# ALINMA BANK

## (A Saudi Joint Stock Company)

## BASEL III Pillar 3 Disclosures

## For the Financial Period Ended June 30, 2022

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## KM1: Key Metrics (at group consolidated level)

| | | June 30, 2022 | March 31, 2022 | December 31, 2021 | September 30, 2021 | June 30, 2021 |
|---|---|---|---|---|---|---|
| | **Available Capital (amounts: SAR '000)** | | | | | |
| 1 | Common Equity Tier 1 (CET 1) *(after transitional arrangement for IFRS 9)* | **27,069,537** | 27,180,849 | 26,433,895 | 25,887,221 | 25,921,799 |
| 1a | Fully loaded ECL accounting model *(before transitional arrangement for IFRS 9)* | **26,467,148** | 26,518,221 | 25,711,028 | 25,164,354 | 25,198,932 |
| 2 | Tier 1 *(after transitional arrangement for IFRS 9)* | **32,069,537** | 32,180,849 | 31,433,895 | 30,887,221 | 25,921,799 |
| 2a | Fully loaded ECL accounting model Tier 1 *(before transitional arrangement for IFRS 9)* | **31,467,148** | 31,518,221 | 30,711,028 | 30,164,354 | 25,198,932 |
| 3 | Total Capital *(after transitional arrangement for IFRS 9)* | **33,850,038** | 33,891,328 | 33,097,592 | 32,522,435 | 27,537,400 |
| 3a | Fully loaded ECL accounting model total capital *(before transitional arrangement for IFRS 9)* | **33,247,649** | 33,228,700 | 32,374,725 | 31,799,568 | 26,814,533 |
| | **Risk-weighted assets (amounts: SAR '000)** | | | | | |
| 4 | Total risk-weighted assets (RWA)-Pillar - 1 | **155,145,171** | 149,234,394 | 145,284,203 | 145,249,745 | 143,514,591 |
| | **Risk-based capital ratios as a percentage of RWA-Pillar -1** | | | | | |
| 5 | Common Equity Tier 1 ratio (%) | **17.45%** | 18.21% | 18.19% | 17.35% | 18.06% |
| 5a | Fully loaded ECL accounting model Common Equity Tier 1 (%) | **17.06%** | 17.77% | 17.70% | 16.86% | 17.56% |
| 6 | Tier 1 ratio (%) | **20.67%** | 21.56% | 21.64% | 20.70% | 18.06% |
| 6a | Fully loaded ECL accounting model Tier 1 ratio (%) | **20.28%** | 21.12% | 21.14% | 20.21% | 17.56% |
| 7 | Total capital ratio (%) | **21.82%** | 22.71% | 22.78% | 21.79% | 19.19% |
| 7a | Fully loaded ECL accounting model capital ratio (%) | **21.43%** | 22.27% | 22.28% | 21.31% | 18.68% |
| | **Additional CET1 buffer requirements as a percentage of RWA** | | | | | |
| 8 | Capital conversion buffer requirement (2.5% from 2019) (%) | **2.50%** | 2.50% | 2.50% | 2.50% | 2.50% |
| 9 | Countercyclical buffer requirement (%) | **0.00%** | 0.00% | 0.00% | 0.00% | 0.00% |
| 10 | Bank G-SIB and/or D-SIB additional requirements (%) | **0.00%** | 0.00% | 0.00% | 0.00% | 0.00% |
| 11 | **Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)** | **2.50%** | 2.50% | 2.50% | 2.50% | 2.50% |
| 12 | CET1 available after meeting the bank's minimum capital requirements (%) (5-11) | **14.95%** | 15.71% | 15.69% | 14.85% | 15.56% |
| | **Basel III leverage ratio** | | | | | |
| 13 | Total Basel III leverage ratio exposure measure (amounts: SAR '000) | **195,357,382** | 188,265,926 | 181,887,466 | 175,361,636 | 172,863,594 |
| 14 | Basel III leverage ratio (%) (row 2 / row 13) | **16.42%** | 17.09% | 17.28% | 17.61% | 15.00% |
| 14a | Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row 13) | **16.11%** | 16.74% | 16.88% | 17.20% | 14.58% |
| | **Liquidity Coverage Ratio**** | | | | | |
| 15 | Total HQLA (amounts: SAR '000) | **35,098,376** | 33,202,353 | 32,486,784 | 32,435,613 | 31,001,859 |
| 16 | Total net cash outflow (amounts: SAR '000) | **25,247,968** | 24,872,016 | 24,225,585 | 24,738,420 | 22,349,528 |
| 17 | LCR ratio (%) | **139.01%** | 133.49% | 134.10% | 131.11% | 138.71% |
| | **Net Stable Funding Ratio** | | | | | |
| 18 | Total available stable funding (amounts: SAR '000) | **125,420,287** | 122,390,924 | 118,084,979 | 114,464,995 | 108,810,109 |
| 19 | Total required stable funding (amounts: SAR '000) | **113,520,111** | 111,128,228 | 105,714,951 | 104,614,016 | 102,884,583 |
| 20 | NSFR ratio | **110.48%** | 110.13% | 111.70% | 109.42% | 105.76% |

** Average of 90 days

## OV1: Overview of RWA

| | | a | b | c |
|---|---|---|---|---|
| | | RWA | | Minimum capital requirements* |
| | | June 30, 2022 | March 31, 2022 | June 30, 2022 |
| **1** | **Credit risk (excluding counterparty credit risk) (CCR)** | **140,097,647** | **134,598,760** | **11,207,812** |
| 2 | Of which standardised approach (SA) | 140,097,647 | 134,598,760 | 11,207,812 |
| 3 | Of which internal rating-based (IRB) approach | - | - | - |
| **4** | **Counterparty credit risk** | **7,839** | **2,752** | **627** |
| 5 | Of which standardised approach for counterparty credit risk (SA-CCR) | 7,839 | 2,752 | 627 |
| 6 | Of which internal model method (IMM) | - | - | - |
| **7** | **Equity positions in banking book under market-based approach** | **-** | - | - |
| **8** | **Equity investments in funds – look-through approach** | **2,334,633** | **2,236,785** | **186,771** |
| **9** | **Equity investments in funds – mandate-based approach** | **-** | **-** | **-** |
| **10** | **Equity investments in funds – fall-back approach** | **-** | **-** | **-** |
| **11** | **Settlement risk** | **-** | **-** | **-** |
| **12** | **Securitisation exposures in banking book** | **-** | **-** | **-** |
| 13 | Of which IRB ratings-based approach (RBA) | - | - | - |
| 14 | Of which IRB Supervisory Formula Approach (SFA) | - | - | - |
| 15 | Of which SA/simplified supervisory formula approach (SSFA) | - | - | - |
| **16** | **Market risk** | **783,609** | **829,611** | **62,689** |
| 17 | Of which standardised approach (SA) | 783,609 | 829,611 | 62,689 |
| 18 | Of which internal model approaches (IMM) | - | - | - |
| **19** | **Operational risk** | **11,921,443** | **11,566,486** | **953,715** |
| 20 | Of which Basic Indicator Approach | 11,921,443 | 11,566,486 | 953,715 |
| 21 | Of which Standardised Approach | - | - | - |
| 22 | Of which Advanced Measurement Approach | - | - | - |
| **23** | **Amounts below the thresholds for deduction (subject to 250% risk weight)** | **-** | **-** | **-** |
| **24** | **Floor adjustment** | **-** | **-** | **-** |
| **25** | **Total (1+4+7+8+9+10+11+12+16+19+23+24)** | **155,145,171** | **149,234,394** | **12,411,614** |

***calculated as 8% of RWA***

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## CC2: Reconciliation of regulatory capital to balance sheet

### Balance sheet - Step 1 (Table 2(b))

| | Balance sheet in Published financial statements ( C ) | Adjustment of banking associates / other entities ( D ) | Under regulatory scope of consolidation ( E ) |
|---|---|---|---|
| **Assets** | | | |
| Cash and balances with Saudi Arabian Monetary Agency ('SAMA') | 10,975,381 | | 10,975,381 |
| Due from banks and other financial institutions | 827,543 | | 827,543 |
| Investments | 37,723,441 | | 37,723,441 |
| Financing, net | 131,192,681 | | 131,192,681 |
| Property and equipment, net | 2,453,562 | | 2,453,562 |
| Other assets | 1,449,202 | | 1,449,202 |
| **Total assets** | **184,621,810** | **0** | **184,621,810** |
| | | | |
| **Liabilities** | | | |
| Due to banks and other financial institutions | 15,452,190 | | 15,452,190 |
| Customers' deposits | 130,375,962 | | 130,375,962 |
| Amount due to Mutual Funds’ unitholders | 501,138 | | 501,138 |
| Other liabilities | 6,825,371 | | 6,825,371 |
| **Total Liabilities** | **153,154,661** | **0** | **153,154,661** |
| | | | |
| Share capital | 20,000,000 | | 20,000,000 |
| Statutory reserve | 1,268,845 | | 1,268,845 |
| Other reserves | (64,399) | | (64,399) |
| Retained earnings | 5,329,386 | | 5,329,386 |
| Treasury shares | (66,683) | | (66,683) |
| **Equity attributable to shareholders of the Bank** | **26,467,149** | **0** | **26,467,149** |
| Tier 1 Sukuk | 5,000,000 | | 5,000,000 |
| **Total equity** | **31,467,149** | **0** | **31,467,149** |
| **Total liabilities and equity** | **184,621,810** | **0** | **184,621,810** |

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## CC2: Reconciliation of regulatory capital to balance sheet

### Balance sheet - Step 2 (Table 2(c))

| | Balance sheet in Published financial statements (C) | Adjustment of banking associates / other entities (D) | Under regulatory scope of consolidation (E) | Reference |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and balances with Saudi Arabian Monetary Agency ('SAMA') | 10,975,381 | | 10,975,381 | |
| Due from banks and other financial institutions | 827,543 | | 827,543 | |
| Investments | 37,723,441 | | 37,723,441 | |
| Financing, net | 131,192,681 | | 131,192,681 | |
| of which Collective provisions | 2,366,346 | | 2,366,346 | A |
| Property and equipment, net | 2,453,562 | | 2,453,562 | |
| Other assets | 1,449,202 | | 1,449,202 | |
| **Total assets** | **184,621,810** | **0** | **184,621,810** | |
| **Liabilities** | | | | |
| Due to banks and other financial institutions | 15,452,190 | | 15,452,190 | |
| Customers' deposits | 130,375,962 | | 130,375,962 | |
| Amount due to Mutual Funds' unitholders | 501,138 | | 501,138 | |
| Other liabilities | 6,825,371 | | 6,825,371 | |
| **Total Liabilities** | **153,154,661** | **0** | **153,154,661** | |
| Paid up share capital | 20,000,000 | | 20,000,000 | |
| of which amount eligible for CET1 | 20,000,000 | | 20,000,000 | B |
| of which amount eligible for AT1 | 0 | | 0 | C |
| Statutory reserve | 1,268,845 | | 1,268,845 | D |
| Other reserves | (64,399) | | (64,399) | E |
| Retained earnings | 5,329,386 | | 5,329,386 | F |
| Treasury shares | (66,683) | | (66,683) | H |
| **Equity attributable to shareholders of the Bank** | **26,467,149** | **0** | **26,467,149** | |
| **Tier 1 Sukuk** | 5,000,000 | **0** | 5,000,000 | I |
| **Total equity** | **31,467,149** | | **31,467,149** | |
| **Total liabilities and equity** | **184,621,810** | **0** | **184,621,810** | |

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## CC1 – Composition of regulatory capital

### Common template (Post 2018) - Step 3 (Table 2d (i))

| | | Components of regulatory capital reported by the bank | Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation from step 2 |
|---|---|---|---|
| | **Common Equity Tier 1 capital: Instruments and reserves** | | |
| 1 | Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus | 20,000,000 | B |
| 2 | Retained earnings | 5,931,774 | F |
| 3 | Accumulated other comprehensive income (and other reserves) | 1,204,446 | D+E+G |
| 4 | Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies) | - | |
| 5 | Common share capital isued by subsidiaries and held by third parties (amount allowed in group CET1) | - | |
| 6 | **Common Equity Tier 1 capital before regulatory adjustments** | **27,136,220** | |
| | **Common Equity Tier 1 capital: Regulatory adjustments** | | |
| 7 | Prudential 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 | - | |
| 12 | Shortfall of provisions to expected losses | - | |
| 13 | Securitisation gain on sale (as set out in paragraph 562 of Basel II 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 netted off paid-in capital on reported balance sheet) | (66,683) | H |
| 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, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% thresh | - | |
| 19 | Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold) | - | |

| | | Components of regulatory capital reported by the bank | Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation from step 2 |
|---|---|---|---|
| 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 the 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** | **(66,683)** | |
| 29 | **Common Equity Tier 1 capital (CET1)** | **27,069,537** | |
| | **Additional Tier 1 capital: instruments** | | |
| 30 | Directly issued qualifying Additional Tier 1 instruments plus related stock surplus | **5,000,000** | |
| 31 | of which: classified as equity under applicable accounting standards | 5,000,000 | |
| 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 group AT1) | - | |
| 35 | of which: instruments issued by subsidiaries subject to phase out | - | |
| 36 | **Additional Tier 1 capital before regulatory adjustments** | **5,000,000** | |
| | **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 the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (am | - | |
| 40 | Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | - | |
| 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)** | **5,000,000** | |
| 45 | **Tier 1 capital (T1 = CET1 + AT1)** | **32,069,537** | |

**Note: Items which are not applicable are to be left blank.**

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## CC1 – Composition of regulatory capital

### Common template (Post 2018) - Step 3 (Table 2d (ii))

| | | Components[1] of regulatory capital reported by the bank | Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation from step 2 |
|---|---|---|---|
| | **Tier 2 capital: instruments and provisions** | | |
| 46 | Directly issued qualifying Tier 2 instruments plus related stock surplus | - | |
| 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 | 1,780,501 | A |
| 51 | **Tier 2 capital before regulatory adjustments** | **1,780,501** | |
| | **Tier 2 capital: regulatory adjustments** | | |
| 52 | Investments in own Tier 2 instruments | - | |
| 53 | Reciprocal cross-holdings in Tier 2 instruments | - | |
| 54 | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold) | - | |
| 55 | Significant investments in the capital 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)** | **1,780,501** | |
| 59 | **Total capital (TC = T1 + T2)** | **33,850,038** | |
| 60 | **Total risk weighted assets** | **155,145,171** | |
| | **Capital ratios** | | |
| 61 | Common Equity Tier 1 (as a percentage of risk weighted assets) | 17.45% | |
| 62 | Tier 1 (as a percentage of risk weighted assets) | 20.67% | |
| 63 | Total capital (as a percentage of risk weighted assets) | **21.82%** | |
| 64 | Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer 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: G-SIB buffer requirement | - | |

| | | Components[1] of regulatory capital reported by the bank | Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation from step 2 |
|---|---|---|---|
| 68 | Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets) | - | |
| | **National minima (if different from Basel 3)** | | |
| 69 | National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum) | n/a | |
| 70 | National Tier 1 minimum ratio (if different from Basel 3 minimum) | n/a | |
| 71 | National total capital minimum ratio (if different from Basel 3 minimum) | n/a | |
| | **Amounts below the thresholds for deduction (before risk weighting)** | | |
| 72 | Non-significant investments in the capital of other financials | - | |
| 73 | Significant investments in the common stock of financials | - | |
| 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) | 2,366,346 | A |
| 77 | Cap on inclusion of provisions in Tier 2 under standardised approach | 1,780,501 | A |
| 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 over cap after redemptions and maturities) | - | |
| 84 | Current cap on T2 instruments subject to phase out arrangements | - | |
| 85 | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) | - | |

**Note: Items which are not applicable are to be left blank.**

## CCA – Main features of regulatory capital instruments and of other TLAC-eligible instruments

### Main features template of regulatory capital instruments-(Table 2(e))

On July 1, 2021, the Bank through a Shariah compliant arrangement issued Tier 1 Sukuk (the "Sukuk"), amounting to SAR 5 billion. The issuance was approved by the regulatory authorities and the Board of Directors of the Bank.

These Sukuks are perpetual securities in respect of which there is no fixed redemption dates and represents an undivided ownership interest of the Sukuk-holders in the Sukuk assets, with each Sakk constituting an unsecured, conditional and subordinated obligation of the Bank classified under equity. However, the Bank shall have the exclusive right to redeem or call the Sukuks in a specific period of time, subject to the terms and conditions stipulated in the Sukuk Agreement. These securities also allow the Bank to write-down (in whole or in part) any amounts due to the holders in the event of non-viability with the approval of SAMA.

The applicable profit rate is 4% per annum from date of issue up to 2026 and is subjected to reset every 5 years. The applicable profit on the Sukuks is payable quarterly in arrears on each periodic distribution date, except upon the occurrence of a non-payment event or non-payment election by the Bank, whereby the Bank may at its sole discretion (subject to certain terms and conditions) elect not to make any distributions. Such non-payment event or non-payment election are not considered to be events of default and the amounts not paid thereof shall not be cumulative or compound with any future distributions.

## LR1 – Leverage ratio common disclosure template

### A. Summary Comparison (Table 1)

**For the Quarter Ended June 30, 2022**

| Summary comparison of accounting assets versus leverage ratio exposure measure | | |
|---|---|---|
| **Row #** | **Item** | **In SR 000's** |
| 1 | Total consolidated assets as per published financial statements | 184,621,810 |
| 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 recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure | - |
| 4 | Adjustments for derivative financial instruments | 7,839 |
| 5 | Adjustment for securities financing transactions (i.e. repos and similar secured lending) | - |
| 6 | Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures) | 10,727,733 |
| 7 | Other adjustments | - |
| **8** | **Leverage ratio exposure** | **195,357,382** |

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## LR1 – Leverage ratio common disclosure template

### B. Leverage Ratio Common Disclosure Template (Table 2)

In SR 000's

| Row # | Item | June 30, 2022 | March 31, 2022 |
|---|---|---|---|
| **On –balance sheet exposures** | | | |
| 1 | On-balance sheet items (excluding derivatives and SFTs, but including collateral) | 184,621,810 | 179,518,751 |
| 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) | 184,621,810 | 179,518,751 |
| **Derivatives Exposure** | | | |
| 4 | Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin) | 3,222 | 1,261 |
| 5 | Add-on amounts for Potential Financial Exposure (PFE) associated with all derivatives transactions | 4,616 | 1,491 |
| 6 | Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework | - | - |
| 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) | 7,839 | 2,752 |
| **Securities financing transaction exposure** | | | |
| 12 | Gross SFT assets (with no recognition of netting), after adjusting for sales 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 | 18,955,398 | 15,218,899 |
| 18 | (Adjustments for conversion to credit equivalent amounts) | (8,227,665) | (5,143,212) |
| 19 | Off-balance sheet items (Sum of lines 17 and 18) | 10,727,733 | 8,744,423 |
| **Capital and total exposures** | | | |
| 20 | Tier 1 capital | 32,069,537 | 32,180,849 |
| 21 | Total exposures (Sum of lines 3, 11, 16 and 19) | 195,357,382 | 188,265,926 |
| **Leverage ratio** | | | |
| 22 | Basel III leverage ratio | **16.42%** | **17.09%** |

## LR1 – Leverage ratio common disclosure template

**Table 5**

**For the Quarter Ended June 30, 2022**

A reconciliation requirements that details sources of material differences between the bank's total balance sheet assets in their financial statements and on-balance sheet exposures in the table 2.

| | | SR 000's |
|---|---|---|
| 1 | Total Assets amounts on Financial Statements | 184,621,810 |
| 2 | Total on balance sheet assets according Row #1 on Table 2 | 184,621,810 |
| 3 | Difference between 1 and 2 above | - |

## LIQ1 – Liquidity Coverage Ratio (LCR)

**For the quarter ended June 30, 2022**

| | | SAR '000 | |
|---|---|---|---|
| | | **Total Unweighted Value (average)** | **Total weighted Value (average)** |
| **HIGH QUALITY LIQUID ASSETS** | | | |
| 1 | Total High-Quality Liquid Assets (HQLA) | 35,098,376 | 35,098,376 |
| **CASH OUTFLOWS** | | | |
| 2 | Retail deposits and deposits from small business of which: | 44,943,688 | 3,574,091 |
| 3 | *Stable deposits* | - | - |
| 4 | *Less stable deposits* | 44,943,688 | 3,574,091 |
| 5 | Unsecured wholesale funding of which | 42,836,040 | 20,976,946 |
| 6 | *Operational deposits (all counterparties* | - | - |
| 7 | *Non-operational deposits (all counterparties)* | 50,383,043 | 5,961,633 |
| 8 | *Unsecured debt* | 3,201,676 | 3,201,676 |
| 9 | Secured wholesale funding | - | - |
| 10 | Additional requirements of which | 40,009,128 | 1,081,014 |
| 11 | *Outflow related to derivative exposures and other collateral requirements* | - | - |
| 12 | *Outflows related to loss of funding on debt products* | - | - |
| 13 | *Credit and liquidity facilities* | 45,865,357 | 1,244,915 |
| 14 | Other contractual funding obligations | - | - |
| 15 | Other contingent funding obligations | - | - |
| 16 | **TOTAL CASH OUTFLOWS** | 144,393,764 | 13,982,315 |
| **CASH INFLOWS** | | | |
| 17 | Secured lending (e.g. reverse repos) | - | - |
| 18 | Inflows from fully performing exposures | 5,176,300 | 3,101,855 |
| 19 | Other cash inflows | - | - |
| 20 | **TOTAL CASH INFLOWS** | 5,176,300 | 3,101,855 |
| | | | **TOTAL ADJUSTED VALUE** |
| 21 | **TOTAL HQLA** | | **35,098,376** |
| 22 | **TOTAL NET CASH OUTFLOWS** | | **25,248,291** |
| 23 | **LIQUIDITY COVERAGE RATIO (%)** | | **139.01%** |

a) Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for inflows and Outflows).
b) Weighted values are calculated after application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).

c) Adjusted values are calculated after application of both i) haircuts and inflow and outflow rates and ii) any applicable caps (i.e. cap on level 2B and level 2 assetsfor HQLA and cap on inflows.
d) Average of Last three months data.

## LIQ2: Net Stable Funding Ratio (NSFR)

**For the Quarter Ended June 30, 2022**

| | | Unweighted value by residual maturity | | | | |
|---|---|---|---|---|---|---|
| | **SAR in '000** | **No Maturity** | **< 6 months** | **6 months to < 1 year** | **1 year or more** | **Weighted value** |
| **ASF Items** | | | | | | |
| 1 | Capital | 33,127,171 | - | - | 722,867 | 33,850,038 |
| 2 | Regulatory capital | 33,127,171 | - | - | - | 33,127,171 |
| 3 | Other capital instruments | - | - | - | 722,867 | 722,867 |
| 4 | Retail deposits and deposits from small business customers: | 44,605,099 | 2,178,158 | 306,208 | 403,886 | 42,784,404 |
| 5 | Stable deposits | - | - | - | - | - |
| 6 | Less stable deposits | 44,605,099 | 2,178,157.96 | 306,208 | 403,886 | 42,784,404 |
| 7 | Wholesale funding | 47,819,226 | 33,810,998 | 10,273,366 | 6,431,212 | 48,785,844 |
| 8 | Operational deposits | - | - | - | - | - |
| 9 | Other wholesale funding | 47,819,226 | 33,810,998 | 10,273,366 | 6,431,212 | 48,785,844 |
| 10 | Liabilities with matching interdependent assets | - | - | - | - | - |
| 11 | Other liabilities: | 7,326,509 | - | - | - | - |
| 12 | NSFR derivative liabilities | - | - | - | - | - |
| 13 | All other liabilities and equity not included in the above categories | 7,326,509 | - | - | - | - |
| 14 | **Total ASF** | | | | | **125,420,287** |

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## LIQ2: Net Stable Funding Ratio (NSFR)

**For the Quarter Ended June 30, 2022**

| | | | | | | RSF Items |
|---|---|---|---|---|---|---|
| 15 | Total NSFR high-quality liquid assets (HQLA) | | | | | 1,287,955 |
| 16 | Deposits held at other financial institutions for operational purpose | 633,979 | - | - | - | 316,989 |
| 17 | Performing loans and securities: | - | 25,542,574 | 16,283,130 | 95,213,266 | 101,775,879 |
| 18 | Performing loans to financial institutions secured by Level 1 HQLA | - | 194,998 | - | - | 29,250 |
| 19 | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions | - | - | - | 1,184,886 | 1,007,153 |
| 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: | - | 25,347,576.00 | 16,283,130 | 94,028,379 | 100,739,475.55 |
| 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 | - | - | - | - | - |
| 25 | Assets with matching interdependent liabilities | - | - | - | - | - |
| 26 | Other assets: | - | - | - | - | - |
| 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 | 4,222,680 | 2,533,934 | - | 3,244,046 | 10,113,674.61 |
| 32 | Off-balance sheet items | | | | 46,950,558 | 25,614 |
| 33 | **Total RSF** | | | | | **113,520,111** |
| 34 | **Net Stable Funding Ratio (%)** | | | | | **110.48%** |

## CR1: Credit quality of assets

**As of June 30, 2022**

**SAR '000**

| | | a | b | c | d |
|---|---|---|---|---|---|
| | | Gross carrying values of | | Allowances/ impairments | Net values (a+b-c) |
| | | Defaulted exposures | Non-defaulted exposures | | |
| 1 | Loans and other investments | 2,793,923 | 132,259,091 | 3,860,333 | 131,192,681 |
| 2 | Debt Securities | - | 34,445,263 | 10,036 | 34,435,227 |
| 3 | Off-balance sheet exposures | - | 10,727,733 | 483,158 | 10,244,575 |
| 4 | **Total** | **2,793,923** | **177,432,088** | **4,353,527** | **175,872,483** |

-

**Default exposure comprises of non performing financing exposures and past due more than 90 day, but not yet impaired.**

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

**As of June 30, 2022**

**SAR '000**

| | | a |
|---|---|---|
| 1 | **Defaulted loans and debt securities at end of the previous reporting period** | 2,454,901 |
| 2 | Loans and debt securities that have defaulted since the last reporting period | 895,871 |
| 3 | Returned to non-defaulted status | - |
| 4 | Amounts written off | (556,849) |
| 5 | Other changes | - |
| 6 | **Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)** | **2,793,923** |

**Defaulted Loans to total portfolio has increased due to addition of new non-performing customers and growing portfolio.**

## CR3: Credit risk mitigation techniques – Overview

**As of June 30, 2022**

SAR '000

| | | a | b | c | d | e | f | g |
|---|---|---|---|---|---|---|---|---|
| | | 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 and other investments | 84,132,614 | 50,920,400 | 54,902,605 | - | - | - | - |
| 2 | Debt securities | 34,445,263 | - | - | - | - | - | - |
| **3** | **Total** | **118,577,877** | **50,920,400** | **54,902,605** | - | - | - | - |
| **4** | **Of which defaulted** | **745,521** | **2,048,402** | **1,871,170** | - | - | - | - |

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## CR4: Standardised approach – credit risk exposure and Credit Risk Mitigation (CRM) effects

**As of June 30, 2022**

**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 | 34,572,194 | - | 34,572,194 | - | - | 0% |
| 2 | Non-central government public sector entities | - | - | - | - | - | 0% |
| 3 | Multilateral development banks | - | - | - | - | - | 0% |
| 4 | Banks | 828,977 | 3,616,495 | 828,977 | 1,299,950 | 1,465,745.33 | 69% |
| 5 | Securities firms | - | - | - | - | - | 0% |
| 6 | Corporates | 99,840,931 | 15,338,903 | 99,840,931 | 9,427,784 | 106,210,506 | 97% |
| 7 | Regulatory retail portfolios | 16,362,159 | - | 16,362,159 | - | 12,779,749 | 78% |
| 8 | Secured by residential property | 16,277,294 | - | 16,277,294 | - | 8,138,647 | 50% |
| 9 | Secured by commercial real estate | - | - | - | - | - | 0% |
| 10 | Equity | 671,418 | - | 671,418 | - | 2,014,253 | 300% |
| 11 | Past-due loans | 2,570,214 | - | 1,067,169 | - | 788,273 | 74% |
| 12 | Higher-risk categories | 10,781,034 | - | 10,781,034 | - | 7,132,343 | 66% |
| 13 | Other assets | 6,453,243 | 7,839 | 6,453,243 | 7,839 | 3,910,603 | 61% |
| 14 | ***Total*** | **188,357,464** | **18,963,237** | **186,854,419** | **10,735,572** | **142,440,119** | **72%** |

## CR5: Standardised approach – exposures by asset classes and risk weights

**As of June 30, 2022**

SAR '000

| | Asset classes/ Risk weight* | a | b | c | d | e | f | g | h | i | j |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 0% | 10% | 20% | 35% | 50% | 75% | 100% | 150% | Others | Total credit exposures amount (post CCF and post-CRM) |
| 1 | Sovereigns and their central banks | 34,572,194 | - | - | - | - | - | - | - | - | 34,572,194 |
| 2 | Non-central government public sector entities (PSEs) | - | - | - | - | - | - | - | - | - | - |
| 3 | Multilateral development banks (MDBs) | - | - | - | - | - | - | - | - | - | - |
| 4 | Banks | - | - | 828,977 | - | 3,561,744 | - | 1,482,155 | - | - | 5,872,876 |
| 5 | Securities firms | - | - | | - | | - | - | - | - | - |
| 6 | Corporates | - | - | 547,939 | - | 5,805,913 | - | 101,967,798 | 188,000 | 4,123,699 | 112,633,349 |
| 7 | Regulatory retail portfolios | - | - | - | - | | 14,329,639 | 2,032,520 | - | - | 16,362,159 |
| 8 | Secured by residential property | - | - | - | - | 16,277,294 | - | - | - | - | 16,277,294 |
| 9 | Secured by commercial real estate | - | - | - | - | - | - | - | - | - | - |
| 10 | Equity | - | - | - | - | - | - | - | - | 701,081 | 701,081 |
| 11 | Past-due loans | - | - | 233,062 | - | 184,892 | - | 649,215 | - | - | 1,067,169 |
| 12 | Higher-risk categories | - | - | - | - | - | - | - | - | 3,650,626 | 3,650,626 |
| 13 | Other assets | 2,550,479 | - | - | - | - | - | 3,902,764 | - | - | 6,453,243 |
| **14** | **Total** | **37,122,673** | **-** | **1,609,978** | **-** | **25,829,843** | **14,329,639** | **110,034,452** | **188,000** | **8,475,406** | **197,589,991** |

## MR1: Market risk under Standardised Approach

**As of June 30, 2022**

SAR '000

| | | a<br>RWA |
|---|---|---|
| | Outright products | 783,609 |
| 1 | Interest rate risk (general and specific) | 15,066 |
| 2 | Equity risk (general and specific) | 261,338 |
| 3 | Foreign exchange risk | 507,204 |
| 4 | Commodity risk | - |
| | Options | - |
| 5 | Simplified approach | - |
| 6 | Delta-plus method | - |
| 7 | Scenario approach | - |
| 8 | Securitisation | - |
| **9** | **Total** | **783,609** |

**The decrease in RWA during the period is decrease in carrying amounts of instruments under the trading book.**