

# Bank Nizwa SAOG

## Statement of cash flows

For the year ended 31 December 2019

	<i>Notes</i>	<b>2019</b> <b>RO</b>	2018 RO
<b>Cash flows from operating activities</b>			
Profit before tax		11,993,341	8,442,718
<b>Adjustments for:</b>			
Depreciation and amortization	14 & 15	910,628	940,319
Impairment losses	13	2,570,659	1,996,969
Other provision		43,918	39,541
Investment risk reserve		145,264	153,508
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>		<b>15,663,810</b>	<b>11,573,055</b>
<b>Changes in operating assets and liabilities:</b>			
Increase in sales receivables and other receivables		(29,803,458)	(20,103,658)
Increase in Ijara Muntahia Bittamleek assets		(886,663)	(32,441,694)
Increase in Musharaka financing		(59,184,799)	(34,949,585)
Increase in other assets		(2,359,396)	(1,512,996)
Increase in customers' accounts		73,413,734	7,518,924
(Decrease)/ increase in other liabilities		(1,037,625)	976,270
<b>Net cash flows used in operating activities</b>		<b>(4,194,397)</b>	<b>(68,939,684)</b>
<b>Investing activities</b>			
Movement in investment in financial assets at fair value through equity		(16,820,856)	(9,920,740)
Movement in investment in financial assets at amortized cost		-	4,998,000
Movement in Wakala Bil Istethmar		(46,249,055)	(47,869,456)
Addition to intangibles assets (net)	15	(420,788)	(355,007)
Purchase of property and equipment (net)	14	(440,932)	(244,752)
Disposal of property and equipment	14	326	139
<b>Net cash flows used in investing activities</b>		<b>(63,931,305)</b>	<b>(53,391,816)</b>
<b>Financing activities</b>			
(Decrease)/ increase in unrestricted investment accountholders		(12,779,484)	95,073,776
Increase in customers' Wakala		24,912,426	83,174,864
Decreased in Inter-bank Wakala		19,346,228	-
<b>Net cash flows generated from financing activities</b>		<b>31,479,170</b>	<b>178,248,640</b>
(Decrease)/ increase in cash and cash equivalents		(36,646,532)	55,917,140
Cash and cash equivalents at the beginning of the year		98,754,623	42,837,483
<b>Cash and cash equivalents at the end of the year</b>		<b>62,108,091</b>	<b>98,754,623</b>
<b>Cash and cash equivalent for the purpose of cash flow statement</b>			
Cash and balances with CBO	4	89,292,585	92,965,572
Capital deposit with CBO	4	(500,000)	(500,001)
Due from banks and financial institutions	5	20,332,848	6,404,921
Inter-bank Wakala investment	6	461,408	-
Inter-bank Wakala less than three months	17	(47,478,750)	(115,869)
<b>Cash and cash equivalent for the purpose of cash flow statement</b>		<b>62,108,091</b>	<b>98,754,623</b>

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