

TABLE 2: CAPITAL STRUCTURE - June 2014

Balance sheet - Step 1 (Table 2(b))

All figures are in SAR '000

	Balance sheet in Published financial statements (C)	Adjustment of banking associates / other entities (*) (D)	Under regulatory scope of consolidation (E)
Assets			
Cash and balances at central banks	17,591,511	0	17,591,511
Due from banks and other financial institutions	3,657,225	0	3,657,225
Investments, net	46,309,668	0	46,309,668
Loans and advances, net	140,773,614	0	140,773,614
Debt securities	0	0	0
Trading assets	0	0	0
Investment in associates	441,706	0	441,706
Derivatives	0	0	0
Goodwill	0	0	0
Other intangible assets	0	0	0
Property and equipment, net	1,647,545	0	1,647,545
Other assets	3,571,072	0	3,571,072
Total assets	213,992,341	0	213,992,341
Liabilities			
Due to Banks and other financial institutions	8,311,951	0	8,311,951
Items in the course of collection due to other banks	0	0	0
Customer deposits	160,099,873	0	160,099,873
Trading liabilities	0	0	0
Debt securities in issue	4,000,000	0	4,000,000
Derivatives	0	0	0
Retirement benefit liabilities	0	0	0
Taxation liabilities	0	0	0
Accruals and deferred income	0	0	0
Borrowings	0	0	0
Other liabilities	7,776,762	0	7,776,762
Subtotal	180,188,586	0	180,188,586
Paid up share capital	30,000,000	0	30,000,000
Statutory reserves	0	0	0
Other reserves	1,442,284	0	1,442,284
Retained earnings	2,361,471	0	2,361,471
Minority Interest	0	0	0
Proposed dividends	0	0	0
Total liabilities and equity	213,992,341	0	213,992,341

TABLE 2: CAPITAL STRUCTURE - June 2014

Balance sheet - Step 2 (Table 2(c))

All figures are in SAR'000

	Balance sheet in Published financial statements (C)	Adjustment of banking associates / other entities (D)	Under regulatory scope of consolidation (E)	Reference
Assets				
Cash and balances at central banks	17,591,511	0	17,591,511	
Due from banks and other financial institutions	3,657,225	0	3,657,225	
Investments, net	46,309,668	0	46,309,668	
Loans and advances, net	140,773,614	0	140,773,614	
of which Collective provisions	1,072,349	0	1,072,349	A
Debt securities	0	0	0	
Equity shares	0	0	0	
Investment in associates	441,706	0	441,706	
Derivatives	0	0	0	
Goodwill	0	0	0	
Other intangible assets	0	0	0	
Property and equipment, net	1,647,545	0	1,647,545	
Other assets	3,571,072	0	3,571,072	
Total assets	213,992,341	0	213,992,341	
Liabilities				
Due to Banks and other financial institutions	8,311,951	0	8,311,951	
Items in the course of collection due to other banks	0	0	0	
Customer deposits	160,099,873	0	160,099,873	
Trading liabilities	0	0	0	
Debt securities in issue	4,000,000	0	4,000,000	
of which Tier 2 capital instruments	0	0	0	B
Derivatives	0	0	0	
Retirement benefit liabilities	0	0	0	
Taxation liabilities	0	0	0	
Accruals and deferred income	0	0	0	
Borrowings	0	0	0	
Other liabilities	7,776,762	0	7,776,762	
Subtotal	180,188,586	0	180,188,586	
Paid up share capital	30,000,000	0	30,000,000	
of which amount eligible for CET1	30,000,000	0	30,000,000	H
of which amount eligible for AT1	0	0	0	I
Statutory reserves	0	0	0	J
of which representing stock Surplus	0	0	0	K
Other reserves	1,442,284	0	1,442,284	L
Retained earnings	2,361,471	0	2,361,471	M
Minority Interest	0	0	0	
Proposed dividends	0	0	0	
Total liabilities and equity	213,992,341	0	213,992,341	

TABLE 2: CAPITAL STRUCTURE - June 2014

Common template (transition) - Step 3 (Table 2(d)) i

(From January 2013 to 2018 identical to post 2018) With amount subject to Pre- Basel III Treatment

All figures are in SAR'000

Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation from step 2

	Components ¹ of regulatory capital reported by the bank	Amounts ¹ subject to Pre - Basel III treatment
(2) Common Equity Tier 1 capital: Instruments and reserves		
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	30,000,000
2	Retained earnings	2,361,471
3	Accumulated other comprehensive income (and other reserves)	1,442,284
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	
6	Common Equity Tier 1 capital before regulatory adjustments	33,803,755
Common Equity Tier 1 capital: Regulatory adjustments		
7	Prudential valuation adjustments	
8	Goodwill (net of related tax liability)	
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	
11	Cash-flow hedge reserve	
12	Shortfall of provisions to expected losses	
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	
15	Defined-benefit pension fund net assets	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	
17	Reciprocal cross-holdings in common equity	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	
20	Mortgage servicing rights (amount above 10% threshold)	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	
22	Amount exceeding the 15% threshold	
23	of which: significant investments in the common stock of financials	
24	of which: mortgage servicing rights	
25	of which: deferred tax assets arising from temporary differences	
26	National specific regulatory adjustments	
REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
OF WHICH: [INSERT NAME OF ADJUSTMENT]		
OF WHICH: ...		
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	
28	Total regulatory adjustments to Common equity Tier 1	-
29	Common Equity Tier 1 capital (CET1)	33,803,755
Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	
31	of which: classified as equity under applicable accounting standards	
32	of which: classified as liabilities under applicable accounting standards	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	
35	of which: instruments issued by subsidiaries subject to phase out	
36	Additional Tier 1 capital before regulatory adjustments	-
Additional Tier 1 capital: regulatory adjustments		
37	Investments in own Additional Tier 1 instruments	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
41	National specific regulatory adjustments	
REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
OF WHICH: [INSERT NAME OF ADJUSTMENT]		
OF WHICH: ...		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	
43	Total regulatory adjustments to Additional Tier 1 capital	-
44	Additional Tier 1 capital (AT1)	-
45	Tier 1 capital (T1 = CET1 + AT1)	33,803,755

H+K
M
J-K+L

¹For detailed explanation of rows (1-85), please refer to SAMA circular # BCS 23295 dated 23 July 2012 entitled "Composition of Capital Disclosure Requirements issued by the BCBS in December 2012.

⁽²⁾ All rows related to IRB Approach are only valid, if SAMA has provided its Regulatory Approval to use IRB Approaches

Note: Items which are not applicable are to be left blank.

TABLE 2: CAPITAL STRUCTURE - June 2014

Common template (transition) - Step 3 (Table 2(d)) ii

(From January 2013 to 2018 identical to post 2018) With amount subject to Pre- Basel III Treatment

All figures are in SAR'000

Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation from step 2

Components¹ of regulatory capital reported by the bank
Amounts¹ subject to Pre - Basel III treatment

Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	
47	Directly issued capital instruments subject to phase out from Tier 2	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	
49	of which: instruments issued by subsidiaries subject to phase out	
50	Provisions	1,072,349
51	Tier 2 capital before regulatory adjustments	1,072,349
Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	
53	Reciprocal cross-holdings in Tier 2 instruments	
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
56	National specific regulatory adjustments REGULATORY ADJUSTMENTS APPLIED TO TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT OF WHICH: [INSERT NAME OF ADJUSTMENT] OF WHICH: ...	
57	Total regulatory adjustments to Tier 2 capital	-
58	Tier 2 capital (T2)	1,072,349
59	Total capital (TC = T1 + T2)	34,876,104
RISK WEIGHTED ASSETS IN REPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
	OF WHICH: [Add: CVA Charge]	
	OF WHICH: [Add: Impact of treating Investment in the capital of banking, financial and insurance entities where holding is more than 10% of the issued common share capital of the entity - as part of banking book @ 250% risk weight]	
60	Total risk weighted assets	217,932,029
Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	15.5%
62	Tier 1 (as a percentage of risk weighted assets)	15.5%
63	Total capital (as a percentage of risk weighted assets)	16.0%
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement expressed as a percentage of risk weighted assets)	
65	of which: capital conservation buffer requirement	
66	of which: bank specific countercyclical buffer requirement	
67	of which: G-SIB buffer requirement	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	7.5%
National minima (if different from Basel 3)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum)	n/a
70	National Tier 1 minimum ratio (if different from Basel 3 minimum)	n/a
71	National total capital minimum ratio (if different from Basel 3 minimum)	n/a
Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital of other financials	
73	Significant investments in the common stock of financials	467,277
74	Mortgage servicing rights (net of related tax liability)	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	
Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	1,072,349
77	Cap on inclusion of provisions in Tier 2 under standardised approach	2,566,863
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	
82	Current cap on AT1 instruments subject to phase out arrangements	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	
84	Current cap on T2 instruments subject to phase out arrangements	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	

¹For detailed explanation of rows (1-85), please refer to SAMA circular # BCS 23295 dated 23 July 2012 entitled "Composition of Capital Disclosure Requirements issued by the BCBS in December 2012.

⁽²⁾ All rows related to IRB Approach are only valid, if SAMA has provided its Regulatory Approval to use IRB Approaches

Note: Items which are not applicable are to be left blank.

TABLE 2: CAPITAL STRUCTURE - June 2014

Main features template of regulatory capital instruments - (Table 2(e))	
1 Issuer	Riyad Bank
2 Unique identifier (eg CUSPIN, ISIN or Bloomberg identifier for private placement)	RIBL: AB
3 Governing law(s) of the instrument	Capital Market Law*
Regulatory treatment	
4 Transitional Basel III rules	Not applicable
5 Post-transitional Basel III rules	Not applicable
6 Eligible at solo/igroup/group&solo	Solo
7 Instrument type	Common share
8 Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	SAR 30,000
9 Par value of instrument	SAR 10
10 Accounting classification	Shareholder equity
11 Original date of issuance	1957
12 Perpetual or dated	Perpetual
13 Original maturity date	No maturity
14 Issuer call subject to prior supervisory approval	Not applicable
15 Option call date, contingent call dates and redemption amount	Not applicable
16 Subsequent call dates if applicable	Not applicable
Coupons / dividends	
17 Fixed or Floating dividend/coupon	Not applicable
18 Coupon rate and any related index	Not applicable
19 Existence of a dividend stopper	Not applicable
20 Fully discretionary, partially discretionary or mandatory	Not applicable
21 Existence of step up or other incentive to redeem	Not applicable
22 Non cumulative or cumulative	Not applicable
23 Convertible or non-convertible	Not applicable
24 If convertible, conversion trigger (s)	Not applicable
25 If convertible, fully or partially	Not applicable
26 If convertible, conversion rate	Not applicable
27 If convertible, mandatory or optional conversion	Not applicable
28 If convertible, specify instrument type convertible into	Not applicable
29 If convertible, specify issuer of instrument it converts into	Not applicable
30 Write-down feature	
31 If write-down, write-down trigger (s)	Not applicable
32 If write-down, full or partial	Not applicable
33 If write-down, permanent or temporary	Not applicable
34 If temporary writedown, description of the write-up mechanism	Not applicable
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not applicable
36 Non-compliant transitioned features	Not applicable
37 If yes, specify non-compliant features	Not applicable

* Issued by Capital Market Authority (CMA) in Saudi Arabia

Note:

Further explanation of rows (1-37) as given above are provided in SAMA circular # BCS 23295 dated 23 July 2012 entitled "Composition of Capital Disclosure Requirements issued by the BCBS in December 2012.