

Cash Flow Statement

Year ended 31st December	Bank		Group	
	2008 Rs. '000	2007 Rs. '000	2008 Rs. '000	2007 Rs. '000
Cash Flow from Operating Activities				
Interest Received	10,386,373	6,867,180	12,286,198	7,959,222
Fees and Commission Received	302,153	279,509	385,581	306,910
Interest Paid	(7,303,444)	(4,971,483)	(8,793,415)	(5,708,481)
Foreign Exchange Income Received	495,546	329,245	495,546	329,245
Receipts from Other Operating Activities	863,223	818,833	919,185	691,972
Gratuity Payments Made	(5,766)	(4,268)	(5,766)	(4,268)
Payments to Employees and Suppliers	(2,855,970)	(2,093,434)	(2,935,054)	(2,166,198)
Net Cash Flow from Operating Activities before Income Tax (A)	1,882,115	1,225,582	2,352,275	1,408,402
Income Tax Paid	(291,643)	(288,361)	(398,364)	(370,270)
Operating Profit before Changes in Operating Assets and Liabilities	1,590,472	937,221	1,953,911	1,038,132
(Increase)/Decrease in Operating Assets				
Investments in Treasury Bills and Bonds	(4,018,781)	(1,744,687)	(3,268,743)	(2,862,522)
Money Market Investments and Sri Lanka Development Bonds	(1,388,544)	(769,562)	(1,388,544)	(769,562)
Corporate Debt Securities	(656,356)	(1,125,447)	294,515	60,417
Bills of Exchange	138,623	(487,305)	138,623	(487,305)
Loans and Advances	(6,793,427)	(5,979,547)	(6,278,492)	(5,979,545)
Other Assets	(1,017,261)	(220,172)	(731,750)	298,081
	(13,735,746)	(10,326,720)	(11,234,391)	(9,740,436)
Increase/(Decrease) in Operating Liabilities				
Customer Deposits	5,254,316	7,993,298	5,254,290	7,995,403
Securities Sold under Repurchase Agreements	6,033,409	1,184,422	6,906,003	1,054,333
Other Liabilities	78,813	983,887	(299,235)	550,638
	11,366,538	10,161,607	11,861,058	9,600,373
Net Cash Flow from Operating Activities	(778,736)	772,108	2,580,578	898,070
Cash Flows from Investing Activities				
Proceeds from Sale of Property, Plant & Equipment	9,694	13,064	18,290	32,165
Purchase of Property, Plant & Equipment	(1,193,872)	(156,286)	(1,195,362)	(158,068)
	(1,184,178)	(143,222)	(1,177,072)	(125,903)
Cash Flows from Financing Activities				
Proceeds from Rights Issue of Shares	1,048,217	-	1,048,217	-
Increase/(Decrease) in Refinance Activities	16,895	(1,799)	16,895	(1,799)
Increase/(Decrease) in Call and Other Borrowings	1,091,797	(1,742,839)	(2,274,878)	(1,886,500)
Issue/(Redemption) of Debentures	1,000,000	(60,000)	1,000,000	(60,000)
Dividend Paid	(167,715)	(125,786)	(167,715)	(125,786)
	2,989,194	(1,930,424)	(377,481)	(2,074,085)
Net Increase in Cash and Cash Equivalents	1,026,280	(1,301,538)	1,026,025	(1,301,918)
Cash and Cash Equivalents at the beginning of the Year	3,715,959	5,017,497	3,716,370	5,018,288
Cash and Cash Equivalents at the end of the Year	4,742,239	3,715,959	4,742,395	3,716,370
Reconciliation of Cash and Cash Equivalents				
Cash in Hand and Balances with Banks	748,657	656,529	748,813	656,940
Balance with the Central Bank of Sri Lanka	1,716,713	1,964,032	1,716,713	1,964,032
Money at Call and Short Notice	2,276,869	1,095,398	2,276,869	1,095,398
	4,742,239	3,715,959	4,742,395	3,716,370
A. Reconciliation of Operating Profit:				
Profit before Taxation	827,321	804,808	1,028,507	847,394
Depreciation	191,883	174,690	210,631	204,300
(Profit)/Loss on disposal of Property, Plant & Equipment	(425)	(9,151)	(2,752)	(11,101)
Provision for Doubtful Debts	470,898	217,046	470,898	217,046
Provision for Gratuity	36,949	33,001	37,770	34,134
(Increase)/Decrease in Interest Receivable	81,847	(83,769)	192,024	(62,017)
Increase/(Decrease) in Interest Payable	279,408	93,225	420,963	184,987
Other Debtors/Creditors	-	-	-	(2,073)
Gratuity Payments made	(5,766)	(4,268)	(5,766)	(4,268)
	1,882,115	1,225,582	2,352,275	1,408,402

The Notes to the Financial Statements from pages 80 to 106 form an integral part of these Financial Statements.