

BASEL II – Quantitative Disclosures

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TABLE 1: SCOPE OF APPLICATION - December 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:	Nil
1. Subsidiary 1	
2. Subsidiary 2	
3. Subsidiary n	

TABLE 2: CAPITAL STRUCTURE - December 2012

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	12,475,088
Minority interests in the equity of subsidiaries	-
Retained earnings*	(102,482)
IAS type adjustments	1,124,855
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:	(208,486)
Banking and securities entities not fully consolidated	(132,052)
Insurance organizations	(76,434)
Commercial organizations	-
Total Tier I	28,288,975
Supplementary capital - Tier II:	
Revaluation gains/reserves	-
Subordinated loan capital	-
Qualifying general provisions	1,072,349
Interim profits	3,466,049
Deductions from Tier II:	
Reciprocal holding of bank capital at 50% deduction	-
Significant minority investments at 10% and above at 50% deduction:	(208,486)
Banking and securities entities not fully consolidated	(132,052)
Insurance organizations	(76,434)
Commercial organizations	-
Other country specific deductions from Tier 2 at 50%	-
Regulatory calculation differences deduction from Tier 2 at 50%**	-
Total Tier II	4,329,912
Capital to cover market risks - Tier III	-
Short Term Subordinated Debit	-
Tier I and Tier II Capital Available for Market Risk	-
Total eligible capital	32,618,887

TABLE 3: CAPITAL ADEQUACY - December 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:	39,862,108	15,494
– SAMA and Saudi Government	33,592,873	-
– Others	6,269,235	15,494
Multilateral Development Banks (MDBs)	-	-
Public Sector Entities (PSEs)	-	-
Banks and securities firms	15,947,743	663,471
Corporates	83,249,507	6,611,088
Retail non–mortgages	23,290,440	1,399,470
Small Business Facilities Enterprises (SBFEs)	201,958	11,407
Mortgages	6,081,725	486,538
– Residential	6,081,725	486,538
Equity	1,263,599	101,088
Others	20,881,042	1,390,008
Total	190,778,122	10,678,564

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

TABLE 3: CAPITAL ADEQUACY - December 2012

Capital Requirements For Market Risk (Table 3, (d)) SAR '000'					
	Interest Rate Risk	Equity Position Risk	Foreign Exchange Risk	Commodity Risk	Total
Standardised approach	420	-	91,161	-	91,581

TABLE 3: CAPITAL ADEQUACY - December 2012

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

Particulars	Capital Requirement SAR '000'
Standardised approach	890,557
Total	890,557

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

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:	39,897,199	30,655,881
– SAMA and Saudi Government	33,592,983	24,528,776
– Others	6,304,216	6,127,105
Multilateral Development Banks (MDBs)	-	-
Public Sector Entities (PSEs)	-	-
Banks and securities firms	27,843,856	31,783,051
Corporates	119,037,786	119,480,782
Retail non-mortgages	23,328,281	22,339,167
Small Business Facilities Enterprises (SBFEs)	727,683	716,911
Mortgages	6,081,725	5,467,149
– Residential	6,081,725	5,467,149
Equity	1,263,599	1,272,019
Others	20,188,754	18,164,804
Total	238,368,883	229,879,764

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

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

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
Sovereigns and central banks:	33,600,503	1,200,088	1,791,418	3,090,188	9,094	205,908	39,897,199
- SAMA and Saudi Government	33,592,983	-	-	-	-	-	33,592,983
- Others	7,520	1,200,088	1,791,418	3,090,188	9,094	205,908	6,304,216
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-
Banks and securities firms	8,053,618	1,137,483	8,621,548	7,380,726	362,005	2,288,476	27,843,856
Corporates	107,492,364	3,225,864	3,459,358	4,383,740	4,324	472,136	119,037,786
Retail non-mortgages	23,325,249	-	-	3,032	-	-	23,328,281
Small Business Facilities Enterprises (SBFEs)	725,461	-	-	-	-	2,222	727,683
Mortgages	6,081,725	-	-	-	-	-	6,081,725
- Residential	6,081,725	-	-	-	-	-	6,081,725
Equity	1,148,184	6,900	23,980	70,842	2,382	11,311	1,263,599
Others	18,224,112	-	142,884	1,633,262	121,882	66,614	20,188,754
Total	198,651,216	5,570,335	14,039,188	16,561,790	499,687	3,046,667	238,368,883

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

Industry Sector Breakdown (Table 4, (d)) SAR '000'

Portfolios	Industry Sector												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:	39,897,199	-	-	-	-	-	-	-	-	-	-	-	39,897,199
- SAMA and Saudi Government	33,592,983	-	-	-	-	-	-	-	-	-	-	-	33,592,983
- Others	6,304,216	-	-	-	-	-	-	-	-	-	-	-	6,304,216
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Banks and securities firms	-	27,843,856	-	-	-	-	-	-	-	-	-	-	27,843,856
Corporates	-	6,379,370	1,429,376	24,560,766	6,152,008	3,401,780	24,696,924	32,617,202	8,557,552	4,493,150	-	6,749,658	119,037,786
Retail non mortgages	-	-	-	-	-	-	-	-	-	-	23,328,281	-	23,328,281
Small Business Facilities Enterprises (SBFEs)	-	-	-	48,512	-	7,858	223,288	143,350	3,884	296,736	-	4,055	727,683
Mortgages	-	-	-	-	-	-	-	-	-	-	6,081,725	-	6,081,725
- Residential	-	-	-	-	-	-	-	-	-	-	6,081,725	-	6,081,725
Equity	-	268,942	600	615,845	9,930	74,353	-	62,764	173,984	31,981	-	25,200	1,263,599
Others	-	-	17,820	401,502	-	3,336	302,208	8,052,138	3,008	306,328	-	11,102,414	20,188,754
Total	39,897,199	34,492,168	1,447,796	25,626,625	6,161,938	3,487,327	25,222,420	40,875,454	8,738,428	5,128,195	29,410,006	17,881,327	238,368,883

TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - December 2012
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:	16,529,612	874	3,766,271	2,127,161	4,460,936	734,939	1,934,527	10,342,879	39,897,199
- SAMA and Saudi Government	16,529,612	874	2,662,778	2,112,537	3,999,219	96,792	39,228	8,151,943	33,592,983
- Others	-	-	1,103,493	14,624	461,717	638,147	1,895,299	2,190,936	6,304,216
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-	-
Banks and securities firms	4,345,945	3,454,263	4,183,783	2,096,870	1,891,774	7,094,517	2,774,541	2,002,163	27,843,856
Corporates	13,999,370	7,741,961	18,392,542	16,921,981	15,893,787	18,398,480	13,051,984	14,637,681	119,037,786
Retail non-mortgages	10,967	28,749	20,075	47,297	188,933	3,989,850	18,442,745	599,665	23,328,281
Small Business Facilities Enterprises (SBFEs)	46,540	22,000	77,357	82,969	118,824	298,805	71,323	9,865	727,683
Mortgages	24	-	23	503	1,295	32,517	117,260	5,930,103	6,081,725
- Residential	24	-	23	503	1,295	32,517	117,260	5,930,103	6,081,725
Equity	-	-	-	-	-	-	-	1,263,599	1,263,599
Others	6,220,047	540,205	1,765,731	699,346	1,466,031	2,180,470	1,248,803	6,068,121	20,188,754
Total	41,152,505	11,788,052	28,205,782	21,976,127	24,021,580	32,729,578	37,641,183	40,854,076	238,368,883

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

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	-	281,291	-	-	281,291	-	-	-	-	-
Agriculture and fishing	19,221	-	-	-	-	-	3,442	-	3,442	-
Manufacturing	57,800	2,597	3,200	-	2,597	-	76,467	(14,547)	30,342	-
Mining and quarrying	-	-	-	-	-	-	-	-	-	-
Electricity, water, gas and health services	-	-	-	-	-	-	-	-	-	-
Building and construction	438,552	-	1,583	-	-	-	307,330	(14,861)	341,152	-
Commerce	1,441,778	391	10,473	391	-	-	609,372	(62,669)	1,042,235	-
Transportation and communication	966	-	-	-	-	-	(449)	-	515	-
Services	20,645	-	-	-	-	-	2,582	-	13,712	-
Consumer loans and credit cards	-	633,250	1,003,982	633,250	-	-	399,099	(399,099)	-	-
Others	58,172	-	-	-	-	-	9,673	-	37,945	-
Portfolio provision	-	-	-	-	-	-	-	-	-	1,072,349
Total	2,037,134	917,529	1,019,238	633,641	283,888	-	1,407,516	(491,176)	1,469,343	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 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
		31-90	91-180	181-360	Over 360		
Saudi Arabia	2,037,134	1,019,238	633,641	2,597	-	1,469,343	1,072,349
Other GCC & Middle East	-	-	-	281,291	-	-	-
Europe	-	-	-	-	-	-	-
North America	-	-	-	-	-	-	-
South East Asia	-	-	-	-	-	-	-
Others countries	-	-	-	-	-	-	-
Total	2,037,134	1,019,238	633,641	283,888	-	1,469,343	1,072,349

TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - December 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	926,195	1,072,349
Charge-offs taken against the allowances during the period	(491,176)	-
Amounts set aside (or reversed) during the period	1,407,516	-
Other adjustments:	-	-
- exchange rate differences	-	-
- business combinations	-	-
- acquisitions and disposals of subsidiaries	-	-
- etc.	(373,192)	-
Transfers between allowances	-	-
Balance, end of the year	1,469,343	1,072,349

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 2012**

Allocation Of Exposures To Risk Buckets (Table 5, (b)) SAR '000'

Particulars	Risk Buckets								Unrated	Deducted
	0%	20%	35%	50%	75%	100%	150%	Other risk weights		
Sovereigns and central banks:	39,304,220	498,999	-	-	-	93,870	-	-	-	-
- SAMA and Saudi Government	33,592,873	-	-	-	-	-	-	-	-	-
- Others	5,711,347	498,999	-	-	-	93,870	-	-	-	-
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-	-	-
Banks and securities firms	-	2,649,556	-	24,300,931	-	891,967	1,402	-	-	-
Corporates	-	470,745	-	1,286,542	-	114,009,418	935,456	-	112,015,174	-
Retail non-mortgages	-	-	-	-	23,327,954	-	-	-	23,327,954	-
Small Business Facilities Enterprises (SBFEs)	-	-	-	-	475,415	-	-	-	473,160	-
Mortgages	-	-	-	-	-	6,081,725	-	-	6,081,725	-
- Residential	-	-	-	-	-	6,081,725	-	-	6,081,725	-
Equity	-	-	-	-	-	1,263,599	-	-	1,263,599	-
Others	3,279,507	25,748	-	-	-	15,649,717	1,198,006	-	16,772,150	-
Total	42,583,727	3,645,048	-	25,587,473	23,803,369	137,990,296	2,134,864	-	159,933,762	-

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

**TABLE 7 (STA): CREDIT RISK MITIGATION (CRM): DISCLOSURES FOR
STANDARDIZED APPROACH - December 2012**

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:	110	-
- SAMA and Saudi Government	110	-
- Others	-	-
Multilateral Development Banks (MDBs)	-	-
Public Sector Entities (PSEs)	-	-
Banks and securities firms	-	-
Corporates	2,304,721	30,903
Retail non-mortgages	326	-
Small Business Facilities Enterprises (SBFEs)	252,268	-
Mortgages	-	-
- Residential	-	-
Equity	-	-
Others	35,777	-
Total	2,593,202	30,903

TABLE 10: MARKET RISK: DISCLOSURES FOR BANKS USING THE STANDARDIZED APPROACH - December 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
Standardised approach	420	-	91,161	-	91,581

TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS - December 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 value)
Investments	144,170	144,170	1,119,429	1,119,429	n/a

TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS - December 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	241,633	27,309
Agriculture and fishing	-	600
Manufacturing	615,845	-
Mining and quarrying	9,930	-
Electricity, water, gas and health services	1,385	72,968
Building and construction	-	-
Commerce	62,764	-
Transportation and communication	173,984	-
Services	-	31,981
Others	13,888	11,312
Total	1,119,429	144,170

TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS - December 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	6,452
Total unrealized gains (losses)	152,405
Total latent revaluation gains (losses)*	N/A
Unrealized gains (losses) included in Capital	148,545
Latent revaluation gains (losses) included in Capital*	N/A

**Not applicable to KSA to date*

TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS - December 2012

Capital Requirements (Table 13, (f)) SAR '000'

Equity grouping	Capital Requirements
Government and quasi government	-
Banks and other financial institutions	21,515
Agriculture and fishing	48
Manufacturing	49,268
Mining and quarrying	794
Electricity, water, gas and health services	5,948
Building and construction	-
Commerce	5,021
Transportation and communication	13,919
Services	2,558
Others	2,017
Total	101,088

TABLE 14: INTEREST RATE RISK IN THE BANKING BOOK (IRRBB) - December 2012

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	384,495
USD +200bp	-112,911
Downward rate shocks:	
SAR-200bp	-149,200
USD-200bp	4,164