



SAUDI BRITISH BANK

Basel III Pillar 3

As at 31st March 2020

TABLE OF CONTENTS

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

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

		a	b	c	d	e
		Mar'20	Dec'19	Sep'19	Jun'19	Mar'19
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	42,365,683	41,642,300	40,704,332	41,368,807	34,681,015
1a	Fully loaded ECL accounting model	40,722,906	40,835,278	39,629,050	40,277,207	33,913,907
2	Tier 1	42,365,683	41,642,300	40,704,332	41,368,807	34,681,015
2a	Fully loaded ECL accounting model Tier 1	40,722,906	40,835,278	39,629,050	40,277,207	33,913,907
3	Total capital	45,076,765	44,461,514	43,521,620	44,340,227	37,215,672
3a	Fully loaded ECL accounting model total capital	43,433,988	43,654,491	42,446,339	40,277,207	35,797,255
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	230,512,957	228,816,059	226,484,102	235,669,705	172,849,432
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	18.38%	18.20%	17.97%	17.55%	20.06%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	17.67%	17.85%	17.50%	17.09%	19.62%
6	Tier 1 ratio (%)	18.38%	18.20%	17.97%	17.55%	20.06%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	17.67%	17.85%	17.50%	17.09%	19.62%
7	Total capital ratio (%)	19.55%	19.43%	19.22%	18.81%	21.53%
7a	Fully loaded ECL accounting model total capital ratio (%)	18.84%	19.08%	18.74%	17.09%	20.71%
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 (%)	0.06%	0.08%	0.08%	0.06%	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)	3.06%	3.08%	3.08%	3.06%	3.07%
12	CET1 available after meeting the bank's minimum capital requirements (%)	15.32%	15.12%	14.89%	14.49%	16.99%
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	325,745,246	334,108,085	334,109,934	329,149,319	229,320,865
14	Basel III leverage ratio (%) (row 2 / row 13)	13.01%	12.46%	12.18%	12.57%	15.12%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row13)	12.50%	12.22%	11.86%	12.24%	14.79%
Liquidity Coverage Ratio						
15	Total HQLA	64,960,935	63,844,330	61,847,305	62,059,847	42,263,905
16	Total net cash outflow	30,290,927	29,088,737	27,994,531	23,619,148	16,714,110
17	LCR ratio (%)	217.2%	223%	225%	278%	253%
Net Stable Funding Ratio						
18	Total available stable funding	187,425,553	187,029,503	181,983,867	177,874,636	127,652,915
19	Total required stable funding	131,798,881	130,586,306	130,485,469	117,148,434	79,720,661
20	NSFR ratio	142.2%	143.2%	139.5%	152%	160%

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

		a	b	c
		RWA		Minimum capital requirements
		Mar'20	Dec-19	Mar'20
1	Credit risk (excluding counterparty credit risk)	203,432,932	203,579,095	16,274,636
2	<i>Of which: standardised approach (SA)</i>	203,432,932	203,579,095	16,274,636
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)	1,552,719	884,927	124,218
7	<i>Of which: standardised approach for counterparty credit risk</i>	1,552,719	884,927	124,218
8	<i>Of which: Internal Model Method (IMM)</i>			
9	<i>Of which: other CCR</i>			
10	Credit valuation adjustment (CVA)	873,554	504,473	69,884
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	147,800	147,800	11,824
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	2,861,482	1,829,683	228,919
21	<i>Of which: standardised approach (SA)</i>	2,861,482	1,829,683	228,919
22	<i>Of which: internal model approaches (IMA)</i>			
23	Capital charge for switch between trading book and banking book			
24	Operational risk	19,040,238	19,265,850	1,523,219
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	2,604,231	2,604,231	208,339
26	Floor adjustment			
27	Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25 + 26)	230,512,957	228,816,059	18,441,038

**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	265,396,131
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	1,927,671
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)	57,559,663
7	Other adjustments	861,780
8	Leverage ratio exposure	325,745,246

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

		a	b
		Mar'20	Dec'19
On-balance sheet exposures			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	266,257,911	261,485,674
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)	266,257,911	261,485,674
Derivative exposures			
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash	582,139	311,514
5	Add-on amounts for Potential Financial Exposure (PFE) associated with all derivatives transactions	1,345,533	735,163
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)	1,927,671	1,046,676
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	161,858,730	204,704,434
18	(Adjustments for conversion to credit equivalent amounts)	(104,299,067)	(133,128,699)
19	Off-balance sheet items (sum of lines 17 and 18)	57,559,663	71,575,735
Capital and total exposures			
20	Tier 1 capital	42,365,683	41,652,937
21	Total exposures (sum of lines 3, 11, 16 and 19)	325,745,246	334,108,085
Leverage ratio			
22	Basel III leverage ratio	13.01%	12.47%

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)		64,960,935
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	70,057,270	6,359,409
3	Stable deposits		
4	Less stable deposits	70,057,270	6,359,409
5	Unsecured wholesale funding, of which:	92,668,304	42,584,335
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks		
7	Non-operational deposits (all counterparties)	90,620,884	42,382,845
8	Unsecured debt	2,047,419	201,490
9	Secured wholesale funding	-	-
10	Additional requirements, of which:	172,450,598	6,148,270
11	Outflows related to derivative exposures and other collateral requirements	1,140,014	1,140,014
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	6,224,594	622,459
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	165,085,989	4,385,797
16	TOTAL CASH OUTFLOWS	335,176,171	55,092,015
Cash inflows			
17	Secured lending (eg reverse repos)	-	-
18	Inflows from fully performing exposures	41,930,348	23,333,397
19	Other cash inflows	1,718,701	1,467,691
20	TOTAL CASH INFLOWS	43,649,049	24,801,087
		Total adjusted value	
21	TOTAL HQLA		64,960,935
22	TOTAL NET CASH OUTFLOWS		30,290,927
23	LIQUIDITY COVERAGE RATIO (%)		217.2%

APPENDIX: TABLES AND 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
	LIQ2 – Net Stable Funding Ratio (NSFR)
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)