

Cash Flow Statement

For the year ended 31st December	BANK		GROUP	
	2004 (Rs. '000)	2003 (Rs. '000)	2004 (Rs. '000)	2003 (Rs. '000)
Cash Flows From Operating Activities				
Interest & Commission Receipts	24,506,651	2,261,634	26,595,632	2,715,450
Interest Payments	(12,111,653)	(9,860,366)	(12,900,689)	(10,173,500)
Recoveries of loans previously written off	82,435	115,981	82,435	115,981
Cash payments to employees & Suppliers	(5,780,800)	(11,230,251)	(6,109,481)	(11,643,003)
Pension fund paid during the year	(1,007,495)	(659,115)	(1,007,495)	(659,115)
Operating profit before changes in operating Assets	5,689,138	(19,372,117)	6,660,402	(19,644,187)
<i>(Increase) / Decrease in operating Assets</i>				
Short- Term Funds	-	-	-	-
Deposits held for regulatory or monetary control purposes	(3,441,740)	4,739,016	(3,441,740)	4,739,016
Funds advanced to customers	(19,781,182)	(3,452,734)	(22,891,896)	(5,799,612)
Net increase in Credit card receivables	-	-	-	-
Other Short term Negotiable securities	-	-	-	-
<i>Increase / (Decrease) in operating Liabilities</i>				
Deposits from Customers	24,381,296	15,431,722	24,386,096	15,426,922
Negotiable Certificate of Deposits	(73,361)	43,235	(73,361)	43,235
Net Cash Flow from Operating Activities before Income Tax	6,774,151	(2,610,878)	4,639,501	(5,234,626)
Income Taxes Paid	(50,000)	-	(50,855)	-
Net Cash Flow from Operating Activities	6,724,151	(2,610,878)	4,588,646	(5,234,626)
Cash Flows from Investing Activities				
Proceeds on Sale of Investments	28,694	247,965	28,694	219,585
Investments in Subsidiary	-	(600,000)	-	-
Dividends Received	109,569	39,490	27,010	16,463
Proceeds from Sales of Property, Plant & Equipment	2,984	7,751	4,722	7,750
Purchase of Property, Plant & Equipment	(730,612)	(555,249)	(814,447)	(652,930)
Investments in Investment Securities	(367,776)	(783,283)	(367,776)	(638,126)
Net Cash from / (used in) Investing Activities	(957,141)	(1,643,326)	(1,121,797)	(1,047,258)
Cash Flows from Financing Activities				
Net increase / (decrease) in Borrowings	(4,101,960)	5,024,014	(1,781,596)	7,033,946
Net Cash from / (used in) Financing Activities	(4,101,960)	5,024,014	(1,781,596)	7,033,946
Net increase / (decrease) in cash and cash equivalents	1,665,050	769,810	1,685,253	752,062
Cash and cash equivalents at the beginning of the year	15,108,626	14,338,816	15,104,102	14,352,040
Cash and cash equivalents at the end of the year	16,773,676	15,108,626	16,789,355	15,104,102
Cash and Short Term Funds	(Note 12)			
Amounts due to Banks	17,524,560	15,134,889	17,540,239	15,130,365
	(750,884)	(26,263)	(750,884)	(26,263)
Cash and Cash equivalents reflected on Balance Sheet at the end of the year	16,773,676	15,108,626	16,789,355	15,104,102

For the year ended 31st December	BANK		GROUP	
	2004 (Rs. '000)	2003 (Rs. '000)	2004 (Rs. '000)	2003 (Rs. '000)
Reconciliation of Net Profit to Net Cash Flow from Operating Activities				
Net Profit before Taxation and after Extra Ordinary items	1,891,004	1,555,344	2,098,520	1,750,985
Adjustment for non cash transactions -				
Prior Year Adjustment	(37,990)	327,048	(37,990)	326,266
Provision for Tsunami losses	636,000	-	636,000	-
Associate Profit Adjustment	-	-	(10,570)	(7,962)
Minority Interest Paid	-	-	30	(11,579)
Pension Related Provision	1,219,351	860,290	1,220,456	861,232
Depreciation	499,882	522,500	550,709	577,713
Profit on Disposal of Fixed Assets	982	(7,750)	982	(7,338)
Provision for Bad Debts	(20,207)	2,288,007	385,659	2,486,610
Investment Income	(109,569)	(39,490)	(27,010)	(16,463)
Profit/Loss on Share Trading	(8,777)	(29,642)	(8,777)	(33,544)
Profit/Loss on Investment	-	(51,250)	-	(51,250)
Special Levy	(100,000)	-	(100,000)	-
Provision for Diminution in Value of Shares	219,692	36,116	219,692	59,017
Operating Profit before changes in Operating Assets / Liabilities	4,190,368	5,461,173	4,927,701	5,933,687
(Increase)/Decrease in Operating Assets	(21,647,509)	(19,321,478)	(24,532,806)	(22,479,962)
Increase/(Decrease) in Operating Liabilities	25,238,787	11,908,542	25,252,101	11,970,764
Cash Generated from Operations	7,781,646	(1,951,763)	5,646,996	(4,575,511)
Income Tax paid	(50,000)	-	(50,855)	-
Pension Fund paid during the Year	(1,007,495)	(659,115)	(1,007,495)	(659,115)
Net Cash Flow from Operating Activities	6,724,151	(2,610,878)	4,588,646	(5,234,626)

The Accounting Policies on pages 27 to 33 and Notes on pages 34 to 53 form an integral part of these Financial Statements.