

STATEMENT OF CASH FLOWS

In thousands of Brazilian Reais

DESCRIPTION	BANESTES MULTIPLE			BANESTES CONSOLIDATED	
	SECOND HALF	YEARS ENDED AS OF 31 DECEMBER		2009	2008
	2009	2009	2008	2009	2008
Cash flows from operating activities					
Adjusted Net Income	163.167	303.591	201.137	316.577	208.003
Net Income	58.070	132.496	161.285	131.163	161.285
Adjustment to Net Income:	105.097	171.095	39.852	185.414	46.718
Market Value Adjustment of Securities	(4)	(14)	62	(14)	62
Allowance for doubtful accounts	128.831	196.176	51.930	196.176	51.930
Provision/(Reversal) for losses in repossessed assets.....	43	46	(1.081)	46	(1.081)
Provision/(Reversal) for losses in investments	-	-	(3)	-	(3)
Provision/(Reversal) for receivables restricted to Salary Variation Offsetting Fund (FCVS).....	(12.636)	(9.142)	(5.130)	(9.142)	(5.130)
Depreciations and amortizations	7.221	14.028	10.987	14.312	11.347
Adjustments of the Provisions for labour, civil and tax liabilities.....	4.241	(13.448)	7.185	(13.430)	7.185
Adjustment of Provision - Other	(8.521)	(587)	(3.265)	(590)	(3.265)
Deferred tax assets	(3.717)	(923)	(16.806)	734	(18.759)
Provision for income tax - deferred	3.354	6.150	6.567	6.150	6.567
Gains (losses) on investment transactions in controlled companies	(9.884)	(15.905)	(8.636)	-	32
Interest on equity capital and dividends received - cost method	(369)	(1.500)	(1.619)	(1.513)	(1.762)
(Gain) Loss in the disposal of repossessed assets.....	(50)	(131)	(19)	(131)	(19)
(Gain) Loss in the sale of investments	-	-	(58)	-	(58)
(Gain) Loss in the disposal of property and equipment in use	(3.412)	(3.655)	(262)	(7.173)	(297)
Adjustment of receivables.....	-	-	-	(35)	(42)
Gains (losses) on minority interest	-	-	-	24	11
Variation of Assets and Liabilities	(1.009.617)	(319.470)	(302.677)	(334.055)	(306.308)
(Increase) Decrease in short-term interbank investments....	99.267	39.305	64.893	39.305	64.893
(Increase) Decrease in securities and derivatives.....	(6.957)	(11.491)	(516.974)	(31.396)	(526.925)
(Increase) Decrease in compulsory deposits at the Central Bank of Brazil.....	(50.306)	(13.544)	97.063	(13.544)	97.063
(Increase) Decrease in interbank/interbranch accounts (assets/liabilities)	(8.984)	(6.618)	120.097	(6.621)	120.093
(Increase) Decrease in lending and lease operations.....	(221.236)	(699.714)	(1.164.088)	(699.714)	(1.164.088)
(Increase) Decrease in other lendings	13.502	61.967	(153.867)	57.591	(155.578)
(Increase) Decrease in other assets.....	(314)	(348)	(934)	(443)	(979)
Increase (Decrease) in deposits	142.996	498.468	623.846	503.260	623.669
Increase (Decrease) in money-market funding.....	(952.458)	(98.631)	408.907	(101.927)	409.289
Increase (Decrease) in funds for the issuance of securities....	(21.674)	(27.155)	(39.497)	(27.155)	(39.497)
Increase (Decrease) in loans and onlendings	2.912	(61.425)	231.586	(61.425)	231.586
Increase (Decrease) in insurance technical provisions.....	-	-	-	7.211	5.539

Increase (Decrease) in other liabilities	(6.174)	(138)	26.456	949	28.792
Increase (Decrease) in deferred revenues.....	(191)	(146)	(165)	(146)	(165)
Net cash in operating activities	(846.450)	(15.879)	(101.540)	(17.478)	(98.305)
Cash flows in investing activities					
Interest on Equity Capital received from controlled companies.....	1.722	2.514	1.671	–	–
Dividends received from controlled companies.....	966	1.058	1.345	–	–
Interest on Equity Capital and Dividends received - cost method.....	369	1.500	1.619	1.513	1.762
Disposal of repossessed assets	1.384	2.074	3.812	2.074	3.812
Disposal of investments.....	–	–	141	808	165
Sale of property and equipment in use	7.252	7.701	2.815	12.337	2.900
Write-off in controlled companies.....	–	–	1	–	1
Acquisition of repossessed assets.....	(2.219)	(3.150)	(7.154)	(3.150)	(7.154)
Investments in controlled companies	–	–	(3)	–	–
Other investments.....	603	603	(130)	579	(130)
Acquisition of property and equipment of use	(13.946)	(28.934)	(18.458)	(29.069)	(18.786)
Write-off of intangible assets	–	–	110	5	110
Investments in intangible assets	(12)	(12)	(4.781)	(13)	(4.781)
Net cash used in investing activities	(3.881)	(16.646)	(19.012)	(14.916)	(22.101)
Cash flows in financing activities					
Variation of minority interest	–	–	–	(8)	(71)
Acquisitions of treasury shares.....	–	–	–	–	(100)
Interest on equity capital paid	(16.784)	(32.891)	(25.574)	(32.891)	(25.574)
Dividends paid.....	(370)	(7.734)	(15.356)	(7.734)	(15.356)
Net cash used in financing activities	(17.154)	(40.625)	(40.930)	(40.633)	(41.101)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....					
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	(867.485)	(73.150)	(161.482)	(73.027)	(161.507)
Cash and cash equivalents in the beginning of period	3.750.564	2.956.229	3.117.711	2.956.391	3.117.898
Cash and cash equivalents in the end of period	2.883.079	2.883.079	2.956.229	2.883.364	2.956.391

The accompanying notes are an integral part of these financial statements