

# THE SAUDI INVESTMENT BANK

(A Saudi joint stock company)

## STATEMENT OF CASH FLOWS

For the nine months ended September 30

Unaudited	Note	2007 SAR'000	2006 SAR'000
<b>OPERATING ACTIVITIES</b>			
Net income for the period		867,827	1,704,861
<b>Adjustments to reconcile net income to net cash from (used in) operating activities:</b>			
Accretion of discounts on non-trading investments, net		(211,933)	(101,006)
Gains on non-trading investments, net		(99,893)	(670,966)
Depreciation and amortization		31,128	22,291
Provision for credit losses		40,000	80,000
		<u>627,129</u>	<u>1,035,180</u>
<b>Net increase in operating assets:</b>			
Statutory deposit with SAMA		(77,842)	(3,541)
Due from banks and other financial institutions maturing after ninety days from date of acquisition		(776,700)	(622,800)
Loans and advances		(1,095,214)	(466,196)
Other assets		(271,134)	(237,213)
<b>Net increase (decrease) in operating liabilities:</b>			
Due to banks and other financial institutions		931,544	129,830
Customers' deposits		2,607,384	(1,966,314)
Other liabilities		81,305	30,701
		<u>2,026,472</u>	<u>(2,100,353)</u>
<b>Net cash from (used in) operating activities</b>			
<b>INVESTING ACTIVITIES</b>			
Proceeds from sale of and matured non-trading investments		3,876,848	4,711,657
Purchase of non-trading investments		(8,693,249)	(3,812,411)
Purchase of property and equipment		(67,153)	(98,787)
Proceeds from sale of property and equipment		26	-
		<u>(4,883,528)</u>	<u>800,459</u>
<b>Net cash (used in) from investing activities</b>			
<b>FINANCING ACTIVITIES</b>			
Dividends paid		-	(129,938)
		<u>-</u>	<u>(129,938)</u>
<b>Net cash used in financing activities</b>			
<b>Decrease in cash and cash equivalents</b>			
		<u>(2,857,056)</u>	<u>(1,429,832)</u>
<b>Cash and cash equivalents at beginning of the period</b>			
		<u>5,913,366</u>	<u>7,171,301</u>
<b>Cash and cash equivalents at end of the period</b>			
	7	<u>3,056,310</u>	<u>5,741,469</u>
Special commission received during the period		<u>1,923,307</u>	<u>1,733,589</u>
Special commission paid during the period		<u>1,142,850</u>	<u>1,085,656</u>
<b>Supplemental non-cash information</b>			
Net changes in fair value and transfers to statement of income		<u>(206,128)</u>	<u>(1,031,648)</u>
Bonus share issue	9	<u>1,503,910</u>	<u>687,500</u>