Basel III - Capital Structure

Quarterly Disclosures

As at 31st December 2016

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TABLE 2: CAPITAL STRUCTURE - 31 DECEMBER 2016

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

All figures are in SAR'000

	Balance sheet in Published financial statements	Adjustment of banking associates / other entities (*)	Under regulatory scope of consolidation
	(C)	(D)	(E)
Assets			
Cash and balances at central banks	7,487,379	-	7,487,379
Due from banks and other financial institutions	1,024,369	-	1,024,369
Investments, net	21,258,498	-	21,258,498
Loans and advances, net	72,743,097	-	72,743,097
Debt securities	-	-	-
Trading assets	-	-	-
Investment in associates	35,697	-	35,697
Derivatives	393,779	-	393,779
Goodwill	-	-	-
Other intangible assets	-	-	-
Property and equipment, net	1,281,023	-	1,281,023
Other assets	846,658	-	846,658
Total assets	**105,070,500**	**-**	**105,070,500**
Liabilities			
Due to Banks and other financial institutions	1,347,732	-	1,347,732
Items in the course of collection due to other banks	-	-	-
Customer deposits	85,358,788	-	85,358,788
Trading liabilities	-	-	-
Debt securities in issue	3,909,905	-	3,909,905
Derivatives	270,793	-	270,793
Retirement benefit liabilities	-	-	-
Taxation liabilities	-	-	-
Accruals and deferred income	-	-	-
Borrowings	-	-	-
Other liabilities	1,320,488	-	1,320,488
Subtotal	**92,207,706**	**-**	**92,207,706**
Paid up share capital	11,430,720	-	11,430,720
Statutory reserves	266,183	-	266,183
Other reserves	111,819	-	111,819
Retained earnings	1,054,072	-	1,054,072
Minority Interest	-	-	-
Proposed dividends	-	-	-
Total liabilities and equity	**105,070,500**	**-**	**105,070,500**

TABLE 2: CAPITAL STRUCTURE - 31 DECEMBER 2016

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

All figures are in SAR'000

	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	7,487,379	-	7,487,379	
Due from banks and other financial institutions	1,024,369	-	1,024,369	
Investments, net	21,258,498	-	21,258,498	
Loans and advances, net	72,743,097	-	72,743,097	
of which Collective provisions	**880,937**	**-**	**880,937**	A
Debt securities	-	-	-	
Equity shares	-	-	-	
Investment in associates	35,697	-	35,697	
Derivatives	393,779	-	393,779	
Goodwill	-	-	-	
Other intangible assets	-	-	-	
Property and equipment, net	1,281,023	-	1,281,023	
Other assets	846,658	-	846,658	
Total assets	**105,070,500**	**-**	**105,070,500**	
Liabilities				
Due to Banks and other financial institutions	1,347,732	-	1,347,732	
Items in the course of collection due to other banks	-	-	-	
Customer deposits	85,358,788	-	85,358,788	
Trading liabilities	-	-	-	
Debt securities in issue	3,909,905	-	3,909,905	
of which Tier 2 capital instruments	**3,900,000**	**-**	**3,900,000**	B
Derivatives	270,793	-	270,793	
Retirement benefit liabilities	-	-	-	
Taxation liabilities	-	-	-	
Accruals and deferred income	-	-	-	
Borrowings	-	-	-	
Other liabilities	1,320,488	-	1,320,488	
Subtotal	**92,207,706**	**-**	**92,207,706**	
Paid up share capital	11,430,720	-	11,430,720	
of which amount eligible for CET1	**11,430,720**		**11,430,720**	H
of which amount eligible for AT1	**-**		**-**	I
Statutory reserves	266,183	-	266,183	
Other reserves	111,819	-	111,819	
Retained earnings	1,054,072	-	1,054,072	
Minority Interest	-	-	-	
Proposed dividends	-	-	-	
Total liabilities and equity	**105,070,500**	**-**	**105,070,500**	

TABLE 2: CAPITAL STRUCTURE - 31 DECEMBER 2016

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

All figures are in SAR'000

		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
	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	11,430,720		H
2	Retained earnings	1,054,073		
3	Accumulated other comprehensive income (and other reserves)	396,182		
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-		
5	Common share capital isued by subsidiaries and held by third parties (amount allowed in group CET1)	-	-	
6	**Common Equity Tier 1 capital before regulatory adjustments**	**12,880,975**		
	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 / AFS reserve	41,147	-	
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)	(59,328)	-	
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**	(18,181)		
29	**Common Equity Tier 1 capital (CET1)**	**12,862,794**		
	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)	-	(17,849)	
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)	**12,862,794**		

TABLE 2: CAPITAL STRUCTURE - 31 DECEMBER 2016

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

All figures are in SAR'000

		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	3,340,000		B
47	*Directly issued capital instruments subject to phase out from Tier 2*	-		
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	880,937		A
51	**Tier 2 capital before regulatory adjustments**	**4,220,937**		
	Tier 2 capital: regulatory adjustments			
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)	-	(17,849)	
56	National specific regulatory adjustments			
	REGULATORY ADJUSTMENTS APPLIED TO TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT			
	OF WHICH: [Staff Share Plan Reserve]	-		
	OF WHICH: …	-		
57	Total regulatory adjustments to Tier 2 capital	-		
58	Tier 2 capital (T2)	**4,220,937**		
59	Total capital (TC = T1 + T2)	**17,083,732**		
	RISK WEIGHTED ASSETS IN REPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	**-**		
	OF WHICH: [INSERT NAME OF ADJUSTMENT]	-		
	OF WHICH: …	**-**		
60	Total risk weighted assets	95,923,737		
	Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	13.41%		
62	Tier 1 (as a percentage of risk weighted assets)	13.41%		
63	Total capital (as a percentage of risk weighted assets)	17.81%		
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)	n/a		
65	of which: capital conservation buffer requirement	n/a		
66	of which: bank specific countercyclical buffer requirement	n/a		
67	of which: G-SIB buffer requirement	n/a		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	13.41%		
	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)	880,937		
77	Cap on inclusion of provisions in Tier 2 under standardised approach	1,199,047		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	n/a		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	n/a		
	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)			

TABLE 2: CAPITAL STRUCTURE - 31 DECEMBER 2016

Main features template of regulatory capital instruments - (Table 2(e)) - 2

1	Issuer	Saudi Hollandi Bank
2	Unique identifier (eg CUSPIN, ISIN or Bloomberg identifier for private placement)	SA135VKOGAJ2
3	Governing law(s) of the instrument	Private Placement under CMA regulations
	Regulatory treatment	
4	Transitional Basel III rules	Yes
5	Post-transitional Basel III rules	N/A
6	Eligible at solo/lgroup/group&solo	GROUP
7	Instrument type	Sukuk
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	Saudi Riyals 1,400 million
9	Par value of instrument	Saudi Riyals 1 million
10	Accounting classification	Subordinated debt
11	Original date of issuance	November 26, 2012
12	Perpetual or dated	Dated
13	Original maturity date	November 26, 2019
14	Issuer call subject to prior supervisory approval	Yes
15	Option call date, contingent call dates and redemption amount	November 26, 2017
16	Subsequent call dates if applicable	NIL
	Coupons / dividends	
17	Fixed or Floating dividend/coupon	Floating
18	Coupon rate and any related index	6 months SIBOR Plus 115 basis points
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	N/A
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 mechansim	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Junior in right of payments to "claims of depositor's or any other unsubordinated payment obligations"
36	Non-compliant transitioned features	NO
37	If yes, specify non-compliant features	N/A

TABLE 2: CAPITAL STRUCTURE - 31 DECEMBER 2016

Main features template of regulatory capital instruments - (Table 2(e)) - 3

1	Issuer	Saudi Hollandi Bank
2	Unique identifier (eg CUSPIN, ISIN or Bloomberg identifier for private placement)	SA13EFK0GBJ7
3	Governing law(s) of the instrument	Private Placement under CMA regulations
	Regulatory treatment	
4	Transitional Basel III rules	N/A
5	Post-transitional Basel III rules	Yes
6	Eligible at solo/lgroup/group&solo	GROUP
7	Instrument type	Sukuk
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	Saudi Riyals 2,500 million
9	Par value of instrument	Saudi Riyals 1 million
10	Accounting classification	Subordinated debt
11	Original date of issuance	December 12, 2013
12	Perpetual or dated	Dated
13	Original maturity date	December 12, 2023
14	Issuer call subject to prior supervisory approval	Yes
15	Option call date, contingent call dates and redemption amount	December 12, 2018
16	Subsequent call dates if applicable	NIL
	Coupons / dividends	
17	Fixed or Floating dividend/coupon	Floating
18	Coupon rate and any related index	6 months SIBOR Plus 155 basis points
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	N/A
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)	To be determined by SAMA
32	If write-down, full or partial	To be determined by SAMA
33	If write-down, permanent or temporary	To be determined by SAMA
34	If temporary writedown, description of the write-up mechansim	To be determined by SAMA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Junior in right of payments to "claims of depositor's or any other unsubordinated payment obligations"
36	Non-compliant transitioned features	NO
37	If yes, specify non-compliant features	N/A

TABLE 3: CAPITAL ADEQUACY - 31 DECEMBER 2016		
Capital Adequacy Ratios (TABLE 3, (f))		
Particulars	Total capital ratio	Tier 1 capital ratio
	%	
Top consolidated level	17.81%	13.41%