

Saudi Arabian Monetary Agency

Banking Supervision Dept.

28 December 2009

IBCSI ١٤٩

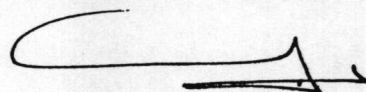
From : Saudi Arabian Monetary Agency
To : All Banks
Attention : Managing Directors, Chief Executive Officers and General Managers
Subject : Basel Committee Papers on Basel II Framework

The Basel Committee on Banking Supervision has issued two (2) draft Papers for consultations related to the Basel II Framework on 17 December 2009. These papers are aimed at strengthening global capital and liquidity regulations with the goal of promoting a resilient banking sector. This reform package will help in improving the banking sector's ability to absorb shocks arising from financial and economic stress. The proposals are a key element of the Basle Committee's comprehensive reform package to address the lessons learnt from the financial crisis. The papers are as follows:

- Strengthening the Resilience of the Banking Sector
- International Framework for Liquidity Risk Measurement, Standards and Monitoring

We expect all banks currently engaged in implementing Basel II framework in Saudi Arabia to review and study these proposals in detail and to provide their comments to SAMA by 28 February 2010. The Banks' comments will be summarized and forwarded to the Basel Committee as input from the Saudi banking industry. These documents can be accessed from the Bank for International Settlements website address: (<http://www.bis.org>).

If you need any further information, you may contact Mr. Fahd Al-Mufarrij at telephone number (01)466-2305 or Mr. Tariq Javed at (01)466-2532.



Dr. Abdulrahman Al-Hamidy
Vice Governor

Encl.: a/s