

# STATEMENT OF CASH FLOWS

For the year ended December 31,	Note	Page No.	GROUP		BANK	
			2017	2016	2017	2016
			Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Cash flows from operating activities</b>						
Profit before income tax			23,280,324	20,114,584	23,182,944	20,051,183
Adjustments for:						
Non-cash items included in profit before tax	65	301	2,315,139	2,754,851	1,882,763	2,588,922
Change in operating assets	66	301	(126,726,469)	(131,928,935)	(121,579,535)	(126,756,110)
Change in operating liabilities	67	302	100,265,879	117,122,450	97,246,867	111,259,187
(Gains)/losses on sale of property, plant and equipment	17	200	18,774	(10,395)	35,018	(1,705)
Share of profits in associates, net of tax	38.1	244	(3,678)	(6,454)	-	-
Dividend income from subsidiaries and associates	17	200	-	-	(100,443)	(85,579)
Interest expense on subordinated liabilities	13.2	196	2,377,694	1,535,349	2,377,694	1,533,934
Net unrealised gains/(losses) arising from translating the Financial Statements of foreign operations	57.4	284	(503,140)	438,565	(525,093)	414,578
Profit due to change in ownership	17	200	-	-	(5,262)	(3,047)
Benefits paid on defined benefit plans			(184,464)	(110,800)	(179,855)	(109,329)
Income tax paid	47	265	(3,810,701)	(4,014,741)	(3,753,679)	(3,966,831)
<b>Net cash from (used in) operating activities</b>			<b>(2,970,642)</b>	<b>5,894,474</b>	<b>(1,418,581)</b>	<b>4,925,203</b>
<b>Cash flows from investing activities</b>						
Net purchase of property, plant and equipment			(2,163,733)	(1,501,070)	(1,959,075)	(1,369,729)
Proceeds from sale of property, plant and equipment			58,032	32,168	41,408	11,958
Purchase of financial investments			(179,751)	(514,043)	(179,751)	(514,043)
Proceeds from sale and maturity of financial investments			3,530,785	1,628,487	3,530,785	1,628,487
Net purchase of intangible assets			(352,329)	(422,175)	(346,360)	(340,351)
Proceeds due to change in ownership			7,803	4,294	7,803	4,294
Net cash flow from investment in subsidiaries and associates			-	-	(564,253)	(1,184,707)
Dividends received from investments in subsidiaries and associates	17	200	4,111	5,808	100,443	85,579
<b>Net cash from (used in) investing activities</b>			<b>904,918</b>	<b>(766,531)</b>	<b>631,000</b>	<b>(1,678,512)</b>
<b>Cash flows from financing activities</b>						
Proceeds from rights issue of ordinary shares	53	278	10,143,872	-	10,143,872	-
Net proceeds from issue of ordinary voting shares			386,311	135,582	386,311	135,582
Proceeds from issue of subordinated liabilities	52	276	-	13,179,430	-	13,179,430
Redemption of subordinated liabilities	52	276	-	(987,660)	-	(972,660)
Interest paid on subordinated liabilities			(2,362,270)	(1,298,062)	(2,362,270)	(1,296,647)
Dividend paid to non-controlling interest	58	285	(3,690)	(3,432)	-	-
Capital contribution from non-controlling interest of a newly incorporated subsidiary	58	285	-	805,669	-	-
Dividend paid to shareholders of the Bank			(4,349,302)	(4,142,319)	(4,349,302)	(4,142,319)
<b>Net cash from/(used in) financing activities</b>			<b>3,814,921</b>	<b>7,689,208</b>	<b>3,818,611</b>	<b>6,903,386</b>
Net increase/(decrease) in cash and cash equivalents			1,749,197	12,817,151	3,031,030	10,150,077
Cash and cash equivalents as at January 1,			32,924,227	20,107,076	30,193,589	20,043,512
<b>Cash and cash equivalents as at December 31,</b>	27	219	<b>34,673,424</b>	<b>32,924,227</b>	<b>33,224,619</b>	<b>30,193,589</b>

The Notes appearing on pages 173 to 332 form an integral part of these Financial Statements.