

The Saudi British Bank

Pillar 3 Disclosures at 30 Sept 2021



TABLE OF CONTENTS

Tables and templates		Page
Overview of risk management, key prudential metrics and RWA	KM1 – Key metrics (at consolidated group level)	3
	OV1 – Overview of RWA	5
Leverage ratio	LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure	7
	LR2 – Leverage ratio common disclosure template	8
Liquidity	LIQ1 – Liquidity Coverage Ratio (LCR)	10

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

	a	b	c	d	e
	Sep-21	Jun-21	Mar-21	Dec-20	Sep-20
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	43,801,205	44,053,139	43,083,826	41,774,973	40,825,023
1a Fully loaded ECL accounting model	42,158,428	42,410,362	41,441,049	40,132,195	39,182,245
2 Tier 1	43,801,205	44,053,139	43,083,826	41,774,973	40,825,023
2a Fully loaded ECL accounting model Tier 1	42,158,428	42,410,362	41,441,049	40,132,195	39,182,245
3 Total capital	49,792,721	50,078,279	49,158,757	48,078,026	47,011,915
3a Fully loaded ECL accounting model total capital	48,149,944	48,435,502	47,515,980	46,435,249	45,369,138
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	227,454,732	225,127,013	219,931,975	220,321,411	219,602,675
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	19.26%	19.57%	19.59%	18.96%	18.59%
5a Fully loaded ECL accounting model Common Equity Tier 1 (%)	18.53%	18.84%	18.84%	18.22%	17.84%
6 Tier 1 ratio (%)	19.26%	19.57%	19.59%	18.96%	18.59%
6a Fully loaded ECL accounting model Tier 1 ratio (%)	18.53%	18.84%	18.84%	18.22%	17.84%
7 Total capital ratio (%)	21.89%	22.24%	22.35%	21.82%	21.41%
7a Fully loaded ECL accounting model total capital ratio (%)	21.17%	21.51%	21.60%	21.08%	20.66%
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 (%)	0.05%	0.04%	0.03%	0.04%	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)	3.05%	3.04%	3.03%	3.04%	3.06%
12 CET1 available after meeting the bank's minimum capital requirements (%)	16.21%	16.53%	16.56%	15.92%	15.53%

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

		a	b	c	d	e
		Sep-21	Jun-21	Mar-21	Dec-20	Sep-20
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	329,185,978	332,215,179	331,138,272	333,198,107	318,788,141
14	Basel III leverage ratio (%) (row 2 / row 13)	13.31%	13.26%	13.01%	12.54%	12.81%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row13)	12.81%	12.77%	12.51%	12.04%	12.29%
Liquidity Coverage Ratio			Restated	Restated	Restated	Restated
15	Total HQLA	70,731,944	78,207,157	84,829,759	83,614,822	75,744,641
16	Total net cash outflow	37,461,245	37,284,092	36,129,622	39,152,355	31,893,583
17	LCR ratio (%)	189%	210%	235%	214%	239%
Net Stable Funding Ratio			Restated	Restated	Restated	Restated
18	Total available stable funding	191,969,457	196,656,385	195,932,862	189,762,603	180,154,022
19	Total required stable funding	144,729,761	145,471,613	143,084,458	137,164,146	123,290,323
20	NSFR ratio	132.6%	135.2%	136.9%	138%	146%

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

	a	b	c
	RWA		Minimum capital requirements
	Sep-21	Jun-21	Sep-21
1 Credit risk (excluding counterparty credit risk)	200,447,309	201,361,723	16,035,786
2 <i>Of which: standardised approach (SA)</i>	200,447,309	201,361,723	16,035,786
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)	1,364,231	1,280,055	109,138
7 <i>Of which: standardised approach for counterparty credit risk</i>	1,364,231	1,280,055	109,138
8 <i>Of which: Internal Model Method (IMM)</i>	-	-	-
9 <i>Of which: other CCR</i>	-	-	-
10 Credit valuation adjustment (CVA)	119,636	84,257	9,571
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	134,738	137,338	10,779
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>	-	-	-

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

	a	b	c
	RWA		Minimum capital requirements
	Sep-21	Jun-21	Sep-21
20 Market risk	4,313,175	1,635,958	345,054
21 <i>Of which: standardised approach (SA)</i>	4,313,175	1,635,958	345,054
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	18,021,472	1,441,718
25 Amounts below the thresholds for deduction (subject to 250% risk weight)	3,054,172	2,606,210	244,334
26 Floor adjustment	-	-	-
27 Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25 + 26)	227,454,732	225,127,013	18,196,380

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	269,552,453
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside	-
3 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative	-
4 Adjustments for derivative financial instruments	1,980,613
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)	55,554,924
7 Other adjustments	2,097,988
8 Leverage ratio exposure	329,185,978

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

		a	b
		Sep-21	Jun-21
On-balance sheet exposures			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	271,650,441	274,782,610
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)	271,650,441	274,782,610
Derivative exposures			
4	variation margin)	1,423,533	1,280,443
5	Add-on amounts for Potential Financial Exposure (PFE) associated with all derivatives transactions	557,080	468,599
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting	-	-
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)	1,980,613	1,749,042
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	186,102,891	156,932,393
18	(Adjustments for conversion to credit equivalent amounts)	(130,547,967)	(101,248,866)
19	Off-balance sheet items (sum of lines 17 and 18)	55,554,924	55,683,527
Capital and total exposures			
20	Tier 1 capital	43,801,205	44,053,139
21	Total exposures (sum of lines 3, 11, 16 and 19)	329,185,978	332,215,179
Leverage ratio			
22	Basel III leverage ratio	13.31%	13.26%

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)		70,731,944
Cash outflows		
2 Retail deposits and deposits from small business customers, of which:	64,173,809	5,924,859
3 Stable deposits	-	-
4 Less stable deposits	64,173,809	5,924,859
5 Unsecured wholesale funding, of which:	99,277,413	46,113,994
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-
7 Non-operational deposits (all counterparties)	99,277,413	46,113,994
8 Unsecured debt	-	-
9 Secured wholesale funding	-	-
10 Additional requirements, of which:	166,698,312	4,309,945
11 Outflows related to derivative exposures and other collateral requirements	52,456	52,456
12 Outflows related to loss of funding on debt products	-	-
13 Credit and liquidity facilities	3,618,972	361,897
14 Other contractual funding obligations	-	-
15 Other contingent funding obligations	163,026,884	3,895,591
16 TOTAL CASH OUTFLOWS	330,149,534	56,348,798

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

	a	b
	Total Unweighted Value (average)	Total Weighted Value (average)
Cash inflows		
17 Secured lending (eg reverse repos)	-	-
18 Inflows from fully performing exposures	28,458,594	18,732,721
19 Other cash inflows	311,169	154,832
20 TOTAL CASH INFLOWS	28,769,763	18,887,553
21 TOTAL HQLA		70,731,944
22 TOTAL NET CASH OUTFLOWS		37,461,245
23 LIQUIDITY COVERAGE RATIO (%)		189%

APPENDIX: TABLES AND TEMPLATES 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)
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)