

Cash Flow Statement (Un-audited)

for the nine months ended September 30, 2006

	Nine months ended September 30, 2006	Nine months ended September 30, 2005
	Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	5,101,872	3,417,233
Less: Dividend income	46,795	36,688
	<u>5,055,077</u>	<u>3,380,545</u>
Adjustments for non-cash charges		
Depreciation / amortisation	215,297	192,840
Provision against non-performing loans and advances (including general provision)	727,083	292,126
(Reversal of provision) / provision for diminution in the value of investments	(12,124)	32,722
Unrealised loss / (gain) on revaluation of held for trading securities	18,331	(4,440)
Provision against off balance sheet items	3,068	1,414
Provision against other assets	182,448	23,065
Net gain on sale of property and equipment	(40,717)	(11,081)
Bad debts written off directly	9,944	9,904
Others	-	(14,069)
	<u>1,103,330</u>	<u>522,481</u>
	6,158,407	3,903,026
(Increase)/ decrease in operating assets		
Lendings to financial institutions	(4,797,963)	3,488,301
Held for trading securities	332,925	(243,089)
Advances	(24,555,246)	(32,438,028)
Other assets (excluding advance taxation)	(2,544,579)	(1,776,445)
	<u>(31,564,863)</u>	<u>(30,969,261)</u>
Increase/ (decrease) in operating liabilities		
Bills payable	1,221,444	244,078
Borrowings from financial institutions	(1,088,585)	(6,861,997)
Deposits	36,619,235	22,919,141
Other liabilities	523,642	883,731
	<u>37,275,736</u>	<u>17,184,953</u>
	11,869,280	(9,881,282)
Income tax paid	(821,773)	(667,766)
Payment against provision for off balance sheet obligations	-	-
Net cash flow from operating activities	<u>11,047,507</u>	<u>(10,549,048)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments	(4,838,417)	12,978,583
Dividends received	28,448	36,688
Investments in operating fixed assets	(1,642,985)	(1,118,601)
Sale proceeds of property and equipment disposed-off	73,800	13,491
Net cash flow on investing activities	<u>(6,379,154)</u>	<u>11,910,161</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(1,101,160)	(1,020)
Net cash flow on financing activities	<u>(1,101,160)</u>	<u>(1,020)</u>
Increase in cash and cash equivalents during the period	<u>3,567,193</u>	<u>1,360,093</u>
Cash and cash equivalents at beginning of the year	<u>17,877,422</u>	<u>12,208,226</u>
Cash and cash equivalents at end of the period	<u>21,444,615</u>	<u>13,568,319</u>

The annexed notes 1 to 17 form an integral part of these financial statements.

Chief Financial Officer

President & Chief Executive

Director

Director

Chairman