

## Cash flows

### Summary of cash flows

in USD millions, for the years ended December 31	2006	2005
Net income attributable to shareholders	4,527	3,214
Adjustments for:		
Non-cash items	2,177	339
Underwriting activities	9,493	14,959
Investments	(14,343)	(16,586)
Other operating assets and liabilities	(1,111)	542
Net cash provided by operating activities	743	2,468
Net cash provided by/(used in) investing activities	54	(9)
Net cash (used in)/provided by financing activities	(2,043)	853
Foreign currency translation effects on cash and cash equivalents	1,637	(1,661)
Change in cash and cash equivalents excluding change in cash received as collateral for securities lending	391	1,651
Change in cash received as collateral for securities lending	(751)	(626)
Cash and cash equivalents as of January 1, including cash received as collateral for securities lending	23,482	22,457
<b>Cash and cash equivalents as of December 31, including cash received as collateral for securities lending</b>	<b>23,122</b>	<b>23,482</b>

**Net cash provided by operating activities** was USD 743 million for the year ended December 31, 2006, lower than 2005 by USD 1.7 billion, mostly due to net losses and loss adjustment expenses paid as a result of the hurricanes which occurred in the second half of 2005 but have largely been paid out in 2006. Additionally, in line with our strategy, more cash was invested. The comparative differences were magnified by the effect of average exchange rates remaining relatively stable, while the closing rates of some of our major currencies changed significantly and in opposite directions for the two years presented.

Net cash used in financing activities was USD 2.0 billion for the year ended December 31, 2006, compared with net cash provided by financial activities of USD 853 million in 2005. In 2006 the cash was used to make distributions to shareholders of USD 701 million and redemptions of preferred securities of USD 780 million.