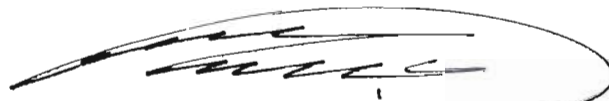




INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED
September 30, 2012


البنك السعودي الفرنسي
Banque Saudi Fransi
ABDUL QADEER MIRZA
M 002 A



عبد الرحمن أمين جاوه
نائب العضو المنتدب


البنك السعودي الفرنسي
Banque Saudi Fransi
NAZAR AL-QANNAS
Q 002 A

Report on Review of Interim Condensed Consolidated Financial Statements

To the Shareholders of Banque Saudi Fransi
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Banque Saudi Fransi (the "Bank") and its subsidiaries as of September 30, 2012, and the related interim condensed consolidated income statement and the interim condensed consolidated statements of comprehensive income for the three-month and nine month periods ended September 30, 2012, and the interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended and the notes from (1) to (14) for the nine-month period then ended. The Bank's management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with applicable 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". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

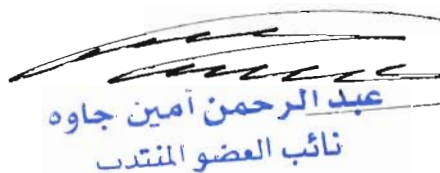
We conducted our review in accordance with generally accepted standards in the Kingdom of Saudi Arabia applicable to review engagements and with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in the Kingdom of Saudi Arabia and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with applicable Accounting Standards for Financial Institutions issued by SAMA and with International Accounting Standard No. 34.



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Other Regulatory Matters

As required by SAMA, certain capital adequacy information has been disclosed in note 14 of the accompanying interim condensed consolidated financial statements. As part of our review, we compared the information in note 14 to the relevant analysis prepared by the Bank for submission to SAMA and found no material inconsistencies.

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Certified Public Accountant
License Number 367



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Abdullah H. Al Fozan
Certified Public Accountant
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18 Dhul Hijjah 1433H
(November 3, 2012)



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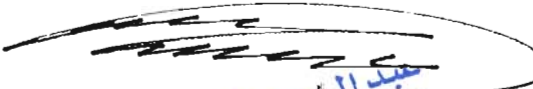
BANQUE SAUDI FRANSI
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at

Page 2

SAR '000	Note	Sep 30, 2012 (Unaudited)	Dec 31, 2011 (Audited)	Sep 30, 2011 (Unaudited)
ASSETS				
Cash and balances with SAMA		19,474,320	18,115,582	7,944,672
Due from banks and other financial institutions		5,453,537	7,009,260	8,091,049
Investments, net	3	20,899,444	16,669,277	18,075,487
Loans and advances, net	4	102,224,674	92,325,042	89,719,903
Investment in associates	5	171,343	170,789	184,565
Property and equipment, net		633,888	580,993	559,485
Other assets		6,115,245	5,609,015	6,395,725
Total assets		154,972,451	140,479,958	130,970,886
LIABILITIES AND EQUITY				
Liabilities				
Due to banks and other financial institutions		3,571,499	2,063,748	4,866,156
Customers' deposits	6	116,854,326	109,963,411	97,753,845
Term loans		1,764,506	1,766,850	1,793,888
Debt securities and Sukuk	7	5,229,573	2,462,719	2,366,037
Other liabilities		5,361,316	4,567,903	4,892,521
Total liabilities		132,781,220	120,824,631	111,672,447
Equity				
Share capital		9,040,179	7,232,143	7,232,143
Statutory reserve		6,799,837	6,799,837	6,444,647
General reserve		982,857	982,857	982,857
Other reserves		1,204,291	876,023	1,134,650
Retained earnings		4,164,067	3,764,467	3,504,142
Total equity		22,191,231	19,655,327	19,298,439
Total liabilities and equity		154,972,451	140,479,958	130,970,886

The accompanying notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.


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Banque Saudi Fransi
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نائب العضو المنتدب


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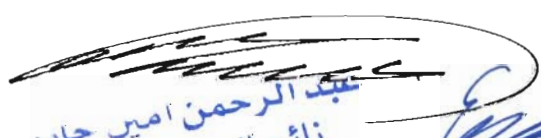
BANQUE SAUDI FRANSI
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
Unaudited

Page 3

SAR '000	For the three months ended		For the nine months ended	
	Sep 30, 2012	Sep 30, 2011	Sep 30, 2012	Sep 30, 2011
Special commission income	1,029,892	923,314	3,002,486	2,710,899
Special commission expense	203,900	115,011	530,750	356,482
Net special commission income	825,992	808,303	2,471,736	2,354,417
Fee and commission income, net	288,909	272,740	908,144	821,640
Exchange income, net	65,041	57,561	178,970	160,591
Trading income, net	21,573	8,413	104,331	103,264
Dividend income	10,582	9,105	21,129	14,244
Gain on non trading investments, net	-	-	4,177	-
Other operating income	8,154	7,977	34,768	22,883
Total operating income	1,220,251	1,164,099	3,723,255	3,477,039
Salaries and employee related expenses	211,040	197,082	627,952	623,840
Rent and premises related expenses	33,378	32,169	100,515	89,961
Depreciation and amortization	33,275	32,407	97,509	97,800
Other general and administrative expenses	106,740	89,279	311,624	280,336
Impairment charge for credit losses, net	174,365	56,480	377,285	102,158
Other operating expenses	353	278	1,931	26,160
Total operating expenses	559,151	407,695	1,516,816	1,220,255
Income from operating activities	661,100	756,404	2,206,439	2,256,784
Share in earnings /(losses) of associates, net	428	3,426	1,197	(6,771)
Net income for the period	661,528	759,830	2,207,636	2,250,013
Weighted average number of outstanding shares	904,018	904,018	904,018	904,018
Basic and diluted earnings per share for the period (SAR) - Note 12	0.73	0.84	2.44	2.49

The accompanying notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.


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Banque Saudi Fransi
ABDULQADEER MIRZA
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عبد الرحمن امير جاود
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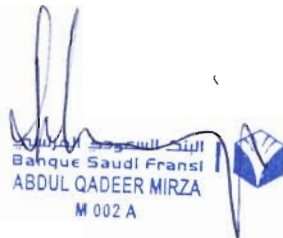

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Banque Saudi Fransi
NAZAR AL-QANNAS
Q 002 A

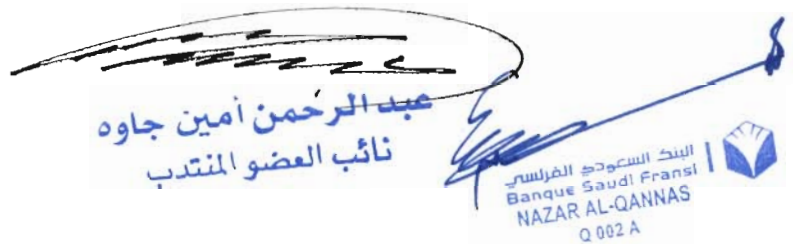
BANQUE SAUDI FRANSI
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Unaudited

Page 4

SAR '000	For the three months ended		For the nine months ended	
	Sep 30, 2012	Sep 30, 2011	Sep 30, 2012	Sep 30, 2011
Net income for the period	661,528	759,830	2,207,636	2,250,013
Other comprehensive income (loss):				
<u>Available for sale investments</u>				
Net change in the fair value	20,155	(50,430)	35,232	(113,198)
Income transferred to interim condensed consolidated income statement	-	-	(4,177)	-
<u>Cash flow hedge</u>				
Net change in the fair value	306,832	283,281	741,332	1,008,172
Income transferred to interim condensed consolidated income statement	(149,140)	(171,927)	(444,119)	(507,296)
Total comprehensive income for the period	839,375	820,754	2,535,904	2,637,691

The accompanying notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.


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BANQUE SAUDI FRANSI
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Unaudited

Page 5

SAR '000	Note	Attributable to Equity holders of the Bank								Non controlling interest	Total equity
		Share capital	Statutory reserve	General reserve	Other reserves		Retained earnings	Proposed dividend	Total		
					Available for sale investments	Cash flow hedge					
<u>For the nine months period ended September 30, 2012</u>											
Balance at the beginning of the period		7,232,143	6,799,837	982,857	(63,846)	939,869	3,764,467	-	19,655,327	-	19,655,327
Total comprehensive income for the period		-	-	-	31,055	297,213	2,207,636	-	2,535,904	-	2,535,904
Stock dividend	12	1,808,036	-	-	-	-	(1,808,036)	-	-	-	-
Balance at the end of the period		9,040,179	6,799,837	982,857	(32,791)	1,237,082	4,164,067	-	22,191,231	-	22,191,231
<u>For the nine months period ended September 30, 2011</u>											
Balance at the beginning of the period		7,232,143	6,072,101	982,857	44,697	702,275	2,169,588	800,000	18,003,661	19,387	18,023,048
Total comprehensive income for the period		-	-	-	(113,198)	500,876	2,250,013	-	2,637,691	-	2,637,691
Interim gross dividend		-	-	-	-	-	(542,913)	-	(542,913)	-	(542,913)
Final dividend paid for 2010		-	-	-	-	-	-	(800,000)	(800,000)	-	(800,000)
Acquisition of a subsidiary		-	-	-	-	-	-	-	-	(19,387)	(19,387)
Transfer to statutory reserve		-	372,546	-	-	-	(372,546)	-	-	-	-
Balance at the end of the period		7,232,143	6,444,647	982,857	(68,501)	1,203,151	3,504,142	-	19,298,439	-	19,298,439

The accompanying notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.

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مدير العمليات

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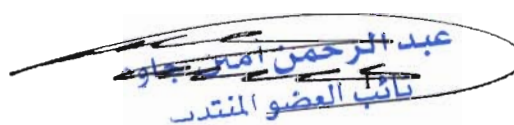
BANQUE SAUDI FRANSI
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Unaudited

Page 6

SAR '000	Note	For the nine months ended	
		Sep 30, 2012	Sep 30, 2011
<u>OPERATING ACTIVITIES</u>			
Net income for the period		2,207,636	2,250,013
Adjustments to reconcile net income to net cash from operating activities:			
Accretion of discounts on non trading investments, net		(32,677)	(21,416)
Depreciation and amortization		97,509	97,800
Gain on disposal of property and equipment, net		(99)	(187)
Impairment charge for credit losses, net		377,285	102,158
Share in (earnings) / losses of associates, net		(1,197)	6,771
Change in fair value of financial instruments		(23,677)	(121,479)
Operating profit before changes in operating assets and liabilities		2,624,780	2,313,660
Net (increase) / decrease in operating assets:			
Statutory deposit with SAMA		(742,858)	(502,460)
Investments held as FVIS, trading		150,888	122,244
Loans and advances		(10,266,262)	(8,813,175)
Other assets		(216,066)	(320,117)
Net increase / (decrease) in operating liabilities:			
Due to banks and other financial institutions		1,507,751	2,553,250
Customers' deposits		6,865,233	4,249,370
Other liabilities		791,445	443,145
Net cash from operating activities		714,911	45,917
<u>INVESTING ACTIVITIES</u>			
Proceeds from sales and maturities of non trading investments		6,721,868	29,359,331
Purchase of non trading investments		(10,790,966)	(27,731,679)
Investment in associates and subsidiary		(247,600)	(96,355)
Purchase of property and equipment		(151,128)	(71,119)
Proceeds from disposal of property and equipment		823	325
Net cash (used in) /from investing activities		(4,467,003)	1,460,503
<u>FINANCING ACTIVITIES</u>			
Dividend paid		-	(1,342,913)
Sukuk		2,812,500	(686,250)
Net cash from /(used in) financing activities		2,812,500	(2,029,163)
(Decrease) in cash and cash equivalents		(939,592)	(522,743)
Cash and cash equivalents at the beginning of the period		19,468,881	11,189,910
Cash and cash equivalents at the end of the period	10	18,529,289	10,667,167
Special commission received during the period		2,910,405	2,625,803
Special commission paid during the period		559,668	380,455
<u>Supplemental non-cash information</u>			
Net changes in fair value and transferred to interim condensed consolidated income statement		328,268	387,678

The accompanying notes 1 to 14 form an integral part of these interim condensed consolidated financial statements.


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1. General

Banque Saudi Fransi (the Bank) is a Saudi Joint Stock Company established by Royal Decree No. M/23 dated Jumada Al Thani 17, 1397H (corresponding to June 4, 1977). The Bank formally commenced its activities on Muharram 1, 1398H (corresponding to December 11, 1977), by taking over the branches of the Banque de l'Indochine et de Suez in the Kingdom of Saudi Arabia. The Bank operates under Commercial Registration Number 1010073368 dated Safar 4, 1410H (corresponding to September 5, 1989), through its 84 branches (September 30, 2011: 83 branches) in the Kingdom of Saudi Arabia, employing 2,619 people (September 30, 2011: 2,681). The objective of the Bank is to provide a full range of banking services, including Islamic products, which are approved and supervised by an independent Shariah Board. The Bank's Head Office is located at Al Maa'ther Street, P.O. Box 56006, Riyadh 11554, Kingdom of Saudi Arabia.

The Bank owns a subsidiary, Saudi Fransi Capital (99% direct share in equity and 1% indirect share beneficially held by a director of the Bank) engaged in brokerage, asset management and corporate finance business. CAAM Saudi Fransi and Calyon Saudi Fransi had been merged with Fransi Tadawul Company, which was renamed Saudi Fransi Capital and provides the full array of financial services. The Bank owns Saudi Fransi Insurance Agency (SAFIA) having 100% share in equity. The Bank owns Saudi Fransi leasing and Sakan real estate financing having 100% share in equity. These subsidiaries are incorporated in the Kingdom of Saudi Arabia. The Bank also owns BSF Sukuk Limited having 100% share in equity, incorporated in the Cayman Islands.

The Bank has investments in associates and owns 27% shareholding in Banque BEMO Saudi Fransi, incorporated in Syria, 32.5% shareholding in Saudi Fransi Corporative Insurance Company (Allianz Saudi Fransi) and 50% in Sofinco Saudi Fransi incorporated in the Kingdom of Saudi Arabia.

2. Basis of preparation

These interim condensed consolidated financial statements are prepared in accordance with the accounting standards for financial institutions promulgated by the Saudi Arabian Monetary Agency (SAMA) and IAS 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 do not include all information and disclosures required for the annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2011.

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those of the annual consolidated financial statements for the year ended December 31, 2011 as described in the annual consolidated financial statements for the year ended December 31, 2011.

The new standards, amendments to standards and interpretations to International Financial Reporting Standards which are mandatory for the first time for the financial year beginning January 2012 did not result in material amendments to the presentation and disclosure of the accompanying interim condensed consolidated financial statements.

These interim condensed consolidated financial statements are expressed in Saudi Arabian Riyals (SAR) and are rounded off to the nearest thousands.

2. Basis of preparation (continued)

The interim condensed consolidated financial statements comprise the financial statements of the Bank and its subsidiaries; Saudi Fransi capital, Saudi Fransi Insurance Agency, Saudi Fransi Leasing, Sakan real estate financing and BSF Sukuk Limited. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Bank, using consistent accounting policies. Adjustments have been made wherever necessary in the financial statements of the subsidiaries to align with the Bank's interim condensed consolidated financial statements.

Subsidiaries are all entities over which the Bank has the power to govern the financial and operating policies, so as to obtain benefits from its activities, generally accompanying an ownership interest of more than one half of the voting rights. In assessing control, potential voting rights that presently exercisable are taken into account.

Subsidiaries are consolidated from the date on which control is transferred to the Bank and cease to be consolidated from the date on which the control is transferred from the Bank. The results of subsidiaries acquired or disposed of during the period, if any, are included in the interim condensed consolidated income statement from the effective date of the acquisition or up to the effective date of disposal, as appropriate.

Balances between the Bank and its subsidiaries, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the interim condensed consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. Investments, net

Investment securities are classified as follows:

SAR '000	Sep 30, 2012 (Unaudited)	Dec 31, 2011 (Audited)	Sep 30, 2011 (Unaudited)
Held as FVIS	342,215	493,103	1,148,814
Available for sale	6,766,208	6,693,617	6,394,623
Held to maturity	712,446	1,020,483	1,405,241
Other investments held at amortised cost	13,078,575	8,462,074	9,126,809
Total	20,899,444	16,669,277	18,075,487

Investments held as FVIS represent investments held for trading.

4. Loans and advances, net

SAR'000	Sep 30, 2012 (Unaudited)	Dec 31, 2011 (Audited)	Sep 30, 2011 (Unaudited)
Consumer loans	10,080,632	9,802,677	9,278,496
Commercial loans and overdrafts	85,281,738	75,714,916	73,708,948
Credit cards	710,033	701,793	697,020
Others	6,597,652	6,516,336	6,471,087
Performing loans and advances	102,670,055	92,735,722	90,155,551
Nonperforming loans and advances, net	1,069,310	1,128,050	1,073,959
Gross loans and advances	103,739,365	93,863,772	91,229,510
Allowance for impairment	(1,514,691)	(1,538,730)	(1,509,607)
Loans and advances, net	102,224,674	92,325,042	89,719,903

5. Investment in associates

SAR '000	Sep 30, 2012 (Unaudited)	Dec 31, 2011 (Audited)	Sep 30, 2011 (Unaudited)
Cost	201,645	185,628	205,925
Share of loss, net	(30,302)	(14,839)	(21,360)
Total	171,343	170,789	184,565

6. Customers' deposits

SAR'000	Sep 30, 2012 (Unaudited)	Dec 31, 2011 (Audited)	Sep 30, 2011 (Unaudited)
Demand	60,157,234	51,816,883	48,930,267
Saving	413,876	446,471	438,539
Time	53,372,734	54,017,422	45,559,081
Other	2,910,482	3,682,635	2,825,958
Total	116,854,326	109,963,411	97,753,845

7. Debt securities and Sukuk

In addition to the bond issued amounted to USD 650 million under USD 2 Billion Euro Medium Term Note programme in 2010, the Bank raised fund through medium term sharia compliant Sukuk amounted to USD 750 million for 5 years in May 2012, under a USD 2 billion programme listed on the London Stock Exchange.

8. Derivatives

The table below sets out the positive and negative fair values of derivative financial instruments held, together with their notional amounts. The notional amounts, which provide an indication of the volumes of transactions outstanding at end of the period, do not necessarily reflect the amounts of future cash flows involved. These notional amounts, therefore, are neither indicative of the Bank's exposure to credit risk (which is generally limited to the positive fair value of the derivatives) nor to market risk.

Derivative financial instruments SAR '000	Sep 30, 2012 (Unaudited)			Dec 31, 2011 (Audited)			Sep 30, 2011 (Unaudited)		
	Positive fair value	Negative fair value	Notional amount	Positive fair value	Negative fair value	Notional amount	Positive fair value	Negative fair value	Notional amount
Held for trading									
Special commission rate swaps	2,942,828	2,542,699	126,180,917	2,779,537	2,648,569	121,770,324	4,945,391	4,734,783	185,408,701
Special commission rate futures and options	10,463	2,916	35,182,425	3,796	2,609	18,369,866	3,997	2,903	16,412,964
Forward rate agreements	21	1,042	1,250,000	-	-	-	-	-	-
Forward foreign exchange contracts	150,708	75,664	49,824,396	126,213	58,217	70,766,488	179,207	79,519	75,377,124
Currency options	30,442	-	45,017,596	14,843	-	39,252,138	16,221	16	46,052,285
Others	13,181	-	2,034,672	5,245	-	985,433	5,165	-	1,052,249
Held as fair value hedges									
Special commission rate swaps	-	24,080	5,668,982	178,732	17,407	4,562,924	193,415	73,738	6,044,965
Held as cash flow hedges									
Special commission rate swaps	1,614,037	2,407	44,225,781	1,359,518	8,014	27,452,666	1,646,997	-	30,860,173
Total	4,761,680	2,648,808	309,384,769	4,467,884	2,734,816	283,159,839	6,990,393	4,890,959	361,208,461
Value of netting arrangements	(1,738)	(1,738)	(57,500)	(19,011)	(19,011)	(832,452)	(1,865,712)	(1,865,712)	(66,831,288)
Total after netting	4,759,942	2,647,070	309,327,269	4,448,873	2,715,805	282,327,387	5,124,681	3,025,247	294,377,173

Special commission rate swaps include the notional amount of SAR 58 million (December 31, 2011: SAR 832 million and, September 30, 2011: SAR 66,831 million), with an aggregate positive and a negative fair value of SAR 2 million (December 31, 2011: SAR 19 million and September 30, 2011: SAR 1,866 million) which are netted off for credit exposure purposes, as the Bank intends to settle these on a net basis.

9. Credit related commitments and contingencies

The Bank's credit related commitments and contingencies are as follows:

SAR '000	Sep 30, 2012 (Unaudited)	Dec 31, 2011 (Audited)	Sep 30, 2011 (Unaudited)
Letters of credit	14,004,082	13,323,932	14,712,626
Letters of guarantee	39,792,541	36,938,188	36,733,117
Acceptances	2,555,061	2,283,071	2,483,734
Irrevocable commitments to extend credit	5,785,407	5,147,717	5,423,699
Total	62,137,091	57,692,908	59,353,176

10. Cash and cash equivalents

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

SAR '000	Sep 30, 2012 (Unaudited)	Dec 31, 2011 (Audited)	Sep 30, 2011 (Unaudited)
Cash and balances with SAMA excluding statutory deposit	13,075,752	12,459,872	2,576,369
Due from banks and other financial institutions maturing within three months from the date of acquisition	5,453,537	7,009,009	8,090,798
Total	18,529,289	19,468,881	10,667,167

11. Segment information

Operating segments are identified on the basis of internal reports about components of the Bank that are regularly reviewed by the Bank's Board of Directors in its function as chief decision maker in order to allocate resources to the segments and to assess its performance.

Transactions between operating segments are approved by the management as per agreed terms and are reported according to the Bank's internal transfer pricing policy. These terms are in line with normal commercial terms and conditions. The revenue from external parties report to the Board is measured in a manner consistent with that in the interim condensed consolidated income statement.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since December 31, 2011.

The Bank is organised into the following main operating segments:

Retail banking – incorporates private and small establishment customers' demand accounts, overdrafts, loans, saving accounts, deposits, credit and debit cards, consumer loans, leasing and certain forex products.

Corporate banking – incorporates corporate and medium establishment customers' demand accounts, deposits, overdrafts, corporate loans and other credit facilities and derivative products.

Treasury – incorporates treasury services, trading activities, investment securities, money market, Bank's funding operations and derivative products.

Investment banking and brokerage – incorporates investment management services and asset management activities related to dealing, managing, arranging, advising and custody of securities, retail investments products, international and local shares brokerage services, insurance brokerage and corporate financial advisory services.

The Bank's total assets and liabilities as at Sep 30, 2012 and 2011, together with total operating income, total operating expenses and net income for the nine months then ended, by operating segments, are as follows:

11. Segment information (Continued)

(Unaudited) SAR '000''	Retail banking	Corporate banking	Treasury	Investment banking and brokerage	Total
<u>Sep 30, 2012</u>					
Total assets	15,804,822	90,462,660	47,671,339	1,033,630	154,972,451
Total liabilities	49,926,056	67,150,600	14,795,014	909,550	132,781,220
Total operating income	1,071,515	1,730,745	637,149	283,846	3,723,255
Total operating expenses	794,705	470,699	142,901	108,511	1,516,816
Share in earnings of associates, net			1,197		1,197
Net income for the period	276,810	1,260,046	495,445	175,335	2,207,636
Impairment charge for credit losses, net	154,135	223,150	-		377,285
<u>Sep 30, 2011</u>					
Total assets	14,823,501	79,703,753	36,129,470	314,162	130,970,886
Total liabilities	43,334,177	54,516,269	13,547,189	274,812	111,672,447
Total operating income	1,151,351	1,640,242	545,277	140,169	3,477,039
Total operating expenses	750,972	252,641	129,742	86,900	1,220,255
Share in losses of associates, net	-	-	6,771	-	6,771
Net income for the period	400,379	1,387,601	408,764	53,269	2,250,013
Impairment charge for credit losses, net	94,446	7,712	-	-	102,158

12. Share capital and Earnings per share

The authorised, issued and fully paid share capital of the Bank consists of 904 million shares of SAR 10 each (September 30, 2011: 723.2 million shares of SAR 10 each). In accordance with the shareholders' resolution passed at the Extra Ordinary General Assembly Meeting held on April 7, 2012, a stock dividend of 180.8 million shares at a nominal value SAR 10 each was approved to existing shareholders, on the basis of 1 stock dividend shares for every 4 shares held, through capitalization of retained earnings. Accordingly, share capital of the Bank has increased from SAR 7,232 million to SAR 9,040 million.

Basic and diluted earnings per share for the periods ended September 30, 2012 and 2011 are calculated by dividing the net income for the period by 904 million shares

13. Comparative figures

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

14. Capital Adequacy

The Bank's objectives when managing capital are, to comply with the capital requirements set by SAMA; to safeguard the Bank's ability to continue as a going concern; and to maintain a strong capital base. Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management.

The Bank monitors the adequacy of its capital using ratios established by the SAMA. These ratios measure capital adequacy by comparing the Bank's eligible capital with its statement of financial position assets, commitments and notional amount of derivatives at a weighted amount to reflect their relative risk. SAMA requires holding minimum level of the regulatory capital of and maintaining a ratio of total regulatory capital to the risk-weighted asset (RWA) at or above the agreed minimum of 8%.

The Bank's total risk weighted assets and total Tier I & II Capital are as follows:

SAR' 000	Sep 30, 2012 (Unaudited)	Sep 30, 2011 (Unaudited)
Credit Risk RWA	142,118,662	125,105,160
Operational Risk RWA	8,412,462	8,154,687
Market Risk RWA	3,097,688	2,901,953
Total RWA	153,628,812	136,161,800
Tier I Capital	19,636,991	16,745,385
Tier II Capital	3,094,754	3,019,647
Total Tier I & II Capital	22,731,745	19,765,032
Capital Adequacy Ratio %		
Tier I ratio	12.78%	12.30%
Tier I + Tier II ratio	14.80%	14.52%