

STATEMENT OF CASH FLOWS
(Unaudited)

For the three months ended 31 March

	Note	2004 SAR'000	2003 SAR'000
OPERATING ACTIVITIES			
Net income		359,196	275,570
Adjustments to reconcile net income to net cash from (used in) operating activities:			
Amortisation of premium and accretion of discounts on investments, net		(523)	3,657
Gains on investments, net		(6,223)	(9,848)
Depreciation and amortisation		15,906	15,856
Losses on disposal of fixed and other assets, net		216	174
Provision for possible credit losses		14,021	28,389
		382,593	313,798
Net (increase) decrease in operating assets:			
Statutory deposits with SAMA		(113,855)	2,211
Loans and advances		(1,104,786)	(2,111,386)
Other assets		192,243	(217,029)
Net increase (decrease) in operating liabilities:			
Due to banks and other financial institutions		2,606,889	2,591,195
Customer deposits		1,081,464	(793,422)
Other liabilities		88,822	(855,899)
Net cash from (used in) operating activities		3,133,370	(1,070,532)
INVESTING ACTIVITIES			
Proceeds from sale and maturities of investments		171,047	1,029,063
Purchase of investments		(1,586,235)	(971,790)
Purchase of fixed assets		(30,144)	(14,690)
Proceeds from disposal of fixed assets		-	45
Net cash (used in) from investing activities		(1,445,332)	42,628
FINANCING ACTIVITIES			
Dividends paid		(424,790)	(317,100)
Net cash used in financing activities		(424,790)	(317,100)
Increase (decrease) in cash and cash equivalents		1,263,248	(1,345,004)
Cash and cash equivalents at the beginning of the period		1,407,798	2,953,873
Cash and cash equivalents at the end of the period	4	2,671,046	1,608,869
<u>Supplemental non cash information</u>			
Net changes in fair value and cash flow hedges		36,323	8,859

The accompanying notes 1 to 7 form an integral part of these interim condensed financial statements.