Pillar III Disclosures

Qualitative & Quantitative Disclosures

30-Jun-20

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Table OVA: Bank risk management approach

(a) Business model determination and risk profile

Bank’s mission is “to be the Core Banker to our chosen target customers, helping them grow their businesses and wealth” with diversified revenue streams originating from Kingdom. The Bank’s strategy remains to identify the current and emerging customer needs and ensuring that it exceeds the customers’ expectation, while transforming into a fully integrate Bank offering seamless services to its Retail, Investment, Commercial and Corporate clients. The Bank quantifies its risks using methodologies that have been reasonably tested and deemed to be accepted in the industry.

Where risks are not easily quantified, due to the lack of commonly accepted risk measurement techniques, expert judgment is used to determine the size and materiality of the risk. The bank’s ICAAP & ILAAP process focuses on the qualitative controls in managing such material, non-quantifiable risks within the established governance framework of the Bank. These qualitative measures include the following:

- Adequate governance process through MRC, BRC, EXCOM and Board;
- Adequate systems, procedures and internal controls;
- Effective risk mitigation strategies;
- Regular monitoring and reporting through various committees and management forums.

(b) The risk governance structure

The risk management governance approach is premised on three lines of defense – risk taking business units, risk control units and internal audit. The risk taking units are responsible for the day-to-day management of risks inherent in their business activities while the risk control units are responsible for setting-up the risk management frameworks and developing tools and methodologies for the identification, measurement, monitoring, control and testing of risk. Complementing this is internal audit which provides independent assurance of the effectiveness of the risk management approach.

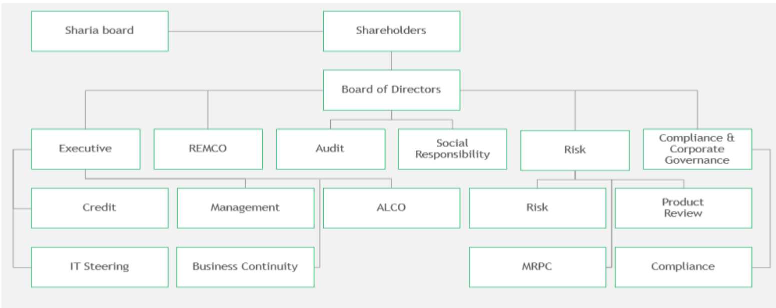
The ERM framework of the Bank aims to establish a Risk based strategy for all its products and banking services, driving operational efficiency across the Bank, with guidance on identifying and addressing various forms of risks (including credit, market, operational, liquidity, reputational, compliance risk, etc.), with risk based capital utilization forming the key criteria for design and implementation of services, where applicable.

(c) Channels to communicate, decline and enforce the risk culture

The Bank has established an enterprise risk capital management framework to manage its material risks. The key components of the framework include the following:

I. Defined risk appetite and strategy.
II. Risk governance establishing the roles and responsibilities for the management committees and Enterprise Risk Management Group.
III. A comprehensive review and analysis of material risks – as assessed by the Bank, at regular frequency along with the review of existing risk mitigation mechanisms.
IV. Measurement methodologies for the quantification of risk.
V. Monitoring and reporting process to ensure that the risk is maintained within the established tolerance levels.
VI. Capital management linked to the overall business strategy to ensure that the capital is commensurate to the levels of risk inherent in the business.
VII. Stress test measures to determine if the capital levels are adequate in case of adverse events and take decisions to enhance the capital or mitigate risk.

Moreover, following are major Baord and Management Committee entrusted with the oversight of the overall risk profile of the bank in order to communicate, decline and enforce the Enterprise Risk Management culture, strategy and principles:



(d) The scope and main features of risk measurement systems.

At BAJ, the Enterprise Risk Management through the Chief Risk Officer, Chief Credit Officer, and the Credit Risk Managers assumes the independent responsibility of reviewing and co-signing the approval through the Management Credit Committee (MCC), the Executive Committee (Excom), of all major credit proposals of the Bank which are prepared, sponsored and recommended by the Business Units. In addition, Enterprise Risk Management Group (ERMG) provides risk management and advisory to all lines of business for the major risk categories including credit risk, market risk, liquidity risk, operational risk and other industry-specific risks that are discussed under Pillar 2 of the BASEL regime. ERMG ensures that the core risk policies of the bank are consistent and current, sets the risk tolerance level through the approved Risk Appetite Framework & Policy. Also, ERMG is responsible for the development and implementation of various risk policies and related business decisions empowered by the board. ERMG is functionally and organizationally independent of the business units and other risk taking units within BAJ.

(e) Process of risk information reporting provided to the board and senior management

Risk dashboards are reported to Board and Senior Mangement on a quarterly basis through various MIS. The dashboard covers all material risks i.e. credit risk quality, credit risk profile, credit concentration, top exposures, market risk reports, operational risk dashboards.

(f) Qualitative information on stress testing

The bank’s stress testing program is in compliance with the applicable SAMA Stress Testing guidelines encapsulated in a Board approved Stress Testing Framework and Policy. It is embedded in the risk and capital management process. The program serves as a forward looking risk and capital management tool to understand the bank’s risk profile under extreme but plausible conditions. Such conditions may arise from macroeconomic, strategic, political and business environmental factors.

The Stress Testing methodology and assertions undergo comprehensive review and challenging process to ensure that these remain in sync with the prevailing regulatory and global best practices. The stress testing exercise in Bank AlJazira is viewed as a means to review bank’s capital allocation strategy based on different extreme stress scenarios and the Bank makes necessary adjustments to its strategy where warranted, based on the stress testing results. Under Bank AlJazira’s Stress Testing Policy and Framework, the potential unfavorable effects of stress scenarios on the bank’s profitability, asset quality, liquidity, risk weighted assets and capital adequacy are modeled.

(g) The strategies and processes to manage, hedge and mitigate risks

Risk Management sturcture at the bank supports the BRC and BoD in fulfilling the responsibilities of overseeing the risks in the Bank’s businesses and making sure necessary controls are in place. It reviews the ability of the Bank to manage risks based on board approved Risk Appetite Framework & Policy (RAF), appropriate analysis and formulation of necessary risk management policies. It also approves the credit classification system in the bank and risk policies for assets and liabilities management as recommended by assets and liabilities committee. The Risk Management culture at BAJ fosters monitoring of the risk management environment, and an integrated evaluation of risks and their interactions. It also ensures the Bank has a consistent approach to monitoring, managing and mitigating the risks the Bank accepts and incurs in its activities. The bank measures the exposures to financial and other significant risks including credits, market, liquidity, reputational, operational and strategic risks in addition to evaluating tolerance levels and approval of appropriate transactions. The bank pro-actively manages the credit risk exposures at transaction and relationship levels. A detailed risk review, including information on provisions, is prepared quarterly. Single name counterparty concentrations are monitored at transaction level. Large exposures and portfolio concentrations are reported regularly to senior management and the Board. BAJ ensures that the overall Business strategy; Risk policies, procedures & methodologies are consistent with the Bank’s Risk Appetite. ERMG also prepares the annual Internal Capital Adequacy Assessment Process (ICAAP), Internal Liquidity Adequacy Assessment Process (ILAAP) and Stress Testing reports to SAMA which are approved by the BRC prior to submission to SAMA. The ICAAP and ILAAP are two of the most important risk assessment documents utilised to report the risk attributes being measured and monitored by the Bank’s Senior Management and the Board Committees.

Template OV1: Overview of RWA

	SAR,000	a	b	c
		RWA		Minimum capital requirements
		Q2 2020	Q1 2020	Q2 2020
1	Credit risk (excluding counterparty credit risk)	54,248,987	53,970,938	4,339,919
2	Of which: standardised approach (SA)	54,248,987	53,970,938	4,339,919
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)	206,363	231,601	16,509
7	Of which: standardised approach for counterparty credit risk	206,363	231,601	16,509
8	Of which: Internal Model Method (IMM)			
9	Of which: other CCR			
10	Credit valuation adjustment (CVA)			
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			
15	Settlement risk			
16	Securitisation exposures in the 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			
19	Of which: securitisation standardised approach (SEC-SA)			
20	Market risk	1,505,973	1,434,444	120,478
21	Of which: standardised approach (SA)	1,505,973	1,434,444	120,478
22	Of which: internal model approaches (IMA)			
23	Capital charge for switch between trading book and banking book			
24	Operational risk	5,218,742	5,145,809	417,499
25	Amounts below thresholds for deduction (subject to 250% risk weight)			
26	Floor adjustment			
27	**Total (1+6+10+11+12+13+14+15+16+20+23+24+25+26)**	**61,180,065**	**60,782,792**	**4,894,405**

Template KM1: Key metrics (at consolidated group level)

		a	b	c	d	e
	SAR,000	**Q2, 2020**	**Q1, 2020**	**Q4 2019**	**Q3 2019**	**Q2, 2019**
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	12,464,638	12,528,092	12,081,623	11,818,007	11,799,899
1a	Fully loaded ECL accounting model	12,464,638	12,528,092	11,699,930	11,436,313	11,418,205
2	Tier 1	12,464,638	12,528,092	12,081,623	11,818,007	11,799,899
2a	Fully loaded accounting model Tier 1	12,464,638	12,528,092	11,699,930	11,436,313	11,418,205
3	Total capital	14,819,744	14,869,598	14,382,322	14,168,908	14,140,235
3a	Fully loaded ECL accounting model total capital	14,819,744	14,869,598	13,965,497	13,752,082	13,723,409
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	61,180,065	60,782,792	58,411,838	54,446,574	53,862,354
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	20.37%	20.61%	20.68%	21.71%	21.91%
5a	Fully loaded ECL accounting model CET1 (%)	20.37%	20.61%	20.03%	21.00%	21.20%
6	Tier 1 ratio (%)	20.37%	20.61%	20.68%	21.71%	21.91%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	20.37%	20.61%	20.03%	21.00%	21.20%
7	Total capital ratio (%)	24.22%	24.46%	24.62%	26.02%	26.25%
7a	Fully loaded ECL accounting model total capital ratio (%)	24.22%	24.46%	23.91%	25.26%	25.48%
	Basel III Leverage Ratio					
13	Total Basel III leverage ratio measure	97,100,241	94,797,116	91,804,172	86,005,095	82,393,416
14	Basel III leverage ratio (%) (row 2/row 13)	12.84%	13.22%	13.16%	13.74%	14.32%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	12.84%	13.22%	12.74%	13.30%	13.86%
	Liquidity Coverage Ratio					
15	Total HQLA	28,177,142	28,925,479.5	28,438,737.8	26,780,960.5	25,515,191.2
16	Total net cash outflow	17,800,507	17,460,341.6	15,785,670.7	14,321,868.2	12,960,051.5
17	LCR ratio (%)	158.29%	165.66%	180.16%	186.99%	196.88%
	Net Stable Funding Ratio					
18	Total available stable funding	52,872,656	53,074,148	52,173,307	48,457,284	47,479,917
19	Total required stable funding	43,919,481	39,991,441	38,690,191	35,613,908	35,008,159
20	NSFR ratio (%)	120.39%	132.71%	134.85%	136.06%	135.63%

Template CC1: Composition of regulatory capital

	SAR,000	a Amounts
	Common Equity Tier 1 capital: instruments and reserves	
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	8,200,000
2	Retained earnings	1,488,538
3	Accumulated other comprehensive income (and other reserves)	2,583,942
4	*Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)*	
5	Common share capital issued by third parties (amount allowed in group CET1)	
6	**Common Equity Tier 1 capital before regulatory deductions**	**12,272,480**
	Common Equity Tier 1 capital regulatory adjustments	
7	Prudent valuation adjustments	
8	Goodwill (net of related tax liability)	
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	
11	Cash flow hedge reserve	192,159
12	Shortfall of provisions to expected losses	
13	Securitisation gain on sale (as set out in paragraph 36 of Basel III securitisation framework)	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	
15	Defined benefit pension fund net assets	
16	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	
17	Reciprocal cross-holdings in common equity	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	
20	Mortgage servicing rights (amount above 10% threshold)	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	
22	Amount exceeding 15% threshold	
23	Of which: significant investments in the common stock of financials	
24	Of which: mortgage servicing rights	
25	Of which: deferred tax assets arising from temporary differences	
26	National specific regulatory adjustments	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	
28	**Total regulatory adjustments to Common Equity Tier 1**	192,159
29	**Common Equity Tier 1 capital (CET1)**	12,464,638
	Additional Tier 1 capital: instruments	
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	
31	OF which: classified as equity under applicable accounting standards	
32	Of which: classified as liabilities under applicable accounting standards	
33	*Directly issued capital instruments subject to phase-out from additional Tier 1*	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in AT1)	
35	*Of which: instruments issued by subsidiaries subject to phase-out*	
36	Additional Tier 1 capital before regulatory adjustments	
	Additional Tier 1 capital: regulatory adjustments	
37	Investments in own additional Tier 1 instruments	
38	Reciprocal cross-holdings in additional Tier 1 instruments	
39	Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	
40	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation	
41	National specific regulatory adjustments	
42	Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions	
43	Total regulatory adjustments to additional Tier 1 capital	
44	**Additional Tier 1 capital (AT1)**	
45	**Tier 1 capital (T1= CET1 + AT1)**	**12,464,638**
	Tier 2 capital: instruments and provisions	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	2,000,000
47	*Directly issued capital instruments subject to phase-out from Tier 2*	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	
49	*Of which: instruments issued by subsidiaries subject to phase-out*	
50	Provisions	355,105
51	**Tier 2 capital before regulatory adjustments**	2,355,105
	Tier 2 capital: regulatory adjustments	
52	Investments in own Tier 2 instruments	
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	
54	Investments in capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	
54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)	
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
56	National specific regulatory adjustments	
57	**Total regulatory adjustments to Tier 2 capital**	
58	**Tier 2 capital (T2)**	2,355,105.42
59	**Total regulatory capital (TC = T1 + T2)**	14,819,743.81
60	**Total risk-weighted assets**	61,180,065
	Capital ratios and buffers	
61	**Common Equity Tier 1 (as a percentage of risk-weighted assets)**	20.37%
62	**Tier 1 (as a percentage of risk-weighted assets)**	20.37%
63	**Total capital (as a percentage of risk-weighted assets)**	24.22%
64	**Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)**	
65	**Of which: capital conservation buffer requirement**	
66	**Of which: bank-specific countercyclical buffer requirement**	
67	**Of which: higher loss absorbency requirement**	
68	**Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.**	
	National minima (if different from Basel III)	
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	
71	National total capital minimum (if different from Basel III minimum)	
	Amounts below the thresholds for deduction (before risk weighting)	
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities	
73	Significant investments in common stock of financial entities	
74	Mortgage servicing rights (net of related tax liability)	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	
	Applicable caps on the inclusion of provisions in Tier 2	
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)	
80	*Current cap on CET1 instruments subject to phase-out arrangements*	
81	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*	
82	*Current cap on AT1 instruments subject to phase-out arrangements*	
83	*Amount excluded from AT1 due to cap (excess after redemptions and maturities)*	
84	*Current cap on T2 instruments subject to phase-out arrangements*	
85	*Amount excluded from T2 due to cap (excess after redemptions and maturities)*	

Template CC2: Reconciliation of regulatory capital to balance sheet

	a	b
	Balance sheet as in published financial statements	Under regulatory scope of consolidation
SAR,000	As at period-end	As at period-end
Assets		
Cash and balances with SAMA	5,265,171	5,265,171
Due from banks and other financial institutions	575,213	575,213
Investments	29,394,428	29,394,428
Loans and advances, net	53,411,604	53,411,604
Investment in associate	156,654	156,654
Other real estate, net	472,853	472,853
Property and equipment, net	1,107,359	1,107,359
Other assets	1,486,069	1,486,069
Total assets	**91,869,351**	**91,869,351**
Liabilities		
Due to banks and other financial institutions	12,152,674	12,152,674
Customers’ deposits	63,470,721	63,470,721
Subordinated debt	2,000,000	2,000,000
Other liabilities	2,609,631	2,609,631
Total liabilities	**80,233,026**	**80,233,026**
Shareholders' equity		
Share capital	8,200,000	8,200,000
Statutory reserve	2,657,316	2,657,316
General reserve	68,000	68,000
Other reserves	(141,374)	(141,374)
Retained earnings	852,381	852,381
Proposed Dividend	-	-
Total shareholders' equity	**11,636,323**	**11,636,323**

Template LR1: Summary comparison of accounting assets vs leverage ratio exposure (January 2014 standard)

	SAR,000	a
1	Total consolidated assets as per published financial statements	107,450,276
2	Adjustments 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	(5,681,066)
5	Adjustment for securities financing transactions (ie repos and similar secured lending)	
6	Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	(4,971,376)
7	Other adjustments	302,407
8	**Leverage ratio exposure measure**	**97,100,241**

Template LR2: Leverage ratio common disclosure template (January 2014 standard)

	SAR,000	a Jun-20	b Mar-20
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	92,171,758	90,022,411
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-	-
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)**	92,171,758	90,022,411
Derivative exposures			
4	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	162,701	126,780
5	Add-on amounts for PFE associated with *all* derivatives transactions	235,575	277,274
6	Gross-up for derivatives collateral provide where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-
7	(Deductions of receivable 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 rows 4 to 10)**	398,276	404,053
Securities financing transactions			
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	CCR exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	**Total securities financing transaction exposures (sum of rows 12 to 15)**	-	-
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	9,501,583	9,685,690
18	(Adjustments for conversion to credit equivalent amounts)	(4,971,376)	(5,314,863)
19	**Off-balance sheet items (sum of rows 17 and 18)**	4,530,207	4,370,828
Capital and total exposures			
20	**Tier 1 capital**	12,464,638	12,528,092
21	**Total exposures (sum of rows 3, 11, 16 and 19)**	97,100,240	94,797,292
Leverage ratio			
22	**Basel III leverage ratio**	12.84%	13.22%

Template LIQ1: Liquidity Coverage Ratio (LCR)

	SAR,000	a Total unweighted value (average)	b Total weighted value (average)
High-quality liquid assets			
1	Total HQLA		28,551,311
Cash outflows			
2	**Retail deposits and deposits from small business customers, of which:**	-	-
3	Stable deposits	-	-
4	Less stable deposits	20,956,636	2,095,664
5	**Unsecured wholesale funding, of which:**	-	-
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-
7	Non-operational deposits (all counterparties)	28,117,308	19,151,981
8	Unsecured debt	-	-
9	**Secured wholesale funding**		-
10	**Additional requirements, of which:**	-	-
11	Outflows related to derivative exposures and other collateral requirements	38,841	38,841
12	Outflows related to loss of funding of debt products	-	-
13	Credit and liquidity facilities	244,142	24,414
14	**Other contractual funding obligations**	-	-
15	**Other contingent funding obligations**	9,634,223	239,551
16	**TOTAL CASH OUTFLOWS**		21,550,451
Cash inflows			
17	**Secured lending (eg reverse repo)**	-	-
18	**Inflows from fully performing exposures**	6,945,531	3,919,485
19	**Other cash inflows**	541	541
20	**TOTAL CASH INFLOWS**	6,946,072	3,920,026
		-	**Total adjusted value**
21	**Total HQLA**		28,551,311
22	**Total net cash outflows**		17,630,424
23	**Liquidity coverage ratio (%)**		161.98%

Template LIQ2: Net Stable Funding Ratio (NSFR)

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
	SAR,000	No maturity*	<6 months	6 months to <1 year	≥1 year	
Available stable funding (ASF) item						
1	Capital:					
2	*Regulatory capital*	12,819,744	-	-	2,000,000	14,819,744
3	*Other capital instruments*	-	-	-	-	-
4	Retail deposits and deposits from small business customers:					
5	*Stable deposits*	-	-	-	-	-
6	*Less stable deposits*	20,858,071	2,126,943.19	338,122	9,000	20,999,822
7	Wholesale funding:					
8	*Operational deposits*	-	-	-	-	-
9	*Other wholesale funding*	13,395,144	26,284,405.58	10,328,614	672,455	17,053,090
10	Liabilities with matching interdependent assets					
11	Other liabilities:					
12	*NSFR derivative liabilities*				217,328	
13	*All other liabilities and equity not included in the above categories*	2,619,762	197,822	-		-
14	**Total ASF**					52,872,656
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					
16	Deposits held at other financial institutions for operational purposes					
17	Performing loans and securities:					
18	*Performing loans to financial institutions secured by Level 1 HQLA*	-	-	-	23,500,493	1,175,025
19	*Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions*	-	-	-	-	-
20	*Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:*	-	22,309,224	7,645,476	24,287,133	35,621,413
21	*With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk*	-	-	-	-	-
22	*Performing residential mortgages, of which:*	-	-	-	-	-
23	*With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk*	-	-	-	-	-
24	*Securities that are not in default and do not qualify as HQLA, including exchange-traded equities*	210,560	-	375,000	3,640,876	3,461,221
25	Assets with matching interdependent liabilities					
26	Other liabilities:					
27	*Physical traded commodities, including gold*	-				-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*				-	-
29	*NSFR derivative assets*				-	-
30	*NSFR derivative liabilities before deduction of variation margin posted*				-	-
31	*All other assets not included in the above categories*	2,276,698	13,347	-	375,000	3,651,698
32	Off-balance sheet items					10,125
33	***Total RSF***					**43,919,481**
34	***Net Stable Funding Ratio (%)***					**120%**

* Items to be reported in the "no maturity" time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities and physical traded commodities.

Template CR1: Credit quality of assets

	SAR,000	a	b	c	d	e	f	g
		Carrying values of		**Allowances/impairments**	**Of which ECL accounting provisions for credit losses on SA exposures**		**Of which ECL accounting provisions for credit losses on IRB exposures**	**Net values (a+b-c)**
		Defaulted exposures	**Non-defaulted exposures**		**Allocated in regulatory category or Specific**	**Allocated in regulatory category or General**		
1	Loans	691,606	54,241,832	1,177,415	875,008	302,407	-	53,756,023
2	Debt securities	-	29,417,884	2,221	-	2,221	-	29,415,663
3	Off-balance sheet exposures	106,441	5,129,501	162,540	146,889	15,651	-	5,073,402
4	**Total**	**798,047**	**88,789,217**	**1,342,176**	**1,021,897**	**320,278**	**-**	**88,245,088**

Template CR2: Changes in stock of defaulted loans and debt securities

	SAR,000	a
1	**Defaulted loans and debt securities at the end of the previous reporting period**	673,082
2	Loans and debt securities that have defaulted since the last reporting period	134,933
3	Returned to non-default status	(50,758)
4	Amounts written off	(66,345)
5	Other changes	695
6	**Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)**	691,606

Template CR3: Credit risk mitigation techniques - overview

		a	b	c	d	e	f	g
	SAR,000	Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1	Loans	84,924,074	1,561,465	1,561,465	-	-	-	-
2	Debt securities	-	-	-	-	-	-	-
3	Total	84,924,074	1,561,465	1,561,465	-	-	-	-
4	Of which defaulted	-	-	-	-	-	-	-

Template CR4: Standardised approach - credit risk exposure and Credit Risk Mitigation (CRM) effects

	SAR,000	a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	Asset classes	**On-balance sheet amount**	**Off-balance sheet amount**	**On-balance sheet amount**	**Off-balance sheet amount**	**RWA**	**RWA density**
1	Sovereigns and their central banks	28,673,330	52,500	28,673,330	10,500	473,844	1.65%
2	Non-central government public sector entities	-	300,739	-	75,739	37,869	50.00%
3	Multilateral development banks	375,000	9,123	375,000	9,123	75,000	19.53%
4	Banks	504,823	337,481	504,823	336,467	451,507	53.67%
5	Securities firms	-	-	-	-	-	
6	Corporates	30,502,232	8,362,078	28,479,182	4,183,374	30,886,545	94.56%
7	Regulatory retail portfolios	13,905,006	414,551	13,744,541	180,250	11,113,928	79.81%
8	Secured by residential property	13,475,803	-	13,473,495	-	6,737,623	50.01%
9	Secured by commercial real estate	-	-	-	-	-	
10	Equity	177,109	-	177,109	-	390,302	220.37%
11	Past-due loans	348,237	25,111	177,453	-	222,584	125.43%
12	Higher-risk categories	-	-	-	-	-	
13	Other assets	5,098,800	-	5,098,800	-	3,539,218	69.41%
14	**Total**	**93,060,340**	**9,501,583**	**90,703,733**	**4,795,453**	**53,928,421**	56.47%

B.14 - Template CR5: Standardised approach – exposures by asset classes and risk weights (Figures in SAR 000's)

	SAR,000	a	b	c	d	e	f	g	h	i	j
	Asset classes/ Risk weight*	**0%**	**10%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**Others**	**Total credit exposures amount (post CCF and post-CRM)**
1	Sovereigns and their central banks	28,209,986	0	0	0	0	0	473,844	0	0	28,683,830
2	Non-central government public sector entities (PSEs)	0	0	0	0	75,739	0	0	0	0	75,739
3	Multilateral development banks (MDBs)	9,123	0	375,000	0	0	0	0	0	0	384,123
4	Banks	0	0	359,368	0	204,579	0	277,344	0	0	841,290
5	Securities firms	0	0	0	0	0	0	0	0	0	0
6	Corporates	0	0	0	0	2,956,063	0	27,719,963	0	1,986,531	32,662,556
7	Regulatory retail portfolios	0	0	0	0	0	11,243,452	2,681,339	0	0	13,924,791
8	Secured by residential property	0	0	0	0	13,471,745	0	1,751	0	0	13,473,495
9	Secured by commercial real estate	0	0	0	0	0	0	0	0	0	0
10	Equity	0	0	0	0	0	0	34,980	0	142,129	177,109
11	Past-due loans	0	0	0	0	0	0	87,189	90,264	0	177,453
12	Higher-risk categories	0	0	0	0	0	0	0	0	0	0
13	Other assets	1,559,582	0	0	0	0	0	3,539,218	0	0	5,098,800
14	***Total***	**29,778,691**	**0**	**734,368**	**0**	**16,708,125**	**11,243,452**	**34,815,627**	**90,264**	**2,128,660**	**95,499,186**

Template CCR1: Analysis of counterparty credit risk (CCR) exposure by approach.

		a	b	c	d	e	f
	SAR,000	**Replacement cost**	**Potential future exposure**	**EEPE**	**Alpha used for computing regulatory EAD**	**EAD post-CRM**	**RWA**
1	SA-CCR (for derivatives)	162,701	169,440		-	398,276	206,363
2	Internal Model Method (for derivatives and SFTs)			-	-	-	-
3	Simple Approach for credit risk mitigation (for SFTs)					-	-
4	Comprehensive Approach for credit risk mitigation (for SFTs)					-	-
5	VaR for SFTs					-	-
6	**Total**						206,363

Template CCR2: Credit valuation adjustment (CVA) capital charge

	SAR,000	a EAD post-CRM	b RWA
	Total portfolios subject to the Advanced CVA capital charge	-	-
1	(i) VaR component (including the 3x multiplier)		-
2	(ii) Stressed VaR component (including the 3x multiplier)		-
3	All portfolios subject to the Standardised CVA capital charge	25,645	320,566
4	Total subject to the CVA capital charge	**25,645**	**320,566**

Template CCR3: Standardised approach - CCR exposures by regulatory portfolio and risk weights

SAR,000	a	b	c	d	e	f	g	h	i
Regulatory portfolio* / Risk weight**	**0%**	**10%**	**20%**	**50%**	**75%**	**100%**	**150%**	**Others**	**Total credit exposure**
Sovereigns									-
Non-central government public sector entities (PSEs)	549								549
Multilateral development banks (MDBs)									-
Banks			140,439	158,025		0			298,464
Securities firms									-
Corporates						99,262			99,262
Regulatory retail portfolios						-			-
Other assets	-	-			-				-
Total	549	-	140,439	158,025	-	99,263	-	-	398,276

** The breakdown by risk weight and regulatory portfolio included in the template is for illustrative purposes. Banks may complete the template with the breakdown of asset classes according to the local implementation of the Basel framework.*

** Banks subject to the simplified standardised approach should indicate risk weights determined by the supervisory authority in the columns.

Total credit exposures: the total amount relevant for capital requirements calculation, having applied CRM techniques
Other assets: the amount excludes exposures to CCPs, which are reported in CCR8.

Template CCR5: Composition of collateral for CCR exposure

	a	b	c	d	e	f
	Collateral used in derivative transactions				**Collateral used in SFTs**	
	Fair value of collateral received		**Fair value of posted collateral**		**Fair value of collateral received**	**Fair value of posted collateral**
SAR,000	**Segregated**	**Unsegregated**	**Segregated**	**Unsegregated**		
Cash - domestic currency	-	-	-	-	-	-
Cash - other currencies	-	-	193,781	-	-	-
Domestic sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	193,781	-	-	-

Table MR1: Market risk under the standardised approach (SA)

	SAR,000	a Capital charge in SA
1	General interest rate risk	437
2	Equity risk	33,690
3	Commodity risk	
4	Foreign exchange risk	86,352
5	Credit spread risk - non-securitisations	
6	Credit spread risk - securitisations (non-correlation trading portfolio)	
7	Credit spread risk - securitisation (correlation trading portfolio)	
8	Default risk - non-securitisations	
9	Default risk - securitisations (non-correlation trading portfolio)	
10	Default risk - securitisations (correlation trading portfolio)	
11	Residual risk add-on	
12	**Total**	120,478