



# **BASEL II – Quantitative Disclosures**

**PILLAR 3 - (JUNE 2012)**

**TABLE 1: SCOPE OF APPLICATION - JUN 2012****Capital Deficiencies (Table 1, (e))**

<b>Particulars</b>	<b>Amount SAR '000'</b>
The aggregate amount of capital deficiencies in subsidiaries not included in the consolidation i.e. that are deducted:	N/A
1. Subsidiary 1	
2. Subsidiary 2	
3. Subsidiary 3	
4. Subsidiary n	

**TABLE 2: CAPITAL STRUCTURE - JUN 2012**

Capital Structure (Table 2, (b) to (e))	
Components of capital	Amount SAR '000'
Core capital - Tier I:	
Eligible paid-up share capital	15,000,000
Shares premium accounts	
Eligible reserves	15,457,704
Minority interests in the equity of subsidiaries	
Retained earnings	114,605
IAS type adjustments*	
Deductions from Tier I:	
Interim losses during the year	
Intangible assets (including goodwill)	
Other country specific deductions from Tier 1 at 50%	
Regulatory calculation differences deduction from Tier 1 at 50%**	
Reciprocal holding of bank capital at 50% deduction	
Significant minority investments at 10% and above at 50% deduction:	
Banking and securities entities not fully consolidated	
Insurance organizations	
Commercial organizations	
<b>Total Tier I</b>	<b>30,572,309</b>
Supplementary capital - Tier 2:	
Revaluation gains/reserves	
Subordinated loan capital	
Qualifying general provisions	2,013,863
Interim profits	4,104,304
Deductions from Tier II:	
Reciprocal holding of bank capital at 50% deduction	
Significant minority investments at 10% and above at 50% deduction:	
Banking and securities entities not fully consolidated	
Insurance organizations	
Commercial organizations	
Other country specific deductions from Tier 2 at 50%	
Regulatory calculation differences deduction from Tier 2 at 50%**	
<b>Total Tier II</b>	<b>6,118,167</b>
Capital to cover market risks - Tier III	
Short Term Subordinated Debit	
Tier I and Tier II Capital Available for Market Risk	
<b>Total Eligible Capital</b>	<b>36,690,476</b>

**TABLE 3: CAPITAL ADEQUACY - JUN 2012**

Amount of Exposures Subject To Standardized Approach of Credit Risk and related Capital Requirements (TABLE 3, (b)) SAR '000'

Portfolios	Amount of exposures	Capital requirements
Sovereigns and central banks:	42,902,563	
SAMA and Saudi Government	42,902,563	
Others		
Multilateral Development Banks (MDBs)		
Public Sector Entities (PSEs)	565,064	22,603
Banks and securities firms	19,896,458	636,698
Corporates	43,985,775	3,449,044
Retail non-mortgages	96,771,325	5,806,279
Small Business Facilities Enterprises (SBFE's)		
Mortgages	18,498,244	1,479,859
Residential	9,607,155	768,572
Commercial	8,891,089	711,287
Securitized assets		
Equity	907,657	213,814
Others	19,200,724	792,362
<b>Total</b>	<b>242,727,810</b>	<b>12,400,659</b>

**TABLE 3: CAPITAL ADEQUACY - JUN 2012**

Capital Requirements For Market Risk* (822, Table 3, (d))					SAR '000'
	Interest rate risk	Equity position risk	Foreign exchange risk	Commodity risk	Total
Standardized approach			456,468		456,468
Internal models approach					

\* Capital requirements are to be disclosed only for the approaches used.

**TABLE 3: CAPITAL ADEQUACY -JUN 2012****Capital Requirements for Operational Risk\* (Table 3, (e))**

Particulars	Capital requirement SAR '000'
• Basic indicator approach;	
• Standardized approach;	1,576,383
• Alternate standardized approach;	
• Advanced measurement approach (AMA).	
<b>Total</b>	<b>1,576,383</b>

\* Capital requirement is to be disclosed only for the approach used.


**TABLE 3: CAPITAL ADEQUACY -JUN 2012**

Capital Adequacy Ratios (TABLE 3, (f))		
Particulars	Total capital ratio	Tier 1 capital ratio
	%	
Top consolidated level	19.67%	16.39%
Bank significant stand alone subsidiary 1		
Bank significant stand alone subsidiary 2		
Bank significant stand alone subsidiary 3		
Bank significant stand alone subsidiary n		

**TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - JUN 2012**

Credit Risk Exposure (Table 4, (b)) SAR '000'

Portfolios	Total gross credit risk exposure(Jun12)	Average gross credit risk exposure over the period
Sovereigns and central banks:	42,902,727	47,243,538
SAMA and Saudi Government	42,902,727	47,243,538
Others		
Multilateral Development Banks (MDBs)		
Public Sector Entities (PSEs)	565,064	535,259
Banks and securities firms	20,039,391	17,618,040
Corporates	47,729,804	47,266,970
Retail non-mortgages	96,771,325	92,818,614
Small Business Facilities Enterprises (SBFE's)		
Mortgages	18,498,244	15,524,415
Residential	9,607,155	9,236,052
Commercial	8,891,089	6,288,363
Securitized assets		
Equity	907,657	992,931
Others	32,255,523	29,879,354
<b>Total</b>	<b>259,669,733</b>	<b>251,879,120</b>



**TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - JUN 2012**

Geographic Breakdown (Table 4, (c)) SAR '000'

Portfolios	Geographic area						Total
	Saudi Arabia	Other GCC & Middle East	Europe	North America	South East Asia	Others countries	
Sovereigns and central banks:	42,902,727						42,902,727
SAMA and Saudi Government	42,902,727						42,902,727
Others							
Multilateral Development Banks (MDBs)							
Public Sector Entities (PSEs)	565,064						565,064
Banks and securities firms	12,042,275	6,094,365	122,082	216,975	1,289,644	274,050	20,039,391
Corporates	43,624,863	335,820	937,500		2,831,621		47,729,804
Retail non-mortgages	95,116,995	288,819			1,365,511		96,771,325
Small Business Facilities Enterprises (SBFE's)							
Mortgages	17,705,471	117,208			675,565		18,498,244
Residential	8,814,382	117,208			675,565		9,607,155
Commercial	8,891,089						8,891,089
Securitized assets							
Equity	886,334	20,907	416				907,657
Others	28,989,425	583,398	629,863	453,505	1,458,200	141,132	32,255,523
<b>Total</b>	<b>241,833,153</b>	<b>7,440,517</b>	<b>1,689,861</b>	<b>670,480</b>	<b>7,620,541</b>	<b>415,182</b>	<b>259,669,733</b>


**TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - JUN 2012**

Industry Sector Breakdown (Table 4, (d)) SAR '000'													
Portfolios	Industry sector												
	Government and quasi government	Banks and other financial institutions	Agriculture and fishing	Manufacturing	Mining and quarrying	Electricity, water, gas and health services	Building and construction	Commerce	Transportation and communication	Services	Consumer loans and credit cards	Others	Total
Sovereigns and central banks:	42,902,727												42,902,727
SAMA and Saudi Government	42,902,727												42,902,727
Others													
Multilateral Development Banks (MDBs)													
Public Sector Entities (PSEs)				565,064									565,064
Banks and securities firms		20,039,391											20,039,391
Corporates	4,820,323		318,761	8,222,590	393,844	2,327,594	7,315,286	10,335,408	5,802,028	8,193,970			47,729,804
Retail non-mortgages											96,771,325		96,771,325
Small Business Facilities Enterprises (SBFE's)													
Mortgages								8,891,089			9,607,155		18,498,244
Residential											9,607,155		9,607,155
Commercial								8,891,089					8,891,089
Securitized assets													
Equity		322,904								23,510		561,242	907,657
Others	328	58,590	5	675,036	198	58,380	85,011	254,325	77,928	152,973	160,002	30,732,747	32,255,523
<b>Total</b>	<b>47,723,378</b>	<b>20,420,885</b>	<b>318,766</b>	<b>9,462,690</b>	<b>394,042</b>	<b>2,385,974</b>	<b>7,400,297</b>	<b>19,480,822</b>	<b>5,879,956</b>	<b>8,370,453</b>	<b>106,538,482</b>	<b>31,293,989</b>	<b>259,669,733</b>



TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - JUN 2012

Residual Contractual Maturity Breakdown (Table 4, (e)) SAR '000'

Portfolios	Maturity breakdown									
	Less than 8 days	8-30 days	30-90 days	90-180 days	180-360 days	1-3 years	3-5 years	Over 5 years	No Fixed Maturity	Total
Sovereigns and central banks:	1,650,061	1,908,897	4,175,734	5,823,263	17,846,466				11,498,306	42,902,727
SAMA and Saudi Government	1,650,061	1,908,897	4,175,734	5,823,263	17,846,466				*11,498,306	42,902,727
Others										
Multilateral Development Banks (MDBs)										
Public Sector Entities (PSEs)						565,064				565,064
Banks and securities firms	5,946,657	6,261,574	3,520,636	1,171,813	3,138,711					20,039,391
Corporates	13,594,435	4,735,848	5,728,512	6,768,005	5,599,653	5,965,854	2,895,052	2,442,445		47,729,804
Retail non-mortgages	3,028,309	2,950,245	4,548,590	6,727,570	12,844,702	44,111,763	16,316,928	6,243,218		96,771,325
Small Business Facilities Enterprises (SBFE's)										
Mortgages	851,446	140,421	291,126	419,081	1,482,064	3,267,904	1,644,520	10,401,681		18,498,244
Residential	63	136,564	272,604	406,205	663,180	1,669,699	1,497,381	4,961,460		9,607,155
Commercial	851,383	3,858	18,522	12,876	818,884	1,598,205	147,140	5,440,221		8,891,089
Securitized assets										
Equity					346,415			561,242		907,657
Others	6,403,356	1,299,288	3,039,518	4,374,577	4,291,051	2,920,231	3,406,537	2,803,230	** 3,717,735	32,255,523
<b>Total</b>	<b>31,474,264</b>	<b>17,296,273</b>	<b>21,304,116</b>	<b>25,284,309</b>	<b>45,549,062</b>	<b>56,830,816</b>	<b>24,263,037</b>	<b>22,451,815</b>	<b>15,216,041</b>	<b>259,669,733</b>



TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - JUN 2012

Impaired Loans, Past Due Loans and Allowances (Table 4, (f)) SAR '000'

Industry sector	Impaired loans	Defaulted	Aging of Past Due Loans (days)				Specific allowances			General allowances
			Less than 90	90-180	180-360	Over 360	Charges during the period	Charge-offs during the period	Balance at the end of the period	
Government and quasi government										
Banks and other financial institutions										
Agriculture and fishing										
Manufacturing	1,927	1,927				1,927		89	254	
Mining and quarrying										
Electricity, water, gas and health services										
Building and construction	311,586	311,586	81,960	64,578	32,645	214,363	112,600	6,935	110,757	
Commerce	277,247	277,247	73,803	149,447	92,157	35,643	71,584	1,119	122,078	
Transportation and communication										
Services			125,240				2,848	168	2,928	
Consumer loans and credit cards	1,504,340	1,504,340	405,222	432,670	463,655	608,015	567,936	373,510	788,100	
Others	708,130	708,130	6,582	102,489	39,990	565,651	79,416	44,897	570,179	
portfolio provision										2,483,240
<b>Total</b>	<b>2,803,231</b>	<b>2,803,231</b>	<b>692,806</b>	<b>749,184</b>	<b>628,447</b>	<b>1,425,600</b>	<b>834,384</b>	<b>426,719</b>	<b>1,594,296</b>	<b>2,483,240</b>


**TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - JUN 2012**

Impaired Loans, Past Due Loans And Allowances (Table 4, (g)) SAR '000'							
Geographic area	Impaired loans	Aging of Past Due Loans (days)				Specific allowances	General allowances
		Less than 90	90-180	180-360	Over 360		
Saudi Arabia	2,576,668	692,806	714,602	543,768	1,318,298	1,436,010	2,483,240
Other GCC & Middle East							
Europe							
North America							
South East Asia	226,563		34,582	84,679	107,302	158,286	
Others countries							
<b>Total</b>	<b>2,803,231</b>	<b>692,806</b>	<b>749,184</b>	<b>628,447</b>	<b>1,425,600</b>	<b>1,594,296</b>	<b>2,483,240</b>


**TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - JUN 2012**

Reconciliation Of Changes In The Allowances For Loan Impairment (Table 4, (h)) SAR '000'

Particulars	Specific allowances	General allowances
Balance, beginning of the year	1,186,631	2,369,000
Charge-offs taken against the allowances during the period	(426,719)	
Amounts set aside (or reversed) during the period	597,910	247,143
Other adjustments:		
- exchange rate differences		
- business combinations		
- acquisitions and disposals of subsidiaries		
- etc.		
Transfers between allowances	236,474	(132,903)
<b>Balance, end of the year</b>	<b>1,594,296</b>	<b>2,483,240</b>

▪ Charge-offs and recoveries that have been recorded directly to the income statement are SAR 426,719 and SAR 80,424 respectively.



TABLE 5 (STA): CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDIZED APPROACH - JUN 2012

Allocation Of Exposures To Risk Buckets (Table 5, (b)) SAR '000'										
Particulars	Risk buckets								Deducted	
	0%	20%	35%	50%	75%	100%	150%	Other risk weights		Unrated
Sovereigns and central banks:	42,902,727									
SAMA and Saudi Government	42,902,727									
Others										
Multilateral Development Banks (MDBs)										
Public Sector Entities (PSEs)				565,064						
Banks and securities firms		6,631,700		13,407,690						
Corporates		1,090,909				46,638,895				
Retail non-mortgages					96,771,325					
Small Business Facilities Enterprises (SBFE's)										
Mortgages						18,498,244				
Residential						9,607,155				
Commercial						8,891,089				
Securitized assets										
Equity	24,600							883,057		
Others	18,081,739	727,885		2,803,230		10,642,669				
<b>Total</b>	<b>61,009,066</b>	<b>8,450,494</b>		<b>16,775,984</b>	<b>96,771,325</b>	<b>75,779,807</b>		<b>883,057</b>		



**Table 7 (STA): CREDIT RISK MITIGATION (CRM): DISCLOSURES FOR STANDARDIZED APPROACH - JUN 2012**

Credit Risk Exposure covered by CRM (Table 7, (b) and c))

Portfolios	Covered by	
	Eligible financial collateral	Guarantees/ credit derivatives
Sovereigns and central banks:		
SAMA and Saudi Government		
Others		
Multilateral Development Banks (MDBs)		
Public Sector Entities (PSEs)		
Banks and securities firms		
Corporates	14,906,047	
Retail non-mortgages		
Small Business Facilities Enterprises (SBFE's)		
Mortgages		
Residential		
Commercial		
Securitized assets		
Equity		
Others	1,075,648	
<b>Total</b>	<b>15,981,695</b>	



**TABLE 10: MARKET RISK: DISCLOSURES FOR BANKS USING THE STANDARDIZED APPROACH - JUN 2012**

Level Of Market Risks In Terms Of Capital Requirements (Table 10, (b)) SAR '000'

	Interest rate risk	Equity position risk	Foreign exchange risk	Commodity risk	Total
<b>Capital requirements</b>			456,468		456,468


**TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS - JUN 2012**

Value Of Investments (Table 13, (b)) SAR '000'

	Un-quoted investments		Quoted investments		
	Value disclosed in Financial Statements	Fair value	Value disclosed in Financial Statements	Fair value	Publicly quoted share values (if materially different from fair)
<b>Investments</b>	<b>23,510</b>	<b>23,510</b>	<b>884,146</b>	<b>884,146</b>	

**TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS - JUN 2012**

Types And Nature of Investments (Table 13, (c)) SAR '000'

Investments	Publicly traded	Privately held
Government and quasi government		
Banks and other financial institutions	298,304	20,907
Agriculture and fishing		
Manufacturing		
Mining and quarrying		
Electricity, water, gas and health services		
Building and construction		
Commerce		
Transportation and communication		
Services	24,600	2,603
Others	561,242	
<b>Total</b>	<b>884,146</b>	<b>23,510</b>



### TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS - JUN 2012

Gains / Losses Etc. (Table 13, (d) and (e)) SAR '000'

Particulars	Amount
Cumulative realized gains (losses) arising from sales and liquidations in the reporting period	
Total unrealized gains (losses)	
Total latent revaluation gains (losses)*	N/A
Unrealized gains (losses) included in Capital	
Latent revaluation gains (losses) included in Capital*	N/A

\*Not applicable to KSA to date

**TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS - JUN 2012**

Capital Requirements (Table 13, (f)) SAR '000'

Equity grouping	Capital requirements
Government and quasi government	
Banks and other financial institutions	77,497
Agriculture and fishing	
Manufacturing	
Mining and quarrying	
Electricity, water, gas and health services	
Building and construction	
Commerce	
Transportation and communication	
Services	5,642
Others	130,674
<b>Total</b>	<b>213,814</b>


**TABLE 14: INTEREST RATE RISK IN THE BANKING BOOK (IRRBB) - JUN 2012**
**200bp Interest Rate Shocks for currencies with more than 5% of Assets or Liabilities  
(Table 14, (b))**

Rate Shocks	Change in earnings SAR '000'
<b>Upward rate shocks:</b>	
SAR	960,662
<b>Downward rate shocks:</b>	
SAR	(960,662)