

## STATEMENT OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(UA thousands – Note B)

	2007	2006
<b>CASH FLOWS FROM:</b>		
<b>OPERATING ACTIVITIES:</b>		
Surplus	31,607	40,418
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of premium and discount on held-to-maturity investments	(2,416)	2,682
Discount on accelerated encashment of participants' demand obligations	26,290	6,222
Changes in accrued income on loans and investments	(8,424)	2,878
Changes in net current assets	(26,536)	12,603
Net cash provided by operating activities	<u>20,521</u>	<u>64,803</u>
<b>INVESTING, LENDING AND DEVELOPMENT ACTIVITIES:</b>		
Disbursement of grants	(183,739)	(152,692)
Disbursement of loans	(541,256)	(532,472)
Repayment of loans	66,109	96,383
Recoveries on account of Multilateral Debt Relief Initiative	116,600	478,586
Investments maturing after 3 months of acquisition:		
Held-to-maturity	(505,946)	(2,273)
Held-for-trading	190,634	(853,501)
Net cash used in investment, lending and development activities	<u>(857,598)</u>	<u>(965,969)</u>
<b>FINANCING ACTIVITIES:</b>		
Subscriptions and contributions received in cash	260,513	172,135
Participants' demand obligations encashed	775,955	865,760
Increase in other resources	13,700	21,300
Net cash provided by financing activities	<u>1,050,168</u>	<u>1,059,195</u>
Effect of exchange rate changes on cash and cash equivalents	(15,586)	(2,594)
Net increase in cash and cash equivalents	197,505	155,435
Cash and cash equivalents at beginning of the year	254,820	99,385
<b>Cash and cash equivalents at end of the year</b>	<b><u>452,325</u></b>	<b><u>254,820</u></b>
<b>COMPOSED OF:</b>		
Cash	22,904	5,200
Investments maturing within 3 months of acquisition:		
Held-to-maturity	33,728	-
Held-for-trading	395,693	249,620
<b>Cash and cash equivalents at end of the year</b>	<b><u>452,325</u></b>	<b><u>254,820</u></b>
<b>SUPPLEMENTARY DISCLOSURE:</b>		
Movements resulting from exchange rate fluctuations on:		
Loans and grants	48,957	(81,345)
Subscriptions and contributions	27,543	47,966

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