

## Statement of Cash Flows

For the year ended 31 December	Note	Bank		Group	
		2017 LKR '000	2016 LKR '000	2017 LKR '000	2016 LKR '000
<b>Cash Flows from Operating Activities</b>					
Profit before income tax		30,342,980	31,188,685	30,815,563	30,117,032
<b>Adjustments for:</b>					
Net interest income	8	(58,356,192)	(53,957,488)	(61,490,102)	(56,606,492)
Dividend income on trading securities	10	(111,783)	(113,674)	(120,214)	(126,801)
Dividends from subsidiaries and associates	12	(76,680)	(1,102,158)	–	–
Share of (profits)/losses of associate companies, net of tax	16	–	–	(52,024)	(62,952)
Change in operating assets	52.1	(176,623,016)	(160,667,438)	(177,474,266)	(163,958,901)
Change in operating liabilities	52.2	304,162,970	131,411,796	306,329,345	134,895,340
Other non-cash items included in profit before tax	52.3	10,872,287	3,832,099	12,102,838	4,890,843
Other net gains from investing activities	11	(905,527)	(273,881)	(925,733)	(312,273)
		<b>109,305,039</b>	<b>(49,682,059)</b>	<b>109,185,407</b>	<b>(51,164,204)</b>
Benefit paid from defined benefit plans		(6,976,625)	(6,427,894)	(6,994,516)	(6,469,307)
Interest received		120,744,703	95,086,587	126,994,502	99,900,577
Interest paid		(85,565,050)	(54,415,320)	(88,311,449)	(56,022,201)
Dividends received		111,783	113,674	120,214	126,801
<b>Net cash from/(used in) operating activities before income tax</b>		<b>137,619,850</b>	<b>(15,325,012)</b>	<b>140,994,158</b>	<b>(13,628,334)</b>
Income tax paid		(2,580,454)	(6,020,924)	(2,683,837)	(6,248,626)
<b>Net cash from/(used in) operating activities</b>		<b>135,039,396</b>	<b>(21,345,936)</b>	<b>138,310,321</b>	<b>(19,876,960)</b>
<b>Cash Flows from Investing Activities</b>					
Net (increase)/decrease in financial investments – Held to maturity		(65,055,871)	3,105,015	(65,470,538)	3,090,334
Net (increase)/decrease in financial investments – Available for sale		(7,716,838)	624,947	(6,571,920)	(861,988)
Net (increase)/decrease in financial investments – Loans and receivables		(21,292,409)	40,686,630	(22,365,555)	41,019,663
Proceeds from disposal of an associate company		–	3,880,000	–	3,880,000
Purchase of Property, Plant and Equipment and leasehold properties		(3,080,752)	(2,052,805)	(3,199,778)	(2,207,275)
Purchase of intangible assets		(528,565)	(376,643)	(764,014)	(390,549)
Proceeds from sale of Property, Plant and Equipment		62,457	18,961	69,101	63,951
Dividends received		649,270	1,268,331	592,796	204,565
Interest received		40,578,598	36,487,727	41,088,070	36,809,586
<b>Net cash from/(used in) investing activities</b>		<b>(56,384,110)</b>	<b>83,642,163</b>	<b>(56,621,838)</b>	<b>81,608,287</b>

For the year ended 31 December	Note	Bank		Group	
		2017 LKR '000	2016 LKR '000	2017 LKR '000	2016 LKR '000
<b>Cash Flows from Financing Activities</b>					
Net decrease in other borrowings		(49,653,199)	(42,090,586)	(52,901,368)	(38,650,060)
Proceeds from issue of shares		5,000,000	5,000,000	5,000,000	5,000,000
Proceeds from issue of debentures		10,000,000	8,000,000	12,000,000	7,990,000
Payments on redemption of debentures		(9,501,723)	(5,032,015)	(10,867,381)	(5,368,253)
Dividends paid to equity holders of the Bank		(12,346,410)	(18,346,410)	(12,346,410)	(18,346,410)
Dividends paid to non-controlling interest		–	–	(1,931)	(52,866)
Interest payments on borrowings and debt securities		(17,320,884)	(21,458,109)	(18,093,765)	(22,211,745)
<b>Net cash used in financing activities</b>		<b>(73,822,216)</b>	<b>(73,927,120)</b>	<b>(77,210,855)</b>	<b>(71,639,334)</b>
Net increase/(decrease) in cash and cash equivalents during the year		4,833,070	(11,630,893)	4,477,628	(9,908,007)
Cash and cash equivalents at the beginning of the year		66,898,438	78,529,331	72,425,067	82,333,074
<b>Cash and cash equivalents at the end of the year</b>		<b>71,731,508</b>	<b>66,898,438</b>	<b>76,902,695</b>	<b>72,425,067</b>
<b>Analysis of Cash and Cash Equivalents</b>					
Cash and cash equivalents	20	72,843,108	67,705,791	78,005,362	73,244,043
Bank overdrafts	38	(1,111,600)	(807,353)	(1,102,667)	(818,976)
<b>Cash and cash equivalents at the end of the year</b>		<b>71,731,508</b>	<b>66,898,438</b>	<b>76,902,695</b>	<b>72,425,067</b>

The Notes to the Financial Statements from pages 160 to 302 form an integral part of these Financial Statements.