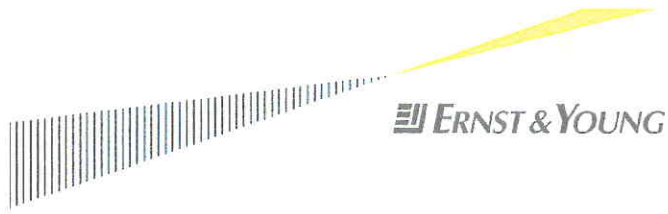


SAMBA FINANCIAL GROUP

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
AND AUDITORS' REVIEW REPORT

FOR THE THREE MONTH PERIOD ENDED
MARCH 31, 2012



Report on Review of Interim Condensed Consolidated Financial Statements

To the Shareholders of Samba Financial Group
(A Saudi Arabian Joint Stock Company)

Introduction

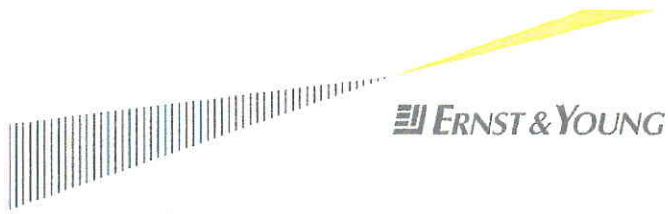
We have reviewed the accompanying interim statement of consolidated financial position of Samba Financial Group (the "Bank") and its subsidiaries (collectively referred to as "the Group") as of March 31, 2012, and the related interim statements of consolidated income, consolidated comprehensive income, consolidated changes in equity and consolidated cash flows for the three-month period then ended and the notes from (1) to (13a), which form an integral part of these interim condensed consolidated financial statements. We have not reviewed note (13(b)), nor the information related to "Basel II Pillar III Disclosures" cross-referenced therein, which is not required to be within the scope of our review. 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 "Interim Financial Reporting".



Other Regulatory Matters

As required by SAMA, certain capital adequacy information has been disclosed in note (13a) of the accompanying interim condensed consolidated financial statements. As part of our review, we compared the information in note (13a) to the relevant analysis prepared by the Bank for submission to SAMA and found no material inconsistencies.

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19 Jumad Al Awal 1433 H
(11 April 2012)

	Notes	Mar 31, 2012 (Unaudited) (SR '000)	Dec 31, 2011 (Audited) (SR '000)	Mar 31, 2011 (Unaudited) (SR '000)
ASSETS				
Cash and balances with central banks		34,618,703	33,508,745	34,216,057
Due from banks and other financial institutions		6,133,957	2,731,799	3,885,915
Investments, net	5	55,144,822	60,174,512	64,629,159
Investment in associate		207	209	220
Loans and advances, net	6	92,782,869	89,111,429	81,319,915
Property and equipment, net		1,286,772	1,169,432	993,469
Other assets		6,198,516	6,077,764	5,854,778
Total assets		196,165,846	192,773,890	190,899,513
LIABILITIES AND EQUITY				
LIABILITIES				
Due to banks and other financial institutions		19,248,058	20,628,293	21,491,072
Customer deposits	7	139,903,013	137,256,864	134,453,512
Other liabilities		7,664,359	6,631,371	6,873,267
Debt securities issued		-	-	1,874,930
Total liabilities		166,815,430	164,516,528	164,692,781
EQUITY				
Equity attributable to equity holders of the Bank				
Share capital		9,000,000	9,000,000	9,000,000
Statutory reserve		9,000,000	9,000,000	9,000,000
General reserve		130,000	130,000	130,000
Other reserves		34,334	(726,665)	(312,590)
Retained earnings		12,207,726	11,051,460	9,461,021
Proposed dividend		-	831,000	-
Treasury stocks		(1,150,445)	(1,155,892)	(1,249,789)
Total equity attributable to equity holders of the Bank		29,221,615	28,129,903	26,028,642
Non-controlling interest		128,801	127,459	178,090
Total equity		29,350,416	28,257,362	26,206,732
Total liabilities and equity		196,165,846	192,773,890	190,899,513

The accompanying notes 1 to 13 form an integral part of the interim condensed consolidated financial statements.

SAMBA FINANCIAL GROUP
STATEMENTS OF CONSOLIDATED INCOME
Unaudited

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	<u>Three months ended</u>	
	<u>Mar 31, 2012</u>	<u>Mar 31, 2011</u>
	<u>(SR '000)</u>	<u>(SR '000)</u>
Special commission income	1,209,473	1,201,850
Special commission expense	145,410	132,580
Special commission income, net	1,064,063	1,069,270
Fees and commission income, net	494,820	361,365
Exchange income, net	113,440	63,534
Income from investment held at FVIS, net	35,416	56,621
Trading income, net	23,134	11,653
Gains on non-trading investments, net	28,411	57,668
Other operating income	36,872	80,841
Total operating income	1,796,156	1,700,952
Salaries and employee related expenses	299,090	300,992
Rent and premises related expenses	61,967	56,239
Depreciation	33,892	32,030
Other general and administrative expenses	119,042	95,578
Provision for credit losses, net of recoveries	137,543	92,797
Total operating expenses	651,534	577,636
Net income for the periods	1,144,622	1,123,316
Attributable to:		
Equity holders of the Bank	1,144,504	1,123,134
Non-controlling interest	118	182
	1,144,622	1,123,316
Basic and diluted earnings per share for the periods (SR) - note 12	1.27	1.25

The accompanying notes 1 to 13 form an integral part of the interim condensed consolidated financial statements.

SAMBA FINANCIAL GROUP
 STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME
Unaudited

	<u>Three months ended</u>	
	<u>Mar 31, 2012</u>	<u>Mar 31, 2011</u>
	(SR '000)	(SR '000)
Net income for the periods	1,144,622	1,123,316
Other comprehensive income:		
Exchange differences on translation of foreign operations	4,017	9,211
Available for sale financial assets:		
- Change in fair values	756,713	274,340
- Transfers to statement of consolidated income	(27,849)	(47,460)
Cash flow hedges:		
- Change in fair values	(32,541)	(136,823)
- Transfers to statement of consolidated income	61,883	84,231
Total Comprehensive income for the periods	<u><u>1,906,845</u></u>	<u><u>1,306,815</u></u>
Attributable to:		
Equity holders of the Bank	1,905,503	1,301,929
Non-controlling interest	1,342	4,886
Total	<u><u>1,906,845</u></u>	<u><u>1,306,815</u></u>

The accompanying notes 1 to 13 form an integral part of the interim condensed consolidated financial statements.

SAMBA FINANCIAL GROUP
STATEMENTS OF CONSOLIDATED CHANGES IN EQUITY

Unaudited

Attributable to equity holders of the Bank

	Share capital (SR'000)	Statutory reserve (SR'000)	General reserve (SR'000)	Other reserves			Retained earnings (SR'000)	Proposed dividends (SR'000)	Treasury stocks (SR'000)	Total (SR'000)	Non controlling interest (SR'000)	Total equity (SR'000)
				Exchange translation reserve (SR'000)	AFS financial assets (SR'000)	Cash flow hedges (SR'000)						
For the three months period ended March 31, 2012												
Balance at the beginning of the period	9,000,000	9,000,000	130,000	(113,500)	(645,382)	32,217	11,051,460	831,000	(1,155,892)	28,129,903	127,459	28,257,362
Net changes in treasury stocks	-	-	-	-	-	-	11,762	-	5,447	17,209	-	17,209
2011 final dividend	-	-	-	-	-	-	-	(831,000)	-	(831,000)	-	(831,000)
Total comprehensive income for the period	-	-	-	(2,348)	734,005	29,342	1,144,504	-	-	1,905,503	1,342	1,906,845
Balance at end of the period	9,000,000	9,000,000	130,000	(115,848)	88,623	61,559	12,207,726	-	(1,150,445)	29,221,615	128,801	29,350,416
For the three months period ended March 31, 2011												
Balance at the beginning of the period	9,000,000	9,000,000	130,000	(98,407)	(680,511)	287,533	8,327,508	731,889	(1,268,330)	25,429,682	173,204	25,602,886
Net changes in treasury stocks	-	-	-	-	-	-	10,379	-	18,541	28,920	-	28,920
2010 final dividend	-	-	-	-	-	-	-	(731,889)	-	(731,889)	-	(731,889)
Total comprehensive income for the period	-	-	-	1,491	229,896	(52,592)	1,123,134	-	-	1,301,929	4,886	1,306,815
Balance at end of the period	9,000,000	9,000,000	130,000	(96,916)	(450,615)	234,941	9,461,021	-	(1,249,789)	26,028,642	178,090	26,206,732

The accompanying notes 1 to 13 form an integral part of the interim condensed consolidated financial statements.

SAMBA FINANCIAL GROUP
STATEMENTS OF CONSOLIDATED CASH FLOWS
Unaudited

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	Note	Three months ended	
		Mar 31, 2012 (SR '000)	Mar 31, 2011 (SR '000)
<u>OPERATING ACTIVITIES</u>			
Net income for the periods		1,144,622	1,123,316
Adjustments to reconcile net income to net cash from operating activities:			
Accretion of discount and amortization of premium on non-trading investments, net		16,146	(12,451)
Accretion of discount on debt securities issued		-	210
Income from investments held at FVIS, net		(35,416)	(56,621)
Gain on non-trading investments, net		(28,411)	(57,668)
Depreciation		33,892	32,030
Gain on disposal of property and equipment, net		(3,477)	(2,511)
Provision for credit losses, net of recoveries		137,543	92,797
Net (increase)/decrease in operating assets:			
Statutory deposits with central banks		(253,153)	(407,961)
Due from banks and other financial institutions maturing after ninety days		(3,242,094)	(1,654,736)
Investments held for trading		388	(240,312)
Loans and advances		(3,808,983)	(1,161,887)
Other assets		(120,752)	385,442
Net increase/(decrease) in operating liabilities:			
Due to banks and other financial institutions		(1,380,235)	1,690,437
Customer deposits		2,646,149	990,548
Other liabilities		299,168	143,029
Net cash (used in)/from operating activities		<u>(4,594,613)</u>	<u>863,662</u>
<u>INVESTING ACTIVITIES</u>			
Proceeds from sale of and matured non-trading investments		21,422,243	23,169,016
Purchase of non-trading investments		(15,611,255)	(22,318,506)
Purchase of property and equipment, net		(145,930)	(56,105)
Proceeds from sale of property and equipment		3,611	3,362
Net cash from investing activities		<u>5,668,669</u>	<u>797,767</u>
<u>FINANCING ACTIVITIES</u>			
Treasury stocks, net		17,209	28,920
Dividends paid		(74,396)	(722,681)
Net cash used in financing activities		<u>(57,187)</u>	<u>(693,761)</u>
Increase in cash and cash equivalents		<u>1,016,869</u>	<u>967,668</u>
Cash and cash equivalents at the beginning of the period	10	26,507,147	27,259,113
Cash and cash equivalents at the end of the period	10	<u>27,524,016</u>	<u>28,226,781</u>
Special commission received during the period		1,180,296	1,169,385
Special commission paid during the period		137,973	160,175
<u>Supplemental non-cash information</u>			
Net changes in fair value and transfers to statements of consolidated income		<u>758,206</u>	<u>174,288</u>

The accompanying notes 1 to 13 form an integral part of the interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**(Unaudited)****1. GENERAL**

Samba Financial Group (the "Bank"), a Joint Stock Company incorporated in the Kingdom of Saudi Arabia, was formed pursuant to Royal Decree No. M/3 dated 26 Rabie Al-Awal 1400H (February 12, 1980). The Bank commenced business on 29 Shabaan 1400H (July 12, 1980) when it took over the operations of Citibank in the Kingdom of Saudi Arabia. The Bank operates under commercial registration no. 1010035319 dated 6 Safar 1401H (December 13, 1980). The Bank's head office is located at King Abdul Aziz Road, P.O. Box 833, Riyadh 11421, Kingdom of Saudi Arabia.

The objective of the Bank is to provide a full range of banking and related services. The Bank also provides its customers non-interest based banking products that are approved and supervised by an independent Shariah Board established by the Bank.

The interim condensed consolidated financial statements include the financial statements of the Bank and its following subsidiaries, hereinafter collectively referred to as "the Group":

Samba Capital and Investment Management Company (Samba Capital)

In accordance with the Securities Business Regulations issued by the Capital Market Authority ("CMA"), the Bank has established a wholly owned subsidiary, Samba Capital and Investment Management Company formed as a limited liability company under commercial registration number 1010237159 issued in Riyadh dated 6 Shabaan 1428H (August 19, 2007), to manage the Bank's investment services and asset management activities related to dealing, arranging, managing, advisory and custody businesses. The Company has been licensed by the CMA and has commenced its business effective January 19, 2008.

Samba Bank Limited, Pakistan (SBL)

An 80.68% owned subsidiary incorporated as a banking company in Pakistan and engaged in commercial banking and related services, and listed on all stock exchanges in Pakistan.

Co-Invest Offshore Capital Limited (COCL)

A wholly owned company incorporated under the laws of Cayman Islands for the purpose of managing certain overseas investments, through an entity controlled by COCL.

Samba Real Estate Company

A wholly owned subsidiary incorporated in Saudi Arabia under commercial registration no. 1010234757, issued in Riyadh, dated 9 Jumada II, 1428H (June 24, 2007). The company has been formed with the approval of SAMA for the purpose of managing real estate projects on behalf of Samba Real Estate Fund - a fund under management by Samba Capital, and the Bank.

2. 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 (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. These interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Group for the year ended December 31, 2011.

The interim condensed consolidated financial statements are expressed in Saudi Arabian Riyals (SR) and amounts are rounded to the nearest thousand. The comparative information has been restated, where required, to conform to current period presentation.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

3. BASIS OF CONSOLIDATION

These interim condensed consolidated financial statements include the financial position and results of Samba Financial Group and its subsidiary companies. The financial statements of subsidiaries are prepared for the same reporting period as that of the Bank except for COCL whose financial statements are as of previous quarter end for consolidation purposes to meet the group reporting timetable. Wherever necessary, adjustments have been made to the financial statements of the subsidiaries to align with the Bank's financial statements. Significant inter-group balances and transactions are eliminated upon consolidation.

Subsidiaries are all entities over which the Bank has the power to govern the financial and operating policies, so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are consolidated from the date on which control is transferred to the Bank. The results of subsidiaries acquired or disposed off during the year are included in the statements of consolidated income from the date of the acquisition or up to the date of disposal, as appropriate.

Non-controlling interests represent the portion of net income or loss and net assets not owned, directly or indirectly, by the Bank in subsidiaries and are presented in the interim statements of consolidated income and within equity in the statements of consolidated financial position, separately from the equity holders of the Bank.

4. SIGNIFICANT ACCOUNTING POLICIES

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

5. INVESTMENTS, NET

Investment securities are classified as follows:

	Mar 31, 2012 (Unaudited) (SR'000)	Dec 31, 2011 (Audited) (SR'000)	Mar 31, 2011 (Unaudited) (SR'000)
Held at fair value through income statement (FVIS)	2,470,121	2,344,592	2,302,788
Available for sale (AFS)	35,794,864	37,846,223	38,503,908
Held to maturity	5,580,915	5,578,535	5,571,783
Other investments held at amortized cost	11,298,922	14,405,162	18,250,680
TOTAL	55,144,822	60,174,512	64,629,159

FVIS investments above include investments held for trading amounting to SR 665.2 million (December 31, 2011: SR 665.6 million, March 31, 2011: SR 710.8 million).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

6. LOANS AND ADVANCES, NET

The total loans and advances, which are held at amortised cost, are classified as follows:

	Mar 31, 2012 (Unaudited) (SR'000)	Dec 31, 2011 (Audited) (SR'000)	Mar 31, 2011 (Unaudited) (SR'000)
Credit cards	1,269,996	1,357,598	1,331,541
Consumer loans	16,632,321	15,986,904	14,496,017
Commercial loans and advances	75,626,571	72,441,828	66,146,876
Performing loans and advances	93,528,888	89,786,330	81,974,434
Non performing loans and advances	2,819,277	2,763,860	3,118,303
Gross loans and advances	96,348,165	92,550,190	85,092,737
Provision for credit losses	(3,565,296)	(3,438,761)	(3,772,822)
TOTAL	92,782,869	89,111,429	81,319,915

7. CUSTOMER DEPOSITS

Customer deposits are classified as follows:

	Mar 31, 2012 (Unaudited) (SR'000)	Dec 31, 2011 (Audited) (SR'000)	Mar 31, 2011 (Unaudited) (SR'000)
Demand	84,934,078	78,770,255	73,628,591
Saving	4,482,544	4,333,533	3,912,021
Time	45,627,907	49,482,491	51,360,573
Other	4,858,484	4,670,585	5,552,327
TOTAL	139,903,013	137,256,864	134,453,512

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)

8. DERIVATIVES

The table below sets out the positive and negative fair values of derivative financial instruments, which have been accounted for in these interim condensed consolidated financial statements, together with their notional amounts. The notional amounts, which provide an indication of the volumes of the transactions outstanding at the end of the period, do not necessarily reflect the amounts of future cash flows involved. These notional amounts, therefore, are neither indicative of the Group's exposure to credit risk, which is generally limited to the positive fair value of the derivatives, nor market risk. Positive and negative fair values are classified under other assets and other liabilities respectively.

	Mar 31, 2012 (Unaudited) (SR '000)			Dec 31, 2011 (Audited) (SR '000)			Mar 31, 2011 (Unaudited) (SR '000)		
	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									
Commission rate swaps	4,008,184	1,261,242	96,322,170	4,364,702	1,690,554	99,849,210	3,315,680	1,577,446	104,384,499
Commission rate futures, options and guarantees	9,306	9,995	1,077,365	7,233	7,233	1,227,365	236,748	237,495	10,966,126
Forward foreign exchange contracts	154,315	128,832	35,594,593	112,880	100,670	41,885,825	182,751	177,417	45,074,019
Currency options	710,633	710,217	73,823,727	218,595	218,515	27,897,413	158,723	160,952	14,469,843
Swaptions	28,683	27,653	2,345,208	185,232	183,774	6,872,606	94,831	97,742	11,467,939
Equity & commodity options	14,420	16,824	467,621	29,908	33,503	921,398	24,831	23,546	620,994
Other	18,102	202	336,476	4,286	71	386,769	10,659	7,052	633,928
Held as fair value hedges									
Commission rate futures	-	-	-	-	2,492	748,500	-	-	-
Commission rate swaps	-	2,219	46,875	-	3,329	46,875	-	4,144	46,875
Held as cash flow hedges									
Commission rate swaps	255,408	72,476	7,716,500	295,032	134,461	9,781,250	381,471	266	11,487,500
TOTAL	5,199,051	2,229,660	217,730,535	5,217,868	2,374,602	189,617,211	4,405,694	2,286,060	199,151,723

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Unaudited)**9. CREDIT RELATED COMMITMENTS AND CONTINGENCIES**

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

	Mar 31, 2012 (Unaudited) (SR '000)	Dec 31, 2011 (Audited) (SR '000)	Mar 31, 2011 (Unaudited) (SR '000)
Letters of credit	8,487,937	7,748,449	7,242,128
Letters of guarantee	29,060,198	27,052,176	26,787,538
Acceptances	2,493,922	1,893,309	1,930,092
Irrevocable commitments to extend credit	4,683,263	5,324,235	5,195,602
Other	354,254	326,842	302,086
TOTAL	45,079,574	42,345,011	41,457,446

10. CASH AND CASH EQUIVALENTS

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

	Mar 31, 2012 (Unaudited) (SR '000)	Dec 31, 2011 (Audited) (SR '000)	Mar 31, 2011 (Unaudited) (SR '000)
Cash and balances with central banks excluding statutory deposits	27,319,854	26,463,049	27,510,630
Due from banks and other financial institutions maturing within ninety days	204,162	44,098	716,151
TOTAL	27,524,016	26,507,147	28,226,781

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

11. OPERATING SEGMENTS

The Group is organised into the following main operating segments:

Consumer banking - comprises of individual customer time deposits, current, call and savings accounts, as well as credit cards, retail investment products and consumer loans.

Corporate banking - comprises of corporate time deposits, current and call accounts, overdrafts, loans and other credit facilities as well as the Group's investment, trading and derivative portfolios and its corporate advisory business.

Treasury - principally manages money market, foreign exchange, commission rate trading and derivatives for corporate and institutional customers as well as for the Bank's own account. It is also responsible for funding the Group's operations, maintaining liquidity and managing the Group's investment portfolio and statement of financial position.

Investment banking - engaged in investment management services and asset management activities related to dealing, managing, arranging, advising and custody businesses. The investment banking business is housed under a separate legal entity Samba Capital and Investment Management Company.

The Group's primary business is conducted in the Kingdom of Saudi Arabia with three overseas branches and two overseas subsidiaries. However, the results of overseas operations are not material to the Group's overall consolidated financial statements.

Transactions between the operating segments are on normal commercial terms. Funds are ordinarily reallocated between segments, resulting in funding cost transfers. Special commission charged for these funds is based on interbank rates. There are no other material items of income or expense between the operating segments. The Group's total assets and liabilities as at March 31, 2012 and 2011, together with total operating income, total operating expenses, provisions for credit losses, net income, capital expenditure, and depreciation expenses for the periods then ended, by operating segments, are as follows:

March 31, 2012 (Unaudited)

<u>SR'000</u>	Consumer	Corporate	Treasury	Investment banking	Total
Total assets	33,153,861	72,763,624	90,148,785	99,576	196,165,846
Total liabilities	69,865,242	75,932,585	20,927,294	90,309	166,815,430
Total operating income	597,254	622,338	318,534	258,030	1,796,156
Total operating expenses	306,624	148,059	28,602	30,706	513,991
Provisions for credit losses	9,300	128,243	-	-	137,543
Net income for the period	281,330	346,036	289,932	227,324	1,144,622
Capital expenditure	10,846	134,855	124	105	145,930
Depreciation	12,368	19,148	372	2,004	33,892

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

11. OPERATING SEGMENTS (continued)

March 31, 2011 (Unaudited)

<u>SR'000</u>	Consumer	Corporate	Treasury	Investment banking	Total
Total assets	30,124,054	62,748,222	97,958,969	68,268	190,899,513
Total liabilities	66,014,091	74,680,921	23,951,180	46,589	164,692,781
Total operating income	668,508	629,565	248,028	154,851	1,700,952
Total operating expenses	289,315	138,291	27,037	30,196	484,839
Provisions for credit losses	15,703	77,094	-	-	92,797
Net income for the period	363,490	414,180	220,991	124,655	1,123,316
Capital expenditure	10,728	44,663	461	253	56,105
Depreciation	13,228	17,006	686	1,110	32,030

12. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share for the periods ended March 31, 2012 and 2011 are calculated by dividing the net income for the periods attributable to the equity holders of the Bank, by 900 million shares.

13(a) CAPITAL ADEQUACY

The Group monitors the adequacy of its capital using the methodology and ratios established by SAMA with a view to maintain a sound capital base to support business development and meet regulatory capital requirement as defined by SAMA. These ratios measure capital adequacy by comparing the Group's eligible capital with its statement of financial position assets, commitments and contingencies, notional amount of derivatives at a weighted amount to reflect their relative credit risk, market risk and operational risk. During the period, the Group has fully complied with regulatory capital requirement.

The Group management on a periodical basis reviews capital base and level of Risk Weighted Assets (RWA) to ensure that capital is adequate for risk inherent in business activities. The management also considers Group's business plan along with economic conditions which directly and indirectly affects business environment. Overseas subsidiary manages its own capital as prescribed by local regulatory requirements.

SAMA has issued guidance regarding implementation of the Basel II disclosures which are effective from January 1, 2008. Accordingly, calculated under the Basel II framework, the Group's RWA, total capital and related ratios on a consolidated group basis and on a standalone basis for its significant banking subsidiary calculated for the credit, market and operational

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

13(a) CAPITAL ADEQUACY (continued)

	Mar 31, 2012 (Unaudited) (SR '000)	Dec 31, 2011 (Audited) (SR '000)	Mar 31, 2011 (Unaudited) (SR '000)
Samba Financial Group (consolidated)			
Credit risk RWA	136,625,429	132,691,373	123,751,600
Operational risk RWA	11,739,488	11,925,831	11,904,860
Market risk RWA	12,497,250	11,433,113	11,696,488
Total RWA	160,862,167	156,050,317	147,352,948
Tier I capital	28,179,775	28,231,034	25,055,818
Tier II capital	2,852,322	1,658,642	2,670,029
Total tier I & II capital	31,032,097	29,889,676	27,725,847
Capital Adequacy Ratio %			
Tier I ratio	17.5%	18.1%	17.0%
Tier I + II ratio	19.3%	19.2%	18.8%
Capital adequacy ratios for SBL are as follows:			
Tier I ratio	51.9%	46.6%	62.4%
Tier I + II ratio	51.9%	46.7%	62.6%

13(b) OTHER PILLAR 3 DISCLOSURES

Certain quantitative disclosures as required by SAMA under pillar 3 of Basel II, have been published on Bank's official website www.samba.com.