

Year ended 31st December	Bank		Group	
	2009 Rs. '000	2008 Rs. '000	2009 Rs. '000	2008 Rs. '000
<b>Cash Flow from Operating Activities</b>				
Interest Received	10,773,033	10,299,975	10,855,530	12,191,771
Fees and Commission Received	287,606	302,153	375,435	385,581
Interest Paid	(7,447,873)	(7,217,046)	(7,832,433)	(8,698,988)
Foreign Exchange Income Received	316,978	495,546	316,978	495,546
Receipts from Other Operating Activities	1,916,532	863,223	2,011,939	919,185
Gratuity Payments Made	(13,705)	(5,766)	(13,705)	(5,766)
Payments to Employees and Suppliers	(3,027,705)	(2,855,970)	(3,165,824)	(2,935,054)
<b>Net Cash Flow from Operating Activities before Income Tax (A)</b>	<b>2,804,866</b>	<b>1,882,115</b>	<b>2,547,920</b>	<b>2,352,275</b>
Income Tax Paid	(204,946)	(184,946)	(310,357)	(261,514)
<b>Operating Profit before Changes in Operating Assets and Liabilities</b>	<b>2,599,920</b>	<b>1,697,169</b>	<b>2,237,563</b>	<b>2,090,761</b>
<b>(Increase)/Decrease in Operating Assets</b>				
Investments in Treasury Bills, Treasury Bonds and Reverse Repurchase Agreements	(10,821,410)	(4,018,781)	(7,691,121)	(3,268,743)
Investments and Other Placements	(465,306)	(1,388,544)	(465,306)	(1,388,544)
Corporate Debt Securities	746,309	(656,356)	637,158	294,515
Bills of Exchange	277,371	138,623	277,371	138,623
Loans and Advances	1,831,167	(6,793,427)	(310,308)	(6,278,492)
Other Assets	199,057	(1,017,261)	179,979	(731,750)
	(8,232,812)	(13,735,746)	(7,372,227)	(11,234,391)
<b>Increase/(Decrease) in Operating Liabilities</b>				
Customer Deposits	9,739,242	5,254,316	9,739,242	5,254,290
Securities Sold under Repurchase Agreements	141,694	6,033,409	(2,424,711)	6,906,003
Other Liabilities	204,979	(27,884)	2,276,368	(436,085)
	10,085,915	11,259,841	9,590,899	11,724,208
<b>Net Cash Flow from Operating Activities</b>	<b>4,453,023</b>	<b>(778,736)</b>	<b>4,456,235</b>	<b>2,580,578</b>
<b>Cash Flows from Investing Activities</b>				
Proceeds from Sale of Property, Plant & Equipment	3,219	9,694	6,031	18,290
Purchase of Property, Plant & Equipment	(505,830)	(1,193,872)	(505,882)	(1,195,362)
	(502,611)	(1,184,178)	(499,851)	(1,177,072)
<b>Cash Flows from Financing Activities</b>				
Proceeds from Rights Issue of Shares	-	1,048,217	-	1,048,217
Increase/(Decrease) in Refinance Activities	-	16,895	-	16,895
Increase/(Decrease) in Call and Other Borrowings	(5,863,435)	1,091,797	(5,863,435)	(2,274,878)
Issue/(Redemption) of Debentures	500,000	1,000,000	500,000	1,000,000
Dividend Paid	(251,572)	(167,715)	(251,572)	(167,715)
	(5,615,007)	2,989,194	(5,615,007)	(377,481)
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(1,664,595)</b>	<b>1,026,280</b>	<b>(1,658,623)</b>	<b>1,026,025</b>
Cash and Cash Equivalents at the beginning of the Year	4,742,239	3,715,959	4,742,395	3,716,370
<b>Cash and Cash Equivalents at the end of the Year</b>	<b>3,077,644</b>	<b>4,742,239</b>	<b>3,083,772</b>	<b>4,742,395</b>
<b>Reconciliation of Cash and Cash Equivalents</b>				
Cash in Hand, Balances with Banks and Due to Banks	936,451	748,657	942,579	748,813
Balance with the Central Bank of Sri Lanka	2,043,624	1,716,713	2,043,624	1,716,713
Money at Call and Short Notice	97,569	2,276,869	97,569	2,276,869
	3,077,644	4,742,239	3,083,772	4,742,395
<b>A. Reconciliation of Operating Profit</b>				
Profit before Taxation	1,060,744	827,321	1,380,962	1,028,507
Depreciation	281,067	191,883	292,729	210,631
(Profit)/Loss on Disposal of Property, Plant & Equipment	3,925	(425)	2,975	(2,752)
Provision for Doubtful Debts	812,779	470,898	803,646	470,898
Provision for Gratuity	40,954	36,949	42,149	37,770
(Increase)/Decrease in Interest Receivable	(503,537)	81,847	(712,494)	192,024
Increase/(Decrease) in Interest Payable	404,735	279,408	132,542	420,963
Other Non-Cash Items	717,904	-	619,116	-
Gratuity Payments Made	(13,705)	(5,766)	(13,705)	(5,766)
	2,804,866	1,882,115	2,547,920	2,352,275

The Notes to the Financial Statements from pages 92 to 119 form an integral part of these Financial Statements.