



**SAUDI BRITISH BANK**

**BASEL III - CAPITAL STRUCTURE  
DISCLOSURE**

**AS AT 31st March 2015**



## Table of Contents

	<b>Page</b>
<b>Statement of Financial Position - Step 1 (Table 2(b)) .....</b>	<b>3</b>
<b>Statement of Financial Position - Step 2 (Table 2(c)) .....</b>	<b>4</b>
<b>Common template (transition) - Step 3 (Table 2(d)) I .....</b>	<b>5</b>
<b>Common template (transition) - Step 3 (Table 2(d)) ii .....</b>	<b>6</b>
<b>Main features template of regulatory capital instruments - (Table 2(e)) .....</b>	<b>7</b>
<b>Main features template of regulatory capital instruments - (Table 2(e) (2)) .....</b>	<b>8</b>

## 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	13,119,108		13,119,108
Due from banks and other financial institutions	3,396,899		3,396,899
Investments, net	32,849,412		32,849,412
Loans and advances, net	120,434,693		120,434,693
Debt securities	13,299,404		13,299,404
Trading assets	0		0
Equity shares	1,130,843		1,130,843
Investment in associates	691,048		691,048
Derivatives	1,248,193		1,248,193
Goodwill	0		0
Other intangible assets	0		0
Property and equipment, net	905,356		905,356
Other assets	3,085,724		3,085,724
<b>Total assets</b>	<b>190,160,680</b>	<b>0</b>	<b>190,160,680</b>
<b>Liabilities</b>			
Due to Banks and other financial institutions	2,139,569		2,139,569
Items in the course of collection due to other banks	0		0
Customer deposits	149,002,439		149,002,439
Trading liabilities	0		0
Debt securities in issue	5,259,507		5,259,507
Derivatives	1,243,795		1,243,795
Retirement benefit liabilities	0		0
Taxation liabilities	0		0
Accruals and deferred income	217,803		217,803
Borrowings	78,125		78,125
Other liabilities	6,118,149		6,118,149
<b>Subtotal</b>	<b>164,059,387</b>	<b>0</b>	<b>164,059,387</b>
Paid up share capital	15,000,000		15,000,000
Statutory reserves	6,501,019		6,501,019
Other reserves	126,510		126,510
Retained earnings	4,473,764		4,473,764
Minority Interest	0		0
Proposed dividends	0		0
<b>Total liabilities and equity</b>	<b>190,160,680</b>	<b>0</b>	<b>190,160,680</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	13,119,108		13,119,108	
Due from banks and other financial institutions	3,396,899		3,396,899	
Investments, net	32,849,412		32,849,412	
Loans and advances, net	120,434,693		120,434,693	
of which Collective provisions	1,164,326		1,164,326	A
Debt securities	13,299,404		13,299,404	
Trading assets	0		0	
Equity shares	1,130,843		1,130,843	
Investment in associates	691,048		691,048	
Derivatives	1,248,193		1,248,193	
Goodwill	0		0	
Other intangible assets	0		0	
Property and equipment, net	905,356		905,356	
Other assets	3,085,724		3,085,724	
Total assets	190,160,680	0	190,160,680	
<b>Liabilities</b>				
Due to Banks and other financial institutions	2,139,569		2,139,569	
Items in the course of collection due to other banks	0		0	
Customer deposits	149,002,439		149,002,439	
Trading liabilities	0		0	
Debt securities in issue	5,259,507		5,259,507	
of which Tier 2 capital instruments	3,000,000		3,000,000	B
Derivatives	1,243,795		1,243,795	
Retirement benefit liabilities	0		0	
Taxation liabilities	0		0	
Accruals and deferred income	217,803		217,803	
Borrowings	78,125		78,125	
Other liabilities	6,118,149		6,118,149	
Subtotal	164,059,387	0	164,059,387	
Paid up share capital	15,000,000		15,000,000	
of which amount eligible for CET1	15,000,000		15,000,000	C
of which amount eligible for AT1				
Statutory reserves	6,501,019		6,501,019	D
Other reserves	126,510		126,510	E
Retained earnings	4,473,764		4,473,764	F
Proposed dividends	0		0	G
Total liabilities and equity	190,160,680	0	190,160,680	

**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

Amounts<sup>1</sup> 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

Components<sup>1</sup> of  
regulatory capital reported  
by the bank

(2)			
<b>Common Equity Tier 1 capital: Instruments and reserves</b>			
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus		15,000,000
2	Retained earnings		4,473,764
3	Accumulated other comprehensive income (and other reserves)		6,627,529
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	<b>Common Equity Tier 1 capital before regulatory adjustments</b>		<b>26,101,293</b>
<b>Common Equity Tier 1 capital: Regulatory adjustments</b>			
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	<b>Total regulatory adjustments to Common equity Tier 1</b>		
29	<b>Common Equity Tier 1 capital (CET1)</b>		<b>26,101,293</b>
<b>Additional Tier 1 capital: instruments</b>			
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	<b>Additional Tier 1 capital before regulatory adjustments</b>		
<b>Additional Tier 1 capital: regulatory adjustments</b>			
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)		(348,362)
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	<b>Total regulatory adjustments to Additional Tier 1 capital</b>		
44	<b>Additional Tier 1 capital (AT1)</b>		
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>		<b>26,101,293</b>

C  
F + G  
D + E

<sup>1</sup>For 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.  
<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>	
<b>Main features template of regulatory capital instruments - (Table 2(e))</b>	
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 210mil
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>	
<b>Main features template of regulatory capital instruments - (Table 2(e))</b>	
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.