

STATEMENT OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

(UA thousands - Note B)

	2006	2005
CASH FLOWS FROM:		
OPERATING ACTIVITIES:		
Surplus	40,418	19,709
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of premium and discount on held-to-maturity investments	2,682	7,405
Discount on accelerated encashment of participants' demand obligations	6,222	2,631
Changes in accrued income on loans and investments	2,878	(8,534)
Changes in net current assets	12,603	(7,447)
Net cash provided by operating activities	<u>64,803</u>	<u>13,764</u>
INVESTING, LENDING AND DEVELOPMENT ACTIVITIES:		
Disbursement of grants	(152,692)	(48,985)
Disbursement of loans	(532,472)	(642,080)
Repayment of loans	96,383	94,547
Recoveries on account of Multilateral Debt Relief Initiative	478,586	-
Investments maturing after 3 months of acquisition:		
Held-to-maturity	(2,273)	(30,884)
Held-for-trading	(853,501)	(304,589)
Net cash used in investment, lending and development activities	<u>(965,969)</u>	<u>(931,991)</u>
FINANCING ACTIVITIES:		
Subscriptions and contributions received in cash	172,135	126,323
Participants' demand obligations encashed	865,760	749,674
Increase in other resources	21,300	46,300
Net cash provided by financing activities	<u>1,059,195</u>	<u>922,297</u>
Effect of exchange rate changes on cash and liquid investments	(2,594)	3,346
Net increase in cash and liquid investments	155,435	7,416
Cash and liquid investments at beginning of the year	99,385	91,969
Cash and liquid investments at end of the year	<u>254,820</u>	<u>99,385</u>
Composed of:		
Cash	5,200	41,074
Trading investments maturing within 3 months of acquisition	249,620	58,311
Cash and liquid investments at end of the year	<u>254,820</u>	<u>99,385</u>
Supplementary disclosure:		
Movements resulting from exchange rate fluctuations on:		
Loans and grants	(81,345)	5,489
Subscriptions and contributions	47,966	(2,167)

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