

Saudi Arabian Monetary Agency

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Banking Supervision Dept.

31 December 2011

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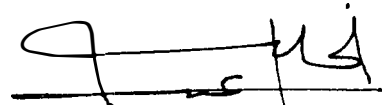
From : Saudi Arabian Monetary Agency
To : All Banks
Attention : Managing Directors, Chief Executive Officers and General Managers
Subject : **Enhancement #1 to SAMA's Bank Disclosure Requirements Under the Basel II Framework Pillar 3 Component**

The BCBS in its document of July 2009 entitled "Enhancements to the Basle II Framework" initiated further improvements to its Pillar 3 regime with regard to the securitization activities of banks, which were circulated through SAMA Circular BCS 13134 of 11 May 2010. The new BCBS requirements have led to modifications and enhancements to SAMA's existing Basel II Pillar 3 requirements implemented in January, 2008, and consequently, are now part of SAMA's overall Pillar 3 disclosure regime. These enhancements are related to qualitative and quantitative aspects of the following elements of the securitization activities:

- i. Securitization Exposures in the Trading Book
- ii. Sponsorship of Off-Balance Sheet Vehicles
- iii. Internal Assessment Approach (IAA) and other ABCP Liquidity Facilities
- iv. Re-Securitization Exposures
- v. Valuation with Regard to Securitization Exposures
- vi. Pipeline and Warehousing Risks with Regard to Securitization Exposures
- vii. Others

The attached Pillar 3 Disclosure Requirement Templates are to be implemented effective 1st January 2012, which means that the first set of templates will cover data as at 30th June 2012.

2/1



Dr. Abdulrahman Al Kalaf
Deputy Governor
for Technical Affairs

Encl: a/s

**PILLAR 3 – Guidance notes Relating to modification and
enhancements of SAMA’s Pillar 3 Regime (Table 9 Series) on the basis
of BCBS Enhancements Promulgated through its Document Entitled
"Enhancement to the Basel II Framework" of July 2009**

SAUDI ARABIAN MONETARY AGENCY
BANKING SUPERVISION DEPARTMENT
DECEMBER 2011

Enhanced Pillar 3 Disclosure Relating to Securitization Activities

INDEX

Description

Guidance Notes

- General Guidance Notes
- Specific Guidance Notes for Quantitative Disclosures
- Enhanced Disclosures Relating to Quantitative Aspects of Securitization Activity of Saudi Domestic Banks
- Enhanced Disclosures Relating to Qualitative Aspects of Securitization Activity of Saudi Domestic Banks

GENERAL GUIDANCE
NOTES

DECEMBER 2011

1. Introduction

Pillar 3 adopts a risk and principles based approach to regulation focusing on a bank's own assessment and management of business risks. In this regard, SAMA's aim is to encourage market discipline by developing a set of disclosure requirements which will allow market participants to assess key pieces of information on a bank's capital, risk exposures and risk assessment processes. The disclosures are to be made for the benefit of the market as they are an effective means of informing the market participants about a bank's exposure and risks. In this regard, such disclosures have particular relevance since internal methodologies give banks more discretion in assessing capital requirements.

However, in response to observed weaknesses in public disclosure and after a careful assessment of leading disclosure practices, the Committee decided to revise the current Pillar 3 requirements.

These guidance notes should be read in conjunction with the following documents and practices:

- BCBS Document: Enhancement to the Basel II framework issued in July 2009.
- SAMA Circular # BCS 13134 of May 2011 entitled "Enhancements to SAMA's Bank Disclosure Requirements Under the Basel II Framework Pillar 3 Component".
- Accounting and disclosure practices in the KSA.

2. Objective

To provide guidance to banks to meet the Pillar 3 enhancement Table 9 Series requirements.

3. Approach

Disclosure requirements will be applied to all securitization exposure of top corporate entity in the group at a consolidated level and at a stand-alone level for all material bank subsidiaries of banks in KSA where necessary, material subsidiaries will be identified by SAMA.

Banks are required to apply the disclosure requirements relevant to the respective approaches (Standardized or Internal Rating Based approach) adopted by them in this regard.

4. Materiality

Information would be regarded as material if its omission or misstatement could change or influence the assessment or decision of a user relying on that information for the purpose of making decisions relating to a bank's capital, risk exposures and risk assessment and management. SAMA recognizes the need for a qualitative judgment of whether, in light of the particular circumstances, a user of financial information would consider an item to be material. Consequently, no specific thresholds for disclosure have been defined.

In the event of an omission of required information required under Pillar 3, due to confidentiality or competitive constraints, a bank must endeavor to provide general qualitative information about the subject matter of the disclosure requirement.

5. Frequency and Location of Disclosure

5.1 Frequency

All disclosures will be made semi-annually with the exception of the following:

- All Qualitative Disclosure Requirements will be reported annually.

5.2 Location of Disclosures

- All quarterly disclosures will be in the regular quarterly financial statements.
- All semi annual¹ disclosures will be made on a bank's websites.
- All annual disclosures will be in the annual reports of banks.
- A reporting bank shall provide in its Annual Report and Periodic Financial Statements the location of all disclosures required under Pillar 3.
- A reporting bank may exercise its discretion in determining the form of the disclosure required and may choose to use graphical and other representations where appropriate.
- The frequency and location of reporting has been specified in each Disclosure Template. The following are the abbreviations on the top right hand side of each template:

¹ Semi-Annual Reporting on Website implies that the relevant information is updated six monthly.

<u>Location</u>	<u>Frequency</u>
Annual Report (AR)	Annual: A
Quarterly Report (QR)	Quarterly: Q
Website (W)	Semi-Annually: SA

6. Confidentiality

Proprietary information includes information that if shared with competitors would compromise or undermine a bank's competitive position. Information about customers is often confidential, in that it is provided under the terms of a legal agreement or counterparty relationship. This has an impact on what banks should reveal in terms of information about their customer base, as well as details on their internal arrangements, for instance methodologies used, models, parameter estimates, data etc.

In exceptional cases, disclosure of certain items of information required by Pillar 3 may prejudice the position of the bank by making public information that is either proprietary or confidential in nature. In such cases, a bank need not disclose those specific items, but must disclose more general information about the matter, together the reason why, the specific items of information have not been disclosed. This limited exemption is not intended to conflict with the disclosure requirements.

7. Disclosure Policy

A reporting bank shall have in place a formal disclosure policy approved by the board of directors which sets out a reporting bank's approach for determining which disclosures it will make, and the internal controls over the disclosure process.

8. Verification

A reporting bank shall ensure that appropriate and independent verification, whether internal or external, is performed in relation to all disclosure items required under this Part, and take all reasonable steps to secure their accuracy and correctness.

To the extent that any of the disclosures required are substantially similar to those required of a reporting bank in accordance with applicable Accounting Standards, a reporting bank may rely on the provision of such accounting disclosures in order to meet the Pillar 3 requirements.

9. Relevant Totals

For all Quantitative Reporting Templates, all relevant totals must agree through the package.

10. Scope of Returns to be Completed by Banks

Banks are expected to complete only those returns which are relevant to their operations.

11. Further Guidance and Enhancement

While the Disclosure requirements for IRB Approaches and Securitization are provided, further guidance, and enhancement will be provided on the basis of any further BCBS requirements.

12. Modified and Additional Return

- Tables (d) to ((f) (g) (h) and (j) have been modified.
- Information under (i) (k) (l) (m) (n) (o) (p) (q) (r) (s) (t) (u) (v) are new returns.

SPECIFIC
GUIDANCE NOTES

QUANTITATIVE
DISCLOSURES

DECEMBER 2011

**SPECIFIC GUIDANCE NOTES FOR QUANTITATIVE DISCLOSURES
TABLE 9 SERIES**

Table 9 (STA) - Securitization: Disclosures for Standardized Approach

Table 9 (g) to (i) - Outstanding Exposures Securitized by the Bank

- Impairment is an accounting term which is determined by calculating the present value of future cash flows related to a particular loan and then comparing it to the carrying amount of the loan. While a past due loan simply means a loan which has not been paid on time and is now overdue by certain days (which after 90 days falls in the definition of default).

Table 9 (l) - Deductions from capital

- Disclosure of securitization exposures by type of underlying exposures, which have been deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital and other exposures deducted from total capital.

Table 9 (IRB) - Securitization: Disclosures for Internal Ratings Based (IRB) Approach

Table 9 (g) to (i) - Outstanding Exposures Securitized by the Bank

- Impairment is an accounting term which is determined by calculating the present value of future cash flows related to a particular loan and then comparing it to the carrying amount of the loan. While a past due loan simply means a loan which has not been paid on time and is now overdue by certain days (which after 90 days falls in the definition of default).

Table 9 (l) - Deductions from capital

- Disclosure of securitization exposures by type of underlying exposures, which have been deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital and other exposures deducted from total capital.

**Enhanced Quantitative Requirements with Regard to
Securitization Activities**

Template Series (9)

Frequency : SA

Location : W

**TABLE 9 (g)(STA):
SECURITIZATION: DISCLOSURES
FOR STA APPROACH**

**Outstanding exposures securitized by the bank
as an originator or purchaser**

Exposure type	Outstanding exposures	
	Traditional	Synthetic
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

**TABLE 9 (g)(STA):
SECURITIZATION: DISCLOSURES
FOR STA APPROACH**

**Outstanding exposures securitized by the bank
as a sponsor**

Exposure type	Outstanding exposures	
	Traditional	Synthetic
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

Frequency : SA
 Location : W

TABLE 9 (h)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH

Outstanding exposures securitized by the bank as an originator or purchaser		Losses recognized by the bank during the current period
Exposure type	Impaired / Past due assets securitized	
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

TABLE 9 (h)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH

Outstanding exposures securitized by the bank as a sponsor		Losses recognized by the bank during the current period
Exposure type	Impaired / Past due assets securitized	
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitised exposure

Frequency : SA

Location : W

TABLE 9 (I)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH

Outstanding exposures securitized by the bank	
Exposure type	Securitization exposures retained or purchased
Credit cards	
Home equity loans	
Commercial loans	
Automobile loans	
Small business loans	
Equipment leases	
Others	

Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitized exposure

Frequency : SA
Location : W

TABLE 9 (j)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH

Summary of current year's securitization activity of the bank as an originator or purchaser

Exposure types	Amount of exposures securitized	Recognized gain or loss on sale
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

TABLE 9 (j)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH

Summary of current year's securitization activity of the bank as a sponsor

Exposure types	Amount of exposures securitized	Recognized gain or loss on sale
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitised exposure

Frequency : SA

Location : W

TABLE 9 (k)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH

Securitized Exposures

Exposure type	On balance sheet aggregate exposure retained or purchased	Off balance sheet aggregate exposure
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitized exposure

Frequency : SA
 Location : W

TABLE 9 (I)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH

Exposures By Risk Weight Bands				
Risk weight bands	Securitisation		Re-Securitisation	
	Exposures retained or purchased	Associated capital charges	Exposures retained or purchased	Associated capital charges
0% to 20%				
Above 20% to 40%				
Above 40% to 60%				
Above 60% to 80%				
Above 80% to 100%				
Above 100%				

TABLE 9 (I)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH

Deductions from capital			
Type of underlying assets	Exposures deducted from Tier 1 capital	Credit enhancing I/Os deducted from total capital	Other exposures deducted from total capital
Credit cards			
Home equity loans			
Commercial loans			
Automobile loans			
Small business loans			
Equipment leases			
Others			

Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitised exposure

Frequency : SA
 Location : W

TABLE 9 (m)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH

Securitized Assets Subject To Early Amortization Treatment

Type of underlying assets	Aggregate drawn exposures attributed to the seller's and investor's interests	Aggregate capital charges incurred by the bank against	
		its retained shares of the drawn balances and undrawn lines	the investor's shares of drawn balances and undrawn lines
Credit cards			
Home equity loans			
Commercial loans			
Automobile loans			
Small business loans			
Equipment leases			
Others			

Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitized exposure

Frequency : SA

Location : W

TABLE 9 (n)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH

Re-Securitisation Exposures Retained or Purchased		
Securitisation Exposure	Credit Risk Mitigation	
	Applied	Not Applied
Loans		
Commitments		
Asset-backed securities		
Mortgage-backed securities		
Corporate bonds		
Equity securities		
Private equity investments		
Others		

TABLE 9 (n)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH

Re-Securitisation Exposures Retained or Purchased	
Guarantor Credit Worthiness (Grade 1 being the highest)	Aggregate Exposure
Grade 1	
Grade 2	
Grade 3	
Grade 4	
Grade 5	
Grade 6	
Grade 7	

Frequency : SA
Location : W

TABLE 9 (o)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH		
Outstanding exposures securitized by the bank as an originator or purchaser		
Exposure type	Outstanding exposures	
	Traditional	Synthetic
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

TABLE 9 (o)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH		
Outstanding exposures securitized by the bank as a sponsor		
Exposure type	Outstanding exposures	
	Traditional	Synthetic
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

<i>Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitised exposure</i>

Frequency : SA

Location : W

**TABLE 9 (p)(STA): SECURITIZATION: DISCLOSURES FOR STA
APPROACH**

Outstanding exposures securitized by the bank	
Exposure type	Securitization exposures retained or purchased
Credit cards	
Home equity loans	
Commercial loans	
Automobile loans	
Small business loans	
Equipment leases	
Others	

Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitized exposure

Frequency : SA
Location : W

TABLE 9 (q)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH

Summary of current year's securitization activity of the bank as an originator or purchaser		
Exposure types	Amount of exposures securitized	Recognized gain or loss on sale
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

TABLE 9 (q)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH

Summary of current year's securitization activity of the bank as a sponsor		
Exposure types	Amount of exposures securitized	Recognized gain or loss on sale
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitised exposure

Frequency : SA
Location : W

**TABLE 9 (r)(STA): SECURITIZATION: DISCLOSURES
FOR STA APPROACH**

**Securitization exposure retained subject to market risk approach where
bank is an originator or purchaser**

Exposure type	Outstanding exposures	
	Traditional	Synthetic
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

**TABLE 9 (r)(STA): SECURITIZATION: DISCLOSURES
FOR STA APPROACH**

**Securitization exposure retained subject to market risk approach where
bank is a sponsor**

Exposure type	Outstanding exposures	
	Traditional	Synthetic
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitised exposure

Frequency : SA
Location : W

TABLE 9 (s)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH

Securitized Exposures

Exposure type	On balance sheet aggregate exposure retained or purchased	Off Balance Sheet Aggregate Exposure
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitized exposure

Frequency : SA Location : W

TABLE 9 (t)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH

Securitization exposures retained or purchased	
Securitisaton Exposure	Subject to Comprehensive Risk Measure for specific risk
Loans	
Commitments	
Asset-backed securities	
Mortgage-backed securities	
Corporate bonds	
Equity securities	
Private equity investments	
Others	

TABLE 9 (t)(STA): SECURITIZATION: DISCLOSURES

Exposures By Risk Weight Bands	
Risk weight bands	Securitization exposures retained or purchased subject to specific risk
0% to 20%	
Above 20% to 40%	
Above 40% to 60%	
Above 60% to 80%	
Above 80% to 100%	
Above 100%	

Frequency : SA Location : W

TABLE 9 (u)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH			
Capital Requirements subject to Comprehensive Risk Measures			
Securitisation Exposure	Risk Types		
	Default Risk	Migration Risk	Correlation Risk
Loans			
Commitments			
Asset-backed securities			
Mortgage-backed securities			
Corporate bonds			
Equity securities			
Private equity investments			
Others			

TABLE 9 (u)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH		
Capital Requirement Risk Weight Bands		
Risk weight bands	Capital Charges	
	Securitisation	Re-Securitisation
0% to 20%		
Above 20% to 40%		
Above 40% to 60%		
Above 60% to 80%		
Above 80% to 100%		
Above 100%		

TABLE 9 (u)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH			
Deductions from capital			
Type of underlying assets	Exposures deducted from Tier 1 capital	Credit enhancing I/Os deducted from total capital	Other exposures deducted from total capital
Credit cards			
Home equity loans			
Commercial loans			
Automobile loans			
Small business loans			
Equipment leases			
Others			

<i>Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitised exposure</i>

Frequency : SA

Location : W

TABLE 9 (V)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH

Securitized Assets Subject To Early Amortization Treatment

Type of underlying assets	Aggregate drawn exposures attributed to the seller's and investor's interests	Aggregate capital charges incurred by the bank against	
		its retained shares of the drawn balances and undrawn lines	the investor's shares of drawn balances and undrawn lines
Credit cards			
Home equity loans			
Commercial loans			
Automobile loans			
Small business loans			
Equipment leases			
Others			

Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitized exposure

Frequency : SA

Location : W

TABLE 9 (w)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH

Re-Securitisation Exposures Retained or Purchased

Securitisation Exposure	Credit Risk Mitigation	
	Applied	Not Applied
Loans		
Commitments		
Asset-backed securities		
Mortgage-backed securities		
Corporate bonds		
Equity securities		
Private equity investments		
Others		

TABLE 9 (w)(STA): SECURITIZATION: DISCLOSURES FOR STA APPROACH

Re-Securitisation Exposures Retained or Purchased

Guarantor Credit Worthiness (Grade 1 being the highest)	Aggregate Exposure
Grade 1	
Grade 2	
Grade 3	
Grade 4	
Grade 5	
Grade 6	
Grade 7	

Frequency : SA Location : W

TABLE 9 (g)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH		
Outstanding exposures securitized by the bank as an originator or purchaser		
Exposure type	Outstanding exposures	
	Traditional	Synthetic
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

TABLE 9 (g)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH		
Outstanding exposures securitized by the bank as a sponsor		
Exposure type	Outstanding exposures	
	Traditional	Synthetic
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

Frequency : SA
 Location : W

TABLE 9 (h)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH

Outstanding exposures securitized by the bank as an originator or purchaser	
Exposure type	Impaired / Past due assets securitized Losses recognized by the bank during the current period
Credit cards	
Home equity loans	
Commercial loans	
Automobile loans	
Small business loans	
Equipment leases	
Others	

TABLE 9 (h)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH

Outstanding exposures securitized by the bank as a sponsor	
Exposure type	Impaired / Past due assets securitized Losses recognized by the bank during the current period
Credit cards	
Home equity loans	
Commercial loans	
Automobile loans	
Small business loans	
Equipment leases	
Others	

Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitized exposure

Frequency : SA

Location : W

TABLE 9 (i)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH

Outstanding exposures securitized by the bank	
Exposure type	Securitization exposures retained or purchased
Credit cards	
Home equity loans	
Commercial loans	
Automobile loans	
Small business loans	
Equipment leases	
Others	

Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitized exposure

Frequency : SA

Location : W

TABLE 9 (j)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH

Summary of current year's securitization activity of the bank as an originator or purchaser

Exposure types	Amount of exposures securitized	Recognized gain or loss on sale
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

TABLE 9 (j)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH

Summary of current year's securitization activity of the bank as a sponsor

Exposure types	Amount of exposures securitized	Recognized gain or loss on sale
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitised exposure

Frequency : SA
Location : W

TABLE 9 (k)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH

Securitized Exposures		
Exposure type	On balance sheet aggregate exposure retained or purchased	Off balance sheet aggregate exposure
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitized exposure

Frequency : SA
 Location : W

TABLE 9 (I)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH

Risk weight bands	Exposures By Risk Weight Bands			
	Securitisation		Re-Securitisation	
	Exposures retained or purchased	Associated capital charges	Exposures retained or purchased	Associated capital charges
0% to 20%				
Above 20% to 40%				
Above 40% to 60%				
Above 60% to 80%				
Above 80% to 100%				
Above 100%				

TABLE 9 (I)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH

Type of underlying assets	Deductions from capital		
	Exposures deducted from Tier 1 capital	Credit enhancing I/Os deducted from total capital	Other exposures deducted from total capital
Credit cards			
Home equity loans			
Commercial loans			
Automobile loans			
Small business loans			
Equipment leases			
Others			

Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitised exposure

Frequency : SA
 Location : W

TABLE 9 (m)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH

Securitized Assets Subject To Early Amortization Treatment		
Type of underlying assets	Aggregate drawn exposures attributed to the seller's and investor's interests	Aggregate capital charges incurred by the bank against its retained shares of the drawn balances and undrawn lines
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitized exposure

Frequency : SA
 Location : W

TABLE 9 (n)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH		
Securitisation Exposure	Re-Securitisation Exposures Retained or Purchased	
	Applied	Not Applied
Credit Risk Mitigation		
Loans		
Commitments		
Asset-backed securities		
Mortgage-backed securities		
Corporate bonds		
Equity securities		
Private equity investments		
Others		

TABLE 9 (n)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH	
Re-Securitisation Exposures Retained or Purchased	Aggregate Exposure
Guarantor Credit Worthiness (Grade 1 being the highest)	
Grade 1	
Grade 2	
Grade 3	
Grade 4	
Grade 5	
Grade 6	
Grade 7	

Frequency : SA

Location : W

**TABLE 9 (o)(IRB):
SECURITIZATION: DISCLOSURES
FOR IRB APPROACH**

**Outstanding exposures securitized by the bank
as an originator or purchaser**

Exposure type	Outstanding exposures	
	Traditional	Synthetic
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

**TABLE 9 (o)(IRB):
SECURITIZATION: DISCLOSURES
FOR IRB APPROACH**

**Outstanding exposures securitized by the bank
as a sponsor**

Exposure type	Outstanding exposures	
	Traditional	Synthetic
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

*Please provide the type of securities (e.g.
RMBS, CMBS, ABS, CDOs) for each securitised exposure*

Frequency : SA

Location : W

TABLE 9 (p)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH

Outstanding exposures securitized by the bank	
Exposure type	Securitization exposures retained or purchased
Credit cards	
Home equity loans	
Commercial loans	
Automobile loans	
Small business loans	
Equipment leases	
Others	

Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitised exposure

Frequency : SA Location : W

TABLE 9 (q)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH

Summary of current year's securitization activity of the bank as an originator or purchaser		
Exposure types	Amount of exposures securitized	Recognized gain or loss on sale
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

TABLE 9 (q)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH

Summary of current year's securitization activity of the bank as a sponsor		
Exposure types	Amount of exposures securitized	Recognized gain or loss on sale
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

<i>Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitised exposure</i>

Frequency : SA Location : W

TABLE 9 (r)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH

Securitization exposure retained subject to market risk approach where bank is an originator or purchaser
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Exposure type	Outstanding exposures	
	Traditional	Synthetic
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

TABLE 9 (r)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH

Securitization exposure retained subject to market risk approach where bank is a sponsor

Exposure type	Outstanding exposures	
	Traditional	Synthetic
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

<i>Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitised exposure</i>

Frequency : SA

Location : W

TABLE 9 (s)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH

Securitized Exposures		
Exposure type	On balance sheet aggregate exposure retained or purchased	Off Balance Sheet Aggregate Exposure
Credit cards		
Home equity loans		
Commercial loans		
Automobile loans		
Small business loans		
Equipment leases		
Others		

Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitized exposure

Frequency : SA Location : W

TABLE 9 (t)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH	
Securitization exposures retained or purchased	
Securitisaton Exposure	Subject to Comprehensive Risk Measure for specific risk
Loans	
Commitments	
Asset-backed securities	
Mortgage-backed securities	
Corporate bonds	
Equity securities	
Private equity investments	
Others	

TABLE 9 (t)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH	
Exposures By Risk Weight Bands	
Risk weight bands	Securitization exposures retained or purchased subject to specific risk
0% to 20%	
Above 20% to 40%	
Above 40% to 60%	
Above 60% to 80%	
Above 80% to 100%	
Above 100%	

Frequency : SA Location : W

TABLE 9 (u)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH			
Capital Requirements subject to Comprehensive Risk Measures			
Securitisation Exposure	Risk Types		
	Default Risk	Migration Risk	Correlation Risk
Loans			
Commitments			
Asset-backed securities			
Mortgage-backed securities			
Corporate bonds			
Equity securities			
Private equity investments			
Others			

TABLE 9 (u)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH		
Capital Requirement Risk Weight Bands		
Risk weight bands	Capital Charges	
	Securitisation	Re-Securitisation
0% to 20%		
Above 20% to 40%		
Above 40% to 60%		
Above 60% to 80%		
Above 80% to 100%		
Above 100%		

TABLE 9 (u)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH			
Deductions from capital			
Type of underlying assets	Exposures deducted from Tier 1 capital	Credit enhancing I/Os deducted from total capital	Other exposures deducted from total capital
Credit cards			
Home equity loans			
Commercial loans			
Automobile loans			
Small business loans			
Equipment leases			
Others			

<i>Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitised exposure</i>

Frequency : SA

Location : W

TABLE 9 (V)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH

Securitized Assets Subject To Early Amortization Treatment

Type of underlying assets	Aggregate drawn exposures attributed to the seller's and investor's interests	Aggregate capital charges incurred by the bank against the investor's shares of drawn balances and undrawn lines	
		its retained shares of the drawn balances and undrawn lines	the investor's shares of drawn balances and undrawn lines
Credit cards			
Home equity loans			
Commercial loans			
Automobile loans			
Small business loans			
Equipment leases			
Others			

Please provide the type of securities (e.g. RMBS, CMBS, ABS, CDOs) for each securitized exposure

Frequency : SA

Location : W

TABLE 9 (w)(IRB): SECURITIZATION: DISCLOSURES FOR IRB APPROACH

Re-Securitisation Exposures Retained or Purchased		
Securitisation Exposure	Credit Risk Mitigation	
	Applied	Not Applied
Loans		
Commitments		
Asset-backed securities		
Mortgage-backed securities		
Corporate bonds		
Equity securities		
Private equity investments		
Others		

**TABLE 9 (w)(IRB): SECURITIZATION:
DISCLOSURES FOR IRB APPROACH**

Re-Securitisation Exposures Retained or Purchased	
Guarantor Credit Worthiness (Grade 1 being the highest)	Aggregate Exposure
Grade 1	
Grade 2	
Grade 3	
Grade 4	
Grade 5	
Grade 6	
Grade 7	

PILLAR 3

**Enhanced Qualitative Requirements with Regard to¹
Securitization Activities of Banks**

December 2011

¹Note: These are enhancement to the SAMA current Pillar 3 requirements.

Specific Modifications and Enhancements to SAMA Pillar 3
Regime's Qualitative Aspects

Securitization Exposure

Qualitative Disclosures

- A. The general qualitative disclosure requirement with respect to securitization (including synthetics), including a discussion of:
- The bank's objectives in relation to securitization activity, including the extent to which these activities transfer credit risk of the underlying securitized exposures away from the bank to other entities and including the type of risks assumed and retained with re-securitization activity
 - The nature of other risks (e.g. liquidity risk) inherent in securitized assets
 - The various roles played by the bank in the securitization process, and an indication of the extent of the bank's involvement in each of them.
 - A description of the processes in place to monitor changes in the credit and market risk of securitization exposures (for example, how the behavior of the underlying assets impacts securitization exposures) including how those processes differ for re-securitization exposures.
 - A description of the bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitization and re-securitization.
 - The regulatory capital approaches (e.g. Standardized Approach (SA); Ratings Based Approach (RBA) that the bank uses for its securitization activities including the type of securitization exposures to which each approach applies.
- B. A list of:
- The types of SPEs that the bank, as sponsor, uses to securitize third-party exposure to these SPEs, either on or off-balance sheet; and
 - Affiliated entities i) that the bank manages or advises and ii) that invest either in the securitization exposures that the bank has securitized or in SPEs that the bank sponsors.
- C. Summary of the bank's accounting policies for securitization activities, including:
- Whether the transactions are treated as sales or financings;
 - Recognition of gain on sale;
 - Methods and key assumptions (including inputs) applied in valuing positions retained or purchased

- Changes in methods and key assumptions from the previous period and impact of the changes;
 - treatment of synthetic securitizations if this is not covered by other accounting policies (e.g. on derivatives);
 - how exposures intended to be securitized (e.g. in the pipeline or warehouse) are valued and whether they are recorded in the banking book or the trading book; and
 - Policies for recognizing liabilities on the balance sheet for arrangements that could require the bank to provide financial support for securitized assets.
- D. In the banking book, the names of ECAIs used for securitizations and the types of securitization exposures for which each agency is used.
- E. Description of the Internal Assessment Approach (IAA) process. The description should include:
- Structure of the internal assessment process and relation between internal assessment and external ratings, including information on ECAIs as referenced in (d);
 - Use of internal assessment other than for IAA capital purposes;
 - control mechanisms for the internal assessment process including discussion of independence, accountability, and internal assessment process review;
 - the exposure type to which the internal assessment process is applied; and
 - stress factors used for determining credit enhancement levels, by exposure type.
- F. An explanation of significant changes to any of the quantitative information (e.g. amounts of assets intended to be securitized, movement of assets between banking book and trading book) since the last reporting period.