

samba financial group  مجموعة سامبا المالية

**Disclosure of Capital Structure  
as per  
Basel framework on Capital Reforms**

as at  
September 30, 2014

samba  سامبا

## 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>    |

## TABLE 2: CAPITAL STRUCTURE

### Statement of Financial Position - Step 1 (Table 2(b))

All figures are in SAR'000

September 30, 2014

|  | Statement of Financial<br>Position in Published<br>financial statements | Adjustment of banking<br>associates / other<br>entities | Under regulatory<br>scope of<br>consolidation |
|--|---|---|---|
| <b>Assets</b>  |   |   |   |
| Cash and balances with central banks                 | 16,898,013  | -   | 16,898,013                                    |
| Due from banks and other financial institutions      | 7,765,766   | -   | 7,765,766                                     |
| Investments, net                                     | 64,205,683  | -   | 64,205,683                                    |
| Loans and advances, net                              | 120,177,316   | -   | 120,177,316                                   |
| Debt securities                                      | -   | -   | -   |
| Trading assets                                       | -   | -   | -   |
| Investment in associates                             | -   | -   | -   |
| Derivatives  | -   | -   | -   |
| Goodwill   | 23,107  | -   | 23,107  |
| Other intangible assets / deferred tax               | 80,611  | -   | 80,611  |
| Property and equipment, net                          | 1,966,990   | -   | 1,966,990                                     |
| Other assets (excluding goodwill and deferred tax)   | 5,252,073   | -   | 5,252,073                                     |
| <b>Total assets</b>                                  | <b>216,369,559</b>  | <b>-</b>  | <b>216,369,559</b>                            |
| <b>Liabilities and Equity</b>                        |   |   |   |
| <b>Liabilities</b>                                   |   |   |   |
| Due to banks and other financial institutions        | 9,620,025   | -   | 9,620,025                                     |
| Items in the course of collection due to other banks | -   | -   | -   |
| Customer deposits                                    | 163,506,581   | -   | 163,506,581                                   |
| Trading liabilities                                  | -   | -   | -   |
| Debt securities in issue                             | -   | -   | -   |
| Derivatives  | -   | -   | -   |
| Retirement benefit liabilities                       | -   | -   | -   |
| Taxation liabilities                                 | -   | -   | -   |
| Accruals and deferred income                         | -   | -   | -   |
| Borrowings   | -   | -   | -   |
| Other liabilities                                    | 5,252,845   | -   | 5,252,845                                     |
| Subtotal   | <b>178,379,451</b>  | <b>-</b>  | <b>178,379,451</b>                            |
| Share capital  | 10,930,911  | -   | 10,930,911                                    |
| Statutory reserve                                    | 12,000,000  | -   | 12,000,000                                    |
| Other reserves                                       | 2,041,979   | -   | 2,041,979                                     |
| Retained earnings                                    | 12,891,409  | -   | 12,891,409                                    |
| Non-controlling interest                             | 125,809   | -   | 125,809                                       |
| Proposed dividends                                   | -   | -   | -   |
| <b>Total liabilities and equity</b>                  | <b>216,369,559</b>  | <b>-</b>  | <b>216,369,559</b>                            |

## TABLE 2: CAPITAL STRUCTURE

### Statement of Financial Position - Step 2 (Table 2(c))

All figures are in SAR'000

September 30, 2014

|   | Statement of Financial<br>Position in Published<br>financial statements<br>( C ) | Adjustment of banking<br>associates / other<br>entities<br>( D ) | Under regulatory<br>scope of<br>consolidation<br>( E ) | Reference |
|---|--|--|--|-----------|
| <b>Assets</b>   |  |  |  |           |
| Cash and balances with central banks  | 16,898,013   | -  | 16,898,013   |           |
| Due from banks and other financial institutions   | 7,765,766  | -  | 7,765,766  |           |
| Investments, net  | 64,205,683   | -  | 64,205,683   |           |
| Loans and advances, net   | 120,177,316  | -  | 120,177,316  |           |
| <i>which is net of credit loss provision - portfolio</i>  | 1,498,377  | -  | 1,498,377  | A         |
| Debt securities   |  |  |  |           |
| Trading assets  |  |  |  |           |
| Investment in associates  |  |  |  |           |
| Derivatives   |  |  |  |           |
| Goodwill  | 23,107   | -  | 23,107   | B         |
| Other intangible assets / deferred tax  | 80,611   | -  | 80,611   |           |
| <i>of which ineligible (to be deducted) deferred tax assets</i>   | 25,762   | -  | 25,762   | C         |
| Property and equipment, net   | 1,966,990  | -  | 1,966,990  |           |
| Other assets (excluding goodwill and deferred tax)  | 5,252,073  | -  | 5,252,073  |           |
| <b>Total assets</b>   | <b>216,369,559</b>   | <b>-</b>   | <b>216,369,559</b>                                     |           |
| <b>Liabilities</b>  |  |  |  |           |
| Due to banks and other financial institutions   | 9,620,025  | -  | 9,620,025  |           |
| Items in the course of collection due to other banks  |  |  |  |           |
| Customer deposits   | 163,506,581  | -  | 163,506,581  |           |
| Trading liabilities   |  |  |  |           |
| Debt securities in issue  |  |  |  |           |
| Derivatives   |  |  |  |           |
| Retirement benefit liabilities  |  |  |  |           |
| Taxation liabilities  |  |  |  |           |
| Accruals and deferred income  |  |  |  |           |
| Borrowings  |  |  |  |           |
| Other liabilities   | 5,252,845  | -  | 5,252,845  |           |
| <b>Total liabilities</b>  | <b>178,379,451</b>   | <b>-</b>   | <b>178,379,451</b>                                     |           |
| <b>Share capital</b>  |  |  |  |           |
| Share capital   | 10,930,911   | -  | 10,930,911   |           |
| <i>of which paid in capital</i>   | 12,000,000   | -  | 12,000,000   | D         |
| <i>of which Investments in own shares (excluding amounts already derecognised under the relevant accounting standards)</i>    | (1,069,089)  | -  | (1,069,089)  | E         |
| Statutory reserve   | 12,000,000   | -  | 12,000,000   | F         |
| Other reserves  | 2,041,979  | -  | 2,041,979  |           |
| <i>of which unrealised gains on available for sale financial assets</i>   | 2,182,941  | -  | 2,182,941  | G         |
| <i>of which exchange translation reserve from converting foreign currency subsidiaries and branches to the group currency</i> | (160,300)  | -  | (160,300)  | H         |
| <i>of which general reserve</i>   | 130,000  | -  | 130,000  | I         |
| <i>of which cash flow hedge reserve</i>   | (110,662)  | -  | (110,662)  | J         |
| Retained earnings   | 12,891,409   | -  | 12,891,409   |           |
| Non-controlling interest  | 125,809  | -  | 125,809  |           |
| Proposed dividends  | -  | -  | -  | K         |
| <b>Total liabilities and equity</b>   | <b>216,369,559</b>   | <b>-</b>   | <b>216,369,559</b>                                     |           |

**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

September 30, 2014

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

Components of regulatory capital reported by the bank  
Amounts subject to Pre - Basel III treatment

| 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  |
| 2   | Retained earnings  |
| 3   | Accumulated other comprehensive income (and other reserves)  |
| 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>  |
| 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  | <b>Total regulatory adjustments to Common equity Tier 1</b>  |
| 29  | <b>Common Equity Tier 1 capital (CET1)</b>   |
| 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  | <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)   |
| 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>  |

D  
F + G + H + I + J + K

B

C

J

E

## 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

September 30, 2014

Components of  
regulatory capital  
reported by the  
bank

Amounts 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   |                  |
| 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)   | 3,627            |
| 49   | of which: instruments issued by subsidiaries subject to phase out  |                  |
| 50   | Provisions   | 1,498,377        |
| 51   | <b>Tier 2 capital before regulatory adjustments</b>  | <b>1,502,004</b> |
| <b>Tier 2 capital: regulatory adjustments</b>  |  |                  |
| 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<br>REGULATORY ADJUSTMENTS APPLIED TO TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT<br>OF WHICH: [INSERT NAME OF ADJUSTMENT]<br>OF WHICH: ...  |                  |
| 57   | Total regulatory adjustments to Tier 2 capital   | 0                |
| 58   | Tier 2 capital (T2)  | 1,502,004        |
| 59   | Total capital (TC = T1 + T2)   | 39,443,509       |
| RISK WEIGHTED ASSETS IN REPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT                                     |  |                  |
| OF WHICH: [INSERT NAME OF ADJUSTMENT]<br>OF WHICH: ...   |  |                  |
| 60   | Total risk weighted assets   | 203,392,934      |
| <b>Capital ratios</b>  |  |                  |
| 61   | Common Equity Tier 1 (as a percentage of risk weighted assets)   | 18.7%            |
| 62   | Tier 1 (as a percentage of risk weighted assets)   | 18.7%            |
| 63   | Total capital (as a percentage of risk weighted assets)  | <b>19.4%</b>     |
| 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   | of which: capital conservation buffer requirement  |                  |
| 66   | of which: bank specific countercyclical buffer requirement   |                  |
| 67   | of which: G-SIB buffer requirement   |                  |
| 68   | Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)   |                  |
| <b>National minima (if different from Basel 3)</b>   |  |                  |
| 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              |
| <b>Amounts below the thresholds for deduction (before risk weighting)</b>  |  |                  |
| 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)  |                  |
| <b>Applicable caps on the inclusion of provisions in Tier 2</b>  |  |                  |
| 76   | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)   | 1,498,377        |
| 77   | Cap on inclusion of provisions in Tier 2 under standardised approach   | 2,156,139        |
| 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  |                  |
| <b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b> |  |                  |
| 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)  |                  |

**Note**

Items which are not applicable have been left blank.

## TABLE 2: CAPITAL STRUCTURE

| Main features template of regulatory capital instruments - (Table 2(e)) |   |                       |
|---|---|-----------------------|
| 1   | Issuer  | Samba Financial Group |
| 2   | Unique identifier (eg CUSPIN, ISIN or Bloomberg identifier for private placement)                             | SAMBA:AB              |
| 3   | Governing law(s) of the instrument  | Saudi Arabia          |
| Regulatory treatment  |   |                       |
| 4   | Transitional Basel III rules  | Not Applicable        |
| 5   | Post-transitional Basel III rules   | Not Applicable        |
| 6   | Eligible at solo/igroup/group&solo  | Group                 |
| 7   | Instrument type   | Ordinary Shares       |
| 8   | Amount recognized in regulatory capital (SAR in millions, as of September 30, 2014)                           | 12000                 |
| 9   | Par value of instrument (SAR)   | 10                    |
| 10  | Accounting classification   | Equity                |
| 11  | Original date of issuance   | July 12, 1980         |
| 12  | Perpetual or dated  | Perpetual             |
| 13  | Original maturity date  | No maturity           |
| 14  | Issuer call subject to prior supervisory approval   | Not Applicable        |
| 15  | Option call date, contingent call dates and redemption amount   | Not Applicable        |
| 16  | Subsequent call dates if applicable   | Not Applicable        |
| Coupons / dividends   |   |                       |
| 17  | Fixed or Floating dividend/coupon   | Not Applicable        |
| 18  | Coupon rate and any related index   | Not Applicable        |
| 19  | Existence of a dividend stopper   | Not Applicable        |
| 20  | Fully discretionary, partially discretionary or mandatory   | Not Applicable        |
| 21  | Existence of step up or other incentive to redeem   | Not Applicable        |
| 22  | Non cumulative or cumulative  | Not Applicable        |
| 23  | Convertible or non-convertible  | Not Applicable        |
| 24  | If convertible, conversion trigger (s)  | Not Applicable        |
| 25  | If convertible, fully or partially  | Not Applicable        |
| 26  | If convertible, conversion rate   | Not Applicable        |
| 27  | If convertible, mandatory or optional conversion  | Not Applicable        |
| 28  | If convertible, specify instrument type convertible into  | Not Applicable        |
| 29  | If convertible, specify issuer of instrument it converts into   | Not Applicable        |
| 30  | Write-down feature  | Not Applicable        |
| 31  | If write-down, write-down trigger (s)   | Not Applicable        |
| 32  | If write-down, full or partial  | Not Applicable        |
| 33  | If write-down, permanent or temporary   | Not Applicable        |
| 34  | If temporary writedown, description of the write-up mechansim   | Not Applicable        |
| 35  | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | Not Applicable        |
| 36  | Non-compliant transitioned features   | Not Applicable        |
| 37  | If yes, specify non-compliant features  | Not Applicable        |