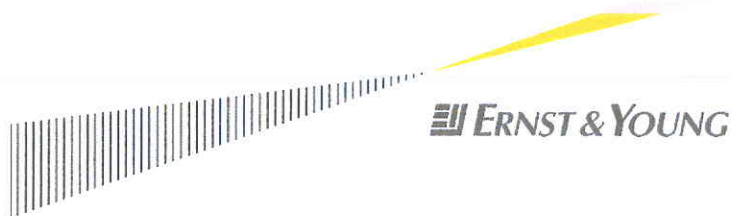


SAMBA FINANCIAL GROUP

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
AND AUDITORS' REVIEW REPORT**

**FOR THE NINE MONTH PERIOD ENDED
SEPTEMBER 30, 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 at September 30, 2012, the related interim consolidated statements of income and comprehensive income for the three month and nine month periods then ended, statements of changes in equity and cash flows for the nine month period then ended and the notes from (1) to (14a). We have not reviewed note (14(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 (14a) of the accompanying interim condensed consolidated financial statements. As part of our review, we compared the information in note (14a) to the relevant analysis prepared by the Bank for submission to SAMA and found no material inconsistencies.

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1 Dhul Hijjah 1433H
(October 17, 2012)

	Notes	Sep 30, 2012 (Unaudited) (SR '000)	Dec 31, 2011 (Audited) (SR '000)	Sep 30, 2011 (Unaudited) (SR '000)
ASSETS				
Cash and balances with central banks		33,854,923	33,508,745	22,169,473
Due from banks and other financial institutions		7,698,455	2,731,799	3,963,316
Investments, net	5	54,323,328	60,174,512	66,040,635
Investment in associate		198	209	215
Loans and advances, net	6	98,064,890	89,111,429	88,258,215
Property and equipment, net		1,435,098	1,169,432	1,131,844
Other assets		6,134,618	6,077,764	7,001,502
Total assets		201,511,510	192,773,890	188,565,200
LIABILITIES AND EQUITY				
LIABILITIES				
Due to banks and other financial institutions		20,714,854	20,628,293	19,780,861
Customer deposits	7	143,215,538	137,256,864	134,890,589
Other liabilities		6,881,657	6,631,371	6,546,655
Total liabilities		170,812,049	164,516,528	161,218,105
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		(66,956)	(726,665)	(698,946)
Retained earnings		13,651,263	11,051,460	10,939,470
Proposed dividend		-	831,000	-
Treasury stocks		(1,118,048)	(1,155,892)	(1,163,970)
Total equity attributable to equity holders of the Bank		30,596,259	28,129,903	27,206,554
Non-controlling interest		103,202	127,459	140,541
Total equity		30,699,461	28,257,362	27,347,095
Total liabilities and equity		201,511,510	192,773,890	188,565,200

The accompanying notes 1 to 14 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>Nine months ended</u>	
	<u>Sep 30, 2012</u> <u>(SR '000)</u>	<u>Sep 30, 2011</u> <u>(SR '000)</u>	<u>Sep 30, 2012</u> <u>(SR '000)</u>	<u>Sep 30, 2011</u> <u>(SR '000)</u>
Special commission income	1,214,882	1,172,622	3,622,705	3,622,484
Special commission expense	97,062	119,239	341,909	366,446
Special commission income, net	1,117,820	1,053,383	3,280,796	3,256,038
Fees and commission income, net	381,222	318,420	1,358,065	1,076,408
Exchange income, net	106,337	81,968	321,998	229,327
Income/(loss) from investment held at FVIS, net	51,138	(7,391)	80,288	31,434
Trading income/(loss), net	1,198	(89,535)	19,201	(96,967)
Gains/(loss) on non-trading investments, net	(4,204)	323,369	93,265	427,852
Other operating income	41,412	32,996	82,125	124,594
Total operating income	1,694,923	1,713,210	5,235,738	5,048,686
Salaries and employee related expenses	283,568	302,934	910,279	951,123
Rent and premises related expenses	65,563	54,854	190,905	165,598
Depreciation	34,311	35,048	102,015	101,431
Other general and administrative expenses	115,889	94,433	336,085	275,265
Provision for credit losses, net of recoveries	34,949	90,883	233,352	194,723
Total operating expenses	534,280	578,152	1,772,636	1,688,140
Net income for the periods	1,160,643	1,135,058	3,463,102	3,360,546
Attributable to:				
Equity holders of the Bank	1,159,611	1,135,089	3,461,617	3,360,279
Non-controlling interest	1,032	(31)	1,485	267
	1,160,643	1,135,058	3,463,102	3,360,546
Basic and diluted earnings per share for the periods (SR) - note 12	1.29	1.26	3.85	3.73

The accompanying notes 1 to 14 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>Nine months ended</u>	
	<u>Sep 30, 2012</u> <u>(SR '000)</u>	<u>Sep 30, 2011</u> <u>(SR '000)</u>	<u>Sep 30, 2012</u> <u>(SR '000)</u>	<u>Sep 30, 2011</u> <u>(SR '000)</u>
Net income for the periods	1,160,643	1,135,058	3,463,102	3,360,546
Other comprehensive income:				
Exchange differences on translation of foreign operations	4,288	(10,915)	(22,825)	(5,629)
Available for sale financial assets:				
- Change in fair values	249,484	(163,684)	641,696	241,669
- Transfers to statement of consolidated income	(99)	(318,376)	(89,911)	(381,754)
Cash flow hedges:				
- Change in fair values	(48,463)	(103,050)	(46,945)	(329,483)
- Transfers to statement of consolidated income	43,447	72,998	151,952	234,706
Total Comprehensive income for the periods	<u>1,409,300</u>	<u>612,031</u>	<u>4,097,069</u>	<u>3,120,055</u>
Attributable to:				
Equity holders of the Bank	1,416,720	615,439	4,121,326	3,152,718
Non-controlling interest	(7,420)	(3,408)	(24,257)	(32,663)
Total	<u>1,409,300</u>	<u>612,031</u>	<u>4,097,069</u>	<u>3,120,055</u>

The accompanying notes 1 to 14 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		Cash flow hedges (SR'000)	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)							
For the nine months period ended Sep 30, 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	-	-	-	-	-	-	28,186	-	37,844	66,030	-	66,030
2011 final dividend paid	-	-	-	-	-	-	-	(831,000)	-	(831,000)	-	(831,000)
2012 interim dividend paid (note 13)	-	-	-	-	-	-	(890,000)	-	-	(890,000)	-	(890,000)
Total comprehensive income for the period	-	-	-	(17,155)	571,857	105,007	3,461,617	-	-	4,121,326	(24,257)	4,097,069
Balance at end of the period	9,000,000	9,000,000	130,000	(130,655)	(73,525)	137,224	13,651,263	-	(1,118,048)	30,596,259	103,202	30,699,461
For the nine months period ended Sep 30, 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	-	-	-	-	-	-	27,683	-	104,360	132,043	-	132,043
2010 final dividend paid	-	-	-	-	-	-	-	(731,889)	-	(731,889)	-	(731,889)
2011 interim dividend paid (note 13)	-	-	-	-	-	-	(776,000)	-	-	(776,000)	-	(776,000)
Total comprehensive income for the period	-	-	-	(6,336)	(106,448)	(94,777)	3,360,279	-	-	3,152,718	(32,663)	3,120,055
Balance at end of the period	9,000,000	9,000,000	130,000	(104,743)	(786,959)	192,756	10,939,470	-	(1,163,970)	27,206,554	140,541	27,347,095

The accompanying notes 1 to 14 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	Nine Months Ended	
		Sep 30, 2012 (SR '000)	Sep 30, 2011 (SR '000)
<u>OPERATING ACTIVITIES</u>			
Net income for the periods		3,463,102	3,360,546
Adjustments to reconcile net income to net cash from operating activities:			
Accretion of discount and amortization of premium on non-trading investments, net		67,051	2,391
Income from investments held at FVIS, net		(80,288)	(31,434)
Gain on non-trading investments, net		(93,265)	(427,852)
Depreciation		102,015	101,431
Gain on disposal of property and equipment, net		(3,361)	(2,158)
Provision for credit losses, net of recoveries		233,352	194,723
Net (increase)/decrease in operating assets:			
Statutory deposits with central banks		(606,263)	(765,945)
Due from banks and other financial institutions maturing after ninety days		(4,642,311)	(1,986,953)
Investments held for trading		(183,769)	(274,534)
Loans and advances		(9,186,813)	(8,202,113)
Other assets		(56,854)	(761,282)
Net increase/(decrease) in operating liabilities:			
Due to banks and other financial institutions		86,561	(19,774)
Customer deposits		5,958,674	1,427,625
Other liabilities		351,877	(314,044)
Net cash used in operating activities		(4,590,292)	(7,699,373)
<u>INVESTING ACTIVITIES</u>			
Proceeds from sale of and matured non-trading investments		45,706,900	40,657,726
Purchase of non-trading investments		(38,993,579)	(41,190,656)
Purchase of property and equipment, net		(367,604)	(282,940)
Proceeds from sale of property and equipment		10,359	22,068
Net cash from/(used in) investing activities		6,356,076	(793,802)
<u>FINANCING ACTIVITIES</u>			
Repayment of debt securities		-	(1,874,720)
Treasury stocks, net		66,030	132,043
Dividends paid		(1,767,554)	(1,455,864)
Net cash used in financing activities		(1,701,524)	(3,198,541)
Increase/(decrease) in cash and cash equivalents		64,260	(11,691,716)
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	26,571,407	15,567,397
Special commission received during the period		3,527,312	3,568,567
Special commission paid during the period		343,871	527,580
<u>Supplemental non-cash information</u>			
Net changes in fair value and transfers to statements of consolidated income		656,792	(234,862)

The accompanying notes 1 to 14 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:

	Sep 30, 2012 (Unaudited) (SR'000)	Dec 31, 2011 (Audited) (SR'000)	Sep 30, 2011 (Unaudited) (SR'000)
Held at fair value through income statement (FVIS)	2,791,007	2,344,592	2,493,225
Available for sale (AFS)	36,561,813	37,846,223	42,442,239
Held to maturity	5,585,354	5,578,535	5,576,393
Other investments held at amortized cost	9,385,154	14,405,162	15,528,778
TOTAL	54,323,328	60,174,512	66,040,635

FVIS investments above include investments held for trading amounting to SR 849.4 million (December 31, 2011: SR 665.6 million, September 30, 2011: SR 745.0 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:

	Sep 30, 2012 (Unaudited) (SR'000)	Dec 31, 2011 (Audited) (SR'000)	Sep 30, 2011 (Unaudited) (SR'000)
Credit cards	1,353,393	1,357,598	1,547,959
Consumer loans	17,549,194	15,986,904	15,412,842
Commercial loans and advances	79,888,517	72,441,828	71,940,796
Performing loans and advances	98,791,104	89,786,330	88,901,597
Non performing loans and advances	2,351,981	2,763,860	2,807,165
Gross loans and advances	101,143,085	92,550,190	91,708,762
Provision for credit losses	(3,078,195)	(3,438,761)	(3,450,547)
TOTAL	98,064,890	89,111,429	88,258,215

7. CUSTOMER DEPOSITS

Customer deposits are classified as follows:

	Sep 30, 2012 (Unaudited) (SR'000)	Dec 31, 2011 (Audited) (SR'000)	Sep 30, 2011 (Unaudited) (SR'000)
Demand	86,544,928	78,770,255	79,258,703
Saving	4,647,136	4,333,533	4,164,471
Time	45,913,596	49,482,491	46,755,925
Other	6,109,878	4,670,585	4,711,490
TOTAL	143,215,538	137,256,864	134,890,589

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.

	Sep 30, 2012 (Unaudited) (SR '000)			Dec 31, 2011 (Audited) (SR '000)			Sep 30, 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	4,162,465	1,467,201	99,855,329	4,364,702	1,690,554	99,849,210	4,729,628	1,837,561	103,431,642
Commission rate futures, options and guarantees	2,634	2,593	685,154	7,233	7,233	1,227,365	9,122	9,122	1,132,095
Forward foreign exchange contracts	96,131	96,487	23,484,747	112,880	100,670	41,885,825	76,078	69,678	42,928,605
Currency options	591,481	589,384	75,711,256	218,595	218,515	27,897,413	137,276	131,281	19,364,300
Swaptions	34,028	41,778	2,843,578	185,232	183,774	6,872,606	198,414	196,872	10,573,087
Equity & commodity options	11,499	10,132	376,192	29,908	33,503	921,398	30,452	21,801	779,054
Other	2,738	1,238	113,318	4,286	71	386,769	9,060	9,866	701,874
Held as fair value hedges									
Commission rate futures	-	-	-	-	2,492	748,500	-	-	-
Commission rate swaps	-	1,095	46,875	-	3,329	46,875	-	3,408	46,875
Held as cash flow hedges									
Commission rate swaps	171,080	13,130	5,470,000	295,032	134,461	9,781,250	316,399	46,691	10,006,250
TOTAL	5,072,056	2,223,038	208,586,449	5,217,868	2,374,602	189,617,211	5,506,429	2,326,280	188,963,782

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:

	Sep 30, 2012 (Unaudited) (SR '000)	Dec 31, 2011 (Audited) (SR '000)	Sep 30, 2011 (Unaudited) (SR '000)
Letters of credit	8,177,461	7,748,449	7,851,805
Letters of guarantee	29,750,624	27,052,176	26,806,117
Acceptances	1,827,515	1,893,309	1,765,102
Irrevocable commitments to extend credit	3,887,835	5,324,235	5,408,445
Other	329,595	326,842	1,473,905
TOTAL	43,973,030	42,345,011	43,305,374

10. CASH AND CASH EQUIVALENTS

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

	Sep 30, 2012 (Unaudited) (SR '000)	Dec 31, 2011 (Audited) (SR '000)	Sep 30, 2011 (Unaudited) (SR '000)
Cash and balances with central banks excluding statutory deposits	26,202,964	26,463,049	15,106,062
Due from banks and other financial institutions maturing within ninety days	368,443	44,098	461,335
TOTAL	26,571,407	26,507,147	15,567,397

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, individual 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 Group'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 September 30, 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:

September 30, 2012 (Unaudited)

<u>SR'000</u>	Consumer	Corporate	Treasury	Investment banking	Total
Total assets	35,323,362	76,444,275	89,645,233	98,640	201,511,510
Total liabilities	70,472,466	78,139,720	22,139,249	60,614	170,812,049
Total operating income	1,797,417	1,819,441	956,602	662,278	5,235,738
Total operating expenses	899,044	407,640	104,882	127,718	1,539,284
Provisions for credit losses	32,931	200,421	-	-	233,352
Net income for the period	865,442	1,211,380	851,720	534,560	3,463,102
Capital expenditure	37,638	329,076	711	179	367,604
Depreciation	34,949	59,785	1,107	6,174	102,015

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

11. OPERATING SEGMENTS (continued)

September 30, 2011 (Unaudited)

<u>SR'000</u>	Consumer	Corporate	Treasury	Investment banking	Total
Total assets	31,563,016	69,507,118	87,396,184	98,882	188,565,200
Total liabilities	65,428,227	74,566,229	21,207,930	15,719	161,218,105
Total operating income	2,012,681	1,919,845	725,191	390,969	5,048,686
Total operating expenses	859,620	401,367	132,934	99,496	1,493,417
Provisions for credit losses	54,156	140,567	-	-	194,723
Net income for the period	1,098,905	1,377,911	592,257	291,473	3,360,546
Capital expenditure	24,314	219,997	947	37,682	282,940
Depreciation	39,411	54,257	1,863	5,900	101,431

12. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share for the periods ended September 30, 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. INTERIM DIVIDEND

An interim dividend of SR 890 million from the net income for the six-month period ended June 30, 2012 (2011: SR 776 million) has been approved by the Board of Directors for payment to shareholders. After deducting zakat, this interim dividend resulted in a net payment of SR 0.80 per share (June 30, 2011: SR 0.80 per share) to the Saudi Shareholders.

14(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 risks, at September 30 are as follows:

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

14(a) CAPITAL ADEQUACY (continued)

	Sep 30, 2012 (Unaudited) (SR '000)	Dec 31, 2011 (Audited) (SR '000)	Sep 30, 2011 (Unaudited) (SR '000)
Samba Financial Group (consolidated)			
Credit risk RWA	141,422,475	132,691,373	130,336,884
Operational risk RWA	11,735,166	11,925,831	11,928,012
Market risk RWA	12,173,585	11,433,113	12,130,030
Total RWA	165,331,226	156,050,317	154,394,926
Tier I capital	27,212,906	28,231,034	23,959,730
Tier II capital	5,229,397	1,658,642	4,989,490
Total tier I & II capital	32,442,303	29,889,676	28,949,220
Capital Adequacy Ratio %			
Tier I ratio	16.5%	18.1%	15.5%
Tier I + II ratio	19.6%	19.2%	18.8%
Capital adequacy ratios for SBL are as follows:			
Tier I ratio	52.1%	46.6%	62.0%
Tier I + II ratio	52.3%	46.7%	62.2%

14(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.