



**BASEL III - CAPITAL STRUCTURE  
30 SEPTEMBER 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 )
<b>Assets</b>			
Cash and balances at central banks	36,245,271		36,245,271
Due from banks and other financial institutions	17,886,358		17,886,358
Investments, net	156,782,125		156,782,125
Financing and advances, net	213,528,824		213,528,824
Investment in associates, net	407,836		407,836
Other real estate, net	853,289		853,289
Goodwill	502,489		502,489
Other intangible assets	230,201		230,201
Property and equipment, net	3,363,040		3,363,040
Other assets	8,111,885		8,111,885
<b>Total assets</b>	<b>437,911,318</b>	<b>0</b>	<b>437,911,318</b>
<b>Liabilities</b>			
Due to Banks and other financial institutions	29,308,490		29,308,490
Customer deposits	343,943,664		343,943,664
Debt securities in issue	9,512,834		9,512,834
Other liabilities	8,877,321		8,877,321
<b>Subtotal</b>	<b>391,642,309</b>	<b>0</b>	<b>391,642,309</b>
Paid up share capital	20,000,000		20,000,000
Treasury Shares	(190,510)		(190,510)
Statutory reserves	15,102,989		15,102,989
Other reserves	1,729,602		1,729,602
Retained earnings	9,845,529		9,845,529
Minority Interest	1,661,839		1,661,839
Proposed dividends	0		0
Foreign currency translation reserve	(1,880,440)		(1,880,440)
<b>Total liabilities and equity</b>	<b>437,911,318</b>	<b>0</b>	<b>437,911,318</b>

**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
<b>Assets</b>				
Cash and balances at central banks	36,245,271		36,245,271	
Due from banks and other financial institutions	17,886,358		17,886,358	
Investments, net	156,782,125		156,782,125	
of which 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) - 50% decuted from Tier 1	11,484		11,484	A
of which 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) - 50% deducted from Tier 2	11,484		11,484	B
Financing and advances, net	213,528,824		213,528,824	
of which Collective provisions	(2,741,400)		(2,741,400)	C
Investment in associates, net	407,836		407,836	
of which 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) - 50% decuted from Tier 1	20,973		20,973	D
of which 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) - 50% deducted from Tier 2	20,973		20,973	E
Other real estate, net	853,289		853,289	
Goodwill	502,489		502,489	F
Other intangible assets	230,201		230,201	G
Property and equipment, net	3,363,040		3,363,040	
Other assets	8,111,885		8,111,885	
<b>Total assets</b>	<b>437,911,318</b>	<b>0</b>	<b>437,911,318</b>	
<b>Liabilities</b>				
Due to Banks and other financial institutions	29,308,490		29,308,490	
Customer deposits	343,943,664		343,943,664	
Debt securities in issue	9,512,834		9,512,834	
Other liabilities	8,877,321		8,877,321	
<b>Subtotal</b>	<b>391,642,309</b>	<b>0</b>	<b>391,642,309</b>	
Paid up share capital	20,000,000		20,000,000	
Treasury Shares	(190,510)		(190,510)	H
Statutory reserves	15,102,989		15,102,989	
Other reserves	1,729,602		1,729,602	
Retained earnings	9,845,529		9,845,529	
Minority Interest	1,661,839		1,661,839	
of which Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	1,527,943		1,527,943	I
Proposed dividends	0		0	
Foreign currency translation reserve	(1,880,440)		(1,880,440)	
<b>Total liabilities and equity</b>	<b>437,911,318</b>	<b>0</b>	<b>437,911,318</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*

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

Amounts<sup>1</sup> subject to Pre - Basel III treatment

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	20,000,000
2	Retained earnings	9,845,529
3	Accumulated other comprehensive income (and other reserves)	14,972,324
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)	1,527,943
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>46,345,796</b>
<b>Common Equity Tier 1 capital: Regulatory adjustments</b>		
7	Prudential valuation adjustments	
8	Goodwill (net of related tax liability)	502,489
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	230,201
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	0
11	Cash-flow hedge reserve	5,956
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
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)	32,458
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)	0
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>	<b>961,614</b>
29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>45,384,182</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)	
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	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>45,384,182</b>

I  
F  
G  
H  
A + D

**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

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

Amounts<sup>1</sup> subject to Pre - Basel III treatment

<b>Tier 2 capital: instruments and provisions</b>		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	5,000,000
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	2,741,400
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>7,741,400</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)	32,458
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	32,458
58	Tier 2 capital (T2)	7,708,942
59	Total capital (TC = T1 + T2)	53,093,125
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	304,766,721
<b>Capital ratios</b>		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	14.9%
62	Tier 1 (as a percentage of risk weighted assets)	14.9%
63	Total capital (as a percentage of risk weighted assets)	17.4%
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)	2,741,400
77	Cap on inclusion of provisions in Tier 2 under standardised approach	3,367,993
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)	

C

B + E

**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. SA13HFK0IEJ4
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