Basel Pillar 3 Disclosures

As at 30 September 2019

TABLE OF CONTENTS

NB. Prior period comparative figures reflect SABB positions prior to merger.

Basel Pillar 3 Disclosures

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

		a	b	c	d	e
		Sep'19	Jun'19	Mar'19	Dec'18	Sep'18
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	40,704,332	41,368,807	34,681,015	33,359,762	34,130,969
1a	Fully loaded ECL accounting model	39,629,050	40,277,207	33,913,907	32,355,002	32,734,608
2	Tier 1	40,704,332	41,368,807	34,681,015	33,359,762	34,130,969
2a	Fully loaded ECL accounting model Tier 1	39,629,050	40,277,207	33,913,907	32,355,002	32,734,608
3	Total capital	43,521,620	44,340,227	37,215,672	36,060,296	37,797,494
3a	Fully loaded ECL accounting model total capital	42,446,339	40,277,207	35,797,255	34,256,652	35,244,869
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	226,484,102	235,669,705	172,849,432	169,382,602	171,398,153
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	17.97%	17.55%	20.06%	19.69%	19.91%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	17.50%	17.09%	19.62%	19.10%	19.10%
6	Tier 1 ratio (%)	17.97%	17.55%	20.06%	19.69%	19.91%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	17.50%	17.09%	19.62%	19.10%	19.10%
7	Total capital ratio (%)	19.22%	18.81%	21.53%	21.29%	22.05%
7a	Fully loaded ECL accounting model total capital ratio (%)	18.74%	17.09%	20.71%	20.22%	20.56%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	1.875%	1.875%
9	Countercyclical buffer requirement (%)	0.08%	0.06%	0.07%	0.07%	0.07%
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)	3.08%	3.06%	3.07%	2.45%	2.45%
12	CET1 available after meeting the bank's minimum capital requirements (%)	14.89%	14.49%	16.99%	17.25%	17.47%
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	334,109,934	329,149,319	229,320,865	225,820,012	225,778,359
14	Basel III leverage ratio (%) (row 2 / row 13)	12.18%	12.57%	15.12%	14.77%	15.12%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row13)	11.86%	12.24%	14.79%	14.33%	14.50%
Liquidity Coverage Ratio						
15	Total HQLA	61,847,305	62,059,847	42,263,905	37,612,078	39,040,172
16	Total net cash outflow	27,994,531	23,619,148	16,714,110	13,560,433	17,767,140
17	LCR ratio (%)	225%	278%	253%	277%	220%
Net Stable Funding Ratio						
18	Total available stable funding	181,983,867	177,874,636	127,652,915	127,857,915	129,902,783
19	Total required stable funding	130,485,469	117,148,434	79,720,661	79,381,640	81,511,328
20	NSFR ratio	139%	152%	160%	161%	159%

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

		a	b	c
		RWA		Minimum capital requirements
		Sep-19	Jun-19	Sep-19
1	Credit risk (excluding counterparty credit risk)	201,280,158	209,346,256	16,102,413
2	*Of which: standardised approach (SA)*	*201,280,158*	*209,346,256*	*16,102,413*
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 (CCR)	1,016,941	1,013,890	81,355
7	*Of which: standardised approach for counterparty credit risk*	*1,016,941*	*1,013,890*	*81,355*
8	*Of which: Internal Model Method (IMM)*	-		
9	*Of which: other CCR*	-		
10	Credit valuation adjustment (CVA)	*726,572*	742,897	58,126
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	*157,725*	180,675	12,618
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	1,432,625	2,488,246	114,610
21	*Of which: standardised approach (SA)*	*1,432,625*	*2,488,246*	*114,610*
22	*Of which: internal model approaches (IMA)*			
23	Capital charge for switch between trading book and banking book			
24	Operational risk	*19,265,850*	19,265,850	1,541,268
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	*2,604,231*	2,631,891	208,339
26	Floor adjustment			
27	**Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25 + 26)**	**226,484,102**	**235,669,705**	**18,118,728**

LR1: Summary comparison of accounting assets vs leverage ratio exposure measure (Figures in SAR 000's)

		A
1	Total consolidated assets as per published financial statements	257,851,071
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	785,203
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)	73,609,260
7	Other adjustments	1,864,400
8	**Leverage ratio exposure**	**334,109,934**

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

		a	b
		Sep-19	Jun-19
	On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	259,338,028	271,934,645
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)	**259,338,028**	**271,934,645**
	Derivative exposures		
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash	377,443	464,058
5	Add-on amounts for Potential Financial Exposure (PFE) associated with all derivatives transactions	785,203	534,171
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the	-	-
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)**	**1,162,646**	**998,229**
	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	213,376,366	118,678,543
18	(Adjustments for conversion to credit equivalent amounts)	(139,767,106)	(62,462,097)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**73,609,260**	**56,216,445**
	Capital and total exposures		
20	**Tier 1 capital**	**40,704,332**	**41,368,807**
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**334,109,934**	**329,149,319**
	Leverage ratio		
22	**Basel III leverage ratio**	**12.18%**	**12.57%**

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

		a	b
		Total unweighted value (average)	**Total weighted value (average)**
High-quality liquid assets			
1	Total high-quality liquid assets (HQLA)		**61,847,305**
Cash outflows			
2	**Retail deposits and deposits from small business customers, of which:**		
3	Stable deposits	-	-
4	Less stable deposits	66,330,753	6,633,075
5	**Unsecured wholesale funding, of which:**		
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-
7	Non-operational deposits (all counterparties)	86,596,348	40,773,717
8	Unsecured debt	-	-
9	**Secured wholesale funding**	-	-
10	**Additional requirements, of which:**		
11	Outflows related to derivative exposures and other collateral requirements	763,188	763,188
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	6,880,462	814,860
14	**Other contractual funding obligations**	-	-
15	**Other contingent funding obligations**	184,385,464	4,496,067
16	**TOTAL CASH OUTFLOWS**	344,956,215	**53,480,908**
Cash inflows			
17	**Secured lending (eg reverse repos)**		-
18	**Inflows from fully performing exposures**	40,523,791	24,556,073
19	Other cash inflows	1,051,124	930,303
20	**TOTAL CASH INFLOWS**	41,574,915	**25,486,376**
			Total adjusted value
21	**TOTAL HQLA**		**61,847,305**
22	**TOTAL NET CASH OUTFLOWS**		**27,994,531**
23	**LIQUIDITY COVERAGE RATIO (%)**		224.8%

APPENDIX: TABLES & TEMPLATES THAT ARE NOT APPLICABLE

	Tables and templates
Linkages between F.S & 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
	CCyB1 – Geographical distribution of credit exposures used in the countercyclical buffer
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)
	CCR8 - Exposures to central counterparties
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)