



MCB Bank Limited
Company Secretary Office
6th Floor, MCB Building,
15-Main Gulberg, Jail Road
Lahore, Pakistan

PSX-100(5F)2024/56

October 29, 2024

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General Manager

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Dear Sir,

Transmission of Third Quarterly Financial Statements for the period ended September 30, 2024

We have to inform you that Third Quarterly Financial Statements of the Bank for the period ended September 30, 2024 have been transmitted through PUCARS and are also available on Bank's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Farid Ahmad".

Farid Ahmad
Company Secretary

Encl: As above



THIRD QUARTERLY
REPORT
SEPTEMBER 30, 2024

Vision

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

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.

Core 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
Mr. Muhammad Tariq Rafi
Mian Umer Mansha
Mrs. Iqraa Hassan Mansha
Mr. Muhammad Ali Zeb
Mr. Mohd Suhail Amar Suresh bin Abdullah
Mr. Yahya Saleem
Mr. Salman Khalid Butt
Mr. Shahzad Hussain
Mr. Masood Ahmed Puri
Shaikh Muhammad Jawed
Mr. Norzulkarnien Bin Nor Mohamad
Mr. Shoaib Mumtaz

Chairman
Director
President & CEO

Audit Committee:

Mr. Shahzad Hussain
Mian Umer Mansha
Mr. Muhammad Ali Zeb
Mr. Norzulkarnien Bin Nor Mohamad

Chairman
Member
Member
Member

Chief Financial Officer:

Mr. Hammad Khalid

Company Secretary:

Mr. Farid Ahmad

Auditors:

M/s. A. F. Ferguson & 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.

Contact us:

UAN: + 92 42 111 000 622
E-mail: investor.relations@mcb.com.pk
Visit us: www.mcb.com.pk

Registrar's and Share Registration Office(s):

Head Office:
M/s. THK Associates (Pvt.) Limited
Plot No. 32-C, Jami Commercial Street 2,
D.H.A., Phase VII, Karachi, Pakistan.

Branch Office:
M/s. THK Associates (Pvt.) Limited
Office No. 309, 3rd Floor,
North Tower, LSE Building,
19-Shahrah-e-Aiwan-e-Iqbal,
Lahore, Pakistan.

MCB Bank Limited

Directors' Review – September 30, 2024

On behalf of the Board of Directors, we are pleased to present the financial statements of MCB Bank Limited (MCB) for the nine months ended September 30, 2024.

Performance Review

On a standalone basis, the profit before and after taxation for the period ended September 30, 2024 together with appropriations is as under

Profit Before Taxation

Taxation

Profit After Taxation

Un-appropriated Profit Brought Forward

Impact of adoption of IFRS 9

Surplus realized on disposal of investments in equity instruments through FVOCI - net of tax

Surplus realized on disposal of revalued property and equipment - net of tax

Surplus realized on disposal of non-banking assets - net of tax

Transfer in respect of incremental depreciation from surplus on

revaluation of fixed assets to un-appropriated profit - net of tax

Profit Available for Appropriation

Appropriations:

Statutory Reserve

Final Cash Dividend at Rs. 9.0 per share - December 2023

First Interim Cash Dividend at Rs. 9.0 per share - March 2024

Second Interim Cash Dividend at Rs. 9.0 per share - June 2024

Total Appropriations

Un-appropriated Profit Carried Forward

Driven by a multi-faceted long-term strategy and concerted efforts of the management team, MCB capitalized on consistent growth in no-cost deposits and optimum management of economic capital to post an historically high nine month Profit Before Tax (PBT) of Rs. 95.110 billion; representing a growth of 8% on year-on-year basis. Profit after tax (PAT) rose to Rs. 48.5 billion, reflecting a 10% growth over the same period last year, and earnings per share (EPS) increased to Rs. 40.88.

Strong volumetric growth in average current deposits and timely repositioning within the asset book, amidst an evolving yield curve scenario, transpired into a sustained improvement in core earnings; Net interest income grew by 8%, year-on-year, to report at Rs. 115.073 billion.

Non-markup income surged by 19% to Rs. 26.9 billion, with notable contributions from fee commission income (Rs. 16.4 billion, +15%), foreign exchange income (Rs. 7.5 billion, +27%), and dividend income (Rs. 2.4 billion, +21%).

In line with its strategy to diversify revenue streams, MCB saw strong growth in fee-based income across multiple channels, including a 36% increase in card-related income, 19% growth in branch banking fees and a 54% rise in investment service commissions. The Bank continues to invest in digital transformation, enhancing customer experience and improving operational efficiency; leading to a broad-based growth across digital platforms.

Despite the high inflationary environment, MCB managed operating expenses prudently, reporting an increase of 17%, with key expenditure outlays relating to staff costs, utilities, and IT-related upgrades. The Bank's cost-to-income ratio was maintained at an efficient 30.93%, ensuring strong financial discipline while continuing to invest in innovation and human capital.



Rs. in Million
95,110
46,659
48,451
96,040
492
350
13
17
109
97,021
145,472
(4,845)
(10,666)
(10,666)
(10,666)
(36,843)
108,629

MCB Bank Limited



Navigating a challenging operating and macroeconomic environment, the Bank has been addressing asset quality issues by maintaining discipline in management of its risk return decisions. Diversification of the loan book across customer segments and a robust credit underwriting framework that encompasses structured assessment models, effective pre-disbursement evaluation tools and an array of post disbursement monitoring systems has enabled MCB to effectively manage its credit risk; the Non-performing loan (NPLs) base of the Bank was reported at Rs. 55.1 billion as at September 30, 2024. The coverage and infection ratios of the Bank were reported at 91.98% and 7.59% respectively.

On the financial position side, total assets' base of the Bank was reported at Rs. 2.8 trillion; representing an increase of 15.1% over year end i.e. December 31, 2023. An analysis of the assets' mix highlights that net investments and gross advances increased by Rs. 258 billion (+21%) and Rs. 103 billion (+17%) respectively, over year end, and represented more than 96% of the total reported growth.

A rigorous deposit mobilization drive, focused on building no cost deposits, translated into an exceptional growth of Rs. 259 billion in Bank's total deposit base; which surpassed the 'two trillion' mark to report at Rs. 2.065 trillion (+14%) as on September 30, 2024. Current deposits increased to Rs. 978 billion (+12%) while the CASA ratio improved to 97.17% compared to 96.81% reported at year end.

Return on Assets and Return on Equity reported at 2.47% and 29.98% respectively, whereas the book value per share was reported at Rs. 189.29.

During the period under review, MCB attracted home remittance inflows of USD 3,195 million (+34%), depicting a market share of 12.5%, to further consolidate its position as an active participant in SBP's cause for improving flow of remittances into the country through banking channels.

While complying with the regulatory capital requirements, the Bank's total Capital Adequacy Ratio (CAR) improved to 21.85% against the requirement of 11.5% (including capital conservation buffer of 1.50% as reduced under the BPRD Circular Letter No. 12 of 2020). Quality of capital is evident from Bank's Common Equity Tier-1 (CET1) to total risk weighted assets ratio which comes to 17.15% against the requirement of 6.0%. Bank's capitalization also resulted in a Leverage Ratio of 6.17% which is well above the regulatory limit of 3.0%. The Bank reported Liquidity Coverage Ratio (LCR) of 263.11% and Net Stable Funding Ratio (NSFR) of 153.61% against requirements of 100%.

MCB's exceptional performance and leadership in the financial sector were recognized by the Asian Development Bank (ADB) at the 10th Annual Trade and Supply Chain Finance Program (TSCFP) awards in Singapore. The Bank was honored with two prestigious accolades: '**Leading Partner Bank in Pakistan**' and the '**Momentum Award – Issuing Bank**', highlighting MCB's contribution to trade growth and its reliability in supporting local businesses with international trade solutions.

Further, the 'Annual Report 2023' of MCB Bank was rated 1st in the Banking Category and was also declared overall winner across all categories by the Joint Evaluation Committee of ICAP & ICMA. This award is a testament to MCB's focus on achieving excellence in governance practices and transparency in corporate reporting.

The Board of Directors has declared a 3rd interim cash dividend of Rs. 9.0 per share i.e. 90%, in addition to 180% already paid, bringing the total cash dividend for the nine month period ended September 30, 2024 to 270%.

Ratings

Pakistan Credit Rating Agency re-affirmed credit ratings of MCB at "AAA / A1+" for long term and short term respectively, through its notification dated June 22, 2024.

Economic Review

The global economy is experiencing a significant shift, with major economies initiating a monetary policy easing cycle driven by lower inflation rates nearing target levels. The recent 50 basis points (bps) rate cut by the US Federal Reserve has paved the way for additional cuts, while China has introduced stimulus measures to bolster its growth in response to weak demand.

Equity markets have risen, fueled by monetary easing and strong corporate profits. Gold prices have soared with a year-to-date increase of 28.36%, primarily due to substantial purchases by Central Banks. Conversely, energy prices, particularly oil, have seen a decline due to reduced demand from major economies, notably China, and increased output projections from OPEC+ countries.

Shifting the focus to the domestic economy, Pakistan has seen positive developments, including the approval of USD 7 billion Extended Fund Facility by the IMF and a USD 12 billion bilateral debt rollover from friendly nations. The country's current account has shown significant improvement, registering a surplus of USD 119 million in September 2024. This surplus is primarily attributed to increased workers' remittances and a reduction in the trade deficit. Inflation has remained in single digits since August 2024, with the latest figure at 6.9%.

The State Bank of Pakistan (SBP) has cut interest rates by 450 basis points (bps) in the calendar year 2024 so far. These rate cuts were triggered by lower inflation rates, declining global oil prices, an improved current account, and an increase in foreign exchange reserves.

Future Outlook

Looking ahead, there are growing concerns about a global growth slowdown; reducing PMI readings in the Western markets, falling inflation, and challenges in the Chinese economy stemming from its excessive real estate debt are some indicators of this view.

Tensions in the Middle East, along with the risk of widespread conflict, are keeping oil prices relatively elevated. This situation may exert additional pressure on inflation and jeopardize Central Banks' ability to make deeper rate cuts.

In Pakistan, inflation is expected to remain low due to subdued aggregate demand. A marginal increase in commodity prices is not likely to materially increase inflation in the short term. The State Bank of Pakistan (SBP) is expected to make further rate cuts due to declining inflation rates and improving Balance of Payment indicators. The IMF projects Pakistan's GDP growth of 3.2% for FY 2025; however, sustainable recovery will require political stability, structural reforms, effective monetary policy, and controlled government spending.

Appreciation and Acknowledgements

The Board of Directors of MCB Bank Limited would like to extend their sincere gratitude towards the Government of Pakistan, the State Bank of Pakistan, the Securities & Exchange Commission of Pakistan and other regulatory bodies for their continued support and guidance, 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,



Shoaib Mumtaz
President & CEO
MCB Bank Limited
October, 23, 2024



Mian Umer Mansha
Director
MCB Bank Limited

ریٹنگر:

معاشی تجزیہ

پاکرا (PACRA) کے نوٹیفیکیشن ہمارخ 22 جون 2024ء کی بنیاد پر بینک کی، طویل اور قابل مدت کی کریئٹ رینگر کو باائزیپ AAA اور + A1 کی سطح پر برقرار رکھا ہے۔

عالیٰ معیشت ایک ایام تہذیلی کے دورے گز رہی ہے جہاں بڑی معیشتیں افراطیز کی شرح میں کی، جو کہ اپنے اہداف کی سطح کے قریب ہے، کے سبب مانیشی پالیسی میں نرمی کی تحریک دے رہی ہیں۔ شرح میں حالیہ 50 بیس پاؤنس کی کمی نے یو ایس فیڈرل ریزرو (US Federal Reserve) کے لیے اس میں مزید کمی کی راہ کو ہموار کیا ہے۔ جبکہ چین نے کمزور طلب کے جواب میں اپنے نمو کو پیدا کرنے کے لئے امدادی اقدامات ختار کر دیے ہیں۔

مانیشی پالیسی میں نرمی اور مضبوط کارپورٹ منافع کے باعث ایکوئی مارکیٹ میں تیزی کا رجحان رہا۔ مركزی بینکوں کی جانب سے بڑی خریداریوں کی بنیادی وجہ کے نتیجے میں سونے کی قیمتیوں میں سال سے ایک 28.36 فیصد کی بڑھتی ہوئی ہے۔ اس کے پرلے تو نئی کی قیمتیں خاص طور پر تیز کی نتیجیں بڑی میشتوں، خاص طور پر چین، کی جانب سے طلب میں کمی اور اوپک مالک کی بڑھتی ہوئی پیداوار کی پیچگیوں کے باعث کم ہو رہی ہیں۔

علیٰ معیشت کی جانب اپنی توجہ مرکوز کرتے ہوئے، پاکستان میں بیٹ تدبیلیاں سامنے آئیں ہیں، جن میں آئی ایف کی جانب سے 7 بلین ڈالر کی ایکٹھینڈڈ فیڈرل ریزرو اور دوست ممالک سے 12 بلین امریکی ڈالرز کے دو طرفہ قرض کی تجدید پوشالیں ہیں۔ ملک کا کرشٹ اکاؤنٹ نیمایاں طور پر بہتر ہوا ہے۔ جس نے ستمبر 2024ء میں 119 میلین امریکی ڈالرز کا سرپلس روپرٹ کیا۔ یہ سرپلس بنیادی طور پر بڑھتی ہوئی کارکنوں کی ترسیلات زر اور تجارتی خسارے میں کم کے باعث ہوا ہے۔ افراطیز کی شرح اگست 2024ء سے منگل ہیجگ میں رہی ہے جس کی حاليہ سطح 6.9 فیصد ہے۔

ائیٹ بینک آف پاکستان نے کیلئہ سال 2024ء میں ایک پالیسی ریٹ ہے 450 بیس پاؤنس کی کمی ہے۔ ریٹ میں ان کٹیوں میں افراطیز کی کم ہوتی شرح، تیل کی عالمی قیتوں میں کمی، بہتر ہوتے کرشٹ اکاؤنٹ اور غیر ملکی زر مبادلہ میں ہونے والے اضافے کی وجہ سے تیزی دکھی گئی۔

مستقبل کی پیش بینی
مشققیں، عالمی نمو کی ست روی کے بارے میں خدشات میں اضافہ ہو رہا ہے۔ مغربی مارکیٹوں میں ایک آئی ریٹنگر (PMI Readings) کی کمی، گرتے افراطیز اور چینی معیشت میں ریٹل ایٹھ کے شعبے میں حد سے زیادہ قرضوں کے اجراءے اُبھرنے والے چینیجنگ اس نقطہ نظر کے کچھ اشارے ہیں۔

شرق و سطی میں کشیدگی، اور ان تنازعات کے مزید وسیع ہونے کے خطرات و خدشات نے تیل کی قیتوں کو نسجاً بند رکھا ہوا ہے۔ یہ صوت خال افراطیز پر دباء میں مزید اضافے کا باعث ہو سکتے ہیں اور مركزی بینکوں کی جانب سے ریٹ کی کٹیوں کے عمل پرمنی طور پر اثر انداز ہو سکتے ہیں۔

پاکستان میں، کمزور ہجومی طلب کے باعث افراطیز کی شرح کم رہنے کی توقع ہے۔ ایشیا کی قیتوں میں ہونے والے معمولی اضافے سے افراطیز کی شرح میں، درمیانی مدت کے دوران، کسی خاطر خواہ بڑھتی کا کوئی امکان نہیں ہے۔ افراطیز کی شرح میں کمی اور ادائیگیوں کے توازن کے بہتر اشاریوں کی بناء پر ایٹھ بینک آف پاکستان پالیسی ریٹ میں مقتضی طور پر مزید کمی کر سکتا ہے۔ آئی ایف نے سال 2025ء کے لیے پاکستان کے بھی ذیلی پی کی نمو کی شرح 3.2 فیصد پر تینیہ کی ہے۔ تاہم، سیاسی استحکام، ڈھانچہ جانی اصلاحات، موزوں مانیشی پالیسی اور حکومتی اخراجات پر کنڑوں، پائیدار بھائی کے لیے ناگزیر ہیں۔

تحمیں و تکر
ایمی ہی بینک کے بورڈ آف ڈائیریکٹرز، حکومت پاکستان، ایٹھ بینک آف پاکستان، سیورٹری ایٹھ ایچجیکیشن آف پاکستان اور دیگر انطباطی اداروں کا اگلی چاری معاونت کے لیے،
بینک کے شعبہ ہولڈرز اور صارفین کا اگلے بھرپور اعتماد کے لیے اور اپنے ملازمین کا اگلی مسلسل لگن اور خلاصانہ خدمات پر شکریہ ادا کرتے ہیں۔

مجانب و برائے بورڈ آف ڈائریکٹر

شیعیب ممتاز

پرینڈیڈینٹ اور سی ای او

ایمی ہی بینک لمبیڈ

23 اکتوبر 2024ء

میاں عمر منشا

ڈائیریکٹر

ایمی ہی بینک لمبیڈ

اپنی آمدنی میں توعی پیدا کرنے کی حکمت عملی کی مطابقت میں ایم بی بی نے اپنی فیس پر بنی متعدد جیلوں میں قابل ذکر ترقی حاصل کی جس میں کارڈ سے متعلقہ آمدنی میں 36 فیصد اضافہ، براچ ہائیکٹ فیس میں 19 فیصد اضافہ اور انویسٹیٹ سروس کمیشن میں 54 فیصد کی ترقی شامل ہیں۔ بیک نے اپنی ڈیجیٹل ہیئت سازی، صارفین کے تجربے و سکولیات میں اضافہ اور کاروباری استعداد میں سرمایہ کاری جاری رکھی جس سے ڈیجیٹل پلیٹ فارمز سے متعلقہ آمدنی میں وسیع اپیارڈ نو محاصل ہو سکے گی۔

بلند شرح افراط ازدرا کے ماحول کے باوجود، ایم بی بی نے اپنے آپنے اضافات کا داشمندانہ انتظام کرتے ہوئے انکو 17 فیصد کے اضافے کے محدود رکھا۔ ان اضافات میں اضافات سے متعلقہ لائلزیز اور آئی ٹی سے متعلقہ اپ گریڈیشن شامل تھے۔ بیک نے مضبوط مالیاتی نظر و خوبصورت کو بیٹھی بنائے اور اس کے ساتھ اختراع اور انسانی کمپیٹ میں سرمایہ کاری جاری رکھتے ہوئے اپنی لگاتر سے آمدنی کے تنااسب کو 30.93 فیصد تک کی موثر شرح پر برقرار رہا۔

ایک ڈیجیٹل کاروباری اور سیکرداکٹاک دور سے گزرتے ہوئے بیک، اپنی آمدنی کے خشبات سے متعلقہ فیبلوں کے انتظام میں نظم و خوبصورت کو برقرار رکھتے ہوئے اضافات جات کے معیار کے معاملات کو حل کرنے کی راہ پر گامزن ہے۔ اپنے قرض جات کی صارفین کے تمام شعبوں کے لیے فراہمی، قرض جات کے اجزاء سے پہلے جانچ کے موزوں اصولوں اور اکی ٹیم کے بعدگرانی کے مسلسل اور موکر نقام کے باعث ایم بی بی نے اپنے کریٹ ٹرنسکوکا نہیت کامیابی سے تدارک کیا۔ بیک کے غیر غافل قرض جات کا جم 30 ستمبر 2024ء تک 55.1 بیلین روپے پر پورٹ ہوا۔ بیک کی کوئی درج کی گئی۔

مالیاتی صورتحال کے حوالے سے، 30 ستمبر 2024ء تک بیک کے کل اضافات 2.8 ٹریلین روپے کی سطح پر بیٹھ گئے، جو کہ 31 دسمبر 2023ء کے مقابلے میں 15.1 فیصد اضافے کو ظاہر کرتے ہیں۔ اضافات کی ترکیب کا جائزہ اس امر کو واضح کرتا ہے کہ سال کے اضافات میں، خالص سرمایہ کاری اور کل قرض جات کے جم میں باترتیب 258 بیلین روپے (+ 21 فیصد) اور 103 بیلین روپے (+ 17 فیصد) تک بیٹھ گیا جو کل اضافات کی مجموعی رپورٹ نمو کی 96 فیصد سے زائد کی نمائندگی کرتے ہیں۔

ڈیپارٹس کے حصول کی مریوط تحریک جس کا محور بغیر لاگت والے ڈیپارٹس کی تعمیر پر توجہ مرکوز رکھتا ہے، کی بدولت بیک کے کل ڈیپارٹ کی اساس میں 259 بیلین روپے کا غیر معمولی اضافہ درج ہوا۔ جو کہ 2 ٹریلین روپے کی حد کو عبور کرتے ہوئے 30 ستمبر 2024ء تک 2.065 ٹریلین روپے (+ 14 فیصد) پر رپورٹ ہوئے۔ کرنٹ ڈیپارٹس 978 بیلین روپے (+ 12 فیصد) تک بڑھ گئے جبکہ کاسا (CASA) کی شرح پچھلے سال کی 96.81 فیصد کی سطح کے مقابلے میں 97.17 فیصد پر بیٹھ گئی۔

اضافات کی آمدنی اور سرماۓ (ایکوئی) کی آمدنی کی شرح میں باترتیب 2.47 فیصد اور 29.98 فیصد کی سطح پر درج کی گئی۔ جبکہ، بک ولیو فی حصہ 189.29 پر رپورٹ ہوئی۔

اس زیر تجزیہ عرصہ کے دوران، ایم بی بی نے 195 ٹریلین امریکی ڈالر (+ 34 فیصد) کی ترسیلات زر کو راغب کیا، جو کہ 12.5 فیصد کے مارکیٹ شیئر کو ظاہر کرتا ہے، تاکہ ملک میں بیکنگ چیلوں کے ذریعے ترسیلات زر کے بہاؤ میں بہتری کے ایشیت بیک آف پاکستان کے مقدمہ میں ایک فعال شرکاٹ دار کے اپنے کردار کو مزید مضبوط بنایا جاسکے۔

سرماۓ کے ضوابطی مطلوبات کی تعییں کرتے ہوئے بیک کے کل سرماۓ کی معمولیت (کمپیٹ ایلکٹرونی) 11.5 فیصد کی مطلوبہ شرح کی نسبت 21.85 فیصد پر رہی (جس میں 2020ء کے بیانی آر ڈی (BPRD) سرکل لیبر نمبر 12 کے تحت سرمایہ کو تحفظ دینے کے لیے 1.50 فیصد کی تخلیل کی شرح شامل ہے۔ سرمایہ کے اعلیٰ معیار کا ایکہ بیک کی کامن ایکینٹی ناہی۔) کی شرح بھی 3.0 فیصد کی ضوابطی حد سے نایاب اضافات کے ساتھ 6.23 فیصد پر جا پہنچ۔ بیک نے لیکیٹی کوئین ریشو ایک کمپلائزیشن کے نتیجے میں لیوریج (Leverage) کی شرح بھی 6 فیصد کی ضوابطی حد سے نایاب اضافات کے ساتھ 17.15 فیصد کی شرح پر درج کی گئی۔

ایک جام و طویل مدتی حکمت عملی اور اپنے فعال اقدامات کے ذریعے ایم بی بیک کی انتظامیے بغیر لاگت کے ڈیپارٹس میں مسلسل نو اور اپنے معاشر سرماۓ کے موزوں انتظام پر انحصار کرتے ہوئے نوہا کی مدت میں 95.110 بیلین روپے کا ایک تاریخ ساز اضافہ قل ایکس حاصل کیا۔ جو سال پر سال کی بنیاد پر، 8 فیصد کے اضافے کا مظہر ہے۔ مالیاتی اضافہ میں 10 فیصد کا اضافہ ظاہر کرتے ہوئے 48.5 بیلین روپے تک بیٹھ گیا اور فی حصہ آمدنی پر بڑھتے ہوئے 40.88 بیلین روپے پر درج ہوئی۔

ارقاہ پذیر ڈیجیٹل آمدنی کے مظہر نے میں اوس طکرہ ڈیپارٹس کی مضبوط مقداری نو اور اضافات کے مدتی انتظام میں تبدیلی کی بدولت خالص آمدنیوں میں بہتری آئی ہے۔ خالص ائمڑت آمدنی، سال پر سال کی بنیاد پر 8 فیصد کے اضافے کے ساتھ 115.073 بیلین روپے پر درج ہوئی۔

مزید بار، ایم بی بیک کی سالانہ رپورٹ 2023ء کو بیکنگ کے زمرے میں اول درجے اور دیگر تمام شعبوں میں مجموعی طور پر کامیاب قرار دیا گیا۔ جس کا اعلان ICAP کی شرکت کے تخفیض کمٹی کیا۔ یہ ایارڈ ایم بی بی کی گرفتاری پر کیا گئی تھی اور کارپوریٹ رپورٹ میں شفاقت کے حوصل پر توجہ کا واضح ثبوت ہے۔

بوروڈ آف ڈائریکٹرز نے 9 روپے فی حصہ، یعنی 90 فیصد، کے تیرسے عبوری یکش ڈیجیٹل کا اعلان کیا ہے۔ جو کہ پہلے سے ادا شدہ 180 فیصد کے علاوہ ہے۔ اس طرح 30 ستمبر 2024ء کو انتظام پذیر نوہا کی مدت تک کیش ڈیجیٹل کی کل شرح 270 فیصد پر درج کی گئی ہے۔

ڈائریکٹرز کا تجویزی - ستمبر 2024ء

بوروڈ آف ڈائریکٹرز کی جانب سے ہم، ایم بی بیک لیٹر (ایم بی بی) کے 30 ستمبر 2024ء کو انتظام پذیر نوہا کی مدت کے مالیاتی گوشواروں کو آپکے سامنے پیش کرتے ہوئے نہایت سست محسوس کرتے ہیں۔

کارکردگی کا جائزہ

30 ستمبر 2024ء کو انتظام پذیر مدت تک کے بیک کے افرادی مالیات قبلي و بعد از ٹکس اور تخصیص، مندرجہ ذیل ہے:

ملین روپے	ماليات قبلي اضافے	ماليات بعد از ٹکس
95,110	96,040	96,040
46,659	492	492
48,451	350	350
	13	13
	17	17
	109	109
	97,021	97,021
	145,472	145,472
(4,845)	(10,666)	(10,666)
(10,666)	(10,666)	(10,666)
(36,843)		
108,629		

تخصیص کیلئے دستیاب منافع:

قائمی کیش ڈیجیٹل 9 روپے فی شیئر۔ برائے دسمبر 2023ء،

پہلا عبوری یکش ڈیجیٹل 9 روپے فی شیئر۔ برائے مارچ 2024ء،

دوسرہ عبوری کیش ڈیجیٹل 9 روپے فی شیئر۔ برائے جون 2024ء

کل تخصیص

انتظامی غیر تخصیص شدہ منافع

از سوتھی خود میں میں ٹکلی (خالص اضافے)

ایک جام و طویل مدتی حکمت عملی اور اپنے فعال اقدامات کے ذریعے ایم بی بیک کی انتظامیے بغیر لاگت کے ڈیپارٹس میں مسلسل نو اور اپنے معاشر سرماۓ کے موزوں انتظام پر انحصار کرتے ہوئے نوہا کی مدت میں 110.110 بیلین روپے کا ایک تاریخ ساز اضافہ قل ایکس حاصل کیا۔ جو سال پر سال کی بنیاد پر، 8 فیصد کے اضافے کا مظہر ہے۔ مالیاتی اضافہ میں 10 فیصد کا اضافہ ظاہر کرتے ہوئے 48.5 بیلین روپے تک بیٹھ گیا اور فی حصہ آمدنی پر بڑھتے ہوئے 40.88 بیلین روپے پر درج ہوئی۔

ایک جام و طویل مدتی حکمت عملی اور اپنے فعال اقدامات کے ذریعے ایم بی بیک کی انتظامیے بغیر لاگت کے ڈیپارٹس میں مسلسل نو اور اپنے معاشر سرماۓ کے موزوں انتظام پر انحصار کرتے ہوئے نوہا کی مدت میں 110.110 بیلین روپے کا ایک تاریخ ساز اضافہ قل ایکس حاصل کیا۔ جو سال پر سال کی بنیاد پر، 8 فیصد کے اضافے کا مظہر ہے۔ مالیاتی اضافہ میں 10 فیصد کا اضافہ ظاہر کرتے ہوئے 48.5 بیلین روپے تک بیٹھ گیا اور فی حصہ آمدنی پر بڑھتے ہوئے 40.88 بیلین روپے پر درج ہوئی۔

ارقاہ پذیر ڈیجیٹل آمدنی کے مظہر نے میں اوس طکرہ ڈیپارٹس کی مضبوط مقداری نو اور اضافات کے مدتی انتظام میں تبدیلی کی بدولت خالص آمدنیوں میں بہتری آئی ہے۔ خالص ائمڑت آمدنی، سال پر سال کی بنیاد پر 8 فیصد کے اضافے کے ساتھ 115.073 بیلین روپے پر درج ہوئی۔

نام ائمڑت آمدنی بھی 19 فیصد اضافے کے ساتھ 26.9 بیلین روپے تک بیٹھ گئی، جس میں فیس کمیشن کی آمدنی (16.4 بیلین روپے + 15 فیصد) غیر ملکی زربادل کی آمدنی (7.5 بیلین روپے - 27+ فیصد) اور ڈیجیٹل آمدنی (2.4 بیلین روپے + 21 فیصد) کا نیماں کردار رہا۔

MCB Bank Limited

Unconsolidated Condensed Interim Statement of Financial Position As at September 30, 2024



	Note	Unaudited September 30, 2024	Audited December 31, 2023
-----Rupees in '000-----			
ASSETS			
Cash and balances with treasury banks	7	191,327,896	170,716,648
Balances with other banks	8	34,222,065	35,073,136
Lendings to financial institutions	9	122,591,638	96,213,400
Investments	10	1,507,152,309	1,249,439,347
Advances	11	674,756,161	577,863,329
Property and equipment	12	80,866,670	76,943,546
Right-of-use assets	13	5,374,881	5,877,865
Intangible assets	14	1,317,471	1,035,483
Other assets	15	177,114,561	214,016,002
Total Assets		2,794,723,652	2,427,178,756
LIABILITIES			
Bills payable	17	10,635,774	25,095,911
Borrowings	18	285,763,009	216,611,046
Deposits and other accounts	19	2,064,825,927	1,805,387,294
Lease liabilities	20	8,510,277	8,686,003
Subordinated debt		-	-
Deferred tax liabilities	21	8,075,528	100,718
Other liabilities	22	154,752,724	140,590,915
Total Liabilities		2,532,563,239	2,196,471,887
NET ASSETS		262,160,413	230,706,869
REPRESENTED BY			
Share capital		11,850,600	11,850,600
Reserves	23	103,840,990	98,723,536
Surplus on revaluation of assets	24	37,840,231	24,093,197
Unappropriated profit		108,628,592	96,039,536
		262,160,413	230,706,869
CONTINGENCIES AND COMMITMENTS	25		

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

MCB Bank Limited

Unconsolidated Condensed Interim Statement of Profit and Loss Account (Un-audited) For the Nine Months Period Ended September 30, 2024



Note	Quarter Ended		Nine Months Ended	
	July 01 to September 30, 2024	July 01 to September 30, 2023	January 01 to September 30, 2024	January 01 to September 30, 2023
-----Rupees in '000-----				
Mark-up / return / interest earned	27	98,516,600	90,101,594	281,696,861
Mark-up / return / interest expensed	28	58,301,217	50,693,880	166,623,966
Net mark-up / interest income		40,215,383	39,407,714	115,072,895
NON MARK-UP / INTEREST INCOME				
Fee and commission income	29	5,115,909	5,449,356	16,428,792
Dividend income		767,505	533,896	2,435,542
Foreign exchange income		2,545,475	2,314,653	7,491,108
Income from derivatives		408	1,888	1,582
Gain on securities - net	30	20,483	130,307	109,867
Net gains / (loss) on derecognition of financial assets measured at amortised cost		-	-	-
Other income	31	148,168	104,906	386,378
Total non-markup / interest Income		8,597,948	8,535,006	26,853,269
Total income		48,813,331	47,942,720	141,926,164
NON MARK-UP / INTEREST EXPENSES				
Operating expenses	32	15,503,409	13,388,565	43,900,024
Workers Welfare Fund		647,864	685,078	1,902,203
Other charges	33	108,650	290,541	348,407
Total non-markup / interest expenses		16,259,923	14,364,184	46,150,634
Profit before credit loss allowance		32,553,408	33,578,536	95,775,530
Credit loss allowance and write offs - net	34	160,221	(675,395)	665,378
PROFIT BEFORE TAXATION		32,393,187	34,253,931	95,110,152
Taxation	35	15,878,861	16,794,367	46,659,604
PROFIT AFTER TAXATION		16,514,326	17,459,564	48,450,548
-----Rupees -----				
Basic and diluted earnings per share	36	13.94	14.73	40.88
				37.25

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

Hammad Khalid
Chief Financial Officer

Shoaib Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director

Hammad Khalid
Chief Financial Officer

Shoaib Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director

MCB Bank Limited

Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited) For the Nine Months Period Ended September 30, 2024



	Quarter Ended		Nine Months Ended	
	July 01 to September 30, 2024	July 01 to September 30, 2023	January 01 to September 30, 2024	January 01 to September 30, 2023
	-----Rupees in '000-----			
Profit after taxation for the period	16,514,326	17,459,564	48,450,548	44,146,596
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	148,945	(233,341)	272,399	4,850,949
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI / AFS investments - net of tax	14,064,973 14,213,918	1,828,567 1,595,226	17,424,442 17,696,841	(2,074,486) 2,776,463
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of equity investments through FVOCI - net of tax	(81,363)	-	1,930,489	292,162
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	(459,275)
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	(52,418)
Movement in surplus on revaluation of non-banking assets - net of tax	(81,363)	-	1,930,489	(219,531)
Total comprehensive income	30,646,881	19,054,790	68,077,878	46,703,528

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

Hammad Khalid
Chief Financial Officer

Shoib Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director

MCB Bank Limited

Unconsolidated Condensed Interim Statement of Changes In Equity (Un-audited) For the Nine Months Period Ended September 30, 2024



	Capital reserve		Revenue reserve		Surplus/(deficit) on revaluation of property and equipment / non-banking assets		Unappropriated profit		Total
	Share capital	Share premium	Non-distributable capital reserve	Exchange translation reserve	Statutory reserve	General reserve	Investments	Surplus/(deficit) on revaluation of property and equipment / non-banking assets	
	-----Rupees in '000-----								
Balance as at December 31, 2022 (Audited)	21,751,114	908,317	4,012,973	18,500,000	18,500,000	19,082,376	37,721,027	70,423,375	188,484,630
Profit after taxation for the period and September 30, 2023 Other comprehensive income - net of tax	-	-	-	-	-	-	-	-	44,146,596
Effect of translation of net investment in foreign branches	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI / AFS investments - net of tax	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	-
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of AFS investments - net of tax	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer in respect of increment/decrement from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-
Profit cash dividend at Rs. 6.0 per share - Micro 31/2023	-	-	-	-	-	-	-	-	-
Profit cash dividend at Rs. 7.0 per share - June 30, 2023	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on revaluation of AFS investments - net of tax	-	-	-	-	-	-	-	-	-
Balance as at September 30, 2023 (Un-audited)	11,859,600	21,751,114	908,317	9,253,922	45,330,280	18,500,000	(21,158,862)	36,976,944	89,163,473
Profit after taxation for the three months ended December 31, 2023 Other comprehensive income - net of tax	-	-	-	-	-	-	-	-	15,484,501
Effect of translation of net investment in foreign branches	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	-
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of AFS investments - net of tax	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer in respect of increment/decrement from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-
Profit cash dividend at Rs. 8.0 per share - Micro 31/2023	-	-	-	-	-	-	-	-	-
Profit cash dividend at Rs. 7.0 per share - June 30, 2023	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on revaluation of AFS investments - net of tax	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2023 (Audited)	11,859,600	23,751,114	908,317	8,585,375	46,878,730	18,500,000	(11,938,715)	36,031,912	96,039,536
Impact of adoption of FRS 9 - net of tax (note 4.25)	-	-	-	-	-	-	-	-	(94,814,80)
Opening balance as at January 01, 2024 - after adoption of IFRS 9	-	-	-	-	-	-	-	-	-
Profit after taxation for the period and September 30, 2024 Other comprehensive income - net of tax	-	-	-	-	-	-	-	-	230,706,668
Effect of translation of net investment in foreign branches	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	-
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of AFS investments - net of tax	-	-	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Transfer in respect of increment/decrement from surplus on revaluation of property and equipment to unappropriated profit - net of tax	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-
Profit cash dividend at Rs. 9.0 per share - December 31, 2023	-	-	-	-	-	-	-	-	-
Profit cash dividend at Rs. 9.0 per share - June 30, 2024	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-
Profit cash dividend at Rs. 9.0 per share - December 31, 2023	-	-	-	-	-	-	-	-	-
Profit cash dividend at Rs. 9.0 per share - June 30, 2024	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on revaluation of property and equipment - net of tax	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on revaluation of non-banking assets - net of tax	-	-	-	-	-	-	-	-	-
Balance as at September 30, 2024 (Un-audited)	11,859,600	23,751,114	908,317	8,457,774	51,723,775	18,500,000	(18,697,966)	36,692,635	108,625,592

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

MCB Bank Limited

Unconsolidated Condensed Interim Cash Flow Statement (Un-audited) For the Nine Months Period Ended September 30, 2024



CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation
Less: Dividend income

Adjustments:
Net mark-up / interest income
Depreciation on property and equipment
Depreciation on right-of-use assets
Depreciation on non-banking assets acquired in satisfaction of claims
Amortization
Credit loss allowance / provisions and write offs - net
Gain on sale of property and equipment - net
(Gain) / loss on sale of non-banking assets acquired in satisfaction of claims - net
Finance charges on lease liability against right-of-use assets
Workers Welfare Fund
Charge for defined benefit plans - net
Gain on termination of lease liability against right-of-use assets
Unrealized gain on revaluation of investments classified as FVTPL

(Increase) / decrease in operating assets
Lendings to financial institutions
Securities classified as FVTPL
Advances
Others assets (excluding advance taxation)

Increase / (decrease) in operating liabilities
Bills Payable
Borrowings from financial institutions
Deposits
Other liabilities (excluding current taxation)

Mark-up / Interest received
Mark-up / Interest paid
Defined benefits paid
Income tax paid
Net cash flow from operating activities

CASH FLOW FROM INVESTING ACTIVITIES

Net investment in securities classified as FVOCI
Net investment in securities classified as amortized cost
Dividends received
Investments in property and equipment
Disposal of property and equipment
Investments in Intangible assets
Disposal of non-banking assets acquired in satisfaction of claims
Investment in subsidiary
Effect of translation of net investment in foreign branches
Net cash flow used in investing activities

CASH FLOW FROM FINANCING ACTIVITIES

Payment of lease liability against right-of-use-assets
Dividend paid
Net cash flow used in financing activities

Effects of credit loss allowance changes on cash and cash equivalents
Effects of exchange rate changes on cash and cash equivalents

Increase in cash and cash equivalents

Cash and cash equivalents at beginning of the period
Cash and cash equivalents at end of the period

The annexed notes 1 to 43 form an integral part of these unconsolidated condensed interim financial statements.

Note	Nine Months Ended	
	January 01 to September 30, 2024	January 01 to September 30, 2023
	-----Rupees in '000-----	
	95,110,152 (2,435,542) 92,674,610	88,095,465 (2,011,486) 86,083,979
32	(115,072,895) 2,764,419 1,139,394 14,007 431,705 665,378 (170,329) (42,500) 1,028,753 1,902,203 (309,544) (68,213) 38,915 (107,678,707) (15,004,097)	(106,416,583) 2,128,469 1,007,718 17,909 266,736 1,236,364 (81,231) 3,224 845,092 1,761,909 222,196 (43,217) 5,654 (99,045,760) (12,961,781)
32	(26,460,290) 2,759,117 (103,949,189) 53,693,279 (73,957,083)	(41,107,626) (164,989) 152,950,821 (12,523,722) 99,154,484
32	(14,460,137) 69,722,673 259,438,633 4,162,974 318,864,143 258,698,772 (150,771,162) (257,200) (56,279,021) 281,294,352	(29,070,739) (50,407,583) 336,948,974 15,605,602 273,076,254 210,276,919 (139,705,798) (203,890) (38,998,484) 390,637,704
	(223,440,886) 1,873,591 2,604,883 (6,729,095) 227,220 (711,677) 182,500 (1,000,000) 272,399 (226,721,065)	(287,661,972) (222,982) 1,957,251 (4,907,760) 1,826,859 (267,801) 132,000 (649,925) 4,850,949 (284,943,381)
	(1,772,676) (31,747,936) (33,520,612) 61,139 (114,129) 20,999,685 204,026,180 225,025,865	(1,570,674) (22,874,084) (24,444,758) - 11,029,512 92,279,077 109,397,829 201,676,906

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



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 1,430 branches (2023: 1,430 branches) within Pakistan and 08 branches (2023: 08 branches) outside Pakistan (including the Karachi Export Processing Zone branch).

1.1 DEMERGER OF 39 BRANCHES FROM MCB BANK LIMITED

The Board of Directors of MCB Bank Limited (MCB) in its meeting held on April 24, 2024 had approved the Scheme of Compromises, Arrangements and Reconstruction (the 'Scheme'), under Section 279 to 283 and 285 of the Companies Act, 2017, between the Bank and its wholly owned subsidiary MCB Islamic Bank Limited (MIB) to demerge business operations of its 39 branches and transfer to wholly owned subsidiary MIB subject to regulatory approvals.

No Objection Certificate of the State Bank of Pakistan on the Scheme was received on April 29, 2024 and petition was filed before the Honourable Lahore High Court for sanctioning the scheme of demerger. The shareholders had approved the Scheme in the Extra Ordinary General Meeting (EOGM) held on July 06, 2024.

The Honourable Lahore High Court has sanctioned the Scheme and by virtue of the Court Order, the banking business along with assets, liabilities and operations of 39 branches will be converted into Islamic banking and transferred to MIB with effect from close of business on November 15, 2024.

2. BASIS OF PREPARATION

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.

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.

The unconsolidated condensed interim financial statements are presented in Pak Rupees, which is the Bank's functional and presentation currency of its primary economic environment. The amounts are rounded off to the nearest thousand.

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, certain investments and derivative financial instruments have been marked to market and are carried at fair value and defined benefit obligations and right of use of assets with related lease liability have been measured at present value on initial recognition.

The Bank believes that there is no significant doubt on the Bank's ability to continue as a going concern. Therefore, the unconsolidated condensed interim financial statements have been prepared on a going concern basis.

3. STATEMENT OF COMPLIANCE

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 34 "Interim Financial Reporting" and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) 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, IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

The State Bank of Pakistan has deferred the applicability of International Accounting Standards 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.

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.

Hammad Khalid
Chief Financial Officer

Shoib Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



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 No. 02 of 2023 dated February 09, 2023 and IAS 34, Interim Financial Reporting. These unconsolidated 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, 2023.

3.5 Standards, interpretations of and amendments to approved accounting standards that are effective in the current period

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or do not have any material effect on the Bank's operations and therefore are not detailed in these unconsolidated condensed interim financial statements except for IFRS 9 'Financial Instruments', the impact of which is disclosed under note 4.2.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Bank's operations except for:

Effective date (annual periods beginning on or after)

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instrument	January 1, 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	January 1, 2027

4 MATERIAL ACCOUNTING POLICIES

The material 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, 2023 except for changes mentioned in notes 4.1 and 4.2.

4.1 Adoption of new forms for the preparation of unconsolidated condensed interim financial statements

'The SBP, vide its BPRD Circular No. 02 dated February 09, 2023, issued the revised forms for the preparation of unconsolidated condensed interim financial statements of banks that are applicable for quarterly / half yearly periods beginning on or after January 1, 2024 as per BPRD Circular Letter No. 07 of 2023 dated April 13, 2023. The implementation of the revised forms has resulted in certain changes to the presentation and disclosures of various elements of the condensed interim financial statements. The significant change is relating to right of use assets and corresponding lease liability which are now presented separately on the face of the statement of financial position. Previously, these were presented under property and equipment (earlier titled as fixed assets) and other liabilities respectively. There is no impact of this change on the unconsolidated condensed interim financial statements in terms of recognition and measurement of assets and liabilities.

'The Bank has adopted the above changes in the presentation and made additional disclosures to the extent applicable to its operations and corresponding figures have been rearranged / reclassified to correspond to the current period presentation, as presented in note 4.2.

4.2 Impact of IFRS 9 Financial Instruments

IFRS 9 'Financial Instruments' addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard introduces 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.

In preparation of these financial statements, the Bank has applied requirements of IFRS 9 and instructions issued by SBP, through various circulars, from the date of initial application of January 01, 2024 with a modified retrospective approach for restatement. As permitted by the transitional provisions of IFRS 9, the Bank has not restated comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognized in the opening retained earnings and other reserves at the beginning of the current year without restating the comparative figures.

The SBP through its BPRD Circular Letter No. 16 dated July 29, 2024 has provided additional clarification on earlier issued 'IFRS 9 Application Instructions' to address certain key matters that had been raised by the banks with a direction to ensure compliance by extended timelines. There are a few other matters, including treatment of unencumbered general provision, which are still under deliberation with the SBP. The Bank has continued to follow the treatment adopted in respect of these matters in the prior periods till the time SBP issues the relevant guidance / clarification.

4.2.1 Initial recognition and subsequent measurement

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Bank purchases or sells the asset. Other financial assets and liabilities like advances, lending to financial institutions, deposits etc. are recognised when funds are transferred to the customers' account or financial institutions. However, for cases, where funds are transferred on deferred payment basis, recognition is done when underlying asset is purchased.

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



a. Amortised cost (AC)

Financial assets and financial liabilities under amortised cost category are initially recognised at fair value adjusted for directly attributable transaction costs. These are subsequently measured at amortised cost. An expected credit loss allowance (ECL) is recognised for financial assets in the profit and loss account. Interest income / profit / expense on these assets / liabilities are recognised in the profit and loss account. On derecognition of these financial assets and liabilities, capital gain / loss will be recognised in the profit and loss account.

b. Fair value through other comprehensive income (FVOCI)

Financial assets under FVOCI category are initially recognised at fair value adjusted for directly attributable transaction costs. These assets are subsequently measured at fair value with changes recorded in OCI. An expected credit loss allowance (ECL) is recognised for debt based financial assets in the profit and loss account. Interest / profit / dividend income on these assets are recognised in the profit and loss account. On derecognition of debt based financial assets, capital gain / loss will be recognised in the profit and loss account. For equity based financial assets classified as FVOCI, capital gain / loss is transferred from surplus / deficit to unappropriated profit.

c. Fair value through profit or loss (FVTPL)

Financial assets under FVTPL category are initially recognised at fair value. Transaction costs will be directly recorded in the profit and loss account. These assets are subsequently measured at fair value with changes recorded in the profit and loss account. Interest / dividend income on these assets are recognised in the profit and loss account. On derecognition of these financial assets, capital gain / loss will be recognised in the profit and loss account. An expected credit loss allowance (ECL) is not recognised for these financial assets.

4.2.2 Classification and measurement

The classification and measurement of financial assets is based on the business model within which they are held and their contractual cash flow characteristics. Financial assets that do not meet the solely payments of principal and interest (SPPI) criteria are measured at fair value through profit or loss ('FVTPL') regardless of the business model in which they are held. The Bank's business model in which financial assets are held determines whether the financial assets are measured at amortized cost (AC), fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL').

The business model reflects how groups of financial assets are managed to achieve a particular business objective. Debt based financial assets can only be held at amortized cost if these are held in order to collect the contractual cash flows ('hold to collect'), and where those contractual cash flows are solely payments of principal and interest (SPPI). Assets may be sold out of 'hold to collect' portfolios where there is an increase in credit risk. Disposals for other reasons are permitted but such sales should be insignificant in value or infrequent in nature.

Debt based financial assets where the business model objectives are achieved by collecting the contractual cash flows and by selling the assets ('hold to collect and sell') and that have SPPI cash flows are measured at FVOCI, with unrealized gains or losses deferred in reserves until the asset is derecognized. The debt based financial assets that are held for trading purposes are classified as measured at FVTPL.

In addition, on initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The classification of equity instruments is generally measured at FVTPL unless the Bank, at initial recognition, irrevocably designates as FVOCI in which case, both the unrealized and realized gains or losses are recognized in reserves and no amounts other than dividends received are recognized in the income statement.

All other financial assets will mandatorily be held at FVTPL. Financial assets may be designated at FVTPL only if doing so eliminates or reduces an accounting mismatch.

The requirements of IFRS 9 led to changes in classification of certain financial assets held by the Bank which are explained as follows:

a. Debt based financial assets previously classified as available for sale (AFS)

The application of IFRS 9 has resulted in classification and consequent remeasurement of investments in INPC's, amounting to Rs. 5,699.494 million, held under AFS portfolio as of December 31, 2023 to FVTPL based on their business model assessment.

The failure of SPPI test upon assessment of contractual cash flows of debt based financial assets has resulted in classification and consequent remeasurement of investments in certain non government debt securities, amounting to Rs. 2,950.890 million, to FVTPL.

All other debt based financial assets previously classified as AFS upon passing the SPPI test have been designated as FVOCI under IFRS 9 as the Bank's business model is to hold the assets to collect contractual cash flows, but also to sell those investment. There is no change to their measurement basis and recognition of realized and unrealized gain/loss under IFRS 9.

b. Debt based financial assets previously classified as held to maturity (HTM)

Debt based financial assets currently classified as HTM upon passing the SPPI test have been designated as amortized cost under IFRS 9 as the Bank's business model is to hold the assets to collect contractual cash flows. Investments in certain non government debt securities, amounting to Rs. 7,506.816 million, on failing the SPPI test have been reclassified to FVTPL.

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)
For The Nine Months Period Ended September 30, 2024

The following table reconciles the carrying value of investments in debt based financial assets as reported on December 31, 2023 to the carrying amounts on transition to IFRS 9 at January 01, 2024:

Financial Asset	Before adoption of IFRS 9*		After adoption of IFRS 9	
	Measurement Category	Audited December 31, 2023	Measurement Category	Balance as of January 01, 2024 - before ECL
-----Rupees in '000'-----				
Federal Government Securities				
- Market Treasury Bills	Available for sale	353,834,432	FVOCI	353,834,432
- Pakistan Investment Bonds	Available for sale Held to maturity	770,131,998 11,367,944	FVOCI AC	770,131,998 11,367,944
- Islamic Naya Pakistan Certificates	Available for sale	5,699,494	FVTPL	5,699,494
- Euro Bonds	Available for sale Held to maturity	5,355,806 3,160,071	FVOCI AC	5,355,806 3,160,071
Non Government Debt Securities				
- Sukuk Bonds	Available for sale Held to maturity	300,000 2,983,001	FVTPL AC	2,398,001 885,000
- Term Finance Certificates	Available for sale Held to maturity	2,650,890 5,408,815	FVTPL AC	8,059,705 -
Foreign Securities				
- Government securities	Available for sale	44,057,060	FVOCI	44,057,060
		1,204,949,511		1,204,949,511

* This amount includes overseas ECL for branches where IFRS 9 was already applicable.

c. Equity instruments previously classified as available for sale (AFS)

The Bank has elected to irrevocably designate all quoted and unquoted equity securities previously classified as available for sale (AFS) as FVOCI except units of open end mutual funds, amounting to Rs. 115.98 million, that have been mandatorily classified as measured at FVTPL. The fair value gain or losses recognized in OCI will not be recycled to profit and loss account on derecognition of these securities.

IFRS 9 has eliminated impairment assessment requirements for investments in equity instruments. Accordingly, the Bank has reclassified impairment of Rs. 9,783.874 million on listed equity investments and Rs. 205.765 million for unlisted equity investments held as at December 31, 2023 to surplus / deficit on revaluation of investments.

The measurement category and carrying amount of financial assets in accordance with the accounting and reporting standards as applicable in Pakistan before and after adoption of IFRS 9 as at January 01, 2024 are compared as follows:

Financial Asset	Before adoption of IFRS 9*		After adoption of IFRS 9**	
	Measurement Category	Audited December 31, 2023	Measurement Category	IFRS 9 January 01, 2024
-----Rupees in '000'-----				
Cash and balances with treasury banks				
Cash and balances with treasury banks	Loans and receivables	170,716,648	AC	170,221,446
Balances with other banks	Loans and receivables	35,073,136	AC	34,785,410
Lending to financial institutions	Loans and receivables	96,213,400	AC	96,116,246
Investments - net	Held for Trading	284,873	FVTPL	284,873
	Available for sale	1,208,566,005	FVOCI FVTPL	1,199,799,641 8,766,364
	Held to maturity	22,919,831	AC FVTPL	15,408,711 7,503,315
Advances - net				
Advances - net	Loans and receivables	577,863,329	AC	571,518,076
Other assets	Loans and receivables	214,016,002	AC	213,778,897
		2,325,653,224		2,318,182,979

* This amount includes overseas ECL for branches where IFRS 9 was already applicable.

** The reconciliation between carrying amounts of financial assets before and after adoption of IFRS 9 has been disclosed in note 4.2.5

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)
For The Nine Months Period Ended September 30, 2024

4.2.3 Derecognition

Financial assets

The Bank derecognises a financial asset when: these securities.

- the contractual rights to the cash flows from the financial asset expire;
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Bank also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the profit and loss account.

4.2.4 Expected credit loss (ECL)

The Bank assesses on a forward-looking basis the expected credit losses ('ECL') associated with all advances and other debt based financial assets not held at FVTPL, together with letter of credit, guarantees and utilised financing commitments hereinafter referred to as "Financial Instruments". The Bank recognises a credit loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk (SICR) since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated at facility level.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank uses a number of qualitative and quantitative measures in assessing SICR. Quantitative measures relate to deterioration of Obligor Risk Ratings (ORR) or where principal and / or interest payments are 60 days or more past due. Qualitative factors include unavailability of financial information and pending litigations. Based on the level of increase in credit risk, the Bank shall calculate 12mECL for assets which did not have a SICR i.e., stage 1 or a LTECL for the life of the asset (for assets which demonstrated a SICR) i.e., stage 2.

Based on the above process, the Bank groups its financial instruments into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When financial instruments are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2. The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast Exposure At Default (EAD) and multiplied by the expected LGD and discounted by an approximation to the original Effective Interest Rate (EIR). This calculation is made for all the scenarios.

Stage 2: When a financial instrument has shown a significant increase in credit risk (SICR) since origination, the Bank records an allowance for the LTECLs. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs are applied over the lifetime of the instrument. The expected cash flows are discounted by an approximation to the original EIR.

Stage 3: For financial instruments considered credit-impaired, the Bank recognises the LTECLs for these instruments. The Bank uses a PD of 100% and LGD as computed for each portfolio / segment. When a financial instrument has shown a significant increase in credit risk (SICR) since origination, the Bank records an allowance for the LTECLs.

Guarantee & Letter of Credit contracts: The Bank estimates ECLs based on the BASEL driven credit conversion factor (CCF) for guarantee and letter of credit contracts respectively. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to guarantee and letter of credit contracts are recognised within other liabilities.

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)
For The Nine Months Period Ended September 30, 2024



Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)
For The Nine Months Period Ended September 30, 2024



The calculation of ECLs

The Bank calculates ECLs based on a three probability-weighted scenarios to measure the expected cash flows, discounted at an approximation to the EIR. The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD The probability that a counterparty will default, calibrated over the 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporating forward looking information.
- EAD the expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortisation, pre-payments and forward-looking information where relevant.
- LGD It is an estimate of magnitude of loss sustained on any facility upon default by a customer. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor. It is the difference between contractual cash flows due and those that the Bank expects to receive, including any form of collateral.

The discount rate used to discount the ECLs is based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities. In the absence of computation of the effective interest rate (at reporting date), the Bank uses an approximation e.g. contractual rate (at reporting date).

As per BPRD Circular No. 03 of 2022 dated July 05, 2022 and BPRD Circular Letter No.16 of 2024 dated July 29, 2024, ECL of Stage 1 and Stage 2 is calculated as per IFRS 9, while ECL of Stage 3 has been calculated based on higher of either the Prudential Regulations or IFRS 9 at borrower / facility level.

Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liabilities to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

When estimating the ECLs, the Bank considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs.

The Bank's management has only considered cash, liquid securities, and Government of Pakistan guarantees as eligible collaterals, while calculating EADs.

The credit exposure (in local currency) that have been guaranteed by the Government and Government Securities are exempted from the application of ECL calculation.

Definition of default

The concept of 'impairment or default' is critical to the implementation of IFRS 9 as it drives determination of risk parameters, i.e. PD, LGD and EAD. The Bank has defined that an exposure with regards to a particular obligor will be treated as having defaulted when either one or both of the following two events have taken place:

- If a customer fails to service mark-up and / or principal within days past due (dpd) criteria as prescribed by SBP from time to time;
- The Bank considers that the obligor is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realizing security (if held).

Write-offs

The Bank's accounting policy under IFRS 9 remains the same as it was under SBP regulations / existing reporting framework.

4.2.5 Adoption Impacts

The Bank has adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach as permitted under IFRS 9. The cumulative impact of initial application of Rs. 4,627.714 million has been recorded as an adjustment to equity at the beginning of the current accounting period. The details of the impacts of initial application are tabulated below:

					IFRS 9 Category
					Balances as of January 01, 2024
					Rupees in '000
ASSETS					
Cash and balances with treasury banks	170,716,648	(495,202)			(495,202)
Balances with other banks	35,073,136	(287,726)			(287,726)
Lendings to financial institutions	96,213,400	(97,154)			(97,154)
Investments	1,208,566,005	-	(1,208,566,005)		(1,208,566,005)
- Classified as available for sale	22,919,831	-	120,566,005		1,199,798,641
- Classified as fair value through other comprehensive income	-	(4,304)	(22,919,831)		(22,919,831)
- Classified as held to maturity	-	-	(7,506,816)		15,408,711
- Classified as amortised cost	284,873	-	(284,873)		(284,873)
- Classified as held for trading	-	-	-		-
- Classified as fair value through profit or loss	-	-	284,873		16,554,552
- Associates	700,401	-	-		-
- Subsidiaries	16,988,237	-	-		-
Advances	1,249,439,347	(4,304)	-		(7,805)
- Gross amount	622,424,762	(6,345,253)	-		-
- Provisions	(44,561,433)	(6,345,253)	-		(6,345,253)
Total Assets	577,863,329	(7,805)	(7,466,144)	(3,501)	(7,470,245)
LIABILITIES					
Bills payable	25,095,911	-	-		-
Borrowings	216,611,046	-	-		-
Deposits and other accounts	1,065,387,294	-	-		-
Lease liability against right-of-use assets	8,686,003	-	-		-
Subordinated debt	100,718	-	-		-
Deferred tax liabilities	140,590,915	1,603,703	-		-
Other liabilities	2,196,471,887	1,603,703	-		-
Total Liabilities	230,706,869	(3,501)	(3,501)	(3,501)	(3,501)
NET ASSETS					
REPRESENTED BY					
Share capital	11,850,600	-	-		-
Reserves	98,723,536	-	-		-
Surplus on revaluation of assets - net of tax	24,035,197	(11,416)	(10,026,787)	(10,038,203)	(5,119,484)
Unappropriated profit	96,039,536	(9,070,447)	11,416	10,026,787	472,485
	230,706,869	(9,070,447)	-	(9,073,948)	(4,446,234)
					226,079,155

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



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, 2023 except for matters related to adoption of IFRS 9 which have been disclosed in note 4.2 to the unconsolidated condensed interim financial statements.

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, 2023.

	Note	Unaudited September 30, 2024	Audited December 31, 2023		
		-----Rupees in '000-----			
7. CASH AND BALANCES WITH TREASURY BANKS					
In hand					
Local currency		39,088,472	33,955,027		
Foreign currencies		5,994,523	8,187,466		
		45,082,995	42,142,493		
With State Bank of Pakistan in					
Local currency current account		92,301,018	74,211,050		
Foreign currency current accounts		5,439,828	1,524,981		
Foreign currency deposit account		8,157,469	12,812,091		
		105,898,315	88,548,122		
With other central banks in					
Foreign currency current accounts		13,701,597	7,618,129		
With National Bank of Pakistan in					
Local currency current accounts		26,960,750	32,236,362		
Prize bonds		153,890	171,542		
Less: Credit loss allowance held against cash and balances with treasury banks		(469,651)	-		
Cash and balances with treasury banks - net of credit loss allowance		191,327,896	170,716,648		
8. BALANCES WITH OTHER BANKS					
Inside Pakistan					
In current accounts		11,539	-		
Outside Pakistan					
In current accounts		9,303,232	9,196,853		
In deposit accounts		25,169,514	25,886,504		
		34,472,746	35,083,357		
Less: Credit loss allowance held against balances with other banks		(262,220)	(10,221)		
Balances with other banks - net of credit loss allowance		34,222,065	35,073,136		
9. LENDINGS TO FINANCIAL INSTITUTIONS					
Call / clean money lendings		91,865,300	74,714,000		
Repurchase agreement lendings (Reverse Repo)		30,808,390	21,499,400		
		122,673,690	96,213,400		
Less: Credit loss allowance held against lending to financial institutions	9.1	(82,052)	-		
Lending to financial institutions - net of credit loss allowance		122,591,638	96,213,400		

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



	Unaudited September 30, 2024	Credit loss allowance held	Audited December 31, 2023
	Lending	Classified Lending	Provision held
9.1 Particulars of credit loss allowance			
Domestic			
Performing	Stage 1 30,808,390	(82,052)	-
Under performing	Stage 2 -	-	-
Non-performing	Stage 3 -	-	-
Substandard	-	-	-
Doubtful	-	-	-
Loss	-	-	-
Total	30,808,390	(82,052)	-
Overseas			
Performing	Stage 1 91,865,300	-	-
Under performing	Stage 2 -	-	-
Non-performing	Stage 3 -	-	-
Substandard	-	-	-
Doubtful	-	-	-
Loss	-	-	-
Total	91,865,300	-	-

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



10. INVESTMENTS		Unaudited September 30, 2024			
10.1 Investments by type:	Note	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
-----Rupees in '000-----					
FVTPL					
Federal Government Securities		3,005,733	-	-	3,005,733
Non Government Debt Securities		9,838,790	-	34,861	9,873,651
Shares and units		950,912	-	(73,776)	877,136
		13,795,435	-	(38,915)	13,756,520
FVOCI					
Federal Government Securities		1,386,483,487	(447,964)	4,957,828	1,390,993,351
Shares		37,309,734	-	(1,167,246)	36,142,488
Foreign Securities		34,027,959	-	28,233	34,056,192
		1,457,821,180	(447,964)	3,818,815	1,461,192,031
Amortised Cost					
Federal Government Securities		12,871,424	(216,694)	-	12,654,730
Provincial Government Securities		118	(118)	-	-
Non Government Debt Securities		1,362,051	(481,661)	-	880,390
		14,233,593	(698,473)	-	13,535,120
Associates		700,401	-	-	700,401
Subsidiaries	10.5	17,968,237	-	-	17,968,237
Total Investments		1,504,518,846	(1,146,437)	3,779,900	1,507,152,309
Audited December 31, 2023					
		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
-----Rupees in '000-----					
Held-for-trading securities					
Shares		292,517	-	(7,644)	284,873
		292,517	-	(7,644)	284,873
Available-for-sale securities					
Federal Government Securities		1,164,709,805	(414,772)	(29,273,303)	1,135,021,730
Shares and units		30,789,895	(10,026,787)	5,773,217	26,536,325
Non Government Debt Securities		2,953,840	-	(2,950)	2,950,890
Foreign Securities		43,963,271	-	93,789	44,057,060
		1,242,416,811	(10,441,559)	(23,409,247)	1,208,566,005
Held-to-maturity securities					
Federal Government Securities		14,788,331	(260,316)	-	14,528,015
Provincial Government Securities		118	(118)	-	-
Non Government Debt Securities		8,869,357	(477,541)	-	8,391,816
		23,657,806	(737,975)	-	22,919,831
Associates		700,401	-	-	700,401
Subsidiaries		16,968,237	-	-	16,968,237
Total Investments		1,284,035,772	(11,179,534)	(23,416,891)	1,249,439,347
-----Rupees in '000-----					
10.1.1 Investments given as collateral					
- Market Treasury Bills				9,919,650	30,763,692
- Pakistan Investment Bonds				176,814,000	75,842,086
				186,733,650	106,605,778
10.2 Credit loss allowance for diminution in value of investments					
Opening balance				11,179,534	10,330,107
Reversal of impairment charged against equity instruments through FVOCI on adoption of IFRS 9				(10,026,787)	-
Impact of ECL on debt securities on adoption of IFRS 9				4,304	-
Exchange adjustments				(9,956)	54,762
Charge / (reversals)				307	1,744,532
Charge for the period / year				(965)	-
Reversals for the period / year					(949,867)
Reversal on disposals				(658)	794,665
Amounts written off					
Closing Balance				1,146,437	11,179,534

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



		Unaudited September 30, 2024	Audited December 31, 2023		
		Outstanding amount	Credit loss allowance held	Outstanding amount	*Provision / Credit loss allowance held
-----Rupees in '000-----					
10.3 Particulars of credit loss allowance against debt securities					
Domestic					
Performing		1,396,306,317	4,610	-	-
Under performing		2,430,683	-	-	-
Non-performing					
Substandard		-	-	-	-
Doubtful		477,169	477,169	477,659	477,659
Loss		477,169	477,169	477,659	477,659
Overseas					
Performing		39,419,205	-	-	-
Under performing		8,956,188	664,658	10,418,986	675,088
Non-performing		-	-	-	-
Total		1,399,214,169	481,779	1,447,589,562	1,146,437
* This amount includes overseas ECL for branches where IFRS 9 was already applicable.					
10.4 Summarized financial information of associates and subsidiaries					
		Unaudited September 30, 2024			
Country of incorporation	% of interest held	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)	Assets Liabilities
-----Rupees in '000-----					
Associates					
Euronet Pakistan (Private) Limited (unaudited based on September 30, 2024)	Pakistan	30%	1,316,402	160,144	2,238,041 2,057,590
Adamjee Insurance Company Limited (unaudited based on June 30, 2024)	Pakistan	20%	23,601,210	2,225,532	5,291,953 189,446,099 152,919,412
Subsidiaries					
MCB Islamic Bank Limited (unaudited based on September 30, 2024)	Pakistan	100.00%	35,646,805	3,399,293	3,436,194 296,851,241 271,957,400
MCB Exchange Company (Private) Limited (unaudited based on September 30, 2024)	Pakistan	100.00%	11,712	18,402	1,138,780 85,695
MCB Investment Management Limited (formerly MCB - Arif Habib Savings and Investment Limited) (unaudited based on September 30, 2024)	Pakistan	81.42%	819,098	273,472	2,697,073 1,511,085
MCB Non-Bank Credit Organization Closed Joint Stock Company (unaudited based on September 30, 2024)	Azerbaijan	99.94%	614,379	188,482	188,482 5,249,947 3,918,310
		Audited December 31, 2023			
Country of incorporation	% of interest held	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)	Assets Liabilities
-----Rupees in '000-----					
Associates					
Euronet Pakistan (Private) Limited (unaudited based on December 31, 2023)	Pakistan	30%	1,474,982	(1,915)	(1,915) 1,553,014 1,526,982
Adamjee Insurance Company Limited (unaudited based on December 31, 2023)	Pakistan	20%	41,976,789	2,716,915	7,247,972 172,799,968 141,046,004
Subsidiaries					
MCB Islamic Bank Limited (audited based on December 31, 2023)	Pakistan	100.00%	35,942,266	5,153,335	5,689,370 266,999,705 244,963,453
MCB Investment Management Limited (formerly MCB - Arif Habib Savings and Investment Limited) (audited based on June 30, 2023)	Pakistan	81.42%	1,200,663	378,218	378,218 2,711,449 970,740
MCB Non-Bank Credit Organization Closed Joint Stock Company (audited based on December 31, 2023)	Azerbaijan	99.94%	617,756	182,559	182,559 4,122,446 2,961,675
10.5 During the period, the Bank injected share capital of Rs 1.0 billion into MCB Exchange Company (Private) Limited, a wholly owned subsidiary.					

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



12. PROPERTY AND EQUIPMENT

Capital work-in-progress
Property and equipment

12.1 Capital work-in-progress

Civil works
Equipment
Advances to suppliers
Others

12.2 Additions to property and equipment

The following additions have been made to property and equipment during the period:

Capital work-in-progress - net additions

Property and equipment

Building on freehold land
Building on leasehold land
Freehold land
Leasehold land
Electrical office and computer equipment
Furniture and fixture
Leasehold Improvements
Vehicles

12.3 Disposal of property and equipment

The net book value of property and equipment disposed off during the period is as follows:

Freehold land
Vehicles
Furniture and fixture
Electrical office and computer equipment
Building on freehold land

13. RIGHT-OF-USE ASSETS

Right-of-use assets

13.1 At January 1,

Cost
Accumulated depreciation
Net carrying amount at January 1,

Additions / adjustments during the period / year
Deletions during the period / year
Exchange adjustments
Depreciation charge for the period / year
Closing net carrying amount

Note
Unaudited September 30, 2024
Audited December 31, 2023
-----Rupees in '000-----

12.1	3,644,385	1,696,937
	77,222,285	75,246,609
	<u>80,866,670</u>	<u>76,943,546</u>

Unaudited Nine Months Period ended September 30, 2024
Audited Nine Months Period ended September 30, 2023
-----Rupees in '000-----

12.1	2,315,800	1,335,418
	471,987	26,012
	837,173	330,898
	19,425	4,609
	<u>3,644,385</u>	<u>1,696,937</u>

1,947,448 1,141,238

	331,606	427,943
	2,881	3,647
	-	27,159
	-	4,920
	2,721,055	2,276,942
	296,838	154,722
	790,835	452,938
	638,432	418,251
	<u>4,781,647</u>	<u>3,766,522</u>
	<u>6,729,095</u>	<u>4,907,760</u>

Note
Unaudited September 30, 2024
Audited December 31, 2023
-----Rupees in '000-----

13.1	5,374,881	5,877,865
------	-----------	-----------

	Unaudited September 30, 2024			Audited December 31, 2023		
	Buildings	Others	Total	Buildings	Others	Total
	-----Rupees in '000-----					
13.1.1 At January 1,						
Cost	11,457,135	-	11,457,135	10,191,155	-	10,191,155
Accumulated depreciation	(5,579,270)	-	(5,579,270)	(4,476,309)	-	(4,476,309)
Net carrying amount at January 1,	5,877,865	-	5,877,865	5,714,846	-	5,714,846
Additions / adjustments during the period / year	716,164	-	716,164	1,725,069	-	1,725,069
Deletions during the period / year	(87,392)	-	(87,392)	(151,124)	-	(151,124)
Exchange adjustments	7,638	-	7,638	110,412	-	110,412
Depreciation charge for the period / year	(1,139,394)	-	(1,139,394)	(1,521,338)	-	(1,521,338)
Closing net carrying amount	5,374,881	-	5,374,881	5,877,865	-	5,877,865

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



Note
Unaudited September 30, 2024
Audited December 31, 2023
-----Rupees in '000-----

971,030	515,528
346,441	519,955
<u>1,317,471</u>	<u>1,035,483</u>

Unaudited Nine Months Period ended September 30, 2024
Unaudited Nine Months Period ended September 30, 2023
-----Rupees in '000-----

885,191	258,699
-	9,102
<u>885,191</u>	<u>267,801</u>

Unaudited September 30, 2024
Audited December 31, 2023
-----Rupees in '000-----

84,549,327	62,017,227
969,354	503,365
8,168,478	4,753,438
1,516,826	1,637,884
133,809	133,809
23,250	-
2,370,427	2,348,323
171,633	73,852
34,488,141	40,966,674
8,241,693	7,428,142
34,836,434	25,796,177
-	67,187,000
579,778	607,980
4,040,911	3,325,470
180,090,061	216,779,341
3,549,356	3,370,145
176,540,705	213,409,196

573,856	606,806
<u>177,114,561</u>	<u>214,016,002</u>

14. INTANGIBLE ASSETS

Computer software
Capital work-in-progress

14.1 Additions to intangible assets

The following additions have been made to intangible assets during the period:

Computer software
Capital work-in-progress - net additions

885,191	258,699
-	9,102
<u>885,191</u>	<u>267,801</u>

15. OTHER ASSETS

Income / mark-up accrued in local currency
Income / mark-up accrued in foreign currencies
Advances, deposits, advance rent and other prepayments
Non-banking assets acquired in satisfaction of claims
Compensation for delayed income tax refunds
Branch adjustment account
Mark to market gain on forward foreign exchange contracts
Unrealized gain on derivative financial instruments
Acceptances
Receivable from the pension fund
Clearing and settlement accounts
Receivable from the Government of Pakistan
Claims receivable against fraud and forgeries
Others

Less: Credit loss allowance / provision held against other assets

Other Assets net of credit loss allowance

Surplus on revaluation of non-banking assets

acquired in satisfaction of claims

Other Assets - total

24	573,856	606,806
	<u>177,114,561</u>	<u>214,016,002</u>

15.1 Credit loss allowance / provision held against other assets

Non banking assets acquired in satisfaction of claims
Claims receivable against fraud and forgeries
Mark-up accrued
Others

88,083	88,083
579,778	607,980
210,795	4,972
2,670,700	2,669,110
3,549,356	3,370,145

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



15.1.1 Movement in credit loss allowance held against other assets

Opening balance
Impact of ECL on adoption of IFRS 9

Charge for the period / year
Reversals

Amounts written off
Exchange and other adjustments
Closing balance

Unaudited
September 30,
2024

Audited
December 31,
2023

Rupees in '000-----

3,370,145	3,066,275
237,105	-
46,039	36,184
(82,581)	(8,080)
(36,542)	28,104
(521)	(2,062)
(20,831)	277,828
3,549,356	3,370,145

16. CONTINGENT ASSETS

There were no contingent assets of the Bank as at September 30, 2024 (2023: Nil).

17. BILLS PAYABLE

In Pakistan
Outside Pakistan

Unaudited
September 30,
2024

Audited
December 31,
2023

Rupees in '000-----

10,601,227	24,832,685
34,547	263,226
10,635,774	25,095,911

18. BORROWINGS

Secured
Borrowings from State Bank of Pakistan
Under export refinance scheme
Under long term financing facility
Under renewable energy performance platform
Under temporary economic refinance facility
Under financing facility for storage of agricultural produce
Under Refinance and Credit Guarantee Scheme
for Women Entrepreneurs

39,370,865	47,943,376
16,660,960	19,511,569
1,984,783	2,126,104
35,480,833	38,160,612
196,519	239,697
5,106	6,272
93,699,066	107,987,630
191,113,886	106,366,325
284,812,952	214,353,955

Repurchase agreement borrowings

Total secured

Unsecured

Call borrowings
Overdrawn nostro accounts
Others
Total unsecured

263,675	1,000,000
524,096	1,094,805
162,286	162,286
950,057	2,257,091
285,763,009	216,611,046

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



	Unaudited September 30, 2024			Audited December 31, 2023		
	In Local Currency	Total	In Foreign currencies	In Local Currency	Total	In Foreign currencies
19. DEPOSITS AND OTHER ACCOUNTS						
Customers						
Current deposits	723,838,626	189,462,468	913,301,094	636,394,833	182,616,011	799,010,844
Savings deposits	965,744,710	46,562,239	1,012,306,949	820,048,373	42,644,437	862,692,810
Term deposits	23,450,924	17,970,215	41,421,139	21,590,642	20,254,444	41,845,086
Others	43,942,901	4,170,920	48,113,821	4,5,309,420	4,930,851	50,240,271
Financial Institutions						
Current deposits	13,928,314	2,627,663	16,555,977	17,560,771	3,717,302	21,278,073
Savings deposits	15,094,532	918,053	16,012,585	14,020,325	488,598	14,509,023
Term deposits	9,372,447	7,557,104	17,029,551	8,469,897	7,216,507	15,706,504
Others	-	84,811	84,811	-	104,683	104,683
20. LEASE LIABILITIES						
Lease Liabilities						
At January 1,	8,686,003	-	8,686,003	7,943,593	-	7,943,593
Additions / adjustments during the period / year	713,954	-	713,954	1,612,638	-	1,612,638
Lease payments including interest	(1,772,676)	-	(1,772,676)	(2,082,123)	-	(2,082,123)
Finance charges	1,028,753	-	1,028,753	1,360,534	-	1,360,534
Deletions during the period / year	(155,605)	-	(155,605)	(215,423)	-	(215,423)
Exchange adjustments	9,848	-	9,848	66,784	-	66,784
Closing Balance	8,510,277	-	8,510,277	8,686,003	-	8,686,003
20.2 Liabilities Outstanding						
Not later than one year	1,025,865	-	1,025,865	988,860	-	988,860
Later than one year and upto five years	3,667,499	-	3,667,499	3,645,351	-	3,645,351
Over five years	3,816,913	-	3,816,913	4,051,792	-	4,051,792
Total at the year end	8,510,277	-	8,510,277	8,686,003	-	8,686,003

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



21. DEFERRED TAX LIABILITIES - NET

Taxable Temporary Differences on

- Surplus on revaluation of property and equipment
- Surplus on revaluation of non-banking assets
- Accelerated tax depreciation
- Receivable from pension fund
- Surplus / (deficit) on revaluation of investments
- Business combination

Note Unaudited September 30, 2024
Audited December 31, 2023
-----Rupees in '000-----

3,503,844	3,608,814
281,188	297,334
3,699,270	3,521,615
4,038,429	3,639,789
1,871,219	(11,470,532)
705,218	705,218
14,099,168	302,238
(6,023,640)	(201,520)
8,075,528	100,718

22. OTHER LIABILITIES

Mark-up / return / interest payable in local currency

Unaudited September 30, 2024
Audited December 31, 2023
-----Rupees in '000-----

19,936,893	3,926,926
405,346	562,509
2,453,659	2,024,523
7,950,651	7,856,382
16,705,568	20,150,115
15,712,787	13,810,584
34,488,141	40,966,674
2,668,701	2,420,017
1,310,003	996,797
171,633	73,848
-	240,409
1,331,478	1,266,190
2,312,029	2,121,129
131,465	140,847
31,176	586,691
408,524	508,115
4,912,659	10,955,674
1,751,113	78,807
2,742,971	2,068,373
30,180,360	24,223,005
9,147,567	5,613,300
154,752,724	140,590,915

22.1 Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of Workers Welfare Fund were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending.

Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgment may not currently be treated as conclusive. Accordingly, the Bank maintained its provision in respect of WWF.

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



22.2 An analysis of changes in credit loss allowance against off-balance sheet obligations as at September 30, 2024 is as follows:

Note	Unaudited September 30, 2024	Audited December 31, 2023	-----Rupees in '000-----
	78,807	48,403	
	1,603,703	-	
	888	8,449	
	697,867	21,955	
	(630,152)	-	
	67,715	21,955	
	1,751,113	78,807	

Unaudited September 30, 2024	Audited December 31, 2023	-----Rupees in '000-----
23,751,114	23,751,114	
908,317	908,317	
8,857,774	8,585,375	
51,723,785	46,878,730	
18,600,000	18,600,000	
103,840,990	98,723,536	

23. RESERVES

- Share premium
- Non - distributable capital reserve - gain on bargain purchase option
- Exchange translation reserve
- Statutory reserve
- General reserve

23.1	23,751,114	23,751,114
	908,317	908,317
	8,857,774	8,585,375
	51,723,785	46,878,730
	18,600,000	18,600,000
	103,840,990	98,723,536

23.1 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 has 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.

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

Note	Unaudited September 30, 2024	Audited December 31, 2023	-----Rupees in '000-----

24. SURPLUS ON REVALUATION OF ASSETS

- Surplus / (deficit) on revaluation of
 - Securities measured at FVOCI - Debt / AFS securities
 - Securities measured at FVOCI - Equity / AFS securities
 - Property and equipment
 - Non-banking assets acquired in satisfaction of claims
- Deferred tax on (surplus) / deficit on revaluation of:
 - Securities measured at FVOCI - Debt / AFS securities
 - Securities measured at FVOCI - Equity / AFS securities
 - Property and equipment
 - Non-banking assets acquired in satisfaction of claims

10.1	4,986,061	(29,182,464)
	(1,167,246)	5,773,217
	39,103,811	39,331,254
	573,856	606,806
	43,496,482	16,528,813
21	(2,443,170)	14,299,408
	571,951	(2,828,876)
	(3,503,844)	(3,608,814)
	(281,188)	(297,334)
	(5,656,251)	7,564,384
	37,840,231	24,093,197

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



25. CONTINGENCIES AND COMMITMENTS

- Guarantees
- Commitments
- Other contingent liabilities

Note	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	
-----Rupees in '000-----		
25.1	255,399,078	302,480,219
25.2	442,817,682	477,719,622
25.3	28,523,550	33,273,187
	726,740,310	813,473,028

25.1 Guarantees:

- Financial guarantees
- Performance guarantees
- Other guarantees

142,098,377	126,410,819
113,090,589	169,265,393
210,112	6,804,007
255,399,078	302,480,219

25.2 Commitments:

- Documentary credits and short-term trade-related transactions
- letters of credit

244,831,500	303,775,804
-------------	-------------

Commitments in respect of:

- forward foreign exchange contracts
- forward government securities transactions
- derivatives

191,017,992	153,858,023
12,035	15,220,315
3,730,026	1,595,548
442,817,682	477,719,622

25.2.1 Commitments in respect of forward foreign exchange contracts

- Purchase
- Sale

96,554,772	82,635,941
94,463,220	71,222,082
191,017,992	153,858,023

25.2.2 Commitments in respect of forward government securities transactions

- Purchase
- Sale

12,035	15,197,000
-	23,315
12,035	15,220,315

25.2.3 Commitments in respect of derivatives

- FX options
- Purchase
- Sale

1,865,013	736,983
1,865,013	736,983
3,730,026	1,473,966

Cross Currency Swaps

- Purchase
- Sale

-	60,791
-	60,791
-	121,582
3,730,026	1,595,548

25.2.4 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.

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



Note	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	
-----Rupees in '000-----		
25.3	28,523,550	33,273,187

25.3 Other contingent liabilities

Claims against the Bank not acknowledged as debts

25.3.1 **28,523,550** **33,273,187**

25.3.1 These mainly represent counter claims by borrowers for damages and other claims relating to banking transactions. Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these unconsolidated condensed interim financial statements.

25.4 Taxation

For assessment year 1999-2000 through tax year 2024, 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. 2,632.390 million (2023: 5,902.495 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 these unconsolidated condensed interim 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.

25.5 Amortization of goodwill and other intangibles amounting to Rs 28.08 billion of Ex. NIB

Issue of goodwill and other related assets amortization for few years has been assessed in Bank's favour at appellate forums, however, the tax department has filed appeal against these decisions. The management has not recorded any tax benefit because the issue has not attained finality.

26. DERIVATIVE INSTRUMENTS

Unaudited September 30, 2024

	Cross Currency Swaps		Interest Rate Swaps		FX Options	
	Notional Principal	Mark to market gain / loss	Notional Principal	Mark to market gain / loss	Notional Principal	Mark to market gain / loss
-----Rupees in '000-----						

Total

Hedging	-	-	-	-	1,865,013	171,633
Market Making	-	-	-	-	1,865,013	(171,633)

Audited December 31, 2023

	Cross Currency Swaps		Interest Rate Swaps		FX Options	
	Notional Principal	Mark to market gain / loss	Notional Principal	Mark to market gain / loss	Notional Principal	Mark to market gain / loss
-----Rupees in '000-----						

Total

Hedging	60,791	62,365	-	-	736,983	11,487
Market Making	60,791	(62,361)	-	-	736,983	(11,487)

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



	Note	Unaudited Nine Months Period ended September 30, 2024	Unaudited Nine Months Period ended September 30, 2023
		-----Rupees in '000-----	
27. MARK-UP / RETURN / INTEREST EARNED			
Loans and advances		81,628,195	83,559,044
Investments		192,271,899	143,416,151
Lendings to financial institutions		6,091,019	6,744,290
Balances with banks		1,705,748	1,661,574
		281,696,861	235,381,059
27.1	Interest income recognised on:		
Financial assets measured at amortised cost		89,877,701	
Financial assets measured at FVOCI		184,233,608	
Financial assets measured at FVTPL		7,585,552	
		281,696,861	
28. MARK-UP / RETURN / INTEREST EXPENDED			
Deposits		137,680,909	96,726,764
Borrowings		24,924,967	28,277,839
Cost of foreign currency swaps against foreign currency deposits / borrowings		2,989,337	3,114,781
Finance charges on lease liability against right-of-use assets		1,028,753	845,092
		166,623,966	128,964,476
29. FEE & COMMISSION INCOME			
Branch banking customer fees		3,102,313	2,602,967
Consumer finance related fees		513,290	575,484
Card related fees (debit and credit cards)		5,805,715	4,265,417
Credit related fees		566,470	518,665
Investment banking fee		127,534	92,392
Commission on trade		2,725,555	2,277,979
Commission on guarantees		801,637	817,004
Commission on cash management		757,742	657,014
Commission on remittances including home remittances		732,290	1,167,903
Commission on bancassurance		550,792	695,635
Rent on lockers		175,644	175,239
Commission on utility bills		77,821	66,315
Commission on investments services		344,248	224,220
Others		147,741	104,619
		16,428,792	14,240,853
30. GAIN / (LOSS) ON SECURITIES			
Realised	30.1	148,782	208,822
Unrealised - Measured at FVTPL	10.1	(38,915)	(5,654)
		109,867	203,168
30.1	Realised gain / (loss) on:		
Federal Government Securities		116,184	77,684
Non Government Debt Securities		6,703	644
Shares		25,895	130,494
		148,782	208,822
30.2	Realised gain / (loss) on:		
Financial assets measured at FVTPL		67,641	148,586
Designated upon initial recognition		-	-
Mandatorily measured at FVPL		67,641	148,586
Financial assets measured at FVOCI		81,141	60,236
		81,141	60,236
		148,782	208,822

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



	Note	Unaudited Nine Months Period ended September 30, 2024	Unaudited Nine Months Period ended September 30, 2023
		-----Rupees in '000-----	
31. OTHER INCOME			
Rent on property		105,336	100,379
Gain on termination of lease liability against right of use assets		68,213	43,217
Gain on sale of property and equipment - net		170,329	81,231
Gain / (loss) on sale of non-banking assets acquired in satisfaction of claims - net		42,500	(3,224)
		386,378	221,603
32. OPERATING EXPENSES			
Total compensation expense			
Property expense			
Rent and taxes		280,100	245,443
Insurance		19,623	19,339
Utilities cost		2,123,776	1,630,745
Fuel expense generators		755,049	983,688
Security (including guards)		1,660,023	1,442,598
Repair and maintenance (including janitorial charges)		896,223	766,177
Depreciation on right-of-use assets		1,139,394	1,007,718
Depreciation		820,129	694,399
		7,694,317	6,790,107
Information technology expenses			
Software maintenance		1,421,921	1,211,306
Hardware maintenance		250,306	250,861
Depreciation		955,644	597,221
Amortization		431,705	266,736
Network charges		459,373	475,545
Insurance		5,500	3,577
		3,524,449	2,805,246
Other operating expenses			
Directors' fees and allowances		39,080	27,480
Legal and professional charges		303,847	261,427
Outsourced services costs		799,985	709,935
Travelling and conveyance		446,729	356,566
NIFT clearing charges		164,193	158,460
Depreciation		988,646	836,849
Depreciation on non-banking assets acquired in satisfaction of claims		14,007	17,909
Training and development		57,525	67,081
Postage and courier charges		233,009	178,822
Communication		1,517,066	984,281
Stationery and printing		914,827	832,729
Marketing, advertisement & publicity		994,195	509,782
Donations		10,100	10,000
Auditors' remuneration		65,146	46,091
Cash transportation charges		895,375	816,466
Repair and maintenance		595,260	487,511
Subscription		27,772	15,720
Entertainment		304,856	271,936
Remittance charges		191,183	198,835
Brokerage expenses		40,862	33,059
Card related expenses		2,659,804	2,043,478
CNIC verification charges		305,833	279,434
Insurance		1,732,282	1,461,163
Others		391,398	307,575
		13,692,980	10,912,589
		43,900,024	37,367,258

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



	Note	Unaudited Nine Months Period ended September 30, 2024	Unaudited Nine Months Period ended September 30, 2023
-----Rupees in '000-----			
33. OTHER CHARGES			
Penalties of State Bank of Pakistan		82,678	175,556
VAT & National Building tax & Crop Insurance Levy		172,610	276,561
Education cess		93,119	103,167
		348,407	555,284
34. CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
Credit loss allowance against balance with other banks		(35,588)	11,049
Credit loss allowance against cash and balances with treasury banks		(25,551)	-
(Reversal of) / credit loss allowance for diminution in value of investments	10.2	(658)	1,743,522
Credit loss allowance against loans and advances	11.3	861,998	(435,222)
Reversal of credit loss allowance against lendings to financial institutions		(15,102)	-
(Reversal of) / credit loss allowance against off balance sheet items		67,715	20,451
(Reversal of) / credit loss allowance against other assets	15.1.1	(36,542)	22,868
Recovery of written off / charged off bad debts		(150,894)	(126,304)
		665,378	1,236,364
35. TAXATION			
Current		47,582,026	43,232,571
Prior years		-	-
Deferred		(922,422)	716,298
		46,659,604	43,948,869
-----Rupees in '000-----			
36. BASIC AND DILUTED EARNINGS PER SHARE			
Profit after tax		48,450,548	44,146,596
Weighted average number of ordinary shares		1,185,060,006	1,185,060,006
Basic and diluted earnings per share		40.88	37.25

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



37. FAIR VALUE MEASUREMENTS

The fair value of traded investments is based on quoted market prices, except for tradable securities classified by the Bank as 'amortized cost'. Quoted securities classified as amortized cost are carried at 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 audited financial statements.

Fair value of unquoted debt securities, 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 remaining financial assets and financial liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

37.1 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

Item	Valuation approach and input used
Federal Government securities	The fair values of Treasury Bills and fixed rate Pakistan Investments Bonds are determined using the PKRV rates while floating rate Pakistan Investments Bonds are revalued using PKFRV rates. The fair values of foreign currency denominated GoP Eurobonds are determined on the basis of rates taken from Bloomberg.
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 Government Debt Securities	The fair values of Foreign Government debt securities are determined on the basis of rates taken from Bloomberg.
Foreign exchange contracts	The valuation has been determined by interpolating the mark-to-market currency 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.
Unlisted Shares	Breakup value determined on the basis of NAV of the company using the latest available audited financial statements.
Mutual Funds	Units of mutual funds are valued using the Net Asset Value (NAV) announced by the Mutual Funds Association of Pakistan (MUFAP).
Property and equipment (land and building) & Non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets.

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 period.

(a) Financial instruments in Level 1

Financial instruments included in level 1 comprise of investments in listed ordinary shares.

(b) Financial instruments in Level 2

Financial instruments included in level 2 comprise of Sukuk Bonds, Pakistan Investment Bonds, Market Treasury Bills, Mutual Fund units, 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.

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)
For The Nine Months Period Ended September 30, 2024



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. In case of non-financial assets, the Bank has adopted revaluation model (as per IAS 16) in respect of land and building & non-banking assets acquired in satisfaction of claims.

Unaudited September 30, 2024					
Carrying / Notional Value	Level 1	Level 2	Level 3	Total	
Rupees in '000-----					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,393,999,084	-	1,393,999,084	-	1,393,999,084
Shares and units	35,588,818	35,469,514	119,304	-	35,588,818
Non-Government Debt Securities	9,873,651	-	9,873,651	-	9,873,651
Foreign Securities	34,056,192	-	34,056,192	-	34,056,192
Financial assets - disclosed but not measured at fair value					
Investments (amortized cost, unlisted ordinary shares, subsidiaries and associates)	33,634,564	-	-	-	-
Non - Financial Assets measured at fair value					
Property and equipment (land and buildings)	64,730,906	-	64,730,906	-	64,730,906
Non-banking assets	2,002,599	-	2,002,599	-	2,002,599
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	96,554,772	-	975,876	-	975,876
Forward sale of foreign exchange	94,463,220	-	2,036,300	-	2,036,300
Derivatives purchase	1,865,013	-	171,633	-	171,633
Derivatives sale	1,865,013	-	171,633	-	171,633
Audited December 31, 2023					
Carrying / Notional Value	Level 1	Level 2	Level 3	Total	
Rupees in '000-----					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,135,021,730	-	1,135,021,730	-	1,135,021,730
Shares and units	25,390,592	25,283,009	107,583	-	25,390,592
Non-Government Debt Securities	2,950,890	-	2,950,890	-	2,950,890
Foreign Securities	44,057,060	-	44,057,060	-	44,057,060
Financial assets - disclosed but not measured at fair value					
Investments (HTM, unlisted ordinary shares, subsidiaries and associates)	42,019,075	-	-	-	-
Non - Financial Assets measured at fair value					
Property and equipment (land and buildings)	64,936,842	-	64,936,842	-	64,936,842
Non-banking assets	2,156,606	-	2,156,606	-	2,156,606
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	82,635,941	-	504,883	-	504,883
Forward sale of foreign exchange	71,222,082	-	1,856,409	-	1,856,409
Derivatives purchase	797,774	-	73,852	-	73,852
Derivatives sale	797,774	-	73,848	-	73,848

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)
For The Nine Months Period Ended September 30, 2024



Unaudited Nine Months Period ended September 30, 2024					
Carrying / Notional Value	Level 1	Level 2	Level 3	Total	
Rupees in '000-----					
Segment Information					
38.1 Segment details with respect to business activities					
The segment analysis with respect to business activity is as follows:					
Carrying / Notional Value	Level 1	Level 2	Level 3	Total	
Rupees in '000-----					
Unaudited September 30, 2024					
Carrying / Notional Value	Level 1	Level 2	Level 3	Total	
Rupees in '000-----					
Unaudited September 30, 2024					
Carrying / Notional Value	Level 1	Level 2	Level 3	Total	
Rupees in '000-----					
Unaudited December 31, 2023					
Carrying / Notional Value	Level 1	Level 2	Level 3	Total	
Rupees in '000-----					
Unaudited December 31, 2023					
Carrying / Notional Value	Level 1	Level 2	Level 3	Total	
Rupees in '000-----					
Statement of Financial Position					
Profit & Loss					
Net Mark-up/return/profit					
Inter segment revenue - net	(114,202,717)	5,925,982	47,347,063	169,910,781	6,091,786
Non mark-up / return / interest income	28,721,807	(4,490,887)	(38,707,303)	(188,133,534)	(34,471)
Total Income	10,070,000	1,995,522	7,827,613	6,229,571	1,575,216
Segment direct expenses					
Inter segment expense allocation	114,589,090	3,430,617	16,467,373	(11,993,182)	7,342,531
Total expenses					
Credit loss allowance and write offs - net	28,285,627	1,480,326	1,288,497	498,929	2,046,070
Profit before tax					
Profit after tax	28,295,627	1,480,326	1,288,497	498,929	12,551,185
Segment of Financial Position					
Cash & Bank balances	71,601,213	116,014	273,006	113,694,291	39,875,643
Investments					
Net inter segment lending					
Lendings to financial institutions	1,584,994,947	-	1,448,666,714	47,418,951	356,103
Advances - performing / underperforming					
- non performing	74,014,405	33,909,810	520,932,272	-	285,987,264
Others	611,494	140,321	1,589,882	-	34,741,017
Total Assets	62,123,443	3,652,940	57,364,816	62,895,809	2,292,592
Borrowings					
Deposits & other accounts					
Net inter segment borrowing					
Others	1,793,345,502	37,819,085	590,870,317	1,665,983,152	224,977,275
Total Liabilities					
Equity					
Total Equity & Liabilities	1,793,345,502	37,819,085	590,870,317	1,665,983,152	224,977,275
Contingencies & Commitments					
Others	80,600,883	-	402,945,677	194,760,053	16,558,386
Total Assets	726,740,310	-	31,875,311	726,740,310	-
Total Liabilities	726,740,310	-	31,875,311	726,740,310	-

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024

	Retail Banking	Consumer banking	Corporate Banking	Treasury	International Banking	Others	Sub-total	Eliminations	Total
	Rupees in '000.....								
Profit & Loss									
Net mark-up/return/profit	(75,122,407)	3,622,157	53,753,566	118,883,453	5,279,814	-	106,416,583	-	106,416,583
Inter segment revenue - net	178,193,366	(2,102,175)	(44,235,986)	(143,074,467)	(267,567)	11,486,829	-	-	-
Non mark-up / return / interest income	8,355,012	2,043,361	6,158,222	4,141,483	1,548,252	273,367	22,599,697	-	22,599,697
Total Income	111,505,971	3,563,343	15,675,802	(20,049,531)	6,560,499	11,760,196	129,016,280	-	129,016,280
Segment direct expenses	24,529,851	1,663,378	730,223	566,315	1,895,611	10,299,073	39,684,451	-	39,684,451
Inter segment expense allocation	-	-	-	-	-	-	-	-	-
Total expenses	24,529,851	1,663,378	730,223	566,315	1,895,611	10,299,073	39,684,451	-	39,684,451
Provisions / (reversals) & write offs - net	1,225,141	45,238	179,165	1,339,789	646,937	(2,199,006)	1,236,364	-	1,236,364
Profit before tax	85,750,979	1,854,727	14,766,414	(21,956,635)	4,018,351	3,660,129	88,095,465	-	88,095,465
Statement of Financial Position									
Audited December 31, 2023									
Cash & Bank balances	73,010,365	1,075,800	286,062	90,718,130	40,699,427	-	205,789,784	-	205,789,784
Investments	-	-	11,329,945	1,185,533,827	52,575,575	249,763,494	1,249,439,347	-	1,249,439,347
Net inter segment lending	1,323,367,835	-	-	-	33,703,733	62,509,367	1,573,131,329	(1,573,131,329)	-
Lendings to financial institutions	-	-	-	-	-	-	96,213,400	-	96,213,400
Advances - performing	93,175,361	36,852,172	410,689,401	-	25,200,930	-	565,917,864	-	565,917,864
- non performing	892,197	213,295	1,318,978	-	9,015,425	505,600	11,945,465	-	11,945,465
Others	58,036,413	4,929,573	59,669,219	108,819,168	1,977,380	64,440,643	297,872,896	-	297,872,896
Total Assets	1,543,482,171	43,070,810	483,293,605	1,418,774,858	191,978,904	314,709,737	4,000,310,085	(1,573,131,329)	2,427,178,756
Borrowings	7,854,375	28,071	100,265,851	105,313,558	3,148,691	-	216,611,046	-	216,611,046
Deposits & other accounts	1,502,187,242	26,053,661	119,652,517	-	157,493,374	-	1,805,387,294	-	1,805,387,294
Net inter segment borrowing	-	12,006,350	220,902,573	1,313,185,790	27,036,616	-	1,573,131,329	(1,573,131,329)	-
Others	38,440,054	4,982,728	42,472,684	275,510	4,299,723	84,002,868	174,473,547	-	174,473,547
Total Liabilities	1,543,482,171	43,070,810	483,293,605	1,418,774,858	191,978,904	84,002,868	3,769,603,216	(1,573,131,329)	2,196,471,887
Equity	-	-	-	-	-	230,706,869	230,706,869	-	230,706,869
Total Equity & Liabilities	1,543,482,171	43,070,810	483,293,605	1,418,774,858	191,978,904	314,709,737	4,000,310,085	(1,573,131,329)	2,427,178,756
Contingencies & Commitments	91,494,401	-	499,006,135	170,673,886	15,455,739	36,842,867	81,347,028	-	813,473,028

38.2 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

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024

	Retail Banking	Consumer banking	Corporate Banking	Treasury	International Banking	Others	Sub-total	Eliminations	Total
	Rupees in '000.....								
Unaudited Nine Months Period ended September 30, 2023									
Statement of Financial Position	Audited December 31, 2023	Rupees in '000.....							
Lendings to Financial Institutions	Audited December 31, 2023	Rupees in '000.....							
Opening balance	-	9,000,000	-	-	-	-	-	-	-
Addition during the period / year	-	61,600,000	-	-	-	-	78,200,000	-	-
Repaid during the period / year	-	(70,600,000)	-	-	-	-	(69,200,000)	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	9,000,000	-	-
Credit loss allowance held against lending to financial institutions*	-	-	-	-	-	-	-	-	-
Investments	Audited December 31, 2023	Rupees in '000.....							
Opening balance	-	16,668,237	700,401	249,253	-	-	16,318,312	700,401	249,253
Addition / exchange adjustment during the period / year	-	1,000,100	-	-	-	-	649,925	-	914,191
Investment disposed off during the period / year	-	-	-	-	-	-	-	-	(3,850,203)
Closing balance	-	17,668,237	700,401	249,253	-	-	16,963,237	700,401	249,253
Credit loss allowance against advances*	-	-	-	-	-	-	-	-	-
Advances	Audited December 31, 2023	Rupees in '000.....							
Opening balance	1,436	339,386	581,933	-	1,509,280	1,543	281,237	1,039,898	4,445,292
Addition / exchange adjustment during the period / year	5,424	70,171	66,355	-	656,103	5,963	95,327	-	-
Repaid / exchange adjustment during the period / year	(6,717)	(70,765)	-	-	(720,699)	(6,070)	(85,184)	(457,966)	-
Transfer in / (out)	-	(29,374)	-	-	-	-	48,006	-	-
Closing balance	143	308,918	648,288	-	1,445,284	1,436	339,386	581,933	1,509,280
Credit loss allowance against advances*	(9)	(25,143)	(10,976)	-	(20,008)	-	-	-	-
Fixed Assets	Audited December 31, 2023	Rupees in '000.....							
Purchase of fixed assets	-	-	19,737	476,202	-	-	-	-	7,533
									191,247



MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024

	Unaudited September 30, 2024				Audited December 31, 2023					
	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties
Other Assets										
Income / markup accrued	-	4,463	7,883	-	13,249	-	4,302	22,354	-	26,675
Advances, deposits, advance rent and other prepayments	1	-	111,033	673,916	56,999	-	-	25,663	573,809	25,684
Receivable from pension fund	-	-	-	-	824,693	-	-	-	-	7,428,143
Credit loss allowance / provision held against other assets*	-	1	4,463	118,916	673,916	8,305,941	-	4,302	48,017	573,809
Borrowings	-	(415)	(428)	(270)	-	-	-	-	-	-
Opening balance	-	-	71,914	-	-	-	-	5,146	-	-
Borrowings / exchange adjustment during the period / year	-	-	3,355,421	-	-	-	-	4,456,449	-	-
Settled during the period / year	-	-	(3,313,703)	-	-	-	-	(4,391,681)	-	-
Closing balance	-	-	113,832	-	-	-	-	71,914	-	-
Deposits and other accounts										
Opening balance	3,034,686	200,484	102,012	8,321,464	10,033,148	193,547	184,112	187,369	5,623,897	5,594,903
Received during the period / year	2,641,307	1,525,360	24,384,278	54,711,983	93,918,116	4,574,426	1,701,697	9,730,003	90,801,961	108,21,325
Withdrawn during the period / year	(5,518,130)	(1,585,330)	(24,494,130)	(54,344,406)	(107,15,236)	(1,733,287)	(1,718,659)	(9,815,360)	(88,104,394)	(103,993,441)
Transfer in / (out) - net	(37)	(1,314)	1,018,833	-	10,613,367	-	33,644	-	-	10,161
Closing balance	157,826	138,700	1,010,193	8,689,051	7410,395	3,034,686	200,484	102,012	8,321,464	10,033,148
Other Liabilities										
Markup / return / interest payable	-	549	-	73,308	68	-	2,009	-	121,341	5,268
Accrued expenses and other payable	-	-	33,394	315,566	33,679	-	-	24,157	47,714	168
Advance received against sale of property	-	-	20,000	-	-	-	-	20,000	-	-
Credit loss allowance / provision against off-balance sheet obligations*	-	549	53,394	388,874	33,747	-	2,009	44,157	169,055	54,36
Contingencies and Commitments										
Letter of Credit	-	-	130,333	8,707,965	1,852,764	-	-	174,196	8,839,177	1,722,909
Bank guarantee	-	-	130,333	8,707,965	7,485,580	-	-	174,196	8,839,177	6,732,276



MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024

	Unaudited September 30, 2024				Unaudited September 30, 2023					
	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties	Directors	Key Management Personnel	Subsidiaries	Associates	Other Related Parties
Income										
Markup / return / interest earned	-	15,933	443,247	-	81,384	32	14,457	320,738	-	89,753
Fee and commission income	2	-	182,478	771,494	21,191	-	-	113,087	556,100	10,730
Dividend income	-	-	205,173	210,000	59,325	-	-	-	219,704	50,169
Gain on forward foreign exchange contracts matured	-	-	-	-	89,982	-	-	-	-	46,448
Net gain / (loss) on sale of securities	7	73	91	-	5,346	2	(23)	-	(437)	1,276
Gain on sale of fixed assets	72	134	-	72,216	8,258	4,693	-	139	19,163	74
Rent income	-	-	-	-	-	-	-	51,158	7,792	4,761
Expense					46,765	15,660	121,213	524,478	1,450,535	13,129
Markup / return / interest expended	-	-	-	-	-	101,089	-	6,033	5,577	494,361
Other Operating expenses					Other Operating expenses					1,673,091
Clearing expenses paid to NIFT	-	-	-	-	164,193	-	-	-	-	158,460
Contribution to provident fund	-	-	-	-	454,340	-	-	-	-	412,008
Rent expenses	-	-	-	-	64,451	45,499	-	-	-	41,778
Cash sorting expenses	-	-	-	-	96,392	322,658	-	-	-	103,480
Stationery expenses	-	-	-	-	4,035	4,035	-	-	-	410,997
Security guards expenses	-	-	-	-	-	-	-	-	-	55,720
Remuneration to key executives and non-executive directors fee	184,657	911,385	-	-	-	132,744	746,888	-	-	-
Outsourcing service expenses	-	-	-	-	-	-	-	-	104,884	-
Donation during the period	-	-	-	-	-	-	-	-	-	5,000
E-dividend processing fee and CDC charges	-	-	-	-	-	5,571	-	-	-	4,203
Travelling Expenses	-	-	-	-	-	88,350	-	-	-	51,945
Hotel stay expenses	-	-	-	-	-	16,402	-	-	-	3,882
Repair & Maintenance Charges	-	-	-	-	-	3,420	-	-	-	3,243
Utility expenses	-	-	-	-	-	1,327	-	-	-	864
Miscellaneous expenses and payments	-	-	-	-	-	3,596	-	-	2,700	1,800
Insurance premium - net of refund	-	-	-	-	-	571,780	-	-	626,802	-
Insurance claim settled	-	-	-	-	-	70,861	-	-	42,141	-
Other Transactions					Other Transactions					89
Proceeds from sale of fixed assets	72	134	-	-	1,897,943	-	-	-	23,000	-
Sale of foreign currency	-	-	-	-	2,592,943	-	-	-	24,658,779	-
Purchase of foreign currency	-	-	-	-	3,264,330	-	-	-	28,011,163	-
Payments against home remittances	-	-	-	-	68,105	-	-	-	4,358,122	-
Reimbursement of other expenses	-	-	-	-	160,611	7,979,118	23,361,309	27,498	102,181	51,402
Sale of government securities	116,427	25,362	-	-	72,907	5,903,986	16,758,208	4,995	60,554	20,513,392
Purchase of government securities	-	-	-	-	-	-	-	-	4,573,489	43,684,051
Forward exchange contracts matured during the period	-	-	-	-	-	-	-	-	-	3,525,180
Insurance premium paid on behalf of related party	-	-	-	-	-	-	-	-	-	67,504

*Represents credit loss allowance recognized against performing exposures on adoption of IFRS 9.
The Chairman has been provided with free use of the Bank's maintained car. The Chief Executive and certain executives are provided with free use of the Bank's maintained cars and household equipment in accordance with the terms of their employment.



MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



Unaudited
September
30, 2024
-----Rupees in '000-----

Audited
December 31,
2023

40 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

40.1 Capital Adequacy

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

11,850,600	11,850,600
------------	------------

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

206,219,425	189,956,074
-------------	-------------

Eligible Additional Tier 1 (ADT 1) Capital

-	-
---	---

Total Eligible Tier 1 Capital

206,219,425	189,956,074
-------------	-------------

Eligible Tier 2 Capital

56,438,607	34,993,403
------------	------------

Total Eligible Capital (Tier 1 + Tier 2)

262,658,032	224,949,477
-------------	-------------

Risk Weighted Assets (RWAs):

Credit Risk

802,661,567	710,062,627
-------------	-------------

Market Risk

164,258,986	158,148,274
-------------	-------------

Operational Risk

235,260,192	235,260,192
-------------	-------------

Total

1,202,180,745	1,103,471,093
---------------	---------------

Common Equity Tier 1 Capital Adequacy ratio

17.15%	17.21%
--------	--------

Tier 1 Capital Adequacy Ratio

17.15%	17.21%
--------	--------

Total Capital Adequacy Ratio

21.85%	20.39%
--------	--------

The Bank has not taken benefit allowed to banks to absorb the impact of IFRS 9 on regulatory capital.

Unaudited
September
30, 2024
-----Rupees in '000-----

Audited
December 31,
2023

40.2 Leverage Ratio (LR):

Eligible Tier-1 Capital

206,219,425	189,956,074
-------------	-------------

Total Exposures

3,340,751,560	3,079,976,278
---------------	---------------

Leverage Ratio

6.17%	6.17%
-------	-------

40.3 Liquidity Requirements

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

1,421,068,503	1,122,745,627
---------------	---------------

Total Net Cash Outflow

540,112,387	447,994,607
-------------	-------------

Liquidity Coverage Ratio

263.11%	250.62%
---------	---------

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

1,739,994,647	1,534,467,842
---------------	---------------

Total Required Stable Funding

1,132,731,512	1,040,919,407
---------------	---------------

Net Stable Funding Ratio

153.61%	147.41%
---------	---------

MCB Bank Limited

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



41 EVENTS AFTER THE REPORTING DATE

The Board of Directors in its meeting held on October 23, 2024 has announced an interim cash dividend in respect of nine months period ended September 30, 2024 of Rs. 9.00 per share (September 30, 2023: Rs. 8.00 per share). These unconsolidated condensed interim financial statements for the period ended September 30, 2024 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

42 GENERAL

Comparative information has been reclassified, rearranged or additionally incorporated in these unconsolidated condensed interim financial statements for the purposes of better presentation.

The effect of reclassification, rearrangement, restatement in the comparative information presented in these unconsolidated condensed interim financial statements due to adoption of new forms for the preparation of financial statements as explained in note 4.1 is as follows:

Description of item	Nature	From	To	Rs in '000'
Right-of-use assets	Asset	Property and equipment	Right-of-use assets	5,877,865
Lease liabilities against right-of-use-assets	Liability	Other liabilities	Lease liabilities	8,686,003

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

43 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 October 23, 2024.

Hammad Khalid
Chief Financial Officer

Shoaib Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director



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MCB BANK LIMITED

Consolidated Condensed Interim Financial Statements for the Nine Months Period Ended September 30, 2024

MCB Bank Limited & Subsidiary Companies

Consolidated Condensed Interim Statement of Financial Position

As At September 30, 2024



	Note	Unaudited September 30, 2024	Audited December 31, 2023
		-----Rupees in '000-----	
ASSETS			
Cash and balances with treasury banks	7	210,303,882	190,245,798
Balances with other banks	8	35,578,172	37,806,854
Lendings to financial institutions	9	122,591,638	89,713,400
Investments	10	1,652,672,283	1,372,343,715
Advances	11	770,011,641	670,673,495
Property and equipment	12	85,765,067	80,736,669
Right-of-use assets	13	7,488,847	8,001,881
Intangible assets	14	2,683,514	1,859,032
Other assets	15	200,865,311	228,704,335
Total Assets		3,087,960,355	2,680,085,179
LIABILITIES			
Bills payable	17	12,132,293	27,271,384
Borrowings	18	306,548,237	235,664,480
Deposits and other accounts	19	2,303,822,433	2,009,828,619
Lease liabilities	20	11,292,721	11,429,243
Subordinated debt	21	-	-
Deferred tax liabilities	22	11,354,527	3,552,321
Other liabilities		165,608,065	150,588,030
Total Liabilities		2,810,758,276	2,438,334,077
NET ASSETS		277,202,079	241,751,102
REPRESENTED BY			
Share capital		11,850,600	11,850,600
Reserves	23	106,898,190	101,129,809
Surplus on revaluation of assets	24	39,762,274	25,740,282
Unappropriated profit		118,276,303	102,689,217
Non-controlling interest		414,712	341,194
CONTINGENCIES AND COMMITMENTS	25	277,202,079	241,751,102

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

MCB Bank Limited & Subsidiary Companies

Consolidated Condensed Interim Statement of Profit and Loss Account (Un-audited) For The Nine Months Period Ended September 30, 2024



Note	Quarter Ended		Nine Months Ended	
	July 01 to September 30, 2024	July 01 to September 30, 2023	January 01 to September 30, 2024	January 01 to September 30, 2023
	-----Rupees in '000-----			
Mark-up / return / interest earned	27	110,838,124	100,599,542	317,741,967
Mark-up / return / interest expensed	28	65,947,955	55,649,009	189,249,787
Net mark-up / interest income		44,890,169	44,950,533	128,492,180
NON MARK-UP / INTEREST INCOME				119,167,926
Fee and commission income	29	5,927,145	5,987,081	18,715,119
Dividend income		662,505	431,225	2,020,369
Foreign exchange income		2,832,516	2,505,359	7,841,559
Income from derivatives		408	1,889	1,582
Gain on securities - net	30	93,540	130,307	174,282
Net gains / (loss) on derecognition of financial assets measured at amortised cost		-	-	-
Other income	31	167,119	103,043	414,516
Total non-markup / interest Income		9,683,233	9,158,904	29,167,427
Total income		54,573,402	54,109,437	143,722,300
NON MARK-UP / INTEREST EXPENSES				
Operating expenses	32	18,516,439	15,631,794	52,063,004
Workers Welfare Fund		702,920	757,494	2,060,107
Other charges	33	110,799	291,296	350,778
Total non-markup / interest expenses		19,330,158	16,680,584	54,473,889
Share of profit of associates		646,815	563,258	1,617,156
Profit before credit loss allowance		35,890,059	37,992,111	104,802,874
Credit loss allowance and write offs - net	34	257,721	(434,008)	817,825
PROFIT BEFORE TAXATION		35,632,338	38,426,119	103,985,049
Taxation	35	17,498,776	18,759,834	51,155,951
PROFIT AFTER TAXATION		18,133,562	19,666,285	52,829,098
Profit attributable to non-controlling interest		(36,285)	(31,415)	(120,354)
PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE BANK		18,097,277	19,634,870	52,708,744
-----Rupees -----				
Basic and diluted earnings per share	36	15.27	16.57	44.48
				40.70

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

Hammad Khalid
Chief Financial Officer

Shoib Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director

Hammad Khalid
Chief Financial Officer

Shoib Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director

MCB Bank Limited & Subsidiary Companies

Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited) For The Nine Months Period Ended September 30, 2024



	Quarter Ended		Nine Months Ended		
	July 01 to September 30, 2024	July 01 to September 30, 2023	January 01 to September 30, 2024	January 01 to September 30, 2023	
	-----Rupees in '000-----				
Profit after taxation for the period	18,133,562	19,666,285	52,829,098	48,340,699	
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 subsidiary					
- Equity shareholders of the bank	145,934	(227,184)	254,793	5,065,594	
- Non-controlling interest	(2)	5	(9)	130	
Share of exchange translation reserve of associate	145,932	(227,179)	254,784	5,065,724	
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI / AFS investments - net of tax	581	11,248	(11,326)	117,643	
Movement in surplus / (deficit) on associated undertaking-net of tax	14,333,246	1,905,058	17,461,343	(2,021,807)	
Movement in surplus / (deficit) on associated undertaking-net of tax	52,808	49,432	236,353	(10,997)	
Items that will not be reclassified to profit and loss account in subsequent periods:					
Movement in surplus / (deficit) on revaluation of equity investments through FVOCI - net of tax	14,532,567	1,738,559	17,941,154	3,150,563	
Remeasurement gain on defined benefit obligations - net of tax	(81,363)	-	-	-	
Movement in surplus / (deficit) on revaluation of property and equipment - net of tax	-	-	-	292,162	
Movement in surplus / (deficit) on revaluation of non-banking assets - net of tax	-	-	-	(471,259)	
Total comprehensive income	32,584,766	21,404,844	72,700,741	51,259,747	
Total comprehensive income	32,548,483	21,373,424	72,580,396	51,152,518	
	32,584,766	21,404,844	72,700,741	51,259,747	

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

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Chief Financial Officer

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President / CEO

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Director

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Director

Muhammad Ali Zeb
Director

MCB Bank Limited & Subsidiary Companies

Consolidated Condensed Interim Statement of Changes In Equity (Un-audited) For The Nine Months Period Ended September 30, 2024



	Capital reserve	Share premium	Non-distributable capital reserve	Exchange capital reserve	Statutory reserve	Revenue reserve	Surplus/(deficit) on revaluation of property and equipment - non-banking assets	Unappropriated profit	Total	Non-controlling interest	Grand Total
						General reserve					
Balance as at December 31, 2023 (Audit)	11,602,600	23,973,024	903,317	4,645,697	41,513,438	18,600,000	(19,462,394)	127,231	38,463,465	72,955,700	19,477,747
Profit after taxation for the period ended September 30, 2023											
Other comprehensive income - net of tax											
Electoral transfer of net investment in foreign branches and subsidiary											
Movement in surplus / (deficit) on revaluation of property and equipment - net of tax											
Movement in surplus on associated undertaking-net of tax											
Remeasurement gain on defined benefit obligations - net of tax											
Movement in surplus / (deficit) on revaluation of AFS investments - net of tax											
Transfer to statutory reserve											
Transfer of excess of general depositors from surpluses on revaluation of property and equipment - net of tax											
Surplus related on disposal of real property and equipment - net of tax											
Surplus related on disposal of non-banking assets - net of tax											
Acquisition of additional interest in subsidiary											
Transactions with owners, recorded directly in equity											
Final dividend of Rs. 6.0 per share - March 31, 2023											
Interim dividend of Rs. 7.0 per share - June 30, 2023											
Balance as at September 30, 2023 (Unaudited)	11,602,600	23,973,024	903,317	10,205,944	46,494,872	18,600,000	(21,184,111)	11,334	36,722,981	94,694,075	22,257,149
Profit after taxation for the period ended September 30, 2023											
Other comprehensive income - net of tax											
Electoral transfer of net investment in foreign branches and subsidiary											
Movement in surplus / (deficit) on revaluation of property and equipment - net of tax											
Movement in surplus on associated undertaking-net of tax											
Remeasurement gain on defined benefit obligations - net of tax											
Movement in surplus / (deficit) on revaluation of AFS investments - net of tax											
Transfer to statutory reserve											
Transfer of excess of general depositors from surpluses on revaluation of property and equipment - net of tax											
Surplus related on disposal of real property and equipment - net of tax											
Surplus related on disposal of non-banking assets - net of tax											
Acquisition of additional interest in subsidiary											
Transactions with owners, recorded directly in equity											
Final dividend of Rs. 6.0 per share - March 31, 2023											
Interim dividend of Rs. 7.0 per share - June 30, 2023											
State of dividend attributable to Non-controlling interest											
Balance as at December 31, 2023 (Audit)	11,602,600	23,973,024	903,317	9,341,253	48,307,215	18,600,000	(11,470,624)	422,861	36,788,145	102,688,217	34,151,94
Impact of adoption of IFRS 9, dated 1st July 2023											
Opening balance as at January 01, 2024, after adoption of IFRS 9											
Profit after taxation for the period ended September 30, 2024											
Other comprehensive income - net of tax											
Electoral transfer of net investment in foreign branches and subsidiary											
Movement in surplus / (deficit) on revaluation of property and equipment - net of tax											
Movement in surplus on associated undertaking-net of tax											
Remeasurement gain on defined benefit obligations - net of tax											
Movement in surplus / (deficit) on revaluation of AFS investments - net of tax											
Transfer to statutory reserve											
Transfer of excess of general depositors from surpluses on revaluation of property and equipment - net of tax											
Surplus related on disposal of real property and equipment - net of tax											
Surplus related on disposal of non-banking assets - net of tax											
Acquisition of additional interest in subsidiary											
Transactions with owners, recorded directly in equity											
Final dividend of Rs. 9.0 per share - March 31, 2024											
Interim dividend of Rs. 9.0 per share - June 30, 2024											
State of dividend attributable to Non-controlling interest											
Balance as at September 30, 2024 (Unaudited)	11,602,600	23,973,024	903,317	9,341,253	48,307,215	18,600,000	(16,566,133)	422,861	36,788,145	102,688,217	44,147,12

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

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MCB Bank Limited & Subsidiary Companies

Consolidated Condensed Interim Cash Flow Statement (Un-audited) For The Nine Months Period Ended September 30, 2024



CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation
Less: Dividend income and share of profit of associates

Adjustments:
Net mark-up / interest income
Depreciation on property and equipment
Depreciation on right-of-use assets
Depreciation on non-banking assets acquired in satisfaction of claims
Amortization
Credit loss allowance / provisions and write offs - net
Gain on sale of property and equipment - net
(Gain) / loss on sale of non-banking assets acquired in satisfaction of claims - net
Finance charges on lease liability against right-of-use assets
Workers Welfare Fund
Charge for defined benefit plans - net
Gain on termination of lease liability against right-of-use assets
Unrealized gain on revaluation of investments classified as FVTPL

(Increase) / decrease in operating assets
Lendings to financial institutions
Securities classified as FVTPL
Advances
Others assets (excluding advance taxation)

Increase / (decrease) in operating liabilities
Bills Payable
Borrowings from financial institutions
Deposits
Other liabilities (excluding current taxation)

Mark-up / Interest received
Mark-up / Interest paid
Defined benefits paid
Income tax paid
Net cash flow from operating activities

CASH FLOW FROM INVESTING ACTIVITIES
Net investment in securities classified as FVOCI
Net investment in securities classified as amortized cost
Dividends received
Investments in property and equipment
Disposal of property and equipment
Investments in Intangible assets
Disposal of non-banking assets acquired in satisfaction of claims
Acquisition of additional interest in subsidiary
Net investment in associates
Effect of translation of net investment in foreign branches and subsidiary
Net cash flow used in investing activities

CASH FLOW FROM FINANCING ACTIVITIES
Payment of lease liability against right-of-use-assets
Dividend paid
Net cash flow used in financing activities

Effects of credit loss allowance changes on cash and cash equivalents
Effects of exchange rate changes on cash and cash equivalents

Increase in cash and cash equivalents
Cash and cash equivalents at beginning of the period
Cash and cash equivalents at end of the period

The annexed notes 1 to 43 form an integral part of these consolidated condensed interim financial statements.

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President / CEO

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Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director

Note	Nine Months Ended	
	January 01 to September 30, 2024	January 01 to September 30, 2023
	-----Rupees in '000-----	
103,985,049	96,895,719	
(3,637,525)	(2,705,340)	
100,347,524	94,190,379	

32 (128,492,180) 32,322,660 32 1,621,043 32 14,007 32 593,523 34 817,825 31 (192,398) 31 (42,500) 28 1,313,060 28,060,107 (309,544) 31 (73,782) 30 39,742 (119,418,437) (19,070,913) (109,923,631) (15,733,252)

(119,167,926) 2,489,984 1,408,160 17,909 417,470 1,796,507 (81,659) 3,224 1,081,823 1,932,563 222,196 (49,536) 5,654

(109,923,631) (15,733,252)

32 (32,960,290) 32 (4,622,272) 32 (107,514,111) 32 49,158,337 (86,693,792) (46,137,626) (164,989) 169,020,428 (9,072,726) 113,645,087

(32,960,290) 4,622,272 (107,514,111) 49,158,337 (86,693,792) (46,137,626) (164,989) 169,020,428 (9,072,726) 113,645,087

(15,139,091) 31 (71,482,304) 31 293,993,814 31 5,687,155 356,024,182 (302,696,767)

289,222,500 (171,712,490) (257,200) (61,692,426) 305,819,861 (223,529,381) (149,969,833) (203,890) (42,604,356) 431,359,904

(15,139,091) 71,482,304 293,993,814 5,687,155 356,024,182 (302,696,767)

(255,158,697) 31 (9,729,731) 31 2,410,305 31 (8,313,933) 31 259,825 31 (1,415,202) 31 182,500 31 (306,081) 31 254,793 (252,356,759)

(312,670,315) (13,218,997) 1,985,277 (5,435,643) 1,828,177 (315,478) 132,000 (649,925) (185,000) 5,065,724 (323,464,180)

(2,483,809) (31,794,483) (34,278,292) (2,125,088) (22,874,084) (24,999,172)

63,001 (114,129) 19,133,682 226,327,052 245,460,734 - 93,926,064 124,293,692 218,219,756

63,001 (114,129) 19,133,682 226,327,052 245,460,734 - 93,926,064 124,293,692 218,219,756

MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



1. STATUS AND NATURE OF BUSINESS

The Group consists of:

- Holding Company - MCB Bank Limited

Subsidiary Companies

- MCB Investment Management Limited
- MCB Non-Bank Credit Organization Closed Joint Stock Company
- MCB Islamic Bank Limited
- MCB Exchange Company (Private) Limited *

"Percentage holding of
MCB Bank Limited"

81.42%
99.94%
100%
100%

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 1430 branches (2023: 1,430 branches) within Pakistan and 08 branches (2023: 08 branches) outside Pakistan (including the Karachi Export Processing Zone branch).

*During the period, the Holding company injected share capital of Rs 1.0 billion into MCB Exchange Company (Private) Limited, a wholly owned subsidiary.

1.1 DEMERGER OF 39 BRANCHES FROM MCB BANK LIMITED

The Board of Directors of MCB Bank Limited (MCB) in its meeting held on April 24, 2024 had approved the Scheme of Compromises, Arrangements and Reconstruction (the 'Scheme'), under Section 279 to 283 and 285 of the Companies Act, 2017, between the Bank and its wholly owned subsidiary MCB Islamic Bank Limited (MIB) to demerge business operations of its 39 branches and transfer to wholly owned subsidiary MIB subject to regulatory approvals.

No Objection Certificate of the State Bank of Pakistan on the Scheme was received on April 29, 2024 and petition was filed before the Honourable Lahore High Court for sanctioning the scheme of demerger. The shareholders had approved the Scheme in the Extra Ordinary General Meeting (EOGM) held on July 06, 2024.

2. BASIS OF PREPARATION

2.1 These consolidated condensed interim financial statements include the financial statements of MCB Bank Limited and its subsidiary companies and share of the profit / reserves of associates (the "Group").

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 on the financial statements for the nine months period ended September 30, 2024 and the carrying value of investments held by the parent is eliminated against the subsidiaries' shareholders' equity in these consolidated condensed interim financial statements. Material intra-Group balances and transactions have also 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 adopted by the Group. The Group's share in associates have been accounted for based on the financial statements for the nine months period ended September 30, 2024.

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.

2.3 The consolidated condensed interim financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency of its primary economic environment. 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, certain investments and derivative financial instruments have been marked to market and are carried at fair value and defined benefit obligations and right of use of assets with related lease liability have been measured at present value on initial recognition.

2.5 The Group believes that there is no significant doubt on the Group's ability to continue as a going concern. Therefore, the consolidated condensed interim financial statements have been prepared on a going concern basis.

MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024

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 34 "Interim Financial Reporting" and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) 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, IFRS 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 Standards 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.

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 No. 02 of 2023 dated February 09, 2023 and IAS 34, Interim Financial Reporting. These 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, 2023.

3.5 Standards, interpretations of and amendments to approved accounting standards that are effective in the current period

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or do not have any material effect on the Group's operations and therefore are not detailed in these consolidated condensed interim financial statements except for IFRS 9 'Financial Instruments', the impact of which is disclosed under note 4.2.

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

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any material effect on the Group's operations except for:

Effective date (annual periods beginning on or after)

January 1, 2026
January 1, 2027

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments
IFRS 18 – Presentation and Disclosure in Financial Statements

4. MATERIAL ACCOUNTING POLICIES

The material 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 Group for the year ended December 31, 2023 except for changes mentioned in notes 4.1 and 4.2.

4.1 Adoption of new forms for the preparation of consolidated condensed interim financial statements

'The SBP, vide its BPRD Circular No. 02 dated February 09, 2023, issued the revised forms for the preparation of consolidated condensed interim financial statements of banks that are applicable for quarterly / half yearly periods beginning on or after January 1, 2024 as per BPRD Circular Letter No. 07 of 2023 dated April 13, 2023. The implementation of the revised forms has resulted in certain changes to the presentation and disclosures of various elements of the condensed interim financial statements. The significant change is relating to right of use assets and corresponding lease liability which are now presented separately on the face of the statement of financial position. Previously, these were presented under property and equipment (earlier titled as fixed assets) and other liabilities respectively. There is no impact of this change on the consolidated condensed interim financial statements in terms of recognition and measurement of assets and liabilities.'



MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



The Group has adopted the above changes in the presentation and made additional disclosures to the extent applicable to its operations and corresponding figures have been rearranged / reclassified to correspond to the current period presentation, as presented in note 42.

4.2 Impact of IFRS 9 Financial instruments

IFRS 9 'Financial Instruments' addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard introduces 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.

In preparation of these financial statements, the Group has applied requirements of IFRS 9 and instructions issued by SBP, through various circulars, from the date of initial application of January 01, 2024 with a modified retrospective approach for restatement. As permitted by the transitional provisions of IFRS 9, the Group has not restated comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognized in the opening retained earnings and other reserves at the beginning of the current year without restating the comparative figures.

The SBP through its BPRD Circular Letter No. 16 dated July 29, 2024 has provided additional clarification on earlier issued 'IFRS 9 Application Instructions' to address certain key matters that had been raised by the Group's with a direction to ensure compliance by extended timelines. There are a few other matters, including treatment of unencumbered general provision, which are still under deliberation with the SBP. The Group has continued to follow the treatment adopted in respect of these matters in the prior periods till the time SBP issues the relevant guidance / clarification.

4.2.1 Initial recognition and subsequent measurement

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Group purchases or sells the asset. Other financial assets and liabilities like advances, lending to financial institutions, deposits etc. are recognised when funds are transferred to the customers' account or financial institutions. However, for cases, where funds are transferred on deferred payment basis, recognition is done when underlying asset is purchased.

a. Amortised cost (AC)

Financial assets and financial liabilities under amortised cost category are initially recognised at fair value adjusted for directly attributable transaction costs. These are subsequently measured at amortised cost. An expected credit loss allowance (ECL) is recognised for financial assets in the profit and loss account. Interest income / profit / expense on these assets / liabilities are recognised in the profit and loss account. On derecognition of these financial assets and liabilities, capital gain / loss will be recognised in the profit and loss account.

b. Fair value through other comprehensive income (FVOCI)

Financial assets under FVOCI category are initially recognised at fair value adjusted for directly attributable transaction costs. These assets are subsequently measured at fair value with changes recorded in OCI. An expected credit loss allowance (ECL) is recognised for debt based financial assets in the profit and loss account. Interest / profit / dividend income on these assets are recognised in the profit and loss account. On derecognition of debt based financial assets, capital gain / loss will be recognised in the profit and loss account. For equity based financial assets classified as FVOCI, capital gain / loss is transferred from surplus / deficit to unappropriated profit.

c. Fair value through profit or loss (FVTPL)

Financial assets under FVTPL category are initially recognised at fair value. Transaction costs will be directly recorded in the profit and loss account. These assets are subsequently measured at fair value with changes recorded in the profit and loss account. Interest / dividend income on these assets are recognised in the profit and loss account. On derecognition of these financial assets, capital gain / loss will be recognised in the profit and loss account. An expected credit loss allowance (ECL) is not recognised for these financial assets.

4.2.2 Classification and measurement

The classification and measurement of financial assets is based on the business model within which they are held and their contractual cash flow characteristics. Financial assets that do not meet the solely payments of principal and interest (SPPI) criteria are measured at fair value through profit or loss ('FVTPL') regardless of the business model in which they are held. The Group's business model in which financial assets are held determines whether the financial assets are measured at amortized cost (AC), fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL').

The business model reflects how groups of financial assets are managed to achieve a particular business objective. Debt based financial assets can only be held at amortized cost if these are held in order to collect the contractual cash flows ('hold to collect'), and where those contractual cash flows are solely payments of principal and interest (SPPI). Assets may be sold out of 'hold to collect' portfolios where there is an increase in credit risk. Disposals for other reasons are permitted but such sales should be insignificant in value or infrequent in nature.

Debt based financial assets where the business model objectives are achieved by collecting the contractual cash flows and by selling the assets ('hold to collect and sell') and that have SPPI cash flows are measured at FVOCI, with unrealized gains or losses deferred in reserves until the asset is derecognized. The debt based financial assets that are held for trading purposes are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

MCB Bank Limited & Subsidiary Companies

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The classification of equity instruments is generally measured at FVTPL unless the Group, at initial recognition, irrevocably designates as FVOCI in which case, both the unrealized and realized gains or losses are recognized in reserves and no amounts other than dividends received are recognized in the profit and loss account.

All other financial assets will mandatorily be held at FVTPL. Financial assets may be designated at FVTPL only if doing so eliminates or reduces an accounting mismatch.

The requirements of IFRS 9 Led to changes in classification of certain financial assets held by the Group which are explained as follows:

a. Debt based financial assets previously classified as available for sale (AFS)

The application of IFRS 9 has resulted in classification and consequent remeasurement of investments in INPC's, amounting to Rs. 5,699.494 million, held under AFS portfolio as of December 31, 2023 to FVTPL based on their business model assessment.

The failure of SPPI test upon assessment of contractual cash flows of debt based financial assets has resulted in classification and consequent remeasurement of investments in certain non government debt securities, amounting to Rs. 3,714.280 million, to FVTPL.

All other debt based financial assets previously classified as AFS upon passing the SPPI test have been designated as FVOCI under IFRS 9 as the Group's business model is to hold the assets to collect contractual cash flows, but also to sell those investment. There is no change to their measurement basis and recognition of realized and unrealized gain/loss under IFRS 9.

b. Debt based financial assets previously classified as held to maturity (HTM)

Debt based financial assets currently classified as HTM upon passing the SPPI test have been designated as amortized cost under IFRS 9 as the Group's business model is to hold the assets to collect contractual cash flows. Investments in certain non government debt securities, amounting to Rs. 7,506.816 million, on failing the SPPI test have been reclassified to FVTPL.

The following table reconciles the carrying value of investments in debt based financial assets as reported on December 31, 2023 to the carrying amounts on transition to IFRS 9 at January 01, 2024:

Financial Asset	Before adoption of IFRS 9*		After adoption of IFRS 9	
	Measurement Category	Audited December 31, 2023	Measurement Category	Balance as of January 01, 2024 - before ECL
-----Rupees in '000'-----				
Federal Government Securities				
- Market Treasury Bills	Available for sale Held for trading	353,834,432 206,562	FVOCI FVTPL	353,834,432 206,562
- Pakistan Investment Bonds	Available for sale Held to maturity	770,131,998 11,367,944	FVOCI AC	770,131,998 11,367,944
- Islamic Naya Pakistan Certificates	Available for sale	5,699,494	FVTPL	5,699,494
- Euro Bonds	Available for sale Held to maturity	5,355,806 3,160,071	FVOCI AC	5,355,806 3,160,071
Government of Pakistan (GOP) Ijarah Sukuks	Available for sale Held for trading Held to maturity	93,563,182 2,000,800 36,216,930	FVOCI FVTPL AC	93,563,182 2,000,800 36,216,930
Non Government Debt Securities				
- Sukuk Bonds	Available for sale Held to maturity	1,063,390 2,983,001	FVTPL AC	3,161,391 885,000
- Term Finance Certificates	Available for sale Held to maturity	2,650,890 5,408,815	FVTPL AC	8,059,705 -
Foreign Securities				
- Government securities	Available for sale	44,057,060	FVOCI	44,057,060
		1,337,700,375		1,337,700,375

* This amount includes overseas ECL for branches where IFRS 9 was already applicable.

c. Equity instruments previously classified as available for sale (AFS)

The Group has elected to irrevocably designate all quoted and unquoted equity securities previously classified as available for sale (AFS) as FVOCI except units of open end mutual funds, amounting to Rs. 115.98 million, that have been mandatorily classified as measured at FVTPL.

The fair value gain or losses recognized in OCI will not be recycled to profit and loss account on derecognition of these securities.

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IFRS 9 has eliminated impairment assessment requirements for investments in equity instruments. Accordingly, the Group has reclassified impairment of Rs. 9,783.874 million on listed equity investments and Rs. 205.765 million for unlisted equity investments held as at December 31, 2023 to surplus/ deficit on revaluation of investments.

The measurement category and carrying amount of financial assets in accordance with the accounting and reporting standards as applicable in Pakistan before and after adoption of IFRS 9 as at January 01, 2024 are compared as follows:

Financial Asset	Before adoption of IFRS 9*		After adoption of IFRS 9**	
	Measurement Category	Audited December 31, 2023	Measurement Category	IFRS 9 January 01, 2024
-----Rupees in '000'-----				
Cash and balances with treasury banks	Loans and receivables	190,245,798	AC	189,718,501
Balances with other banks	Loans and receivables	37,806,854	AC	37,514,288
Lending to financial institutions	Loans and receivables	89,713,400	AC	89,616,129
Investments - net	Held for Trading	2,492,235	FVTPL	2,492,235
	Available for sale	1,302,892,842	FVOCI	1,293,363,088
	Held to maturity	59,136,761	FVTPL	9,529,754
Advances - net	Loans and receivables	670,673,495	AC	663,308,743
Other assets	Loans and receivables	228,704,335	AC	228,467,230
		2,581,665,720		2,573,138,924

* This amount includes overseas ECL for branches where IFRS 9 was already applicable.

** The reconciliation between carrying amounts of financial assets before and after adoption of IFRS 9 has been disclosed in note 4.2.5

4.2.3 Derecognition Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire;
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the profit and loss account.

4.2.4 Expected Credit Loss (ECL)

The Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with all advances and other debt based financial assets not held at FVTPL, together with letter of credit, guarantees and unutilised financing commitments hereinafter referred to as "Financial Instruments". The Group recognises a credit loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk (SICR) since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated at facility level.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group uses a number of qualitative and quantitative measures in assessing SICR. Quantitative measures relate to deterioration of Obligor Risk Ratings (ORR) or where principal and / or interest payments are 60 days or more past due. Qualitative factors include unavailability of financial information and pending litigations. Based on the level of increase in credit risk, the Group shall calculate 12mECL for assets which did not have a SICR i.e., stage 1 or a LTECL for the life of the asset (for assets which demonstrated a SICR) i.e., stage 2.

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Based on the above process, the Group categorizes its financial instruments into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When financial instruments are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and these have been reclassified from Stage 2. The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast Exposure At Default (EAD) and multiplied by the expected LGD and discounted by an approximation to the original Effective Interest Rate (EIR). This calculation is made for all the scenarios.

Stage 2: When a financial instrument has shown a significant increase in credit risk (SICR) since origination, the Group records an allowance for the LTECLs. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs are applied over the lifetime of the instrument. The expected cash flows are discounted by an approximation to the original EIR.

Stage 3: For financial instruments considered credit-impaired, the Group recognises the LTECLs for these instruments. The Group uses a PD of 100% and LGD as computed for each portfolio / segment. When a financial instrument has shown a significant increase in credit risk (SICR) since origination, the Group records an allowance for the LTECLs.

Guarantee & Letter of Credit contracts: The Group estimates ECLs based on the BASEL driven credit conversion factor (CCF) for guarantee and letter of credit contracts respectively. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to guarantee and letter of credit contracts are recognised within other liabilities.

The calculation of ECLs

The Group calculates ECLs based on a three probability-weighted scenarios to measure the expected cash flows, discounted at an approximation to the EIR. The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD The probability that a counterparty will default, calibrated over the 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporating forward looking information.

EAD The expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortisation, pre-payments and forward-looking information where relevant

LGD It is an estimate of magnitude of loss sustained on any facility upon default by a customer. It is expressed as a percentage EAD of the exposure outstanding on the date of classification of an obligor. It is the difference between contractual cash flows due and those that the Group expects to receive, including any form of collateral.

The discount rate used to discount the ECLs is based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities. In the absence of computation of the effective interest rate (at reporting date), the Group uses an approximation e.g. contractual rate (at reporting date).

As per BPRD Circular No. 03 of 2022 dated July 05, 2022 and BPRD Circular Letter No.16 of 2024 dated July 29, 2024, ECL of Stage 1 and Stage 2 is calculated as per IFRS 9, while ECL of Stage 3 has been calculated based on higher of either the Prudential Regulations or IFRS 9 at borrower / facility level.

Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liabilities to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

When estimating the ECLs, the Group considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs.

The Group's management has only considered cash, liquid securities, and Government of Pakistan guarantees as eligible collaterals, while calculating EADs.

The credit exposure (in local currency) that have been guaranteed by the Government and Government Securities are exempted from the application of ECL calculation.

The concept of "impairment or default" is critical to the implementation of IFRS 9 as it drives determination of risk parameters, i.e. PD.

The concept of impairment LGD and EAD. The Gr

either one or both of the following two events have taken place:

- The Group considers that the obligor is unlikely to pay its credit obligations to the Group in full, without recourse by the Bank to actions such as realizing security (if held).

Write-offs

The Group's accounting policy under IFRS 9 remains the same as it was under SBP regulations / existing reporting framework.

4.2.5 Adoption Impacts

The Group has adopted IFRS 9 effective from January 01, 2024 with modified retrospective approach as permitted under IFRS 9. The cumulative impact of initial application of Rs. 5,206.317 million has been recorded as an adjustment to equity at the beginning of the current accounting period. The details of the impacts of initial application are tabulated below:

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Balances as of December 31, 2023 (Audited)		Impact due to:				IFRS 9 Category	
Recognition of expected credit losses (ECL)	Adoption of revised classifications under IFRS 9	Classifications due to business model and SPPs	Remeasurements	Reversal of provisions held	Total impact - gross of tax	Total impact - net of tax	Balances as of January 01, 2024
190,245,798	(527,297)	-	-	-	(527,297)	(527,297)	189,718,501
37,806,854	(292,666)	-	-	-	(292,566)	(292,566)	37,514,288
89,713,400	(97,271)	-	-	-	(97,271)	(97,271)	89,616,129
.....Rupees in '000.....							
1,302,892,842	-	(1,302,892,842)	-	-	(1,302,892,842)	-	(1,302,892,842)
59,136,761	-	1,302,892,842	(9,529,754)	-	1,293,363,088	1,293,363,088	FVOCI
2,492,235	(4,304)	(59,136,761)	(7,508,816)	-	(59,36,761)	-	
7,821,877	-	(2,492,235)	-	-	51,625,641	51,625,641	AC
1,372,343,715	(4,304)	-	2,492,235	17,036,570	(2,492,235)	(2,492,235)	-
716,525,774	-	(7,364,752)	-	-	(7,364,752)	-	
670,673,495	(7,364,752)	-	-	-	(7,364,752)	(7,364,752)	AC
80,736,669	-	-	-	-	-	-	80,736,669
8,001,881	-	-	-	-	-	-	8,001,881
1,859,032	-	-	-	-	-	-	1,859,032
228,704,335	(237,05)	-	-	-	(6,371,787)	6,371,787	Outside the scope of IFRS 9
2,880,055,179	(8,523,295)	-	-	(3,501)	(237,105)	(237,105)	37,171,787
27,271,384	-	-	-	-	(8,526,796)	(8,526,796)	228,467,230
235,664,480	-	-	-	-	-	-	AC
2,009,828,619	-	-	-	-	-	-	2,009,828,619
11,429,243	-	-	-	-	-	-	11,429,243
3,552,321	-	-	-	-	-	-	-
150,588,030	1,888,277	-	-	-	3,552,321	3,552,321	AC
2,438,334,077	1,888,277	-	-	-	(4,915,352)	(4,915,352)	157,191,859
241,751,102	(10,211,572)	-	-	(3,501)	1,688,277	(1,363,031)	2,441,385,385
					(10,215,073)	(5,008,756)	236,544,785
11,850,600	-	-	-	-	-	-	11,850,600
101,129,809	-	-	-	-	-	-	101,129,809
25,740,282	-	-	-	-	-	-	25,740,282
102,689,217	(10,211,572)	(8,045)	(3,501)	(10,026,787)	(10,026,787)	(90,037)	20,624,169
241,409,908	(10,211,572)	-	-	(3,501)	(10,215,073)	(5,008,756)	102,589,013
341,194	-	-	-	-	-	-	341,194
241,751,102	(10,211,572)	-	-	(3,501)	-	-	236,544,785

ASSETS	
Cash and balances with treasury banks	
Balances with other banks	
Lendings to financial institutions	
Investments	<ul style="list-style-type: none"> - Classified as available for sale - Classified as fair value through other comprehensive income - Classified as held to maturity - Classified as amortised cost - Classified as held for trading - Classified as fair value through profit or loss - Associates
Advances	<ul style="list-style-type: none"> - Gross amount - Provisions
Property and equipment	
Right-of-use assets	
Intangible assets	
Deferred tax asset	
Other assets	
LIABILITIES	
Bills payable	
Borrowings	
Deposits and other accounts	
Lease liability against right-of-use assets	
Subordinated debt	
Deferred tax liabilities	
Other liabilities	
NET ASSETS	
REPRESENTED BY	
Share capital	
Reserves	
Surplus on revaluation of assets - net of tax	
Unappropriated profit	
Non-controlling interest	

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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, 2023 except for matters related to adoption of IFRS 9 which have been disclosed in note 4.2 to the consolidated condensed interim financial statements.

6. FINANCIAL RISK MANAGEMENT

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, 2023.

	Note	Unaudited September 30, 2024	Audited December 31, 2023
-----Rupees in '000-----			

7. CASH AND BALANCES WITH TREASURY BANKS

In hand			
Local currency		42,886,453	37,437,971
Foreign currencies		6,904,117	8,807,239
		49,790,570	46,245,210
With State Bank of Pakistan in			
Local currency current account		104,826,647	88,108,940
Foreign currency current accounts		6,357,046	2,454,172
Foreign currency deposit account		8,157,469	12,812,091
		119,341,162	103,375,203
With other central banks in			
Foreign currency current accounts		13,701,597	7,618,129
With National Bank of Pakistan in			
Local currency current accounts		27,817,995	32,835,691
Prize bonds		153,890	171,565
Less: Credit loss allowance held against cash and balances with treasury banks		(501,332)	-
Cash and balances with treasury banks - net of credit loss allowance		210,303,882	190,245,798

8. BALANCES WITH OTHER BANKS

Inside Pakistan			
In current accounts		22,221	17,842
In deposit account		44,539	7,886
		66,760	25,728
Outside Pakistan			
In current accounts		10,607,772	11,901,017
In deposit accounts		25,169,514	25,869,888
		35,777,286	37,770,905
Less: Credit loss allowance held against balances with other banks		(265,874)	(10,221)
Balances with other banks - net of credit loss allowance		35,578,172	37,806,854

9. LENDINGS TO FINANCIAL INSTITUTIONS

Call / clean money lendings		91,865,300	65,714,000
Repurchase agreement lendings (Reverse Repo)		30,808,390	21,499,400
Musharaka arrangements		-	2,500,000
		122,673,690	89,713,400
Less: Credit loss allowance held against lending to financial institutions	9.1	(82,052)	-
Lending to financial institutions - net of credit loss allowance		122,591,638	89,713,400

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	Unaudited September 30, 2024	Audited December 31, 2023		
		Lending	Credit loss allowance held	Classified Lending
-----Rupees in '000-----				
9.1 Particulars of credit loss allowance				
Domestic				
Performing	Stage 1	30,808,390	(82,052)	-
Under performing	Stage 2	-	-	-
Non-performing	Stage 3	-	-	-
Substandard		-	-	-
Doubtful		-	-	-
Loss		-	-	-
Total		30,808,390	(82,052)	-
Overseas				
Performing	Stage 1	91,865,300	-	-
Under performing	Stage 2	-	-	-
Non-performing	Stage 3	-	-	-
Substandard		-	-	-
Doubtful		-	-	-
Loss		-	-	-
Total		91,865,300	-	-

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10. INVESTMENTS

	Unaudited September 30, 2024			
10.1 Investments by type:	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
FVTPL				
Federal Government Securities				
Non Government Debt Securities	3,443,330	-	34,034	3,443,330
Shares and units	10,508,790	-	(73,776)	10,542,824
	950,912	-	(39,742)	877,136
	14,903,032	-		14,863,290
FVOCI				
Federal Government Securities				
Shares	1,510,801,388	(447,964)	5,954,618	1,516,308,042
Foreign Securities	37,309,999	-	(1,167,246)	36,142,753
	34,027,959	-	28,233	34,056,192
	1,582,139,346	(447,964)	4,815,605	1,586,506,987
Amortised Cost				
Federal Government Securities				
Provincial Government Securities	41,232,214	(216,694)	-	41,015,520
Non Government Debt Securities	118	(118)	-	-
	1,362,051	(481,661)	-	880,390
	42,594,383	(698,473)	-	41,895,910
	9,406,096	-	-	9,406,096
	1,649,042,857	(1,146,437)	4,775,863	1,652,672,283
Audited December 31, 2023				
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Held-for-trading securities				
Federal Government Securities				
Shares	2,202,756	-	4,606	2,207,362
	292,517	-	(7,644)	284,873
	2,495,273	-	(3,038)	2,492,235
Available-for-sale securities				
Federal Government Securities				
Shares and units	1,257,348,552	(414,772)	(28,348,868)	1,228,584,912
Non Government Debt Securities	30,790,160	(10,026,787)	5,773,217	26,536,590
Foreign Securities	3,723,840	-	(9,560)	3,714,280
	43,963,271	-	93,789	44,057,060
	1,335,825,823	(10,441,559)	(22,491,422)	1,302,892,842
Held-to-maturity securities				
Federal Government Securities				
Provincial Government Securities	51,005,261	(260,316)	-	50,744,945
Non Government Debt Securities	118	(118)	-	-
Foreign Securities	8,869,357	(477,541)	-	8,391,816
	-	-	-	-
	59,874,736	(737,975)	-	59,136,761
	7,821,877	-	-	7,821,877
	1,406,017,709	(11,179,534)	(22,494,460)	1,372,343,715
10.1.1 Investments given as collateral				
- Market Treasury Bills				
- Pakistan Investment Bonds	9,919,650	-	30,763,692	
	176,814,000	-	75,842,086	
	186,733,650	-	106,605,778	
10.2 Credit loss allowance for diminution in value of investments				
Opening balance	11,179,534	-	10,330,107	
Reversal of impairment charged against equity instruments through FVOCI on adoption of IFRS 9	(10,026,787)	-	-	
Impact of ECL on debt securities on adoption of IFRS 9	4,304	-	-	
Exchange adjustments	(9,956)	-	54,762	
Charge / (reversals)	307	-	1,744,532	
Charge for the period / year	(965)	-	-	
Reversals for the period / year	-	-	(949,867)	
Reversal on disposals	(658)	-	794,665	
Amounts written off	-	-	-	
Closing Balance	1,146,437	-	11,179,534	

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	Unaudited September 30, 2024			
	Outstanding amount	Credit loss allowance held	Outstanding amount	*Provision / Credit loss allowance held
10.3 Particulars of credit loss allowance against debt securities				
Domestic				
Performing	-	1,550,092,605	4,610	-
Under performing	-	2,430,683	-	-
Non-performing	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	477,169	477,169	477,659	477,659
	477,169	477,169	477,659	477,659
Overseas				
Performing	-	1,553,000,457	481,779	477,659
Under performing	-	39,419,205	-	-
Non-performing	-	8,956,188	664,658	10,418,986
	-	-	-	-
	48,375,393	664,658	10,418,986	675,088
Total	-	1,601,375,850	1,146,437	10,896,645
	-	1,601,375,850	1,146,437	1,152,747

* This amount includes overseas ECL for branches where IFRS 9 was already applicable.

10.4 Summarized financial information of associates

Country of incorporation	% of interest held	Revenue	Unaudited September 30, 2024				
			Profit / (loss) after tax	Total comprehensive income / (loss)	Assets	Liabilities	
Associates							
Euronet Pakistan (Private) Limited (unaudited based on September 30, 2024)							
Pakistan	30%	1,316,402	160,144	160,144	2,238,041	2,057,590	
Adamjee Insurance Company Limited (unaudited based on June 30, 2024)							
Pakistan	20%	23,601,210	2,225,532	5,291,953	189,446,099	152,919,412	

	Country of incorporation	% of interest held	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)	Assets	Liabilities
Associates							
Euronet Pakistan (Private) Limited (unaudited based on December 31, 2023)							
Pakistan	30%	1,474,982	(1,915)	(1,915)	1,553,014	1,526,982	
Adamjee Insurance Company Limited (unaudited based on December 31, 2023)							
Pakistan	20%	41,976,789	2,716,915	7,247,972	172,799,968	141,046,004	

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Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024

10.5 Investment in Adamjee Insurance Company Limited under equity method - holding 20.00% (2023: 20.00%)

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 September 30, 2024 amounted to Rs. 2,669.400 million. (2023: Rs. 2,391.900 million).

Unaudited September 30, 2024	Audited December 31, 2023
-----Rupees in '000-----	
6,578,813	5,393,123
1,239,392	912,280
(210,000)	(210,000)
(539,174)	(425,830)
490,218	276,450
441,227	909,240
7,510,258	6,578,813
<hr/>	
452,553	787,716
(11,326)	121,524
441,227	909,240

10.6 Investment in Euronet Pakistan Private Limited under equity method - holding 30% (2023: 30.00%)

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'.

Unaudited September 30, 2024	Audited December 31, 2023
-----Rupees in '000-----	
8,361	9,356
66,250	20,401
(20,476)	(21,396)
45,774	(995)
54,135	8,361

10.7 Investment in units of funds under management of MCB Investment Management Limited

Investment of the Group in units of funds under management of MCB Investment Management 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'.

Unaudited September 30, 2024	Audited December 31, 2023
-----Rupees in '000-----	
1,234,703	1,105,496
306,081	(267,428)
311,514	415,827
(10,595)	(19,192)
607,000	129,207
1,841,703	1,234,703

MCB Bank Limited & Subsidiary Companies

**Notes To The Consolidated Condensed Interim Financial Statements (Un-audited)
For The Nine Months Period Ended September 30, 2024**



Non Performing				Total
Unaudited September 30, 2024	Audited December 31, 2023	Unaudited September 30, 2024	Audited December 31, 2023	
.....Rupees in '000				
54,224,325	53,000,544	702,641,285	603,703,016	
2,608,849	1,957,908	93,294,417	90,635,616	
880,426	882,051	27,158,139	22,187,142	
57,713,600	55,840,403	823,093,841	716,525,774	
.....Rupees in '000				
-	-	5,535,219	-	
-	-	1,379,371	-	
43,801,602	-	43,801,602	-	
-	42,682,380	-	42,682,380	
(43,801,602)	(42,682,380)	(53,082,200)	(45,852,279)	
13,911,998	13,168,023	77,011,641	670,673,495	
.....Rupees in '000				
Unaudited September 30, 2024		Audited December 31, 2023		
.....Rupees in '000				
732,882,314		636,444,276		
90,211,327		80,081,498		
823,093,841		716,525,774		
.....Rupees in '000				
Unaudited September 30, 2024		Audited December 31, 2023		
.....Rupees in '000				
Non Performing Loans		Credit loss allowance	Non Performing Loans	Provision
.....Rupees in '000				
1,557,885	791,939	1,517,142	1,684	
3,115,838	1,503,326	1,056,913	52,169	
3,140,133	1,427,700	382,282	114,909	
36,228,756	35,191,421	38,135,498	36,780,475	
44,042,612	38,914,386	41,091,835	36,949,237	
-	-	2,902	726	
-	-	24,898	6,225	
328,236	166,053	1,297	1,297	
13,342,752	4,721,163	14,719,471	5,724,895	
13,670,988	4,887,216	14,748,568	5,733,143	
57,713,600	12,901,602	55,240,402	42,682,380	

or the non-performing / Stage 3 status as detailed below.

Unaudited September 30, 2024		Audited December 31, 2023	
Non Performing Loans		Credit loss allowance	Non Performing Loans
		Rupees in '000	
1,557,885	791,939	1,517,142	1,684
3,115,838	1,503,326	1,056,913	52,169
3,140,133	1,427,700	382,282	114,909
36,228,756	35,191,421	38,135,498	36,780,475
44,042,612	38,914,386	41,091,835	36,949,237
-	-	2,902	726
-	-	24,898	6,225
328,236	166,053	1,297	1,297
13,342,752	4,721,163	14,719,471	5,724,895
13,670,988	4,878,216	14,748,568	5,733,143
52,742,600	42,901,602	56,540,402	42,682,280

11.2 Advection

Category of Classification	Domestic	Other Assets Especially Mentioned (OAEM)
Substandard		
Doubtful		
Loss		

Overseas
Up to 90 Days
91 to 180
180 to 365
> 365 days

Total

11.2.1 This includes non-performing portfolio of agricultural, small enterprise and Infrastructure Project Financing classified as "Other Assets Especially Mentioned" as per the requirements of respective Prudential Regulations issued by the State Bank of Pakistan.

MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



11.3 Particulars of credit loss allowance against advances

	Unaudited September 30, 2024			Audited December 31, 2023				
	Expected Credit Loss		General	Total	Specific		General	Total
	Stage 1 & Stage 2	Stage 3			General	Total		
-----Rupes in '000-----								
Opening balance	-	42,682,380	3,169,899	45,852,279	42,122,972	2,638,230	44,761,202	
Impact of ECL on adoption of IFRS 9	5,615,036	2,458,683	(708,967)	7,364,752	-	-	-	
Exchange adjustments	49,990	(31,653)	-	18,337	1,230,321	237,236	1,467,557	
Charge for the period / year	2,704,233	3,076,970	(94,924)	5,781,203	3,685,905	531,609	4,217,514	
Reversals	(1,454,669)	(3,269,469)	(94,924)	(4,819,062)	(3,576,979)	(237,176)	(3,814,155)	
Amounts written off	1,249,564	(192,499)	(94,924)	962,141	108,926	294,433	403,359	
Closing balance	6,914,590	43,801,602	2,366,008	53,082,200	42,682,380	3,169,899	45,852,279	

11.3.1 An analysis of changes in the credit loss allowance in relation to loans & advances of the Group as at September 30, 2024 is as follows:

	Expected Credit Loss				
	Stage 1		Stage 2	Stage 3	General
	-----Rupes in '000-----				
Opening balance	-	-	42,682,380	3,169,899	45,852,279
Impact of ECL on adoption of IFRS 9	4,153,361	1,461,675	2,458,683	(708,967)	7,364,752
Exchange adjustments	49,990	-	(31,653)	-	18,337
New Advances	827,970	221,442	69,622	(94,924)	1,119,034
Advances derecognized or repaid	25,104	(50,704)	(665,932)	(94,924)	(786,456)
Transfer to stage 1	413,392	(408,451)	(4,941)	-	-
Transfer to stage 2	(144,709)	233,512	(88,803)	-	-
Transfer to stage 3	(110,176)	(118,293)	228,469	-	-
Amounts written off / charged off	1,011,581	(122,494)	(461,585)	(94,924)	332,578
Changes in risk parameters	320,287	40,190	(1,115,309)	-	(1,115,309)
Closing balance	5,535,219	1,379,371	43,801,602	2,366,008	53,082,200

	Unaudited September 30, 2024				Audited December 31, 2023	
	Outstanding amount		Credit loss allowance Held	Outstanding amount	Provision	
	-----Rupes in '000-----					
Stage 1	697,288,134	5,410,239	635,484,441	-	-	
Stage 2	27,840,659	900,519	-	-	-	
Stage 3	1,557,885	791,939	1,517,142	1,684		
	3,115,838	1,503,326	1,056,913	52,169		
	3,140,133	1,427,700	382,282	114,909		
	36,228,756	35,191,421	38,135,498	36,780,475		
	44,042,612	38,914,386	41,091,835	36,949,237		
	-	1,786,639	-	3,169,899		
Total	769,171,405	47,011,783	676,576,276	40,119,136		

11.3.2 Category of Classification

Domestic

	Stage 1	Unaudited September 30, 2024				Audited December 31, 2023	
		Outstanding amount		Credit loss allowance Held	Outstanding amount	Provision	
		-----Rupes in '000-----					
Performing	697,288,134	5,410,239	635,484,441	-	-	-	
Under performing	27,840,659	900,519	-	-	-	-	
Non-performing	1,557,885	791,939	1,517,142	1,684			
Other Assets Especially Mentioned	3,115,838	1,503,326	1,056,913	52,169			
Substandard	3,140,133	1,427,700	382,282	114,909			
Doubtful	36,228,756	35,191,421	38,135,498	36,780,475			
Loss	44,042,612	38,914,386	41,091,835	36,949,237			
General Provision	-	1,786,639	-	3,169,899			
Total	769,171,405	47,011,783	676,576,276	40,119,136			

	Stage 1	Unaudited September 30, 2024				Audited December 31, 2023	
		Outstanding amount		Credit loss allowance Held	Outstanding amount	Provision	
		-----Rupes in '000-----					
Performing	19,781,861	124,980	25,200,930	-	-	-	
Under performing	20,469,587	478,852	-	-	-	-	
Non-performing	-	-	-	-	-	-	
Substandard	328,236	166,053	27,800	6,950			
Doubtful	13,342,752	4,721,163	14,232,316	5,481,967			
Loss	13,670,988	4,887,216	14,748,568	5,733,143			
General Provision	-	579,369	-	-	-	-	
Total	53,922,436	6,070,417	39,949,498	5,733,143			

11.3.3 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 Non Performing Loans (NPLs) for five years from the date of classification. The Bank (holding company) has not taken the FSV benefit in calculation of credit loss allowance. However, one of the subsidiary of the Bank has availed benefit of forced sale values amounting to Rs. 579,145 million (December 31, 2023: Rs. 967,863 million) in determining the credit loss allowance against non-performing Islamic financing and related assets as at September 30, 2024. The additional benefit arising from availing the FSV benefit - net of tax amounts to Rs. 295,364 million as at September 30, 2024 (December 31, 2023: Rs. 493,610 million) and is not available for payment of cash or stock dividends to shareholders.

MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



Note Unaudited September 30, 2024 Audited December 31, 2023
-----Rupees in '000-----

12. PROPERTY AND EQUIPMENT

Capital work-in-progress
Property and equipment

12.1 4,267,833 2,191,569
81,497,234 78,545,100
85,765,067 **80,736,669**

12.1 Capital work-in-progress

Civil works
Equipment
Advances to suppliers
Others

2,442,813 1,348,446
781,789 101,966
1,023,806 736,548
19,425 4,609
4,267,833 **2,191,569**

Unaudited Nine Months Period ended September 30, 2024 Unaudited Nine Months Period ended September 30, 2023
-----Rupees in '000-----

12.2 Additions to property and equipment

The following additions have been made to property and equipment during the period:

Capital work-in-progress - net additions
Property and equipment
Building on freehold land
Building on leasehold land
Freehold land
Leasehold land
Electrical office and computer equipment
Furniture and fixture
Leasehold Improvements
Vehicles

2,076,264 1,115,482
342,179 428,805
2,881 3,647
125 27,159
- 4,920
3,559,626 2,745,590
611,841 175,277
934,059 487,166
786,958 447,597
6,237,669 4,320,161
8,313,933 **5,435,643**

12.3 Disposal of property and equipment

The net book value of property and equipment disposed off during the period is as follows:

Freehold land
Vehicles
Furniture and fixture
Electrical office and computer equipment
Leasehold Improvements
Building on freehold land

13,240 1,699,344
27,779 22,902
948 2,135
25,460 6,511
- 19
- 15,607
67,427 **1,746,518**

Unaudited September 30, 2024 Audited December 31, 2023
-----Rupees in '000-----

13. RIGHT-OF-USE ASSETS

Right-of-use assets

13.1 7,488,847 8,001,881

	Unaudited September 30, 2024			Audited December 31, 2023		
Buildings	Others	Total	Buildings	Others	Total	
-----Rupees in '000-----						

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MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



	Note	Unaudited September 30, 2024	Audited December 31, 2023		
		-----Rupees in '000-----			
14. INTANGIBLE ASSETS					
Computer software					
Goodwill		1,338,700	969,440		
Management rights		82,127	82,127		
Capital work-in-progress		192,000	192,000		
		1,070,687	615,465		
		2,683,514	1,859,032		
14.1 Additions to intangible assets					
The following additions have been made to intangible assets during the period:					
Computer software		959,980	280,910		
Capital work-in-progress - net additions		455,222	34,568		
		1,415,202	315,478		
15. OTHER ASSETS					
Income / mark-up accrued in local currency		99,612,508	71,559,030		
Income / mark-up accrued in foreign currencies		969,354	503,365		
Advances, deposits, advance rent and other prepayments		9,079,811	5,429,263		
Non-banking assets acquired in satisfaction of claims		1,516,826	1,637,884		
Compensation for delayed income tax refunds		133,809	133,809		
Mark to market gain on forward foreign exchange contracts		2,370,427	2,596,164		
Unrealized gain on derivative financial instruments		171,633	73,852		
Acceptances	22	35,033,393	42,551,113		
Receivable from the pension fund		8,241,693	7,428,142		
Clearing and settlement accounts		40,558,183	27,296,155		
Receivable from the Government of Pakistan		-	67,187,000		
Claims receivable against fraud and forgeries		579,778	607,980		
Others		5,573,396	4,463,917		
Less: Credit loss allowance / provision held against other assets	15.1	203,840,811	231,467,674		
Other Assets net of credit loss allowance		3,549,356	3,370,145		
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	24	200,291,455	228,097,529		
Other Assets - total		573,856	606,806		
		200,865,311	228,704,335		
15.1 Credit loss allowance / provision held against other assets					
Non banking assets acquired in satisfaction of claims		88,083	88,083		
Claims receivable against fraud and forgeries		579,778	607,980		
Mark-up accrued		210,795	4,972		
Others		2,670,700	2,669,110		
		3,549,356	3,370,145		

MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



	Note	Unaudited September 30, 2024	Audited December 31, 2023		
		-----Rupees in '000-----			
15.1.1 Movement in credit loss allowance held against other assets					
Opening balance					
Impact of ECL on adoption of IFRS 9		3,370,145	3,066,275		
Charge for the period / year		237,105	-		
Reversals		46,039	36,184		
Amounts written off		(82,581)	(8,080)		
Exchange and other adjustments		(36,542)	28,104		
Closing balance		(521)	(2,062)		
		(20,831)	277,828		
		3,549,356	3,370,145		
16. CONTINGENT ASSETS					
There were no contingent assets of the Group as at September 30, 2024 (2023: Nil).					
		Unaudited September 30, 2024	Audited December 31, 2023		
		-----Rupees in '000-----			
17. BILLS PAYABLE					
In Pakistan		12,097,746	27,008,158		
Outside Pakistan		34,547	263,226		
		12,132,293	27,271,384		
18. BORROWINGS					
Secured					
Borrowings from State Bank of Pakistan		42,590,350	51,576,669		
Under export refinance scheme		18,449,312	21,441,512		
Under long term financing facility		2,288,869	2,445,557		
Under renewable energy performance platform		39,177,344	42,326,816		
Under temporary economic refinance facility		196,519	239,697		
Under financing facility for storage of agricultural produce		5,106	6,272		
Under Refinance and Credit Guarantee Scheme for Women Entrepreneurs		102,707,500	118,036,523		
Repurchase agreement borrowings		191,113,886	106,366,325		
Total secured		293,821,386	224,402,848		
Unsecured					
Call borrowings		263,675	1,000,000		
Borrowings from other financial institution		3,014,192	2,314,827		
Overdrawn nostro accounts		421,320	1,019,866		
Musharaka Arrangements		8,865,378	6,764,653		
Others		162,286	162,286		
Total unsecured		12,726,851	11,261,632		
		306,548,237	235,664,480		

MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024

Unaudited September 30, 2024		Audited December 31, 2023	
In Local Currency	In Foreign currencies	Total	
Rupees in '000.....			
781,326.888	192,697,772	974,024,660	889,410,951
1,044,316.562	47,893,957	1,092,210,519	888,371,233
80,270,025	19,815,637	100,085,662	70,574,277
50,702,414	4,170,920	54,873,334	52,203,271
1,956,615.889	264,578,286	2,221,194,175	1,700,559,732
16,312,452	2,627,663	18,940,115	17,749,339
43,679,872	917,909	44,597,781	32,272,124
11,348,447	7,657,104	19,005,551	10,666,897
-	84,811	84,811	-
71,340,771	11,287,487	82,628,256	60,688,360
2,027,956,660	275,865,773	2,303,822,433	1,761,248,092
		In Local Currency	
		In Foreign currencies	
		Total	
		In Foreign currencies	
		Total	

20. LEASE LIABILITIES

20.1	At January 1,			
Additions / adjustments during the period / year				10,432,366
Lease payments including interest				2,348,050
Finance charges				(2,844,026)
Deletions during the period / year				1,669,866
Exchange adjustments				(243,799)
Closing Balance	11,292,721		11,292,721	11,429,243
20.2 Liabilities Outstanding				
Not later than one year			1,601,624	1,676,146
Later than one year and upto five years			5,432,999	5,209,616
Over five years			4,258,098	4,543,481
Total at the year end			11,292,721	11,429,243



MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024

Note	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	
	3,597,974	3,704,544
	281,188	297,334
	3,894,862	3,678,662
	4,038,429	3,639,789
	705,218	705,218
	2,359,646	(11,020,798)
	3,362,564	2,906,156
	18,239,881	3,910,905
	(6,663,483)	(204,206)
	(221,871)	(154,378)
	11,354,527	3,552,321
	Unaudited September 30, 2024	Audited December 31, 2023
	-----Rupees in '000-----	
22.1	24,701,598	7,032,232
	447,040	579,109
	2,556,698	2,119,095
	9,992,247	9,130,684
	16,046,206	21,099,089
22.1	16,268,754	14,208,647
15	35,033,393	42,551,113
	2,674,720	2,425,756
	1,363,990	1,202,115
	171,633	73,848
	1,045,184	28,696
	1,331,478	1,266,190
	2,312,029	2,121,129
	131,465	140,847
	31,176	586,691
	408,524	508,115
	5,458,279	11,440,990
	21,896	23,238
22.2	1,890,004	78,807
	3,610,440	3,020,407
	30,180,360	24,223,005
	9,930,951	6,728,227
	165,608,065	150,588,030

22.1 Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of Workers Welfare Fund were not lawful. The Federal Board of Revenue has filed review petitions against this order which are currently pending.

Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgment may not currently be treated as conclusive. Accordingly, the Group maintained its provision in respect of WWF.

MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



22.2 An analysis of changes in credit loss allowance against off-balance sheet obligations as at September 30, 2024 is as follows:

	Note	Unaudited September 30, 2024	Audited December 31, 2023
-----Rupees in '000-----			
Opening balance		78,807	48,403
Impact of ECL on adoption of IFRS 9		1,688,277	-
Exchange adjustment		888	8,449
Charge for the period / year		752,184	21,955
Reversals		(630,152)	-
Amount written off		122,032	21,955
Closing balance		1,890,004	78,807

23. RESERVES

Share premium		23,973,024	23,973,024
Non - distributable capital reserve - gain on bargain purchase option	23.1	908,317	908,317
Exchange translation reserve		9,584,720	9,341,253
Statutory reserve	23.2	53,832,129	48,307,215
General reserve		18,600,000	18,600,000
		106,898,190	101,129,809

23.1 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 has 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 Holding company, 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.

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

Note	Unaudited September 30, 2024	Audited December 31, 2023
-----Rupees in '000-----		

24. SURPLUS ON REVALUATION OF ASSETS

Surplus / (deficit) on revaluation of			
- Securities measured at FVOCI - Debt / AFS securities	10.1	5,982,851	(28,264,639)
- Securities measured at FVOCI - Equity / AFS securities	10.1	(1,167,246)	5,773,217
- Property and equipment		39,952,507	40,183,217
- Non-banking assets acquired in satisfaction of claims	15	573,856	606,806
- Associated undertaking		1,702,620	1,250,067
Deferred tax on (surplus) / deficit on revaluation of:		47,044,588	19,548,668
- Securities measured at FVOCI - Debt / AFS securities	21	(2,931,597)	13,849,674
- Securities measured at FVOCI - Equity / AFS securities	21	571,951	(2,828,876)
- Property and equipment	21	(3,597,974)	(3,704,544)
- Non-banking assets acquired in satisfaction of claims	21	(281,188)	(297,334)
- Associated undertaking		(1,043,506)	(827,306)
		(7,282,314)	6,191,614
		39,762,274	25,740,282

MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



Unaudited
September 30,
2024
-----Rupees in '000-----

281,110,462	318,643,498
464,141,098	512,200,312
29,642,188	34,363,515
774,893,748	865,207,325

141,933,686	126,236,623
124,398,952	176,196,192
14,777,824	16,210,683

281,110,462 318,643,498

25. CONTINGENCIES AND COMMITMENTS

- Guarantees
- Commitments
- Other contingent liabilities

25.1 Guarantees:

- Financial guarantees
- Performance guarantees
- Other guarantees

25.2 Commitments:

Documentary credits and short-term trade-related transactions

- letters of credit

Commitments in respect of:

- forward foreign exchange contracts
- forward government securities transactions
- derivatives
- commitments to extend credit

Commitments for acquisition of:

- property and equipment
- intangible assets

25.2.1 Commitments in respect of forward foreign exchange contracts

Purchase

Sale

255,712,543 318,590,512

199,694,952 171,638,288

12,035 15,220,315

3,730,026 1,595,548

1,285,211 1,128,247

2,805,826 2,390,799

900,505 1,636,603

464,141,098 512,200,312

25.2.2 Commitments in respect of forward government securities transactions

Purchase

Sale

- 23,315

12,035 15,220,315

25.2.3 Commitments in respect of derivatives

FX options

Purchase

Sale

1,865,013 736,983

1,865,013 736,983

3,730,026 1,473,966

Cross Currency Swaps

Purchase

Sale

- 60,791

- 60,791

- 121,582

3,730,026 1,595,548

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.

MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



	Note	Unaudited September 30, 2024	Audited December 31, 2023
		-----Rupees in '000-----	

25.3 Other contingent liabilities

Claims against the Group not acknowledged as debts	25.3.1	29,642,188	34,363,515
----------------------------------------------------	--------	------------	------------

25.3.1 These mainly represent counter claims by borrowers for damages and other claims relating to banking transactions. Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Group's favour and the possibility of any adverse outcome is remote. Accordingly, no provision has been made in these consolidated condensed interim financial statements.

25.4 Taxation

For assessment year 1999-2000 through tax year 2024, 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. 2,632.390 million (2023: 5,902.495 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 these consolidated condensed interim 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 Group's favour as and when these are taken up by the Appellate Authorities.

25.5 Amortization of goodwill and other intangibles amounting to Rs 28.08 billion of Ex. NIB

Issue of goodwill and other related assets amortization for few years has been assessed in Holding company's favour at appellate forums, however, the tax department has filed appeal against these decisions. The management has not recorded any tax benefit because the issue has not attained finality.

26. DERIVATIVE INSTRUMENTS

Unaudited September 30, 2024

Total	Cross Currency Swaps		Interest Rate Swaps		FX Options	
	Notional	Mark to market gain / loss	Notional	Mark to market gain / loss	Notional	Mark to market gain / loss
	Principal	Principal	Principal	Principal	Principal	Principal
-----Rupees in '000-----						

Hedging	-	-	-	-	1,865,013	171,633
Market Making	-	-	-	-	1,865,013	(171,633)

Audited December 31, 2023

Total	Rupeess in '000					
Hedging	60,791	62,365	-	-	736,983	11,487
Market Making	60,791	(62,361)	-	-	736,983	(11,487)

MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



Note	Unaudited Nine Months Period ended September 30, 2024	Unaudited Nine Months Period ended September 30, 2023
	-----Rupees in '000-----	

27. MARK-UP / RETURN / INTEREST EARNED

Loans and advances	96,663,994	96,054,136
Investments	213,152,057	155,975,886
Lendings to financial institutions	6,218,157	7,105,028
Balances with banks	1,707,759	1,697,429
	317,741,967	260,832,479

27.1 Interest income recognised on:

Financial assets measured at amortised cost	110,460,017
Financial assets measured at FVOCI	199,695,238
Financial assets measured at FVTPL	7,586,712
	317,741,967

28. MARK-UP / RETURN / INTEREST EXPENSED

Deposits	157,010,909	107,953,741
Borrowings	27,936,481	29,514,208
Cost of foreign currency swaps against foreign currency deposits / borrowings	2,989,337	3,114,781
Finance charges on lease liability against right-of-use assets	1,313,060	1,081,823
	189,249,787	141,664,553

29. FEE & COMMISSION INCOME

Branch banking customer fees	3,120,422	2,619,917
Consumer finance related fees	525,750	584,190
Card related fees (debit and credit cards)	6,054,963	4,435,162
Credit related fees	610,107	534,152
Investment banking fee	127,534	92,392
Commission on trade	2,864,606	2,410,818
Commission on guarantees	864,047	876,666
Commission on cash management	778,465	689,280
Commission on remittances including home remittances	766,491	1,191,767
Commission on bancassurance	582,413	720,713
Rent on lockers	194,237	192,835
Commission on utility bills	77,821	66,315
Commission on investments services	1,701,540	1,181,823
Others	446,723	293,678
	18,715,119	15,889,708

30. GAIN / (LOSS) ON SECURITIES

Realised	30.1	214,024	208,776
Unrealised - Measured at FVTPL	10.1	(39,742)	(5,654)
		174,282	203,122

30.1 Realised gain / (loss) on:

Federal Government Securities	185,205	77,638
Non Government Debt Securities	6,703	130,494
Shares	22,116	644
	214,024	208,776

30.2 Realised gain / (loss) on:

Financial assets measured at FVTPL	136,662	148,540
Designated upon initial recognition	-	-
Mandatorily measured at FVPL	77,362	60,236
Financial assets measured at FVOCI	77,362	60,236
	214,024	208,776

MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024

	Unaudited Nine Months Period ended September 30, 2024	Unaudited Nine Months Period ended September 30, 2023
	-----Rupees in '000-----	
31. OTHER INCOME		
Rent on property	97,846	80,902
Gain on conversion of Ijarah agreements	7,990	15,115
Gain on termination of lease liability against right of use assets	73,782	49,536
Gain on sale of property and equipment - net	192,398	81,659
Gain / (loss) on sale of non-banking assets acquired in satisfaction of claims - net	42,500	(3,224)
	414,516	223,988
32. OPERATING EXPENSES		
Total compensation expense	23,127,114	19,900,384
Property expense		
Rent and taxes	338,105	261,220
Insurance	53,573	48,034
Utilities cost	2,479,157	1,889,728
Fuel expense generators	798,424	1,084,122
Security (including guards)	1,927,842	1,629,150
Repair and maintenance (including janitorial charges)	1,091,312	934,129
Depreciation on right-of-use assets	1,621,043	1,408,160
Depreciation	1,134,082	939,135
	9,443,538	8,193,678
Information technology expenses		
Software maintenance	1,747,594	1,462,418
Hardware maintenance	287,120	304,726
Depreciation	1,081,092	688,815
Amortization	593,523	417,470
Network charges	612,282	580,488
Insurance	7,515	5,446
	4,329,126	3,459,363
Other operating expenses		
Directors' fees and allowances	39,080	27,480
Fees and allowances to Shariah Board	13,582	11,056
Legal and professional charges	387,524	312,291
Outsourced services costs	944,085	820,330
Travelling and conveyance	583,032	383,418
NIFT clearing charges	195,787	181,961
Depreciation	1,017,486	862,034
Depreciation on non-banking assets acquired in satisfaction of claims	14,007	17,909
Training and development	74,169	77,329
Postage and courier charges	274,036	211,009
Communication	1,640,357	1,045,965
Stationery and printing	1,065,144	943,961
Marketing, advertisement & publicity	1,069,846	545,376
Donations	10,100	10,000
Auditors' remuneration	87,508	60,857
Cash transportation charges	991,470	908,628
Repair and maintenance	642,179	513,132
Subscription	64,414	45,252
Entertainment	384,706	329,479
Remittance charges	191,183	198,835
Brokerage expenses	77,977	75,990
Card related expenses	2,659,804	2,043,478
CNIC verification charges	306,101	279,434
Insurance	1,888,767	1,570,291
Others	540,882	406,162
	15,163,226	11,881,657
	52,063,004	43,435,082



MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



	Note	Unaudited Nine Months Period ended September 30, 2024	Unaudited Nine Months Period ended September 30, 2023
		-----Rupees in '000-----	
33. OTHER CHARGES			
Penalties of State Bank of Pakistan		85,049	177,637
VAT & National Building tax & Crop Insurance Levy		172,610	276,561
Education cess		93,119	103,167
		350,778	557,365
34. CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET			
Credit loss allowance against balance with other banks		(38,924)	11,076
Credit loss allowance against cash and balances with treasury banks		(24,077)	-
(Reversal of) / credit loss allowance for diminution in value of investments	10.2	(658)	1,743,522
Credit loss allowance against loans and advances	11.3	962,141	124,894
Reversal of credit loss allowance against lendings to financial institutions		(15,219)	-
(Reversal of) / credit loss allowance against off balance sheet items		122,032	20,451
(Reversal of) / credit loss allowance against other assets	15.1.1	(36,542)	22,868
Recovery of written off / charged off bad debts		(150,928)	(126,304)
		817,825	1,796,507
35. TAXATION			
Current		51,375,626	47,355,873
Prior years		11,469	(1,940)
Deferred		(790,794)	840,609
Share of tax of associates		559,650	360,478
		51,155,951	48,555,020
		-----Rupees in '000-----	
36. BASIC AND DILUTED EARNINGS PER SHARE			
Profit after tax attributable to Equity Shareholders of the Bank		52,708,744	48,233,600
Weighted average number of ordinary shares		-----Number-----	
Basic and diluted earnings per share		44.48	40.70
		-----Rupees-----	

MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024

37. FAIR VALUE MEASUREMENTS

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

Fair value of unquoted debt securities, 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 remaining financial assets and financial liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

37.1 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 Treasury Bills and fixed rate Pakistan Investments Bonds are determined using the PKRV rates while floating rate Pakistan Investments Bonds are revalued using PKFRV rates. The fair values of foreign currency denominated GoP Eurobonds are determined on the basis of rates taken from Bloomberg.
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 Government Debt Securities	The fair values of Foreign Government debt securities are determined on the basis of rates taken from Bloomberg.
Foreign exchange contracts	The valuation has been determined by interpolating the mark-to-market currency 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.
Unlisted Shares	Breakup value determined on the basis of NAV of the company using the latest available audited financial statements.
Mutual Funds	Units of mutual funds are valued using the Net Asset Value (NAV) announced by the Mutual Funds Association of Pakistan (MUFAP).
Property and equipment (land and building) & Non-banking assets acquired in satisfaction of claims	Land, buildings and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets.

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 period.

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in listed ordinary shares.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprise of Sukuk Bonds, Pakistan Investment Bonds, Market Treasury Bills, Mutual Fund units, 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 Nine Months Period Ended September 30, 2024



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. In case of non-financial assets, the Group has adopted revaluation model (as per IAS 16) in respect of land and building & non-banking assets acquired in satisfaction of claims.

Unaudited September 30, 2024

Carrying / Notional Value	Level 1	Level 2	Level 3	Total	
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,519,751,372	-	1,519,751,372	-	1,519,751,372
Shares and units	35,589,083	35,469,779	119,304	-	35,589,083
Non-Government Debt Securities	10,542,824	-	10,542,824	-	10,542,824
Foreign Securities	34,056,192	-	34,056,192	-	34,056,192
Financial assets - disclosed but not measured at fair value					
Investments (amortized cost, unlisted ordinary shares and associates)	52,732,812	-	-	-	-
Non - Financial Assets measured at fair value					
Property and equipment (land and buildings)	64,730,906	-	64,730,906	-	64,730,906
Non-banking assets	2,002,599	-	2,002,599	-	2,002,599
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	103,218,832	-	1,029,863	-	1,029,863
Forward sale of foreign exchange	96,476,120	-	2,036,300	-	2,036,300
Derivatives purchase	1,865,013	-	171,633	-	171,633
Derivatives sale	1,865,013	-	171,633	-	171,633

Audited December 31, 2023

Carrying / Notional Value	Level 1	Level 2	Level 3	Total	
Rupees in '000					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	1,230,792,274	-	1,230,792,274	-	1,230,792,274
Shares and units	25,390,857	25,283,009	107,848	-	25,390,857
Non-Government Debt Securities	3,714,280	-	3,714,280	-	3,714,280
Foreign Securities	44,057,060	-	44,057,060	-	44,057,060
Financial assets - disclosed but not measured at fair value					
Investments (HTM, unlisted ordinary shares and associates)	68,389,244	-	-	-	-
Non - Financial Assets measured at fair value					
Property and equipment (land and buildings)	66,321,263	-	66,321,263	-	66,321,263
Non-banking assets	2,156,606	-	2,156,606	-	2,156,606
Off-balance sheet financial instruments - measured at fair value					
Forward purchase of foreign exchange	93,150,006	-	752,724	-	752,724
Forward sale of foreign exchange	78,488,282	-	2,146,773	-	2,146,773
Derivatives purchase	797,774	-	73,852	-	73,852
Derivatives sale	797,774	-	73,848	-	73,848

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

Unaudited Nine Months Period ended September 30, 2024

	Retail Banking	Consumer banking	Corporate Banking	Treasury	International Banking	Islamic Banking	Asset Management	Others	Sub-total	Eliminations	Total
Profit & Loss											
Net mark-up/return/profit	(114,202,717)	5,925,982	47,347,063	169,910,781	6,091,786	12,921,451	33,244	464,590	128,492,180	-	128,492,180
Inter segment revenue - net	218,721,807	(4,490,887)	(38,707,303)	(188,133,534)	(324,471)	-	-	12,934,388	-	-	-
Non mark-up / return / interest income	10,070,000	1,985,522	7,827,613	5,814,398	1,575,216	1,126,449	1,847,605	527,780	30,784,583	-	30,784,583
Total Income	114,589,080	3,490,617	16,467,373	(12,408,355)	7,342,531	14,047,900	1,388,849	13,926,758	159,276,763	-	159,276,763
Segment direct expenses	28,285,627	1,480,326	1,288,497	488,929	2,046,070	7,245,476	873,273	12,750,691	54,473,889	-	54,473,889
Inter segment expense allocation	28,285,627	1,480,326	1,288,497	488,929	2,046,070	7,245,476	873,273	12,750,691	54,473,889	-	54,473,889
Total expenses	28,285,627	1,480,326	1,288,497	488,929	2,046,070	7,245,476	873,273	12,750,691	54,473,889	-	54,473,889
Credit loss allowance and write offs - net	1,311,162	69,152	280,533	(12,907,284)	(142,467)	134,362	6,667,562	1,002,576	(835,417)	817,325	-
Profit before tax	84,992,301	1,881,139	14,898,343	(12,907,284)	5,438,928	6,667,562	1,002,576	2,011,484	103,985,049	-	103,985,049

Statement of Financial Position

	Retail Banking	Consumer banking	Corporate Banking	Treasury	International Banking	Islamic Banking	Asset Management	Others	Sub-total	Eliminations	Total
Statement of Financial Position											
Cash & Bank balances	71,601,213	116,014	273,006	113,694,291	39,875,643	20,339,116	43,398	(60,627)	245,882,054	-	245,882,054
Investments	-	-	10,710,541	1,430,488,477	47,418,951	154,196,223	2,279,566	7,588,525	1,652,672,283	-	1,652,672,283
Net inter segment lending	1,584,984,947	-	-	-	91,885,300	-	-	298,588,557	(1,880,583,504)	-	-
Lendings to financial institutions	-	-	-	30,726,338	34,741,017	89,935,437	26,112	3,096,017	122,591,638	-	122,591,638
Advances - performing / underperforming	74,014,404	33,909,810	520,376,846	-	8,783,770	966,702	-	1,820,029	756,099,643	-	756,099,643
- non performing	61,1494	140,221	1,589,682	-	8,783,770	966,702	-	1,820,029	13,911,998	-	13,911,998
Others	62,123,444	3,652,440	57,920,242	62,885,809	2,292,594	30,547,444	1,389,296	75,980,970	286,802,739	-	286,802,739
Total Assets	1,793,345,502	37,819,085	590,870,317	1,637,804,915	224,977,275	285,974,922	3,738,372	384,013,471	4,968,543,859	(1,880,583,504)	3,087,960,355
Borrowings	5,586,071	43,724	88,231,406	189,026,372	2,217,234	17,873,812	-	3,569,618	306,548,237	-	306,548,237
Deposits & other accounts	1,754,537,435	-	120,285,516	24,893,844	1,447,129,400	189,119,569	29,875,681	6,232	2,303,822,433	-	2,303,822,433
Net inter segment borrowing	-	32,322,228	344,154,560	1,649,143	3,784,184	13,331,585	1,510,888	-	1,880,583,504	(1,880,583,504)	-
Others	33,221,996	5,453,133	38,200,835	-	-	-	-	-	-	-	200,387,606
Total Liabilities	1,793,345,502	37,819,085	590,870,317	1,637,804,915	224,977,275	285,974,922	3,738,372	384,013,471	4,681,341,780	(1,880,583,504)	281,075,726
Equity	-	-	-	-	-	-	-	-	-	-	-
Total Equity & Liabilities	1,793,345,502	37,819,085	590,870,317	1,637,804,915	224,977,275	285,974,922	3,738,372	384,013,471	4,968,543,859	(1,880,583,504)	3,087,960,355
Contingencies & Commitments	80,600,883	-	402,945,677	194,585,362	16,558,386	48,318,129	-	31,875,311	774,883,748	-	774,883,748

Statement of Financial Position

	Retail Banking	Consumer banking	Corporate Banking	Treasury	International Banking	Islamic Banking	Asset Management	Others	Sub-total	Eliminations	Total
Statement of Financial Position											
Cash & Bank balances	71,601,213	116,014	273,006	113,694,291	39,875,643	20,339,116	43,398	(60,627)	245,882,054	-	245,882,054
Investments	-	-	10,710,541	1,430,488,477	47,418,951	154,196,223	2,279,566	7,588,525	1,652,672,283	-	1,652,672,283
Net inter segment lending	1,584,984,947	-	-	-	91,885,300	34,741,017	89,935,437	26,112	3,096,017	122,591,638	-
Lendings to financial institutions	-	-	-	30,726,338	8,783,770	966,702	-	-	13,911,998	-	13,911,998
Advances - performing / underperforming	74,014,404	33,909,810	520,376,846	-	8,783,770	966,702	-	-	13,911,998	-	13,911,998
- non performing	61,1494	140,221	1,589,682	-	8,783,770	966,702	-	-	13,911,998	-	13,911,998
Others	62,123,444	3,652,440	57,920,242	62,885,809	2,292,594	30,547,444	1,389,296	75,980,970	286,802,739	-	286,802,739
Total Assets	1,793,345,502	37,819,085	590,870,317	1,637,804,915	224,977,275	285,974,922	3,738,372	384,013,471	4,681,341,780	(1,880,583,504)	3,087,960,355
Borrowings	5,586,071	43,724	88,231,406	189,026,372	2,217,234	17,873,812	-	3,569,618	306,548,237	-	306,548,237
Deposits & other accounts	1,754,537,435	-	120,285,516	24,893,844	1,447,129,400	189,119,569	29,875,681	6,232	2,303,822,433	-	2,303,822,433
Net inter segment borrowing	-	32,322,228	344,154,560	1,649,143	3,784,184	13,331,585	1,510,888	-	1,880,583,504	(1,880,583,504)	-
Others	33,221,996	5,453,133	38,200,835	-	-	-	-	-	-	-	200,387,606
Total Liabilities	1,793,345,502	37,819,085	590,870,317	1,637,804,915	224,977,275	285,974,922	3,738,372	384,013,471	4,681,341,780	(1,880,583,504)	3,087,960,355
Equity	-	-	-	-	-	-	-	-	-	-	-
Total Equity & Liabilities	1,793,345,502	37,819,085	590,870,317	1,637,804,915	224,977,275	285,974,922	3,738,372	384,013,471	4,681,341,780	(1,880,583,504)	3,087,960,355
Contingencies & Commitments	80,600,883	-	402,945,677	194,585,362	16,558,386	48,318,129	-	31,875,311	774,883,748	-	774,883,748

Statement of Financial Position

	Retail Banking	Consumer banking	Corporate Banking	Treasury	International Banking	Islamic Banking	Asset Management	Others	Sub-total	Eliminations	Total
Statement of Financial Position											
Cash & Bank balances	71,601,213	116,014	273,006	113,694,291	39,875,643	20,339,116	43,398	(60,627)	245,882,054	-	245,882,054
Investments	-	-	10,710,541	1,430,488,477	47,418,951	154,196,223	2,279,566	7,588,525	1,652,672,283	-	1,652,672,283
Net inter segment lending	1,584,984,947	-	-	-	91,885,300	24,893,844	2,227,484				

The Group has related party relationship with its associates, employee benefit plans, its directors and key management personnel and their close family members.

The Group's enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these consolidated condensed interim financial statements are as follows:

	Unaudited September 30, 2024			Audited December 31, 2023		
	Directors	Key Management Personnel	Associates	Other Related Parties	Directors	Key Management Personnel
Investments						
Opening balance	-	-	7,821,877	249,253	-	6,507,975
Equity method adjustments	-	-	1,278,138	-	-	919,807
Investment / (redemptions) during the period / year	-	-	306,081	-	-	394,095
Closing balance	-	-	9,406,096	249,253	-	7,821,877
Credit loss allowance for diminution in value of investments*	-	-	-	-	-	-
Advances						
Opening balance	1,436	339,386	-	1,509,280	1,543	281,237
Addition / exchange adjustment during the period / year	5,424	70,171	-	656,703	5,963	95,327
Repayment / exchange adjustment during the period / year	(6,717)	(70,765)	-	(720,689)	(6,070)	(85,184)
Transfer in / out)	-	(29,874)	-	-	-	48,006
Closing balance	143	308,918	-	1,445,284	1,436	339,386
Credit loss allowance against advances*	(9)	(25,143)	-	(20,008)	-	-
Purchase of fixed assets	-	-	19,737	476,202	-	7,533
Fixed Assets						191,247
Purchase of fixed assets						
Other Assets						
Income / markup accrued	-	4,463	-	13,249	-	4,302
Advances, deposits, advance rent and other prepayments	1	-	673,916	54,989	-	573,809
Receivable from pension fund	-	-	-	8,241,683	-	7,428,143
Credit loss allowance / provision held against other assets*	1	4,463	673,916	8,309,941	-	4,302
	-	(415)	-	(270)	-	-



MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024

MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



	Unaudited September 30, 2024			Audited December 31, 2023		
	Directors	Key Management Personnel	Associates	Other Related Parties	Directors	Key Management Personnel
Deposits and other accounts						
Opening balance	3,034,686	200,484	8,321,464	10,033,148	193,547	184,112
Received during the period / year	2,641,307	1,525,360	54,711,993	93,918,116	4,574,426	1,701,697
Withdrawn during the period / year	(5,518,130)	(1,585,830)	(54,344,406)	(107,154,236)	(1,733,287)	(1,718,969)
Transfer in / (out) - net	(37)	(1,314)	-	10,613,367	-	33,644
Closing balance	157,826	138,700	8,689,051	7,410,395	3,034,886	200,484
Other Liabilities						
Markup / return / interest payable	-	549	73,308	68	-	2,009
Accrued expenses and other payable	-	-	315,566	33,679	-	47,714
Advance received against sale of property	-	-	-	-	-	-
Closing balance	-	549	388,874	33,747	-	2,009
						121,341
						5,268
Contingencies and Commitments						
Letter of Credit	-	-	-	5,632,816	-	5,009,367
Bank guarantee	-	-	8,707,985	1,852,764	-	8,839,777
	-	8,707,985	-	7,495,580	-	8,839,777
						1,722,909
						6,732,276

Credit loss allowance / provision against off-balance sheet obligations*

	Unaudited September 30, 2024			Audited December 31, 2023		
	Directors	Key Management Personnel	Associates	Other Related Parties	Directors	Key Management Personnel
Deposits and other accounts						
Opening balance	3,034,686	200,484	8,321,464	10,033,148	193,547	184,112
Received during the period / year	2,641,307	1,525,360	54,711,993	93,918,116	4,574,426	1,701,697
Withdrawn during the period / year	(5,518,130)	(1,585,830)	(54,344,406)	(107,154,236)	(1,733,287)	(1,718,969)
Transfer in / (out) - net	(37)	(1,314)	-	10,613,367	-	33,644
Closing balance	157,826	138,700	8,689,051	7,410,395	3,034,886	200,484
						80,055
						5,436
Other Liabilities						
Markup / return / interest payable	-	549	73,308	68	-	2,009
Accrued expenses and other payable	-	-	315,566	33,679	-	47,714
Advance received against sale of property	-	-	-	-	-	-
Closing balance	-	549	388,874	33,747	-	2,009
						121,341
						5,268
Contingencies and Commitments						
Letter of Credit	-	-	-	5,632,816	-	5,009,367
Bank guarantee	-	-	8,707,985	1,852,764	-	8,839,777
	-	8,707,985	-	7,495,580	-	8,839,777
						1,722,909
						6,732,276

MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024

	Directors	Key Management Personnel	Unaudited September 30, 2024	Unaudited September 30, 2023
	Directors	Key Management Personnel	Associates	Other Related Parties
(Rupees in '000)				
Income				
Markup / return / interest earned	-	15,933	-	81,384
Fee and commission income	2	-	771,494	21,191
Dividend income	-	-	210,000	59,325
Gain on forward foreign exchange contracts matured	-	-	-	89,082
Net gain / (loss) on sale of securities	7	73	5,346	5,636
Gain on sale of fixed assets	72	134	-	2
Rent income	-	-	8,258	4,693
Expense				
Markup / return / interest expensed	46,765	15,660	524,478	1,450,535
Other Operating expenses				
Clearing expenses paid to NIFT	-	-	-	164,183
Contribution to provident fund	-	-	-	454,640
Rent expenses	-	-	64,451	45,499
Cash sorting expenses	-	-	-	96,392
Stationery expenses	-	-	-	322,688
Security guards expenses	-	-	-	4,035
Remuneration to key executives and non-executive directors fee	184,657	911,385	101,089	-
Outsourcing service expenses	-	-	-	132,744
Donation during the period	-	-	-	-
E-dividend processing fee and CDC charges	-	-	-	5,571
Travelling Expenses	-	-	-	88,660
Hotel stay expenses	-	-	-	16,402
Repair & Maintenance Charges	-	-	-	3,420
Utility expenses	-	-	-	1,327
Miscellaneous expenses and payments	-	-	-	3,596
Insurance premium-net of refund	-	-	-	571,780
Insurance claim settled	-	-	70,861	-
Other Transactions				
Purchase of government securities	116,427	25,362	7,979,118	23,361,309
Forward exchange contracts matured during the period	-	72,907	5,903,986	16,758,298
Insurance premium paid on behalf of related party	-	-	-	8,165,039
*Represents credit loss allowance recognized against performing exposures on adoption of IFRS 9.				
The Chairman has been provided with free use of the Bank's maintained car. The Chief Executive and certain executives are provided with free use of the Bank's maintained cars and household equipment in accordance with the terms of their employment.				



MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



Unaudited
September 30,
2024
-----Rupees in '000-----

Audited
December 31,
2023

40 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

40.1 Capital Adequacy

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

11,850,600	11,850,600
------------	------------

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

209,868,303	191,312,686
-------------	-------------

Eligible Additional Tier 1 (ADT 1) Capital

209,868,303	191,312,686
-------------	-------------

Total Eligible Tier 1 Capital

59,476,536	37,941,962
------------	------------

Eligible Tier 2 Capital

269,344,839	229,254,648
-------------	-------------

Total Eligible Capital (Tier 1 + Tier 2)

833,776,839	736,886,134
-------------	-------------

Risk Weighted Assets (RWAs):

Credit Risk

171,598,140	164,887,944
-------------	-------------

Market Risk

257,825,971	257,825,971
-------------	-------------

Operational Risk

1,263,200,950	1,159,600,049
---------------	---------------

Total

16.61%	16.50%
--------	--------

Common Equity Tier 1 Capital Adequacy ratio

16.61%	16.50%
--------	--------

Tier 1 Capital Adequacy Ratio

21.32%	19.77%
--------	--------

The Group has not taken benefit allowed to banks to absorb the impact of IFRS 9 on regulatory capital.

Unaudited
September 30,
2024
-----Rupees in '000-----

Audited
December 31,
2023

40.2 Leverage Ratio (LR):

Eligible Tier-1 Capital

209,868,303	191,312,686
-------------	-------------

Total Exposures

3,668,547,187	3,361,118,695
---------------	---------------

Leverage Ratio

5.72%	5.69%
-------	-------

40.3 Liquidity Requirements

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

1,535,867,683	1,206,951,258
---------------	---------------

Total Net Cash Outflow

624,425,028	499,477,977
-------------	-------------

Liquidity Coverage Ratio

245.97%	241.64%
---------	---------

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

1,918,388,834	1,699,651,967
---------------	---------------

Total Required Stable Funding

1,258,129,743	1,148,136,107
---------------	---------------

Net Stable Funding Ratio

152.48%	148.04%
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MCB Bank Limited & Subsidiary Companies

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited) For The Nine Months Period Ended September 30, 2024



41 EVENTS AFTER THE REPORTING DATE

The Board of Directors in its meeting held on October 23, 2024 has announced an interim cash dividend in respect of nine months period ended September 30, 2024 of Rs. 9.00 per share (September 30, 2023: Rs. 8.00 per share). These consolidated condensed interim financial statements for the period ended September 30, 2024 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

42 GENERAL

Comparative information has been reclassified, rearranged or additionally incorporated in these consolidated condensed interim financial statements for the purposes of better presentation.

The effect of reclassification, rearrangement, restatement in the comparative information presented in these consolidated condensed interim financial statements due to adoption of new forms for the preparation of financial statements as explained in note 4.1 is as follows:

Description of item	Nature	From	To	Rs in '000'
Right-of-use assets	Asset	Property and equipment	Right-of-use assets	8,001,881
Lease liabilities against right-of-use-assets	Liability	Other liabilities	Lease liabilities	11,429,243

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

43 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue by the Board of Directors of the Bank in their meeting held October 23, 2024.

Hammad Khalid
Chief Financial Officer

Shoib Mumtaz
President / CEO

Mian Umer Mansha
Director

Shahzad Hussain
Director

Muhammad Ali Zeb
Director