



Basel III Pillar 3 Quantitative Disclosures

30 June 2018

Basel III Pillar 3

Quantitative Disclosures

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Template KM1

Key metrics (at consolidated group level) (SAR '000)

		a	b	c	d	e
		T	T-1	T-2	T-3	T-4
		Jun-18	Mar-18	Dec-17	Sep-17	Jun-17
	Available capital (amounts)	10,415,445	10,416,742	10,282,079	10,253,201	9,960,160
1	Common Equity Tier 1 (CET1)	7,770,757	7,777,668	7,588,792	7,580,842	7,321,614
1a	Fully loaded ECL accounting model	7,770,757	7,777,668			
2	Tier 1	7,770,757	7,777,668	7,588,792	7,580,842	7,321,614
2a	Fully loaded ECL accounting model Tier 1	7,770,757	7,777,668			
3	Total capital	10,415,637	10,416,742	10,282,079	10,253,201	9,960,160
3a	Fully loaded ECL accounting model total capital	10,415,637	10,416,742			
	Risk-weighted assets (amounts)	57,620,495	57,356,626	55,462,872	53,788,686	51,712,232
4	Total risk-weighted assets (RWA)	57,620,495	57,356,626	55,462,872	53,788,686	51,712,232
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	13.49%	13.56%	13.68%	14.09%	14.16%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	13.49%	13.56%			
6	Tier 1 ratio (%)	13.49%	13.56%	13.68%	14.09%	14.16%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	13.49%	13.56%			
7	Total capital ratio (%)	18.08%	18.16%	18.54%	19.06%	19.26%
7a	Fully loaded ECL accounting model total capital ratio (%)	18.08%	18.16%			
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	1.875%	1.875%	1.25%	1.25%	1.25%
9	Countercyclical buffer requirement (%)	0%	0%	0%	0%	0%
10	Bank G-SIB and/or D-SIB additional requirements (%)	0%	0%	0%	0%	0%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	1.875%	1.875%	1.250%	1.250%	1.250%
12	CET1 available after meeting the bank's minimum capital requirements (%)	11.61%	11.69%	12.43%	12.84%	12.91%
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	73,924,337	71,044,569	67,833,556	67,178,111	64,219,838
14	Basel III leverage ratio (%) (row 2 / row 13)	10.51%	10.95%	11.19%	11.28%	11.40%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row13)	10.51%	10.95%			
	Liquidity Coverage Ratio					
15	Total HQLA	27,193,154	28,164,629	25,458,340	25,089,455	6,941,705
16	Total net cash outflow	21,031,040	21,133,047	19,875,315	18,283,329	3,994,531
17	LCR ratio (%)	129.30%	133.3%	128.1%	137.2%	173.8%
	Net Stable Funding Ratio					
18	Total available stable funding	49,803,922	51,341,665	48,862,279	47,448,772	45,422,100
19	Total required stable funding	45,019,294	43,241,505	40,724,185	40,295,704	39,937,331
20	NSFR ratio	110.63%	118.73%	119.98%	117.75%	113.73%

B.2 - Template OV1

Overview of RWA (SAR '000)

		a	b	c
		RWA		Minimum Capital Requirements
		T June 18	T-1 March 18	T
1	Credit risk (excluding counterparty credit risk) (CCR)	51,590,371	51,125,915	4,127,230
2	Of which standardised approach (SA)	51,590,371	51,125,915	4,127,230
3	Of which: foundation internal ratings-based (F-IRB) approach	-	-	-
4	Of which: supervisory slotting approach	-	-	-
5	Of which: advanced internal ratings-based (A-IRB) approach			
6	Counterparty credit risk			
7	Of which standardised approach for counterparty credit risk (SA-CCR)	-	-	-
8	Of which internal model method (IMM)	-	-	-
9	Of which: other CCR	-	-	-
10	Credit valuation adjustment (CVA)	-	-	-
11	Equity positions in banking book under market-based approach	-	-	-
12	Equity investments in funds – look-through approach	-	-	-
13	Equity investments in funds – mandate-based approach	-	-	-
14	Equity investments in funds – fall-back approach	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in banking book	-	-	-
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)	-	-	-
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-
20	Market risk	826,423	1,191,044	66,114
21	Of which standardised approach (SA)	826,423	1,191,044	66,114
22	Of which internal model approaches (IMM)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk	5,203,702	5,039,667	416,296
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
26	Floor adjustment	-	-	-
27	Total (1+4+7+8+9+10+11+12+16+19+23+24)	57,620,495	57,356,626	4,609,640

Template LR1

Summary comparison of accounting assets vs leverage ratio exposure measure (SAR '000)

Items		a
1	Total consolidated assets as per published financial statements	68,406,882
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustments for derivative financial instruments	-
5	Adjustment for securities financing transactions (ie repos and similar secured lending)	-
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	3,897,852
7	Other adjustments	1,619,603
8	Leverage ratio exposure measure	73,924,337

Template LR2

Leverage ratio common disclosure template (SAR '000)

		a	b
		T	T-1
		Jun-18	Mar-18
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	70,026,485	67,284,649
2	(Asset amounts deducted in determining Basel III Tier 1 capital)		
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 and 2)	70,026,485	67,284,649
Derivative exposures			
4	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	-
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	-	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
8	(Exempted CCP leg of client-cleared trade exposures)	-	-
9	Adjusted effective notional amount of written credit derivatives	-	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
11	Total derivative exposures (sum of rows 4 to 10)	-	-
Securities financing transaction exposures			
12	Gross SFT <i>assets</i> (with no recognition of netting), after adjusting for sale accounting transactions	-	-
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
14	CCR exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	Total securities financing transaction exposures (sum of rows 12 to 15)	-	-
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	6,059,733	5,914,090
18	(Adjustments for conversion to credit equivalent amounts)	(2,161,881)	(2,154,170)
19	Off-balance sheet items (sum of rows 17 and 18)	3,897,852	3,759,920
Capital and total exposures			
20	Tier 1 capital	7,770,757	7,777,668
21	Total exposures (sum of rows 3, 11, 16 and 19)	73,924,337	71,044,569
Leverage ratio			
21	Basel III leverage ratio	10.51%	10.95%

Template LIQ1
Liquidity Coverage Ratio (LCR) (SAR '000)

		a	b
		Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets			
1	Total HQLA		27,193,218
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:		
3	Stable deposits		
4	Less stable deposits	104,999,459	10,499,946
5	Unsecured wholesale funding, of which:		
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks		
7	Non-operational deposits (all counterparties)	61,292,656	30,453,108
8	Unsecured debt		
9	Secured wholesale funding		
10	Additional requirements, of which:		
11	Outflows related to derivative exposures and other collateral requirements		
12	Outflows related to loss of funding on debt products		
13	Credit and liquidity facilities	3,306,402	330,640
14	Other contractual funding obligations	90,818	90,818
15	Other contingent funding obligations	21,507,471	430,149
16	TOTAL CASH OUTFLOWS		41,804,661
Cash inflows			
17	Secured lending (eg reverse repos)		-
18	Inflows from fully performing exposures	25,338,206	20,773,622
19	Other cash inflows		-
20	TOTAL CASH INFLOWS	25,338,206	20,773,622
			Total adjusted value
21	Total HQLA		27,193,154
22	Total net cash outflows		21,031,040
23	Liquidity Coverage Ratio (%)		129%

Template LIQ2

Net Stable Funding Ratio (NSFR) (SAR '000)

(In currency amount)		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity*	< 6 months	6 months to < 1 year	≥ 1 year	
Available stable funding (ASF) item						
1	Capital:					
2	Regulatory capital				10,416,742	10,416,742
3	Other capital instruments					
4	Retail deposits and deposits from small business customers:					
5	Stable deposits					
6	Less stable deposits	35,227,027				31,704,324
7	Wholesale funding:					
8	Operational deposits					
9	Other wholesale funding			15,365,711		7,682,856
10	Liabilities with matching interdependent assets					
11	Other liabilities:					
12	NSFR derivative liabilities					
13	All other liabilities and equity not included in the above categories					
14	Total ASF					49,803,922
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					111,251
16	Deposits held at other financial institutions for operational purposes					
17	Performing loans and securities:					
18	Performing loans to financial institutions secured by Level 1 HQLA					
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions		5,915,000			887,250
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:			680,000		340,000
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk		18,128,822			9,064,411
22	Performing residential mortgages, of which:					
23	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk					
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities					
25	Assets with matching interdependent liabilities					
26	Other assets:					

27	Physical traded commodities, including gold			
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs			
29	NSFR derivative assets			
30	NSFR derivative liabilities before deduction of variation margin posted			
31	All other assets not included in the above categories		34,563,562	34,563,562
32	Off-balance sheet items		1,056,422	52,821
33	Total RSF			45,019,294.44
34	Net Stable Funding Ratio (%)			111%

B.7 - Template CR1

Credit quality of assets (SAR '000)

		a	b	c	d
		Gross carrying values of		Allowances/ impairments	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
1	Loans	589,263	48,269,912	1,519,182	47,339,993
2	Debt Securities	-	3,266,630	-	3,266,630
3	Off-balance sheet exposures	-	-	-	-
4	Total	589,263	51,536,542	1,519,182	50,606,623

An event of default is considered to have occurred if any one or both of the following events happen:

- The obligor fails to honor any material credit obligation towards the bank for a period in excess of 90 days. On day 91 the obligor should be classified as a non performing obligor and its rating should be adjusted accordingly.
- The bank considers that the obligor is unlikely to pay its credit obligations to the banking group in full, without recourse by the bank to actions such as realizing security (if held).

B.8 - Template CR2

Changes in stock of defaulted loans and debt securities (SAR '000)

		a
1	Defaulted loans and debt securities at end of the previous reporting period	532,176
2	Loans and debt securities that have defaulted since the last reporting period	93,738
3	Returned to non-defaulted status	6,911
4	Amounts written off	21,964
5	Other changes	(7,776)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	589,263

Defaulted finances at the end of reporting period increased as compared to previous reporting date due to additional defaults in Corporate and Consumer financing. However, during the period there were also recoveries from non performing clients as well as some old defaulted finances were written off.

B.11 - Template CR3

Credit risk mitigation techniques – overview (SAR '000)

	a	b	c	d	e	f	g
	Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1	Loans	47,339,993	-	-	-	-	-
2	Debt securities	3,266,630	-	-	-	-	-
3	Total	50,606,623	-	-	-	-	-
4	Of which defaulted	589,263	-	-	-	-	-

Financing portfolio of the bank increased significantly over the period. Major contributor of the aforementioned increase is in the Corporate financing along with Consumer financing. Moreover, exposure in the Debt securities has approximately increased 50% over the period due to more participation in Sukuks.

B.13 - Template CR4

Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects (SAR '000)

		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Asset classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	5,635,685	-	5,635,685	-	-	0%
2	Non-central government public sector entities	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-
4	Banks	8,574,205	1,113,354	8,574,205	824,350	2,741,373	29%
5	Securities firms	-	-	-	-	-	-
6	Corporates	22,145,615	4,176,575	22,145,615	2,228,838	24,057,724	99%
7	Regulatory retail portfolios	14,970,526	538,915	14,970,526	28,609	11,249,352	75%
8	Secured by residential property	3,676,465	-	3,676,465	-	1,838,232	50%
9	Secured by commercial real estate	8,573,419	119,675	8,573,419	95,103	8,668,522	100%
10	Equity	2,175,678	-	2,175,678	-	1,312,216	60%
11	Past-due loans	81,196	111,214	81,196	74,270	165,757	107%
12	Higher-risk categories	-	-	-	-	-	-
13	Other assets	3,594,664	-	3,594,664	-	1,630,990	45%
14	Total	69,427,452	6,059,733	69,427,452	3,251,171	51,664,166	71%

Increase in financing portfolio both Corporate and Consumer financing was major contributor in overall 9% increase in on balance sheet exposure. Increase in exposure against "Banks" and "Other Assets" also contributed in the increase in overall portfolio.

B.14 - Template CR5

Standardized approach – exposures by asset classes and risk weights (SAR '000)

	a	b	c	d	e	f	g	h	i	j
Asset classes/ Risk weight*	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1 Sovereigns and their central banks	5,635,685	-	-	-	-	-	-	-	-	5,635,685
2 Non-central government public sector entities (PSEs)	-	-	-	-	-	-	-	-	-	-
3 Multilateral development banks (MDBs)	-	-	-	-	-	-	-	-	-	-
4 Banks	-	-	6,979,575	-	2,252,633	-	60,760	105,587	-	9,398,556
5 Securities firms	-	-	-	-	-	-	-	-	-	-
6 Corporates	-	-	252,031	-	230,209	-	23,892,214	-	-	24,374,453
7 Regulatory retail portfolios	-	-	-	-	-	14,999,136	-	-	-	14,999,136
8 Secured by residential property	-	-	-	-	3,676,465	-	-	-	-	3,676,465
9 Secured by commercial real estate	-	-	-	-	-	-	8,668,522	-	-	8,668,522
10 Equity	1,295,009	-	-	-	-	-	389,182	-	491,487	2,175,678
11 Past-due loans	-	-	-	-	-	-	134,883	20,582	-	155,465
12 Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13 Other assets	1,963,674	-	-	-	-	-	1,630,990	-	-	3,594,664
14 Total	8,894,367	-	7,231,607	-	6,159,306	14,999,136	34,776,552	126,169	491,487	72,678,624

Increase in exposure after CCF & risk mitigation over the period in exposure in 50% risk weighted assets is due shifting of Residential Mortgage portfolio to 50% RWA with increase in exposure on other Banks. Consumer financing portfolio over the period increased in 75% risk weighted assets. Exposure in 100% risk weighted assets increased due to increase in corporate asset class.

B.37 - Template MR1

Market risk under standardized approach (SAR '000)

		a
		RWA
	Outright products	826,423
1	Interest rate risk (general and specific)	-
2	Equity risk (general and specific)	-
3	Foreign exchange risk	826,423
4	Commodity risk	-
	Options	-
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	-
8	Securitization	-
9	Total	826,423

Bank's FX Capital Charge decreases to SAR 66,114 as at June 30, 2018 from SAR 95,284 as at March 31, 2018.