

Consolidated Statement of Cash Flows

For the years ended December 31, 2017 and 2016

| | Notes | 2017 SAR '000 | 2016 SAR '000 |
|--|-------|------------------|--------------------|
| Operating Activities | | | |
| Net income | | 1,410,798 | 1,052,958 |
| Adjustments to reconcile net income to net cash used in operating activities | | | |
| Net accretion of discounts and net amortization of premiums on investments, net | | 56,903 | 57,787 |
| Net change in accrued special commission income | | (84,713) | (348,200) |
| Net change in accrued special commission expense | | (85,487) | 212,457 |
| Net change in deferred loan fees | | 11,038 | 10,586 |
| Gains on investments, net | 23 | (49,130) | (145,112) |
| Gains on sales of property, equipment, and intangibles | | (15) | - |
| Depreciation and amortization | 9 | 92,559 | 89,001 |
| Impairment charge for credit losses | 7(b) | 213,000 | 246,000 |
| Impairment charge for investments | 6(e) | 108,622 | 207,000 |
| Share in earnings of associates | 8(b) | (131,851) | (150,634) |
| Share-based provisions | 38 | 9,948 | 33,996 |
| | | 1,551,672 | 1,265,839 |
| Net (increase) decrease in operating assets: | | | |
| Statutory deposit with SAMA | | 243,558 | (191,035) |
| Due from banks and other financial institutions maturing after ninety days from acquisition date | | 25,663 | (20,671) |
| Loans and advances, net | | 545,068 | 78,545 |
| Positive fair values of derivatives | | 6,357 | (604,047) |
| Other assets | | (357,024) | (183,793) |
| Net increase (decrease) in operating liabilities: | | | |
| Due to banks and other financial institutions | | (1,425,465) | 3,630,290 |
| Customer deposits | | 1,381,361 | (4,999,852) |
| Negative fair values of derivatives | | (29,708) | 394,310 |
| Other liabilities | | (47,937) | 54,265 |
| Net cash provided from (used in) operating activities | | 1,893,545 | (576,149) |
| Investing Activities | | | |
| Proceeds from sales and maturities of investments | | 3,894,435 | 2,230,748 |
| Purchases of investments | | (4,561,311) | (4,310,757) |
| Dividends received from associates | 8(b) | 98,815 | 92,917 |
| Acquisitions of property, equipment, and intangibles | 9 | (107,880) | (55,038) |
| Proceeds from sales of property, equipment, and intangibles | | 15 | 1 |
| Net cash used in investing activities | | (675,926) | (2,042,129) |
| Financing Activities | | | |
| Zakat and Income Tax payments, net | | (35,144) | (53,847) |
| Purchases of shares for employee options | 38 | (17,574) | (58,206) |
| Dividends paid | 26 | (350,000) | (487,500) |
| Repayment of term loans | 14 | (1,000,000) | (1,000,000) |
| Proceeds from term loans | 14 | 1,000,000 | 1,000,000 |
| Proceeds from Tier I Sukuk | 39 | 285,000 | 500,000 |
| Tier I Sukuk costs | 39 | (38,247) | (3,486) |
| Net cash used in financing activities | | (155,965) | (103,039) |
| Net increase (decrease) in cash and cash equivalents | | 1,061,654 | (2,721,317) |

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For the years ended December 31, 2017 and 2016

| | Notes | 2017 SAR '000 | 2016 SAR '000 |
|--|-------|------------------|------------------|
| Cash and cash equivalents | | | |
| Cash and cash equivalents at the beginning of the year | | 4,382,652 | 7,103,969 |
| Net increase (decrease) in cash and cash equivalents | | 1,061,654 | (2,721,317) |
| Cash and cash equivalents at the end of the year | 28 | 5,444,306 | 4,382,652 |
| Supplemental special commission information | | | |
| Special commission received | | 3,448,376 | 2,852,409 |
| Special commission paid | | 1,573,746 | 1,312,983 |
| Supplemental non-cash information | | | |
| Total other comprehensive income | | (305,173) | 497,883 |
| Other real estate | | 300,000 | 265,888 |
| Proposed dividends | 26 | – | 350,000 |
| Bonus shares issued | 26 | 500,000 | 500,000 |

The accompanying Notes 1 to 42 form an integral part of these consolidated financial statements.