

SABB  ساب

SAUDI BRITISH BANK

PILLAR 3 - QUANTITATIVE DISCLOSURES

AS AT 31ST DECEMBER 2010

As at 31st DECEMBER 2010
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Table 1 - SCOPE OF APPLICATION	
Capital Deficiencies (Table 1, (e))	
Particulars	Amount
The aggregate amount of capital deficiencies in subsidiaries not included in the consolidation i.e that are deducted	
1. HSBC Saudi Arabia Limited	113,000
2. Saudi Travellers Cheque Company	5,674
3. SABB Takaful	108,532

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Table 2 - CAPITAL STRUCTURE	
Capital Structure (Table 2, (b to (e))	
Components of capital	Amount
Core capital - Tier1:	
Eligible paid-up share capital	7,500,000
Shares premium accounts	-
Eligible reserves	5,564,834
Minority interests in the equity of subsidiaries	
Retained earnings	(12,800)
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	56,500
Insurance organizations	54,267
Commercial organizations	2,839
Total Tier I	12,938,428
Supplementary capital - Tier 2:	
Revaluation gains/ reserves	-
Subordinated loan capital	-
Qualifying general provisions	742,485
Interim profits	1,883,153
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	56,500
Insurance organizations	54,267
Commercial Organizations	2,839
Other country specific deductions from Tier2 at 50%	
Regulatory calculation differences deduction from Tier 2 at 50%	
Total Tier II	2,512,032
Capital to cover market risks - Tier III	
Short Term Subordinated Debt	
Tier I and Tier II Capital Available for Market Risk	
Total eligible capital	15,450,460

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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	29,165,107	-
Others	1,825,586	-
Multilateral Development Banks (MDBs)	-	-
Public Sector Entities (PSEs)	-	-
Banks and securities firms	7,075,333	113,205
Corporates	68,912,529	5,014,018
Retail non-mortgages	12,101,413	689,127
Small Business Facilities Enterprises (SBFE's)	-	-
Mortgages		
Residential	3,679,899	294,392
Commercial	-	-
Securitized assets	-	-
Equity	1,322,569	105,806
Others	1,796,341	78,586
Total	125,878,777	6,295,134

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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	59,067	-	38,171	-	97,238

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

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Table 3 - CAPITAL ADEQUACY	
Capital Requirements for Operational Risk* (Table 3, (e))	
Particulars	Capital requirement
Standardized approach	776,092

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

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Table 3 - CAPITAL ADEQUACY		
Capital Adequacy Ratios (TABLE 3,(f))		
Particulars	Total capital ratio	Tier 1 capital ratio
	%	
Top consolidated level	14.17%	11.86%

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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	29,192,107	-
Others	1,825,586	-
Multilateral Development Banks (MDBs)	-	-
Public Sector Entities (PSEs)	-	-
Banks and securities firms	12,967,904	-
Corporates	85,072,743	-
Retail non-mortgages	11,248,219	-
Small Business Facilities Enterprises (SBFE's)	-	-
Mortgages	-	-
Residential	3,679,899	-
Commercial	-	-
Securitized assets	-	-
Equity	1,322,569	-
Others	1,796,341	-
Total	147,105,368	-

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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	29,192,107	-	-	-	-	-	29,192,107
Others	4,914	1,820,672	-	-	-	-	1,825,586
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-
Banks and securities firms	1,602,287	458,992	2,042,785	6,063,844	210,063	2,589,933	12,967,904
Corporates	81,460,577	2,514,281	929,574	131,273	-	37,038	85,072,743
Retail non-mortgages	11,248,219	-	-	-	-	-	11,248,219
Small Business Facilities Enterprises (SBFE's)	-	-	-	-	-	-	-
Mortgages	-	-	-	-	-	-	-
Residential	3,679,899	-	-	-	-	-	3,679,899
Commercial	-	-	-	-	-	-	-
Securitized assets	-	-	-	-	-	-	-
Equity	1,266,348	-	56,221	-	-	-	1,322,569
Others	1,796,341	-	-	-	-	-	1,796,341
Total	130,250,692	4,793,945	3,028,580	6,195,117	210,063	2,626,971	147,105,368

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	29,192,107	-	-	-	-	-	-	-	-	-	-	-	29,192,107
Others	1,825,586	-	-	-	-	-	-	-	-	-	-	-	1,825,586
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Banks and securities firms	-	12,967,904	-	-	-	-	-	-	-	-	-	-	12,967,904
Corporates	51,865	5,649,503	1,191,605	18,267,548	2,371,311	2,254,709	12,470,469	22,922,884	7,312,824	1,339,612	-	11,240,413	85,072,743
Retail non-mortgages	-	-	-	-	-	-	-	-	-	-	11,248,219	-	11,248,219
Small Business Facilities Enterprises (SBEs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential	-	-	-	-	-	-	-	-	-	-	3,679,899	-	3,679,899
Commercial	-	-	-	-	-	-	-	-	-	-	-	-	-
Securitized assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity	-	1,256,285	-	5,937	8	-	-	-	930	3,717	-	55,692	1,322,569
Others	-	-	-	-	-	-	-	-	-	-	-	1,796,341	1,796,341
Total	31,069,558	19,873,692	1,191,605	18,273,485	2,371,319	2,254,709	12,470,469	22,922,884	7,313,754	1,343,329	14,928,118	13,092,446	147,105,368

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	9,133,905	2,346,685	4,441,714	1,502,837	4,877,975	1,324,391	301,236	5,263,364	-	29,192,107
Others	4,937	-	376,758	-	-	99,757	1,286,731	57,403	-	1,825,586
Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-
Public Sector Entities	-	-	-	-	-	-	-	-	-	-
Banks and Securities Firms	7,273,456	796,916	1,817,118	863,434	1,005,267	853,720	195,901	162,092	-	12,967,904
Corporates	10,630,587	12,584,202	16,720,216	11,411,924	7,920,954	16,097,564	8,334,266	1,373,030	-	85,072,743
Retail non-mortgages	1,793,597	136,029	126,374	149,944	214,515	2,545,154	5,949,151	333,455	-	11,248,219
Small Business Facilities Enterprises	-	-	-	-	-	-	-	-	-	-
Mortgages	-	-	-	-	-	-	-	-	-	-
Residential	-	333	903	950	2,351	49,703	117,006	3,508,653	-	3,679,899
Commercial	-	-	-	-	-	-	-	-	-	-
Securitized assets	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	-	-	1,322,569	1,322,569
Others	-	-	-	-	-	-	-	-	1,796,341	1,796,341
Total	28,836,482	15,864,165	23,483,083	13,929,089	14,021,062	20,970,289	16,184,291	10,697,997	3,118,910	147,105,368

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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	(841,885)	
Amounts set aside (or reversed) during the period	1,422,642	258,371
Other adjustments:		
- exchange rate differences		
- business combinations		
- acquisitions and disposals of subsidiaries		
- etc.		
Transfers between allowances		
Balance, end of the year	2,108,747	505,725

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	29,192,107	-	-	-	-	-	-	-	-	-	29,192,107	-
Others	1,825,586	-	-	-	-	-	-	-	-	-	1,825,586	-
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-	-	-	-	-
Banks and securities firms	-	9,498,967	-	3,466,575	-	2,362	-	-	-	-	12,967,904	-
Corporates	352,414	3,491,787	-	3,574,673	-	75,650,599	1,189,936	-	-	-	84,259,409	-
Retail non-mortgages	-	-	-	-	11,010,980	-	237,239	-	-	-	11,248,219	-
Small Business Facilities Enterprises (SBFE's)	-	-	-	-	-	-	-	-	-	-	-	-
Mortgages	-	-	-	-	-	-	-	-	-	-	-	-
Residential	-	-	-	-	-	3,679,899	-	-	-	-	3,679,899	-
Commercial	-	-	-	-	-	-	-	-	-	-	-	-
Securitized assets	-	-	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	1,322,569	-	-	-	-	1,322,569	227,206
Others	814,016	-	-	-	-	982,325	-	-	-	-	1,796,341	-
TOTAL	32,184,123	12,990,754	-	7,041,248	11,010,980	81,637,754	1,427,175	-	-	146,292,034	227,206	

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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	553,645	259,689
Retail non-mortgages		
Small Business Facilities Enterprises (SBFE's)		
Mortgages		
Residential		
Commercial		
Securitized assets		
Equity		
Others		
Total	553,645	259,689

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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	-	-	-	-

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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					

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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%		

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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			

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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			

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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	59,067	-	38,171	-	97,238

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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	180,115	180,115	1,369,662	1,455,057	-

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Table 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS		
Type and Nature of Investments (Table 13, (c))		
Investments	Publicly traded	Privately held
Government and Quasi-Government	-	-
Banks and Other Financial Institutions	1,362,787	115,030
Agriculture and Fishing	-	-
Manufacturing	5,937	-
Mining and Quarrying	8	-
Electricity, water, gas and health services	-	-
Building and Construction	-	-
Commerce	-	-
Transportation and communication	930	-
Services	-	9,393
Others	-	55,692
Total	1,369,662	180,115

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Table 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS	
Gains and Losses etc. (Table 13, (d) and (e))	
Particulars	
Cummulative realised gains / (losses) arising from sales and liquidations in the reporting period	-
Total unrealised gains (losses)	38,814
Total latent revaluation gains (losses)*	N/A
Unrealised gains (losses) included in capital	38,814
Latent revaluation gains (losses) included in Capital *	N/A

*Not applicable to KSA to Date

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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	100,503
Agriculture and Fishing	-
Manufacturing	475
Mining and Quarrying	1
Electricity, water, gas and health services	-
Building and Construction	-
Commerce	
Transportation and communication	74
Services	297
Others	4,455
Total	105,805

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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	

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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	(360,729)
USD	(64,491)
Downward rate shocks :	
SAR	360,729
USD	64,491