

Frequency : SA

Location : W

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. Subsidiary 1	
2. Subsidiary 2	
3. Subsidiary 3	
4. Subsidiary n	



Pillar 3

Capital Structure Disclosures

30th September, 2016

TABLE 2: CAPITAL STRUCTURE
Balance sheet - Step 1 (Table 2(b))

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)
Assets			
Cash and balances at central banks	3,824,369	-	3,824,369
Due from banks and other financial institutions	1,033,067	-	1,033,067
Investments, net	16,347,820	-	16,347,820
Loans and advances, net	42,824,927	-	42,824,927
Investment in associates	127,888	-	127,888
Other Real Estate, net	36,031	-	36,031
Property and equipment, net	694,585	-	694,585
Other assets	1,151,867	-	1,151,867
Total assets	66,040,554	-	66,040,554
Liabilities			
Due to Banks and other financial institutions	4,609,808	-	4,609,808
Customer deposits	50,161,615	-	50,161,615
Debt securities in issue	2,000,000	-	2,000,000
Other liabilities	1,360,571	-	1,360,571
Subtotal	58,131,994	-	58,131,994
Paid up share capital	4,000,000	-	4,000,000
Statutory reserves	1,727,119	-	1,727,119
General reserves	68,000	-	68,000
Other reserves	(396,708)	-	(396,708)
Retained earnings	2,510,149	-	2,510,149
Minority Interest	-	-	-
Proposed dividends	-	-	-
Total liabilities and equity	66,040,554	-	66,040,554

TABLE 2: CAPITAL STRUCTURE

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	3,824,369	-	3,824,369	
Due from banks and other financial institutions	1,033,067	-	1,033,067	
Investments, net	16,347,820	-	16,347,820	
of which Investments in the capital of banking, financial and insurance entities that where the bank does not own more than 10% of the issued common share capital of the entity	646,188	-	646,188	A
Loans and advances, net	42,824,927	-	42,824,927	
of which Collective provisions	493,597	-	493,597	B
Investment in associates	127,888	-	127,888	
of which Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	127,888	-	127,888	C
Other Real Estate, net	36,031	-	36,031	
Property and equipment, net	694,585	-	694,585	
Other assets	1,151,867	-	1,151,867	
Total assets	66,040,554	-	66,040,554	
Liabilities				
Due to Banks and other financial institutions	4,609,808	-	4,609,808	
Customer deposits	50,161,615	-	50,161,615	
Debt securities in issue	2,000,000	-	2,000,000	
of which Tier 2 capital instruments subject to phase-out	2,000,000	-	2,000,000	D
Other liabilities	1,360,571	-	1,360,571	
Subtotal	58,131,994	-	58,131,994	
Paid up share capital	4,000,000	-	4,000,000	
of which amount eligible for CET1	4,000,000	-	4,000,000	E
of which amount eligible for AT1	-	-	-	F
Statutory reserves	1,727,119	-	1,727,119	G
General reserves	68,000	-	68,000	H
Other reserves	(396,708)	-	(396,708)	I
of which cash flow hedge reserve	(375,776)	-	(375,776)	J
Retained earnings	2,510,149	-	2,510,149	K
Minority Interest	-	-	-	
Proposed dividends	-	-	-	
Total liabilities and equity	66,040,554	-	66,040,554	

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
All figures are in SAR'000

		Components of regulatory capital reported by the bank	Amounts subject to Pre - Basel III treatment	
(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	4,000,000		E
2	Retained earnings	2,510,149		K
3	Accumulated other comprehensive income (and other reserves)	1,398,411		G + H + I
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	7,908,560		
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	375,776		J
12		-		
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)	-		A
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	375,776		
29	Common Equity Tier 1 capital (CET1)	8,284,336		
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)	-		
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)	8,284,336		

Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation from step 2

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

All figures are in SAR'000

Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation from step 2

Components¹ of regulatory capital reported by the bank

Amounts¹ subject to Pre- Basel III treatment

Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	2,000,000
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	493,597
51	Tier 2 capital before regulatory adjustments	2,493,597
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)	-
56	National specific regulatory adjustments	-
	OF WHICH: [INSERT NAME OF ADJUSTMENT]	-
	OF WHICH: ...	-
57	Total regulatory adjustments to Tier 2 capital	-
58	Tier 2 capital (T2)	2,493,597
59	Total capital (TC = T1 + T2)	10,777,932
	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	55,446,035
Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	14.94%
62	Tier 1 (as a percentage of risk weighted assets)	14.94%
63	Total capital (as a percentage of risk weighted assets)	19.44%
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)	0%
65	of which: capital conservation buffer requirement	0%
66	of which: bank specific countercyclical buffer requirement	0%
67	of which: G-SIB buffer requirement	0%
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	14.94%
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)	493,597
77	Cap on inclusion of provisions in Tier 2 under standardised approach	619,473
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)	-

D

B

A

B

D

D

TABLE 2: CAPITAL STRUCTURE			
Main features template of regulatory capital instruments - (Table 2(e))			
1	Issuer	Bank Aljazira	Bank Aljazira
2	Unique identifier (e.g. CUSPIN, ISIN or Bloomberg identifier for private placement)	SA143FK0FVJ0	Bank Aljazira Sukuk
3	Governing law(s) of the instrument	Law of the Kingdom of Saudi Arabia	Law of the Kingdom of Saudi Arabia
Regulatory treatment			
4	Transitional Basel III rules	Common Equity Tier 1	Tier 2 Capital
5	Post-transitional Basel III rules	Common Equity Tier 1	Ineligible
6	Eligible at solo/group/group&solo	Group & Solo	Group & Solo
7	Instrument type	Paid-up Share Capital	Subordinated Sukuk
8	Amount recognised in regulatory capital (Currency in mil. as of most recent reporting date)	SAR 4,000 million	SAR 2,000 million
9	Par value of instrument	SAR 4,000 million	SAR 2,000 million
10	Accounting classification	Shareholders' equity	Liability
11	Original date of issuance	27-Jul-1976	2-Jun-2016
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	No maturity	2 June 2026
14	Issuer call subject to prior supervisory approval	No	Yes
15	Option call date, contingent call dates and redemption amount	Not Applicable	2-Jun-2021
16	Subsequent call dates if applicable	Not Applicable	Anytime after above date
Coupons / dividends			
17	Fixed or Floating dividend/coupon	Not Applicable	Floating
18	Coupon rate and any related index	Not Applicable	SIBOR + 190 bps
19	Existence of a dividend stopper	Not Applicable	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory
21	Existence of step up or other incentive to redeem	No	Yes
22	Non cumulative or cumulative	Non-Cumulative	Non-Cumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger (s)	Not Applicable	Not Applicable
25	If convertible, fully or partially	Not Applicable	Not Applicable
26	If convertible, conversion rate	Not Applicable	Not Applicable
27	If convertible, mandatory or optional conversion	Not Applicable	Not Applicable
28	If convertible, specify instrument type convertible into	Not Applicable	Not Applicable
29	If convertible, specify issuer of instrument it converts into	Not Applicable	Not Applicable
30	Write-down feature	No	No
31	#REF!	Not Applicable	Not Applicable
32	If write-down, full or partial	Not Applicable	Not Applicable
33	If write-down, permanent or temporary	Not Applicable	Not Applicable
34	If temporary writedown, description of the write-up mechansim	Not Applicable	Not Applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	None	Paid-up Share Capital
36	Non-compliant transitioned features	No	yes
37	If yes, specify non-compliant features	Not Applicable	Presence of call option

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.