

Basel III Pillar 3 Disclosures

30 June 2021

Basel III Pillar 3

Quantitative Disclosures

	Tables and templates	Template ref. #	Page NO.
Part 2 – Overview of risk management and RWA	KM1 – Key metrics (at consolidated group level)	KM1	3
	OV1 – Overview of RWA	OV1	4
Part 4 – Composition of capital and TLAC	CC1 – Composition of regulatory capital	CC1	5
	CC2 – Reconciliation of regulatory capital to balance sheet	CC2	8
	CCA – Main features of regulatory capital instruments and of other TLAC- eligible instruments	CCA	9
Part 6 – Leverage ratio	LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure	LR1	13
	LR2 – Leverage ratio common disclosure template	LR2	14
Part 7 – Liquidity	LIQ1 – Liquidity Coverage Ratio (LCR)	LIQ1	15
	LIQ2 – Net Stable Funding Ratio (NSFR)	LIQ2	16
Part 8– Credit risk	CR1 – Credit quality of assets	CR1	18
	CR2 – Changes in stock of defaulted loans and debt securities	CR2	19
	CR3 – Credit risk mitigation techniques – overview	CR3	20
	CR4 – Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects	CR4	21
	CR5 – Standardized approach – exposures by asset classes and risk weights	CR5	22
Part 11 – Market risk	MR1 – Market risk under standardized approach	MR1	23

KM1

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

		a	b	c	d	e
		Jun-21	Mar-21	Dec-20	Sep -20	Jun-20
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	11,487,878	10,908,375	10,801,732	10,382,250	9,923,667
1a	Fully loaded ECL accounting model	11,416,549	10,837,046	10,730,403	10,310,921	9,852,338
2	Tier 1	11,487,878	10,908,375	10,801,732	10,382,250	9,923,667
2a	Fully loaded ECL accounting model Tier 1	11,416,549	10,837,046	10,730,403	10,310,921	9,852,338
3	Total capital	16,447,007	13,816,053	13,651,474	13,215,699	12,725,785
3a	Fully loaded ECL accounting model total capital	16,375,678	13,744,724	13,580,145	13,144,370	12,654,456
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	85,432,044	80,930,502	76,061,833	74,447,180	71,853,719
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	13.45%	13.48%	14.20%	13.95%	13.81%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	13.36%	13.39%	14.11%	13.85%	13.71%
6	Tier 1 ratio (%)	13.45%	13.48%	14.20%	13.95%	13.81%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	13.36%	13.39%	14.11%	13.85%	13.71%
7	Total capital ratio (%)	19.25%	17.07%	17.95%	17.75%	17.71%
7a	Fully loaded ECL accounting model total capital ratio (%)	19.17%	16.98%	17.85%	17.66%	17.61%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
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)	2.50%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	10.95%	10.98%	11.70%	11.45%	11.31%
Basel III Leverage Ratio						
13	Total Basel III leverage ratio exposure measure	115,840,613	110,189,825	102,976,239	99,528,939	95,217,684
14	Basel III leverage ratio (%) (row 2 / row 13)	9.92%	9.90%	10.49%	10.43%	10.42%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row13)	9.86%	9.83%	10.42%	10.36%	10.35%
Liquidity Coverage Ratio						
15	Total HQLA	19,095,578	18,336,929	17,204,857	16,362,364	16,144,691
16	Total net cash outflow	13,737,001	13,173,875	13,949,812	14,764,166	13,020,787
17	LCR ratio (%)	139%	139%	123%	111%	124%
Net Stable Funding Ratio						
18	Total available stable funding	75,858,178	70,707,867	68,229,190	63,499,124	65,142,794
19	Total required stable funding	67,677,875	65,077,703	60,012,828	57,232,830	56,651,201
20	NSFR ratio	112%	109%	114%	111%	115%

OV1
Overview of RWA (SAR '000)

		a	b	c
		RWA		Minimum Capital Requirements
		Jun 21	Mar 21	Jun 21
1	Credit risk (excluding counterparty credit risk) (CCR)	76,730,308	72,614,256	6,138,425
2	Of which standardised approach (SA)	76,730,308	72,614,256	6,138,425
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	1,546,147	1,480,833	123,692
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	1,054,127	847,775	84,330
21	Of which standardised approach (SA)	1,054,127	847,775	84,330
22	Of which internal model approaches (IMM)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk	7,647,609	7,468,472	611,809
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)	85,432,044	80,930,502	6,834,564

CC1

Composition of regulatory capital (SAR '000)

		a
		Amounts
	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
2	Retained earnings	2,644,500
3	Accumulated other comprehensive income (and other reserves)	1,343,378
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	11,487,878
	Common Equity Tier 1 capital: regulatory adjustments	
7	Prudent valuation adjustments	
8	Goodwill (net of related tax liability)	
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	
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	
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)	
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)	11,487,878
	Additional Tier 1 capital: instruments	
30	Directly issued qualifying additional Tier 1 instruments plus related stock surplus	
31	Of which: classified as equity under applicable accounting standards	
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)	11,487,878
	Tier 2 capital: instruments and provisions	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	4,000,000
47	<i>Directly issued capital instruments subject to phase-out from Tier 2</i>	
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	959,129
51	Tier 2 capital before regulatory adjustments	4,959,129
	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	
58	Tier 2 capital (T2)	4,959,129
59	Total regulatory capital (TC = T1 + T2)	4,959,129
60	Total risk-weighted assets	85,432,044
Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	13.45%
62	Tier 1 (as a percentage of risk-weighted assets)	13.45%
63	Total capital (as a percentage of risk-weighted assets)	19.25%
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	0.00%
67	Of which: higher loss absorbency requirement	0.00%
68	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements	10.95%
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)	959,129
77	Cap on inclusion of provisions in Tier 2 under standardised approach	1,687,276
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
	Balance sheet as in published financial statements	Under regulatory scope of consolidation
	As at period-end	As at period-end
Cash and Balances with SAMA	6,665,962	6,665,962
Due from banks and other financial institutions, net	1,851,602	1,851,602
Investments, net	16,788,445	16,788,445
Financing, Net	79,129,992	79,129,992
Property and equipment, net	1,860,864	1,860,864
Other assets	1,355,274	1,355,274
Total assets	107,652,139	107,652,139
Due to banks and other financial institutions	5,063,288	5,063,288
Customer deposits	81,638,058	81,638,058
Subordinated Sukuk	4,078,967	4,078,967
Other liabilities	5,455,276	5,455,276
Total liabilities	96,235,589	96,235,589
Paid-in share capital	7,500,000	7,500,000
Of which: amount eligible for CET1	7,500,000	7,500,000
Of which: amount eligible for AT1		
Retained earnings	2,573,172	2,573,172
	a	b
	Balance sheet as in published financial statements	Under regulatory scope of consolidation
	As at period-end	As at period-end
Accumulated other comprehensive income	1,343,378	1,343,378
Total shareholders' equity	11,416,549	11,416,549

CCA

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

1)

		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 1,000 million
9	Par value of instrument	SAR 1,000 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	Yes
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	Not applicable
	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)	Terms of issuance provide the legal basis for the regulator to trigger write down
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	Contractual
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 debt and senior debt instruments are senior to this instrument
36	Non-compliant transitioned features	Not applicable
37	If yes, specify non-compliant features	Not applicable

2)

		a
		Quantitative / qualitative information
1	Issuer	Bank Albilad
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	SA15AFK0HS36 - BP0668155
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 3,000 millions
9	Par value of instrument	SAR 3,000 millions
10	Accounting classification	Liability at amortized cost
11	Original date of issuance	15-Apr-21
12	Perpetual or dated	Dated
13	Original maturity date	15-Apr-31
14	Issuer call subject to prior supervisory approval	Yes
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	Not Applicable
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	3M SAIBOR + 165 Basis points
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)	Terms of issuance provide the legal basis for the regulator to trigger write down
32	If writedown, full or partial	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	Contractual
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 debt and senior debt instruments are senior to this instrument
36	Non-compliant transitioned features	Not applicable
37	If yes, specify non-compliant features	Not applicable

On August 30, 2016, the Bank issued 2,000 Sukuk Certificates (Sukuk) of SR 1 million each, and payable quarterly each year until August 30, 2026, on which date the Sukuk will be redeemed. The Bank has a call option which can be exercised on or after August 30, 2021 as per the terms and conditions in the related offering circular.

On April 15, 2021, the Bank issued 3,000 Sukuk Certificates (Sukuk) of SR 1 million each, and payable quarterly each year until April 15, 2031. The Bank has a call option which can be exercised on or after April 15, 2026 as per the terms mentioned in the related offering circular. The offer also included an option for the holders of the SAR 2 billion Sukuk (due 2026) that were previously issued by the Bank (the "Previous Sukuk") to exchange their investment in the Previous Sukuk with an investment in the Tier 2 Sukuk, subject to the terms and conditions of the Sukuk. Certain Sukuk holders with carrying value of SR 939 million has exercised their exchange option and subscribed into the investment in the Tier 2 Sukuk.

LR1

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

Items		a
1	Total consolidated assets as per published financial statements	107,652,139
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)	4,967,246
7	Other adjustments	3,224,944
8	Leverage ratio exposure measure	115,844,329

LR2

Leverage ratio common disclosure template (SAR '000)

		a	b
		Jun-21	Mar-21
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	110,877,083	105,141,722
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)	110,877,083	105,141,722
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	8,973,990	9,439,811
18	(Adjustments for conversion to credit equivalent amounts)	(4,006,744)	(4,391,708)
19	Off-balance sheet items (sum of rows 17 and 18)	4,967,246	5,048,103
Capital and total exposures			
20	Tier 1 capital	11,487,878	10,908,375
21	Total exposures (sum of rows 3, 11, 16 and 19)	115,844,329	110,189,825
Leverage ratio			
21	Basel III leverage ratio	9.92%	9.90%

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

		a	b
		Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets			
1	Total HQLA		19,095,578
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	41,317,912	4,131,791
3	Stable deposits	-	-
4	Less stable deposits	41,317,912	4,131,791
5	Unsecured wholesale funding, of which:	29,631,232	12,457,639
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-
7	Non-operational deposits (all counterparties)	29,631,232	12,457,639
8	Unsecured debt	-	-
9	Secured wholesale funding	-	-
10	Additional requirements, of which:	1,757,983	175,798
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	1,757,983	175,798
14	Other contractual funding obligations	12,112,499	363,375
15	Other contingent funding obligations	7,814,375	156,288
16	TOTAL CASH OUTFLOWS		17,284,891
Cash inflows			
17	Secured lending (eg reverse repos)		
18	Inflows from fully performing exposures	5,709,760	3,547,890
19	Other cash inflows		
20	TOTAL CASH INFLOWS	5,709,760	3,547,890
			Total adjusted value
21	Total HQLA		19,095,578
22	Total net cash outflows		13,737,001
23	Liquidity Coverage Ratio (%)		139%

As at June 2021, the average LCR is 139% almost same as reported in Q1'2021.

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:					15,447,007
2 <i>Regulatory capital</i>	12,447,007	-	-	3,000,000	15,447,007
3 <i>Other capital instruments</i>	-	-	-	-	-
4 Retail deposits and deposits from small business customers:					41,149,097
5 <i>Stable deposits</i>	-	-	-	-	-
6 <i>Less stable deposits</i>	45,238,156	319,976	163,087	-	41,149,097
7 Wholesale funding:					19,262,073
8 <i>Operational deposits</i>	176,767	-	-	-	88,383
9 <i>Other wholesale funding</i>	31,171,165	9,429,364	4,002,948	2,317,373	19,173,690
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>					
14 Total ASF					75,858,178
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)					
16 Deposits held at other financial institutions for operational purposes					
17 Performing loans and securities:					63,205,739
18 <i>Performing loans to financial institutions secured by Level 1 HQLA</i>	-	-	-	12,498,011	624,901
19 <i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	488,847	985,804	-	370,000	762,294
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>	-	19,955,868	7,103,476	-	13,529,668
21 <i>With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk</i>	-	-	-	53,753,465	45,690,445
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 With a risk weight of less than or equal to 35% under the Basel III standardised approach for credit risk	-	-	-	-	-
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	3,056,978	2,598,431
25 Assets with matching interdependent liabilities					
26 Other assets:					4,472,136
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	-		4,399,426		4,399,426
32 Off-balance sheet items					72,710
33 Total RSF					67,677,875
34 Net Stable Funding Ratio %					112%

As at June 2021, NSFR was amounting to 112% compared to 113.7% reported at Dec 2020, i.e. a decrease of 1.6%. This was, primarily, due to increase in RSF during the reporting period.

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	1,012,500	80,738,773	2,621,282	79,129,991
2	Debt Securities	-	14,003,867	15,337	13,988,530
3	Off-balance sheet exposures	201,500	8,973,990	128,527	9,046,963
4	Total	1,214,000	103,716,630	2,765,146	102,165,484

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	845,192
2 Loans and debt securities that have defaulted since the last reporting period	300,511
3 Returned to non-defaulted status	23,557
4 Amounts written off	38,352
5 Other changes	(71,295)
6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	1,012,500

Defaulted finances at the end of reporting period increased as compared to previous reporting date despite having written off some old NPLs during the period. Moreover, during the period there were also recoveries from non-performing clients. However, there were a few corporate clients that turned NPLs that caused to increase in overall NPLs.

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	79,129,991	-	-	-	-	-
2	Debt securities	13,988,530	-	-	-	-	-
3	Total	93,118,521	-	-	-	-	-
4	Of which defaulted	1,012,500	-	-	-	-	-

Financing portfolio of the Bank increased over the period. Major contributor of the aforementioned increase is due to increase in the Consumer financing in addition to an increase in Corporate financing.

CR4

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

	Asset classes	a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		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	16,928,822	-	16,928,822	-	-	0%
2	Non-central government public sector entities	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-
4	Banks	3,160,938	1,131,168	3,160,938	648,236	1,519,842	40%
5	Securities firms	-	-	-	-	-	-
6	Corporates	29,922,962	5,480,362	29,840,991	3,383,239	32,390,634	97%
7	Regulatory retail portfolios	15,607,860	2,362,460	15,563,039	935,771	12,374,108	75%
8	Secured by residential property	24,292,873	-	24,265,355	-	12,132,678	50%
9	Secured by commercial real estate	12,070,939	-	12,070,939	-	12,070,939	100%
10	Equity	2,800,734	-	2,800,734	-	2,178,758	78%
11	Past-due loans	947,226	-	180,052	-	255,341	142%
12	Higher-risk categories	-	-	-	-	-	-
13	Other assets	5,144,729	-	5,144,729	-	3,808,010	74%
14	Total	110,877,083	8,973,990	109,955,599	4,967,246	76,730,308	67%

Increase in Residential Mortgage portfolio along with increase in Corporate financing exposure was major contributor in overall increase in on balance sheet exposure.

CR5
Standardized approach – exposures by asset classes and risk weights (SAR '000)

	Asset classes/ Risk weight*	a	b	c	d	e	f	g	h	i	j
		0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1	Sovereigns and their central banks	16,928,822	-	-	-	-	-	-	-	-	16,928,822
2	Non-central government public sector entities (PSEs)	-	-	-	-	-	-	-	-	-	-
3	Multilateral development banks (MDBs)	-	-	-	-	-	-	-	-	-	-
4	Banks	-	-	1,283,221	-	2,525,732	-	-	221	-	3,809,174
5	Securities firms	-	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	-	-	-	-	27,666,922	-	5,557,308	33,224,230
7	Regulatory retail portfolios	-	-	-	-	-	16,498,810	-	-	-	16,498,810
8	Secured by residential property	-	-	-	-	24,265,355	-	-	-	-	24,265,355
9	Secured by commercial real estate	-	-	-	-	-	-	12,070,939	-	-	12,070,939
10	Equity	1,296,971	-	-	-	-	-	632,611	-	871,152	2,800,734
11	Past-due loans	-	-	-	-	-	-	29,475	150,577	-	180,052
12	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13	Other assets	1,336,719	-	-	-	-	-	3,808,010	-	-	5,144,729
14	Total	19,562,512	-	1,283,221	-	26,791,087	16,498,810	44,207,957	150,798	6,428,460	114,922,844

Bank increased its exposure in residential real estate financing resulting in increase in exposure in 50% risk weighted assets. Increase in 100% risk weighted assets is due to increase Corporate financing exposure.

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	84,330
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	84,330

The foreign exchange capital charge increased in the second quarter of 2021 as compared to the previous quarter due to the Bank's increase in USD exposure.