

Consolidated statements of cash flows

in USD millions, for the years ended December 31

	2006	2005
Cash flows from operating activities		
Net income attributable to shareholders	4,527	3,214
Adjustments for:		
Net loss on divestments of businesses	43	2
Share of equity in income from investments in associates	(85)	(105)
Depreciation, amortization and impairments of fixed and intangible assets	460	447
Other non-cash items	1,759	(5)
Underwriting activities:	9,493	14,959
<i>Reserves for insurance contracts, gross</i>	4,989	10,629
<i>Reinsurers' share of reserves for insurance contracts</i>	1,011	43
<i>Liabilities for investment contracts</i>	4,204	6,163
<i>Deferred policy acquisition costs</i>	(890)	(1,085)
<i>Deferred origination costs</i>	(32)	(31)
<i>Deposits made under assumed reinsurance contracts</i>	434	820
<i>Deposits received under ceded reinsurance contracts</i>	(223)	(1,580)
Investments:	(14,343)	(16,586)
<i>Net capital gains on investments and impairments</i>	(10,739)	(13,382)
<i>Net change in trading securities</i>	(351)	383
Sales and maturities:		
<i>Debt securities</i>	58,544	72,771
<i>Equity securities</i>	46,044	41,585
<i>Other (primarily other investments)</i>	32,115	12,410
Purchases:		
<i>Debt securities</i>	(61,193)	(75,364)
<i>Equity securities</i>	(46,191)	(41,417)
<i>Other (primarily other investments)</i>	(32,572)	(13,572)
Movement in receivables and payables	324	779
Net changes in other operational assets and liabilities	(1,740)	(1,104)
Deferred income tax, net	305	867
Net cash provided by operating activities	743	2,468
Cash flows from investing activities		
Sales of fixed assets	79	216
Purchases of fixed assets	(280)	(339)
Investments in associates, net	243	75
Acquisitions of companies, net of cash acquired	–	(1)
Divestments of companies, net of cash balances	–	40
Dividends from associates	12	–
Net cash provided by/(used in) investing activities	54	(9)

The notes to the consolidated financial statements are an integral part of these consolidated financial statements.

in USD millions, for the years ended December 31	2006	2005
Cash flows from financing activities		
Proceeds from sale and repurchase agreements	116	836
Dividends paid	(581)	(64)
Nominal value reduction of share capital	(276)	(449)
Redemption of preferred securities and repayments to minority interests	(802)	12
Issuance of debt	311	2,576
Payments on debt outstanding	(592)	(274)
Net change of debt for capital markets and banking activities	(219)	(1,784)
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
Cash and cash equivalents as of December 31, including cash received as collateral for securities lending	23,122	23,482
Other supplementary cash flow disclosures		
Other interest income received	7,760	7,605
Dividend income received	2,289	1,833
Other interest expense paid	(1,504)	(1,502)
Income tax paid	(2,564)	(1,234)

As of December 31, 2006 and 2005, cash and cash equivalents restricted as to use were USD 423 million and USD 331 million, respectively. Cash and cash equivalents held for the benefit of policyholders in connection with unit-linked products amounted to USD 5,696 million and USD 4,758 million as of December 31, 2006 and 2005, respectively. Cash received as collateral for securities lending was USD 3,820 million and USD 4,571 million as of December 31, 2006 and 2005, respectively.

Cash and cash equivalents	in USD millions, as of December 31	2006	2005
Cash and cash equivalents comprise the following:			
Cash at bank and in hand		7,815	5,075
Cash equivalents		11,487	13,836
Cash held as collateral for securities lending		3,820	4,571
Total		23,122	23,482

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