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## **REVIEW REPORT**

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

We have reviewed the accompanying interim consolidated statement of financial position of Arab National Bank (the "Bank") and its subsidiaries as at September 30, 2010, and the related interim consolidated income statement and statement of comprehensive income for the three-month and nine-month periods then ended, and the related interim consolidated statements of changes in equity and cash flows for the nine-month period then ended, and notes from (1) to (10).

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

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

### **Scope of Review**

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

We conducted our review in accordance with generally accepted standards in Saudi Arabia applicable to review engagements and with International Standard on Review Engagements 2410. A review consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

### **Conclusion**

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



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### **Other Regulatory Matters**

As required by SAMA, certain capital adequacy information has been disclosed in note (10) of the accompanying interim condensed consolidated financial statements. As part of our review, we compared the information in note (10) to the relevant analysis prepared by the Bank for submission to SAMA and found no material inconsistencies.

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Dhual Qa'dah 1, 1431  
October 9, 2010



ARAB NATIONAL BANK – Saudi Joint Stock Company  
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at		September 30, 2010 (Unaudited) SAR'000	December 31, 2009 (Audited) SAR'000	September 30, 2009 (Unaudited) SAR'000
	Note			
<b>ASSETS</b>				
Cash and balances with SAMA		10,360,586	10,457,455	11,722,318
Due from banks and other financial institutions		3,955,957	6,082,423	3,923,334
Investments, net	4	17,537,224	23,260,907	23,676,052
Loans and advances, net		65,282,560	66,811,033	68,793,458
Investment in an associate		323,262	314,649	312,363
Other real estate		100,263	100,992	103,808
Property and equipment, net		1,293,721	1,239,681	1,090,446
Other assets		2,521,167	2,030,180	2,241,582
Total assets		<u>101,374,740</u>	<u>110,297,320</u>	<u>111,863,361</u>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Due to banks and other financial institutions		3,371,306	8,714,228	13,237,784
Customers' deposits		77,379,765	82,680,240	80,501,769
Other liabilities		3,080,365	2,737,085	2,489,474
Debt securities in issue		1,687,500	1,687,500	1,687,500
Total liabilities		<u>85,518,936</u>	<u>95,819,053</u>	<u>97,916,527</u>
<b>Equity attributed to equity holders of the Bank</b>				
Share capital	9	6,500,000	6,500,000	6,500,000
Statutory reserve		5,000,000	5,000,000	4,390,000
Other reserves		373,485	(46,871)	(234,441)
Retained earnings		3,875,270	2,265,638	3,291,275
Proposed Dividend		-	650,000	-
Total equity attributed to equity holders of the Bank		<u>15,748,755</u>	<u>14,368,767</u>	<u>13,946,834</u>
Non-controlling interest		107,049	109,500	-
Total equity		<u>15,855,804</u>	<u>14,478,267</u>	<u>13,946,834</u>
Total liabilities and equity		<u>101,374,740</u>	<u>110,297,320</u>	<u>111,863,361</u>

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

ARAB NATIONAL BANK – Saudi Joint Stock Company  
INTERIM CONSOLIDATED INCOME STATEMENT  
(Unaudited)

	<u>For the three months ended</u>		<u>For the nine months ended</u>	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
	<u>Note</u> SAR'000	SAR'000	SAR'000	SAR'000
Special commission income	843,827	965,529	2,573,553	3,324,958
Special commission expense	<u>64,574</u>	<u>127,221</u>	<u>215,932</u>	<u>680,463</u>
Net special commission income	779,253	838,308	2,357,621	2,644,495
Fees from banking services, net	118,262	123,494	402,944	443,771
Exchange income, net	74,260	63,260	243,082	182,782
Income (loss) from FVIS financial instruments, net	2,700	6,894	6,096	(8,737)
Trading income (loss), net	37,213	(194)	54,982	8,087
Gains and impairment of non -trading investments, net	82,654	16,248	191,029	37,840
Dividend income	14,443	4,473	33,794	12,685
Other operating income	<u>20,718</u>	<u>14,843</u>	<u>79,526</u>	<u>115,188</u>
Total operating income	<u>1,129,503</u>	<u>1,067,326</u>	<u>3,369,074</u>	<u>3,436,111</u>
Salaries and employee related expenses	230,428	224,489	687,686	695,931
Rent and premises related expenses	32,767	30,206	94,010	89,557
Depreciation and amortization	51,380	48,700	154,218	140,075
Other general and administrative expenses	95,848	79,816	281,042	255,861
Provision for credit losses, net	<u>377,266</u>	<u>51,188</u>	<u>553,550</u>	<u>179,805</u>
Total operating expenses	<u>787,689</u>	<u>434,399</u>	<u>1,770,506</u>	<u>1,361,229</u>
Net operating income	<u>341,814</u>	<u>632,927</u>	<u>1,598,568</u>	<u>2,074,882</u>
Share in gains (losses) of an associate	<u>3,453</u>	<u>567</u>	<u>8,613</u>	<u>(687)</u>
Net income for the period	<u>345,267</u>	<u>633,494</u>	<u>1,607,181</u>	<u>2,074,195</u>
Loss attributed to non-controlling interest	<u>1,242</u>	<u>-</u>	<u>2,451</u>	<u>-</u>
Net income attributed to equity holders of the Bank	<u>346,509</u>	<u>633,494</u>	<u>1,609,632</u>	<u>2,074,195</u>
Basic and fully diluted earnings (in SAR per share)	<u>0.53</u>	<u>0.97</u>	<u>2.48</u>	<u>3.19</u>

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

ARAB NATIONAL BANK – Saudi Joint Stock Company  
 INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 (Unaudited)

	<u>For the three months ended</u>		<u>For the nine months ended</u>	
	Sept 30, 2010	Sept 30, 2009	Sept 30, 2010	Sept 30, 2009
	<u>SAR'000</u>	<u>SAR'000</u>	<u>SAR'000</u>	<u>SAR'000</u>
Net income for the period	346,509	633,494	1,609,632	2,074,195
Other comprehensive income:				
Net changes in fair value of available for sale investments	383,344	140,775	651,765	35,273
Net changes in fair value of cash flow hedges	(17,591)	(2,805)	3,984	(119,165)
Total comprehensive income for the period	<u>712,262</u>	<u>771,464</u>	<u>2,265,381</u>	<u>1,990,303</u>
Attributable to:				
Equity holders of the bank	713,504	771,464	2,267,832	1,990,303
Non-controlling interest	(1,242)	-	(2,451)	-
Total comprehensive income for the period	<u>712,262</u>	<u>771,464</u>	<u>2,265,381</u>	<u>1,990,303</u>

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

ARAB NATIONAL BANK – Saudi Joint Stock Company  
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
For the nine months ended September 30, 2010 and 2009  
(Unaudited)

Total Equity attributable to equity holders of the Bank

	Share capital SAR'000	Statutory reserve SAR'000	Other reserves SAR'000	Retained earnings SAR'000	Proposed dividend SAR'000	Total SAR'000	Non-controlling interest SAR'000	Total equity SAR'000
<u>2010</u>								
Balance at beginning of the period	6,500,000	5,000,000	(46,871)	2,265,638	650,000	14,368,767	109,500	14,478,267
Net changes in fair value of cash flow hedges			3,984	-	-	3,984	-	3,984
Net changes in fair value of available for sale investments			651,765	-	-	651,765	-	651,765
Transfers to interim consolidated income statement			(235,393)	-	-	(235,393)	-	(235,393)
Net income recognized directly in equity			420,356	-	-	420,356	-	420,356
Net income (losses) for the period			-	1,609,632	-	1,609,632	(2,451)	1,607,181
Total recognized income (expenses) for the period			420,356	1,609,632	-	2,029,988	(2,451)	2,027,537
2009 final dividend	-	-	-	-	(650,000)	(650,000)	-	(650,000)
Balance at end of the period	6,500,000	5,000,000	373,485	3,875,270	-	15,748,755	107,049	15,855,804
<u>2009</u>								
Balance at beginning of the period	6,500,000	4,390,000	(85,782)	1,217,080	650,000	12,671,298	-	12,671,298
Net changes in fair value of cash flow hedges			(119,165)	-	-	(119,165)	-	(119,165)
Net changes in fair value of available for sale investments			35,273	-	-	35,273	-	35,273
Transfers to interim consolidated income statement			(64,767)	-	-	(64,767)	-	(64,767)
Net expenses recognized directly in equity			(148,659)	-	-	(148,659)	-	(148,659)
Net income for the period			-	2,074,195	-	2,074,195	-	2,074,195
Total recognized (expenses) income for the period			(148,659)	2,074,195	-	1,925,536	-	1,925,536
2008 final dividend	-	-	-	-	(650,000)	(650,000)	-	(650,000)
Balance at end of the period	6,500,000	4,390,000	(234,441)	3,291,275	-	13,946,834	-	13,946,834

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

ARAB NATIONAL BANK – Saudi Joint Stock Company  
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS  
For the nine months ended  
(Unaudited)

	Sept 30, 2010 SAR'000	Sept 30, 2009 SAR'000
<b><u>OPERATING ACTIVITIES</u></b>	<b><u>Note</u></b>	
Net income for the period	1,609,632	2,074,195
Adjustments to reconcile net income to net cash used in operating activities:		
Amortization of premium (accretion of discounts) on non-trading investments, net	23,056	(128,009)
Gains and impairment on non-trading investments, net	(191,029)	(37,840)
Depreciation and amortization	154,218	140,075
Gains on disposal of property and equipment, net	(2,476)	(2,843)
Gain from early retirement of debt securities	-	(55,988)
Share in (gains) losses of an associate	(8,613)	687
Provision for credit losses, net	553,550	179,805
	<u>2,138,338</u>	<u>2,170,082</u>
Net (increase) decrease in operating assets:		
Statutory deposit with SAMA	12,091	(169,922)
Due from banks and other financial institutions maturing after ninety days of the acquisition date	1,652,998	(51,563)
Loans and advances	981,791	5,614,259
Other real estate	729	(368)
Other assets	(407,660)	(719,428)
Net increase (decrease) in operating liabilities:		
Due to banks and other financial institutions	(5,342,922)	2,728,711
Customers' deposits	(5,300,475)	(12,241,684)
Other liabilities	276,505	(218,514)
Net cash used in operating activities	<u>(5,988,605)</u>	<u>(2,888,427)</u>
<b><u>INVESTING ACTIVITIES</u></b>		
Proceeds from sales of and matured non-trading investments	55,774,194	26,347,775
Purchase of non-trading investments	(49,492,512)	(21,646,600)
Investment in associate	-	(120,002)
Purchase of property and equipment	(218,701)	(300,980)
Proceeds from sale of property and equipment	12,919	8,153
Net cash from investing activities	<u>6,075,900</u>	<u>4,288,346</u>
<b><u>FINANCING ACTIVITIES</u></b>		
Early retirement of debt securities	-	(131,512)
Dividends paid	(643,090)	(642,471)
Non-controlling interest	(2,451)	-
Net cash used in financing activities	<u>(645,541)</u>	<u>(773,983)</u>
(Decrease) increase in cash and cash equivalents	(558,246)	625,936
Cash and cash equivalents at the beginning of the period	<u>10,819,049</u>	<u>10,711,944</u>
Cash and cash equivalents at the end of the period	<u>7</u> <u>10,260,803</u>	<u>11,337,880</u>
Special commission received during the period	2,690,626	3,666,332
Special commission paid during the period	<u>(173,809)</u>	<u>(1,132,638)</u>
<b><u>Supplemental non cash information</u></b>		
Net changes in fair value and transfer to interim consolidated income statement	<u>655,749</u>	<u>(83,892)</u>

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

ARAB NATIONAL BANK – Saudi Joint Stock Company  
Notes To The Interim Condensed Consolidated Financial Statements  
For the nine months ended September 30, 2010 and 2009  
(SAR'000)

1. General

Arab National Bank (a Saudi Joint Stock Company, the Bank) was formed pursuant to Royal Decree No. M/38 dated Rajab 18,1399H (June 13, 1979). The Bank commenced business on February 2, 1980 by taking over the operations of Arab Bank Limited in the Kingdom of Saudi Arabia. The Bank operates under Commercial Registration No. 1010027912 dated Rabi Awal 1, 1400H (January 19, 1980) through 139 branches (2009: 140 branches) in the Kingdom of Saudi Arabia and one branch in the United Kingdom. The address of the Bank's head office is as follows:

Arab National Bank  
P.O. Box 56921  
Riyadh 11564  
Kingdom of Saudi Arabia

The objective of the Bank is to provide a full range of banking services. The Bank also provides its customers non-interest based banking products which are approved and supervised by an independent Shariah Board established by the Bank.

The interim condensed consolidated financial statements comprise the financial statements of the Bank and the following subsidiaries:

Arab National Bank Investment Company (ANB Invest)

In accordance with the Capital Market Authority directives, the Bank has established a wholly owned subsidiary (directly and indirectly) "ANB Invest", a Saudi limited liability company, registered in the Kingdom of Saudi Arabia under commercial registration No. 1010239908 issued on 26 Shawal 1428H (corresponding to November 7, 2007), to takeover and manage the Bank's investment services and asset management activities related to dealing, managing, arranging, advising and custody of securities regulated by the Capital Market Authority. The subsidiary commenced its operations effective on Muharram 3, 1429H (corresponding to January 12, 2008). Accordingly, the Bank started consolidating the financial statements of the above mentioned subsidiary effective January 12, 2008.

Arabian Heavy Equipment Leasing Company (AHEL)

A 62.5% owned subsidiary incorporated in the Kingdom of Saudi Arabia, as a Saudi closed joint stock company, under commercial registration No. 1010267489 issued in Riyadh dated 15 Jumada 1, 1430H (corresponding to May 10, 2009). The company is engaged in leasing of heavy equipments and operating in compliance with Shariah principles. The Bank started consolidating the subsidiary's financial statements effective May 10, 2009, the date the subsidiary started its operations.

2. Basis of preparation

These interim condensed consolidated financial statements are prepared in accordance with the accounting standards for financial institutions promulgated by the Saudi Arabian Monetary Agency (SAMA) and IAS 34 – Interim Financial Reporting. The Bank also prepares its interim condensed consolidated financial statements to comply with the Banking Control Law and the Regulations for Companies in the Kingdom of Saudi Arabia.

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2009.

These interim condensed consolidated financial statements are expressed in Saudi Arabian Riyals (SAR) and are rounded off to the nearest thousands.



## 2. Basis of preparation (continued)

### Basis of consolidation

The interim condensed consolidated financial statements comprise the interim condensed financial statements of "Arab National Bank" and its subsidiaries, ANB Invest and AHEL collectively referred to as (the Group). The financial statements of the subsidiaries are prepared for the same reporting year as that of the Bank, using consistent accounting policies. Adjustments have been made to the financial statements of the subsidiaries to align them with the Bank's financial statements.

Subsidiaries are all entities over which the Bank has the power to govern the financial and operating policies, so as to obtain benefits from their activities, generally accompanying an ownership interest of more than one half of the voting rights.

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

Non-controlling interests represent the portion of net income and net assets not owned, directly or indirectly, by the Bank in its subsidiary and are presented separately in the interim consolidated income statement and within equity in the interim consolidated statement of financial position, separately from parent shareholders' equity.

Balances and any unrealised gains and losses arising from transactions between the Bank and its subsidiaries are eliminated in preparing the interim condensed consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## 3. Accounting policies

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used for the year ended December 31, 2009, except for the adoption of amendments to the existing standards, as mentioned below:

- IAS 27 (revised), Consolidated and separate financial statements
- IAS 39 (amendment), Financial instruments - Recognition and measurement – Eligible hedged items
- IFRIC Interpretation 18, Transfers of Assets from Customers

The above amendments to existing standards and interpretations are effective for 2010 but adoption of these will not have a material impact to the Group's interim condensed consolidated financial statements.

## 4. Investments, net

Investment securities are classified as follows:

	September 30, 2010 (Unaudited)	December 31, 2009 (Audited)	September 30, 2009 (Unaudited)
Held at fair value through income statement (FVIS)	180,852	208,322	230,430
Available for sale	7,470,182	17,275,934	16,177,561
Held to maturity	-	422,114	423,101
Other investments held at amortized cost, net	9,886,190	5,354,537	6,844,960
Total	17,537,224	23,260,907	23,676,052

ARAB NATIONAL BANK – Saudi Joint Stock Company  
Notes To The Interim Condensed Consolidated Financial Statements (continued)  
For the nine months ended September 30, 2010 and 2009  
(SAR'000)

5. Derivatives

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

	September 30, 2010 (Unaudited)			December 31, 2009 (Audited)			September 30, 2009 (Unaudited)		
	Positive fair value	Negative fair value	Notional amount	Positive fair value	Negative fair value	Notional amount	Positive fair value	Negative fair value	Notional Amount
Derivatives held for trading:									
Commission rate swaps	190,632	173,569	13,131,492	187,783	169,950	13,579,910	213,720	195,970	12,385,905
Forward foreign exchange contracts	152,176	86,886	13,582,859	195,719	169,473	12,807,732	143,244	118,019	9,732,252
Currency options	4,054	3,513	585,868	5,516	4,521	177,848	12,563	11,107	392,506
Derivatives held as fair value hedges:									
Commission rate swaps	-	205,295	4,644,380	794	140,768	3,017,129	-	171,359	2,966,421
Derivatives held as cash flow hedges:									
Commission rate swaps	7,836	-	425,000	4,023	171	625,000	7,375	-	690,000
Total	354,698	469,263	32,369,599	393,835	484,883	30,207,619	376,902	496,455	26,167,084

6. Credit related commitments and contingencies

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

	September 30, 2010 (Unaudited)	December 31, 2009 (Audited)	September 30, 2009 (Unaudited)
Letters of credit	4,924,650	4,623,573	4,375,126
Letters of guarantee	16,469,431	15,024,473	14,829,804
Acceptances	1,308,209	1,231,898	1,425,832
Irrevocable commitments to extend credit	2,381,585	2,188,576	2,371,766
Other	253,814	282,585	291,270
Total	<u>25,337,689</u>	<u>23,351,105</u>	<u>23,293,798</u>

7. Cash and cash equivalents

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

	September 30, 2010 (Unaudited)	December 31, 2009 (Audited)	September 30, 2009 (Unaudited)
Cash and balances with SAMA excluding statutory deposit	6,381,223	6,466,001	7,653,608
Due from banks and other financial institutions maturing within ninety days of the acquisition date	<u>3,879,580</u>	<u>4,353,048</u>	<u>3,684,272</u>
Total	<u>10,260,803</u>	<u>10,819,049</u>	<u>11,337,880</u>

## 8. Business segments

The Group's primary business is conducted in the Kingdom of Saudi Arabia with one international branch located in London, UK (the "branch"). However, the total assets, liabilities, commitments and results of operations of the branch are not material to the Group's overall interim condensed consolidated financial statements. All operating segments used by the Group meet the definition of reportable segments under IFRS 8.

Transactions between the business segments are reported as recorded in the Bank's transfer pricing system. Segment assets and liabilities comprise operating assets and liabilities, being the majority of the balances.

There have been no changes to the basis for the segment profit or loss since December 31, 2009.

For management purposes the Group is organized into the following major business segments:

### Retail banking

Deposit, credit and investment products for individuals.

### Corporate banking

Loans, deposits and other credit products for corporate and institutional customers, small to medium sized businesses, and the Bank's London Branch.

### Treasury banking

Manages the Bank's trading and investment portfolios and the Bank's funding, liquidity, currency and commission risks.

### Investment and brokerage services

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

### Other

Includes income on capital and unallocated costs, assets and liabilities pertaining to the Head office and other supporting departments.

The Group's total consolidated assets and liabilities as at September 30, 2010 and 2009, its total interim consolidated operating income, expenses and net income and other related information for the nine months period then ended, by business segments, as reported to senior management, are as follows:

ARAB NATIONAL BANK – Saudi Joint Stock Company  
Notes To The Interim Condensed Consolidated Financial Statements (continued)  
For the nine months ended September 30, 2010 and 2009  
(SAR'000)

8 Business segments (continued)

September 30, 2010 (Unaudited)						
	Retail banking	Corporate banking	Treasury banking	Investment and brokerage services	Other	Total
Total assets	24,977,000	44,157,695	29,591,512	37,703	2,610,830	101,374,740
Total liabilities	40,708,242	38,156,332	6,330,630	37,085	286,647	85,518,936
Total operating income	1,587,724	913,337	439,825	70,277	357,911	3,369,074
Total operating expenses	893,539	758,087	53,748	56,994	8,138	1,770,506
Share in gains of an associate	-	-	-	-	8,613	8,613
Loss attributed to non-controlling interest	-	-	-	-	2,451	2,451
Net income for the period	694,185	155,250	386,077	13,283	360,837	1,609,632
Provision for credit losses, net	(25,815)	579,365	-	-	-	553,550
Impairment of other financial assets	-	2,543	42,105	-	-	44,648
Depreciation and amortization	139,890	3,029	1,488	8,428	1,383	154,218
September 30, 2009 (Unaudited)						
	Retail banking	Corporate banking	Treasury banking	Investment and brokerage services	Other	Total
Total assets	25,348,635	47,735,382	37,270,924	272,944	1,235,476	111,863,361
Total liabilities	38,179,212	43,611,539	15,452,086	23,274	650,416	97,916,527
Total operating income	1,651,140	928,699	491,592	98,771	265,909	3,436,111
Total operating expenses	877,888	360,865	59,184	59,436	3,856	1,361,229
Share in losses of an associate	-	-	-	-	687	687
Net income for the period	773,252	567,834	432,408	39,335	261,366	2,074,195
Provision for credit losses, net	(25,774)	200,805	-	-	4,774	179,805
Impairment of other financial assets	-	-	18,750	-	-	18,750
Depreciation and amortization	125,067	2,469	1,380	10,808	351	140,075

ARAB NATIONAL BANK – Saudi Joint Stock Company  
Notes To The Interim Condensed Consolidated Financial Statements (continued)  
For the nine months ended September 30, 2010 and 2009  
(SAR'000)

9. Share capital and earnings per share

At September 30, 2010, the Bank has 650 million shares issued and outstanding.

Basic and diluted earnings per share for the periods ended September 30, 2010 and 2009 are calculated by dividing the net income for the period by 650 million shares.

10. Capital Adequacy

The Group maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision and adopted by the Saudi Arabian Monetary Agency in supervising the Bank.

Capital Adequacy Ratios				
Particulars	Total capital ratio	Tier 1 capital ratio	Total capital ratio	Tier 1 capital ratio
	%	%	%	%
	September 30, 2010 (Unaudited)		September 30, 2009 (Unaudited)	
Top consolidated level	17.97	14.46	16.67	12.25