

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

(UA thousands - Note B)

	2006	Restated (Note C) 2005
CASH FLOWS FROM:		
OPERATING ACTIVITIES:		
Net income	12,726	10,127
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of held-to-maturity investments	865	4,501
Provision for impairment on loan principal and charges	(101)	(2,300)
Unrealized (gains)/losses on investments	(39)	29
Changes in accrued income and receivables on loans	3,416	(1,263)
Changes in net current assets	397	(19,053)
Net cash provided by/(used) in operating activities	<u>17,264</u>	<u>(7,959)</u>
INVESTING, LENDING AND DEVELOPMENT ACTIVITIES:		
Disbursements on loans	(5,427)	(3,392)
Repayment of loans	9,142	5,043
Investments maturing after 3 months of acquisition:		
Held-to-maturity portfolio	223,780	5,737
Trading portfolio	(100,653)	(3,122)
Fund withdrawal by the Government of Nigeria	(135,708)	-
Net cash (used)/generated in investing, lending and development activities	<u>(8,866)</u>	<u>4,266</u>
Effect of exchange rate changes on cash and liquid investments	<u>(1,834)</u>	<u>(969)</u>
Net increase/(decrease) in cash and liquid investments	6,564	(4,662)
Cash and cash equivalents at the beginning of the year	2,867	7,529
Cash and cash equivalents at the end of the year	<u>9,431</u>	<u>2,867</u>
Composed of:		
Investments maturing within 3 months of acquisition	7,027	951
Cash	2,404	1,916
Cash and cash equivalents at the end of the year	<u>9,431</u>	<u>2,867</u>
Supplementary disclosure:		
Movement resulting from exchange rate fluctuation on loans	2,772	(5,862)
Cash receipt on investment income	11,804	7,429

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