

**SAUDI REAL ESTATE REFINANCE COMPANY**

(A Saudi Closed Joint Stock Company)

**STATEMENT OF CASH FLOWS**

For the year ended 31 December 2019

(Saudi Arabian Riyals)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities:</b>			
Net (loss) / profit for the year		(19,468,343)	475,740
<u>Adjustments for:</u>			
Depreciation	14	1,707,605	516,238
Amortization	14	3,516,090	738,657
Special commission expense on debt securities issued		28,532,501	684,820
Provision for expected credit losses	6.2	4,134,796	4,046,708
		<u>18,422,649</u>	<u>6,462,163</u>
<u>Changes in:</u>			
Murabaha receivables		(556,619,457)	(121,088,725)
Ijara receivables		(754,729,540)	(636,452,336)
Prepayments and other assets		12,440,670	(13,902,662)
Trade and other payables		(2,895,788)	(48,005)
<b>Net cash used in operating activities</b>		<u>(1,283,381,466)</u>	<u>(765,029,565)</u>
<b>Cash flows from investing activities:</b>			
Acquisition of property and equipment	8	(3,478,059)	(624,706)
Acquisition of intangible assets	9	--	(1,400,023)
<b>Net cash used in investing activities</b>		<u>(3,478,059)</u>	<u>(2,024,729)</u>
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of debt securities	12	500,000,000	250,000,000
Special commission paid on debt securities		(20,910,762)	--
Lease liability paid		(1,160,000)	--
<b>Net cash generated from financing activities</b>		<u>477,929,238</u>	<u>250,000,000</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(808,930,287)</u>	<u>(517,054,294)</u>
Cash and cash equivalents at the beginning of the year		<u>880,632,477</u>	<u>1,397,686,771</u>
<b>Cash and cash equivalents at the end of the year</b>	4	<u>71,702,190</u>	<u>880,632,477</u>

The accompanying notes 1 to 19 form an integral part of these financial statements.