

## STATEMENT OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005 (UA thousands - Note B)

	2006	Restated (Note C) 2005
<b>CASH FLOWS FROM:</b>		
<b>OPERATING ACTIVITIES:</b>		
Net income	54,832	77,321
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	6,233	7,101
Provision for loan impairment on loan principal and charges	51,686	(13,853)
Unrealized (gains)/losses on investments and related derivatives	(2,638)	7,653
Amortization of discount or premium on held-to-maturity investments	2,814	6,027
Amortization of borrowing issuance costs	2,936	(2,687)
Unrealized (gains)/losses on borrowings	(48,799)	90,647
Provision for impairment on equity investments	34,745	(750)
Translation gains	(4,101)	(1,577)
Share of profits in associate	(379)	(198)
Net movements in derivatives	130,972	(39,863)
Changes in accrued income on loans	(4,877)	(22,319)
Changes in accrued financial charges	79,132	68,679
Changes in other receivables and payables	19,412	(91,477)
Net cash provided by operating activities	<u>321,968</u>	<u>84,704</u>
<b>INVESTING, LENDING AND DEVELOPMENT ACTIVITIES:</b>		
Disbursements on loans	(548,440)	(595,350)
Repayments of loans	706,408	713,994
Investments maturing after 3 months of acquisition:		
Held-to-maturity portfolio	(410,735)	(63,070)
Trading portfolio	(85,443)	(134,305)
Changes in other assets	(4,209)	(5,940)
Equity participations movement	2,919	2,013
Net cash used in investing, lending and development activities	<u>(339,500)</u>	<u>(82,658)</u>
<b>FINANCING ACTIVITIES:</b>		
New issues on borrowings	730,741	544,479
Repayments on borrowings	(621,486)	(541,209)
Net cash from capital subscriptions	40,302	52,220
Net cash provided by financing activities	149,557	55,490
Effect of exchange rate changes on:		
Cash and cash equivalents	(18,150)	2,817
Increase in cash and cash equivalents	113,875	60,353
Cash and cash equivalents at the beginning of the year	592,015	531,662
<b>Cash and cash equivalents at the end of the year</b>	<b><u>705,890</u></b>	<b><u>592,015</u></b>
<b>COMPOSED OF:</b>		
Investments maturing within 3 months of acquisition:		
Held-to-maturity portfolio	80,075	34,931
Trading portfolio	1,374,319	953,705
Securities sold under agreements to repurchase and payable for cash collateral received	(877,833)	(466,961)
Cash	129,329	70,340
<b>Cash and cash equivalents at the end of the year</b>	<b><u>705,890</u></b>	<b><u>592,015</u></b>
<b>SUPPLEMENTARY DISCLOSURE:</b>		
Movement resulting from exchange rates fluctuations:		
Loans	32,776	18,626
Borrowings	(251,558)	186,281
Currency swaps	163,523	(134,818)

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