

## STATEMENT OF CASH FLOWS

(Unaudited)

For the nine months ended 30 September

	Note	2004 SAR'000	2003 SAR'000
<b>OPERATING ACTIVITIES</b>			
<b>Net income</b>		<b>1,234,192</b>	911,808
<b>Adjustments to reconcile net income to net cash from (used in) operating activities:</b>			
(Accretion of discounts) amortisation of premium on investments, net		(4,177)	9,982
Gains on investments, net		(62,668)	(53,187)
Depreciation and amortisation		48,902	48,164
Losses on disposal of fixed and other assets, net		168	32
Provision for possible credit losses		33,250	70,456
		<u>1,249,667</u>	<u>987,255</u>
<b>Net (increase) decrease in operating assets:</b>			
Statutory deposits with SAMA		(249,722)	(90,472)
Loans and advances		(3,331,758)	(3,845,681)
Other assets		68,355	(32,465)
<b>Net increase (decrease) in operating liabilities:</b>			
Due to banks and other financial institutions		2,664,712	897,481
Customer deposits		3,281,962	1,358,824
Other liabilities		(59,941)	(603,080)
<b>Net cash from (used in) operating activities</b>		<u>3,623,275</u>	<u>(1,328,138)</u>
<b>INVESTING ACTIVITIES</b>			
Proceeds from sale and maturities of investments		4,108,139	3,685,053
Purchase of investments		(3,007,218)	(2,770,847)
Purchase of fixed assets		(67,246)	(53,485)
Proceeds from disposal of fixed assets		281	476
<b>Net cash from investing activities</b>		<u>1,033,956</u>	<u>861,197</u>
<b>FINANCING ACTIVITIES</b>			
Dividend paid		(890,478)	(695,407)
<b>Net cash used in financing activities</b>		<u>(890,478)</u>	<u>(695,407)</u>
<b>Increase (decrease) in cash and cash equivalents</b>		<b>3,766,753</b>	(1,162,348)
Cash and cash equivalents at the beginning of the period		<u>1,407,798</u>	<u>2,953,873</u>
<b>Cash and cash equivalents at the end of the period</b>	5	<u><u>5,174,551</u></u>	<u><u>1,791,525</u></u>
<b><u>Supplemental non cash information</u></b>			
Net changes in fair value and cash flow hedges		(24,342)	56,683

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