



SAUDI BRITISH BANK

**BASEL III - LEVERAGE RATIO
DISCLOSURE**

AS AT 30th September 2015



Table of Contents

	Page
Leverage Ratio Exposures (Table 1)	3
Leverage Ratio Regulatory Elements - (Table 2)	4
An Explanation of Each Row Items To Complete Table 2 (Table 3)	5
Changes In Leverage Ratio From One Period To The Next (Table 4) of Exceeding 15%	6
Reconciliation of Material Differences Between Banks Total Balance Sheet Assets & On Balance Sheet Exposures (Table 5)	7

TABLE 1: LEVERAGE DISCLOSURE

Leverage Ratio Exposures (Table 1)

Summary comparison of accounting assets versus leverage ratio exposure measure		Table 1
Row#	Item	SAR 000's
1	Total consolidated assets as per published financial statements	197,197,335
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	1,644,895
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)	47,722,221
7	Other adjustments	1,172,209
8	Leverage ratio exposure	247,736,660

TABLE 2: LEVERAGE DISCLOSURE

Leverage Ratio Regulatory Elements - (Table 2)

Leverage ratio common disclosure template		Table 2
Row#	Item	SAR 000's
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	197,534,671
2	(Relevant Asset amounts deducted in determining Basel III Tier 1 capital)	-
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	197,534,671
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	834,873
5	Add-on amounts for Potential Financial Exposure (PFE) associated with all derivatives transactions	1,644,895
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 lines 4 to 10)	2,479,768
Securities financing transaction exposures		
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	Total securities financing transaction exposures (sum of lines 12 to 15)	-
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	154,757,193
18	(Adjustments for conversion to credit equivalent amounts)	(107,034,972)
19	Off-balance sheet items (sum of lines 17 and 18)	47,722,221
Capital and total exposures		
20	Tier 1 capital	27,399,296
21	Total exposures (sum of lines 3, 11, 16 and 19)	247,736,660
Leverage ratio		
22	Basel III leverage ratio	11.06%

TABLE 3: LEVERAGE DISCLOSURE

An Explanation of Each Row Items To Complete Table 2 (Table 3)

Leverage ratio common disclosure template

Row number 2	Explanation
1	On-balance sheet assets according to paragraph 15.
2	Deductions from Basel III Tier 1 capital determined by paragraphs 9 and 16 and excluded from the leverage ratio exposure measure, reported as negative amounts.
3	Sum of lines 1 and 2.
4	Replacement cost (RC) associated with all derivatives transactions (including exposures resulting from transactions described in paragraph 28), net of cash variation margin received and with, where applicable, bilateral netting according to paragraphs 19–21 and 26.
5	Add-on amount for all derivative exposures according to paragraphs 19–21.
6	Grossed-up amount for collateral provided according to paragraph 24.
7	Deductions of receivables assets from cash variation margin provided in derivatives transactions according to paragraph 26, reported as negative amounts.
8	Exempted trade exposures associated with the CCP leg of derivatives transactions resulting from client-cleared transactions according to paragraph 27, reported as negative amounts.
9	Adjusted effective notional amount (ie the effective notional amount reduced by any negative change in fair value) for written credit derivatives according to paragraph 30.
10	Adjusted effective notional offsets of written credit derivatives according to paragraph 30 and deducted add-on amounts relating to written credit derivatives according to paragraph 31, reported as negative amounts.
11	Sum of lines 4–10.
12	Gross SFT assets with no recognition of any netting other than novation with QCCPs as set out in footnote 19, removing certain securities received as determined by paragraph 33 (i) and adjusting for any sales accounting transactions as determined by paragraph 34.
13	Cash payables and cash receivables of gross SFT assets netted according to paragraph 33 (i), reported as negative amounts.
14	Measure of counterparty credit risk for SFTs as determined by paragraph 33 (ii).
15	Agent transaction exposure amount determined according to paragraphs 35 to 37.
16	Sum of lines 12–15.
17	Total off-balance sheet exposure amounts on a gross notional basis, before any adjustment for credit conversion factors according to paragraph 39.
18	Reduction in gross amount of off-balance sheet exposures due to the application of credit conversion factors in paragraph 39.
19	Sum of lines 17 and 18.
20	Tier 1 capital as determined by paragraph 10.
21	Sum of lines 3, 11, 16 and 19.
22	Basel III leverage ratio according to paragraph 54.

TABLE 4: LEVERAGE DISCLOSURE
 Changes In Leverage Ratio From One Period To The Next (Table 4) of Exceeding 15%

Table 4		
Row#	Item	%
1	Capital measure	-
2	Exposure measure	-
Leverage ratio		-

TABLE 5: LEVERAGE DISCLOSURE

Reconciliation of Material Differences Between Banks Total Balance Sheet Assets & On Balance Sheet Exposures (Table 5)

Table 5		
Row#	Item	SAR 000's
1	Total Assets amounts on Financial Statements	197,197,335
2	Total On Balance sheet assets according Row #1 on Table 2	197,534,671
3 *	Difference between 1 and 2 above	(337,336)

* Bank to provide details on the sources of material differences of the amount as identify in item 3

Reason for difference between Item 1 & 2 above:

Positive Fair value of Derivatives	834,873
Collective provision	<u>(1,172,209)</u>
	<u><u>(337,336)</u></u>