

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2007

	Note	2007 US\$ '000	2006 US\$ '000
OPERATING ACTIVITIES			
Profit before tax		372,180	261,066
Adjustments for:			
Depreciation		15,750	14,187
Gains on sale of available-for-sale investments - net		(54,724)	(34,283)
Provision for loan losses - net	9	24,388	17,572
Provision for impairment of non-trading investments, and contingencies - net	10	31,574	17,922
Share of profit from associates		(57,134)	(28,288)
Staff costs - fair value amortisation of share based transactions		5,196	2,394
Operating profit before changes in operating assets and liabilities		337,230	250,570
Changes in:			
Mandatory reserve deposits with central banks		(21,485)	(8,304)
Treasury bills and bonds		92,639	23,137
Trading securities		(36,372)	(23,064)
Deposits with banks and other financial institutions		(359,380)	(711,016)
Loans and advances		(3,186,184)	(2,904,533)
Other assets		(145,531)	(37,703)
Deposits from banks and other financial institutions		(337,892)	3,486,719
Customers' deposits		1,741,448	2,376,362
Other liabilities		253,790	99,989
Cash (used in) from operations		(1,661,737)	2,552,157
Income tax paid		(1,367)	(9,556)
Net cash (used in) from operating activities		(1,663,104)	2,542,601
INVESTING ACTIVITIES			
Purchase of non-trading investments		(1,270,425)	(1,474,034)
Proceeds from sale or redemption of non-trading investments		1,114,527	702,776
Investments in associates		(174,844)	(193,489)
Additional investment in a subsidiary	2	(74,611)	-
Increase in premises and equipment		(67,420)	(33,376)
Net cash used in investing activities		(472,773)	(998,123)
FINANCING ACTIVITIES			
Proceeds from rights issue		373,805	-
Proceeds from issue of Class B preference shares		69,259	43,094
(Repayment) increase of subordinated liabilities	†	(35,353)	184,574
(Repayment) increase of term debt		(192,497)	575,560
Dividends and other appropriations paid		(110,114)	(88,373)
Net cash from financing activities		105,100	714,855
Foreign currency translation adjustments		40,455	635
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(1,990,322)	2,259,968
Cash and cash equivalents at 1 January		4,367,208	2,107,240
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	23	2,376,886	4,367,208