

## Unconsolidated Statement of Cash Flows

for the year ended December 31, 2010

December 31, 2010	December 31, 2009	Note	December 31, 2010	December 31, 2009
US \$ in '000			Rupees in '000	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
144,133	125,070	Profit before taxation	12,343,106	10,536,120
(13,058)	(16,322)	Less: Dividend income	(1,118,270)	(1,374,967)
131,075	108,748		11,224,836	9,161,153
<b>Adjustments for non-cash charges</b>				
9,932	7,515	Depreciation / amortization	850,537	633,056
35,903	37,546	Provision against non-performing loans, advances - net	3,074,576	3,162,963
15,057	12,512	Provision for diminution in the value of investments - net	1,289,404	1,054,046
(3,277)	3,331	(Reversal) / provision against lendings to financial institutions	(280,595)	280,595
279	94	Unrealized loss on revaluation of held for trading securities	23,884	7,897
(1,030)	(301)	Reversals against off balance sheet obligations - net	(88,239)	(25,353)
3,866	(670)	Provision / (reversals) against other assets - net	331,077	(56,431)
-	111	Operating fixed assets written off	5	9,373
(140)	(50)	Gain on sale of fixed assets	(11,977)	(4,220)
-	-	Bad debts written off directly	-	-
60,590	60,088		5,188,672	5,061,926
191,665	168,836		16,413,508	14,223,079
<b>(Increase) / decrease in operating assets</b>				
197,516	(149,693)	Lendings to financial institutions	16,914,583	(12,610,344)
(9,418)	(800)	Held for trading securities	(806,565)	(67,385)
(219,883)	(326,857)	Advances - net	(18,830,047)	(27,534,993)
(19,395)	(24,572)	Other assets (excluding advance taxation)	(1,660,945)	(2,069,966)
(51,180)	(501,922)		(4,382,974)	(42,282,688)
<b>Increase / (decrease) in operating liabilities</b>				
11,168	2,492	Bills payable	956,362	209,939
(219,263)	140,215	Borrowings from financial institutions	(18,776,934)	11,811,971
495,223	372,734	Deposits	42,409,231	31,399,716
15,254	(30,228)	Other liabilities	1,306,263	(2,546,450)
302,382	485,213		25,894,922	40,875,176
442,867	152,127		37,925,456	12,815,567
(20,153)	(23,795)	Income tax paid - net	(1,725,871)	(2,004,490)
422,714	128,332	Net cash flows from operating activities	36,199,585	10,811,077
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
(317,679)	(134,002)	Net investments in available-for-sale securities	(27,204,980)	(11,288,568)
11,925	22,142	Net investments in held-to-maturity securities	1,021,179	1,865,280
13,003	16,311	Dividend income received	1,113,562	1,374,038
(44,070)	(23,404)	Investments in operating fixed assets	(3,774,048)	(1,971,579)
263	250	Proceeds from sale of fixed assets	22,489	21,058
(336,558)	(118,703)	Net cash used in investing activities	(28,821,798)	(9,999,771)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
(26)	35,600	Net (payment) / receipt of sub-ordinated loan	(2,200)	2,999,000
(34,791)	(24,610)	Dividends paid	(2,979,352)	(2,073,173)
(34,817)	10,990	Net cash (used in) / from financing activities	(2,981,552)	925,827
51,339	20,619	Increase in cash and cash equivalents during the year	4,396,235	1,737,133
318,507	299,016	CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	27,275,922	25,189,600
921	5,081	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	78,838	428,027
370,767	324,716	CASH AND CASH EQUIVALENTS AT END OF THE YEAR	31,750,995	27,354,760

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

Chief Financial Officer

President and Chief Executive

Director

Director

Chairman