

STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2003

2002 US \$	2003 US \$	Notes	2003 RO	2002 RO
OPERATING ACTIVITIES				
69,148,638	79,896,869		30,760,295	26,622,226
		Profit for the year before taxation		
		Adjustments for:		
7,513,847	8,284,488	Depreciation and amortisation	3,189,528	2,892,831
53,750,379	56,641,395	Provision for possible credit losses	21,806,937	20,693,896
		Recoveries from provision for possible credit losses	(6,114,321)	(4,774,397)
(12,401,031)	(15,881,353)	Provision for placements with banks	2,310,000	-
-	6,000,000	Unrealised gain on investments available for sale	(206,580)	(260,433)
(676,449)	(536,571)	Loss on sale of branch operations	56,216	-
	146,015	Provision for collateral pending sale	175,450	144,458
375,216	455,714	Profit on disposal of tangible fixed assets	(91,142)	(76,184)
(197,881)	(236,732)	Dividends received	(485,494)	(453,594)
(1,178,166)	(1,261,023)			
116,334,553	133,508,802	Operating profit before working capital changes	51,400,889	44,788,803
(19,299,665)	(22,035,031)	Placements with banks	(8,483,487)	(7,430,371)
(225,310,556)	(117,720,769)	Loans and advances	(45,322,496)	(86,744,564)
102,293	65,119	Trading investments	25,071	39,382
4,432,597	(2,219,060)	Other assets	(854,337)	1,706,550
(25,564,691)	(47,548,522)	Deposits from banks	(18,306,181)	(9,842,406)
41,459,026	133,191,712	Customers' deposits	51,278,809	15,961,725
56,424,904	(56,826,914)	Certificates of deposit	(21,878,362)	21,723,588
-	64,935,065	Unsecured bonds	25,000,000	-
11,837,670	(1,122,199)	Other liabilities	(432,047)	4,557,503
(39,583,869)	84,228,203	Cash from (used in) operations	32,427,859	(15,239,790)
(1,877,921)	(7,010,645)	Income taxes paid	(2,699,098)	(723,000)
		Translation adjustment on operating assets and liabilities of overseas branches	33,568	17,114
44,452	87,190			
(41,417,338)	77,304,748	Net cash from (used in) operating activities	29,762,329	(15,945,676)
INVESTING ACTIVITIES				
1,178,166	1,261,023	Dividends received	485,494	453,594
33,265,045	(31,050,282)	Net movement in non trading investments	(11,954,359)	12,807,043
(9,297,250)	(14,556,751)	Purchase of tangible fixed assets	(5,604,349)	(3,579,441)
449,050	415,242	Proceeds from sale of tangible fixed assets	159,868	172,884
-	2,312,130	Disposal of foreign branch, net of cash disposed of	890,170	-
162,154,294	-	Acquisition of a foreign branch, net of cash acquired	-	62,429,403
187,749,305	(41,618,638)	Net cash (used in) from investing activities	(16,023,176)	72,283,483
FINANCING ACTIVITIES				
(12,737,008)	(19,105,512)	Dividends paid	(7,355,622)	(4,903,748)
(33,506,494)	(21,792,208)	Subordinated liabilities repaid	(8,390,000)	(12,900,000)
20,272,727	-	Proceeds from rights issue	-	7,805,000
(25,970,775)	(40,897,720)	Net cash used in financing activities	(15,745,622)	(9,998,748)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
120,361,192	(5,211,610)		(2,006,469)	46,339,059
46,169,974	166,531,166	Cash and cash equivalents at 1 January	64,114,499	17,775,440
CASH AND CASH EQUIVALENTS AT 31 DECEMBER				
166,531,166	161,319,556	21	62,108,030	64,114,499

The attached notes 1 to 40 form part of these financial statements