24th Annual Report and Accounts 2001

The Saudi British Bank البنك السعودي البريطاني

Silver, being an accepted and dependable commodity, is among the most important elements used by mankind. Throughout the centuries and civilisations man has expressed himself and his passion for beauty through the production of silver relics and ornaments. By studying the many techniques used to make a variety of ornamental designs, one can identify the life style and characteristics specific to any one civilisation. As silver has been used over the years for its commercial and historical value so it is that The Saudi British Bank offers both a powerful commercial investment and a comprehensive bank of information and knowledge.

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This report is issued by The Saudi British Bank.

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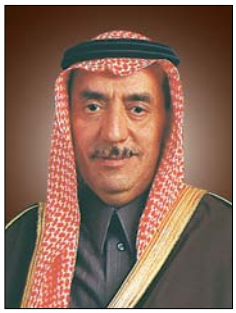
بسم الله الرحمن الرحيم

Custodian of the Two Holy Mosques
King Fahd Bin Abdulaziz Al Saud

His Royal Highness
Prince Abdullah Bin Abdulaziz Al Saud
The Crown Prince, Deputy Premier
and Commander of the National Guard

His Royal Highness
Prince Sultan Bin Abdulaziz Al Saud
The Second Deputy Prime Minister,
Minister of Defence and Aviation and Inspector General

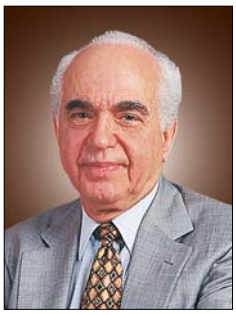
BOARD OF DIRECTORS



Abdullah Mohamed Al Hugail
Chairman

David Howard Hodgkinson
Managing Director

Suliman Saleh Olayan, KBE



Omar Abdulfattah Aggad

Sir David Gore-Booth

Khalifa Abdul Lateef Al Mulhem

Andrew Dixon, OBE

Fouad Abdulwahab Bahrawi

David Dew

Khalid Abdullah Al Molhem

SENIOR MANAGEMENT

Sulaiman Abdullah Al Hamdan
General Manager
Personal Banking

Simon Harris
General Manager
Credit & Risk

Adel Marzouk Al Nasser
General Manager
Commercial & Corporate Banking

Waleed Abdulaziz Kayyal
Area General Manager
(Western Province)

Zaki Mansour Abu Al Saud
Area General Manager
(Eastern Province)

Mohammed A. Al-Yahya
Area General Manager
(Central Province)

Yaser Gamali
General Manager
Investment Banking

Mansoor Abdulaziz Al Bosaily
General Manager
Legal Affairs

Mohammed Al Sanna
General Manager
Internal Audit

Simon M. Palfreyman
Treasurer

David M Rifka
General Manager
Information Technology

Abdulrahman Al Manna
Senior Executive
Property

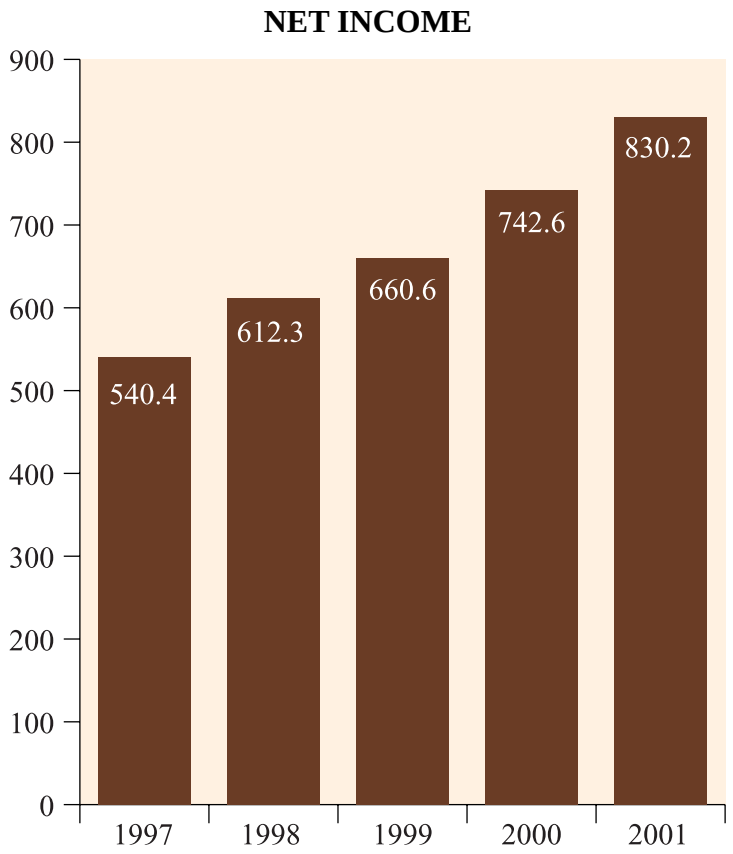
Bleihid Nasser Al Bleihid
Senior Executive
Human Resources

Thomas Pereira
Chief Financial
Officer

Abdulaziz Abdullah Al Manie
Senior Manager
Public Affairs

FINANCIAL HIGHLIGHTS

Saudi Riyal Millions	1997	1998	1999	2000	2001
CUSTOMER DEPOSITS	23,373.3	23,728.5	25,697.2	28,361.7	**31,538.8**
SHAREHOLDERS' EQUITY	2,952.1	3,100.9	3,296.8	3,604.5	**3,956.1**
INVESTMENTS, NET	16,542.0	14,256.7	11,806.0	18,444.5	**21,768.4**
LOANS AND ADVANCES, NET	11,312.3	14,149.9	15,939.5	15,863.4	**16,020.4**
TOTAL ASSETS	34,706.4	38,226.5	37,227.3	43,338.9	**41,920.7**
NET INCOME	540.4	612.3	660.6	742.6	**830.2**
GROSS DIVIDEND	388.8	463.6	464.6	434.9	**581.6**


NET INCOME
900
800
700
600
500
400
300
200
100
0
540.4
612.3
660.6
742.6
830.2
1997
1998
1999
2000
2001

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors I am pleased to present the Annual Report of The Saudi British Bank for the financial year ending 31st December 2001.

Your Bank increased its net profits for the year to SAR 830 million, an increase of 11.7% when compared with SAR 743 million as at 31st December 2000.

The provision of banking services to the personal sector has always been given prime importance by your Bank. The year 2001 saw substantial enhancement to these services, with the Internet banking service, SABBNET, and telephone banking both being well-received. Islamic banking services offered by SABB have been developed and a number of products have been introduced under the brand name, Al-Amanah. These include Al-Amanah Home Ownership, the first of its kind in the Kingdom, providing a unique opportunity to Saudi nationals to lease a home of their choice with the added benefit of being able to buy the property from your Bank at a later date.

Investment banking services have also been developed during the year. Clear indications of the Bank's success in attracting customers to these services have been the growth in the number of investors over the twelve months, to more than 10,000 for the first time, and the increase in the level of funds under management, to approximately SAR 4.5 billion.

A Turkmen Yamood-style perfume dispenser inlaid with gold and azurite.

At the year end the number of SABB branches was 80 including 12 dedicated ladies' branches and one in London. ATM machines increased to 176, including 107 sited away from bank branches and 3 fitted with Braille facilities, and POS terminal numbers had increased to 2,563.

Integral to its leading position as a provider of treasury services, your Bank's high level of efficiency has ensured increased transaction levels such that another successful year can be reported.

In fulfilling its role as an integral element of the Saudi community, your Bank sought during the year to participate, whenever possible, in selected social events of national interest. In addition your Bank also continued its charitable activities in support of the community whilst at the same time being directly involved in donation campaigns led by public departments as part of an on-going commitment to the development of the Kingdom of Saudi Arabia.

As a result of your Bank's enhancement of human resources' and Saudisation programmes, the number of Saudi staff increased to 75% or 1,563 out of a total complement of 2078 at the year end. The number of lady staff, all of whom are Saudis, also increased, to 220 or 11% of the total staff complement.

In order to ensure your Bank's primary focus will be on customers in the future, and to maintain SABB's presence at the forefront of banking in Saudi Arabia, a new three-year strategic plan, for implementation over the period between the beginning of 2002 and the end of 2004, was recently implemented under the title "Putting Customers First".

In the light of the progress made, the Board of Directors is recommending a final net dividend for the year of SAR 9 per share, making a total net dividend of SAR 14 per share for 2001 taking into consideration the net dividend of SAR 5 paid for the first half of the year in August 2001. Payment of the final net dividend of SAR 9 will be made once it has been approved by the Annual General Meeting. The total net dividend will be payable on the Bank's enlarged capital, which was increased by 25% in 2001 following the issue of 1 bonus share for every four shares held. As a result the total gross dividend for 2001 will be 34% higher than for the previous year.

In conclusion, I take the opportunity to express, on behalf of the Board, my appreciation and gratitude to all customers and shareholders for their continued confidence and support and to the Saudi government, in particular the Ministry of Finance and National Economy, the Ministry of Commerce and the Saudi Arabian Monetary Agency, for their cooperation, encouragement and continuous support to the banking sector in Saudi Arabia, whose role has contributed so substantially to the growth of the Saudi economy under the directions of the Custodian of the Two Holy Mosques and the Crown Prince.

Abdullah Mohamed Al Hugail

DIRECTORS' REPORT

The Board of Directors is pleased to submit its annual report to the shareholders of The Saudi British Bank for the financial year ending 31st December 2001.

Another Successful Year

2001 has proved to have been another successful year for your Bank with the figures as at the year end evidencing a further rise in net profits to SAR 830 million, an increase of 11.7% over the previous year's figure of SAR 743 million.

This result has been achieved in a highly competitive banking environment at a time of greater liquidity in the Saudi economy, a situation likely to change progressively as funding requirements for anticipated major projects begin to be met and the impact of the projected deficit in the Saudi budget is felt.

Despite the increased competition SABB has been successful in attracting increased deposits such that at 31st December 2001 these amounted to SAR 31,539 million, 11.2% higher than a year earlier. In an environment of increased liquidity attractive lending opportunities were not readily to be found during the year. However, by the year-end, and despite improved commercial lending being largely counteracted by scheduled repayments of major project loans, customer advances showed a slight increase over the previous year at SAR 16,020 million. The year also saw a marked increase in the Bank's investment portfolio, which grew to SAR 21,768 million, as compared to SAR 18,445 million at 31st December 2000.

Overall the Bank's assets decreased during 2001 to SAR 41,921 million from SAR 43,339 million at the end of the previous year due to more efficient balance sheet management.

Integral elements of the progress made by your Bank over the past twelve months have been:

- A broadening of the product base for both corporate and personal customers, including the introduction of more Islamic products for both sectors; non-recourse factoring for businesses; and Internet banking for individuals;

A Turkmen-style silver pendant inlaid with gold and set with agate.

- A strengthening of customer relationships through increased contact and the provision of greater attention to individual customer requirements;
- An increase during the year of 92% in assets under management to SAR 4.5 billion;
- A growth in revenue during the year of 63% from the provision of investment services and of 45% from Al-Amanah services;
- the higher level of training provided to the Bank's staff to increase their knowledge and capabilities, thereby enabling them to inspire greater customer confidence and business.

The combination of these factors has ensured enhancement of your Bank's position in the Saudi marketplace, thereby improving the Bank's overall financial position. In turn this has translated into increased value for you, our shareholders.

In the light of the progress made, the Board of Directors is pleased to announce it is recommending a final net dividend for the year of SAR 9 per share which, together with the interim net dividend of SAR 5 per share paid in August for the first half of the year, will make a total for the year of SAR 14 per share. Payment of the final SAR 9 per share will be made following approval by the Annual General Meeting.

The total net dividend is payable on the Bank's enlarged capital, which was increased by 25% during 2001 following the issue of 1 bonus share for every four shares originally held. As a result the total gross dividend to be paid for 2001 will be 34% higher than for the previous year.

Branch and ATM Networks

Your Bank clearly recognises that integral to enhanced customer service are easily accessible Bank branches; increased numbers of ATM machines; the widespread availability of Point of Sale (POS) terminals in retail outlets Kingdom-wide; the provision of Internet banking services complementary to HEXAGON; and the availability of easy communication with the Bank through Direct Telephone Services.

At the year end, the number of SABB branches was 80, including 12 dedicated ladies' branches and one in London, some of which had been renovated, refurbished or relocated over the previous twelve months. ATM machines totalled 176, including 107 sited away from Bank branches and 3 fitted with Braille facilities, and POS terminal numbers had increased to 2,563 across the country. The ATM and POS machines were also linked to GCC Net, a Gulf-wide network, permitting customers travelling throughout the Gulf States to access funds or to pay for goods or services purchased.

A Turkmen Yamood-style net design on a whip handle inlaid with gold and set with azurite.

To serve customers further one Superbranch was constructed on First Street in Dammam and another is under construction on Tahlia Street in Jeddah. Two more custom-built premises were under construction at the year-end on Waly Al-Ahd Street in Jeddah and on Sitteen Street in Makkah Al-Mukarramah, both of which will, on completion, replace existing branches. A number of other branches were being relocated or renovated during the year.

DIRECTORS' REPORT (Continuation)

As well as the availability of accessible branches and electronic services has been a marked up-grading of the Bank's Direct Telephone Service enabling customers to make many of their banking transactions and enquiries over the telephone. This facility saw a marked increase in usage later in the year.

Human Resources

As at 31st December 2001 SABB's staff complement totalled 2,078 of which Saudis numbered 1,563, or 75%, and ladies 220, or 11%. SABB fully appreciates the role its employees play in furthering the Bank's business through their professionalism and dedication to customers and their needs.

Attempts are constantly made, therefore, to seek to enhance the capabilities of the Bank's dedicated staff through in-house training, career development programmes and educational courses at universities, institutes and schools. As a result staff members attended a total of 22,500 man-days training in 2001, inclusive of attachments outside the Bank.

Such training is provided to staff throughout their employment with the Bank, thereby enabling them to fulfill their long-term ambitions in banking with SABB. New employees, support services staff and corporate and commercial banking executives and non-executives all participate in professionally-designed and developed training programmes.

The increasing number of ladies employed in the Bank also receive quality training and as from 2001 have had their own experienced lady training officer to address their specific needs.

Importantly the Bank recognises the need to maximise the potential of all its staff and thus career development and succession plans have been put in place, as have state-of-the-art appraisal systems and the Superperformance Incentive Scheme, which continues to seek to enhance employees' performance. The Share Option Scheme is an added incentive for Saudi staff.

Community Support

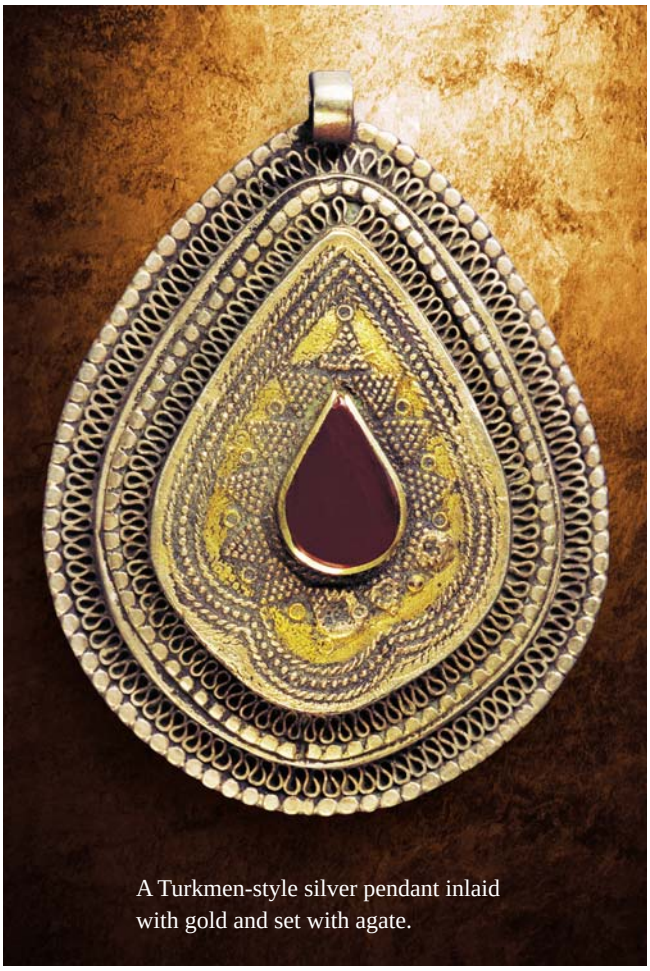
In recognising its role as an integral element of the Saudi community the Bank, wherever possible, seeks to participate in selected social events of national interest. Thus, during 2001 SABB supported a number of conferences, largely aimed at encouraging local and international investment in the Kingdom, in addition to sponsoring symposiums organised by various government agencies and local authorities. The Bank, as part of its on-going commitment to the development of the Kingdom of Saudi Arabia, also continued its charitable activities in support of the community whilst at the same time being directly involved in donation campaigns led by public departments.

The Environment

Your Bank is highly conscious of its responsibilities to the Saudi environment and seeks to ensure greater attention is paid to its protection, so ensuring sustainable development and a secure future for every citizen.

Public Affairs

During the year, and by way of supporting the government's aim of encouraging domestic tourism, SABB



A Turkmen-style silver pendant inlaid with gold and set with agate.

supported the Abha Festival for the second time. Support of similar events, which seek to develop and diversify the national economy and enhance employment opportunities for Saudis, is integral to the Bank's caring role.

Your Bank is proud to announce that for its Corporate Image campaign it received the coveted Silver Sword Award presented by Saudi Research and Marketing Company for the best integrated advertising campaign during the year.

ADDRESSING THE NEEDS OF CUSTOMERS

Introduction

Being fully cognisant of the importance of customer satisfaction to the Bank's future success and prosperity, SABB has sought throughout the year to address the detailed needs of customers, be they major corporations, small and medium enterprises or private individuals. Integral to this intention was the undertaking during 2001 of a major external research project, the results of which have enabled better comprehension of SABB's position in the Saudi market place whilst providing increased knowledge of customer perceptions of and attitudes towards the Bank, which were generally most positive whilst highlighting those services and activities necessitating greater attention in the future.

Integral also to the Bank's activities during the year was continued focus on the streamlining of its internal operations in order to provide efficient, convenient, flexible and high-quality services to customers.

Corporate Sector

During the year the Bank's corporate team has undertaken a comprehensive review of its activities so as to ensure detailed attention to a greater number of market segments, thereby

A Turkmen-style silver pendant set with azurite.

DIRECTORS' REPORT (Continuation)

A Turkmen Yamood-style silver earring inlaid with gold and set with agate.

ensuring a better understanding of the needs of customers in all business sectors throughout those areas of the Kingdom in which the Bank operates. This approach has proved rewarding as corporate business has enjoyed a steadily improving year whilst preparing itself to address the reform programmes expected to be implemented by the government in the coming years, including a number of privatisations. As to the future, it is intended more attention will be given to small and medium enterprises, a market segment which research has indicated requires improved support from the banking sector.

Continued support for importers and exporters has resulted in a marked increase in the volume of business transacted and the level of fee income derived by the Bank. Further growth is anticipated in the coming year as newly-developed Islamic trade products are introduced to satisfy the needs of those wishing to pursue their business in accordance with the requirements of the Sharia.

An area of steady demand by corporate customers during 2001 has been factoring. Until the last quarter of the year only recourse financing and invoice discounting were available but during those three months SABB became the first Saudi bank to offer non-recourse factoring. This, allied to the proposed introduction of international factoring by mid-2002, is perceived by your Bank as an area of strong potential growth given the improvement the facilities will bring to the cash flows of Saudi companies.

Time and money are of vital importance to any business and your Bank's HEXAGON and e-payment capabilities for corporate customers continue to be well received, especially by some of the Kingdom's major companies. As would be expected the highest-level security features have been installed to ensure positive protection of customers accessing their Bank electronically.

Another area where corporate customers have been able to derive benefit from SABB's significant knowledge, expertise and experience has been corporate finance. During the year syndicated transactions continued to be underwritten by the Bank and a number of corporate customers derived benefit from the innovative structured-finance solutions they were offered. Such customers were able also to benefit from the corporate advisory services provided by SABB, the provision of which was stepped up in 2001 as the Bank believes, in the light of the research undertaken, that this is an area of marked potential growth in the years to come.

Corporate customers also clearly recognise SABB's leading position in the provision of treasury services and regularly seek to derive maximum benefit from the tailored solutions the bank is able to provide. The efficient service offered has also ensured increased transaction levels with the Bank as another successful year can be reported.

Personal Sector

The provision of banking services to the personal sector has always been of prime importance to SABB. 2001 saw substantial enhancement to these services to the ultimate benefit of all of the Bank's personal customers. Your Bank's Internet banking service, SABBNET, launched during the year, has been well-received.

One area of particular interest has been the Islamic banking services offered by SABB. Under the brand name Al-Amanah, a number of value-added products has been introduced, one of which, Al-Amanah Home Ownership, is the first of its kind in the Kingdom, providing an unique opportunity to Saudi nationals to lease a home of their choice with the added benefit of being able to buy the property from the Bank at a later date. Other products include Al-Amanah Murabaha Sale, which is a re-branding of Al-Murabaha Purchase Finance, Al-Amanah Islamic Current Account and Al-Amanah Visa charge card.

Turkmen Yamood-style silver head-mask jewellery inlaid with gold and set with agate.

In the coming years personal customers are expected to derive increased benefits from the enhancements made in 2001 to the customer-relationship management system, as this will now ensure closer attention to their specific needs whilst providing timely responses to their queries. Improvements have also been made in other areas to the benefit of private individuals, such as enhancement of the channels for payment of bills, increased numbers of ATM machines and POS terminals and improved access to both telephone and Internet banking. The success of telephone banking was clearly shown in December 2001 when 350,000 calls were made, an increase of 75% over previous months.

Investment banking services have also been developed during the year to the ultimate benefit of all customers, but especially those of high net worth for whom specialised banking services and investment products have been developed, including the Premier and Al-Imtiaz accounts and, for the ladies, the Al-Mutamayaza Account. A clear indication of the Bank's success in attracting customers to these services was the growth in the number of investors during the year, to over 10,000 for the first time, and the increase in the level of funds under management, which doubled during the year to approximately SAR 4.5 billion.

Dealing in local shares by customers rose during the year. The introduction by the Saudi Arabian Monetary Agency of Tadawul, a fully electronic share trading and settlement

DIRECTORS' REPORT (Continuation)

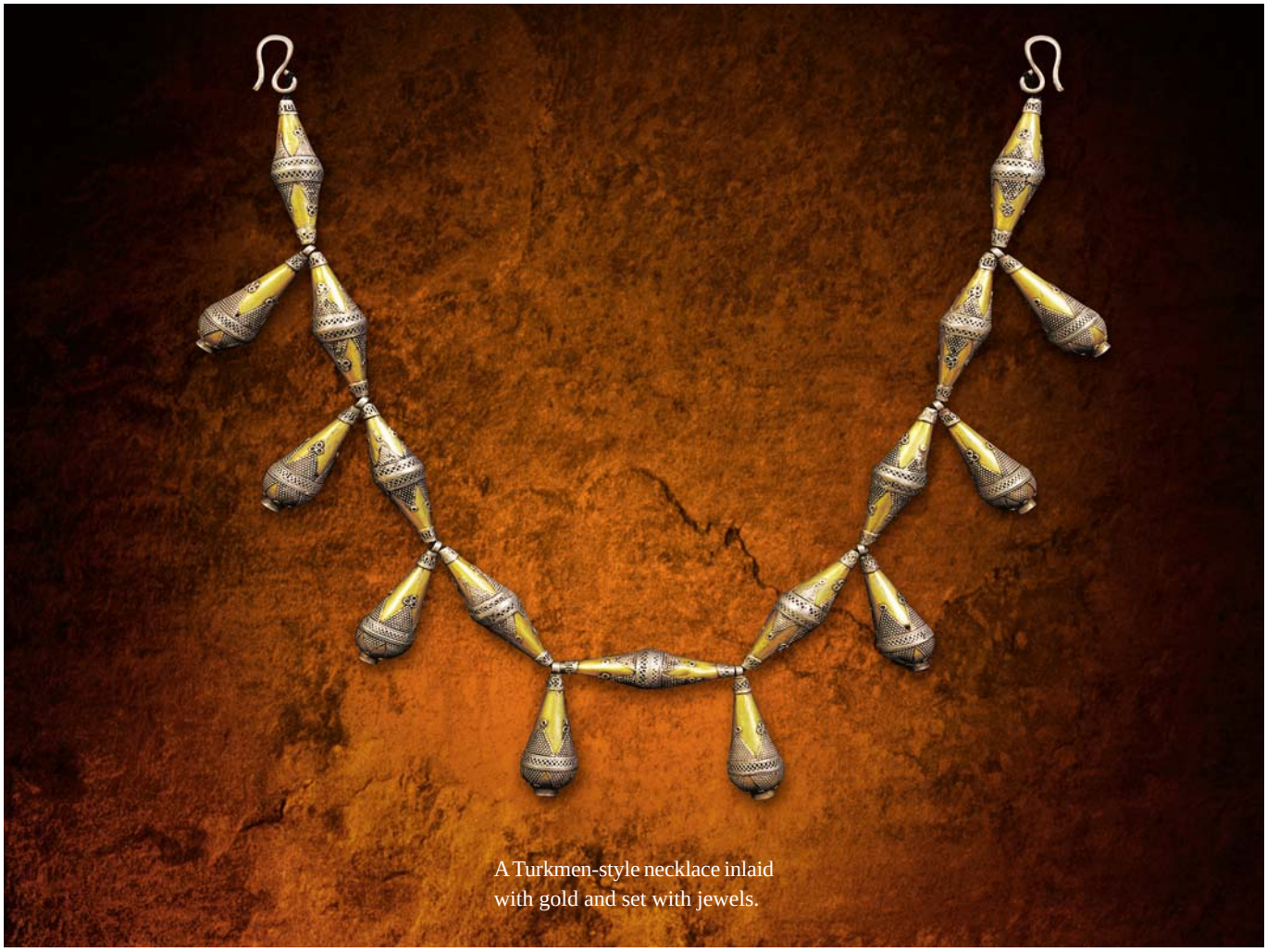
system, is likely to be the catalyst for substantial growth in local share trading not only by in-Kingdom customers but also those elsewhere in the Arab World whose markets are to be inter-linked with Tadawul.

In addition to local share trading are custody and clearing services, international equity brokerage and an array of mutual funds. Both locals and foreign residents of the Kingdom are permitted to invest in mutual funds and those managed by SABB have proved to be good investments earning as they have in the past year 13 awards from AlMajalla magazine for fund performance, including one for overall second place in terms of performance in 2000.

Customers continued to find the personal loans offered by the Bank attractive as they enabled the purchase of an array of products for house and home. During the year the portfolio of such loans grew significantly and achieved positive returns for the Bank. Clearly the benefits and the improvements made in the provision of the services offered, including insurance cover, have given the Bank a marked competitive edge. Nevertheless, to ensure maintenance of the Bank's strong position, its internal systems continue to be up-graded.

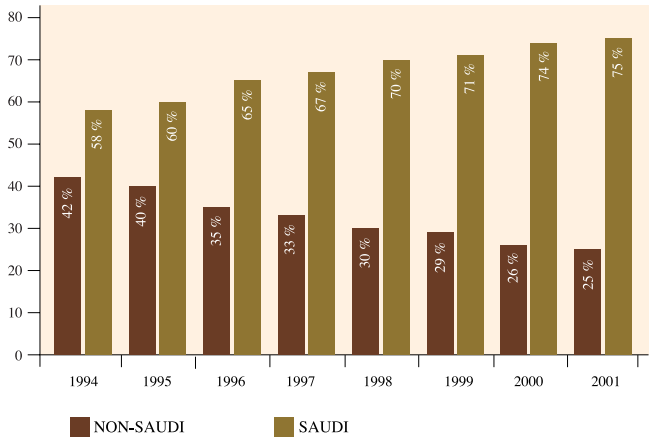
The Future

As has been demonstrated your Bank has become increasingly focussed on its customers and the continued provision to them of high quality services. In order to ensure a continuation of this well into the future; to maintain SABB's presence at the forefront of banking in Saudi Arabia; to enable continuation of the Bank's role in developing and supporting the Saudi economy whilst ensuring enhanced employment opportunities for Saudis; and to enhance shareholder value, a new strategic plan has recently been approved.



A Turkmen-style necklace inlaid with gold and set with jewels.

Saudisation Percentage and Growth



This new plan, prepared under the title "Putting Customers First", will be implemented over the three years from 2002 to 2004. As the plan's name implies, customers are to be the primary focus rather than products and services. In practice this entails a comprehensive internal re-organisation of the Bank enabling focused and aligned delivery of its services to both corporate and personal customers. In pursuing the intentions of this new strategy SABB is highly confident of the benefits to be derived by customer, Bank and shareholder alike.

DIRECTORS

At the Ordinary General Meeting held on Wednesday, 5th December 2001 (20th Ramadhan 1422) the following Saudi Directors were elected as the representatives of Saudi shareholders on the Board of Directors for a period of three years from 1st January 2002 to 31st December 2004.

Mr. Abdullah Mohamed Al Hugail (Chairman)

Mr. Fouad Abdulwahab Bahrawi

Mr. Khalid Abdullah Al Molhem

Mr. Khalid Sulaiman Olayan

Mr. Sulaiman Abdulkhader Al Muhaidib

Mr. Ahmed Sulaiman Banaja

In April 2001 Mr. David Dew was appointed as a Director of the Bank, succeeding Mr. Owen Peter Noble Kirrage.

AUDIT COMMITTEE

The Saudi British Bank Audit Committee was formed in 1992. Reporting directly to the Board, the role of the Committee is to monitor the Bank's internal and external audit functions and to review control weaknesses and system deficiencies. It is also responsible for ensuring the highest quality of financial information and concentrates on critical business issues to ensure that the Bank's external auditors and management focus on the areas of greatest risk to the business.

DIRECTORS' REMUNERATION

Directors' fees for 2001 amounted to SAR 1,500,000, including SAR 264,000 in attendance fees at Board of

A Turkmen Yamood-style silver pendant inlaid with gold and set with agate.

DIRECTORS' REPORT (Continuation)

Directors' and Executive Committee meetings. Remuneration of Directors in their capacity as employees of the Bank during the year totalled SAR 2,638,998.

DONATIONS

During the year to 31st December 2001 the Bank made a number of donations to charitable societies and organisations. In view of the Bank's continued commitment to charitable causes and the Saudi community, the Board is recommending an amount of SAR 1,500,000 be allocated for this purpose during 2002.

AUDITORS

The Ordinary General Meeting held in March 2001 re-appointed Messrs. Arthur Andersen & Co. and Whinney Murray & Co. as the Bank's Auditors.

CONCLUSION

2001 has proved to have been another successful year for your Bank. Despite the difficult economic environment worldwide, the Bank is confident it can make further progress in 2002.

Such progress would not be possible, however, without the full support of numerous people and organisations within Saudi Arabia. The Board of Directors would, therefore, like to take this opportunity to express its appreciation and gratitude to the Bank's customers and shareholders for their continued confidence and support and to government departments, in particular the Ministry of Finance and National Economy, the Ministry of Commerce and the Saudi Arabian Monetary Agency, for their cooperation, encouragement and continuous support to the banking sector in Saudi Arabia and whose role has contributed so substantially to the growth of the Saudi economy under the directions of the Custodian of the Two Holy Mosques and the Crown Prince.

A Turkmen-style silver pendant and earrings set with azurite.

AUDITORS' REPORT

TO : THE SHAREHOLDERS OF THE SAUDI BRITISH BANK
(SAUDI JOINT STOCK COMPANY)

We have audited the balance sheet of The Saudi British Bank as at 31 December 2001 and the related statements of income, changes in shareholders' equity and cash flows for the year then ended including the related notes. These financial statements, which have been derived from computerised accounting records maintained in Arabic in the Kingdom of Saudi Arabia, are the responsibility of the Bank's management and have been prepared by them in accordance with the provisions of the Regulations for Companies and the Banking Control Law and submitted to us together with all the information and explanations which we required. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable degree of assurance to enable us to express our opinion on the financial statements.

In our opinion, the financial statements taken as a whole:

- present fairly, in all material respects, the financial position of The Saudi British Bank as of 31 December 2001 and the results of its operations and its cash flows for the year then ended in accordance with the Accounting Standards for Commercial Banks issued by the Saudi Arabian Monetary Agency and with International Accounting Standards; and

- comply with the requirements of the Regulations for Companies, the Banking Control Law and the Bank's Articles of Association in so far as they affect the preparation and presentation of the financial statements.

for Arthur Andersen & Co.

Arfan K. Ayass
Certified Public Accountant
Registration No. 98

for Ernst & Young

Abdulaziz A. Al-Sowailim
Certified Public Accountant
Registration No. 277

29 Shawwal 1422H
13 January 2002

BALANCE SHEET

As at 31 December	Notes	2001 SAR'000	2000 SAR'000
ASSETS			
Cash and balances with SAMA	3	**1,710,181**	1,626,492
Due from banks and other financial institutions	4	**965,083**	5,748,315
Investments, net	5	**21,768,377**	18,444,516
Loans and advances, net	6	**16,020,421**	15,863,396
Fixed assets, net	7	**515,065**	501,615
Other assets	8	**941,618**	1,154,518
Total assets		**41,920,745**	43,338,852
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Due to banks and other financial institutions	10	**4,793,218**	9,666,191
Customer deposits	11	**31,538,793**	28,361,664
Other liabilities	12	**1,632,670**	1,706,495
Total liabilities		**37,964,681**	39,734,350
SHAREHOLDERS' EQUITY			
Share capital	13	**2,000,000**	1,600,000
Statutory reserve	14	**1,807,541**	1,600,000
General reserve		**-**	65,867
Retained earnings		**76,612**	338,635
Other reserves	15	**71,911**	-
Total shareholders' equity		**3,956,064**	3,604,502
Total liabilities and shareholders' equity		**41,920,745**	43,338,852
CONTRA ACCOUNTS	31	**46,073,203**	51,776,335

The accompanying notes 1 to 33 form an integral part of these financial statements.

STATEMENT OF INCOME

For the years ended 31 December	Notes	2001 SAR'000	2000 SAR'000
Special commission income	17	**2,576,907**	2,904,584
Special commission expense	17	**1,228,819**	1,636,500
Net special commission income		**1,348,088**	1,268,084
Fees from banking services		**227,842**	201,043
Exchange income		**57,821**	56,073
Trading (loss) income	18	**(268)**	1,076
Dividend income	19	**7,398**	7,044
Gains on investments, net		**88,045**	14,555
Other operating income		**4,688**	7,432
Total operating income		**1,733,614**	1,555,307
Salaries and employee related expenses		**472,553**	407,552
Rent and premises related expenses		**41,348**	40,493
Depreciation and amortisation	7	**57,578**	48,971
Other general and administrative expenses		**151,507**	140,064
Provision for possible credit losses	6	**133,940**	174,360
Impairment of other financial assets, net	5	**44,200**	-
Other operating expenses		**2,323**	1,317
Total operating expenses		**903,449**	812,757
Net income		**830,165**	742,550
Average number of outstanding shares		**40,000,000**	40,000,000
Earnings per share (in SAR)	20	**20.75**	18.56

The accompanying notes 1 to 33 form an integral part of these financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Notes	Share capital SAR'000	Statutory reserve SAR'000	General reserve SAR'000	Retained earnings SAR'000	Other reserves SAR'000	Total SAR'000
Year ended 31 December 2001							
Balance as at 1 January 2001		**1,600,000**	**1,600,000**	**65,867**	**338,635**	**-**	**3,604,502**
Effect of implementation of IAS 39 at 1 January 2001	2b	**-**	**-**	**-**	**96,626**	**1,046**	**97,672**
Bonus share issue	20	**400,000**	**-**	**(65,867)**	**(334,133)**	**-**	**-**
Net income		**-**	**-**	**-**	**830,165**	**-**	**830,165**
Transfer to statutory reserve	14	**-**	**207,541**	**-**	**(207,541)**	**-**	**-**
Gross dividend	21	**-**	**-**	**-**	**(581,600)**	**-**	**(581,600)**
Other reserves	15	**-**	**-**	**-**	**(65,540)**	**70,865**	**5,325**
Balance as at 31 December 2001		**2,000,000**	**1,807,541**	**-**	**76,612**	**71,911**	**3,956,064**
Year ended 31 December 2000							
Balance as at 1 January 2000		1,600,000	1,600,000	65,867	30,965	-	3,296,832
Net income		-	-	-	742,550	-	742,550
Gross dividend	21	-	-	-	(434,880)	-	(434,880)
Balance as at 31 December 2000		1,600,000	1,600,000	65,867	338,635	-	3,604,502

The accompanying notes 1 to 33 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the years ended 31 December	Note	2001 SAR'000	2000 SAR'000
CASH FLOW FROM OPERATING ACTIVITIES			
Net income		**830,165**	742,550
Adjustments to reconcile net income to net cash from operating activities:			
(Accretion of discounts) and amortisation of premium on investments, net		**(3,374)**	(20,833)
Gains on investments		**(88,045)**	(14,555)
Depreciation and amortisation		**57,578**	48,971
Losses on disposal of fixed assets		**2,323**	242
Provision for possible credit losses		**133,940**	174,360
Impairment of other financial assets, net		**44,200**	-
		976,787	930,735
Net (increase) decrease in operating assets:			
Due from banks and other financial institutions		**4,783,232**	1,020,334
Trading securities		**-**	77,265
Loans and advances		**(290,965)**	(98,303)
Other assets		**212,900**	(428,138)
Net increase (decrease) in operating liabilities:			
Due to banks and other financial institutions		**(4,872,973)**	3,070,324
Customer deposits		**3,177,129**	2,664,436
Other liabilities		**(14,937)**	94,405
Net cash from operating activities		**3,971,173**	7,331,058
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from matured/sale of investments		**4,955,387**	3,536,496
Purchase of investments		**(8,129,032)**	(10,216,950)
Purchase of fixed assets		**(80,609)**	(53,078)
Proceeds from sale of fixed assets		**7,258**	2,540
Net cash used in investing activities		**(3,246,996)**	(6,730,992)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid		**(640,488)**	(460,154)
Net cash used in financing activities		**(640,488)**	(460,154)
Net increase in cash and balances with SAMA		**83,689**	139,912
Cash and balances with SAMA at the beginning of the year		**1,626,492**	1,486,580
CASH AND BALANCES WITH SAMA AT THE END OF THE YEAR	3	**1,710,181**	1,626,492

The accompanying notes 1 to 33 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2001

1. General

The Saudi British Bank (the Bank) is a Saudi Joint Stock Company and was established by Royal Decree No. M/4 dated 12 Safar 1398(H) (21 January 1978). The Bank formally commenced business on 26 Rajab 1398(H) (1 July 1978) with the taking over of the operations of The British Bank of the Middle East in the Kingdom of Saudi Arabia. The Bank operates under Commercial Registration No. 1010025779 dated 22 Dhuj Al Qidah 1399(H) (13 October 1979) as a commercial bank through a network of 67 branches (2000: 67 branches) in the Kingdom of Saudi Arabia and a branch in London (2000: 1). This excludes 12 (2000: 12) exclusive ladies sections. The Bank employed 2,091 staff as at 31 December 2001 (2000: 2,005). The Bank's Head Office is located at the following address:

The Saudi British Bank
P.O. Box 9084
Riyadh 11413
Kingdom of Saudi Arabia

The objectives of the Bank are to provide a range of banking services.

2. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a) Basis of presentation

The Bank follows the accounting and reporting standards for commercial banks prescribed by the Saudi Arabian Monetary Agency (SAMA) and the International Accounting Standards Board. The financial statements also comply with the Banking Control Law and the Regulations for Companies in the Kingdom of Saudi Arabia.

The financial statements are prepared under the historical cost convention except for the measurement at fair value of derivatives, trading and available for sale investment securities. In addition, as explained fully in related notes, assets and liabilities that are hedged (in fair value hedging relationship) are carried at fair value to the extent of risk being hedged.

b) Change in accounting policies

Effective 1 January 2001, the Bank implemented International Accounting Standard No. 39 Financial Instruments: Recognition and Measurement. This has resulted in the following principal changes to the accounting policies of the Bank in respect of the recognition and the measurement of certain financial instruments:

i) Derivative financial instruments

Effective 1 January 2001, the Bank has recognised all derivative financial instruments in its balance sheet as either assets or liabilities at their fair values. All opening fair value adjustments have been made against retained earnings on 1 January 2001 except those relating to cash flow hedges which have been taken to other reserves. Subsequent changes in fair value relating to cash flow hedges have been taken to other reserves.

ii) Non-derivative financial instruments

Effective 1 January 2001, the Bank reclassified its investments as "originated debt securities", "held to maturity" or "available for sale" investments and re-measured to fair value those classified as available for sale. On 1 January 2001, the adjustments relating to the re-measurement of the available for sale investments to fair value have been made against retained earnings. Subsequent changes in fair value relating to available for sale investments have been taken to other reserves.

In addition, impaired loans and advances are now stated at the net present value of their estimated future cash flows by reference to their original commission rates.

iii) Comparative amounts

In accordance with the transitional provisions of IAS 39, the Bank has not restated comparative amounts.

iv) Acceptances

The Bank has changed its accounting policy with respect to the recognition of customers' acceptances and now includes them in off-balance sheet items.

c) Trade date accounting

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Bank commits to purchase or sell the assets. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

d) Derivative financial instruments and hedging

Derivative financial instruments including foreign exchange contracts, commission rate futures, forward rate agreements, currency and commission rate swaps, currency and commission rate options (both written and purchased) are initially measured at cost and are subsequently re-measured at fair value. All derivatives are carried at their fair value in assets where the fair value is positive and in liabilities where the fair value is negative.

Fair values are generally obtained by reference to quoted market prices, discounted cash flow models and pricing models, as appropriate.

Any changes in the fair value of derivatives that are held for trading purposes are taken directly to income for the period and disclosed in trading income. Derivatives held for trading also include those derivatives which do not qualify for hedge accounting described below.

For the purpose of hedge accounting, hedges are classified into two categories: (a) fair value hedges which hedge the exposure to changes in the fair value of a recognised asset or liability; and (b) cash flow hedges which hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability, or a forecasted transaction / firm commitment that will affect the reported net gain or loss.

In order to qualify for hedge accounting, it is required that the hedge should be expected to be highly effective i.e. the changes in fair value or cash flows of the hedging instrument should effectively offset corresponding changes in the hedged item, and should be reliably measurable. At inception of the hedge, the risk management objective and strategy is documented including the identification of the hedging instrument, the related hedged item, the nature of risk being hedged, and how the Bank will assess the effectiveness of the hedging relationship. Subsequently, the hedge is required to be assessed and determined to be an effective hedge on an ongoing basis.

In relation to fair value hedges, which meet the criteria for hedge accounting, any gain or loss from remeasuring the hedging instruments to fair value is recognised immediately in the statement of income. The related portion of the hedged item is adjusted against the carrying amount of the hedged item and recognised in the statement of income. Where the fair value hedge of a special commission bearing financial instrument ceases to meet the criteria for hedge accounting, the adjustment in the carrying value is amortised to the statement of income over the remaining life of the instrument.

In relation to cash flow hedges which meet the criteria for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised initially in other reserves under shareholders' equity and the ineffective portion, if any, is recognised in the statement of income. For cash flow hedges affecting future transactions, the gains or losses recognised in other reserves, are transferred to the statement of income in the same period in which the hedged transaction affects the statement of income. Where the hedged forecasted transaction or firm commitment results in the recognition of an asset or a liability, then at the time the asset or liability is recognised the associated gains or losses that had previously been recognised in other reserves are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. For all other cash flow hedges, gains or losses recognised initially in other reserves are transferred to the statement of income in the period in which the hedged transaction impacts the statement of income.

Hedge accounting is discontinued when the hedging instrument is expired or sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point of time, any cumulative gain or loss on the cash flow hedging instrument that was recognised

NOTES TO THE FINANCIAL STATEMENTS

(Continuation)

in other reserves is retained in shareholders' equity until the forecasted transaction occurs. Where the hedged forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in other reserves is transferred to the statement of income for the period.

e) Foreign currencies

The financial statements are denominated in Saudi Riyals. Transactions in foreign currencies are translated into Saudi Riyals at exchange rates prevailing on transaction dates. Monetary assets and liabilities at year-end, denominated in foreign currencies, are translated into Saudi Riyals at the exchange rates prevailing on the balance sheet date.

Realised and unrealised gains or losses on exchange are credited or charged to operating income.

f) Offsetting

Financial assets and liabilities are offset and reported net in the balance sheet when there is a legally enforceable right to set off the recognised amounts or when the Bank intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

g) Revenue recognition

Special commission income and expense are recognised in the income statement on the accrual basis and include premiums and discounts amortised. Fees and exchange income from banking services are recognised when contractually earned. Dividend income is recognised when declared.

h) Sale and repurchase agreements

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the balance sheet and are measured in accordance with related accounting policies for trading securities, originated debt securities, available for sale and held to maturity investments. The counterparty liability for amounts received under these agreements is included in due to banks and other financial institutions or customers' deposits, as appropriate. The difference between the sale and the repurchase price is treated as special commission expense and is accrued over the life of the repo agreement. Assets purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the balance sheet, as the Bank does not obtain control over the assets. Amounts paid under these agreements are included in cash and balances with SAMA, due from banks and other financial institutions or loans and advances, as appropriate. The difference between the purchase and the resale prices is treated as special commission income and is accrued over the life of the reverse repo agreement.

i) Investments

All investment securities are initially recognised at cost, being the fair value of the consideration given including acquisition charges associated with the investment. Premiums and discounts are amortised on a systematic basis to their maturity and are taken to special commission income.

For securities that are traded in organised financial markets, fair value is determined by reference to exchange quoted market prices at the close of business on the balance sheet date.

For securities where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which is substantially the same, or is based on the expected cash flows or the underlying net asset base of the security.

i) Trading securities

Securities, which are held for trading, are subsequently measured at fair value and any gain or loss arising from a change in fair value is included in the statement of income in the period in which it arises.

ii) Originated debt securities

Securities, which are purchased directly from the issuer other than those purchased with the intent to be sold immediately or in the short term are classified as originated debt securities. Originated debt securities for which the fair values have not been hedged are stated at amortised cost, less provision for impairment. Any gain or loss is recognised in the statement of income when the investment is derecognised or impaired.

iii) Held to maturity

Investments which have fixed or determinable payments which are intended to be held to maturity are subsequently measured at amortised cost, less provision for impairment in value. Amortised cost is calculated by taking into account any discount or premium on acquisition. Any gain or loss on such investments is recognised in the statement of income when the investment is derecognised or impaired.

iv) Available for sale

Investments which are classified as "available for sale" are subsequently measured at fair value. For available for sale investments whose fair value has not been hedged, any gain or loss arising from a change in its fair value is recognised directly in other reserves under shareholders' equity until the investment is derecognised or impaired, at which time the cumulative gain or loss previously recognised in shareholders' equity is included in the statement of income for the period.

Available for sale investments whose fair value cannot be reliably measured are carried at amortised cost.

j) Loans and advances

All loans and advances are initially measured at cost.

Loans and advances, which are held for trading, are subsequently measured at fair value and gains or losses arising from changes in fair value are included in the statement of income in the period in which they arise.

Loans and advances originated by the Bank for which fair value has not been hedged and acquired loans that are to be held to maturity are stated at cost less any amount written off and provisions for impairment.

Loans and advances, which are not part of a hedging relationship and are available for sale, are subsequently measured at fair value and gains or losses arising from changes in fair value are recognised directly in other reserves under shareholders' equity until the loans or advances are de-recognised or impaired, at which time the cumulative gain or loss previously recognised in shareholders' equity is included in the statement of income for the period.

The provision for possible credit losses are based upon the management's assessment of the adequacy of the provision on a periodic basis. Such assessment takes into account the composition and volume of the loans and advances, the general economic conditions and the collectibility of the outstanding loans and advances.

For presentation purposes, provision for possible credit losses is deducted from loans and advances to customers

k) Impairment of financial assets

An assessment is made at each balance sheet date to determine whether there is objective evidence that a financial asset or group of financial assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss, based on the net present value of future anticipated cash flows, recognised for changes in its carrying amounts as follows:

i) For financial assets at amortised cost - the carrying amount of the asset is adjusted either directly or through the use of an allowance account and the amount of the adjustment is included in the statement of income; and

ii) For financial assets at fair value - where a loss has been recognised directly under shareholders' equity as a result of the write-down of the asset to recoverable amount, the cumulative net loss recognised in shareholders' equity is transferred to the statement of income.

Once a financial asset has been written down to its estimated recoverable amount, commission income is thereafter recognised based on the rate of commission that was used to discount the future cash flows for the purpose of measuring the recoverable amount.

Financial assets are written off only in circumstances where effectively all possible means of recovery have been exhausted.

l) Other real estate

The Bank, in the ordinary course of business, acquires certain real estate against settlement of loans and advances. Such real estate is stated at the lower of the net realisable value of loans and advances or the current fair value of the related properties.

Gains or losses on disposal and unrealised losses on revaluation of other real estate are recognised in the statement of income.

NOTES TO THE FINANCIAL STATEMENTS

(Continuation)

m) Fixed assets

Fixed assets are stated at cost net of accumulated depreciation and amortisation. Freehold land is not depreciated. The cost of other fixed assets is depreciated and amortised using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	33 years
Leasehold improvements	Over the period of lease or 5 years, whichever is shorter
Equipment and furniture	6 to 10 years
Motor vehicles	4 years

n) Deposits

All money market and customer deposits are initially recognised at cost, being the fair value of the consideration received. Subsequently, all commission bearing deposits, other than held for trading or whose fair values have been hedged, are measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on settlement. Premiums and discounts are amortised on a systematic basis to maturity and taken to special commission expense. For deposits carried at amortised cost (which are not part of hedging relationship) any gain or loss is recognised in the statement of income when the deposits are derecognised or impaired.

Deposits, which are held for trading, are subsequently measured at fair value and any gain or loss from a change in fair value is included in the statement of income in the period in which it arises.

o) Accounting for leases

i) Where the Bank is the lessee

Leases entered into by the Bank are all operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

ii) Where the Bank is the lessor

When assets are sold under a finance lease, the present value of the lease payments is recognised as receivables and disclosed under loans and advances. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

p) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash and balances with SAMA.

3. Cash and balances with SAMA

	2001 SAR'000	2000 SAR'000
Cash in hand	**286,101**	512,533
Statutory deposit	**1,099,379**	951,760
Other balances	**324,701**	162,199
Total	**1,710,181**	1,626,492

In accordance with Article 7 of the Banking Control Law, the Bank maintains with the Saudi Arabian Monetary Agency (SAMA) a statutory deposit at stipulated percentages of its demand, time and other deposits, calculated at the end of each month.

4. Due from banks and other financial institutions

	2001 SAR'000	2000 SAR'000
Current accounts	**96,959**	128,924
Money market placements	**868,124**	5,619,391
Total	**965,083**	5,748,315

5. Investments, net

	2001 SAR'000
a) Originated debt securities	
Fixed rate securities	**5,234,848**
Originated debt securities	**5,234,848**
b) Available for sale	
Fixed rate securities	**4,085,956**
Floating rate notes	**12,349,738**
Equities	**88,036**
Others	**53,999**
Available for sale investments, gross	**16,577,729**
Accumulated provision for impairment	**(44,200)**
Available for sale investments, net	**16,533,529**
Investments, net	**21,768,377**

Equities reported under available for sale investments include unquoted shares of SAR 10.2 million that are carried at cost as their fair value can not be reliably measured.

Securities recorded in notes 5(a) and 5(b) include securities pledged under repurchase agreements whose market value as at 31 December 2001 was SAR 3,522.9 million.

The fair value of the originated debt securities as at 31 December 2001 was SAR 5,335.3 million.

An impairment provision of SAR 44.2 million has been made against available for sale investments during the year ended 31 December 2001.

Retained earnings as at 31 December 2001 include SAR 42.9 million relating to available for sale investments due to the effect of implementation of IAS39, which will be transferred to statement of income upon realisation.

As at 31 December 2000, the carrying value of investments was SAR 18,444.5 million and the fair value SAR 18,627.8 million.

There were no trading securities.

NOTES TO THE FINANCIAL STATEMENTS
(Continuation)

6. Loans and advances, net

a) Originated loans and advances

These comprised the following:	2001 SAR'000
Performing	
Overdrafts	**1,740,725**
Credit cards	**461,034**
Commercial loans	**9,671,949**
Consumer loans	**3,042,634**
Others	**199,532**
Performing loans and advances, gross	**15,115,874**
Non-performing loans and advances, net	**525,045**
	15,640,919
Provision for possible credit losses	**(565,474)**
Originated loans and advances, net	**15,075,445**

b) Held to maturity loans and advances

	2001 SAR'000
Performing	
Commercial loans	**944,976**
Held to maturity loans and advances	**944,976**
Total loans and advances, net	**16,020,421**

As at 31 December 2001, non-performing loans and advances were SAR 525.0 million (2000: SAR 647.7 million), net of accumulated commission in suspense SAR 190.4 million (2000: SAR 179.4 million).

c) Movement in provision for possible credit losses was as follows:

	2001 SAR'000	2000 SAR'000
Balance, beginning of the year	**534,788**	470,630
Effect of implementation of IAS-39 at 1 January 2001	**40,857**	-
Provided during the year	**158,998**	191,260
Bad debts written off	**(146,156)**	(125,396)
Recoveries of amounts previously provided	**(9,412)**	(1,706)
Special commission income on impaired loans	**(13,601)**	-
Balance, end of the year	**565,474**	534,788

The net charge to income on account of the provision for possible credit losses includes recoveries of amounts previously provided as shown above and recoveries of debts previously written off amounting to SAR 15.6 million (2000: SAR 15.2 million).

d) Economic sector risk concentrations for the loans and advances prior to provision for possible credit losses and accumulated commission in suspense were as follows:

	2001 SAR'000	2000 SAR'000
Government and quasi government	**292,548**	479,714
Banks and financial institutions	**502,258**	638,685
Agriculture and fishing	**288,514**	80,072
Manufacturing	**3,966,779**	4,220,332
Mining and quarrying	**56,825**	43,200
Electricity, water, gas and health services	**419,433**	119,536
Building and construction	**622,777**	812,268
Commerce	**4,026,472**	4,045,622
Transportation and communication	**459,887**	874,758
Services	**1,552,423**	1,619,496
Personal finance	**3,419,362**	2,943,304
Others	**1,169,030**	700,629
Loans and advances	**16,776,308**	16,577,616

7. Fixed assets, net

	Land and buildings SAR'000	Leasehold improvements SAR'000	Equipment, furniture and vehicles SAR'000	Total SAR'000
Cost				
As at 1 January 2001	569,008	96,307	308,734	974,049
Additions	10,815	26,731	43,063	80,609
Disposals	(16,295)	(299)	(31,736)	(48,330)
As at 31 December 2001	**563,528**	**122,739**	**320,061**	**1,006,328**
Accumulated depreciation				
As at 1 January 2001	200,290	70,239	201,905	472,434
Charge for the year	13,893	15,741	27,944	57,578
Disposals	(9,246)	(299)	(29,204)	(38,749)
As at 31 December 2001	**204,937**	**85,681**	**200,645**	**491,263**
Net book value				
As at 31 December 2001	**358,591**	**37,058**	**119,416**	**515,065**
As at 31 December 2000	368,718	26,068	106,829	501,615

Land and buildings and leasehold improvements include work in progress as at 31 December 2001 amounting to SAR 2.1 million (2000: SAR 4.7 million) and SAR 2.0 million (2000: SAR 14.3 million), respectively.

NOTES TO THE FINANCIAL STATEMENTS

(Continuation)

8. Other assets

	2001 SAR'000	2000 SAR'000
Accounts receivable	**82,234**	94,273
Accrued commission income	**358,773**	575,792
Fair value of derivatives (Note 9)	**298,552**	267,475
Other real estate	**130,213**	138,061
Others	**71,846**	78,917
Total	**941,618**	1,154,518

The fair value of derivatives only includes trading derivatives reported for year 2000.

9. Derivatives

In the ordinary course of business, the Bank utilises the following derivative financial instruments for both trading and hedging purposes:

Swaps are commitments to exchange one set of cash flows for another. For commission rate swaps, counterparties generally exchange fixed and floating rate commission payments in a single currency without exchanging principal. For currency swaps, fixed commission payments and principal are exchanged in different currencies. For cross-currency commission rate swaps, principal, fixed and floating commission payments are exchanged in different currencies.

Forwards and futures are contractual agreements to either buy or sell a specified currency, commodity or financial instrument at a specified price and date in the future. Forwards are customised contracts transacted in the over-the-counter market. Foreign currency and commission rate futures are transacted in standardised amounts on regulated exchanges and changes in futures contract values are settled daily.

Forward rate agreements are over-the-counter negotiated commission rate contracts that call for a cash settlement for the difference between a contracted commission rate and the market rate on a specified future date, on a notional principal for an agreed period of time.

Options are contractual agreements under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, to either buy or sell at fixed future date or at any time during a specified period, a specified amount of a currency, commodity or financial instrument at a pre-determined price.

Derivatives held for trading purposes

Most of the Bank's derivative trading activities relate to sales, positioning and arbitrage. Sales activities involve offering products to customers in order, inter alia, to enable them to transfer, modify or reduce current and future risks. Positioning involves managing market risk positions with the expectation of profiting from favourable movements in prices, rates or indices. Arbitrage involves profiting from price differentials between markets or products.

Derivatives held for hedging purposes

The Bank has adopted a comprehensive system for the measurement and management of market risk. Part of the risk management process involves managing the Bank's exposure to fluctuations in foreign exchange rates to reduce its exposure to currency and commission rate risks to acceptable levels as determined by the Board of Directors within the guidelines issued by SAMA. The Board of Directors has established levels of currency risk by setting limits on counterparty and currency position exposures. Positions are monitored on a daily basis and hedging strategies are used to ensure that positions are maintained within the established limits. The Board of Directors has established levels of commission rate risk by setting limits on commission rate gaps for stipulated periods. Asset and liability commission rate gaps are reviewed on a periodic basis and hedging strategies are used to reduce commission rate gap within the established limits.

As part of its asset and liability management the Bank uses derivatives for hedging purposes in order to adjust its own exposure to currency and commission rate risks. This is generally achieved by hedging specific transactions as well as strategic hedging against overall balance sheet exposures. Strategic hedging does not qualify for hedge accounting and the related derivatives are accounted for as held for trading.

The Bank uses forward foreign exchange contracts and currency swaps to hedge against specifically identified currency risks. In addition, the Bank uses commission rate swaps to hedge against the commission rate risk arising from specifically identified fixed commission rate exposures. The Bank also uses commission rate swaps to hedge against the cash flow risk arising on certain floating rate exposures.

As at 31 December 2001, the table below sets out the positive and negative fair values of derivative financial instruments, together with the notional amounts analysed by the term to maturity. The notional amounts, which provide an indication of the volumes of the transactions outstanding at the year end, do not necessarily reflect the amounts of future cash flows involved. These notional amounts, therefore, are neither indicative of the Bank's exposure to credit risk, which is generally limited to the positive fair value of the derivatives, nor market risk.

Notional amounts by term to maturity 2001 (SAR' 000)

	Positive fair value	Negative fair value	Notional amount Total	Within 3 months	3-12 months	1-5 years	Over 5 years
Derivatives held for trading:							
Commission rate swaps	**181,907**	**(165,456)**	**4,956,250**	**100,000**	**2,016,250**	**2,840,000**	**-**
Forward rate agreements	**110**	**(125)**	**150,000**	**-**	**150,000**	**-**	**-**
Spot and forward foreign exchange contracts	**115,464**	**(43,270)**	**31,957,942**	**21,104,356**	**10,800,085**	**53,501**	**-**
Currency options	**314**	**(314)**	**52,422**	**41,212**	**11,210**	**-**	**-**
Derivatives held as fair value hedges:							
Commission rates swaps	**491**	**(44,658)**	**1,899,546**	**906,250**	**100,000**	**710,000**	**183,296**
Derivatives held as cash flow hedges:							
Currency swaps	**266**	**(7,773)**	**156,627**	**-**	**116,671**	**39,956**	**-**
Total	**298,552**	**(261,596)**	**39,172,787**	**22,151,818**	**13,194,216**	**3,643,457**	**183,296**

As at 31 December 2000, the table below sets out the notional amounts analysed by the term of maturity.

Notional amounts by term to maturity 2000 (SAR' 000)

	Notional amount Total	Within 3 months	3-12 months	1-5 years	Over 5 years
Commission rate swaps	9,141,068	1,897,500	2,612,318	4,556,250	75,000
Forward rate agreements	463,965	463,965	-	-	-
Currency swaps	315,848	136,000	-	133,968	45,880
Spot and forward foreign exchange contracts	35,416,868	23,718,589	11,556,293	141,986	-
Currency options	82,262	75,000	7,262	-	-
Total	45,420,011	26,291,054	14,175,873	4,832,204	120,880

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As at 31 December 2001, the table below shows a summary of hedged items, the nature of the risk being hedged, the hedging instrument and its fair value.

SAR'000

Description of hedged items	Fair Value	Cost	Risk	Hedging instrument	Positive fair value	Negative fair value
Fixed commission rate investments	**164,917**	**156,442**	Cash flow	Currency swap	**266**	**(7,773)**
Fixed commission rate investments	**1,496,496**	**1,427,801**	Fair value	Commission rate swap	**491**	**(43,654)**
Fixed commission rate loans	**470,324**	**468,750**	Fair value	Commission rate swap	**-**	**(1,004)**

Approximately 95% of the positive fair value of the Bank's derivatives were entered into with financial institutions and less than 32% of the positive fair value contracts were with any individual counterparty at the balance sheet date.

10. Due to banks and other financial institutions

	2001 SAR'000	2000 SAR'000
Current accounts	**226,805**	214,649
Money market deposits	**4,566,413**	9,451,542
Total	**4,793,218**	9,666,191

Money market deposits include deposits against sale of securities of SAR 758.9 million (2000: SAR 3,698.0 million) with agreement to repurchase the same at fixed future dates.

11. Customer deposits

Customer deposits comprise:

	2001 SAR'000	2000 SAR'000
Demand	**11,002,256**	8,644,615
Savings	**1,229,119**	1,066,545
Time	**19,034,746**	18,310,899
Others	**272,672**	339,605
Total	**31,538,793**	28,361,664

Time deposits include deposits against the sale of securities of SAR 2,666.8 million (2000: SAR 204.1 million) with agreement to repurchase the same at fixed future dates. Other customer deposits include SAR 231.6 million (2000: SAR 234.3 million) of margins held for irrevocable commitments.

The above deposits include the following foreign currency deposits:

	2001 SAR'000	2000 SAR'000
Demand	**1,422,098**	955,439
Savings	**140,595**	138,824
Time	**7,338,477**	6,815,631
Others	**53,364**	61,982
Total	**8,954,534**	7,971,876

12. Other liabilities

	2001 SAR'000	2000 SAR'000
Accounts payable	**282,745**	242,402
Accrued commission expense	**197,402**	431,628
Fair value of derivatives (Note 9)	**261,596**	187,583
Proposed gross final dividend (Note 21)	**370,800**	434,880
Others	**520,127**	410,002
Total	**1,632,670**	1,706,495

The fair value of derivatives only includes trading derivatives reported for year 2000.

13. Share capital

The authorised, issued and fully paid share capital of the Bank consisted of 40 million shares of SAR 50 each (2000: 32 million shares of SAR 50 each). The ownership of the Bank's share capital was as follows:

	2001	2000
Saudi shareholders	**60%**	60%
HSBC Holdings BV (a wholly owned subsidiary of HSBC Holdings plc)	**40%**	40%

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(Continuation)

14. Statutory reserve

In accordance with Banking Control Law of the Kingdom of Saudi Arabia, a minimum of 25% of the net income for the year is required to be transferred to statutory reserve until this reserve is equal to the paid up capital of the Bank. Accordingly, SAR 207.541 million has been transferred from 2001 net income (2000: nil). Statutory reserve is not currently available for distribution.

15. Other reserves

	Cash flow hedges SAR' 000	Available for sale investments SAR' 000	Total SAR'000
Balance as at 1 January 2001	-	-	-
Effect of implementation of IAS39 at 1 January 2001	**1,046**	-	**1,046**
	1,046	-	**1,046**
Net change in fair value	**(78)**	**115,143**	**115,065**
Transfer to statement of income	-	**(44,200)**	**(44,200)**
Net movement during the year	**(78)**	**70,943**	**70,865**
Balance as at 31 December 2001	**968**	**70,943**	**71,911**

16. Commitments and contingencies

a) Legal proceedings

As at 31 December 2001 there were legal proceedings outstanding against the Bank. No provision has been made as professional advice indicates that it is unlikely that any significant loss will result.

b) Capital commitments

As at 31 December 2001 the Bank had capital commitments of SAR 117.8 million (2000: SAR 92.2 million) in respect of buildings and equipment purchases.

c) Credit related commitments and contingencies

Credit related commitments and contingencies mainly comprise guarantees, letters of credit, acceptances and commitments to extend credit. Guarantee and standby letters of credit, which represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans and advances. Documentary and commercial letters of credit which are written undertakings by the Bank on behalf of a customer authorising a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions, are generally collateralised by the underlying shipments of goods to which they relate and therefore have significantly less risk. Acceptances comprise undertakings by the Bank to pay bills of exchange drawn on customers. Cash requirement under these instruments is considerably less than the amount of the commitment because the Bank generally expects the customers to fulfil their primary obligation.

Commitments to extend credit represent unused portion of authorisations to extend credit, principally in the form of loans and advances, guarantees and letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to a loss in an amount equal to the total unused commitments. However, the likely amount of loss, which cannot readily be quantified, is expected to be considerably less than the total unused commitment as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The total outstanding commitments to extend credit do not necessarily represent future cash requirements, as many of these commitments could expire or terminate without being funded.

The maturity structure for the Bank's commitments and contingencies was as follows:

2001 (SAR' 000)	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
Guarantees, letters of credit and acceptances	**3,495,415**	**2,698,794**	**706,207**	**-**	**6,900,416**
Commitments to extend credit	**3,565,063**	**12,203,569**	**723,685**	**127,664**	**16,619,981**
Total	**7,060,478**	**14,902,363**	**1,429,892**	**127,664**	**23,520,397**

2000 (SAR' 000)	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
Guarantees, letters of credit and acceptances	3,603,663	1,897,809	854,852	-	6,356,324
Commitments to extend credit	4,900,667	9,028,992	706,658	157,697	14,794,014
Total	8,504,330	10,926,801	1,561,510	157,697	21,150,338

The unutilised portion of non-firm commitments which can be revoked at any time outstanding as at 31 December 2001 was SAR 15,748.0 million (2000: SAR 13,892.0 million).

d) Operating lease commitments: The future minimum lease payments under non-cancellable operating leases where the Bank is the lessee were as follows:

	2001 SAR'000	2000 SAR'000
Less than 1 year	**22,206**	17,823
1 to 5 years	**45,769**	41,650
Over 5 years	**25,384**	19,706
Total	**93,359**	79,179

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17. Net special commission income

	2001 SAR'000	2000 SAR'000
Special commission income		
Trading securities	**1,931**	-
Originated debt securities	**260,861**	-
Available for sale investments	**864,071**	-
Total investments	**1,126,863**	1,092,983
Loans and advances	**1,211,818**	1,168,730
Bank placements	**202,932**	636,067
Others	**35,294**	6,804
Total	**2,576,907**	2,904,584
Special commission expense		
Bank deposits	**287,739**	555,815
Customer deposits	**883,351**	1,074,522
Others	**57,729**	6,163
Total	**1,228,819**	1,636,500

18. Trading (loss) income

	2001 SAR'000	2000 SAR'000
Debt instruments	**3,970**	-
Derivatives	**(4,238)**	1,076
Total	**(268)**	1,076

19. Dividend income

	2001 SAR'000	2000 SAR'000
Available for sale investments	**7,398**	7,044
Total	**7,398**	7,044

20. Earnings per share

Earnings per share are calculated by dividing the net income for the year by the weighted average number of ordinary shares outstanding during the year. A 1:4 share bonus issue was approved in the Annual General Meeting held on 13 March 2001. The calculation of earnings per share for 2000 has been retroactively adjusted to give effect to the issuance of bonus shares in 2001.

21. Gross dividend, zakat and income tax

Dividend

	2001 SAR'000	2000 SAR'000
Interim paid	**210,800**	-
Final proposed	**370,800**	434,880
Total	**581,600**	434,880

Zakat

Zakat attributable to Saudi shareholders for the year amounted to SAR 13.0 million (2000: SAR 11.4 million) is deductible from their share of dividend, resulting in a net dividend to Saudi shareholders of SAR 14 per share (2000: SAR 13 per share).

Income tax

Under the provisions of the Ministry of Finance and National Economy Decree No. 3/918 dated 20/5/1412H (26/11/1991G) as subsequently amended by Decree No. 3/1399 dated 27/5/1413H (23/1/1992G), the income tax liability of the non-Saudi shareholder is determined as follows:

i) Deferred income tax on undistributed income for the post tax holiday period up to the year 1990, upon finalisation of tax assessment, payable in ten annual instalments which commenced on 31 March 1992. The final instalment was paid in March 2001.

ii) Income tax payable on the current year's share of income is SAR 100.3 million (2000: SAR 96.6 million).

22. Business segments

The Bank is organised into the following main business segments:

Personal Banking - which caters primarily to the personal banking requirements of individuals.

Corporate Banking - which is responsible for products and services required by corporate entities.

Treasury - which manages the Bank's trading and investment portfolios and the Bank's liquidity, currency and commission rate risks.

Others - comprises investment banking and other residual business as well as central services and pool funds.

Transactions between the business segments are recorded as per the Bank's transfer pricing system. The Bank's average assets and liabilities for the year and its total operating income and net income for the year ended 31 December 2001 by business segment were as follows:

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(Continuation)

2001 SAR millions	Personal Banking	Corporate Banking	Treasury	Others	Total
Total assets	**4,919**	**9,753**	**24,811**	**7,133**	**46,616**
Total liabilities	**15,029**	**8,929**	**14,701**	**7,957**	**46,616**
Total operating income	**652**	**302**	**253**	**527**	**1,734**
Net income	**221**	**143**	**176**	**290**	**830**

2000 SAR millions	Personal Banking	Corporate Banking	Treasury	Others	Total
Total assets	4,162	10,773	21,614	6,680	43,229
Total liabilities	13,955	8,521	13,721	7,032	43,229
Total operating income	721	288	169	377	1,555
Net income	295	120	137	191	743

23. Credit risk

Credit risk is the risk that the counter-party to a financial instrument will fail to discharge his obligation causing financial loss. The Bank controls credit risk by monitoring credit exposures and continually assessing the creditworthiness of counterparties, besides obtaining collateral security where possible. In addition, the Bank manages the credit exposure relating to its derivative activities by entering into master netting agreements and collateral arrangements with counterparties in appropriate circumstances.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Bank manages its concentration of credit risk exposure through diversification of its lending portfolio in terms of country, industry sector, and single borrower exposures.

The debt instruments included in investment portfolio are mainly sovereign risk.

The composition of loans and advances is provided in note 6. Information on credit risk relating to derivative instruments is available in note 9 and for commitments and contingencies in note 16.

24. Geographical concentration of assets, liabilities and commitments and contingencies

The distribution by geographical region for major categories of assets, liabilities and commitments and contingencies was as follows:

2001 SAR' 000	Kingdom of Saudi Arabia	GCC and Middle East	Europe	North America	Other countries	Total
Assets						
Cash and balances with SAMA	**1,698,378**	**-**	**3,262**	**8,541**	**-**	**1,710,181**
Due from banks and other financial institutions	**322,000**	**89,038**	**109,016**	**16,130**	**428,899**	**965,083**
Investments, net	**16,253,896**	**383,062**	**1,065,060**	**3,028,745**	**1,037,614**	**21,768,377**
Loans and advances, net	**14,935,076**	**652,648**	**432,697**	**-**	**-**	**16,020,421**
Total	**33,209,350**	**1,124,748**	**1,610,035**	**3,053,416**	**1,466,513**	**40,464,062**
Liabilities						
Due to banks and other financial institutions	**2,299,047**	**372,406**	**1,914,291**	**129,685**	**77,789**	**4,793,218**
Customer deposits	**31,463,494**	**3,319**	**71,301**	**-**	**679**	**31,538,793**
Total	**33,762,541**	**375,725**	**1,985,592**	**129,685**	**78,468**	**36,332,011**
Commitments and contingencies	**22,411,408**	**210,580**	**466,683**	**62,902**	**368,824**	**23,520,397**

2000 SAR' 000	Kingdom of Saudi Arabia	GCC and Middle East	Europe	North America	Other countries	Total
Assets						
Cash and balances with SAMA	1,617,364	-	4,229	4,899	-	1,626,492
Due from banks and other financial institutions	367,000	1,264,912	3,181,137	48,854	886,412	5,748,315
Investments, net	12,335,256	1,051,957	582,734	3,448,661	1,025,908	18,444,516
Loans and advances, net	14,214,704	842,517	806,175	-	-	15,863,396
Total	28,534,324	3,159,386	4,574,275	3,502,414	1,912,320	41,682,719
Liabilities						
Due to banks and other financial institutions	3,297,784	171,997	1,710,627	4,405,343	80,440	9,666,191
Customer deposits	28,264,770	-	95,941	-	953	28,361,664
Total	31,562,554	171,997	1,806,568	4,405,343	81,393	38,027,855
Commitments and contingencies	20,045,141	313,977	389,194	77,101	324,925	21,150,338

Balances shown in due from banks and other financial institutions under Kingdom of Saudi Arabia include money market deposits SAR 500 million (2000: SAR 125 million) with foreign branches of local banks.

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25. Currency risk

The Bank is exposed to fluctuations in foreign currency exchange rates. The Board of Directors sets limits on the level of exposure by currency, which are monitored daily. The Bank had the following significant net exposures denominated in foreign currencies:

	2001 SAR'000 Long (short)	2000 SAR'000 Long (short)
US Dollar	(659,000)	(663,060)
Euro	567	(2,927)
Pound Sterling	(1,058)	1,995
Others	131	(3,216)

26. Commission rate risk

Commission sensitivity of assets, liabilities and off balance sheet items

The Bank is exposed to risks associated with fluctuations in the levels of market commission rates. The table below summarises the Bank's exposure to commission rate risks. Included in the table are the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates. The Bank is exposed to commission rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off balance sheet instruments that re-price or mature in a given period. The Bank manages this risk by matching the re-pricing of assets and liabilities through risk management strategies.

2001 SAR' 000	Within 3 months	3-12 months	1-5 years	Over 5 years	Non-commission bearing	Total	Effective rate %
Assets							
Cash and balances with SAMA	-	-	-	-	1,710,181	1,710,181	-
Due from banks and other financial institutions	869,699	-	-	-	95,384	965,083	2.5
Investments, net	13,629,845	1,829,942	4,072,893	1,969,372	266,325	21,768,377	4.3
Loans and advances, net	9,246,081	3,066,015	3,708,325	-	-	16,020,421	6.5
Fixed assets, net	-	-	-	-	515,065	515,065	-
Other assets	-	-	-	-	941,618	941,618	-
Total assets	23,745,625	4,895,957	7,781,218	1,969,372	3,528,573	41,920,745	
Liabilities and shareholders' equity							
Due to banks and other financial institutions	4,166,982	399,334	-	-	226,902	4,793,218	2.6
Customer deposits	14,540,857	4,492,463	-	-	12,505,473	31,538,793	1.7
Other liabilities	-	-	-	-	1,632,670	1,632,670	-
Shareholders' equity	-	-	-	-	3,956,064	3,956,064	-
Total liabilities and shareholders' equity	18,707,839	4,891,797	-	-	18,321,109	41,920,745	
On balance sheet gap	5,037,786	4,160	7,781,218	1,969,372	(14,792,536)	-	
Off balance sheet gap	(682,500)	(490,796)	907,500	265,796	-	-	
Total commission rate sensitivity gap	4,355,286	(486,636)	8,688,718	2,235,168	(14,792,536)	-	
Cumulative commission rate sensitivity gap	4,355,286	3,868,650	12,557,368	14,792,536	-	-	

2000 SAR' 000	Within 3 months	3-12 months	1-5 years	Over 5 years	Non-commission bearing	Total	Effective rate %
Assets							
Cash and balances with SAMA	-	-	-	-	1,626,492	1,626,492	-
Due from banks and other financial institutions	5,351,802	267,600	-	-	128,913	5,748,315	6.2
Investments, net	10,851,357	1,450,095	5,104,981	749,019	289,064	18,444,516	7.2
Loans and advances, net	11,015,096	1,905,632	2,829,762	-	112,906	15,863,396	9.3
Fixed assets, net	-	-	-	-	501,615	501,615	-
Other assets	-	-	-	-	1,154,518	1,154,518	-
Total assets	27,218,255	3,623,327	7,934,743	749,019	3,813,508	43,338,852	
Liabilities and shareholders' equity							
Due to banks and other financial institutions	8,871,260	580,282	-	-	214,649	9,666,191	6.5
Customer deposits	13,670,316	5,651,634	53,823	-	8,985,891	28,361,664	6.3
Other liabilities	-	-	-	-	1,706,495	1,706,495	-
Shareholders' equity	-	-	-	-	3,604,502	3,604,502	-
Total liabilities and shareholders' equity	22,541,576	6,231,916	53,823	-	14,511,537	43,338,852	
On balance sheet gap	4,676,679	(2,608,589)	7,880,920	749,019	(10,698,029)	-	
Off balance sheet gap	34,060	(567,247)	533,187	-	-	-	
Total commission rate sensitivity gap	4,710,739	(3,175,836)	8,414,107	749,019	(10,698,029)	-	
Cumulative commission rate sensitivity gap	4,710,739	1,534,903	9,949,010	10,698,029	-	-	

The off-balance sheet gap represents the net notional amounts of off-balance sheet financial instruments, which are used to manage the commission rate risk.

The effective commission rate (effective yield) of a monetary financial instrument is the rate that, when used in a present value calculation, results in the carrying amount of the instrument. The rate is a historical rate for a fixed rate instrument carried at amortised cost and the current market rate for a floating rate instrument or an instrument carried at fair value.

27. Liquidity risk

Liquidity risk is the risk that an institution will be unable to meet its net funding requirements. The Bank monitors and manages the liquidity structure of its assets and liabilities so as to ensure that cash flows are sufficiently balanced and sufficient liquid funds are maintained to meet liquidity requirements.

The table below summarises the maturity profile of the Bank's assets and liabilities. The contractual maturities of assets and liabilities have been determined on the basis of the remaining period from the balance sheet date to the contractual maturity date and do not take account of the effective maturities as indicated by the Bank's deposit retention history and the availability of liquid funds.

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The maturity profile of the assets and liabilities was as follows:

2001 SAR'000	Within 3 months	3-12 months	1-5 years	Over 5 years	No fixed maturity	Total
Assets						
Cash and balances with SAMA	**610,802**	-	-	-	**1,099,379**	**1,710,181**
Due from banks and other financial institutions	**965,083**	-	-	-	-	**965,083**
Investments, net	**1,709,240**	**2,765,948**	**7,858,787**	**9,051,492**	**382,910**	**21,768,377**
Loans and advances, net	**7,093,324**	**2,409,707**	**5,699,571**	**817,819**	-	**16,020,421**
Fixed assets, net	-	-	-	-	**515,065**	**515,065**
Other assets	-	-	-	-	**941,618**	**941,618**
Total assets	**10,378,449**	**5,175,655**	**13,558,358**	**9,869,311**	**2,938,972**	**41,920,745**
Liabilities and shareholders' equity						
Due to banks and other financial institutions	**4,393,787**	**399,431**	-	-	-	**4,793,218**
Customer deposits	**26,900,195**	**4,606,062**	**32,536**	-	-	**31,538,793**
Other liabilities	-	-	-	-	**1,632,670**	**1,632,670**
Shareholders' equity	-	-	-	-	**3,956,064**	**3,956,064**
Total liabilities and shareholders' equity	**31,293,982**	**5,005,493**	**32,536**	-	**5,588,734**	**41,920,745**

2000 SAR'000	Within 3 months	3-12 months	1-5 years	Over 5 years	No fixed maturity	Total
Assets						
Cash and balances with SAMA	674,732	-	-	-	951,760	1,626,492
Due from banks and other financial institutions	5,461,935	248,850	37,530	-	-	5,748,315
Investments, net	517,863	1,177,245	8,661,590	7,719,080	368,738	18,444,516
Loans and advances, net	6,987,240	2,310,620	5,869,572	695,964	-	15,863,396
Fixed assets, net	-	-	-	-	501,615	501,615
Other assets	-	-	-	-	1,154,518	1,154,518
Total assets	13,641,770	3,736,715	14,568,692	8,415,044	2,976,631	43,338,852
Liabilities and shareholders' equity						
Due to banks and other financial institutions	9,085,910	580,281	-	-	-	9,666,191
Customer deposits	22,496,657	5,781,412	83,595	-	-	28,361,664
Other liabilities	-	-	-	-	1,706,495	1,706,495
Shareholders' equity	-	-	-	-	3,604,502	3,604,502
Total liabilities and shareholders' equity	31,582,567	6,361,693	83,595	-	5,310,997	43,338,852

28. Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Consequently, difference can arise between carrying values and fair value estimates.

The fair values of on-balance sheet financial instruments, except for originated debt securities, held to maturity investments, loans and advances and customer deposits, are not significantly different from the carrying values included in the financial statements. The estimated fair values of the originated debt securities and investments held to maturity are based on quoted market prices when available or pricing models in the case of certain fixed rate bonds. Fair value of these investments is disclosed in note 5. It is not practical to determine the fair value of loans and advances and customer deposits with sufficient reliability.

29. Related party transactions

Managerial and specialised expertise is provided under a technical services agreement with the parent company of one of the shareholders, HSBC Holdings BV. This agreement was renewed on 1 October 1997 for a period of five Gregorian years.

In the ordinary course of its activities, the Bank transacts business with related parties. In the opinion of the management and the board the related party transactions are performed on an arms-length basis. The year-end balances included in the balance sheet resulting from such transactions were as follows:

	2001 SAR'000	2000 SAR'000
HSBC Group:		
Investments	**522,482**	441,362
Due from banks and other financial institutions	**524,174**	1,557,416
Due to banks and other financial institutions	**1,352,785**	2,379,979
Derivatives (at fair value)	**54,483**	84,856
Commitments and contingencies	**272,944**	250,214
Directors, audit committee, major shareholders and their affiliates:		
Deposits	**259,023**	30,758
Loans and advances	**502,829**	461,911
Derivatives (at fair value)	**(1,912)**	(87)
Commitments and contingencies	**28,411**	17,382
Directors' remuneration	**1,524**	1,531

Shareholders who hold more than 10% of the Bank's share capital are classified as major shareholders.

	2001 SAR'000	2000 SAR'000
Bank's mutual funds:		
Demand and time deposits	**3,200,789**	1,511,566
Investments	**53,999**	45,641
Loans and advances	**5,210**	1,309

Income and expenses pertaining to transactions with related parties included in the financial statements were as follows:

	2001 SAR'000	2000 SAR'000
Special commission income	**83,927**	132,978
Special commission expense	**(141,001)**	(106,543)
Fees from banking services	**22,225**	11,785

NOTES TO THE FINANCIAL STATEMENTS
(Continuation)

30. Capital adequacy

The Bank monitors the adequacy of its capital using ratios established by SAMA. These ratios measure capital adequacy by comparing the Bank's eligible capital with its balance sheet assets, commitments and the notional amount of derivatives at a weighted amount to reflect their relative risk.

	Capital		Ratio %	
	2001 SAR'000	2000 SAR'000	**2001**	2000
Tier 1	**3,950,388**	4,033,706	**17.8**	17.7
Tier 1 + Tier 2	**3,950,388**	4,033,706	**17.8**	17.7

31. Contra accounts

The composition of contra accounts is as follows:

	2001 SAR'000	2000 SAR'000
Guarantees, letters of credit and acceptances	**6,900,416**	6,356,324
Commission rate contracts		
- Forward rate agreements	**150,000**	463,965
- Commission rate swaps	**6,855,796**	9,141,068
Foreign exchange contracts		
- Spot and forward contracts	**31,957,942**	35,416,868
- Currency options	**52,422**	82,262
Others	**156,627**	315,848
Total	**46,073,203**	51,776,335

32. Comparative figures

Certain prior year figures have been reclassified to conform with current year presentation.

33. Board of Directors' approval

The financial statements were approved by the Board of Directors on 29 Shawal 1422H (13 January 2002).

BRANCHES AND ATM LOCATIONS

Head Office:

Prince Abdulaziz Bin Mossaad Bin Jalawi Street (Dabaab),
P.O. Box 9084, Riyadh 11413, Saudi Arabia.
Tel: + 966 1 405-0677. Fax: + 966 1 405-0660
Telegram : SABRIT RIYADH.
Treasury: Tel: + 966 1 405-0020 Fax: + 966 1 405-8652.
SABB Direct: Toll Free Number: 800-124-8888
Website: www.sabb.com

Area Management Office - Central Province:

Salah Al Din Al Ayobi Road (Sitteen), P.O. Box 2907,
Riyadh 11461, Saudi Arabia.
Tel: + 966 1 479 4400.
Fax: + 966 1 476 5672.

Central Province Branches:

Riyadh:

Riyadh Main: Salah Al Din Ayubi Road, Malaz, P.O. Box 2907, Riyadh 11461. Tel: (01) 479 4400
King Faisal Street: King Faisal Street, Batha, P.O. Box 43069, Riyadh 11561. Tel: (01) 404 3196
Dabaab: Prince Abdul Aziz Bin Mossaad Bin Jalawi Street, P.O. Box 17682, Riyadh 11494. Tel: (01) 405 0677
Olaya Road: Olaya Main Road, P.O. Box 10914, Riyadh 11443. Tel: (01) 465 7171
North Olaya: Owdah Bldg. Olaya Main Road, P.O. Box 10914, Riyadh 11443. Tel: (01) 456 0334
Al-Deirah: Al Mu'aigiliah Centre, Deirah, P.O. Box 2907, Riyadh 11461. Tel: (01) 411 4482
Sinnaiyah: Prince Salman Bin Abdulaziz Street, P.O. Box 26973, Riyadh 11496. Tel: (01) 446 5849
Al-Hassa Street: Al-Hassa Street, P.O. Box 2907, Riyadh 11461. Tel: (01) 476 9028
Al-Hassa Street - Ladies Section: Al-Hassa Street, P.O. Box 2907, Riyadh 11461. Tel: (01) 477 4007
Rabwah: Omar Bin Abdul Aziz Street, P.O. Box 2907, Riyadh 11461. Tel: (01) 493 2439
Dharat Al-Badia: Anas Bin Malik Street, P.O. Box 2907, Riyadh 11461. Tel: (01) 431 1250
Al-Worood: King Abdulaziz Road, Warood, P.O. Box 2907, Riyadh 11461. Tel: (01) 456 5125
Al-Takhassusi: Takhassusi Street, P.O. Box 2907, Riyadh 11461. Tel: (01) 464 9446
Al-Rawdah: Khalid Bin Al Walid Street, P.O. Box 2907, Riyadh 11461. Tel: (01) 230 0101
Al-Suwaidi: Al-Suwaidi Main Street, P.O. Box 2907, Riyadh 11461. Tel: (01) 426 3961
Al-Suwaidi - Ladies Section: Al-Suwaidi Main Street, P.O. Box 2907, Riyadh 11461. Tel: (01) 426 3677
Al-Shifa: Ibn Taymiyah Street, Al-Shifa, P.O. Box 2907, Riyadh 11461. Tel: (01) 421 2984
Mohammadiah: Prince Abdullah Bin Abdulaziz Street, P.O. Box 2907, Riyadh 11461. Tel: (01) 488 0260
Al-Nozha: Abubaker Al Siddiq Street, P.O. Box 2907, Riyadh 11461. Tel: (01) 456 4441
Al-Naseem: Saad Ibn Ali Al Wakkas Street, P.O. Box 2907, Riyadh 11461. Tel: (01) 231 7456
Al-Murabba: Prince Turki Bin Abdulaziz Street, P.O. Box 9084, Riyadh 11413. Tel: (01) 404 2316
Shumaisi: Prince Fahad Bin Faisal Al Farhan Al Saud Street, P.O. Box 2907, Riyadh 11461. Tel: (01) 434 1115
Al-Faisalyiah: Al-Faisalyiah Tower, King Fahad Road, P.O. Box 2907, Riyadh 11461. Tel: (01) 273 4459
Al-Faisalyiah - Ladies Section: Al-Faisalyiah Tower, King Fahad Road, P.O. Box 2907, Riyadh 11461. Tel: (01) 273 4208

Al-Kharj:

King Fahad Road, Al-Kharj District, P.O. Box 698, Al-Kharj 11942. Tel: (01) 544 4000

Buraidah:

Al Khubaib Street, P.O. Box 1829, Buraidah. Tel: (06) 324 5494

Onaizah:

Al Zulfi Road, P.O. Box 877, Onaizah. Tel: (06) 362 0490

Al-Rass:

King Abdul Aziz Road, Al-Rass, P.O. Box 101, Al-Rass.
Tel: (06) 333 7060

Central Province Offsite ATM Locations:

Riyadh:

Al-Mohammadiah, Al-Jamea'ah, Prince Abdullah Street
Al-Malaz, Al-Abar Gas Station - Salah Alddeen Al-Ayoubi (60) Street
Al-Manar, Al-Zahra Gas Station, Ahmed Bin Hanbbal Street
Al-Nahdhah, AT&T, Khurais Raod
Olaya, Al-Awais Market - North Olaya
Olaya, Sahara Mall - 1st - Prince Abdullah Road
Olaya, Sahara Mall - 2nd - Prince Abdullah Road
Olaya, NCCI Bldg. - King Fahad Road
Olaya, Al Faisaliah - 2nd floor, Olaya Main X Prince Sultan
Olaya, Al Faisaliah - Ground floor, Olaya Main X Prince Sultan
Olaya, Al Faisaliah 3 - Olaya Main X Prince Sultan

BRANCHES AND ATM LOCATIONS

(Continuation)

Olaya, Nimer Plaza 1, Olaya Main Road
Olaya, Nimer Plaza 2, Olaya Main Road
Otaiqah, Al Aswaq Al Arabiah Mall, SKF - King Fahad Road
Tahkassusi, City Plaza, Takhassusi Main Road
Wizarat - Sheikh Abdulrahman Bin Hussain Street
Al-Noor, Shumaisi, Muslimah Bin Abdulmalik Street
(for blind customers too)
Al-Nadeem, Al Marmara Street
Batha, Batha Centre, Batha Main Street
Al-Swaidi, Naft Al-Swaidi, Swaidi Main Street
Al-Swaidi, Reem Al-Jazirah Gas Station, Sultana Street
Fayha, Lucent Technologies - Imam Al Shafie Street
Al-Rawdah, Al-Sharqi Mall, Khalid Ibn Al-Waleed Street (Inkas)
Al-Rawdah, Al-Rawdah International Mall, Hafsa Bin Omer Street
Al-Rawdah, Al Nasser Mall, Khurais, Hassan Bin Ali Street
Al-Rawdah, Al-Jazirah Gas Station, Prince Bandar Bin Abdul Aziz Street
Al-Audah, Naft Ghobairah, Amar Bin Yaser Street
Industrial Zone, MASCO 2, Al-Kharj Road

Al-Rass:

Al-Souq, King Abdulaziz Street
Al-Souq, King Fahad Road

Al-Kharj:

Al Ameera Gas Station - King Abdulaziz Street

Buraidah:

Al Khobaib, Al Khobaib Road

Area Management Office - Western Province:

Ali Ibn Abi Talib Street, Sharafiah
P.O. Box 109, Jeddah 21411, Saudi Arabia.
Tel: +966 2 651 2121.
Fax: +966 2 653 2816

Western Province Branches:

Jeddah:

Jeddah Main: Ali Ibn Abi Talib Street, P.O. Box 109, Jeddah 21411. Tel: (02) 651 2121
Caravan: Hail Street, P.O. Box 6885, Jeddah 21452. Tel: (02) 651 2840
King Abdulaziz Street: King Abdulaziz Street, Al-Balad, P.O. Box 7002, Jeddah 21462. Tel: (02) 642 7008
Jeddah International Market: Al Medinah Road, Al-Rawdah, P.O. Box 5383, Jeddah 21422. Tel: (02) 667 1605
Makkah Road: Kilo 3, Al-Nuzlah Al-Sharqeyyah, P.O. Box 11633, Jeddah 21463. Tel: (02) 688 4526
Palestine Street: Al-Mukhmal Commercial Centre, Palestine Street, P.O. Box 109, Jeddah 21411. Tel: (02) 660 2728
Palestine Street Ladies Branch: Al-Mukhmal Commercial Centre, Palestine Street, P.O. Box 109, Jeddah 21411. Tel: (02) 668 2254
Prince Mutaib Street: Al-Rehab Market, P.O. Box 109, Jeddah 21411. Tel: (02) 672 9046
Sary Street: Sary Street, Al-Salamat, P.O. Box 109, Jeddah 21411. Tel: (02) 683 2416
Sary Street - Ladies Section: Sary Street, Al-Salamat, P.O. Box 109, Jeddah 21411. Tel: (02) 698 1802
Al-Tahliah: Prince Mohammed Ibn Abdulaziz, Al-Rawdah, P.O. Box 109, Jeddah 21411. Tel: (02) 665 9641
Al-Tahliah Ladies Section: Prince Mohammed Ibn Abdulaziz, Al-Rawdah, P.O. Box 109, Jeddah 21411. Tel: (02) 665 9614
Hera Street: Hera Street, Al-Nahda, P.O. Box 109, Jeddah 21411. Tel: (02) 699 1356
Hera Street - Ladies Section: Hera Street, Al-Nahda, P.O. Box 109, Jeddah 21411. Tel: (02) 622 6007
Balad: Al Dahab Street, Al-Balad, P.O. Box 19513, Jeddah 21455. Tel: (02) 647 1145
Al-Safa District: Amir Majed Street, Al-Safa, P.O. Box, 109, Jeddah 21411. Tel: (02) 679 2424
Al-Amir Fahad Street: Prince Fahad Street, Al-Bawadi, P.O. Box 109, Jeddah 21411. Tel: (02) 655 0862

Makkah:

Makkah: Abdullah Areef Street, Al-Nuzha, P.O. Box 9559, Makkah Al-Mukarramah. Tel: (02) 545 9191
Makkah Ladies Section: Abdullah Areef Street, Al-Nuzha, P.O. Box 9559, Makkah Al-Mukarramah. Tel: (02) 548 2925
Al-Aziziah: Aziziah Main Road, P.O. Box 6052, Makkah Al-Mukarramah. Tel: (02) 557 0134
Misfalah: Ibrahim Al Khaleel Street, P.O. Box 9559, Makkah Al-Mukarramah. Tel: (02) 537 8501

Medinah Al-Munawwarah:

Medinah: Shara Abu Bakr Al Siddiq, Sultana, P.O. Box 135, Medinah Al-Munawwarah. Tel: (04) 826 7472
Medinah Ladies: Shara Abu Bakr Al Siddiq, Sultana, P.O. Box 135, Medinah Al-Munawwarah. Tel: (04) 823 2530
King Abdulaziz Street: Al-Hakrah Al-Sharqeyyah, P.O. Box 135, King Abdulaziz Street. Tel: (04) 838 5984

Taif:

King Faisal Streeet, Al Balad, P.O. Box 822, Taif.
Tel: (02) 738 1360

Abha:

King Abdulaziz Street, Al Khasha'a, P.O. Box 698, Abha.
Tel: (07) 224 4628

Khamis Mushait:

Al Khairia Commercial Centre, P.O. Box 1846,
Khamis Mushait. Tel: (07) 222 2302

Yanbu:

King Saud Street, Yanbu Industrial City, P.O. Box 31220,
Yanbu Al-Sinaiyah, Tel: (07) 325 4445

Western Province Offsite ATM Locations:

Jeddah:

Al-Bawadi, City Plaza Mall, Sitteen Street
Al-Hamra, Fudruckers Restaurant - Al Fitaihi Street
Al-Mahjer, King Abdul Aziz Hospital - Al-Mahjer Street
Al-Rehab, Al-Rehab Centre - Prince Mutaib Street (40)
Al-Rwais, United Doctors Hospital, Al Jazeerah Street
Al-Salamah, Al-Salamah Station - Sari Street
ARAMCO, SAMARIC - Al-Madinah Road
Herra, Dr. Erfan Hospital - King Fahad (60) Street
Industrial Zone, Saudi Cable Plant - Saudi Cable Street
Kandarah, Al-Wafa Gas Station - Old Airport Street
Marriot Hotel, Bani Malek, Palestine Street
Mosadia, Mosadia Plaza, Al-Madinah Road
SWCC, SWCC Compound Jeddah
Al-Jameah, Diwan Restaurant, Abdallah Bin Sulaiman Street
Petrolco Gas Station, Sitteen Street
Crossing of Sahafa Street and Palestine Street

Makkah:

Al-Haram Hilton Hotel (2 ATMs), King Abdul Aziz Street
Al Hojoon, Al Hojoon Makkah, Al Haram Street
Al Noor, Jeddah-Makkah Road (for blind customers too)
Industrial Zone, Makkah Medical Centre - Al-Madinah Road

Al-Madinah:

Al-Anabiyah, Oberoi Hotel, Abi Therr Al-Ghevari Street
Madinah International Mall, Abu Baker Al Siddiq Street

Taif:

Al-Qammaryah, Airport Road

Abha:

Al Hizam Al Akhdar, Opp: to Al Ghunaim Commercial Centre, Prince Sultan Road
Shamsan, Al-Ghamdi Gas Station, Prince Sultan Bin Abdul Aziz Street

Khamis Mushait:

Al-Ghounaim, Al-Ghounaim Centre - Main Street
Al Mobti, Abha - Airport Road
Bin Dawass Gas Station - Air Base Street

Yanbu:

King Saud X Radawi Street

Area Management Office - Eastern Province:

King Abdulaziz Boulevard, P.O. Box 394,
Al-Khobar 31952, Saudi Arabia.
Tel:+966 3 882 6000. Fax: +966 3 882 1669.

Eastern Province Branches:

Dammam:

Dammam Main: Dhahran Street, P.O. Box 1618,
Dammam 31441. Tel: (03) 833 1553
Ibn Khildoun Street: King Fahad Road, P.O. Box 1618,
Dammam 31441. Tel: (03) 842 5242
Al-Jalawiah: King Khalid Street, P.O. Box 1618,
Dammam 31441. Tel: (03) 842 4105
Al-Anoud: King Abdulaziz Street, P.O. Box 1618,
Dammam 31441. Tel: (03) 834 1087
Al-Anoud - Ladies Section: King Abdulaziz Street,
P.O. Box 1618, Dammam 31441. Tel: (03) 834 1087
Dammam Super Branch: Corniche Street, Al Shati district,
P.O. Box 1618, Dammam 31441. Tel: (03) 830 1000
Dammam Super Branch-Ladies Section: Corniche Street,
Al Shati district, P.O. Box 1618, Dammam 31441. Tel: (03) 830 1000

Al-Khobar:

King Abdulaziz Boulevard: P.O. Box 394, Al-Khobar 31952.
Tel: (03) 882 1395
King Abdulaziz Boulevard - Ladies Section: P.O. Box 394,
Al-Khobar 31952. Tel: (03) 864 9307
Al-Agrabiah: 10th Street crossing Abu Haidria,
P.O. Box 1618, Dammam 31441. Tel: (03) 894 8297

Thugbah:

Makkah Street, P.O. Box 394, Al-Khobar 31952.
Tel: (03) 898 5580

Qatif:

Qatif: Al Quds Street, P.O. Box 209, Qatif 31911.
Tel: (03) 855 2059
Qatif - Ladies Section: Al Quds Street, P.O. Box 209,
Qatif 31911. Tel: (03) 855 2059
Taroot: Main Street, P.O. Box 1618, Dammam 31441.
Tel: (03) 823 2444
Safwa: Main Road, Safwa, P.O. Box 1618, Dammam 31441.
Tel: (03) 664 2620

BRANCHES AND ATM LOCATIONS

(Continuation)

Saihat: King Abdulaziz Street, P.O. Box 1618, Dammam 31441. Tel: (03) 856 0008

Ras Tanura: Al Malik Street, Ras Tanura, P.O. Box 607, Rahima 31941. Tel: (03) 667 0056

Ohud: Ohud Street, Al-Qatif, P.O. Box 209, Qatif 31911. Tel: (03) 852 0266

Ohud - Ladies Section: Ohud Street, Al Qatif, P.O. Box 209, Qatif 31911. Tel: (03) 852 0526

Jubail: Jubail International Markets, Al Safah Street, P.O. Box 119, Jubail 31951. Tel: (03) 362 0250

Jubail Industrial City: 213 Road, P.O. Box 10015, Jubail 31961. Tel: (03) 341 9147

Al-Hassa:

Hoffuf: King Khalid Street, P.O. Box 365, Hoffuf 31982. Tel: (03) 586 6000

Mubarraz: Al Hazam Street, P.O. Box 365, Hoffuf 31982. Tel: (03) 587 2269

Al-Khaldia: University Street, P.O. Box 365, Hoffuf 31982. Tel: (03) 580 5186

Al-Khaldia - Ladies Section: University Street, P.O. Box 365, Hoffuf 31982. Tel: (03) 580 7209

Al-Jafr: Main Street, Al-Jafr, Hoffuf, P.O. Box 365, Hoffuf 31982. Tel: (03) 539 3156

Eastern Province Offsite ATM Locations:

Dammam:

Adamah, Dammam Plaza Complex, Prince Mohammed Street
Al-Anoud, Vegetable Market,- 42nd Street
Al-Itisalat, STC Main Office
Al-Mina, Al Mina Street
Al Dowayan Gas Station, King Khalid Street
King Fahd Road
King Saud Road
Ibn Sina Street

Al-Khobar:

Al-Haras, Arkan Al-Khair, Al-Estath Street
Al-Mohammadiah, Giant Store - 42nd Street
Al-Mubarakia - Al Mubarakia Main Street
Al-Sanad Stores, Al Khobar - Dhahran Street
Cornish Al-Khobar, Opp: Meridian Hotel
EPM Building, King Abdul Aziz Street
EPM Flagship - 1st Street, Al Cornish Road, Opp: Sheraton Hotel
Madinat Al-Oummal, 9th Street, 9th Street X King Khalid Street
Muthaleth, Al Rabia Park - 1st Street
Nassreyah, GDE, Al-Khobar-Dammam Highway
Railway Headquarters, Ali Bin Abi Talib Street
SWCC Market, Al Khobar Main Street
Thoqbah, Naghmoush Building, 20th Street
TOYOTA Showroom, Prince Faisal Bin Fahd Street
Al-Jesser area
King Abdul Aziz Air Base Hospital

Al-Dhahran:

Al-Danah, Main Street
Dhahran Military City, KFMMC, Al-Hasa Street
Jisr, King Fahd Causeway
Najmat Al-Madaen Gas Station, King Abdulaziz Road

Qatif:

Al-Madinah, Al Abduljabbar Gas Station, Quds Street
Al-Nasserah, Al-Zahrah, Tarout Street
Al Awamiyah - Main Street
Fish Market - Al-Fath Street
Ohud, Ohud Street
Umm Al Hammam, Al Ghanim Gas Station, Al Jish Street

Safwa:

Safwa Co-Op. Store, Al-Zahra Main Street

Al-Ahssa:

Bukhadher Gas Station, Al-Jafer Street
Presidency of Girls Education, Khaldia Main Street

Hoffuf:

Municipality Square, King Abdul Aziz Street
Al-Noor, Prince Sultan Road (for blind customers too)
Al-Kuhul Gas Station, Dhahran Street
Riyadh Road, near King Fahd Hospital

Al-Gara:

Al Garah, Main Street, facing Co-Op

Jubail:

TOYOTA Showroom, Jeddah Street
SWCC Market, Safat Main Street
Al Safat, Al Safat Street

Jubail Industrial City:

Al-Fanateer Mall, Al-Mazra'ah Street

Mubarraz:

Al-Rashdeyah, Al-Rashdeyah Street

Al Omran:

Al Omran Main Street

London Branch:

18C, Curzon Street, London WIJ 7SX, United Kingdom
Tel: (207) 409-2567,
Fax: (207) 495-2329.