows and external debt repayments, total foreign exchange reserves of the country declined by USD 1.5bn, while the reserves of SBP decreased by USD 1.6bn in March.

As a result, PKR depreciated by 8.1% against the US Dollar during March, 2020 and stood at PKR 166.7037 at the end of the quarter. During the three month period, PKR recorded a total depreciation of 7.6%. On a fiscal year to date basis, PKR depreciated by 4.2%.

On the domestic front, the government imposed a partial lockdown in the country in March to contain the spread of coronavirus. Consequently, FBR tax collection during the month fell short of its target by Rs261 billion. Moreover, government announced an Economic Relief Package worth PKR 1.2 trillion to combat the impact of the virus on the economy.



Meanwhile, Headline Inflation (Base Year 2015-2016) touched a peak of 14.6% in January, 2020 before dropping to 10.2% in March, 2020. On average, National CPI stood at 12.4% in Q1 of 2020. Declining inflationary trend in the economy due to constrained demand coupled with the need to support the ailing economy under lockdown, the SBP cut its policy rate by a cumulative 225 basis points during the month of March and again by 200 basis points on April 16. 2020. The current policy rate now stands at 9%.

Future Outlook

Despite improvement appearing on the macroeconomic front during the first two months of 2020, the remaining year may pose new challenges for the economy of Pakistan as a result of Novel Coronavirus. The main issues that the government has to tackle are the containment of the disease in the country and minimization of economic losses owing to the shutdown of the businesses in the country. The persisting lockdown in Pakistan and major economies across the world is expected to have a negative impact on the projected GDP growth of Pakistan. Other contributors of downward growth projections include decline in imports and exports, reduction in remittances, loss in FBR's revenue, and disruption in food supplies.

Appreciation and Acknowledgements

The Board of Directors of MCB Bank Limited would like to thank the Government of Pakistan, the State Bank of Pakistan, the Securities & Exchange Commission of Pakistan and other regulatory bodies for their continued support, all shareholders and customers of the Bank for their trust, and our employees for their continuous dedication and commitment.

For and on behalf of the Board of Directors.

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Imran Magbool President & CEO. MCB Bank Limited April 22, 2020



Mian Umer Mansha Director MCB Bank Limited



MCB Bank Limited

فیصد کی فرسودگی ہوئی ہے۔ داخلی محاذ برحکومت نے مارچ میں کرونا وائرس کے پھیلاؤ کو رولنے کے لیے یورے ملک میں لاک ڈاؤن کا نفاذ کہا گیا، جس کے باعث ایف نیآر (FBR) کی قلیس وصولیاں، اسماہ کےدوران، این ہدف سے 261 بلین روپے کم رہیں۔ علاوہ ازیں، حکومت نے اس دائرس کے معیشت براثرات کے تدارک کے لیے 1.2 ٹریلین روپے کے معاشی ریلف پیکیج کا بھی اعلان کہاہے۔ دریں اثناء نمایاں افراط زر (برائے بنیادی سال 2016 - 2015)، جنوری 2020ء میں 14. فیصد کی ملند ترین سطح کو چھو کر مارچ 2020 ، میں کم ہوتے

اس کے نتیجہ میں پاکستانی روپیہ میں مارچ 2020ء کے دوران امریکی ڈالر کے مقابلہ میں 8.1 فیصد کی شرح سے فرسودگی ہوئی۔ جو کہ سہ ماہی کے اختتام تک

166.7037 روپے فی ڈالر برجا پنجا۔ تین ماہ کے عرصہ کے دوران پاکستانی روپے میں کل 7.6 فیصد کی فرسودگی ہوئی۔ مالی سال میں موجودہ تاریخ تک پاکستانی روپے میں 4.2

ہونے 10.2 فیصد کی شرح بردرج ہوا۔ اوسطاً، قومی سی پی آئی (CPI) سال 2020ء کی پہلی سہاہی میں 12.4 فیصد بربا۔ محدود طلب کے باعث معیشت میں افراط زر کے گرتے ہوئے رجمان اور اس کے ساتھ جڑی لاک ڈاؤن میں گھری بیار معیشت کو تقویت پہنچانے کے لیے اسٹیٹ بینک آف یا کستان نے پاکسی ریٹ میں مارچ کے مہینے کے دوران 225 یوانٹش کی کمی کی ہے۔ موجودہ پالیسی ریٹ اب اس وقت 9 فیصد کی شرح بر ہے۔

متنقبل کی پیش بنی

سال 2020ء کے پہلے دوماہ کے عرصہ کے دوران میکرو اکنا کم محاذ پر بہتری اور مثبت پیش رفت کے باوجود پاکستان کی معیشت، سال کے باقی حصہ میں نو ول کرونا وائرس کے پھیلاؤ کے باعث نٹے خدشات کا شکارہے۔ کومت کو جن اہم امور کا سامناہے اِن میں ملک میں اس بیاری کے پھیلاؤ کو روکنا اور ملک میں کاروبار کے شٹ ڈاؤن کی وجہ سے ہونے والے معاشی نقصانات کو انگی کم ترین سطح پر رکھنا شامل ہیں۔ پاکستان اور دنیا جر میں تمام اہم معیشتوں میں جاری لاک ڈاؤن کی دجہ سے پاکستان کی متوقع جیڈی پی کی نمو میں منفی اثرات آنے کی توقع ہے۔ نمو اس متوقع تطبیر کے دیگر عوامل میں درآمدات و برآمدات میں کمی، ترسیلات زر کا گرما، ایف بیآر کی آمدنی کا نقصان اور اشاء خورد و نوش کی رسد میں رکاوٹیں شامل ہیں۔ آخر میں حکومت کو اس مشکل دور میں کثیر الاطراف ایجنسیوں اور دو

طرفہ ذرائع سے زیادہ سے زیادہ مالی سہولت کے حصول کی لازمی کوشش کرنی جاہے تا کہ کرونا وائرس کی اس وباء سے داخلی محادیر در پیش مشکلات سے نبڑا جا سکے۔ فحسين وتشكر

ایم ی ببنک کے بورڈ آف ڈائیر یکٹرز؛ حکومت باکستان، اسٹیٹ ببنک آف باکستان، سکیورٹیز اینڈ ایکچینج کمیش آف باکستان اور دیگر انضباطی اداروں کا انگی جاری معاونت کے لیے، بینک کے شیر ہولڈرز اور صارفین کا انکے تجربور اعتماد کے لیے اور اسے ملازمین کا انگی مسلس لگن اور مخلصانہ خدمات پرشکریہ ادا کرتے ہی۔

مخانب و برائے بورڈ آف ڈائر کیٹرز

عمران مقبول يريذيثه ينشاورسي اي او ايم ي بي بينك لميثر 22 ايريل 2020ء

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MCB Bank for Life

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کاروباری اخراجات کی مد میں (ماسوانے پینشن فنڈ ک) افراط زر میں اضافہ کے دباؤ کے باوجود بینک اینے انتظامی اخراجات میں بڑھوتی کو محدودر کھنے میں کامیاب رہا اور گزشتہ سال کے تقابلی عرصہ کے موازنے میں 24 ملین روپے کی خالص کی کو رپورٹ کیا۔ انتظامی اخراجات میں اس کنٹرول اور کی وجہ سال 2019 میں بینک کی جانب سے اخراجات میں کی کی مہم کا آغاز تھا۔ اسٹاک مارکیٹ نے کووڈ - 19 (19 - 2000) کی عالمگیروباء پر طیران پذیری اور شویش کے طبیطے ردشک کا اظہار کیا۔ جس کے باعث اخراجات میں کی کی مہم کا آغاز تھا۔ اسٹاک مارکیٹ نے کووڈ - 19 (19 - 2004) کی عالمگیروباء پر طیران پذیری اور شویش کے طبیطے ردشک کا اظہار کیا۔ جس کے باعث بینک کو اپنی سرما سیکاری کے پورٹ نولیو نے لیے 765 ملین روپے کے اخراجات کا تقین کرنا پڑا۔ قرضوں کی معیاری مطابقت میں سال 2020 کی کی سرما ہی کی میں اور کی کی معیاری مطابقت میں سال 2019 کی لیے 4.74 ملین روپے کے خالص اخراجات کے اندران کی خاموش جھلک نمایا ہے۔

مالیاتی پوزیشن کی مد میں بینک کے کل اثاشجات کی اساس، غیر مجموعی بنیاد پر، دسمبر 2019 سے 3 فیصد کے اضافہ کے ساتھ 1.56 ٹریلین روپے پر رایکارڈ ہوئی۔ اثاشجات کی ترکیب کا جائزہ سے امر واضح ہوتا ہے کہ خالص سرما بیکاری میں 88 بلین روپے (% 12) کا اضافہ ہوا جبکہ کل قرضہ جات میں دسمبر 2019 کے مقابلہ میں 15.5 بلین روپے (% 3-) کی کی درج ہوئی۔

بینک کے غیر فعال قرضہ جات 511 ملین روپے کے معمولی اضافہ کے ساتھ 49.93 بلین روپ پر رپورٹ کتے گئے۔ اس اضافہ کے بنیادی عوامل میں غیر کلی کرنی سے متعلقہ غیر فعال قرضوں پر پاکستانی روپ کی قدر میں کی کے اثرات تھے جبکہ کھاتوں کی جملہ تعداد میں کوئی قابل ذکر اضافہ نہیں دیکھا گیا۔ بینک نے مخصوص افراجات (پردویژن) کا شار کرتے ہوئے جبری فروفت (FSV) کے دستیاب فوائد کو شامل نہیں کیا۔ بینک کی کوریخ (Coverage) اور انفیکشن (Infection) کی شرح بالتر تیب 87.30 فیصد اور 9.52 فیصد پر رپورٹ ہوئیں۔

واجبات کے حوالہ ہے، بینک کےڈیپارٹس کی اساس میں دسمبر 2019 کی نسبت 39.38 ملین روپے (% 3.44+) کا اضافہ درج کیا گیا جبکہ کاسا (CASA) کی اساس میں 5.35 فیصدکی بڑھوتی ہوتی۔

> 31 مارچ 2020ء کے اختتام پر بینک کی فی شیئر آمدنی اپنے تقاملی عرصہ کی 4.29 روپے فی شیئر کی سطح کی نسبت 5.50 روپے فی شیئر پردرج کی گئی۔ ریپٹیکر

پاکرا(PACRA) نے نوٹیفییشن بتاریخ27جون2019 کی بنیاد پر بینک، طویل اورقلیل مدت کی بالتر تیب AAA اور +A1 کی بلندترین کریڈٹ رٹینگر کے ستفید ہورہا ہے۔ محاشی جا مَزہ :

سال 2020 کی پہلی سہ ماہی پاکستان میں نوول کرونا وائرس کے پھیلاؤادراس کے منتیج میں ملک میں ہونے والے لاک ڈاؤن کے باعث حکومت کے لیے مشکلات کا سبب رہی حکومت اور اسٹیٹ بینک کی جانب سے داخلی اور بیرونی دونوں محاذوں سے نبرد آزما ہونے کے لیے جاری اقدامات کے باوجود سہاہی کے آخری میںنے میں کیرواکنا مکہ تغیرات پرکاری ضرب پڑی۔

 بورڈ آف ڈائر یکٹرز کی جانب سے ہم ایم سی بی بینک کمیٹڈ (ایم سی بی) کے 31 مارچ 2020ء کو اختتام پذیر سہماہ کی نے غیر مجموعی مختصرو عبوری مالیاتی گوشواروں کا خلاصہ آپ کے سامنے پیش کرتے ہوئے مسرت محسوں کرتے ہیں۔ **ابتدا** شہہ:

ڈائر یکٹرز ریورٹ۔مارچ 2020ء

کودڈ - 19 کی عالمگیرویاء نے تمام معیشتوں پراپنے پنچ گلا دیتے ہیں اور پوری دنیا بشمول پا کستان پرایک متعدی خدشے سے طور پر نمودار ہوئی ہے۔ کار دبارا در معیشتوں پر عمودی طور پر اس کے اثر ات کو کم کرنے کے لیے پوری دنیا کی انتظامیہ ا حکومتوں نے ضوابطی اور معاق دونوں محاذوں پر کئی اقدامات اشخائے ہیں۔ اسٹیٹ بینک آف پا کستان نے بھی اس بحران کے جواب میں مارچ 2020 میں پالیسی ریٹ میں 225 میسز پوائنٹس کی کٹوتی سے ساتھ 11 فیصد کی شرح اور پھر 16 اپریل 2020 ء کومز بید 200 میسر پوائنٹس کی کی سے ساتھ اس بحران کے جواب میں مارچ 2020 میں پالیسی ریٹ میں 225 میسز پوائنٹس کی کٹوتی سے ساتھ 11 فیصد کی شرح اور پھر 16 اپریل 2020 ء کومز بید 200 میسر پوائنٹس کی کی سے ساتھ اس کی شرح 9 فیصد پر متعین کی ہے۔ علادہ از میں ، چنداد سیسیسی اور سپولیس بھی متعارف کردائی ہیں جن میں قرض کی اصل رقم کو موکڑ کرنے ، قرضوں کی تفکیل نو ء اور توں کی ان کی ان کی کی اس کا میں کہ میں میں میں میں کی ہے۔ معاد میں میں پر قرض خواہوں کو مجموع طور پر آسانی فراہم کی جارہے۔

بینک اس صورتحال کا بغور جائزہ لے رہا ہے اور اپنے صارفین کی وسینج اساس تک تمام سہولتوں کی بلانقطل فراہمی کو یقینی بناتے ہوئے اپنے ملاز مین کی حفاظت اور سیکیو رٹی کے لیے تمام ناگز ر اقدامات اٹھار ہا ہے۔ بینک کی اعلی انظام یصورتحال سے کم ل ادراک رکھتے ہوئے بروقت فیصلے کر رہی ہے تا کہ ہوتم سے مسلکے کاحل نکالا جا سکے۔کودڈ 19 کے تحصیلا وُ سے جڑے خدشات سے نبننے کے لیے بینک نے جن اقدامات اور سکر کواختیا رکیا ہے اکلی تفصیل غیر مجموعی مالیاتی اسٹی نملنوں کے نوٹ میں درج کی گئی ہے۔

ملير .
ملین روپے 10 865
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31 مارچ 2020 کو اختتام پذیر سماہی کے لیے ایم سی بلی کا منافع بعداز کیس 28 فیصد کے اضافے کے 6,519 ملین روپے پر درج ہوا۔ انٹرسٹ ریٹ کے متوقع اُتار و پڑھاؤکی بنیاد پر سرمایہ کی دانشندانہ میچورٹی پروفائلگ کے باعث ان میں گزشتہ 12 ماہ کے دوران قلیل سے طویل مت کی سرمایہ کاری میں بندر بی منتقلی کی بدولت دستیاب مواقع سے تجرپور استفادہ حاصل کیا گیا۔ خالص انٹرسٹ آمدنی گزشتہ تقابلی مدت کا ماہ کے دوران قلیل سے طویل مت کی سرمایہ کاری میں بندر بی منتقلی کی بدولت دستیاب مواقع سے تجرپور استفادہ حاصل کیا گیا۔ خالص انٹرسٹ آمدنی گزشتہ تقابلی مدت سے 21 ماہ کے دوران قلیل سے طویل مت کی سرمایہ کاری میں بندر بی منتقلی کی بدولت دستیاب مواقع سے تجرپور استفادہ حاصل کیا گیا۔ خالص انٹرسٹ آمدنی گزشتہ تقابلی مدت سے 21 فیصد کی بڑھتو تی کی سرمایہ کاری میں بندر بی منتقلی کی بدولت دستیاب مواقع سے تجرپور استفادہ حاصل کیا گیا۔ خالص انٹرسٹ آمدنی گزشتہ تقابلی مدت سے 21 فیصد کی بڑھتوتی کو خاہر کرتے ہوئے 16.31 بلین روپ پر درج ہوئی۔ پردادی اخت خالی اخت جات کا تحریف کر میں 13 میں میں بندر ہوئے 16.31 بلین روپ پر درج ہوئی۔ پردادی اخت جات کا تحریف کر سرمایہ کی مدت ہے 21 فیل میں میں مواقع سے تحریف کر میں میں میں مرجب میں 15 میں ہوتا کی خوال کر خال کے خوش میں 15 میں 13 میں 15 میں میں 15 میں کی میں 15 میں میں 15 میں کا اضافہ ہواجس کی بنیادی دیند میں 15 میں 15 میں میں 15 میں کے حوال میں کا میں میں 15 میں تحمل ہے مرمایہ کاری کے حوالہ سے، اور میٹ کی محمل کی خوش خوال کی خال کی مدی کر میں 15 میں میں 15 میں میں 20 میں کر میں 15 میں میں 15 میں 15 میں میں 15 میں میں 15 میں میں 15 میں 15 میں میں میں 15 میں میں 15 میں میں 15 میں میں 15 میں تک میں ڈیل کا اضافہ ہوا۔ میں میں 15 میں بند 100 میں میں 15 میں دیک میں 15 میں میں 15 میں 15 میں میں میں میں 15 میں میں 15 میں دین کے حول میں میں 15 میں دی ہو جو کے میں تیں 15 میں دی ہوئی کی میں 15 میں دی ہوئی کی میں میں 15 میں دی ہوئی ہیں میں 15 میں دی ہوئی ہو



Audited

Unconsolidated Condensed Interim Statement of Financial Position As at March 31, 2020

Balances with other banks 8 15,169,519 12, Lendings to financial institutions 9 9,576,504 1, Investments 10 836,659,605 748, Advances 11 480,925,150 496, Fixed assets 12 58,019,668 58, Intangible assets 13 941,079 9 Deferred tax assets - - - Other assets 14 59,794,559 64, 1,555,215,639 1,515, - - Bills payable 16 7,972,205 11, Borrowings 17 88,651,775 89, Deposits and other accounts 18 1,184,138,883 1,144, Liabilities against assets subject to finance lease - - - Subordinated debt - - - - Deferred tax liabilities 19 10,425,017 5,94, - Subordinated debt - - - - -)19
Cash and balances with treasury banks 7 94,129,555 132, Balances with other banks 8 15,169,519 12, Lendings to financial institutions 9 9,576,504 1, Investments 10 836,659,605 748, Advances 11 480,925,150 496, Fixed assets 12 58,019,668 58, Intangible assets 13 941,079 94,129,555 Deferred tax assets 12 58,019,668 58, Other assets 14 59,794,559 64, Other assets 14 59,794,559 64, Instructional other accounts 18 1,155,215,639 1,515, Deposits and other accounts 18 1,184,138,883 1,144, Liabilities against assets subject to finance lease - - - Subordinated debt - - - - Deferred tax liabilities 19 10,425,017 5, - Other liabilities 20 85,381,963	
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Deferred tax assets 14 59,794,559 64, Other assets 14 59,794,559 64, ILABILITIES 1,555,215,639 1,515, Bills payable 16 7,972,205 11, Borrowings 17 88,651,775 89, Deposits and other accounts 18 1,184,138,883 1,144, Liabilities against assets subject to finance lease - - - Subordinated debt - - - 5,381,963 94, Other liabilities 20 85,381,963 94, 1,376,569,843 1,346,	271,245
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Borrowings 17 88,651,775 89, Deposits and other accounts 18 1,184,138,883 1,144, Liabilities against assets subject to finance lease - - - Subordinated debt - - - - Deferred tax liabilities 19 10,425,017 5, 94, Other liabilities 20 85,381,963 94, 1,376,569,843 1,346,	
Borrowings 17 88,651,775 89, Deposits and other accounts 18 1,184,138,883 1,144, Liabilities against assets subject to finance lease - - - Subordinated debt - - - - Deferred tax liabilities 19 10,425,017 5, 94, Other liabilities 20 85,381,963 94, 1,376,569,843 1,346, - -	321,698
Deposits and other accounts181,184,138,8831,144,Liabilities against assets subject to finance leaseSubordinated debtDeferred tax liabilities1910,425,0175,Other liabilities2085,381,96394,1,376,569,8431,346,	05,892
Liabilities against assets subject to finance lease Subordinated debt Deferred tax liabilities 19 10,425,017 5, Other liabilities 20 85,381,963 94, 1,376,569,843 1,346,	63,259
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Other liabilities 20 85,381,963 94, 1,376,569,843 1,346,	-
Other liabilities 20 85,381,963 94, 1,376,569,843 1,346,	350,645
1,376,569,843 1,346,	95,738
NET ASSETS178,645,796168,	014,783
REPRESENTED BY	
	350,600
	91,253
	695,441
	77,489
178,645,796 168,	914,783

Note

Unaudited

CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

MCB Bank Limited



Unconsolidated Condensed Interim Profit and Loss Account (Un-audited) For the three months period ended March 31, 2020

	Note	Three months ended March 31, 2020	Three months ended March 31, 2019
		Rupees in	'000
Mark-up / return / interest earned	25	39,099,628	27,381,919
Mark-up / return / interest expensed	26	22,791,928	13,903,165
Net mark-up / interest income		16,307,700	13,478,754
NON MARK-UP / INTEREST INCOME			
Fee and commission income	27	2,845,649	2,814,218
Dividend income		223,600	189,382
Foreign exchange income		725,167	441,325
(Loss) / income from derivatives		(10,405)	15,730
Gain on securities	28	71,139	11,433
Other Income	29	32,535	42,367
Total non-markup / interest Income		3,887,685	3,514,455
Total Income		20,195,385	16,993,209
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	30	8,161,432	8,170,226
Workers welfare fund	0 4	217,299	181,587
Other charges	31	209,255 8,587,986	46,195 8,398,008
Total non-markup / interest expenses			
Profit before provisions		11,607,399	8,595,201
Provisions / (reversals) and write offs - net	32	742,462	(484,157)
Extra ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		10,864,937	9,079,358
Taxation	33	4,345,911	3,999,499
PROFIT AFTER TAXATION		6,519,026	5,079,859
		Rup	ees
Basic and diluted earnings per share	34	5.50	4.29

The annexed notes 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

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Juran hing book Imran Maqbool

President / CEO



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Chief Financial Officer





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Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited) For the three months period ended March 31, 2020

	Three months ended March 31, 2020	Three months ended March 31, 2019
	Rupees in	'000
Profit after taxation for the period	6,519,026	5,079,859
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Effect of translation of net investment in foreign branches	599,828	327,826
Movement in surplus on revaluation of investments - net of tax	8,537,459	493,155
	9,137,287	820,981
Total comprehensive income	15,656,313	5,900,840

The annexed notes 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.



President / CEO

12













Juran hing book Imran Maqbool President / CEO

2018



2019

P





31 2019

Whers, recommendates - N at Rs. 4.0 per share - J at Rs. 4.0 per share - J at Rs. 4.0 per share - J



MILLERS 5



13



(4,740,240)

MCB Bank Limited

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(2,758,144)

1,629,543

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Statutory reserve

apital

,859 986) 13,350

493,155 493,155

,986

507,

327,826

350)

4

Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited) For the three months period ended March 31, 2020 (4,740,240) 49,277, Total

,074,117

(4,740,240) (4,740,240) (4,740,240) (4,740,240) 10,560 37,863 (4,740,240) (4,740,240) (4,740,240) 4,220,720) 489 6,519,026 22,354 39,898 651,903) (10,560) (37,863) (39,898) (22,354) 394 142 8,537,459 8



Three months

Masood Ahmed Pur

Three months

Note

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited) For the three months period ended March 31, 2020

	Note	Three months ended March 31, 2020	Three months ended March 31, 2019
		Rupees in	'000
CASH FLOW FROM OPERATING ACTIVITIES		40.004.007	0.070.050
Profit before taxation Less: Dividend income		10,864,937 (223,600)	9,079,358 (189,382)
Less. Dividend income		10.641.337	8,889,976
Adjustments:		10,041,001	0,000,010
Depreciation on fixed assets	30	492,818	474,861
Depreciation on right of use assets	30	301,049	-
Depreciation on non-banking assets acquired in satisfaction of claims	30	8,074	12,062
Amortization	30	76,553	56,409
Provisions / (reversals) and write offs - net	32	742,462	(484,157)
Workers welfare fund		217,299	181,587
Gain on sale of fixed assets and non-banking assets acquired-net	29	(17,360)	(21,245)
Charge for defined benefit plans		57,000	42,000
Interest expensed on lease liability against right-of-use assets	28	276,782	-
Unrealized (gain)/loss on revaluation of investments classified as held for trading	28	(692)	4,320
		2,153,985	265,837
Decrease / (increase) in operating assets		12,795,322	9,155,813
Lendings to financial institutions		(8,486,446)	(166,777,017)
Held-for-trading securities		(5,430,713)	8,156,215
Advances		15,747,700	3,829,183
Others assets (excluding advance taxation)		4,104,608	(1,045,139)
		5,935,149	(155,836,758)
Increase / (decrease) in operating liabilities			
Bills Payable		(3,849,493)	(5,320,860)
Borrowings from financial institutions		(2,562,249)	(144,806,507)
Deposits		39,375,624	16,975,039
Other liabilities (excluding current taxation)		(10,069,437)	(4,449,473)
		22,894,445	(137,601,801)
Defined benefits paid		(82,171)	(84,302)
Income tax paid		(3,062,100)	(1,130,889)
Net cash flow from operating activities		38,480,645	(285,497,937)
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(82,284,093)	291,504,392
Net investments in held-to-maturity securities		12,202,230	235,795
Dividends received		124,297	92,893
Investments in fixed assets		(494,111)	(1,499,289)
Investments in Intangible assets Proceeds from sale of fixed assets		(61,707)	(37,753)
Effect of translation of net investment in foreign branches		25,356 599,828	24,338
-			327,826
Net cash flow used in investing activities		(69,888,200)	290,648,202
CASH FLOW FROM FINANCING ACTIVITIES		(000 404)	
Payment of lease liability against right-of-use-assets		(382,191)	-
Dividend paid		(5,866,348)	(46,257)
Net cash flow used in financing activities		(6,248,539)	(46,257)
Increase in cash and cash equivalents		(37,656,094)	5,104,008
Cash and cash equivalents at beginning of the period		143,897,589	113,181,408
Cash and cash equivalents at end of the period		106,241,495	118,285,416
		100,271,433	110,200,710

The annexed notes 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.



MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020



1. STATUS AND NATURE OF BUSINESS

MCB Bank Limited (the 'Bank') is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank's ordinary shares are listed on the Pakistan stock exchange. The Bank's Registered Office and Principal Office are situated at MCB -15 Main Gulberg, Lahore. The Bank operates 1,399 branches (2019: 1,399 branches) within Pakistan and 11 branches (2019: 11 branches) outside Pakistan (including the Karachi Export Processing Zone branch).

2. BASIS OF PREPARATION

- 2.1 These unconsolidated condensed interim financial statements represent separate financial statements of MCB Bank Limited. The consolidated condensed interim financial statements of the Group are being issued separately.
- 2.2 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate profit in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these unconsolidated condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon.
- 2.3 The unconsolidated condensed interim financial statements are presented in Pak Rupees, which is the Bank's functional and presentation currency. The amounts are rounded off to the nearest thousand.
- 2.4 These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except that certain classes of fixed assets and non-banking assets acquired in satisfaction of claims are stated at revalued amounts and certain investments and derivative financial instruments have been marked to market and are carried at fair value. In addition, obligations in respect of staff retirement benefits are carried at present value.

3. STATEMENT OF COMPLIANCE

3.1 These unconsolidated 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.

- 3.2 The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and 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 unconsolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.
- 3.3 The SECP vide its notification SRO 633 (I)/2014 dated 10 July 2014, adopted IFRS 10 effective from the periods starting from June 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.
- 3.4 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular Letter No. 05 of 2019 dated March 22, 2019 and IAS 34, Interim Financial Reporting. The condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual unconsolidated financial statements for the financial year ended December 31, 2019.

3.5 Amendments to approved accounting standards that are effective in the current period

There are certain new standards and interpretations of and amendments to existing accounting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2020. These are considered either to not be relevant or not to have any significant impact on the Bank's unconsolidated condensed interim financial statements.



Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

3.6 Standards, interpretations of and amendments to approved accounting standards that are not yet effective

The following new standards and amendments to existing accounting standards will be effective from the dates mentioned below against the respective standard or amendment:

	Effective date (annual periods beginning on or after)
IAS 1, Presentation of Financial Statements (Amendments)	JANUARY 1, 2022
IFRS 17. Insurance Contracts	JANUARY 1, 2021

The SECP, through SRO 229(I)/2019 dated February 14, 2019, has notified that IFRS 9, Financial Instruments, is applicable for accounting periods ending on or after June 30, 2019. However, as per BPRD Circular No. 04 of 2019 dated October 23, 2019 of SBP, effective date of IFRS 9 implementation is January 01, 2021.

IFRS 9, Financial Instruments: Classification and Measurement, addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on an 'expected credit losses' (ECL) approach rather than the 'incurred credit losses' approach as currently followed. The ECL approach has an impact on all assets of the Bank which are exposed to credit risk. The Bank is in the process of assessing the full impact of this standard.

There are other new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not detailed in these unconsolidated financial statements.

4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the audited annual unconsolidated financial statements of the Bank for the year ended December 31, 2019.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements are the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2019.

6 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2019. These risk management policies continue to remain robust and the Bank is reviewing its portfolio regularly and conducts rapid portfolio reviews in line with emerging risks.

The COVID - 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rate by 225 basis points to 11% in March 2020 and again by 200 basis points to 9% on April 16, 2020. Other regulatory measures to provide an impetus to economic activity include the following:

- Reduction in the capital conservation buffer by 100 basis points to 1.5%;

- Increasing the regulatory limit on extension of credit to SMEs to Rs 180 million;
- Relaxing the debt burden ratio for consumer loans from 50% to 60%;
- -Allowing banks to defer borrowers' principal loan payments by one year; and
- Relaxing regulatory criteria for restructured/rescheduled loans for borrowers who require relief of principal repayment exceeding one year and / or mark-up.

COVID 19 has impacted the banks in Pakistan from various facets which include muted credit risk increase reduced fee income due to slowdown in economic activity, branch closures and cyber security threat management.

6.1 Credit Risk Management

The Risk Management function of the Bank is regularly conducting assessments of the credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment. The Bank has further strengthened its risk appetite and related credit review procedures in the light of COVID-19, which would insulate the Bank from any unforeseen shock.

6.2 Liquidity Risk Management

The Asset and Liability Committee (ALCO) of the Bank is continuously monitoring the liquidity position and the Bank is confident that the liquidity buffer currently maintained is sufficient to address any requirement, as reflected by the cushion in liquidity ratios above the statutory requirement.

6.3 Equity Risk Management

During the current quarter the Pakistan Stock Exchange fell by 28%, triggering an impairment of Rs 3,053.209 million. The Bank has only recorded an impairment of Rs 765.363 million in the first quarter and has deferred the recognition of the remaining impairment to the remainder part of the calendar year 2020 as allowed State Bank of Pakistan.

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020



6.4 Operational Risk Management

The Bank is closely monitoring the situation and has invoked required actions to ensure the safety and security of Bank staff while ensuring uninterrupted service to customers. The senior management of the Bank is continuously monitoring the situation and is taking timely decisions to resolve any concerns.

Business Continuity Plans (BCP) for respective areas are in place and duly tested. The Bank has significantly enhanced monitoring of cyber security risk during these times. The remote work capabilities were enabled for staff, where required and related risk and control measures were assessed to ensure that the Bank's assets are protected from emerging cyber threats and comply with the regulatory protocols. The Bank is communicating with its customers for their financial transactions to be conducted through digital channel offerings. The Bank has taken all measures to ensure that service levels are maintained, customer complaints are resolved and turnaround times are monitored to meet customer requirements and expectations.

6.5 Capital Adequacy Ratio (CAR)

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In order to encourage Banks to continue lending, the SBP has relaxed the Capital Conversion Buffer (CCB) requirements to 1.5%, resulting in a 1% decline in CAR requirements for all Tiers.

	Unaudited March 31, 2020	Audited December 31,
	Rupees i	2019
CASH AND BALANCES WITH TREASURY BANKS	Rupees I	n 000
In hand		
Local currency	25,095,237	18,738,087
Foreign currencies	2,776,291	2,201,941
	27,871,528	20,940,028
With State Bank of Pakistan in	05 000 050	50 500 004
Local currency current accounts	35,899,653	56,533,231
Foreign currency current accounts	338,366 14,393,364	277,126
Foreign currency deposit accounts	50,631,383	14,023,401 70,833,758
With other central banks in		
Foreign currency current accounts	4,719,906	16,220,148
With National Bank of Pakistan in		
Local currency current accounts	10,770,080	24,390,028
Prize bonds	136,658	320,835
	94,129,555	132,704,797
BALANCES WITH OTHER BANKS		
Outside Pakistan		
In current accounts	9,553,641	8,396,527
In deposit accounts	5,615,878	4,145,712
	15,169,519	12,542,239
LENDINGS TO FINANCIAL INSTITUTIONS		
Call / clean money lendings	9,558,886	880,853
Repurchase agreement lendings (Reverse Repo)	17,618	209,205
	9,576,504	1,090,058

128)

9,479,849

716

Carrying Value

Provision for diminution

Cost/Amortis cost

Carrying Value

Surplus / (Deficit) 2020

Provision for diminution

Cost / Amortised cost

s by

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14,887,

es in '000

2010 Surplus / (Deficit)

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

es	745,721,051	•	21,913,849	767,634,900	666,128,289	•	4,981,349	671,109,638
	26,305,568	(10,892,426)	(2,310,694)	13,102,448	24,938,090	(10,148,760)	1,497,556	16,286,886
ities	1,899,773	•	5,306	1,905,079	1,309,773	'	(3,359)	1,306,414
	4,397,151	•	14,933	4,412,084	3,657,020		13,295	3,670,315
	778,323,543	(10,892,426)	19,623,394	787,054,511	696,033,172	(10,148,760)	6,488,841	692,373,253
	0.050.000	10 5401		C 640 047	010 200 31	1890 0/		10 205 220
0D	670°00°0	(210'0)		0,043,017	10,201	(117'7)		000,002,01
rities	118	(118)	•	•	118	(118)		•
rities	10,467,308	(533,788)	•	9,933,520	9,867,925	(533,788)	•	9,334,137
	5,072,906	(17,598)	•	5,055,308	8,320,599	(3,569)		8,317,030
	22,193,661	(555,016)		21,638,645	34,395,891	(539,686)		33,856,205
	700,401			700,401	700,401			700,401
	12,346,537	(725)		12,345,812	12,346,537	(725)		12,345,812
	828,483,686	(11,448,167)	19,624,086	836,659,605	752,969,008	(10,689,171)	6,484,665	748,764,502
eral							Unaudited March 31. 2020	Audited December 31.
							Rupees in '000	,000
							15,403,113	22,820,226
							4,794,516	5,316,208
							20,197,629	28,136,434
value of investments								
							10 689 171	7 865 388
							6.278	251
							774,415	3,275,539
IL							- 01 6071	(29,964)
							752,718	2,823,532
							,	

Bills

10.2 10.2.1

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145.0 audited Mar 145,656 461,078 FRS 9 million). ember 31, 2019: Rs. 33,464.168 mil " subject to ما --require ber 31, 2019: Rs 5.780 million) in accor ð to Rs. 21,336.219 of Rs 21.110 million (Der nounts written osing Balance to the ē Se Am 10.2.3 10.3 10.4

10.2.2

<u>م</u>

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ADVANCES ŧ.

MCB Bank Limited

| 19 | | 519,885,356
20.151.860 | 540,037,216 | | (41,934,421)
(1,423,921) | (43,358,342)

 | 496,678,874
 | 19 | 481,408,603
58,628,613 | 540,037,216 | | |
 | | 3,529 | 145,075 | 1,345,421 | 38,581,294 | | | | 7,400
 | 95,452 | 137,601 | 3,112,674 | | |
|-------------------|---|---|--|---|--
--
--
--|---|---
---|--|---|--|---|--
--|--|--|---|--|---|---
--|--|--------------|---|---|---|
| December 31, 2019 | | 519,8
20.1 | 540,0 | | (41,9
(1,4 | (43,3

 | 496,6
 | Audited
December 31, 2019
in '000 | 481,4
58,6 | 540,0 | ember 31, 2019 | | Provision
 | | | ~ (| 2,1,3 | 38,51 | | | |
 | | - | 3,1 | c | |
| March 31, 2020 | | 503,444,121
21.071.780 | 524,515,901 | | (41,887,679)
(1,703,072) | (43,590,751)

 | 480,925,150
 | Unaudited
March 31, 2020
Rupees | 466,197,451
58,318,450 | 524,515,901 | Audited Dec | Non Darforming | n '000
 | | 123,678 | 584,129 | 2,690,841 | 37,033,019
41,234,267 | | | | 10,688
 | 118,182 | 141,231 | 7,919,891 | | |
| ecember 31, 2019 | 000 | 48,759,157
665.102 | 49,424,259 | | (41,934,421)
- | (41,934,421)

 | 7,489,838
 | | | | low:
ch 31, 2020 | | Provision
Ru pees
 | | 8,601 | 151,852 | 1,429,638 | 38,305,791 | | • | | 3,550
 | 8,103 | 100,206 | 3,470,029 | 0 2 2 0 4 0 0 0 | |
| 20 | Rup ees in ' | 49,269,812
665.102 | 49,934,914 | | (41,887,679)
- | (41,887,679)

 | 8,047,235
 | | | | ming status as detailed bel
Unaudited Marc | Non Darforming | Non renorming
Loans
 | | 195,032 | 609,637 | 2,859,276 | 31,404,000
41,148,811 | | • | | 5,721
 | 16,938 | 118,148 | 8,645,296 | 0 700 400 | |
| December 31, 2019 | | 471,126,199
19.486.758 | 490,612,957 | | -
(1,423,921) | (1,423,921)

 | 489,189,036
 | | | | placed under the non-perfor
Note | • | | | |
 | | 11.2.1 | | | | | | |
 | | | | | |
| March 31, 2020 | | 454,174,309
20,406.678 | 474,580,987 | | -
(1,703,072) | (1,703,072)

 | 472,877,915
 | | | | 59 million) which have been | | | | |
 | | | | | | | | |
 | | | | | |
| | | ning finances, etc.
hased | | Sec | |

 | on
 | | of advances (Gross)
ancy
rrencies | | clude Rs. 49,934.914 million (2019: Rs. 49,424.:
\ | ⁵ Classification |
 | | s Especially Mentioned | | | | | but impaired | | 6
 | ys | ays | S | | |
| | | cash credits, runn
counted and purch | es - gross | on against advance | fic
al |

 | es - net of provisic
 | | Particulars (
In local curre
In foreign cur | | | Category of |
 | Domestic | Other Assets | Substandard | Doubttul | LOSS | Overseas | Not past due | Overdue by: | Upto 90 days
 | 91 to 180 day | 181 to 365 d | > 365 days | | |
| | December 31, 2019 March 31, 2020 December 31, 2019 March 31, 2020 | December 31, 2019 March 31, 2020 December 31, 2019 March 31, 2020 | March 31, 2020 December 31, 2020 December 31, 2020 December 31, 2020 December 31, 2020 Annol 31, 2020 December 31, 2020 December 31, 2020 December 31, 2020 December 31, 2020 Annol 31, 2020 December 31, 2020 December 31, 2020 December 31, 2020 December 31, 2020 Annol 31, 2020 December 31, 2020 December 31, 2020 December 31, 2020 December 31, 2020 Annol 31, 3020 Annol 31, 2020 December 31, 2020 December 31, 2020 December 31, 2020 Annol 31, 3020 Annol 31, 2020 December 31, 2020 December 31, 2020 December 31, 2020 Annol 31, 3020 Annol 31, 2020 December 31, 2020 December 31, 2020 December 31, 2020 Annol 31, 3020 Annol 31, 2020 Annol 31, 2020 December 31, 2020 December 31, 2020 Annol 31, 3020 Annol 31, 2020 Annol 31, 2020 Annol 31, 2020 December 31, 2020 Annol 31, 302 Annol 31, 312 Annol 31, 312 Annol 31, 312 Annol 31, 312 Annol 31, 312 | March 31, 2020 December 31, 2019 March 31, 2020 December 31, 2019 March 31, 2020 December 31, 2020 454,174,309 471,126,199 492,689,812 48,759,157 503,444,121 1 20,406,678 19,486,758 665,102 665,102 21,071,780 1 1 474,4580,987 490,612,957 49,934,914 49,424,259 524,515,901 1 | March 31, 2020 December 31, 2019 March 31, 2020 December 31, 2029 Decemb | March 31, 2020 December 31, 2019 March 31, 2020 December 31, 2020 <th< td=""><td>March 51, 2020 December 31, 2019 March 31, 2020 December 31, 2020 December 31, 2019 March 31, 2020 December 31, 2020</td><td>March 51, 2020 December 31, 2019 March 51, 2020 December 31, 2030 December 31, 2030 December 31, 2030 <thdecember 2020<="" 31,="" th=""> December 31, 202</thdecember></td><td>March 31, 2020 December 31, 2019 March 31, 2020 December 31, 2020 D</td><td>Particulars of advances March 31, 2010 December 31, 2019 March 31, 2020 December 31, 20</td><td>Participation December 31, 2019 March 31, 2020 December 31, 2010 March 31, 2020 December 31, 2020 <thdecember 2020<="" 31,="" th=""> December 31, 2020</thdecember></td><td>March 31, 2020 December 31, 2020</td><td>Match 31, 2020 December 31, 2019 Match 31, 202</td><td>March 31, 2020 December 31, 2030 December 31, 2030</td><td>March 31, 2020 December 31, 2030 December 31, 2030 December 31, 2030 March 31, 2020 December 31, 2030 March 31</td><td>March 31, 2010 December 31, 2019 March 31, 2010 March 31, 2010 March 31, 2010 March 31, 2010 December 31, 2019 March 31, 2010 December 31, 2019 March 31, 2010 December 31, 2019 March 31, 2020 December 31, 201 March 31, 2020 December 31, 201 March 31, 2020 December 31, 201 March 31, 2020 March 31, 2020 December 31, 201 March 31, 2020 December 31, 201 March 31, 2020 December 31, 201 March 31, 2020 March 31, 2020 March 31, 2020 March 31, 2020 December 31, 201 March 31, 2020 March 31, 2020 March 31, 2020 March 31, 2020 Mar</td><td>Matrix and and purchased Matrix and purchased Matri</td><td>$\begin{array}{c c c c c c c c c c c c c c c c c c c$</td><td>Marth 51, 2000 Dearmer 51, 2019 March 51, 2010 Dearmer 51, 2019 March 51, 2020 Dearmer 51,</td><td>Image: Name of the sector of the se</td><td>$\begin{array}{c c c c c c c c c c c c c c c c c c c$</td><td>Metrin 1, 1000
and and proctased Metrin 3, 1000
(41, 126, 12, 127) December 31, 2019
(41, 126, 12, 127) Metrin 3, 1000
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and and proctased Metrin 3, 1000
(41, 126, 12, 127) December 31, 2019
(41, 126, 12, 127) Metrin 3, 1000
(41, 126, 125) Metrin 3, 1000 Metrin 3, 10000 <td>Manu Signal Description Manu Signal <th manu="" signal<="" th=""> Manu Signal</th></td> <td>$\begin{array}{c c c c c c c c c c c c c c c c c c c$</td> <td>$\begin{array}{cccccccccccccccccccccccccccccccccccc$</td> <td>March 51, 2000 December 31, 2000 December 31, 2000 Mean 51, 2000 Mean 51, 2000 Mean 51, 2000 December 31, 2010 December 31, 2010 December 31, 2010 Mean 51, 2010 December 31, 2010 Mean 51, 2010 December 31, 201</td> | Manu Signal Description Manu Signal Manu Signal <th manu="" signal<="" th=""> Manu Signal</th> | Manu Signal | $ \begin{array}{c c c c c c c c c c c c c c c c c c c $ | $ \begin{array}{cccccccccccccccccccccccccccccccccccc$ | March 51, 2000 December 31, 2000 December 31, 2000 Mean 51, 2000 Mean 51, 2000 Mean 51, 2000 December 31, 2010 December 31, 2010 December 31, 2010 Mean 51, 2010 December 31, 2010 Mean 51, 2010 December 31, 201 |



ntial Regulations classified as OAEM as per bu This represents non-performing portfolio of agricultural, by the State Bank of Pakistan.

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Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

11.3 Particulars of provision against advances

	Un	audited March 31, 2	020	Audited December 31, 2019					
	Specific	General	Total Rupees in '0	Specific	General	Total			
Opening balance	41,934,421	1,423,921	43,358,342	41,943,509	1,266,717	43,210,226			
Exchange adjustments	251,323	19,803	271,126	302,297	21,237	323,534			
Charge for the period / year	306,098	259,348	565,446	3,356,159	155,449	3,511,608			
Reversals	(518,168)	-	(518,168)	(3,649,742)	(19,482)	(3,669,224)			
	(212,070)	259,348	47,278	(293,583)	135,967	(157,616)			
Amounts written off	(85,995)	-	(85,995)	(17,802)	-	(17,802)			
Closing balance	41,887,679	1,703,072	43,590,751	41,934,421	1,423,921	43,358,342			

11.3.1 State Bank of Pakistan vide BSD Circular No. 2 dated January 27, 2009, BSD Circular No. 10 dated October 20, 2009, BSD Circular No. 02 of 2010 dated June 03, 2010 and BSD Circular No.1 of 2011 dated October 21, 2011 has allowed benefit of forced sale value (FSV) of Plant & Machinery under charge, pledged stock and mortgaged residential, commercial & industrial properties (land and building only) held as collateral against NPLs for five years from the date of classification. However, management has not taken the FSV benefit in calculation of specific provision.

11.3.2 General provision against consumer loans represents provision maintained against fully secured performing portfolio and unsecured performing portfolio as required by the Prudential Regulations issued by the SBP. General provision against Small Enterprise Finance represents provision maintained at an amount equal to 1% of unsecured performing portfolio as required by the Prudential Regulations issued by the SBP. General provisions pertaining to overseas advances are made in accordance with the requirements of the regulatory authorities of the respective countries in which the overseas branches operate. General provision against all other advances represents provision maintained at around 0.1% of gross advances.

			Unaudited	Audited
		Note	March 31, 2020	December 31, 2019
12.	FIXED ASSETS		Rupees ir	י '000
	Capital work-in-progress	12.1	1,159,532	975,566
	Property and equipment		49,441,534	49,620,934
	Right-of-use assets		7,418,602	7,674,745
	-		58,019,668	58,271,245
12.1	Capital work-in-progress			
	Civil works		680,717	451,189
	Equipment		34,424	90,946
	Advances to suppliers		416,569	428,617
	Others		27,822	4,814
			1,159,532	975,566
			Three months	Three months
			ended March	ended March
			31, 2020 Rupees ir	31, 2019
12.2	Additions to fixed assets		Rupees ii	1 000
	The following additions have been made to fixed assets during the period:			
	Capital work-in-progress		183,966	452,528
	Property and equipment			
	Freehold land		5,488	398,701
	Building on freehold land		9,585	324,666
	Electrical office and computer equipment		166,324	191,864
	Furniture and fixture		64,191	57,919
	Leasehold Improvements		23,975	40,071
	Vehicles		40,582	33,540
			310,145	1,046,761
	Total		494,111	1,499,289
12.3	Disposal of fixed assets			
	The net book value of fixed assets disposed off during the period is as follows:			
	Vehicles		5,404	2,984
	Furniture and fixture		130	64
	Electrical office and computer equipment		2,462	45
	Total		7,996	3,093

MCB Bank Limited

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Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020



Audited

December 31, 2019

------Rupees in '000------

Unaudited

March 31, 2020

Note

ΙΝΤΔΝΟ	GIBLE ASSETS			
	work-in-progress		374,159	316,742
	ter software		566,920	640,810
			941,079	957,552
			Three months	Three months
			ended March 31,	ended March 31,
			2020	2019
13.1	Additions to intangible assets		Rupees	in '000
The foll	owing additions have been made to intangible assets during th	ne period:		
Capital	work-in-progress		57,417	-
Directly	purchased		4,290	37,753
			61,707	37,753
			Unaudited	Audited
			March 31, 2020	December 31, 2019
			Rupees	in '000
OTHER	ASSETS			
Income	/ mark-up accrued in local currency		16,224,287	22,099,766
Income	/ mark-up accrued in foreign currencies		623,867	558,407
Advanc	es, deposits, advance rent and other prepayments		3,632,841	3,720,012
Compe	nsation for delayed income tax refunds		133,809	133,809
Non-ba	nking assets acquired in satisfaction of claims		3,243,433	3,251,508
Branch	adjustment account		117,547	37,075
Mark to	market gain on forward foreign exchange contracts		7,938,382	3,875,681
Unrealiz	zed gain on derivative financial instruments		1,290,482	1,236,517
Accepta	ances	20	17,720,585	18,152,032
Receiva	able from the pension fund		3,695,121	3,605,121
Others			7,135,299	9,399,297
			61,755,653	66,069,225
Less: P	rovision held against other assets	14.1	2,638,754	2,604,137
Other A	ssets (net of provision)		59,116,899	63,465,088
	on revaluation of non-banking assets			
	uired in satisfaction of claims		677,660	677,660
Other A	ssets - total		59,794,559	64,142,748
14.1	Provision held against other assets			
	Non banking assets acquired in satisfaction of claims		90,938	90,938
	Others		2,547,816	2,513,199
			2,638,754	2,604,137
14.1.1	Movement in provision held against other assets Opening balance		2,604,137	2,550,584
	Charge for the period / year		4,108	2,550,584
	Reversals	(18,228)	(36,023)	
			(14,120)	(23,436)
	Amounts written off		(3,932)	(3,638)
	Exchange and other adjustments		52,669	80,627
	Closing balance		2,638,754	2,604,137

15. CONTINGENT ASSETS

There were no contingent assets of the Bank as at March 31, 2020 (2019: NIL)

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

16.	BILLS PAYABLE	Unaudited March 31, 2020 Rupee	Audited December 31, 2019 es in '000
	In Pakistan	7,901,629	11,786,207
	Outside Pakistan	70,576	35,491
		7,972,205	11,821,698
17.	BORROWINGS		
	Secured		
	Borrowings from State Bank of Pakistan		
	Under export refinance scheme	36,346,705	33,862,262
	Under long term financing facility	19,007,285	18,138,200
	Under renewable energy performance platform	80,886	85,062
	Under financing facility for storage of agricultural produce	231,747	188,809
		55,666,623	52,274,333
	Repurchase agreement borrowings	20,047,226	28,099,229
	Total secured Unsecured	75,713,849	80,373,562
	Borrowings from other financial institution	1,882,487	774,914
	Call borrowings	7,835,574	6,845,683
	Overdrawn nostro accounts	3,057,579	1,349,447
	Others	162,286	162,286
	Total unsecured	12,937,926	9,132,330
		88,651,775	89,505,892

18. DEPOSITS AND OTHER ACCOUNTS

	Unaudited March 31, 2020			Audited December 31, 2019					
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total			
Customers			Rupees in'000						
Current deposits	359,829,682	38,795,446	398,625,128	336,833,189	51,619,020	388,452,209			
Savings deposits	595,867,830	48,845,781	644,713,611	552,121,108	45,357,701	597,478,809			
Term deposits	71,702,870	14,288,448	85,991,318	85,296,905	15,518,802	100,815,707			
Others	20,681,684	3,802,944	24,484,628	21,537,429	2,854,010	24,391,439			
Financial Institutions	1,048,082,066	105,732,619	1,153,814,685	995,788,631	115,349,533	1,111,138,164			
Current deposits	8,288,310	2,363,210	10,651,520	9,421,664	2,093,098	11,514,762			
Savings deposits	11,626,155	144,304	11,770,459	13,005,530	26,432	13,031,962			
Term deposits	1,020,968	6,675,551	7,696,519	1,143,468	7,741,444	8,884,912			
Others	-	205,700	205,700	-	193,459	193,459			
	20,935,433	9,388,765	30,324,198	23,570,662	10,054,433	33,625,095			
	1,069,017,499	115,121,384	1,184,138,883	1,019,359,293	125,403,966	1,144,763,259			

MCB Bank Limited

19.

20.

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MCB

Bank for Life

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020



	Note	Unaudited March 31, 2020	Audited December 31, 2019
DEFERRED TAX LIABILITIES		Rupees in	n '000
Taxable Temporary Differences on			
- Surplus on revaluation of fixed assets		1,334,514	1,346,550
- Surplus on revaluation of Non-banking assets		237,181	237,181
- Accelerated tax depreciation		1,748,802	1,754,097
- Receivable from pension fund		1,293,292	1,261,793
- Business combination		705,218	705,218
- Surplus/deficit on revaluation of investments		6,868,188	2,271,094
		12,187,195	7,575,933
Deductible Temporary Differences on		(1,762,178)	(1,725,288)
- Provision against advances			
		(1,762,178)	(1,725,288)
		10,425,017	5,850,645
OTHER LIABILITIES			
Mark-up/ return/ interest payable in local currency		15,279,804	22,831,727
Mark-up/ return/ interest payable in foreign currencies		487,321	649,536
Unearned commission and income on bills discounted		213,278	181,751
Accrued expenses		4,521,885	5,397,614
Provision for taxation (provisions less payments)		7,437,378	6,130,846
Workers' welfare fund		8,091,005	7,873,706
Acceptances	14	17,720,585	18,152,032
Unclaimed / dividends payable		1,651,931	1,592,979
Mark to market loss on forward foreign exchange contracts		6,692,449	4,642,692
Unrealised loss on derivative financial instruments		1,307,556	1,232,806
Staff welfare fund		4,772	5,727
Provision for employees' compensated absences		967,195	939,495
Provision for post retirement medical benefits		1,955,709	1,921,348
Provision for employees' contributory benevolent scheme		223,961	221,193
Retention money		20,657	20,657
Insurance payable against consumer assets		702,083	655,146
Unclaimed balances		879,833	993,105
Duties and taxes payable		718,198	753,674
Provision against off-balance sheet obligations		46,342	46,581
Security deposits against lease		506,316	491,366
Lease liability against right of use assets Others		8,235,361	8,295,864 11.265.893
Outers		7,718,344 85,381,963	94,295,738
RESERVES		00,00.,000	0.,200,700
Share premium		23,751,114	23,751,114
Non- distributable capital reserve - gain on bargain purchase option	21.1	908,317	908,317
Exchange translation reserve	£1.1	3,274,959	2,675,131
Statutory reserve	21.2	32,308,594	31,656,691
General reserve	£ 1.£	18,600,000	18,600,000
		78,842,984	77,591,253
		,,	,,

21.1 Under IFRS-3 a bargain purchase represents an economic gain which should be immediately recognized by the acquirer as income. However, the amount of bargain purchase gain was not been taken to the profit and loss account as the SBP, through its letter BPRD(R&PD)/2017/14330 dated June 13, 2017 recommended that the amount of gain may be routed directly into equity as a Non-distributable Capital Reserve (NCR). The NCR may become available for distribution through a stock dividend only with prior approval of the SBP. The Bank, before distribution of the gain as a stock dividend, may adjust any subsequent provisions/deficit, assessed by the Bank or recommended by the Banking Inspection Department of SBP, in the acquired assets and liabilities of NIB Bank Limited against the NCR.

21.2 Statutory reserve represents amount set aside as per the requirements of section 21 of the Banking Companies Ordinance, 1962.

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

			Note	Unaudited March 31, 2020	Audited December 31, 2019
22.	SURP	LUS ON REVALUATION OF ASSETS		Rupees	s in '000
		s / (deficit) on revaluation of			
		lable for sale securities	10.1	19,623,394	6,488,841
		d Assets		20,349,375	20,383,765
	- Non-	-banking assets acquired in satisfaction of claims		677,660 40,650,429	677,660 27,550,266
	Deferre	ed tax on surplus / (deficit) on revaluation of:		40,000,420	21,000,200
		lable for sale securities		6,868,188	2,271,094
		d Assets		1,334,514	1,346,550
	- NON-	-banking assets acquired in satisfaction of claims		237,181 8,439,883	237,181 3.854.825
				32,210,546	23,695,441
23.	CONT	INGENCIES AND COMMITMENTS			
	-Guara	antees	23.1	181,027,971	173,535,128
		nitments	23.2	465,485,966	649,690,990
	-Other	contingent liabilities	23.3	29,636,109 676,150,046	27,920,652 851,146,770
	23.1	Guarantees:		070,150,040	851,140,770
	20.1	Financial guarantees		148,895,852	141,181,839
		Performance guarantees		30,676,988	30,401,373
		Other guarantees		1,455,131	1,951,916
				181,027,971	173,535,128
	23.2	Commitments: Documentary credits and short-term trade-related transactions			
		- letters of credit		149,918,005	145,217,983
		Commitments in respect of:		, ,	
		- forward foreign exchange contracts	23.2.1	296,346,966	405,615,318
		- forward government securities transactions	23.2.2	8,740,729	87,696,638
		- derivatives	23.2.3	9,545,292	10,244,806
		Commitments for acquisition of:			
		- operating fixed assets		900,182	859,953
		- intangible assets		34,792 465,485,966	56,292 649,690,990
	23.2.1	Commitments in respect of forward foreign exchange contracts		100,100,000	
		Purchase		161,094,140	217,809,539
		Sale		135,252,826 296,346,966	187,805,779 405,615,318
	23.2.2	Commitments in respect of forward government securities transactions		230,340,300	405,015,510
		Purchase		8,740,729	82,284,304
		Sale		-	5,412,334
	23.2.3	Commitments in respect of derivatives		8,740,729	87,696,638
		FX options (notional)		751,950	424 440
		Purchase Sale		751,950	431,449 431,449
				1,503,900	862,898
		Cross Currency Swaps (notional) Purchase		3,758,405	4,428,663
		Sale		3,966,487	4,636,745
				7,724,892	9,065,408
		Interest Rate Swaps (notional) Purchase		316,500	316,500
				9,545,292	10,244,806

MCB Bank Limited

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Bank for Life

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020



23.2.4 The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

3	Other contingent liabilities	Note	Unaudited March 31, 2020 Rupee	Audited December 31, 2019 Is in '000
	Claims against the Bank not acknowledged as debts	23.3.1	29,636,109	27,920,652

23.3.1 These represent certain claims by third parties against the Bank, which are being contested in the Courts of law. The management is of the view that these relate to the normal course of business and the possibility of an outflow of economic resources is remote.

23.4 Taxation

23.3

For assessment year 1988-89 through tax year 2018, the tax department disputed Bank's treatment on certain issues, where the Bank's appeals are pending at various appellate forums, entailing an additional tax liability of Rs. 1,487 million (2019: Rs. 1,487 million). Such issues inter alia principally include disallowance of expenses for non deduction of withholding tax and non availability of underlying records, provision for non performing loans, attribution of expenses to heads of income other than income from business and disallowance of credit for taxes paid in advance / deducted at source.

The Bank has filed appeals which are pending at various appellate forums. In addition, certain decisions made in favour of the Bank are being contested by the department at higher forums. No provision has been made in the financial statements regarding the aforesaid additional tax demand and already issued favourable decisions where the department is in appeal, as the management is of the view that the issues will be decided in the Bank's favour as and when these are taken up by the Appellate Authorities.

24. DERIVATIVE INSTRUMENTS

			Unaudited I	March 31, 202	20			
	Cross Curre	ncy Swaps	Interest Ra	te Swaps		FX Options		
_	Notional	Mark to market	Notional	Mark to m	narket	Notional	Mark to market	
	Principal	gain / loss	Principal	gain / I		Principal	gain / loss	
Total Hedging Market Making	3,758,405 3,966,487		Rupe 316,500		6,536	751,95 751,95		
	.,,		Audited Dec	ember 31, 20)19	,		
Total			Rupe	esin '000				
Hedging Market Making	4,428,663 4,636,745		316,500 -		11,510 -	431,44 431,44		
					Three m ended Ma 20	rch 31,	Three months ended March 31, 2019	
MARK-UP/RETURN/INTER	REST EARNED		N	lote		Rupees in '0	000	
Loans and advances						14,220,965	12,423,261	
Investments						24,598,226	13,662,139	
Lendings to financial institu	tions					197,272	1,182,657	

26.

Balances with banks

25.

MARK-UP/RETURN/INTEREST EXPENSED		
Deposits	19,669,296	12,577,344
Borrowings	2,169,783	843,476
Subordinated debt	-	112,000
Cost of foreign currency swaps against foreign currency deposits / borrowings	676,067	370,345
Unwinding cost of liability against right-of-use assets	276,782	-
	22,791,928	13,903,165

113,862

27,381,919

83,165

39,099,628

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

				Three months ended March 31,	Three months ended March 31,
27.		COMMISSION INCOME		2020 Bunga	2019 s in '000
21.		panking customer fees		485.807	525,714
		er finance related fees		92,753	70,228
		ated fees (debit and credit cards)		819,150	723,916
		lated fees		5,660	60,433
	Investme	ent banking fee		34,156	22,600
		sion on trade		347,234	340,447
	Commis	sion on guarantees		137,052	185,790
	Commis	sion on cash management		158,317	150,761
	Commis	sion on remittances including home remittances		282,078	258,122
	Commis	sion income - Bancassurance		365,261	333,012
	Rent on			56,393	64,118
		sion on utility bills		20,416	24,943
		sion on investments services		7,040	11,955
	Other Co	ommission		34,332 2,845,649	42,179 2,814,218
28.				2,043,049	2,014,210
20.		N SECURITIES, NET	28.1	70 447	45 750
	Realised	ed - held for trading	28.1	70,447 692	15,753
	Unrealis	eu - neid ior trading	10.1		(4,320)
	20.4			71,139	11,433
	28.1	Realised gain / (loss) on:		75 000	40 707
		Federal Government Securities		75,320	10,797
		Shares Others		(11,295) 6,422	4,956
		Others		70,447	15,753
29.		INCOME		10,111	10,100
29.	Rent on			15,175	21,122
		sale of fixed assets and non-banking assets acquired-net		17,360	21,122
	Gain on	sale of fixed assets and non-banking assets acquired-fier		32,535	42,367
20				01,000	12,001
30.	OPERA	TING EXPENSES			
	Total co	mpensation expense		3,987,600	3,597,672
		y expense			
	Rent and			37,868	438,928
	Insurance Utilities of			5,662 239,266	5,295 249,452
		iense generators		100,692	119,421
		(including guards)		311,229	401,951
		nd maintenance (including janitorial charges)		161,379	255,732
		ation on right-of-use assets		301,049	-
	Deprecia	ation		151,165	135,578
	1			1,308,310	1,606,357
		tion technology expenses e maintenance		285,593	345,912
		e maintenance		66,640	98,478
	Deprecia			132,801	143,849
	Amortisa	ation		76,553	56,409
	Network			151,658	153,304
	Insuranc	e		908	788
				714,153	798,740



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Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020



Repair and maintenance 81,241 90,112 Subscription 8,476 3,008			Note	Three months ended March 31, 2020	Three months ended March 31, 2019
Directors fees and allowances 12.04 10.12 Legal and professional charges 18.002 10.15 Obscurved Services costs 178.164 86.002 86.002 Depreciation on non-banking assets acquired in satisfaction of claims 7.961 13.157 Training and development 7.961 13.157 Postage and courier charges 66.002 7.961 Communication 8.074 12.004 10.62 Stationery and printing 147.968 182.150 90.941 Marketing, adversement & publicly 06.02 0.02 15.000 Cash transportation charges 8.433 10.047 182.901 Reparand maintenance 9.8433 10.047 183.901 184.191 Subscription 8.476 3.000 1.0454 6.283 6.057 19.933 Reparand maintenance 9.041 184.191 9.1184.191 184.191 9.1184.191 19.144 19.143 19.124 9.118.1439 10.645 6.253 10.056 10.57 10.57 10.57 10.57	0	ther operating expenses		Rupees i	n '000
Legal and professional charges 86:002 100,153 Outsourced services costs 177,164 177,502 178,164 Travelling and conveyance 80:002 180,175,002 178,164 Depreciation 60:002 20,275 462,275 462,275 462,275 35,862 191,553 55,833 55,833 55,833 55,833 56,862 191,575 193,157 7951 131,57 7951 131,57 7951 131,57 56,057 59,337 56,057 59,337 166,056 175,000 - 442,788 116,26,01 144,196 116,26,01 101,454 161,26,01 160,266 175,000 - - 46,01,01 144,196 116,26,14 101,474 161,26,14 101,474 161,426,14 101,474 161,42,14 101,414 101,474 163,301 114,414 114,41,41 114,41,41 101,474 163,301 114,414 114,414 114,41,41 114,41,41 114,414 114,414 114,414 114,414 114,414 114,414 114,4154				12 004	10 126
Outsourced services costs Traveling and conveyance 187,502 173,164 Traveling and conveyance 86,082 80,275 MIFT clearing charges 208,852 195,433 Depreciation on non-banking assets acquired in satisfaction of claims 7,861 13,157 Prostage and courier charges 65,067 59,337 Communication 82,150 90,041 Stationery and printing 147,268 182,514 Marketing, adversimemt & Publicity 160,266 175,500 Donations 8,493 10,047 Cash transportation charges 183,901 184,191 Repair and maintenance 8,474 30,00 Subscription 8,476 30,001 Cash transportation charges 183,901 184,191 Repairad maintenance 34,475 39,900 Subscription 8,476 30,007 Card related expenses 22,5765 185,723 CNC verification charges 34,428 30,776 Insurance 34,428 30,776 Other 11,3					
Traveling and conveyance 89,082 80,275 NIFT clearing changes 48,028 35,582 Depreciation on non-banking assets acquired in satisfaction of claims 7,961 196,433 Training and development 7,961 13,157 Postage and courier charges 65,067 59,337 Communication 82,125 90,0641 Marketing, advertisement & publicity 140,268 175,000 Donations 50,000 - Auditors' remuneration 8,493 10,047 Cash transportation charges 84,827 39,900 Repair and maintenance 81,241 90,112 Subscription 8,476 3,000 Card related express 225,705 60,057 Card related express 225,705 61,452 Card related express 225,705 18,572 Card related express 21,67,457 33,776 Insurance 39,876 6,983 Others 142,818 789 Vir & National Building tax & Corp Insurance Levy 20,6437 45,		5			
NFT Garing charges 46,272 35,862 Depreciation 0,074 19,643 Depreciation on non-banking assets acquired in satisfaction of claims 7,961 13,157 Postage and courtier charges 65,057 59,337 Communication 182,150 90,044 Stationery and printing 142,768 182,2614 Marketing, advertisement & publicity 160,266 17,50,000 Donations 5,000 - Auditors' renumeration 8,493 10,007 Cash transportation charges 183,301 184,491 Subscription 8,476 3,008 Entertainment 8,2525 60,0157 Remittance charges 24,852 39,900 Brokerage expenses 225,705 18,572 Current charges 24,1725 34,725 Others 2,167,457 45,496 Others 2,167,457 45,496 Others 2,167,457 45,497 Others 112,218 7,728 Provisions / (reversals) for diminution					
Depreciation 208,852 19,433 Depreciation on non-banking asets acquired in satisfaction of claims 7,961 12,062 Training and development 7,961 13,157 Postage and courier charges 65,057 53,337 Communication 88,074 13,157 Stationery and printing 147,968 182,214 Marketing, advertisement & publicity 160,068 175,000 Onations 5,000 - Auditor's renurveration 8,433 10,047 Cash transportation charges 81,241 90,112 Subscription 8,476 3,008 Entertainment 52,255 60,057 Revitance charges 24,8,27 39,900 Brokrarge expenses 24,8,27 39,900 Cond related expenses 21,15,367 83,8,441 Others 24,8,27 39,900 Insurance 36,9,76 36,9,76 Insurance 36,9,77 8,161,432 Provisions / (reversals) / provisions against bank advances 11,3 45,206 <td></td> <td>· · ·</td> <td></td> <td></td> <td></td>		· · ·			
Depreciation on non-banking assets acquired in satisfaction of claims 12,022 Training and development 7,961 Postage and courier charges 65,037 Communication 82,150 Stationery and printing 142,768 Marketing, advertisement & publicity 160,266 Donations 5,000 Auditors' remuneration 8,493 Cash transportation charges 183,301 Remitiance charges 8,421 Subscription 8,476 Subscription 8,476 Remitiance charges 10,454 Brokerage expenses 10,454 CAINC verification charges 34,725 Insurance 22,57,05 Others 22,151,369 2,151,369 2,167,457 Reversals against balance with Banks 70,225 Reversals against balance with Banks 10,2,11 YAT & National Building tax & Crop Insurance Levy 22,157,369 VAT & National Building tax & Crop Insurance Levy 22,157,457 Reversals against balance with Banks 10,2,11 Provisions / (revers					
Training and development 7,961 13,157 Postage and courier charges 6,60,07 5,03,07 Communication 82,150 90,641 Stationery and printing 147,968 182,614 Marketing, advertisement & publicity 0,000 - Cash transportation charges 84,83 10,047 Repair and maintenance 81,241 90,112 Subscription 84,843 10,044 Remitiance charges 48,827 39,908 Brokerage expenses 225,070 185,723 CNIC verification charges 34,775 33,775 Insurance 34,775 34,774 Others 225,705 185,723 CNIC verification charges 21,174,275 34,775 Insurance 34,775 34,776 Others 225,705 185,723 1.0 OTHER CHARGES 182,818 789 Penalities of State Bank of Pakistan 102,11 61,192 VAT & National Building tax & Crop Insurance Levy 226,437 45,406 209,255 46,195 25,727,18 (25,500					
Petage and courier charges 66.057 59.337 Communication 82.150 90.641 Marketing, advertisement & publicity 166.0266 17.500 Donations 84.93 10.047 Cash transportation charges 88.931 184.191 Repair and maintenance 81.241 90.112 Subscription 84.76 30.000 Entertainment 52.553 60.051 Remittance charges 20.555 60.051 Brokarge expenses 20.455 60.051 Coll crification charges 34.725 38.776 Insurance 38.987 354.541 Others 34.725 38.761 Insurance 38.987 34.725 Others 21.67.457 8.161.432 Penalties of State Bank of Pakistan 182.818 789 VAT & National Building tax & Crop Insurance Levy 26.437 45.406 Reversals against balance with Banks 10.2.1 752.718 (25.73 Reversals ing alist balance with Banks 1.1.3 47.2.78					
Communication 82,150 90,641 Stationery and printing 147,968 182,814 Markeiting, advertisement & publicity 5,000 175,000 Donations 8,493 10,047 Audtors' remuneration 8,493 10,047 Cash transportation charges 8,493 10,047 Subscription 81,241 90,112 Subscription 84,76 3,000 Forkerage expenses 48,527 39,900 Carl related expenses 10,454 62,253 Chire CHARGES 225,705 185,723 Insurance 38,9876 354,541 Others 34,725 33,775 Referes 24,737 45,400 Others 209,2255 46,152 Panalties of State Bank of Pakistan 22,167,457 3,177,225 VAT & National Building tax & Crop Insurance Levy 209,2255 46,152 Provisions (reversals) for diminution in value of mvestments 10,2,1 752,718 (29,900 Reversals against blance with Banks 72,27,718 <					
Stationery and printing 147,968 182,614 Marketing, advertisement & publicity 160,266 177,000 Auditors' remuneration 8,493 10,047 Cash transportation charges 183,901 184,191 Repair and maintenance 8,476 3,000 Subscription 8,476 3,000 Entertainment 8,476 3,000 Remittance charges 8,476 3,000 Brokerage expenses 10,454 6,233 CoNC verification charges 34,725 34,725 Insurance 368,876 354,541 Others 22,5705 185,723 CNC verification charges 2,161,339 2,167,457 Insurance 368,876 354,541 Others 2,161,339 2,167,457 Reversals / provisions against balance with Banks 7 8,161,432 8,170,226 Provisions / (reversals) & WRITE OFFS - NET (Reversals against ohare savets 11,3 147,278 (404,798 Reversals against ohare savets 11,3 147,274 (404,798					
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2. PROVISIONS / (REVERSALS) & WRITE OFFS - NET (Reversals) / provisions against balance with Banks Provisions / (reversals) for diminution in value of investments 10.2.1 752,718 (25,900) Reversals against bans & advances 11.3 47,278 (404,798) Reversals against other assets 14.1.1 (14,120) (11,765) Recovery of written off / charged off bad debts 14.1.1 (41,254) (48,072) 3. TAXATION Current Prior years Deferred 209,255 46,195 4. BASIC AND DILUTED EARNINGS PER SHARE Profit after tax Rupees in '000					
2. PROVISIONS / (REVERSALS) & WRITE OFFS - NET (Reversals) / provisions against balance with Banks Provisions / (reversals) for diminution in value of investments 10.2.1 752,718 (25,900) Reversals against loans & advances 11.3 47,278 (404,798) Reversals against other assets 14.1.1 (14,120) (11,765) Recovery of written off / charged off bad debts 742,462 (484,157) 3. TAXATION Current Prior years Deferred 4,368,632 3,143,600 4. BASIC AND DILUTED EARNINGS PER SHARE Profit after tax Number Weighted average number of ordinary shares 1,185,060,006 1,185,060,006		VAT & Mational Building tax & Grop Insurance Levy			,
(Reversals) / provisions against balance with Banks (2,160) 6,378 Provisions / (reversals) for diminution in value of investments 10.2.1 752,718 (25,900) Reversals against loans & advances 11.3 47,278 (404,798) Reversals against other assets 14.1.1 (14,120) (11,765) Recovery of written off / charged off bad debts (41,254) (48,072) TAXATION (22,721) (405,461) Current - 450,438 Prior years - 450,438 Deferred (22,721) 405,461) 4,368,632 5,079,859 Number 1,185,060,006 1,185,060,006	2		-	203,233	40,195
Provisions / (reversals) for diminution in value of investments 10.2.1 752,718 (25,900) Reversals against loans & advances 11.3 47,278 (404,798) Reversals against other assets 14.1.1 (14,120) (11,765) Recovery of written off / charged off bad debts 14.1.1 (41,254) (48,072) 3. TAXATION - 4,368,632 3,143,600 Current - 450,438 - Prior years - 450,438 (22,721) Deferred - - 450,438 Profit after tax - - - Weighted average number of ordinary shares 1,185,060,006 1,185,060,006 -	2.			(2.160)	6 279
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Reversals against other assets 14.1.1 (14,120) (11,765) Recovery of written off / charged off bad debts (41,254) (48,072) 3. TAXATION (41,254) (48,072) Current 4,368,632 3,143,600 Prior years - 450,438 Deferred (22,721) 405,461 4. BASIC AND DILUTED EARNINGS PER SHARE Rupees in '000 Profit after tax 6,519,026 5,079,859 Weighted average number of ordinary shares 1,185,060,006 1,185,060,006				,	, ,
Recovery of written off / charged off bad debts (41,254) (48,072) 3. TAXATION 742,462 (484,157) Current 4,368,632 3,143,600 Prior years - 450,438 Deferred (22,721) 405,461 4. BASIC AND DILUTED EARNINGS PER SHARE Rupees in '000 Profit after tax 6,519,026 5,079,859 Number 1,185,060,006 1,185,060,006					(, , ,
742,462 (484,157 3. TAXATION 4,368,632 3,143,600 Current 4,368,632 3,143,600 Prior years - 450,438 Deferred (22,721) 405,461 4,345,911 3,999,499 4. BASIC AND DILUTED EARNINGS PER SHARE Rupees in '000 Profit after tax 6,519,026 5,079,859 Number Number Number Weighted average number of ordinary shares 1,185,060,006 1,185,060,006			14.1.1	· · ·	, ,
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Prior years Deferred - 450,438 (22,721) 4. BASIC AND DILUTED EARNINGS PER SHARE - - Profit after tax - - - Weighted average number of ordinary shares 1,185,060,006 1,185,060,006 -	э.			1 269 622	2 1/2 600
Deferred (22,721) 405,461 4. BASIC AND DILUTED EARNINGS PER SHARE Rupees in '000 Profit after tax 6,519,026 5,079,859 Weighted average number of ordinary shares 1,185,060,006 1,185,060,006				4,500,052	
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Profit after tax End (0,519,026) 5,079,859 Weighted average number of ordinary shares 1,185,060,006 1,185,060,006				.,	5,000,.00
Weighted average number of ordinary shares 1,185,060,006 1,185,060,006 Rupees	4.	DAGIC AND DILUTED EARININGS PER SHARE		Rupees i	n '000
Weighted average number of ordinary shares 1,185,060,006 1,185,060,006		Profit after tax		6,519,026	5,079,859
Weighted average number of ordinary shares 1,185,060,006 1,185,060,006			·	Num	ber
		Weighted average number of ordinary shares			
		. e.g. tes a totago hambor of oralitary onaloo			
Basic and diluted earnings per share 5.50 4.29					
		Basic and diluted earnings per share		5.50	4.29

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020



35. FAIR VALUE MEASUREMENTS

The fair value of traded investments is based on quoted market prices, except for tradable securities classified by the Bank as 'held to maturity'. Quoted securities classified as held to maturity are carried at amortised cost. Fair value of unquoted equity investments other than investments in associates and subsidiaries is determined on the basis of break up value of these investments as per the latest available financial statements.

Fair value of fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

In the opinion of the management, the fair value of the financial assets and financial liabilities are not significantly different from their carrying values since assets and liabilities are either short-term in nature or re-priced over short term.

35.1 Fair value of financial assets

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Valuation techniques used in determination of fair valuation of financial instruments within level 2

ltem	Valuation approach and input used
Federal Government securities	The fair values of Federal Government securities are determined using the PKRV rates.
Term Finance and Bonds	Investments in debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currency involved, interest rates, yield curves, volatilities, contracts duration etc.
Operating fixed assets (land and building) & NBA	Land and buildings are revalued every three years using professional valuers on the panel of Pakistan Banker's Association. The valuation is based on their assessment of market value of the properties.

The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred. There were no transfers between levels 1 and 2 during the year.

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in listed ordinary shares and units of mutual funds.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of Sukuk Bonds, Pakistan Investment Bonds, Market Treasury Bills, Term Finance certificates, FX options, Cross Currency Swaps, Interest Rate Swaps and Forward Exchange Contracts.

(c) Financial instruments in level 3

Currently, no financial instruments are classified in level 3.

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020



The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. For financial assets, the Bank essentially carries its investments in debt and equity securities at fair values. Valuation of investments is carried out as per guidelines specified by the SBP. In case of non-financial assets, the Bank has adopted revaluation model (as per IAS 16) in respect of land and building.

		Una	udited March 31, 2020		
	Carrying value	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments			Rupeesin '000		-
Financial assets - measured at fair value					
Investments	700 500 616		700 500 616		792 520 646
Federal Government Securities Shares	782,530,616 11,739,718	- 11,739,718	782,530,616	-	782,530,616 11,739,718
Non-Government Debt Securities	1,553,146	11,755,710	1,553,146		1,553,146
Foreign Securities	4,412,084	-	4,412,084	-	4,412,084
Financial assets - disclosed but not measured at fair value	.,		.,		.,
Investments (HTM. unlisted ordinary shares.					
subsidiaries and associates)	36,424,041		_	_	
Cash and balances with treasury banks	94,129,555	_	_	_	_
Balances with other banks	15,169,519	-		-	-
Lendings to financial institutions	9,576,504	-	-	-	-
Advances	480,925,150	-	-	-	-
Other assets	48,385,086	-	-	-	-
Non - Financial Assets measured at fair value					
Operating fixed assets (land and buildings)	43,430,687	-	43,430,687	-	43,430,687
Non-banking assets	3,921,093	-	3,921,093	-	3,921,093
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	161,094,140	-	7,915,363	-	7,915,363
Forward sale of foreign exchange	135,252,826	-	6,669,430	-	6,669,430
Derivatives purchase	4,826,855	-	1,290,482	-	1,290,482
Derivatives sale	4,718,437	-	1,307,556	-	1,307,556
		Audit	ed December 31, 2019		
	Carrying value	Audit Level 1	ed December 31, 2019 Level 2	Level 3	Total
On balance sheet financial instruments	Carrying value			Level 3	Total
On balance sheet financial instruments Financial assets - measured at fair value Investments	Carrying value		Level 2	Level 3	Total
Financial assets - measured at fair value	Carrying value		Level 2	Level 3	Total 680,585,359
Financial assets - measured at fair value Investments Federal Government Securities Shares	 680,585,359 14,912,747		Level 2 Rupeesin '000 680,585,359 -	Level 3 	 680,585,359 14,912,747
Financial assets - measured at fair value Investments Federal Government Securities Shares Non-Government Debt Securities	680,585,359 14,912,747 1,306,414	Level 1	Level 2 Rupeesin '000 680,585,359 - 1,306,414	Level 3 - - -	 680,585,359 14,912,747 1,306,414
Financial assets - measured at fair value Investments Federal Government Securities Shares	 680,585,359 14,912,747	Level 1	Level 2 Rupeesin '000 680,585,359 -	Level 3	 680,585,359 14,912,747
Financial assets - measured at fair value Investments Federal Government Securities Shares Non-Government Debt Securities	680,585,359 14,912,747 1,306,414	Level 1	Level 2 Rupeesin '000 680,585,359 - 1,306,414	Level 3 	 680,585,359 14,912,747 1,306,414
Financial assets - measured at fair value Investments Federal Government Securities Shares Non-Government Debt Securities Foreign Securities Financial assets - disclosed but not measured at fair value Investments (HTM, unlisted ordinary shares,	680,585,359 14,912,747 1,306,414 3,663,065	Level 1	Level 2 Rupeesin '000 680,585,359 - 1,306,414	Level 3	 680,585,359 14,912,747 1,306,414
Financial assets - measured at fair value Investments Federal Government Securities Shares Non-Government Debt Securities Foreign Securities Financial assets - disclosed but not measured at fair value Investments (HTM, unlisted ordinary shares, subsidiaries and associates)	680,585,359 14,912,747 1,306,414 3,663,065 48,296,917	Level 1	Level 2 Rupeesin '000 680,585,359 - 1,306,414	Level 3	 680,585,359 14,912,747 1,306,414
Financial assets - measured at fair value Investments Federal Government Securities Shares Non-Government Debt Securities Foreign Securities Financial assets - disclosed but not measured at fair value Investments (HTM, unlisted ordinary shares, subsidiaries and associates) Cash and balances with treasury banks	680,585,359 14,912,747 1,306,414 3,663,065 48,296,917 132,704,797	Level 1	Level 2 Rupeesin '000 680,585,359 - 1,306,414	Level 3 - - - - - - -	 680,585,359 14,912,747 1,306,414
Financial assets - measured at fair value Investments Federal Government Securities Shares Non-Government Debt Securities Foreign Securities Financial assets - disclosed but not measured at fair value Investments (HTM, unlisted ordinary shares, subsidiaries and associates) Cash and balances with treasury banks Balances with other banks	680,585,359 14,912,747 1,306,414 3,663,065 48,296,917 132,704,797 12,542,239	Level 1	Level 2 Rupeesin '000 680,585,359 - 1,306,414	Level 3	 680,585,359 14,912,747 1,306,414
Financial assets - measured at fair value Investments Federal Government Securities Shares Non-Government Debt Securities Foreign Securities Financial assets - disclosed but not measured at fair value Investments (HTM, unlisted ordinary shares, subsidiaries and associates) Cash and balances with treasury banks Balances with other banks Lendings to financial institutions	680,585,359 14,912,747 1,306,414 3,663,065 48,296,917 132,704,797 12,542,239 1,090,058	Level 1	Level 2 Rupeesin '000 680,585,359 - 1,306,414	Level 3	 680,585,359 14,912,747 1,306,414
Financial assets - measured at fair value Investments Federal Government Securities Shares Non-Government Debt Securities Foreign Securities Financial assets - disclosed but not measured at fair value Investments (HTM, unlisted ordinary shares, subsidiaries and associates) Cash and balances with treasury banks Balances with other banks Lendings to financial institutions Advances	680,585,359 14,912,747 1,306,414 3,663,065 48,296,917 132,704,797 12,542,239 1,090,058 496,678,874	Level 1	Level 2 Rupeesin '000 680,585,359 - 1,306,414	Level 3	 680,585,359 14,912,747 1,306,414
Financial assets - measured at fair value Investments Federal Government Securities Shares Non-Government Debt Securities Foreign Securities Financial assets - disclosed but not measured at fair value Investments (HTM, unlisted ordinary shares, subsidiaries and associates) Cash and balances with treasury banks Balances with other banks Lendings to financial institutions Advances Other assets	680,585,359 14,912,747 1,306,414 3,663,065 48,296,917 132,704,797 12,542,239 1,090,058	Level 1	Level 2 Rupeesin '000 680,585,359 - 1,306,414	Level 3	 680,585,359 14,912,747 1,306,414
Financial assets - measured at fair value Investments Federal Government Securities Shares Non-Government Debt Securities Foreign Securities Financial assets - disclosed but not measured at fair value Investments (HTM, unlisted ordinary shares, subsidiaries and associates) Cash and balances with treasury banks Balances with other banks Lendings to financial institutions Advances Other assets Non - Financial Assets measured at fair value	680,585,359 14,912,747 1,306,414 3,663,065 48,296,917 132,704,797 12,542,239 1,090,058 496,678,874 52,808,501	Level 1	Level 2 Rupeesin '000 680,585,359 - 1,306,414 3,663,065 - - - - - - - - - - - - - - - - - - -	Level 3	 680,585,359 14,912,747 1,306,414 3,663,065 - - - - - - - - - -
Financial assets - measured at fair value Investments Federal Government Securities Shares Non-Government Debt Securities Foreign Securities Financial assets - disclosed but not measured at fair value Investments (HTM, unlisted ordinary shares, subsidiaries and associates) Cash and balances with treasury banks Balances with other banks Lendings to financial institutions Advances Other assets Non - Financial Assets measured at fair value Operating fixed assets (land and buildings)	680,585,359 14,912,747 1,306,414 3,663,065 48,296,917 132,704,797 12,542,239 1,090,058 496,678,874 52,808,501 43,552,234	Level 1	Level 2 Rupeesin '000 680,585,359 - 1,306,414 3,663,065 - - - - - - - - - - - - - - - - - - -	Level 3	 680,585,359 14,912,747 1,306,414 3,663,065 - - - - - - - - - - - - -
Financial assets - measured at fair value Investments Federal Government Securities Shares Non-Government Debt Securities Foreign Securities Financial assets - disclosed but not measured at fair value Investments (HTM, unlisted ordinary shares, subsidiaries and associates) Cash and balances with treasury banks Balances with other banks Lendings to financial institutions Advances Other assets Non - Financial Assets measured at fair value	680,585,359 14,912,747 1,306,414 3,663,065 48,296,917 132,704,797 12,542,239 1,090,058 496,678,874 52,808,501	Level 1	Level 2 Rupeesin '000 680,585,359 - 1,306,414 3,663,065 - - - - - - - - - - - - - - - - - - -	Level 3	 680,585,359 14,912,747 1,306,414 3,663,065 - - - - - - - - - -
Financial assets - measured at fair value Investments Federal Government Securities Shares Non-Government Debt Securities Foreign Securities Financial assets - disclosed but not measured at fair value Investments (HTM, unlisted ordinary shares, subsidiaries and associates) Cash and balances with treasury banks Balances with other banks Lendings to financial institutions Advances Other assets Non - Financial Assets measured at fair value Operating fixed assets (land and buildings)	680,585,359 14,912,747 1,306,414 3,663,065 48,296,917 132,704,797 12,542,239 1,090,058 496,678,874 52,808,501 43,552,234	Level 1	Level 2 Rupeesin '000 680,585,359 - 1,306,414 3,663,065 - - - - - - - - - - - - - - - - - - -	Level 3	 680,585,359 14,912,747 1,306,414 3,663,065 - - - - - - - - - - - - -
Financial assets - measured at fair value Investments Federal Government Securities Shares Non-Government Debt Securities Foreign Securities Financial assets - disclosed but not measured at fair value Investments (HTM, unlisted ordinary shares, subsidiaries and associates) Cash and balances with treasury banks Balances with other banks Lendings to financial institutions Advances Other assets Non - Financial Assets measured at fair value Operating fixed assets (land and buildings) Non-banking assets	680,585,359 14,912,747 1,306,414 3,663,065 48,296,917 132,704,797 12,542,239 1,090,058 496,678,874 52,808,501 43,552,234 3,838,230 217,809,539	Level 1	Level 2 Rupeesin '000 680,585,359 - 1,306,414 3,663,065 - - - - - 43,552,234 3,838,230 4,146,908	Level 3	 680,585,359 14,912,747 1,306,414 3,663,065 - - - - - - 43,552,234 3,838,230 - - 4,146,908
Financial assets - measured at fair value Investments Federal Government Securities Shares Non-Government Debt Securities Foreign Securities Financial assets - disclosed but not measured at fair value Investments (HTM, unlisted ordinary shares, subsidiaries and associates) Cash and balances with treasury banks Balances with other banks Lendings to financial institutions Advances Other assets Non - Financial Assets measured at fair value Operating fixed assets (land and buildings) Non-banking assets Off-balance sheet financial instruments - measured at fair value	680,585,359 14,912,747 1,306,414 3,663,065 48,296,917 132,704,797 12,542,239 1,090,058 496,678,874 52,808,501 43,552,234 3,838,230	Level 1	Level 2 Rupeesin '000 680,585,359 	Level 3	 680,585,359 14,912,747 1,306,414 3,663,065 - - - - - - - 43,552,234 3,838,230 -
Financial assets - measured at fair value Investments Federal Government Securities Shares Non-Government Debt Securities Foreign Securities Financial assets - disclosed but not measured at fair value Investments (HTM, unlisted ordinary shares, subsidiaries and associates) Cash and balances with treasury banks Balances with other banks Lendings to financial institutions Advances Other assets Non - Financial Assets measured at fair value Operating fixed assets (land and buildings) Non-banking assets Off-balance sheet financial instruments - measured at fair value Forward purchase of foreign exchange	680,585,359 14,912,747 1,306,414 3,663,065 48,296,917 132,704,797 12,542,239 1,090,058 496,678,874 52,808,501 43,552,234 3,838,230 217,809,539	Level 1	Level 2 Rupeesin '000 680,585,359 - 1,306,414 3,663,065 - - - - - 43,552,234 3,838,230 4,146,908	Level 3	 680,585,359 14,912,747 1,306,414 3,663,065 - - - - - - 43,552,234 3,838,230 - - 4,146,908
Financial assets - measured at fair value Investments Federal Government Securities Shares Non-Government Debt Securities Foreign Securities Financial assets - disclosed but not measured at fair value Investments (HTM, unlisted ordinary shares, subsidiaries and associates) Cash and balances with treasury banks Balances with other banks Lendings to financial institutions Advances Other assets Non - Financial Assets measured at fair value Operating fixed assets (land and buildings) Non-banking assets Othebalance sheet financial instruments - measured at fair value Forward purchase of foreign exchange Forward sale of foreign exchange	680,585,359 14,912,747 1,306,414 3,663,065 48,296,917 132,704,797 12,542,239 1,090,058 496,678,874 52,808,501 43,552,234 3,838,230 217,809,539 187,805,779	Level 1	Level 2 Rupeesin '000 680,585,359 - 1,306,414 3,663,065 - - - - - 43,552,234 3,838,230 4,146,908 3,379,897	Level 3	

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

Un audited three months period ended March 31, 2020

36 SEGMENT INFORMATION

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36.1 Segment details with respect to business activities

The segment analysis with respect to business activity is as follows:

				Un audited three mo	1	011 0 1, 2020			
	Retail Banking	Consumer	Corporate	Treasury	International	others	Sub-total	Eliminations	Total
		banking	Banking		Banking				
Profit & Loss				Ru pees ir					
Net mark-up/return/profit	(16,090,155)	691,123	9,577,037	21,762,473	367,222	-	16,307,700	-	16,307,700
Inter segment revenue - net	28,833,802	(215,624)	(8,422,244)	(22,976,757)	(37,747)	2,818,570	-	-	-
Non mark-up / return / interest income	1,589,015	559,212	732,565	670,873	196,501	139,519	3,887,685	-	3,887,685
Total Income	14,332,662	1,034,711	1,887,358	(543,411)	525,976	2,958,089	20,195,385	-	20,195,385
Segment direct expenses Inter segment expense allocation	5,844,524	448,880	183,979	136,199	352,900	1,621,504	8,587,986		8,587,986
	5.0.1.501			100.100	050.000	1 00 1 50 1	0.507.000		0.507.000
Total expenses	5,844,524	448,880	183,979	136,199	352,900	1,621,504	8,587,986	-	8,587,986
Provisions	(57,077)	(11,743)	100,000	748,442	32,036	(69,196)	742,462	-	742,462
Profit before tax	8,545,215	597,574	1,603,379	(1,428,052)	141,040	1,405,781	10,864,937	-	10,864,937
Balance Sheet				Unaudit	ted ended March 31, 2	020			
Cash & Bank balances	45,954,279	134,183	1,709,324	42,909,247	18,342,531	249,510	109,299,074	-	109,299,074
Investments			11,841,294	813,921,055	10,897,256		836,659,605	-	836,659,605
Net inter segment lending	973,715,995	-	-	-	-	189,198,395	1,162,914,390	(1,162,914,390)	-
Lendings to financial institutions	-	-	-	5,882,750	3,693,754	-	9,576,504	-	9,576,504
Advances - performing	91,965,327	24,356,165	331,790,172	-	24,766,251	-	472,877,915	-	472,877,915
- non performing	1,123,365	116,689	1,355,036	-	5,204,215	247,930	8,047,235	-	8,047,235
Others	36,618,340	2,150,167	27,208,255	8,370,852	1,953,723	42,453,969	118,755,306	-	118,755,306
Total Assets	1,149,377,306	26,757,204	373,904,081	871,083,904	64,857,730	232,149,804	2,718,130,029	(1,162,914,390)	1,555,215,639
Borrowings	48,747,208	-	7,081,704	27,333,956	5,488,907		88,651,775	-	88,651,775
Deposits & other accounts	1,075,145,917	17,737,881	47,134,981	-	43,109,132	1,010,972	1,184,138,883		1,184,138,883
Net inter segment borrowing		6,507,215	301,477,153	841,977,925	12,952,097		1,162,914,390	(1,162,914,390)	, , , , , , , , , , , , , , , , , , , ,
	05 404 404					50 400 000		(1,102,014,000)	100 770 105
Others	25,484,181	2,512,108	18,210,243	1,772,023	3,307,594	52,493,036	103,779,185	-	103,779,185
Total liabilities	1,149,377,306	26,757,204	373,904,081	871,083,904	64,857,730	53,504,008	2,539,484,233	(1,162,914,390)	1,376,569,843
Equity	-	-	-	-		178,645,796	178,645,796	-	178,645,796
Total Equity & liabilities	1,149,377,306	26,757,204	373,904,081	871,083,904	64,857,730	232,149,804	2,718,130,029	(1,162,914,390)	1,555,215,639
Contingencies & Commitments	59,448,350	-	263,334,673	307,333,679	15,150,586	30,882,758	676,150,046	-	676,150,046
				Un audited three mo	nths period ended Mar	rch 31, 2019			
		Consumer	Corporate		International				
	Retail Banking	banking	Banking	Treasury	Banking	others	Sub-total	Eliminations	Total
				Ru pees ir	000				
Profit & Loss									
	(0.004.040)	001.017	3 000 500						10 170 751
Net mark-up/return/profit	(9,324,648)	891,247	7,902,589	13,589,574	419,992	-	13,478,754	-	13,478,754
Inter segment revenue - net	19,469,256	(552,062)	(6,704,419)	(14,446,652)	(10,580)	2,244,457	-	•	-
Inter segment revenue - net Non mark-up / return / interest income	19,469,256 1,573,510	(552,062) 484,013	(6,704,419) 755,418	(14,446,652) 417,557	(10,580) 207,546	76,411	3,514,455	- - -	- 3,514,455
Inter segment revenue - net	19,469,256	(552,062)	(6,704,419)	(14,446,652)	(10,580)		-	- - - -	-
Inter segment revenue - net Non mark-up / return / interest income Total Income	19,469,256 1,573,510 11,718,118	(552,062) 484,013 823,198	(6,704,419) 755,418 1,953,588	(14,446,652) 417,557 (439,521)	(10,580) 207,546 616,958	76,411 2,320,868	3,514,455		- 3,514,455 16,993,209
Inter segment revenue - net Non mark-up / return / interest income Total Income Segment direct expenses	19,469,256 1,573,510	(552,062) 484,013	(6,704,419) 755,418	(14,446,652) 417,557	(10,580) 207,546	76,411	3,514,455	· · ·	- 3,514,455
Inter segment revenue - net Non mark-up / return / interest income Total Income Segment direct expenses Inter segment expense allocation	19,469,256 1,573,510 11,718,118 5,761,326	(552,062) 484,013 823,198 364,019	(6,704,419) 755,418 1,953,588 213,232	(14,446,652) 417,557 (439,521) 107,242	(10,580) 207,546 616,958 271,186	76,411 2,320,868 1,681,003	3,514,455 16,993,209 8,398,008	· · · ·	- 3,514,455 16,993,209 8,398,008 -
Inter segment revenue - net Non mark-up / return / interest income Total Income Segment direct expenses	19,469,256 1,573,510 11,718,118	(552,062) 484,013 823,198	(6,704,419) 755,418 1,953,588	(14,446,652) 417,557 (439,521) 107,242 - 107,242	(10,580) 207,546 616,958	76,411 2,320,868	3,514,455	- - - - - - - - - - - -	- 3,514,455 16,993,209
Inter segment revenue - net Non mark-up / return / interest income Total Income Segment direct expenses Inter segment expense allocation Total expenses	19,469,256 <u>1,573,510</u> 11,718,118 5,761,326 	(552,062) <u>484,013</u> 823,198 <u>364,019</u> <u>-</u> <u>364,019</u>	(6,704,419) 755,418 1,953,588 213,232 	(14,446,652) 417,557 (439,521) 107,242	(10,580) 207,546 616,958 271,186 	76,411 2,320,868 1,681,003 1,681,003	- 3,514,455 16,993,209 8,398,008 - 8,398,008		- <u>3,514,455</u> 16,993,209 8,398,008 - 8,398,008
Inter segment revenue - net Non mark-up / return / interest income Total Income Segment direct expenses Inter segment expense allocation Total expenses Provisions Profit before tax	19,469,256 <u>1,573,510</u> 11,718,118 <u>5,761,326</u> <u>5,761,326</u> 12,804	(552,062) <u>484,013</u> 823,198 <u>364,019</u> <u>-</u> <u>364,019</u> (15,600)	(6,704,419) 755,418 1,953,588 213,232 - 213,232 (173,488)	(14,446,652) 417,557 (439,521) 107,242 107,242 (25,619) (521,144)	(10,580) 207,546 616,958 271,186 271,186 32,844 312,928	76,411 2,320,868 1,681,003 (315,098) 954,963	3,514,455 16,993,209 8,398,008 - 8,398,008 (484,157)		- 3,514,455 16,993,209 8,398,008 - 8,398,008 (484,157)
Inter segment revenue - net Non mark-up / return / interest income Total Income Segment direct expenses Inter segment expense allocation Total expenses Provisions Profit before tax Balance Sheet	19,469,256 1,573,510 11,718,118 5,761,326 5,761,326 12,804 5,943,988	(552,062) 484,013 823,198 364,019 - 364,019 (15,600) 474,779	(6,704,419) 755,418 1,953,588 213,232 213,232 (173,488) 1,913,844	(14,446,652) 417,557 (439,521) 107,242 107,242 (25,619) (521,144) A	(10,580) 207,546 616,958 271,186 32,844 312,928 udited December 31,	76,411 2,320,868 1,681,003 (315,098) 954,963 2019	3,514,455 16,993,209 8,398,008 8,398,008 (484,157) 9,079,358		- 3,514,455 16,993,209 8,398,008 - - 8,398,008 (484,157) 9,079,358
Inter segment revenue - net Non mark-up / return / interest income Total Income Segment direct expenses Inter segment expense allocation Total expenses Provisions Profit before tax Balance Sheet Cash & Bank balances	19,469,256 <u>1,573,510</u> 11,718,118 <u>5,761,326</u> <u>5,761,326</u> 12,804	(552,062) <u>484,013</u> 823,198 <u>364,019</u> <u>-</u> <u>364,019</u> (15,600)	(6,704,419) 755,418 1,953,588 213,232 (173,488) 1,913,844 676,139	(14,446,652) 417,557 (439,521) 107,242 (25,619) (521,144) A 65,572,277	(10,580) 207,546 616,958 271,186 32,844 312,928 udited December 31, 28,149,362	76,411 2,320,868 1,681,003 (315,098) 954,963	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036		- 3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036
Inter segment revenue - net Non mark-up / return / interest income Total Income Segment direct expenses Inter segment expense allocation Total expenses Provisions Profit before tax Balance Sheet Cash & Bank balances Investments	19,469,256 <u>1,573,510</u> 11,718,118 5,761,326 <u>12,804</u> 5,943,988 50,154,942	(552,062) 484,013 823,198 364,019 - 364,019 (15,600) 474,779	(6,704,419) 755,418 1,953,588 213,232 213,232 (173,488) 1,913,844	(14,446,652) 417,557 (439,521) 107,242 107,242 (25,619) (521,144) A	(10,580) 207,546 616,958 271,186 32,844 312,928 udited December 31,	76,411 2,320,868 1,681,003 (315,098) 954,963 2019 672,833	3,514,455 16,993,209 8,396,008 (494,157) 9,079,358 145,247,036 748,764,502	· · · · · · ·	- 3,514,455 16,993,209 8,398,008 - - 8,398,008 (484,157) 9,079,358
Inter segment revenue - net Non mark-up / return / interest income Total Income Segment direct expenses Inter segment expenses allocation Total expenses Provisions Profit before tax Balance Sheet Cash & Bank balances Investments Net inter segment lending	19,469,256 1,573,510 11,718,118 5,761,326 5,761,326 12,804 5,943,988	(552,062) 484,013 823,198 364,019 - 364,019 (15,600) 474,779	(6,704,419) 755,418 1,953,588 213,232 (173,488) 1,913,844 676,139	(14,446,652) 417,557 (439,521) 107,242 (25,619) (521,144) A 65,572,277 723,114,519	(10,580) 207,546 616,958 271,186 32,844 312,928 udited December 31, 28,149,362 15,011,691	76,411 2,320,868 1,681,003 (315,098) 954,963 2019	3,514,455 16,983,209 8,398,008 (484,157) 9,079,358 145,247,036 748,764,502 1,104,307,651	- - - - - - - - - - - - - - - - - - -	3,514,455 16,983,209 8,398,008 8,398,008 (484,157) (9,079,358 145,247,036 748,764,502
Inter segment revenue - net Non mark-up / return / interest income Total Income Segment direct expenses Inter segment expense allocation Total expenses Provisions Profit before tax Balance Sheet Cash & Bank balances Investments Net inter segment lending Lendings to financial institutions	19,469,256 1,573,510 11,718,118 5,761,326 12,804 5,943,988 50,154,942 940,015,024	(552,052) <u>484,013</u> 823,198 <u>364,019</u> <u>364,019</u> (15,600) <u>474,779</u> 21,483 <u>-</u>	(6,704,419) 755,418 1,953,588 213,232 (173,488) 1,913,844 676,139 10,638,292	(14,446,652) 417,557 (439,521) 107,242 (25,619) (521,144) A 65,572,277	(10,580) 207,546 616,958 271,186 32,844 312,928 udited December 31, 28,149,362 15,011,691 209,205	76,411 2,320,868 1,681,003 (315,098) 954,963 2019 672,833	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036 748,764,502 1,104,307,651 1,090,058	- - - - - - - - - - - - - - - - - - -	3,514,455 16,983,209 8,398,008 (484,157) 9,079,358 145,247,036 748,764,502 - 1,090,058
Inter segment revenue - net Non mark-up / return / interest income Total Income Segment direct expenses Inter segment expense allocation Total expenses Provisions Profit before tax Balance Sheet Cash & Bank balances Investments Net Inter segment lending Lendings to financial institutions Advances - performing	19,469,256 1,573,510 11,718,118 5,761,326 12,804 5,943,988 50,154,942 940,015,024	(552,062) 484,013 823,198 364,019 - - - - - - - - - - - - -	(6,704,419) 755,418 1,953,588 213,232 (172,488) 1,913,844 676,139 10,638,292 341,191,287	(14,446,652) 417,557 (439,521) 107,242 (25,619) (521,144) A 65,572,277 723,114,519	(10,580) 207,546 616,958 271,186 2271,186 32,844 312,928 udited December 31, 28,149,362 15,011,691 209,205 25,190,939	76,411 2,320,868 1,681,003 (315,098) 954,963 2019 672,833 164,292,627	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036 748,764,502 1,104,307,651 1,099,058	- - - - - - - - - - - - - - - - - - -	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036 748,764,502 - 1,090,058 489,189,036
Inter segment revenue - net Non mark-up / return / interest income Total Income Segment direct expenses Inter segment expense allocation Total expenses Provisions Provisions Proti before tax Balance Sheet Cash & Bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing - non performing	19,469,256 <u>1,573,510</u> 11,718,118 5,761,326 <u>2</u> 5,761,326 <u>12,804</u> 5,943,988 <u>50,154,942</u> <u>98,464,054</u> 1,074,787	(552,062) <u>484,013</u> 823,198 <u>364,019</u> <u>-</u> <u>-</u> <u>-</u> <u>-</u> <u>-</u> <u>-</u> <u>-</u> <u>-</u>	(6,704,419) 755,418 1,953,588 213,232 (173,488) 1,913,844 676,139 10,638,292 341,191,287 1,237,494	(14,446,652) 417,557 (439,521) 107,242 (25,619) (521,144) A 65,572,277 723,114,519 880,853	(10,580) 207,546 616,958 271,186 32,844 312,928 udited December 31, 28,149,362 15,011,691 209,205 25,190,939 4,836,865	76,411 2,320,868 1,681,003 (315,089) 954,963 2019 672,833 164,292,627 227,544	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036 748,764,502 1,104,307,651 1,090,058 489,199,036 7,489,838	- - - - - - - - - - - - - - - - - - -	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036 748,764,502 - 1,090,058 489,189,036 7,489,838
Inter segment revenue - net Non mark-up / return / interest income Total Income Segment direct expenses Inter segment expense allocation Total expenses Provisions Profit before tax Balance Sheet Cash & Bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing - non performing Others	19,469,256 <u>1,573,510</u> 11,718,118 <u>5,761,326</u> <u>5,761,326</u> <u>12,804</u> <u>5,943,988</u> <u>50,154,942</u> <u>940,015,024</u> <u>98,464,054</u> <u>1,074,787</u> <u>34,759,963</u>	(552,062) <u>484,013</u> 823,198 <u>364,019</u> <u>155,000</u> <u>474,779</u> 21,483 <u>21,483</u> <u>24,342,756</u> 113,148 <u>1,882,259</u>	(6,704,419) 755,418 1,953,588 213,232 (173,488) 1,913,844 676,139 10,638,292	(14,446,652) 417,557 (439,521) 107,242 (25,619) (521,144) A 65,572,277 723,114,519 2880,853 380,853	(10,580) 207,546 616,958 271,186 2271,186 32,844 312,928 udited December 31, 28,149,362 15,011,691 209,205 26,190,339 4,836,865 2,368,790	76,411 2,320,868 1,681,003 (315,098) 964,863 2019 672,833 164,292,627 164,292,627 227,544 45,162,743	3,514,455 16,993,209 8,398,008 (494,157) 9,079,358 145,247,036 748,764,502 1,104,307,651 1,099,058 489,199,036 7,489,838 123,371,545	-	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036 748,764,502 1,090,058 489,199,036 7,489,838 123,371,545
Inter segment revenue - net Non mark-up / return / interest income Total Income Segment direct expenses Inter segment expense allocation Total expenses Provisions Profit before tax Balance Sheet Cash & Bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing - non performing Others	19,469,256 1,573,510 11,718,118 5,761,326 5,761,326 12,804 5,943,988 940,015,024 940,015,024 98,464,054 1,074,787 34,759,963 1,124,468,770	(552,062) <u>484,013</u> 823,198 <u>364,019</u> <u>-</u> <u>-</u> <u>-</u> <u>-</u> <u>-</u> <u>-</u> <u>-</u> <u>-</u>	(6,704,419) 755,418 1,953,588 213,232 (173,488) 1,913,844 676,139 10,638,292 341,191,287 1,237,494 25,339,004 379,136,216	(14,446,652) 417,557 (439,521) 107,242 (25,619) (521,144) A 65,572,277 723,114,519 880,853 13,804,786 803,372,435	(10,580) 207,546 616,958 271,186 32,844 312,928 15,011,091 209,205 25,190,939 4,836,865 2,366,790 75,766,852	76,411 2,320,868 1,681,003 (315,089) 954,963 2019 672,833 164,292,627 227,544	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036 145,247,036 145,247,036 145,247,036 148,764,502 1,104,307,651 1,090,058 489,199,036 123,371,545 2,619,459,666	(1,104,307,651)	3,514,455 16,993,209 8,398,008 (484,157) 9,079,388 145,247,036 748,764,502 1,090,058 489,199,036 7,489,838 123,371,545 1,515,152,015
Inter segment revenue - net Non mark-up / return / interest income Total Income Segment direct expenses Inter segment expense allocation Total expenses Provisions Profit before tax Balance Sheet Cash & Bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing - non performing Others Total Assets Borrowings	19,469,256 1,573,510 11,718,118 5,761,326 5,761,326 12,804 5,943,988 50,154,942 940,015,024 940,015,024 940,015,024 942,015,024 942,015,024 942,015,024 942,015,024 942,015,024 945,015,015 94,545,965	(552,062) <u>484,013</u> 823,198 <u>364,019</u> <u>155,000</u> <u>474,779</u> 21,483 <u>21,483</u> <u>24,342,756</u> 113,148 <u>1,882,259</u>	(6,704,419) 755,418 1,953,588 213,232 (173,488) 1,913,844 676,139 10,638,292 341,191,287 1,237,494 25,393,004 379,136,216 7,057,504	(14,446,652) 417,557 (439,521) 107,242 (25,619) (521,144) A 65,572,277 723,114,519 2880,853 380,853	(10,580) 207,546 616,958 271,186 221,186 32,844 312,928 udited December 31, 28,149,362 15,011,691 209,205 25,190,339 4,836,865 2,368,790 75,766,852 3,520,223	76,411 2,320,868 1,681,003 (315,099) 954,963 2019 672,833 164,292,627 227,544 45,162,743 210,355,747	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036 145,247,036 145,247,036 145,247,036 145,247,036 145,247,036 145,247,036 145,247,036 145,247,036 24,00,058 489,189,036 7,489,838 123,371,545 2,615,495,666 89,505,892	-	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036 748,764,502 - 1,090,058 489,189,036 7,489,383 123,371,545 1,515,152,015 89,505,892
Inter segment revenue - net Non mark-up / return / interest income Total Income Segment direct expenses Inter segment expense allocation Total expenses Provisions Provisions Profit before tax Balance Sheet Cash & Bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing Others Total assets Borrowings Deposits & other accounts	19,469,256 1,573,510 11,718,118 5,761,326 5,761,326 12,804 5,943,988 940,015,024 940,015,024 98,464,054 1,074,787 34,759,963 1,124,468,770	(552,062) 484,013 823,198 364,019 	(6,704,419) 755,418 1,953,588 213,232 (172,488) 1,913,844 676,139 10,638,292 341,191,287 1,237,494 25,393,004 379,136,216 7,057,504	(14,446,652) 417,557 (439,521) 107,242 (25,619) (521,144) A 65,572,277 723,114,519 880,853 880,853 	(10,580) 207,546 616,958 271,186 32,844 312,928 udited December 31, 28,149,362 15,011,691 209,205 25,190,939 4,836,865 2,368,790 75,766,852 3,520,223 55,523,627	76,411 2,320,868 1,681,003 (315,098) 964,863 2019 672,833 164,292,627 164,292,627 227,544 45,162,743	3,514,455 16,993,209 8,398,008 (464,157) 9,079,358 145,247,036 748,764,502 1,104,307,651 1,090,058 489,189,036 7,489,838 123,371,545 2,619,459,666 88,5,055,882 1,144,763,259	(1,104,307,651)	3,514,455 16,993,209 8,398,008 (484,157) 9,079,368 145,247,036 748,764,502 1,090,058 489,189,036 7,489,838 123,371,545 1,515,152,015
Inter segment revenue - net Non mark-up / return / interest income Total Income Segment direct expenses Inter segment expense allocation Total expenses Provisions Profit before tax Balance Sheet Cash & Bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing - non performing Others Total Assets Borrowings	19,469,256 1,573,510 11,718,118 5,761,326 12,804 5,943,988 50,154,942 940,015,024 98,464,054 1,074,787 34,759,963 1,124,468,770 45,355,965 1,033,804,761	(552,062) <u>484,013</u> 823,198 <u>364,019</u> <u>155,000</u> <u>474,779</u> 21,483 <u>21,483</u> <u>24,342,756</u> 113,148 <u>1,882,259</u>	(6,704,419) 755,418 1,953,588 213,232 (172,488) 1,913,844 676,139 10,638,292 341,191,287 1,237,494 25,393,004 379,136,216 7,057,504 299,650,838	(14,446,652) 417,557 (439,521) 107,242 (25,619) (521,144) A 65,572,277 723,114,519 880,853 13,804,786 803,372,435	(10,580) 207,546 616,958 271,186 221,186 32,844 312,928 udited December 31, 28,149,362 15,011,691 209,205 25,190,339 4,836,865 2,368,790 75,766,852 3,520,223	76,411 2,320,868 1,681,003 (315,003)	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036 748,764,502 1,104,307,651 1,090,058 489,189,036 7,489,838 123,371,545 2,619,459,665 889,505,892 1,144,763,259 1,104,307,651	-	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036 748,764,502
Inter segment revenue - net Non mark-up / return / interest income Total income Segment direct expenses Inter segment expense allocation Total expenses Provisions Profit before tax Batnoce Sheet Cash & Bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing Others Deposits & other accounts Net inter segment borrowing Others	19,469,256 1,573,510 11,718,118 5,761,326 5,761,326 12,804 5,943,988 940,015,024 940,015,024 98,464,054 1,074,787 34,759,963 1,124,468,770 45,355,965 1,033,804,761	(552,052) 484,013 823,198 364,019 (15,600) 474,779 21,483 - 24,342,756 24,342,756 26,359,646 - 24,124,908 2,234,738	(6,704,419) 755,418 1,953,588 213,232 (173,488) 1,913,844 676,139 10,638,292 (341,191,287 1,237,494 25,339,004 379,136,216 7,057,504 455,425,048 299,650,638 17,002,826	(14,446,652) 417,557 (439,521) 107,242 (25,619) (521,144) A 65,572,277 723,114,519 880,853	(10,580) 207,546 616,958 271,186 32,844 312,928 15,011,691 209,205 25,190,399 4,836,865 2,388,790 75,766,852 3,520,223 55,523,627 12,464,722 4,258,280	76,411 2,320,868 1,681,003 (315,098) 964,963 2019 672,833 164,292,627 164,292,627 227,544 45,162,743 210,355,747 210,355,747	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036 145,247,036 145,247,036 145,247,036 145,247,036 145,247,036 145,247,036 145,247,036 145,247,036 14,090,058 489,189,036 12,371,545 2,619,459,666 89,505,892 1,104,476,529 1,104,307,651 111,968,081	(1,104,307,651) (1,104,307,651)	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036 748,764,502
Inter segment revenue - net Non mark-up / return / interest income Total Income Segment direct expenses Inter segment expense allocation Total expenses Provisions Protit before tax Baince Sheet Cash & Bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing - non performing Others Total Sests Borrowings Deposits & other accounts Net inter segment borrowing	19,469,256 1,573,510 11,718,118 5,761,326 12,804 5,943,988 50,154,942 940,015,024 98,464,054 1,074,787 34,759,963 1,124,468,770 45,355,965 1,033,804,761	(552,062) 484,013 823,198 364,019 	(6,704,419) 755,418 1,953,588 213,232 (172,488) 1,913,844 676,139 10,638,292 341,191,287 1,237,494 25,393,004 379,136,216 7,057,504 299,650,838	(14,446,652) 417,557 (439,521) 107,242 (25,619) (521,144) A 65,572,277 723,114,519 - - - - - - - - - - - - - - - - - - -	(10,580) 207,546 616,958 271,186 2271,186 32,844 312,928 udited December 31, 28,149,362 15,011,691 209,205 25,190,939 4,836,865 2,368,790 75,766,852 3,520,223 3,520,223	76,411 2,320,868 1,681,003 (315,003)	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036 145,247,036 145,247,036 1,04,07,651 1,090,058 489,189,036 7,489,838 123,371,545 2,619,496,666 89,505,892 1,144,763,259 1,104,307,651 111,1968,081 2,450,544,883	(1,104,307,651)	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036 748,764,502 - 1,090,058 489,189,036 7,489,838 123,371,545 1,515,152,015 89,505,892
Inter segment revenue - net Non mark-up / return / interest income Total roome Segment direct expenses Inter segment expense allocation Total expenses Provisions Profit before tax Bance Sheet Cash & Bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing Others Colles Deposits & other accounts Net inter segment borrowing Others	19,469,256 1,573,510 11,718,118 5,761,326 5,761,326 12,804 5,943,988 940,015,024 940,015,024 98,464,054 1,074,787 34,759,963 1,124,468,770 45,355,965 1,033,804,761	(552,062) 484,013 823,198 364,019 364,019 (15,600) 474,779 21,483 24,342,756 113,148 1,882,259 26,359,646 2,234,738 26,359,646 -	(6,704,419) 755,418 1,953,588 213,232 (173,488) 1,913,844 676,139 10,638,292 (341,191,287 1,237,494 25,339,004 379,136,216 7,057,504 455,425,048 299,650,638 17,002,826	(14,446,652) 417,557 (439,521) 107,242 (25,619) (521,144) A 65,572,277 723,114,519 880,853	(10,580) 207,546 616,958 271,186 32,844 312,928 15,011,691 209,205 25,190,399 4,836,865 2,388,790 75,766,852 3,520,223 55,523,627 12,464,722 4,258,280	76,411 2,320,868 1,681,003 (315,098) 964,963 2019 672,833 164,292,627 164,292,627 227,544 45,162,743 210,355,747 210,355,747	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036 145,247,036 145,247,036 145,247,036 145,247,036 145,247,036 145,247,036 145,247,036 145,247,036 14,090,058 489,189,036 12,371,545 2,619,459,666 89,505,892 1,104,476,529 1,104,307,651 111,968,081	(1,104,307,651) (1,104,307,651)	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036 748,764,502 1,090,058 489,189,036 7,489,838 123,371,545 1,515,152,015 89,505,892 1,114,763,259
Inter segment revenue - net Non mark-up / return / interest income Total income Segment direct expenses Inter segment expense allocation Total expenses Provisions Profit before tax Balance Sheet Cash & Bank balances Investments Net inter segment lending Lendings to financial institutions Advances - performing Others Total Assets Borrowings Deposite & other accounts Net inter segment borrowing Others Total Saset borrowing Deposite & other accounts Net inter segment borrowing Others	19,469,256 1,573,510 11,718,118 5,761,326 5,761,326 12,804 5,943,988 940,015,024 940,015,024 98,464,054 1,074,787 34,759,963 1,124,468,770 45,355,965 1,033,804,761	(552,052) 484,013 823,198 364,019 (15,600) 474,779 21,483 - 24,342,756 24,342,756 26,359,646 - 24,124,908 2,234,738	(6,704,419) 755,418 1,953,588 213,232 (173,488) 1,913,844 676,139 10,638,292 (341,191,287 1,237,494 25,339,004 379,136,216 7,057,504 455,425,048 299,650,638 17,002,826	(14,446,652) 417,557 (439,521) 107,242 (25,619) (521,144) A 65,572,277 723,114,519 880,853	(10,580) 207,546 616,958 271,186 32,844 312,928 15,011,691 209,205 25,190,399 4,836,865 2,388,790 75,766,852 3,520,223 55,523,627 12,464,722 4,258,280	76,411 2,320,868 1,681,003 (315,098) 954,963 2019 672,833 164,292,627 164,292,627 227,544 45,162,743 210,355,747 9,823 41,431,141 41,440,964	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036 145,247,036 145,247,036 1,04,07,651 1,090,058 489,189,036 7,489,838 123,371,545 2,619,496,666 89,505,892 1,144,763,259 1,104,307,651 111,1968,081 2,450,544,883	(1,104,307,651) (1,104,307,651)	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036 748,764,502 1,090,058 489,189,036 7,489,838 123,371,545 1,515,152,015 89,505,892 1,144,763,259 1,144,763,259
Inter segment revenue - net Non mark-up / return / interest income Total Income Segment direct expenses Inter segment expense allocation Total expenses Provisions Profit before tax Bance Sheet Cash & Bank balances Investments Net inter segment lending Lendings to financial Institutions Advances - performing - non performing Others Total Assets Borrowings Deposits & other accounts Net inter segment borrowing Others Total liabilities Equity	19,469,256 1,573,510 11,718,118 5,761,326 5,761,326 12,804 5,943,988 50,154,942 940,015,024 940,015,024 98,464,054 1,074,787 3,4,759,7863 1,124,468,770 45,358,965 1,033,804,761 1,124,468,770	(552,062) 484,013 823,198 364,019 364,019 (15,600) 474,779 21,483 24,342,756 113,148 1,882,259 26,359,646 2,234,738 26,359,646 -	(6,704,419) 755,418 1,953,588 213,232 (173,488) 1,913,844 676,139 10,638,292 341,191,287 1,237,494 25,393,004 379,136,216 7,057,504 55,425,048 299,650,038 17,002,826 379,136,216	(14,446,652) 417,557 (439,521) 107,242 (25,619) (521,144) A 65,572,277 723,114,519 880,853 33,572,200 33,572,435 33,572,200 768,067,183 1,733,052 803,372,435	(10,580) 207,546 616,958 271,186 32,844 312,928 udiled December 31, 28,149,362 15,011,691 209,205 25,190,939 4,836,865 2,368,790 75,668,852 3,550,223 3,550,223 3,55,23,627 12,464,722 4,258,280 7,5766,852	76,411 2,320,868 1,681,003 (315,098) 954,963 2019 672,833 164,292,627 227,544 45,162,743 210,355,747 9,823 41,431,141 41,440,964 166,914,783	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036 748,764,502 1,104,307,651 1,090,058 489,189,036 7,489,838 1223,371,545 2,619,459,666 89,505,892 1,144,763,259 1,104,307,651 1,104,307,650 1,104,307,650 1,104,307,650 1,104,307,507,507,507,507	(1,104,307,651) (1,104,307,651) (1,104,307,651)	3,514,455 16,993,209 8,398,008 (484,157) 9,079,358 145,247,036 748,764,502 1,090,058 489,189,036 7,489,838 123,371,55 1,515,152,015 89,505,892 1,144,763,259

36.2 Transactions between reportable segments are based on an appropriate transfer pricing mechanism using agreed rates. Furthermore, segment assets and liabilities include inter segment balances. Costs which are not allocated to segments are included in the Head office. Income taxes are managed at bank level and are not allocated to operating segments.



MCB Bank Limited

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RELATED PARTY TRANSACTIONS The Bank has related party relationship

37

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020



	other than those v	which have been dis	sclosed elsewhere in	INESE UNUNISUINALE	d condensea Interim II	nancial statements	are as tollows:	Personhor 21 20	c	
			Unaudited March 31, 2020	170			AUDITE	Audited December 31, 2019	R	
	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties
					(Rupe	(Rupees in '000)				
Balances with other banks										
in current accounts						•				14,389 14,389
Lendings to Financial Institutions										
Opening balance			880,853					631,351		
Addition during the period / year			8,403,928					22,355,349		·
Repaid during the period / year			(3,402,032)	'				(22,105,847)		·
Closing balance		•	5,882,749					880,853		
Investments Opening balance			12,346,537	700,401	254,253			12,046,512	700,401	254,253
Investment made during the period / year	•	•		'		•		350,000		·
Adjustment under amalgamation scheme								(49,975)		
Closing balance	•	•	12,346,537	700,401	254,253			12,346,537	700,401	254,253
Provision for diminution in value of investments			725		5,000			725		5,000
Advances Opening balance	1.722	129,049	889,811		339.520	658	141,390	366,872		1,050,277
Addition / exchange adjustment during the period / year	4,761	6,301			305,340	29,148		522,939		1,642,434
Repaid during the period / year	(6,407)	(6,993)			(245,231)	(28,084)	<u> </u>	•		(1,558,481)
Transfer in / (out)	•	469	•	•			(19,087)			(794,710)
Closing balance	76	128,826	856,442	•	399,629	1,722	129,049	889,811		339,520
Provision held against advances	,				•					

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Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020



anding

Contingencies and Commitments Commitments and contingent liabilities - outstanding Forward foreign exchange contracts (Notional) - outstand Bank gurarantee

ayable to MCB Employee Security Services Advance received against sale of property

ccrued expenses and other payable

Other Liabilities

Markup payable

MCB Bank Limited

Image Image <th< th=""><th></th><th>01100</th><th>INTERNAL INTERNAL OF 1, EV.</th><th>2</th><th></th><th></th><th></th><th></th><th>~</th><th></th></th<>		01100	INTERNAL INTERNAL OF 1, EV.	2					~	
Allower Allower <t< td=""><td>Directors</td><td>Key Management Personnel</td><td>Subsidiaries</td><td>Associates</td><td>Other Related Parties</td><td>Directors</td><td>Key Management Personnel</td><td>Subsidiaries</td><td>Associates</td><td>Other Related Parties</td></t<>	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties
2610 31,464 - 6,682 - 3,202 3,152 - - 1 3077 342,553 41,016 - - 5,222 2,66,720 -<					Rines	in 1000)				
2610 31,464 - 6582 246,720 -										
· 13,077 342,263 41,016 · 5,322 246,720 · 3 ·<		2,610	31,464		6,692		3,202	31,552		5,191
· ·		•	13,077	342,253	41,016			5,322	246,720	27,080
· 975 · 76.007 · · 27,453 · <		•	•	•	3,695,121			•	•	3,605,121
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$		•	675		76,097			27,493		
1 1		•								
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$										
· ·			3,903	•	69,166			19,146		
· (114,429) · · (401,471) · (401,471) · · (401,471) · · (401,471) · · (401,471) · · (401,471) · · (401,471) · · · (401,471) · · (401,471) · · (401,471) · · (401,471) ·	'	•	116,761		11,277			386,228	•	144,166
\cdot 6235 \cdot $80,443$ \cdot <th< td=""><td>'</td><td></td><td>(114,429)</td><td>•</td><td>•</td><td>•</td><td>•</td><td>(401,471)</td><td>•</td><td>(75,000)</td></th<>	'		(114,429)	•	•	•	•	(401,471)	•	(75,000)
140,761 54,482 3,657,552 4,179,849 3,745,457 168,528 65,933 3,339,847 3, 363,226 4,194,107 24,735,193 40,945,756 9,893,584 866,766 4,515,394) (61,4 363,220 (4,201,716) (25,288,176) (38,390,641) (13,025,336) (884,532) (4,515,594) (71,916,546) (61,4 (383,202) (4,201,716) (25,288,176) (38,390,641) (13,025,336) (884,532) (4,515,594) (71,916,546) (61,4 (383,202) (4,201,716) (25,288,176) (38,390,641) (13,025,336) (884,532) (4,515,594) (71,916,546) (61,4 (7354) (7324) (10,001) (9229) - </td <td>•</td> <td>•</td> <td>6,235</td> <td>•</td> <td>80,443</td> <td></td> <td></td> <td>3,903</td> <td></td> <td>69,166</td>	•	•	6,235	•	80,443			3,903		69,166
363,226 4,144,07 24,755,193 40,945,756 9,895,64 666,766 4,515,544 2,234,251 (383,202) (4,201,716) (35,208,176) (38,300,641) (13,025,335) (864,532) (4,515,544) (71,916,546) - (7,389) - - 289 (7,324) (10,001) (9,223) - - 7(389) 3,104,569 6,735,5263 6,02,381 14,0,761 5,425 -	602,381		54,482	3,657,552	4,179,849	3,745,457	168,528	65,933	3,339,847	3,212,620
	189,691		4,184,087	24,735,193	40,945,756	9,889,584	866,766	4,513,372	22,234,251	62,263,273
(7,55) - - 299 (7,324) (10001) (9,229) - 1 112,206 36,863 3,104,569 6,735,263 602,381 140,761 54,422 3,657,552 4,1 270 366 82,617 39,107 7,283 556 158 50,535 4,1 - - 22,556 130,384 573 15,326 - 23,134 62,402 - - 22,556 130,384 573 15,326 -	(269,036)	(383,202)	(4,201,716)	(25,288,176)	(38,390,641)	(13,025,336)	(884,532)	(4,515,594)	(21,916,546)	(61,423,281)
112.26 36.863 3,104,569 6,735,525 41 41,161 54.42 3,657,552 41 270 366 52,617 39,107 7,263 556 158 50,555 41 270 366 52,617 39,107 7,263 556 158 50,555 41 2 22556 130,384 573 15,325 - 23,134 62,402 - 22556 130,384 573 15,325 - 23,134 62,402 - 22,000 - 24,440 - - - - - - - - 20,000 - 24,440 - <td></td> <td>(7,959)</td> <td>•</td> <td>•</td> <td>299</td> <td>(7,324)</td> <td>(10,001)</td> <td>(9,229)</td> <td>•</td> <td>127,237</td>		(7,959)	•	•	299	(7,324)	(10,001)	(9,229)	•	127,237
Z70 366 52,617 39,107 7,263 556 158 50,555 - 22,556 130,384 573 15,326 - 23,134 62,402 - 22,556 130,384 573 15,326 - 23,134 62,402 - - 24,440 - 7 - 23,134 62,402 - - 24,440 - - 23,134 62,402 - 20,000 - 24,440 - - - - - 20,000 - - 23,134 62,402 - - - 20,000 - - 20,000 -	523,036		36,853	3,104,569	6,735,263	602,381	140,761	54,482	3,657,552	4,179,849
Z70 366 52,617 39,107 7,263 556 158 50,535 - 22,556 130,384 573 15,326 - 23,134 62,402 - 22,556 130,384 573 15,326 - 23,134 62,402 - - 24,440 - 24,440 - - - - - - 20,000 - 24,440 -										
- 22,566 130,384 573 15,326 - 23,134 62,402 - - - 24,440 - 24,440 -	5,203	270	366	52,617	39,107	7,263	556	158	50,535	66,906
- 24,440 - - - - - - - - - 20,000 - 10,606 240,769 - - 10,444 - 4,771,124 - - 10,444 - - - 2,004,093 - - - - - 26,711	2,070	•	22,556	130,384	573	15,326		23,134	62,402	50
- - - 20,000 - 10,606 240,769 - - 10,44 - 4,771,124 - - 10,44,033 - - - 20,44,033 - - - - - 26,711	•				24,440					24,565
10,606 240,769 10,444 - 4,771,124 2,044,093 - 26,711 -		•	20,000					20,000		
10,506 240,769 0,444 - 4,771,124 2,044,093 - 26,711 -										
- 4,(/1,124 - 2, 2.	'			10,606	240,769				10,444	746,868
•	•	•	2,140,987	•	4,//1,124	•		2,044,093	•	
		•	100,558	•	•	•	•	26,711	•	•

RELATED PARTY TRANSACTION

	Row			_		Kon			
Directors	key Management Personnel	Subsidiaries	Associates	Other Related Parties	Directors	key Management Personnel	Subsidiaries	Associates	Other Related Parties
			(Ru	(Rupees in '000)					
	4,487	42,996		8,419		4,891	69,180		5,875
	'	7,070	324,743	248			11,986	298,655	2,401
•	'	36,957	•	7,933			•		
'	'	'	•	(14,882)	'				5,522
72	33	•	235	322	•	(0.5)			2,446
•	5		•			98			
		9,788	2,285	570			10,808	965	1,013
15,223	516	886	94,870	68,188	68,654	178	359	38,872	78,782
•		'	•	40'7/0		•			799'00
•	'			99,858	•	•		•	92,517
•		2,613	11,396	10,745		•	2,376	•	9,364
•	'	•	•	33,481	•				38,527
•		'	•	69,084		•	•	•	60,455
•	1	'	•	82,640	'				96,944
80,299	238,710	1		•	66,786	205,961	•	'	•
•	'	•	67,735	•	•	'		64,575	
•	'	•	•	702	•	•	•	•	703
•		'	•	11,214	•		•		1,251
•	'	'	•	889	•			•	56
•	1	'	•	445	'				'
•	'		•	3,132	•				•
•	'	1	•	561	'	'	'	•	335
•	'		266,437		•		•	369,359	•
•		•	16,991	•	•	•	•	24,462	•
•	5	'	•			36	•	•	
•	'	'	2,347		'			46,339	20,003
•	'	12,356,436	•	'	'		5,228,391	•	•
•	'	9,550,835	'			'	3,236,059		'
1	'	690,618	•	'	'	'	646,749	'	'
79,760	34,838	1	1,791,479	770,297	'	30,528	'	1,139,930	29,803,833
19,827	1	•	631,712	440,478	'	12,491	•	1,990,297	39,307,724
				A 766 0/0					5.077.573



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drances, deposits, advance rent and other prepayments besivable from Pension Fund mealized gain on forward toreign exchange contracts - outstanding rovision held against other assets

kup receivable

Other Assets

period / y

pening balance orrowings / exchange adjustmer ettled during the period / year

ings

sing balance

eposits and other accounts pening balance eceived during the period / year

Withdrawn during the period / ye Transfer in / (out) - net

Closing balance



Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020



			Unaudited March 31, 2020	Audited December 31, 2019
38	CAPI	TAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	Rupees in	ח '000
	38.1	Capital Adequacy Minimum Capital Requirement (MCR): Paid-up capital (net of losses)	11,850,600	11,850,600
			11,000,000	11,000,000
		Capital Adequacy Ratio (CAR): Eligible Common Equity Tier 1 (CET 1) Capital Eligible Additional Tier 1 (ADT 1) Capital	137,048,479	136,256,771
		Total Eligible Tier 1 Capital	137,048,479	136,256,771
		Eligible Tier 2 Capital	36,748,098	27,354,014
		Total Eligible Capital (Tier 1 + Tier 2)	173,796,577	163,610,785
		Risk Weighted Assets (RWAs):	0.17.0.40.000	000,400,045
		Credit Risk Market Risk	647,849,898 122,139,570	638,492,645 108,276,486
		Operational Risk	120,887,137	120,887,137
		Total	890,876,605	867,656,268
		Common Equity Tier 1 Capital Adequacy ratio	15.38%	15.70%
		Tier 1 Capital Adequacy Ratio	15.38%	15.70%
		Total Capital Adequacy Ratio	19.51%	18.86%
	38.2	Leverage Ratio (LR):		
		Eligible Tier-1 Capital	137,048,479	136,256,771
		Total Exposures	1,973,433,174	1,928,383,315
		Leverage Ratio	6.94%	7.07%
	38.3	Liquidity Requirements		
		Liquidity Coverage Ratio (LCR):		
		Total High Quality Liquid Assets	837,023,551	713,965,089
		Total Net Cash Outflow	383,766,497	362,188,259
		Liquidity Coverage Ratio	218.11%	197.13%
		Net Stable Funding Ratio (NSFR):		
		Total Available Stable Funding	1,044,731,925	983,364,374
		Total Required Stable Funding	663,125,807	699,043,391
		Net Stable Funding Ratio	157.55%	140.67%

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020



39 EVENTS AFTER THE REPORTING DATE

The Board of Directors in its meeting held on April 22, 2020 has announced a cash dividend in respect of three months period ended March 31, 2020 of Rs.5.00 per share (March 31, 2019: Rs. 4.00 per share). These unconsolidated condensed interim financial statements for the period ended March 31, 2020 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

40 GENERAL

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

41 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Bank in their meeting held on April 22, 2020.













Consolidated Condensed Interim Statement of Financial Position As at March 31, 2020



Audited

MCB **Bank for Life**

MCB BANK LIMITED

(Consolidated Condensed Interim Financial Statements for the three months period ended March 31, 2020)

	Note	Unaudited March 31, 2020	Audited December 31, 2019
		Rupees in	'000
ASSETS			
Cash and balances with treasury banks	7	112,366,406	142,957,358
Balances with other banks	8	20,779,308	21,371,753
Lendings to financial institutions	9	10,122,544	6,060,869
Investments	10	843,722,556	757,441,590
Advances	11	541,280,969	548,472,860
Fixed assets	12	63,986,871	64,201,807
Intangible assets	13	1,936,140	1,978,975
Deferred tax assets		-	-
Other assets	14	65,374,134	69,729,659
		1,659,568,928	1,612,214,871
LIABILITIES			
Bills payable	16	8,968,788	12,795,325
Borrowings	17	93,900,399	92,859,968
Deposits and other accounts	18	1,271,950,183	1,226,593,025
Liabilities against assets subject to finance lease		-	-
Subordinated debt		-	-
Deferred tax liabilities	19	10,531,117	6,214,223
Other liabilities	20	93,659,262	102,405,513
		1,479,009,749	1,440,868,054
NET ASSETS		180,559,179	171,346,817
REPRESENTED BY			
Share capital		11,850,600	11,850,600
Reserves	21	79,159,653	77,894,829
Surplus on revaluation of assets	22	32,679,023	24,752,206
Unappropriated profit		56,178,259	56,108,779
		179,867,535	170,606,414
Non-controlling interest		691,644	740,403
		180,559,179	171,346,817
CONTINGENCIES AND COMMITMENTS	23		

Note

Unaudited

The annexed notes 1 to 42 form an integral part of these consolidated condensed interim financial statements.

R

Hammad Khalid

Chief Financial Officer







Masood Ahmed Puri Director



Consolidated Condensed Interim Profit & Loss Account (Un-audited) For the three months period ended March 31, 2020

	Note	Three months ended March 31, 2020	Three months ended March 31, 2019
		Rupees in '	000
Mark-up / return / interest earned	25	41,656,568	29,336,108
Mark-up / return / interest expensed	26	24,370,786	14,997,416
Net mark-up / interest income		17,285,782	14,338,692
NON MARK-UP / INTEREST INCOME			
Fee and commission income	27	3,125,528	3,063,815
Dividend income		200,326	202,341
Foreign exchange income		834,559	461,665
(Loss) / income from derivatives		(10,405)	15,730
(Loss) / gain on securities	28	(6,254)	14,628
Other Income	29	23,646	32,698
Total non-markup / interest Income		4,167,400	3,790,877
Total Income		21,453,182	18,129,569
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	30	9,391,696	9,461,219
Workers welfare fund		217,299	182,997
Other charges	31	209,313	46,272
Total non-markup / interest expenses		9,818,308	9,690,488
Share of profit of associates		260,896	157,543
Profit before provisions		11,895,770	8,596,624
Provisions / (reversals) and write offs - net	32	779,656	(448,170)
Extra ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		11,116,114	9,044,794
Taxation	33	4,505,932	4,034,572
PROFIT AFTER TAXATION		6,610,182	5,010,222
Loss / (profit) attributable to non-controlling interest		13,732	(24,089)
PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE BANK		6,623,914	4,986,133
Basic and diluted earnings per share	34	5.59	4.21

The annexed notes 1 to 42 form an integral part of these consolidated condensed interim financial statements.

Jurou Ming book Imran Maqbool

Ø

Hammad Khalid Chief Financial Officer President / CEO

Ung Month Mian Umer Mansha Director

Salman Khalid Butt Director



MCB

Bank for Life

Three months

Three months

MCB Bank Limited & Subsidiary Companies



Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited) For the three months period ended March 31, 2020

	Three months ended March 31, 2020	Three months ended March 31, 2019
	Rupees	s in '000
Profit after taxation for the period	6,610,182	5,010,222
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods: Effect of translation of net investment in foreign branches and subsidiaries		
- Equity shareholders of the bank	628,075	331,713
- Non-controlling interest	16	2
- Share of exchange translation reserve of associate	(15,154)	16,042
	612,937	347,757
Movement in surplus/ (deficit) on revaluation of investments - net of tax		
- Equity shareholders of the bank	8,338,878	516,530
Movement in surplus on associated undertaking - net of tax	(389,292)	102,852
	7,949,586	619,382
	8,562,523	967,139
Total comprehensive income	15,172,705	5,977,361
Attributable to:		
- Equity shareholders of the bank	15,186,421	5,953,270
- Non-controlling interest	(13,716)	24,091
Total comprehensive income	15,172,705	5,977,361

The annexed notes 1 to 42 form an integral part of these consolidated condensed interim financial statements.

Hammad Khalid

Chief Financial Officer







Masood Ahmed Puri Director

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Consolidated Condensed Interim Statement of Changes In Equity (Un-audited) For the three months period ended March 31, 2020

			Ī		Carital recents			Reserve recerve							
	¥n		Share capital	Share premium	Non-distributable capital reserve	Exchange translation reserve	Statutory reserve	General reserve	Surplus/defic Investments	Surptus(deficit) on revaluation of ents Associate	1	Unappropriated profit	Total	Non controlling interest	Grand Total
Im Pre								8	Rupees in '000		canking assets].		
ran N sider	m;	Balance as at December 31, 2018	11,880,600	23,973,024	908,317	1,607,762	29,285,450	18,600,000	(2,812,615)	251,246	12,979,244	53,971,079	150,614,127	708,752	151,322,879
1aqb nt / C		Total comprehensive income for the period ended March 31, 2019										1000-100	1000 100	000 10	2 040 000
ool EO		From comprehensive income - net of fax				347,765			516,530	102,852		- '2000' I 22	+,200,137 967,137	24,100	222/01/J202
	pro					347,755			516,530	102,852		4,906,133	5,963,270	24,091	5,977,361
	re.	Transfer to statutory reserve					507,986					(507,986)			
		Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to unappropriated profit - net of tax									(13,561)	13,561			
C		Transactions with owners, recorded directly in equity													
		Final cash dividend at Rs. 4.0 per share - December 31, 2018		•								(4,740,240)	(4,740,240)		(4,740,240)
	(•		•		•			(4,740,240)	(4,740,240)	•	(4,740,240)
	P	Balance as at March 31, 2019	11,850,600	23,973,024	908,317	1,966,537	29,793,436	18,600,000	(2,296,005)	301/108	12,965,683	53,722,547	151,827,157	732,843	152,580,000
Khalio al Of	ţ	Change in equity for nine months period ended December 31, 2019													
		Total comprehensive income for the nine months period ended December 31, 2019													
r		Profit after taxation for the nine months period ended December 31, 2019 Other comprehensive income - net of tax				774,817			6,622,336	- (9,336)	- 7,204,465	18,882,116 (474,421)	18,882,116 14,117,861	54,873 18	18,506,969 14,117,879
						774,817			6,622,336	(9336)	1,204,465	18,407,685	32,999,977	54,891	33,054,868
Ν		Transfer to statutory reserve				•	1,889,696		•			(1,889,688)			•
Vian l E	Un	Transfer in respect of incremental depreciation from surplus on revaluation of fixed assess to unappropriated profit - net of tax									(40,532)	40,532			
Jme Dire											140 5001	40.000			
er Ma ctor		Surplus realized on disposal of revial ued fired assess - net of tax									(ngc'ni)	10,560		•	
ansh		Surplus realized on disposal of non-banking assets - net of tax									(37,863)	37,863			
na		Transactions with owners, recorded directly in equity													
	_	Interim cash dividend at Rs. 4.0 per strare - March 31, 2019 Interim cash dividend at Rs. 4.0 per strare - June 30, 2019										(4,740,240) (4,740,240)	(4,740,240) (4,740,240)		(4,740,240) (4,740,240)
		Interim cash dividend at NS. 4.U per share - September 30, 2019										(14,220,720)	(14,220,720) (14,220,720)		(14,220,720) (14,220,720)
5	(Share of dividend attributable to Non-controlling interest												(47,331)	(47,331)
Salm	Sal	Balance as at December 31, 2019	11,850,600	23,973,024	908,317	2,730,354	31,683,134	18,600,000	4,326,251	344,762	20,061,193	56,108,779	170,606,414	740,403	171,346,817
an Kł Dire	ma	Total comprehensive income for the period ended March 31, 2020													
alid ctor	bu	Profit after taxation for the period ended March 31, 2020 Other screenedensia increme	•	•	• •	100 C18	• •	• •	2,228,278	(100,085/	• •	6,623,914	6,623,914 8,6623,914	(13,732) 16	6,610,182 8,667,673
Butt	la					612,921			8,338,578	(389,292)		6,623,914	15,186,421	(13,716)	15,172,705
	-	Transfer to statutory reserve	•				661,903					(661,903)			•
		Transfer in respect of incremental depreciation from surplus on revaluation of fixed assets to unappropriated profit - net of fax									(22,769)	22,769			
	_	Transactions with owners, recorded directly in equity													
Masc	/	Final cash dividend at Rs. 5.0 per share - Decamber 31, 2019										(5,925,300) (5,925,300)	(5,225,300) (5,925,300)		(5,925,300) (5,925,300)
od A Dire	M	Share of dividend attrbutable to Non-controling interest	•	•			•	·	•	•		•	•	(36,043)	(35,043)
hme ctor	D	Belance as at historih 31, 2020	11,850,600	23,973,024	908,317	3,343,275	32,336,037	18,600,000	12,665,129	(44,530)	20,058,424	56,178,259	179,867,535	691,644	180,559,179
d Puri	/	For details of deliverd detaration and appopriations, please refer note 40 to frees consolidated condensed interm francial statements. For details of reserves, please refer note 21 to frees consolidated condensed interm francial statements.	solidated condensed interi ancial statements.	m financial statements											
		The anneed notes 1 to 42 turn at integral part of these consolidated condensed interim francial statements.	n financial statements.												

MCB Bank Limited & Subsidiary Companies

Consolidated Condensed Interim Cash Flow Statement (Un-audited) For the three months period ended March 31, 2020



	Note	Three months ended March 31, 2020	Three months ended March 31, 2019
		Rupees i	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		11,116,114	9,044,794
Less: Dividend income and share of profit of associates		(461,222)	(359,884)
Adjustments:		10,654,892	8,684,910
Depreciation on fixed assets	30	583,177	546.044
Depreciation on right of use assets	30	422,219	-
Depreciation on non-banking assets acquired in satisfaction of claims	30	8,074	12,062
Amortization	30	109,581	86,441
Provisions / (reversals) and write offs - net	32	779,656	(448,170)
Workers welfare fund		217,299	182,997
Gain on sale of fixed assets and non-banking assets acquired-net	29	(17,386)	(21,247)
Charge for defined benefit plans		57,000	42,000
Interest expensed on lease liability against right-of-use assets		375,369	-
Unrealized loss on revaluation of investments classified as held for trading	28	(3,514)	19,691
		2,531,475	419,818
		13,186,367	9,104,728
Decrease / (increase) in operating assets		, ,	
Lendings to financial institutions		(4,061,675)	(163,187,629)
Held-for-trading securities		(5,395,951)	8,108,313
Advances		7,148,673	4,431,305
Others assets (excluding advance taxation)		4,120,539	(1,433,636)
		1,811,586	(152,081,647)
Increase / (decrease) in operating liabilities			
Bills Payable		(3,826,537)	(5,558,365)
Borrowings from financial institutions		(666,437)	(145,663,225)
Deposits		45,357,158	21,664,213
Other liabilities (excluding current taxation)		(10,100,686)	(3,951,921)
Defined benefits paid		30,763,498	(133,509,298)
Income tax paid		(82,171) (3,125,477)	(84,302) (1,218,549)
Net cash flow from operating activities		42,553,803	(277,789,068)
		42,000,000	(211,103,000)
CASH FLOW FROM INVESTING ACTIVITIES		(0.4.4.0.0.0)	
Net investments in available-for-sale securities		(81,461,963)	286,578,698
Net investments in held-to-maturity securities		12,259,730	(1,247,596)
Dividends received		101,023	105,852
Investments in fixed assets		(557,401)	(1,737,240)
Investments in Intangible assets Proceeds from sale of fixed assets		(68,504) 27,190	(126,597)
Effect of translation of net investment in foreign branches & subsidiaries		612,921	25,082 331,715
Net cash flow used in investing activities		(69,087,004)	283,929,914
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use-assets		(527,673)	-
Dividend paid		(5,829,391)	(46,327)
Net cash flow used in financing activities		(6,357,064)	(46,327)
		(32,890,265)	6,094,519
Increase in cash and cash equivalents		(-=,,=00)	-,,•-••
Cash and cash equivalents at beginning of the period Cash and cash equivalents at end of the period		<u>162,986,508</u> 130,096,243	121,557,017 127,651,536

The annexed notes 1 to 42 form an integral part of these consolidated condensed interim financial statements.

Jurou hing book

Imran Maqbool President / CEO

X Hammad Khalid Chief Financial Officer

Une Month Mian Umer Mansha Salman Khalid Butt

Director

Director

Masood Ahmed Puri Director



Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

1. STATUS AND NATURE OF BUSINESS

The Group consists of: - Holding Company - MCB Bank Limited

Subsidiary Companies	MCB Bank Limited"
- MCB Financial Services Limited	100%
- MCB - Arif Habib Savings and Investments Limited	51.33%
-MCB Non-Bank Credit Organization " Closed Joint Stock Company"	99.94%
- MCB Islamic Bank Limited	100%
- Financial Management Services (Private) Limited	95.90%

MCB Bank Limited (the 'Bank') is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank's ordinary shares are listed on the Pakistan stock exchange. The Bank's Registered Office and Principal Office are situated at MCB -15 Main Gulberg, Lahore. The Bank operates 1,399 branches (2019: 1,399 branches) within Pakistan and 11 branches (2019: 11 branches) outside Pakistan (including the Karachi Export Processing Zone branch).

"Percentage holding of

- 1.1 The board of directors of the Bank has approved the winding up of Financial & Management Services (Private) Limited. The Bank holds 95.90% shareholding of the Company.
- 1.2 The Bank is in the process of disposal of its wholly owned subsidiary "MCB Financial Services Limited" subject to all regulatory and shareholders approvals.

2. BASIS OF PREPARATION

- 2.1 These consolidated financial statements include the financial statements of MCB Bank Limited and its subsidiary companies.
 - a. Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date when control ceases. The assets and liabilities of subsidiary companies have been consolidated on a line by line basis based in the financial statements for the three months ended March 31, 2020 and the carrying value of investments held by the Group is eliminated against the subsidiaries' shareholders' equity in these consolidated condensed interim financial statements. Material intra-Group balances and transactions have been eliminated.
 - b. Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for under the equity method of accounting and are initially recognised at cost, thereafter adjusted for the post-acquisition change in the Group's share of net assets of the associates. The cumulative post-acquisition movements are adjusted in the carrying amount of the investment. Accounting policies of the associates have been changed where necessary to ensure consistency with the policies adputed by the Group. The Group's share in associates have been accounted for based on the financial statements for the three months ended March 31, 2020.
 - C. Non-controlling interest is that part of the net results of operations and of net assets of subsidiary companies attributable to interests which are not owned by the Group.
- 2.2 In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate profit in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these consolidated condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of profit thereon.

The financial results of the Group's Islamic Banking business have been consolidated in these financial statements for reporting purposes, after eliminating material inter-group transactions / balances. Key financial figures of the Islamic Banking business are disclosed in note 39 to these consolidated condensed interim financial statements.

- 2.3 The consolidated condensed interim financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency. The amounts are rounded off to the nearest thousand.
- 2.4 These consolidated condensed interim financial statements have been prepared under the historical cost convention except that certain classes of fixed assets and non-banking assets acquired in satisfaction of claims are stated at revalued amounts and certain investments and derivative financial instruments have been marked to market and are carried at fair value. In addition, obligations in respect of staff retirement benefits are carried at present value.

MCB Bank Limited & Subsidiary Companies



Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

3. STATEMENT OF COMPLIANCE

3.1 These 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.

- 3.2 The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and 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 interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.
- 3.3 The SECP vide its notification SRO 633 (I)/2014 dated 10 July 2014, adopted IFRS 10 effective from the periods starting from June 30, 2014. However, vide its notification SRO 56 (I)/2016 dated January 28, 2016, it has been notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.
- 3.4 The disclosures made in these consolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BPRD Circular Letter No. 05 of 2019 dated March 22, 2019 and IAS 34, Interim Financial Reporting. The consolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual consolidated financial statements for the financial year ended December 31, 2019.

3.5 Amendments to approved accounting standards that are effective in the current period

There are certain new standards and interpretations of and amendments to existing accounting standards that have become applicable to the Group for accounting periods beginning on or after January 1, 2020. These are considered either to not be relevant or not to have any significant impact on the Group's consolidated condensed interim financial statements.

3.6 Standards, interpretations of and amendments to approved accounting standards that are not yet effective

The following new standards and amendments to existing accounting standards will be effective from the dates mentioned below against the respective standard or amendment:

	Effective date (annual periods
	beginning on or after)
IAS 1, Presentation of Financial Statements (Amendments)	JANUARY 1, 2022
IFRS 17, Insurance Contracts	JANUARY 1, 2021

The SECP, through SRO 229(I)/2019 dated February 14, 2019, has notified that IFRS 9, Financial Instruments, is applicable for accounting periods ending on or after June 30, 2019. However, as per BPRD Circular No. 04 of 2019 dated October 23, 2019 of SBP, effective date of IFRS 9 implementation is January 01, 2021.

IFRS 9, Financial Instruments: Classification and Measurement, addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on an 'expected credit losses' (ECL) approach rather than the 'incurred credit losses' approach as currently followed. The ECL approach has an impact on all assets of the Group which are exposed to credit risk. The Group is in the process of assessing the full impact of this standard.

There are other new and amended standards and interpretations that are mandatory for the Group's accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or do not have any significant effect on the Group's operations and are therefore not detailed in these consolidated financial statements.



7.

9.

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

SIGNIFICANT ACCOUNTING POLICIES 4

The significant accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the audited annual consolidated financial statements of the Bank for the year ended December 31, 2019.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these consolidated condensed interim financial statements are the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2019.

FINANCIAL RISK MANAGEMENT 6

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2019. These risk management policies continue to remain robust and the Group is reviewing its portfolio regularly and conducts rapid portfolio reviews in line with emerging risks.

The COVID - 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators/governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The State Bank of Pakistan (SBP) has also responded to the crisis by cutting the Policy Rate by 225 basis points to 11% in March 2020 and again by 200 basis points to 9% on April 16, 2020. Other regulatory measures to provide an impetus to economic activity include the following:

- Reduction in the capital conservation buffer by 100 basis points to 1.5%;

- Increasing the regulatory limit on extension of credit to SMEs to Rs 180 million;
- Relaxing the debt burden ratio for consumer loans from 50% to 60%;
- -Allowing banks to defer borrowers' principal loan payments by one year; and
- Relaxing regulatory criteria for restructured/rescheduled loans for borrowers who require relief of principal repayment exceeding one year and / or mark-up.

COVID 19 has impacted the banks in Pakistan from various facets which include muted credit risk increase reduced fee income due to slowdown in economic activity, branch closures and cyber security threat management.

6.1 Credit Risk Management

The Risk Management function of the Group is regularly conducting assessments of the credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment. The Group has further strengthened its risk appetite and related credit review procedures in the light of COVID-19, which would insulate the Group from any unforeseen shock

Liquidity Risk Management 6.2

The Asset and Liability Committee (ALCO) of the Group is continuously monitoring the liquidity position and the Group is confident that the liquidity buffer currently maintained is sufficient to address any requirement, as reflected by the cushion in liquidity ratios above the statutory requirement.

6.3 Equity Risk Management

During the current quarter the Pakistan Stock Exchange fell by 28%, triggering an impairment of Rs 3,053.209 million. The Group has only recorded an impairment of Rs 765.363 million in the first quarter and has deferred the recognition of the remaining impairment to the remainder part of the calendar year 2020 as allowed State Bank of Pakistan.

64 **Operational Risk Management**

The Group is closely monitoring the situation and has invoked required actions to ensure the safety and security of Group staff while ensuring uninterrupted service to customers. The senior management of the Bank is continuously monitoring the situation and is taking timely decisions to resolve any concerns.

Business Continuity Plans (BCP) for respective areas are in place and duly tested. The Group has significantly enhanced monitoring of cyber security risk during these times. The remote work capabilities were enabled for staff, where required and related risk and control measures were assessed to ensure that the Group's assets are protected from emerging cyber threats and comply with the regulatory protocols. The Group is communicating with its customers for their financial transactions to be conducted through digital channel offerings. The Group has taken all measures to ensure that service levels are maintained, customer complaints are resolved and turnaround times are monitored to meet customer requirements and expectations.

6.5 **Capital Adequacy Ratio (CAR)**

In order to encourage Group to continue lending, the SBP has relaxed the Capital Conversion Buffer (CCB) requirements to 1.5%, resulting in a 1% decline in CAR requirements for all Tiers.

MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020



Audited

Unaudited

	Unaudited March 31, 2020	December 31,
	Rupees	2019 n '000
CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	27,663,433	20,833,520
Foreign currencies	3,542,220	2,802,190
	31,205,653	23,635,710
With State Bank of Pakistan in	40.044.405	00,400,400
Local currency current accounts	49,844,485 613,683	62,180,493 599,384
Foreign currency current accounts Foreign currency deposit accounts	14,681,428	14,320,863
Foreign currency deposit accounts	65,139,596	77,100,740
With other central banks in	00,100,000	11,100,140
Foreign currency current accounts	4,719,906	16,220,148
		, ,
With National Bank of Pakistan in	44.400.400	
Local currency current accounts	11,163,193	25,666,525
Prize bonds	138,058	334,235
	112,366,406	142,957,358
BALANCES WITH OTHER BANKS		
In Pakistan		
In current account	9,303	9,183
In deposit account	3,003,128	4,378,142
	3,012,431	4,387,325
Outside Dalvistan		
Outside Pakistan	40.450.400	40.045.550
In current accounts	12,159,102	12,845,556
In deposit accounts	5,607,775	4,138,872
	17,766,877	16,984,428
		01.071.750
	20,779,308	21,371,753
LENDINGS TO FINANCIAL INSTITUTIONS		
Call / clean money lendings	3,676,136	-
Repurchase agreement lendings (Reverse Repo)	17,618	209,205
Musharaka arrangements	5,600,000	2,480,000
Bai Muajjal receivable - with State Bank of Pakistan	828,790	3,371,664
	10,122,544	6,060,869

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Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

Fo				374	s he	485	102	226		Ma 598			_	202		590				226	208	134
	Carrying Value		9,475,721 1 160 063	10,626,674	682 001 324	17,311,485	2,424,102	705.407.226		18,905,865		9,909,137	37.132.032	4 07F 6E0	4,212,4	757,441,590	Audited	December 31, 2019	000,	22,820,226	5,316,208	28.136.434
nber 31, 2019	Surplus / (Deficit)		(4,128) 88 114	83,986	A 073 065	1,673,181	(4,671)	6.655.770								6,739,756	Unaudited	March 31, 2020	Rupees in '000	15,403,113	4,794,516	20.197.629
Audited December 31, 2019	Provision for diminution					(11,207,932)		- (11.207.932)	1-00100-101	(2,211)	(118)	(533,788)	(539,686)	(2001)		(11,747,618)						
	Cost / Amortised cost	000, u	9,479,849	10,542,688	677 027 350	26,846,236	2,428,773	709.959.388		18,908,076	118	10,442,925	37.671.718	A 776 660	4,210,000	762,449,452						
	Carrying Value	Kupees in '000	14,895,716	16,026,139	777 700 500	13,805,653	3,033,599	798.960.845		9,350,644	•	10,451,020	24.856.972	2 02000	3,010,000	843,722,556						
rch 31, 2020	Surplus / (Deficit)		8,346	3,514	21 011 107	(2,459,142)	14,826	19.484.814			•	•				19,488,328						
Unaudited March 31, 2020	Provision for diminution		•		,	(11,951,598)		- (11.951.598)	(poption)	(3,512)	(118)	(533,788)	(17, 330) (555.016)	10:0000	•	(12,506,614)						
	Cost / Amortised cost		14,887,370	16,022,625	766 706 317	28,216,393	3,018,773	791.427.629		9,354,156	118	10,984,808	25.411.988	20241112	3,070,0000	836,740,842						
		curities	t Securities		securities + Securities		bt Securities		curities	t Securities	ent Securities	ebt Securities						as collateral		lls	nt Bonds	

MCB Bank Limited & Subsidiary Companies



Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

10.2.2 Particulars of provision against debt securities

Category of classification	Unaudited Mar	ch 31, 2020	Audited December 31, 2019		
	NPI Provision NPI		NPI	Provision	
Domestic		Rupees in	'000		
Doubtful	145,656	72,828	145,656	72,828	
Loss	461,078	461,078	461,078	461,078	
	606,734	533,906	606,734	533,906	

10.2.3 In addition to the above, overseas branches hold a general provision of Rs 21.110 million (December 31, 2019: Rs 5.780 million) in accordance with the requirements of IFRS 9.

- 10.3 The market value of securities classified as held-to-maturity as at March 31, 2020 amounted to Rs. 21,852.827 million (December 31, 2019: Rs. 34,042.566 million).
- 10.4 Investment of the Group in Adamjee Insurance Company Limited has been accounted for under the equity method of accounting in accordance with the treatment specified in International Accounting Standard 28, (IAS 28) 'Accounting for Investments in Associates'. The market value of the investment in Adamjee Insurance Company Limited as at March 31, 2020 amounted to Rs. 1,864.100 million (2019: Rs. 2,946.300 million).

Investment in Adamjee Insurance Company Limited under equity method - holding 20.00% (2019: 20.00%)

	Unaudited March 31, 2020 Rupees	Audited December 31, 2019 n '000
Opening balance	4,211,707	3,959,039
Share of profit for the period / year before tax Dividend from associate Share of tax	265,944 - (34,464) 231,480	326,755 (175,000) (109,675) 42,080
Share of other comprehensive income	(622,223)	210,588
Closing balance	3,820,964	4,211,707
Share of other comprehensive income		
Share of unrealized surplus on assets -net of tax Share of exchange translation reserve of associate	(607,069) (15,154) (622,223)	167,219 43,369 210,588

10.5 Investment of the Group in Euronet Pakistan Private Limited has been accounted for under the equity method of accounting in accordance with the treatment specified in International Accounting Standard 28, (IAS 28)'Accounting for Investments in Associates'.

Investment in Euronet Pakistan Private Limited under equity method - holding 30% (2019: 30.00%)

	Unaudited March 31, 2020 Rupees i	Audited December 31, 2019 n '000
Opening balance	63,951	60,487
Share of profit for the period / year before tax	(5,048)	12,878
Share of tax	(1,267)	(9,414)
Closing balance	(6,315)	3,464
	57,636	63,951

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Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

		Perto	Pertorming	Non Pe	Non Pertorning		lotal
		Unaudited March 31, 2020	Audited December 31, 2019	Unaudited March 31, 2020	Audited December 31, 2019	Unaudited March 31, 2020	Audited December 31, 2019
				Rup ees in '000			
Loans, ca	Loans, cash credits, running finances, etc.	454,777,971	471,613,945	49,269,812	48,759,157	504,047,783	520,373,102
Islamic fir	Islamic financing and related assets	59,357,971	50,965,243	471,450	381,427	59,829,421	51,346,670
Bills disco	Bills discounted and purchased	20,406,678	19,486,758	665,102	665,102	21,071,780	20,151,860
Advances - gross	- gross	534,542,620	542,065,946	50,406,364	49,805,686	584,948,984	591,871,632
Provision	Provision against advances						
- Specific - General		- (1,770,503)	- (1,461,011)	(41,897,512) -	(41,937,761) -	(41,897,512) (1,770,503)	(41,937,761) (1,461,011)
		(1,770,503)	(1,461,011)	(41,897,512)	(41,937,761)	(43,668,015)	(43,398,772)
Advances	Advances - net of provision	532,772,117	540,604,935	8,508,852	7,867,925	541,280,969	548,472,860
						Unaudited March 31, 2020	Audited December 31, 2019
11.1	Particulars of advances (Gross)					Rupees in '000	in '000
	In local currency In foreign currencies					526,026,872 58,922,112	532,760,442 59 111 190
						584,948,984	591,871,632
11.2	Advances include Rs. 50,406.364 million (2019; Rs. 49,805.688 million) which have been placed under the non-performing status as detailed below:	86 million) which have be	en placed under the non-perf	forming status as detailed	l below:		
			Note	Unaudited	Unaudited March 31, 2020	Audited Der	Audited December 31, 2019
	Category of Classification			Non Performing Loans	Provision	Non Performing Loans	Provision
	Damaatia				Ru pees in '000-	(-
			F C F F	200 100	1000	007 007	0 600
	Urier Assets Especially Meruorieu Substandard Doubtful		- 7.11	707,683 3,224,621	0,001 156,462 1,433,737	591,832 591,832 3,048,946	3,329 146,872 1,346,099
	ross			37,485,990 41,620,261	36,716,824 38,315,624	37,836,484 41,615,694	37,088,134 38,584,634
	Overseas Not past due but impaired						
	Overdue by:						
	Upto 90 days			5,721	3,550	10,688	7,400
	91 to 160 days 181 to 365 days			10,936 118,148	8, 103 100,206	110,102	30,402 137,601
	> 365 days			8,645,296	3,470,029	7,919,891	3,112,674
				8,786,103	3,581,888	8,189,992	3,353,127
	Total			50,406,364	41,897,512	49,805,686	41,937,761
11.2.1	This represents non-performing portfolio of agricultural, small enterprise and Infrastructure Regulations issued by the State Bank of Pakistan.	ural, small enterprise	e and Infrastructure Pr	roject Financing clas	Project Financing classified as OAEM as per the requirements of respective Prudential	the requirements o	f respective Prudential

MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020



11.3 Particulars of provision against advances

Particulars of provision against advances	Ur	audited March 31, 2	020	Aud	ited December 31, 201	9
-	Specific	General	Total Rup ees in '0	Specific	General	Total
Opening balance Exchange adjustments	41,937,761 251,323	1,461,011 20,244	43,398,772 271,567	41,944,267 302,297	1,292,113 23,426	43,236,380 325,723
Charge for the period / year	313,392	289,248	602,640	3,359,542	174,710	3,534,252
Reversals	(518,168)	-	(518,168)	(3,649,841)	(29,238)	(3,679,079)
Amounts written off	(204,776)	289,248	84,472	(290,299)	145,472	(144,827)
	(86,796)	-	(86,796)	(18,504)		(18,504)
Closing balance	41,897,512	1,770,503	43,668,015	41,937,761	1,461,011	43,398,772

11.3.1 State Bank of Pakistan vide BSD Circular No. 2 dated January 27, 2009, BSD Circular No. 10 dated October 20, 2009, BSD Circular No. 02 of 2010 dated June 03, 2010 and BSD Circular No.1 of 2011 dated October 21, 2011 has allowed benefit of forced sale value (FSV) of Plant & Machinery under charge, pledged stock and mortgaged residential, commercial & industrial properties (land and building only) held as collateral against NPLs for five years from the date of classification. The Bank (holding company) has not taken the FSV benefit in calculation of specific provision. However, one of the subsidiary of the Bank has availed benefit of forced sale values amounting to Rs.198.219 million (December 31, 2019: Rs.178.374 million) in determining the provisioning against non-performing Islamic financing and related assets as at March 31, 2020. The additional benefit on the Bank's statement of profit and loss arising from availing the FSV benefit - net of tax amounts to Rs 128.842 million as at March 31, 2020 (December 31, 2019: Rs 115.943 million). However, the additional impact on profitability arising from availing the benefit of forced sales value is not available for payment of cash or stock dividends to shareholders.

11.3.2 General provision against consumer loans represents provision maintained against fully secured performing portfolio and unsecured performing portfolio as required by the Prudential Regulations issued by the SBP. General provision against Small Enterprise Finance represents provision maintained at an amount equal to 1% of unsecured performing portfolio as required by the Prudential Regulations issued by the SBP. General provisions pertaining to overseas advances are made in accordance with the requirements of the regulatory authorities of the respective countries in which the overseas branches operate. General provision against all other advances represents provision maintained at around 0.1% of gross advances.

12. FIXED ASSETS			Note	March 31, 2020	December 31, 2019
Property and equipment Right-of-use assets 52,21,741 52,426,540 10,475,984 10,475,984 10,666,838 221 Capital work-in-progress 723,306 476,799 Civil works 723,306 476,799 Advances to suppliers 34,424 90,946 Others 10,4974 8,716 11,289,146 10,287,941 52,404,42 Advances to suppliers 0,466,422 491,968 Others 11,289,146 10,68,299 Three months Three months Three months ended March ended March 31, 2020 31, 2020 31, 2019 31, 2019 The following additions have been made to fixed assets during the period: 220,717 612,886 Capital work-in-progress 220,717 612,886 324,666 Property and equipment 5,488 403,179 324,666 Building on freehold land 5,488 403,179 33,015 Total 557,401 1,737,240 53,06,684 11,243,344 104,124,344 557,401 1,737,240 54,04 2,984 <td< th=""><th>12.</th><th>FIXED ASSETS</th><th></th><th>Rupees ir</th><th>י '000</th></td<>	12.	FIXED ASSETS		Rupees ir	י '000
Right-of-use assets 10,475,984 10,666,838 12.1 Capital work-in-progress 723,306 476,799 Civil works 723,306 476,799 34,424 90,946 Advances to suppliers 0,475,984 10,666,838 64,201,807 Others 723,306 476,799 34,424 90,946 Others 104,974 8,716 10,666,838 Use of the second se		Capital work-in-progress	12.1	1,289,146	1,068,429
12.1 Capital work-in-progress 63.986.871 64.201,807 Civil works Faipupment 723,306 476,799 Advances to suppliers 0.944 90.946 426,422 90.946 Others 104.974 8,716 104.974 8,716 1.220 Additions to fixed assets Three months ended March ended March 1.221 Additions to fixed assets Three months Three months 104.974 8,716 1.220 31, 2010 32, 4268 32, 4268 32, 4268 32, 4268 32, 4268 32, 4268 32, 4268 32, 4268 32, 4268 32, 4268 33, 684 1		Property and equipment		52,221,741	52,466,540
12.1 Capital works 723,306 476,799 Equipment 34,424 90,946 Advances to suppliers 426,442 491,968 Others 1,289,146 1,088,429 Three months ended March months ended March 1,088,429 Three months ended March 31, 2019 Rupees in '000 31, 2019 31, 2019 Rupees in '000 108,429 31, 2019 The following additions have been made to fixed assets during the period: 220,717 612,886 Capital work-in-progress 20,717 612,886 Property and equipment 5,488 403,179 Freichold land 5,488 324,666 Building on freehold land 54,881 324,666 Building on freehold land 56,864 11,74,354 Furniture and fixture 68,144 61,974 Leasehold Improvements 33,6684 1,124,354 Total 557,401 1,737,240 12.3 Disposal of fixed assets disposed off during the period is as follows: 5,404 2,984 Vehicles 5,404 2,984 <td< th=""><th></th><th>Right-of-use assets</th><th></th><th></th><th></th></td<>		Right-of-use assets			
Civil works 723,306 476,799 Equipment 34,424 90,946 Advances to suppliers 104,974 8,716 Others 11,289,146 11,068,429 Three months Three months Three months ended March 31, 2019 31, 2019 Rupees in '000 31, 2019 31, 2019 Capital work-in-progress 220,717 612,886 Property and equipment 5,488 403,179 Building on freehold land 5,488 324,666 Building on freehold land 54,881 324,666 Property and equipment 68,144 61,974 Furniture and fixture 243,155 336,684 Vehicles 33,915 336,684 1,124,354 Total 557,401 1,737,240 1,737,240 12.3 Disposal of fixed assets disposed off during the period is as follows: 5,404 2,984 Vehicles 5,404 2,984 601 67 Electrical office and computer equipment 1,313 784	12.1	Capital work-in-progress		63,986,871	64,201,807
Advances to suppliers Others 426,442 104,974 8,716 1289,140 491,968 8,716 1068,429 Intere months ended March ended March and March ended March and March ended March and March ended March and March ended March and March and March ended March and				723,306	476,799
Others 104,974 3,716 1,289,146 1,068,429 Three months Three months ended March 31, 2020 31, 2019 12.2 Additions to fixed assets Rupees in '000 The following additions have been made to fixed assets during the period: 220,717 612,886 Capital work-in-progress 220,717 612,886 Property and equipment 54,488 403,179 Freehold land 54,488 403,179 Building on freehold land 54,488 403,179 Electrical office and computer equipment 144,027 238,423 Furniture and fixture 263,255 336,684 1,124,354 Total 557,401 1,737,240 1,737,240 12.3 Disposal of fixed assets 54,04 2,984 Furniture and fixture 54,04 2,984 Furniture and fixture 54,04 2,984 Leasehold Improvements 54,04 2,984 Vehicles 54,04 2,984 Furniture and fixture 601 67 Electrical office and computer equipment					,
1289,146 1,066,429 Three months Three months ended March ended March 31, 2020 31, 2019					,
12.2 Additions to fixed assets Three months ended March 31, 2020 Three months ended March 31, 2020 Three months ended March 31, 2020 12.2 Additions to fixed assets Three months ended March 31, 2020 Three months ended March 31, 2020 Three months ended March 31, 2020 12.2 Additions to fixed assets Three months ended March 31, 2020 Three months ended March 31, 2020 220,717 612,886 Property and equipment Freehold land Electrical office and computer equipment 5,488 403,179 Suilding on freehold land Electrical office and computer equipment 5,488 403,179 Furniture and fixture Leasehold Improvements Vehicles 56,404 1,974 Total 557,401 1,737,240 12.3 Disposal of fixed assets 55,404 2,984 Furniture and fixture Electrical office and computer equipment Leasehold Improvements 5,404 2,984 Furniture and fixture Electrical office and computer equipment Leasehold Improvements 601 67 Leasehold Improvements 1,313 784		Others			
12.2 Additions to fixed assets ended March 31, 2020 31, 2019 The following additions have been made to fixed assets during the period: Capital work-in-progress 220,717 612,886 Property and equipment 5,488 403,179 324,666 Building on freehold land 9,585 324,666 Electrical office and computer equipment 184,027 238,423 Furniture and fixture 26,325 57,097 Vehicles 33,015 330,015 Total 557,401 1,737,240 12.3 Disposal of fixed assets 5,404 2,984 Furniture and fixture 5,404 2,984 Furniture and fixture 601 67 Electrical office and computer equipment 5,404 2,984 Vehicles 5,404 2,984 Total 557,401 1,737,240 12.3 Disposal of fixed assets 5,404 2,984 Furniture and fixture 601 67 Electrical office and computer equipment 1,313 784 Leasehold Improvements 2,486 -					
31, 2020 31, 2019 The following additions have been made to fixed assets during the period: Capital work-in-progress Property and equipment 220,717 Freehold land \$488 Building on freehold land \$5,488 Electrical office and computer equipment \$68,144 Furniture and fixture 68,144 Leasehold Improvements 26,325 Vehicles 336,684 Total 557,401 11,737,240 12.3 Disposal of fixed assets disposed off during the period is as follows: Vehicles \$4,004 Furniture and fixture \$4,004 Leasehold Improvements 26,325 Vehicles \$57,401 Total 557,401 11,737,240 11,737,240 12.3 Disposal of fixed assets Kuriniture and fixture \$4,004 Electrical office and computer equipment \$4,001 Leasehold Improvements \$4,001 Vehicles \$4,001 Leasehold improvements \$4,001 Leasehold improvements \$4,001 Leasehold improvements <td< th=""><th></th><th></th><th></th><th></th><th></th></td<>					
12.2 Additions to fixed assets Rupees in '000 The following additions have been made to fixed assets during the period: 220,717 612,886 Capital work-in-progress 220,717 612,886 Property and equipment 5,488 403,179 Freehold land 5,488 403,179 Building on freehold land 5,488 403,179 Electrical office and computer equipment 184,027 228,423 Furniture and fixture 68,144 61,974 Leasehold Improvements 26,325 57,097 Vehicles 336,684 1,124,354 Total 557,401 1,737,240 12.3 Disposal of fixed assets disposed off during the period is as follows: 5,404 2,984 Vehicles 5,404 2,984 Furniture and fixture 60,1 67 Electrical office and computer equipment 1,313 784 Leasehold Improvements 2,486 -					
The following additions have been made to fixed assets during the period: 220,717 612,886 Capital work-in-progress 220,717 612,886 Property and equipment 5,488 403,179 Freehold land 5,488 403,179 Building on freehold land 5,488 403,179 Electrical office and computer equipment 184,027 228,423 Furniture and fixture 68,144 61,974 Leasehold Improvements 26,825 57,097 Vehicles 336,684 1,124,354 Total 557,401 1,737,240 12.3 Disposal of fixed assets 5,404 2,984 Furniture and fixture 5,404 2,984 Furniture and fixture 60,10 67 Leasehold Improvements 2,486 -	12.2	Additions to fixed assets		Rupees ir	ı '000
Property and equipment Freehold land Building on freehold land Electrical office and computer equipment Furniture and fixture Leasehold Improvements Vehicles Total 12.3 Disposal of fixed assets The net book value of fixed assets disposed off during the period is as follows: Vehicles 5,404 2,984 Furniture and fixture Electrical office and computer equipment 1,124,354 7,707 12.3 Disposal of fixed assets The net book value of fixed assets disposed off during the period is as follows: Vehicles 5,404 2,984 Furniture and fixture Electrical office and computer equipment Leasehold Improvements 2,486		The following additions have been made to fixed assets during the period:			
Freehold land5,488403,179Building on freehold land9,585324,666Electrical office and computer equipment184,027238,423Furniture and fixture68,14426,325Leasehold Improvements23,11557,097Vehicles336,6841,124,354Total557,4011,737,24012.3Disposal of fixed assets1,124,354The net book value of fixed assets disposed off during the period is as follows: Vehicles5,4042,984Furniture and fixture60167Electrical office and computer equipment1,313784Leasehold Improvements2,486-		Capital work-in-progress		220,717	612,886
Building on freehold land9,585324,666Electrical office and computer equipment184,027238,423Furniture and fixture68,14461,974Leasehold Improvements26,32557,097Vehicles336,6841,124,354Total557,4011,737,24012.3Disposal of fixed assets5,4042,984Furniture and fixture5,4042,984Electrical office and computer equipment1,313784Leasehold Improvements2,486-		Property and equipment			
Electrical office and computer equipment184,027238,423Furniture and fixture68,14461,974Leasehold Improvements26,32557,097Vehicles336,6841,124,354Total557,4011,737,24012.3Disposal of fixed assets54,042,984Furniture and fixture5,4042,984Electrical office and computer equipment1,313784Leasehold Improvements2,486-					
Furniture and fixture68,14461,974Leasehold Improvements26,32557,097Vehicles43,11539,015Total336,6841,124,354Isposal of fixed assetsThe net book value of fixed assets disposed off during the period is as follows: Vehicles557,401Vehicles5,4042,984Furniture and fixture60167Electrical office and computer equipment1,313784Leasehold Improvements2,486-					
Leasehold Improvements 26,325 57,097 Vehicles 43,115 39,015 Total 336,684 1,124,354 Total 557,401 1,737,240 12.3 Disposal of fixed assets 1,737,240 The net book value of fixed assets disposed off during the period is as follows: 5,404 2,984 Furniture and fixture 601 67 Electrical office and computer equipment 1,313 784 Leasehold Improvements 2,486 -					· · · ·
Vehicles 43,115 39,015 Total 336,684 1,124,354 Total 557,401 1,737,240 12.3 Disposal of fixed assets 1,737,240 The net book value of fixed assets disposed off during the period is as follows: Vehicles 5,404 2,984 Furniture and fixture 601 67 Electrical office and computer equipment 1,313 784 Leasehold Improvements 2,486 -					· · · ·
Total 557,401 1,737,240 12.3 Disposal of fixed assets The net book value of fixed assets disposed off during the period is as follows: Vehicles 5,404 2,984 Furniture and fixture Electrical office and computer equipment Leasehold Improvements 601 67					· · · ·
12.3 Disposal of fixed assets					
The net book value of fixed assets disposed off during the period is as follows: 5,404 2,984 Vehicles 601 67 Furniture and fixture 601 167 Electrical office and computer equipment 1,313 784 Leasehold Improvements 2,486 -		Total		557,401	1,737,240
Vehicles5,4042,984Furniture and fixture60167Electrical office and computer equipment1,313784Leasehold Improvements2,486-	12.3				
Furniture and fixture60167Electrical office and computer equipment1,313784Leasehold Improvements2,486-					
Electrical office and computer equipment 1,313 784 Leasehold Improvements 2,486 -					,
Leasehold Improvements					
					-
Total 9,804 3,835		Total		9,804	3,835

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Unaudited

Audited



Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

			Note	Unaudited March 31, 2020	Audited December 31, 2019
13.	INTANG	GIBLE ASSETS		Rupees in	'000
	Capital	work-in-progress	13.1	536,129	472,336
	Goodwil	l		82,127	82,127
	-	ement rights		192,000	192,000
	Comput	er software	13.1	1,125,884	1,232,512
				1,936,140	1,978,975
				Three months ended March 31, 2020	Three months ended March 31, 2019
	40.4			Rupees in	'000
	13.1	Additions to intangible assets			
		owing additions have been made to intangible assets during th	e period:		
		work-in-progress		57,795	-
	Directly	purchased		10,709 68,504	<u> </u>
				00,304	120,391
14.		ASSETS			
		mark-up accrued in local currency		18,469,130	24,533,964
		/ mark-up accrued in foreign currencies		645,176	564,667
		es, deposits, advance rent and other prepayments		3,957,657	3,940,446
	-	nsation for delayed income tax refunds		133,809	133,809
		nking assets acquired in satisfaction of claims adjustment account		3,243,433 164,526	3,251,508 77,281
		market gain on forward foreign exchange contracts		8,019,219	3,848,188
		zed gain on derivative financial instruments		1,290,482	1,236,517
	Accepta	-	20	19,902,760	20,346,205
	-	able from the pension fund	20	3,695,121	3,605,121
	Others			7,813,915	10,118,430
				67,335,228	71,656,136
	Less: Pr	rovision held against other assets	14.1	2,638,754	2,604,137
	Other A	ssets (net of provision)		64,696,474	69,051,999
		on revaluation of non-banking assets			
	-	uired in satisfaction of claims		677,660	677,660
	•	ssets - total			69,729,659
	Other A:	SSEIS - IUIAI		65,374,134	09,729,039
	14.1	Provision held against other assets			
		Non banking assets acquired in satisfaction of claims		90,938	90,938
		Others		2,547,816	2,513,199
	14.1.1	Movement in provision held against other assets		2,638,754	2,604,137
		Opening balance		2,604,137	2,550,585
		Charge for the period / year		4,108	12,587
		Reversals		(18,228)	(36,023)
				(14,120)	(23,436)
		Amounts written off		(3,932)	(3,638)
		Exchange and other adjustments		52,669 2,638,754	80,626
15.		Closing balance		2,038,754	2,604,137

MCB Bank Limited & Subsidiary Companies

22,256,162

8,390,364

12,338,485

4,809,868

25,538,717

1,152,609,998

1,127,071,281

Others

Others

Financial Institutions

Current deposits

Savings deposits Term deposits 3,802,944

2,363,354

6,675,551

205,700

9,390,557

119,340,185

145,952

109,949,628

26,059,106

10,753,718

12,484,437

11,485,419

34,929,274

1,271,950,183

205,700

1,237,020,909

26,456,179

9,520,075

14,992,263

4,959,099

29,471,437

1,097,330,163

1,067,858,726

2,854,010

2,094,703

7,741,444

193,459

10,057,592

129,262,862

27,986

119,205,270

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020



						Unaudited March 31, 2020	Audited December 31, 2019
46						Rupees	in '000
16.	BILLS PAYABLE					0.000.040	40 750 004
	In Pakistan					8,898,212	12,759,834
	Outside Pakistan					70,576	35,491 12,795,325
						8,968,788	12,795,525
17.	BORROWINGS						
	Secured						
	Borrowings from State Bank of	of Pakistan					
	Under export refinance sch	neme				39,414,102	36,513,083
	Under long term financing	facility				19,007,285	18,138,200
	Under renewable energy p	erformance platform				80,886	85,062
	Under financing facility for	storage of agricultural	produce			231,747	188,809
						58,734,020	54,925,154
	Repurchase agreement borro	owings				20,047,226	28,099,229
	Total secured					78,781,246	83,024,383
	Unsecured						
	Borrowings from other financi	ial institution				2,121,971	889,161
	Call borrowings					1,952,824	5,964,830
	Overdrawn nostro accounts					3,049,471	1,342,603
	Musharaka arrangements					7,832,601	1,476,705
	Others					162,286	162,286
	Total unsecured					15,119,153	9,835,585
						93,900,399	92,859,968
18.	DEPOSITS AND OTHER AC	COUNTS					
			udited March 31, 20	020		dited December 31, 2	2019
		In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
				Rupees in '000-			
	Customers				1		
	Current deposits	378,810,837	40,855,405	419,666,242	357,303,848	53,340,189	410,644,037
	Savings deposits	634,481,218	50,926,464	685,407,682	583,751,817	47,420,170	631,171,987
	Term deposits	91,523,064	14,364,815	105,887,879	100,346,882	15,590,901	115,937,783

There were no contingent assets of the Bank as at March 31, 2020 (2019: NIL).

29,310,189

11,614,778

15,020,249

12,700,543

39,529,029

1,226,593,025

193,459

1,187,063,996



Bank for Life

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

10	the three months period chuck whiteh 51, 2020			
			Unaudited	Audited
		Note	March 31, 2020	December 31, 2019
19.	DEFERRED TAX LIABILITIES		Rupees in	
	Taxable Temporary Differences on			
	- Surplus on revaluation of fixed assets		1,378,282	1,390,542
	- Surplus on revaluation of Non-banking assets		237,181	237,181
	- Accelerated tax depreciation		1,956,060	1,961,113
	- Receivable from pension fund		1,293,292	1,261,793
	- Business combination		705,218	705,218
	- Investments in associated undertaking		1,110,580	1,247,340
	- Surplus on revaluation of investments		6,819,685	2,329,519
	Deductible Temporary Differences on		13,500,298	9,132,706
	- Tax losses carried forward		(919,516)	(949,800)
	- Provision against advances		(1,765,223)	(1,726,151)
	- Others		(284,442)	(242,532)
	Subio		(2,969,181)	(2,918,483)
			10,531,117	6,214,223
20.	OTHER LIABILITIES		10,001,117	0,214,223
	Mark-up/ return/ interest payable in local currency		15,957,416	23,511,019
	Mark-up/ return/ interest payable in foreign currencies		496.372	664,130
	Unearned commission and income on bills discounted		295,282	252,842
	Accrued expenses		5,028,156	6,310,392
	Provision for taxation (provisions less payments)		7,351,687	6,045,948
	Workers' welfare fund		8,091,005	7,873,706
	Acceptances	14	19,902,760	20,346,205
	Unclaimed / dividends payable		1,736,075	1,605,123
	Mark to market loss on forward foreign exchange contracts		6,692,449	4,638,011
	Unrealised loss on derivative financial instruments		1,307,556	1,232,806
	Staff welfare fund		4,772	5,727
	Provision for employees' compensated absences		967,195	939,495
	Provision for post retirement medical benefits		1,955,709	1,921,348
	Provision for employees' contributory benevolent scheme		223,961	221,193
	Retention money		20,657	20,657
	Insurance payable against consumer assets		702,083	655,146
	Unclaimed balances		879,833	993,105
	Duties and taxes payable		1,171,028	775,694
	Charity fund balance Provision against off-balance sheet obligations		61,042	54,782
	Security deposits against lease		46,342	46,581
	Lease liability against right of use assets		1,485,219	1,497,296
	Others		11,515,694	11,436,633 11,357,674
	ourors -		7,766,969 93,659,262	102,405,513
21.	RESERVES		00,000,202	102,400,010
	Share premium		23,973,024	23,973,024
	Non- distributable capital reserve - gain on bargain purchase option	21.1	908,317	908,317
	Exchange translation reserve	£1.1	3,343,275	2,730,354
	Statutory reserve	21.2	32,335,037	31,683,134
	General reserve		18,600,000	18,600,000
			79,159,653	77,894,829

21.1 Under IFRS-3 a bargain purchase represents an economic gain which should be immediately recognized by the acquirer as income. However, the amount of bargain purchase gain was not been taken to the profit and loss account as the SBP, through its letter BPRD(R&PD)/2017/14330 dated June 13, 2017 recommended that the amount of gain may be routed directly into equity as a Non-distributable Capital Reserve (NCR). The NCR may become available for distribution through a stock dividend only with prior approval of the SBP. The Bank, before distribution of the gain as a stock dividend, may adjust any subsequent provisions/deficit, assessed by the Bank or recommended by the Banking Inspection Department of SBP, in the acquired assets and liabilities of NIB Bank Limited against the NCR.

21.2 Statutory reserve represents amount set aside as per the requirements of section 21 of the Banking Companies Ordinance, 1962.

MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020



ru	the ti	nee months period ended Waren 31, 2020			
			Note	Unaudited March 31, 2020	Audited December 31, 2019
22.	SURPL	US ON REVALUATION OF ASSETS		Rupees ir	
	Surplus	/ (deficit) on revaluation of			
		able for sale securities	10.1	19,484,814	6,655,770
	- Fixed	Assets		20,996,230	21,031,256
		panking assets acquired in satisfaction of claims		677,657	677,660
	- Assoc	ciated undertaking		4,177	611,247
	Deferre	d tax on surplus / (deficit) on revaluation of:		41,162,878	28,975,933
	- Availa	able for sale securities		6,819,685	2,329,519
		Assets		1,378,282	1,390,542
		panking assets acquired in satisfaction of claims		237,181	237,181
	- Assoc	ciated undertaking		48,707 8,483,855	266,485 4,223,727
				32,679,023	24,752,206
22	CONTU			,,	,,
23.			00.4	400.040.004	400.000.474
	-Guarar -Commi		23.1 23.2	188,318,894 479,400,188	180,002,174 657,101,777
		contingent liabilities	23.2	30,018,405	28,352,091
	0 1101 1		2010	697,737,487	865,456,042
	23.1	Guarantees:			
		Financial guarantees		148,895,852	141,181,839
		Performance guarantees		34,876,628	33,833,099
		Other guarantees		4,546,414	4,987,236
	23.2	0		188,318,894	180,002,174
	23.2	Commitments: Documentary credits and short-term trade-related transactions			
		- letters of credit		157,708,336	153,036,304
				,	,,
		Commitments in respect of: - forward foreign exchange contracts	23.2.1	302,069,299	404,891,089
		- forward government securities transactions	23.2.1	8,740,729	87,696,638
		- derivatives	23.2.3	9,545,292	10,244,806
		- commitments to extent credit		382,296	307,755
		Commitments for acquisition of:			
		- operating fixed assets		900,182	859,953
		- intangible assets		54,054	65,232
	23.2.1	Commitments in respect of forward foreign exchange contracts		479,400,188	657,101,777
		Purchase		163,575,051	216,647,656
		Sale		138,494,248	188,243,433
	23.2.2	Commitments in respect of forward government ecouvities transactions		302,069,299	404,891,089
	23.2.2	Commitments in respect of forward government securities transactions			
		Purchase Sale		8,740,729	82,284,304
		Sale		8,740,729	5,412,334 87,696,638
	23.2.3	Commitments in respect of derivatives		0,110,120	01,000,000
		FX options (notional)			
		Purchase		751,950	431,449
		Sale		751,950 1,503,900	431,449 862,898
		Cross Currency Swaps (notional)		1,000,000	002,000
		Purchase		3,758,405	4,428,663
		Sale		3,966,487	4,636,745
				7,724,892	9,065,408
		Interest Rate Swaps (notional) Purchase		316,500	316,500
				9,545,292	10,244,806



Bank for Life

28,352,091

25.

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Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

23.2.4 The Group makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

	Note	Unaudited March 31, 2020	Audited December 31, 2019
Other contingent liabilities		Rupees ir	יויייייייייייייייייייייייייייייייייייי
Claims against the Bank not acknowledged as debts	23.3.1	30,018,405	28,352,09

23.3.1 These represent certain claims by third parties against the Group, which are being contested in the Courts of law. The management is of the view that these relate to the normal course of business and the possibility of an outflow of economic resources is remote.

Taxation 23.4

23.3

For assessment year 1988-89 through tax year 2018, the tax department disputed Bank's treatment on certain issues, where the Bank's appeals are pending at various appellate forums, entailing an additional tax liability of Rs. 1,487 million (2019: Rs. 1,487 million). Such issues inter alia principally include disallowance of expenses for non deduction of withholding tax and non availability of underlying records, provision for non performing loans, attribution of expenses to heads of income other than income from business and disallowance of credit for taxes paid in advance / deducted at source.

The Bank has filed appeals which are pending at various appellate forums. In addition, certain decisions made in favour of the Bank are being contested by the department at higher forums. No provision has been made in the financial statements regarding the aforesaid additional tax demand and already issued favourable decisions where the department is in appeal, as the management is of the view that the issues will be decided in the Bank's favour as and when these are taken up by the Appellate Authorities.

24. DERIVATIVE INSTRUMENTS

			Unaudited M	arch 31, 2020		
	Cross Curr	ency Swaps	Interest Rat	e Swaps	FX Opt	tions
	Notional Principal	Mark to market gain / loss	Notional Principal	Mark to market gain / loss	Notional Principal	Mark to market gain / loss
Total			Rupecom ooo			
Hedging Market Making	3,758,40 3,966,48		316,500 -	6,536 -	751,950 751,950	23,244 (23,244)
			Audited Dece	ember 31, 2019		
Total			Rupeesin '000-			
Hedging	4,428,66	3 1,218,634	316,500	11,510	431,449	2,683
Market Making	4,636,74	5 (1,226,433)	-	-	431,449	(2,683)

MCB Bank Limited & Subsidiary Companies



Three months

Three months

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

			Three months	Three months
			ended March 31, 2020	ended March 31, 2019
		Note		
			Rupees ir	'000
MARK-U	P/RETURN/INTEREST EARNED			
Loans an	d advances		16,130,253	14,044,114
Investme			25,118,811	13,948,971
-	to financial institutions		257,059	1,217,265
Balances	with banks		150,445	125,758
			41,656,568	29,336,108
MARK-U	P/RETURN/INTEREST EXPENSED			
Deposits			21,069,430	13,534,980
Borrowing	gs		2,249,920	980,091
Subordin	ated debt		_,_ · - ,	112,000
Cost of fo	reign currency swaps against foreign currency deposits / borrowing	IS	676,067	370,345
	g cost of liability against right-of-use assets	, ,	375,369	010,040
-	g		24,370,786	14,997,416
			21,010,100	11,001,110
	OMMISSION INCOME			
	anking customer fees		488,874	528,879
	r finance related fees		96,298	75,240
	ted fees (debit and credit cards)		834,841	739,330
Credit rel			8,464	60,433
	nt banking fee		37,050	24,297
	ion on trade		363,622	357,852
	ion on guarantees		147,499	190,016
	ion on cash management ion on remittances including home remittances		158,431	150,761
	ion income - Bancassurance		284,664 378,226	260,149 349,241
Rent on l			58,812	66,494
	ion on utility bills		20,416	24,943
	ion on investments services		201,558	194,105
Other Co			46,773	42,075
			3,125,528	3,063,815
	SECURITIES, NET		0,120,020	0,000,010
	SECORITES, NET	28.1	(0.700)	24.240
Realised	d hald far trading		(9,768)	34,319
Unrealise	d - held for trading	10.1	3,514	(19,691)
			(6,254)	14,628
28.1	Realised (loss) / gain on:			
	Federal Government Securities		75,684	13,037
	Shares		(91,874)	21,282
	Others		6,422	-
			(9,768)	34,319
OTHER I	NCOME			
Rent on p			6,260	11,451
	ale of fixed assets and non-banking assets acquired-net		17,386	21,247
Gaill UILS	מוס טו וואסע מספרט מווע ווטורשמווגוווץ מספרט מגעעוופערוופנ		23,646	32,698
			20,040	02,000

54



Bank for Life

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

		Three months ended March 31, 2020	Three months ended March 31, 2019
		Rupees ir	י '000
30.	OPERATING EXPENSES		
	Total compensation expense	4,593,058	4,239,093
	Property expense		
	Rent and taxes	46,765	600,701
	Insurance	13,665	14,267
	Utilities cost	260,515	295,936
	Fuel expense generators	100,692	119,421
	Security (including guards)	357,732	458,910
	Repair and maintenance (including janitorial charges)	187,997	282,873
	Depreciation on right-of-use assets Depreciation	422,219 199,871	170,173
	Depreciation	1,589,456	1,942,281
		1,000,400	1,042,201
	Information technology expenses		
	Software maintenance	301,122	246,489
	Hardware maintenance	105,167	106,612
	Depreciation	161,881	131,858
	Amortisation	109,581	86,441
	Network charges	178,385	188,158
	Insurance	1,505	1,470
	Other exercting expenses	857,641	761,028
	Other operating expenses Directors' fees and allowances	13,879	10,126
	Legal and professional charges	99,839	109,163
	Outsourced services costs	216,014	225,387
	Travelling and conveyance	82,392	101,952
	NIFT clearing charges	51,241	41,222
	Depreciation	221,425	244,013
	Depreciation on non-banking assets acquired in satisfaction of claims	8,074	12,062
	Training and development	9,074	16,929
	Postage and courier charges	74,219	71,227
	Communication	85,265	92,740
	Stationery and printing	161,217	198,707
	Marketing, advertisement & publicity	166,065	206,653
	Donations	5,000	-
	Auditors' remuneration	10,287	11,260
	Cash transportation charges	183,901	184,791
	Repair and maintenance	100,635	202,302
	Subscription	13,768	2,846
	Entertainment	62,881	75,958
	Remittance charges	48,527	40,795
	Brokerage expenses	15,993	13,784
	Card related expenses	225,705	185,723
	CNIC verification charges	34,725	38,776
	Insurance	387,365	363,892
	Others	74,050 2,351,541	68,509
		2,351,541 9,391,696	2,518,817 9,461,219
		9,391,090	9,401,∠19

MCB Bank Limited & Subsidiary Companies



Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

Note	Three months ended March 31, 2020	Three months ended March 31, 2019
	Rupees i	in '000
	182,878	814
	26,435 209,313	45,458 46,272
10.2.1 11.3 14.1.1	(2,160) 752,718 84,472 (14,120) (41,254) 779,656	6,783 (63,154) (331,962) (11,765) (48,072) (448,170)
	4,431,215 - - - - - - - - - - - - - - - - - - -	3,186,920 450,668 353,717 43,267 4,034,572

------Rupees in '000------

4,986,133

4.21

1,185,060,006

34. BASIC AND DILUTED EARNINGS PER SHARE

OTHER CHARGES

Penalties of State Bank of Pakistan

Reversals against loans & advances

Reversals against other assets

Share of tax of associates

TAXATION

Current Prior years Deferred

VAT & National Building tax & Crop Insurance Levy

PROVISIONS / (REVERSALS) & WRITE OFFS - NET

(Reversals) / provisions against balance with Banks Provisions / (reversals) for diminution in value of investments

Recovery of written off / charged off bad debts

31.

32.

33.

Profit after tax attributable to equity shareholders	6,623,914	
	Numb	oer
Weighted average number of ordinary shares	1,185,060,006	
	Rupe	es
Basic and diluted earnings per share	5.59	



Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

35. FAIR VALUE MEASUREMENTS

The fair value of traded investments is based on quoted market prices, except for tradable securities classified by the Goup as 'held to maturity'. Quoted securities classified as held to maturity are carried at amortised cost. Fair value of unquoted equity investments is determined on the basis of break up value of these investments as per the latest available financial statements.

Fair value of fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments.

In the opinion of the management, the fair value of the financial assets and financial liabilities are not significantly different from their carrying values since assets and liabilities are either short-term in nature or re-priced over short term.

35.1 Fair value of financial assets

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Valuation techniques used in determination of fair valuation of financial instruments within level 2

Item	Valuation approach and input used
Federal Government securities	The fair values of Federal Government securities are determined using the PKRV rates.
Term Finance and Bonds	Investments in debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Foreign exchange contracts	The valuation has been determined by interpolating the mid rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currency involved, interest rates, yield curves, volatilities, contracts duration etc.
Operating fixed assets (land and building) & NBA	Land and buildings are revalued every three years using professional valuers on the panel of Pakistan Banker's Association. The valuation is based on their assessment of market value of the properties.

The Group's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred. There were no transfers between levels 1 and 2 during the year.

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in listed ordinary shares and units of mutual funds.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of Sukuk Bonds, Pakistan Investment Bonds, Market Treasury Bills, Term Finance certificates, FX options, Cross Currency Swaps, Interest Rate Swaps and Forward Exchange Contracts.

(c) Financial instruments in level 3

Currently, no financial instruments are classified in level 3.

MCB Bank Limited & Subsidiary Companies



Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. For financial assets, the Group essentially carries its investments in debt and equity securities at fair values. Valuation of investments is carried out as per guidelines specified by the SBP. In case of non-financial assets, the Group has adopted revaluation model (as per IAS 16) in respect of land and building.

		Unaud	lited March 31, 2020		
	Carrying value	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments		Rupees i	n '000		
Financial assets - measured at fair value					
Investments Federal Government Securities Shares Non-Government Debt Securities Foreign Securities	792,605,225 13,548,826 2,681,666 4,412,084	- 13,548,826 -	792,605,225 - 2,681,666 4,412,084	- - -	792,605,225 13,548,826 2,681,666 4,412,084
Financial assets - disclosed but not measured at fair value					
Investments (HTM, unlisted ordinary shares, subsidiaries and associates) Cash and balances with treasury banks Balances with other banks Lendings to financial institutions Advances Other assets	30,474,755 112,366,406 20,779,308 10,122,544 541,280,969 53,592,866	-		-	-
Non - Financial Assets measured at fair value Operating fixed assets (land and buildings) Non-banking assets Off-balance sheet financial instruments - measured at fair value	43,430,687 3,921,093		43,430,687 3,921,093	-	43,430,687 3,921,093
Forward purchase of foreign exchange Forward sale of foreign exchange	163,575,051 138,494,248	-	7,996,200 6,669,430	-	7,996,200 6,669,430
Derivatives purchase Derivatives sale	4,826,855 4,718,437	-	1,290,482 1,307,556	-	1,290,482 1,307,556
			December 31, 2019		
On balance sheet financial instruments	Carrying value	Level 1	Level 2 Rupees in '000	Level 3	Total
Financial assets - measured at fair value					
Investments Federal Government Securities Shares Non-Government Debt Securities Foreign Securities	691,477,045 17,075,189 2,424,102 3,663,065	- 17,075,189 -	691,477,045 - 2,424,102 3,663,065	- - -	691,477,045 17,075,189 2,424,102 3,663,065
Financial assets - disclosed but not measured at fair value					-
Investments (HTM, unlisted ordinary shares,and associates) Cash and balances with treasury banks Balances with other banks Lendings to financial institutions Advances Other assets	42,802,189 142,957,358 21,371,753 6,060,869 548,472,860 58,219,618		- - - - -		
Non - Financial Assets measured at fair value					
Operating fixed assets (land and buildings) Non-banking assets	44,882,204 3,838,230	-	44,882,204 3,838,230	-	44,882,204 3,838,230
Off-balance sheet financial instruments - measured at fair value	ue				:
Forward purchase of foreign exchange Forward sale of foreign exchange	216,647,656 188,243,433	-	4,142,227 3,352,404	-	4,142,227 3,352,404
Derivatives purchase Derivatives sale	5,176,612 5,068,194	-	1,232,827 1,229,116	-	1,232,827 1,229,116

9,818,308

9,818,308

1,449,309

1,093,159

136,026

283,402

428,235

5,949,896

ent direct (

193,240 150,137

367,222 (37,654) 196,501 526,069 356,507

714.0

4,428,296

23,707 3,242,617 386,400 3,652,724

9,818,308 79,656

9,818,308 779,656 1,116,114

1,449,309 45,378 2,158,037

1,093,159 34,424 22,554

356,507 32,036 137,526

136,026 (16,921) ,204,067)

283,402 251,167 ,445,237

428,235 13,846 592,188

5,949,896 419,726 7,968,620

(3,981)

121,774

7,285,782

7,285,782

(2,522) 120,315 121,774

956,897

21,762,473 (23,434,561)

9,577,037 3,408,561) 811,330 1,979,806

691,123 (216,060) 559,206 1,034,269

(16,090,155) 28,854,219 1,574,178 14,338,242

Profit & Loss Vet mark-up/re nter segment r Von mark-up / /

Total

Eliminatio

Sub-total

others

Asset Management

Banking slamic

International Banking

Treasury

Corporate Banking

Consumer banking

Retail Banking

with respect to business activity is as follows:

Segment details with respect to business activities The segment analysis with respect to business activity i

Rupees in '000

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

133,145,714 843,722,556

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165,502 3,263,113 188,883,912

020

March 31, 20 23,842,809 15,124,661

Unaugiter 18,342,531 10,897,256

42,909,247 801,575,243

1,709,324 11,841,294

973,715,995 45,954,279

843,722,556 162,599,907 10,122,544 532,772,117 8,508,852 131,297,145

6,428,790 59,297,478

-3,693,754 24,766,251 5,204,215 1,953,723 64,857,730

331,790,172 1,355,036

,356,165 116,689 ,150,167

91,965,327 1,123,365 36,618,340 149,377,306

8,370,852 2,855,342

131,297,145 822,168,835

596,724 247,930 2,454,006 5,611,187

10,122,544 532,772,117 8,508,852 131,297,145 659,568,928

93,900,396 1,271,950,183

1,271,950,183

1,162,599,907 113,159,167

1,415,391 746,030

87,889,956 10,274,423 7,580,191

5,488,907 43,109,132 12,952,097 3,307,594

93,900,399

572,895 932,316

10,899,994

21,109,691

7,081,704 47,134,981

48,747,208 1,075,145,917

479,009,749 113,159,16

80,555

179

641,609,656

53,546,797 55,052,008

2,161,421

16,644,564

64,857,730

904.0 301,477,1

25,484,181 ,149,377,306

05,143,524

829,973,628 1,772,023 852,855,342

17,737,881 6,507,215 2,512,108



MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

	Retail Banking	Consumer banking	Corporate Banking	Treasury	International Banking	Islamic Banking	Asset Management	others	Sub-total	Eliminations	Total
					Rup	Rupees in '000					
	(9,324,648)	891,247	7,902,589	13,589,574	419,992	840,036	132	19,770	14,338,692		14, 338, 692
et	19,469,256	(552,062)	(6,704,419)	(14,446,652)	(10,580)			2,244,457			
erest income	1,573,510	484,013	755,418	417,557	207,546	69,805	218,065	222,506	3,948,420		3,948,420
	11,718,118	823,198	1,953,588	(439,521)	616,958	909,841	218,197	2,486,733	18,287,112		18,287,112
	5,761,326	364,019	213,232	107,242	271,186	1,140,050	148,524	1,684,909	9,690,488		9,690,488
location											
	5,761,326	364,019	213,232	107,242	271,186	1,140,050	148,524	1,684,909	9,690,488		9,690,488
	12,804	(15,600)	(173,488)	(25,619)	32,844	37,497		(316,608)	(448,170)	·	(448,170)
	5,943,988	474,779	1,913,844	(521,144)	312,928	(267,706)	69,673	1,118,432	9,044,794		9,044,794
					Aud	Audited December 31, 2019	6				
	50,154,942	21,483	676,139	65,572,277	28,149,362	19,075,532	28,347	651,029	164,329,111		164,329,111
			10,638,292	710,593,710	15,011,692	16,309,796	1,055,226	3,832,874	757,441,590		757,441,590
	940,015,023							164,180,279	1,104,195,302	(1,104,195,302)	
utions			•		209,206	5,851,663		•	6,060,869		6,060,869
	98,464,054	24,342,756	341,191,287		25, 190,939	50,931,880	5,169	478,850	540,604,935		540,604,935
orming	1,074,787	113,148	1,237,494		4,836,865	378,087	'	227,544	7,867,925		7,867,925
	34,759,967	1,882,259	25,393,004	13,804,785	2,368,787	11,538,184	1,060,496	45,102,959	135,910,441		135,910,441
	1,124,468,773	26,359,646	379,136,216	789,970,772	75,766,851	104,085,142	2,149,238	214,473,535	2,716,410,173	(1,104,195,302)	1,612,214,871
	45,355,966		7,057,504	32,270,471	3,520,222	4,127,525		528,280	92,859,968		92,859,968
	1,033,790,838		55,425,048		55,523,628	81,853,511	•		1,226,593,025		1,226,593,025
би		24,124,908	299,650,838	755,967,249	12,464,722	10,466,801	1,520,784		1,104,195,302	(1,104,195,302)	
	45, 321, 969	2,234,738	17,002,826	1,733,052	4,258,279	7,637,305	628,454	42,598,438	121,415,061		121,415,061
	1,124,468,773	26,359,646	379,136,216	789,970,772	75,766,851	104,085,142	2,149,238	43,126,718	2,545,063,356	(1,104,195,302)	1,440,868,054
								171,346,817	171,346,817		171,346,817
	1,124,468,773	26,359,646	379,136,216	789,970,772	75,766,851	104,085,142	2,149,238	214,473,535	2,716,410,173	(1,104,195,302)	1,612,214,871
itments	48.973.361		262,455,692	496,556,621	14,015,586	18,397,458		25,057,324	865,456,042		865,456,042

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SEGMENT INFORMATION

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MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

Ther than those which have been disclosed elsewhere in these consolidated condensed interim financial statements are as follows: Unaudited Unaudited Associates Other Related Directors Management Key Intectors Management Associates Other Related Directors Management Key Intectors Management Associates Other Related Directors Management Intectors Personnel Associates Other Related Directors Parties Intectors Personnel Associates Other Related Directors Parties Intectors Personnel Associates Other Related Directors Parties Intertor Intertor Intertor Intertor Intertors Intertors Intertor <th>Chher Related Other Related Parties</th> <th>Directors A 000)</th> <th>follows: Audited December 31, 2019 Key Management Associ Personnel</th> <th>526</th> <th>Other Related Parties 14,389</th>	Chher Related Other Related Parties	Directors A 000)	follows: Audited December 31, 2019 Key Management Associ Personnel	526	Other Related Parties 14,389
Unaudited March 31. Key Key Assement As Personnel As - - - - - - 4 - - - - 4 - - - - 4 - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -	Cther Related Parties (Rupees in 254.253	ss	udited Decomber Key fanagement Personnel	526	Other Related Parties 14,389
Key Key Management As Personnel As - - - <td>Other Related Parties </td> <td>, , , , , , , , , , , , , , ,</td> <td>Key lanagement Personnel</td> <td></td> <td>Other Related Parties 14,389 14,389</td>	Other Related Parties 	, , , , , , , , , , , , , , ,	Key lanagement Personnel		Other Related Parties 14,389 14,389
	(Rupees in			- - 4,019,526	14,389 14,389
	- - - 254,263 -			- - 4,019,526	14,389 14,389
4 4 3 3 3 3 3 3 3 3 	- 254,253 -			- 4,019,526	14,389
- 4 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 	254,253 -			4,019,526	
				256.132	254,253 -
-	254,253			4,275,658	254,253
~	5,000				5,000
-	330 520	22 20 20	141 390		1 050 277
	305,340	29,148	62,216		1,642,434
	(245,231)	(28,084)	(55,470)	,	(1,558,481)
- 469 -	•		(19,087)		(794,710)
76 128,826 -	399,629	1,722	129,049		339,520
			,		

ces, deposits, advance rent and other preparable from Pension Fund selle from Pension Fund ced gain on forward foreign exchange contracts on held against othe

owings / exchang led during the per sing balance owings ing bala

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ed during the period drawn during the p sfer in / (out) - net ng balance net ing balan

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corted expenses and other payable syable to MCB Employee Security Servic ontrigencies and Commitments mmitments and contingent liabilities - o mand foreign exchange contracts (Noti

MCB Bank Limited & Subsidiary Companies

MCB

Bank for Life

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

		1 :			-		I	1			I					I							
	Other Related Parties		5,191	27,080	3,605,121					144,166	(75,000)	69,166	3,212,620	62,263,273	(61,423,281)	127,237	4,179,849	66,906	50	24,565	746 969	140,000	
r 31, 2019	Associates			246,720	,		•		'	'	•		3,339,847	22,234,251	(21,916,546)	I	3,657,552	50,535	62,402		10 444		
Audited December 31, 2019	Key Management Personnel		3,202		ı				'		•		168,528	866,766	(884,532)	(10,001)	140,761	556	I				
	Directors	(000, u				•			•				3,745,457	9,889,584	(13,025,336)	(7,324)	602,381	7,263	15,326				
	Other Related Parties		6,692	41,016	3,695,121	76,097	•		69,166	11,277		80,443	4,179,849	40,945,756	(38,390,641)	299	6,735,263	39,107	573	24,440	240.760	240,103	4,771,124
sh 31, 2020	Associates			342,253		•	•						3,657,552	24,735,193	(25,288,176)		3,104,569	52,617	130,384		10 606	000,01	
Unaudited March 31, 2020	Key Management Personnel		2,610		,	•	•						140,761	363,326	(383,202)	(7,959)	112,926	270	ı				
	Directors			•	ı	•			1	ı			602,381	189,691	(269,036)		523,036	5,203	2,070				•



RELATED PARTY TRANSACTIONS Group has related party relati

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$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	RELATED PARTY TRANSACTIONS	Unaud	Unaudited three months ended March 31, 2020	nded March 31, 202	0	Unaudite	Unaudited three months ended March 31, 2019	ed March 31, 201	
$\label{eq:constraints} \math black line (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)$		Directors	Key Management Personnel	Associates	Other Rela Partie	Directors	Key Management Personnel	Associates	Other Related Parties
$ \matrix for the during the period / year \matrix for the during the period / year \\ \matrix for the during the period / year \\ \matrix for the during the period / year \\ \matrix for for the during the period / year \\ \matrix for for for the during the period / year \\ \matrix for for for for for for for for for for$	Income				(Rupee	(000)			
Intracts matured during the period / year 2 <th2< th=""> 2 2 <th2< th=""></th2<></th2<>	Markup / retum / interest eamed		4,487		8,419		4,891	'	5,875
Intracts matured during the period / year $\frac{1}{72}$ $\frac{1}{3}$ $\frac{1}{2}$ $\frac{1}{3}$ \frac	Fee and commission income		•	324,743	248	•	•	298,655	2,401
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	Dividend income // con/ / Colin on forming contracts contracts motived during the partial / your j	•	'	'	7,933			'	- 5 600
entress -2	(Loss) / Gain on iorward foreign exchange contracts matured during the period / year Not coin / //oco) on colo of occurrition			- 106	(14,002)	•	- 012/0	•	77C'C
entess 510 2285 570 5 965 15.223 516 94.870 68.188 66.54 178 33.872 15.223 516 94.870 68.188 66.54 178 33.872 15.223 516 94.870 68.188 66.54 178 33.872 15.224 15.223 516 94.870 68.188 66.54 178 33.872 16.1745 10.745 10.745 10.745 10.745 178 34.72 16.1766 238.710 68.786 66.786 178 66.786 178 178 17.91 23.3471 23.3481 10.745 20.5661 16.575 16.575 18.0 66.747 23.3481 70.2 20.5661 20.5661 16.4575 19.0 23.3471 23.3481 70.2 20.5661 24.52 24.52 19.0 23.3471 23.3481 21.241 24.52 24.52 24.52 24.52	Net gain 7 (loss) on sale of secondies Gain on sale of fixed assets	- 71	00 12	-			(c.u) 36		z,440 -
15.223 516 94,870 68,188 66,54 178 36,872 cutive directors fee 2 46,278 46,278 2 46,278 2 <td>Rent income and reimbursement of other expenses</td> <td>'</td> <td></td> <td>2,285</td> <td>570</td> <td></td> <td></td> <td>965</td> <td>1,013</td>	Rent income and reimbursement of other expenses	'		2,285	570			965	1,013
15.23 516 94,870 68,188 68,654 178 33,872 cutine directors fee 2 2 46,278 2 2 2 2 2 2 10,745 2 3 2 2 2 2 2 33,431 2 2 2 2 2 2 2 2 33,431 2 2 2 2 2 2 2 2 33,431 2	Expense								
$ \label{eq:constants} \mbox{the directors fee} & 10, 14, 15, 10, 14, 15, 10, 14, 15, 10, 14, 15, 10, 14, 15, 15, 10, 14, 15, 15, 10, 14, 15, 15, 10, 14, 15, 15, 10, 14, 15, 15, 14, 14, 15, 15, 14, 14, 15, 14, 14, 15, 14, 14, 15, 14, 14, 15, 14, 14, 15, 14, 14, 15, 14, 14, 15, 14, 14, 15, 14, 14, 15, 14, 14, 15, 14, 14, 15, 14, 14, 15, 14, 14, 15, 14, 14, 14, 14, 14, 14, 14, 14, 14, 14$	Markup / return / interest expensed	15,223	516	94,870	68,188	68,654	178	38,872	78,782
$ \begin{array}{ccccc} & & & & & & & & & & & & & & & & &$	Other Operating expenses								
autro directors fee 80,299 238,710 67,735 0,000 0 0 cutro directors fee 80,299 238,710 67,735 0 66,766 205,961 cutro directors fee 80,299 238,710 67,735 0 66,766 205,961 cutro directors fee 80,299 238,710 67,735 0 66,766 205,961 cutro directors fee 80,299 238,710 67,735 0 66,766 205,961 cutro directors fee 80,299 238,710 67,735 0 66,766 0 cutro directors fee 80,299 238,710 11,214 0 0 cutro directors fee 10,312 11,214 0 0 0 cutro directors fee 11,214 0 0 0 0 cutro direc	Clearing expenses paid to NIFI Contribution to provident fund		•		40,278 00 858				35,882 02 517
curve directors fee $80,341$ $7,3,411$ $7,3,411$ $7,210$ $7,3,411$ $7,710$ $7,$	Contribution to provident land Rent expenses	1		11.396	10 745				9.364
autive directors fee $60,064$ $60,064$ $66,766$ $205,961$ $64,575$ cutive directors fee $80,299$ $238,710$ $67,755$ $66,766$ $205,961$ $64,575$ $10,10,10,10,10,10,10,10,10,10,10,10,10,1$	Cash sorting expenses				33,481				38,527
autro directors fee $80,299$ $238,710$ $82,640$ $66,786$ $205,961$ $64,575$ 1 1 1 $11,214$ 1 $64,575$ $64,575$ 1 $11,214$ 1 $11,214$ 1 $64,575$ $64,575$ 1 1 $11,214$ 1 $11,214$ 1 1 1 1 1 $11,214$ 1 1 1 1 1 1 $11,214$ 1 $11,214$ 1 1 1 1 1 $11,214$ 1 1 1 1 1 1 $11,214$ 1 $11,214$ 1	Stationery expenses	I	'		69,084	I			60,455
autive directors fee $80,299$ $238,710$ $ 66,786$ $205,961$ $ -$	Security guards expenses	'	'	'	82,640				96,944
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	Remuneration to key executives and non-executive directors fee	80,299	238,710			66,786	205,961	'	
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	Outsourcing service expenses	1	'	67,735	'	'	'	64,575	
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	E-dividend processing fee and CDC charges	1	'	•	702	'			703
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	Travelling Expenses	1	'	•	11,214	'	'	'	7,257
Its 79,760 34,431 44,5 56,1 5	Hotel stay expenses	•	'		889	'	'	'	56
15 $ -$	Repair & Maintenance Charges	1	•	•	445	'	'	'	'
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	Advertisement Expenses		•	•	3,132			'	'
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	Miscellaneous expenses and payments	•	•		100			' LC CCC	335
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	Insurance premium-het of retund Insurance claim sattlard			266,437 16 991				369,359	
- 5 - - 36 - - - - 2,347 - - 46,339 - - - - 2,347 - - 46,339 - - - - - - - 46,339 - - - - - - - 46,339 - <td></td> <td></td> <td></td> <td>10001</td> <td></td> <td></td> <td></td> <td>104,412</td> <td></td>				10001				104,412	
1 during the period 79,760 34,334 - - 46,339 1 during the period 79,760 34,838 1,791,479 770,297 - - 40,339 1 during the period - - - 440,478 - - 1,390,297	Proceeds from sale of fixed assets	'	2			'	36		
- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - 79,760 34,838 1,791,479 770,297 - 30,528 1,139,930 19,827 - - 631,712 440,478 - 12,491 1,990,297 - - - - 4,768,949 - - - -	Purchase of fixed assets	1		2,347		1		46,339	20,003
79,760 34,838 1,791,479 770,297 - 30,528 1,139,930 1,887 - 631,712 440,478 - 12,491 1,990,297 	Sale of foreign currency	'		•				'	
79,760 34,838 1,791,479 770,297 - 30,528 1,139,930 - 30,528 1,139,930 - 10,478 - 12,491 1,990,297 - 10,478 - 12,491 1,990,297 - 10,476	Purchase of foreign currency	1	'	•	'	'			
79,760 34,838 1,791,479 770,297 - 30,528 1,139,930 19,827 - 631,712 440,478 - 12,491 1,990,297 	Payments against home remittances	1		1		ı	'	'	ı
19,827 - 631,712 440,478 - 12,491 1,990,297 3 	Sale of government securities	79,760		1,791,479	770,297	'	30,528	1,139,930	29,803,833
	Purchase of government securities	19,827	'	631,712	440,478	ı	12,491	1,990,297	39,307,724
	Forward exchange contracts matured during the period	1	•	•	4,766,949	'	•		5,077,573
	equipment in accordance with the terms of meir employment.								

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020



		Unaudited March 31, 2020	Audited December 31, 2019
CAPI	TAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	Rupees i	n '000
38.1			
	Minimum Capital Requirement (MCR):	44.050.000	44.050.000
	Paid-up capital (net of losses)	11,850,600	11,850,600
	Capital Adequacy Ratio (CAR):	400 750 574	400 504 400
	Eligible Common Equity Tier 1 (CET 1) Capital Eligible Additional Tier 1 (ADT 1) Capital	133,759,574	132,504,188
	Total Eligible Tier 1 Capital	133,759,574	132,504,188
	Eligible Tier 2 Capital	37,352,322	28,503,091
	Total Eligible Capital (Tier 1 + Tier 2)	171,111,896	161,007,279
	Risk Weighted Assets (RWAs):		
	Credit Risk	675,851,728	662,366,497
	Market Risk	126,487,974	113,394,030
	Operational Risk	126,966,330	126,966,330
	Total	929,306,032	902,726,857
	Common Equity Tier 1 Capital Adequacy ratio	14.39%	14.68%
	Tier 1 Capital Adequacy Ratio	14.39%	14.68%
	Total Capital Adequacy Ratio	18.41%	17.84%
38.2	Leverage Ratio (LR):		
00.2	Eligible Tier-1 Capital	133,759,574	132,504,188
	Total Exposures	2,090,947,791	2,037,241,480
	Leverage Ratio	6.40%	6.50%
38.3	Liquidity Requirements		
	Liquidity Coverage Ratio (LCR):		
	Total High Quality Liquid Assets	858,550,627	734,587,045
	Total Net Cash Outflow	402,311,590	379,626,249
	Liquidity Coverage Ratio	213.40%	193.50%
	Net Stable Funding Ratio (NSFR):		
	Total Available Stable Funding	1,113,357,213	1,045,877,006
	Total Required Stable Funding	712,341,783	745,689,676
	Net Stable Funding Ratio	156.30%	140.26%

RELATED PARTY TRANSACTIONS



Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

39 ISLAMIC BANKING BUSINESS

The Group through a wholly owned subsidiary (MCB Islamic Bank Limited) is operating 185 branches in Pakistan (December 31, 2019: 185 branches). The statement of financial position of the Group's Islamic Banking Business as at March 31, 2020 is as follows:

	Note	Unaudited March 30, 2020 Rupee	Audited December 31, 2019 s in '000
ASSETS			
Cash and balances with treasury banks		18,236,813	10,252,547
Balances with other banks		5,605,996	8,822,985
Due from financial institutions	39.1	6,428,790	5,851,664
Investments - net	39.2	15,124,661	16,309,800
Islamic financing and related assets - net	39.3	59,759,095	51,309,967
Fixed assets		5,814,233	5,779,772
Intangible assets		696,290	719,723
Deferred tax assets - net		1,052,918	921,017
Other assets - net		4,983,584	5,049,786
Total Assets		117,702,380	105,017,261
LIABILITIES			
Bills payable]	996,583	973,627
Due to financial institutions		10,899,998	4,127,526
Deposits and other accounts	39.4	87,889,956	81,853,511
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debts		-	-
Deferred tax liabilities - net		-	-
Other liabilities		7,641,420	7,595,796
NET ASSETS	-	107,427,957	94,550,460
	-	10,274,423	10,466,801
REPRESENTED BY			
Share capital		11,550,000	11,550,000
Reserves		26,444	26,444
Surplus on revaluation of assets - net of tax		223,330	422,326
Accumulated loss	-	(1,525,351)	(1,531,969)
	-	10,274,423	10,466,801
CONTINGENCIES AND COMMITMENTS	39.5		

MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020



Three months

March 31, 2020

The profit and loss account of the Group's Islamic banking branches for the three months period ended March 31, 2020 is as follows:

	Note	ended March 31, 2020	ended March 31, 2019
		Rupees	s in '000
Profit / return earned	39.6	2,561,764	1,994,892
Profit / return expensed	39.7	1,604,867	1,154,856
Net Profit / return		956,897	840,036
Other income			
Fee and Commission Income		70,505	65,608
Dividend Income		7,766	11,425
Foreign Exchange Income		109,299	20,515
(loss) / Gain on securities		364	(32,809)
Other Income		5,306	5,066
Total other income		193,240	69,805
Total Income		1,150,137	909,841
Other expenses			
Operating expenses		1,091,428	1,139,973
Workers Welfare Fund		1,671	-
Other charges		60	77
Total other expenses		1,093,159	1,140,050
Profit / (loss) before provisions		56,978	(230,209)
Provisions and write offs - net		34,424	37,497
Profit / (loss) before taxation		22,554	(267,706)
Taxation		16,352	(70,581)
Profit / (loss) after taxation		6,202	(197,125)
			Unaudited

39.1 DUE FROM FINANCIAL INSTITUTIONS ---------Rupees in '000----Secured Bai Muajial receivable - with State Bank of Pakistan 828.70

Bai Muajjal receivable - with State Bank of Pakistan	828,790
Unsecured	
Musharaka arrangements	5,600,000
	6 428 790

39.1.1 This represents Bai Muajjal with State Bank of Pakistan carrying profit at average rate of 9.14% per annum (December 31, 2019: 10.34%) and having maturity till January 29, 2021.

39.1.2 This represents Musharaka arrangements with banks carrying profit at expected rates ranging from 3.50% to 7.50% per annum (December 31,2019: 10.80% to 11.00% per annum) and having maturity till April 20, 2020.



Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020

			Unaudited March	31, 2020			Audite December 31		
39.2	Investments by type:	Cost/ Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost /Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
	Available-for-sale securities				Rupees in '000				
	Federal Government securities	10,074,261	-	348	10,074,609	10,899,070	-	(7,384)	10,891,686
	Shares Non Government securities	1,910,825 1,119,000	1,059,172	(148,448) 9,520	703,205 1,128,520	1,908,146 1,119,000	1,059,172	175,625 (1,312)	1,024,599 1,117,688
		13,104,086	1,059,172	(138,580)	11,906,334	13,926,216	1,059,172	166,929	13,033,973
	Held-to-maturity securities								
	Federal Government securities	2,700,827	-	-	2,700,827	2,700,827	-	-	2,700,827
	Non Government securities	517,500 3,218,327	-	· ·	517,500 3,218,327	575,000 3,275,827	<u>ـــــا</u> ا		575,000 3,275,827
	Total Investments	16,322,413	1,059,172	(138,580)	15,124,661	17,202,043	1,059,172	166,929	16,309,800
							Unaudited March 31,		Audited ember 31,
							2020		2019
39.3	Islamic financing ar	d related ass	ets				Rup	pees in '000-	
	Murabaha						11,521	,449	7,609,830
	Musawamah							-	2,000
	Istisna						3,714	,797	2,603,493
	Salam						82,	,913	111,287
	ljarah						4,647	,868	4,881,400
	Running Musharaka						20,532	,518	16,669,096
	Diminishing Mushara	ka					18,069	,868	18,176,482
	Staff finance						1,260	,008	1,293,082
	Gross Islamic financi	ng and related	assets				59,829	,421	51,346,670
	Less: provision again	st Islamic finar	ncings						
	- Specific						(9,8	833)	(3,340)
	- General						(60,4	493)	(33,363)
							(70,3		(36,703)
	Islamic financing and	related assets	- net of provis	sion			59,759,	,095	51,309,967
39.4	Deposits								
	Customers Current deposits						21,041	.114	22,191,828
	Savings deposits						40,772		33,716,605
	Term deposits						19,896		15,122,076
	Others						1,574		4,918,750
	Financial Institution	ns					83,284	,880	75,949,259
	Current deposits	-					102	,198	100,334
	Savings deposits							,978	1,988,287
	Term deposits						3,788		3,815,631
							4,605 87,889		5,904,252 81,853,511
							01,009	,000	01,000,011

MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For the three months period ended March 31, 2020



Audited

Unaudited

	March 31, 2020	December 31, 2019
Contingencies and Commitments	Rupees	in '000
-Guarantees	7,290,923	6,467,046
-Commitments	16,055,209	11,498,973
-Other contingent liabilities	431,464	431,439
	23,777,596	18,397,458
Profit/Return Earned of Financing, Investments and Placement	Unaudited March 31, 2020 Rupees i	Audited December 31, 2019 n '000
Profit earned on:		
Financing	1,879,764	1,600,682
Investments	520,585	286,832
Musharaka arrangements with financial institutions	95,140	96,157
Deposits with financial institutions	66,275	11,221
	2,561,764	1,994,892
Profit on Deposits and other Dues Expensed		
Deposits and other accounts	1,400,134	957,636
Musharaka arrangements with the State Bank of Pakistan under IERS	13,687	12,859
Musharaka arrangements with other financial institutions	92,086	184,308
Musharaka arrangements with other institution	1,372	53
Unwinding of liability against ROU asset	97,588	-
	1,604,867	1,154,856
	Unaudited March 31, 2020	Audited December 31, 2019
Islamic Banking Business Unappropriated Profit	Rupees i	1 000
Opening Balance	(1,531,969)	(1,289,202)
Movement during the period / year	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Add: Islamic Banking loss for the period / year	22,554	(243,612)
Less: Taxation	16,352	-
Add: Reserves	416	845
	6,618	(242,767)
Closing Balance	(1,525,351)	(1,531,969)
EVENTS AFTER THE REPORTING DATE		

40 **EVENTS AFTER THE REPORTING DATE**

The Board of Directors in its meeting held on April 22, 2020 has announced a cash dividend in respect of three months period ended March 31, 2020 of Rs.5.00 per share (March 31, 2019: Rs. 4.00 per share). These consolidated condensed interim financial statements for the period ended March 31, 2020 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

41 GENERAL

39.5

39.6

39.7

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Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

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Hammad Khalid

DATE OF AUTHORIZATION FOR ISSUE 42

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Group in their meeting held on April 22, 2020.

Jurou hing book Imran Maqbool President / CEO



Salman Khalid Butt Director

Masood Ahmed Puri Director

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