

SABB  ساب

SAUDI BRITISH BANK

PILLAR 3 - QUANTITATIVE DISCLOSURES

AS AT 31ST DECEMBER 2011

As at 31st DECEMBER 2011
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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	453,689
2. Saudi Travellers Cheque Company	5,676
3. SABB Takaful	111,502

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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	5,955,262
Minority interests in the equity of subsidiaries	-
Retained earnings	1,014,821
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	226,845
Insurance organizations	55,751
Commercial organizations	2,838
Total Tier I	14,184,649
Supplementary capital - Tier 2:	
Revaluation gains/ reserves	-
Subordinated loan capital	-
Qualifying general provisions	852,139
Interim profits	2,888,435
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	226,845
Insurance organizations	55,751
Commercial Organizations	2,838
Other country specific deductions from Tier2 at 50%	-
Regulatory calculation differences deduction from Tier 2 at 50%	-
Total Tier II	3,455,140
Capital to cover market risks - Tier III	-
Short Term Subordinated Debt	-
Tier I and Tier II Capital Available for Market Risk	-
Total eligible capital	17,639,789

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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	33,334,130	-
Others	1,555,635	908
Multilateral Development Banks (MDBs)	-	-
Public Sector Entities (PSEs)	-	-
Banks and securities firms	4,362,029	69,792
Corporates	78,043,721	5,598,053
Retail non-mortgages	11,858,749	651,434
Small Business Facilities Enterprises (SBFE's)	-	-
Mortgages	-	-
Residential	4,925,075	394,006
Commercial	-	-
Securitized assets	-	-
Equity	1,034,116	82,729
Others	2,118,932	60,970
Total	137,232,387	6,857,892

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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	49,299	-	2,573	-	51,872

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

Table 3 - CAPITAL ADEQUACY	
Capital Requirements for Operational Risk* (Table 3, (e))	
Particulars	Capital requirement
Standardized approach	789,191

*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	14.70%	11.82%

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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	33,388,730	-
Others	1,555,635	-
Multilateral Development Banks (MDBs)	-	-
Public Sector Entities (PSEs)	-	-
Banks and securities firms	10,662,188	-
Corporates	101,222,426	-
Retail non-mortgages	10,844,062	-
Small Business Facilities Enterprises (SBFE's)	-	-
Mortgages	-	-
Residential	4,925,075	-
Commercial	-	-
Securitized assets	-	-
Equity	1,034,116	-
Others	2,118,932	-
Total	165,751,164	-

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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	33,388,730	-	-	-	-	-	33,388,730
Others	-	1,498,854	-	-	56,781	-	1,555,635
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-
Banks and securities firms	340,400	513,106	4,052,997	2,274,014	721,589	2,760,082	10,662,188
Corporates	96,542,333	3,001,132	458,277	92,604	1,053,071	75,009	101,222,426
Retail non-mortgages	10,844,062	-	-	-	-	-	10,844,062
Small Business Facilities Enterprises (SBFE's)	-	-	-	-	-	-	-
Mortgages	-	-	-	-	-	-	-
Residential	4,925,075	-	-	-	-	-	4,925,075
Commercial	-	-	-	-	-	-	-
Securitized assets	-	-	-	-	-	-	-
Equity	978,495	-	55,621	-	-	-	1,034,116
Others	2,118,932	-	-	-	-	-	2,118,932
Total	149,138,027	5,013,092	4,566,895	2,366,618	1,831,441	2,835,091	165,751,164

Table 4 (STA) : CREDIT RISK : GENERAL DISCLOSURES

Industry Sector Breakdown (Table 4, d)

	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
Portfolios													
Sovereigns and central banks:													
SAMA and Saudi Government	33,388,730	-	-	-	-	-	-	-	-	-	-	-	33,388,730
Others	1,555,635	-	-	-	-	-	-	-	-	-	-	-	1,555,635
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Banks and securities firms	-	10,662,188	-	-	-	-	-	-	-	-	-	-	10,662,188
Corporates	0	9,113,512	562,915	22,029,804	602,745	2,775,797	19,661,445	30,251,829	7,168,664	1,562,156	-	7,493,559	101,222,426
Retail non-mortgages	-	-	-	-	-	-	-	-	-	-	10,844,062	-	10,844,062
Small Business Facilities Enterprises (SBFE's)	-	-	-	-	-	-	-	-	-	-	-	-	-
Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential	-	-	-	-	-	-	-	-	-	-	4,925,075	-	4,925,075
Commercial	-	-	-	-	-	-	-	-	-	-	-	-	-
Securitized assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity	-	969,335	-	5,296	10	-	-	-	666	3,705	-	55,104	1,034,116
Others	-	-	-	-	-	-	-	-	-	-	-	2,118,932	2,118,932
Total	34,944,365	20,745,035	562,915	22,035,100	602,755	2,775,797	19,661,445	30,251,829	7,169,330	1,565,861	15,769,137	9,667,595	165,751,164

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	17,163,181	2,957,859	138,477	1,625,109	4,579,849	981,702	127,874	5,814,679	-	33,388,730
Others	-	-	-	-	-	907,683	234,529	413,423	-	1,555,635
Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-
Public Sector Entities	-	-	-	-	-	-	-	-	-	-
Banks and Securities Firms	4,601,411	784,988	2,302,901	633,101	823,274	814,117	388,888	313,508	-	10,662,188
Corporates	11,876,464	18,167,341	20,437,534	11,267,119	10,966,867	13,667,907	8,628,962	6,210,232	-	101,222,426
Retail non-mortgages	1,556,647	67,176	63,546	146,906	183,019	2,762,792	5,966,041	97,935	-	10,844,062
Small Business Facilities Enterprises (SBFE's)	-	-	-	-	-	-	-	-	-	-
Mortgages	-	-	-	-	-	-	-	-	-	-
Residential	932	23	374	352	3,356	61,957	145,837	4,712,244	-	4,925,075
Commercial	-	-	-	-	-	-	-	-	-	-
Securitized assets	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	-	-	1,034,116	1,034,116
Others	-	-	-	-	-	-	-	-	2,118,932	2,118,932
Total	35,198,635	21,977,387	22,942,832	13,672,587	16,556,365	19,196,158	15,492,131	17,562,021	3,153,048	165,751,164

Table 4 (STA) : CREDIT RISK : GENERAL DISCLOSURES

Impaired loans, Past Due Loans and Allowances (Table 4, (f))

Industry sector	Impaired loans	Defaulted	Ageing 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	-	-	-	-	-	-	-	-	-	-	-
Agriculture and fishing	495	495	2,531	-	-	-	-	-	-	-	1,854
Manufacturing	164,235	220,813	60,419	56,578	-	-	89,920	54,845	(82,503)	62,262	237,433
Mining and quarrying	-	-	-	-	-	-	-	-	-	-	2,351
Electricity, water. Gas and health services	-	-	3,327	-	-	-	7,128	(7,128)	-	-	6,988
Building and construction	436,546	436,546	742,715	-	-	-	42,828	115,833	(48,000)	110,661	163,740
Commerce	305,426	310,047	69,199	4,621	-	-	824,835	63,219	(610,883)	277,171	344,762
Transportation and communication	918	1,018	50,776	100	-	-	1,083	-	(481)	602	10,789
Services	26,045	26,045	1,350	-	-	-	10,630	13,872	-	24,502	2,123
Consumer loans and credit cards	42,126	173,873	780,379	131,747	-	-	383,187	142,873	(301,626)	224,434	-
Others	702,273	800,875	329,741	98,602	-	-	749,136	(334,323)	(78,178)	336,635	274,416
Total	1,678,064	1,969,712	2,040,437	291,648	-	-	2,108,747	49,191	(1,121,671)	1,036,267	1,044,456

Table 4 (STA) : CREDIT RISK : GENERAL DISCLOSURES

Impaired loans, Past Due Loans and Allowances (Table 4, (g))

Geographic area	Impaired loans	Ageing of Past Due Loans (days)				Specific allowances	General allowances
		Less than 90	90-180	180-360	Over 360		
Saudi Arabia	1,636,128	2,040,437	291,648	-	-	993,297	1,044,456
Other GCC and Middle East	41,936					42,970	
Europe							
North America							
SouthEast Asia							
Others countries							
Total	1,678,064	2,040,437	291,648	-	-	1,036,267	1,044,456

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	2,108,747	505,725
Charge-offs taken against the allowances during the period	(1,121,671)	-
Amounts set aside (or reversed) during the period	49,191	538,731
Other adjustments:	-	-
- exchange rate differences	-	-
- business combinations	-	-
- acquisitions and disposals of subsidiaries	-	-
- etc.	-	-
Transfers between allowances	-	-
Balance, end of the year	1,036,267	1,044,456

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	33,388,730	-	-	-	-	-	-	-	-	-	33,388,730	-
Others	1,498,854	56,781	-	-	-	-	-	-	-	-	1,555,635	-
Multilateral Development Banks (MDBs)	-	-	-	-	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-	-	-	-	-
Banks and securities firms	-	6,124,969	-	4,531,488	-	5,731	-	-	-	-	10,662,188	-
Corporates	168,098	3,358,122	-	6,523,186	-	86,507,760	461,530	-	-	-	97,018,696	-
Retail non-mortgages	-	-	-	-	10,804,524	39,538	-	-	-	-	10,844,062	-
Small Business Facilities Enterprises (SBFE's)	-	-	-	-	-	-	-	-	-	-	-	-
Mortgages	-	-	-	-	-	-	-	-	-	-	-	-
Residential	-	-	-	-	-	4,925,075	-	-	-	-	4,925,075	-
Commercial	-	-	-	-	-	-	-	-	-	-	-	-
Securitized assets	-	-	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	1,034,116	-	-	-	-	1,034,116	570,867
Others	1,356,805	-	-	-	-	762,127	-	-	-	-	2,118,932	-
TOTAL	36,412,487	9,539,872	-	11,054,674	10,804,524	93,274,347	461,530	-	-	161,547,434	570,867	

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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	3,750,426	453,304
Retail non-mortgages		
Small Business Facilities Enterprises (SBFE's)		
Mortgages		
Residential		
Commercial		
Securitized assets		
Equity		
Others		
Total	3,750,426	453,304

Credit Derivative Transactions (Table 8, (c))				
Credir derivative transactions	Proprietary activities		Intermediation Activities	
	Protection bought	Protection sold	Protection bought	Protection sold
Total return swaps	NIL			
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					

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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		

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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	49,299	-	2,573	-	51,872

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	520,205	520,205	1,084,779	1,312,512	-

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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	1,078,807	455,719
Agriculture and Fishing	-	-
Manufacturing	5,296	-
Mining and Quarrying	10	-
Electricity, water, gas and health services	-	-
Building and Construction	-	-
Commerce	-	-
Transportation and communication	666	-
Services	-	9,382
Others	-	55,104
Total	1,084,779	520,205

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)	(263,921)
Total latent revaluation gains (losses)*	N/A
Unrealised gains (losses) included in capital	(263,921)
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	77,547
Agriculture and Fishing	-
Manufacturing	424
Mining and Quarrying	1
Electricity, water, gas and health services	-
Building and Construction	-
Commerce	-
Transportation and communication	53
Services	296
Others	4,408
Total	82,729

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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	(502,587)
USD	(151,014)
	-
Downward rate shocks:	
SAR	502,587
USD	151,014