

SAUDI BRITISH BANK

PILLAR 3 - QUANTITATIVE DISCLOSURES

AS AT 30 JUNE 2010

AS AT 30 JUNE 2010

Table 1 - SCOPE OF APPLICATION	
Particulars	Amount
The aggregate amount of capital deficiencies in subsidiaries not included in the consolidation i.e that are deducted	SAR'000
1. HSBC Saudi Arabia Limited	86,077
2. Saudi Travellers Cheque Company	5,674
3. SABB Takaful	108,909

AS AT 30 JUNE 2010

Capital Structure (Table 2, (b to (e))	
Components of capital	Amount SAR'000
Core capital - Tier1:	
Eligible paid-up share capital	7,500,000
Shares premium accounts	-
Eligible reserves	4,954,226
Minority interests in the equity of subsidiaries	-
Retained earnings	381,605
IAS type adjustments	-
Deductions from Tier 1:	-
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:	-
Banking and securities entities not fully consolidated	43,039
Insurance organizations	54,455
Commercial organizations	2,837
Total Tier I	12,735,500
Supplementary capital - Tier 2:	-
Revaluation gains/ reserves	-
Subordinated loan capital	-
Qualifying general provisions	734,814
Interim profits	1,067,575
Deductions from Tier 2:	-
Reciprocal holding of bank capital at 50% deduction	-
Significant minority investments at 10% and above at 50% deduction	-
Banking and securities entities not fully consolidated	43,039
Insurance organizations	54,455
Commercial Organizations	2,837
Other country specific deductions from Tier2 at 50%	-
Regulatory calculation differences deduction from Tier 2 at 50%	-
Total Tier II	1,702,058
Capital to cover market risks - Tier III	-
Short Term Subordinated Debt	-
Tier I and Tier II Capital Available for Market Risk	-
Total eligible capital	14,437,558

AS AT 30 JUNE 2010

SAR '000

Table 3 - CAPITAL ADEQUACY		
Amount of Exposures Subject To Standardized Approach of Credit Risk and related Capital Requirements (Table 3, (b))		
Portfolios	Amount of exposure	Capital requirement
Sovereigns and central banks:		
SAMA and Saudi Government	23,020,238	-
Others	1,962,273	-
Multilateral Development Banks (MDBs)	-	-
Public Sector Entities (PSEs)	-	-
Banks and securities firms	7,478,544	119,657
Corporates	68,655,399	4,958,617
Retail non-mortgages	12,532,132	713,140
Small Business Facilities Enterprises (SBFE's)	-	-
Mortgages	-	-
Residential	3,547,597	283,808
Commercial	-	-
Securitized assets	-	-
Equity	1,230,302	98,424
Others	1,674,224	62,965
Total	120,100,709	6,236,611



AS AT 30 JUNE 2010
SAR'000

Table 3 - CAPITAL ADEQUACY					
Capital requirements for Market Risk* (822, Table 3, (d))					
	Interest rate risk	Equity position risk	Foreign exchange risk	Commodity risk	Total
Standardised approach	53,082	-	15,886	-	68,968

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

Capital Requirements for Operational Risk* (Table 3, (e))	
Particulars	Capital requirement
Standardized approach	764,896

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

Table 3 - CAPITAL ADEQUACY		
Capital Adequacy Ratios (TABLE 3,(f))		
Particulars	Total capital ratio	Tier 1 capital ratio
	%	
Top consolidated level	13.62%	12.01%

AS AT 30 JUNE 2010
SAR'000

Table 4 (STA) : CREDIT RISK : GENERAL DISCLOSURES		
Credit Risk Exposure (Table 4. (b))		
Portfolios	Total gross credit risk exposure	Average gross credit risk exposure over the period
Sovereigns and central banks:		
SAMA and Saudi Government	23,047,238	-
Others	1,962,273	-
Multilateral Development Banks (MDBs)	-	-
Public Sector Entities (PSEs)	-	-
Banks and securities firms	12,326,975	-
Corporates	83,884,743	-
Retail non-mortgages	11,654,739	-
Small Business Facilities Enterprises (SBFE's)	-	-
Mortgages	-	-
Residential	3,547,597	-
Commercial	-	-
Securitized assets	-	-
Equity	1,230,302	-
Others	1,674,224	-
Total	139,328,091	-

AS AT 30 JUNE 2010
SAR'000

Table 4 (STA) : CREDIT RISK : GENERAL DISCLOSURES							
Geographic Breakdown (Table 4, c)							
Portfolios	Saudi Arabia	Other GCC & Middle East	Europe	North America	South East Asia	Other countries	Total
Sovereigns and central banks:							
SAMA and Saudi Government	23,047,238	-	-	-	-	-	23,047,238
Others	6,729	1,955,544	-	-	-	-	1,962,273
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-
Banks and securities firms	6,153,139	322,071	4,429,930	1,085,023	201,530	135,282	12,326,975
Corporates	80,054,916	2,638,000	927,159	228,126	-	36,542	83,884,743
Retail non-mortgages	11,654,739	-	-	-	-	-	11,654,739
Small Business Facilities Enterprises (SBFE's)	-	-	-	-	-	-	-
Mortgages	-	-	-	-	-	-	-
Residential	3,547,597	-	-	-	-	-	3,547,597
Commercial	-	-	-	-	-	-	-
Securitized assets	-	-	-	-	-	-	-
Equity	1,184,021	-	46,281	-	-	-	1,230,302
Others	1,674,224	-	-	-	-	-	1,674,224
Total	127,322,603	4,915,615	5,403,370	1,313,149	201,530	171,824	139,328,091

Table 4 (STA) : CREDIT RISK : GENERAL DISCLOSURES

Industry Sector Breakdown (Table 4, d)

Portfolios	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 communication	Services	Consumer loans and credit cards	Others	Total
Sovereigns and central banks:													
SAMA and Saudi Government	23,047,238	-	-	-	-	-	-	-	-	-	-	-	23,047,238
Others	1,962,273	-	-	-	-	-	-	-	-	-	-	-	1,962,273
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Banks and securities firms	-	12,326,975	-	-	-	-	-	-	-	-	-	-	12,326,975
Corporates	32,444	5,480,459	1,332,016	18,430,343	1,409,122	2,227,304	12,039,295	22,704,674	7,518,324	1,308,652	-	11,402,110	83,884,743
Retail non-mortgages	-	-	-	-	-	-	-	-	-	-	11,654,739	-	11,654,739
Small Business Facilities Enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-
Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential	-	-	-	-	-	-	-	-	-	-	3,547,597	-	3,547,597
Commercial	-	-	-	-	-	-	-	-	-	-	-	-	-
Securitized assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity	-	1,220,567	-	5,035	7	-	-	-	1,014	3,679	-	-	1,230,302
Others	-	-	-	-	-	-	-	-	-	-	-	1,674,224	1,674,224
Total	25,041,955	19,028,001	1,332,016	18,435,378	1,409,129	2,227,304	12,039,295	22,704,674	7,519,338	1,312,331	15,202,336	13,076,334	139,328,091

Table 4 (STA) : CREDIT RISK : GENERAL DISCLOSURES

Residual Contractual Maturity Breakdown (Table 4, (e))										
Portfolios	Maturity breakdown									Total
	Less than 8 days	8-30 days	30-90 days	90-180 days	180-360 days	1-3 years	3-5 years	Over 5 years	*No Maturity	
Sovereigns and central banks:										
SAMA and Saudi Government	2,447,576	2,251,222	6,635,217	3,260,983	1,263,691	1,551,315	477,553	5,159,681	-	23,047,238
Others	-	-	-	376,933	6,353	109,486	1,368,357	101,144	-	1,962,273
Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-
Public Sector Entities	-	-	-	-	-	-	-	-	-	-
Banks and Securities Firms	7,864,213	297,431	829,974	531,898	1,365,152	1,125,617	152,059	160,631	-	12,326,975
Corporates	14,477,899	10,401,498	15,808,157	10,871,732	9,254,021	13,258,699	8,145,535	1,667,202	-	83,884,743
Retail non-mortgages	1,854,614	149,873	124,495	134,914	293,737	2,520,088	5,726,008	851,010	-	11,654,739
Small Business Facilities Enterprises	-	-	-	-	-	-	-	-	-	-
Mortgages	-	-	-	-	-	-	-	-	-	-
Residential	-	-	115	-	5,440	48,182	122,404	3,371,456	-	3,547,597
Commercial	-	-	-	-	-	-	-	-	-	-
Securitized assets	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	-	-	1,230,302	1,230,302
Others	-	-	-	-	-	-	-	-	1,674,224	1,674,224
Total	26,644,302	13,100,024	23,397,958	15,176,460	12,188,394	18,613,387	15,991,916	11,311,124	2,904,526	139,328,091

Table 4 (STA) : CREDIT RISK : GENERAL DISCLOSURES											
Impaired loans, Past Due Loans and Allowances (Table 4, (f))											
Industry sector	Impaired loans	Defaulted	Aging of Past Due Loans (days)				Specific allowances				General allowances
			Less than 90	90-180	180-360	Over 360	Balance at the beginning of the period	Charges during the period	Charge-offs during the period	Balance at the end of the period	
Government and quasi government	-	-	-	-	-	-	-	-	-	-	-
Banks and other financial institutions	-	-	194,732	-	-	-	-	-	-	-	-
Agriculture and fishing	-	-	-	-	-	-	-	-	-	-	3,040
Manufacturing	143,122	-	36,512	-	-	-	40,879	31,901	(4,940)	67,840	80,606
Mining and quarrying	-	-	-	-	-	-	-	-	-	-	58
Electricity, water. Gas and health services	7,128	-	48,683	-	-	-	7,128	-	-	7,128	4,015
Building and construction	934,920	-	-	-	-	-	77,630	(3,700)	-	73,930	52,399
Commerce	909,377	-	121,707	-	-	-	940,164	(21,691)	(127)	918,346	74,424
Transportation and communication	482	-	-	-	-	-	1,482	-	-	1,482	5,079
Services	6,552	-	-	-	-	-	4,774	35,950	-	40,724	149,303
Consumer loans and credit cards	306,087	-	895,813	185,223	-	-	334,402	181,152	(218,294)	297,260	12,960
Others	1,196,391	-	2,032,514	11,912	-	-	121,531	282,561	(1,266)	402,826	39,786
Total	3,504,059	-	3,329,961	197,135	-	-	1,527,990	506,173	(224,627)	1,809,536	421,670

Table 4 (STA) : CREDIT RISK : GENERAL DISCLOSURES		
Reconciliation of Changes In The Allowances For Loan Impairment (Table 4, (h))		
Particulars	Specific allowances	General allowances
Balance, beginning of the year	1,527,990	247,354
Charge-offs taken against the allowances during the period	(359,696)	-
Amounts set aside (or reversed) during the period	641,242	174,316
Other adjustments:	-	-
- exchange rate differences	-	-
- business combinations	-	-
- acquisitions and disposals of subsidiaries	-	-
- etc.	-	-
Transfers between allowances	-	-
Balance, end of the year	1,809,536	421,670

Table 5 (STA) : CREDIT RISK : DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDIZED APPROACH

Allocation of Exposures to Risk Buckets (Table 5, (b))

Particulars	Risk buckets									TOTAL	Deducted	
	0%	20%	35%	50%	75%	100%	150%	Other risk weights	Unrated			
Sovereigns and central banks												
SAMA and Saudi Government	23,047,238	-	-	-	-	-	-	-	-	-	23,047,238	-
Others	1,962,273	-	-	-	-	-	-	-	-	-	1,962,273	-
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-	-	-	-	-
Banks and securities firms	-	9,309,653	-	3,016,044	-	1,278	-	-	-	-	12,326,975	-
Corporates	396,794	3,699,722	-	3,689,846	-	74,327,052	642,029	-	-	-	82,755,443	-
Retail non-mortgages	-	-	-	-	11,423,817	230,922	-	-	-	-	11,654,739	-
Small Business Facilities Enterprises	-	-	-	-	-	-	-	-	-	-	-	-
Mortgages	-	-	-	-	-	-	-	-	-	-	-	-
Residential	-	-	-	-	-	3,547,597	-	-	-	-	3,547,597	-
Commercial	-	-	-	-	-	-	-	-	-	-	-	-
Securitized assets	-	-	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	1,230,302	-	-	-	-	1,230,302	200,660
Others	887,158	-	-	-	-	787,066	-	-	-	-	1,674,224	-
TOTAL	26,293,463	13,009,375	-	6,705,890	11,423,817	80,124,217	642,029	-	-	-	138,198,791	200,660

AS AT 30 JUNE 2010
SAR'000

Table 7 (STA) : CREDIT RISK MITIGATION (CRM) ; DISCLOSURES FOR STANDARDIZED APPROACH		
Credit Risk Exposure covered by CRM (Table 7, (b) and c))		
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	731,068	398,232
Retail non-mortgages		
Small Business Facilities Enterprises (SBFE's)		
Mortgages		
Residential		
Commercial		
Securitized assets		
Equity		
Others		
Total	731,068	398,232

Credit Derivative Transactions (Table 8, (c))				
Credir derivative transactions	Proprietary activities		Intermediation Activities	
	Protection bought	Protection sold	Protection bought	Protection sold
Total return swaps				
Credit default swaps				
Credit options				
Credit linked notes		-		
Collateralized debt obligations				
Collateralized bond obligations				
Collateralized loan obligations				
Others				
Total	-	-	-	-

TABLE 9 (STA) : SECURITIZATION: DISCLOSURES FOR STANDARDIZED APPROACH					
Outstanding Exposures Securitized By The Bank (Table 9,(d) to (f))					
Exposures Type	Outstanding exposures		Impaired / Past due assets securitized	Losses recognized by the bank during the current period	Securitization exposures retained or purchased
	Traditional	Synthetic			
Credit cards	NIL				
Home equity loans					
Commercial loans					
Automobile loans					
Small business loans					
Equipment leases					
Others					

AS AT 30 JUNE 2010
SAR'000

TABLE 9 (STA) : SECURITIZATION: DISCLOSURES FOR STANDARDIZED APPROACH		
Exposures By Risk Weight Bands (Table 9, (g))		
Risk weight bands	Securitization exposures retained or purchased	Associated capital charges
0% to 20%	NIL	
Above 20% to 40%		
Above 40% to 60%		
Above 60% to 80%		
Above 80% to 100%		
Above 100%		

AS AT 30 JUNE 2010
SAR'000

TABLE 9 (STA) : SECURITIZATION: DISCLOSURES FOR STANDARDIZED APPROACH			
Deductions from capital (Table9, (g))			
Type of underlying assets	Exposures deducted from Tier 1 capital	Credit enhancing I/Os deducted from total capital	Other exposures deducted from total capital
Loans	NIL		
Commitments			
Asset-backed securities			
Mortgage-backed securities			
Corporate bonds			
Equity securities			
Private equity investments			
Others			

AS AT 30 JUNE 2010
SAR'000

TABLE 9 (STA) : SECURITIZATION: DISCLOSURES FOR STANDARDIZED APPROACH			
Securitized Subject To Early Amortization Treatment (Table 9, (h))			
Type of underlying assets	Aggregate drawn exposures attributed to the seller's and investor's interest	Aggregate capital charges incurred by the bank against	
		its retained shares of the drawn balances and undrawn lines	the investor's shares of drawn balances and undrawn lines
Loans		NIL	
Commitments			
Asset-backed securities			
Mortgage-backed securities			
Corporate bonds			
Equity securities			
Private equity investments			
Others			

AS AT 30 JUNE 2010

TABLE 9 (STA) : SECURITIZATION: DISCLOSURES FOR STANDARDIZED APPROACH		
Summary Of Current Year's Securitization Activity (Table 9, (j))		
Exposure types	Amount of exposures securitized	Recognized gain or loss on sale
Credit cards		NIL
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

Table 10: MARKET RISK: DISCLOSURES FOR BANKS USING THE STANDARDIZED APPROACH					
Level of Market Risks in Terms Of Capital Requirements (Table 10, (b))					
	Interest rate risk	Equity position risk	Foreign exchange risk	Commodity risk	Total
Capital requirements	53,082	-	15,886	-	68,968

Table 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS					
Value of Investments (Table 13, (b))					
	Unquoted 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	143,252	143,252	1,287,712	1,408,078	-

AS AT 30 JUNE 2010

Table 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS		
Type and Nature of Investments (Table 13, (c))		
	All Amount' SAR 000	All Amount' SAR 000
Investments	Publicly traded	Privately held
Government and Quasi-Government	-	-
Banks and Other Financial Institutions	1,281,656	88,107
Agriculture and Fishing	-	-
Manufacturing	5,035	-
Mining and Quarrying	7	-
Electricity, water, gas and health services	-	-
Building and Construction	-	-
Commerce	-	-
Transportation and communication	1,014	-
Services	-	9,355
Others	-	45,790
Total	1,287,712	143,252

AS AT 30 JUNE 2010

Table 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS	
Gains and Losses etc. (Table 13, (d) and (e))	
Particulars	All Amounts' SAR 000
Cummulative realised gains / (losses) arising from sales and liquidations in the reporting period	-
Total unrealised gains (losses)	(43,526)
Total latent revaluation gains (losses)*	N/A
Unrealised gains (losses) included in capital	(43,526)
Latent revaluation gains (losses) included in Capital *	N/A

*Not applicable to KSA to Date

AS AT 30 JUNE 2010
SAR'000

Table 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS	
Capital Requirements (Table 13, (f))	
Equity Grouping	Capital Requirements
Government and Quasi-Government	-
Banks and Other Financial Institutions	93,982
Agriculture and Fishing	-
Manufacturing	403
Mining and Quarrying	1
Electricity, water, gas and health services	-
Building and Construction	-
Commerce	-
Transportation and communication	81
Services	294
Others	3,663
Total	98,424

Table 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS

Equity Investments Subject To Supervisory Transition Or Grandfathering Provisions (Table 13, (f))	
Equity Grouping	Aggregate Amount
Government and Quasi-Government	NIL
Banks and Other Financial Institutions	
Agriculture and Fishing	
Manufacturing	
Mining and Quarrying	
Electricity, water, gas and health services	
Building and Construction	
Commerce	
Transportation and communication	
Services	
Others	
Total	

AS AT 30 JUNE 2010

Table 14: Interest Rate Risk in the Banking Book (IRRBB)	
200bp Interest Rate Shocks for currencies with more than 5% of Assets or Liabilities	
(Table 14, (b))	
Rate Shocks	Change in Earnings
Upward Rate Shocks:	SAR '000
SAR	(304,223)
USD	8,320
	-
Downward rate shocks:	-
SAR	304,223
USD	(8,320)