

**Consolidated statement of cash flows**

	<b>2021</b>	<b>2020</b>
	<b>Shs' millions</b>	<b>Shs' millions</b>
<b>OPERATING ACTIVITIES</b>		
Profit before income tax	51,881	22,170
Adjustments for:		
Depreciation and amortisation	7,228	6,601
Loss on disposal of property and equipment and ROUA	253	9
Credit impairment charge	5,716	23,393
Fair value loss	128	3,239
Interest expense on term borrowings	4,851	4,015
Interest expense on lease liabilities	626	768
(Gain) / loss on fair valuation of investment securities	(66)	129
Revaluation of derivatives	125	34
Effect of foreign exchange differences	(392)	98
<b>Operating profit before changes in operating assets and liabilities</b>	<b>70,135</b>	<b>60,456</b>
Loans and advances	(115,644)	(90,057)
Other assets	(2,947)	(2,440)
Deposits from customers	218,176	145,363
Related party balances	(114)	(95)
Other liabilities	2,190	2,681
Movement in restricted cash balances	(32,236)	(4,527)
<b>Cash generated from operations</b>	<b>139,560</b>	<b>111,381</b>
Income taxes paid	(12,195)	(10,393)
<b>Net cash flows from operating activities</b>	<b>127,365</b>	<b>100,988</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of subsidiary, net of cash acquired	-	66,928
Purchase of property and equipment	(1,770)	(2,240)
Proceeds from sale of property and equipment	7	57
Purchase of intangible assets	(3,270)	(1,752)
Purchase of investment securities	(382,627)	(172,981)
Proceeds from sale / maturity of investment securities	195,930	132,987
<b>Net cash flows (to) / from investing activities</b>	<b>(191,730)</b>	<b>22,999</b>
<b>FINANCING ACTIVITIES</b>		
Reduction in share premium	-	(738)
Proceeds from long-term borrowings	94,852	65,159
Repayment of long-term borrowings	(60,442)	(26,016)
Interest paid on term borrowings	(4,176)	(4,101)
Interest expense on leases	(554)	(754)
Principal elements of lease payments	(1,864)	(1,405)
<b>Net cash flows from financing activities</b>	<b>27,816</b>	<b>32,145</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(36,549)</b>	<b>156,132</b>
Cash and cash equivalents at start of year	226,912	70,780
<b>Cash and cash equivalents at end of year</b>	<b>190,363</b>	<b>226,912</b>