



MCB BANK LIMITED

Sri Lanka

STATEMENT OF FINANCIAL POSITION	Sri Lanka operations LKR 000		Group Pakistan PKR 000	
	31.12.2019 AUDITED	31.12.2018 AUDITED	31.12.2019 AUDITED	31.12.2018 AUDITED
As at				
ASSETS				
Cash and cash equivalents	267,190	221,412	23,635,710	21,516,831
Balances with central banks	1,280,647	2,021,412	119,321,648	88,648,175
Placement with banks	1,295,306	752,542	27,432,622	52,488,007
Derivative financial instrument	-	284,488	-	-
Financial assets held-for-trading	-	-	-	-
Financial assets at amortised cost	-	-	10,542,688	10,441,741
Loans and Advances to customers	21,089,579	21,134,248	548,472,860	566,792,265
Debt and other financial instrument / Held to maturity	2,284,431	2,227,311	32,663,856	23,552,948
Investment securities at FVTPL / Available for sale	4,292,837	3,146,982	709,959,388	716,371,560
Investments in associates and joint ventures	-	-	4,275,658	4,019,526
Property, plant and equipment	455,294	267,217	64,201,807	43,531,396
Intangible assets	28,415	29,991	1,978,975	1,452,462
Investment properties	-	-	-	-
Current tax Assets	-	-	-	-
Deferred tax assets	-	-	-	-
Other assets	113,740	126,405	69,729,659	56,395,096
Total assets	31,107,439	30,212,008	1,612,214,871	1,585,210,007
LIABILITIES				
Due to banks	1,273,593	734,418	64,598,453	57,350,580
Derivative financial instruments	143,396	2,427	-	-
Financial liabilities at amortised cost - Due to depositors	22,045,607	21,925,421	1,226,593,025	1,122,306,535
Other borrowings	142,968	83,532	28,261,515	165,865,535
Current tax liabilities	54,479	98,101	-	-
Deferred tax liabilities	15,600	14,667	6,214,223	1,983,145
Provision	12,489	13,153	-	-
Other liabilities	869,313	952,580	115,200,838	86,381,333
Total liabilities	24,557,447	23,824,300	1,440,868,054	1,433,887,128
EQUITY				
Assigned capital	3,969,508	3,969,508	11,850,600	11,850,600
Statutory reserve fund	232,186	214,190	31,683,134	29,285,450
Retained earnings	2,026,520	1,904,457	56,108,779	53,971,079
Other reserves	321,779	299,553	70,963,901	55,506,998
Total shareholders' equity	6,549,993	6,387,708	170,606,414	150,614,127
Non-controlling interests	-	-	740,403	708,752
Total equity	6,549,993	6,387,708	171,346,817	151,322,879
Total equity and liabilities	31,107,439	30,212,008	1,612,214,871	1,585,210,007
Contingent liabilities and commitments	14,777,059	17,363,201	865,456,042	602,337,487
Number of Employees	141	139	15,564	14,952
Number of Branches	8	8	1,410	1,387

STATEMENT OF COMPREHENSIVE INCOME	Sri Lanka operations LKR 000		Group Pakistan PKR 000	
	2019 AUDITED	2018 AUDITED	2019 AUDITED	2018 AUDITED
For the Twelve months ended December 31				
Interest income	3,080,383	2,820,853	148,088,700	87,502,337
Interest expenses	(1,556,814)	(1,356,591)	(84,370,609)	(39,495,913)
Net interest income	1,523,569	1,464,262	63,718,091	48,006,424
Fee and commission income	138,888	125,339	12,230,871	11,636,751
Fee and commission expenses	-	-	-	-
Net fee and commission income	138,888	125,339	12,230,871	11,636,751
Net trading income/(expenses)	-	-	-	-
Net gain/(loss) from financial instruments designated at fair value through profit or loss	-	-	-	-
Net gain/(loss) from financial investments	-	-	-	-
Other operating income (net)	(72,225)	30,544	5,286,810	6,428,864
Total operating income	1,590,233	1,620,145	81,235,772	66,072,039
Impairment charges for loans and other losses	(71,357)	(160,154)	(2,673,592)	821,807
Net operating income	1,518,875	1,459,992	78,562,180	66,893,846
Personnel expenses	(321,164)	(297,407)	-	-
Depreciation and amortisation	(116,291)	(80,951)	(4,314,942)	(2,611,529)
Other expenses	(455,508)	(302,417)	(34,433,278)	(33,922,653)
Operating profit before VAT & NBT on financial Services	625,912	779,217	39,813,960	30,359,664
Value Added Tax(VAT) & Nation Building Tax (NBT) on Financial Services	(137,942)	(173,885)	-	-
Operating profit after value added tax (VAT)	487,970	605,332	39,813,960	30,359,664
Share of profits of associates and joint ventures	-	-	339,633	446,257
Profit before tax	487,970	605,332	40,153,593	30,805,921
Tax expense	(128,045)	(161,597)	(16,206,382)	(10,390,637)
Profit for the period	359,925	443,735	23,947,211	20,415,284
Profit attributable to:				
Owners of the parent	359,925	443,735	23,868,249	20,352,756
Non-controlling interests	-	-	78,962	62,528
	359,925	443,735	23,947,211	20,415,284
Other comprehensive income / (expenses)				
Actuarial gains and losses on defined benefit plans	2,781	(1,365)	(474,421)	(659,286)
Foreign currency translation reserve - Gain / (Loss) on translation of Foreign Operation	(7,442)	148,835	-	-
Net Change in Fair Value of Available-for-Sale Financial Assets	25,645	(24,642)	7,232,382	(7,337,534)
Surplus on revaluation of Property, plant & equipment	15,561	-	7,038,689	-
Surplus on revaluation of non-banking assets - net of tax	-	-	165,776	172,774
Effect of translation of net investment in foreign branches and subsidiaries	-	-	1,122,592	1,210,846
Share of profits of associates and joint ventures	-	-	-	-
Less: Tax expense / (income) relating to components of other comprehensive income	(12,316)	7,282	-	-
Other comprehensive income for the year, net of taxes	24,228	130,110	15,085,018	(6,613,200)
Total comprehensive income for the period	384,153	573,845	39,032,229	13,802,084

CASH FLOW STATEMENT	Sri Lanka operations LKR 000	
	2019	2018
For the period ended 31st December		
Cash Flows From Operating Activities		
Interest and commission receipts	3,219,270	2,946,192
Interest payments	(1,526,822)	(1,356,591)
Receipts / (outgoings) from other operating activities	(72,225)	30,544
Cash payments to employees and suppliers	(1,058,895)	(855,642)
Operating profit before changes in Operating Assets and Liabilities	561,329	764,503
Increase in Operating Assets		
Deposits held for Regulatory or Monetary Control Purposes	740,765	91,070
Funds Advanced to Customers	(26,688)	(1,097,726)
Other Assets	297,152	(293,627)
Increase / (Decrease) in Operating Liabilities		
Deposits from customers	120,187	3,255,121
Other Liabilities	49,597	564,243
Net Cash Generated from Operations	1,742,342	3,283,584
Income Tax Paid	(170,735)	(192,643)
Net Cash Flows Generated from Operating Activities	1,571,606	3,090,941
Cash Flows from Investing Activities		
Net proceeds from maturity and purchase of Financial Investments	(1,184,510)	(393,966)
Proceed from maturity of other Placements with Banks	(542,764)	121,235
Purchase of Property, Plant and Equipments	(175,297)	(4,649)
Proceeds from Sale of Property, Plant and Equipment	-	-
Net Cash Flows generated from Investing Activities	(1,902,571)	(277,380)
Cash flow from Financing Activities		
Capital Infusion from Head Office	-	-
Profit transferred to head office	(221,868)	(171,253)
Increase / (Decrease) of borrowings	598,611	(2,618,368)
Decrease of Securities Sold Under Repurchase Agreement	-	-
Net cash generated from / (used in) financing Activities	376,743	(2,789,621)
Net increase in Cash and Cash Equivalents	45,779	23,940
Cash and Cash Equivalents at the Beginning of the year	221,412	197,472
Cash and Cash Equivalents at the End of the year	267,190	221,412
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	267,190	221,412

STATEMENT OF CHANGES IN EQUITY	Sri Lanka operations LKR 000							
	Assigned Capital	Reserve Fund	Revaluation Reserve	Investment Fund Reserve	Available for Sale Reserve	Retained Earnings	Exchange Equilization 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 year	-	-	-	-	-	359,925	-	359,925
Profit for the year	-	-	-	-	-	359,925	-	359,925
Other comprehensive income (net of tax)	-	-	-	-	18,464	2,002	(7,442)	13,024
Total comprehensive income for the year	-	-	-	-	18,464	361,927	(7,442)	372,949
Transfers to reserves during the period	-	17,996	-	-	-	(17,996)	-	-
Gain on revaluation of property, plant & equipment	-	-	11,204	-	-	-	-	11,204
Share issue / increase of assigned capital	-	-	-	-	-	-	-	-
Profit transferred to head office	-	-	-	-	-	(221,868)	-	(221,868)
Bonus issue	-	-	-	-	-	-	-	-
Rights issue	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Tax Effect on Revaluation	-	-	-	-	-	-	-	-
Total transactions with equity holders	-	17,996	11,204	-	-	(239,864)	-	(210,664)
Balance as at 31 December 2019	3,969,508	232,186	69,080	-	11,211	2,026,520	241,488	6,549,993

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 year	-	-	-	-	23,868,249	78,962	23,947,211
Profit for the year	-	-	-	-	23,868,249	78,962	23,947,211
Other comprehensive income (net of tax)	-	-	14,436,847	1,122,572	-	20	15,085,018
Total comprehensive income for the year	-	-	14,436,847	1,122,572	23,393,828	78,982	39,032,229
Issue of bonus shares	-	-	-	-	-	-	-
Transfers to reserves during the period	-	2,397,684	-	-	(2,397,684)	-	-
Surplus on revaluation	-	-	-	-	-	-	-
Final cash dividend	-	-	-	-	(4,740,240)	(47,331)	(4,787,571)
Interim Cash dividends	-	-	-	-	(14,220,720)	-	(14,220,720)
Share Issued	-	-	-	-	-	-	-
Others	-	-	(102,516)	-	102,516	-	-
Total transactions with equity holders	-	2,397,684	(102,516)	-	(21,256,128)	(47,331)	(19,008,291)
Balance as at 31 December 2019	11,850,600	31,683,134	10,315,359	46,211,695	56,108,779	740,403	171,346,817

	Sri Lanka Operation		Group	
	As of 31.12.2019	As of 31.12.2018	As of 31.12.2019	As of 31.12.2018
Regulatory Capital Adequacy (LKR in Million)				
Common Equity Tier 1	6,362	6,213	-	-
Core Tier 1 Capital	6,362	6,213	132,504	125,999
Total Capital Base	6,077	5,726	161,007	143,503
Regulatory Capital Ratio (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 2018 - 6.375%, 2019 - 7.00%)	31.65	30.14	-	-
Tier 1 Capital Ratio (Minimum Requirement -2018 -7.875%, 2019 -8.50%)	31.65	30.14	14.7	14.9
Total Capital Ratio (Minimum Requirement - 2018-11.875% , 2019- 12.50%)	30.24	27.78	17.8	17.0
Assets Quality - Loans Portfolio				
Gross Non - performing Ratio %(net of Interest in Suspense)	3.49	5.15	8.41	8.0
Net Non - performing Ratio %(net of interest in suspense & Provisions)	3.03	4.71	9.08	8.6
Profitability				
Interest Margin %	5.1	5.2	3.99	3.2
Return on Assets %	1.2	1.6	1.50	1.4
Return on Equity %	5.4	7.0	16.66	14.6
Leverage Ratio (Minimum Requirement -3%)	16.6	14.8		
Net Stable Funding Ratio (Minimum Requirement - 2019 -100%)	131.0	114.3		
Regulatory Liquidity				
Statutory Liquid Assets Rs mn - DBU	7,071	4,766	-	-
Statutory Liquid Assets Rs mn - OSBU	702	768	-	-
Statutory Liquid Assets Ratio % -Minimum requirement 20%				
Domestic Banking Unit	33.3	23.2	-	-
Off Shore Banking Unit	33.8	32.3	-	-
Total Stock of High-Quality Liquid Assets (LKR in Million)	5,095.3	4,286.8		
Liquidity Coverage Ratio (%) - Rupee(Minimum Requirement - 2019 -100% , 2018-90%)	187.7	110.4	-	-
Liquidity Coverage Ratio (%) - All currencies (Minimum Requirement - 2019 -100% , 20				