



# **BASEL II – Quantitative Disclosures**

**PILLAR 3 - (December 2012)**

**TABLE 1: SCOPE OF APPLICATION - DEC 2012**

Capital Deficiencies (Table 1, (e))	
Particulars	Amount SAR '000'
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 - DEC 2012**

Capital Structure (Table 2, (b) to (e))	
Components of capital	Amount SAR '000'
<b>Core capital - Tier I:</b>	
Eligible paid-up share capital	15,000,000
Shares premium accounts	
Eligible reserves	17,320,302
Minority interests in the equity of subsidiaries	
Retained earnings	4,148,435
IAS type adjustments	
<b>Deductions from Tier I:</b>	
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>36,468,737</b>
<b>Supplementary capital - Tier 2:</b>	
Revaluation gains/reserves	
Subordinated loan capital	
Qualifying general provisions	2,145,937
Interim profits	
<b>Deductions from Tier II:</b>	
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>2,145,937</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>38,614,673</b>

\* We would like to draw attention to the reclassification of the Profits for 2012 from Tier 2 (Interim Profit) as stated in the Audited Financial Statements, to Tier 1 (Retained Earnings) based on the approval of the Financials at the General Assembly. The Total Capital Adequacy ratio remains unchanged.

\*\* Zakat Reserve has been transferred from Retained Earnings to Eligible reserves.

**TABLE 3: CAPITAL ADEQUACY - DEC 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:	63,221,763	
SAMA and Saudi Government	63,221,763	
Others		
Multilateral Development Banks (MDBs)		
Public Sector Entities (PSEs)		
Banks and securities firms	16,213,359	495,881
Corporates	54,442,942	4,289,981
Retail non-mortgages	107,530,238	6,451,814
Small Business Facilities Enterprises (SBFE's)		
Mortgages	11,563,403	925,072
Residential	10,362,632	829,011
Commercial	1,200,771	96,062
Securitized assets		
Equity	1,239,608	293,595
Others	18,332,441	825,371
<b>Total</b>	<b>272,543,753</b>	<b>13,281,714</b>

**TABLE 3: CAPITAL ADEQUACY - DEC 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			214,668		214,668
Internal models approach					

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

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

Particulars	Capital requirement SAR '000'
• Basic indicator approach;	
• Standardized approach;	1,630,926
• Alternate standardized approach;	
• Advanced measurement approach (AMA).	
<b>Total</b>	<b>1,630,926</b>

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

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

Capital Adequacy Ratios (TABLE 3, (f))		
Particulars	Total capital ratio	Tier 1 capital ratio
	%	
Top consolidated level	19.83%	18.73%
Bank significant stand alone subsidiary 1		
Bank significant stand alone subsidiary 2		
Bank significant stand alone subsidiary 3		
Bank significant stand alone subsidiary n		

\* Tier 1 capital ratio has been changed from the audited Financial Statements, due to the reclassification of the Retained Earnings to Tier 1 based on the approval of the Financials at the General Assembly. The Total Capital Adequacy ratio remains unchanged.

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\* All subsidiaries are included at the Consolidated level.

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

Credit Risk Exposure (Table 4, (b)) SAR '000'		
Portfolios	Total gross credit risk exposure(Dec12)	Average gross credit risk exposure over the period
Sovereigns and central banks:	63,221,927	50,789,159
SAMA and Saudi Government	63,221,927	50,789,159
Others		
Multilateral Development Banks (MDBs)		
Public Sector Entities (PSEs)		271,355
Banks and securities firms	16,292,020	17,935,889
Corporates	58,182,809	52,646,025
Retail non-mortgages	107,530,238	100,137,434
Small Business Facilities Enterprises (SBFE's)		
Mortgages	11,563,403	14,927,809
Residential	10,362,632	10,009,550
Commercial	1,200,771	4,918,259
Securitized assets		
Equity	1,239,608	1,098,108
Others	31,491,761	31,206,917
<b>Total</b>	<b>289,521,767</b>	<b>269,012,697</b>



**TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - DEC 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:	63,221,927						63,221,927
SAMA and Saudi Government	63,221,927						63,221,927
Others							
Multilateral Development Banks (MDBs)							
Public Sector Entities (PSEs)							
Banks and securities firms	10,938,902	4,015,318			1,337,800		16,292,020
Corporates	52,872,122	1,247,546	937,500		3,125,641		58,182,809
Retail non-mortgages	104,539,154	666,059			2,325,025		107,530,238
Small Business Facilities Enterprises (SBFE's)							
Mortgages	10,794,247	174,105			595,051		11,563,403
Residential	9,593,476	174,105			595,051		10,362,632
Commercial	1,200,771						1,200,771
Securitized assets							
Equity	1,218,268	20,907	433				1,239,608
Others	29,482,124	668,696			1,340,589	352	31,491,761
<b>Total</b>	<b>273,066,744</b>	<b>6,792,631</b>	<b>937,933</b>		<b>8,724,106</b>	<b>352</b>	<b>289,521,767</b>



TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - DEC 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:	63,221,927												63,221,927
SAMA and Saudi Government	63,221,927												63,221,927
Others													
Multilateral Development Banks (MDBs)													
Public Sector Entities (PSEs)													
Banks and securities firms		16,292,020											16,292,020
Corporates	1,433,029	2,682,209	181,015	9,242,269		5,859,990	9,093,887	10,902,959	8,306,849	10,480,602			58,182,809
Retail non-mortgages											107,530,238		107,530,238
Small Business Facilities Enterprises (SBFE's)													
Mortgages								1,200,771			10,362,632		11,563,403
Residential											10,362,632		10,362,632
Commercial								1,200,771					1,200,771
Securitized assets													
Equity		619,836								2,621		617,151	1,239,608
Others			2,010	75,092			112,950	466,159		1,116,841	1,742,758	27,975,951	31,491,761
<b>Total</b>	<b>64,654,956</b>	<b>19,594,065</b>	<b>183,025</b>	<b>9,317,361</b>	<b>0</b>	<b>5,859,990</b>	<b>9,206,837</b>	<b>12,569,889</b>	<b>8,306,849</b>	<b>11,600,064</b>	<b>119,635,628</b>	<b>28,593,102</b>	<b>289,521,767</b>



TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - DEC 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:	13,677,465	3,408,651	9,629,148	10,848,353	13,233,888		149,267		12,275,155	63,221,927
SAMA and Saudi Government	13,677,465	3,408,651	9,629,148	10,848,353	13,233,888		149,267		*12,275,155	63,221,927
Others										
Multilateral Development Banks (MDBs)										
Public Sector Entities (PSEs)										
Banks and securities firms	2,609,646	6,298,358	3,135,353	4,232,602	16,061					16,292,020
Corporates	8,147,610	4,691,031	11,432,427	7,485,565	5,759,868	9,058,424	6,092,123	5,515,762		58,182,809
Retail non-mortgages	572,941	3,472,981	5,575,080	8,200,694	15,940,887	51,820,112	21,354,565	592,978		107,530,238
Small Business Facilities Enterprises (SBFE's)										
Mortgages	1,893	292,331	397,154	510,153	743,755	2,217,433	1,836,412	5,564,273		11,563,403
Residential	1,893	142,076	287,424	426,881	675,545	1,809,699	1,641,015	5,378,099		10,362,632
Commercial		150,255	109,730	83,272	68,210	407,734	195,397	186,174		1,200,771
Securitized assets										
Equity					286,536	380,097		572,975		1,239,608
Others	8,303,931	1,499,474	4,068,790	3,367,859	2,335,910	2,444,723	2,697,018	2,956,076	** 3,817,980	31,491,761
<b>Total</b>	<b>33,313,485</b>	<b>19,662,826</b>	<b>34,237,952</b>	<b>34,645,225</b>	<b>38,316,905</b>	<b>65,920,789</b>	<b>32,129,385</b>	<b>15,202,063</b>	<b>16,093,136</b>	<b>289,521,767</b>



TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - DEC 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							2,010		2,010	
Manufacturing	1,927	1,927				1,927	75,092	74	75,018	
Mining and quarrying										
Electricity, water, gas and health services										
Building and construction	311,586	311,586	81,960	64,578	32,645	214,363	112,950	22,662	909,734	
Commerce	277,247	277,247	73,803	149,447	92,157	35,643	166,159	90,409	786,127	
Transportation and communication										
Services			125,240				816,841	1,146	815,695	
Consumer loans and credit cards	2,231,329	2,231,329	244,445	287,715	809,051	1,134,563	880,895	225,181	934,737	
Others	708,130	708,130	6,582	102,489	39,990	565,651	14,410	7,510	6,900	
portfolio provision										1,302,411
<b>Total</b>	<b>3,530,220</b>	<b>3,530,220</b>	<b>532,029</b>	<b>604,229</b>	<b>973,843</b>	<b>1,952,148</b>	<b>2,068,357</b>	<b>346,983</b>	<b>3,530,220</b>	<b>1,302,411</b>


**TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - DEC 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	3,399,937	532,029	579,144	937,171	1,883,622	3,437,087	1,207,440
Other GCC & Middle East							
Europe							
North America							
South East Asia	130,282	203,509	25,085	36,672	68,526	93,133	94,971
Others countries							
<b>Total</b>	<b>3,530,220</b>	<b>735,538</b>	<b>604,229</b>	<b>973,843</b>	<b>1,952,148</b>	<b>3,530,220</b>	<b>1,302,411</b>

**TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - DEC 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	1,808,846	1,829,113
Charge-offs taken against the allowances during the period	(346,983)	(755,235)
Amounts set aside (or reversed) during the period	1,556,838	740,052
Other adjustments:		
- exchange rate differences		
- business combinations		
- acquisitions and disposals of subsidiaries		
- etc.		
Transfers between allowances	511,519	(511,519)
<b>Balance, end of the year</b>	<b>3,530,220</b>	<b>1,302,411</b>

▪ Charge-offs and recoveries that have been recorded directly to the income statement are SAR 1,102,218 and SAR 189,528 respectively.



TABLE 5 (STA): CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDIZED APPROACH - DEC 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:	63,221,927									
SAMA and Saudi Government	63,221,927									
Others										
Multilateral Development Banks (MDBs)										
Public Sector Entities (PSEs)										
Banks and securities firms		6,360,554		9,931,467						
Corporates		1,022,727				57,160,082				
Retail non-mortgages					107,530,238					
Small Business Facilities Enterprises (SBFE's)										
Mortgages						11,563,403				
Residential						10,362,632				
Commercial						1,200,771				
Securitized assets										
Equity	24,138							1,215,469		
Others	17,165,153	1,117,995		2,445,582		10,763,031				
<b>Total</b>	<b>80,411,219</b>	<b>8,501,275</b>		<b>12,377,049</b>	<b>107,530,238</b>	<b>79,486,516</b>		<b>1,215,469</b>		



**Table 7 (STA): CREDIT RISK MITIGATION (CRM): DISCLOSURES FOR STANDARDIZED APPROACH - DEC 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	14,765,400	
Retail non-mortgages		
Small Business Facilities Enterprises (SBFE's)		
Mortgages		
Residential		
Commercial		
Securitized assets		
Equity		
Others	1,095,648	
<b>Total</b>	<b>15,861,048</b>	



**TABLE 10: MARKET RISK: DISCLOSURES FOR BANKS USING THE STANDARDIZED APPROACH  
- DEC 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>			214,668		214,668

**TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS - DEC 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>	23,527	23,527	1,216,081	1,216,081	



**TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS -  
DEC 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	24,138	20,907
Agriculture and fishing		
Manufacturing		
Mining and quarrying		
Electricity, water, gas and health services		
Building and construction		
Commerce		
Transportation and communication		
Services		2,620
Others	1,191,942	
<b>Total</b>	<b>1,216,081</b>	<b>23,527</b>

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

Capital Requirements (Table 13, (f)) SAR '000'	
Equity grouping	Capital requirements
Government and quasi government	
Banks and other financial institutions	7,529
Agriculture and fishing	
Manufacturing	
Mining and quarrying	
Electricity, water, gas and health services	
Building and construction	
Commerce	
Transportation and communication	
Services	838
Others	285,228
<b>Total</b>	<b>293,595</b>


**TABLE 14: INTEREST RATE RISK IN THE BANKING BOOK (IRRBB) - DEC 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	1,014,942
<b>Downward rate shocks:</b>	
SAR	(1,014,942)