



Basel III Pillar III

Qualitative & Quantitative Disclosures

March 31, 2024

Template KM1: Key metrics (at consolidated group level)

SR 000's

		March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
		T	T-1	T-2	T-3	T-4
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	14,547,676	14,775,943	14,079,627	14,235,876	14,324,100
1a	Fully loaded ECL accounting model	14,547,676	14,501,758	13,805,442	13,961,691	14,049,915
2	Tier 1	17,262,676	17,490,943	16,794,627	16,950,876	17,039,101
2a	Fully loaded ECL accounting model Tier 1	17,262,676	17,216,758	16,520,442	16,676,691	16,764,915
3	Total capital	17,814,815	18,096,510	17,384,703	17,520,375	17,638,167
3a	Fully loaded ECL accounting model total capital	17,814,815	17,822,325	17,110,517	17,246,190	17,363,981
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	92,876,165	90,212,222	90,272,386	87,156,878	85,073,184
4a	Total risk-weighted assets (pre-floor)	92,876,165	90,212,222	90,272,386	87,156,878	85,073,184
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	15.66%	16.38%	15.60%	16.33%	16.84%
5a	Fully loaded ECL accounting model CET1 (%)	15.66%	16.08%	15.29%	16.02%	16.52%
5b	CET1 ratio (%) (pre-floor ratio)	15.66%	16.08%	15.29%	16.02%	16.52%
6	Tier 1 ratio (%)	18.59%	19.39%	18.60%	19.45%	20.03%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	18.59%	19.08%	18.30%	19.13%	19.71%
6b	Tier 1 ratio (%) (pre-floor ratio)	18.59%	19.08%	18.30%	19.13%	19.71%
7	Total capital ratio (%)	19.18%	20.06%	19.26%	20.10%	20.73%
7a	Fully loaded ECL accounting model total capital ratio (%)	19.18%	19.76%	18.95%	19.79%	20.41%
7b	Total capital ratio (%) (pre-floor ratio)	19.18%	19.76%	18.95%	19.79%	20.41%
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 (%)	13.16%	13.88%	13.10%	13.83%	14.34%
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	154,589,407	146,917,960	146,400,338	138,930,032	136,556,485
14	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	11.17%	11.91%	11.47%	12.20%	12.48%
14a	Fully loaded ECL accounting model Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) (%)	11.17%	11.72%	11.28%	12.00%	12.28%
14b	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	11.17%	11.91%	11.47%	12.20%	12.48%
14c	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	11.17%	11.91%	11.47%	12.20%	12.48%
14d	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	11.17%	11.91%	11.47%	12.20%	12.48%
Liquidity Coverage Ratio (LCR)						
15	Total high-quality liquid assets (HQLA)	15,148,623	15,476,058	15,637,599	16,797,238	16,649,498
16	Total net cash outflow	8,419,057	7,902,202	7,758,209	8,202,760	8,750,267
17	LCR ratio (%)	179.93%	195.84%	201.56%	204.78%	190.27%
Net Stable Funding Ratio (NSFR)						
18	Total available stable funding	84,072,530	81,561,812	80,673,528	76,281,734	76,166,277
19	Total required stable funding	75,471,214	72,146,162	72,627,697	68,819,025	64,554,785
20	NSFR ratio	111.40%	113.05%	111.08%	110.84%	117.99%

Template OV1: Overview of RWA

		SR 000's			
		a	b	c	Drivers behind significant differences in T and T-1
		RWA		Minimum capital requirements	
		T	T-1	T	
1	Credit risk (excluding counterparty credit risk)	85,900,367	78,848,277	6,872,029	
2	Of which: standardised approach (SA)	85,900,367	78,848,277	6,872,029	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)	525,475	595,470	42,038	
7	Of which: standardised approach for counterparty credit risk	525,475	595,470	42,038	
8	Of which: IMM				
9	Of which: other CCR				
10	Credit valuation adjustment (CVA)	513,407	584,746	41,073	
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	1,522,837	6,183,372	121,827	
21	Of which: standardised approach (SA)	1,522,837	6,183,372	121,827	
22	Of which: internal model approach (IMA)				
23	Capital charge for switch between trading book and banking book	-	-	-	
24	Operational risk	4,414,078	4,000,357	353,126	
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)	92,876,165	90,212,222	7,430,093	

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	584,746
2	Total RWA for CVA at end of reporting period	513,407

* 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	136,405,285
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	1,344,555
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)	16,427,401
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	0
12	Other adjustments	412,167
13	Leverage ratio exposure measure	154,589,407

Template LR2- Leverage ratio common disclosure template

		SR 000's	
		a	b
		March 31, 2024	December 31, 2023
On Balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	136,835,747	131,916,220
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)	0	(1,931,930)
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)	136,817,452	129,965,995
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	1,096,690	1,061,477
9	Add-on amounts for potential future exposure associated with all derivatives transactions	247,865	348,711
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)	1,344,555	1,410,188
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	18,777,602	17,732,778
20	(Adjustments for conversion to credit equivalent amounts)	(2,100,183)	(1,953,058)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	(250,019)	(237,943)
22	Off-balance sheet items (sum of rows 19 to 21)	16,427,401	15,541,777
Capital and total exposures			
23	Tier 1 capital	17,262,677	17,490,943
24	Total exposures (sum of rows 7, 13, 18 and 22)	154,589,407	146,917,960
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	11.17%	11.91%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	11.17%	11.28%
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 March 31, 2024

The 90 days' average LCR (as provided on the next page) has decreased from 195.84 % as of December 31, 2023 to 179.93 % as of March 31, 2024.

The total net cash outflows increased from SAR 7.90 billion to SAR 8.4 billion from previous quarter, and the net inflows increased from SAR 7.52 billion to SAR 9.3 billion. While the HQLAs decreased, from SAR 15.48 billion to SAR 15.14 billion which led to a net decrease in LCR by 15.91% 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		15,148,623
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	19,696,604	1,734,084
3	Stable deposits	19,696,604	1,734,084
4	Less stable deposits	0	0
5	Unsecured wholesale funding, of which:	37,416,959	13,686,851
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	0	0
7	Non-operational deposits (all counterparties)	30,904,088	13,222,167
8	Unsecured debt	6,512,871	464,684
9	Secured wholesale funding	3,712,560	905,500
10	Additional requirements, of which:	14,074,515	1,407,452
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	14,074,515	1,407,452
14	Other contractual funding obligations	0	0
15	Other contingent funding obligation	0	0
16	TOTAL CASH OUTFLOWS	-	17,733,887
Cash inflows			
17	Secured lending (eg reverse repos)	0	0
18	Inflows from fully performing exposures	12,615,295	8,322,269
19	Other cash inflows	992,562	992,562
20	TOTAL CASH INFLOWS		9,314,831
			Total adjusted value
21	Total HQLA		15,148,623
22	Total net cash outflows		8,419,057
23	Liquidity Coverage Ratio (%)		179.93%