

**Arab African International Bank**  
**(Egyptian joint stock company)**  
**Separate statement of cash flows**  
**for the period ended 30 September 2012**

	<u>Note</u>	<u>30-Sep-2012</u>	<u>30-Sep-2011</u>
		<u>US\$ '000</u>	<u>US\$ '000</u>
<b><u>Cash Flows from Operating Activities</u></b>			
Profit before income tax		131,401	119,248
<b><u>Adjustments to reconcile net profit to net cash provided from operating activities</u></b>			
Depreciation and Amortization		4,941	5,699
Impairment charge for credit losses		16,475	1,239
Other provision charges		(1,080)	1,040
Impairment charge in Financial Investments Available for Sale		260	-
Subsidiaries and associates investments impairment reversal		(1,173)	-
Foreign currencies revaluation differences of provisions other than loan loss provision		(2,125)	2,495
<b>Operating profit before changes in assets and liabilities provided from operating activities</b>		<b>148,699</b>	<b>129,721</b>
<b><u>Net Decrease (Increase) in Assets and Liabilities</u></b>			
Due from banks		295,728	(216,130)
Treasury bills		(588,308)	434,334
Held for trading investments		-	6,619
Loans and advances to customers		(12,386)	592,957
Derivative financial instruments (net)		(113)	(114)
Other assets		2,031	(10,648)
Due to banks		158,438	(582,724)
Customers' deposits		160,013	(678,712)
Other liabilities		1,304	14,921
Income taxes paid		(24,445)	(21,273)
<b>Net cash flows resulted from (used in) operating activities</b>	<b>(1)</b>	<b>140,961</b>	<b>(331,049)</b>
<b><u>Cash Flows from Investing Activities</u></b>			
Purchase securities other than trading		(13,505)	(142,917)
Sale / redemption of securities other than trading		91,023	70,496
Investments in subsidiaries and associates		(423)	(5,120)
Purchase of fixed assets and branches leasehold improvements		(7,125)	(2,576)
<b>Net cash flows resulted from (used in) investing activities</b>	<b>(2)</b>	<b>69,970</b>	<b>(80,117)</b>
<b><u>Cash Flows from Financing Activities</u></b>			
Cash dividends paid		(36,558)	(30,200)
<b>Net cash flows used in financing activities</b>	<b>(3)</b>	<b>(36,558)</b>	<b>(30,200)</b>
<b>Net Decrease in cash and cash equivalents during the period</b>	<b>(1+2+3)</b>	<b>174,373</b>	<b>(441,366)</b>
Cash and cash equivalents at the beginning of the period		175,251	558,667
<b>Cash and cash equivalents at the end of the period</b>		<b>349,624</b>	<b>117,301</b>
<b><u>Cash and cash equivalents are represented in:</u></b>			
Cash and due from Central Banks		257,333	452,170
Due from banks		1,608,727	1,784,064
Treasury bills		1,954,005	900,533
Balances with the Central Banks limited to the reserve ratio		(180,046)	(390,841)
Deposits with banks		(1,425,177)	(1,754,909)
Treasury bills (matured over than three months)		(1,865,218)	(873,716)
<b>Cash and cash equivalents at the end of the period</b>	<b>(44)</b>	<b>349,624</b>	<b>117,301</b>

\* The accompanying notes from page (6) to (69) form an integral part of these financial statements and are to be read therewith .