



**SAUDI BRITISH BANK**

**BASEL III - CAPITAL STRUCTURE  
DISCLOSURE**

**PILLAR 3 - AS AT 30th June 2014**

## TABLE 2: CAPITAL STRUCTURE

### Balance sheet - Step 1 (Table 2(b))

	Balance sheet in Published financial statements ( C )	Adjustment of banking associates / other entities (*) ( D )	Under regulatory scope of consolidation ( E )
<b>Assets</b>			
Cash and balances at central banks	14,763,295		14,763,295
Due from banks and other financial institutions	1,869,872		1,869,872
Investments, net	26,108,946		26,108,946
Loans and advances, net	112,709,618		112,709,618
Debt securities	14,276,867		14,276,867
Trading assets	1,000		1,000
Equity shares	1,088,626		1,088,626
Investment in associates	718,323		718,323
Derivatives	946,509		946,509
Goodwill	0		0
Other intangible assets	0		0
Property and equipment, net	613,987		613,987
Other assets	2,371,050		2,371,050
<b>Total assets</b>	<b>175,468,093</b>	<b>0</b>	<b>175,468,093</b>
<b>Liabilities</b>			
Due to Banks and other financial institutions	2,802,004		2,802,004
Items in the course of collection due to other banks	0		0
Customer deposits	138,295,464		138,295,464
Trading liabilities	0		0
Debt securities in issue	5,272,105		5,272,105
Derivatives	776,030		776,030
Retirement benefit liabilities	346,944		346,944
Taxation liabilities	0		0
Accruals and deferred income	556,299		556,299
Borrowings	93,750		93,750
Other liabilities	3,175,665		3,175,665
<b>Subtotal</b>	<b>151,318,261</b>	<b>0</b>	<b>151,318,261</b>
Paid up share capital	10,000,000		10,000,000
Statutory reserves	7,934,504		7,934,504
Other reserves	168,535		168,535
Retained earnings	6,046,793		6,046,793
Minority Interest	0		0
Proposed dividends	0		0
<b>Total liabilities and equity</b>	<b>175,468,093</b>	<b>0</b>	<b>175,468,093</b>

\* For further details on column D please refer to step 1 on page 16 of the guidance notes .

**Additional information:**

List of entities (including disclosure of such entities balance sheet, balance sheet activity and principal activities)

## TABLE 2: CAPITAL STRUCTURE

Balance sheet - Step 2 (Table 2(c))

	Balance sheet in Published financial statements ( C )	Adjustment of banking associates / other entities ( D )	Under regulatory scope of consolidation ( E )	Reference
<b>Assets</b>				
Cash and balances at central banks	14,763,295		14,763,295	
Due from banks and other financial institutions	1,869,872		1,869,872	
Investments, net	26,108,946		26,108,946	
Loans and advances, net	112,709,618		112,709,618	
of which Collective provisions	1,147,006		1,147,006	A
Debt securities	14,276,867		14,276,867	
Trading assets	1,000		1,000	
Equity shares	1,088,626		1,088,626	
Investment in associates	718,323		718,323	
Derivatives	946,509		946,509	
Goodwill	0		0	
Other intangible assets	0		0	
Property and equipment, net	613,987		613,987	
Other assets	2,371,050		2,371,050	
Total assets	175,468,093	0	175,468,093	
<b>Liabilities</b>				
Due to Banks and other financial institutions	2,802,004		2,802,004	
Items in the course of collection due to other banks	0		0	
Customer deposits	138,295,464		138,295,464	
Trading liabilities	0		0	
Debt securities in issue	5,272,105		5,272,105	
of which Tier 2 capital instruments	3,000,000		3,000,000	B
Derivatives	776,030		776,030	
Retirement benefit liabilities	346,944		346,944	
Taxation liabilities	0		0	
Accruals and deferred income	556,299		556,299	
Borrowings	93,750		93,750	
Other liabilities	3,175,665		3,175,665	
Subtotal	151,318,261	0	151,318,261	
Paid up share capital	10,000,000		10,000,000	
of which amount eligible for CET1	10,000,000		10,000,000	C
of which amount eligible for AT1				
Statutory reserves	7,934,504		7,934,504	D
Other reserves	168,535		168,535	E
Retained earnings	6,046,793		6,046,793	F
Minority Interest	0		0	
Proposed dividends	0		0	
Total liabilities and equity	175,468,093	0	175,468,093	G

**Note:** Items A & B have been mapped as an example to Table 2d, for further details please refer to step 2 on page 17 of the guidance notes .



**TABLE 2: CAPITAL STRUCTURE**

Common template (transition) - Step 3 (Table 2(d)) ii

(From January 2013 to 2018 identical to post 2018) With amount subject to Pre- Basel III Treatment

	Components <sup>1</sup> of regulatory capital reported by the bank	Amounts <sup>1</sup> subject to Pre - Basel III treatment	Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation from step 2
<b>Tier 2 capital: instruments and provisions</b>			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	1,500,000	B
47	Directly issued capital instruments subject to phase out from Tier 2	480,000	B
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		
49	of which: instruments issued by subsidiaries subject to phase out		
50	Provisions	1,147,006	A
51	<b>Tier 2 capital before regulatory adjustments</b>		
	<b>Tier 2 capital: regulatory adjustments</b>	3,127,006	
52	Investments in own Tier 2 instruments		
53	Reciprocal cross-holdings in Tier 2 instruments		
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)		
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
56	National specific regulatory adjustments		
<b>REGULATORY ADJUSTMENTS APPLIED TO TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT</b>			
<b>OF WHICH: (INSERT NAME OF ADJUSTMENT)</b>			
<b>OF WHICH:</b>			
57	Total regulatory adjustments to Tier 2 capital		
58	Tier 2 capital (T2)	3,127,006	
59	Total capital (TC = T1 + T2)	27,276,838	
<b>RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT</b>			
<b>OF WHICH: (INSERT NAME OF ADJUSTMENT)</b>			
<b>OF WHICH:</b>			
60	Total risk weighted assets	161,383,077	
<b>Capital ratios</b>			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	14.96%	
62	Tier 1 (as a percentage of risk weighted assets)	14.96%	
63	Total capital (as a percentage of risk weighted assets)	16.90%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement expressed as a percentage of risk weighted assets)		
65	of which: capital conservation buffer requirement		
66	of which: bank specific countercyclical buffer requirement		
67	of which: G-SIB buffer requirement		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)		
<b>National minima (if different from Basel 3)</b>			
69	National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum)	n/a	
70	National Tier 1 minimum ratio (if different from Basel 3 minimum)	n/a	
71	National total capital minimum ratio (if different from Basel 3 minimum)	n/a	
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
72	Non-significant investments in the capital of other financials		
73	Significant investments in the common stock of financials		
74	Mortgage servicing rights (net of related tax liability)		
75	Deferred tax assets arising from temporary differences (net of related tax liability)		
<b>Applicable caps on the inclusion of provisions in Tier 2</b>			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	1,147,006	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	1,856,428	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach		
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b>			
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

<sup>1</sup>For detailed explanation of rows (1-85), please refer to SAMA circular # BCS 23295 dated 23 July 2012 entitled "Composition of Capital Disclosure Requirements issued by the BCBS in June 2012.

<sup>2</sup>All rows related to IRB Approach are only valid, if SAMA has provided its Regulatory Approval to use IRB Approaches

Note: Items which are not applicable are to be left blank.

<b>TABLE 2: CAPITAL STRUCTURE</b>	
Main features template of regulatory capital instruments - (Table 2(e))	
1 Issuer	Saudi British Bank (SABB)
2 Unique identifier (eg CUSPIN, ISIN or Bloomberg identifier for private placement)	ISIN No. SA131VK0GJ37
3 Governing law(s) of the instrument	The instrument is governed by the laws of the Kingdom of Saudi Arabia
Regulatory treatment	
4 Transitional Basel III rules	Tier 2
5 Post-transitional Basel III rules	Ineligible
6 Eligible at solo/group/group&solo	Solo
7 Instrument type	Subordinated Sukuk
8 Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	SAR 810mil
9 Par value of instrument	SAR 1,500mil
10 Accounting classification	Liability - amortised cost
11 Original date of issuance	28th March 2012
12 Perpetual or dated	Dated
13 Original maturity date	28th March 2017
14 Issuer call subject to prior supervisory approval	Yes
15 Option call date, contingent call dates and redemption amount	Call option only available for a regulatory or tax event. SABB will be entitled to redeem in whole, but not in part, by giving not less than thirty (30) days' not more than (60) days' notice to the sukukholders.
16 Subsequent call dates if applicable	As above
Coupons / dividends	
17 Fixed or Floating dividend/coupon	Floating
18 Coupon rate and any related index	3 month SIBOR + 120bps
19 Existence of a dividend stopper	No
20 Fully discretionary, partially discretionary or mandatory	Mandatory
21 Existence of step up or other incentive to redeem	No
22 Non cumulative or cumulative	Non cumulative
23 Convertible or non-convertible	Non - convertible
24 If convertible, conversion trigger (s)	N/A
25 If convertible, fully or partially	N/A
26 If convertible, conversion rate	N/A
27 If convertible, mandatory or optional conversion	N/A
28 If convertible, specify instrument type convertible into	N/A
29 If convertible, specify issuer of instrument it converts into	N/A
30 Write-down feature	No
31 If write-down, write-down trigger (s)	N/A
32 If write-down, full or partial	N/A
33 If write-down, permanent or temporary	N/A
34 If temporary writedown, description of the write-up mechsims	N/A
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated. Senior bondholders are immediately senior to this instrument.
36 Non-compliant transitioned features	Yes
37 If yes, specify non-compliant features	No writedown or non convertible feature

**Note:** Further explanation of rows (1-37) as given above are provided in SAMA circular # BCS 23295 dated 23 July 2012 entitled "Composition of Capital Disclosure Requirements issued by the BCBS in June 2012.

<b>TABLE 2: CAPITAL STRUCTURE</b>	
Main features template of regulatory capital instruments - (Table 2(e))	
1 Issuer	Saudi British Bank (SABB)
2 Unique identifier (eg CUSPIN, ISIN or Bloomberg identifier for private placement)	ISIN No.SA13EFK0GJJ0
3 Governing law(s) of the instrument	The instrument is governed by the laws of the Kingdom of Saudi Arabia
Regulatory treatment	
4 Transitional Basel III rules	Tier 2
5 Post-transitional Basel III rules	Eligible
6 Eligible at solo/group/group&solo	Solo
7 Instrument type	Subordinated Sukuk
8 Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	SAR 1,500mil
9 Par value of instrument	SAR 1,500mil
10 Accounting classification	Liability - amortised cost
11 Original date of issuance	17th December 2013
12 Perpetual or dated	Dated
13 Original maturity date	17th December 2020
14 Issuer call subject to prior supervisory approval	Yes
15 Option call date, contingent call dates and redemption amount	Call option only available after 5 years or for a regulatory or tax event, 17th December 2018 as the date for redemption. SABB shall be entitled to redeem in whole, but not in part, by giving not less than thirty (30) days' not more than sixty (60) days' notice to the Sukukholders
16 Subsequent call dates if applicable	As above
Coupons / dividends	
17 Fixed or Floating dividend/coupon	Floating
18 Coupon rate and any related index	6 months SIBOR + 140bps
19 Existence of a dividend stopper	No
20 Fully discretionary, partially discretionary or mandatory	Mandatory
21 Existence of step up or other incentive to redeem	No
22 Non cumulative or cumulative	Non cumulative
23 Convertible or non-convertible	Non - convertible
24 If convertible, conversion trigger (s)	N/A
25 If convertible, fully or partially	N/A
26 If convertible, conversion rate	N/A
27 If convertible, mandatory or optional conversion	N/A
28 If convertible, specify instrument type convertible into	N/A
29 If convertible, specify issuer of instrument it converts into	N/A
30 Write-down feature	Yes
31 If write-down, write-down trigger (s)	Terms of contract of the instrument provide the legal basis for SAMA to trigger write-down (a contractual approach)
32 If write-down, full or partial	Written down fully or partial
33 If write-down, permanent or temporary	Permanent
34 If temporary writedown, description of the write-up mechsism	
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated. Senior bondholders are immediately senior to this instrument.
36 Non-compliant transitioned features	N/A
37 If yes, specify non-compliant features	N/A

**Note:** Further explanation of rows (1-37) as given above are provided in SAMA circular # BCS 23295 dated 23 July 2012 entitled "Composition of Capital Disclosure Requirements issued by the BCBS in June 2012.