

**ARAB AFRICAN INTERNATIONAL BANK**  
**(EGYPTIAN JOINT STOCK COMPANY)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

	<u>Note</u>	<b>Year ended 31 December</b>	
		<b>2008</b>	<b>2007</b>
		<b>US\$ '000</b>	<b>US\$ '000</b>
<b><u>Cash Flows from Operating Activities</u></b>			
Profit before income tax		166,603	131,110
<b><u>Adjustments to reconcile net profit to net cash provided from operating activities</u></b>			
Depreciation		4,922	3,311
Provisions		28,268	20,400
Trading investments' revaluation difference		14,111	(7,537)
Intangible Assets Depreciator		236	-
Gain on Sales of Fixed Assets		-	(122)
Income tax paid		(9,006)	(1,134)
<b>Operating profit before changes in assets &amp; liabilities provided from operating activities</b>		<b>205,134</b>	<b>146,028</b>
<b><u>Net Decrease (Increase) in Assets</u></b>			
Deposits with banks		3,038,911	(2,058,689)
Treasury bills & other bills eligible for rediscounting with Cenrtal Bank of Egypt (matured over than three months)		(752,497)	626,305
Trading investments		14,330	(45,616)
Available for sale investment		(8,809)	61,426
Loans to customers and bank		(1,746,067)	(1,467,129)
Net Change in Financial Derivative		916	514
Debit balances and other assets		18,347	(44,090)
Due to banks		(1,349,185)	1,216,823
Customers' deposits		492,642	1,664,355
Credit balances and other liabilities		102,951	12,084
<b>Net cash flows (used in) provided from operating activities</b>	<b>(1)</b>	<b>16,673</b>	<b>112,011</b>
<b><u>Cash Flows from Investing Activities</u></b>			
Held to maturity investment		(33,131)	(2,860)
Investments in subsidiaries and associate		(4,617)	(57)
Payments to purchase fixed assets & branches' establishment		(10,472)	(6,519)
Collections from Fixed Assets Sale		-	122
<b>Net cash flows used in investing activities</b>	<b>(2)</b>	<b>(48,220)</b>	<b>(9,314)</b>
<b><u>Cash Flows from Financing Activities</u></b>			
Cash dividends paic		(30,200)	(22,200)
Long term Debts		13	90,670
Carried Forword Net Profit		-	(171)
Subordinated Deposits		300,000	-
FMV reserve for AFS investments		(7,484)	(142)
<b>Net cash flows (used in) Provided from financing activities</b>	<b>(3)</b>	<b>262,329</b>	<b>68,157</b>
<b>Net (Decrease) Increase in cash &amp; cash equivalents during</b>	<b>(1+2+3)</b>	<b>230,782</b>	<b>170,854</b>
Cash & cash equivalents at the beginning of the year		281,149	110,295
<b>Cash &amp; cash equivalents at the end of the year</b>		<b>511,931</b>	<b>281,149</b>
<b><u>Cash &amp; cash equivalents are represented in:</u></b>			
Cash and due from Central Bank of Egypt		454,083	201,366
Due from banks		1,355,866	4,431,686
Treasury bills and other bills eligible for rediscounting with Central Bank of Egypt		778,157	10,685
Deposits with banks		(1,312,993)	(4,351,903)
Treasury bills & other bills eligible for rediscounting with Cenrtal Bank of Egypt (matured over than three months)		(763,182)	(10,685)
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>(2-11)</b>	<b>511,931</b>	<b>281,149</b>

\*The accompanying notes from (1) to (39) form an integral part of these financial statements