

## BASEL II – Quantitative Disclosures

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**TABLE 1: SCOPE OF APPLICATION - December 2011**

**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:	Nil
1. Subsidiary 1	
2. Subsidiary 2	
3. Subsidiary n	

**TABLE 2: CAPITAL STRUCTURE - December 2011**
**Capital Structure (Table 2, (b) to (e))**

Components of capital	SAR '000'
<b>Core capital - Tier I:</b>	
Eligible paid-up share capital	15,000,000
Shares premium accounts	-
Eligible reserves	11,687,749
Minority interests in the equity of subsidiaries	-
Retained earnings*	(214,497)
IAS type adjustments	535,749
<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:	(173,377)
Banking and securities entities not fully consolidated	(108,639)
Insurance organizations	(64,738)
Commercial organizations	-
<b>Total Tier I</b>	<b>26,835,624</b>
<b>Supplementary capital - Tier II:</b>	
Revaluation gains/reserves	-
Subordinated loan capital	-
Qualifying general provisions	1,072,349
Interim profits	3,149,354
<b>Deductions from Tier II:</b>	
Reciprocal holding of bank capital at 50% deduction	-
Significant minority investments at 10% and above at 50% deduction:	(173,377)
Banking and securities entities not fully consolidated	(108,639)
Insurance organizations	(64,738)
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>4,048,326</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>30,883,950</b>

**TABLE 3: CAPITAL ADEQUACY - December 2011**

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:	29,470,475	8,334	
– SAMA and Saudi Government	23,586,578	-	
– Others	5,883,897	8,334	
Multilateral Development Banks (MDBs)	-	-	
Public Sector Entities (PSEs)	-	-	
Banks and securities firms	21,931,956	754,171	
Corporates	82,938,823	6,558,615	
Retail non-mortgages	20,576,476	1,235,890	
Small Business Facilities Enterprises (SBFEs)	169,104	9,169	
Mortgages	4,932,730	394,618	
– Residential	4,932,730	394,618	
Equity	1,201,546	96,124	
Others	18,765,831	1,174,361	
<b>Total</b>	<b>179,986,941</b>	<b>10,231,282</b>	

**Note** : 'Amount of exposures' are on-balance sheet and on gross basis.

Traced to Q 17.5.1

**TABLE 3: CAPITAL ADEQUACY - December 2011**

Capital Requirements For Market Risk (Table 3 (d))					SAR '000'
	Interest rate risk	Equity position risk	Foreign exchange risk	Commodity risk	Total
Standardised approach	1,039	-	188,902	-	189,941

*Traced to Q 17.7*

**TABLE 3: CAPITAL ADEQUACY - December 2011**

Capital Requirements for Operational Risk (Table 3, (e))

Particulars	Capital requirement SAR '000'
Standardised approach	863,298
<b>Total</b>	<b>863,298</b>

*Traced to Q 17.8*

**TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - December 2011**

Credit Risk Exposure (Table 4, (b))		SAR '000'
Portfolios	Total gross credit risk exposure	Average gross credit risk exposure over the period
Sovereigns and central banks:	29,474,786	35,700,739
– SAMA and Saudi Government	23,586,578	30,390,678
– Others	5,888,208	5,310,061
Multilateral Development Banks (MDBs)	-	-
Public Sector Entities (PSEs)	-	-
Banks and securities firms	33,611,633	29,455,902
Corporates	119,611,714	121,653,161
Retail non-mortgages	20,598,361	18,814,929
Small Business Facilities Enterprises (SBFEs)	684,318	651,279
Mortgages	4,932,730	4,420,380
– Residential	4,932,730	4,420,380
Equity	1,201,546	932,111
Others	18,069,915	13,322,477
<b>Total</b>	<b>228,185,003</b>	<b>224,950,978</b>

**Notes:**

1. 'Total gross credit risk exposure' equals on-balance sheet, off-balance sheet after application of credit conversion factor, and derivatives at their credit equivalent values.
2. 'Average gross credit risk exposure over the period' represents average of current and previous 4 Basel II Regulatory Reports

Traced to Q 17.5

**TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - December 2011**

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

Geographic Area

Portfolios	Saudi Arabia	Other GCC & Middle East	Europe	North America	South East Asia	Other Countries	Total
<b>Sovereigns and central banks:</b>	<b>23,586,578</b>	<b>1,180,428</b>	<b>1,642,734</b>	<b>2,730,080</b>	<b>30,502</b>	<b>304,464</b>	<b>29,474,786</b>
- SAMA and Saudi Government	23,586,578	-	-	-	-	-	23,586,578
- Others	-	1,180,428	1,642,734	2,730,080	30,502	304,464	5,888,208
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-
Banks and securities firms	10,345,948	3,183,254	13,682,526	3,908,918	385,326	2,105,661	33,611,633
Corporates	110,255,446	3,430,724	921,748	4,225,334	-	778,462	119,611,714
Retail non-mortgages	20,598,361	-	-	-	-	-	20,598,361
Small Business Facilities Enterprises (SBFEs)	683,668	-	-	-	-	650	684,318
Mortgages	4,932,730	-	-	-	-	-	4,932,730
- Residential	4,932,730	-	-	-	-	-	4,932,730
Equity	1,106,090	6,898	23,908	51,180	2,382	11,088	1,201,546
Others	16,093,597	120	103,188	1,709,378	97,519	66,113	18,069,915
<b>Total</b>	<b>187,602,418</b>	<b>7,801,424</b>	<b>16,374,104</b>	<b>12,624,890</b>	<b>515,729</b>	<b>3,266,438</b>	<b>228,185,003</b>



**TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - December 2011**

Portfolios	Industry Sector Breakdown (Table 4, (d)) SAR '000'												
	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 Communications	Services	Consumer loans and Credit cards	Others	Total
Sovereigns and central banks:	29,474,786	-	-	-	-	-	-	-	-	-	-	-	29,474,786
- SAMA and Saudi Government	23,586,578	-	-	-	-	-	-	-	-	-	-	-	23,586,578
- Others	5,888,208	-	-	-	-	-	-	-	-	-	-	-	5,888,208
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Banks and securities firms	-	33,611,633	-	-	-	-	-	-	-	-	-	-	33,611,633
Corporates	-	2,800,990	1,363,219	20,789,265	2,880,080	3,151,522	22,841,757	40,993,527	9,065,771	3,952,827	-	11,772,756	119,611,714
Retail non mortgages	-	-	-	-	-	-	-	-	-	-	20,598,361	-	20,598,361
Small Business Facilities Enterprises (SBFEs)	-	-	129	49,066	-	5,903	174,921	179,625	3,541	266,750	-	4,383	684,318
Mortgages	-	-	-	-	-	-	-	-	-	-	4,932,730	-	4,932,730
- Residential	-	-	-	-	-	-	-	-	-	-	4,932,730	-	4,932,730
Equity	-	273,024	52,459	544,197	7,681	76,144	-	66,806	132,473	34,398	-	14,364	1,201,546
Others	-	-	20,098	478,012	-	-	346,148	6,130,132	792	291,942	-	10,802,791	18,069,915
<b>Total</b>	<b>29,474,786</b>	<b>36,685,647</b>	<b>1,435,905</b>	<b>21,860,540</b>	<b>2,887,761</b>	<b>3,233,569</b>	<b>23,362,826</b>	<b>47,370,090</b>	<b>9,202,577</b>	<b>4,545,917</b>	<b>25,531,091</b>	<b>22,594,294</b>	<b>228,185,003</b>

**TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - December 2011**

Residual Contractual Maturity Breakdown (Table 4, (e))		SAR '000'							
Portfolios	Maturity breakdown								
	Less than 8 days	8-29 days	30-89 days	90-179 days	180-359 days	1-3 years	3-5 years	Over 5 years	Total
Sovereigns and central banks:	7,098,251	1,230,140	2,463,721	2,955,763	4,040,299	1,389,019	728,379	9,569,214	29,474,786
- SAMA and Saudi Government	7,098,251	1,230,140	1,613,714	2,831,532	3,568,033	96,566	81,267	7,067,075	23,586,578
- Others	-	-	850,007	124,231	472,266	1,292,453	647,112	2,502,139	5,888,208
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-	-
Banks and securities firms	2,617,228	4,415,224	7,703,945	5,059,331	3,225,546	6,117,631	2,815,134	1,657,594	33,611,633
Corporates	12,764,468	9,432,907	20,656,941	16,121,174	16,243,194	20,094,840	11,418,519	12,879,671	119,611,714
Retail non-mortgages	4,556	33,046	11,629	45,495	131,014	3,373,206	13,759,055	3,240,360	20,598,361
Small Business Facilities Enterprises (SBFEs)	51,517	21,879	68,601	81,902	119,470	256,718	76,872	7,359	684,318
Mortgages	-	11	262	193	2,005	22,636	90,364	4,817,259	4,932,730
- Residential	-	11	262	193	2,005	22,636	90,364	4,817,259	4,932,730
Equity	-	-	-	-	-	-	-	1,201,546	1,201,546
Others	6,675,408	702,698	1,236,470	785,993	909,040	391,775	1,433,049	5,935,482	18,069,915
<b>Total</b>	<b>29,211,428</b>	<b>15,835,905</b>	<b>32,141,569</b>	<b>25,049,851</b>	<b>24,670,568</b>	<b>31,645,825</b>	<b>30,321,372</b>	<b>39,308,485</b>	<b>228,185,003</b>

**TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - December 2011**

Impaired Loans, Past Due Loans and Allowances (Table 4, (f)) SAR '000'										
Industry sector	Impaired loans	Defaulted	Aging of Past Due Loans (days)				Charges during the period	Charge-offs during the period	Balance at the end of the period	General allowances
			31-90	91-180	181-360	Over 360				
Government and quasi government	-	-	-	-	-	-	-	-	-	-
Banks and other financial institutions	-	-	-	-	-	-	-	-	-	-
Agriculture and fishing	-	-	-	-	-	-	(8,559)	-	-	-
Manufacturing	272,989	-	14,115	-	-	-	23,764	-	157,732	-
Mining and quarrying	-	-	-	-	-	-	-	-	-	-
Electricity, water, gas and health services	-	-	-	-	-	-	-	-	-	-
Building and construction	171,703	1,545	5,970	1,545	-	-	39,187	(4,174)	139,151	-
Commerce	1,348,241	81,215	3,310	14,146	55,490	11,579	313,863	(33,619)	588,761	-
Transportation and communication	1,808	-	-	-	-	-	964	-	964	-
Services	20,189	-	568	-	-	-	30,551	(9,370)	11,315	-
Consumer loans and credit cards	-	470,482	768,704	470,482	-	-	426,133	(426,133)	-	-
Others	64,293	-	-	-	-	-	15,843	-	28,272	-
Portfolio provision	-	-	-	-	-	-	-	-	-	1,072,349
<b>Total</b>	<b>1,879,223</b>	<b>553,242</b>	<b>792,667</b>	<b>486,173</b>	<b>55,490</b>	<b>11,579</b>	<b>841,746</b>	<b>(473,296)</b>	<b>926,195</b>	<b>1,072,349</b>

**Definitions:** \* 'Defaulted' are Loans that are Past Due over 90 days, but not yet Impaired

\* 'Impaired Loans' are loans with Specific Provisions

**TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - December 2011**

**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
		31-90	91-180	181-360	Over 360		
Saudi Arabia	1,879,223	792,667	486,173	55,490	11,579	926,195	1,072,349
Other GCC & Middle East	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-
North America	-	-	-	-	-	-	-
South East Asia	-	-	-	-	-	-	-
Others countries	-	-	-	-	-	-	-
<b>Total</b>	<b>1,879,223</b>	<b>792,667</b>	<b>486,173</b>	<b>55,490</b>	<b>11,579</b>	<b>926,195</b>	<b>1,072,349</b>

**TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - December 2011**

Reconciliation Of Changes In The Allowances For Loan Impairment (Table 4, (h))		SAR '000'
Particulars	Specific allowances	General allowances
Balance, beginning of the year	1,216,004	1,072,349
Charge-offs taken against the allowances during the period	(473,296)	-
Amounts set aside (or reversed) during the period	841,746	-
Other adjustments:	-	-
- exchange rate differences	-	-
- business combinations	-	-
- acquisitions and disposals of subsidiaries	-	-
- etc.	(658,259)	-
Transfers between allowances	-	-
<b>Balance, end of the year</b>	<b>926,195</b>	<b>1,072,349</b>

**Note:** Charge-offs and recoveries have been recorded directly to the income statement.

' other movements' represents write-offs that have been charged to P&L in previous years

**TABLE 5 (STA): CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDIZED APPROACH - December 2011**

Particulars	Allocation Of Exposures To Risk Buckets (Table 5, (b))								SAR '000'	
	Risk buckets								Unrated	Deducted
	0%	20%	35%	50%	75%	100%	150%	Other risk weights		
Sovereigns and central banks:	29,035,668	384,627	-	-	-	54,491	-	-	-	-
- SAMA and Saudi Government	23,586,578	-	-	-	-	-	-	-	-	-
- Others	5,449,090	384,627	-	-	-	54,491	-	-	-	-
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-	-	-
Banks and securities firms	396,268	6,455,163	-	26,305,302	-	453,620	1,279	-	-	-
Corporates	-	402,598	-	1,532,927	-	114,848,573	206,110	-	112,396,673	-
Retail non-mortgages	-	-	-	-	20,598,201	-	-	-	20,598,201	-
Small Business Facilities Enterprises (SBFEs)	-	-	-	-	426,433	-	-	-	424,942	-
Mortgages	-	-	-	-	-	4,932,730	-	-	4,932,730	-
- Residential	-	-	-	-	-	4,932,730	-	-	4,932,730	-
Equity	-	-	-	-	-	1,201,546	-	-	1,201,546	-
Others	3,733,577	1,141	-	-	-	13,022,716	1,173,990	-	15,149,905	-
<b>Total</b>	<b>33,165,513</b>	<b>7,243,529</b>	<b>-</b>	<b>27,838,229</b>	<b>21,024,634</b>	<b>134,513,676</b>	<b>1,381,379</b>	<b>-</b>	<b>154,703,997</b>	<b>-</b>

Note: Exposure amounts are after applying 'risk mitigants' where applicable.

**TABLE 7 (STA): CREDIT RISK MITIGATION (CRM): DISCLOSURES FOR STANDARDIZED APPROACH - December 2011**

Credit Risk Exposure Covered By CRM (Table 7, (b) and (c))		SAR '000'
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	2,237,739	383,766
Retail non-mortgages	161	-
Small Business Facilities Enterprises (SBFEs)	257,885	-
Mortgages	-	-
- Residential	-	-
Equity	-	-
Others	138,492	-
<b>Total</b>	<b>2,634,277</b>	<b>383,766</b>

**TABLE 10: MARKET RISK: DISCLOSURES FOR BANKS USING THE STANDARDIZED APPROACH - December 2011**

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
Standardised approach	1,039	-	188,902	-	189,941

Traced to Q 17.7



**TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS - December 2011**

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 value)
Investments	148,171	148,171	1,053,375	1,053,375	n/a

**TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS - December 2011**

Types And Nature of Investments (Table 13, (c))	SAR '000'	
	Publicly traded	Privately held
<b>Investments</b>		
Government and quasi government	-	-
Banks and other financial institutions	245,786	27,236
Agriculture and fishing	51,859	600
Manufacturing	544,197	-
Mining and quarrying	7,680	-
Electricity, water, gas and health services	1,298	74,846
Building and construction	-	-
Commerce	66,807	-
Transportation and communication	132,473	-
Services	-	34,399
Others	3,275	11,090
<b>Total</b>	<b>1,053,375</b>	<b>148,171</b>

**TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS - December 2011**

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	(152)
Total unrealized gains (losses)	103,546
Total latent revaluation gains (losses)*	N/A
Unrealized gains (losses) included in Capital	80,409
Latent revaluation gains (losses) included in Capital*	N/A

\*Not applicable to KSA to date

**TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS - December 2011**

Capital Requirements (Table 13, (f))	SAR '000'
Equity grouping	Capital requirements
Government and quasi government	-
Banks and other financial institutions	21,842
Agriculture and fishing	4,197
Manufacturing	43,536
Mining and quarrying	614
Electricity, water, gas and health services	6,092
Building and construction	-
Commerce	5,345
Transportation and communication	10,598
Services	2,752
Others	1,149
<b>Total</b>	<b>96,125</b>

**TABLE 14: INTEREST RATE RISK IN THE BANKING BOOK (IRRBB) - December 2011**

200bp Interest Rate Shocks for currencies with more than 5% of Assets or Liabilities (Table 14, (b))

	SAR 000's
Rate Shocks	Change in earnings
Upward rate shocks:	
SAR +200bp	230,167
USD +200bp	-110,111
Downward rate shocks:	
SAR-200bp	-192,705
USD-200bp	3,222