

# Consolidated Statement of Cash Flows

38 39

Year ended 31 December 2007

	Notes	2007 US\$ 000	2006 US\$ 000
<b>OPERATING ACTIVITIES</b>			
Income for the year		268,276	120,040
Adjustments for:			
Depreciation		1,911	1,300
Other non-cash items		3,435	1,177
Share of results of associated companies	17	(106,933)	(53,548)
Impairment loss on non trading investments		3,831	-
Provision for doubtful loans and guarantees		12,306	2,352
Change in fair values of investment properties	6	(2,386)	(2,447)
Loss (gain) on sale of associated companies	15	21	(21,524)
Impairment of investment in associate	15	2,085	-
Interest income		(46,121)	(34,505)
Interest expense		81,545	66,065
Dividend income	15	(17,717)	(11,214)
Operating profit before changes in operating assets and liabilities		200,253	67,696
Changes in operating assets and liabilities:			
Time deposits with banks		(3,700)	8,730
Investments carried at fair value through statement of income		(12,468)	(152,648)
Non-trading investments		(54,041)	(47,056)
Loans and advances		4,108	(131,743)
Other assets		(24,894)	10,135
Due to banks and other financial institutions		(136,838)	221,367
Deposits from customers		46,460	156,892
Other liabilities		28,838	3,452
Interest received		44,926	33,198
Interest paid		(73,385)	(62,950)
Dividends received	15	17,717	11,214
Net cash from operating activities		36,976	118,287
<b>INVESTING ACTIVITIES</b>			
Investments in associated companies, net		(106,691)	(110,388)
Acquisition of investment properties, net	6	(6,780)	(683)
Purchase of property and equipment		(6,485)	(2,768)
Net cash used in investing activities		(119,956)	(113,839)
<b>FINANCING ACTIVITIES</b>			
Increase in loans and Murabaha payable		211,150	58,572
Subordinated debt	12	-	100,000
Bonds		(55,906)	-
Shares issued (including treasury shares)		7,974	24,857
Dividends paid		(69,758)	(53,053)
Donations paid		(500)	(500)
Directors' remuneration paid		(420)	(425)
Movement in minority interest		(14,223)	(5,291)
Net cash from financing activities		78,317	124,160
Foreign currency translation adjustments		34,132	4,286
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>29,469</b>	<b>132,894</b>
Cash and cash equivalent at 1 January		482,242	349,348
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>20</b>	<b>511,711</b>	<b>482,242</b>

The attached explanatory notes 1 to 26 form part of these consolidated financial statements