

Statement of Cash Flows

	BANK		GROUP	
	2017 LKR 000	2016 LKR 000	2017 LKR 000	2016 LKR 000
<i>For the year ended 31 December</i>				
Cash flows from operating activities				
Interest receipts	25,632,064	19,317,134	25,630,823	19,315,252
Interest payments	(19,308,381)	(13,071,125)	(19,267,517)	(13,039,859)
Recoveries from loans previously written off	36,769	24,499	36,769	24,499
Receipts from other operating activities	1,338,987	1,643,470	1,813,361	1,923,001
Cash payments to employees and suppliers	(5,409,931)	(4,657,702)	(5,695,191)	(4,802,292)
Value added tax and nation building tax on financial services	(1,298,496)	(798,410)	(1,298,496)	(798,410)
Other levies	(185,529)	(157,564)	(185,529)	(157,564)
Operating cash flows before changes in operating assets and liabilities	805,483	2,300,302	1,034,220	2,464,627
(Increase)/decrease in operating assets:				
Deposits held for regulatory or monetary control purposes	(2,495,121)	(2,508,759)	(2,495,121)	(2,508,757)
Funds advanced to customers	(26,935,976)	(33,070,446)	(26,935,976)	(33,070,447)
Others	690,451	(339,086)	723,354	(330,443)
Increase/(decrease) in operating liabilities:				
Deposits from customers	50,738,651	27,978,909	50,599,577	28,239,834
Negotiable certificates of deposit	(259,665)	32,898	(259,665)	32,898
Others	206,374	668,519	206,374	668,834
Net cash flows from/(used in) operating activities before income tax	22,750,197	(4,937,663)	22,872,763	(4,503,454)
Income tax paid	(1,404,889)	(649,287)	(1,455,337)	(694,286)
Net cash flows from/(used in) operating activities	21,345,308	(5,586,950)	21,417,426	(5,197,740)
Cash flows from investing activities				
Dividends received	680,893	688,785	629,428	604,526
Interest received	6,122,521	3,190,625	6,171,449	3,226,799
Government Securities – net	(9,062,415)	(4,102,903)	(9,062,415)	(4,102,903)
Proceeds from sale and redemption of securities	2,960,619	748,838	2,960,619	748,838
Purchase of securities	(1,661,972)	(778,566)	(1,674,972)	(778,566)
Investment in joint venture	–	(100,000)	–	(100,000)
Investment in additional shares of subsidiaries – (Synapsys Ltd)	(65,000)	–	–	–
Purchase of property, equipment, intangibles and investment property	(880,905)	(277,384)	(992,860)	(370,960)
Proceeds from sale of equipment and investment property	8,944	10,647	16,196	10,654
Net cash used in investing activities	(1,897,315)	(619,958)	(1,952,555)	(761,612)

	BANK		GROUP	
	2017 LKR 000	2016 LKR 000	2017 LKR 000	2016 LKR 000
<i>For the year ended 31 December</i>				
Cash flows from financing activities				
Issue of debentures	–	12,315,450	–	12,315,450
Redemption of debentures	(5,000,000)	(2,096,000)	(5,000,000)	(2,096,000)
Borrowing, medium and long-term	11,510,776	4,484,011	11,510,776	4,484,011
Other borrowings – net	(15,718,589)	(2,628,484)	(15,718,589)	(2,628,484)
Repayment of borrowing, medium and long term	(3,943,757)	(3,836,433)	(3,943,757)	(3,836,433)
Dividends paid	(1,180,868)	(654,832)	(1,241,185)	(835,442)
Net cash flows (used in)/from financing activities	(14,332,438)	7,583,712	(14,392,755)	7,403,102
Net (increase) in cash and cash equivalents	5,115,555	1,376,804	5,072,116	1,443,750
Cash and cash equivalents at the beginning of year	5,682,051	4,305,247	5,760,245	4,316,495
Cash and cash equivalents at the end of year	10,797,606	5,682,051	10,832,361	5,760,245
Reconciliation of cash and cash equivalents with items reported in the statement of financial position				
Cash and cash equivalents (Note 24)	4,106,225	4,330,934	4,120,230	4,344,260
Placements with banks (Note 26)	6,691,381	1,351,117	6,712,131	1,415,985
	10,797,606	5,682,051	10,832,361	5,760,245

The Statement of Cash Flows of the bank includes the results of associate, joint venture and subsidiary companies only to the extent of the cash flows between Bank and respective companies as required by Sri Lanka Accounting Standards.

Reconciliation of profit for the year to net cash flows from/(used in) operating activities.

	BANK		GROUP	
	2017 LKR 000	2016 LKR 000	2017 LKR 000	2016 LKR 000
Profit for the period	4,414,964	3,288,723	4,433,757	3,469,074
Add/(deduct) items not using (providing) cash:	2,406,558	1,321,549	2,265,556	1,184,244
Depreciation – Property, equipment and investment property	259,548	233,079	300,142	271,332
Amortisation – Intangible assets	109,573	98,262	110,807	98,567
Unrealised gain on Trading securities	(91,252)	(164,110)	(91,252)	(164,110)
Net loss from financial instruments at fair value through profit or loss				
– Contracts with commercial banks	314,489	93,944	314,489	93,944
– CBSL Swap	86,277	83,606	86,277	83,606
Interest rate swap fair value changes	3,820	2,177	3,820	2,177
Amortisation of deferred income on Government grant	85,973	(180,106)	85,973	(180,106)
Foreign exchange loss	849,494	330,157	849,494	330,154
Impairment for loans and other losses	1,176,413	937,267	1,170,366	916,344
Notional tax credit on Treasury Bills and Bonds	(505,381)	(249,914)	(505,381)	(249,914)
Share of profits of associate and joint venture	–	–	(185,030)	(161,151)
Provision for defined benefit plans	117,604	137,187	125,851	143,401
Deduct items reported gross under investing activities:	(7,321,541)	(4,123,348)	(7,036,539)	(4,056,979)
Dividend income	(889,883)	(856,306)	(798,420)	(772,046)
Gains on sale of financial investment	(1,151,927)	(156,388)	(950,342)	(156,388)
Gain on sale of equipment and investment property	(11,299)	(7,694)	(11,299)	(13,631)
Interest income from investments	(5,268,432)	(3,102,960)	(5,276,478)	(3,114,914)
Deduct changes in operating assets and liabilities:	21,845,327	(6,073,874)	21,754,652	(5,794,079)
(Increase)/(decrease) in account receivables	2,922,640	(1,645,511)	2,468,411	(1,660,055)
Increase in account payables	(2,309,758)	2,334,083	(1,847,605)	2,323,939
Increase/(decrease) an income tax payable	(369,904)	446,392	(351,376)	509,872
(Increase)/decrease in deferred tax	(342,365)	29,127	(353,321)	246
Increase in operating assets	(28,740,646)	(35,918,291)	(28,707,743)	(35,909,647)
Increase in operating liabilities	50,685,360	28,680,326	50,546,286	28,941,566
Net cash flow from/(used) in operating activities	21,345,308	(5,586,950)	21,417,426	(5,197,740)