



SAUDI BRITISH BANK

BASEL III - CAPITAL STRUCTURE DISCLOSURE

AS AT 31st December 2014



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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)
Assets			
Cash and balances at central banks	19,313,766		19,313,766
Due from banks and other financial institutions	2,468,871		2,468,871
Investments, net	30,008,401		30,008,401
Loans and advances, net	115,220,797		115,220,797
Debt securities	14,241,600		14,241,600
Trading assets	0		0
Equity shares	1,030,815		1,030,815
Investment in associates	651,674		651,674
Derivatives	1,024,886		1,024,886
Goodwill	0		0
Other intangible assets	0		0
Property and equipment, net	663,401		663,401
Other assets	2,985,057		2,985,057
Total assets	187,609,268	0	187,609,268
Liabilities			
Due to Banks and other financial institutions	4,085,928		4,085,928
Items in the course of collection due to other banks	0		0
Customer deposits	145,870,497		145,870,497
Trading liabilities	0		0
Debt securities in issue	5,264,678		5,264,678
Derivatives	976,414		976,414
Retirement benefit liabilities	348,116		348,116
Taxation liabilities	0		0
Accruals and deferred income	862,445		862,445
Borrowings	78,125		78,125
Other liabilities	4,051,854		4,051,854
Subtotal	161,538,056	0	161,538,056
Paid up share capital	10,000,000		10,000,000
Statutory reserves	9,001,019		9,001,019
Other reserves	61,614		61,614
Retained earnings	5,858,579		5,858,579
Minority Interest	0		0
Proposed dividends	1,150,000		1,150,000
Total liabilities and equity	187,609,268	0	187,609,268

* 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
Assets				
Cash and balances at central banks	19,313,766		19,313,766	
Due from banks and other financial institutions	2,468,871		2,468,871	
Investments, net	30,008,401		30,008,401	
Loans and advances, net	115,220,797		115,220,797	
of which Collective provisions	1,148,106		1,148,106	A
Debt securities	14,241,600		14,241,600	
Trading assets	0		0	
Equity shares	1,030,815		1,030,815	
Investment in associates	651,674		651,674	
Derivatives	1,024,886		1,024,886	
Goodwill	0		0	
Other intangible assets	0		0	
Property and equipment, net	663,401		663,401	
Other assets	2,985,057		2,985,057	
Total assets	187,609,268	0	187,609,268	
Liabilities				
Due to Banks and other financial institutions	4,085,928		4,085,928	
Items in the course of collection due to other banks	0		0	
Customer deposits	145,870,497		145,870,497	
Trading liabilities	0		0	
Debt securities in issue	5,264,678		5,264,678	
of which Tier 2 capital instruments	3,000,000		3,000,000	B
Derivatives	976,414		976,414	
Retirement benefit liabilities	348,116		348,116	
Taxation liabilities	0		0	
Accruals and deferred income	862,445		862,445	
Borrowings	78,125		78,125	
Other liabilities	4,051,854		4,051,854	
Subtotal	161,538,056	0	161,538,056	
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	9,001,019		9,001,019	D
Other reserves	61,614		61,614	E
Retained earnings	5,858,579		5,858,579	F
Proposed dividends	1,150,000		1,150,000	G
Total liabilities and equity	187,609,268	0	187,609,268	

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

Amounts¹ Source based on reference
subject to numbers / letters of the
Pre - Basel balance sheet under the
III regulatory scope of
treatment consolidation from step 2

Components¹ of
regulatory capital reported
by the bank

(2)		
Common Equity Tier 1 capital: Instruments and reserves		
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	10,000,000
2	Retained earnings	7,008,579
3	Accumulated other comprehensive income (and other reserves)	9,062,633
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	
6	Common Equity Tier 1 capital before regulatory adjustments	26,071,212
Common Equity Tier 1 capital: Regulatory adjustments		
7	Prudential valuation adjustments	
8	Goodwill (net of related tax liability)	
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	
11	Cash-flow hedge reserve	
12	Shortfall of provisions to expected losses	
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	
15	Defined-benefit pension fund net assets	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	
17	Reciprocal cross-holdings in common equity	
18	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 share capital (amount above 10% threshold)	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	
20	Mortgage servicing rights (amount above 10% threshold)	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	
22	Amount exceeding the 15% threshold	
23	of which: significant investments in the common stock of financials	
24	of which: mortgage servicing rights	
25	of which: deferred tax assets arising from temporary differences	
26	National specific regulatory adjustments	
REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
OF WHICH: (INSERT NAME OF ADJUSTMENT)		
OF WHICH: ...		
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	
28	Total regulatory adjustments to Common equity Tier 1	
29	Common Equity Tier 1 capital (CET1)	26,071,212
Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	
31	of which: classified as equity under applicable accounting standards	
32	of which: classified as liabilities under applicable accounting standards	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	
35	of which: instruments issued by subsidiaries subject to phase out	
36	Additional Tier 1 capital before regulatory adjustments	
Additional Tier 1 capital: regulatory adjustments		
37	Investments in own Additional Tier 1 instruments	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	
39	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 10% threshold)	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	(328,675)
41	National specific regulatory adjustments	
REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
OF WHICH: (INSERT NAME OF ADJUSTMENT)		
OF WHICH: ...		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	
43	Total regulatory adjustments to Additional Tier 1 capital	
44	Additional Tier 1 capital (AT1)	
45	Tier 1 capital (T1 = CET1 + AT1)	26,071,212

C
F + G
D + E

()

()

(328,675)

¹For detailed explanation of rows (1-85), please refer to SAMA circular # BCS 23295 dated 23 Julv 2012 entitled "Composition of Capital Disclosure Requirements issued by the BCBS in June 2012.
⁽²⁾ 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.

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 ¹ of regulatory capital reported by the bank	Amounts ¹ 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
Tier 2 capital: instruments and provisions			
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	<i>of which: instruments issued by subsidiaries subject to phase out</i>		
50	Provisions	1,148,106	A
51	Tier 2 capital before regulatory adjustments		
	Tier 2 capital: regulatory adjustments	3,128,106	
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)	(328,675)	
56	National specific regulatory adjustments		
	REGULATORY ADJUSTMENTS APPLIED TO TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
	OF WHICH: [INSERT NAME OF ADJUSTMENT]		
	OF WHICH:		
57	Total regulatory adjustments to Tier 2 capital		
58	Tier 2 capital (T2)	3,128,106	
59	Total capital (TC = T1 + T2)	29,199,318	
	RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
	OF WHICH: [INSERT NAME OF ADJUSTMENT]		
	OF WHICH:		
60	Total risk weighted assets	166,797,574	
Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	15.63%	
62	Tier 1 (as a percentage of risk weighted assets)	15.63%	
63	Total capital (as a percentage of risk weighted assets)	17.51%	
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	<i>of which: capital conservation buffer requirement</i>		
66	<i>of which: bank specific countercyclical buffer requirement</i>		
67	<i>of which: G-SIB buffer requirement</i>		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)		
National minima (if different from Basel 3)			
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	
Amounts below the thresholds for deduction (before risk weighting)			
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)		
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	1,148,106	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	1,890,846	
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		
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
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)		

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

⁽²⁾ 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.

TABLE 2: CAPITAL STRUCTURE	
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 480mil
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.

TABLE 2: CAPITAL STRUCTURE	
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 mechsansim	
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.