

**STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30**

In thousands of Brazilian reais

DESCRIPTION	BANESTES MULTIPLE		BANESTES CONSOLIDATED	
	2009	2008	2009	2008
Cash flows from operating activities				
Adjusted Net Income	140.424	98.971	146.644	102.783
Net Income	74.426	74.587	74.426	74.587
Adjustment to Net Income:	65.998	24.384	72.218	28.196
Market Value Adjustment of Securities	(10)	(39)	(10)	(39)
Allowance for doubtful accounts	67.345	33.148	67.345	33.148
Provision/(Reversal) for losses in repossessed assets	3	(1.097)	3	(1.097)
Provision/(Reversal) for receivables restricted to Salary Variation Offsetting Fund (FCVS)	3.494	(976)	3.494	(976)
Depreciations and amortizations	6.807	5.317	6.970	5.496
Adjustments of the Provisions for labor, civil and tax liabilities	(17.689)	2.456	(17.689)	2.456
Adjustment of Provision - Other	7.934	(381)	7.930	(381)
Deferred tax assets	2.794	(11.940)	2.844	(12.516)
Provision for income tax - deferred	2.796	3.503	2.796	3.503
Gains (losses) on investment transactions in controlled companies...	(6.021)	(4.228)	–	32
Interest on equity capital and dividends received - cost method ..	(1.131)	(1.058)	(1.131)	(1.058)
(Gain) Loss in the disposal of repossessed assets	(81)	(12)	(81)	(12)
(Gain) Loss in the sale of investments	–	(59)	–	(59)
(Gain) Loss in the disposal of property and equipment in use ...	(243)	(250)	(253)	(286)
Adjustment of long-term receivables	–	–	(8)	(20)
Gains (losses) on minority interest	–	–	8	5
Variation of Assets and Liabilities	690.147	1.343.697	684.880	1.341.807
(Increase) Decrease in short-term interbank investments	(59.962)	(103.277)	(59.962)	(103.277)
(Increase) Decrease in securities and derivatives	(4.534)	(10.039)	(16.862)	(16.069)
(Increase) Decrease in compulsory deposits at the Central Bank of Brazil	36.762	(53.307)	36.762	(53.307)
(Increase) Decrease in interbank/interbranch accounts (assets/liabilities)	2.366	3.956	2.367	3.957
(Increase) Decrease in lending and lease operations	(478.478)	(233.678)	(478.478)	(233.678)
(Increase) Decrease in other lendings	48.465	(27.057)	46.388	(27.943)
(Increase) Decrease in other assets	(34)	(546)	(254)	(594)
(Increase) Decrease in deposits	355.472	533.022	360.583	533.936
(Increase) Decrease in money-market funding	853.827	1.214.925	853.974	1.214.920
(Increase) Decrease in funds for the issuance of securities	(5.481)	(32.736)	(5.481)	(32.736)
(Increase) Decrease in loans and onlendings	(64.337)	51.570	(64.337)	51.570
(Increase) Decrease in deferred sales	–	–	342	153
(Increase) Decrease in insurance and reinsurance operations	–	–	(568)	(683)
(Increase) Decrease in insurance technical provisions	–	–	3.150	4.111
(Increase) Decrease in other liabilities	6.036	951	7.211	1.534
(Increase) Decrease in deferred revenues	45	(87)	45	(87)
Net cash in operating activities	830.571	1.442.668	831.524	1.444.590

Cash flows in investing activities

Interest on Equity Capital received from controlled companies	792	603	–	–
Dividends received from controlled companies	92	1.234	–	–
Interest on Equity Capital and Dividends received - cost method...	1.131	1.058	1.131	1.058
Disposal of repossessed assets.....	690	3.186	690	3.186
Disposal of investments.....	–	114	23	166
Sale of property and equipment in use	449	639	453	694
Surplus in the purchase of shares from minority interest - derivatives and securities.....	–	1	–	–
Acquisition of repossessed assets	(931)	(3.661)	(931)	(3.661)
Investments in controlled companies.....	–	(2)	–	–
Other investments	–	(47)	(9)	(79)
Acquisition of property and equipment of use	(14.988)	(7.439)	(15.123)	(7.620)
Write-off of intangible assets.....	–	5	–	5
Investments in intangible assets.....	–	(2.230)	–	(2.230)
Net cash used in investing activities	(12.765)	(6.539)	(13.766)	(8.481)

Cash flows in financing activities

Variation of minority interest.....	–	–	(1)	(65)
Acquisitions of treasury shares.....	–	–	–	(98)
Interest on equity capital paid.....	(16.107)	(12.220)	(16.107)	(12.220)
Dividends paid.....	(7.364)	(10.837)	(7.364)	(10.837)
Net cash used in financing activities.....	(23.471)	(23.057)	(23.472)	(23.220)

INCREASE (DECREASE) IN CASH AND CASH

EQUIVALENTS.....	794.335	1.413.072	794.286	1.412.889
Cash and cash equivalents in the beginning of period.....	2.956.229	3.117.711	2.956.391	3.117.898
Cash and cash equivalents in the end of period.....	3.750.564	4.530.783	3.750.677	4.530.787

The accompanying notes are an integral part of these financial statements.