



Basel III Pillar III

Qualitative & Quantitative Disclosures

September 30, 2024

Template KM1: Key metrics (at consolidated group level)

SR 000's

		September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
		T	T-1	T-2	T-3	T-4
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	15,317,126	14,982,297	14,547,676	14,775,943	14,079,627
1a	Fully loaded ECL accounting model	15,317,126	14,982,297	14,547,676	14,501,758	13,805,442
2	Tier 1	17,817,126	17,482,297	17,262,676	17,490,943	16,794,627
2a	Fully loaded ECL accounting model Tier 1	17,817,126	17,482,297	17,262,676	17,216,758	16,520,442
3	Total capital	18,415,869	18,040,069	17,814,815	18,096,510	17,384,703
3a	Fully loaded ECL accounting model total capital	18,415,869	18,040,069	17,814,815	17,822,325	17,110,517
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	102,312,677	95,865,460	92,876,165	90,212,222	90,272,386
4a	Total risk-weighted assets (pre-floor)	102,312,677	95,865,460	92,876,165	90,212,222	90,272,386
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	14.97%	15.63%	15.66%	16.38%	15.60%
5a	Fully loaded ECL accounting model CET1 (%)	14.97%	15.63%	15.66%	16.08%	15.29%
5b	CET1 ratio (%) (pre-floor ratio)	14.97%	15.63%	15.66%	16.08%	15.29%
6	Tier 1 ratio (%)	17.41%	18.24%	18.59%	19.39%	18.60%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	17.41%	18.24%	18.59%	19.08%	18.30%
6b	Tier 1 ratio (%) (pre-floor ratio)	17.41%	18.24%	18.59%	19.08%	18.30%
7	Total capital ratio (%)	18.00%	18.82%	19.18%	20.06%	19.26%
7a	Fully loaded ECL accounting model total capital ratio (%)	18.00%	18.82%	19.18%	19.76%	18.95%
7b	Total capital ratio (%) (pre-floor ratio)	18.00%	18.82%	19.18%	19.76%	18.95%
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 (%)	12.47%	13.13%	13.16%	13.88%	13.10%
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	173,115,587	160,505,312	154,589,407	146,917,960	146,400,338
14	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	10.29%	10.89%	11.17%	11.91%	11.47%
14a	Fully loaded ECL accounting model Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) (%)	10.29%	10.89%	11.17%	11.72%	11.28%
14b	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	10.29%	10.89%	11.17%	11.91%	11.47%
14c	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	10.29%	10.89%	11.17%	11.91%	11.47%
14d	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	10.29%	10.89%	11.17%	11.91%	11.47%
Liquidity Coverage Ratio (LCR)						
15	Total high-quality liquid assets (HQLA)	16,473,078	17,099,323	15,148,623	15,476,058	15,637,599
16	Total net cash outflow	9,802,566	9,791,899	8,419,057	7,902,202	7,758,209
17	LCR ratio (%)	168.05%	174.63%	179.93%	195.84%	201.56%
Net Stable Funding Ratio (NSFR)						
18	Total available stable funding	92,036,034	87,234,913	84,072,530	81,561,812	80,673,528
19	Total required stable funding	83,320,138	77,307,700	75,471,214	72,146,162	72,627,697
20	NSFR ratio	110.46%	112.84%	111.40%	113.05%	111.08%

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)	94,648,045	88,551,193	7,571,844	
2	Of which: standardised approach (SA)	94,648,045	88,551,193	7,571,844	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)	986,114	759,061	78,889	
7	Of which: standardised approach for counterparty credit risk	986,114	759,061	78,889	
8	Of which: IMM				
9	Of which: other CCR				
10	Credit valuation adjustment (CVA)	983,220	744,241	78,658	
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	1,281,221	1,396,888	102,498	
21	Of which: standardised approach (SA)	1,281,221	1,396,888	102,498	
22	Of which: internal model approach (IMA)				
23	Capital charge for switch between trading book and banking book	-	-	-	
24	Operational risk	4,414,078	4,414,078	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)	102,312,677	95,865,460	8,185,014	

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	744,241
2	Total RWA for CVA at end of reporting period	983,220

** 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	151,249,954
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	1,320,074
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)	20,089,820
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	0
12	Other adjustments	455,739
13	Leverage ratio exposure measure	173,115,587

Template LR2- Leverage ratio common disclosure template

		SR 000's	
		a	b
		September 30, 2024	June 30, 2024
On Balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	153,374,517	145,416,451
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)	(1,650,529)	(1,627,898)
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)	151,705,693	143,770,259
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	957,651	1,145,102
9	Add-on amounts for potential future exposure associated with all derivatives transactions	362,424	498,035
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)	1,320,074	1,643,137
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	54,575,169	19,059,349
20	(Adjustments for conversion to credit equivalent amounts)	(34,225,482)	(3,712,169)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	(259,867)	(255,263)
22	Off-balance sheet items (sum of rows 19 to 21)	20,089,820	15,091,917
Capital and total exposures			
23	Tier 1 capital	17,817,127	17,482,297
24	Total exposures (sum of rows 7, 13, 18 and 22)	173,115,587	160,505,312
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	10.29%	10.89%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	10.29%	10.89%
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, 2024

The 90 days' average LCR (as provided on the next page) has decreased from 174.634 % as of June 30, 2024 to 168.05 % as of September 30, 2024.

The total net cash outflows increased from SAR 9.79 billion to SAR 9.80 billion from previous quarter, and the net inflows increased from SAR 9.04 billion to SAR 9.97 billion. While the HQLAs decreased, from SAR 17.09 billion to SAR 16.47 billion which led to a net decrease in LCR by 6.58% 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		16,473,078
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	20,661,704	1,771,688
3	Stable deposits	20,661,704	1,771,688
4	Less stable deposits	0	0
5	Unsecured wholesale funding, of which:	42,481,655	15,545,392
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	0	0
7	Non-operational deposits (all counterparties)	34,194,936	15,034,363
8	Unsecured debt	8,286,719	511,030
9	Secured wholesale funding	3,677,934	861,151
10	Additional requirements, of which:	15,975,182	1,597,518
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	15,975,182	1,597,518
14	Other contractual funding obligations	0	0
15	Other contingent funding obligation	0	0
16	TOTAL CASH OUTFLOWS	-	19,775,749
Cash inflows			
17	Secured lending (eg reverse repos)	0	0
18	Inflows from fully performing exposures	13,596,766	8,865,545
19	Other cash inflows	1,107,639	1,107,639
20	TOTAL CASH INFLOWS		9,973,184
			Total adjusted value
21	Total HQLA		16,473,078
22	Total net cash outflows		9,802,566
23	Liquidity Coverage Ratio (%)		168.05%