

# THE SAUDI INVESTMENT BANK

## STATEMENT OF CASH FLOWS

For the years ended December 31, 2007 and 2006

	<u>Notes</u>	<u>2007</u> <u>SAR'000</u>	<u>2006</u> <u>SAR'000</u>
<b>OPERATING ACTIVITIES</b>			
<b>Net income for the year</b>		<b>822,185</b>	2,006,258
<b>Adjustments to reconcile net income to net cash from (used in) operating activities:</b>			
Accretion of discounts on non-trading investments, net		<b>(276,088)</b>	(131,859)
Losses (gains) on non-trading investments, net		<b>131,048</b>	(672,639)
Depreciation		<b>43,612</b>	31,441
Allowance for credit losses, net		<b>96,700</b>	96,503
		<b>817,457</b>	1,329,704
<b>Net (increase) decrease in operating assets:</b>			
Statutory deposit with SAMA	3	<b>(134,090)</b>	(2,344)
Due from banks and other financial institutions maturing after ninety days from date of acquisition		<b>598,279</b>	(646,550)
Loans and advances		<b>(2,534,130)</b>	(994,130)
Other assets		<b>(215,505)</b>	(338,872)
<b>Net increase in operating liabilities:</b>			
Due to banks and other financial institutions		<b>65,082</b>	456,328
Customers' deposits		<b>4,837,302</b>	72,909
Other liabilities		<b>26,477</b>	40,056
<b>Net cash from (used in) operating activities</b>		<b>3,460,872</b>	(82,899)
<b>INVESTING ACTIVITIES</b>			
Proceeds from sale of and matured non-trading investments		<b>4,603,459</b>	5,972,781
Purchase of non-trading investments		<b>(8,898,643)</b>	(6,695,771)
Investments in associates		<b>(210,200)</b>	(154,900)
Purchase of property and equipment		<b>(127,965)</b>	(191,913)
Proceeds from sale of property and equipment		<b>25</b>	24,705
<b>Net cash used in investing activities</b>		<b>(4,633,324)</b>	(1,045,098)
<b>FINANCING ACTIVITIES</b>			
Dividends paid		-	(129,938)
<b>Net cash used in financing activities</b>		-	(129,938)
<b>Decrease in cash and cash equivalents</b>		<b>(1,172,452)</b>	(1,257,935)
<b>Cash and cash equivalents at beginning of the year</b>		<b>5,913,366</b>	7,171,301
<b>Cash and cash equivalents at end of the year</b>	23	<b>4,740,914</b>	5,913,366
Special commission received during the year		<b>2,566,675</b>	2,290,743
Special commission paid during the year		<b>1,576,313</b>	1,368,402
<b>Supplemental non-cash information</b>			
Net changes in fair value and transfers to statement of income		<b>53,876</b>	1,181,714
Bonus share issued		<b>1,503,910</b>	687,500