

BASEL II – Quantitative Disclosures

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TABLE 1: SCOPE OF APPLICATION - DECEMBER 2010

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 2010

Capital Structure (Table 2, (b) to (e))

Components of capital	SAR '000'
Core capital - Tier I:	
Eligible paid-up share capital	15,000,000
Shares premium accounts	-
Eligible reserves	10,981,592
Minority interests in the equity of subsidiaries	-
Retained earnings*	(386,966)
IAS type adjustments	813,965
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:	(159,775)
- Banking and securities entities not fully consolidated	(92,720)
- Insurance organizations	(67,055)
- Commercial organizations	-
Total Tier I	26,248,816
Supplementary capital - Tier 2:	
Revaluation gains/reserves	-
Subordinated loan capital	-
Qualifying general provisions	1,072,349
Interim profits	2,824,627
Deductions from Tier II:	
Reciprocal holding of bank capital at 50% deduction	-
Significant minority investments at 10% and above at 50% deduction:	(159,774)
- Banking and securities entities not fully consolidated	(92,720)
- Insurance organizations	(67,054)
- Commercial organizations	-
Other country specific deductions from Tier 2 at 50%	-
Regulatory calculation differences deduction from Tier 2 at 50%	-
Total Tier II	3,737,202
Capital to cover market risks - Tier III	-
Short Term Subordinated Debit	-
Tier I and Tier II Capital Available for Market Risk	-
Total eligible capital	29,986,017

*After payment of interim dividend

TABLE 3: CAPITAL ADEQUACY - DECEMBER 2010

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:	40,737,883	1,221
- SAMA and Saudi Government	35,829,686	-
- Others	4,908,197	1,221
Multilateral Development Banks (MDBs)	-	-
Public Sector Entities (PSEs)	-	-
Banks and securities firms	14,283,823	471,532
Corporates	87,138,725	6,858,158
Retail non-mortgages	16,951,315	1,017,935
Small Business Facilities Enterprises (SBFEs)	157,577	8,624
Mortgages	3,771,524	301,722
- Residential	3,771,524	301,722
Equity	771,663	61,733
Others	10,643,617	605,575
Total	174,456,127	9,326,500

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

TABLE 3: CAPITAL ADEQUACY - DECEMBER 2010

Capital Requirements For Market Risk* (822, Table 3 (d))					SAR '000'
	Interest rate risk	Equity position risk	Foreign exchange risk	Commodity risk	Total
Standardised approach	877	-	107,931	-	108,808

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

TABLE 3: CAPITAL ADEQUACY - DECEMBER 2010

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

Particulars	Capital requirement SAR '000'
Standardised approach	816,968
Total	816,968

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

TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - DECEMBER 2010

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:	40,771,233	38,737,122
- SAMA and Saudi Government	35,858,627	34,202,982
- Others	4,912,606	4,534,140
Multilateral Development Banks (MDBs)	-	-
Public Sector Entities (PSEs)	-	-
Banks and securities firms	22,577,594	24,274,040
Corporates	120,989,784	117,739,831
Retail non-mortgages	17,062,725	16,056,508
Small Business Facilities Enterprises (SBFEs)	610,542	446,401
Mortgages	3,771,524	3,254,414
- Residential	3,771,524	3,254,414
Equity	771,663	814,158
Others	9,777,639	11,487,233
Total	216,332,704	212,809,707

Notes:

* 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.

** Average gross credit risk exposure over the period' represents average of current and previous 4 Basel 2 Regulatory Reports

TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - DECEMBER 2010

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

Portfolios	Geographic Area						Total
	Saudi Arabia	Other GCC & Middle East	Europe	North America	South East Asia	Other Countries	
Sovereigns and central banks:	35,858,627	794,824	964,652	3,042,014	47,048	64,068	40,771,233
- SAMA and Saudi Government	35,858,627	-	-	-	-	-	35,858,627
- Others	-	794,824	964,652	3,042,014	47,048	64,068	4,912,606
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-
Banks and securities firms	3,825,554	3,232,710	7,398,106	6,319,048	133,652	1,668,524	22,577,594
Corporates	113,319,846	2,295,144	1,008,846	4,052,176	-	313,772	120,989,784
Retail non-mortgages	17,062,424	-	-	-	-	301	17,062,725
Small Business Facilities Enterprises (SBFEs)	609,512	-	-	-	-	1,030	610,542
Mortgages	3,771,524	-	-	-	-	-	3,771,524
- Residential	3,771,524	-	-	-	-	-	3,771,524
Equity	693,296	6,804	26,410	33,680	-	11,473	771,663
Others	7,956,002	290	129,964	1,583,286	108,056	41	9,777,639
Total	183,096,785	6,329,772	9,527,978	15,030,204	288,756	2,059,209	216,332,704

TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - DECEMBER 2010

Portfolios	Industry Sector Breakdown (Table 4, (d))												Total
	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	
Sovereigns and central banks:	40,771,233	-	-	-	-	-	-	-	-	-	-	-	40,771,233
- SAMA and Saudi Government	35,858,627	-	-	-	-	-	-	-	-	-	-	-	35,858,627
- Others	4,912,606	-	-	-	-	-	-	-	-	-	-	-	4,912,606
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Banks and securities firms	-	22,577,594	-	-	-	-	-	-	-	-	-	-	22,577,594
Corporates	-	5,890,966	1,185,212	19,131,208	3,630,186	2,612,388	24,274,388	43,534,042	9,606,567	4,390,478	-	6,734,349	120,989,784
Retail non mortgages	-	-	-	-	-	-	-	-	-	-	17,062,725	-	17,062,725
Small Business Facilities Enterprises (SBFEs)	-	-	114	37,216	54	4,697	182,754	153,167	8,064	223,138	-	1,338	610,542
Mortgages	-	-	-	-	-	-	-	-	-	-	3,771,524	-	3,771,524
- Residential	-	-	-	-	-	-	-	-	-	-	3,771,524	-	3,771,524
Equity	-	167,672	44,025	274,424	6,618	103,557	-	58,131	57,866	31,810	-	27,560	771,663
Others	-	-	-	171,395	-	5,230	41,922	1,236,725	10,001	141,572	-	8,170,794	9,777,639
Total	40,771,233	28,636,232	1,229,351	19,614,243	3,636,858	2,725,872	24,499,064	44,982,065	9,682,498	4,786,998	20,834,249	14,934,041	216,332,704

TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - DECEMBER 2010

Residual Contractual Maturity Breakdown (Table 4, (e)) SAR '000'									
Portfolios	Maturity breakdown								Total
	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	
Sovereigns and central banks:	15,115,158	2,111,176	5,469,195	1,654,057	4,019,364	1,769,613	760,789	9,871,881	40,771,233
- SAMA and Saudi Government	15,115,158	2,111,176	4,940,988	1,654,057	4,006,275	1,736,227	86,016	6,208,730	35,858,627
- Others	-	-	528,207	-	13,089	33,386	674,773	3,663,151	4,912,606
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-	-
Banks and securities firms	3,457,791	935,943	2,575,274	1,983,229	817,711	8,103,191	3,250,317	1,454,138	22,577,594
Corporates	11,755,371	10,333,295	18,637,486	15,172,902	19,023,289	23,423,821	12,855,437	9,788,183	120,989,784
Retail non-mortgages	14,123	41,085	68,988	62,808	130,222	3,012,317	11,615,863	2,117,319	17,062,725
Small Business Facilities Enterprises (SBFEs)	58,412	14,983	54,308	66,479	97,040	219,987	96,616	2,717	610,542
Mortgages	-	20	-	85	1,458	17,864	80,704	3,671,393	3,771,524
- Residential	-	20	-	85	1,458	17,864	80,704	3,671,393	3,771,524
Equity	-	-	-	-	-	-	-	771,663	771,663
Others	4,401,239	79,679	86,142	23,443	129,045	290,583	712,845	4,054,663	9,777,639
Total	34,802,094	13,516,181	26,891,393	18,963,003	24,218,129	36,837,376	29,372,571	31,731,957	216,332,704

TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - December 2010

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	9,293	-	-	-	-	-	7,241	(655)	8,559	-
Manufacturing	268,864	-	4,849	-	-	-	111,390	-	133,968	-
Mining and quarrying	-	-	-	-	-	-	-	-	-	-
Electricity, water, gas and health services	-	-	-	-	-	-	-	-	-	-
Building and construction	119,460	-	31,519	-	-	-	55,159	(5,794)	123,370	-
Commerce	1,344,468	145,204	59,855	127,263	17,941	-	471,707	(10,542)	918,894	-
Transportation and communication	-	-	1,104	-	-	-	(116)	-	-	-
Services	19,920	11,010	4,005	11,010	-	-	15,788	(311)	18,784	-
Consumer loans and credit cards	-	544,020	883,735	544,020	-	-	421,275	(421,275)	-	-
Others	51,480	-	-	-	-	-	(3,446)	-	12,429	-
Portfolio provision	-	-	-	-	-	-	-	-	-	1,072,349
Total	1,813,485	700,234	985,067	682,293	17,941	-	1,078,998	(438,577)	1,216,004	1,072,349

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 2010

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	1,813,485	985,067	682,293	17,941	-	1,216,004	1,072,349		
Other GCC & Middle East	-	-	-	-	-	-	-		
Europe	-	-	-	-	-	-	-		
North America	-	-	-	-	-	-	-		
South East Asia	-	-	-	-	-	-	-		
Others countries	-	-	-	-	-	-	-		
Total	1,813,485	985,067	682,293	17,941	-	1,216,004	1,072,349		

TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - DECEMBER 2010

Reconciliation Of Changes In The Allowances For Loan Impairment (Table 4, (h))		SAR '000'
Particulars	Specific allowances	General allowances
Balance, beginning of the year	693,599	1,072,349
Charge-offs taken against the allowances during the period	(438,577)	-
Amounts set aside (or reversed) during the period	1,078,998	-
Other adjustments:	-	-
- exchange rate differences	-	-
- business combinations	-	-
- acquisitions and disposals of subsidiaries	-	-
- etc.	(118,016)	-
Transfers between allowances	-	-
Balance, end of the year	1,216,004	1,072,349

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

TABLE 5 (STA): CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDIZED APPROACH - DECEMBER 2010

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:	40,694,865	76,288	-	-	-	-	-	-	-	-
- SAMA and Saudi Government	35,858,547	-	-	-	-	-	-	-	-	-
- Others	4,836,318	76,288	-	-	-	-	-	-	-	-
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-	-	-
Banks and securities firms	583,272	3,905,202	-	17,976,151	-	106,948	4,107	-	-	-
Corporates	9,354	500,042	-	2,356,688	-	115,623,423	8,853	-	113,697,911	-
Retail non-mortgages	11	-	-	-	17,030,572	-	-	-	17,030,583	-
Small Business Facilities Enterprises (SBFEs)	-	-	-	-	380,673	-	-	-	379,871	-
Mortgages	-	-	-	-	-	3,771,524	-	-	3,771,524	-
- Residential	-	-	-	-	-	3,771,524	-	-	3,771,524	-
Equity	-	-	-	-	-	771,663	-	-	771,663	-
Others	2,529,666	31,413	-	-	-	6,121,894	1,036,189	-	7,019,594	-
Total	43,817,168	4,512,945	-	20,332,839	17,411,245	126,395,452	1,049,149	-	142,671,146	-

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

TABLE 7 (STA): CREDIT RISK MITIGATION (CRM): DISCLOSURES FOR STANDARDIZED APPROACH - DECEMBER 2010

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	1,914	-
Corporates	2,218,353	273,071
Retail non-mortgages	32,143	-
Small Business Facilities Enterprises (SBFEs)	229,868	-
Mortgages	-	-
- Residential	-	-
Equity	-	-
Others	58,475	-
Total	2,540,753	273,071

TABLE 3: CAPITAL ADEQUACY - DECEMBER 2010

Capital Requirements For Market Risk* (Table 10 (b))					SAR '000'
	Interest rate risk	Equity position risk	Foreign exchange risk	Commodity risk	Total
Standardised approach	877	-	107,931	-	108,808

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

TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS - DECEMBER 2010

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	173,678	173,678	597,986	597,986	n/a

TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS - DECEMBER 2010

Types And Nature of Investments (Table 13, (c))	SAR '000'	
	Publicly traded	Privately held
Investments		
Government and quasi government	-	-
Banks and other financial institutions	140,315	27,356
Agriculture and fishing	43,425	600
Manufacturing	274,424	-
Mining and quarrying	6,618	-
Electricity, water, gas and health services	1,117	102,440
Building and construction	-	-
Commerce	58,131	-
Transportation and communication	57,866	-
Services	-	31,810
Others	16,090	11,472
Total	597,986	173,678

TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS - DECEMBER 2010

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)	137,269
Total latent revaluation gains (losses)*	N/A
Unrealized gains (losses) included in Capital	114,466
Latent revaluation gains (losses) included in Capital*	N/A

*Not applicable to KSA to date

TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS - DECEMBER 2010

Capital Requirements (Table 13, (f))		SAR '000'
Equity grouping		Capital requirements
Government and quasi government		-
Banks and other financial institutions		13,414
Agriculture and fishing		3,522
Manufacturing		21,954
Mining and quarrying		529
Electricity, water, gas and health services		8,285
Building and construction		-
Commerce		4,650
Transportation and communication		4,629
Services		2,545
Others		2,205
Total		61,733

TABLE 14: INTEREST RATE RISK IN THE BANKING BOOK (IRRBB) - DECEMBER 2010

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	311,095
USD +200bp	-223,387
Downward rate shocks:	
SAR-200bp	-168,128
USD-200bp	11,652