

**TABLE 2: CAPITAL STRUCTURE - March 31, 2015**

**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 )
<b>Assets</b>			
Cash and balances at central banks	21,197,627	0	21,197,627
Due from banks and other financial institutions	6,287,485	0	6,287,485
Investments, net	46,641,335	0	46,641,335
Loans and advances, net	137,626,118	0	137,626,118
Debt securities	0	0	0
Trading assets	0	0	0
Investment in associates	469,523	0	469,523
Derivatives	0	0	0
Goodwill	0	0	0
Other intangible assets	0	0	0
Property and equipment, net	1,762,718	0	1,762,718
Other assets	2,548,365	0	2,548,365
<b>Total assets</b>	<b>216,533,171</b>	<b>0</b>	<b>216,533,171</b>
<b>Liabilities</b>			
Due to Banks and other financial institutions	3,986,188	0	3,986,188
Items in the course of collection due to other banks	0	0	0
Customer deposits	164,834,274	0	164,834,274
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	6,963,980	0	6,963,980
<b>Subtotal</b>	<b>179,784,442</b>	<b>0</b>	<b>179,784,442</b>
Paid up share capital	30,000,000	0	30,000,000
Statutory reserves	1,088,102	0	1,088,102
Other reserves	1,078,961	0	1,078,961
Retained earnings	3,331,666	0	3,331,666
Minority Interest	0	0	0
Proposed dividends	1,250,000	0	1,250,000
<b>Total liabilities and equity</b>	<b>216,533,171</b>	<b>0</b>	<b>216,533,171</b>

**TABLE 2: CAPITAL STRUCTURE - March 31, 2015**

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
<b>Assets</b>				
Cash and balances at central banks	21,197,627	0	21,197,627	
Due from banks and other financial institutions	6,287,485	0	6,287,485	
Investments, net	46,641,335	0	46,641,335	
Loans and advances, net	137,626,118	0	137,626,118	
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	469,523	0	469,523	
Derivatives	0	0	0	
Goodwill	0	0	0	
Other intangible assets	0	0	0	
Property and equipment, net	1,762,718	0	1,762,718	
Other assets	2,548,365	0	2,548,365	
Total assets	216,533,171	0	216,533,171	
<b>Liabilities</b>				
Due to Banks and other financial institutions	3,986,188	0	3,986,188	
Items in the course of collection due to other banks	0	0	0	
Customer deposits	164,834,274	0	164,834,274	
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	6,963,980	0	6,963,980	
Subtotal	179,784,442	0	179,784,442	
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	1,088,102	0	1,088,102	J
of which representing stock Surplus	0		0	K
Other reserves	1,078,961	0	1,078,961	L
Retained earnings	3,331,666	0	3,331,666	M
Minority Interest	0	0	0	
Proposed dividends	1,250,000	0	1,250,000	
Total liabilities and equity	216,533,171	0	216,533,171	

**TABLE 2: CAPITAL STRUCTURE - March 31, 2015**

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 <sup>1</sup> of regulatory capital reported by the bank	Amounts <sup>1</sup> subject to Pre - Basel III treatment
<b>(2) Common Equity Tier 1 capital: Instruments and reserves</b>		
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	30,000,000
2	Retained earnings	3,331,666
3	Accumulated other comprehensive income (and other reserves)	3,417,063
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	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>36,748,729</b>
<b>Common Equity Tier 1 capital: Regulatory adjustments</b>		
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	<b>Total regulatory adjustments to Common equity Tier 1</b>	<b>-</b>
29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>36,748,729</b>
<b>Additional Tier 1 capital: instruments</b>		
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	<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>-</b>
<b>Additional Tier 1 capital: regulatory adjustments</b>		
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	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	<b>-</b>
44	<b>Additional Tier 1 capital (AT1)</b>	<b>-</b>
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>36,748,729</b>

H+K  
M  
J-K+L

<sup>1</sup>For 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.

<sup>(2)</sup> 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 - March 31, 2015**

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

Components<sup>1</sup> of regulatory capital reported by the bank

Amounts<sup>1</sup> 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	<b>Tier 2 capital before regulatory adjustments</b>	<b>1,072,349</b>
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: [INSERT NAME OF ADJUSTMENT]		
57	Total regulatory adjustments to Tier 2 capital	
58	<b>Tier 2 capital (T2)</b>	<b>1,072,349</b>
59	<b>Total capital (TC = T1 + T2)</b>	<b>37,821,078</b>
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	216,060,715
Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	17.0%
62	Tier 1 (as a percentage of risk weighted assets)	17.0%
63	Total capital (as a percentage of risk weighted assets)	17.5%
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)	9.0%
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	495,094
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	2,532,793
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)	

<sup>1</sup>For 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.

<sup>(2)</sup> 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 - March 31, 2015**

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/group/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.

## Liquidity Coverage Ratio (LCR) Common Disclosure Prudential Return 31 March 2015

LCR common disclosure template (In SR 000's)		TOTAL UNWEIGHTED <sup>a</sup> VALUE (average)	TOTAL WEIGHTED <sup>b</sup> VALUE (average)
<b>HIGH-QUALITY LIQUID ASSETS</b>			
1	Total high-quality liquid assets (HQLA)		43,458,201
<b>CASH OUTFLOWS</b>			
2	Retail deposits and deposits from small business customers, of which:	59,775,683	5,977,568
3	<i>Stable deposits</i>	-	-
4	<i>Less stable deposits</i>	59,775,683	5,977,568
5	Unsecured wholesale funding, of which:	54,842,216	24,141,438
6	<i>Operational deposits (all counterparties)</i>	-	-
7	<i>Non-operational deposits (all counterparties)</i>	54,842,216	24,141,438
8	<i>Unsecured debt</i>	-	-
9	Secured wholesale funding		-
10	Additional requirements, of which:	9,474,140	1,056,724
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	121,455	121,455
12	<i>Outflows related to loss of funding on debt products</i>	-	-
13	<i>Credit and liquidity facilities</i>	9,352,684	935,268
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	181,437,788	4,032,894
16	<b>TOTAL CASH OUTFLOWS</b>		<b>35,208,625</b>
<b>CASH INFLOWS</b>			
17	Secured lending (eg reverse repos)	-	-
18	Inflows from fully performing exposures	20,880,016	13,553,079
19	Other cash inflows	149,916	149,916
20	<b>TOTAL CASH INFLOWS</b>	<b>21,029,933</b>	<b>13,702,995</b>
			TOTAL ADJUSTED <sup>c</sup> VALUE
21	<b>TOTAL HQLA</b>		<b>43,458,201</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>		<b>21,505,629</b>
23	<b>LIQUIDITY COVERAGE RATIO<sup>f, g</sup> (%)</b>		<b>205%</b>

### Notes to disclosure:

<sup>a</sup> Un-weighted values are calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

<sup>b</sup> Weighted values are calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).

<sup>c</sup> Adjusted values are calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (ie cap on Level 2B and Level 2 assets for HQLA and cap on inflows).

<sup>d</sup> Data is presented as simple average of monthly observations over first quarter 2015.

<sup>e</sup> Number of data points used in calculating the average figures is 3.

<sup>f</sup> LCR may not equal to an LCR computed on the basis of the average values of the set of line items disclosed in the template.

<sup>g</sup> The Saudi Arabian Monetary Agency, has stipulated that minimum LCR in 2015 would be 60%

## Leverage ratio common disclosure

31 March 2015

### Summary Comparison of accounting assets versus leverage ratio exposure measure (Table 1)

Row #	Item	In SR 000's
1	Total Assets as per published financial statements	216,533,171
2	Adjustment for investments in banking, financial insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustment for derivative financial instruments	872,206
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of Off-balance sheet exposures)	64,500,204
7	Other adjustments	1,072,349
8	<b>Leverage ratio exposure (A)</b>	<b>282,977,930</b>

### Leverage Ratio Common Disclosure Template (Table 2)

		Mar 2015
Row #	Item	In SR 000's
<b>On-balance sheet exposures</b>		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	217,023,869
2	(Relevant Asset amounts deducted in determining Basel III Tier 1 capital)	-
3	<b>Total on-balance sheet exposures</b> (excluding derivatives and SFTs) (sum of lines 1 and 2) <b>(a)</b>	217,023,869
<b>Derivative exposures</b>		
4	Replacement cost associated with <i>all</i> derivatives transactions (i.e. net of eligible cash variation margin)	581,651
5	Add-on amounts for Potential Financial Exposure (PFE) associated with <i>all</i> derivatives transactions	872,206
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	
8	(Exempted CCP leg of client-cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11	<b>Total derivative exposures (sum of lines 4 to 10) (b)</b>	1,453,857
<b>Securities financing transaction exposures</b>		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	-
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	Credit Conversion Factor (CCR) exposure for Security Financing Transaction (SFT) assets	-
15	Agent transaction exposures	-
16	<b>Total securities financing transaction exposures (sum of lines 12 to 15)</b>	-
<b>Other off-balance sheet exposures</b>		
17	Off-balance sheet exposure at gross notional amount **	178,809,905
18	(Adjustments for conversion to credit equivalent amounts)	(114,309,701)
19	<b>Off-balance sheet items (sum of lines 17 and 18) (c)</b>	64,500,204
<b>Capital and total exposures</b>		
20	<b>Tier 1 capital (B)</b>	36,748,729
21	<b>Total exposures (sum of lines 3, 11, 16 and 19) (A) = (a+b+c)</b>	282,977,930
<b>Leverage ratio</b>		
22	<b>Basel III leverage ratio*** (C) = (B) / (A)</b>	<b>13.0%</b>

\*\*Includes commitments that are unconditionally cancellable at any time by the Bank or automatic cancellation due to deterioration in a borrower's creditworthiness

\*\*\*Current minimum requirement is 3%

### Reconciliation (Table 5)

		Mar 2015
Row #	Item	In SR 000's
1	Total Assets on Financial Statements	216,533,171
2	Total On balance sheet assets Row # 1 on Table 2	217,023,869
3	<b>Difference between 1 and 2 above (see explanation below)</b>	<b>(490,698)</b>
<b>*Explanation</b>		
	Positive Fair value of Derivatives being disclosed under Row # 4	581,651
	Other adjustments representing Portfolio provision	(1,072,349)
		<b>(490,698)</b>

Table 3, comprises of explanation of each row pertaining above Table 2

Table 4 providing explanations for significant variances in Leverage Ratio over previous quarter, being first disclosure have not been included above