

Saudi Arabian Monetary Agency

Banking Supervision Dept.

المرفقات: ٣ لفة .

22 April 2012

29697 IBCSI ١٤٨٤٩

From : Saudi Arabian Monetary Agency

To : All Banks

Attention : Managing Directors, Chief Executive Officers and General Managers

Subject : **Prudential Return on Small and Medium Enterprises (SMEs)**

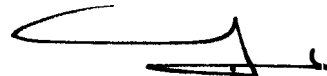
It is generally accepted that Small and Medium Enterprises (SMEs) have great impact on the economic development in an economy. SMEs are not only a new source of employment, but also help develop managerial skills, create favorable economic environment and enhance competition. The importance of SMEs for further development of Saudi economy has been recognized by the Saudi Government and has also been emphasized in the 5-year national plans.

In order to determine the flow of financing to this important sector of the economy, the Agency wishes to collect quarterly information through the attached prudential return #Q.18 on the SMEs. The information to be provided includes the total credit facilities, as well as that component of the portfolio which is under the Guarantee Fund program (Kafalah Fund) operated by the Saudi Industrial Development Fund (SIDF).

For the purpose of these Returns, SAMA is adopting the following definitions:

1. Small Enterprises: Any Enterprise designed to generate profit with a maximum annual turnover of SR 30,000,000 (Only Thirty Million Saudi Riyals). This definition is also used by the SIDF and by the Saudi Credit Bureau (SIMAH).
2. Medium Enterprises: Any Enterprise designed to generate profit with a maximum annual turnover of SR 100,000,000 (Only One Hundred Million Saudi Riyals).

The Banks are required to complete items 2 and 3 of this return effective 1st July 2012 and submit the quarterly Prudential Return from the quarter ending 30 September 2012, within 30 calendar days of the end of the quarter. For item 1, the Banks are required to complete this section from 1st January 2013 and submit it as at 31st March 2013. This extra period is being granted to facilitate the development and implementation of systems to collect this data.



Abdulrahman Al-Hamid
Vice Governor

SAMA Banking Supervision Department
Prudential Returns on Small and Medium Size Enterprises
Data as at the end of (xxx)

	SMALL			MEDIUM		
	Value in SR Millions		No. of Accounts	Value in SR Millions		No. of Accounts
	2012	2011	2012	2011	2012	2011
1 <u>Funding</u>						
1.1 Demand Deposits						
1.2 Savings Deposits						
1.3 Time Deposits						
1.4 Others						
1.5 Total Deposits						
1.6 Type of Customer						
1.6.1 Sole Proprietor						
1.6.2 Partnership						
1.6.3 Joint Stock Company						
2. <u>Assets</u>						
2.1 Credit Facilities (Outstanding)						
2.1.1 Bill's discounted						
2.1.2 Overdrafts						
2.1.3 Loans and advances						
2.2 Off Balance Sheet Items (Outstanding)						
2.2.1 Letters of Credit ¹						
2.2.2 Guarantees ¹						
2.2.3 Commitments ¹						
2.2.4 Others						
2.2.5 Total of 2.2						

¹ Note: number of Accounts at the end of the period.

SMALL

MEDIUM

	<u>Value in SR Millions</u>		<u>No. of Accounts</u>		<u>Value in SR Millions</u>		<u>No. of Accounts</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
2.3 Total of 2.1 and 2.2								
2.4 Credit Facilities by Sectors								
▪ Agriculture and Fishing								
▪ Manufacturing and Processing								
▪ Mining and Quarrying								
▪ Electric, Water, Gas, Health Services								
▪ Building and Construction								
▪ Commerce								
▪ Transport and Communication								
▪ Finance								
▪ Services								
▪ Miscellaneous (Retail)								
2.5 Provisions for Losses (outstanding balance) ²								
2.6 Non-performing Credits								
3. <u>SIDF Loan Guarantee Program</u>								
3.1 Outstanding Loans and Advances								
3.2 Loan Defaults (during the period)								
3.3 Losses taken by the Bank (during the period)								
3.4 Losses taken by the SIDF (during the period)								

² Note: Specific Provisions

SAMA Banking Supervision Department
Small and Medium Size Enterprise

Guidance Notes

1. This return is to be completed by All Banks in Saudi Arabia and submitted to SAMA Banking Supervision Department, Attention: Dr. Alwaleed Al-Sheikh, Director of Banking Supervision Department, on a quarterly basis within 30 calendar days from the end of the quarter.
2. Banks that are not receiving funding or are not lending to SMEs may submit a Nil Return.
3. Funding:

2.2.1 to 2.2.4 These may be number of accounts outstanding at the end of the period.
4. 2.5 These are outstanding specific Provisions for losses on SME portfolio.
5. 3.2 This line is for loan default during the reporting year.
6. The Amounts or values or account numbers reported should be as of and outstanding at the Quarter end. For period end numbers, these should be accumulated on a year-to-date basis. (For example, in case of a 30 June reporting period, the as of balance at 30 June should be reported. The period-end numbers should be year-to-date for the six months.)
7. No comparatives are required in the first year of reporting.