



Basel III Pillar III

Qualitative & Quantitative Disclosures

September 30, 2023

Template KM1: Key metrics (at consolidated group level)

SR 000's

		September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
		T	T-1	T-2	T-3	T-4
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	14,079,627	14,235,876	14,324,100	14,104,772	13,823,348
1a	Fully loaded ECL accounting model	13,805,442	13,961,691	14,049,915	13,556,401	13,274,977
2	Tier 1	16,794,628	16,950,876	17,039,101	17,319,772	17,038,348
2a	Fully loaded ECL accounting model Tier 1	16,520,442	16,676,691	16,764,915	16,771,401	16,489,977
3	Total capital	17,384,703	17,520,375	17,638,167	17,894,732	17,631,863
3a	Fully loaded ECL accounting model total capital	17,110,517	17,246,190	17,363,981	17,346,361	17,083,492
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	90,272,386	87,156,878	85,073,184	98,210,907	91,577,276
4a	Total risk-weighted assets (pre-floor)	90,272,386	87,156,878	85,073,184	98,210,907	91,577,276
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	15.60%	16.33%	16.84%	14.36%	15.09%
5a	Fully loaded ECL accounting model CET1 (%)	15.29%	16.02%	16.52%	13.80%	14.50%
5b	CET1 ratio (%) (pre-floor ratio)	15.29%	16.02%	16.52%	13.80%	14.50%
6	Tier 1 ratio (%)	18.60%	19.45%	20.03%	17.64%	18.61%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	18.30%	19.13%	19.71%	17.08%	18.01%
6b	Tier 1 ratio (%) (pre-floor ratio)	18.30%	19.13%	19.71%	17.08%	18.01%
7	Total capital ratio (%)	19.26%	20.10%	20.73%	18.22%	19.25%
7a	Fully loaded ECL accounting model total capital ratio (%)	18.95%	19.79%	20.41%	17.66%	18.65%
7b	Total capital ratio (%) (pre-floor ratio)	18.95%	19.79%	20.41%	17.66%	18.65%
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 (%)	0.00%	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 (%)	13.10%	13.83%	14.34%	11.86%	12.59%
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	146,400,338	138,930,032	136,556,485	122,881,394	118,588,903
14	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	11.47%	12.20%	12.48%	14.09%	14.83%
14a	Fully loaded ECL accounting model Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) (%)	11.28%	12.00%	12.28%	13.65%	14.37%
14b	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	11.47%	12.20%	12.48%	14.09%	14.83%
14c	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	11.47%	12.20%	12.48%	14.09%	14.83%
14d	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	11.47%	12.20%	12.48%	14.09%	14.83%
Liquidity Coverage Ratio (LCR)						
15	Total high-quality liquid assets (HQLA)	15,637,599	16,797,238	16,649,498	16,957,712	16,654,694
16	Total net cash outflow	7,758,209	8,202,760	8,750,267	7,712,893	8,052,517
17	LCR ratio (%)	201.56%	204.78%	190.27%	219.86%	206.83%
Net Stable Funding Ratio (NSFR)						
18	Total available stable funding	80,673,528	76,281,734	76,166,277	69,739,893	69,706,851
19	Total required stable funding	72,627,697	68,819,025	64,554,785	60,829,440	59,659,860
20	NSFR ratio	111.08%	110.84%	117.99%	114.65%	116.84%

Template OV1: Overview of RWA

		SR 000's			Drivers behind significant differences in T and T-1
		a	b	c	
		RWA		Minimum capital requirements	
		T	T-1	T	
1	Credit risk (excluding counterparty credit risk)	80,654,376	75,404,722	6,452,350	
2	Of which: standardised approach (SA)	80,654,376	75,404,722	6,452,350	0
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)	523,596	405,365	41,888	
7	Of which: standardised approach for counterparty credit risk	523,596	405,365	41,888	
8	Of which: IMM				
9	Of which: other CCR				
10	Credit valuation adjustment (CVA)	505,615	405,365	40,449	
11	Equity positions under the simple risk weight approach and the internal model method during the five-year linear phase-in period	-	-	-	
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 banking book	-	-	-	
17	Of which: securitisation IRB approach (SEC-IRBA)	-	-	-	
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	-	-	-	
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-	
20	Market risk	4,588,441	6,941,069	367,075	
21	Of which: standardised approach (SA)	4,588,441	6,941,069	367,075	
22	Of which: internal model approach (IMA)				
23	Capital charge for switch between trading book and banking book	-	-	-	
24	Operational risk	4,000,357	4,000,357	320,029	
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-	
26	Output floor applied				
27	Floor adjustment (before application of transitional cap)				
28	Floor adjustment (after application of transitional cap)				
29	Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25 + 28)	90,272,386	87,156,878	7,221,791	

Template CVA4: RWA flow statements of CVA risk exposures under SA-CVA

		SR 000's
		a
1	Total RWA for CVA at previous quarter-end	405,365
2	Total RWA for CVA at end of reporting period	505,615

** The Bank follows Alternative Approach to assign capital under CVA.*

Template LR1- Summary comparison of accounting assets vs leverage ratio exposure measure

		SR 000's
		a
1	Total consolidated assets as per published financial statements	129,826,434
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	0
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	0
4	Adjustments for temporary exemption of central bank reserves (if applicable)	0
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	0
7	Adjustments for eligible cash pooling transactions	0
8	Adjustments for derivative financial instruments	1,713,639
9	Adjustment for securities financing transactions (ie repurchase agreements and similar secured lending)	0
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of offbalance sheet exposures)	14,878,560
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	0
12	Other adjustments	(18,295)
13	Leverage ratio exposure measure	146,400,338

Template LR2- Leverage ratio common disclosure template

		SR 000's	
		a	b
		September 30, 2023	June 30, 2023
On Balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	131,890,429	125,518,039
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	0	0
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	0	0
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	0	0
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Basel III Tier 1 capital)	(2,063,995)	(1,923,507)
6	(Asset amounts deducted in determining Basel III Tier 1 capital and regulatory adjustments)	(18,295)	(18,295)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	129,808,139	123,576,237
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	1,394,671	1,070,216
9	Add-on amounts for potential future exposure associated with all derivatives transactions	318,968	307,064
10	(Exempted central counterparty (CCP) leg of client-cleared trade exposures)	0	0
11	Adjusted effective notional amount of written credit derivatives	0	0
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0	0
13	Total derivative exposures (sum of rows 8 to 12)	1,713,639	1,377,280
Securities financing transaction exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	0	0
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0	0
16	Counterparty credit risk exposure for SFT assets	0	0
17	Agent transaction exposures	0	0
18	Total securities financing transaction exposures (sum of rows 14 to 17)	0	0
Other off balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	16,811,077	15,993,507
20	(Adjustments for conversion to credit equivalent amounts)	(1,712,360)	(1,746,620)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	(220,157)	(270,370)
22	Off-balance sheet items (sum of rows 19 to 21)	14,878,560	13,976,516
Capital and total exposures			
23	Tier 1 capital	16,794,628	16,950,876
24	Total exposures (sum of rows 7, 13, 18 and 22)	146,400,338	138,930,033
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	11.47%	12.20%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	11.28%	12.00%
26	National minimum leverage ratio requirement	3.00%	3.00%
27	Applicable leverage buffers	N/A	N/A
Disclosure of mean values			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	0	0
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	0	0
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	0	0
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	0	0
31	Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	0	0
31a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	0	0

LIQ1 – Liquidity Coverage Ratio (LCR)

Introduction

The Liquidity Coverage Ratio (LCR) is a minimum standard set by Basel III, to promote short-term resilience of a bank's liquidity risk profile by ensuring that it has sufficient High Quality Liquid Assets (HQLA) to overcome total expected cash outflows minus total expected cash inflows as per SAMA / Basel specified stress scenarios for the subsequent 30 calendar days.

The LCR report for SAIB is prepared in accordance with the public/ market disclosure requirements and guidelines with respect to the Liquidity Coverage Ratio Disclosure Standards as published by the Saudi Arabian Monetary Authority (SAMA) in August 2014. The purpose of this document is to disclose both qualitative and quantitative information regarding The Saudi Investment Bank's (SAIB or the Bank) liquidity position, LCR results and internal liquidity risk measurement and management processes.

Governance Framework and Liquidity Management

The Bank's Board of Directors has the overall responsibility for liquidity risk management by ensuring that the Bank's risk exposures are maintained at or above the minimum levels. To this end, it has established an appropriate liquidity risk management framework for the management of the Bank's funding and liquidity management requirements. Further, the Bank maintains a Contingency Funding Plan (CFP) which identifies a diversified set of readily available and deployable potential Contingency Funding (CF) resources under crisis situations.

Senior Management monitors the information on the Bank's liquidity needs and market developments on a daily basis, and the Asset Liability Committee ALCO reviews the results on a monthly basis. The management of the Bank's liquidity management is further delegated to the Treasury group to ensure the Bank's liquidity positions are maintained according to the policy and laid down limits. The Bank seeks to hold sufficient unencumbered high quality liquid assets to ensure compliance with the minimum LCR requirements and has set internal triggers to provide timely escalation to ensure mitigating actions are taken.

Qualitative Disclosures for LCR as of September 30, 2023

The 90 days' average LCR (as provided on the next page) has decreased from 204.78 % as of June 30, 2023 to 201.56 % as of September 30, 2023.

The total net cash outflows decreased from SAR 8.20 billion to SAR 7.76 billion from previous quarter, and the net inflows increased from SAR 7.52 billion to SAR 7.84 billion. While the HQLAs decreased, from SAR 16.79 billion to SAR 15.64 billion which led to a net decrease in LCR by 3.21 bps still the final LCR was maintained well above regulatory minimum requirement of 100%.

Template LIQ1: Liquidity Coverage Ratio (LCR)

		SR 000's	
		a	b
		Total unweighted value (average)	Total weighted value (average)
High quality liquid assets			
1	Total HQLA		15,637,599
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	20,668,317	1,818,090
3	Stable deposits	20,668,317	1,818,090
4	Less stable deposits	0	0
5	Unsecured wholesale funding, of which:	31,065,424	11,460,614
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	0	0
7	Non-operational deposits (all counterparties)	26,427,958	11,115,343
8	Unsecured debt	4,637,465	345,270
9	Secured wholesale funding	3,486,667	1,052,060
10	Additional requirements, of which:	12,639,778	1,263,978
11	Outflows related to derivative exposures and other collateral requirements	0	0
12	Outflows related to loss of funding on debt products	0	0
13	Credit and liquidity facilities	12,639,778	1,263,978
14	Other contractual funding obligations	0	0
15	Other contingent funding obligation	0	0
16	TOTAL CASH OUTFLOWS		15,594,741
Cash inflows			
17	Secured lending (eg reverse repos)	0	0
18	Inflows from fully performing exposures	8,108,362	6,520,136
19	Other cash inflows	1,316,396	1,316,396
20	TOTAL CASH INFLOWS		7,836,532
			Total adjusted value
21	Total HQLA		15,637,599
22	Total net cash outflows		7,758,209
23	Liquidity Coverage Ratio (%)		201.56%