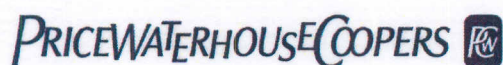


**AL RAJHI BANKING AND  
INVESTMENT CORPORATION**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE  
THREE-MONTH PERIOD ENDED  
MARCH 31, 2010**

**(UNAUDITED)**



P.O. Box 8282  
Riyadh 11482  
Kingdom of Saudi Arabia



P.O. Box 2732  
Riyadh 11461  
Kingdom of Saudi Arabia

## REVIEW REPORT

**TO: THE SHAREHOLDERS OF  
AL RAJHI BANKING AND INVESTMENT CORPORATION  
(Saudi Joint Stock Company)**

We have reviewed the accompanying interim consolidated statement of financial position of Al Rajhi Banking and Investment Corporation (the "Bank") and its subsidiaries as of 31 March 2010, and the related interim consolidated statements of comprehensive income, changes in shareholders' equity, cash flows and the related notes for the three-month period then ended.

### **Management Responsibility for the Interim Condensed Consolidated Financial Statements**


These interim condensed consolidated financial statements are the responsibility of the Bank's management and have been prepared by them in accordance with Accounting Standards for Financial Institutions and certain capital adequacy disclosure requirements issued by the Saudi Arabian Monetary Agency ("SAMA") and with International Accounting Standard No. 34 "Interim Financial Reporting" and submitted to us together with all the information and explanations which we required.

### **Scope of Review**

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with generally accepted standards in the Kingdom of Saudi Arabia applicable to review engagements and with International Standard on Review Engagements No. 2410. A review consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.



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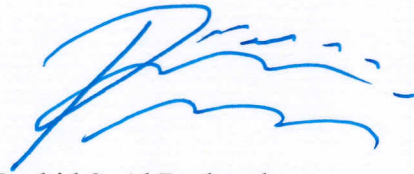
### Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim condensed consolidated financial statements for them to be in conformity with applicable Accounting Standards for Financial Institutions issued by the Saudi Arabian Monetary Agency and with International Accounting Standard No. 34.

### Other Regulatory Matters

As required by SAMA, certain capital adequacy information has been disclosed in note (12) to the accompanying interim condensed consolidated financial statements. As part of our review, we compared the information in the aforementioned note to the relevant analysis prepared by the Bank for submission to SAMA and found no material inconsistencies.

**PricewaterhouseCoopers Al Juraid**



Rashid S. Al Rashoud  
Registration No. 366

**Ernst & Young**



Fahad M. Al-Toaimi  
Registration No. 354

3 Jumada Al Awal 1431H  
(17 April 2010)



**AL RAJHI BANKING AND INVESTMENT CORPORATION**  
**(Saudi Joint Stock Company)**

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(SR'000)

	<u>Notes</u>	At March 31, 2010 <u>(Unaudited)</u>	At December 31, 2009 <u>(Audited)</u>	At March 31, 2009 <u>(Unaudited)</u>
<b>ASSETS</b>				
Cash		3,789,998	3,449,155	3,275,125
Balances with Saudi Arabian Monetary Agency ("SAMA")		8,287,355	7,963,865	7,528,477
Due from banks and other financial institutions		8,750,209	12,663,381	6,956,651
Investments	3	28,047,956	27,113,882	25,597,113
Financing, net	4	117,132,777	113,099,531	110,347,761
Customer debit current accounts, net		527,235	695,791	607,145
Property and equipment, net		3,236,987	3,182,157	2,967,036
Other assets, net		<u>2,651,380</u>	<u>2,561,967</u>	<u>3,496,390</u>
<b>TOTAL ASSETS</b>		<b><u>172,423,897</u></b>	<b><u>170,729,729</u></b>	<b><u>160,775,698</u></b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>LIABILITIES:</b>				
Due to banks and other financial institutions		4,085,368	6,102,073	4,607,585
Syndicated murabaha financing from banks	8	-	-	1,875,000
Customer deposits		129,464,536	120,533,020	119,877,352
Other customer accounts (including margins on letters of credit, third party funds, certified checks and transfers)		2,281,129	2,328,820	1,775,882
Other liabilities		<u>8,745,343</u>	<u>13,024,932</u>	<u>7,059,550</u>
<b>TOTAL LIABILITIES</b>		<b><u>144,576,376</u></b>	<b><u>141,988,845</u></b>	<b><u>135,195,369</u></b>
<b>SHAREHOLDERS' EQUITY:</b>				
Share capital		15,000,000	15,000,000	15,000,000
Statutory reserve		10,419,177	10,419,177	8,727,370
General reserve	9	366,465	-	-
Retained earnings		2,061,879	744,248	1,852,959
Proposed gross dividends		<u>-</u>	<u>2,577,459</u>	<u>-</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b><u>27,847,521</u></b>	<b><u>28,740,884</u></b>	<b><u>25,580,329</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b><u>172,423,897</u></b>	<b><u>170,729,729</u></b>	<b><u>160,775,698</u></b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.



**AL RAJHI BANKING AND INVESTMENT CORPORATION**  
**(Saudi Joint Stock Company)**

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**(UNAUDITED)**

(SR'000)

	For the three-month period ended March 31	
	2010	2009
<b>INCOME:</b>		
Gross financing income	2,264,842	2,248,349
Income paid to customers on time investments	(61,917)	(215,646)
Income paid on syndicated murabaha financing from banks	-	(26,766)
<b>Net financing income</b>	<b>2,202,925</b>	<b>2,005,937</b>
Investments income	54,587	278,053
Fees from banking services, net	397,080	306,075
Exchange income, net	146,451	129,597
Other operating income	31,119	20,193
<b>Total operating income</b>	<b>2,832,162</b>	<b>2,739,855</b>
<b>EXPENSES:</b>		
Salaries and employee related benefits	466,208	425,279
Rent and premises related expenses	38,272	34,589
Impairment charge for financing and other, net	358,855	231,317
Other general and administrative expenses	199,185	222,795
Depreciation and amortization	84,868	93,524
Board of directors' remuneration	678	678
<b>Total operating expenses</b>	<b>1,148,066</b>	<b>1,008,182</b>
<b>Net income for the period</b>	<b>1,684,096</b>	<b>1,731,673</b>
<b>Comprehensive income items</b>	<b>-</b>	<b>-</b>
<b>Net comprehensive income for the period</b>	<b>1,684,096</b>	<b>1,731,673</b>
Weighted average number of outstanding shares	1,500 Million	1,500 Million
Earnings per share (SR) (Note 11)	1.12	1.15

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

**AL RAJHI BANKING AND INVESTMENT CORPORATION**  
(Saudi Joint Stock Company)

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN  
SHAREHOLDERS' EQUITY (UNAUDITED)**

(SR'000)

**For the three-month period ended  
March 31, 2010**

	Share capital	Statutory reserve	General reserve	Retained earnings	Proposed gross dividends	Total
Balance at the beginning of the period	15,000,000	10,419,177	-	744,248	2,577,459	28,740,884
Transfer to accrued zakat	-	-	-	-	(327,459)	(327,459)
Transfer to general reserve (Note 9)	-	-	366,465	(366,465)	-	-
Dividends (Note 13)	-	-	-	-	(2,250,000)	(2,250,000)
Net comprehensive income for the period	-	-	-	1,684,096	-	1,684,096
<b>Balance at the end of the period</b>	<b>15,000,000</b>	<b>10,419,177</b>	<b>366,465</b>	<b>2,061,879</b>	<b>-</b>	<b>27,847,521</b>

**For the three-month period ended  
March 31, 2009**

Balance at the beginning of the period	15,000,000	8,727,370	-	121,286	3,183,143	27,031,799
Transfer to accrued zakat	-	-	-	-	(558,143)	(558,143)
Dividends (Note 13)	-	-	-	-	(2,625,000)	(2,625,000)
Net comprehensive income for the period	-	-	-	1,731,673	-	1,731,673
<b>Balance at the end of the period</b>	<b>15,000,000</b>	<b>8,727,370</b>	<b>-</b>	<b>1,852,959</b>	<b>-</b>	<b>25,580,329</b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.



**AL RAJHI BANKING AND INVESTMENT CORPORATION**  
**(Saudi Joint Stock Company)**

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**

(SR'000)

	For the three-month period ended March 31	
	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income for the period	1,684,096	1,731,673
<b>Adjustments to reconcile net income to net cash (used in) provided by operating activities:</b>		
Depreciation and amortization	84,868	93,524
Loss on sale of property and equipment	956	-
Impairment charge for financing and other, net	358,855	231,317
<b>Net (increase) decrease in operating assets:</b>		
Statutory deposit with SAMA	(323,316)	143,682
Financing	(4,392,101)	(1,286,036)
Investments	(934,074)	1,063,796
Customer debit current accounts	168,556	307,083
Other assets	(89,413)	(386,477)
<b>Net increase (decrease) in operating liabilities:</b>		
Due to banks and other financial institutions	(2,016,705)	(3,294,045)
Customer deposits	8,931,516	3,266,309
Other customer accounts	(47,691)	(354,117)
Other liabilities	(4,607,048)	(1,322,346)
<b>Net cash (used in) from operating activities</b>	<b><u>(1,181,501)</u></b>	<b><u>194,363</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(141,793)	(192,400)
Proceeds from sale of property and equipment	1,139	-
<b>Net cash used in investing activities</b>	<b><u>(140,654)</u></b>	<b><u>(192,400)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Dividends paid	(2,250,000)	(2,625,000)
<b>Net cash used in financing activities</b>	<b><u>(2,250,000)</u></b>	<b><u>(2,625,000)</u></b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,572,155)</b>	<b>(2,263,037)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b><u>16,112,826</u></b>	<b><u>12,855,169</u></b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (NOTE 6)</b>	<b><u>12,540,671</u></b>	<b><u>10,232,132</u></b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

**AL RAJHI BANKING AND INVESTMENT CORPORATION**  
**(Saudi Joint Stock Company)**

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2010 (UNAUDITED)**

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**1. GENERAL**

**Incorporation and operations**

Al Rajhi Banking and Investment Corporation, Saudi Joint Stock Company, (the "Bank") was formed and licensed pursuant to Royal Decree No. M/59 dated 3 Dhul Qada 1407H (corresponding to June 29, 1987) and in accordance with Article 6 of the Council of Ministers' Resolution No. 245, dated 26 Shawwal 1407H (corresponding to June 23, 1987).

The Bank operates under Commercial Registration No. 1010000096 and its Head Office is located at the following address:

**Al Rajhi Bank**  
**P.O. Box 28**  
**Riyadh 11411**  
**Kingdom of Saudi Arabia**

The objectives of the Bank are to carry out banking and investment activities in accordance with its Memorandum and Articles of Association, the Banking Control Law and the Council of Ministers Resolution referred to above. The Bank is engaged in banking and investment activities inside and outside the Kingdom of Saudi Arabia for its own account and on behalf of others. The Bank has established certain subsidiary companies in which it owns all or the majority of their shares.

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

**a) Basis of preparation**

The Bank prepares these interim condensed consolidated financial statements in accordance with the Accounting Standards for Financial Institutions promulgated by the Saudi Arabian Monetary Agency ("SAMA"), and International Accounting Standard No. 34 - Interim Financial Reporting. The Bank also prepares its interim condensed consolidated financial statements to comply with the Banking Control Law and the Regulations for Companies in the Kingdom of Saudi Arabia.

The interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2009.

The interim condensed consolidated financial statements are expressed in Saudi Riyals (SR) and are rounded off to the nearest thousand.

**b) Basis of preparation of the interim condensed consolidated financial statements**

These interim condensed consolidated financial statements include the accounts of Al Rajhi Banking and Investment Corporation and its subsidiaries in which the Bank's shareholdings exceed 50% of their share capital and where the Bank has the power to govern their financial and operational policies. Significant balances and transactions between the Bank



and its subsidiaries and those among subsidiaries are eliminated upon consolidation. Subsidiaries are consolidated from the date on which control is transferred to the Bank till the date control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Bank, using consistent accounting policies.

The subsidiaries included in the interim condensed consolidated financial statements comprise the following at March 31:

	<u>Shareholding %</u>	
	<u>2010</u>	<u>2009</u>
Al Rajhi Company for Development Limited - Riyadh	99%	99%
Al Rajhi Banking & Investment Corporation BHD-Malaysia	100%	100%
Al Rajhi Financial Services Company	99%	99%

**c) Accounting policies**

The accounting policies used in preparation of these interim condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended December 31, 2009, except for the amendments to existing standards and interpretation mentioned below, which the Bank has adopted:

- Revision to IAS 27 -Consolidated and separate financial statements
- Amendments to IAS 39 - Financial instruments- Recognition and measurement
- IFRIC 18-Transfers of assets from customers

The adoption of these amendments had no significant impact on the financial position and financial performance of the Bank.

**3. INVESTMENTS**

Investments comprise of the following:

	<u>SR'000</u>		
	<u>At March 31, 2010 (Unaudited)</u>	<u>At December 31, 2009 (Audited)</u>	<u>At March 31, 2009 (Unaudited)</u>
<b>Investments held at amortized cost:</b>			
Murabaha with SAMA	<u>25,275,323</u>	<u>24,225,537</u>	<u>24,050,439</u>
<b>Total Investments held at amortized cost</b>	<b><u>25,275,323</u></b>	<b><u>24,225,537</u></b>	<b><u>24,050,439</u></b>
<b>Held as fair value through income statement (FVIS):</b>			
Corporate shares	754,212	753,607	179,092
Mutual Funds	247,520	243,945	154,209
Sukuk	702,788	703,531	706,070
Other	<u>1,068,113</u>	<u>1,187,262</u>	<u>507,303</u>
<b>Total FVIS</b>	<b><u>2,772,633</u></b>	<b><u>2,888,345</u></b>	<b><u>1,546,674</u></b>
<b>Total Investments</b>	<b><u>28,047,956</u></b>	<b><u>27,113,882</u></b>	<b><u>25,597,113</u></b>

#### 4. FINANCING, NET

Financing, net comprise of the following:

	SR'000		
	At March 31, 2010 (Unaudited)	At December 31, 2009 (Audited)	At March 31, 2009 (Unaudited)
<b>Held at amortized cost:</b>			
Corporate mutajara	31,177,155	31,628,164	34,601,230
Installment sale	70,213,685	65,784,500	61,181,058
Istisnaa	799,701	901,282	1,190,248
Murabaha	14,394,100	14,227,382	13,034,305
Visa	548,136	558,203	340,920
<b>Total</b>	<b><u>117,132,777</u></b>	<b><u>113,099,531</u></b>	<b><u>110,347,761</u></b>

#### 5. MUDARABA FUNDS AND CONTINGENT LIABILITIES

Mudaraba funds and contingent liabilities comprise the following:

	SR'000		
	At March 31, 2010 (Unaudited)	At December 31, 2009 (Audited)	At March 31, 2009 (Unaudited)
<b>a) Mudaraba Funds:</b>			
Customers' investments	47,676	47,875	297,517
Current accounts - metals	18,993	10,902	11,398
<b>Total</b>	<b><u>66,669</u></b>	<b><u>58,777</u></b>	<b><u>308,915</u></b>
<b>b) Contingent Liabilities:</b>			
Letters of credit and acceptances	5,226,831	4,864,082	4,526,560
Letters of guarantee	7,105,950	7,555,164	8,073,294
Irrevocable commitments to extend credit	12,224,044	11,577,946	10,845,876
<b>Total</b>	<b><u>24,556,825</u></b>	<b><u>23,997,192</u></b>	<b><u>23,445,730</u></b>
<b>Grand Total</b>	<b><u>24,623,494</u></b>	<b><u>24,055,969</u></b>	<b><u>23,754,645</u></b>

#### 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the interim consolidated statement of cash flows comprise the following:

	SR'000		
	At March 31, 2010 (Unaudited)	At December 31, 2009 (Audited)	At March 31, 2009 (Unaudited)
Cash	3,789,998	3,449,155	3,275,125
Balances with SAMA (current accounts)	464	290	356
Due from banks and other financial institutions (current accounts)	8,750,209	12,663,381	6,956,651
<b>Total</b>	<b><u>12,540,671</u></b>	<b><u>16,112,826</u></b>	<b><u>10,232,132</u></b>



## 7. BUSINESS SEGMENTS

For management purposes, the Bank is categorized into the following four main banking segments:

Retail Segment:	Includes individual customer deposits, credit facilities, customer debit current accounts (overdrafts), fee from banking services and remittance business.
Corporate Segment:	Incorporates deposits of VIP, corporate customer deposits, credit facilities, and debit current accounts (overdrafts).
Treasury Segment:	Incorporates treasury services and international trading portfolios.
Investments services and Brokerage Segment:	Incorporates investments of individuals and corporate in mutual funds, local and international shares trading services and investment portfolios.

Transactions between the above different segments are based on normal commercial terms and conditions. There are no material revenues or expenses between the above business segments. Assets and liabilities for the segments comprise operating assets and liabilities, which represent the majority of the Bank's assets and liabilities.

The Bank carries out its activities principally in the Kingdom of Saudi Arabia, and has three subsidiaries of which one is registered outside the Kingdom of Saudi Arabia as of March 31, 2010 and 2009.

The total assets, liabilities, and results of operations of these subsidiaries are not material to the Bank's interim condensed consolidated financial statements taken as a whole.

The Bank's total assets and liabilities as at March 31, 2010 and 2009 together with the total operating income and expenses, and net income for the periods then ended, for each segment, are analyzed as follows:

	SR'000 (Unaudited)				
<b><u>2010</u></b>	<u>Retail segment</u>	<u>Corporate segment</u>	<u>Treasury segment</u>	<u>Investment services and brokerage segment</u>	<u>Total</u>
Total assets	<u>74,314,039</u>	<u>50,582,185</u>	<u>47,121,323</u>	<u>406,350</u>	<u>172,423,897</u>
Capital expenditure for the period	<u>136,336</u>	<u>-</u>	<u>5,457</u>	<u>-</u>	<u>141,793</u>
Total liabilities	<u>99,044,262</u>	<u>37,687,954</u>	<u>5,887,101</u>	<u>1,957,059</u>	<u>144,576,376</u>
Gross financing income	1,549,829	621,886	88,357	4,770	2,264,842
Income paid to customers on time investments	<u>(17,345)</u>	<u>(5,262)</u>	<u>(39,310)</u>	<u>-</u>	<u>(61,917)</u>
Total operating Income	<u>1,703,428</u>	<u>759,628</u>	<u>288,634</u>	<u>80,472</u>	<u>2,832,162</u>
Impairment charge for financing and other, net	(113,085)	(245,770)	-	-	(358,855)
Depreciation and amortization	(53,162)	(1,476)	(26,216)	(4,014)	(84,868)
Other operating expenses	<u>(593,795)</u>	<u>(58,541)</u>	<u>(4,864)</u>	<u>(47,143)</u>	<u>(704,343)</u>
Total operating expenses	<u>(760,042)</u>	<u>(305,787)</u>	<u>(31,080)</u>	<u>(51,157)</u>	<u>(1,148,066)</u>
Net income for the period	<u>943,386</u>	<u>453,841</u>	<u>257,554</u>	<u>29,315</u>	<u>1,684,096</u>



<b>2009</b>	SR'000 (Unaudited)				
	Retail segment	Corporate segment	Treasury segment	Investment services and brokerage segment	Total
Total assets	<u>64,554,247</u>	<u>54,886,350</u>	<u>40,906,554</u>	<u>428,547</u>	<u>160,775,698</u>
Capital expenditure for the period	<u>173,160</u>	<u>15,392</u>	<u>3,848</u>	<u>-</u>	<u>192,400</u>
Total liabilities	<u>85,700,724</u>	<u>40,973,663</u>	<u>6,704,622</u>	<u>1,816,360</u>	<u>135,195,369</u>
Gross financing income	1,374,330	782,745	86,296	4,978	2,248,349
Income paid to customers on time investments	(39,490)	(5,381)	(170,775)	-	(215,646)
Income paid on syndicated murabaha financing from banks	-	-	(26,766)	-	(26,766)
Total operating income	<u>1,645,160</u>	<u>552,237</u>	<u>465,228</u>	<u>77,230</u>	<u>2,739,855</u>
Impairment charge for financing and other, net	(95,335)	(75,412)	(60,570)	-	(231,317)
Depreciation and amortization	(79,281)	(3,444)	(4,442)	(6,357)	(93,524)
Other operating expenses	<u>(563,969)</u>	<u>(55,474)</u>	<u>(29,805)</u>	<u>(34,693)</u>	<u>(683,341)</u>
Total operating expenses	<u>(738,585)</u>	<u>(134,330)</u>	<u>(94,217)</u>	<u>(41,050)</u>	<u>(1,008,182)</u>
Net income for the period	<u>906,575</u>	<u>417,907</u>	<u>371,011</u>	<u>36,180</u>	<u>1,731,673</u>

#### 8. SYNDICATED MURABAHA FINANCING FROM BANKS

The balance represents murabaha facilities amounting to USD 500 million (SR 1,875 million) for three years obtained from consortium of banks. The remaining profit and original principal were settled as per the agreement during May 2009.

## 9. GENERAL RESERVE

At the general meeting held on 13 Rabie Al Awal 1431H (corresponding to February 27, 2010), the shareholders approved the transfer of SR 366.5 million from retained earnings to general reserve.

## 10. RELATED PARTY TRANSACTIONS AND BALANCES

In the ordinary course of business, the Bank transacts with related parties. The related party transactions are governed by limits set by the Banking Control Law and the regulations issued by SAMA. The nature and balances resulting from such transactions as at March 31 are as follows:

Related parties	Type of transaction	March 31, 2010 (Unaudited)		March 31, 2009 (Unaudited)	
		Debit	Credit	Debit	Credit
Members of the Board of Directors	Letters of credit	406,721	-	271,216	-
	Musharaka bills	689,842	-	963,785	-
	Mutajara	2,920,761	-	2,626,908	-
	Current account	7,012	-	-	-
	Letters of guarantee	208,844	-	261,226	-
	Guarantee	66,000	-	66,000	-
	Acceptances	6,111	-	-	-
Companies and establishments guaranteed by members of the Board of Directors	Mutajara	465,176	-	11,474	-
	Letters of credit	426	-	-	-
	Letters of guarantee	9,702	-	46,743	-
Mudaraba funds	Current accounts	-	238,336	-	106,908
	Mudaraba	-	4,496,068	-	3,335,049
	Investment in mutual funds	247,520	-	154,209	-
Other major shareholders with ownership of more than 5% of the Bank's share capital	Direct investments	-	1,218,502	-	1,547,079
	Current accounts	-	18,995	-	3,196
	Investment in mutual funds	-	73,516	-	61,804
	Other liabilities	-	14,452	-	14,064

Income and expenses pertaining to transactions with related parties are as follows:

	SR'000 (Unaudited)	
	For the three-month period ended March 31	
	2010	2009
Income from investments and other	35,000	37,465
Salaries and employee related benefits (air tickets)	1,708	2,527
Rent and premises related expenses	378	550
Board of Directors' remunerations	678	678



The amounts of compensations recorded in favor of or paid to the executive management personnel are as follows:

	SR'000 (Unaudited)	
	For the three-month period ended March 31	
	<u>2010</u>	<u>2009</u>
Short-term benefits	6,089	8,685
Provision for end of service benefits	326	300

The executive management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank directly or indirectly.

#### 11. EARNINGS PER SHARE

Earnings per share for the periods ended March 31, 2010 and 2009 have been calculated by dividing the net income for the period by the weighted average number of shares outstanding in accordance with the requirements of IAS 33 - "earnings per share".

#### 12. CAPITAL ADEQUACY

The Bank maintains an actively managed capital base to cover risks inherent in its business.

The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision and adopted by SAMA.

SAMA has issued guidance regarding implementation of Basel II disclosures effective January 1, 2008. Consequently, the capital adequacy ratio as of March 31 is in accordance with the following schedule:

<u>Particular</u>	<u>Capital Adequacy Ratios (unaudited)</u>			
	<u>2010</u>		<u>2009</u>	
	<u>Total Capital Ratio</u>	<u>Tier 1 Capital Ratio</u>	<u>Total Capital Ratio</u>	<u>Tier 1 Capital Ratio</u>
Top consolidated level	18.78%	16.47%	18.48%	16.06%

#### 13. DIVIDENDS

At the General Assembly held on 13 Rabie Al Awal 1431H (corresponding to February 27, 2010), the shareholders approved the distribution of dividends amounted to SR 2.250 million for the second half of the year ended December 31, 2009, net of 1.5 riyal per share as zakat deduction on shareholder (during the first quarter of 2009 SR 2.625 million of dividend were approved net of 1.75 riyal per share as zakat deduction on shareholders).

#### 14. COMPARATIVE FIGURES

Certain prior period amounts have been reclassified to conform to the current period presentation.