



**Basel III - Pillar 3**

**Semiannual Disclosures**

**As at 30th June 2017**

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## B.2 - Template OV1: Overview of RWA

SAR '000

		a	b	c
		RWA		Minimum capital requirements
		T Jun-17	T-1 Mar-17	T Jun-17
1	Credit risk (excluding counterparty credit risk) (CCR)	84,522,362	87,982,782	6,761,787
2	Of which standardised approach (SA)	84,522,362	87,982,782	6,761,787
3	Of which internal rating-based (IRB) approach			-
4	Counterparty credit risk	1,736,793	1,890,776	138,943
5	Of which standardised approach for counterparty credit risk (SA-CCR)*	1,736,793	1,890,776	138,943
6	Of which internal model method (IMM)			-
7	Equity positions in banking book under market-based approach	-		-
8	Equity investments in funds – look-through approach			-
9	Equity investments in funds – mandate-based approach			-
10	Equity investments in funds – fall-back approach			-
11	Settlement risk			-
12	Securitisation exposures in banking book	-	-	-
13	Of which IRB ratings-based approach (RBA)			-
14	Of which IRB Supervisory Formula Approach (SFA)			-
15	Of which SA/simplified supervisory formula approach (SSFA)			-
16	Market risk	238,718	167,242	19,097
17	Of which standardised approach (SA)	238,718	167,242	19,097
18	Of which internal model approaches (IMM)	-		-
19	Operational risk	5,834,538	5,684,463	466,763
20	Of which Basic Indicator Approach			-
21	Of which Standardised Approach	5,834,538	5,684,463	466,763
22	Of which Advanced Measurement Approach			-
23	Amounts below the thresholds for deduction (subject to 250% risk weight)			-
24	Floor adjustment			-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	92,332,411	95,725,263	7,386,591

### Explanation of significant drivers behind differences in reporting periods T and T-1:

There is no significant movement in RWA between the periods, however the RWAs are lower for the quarter ended 30th June 2017 due to reduction in the loans and advances portfolio and the reduction of the Residential Mortgage risk weight from 100% to 75%, effective from 1st April 2017 as per regulatory requirement.

## B.7 - Template CR1: Credit quality of assets

	a	b	c	d	
	Gross carrying values of		Allowances/ impairments	Net values (a+b-c)	
	Defaulted exposures	Non-defaulted exposures			
1	Loans	1,969,898	71,361,765	2,592,651	70,739,012
2	Debt Securities	-	14,837,113	-	14,837,113
3	Off-balance sheet exposures	-	27,176,261	-	27,176,261
4	<b>Total</b>	<b>1,969,898</b>	<b>113,375,139</b>	<b>2,592,651</b>	<b>112,752,386</b>
	<b>Cross validation</b>	1,969,898			
	<b>Difference</b>	-			

A specific allowance for credit losses due to impairment of a loan or any other financial assets held at amortised cost is established if there is objective evidence that the Group will not be able to collect all amounts due.  
Consumer loans/Home finance are considered to be impaired when a payment is overdue for 90 days and above.

## B.8 - Template CR2: Changes in stock of defaulted loans and debt securities

		a
1	Defaulted loans and debt securities at end of the previous reporting period	1,655,536
2	Loans and debt securities that have defaulted since the last reporting period	405,155
3	Returned to non-defaulted status	-
4	Amounts written off	(90,793)
5	Other changes	-
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	1,969,898

**B.11 - Template CR3: Credit risk mitigation techniques – overview**

	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	70,726,081	12,931	12,931	-	-	-	-
2 Debt securities	14,837,113	-	-	-	-	-	-
3 Total	85,563,194	12,931	12,931	-	-	-	-
4 Of which defaulted							

The above table only includes collateral that are eligible under the Standardised approach. The Bank also holds other collateral that it considers sufficient to provide credit risk mitigation in a default scenario

### B.13 - Template CR4: Standardised approach – credit risk exposure and Credit Risk Mitigation (CRM) effects

		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	21,403,695	-	21,425,250	-	-	0.00%
2	Non-central government public sector entities	-	-	-	-	-	
3	Multilateral development banks	376,955	-	376,955	-	-	0.00%
4	Banks	3,681,116	2,354,396	3,757,289	1,128,982	2,122,843	43.45%
5	Securities firms	95,215	35,812	19,043	17,906	10,418	28.19%
6	Corporates	52,373,147	24,786,052	52,375,560	11,282,750	63,449,433	99.67%
7	Regulatory retail portfolios	9,928,038	-	9,928,038	-	7,789,999	78.46%
8	Secured by residential property	10,717,099	-	10,717,099	-	8,037,824	75.00%
9	Secured by commercial real estate	-	-	-	-	-	
10	Equity	199,308	-	198,375	-	262,083	132.11%
11	Past-due loans	2,217,504	-	555,959	-	679,762	122.27%
12	Higher-risk categories	-	-	-	-	-	
13	Other assets	3,151,087	-	3,151,087	-	2,170,001	68.87%
14	<b>Total</b>	<b>104,143,165</b>	<b>27,176,261</b>	<b>102,504,655</b>	<b>12,429,638</b>	<b>84,522,362</b>	<b>73.54%</b>

**B.14 - Template CR5: Standardised approach – exposures by asset classes and risk weights**

**CR5: Standardised approach – exposures by asset classes and risk weights  
AS AT 30 JUNE 2017  
(SAR '000s)**

	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	21,425,250									21,425,250
2 Non-central government public sector entities (PSEs)										-
3 Multilateral development banks (MDBs)	376,955									376,955
4 Banks	-		2,528,596		1,351,826		905,954	5,816		4,792,193
5 Securities firms			95,215		35,812		-	-		131,027
6 Corporates	-		-		417,755		63,240,556			63,658,311
7 Regulatory retail portfolios						8,552,160	1,375,879			9,928,038
8 Secured by residential property						10,717,099	-			10,717,099
9 Secured by commercial real estate										-
10 Equity							155,903		42,472	198,375
11 Past-due loans							308,353	247,606		555,959
12 Higher-risk categories										-
13 Other assets	981,086						2,170,000			3,151,086
14 <b>Total</b>	<b>22,783,291</b>	<b>-</b>	<b>2,623,812</b>	<b>-</b>	<b>1,805,393</b>	<b>19,269,259</b>	<b>68,156,644</b>	<b>253,422</b>	<b>42,472</b>	<b>114,934,293</b>



**B.22 - Template CCR1: Analysis of counterparty credit risk (CCR)[1] exposure by approach**

	a	b	c	d	e	f
	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1 SA-CCR (for derivatives)	437,070	598,276		1.4	1,441,046	1,108,822
2 Internal Model Method (for derivatives and SFTs)						
3 Simple Approach for credit risk mitigation (for SFTs)						
4 Comprehensive Approach for credit risk mitigation (for SFTs)						
5 VaR for SFTs						
6 Total						1,108,822

## B.23 - Template CCR2: Credit valuation adjustment (CVA) capital charge

[Summary](#)

		a	b
		EAD post-CRM	RWA
	Total portfolios subject to the Advanced CVA capital charge		
1	(i) VaR component (including the 3×multiplier)		
2	(ii) Stressed VaR component (including the 3×multiplier)		
3	All portfolios subject to the Standardised CVA capital charge	1,441,046	627,971
4	Total subject to the CVA capital charge	<b>1,441,046</b>	<b>627,971</b>

**B.24 - Template CCR3: Standardised approach – CCR exposures by regulatory portfolio and risk weights**

	a	b	c	d	e	f	g	h	i
Regulatory portfolio*/ Risk weight***	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposures
Sovereigns and their central banks									-
Non-central government public sector entities (PSEs)									-
Multilateral development banks (MDBs)									-
Banks			118,644	474,619					593,263
Securities firms			-	-					-
Corporates						847,783			847,783
Regulatory retail portfolios									-
Other assets									-
<b>Total</b>	-	-	118,644	474,619	-	847,783	-	-	1,441,046

## B.26 - Template CCR5: Composition of collateral for CCR exposure

	a	b	c	d	e	f
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency						
Cash – other currencies	-	48,393	-	48,081		
Domestic sovereign debt						
Other sovereign debt						
Government agency debt						
Corporate bonds						
Equity securities						
Other collateral						
<b>Total</b>	-	48,393	-	48,081	-	-

## B.29 - Template CCR8: Exposures to central counterparties

		a	b
		EAD (post-CRM)	RWA
<b>1</b>	<b>Exposures to QCCPs (total)</b>	<b>1,037</b>	<b>21</b>
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	1,037	21
3	(i) OTC derivatives		
4	(ii) Exchange-traded derivatives	1,037	21
5	(iii) Securities financing transactions		
6	(iv) Netting sets where cross-product netting has been approved		
7	Segregated initial margin		
8	Non-segregated initial margin		
9	Pre-funded default fund contributions		
10	Unfunded default fund contributions		
<b>11</b>	<b>Exposures to non-QCCPs (total)</b>	<b>-</b>	<b>-</b>
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives		
14	(ii) Exchange-traded derivatives		
15	(iii) Securities financing transactions		
16	(iv) Netting sets where cross-product netting has been approved		
17	Segregated initial margin		
18	Non-segregated initial margin		
19	Pre-funded default fund contributions		
20	Unfunded default fund contributions		

### B.37 - Template MR1: Market risk under standardised approach

**MR1: Market risk under standardised approach**  
**AS AT 30 June 2017**  
**(SAR '000s)**

		a
		RWA
	Outright products	<b>238,718</b>
1	Interest rate risk (general and specific)	136,602
2	Equity risk (general and specific)	-
3	Foreign exchange risk	102,116
4	Commodity risk	-
	Options	-
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	-
8	Securitisation	-
<b>9</b>	<b>Total</b>	<b>238,718</b>