

**STATEMENT OF CASH FLOWS**  
**(Unaudited)**

For the six months ended 30 June

	Note	2004 SAR'000	2003 SAR'000
<b>OPERATING ACTIVITIES</b>			
Net income		829,832	565,240
<b>Adjustments to reconcile net income to net cash from (used in) operating activities:</b>			
(Accretion of discounts) amortisation of premium on investments, net		(2,138)	6,536
Gains on investments, net		(61,583)	(37,304)
Depreciation and amortisation		32,410	32,166
Losses on disposal of fixed and other assets, net		253	148
Provision for possible credit losses		21,873	59,376
		<b>820,647</b>	<b>626,162</b>
<b>Net (increase) decrease in operating assets:</b>			
Statutory deposits with SAMA		(270,526)	(53,763)
Loans and advances		(1,875,865)	(2,965,106)
Other assets		33,819	48,908
<b>Net increase (decrease) in operating liabilities:</b>			
Due to banks and other financial institutions		(452,933)	(588,434)
Customer deposits		3,187,221	1,513,069
Other liabilities		849,289	(487,338)
		<b>2,291,652</b>	<b>(1,906,502)</b>
<b>Net cash from (used) in operating activities</b>			
<b>INVESTING ACTIVITIES</b>			
Proceeds from sale and maturities of investments		2,488,326	2,776,783
Purchase of investments		(1,942,086)	(1,848,856)
Purchase of fixed assets		(47,981)	(31,143)
Proceeds from disposal of fixed assets		153	170
		<b>498,412</b>	<b>896,954</b>
<b>Net cash from investing activities</b>			
<b>FINANCING ACTIVITIES</b>			
Dividend paid		(443,810)	(329,511)
		<b>(443,810)</b>	<b>(329,511)</b>
<b>Net cash used in financing activities</b>			
<b>Increase (decrease) in cash and cash equivalents</b>			
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	5	<b>3,754,052</b>	<b>1,614,814</b>
<b>Supplemental non cash information</b>			
Net changes in fair value and cash flow hedges		(49,055)	83,555

The accompanying notes 1 to 8 form an integral part of these interim condensed financial statements.