CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

(AMOUNTS IN MILLION SHILLINGS)

		Current year 31 st December 2008	Previous year 31 st December 2007
I	**Cash flow from operating activities:**		
	Interest and similar income received	90 184	77 874
	Interest paid	(8 829)	(8 013)
	Fee and commission receipts	20 098	17 148
	Foreign currency dealings	22 840	12 465
	Recoveries on loan previously written off	481	830
	Cash payments to employees and suppliers	(63 159)	(50 917)
	Income tax paid	(13 307)	(12 391)
	Cash flow from operating activities before changes in operating assets and liabilities	**48 308**	**36 996**
	Change in operating assets and liabilities		
	Net Change in loans and advances to customers	(208 507)	(111 734)
	Net change in other assets	1 343	(2 796)
	Net change in SMR	(1 300)	(3 000)
	Net change in other deposits	114 159	105 953
	Net change in other liabilities	26 135	14 473
	Net cash from operating activities	**(19 862)**	**39 892**
II	**Cash flow from investing activities:**		
	Purchase of property and equipment	(22 145)	(16 762)
	Proceeds from sale of properties and equipment	33	30
	Purchase of securities	(208 878)	(186 401)
	Proceeds from sale redemption of securities	240 344	182 880
	Net cash used in investing activities	**9 354**	**(20 253)**
III	**Cash flow from financing activities:**		
	Repayment of long-term debt	-	-
	Proceed from issuance of long-term debt	-	-
	Proceeds from issue of shares	-	-
	Dividend paid to members of the bank	(10 845)	(6 500)
	Net change in other borrowings	-	-
	Others		
	Net cash used in financing activities	**(10 845)**	**(6 500)**
IV	**Cash and cash equivalents**		
	Net increase in cash and cash equivalents	**(21 353)**	**13 139**
	Cash and cash equivalent at the beginning of the year	**267 048**	**253 909**
	Cash and cash equivalent at the end of the year	**245 695**	**267 048**

The above extracts are from the Financial Statements of the Bank for the year ended December 31,2008 which have been prepared in accordance with International Financial Reporting Standard (IFRS).The Financial Statements were audited by PwC Certified Public Accountants and received an unqualified audit report.

Riaan van Jaarsveld	**Head of Finance**	04/03/2009
Severin Ndaskoi	**Head of Internal Audit**	04/03/2009

The Financial Statements were approved by the Board of Directors and signed on their behalf by :

Ami Mpungwe	**Acting Chairman**	05/03/2009
Dr Musa Assad	**Non-Executive Director**	05/03/2009
Christo de Vries	**Executive Director**	05/03/2009