

**BANGKO SENTRAL NG PILIPINAS**  
**Cash Flow Statement**  
**(With comparative figures for 2004)**

Year ended 31 December	Note	2005 PHP000	2004 <sup>1</sup> PHP000
<b>Cash flows from operating activities:</b>			
Interest received – foreign currency		28,729,496	27,041,574
Interest received – local currency -investment portfolio		10,139,502	14,983,412
Fees, commission and other Income received		29,755,960	16,106,972
Interest paid – foreign currency		(15,794,928)	(16,557,681)
Interest paid – local currency		(17,253,425)	(11,568,125)
Others		(866,520)	(3,640,392)
Payment to suppliers and employees		(11,338,110)	(9,201,655)
Income tax paid		(1,453,061)	(1,008,176)
<b>Net cash from operating activities</b>	33	<u>21,918,914</u>	<u>16,155,929</u>
<b>Cash flow from investing activities:</b>			
Decrease in other local currency assets		12,535,285	14,428,380
Increase (Decrease) in other foreign currency liabilities		(1,740,921)	3,082,579
Proceeds from sale of land		0	170,958
Purchases of marketable securities		(26,462,818)	(3,943,390)
Net (increase) decrease in other foreign currency assets		5,688,009	(1,482,623)
Net increase (decrease) in other local currency liabilities		75,170,716	(43,352,253)
Net decrease in short-term deposits		(3,471,946)	(37,557,494)
Proceeds (payments) for gold sales/purchases		16,209,302	(473,518)
Purchase of fixed assets		(705,798)	(110,589)
<b>Net cash flow provided by (used in) investing activities</b>		<u>77,221,829</u>	<u>(69,237,950)</u>
<b>Cash flow from financing activities:</b>			
Issue of circulating currency		190,447,261	183,500,603
Withdrawal of circulating currency		(176,355,320)	(155,816,640)
Cash recoveries from items written-off and prior period expenses		216,951	(244,347)
Net decrease in special drawing rights		6,138	14,815
Payment for demonetized currency		0	(250)
Payments for bonds payable		(33,137,114)	(2,946,313)
Payment of loans payable		(19,673,610)	(52,185,509)
Payment of dividends to national government		(1,611,720)	(2,622,469)
<b>Net cash flow used in financing activities</b>		<u>(40,107,414)</u>	<u>(30,300,110)</u>
Exchange rate effect		<u>(45,742,776)</u>	<u>3,040,534</u>
Net increase (decrease) in cash and cash equivalents		59,033,329	(83,382,131)
Cash and cash equivalents at beginning of year		<u>453,685,790</u>	<u>534,027,387</u>
<b>Cash and cash equivalents at end of year</b>	34	<u>466,976,343</u>	<u>453,685,790</u>

<sup>1</sup> The balances have been restated in the presentation for comparative purposes.