

Al Rajhi Bank مصرف الراجحي



**Al Rajhi Banking and Investment Corporation  
(Saudi Joint Stock Company)**

**Interim Condensed Consolidated Financial Statements**

**For the Three-Month Period Ended  
31 March 2008**

**(UNAUDITED)**

## **REVIEW REPORT**

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

We have reviewed the accompanying interim consolidated balance sheet of Al Rajhi Banking and Investment Corporation (the "Corporation") as of 31 March 2008, and the related interim consolidated statements of income, changes in shareholders' equity and cash flows for the three-month period then ended.

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

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

### **Scope of Review**

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

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

## **Conclusion**

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

## **Other Regulatory Matters**

As required by SAMA, certain capital adequacy information has been disclosed in Note 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 Corporation for submission to SAMA and found no material inconsistencies.

**AL JURAID & COMPANY**  
Member firm of PricewaterhouseCoopers

**Ernst & Young**

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11 Rabi Thani 1429H  
(16 April 2008)

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

**INTERIM CONSOLIDATED BALANCE SHEET**

(SR'000)

	<u>Note</u>	At 31 March 2008 <u>(Unaudited)</u>	At 31 December 2007 <u>(Audited)</u>	At 31 March 2007 <u>(Unaudited)</u>
<b>ASSETS</b>				
Cash and precious metals		3,100,337	3,486,046	3,107,697
Balances with Saudi Arabian Monetary Agency ("SAMA")		8,563,790	9,655,153	5,084,498
Due from banks		1,488,259	790,645	1,966,269
<b>Investments, net:</b>				
Mutajara		55,165,210	42,605,089	42,690,676
Instalment sale		57,437,224	55,989,774	52,627,839
Istisnaa		1,549,010	1,630,014	1,920,909
Murabaha		8,061,508	4,078,388	859,421
Other		<u>483,661</u>	<u>572,180</u>	<u>401,345</u>
<b>Total investments, net</b>	<b>3</b>	<b>122,696,613</b>	<b>104,875,445</b>	<b>98,500,190</b>
Customer debit current accounts, net		815,499	909,918	1,116,387
Property and equipment, net		2,675,365	2,591,101	2,081,471
Other assets, net		<u>3,708,285</u>	<u>2,578,174</u>	<u>2,038,162</u>
<b>Total assets</b>		<b><u>143,048,148</u></b>	<b><u>124,886,482</u></b>	<b><u>113,894,674</u></b>

*(Continued)*

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

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

**INTERIM CONSOLIDATED BALANCE SHEET (continued)**

(SR'000)

	Notes	At 31 March 2008 (Unaudited)	At 31 December 2007 (Audited)	At 31 March 2007 (Unaudited)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>LIABILITIES:</b>				
Due to banks		4,070,670	2,593,090	3,488,133
Syndicated murabaha financing from banks	7	1,875,000	1,875,000	1,875,000
Customer deposits		101,438,569	89,725,167	81,076,238
Other customer accounts (including margins on letters of credit, third party funds, certified checks and transfers)		3,757,329	3,030,969	2,478,131
Other liabilities		7,922,545	4,056,144	4,226,304
<b>Total liabilities</b>		<b><u>119,064,113</u></b>	<b><u>101,280,370</u></b>	<b><u>93,143,806</u></b>
<b>SHAREHOLDERS' EQUITY:</b>				
Share capital	8	15,000,000	13,500,000	13,500,000
Statutory reserve		7,096,219	7,096,219	5,483,805
General reserve		285,976	197,650	197,650
Retained earnings	8	1,601,840	1,588,326	1,569,413
Proposed gross dividends		-	1,223,917	-
<b>Total shareholders' equity</b>		<b><u>23,984,035</u></b>	<b><u>23,606,112</u></b>	<b><u>20,750,868</u></b>
<b>Total liabilities and shareholders' equity</b>		<b><u>143,048,148</u></b>	<b><u>124,886,482</u></b>	<b><u>113,894,674</u></b>

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

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

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

(SR'000)

	For the three-month period ended 31 March	
	<u>2008</u>	<u>2007</u>
<b>INCOME:</b>		
<b>Income from investments:</b>		
Mutajara	667,314	616,925
Instalment sale	1,394,812	1,327,785
Istisnaa	41,748	52,663
Murabaha	68,315	25,271
Other	<u>(1,894)</u>	<u>4,534</u>
<b>Total income from investments</b>	<b>2,170,295</b>	<b>2,027,178</b>
Income paid to customers and banks on time investments	(113,339)	(177,047)
Income paid on syndicated murabaha financing from banks	(26,766)	(27,063)
<b>Income from investments, net</b>	<b>2,030,190</b>	<b>1,823,068</b>
Mudaraba fees	23,737	12,597
Fees from banking services, net	277,369	240,371
Exchange income, net	137,940	117,999
Other operating income	<u>15,322</u>	<u>14,035</u>
<b>Total operating income</b>	<b>2,484,558</b>	<b>2,208,070</b>
<b>EXPENSES:</b>		
Salaries and employee related benefits	422,062	345,697
Rent and premises related expenses	34,269	26,074
Impairment charge for investments and other, net	188,082	71,379
Other general and administrative expenses	149,747	137,478
Depreciation and amortization	87,874	57,351
Board of directors' remuneration	<u>684</u>	<u>678</u>
<b>Total operating expenses</b>	<b>882,718</b>	<b>638,657</b>
<b>Net income for the period</b>	<b><u>1,601,840</u></b>	<b><u>1,569,413</u></b>
Weighted average number of outstanding shares (Note 10)	<b><u>1.500 Million</u></b>	<b><u>1.500 Million</u></b>
Earnings per share (SR) (Note 10)	<b><u>1.07</u></b>	<b><u>1.05</u></b>

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

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

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

(SR'000)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>General reserve</u>	<u>Retained earnings</u>	<u>Proposed gross dividends</u>	<u>Total</u>
<b>For the three-month period ended 31 March 2008</b>						
Balance at the beginning of the period	13,500,000	7,096,219	197,650	1,588,326	1,223,917	23,606,112
Transfer to accrued zakat	-	-	-	-	(548,917)	(548,917)
Dividends paid	-	-	-	-	(675,000)	(675,000)
Bonus share issued (Note 8)	1,500,000	-	-	(1,500,000)	-	-
Net income for the period	-	-	-	1,601,840	-	1,601,840
Transfer to general reserve (Note 8)	-	-	88,326	(88,326)	-	-
<b>Balance at the end of the period</b>	<b>13,500,000</b>	<b>7,096,219</b>	<b>285,976</b>	<b>1,601,840</b>	<b>-</b>	<b>23,984,035</b>
<b>For the three-month period ended 31 March 2007</b>						
Balance at the beginning of the period	6,750,000	5,483,805	1,400,000	5,547,650	998,021	20,179,476
Transfer to accrued zakat	-	-	-	-	(323,021)	(323,021)
Dividends paid	-	-	-	-	(675,000)	(675,000)
Bonus share issued	6,750,000	-	(1,202,350)	(5,547,650)	-	-
Net income for the period	-	-	-	1,569,413	-	1,569,413
<b>Balance at the end of the period</b>	<b>13,500,000</b>	<b>5,483,805</b>	<b>197,650</b>	<b>1,569,413</b>	<b>-</b>	<b>20,750,868</b>

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

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

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

(SR'000)

	For the three-month period ended 31 March	
	<u>2008</u>	<u>2007</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income for the period	1,601,840	1,569,413
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Impairment charge for investments and other, net	188,082	71,379
Depreciation and amortization	87,874	57,351
<b>Net (increase) decrease in operating assets:</b>		
Statutory deposit with SAMA	(1,484,397)	(492,756)
Customer debit current accounts	94,419	(397,000)
Other assets	(1,133,885)	211,391
<b>Net increase (decrease) in operating liabilities:</b>		
Due to banks	1,477,580	14,887
Customer deposits	11,713,402	7,678,258
Other customer accounts	726,360	(6,311)
Other liabilities	3,316,323	93,556
<b>Net cash from operating activities</b>	<b><u>16,587,598</u></b>	<b><u>8,800,168</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Mutajara	(12,594,901)	(8,489,623)
Instalment sale	(1,596,723)	(1,161,548)
Istisnaa	81,004	243,244
Murabaha	(3,985,988)	381,132
Other investments	88,519	29,539
Purchase of property and equipment	(168,364)	(158,077)
<b>Net cash used in investing activities</b>	<b><u>(18,176,453)</u></b>	<b><u>(9,155,333)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Dividends paid	(675,000)	(675,000)
<b>Net cash used in financing activities</b>	<b><u>(675,000)</u></b>	<b><u>(675,000)</u></b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b><u>(2,263,855)</u></b>	<b><u>(1,030,165)</u></b>
Cash and cash equivalents at the beginning of the period	6,853,268	6,299,895
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (NOTE 5)</b>	<b><u>4,589,413</u></b>	<b><u>5,269,730</u></b>

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



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

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2008 (UNAUDITED)**

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**1. GENERAL**

**Incorporation and operations**

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

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

**Al Rajhi Banking and Investment Corporation**  
**P.O. Box 28**  
**Riyadh 11411**  
**Kingdom of Saudi Arabia**

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

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

**a) Basis of preparation**

The Corporation prepares these interim condensed consolidated financial statements in accordance with the Accounting Standards for Financial Institutions promulgated by the Saudi Arabian Monetary Agency ("SAMA"), and International Accounting Standard No. 34 - Interim Financial Reporting. The Corporation 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.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

The interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2007.

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

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

These consolidated financial statements include the accounts of Al Rajhi Banking and Investment Corporation and its subsidiaries in which the Corporation's shareholdings exceed 50% of their share capital and have the power to govern their financial and operational policies. Significant balances and transactions between the Corporation and its subsidiaries and those among subsidiaries are eliminated upon consolidation. Subsidiaries are consolidated from the date on which control is transferred to the Corporation till the date control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Corporation, using consistent accounting policies.

The consolidated subsidiaries as at 31 March are as follows:

	<u>Shareholding %</u>	
	<u>2008</u>	<u>2007</u>
SPC Limited - British Virgin Islands	99%	99%
Arpent VAT Limited – UK	100%	100%
Al Rajhi Investment Corporation Limited - London	100%	100%
ARA (1) Company Limited – Jersey	99%	99%
Al Rajhi Company for Development Limited - Riyadh	99%	99%
Al Rajhi Banking & Investment Corporation BHD-Malaysia	100%	100%
Al Rajhi Financial Services Company	99%	-

During the second quarter of 2007 and in accordance with the Capital Market Authority (CMA) requirements, the Corporation has established a new company for brokerage business under the name of "Al Rajhi Financial Services Company" by spinning off all the brokerage business from the Corporation. The accounts and the results of operations of this subsidiary are included in the accompanying interim condensed consolidated financial statements. However, the subsidiary has not been spun-off separately since it has not independently commenced its commercial activities yet.

### c) Accounting policies

The accounting policies used in preparation of these interim condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2007.

### 3. INVESTMENTS, NET

Investments, net comprise of the following:

	SR'000		
	At 31 March 2008 (Unaudited)	At 31 December 2007 (Audited)	At 31 March 2007 (Unaudited)
<b>Held at amortized cost:</b>			
Mutajara	55,165,210	42,605,089	42,690,676
Instalment sale	57,437,224	55,989,774	52,627,839
Istisnaa	1,549,010	1,630,014	1,920,909
Murabaha	<u>8,061,508</u>	<u>4,078,388</u>	<u>859,421</u>
<b>Total</b>	<b><u>122,212,952</u></b>	<b><u>104,303,265</u></b>	<b><u>98,098,845</u></b>
<b>Held as fair value through income statement (FVIS):</b>			
Other	<u>483,661</u>	<u>572,180</u>	<u>401,345</u>
<b>Total</b>	<b><u>483,661</u></b>	<b><u>572,180</u></b>	<b><u>401,345</u></b>
<b>Grand total</b>	<b><u>122,696,613</u></b>	<b><u>104,875,445</u></b>	<b><u>98,500,190</u></b>

### 4. MUDARABA FUNDS AND CONTINGENT LIABILITIES

Mudaraba funds and contingent liabilities comprise the following:

	SR'000		
	At 31 March 2008 (Unaudited)	At 31 December 2007 (Audited)	At 31 March 2007 (Unaudited)
<b>a) Mudaraba Funds:</b>			
Customers' investments	425,049	429,882	1,259,103
Current accounts - metals	<u>21,697</u>	<u>21,610</u>	<u>19,594</u>
<b>Total</b>	<b><u>446,746</u></b>	<b><u>451,492</u></b>	<b><u>1,278,697</u></b>
<b>b) Contingent Liabilities:</b>			
Letters of credit and acceptances	6,408,857	5,435,781	2,935,692
Letters of guarantee	6,578,263	6,458,948	3,810,402
Irrevocable commitments to extend credit	<u>6,882,115</u>	<u>6,834,037</u>	<u>5,232,677</u>
<b>Total</b>	<b><u>19,869,235</u></b>	<b><u>18,728,766</u></b>	<b><u>11,978,771</u></b>
<b>Grand Total</b>	<b><u>20,315,981</u></b>	<b><u>19,180,258</u></b>	<b><u>13,257,468</u></b>

## 5. CASH AND CASH EQUIVALENTS

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

	SR'000		
	At 31 March 2008 (Unaudited)	At 31 December 2007 (Audited)	At 31 March 2007 (Unaudited)
Cash and precious metals	3,100,337	3,486,046	3,107,697
Balances with SAMA (current accounts)	817	2,576,577	195,764
Due from banks (current accounts)	<u>1,488,259</u>	<u>790,645</u>	<u>1,966,269</u>
<b>Total</b>	<b><u>4,589,413</u></b>	<b><u>6,853,268</u></b>	<b><u>5,269,730</u></b>

## 6. BUSINESS SEGMENTS

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

Individuals Segment (retail): Includes individual customer deposits, credit facilities, customer debit current accounts (overdrafts), fees from banking services and remittance business.

Corporate Segment: Includes corporate customers' deposits, credit facilities and debit current accounts (overdrafts).

Treasury and Financial Institutions: Includes treasury and financial institutions services and international portfolios.

Investments Segment: Includes individual and corporate customers' investments in mutual funds and equity investments, local and international shares trading services and investment portfolios.

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

The Corporation carries out its activities principally in the Kingdom of Saudi Arabia, and has seven subsidiaries, of which five are registered outside the Kingdom as at 31 March 2008 (2007: six subsidiaries, of which five are registered outside the Kingdom).

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

The Corporation's total assets and liabilities as at 31 March 2008 and 2007 together with the total operating income and expenses, and net income for the periods then ended, for each segment, are analyzed as follows:

<b>2008</b>	SR'000 (Unaudited)				
	<b>Individuals (retail)</b>	<b>Corporate</b>	<b>Treasury and Financial Institutions</b>	<b>Investments</b>	<b>Total</b>
<b>Total assets</b>	63,520,359	38,989,287	40,538,502	-	143,048,148
<b>Total liabilities</b>	90,147,390	21,174,284	7,742,439	-	119,064,113
<b>Total operating income</b>	1,570,788	318,249	487,120	108,401	2,484,558
<b>Total operating expenses</b>	(727,283)	(90,484)	(17,816)	(47,135)	(882,718)
<b>Net income for the period</b>	843,505	227,765	469,304	61,266	1,601,840

<b>2007</b>	SR'000 (Unaudited)				
	<b>Individuals (retail)</b>	<b>Corporate</b>	<b>Treasury and Financial Institutions</b>	<b>Investments</b>	<b>Total</b>
<b>Total assets</b>	58,764,517	18,942,441	36,187,716	-	113,894,674
<b>Total liabilities</b>	67,622,050	20,091,459	5,430,297	-	93,143,806
<b>Total operating income</b>	1,404,950	276,835	379,037	147,248	2,208,070
<b>Total operating expenses</b>	(550,402)	(30,584)	(7,511)	(50,160)	(638,657)
<b>Net income for the period</b>	854,548	246,251	371,526	97,088	1,569,413

## 7. SYNDICATED MURABAHA FINANCING FROM BANKS

The syndicated murabaha financing from banks represents facilities amounting to USD 500 million (SR 1,875 million) for three years maturing in May 2009 and was obtained from consortium of banks.

The facilities profit is payable on six semi-annual installments over three years. According to the facility agreement the final sixth installment of profit is payable together with the principal amount.

## 8. SHARE CAPITAL AND STATUTORY RESERVE

At the extra-ordinary general meeting held on 17 Safar 1429H (corresponding to 24 February 2008), the shareholders approved an increase in the share capital of the Corporation from SR 13,500 million to SR 15,000 million by transferring SR 1,500 million from the retained earnings and through the issuance of one bonus share for each nine shares held. Also, at the same meeting, the shareholders approved a transfer of SR 88.3 million from the retained earnings to the general reserve.

## 9. RELATED PARTY TRANSACTION

In the ordinary course of business, the Corporation transacts with related parties. The related party transactions are governed by limits set by the Banking Control Law and the regulations issued by SAMA. The nature and balances resulting from such transactions as at 31 March 2008 and 31 December 2007 are as follows:

(SR'000)					
Related parties	Type of transaction	31 March 2008 (Unaudited)		31 December 2007 (Audited)	
		Debit	Credit	Debit	Credit
<b>Members of the Board of Directors</b>	Letters of credit	317,435	-	222,233	-
	Musharaka bills	652,599	-	657,213	-
	Mutajara	4,398,815	-	3,200,764	-
	Murabaha bills	61,707	-	74,089	-
	Current accounts	7,702	726,766	44,334	301,854
	Direct investment	-	249,999	-	-
	Letters of guarantee	294,188	-	291,057	-
	Guarantee	66,000	-	66,000	-
<b>Companies and establishments guaranteed by members of the Board of Directors</b>	Mutajara	57,195	-	21,601	-
	Musharaka bills	17,808	-	-	-
	Letters of guarantee	42,869	-	42,081	-
<b>Mudaraba funds</b>	Current accounts	-	17,545	-	36,711
	Mudaraba	-	2,943,692	-	2,593,397
	Investment in funds	199,720	-	130,387	-

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## 9. RELATED PARTY TRANSACTION (continued)

Related parties	Type of transaction	31 March 2008 (Unaudited)		31 December 2007 (Audited)	
		Debit	Credit	Debit	Credit
Other major shareholders with ownership of more than 5% of the Corporation's share capital	Direct investments	-	1,536,061	-	1,505,327
	Current account	-	4,876	-	-
	Investment in funds	-	80,196	-	-
	Other liabilities	-	11,180	-	12,393

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

	(SR'000)		
	For the three months period ended 31 March 2008 (Unaudited)	For the year ended 31 December 2007 (Audited)	For the three months period ended 31 March 2007 (Unaudited)
Income from investments	49,253	247,682	69,390
Other operating income	150	1,536	379
Salaries and employee related benefits (air tickets)	2,397	9,373	1,406
Rent and premises related expenses	604	2,329	583
Board of Directors' remunerations	684	3,111	678

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

	(SR'000)		
	For the three months period ended 31 March 2008 (Unaudited)	For the year ended 31 December 2007 (Audited)	For the three months period ended 31 March 2007 (Unaudited)
Short-term benefits	11,005	20,392	3,617
Provision for end of service benefits	275	1,043	212

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

## 10. EARNING PER SHARE

Earnings per share for the periods ended 31 March 2008 and 2007 have been calculated by dividing the net income for the period by 1,500 million shares to retroactively reflect the effect of the change in number of shares increased as a result of issuance of bonus shares (Note 8) in accordance with the requirements of IAS 33 - earnings per share.

## 11. CAPITAL ADEQUACY

The Corporation maintains an actively managed capital base to cover risks inherent in its business. The adequacy of the Corporation's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision and adopted by SAMA.

SAMA has issued guidance regarding implementation of Basel II disclosures effective 1 January 2008. Consequently, the following disclosures have been made for the first period and comparatives have not been presented.

Particular	<b>Capital Adequacy Ratios</b>	
	Total Capital Ratio	Tier 1 Capital Ratio
Top consolidated level	<u>18.81%</u>	<u>17.55%</u>

## 12. COMPARATIVE FIGURES

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