

ARAB AFRICAN INTERNATIONAL BANK
(EGYPTIAN JOINT STOCK COMPANY)
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 September 2009

	<u>Note</u>	Period ended 30 September	
		<u>2009</u>	<u>2008</u>
		<u>US\$ '000</u>	<u>US\$ '000</u>
<u>Cash Flows from Operating Activities:</u>			
Profit before income tax		145,096	141,741
<u>Adjustments to reconcile net profit to net cash provided from operating activities</u>			
Depreciation & Amortization		4,598	3,425
Provisions		19,735	13,422
Amounts used from provisions other than loan loss		(7,525)	-
Impairment Losses in Financial Investments Available for Sale		387	-
Impairment Losses in Investments in subsidiaries and associates		-	(32)
Exchange difference on foreign currency of financial investments other than trading		(308)	(269)
Income tax paid		(22,244)	(4,074)
Operating profit before changes in assets & liabilities provided from operating activities		139,739	154,213
<u>Net Decrease (Increase) in Assets:</u>			
Deposits with banks		(644,195)	2,117,785
Treasury bills		(230,151)	(530,521)
Trading investments		(5,336)	16,162
Available for sale investments		25,422	894
Loans to customers and banks		639,834	(1,706,400)
Financial Derivatives (net)		(265)	221
Debit balances and other assets		16,351	(19,441)
Due to banks		39,789	(454,552)
Customers' deposits		(74,162)	127,931
Credit balances and other liabilities		(71,030)	85,524
Net cash flows used in operating activities	(1)	(164,004)	(208,184)
<u>Cash Flows from Investing Activities:</u>			
Held to maturity investments		4,210	(29,856)
Investments in subsidiaries and associates		-	109
Payments to purchase fixed assets & branches' establishment		(4,976)	(8,514)
Net cash flows used in investing activities	(2)	(766)	(38,261)
<u>Cash Flows from Financing Activities:</u>			
Cash dividends paid		(36,178)	(30,200)
Subordinated Deposits		-	300,000
Net cash flows used in financing activities	(3)	(36,178)	269,800
Net Decrease in cash & cash equivalents during the period	(1+2+3)	(200,948)	23,355
Cash & cash equivalents at the beginning of the period		511,931	281,149
Cash & cash equivalents at the end of the period		310,983	304,504
<u>Cash & cash equivalents are represented in</u>			
Cash and due from Central Bank		272,812	178,377
Due from banks		1,992,327	2,270,287
Treasury bills		996,365	631,165
Deposits with banks		(1,957,188)	(2,234,119)
Treasury bills (matured over than three months)		(993,333)	(541,206)
Cash & cash equivalents at the end of the period	(2-17)	310,983	304,504

*The accompanying notes from (1) to (40) form an integral part of these financial statements and are to be read therewith.