

BANK NIZWA SAOG**Statement of cash flows**

For the year ended 31 December 2016

| | 2016 RO | 2015 RO |
|--|----------------------|---------------------|
| Cash flows from operating activities | | |
| Profit (loss) before tax | 109,722 | (5,468,393) |
| Adjustments for: | | |
| Depreciation and amortisation | 1,089,597 | 1,580,855 |
| General and specific provision | 1,415,471 | 2,004,537 |
| Other provision | 8,892 | - |
| Investment risk reserve | 118,818 | 28,217 |
| Profit equalisation reserve | 51,354 | 601,195 |
| Cash flows from (used in) operating activities before changes in operating assets and liabilities | 2,793,854 | (1,253,589) |
| Changes in operating assets and liabilities: | | |
| Sales receivables and other receivables | (24,722,377) | (25,098,145) |
| Ijara Muntahia Bittamleek assets | (79,248,664) | (97,721,087) |
| Divestment in Ijara assets | - | 7,427,515 |
| Increase in Musharaka financing | (807,517) | - |
| Other assets | (1,958,876) | (501,139) |
| Customers' accounts | (1,870,845) | 22,298,479 |
| Other liabilities | 339,623 | 2,788,705 |
| Net cash used in operating activities | (105,474,802) | (92,059,261) |
| Investing activities | | |
| Investment in financial assets at fair value through equity | (3,996,383) | (15,695,666) |
| Increase in Wakala Bil Istethmar | (25,457,865) | (20,177,808) |
| Addition to intangibles assets (net) | (471,375) | (394,619) |
| Purchase of property and equipment (net) | (49,558) | (592,634) |
| Divestment in Inter-bank Wakala investment | - | 15,592,500 |
| Net cash used in investing activities | (29,975,181) | (21,268,227) |
| Financing activities | | |
| Increase in unrestricted investment accountholders | 84,386,930 | 31,316,980 |
| Increase in customers' Wakala | 80,121,624 | 41,304,775 |
| Increase in capital deposit with CBO | (92,989) | (57,109) |
| Increase in Inter-bank Wakala | - | 13,475,000 |
| Net cash generated from financing activities | 164,415,565 | 86,039,646 |
| Increase (decrease) in cash and cash equivalents | 28,965,582 | (27,287,842) |
| Cash and cash equivalents at the beginning of the year | 23,847,587 | 51,135,429 |
| Cash and cash equivalents at the end of the year | 52,813,169 | 23,847,587 |
| Cash and balances with CBO | 16,599,658 | 14,625,542 |
| Capital deposit with CBO | (346,095) | (253,106) |
| Due from banks and financial institutions | 4,919,573 | 3,315,151 |
| Inter-bank Wakala investment | 41,397,905 | 9,625,000 |
| Inter-bank Wakala less than three months | (9,757,872) | (3,465,000) |
| Cash and cash equivalent for the purpose of cash flow statement | 52,813,169 | 23,847,587 |

The attached notes 1 to 42 form part of these financial statements.