

## Consolidated Cash Flow Statement for the year ended December 31, 2008

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	Note	December 31, 2008	December 31, 2007
		Rupees in '000	
		Audited	Un-audited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		6,056,922	5,956,029
Less: Dividend income		(1,426,378)	(147,184)
		4,630,544	5,808,845
<b>Adjustments for non-cash charges</b>			
Depreciation/amortization		422,577	341,736
Provision against non-performing loans and advances (including general provision) - net		1,372,155	2,712,936
Provision for diminution in the value of investments - net		1,840,249	719
Unrealized loss on revaluation of held for trading securities		(3,201)	1,463
Provision against off balance sheet obligations - net		190,824	39,805
Provision against other assets - net		214,284	119,579
Operating fixed assets written off		20,711	-
Gain on sale of operating fixed assets		(9,889)	(14,297)
Bad debts written off directly		2,736	1,187
		4,050,446	3,203,128
		8,680,990	9,011,973
<b>(Increase)/decrease in operating assets</b>			
Lendings to financial institutions		2,626,058	630,998
Held for trading securities		(64,019)	203,250
Advances - net		(45,987,719)	(27,087,769)
Other assets (excluding advance taxation)		(5,136,659)	(287,147)
		(48,562,339)	(26,540,668)
<b>Increase/(decrease) in operating liabilities</b>			
Bills payable		(541,894)	1,216,377
Borrowings from financial institutions		4,767,184	4,845,011
Deposits		34,004,949	57,438,270
Other liabilities		6,085,248	2,143,327
		44,315,487	65,642,985
		4,434,138	48,114,290
Income tax paid		(3,539,659)	(2,261,141)
<b>Net cash flows from operating activities</b>		894,449	45,853,149
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net investments in available-for-sale securities		1,026,087	(39,525,522)
Net investments in held-to-maturity securities		(3,749,608)	2,782,945
Net investments in subsidiaries		-	62,488
Dividend income		1,368,736	149,956
Investments in operating fixed assets		(2,677,120)	(1,497,197)
Proceeds from sale of operating fixed assets		158,154	63,021
<b>Net cash flows used in investing activities</b>		(3,873,751)	(37,964,309)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of sub-ordinated loan		(1,000)	(1,000)
Dividends paid		(1,753,971)	(1,902,755)
<b>Net cash flows used in financing activities</b>		(1,754,971)	(1,903,755)
<b>Increase in cash and cash equivalents</b>		(4,734,273)	5,985,085
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		29,842,114	24,302,648
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		510,618	64,999
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	33	25,618,459	30,352,732

The annexed notes 1 to 46 and annexures I to III form an integral part of these consolidated financial statements.

Chief Financial Officer

President and Chief Executive

Director

Director

Director