

Saudi Arabian Monetary Agency

Banking Inspection Dept.

20 November 2010

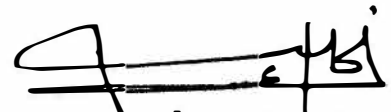
٥٧٥٧٤ IBCII ٢٦٧٦٥

From : Saudi Arabian Monetary Agency
To : All Banks
Attention : Managing Directors, Chief Executive Officer and
General Managers
Subject: Principles for enhancing corporate governance

The Basel Committee on Banking Supervision (BCBS) has issued its finalized document entitled "Principles for enhancing corporate governance". This paper sets out best international practices concerning corporate governance and suggests that banks should use the Principles as a reference point for their own corporate governance efforts. The key areas where the Committee believes the greatest focus is necessary are; board practices, senior management, risk management and internal controls, compensation, complex or opaque corporate structures, disclosure and transparency. The principles also stress the importance of board and senior management having a clear knowledge and understanding of the bank's operational structure and risks. This includes risks arising from special purpose entities or related structures.

The BCBS document maybe obtained from the BIS website (www.bis.org).

Best regards,



Abdulrahman Alkalaf
Deputy Governor
for Technical Affairs