

**Bank Nizwa SAOG**  
**Statement of cash flows**  
For the year ended 31 December 2018

	2018	2017
	RO	RO
<b>Cash flows from operating activities</b>		
Profit before tax	8,442,718	4,046,039
<b>Adjustments for:</b>		
Depreciation and amortization	940,319	1,156,129
Impairment losses	1,996,969	1,926,057
Other provision	39,541	16,844
Investment risk reserve	153,508	120,584
Profit equalisation reserve	-	(779,239)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>11,573,055</b>	<b>6,486,414</b>
<b>Changes in operating assets and liabilities:</b>		
Increase in sales receivables and other receivables	(20,103,658)	(62,014,903)
Increase in Ijara Muntahia Bittamleek assets	(32,441,694)	(48,722,680)
Increase in Musharaka financing	(34,949,585)	(25,179,015)
Increase in Other assets	(1,512,996)	(655,564)
Increase in Customers' accounts	7,518,924	(807,595)
Increase in Other liabilities	976,270	6,967,489
<b>Net cash used in operating activities</b>	<b>(68,939,684)</b>	<b>(123,925,854)</b>
<b>Investing activities</b>		
Increase in investment in financial assets at fair value through equity	(9,920,740)	(18,492,636)
Decrease in investment in financial assets at amortized cost	4,998,000	-
Increase in Wakala Bil Istethmar	(47,869,457)	(28,747,463)
Addition to intangibles assets (net)	(355,007)	(354,872)
Purchase of property and equipment (net)	(244,751)	(215,576)
Disposal of property and equipment	139	9,414
<b>Net cash used in investing activities</b>	<b>(53,391,816)</b>	<b>(47,801,133)</b>
<b>Financing activities</b>		
Increase in unrestricted investment accountholders	95,073,776	69,792,465
Increase in customers' Wakala	83,174,864	105,587,742
Increase in capital deposit with CBO	-	(153,906)
Decreased in Inter-bank Wakala	-	(13,475,000)
<b>Net cash generated from financing activities</b>	<b>178,248,640</b>	<b>161,751,301</b>
Increase /(decrease) in cash and cash equivalents	55,917,140	(9,975,686)
Cash and cash equivalents at the beginning of the year	42,837,483	52,813,169
<b>Cash and cash equivalents at the end of the year</b>	<b>98,754,623</b>	<b>42,837,483</b>
Cash and balances with CBO	92,965,572	42,813,968
Capital deposit with CBO	(500,001)	(500,001)
Due from banks and financial institutions	6,404,921	3,464,495
Inter-bank Wakala investment	-	16,397,550
Inter-bank Wakala less than three months	(115,869)	(19,338,529)
<b>Cash and cash equivalent for the purpose of cash flow statement</b>	<b>98,754,623</b>	<b>42,837,483</b>

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