



BANK ALBILAD
(A Saudi Joint Stock Company)

**UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE NINE-MONTHS
PERIOD ENDED SEPTEMBER 30, 2011**

Report on Review of Interim Condensed Consolidated Financial Statements

To the Shareholders of Bank AlBilad
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Bank AlBilad (the "Bank") and its subsidiaries (collectively referred to as "the Group") as of September 30, 2011, and the related interim condensed consolidated income statement and the interim condensed consolidated statement of comprehensive income for the three-month and nine month periods ended September 30, 2011, and the interim condensed consolidated statements of changes in shareholder's equity and cash flows and the notes from (1) to (12) 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.

Other Regulatory Matters

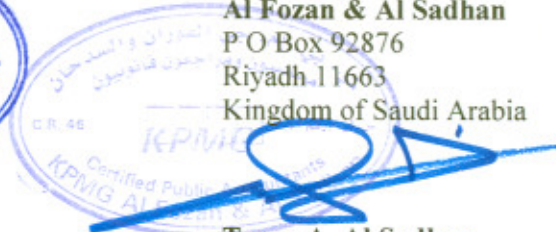
As required by SAMA, certain capital adequacy information has been disclosed in note (11) of the accompanying interim condensed consolidated financial statements. As part of our review, we compared the information in note (11) to the relevant analysis prepared by the Bank for submission to SAMA and found no material inconsistencies.

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Dhu al-Qi'dah 13, 1432H
(October 11, 2011)

BANK ALBILAD

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2011

		September 30, 2011 SAR'000 (Unaudited)	December 31, 2010 SAR'000 (Audited)	September 30, 2010 SAR'000 (Unaudited)
	Notes			
ASSETS				
Cash and balances with SAMA		2,234,342	2,497,282	1,674,148
Due from banks and other financial institutions, net		5,455,222	4,032,405	3,857,019
Investments, net	5	1,383,231	1,610,918	1,286,215
Financing, net	6	13,016,670	12,289,826	11,656,349
Property and equipment, net		320,158	341,890	342,657
Other assets		372,751	344,365	358,976
Total assets		22,782,374	21,116,686	19,175,364
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities				
Due to SAMA		250,000	-	265,000
Due to banks and other financial institutions		347,486	382,429	423,876
Customer deposits	7	17,959,165	16,932,415	14,810,385
Other liabilities		920,262	698,881	585,985
Total liabilities		19,476,913	18,013,725	16,085,246
Shareholders' equity				
Share capital		3,000,000	3,000,000	3,000,000
Employee share plan		(42,136)	(42,136)	(42,136)
Statutory reserve		52,246	52,246	29,166
Other reserve		3,515	23,611	15,306
Retained earnings		291,836	69,240	87,782
Total shareholders' equity		3,305,461	3,102,961	3,090,118
Total liabilities and shareholders' equity		22,782,374	21,116,686	19,175,364

The accompanying notes 1 to 12 form an integral part of these interim condensed consolidated financial statements.

BANK ALBILAD

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (Unaudited)

FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2011

	<u>For the three months period ended</u>		<u>For the nine months period ended</u>	
	<u>September 30, 2011 SAR'000</u>	<u>September 30, 2010 SAR'000</u>	<u>September 30, 2011 SAR'000</u>	<u>September 30, 2010 SAR'000</u>
INCOME:				
Income from investing and financing assets	182,402	167,134	540,000	475,868
Return on deposits and financial liabilities	(5,664)	(4,256)	(19,882)	(12,345)
Net income from investing and financing assets	176,738	162,878	520,118	463,523
Fees and commission income, net	106,935	78,657	309,273	255,410
Exchange income, net	49,023	29,099	135,723	90,477
Dividend income	1,363	900	4,249	3,090
Gains on non-trading investments, net	523	1,051	7,004	8,210
Other operating (loss) income	(21)	83	4,610	151
Total operating income	334,561	272,668	980,977	820,861
EXPENSES:				
Salaries and employee related benefits	114,366	97,606	338,686	287,633
Rent and premises related expenses	28,373	23,981	81,720	71,930
Depreciation and amortization	21,072	25,947	66,002	84,131
Other general and administrative expenses	34,354	32,131	119,768	93,552
Impairment charge for financing, investing and other financial assets	50,926	90,638	152,205	195,833
Total operating expenses	249,091	270,303	758,381	733,079
Net income for the period	85,470	2,365	222,596	87,782
Basic and diluted earnings per share (Saudi Riyals)	0.29	0.01	0.74	0.29

The accompanying notes 1 to 12 form an integral part of these interim condensed consolidated financial statements.

BANK ALBILAD

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2011

	<u>For the three months</u> <u>period ended</u>		<u>For the nine months</u> <u>period ended</u>	
	September 30, 2011 SAR'000	September 30, 2010 SAR'000	September 30, 2011 SAR'000	September 30, 2010 SAR'000
Net income for the period	85,470	2,365	222,596	87,782
Other comprehensive income:				
-Available for sale financial assets				
Net changes in fair value	(9,706)	8,482	(20,096)	162
Total comprehensive income for the period	75,764	10,847	202,500	87,944

The accompanying notes 1 to 12 form an integral part of these interim condensed consolidated financial statements.

BANK ALBILAD

(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2011**

	SAR '000'					
	<u>Share capital</u>	<u>Employee share plan</u>	<u>Statutory reserve</u>	<u>Other reserve</u>	<u>Retained earnings</u>	<u>Total</u>
2011						
Balance at the beginning of the period	3,000,000	(42,136)	52,246	23,611	69,240	3,102,961
Total comprehensive income for the period	-	-	-	(20,096)	222,596	202,500
Balance at end of the period	3,000,000	(42,136)	52,246	3,515	291,836	3,305,461
	SAR '000'					
	<u>Share capital</u>	<u>Employee share plan</u>	<u>Statutory reserve</u>	<u>Other reserve</u>	<u>Retained earnings</u>	<u>Total</u>
2010						
Balance at the beginning of the period	3,000,000	(42,128)	29,166	15,144	-	3,002,182
Returned shares for employee share plan	-	(8)	-	-	-	(8)
Total comprehensive income for the period	-	-	-	162	87,782	87,944
Balance at end of the period	3,000,000	(42,136)	29,166	15,306	87,782	3,090,118

The accompanying notes 1 to 12 form an integral part of these interim condensed consolidated financial statements.

BANK ALBILAD

(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2011

	NOTES	September 30, 2011 SAR' 000	September 30, 2010 SAR' 000
OPERATING ACTIVITIES			
Net income for the period		222,596	87,782
Adjustments to reconcile net income to net cash from (used in) operating activities:			
(Gains) on non-trading investments, net		(7,004)	(8,210)
(Gains) from disposal of property and equipment, net		(2,203)	-
Depreciation and amortization		66,002	84,131
Impairment charge for financing, investing and other financial assets		152,205	195,833
Operating profit before changes in operating assets and liabilities		431,596	359,536
Net (increase) / decrease in operating assets:			
Statutory deposits with SAMA		(130,199)	(143,278)
Due from banks and other financial institutions			
- maturing after ninety days from the date of acquisition		(509,786)	(618,116)
Investments		200,503	249,983
Financing		(879,049)	(823,067)
Other assets		(28,386)	(14,564)
Net increase/ (decrease) in operating liabilities:			
Due to SAMA		250,000	115,000
Due to banks and other financial institutions		(34,943)	375,549
Customer deposits		1,026,750	1,089,758
Other liabilities		221,381	95,929
Net cash from operating activities		547,867	686,730
INVESTING ACTIVITIES			
Purchase of non-trading investments		(144,300)	(90,699)
Proceeds from sales of non-trading investments		158,392	97,312
Purchase of property and equipment		(52,489)	(32,286)
Proceeds from sale of property and equipment		10,422	-
Net cash (used in) investing activities		(27,975)	(25,673)
FINANCING ACTIVITIES			
(Returned) shares for employee share plan		-	(8)
Net cash (used in) financing activities		-	(8)
Increase in cash and cash equivalents		519,892	661,049
Cash and cash equivalents at beginning of the period		3,841,864	2,594,556
Cash and cash equivalents at end of the period	9	4,361,756	3,255,605
Income received from investing and financing assets		551,342	460,094
Return paid on deposits and financial liabilities		9,825	2,792
Supplemental non cash information			
Net changes in fair value reserve		(20,096)	162

The accompanying notes 1 to 12 form an integral part of these interim condensed consolidated financial statements.

BANK ALBILAD

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2011****1. GENERAL****a) Incorporation and operation**

Bank AlBilad (the "Bank"), a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia, was formed and licensed pursuant to Royal Decree No. M/48 dated 21 Ramadan 1425H (corresponding to November 4, 2004), in accordance with the Counsel of Ministers' resolution No. 258 dated 18 Ramadan 1425 H (corresponding to November 1, 2004).

The Bank operates under Commercial Registration No. 1010208295 dated 10 Rabi Al Awal 1426H (corresponding to April 19, 2005) and its Head Office is located at the following address:

**Bank AlBilad
P.O. Box 140
Riyadh 11411
Kingdom of Saudi Arabia**

The interim condensed consolidated financial statements comprise the financial statements of the Bank and its subsidiaries, 'AlBilad Investment Company' and 'AlBilad Real Estate Company' (collectively referred to as "The Group"). The Group's objective is to provide full range of banking services, financing and investing activities through various Islamic instruments. The activities of the Group are conducted in accordance with Islamic Shariah and within the provisions of the Articles and Memorandum of Association, by-laws and the Banking Control Law. The activities are monitored by an independent Shariah authority established by the Bank. The Bank provides these services through 78 banking branches (30 September 2010: 70) and 118 exchange and remittance centers (30 September 2010: 100) in the Kingdom of Saudi Arabia.

b) Shariah Authority

The Bank established a Shariah authority ("the Authority"). It ascertains that all the Group's activities are subject to its approvals and control.

2. BASIS OF PREPARATION

The 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 requirements of Banking Control Law and the Regulations of Companies in the Kingdom of Saudi Arabia.

The interim condensed consolidated financial statements do not include all information and disclosure required in the annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements of the bank for the year ended December 31, 2010.

These interim condensed consolidated financial statements are expressed in Saudi Arabian Riyals (SAR) which is the Bank's functional currency and are rounded off to the nearest thousands

BANK ALBILAD

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2011****3. BASIS OF CONSOLIDATION**

The interim condensed consolidated financial statements comprise the financial statement of the Bank and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Bank, using consistent accounting policies.

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 a shareholding of more than one half of the voting rights. Subsidiaries are consolidated from the date on which the 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 off during the period are included in the interim condensed consolidated statement of 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 and net assets attributable to interests which are not owned, directly or indirectly, by the Bank in its subsidiaries. Non- controlling interest is 1% of AlBilad Investment Company's net assets and is owned by representative shareholders and hence not presented separately in the interim condensed consolidated statement of income and statement of change in shareholders equity in the interim condensed consolidated statement of financial statements. AlBilad Real Estate Company is 100% owned by the Bank.

The paid up capital of AlBilad Investment Company has been increased from SAR 50 Million to SAR 200 Million during the quarter ended September 30 ,2011.

Inter-group balances and any income and expenses arising from intra-group transactions, are eliminated in preparing these interim condensed consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these interim condensed consolidated financial statements are set out below. The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those of the prior year except for amendments to the existing standards, as mentioned below, which the bank has adopted:

- A. Amendment to IAS 24 Related Party transactions: The IASB has issued an amendment to IAS 24 that clarifies the definitions of a related party and also changes the general related party disclosure requirements for transactions with a government.
- B. Amendment to IFRIC 14 Prepayments of a Minimum Funding Requirement: The amendment removes an unintended consequence when an entity is subject to minimum funding requirements (MFR) and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by the entity to be recognized as pension asset.
- C. Amendment to IFRS 7 Financial Instruments — Disclosures: The amendment was intended to simplify the disclosures provided by improving disclosures by requiring qualitative information to put the quantitative information in context. In addition, the IASB has amended disclosure requirements.

BANK ALBILAD

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2011**

- D. Amendment to IAS 1 Presentation of Financial Statements: The amendment clarifies that an option to present an analysis of each component of other comprehensive income may be included either in the statement of changes in equity or in the notes to the financial statements.
- E. Amendment to IAS 34 Interim Financial Reporting: These amendments emphasize the principle in IAS 34 that the disclosure about significant events and transactions in interim periods should update the relevant information presented in the most recent annual financial report and clarifies how to apply this principle in respect of financial instruments and their fair values. In addition, the amendments add a list of events and transactions that should be disclosed under IAS(34), and repeal the reference to the relative importance in the description of the minimum disclosure.

Other amendments resulting from the improvements to the IFRSs to the following standards did not have any material impact on the accounting policies, financial position and performance of the Bank:

- International Reporting Standard IFRS (3) – Business Combinations
- International Reporting Standard IFRS (7) – financial Instruments – Disclosures
- International Accounting Standard IAS (1) Financial Statements Presentation
- International Accounting Standard IAS (27) Consolidated & standalone Financial Statements
- International Accounting Standard IAS (32) Financial Instruments – Presentation

The adoption of these amendments has no impact on the financial position or financial performance of The Group.

BANK ALBILAD

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2011****5. INVESTMENTS, NET**

	September 30, 2011 SAR' 000 (Unaudited)	December 31, 2010 SAR' 000 (Audited)	September 30, 2010 SAR' 000 (Unaudited)
Available-for-sale investments			
Equities	265,102	271,873	267,065
Mutual fund	17,774	38,187	18,851
Held at amortized cost			
Commodity Murabaha with SAMA, at amortized cost	1,100,355	1,300,858	1,000,299
Total	1,383,231	1,610,918	1,286,215

6. FINANCING, NET

	September 30, 2011 SAR'000 (Unaudited)	December 31, 2010 SAR'000 (Audited)	September 30, 2010 SAR'000 (Unaudited)
Held at amortized cost			
Installment sales	5,403,799	4,443,457	4,343,153
Bei Ajel	6,421,790	6,244,515	5,685,401
Ijarah	364,696	375,103	375,845
Musharaka	922,732	1,143,622	1,124,961
Credit cards	7,089	8,368	9,046
Performing loans and advances	13,120,106	12,215,065	11,538,406
Non-performing loans and advances	680,622	707,790	689,502
Gross loans and advances	13,800,728	12,922,855	12,227,908
Impairment charge for financing	(784,058)	(633,029)	(571,559)
Financing, net	13,016,670	12,289,826	11,656,349

7. CUSTOMER DEPOSITS

	September 30, 2011 SAR'000 (Unaudited)	December 31, 2010 SAR'000 (Audited)	September 30, 2010 SAR'000 (Unaudited)
Current Account	13,573,327	11,372,006	10,468,886
Albilad Account	2,721,735	2,518,512	2,629,070
Time	1,364,003	2,779,786	1,468,485
Other	300,100	262,111	243,944
Total	17,959,165	16,932,415	14,810,385

BANK ALBILAD

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2011****8. COMMITMENTS AND CONTINGENCIES****a) The Bank's commitments and contingencies are as follows:**

	September 30, 2011 SAR' 000 (Unaudited)	December 31, 2010 SAR' 000 (Audited)	September 30, 2010 SAR' 000 (Unaudited)
Letters of credit	625,806	780,944	661,664
Letters of guarantee	1,766,343	1,649,874	1,876,739
Acceptances	196,451	242,688	208,173
Underwriting	-	300,000	300,000
Total	2,588,600	2,973,506	3,046,576

b) Restricted investment accounts

	September 30, 2011 SAR' 000 (Unaudited)	December 31, 2010 SAR' 000 (Audited)	September 30, 2010 SAR' 000 (Unaudited)
Under wakalah arrangement	695,492	188,409	203,303

The Bank accepts restricted investment accounts from customers under Wakalah arrangements. The amounts received as placements are invested by the Bank in commodity Murabaha with banks and other financial institutions. Management fees are charged on these accounts.

c) Zakat

The Department of Zakat and Income Tax (DZIT) conducted an inspection of the Bank for calculation of the Zakat due for the years ended December 31, 2006, 2007 and 2008. As per the assessments, the DZIT disallowed financing and other financial assets for the year 2006 and arbitrarily disallowed certain expenses for the years 2007 and 2008 which resulted in a Zakat base of SAR 2.53 billion, SAR 2.6 billion and SAR 2.66 billion and Zakat liability of SAR 63.3 million, SAR 62.5 million and SAR 60.9 million as against an amount of SAR 1.7 million, SAR 2.4 million and SAR 5.5 million determined by the Bank for those years, respectively. The Bank has filed appeals against all the assessments years. The DZIT upheld the assessment for the year 2006. The Bank has now filed an appeal against the decision with the Appeal Committee. The estimated amount of Zakat liability for the years ended December 31, 2009 and 2010, based on the assumption applied by the DZIT amounts to SAR 70 million and 69 million, respectively.

Zakat due from the shareholders for the year ended December 31, 2010 amounted to SAR 3.6 million (2009: SAR 5.4 million). Zakat will be paid by the Bank on behalf of the shareholders and will be deducted from their future dividends.

BANK ALBILAD

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2011****9. CASH AND CASH EQUIVALENTS**

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

	September 30, 2011 SAR' 000 (Unaudited)	December 31, 2010 SAR' 000 (Audited)	September 30, 2010 SAR' 000 (Unaudited)
Cash	945,864	772,976	704,622
Due from banks and other financial institutions (maturing within 90 days from acquisition)	3,248,071	2,335,040	2,509,095
Balances with SAMA excluding statutory deposits	167,821	733,848	41,888
Total	4,361,756	3,841,864	3,255,605

10. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Bank that are regularly reviewed by the Assets and Liabilities Committee (ALCO), the Chief Operating Decision Maker, in order to allocate resources to the segments and to assess its performance. The Bank's main business is conducted in the Kingdom of Saudi Arabia.

For management purposes, the Bank is divided into the following five segments:

Retail banking

Services and products, including deposits, financing, remittances and currency exchange for individuals.

Corporate banking

Services and products including deposits, financing and trade services for corporate and commercial customers.

Treasury

Dealing with other financial institutions and providing treasury services to all segments.

Investment banking and brokerage

Investment management services and asset management activities related to dealing, managing, arranging, advising and custody of securities.

Other

All other support functions.

Transactions between the above segments are under the terms and conditions of the approved Fund Transfer Pricing (FTP) system. The support segments and Head Office expenses are allocated to business segments, based on approved criteria.

BANK ALBILAD

(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2011**

The Bank's total assets and liabilities, together with its total operating income and expenses, and net income, for the nine months period ended September 30, for each segment are as follows:

SAR'000	September 30, 2011 (Unaudited)					
	Retail banking	Corporate banking	Treasury	Investment banking and brokerage	Other	Total
Total assets	7,230,761	8,151,027	6,424,773	865	974,948	22,782,374
Capital expenditures	29,086	69	-	176	23,158	52,489
Total liabilities	13,318,790	4,640,466	593,762	3,633	920,262	19,476,913
Total operating income	576,294	281,686	67,170	32,250	23,577	980,977
Impairment charge for financing	56,761	95,444	-	-	-	152,205
Depreciation and amortization	57,760	7,161	796	285	-	66,002
Total operating expenses (including impairments and depreciation)	491,381	222,739	25,186	19,075	-	758,381
Net income for the period	84,913	58,947	41,984	13,175	23,577	222,596

SAR'000	September 30, 2010 (Unaudited)					
	Retail banking	Corporate banking	Treasury	Investment banking and brokerage	Other	Total
Total assets	5,816,566	7,648,703	4,790,377	279	919,439	19,175,364
Capital expenditures	22,712	171	10	425	8,968	32,286
Total liabilities	10,055,321	5,088,926	744,059	379	196,561	16,085,246
Total operating income	420,253	267,200	93,277	25,429	14,702	820,861
Impairment charge for financing	9,318	171,515	15,000	-	-	195,833
Depreciation and amortization	72,526	7,625	1,789	2,191	-	84,131
Total operating expenses (including impairments and depreciation)	448,283	237,907	26,194	20,695	-	733,079
Net (loss) / income for the period	(28,030)	29,293	67,083	4,734	14,702	87,782

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(A Saudi Joint Stock Company)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2011****11. CAPITAL ADEQUACY**

The Bank maintains an actively managed capital base to cover risks inherent in the 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 in supervising the Bank.

	September 30, 2011	December 31, 2010	September 30, 2010
	SAR' 000	SAR' 000	SAR' 000
Credit Risk RWA	16,355,373	15,100,311	14,506,390
Operational Risk RWA	2,080,104	1,933,075	1,453,560
Market Risk RWA	1,256,450	1,126,288	1,163,863
Total Pillar-I RWA	19,691,927	18,159,674	17,123,813
Tier I Capital	3,082,866	3,010,642	3,002,337
Tier II Capital	407,498	155,335	137,908
Total Tier I & II Capital	3,490,364	3,165,977	3,140,245
Capital Adequacy Ratio %			
Tier I ratio	15.66%	16.58%	17.53%
Tier I + Tier II ratio	17.72%	17.43%	18.34%

12. COMPARATIVE FIGURES

Comparative figures have been reclassified wherever necessary to conform to the current period presentation.