

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003
(UA thousands – Note B)

	2004	Restated (Note B) 2003
CASH FLOWS FROM:		
OPERATING ACTIVITIES:		
Net income	107,374	96,686
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	6,417	5,571
Provision for loan losses	(18,154)	(21,507)
Unrealized gains on investments and asset swaps	(4,421)	(6,388)
Amortization of discount or premium on held-to-maturity investments	10,289	7,527
Amortization of borrowing costs	3,287	4,284
Provision for equity losses	(3,457)	1,682
Derivative asset movement	112,525	81,647
Prior year restatement of derivative asset	20,726	-
Profit on disposal of equity investments	(2,641)	-
Losses/(gains) on exchange	836	(968)
Changes in accrued income on loans and investments	10,447	45,027
Changes in accrued financial charges	87,872	3,007
Changes in other receivables and payables	(34,777)	(37,866)
Net cash provided by operating activities	<u>296,323</u>	<u>178,702</u>
INVESTING, LENDING AND DEVELOPMENT ACTIVITIES:		
Disbursements on loans	(630,235)	(652,322)
Repayments of loans	1,012,537	1,028,903
Investments maturing after 3 months of acquisition:		
Held-to-maturity portfolio	(265,890)	(655,777)
Trading portfolio	(234,384)	(1,050,548)
Payment of allocation of net income	(114,640)	(56,952)
Changes in other assets	(3,255)	(10,192)
Equity participations disposals	4,133	-
Equity participations acquisitions	(11,969)	(6,706)
Net cash used in investing, lending and development activities	<u>(243,703)</u>	<u>(1,403,594)</u>
FINANCING ACTIVITIES:		
New issues on borrowings	432,550	2,189,615
Repayments on borrowings	(579,728)	(677,152)
Net cash from currency swaps	(60,778)	(41,683)
Net cash from capital subscriptions	54,920	57,144
Net cash (used in)/provided by financing activities	<u>(153,036)</u>	<u>1,527,924</u>
Effect of exchange rate changes on:		
Cash and investments	(5,035)	15,253
(Decrease)/increase in cash and investments	<u>(105,451)</u>	<u>318,285</u>
Cash and investments at beginning of the year	637,113	318,828
Cash and investments at the end of the year	<u>531,662</u>	<u>637,113</u>
Composed of:		
Investments maturing within 3 months of acquisition		
Trading portfolio	441,587	669,240
Held-to-maturity portfolio	55,570	15,240
Securities sold under agreements to repurchase and payable for cash collateral received	(9,295)	(113,907)
Cash	43,800	66,540
	<u>531,662</u>	<u>637,113</u>
Supplementary disclosure:		
Movement resulting from exchange rate fluctuations:		
Loans	6,889	(21,160)
Borrowings	(96,831)	(123,770)
Currency swaps	98,286	130,426

The accompanying notes to the financial statements form part of this Statement.