

Arab African International Bank
(Egyptian joint stock company)
Separate statement of cash flows
for the year ended 31 December 2012

	<u>Note</u>	<u>31-Dec-2012</u> <u>US\$ '000</u>	<u>31-Dec-2011</u> <u>US\$ '000</u>
<u>Cash Flows from Operating Activities</u>			
Profit before income tax		184,080	154,035
<u>Adjustments to reconcile net profit to net cash provided from operating activities</u>			
Depreciation and Amortization		6,663	7,389
Impairment charge for credit losses		23,103	5,444
Other provision charges		433	1,970
Impairment charge in Financial Investments Available for Sale		311	5,233
Gain on sale Investments Available for Sale		(115)	(4,539)
Subsidiaries and associates investments impairment reversal		(1,173)	-
Cash dividends		(2,153)	(1,491)
Used Retirement benefit obligations		(971)	(14,633)
Retirement benefit obligations		971	908
Foreign currencies revaluation differences of provisions other than loan loss provision		3,301	2,403
Operating profit before changes in assets and liabilities provided from operating activities		214,450	156,719
<u>Net Decrease (Increase) in Assets and Liabilities</u>			
Due from banks		186,045	34,238
Treasury bills		(372,370)	434,090
Held for trading investments		-	6,619
Loans and advances to customers		45,833	686,006
Derivative financial instruments (net)		(161)	(51)
Other assets		3,892	(4,905)
Due to banks		135,472	(433,851)
Customers' deposits		475,798	(700,768)
Other liabilities		35,470	23,318
Income taxes paid		(42,278)	(29,665)
Net cash flows resulted from operating activities	(1)	682,151	171,750
<u>Cash Flows from Investing Activities</u>			
Purchase securities other than trading		(15,912)	(211,081)
Sale / redemption of securities other than trading		91,637	104,228
Investments in subsidiaries and associates		(1,524)	(5,120)
Proceeds from disposals of subsidiaries associates		1,101	-
Proceeds from dividends paid		2,153	1,491
Purchase of fixed assets and branches leasehold improvements		(9,895)	(3,949)
Net cash flows resulted from (used in) investing activities	(2)	67,560	(114,431)
<u>Cash Flows from Financing Activities</u>			
Cash dividends paid		(36,558)	(30,200)
Net cash flows used in financing activities	(3)	(36,558)	(30,200)
Net Increase in cash and cash equivalents during the year	(1+2+3)	713,153	27,119
Cash and cash equivalents at the beginning of the year		2,136,027	2,108,908
Cash and cash equivalents at the end of the year		2,849,180	2,136,027
<u>Cash and cash equivalents are represented in:</u>			
Cash and due from Central Banks		241,893	212,033
Due from banks		1,966,029	1,954,866
Treasury bills		2,046,684	1,188,229
Balances with the Central Banks limited to the reserve ratio		(157,085)	(163,084)
Deposits with banks		(2,011)	(182,057)
Treasury bills (matured over than three months)		(1,246,330)	(873,960)
Cash and cash equivalents at the end of the year	(45)	2,849,180	2,136,027

* The accompanying notes from page (8) to (72) form an integral part of these financial statements and are to be read therewith .