



**SAUDI BRITISH BANK**

## **Basel III Pillar 3**

**As at 30th September 2020**

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

		a	b	c	d	e
		Sep'20	Jun'20	Mar'20	Dec'19	Sep'19
<b>Available capital (amounts)</b>						
1	Common Equity Tier 1 (CET1)	40,825,023	39,614,996	39,198,115	38,450,069	37,515,445
1a	Fully loaded ECL accounting model	39,182,245	37,528,862	37,555,337	37,643,047	36,440,163
2	Tier 1	40,825,023	39,614,996	39,198,115	38,450,069	37,515,445
2a	Fully loaded ECL accounting model Tier 1	39,182,245	37,528,862	37,555,337	37,643,047	36,440,163
3	Total capital	47,011,915	40,946,345	41,909,196	41,269,282	40,332,734
3a	Fully loaded ECL accounting model total capital	45,369,138	38,860,211	40,266,419	40,462,260	39,257,452
<b>Risk-weighted assets (amounts)</b>						
4	Total risk-weighted assets (RWA)	219,602,675	219,311,596	227,952,054	226,214,175	223,483,310
<b>Risk-based capital ratios as a percentage of RWA</b>						
5	Common Equity Tier 1 ratio (%)	18.59%	18.06%	17.20%	17.00%	16.79%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	17.84%	17.11%	16.48%	16.64%	16.31%
6	Tier 1 ratio (%)	18.59%	18.06%	17.20%	17.00%	16.79%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	17.84%	17.11%	16.48%	16.64%	16.31%
7	Total capital ratio (%)	21.41%	18.67%	18.39%	18.24%	18.05%
7a	Fully loaded ECL accounting model total capital ratio (%)	20.66%	17.72%	17.66%	17.89%	17.57%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>						
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%	0.06%	0.06%	0.08%	0.08%
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%	3.06%	3.06%	3.08%	3.08%
12	CET1 available after meeting the bank's minimum capital requirements (%)	15.53%	15.00%	14.14%	13.92%	13.70%
<b>Basel III leverage ratio</b>						
13	Total Basel III leverage ratio exposure measure	318,788,141	323,484,551	326,300,512	334,622,368	334,712,296
14	Basel III leverage ratio (%) (row 2 / row 13)	12.81%	12.25%	12.01%	11.49%	11.21%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row13)	12.29%	11.60%	11.51%	11.25%	10.89%
<b>Liquidity Coverage Ratio</b>						
15	Total HQLA	75,744,641	69,358,446	64,960,935	63,844,330	61,847,305
16	Total net cash outflow	31,893,583	33,319,609	30,290,927	29,088,737	27,994,531
17	LCR ratio (%)	239.0%	209%	217%	223%	225%
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding	180,154,022	183,443,422	187,425,553	187,029,503	181,983,867
19	Total required stable funding	123,290,323	124,671,490	132,354,147	131,100,588	131,087,831
20	NSFR ratio	146.1%	147.1%	141.6%	143%	139%

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

		a	b	c
		RWA		Minimum capital requirements
		Sep'20	Jun'20	Sep'20
1	Credit risk (excluding counterparty credit risk)	193,694,098	193,140,044	15,495,529
2	<i>Of which: standardised approach (SA)</i>	193,694,098	193,140,044	15,495,529
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)	1,831,240	1,569,373	146,499
7	<i>Of which: standardised approach for counterparty credit risk</i>	1,831,240	1,569,373	146,499
8	<i>Of which: Internal Model Method (IMM)</i>			
9	<i>Of which: other CCR</i>			
10	Credit valuation adjustment (CVA)	129,773	691,415	10,382
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	151,888	147,800	12,151
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	2,144,679	2,084,173	171,574
21	<i>Of which: standardised approach (SA)</i>	2,144,679	2,084,173	171,574
22	<i>Of which: internal model approaches (IMA)</i>			
23	Capital charge for switch between trading book and banking book			
24	Operational risk	19,064,614	19,064,614	1,525,169
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	2,586,384	2,614,176	206,911
26	Floor adjustment			
<b>27</b>	<b>Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25 + 26)</b>	<b>219,602,675</b>	<b>219,311,596</b>	<b>17,568,215</b>

**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	263,957,561
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	2,199,999
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)	51,725,199
7	Other adjustments	905,381
<b>8</b>	<b>Leverage ratio exposure</b>	<b>318,788,141</b>

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

		a	b
		Sep'20	Jun'20
<b>On-balance sheet exposures</b>			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	264,862,942	267,961,068
2	(Relevant Asset amounts deducted in determining Basel III Tier 1 capital)	-	-
3	<b>Total on-balance sheet exposures</b> (excluding derivatives and SFTs) (sum of lines 1 and 2)	<b>264,862,942</b>	<b>267,961,068</b>
<b>Derivative exposures</b>			
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash	1,644,504	1,544,067
5	Add-on amounts for Potential Financial Exposure (PFE) associated with all derivatives transactions	555,496	374,736
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	<b>Total derivative exposures (sum of lines 4 to 10)</b>	<b>2,199,999</b>	<b>1,918,803</b>
<b>Securities financing transaction exposures</b>			
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	<b>Total securities financing transaction exposures (sum of lines 12 to 15)</b>	<b>-</b>	<b>-</b>
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposure at gross notional amount	157,511,881	155,596,397
18	(Adjustments for conversion to credit equivalent amounts)	(105,786,682)	(101,991,717)
19	<b>Off-balance sheet items (sum of lines 17 and 18)</b>	<b>51,725,199</b>	<b>53,604,680</b>
<b>Capital and total exposures</b>			
20	<b>Tier 1 capital</b>	<b>40,825,023</b>	<b>39,614,996</b>
21	<b>Total exposures (sum of lines 3, 11, 16 and 19)</b>	<b>318,788,141</b>	<b>323,484,551</b>
<b>Leverage ratio</b>			
22	<b>Basel III leverage ratio</b>	<b>12.81%</b>	<b>12.25%</b>

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

		a	b
		Total unweighted value (average)	Total weighted value (average)
<b>High-quality liquid assets</b>			
1	Total high-quality liquid assets (HQLA)		75,744,641
<b>Cash outflows</b>			
2	<b>Retail deposits and deposits from small business customers, of which:</b>	70,741,848	6,559,305
3	Stable deposits		
4	Less stable deposits	70,741,848	6,559,305
5	<b>Unsecured wholesale funding, of which:</b>	94,233,499	42,843,387
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks		
7	Non-operational deposits (all counterparties)	92,038,257	42,626,620
8	Unsecured debt	2,195,241	216,766
9	<b>Secured wholesale funding</b>	-	-
10	<b>Additional requirements, of which:</b>	161,387,768	4,847,569
11	Outflows related to derivative exposures and other collateral requirements	655,939	655,939
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	3,535,643	353,564
14	<b>Other contractual funding obligations</b>	-	-
15	<b>Other contingent funding obligations</b>	157,196,185	3,838,065
16	<b>TOTAL CASH OUTFLOWS</b>	326,363,115	54,250,261
<b>Cash inflows</b>			
17	<b>Secured lending (eg reverse repos)</b>	-	-
18	<b>Inflows from fully performing exposures</b>	35,822,430	21,265,630
19	Other cash inflows	1,268,102	1,091,049
20	<b>TOTAL CASH INFLOWS</b>	37,090,532	22,356,678
			<b>Total adjusted value</b>
21	<b>TOTAL HQLA</b>		75,744,641
22	<b>TOTAL NET CASH OUTFLOWS</b>		31,893,583
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		239.0%

**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)