



**SAUDI BRITISH BANK**

## **Basel III Pillar 3**

As at 31st March 2021

**TABLE OF CONTENTS**

<b>Tables and templates</b>		<b>Page</b>
Overview of risk management, key prudential metrics and RWA	KM1 – Key metrics (at consolidated group level)	3
	OV1 – Overview of RWA	4
Leverage ratio	LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure	5
	LR2 – Leverage ratio common disclosure template	6
Liquidity	LIQ1 – Liquidity Coverage Ratio (LCR)	7

**KM1: Key metrics (at consolidated group level) (Figures in SAR 000's)**

		a	b	c	d	e
		Mar-21	Dec-20	Sep-20	Jun-20	Mar-20
<b>Available capital (amounts)</b>						
1	Common Equity Tier 1 (CET1)	43,083,826	41,774,973	40,825,023	39,614,996	39,198,115
1a	Fully loaded ECL accounting model	41,441,049	40,132,195	39,182,245	37,528,862	37,555,337
2	Tier 1	43,083,826	41,774,973	40,825,023	39,614,996	39,198,115
2a	Fully loaded ECL accounting model Tier 1	41,441,049	40,132,195	39,182,245	37,528,862	37,555,337
3	Total capital	49,158,757	48,078,026	47,011,915	40,946,345	41,909,196
3a	Fully loaded ECL accounting model total capital	47,515,980	46,435,249	45,369,138	38,860,211	40,266,419
<b>Risk-weighted assets (amounts)</b>						
4	Total risk-weighted assets (RWA)	219,931,975	220,321,411	219,602,675	219,311,596	227,952,054
<b>Risk-based capital ratios as a percentage of RWA</b>						
5	Common Equity Tier 1 ratio (%)	19.59%	18.96%	18.59%	18.06%	17.20%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	18.84%	18.22%	17.84%	17.11%	16.48%
6	Tier 1 ratio (%)	19.59%	18.96%	18.59%	18.06%	17.20%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	18.84%	18.22%	17.84%	17.11%	16.48%
7	Total capital ratio (%)	22.35%	21.82%	21.41%	18.67%	18.39%
7a	Fully loaded ECL accounting model total capital ratio (%)	21.60%	21.08%	20.66%	17.72%	17.66%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.03%	0.04%	0.06%	0.06%	0.06%
10	Bank G-SIB and/or D-SIB additional requirements (%)	0.50%	0.50%	0.50%	0.50%	0.50%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.03%	3.04%	3.06%	3.06%	3.06%
12	CET1 available after meeting the bank's minimum capital requirements (%)	16.56%	15.92%	15.53%	15.00%	14.14%
<b>Basel III leverage ratio</b>						
13	Total Basel III leverage ratio exposure measure	331,138,272	333,198,107	318,788,141	323,484,551	326,300,512
14	Basel III leverage ratio (%) (row 2 / row 13)	13.01%	12.54%	12.81%	12.25%	12.01%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row13)	12.51%	12.04%	12.29%	11.60%	11.51%
<b>Liquidity Coverage Ratio</b>						
15	Total HQLA	84,829,759	83,678,550	75,744,641	69,358,446	64,960,935
16	Total net cash outflow	25,494,327	28,654,024	31,893,583	33,319,609	30,290,927
17	LCR ratio (%)	333%	299%	239%	209%	217%
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding	195,932,862	189,762,603	180,154,022	183,443,422	187,425,553
19	Total required stable funding	126,219,731	121,369,356	123,290,323	124,671,490	132,354,147
20	NSFR ratio	155.2%	156.4%	146.1%	147%	142%

**OV1: Overview of RWA (Figures in SAR 000's)**

		a	b	c
		RWA		Minimum capital requirements
		Mar-21	Dec-20	Mar-21
1	Credit risk (excluding counterparty credit risk)	196,118,360	194,667,740	15,689,470
2	<i>Of which: standardised approach (SA)</i>	196,118,360	194,667,740	15,689,470
3	<i>Of which: foundation internal ratings-based (F-IRB) approach</i>	-	-	-
4	<i>Of which: supervisory slotting approach</i>	-	-	-
5	<i>Of which: advanced internal ratings-based (A-IRB) approach</i>	-	-	-
6	Counterparty credit risk (CCR)	1,210,465	1,642,065	96,837
7	<i>Of which: standardised approach for counterparty credit risk</i>	1,210,465	1,642,065	96,837
8	<i>Of which: Internal Model Method (IMM)</i>	-	-	-
9	<i>Of which: other CCR</i>	-	-	-
10	Credit valuation adjustment (CVA)	107,911	119,763	8,633
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	-	-	-
14	Equity investments in funds – fall-back approach	137,338	146,363	10,987
15	Settlement risk	-	-	-
16	Securitisation exposures in banking book	-	-	-
17	<i>Of which: securitisation internal ratings-based approach (SEC-IRBA)</i>	-	-	-
18	<i>Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)</i>	-	-	-
19	<i>Of which: securitisation standardised approach (SEC-SA)</i>	-	-	-
20	Market risk	1,730,220	1,988,398	138,418
21	<i>Of which: standardised approach (SA)</i>	1,730,220	1,988,398	138,418
22	<i>Of which: internal model approaches (IMA)</i>	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk	18,021,472	19,064,614	1,441,718
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	2,606,210	2,692,469	208,497
26	Floor adjustment	-	-	-
<b>27</b>	<b>Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25 + 26)</b>	<b>219,931,975</b>	<b>220,321,411</b>	<b>17,594,559</b>

**LR1: Summary comparison of accounting assets vs leverage ratio exposure measure (Figures in SAR)**

		A
1	Total consolidated assets as per published financial statements	271,555,255
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	1,803,012
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)	55,998,302
7	Other adjustments	1,781,703
<b>8</b>	<b>Leverage ratio exposure</b>	<b>331,138,272</b>

**LR2: Leverage ratio common disclosure template (Figures in SAR 000's)**

		a	b
		Mar-21	Dec-20
<b>On-balance sheet exposures</b>			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	273,336,958	277,561,446
2	(Relevant Asset amounts deducted in determining Basel III Tier 1 capital)	-	-
3	<b>Total on-balance sheet exposures</b> (excluding derivatives and SFTs) (sum of lines 1 and 2)	<b>273,336,958</b>	<b>277,561,446</b>
<b>Derivative exposures</b>			
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash	1,321,864	1,410,511
5	Add-on amounts for Potential Financial Exposure (PFE) associated with all derivatives transactions	481,148	393,362
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant	-	-
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	<b>Total derivative exposures (sum of lines 4 to 10)</b>	<b>1,803,012</b>	<b>1,803,873</b>
<b>Securities financing transaction exposures</b>			
12	Gross SFT assets (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	Credit Conversion Factor (CCR) exposure for Security Financing Transaction (SFT ) assets	-	-
15	Agent transaction exposures	-	-
16	<b>Total securities financing transaction exposures (sum of lines 12 to 15)</b>	<b>-</b>	<b>-</b>
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposure at gross notional amount	170,496,555	167,361,637
18	(Adjustments for conversion to credit equivalent amounts)	(114,498,254)	(113,528,849)
19	<b>Off-balance sheet items (sum of lines 17 and 18)</b>	<b>55,998,302</b>	<b>53,832,788</b>
<b>Capital and total exposures</b>			
20	<b>Tier 1 capital</b>	<b>43,083,826</b>	<b>41,774,973</b>
21	<b>Total exposures (sum of lines 3, 11, 16 and 19)</b>	<b>331,138,272</b>	<b>333,198,107</b>
<b>Leverage ratio</b>			
22	<b>Basel III leverage ratio</b>	<b>13.01%</b>	<b>12.54%</b>

**LIQ1: Liquidity Coverage Ratio (LCR) (Figures in SAR 000's)**

		a	b
		Total Unweighted Value (average)	Total Weighted Value (average)
<b>High-quality liquid assets</b>			
<b>1</b>	<b>Total High-Quality Liquid Assets (HQLA)</b>		<b>84,829,759</b>
<b>Cash outflows</b>			
<b>2</b>	<b>Retail deposits and deposits from small business customers, of which:</b>	<b>67,107,902</b>	<b>6,351,953</b>
3	Stable deposits	-	-
4	Less stable deposits	67,107,902	6,351,953
<b>5</b>	<b>Unsecured wholesale funding, of which:</b>	<b>88,757,897</b>	<b>40,567,874</b>
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-
7	Non-operational deposits (all counterparties)	88,757,897	40,567,874
8	Unsecured debt	-	-
<b>9</b>	<b>Secured wholesale funding</b>	-	-
<b>10</b>	<b>Additional requirements, of which:</b>	<b>168,352,840</b>	<b>4,551,148</b>
11	Outflows related to derivative exposures and other collateral requirements	133,949	133,949
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	4,282,702	428,270
<b>14</b>	<b>Other contractual funding obligations</b>	-	-
<b>15</b>	<b>Other contingent funding obligations</b>	163,936,189	3,988,929
<b>16</b>	<b>TOTAL CASH OUTFLOWS</b>	<b>324,218,639</b>	<b>51,470,975</b>
<b>Cash inflows</b>			
<b>17</b>	<b>Secured lending (eg reverse repos)</b>	-	-
<b>18</b>	<b>Inflows from fully performing exposures</b>	44,250,904	25,710,596
19	Other cash inflows	414,006	266,052
<b>20</b>	<b>TOTAL CASH INFLOWS</b>	<b>44,664,910</b>	<b>25,976,648</b>
<b>21</b>	<b>TOTAL HQLA</b>		<b>84,829,759</b>
<b>22</b>	<b>TOTAL NET CASH OUTFLOWS</b>		<b>25,494,327</b>
<b>23</b>	<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>333%</b>

**APPENDIX: TABLES AND TEMPLATES ARE NOT APPLICABLE**

	Tables and templates
Linkages between FS & RE	PV1 - Prudent valuation adjustments (PVA)
Composition of capital and TLAC	TLAC1 - TLAC composition for G-SIBs (at resolution group level)
	TLAC2 - Material subgroup entity – creditor ranking at legal entity level
	TLAC3 - Resolution entity – creditor ranking at legal entity level
Macroprudential supervisory measures	GSIB1 - Disclosure of G-SIB indicators
Credit risk	CRE - Qualitative disclosures related to IRB models
	CR6 - IRB - Credit risk exposures by portfolio and PD range
	CR7 - IRB - Effect on RWA of credit derivatives used as CRM techniques
	CR8 - RWA flow statements of credit risk exposures under IRB
	CR9 - IRB - Backtesting of probability of default (PD) per portfolio
	CR10 - IRB (specialised lending and equities under the simple risk weight method)
Counterparty credit risk	CCR4 - IRB - CCR exposures by portfolio and PD scale
	CCR6 - Credit derivatives exposures
	CCR7 - RWA flow statements of CCR exposures under the Internal Model Method (IMM)
Securitisation	SECA - Qualitative disclosure requirements related to securitisation exposures
	SEC1 - Securitisation exposures in the banking book
	SEC2 - Securitisation exposures in the trading book
	SEC3 - Securitisation exposures in the banking book and associated regulatory capital requirements - bank acting as originator or as sponsor
	SEC4 - Securitisation exposures in the banking book and associated capital requirements - bank acting as investor
Market risk	MRB - Qualitative disclosures for banks using the IMA
	MRC - The structure of desks for banks using the IMA
	MR2 - RWA flow statements of market risk exposures under IMA (Phase I only)
	MR2 - Market risk IMA per risk type (Phase II only)
	MR3 - IMA values for trading portfolios (Phase I only)
	MR3 - RWA flow statements of market risk exposures under IMA (Phase II only)
	MR4 - Comparison of VaR estimates with gains/losses (Phase I only)