

Basel III Pillar 3 Disclosures

30 June 2020

Basel III Pillar 3

Quantitative Disclosures

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KM1

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

		a	b	c	d	e
		Jun-20	Mar-20	Dec-19	Sep -19	Jun-19
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	9,923,667	9,611,012	9,473,031	9,115,041	8,873,823
1a	Fully loaded ECL accounting model	9,923,667	9,611,012	9,473,031	9,115,041	8,873,823
2	Tier 1	9,923,667	9,611,012	9,473,031	9,115,041	8,873,823
2a	Fully loaded ECL accounting model Tier 1	9,923,667	9,611,012	9,473,031	9,115,041	8,873,823
3	Total capital	12,725,785	12,405,489	12,264,291	11,868,769	11,576,630
3a	Fully loaded ECL accounting model total capital	12,725,785	12,405,489	12,264,291	11,868,769	11,576,630
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	71,853,718	70,365,787	70,099,746	66,829,627	62,717,246
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	13.81%	13.66%	13.51%	13.64%	14.15%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	13.81%	13.66%	13.51%	13.64%	14.15%
6	Tier 1 ratio (%)	13.81%	13.66%	13.51%	13.64%	14.15%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	13.81%	13.66%	13.51%	13.64%	14.15%
7	Total capital ratio (%)	17.71%	17.63%	17.50%	17.76%	18.46%
7a	Fully loaded ECL accounting model total capital ratio (%)	17.71%	17.63%	17.50%	17.76%	18.46%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
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)	2.5%	2.5%	2.5%	2.5%	2.5%
12	CET1 available after meeting the bank's minimum capital requirements (%)	11.31%	11.16%	11.01%	11.14%	11.65%
Basel III Leverage Ratio						
13	Total Basel III leverage ratio exposure measure	95,217,684	94,901,262	91,998,156	86,882,409	81,932,570
14	Basel III leverage ratio (%) (row 2 / row 13)	10.42%	10.13%	10.30%	10.49%	10.83%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row13)	10.42%	10.13%	10.30%	10.49%	10.83%
Liquidity Coverage Ratio						
15	Total HQLA	16,144,691	15,138,021	13,994,743	13,579,372	12,210,857
16	Total net cash outflow	13,020,787	12,577,510	10,885,799	10,237,395	10,007,897
17	LCR ratio (%)	124%	120%	129%	133%	122%
Net Stable Funding Ratio						
18	Total available stable funding	65,142,794	64,036,931	62,432,696	61,758,805	56,041,768
19	Total required stable funding	56,651,201	54,253,452	51,047,910	49,463,860	46,255,125
20	NSFR ratio	115%	118%	122%	125%	121%

OV1

Overview of RWA (SAR '000)

		a	b	c
		RWA		Minimum Capital Requirements
		Jun 20	Mar 20	Jun 20
1	Credit risk (excluding counterparty credit risk) (CCR)	64,169,456	63,558,174	5,133,556
2	Of which standardised approach (SA)	64,169,456	63,558,174	5,133,556
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 under the simple risk weight approach	-	-	-
12	Equity investments in funds – look-through approach	-	-	-
13	Equity investments in funds – mandate-based approach	1,730,294	1,068,674	138,424
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	860,358	188,788	68,829
21	Of which standardised approach (SA)	860,358	188,788	68,829
22	Of which internal model approaches (IMM)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk	6,823,904	6,618,825	545,912
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)	71,853,718	70,365,787	5,748,297

CC1			
Composition of regulatory capital (SAR '000)			
		a	b
		Amounts	Source based on reference numbers/letters of the balance Sheet under the regulatory scope of consolidation
Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	7,500,000	(h)
2	Retained earnings	743,274	
3	Accumulated other comprehensive income (and other reserves)	1,680,393	
4	<i>Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)</i>		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)		
6	Common Equity Tier 1 capital before regulatory adjustments	9,923,667	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudent valuation adjustments		
8	Goodwill (net of related tax liability)		(a) minus (d)
9	Other intangibles other than mortgage servicing rights (net of related tax liability)		(b) minus (e)
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)		
11	Cash flow hedge reserve		
12	Shortfall of provisions to expected losses		
13	Securitisation gain on sale (as set out in paragraph 36 of Basel III securitisation framework[1])		
14	Gains and losses due to changes in own credit risk on fair valued liabilities		
15	Defined benefit pension fund net assets		

		a	b
		Amounts	Source based on reference numbers/letters of the balance Sheet under the regulatory scope of consolidation
16	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)		
17	Reciprocal cross-holdings in common equity		
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)		
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)		
20	Mortgage servicing rights (amount above 10% threshold)		(c) minus (f) minus 10% threshold
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)		
22	Amount exceeding the 15% threshold		
23	Of which: significant investments in the common stock of financials		
24	Of which: mortgage servicing rights		
25	Of which: deferred tax assets arising from temporary differences		
26	National specific regulatory adjustments		
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		
28	Total regulatory adjustments to Common Equity Tier 1		
29	Common Equity Tier 1 capital (CET1)	9,923,667	
	Additional Tier 1 capital: instruments		
30	Directly issued qualifying additional Tier 1 instruments plus related stock surplus		(i)
31	Of which: classified as equity under applicable accounting standards		

		a	b
		Amounts	Source based on reference numbers/letters of the balance Sheet under the regulatory scope of consolidation
32	Of which: classified as liabilities under applicable accounting standards		
33	<i>Directly issued capital instruments subject to phase-out from additional Tier 1</i>		
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)		
35	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>		
36	Additional Tier 1 capital before regulatory adjustments		
	Additional Tier 1 capital: regulatory adjustments		
37	Investments in own additional Tier 1 instruments		
38	Reciprocal cross-holdings in additional Tier 1 instruments		
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)		
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation		
41	National specific regulatory adjustments		
42	Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions		
43	Total regulatory adjustments to additional Tier 1 capital		
44	Additional Tier 1 capital (AT1)		
45	Tier 1 capital (T1 = CET1 + AT1)	9,923,667	
	Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	2,000,000	
47	<i>Directly issued capital instruments subject to phase-out from Tier 2</i>		

		a	b
		Amounts	Source based on reference numbers/letters of the balance Sheet under the regulatory scope of consolidation
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		
49	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>		
50	Provisions	802,118	
51	Tier 2 capital before regulatory adjustments	2,802,118	
	Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments		
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities		
54	Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)		
54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)		
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
56	National specific regulatory adjustments		
57	Total regulatory adjustments to Tier 2 capital	0	
58	Tier 2 capital (T2)	2,802,118	
59	Total regulatory capital (TC = T1 + T2)	12,725,785	
60	Total risk-weighted assets	71,853,718	
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	13.81%	

		a	b
		Amounts	Source based on reference numbers/letters of the balance Sheet under the regulatory scope of consolidation
62	Tier 1 (as a percentage of risk-weighted assets)	13.81%	
63	Total capital (as a percentage of risk-weighted assets)	17.71%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	2.50%	
65	Of which: capital conservation buffer requirement	2.50%	
66	Of which: bank-specific countercyclical buffer requirement	0%	
67	Of which: higher loss absorbency requirement	0%	
68	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements	11.31%	
	National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)		
70	National Tier 1 minimum ratio (if different from Basel III minimum)		
71	National total capital minimum ratio (if different from Basel III minimum)		
	Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities		
73	Significant investments in the common stock of financial entities		
74	Mortgage servicing rights (net of related tax liability)		
75	Deferred tax assets arising from temporary differences (net of related tax liability)		
	Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	802,118	

		a	b
		Amounts	Source based on reference numbers/letters of the balance Sheet under the regulatory scope of consolidation
77	Cap on inclusion of provisions in Tier 2 under standardised approach	802,118	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)		
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach		
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
80	Current cap on CET1 instruments subject to phase-out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase-out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase-out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

CC2
Reconciliation of regulatory capital to balance sheet (SAR '000)

	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period-end	As at period-end	
Assets			
Cash and Balances with SAMA	5,351,825	5,351,825	
Due from banks and other financial institutions, net	2,987,370	2,987,370	
Investments, net	12,825,968	12,825,968	
Financing, Net	64,922,659	64,922,659	
Property and equipment, net	1,925,245	1,925,245	
Other assets	811,114	811,114	
Total assets	88,824,181	88,824,181	
Liabilities			
Due to banks and other financial institutions	5,669,260	5,669,260	
Customer deposits	64,875,731	64,875,731	
Subordinated Sukuk	2,005,162	2,005,162	
Other liabilities	6,421,689	6,421,689	
Total liabilities	78,971,842	78,971,842	

	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period-end	As at period-end	
Shareholders' equity			
Paid-in share capital	7,500,000	7,500,000	
Of which: amount eligible for CET1	7,500,000	7,500,000	(h)
Of which: amount eligible for AT1			(i)
Retained earnings	671,946	671,946	
	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period-end	As at period-end	
Accumulated other comprehensive income	1,680,393	1,680,393	
Total shareholders' equity	9,852,339	9,852,339	

CCA
Main features of regulatory capital instruments and of other TLAC-eligible instruments

		a
		Quantitative / qualitative information
1	Issuer	Bank Albilad
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	SA14PVK2IFJ6 - SA14PFK2IEJ9
3	Governing law(s) of the instrument	The instrument is governed by the laws of the Kingdom of Saudi Arabia
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	Not applicable
4	Transitional Basel III rules	Tier 2
5	Post-transitional Basel III rules	Eligible
6	Eligible at solo/group/group and solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Tier 2 Sukuk
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	SAR 2,000 million
9	Par value of instrument	SAR 2,000 million
10	Accounting classification	Liability at amortized cost
11	Original date of issuance	30-Aug-16
12	Perpetual or dated	Dated
13	Original maturity date	30-Aug-26
14	Issuer call subject to prior supervisory approval	Distribution Date that falls on the [fifth] anniversary of the Closing Date in whole, but not in part, on giving not less than thirty (30) days' nor more than sixty (60) days' notice to the Sukukholders' Agent in accordance with the Declaration of Agency and to the Sukukholders in accordance with Condition 18 (Notices) (which notice shall be irrevocable), and, subject to Condition 5(b) (Subordination) and Condition 12 (Write-down at the Point of Non-viability), each Sukukholder shall receive its pro rata share of the Sukuk Capital on the date specified in such notice.

15	Optional call date, contingent call dates and redemption amount	The Sukuk may be redeemed prior to the Expiry Date at the option of the Issuer (subject to prior written approval from the Banking Regulator, if then required) on the Periodic Distribution Date that falls on the [fifth] anniversary of the Closing Date in whole, but not in part, on giving not less than thirty (30) days' nor more than sixty (60) days' notice to the Sukukholders' Agent in accordance with the Declaration of Agency and to the Sukukholders in accordance with Condition 18 (Notices) (which notice shall be irrevocable), and, subject to Condition 5(b) (Subordination) and Condition 12 (Write-down at the Point of Non-viability), each Sukukholder shall receive its pro rata share of the Sukuk Capital on the date specified in such notice (the Optional Dissolution Date).
16	Subsequent call dates, if applicable	As Above.
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	3M SIBOR + 200bps
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory
21	Existence of step-up or other incentive to redeem	No
22	Non-cumulative or cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	Not applicable
25	If convertible, fully or partially	Not applicable
26	If convertible, conversion rate	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable
30	Writedown feature	Yes
31	If writedown, writedown trigger(s)	Issuer will undertake to redeem the Sukuk from the Sukukholders at the Sukuk Capital amount (as defined in the Conditions) on the Liquidation Date (as defined in the Conditions).
32	If writedown, full or partial	Can be full or partial
33	If writedown, permanent or temporary	Permanent
34	If temporary write-own, description of writeup mechanism	Not applicable
34a	Type of subordination	Not secured
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	subordinated senior obligation immediately senior to this instrument
36	Non-compliant transitioned features	Not applicable
37	If yes, specify non-compliant features	Not applicable

LR1

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

Items		a
1	Total consolidated assets as per published financial statements	88,824,181
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 recognized 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)	4,249,438
7	Other adjustments	2,144,065
8	Leverage ratio exposure measure	95,217,684

LR2

Leverage ratio common disclosure template (SAR '000)

		a	b
		Jun-20	Mar-20
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	90,968,246	90,670,804
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)	90,968,246	90,670,804
Derivative exposures^p			
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	7,957,198	8,223,517
18	(Adjustments for conversion to credit equivalent amounts)	(3,707,760)	(3,993,059)
19	Off-balance sheet items (sum of rows 17 and 18)	4,249,438	4,230,458
Capital and total exposures			
20	Tier 1 capital	9,923,667	9,611,012
21	Total exposures (sum of rows 3, 11, 16 and 19)	95,217,684	94,901,262
Leverage ratio			
21	Basel III leverage ratio	10.42%	10.13%

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

		a	b
		Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets			
1	Total HQLA		16,144,691
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:		
3	Stable deposits		
4	Less stable deposits	42,104,475	4,210,448
5	Unsecured wholesale funding, of which:	27,947,983	13,687,102
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks		
7	Non-operational deposits (all counterparties)	27,947,983	13,687,102
8	Unsecured debt		
9	Secured wholesale funding		
10	Additional requirements, of which:	723,615	72,361
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	723,615	72,361
14	Other contractual funding obligations	1,698	1,698
15	Other contingent funding obligations	20,371,639	407,433
16	TOTAL CASH OUTFLOWS		18,379,042
Cash inflows			
17	Secured lending (eg reverse repos)	-	-
18	Inflows from fully performing exposures	7,205,957	5,358,254
19	Other cash inflows	-	-
20	TOTAL CASH INFLOWS	7,205,957	5,358,254
			Total adjusted value
21	Total HQLA		16,144,691
22	Total net cash outflows		13,020,787
23	Liquidity Coverage Ratio (%)		123.99%

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:					12,725,785
2 <i>Regulatory capital</i>	12,725,785				12,725,785
3 <i>Other capital instruments</i>					
4 Retail deposits and deposits from small business customers:					38,482,407
5 <i>Stable deposits</i>					
6 <i>Less stable deposits</i>	42,792,615	877,618,592	43,458,587		38,482,407
7 Wholesale funding:					13,934,602
8 <i>Operational deposits</i>	130,516				65,258
9 <i>Other wholesale funding</i>	17,395,366	3,775,308	2,614,014	1,977,000	11,892,344
10 Liabilities with matching interdependent assets					
11 Other liabilities:					
12 <i>NSFR derivative liabilities</i>					
13 <i>All other liabilities and equity not included in the above categories</i>	7,576,274				
14 Total ASF					65,142,794
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)					525,372
16 Deposits held at other financial institutions for operational purposes					
17 Performing loans and securities:					51,694,482
18 <i>Performing loans to financial institutions secured by Level 1 HQLA</i>					-
19 <i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	168,443	1,300,000	520,000		539,221
20 <i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:</i>		10,873,401	5,033,507	49,569,886	50,087,857
21 <i>With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk</i>					
22 <i>Performing residential mortgages, of which:</i>					

	(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	
23	<i>With a risk weight of less than or equal to 35% under the Basel standardised approach for credit risk</i>					
24	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>				1,255,769	1,067,403
25	Assets with matching interdependent liabilities					
26	Other assets:					4,431,348
27	<i>Physical traded commodities, including gold</i>					
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>					
29	<i>NSFR derivative assets</i>					
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>					
31	<i>All other assets not included in the above categories</i>	5,108,602				4,431,348
32	Off-balance sheet items					
33	Total RSF					56,651,201
34	Net Stable Funding Ratio (%)					115%

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	881,145	66,317,705	2,089,990	65,108,860
2	Debt Securities	-	10,551,630	-	10,551,630
3	Off-balance sheet exposures	-	7,957,198	104,204	7,852,994
4	Total	881,145	84,826,533	2,194,195	83,513,483

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).

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	735,913
2	Loans and debt securities that have defaulted since the last reporting period	284,715
3	Returned to non-defaulted status	17,335
4	Amounts written off	20,351
5	Other changes	(101,797)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	881,145

Defaulted finances at the end of reporting period increased as compared to previous reporting date due to additional Corporate and Consumer NPLs during the period. Nevertheless, during the period there were also recoveries from non-performing clients.

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	65,108,860	-	-	-	-	-
2	Debt securities	10,551,630	-	-	-	-	-
3	Total	75,660,489	-	-	-	-	-
4	Of which defaulted	881,145	-	-	-	-	-

Financing portfolio of the bank increased over the period. Major contributor of the aforementioned increase is due to increase in the Consumer financing besides increase in Corporate financing.

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	12,983,124		12,983,124			0%
2	Non-central government public sector entities						
3	Multilateral development banks						
4	Banks	3,378,164	1,270,754	3,378,164	1,011,752	1,847,732	42%
5	Securities firms				-	-	
6	Corporates	23,757,437	5,292,094	23,679,692	2,747,013	25,600,642	97%
7	Regulatory retail portfolios	15,866,967	1,010,241	15,863,958	228,691	12,069,487	75%
8	Secured by residential property	15,949,197		15,949,197		7,974,599	50%
9	Secured by commercial real estate	11,042,892	183,801	11,041,779	153,373	11,195,152	100%
10	Equity	2,424,638		2,424,638		2,160,062	89%
11	Past-due loans	397,899	200,308	397,899	108,608	691,121	136%
12	Higher-risk categories						
13	Other assets	4,352,334		4,352,334		2,630,661	60%
14	Total	90,152,652	7,957,198	90,070,785	4,249,438	64,169,456	68%

Increase in consumer financing portfolio along with increase in sovereign's exposure was major contributor in overall increase in on balance sheet exposure.

CR5

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

	a	b	c	d	e	f	g	h	i	j	k
Asset classes/ Risk weight*	0%	10%	20%	35%	50%	75%	85%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1 Sovereigns and their central banks	12,983,124										12,983,124
2 Non-central government public sector entities (PSEs)											-
3 Multilateral development banks (MDBs)											-
4 Banks			1,653,208		2,457,729			260,486	18,493		4,389,916
5 Securities firms											-
6 Corporates					221,996		4,767,098	21,437,611			26,426,705
7 Regulatory retail portfolios						16,092,649					16,092,649
8 Secured by residential property					15,949,197						15,949,197
9 Secured by commercial real estate								11,195,152			11,195,152
10 Equity	1,297,171							429,768		697,699	2,424,638
11 Past-due loans								137,280	369,227		506,507
12 Higher-risk categories											-
13 Other assets	1,721,673							2,630,661			4,352,334
14 Total	16,001,968	-	1,653,208	-	18,628,922	16,092,649	4,767,098	36,090,959	387,720	697,699	94,320,223

50% RWA exposure increased due to the increase residential financing. Likewise, exposure assigned to 85% RWA is SME exposure in corporate business banking book as per latest guidelines by SAMA.

MR1

Market risk under standardized approach (SAR '000)

		a
		Capital charge in SA
1	General interest rate risk	-
2	Equity risk	-
3	Commodity risk	-
4	Foreign exchange risk	68,829
5	Credit spread risk – non-securitisations	-
6	Credit spread risk – securitisations (non-correlation trading portfolio)	-
7	Credit spread risk – securitisation (correlation trading portfolio)	-
8	Default risk – non-securitisations	-
9	Default risk – securitisations (non-correlation trading portfolio)	-
10	Default risk – securitisations (correlation trading portfolio)	-
11	Residual risk add-on	-
12	Total	68,829

FX capital charge increased to SAR 68,829 mil compared to last quarter figure of SAR 15,103 mil mainly due to change in USD exposure.