



BASEL III - CAPITAL STRUCTURE
31 December 2014

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	28,818,569		28,818,569
Due from banks and other financial institutions	19,863,020		19,863,020
Investments, net	152,903,040		152,903,040
Financing and advances, net	220,722,363		220,722,363
Investment in associates, net	407,835		407,835
Other real estate, net	858,520		858,520
Goodwill	493,270		493,270
Other intangible assets	200,028		200,028
Property and equipment, net	3,427,399		3,427,399
Other assets	7,184,040		7,184,040
Total assets	434,878,084		434,878,084
Liabilities			
Due to Banks and other financial institutions	35,449,488		35,449,488
Customer deposits	333,095,491		333,095,491
Debt securities in issue	9,550,496		9,550,496
Other liabilities	9,861,718		9,861,718
Subtotal	387,957,193		387,957,193
Paid up share capital	20,000,000		20,000,000
Treasury Shares	(190,510)		(190,510)
Statutory reserves	17,172,081		17,172,081
Other reserves	1,617,888		1,617,888
Retained earnings	7,371,935		7,371,935
Minority Interest	1,707,254		1,707,254
Proposed dividends	1,296,512		1,296,512
Foreign currency translation reserve	(2,054,269)		(2,054,269)
Total liabilities and equity	434,878,084		434,878,084

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	28,818,569		28,818,569	
Due from banks and other financial institutions	19,863,020		19,863,020	
Investments, net	152,903,040		152,903,040	
Financing and advances, net	220,722,363		220,722,363	
of which Collective provisions	(2,755,499)		(2,755,499)	A
Investment in associates, net	407,835		407,835	
Other real estate, net	858,520		858,520	
Goodwill	493,270		493,270	B
Other intangible assets	200,028		200,028	C
Property and equipment, net	3,427,399		3,427,399	
Other assets	7,184,040		7,184,040	
Total assets	434,878,084		434,878,084	
Liabilities				
Due to Banks and other financial institutions	35,449,488		35,449,488	
Customer deposits	333,095,491		333,095,491	
Debt securities in issue	9,550,496		9,550,496	
Other liabilities	9,861,718		9,861,718	
Subtotal	387,957,193		387,957,193	
Paid up share capital	20,000,000		20,000,000	
Treasury Shares	(190,510)		(190,510)	D
Statutory reserves	17,172,081		17,172,081	
Other reserves	1,617,888		1,617,888	
Retained earnings	7,371,935		7,371,935	
Minority Interest	1,707,254		1,707,254	
of which Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1,541,447		1,541,447	E
Proposed dividends	1,296,512		1,296,512	
Foreign currency translation reserve	(2,054,269)		(2,054,269)	
Total liabilities and equity	434,878,084		434,878,084	

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

(2)	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	20,000,000	
2	Retained earnings	8,668,447	
3	Accumulated other comprehensive income (and other reserves)	16,735,700	
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)	1,541,447	
6	Common Equity Tier 1 capital before regulatory adjustments	46,945,594	E
Common Equity Tier 1 capital: Regulatory adjustments			
7	Prudential valuation adjustments		
8	Goodwill (net of related tax liability)	493,270	B
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	200,028	C
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	(204)	
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)	190,510	D
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	883,604	
29	Common Equity Tier 1 capital (CET1)	46,061,990	
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)	46,061,990	

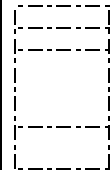
TABLE 2: CAPITAL STRUCTURE
 Common template (transition) - Step 3 (Table 2(d)) ii
 (From January 2013 to 2018 identical to post 2018) With amount subject to Pre- Basel III Treatment
 All figures are in SAR'000

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	5,000,000
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>	
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	2,755,499
51	Tier 2 capital before regulatory adjustments	7,755,499
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	
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	0
58	Tier 2 capital (T2)	7,755,499
59	Total capital (TC = T1 + T2)	53,817,489
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	312,781,888
Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	14.7%
62	Tier 1 (as a percentage of risk weighted assets)	14.7%
63	Total capital (as a percentage of risk weighted assets)	17.2%
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)	2,755,499
77	Cap on inclusion of provisions in Tier 2 under standardised approach	3,464,277
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)	



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TABLE 2: CAPITAL STRUCTURE

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

1 Issuer	National Commercial Bank (NCOMBK)
2 Unique identifier (eg CUSPIN, ISIN or Bloomberg identifier for private placement)	ISIN No. SA13HFK01EJ4
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/igroup/group&solo	Group and Solo
7 Instrument type	Subordinated Sukuk
8 Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	SAR 5,000mil
9 Par value of instrument	SAR 5,000mil
10 Accounting classification	Liability - amortized cost
11 Original date of issuance	25th February 2014
12 Perpetual or dated	Dated
13 Original maturity date	25th February 2024
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, 25th February 2019 as the date for redemption, NCB shall be entitled to redeem in whole, but not in part, by giving not less than thirty (30) days' nor 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 + 110bps
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 mechansim	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	N/A
37 If yes, specify non-compliant features	N/A