



Circular No.: BCS 5318
Date: 18 January 2012

From : Saudi Arabian Monetary Agency
To : All Banks
Attention : Managing Directors, Chief Executive Officers and General Managers
Subject : **SAMA's Amended IRB Prudential Returns and Guidance Notes Package and Frequently Asked Questions (FAQs)**

We wish to refer SAMA's Draft IRB Prudential Returns and related Guidance Notes circulated to select Banks through its circular # BCS/DG/567 for comments on 24 May 2011. In this regard, Banks provided their comments and raised some important issues. All comments were reviewed by the Agency and a response to the issues raised is provided in the attached document entitled "Frequently Asked Questions". Further, where applicable the relevant aspects of the attached IRB Prudential Returns and related Guidance Notes have been enhanced or modified.

This package represents finalized IRB Prudential Returns and Guidance Notes which banks must complete and submit to SAMA 30 days following each quarter end. The regular prudential reporting will start from the quarter end following the date of SAMA's regulatory approval for a bank to utilize IRB Approaches for calculating their Credit Risk capital requirements.

Please feel free to call us for any clarifications, and in this regard you may contact Mr. Tariq Javed (e-mail: tjaved@sama.gov.sa) or Mr. Abbas Hassan (e-mail: ahassan@sama.org.sa).

Dr. Abdulrahman Al-Kalaf
*Deputy Governor
for Technical Affairs*