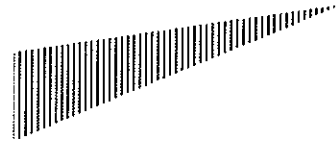

ALINMA BANK
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED
MARCH 31, 2011

PRICEWATERHOUSECOOPERS 

P.O. Box 8282
Riyadh 11482
Kingdom of Saudi Arabia



ERNST & YOUNG

P.O. Box 2732
Riyadh 11461
Kingdom of Saudi Arabia

REVIEW REPORT

**TO: THE SHAREHOLDERS OF ALINMA BANK
(A Saudi Joint Stock Company)**

We have reviewed the accompanying interim consolidated statement of financial position of Alinma Bank (the "Bank") as of March 31, 2011, and the related interim consolidated statements of comprehensive income, changes in shareholders' equity, cash flows and the notes from (1) to (10) for the three months period then ended.

Management Responsibility for the Interim Condensed Consolidated Financial Statements

These interim condensed consolidated financial statements are the responsibility of the Bank's management and have been prepared by them in accordance with Accounting Standards for Financial Institutions, 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.

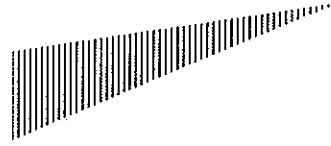
Scope of Review

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.

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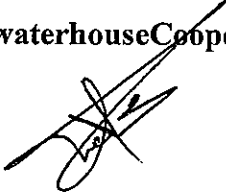
Conclusion

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 SAMA and with International Accounting Standard No. 34.

Other Regulatory Matters

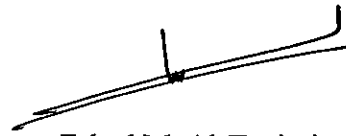
As required by SAMA, certain capital adequacy information has been disclosed in Note (9) to the accompanying interim condensed consolidated financial statements. As part of our review, we compared the information in the aforementioned note to the relevant analysis prepared by the Bank for submission to SAMA and found no material inconsistencies.

PricewaterhouseCoopers



Mohammed A. Al Obaidi
Registration No. 367

Ernst & Young



Fahad M. Al-Toaimi
Registration No. 354

Jumad Al Awwal 21, 1432H
(April 25, 2011)



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	March 31, 2011 (Unaudited) SAR'000	December 31, 2010 (Audited) SAR'000	March 31, 2010 (Unaudited) SAR'000
ASSETS				
Cash and balances with Saudi Arabian Monetary Agency ("SAMA")		815,623	657,593	268,225
Due from banks and other financial institutions		3,472,340	5,803,317	12,383,888
Investments	4	2,935,157	2,623,589	1,566,874
Financing, net		20,377,732	15,593,250	3,596,242
Property and equipment, net		1,219,651	1,193,195	951,090
Other assets		937,735	797,793	66,385
Total assets		29,758,238	26,668,737	18,832,704
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities				
Due to banks and other financial institutions		1,965,000	2,254,016	-
Customers' deposits		11,314,131	8,315,878	2,975,029
Other liabilities		787,322	478,291	327,428
Total liabilities		14,066,453	11,048,185	3,302,457
Shareholders' equity				
Share capital		15,000,000	15,000,000	15,000,000
Statutory reserve		155,135	155,135	151,335
Net change in fair value of available for sale investments		1,016	11	-
Retained earnings		535,634	465,406	378,912
Total shareholders' equity		15,691,785	15,620,552	15,530,247
Total liabilities and shareholders' equity		29,758,238	26,668,737	18,832,704

The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
For the three months period ended March 31

	Note	2011 SAR'000	2010 SAR'000
Income from investments and financing		255,186	68,764
Return on time investments		(16,004)	(1,509)
Net income from investments and financing activities		239,182	67,255
Fees from banking services, net		16,030	11,097
Exchange income		1,839	1,252
Dividend income		2,651	-
Other operating income		2,010	2,756
Total operating income		261,712	82,360
Salaries and employee-related expenses		110,138	91,943
Rent and premises- related expenses		14,897	9,529
Depreciation and amortization		27,789	24,607
Other general and administrative expenses		36,660	31,375
Impairment charge for financing		2,000	-
Total operating expenses		191,484	157,454
Net income/(loss) for the period		70,228	(75,094)
Other comprehensive income		1,005	-
Total comprehensive income/(loss) for the period		71,233	(75,094)
Basic and diluted earnings /(loss) per share (SAR)	6	0.05	(0.05)

The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
For the three months period ended March 31

	SAR'000				
2011	Share capital	Statutory reserve	Net change in fair value of available for sale investments	Retained earnings	Total
Balance at the beginning of the period	15,000,000	155,135	11	465,406	15,620,552
Total comprehensive income for the period	-	-	1,005	70,228	71,233
Balance at the end of the period	15,000,000	155,135	1,016	535,634	15,691,785

	SAR'000				
2010	Share capital	Statutory reserve	Net change in fair value of available for sale investments	Retained earnings	Total
Balance at the beginning of the period	15,000,000	151,335	-	454,006	15,605,341
Total comprehensive loss for the period	-	-	-	(75,094)	(75,094)
Balance at the end of the period	15,000,000	151,335	-	378,912	15,530,247

The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
For the three months period ended March 31

	<u>Note</u>	<u>2011</u> SAR'000	<u>2010</u> SAR'000
OPERATING ACTIVITIES			
Net income/(loss) for the period		70,228	(75,094)
Adjustments to reconcile net income (loss) to net cash from (used in) operating activities			
Depreciation and amortization		27,789	24,607
Impairment charge for financing		2,000	-
		<u>100,017</u>	<u>(50,487)</u>
Net (increase)/decrease in operating assets:			
Statutory deposit with SAMA		(39,184)	(41,331)
Due from banks and other financial institutions maturing after ninety days from the date of acquisition		1,308,797	(6,992,039)
Investments		1,889,327	1,000,141
Financing		(4,786,482)	(2,469,851)
Other assets		(139,942)	(16,196)
Net increase/(decrease) in operating liabilities:			
Due to banks and other financial institutions		(289,016)	-
Customers' deposits		2,998,253	1,473,889
Other liabilities		309,031	127,516
Net cash from (used in) operating activities		<u>1,350,801</u>	<u>(6,968,358)</u>
INVESTING ACTIVITIES			
Acquisition of property and equipment		(54,245)	(53,498)
Net cash used in investing activities		<u>(54,245)</u>	<u>(53,498)</u>
Net increase/(decrease) in cash and cash equivalents		1,296,556	(7,021,856)
Cash and cash equivalents at beginning of the period		1,324,746	12,130,385
Cash and cash equivalents at end of the period	7	<u>2,621,302</u>	<u>5,108,529</u>
Income received from investments and financing		<u>208,293</u>	<u>22,154</u>
Return paid on time investments		<u>17,858</u>	<u>4,751</u>
Supplemental non-cash information			
Net change in fair value of available for sale investments		<u>1,005</u>	<u>-</u>

The accompanying notes from 1 to 10 form an integral part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
For the three months period ended March 31, 2011

1. General

a) Incorporation

Alinma Bank, (the "Bank"), a Saudi Joint Stock Company, was formed and licensed pursuant to Royal Decree No. M/15 dated 28 Safar 1427H (corresponding to March 28, 2006), in accordance with the Council of Ministers' Resolution No. 42 dated 27 Safar 1427H (corresponding to March 27, 2006). The Bank operates under Ministerial Resolution No.173 and Commercial Registration No.1010250808 both dated 21/05/1429H (corresponding to May 26, 2008) and providing banking services through 25 branches (March 31, 2010: 14) in the Kingdom of Saudi Arabia. The address of the Bank's head office is as follows:

Alinma Bank
Head Office
P.O. Box 66674
Riyadh 11586
Kingdom of Saudi Arabia

The interim condensed consolidated financial statements comprise the financial statements of the Bank and its subsidiaries as follows:

Subsidiary	Bank Ownership	Establishment date
Alinma Investment Company	99.96 %	07 Jumada II 1430 H (corresponding to May 31, 2009)
Al-Tanweer Real Estate Company	98.00 %	24 Sha'aban 1430 H (corresponding to August 15, 2009)

The Bank's objective is to provide full range of banking and investment services through products and instruments that are in accordance with Islamic Shariah, the Articles and Memorandum of Association and within the provisions of Banking Control Law.

b) Sharia Board

The Bank has established a Shariah Board in accordance with its commitment to comply with Islamic Shariah laws. Shariah Board ascertains that all the Bank's activities are subject to its approval and control.

2. Basis of preparation

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

a) Statement of compliance

These interim condensed consolidated financial statements have been prepared:

- i) 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.; and
- ii) in compliance with the provisions of Banking Control Law, the Regulations for Companies in the Kingdom of Saudi Arabia and the Articles of Association of the Bank.

b) Basis of measurement

These interim condensed consolidated financial statements are prepared under the historical cost convention except for the measurement at fair value of Available for Sale investments.

c) Functional and presentation currency

These interim condensed consolidated financial statements are expressed in Saudi Arabian Riyals ("SAR") which is Bank's functional currency. Except as indicated, financial information presented in SAR has been rounded off to the nearest thousands.

d) Basis of consolidation

These interim condensed consolidated financial statements comprise the financial statements of the Bank and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Bank.

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

These interim condensed consolidated financial statements have been prepared using uniform accounting policies and valuation methods for like transactions and other events in similar circumstances. The accounting policies adopted by the subsidiaries are consistent with that of Bank's accounting policies. Adjustments, if any, are made to the financial statements of the subsidiaries to align with the Bank's financial statements

Non controlling interests represent the portion of net results and net assets attributable to interests which are not owned, directly or indirectly, by the Bank in its subsidiaries. As at March 31, 2011, non controlling interests in the subsidiaries are immaterial and are owned by representative shareholders of the Bank, to meet regulatory requirements, and hence not presented separately in the interim consolidated statement of comprehensive income and within shareholders' equity in the interim consolidated statement of financial position.

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

3. Summary of significant accounting policies

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those of the annual consolidated financial statements for the year ended December 31, 2010.

The amendments to International Financial Reporting Standards that are applicable during 2011 were not relevant to the Bank and therefore have no material impact on these interim condensed consolidated financial statements.

The Bank has chosen not to early adopt the amendments and revisions to the International Financial Reporting Standards which have been published and are mandatory for compliance for bank with effect from future dates.

4. Investments

	March 31, 2011 (Unaudited) SAR'000	December 31, 2010 (Audited) SAR'000	March 31, 2010 (Unaudited) SAR'000
Murabahas with SAMA, (at amortized cost)	2,699,869	2,549,776	1,566,874
Available for sale investments	235,288	73,813	-
Total	2,935,157	2,623,589	1,566,874

5. Credit related commitments and contingencies

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

	March 31, 2011 (Unaudited) SAR'000	December 31, 2010 (Audited) SAR'000	March 31, 2010 (Unaudited) SAR'000
Letters of credit	1,728,752	1,382,114	545,855
Letters of guarantee	3,447,600	3,464,247	1,695,477
Acceptances	143,428	156,550	152,282
Total	5,319,780	5,002,911	2,393,614

6. Earnings (loss) per share

Basic and diluted earnings (loss) per share are calculated by dividing the net income (loss) for the period by the weighted average number of outstanding shares which are 1,500 million shares at the period end.

7. Cash and cash equivalents

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

	March 31, 2011 (Unaudited) SAR'000	December 31, 2010 (Audited) SAR'000	March 31, 2010 (Unaudited) SAR'000
Cash in hand	255,633	158,867	87,009
Balances with SAMA excluding statutory deposit	27,140	5,060	68,333
Murabaha with SAMA and due from banks and other financial institutions maturing within ninety days from the date of acquisition	2,338,529	1,160,819	4,953,187
Total	2,621,302	1,324,746	5,108,529

8. Operating segments

Operating segments are identified on the basis of internal reports about activities of the Bank that are regularly reviewed by the chief operating decision makers, comprising CEO as well as the Assets and Liabilities Committee, in order to allocate resources to the segments and to assess its performance.

The Bank's primary business is conducted in Saudi Arabia. Transactions between the operating segments are on terms as approved by the management. Majority of the segment assets and liabilities comprise operating assets and liabilities.

The Bank's reportable segments are as follows:

a) Retail banking

Financing, deposits and other products/ services for individuals and small to medium sized businesses.

b) Corporate banking

Financing, deposits and other products/services for corporate and institutional customers.

c) Treasury

Murabahas with banks, equity investments and treasury services.

d) Investment and brokerage

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

e) Others

Includes head office (as custodian of capital, assets and liabilities under common use) which does not constitute a separately reportable segment.

Profit is charged or credited to operating segments using internally developed Fund Transfer Pricing (FTP) rates which approximate the marginal cost of funds.

Following is an analysis of the Bank's total assets, total liabilities, operating income, operating expenses and net income by operating segments:

March 31, 2011 (Unaudited)	SAR '000					
	Retail	Corporate	Treasury	Investment & brokerage	Others	Total
Total assets	3,767,719	17,489,209	6,101,259	342,086	2,057,965	29,758,238
Total liabilities	6,670,066	2,278,947	4,671,279	152,586	293,575	14,066,453
Net income from investments and financing	43,893	95,910	45,811	299	53,269	239,182
Fees from banking services and other operating income	4,106	9,128	4,210	3,077	2,009	22,530
Total operating income	47,999	105,038	50,021	3,376	55,278	261,712
Total operating expenses	55,492	7,220	3,828	9,951	114,993	191,484
Net income /(loss) for the period	(7,493)	97,818	46,193	(6,575)	(59,715)	70,228

March 31, 2010 (Unaudited)	SAR '000					
	Retail	Corporate	Treasury	Investment & brokerage	Others	Total
Total assets	389,540	3,274,237	14,131,844	250,603	786,480	18,832,704
Total liabilities	1,544,480	1,199,382	387,879	30,706	140,010	3,302,457
Net income from investments and financing	2,999	21,536	11,711	171	30,838	67,255
Fees from banking services and other operating income	2,348	8,900	1,101	-	2,756	15,105
Total operating income	5,347	30,436	12,812	171	33,594	82,360
Total operating expenses	43,710	8,652	4,963	6,351	93,778	157,454
Net income /(loss) for the period	(38,363)	21,784	7,849	(6,180)	(60,184)	(75,094)

9. Capital adequacy

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

	March 31, 2011		March 31, 2010	
	Total Capital Ratio	Tier 1 Capital Ratio	Total Capital Ratio	Tier 1 Capital Ratio
	(Unaudited)		(Unaudited)	
	(%)	(%)	(%)	(%)
Top consolidated level	65	65	151	151

10. Approval of the financial statements

These interim condensed consolidated financial statements were approved on Jumad Al Awwal 2, 1432H (corresponding to April 6, 2011).