

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

(UA thousands – Note B)

	2007	2006
CASH FLOWS FROM:		
OPERATING ACTIVITIES:		
Net income	18,456	12,726
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of held-to-maturity investments	-	865
Provision for impairment on loan principal and charges	(9,500)	(101)
Unrealized losses/(gains) on investments	122	(39)
Changes in accrued income and receivables on loans	(2,723)	3,416
Changes in net current assets	6,349	397
Net cash provided by operating activities	<u>12,704</u>	<u>17,264</u>
INVESTING, LENDING AND DEVELOPMENT ACTIVITIES:		
Disbursements on loans	(5,938)	(5,427)
Repayment of loans	5,472	9,142
Investments maturing after 3 months of acquisition:		
Held-to-maturity portfolio	-	223,780
Trading portfolio	119,081	(100,653)
Withdrawal of funds by the Government of Nigeria	-	(135,708)
Net cash provided by/(used in) investing, lending and development activities	<u>118,615</u>	<u>(8,866)</u>
Effect of exchange rate changes on cash and liquid investments	(6,859)	(1,834)
Net increase in cash and liquid investments	124,460	6,564
Cash and cash equivalents at the beginning of the year	9,431	2,867
Cash and cash equivalents at the end of the year	<u>133,891</u>	<u>9,431</u>
COMPOSED OF:		
Investments maturing within 3 months of acquisition	127,560	7,027
Cash	6,331	2,404
Cash and cash equivalents at the end of the year	<u>133,891</u>	<u>9,431</u>
SUPPLEMENTARY DISCLOSURE:		
Movement resulting from exchange rate fluctuation on loans	2,446	2,772

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