



**BASEL II PILLAR 3
QUANTITATIVE DISCLOSURES
31/12/2008**

Frequency : SA Location : W

TABLE 1: SCOPE OF APPLICATION - DECEMBER 2008	
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:	Nil
1. Subsidiary 1	
2. Subsidiary 2	
3. Subsidiary 3	
4. Subsidiary n	

Frequency : SA

Location : W

TABLE 2: CAPITAL STRUCTURE - DECEMBER 2008

Capital Structure (Table 2, (b) to (e)) (Figures in SR 000's)

Components of capital	Amount
Core capital - Tier I:	
Eligible paid-up share capital	6,500,000
Shares premium accounts	
Eligible reserves	3,766,000
Minority interests in the equity of subsidiaries	
Retained earnings	86,979
IAS type adjustments*	(85,782)
Deductions from Tier I:	
Interim losses during the year	
Intangible assets (including goodwill)	
Other country specific deductions from Tier 1 at 50%	
Regulatory calculation differences deduction from Tier 1 at 50%**	
Reciprocal holding of bank capital at 50% deduction	
Significant minority investments at 10% and above at 50% deduction:	
Banking and securities entities not fully consolidated	
Insurance organizations	
Commercial organizations	(125,658)
Total Tier I	10,141,539
Supplementary capital - Tier 2:	
Revaluation gains/reserves	
Subordinated loan capital	1,875,000
Qualifying general provisions	454,362
Interim profits	2,486,124
Deductions from Tier II:	
Reciprocal holding of bank capital at 50% deduction	
Significant minority investments at 10% and above at 50% deduction:	
Banking and securities entities not fully consolidated	
Insurance organizations	
Commercial organizations	(125,658)
Other country specific deductions from Tier 2 at 50%	
Regulatory calculation differences deduction from Tier 2 at 50%**	
Total Tier II	4,689,828
Capital to cover market risks - Tier III	
Short Term Subordinated Debt	
Tier I and Tier II Capital Available for Market Risk	
Total eligible capital	14,831,367

Frequency : SA

Location : W

TABLE 3: CAPITAL ADEQUACY - DECEMBER 2008

Amount of Exposures Subject To Standardized Approach of Credit Risk and related Capital Requirements (TABLE 3, (b)) (Figures in SR 000's)

Portfolios	Amount of exposures	Capital requirements
Sovereigns and central banks:	34,279,996	-
SAMA and Saudi Government	34,242,496	-
Others	37,500	-
Multilateral Development Banks (MDBs)	-	-
Public Sector Entities (PSEs)	-	-
Banks and securities firms	6,309,777	252,984
Corporates	58,037,091	4,472,962
Retail non-mortgages	17,301,019	1,038,042
Small Business Facilities Enterprises (SBFE's)	-	-
Mortgages	993,848	79,508
Residential	993,848	79,508
Commercial	-	-
Securitized assets	-	-
Equity	289,804	23,184
Others	5,479,265	324,319
Total	122,690,800	6,190,999

Frequency : SA
Location : W

TABLE 3: CAPITAL ADEQUACY - DECEMBER 2008

Capital Requirements For Market Risk* (822, Table 3, (d))					
	Interest rate risk	Equity position risk	Foreign exchange risk	Commodity risk	Total
Standardised approach	80,207		12,612		92,820
Internal models approach					

* Capital requirements are to be disclosed only for the approaches used.

Frequency: SA Location: W

TABLE 3: CAPITAL ADEQUACY - DECEMBER 2008	
Capital Requirements for Operational Risk* (Table 3, (e)) (Figures in SR 000's)	
Particulars	Capital requirement
• Basic indicator approach;	
• Standardized approach;	
• Alternate standardized approach;	584,274
• Advanced measurement approach (AMA).	
Total	

* Capital requirement is to be disclosed only for the approach used.

Frequency : Quarterly Location : Quarterly Report
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TABLE 3: CAPITAL ADEQUACY - DECEMBER 2008
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Capital Adequacy Ratios (TABLE 3, (f))
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Particulars	Total capital ratio	Tier 1 capital ratio
	%	
Top consolidated level	14.14%	11.93%
Bank significant stand alone subsidiary 1		
Bank significant stand alone subsidiary 2		
Bank significant stand alone subsidiary 3		
Bank significant stand alone subsidiary n		

Frequency : SA
Location : W

TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES DECEMBER 2008

Credit Risk Exposure (Table 4, (b)) (Figures in SR 000's)		
Portfolios	Total gross credit risk exposure	Average gross credit risk exposure over the period
Sovereigns and central banks:	34,279,996	27,945,971
SAMA and Saudi Government	34,242,496	26,543,714
Others	37,500	1,402,257
Multilateral Development Banks (MDBs)		
Public Sector Entities (PSEs)		
Banks and securities firms	8,836,207	8,430,421
Corporates	67,293,988	67,827,402
Retail non-mortgages	17,300,708	17,428,424
Small Business Facilities Enterprises (SBFE's)		
Mortgages	993,848	850,621
Residential	993,848	850,621
Commercial		
Securitized assets		
Equity	289,804	665,887
Others	5,520,290	4,711,892
Total	134,514,841	127,860,618

Average is calculated on a quarterly basis, for the last 4 quarters.

Frequency : SA

Location : W

TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - DECEMBER 2008

Geographic Breakdown (Table 4, (c)) (Figures in SR 000's)							
Portfolios	Geographic area						
	Saudi Arabia	Other GCC & Middle East	Europe	North America	South East Asia	Others countries	Total
Sovereigns and central banks:	34,242,496	37,500					34,279,996
SAMA and Saudi Government	34,242,496						34,242,496
Others		37,500					37,500
Multilateral Development Banks (MDBs)							-
Public Sector Entities (PSEs)							-
Banks and securities firms	3,065,924	1,107,134	2,952,066	1,161,525	98,135	451,423	8,836,207
Corporates	65,479,662	1,074,603	591,327	39,577	100	108,718	67,293,988
Retail non-mortgages	17,300,708						17,300,708
Small Business Facilities Enterprises (SBFE's)							-
Mortgages	993,848						993,848
Residential	993,848						993,848
Commercial							-
Securitized assets							-
Equity	231,535	58,269					289,804
Others	2,425,355		3,094,935				5,520,290
Total	123,739,528	2,277,506	6,638,328	1,201,102	98,235	560,141	134,514,841

TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - DECEMBER 2008

Industry Sector Breakdown (Table 4, (d)) (Figures in SR 000's)													
Portfolios	Industry sector												
	Government and quasi government	Banks and other financial institutions	Agriculture and fishing	Manufacturing	Mining and quarrying	Electricity, water, gas and health services	Building and construction	Commerce	Transportation and communication	Services	Consumer loans and credit cards	Others	Total
Sovereigns and central banks:	34,279,996												34,279,996
SAMA and Saudi Government	34,242,496												34,242,496
Others	37,500												37,500
Multilateral Development Banks (MDBs)													-
Public Sector Entities (PSEs)													-
Banks and securities firms		8,827,709							7,648			851	8,836,207
Corporates		2,713,836	1,198,687	15,778,370	858,714	1,308,903	7,600,164	14,010,476	5,862,945	2,305,689		15,656,205	67,293,988
Retail non-mortgages													
Small Business Facilities Enterprises (SBFE's)											17,300,708		17,300,708
Mortgages												993,848	993,848
Residential												993,848	993,848
Commercial													-
Securitized assets													-
Equity		34,049	47,866	86,909			67,371		16,400	28,749		8,459	289,804
Others			229	45,665			7,235	15,647		2,485	15,398	5,433,630	5,520,290
Total	34,279,996	11,575,595	1,246,782	15,910,944	858,714	1,308,903	7,674,771	14,026,124	5,886,992	2,336,923	17,316,106	22,092,992	134,514,841

TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - DECEMBER 2008

Residual Contractual Maturity Breakdown (Table 4, (e)) (Figures in SR 000's)										
Portfolios	Maturity breakdown									
	Less than 8 days	8-30 days	30-90 days	90-180 days	180-360 days	1-3 years	3-5 years	Over 5 years	No Fixed Maturity	Total
Sovereigns and central banks:					9,507,908	12,554,093	1,033,624	312,592	10,871,779	34,279,996
SAMA and Saudi Government					9,507,908	12,554,093	996,124	312,592	10,871,779	34,242,496
Others							37,500			37,500
Multilateral Development Banks (MDBs)										-
Public Sector Entities (PSEs)										-
Banks and securities firms	2,149,853	112,580	37,771	39,081	375,737	1,917,917	1,038,326	3,130,023	34,919	8,836,207
Corporates	2,732	83	44,112	27,979	26,719,666	20,424,363	10,134,147	6,789,257	3,151,649	67,293,988
Retail non-mortgages	89,486	497,031	1,181,688	984,157	1,846,199.54	6,563,828	3,616,131	2,522,188		17,300,708
Small Business Facilities Enterprises (SBFE's)										-
Mortgages	76	3,705	7,842	12,017	24,521	111,883	127,063	706,742		993,848
Residential	76	3,705	7,842	12,017	24,521	111,883	127,063	706,742		993,848
Commercial										-
Securitized assets										-
Equity									289,804	289,804
Others	60	5,121	10,098	17,250	28,877	66,255	27,074	39,927	5,325,628	5,520,290
Total	2,242,207	618,520	1,281,510	1,080,484	38,502,908	41,638,339	15,976,365	13,500,729	19,673,779	134,514,841

TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - DECEMBER 2008

Impaired Loans, Past Due Loans and Allowances (Table 4, (f)) (Figures in SR 000's)										
Industry sector	Impaired loans	Defaulted	Aging of Past Due Loans (days)				Specific allowances			General allowances
			Less than 90	90-180	180-360	Over 360	Charges during the period	Charge-offs during the period	Balance at the end of the period	
Government and quasi government	-	-	-	-	-	-	-	-	-	-
Banks and other financial institutions	245,298	4,748	-	-	4,748	-	4,748	-	49,748	-
Agriculture and fishing	640,057	178,287	440,672	-	42,079	136,208	(59,544)	(673)	221,292	-
Manufacturing	-	-	-	-	-	-	-	-	-	-
Mining and quarrying	-	-	-	-	-	-	-	-	-	-
Electricity, water, gas and health services	108,472	18,385	-	-	9,799	8,586	16,254	(88)	135,016	-
Building and construction	103,497	39,671	29,222	7,687	222	31,762	75,377	(230)	118,373	-
Commerce	-	-	-	-	-	-	-	-	3,316	-
Transportation and communication	-	-	-	-	-	-	-	-	-	-
Services	1,577	1,577	-	-	-	1,577	(6,507)	(1,620)	2,229	-
Consumer loans and credit cards	101,020	41,146	-	41,146	-	-	82,395	(105,327)	32,083	-
Others	13,580	12,095	-	-	1,168	10,927	(1,536)	(8,665)	16,248	-
Total	1,213,501	295,908	469,894	48,833	58,015	189,060	111,187	(116,603)	578,305	454,362

Frequency : SA

Location : W

TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - DECEMBER 2008

Impaired Loans, Past Due Loans And Allowances (Table 4, (g)) (Figures in SR 000's)

Geographic area	Impaired loans	Aging of Past Due Loans (days)				Specific allowances	General allowances
		Less than 90	90-180	180-360	Over 360		
Saudi Arabia	1,213,501	469,894	48,833	58,015	189,060	578,305	454,362
Other GCC & Middle East							
Europe							
North America							
South East Asia							
Others countries							
Total	1,213,501	469,894	48,833	58,015	189,060	578,305	454,362

Frequency : SA
Location : W

TABLE 4 (STA): CREDIT RISK: GENERAL DISCLOSURES - DECEMBER 2008

Reconciliation Of Changes In The Allowances For Loan Impairment (Table 4, (h)) (Figures in SR 000's)

Particulars	Specific allowances	General allowances
Balance, beginning of the year	583,721	531,179
Charge-offs taken against the allowances during the period	116,602	
Amounts set aside (or reversed) during the period	111,186	(76,817)
Other adjustments:		
- exchange rate differences		
- business combinations		
- acquisitions and disposals of subsidiaries		
- etc.		
Transfers between allowances		
Balance, end of the year	578,305	454,362

- Charge-offs and recoveries that have been recorded directly to the income statement are SAR 25,913 and SAR 73,842 respectively.

TABLE 5 (STA): CREDIT RISK: DISCLOSURES FOR PORTFOLIOS SUBJECT TO THE STANDARDIZED APPROACH - DECEMBER 2008

Allocation Of Exposures To Risk Buckets (Table 5, (b)) (Figures in SR 000's)

Particulars	Risk buckets								Deducted	
	0%	20%	35%	50%	75%	100%	150%	Other risk weights		Unrated
Sovereigns and central banks:	34,279,996									
SAMA and Saudi Government	34,242,496									
Others	37,500									
Multilateral Development Banks (MDBs)										
Public Sector Entities (PSEs)										
Banks and securities firms		1,414,041		6,858,229		509,634	54,304			
Corporates	18,295	133,407		1,796,675		65,345,006	605			
Retail non-mortgages					17,300,708					
Small Business Facilities Enterprises (SBFE's)										
Mortgages						993,848				
Residential						993,848				
Commercial										
Securitized assets										
Equity						289,804				
Others	1,499,693					3,953,534	67,063			
TOTAL	35,797,984	1,547,447	-	8,654,903	17,300,708	71,091,827	121,972			
GRAND TOTAL	134,514,841									

Frequency : SA
Location : W

TABLE 7 (STA): CREDIT RISK MITIGATION (CRM): DISCLOSURES FOR STANDARDIZED APPROACH - DECEMBER 2008

Credit Risk Exposure Covered By CRM (Table 7, (b) and (c)) (Figures in SR 000's)

Portfolios	Covered by	
	Eligible financial collateral	Guarantees / credit derivatives
Sovereigns and central banks:		
SAMA and Saudi Government		
Others		
Multilateral Development Banks (MDBs)		
Public Sector Entities (PSEs)		
Banks and securities firms		
Corporates	787,673	124,928
Retail non-mortgages		
Small Business Facilities Enterprises (SBFE's)		
Mortgages		
Residential		
Commercial		
Securitized assets		
Equity		
Others	104	
Total	787,777	124,928

Frequency : SA
Location : W

TABLE 8: GENERAL DISCLOSURES FOR EXPOSURES RELATED TO COUNTERPARTY CREDIT RISK (CCR) - DECEMBER 2008

General Disclosures (Table 8, (b) and (d))	
Particulars	Amount
Gross positive fair value of contracts	1,123,750
Netting Benefits*	
Netted Current Credit Exposure*	
Collateral held:	
-Cash	
-Government securities	
-Others	
Exposure amount (under the applicable method)	
-Internal Models Method (IMM)	
-Current Exposure Method (CEM)	3,086,773
Notional value of credit derivative hedges	
Current credit exposure (by type of credit exposure):	
-Interest rate contracts	1,309,640
-FX contracts	1,777,134
-Equity contracts	
-Credit derivatives	
-Commodity/other contracts	

▪ Bank's estimate of Alpha (if the bank has received supervisory approval) is N/A

* Currently, netting for credit exposure measurement purposes not permitted in KSA.

Frequency : SA
Location : W

TABLE 8: GENERAL DISCLOSURES FOR EXPOSURES RELATED TO COUNTERPARTY CREDIT RISK (CCR) - DECEMBER 2008

Credit Derivative Transactions (Table 8, (c))				
Credit derivative transactions	Proprietary activities		Intermediation activities	
	Protection bought	Protection sold	Protection bought	Protection sold
Total return swaps				
Credit default swaps				
Credit options				
Credit linked notes				
Collateralized debt obligations				
Collateralized bond obligations				
Collateralized loan obligations				
Others				
Total				

* ANB is not involved in credit derivative transactions

Frequency : SA

Location : W

**TABLE 9 (STA): SECURITIZATION: DISCLOSURES FOR STANDARDIZED APPROACH
DECEMBER 2008**

Outstanding Exposures Securitized By The Bank (Table 9, (d) to (f))

Exposure type	Outstanding exposures		Impaired / Past due assets securitized	Losses recognized by the bank during the current period	Securitization exposures retained or purchased
	Traditional	Synthetic			
Credit cards					
Home equity loans					
Commercial loans					
Automobile loans					
Small business loans					
Equipment leases					
Others					

* ANB is not involved in any securitization deals, therefore the remaining securitization schedules are not disclosed.

Frequency : SA

Location : W

TABLE 10: MARKET RISK: DISCLOSURES FOR BANKS USING THE STANDARDIZED APPROACH - DECEMBER 2008

Level Of Market Risks In Terms Of Capital Requirements (Table 10, (b))

	Interest rate risk	Equity position risk	Foreign exchange risk	Commodity risk	Total
Capital requirements	80,207		12,612		92,820

Frequency : SA

Location : W

TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS- DECEMBER 2008

Value Of Investments (Table 13, (b))

	Un-quoted investments		Quoted investments		
	Value disclosed in Financial Statements	Fair value	Value disclosed in Financial Statements	Fair value	Publicly quoted share values (if materially different from fair value)
Investments	59,269	59,269	230,535	230,535	

Frequency : SA
Location : W

**TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS
DECEMBER 2008**

Types And Nature of Investments (Table 13, (c))		
Investments	Publicly traded	Privately held
Government and quasi government		
Banks and other financial institutions	34,049	
Agriculture and fishing	47,866	
Manufacturing	86,909	
Mining and quarrying		
Electricity, water, gas and health services		
Building and construction	8,102	59,269
Commerce		
Transportation and communication	16,400	
Services	28,749	
Others	8,459	
Total	230,535	59,269

Frequency : SA
Location : W

**TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS
DECEMBER 2008**

Gains / Losses Etc. (Table 13, (d) and (e))	
Particulars	Amount
Cumulative realized gains (losses) arising from sales and liquidations in the reporting period	
Total unrealized gains (losses)	-116,498
Total latent revaluation gains (losses)*	
Unrealized gains (losses) included in Capital	-116,498
Latent revaluation gains (losses) included in Capital*	

*Not applicable to KSA to date

Frequency : SA
Location : W

**TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS
DECEMBER 2008**

Capital Requirements (Table 13, (f))	
Equity grouping	Capital requirements
Government and quasi government	
Banks and other financial institutions	2,724
Agriculture and fishing	3,829
Manufacturing	6,953
Mining and quarrying	
Electricity, water, gas and health services	
Building and construction	5,310
Commerce	
Transportation and communication	1,312
Services	2,300
Others	757
Total	23,184

Frequency : SA
Location : W

**TABLE 13: EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS
DECEMBER 2008**

Equity Investments Subject To Supervisory Transition Or Grandfathering Provisions
(Table 13, (f))

Equity grouping	Aggregate amount
Government and quasi government	-
Banks and other financial institutions	-
Agriculture and fishing	-
Manufacturing	-
Mining and quarrying	-
Electricity, water, gas and health services	-
Building and construction	-
Commerce	-
Transportation and communication	-
Services	-
Others	-
Total	

Frequency : SA
Location : W

**TABLE 14: INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)
DECEMBER 2008**

200bp Interest Rate Shocks for currencies with more than 5% of Assets or Liabilities
(Table 14, (b))

Rate Shocks	Change in earnings
Upward rate shocks:	
SAR	288,825
USD	-80,112
OTHERS	-12,073
Downward rate shocks:	
SAR	-288,825
USD	80,112
OTHERS	12,073