

Statement of Cash Flows

For the year ended 31 December	BANK		GROUP	
	2020 LKR '000	2019 LKR '000	2020 LKR '000	2019 LKR '000
Cash flows from operating activities				
Interest receipts	30,020,544	29,371,405	30,016,182	29,367,300
Interest payments	(28,898,275)	(29,442,467)	(28,867,010)	(29,410,377)
Net commission receipts	2,194,100	2,214,658	2,194,100	2,214,658
Net trading income	33,140	1,227,843	33,140	1,227,843
Recoveries from loans previously written-off	42,021	7,601	42,021	7,601
Receipts from other operating activities	3,220,616	1,989,230	3,942,850	2,587,700
Payments on other operating activities	(3,235,643)	(2,987,378)	(3,539,577)	(3,343,283)
Cash payments to employees	(3,509,801)	(3,688,837)	(3,509,801)	(3,688,837)
Taxes on financial services	(1,028,489)	(1,594,710)	(1,028,489)	(1,594,710)
Operating cash flows before changes in operating assets and liabilities	(1,161,787)	(2,902,655)	(716,584)	(2,632,105)
(Increase)/decrease in operating assets:				
Balances with Central Bank/deposits held for regulatory or monetary control purposes	3,764,794	3,175,265	3,764,794	3,175,265
Financial assets at amortised cost – Loans to and receivables from other customers	(31,967,075)	(23,535,476)	(31,967,075)	(23,535,476)
Others	910,313	60,113	833,751	71,913
Increase/(decrease) in operating liabilities:				
Financial liabilities at amortised cost – Due to depositors	60,833,677	6,061,028	60,451,771	5,799,500
Negotiable certificate of deposits	1,576,253	289,308	1,576,253	289,308
Others	(1,492,634)	2,807,301	(1,334,358)	3,103,016
Net cash flows from/(used in) operating activities before income tax	32,463,541	(14,045,116)	32,608,552	(13,728,579)
Income tax paid	(615,096)	(1,691,938)	(671,516)	(1,747,401)
Net cash flows from/(used in) operating activities	31,848,445	(15,737,054)	31,937,036	(15,475,980)

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.

Statement of Cash Flows

For the year ended 31 December	BANK		GROUP	
	2020 LKR '000	2019 LKR '000	2020 LKR '000	2019 LKR '000
Cash flows from investing activities				
Dividends received from investment in subsidiaries, joint venture, and associate	139,276	152,376	50,000	75,500
Dividends received from other investments	419,077	550,774	419,076	550,774
Interest received	8,094,360	7,502,423	8,134,721	7,530,566
Government Securities – net	(16,828,764)	(14,116,047)	(16,828,764)	(14,116,047)
Proceeds from sale and redemption of securities	5,580,763	1,803,369	5,601,163	1,828,466
Purchase of financial investments	(3,040,582)	(338,003)	(3,040,582)	(338,003)
Purchase of property, equipment, intangibles and investment property	(1,761,511)	(982,654)	(1,761,967)	(1,026,160)
Proceeds from sale of equipment and investment property	–	26,796	–	26,777
Net cash flows used in investing activities	(7,397,381)	(5,400,966)	(7,426,353)	(5,468,127)
Cash flows from financing activities				
Issue of new shares under Rights Issue	–	2,814,557	–	2,814,557
Issue of debentures	9,523,000	10,000,000	9,523,000	10,000,000
Redemption of debentures	(5,000,000)	(5,315,450)	(5,000,000)	(5,315,450)
Borrowing, medium and long-term	16,212,712	8,769,273	16,212,712	8,769,273
Other borrowings – net	(14,571,228)	13,314,573	(14,571,228)	13,314,573
Repayment of borrowing, medium and long-term	(12,334,236)	(7,365,360)	(12,334,236)	(7,365,360)
Dividends paid	(757,900)	(929,050)	(839,800)	(1,103,236)
Net cash flows (used in)/from financing activities	(6,927,652)	21,288,543	(7,009,552)	21,114,357
Net increase in cash and cash equivalents	17,523,412	150,523	17,501,131	170,250
Cash and cash equivalents at the beginning of year	5,615,239	5,464,716	5,659,800	5,489,550
Cash and cash equivalents at the end of year	23,138,651	5,615,239	23,160,931	5,659,800
Reconciliation of cash and cash equivalents with items reported in the statement of financial position				
Cash and cash equivalents (Note 26)	7,724,364	5,450,209	7,728,969	5,459,359
Placements with banks (Note 28)	15,414,287	165,030	15,431,962	200,441
	23,138,651	5,615,239	23,160,931	5,659,800

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.

The notes to the financial statements from pages 163 to 296 form part of these financial statements.

Statement of Cash Flows

Reconciliation of profit for the year to net cash flows used in operating activities

	BANK		GROUP	
	2020 LKR '000	2019 LKR '000	2020 LKR '000	2019 LKR '000
Profit before income tax	3,398,440	2,989,265	3,943,886	3,308,440
Add/(deduct) items not using (providing) cash:	4,846,088	5,686,027	4,525,559	5,579,216
Depreciation				
– Property, plant and equipment, and investment property	383,461	341,764	428,726	392,948
– Right-of-use assets	292,457	282,313	292,757	284,113
Amortisation				
Intangible assets	243,739	219,579	249,475	224,349
Unrealised (gains)/loss on trading securities	(90,525)	890,630	(90,525)	890,630
Net loss from financial instruments at fair value				
Contracts with commercial banks	543,169	2,578,178	543,169	2,578,178
Interest rate swap fair value changes	–	6,963	–	6,963
Foreign exchange gain	(23,292)	(474,203)	(23,292)	(474,203)
Impairment for loans and other losses	3,297,892	1,668,913	3,327,892	1,689,313
Share of profits of associate and joint venture	–	–	(407,785)	(191,281)
Provision for defined benefit plans	199,187	171,890	205,142	178,206
Deduct items reported under investing activities	(8,394,133)	(7,971,518)	(8,269,847)	(7,821,494)
Dividend income	(883,303)	(943,453)	(744,026)	(791,077)
Gain on sale of Government Securities	(505,284)	(110,850)	(505,284)	(110,850)
Gain on sale of equity securities	(5,102)	(99,040)	(5,102)	(99,040)
Gain on sale of property, plant and equipment	(13,708)	(33,494)	(23,240)	(33,494)
Interest income from investments	(6,986,736)	(6,784,681)	(6,992,195)	(6,787,033)
Deduct changes in operating assets and liabilities:	31,998,050	(16,440,828)	31,737,438	(16,542,142)
Increase in account receivables	(2,397,978)	(4,426,387)	(2,303,116)	(4,737,813)
(Decrease)/increase in account payables	(278,513)	637,288	(465,860)	854,585
Increase/(decrease) in income tax payable	496,406	(1,691,938)	525,558	(1,747,401)
Increase in deferred tax	552,807	182,670	655,720	184,961
Increase in operating assets	(27,291,968)	(20,300,098)	(27,368,530)	(20,288,298)
Increase in operating liabilities	60,917,296	9,157,637	60,693,666	9,191,824
Net cash flows from/(used in) operating activities	31,848,445	(15,737,054)	31,937,036	(15,475,980)

The notes to the financial statements from pages 163 to 296 form part of these financial statements.