

Merchant Bank of Sri Lanka PLC
Cash Flow Statement

For the period ended 30 September	Company		Group	
	2008 LKR ' 000	2007 LKR ' 000	2008 LKR ' 000	2007 LKR ' 000
Cash Flow from Operating Activities				
Interest and commission receipts	531,807	546,687	889,367	897,110
Interest payments	(299,390)	(183,565)	(442,587)	(306,166)
Receipts from other operating activities	29,805	30,049	46,270	49,740
Cash payments to employees and suppliers	(125,949)	(102,475)	(219,420)	(120,344)
Payments on other operating activities	(43,969)	(150,152)	(54,824)	(235,654)
Operating profit before changes in operating assets	92,304	140,544	218,806	284,686
(Increase)/Decrease in operating assets:				
(Increase)/Decrease in operating assets	(29,690)	93,067	33,819	252,144
Funds advanced to customers	(162,956)	(480,759)	(276,570)	(397,691)
Increase/(Decrease) in operating liabilities				
Operating liabilities	64,421	(124,532)	64,011	(46,727)
Deposits from customers	-	-	37,795	(227,684)
Net cash from operating activities before income tax	(35,921)	(371,680)	77,861	(135,272)
Income tax paid	(13,187)	-	(20,139)	(7,435)
Net cash inflow/(outflow) from operating activities	(49,108)	(371,680)	57,722	(142,707)
Cash Flows from Investing Activities				
Purchase of Property, Plant & Equipment	(11,138)	(4,808)	(14,800)	(6,918)
Dividend income	5,066	2,639	5,071	2,644
Purchase of investments	(22,022)	(58,510)	(29,162)	(58,510)
Proceeds from Sale of Property, Plant & Equipment	-	698	66	770
Proceeds from sale of investments	24,979	61,406	24,979	61,406
Net cash inflow/(outflow) from investing activities	(3,115)	1,425	(13,846)	(608)
Cash flows from financing activities				
Dividend paid	(90,000)	(90,000)	(90,000)	(90,000)
Cash inflow from long term liabilities	340,000	553,558	340,000	560,771
Repayment of long term liabilities	(352,293)	(305,069)	(370,869)	(305,069)
Proceeds from short term liabilities	1,804,352	1,462,845	1,804,352	1,462,845
Repayment of short term liabilities	(1,387,604)	(1,323,496)	(1,419,005)	(1,323,496)
Net cash inflow/(outflow) from financing activities	314,455	297,838	264,478	305,051
Net increase / (decrease) in cash and cash equivalents	262,232	(72,417)	308,354	161,736
Cash and cash equivalents at beginning of the period	(207,956)	(60,455)	71,313	118,809
Cash and cash equivalents at end of the period (Note. 1)	54,276	(132,872)	379,667	280,545

Note 1 Reconciliation of cash and cash equivalents

Government treasury bills	126,159	19,136	507,981	421,971
Cash in hand and at bank	22,934	3,889	36,318	23,039
Bank overdrafts	(94,817)	(155,897)	(164,632)	(164,465)
	54,276	(132,872)	379,667	280,545