



MCB BANK LIMITED

Sri Lanka

STATEMENT OF FINANCIAL POSITION				STATEMENT OF COMPREHENSIVE INCOME				CASH FLOW STATEMENT				
Sri Lanka operations LKR 000		Group Pakistan PKR 000		Sri Lanka operations LKR 000		Group Pakistan PKR 000		Sri Lanka operations LKR 000		Sri Lanka operations LKR 000		
As at	30.06.2019	31.12.2018 AUDITED	30.06.2019	31.12.2018 AUDITED	For the Six months ended June 30,	2019	2018	2019	2018	For the period ended 30th June	2019	2018
ASSETS												
Cash and cash equivalents	177,634	221,412	59,392,889	47,818,942	Interest income	1,577,407	1,343,223	63,418,278	39,272,450	Cash Flows From Operating Activities		
Balances with central banks	1,330,855	2,021,412	87,772,613	62,346,064	Interest expenses	(774,516)	(621,922)	(33,838,728)	(15,947,896)	Interest and commission receipts		
Placements with banks	618,196	752,542	24,261,269	52,488,007	Net interest income	802,891	721,301	29,579,550	23,324,554	Interest payments		
Derivative financial instruments	11,261	284,488	-	-	Fee and commission income	60,358	62,501	6,069,062	5,809,043	Receipts/(outgoings) from other operating activities		
Financial assets held-for-trading	-	-	-	-	Fee and commission expenses	-	-	-	-	Cash payments to employees and suppliers		
Financial assets at amortised cost	-	-	7,199,596	10,441,741	Net fee and commission income	60,358	62,501	6,069,062	5,809,043	Operating profit before changes in Operating Assets and Liabilities		
Loans and Advances to customers	22,266,693	21,134,248	574,354,212	566,792,265	Net trading income/(expenses)	-	-	-	-	Increase in Operating Assets		
Debt and other financial instrument / Held to maturity	1,978,667	2,227,311	20,800,242	23,552,948	Net gain/(loss) from financial instruments designated at fair value	-	-	-	-	Deposits held for Regulatory or Monetary Control Purposes		
Investment securities at FVTPL / Available for sale	3,858,931	3,146,982	771,864,789	716,371,560	Through profit or loss	-	-	-	-	Financial assets at amortised cost - loans & advances		
Investments in associates and joint ventures	-	-	4,011,334	4,019,526	Net gain/(loss) from financial investments	(28,591)	16,557	2,316,370	2,963,686	Other Assets		
Property, plant and equipment	235,163	267,217	52,927,693	43,789,201	Other operating income (net)	834,658	800,359	37,964,982	32,097,283	Increase/(Decrease) in Operating Liabilities		
Intangible assets	19,842	29,991	1,501,976	1,194,657	Total operating income	834,658	800,359	37,964,982	32,097,283	Deposits from customers		
Investment properties	-	-	-	-	Impairment charges for loans and other losses	(3,214)	(43,667)	(907,499)	(2,211,646)	Other Liabilities		
Current tax Assets	-	-	-	-	Net operating income	831,444	756,692	37,057,483	34,308,929	Net Cash Generated from Operations		
Deferred tax assets	-	-	-	-	Personnel expenses	(160,738)	(155,282)	-	-	Income Tax Paid		
Other assets	181,383	126,405	66,038,383	56,395,096	Depreciation and amortisation	(42,601)	(38,394)	(2,085,752)	(1,320,566)	Net Cash Flows Generated from Operating Activities		
Total assets	30,678,624	30,212,008	1,670,124,996	1,585,210,007	Other expenses	(191,985)	(143,007)	(17,196,285)	(17,654,487)	Cash Flows from Investing Activities		
Liabilities												
Due to banks	1,684,400	734,418	57,786,052	57,350,580	Operating profit before VAT & NBT on financial Services	436,120	420,009	37,057,483	15,333,876	Net proceeds from maturity and purchase of Financial Investments		
Derivative financial instruments	87,524	2,427	-	-	Value Added Tax(VAT) & Nation Building Tax (NBT) on Financial Services	(71,634)	(81,079)	-	-	Proceed from maturity of other Placements with Banks		
Financial Liabilities at amortised cost - Due to depositors	21,502,818	21,925,421	1,231,815,400	1,122,306,535	Operating profit after value added tax (VAT)	364,486	338,930	37,057,483	15,333,876	Purchase of Property, Plant and Equipments		
Other borrowings	85,281	83,532	129,802,374	165,865,535	Share of profits of associates and joint ventures	-	-	199,907	357,513	Proceeds from Sale of Property, Plant and Equipment		
Current tax liabilities	100,001	98,101	-	-	Profit before tax	364,486	338,930	37,257,390	15,691,389	Net Cash Flows generated from Investing Activities		
Deferred tax liabilities	24,115	14,667	1,025,463	1,983,145	Tax expense	(101,296)	(94,194)	(7,553,728)	(6,220,167)	Cash flow from Financing Activities		
Provision	10,786	13,153	-	-	Profit for the period	263,190	244,736	29,703,662	9,471,222	Capital Infusion from Head Office		
Other liabilities	544,056	952,580	97,543,697	86,381,333	Profit attributable to:					Profit transferred to head office		
Total liabilities	24,038,981	23,824,300	1,517,972,986	1,433,887,128	Owners of the parent	263,190	244,736	10,420,807	9,423,669	Increase/(Decrease) of borrowings		
Equity												
Stated capital/Assigned capital	3,969,508	3,969,508	11,850,600	11,850,600	Non-controlling interests	-	-	818	47,553	Decrease of Securities Sold Under Repurchase Agreement		
Statutory reserve fund	214,190	214,190	30,352,949	29,285,450	Foreign currency translation reserve - Gain / (Loss) on translation of Foreign Operation	(35,521)	17,539	17,709	1,574	Net cash generated from/(used in) financing Activities		
Retained earnings	2,167,646	1,904,457	53,347,349	53,971,079	Net Change in Fair Value of Available-for-Sale Financial Assets	24,267	(10,424)	(1,230,109)	(4,586,756)	Net Increase in Cash and Cash Equivalents		
Other reserves	288,299	299,553	55,891,515	55,506,998	Surplus from revaluation of Property, plant & equipment	-	-	-	-	Cash and Cash Equivalents at the Beginning of the year		
Total shareholders' equity	6,639,643	6,387,708	151,442,413	150,614,127	Effect of translation of net investment in foreign branches and subsidiaries	-	-	1,661,349	650,575	Cash and Cash Equivalents at the End of the year		
Non-controlling interests	-	-	709,597	708,752	Movement in share of surplus / deficit on revaluation of associated undertaking- net of tax	-	-	(26,769)	(119,947)	Reconciliation of cash and cash equivalents		
Total equity	6,639,643	6,387,708	152,152,010	151,322,879	Less: Tax expense/(income) relating to components of other comprehensive income	-	3,173	-	1,610,044	Cash and cash equivalents		
Total equity and liabilities	30,678,624	30,212,008	1,670,124,996	1,585,210,007	Other comprehensive income for the period, net of taxes	(11,254)	10,288	(112,014)	(3,123,751)	177,634		
Contingent liabilities and commitments	13,569,494	17,363,201	662,122,682	600,116,170	Total comprehensive income for the period	251,936	255,024	10,309,611	6,347,471	161,775		

Figures in brackets indicate deductions.

GROUP CASH FLOW STATEMENT		Group Pakistan PKR 000	
For the period ended 30th June		2019	2018
Cash Flows From Operating Activities			
Profit before taxation		17,975,353	15,691,389
Less: Dividend income and share of profit of associates		(854,512)	(887,895)
Adjustments:		17,120,841	14,803,494
Depreciation of fixed assets		1,873,037	1,121,091
Depreciation on non-banking assets acquired in satisfaction of claims		24,124	24,895
Amortisation		188,591	174,580
Provisions / (reversals) and write offs - net		907,499	(2,211,646)
Fixed assets written off		-	-
Worker welfare fund		365,700	321,996
Gain on sale of fixed assets		(36,625)	(67,079)
Gain on sale of non-banking assets acquired in satisfaction of claims		-	-
(Reversal)/ charge for defined benefit plans		(32,175)	1,953,336
unrealised loss on revaluation of investments classified as held for trading		82,646	133,363
Gain on sale of shares in associates		-	(51,360)
Decrease / (increase) in operating assets		20,493,638	16,202,670
Lending to financial institutions		31,958,227	1,603,863
Held-for-trading securities		3,194,379	(875,733)
Advances		(6,791,304)	(61,554,700)
Others assets (excluding advance taxation)		(16,375,035)	(961,470)
		11,986,267	(61,788,040)
Increase in operating liabilities			
Bills payable		(5,398,546)	(9,261,947)
Borrowings from financial institutions		(34,949,534)	58,910,320
Deposits		109,508,865	69,194,635
Others liabilities (excluding current taxation)		11,290,900	1,086,391
		80,451,685	119,929,399
Defined benefits paid		(166,874)	(177,282)
Income tax paid		(378,874)	(5,302,446)
Net cash flow from operating activities		112,385,842	68,864,301
Cash flow from investing activities			
Net investments in available-for-sale securities		(55,492,926)	(41,630,509)
Net investments in held-to-maturity securities		(882,746)	3,461,051
Net cash inflow on amalgamation		-	-
Proceeds from divestment in an associate		-	295,448
Dividends received		728,817	919,009
Investments in fixed assets		(3,069,841)	(2,611,199)
Investments in intangible assets		(257,037)	(269,791)
Proceeds from sale of fixed assets		88,240	79,753
Proceeds from sale of non-banking assets acquired in satisfaction of claims		40,000	-
Investments in non-banking assets acquired in satisfaction of claims		(64,445)	-
Effect of translation of net investment in foreign branches and subsidiaries		1,661,349	650,575
Net cash flow used in investing activities		(57,248,589)	(39,105,663)
Cash flow from financing activities			
Payments of subordinated debt		(3,891,019)	(780)
Payment of lease liability against right-of-use-assets		(442,002)	-
Dividend paid		(9,394,092)	(10,783,824)
Net cashflow used in financing activities		(13,727,113)	(10,784,604)
Effects of exchange rate changes on cash and cash equivalents		4,750,546	2,223,887
Increase in cash and cash equivalents		46,160,686	21,197,921
Cash and Cash equivalents at beginning of the period		116,806,471	113,521,354
Cash and Cash equivalents at end of the period		162,967,157	134,719,275

STATEMENT OF CHANGES IN EQUITY								Group Pakistan PKR 000	
	Assigned Capital	Statutory Reserve	Revaluation Reserve	Other Reserves	Retained Earnings	Minority Interest	Total		
Balance as at 01 January 2019	11,850,600	29,285,450	10,417,875	45,089,123	53,971,079	708,752	151,322,879		
Total comprehensive income for the period									
Profit for the period	-	-	-	-	10,420,807	818	10,421,625		
Other comprehensive income (net of tax)	-	-	(1,256,878)	1,679,031	(534,194)	27	(112,014)		
Total comprehensive income for the period	-	-	(1,256,878)	1,679,031	9,886,613	845	10,309,611		
Transfers to reserves during the period	-	1,067,499	-	-	(1,067,499)	-	-		
Cash dividends	-	-	-	-	(4,740,240)	-	(4,740,240)		
Interim Cash dividends	-	-	-	-	(4,740,240)	-	(4,740,240)		
Others	-	-	(37,636)	-	37,636	-	-		
Total transactions with equity holders	-	1,067,499	(37,636)	-	(10,510,343)	-	(9,480,480)		
Balance as at 30th June 2019	11,850,600	30,352,949	9,123,361	46,768,154	53,347,349	709,597	152,152,010		

STATEMENT OF CHANGES IN EQUITY							Sri Lanka operations LKR 000	
	Assigned Capital	Reserve Fund	Revaluation Reserve	Available for Sale Reserve	Retained Earnings	Exchange Equalization Reserves	Total	
Balance as at 01 January 2019	3,969,508	214,190	57,876	(7,253)	1,904,457	248,930	6,387,708	
Total comprehensive income for the period								
Profit for the period	-	-	-	-	263,190	-	263,190	
Other comprehensive income (net of tax)	-	-	-	24,267	-	(35,521)	(11,254)	
Total comprehensive income for the period	-	-	-	24,267	263,190	(35,521)	251,936	
Transfers to reserve during the period	-	-	-	-	-	-	-	
Gain on revaluation of property, plant & equipment	-	-	-	-	-	-	-	
Share issue/increase of assigned capital	-	-	-	-	-	-	-	
Profit transferred to head office	-	-	-	-	-	-	-	
Bonus issue	-	-	-	-	-	-	-	
Rights issue	-	-	-	-	-	-	-	
Others	-	-	-	-	-	-	-	
Tax effect on revaluation	-	-	-	-	-	-	-	
Total transactions with equity holders	-	-	-	-	-	-	-	
Balance as at 30th June 2019	3,969,508	214,190	57,876	17,014	2,167,647	213,410	6,639,643	

SELECTED PERFORMANCE INDICATORS		Sri Lanka Operation				Group	
		As of 30.06.2019	As of 31.12.2018	As of 30.06.2019	As of 31.12.2018		
Regulatory Capital Adequacy (LKR in Million)							
Common Equity Tier 1		6,014	6,213				
Core Tier 1 Capital		6,014	6,213	125,852	125,999		
Total Capital Base		5,574	5,726	143,206	143,503		
Regulatory Capital Ratio (%)							
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 2018 - 6.375%, 2019 - 7.00%)		29.32	30.14				
Tier 1 Capital Ratio (Minimum Requirement - 2018 - 7.875%, 2019 - 8.50%)		29.32	30.14	14.53	14.94		
Total Capital Ratio (Minimum Requirement - 2018 - 11.875%, 2019 - 12.50%)		27.17	27.78	16.53	17.02		
Assets Quality - Loans Portfolio							
Gross Non - performing Ratio % (net of Interest in Suspense)		3.71	5.15				