

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

	2004	2003
CASH FLOWS FROM:		
OPERATING ACTIVITIES		
Net Income	6,035	11,582
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of held-to-maturity investments	3,020	-
Provision for loan losses	-	(6,530)
Changes in unrealized gains on investments	72	(132)
Changes in accrued income on loans and investments	(4,100)	139
Changes in net current assets	3,014	(657)
Net cash provided by operating activities	<u>8,041</u>	<u>4,402</u>
INVESTING, LENDING AND DEVELOPMENT ACTIVITIES		
Disbursements of loans	(4,812)	(2,440)
Repayment of loans	5,464	6,085
Payment of allocation of net income	(1,159)	(689)
Investments - movement in HTM maturing after 3 months of acquisition	(227,282)	-
Investments - trading portfolio maturing after 3 months of acquisition	110,698	(16,569)
Net cash used in investing, lending and development activities	<u>(117,091)</u>	<u>(13,613)</u>
Effect of exchange rate changes on cash and liquid investments	<u>(2,932)</u>	<u>(10,737)</u>
Net decrease in cash and liquid investments	(111,982)	(19,948)
Due from banks and investments at beginning of the year	119,511	139,459
Due from banks and investments at end of the year	<u>7,529</u>	<u>119,511</u>
Composed of:		
Investments maturing within 3 months of acquisition:		
Trading portfolio	6,074	118,267
Held-to-maturity	599	-
Cash	856	1,244
	<u>7,529</u>	<u>119,511</u>
Supplementary disclosure:		
Movement resulting from exchange rate fluctuation on loans	2,900	6,864

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