

CONSOLIDATED STATEMENT OF CASH FLOW

YEAR ENDED 31 DECEMBER 2008

	Note	2008 KD 000's	2007 KD 000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit from operations		105,502	124,840
Adjustments for:			
Provisions for loans and advances		28,573	3,618
Income from investment securities		(40,466)	(34,125)
Foreign exchange and other losses on investment securities		211	43
Foreign exchange gain on financing activities		-	(968)
Depreciation		2,889	2,007
Other provisions and valuation adjustments		29,116	3,059
		125,825	98,474
Changes in operating assets and liabilities:			
Treasury and Central Bank bonds		(44,166)	(42,732)
Due from banks and other financial institutions		266,100	(667,692)
Loans and advances		(244,733)	(708,680)
Certificates of deposit		-	94,767
Government debt bond		-	5,250
Other assets		(161,157)	(12,918)
Due to banks and other financial institutions		33,197	440,405
Customer deposits		8,990	885,729
Other liabilities		14,148	17,030
Net cash (used in) from operating activities		(1,796)	109,633
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investment securities		230,323	127,470
Acquisition of investment securities		(142,141)	(134,297)
Acquisition of a subsidiary	21	(20,900)	
Dividend income from investment securities		5,824	8,467
Proceeds from disposal of premises and equipment		(16)	94
Acquisition of premises and equipment		(3,479)	(2,201)
Net cash from (used in) investing activities		69,611	(467)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term borrowings		-	(20,000)
Subordinated loan		(16,380)	-
Purchase of treasury shares		(102,167)	(23,557)
Sale of treasury shares		102,751	27,699
Dividend paid		(102,334)	(86,176)
Net cash used in financing activities		(118,130)	(102,034)
Net (decrease) / increase in cash and short term funds		(50,315)	7,132
Cash and short term funds at beginning of the year		370,024	362,892
Cash and short term funds at end of the year	3	319,709	370,024

The attached Notes 1 to 29 form part of these consolidated financial statements.